

# Corporations, 1990

by Nina Shumofsky

**F**or Tax Year 1990, corporate pre-tax profits showed a decrease for the second consecutive year. Profits dropped by nearly 5 percent to \$370.6 billion, as the increase in income failed to keep pace with the increase in deductions. Net losses of companies without net income continued to grow, increasing from \$167.3 billion to \$181.9 billion. At the same time, the net income of companies reporting a profit again declined slightly, from \$556.3 billion to \$552.5 billion.

The decline in positive net income was accompanied by a decline in "income subject to tax" (the tax base for regular tax purposes) from \$371.1 billion to \$366.4 billion. This decline resulted in a drop in the regular income tax (before credits) from \$123.2 billion to \$119.4 billion. The "alternative minimum tax" for the year more than doubled, however, to \$8.1 billion and total credits against regular tax dropped only slightly. The net result was that, despite the economic recession, the total income tax after credits (the amount actually payable to the U.S. Government), showed a small increase from \$96.1 billion to \$96.4 billion. This increase was enough to set a new record, which exceeded the previous records that were set for Tax Years 1988 and 1989.

## Number of Returns

For Tax Year 1990, the number of active corporation income tax returns increased 2.5 percent to over 3.7 million, continuing the long upward trend that was interrupted only by Tax Year 1988 [1]. Returns with net income rose only slightly, by less than 1 percent, to 1.9 million. This growth was somewhat less than that for 1989 and was the smallest since that recorded for 1982, with the exception of 1988 (Figure A). In contrast, returns without net income increased by a much larger 6 percent to 1.8 million. For 1990, returns without net income comprised 49 percent of the total returns filed.

There was a modest increase in the number of returns reported in all of the eight industrial divisions, except mining. The 5 percent decline in returns to 40,000 in the mining division offset almost all of the combined increase for the seven other divisions. The largest of these increases was for the services division, where the number of returns increased 4 percent to over 1.0 million (Figure B).

By type of return, the largest increase in number was for S Corporations (generally small corporations that elect to be taxed through their shareholders). As shown in Figure C, the number of Forms 1120S increased by nearly 11 percent to 1.6 million compared to 1989. This increase

continued a trend that began as a result of the Tax Reform Act of 1986 (TRA) which made the individual income tax rates (at which the profits of these corporations were taxed) more favorable than the corporate tax rates.

## Income Statement

### Net Income

Reflecting the economic downturn, pre-tax profits reported on corporation income tax returns for Tax Year 1990 continued to decline. Tax Year 1989 was the first recent year to show a decline in pre-tax profits since 1982. Compared to 1989, pre-tax profits, as computed under the

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Internal Revenue Code, decreased 4.7 percent to \$370.6 billion [2]. By asset size, almost 82 percent of all corporate profits for 1990 was attributable to the 5,613 returns with total assets of \$250 million or more. This percentage continued to rise, reflecting the growing

number of returns of this size and the increasing proportion of corporate profits for which they accounted (Figure D).

The continued decline in profits spanned all of the industrial divisions, except mining and finance, insurance and real estate. The increase in profits for the mining division was mainly due to corporations engaged in oil and gas extraction. The largest decline, in terms of dollars, was in the manufacturing division where profits declined from \$180.5 billion to \$171.4 billion. Similar to 1989, the largest drop was reported for motor vehicle and equipment manufacturers whose 1990 profits fell 61.4 percent to \$4.0 billion.

The 6.4 percent increase in the number of companies reporting a loss contributed to the size of the overall net loss reported for 1990. The deficit reported on returns without net income grew 8.7 percent, from \$167.3 billion for 1989 to \$181.9 billion (Figure E). The largest percentage increases in deficit occurred in two of the industrial divisions: wholesale and retail trade and construction. The 20.6 percent increase in wholesale and retail trade to \$35.3 billion was mainly divided among the following three industrial groups: wholesalers of electrical goods, general merchandise stores and "other" retail stores. The 19.3 percent increase in the construction division to \$9.0 billion was largely due to general building contractors. These two increases, however, were partially offset by a 25.7 percent decrease in the deficit reported by corporations in the mining division (\$3.8 billion), caused specifically by oil and gas field services.

