

# Sole Proprietorship Returns, 1997

by *Therese Cruciano and Michael Parisi*

**N**onfarm sole proprietorship profits increased 5.6 percent for 1997 to \$186.6 billion, with all of the principal sole proprietorship industrial divisions reporting increased profits. Tax Year 1997 marked the first time since 1990 that sole proprietorships showed 2 consecutive years of constant dollar growth in profits. Of the industrial divisions that accounted for most of the profits, finance, insurance, and real estate showed the largest increases, 8.6 percent. This division was dominated by the finance and real estate groups, with increases of 17.9 percent each. The next largest growth in profits for a major industrial division was 8.0 percent for the construction division. Sole proprietorships in the services division (the largest industrial division) showed an increase in profits of 3.7 percent, with a 25.7-percent increase in profits for the consulting and management services group.

The 1997 level of sole proprietorship profits coincides with the growth of both receipts and deductions: total business receipts increased 3.2 percent to \$870.4 billion, while total business deductions grew 2.6 percent to \$683.9 billion. The growth rates of both receipts and deductions were lower than their 1996 levels of 4.4 percent. The finance, insurance, and real estate division reported the largest percentage increases in receipts (17.0 percent) and deductions (21.6 percent) for 1997. Within this division, the finance group reported a 55.3-percent increase in receipts and a 60.6-percent increase in deductions. When inflation is taken into account, 1997 total nonfarm sole proprietorship profits increased 3.6 percent, receipts increased 1.3 percent, and deductions increased 0.7 percent.

## Returns and Receipts

The number of individual income tax returns reporting nonfarm sole proprietorship activity for 1997 increased 1.3 percent, from more than 16.9 million for 1996 to almost 17.2 million (Figure A) [1]. Of the two largest industrial divisions, the number of sole proprietorship returns for 1997 increased 2.1 percent for services and declined 0.6 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 3.2 percent, from \$843.2 billion to \$870.4 billion [2]. All of the sole proprietorship industrial divisions reported growth in business receipts for 1997, except wholesale and retail trade, which decreased 2.5 percent. The finance, insurance, and real estate division showed the largest percentage growth in receipts, an increase of 17.0 percent. Sole proprietorships in the services division showed the greatest dollar increase in receipts with an \$11.5-billion increase. The transportation and public utilities division receipts increased 8.5 percent, the second largest percentage increase in receipts for 1997.

As shown in Figure B, sole proprietorship receipts (in constant dollars) increased annually from 1984 through 1988 [3]. Between 1988 and 1991, the growth in receipts stopped, resulting in year-to-year fluctuations between gains and losses. Since 1991, total business receipts increased every year except 1995, when receipts declined 0.2 percent. For 1997, total receipts increased 1.3 percent (in constant dollars).

## Deductions

Total business deductions (cost of sales and operations, plus business expenses, including expenses for a home office) increased 2.6 percent from \$666.5 billion for 1996 to \$683.9 billion for 1997 (Figure A)[4,5]. As with total business receipts, all of the sole proprietorship principal divisions except wholesale and retail trade, reported increased business deductions for 1997. Sole proprietorships in the finance, insurance, and real estate division showed the largest percentage growth in deductions (21.6 percent), as well as the largest dollar increase in deductions (\$9.1 billion). The transportation and public utilities division produced the second largest percentage increase of 6.3 percent, while the services division produced the second largest dollar increase of \$7.8 billion. When allowing for inflation, business deductions increased 0.7 percent for 1997 (Figure B).

Representing 46.7 percent of total 1997 business deductions, the cost of sales and operations was \$319.6 billion (Figure C), a 1.0-percent increase from the 1996 level. Total business "expenses" (total business deductions minus the cost of sales and operations) were \$364.3 billion for 1997, a 4.1-

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# Sole Proprietorship Returns, 1997

Figure A

## Nonfarm Sole Proprietorship Returns, Receipts, and Deductions, by Selected Industrial Groups, Tax Years 1996 and 1997

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

| Industrial group                             | Number of returns |                 |                     | Total business receipts |              |                     | Total business deductions |              |                     |
|--|-------------------|-----------------|---------------------|-------------------------|--------------|---------------------|---------------------------|--------------|---------------------|
|  | 1996              | 1997            | Percentage increase | 1996                    | 1997         | Percentage increase | 1996                      | 1997         | Percentage increase |
|  | (1)               | (2)             | (3)                 | (4)                     | (5)          | (6)                 | (7)                       | (8)          | (9)                 |
| <b>All nonfarm industries.....</b>           | <b>16,955.0</b>   | <b>17,176.5</b> | <b>1.3</b>          | <b>843.2</b>            | <b>870.4</b> | <b>3.2</b>          | <b>666.5</b>              | <b>683.9</b> | <b>2.6</b>          |
| Construction.....                            | 2,096.8           | 2,196.8         | 4.8                 | 127.4                   | 130.8        | 2.7                 | 105.6                     | 107.3        | 1.6                 |
| Special trade contractors.....               | 1,798.5           | 1,908.8         | 6.1                 | 92.1                    | 96.6         | 4.9                 | 73.8                      | 76.7         | 4.0                 |
| Transportation and public utilities.....     | 824.7             | 781.0           | -5.3                | 42.1                    | 45.7         | 8.5                 | 36.4                      | 38.7         | 6.3                 |
| Wholesale and retail trade.....              | 3,151.3           | 3,132.6         | -0.6                | 261.1                   | 254.6        | -2.5                | 244.4                     | 237.4        | -2.9                |
| Wholesale trade.....                         | 351.0             | 348.2           | -0.8                | 41.0                    | 39.4         | -4.0                | 35.7                      | 34.4         | -3.6                |
| Retail trade.....                            | 2,800.3           | 2,784.4         | -0.6                | 220.1                   | 215.3        | -2.2                | 208.7                     | 203.0        | -2.7                |
| Food stores.....                             | 138.8             | 131.6           | -5.2                | 38.1                    | 34.6         | -9.2                | 36.8                      | 33.3         | -9.6                |
| Automotive dealers and service stations..... | 175.5             | 168.5           | -4.0                | 53.3                    | 49.7         | -6.6                | 51.4                      | 48.1         | -6.4                |
| Eating and drinking places.....              | 243.8             | 252.8           | 3.7                 | 26.6                    | 28.8         | 7.9                 | 25.6                      | 26.0         | 1.4                 |
| Finance, insurance, and real estate.....     | 1,271.4           | 1,314.0         | 3.4                 | 64.6                    | 75.6         | 17.0                | 42.2                      | 51.3         | 21.6                |
| Finance.....                                 | 128.9             | 182.7           | 41.8                | 14.9                    | 23.2         | 55.3                | 13.1                      | 21.0         | 60.6                |
| Insurance.....                               | 399.5             | 373.5           | -6.5                | 20.0                    | 19.8         | -1.3                | 11.0                      | 11.2         | 2.0                 |
| Real estate.....                             | 743.1             | 757.8           | 2.0                 | 29.7                    | 32.7         | 10.1                | 18.2                      | 19.1         | 5.2                 |
| Services.....                                | 8,233.9           | 8,408.0         | 2.1                 | 287.5                   | 299.0        | 4.0                 | 185.5                     | 193.3        | 4.2                 |
| Business and personal services.....          | 3,216.3           | 3,481.7         | 8.3                 | 77.4                    | 84.8         | 9.6                 | 54.3                      | 61.2         | 12.7                |
| Medical and health services.....             | 771.5             | 804.5           | 4.3                 | 74.1                    | 72.7         | -1.9                | 40.4                      | 40.4         | ( <sup>1</sup> )    |
| Legal services.....                          | 291.1             | 294.4           | 1.1                 | 24.5                    | 25.7         | 4.8                 | 13.1                      | 13.6         | 3.7                 |
| Consulting and management services.....      | 832.8             | 898.9           | 7.9                 | 25.8                    | 30.9         | 19.8                | 12.8                      | 14.5         | 13.8                |
| All other industries <sup>2</sup> .....      | 1,377.0           | 1,344.1         | -2.4                | 60.5                    | 64.7         | 6.9                 | 52.2                      | 55.8         | 6.8                 |

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

<sup>2</sup> Includes agricultural services, forestry, and fishing; mining; manufacturing; and nature of business not allocable.

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 1984-1997

[Money amounts are in billions of dollars]

| Tax year  | Total business receipts |                                 |                     | Total business deductions <sup>1</sup> |                                 |                     | Net income less deficit |                                 |                     |
|-----------|-------------------------|---------------------------------|---------------------|--|---------------------------------|---------------------|-------------------------|---------------------------------|---------------------|
|           | Current dollars         | Constant dollars <sup>2,3</sup> |                     | Current dollars                        | Constant dollars <sup>2,3</sup> |                     | Current dollars         | Constant dollars <sup>2,3</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                   | 687.9                           | 1.2                 | 461.3                                  | 587.6                           | 0.2                 | 78.8                    | 100.4                           | 7.6                 |
| 1986..... | 559.4                   | 694.0                           | 0.9                 | 469.0                                  | 581.9                           | -1.0                | 90.4                    | 112.2                           | 11.8                |
| 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                   | 752.3                           | 1.9                 | 623.8                                  | 593.6                           | 1.4                 | 166.8                   | 158.7                           | 4.1                 |
| 1995..... | 807.4                   | 751.0                           | -0.2                | 638.1                                  | 593.6                           | ( <sup>4</sup> )    | 169.3                   | 157.5                           | -0.8                |
| 1996..... | 843.2                   | 770.1                           | 2.5                 | 666.5                                  | 608.6                           | 2.5                 | 176.8                   | 161.4                           | 2.5                 |
| 1997..... | 870.4                   | 779.9                           | 1.3                 | 683.9                                  | 612.8                           | 0.7                 | 186.6                   | 167.2                           | 3.6                 |

<sup>1</sup> Total business deductions are calculated before subtraction of nonallowable "passive" activity losses and any "passive loss" carryover from 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>2</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*, August, 1998. The deflator represents the annual average of current-weighted prices, based on 1992=100.

<sup>3</sup> The overall implicit price deflator for gross domestic product was revised for 1995 and 1996.

<sup>4</sup> Less than 0.05 percent.

NOTE: Percentage increases were calculated after rounding.

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Figure C

## Components of Nonfarm Sole Proprietorship Business Deductions, Tax Years 1996 and 1997

[Money amounts are in millions of dollars]

| Business deductions                              | 1996             | 1997             | Percentage increase |
|--|------------------|------------------|---------------------|
|  | (1)              | (2)              | (3)                 |
| <b>Business deductions, total</b> <sup>1,2</sup> | <b>666,460.9</b> | <b>683,872.4</b> | <b>2.6</b>          |
| <b>Cost of sales and operations</b>              | <b>316,420.9</b> | <b>319,557.4</b> | <b>1.0</b>          |
| Inventory, beginning of year                     | 32,021.1         | 32,058.2         | 0.1                 |
| Cost of labor                                    | 26,001.5         | 24,940.8         | -4.1                |
| Purchases  | 220,028.8        | 224,259.0        | 1.9                 |
| Materials and supplies                           | 40,473.4         | 37,552.1         | -7.2                |
| Other costs                                      | 31,681.2         | 33,970.0         | 7.2                 |
| Inventory, end of year                           | 33,785.2         | 33,222.7         | -1.7                |
| <b>Business expenses, total</b>                  | <b>350,039.9</b> | <b>364,315.0</b> | <b>4.1</b>          |
| Advertising expenses                             | 8,974.9          | 8,977.7          | ( <sup>2</sup> )    |
| Bad debts from sales or services                 | 986.5            | 1,100.7          | 11.6                |
| Car and truck expenses                           | 36,700.3         | 38,727.7         | 5.5                 |
| Commissions                                      | 10,791.7         | 10,985.8         | 1.8                 |
| Depletion  | 566.3            | 565.3            | -0.2                |
| Depreciation                                     | 27,364.6         | 28,625.3         | 4.6                 |
| Employee benefit programs                        | 1,409.7          | 1,417.0          | 0.5                 |
| Insurance  | 13,195.2         | 13,299.5         | 0.8                 |
| Legal and professional services                  | 6,330.3          | 6,551.6          | 3.5                 |
| Meals and entertainment deducted                 | 3,520.0          | 3,570.5          | 1.4                 |
| Mortgage interest                                | 4,475.4          | 4,533.7          | 1.3                 |
| Other interest paid on business indebtedness     | 6,091.2          | 6,350.0          | 4.2                 |
| Office expenses                                  | 8,824.0          | 9,209.7          | 4.4                 |
| Pension and profit-sharing plans                 | 707.0            | 728.3            | 3.0                 |
| Rent on machinery and equipment                  | 6,926.9          | 7,358.2          | 6.2                 |
| Rent on other business property                  | 21,589.4         | 21,967.7         | 1.8                 |
| Repairs  | 10,715.0         | 10,897.4         | 1.7                 |
| Salaries and wages                               | 56,322.1         | 57,746.2         | 2.5                 |
| Supplies   | 18,777.1         | 19,546.5         | 4.1                 |
| Taxes paid                                       | 13,736.1         | 13,774.1         | 0.3                 |
| Travel   | 7,179.0          | 7,452.6          | 3.8                 |
| Utilities  | 18,161.6         | 18,575.1         | 2.3                 |
| Home office business deductions                  | 3,769.0          | 3,817.5          | 1.3                 |
| <b>Other business deductions</b>                 | <b>61,828.6</b>  | <b>67,336.5</b>  | <b>8.9</b>          |

<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> Less than 0.05 percent.

NOTE: Percentage increases were calculated after rounding.

percent increase from the 1996 amount. Figure D graphically presents the main components of total business expenses. The largest component, salaries and wages, accounted for 15.9 percent of the total. For 1997, salaries and wages totaled \$57.7 billion, 2.5 percent more than for 1996 (Figure C). The next largest components were car and truck expenses

(10.6 percent), rent on business property, machinery, and equipment (8.0 percent), and depreciation (7.9 percent). For 1997, these items were \$38.7 billion, \$29.3 billion, and \$28.6 billion, respectively. Car and truck expenses showed a 5.5-percent increase from 1996; rent on business property, machinery, and equipment increased 2.8 percent; and depreciation increased 4.6 percent. Part of the increase in car and truck expenses was likely due to the increase in the standard mileage rate from 31 cents a mile for 1996 to 31.5 cents a mile for 1997.

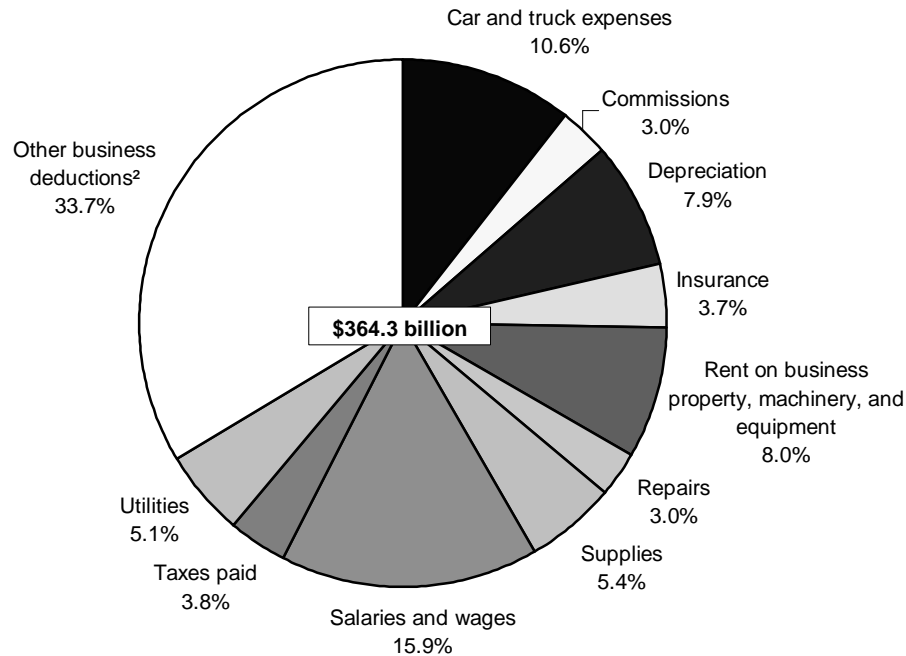
The depreciation deduction first began to decline for 1986, following the enactment of the Tax Reform Act of 1986 (TRA86) (Figure E). TRA86 reduced the allowable depreciation deduction by lengthening the cost recovery periods and changing the depreciation methods for property placed in service after July 31, 1986. In constant dollars, 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 increased, the trend reversed, and depreciation increased until 1995, when it decreased 2.0 percent to \$24.4 billion [6]. The increases for 1996 and 1997 were a return to the upward trend. The constant-dollar depreciation deduction for 1997 was \$25.6 billion. This amount represents a 2.4-percent increase from 1996. This increase is partly due to a change in law, again increasing the limit on expensing certain capital expenditures, from \$17,500 to \$18,000 for Tax Year 1997 [7]. The 1997 depreciation deduction accounted for 4.2 percent of total business deductions. Depreciation deductions as a percentage of total business deductions remained well 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 Schedule C-EZ, *Net Profit From Business*, a simplified version of Schedule C, *Profit or Loss From Business*. (Schedule C and Schedule C-EZ are the source of sole proprietorship statistics.) Taxpayers could use Schedule C-EZ if they: had business expenses of \$2,500 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; were not required to file Form 4562, *Depreciation and Amortization*, for the busi-

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Figure D

## Nonfarm Sole Proprietorship Total Business Expenses, Tax Year 1997 <sup>1</sup>



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

<sup>2</sup> Other business deductions include: advertising expenses; bad debts; depletion; employee benefit programs; interest; legal and professional services; office expenses; pension and profit-sharing plans; travel, meals, and entertainment; and home office deductions. Other business deductions also include all Schedule C-EZ deductions (\$1.2 billion).

NOTE: Detail may not add to 100 percent because of rounding.

Figure E

## Nonfarm Sole Proprietorship Net Income, Deficit, and Depreciation, Tax Years 1984-1997

[Money amounts are in billions of dollars]

| Tax year  | Current dollars |         |                           | Constant dollars <sup>1,2</sup> |         |                           | Percentage increase in constant dollars <sup>1,2</sup> |         |                           |
|-----------|-----------------|---------|---------------------------|---------------------------------|---------|---------------------------|--|---------|---------------------------|
|           | Net income      | Deficit | Depreciation <sup>3</sup> | Net income                      | Deficit | Depreciation <sup>3</sup> | Net income   | Deficit | Depreciation <sup>3</sup> |
|           | (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                      | 125.9                           | 25.5    | 33.5                      | 6.3  | 1.6     | 6.3                       |
| 1986..... | 110.5           | 20.1    | 26.4                      | 137.1                           | 24.9    | 32.8                      | 8.9  | -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                      | 178.7                           | 20.0    | 24.9                      | 3.6  | --      | 2.5                       |
| 1995..... | 191.7           | 22.5    | 26.2                      | 178.4                           | 20.9    | 24.4                      | -0.2   | 4.5     | -2.0                      |
| 1996..... | 200.1           | 23.4    | 27.4                      | 182.8                           | 21.3    | 25.0                      | 2.5  | 1.9     | 2.5                       |
| 1997..... | 210.5           | 23.8    | 28.6                      | 188.6                           | 21.3    | 25.6                      | 3.2  | --      | 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*, August, 1998. The deflator represents the annual average of current-weighted prices, based on 1992=100.

<sup>2</sup> The overall implicit price deflator for gross domestic product was revised for 1995 and 1996.

<sup>3</sup> For 1991-1995, excludes depreciation reported on Form 8829 for home office business.

NOTE: Percentage increases were calculated after rounding.

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Figure F

## Nonfarm Sole Proprietorship Returns with Schedule C-EZ, by Selected Industrial Divisions, Tax Year 1997

[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 nonfarm industries.....</b>       | <b>17,176,487</b> | <b>2,414,035</b>   | <b>14.1</b>         | <b>870,392.3</b>        | <b>11,263.6</b>  | <b>1.3</b>          | <b>683,872.4</b>          | <b>1,212.2</b>   | <b>0.2</b>          |
| Construction.....                        | 2,196,762         | 314,454            | 14.3                | 130,764.7               | 1,842.3          | 1.4                 | 107,314.8                 | 148.1            | 0.1                 |
| Transportation and public utilities..... | 780,994           | 53,255             | 6.8                 | 45,690.0                | 258.4            | 0.6                 | 38,732.2                  | 36.1             | 0.1                 |
| Wholesale and retail trade.....          | 3,132,594         | 223,289            | 7.1                 | 254,642.3               | 929.6            | 0.4                 | 237,439.7                 | 117.5            | ( <sup>1</sup> )    |
| Finance, insurance, and real estate..... | 1,314,029         | 89,548             | 6.8                 | 75,595.1                | 510.7            | 0.7                 | 51,317.9                  | 72.9             | 0.1                 |
| Services.....                            | 8,407,991         | 1,533,374          | 18.2                | 298,983.8               | 6,861.8          | 2.3                 | 193,283.4                 | 775.3            | 0.4                 |
| All other industries.....                | 1,344,116         | 200,114            | 14.9                | 64,716.5                | 860.6            | 1.3                 | 55,784.3                  | 62.4             | 0.1                 |

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

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

ness; claimed no deduction for home business expenses; and had no prior-year disallowed passive activity losses from the business. Since taxpayers using Schedule C-EZ did not itemize business deductions, the detailed deductions in Table 2 are slightly understated and will not add to the totals.

Figure F presents the numbers and percentages of nonfarm sole proprietorship returns filed on Schedule C-EZ by industrial division. More than 2.4 million taxpayers filed Schedule C-EZ for Tax Year 1997, an increase of 12.2 percent from 1996. Of the Schedule C-EZ returns filed for 1997, taxpayers in the services industries filed 1.5 million returns, or 63.5 percent. For 1997, business receipts from Schedule C-EZ filers totaled almost \$11.3 billion, or 1.3 percent of total business receipts reported. However, the business deductions reported on Schedule C-EZ returns accounted for only 0.2 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 0.4 percent of total business deductions.

### Profits and Losses

All of the principal industrial divisions reported increased sole proprietorship profits for 1997. Figure B presents total profits for all industries (in both current and constant dollars), while Figure G presents profits by industrial group [8]. Total profits

Figure G

## Nonfarm Sole Proprietorship Profits, by Selected Industrial Groups, Tax Years 1996 and 1997

[Money amounts are in billions of dollars]

| Industrial group                             | Net income less deficit |              |                     |
|--|-------------------------|--------------|---------------------|
|  | 1996                    | 1997         | Percentage increase |
|  | (1)                     | (2)          | (3)                 |
| <b>All nonfarm industries.....</b>           | <b>176.8</b>            | <b>186.6</b> | <b>5.6</b>          |
| Construction.....                            | 21.7                    | 23.5         | 8.0                 |
| Special trade contractors.....               | 18.3                    | 19.9         | 8.7                 |
| Transportation and public utilities.....     | 5.7                     | 6.9          | 22.2                |
| Wholesale and retail trade.....              | 16.7                    | 17.2         | 3.1                 |
| Wholesale trade.....                         | 5.3                     | 4.9          | -6.4                |
| Retail trade.....                            | 11.4                    | 12.3         | 7.5                 |
| Food stores.....                             | 1.3                     | 1.3          | 0.2                 |
| Automotive dealers and service stations..... | 1.9                     | 1.6          | -13.4               |
| Eating and drinking places.....              | 1.0                     | 1.5          | 46.6                |
| Finance, insurance, and real estate.....     | 22.4                    | 24.3         | 8.6                 |
| Finance.....                                 | 1.8                     | 2.1          | 17.9                |
| Insurance.....                               | 9.0                     | 8.6          | -5.2                |
| Real estate.....                             | 11.5                    | 13.6         | 17.9                |
| Services.....                                | 102.0                   | 105.8        | 3.7                 |
| Business and personal services.....          | 23.1                    | 23.6         | 2.2                 |
| Medical and health services.....             | 33.7                    | 32.3         | -4.1                |
| Legal services.....                          | 11.4                    | 12.1         | 6.0                 |
| Consulting and management services.....      | 13.1                    | 16.4         | 25.7                |
| All other industries <sup>1</sup> .....      | 8.3                     | 9.0          | 7.9                 |

<sup>1</sup> Includes agricultural services, forestry, and fishing; mining; manufacturing; and nature of business not allocable.

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

## Sole Proprietorship Returns, 1997

increased 5.6 percent, from \$176.8 billion for 1996 to \$186.6 billion for 1997. Transportation and public utilities, a relatively small division, reported the largest percentage change in profits for 1997, a 22.2-percent increase. Of the larger divisions, finance, insurance, and real estate reported an 8.6-percent increase in profits. The finance and real estate groups led this division's growth in profits, both showing 17.9-percent increases. The services division, the largest of the industrial divisions, produced a 3.7-percent increase.

TRA86 may have influenced 1996 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" [9]. However, the restrictions had a limited effect on overall sole proprietorship profits, amounting to \$200.0 million in nondeductible losses reported for 1997.

In constant dollars, total profits increased 3.6 percent for 1997 (Figure B), surpassing the 2.5-percent increase from the previous year. For the first time since 1990, sole proprietorships had 2 consecutive years of constant dollar growth in profits. Prior to 1997, profits increased every other year starting with 1990. Figure E presents net income and deficit for sole proprietorships between 1984 and 1997, in current and constant dollars. For 1997, net income (in constant dollars) increased 3.2 percent, and deficits (in constant dollars) remained virtually unchanged.

### Industry Trends

Using receipts as a measure of business size, Figures A and H show that services continued to be the largest sole proprietorship industrial division for 1997 with 34.4 percent of all business receipts. Total receipts for this division, at \$299.0 billion, were 4.0 percent more than the \$287.5 billion reported for 1996. Figures G and I show that services division profits grew 3.7 percent to \$105.8 billion, accounting for 56.7 percent of sole proprietorship profits for 1997. Medical services had the largest profits in the division, reporting almost one third of total services profits. However, small declines in both receipts and deductions for this group led to a 4.1-percent decline in profits for 1997. All of the other major groups showed some growth. The largest increases in

receipts and deductions (19.8 percent and 13.8 percent, respectively) were for the consulting and management services group, producing a 25.7-percent increase in profits. The business and personal services group reported an increase in both receipts and deductions. The net effect of these changes was increased profits (2.2 percent) to a level of \$23.6 billion. Profits from business and personal services sole proprietorships comprised 22.3 percent of total profits for the services division. Sole proprietorships in the legal services group reported increased receipts and deductions, resulting in a 6.0-percent growth in profits.

The second largest sole proprietorship industrial division with 29.3 percent of total receipts was wholesale and retail trade. A 2.5-percent decrease in receipts for this division, accompanied by a slightly larger 2.9-percent decrease in deductions, led to moderate growth in profits (a 3.1-percent increase). Within this division, the wholesale trade group showed a 4.0-percent decrease in receipts and a 3.6-percent decrease in deductions, leading to a 6.4-percent decrease in profits. The other component of this division, the retail trade group, reported declines in both receipts and deductions (2.2 percent and 2.7 percent, respectively), and showed a 7.5-percent increase in profits. Sole proprietorships in the retail trade group accounted for 84.5 percent of the receipts and 71.4 percent of the profits for the division. Within the retail trade group, eating and drinking places reported a 46.6-percent growth in profits. This substantial growth contrasts with the 0.2-percent increase and 13.4-percent decrease in profits shown for food stores and automotive dealers and services stations groups, respectively.

The third largest industrial division was construction, with receipts totaling \$130.8 billion. This amount was 15.0 percent of all sole proprietorship receipts for 1997, representing a 2.7-percent increase from the 1996 amount. Deductions likewise increased by 1.6 percent. Construction profits increased 8.0 percent for 1997, totaling \$23.5 billion. Special trade contractors reported the largest portion (84.7 percent) of these profits. As a group, they showed increases of 4.9 percent for receipts and 8.7 percent for profits.

The fourth largest division was finance, insurance, and real estate, which accounted for 8.7 percent

# Sole Proprietorship Returns, 1997

Figure H

## Nonfarm Sole Proprietorship Total Business Receipts, Tax Year 1997

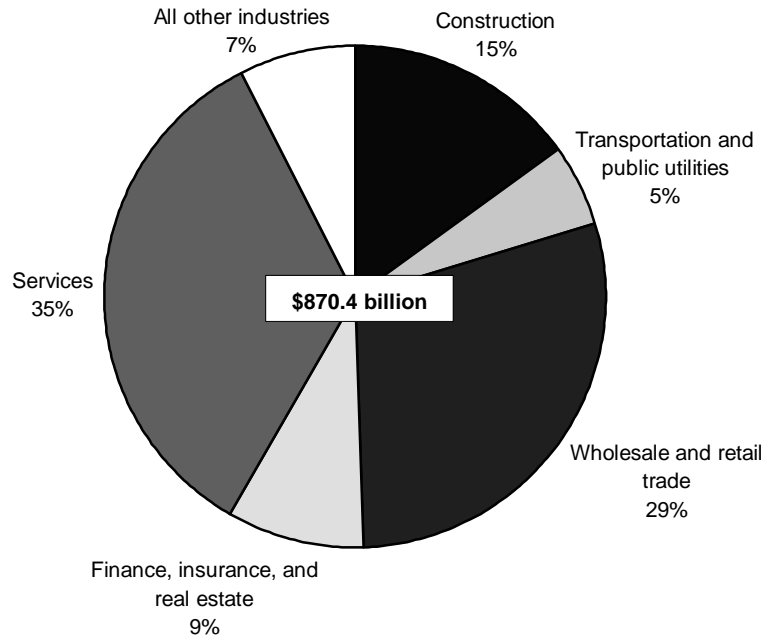
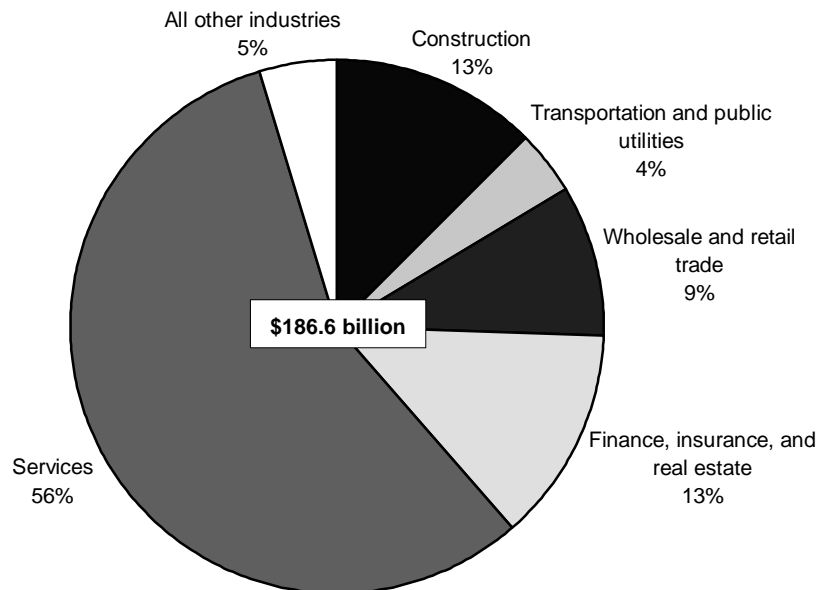


Figure I

## Nonfarm Sole Proprietorship Total Business Profits, Tax Year 1997



## Sole Proprietorship Returns, 1997

of sole proprietorship receipts for 1997. Receipts increased 17.0 percent to \$75.6 billion, and deductions increased 21.6 percent to \$51.3 billion, yielding an 8.6-percent growth in profits. This growth in profits was the second largest percentage gain in profits of all the principal industrial divisions. The finance group showed substantial increases in returns (up 41.8 percent) and both receipts (55.3 percent) and deductions (60.6 percent). These increases were probably due, in part, to the large growth of activity in the stock market for 1997. The large 17.9-percent increases in profits for both the finance and real estate groups more than compensated for the 5.2-percent decline in profits for the insurance group.

### Summary

Profits for nonfarm sole proprietorships for 1997 grew 5.6 percent to \$186.6 billion. Receipts and deductions increased 3.2 percent and 2.6 percent, respectively. All of the principal industrial divisions showed increased profits for 1997. Of the divisions that accounted for most of the profits, finance, insurance, and real estate reported the largest percentage growth, 8.6 percent. The services division remained the largest sole proprietorship industrial division, accounting for 34.4 percent of receipts and 56.7 percent of profits. Services division receipts grew 4.0 percent to \$299.0 billion, while profits grew 3.7 percent to \$105.80 billion. In constant dollars, total nonfarm sole proprietorship profits increased 3.6 percent. For the first time since Tax Year 1990, there were 2 consecutive years of constant dollar growth.

### Data Sources and Limitations

The 1997 sole proprietorship estimates are based on a stratified probability sample of unaudited individual income tax returns, Forms 1040 and 1040PC (including electronically-filed returns), processed by the Internal Revenue Service during 1998. 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 1997 nonfarm sole proprietorship data are based on a sample of 38,883 returns and a population of 17,181,683 returns [10]. The corresponding sample and population for the 1996 data were 40,075 and 17,171,195 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. Figure J presents estimated coefficients of variation for the number of returns and money amounts for selected items and industrial divisions. The Appendix to this issue of the *Bulletin* discusses the reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision

Figure J

### Nonfarm Sole Proprietorships: Coefficients of Variation for Selected Items, by Selected Industrial Divisions, Tax Year 1997

[Coefficients of variation are in percentages]

| Industrial division                      | Coefficients of variation            |                           |              |            |         |
|--|--------------------------------------|---------------------------|--------------|------------|---------|
|  | Total business receipts <sup>1</sup> | Total business deductions | Depreciation | Net income | Deficit |
|  | (1)                                  | (2)                       | (3)          | (4)        | (5)     |
| <b>All nonfarm industries.....</b>       | 0.78                                 | 0.69                      | 1.14         | 2.28       | 1.53    |
| Construction.....                        | 2.89                                 | 2.72                      | 3.60         | 8.45       | 4.40    |
| Transportation and public utilities..... | 4.18                                 | 3.71                      | 5.57         | 0.21       | 5.86    |
| Wholesale and retail trade.....          | 1.96                                 | 2.03                      | 3.55         | 4.61       | 3.63    |
| Finance, insurance, and real estate..... | 2.89                                 | 2.86                      | 4.22         | 7.41       | 5.13    |
| Services.....                            | 1.37                                 | 1.30                      | 1.70         | 3.98       | 2.48    |

<sup>1</sup> Positive only.



## Sole Proprietorship Returns, 1997

of estimates based on samples.

### Notes and References

[1] For 1997, the 17,176,487 nonfarm sole proprietorship returns accounted for 19,218,650 nonfarm businesses. Actually, more businesses may have existed 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 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 diverges 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). See U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, August 1998. Indices used for this article were:

| <u>Year</u> | <u>Indices</u> | <u>Year</u> | <u>Indices</u> |
|-------------|----------------|-------------|----------------|
| 1984        | 75.9           | 1991        | 97.3           |
| 1985        | 78.5           | 1992        | 100.0          |
| 1986        | 80.6           | 1993        | 102.6          |
| 1987        | 83.1           | 1994        | 105.1          |
| 1988        | 86.1           | 1995        | 107.5          |
| 1989        | 89.7           | 1996        | 109.5          |
| 1990        | 93.6           | 1997        | 111.6          |

[4] Sole proprietors report personal, i.e., nonbusiness, income and expense items apart from business income or loss, which is reported on the attached Schedule 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 Schedule C. In some cases, these expenses were limited. Prior to 1990, these expenses were not

## Sole Proprietorship Returns, 1997

limited and were included with other expenses, such as the depreciation deduction, utilities, and “other” expenses, on 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 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. As a result of this provision, the deduction increased 32.4 percent to \$13.5 billion for 1993.
- [7] Section 1111 of the Small Business Job Protection Act of 1996 (H.R. 3448, 104<sup>th</sup> Congress; Public Law 188) increased the maximum section 179 expense deduction from \$17,500 to \$18,000 beginning with 1997. The Act set up the maximum 179 expense deduction to be phased in over 7 years to \$25,000 for 2003 and thereafter. The total amount of this deduction for 1997 for all individual taxpayers (including sole proprietorships) was \$19.2 billion, a 6.6-percent increase from 1996.
- [8] 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.

- [9] Losses generated by any “flow-through” business activity (i.e., such as partnerships or S Corporations for which profits and certain other amounts pass 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.
- [10] 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 returns in which Schedule C income was moved to other income or wages to avoid double counting of taxpayers for Gross Domestic Profit calculations. In addition, data from amended returns and tentative returns are not reflected in these statistics.