*Nina Shumofsky is an economist with the Corporation Returns Analysis Section. This article was prepared under the direction of Ken Szeftlinski, Chief.*

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**Figure A**

## Number and Growth Rate of Active Corporation Returns, Tax Years 1981-1990

Tax year	Total active corporation returns	Percentage increase	Number of returns with net income	Percentage increase	Number of returns without net income	Percentage increase
	(1)	(2)	(3)	(4)	(5)	(6)
1981.....	2,812,420	3.8	1,597,298	(1)	1,215,122	9.1
1982.....	2,925,933	4.0	1,608,363	0.6	1,317,576	8.4
1983.....	2,999,071	2.5	1,676,288	4.2	1,322,783	0.4
1984.....	3,170,743	5.7	1,777,770	6.0	1,392,973	5.3
1985.....	3,277,219	3.4	1,820,120	2.4	1,457,099	4.6
1986.....	3,428,515	4.6	1,907,738	4.8	1,520,777	4.4
1987.....	3,612,133	5.4	1,995,452	4.6	1,616,681	6.3
1988 <sup>2</sup> .....	3,562,789	-1.4	1,908,799	-4.3	1,653,990	2.3
1989 <sup>2</sup> .....	3,627,863	1.8	1,921,805	0.7	1,706,058	3.1
1990 <sup>2</sup> .....	3,716,650	2.5	1,910,870	-0.6	1,805,980	5.9

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

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

**Figure B**

## Number of Active Corporation Returns by Industrial Division, Tax Years 1989 and 1990

Industrial division	1989		1990	
	Number of returns	Percentage increase	Number of returns	Percentage increase
	(1)	(2)	(3)	(4)
All industrial <sup>1</sup> .....	3,627,863	1.8	3,716,650	1.4
Agriculture, forestry and fishing.....	123,195	2.7	126,423	2.6
Mining.....	41,631	1.3	39,674	-4.7
Construction.....	393,103	3.0	406,874	3.5
Manufacturing.....	301,346	0.6	301,669	0.1
Transportation and public utilities.....	156,037	4.5	160,353	2.8
Wholesale and retail trade.....	1,012,980	2.9	1,023,057	0.9
Finance, insurance and real estate.....	592,832	3.6	609,138	2.8
Services.....	989,850	-0.6	1,029,447	4.0

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

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

### Receipts

Total receipts, which is the total of business receipts and investment income in the statistics, increased \$0.5 trillion to \$11.4 trillion for 1990 (see Tables 1 and 2) [3].

However, the size of the increase dropped for the second year in a row. Business receipts (in general, the gross operating receipts) rose to \$9.9 trillion compared to \$9.4 trillion for 1989, accounting for nearly all the increase. Paralleling 1989, the largest dollar gains occurred in wholesale and retail trade and in manufacturing.

The investment income component of total receipts included amounts that comprised the gross operating receipts of certain financial institutions. One example is interest income. In total, taxable interest income, which showed a gain of 20.5 percent for Tax Year 1989, increased only 1.2 percent to \$0.9 billion for 1990. Finance, insurance and real estate accounted for nearly all of this total and for nearly all of the increase over 1989.

However, tax-exempt interest on State and local Government obligations actually declined for 1990, by 3 percent, to \$35.2 billion. Also showing a decrease for 1990 were rents, net short-term capital gains (reduced by net long-term capital losses) and net long-term capital gains (reduced by net short-term capital losses), as well as dividends received from both domestic and foreign corporations.

Of all the sources of income, short-term capital gains was the income source that showed the largest percentage decline, dropping 62 percent to \$4.1 billion. This decrease contrasts with Tax Year 1989 when short-term gains increased 93 percent to \$10.8 billion. Regulated investment companies accounted for the largest part of these changes.

Net long-term capital gains, which showed the largest dollar decline for 1990, decreased 18.5 percent to \$50.9 billion. For 1989, they had increased 10 percent to \$62.5 billion. Notwithstanding this increase, the decline for 1990 continued a recent trend that began with 1986, when the beneficial tax treatment of long-term capital gains was rescinded by TRA [4].