# Sole Proprietorship Returns, 1997

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Net Income Status and 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 | Rent paid on machinery and equipment | Rent paid on other business property | Interest paid deduction <sup>1,2</sup> | Payroll <sup>1,3</sup> | Net income less deficit |
|   | (1)                                    | (2)                | (3)                    | (4)                                  | (5)                                  | (6)                                    | (7)                    | (8)                     |
| <b>All nonfarm industries.....</b>  | <b>17,176,487</b>                      | <b>870,392,286</b> | <b>29,061,859</b>      | <b>7,358,163</b>                     | <b>21,967,711</b>                    | <b>10,883,658</b>                      | <b>82,686,988</b>      | <b>186,643,910</b>      |
| <b>Agricultural services, forestry, and fishing.....</b>                            | <b>564,734</b>                         | <b>23,645,626</b>  | <b>1,703,435</b>       | <b>232,631</b>                       | <b>325,447</b>                       | <b>414,700</b>                         | <b>3,582,902</b>       | <b>3,675,044</b>        |
| Agricultural services.....  | 486,968                                | 20,378,460         | 1,357,429              | 204,861                              | 281,753                              | 325,936                                | 3,343,199              | 2,905,014               |
| Veterinary services, including pets.....  | 27,622                                 | 3,645,722          | 140,575                | 38,766                               | 83,312                               | 79,198                                 | 666,015                | 907,529                 |
| Livestock breeding.....   | 21,126                                 | 409,507            | 48,384                 | 437                                  | 5,829                                | 18,761                                 | 28,247                 | -166,687                |
| Animal services, except livestock breeding, and veterinary.....                     | 109,082                                | 3,269,015          | 225,609                | 12,027                               | 92,145                               | 68,947                                 | 263,108                | 105,077                 |
| Landscape and horticultural services.....   | 270,548                                | 10,387,964         | 821,086                | 127,906                              | 91,344                               | 127,461                                | 1,660,336              | 1,858,339               |
| Farm labor, management, and crop services.....                                      | 58,590                                 | 2,666,253          | 121,775                | 25,724                               | 9,122                                | 31,570                                 | 9,122                  | 200,756                 |
| Forestry, except logging.....   | 16,634                                 | 1,073,756          | 85,242                 | 26,771                               | 12,783                               | 18,366                                 | 80,244                 | 226,068                 |
| Commercial fishing.....   | 57,248                                 | 2,167,277          | 256,773                | 1,000                                | 22,162                               | 67,579                                 | 159,175                | 550,945                 |
| Hunting and trapping.....   | *3,885                                 | *26,133            | *3,992                 | --                                   | *8,749                               | *2,819                                 | *283                   | *-6,982                 |
| <b>Mining.....</b>  | <b>124,365</b>                         | <b>5,731,388</b>   | <b>343,281</b>         | <b>39,186</b>                        | <b>45,442</b>                        | <b>138,572</b>                         | <b>299,343</b>         | <b>176,539</b>          |
| Metal mining.....   | 2,412                                  | 21,472             | 4,295                  | 1,313                                | 50                                   | 377                                    | 7,011                  | -23,275                 |
| Coal mining.....  | *17                                    | *161,117           | *4,193                 | *709                                 | *36                                  | *1,076                                 | *3,449                 | *7,706                  |
| Oil and gas extraction.....   | 112,086                                | 5,117,745          | 292,972                | 19,637                               | 29,737                               | 123,583                                | 198,111                | 199,440                 |
| Quarrying and nonmetallic minerals, except fuels.....                               | 9,849                                  | 431,055            | 41,822                 | 17,526                               | 15,619                               | 13,535                                 | 90,772                 | -7,331                  |
| <b>Construction.....</b>  | <b>2,196,762</b>                       | <b>130,764,670</b> | <b>4,291,107</b>       | <b>1,075,890</b>                     | <b>724,807</b>                       | <b>1,262,944</b>                       | <b>20,203,271</b>      | <b>23,450,389</b>       |
| General building contractors and operative builders.....                            | 260,684                                | 31,334,595         | 559,568                | 116,943                              | 109,489                              | 381,598                                | 4,451,993              | 3,335,662               |
| General building contractors.....   | 232,342                                | 27,715,014         | 501,215                | 102,700                              | 90,300                               | 344,074                                | 3,854,012              | 2,971,144               |
| Operative builders.....   | 28,342                                 | 3,619,581          | 58,352                 | 14,243                               | 19,189                               | 37,524                                 | 597,981                | 364,517                 |
| Heavy construction contractors.....   | 27,249                                 | 2,823,889          | 265,230                | 105,545                              | 3,415                                | 67,656                                 | 380,055                | 245,477                 |
| Highway and street construction.....  | 6,585                                  | 520,151            | 52,865                 | 13,100                               | 1,549                                | 9,905                                  | 59,628                 | 21,118                  |
| Heavy construction, except highway.....   | 20,664                                 | 2,303,738          | 212,366                | 92,445                               | 1,866                                | 57,751                                 | 320,428                | 224,359                 |
| Special trade contractors.....  | 1,908,829                              | 96,606,187         | 3,466,309              | 853,402                              | 611,903                              | 813,690                                | 15,371,222             | 19,869,251              |
| Plumbing, heating, and air conditioning.....  | 144,361                                | 10,478,289         | 371,958                | 43,391                               | 51,040                               | 88,759                                 | 1,462,185              | 1,726,884               |
| Painting and paperhanging.....  | 225,902                                | 7,216,776          | 221,210                | 62,876                               | 27,767                               | 32,789                                 | 1,101,148              | 2,232,731               |
| Electrical work.....  | 113,210                                | 7,860,172          | 179,163                | 40,890                               | 48,392                               | 38,275                                 | 1,467,645              | 1,448,097               |
| Masonry, stonework, tile setting, and plastering.....                               | 196,568                                | 10,800,400         | 256,061                | 89,104                               | 46,456                               | 41,957                                 | 2,313,805              | 2,354,012               |
| Carpentering and flooring.....  | 558,319                                | 22,339,426         | 625,844                | 107,209                              | 128,242                              | 147,801                                | 2,710,339              | 6,154,617               |
| Roofing, siding, and sheet metal work.....  | 115,409                                | 8,051,696          | 236,968                | 63,877                               | 84,175                               | 36,312                                 | 1,644,254              | 1,321,919               |
| Concrete work.....  | 51,205                                 | 3,742,628          | 124,070                | 43,037                               | 23,441                               | 40,390                                 | 720,286                | 355,357                 |
| Miscellaneous special trade contractors.....  | 503,856                                | 26,116,800         | 1,451,035              | 403,019                              | 202,389                              | 387,407                                | 3,951,561              | 4,275,634               |
| <b>Manufacturing.....</b>   | <b>480,365</b>                         | <b>33,254,751</b>  | <b>1,661,932</b>       | <b>399,951</b>                       | <b>769,852</b>                       | <b>514,587</b>                         | <b>4,376,403</b>       | <b>4,377,188</b>        |
| Food and kindred products.....  | 12,616                                 | 2,081,799          | 45,512                 | 1,660                                | 41,573                               | 11,342                                 | 131,672                | 102,411                 |
| Textile mill products.....  | *1,467                                 | *314,227           | *9,834                 | *440                                 | *51                                  | *7,196                                 | *11,629                | *56,045                 |
| Apparel and other textile products.....   | 34,734                                 | 2,238,470          | 78,860                 | 29,794                               | 125,970                              | 15,843                                 | 472,942                | 266,874                 |
| Lumber and wood products, except furniture (including logging).....                 | 95,919                                 | 8,537,689          | 656,148                | 128,086                              | 73,519                               | 197,930                                | 988,815                | 538,264                 |
| Furniture and fixtures.....   | 26,432                                 | 1,569,276          | 46,492                 | 31,550                               | 47,966                               | 14,920                                 | 243,554                | 476,159                 |
| Printing, publishing, and allied industries.....                                    | 98,317                                 | 4,944,073          | 153,985                | 68,681                               | 144,326                              | 74,888                                 | 646,066                | 614,525                 |
| Leather and leather products.....   | *2,052                                 | *115,432           | *3,894                 | *39                                  | *3,772                               | *454                                   | *51,174                | *10,802                 |
| Stone, clay, and glass products.....  | 19,155                                 | 635,322            | 34,227                 | 2,337                                | 28,303                               | 7,904                                  | 90,402                 | 68,807                  |
| Primary metal industries.....   | *3,151                                 | *64,973            | *299                   | --                                   | *217                                 | *1,063                                 | *3,973                 | *19,828                 |
| Fabricated metal products.....  | 43,023                                 | 2,007,816          | 118,091                | 29,770                               | 58,266                               | 26,062                                 | 356,916                | 211,593                 |
| Machinery, except electrical.....   | 41,705                                 | 4,914,759          | 349,098                | 51,634                               | 95,604                               | 97,337                                 | 829,233                | 907,693                 |
| Electrical and electronic equipment.....  | 17,227                                 | 924,861            | 14,199                 | 1,543                                | 19,243                               | 4,940                                  | 82,471                 | 254,935                 |
| Paper and allied products.....  | 5,753                                  | 697,586            | 15,988                 | 5,684                                | 4,133                                | --                                     | *18,235                | *-25,108                |
| Other manufacturing industries.....   | 78,813                                 | 4,208,468          | 135,305                | 48,734                               | 126,908                              | 54,708                                 | 449,323                | 874,360                 |
| <b>Transportation and public utilities.....</b>                                     | <b>780,994</b>                         | <b>45,690,042</b>  | <b>3,991,756</b>       | <b>1,257,406</b>                     | <b>379,839</b>                       | <b>950,061</b>                         | <b>3,897,366</b>       | <b>6,941,712</b>        |
| Local and interurban passenger transit.....   | 99,974                                 | 2,918,648          | 150,741                | 292,449                              | 64,043                               | 63,540                                 | 169,647                | 671,758                 |
| Taxicabs.....   | 60,990                                 | 1,411,810          | 33,463                 | 244,104                              | 27,266                               | 33,577                                 | 44,156                 | 380,344                 |
| Bus and limousine transportation.....   | 37,912                                 | 1,446,806          | 88,978                 | 48,232                               | 36,761                               | 26,566                                 | 125,189                | 293,003                 |
| Other highway passenger transportation.....   | *1,072                                 | *60,032            | *28,301                | *113                                 | *16                                  | *3,396                                 | *302                   | *-1,588                 |
| Trucking and warehousing.....   | 492,521                                | 33,318,681         | 3,526,772              | 818,938                              | 217,450                              | 773,598                                | 2,825,840              | 4,944,089               |
| Trucking, local and long distance, including trash collection without own dump..... | 365,555                                | 31,009,545         | 3,468,659              | 781,080                              | 210,659                              | 760,064                                | 2,729,829              | 4,225,407               |
| Courier or package delivery service.....  | 123,662                                | 2,270,267          | 57,373                 | 36,116                               | 6,791                                | 12,273                                 | 94,826                 | 700,485                 |
| Public warehousing.....   | *3,304                                 | *38,870            | *740                   | *1,743                               | --                                   | *1,261                                 | *1,185                 | *18,197                 |
| Water transportation.....   | 9,788                                  | 422,148            | 26,967                 | 3,847                                | 6,388                                | 11,355                                 | 24,108                 | 61,155                  |
| Air transportation.....   | 10,520                                 | 286,279            | 30,753                 | 2,861                                | 12,077                               | 16,735                                 | 43,853                 | 59,687                  |
| Transportation services.....  | 91,399                                 | 6,027,035          | 117,411                | 72,769                               | 45,085                               | 54,042                                 | 407,501                | 563,793                 |
| Travel agents and tour operators.....   | 49,633                                 | 3,720,361          | 36,515                 | 25,234                               | 31,560                               | 13,478                                 | 135,964                | 212,866                 |
| Other transportation services.....  | 41,766                                 | 2,306,673          | 80,897                 | 47,535                               | 13,526                               | 40,564                                 | 271,537                | 350,927                 |
| Communication services.....   | 58,906                                 | 2,431,712          | 117,612                | 63,543                               | 28,119                               | 27,690                                 | 392,257                | 571,366                 |
| Utilities, including dumps, snowplowing, road cleaning, etc.....                    | 17,885                                 | 285,540            | 21,500                 | 3,000                                | 6,676                                | 3,102                                  | 34,161                 | 69,863                  |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Net Income Status and 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</sup> | Rent paid on machinery and equipment <sup>1</sup> | Rent paid on other business property <sup>1</sup> | Interest paid deduction <sup>1,2</sup> | Payroll <sup>1,3</sup> | Net income less deficit |
|  | (1)                                    | (2)                | (3)                                 | (4)   | (5)   | (6)                                    | (7)                    | (8)                     |
| <b>Wholesale and retail trade.....</b>   | <b>3,132,594</b>                       | <b>254,642,287</b> | <b>4,474,373</b>                    | <b>1,092,289</b>                                  | <b>7,873,463</b>                                  | <b>2,643,933</b>                       | <b>17,454,541</b>      | <b>17,215,295</b>       |
| Wholesale trade.....   | 348,193                                | 39,353,838         | 561,789                             | 92,276  | 416,882   | 267,172                                | 1,371,670              | 4,929,770               |
| Durable goods, including machinery, wood, metals, etc.....                       | 205,779                                | 21,192,944         | 341,283                             | 47,787  | 220,360   | 149,518                                | 806,947                | 3,377,040               |
| Nondurable goods, including food, fiber, chemicals, etc.....                     | 142,413                                | 18,160,894         | 220,507                             | 44,489  | 196,522   | 117,654                                | 564,723                | 1,552,731               |
| Retail trade.....  | 2,784,402                              | 215,288,449        | 3,912,584                           | 1,000,013   | 7,456,581   | 2,376,760                              | 16,082,872             | 12,285,524              |
| Building materials, paint, hardware, garden supply, and mobile home dealers..... | 71,919                                 | 9,137,257          | 227,556                             | 47,095  | 122,236   | 187,158                                | 838,655                | 812,032                 |
| Lumber and other building materials dealers.....                                 | 24,780                                 | 2,983,733          | 83,648                              | 20,705  | 41,639  | 44,997                                 | 324,123                | 346,820                 |
| Paint, glass, and wallpaper stores.....  | 11,199                                 | 611,521            | 6,600                               | 2,657   | 16,118  | 14,694                                 | 106,523                | 40,428                  |
| Hardware stores.....   | 13,188                                 | 2,803,938          | 41,228                              | 17,092  | 45,858  | 53,913                                 | 172,683                | 221,441                 |
| Retail nurseries and garden supply stores.....                                   | 16,913                                 | 1,860,652          | 81,697                              | 6,345   | 14,094  | 52,736                                 | 158,883                | 152,010                 |
| Mobile home dealers.....   | 5,839                                  | 877,413            | 14,382                              | 297   | 4,527   | 20,818                                 | 76,442                 | 51,333                  |
| General merchandise stores.....  | 40,407                                 | 4,634,001          | 50,966                              | 7,704   | 183,036   | 32,956                                 | 212,121                | 396,752                 |
| Variety stores.....  | 11,595                                 | 1,477,020          | 10,871                              | 3,840   | 93,489  | 8,050                                  | 74,693                 | 165,940                 |
| Computer and software stores.....  | 11,606                                 | 1,209,509          | 15,537                              | 723   | 28,220  | 2,879                                  | 46,835                 | 80,866                  |
| Other general merchandise stores.....  | 17,205                                 | 1,947,472          | 24,557                              | 3,141   | 61,327  | 22,027                                 | 90,593                 | 149,946                 |
| Food stores.....   | 131,615                                | 34,559,055         | 463,060                             | 114,679   | 858,039   | 258,844                                | 2,252,622              | 1,299,802               |
| Grocery stores.....  | 75,860                                 | 26,877,171         | 283,838                             | 68,693  | 548,186   | 188,466                                | 1,456,050              | 918,328                 |
| Retail bakeries.....   | 17,178                                 | 1,783,130          | 57,490                              | 21,280  | 110,272   | 37,237                                 | 368,039                | 57,364                  |
| Miscellaneous food stores.....   | 38,576                                 | 5,898,753          | 121,732                             | 24,705  | 199,582   | 33,140                                 | 428,534                | 324,109                 |
| Automotive dealers and service stations.....                                     | 168,505                                | 49,737,433         | 414,620                             | 84,544  | 656,231   | 474,058                                | 2,284,843              | 1,641,972               |
| Motor vehicle dealers--new car dealers (franchised).....                         | 8,559                                  | 1,387,901          | 7,490                               | 4,208   | 3,234   | 20,264                                 | 59,825                 | 18,927                  |
| Motor vehicle dealers--used cars only.....                                       | 76,543                                 | 16,076,271         | 75,282                              | 9,764   | 177,601   | 182,928                                | 619,279                | 659,786                 |
| Auto parts and accessories and selected home supply stores.....                  | 30,446                                 | 3,595,801          | 48,342                              | 29,673  | 64,776  | 40,076                                 | 236,367                | 299,667                 |
| Gasoline service stations.....   | 25,663                                 | 22,656,763         | 217,368                             | 31,603  | 367,497   | 144,671                                | 1,143,894              | 493,431                 |
| Boat dealers.....  | 4,723                                  | 1,100,356          | 11,024                              | 120   | 16,982  | 20,631                                 | 35,104                 | 2,462                   |
| Miscellaneous automotive dealers.....  | 22,570                                 | 4,920,341          | 55,115                              | 9,176   | 26,141  | 65,488                                 | 190,374                | 167,699                 |
| Apparel and accessory stores.....  | 111,500                                | 8,614,870          | 139,282                             | 67,438  | 690,900   | 97,273                                 | 615,398                | 548,015                 |
| Men's and boys' clothing stores.....   | 5,579                                  | 666,498            | 4,365                               | 13,962  | 53,218  | 8,283                                  | 44,509                 | 29,961                  |
| Women's ready-to-wear stores.....  | 24,659                                 | 1,488,220          | 41,357                              | 14,443  | 137,167   | 13,151                                 | 101,154                | -37,239                 |
| Women's accessory and specialty stores.....                                      | 17,099                                 | 1,078,226          | 9,787                               | 1,546   | 56,372  | 16,302                                 | 80,289                 | 101,275                 |
| Family clothing stores.....  | 18,051                                 | 1,391,883          | 20,778                              | 1,073   | 120,654   | 25,224                                 | 128,288                | 43,051                  |
| Shoe stores.....   | 6,440                                  | 1,175,590          | 11,131                              | 9,237   | 78,280  | 10,003                                 | 47,977                 | 77,472                  |
| Apparel and accessory stores, not elsewhere classified.....                      | 39,671                                 | 2,814,452          | 51,864                              | 27,176  | 245,208   | 24,310                                 | 213,182                | 333,495                 |
| Furniture and home furnishings stores.....                                       | 107,352                                | 9,377,117          | 267,735                             | 51,353  | 432,501   | 139,119                                | 1,036,585              | 728,417                 |
| Furniture stores.....  | 30,448                                 | 3,687,538          | 129,152                             | 12,529  | 208,128   | 59,450                                 | 421,762                | 177,656                 |
| Home furnishings and equipment stores, except appliances.....                    | 31,108                                 | 2,556,464          | 37,464                              | 11,402  | 95,971  | 48,954                                 | 288,962                | 247,589                 |
| Household appliance stores.....  | 19,179                                 | 1,457,423          | 42,415                              | 24,609  | 70,315  | 16,450                                 | 160,077                | 175,778                 |
| Television, audio, and electronic stores.....                                    | 8,251                                  | 1,162,689          | 27,969                              | 2,807   | 45,820  | 9,941                                  | 134,856                | 89,433                  |
| Music and record stores.....   | 18,367                                 | 513,002            | 30,734                              | 6   | 12,268  | 4,324                                  | 30,928                 | 37,961                  |
| Eating and drinking places.....  | 252,827                                | 28,764,269         | 799,343                             | 219,015   | 1,720,231   | 476,195                                | 5,164,658              | 1,537,207               |
| Eating places.....   | 136,631                                | 22,425,239         | 639,000                             | 175,582   | 1,446,960   | 360,499                                | 4,417,089              | 1,050,070               |
| Drinking places.....   | 54,747                                 | 4,834,113          | 130,876                             | 27,067  | 215,418   | 107,638                                | 669,464                | 242,237                 |
| Catering services.....   | 61,450                                 | 1,504,918          | 29,467                              | 16,366  | 57,854  | 8,059                                  | 78,106                 | 244,900                 |
| Miscellaneous retail stores.....   | 1,900,277                              | 70,464,447         | 1,550,023                           | 408,185   | 2,793,407   | 711,158                                | 3,677,989              | 5,321,329               |
| Drug stores.....   | 4,240                                  | 3,895,898          | 23,325                              | 5,710   | 49,791  | 9,776                                  | 299,743                | 266,005                 |
| Liquor stores.....   | 11,095                                 | 4,452,581          | 42,597                              | 28,059  | 177,814   | 31,238                                 | 180,231                | 174,013                 |
| Used merchandise and antique stores.....   | 117,829                                | 3,631,249          | 78,660                              | 46,857  | 417,839   | 35,961                                 | 144,375                | 114,753                 |
| Sporting goods and bicycle shops.....  | 49,200                                 | 3,741,163          | 65,268                              | 6,111   | 114,647   | 43,939                                 | 167,076                | 45,195                  |
| Book stores.....   | 17,786                                 | 1,124,536          | 16,526                              | 1,767   | 86,500  | 12,211                                 | 124,837                | 34,830                  |
| Stationery stores.....   | 8,714                                  | 1,039,465          | 12,252                              | 9,735   | 62,363  | 14,684                                 | 77,222                 | 94,371                  |
| Jewelry stores.....  | 27,615                                 | 3,194,405          | 37,698                              | 8,953   | 194,787   | 33,263                                 | 174,213                | 335,372                 |
| Hobby, toy, and game shops.....  | 36,689                                 | 988,373            | 22,523                              | 1,401   | 114,556   | 12,935                                 | 48,379                 | -2,345                  |
| Camera and photographic supply stores.....                                       | *5,076                                 | *363,697           | *5,808                              | *3,515  | *26,409   | *4,295                                 | *20,525                | *51,004                 |
| Luggage and leather goods stores.....  | *2,407                                 | *187,982           | *1,018                              | *199  | *10,291   | *2,383                                 | *6,256                 | *17,302                 |
| Fabric and needlework stores.....  | 12,755                                 | 560,349            | 16,284                              | 4,954   | 49,115  | 4,962                                  | 67,684                 | -11,693                 |
| Catalog or mail order.....   | 114,182                                | 1,732,993          | 22,390                              | 12,057  | 18,490  | 10,356                                 | 41,564                 | -22,629                 |
| Vending machine selling.....   | 66,877                                 | 2,045,849          | 244,210                             | 9,422   | 9,025   | 31,828                                 | 41,044                 | 101,935                 |
| Sales by door-to-door, telephone, etc.....                                       | 1,102,799                              | 18,866,536         | 481,616                             | 124,096   | 332,867   | 190,590                                | 398,433                | 2,750,972               |
| Gift, novelty, and souvenir shops.....   | 62,925                                 | 3,159,680          | 54,279                              | 24,540  | 265,463   | 30,728                                 | 209,456                | 107,026                 |
| Fuel oil dealers.....  | 4,264                                  | 1,998,131          | 29,464                              | 2,585   | 5,624   | 15,324                                 | 89,754                 | 63,525                  |
| Florists.....  | 46,022                                 | 3,483,564          | 109,614                             | 19,441  | 162,449   | 45,180                                 | 527,195                | 156,202                 |
| Other retail shops.....  | 209,802                                | 15,997,995         | 286,489                             | 98,783  | 695,378   | 181,502                                | 1,060,003              | 1,045,491               |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Net Income Status and 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</sup> | Rent paid on machinery and equipment <sup>1</sup> | Rent paid on other business property <sup>1</sup> | Interest paid deduction <sup>1,2</sup> | Payroll <sup>1,3</sup> | Net income less deficit |
|  | (1)                                    | (2)                | (3)                                 | (4)   | (5)   | (6)                                    | (7)                    | (8)                     |
| <b>Finance, insurance, and real estate.....</b>  | <b>1,314,029</b>                       | <b>75,595,055</b>  | <b>1,582,804</b>                    | <b>541,017</b>                                    | <b>1,159,813</b>                                  | <b>1,323,742</b>                       | <b>3,175,416</b>       | <b>24,264,460</b>       |
| Finance.....   | 182,730                                | 23,163,149         | 214,523                             | 64,453  | 237,034   | 554,953                                | 587,865                | 2,148,732               |
| Credit agencies and mortgage bankers.....  | 24,553                                 | 1,097,148          | 10,386                              | 7,814   | 23,328  | 43,003                                 | 31,514                 | 27,804                  |
| Security and commodity brokers and services.....   | 75,834                                 | 14,471,710         | 79,657                              | 24,427  | 113,977   | 308,421                                | 192,768                | 895,387                 |
| Security brokers and dealers.....  | 23,311                                 | 8,975,782          | 19,125                              | 2,045   | 33,391  | 222,022                                | 58,214                 | -11,592                 |
| Investment advisors and services.....  | 40,454                                 | 3,294,230          | 51,244                              | 20,973  | 72,050  | 74,312                                 | 115,225                | 858,325                 |
| Commodity contract brokers, exchanges and services.....  | 12,069                                 | 2,201,698          | 9,287                               | 1,410   | 8,537   | 12,087                                 | 19,329                 | 48,653                  |
| Other financial services.....  | 82,343                                 | 7,594,290          | 124,480                             | 32,212  | 99,729  | 203,529                                | 363,583                | 1,225,542               |
| Insurance agents and brokers.....  | 332,118                                | 17,957,535         | 333,972                             | 179,428   | 468,875   | 195,399                                | 1,603,631              | 7,989,875               |
| Insurance services.....  | 41,389                                 | 1,808,997          | 59,344                              | 36,463  | 44,165  | 10,004                                 | 266,654                | 572,662                 |
| Real estate.....   | 757,791                                | 32,665,375         | 974,965                             | 260,672   | 409,738   | 563,385                                | 717,267                | 13,553,191              |
| Real estate property managers.....   | 54,616                                 | 1,574,693          | 70,661                              | 13,943  | 40,818  | 58,479                                 | 108,123                | 407,195                 |
| Operators and lessors of buildings.....  | 9,049                                  | 828,204            | 76,947                              | 2,045   | 16,749  | 122,724                                | 95,041                 | 8,057                   |
| Operators and lessors, other than buildings.....   | 5,437                                  | 436,848            | 38,784                              | 1,320   | 11,156  | 51,374                                 | 26,477                 | 61,645                  |
| Real estate agents and brokers.....  | 663,123                                | 27,185,203         | 710,480                             | 235,523   | 328,297   | 208,374                                | 431,183                | 12,867,821              |
| Title abstract companies.....  | 9,888                                  | 326,465            | 8,885                               | --  | 2,346   | 4,050                                  | 10,589                 | 152,823                 |
| Subdividers and developers.....  | 15,679                                 | 2,313,962          | 69,206                              | 7,841   | 10,373  | 118,384                                | 45,854                 | 55,650                  |
| <b>Services.....</b>   | <b>8,407,991</b>                       | <b>298,983,752</b> | <b>10,951,907</b>                   | <b>2,710,252</b>                                  | <b>10,676,698</b>                                 | <b>3,597,804</b>                       | <b>29,645,925</b>      | <b>105,774,261</b>      |
| Hotels and other lodging places.....   | 49,754                                 | 4,812,662          | 526,918                             | 21,023  | 67,096  | 602,650                                | 704,136                | 96,500                  |
| Hotels, motels, and tourist courts.....  | 33,717                                 | 3,738,895          | 421,938                             | 18,572  | 49,920  | 469,033                                | 549,476                | 67,442                  |
| Rooming and boarding houses.....   | 9,323                                  | 717,638            | 45,314                              | 1,745   | 12,019  | 75,356                                 | 120,971                | 24,832                  |
| Camps and camping parks.....   | 6,714                                  | 356,130            | 59,666                              | 706   | 5,157   | 58,262                                 | 33,689                 | 4,226                   |
| Personal services.....   | 1,384,187                              | 31,286,346         | 1,107,178                           | 512,263   | 2,528,857   | 303,620                                | 3,065,418              | 8,535,622               |
| Coin-operated laundry and dry cleaning.....  | 13,626                                 | 725,450            | 71,957                              | 22,374  | 135,750   | 19,497                                 | 45,228                 | 74,629                  |
| Other cleaning services, including laundry, dry cleaning, garment, carpet, and upholstery..... | 59,250                                 | 3,720,470          | 215,344                             | 110,104   | 411,564   | 52,051                                 | 707,563                | 460,090                 |
| Photographic portrait studios.....   | 39,831                                 | 1,286,325          | 67,693                              | 16,702  | 53,278  | 5,557                                  | 64,683                 | 199,640                 |
| Beauty shops.....  | 440,119                                | 10,944,644         | 265,921                             | 210,017   | 1,449,596   | 111,073                                | 1,430,067              | 3,165,123               |
| Barber shops.....  | 65,980                                 | 1,370,754          | 38,088                              | 48,908  | 139,740   | 13,218                                 | 108,633                | 635,163                 |
| Funeral service and crematories.....   | 9,779                                  | 1,006,303          | 63,955                              | 9,997   | 14,166  | 28,340                                 | 61,488                 | 203,853                 |
| Miscellaneous personal services, including valet parking.....                                  | 755,601                                | 12,232,399         | 384,220                             | 94,161  | 324,762   | 73,884                                 | 647,758                | 3,797,124               |
| Business services.....   | 2,097,503                              | 53,537,140         | 2,266,856                           | 482,960   | 936,394   | 454,370                                | 4,643,867              | 15,060,260              |
| Advertising, except direct mail.....   | 66,910                                 | 3,213,943          | 74,280                              | 20,260  | 38,210  | 7,174                                  | 71,400                 | 794,675                 |
| Consumer credit reporting and collecting services.....   | 2,725                                  | 14,934             | 18                                  | --  | 6   | --                                     | --                     | *2,571                  |
| Janitorial and related services to buildings.....  | 440,598                                | 7,612,937          | 205,740                             | 45,126  | 44,565  | 47,616                                 | 1,580,377              | 2,390,339               |
| Computer and data processing services.....   | 222,640                                | 4,130,464          | 222,408                             | 31,635  | 57,370  | 39,159                                 | 137,513                | 1,550,774               |
| Mailing, reproduction, commercial art and photography, and stenographic services.....          | 199,797                                | 5,204,748          | 245,942                             | 54,724  | 145,982   | 18,494                                 | 237,193                | 1,655,768               |
| Computer repair, maintenance, and leasing.....   | 41,267                                 | 1,854,346          | 110,593                             | 12,358  | 26,269  | 25,991                                 | 54,895                 | 195,855                 |
| Equipment rental and leasing, except computer and automotive.....                              | 28,367                                 | 1,097,085          | 302,916                             | 6,867   | 30,904  | 48,281                                 | 69,679                 | 160,150                 |
| Other business services.....   | 1,095,199                              | 30,408,684         | 1,104,958                           | 311,989   | 593,088   | 267,655                                | 2,492,808              | 8,310,128               |
| Automotive repair and services.....  | 386,169                                | 24,099,954         | 1,028,852                           | 291,021   | 981,469   | 346,618                                | 2,803,947              | 2,776,816               |
| Automotive rentals or leasing, without drivers.....  | 7,994                                  | 982,857            | 138,619                             | 6,263   | 2,756   | 31,406                                 | 48,137                 | -11,616                 |
| Automobile parking, except valet.....  | *1,979                                 | *137,363           | *3,588                              | *2,879  | *48,655   | *6,401                                 | *2,538                 | *24,377                 |
| Automotive repair shops.....   | 284,260                                | 18,426,162         | 649,361                             | 214,627   | 825,605   | 237,043                                | 2,373,514              | 2,029,115               |
| Automotive services, except repair.....  | 91,937                                 | 4,553,572          | 237,284                             | 67,252  | 104,454   | 71,767                                 | 379,759                | 734,941                 |
| Miscellaneous repair services.....   | 256,398                                | 9,596,230          | 291,921                             | 43,765  | 209,041   | 121,978                                | 777,236                | 2,094,188               |
| TV and audio equipment repair.....   | 18,651                                 | 583,642            | 14,196                              | 307   | 15,573  | 3,762                                  | 42,369                 | 173,180                 |
| Electrical repair, except TV and audio equipment.....  | 56,115                                 | 1,998,326          | 41,284                              | 9,082   | 37,054  | 39,626                                 | 154,054                | 425,172                 |
| Reupholstery and furniture repair.....   | 51,540                                 | 1,745,311          | 32,550                              | 9,150   | 80,983  | 10,029                                 | 245,150                | 543,719                 |
| Other miscellaneous repair.....  | 130,092                                | 5,268,951          | 203,891                             | 25,226  | 75,431  | 68,561                                 | 335,663                | 952,117                 |
| Motion pictures.....   | 70,239                                 | 2,435,655          | 293,344                             | 74,548  | 88,305  | 25,007                                 | 123,555                | 382,581                 |
| Motion picture and video production.....   | 59,650                                 | 1,669,363          | 209,969                             | 61,656  | 23,896  | 13,293                                 | 50,522                 | 314,097                 |
| Motion picture and tape distribution and allied services.....                                  | *220                                   | *15,468            | *43                                 | --  | --  | *112                                   | --                     | *8,197                  |
| Motion picture theaters.....   | *585                                   | *108,158           | *2,551                              | *353  | *4,395  | *4,128                                 | *17,630                | *7,447                  |
| Video tape rentals.....  | 9,784                                  | 642,666            | 80,781                              | 12,540  | 60,014  | 7,474                                  | 55,403                 | 52,840                  |
| Amusement and recreation services, except motion pictures.....                                 | 638,344                                | 13,575,585         | 932,474                             | 113,284   | 395,065   | 156,958                                | 579,646                | 3,515,454               |
| Entertainers, producers, agents, and related services.....                                     | 332,572                                | 6,086,148          | 426,904                             | 36,504  | 106,440   | 36,290                                 | 126,190                | 2,082,817               |
| Bowling centers.....   | *611                                   | *196,719           | *20,697                             | *631  | *741  | *19,315                                | *40,686                | *29,216                 |
| Professional sports and racing, including promoters and managers.....                          | 92,521                                 | 2,957,497          | 235,732                             | 16,296  | 25,197  | 26,918                                 | 103,328                | 793,740                 |
| Other amusement and recreation services.....   | 192,141                                | 4,077,585          | 231,825                             | 58,272  | 231,057   | 71,834                                 | 298,366                | 537,029                 |
| Physical fitness facilities.....   | 20,499                                 | 257,636            | 17,316                              | 1,581   | 31,631  | 2,601                                  | 11,076                 | 72,651                  |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Net Income Status and 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 | Rent paid on machinery and equipment | Rent paid on other business property | Interest paid deduction <sup>1,2</sup> | Payroll <sup>1,3</sup> | Net income less deficit |
|   | (1)                                    | (2)               | (3)                    | (4)                                  | (5)                                  | (6)                                    | (7)                    | (8)                     |
| <b>Services-Continued</b>                           |  |                   |                        |                                      |                                      |  |                        |                         |
| Medical and health services.....                    | 804,491                                | 72,697,040        | 1,765,853              | 491,645                              | 2,936,762                            | 816,422                                | 10,328,175             | 32,288,203              |
| Offices of physicians.....                          | 186,744                                | 25,959,238        | 400,369                | 159,060                              | 903,771                              | 155,175                                | 2,768,238              | 14,393,722              |
| Offices of dentists.....                            | 102,684                                | 24,607,538        | 742,157                | 132,732                              | 922,144                              | 345,534                                | 5,069,391              | 9,197,277               |
| Offices of osteopathic physicians.....              | 7,816                                  | 1,387,908         | 28,734                 | 2,418                                | 49,683                               | 9,512                                  | 174,168                | 838,060                 |
| Offices of chiropractors.....                       | 29,008                                 | 3,673,340         | 131,102                | 50,571                               | 293,504                              | 96,583                                 | 515,139                | 1,263,532               |
| Offices of optometrists.....                        | 13,916                                 | 2,837,071         | 111,430                | 18,011                               | 172,330                              | 41,722                                 | 386,928                | 633,473                 |
| Offices of podiatrists.....                         | 5,502                                  | 775,701           | 23,736                 | 15,333                               | 58,044                               | 20,178                                 | 75,379                 | 262,404                 |
| Registered and practical nurses.....                | 47,203                                 | 754,768           | 4,281                  | 1,060                                | 2,444                                | 3                                      | 6,621                  | 550,247                 |
| Nursing and personal care facilities.....           | 37,014                                 | 1,977,357         | 63,782                 | 11,845                               | 60,609                               | 82,259                                 | 482,504                | 296,355                 |
| Medical and dental laboratories.....                | 23,473                                 | 1,575,121         | 29,240                 | 8,266                                | 60,028                               | 7,819                                  | 247,628                | 541,271                 |
| Other medical and health services.....              | 351,132                                | 9,148,998         | 231,020                | 92,348                               | 414,207                              | 57,637                                 | 602,180                | 4,311,862               |
| Legal services.....                                 | 294,356                                | 25,686,437        | 529,867                | 228,533                              | 1,136,451                            | 209,803                                | 2,871,181              | 12,088,877              |
| Educational services.....                           | 251,859                                | 2,965,746         | 118,235                | 19,242                               | 229,969                              | 22,395                                 | 158,286                | 1,107,534               |
| Child day care.....                                 | 520,815                                | 6,374,781         | 292,953                | 28,545                               | 135,110                              | 103,082                                | 616,831                | 1,880,589               |
| Ministers and chaplains.....                        | 188,913                                | 2,193,077         | 37,224                 | 34,582                               | 22,306                               | 1,984                                  | 459                    | 1,303,979               |
| Engineering services.....                           | 95,904                                 | 3,958,173         | 182,945                | 28,825                               | 72,363                               | 18,929                                 | 366,104                | 1,820,064               |
| Architectural services.....                         | 46,661                                 | 2,970,299         | 128,667                | 12,961                               | 111,369                              | 25,193                                 | 462,139                | 936,982                 |
| Surveying services.....                             | 14,859                                 | 859,097           | 38,496                 | 1,678                                | 7,985                                | 2,373                                  | 181,495                | 293,532                 |
| Accounting, auditing, and bookkeeping services..... | 311,338                                | 8,377,809         | 404,615                | 61,199                               | 277,097                              | 132,824                                | 837,025                | 3,855,656               |
| Management services.....                            | 75,676                                 | 3,095,004         | 75,903                 | 22,320                               | 31,293                               | 34,228                                 | 239,933                | 1,598,057               |
| Consulting services.....                            | 823,237                                | 27,841,973        | 847,003                | 223,861                              | 358,648                              | 208,122                                | 818,050                | 14,824,099              |
| Public relations.....                               | 15,808                                 | 444,346           | 9,129                  | 4,790                                | 15,395                               | 1,229                                  | 11,909                 | 171,742                 |
| Counseling, except health practitioners.....        | 81,480                                 | 2,176,398         | 73,472                 | 13,208                               | 135,721                              | 10,018                                 | 56,533                 | 1,143,524               |
| <b>Nature of business not allocable.....</b>        | <b>174,652</b>                         | <b>2,084,714</b>  | <b>61,265</b>          | <b>9,541</b>                         | <b>12,350</b>                        | <b>37,315</b>                          | <b>51,820</b>          | <b>769,023</b>          |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Net Income Status and 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 | Rent paid on machinery and equipment | Rent paid on other business property | Interest paid deduction <sup>1,2</sup> | Payroll <sup>1,3</sup> | Net income         |
|   | (9)                        | (10)               | (11)                   | (12)                                 | (13)                                 | (14)                                   | (15)                   | (16)               |
| <b>All nonfarm industries.....</b>  | <b>12,702,663</b>          | <b>762,301,189</b> | <b>21,512,587</b>      | <b>6,019,606</b>                     | <b>17,818,167</b>                    | <b>7,374,766</b>                       | <b>71,528,212</b>      | <b>210,464,545</b> |
| <b>Agricultural services, forestry, and fishing.....</b>                            | <b>399,442</b>             | <b>20,954,073</b>  | <b>1,144,957</b>       | <b>208,472</b>                       | <b>250,388</b>                       | <b>300,130</b>                         | <b>3,304,027</b>       | <b>4,717,972</b>   |
| Agricultural services.....  | 341,484                    | 18,101,406         | 930,232                | 182,954                              | 224,568                              | 242,024                                | 3,105,804              | 3,810,979          |
| Veterinary services, including pets.....  | 17,654                     | 3,405,008          | 113,240                | 34,845                               | 60,325                               | 63,947                                 | 619,127                | 964,434            |
| Livestock breeding.....   | 3,928                      | 291,212            | 6,064                  | 135                                  | 3,077                                | 14,256                                 | 13,409                 | 30,825             |
| Animal services, except livestock breeding, and veterinary.....                     | 62,918                     | 2,466,215          | 118,087                | 9,002                                | 80,004                               | 39,863                                 | 207,597                | 464,827            |
| Landscape and horticultural services.....   | 216,367                    | 9,626,182          | 632,903                | 119,474                              | 74,453                               | 102,444                                | 1,587,244              | 2,071,244          |
| Farm labor, management, and crop services.....                                      | 40,617                     | 2,312,789          | 59,938                 | 19,498                               | 6,710                                | 21,514                                 | 678,427                | 279,648            |
| Forestry, except logging.....   | 12,712                     | 972,404            | 60,433                 | 24,519                               | 12,703                               | 15,579                                 | 67,212                 | 258,458            |
| Commercial fishing.....   | 44,828                     | 1,875,797          | 154,021                | 1,000                                | 13,117                               | 42,527                                 | 131,011                | 647,079            |
| Hunting and trapping.....   | 418                        | 4,466              | 271                    | --                                   | --                                   | --                                     | --                     | *1,456             |
| <b>Mining.....</b>  | <b>73,399</b>              | <b>4,195,799</b>   | <b>171,524</b>         | <b>37,787</b>                        | <b>31,828</b>                        | <b>50,229</b>                          | <b>218,596</b>         | <b>935,145</b>     |
| Metal mining.....   | **                         | **                 | **                     | **                                   | **                                   | **                                     | **                     | **                 |
| Coal mining.....  | **18                       | **146,954          | **1,542                | **2,019                              | **38                                 | **269                                  | **10,446               | **8,474            |
| Oil and gas extraction.....   | 70,499                     | 3,759,619          | 146,480                | 18,481                               | 16,393                               | 40,000                                 | 145,934                | 891,964            |
| Quarrying and nonmetallic minerals, except fuels.....                               | 2,882                      | 289,225            | 23,503                 | 17,287                               | 15,396                               | 9,960                                  | 62,216                 | 34,706             |
| <b>Construction.....</b>  | <b>1,883,389</b>           | <b>117,797,385</b> | <b>3,438,034</b>       | <b>917,456</b>                       | <b>608,458</b>                       | <b>904,233</b>                         | <b>17,696,645</b>      | <b>25,278,038</b>  |
| General building contractors and operative builders.....                            | 219,636                    | 27,285,027         | 458,087                | 99,582                               | 94,829                               | 216,054                                | 3,846,220              | 3,789,831          |
| General building contractors.....   | 196,874                    | 24,271,116         | 404,889                | 86,993                               | 76,531                               | 199,916                                | 3,286,950              | 3,354,908          |
| Operative builders.....   | 22,762                     | 3,013,912          | 53,198                 | 12,589                               | 18,298                               | 16,138                                 | 559,270                | 434,924            |
| Heavy construction contractors.....   | 17,572                     | 2,319,559          | 171,627                | 99,517                               | 1,863                                | 36,627                                 | 272,569                | 337,663            |
| Highway and street construction.....  | 2,425                      | 324,076            | 33,008                 | 12,275                               | 1,428                                | 3,941                                  | 29,300                 | 31,344             |
| Heavy construction, except highway.....   | 15,148                     | 1,995,484          | 138,619                | 87,242                               | 435                                  | 32,686                                 | 243,269                | 306,319            |
| Special trade contractors.....  | 1,646,181                  | 88,192,798         | 2,808,320              | 718,357                              | 511,766                              | 651,552                                | 13,577,856             | 21,150,544         |
| Plumbing, heating, and air conditioning.....  | 114,885                    | 9,650,171          | 305,458                | 40,102                               | 41,999                               | 79,408                                 | 1,362,162              | 1,837,403          |
| Painting and paperhanging.....  | 212,684                    | 7,009,851          | 187,869                | 56,442                               | 27,759                               | 30,569                                 | 1,094,241              | 2,284,408          |
| Electrical work.....  | 95,012                     | 7,261,582          | 157,917                | 33,388                               | 47,794                               | 33,139                                 | 1,305,786              | 1,508,528          |
| Masonry, stonework, tile setting, and plastering.....                               | 174,848                    | 9,945,308          | 217,418                | 78,985                               | 43,441                               | 38,339                                 | 2,024,045              | 2,426,316          |
| Carpentering and flooring.....  | 494,166                    | 20,390,798         | 510,991                | 94,530                               | 88,309                               | 125,273                                | 2,322,119              | 6,381,469          |
| Roofing, siding, and sheet metal work.....  | 103,223                    | 7,381,297          | 223,667                | 50,580                               | 82,115                               | 36,161                                 | 1,391,472              | 1,373,566          |
| Concrete work.....  | 41,867                     | 3,251,815          | 89,121                 | 24,525                               | 19,054                               | 31,403                                 | 597,110                | 437,475            |
| Miscellaneous special trade contractors.....  | 409,497                    | 23,301,976         | 1,115,879              | 339,890                              | 161,294                              | 277,261                                | 3,480,921              | 4,901,380          |
| <b>Manufacturing.....</b>   | <b>328,693</b>             | <b>28,366,414</b>  | <b>1,257,300</b>       | <b>337,844</b>                       | <b>593,529</b>                       | <b>372,067</b>                         | <b>3,751,927</b>       | <b>5,224,914</b>   |
| Food and kindred products.....  | 9,105                      | 2,013,290          | 35,344                 | 1,593                                | 21,419                               | 8,926                                  | 127,274                | 153,135            |
| Textile mill products.....  | *1,466                     | *314,157           | *9,834                 | *440                                 | *51                                  | *7,196                                 | *11,618                | *56,103            |
| Apparel and other textile products.....   | 24,077                     | 1,832,455          | 63,073                 | 26,161                               | 81,144                               | 12,651                                 | 426,064                | 348,296            |
| Lumber and wood products, except furniture (including logging).....                 | 56,405                     | 6,870,543          | 441,537                | 111,981                              | 55,389                               | 127,807                                | 751,939                | 729,600            |
| Furniture and fixtures.....   | 20,926                     | 1,454,591          | 37,740                 | 1,104                                | 46,073                               | 10,151                                 | 230,928                | 496,691            |
| Printing, publishing, and allied industries.....                                    | 68,789                     | 3,928,261          | 107,673                | 64,346                               | 100,814                              | 40,097                                 | 515,708                | 821,043            |
| Leather and leather products.....   | *545                       | *84,949            | *1,323                 | *39                                  | *1,864                               | *454                                   | *28,267                | *20,557            |
| Stone, clay, and glass products.....  | 10,469                     | 537,011            | 30,864                 | 2,192                                | 10,059                               | 7,904                                  | 90,136                 | 117,243            |
| Primary metal industries.....   | 3,143                      | 64,968             | 299                    | --                                   | *212                                 | *1,063                                 | *3,973                 | *19,863            |
| Fabricated metal products.....  | 32,467                     | 1,615,534          | 85,136                 | 25,106                               | 45,699                               | 11,229                                 | 265,085                | 320,403            |
| Machinery, except electrical.....   | 31,200                     | 4,410,373          | 308,394                | 49,953                               | 90,272                               | 90,002                                 | 774,752                | 934,652            |
| Electrical and electronic equipment.....  | 13,908                     | 924,416            | 14,107                 | 1,543                                | 19,228                               | 4,940                                  | 81,958                 | 257,765            |
| Paper and allied products.....  | *2,527                     | *244,029           | *4,767                 | *5,349                               | *4,133                               | --                                     | *18,235                | *9,558             |
| Other manufacturing industries.....   | 53,667                     | 4,071,837          | 117,209                | 48,039                               | 117,172                              | 49,647                                 | 425,989                | 940,004            |
| <b>Transportation and public utilities.....</b>                                     | <b>603,387</b>             | <b>38,610,938</b>  | <b>2,867,930</b>       | <b>1,075,181</b>                     | <b>323,062</b>                       | <b>713,244</b>                         | <b>3,154,823</b>       | <b>7,926,480</b>   |
| Local and interurban passenger transit.....   | 85,448                     | 2,501,859          | 106,007                | 262,533                              | 59,115                               | 46,983                                 | 112,896                | 750,039            |
| Taxicabs.....   | 50,526                     | 1,255,502          | 23,564                 | 244,036                              | 26,655                               | 24,993                                 | --                     | 435,791            |
| Bus and limousine transportation.....   | **34,922                   | **1,246,357        | **82,443               | **18,498                             | **32,460                             | **21,990                               | **112,896              | **314,248          |
| Other highway passenger transportation.....   | **                         | **                 | **                     | **                                   | **                                   | **                                     | **                     | **                 |
| Trucking and warehousing.....   | 392,563                    | 28,321,638         | 2,597,562              | 694,308                              | 193,341                              | 600,190                                | 2,262,840              | 5,589,350          |
| Trucking, local and long distance, including trash collection without own dump..... | 287,801                    | 26,282,331         | 2,571,215              | 658,193                              | 186,556                              | 592,737                                | 2,173,736              | 4,821,303          |
| Courier or package delivery service.....  | 101,462                    | 2,007,028          | 26,009                 | 36,115                               | 6,785                                | 7,049                                  | 89,104                 | 749,258            |
| Public warehousing.....   | 3,300                      | 32,280             | 338                    | --                                   | --                                   | *403                                   | --                     | *18,790            |
| Water transportation.....   | 5,585                      | 330,101            | 6,509                  | 2,086                                | 4,357                                | 4,020                                  | 23,337                 | 92,433             |
| Air transportation.....   | 7,012                      | 228,384            | 9,306                  | 2,326                                | 8,522                                | 5,127                                  | 42,181                 | 94,641             |
| Transportation services.....  | 58,545                     | 4,868,976          | 86,369                 | 50,005                               | 31,988                               | 48,411                                 | 325,691                | 649,108            |
| Travel agents and tour operators.....   | 23,789                     | 2,810,724          | 24,079                 | 2,856                                | 18,753                               | 12,602                                 | 94,349                 | 273,256            |
| Other transportation services.....  | 34,756                     | 2,058,252          | 62,290                 | 47,149                               | 13,235                               | 35,809                                 | 231,341                | 375,851            |
| Communication services.....   | 46,079                     | 2,105,750          | 50,157                 | 60,925                               | 19,255                               | 6,928                                  | 353,871                | 668,313            |
| Utilities, including dumps, snowplowing, road cleaning, etc.....                    | 8,155                      | 254,229            | 12,020                 | 2,999                                | 6,485                                | 1,586                                  | 34,007                 | 82,595             |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Net Income Status and 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</sup> | Rent paid on machinery and equipment <sup>1</sup> | Rent paid on other business property <sup>1</sup> | Interest paid deduction <sup>1,2</sup> | Payroll <sup>1,3</sup> | Net income        |
|  | (9)                        | (10)               | (11)                                | (12)  | (13)  | (14)                                   | (15)                   | (16)              |
| <b>Wholesale and retail trade.....</b>   | <b>1,788,907</b>           | <b>212,651,235</b> | <b>3,040,082</b>                    | <b>790,771</b>                                    | <b>5,943,891</b>                                  | <b>1,774,553</b>                       | <b>13,914,579</b>      | <b>23,979,248</b> |
| Wholesale trade.....   | 238,064                    | 34,054,594         | 397,039                             | 72,882  | 362,351   | 195,064                                | 1,181,234              | 5,537,275         |
| Durable goods, including machinery, wood, metals, etc.....                       | 147,915                    | 18,128,309         | 212,600                             | 40,940  | 187,997   | 95,954                                 | 669,147                | 3,733,044         |
| Nondurable goods, including food, fiber, chemicals, etc.....                     | 90,149                     | 15,926,285         | 184,439                             | 31,942  | 174,354   | 99,109                                 | 512,087                | 1,804,231         |
| Retail trade.....  | 1,550,843                  | 178,596,641        | 2,643,043                           | 717,889   | 5,581,540   | 1,579,489                              | 12,733,345             | 18,441,973        |
| Building materials, paint, hardware, garden supply, and mobile home dealers..... | 54,950                     | 7,547,713          | 189,459                             | 33,498  | 104,118   | 141,258                                | 652,799                | 1,010,600         |
| Lumber and other building materials dealers.....                                 | 22,416                     | 2,423,031          | 75,142                              | 16,789  | 35,116  | 38,896                                 | 216,863                | 409,662           |
| Paint, glass, and wallpaper stores.....  | 9,683                      | 557,560            | 5,745                               | 804   | 16,118  | 8,246                                  | 106,523                | 48,654            |
| Hardware stores.....   | 9,098                      | 2,355,550          | 31,897                              | 9,704   | 40,724  | 35,613                                 | 137,204                | 298,133           |
| Retail nurseries and garden supply stores.....                                   | 10,163                     | 1,582,317          | 65,051                              | 5,905   | 10,626  | 45,260                                 | 123,136                | 179,703           |
| Mobile home dealers.....   | 3,590                      | 629,255            | 11,623                              | 297   | 1,534   | 13,243                                 | 69,073                 | 74,449            |
| General merchandise stores.....  | 26,145                     | 3,797,667          | 35,713                              | 5,202   | 132,105   | 20,994                                 | 160,515                | 469,249           |
| Variety stores.....  | 8,536                      | 1,319,888          | 9,388                               | 1,581   | 74,748  | 5,324                                  | 68,149                 | 174,181           |
| Computer and software stores.....  | 5,805                      | 1,076,206          | 13,119                              | 709   | 24,069  | 2,101                                  | 41,537                 | 116,411           |
| Other general merchandise stores.....  | 11,803                     | 1,401,573          | 13,205                              | 2,912   | 33,288  | 13,569                                 | 50,830                 | 178,658           |
| Food stores.....   | 90,791                     | 29,582,770         | 319,921                             | 86,264  | 675,400   | 190,845                                | 1,751,460              | 1,673,065         |
| Grocery stores.....  | 57,082                     | 23,102,240         | 223,996                             | 61,464  | 456,023   | 159,168                                | 1,189,754              | 1,107,273         |
| Retail bakeries.....   | 9,330                      | 1,207,268          | 36,732                              | 8,909   | 55,932  | 12,477                                 | 185,278                | 143,360           |
| Miscellaneous food stores.....   | 24,379                     | 5,273,262          | 59,193                              | 15,891  | 163,445   | 19,201                                 | 376,428                | 422,432           |
| Automotive dealers and service stations.....                                     | 123,584                    | 42,752,254         | 329,727                             | 68,825  | 559,675   | 345,799                                | 1,963,632              | 2,144,722         |
| Motor vehicle dealers--new car dealers (franchised).....                         | 8,326                      | 909,077            | 3,369                               | 4,123   | 1,811   | 7,577                                  | 42,666                 | 44,059            |
| Motor vehicle dealers--used cars only.....                                       | 53,499                     | 13,594,078         | 51,812                              | 5,559   | 138,470   | 122,889                                | 528,164                | 890,358           |
| Auto parts and accessories and selected home supply stores.....                  | 24,160                     | 2,907,177          | 33,057                              | 29,264  | 48,806  | 29,726                                 | 181,843                | 372,453           |
| Gasoline service stations.....   | 20,993                     | 19,938,343         | 183,982                             | 27,269  | 328,746   | 118,591                                | 1,027,137              | 588,965           |
| Boat dealers.....  | 3,435                      | 935,181            | 9,564                               | 57  | 16,011  | 14,704                                 | 27,293                 | 32,256            |
| Miscellaneous automotive dealers.....  | 13,172                     | 4,468,396          | 47,944                              | 2,553   | 25,831  | 52,312                                 | 156,528                | 216,631           |
| Apparel and accessory stores.....  | 73,824                     | 6,532,943          | 80,999                              | 48,467  | 469,791   | 57,482                                 | 425,348                | 886,813           |
| Men's and boys' clothing stores.....   | *3,978                     | *345,381           | *940                                | *13,962   | *48,496   | *991                                   | *22,626                | *42,919           |
| Women's ready-to-wear stores.....  | 10,977                     | 906,359            | 10,231                              | 2,557   | 89,669  | 4,192                                  | 68,357                 | 114,699           |
| Women's accessory and specialty stores.....                                      | 9,245                      | 887,852            | 7,316                               | 1,525   | 46,452  | 10,500                                 | 41,771                 | 123,180           |
| Family clothing stores.....  | 10,670                     | 1,002,965          | 13,764                              | 606   | 67,558  | 17,159                                 | 88,456                 | 109,892           |
| Shoe stores.....   | 4,593                      | 1,065,495          | 6,821                               | 9,237   | 68,133  | 4,083                                  | 39,921                 | 96,710            |
| Apparel and accessory stores, not elsewhere classified.....                      | 34,361                     | 2,324,892          | 41,929                              | 20,579  | 149,483   | 20,556                                 | 164,218                | 399,413           |
| Furniture and home furnishings stores.....                                       | 67,456                     | 8,131,963          | 225,517                             | 32,343  | 334,622   | 98,853                                 | 886,545                | 973,360           |
| Furniture stores.....  | 17,012                     | 3,069,762          | 114,830                             | 7,474   | 149,463   | 45,738                                 | 368,531                | 276,877           |
| Home furnishings and equipment stores, except appliances.....                    | 23,521                     | 2,294,950          | 32,739                              | 11,385  | 71,696  | 38,806                                 | 243,454                | 287,377           |
| Household appliance stores.....  | 15,374                     | 1,349,565          | 39,150                              | 10,786  | 60,275  | 10,440                                 | 152,894                | 217,964           |
| Television, audio, and electronic stores.....                                    | 3,489                      | 941,408            | 18,679                              | 2,691   | 42,132  | 1,826                                  | 93,049                 | 132,858           |
| Music and record stores.....   | 8,060                      | 476,278            | 20,118                              | 6   | 11,056  | 2,044                                  | 28,616                 | 58,284            |
| Eating and drinking places.....  | 171,271                    | 22,247,096         | 527,990                             | 170,355   | 1,285,130   | 301,977                                | 3,841,142              | 2,306,868         |
| Eating places.....   | 90,179                     | 17,428,838         | 435,910                             | 134,984   | 1,092,033   | 226,289                                | 3,314,046              | 1,585,832         |
| Drinking places.....   | 35,327                     | 3,414,362          | 70,472                              | 21,597  | 138,446   | 67,633                                 | 455,047                | 414,357           |
| Catering services.....   | 45,765                     | 1,403,896          | 21,608                              | 13,774  | 54,652  | 8,054                                  | 72,049                 | 306,679           |
| Miscellaneous retail stores.....   | 942,822                    | 58,004,235         | 933,717                             | 272,935   | 2,020,700   | 422,281                                | 3,051,904              | 8,977,295         |
| Drug stores.....   | 4,177                      | 3,800,883          | 23,311                              | 5,586   | 49,261  | 9,402                                  | 290,459                | 266,450           |
| Liquor stores.....   | 9,681                      | 4,170,549          | 40,162                              | 23,564  | 174,718   | 30,846                                 | 173,625                | 221,932           |
| Used merchandise and antique stores.....   | 58,613                     | 2,891,716          | 54,840                              | 41,828  | 280,352   | 20,361                                 | 116,863                | 396,717           |
| Sporting goods and bicycle shops.....  | 14,791                     | 2,504,654          | 36,363                              | 2,340   | 74,280  | 28,752                                 | 120,854                | 212,641           |
| Book stores.....   | 3,388                      | 629,230            | 10,125                              | 455   | 48,451  | 6,872                                  | 78,682                 | 107,560           |
| Stationery stores.....   | 3,568                      | 1,008,795          | 11,900                              | 5,486   | 62,358  | 13,317                                 | 77,135                 | 119,136           |
| Jewelry stores.....  | 18,751                     | 2,782,321          | 22,959                              | 5,364   | 142,636   | 20,064                                 | 148,647                | 435,825           |
| Hobby, toy, and game shops.....  | 12,424                     | 727,017            | 7,983                               | 794   | 83,820  | 7,200                                  | 36,274                 | 65,928            |
| Camera and photographic supply stores.....                                       | *1,816                     | *346,505           | *5,431                              | *3,515  | *26,409   | --                                     | *18,980                | *60,837           |
| Luggage and leather goods stores.....  | *2,407                     | *187,982           | *1,018                              | *199  | *10,291   | *2,383                                 | *6,256                 | *17,302           |
| Fabric and needlework stores.....  | 3,778                      | 294,595            | 5,421                               | 452   | 20,214  | 1,300                                  | 32,428                 | 39,482            |
| Catalog or mail order.....   | 40,422                     | 1,452,851          | 11,131                              | 957   | 7,306   | 2,576                                  | 36,392                 | 277,224           |
| Vending machine selling.....   | 20,123                     | 1,492,868          | 89,147                              | 6,462   | 5,309   | 5,741                                  | 36,617                 | 284,509           |
| Sales by door-to-door, telephone, etc.....                                       | 554,128                    | 15,192,137         | 284,593                             | 65,308  | 227,392   | 101,879                                | 309,326                | 4,279,472         |
| Gift, novelty, and souvenir shops.....   | 34,873                     | 2,620,021          | 30,151                              | 23,037  | 191,318   | 20,723                                 | 195,363                | 255,561           |
| Fuel oil dealers.....  | 4,036                      | 1,675,073          | 24,813                              | 2,281   | 3,383   | 8,719                                  | 67,551                 | 75,863            |
| Florists.....  | 27,675                     | 2,725,782          | 73,085                              | 18,236  | 112,963   | 24,554                                 | 442,963                | 300,996           |
| Other retail shops.....  | 128,171                    | 13,501,255         | 201,283                             | 67,072  | 500,238   | 117,591                                | 863,490                | 1,559,861         |