**Figure C**

## Form 1120S Returns and All Other Active Corporation Returns, Tax Years 1986-1990

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

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

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**Figure D**

## Returns with Total Assets of \$250 Million or More, Tax Years 1985-1990

[Money amounts are in millions of dollars]

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

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

### Deductions

Total deductions increased 4.6 percent to \$11.0 trillion for 1990. This increase was 0.3 percent larger than the rate of increase for total receipts and was enough to cause overall net income, generally the difference between total receipts and total deductions, to drop. [5].

Interest paid, the largest single deduction aside from cost of sales and operations, declined \$6.2 billion to \$825.4 billion for 1990. This decrease was in sharp

contrast to the \$159.1 billion increase recorded for 1989, when the interest paid deduction reached a record high at \$831.5 billion. This was also the first decline in the deduction since 1983. The decrease in the interest paid deduction was accompanied by a sharp decline in the rate by which interest income grew. For 1989, interest income grew by more than 20 percent; for 1990, the increase was only slightly more than 1 percent.

The finance, insurance and real estate division historically accounts for most of the interest paid deductions, and includes the interest paid on deposits and withdrawable shares by banking and savings institutions. For Tax Year 1990, this division showed a decrease of 2.9 percent to \$506.9 billion. Within the finance division, bank holding companies reported a large decrease of \$1.9 billion which was in contrast to the \$45.5 billion increase they reported for Tax Year 1989. Savings and loan associations also reported an \$8.8 billion decrease, to \$83.1 billion.

The bad debt deduction increased 21.6 percent to \$83.7 billion. The finance, insurance and real estate division accounted for nearly two-thirds of this increase. Bank holding companies, alone, accounted for 28.2 percent of the overall increase.

**Figure E**

## Net Income (Less Deficit), by Industrial Division, Tax Years 1989 and 1990

[Money amounts are in thousands of dollars]

Industrial division	1989		1990	
	Net income or deficit	Percentage increase	Net income or deficit	Percentage increase
	(1)	(2)	(3)	(4)
<b>NET INCOME (LESS DEFICIT)</b>				
All Industries <sup>1</sup> .....	389,010,675	-5.8	370,632,632	-4.7
Agriculture, forestry and fishing.....	1,550,580	-4.0	1,156,269	-25.4
Mining.....	3,144,686	-2.4	5,302,223	68.6
Construction.....	8,736,930	-23.0	6,824,608	-21.9
Manufacturing.....	180,476,024	-12.0	171,373,726	-5.0
Transportation and public utilities.....	39,073,953	-16.8	35,413,596	-9.4
Wholesale and retail trade.....	36,155,437	-15.6	30,094,078	-16.8
Finance, insurance and real estate.....	108,907,351	18.5	109,901,881	0.9
Services.....	11,020,194	18.8	10,616,792	-3.7
<b>NET INCOME</b>				
All Industries <sup>1</sup> .....	556,322,401	0.1	552,526,789	-0.7
Agriculture, forestry and fishing.....	4,347,165	3.9	4,328,433	-0.4
Mining.....	8,217,568	-4.2	9,071,733	10.4
Construction.....	16,312,212	-9.1	15,859,977	-2.8
Manufacturing.....	216,357,256	-6.8	212,936,099	-1.6
Transportation and public utilities.....	56,518,343	-5.6	51,490,850	-9.9
Wholesale and retail trade.....	65,409,500	-1.8	65,373,876	( <sup>2</sup> )
Finance, insurance and real estate.....	155,238,423	13.8	158,458,842	2.1
Services.....	33,839,910	13.0	34,850,560	3.0
<b>DEFICIT</b>				
All Industries <sup>1</sup> .....	167,321,725	17.1	181,894,157	8.0
Agriculture, forestry and fishing.....	2,796,586	8.9	3,172,164	13.4
Mining.....	5,072,882	13.5	3,789,511	-25.0
Construction.....	7,575,282	14.7	9,035,370	19.3
Manufacturing.....	35,881,232	32.4	41,582,373	15.8
Transportation and public utilities.....	17,444,390	34.9	18,077,254	-7.8
Wholesale and retail trade.....	29,254,062	23.2	35,289,796	20.6
Finance, insurance and real estate.....	46,331,072	4.0	48,556,962	4.8
Services.....	22,819,716	10.4	24,233,768	6.2