Footnotes at end of table.



# Sole Proprietorship Returns, 1997

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Net Income Status and 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</sup> | Rent paid on machinery and equipment <sup>1</sup> | Rent paid on other business property <sup>1</sup> | Interest paid deduction <sup>1,2</sup> | Payroll <sup>1,3</sup> | Net income         |
|  | (9)                        | (10)               | (11)                                | (12)  | (13)  | (14)                                   | (15)                   | (16)               |
| <b>Finance, insurance, and real estate.....</b>  | <b>967,775</b>             | <b>63,459,200</b>  | <b>1,267,847</b>                    | <b>488,663</b>                                    | <b>990,494</b>                                    | <b>621,143</b>                         | <b>2,765,951</b>       | <b>27,193,534</b>  |
| Finance.....   | 112,538                    | 14,824,876         | 152,120                             | 49,968  | 159,179   | 114,323                                | 330,339                | 3,495,522          |
| Credit agencies and mortgage bankers.....  | 12,272                     | 909,642            | 9,423                               | 4,738   | 10,349  | 3,643                                  | 28,016                 | 289,182            |
| Security and commodity brokers and services.....   | 46,213                     | 8,301,330          | 52,338                              | 22,664  | 68,119  | 48,146                                 | 153,962                | 1,595,959          |
| Security brokers and dealers.....  | 15,721                     | 4,670,513          | 8,467                               | 1,213   | 12,171  | 5,669                                  | 31,114                 | 446,802            |
| Investment advisors and services.....  | 27,539                     | 2,061,843          | 36,277                              | 20,913  | 54,736  | 41,718                                 | 111,858                | 967,665            |
| Commodity contract brokers, exchanges and services.....  | 2,954                      | 1,568,975          | 7,594                               | 537   | 1,212   | 759                                    | 10,991                 | 181,493            |
| Other financial services.....  | 54,053                     | 5,613,904          | 90,359                              | 22,567  | 80,711  | 62,534                                 | 148,361                | 1,610,381          |
| Insurance agents and brokers.....  | 262,182                    | 16,843,268         | 310,257                             | 171,679   | 445,183   | 174,177                                | 1,572,146              | 8,301,051          |
| Insurance services.....  | 30,930                     | 1,624,550          | 52,690                              | 33,260  | 36,342  | 8,629                                  | 241,676                | 643,201            |
| Real estate.....   | 562,126                    | 30,166,506         | 752,780                             | 233,755   | 349,790   | 324,014                                | 621,790                | 14,753,760         |
| Real estate property managers.....   | 36,875                     | 1,262,174          | 30,791                              | 9,443   | 37,091  | 12,416                                 | 74,946                 | 522,838            |
| Operators and lessors of buildings.....  | 3,848                      | 524,107            | 44,389                              | 210   | 11,521  | 49,275                                 | 71,859                 | 94,305             |
| Operators and lessors, other than buildings.....   | 3,454                      | 407,520            | 32,030                              | 1,285   | 9,175   | 44,916                                 | 24,244                 | 118,012            |
| Real estate agents and brokers.....  | 499,629                    | 25,910,293         | 602,012                             | 215,515   | 282,095   | 164,767                                | 411,881                | 13,491,101         |
| Title abstract companies.....  | 9,887                      | 326,447            | 8,885                               | --  | 2,345   | 4,047                                  | 10,570                 | 152,833            |
| Subdividers and developers.....  | 8,432                      | 1,735,966          | 34,674                              | 7,303   | 7,563   | 48,593                                 | 28,290                 | 374,671            |
| <b>Services.....</b>   | <b>6,512,423</b>           | <b>274,362,316</b> | <b>8,276,380</b>                    | <b>2,156,738</b>                                  | <b>9,074,357</b>                                  | <b>2,610,013</b>                       | <b>26,689,407</b>      | <b>114,268,832</b> |
| Hotels and other lodging places.....   | 28,982                     | 3,214,241          | 289,428                             | 14,365  | 52,569  | 280,460                                | 464,522                | 430,621            |
| Hotels, motels, and tourist courts.....  | 18,304                     | 2,408,853          | 213,986                             | 12,062  | 40,307  | 217,354                                | 362,495                | 313,261            |
| Rooming and boarding houses.....   | 5,296                      | 507,338            | 26,768                              | 1,599   | 7,106   | 25,852                                 | 76,452                 | 89,912             |
| Camps and camping parks.....   | 5,382                      | 298,049            | 48,673                              | 704   | 5,156   | 37,254                                 | 25,575                 | 27,448             |
| Personal services.....   | 1,010,041                  | 28,230,085         | 774,855                             | 375,343   | 2,059,516   | 246,178                                | 2,735,201              | 9,708,330          |
| Coin-operated laundry and dry cleaning.....  | 10,166                     | 579,508            | 41,148                              | 13,839  | 90,670  | 11,924                                 | 44,203                 | 111,621            |
| Other cleaning services, including laundry, dry cleaning, garment, carpet, and upholstery..... | 44,025                     | 3,124,924          | 156,146                             | 73,463  | 362,519   | 40,583                                 | 618,602                | 547,346            |
| Photographic portrait studios.....   | 26,706                     | 1,180,857          | 50,238                              | 12,547  | 50,611  | 5,196                                  | 63,642                 | 253,029            |
| Beauty shops.....  | 355,939                    | 9,917,087          | 189,054                             | 177,162   | 1,170,682   | 91,264                                 | 1,241,379              | 3,430,322          |
| Barber shops.....  | 60,190                     | 1,337,295          | 36,210                              | 48,908  | 123,532   | 13,218                                 | 108,633                | 659,564            |
| Funeral service and crematories.....   | 6,966                      | 899,220            | 63,512                              | 9,997   | 9,010   | 28,340                                 | 42,339                 | 221,300            |
| Miscellaneous personal services, including valet parking.....                                  | 506,048                    | 11,191,195         | 238,547                             | 39,428  | 252,492   | 55,654                                 | 616,403                | 4,485,149          |
| Business services.....   | 1,626,903                  | 47,688,165         | 1,610,858                           | 393,304   | 736,450   | 303,459                                | 3,962,701              | 17,053,968         |
| Advertising, except direct mail.....   | 42,912                     | 2,914,714          | 52,583                              | 17,974  | 30,854  | 6,170                                  | 54,504                 | 902,616            |
| Consumer credit reporting and collecting services.....   | 1,481                      | 4,086              | 18                                  | --  | --  | --                                     | --                     | *2,576             |
| Janitorial and related services to buildings.....  | 391,620                    | 6,838,185          | 181,997                             | 40,329  | 36,513  | 44,136                                 | 1,217,670              | 2,594,513          |
| Computer and data processing services.....   | 156,969                    | 3,750,690          | 136,101                             | 25,420  | 41,427  | 13,817                                 | 126,234                | 1,793,241          |
| Mailing, reproduction, commercial art and photography, and stenographic services.....          | 148,600                    | 4,605,693          | 173,275                             | 43,423  | 89,589  | 15,353                                 | 202,403                | 1,855,306          |
| Computer repair, maintenance, and leasing.....   | 27,923                     | 1,643,573          | 73,231                              | 12,141  | 18,779  | 17,221                                 | 52,827                 | 286,963            |
| Equipment rental and leasing, except computer and automotive.....                              | 17,634                     | 893,816            | 120,832                             | 5,085   | 18,528  | 18,142                                 | 63,962                 | 297,265            |
| Other business services.....   | 839,764                    | 27,037,407         | 872,821                             | 248,933   | 500,759   | 188,621                                | 2,245,101              | 9,321,488          |
| Automotive repair and services.....  | 285,944                    | 21,028,836         | 783,040                             | 200,489   | 787,761   | 259,973                                | 2,297,358              | 3,293,000          |
| Automotive rentals or leasing, without drivers.....  | 4,252                      | 747,934            | 66,941                              | 406   | 2,691   | 11,303                                 | 31,733                 | 44,223             |
| Automobile parking, except valet.....  | *1,970                     | *136,074           | *3,151                              | *2,879  | *48,655   | *6,186                                 | *2,151                 | *24,654            |
| Automotive repair shops.....   | 205,107                    | 15,942,793         | 529,997                             | 151,077   | 658,957   | 182,980                                | 1,937,689              | 2,389,348          |
| Automotive services, except repair.....  | 74,614                     | 4,202,034          | 182,951                             | 46,127  | 77,458  | 59,505                                 | 325,785                | 834,775            |
| Miscellaneous repair services.....   | 196,441                    | 8,549,455          | 244,741                             | 34,453  | 189,358   | 99,723                                 | 695,320                | 2,249,376          |
| TV and audio equipment repair.....   | 13,373                     | 542,612            | 10,378                              | 307   | 11,647  | 3,762                                  | 42,369                 | 177,739            |
| Electrical repair, except TV and audio equipment.....  | 53,519                     | 1,966,247          | 33,581                              | 8,873   | 37,053  | 39,442                                 | 149,971                | 433,712            |
| Reupholstery and furniture repair.....   | 40,988                     | 1,600,509          | 30,420                              | 3,042   | 71,810  | 8,386                                  | 217,633                | 562,510            |
| Other miscellaneous repair.....  | 88,561                     | 4,440,087          | 170,362                             | 22,231  | 68,847  | 48,132                                 | 285,347                | 1,075,415          |
| Motion pictures.....   | 39,970                     | 1,911,697          | 157,131                             | 49,716  | 69,885  | 15,341                                 | 106,564                | 570,133            |
| Motion picture and video production.....   | 30,702                     | 1,218,758          | 82,737                              | 36,845  | 18,443  | 3,795                                  | 44,704                 | 467,853            |
| Motion picture and tape distribution and allied services.....                                  | 168                        | 15,304             | 41                                  | --  | --  | --                                     | --                     | *9,129             |
| Motion picture theaters.....   | *348                       | *57,294            | *1,223                              | *332  | *961  | *4,092                                 | *7,886                 | *10,194            |
| Video tape rentals.....  | 8,752                      | 620,342            | 73,129                              | 12,540  | 50,481  | 7,454                                  | 53,974                 | 82,958             |
| Amusement and recreation services, except motion pictures.....                                 | 404,640                    | 11,295,463         | 540,294                             | 89,186  | 231,599   | 89,741                                 | 457,664                | 4,683,563          |
| Entertainers, producers, agents, and related services.....                                     | 204,851                    | 5,325,878          | 243,722                             | 21,949  | 77,117  | 28,103                                 | 98,621                 | 2,604,918          |
| Bowling centers.....   | *604                       | *185,494           | *19,634                             | *615  | *34   | *17,796                                | *37,533                | *29,913            |
| Professional sports and racing, including promoters and managers.....                          | 44,386                     | 2,565,981          | 99,659                              | 10,409  | 16,396  | 7,336                                  | 92,311                 | 1,188,706          |
| Other amusement and recreation services.....   | 140,435                    | 2,985,329          | 165,727                             | 54,631  | 106,600   | 33,913                                 | 218,163                | 781,652            |
| Physical fitness facilities.....   | 14,362                     | 232,781            | 11,552                              | 1,581   | 31,453  | 2,592                                  | 11,036                 | 78,374             |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Net Income Status and 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</sup> | Rent paid on machinery and equipment | Rent paid on other business property | Interest paid deduction <sup>1,2</sup> | Payroll <sup>1,3</sup> | Net income     |
|   | (9)                        | (10)              | (11)                                | (12)                                 | (13)                                 | (14)                                   | (15)                   | (16)           |
| <b>Services-Continued</b>                           |                            |                   |                                     |                                      |                                      |  |                        |                |
| Medical and health services.....                    | 686,841                    | 70,453,871        | 1,646,247                           | 423,261                              | 2,758,080                            | 735,454                                | 9,940,640              | 32,971,879     |
| Offices of physicians.....                          | 162,603                    | 25,462,628        | 386,137                             | 151,550                              | 866,588                              | 147,809                                | 2,714,387              | 14,613,676     |
| Offices of dentists.....                            | 95,272                     | 24,242,038        | 720,021                             | 122,608                              | 902,175                              | 335,599                                | 4,956,415              | 9,260,324      |
| Offices of osteopathic physicians.....              | 7,451                      | 1,383,419         | 28,734                              | 2,418                                | 49,683                               | 9,512                                  | 174,168                | 838,146        |
| Offices of chiropractors.....                       | 23,042                     | 3,523,217         | 115,547                             | 38,590                               | 250,860                              | 77,681                                 | 502,784                | 1,315,089      |
| Offices of optometrists.....                        | 12,465                     | 2,788,032         | 107,068                             | 15,579                               | 170,806                              | 41,274                                 | 372,408                | 646,527        |
| Offices of podiatrists.....                         | 5,502                      | 775,701           | 23,736                              | 15,333                               | 58,044                               | 20,178                                 | 75,379                 | 262,404        |
| Registered and practical nurses.....                | 39,867                     | 737,560           | 4,276                               | 1,060                                | 2,444                                | 3                                      | 5,648                  | 553,677        |
| Nursing and personal care facilities.....           | 28,416                     | 1,577,122         | 47,643                              | 4,613                                | 34,161                               | 59,735                                 | 380,966                | 340,560        |
| Medical and dental laboratories.....                | 19,798                     | 1,485,814         | 22,560                              | 8,266                                | 59,172                               | 6,848                                  | 208,774                | 572,276        |
| Other medical and health services.....              | 292,427                    | 8,478,339         | 190,525                             | 63,243                               | 364,148                              | 36,816                                 | 549,709                | 4,569,200      |
| Legal services.....                                 | 240,482                    | 24,743,868        | 460,647                             | 209,408                              | 1,018,182                            | 165,533                                | 2,703,657              | 12,527,014     |
| Educational services.....                           | 224,813                    | 2,657,511         | 95,913                              | 6,577                                | 169,626                              | 12,635                                 | 118,477                | 1,177,107      |
| Child day care.....                                 | 428,505                    | 5,489,839         | 222,290                             | 19,731                               | 114,890                              | 62,279                                 | 479,011                | 2,136,927      |
| Ministers and chaplains.....                        | 158,916                    | 2,099,076         | 27,358                              | 34,063                               | 22,306                               | 1,976                                  | --                     | 1,349,267      |
| Engineering services.....                           | 75,592                     | 3,605,738         | 149,277                             | 28,721                               | 60,829                               | 17,405                                 | 311,460                | 1,925,359      |
| Architectural services.....                         | 44,116                     | 2,797,669         | 120,924                             | 12,331                               | 100,296                              | 17,136                                 | 418,664                | 963,708        |
| Surveying services.....                             | 13,738                     | 854,403           | 34,515                              | 1,678                                | 7,985                                | 1,863                                  | 180,884                | 298,209        |
| Accounting, auditing, and bookkeeping services..... | 280,122                    | 8,187,595         | 350,261                             | 56,615                               | 253,869                              | 121,799                                | 817,292                | 3,969,580      |
| Management services.....                            | 67,145                     | 2,817,716         | 61,597                              | 13,130                               | 22,732                               | 26,119                                 | 212,168                | 1,684,861      |
| Consulting services.....                            | 624,896                    | 26,290,754        | 644,586                             | 180,656                              | 288,003                              | 145,164                                | 734,330                | 15,863,769     |
| Public relations.....                               | 11,167                     | 390,730           | 5,086                               | 577                                  | 10,044                               | 781                                    | 11,909                 | 194,628        |
| Counseling, except health practitioners.....        | 63,172                     | 2,055,605         | 57,333                              | 13,136                               | 120,376                              | 6,994                                  | 41,585                 | 1,217,535      |
| <b>Nature of business not allocable.....</b>        | <b>145,248</b>             | <b>1,903,831</b>  | <b>48,533</b>                       | <b>6,692</b>                         | <b>2,160</b>                         | <b>29,155</b>                          | <b>32,257</b>          | <b>940,383</b> |

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

\*\*Data combined to prevent disclosure of information for specific taxpayers.

<sup>1</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>2</sup> Interest paid is the sum of mortgage interest and other interest paid on business indebtedness (see Table 2).

<sup>3</sup> Payroll is the sum of 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, 1997

## 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>          |                        |  |                    |  |                                      |  |                  |                        |
| <b>Number of returns</b> <sup>1</sup> .....            | <b>17,176,487</b>      | <b>564,734</b>                               | <b>21,126</b>      | <b>109,082</b>   | <b>270,548</b>                       | <b>163,978</b>   | <b>124,365</b>   | <b>112,086</b>         |
| <b>Business receipts, total</b> <sup>1</sup> .....     | <b>870,392,286</b>     | <b>23,645,626</b>                            | <b>409,507</b>     | <b>3,269,015</b>   | <b>10,387,964</b>                    | <b>9,579,140</b>                                       | <b>5,731,388</b> | <b>5,117,745</b>       |
| Income from sales and operations <sup>1</sup> .....    | 858,452,648            | 23,413,949                                   | 394,303            | 3,209,115  | 10,370,622                           | 9,439,910  | 5,477,337        | 4,867,026              |
| Other business income.....                             | 11,939,638             | 231,676                                      | 15,204             | 59,900   | 17,342                               | 139,230  | 254,051          | 250,719                |
| <b>Business deductions, total</b> <sup>1,2</sup> ..... | <b>683,872,364</b>     | <b>20,023,443</b>                            | <b>565,925</b>     | <b>3,226,704</b>   | <b>8,529,625</b>                     | <b>7,701,189</b>                                       | <b>5,559,832</b> | <b>4,923,288</b>       |
| Cost of sales and operations.....                      | 319,557,408            | 6,605,231                                    | 141,138            | 1,177,411  | 2,934,813                            | 2,351,868  | 1,329,633        | 1,052,783              |
| Inventory, beginning of year.....                      | 32,058,234             | 432,471                                      | *14,682            | 54,655   | 151,890                              | 211,243  | 65,315           | 27,605                 |
| Cost of labor.....                                     | 24,940,782             | 947,044                                      | *832               | 36,395   | 620,797                              | 289,019  | 56,048           | 24,759                 |
| Purchases.....   | 224,259,001            | 3,745,781                                    | 149,662            | 1,021,055  | 1,150,037                            | 1,425,027  | 604,597          | 427,522                |
| Materials and supplies.....                            | 37,552,076             | 1,211,794                                    | *1,218             | 79,278   | 887,733                              | 243,565  | 26,505           | 16,532                 |
| Other costs.....                                       | 33,970,016             | 701,747                                      | 11,219             | 85,769   | 227,127                              | 377,632  | 639,971          | 580,618                |
| Inventory, end of year.....                            | 33,222,700             | 433,606                                      | *36,476            | 99,742   | 102,770                              | 194,618  | 62,802           | 24,253                 |
| Advertising expenses.....                              | 8,977,738              | 182,288                                      | 3,826              | 40,148   | 97,023                               | 41,291   | 5,136            | 3,911                  |
| Bad debts from sales or services.....                  | 1,100,682              | 16,810                                       | *45                | *10,034  | 4,899                                | 1,832  | 12,945           | 12,869                 |
| Car and truck expenses.....                            | 38,727,748             | 1,188,901                                    | 19,082             | 162,610  | 726,441                              | 280,768  | 215,296          | 180,854                |
| Commissions.....                                       | 10,985,782             | 131,182                                      | 14,091             | 10,156   | 68,824                               | 38,112   | 3,285            | 2,791                  |
| Depletion.....   | 565,328                | 798  | *7                 | *520   | *161                                 | *109   | 406,324          | 403,785                |
| Depreciation.....                                      | 28,625,259             | 1,698,222                                    | 48,266             | 223,924  | 817,872                              | 608,161  | 342,986          | 292,945                |
| Employee benefit programs.....                         | 1,416,962              | 46,462                                       | *537               | 4,795  | 16,861                               | 24,267   | 6,955            | 5,018                  |
| Insurance.....   | 13,299,494             | 635,166                                      | 10,903             | 84,506   | 320,357                              | 219,400  | 69,175           | 59,294                 |
| Legal and professional services.....                   | 6,551,619              | 146,841                                      | 2,749              | 19,797   | 65,259                               | 59,037   | 87,850           | 84,342                 |
| Meals and entertainment deducted.....                  | 3,570,473              | 71,700                                       | 515                | 9,188  | 25,186                               | 36,811   | 11,286           | 9,311                  |
| Mortgage interest.....                                 | 4,533,657              | 173,537                                      | *16,224            | 30,965   | 39,502                               | 86,846   | 17,307           | 11,532                 |
| Other interest paid on business indebtedness.....      | 6,350,002              | 241,164                                      | 2,537              | 37,982   | 87,959                               | 112,685  | 121,265          | 112,051                |
| Office expenses.....                                   | 9,209,728              | 192,232                                      | 3,766              | 23,660   | 79,928                               | 84,878   | 25,087           | 23,435                 |
| Pension and profit-sharing plans.....                  | 728,349                | 13,370                                       | --                 | *465   | *1,726                               | 11,179   | 1,665            | 1,631                  |
| Rent on machinery and equipment.....                   | 7,358,163              | 232,631                                      | *437               | 12,027   | 127,906                              | 92,261   | 39,186           | 19,637                 |
| Rent on other business property.....                   | 21,967,711             | 325,447                                      | 5,829              | 92,145   | 91,344                               | 136,129  | 45,442           | 29,737                 |
| Repairs.....   | 10,897,367             | 666,389                                      | 5,712              | 57,716   | 356,464                              | 246,498  | 84,411           | 47,682                 |
| Salaries and wages.....                                | 57,746,206             | 2,635,858                                    | 27,416             | 226,713  | 1,039,539                            | 1,342,191  | 243,295          | 173,353                |
| Supplies.....  | 19,546,451             | 898,696                                      | 53,950             | 167,484  | 417,968                              | 259,293  | 46,016           | 41,141                 |
| Taxes paid.....  | 13,774,081             | 473,547                                      | 3,021              | 49,022   | 190,739                              | 230,765  | 170,816          | 157,197                |
| Travel.....  | 7,452,594              | 118,624                                      | 2,670              | 26,138   | 20,030                               | 69,786   | 24,831           | 21,859                 |
| Utilities.....   | 18,575,129             | 485,979                                      | 9,260              | 108,003  | 190,865                              | 177,851  | 80,420           | 73,220                 |
| Home office business deductions.....                   | 3,817,539              | 40,453                                       | *1,732             | *11,810  | 19,044                               | 7,866  | 3,007            | 2,623                  |
| Depreciation, Form 8829.....                           | 436,600                | 5,213  | *118               | *1,686   | 3,214                                | *195   | *296             | *27                    |
| Other business deductions.....                         | 67,336,466             | 2,772,081                                    | 192,202            | 630,544  | 777,401                              | 1,171,934  | 2,163,345        | 2,097,421              |
| <b>Net income less deficit</b> <sup>1,2</sup> .....    | <b>186,643,910</b>     | <b>3,675,044</b>                             | <b>-166,687</b>    | <b>105,077</b>   | <b>1,858,339</b>                     | <b>1,878,315</b>                                       | <b>176,539</b>   | <b>199,440</b>         |
| Net income <sup>1,2</sup> .....                        | 210,464,545            | 4,717,972                                    | 30,825             | 464,827  | 2,071,244                            | 2,151,076  | 935,145          | 891,964                |
| Deficit <sup>2</sup> .....                             | 23,820,635             | 1,042,928                                    | 197,512            | 359,750  | 212,905                              | 272,761  | 758,606          | 692,524                |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**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>                      |                        |  |                    |  |                                      |  |                  |                        |
| <b>Number of returns</b> <sup>1</sup> .....            | <b>12,702,663</b>      | <b>399,442</b>                               | <b>3,928</b>       | <b>62,918</b>  | <b>216,367</b>                       | <b>116,230</b>   | <b>73,399</b>    | <b>70,499</b>          |
| <b>Business receipts, total</b> <sup>1</sup> .....     | <b>762,301,189</b>     | <b>20,954,073</b>                            | <b>291,212</b>     | <b>2,466,215</b>   | <b>9,626,182</b>                     | <b>8,570,465</b>                                       | <b>4,195,799</b> | <b>3,759,619</b>       |
| Income from sales and operations <sup>1</sup> .....    | 751,716,864            | 20,797,432                                   | 278,849            | 2,445,853  | 9,608,952                            | 8,463,778  | 4,042,996        | 3,606,845              |
| Other business income.....                             | 10,584,325             | 156,641                                      | *12,363            | 20,362   | 17,230                               | 106,687  | 152,802          | 152,774                |
| <b>Business deductions, total</b> <sup>1,2</sup> ..... | <b>551,909,057</b>     | <b>16,236,100</b>                            | <b>260,386</b>     | <b>2,001,388</b>   | <b>7,554,938</b>                     | <b>6,419,388</b>                                       | <b>3,259,441</b> | <b>2,866,443</b>       |
| Cost of sales and operations.....                      | 261,321,486            | 5,656,074                                    | *133,584           | 796,954  | 2,658,601                            | 2,066,934  | 971,768          | 803,306                |
| Inventory, beginning of year.....                      | 21,503,637             | 236,104                                      | *13,315            | 21,150   | 119,228                              | 82,412   | 15,056           | 11,869                 |
| Cost of labor.....                                     | 21,161,462             | 871,848                                      | *272               | *32,432  | 598,413                              | 240,731  | *43,720          | *19,842                |
| Purchases.....   | 182,367,635            | 3,140,078                                    | *146,206           | 680,465  | 1,014,576                            | 1,298,830  | 545,367          | 412,831                |
| Materials and supplies.....                            | 32,226,449             | 1,065,607                                    | *1,218             | 71,711   | 759,667                              | 233,011  | 23,448           | 13,568                 |
| Other costs.....                                       | 26,726,781             | 550,271                                      | *7,424             | *17,149  | 225,508                              | 300,189  | 353,397          | 351,722                |
| Inventory, end of year.....                            | 22,664,478             | 207,833                                      | *34,851            | 25,952   | 58,791                               | 88,239   | 9,221            | 6,527                  |
| Advertising expenses.....                              | 7,183,488              | 143,302                                      | *819               | 31,150   | 80,341                               | 30,992   | 2,306            | 1,805                  |
| Bad debts from sales or services.....                  | 570,390                | 7,825  | *37                | *1,308   | *4,808                               | 1,672  | *101             | *89                    |
| Car and truck expenses.....                            | 31,024,523             | 967,796                                      | *10,655            | 110,324  | 638,266                              | 208,550  | 185,733          | 162,322                |
| Commissions.....                                       | 9,148,122              | 100,899                                      | *1                 | 2,230  | 61,838                               | 36,830   | 1,926            | 1,432                  |
| Depletion.....   | 300,200                | *269   | *(-)               | *10  | *158                                 | *102   | 242,248          | 240,861                |
| Depreciation.....                                      | 21,175,313             | 1,140,821                                    | *5,948             | 117,266  | 629,875                              | 387,733  | 171,510          | 146,466                |
| Employee benefit programs.....                         | 1,267,741              | 43,641                                       | --                 | *4,582   | 15,391                               | 23,668   | 5,090            | 3,917                  |
| Insurance.....   | 11,218,668             | 519,389                                      | *4,587             | 37,279   | 294,146                              | 183,377  | 53,942           | 47,642                 |
| Legal and professional services.....                   | 5,057,598              | 120,533                                      | 764                | 12,070   | 59,152                               | 48,548   | 41,772           | 39,870                 |
| Meals and entertainment deducted.....                  | 2,921,086              | 61,479                                       | *68                | 6,611  | 22,713                               | 32,088   | 5,326            | 5,107                  |
| Mortgage interest.....                                 | 3,085,143              | 123,827                                      | *13,161            | *19,667  | 27,512                               | 63,486   | 6,755            | 2,590                  |
| Other interest paid on business indebtedness.....      | 4,289,623              | 176,304                                      | *1,095             | 20,195   | 74,932                               | 80,082   | 43,474           | 37,410                 |
| Office expenses.....                                   | 7,450,532              | 165,040                                      | *796               | 19,085   | 71,184                               | 73,975   | 9,771            | 8,919                  |
| Pension and profit-sharing plans.....                  | 700,971                | 13,369                                       | --                 | *464   | *1,726                               | 11,179   | 1,445            | 1,435                  |
| Rent on machinery and equipment.....                   | 6,019,606              | 208,472                                      | *135               | 9,002  | 119,474                              | 79,861   | 37,787           | 18,481                 |
| Rent on other business property.....                   | 17,818,167             | 250,388                                      | *3,077             | 80,004   | 74,453                               | 92,854   | 31,828           | 16,393                 |
| Repairs.....   | 8,460,977              | 508,876                                      | *270               | 39,437   | 304,635                              | 164,534  | 64,610           | 36,912                 |
| Salaries and wages.....                                | 50,366,750             | 2,432,179                                    | *13,137            | 175,165  | 988,831                              | 1,255,046  | 174,876          | 126,092                |
| Supplies.....  | 15,484,726             | 699,205                                      | *25,407            | 100,888  | 358,799                              | 214,111  | 40,486           | 36,713                 |
| Taxes paid.....  | 11,279,873             | 415,353                                      | *1,454             | 33,297   | 178,128                              | 202,474  | 109,669          | 101,206                |
| Travel.....  | 5,726,373              | 82,150                                       | *224               | 13,286   | 16,030                               | 52,610   | 13,732           | 13,430                 |
| Utilities.....   | 14,581,896             | 405,915                                      | *5,857             | 83,241   | 163,077                              | 153,740  | 61,510           | 58,857                 |
| Home office business deductions.....                   | 3,188,162              | 30,265                                       | *763               | *6,653   | 15,021                               | 7,828  | *2,726           | *2,568                 |
| Depreciation, Form 8829.....                           | 337,273                | 4,136  | *116               | *821   | *3,028                               | *171   | *15              | *14                    |
| Other business deductions.....                         | 51,085,000             | 1,932,895                                    | 38,536             | 272,282  | 684,332                              | 937,745  | 976,191          | 949,759                |
| <b>Net income</b> <sup>1,2</sup> .....                 | <b>210,464,545</b>     | <b>4,717,972</b>                             | <b>30,825</b>      | <b>464,827</b>   | <b>2,071,244</b>                     | <b>2,151,076</b>                                       | <b>935,145</b>   | <b>891,964</b>         |
| <b>Returns with Schedule C-EZ:</b>                     |                        |  |                    |  |                                      |  |                  |                        |
| Number of returns.....                                 | 2,414,035              | 78,025                                       | *51                | *10,714  | 32,319                               | 34,941   | 7,373            | 7,373                  |
| Business receipts.....                                 | 11,263,555             | 296,629                                      | *126               | *37,151  | 117,343                              | 142,008  | 8,491            | 8,491                  |
| Business deductions.....                               | 1,212,240              | 29,834                                       | *9                 | *8,939   | 11,515                               | 9,370  | 2,865            | 2,865                  |
| <b>Net income</b> .....                                | <b>10,051,315</b>      | <b>266,795</b>                               | <b>*117</b>        | <b>*28,212</b>   | <b>105,827</b>                       | <b>132,638</b>   | <b>5,626</b>     | <b>5,626</b>           |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**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>          |                  |                   |   |                           |   |                           |                  |  |
| <b>Number of returns</b> <sup>1</sup> .....            | 12,279           | 2,196,762         | 287,933   | 1,908,829                 | 144,361                                 | 225,902                   | 113,210          | 196,568  |
| <b>Business receipts, total</b> <sup>1</sup> .....     | 613,643          | 130,764,670       | 34,158,484  | 96,606,187                | 10,478,289                              | 7,216,776                 | 7,860,172        | 10,800,400                                       |
| Income from sales and operations <sup>1</sup> .....    | 610,312          | 130,073,486       | 33,881,614  | 96,191,872                | 10,463,140                              | 7,186,244                 | 7,842,363        | 10,791,958                                       |
| Other business income.....                             | 3,332            | 691,185           | 276,870   | 414,314                   | 15,148                                  | 30,531                    | 17,809           | *8,442   |
| <b>Business deductions, total</b> <sup>1,2</sup> ..... | 636,544          | 107,314,766       | 30,577,345  | 76,737,421                | 8,751,405                               | 4,984,045                 | 6,412,075        | 8,446,859  |
| Cost of sales and operations.....                      | 276,852          | 58,830,523        | 20,743,672  | 38,086,851                | 4,629,395                               | 2,073,605                 | 3,660,756        | 4,358,886  |
| Inventory, beginning of year.....                      | *37,710          | 2,260,408         | 1,364,509   | 895,899                   | 157,286                                 | *8,934                    | 62,086           | *3,220   |
| Cost of labor.....                                     | *31,290          | 12,286,510        | 3,284,050   | 9,002,460                 | 611,290                                 | 767,373                   | 820,420          | 1,576,072  |
| Purchases.....   | 177,075          | 18,313,315        | 6,513,201   | 11,800,115                | 1,971,876                               | 314,749                   | 1,666,166        | 747,861  |
| Materials and supplies.....                            | *9,973           | 18,891,512        | 5,750,421   | 13,141,091                | 1,672,046                               | 901,780                   | 1,036,221        | 1,434,493  |
| Other costs.....                                       | 59,353           | 9,471,917         | 5,262,578   | 4,209,339                 | 366,220                                 | 90,684                    | 137,172          | 635,477  |
| Inventory, end of year.....                            | *38,550          | 2,393,139         | 1,431,087   | 962,052                   | 149,323                                 | *9,916                    | 61,310           | *38,237  |
| Advertising expenses.....                              | 1,224            | 642,802           | 95,208  | 547,593                   | 89,103                                  | 39,876                    | 49,232           | 35,326   |
| Bad debts from sales or services.....                  | *77              | 53,091            | 6,396   | 46,696                    | 6,705                                   | *2,142                    | *8,841           | *2,733   |
| Car and truck expenses.....                            | 34,442           | 7,099,367         | 1,057,300   | 6,042,067                 | 552,114                                 | 595,476                   | 443,069          | 772,329  |
| Commissions.....                                       | *494             | 1,038,917         | 297,150   | 741,767                   | 13,918                                  | 108,279                   | 9,291            | 143,305  |
| Depletion.....   | *2,539           | 1,357             | *399  | *958                      | --                                      | --                        | --               | --   |
| Depreciation.....                                      | 50,041           | 4,255,391         | 819,796   | 3,435,595                 | 359,920                                 | 217,591                   | 177,783          | 254,962  |
| Employee benefit programs.....                         | *1,937           | 217,654           | 37,329  | 180,325                   | 17,011                                  | 10,136                    | 50,231           | 10,647   |
| Insurance.....   | 9,881            | 2,634,431         | 559,189   | 2,075,242                 | 223,813                                 | 153,581                   | 171,828          | 202,628  |
| Legal and professional services.....                   | 3,509            | 628,123           | 188,549   | 439,574                   | 65,987                                  | 25,349                    | 27,443           | 49,188   |
| Meals and entertainment deducted.....                  | 1,975            | 203,912           | 35,965  | 167,948                   | 14,485                                  | 16,806                    | 19,371           | 10,117   |
| Mortgage interest.....                                 | 5,775            | 480,496           | 238,748   | 241,748                   | 29,173                                  | *7,477                    | 7,508            | 11,162   |
| Other interest paid on business indebtedness.....      | 9,214            | 782,448           | 210,506   | 571,942                   | 59,586                                  | 25,312                    | 30,767           | 30,795   |
| Office expenses.....                                   | 1,652            | 634,760           | 140,585   | 494,174                   | 74,577                                  | 41,782                    | 53,003           | 34,907   |
| Pension and profit-sharing plans.....                  | *34              | 19,028            | *812  | 18,216                    | *3,556                                  | *4,859                    | *1,391           | --   |
| Rent on machinery and equipment.....                   | 19,549           | 1,075,890         | 222,488   | 853,402                   | 43,391                                  | 62,876                    | 40,890           | 89,104   |
| Rent on other business property.....                   | *15,704          | 724,807           | 112,904   | 611,903                   | 51,040                                  | 27,767                    | 48,392           | 46,456   |
| Repairs.....   | 36,730           | 1,483,560         | 308,940   | 1,174,620                 | 105,286                                 | 50,926                    | 38,956           | 77,141   |
| Salaries and wages.....                                | 69,943           | 7,916,760         | 1,547,998   | 6,368,762                 | 850,894                                 | 333,775                   | 647,225          | 737,732  |
| Supplies.....  | 4,874            | 4,486,851         | 551,057   | 3,935,794                 | 570,018                                 | 368,475                   | 209,110          | 535,318  |
| Taxes paid.....  | 13,619           | 1,600,854         | 430,552   | 1,170,302                 | 168,077                                 | 67,430                    | 133,512          | 123,580  |
| Travel.....  | 2,972            | 461,529           | 63,563  | 397,965                   | 40,110                                  | 30,850                    | 34,816           | 23,272   |
| Utilities.....   | 7,200            | 1,521,018         | 307,762   | 1,213,256                 | 184,388                                 | 92,096                    | 108,077          | 73,697   |
| Home office business deductions.....                   | *384             | 302,943           | 50,554  | 252,389                   | 31,722                                  | 28,492                    | 13,358           | 14,458   |
| Depreciation, Form 8829.....                           | *269             | 35,716            | 5,002   | 30,714                    | 12,038                                  | 3,619                     | *1,380           | *1,100   |
| Other business deductions.....                         | 65,924           | 10,075,763        | 2,533,309   | 7,542,454                 | 562,640                                 | 571,643                   | 421,503          | 797,193  |
| <b>Net income less deficit</b> <sup>1,2</sup> .....    | <b>-22,901</b>   | <b>23,450,389</b> | <b>3,581,139</b>                                    | <b>19,869,251</b>         | <b>1,726,884</b>                        | <b>2,232,731</b>          | <b>1,448,097</b> | <b>2,354,012</b>                                 |
| Net income <sup>1,2</sup> .....                        | 43,181           | 25,278,038        | 4,127,494   | 21,150,544                | 1,837,403                               | 2,284,408                 | 1,508,528        | 2,426,316  |
| Deficit <sup>2</sup> .....                             | 66,082           | 1,827,649         | 546,355   | 1,281,293                 | 110,519                                 | 51,677                    | 60,431           | 72,304   |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**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>                      |                  |                    |   |                           |   |                           |                  |  |
| <b>Number of returns</b> <sup>1</sup> .....            | <b>2,900</b>     | <b>1,883,389</b>   | <b>237,208</b>                                      | <b>1,646,181</b>          | <b>114,885</b>                          | <b>212,684</b>            | <b>95,012</b>    | <b>174,848</b>                                   |
| <b>Business receipts, total</b> <sup>1</sup> .....     | <b>436,179</b>   | <b>117,797,385</b> | <b>29,604,587</b>                                   | <b>88,192,798</b>         | <b>9,650,171</b>                        | <b>7,009,851</b>          | <b>7,261,582</b> | <b>9,945,308</b>                                 |
| Income from sales and operations <sup>1</sup> .....    | 436,151          | 117,221,124        | 29,427,708  | 87,793,416                | 9,635,023                               | 6,980,133                 | 7,243,874        | 9,937,122  |
| Other business income.....                             | *28              | 576,261            | 176,879   | 399,382                   | *15,148                                 | 29,718                    | 17,708           | *8,185   |
| <b>Business deductions, total</b> <sup>1,2</sup> ..... | <b>392,998</b>   | <b>92,519,347</b>  | <b>25,477,093</b>                                   | <b>67,042,254</b>         | <b>7,812,768</b>                        | <b>4,725,444</b>          | <b>5,753,054</b> | <b>7,518,992</b>                                 |
| Cost of sales and operations.....                      | 168,462          | 51,337,421         | 17,525,125  | 33,812,296                | 4,192,431                               | 2,037,845                 | 3,340,225        | 3,767,114  |
| Inventory, beginning of year.....                      | *3,187           | 1,571,086          | 912,649   | 658,438                   | 124,247                                 | *8,934                    | 59,959           | *3,220   |
| Cost of labor.....                                     | *23,878          | 10,789,943         | 2,899,612   | 7,890,331                 | 539,524                                 | 762,618                   | 744,432          | 1,315,952  |
| Purchases.....   | *132,536         | 16,175,512         | 5,642,275   | 10,533,237                | 1,731,441                               | 301,903                   | 1,576,126        | 594,636  |
| Materials and supplies.....                            | *9,880           | 16,557,484         | 4,829,229   | 11,728,255                | 1,565,836                               | 890,081                   | 907,647          | 1,298,614  |
| Other costs.....                                       | *1,675           | 7,985,882          | 4,188,651   | 3,797,231                 | 348,965                                 | 84,225                    | 110,889          | 592,929  |
| Inventory, end of year.....                            | *2,695           | 1,742,485          | 947,290   | 795,195                   | 117,583                                 | *9,916                    | 58,830           | *38,237  |
| Advertising expenses.....                              | *501             | 553,392            | 79,549  | 473,843                   | 82,404                                  | 37,186                    | 47,074           | 28,686   |
| Bad debts from sales or services.....                  | *12              | 41,151             | *1,705  | 39,447                    | *6,452                                  | *2,142                    | *8,841           | *2,733   |
| Car and truck expenses.....                            | 23,411           | 6,244,481          | 938,670   | 5,305,811                 | 490,665                                 | 544,072                   | 378,103          | 680,185  |
| Commissions.....                                       | *494             | 949,714            | 259,848   | 689,866                   | 4,159                                   | 107,889                   | 6,509            | 142,239  |
| Depletion.....   | *1,386           | 1,342              | *397  | *945                      | --                                      | --                        | --               | --   |
| Depreciation.....                                      | 25,044           | 3,405,154          | 625,136   | 2,780,019                 | 293,420                                 | 185,456                   | 156,537          | 216,399  |
| Employee benefit programs.....                         | *1,173           | 189,949            | 34,954  | 154,995                   | 17,011                                  | *7,140                    | 49,228           | 10,360   |
| Insurance.....   | 6,301            | 2,314,659          | 478,764   | 1,835,895                 | 212,513                                 | 150,031                   | 147,455          | 182,277  |
| Legal and professional services.....                   | 1,902            | 503,867            | 149,007   | 354,859                   | 32,599                                  | 23,913                    | 25,021           | 39,338   |
| Meals and entertainment deducted.....                  | *219             | 178,812            | 31,488  | 147,325                   | 12,921                                  | 16,425                    | 16,777           | 9,446  |
| Mortgage interest.....                                 | *4,165           | 308,197            | 122,794   | 185,403                   | 23,079                                  | *7,477                    | 7,508            | 10,427   |
| Other interest paid on business indebtedness.....      | 6,064            | 596,036            | 129,887   | 466,149                   | 56,329                                  | 23,092                    | 25,631           | 27,911   |
| Office expenses.....                                   | 852              | 555,851            | 118,554   | 437,297                   | 67,484                                  | 39,854                    | 45,804           | 28,682   |
| Pension and profit-sharing plans.....                  | *10              | 18,579             | *365  | 18,214                    | *3,556                                  | *4,859                    | *1,391           | --   |
| Rent on machinery and equipment.....                   | *19,306          | 917,456            | 199,099   | 718,357                   | 40,102                                  | 56,442                    | 33,388           | 78,985   |
| Rent on other business property.....                   | *15,434          | 608,458            | 96,692  | 511,766                   | 41,999                                  | 27,759                    | 47,794           | 43,441   |
| Repairs.....   | 27,698           | 1,142,387          | 219,307   | 923,080                   | 87,124                                  | 47,999                    | 33,115           | 62,090   |
| Salaries and wages.....                                | 48,784           | 6,906,702          | 1,219,177   | 5,687,525                 | 822,638                                 | 331,622                   | 561,353          | 708,094  |
| Supplies.....  | 3,773            | 3,865,767          | 415,964   | 3,449,803                 | 436,643                                 | 315,646                   | 190,747          | 517,272  |
| Taxes paid.....  | 8,463            | 1,351,718          | 359,974   | 991,744                   | 155,336                                 | 63,738                    | 106,098          | 109,819  |
| Travel.....  | *302             | 390,660            | 52,727  | 337,933                   | 38,576                                  | 30,062                    | 32,678           | 20,216   |
| Utilities.....   | 2,653            | 1,277,578          | 240,739   | 1,036,839                 | 164,975                                 | 81,697                    | 100,129          | 64,936   |
| Home office business deductions.....                   | *158             | 265,971            | 48,775  | 217,196                   | 31,722                                  | 23,147                    | 12,973           | 13,358   |
| Depreciation, Form 8829.....                           | *1               | 32,879             | 4,578   | 28,301                    | 12,038                                  | 2,413                     | *1,380           | *1,019   |
| Other business deductions.....                         | 26,432           | 8,451,551          | 2,111,783   | 6,339,768                 | 494,135                                 | 532,505                   | 372,951          | 743,059  |
| <b>Net income</b> <sup>1,2</sup> .....                 | <b>43,181</b>    | <b>25,278,038</b>  | <b>4,127,494</b>                                    | <b>21,150,544</b>         | <b>1,837,403</b>                        | <b>2,284,408</b>          | <b>1,508,528</b> | <b>2,426,316</b>                                 |
| <b>Returns with Schedule C-EZ:</b>                     |                  |                    |   |                           |   |                           |                  |  |
| Number of returns.....                                 | --               | 314,454            | 26,238  | 288,216                   | *9,146                                  | 44,402                    | *13,230          | 27,692   |
| Business receipts.....                                 | --               | 1,842,283          | 171,806   | 1,670,477                 | *52,280                                 | 186,286                   | *40,633          | 326,777  |
| Business deductions.....                               | --               | 148,056            | 22,178  | 125,878                   | *4,496                                  | 27,444                    | *5,723           | 11,924   |
| <b>Net income</b> .....                                | --               | <b>1,694,227</b>   | <b>149,628</b>                                      | <b>1,544,599</b>          | <b>*47,784</b>                          | <b>158,843</b>            | <b>*34,910</b>   | <b>314,853</b>                                   |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

## 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>          |                                   |                                     |                   |  |   |                              |                                    |
| <b>Number of returns</b> <sup>1</sup> .....            | <b>558,319</b>                    | <b>670,470</b>                      | <b>480,365</b>    | <b>95,919</b>  | <b>98,317</b>                               | <b>41,705</b>                | <b>244,423</b>                     |
| <b>Business receipts, total</b> <sup>1</sup> .....     | <b>22,339,426</b>                 | <b>37,911,124</b>                   | <b>33,254,751</b> | <b>8,537,689</b>   | <b>4,944,073</b>                            | <b>4,914,759</b>             | <b>14,858,230</b>                  |
| Income from sales and operations <sup>1</sup> .....    | 22,262,618                        | 37,645,548                          | 32,983,203        | 8,505,996  | 4,879,379                                   | 4,924,566                    | 14,673,262                         |
| Other business income.....                             | 76,808                            | 265,576                             | 271,548           | 31,693   | 64,694                                      | -9,806                       | 184,968                            |
| <b>Business deductions, total</b> <sup>1,2</sup> ..... | <b>16,184,809</b>                 | <b>31,958,227</b>                   | <b>28,885,124</b> | <b>7,999,431</b>   | <b>4,336,223</b>                            | <b>4,007,067</b>             | <b>12,542,404</b>                  |
| Cost of sales and operations.....                      | 7,888,541                         | 15,475,670                          | 14,898,971        | 3,612,948  | 1,906,116                                   | 1,877,959                    | 7,501,947                          |
| Inventory, beginning of year.....                      | 205,988                           | 458,385                             | 1,024,219         | 199,546  | 219,162                                     | 80,100                       | 525,412                            |
| Cost of labor.....                                     | 1,557,466                         | 3,669,838                           | 1,840,531         | 263,936  | 236,840                                     | 389,480                      | 950,274                            |
| Purchases.....   | 1,974,677                         | 5,124,786                           | 8,889,579         | 2,008,151  | 959,652                                     | 824,978                      | 5,096,799                          |
| Materials and supplies.....                            | 3,011,565                         | 5,084,987                           | 2,365,915         | 467,427  | 326,587                                     | 286,791                      | 1,285,110                          |
| Other costs.....                                       | 1,359,822                         | 1,619,964                           | 1,929,552         | 888,266  | 337,506                                     | 370,947                      | 332,833                            |
| Inventory, end of year.....                            | 220,977                           | 482,289                             | 1,150,825         | 214,378  | 173,631                                     | 74,337                       | 688,480                            |
| Advertising expenses.....                              | 76,391                            | 257,665                             | 204,561           | 16,593   | 74,085                                      | 22,305                       | 91,578                             |
| Bad debts from sales or services.....                  | 7,507                             | 18,768                              | 34,272            | 2,531  | 11,501                                      | *309                         | 19,932                             |
| Car and truck expenses.....                            | 1,576,241                         | 2,102,837                           | 1,036,254         | 281,303  | 187,554                                     | 130,810                      | 436,588                            |
| Commissions.....                                       | 189,730                           | 277,244                             | 436,760           | 153,955  | 94,841                                      | 76,385                       | 111,579                            |
| Depletion.....   | --                                | *958                                | 86,551            | *86,024  | --  | --                           | *527                               |
| Depreciation.....                                      | 618,589                           | 1,806,750                           | 1,648,756         | 656,096  | 149,923                                     | 349,098                      | 493,639                            |
| Employee benefit programs.....                         | 48,212                            | 44,088                              | 81,315            | 15,650   | 18,149                                      | 24,386                       | 23,130                             |
| Insurance.....   | 421,407                           | 901,984                             | 549,944           | 227,105  | 38,995                                      | 89,722                       | 194,122                            |
| Legal and professional services.....                   | 84,712                            | 186,895                             | 149,036           | 23,027   | 36,509                                      | 22,998                       | 66,501                             |
| Meals and entertainment deducted.....                  | 29,204                            | 77,965                              | 75,297            | 12,063   | 11,030                                      | 6,642                        | 45,562                             |
| Mortgage interest.....                                 | 54,397                            | 132,031                             | 195,937           | 93,224   | 28,400                                      | 28,096                       | 46,216                             |
| Other interest paid on business indebtedness.....      | 93,404                            | 332,078                             | 318,651           | 104,706  | 46,488                                      | 69,241                       | 98,216                             |
| Office expenses.....                                   | 107,843                           | 182,061                             | 252,094           | 22,276   | 70,517                                      | 34,623                       | 124,679                            |
| Pension and profit-sharing plans.....                  | --                                | 8,410                               | 19,028            | *1,365   | 3,723                                       | 8,784                        | 5,156                              |
| Rent on machinery and equipment.....                   | 107,209                           | 509,933                             | 399,951           | 128,086  | 68,681                                      | 51,634                       | 151,550                            |
| Rent on other business property.....                   | 128,242                           | 310,006                             | 769,852           | 73,519   | 144,326                                     | 95,604                       | 456,402                            |
| Repairs.....   | 145,318                           | 756,993                             | 648,359           | 403,201  | 48,002                                      | 77,990                       | 119,166                            |
| Salaries and wages.....                                | 1,152,873                         | 2,646,263                           | 2,535,873         | 724,879  | 409,226                                     | 439,752                      | 962,015                            |
| Supplies.....  | 893,632                           | 1,359,240                           | 666,320           | 126,146  | 177,027                                     | 98,753                       | 264,394                            |
| Taxes paid.....  | 196,807                           | 480,895                             | 592,845           | 127,888  | 91,025                                      | 136,682                      | 237,250                            |
| Travel.....  | 62,569                            | 206,349                             | 145,118           | 14,664   | 27,670                                      | 16,739                       | 86,045                             |
| Utilities.....   | 237,817                           | 517,180                             | 612,136           | 77,304   | 95,450                                      | 138,507                      | 300,875                            |
| Home office business deductions.....                   | 91,924                            | 72,436                              | 114,133           | *825   | 42,967                                      | *1,601                       | 68,739                             |
| Depreciation, Form 8829.....                           | 7,255                             | 5,324                               | 13,176            | *51  | 4,062                                       | --                           | 9,062                              |
| Other business deductions.....                         | 1,932,172                         | 3,257,303                           | 2,396,703         | 1,007,176  | 552,004                                     | 205,173                      | 632,350                            |
| <b>Net income less deficit</b> <sup>1,2</sup> .....    | <b>6,154,617</b>                  | <b>5,952,910</b>                    | <b>4,377,188</b>  | <b>538,264</b>   | <b>614,525</b>                              | <b>907,693</b>               | <b>2,316,706</b>                   |
| Net income <sup>1,2</sup> .....                        | 6,381,469                         | 6,712,420                           | 5,224,914         | 729,600  | 821,043                                     | 934,652                      | 2,739,618                          |
| Deficit <sup>2</sup> .....                             | 226,852                           | 759,511                             | 847,726           | 191,336  | 206,518                                     | 26,959                       | 422,912                            |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**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 NET INCOME</b>                   |                                   |                                     |                  |  |   |                              |                                    |
| Number of returns <sup>1</sup> .....                | 494,166                           | 554,587                             | 328,693          | 56,405   | 68,789                                      | 31,200                       | 172,299                            |
| Business receipts, total <sup>1</sup> .....         | 20,390,798                        | 33,935,088                          | 28,366,414       | 6,870,543  | 3,928,261                                   | 4,410,373                    | 13,157,236                         |
| Income from sales and operations <sup>1</sup> ..... | 20,314,094                        | 33,683,169                          | 28,119,095       | 6,841,718  | 3,888,904                                   | 4,406,366                    | 12,982,108                         |
| Other business income.....                          | 76,704                            | 251,920                             | 247,318          | 28,826   | 39,357                                      | 4,007                        | 175,129                            |
| Business deductions, total <sup>1,2</sup> .....     | 14,009,329                        | 27,222,668                          | 23,141,264       | 6,140,943  | 3,107,045                                   | 3,475,721                    | 10,417,555                         |
| Cost of sales and operations.....                   | 6,757,874                         | 13,716,808                          | 12,177,358       | 2,880,896  | 1,309,610                                   | 1,616,292                    | 6,370,559                          |
| Inventory, beginning of year.....                   | 186,183                           | 275,895                             | 720,097          | 164,215  | 129,871                                     | 71,061                       | 354,951                            |
| Cost of labor.....                                  | 1,316,119                         | 3,211,686                           | 1,643,432        | 186,104  | 172,356                                     | 369,480                      | 915,491                            |
| Purchases.....                                      | 1,640,657                         | 4,688,474                           | 7,184,759        | 1,627,444  | 710,635                                     | 695,159                      | 4,151,520                          |
| Materials and supplies.....                         | 2,558,246                         | 4,507,831                           | 1,951,561        | 385,575  | 188,028                                     | 237,767                      | 1,140,192                          |
| Other costs.....                                    | 1,246,336                         | 1,413,885                           | 1,505,422        | 699,959  | 207,691                                     | 308,034                      | 289,739                            |
| Inventory, end of year.....                         | 189,667                           | 380,963                             | 827,912          | 182,400  | 98,971                                      | 65,209                       | 481,332                            |
| Advertising expenses.....                           | 56,893                            | 221,599                             | 165,062          | 14,515   | 57,179                                      | 19,077                       | 74,291                             |
| Bad debts from sales or services.....               | *7,507                            | 11,772                              | 19,663           | *1,953   | 9,979                                       | *52                          | 7,678                              |
| Car and truck expenses.....                         | 1,426,262                         | 1,786,524                           | 794,232          | 221,622  | 139,154                                     | 93,918                       | 339,537                            |
| Commissions.....                                    | 167,177                           | 261,894                             | 391,140          | 144,689  | 68,642                                      | 74,099                       | 103,710                            |
| Depletion.....                                      | --                                | *945                                | *625             | *625   | --  | --                           | *( <sup>3</sup> )                  |
| Depreciation.....                                   | 503,736                           | 1,424,470                           | 1,250,200        | 441,485  | 106,147                                     | 308,394                      | 394,173                            |
| Employee benefit programs.....                      | 30,830                            | 40,426                              | 64,664           | 5,974  | 15,280                                      | 23,111                       | 20,299                             |
| Insurance.....                                      | 379,977                           | 763,643                             | 466,022          | 181,669  | 30,461                                      | 80,372                       | 173,520                            |
| Legal and professional services.....                | 76,935                            | 157,054                             | 116,521          | 16,828   | 25,007                                      | 21,444                       | 53,243                             |
| Meals and entertainment deducted.....               | 21,619                            | 70,136                              | 53,307           | 3,746  | 8,032                                       | 6,550                        | 34,979                             |
| Mortgage interest.....                              | 41,072                            | 95,840                              | 135,405          | 65,355   | 15,147                                      | 23,046                       | 31,857                             |
| Other interest paid on business indebtedness.....   | 84,202                            | 248,984                             | 236,661          | 62,451   | 24,950                                      | 66,956                       | 82,305                             |
| Office expenses.....                                | 98,202                            | 157,271                             | 191,571          | 15,682   | 51,277                                      | 29,391                       | 95,221                             |
| Pension and profit-sharing plans.....               | --                                | 8,408                               | 18,238           | *1,365   | 3,008                                       | 8,710                        | 5,155                              |
| Rent on machinery and equipment.....                | 94,530                            | 414,909                             | 337,844          | 111,981  | 64,346                                      | 49,953                       | 111,565                            |
| Rent on other business property.....                | 88,309                            | 262,463                             | 593,529          | 55,389   | 100,814                                     | 90,272                       | 347,054                            |
| Repairs.....  | 108,319                           | 584,432                             | 512,056          | 303,085  | 38,359                                      | 62,912                       | 107,701                            |
| Salaries and wages.....                             | 1,006,000                         | 2,257,818                           | 2,108,495        | 565,835  | 343,352                                     | 405,272                      | 794,037                            |
| Supplies.....                                       | 824,570                           | 1,164,925                           | 446,663          | 79,444   | 93,755                                      | 78,092                       | 195,371                            |
| Taxes paid.....                                     | 161,764                           | 394,991                             | 504,218          | 100,104  | 67,915                                      | 124,216                      | 211,985                            |
| Travel.....   | 51,502                            | 164,899                             | 110,109          | 9,965  | 22,816                                      | 10,742                       | 66,587                             |
| Utilities.....                                      | 197,973                           | 427,129                             | 496,475          | 60,078   | 72,018                                      | 120,244                      | 244,135                            |
| Home office business deductions.....                | 78,756                            | 57,240                              | 82,249           | *825   | 32,391                                      | *1,601                       | 47,431                             |
| Depreciation, Form 8829.....                        | 7,255                             | 4,197                               | 7,101            | *51  | *1,526                                      | --                           | 5,523                              |
| Other business deductions.....                      | 1,705,255                         | 2,491,864                           | 1,852,547        | 788,505  | 405,392                                     | 157,733                      | 500,917                            |
| <b>Net income <sup>1,2</sup>.....</b>               | <b>6,381,469</b>                  | <b>6,712,420</b>                    | <b>5,224,914</b> | <b>729,600</b>   | <b>821,043</b>                              | <b>934,652</b>               | <b>2,739,618</b>                   |
| <b>Returns with Schedule C-EZ:</b>                  |                                   |                                     |                  |  |   |                              |                                    |
| Number of returns.....                              | 87,111                            | 106,634                             | 46,707           | *8,430   | 6,300                                       | *4,227                       | 27,750                             |
| Business receipts.....                              | 602,791                           | 461,711                             | 235,698          | *27,906  | 45,238                                      | *27,318                      | 135,236                            |
| Business deductions.....                            | 40,067                            | 36,224                              | 16,408           | *6,875   | 2,014                                       | *3,272                       | 4,247                              |
| <b>Net income.....</b>                              | <b>562,723</b>                    | <b>425,487</b>                      | <b>219,290</b>   | <b>*21,031</b>   | <b>43,224</b>                               | <b>*24,046</b>               | <b>130,989</b>                     |

Footnotes at end of table.