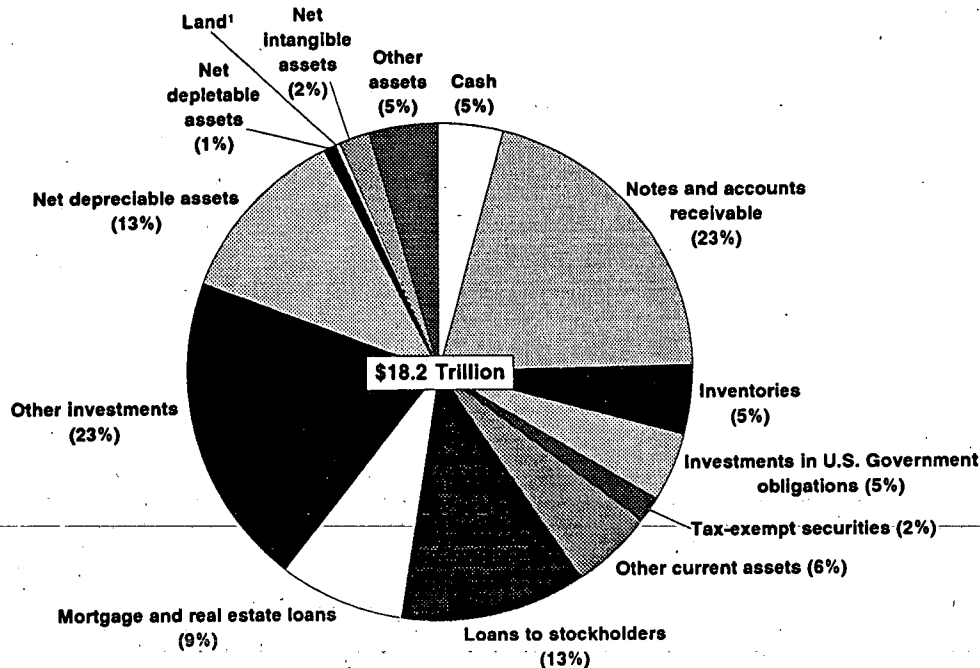
<sup>1</sup>Includes net income or deficit not allocable by industrial division.

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

NOTES: Excludes net income or deficit of Foreign Sales Corporations and Interest-Charge Domestic International Sales Corporations. Detail may not add to totals because of rounding.

Figure F

Total Assets by Type of Account, Tax Year 1990



<sup>1</sup> Less than 0.5 percent.

NOTES: Asset accounts are listed in the order in which they appear on the corporation income tax return balance sheet, starting with "Cash." Detail may not add to total because of rounding.

Depreciation declined 1.3 percent for 1990 to \$332.7 billion. This decrease was the first drop in more than 20 years and followed 5 years of reduced growth in the deduction [6]. From 1980 through 1985, depreciation had risen at an average annual rate of 14.1 percent. Then, between 1985 and 1989, the average annual rate of increase dropped to 2.4 percent. The lower depreciation deductions, notwithstanding increases in net depreciable assets for recent years, may be related to the changes brought about by TRA. TRA instituted a modified Accelerated Cost Recovery System (ACRS) that lengthened the periods over which assets could be depreciated and changed the depreciation methods for business property placed in service after 1986.

The amortization deduction increased 23 percent for 1990 to \$31.5 billion. The largest dollar increases were in the services division, followed by manufacturing. Over one-third of the total increase for services was attributable to corporations engaged primarily in motion picture production, distribution or services. This industry group alone caused amortization for the services division to increase by \$3.2 billion to \$5.7 billion. Within manufacturing, the largest increase was reported by publishers of periodicals.

**Balance Sheet**

**Assets**

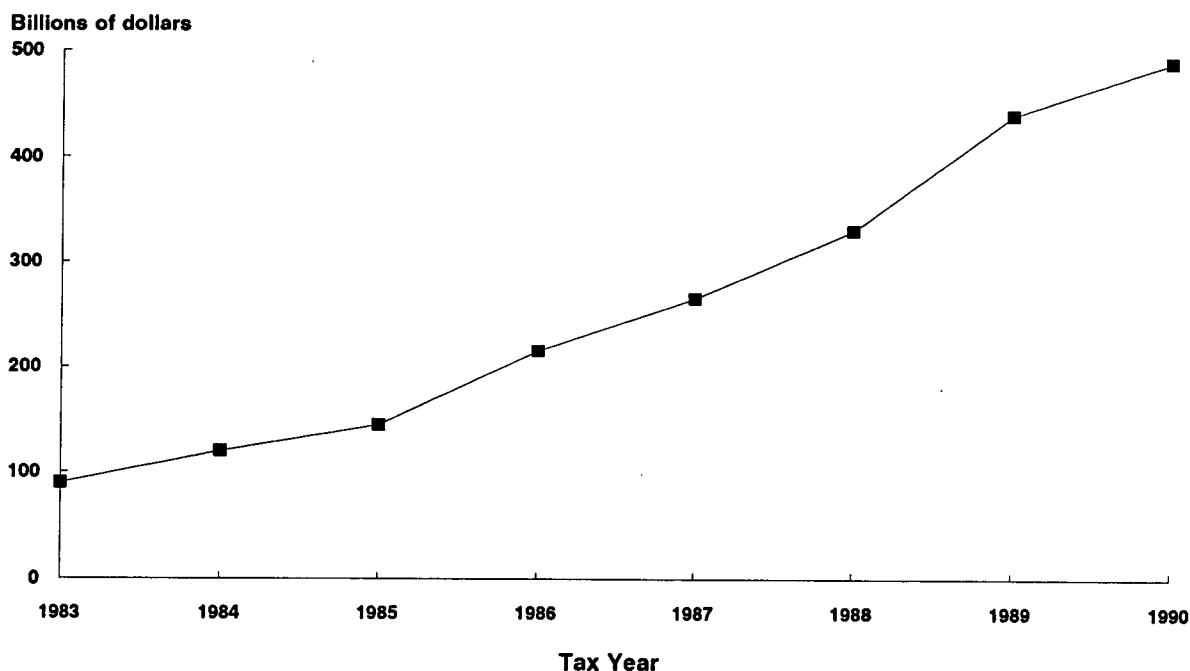
For 1990, year-end net growth in the book value of total assets reported on corporation income tax returns was at the lowest level in 10 years. The 3.1 percent increase to \$18.2 trillion for 1990 was less than half of the 7.0 percent increase recorded for 1989, and the \$1.0 trillion increase was the smallest reported since 1984. In comparison, the increases in total assets for 1988 and 1987 were 8.1 and 8.2 percents, respectively.

The largest increase in total assets occurred in manufacturing; however, even here, assets increased only 5.4 percent, from \$3.7 billion to 3.9 billion. Drug manufacturers accounted for the largest increase, 17 percent, to \$126.8 billion. Overall, manufacturing remained the second largest industrial division with 21.6 percent of total assets. Finance, insurance and real estate remained the largest, with 56.0 percent.

As Figure F shows, the largest individual asset accounts on the tax return balance sheet were for notes and accounts receivable net of the allowance for bad debts (\$4.1 trillion), "other" investments (\$4.1 trillion) and net depreciable assets (\$2.5 trillion). After the gross amount of notes and accounts receivables increased by \$334.4

**Figure G**

## Gross Intangible Assets, Tax Years 1983-1990



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

billion and \$96.9 billion in 1988 and 1989, respectively, receivables increased by only \$2.0 billion in 1990. This change resulted from a large decline in the amounts held by bank holding companies which offset the moderate growth that occurred in other industries. The growth in gross depreciable assets (\$248.0 billion) was virtually the same as that recorded for 1989; nevertheless, this asset category became the largest for the first time since 1984.

Intangible assets increased 12.1 percent to \$491.2 billion for 1990. This increase was substantially less than the 33 percent increase for 1989 and represented the smallest increase since 1983 (Figure G). These assets, which include the acquisition costs of goodwill, trademarks, copyrights and like assets, tend to increase during periods when there is a high level of mergers and acquisitions. The lower level for 1990 may signify a change in the pattern of corporate consolidation that existed since the early 1980's [7].

### Liabilities

Similar to 1989, the mortgages, notes and bonds payable in less than 1 year reported for 1990 showed the largest relative increase of all the liability accounts. The 12.6

percent gain brought the total for short-term mortgages, notes and bonds payable to \$1.8 billion. The largest portion of the gain was reported by bank holding companies whose account increased in the aggregate by \$55.7 billion to \$337.9 billion. Bank holding companies also accounted for the large increase in long-term mortgages, notes and bonds, defined as those payable in more than 1 year, increasing 12.7 percent to \$40.4 billion. In contrast, long-term mortgages, notes and bonds for corporations as a whole increased by 7.0 percent.