# Sole Proprietorship Returns, 1997

**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, snow-plowing, 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>          |                                     |  |                          |                          |  |                            |                   |   |  |
| <b>Number of returns</b> <sup>1</sup> .....            | <b>780,994</b>                      | <b>99,974</b>                          | <b>492,521</b>           | <b>111,708</b>           | <b>76,791</b>  | <b>3,132,594</b>           | <b>348,193</b>    | <b>205,779</b>  | <b>142,413</b>   |
| <b>Business receipts, total</b> <sup>1</sup> .....     | <b>45,690,042</b>                   | <b>2,918,648</b>                       | <b>33,318,681</b>        | <b>6,735,461</b>         | <b>2,717,252</b>   | <b>254,642,287</b>         | <b>39,353,838</b> | <b>21,192,944</b>                                     | <b>18,160,894</b>  |
| Income from sales and operations <sup>1</sup> .....    | 45,438,389                          | 2,896,277                              | 33,151,174               | 6,708,050                | 2,682,888  | 251,327,355                | 38,538,482        | 20,849,937  | 17,688,544   |
| Other business income.....                             | 251,653                             | *22,371                                | 167,507                  | 27,411                   | 34,364   | 3,314,932                  | 815,356           | 343,007   | 472,349  |
| <b>Business deductions, total</b> <sup>1,2</sup> ..... | <b>38,732,234</b>                   | <b>2,246,890</b>                       | <b>28,358,210</b>        | <b>6,051,482</b>         | <b>2,075,652</b>   | <b>237,439,734</b>         | <b>34,428,268</b> | <b>17,824,819</b>                                     | <b>16,603,449</b>  |
| Cost of sales and operations.....                      | 7,851,403                           | *148,344                               | 3,396,730                | 3,589,536                | 716,792  | 164,346,808                | 25,489,542        | 12,809,821  | 12,679,721   |
| Inventory, beginning of year.....                      | 126,704                             | *25,315                                | 35,445                   | 51,022                   | *14,922  | 22,972,183                 | 2,099,752         | 1,560,473   | 539,279  |
| Cost of labor.....                                     | 1,146,229                           | *53,493                                | 725,082                  | *114,708                 | *252,946   | 3,202,058                  | 376,005           | 247,575   | 128,430  |
| Purchases.....   | 3,606,563                           | *9,925                                 | 886,753                  | 2,306,740                | 403,146  | 149,817,436                | 22,862,278        | 10,990,239  | 11,872,039   |
| Materials and supplies.....                            | 477,236                             | *17,879                                | 383,446                  | *61,606                  | *14,304  | 6,515,183                  | 1,007,762         | 882,360   | 125,403  |
| Other costs.....                                       | 2,657,560                           | *60,222                                | 1,416,582                | 1,112,702                | 68,053   | 5,555,207                  | 1,159,999         | 552,045   | 607,954  |
| Inventory, end of year.....                            | 162,889                             | *18,490                                | 50,577                   | 57,242                   | 36,579   | 23,715,259                 | 2,016,254         | 1,422,871   | 593,384  |
| Advertising expenses.....                              | 150,255                             | 23,871                                 | 65,693                   | 40,657                   | 20,035   | 2,640,311                  | 188,824           | 129,468   | 59,356   |
| Bad debts from sales or services.....                  | 22,380                              | *247                                   | 12,899                   | 4,243                    | *4,992   | 362,090                    | 75,120            | 67,073  | 8,046  |
| Car and truck expenses.....                            | 7,096,564                           | 317,979                                | 6,318,204                | 253,006                  | 207,376  | 6,006,293                  | 1,358,140         | 781,279   | 576,861  |
| Commissions.....                                       | 835,468                             | 65,184                                 | 572,442                  | 164,576                  | 33,267   | 1,936,354                  | 589,310           | 316,633   | 272,677  |
| Depletion.....   | 7,741                               | *2,952                                 | *3,856                   | *90                      | *843   | 6,277                      | *169              | *56   | *113   |
| Depreciation.....                                      | 3,986,471                           | 150,152                                | 3,523,043                | 174,494                  | 138,782  | 4,435,326                  | 548,721           | 330,924   | 217,796  |
| Employee benefit programs.....                         | 42,996                              | *5,002                                 | 33,707                   | 3,551                    | 736  | 228,679                    | 30,494            | 19,407  | 11,087   |
| Insurance.....   | 1,798,392                           | 164,902                                | 1,500,332                | 105,843                  | 27,315   | 2,241,679                  | 239,364           | 121,786   | 117,578  |
| Legal and professional services.....                   | 178,744                             | 12,899                                 | 120,617                  | 28,317                   | 16,912   | 991,139                    | 122,601           | 69,744  | 52,857   |
| Meals and entertainment deducted.....                  | 560,316                             | 11,276                                 | 522,680                  | 15,943                   | 10,417   | 494,573                    | 163,030           | 101,109   | 61,920   |
| Mortgage interest.....                                 | 247,106                             | *12,737                                | 213,493                  | 15,917                   | 4,959  | 1,147,139                  | 80,026            | 37,916  | 42,109   |
| Other interest paid on business indebtedness.....      | 702,955                             | 50,803                                 | 560,104                  | 66,215                   | 25,833   | 1,496,793                  | 187,146           | 111,602   | 75,544   |
| Office expenses.....                                   | 220,153                             | 10,909                                 | 129,302                  | 46,469                   | 33,473   | 1,316,565                  | 240,967           | 163,558   | 77,409   |
| Pension and profit-sharing plans.....                  | 4,378                               | --                                     | 2,596                    | *1,780                   | *3   | 73,290                     | 10,115            | 4,382   | 5,734  |
| Rent on machinery and equipment.....                   | 1,257,406                           | 292,449                                | 818,938                  | 79,477                   | 66,542   | 1,092,289                  | 92,276            | 47,787  | 44,489   |
| Rent on other business property.....                   | 379,839                             | 64,043                                 | 217,450                  | 63,550                   | 34,795   | 7,873,463                  | 416,882           | 220,360   | 196,522  |
| Repairs.....   | 2,705,011                           | 151,176                                | 2,429,664                | 73,000                   | 51,171   | 1,890,162                  | 162,428           | 77,520  | 84,908   |
| Salaries and wages.....                                | 2,751,137                           | 116,154                                | 2,100,757                | 360,754                  | 173,472  | 14,252,483                 | 995,664           | 559,372   | 436,293  |
| Supplies.....  | 550,905                             | 29,725                                 | 411,049                  | 63,312                   | 46,818   | 3,248,196                  | 515,744           | 180,430   | 335,314  |
| Taxes paid.....  | 881,667                             | 43,437                                 | 759,375                  | 51,980                   | 26,874   | 4,433,302                  | 232,507           | 146,569   | 85,938   |
| Travel.....  | 377,780                             | 25,191                                 | 210,330                  | 124,372                  | 17,888   | 1,430,721                  | 487,463           | 326,210   | 161,254  |
| Utilities.....   | 689,765                             | 65,537                                 | 442,264                  | 79,775                   | 102,188  | 5,703,136                  | 552,030           | 296,436   | 255,594  |
| Home office business deductions.....                   | 48,612                              | *2,418                                 | 28,607                   | 9,817                    | *7,770   | 424,191                    | 106,202           | 72,858  | 33,344   |
| Depreciation, Form 8829.....                           | 5,285                               | *590                                   | 3,729                    | *637                     | *329   | 39,047                     | 13,069            | 10,358  | 2,710  |
| Other business deductions.....                         | 5,348,690                           | 467,984                                | 3,945,707                | 631,547                  | 303,451  | 9,255,993                  | 1,536,327         | 827,864   | 708,463  |
| <b>Net income less deficit</b> <sup>1,2</sup> .....    | <b>6,941,712</b>                    | <b>671,758</b>                         | <b>4,944,089</b>         | <b>684,635</b>           | <b>641,230</b>   | <b>17,215,295</b>          | <b>4,929,770</b>  | <b>3,377,040</b>                                      | <b>1,552,731</b>   |
| Net income <sup>1,2</sup> .....                        | 7,926,480                           | 750,039                                | 5,589,350                | 836,182                  | 750,908  | 23,979,248                 | 5,537,275         | 3,733,044   | 1,804,231  |
| Deficit <sup>2</sup> .....                             | 984,768                             | 78,281                                 | 645,261                  | 151,547                  | 109,679  | 6,763,953                  | 607,505           | 356,004   | 251,501  |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**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>                      |                                     |  |                          |                          |   |                            |                   |   |  |
| <b>Number of returns</b> <sup>1</sup> .....            | <b>603,387</b>                      | <b>85,448</b>                          | <b>392,563</b>           | <b>71,142</b>            | <b>54,234</b>   | <b>1,788,907</b>           | <b>238,064</b>    | <b>147,915</b>  | <b>90,149</b>  |
| <b>Business receipts, total</b> <sup>1</sup> .....     | <b>38,610,938</b>                   | <b>2,501,859</b>                       | <b>28,321,638</b>        | <b>5,427,461</b>         | <b>2,359,979</b>  | <b>212,651,235</b>         | <b>34,054,594</b> | <b>18,128,309</b>                                     | <b>15,926,285</b>  |
| Income from sales and operations <sup>1</sup> .....    | 38,455,986                          | 2,489,648                              | 28,229,882               | 5,402,167                | 2,334,288   | 209,802,082                | 33,311,529        | 17,803,067  | 15,508,462   |
| Other business income.....                             | 154,951                             | *12,211                                | 91,756                   | 25,294                   | 25,690  | 2,849,154                  | 743,065           | 325,242   | 417,824  |
| <b>Business deductions, total</b> <sup>1,2</sup> ..... | <b>30,684,512</b>                   | <b>1,751,820</b>                       | <b>22,732,358</b>        | <b>4,591,263</b>         | <b>1,609,070</b>  | <b>188,672,397</b>         | <b>28,517,224</b> | <b>14,395,265</b>                                     | <b>14,121,958</b>  |
| Cost of sales and operations.....                      | 6,138,347                           | *92,583                                | 2,613,054                | 2,811,164                | 621,546   | 134,619,880                | 21,409,280        | 10,499,684  | 10,909,597   |
| Inventory, beginning of year.....                      | 35,120                              | *3,965                                 | 5,053                    | *14,554                  | *11,547   | 15,834,880                 | 1,607,403         | 1,144,306   | 463,097  |
| Cost of labor.....                                     | 938,986                             | *12,026                                | 562,260                  | *114,312                 | *250,388  | 2,382,294                  | 293,535           | 185,281   | 108,255  |
| Purchases.....   | 2,745,241                           | *9,614                                 | 777,957                  | 1,603,847                | 353,823   | 123,346,793                | 19,220,913        | 8,882,078   | 10,338,835   |
| Materials and supplies.....                            | 359,758                             | *10,932                                | 335,632                  | *7,397                   | *5,796  | 5,255,236                  | 864,719           | 816,811   | 47,908   |
| Other costs.....                                       | 2,140,689                           | *59,856                                | 956,953                  | 1,093,531                | *30,350   | 4,313,299                  | 949,997           | 478,388   | 471,608  |
| Inventory, end of year.....                            | 81,447                              | *3,810                                 | 24,802                   | *22,478                  | *30,358   | 16,512,622                 | 1,527,286         | 1,007,180   | 520,106  |
| Advertising expenses.....                              | 115,133                             | 18,671                                 | 56,345                   | 26,766                   | 13,351  | 1,946,009                  | 130,869           | 97,744  | 33,125   |
| Bad debts from sales or services.....                  | 18,598                              | *247                                   | 10,616                   | 2,893                    | *4,841  | 195,490                    | 15,271            | 8,637   | 6,634  |
| Car and truck expenses.....                            | 5,802,831                           | 240,541                                | 5,171,470                | 224,229                  | 166,592   | 4,230,204                  | 1,052,533         | 629,617   | 422,917  |
| Commissions.....                                       | 680,259                             | 64,753                                 | 460,630                  | 136,672                  | 18,204  | 1,502,502                  | 515,128           | 270,466   | 244,662  |
| Depletion.....   | *6,823                              | *2,952                                 | *3,856                   | *15                      | --  | 2,577                      | *149              | *36   | *113   |
| Depreciation.....                                      | 2,863,637                           | 105,898                                | 2,593,929                | 101,961                  | 61,848  | 3,013,441                  | 387,591           | 204,548   | 183,044  |
| Employee benefit programs.....                         | 36,641                              | *4,989                                 | 28,550                   | *2,719                   | *383  | 198,055                    | 28,962            | 18,923  | 10,039   |
| Insurance.....   | 1,497,885                           | 136,097                                | 1,253,137                | 85,466                   | 23,184  | 1,740,214                  | 194,638           | 97,106  | 97,531   |
| Legal and professional services.....                   | 136,623                             | 7,870                                  | 100,482                  | 21,909                   | 6,362   | 716,159                    | 103,518           | 59,117  | 44,401   |
| Meals and entertainment deducted.....                  | 501,786                             | 7,389                                  | 480,394                  | 7,775                    | 6,229   | 345,268                    | 126,202           | 73,156  | 53,046   |
| Mortgage interest.....                                 | 207,831                             | *8,884                                 | 182,306                  | 13,707                   | *2,934  | 748,882                    | 57,341            | 23,413  | 33,928   |
| Other interest paid on business indebtedness.....      | 505,413                             | 38,099                                 | 417,884                  | 43,850                   | 5,580   | 1,025,671                  | 137,722           | 72,541  | 65,181   |
| Office expenses.....                                   | 179,901                             | 7,264                                  | 108,119                  | 36,212                   | 28,306  | 856,918                    | 154,322           | 109,479   | 44,843   |
| Pension and profit-sharing plans.....                  | 4,136                               | --                                     | 2,415                    | *1,719                   | *1  | 69,584                     | 9,678             | 4,007   | 5,670  |
| Rent on machinery and equipment.....                   | 1,075,181                           | 262,533                                | 694,308                  | 54,416                   | 63,923  | 790,771                    | 72,882            | 40,940  | 31,942   |
| Rent on other business property.....                   | 323,062                             | *59,115                                | 193,341                  | 44,867                   | 25,740  | 5,943,891                  | 362,351           | 187,997   | 174,354  |
| Repairs.....   | 2,249,089                           | 126,183                                | 2,031,927                | 52,960                   | 38,018  | 1,384,949                  | 117,343           | 45,909  | 71,434   |
| Salaries and wages.....                                | 2,215,837                           | *100,871                               | 1,700,581                | 276,896                  | 137,490   | 11,532,285                 | 887,699           | 483,866   | 403,833  |
| Supplies.....  | 449,041                             | 20,711                                 | 353,662                  | 37,711                   | 36,957  | 2,217,446                  | 449,778           | 149,722   | 300,056  |
| Taxes paid.....  | 704,187                             | 31,115                                 | 614,858                  | 37,805                   | 20,409  | 3,398,480                  | 192,763           | 117,815   | 74,948   |
| Travel.....  | 309,319                             | 14,371                                 | 181,351                  | 100,330                  | 13,266  | 950,807                    | 346,990           | 230,242   | 116,749  |
| Utilities.....   | 541,547                             | 46,887                                 | 365,652                  | 60,267                   | 68,741  | 4,155,691                  | 441,384           | 234,347   | 207,037  |
| Home office business deductions.....                   | 40,497                              | *375                                   | 27,885                   | 4,967                    | *7,270  | 338,384                    | 100,341           | 69,009  | 31,332   |
| Depreciation, Form 8829.....                           | 4,293                               | *108                                   | 3,633                    | *222                     | *329  | 26,641                     | 9,448             | 8,052   | *1,395   |
| Other business deductions.....                         | 4,044,809                           | 341,903                                | 3,067,235                | 400,725                  | 234,947   | 6,639,955                  | 1,215,312         | 662,289   | 553,023  |
| <b>Net income</b> <sup>1,2</sup> .....                 | <b>7,926,480</b>                    | <b>750,039</b>                         | <b>5,589,350</b>         | <b>836,182</b>           | <b>750,908</b>  | <b>23,979,248</b>          | <b>5,537,275</b>  | <b>3,733,044</b>                                      | <b>1,804,231</b>   |
| <b>Returns with Schedule C-EZ:</b>                     |                                     |  |                          |                          |   |                            |                   |   |  |
| Number of returns.....                                 | 53,255                              | 9,321                                  | 31,357                   | 9,257                    | *3,320  | 223,289                    | 21,497            | 13,615  | 7,882  |
| Business receipts.....                                 | 258,409                             | 52,605                                 | 91,012                   | 102,853                  | *11,938   | 929,647                    | 142,851           | 122,839   | 20,011   |
| Business deductions.....                               | 36,101                              | 11,521                                 | 18,371                   | 3,261                    | *2,949  | 117,491                    | 7,176             | 4,654   | 2,522  |
| <b>Net income</b> .....                                | <b>222,307</b>                      | <b>41,084</b>                          | <b>72,642</b>            | <b>99,592</b>            | <b>*8,990</b>   | <b>812,157</b>             | <b>135,675</b>    | <b>118,186</b>  | <b>17,489</b>  |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**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>          |                                       |   |   |                                    |                  |   |                            |
| <b>Number of returns</b> <sup>1</sup> .....            | <b>2,784,402</b>                      | <b>71,919</b>   | <b>24,780</b>                               | <b>11,199</b>                      | <b>13,188</b>    | <b>22,752</b>   | <b>40,407</b>              |
| <b>Business receipts, total</b> <sup>1</sup> .....     | <b>215,288,449</b>                    | <b>9,137,257</b>  | <b>2,983,733</b>                            | <b>611,521</b>                     | <b>2,803,938</b> | <b>2,738,065</b>  | <b>4,634,001</b>           |
| Income from sales and operations <sup>1</sup> .....    | 212,788,873                           | 9,106,865   | 2,982,034                                   | 611,254                            | 2,783,332        | 2,730,245   | 4,596,510                  |
| Other business income.....                             | 2,499,576                             | 30,393  | 1,700                                       | *267                               | 20,606           | 7,821   | 37,491                     |
| <b>Business deductions, total</b> <sup>1,2</sup> ..... | <b>203,011,466</b>                    | <b>8,325,226</b>  | <b>2,636,914</b>                            | <b>571,093</b>                     | <b>2,582,497</b> | <b>2,534,722</b>  | <b>4,237,249</b>           |
| Cost of sales and operations.....                      | 138,857,266                           | 5,697,587   | 1,810,635                                   | *286,213                           | 1,914,438        | 1,686,301   | 3,116,510                  |
| Inventory, beginning of year.....                      | 20,872,432                            | 1,276,070   | 201,423                                     | *55,274                            | 706,244          | 313,128   | 667,422                    |
| Cost of labor.....                                     | 2,826,053                             | 291,123   | 184,897                                     | *4,357                             | *7,006           | 94,862  | *16,454                    |
| Purchases.....   | 126,955,158                           | 4,687,755   | 1,350,438                                   | *209,116                           | 1,716,132        | 1,412,068   | 2,983,973                  |
| Materials and supplies.....                            | 5,507,421                             | 480,256   | 181,939                                     | *61,022                            | *142,650         | 94,645  | *16,920                    |
| Other costs.....                                       | 4,395,208                             | 245,539   | 113,049                                     | *2,764                             | 17,325           | 112,400   | 133,562                    |
| Inventory, end of year.....                            | 21,699,005                            | 1,283,154   | 221,112                                     | *46,319                            | 674,919          | 340,804   | 701,821                    |
| Advertising expenses.....                              | 2,451,487                             | 96,427  | 28,918                                      | *10,775                            | 32,147           | 24,586  | 61,480                     |
| Bad debts from sales or services.....                  | 286,970                               | 9,792   | 1,954                                       | *92                                | 5,180            | 2,565   | 4,356                      |
| Car and truck expenses.....                            | 4,648,152                             | 272,037   | 97,209                                      | 39,747                             | 34,055           | 101,026   | 108,147                    |
| Commissions.....                                       | 1,347,044                             | 23,484  | *12,928                                     | --                                 | *6,028           | 4,529   | 55,143                     |
| Depletion.....   | 6,109                                 | *1  | --  | --                                 | --               | *1  | --                         |
| Depreciation.....                                      | 3,886,606                             | 227,556   | 83,648                                      | *6,600                             | 41,228           | 96,080  | 50,763                     |
| Employee benefit programs.....                         | 198,185                               | 12,471  | *2,190                                      | *3,707                             | 4,320            | *2,255  | 3,886                      |
| Insurance.....   | 2,002,315                             | 142,285   | 56,003                                      | *18,669                            | 31,000           | 36,614  | 21,922                     |
| Legal and professional services.....                   | 868,538                               | 37,865  | 12,904                                      | *2,632                             | 13,533           | 8,797   | 13,031                     |
| Meals and entertainment deducted.....                  | 331,544                               | 5,831   | 2,084                                       | *1,136                             | 786              | 1,825   | 2,794                      |
| Mortgage interest.....                                 | 1,067,114                             | 76,758  | *16,145                                     | *10,016                            | 21,641           | 28,956  | 11,086                     |
| Other interest paid on business indebtedness.....      | 1,309,647                             | 110,401   | 28,851                                      | *4,678                             | 32,272           | 44,599  | 21,870                     |
| Office expenses.....                                   | 1,075,598                             | 43,331  | 13,686                                      | *3,808                             | 11,632           | 14,204  | 26,743                     |
| Pension and profit-sharing plans.....                  | 63,175                                | *3,543  | *2,471                                      | --                                 | *71              | *1,000  | *2,011                     |
| Rent on machinery and equipment.....                   | 1,000,013                             | 47,095  | 20,705                                      | *2,657                             | 17,092           | 6,642   | 7,704                      |
| Rent on other business property.....                   | 7,456,581                             | 122,236   | 41,639                                      | *16,118                            | 45,858           | 18,620  | 183,036                    |
| Repairs.....   | 1,727,734                             | 109,398   | 42,243                                      | *5,949                             | 21,465           | 39,741  | 23,262                     |
| Salaries and wages.....                                | 13,256,819                            | 547,532   | 139,226                                     | *102,166                           | 165,677          | 140,463   | 195,667                    |
| Supplies.....  | 2,732,452                             | 90,398  | 26,330                                      | *13,933                            | 11,739           | 38,396  | 36,487                     |
| Taxes paid.....  | 4,200,795                             | 167,181   | 44,820                                      | *13,606                            | 52,654           | 56,100  | 82,254                     |
| Travel.....  | 943,258                               | 9,499   | 2,722                                       | --                                 | 2,852            | 3,925   | 19,553                     |
| Utilities.....   | 5,151,106                             | 169,156   | 57,595                                      | *17,179                            | 52,460           | 41,921  | 94,566                     |
| Home office business deductions.....                   | 317,989                               | *360  | --  | --                                 | --               | *360  | *2,433                     |
| Depreciation, Form 8829.....                           | 25,978                                | --  | --  | --                                 | --               | --  | *203                       |
| Other business deductions.....                         | 7,719,666                             | 300,345   | 90,187                                      | *10,933                            | 64,368           | 134,857   | 92,545                     |
| <b>Net income less deficit</b> <sup>1,2</sup> .....    | <b>12,285,524</b>                     | <b>812,032</b>  | <b>346,820</b>                              | <b>40,428</b>                      | <b>221,441</b>   | <b>203,343</b>  | <b>396,752</b>             |
| Net income <sup>1,2</sup> .....                        | 18,441,973                            | 1,010,600   | 409,662                                     | 48,654                             | 298,133          | 254,152   | 469,249                    |
| Deficit <sup>2</sup> .....                             | 6,156,449                             | 198,569   | 62,842                                      | *8,226                             | 76,692           | 50,809  | 72,497                     |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**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 NET INCOME</b>                   |                                       |   |   |                                    |                 |   |                            |
| Number of returns <sup>1</sup> .....                | 1,550,843                             | 54,950  | 22,416                                      | 9,683                              | 9,098           | 13,753  | 26,145                     |
| Business receipts, total <sup>1</sup> .....         | 178,596,641                           | 7,547,713   | 2,423,031                                   | 557,560                            | 2,355,550       | 2,211,572   | 3,797,667                  |
| Income from sales and operations <sup>1</sup> ..... | 176,490,552                           | 7,527,864   | 2,421,808                                   | 557,293                            | 2,344,153       | 2,204,609   | 3,775,108                  |
| Other business income.....                          | 2,106,088                             | 19,849  | *1,223                                      | *267                               | 11,397          | 6,962   | 22,559                     |
| Business deductions, total <sup>1,2</sup> .....     | 160,155,173                           | 6,537,113   | 2,013,370                                   | 508,906                            | 2,057,417       | 1,957,420   | 3,328,418                  |
| Cost of sales and operations.....                   | 113,210,600                           | 4,508,991   | 1,367,815                                   | *248,085                           | 1,545,521       | 1,347,570   | 2,513,305                  |
| Inventory, beginning of year.....                   | 14,227,478                            | 829,459   | 145,494                                     | *25,355                            | 426,561         | 232,048   | 511,482                    |
| Cost of labor.....                                  | 2,088,759                             | 204,642   | *124,556                                    | *4,357                             | *5,905          | *69,823   | *13,537                    |
| Purchases.....                                      | 104,125,880                           | 3,728,967   | 989,152                                     | *203,490                           | 1,389,495       | 1,146,830   | 2,375,933                  |
| Materials and supplies.....                         | 4,390,517                             | 418,547   | *176,417                                    | *33,635                            | *142,650        | 65,846  | *15,951                    |
| Other costs.....                                    | 3,363,302                             | 175,070   | 71,508                                      | *2,764                             | *15,153         | 85,645  | 131,797                    |
| Inventory, end of year.....                         | 14,985,336                            | 847,695   | 139,313                                     | *21,515                            | 434,244         | 252,624   | 535,394                    |
| Advertising expenses.....                           | 1,815,140                             | 76,521  | 22,686                                      | *10,187                            | 23,354          | 20,293  | 50,324                     |
| Bad debts from sales or services.....               | 180,220                               | 5,940   | *1,235                                      | *92                                | 2,694           | *1,919  | 4,330                      |
| Car and truck expenses.....                         | 3,177,671                             | 219,557   | 83,523                                      | 34,491                             | 26,425          | 75,118  | 76,954                     |
| Commissions.....                                    | 987,374                               | 21,554  | *12,867                                     | --                                 | *6,028          | 2,659   | 55,143                     |
| Depletion.....                                      | 2,429                                 | *1  | --  | --                                 | --              | *1  | --                         |
| Depreciation.....                                   | 2,625,850                             | 189,459   | 75,142                                      | *5,745                             | 31,897          | 76,674  | 35,713                     |
| Employee benefit programs.....                      | 169,093                               | 10,106  | *821  | *3,707                             | 3,553           | *2,025  | *3,584                     |
| Insurance.....                                      | 1,545,577                             | 114,211   | 44,046                                      | *18,479                            | 22,848          | 28,839  | 15,048                     |
| Legal and professional services.....                | 612,641                               | 30,836  | 10,321                                      | *2,632                             | 11,016          | 6,867   | 10,805                     |
| Meals and entertainment deducted.....               | 219,066                               | 4,229   | 1,707                                       | *337                               | *526            | 1,660   | 1,734                      |
| Mortgage interest.....                              | 691,541                               | 52,132  | *11,566                                     | *3,568                             | *12,854         | *24,144   | *8,702                     |
| Other interest paid on business indebtedness.....   | 887,948                               | 89,126  | 27,330                                      | *4,678                             | 22,759          | 34,359  | 12,292                     |
| Office expenses.....                                | 702,596                               | 34,821  | 12,793                                      | *2,829                             | 8,422           | 10,777  | 21,121                     |
| Pension and profit-sharing plans.....               | 59,907                                | *2,786  | *2,013                                      | --                                 | *71             | *701  | *2,011                     |
| Rent on machinery and equipment.....                | 717,889                               | 33,498  | 16,789                                      | *804                               | *9,704          | 6,201   | 5,202                      |
| Rent on other business property.....                | 5,581,540                             | 104,118   | 35,116                                      | *16,118                            | 40,724          | 12,159  | 132,105                    |
| Repairs.....  | 1,267,606                             | 95,878  | 39,623                                      | *5,148                             | 18,924          | 32,183  | 17,751                     |
| Salaries and wages.....                             | 10,644,587                            | 448,157   | 92,306                                      | *102,166                           | 131,299         | 122,386   | 146,978                    |
| Supplies.....                                       | 1,767,667                             | 60,544  | 19,513                                      | *13,933                            | 9,867           | 17,232  | 31,221                     |
| Taxes paid.....                                     | 3,205,717                             | 127,218   | 28,868                                      | *12,903                            | 42,698          | 42,750  | 63,056                     |
| Travel.....   | 603,817                               | 6,955   | 2,488                                       | --                                 | 2,168           | 2,299   | 11,309                     |
| Utilities.....                                      | 3,714,306                             | 130,239   | 46,548                                      | *13,787                            | 36,050          | 33,852  | 66,472                     |
| Home office business deductions.....                | 238,043                               | --  | --  | --                                 | --              | --  | *1,106                     |
| Depreciation, Form 8829.....                        | 17,193                                | --  | --  | --                                 | --              | --  | --                         |
| Other business deductions.....                      | 5,424,643                             | 167,578   | 56,432                                      | *8,738                             | 48,015          | 54,392  | 42,152                     |
| <b>Net income <sup>1,2</sup>.....</b>               | <b>18,441,973</b>                     | <b>1,010,600</b>  | <b>409,662</b>                              | <b>48,654</b>                      | <b>298,133</b>  | <b>254,152</b>  | <b>469,249</b>             |
| <b>Returns with Schedule C-EZ:</b>                  |                                       |   |   |                                    |                 |   |                            |
| Number of returns.....                              | 201,793                               | *2,861  | *1,238                                      | *1,121                             | --              | **538   | **36                       |
| Business receipts.....                              | 786,796                               | *9,191  | *5,783                                      | *2,299                             | --              | **1,109   | **                         |
| Business deductions.....                            | 110,315                               | *2,659  | *1,821                                      | *479                               | --              | **360   | **                         |
| <b>Net income.....</b>                              | <b>676,482</b>                        | <b>*6,532</b>   | <b>*3,962</b>                               | <b>*1,820</b>                      | <b>--</b>       | <b>**749</b>  | <b>**</b>                  |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**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>          |                                       |                |                       |   |                              |                  |                           |                              |
| <b>Number of returns</b> <sup>1</sup> .....            | 131,615                               | 75,860         | 55,754                | 168,505                                 | 8,559                        | 76,543           | 25,663                    | 57,739                       |
| <b>Business receipts, total</b> <sup>1</sup> .....     | 34,559,055                            | 26,877,171     | 7,681,884             | 49,737,433                              | 1,387,901                    | 16,076,271       | 22,656,763                | 9,616,499                    |
| Income from sales and operations <sup>1</sup> .....    | 34,102,781                            | 26,480,361     | 7,622,420             | 49,380,121                              | 1,373,437                    | 15,947,815       | 22,512,197                | 9,546,671                    |
| Other business income.....                             | 456,274                               | 396,810        | 59,464                | 357,313                                 | 14,464                       | 128,456          | 144,565                   | 69,827                       |
| <b>Business deductions, total</b> <sup>1,2</sup> ..... | 33,259,649                            | 25,959,348     | 7,300,302             | 48,095,950                              | 1,368,974                    | 15,416,510       | 22,163,332                | 9,147,134                    |
| Cost of sales and operations.....                      | 25,999,432                            | 20,981,557     | 5,017,875             | 40,467,324                              | 1,220,570                    | 13,039,217       | 19,057,301                | 7,150,236                    |
| Inventory, beginning of year.....                      | 1,952,425                             | 1,656,224      | 296,202               | 4,163,714                               | 176,709                      | 1,922,360        | 526,725                   | 1,537,920                    |
| Cost of labor.....                                     | 387,527                               | 131,393        | 256,134               | 503,972                                 | *24,468                      | 297,573          | 108,929                   | 73,002                       |
| Purchases.....   | 24,154,242                            | 19,908,092     | 4,246,150             | 37,531,277                              | 984,775                      | 11,636,377       | 18,131,739                | 6,778,385                    |
| Materials and supplies.....                            | 1,081,026                             | 649,598        | 431,428               | 1,515,958                               | --                           | 596,422          | 653,466                   | 266,070                      |
| Other costs.....                                       | 441,678                               | 375,463        | 66,215                | 1,249,553                               | *252,507                     | 658,225          | 176,793                   | 162,029                      |
| Inventory, end of year.....                            | 2,017,466                             | 1,739,212      | 278,254               | 4,497,151                               | 217,889                      | 2,071,739        | 540,352                   | 1,667,170                    |
| Advertising expenses.....                              | 159,707                               | 90,964         | 68,742                | 284,437                                 | 12,229                       | 102,834          | 44,129                    | 125,245                      |
| Bad debts from sales or services.....                  | 31,417                                | 27,989         | *3,428                | 83,589                                  | 133                          | 61,276           | 12,181                    | 9,999                        |
| Car and truck expenses.....                            | 249,105                               | 135,963        | 113,143               | 333,348                                 | 3,958                        | 176,416          | 48,472                    | 104,503                      |
| Commissions.....                                       | 58,981                                | 35,601         | 23,380                | 139,600                                 | *1,670                       | 95,642           | 5,046                     | 37,242                       |
| Depletion.....   | *40                                   | *12            | *28                   | 1,685                                   | *24                          | *744             | *370                      | *546                         |
| Depreciation.....                                      | 462,870                               | 283,800        | 179,070               | 414,618                                 | 7,490                        | 75,282           | 217,365                   | 114,481                      |
| Employee benefit programs.....                         | 26,793                                | 17,154         | 9,638                 | 40,186                                  | 3,438                        | 6,280            | 15,408                    | 15,060                       |
| Insurance.....   | 229,791                               | 161,608        | 68,183                | 378,633                                 | 3,809                        | 156,292          | 126,186                   | 92,345                       |
| Legal and professional services.....                   | 124,232                               | 79,023         | 45,209                | 94,425                                  | 2,173                        | 30,446           | 37,215                    | 24,592                       |
| Meals and entertainment deducted.....                  | 5,718                                 | 2,270          | 3,448                 | 35,471                                  | 785                          | 28,859           | 972                       | 4,854                        |
| Mortgage interest.....                                 | 125,802                               | 90,074         | 35,729                | 217,880                                 | *8,923                       | 75,128           | 79,759                    | 54,070                       |
| Other interest paid on business indebtedness.....      | 133,041                               | 98,392         | 34,649                | 256,178                                 | 11,340                       | 107,800          | 64,912                    | 72,126                       |
| Office expenses.....                                   | 46,193                                | 22,770         | 23,424                | 136,159                                 | 1,767                        | 62,199           | 26,798                    | 45,395                       |
| Pension and profit-sharing plans.....                  | 3,678                                 | 1,583          | *2,095                | 3,470                                   | *62                          | *1,100           | *1,414                    | *894                         |
| Rent on machinery and equipment.....                   | 114,679                               | 68,693         | 45,986                | 84,544                                  | 4,208                        | 9,764            | 31,603                    | 38,969                       |
| Rent on other business property.....                   | 858,039                               | 548,186        | 309,853               | 656,231                                 | 3,234                        | 177,601          | 367,497                   | 107,899                      |
| Repairs.....   | 282,762                               | 198,075        | 84,688                | 249,145                                 | 3,411                        | 102,783          | 84,612                    | 58,339                       |
| Salaries and wages.....                                | 1,865,096                             | 1,324,657      | 540,439               | 1,780,871                               | 35,357                       | 321,706          | 1,034,964                 | 388,844                      |
| Supplies.....  | 224,057                               | 120,836        | 103,221               | 346,444                                 | 3,010                        | 77,522           | 106,740                   | 159,172                      |
| Taxes paid.....  | 554,488                               | 385,320        | 169,168               | 567,156                                 | 7,349                        | 146,868          | 262,672                   | 150,267                      |
| Travel.....  | 22,838                                | 4,226          | 18,612                | 66,433                                  | 401                          | 31,625           | 3,438                     | 30,969                       |
| Utilities.....   | 844,077                               | 630,508        | 213,569               | 583,292                                 | 5,310                        | 179,175          | 260,395                   | 138,412                      |
| Home office business deductions.....                   | *2,892                                | *130           | *2,762                | *723                                    | --                           | *211             | *146                      | *366                         |
| Depreciation, Form 8829.....                           | *190                                  | *38            | *152                  | *3                                      | --                           | --               | *3                        | --                           |
| Other business deductions.....                         | 829,614                               | 645,650        | 183,964               | 863,396                                 | 26,009                       | 344,972          | 272,141                   | 220,274                      |
| <b>Net income less deficit</b> <sup>1,2</sup> .....    | <b>1,299,802</b>                      | <b>918,328</b> | <b>381,473</b>        | <b>1,641,972</b>                        | <b>18,927</b>                | <b>659,786</b>   | <b>493,431</b>            | <b>469,828</b>               |
| Net income <sup>1,2</sup> .....                        | 1,673,065                             | 1,107,273      | 565,792               | 2,144,722                               | 44,059                       | 890,358          | 588,965                   | 621,340                      |
| Deficit <sup>2</sup> .....                             | 373,264                               | 188,944        | 184,319               | 502,750                                 | *25,132                      | 230,573          | 95,534                    | 151,511                      |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**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 NET INCOME</b>                   |                                       |                  |                       |   |                              |                  |                           |                              |
| Number of returns <sup>1</sup> .....                | 90,791                                | 57,082           | 33,709                | 123,584                                 | 8,326                        | 53,499           | 20,993                    | 40,767                       |
| Business receipts, total <sup>1</sup> .....         | 29,582,770                            | 23,102,240       | 6,480,530             | 42,752,254                              | 909,077                      | 13,594,078       | 19,938,343                | 8,310,755                    |
| Income from sales and operations <sup>1</sup> ..... | 29,151,842                            | 22,715,733       | 6,436,109             | 42,438,365                              | 899,803                      | 13,478,241       | 19,809,683                | 8,250,637                    |
| Other business income.....                          | 430,928                               | 386,507          | 44,422                | 313,888                                 | 9,274                        | 115,837          | 128,660                   | 60,118                       |
| Business deductions, total <sup>1,2</sup> .....     | 27,910,210                            | 21,995,472       | 5,914,738             | 40,607,531                              | 865,018                      | 12,703,720       | 19,349,378                | 7,689,416                    |
| Cost of sales and operations.....                   | 22,151,020                            | 17,893,725       | 4,257,295             | 34,414,879                              | 765,556                      | 10,891,428       | 16,676,219                | 6,081,677                    |
| Inventory, beginning of year.....                   | 1,528,865                             | 1,297,473        | 231,393               | 3,104,008                               | 128,292                      | 1,331,033        | 453,042                   | 1,191,641                    |
| Cost of labor.....                                  | 200,013                               | 87,098           | *112,915              | 443,131                                 | *8,691                       | 266,129          | 106,992                   | 61,319                       |
| Purchases.....                                      | 20,789,405                            | 16,985,881       | 3,803,525             | 32,107,225                              | 737,333                      | 9,775,340        | 15,749,796                | 5,844,756                    |
| Materials and supplies.....                         | 941,142                               | 625,175          | 315,968               | 1,374,604                               | --                           | 523,010          | 643,107                   | 208,487                      |
| Other costs.....                                    | 369,296                               | 331,575          | 37,721                | 788,492                                 | *61,853                      | 465,096          | 172,934                   | 88,609                       |
| Inventory, end of year.....                         | 1,677,702                             | 1,433,476        | 244,226               | 3,402,581                               | 170,613                      | 1,469,180        | 449,653                   | 1,313,134                    |
| Advertising expenses.....                           | 121,608                               | 73,655           | 47,954                | 232,120                                 | 8,677                        | 81,221           | 39,096                    | 103,125                      |
| Bad debts from sales or services.....               | 27,764                                | 24,378           | *3,386                | 69,955                                  | 133                          | 52,141           | 9,067                     | 8,613                        |
| Car and truck expenses.....                         | 192,625                               | 118,507          | 74,117                | 289,629                                 | 2,536                        | 155,553          | 40,000                    | 91,540                       |
| Commissions.....                                    | 56,948                                | 35,006           | *21,942               | 102,556                                 | *1,554                       | 74,883           | *1,475                    | 24,645                       |
| Depletion.....                                      | *30                                   | *2               | *28                   | *447                                    | *24                          | *46              | *370                      | *7                           |
| Depreciation.....                                   | 319,883                               | 223,959          | 95,925                | 329,724                                 | 3,369                        | 51,812           | 183,979                   | 90,564                       |
| Employee benefit programs.....                      | 23,938                                | 14,925           | 9,013                 | 34,703                                  | 3,220                        | 4,155            | 12,844                    | 14,485                       |
| Insurance.....                                      | 187,901                               | 141,062          | 46,839                | 298,831                                 | 2,595                        | 108,638          | 112,190                   | 75,408                       |
| Legal and professional services.....                | 80,567                                | 57,214           | 23,354                | 75,881                                  | 558                          | 23,072           | 32,503                    | 19,747                       |
| Meals and entertainment deducted.....               | 4,404                                 | 1,784            | 2,620                 | 31,330                                  | 667                          | 25,804           | 867                       | 3,992                        |
| Mortgage interest.....                              | 81,075                                | 66,907           | 14,167                | 148,495                                 | *384                         | 45,733           | 67,383                    | 34,995                       |
| Other interest paid on business indebtedness.....   | 109,771                               | 92,260           | 17,510                | 197,304                                 | 7,193                        | 77,156           | 51,208                    | 61,747                       |
| Office expenses.....                                | 33,712                                | 19,705           | 14,007                | 109,059                                 | 1,115                        | 50,664           | 23,704                    | 33,577                       |
| Pension and profit-sharing plans.....               | 3,654                                 | 1,559            | *2,095                | 3,444                                   | *36                          | *1,100           | *1,414                    | *894                         |
| Rent on machinery and equipment.....                | 86,264                                | 61,464           | 24,800                | 68,825                                  | *4,123                       | 5,559            | 27,269                    | 31,874                       |
| Rent on other business property.....                | 675,400                               | 456,023          | 219,377               | 559,675                                 | *1,811                       | 138,470          | 328,746                   | 90,648                       |
| Repairs.....  | 213,528                               | 147,129          | 66,399                | 183,433                                 | 2,607                        | 58,144           | 72,185                    | 50,497                       |
| Salaries and wages.....                             | 1,551,448                             | 1,102,657        | 448,791               | 1,520,500                               | 33,975                       | 262,035          | 920,145                   | 304,345                      |
| Supplies.....                                       | 178,627                               | 105,399          | 73,228                | 239,105                                 | 1,910                        | 44,993           | 72,001                    | 120,201                      |
| Taxes paid.....                                     | 438,105                               | 302,635          | 135,470               | 478,674                                 | 5,784                        | 119,908          | 227,198                   | 125,784                      |
| Travel.....   | 18,683                                | 4,046            | 14,637                | 44,393                                  | 341                          | 20,132           | 2,310                     | 21,609                       |
| Utilities.....                                      | 668,713                               | 511,601          | 157,112               | 473,013                                 | 3,096                        | 132,066          | 223,348                   | 114,502                      |
| Home office business deductions.....                | *2,582                                | *130             | *2,452                | *512                                    | --                           | --               | *146                      | *366                         |
| Depreciation, Form 8829.....                        | *38                                   | *38              | --                    | *3                                      | --                           | --               | *3                        | --                           |
| Other business deductions.....                      | 677,655                               | 535,436          | 142,219               | 690,333                                 | 11,442                       | 274,240          | 222,113                   | 182,537                      |
| <b>Net income <sup>1,2</sup>.....</b>               | <b>1,673,065</b>                      | <b>1,107,273</b> | <b>565,792</b>        | <b>2,144,722</b>                        | <b>44,059</b>                | <b>890,358</b>   | <b>588,965</b>            | <b>621,340</b>               |
| <b>Returns with Schedule C-EZ:</b>                  |                                       |                  |                       |   |                              |                  |                           |                              |
| Number of returns.....                              | *3,705                                | *2,471           | *1,234                | 20,533                                  | *7,041                       | *7,423           | *1,130                    | *4,938                       |
| Business receipts.....                              | *11,473                               | *10,674          | *799                  | 139,469                                 | *6,274                       | *99,614          | *16,772                   | *16,809                      |
| Business deductions.....                            | *4,306                                | *4,306           | --                    | 10,712                                  | *2,313                       | *4,766           | *1,596                    | *2,037                       |
| <b>Net income.....</b>                              | <b>*7,167</b>                         | <b>*6,368</b>    | <b>*799</b>           | <b>128,758</b>                          | <b>*3,961</b>                | <b>*94,848</b>   | <b>*15,176</b>            | <b>*14,772</b>               |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**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>          |                                       |                                       |                   |                  |                  |                  |                                     |                                  |
| <b>Number of returns</b> <sup>1</sup> .....            | <b>111,500</b>                        | <b>107,352</b>                        | <b>136,631</b>    | <b>54,747</b>    | <b>4,240</b>     | <b>11,095</b>    | <b>117,829</b>                      | <b>49,200</b>                    |
| <b>Business receipts, total</b> <sup>1</sup> .....     | <b>8,614,870</b>                      | <b>9,377,117</b>                      | <b>22,425,239</b> | <b>4,834,113</b> | <b>3,895,898</b> | <b>4,452,581</b> | <b>3,631,249</b>                    | <b>3,741,163</b>                 |
| Income from sales and operations <sup>1</sup> .....    | 8,543,634                             | 9,308,155                             | 22,328,324        | 4,749,274        | 3,856,284        | 4,361,339        | 3,569,058                           | 3,659,268                        |
| Other business income.....                             | 71,237                                | 68,961                                | 96,915            | 84,839           | 39,614           | 91,242           | 62,192                              | 81,895                           |
| <b>Business deductions, total</b> <sup>1,2</sup> ..... | <b>8,066,928</b>                      | <b>8,648,886</b>                      | <b>21,377,747</b> | <b>4,591,876</b> | <b>3,629,893</b> | <b>4,278,567</b> | <b>3,517,079</b>                    | <b>3,695,967</b>                 |
| Cost of sales and operations.....                      | 4,967,303                             | 5,200,616                             | 9,755,288         | 2,190,140        | 2,986,503        | 3,436,179        | 1,932,969                           | 2,672,092                        |
| Inventory, beginning of year.....                      | 1,467,479                             | 1,123,800                             | 298,945           | 152,472          | 309,008          | 499,688          | 1,340,937                           | 795,491                          |
| Cost of labor.....                                     | 84,968                                | 342,681                               | 548,269           | *66,793          | *19,246          | --               | 40,400                              | *2,695                           |
| Purchases.....   | 4,572,552                             | 4,568,583                             | 8,308,025         | 2,018,425        | 2,793,834        | 3,364,720        | 1,701,541                           | 2,371,291                        |
| Materials and supplies.....                            | 184,588                               | 237,608                               | 411,343           | 32,313           | *152,705         | *56,922          | 29,295                              | *1,307                           |
| Other costs.....                                       | 174,833                               | 165,347                               | 529,716           | 68,402           | *3,218           | *18,930          | 157,467                             | 240,765                          |
| Inventory, end of year.....                            | 1,517,117                             | 1,237,404                             | 341,011           | 148,265          | 291,507          | 504,081          | 1,336,673                           | 739,457                          |
| Advertising expenses.....                              | 146,663                               | 238,834                               | 430,368           | 62,957           | 20,366           | 12,688           | 68,309                              | 76,731                           |
| Bad debts from sales or services.....                  | 5,751                                 | 8,341                                 | 3,169             | *4,972           | 2,010            | 6,069            | *188                                | *917                             |
| Car and truck expenses.....                            | 141,320                               | 252,109                               | 156,525           | 32,678           | 9,507            | 11,493           | 190,317                             | 47,157                           |
| Commissions.....                                       | 49,761                                | 81,505                                | 37,879            | --               | *13,558          | *493             | 61,183                              | 28,539                           |
| Depletion.....   | *201                                  | *5                                    | *1,708            | --               | --               | *1               | *1                                  | *95                              |
| Depreciation.....                                      | 136,681                               | 266,865                               | 638,991           | 130,876          | 23,325           | 42,597           | 77,046                              | 64,936                           |
| Employee benefit programs.....                         | 6,667                                 | 26,165                                | 25,506            | *2,951           | 3,646            | *910             | *575                                | *5,243                           |
| Insurance.....   | 71,154                                | 119,988                               | 324,790           | 99,373           | 23,833           | 30,127           | 32,913                              | 29,414                           |
| Legal and professional services.....                   | 46,688                                | 41,700                                | 129,501           | 40,313           | 14,778           | 19,399           | 15,336                              | 12,635                           |
| Meals and entertainment deducted.....                  | 15,448                                | 18,873                                | 6,992             | 2,210            | *362             | *348             | 15,724                              | 12,984                           |
| Mortgage interest.....                                 | 46,040                                | 82,246                                | 190,372           | 77,213           | *4,988           | 22,072           | 18,711                              | 15,349                           |
| Other interest paid on business indebtedness.....      | 51,233                                | 56,873                                | 170,126           | 30,425           | 4,788            | 9,167            | 17,251                              | 28,590                           |
| Office expenses.....                                   | 44,283                                | 79,846                                | 60,117            | 14,868           | 12,976           | 6,267            | 29,020                              | 22,508                           |
| Pension and profit-sharing plans.....                  | *2,123                                | *4,954                                | 3,188             | *12,237          | *8,980           | *1,307           | *3,825                              | *1,224                           |
| Rent on machinery and equipment.....                   | 67,438                                | 51,353                                | 175,582           | 27,067           | 5,710            | 28,059           | 46,857                              | 6,111                            |
| Rent on other business property.....                   | 690,900                               | 432,501                               | 1,446,960         | 215,418          | 49,791           | 177,814          | 417,839                             | 114,647                          |
| Repairs.....   | 45,749                                | 55,291                                | 374,633           | 102,497          | 13,904           | 25,418           | 45,829                              | 16,462                           |
| Salaries and wages.....                                | 530,430                               | 693,903                               | 3,868,819         | 602,671          | 280,498          | 180,231          | 103,975                             | 164,381                          |
| Supplies.....  | 134,367                               | 80,969                                | 427,925           | 122,338          | 19,416           | 18,743           | 54,309                              | 32,957                           |
| Taxes paid.....  | 191,751                               | 179,593                               | 998,987           | 268,964          | 33,503           | 69,446           | 61,731                              | 89,664                           |
| Travel.....  | 56,403                                | 44,809                                | 16,739            | 12,180           | 3,555            | *6,438           | 33,108                              | 14,799                           |
| Utilities.....   | 222,070                               | 246,630                               | 1,115,345         | 281,365          | 32,453           | 93,085           | 116,445                             | 90,554                           |
| Home office business deductions.....                   | 30,221                                | 17,084                                | *554              | --               | --               | --               | 16,303                              | *761                             |
| Depreciation, Form 8829.....                           | 2,600                                 | *871                                  | *9                | --               | --               | --               | *1,614                              | *333                             |
| Other business deductions.....                         | 365,383                               | 363,968                               | 1,015,562         | 258,164          | 61,444           | 80,218           | 153,755                             | 147,218                          |
| <b>Net income less deficit</b> <sup>1,2</sup> .....    | <b>548,015</b>                        | <b>728,417</b>                        | <b>1,050,070</b>  | <b>242,237</b>   | <b>266,005</b>   | <b>174,013</b>   | <b>114,753</b>                      | <b>45,195</b>                    |
| Net income <sup>1,2</sup> .....                        | 886,813                               | 973,360                               | 1,585,832         | 414,357          | 266,450          | 221,932          | 396,717                             | 212,641                          |
| Deficit <sup>2</sup> .....                             | 338,798                               | 244,943                               | 535,762           | 172,121          | *445             | *47,919          | 281,964                             | 167,446                          |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**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> .....                | 73,824                                | 67,456                                | 90,179           | 35,327          | 4,177          | 9,681          | 58,613                              | 14,791                           |
| Business receipts, total <sup>1</sup> .....         | 6,532,943                             | 8,131,963                             | 17,428,838       | 3,414,362       | 3,800,883      | 4,170,549      | 2,891,716                           | 2,504,654                        |
| Income from sales and operations <sup>1</sup> ..... | 6,468,242                             | 8,100,264                             | 17,360,763       | 3,334,113       | 3,761,623      | 4,080,730      | 2,846,951                           | 2,500,676                        |
| Other business income.....                          | 64,701                                | 31,699                                | 68,075           | 80,249          | 39,259         | 89,819         | 44,765                              | 3,978                            |
| Business deductions, total <sup>1,2</sup> .....     | 5,646,130                             | 7,158,603                             | 15,843,006       | 3,000,005       | 3,534,433      | 3,948,617      | 2,494,999                           | 2,292,013                        |
| Cost of sales and operations.....                   | 3,572,873                             | 4,413,867                             | 7,307,584        | 1,402,522       | 2,912,662      | 3,147,237      | 1,393,113                           | 1,627,631                        |
| Inventory, beginning of year.....                   | 927,100                               | 877,030                               | 195,207          | 101,213         | 301,939        | 485,362        | 697,418                             | 382,937                          |
| Cost of labor.....                                  | 26,901                                | 301,613                               | 430,952          | *44,164         | *19,246        | --             | 16,477                              | --                               |
| Purchases.....                                      | 3,474,342                             | 3,790,299                             | 6,208,801        | 1,249,151       | 2,719,877      | 3,077,334      | 1,216,285                           | 1,400,113                        |
| Materials and supplies.....                         | 65,386                                | 197,954                               | 295,846          | 28,241          | *152,705       | *56,922        | 22,136                              | *274                             |
| Other costs.....                                    | 104,978                               | 152,955                               | 399,071          | *64,083         | *3,218         | *18,930        | 112,894                             | *224,004                         |
| Inventory, end of year.....                         | 1,025,834                             | 905,985                               | 222,293          | 84,330          | 284,322        | 491,312        | 672,097                             | 379,697                          |
| Advertising expenses.....                           | 89,513                                | 188,245                               | 356,962          | 36,719          | 19,645         | 12,452         | 53,280                              | 44,162                           |
| Bad debts from sales or services.....               | 3,698                                 | 6,970                                 | 1,960            | *1,047          | 1,703          | 5,970          | *175                                | *180                             |
| Car and truck expenses.....                         | 109,105                               | 195,726                               | 105,154          | 25,139          | 9,448          | 10,374         | 94,022                              | 26,503                           |
| Commissions.....                                    | 17,733                                | 58,966                                | 16,906           | --              | *13,558        | *493           | 41,735                              | 27,191                           |
| Depletion.....                                      | *168                                  | *5                                    | *1,534           | --              | --             | *1             | *( <sup>3</sup> )                   | *95                              |
| Depreciation.....                                   | 79,530                                | 224,649                               | 435,903          | 70,472          | 23,311         | 40,162         | 54,494                              | 36,297                           |
| Employee benefit programs.....                      | 5,870                                 | 25,320                                | 17,096           | *2,689          | 3,646          | *910           | *575                                | *2,855                           |
| Insurance.....                                      | 53,378                                | 103,828                               | 232,980          | 70,739          | 23,268         | 25,802         | 25,985                              | 17,429                           |
| Legal and professional services.....                | 30,814                                | 29,223                                | 96,887           | 26,314          | 14,528         | 16,099         | 11,411                              | 7,855                            |
| Meals and entertainment deducted.....               | 7,275                                 | 16,552                                | 5,507            | *960            | *348           | *348           | 9,656                               | 11,268                           |
| Mortgage interest.....                              | 27,586                                | 62,724                                | 115,704          | 38,746          | *4,725         | 22,072         | 9,672                               | 9,882                            |
| Other interest paid on business indebtedness.....   | 29,896                                | 36,129                                | 110,585          | 28,887          | 4,676          | 8,774          | 10,689                              | 18,870                           |
| Office expenses.....                                | 27,277                                | 67,256                                | 41,145           | 9,640           | 12,487         | 6,100          | 15,795                              | 15,345                           |
| Pension and profit-sharing plans.....               | *2,123                                | *3,678                                | 3,158            | *12,237         | *8,980         | *1,307         | *3,825                              | *1,224                           |
| Rent on machinery and equipment.....                | 48,467                                | 32,343                                | 134,984          | 21,597          | 5,586          | 23,564         | 41,828                              | *2,340                           |
| Rent on other business property.....                | 469,791                               | 334,622                               | 1,092,033        | 138,446         | 49,261         | 174,718        | 280,352                             | 74,280                           |
| Repairs.....  | 29,955                                | 32,886                                | 265,882          | 68,003          | 13,855         | 24,029         | 31,007                              | 9,872                            |
| Salaries and wages.....                             | 398,447                               | 584,932                               | 2,883,094        | 410,883         | 271,213        | 173,625        | 100,386                             | 120,854                          |
| Supplies.....                                       | 93,141                                | 56,510                                | 276,797          | 94,850          | 13,593         | 18,343         | 21,797                              | 19,239                           |
| Taxes paid.....                                     | 131,470                               | 157,255                               | 755,027          | 184,515         | 32,195         | 67,803         | 49,395                              | 55,494                           |
| Travel.....   | 31,605                                | 36,304                                | 10,470           | *5,847          | 3,555          | *6,379         | 18,219                              | 11,867                           |
| Utilities.....                                      | 144,219                               | 192,830                               | 795,659          | 182,677         | 31,889         | 84,930         | 86,151                              | 49,958                           |
| Home office business deductions.....                | *18,335                               | 17,022                                | *532             | --              | --             | --             | *12,906                             | *496                             |
| Depreciation, Form 8829.....                        | *1,469                                | *869                                  | *7               | --              | --             | --             | *347                                | *66                              |
| Other business deductions.....                      | 222,961                               | 276,901                               | 777,342          | 167,078         | 60,301         | 77,124         | 124,969                             | 100,826                          |
| <b>Net income <sup>1,2</sup>.....</b>               | <b>886,813</b>                        | <b>973,360</b>                        | <b>1,585,832</b> | <b>414,357</b>  | <b>266,450</b> | <b>221,932</b> | <b>396,717</b>                      | <b>212,641</b>                   |
| <b>Returns with Schedule C-EZ:</b>                  |                                       |                                       |                  |                 |                |                |                                     |                                  |
| Number of returns.....                              | *5,917                                | *11,978                               | *12,586          | *8,801          | --             | --             | *3,421                              | *42                              |
| Business receipts.....                              | *24,807                               | *53,415                               | *109,048         | *8,359          | --             | --             | *13,049                             | *593                             |
| Business deductions.....                            | *899                                  | *3,864                                | *2,120           | --              | --             | --             | *3,562                              | --                               |
| <b>Net income.....</b>                              | <b>*23,909</b>                        | <b>*49,552</b>                        | <b>*106,929</b>  | <b>*8,359</b>   | <b>--</b>      | <b>--</b>      | <b>*9,488</b>                       | <b>*593</b>                      |

Footnotes at end of table.



# Sole Proprietorship Returns, 1997

**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          |                                      |   | Other financial services |       |
|  | 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 |
|  |  |                                   |                         |                   |                                     |                  |                                      |   |                          |       |
| <b>BUSINESSES WITH AND WITHOUT NET INCOME</b>          |  |                                   |                         |                   |                                     |                  |                                      |   |                          |       |
| <b>Number of returns</b> <sup>1</sup> .....            | <b>1,102,799</b>                       | <b>62,925</b>                     | <b>613,639</b>          | <b>1,314,029</b>  | <b>182,730</b>                      | <b>24,553</b>    | <b>75,834</b>                        | <b>82,343</b>                               |                          |       |
| <b>Business receipts, total</b> <sup>1</sup> .....     | <b>18,866,536</b>                      | <b>3,159,680</b>                  | <b>34,222,257</b>       | <b>75,595,055</b> | <b>23,163,149</b>                   | <b>1,097,148</b> | <b>14,471,710</b>                    | <b>7,594,290</b>                            |                          |       |
| Income from sales and operations <sup>1</sup> .....    | 18,323,304                             | 3,140,393                         | 33,763,566              | 73,867,690        | 22,922,337                          | 1,065,977        | 14,274,505                           | 7,581,856                                   |                          |       |
| Other business income.....                             | 543,233                                | 19,288                            | 458,691                 | 1,727,366         | 240,812                             | *31,171          | 197,206                              | 12,435                                      |                          |       |
| <b>Business deductions, total</b> <sup>1,2</sup> ..... | <b>16,119,669</b>                      | <b>3,052,655</b>                  | <b>32,114,125</b>       | <b>51,317,922</b> | <b>21,013,984</b>                   | <b>1,069,334</b> | <b>13,576,257</b>                    | <b>6,368,393</b>                            |                          |       |
| Cost of sales and operations.....                      | 8,339,593                              | 1,880,423                         | 20,215,308              | 19,339,571        | 14,764,006                          | *381,030         | 10,642,051                           | 3,740,924                                   |                          |       |
| Inventory, beginning of year.....                      | 1,258,019                              | 784,354                           | 4,782,607               | 1,976,930         | 469,483                             | --               | 161,008                              | 308,474                                     |                          |       |
| Cost of labor.....                                     | 161,125                                | *11,981                           | 348,819                 | 498,594           | *198,836                            | *3,331           | *27,439                              | *168,065                                    |                          |       |
| Purchases.....   | 7,660,474                              | 1,812,258                         | 18,426,207              | 12,083,699        | 10,237,480                          | *288,749         | 8,080,193                            | 1,868,539                                   |                          |       |
| Materials and supplies.....                            | 283,267                                | 112,054                           | 911,859                 | 630,530           | 203,709                             | *12,508          | *178,395                             | *12,807                                     |                          |       |
| Other costs.....                                       | 313,286                                | 39,487                            | 613,425                 | 5,823,680         | 3,785,542                           | *76,442          | 2,248,942                            | 1,460,157                                   |                          |       |
| Inventory, end of year.....                            | 1,336,580                              | 879,711                           | 4,867,609               | 1,673,863         | 131,044                             | --               | 53,926                               | 77,118                                      |                          |       |
| Advertising expenses.....                              | 279,716                                | 60,088                            | 452,715                 | 1,638,395         | 143,815                             | 23,266           | 29,937                               | 90,612                                      |                          |       |
| Bad debts from sales or services.....                  | 36,009                                 | 2,498                             | 87,892                  | 278,077           | 136,921                             | 36,174           | 12,291                               | 88,457                                      |                          |       |
| Car and truck expenses.....                            | 1,908,654                              | 60,288                            | 875,468                 | 4,129,309         | 319,489                             | 57,204           | 98,009                               | 164,276                                     |                          |       |
| Commissions.....                                       | 440,227                                | 17,465                            | 339,225                 | 3,577,519         | 553,287                             | 86,117           | 215,184                              | 251,986                                     |                          |       |
| Depletion.....   | *1,013                                 | *26                               | *1,333                  | 22,250            | 5,405                               | --               | 1,830                                | 3,575                                       |                          |       |
| Depreciation.....                                      | 466,402                                | 53,932                            | 829,149                 | 1,559,537         | 209,000                             | 9,935            | 75,316                               | 123,749                                     |                          |       |
| Employee benefit programs.....                         | 4,576                                  | *1,843                            | 36,767                  | 129,287           | 9,902                               | *1,138           | 6,618                                | 2,147                                       |                          |       |
| Insurance.....   | 115,546                                | 27,749                            | 354,797                 | 582,343           | 67,597                              | 11,666           | 21,327                               | 34,604                                      |                          |       |
| Legal and professional services.....                   | 94,254                                 | 12,291                            | 172,089                 | 807,735           | 165,117                             | 30,305           | 65,707                               | 69,105                                      |                          |       |
| Meals and entertainment deducted.....                  | 134,150                                | 9,779                             | 64,861                  | 627,605           | 78,901                              | 9,920            | 36,401                               | 32,581                                      |                          |       |
| Mortgage interest.....                                 | 36,837                                 | 7,580                             | 134,179                 | 529,340           | 72,030                              | *6,568           | 38,531                               | 26,932                                      |                          |       |
| Other interest paid on business indebtedness.....      | 153,753                                | 23,149                            | 242,803                 | 794,402           | 482,923                             | 36,435           | 269,890                              | 176,597                                     |                          |       |
| Office expenses.....                                   | 281,389                                | 25,451                            | 246,447                 | 1,459,266         | 174,605                             | 15,588           | 62,843                               | 96,175                                      |                          |       |
| Pension and profit-sharing plans.....                  | 3,742                                  | *1,276                            | 7,617                   | 72,642            | 14,831                              | --               | 11,965                               | 2,866                                       |                          |       |
| Rent on machinery and equipment.....                   | 124,096                                | 24,540                            | 189,179                 | 541,017           | 64,453                              | *7,814           | 24,427                               | 32,212                                      |                          |       |
| Rent on other business property.....                   | 332,867                                | 265,463                           | 1,492,840               | 1,159,813         | 237,034                             | 23,328           | 113,977                              | 99,729                                      |                          |       |
| Repairs.....   | 115,351                                | 15,925                            | 252,106                 | 476,521           | 62,349                              | 20,352           | 7,557                                | 34,440                                      |                          |       |
| Salaries and wages.....                                | 237,308                                | 197,476                           | 2,007,961               | 2,676,822         | 389,029                             | 28,182           | 165,329                              | 195,518                                     |                          |       |
| Supplies.....  | 489,865                                | 46,503                            | 607,674                 | 847,475           | 179,141                             | 12,356           | 36,541                               | 130,244                                     |                          |       |
| Taxes paid.....  | 165,345                                | 90,182                            | 680,550                 | 682,669           | 92,669                              | 6,328            | 35,333                               | 51,008                                      |                          |       |
| Travel.....  | 398,517                                | 26,023                            | 212,364                 | 742,511           | 133,191                             | 15,321           | 47,706                               | 70,164                                      |                          |       |
| Utilities.....   | 432,844                                | 80,515                            | 748,709                 | 1,559,201         | 201,125                             | 32,554           | 59,779                               | 108,793                                     |                          |       |
| Home office business deductions.....                   | 133,498                                | *13,828                           | 99,331                  | 278,835           | 56,171                              | *6,376           | 22,920                               | 26,875                                      |                          |       |
| Depreciation, Form 8829.....                           | 15,214                                 | *347                              | 4,594                   | 23,267            | 5,523                               | *451             | 4,341                                | 731   |                          |       |
| Other business deductions.....                         | 1,338,281                              | 106,871                           | 1,742,901               | 6,732,902         | 2,390,167                           | 210,747          | 1,473,813                            | 705,608                                     |                          |       |
| <b>Net income less deficit</b> <sup>1,2</sup> .....    | <b>2,750,972</b>                       | <b>107,026</b>                    | <b>2,108,265</b>        | <b>24,264,460</b> | <b>2,148,732</b>                    | <b>27,804</b>    | <b>895,387</b>                       | <b>1,225,542</b>                            |                          |       |
| Net income <sup>1,2</sup> .....                        | 4,279,472                              | 255,561                           | 3,651,201               | 27,193,534        | 3,495,522                           | 289,182          | 1,595,959                            | 1,610,381                                   |                          |       |
| Deficit <sup>2</sup> .....                             | 1,528,500                              | 148,535                           | 1,542,936               | 2,929,074         | 1,346,790                           | 261,378          | 700,573                              | 384,839                                     |                          |       |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**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        |                                      |   | Other financial services |
|  | 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 NET INCOME</b>                      |  |                                   |                         |                   |                                     |                |                                      |   |                          |
| <b>Number of returns</b> <sup>1</sup> .....            | <b>554,128</b>                         | <b>34,873</b>                     | <b>312,324</b>          | <b>967,775</b>    | <b>112,538</b>                      | <b>12,272</b>  | <b>46,213</b>                        | <b>54,053</b>                               |                          |
| <b>Business receipts, total</b> <sup>1</sup> .....     | <b>15,192,137</b>                      | <b>2,620,021</b>                  | <b>28,228,170</b>       | <b>63,459,200</b> | <b>14,824,876</b>                   | <b>909,642</b> | <b>8,301,330</b>                     | <b>5,613,904</b>                            |                          |
| Income from sales and operations <sup>1</sup> .....    | 14,733,103                             | 2,602,034                         | 27,808,874              | 61,783,816        | 14,507,104                          | 905,855        | 8,137,525                            | 5,463,724                                   |                          |
| Other business income.....                             | 459,034                                | 17,987                            | 419,296                 | 1,675,384         | 317,772                             | *3,787         | 163,805                              | 150,180                                     |                          |
| <b>Business deductions, total</b> <sup>1,2</sup> ..... | <b>10,912,665</b>                      | <b>2,364,461</b>                  | <b>24,576,969</b>       | <b>36,263,171</b> | <b>11,329,331</b>                   | <b>620,449</b> | <b>6,705,359</b>                     | <b>4,003,523</b>                            |                          |
| Cost of sales and operations.....                      | 6,072,565                              | 1,518,510                         | 16,253,840              | 11,551,841        | 8,091,485                           | *288,749       | 5,476,523                            | 2,326,214                                   |                          |
| Inventory, beginning of year.....                      | 556,734                                | 541,687                           | 3,187,036               | 806,047           | 102,715                             | --             | *59,282                              | *43,433                                     |                          |
| Cost of labor.....                                     | 126,890                                | *11,937                           | 249,257                 | 335,977           | *43,374                             | --             | *27,329                              | *16,044                                     |                          |
| Purchases.....   | 5,605,443                              | 1,471,477                         | 14,911,228              | 6,719,720         | 5,446,368                           | *288,749       | 3,760,746                            | 1,396,873                                   |                          |
| Materials and supplies.....                            | 164,699                                | 40,980                            | 615,129                 | 498,022           | *187,140                            | --             | *178,392                             | *8,748                                      |                          |
| Other costs.....                                       | 235,098                                | 33,493                            | 549,922                 | 4,017,341         | 2,412,668                           | --             | 1,495,805                            | 916,864                                     |                          |
| Inventory, end of year.....                            | 616,298                                | 581,064                           | 3,258,732               | 825,264           | 100,781                             | --             | 45,032                               | *55,749                                     |                          |
| Advertising expenses.....                              | 147,301                                | 38,588                            | 347,700                 | 1,492,439         | 118,862                             | 14,826         | 26,545                               | 77,490                                      |                          |
| Bad debts from sales or services.....                  | 20,211                                 | *2,362                            | 27,954                  | 123,849           | 58,343                              | *3,254         | *1,676                               | 53,412                                      |                          |
| Car and truck expenses.....                            | 1,212,004                              | 36,103                            | 575,329                 | 3,394,723         | 205,307                             | 20,947         | 64,141                               | 120,219                                     |                          |
| Commissions.....                                       | 288,062                                | *4,734                            | 281,796                 | 2,973,946         | 402,295                             | 55,550         | 165,221                              | 181,524                                     |                          |
| Depletion.....   | *50                                    | *5                                | *93                     | 17,312            | 1,150                               | --             | *379                                 | 771   |                          |
| Depreciation.....                                      | 274,694                                | 29,804                            | 481,755                 | 1,246,855         | 146,630                             | 8,971          | 48,027                               | 89,632                                      |                          |
| Employee benefit programs.....                         | 4,576                                  | *1,840                            | 31,386                  | 120,615           | 9,219                               | *1,138         | 6,032                                | 2,049                                       |                          |
| Insurance.....   | 82,313                                 | 21,287                            | 272,576                 | 478,295           | 48,909                              | *2,685         | 17,972                               | 28,252                                      |                          |
| Legal and professional services.....                   | 61,151                                 | 7,403                             | 112,868                 | 550,344           | 105,108                             | 13,638         | 47,706                               | 43,764                                      |                          |
| Meals and entertainment deducted.....                  | 85,433                                 | 2,824                             | 37,200                  | 527,492           | 57,259                              | 7,588          | 24,252                               | 25,418                                      |                          |
| Mortgage interest.....                                 | 25,120                                 | 6,796                             | 78,109                  | 339,280           | 51,274                              | *1,281         | 30,190                               | 19,803                                      |                          |
| Other interest paid on business indebtedness.....      | 76,759                                 | 13,927                            | 140,262                 | 281,862           | 63,049                              | *2,362         | 17,956                               | 42,731                                      |                          |
| Office expenses.....                                   | 148,088                                | 12,538                            | 148,210                 | 1,253,299         | 123,908                             | 11,432         | 45,779                               | 66,697                                      |                          |
| Pension and profit-sharing plans.....                  | 2,677                                  | *1,276                            | 7,526                   | 62,426            | 5,632                               | --             | 2,803                                | 2,829                                       |                          |
| Rent on machinery and equipment.....                   | 65,308                                 | 23,037                            | 125,047                 | 488,663           | 49,968                              | *4,738         | 22,664                               | 22,567                                      |                          |
| Rent on other business property.....                   | 227,392                                | 191,318                           | 1,078,029               | 990,494           | 159,179                             | 10,349         | 68,119                               | 80,711                                      |                          |
| Repairs.....   | 94,625                                 | 12,691                            | 174,212                 | 334,454           | 32,251                              | *1,726         | 5,877                                | 24,648                                      |                          |
| Salaries and wages.....                                | 182,436                                | 183,426                           | 1,668,207               | 2,429,974         | 286,965                             | *28,016        | 126,633                              | 132,316                                     |                          |
| Supplies.....  | 262,427                                | 33,339                            | 368,136                 | 633,425           | 68,292                              | 4,916          | 31,988                               | 31,389                                      |                          |
| Taxes paid.....  | 108,867                                | 75,035                            | 481,608                 | 497,199           | 60,942                              | 4,176          | 23,590                               | 33,176                                      |                          |
| Travel.....  | 280,771                                | 12,970                            | 104,489                 | 596,887           | 89,572                              | 5,561          | 36,208                               | 47,803                                      |                          |
| Utilities.....   | 265,942                                | 54,265                            | 487,350                 | 1,286,283         | 147,315                             | 12,335         | 47,730                               | 87,250                                      |                          |
| Home office business deductions.....                   | 102,533                                | *1,822                            | 80,197                  | 241,324           | 50,894                              | *6,376         | 20,209                               | 24,308                                      |                          |
| Depreciation, Form 8829.....                           | 9,899                                  | *347                              | 4,149                   | 20,992            | 5,489                               | *451           | 4,312                                | 726   |                          |
| Other business deductions.....                         | 769,125                                | 77,068                            | 1,193,230               | 4,277,049         | 884,700                             | 109,206        | 346,161                              | 429,333                                     |                          |
| <b>Net income</b> <sup>1,2</sup> .....                 | <b>4,279,472</b>                       | <b>255,561</b>                    | <b>3,651,201</b>        | <b>27,193,534</b> | <b>3,495,522</b>                    | <b>289,182</b> | <b>1,595,959</b>                     | <b>1,610,381</b>                            |                          |
| <b>Returns with Schedule C-EZ:</b>                     |  |                                   |                         |                   |                                     |                |                                      |   |                          |
| Number of returns.....                                 | 90,319                                 | *4,227                            | 37,365                  | 89,548            | 14,462                              | *1,135         | 4,420                                | 8,907                                       |                          |
| Business receipts.....                                 | 305,643                                | *12,635                           | 99,112                  | 510,737           | 116,085                             | *11,809        | 41,499                               | 62,778                                      |                          |
| Business deductions.....                               | 57,485                                 | *4,849                            | 19,860                  | 72,880            | 10,823                              | *629           | 977                                  | 9,217                                       |                          |
| <b>Net income</b> .....                                | <b>248,158</b>                         | <b>*7,787</b>                     | <b>79,253</b>           | <b>437,856</b>    | <b>105,261</b>                      | <b>*11,180</b> | <b>40,521</b>                        | <b>53,560</b>                               |                          |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**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 AND WITHOUT NET INCOME</b>          |  |                    |                   |                       |                                |                            |                       |
| <b>Number of returns</b> <sup>1</sup> .....            | <b>332,118</b>                                 | <b>41,389</b>      | <b>757,791</b>    | <b>14,486</b>         | <b>663,123</b>                 | <b>15,679</b>              | <b>64,503</b>         |
| <b>Business receipts, total</b> <sup>1</sup> .....     | <b>17,957,535</b>                              | <b>1,808,997</b>   | <b>32,665,375</b> | <b>1,265,051</b>      | <b>27,185,203</b>              | <b>2,313,962</b>           | <b>1,901,158</b>      |
| Income from sales and operations <sup>1</sup> .....    | 17,376,331                                     | 1,620,293          | 31,948,727        | 1,225,625             | 26,615,476                     | 2,242,432                  | 1,865,195             |
| Other business income.....                             | 581,203  | 188,704            | 716,647           | 39,427                | 569,727                        | 71,530                     | 35,964                |
| <b>Business deductions, total</b> <sup>1,2</sup> ..... | <b>9,965,617</b>                               | <b>1,236,336</b>   | <b>19,101,986</b> | <b>1,189,288</b>      | <b>14,314,264</b>              | <b>2,257,411</b>           | <b>1,341,022</b>      |
| Cost of sales and operations.....                      | 956,499  | 197,292            | 3,421,773         | 204,285               | 1,507,281                      | 1,563,764                  | 146,443               |
| Inventory, beginning of year.....                      | *807   | *3,216             | 1,503,425         | 84,245                | 307,473                        | 1,060,821                  | *50,885               |
| Cost of labor.....                                     | *18,743  | *135,401           | 145,615           | *23,455               | 109,173                        | *10,651                    | *2,336                |
| Purchases.....   | 356,546  | *37,249            | 1,452,424         | 129,235               | 802,018                        | 474,697                    | 46,474                |
| Materials and supplies.....                            | 12,870   | *164               | 413,786           | *4,628                | 173,815                        | 224,034                    | 11,309                |
| Other costs.....                                       | 575,514  | 39,034             | 1,423,591         | 38,708                | 477,169                        | 810,304                    | 97,410                |
| Inventory, end of year.....                            | 7,980  | *17,771            | 1,517,068         | 75,986                | 362,366                        | 1,016,744                  | 61,972                |
| Advertising expenses.....                              | 358,842  | 25,293             | 1,110,446         | 21,372                | 1,054,868                      | 12,798                     | 21,408                |
| Bad debts from sales or services.....                  | 44,084   | *6,761             | 90,310            | 3,893                 | 63,359                         | *22,624                    | *434                  |
| Car and truck expenses.....                            | 1,091,573                                      | 144,492            | 2,573,755         | 23,847                | 2,411,298                      | 25,420                     | 113,189               |
| Commissions.....                                       | 1,068,585                                      | 75,457             | 1,880,189         | 38,016                | 1,762,847                      | 35,972                     | 43,354                |
| Depletion.....   | 373  | *13                | 16,459            | 43                    | 15,302                         | *1,058                     | *55                   |
| Depreciation.....                                      | 329,286  | 58,694             | 962,557           | 115,681               | 700,929                        | 69,206                     | 76,741                |
| Employee benefit programs.....                         | 104,791  | *1,475             | 13,119            | 1,507                 | 7,083                          | 1,650                      | 2,879                 |
| Insurance.....   | 209,597  | 23,735             | 281,414           | 39,718                | 195,026                        | 13,295                     | 33,376                |
| Legal and professional services.....                   | 130,632  | 23,440             | 488,546           | 66,275                | 322,257                        | 37,491                     | 62,523                |
| Meals and entertainment deducted.....                  | 203,598  | 26,437             | 318,669           | 2,511                 | 296,882                        | 2,885                      | 16,390                |
| Mortgage interest.....                                 | 88,832   | *784               | 367,694           | 145,946               | 104,730                        | 79,222                     | 37,795                |
| Other interest paid on business indebtedness.....      | 106,567  | 9,221              | 195,691           | 28,152                | 103,643                        | 39,162                     | 24,734                |
| Office expenses.....                                   | 436,761  | 61,125             | 786,774           | 9,072                 | 704,966                        | 12,536                     | 60,199                |
| Pension and profit-sharing plans.....                  | 34,987   | *1,940             | 20,884            | *270                  | 12,495                         | *991                       | 7,128                 |
| Rent on machinery and equipment.....                   | 179,428  | 36,463             | 260,672           | 3,366                 | 235,523                        | 7,841                      | 13,943                |
| Rent on other business property.....                   | 468,875  | 44,165             | 409,738           | 27,905                | 328,297                        | 10,373                     | 43,164                |
| Repairs.....   | 98,440   | 13,089             | 302,643           | 54,966                | 167,512                        | 33,947                     | 46,218                |
| Salaries and wages.....                                | 1,584,888                                      | 131,253            | 571,652           | 98,062                | 322,011                        | 35,203                     | 116,375               |
| Supplies.....  | 203,257  | 29,971             | 435,105           | 17,464                | 374,158                        | 8,291                      | 35,191                |
| Taxes paid.....  | 210,716  | 18,798             | 360,485           | 84,062                | 190,735                        | 45,623                     | 40,065                |
| Travel.....  | 248,205  | 63,106             | 298,009           | 7,149                 | 243,464                        | 3,756                      | 43,640                |
| Utilities.....   | 510,705  | 55,725             | 791,646           | 77,761                | 621,249                        | 19,533                     | 73,103                |
| Home office business deductions.....                   | 61,857   | 15,948             | 144,858           | *794                  | 116,440                        | *1,116                     | 26,507                |
| Depreciation, Form 8829.....                           | 4,686  | *650               | 12,408            | *50                   | 9,551                          | *1                         | 2,806                 |
| Other business deductions.....                         | 1,221,642                                      | 167,977            | 2,953,115         | 117,171               | 2,421,282                      | 173,635                    | 241,027               |
| <b>Net income less deficit</b> <sup>1,2</sup> .....    | <b>7,989,875</b>                               | <b>572,662</b>     | <b>13,553,191</b> | <b>69,703</b>         | <b>12,867,821</b>              | <b>55,650</b>              | <b>560,018</b>        |
| Net income <sup>1,2</sup> .....                        | 8,301,051                                      | 643,201            | 14,753,760        | 212,317               | 13,491,101                     | 374,671                    | 675,671               |
| Deficit <sup>2</sup> .....                             | 311,176  | 70,539             | 1,200,568         | 142,614               | 623,280                        | 319,020                    | 115,654               |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**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> .....                | 262,182  | 30,930             | 562,126           | 7,302                 | 499,629                        | 8,432                      | 46,762                |
| Business receipts, total <sup>1</sup> .....         | 16,843,268                                     | 1,624,550          | 30,166,506        | 931,627               | 25,910,293                     | 1,735,966                  | 1,588,620             |
| Income from sales and operations <sup>1</sup> ..... | 16,286,704                                     | 1,441,394          | 29,548,614        | 904,607               | 25,390,849                     | 1,673,156                  | 1,580,002             |
| Other business income.....                          | 556,564  | 183,156            | 617,892           | 27,020                | 519,444                        | 62,810                     | 8,618                 |
| Business deductions, total <sup>1,2</sup> .....     | 8,540,175                                      | 981,349            | 15,412,315        | 719,347               | 12,419,154                     | 1,360,866                  | 912,948               |
| Cost of sales and operations.....                   | 637,364  | 178,335            | 2,644,657         | 114,109               | 1,368,333                      | 1,058,519                  | 103,696               |
| Inventory, beginning of year.....                   | *709   | *3,216             | 699,407           | *15,786               | 168,178                        | 508,422                    | *7,021                |
| Cost of labor.....                                  | *18,726  | *135,401           | 138,476           | *19,759               | 108,997                        | *7,384                     | *2,336                |
| Purchases.....                                      | 199,316  | *13,236            | 1,060,799         | *54,636               | 744,850                        | 260,093                    | *1,219                |
| Materials and supplies.....                         | 12,861   | *164               | 297,857           | *2,825                | 113,109                        | 171,072                    | *10,851               |
| Other costs.....                                    | 413,731  | *29,599            | 1,161,343         | *33,347               | 447,439                        | 592,688                    | *87,868               |
| Inventory, end of year.....                         | 7,980  | *3,280             | 713,224           | *12,245               | 214,240                        | 481,140                    | *5,599                |
| Advertising expenses.....                           | 342,292  | 23,095             | 1,008,191         | 15,701                | 977,757                        | 5,581                      | 9,152                 |
| Bad debts from sales or services.....               | 41,961   | *6,759             | 16,786            | *1,001                | 15,759                         | *10                        | *16                   |
| Car and truck expenses.....                         | 908,258  | 113,274            | 2,167,883         | 11,061                | 2,054,630                      | 13,204                     | 88,988                |
| Commissions.....                                    | 863,753  | 31,396             | 1,676,502         | 12,912                | 1,597,938                      | 24,428                     | 41,225                |
| Depletion.....                                      | 360  | *4                 | 15,798            | *8                    | 14,693                         | *1,041                     | *55                   |
| Depreciation.....                                   | 305,572  | 52,322             | 742,330           | 76,368                | 592,728                        | 34,674                     | 38,561                |
| Employee benefit programs.....                      | 100,869  | *593               | 9,934             | 983                   | 6,158                          | 548                        | 2,246                 |
| Insurance.....                                      | 192,696  | 20,872             | 215,818           | 28,744                | 162,001                        | 9,392                      | 15,681                |
| Legal and professional services.....                | 105,372  | 15,320             | 324,544           | 8,967                 | 257,344                        | 20,828                     | 37,405                |
| Meals and entertainment deducted.....               | 170,649  | 21,786             | 277,798           | 1,367                 | 264,087                        | 1,337                      | 11,007                |
| Mortgage interest.....                              | 83,862   | *712               | 203,432           | 77,865                | 87,405                         | 31,086                     | 7,077                 |
| Other interest paid on business indebtedness.....   | 90,315   | 7,917              | 120,581           | 16,326                | 77,363                         | 17,507                     | 9,386                 |
| Office expenses.....                                | 401,147  | 55,510             | 672,734           | 5,892                 | 613,549                        | 7,663                      | 45,630                |
| Pension and profit-sharing plans.....               | 34,987   | *1,940             | 19,867            | *201                  | 12,461                         | *111                       | 7,094                 |
| Rent on machinery and equipment.....                | 171,679  | 33,260             | 233,755           | 1,495                 | 215,515                        | 7,303                      | 9,443                 |
| Rent on other business property.....                | 445,183  | 36,342             | 349,790           | 20,696                | 282,095                        | 7,563                      | 39,436                |
| Repairs.....  | 93,623   | 12,884             | 195,695           | 32,652                | 122,378                        | 13,739                     | 26,927                |
| Salaries and wages.....                             | 1,553,419                                      | 106,275            | 483,314           | 76,344                | 302,884                        | 20,906                     | 83,180                |
| Supplies.....                                       | 184,484  | 25,662             | 354,988           | 15,076                | 315,108                        | 2,753                      | 22,051                |
| Taxes paid.....                                     | 188,876  | 11,243             | 236,139           | 52,959                | 147,280                        | 15,515                     | 20,384                |
| Travel.....   | 209,237  | 47,486             | 250,592           | 4,639                 | 209,587                        | 1,792                      | 34,574                |
| Utilities.....                                      | 463,058  | 48,721             | 627,189           | 54,338                | 525,307                        | 10,488                     | 37,055                |
| Home office business deductions.....                | 54,860   | 10,597             | 124,973           | *794                  | 108,049                        | *998                       | 15,132                |
| Depreciation, Form 8829.....                        | 4,686  | *367               | 10,450            | *50                   | 9,284                          | *1                         | *1,116                |
| Other business deductions.....                      | 883,748  | 115,361            | 2,393,241         | 88,850                | 2,058,120                      | 53,864                     | 192,407               |
| <b>Net income <sup>1,2</sup>.....</b>               | <b>8,301,051</b>                               | <b>643,201</b>     | <b>14,753,760</b> | <b>212,317</b>        | <b>13,491,101</b>              | <b>374,671</b>             | <b>675,671</b>        |
| <b>Returns with Schedule C-EZ:</b>                  |  |                    |                   |                       |                                |                            |                       |
| Number of returns.....                              | 28,264   | *2,914             | 43,907            | *1,132                | 31,002                         | *12                        | 11,761                |
| Business receipts.....                              | 96,242   | *15,796            | 282,614           | *1,517                | 165,833                        | *141                       | 115,123               |
| Business deductions.....                            | 12,593   | *3,681             | 45,783            | --                    | 30,625                         | *18                        | 15,139                |
| <b>Net income.....</b>                              | <b>83,649</b>                                  | <b>*12,115</b>     | <b>236,831</b>    | <b>*1,517</b>         | <b>135,207</b>                 | <b>*123</b>                | <b>99,983</b>         |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**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>          |                    |                                 |                                    |                      |                   |  |   |                               |
| <b>Number of returns</b> <sup>1</sup> .....            | <b>8,407,991</b>   | <b>49,754</b>                   | <b>33,717</b>                      | <b>16,037</b>        | <b>1,384,187</b>  | <b>13,626</b>                          | <b>59,250</b>   | <b>39,831</b>                 |
| <b>Business receipts, total</b> <sup>1</sup> .....     | <b>298,983,752</b> | <b>4,812,662</b>                | <b>3,738,895</b>                   | <b>1,073,768</b>     | <b>31,286,346</b> | <b>725,450</b>                         | <b>3,720,470</b>                                      | <b>1,286,325</b>              |
| Income from sales and operations <sup>1</sup> .....    | 293,849,108        | 4,634,305                       | 3,652,325                          | 981,980              | 30,935,372        | 724,953                                | 3,713,873   | 1,281,416                     |
| Other business income.....                             | 5,134,644          | 178,358                         | 86,570                             | *91,788              | 350,973           | *497                                   | 6,598   | *4,909                        |
| <b>Business deductions, total</b> <sup>1,2</sup> ..... | <b>193,283,367</b> | <b>4,712,876</b>                | <b>3,668,164</b>                   | <b>1,044,712</b>     | <b>22,759,626</b> | <b>650,821</b>                         | <b>3,266,287</b>                                      | <b>1,086,685</b>              |
| Cost of sales and operations.....                      | 45,914,104         | 502,409                         | 348,126                            | 154,283              | 5,888,592         | 51,170                                 | 652,653   | 234,307                       |
| Inventory, beginning of year.....                      | 3,185,303          | 51,985                          | 35,424                             | *16,560              | 350,670           | *17                                    | *6,943  | 7,155                         |
| Cost of labor.....                                     | 4,962,902          | 79,661                          | 61,974                             | *17,687              | 913,821           | *15,487                                | 204,246   | *22,176                       |
| Purchases.....   | 26,781,722         | 309,522                         | 248,130                            | 61,393               | 3,360,618         | *5,917                                 | 181,062   | 137,316                       |
| Materials and supplies.....                            | 7,407,680          | 51,519                          | 23,786                             | *27,734              | 1,157,646         | *25,215                                | 97,341  | 40,066                        |
| Other costs.....                                       | 7,169,172          | 91,754                          | 27,068                             | *64,686              | 475,446           | *4,772                                 | 168,769   | *36,646                       |
| Inventory, end of year.....                            | 3,592,673          | 82,033                          | 48,256                             | 33,777               | 369,609           | *238                                   | *5,707  | 9,051                         |
| Advertising expenses.....                              | 3,497,352          | 132,006                         | 103,704                            | 28,302               | 512,062           | 3,237                                  | 134,643   | 37,994                        |
| Bad debts from sales or services.....                  | 319,830            | 1,698                           | 1,642                              | *56                  | 27,462            | *150                                   | 1,423   | *167                          |
| Car and truck expenses.....                            | 11,826,011         | 73,204                          | 47,254                             | 25,949               | 1,463,586         | 23,352                                 | 220,191   | 108,233                       |
| Commissions.....                                       | 2,981,516          | 23,863                          | 14,580                             | *9,282               | 349,229           | *1,993                                 | *18,971   | 7,605                         |
| Depletion.....   | 33,832             | *468                            | *307                               | *161                 | 386               | *292                                   | --  | --                            |
| Depreciation.....                                      | 10,641,684         | 526,741                         | 421,761                            | 104,980              | 1,058,271         | 71,439                                 | 215,344   | 63,851                        |
| Employee benefit programs.....                         | 655,120            | 11,477                          | 11,171                             | *307                 | 24,866            | *1,532                                 | 7,703   | *10                           |
| Insurance.....   | 4,762,392          | 145,454                         | 115,507                            | 29,947               | 353,336           | 14,892                                 | 67,590  | 14,773                        |
| Legal and professional services.....                   | 3,525,205          | 69,418                          | 49,838                             | 19,580               | 233,679           | 7,877                                  | 25,884  | 7,350                         |
| Meals and entertainment deducted.....                  | 1,512,445          | 4,609                           | 3,180                              | 1,429                | 127,981           | *49                                    | 2,791   | 17,863                        |
| Mortgage interest.....                                 | 1,718,109          | 459,085                         | 350,116                            | 108,969              | 149,876           | 10,286                                 | 14,477  | *3,664                        |
| Other interest paid on business indebtedness.....      | 1,879,695          | 143,566                         | 118,917                            | 24,649               | 153,744           | 9,212                                  | 37,575  | 1,893                         |
| Office expenses.....                                   | 5,094,056          | 36,546                          | 22,719                             | 13,827               | 384,813           | 2,148                                  | 25,472  | 31,739                        |
| Pension and profit-sharing plans.....                  | 524,947            | *707                            | *695                               | *12                  | 12,641            | --                                     | *1,610  | *239                          |
| Rent on machinery and equipment.....                   | 2,710,252          | 21,023                          | 18,572                             | *2,451               | 512,263           | 22,374                                 | 110,104   | 16,702                        |
| Rent on other business property.....                   | 10,676,698         | 67,096                          | 49,920                             | 17,176               | 2,528,857         | 135,750                                | 411,564   | 53,278                        |
| Repairs.....   | 2,927,294          | 278,285                         | 225,615                            | 52,670               | 391,737           | 20,933                                 | 62,565  | 8,982                         |
| Salaries and wages.....                                | 24,683,023         | 624,475                         | 487,502                            | 136,973              | 2,151,597         | 29,741                                 | 503,317   | 42,507                        |
| Supplies.....  | 8,782,170          | 220,378                         | 190,049                            | 30,329               | 1,600,497         | 21,958                                 | 186,810   | 89,493                        |
| Taxes paid.....  | 4,929,902          | 354,579                         | 296,131                            | 58,448               | 522,723           | 16,014                                 | 89,951  | 26,418                        |
| Travel.....  | 4,119,309          | 13,905                          | 11,254                             | 2,651                | 371,062           | *838                                   | 4,362   | 51,099                        |
| Utilities.....   | 7,890,770          | 519,968                         | 429,416                            | 90,552               | 1,349,108         | 138,125                                | 211,605   | 41,900                        |
| Home office business deductions.....                   | 2,570,206          | *5,650                          | *5,650                             | --                   | 250,700           | *3,278                                 | *743  | 31,346                        |
| Depreciation, Form 8829.....                           | 310,222            | *177                            | *177                               | --                   | 48,907            | *518                                   | --  | 3,843                         |
| Other business deductions.....                         | 28,333,378         | 476,197                         | 344,538                            | 131,659              | 2,232,714         | 64,178                                 | 253,885   | 195,274                       |
| <b>Net income less deficit</b> <sup>1,2</sup> .....    | <b>105,774,261</b> | <b>96,500</b>                   | <b>67,442</b>                      | <b>29,058</b>        | <b>8,535,622</b>  | <b>74,629</b>                          | <b>460,090</b>  | <b>199,640</b>                |
| Net income <sup>1,2</sup> .....                        | 114,268,832        | 430,621                         | 313,261                            | 117,360              | 9,708,330         | 111,621                                | 547,346   | 253,029                       |
| Deficit <sup>2</sup> .....                             | 8,494,572          | 334,121                         | 245,819                            | 88,302               | 1,172,708         | 36,992                                 | 87,257  | 53,388                        |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**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> .....                  | 6,512,423          | 28,982                          | 18,304                             | 10,677               | 1,010,041         | 10,166                                 | 44,025  | 26,706                        |
| Business receipts, total <sup>1</sup> .....           | 274,362,316        | 3,214,241                       | 2,408,853                          | 805,388              | 28,230,085        | 579,508                                | 3,124,924   | 1,180,857                     |
| Income from sales and operations <sup>1</sup> .....   | 269,649,663        | 3,058,820                       | 2,344,108                          | 714,712              | 27,905,518        | 579,152                                | 3,119,133   | 1,175,985                     |
| Other business income.....                            | 4,712,652          | 155,421                         | 64,745                             | *90,676              | 324,567           | *356                                   | *5,791  | *4,872                        |
| <b>Business deductions, total <sup>1,2</sup>.....</b> | <b>160,169,113</b> | <b>2,783,733</b>                | <b>2,095,703</b>                   | <b>688,030</b>       | <b>18,521,755</b> | <b>467,888</b>                         | <b>2,577,577</b>                                      | <b>927,828</b>                |
| Cost of sales and operations.....                     | 38,461,076         | 340,652                         | 207,055                            | *133,596             | 5,235,712         | 48,464                                 | 424,619   | 211,725                       |
| Inventory, beginning of year.....                     | 2,285,097          | 28,561                          | 16,146                             | *12,415              | 260,490           | *17                                    | *6,943  | 5,999                         |
| Cost of labor.....                                    | 4,154,397          | *52,690                         | *35,003                            | *17,687              | 853,489           | *15,487                                | *165,018  | *22,176                       |
| Purchases.....  | 22,102,619         | 199,477                         | 160,139                            | *39,338              | 3,013,498         | *5,917                                 | 127,943   | *121,927                      |
| Materials and supplies.....                           | 6,512,953          | 37,982                          | 11,900                             | *26,082              | 1,020,478         | *22,541                                | 58,898  | 33,323                        |
| Other costs.....                                      | 5,858,598          | 76,625                          | 12,021                             | *64,604              | 362,110           | *4,740                                 | 71,331  | *36,578                       |
| Inventory, end of year.....                           | 2,452,588          | 54,684                          | 28,154                             | *26,529              | 274,353           | *238                                   | *5,515  | *8,277                        |
| Advertising expenses.....                             | 2,759,971          | 64,176                          | 49,743                             | 14,433               | 390,150           | 930                                    | 106,691   | 36,408                        |
| Bad debts from sales or services.....                 | 163,712            | 1,080                           | 1,044                              | *36                  | 18,150            | *150                                   | 1,423   | --                            |
| Car and truck expenses.....                           | 9,318,068          | 30,379                          | 15,656                             | 14,723               | 1,091,682         | 19,128                                 | 163,928   | 88,785                        |
| Commissions.....                                      | 2,507,999          | 8,301                           | 7,555                              | *746                 | 297,563           | *184                                   | *11,612   | *1,453                        |
| Depletion.....  | 28,807             | *468                            | *307                               | *161                 | *384              | *292                                   | --  | --                            |
| Depreciation.....                                     | 8,039,542          | 289,251                         | 213,810                            | 75,442               | 748,363           | 40,858                                 | 156,146   | 46,447                        |
| Employee benefit programs.....                        | 600,591            | 3,034                           | 2,773                              | *261                 | 14,012            | *1,470                                 | *3,018  | *10                           |
| Insurance.....  | 4,130,265          | 84,078                          | 65,676                             | 18,401               | 287,558           | 12,550                                 | 56,949  | 11,487                        |
| Legal and professional services.....                  | 2,841,373          | 35,244                          | 29,627                             | 5,617                | 177,110           | 6,095                                  | 19,198  | 6,056                         |
| Meals and entertainment deducted.....                 | 1,239,346          | 1,989                           | 1,211                              | *778                 | 104,198           | *14                                    | 2,384   | 14,943                        |
| Mortgage interest.....                                | 1,196,949          | 225,020                         | 178,036                            | 46,984               | 121,742           | *7,408                                 | 10,219  | *3,640                        |
| Other interest paid on business indebtedness.....     | 1,413,064          | 55,440                          | 39,318                             | 16,122               | 124,435           | 4,516                                  | 30,364  | *1,555                        |
| Office expenses.....                                  | 4,227,017          | 20,431                          | 11,398                             | 9,033                | 252,743           | 821                                    | 20,735  | 24,002                        |
| Pension and profit-sharing plans.....                 | 513,194            | *686                            | *674                               | *12                  | 12,631            | --                                     | *1,610  | *239                          |
| Rent on machinery and equipment.....                  | 2,156,738          | 14,365                          | 12,062                             | *2,303               | 375,343           | *13,839                                | 73,463  | *12,547                       |
| Rent on other business property.....                  | 9,074,357          | 52,569                          | 40,307                             | *12,262              | 2,059,516         | 90,670                                 | 362,519   | 50,611                        |
| Repairs.....  | 2,251,929          | 176,498                         | 137,606                            | 38,893               | 289,845           | 13,938                                 | 56,404  | 7,217                         |
| Salaries and wages.....                               | 22,535,010         | 411,833                         | 327,492                            | 84,340               | 1,881,712         | 28,716                                 | 453,584   | 41,466                        |
| Supplies.....   | 7,120,919          | 140,741                         | 121,068                            | 19,673               | 1,288,930         | 12,104                                 | 148,700   | 79,192                        |
| Taxes paid.....                                       | 4,294,905          | 205,417                         | 173,305                            | 32,112               | 446,053           | 14,815                                 | 77,567  | 22,626                        |
| Travel.....   | 3,247,451          | 8,331                           | 6,785                              | 1,546                | 270,244           | --                                     | *3,261  | 33,751                        |
| Utilities.....  | 6,341,870          | 319,821                         | 260,335                            | 59,486               | 1,078,127         | 107,946                                | 181,148   | 32,503                        |
| Home office business deductions.....                  | 2,151,639          | *555                            | *555                               | --                   | 195,638           | *1,173                                 | *743  | 24,200                        |
| Depreciation, Form 8829.....                          | 236,838            | *177                            | *177                               | --                   | 26,492            | *290                                   | --  | *3,791                        |
| Other business deductions.....                        | 22,789,750         | 293,305                         | 192,305                            | 101,000              | 1,652,622         | 41,803                                 | 206,238   | 176,966                       |
| <b>Net income <sup>1,2</sup>.....</b>                 | <b>114,268,832</b> | <b>430,621</b>                  | <b>313,261</b>                     | <b>117,360</b>       | <b>9,708,330</b>  | <b>111,621</b>                         | <b>547,346</b>  | <b>253,029</b>                |
| <b>Returns with Schedule C-EZ:</b>                    |                    |                                 |                                    |                      |                   |  |   |                               |
| Number of returns.....                                | 1,533,374          | *3,152                          | --                                 | *3,152               | 189,951           | *1,133                                 | **8,682   | **                            |
| Business receipts.....                                | 6,861,830          | *3,759                          | --                                 | *3,759               | 829,119           | *9,981                                 | *44,132   | **                            |
| Business deductions.....                              | 775,303            | *70                             | --                                 | *70                  | 107,844           | *5                                     | **5,054   | **                            |
| <b>Net income.....</b>                                | <b>6,086,527</b>   | <b>*3,689</b>                   | <b>--</b>                          | <b>*3,689</b>        | <b>721,275</b>    | <b>*9,975</b>                          | <b>**39,078</b>                                       | <b>**</b>                     |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

## 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 |                  |                             | Business services |                                 |  |                             |
|  | Beauty shops                 | Barber shops     | All other personal services | Total             | 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>          |                              |                  |                             |                   |                                 |  |                             |
| <b>Number of returns</b> <sup>1</sup> .....            | <b>440,119</b>               | <b>65,980</b>    | <b>765,379</b>              | <b>2,097,503</b>  | <b>66,910</b>                   | <b>440,598</b>                               | <b>1,589,995</b>            |
| <b>Business receipts, total</b> <sup>1</sup> .....     | <b>10,944,644</b>            | <b>1,370,754</b> | <b>13,238,702</b>           | <b>53,537,140</b> | <b>3,213,943</b>                | <b>7,612,937</b>                             | <b>42,710,260</b>           |
| Income from sales and operations <sup>1</sup> .....    | 10,775,973                   | 1,360,492        | 13,078,667                  | 52,762,416        | 3,159,925                       | 7,559,233                                    | 42,043,259                  |
| Other business income.....                             | 168,671                      | *10,263          | 160,035                     | 774,724           | 54,018                          | 53,705                                       | 667,001                     |
| <b>Business deductions, total</b> <sup>1,2</sup> ..... | <b>7,779,521</b>             | <b>735,591</b>   | <b>9,240,721</b>            | <b>38,475,612</b> | <b>2,419,268</b>                | <b>5,222,687</b>                             | <b>30,833,656</b>           |
| Cost of sales and operations.....                      | 1,356,230                    | 20,242           | 3,573,989                   | 13,437,502        | 1,034,358                       | 1,145,939                                    | 11,257,205                  |
| Inventory, beginning of year.....                      | 124,962                      | *2,426           | 209,167                     | 584,308           | *7,310                          | 11,232                                       | 565,765                     |
| Cost of labor.....                                     | 321,162                      | --               | 350,750                     | 1,312,917         | *5,863                          | 607,658                                      | 699,396                     |
| Purchases.....   | 619,789                      | *15,316          | 2,401,218                   | 7,660,783         | 347,766                         | 220,772                                      | 7,092,245                   |
| Materials and supplies.....                            | 401,005                      | *4,657           | 589,362                     | 1,889,060         | 18,287                          | 190,850                                      | 1,679,923                   |
| Other costs.....                                       | 10,993                       | --               | 254,267                     | 2,842,261         | 665,069                         | 245,109                                      | 1,932,083                   |
| Inventory, end of year.....                            | 121,681                      | *2,156           | 230,776                     | 851,827           | *9,937                          | 129,682                                      | 712,208                     |
| Advertising expenses.....                              | 165,345                      | 12,569           | 158,275                     | 673,163           | 84,542                          | 94,269                                       | 494,352                     |
| Bad debts from sales or services.....                  | 4,588                        | *343             | 20,792                      | 54,380            | *4,142                          | *2,867                                       | 47,371                      |
| Car and truck expenses.....                            | 288,263                      | 30,087           | 793,460                     | 3,247,750         | 175,579                         | 753,074                                      | 2,319,097                   |
| Commissions.....                                       | 204,330                      | *239             | 116,091                     | 728,454           | 123,882                         | 83,823                                       | 520,749                     |
| Depletion.....   | --                           | --               | 95                          | 6,663             | * <sup>(3)</sup>                | *230   | 6,433                       |
| Depreciation.....                                      | 249,312                      | 38,088           | 420,238                     | 2,215,836         | 72,242                          | 200,574                                      | 1,943,020                   |
| Employee benefit programs.....                         | 5,722                        | *1,522           | 8,378                       | 65,781            | 3,049                           | 2,899  | 59,833                      |
| Insurance.....   | 128,236                      | 14,457           | 113,388                     | 667,752           | 10,624                          | 194,062                                      | 463,066                     |
| Legal and professional services.....                   | 67,560                       | 6,207            | 118,800                     | 486,153           | 25,582                          | 39,651                                       | 420,920                     |
| Meals and entertainment deducted.....                  | 26,482                       | *1,208           | 79,588                      | 277,219           | 33,284                          | 21,013                                       | 222,922                     |
| Mortgage interest.....                                 | 63,475                       | *12,032          | 45,942                      | 100,161           | *1,569                          | *5,090                                       | 93,501                      |
| Other interest paid on business indebtedness.....      | 47,598                       | *1,186           | 56,282                      | 354,209           | 5,605                           | 42,526                                       | 306,078                     |
| Office expenses.....                                   | 114,792                      | 7,225            | 203,436                     | 712,766           | 39,047                          | 65,717                                       | 608,002                     |
| Pension and profit-sharing plans.....                  | *1,136                       | * <sup>(3)</sup> | 9,657                       | 24,461            | *471                            | *174   | 23,816                      |
| Rent on machinery and equipment.....                   | 210,017                      | *48,908          | 104,158                     | 482,960           | 20,260                          | 45,126                                       | 417,574                     |
| Rent on other business property.....                   | 1,449,596                    | 139,740          | 338,928                     | 936,394           | 38,210                          | 44,565                                       | 853,619                     |
| Repairs.....   | 172,409                      | 17,390           | 109,458                     | 565,274           | 6,549                           | 72,971                                       | 485,754                     |
| Salaries and wages.....                                | 1,108,904                    | *108,633         | 358,496                     | 3,330,949         | 65,537                          | 972,719                                      | 2,292,693                   |
| Supplies.....  | 776,567                      | 108,256          | 417,413                     | 1,489,161         | 86,079                          | 345,269                                      | 1,057,813                   |
| Taxes paid.....  | 228,073                      | 22,589           | 139,679                     | 640,756           | 17,061                          | 131,714                                      | 491,981                     |
| Travel.....  | 53,959                       | *1,164           | 259,640                     | 754,858           | 66,491                          | 33,969                                       | 654,398                     |
| Utilities.....   | 540,049                      | 83,137           | 334,293                     | 1,109,790         | 49,133                          | 94,401                                       | 966,256                     |
| Home office business deductions.....                   | 39,751                       | *1,213           | 174,368                     | 499,177           | 24,111                          | 31,521                                       | 443,545                     |
| Depreciation, Form 8829.....                           | 16,609                       | --               | 27,938                      | 51,020            | 2,038                           | 5,166  | 43,816                      |
| Other business deductions.....                         | 457,467                      | 53,373           | 1,208,537                   | 5,384,842         | 430,386                         | 721,675                                      | 4,232,781                   |
| <b>Net income less deficit</b> <sup>1,2</sup> .....    | <b>3,165,123</b>             | <b>635,163</b>   | <b>4,000,977</b>            | <b>15,060,260</b> | <b>794,675</b>                  | <b>2,390,339</b>                             | <b>11,875,246</b>           |
| Net income <sup>1,2</sup> .....                        | 3,430,322                    | 659,564          | 4,706,449                   | 17,053,968        | 902,616                         | 2,594,513                                    | 13,556,839                  |
| Deficit <sup>2</sup> .....                             | 265,198                      | *24,401          | 705,472                     | 1,993,707         | 107,941                         | 204,174                                      | 1,681,593                   |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**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 |                   |                             | Business services |                                 |  |                             |
|  | Beauty shops                 | Barber shops      | All other personal services | Total             | 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>                      |                              |                   |                             |                   |                                 |  |                             |
| <b>Number of returns</b> <sup>1</sup> .....            | <b>355,939</b>               | <b>60,190</b>     | <b>513,014</b>              | <b>1,626,903</b>  | <b>42,912</b>                   | <b>391,620</b>                               | <b>1,192,371</b>            |
| <b>Business receipts, total</b> <sup>1</sup> .....     | <b>9,917,087</b>             | <b>1,337,295</b>  | <b>12,090,414</b>           | <b>47,688,165</b> | <b>2,914,714</b>                | <b>6,838,185</b>                             | <b>37,935,266</b>           |
| Income from sales and operations <sup>1</sup> .....    | 9,766,820                    | 1,327,032         | 11,937,396                  | 47,084,228        | 2,860,696                       | 6,786,981                                    | 37,436,551                  |
| Other business income.....                             | 150,267                      | *10,263           | 153,018                     | 603,937           | 54,018                          | 51,204                                       | 498,714                     |
| <b>Business deductions, total</b> <sup>1,2</sup> ..... | <b>6,486,765</b>             | <b>677,730</b>    | <b>7,383,966</b>            | <b>30,634,573</b> | <b>2,012,098</b>                | <b>4,243,672</b>                             | <b>24,378,802</b>           |
| Cost of sales and operations.....                      | 1,239,949                    | 18,561            | 3,292,394                   | 10,884,464        | 1,008,647                       | 716,328                                      | 9,159,489                   |
| Inventory, beginning of year.....                      | 91,558                       | *1,785            | 154,189                     | 358,097           | *822                            | 11,232                                       | 346,043                     |
| Cost of labor.....                                     | 316,556                      | --                | 334,251                     | 949,963           | *5,775                          | 269,514                                      | 674,674                     |
| Purchases.....   | 552,774                      | *13,645           | 2,191,292                   | 6,108,217         | 324,935                         | 168,001                                      | 5,615,281                   |
| Materials and supplies.....                            | 362,390                      | *4,657            | 538,668                     | 1,635,364         | *18,060                         | 160,214                                      | 1,457,090                   |
| Other costs.....                                       | 10,393                       | --                | 239,067                     | 2,271,325         | 659,864                         | 121,692                                      | 1,489,769                   |
| Inventory, end of year.....                            | 93,723                       | *1,527            | 165,073                     | 438,502           | *809                            | 14,326                                       | 423,368                     |
| Advertising expenses.....                              | 121,788                      | 11,781            | 112,553                     | 507,645           | 35,119                          | 80,078                                       | 392,448                     |
| Bad debts from sales or services.....                  | 2,876                        | *343              | 13,359                      | 23,635            | *4,140                          | *1,746                                       | 17,750                      |
| Car and truck expenses.....                            | 238,676                      | 20,814            | 560,351                     | 2,478,302         | 123,172                         | 642,885                                      | 1,712,244                   |
| Commissions.....                                       | 180,017                      | *239              | 104,058                     | 625,485           | 72,262                          | 82,301                                       | 470,922                     |
| Depletion.....   | --                           | --                | *92                         | 3,164             | *( <sup>3</sup> )               | *230   | 2,934                       |
| Depreciation.....                                      | 184,546                      | 36,210            | 284,157                     | 1,573,479         | 50,545                          | 178,344                                      | 1,344,590                   |
| Employee benefit programs.....                         | 5,624                        | *1,522            | 2,369                       | 54,461            | *1,619                          | 2,899  | 49,943                      |
| Insurance.....   | 109,709                      | 12,389            | 84,473                      | 555,583           | 9,228                           | 164,697                                      | 381,657                     |
| Legal and professional services.....                   | 52,101                       | 5,698             | 87,962                      | 321,763           | 21,261                          | 29,192                                       | 271,310                     |
| Meals and entertainment deducted.....                  | 23,929                       | *1,208            | 61,721                      | 209,096           | 26,447                          | 15,338                                       | 167,311                     |
| Mortgage interest.....                                 | 51,452                       | *12,032           | 36,991                      | 63,225            | *1,232                          | *5,087                                       | 56,905                      |
| Other interest paid on business indebtedness.....      | 39,812                       | *1,186            | 47,003                      | 240,234           | 4,938                           | 39,048                                       | 196,248                     |
| Office expenses.....                                   | 88,734                       | 7,153             | 111,298                     | 505,845           | 20,384                          | 50,411                                       | 435,051                     |
| Pension and profit-sharing plans.....                  | *1,136                       | *( <sup>3</sup> ) | 9,646                       | 24,348            | *471                            | *153   | 23,724                      |
| Rent on machinery and equipment.....                   | 177,162                      | *48,908           | 49,424                      | 393,304           | 17,974                          | 40,329                                       | 335,001                     |
| Rent on other business property.....                   | 1,170,682                    | 123,532           | 261,502                     | 736,450           | 30,854                          | 36,513                                       | 669,082                     |
| Repairs.....   | 121,537                      | 10,404            | 80,345                      | 445,425           | 3,954                           | 60,062                                       | 381,409                     |
| Salaries and wages.....                                | 924,823                      | *108,633          | 324,492                     | 3,012,738         | 48,728                          | 948,156                                      | 2,015,853                   |
| Supplies.....  | 649,533                      | 103,264           | 296,136                     | 1,051,418         | 64,956                          | 270,010                                      | 716,452                     |
| Taxes paid.....  | 193,457                      | 21,220            | 116,367                     | 567,983           | 14,024                          | 125,586                                      | 428,372                     |
| Travel.....  | 49,155                       | *1,164            | 182,912                     | 537,893           | 53,216                          | 26,344                                       | 458,333                     |
| Utilities.....   | 445,116                      | 72,936            | 238,478                     | 831,512           | 40,740                          | 79,312                                       | 711,459                     |
| Home office business deductions.....                   | 33,401                       | *1,213            | 134,906                     | 432,909           | 19,696                          | 27,931                                       | 385,282                     |
| Depreciation, Form 8829.....                           | 4,508                        | --                | 17,903                      | 37,379            | 2,038                           | 3,652  | 31,688                      |
| Other business deductions.....                         | 361,892                      | 51,536            | 814,187                     | 4,326,543         | 337,061                         | 543,841                                      | 3,445,641                   |
| <b>Net income</b> <sup>1,2</sup> .....                 | <b>3,430,322</b>             | <b>659,564</b>    | <b>4,706,449</b>            | <b>17,053,968</b> | <b>902,616</b>                  | <b>2,594,513</b>                             | <b>13,556,839</b>           |
| <b>Returns with Schedule C-EZ:</b>                     |                              |                   |                             |                   |                                 |  |                             |
| Number of returns.....                                 | 23,377                       | *9,278            | 147,481                     | 492,380           | 6,475                           | 141,578                                      | 344,327                     |
| Business receipts.....                                 | 127,973                      | *59,606           | 587,426                     | 1,825,948         | 38,950                          | 518,012                                      | 1,268,987                   |
| Business deductions.....                               | 19,659                       | *5,784            | 77,342                      | 229,201           | 1,473                           | 76,851                                       | 150,877                     |
| <b>Net income</b> .....                                | <b>108,315</b>               | <b>*53,822</b>    | <b>510,085</b>              | <b>1,596,747</b>  | <b>37,476</b>                   | <b>441,161</b>                               | <b>1,118,110</b>            |

Footnotes at end of table.



# Sole Proprietorship Returns, 1997

**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)                          |  |   |   |
| <b>BUSINESSES WITH AND WITHOUT NET INCOME</b>          |                                |                         |                               |                               |  |   |   |
| <b>Number of returns</b> <sup>1</sup> .....            | <b>386,169</b>                 | <b>284,260</b>          | <b>101,909</b>                | <b>256,398</b>                | <b>708,583</b>   | <b>332,572</b>  | <b>376,011</b>                              |
| <b>Business receipts, total</b> <sup>1</sup> .....     | <b>24,099,954</b>              | <b>18,426,162</b>       | <b>5,673,792</b>              | <b>9,596,230</b>              | <b>16,011,240</b>  | <b>6,086,148</b>                                      | <b>9,925,091</b>                            |
| Income from sales and operations <sup>1</sup> .....    | 23,914,096                     | 18,256,765              | 5,657,331                     | 9,559,470                     | 15,482,272   | 5,905,692   | 9,576,581                                   |
| Other business income.....                             | 185,857                        | 169,396                 | 16,461                        | 36,761                        | 528,967  | 180,456   | 348,511                                     |
| <b>Business deductions, total</b> <sup>1,2</sup> ..... | <b>21,323,042</b>              | <b>16,397,047</b>       | <b>4,925,995</b>              | <b>7,502,042</b>              | <b>12,113,979</b>  | <b>4,003,388</b>                                      | <b>8,110,591</b>                            |
| Cost of sales and operations.....                      | 10,891,270                     | 8,506,842               | 2,384,427                     | 3,693,560                     | 2,271,036  | 309,452   | 1,961,584                                   |
| Inventory, beginning of year.....                      | 899,902                        | 688,706                 | 211,197                       | 346,051                       | 326,424  | 57,802  | 268,623                                     |
| Cost of labor.....                                     | 790,428                        | 660,863                 | 129,565                       | 284,931                       | 136,586  | 17,363  | 119,223                                     |
| Purchases.....   | 8,187,735                      | 6,336,084               | 1,851,651                     | 2,520,586                     | 1,424,059  | 50,064  | 1,373,995                                   |
| Materials and supplies.....                            | 1,545,807                      | 1,237,762               | 308,045                       | 762,694                       | 320,349  | 141,672   | 178,678                                     |
| Other costs.....                                       | 414,108                        | 315,624                 | 98,484                        | 157,362                       | 418,090  | 87,635  | 330,456                                     |
| Inventory, end of year.....                            | 946,711                        | 732,197                 | 214,515                       | 378,064                       | 354,473  | 45,083  | 309,389                                     |
| Advertising expenses.....                              | 291,926                        | 231,769                 | 60,157                        | 133,921                       | 229,887  | 70,006  | 159,881                                     |
| Bad debts from sales or services.....                  | 20,562                         | 18,583                  | 1,979                         | 8,210                         | 18,356   | *8,635  | 9,721                                       |
| Car and truck expenses.....                            | 677,278                        | 355,971                 | 321,307                       | 645,003                       | 807,597  | 407,690   | 399,907                                     |
| Commissions.....                                       | 64,179                         | 51,521                  | 12,658                        | 47,523                        | 447,008  | 241,099   | 205,909                                     |
| Depletion..... <sup>(3)</sup>                          |                                | * <sup>(3)</sup>        | --                            | *218                          | 420  | *30   | *390  |
| Depreciation.....                                      | 1,028,399                      | 649,277                 | 379,122                       | 277,166                       | 1,212,622  | 418,295   | 794,328                                     |
| Employee benefit programs.....                         | 24,987                         | 22,583                  | 2,404                         | 13,173                        | 12,956   | 3,044   | 9,912                                       |
| Insurance.....   | 473,834                        | 344,215                 | 129,619                       | 159,792                       | 157,602  | 41,637  | 115,965                                     |
| Legal and professional services.....                   | 127,307                        | 102,108                 | 25,199                        | 39,123                        | 226,472  | 117,596   | 108,877                                     |
| Meals and entertainment deducted.....                  | 26,090                         | 16,524                  | 9,565                         | 21,951                        | 137,852  | 74,815  | 63,036                                      |
| Mortgage interest.....                                 | 160,916                        | 124,300                 | 36,616                        | 69,995                        | 79,177   | 5,571   | 73,606                                      |
| Other interest paid on business indebtedness.....      | 185,702                        | 112,743                 | 72,958                        | 51,983                        | 102,788  | 30,720  | 72,068                                      |
| Office expenses.....                                   | 177,419                        | 137,898                 | 39,521                        | 83,241                        | 194,789  | 106,454   | 88,335                                      |
| Pension and profit-sharing plans.....                  | 3,517                          | *1,795                  | *1,721                        | *9                            | 3,205  | 537   | 2,668                                       |
| Rent on machinery and equipment.....                   | 291,021                        | 214,627                 | 76,394                        | 43,765                        | 187,832  | 36,504  | 151,328                                     |
| Rent on other business property.....                   | 981,469                        | 825,605                 | 155,865                       | 209,041                       | 483,370  | 106,440   | 376,931                                     |
| Repairs.....   | 343,585                        | 188,069                 | 155,516                       | 99,667                        | 193,897  | 44,549  | 149,348                                     |
| Salaries and wages.....                                | 2,013,519                      | 1,712,650               | 300,869                       | 492,305                       | 566,615  | 108,827   | 457,788                                     |
| Supplies.....  | 636,940                        | 517,931                 | 119,009                       | 306,926                       | 434,750  | 192,379   | 242,371                                     |
| Taxes paid.....  | 618,076                        | 522,694                 | 95,383                        | 173,229                       | 191,475  | 30,791  | 160,683                                     |
| Travel.....  | 68,274                         | 43,438                  | 24,836                        | 82,385                        | 468,661  | 233,668   | 234,993                                     |
| Utilities.....   | 723,756                        | 540,514                 | 183,242                       | 283,845                       | 396,103  | 139,535   | 256,567                                     |
| Home office business deductions.....                   | 12,331                         | *4,674                  | *7,657                        | 74,271                        | 147,885  | 77,831  | 70,053                                      |
| Depreciation, Form 8829.....                           | *453                           | *84                     | *369                          | 14,755                        | 13,196   | 8,609   | 4,587                                       |
| Other business deductions.....                         | 1,446,653                      | 1,118,745               | 327,908                       | 486,413                       | 3,084,804  | 1,176,272   | 1,908,532                                   |
| <b>Net income less deficit</b> <sup>1,2</sup> .....    | <b>2,776,816</b>               | <b>2,029,115</b>        | <b>747,702</b>                | <b>2,094,188</b>              | <b>3,898,035</b>   | <b>2,082,817</b>                                      | <b>1,815,218</b>                            |
| Net income <sup>1,2</sup> .....                        | 3,293,000                      | 2,389,348               | 903,652                       | 2,249,376                     | 5,253,696  | 2,604,918   | 2,648,778                                   |
| Deficit <sup>2</sup> .....                             | 516,183                        | 360,233                 | 155,950                       | 155,188                       | 1,355,661  | 522,101   | 833,560                                     |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**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<br>repair services | Amusement and recreation services,<br>including motion pictures |   |  |
|   | Total                          | Automotive<br>repair shops | All other<br>automotive<br>services |                                  | Total   | Entertainers,<br>producers,<br>agents and<br>related services | All other<br>amusement<br>and recreation<br>services |
| (86)  | (87)                           | (88)                       | (89)                                | (90)                             | (91)  | (92)  |  |
| <b>BUSINESSES WITH NET INCOME</b>                   |                                |                            |                                     |                                  |   |   |  |
| Number of returns <sup>1</sup> .....                | 285,944                        | 205,107                    | 80,836                              | 196,441                          | 444,609   | 204,851   | 239,758  |
| Business receipts, total <sup>1</sup> .....         | 21,028,836                     | 15,942,793                 | 5,086,042                           | 8,549,455                        | 13,207,160  | 5,325,878   | 7,881,282  |
| Income from sales and operations <sup>1</sup> ..... | 20,859,162                     | 15,776,895                 | 5,082,267                           | 8,528,413                        | 12,708,023  | 5,153,434   | 7,554,589  |
| Other business income.....                          | 169,674                        | 165,898                    | 3,775                               | 21,042                           | 499,137   | 172,444   | 326,693  |
| Business deductions, total <sup>1,2</sup> .....     | 17,735,745                     | 13,553,446                 | 4,182,300                           | 6,300,079                        | 7,953,972   | 2,720,989   | 5,232,983  |
| Cost of sales and operations.....                   | 9,398,148                      | 7,154,538                  | 2,243,609                           | 3,093,522                        | 1,534,282   | 184,811   | 1,349,471  |
| Inventory, beginning of year.....                   | 719,618                        | 516,145                    | 203,473                             | 264,404                          | 149,681   | 9,694   | 139,987  |
| Cost of labor.....                                  | 661,454                        | 534,003                    | 127,451                             | 267,964                          | 124,581   | 16,515  | 108,066  |
| Purchases.....                                      | 7,002,139                      | 5,224,538                  | 1,777,601                           | 1,954,539                        | 907,522   | 35,578  | 871,944  |
| Materials and supplies.....                         | 1,433,149                      | 1,127,467                  | 305,683                             | 734,673                          | 232,815   | 73,345  | 159,470  |
| Other costs.....                                    | 321,595                        | 285,006                    | 36,589                              | 150,451                          | 271,403   | 52,586  | 218,817  |
| Inventory, end of year.....                         | 739,808                        | 532,620                    | 207,187                             | 278,511                          | 151,721   | 2,907   | 148,814  |
| Advertising expenses.....                           | 240,397                        | 185,996                    | 54,401                              | 117,480                          | 134,753   | 42,813  | 91,941   |
| Bad debts from sales or services.....               | 18,384                         | 16,406                     | *1,978                              | 8,122                            | 11,877  | *7,129  | 4,748  |
| Car and truck expenses.....                         | 517,200                        | 294,273                    | 222,928                             | 532,410                          | 535,300   | 302,149   | 233,150  |
| Commissions.....                                    | 58,588                         | 47,639                     | *10,950                             | 45,648                           | 367,315   | 184,109   | 183,207  |
| Depletion.....                                      | --                             | --                         | --                                  | --                               | *35   | *30   | *5   |
| Depreciation.....                                   | 782,669                        | 529,996                    | 252,674                             | 234,673                          | 688,076   | 238,441   | 449,635  |
| Employee benefit programs.....                      | 23,160                         | 21,034                     | *2,125                              | 11,988                           | 11,937  | 2,891   | 9,046  |
| Insurance.....                                      | 385,281                        | 278,449                    | 106,832                             | 127,640                          | 105,437   | 32,201  | 73,235   |
| Legal and professional services.....                | 108,134                        | 87,442                     | 20,692                              | 33,872                           | 170,920   | 91,289  | 79,630   |
| Meals and entertainment deducted.....               | 22,128                         | 14,563                     | 7,564                               | 15,544                           | 94,256  | 56,603  | 37,652   |
| Mortgage interest.....                              | 115,260                        | 90,958                     | 24,301                              | 57,317                           | 42,093  | 4,491   | 37,602   |
| Other interest paid on business indebtedness.....   | 144,714                        | 92,021                     | 52,692                              | 42,405                           | 62,989  | 23,612  | 39,377   |
| Office expenses.....                                | 144,289                        | 111,878                    | 32,411                              | 67,940                           | 132,530   | 67,079  | 65,450   |
| Pension and profit-sharing plans.....               | 3,507                          | *1,795                     | *1,711                              | --                               | 2,628   | 504   | 2,124  |
| Rent on machinery and equipment.....                | 200,489                        | 151,077                    | 49,411                              | 34,453                           | 138,901   | 21,949  | 116,952  |
| Rent on other business property.....                | 787,761                        | 658,957                    | 128,804                             | 189,358                          | 301,484   | 77,117  | 224,367  |
| Repairs.....  | 256,430                        | 143,857                    | 112,574                             | 45,157                           | 129,832   | 36,655  | 93,177   |
| Salaries and wages.....                             | 1,635,904                      | 1,403,686                  | 232,218                             | 427,356                          | 439,647   | 82,106  | 357,541  |
| Supplies.....                                       | 472,874                        | 383,026                    | 89,848                              | 251,482                          | 231,279   | 116,128   | 115,151  |
| Taxes paid.....                                     | 516,024                        | 438,559                    | 77,465                              | 156,836                          | 145,439   | 28,011  | 117,428  |
| Travel.....   | 50,377                         | 33,570                     | 16,807                              | 73,875                           | 319,196   | 156,825   | 162,371  |
| Utilities.....                                      | 591,747                        | 436,021                    | 155,727                             | 242,261                          | 270,928   | 102,173   | 168,755  |
| Home office business deductions.....                | 10,542                         | *2,929                     | *7,613                              | 59,974                           | 121,623   | 56,430  | 65,193   |
| Depreciation, Form 8829.....                        | *370                           | *1                         | *369                                | 10,069                           | 9,348   | 5,281   | 4,068  |
| Other business deductions.....                      | 1,217,715                      | 942,805                    | 274,910                             | 425,440                          | 1,908,790   | 784,432   | 1,124,359  |
| <b>Net income <sup>1,2</sup>.....</b>               | <b>3,293,000</b>               | <b>2,389,348</b>           | <b>903,652</b>                      | <b>2,249,376</b>                 | <b>5,253,696</b>  | <b>2,604,918</b>  | <b>2,648,778</b>                                     |
| <b>Returns with Schedule C-EZ:</b>                  |                                |                            |                                     |                                  |   |   |  |
| Number of returns.....                              | 51,081                         | 38,588                     | 12,494                              | 20,162                           | 129,999   | 51,375  | 78,624   |
| Business receipts.....                              | 254,021                        | 226,398                    | 27,623                              | 95,973                           | 329,875   | 164,466   | 165,408  |
| Business deductions.....                            | 34,033                         | 31,971                     | 2,062                               | 5,327                            | 58,057  | 21,010  | 37,047   |
| <b>Net income.....</b>                              | <b>219,988</b>                 | <b>194,427</b>             | <b>25,561</b>                       | <b>90,645</b>                    | <b>271,818</b>  | <b>143,456</b>  | <b>128,362</b>                                       |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**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 services | Counseling, except health practitioners | 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>          |                             |                       |                     |                                       |                   |                      |  |   |                   |                                  |
| <b>Number of returns</b> <sup>1</sup> .....            | <b>804,491</b>              | <b>186,744</b>        | <b>102,684</b>      | <b>515,063</b>                        | <b>294,356</b>    | <b>251,859</b>       | <b>311,338</b>                                 | <b>81,480</b>                           | <b>1,781,874</b>  | <b>174,652</b>                   |
| <b>Business receipts, total</b> <sup>1</sup> .....     | <b>72,697,040</b>           | <b>25,959,238</b>     | <b>24,607,538</b>   | <b>22,130,264</b>                     | <b>25,686,437</b> | <b>2,965,746</b>     | <b>8,377,809</b>                               | <b>2,176,398</b>                        | <b>47,736,750</b> | <b>2,084,714</b>                 |
| Income from sales and operations <sup>1</sup> .....    | 71,968,884                  | 25,635,773            | 24,542,877          | 21,790,234                            | 25,356,033        | 2,860,702            | 8,112,737                                      | 2,144,360                               | 46,118,460        | 2,022,130                        |
| Other business income.....                             | 728,156                     | 323,465               | 64,661              | 340,030                               | 330,404           | 105,044              | 265,073  | 32,037                                  | 1,618,291         | 62,584                           |
| <b>Business deductions, total</b> <sup>1,2</sup> ..... | <b>40,407,991</b>           | <b>11,564,465</b>     | <b>15,410,261</b>   | <b>13,433,265</b>                     | <b>13,597,551</b> | <b>1,858,212</b>     | <b>4,522,155</b>                               | <b>1,032,874</b>                        | <b>24,977,408</b> | <b>1,315,942</b>                 |
| Cost of sales and operations.....                      | 4,287,521                   | 541,625               | 1,612,663           | 2,133,233                             | 562,758           | 196,349              | 275,669  | 66,925                                  | 3,840,514         | 441,163                          |
| Inventory, beginning of year.....                      | 231,953                     | 15,306                | 20,835              | 195,813                               | 40,468            | 34,585               | *4,303   | *2,044                                  | 312,610           | *14,700                          |
| Cost of labor.....                                     | 657,288                     | 83,320                | 310,575             | 263,392                               | 15,947            | *19,227              | *48,851  | *1,265                                  | 701,978           | *866                             |
| Purchases.....   | 1,391,943                   | 84,906                | 166,710             | 1,140,327                             | 62,129            | 123,044              | 149,328  | *14,068                                 | 1,577,906         | 416,307                          |
| Materials and supplies.....                            | 896,697                     | 107,014               | 441,111             | 348,572                               | 71,969            | 36,071               | *16,565  | *7,933                                  | 651,367           | 25,721                           |
| Other costs.....                                       | 1,347,767                   | 264,992               | 691,222             | 391,553                               | 399,901           | *30,850              | 70,275   | *43,783                                 | 877,573           | *21,210                          |
| Inventory, end of year.....                            | 238,127                     | 13,914                | 17,789              | 206,424                               | 27,658            | 47,429               | 13,654   | *2,168                                  | 280,921           | *37,642                          |
| Advertising expenses.....                              | 606,963                     | 118,790               | 200,745             | 287,428                               | 475,203           | 42,352               | 72,053   | 20,954                                  | 306,862           | 16,638                           |
| Bad debts from sales or services.....                  | 39,331                      | 4,098                 | 12,534              | 22,698                                | 29,765            | *2,030               | *3,636   | *806                                    | 113,595           | *1,187                           |
| Car and truck expenses.....                            | 1,252,027                   | 353,157               | 142,532             | 756,338                               | 647,945           | 151,216              | 424,977  | 99,589                                  | 2,335,840         | 129,753                          |
| Commissions.....                                       | 340,069                     | 90,110                | 83,562              | 166,397                               | 154,534           | 33,718               | 65,621   | *2,815                                  | 724,501           | *44,781                          |
| Depletion.....   | 3,298                       | 1,437                 | *1,683              | *178                                  | 3,339             | *54                  | *546   | --                                      | 18,441            | *198                             |
| Depreciation.....                                      | 1,747,812                   | 399,302               | 740,866             | 607,644                               | 523,011           | 114,074              | 391,323  | 63,028                                  | 1,483,400         | 56,886                           |
| Employee benefit programs.....                         | 275,314                     | 91,390                | 110,196             | 73,728                                | 90,390            | *2,710               | 48,326   | *15                                     | 85,125            | *8,494                           |
| Insurance.....   | 1,816,638                   | 984,642               | 425,578             | 406,418                               | 451,752           | 25,306               | 111,037  | 24,572                                  | 375,317           | 25,972                           |
| Legal and professional services.....                   | 944,326                     | 404,428               | 268,119             | 271,779                               | 407,943           | 32,219               | 92,670   | 45,773                                  | 820,121           | 36,946                           |
| Meals and entertainment deducted.....                  | 235,048                     | 88,800                | 55,944              | 90,305                                | 167,923           | 17,396               | 48,678   | 13,053                                  | 434,646           | 13,337                           |
| Mortgage interest.....                                 | 388,539                     | 75,117                | 146,670             | 166,752                               | 94,979            | *11,457              | 23,861   | *2,204                                  | 177,860           | 24,685                           |
| Other interest paid on business indebtedness.....      | 427,883                     | 80,058                | 198,864             | 148,961                               | 114,823           | 10,939               | 108,963  | 7,814                                   | 217,280           | 12,630                           |
| Office expenses.....                                   | 1,488,879                   | 457,123               | 500,264             | 531,492                               | 866,755           | 53,973               | 255,899  | 48,894                                  | 790,082           | 15,516                           |
| Pension and profit-sharing plans.....                  | 306,286                     | 139,530               | 127,065             | 39,691                                | 108,251           | *967                 | 12,930   | *240                                    | 51,734            | --                               |
| Rent on machinery and equipment.....                   | 491,645                     | 159,060               | 132,732             | 199,852                               | 228,533           | 19,242               | 61,199   | 13,208                                  | 357,563           | 9,541                            |
| Rent on other business property.....                   | 2,936,762                   | 903,771               | 922,144             | 1,110,848                             | 1,136,451         | 229,969              | 277,097  | 135,721                                 | 754,470           | 12,350                           |
| Repairs.....   | 518,109                     | 133,965               | 218,757             | 165,387                               | 140,187           | 19,544               | 73,880   | 13,430                                  | 289,699           | 15,659                           |
| Salaries and wages.....                                | 9,670,887                   | 2,684,918             | 4,758,815           | 2,227,154                             | 2,855,234         | 139,058              | 788,174  | 55,268                                  | 1,994,942         | 50,954                           |
| Supplies.....  | 2,398,894                   | 565,542               | 1,206,004           | 627,348                               | 338,167           | 104,878              | 153,138  | 41,063                                  | 1,057,378         | 19,822                           |
| Taxes paid.....  | 1,494,346                   | 416,471               | 645,206             | 432,669                               | 432,855           | 21,827               | 119,930  | 17,780                                  | 342,327           | 8,481                            |
| Travel.....  | 389,529                     | 165,498               | 72,514              | 151,517                               | 266,927           | 81,009               | 96,717   | 47,837                                  | 1,478,143         | 32,170                           |
| Utilities.....   | 1,443,509                   | 408,883               | 444,188             | 590,439                               | 698,944           | 91,869               | 220,644  | 66,439                                  | 986,794           | 32,704                           |
| Home office business deductions.....                   | 137,045                     | 20,225                | 6,777               | 110,043                               | 67,966            | 53,877               | 109,910  | 32,224                                  | 1,179,171         | *35,160                          |
| Depreciation, Form 8829.....                           | 18,041                      | 1,067                 | *1,291              | 15,683                                | 6,856             | 4,161                | 13,292   | 10,444                                  | 128,920           | *4,378                           |
| Other business deductions.....                         | 6,701,104                   | 2,270,636             | 2,375,094           | 2,055,374                             | 2,714,188         | 359,528              | 642,222  | 210,419                                 | 4,594,296         | 257,613                          |
| <b>Net income less deficit</b> <sup>1,2</sup> .....    | <b>32,288,203</b>           | <b>14,393,722</b>     | <b>9,197,277</b>    | <b>8,697,204</b>                      | <b>12,088,877</b> | <b>1,107,534</b>     | <b>3,855,656</b>                               | <b>1,143,524</b>                        | <b>22,829,045</b> | <b>769,023</b>                   |
| Net income <sup>1,2</sup> .....                        | 32,971,879                  | 14,613,676            | 9,260,324           | 9,097,879                             | 12,527,014        | 1,177,107            | 3,969,580                                      | 1,217,535                               | 24,416,726        | 940,383                          |
| Deficit <sup>2</sup> .....                             | 683,676                     | 219,955               | 63,047              | 400,674                               | 438,137           | 69,573               | 113,924  | 74,011                                  | 1,587,681         | 171,359                          |

Footnotes at end of table.

# Sole Proprietorship Returns, 1997

**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 services | Counseling, except health practitioners | 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 NET INCOME</b>                   |                             |                       |                     |                                       |                   |                      |  |   |                   |                                  |
| Number of returns <sup>1</sup> .....                | 686,841                     | 162,603               | 95,272              | 428,967                               | 240,482           | 224,813              | 280,122  | 63,172                                  | 1,424,074         | 145,248                          |
| Business receipts, total <sup>1</sup> .....         | 70,453,871                  | 25,462,628            | 24,242,038          | 20,749,205                            | 24,743,868        | 2,657,511            | 8,187,595                                      | 2,055,605                               | 44,345,925        | 1,903,831                        |
| Income from sales and operations <sup>1</sup> ..... | 69,754,363                  | 25,168,379            | 24,169,693          | 20,416,291                            | 24,418,499        | 2,554,577            | 7,924,207                                      | 2,025,459                               | 42,828,394        | 1,844,669                        |
| Other business income.....                          | 699,508                     | 294,249               | 72,345              | 332,914                               | 325,369           | 102,935              | 263,387  | 30,146                                  | 1,517,531         | 59,162                           |
| Business deductions, total <sup>1,2</sup> .....     | 37,481,183                  | 10,847,901            | 14,981,714          | 11,651,568                            | 12,216,854        | 1,480,404            | 4,218,015                                      | 838,071                                 | 20,004,731        | 963,713                          |
| Cost of sales and operations.....                   | 3,874,250                   | 504,208               | 1,528,856           | 1,841,186                             | 529,888           | 164,459              | 270,489  | 54,854                                  | 3,080,357         | 407,720                          |
| Inventory, beginning of year.....                   | 218,354                     | 15,287                | 18,179              | 184,888                               | 32,677            | 17,175               | *4,211   | *2,044                                  | 229,785           | *149                             |
| Cost of labor.....                                  | 533,781                     | 74,171                | 269,216             | 190,395                               | 13,662            | *19,200              | *47,563  | --                                      | 630,048           | *866                             |
| Purchases.....                                      | 1,237,738                   | 75,283                | 166,710             | 995,745                               | 62,026            | 114,051              | 148,579  | *14,068                                 | 1,340,764         | *407,546                         |
| Materials and supplies.....                         | 841,404                     | 89,487                | 428,912             | 323,004                               | 71,266            | 13,901               | *16,531  | *6,811                                  | 468,578           | *2,381                           |
| Other costs.....                                    | 1,252,575                   | 255,526               | 660,972             | 336,077                               | 372,341           | *30,850              | 66,724   | *34,099                                 | 648,500           | *1,883                           |
| Inventory, end of year.....                         | 209,602                     | 5,546                 | 15,133              | 188,923                               | 22,084            | 30,718               | *13,119  | *2,168                                  | 237,319           | *5,105                           |
| Advertising expenses.....                           | 560,139                     | 113,126               | 196,829             | 250,185                               | 396,531           | 35,782               | 63,782   | 16,254                                  | 232,883           | 5,873                            |
| Bad debts from sales or services.....               | 34,767                      | 4,043                 | 12,533              | 18,191                                | 5,493             | *1,934               | *3,636   | *806                                    | 35,828            | --                               |
| Car and truck expenses.....                         | 1,110,322                   | 323,805               | 142,035             | 644,482                               | 554,750           | 139,232              | 373,881  | 68,315                                  | 1,886,296         | 86,455                           |
| Commissions.....                                    | 322,685                     | 81,086                | 82,818              | 158,781                               | 141,695           | 33,669               | 65,135   | *2,792                                  | 539,123           | *39,737                          |
| Depletion.....                                      | 3,129                       | 1,437                 | *1,683              | *10                                   | 3,207             | *54                  | *486   | --                                      | 17,881            | *198                             |
| Depreciation.....                                   | 1,631,731                   | 385,393               | 718,730             | 527,609                               | 454,488           | 92,599               | 337,002  | 47,459                                  | 1,159,752         | 44,155                           |
| Employee benefit programs.....                      | 268,421                     | 90,181                | 106,794             | 71,446                                | 85,430            | *2,710               | 48,247   | *15                                     | 77,175            | *8,494                           |
| Insurance.....                                      | 1,713,538                   | 934,974               | 418,917             | 359,647                               | 413,265           | 16,096               | 107,326  | 18,824                                  | 315,641           | 17,996                           |
| Legal and professional services.....                | 860,056                     | 356,416               | 257,560             | 246,081                               | 358,073           | 26,755               | 89,777   | 39,238                                  | 620,433           | 30,405                           |
| Meals and entertainment deducted.....               | 214,178                     | 83,745                | 55,321              | 75,111                                | 150,951           | 14,576               | 44,151   | 11,670                                  | 356,611           | 8,269                            |
| Mortgage interest.....                              | 341,443                     | 72,421                | 143,827             | 125,196                               | 72,884            | *5,066               | 22,386   | *2,198                                  | 128,315           | *18,016                          |
| Other interest paid on business indebtedness.....   | 394,011                     | 75,388                | 191,772             | 126,851                               | 92,649            | 7,569                | 99,413   | *4,796                                  | 144,408           | *11,138                          |
| Office expenses.....                                | 1,393,758                   | 447,102               | 490,761             | 455,895                               | 778,838           | 49,104               | 233,744  | 38,105                                  | 609,689           | 11,164                           |
| Pension and profit-sharing plans.....               | 305,501                     | 138,855               | 127,064             | 39,582                                | 98,399            | *961                 | 12,930   | *239                                    | 51,363            | --                               |
| Rent on machinery and equipment.....                | 423,261                     | 151,550               | 122,608             | 149,102                               | 209,408           | 6,577                | 56,615   | *13,136                                 | 290,887           | *6,692                           |
| Rent on other business property.....                | 2,758,080                   | 866,588               | 902,175             | 989,317                               | 1,018,182         | 169,626              | 253,869  | 120,376                                 | 627,087           | 2,160                            |
| Repairs.....  | 484,538                     | 130,056               | 215,832             | 138,651                               | 128,341           | 12,020               | 69,269   | 8,381                                   | 206,193           | 12,627                           |
| Salaries and wages.....                             | 9,406,858                   | 2,640,217             | 4,687,200           | 2,079,442                             | 2,689,995         | 99,277               | 769,728  | 41,585                                  | 1,718,378         | *31,391                          |
| Supplies.....                                       | 2,267,314                   | 554,803               | 1,178,295           | 534,216                               | 304,884           | 95,302               | 141,893  | 31,700                                  | 843,102           | 11,774                           |
| Taxes paid.....                                     | 1,432,758                   | 405,393               | 635,112             | 392,254                               | 399,144           | 14,827               | 112,593  | 15,401                                  | 282,429           | 4,143                            |
| Travel.....   | 327,067                     | 141,056               | 69,999              | 116,012                               | 204,373           | 72,282               | 89,343   | 43,859                                  | 1,250,612         | 25,257                           |
| Utilities.....                                      | 1,320,184                   | 392,292               | 431,203             | 496,690                               | 619,371           | 62,519               | 202,008  | 55,040                                  | 748,352           | 15,028                           |
| Home office business deductions.....                | 110,865                     | 14,560                | 6,777               | 89,527                                | 62,451            | 49,244               | 109,858  | 30,512                                  | 967,469           | *35,107                          |
| Depreciation, Form 8829.....                        | 14,516                      | 744                   | *1,291              | 12,480                                | 6,159             | 3,314                | 13,260   | *9,874                                  | 105,880           | *4,378                           |
| Other business deductions.....                      | 5,856,308                   | 1,933,323             | 2,256,269           | 1,666,716                             | 2,425,473         | 265,527              | 597,398  | 169,711                                 | 3,650,917         | 120,254                          |
| <b>Net income <sup>1,2</sup>.....</b>               | <b>32,971,879</b>           | <b>14,613,676</b>     | <b>9,260,324</b>    | <b>9,097,879</b>                      | <b>12,527,014</b> | <b>1,177,107</b>     | <b>3,969,580</b>                               | <b>1,217,535</b>                        | <b>24,416,726</b> | <b>940,383</b>                   |
| <b>Returns with Schedule C-EZ:</b>                  |                             |                       |                     |                                       |                   |                      |  |   |                   |                                  |
| Number of returns.....                              | 117,508                     | 21,252                | *1,657              | 94,599                                | 27,026            | 78,982               | 83,805   | 18,977                                  | 320,348           | 68,009                           |
| Business receipts.....                              | 745,315                     | 186,519               | *31,783             | 527,013                               | 282,842           | 202,334              | 427,698  | 51,315                                  | 1,813,631         | 319,831                          |
| Business deductions.....                            | 66,226                      | 5,890                 | *745                | 59,591                                | 18,724            | 42,649               | 43,058   | 2,804                                   | 167,308           | 13,301                           |
| <b>Net income.....</b>                              | <b>679,089</b>              | <b>180,629</b>        | <b>*31,038</b>      | <b>467,422</b>                        | <b>264,118</b>    | <b>159,685</b>       | <b>384,639</b>                                 | <b>48,511</b>                           | <b>1,646,323</b>  | <b>306,530</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 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> Less than \$500.

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