"Other current liabilities," which includes most of the deposits and withdrawable shares of banking and savings institutions, continued to be the largest account on the liabilities side of the balance sheet (Figure H). This account remained relatively stable at \$5.2 trillion, only 1.1 percent more than 1989. Long-term debt, which would include "other liabilities", along with bonds, notes and mortgages payable in 1 year or more and loans from stockholders, increased \$145 billion to \$5.2 trillion.

### Income Tax and Tax Credits

Positive net income amounted to \$552.5 billion for 1990. Reflecting the slight decline in positive net income,

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"income subject to tax" (the term used to describe the corporate regular tax base for the statistics) declined 1.3 percent to \$366.4 billion for 1990 (Figure I). For most corporations, income subject to tax was equal to net income minus certain "statutory special deductions"[8].

The largest portion of the total statutory special deductions is from the deduction for dividends paid by regulated investment companies (and, to a lesser extent real estate investment trusts) [9]. After a \$6.7 billion increase for 1989, this deduction increased by only \$755.5 million for 1990.

Another major component of statutory special deductions was the net operating loss deduction, or NOLD. The NOLD, for purposes of the statistics, represents certain prior-year losses carried forward and applied against current-year net income [10]. Total statutory special deductions decreased overall, partially due to a change in definition described below, and partially due to the continued decline in the NOLD, which dropped by 11.0 percent, from \$43.2 billion to \$38.4 billion. The decrease in the NOLD was widespread, particularly among

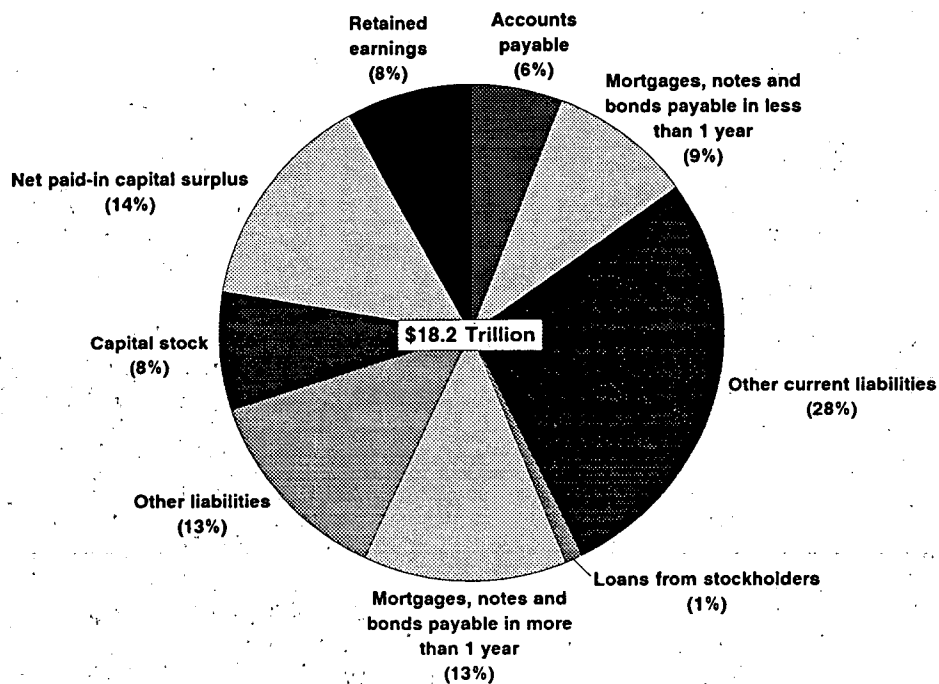
manufacturers. This reduction may reflect the decline in the net income from which NOLD could be subtracted, as much as a decline in the prior-year losses eligible to be carried forward.

A third major component of the statutory special deduction total is the deduction for intercorporate dividends received. This deduction declined from Tax Year 1989 levels, by 8.9 percent, to \$12.4 billion, reflecting the decline in income from intercorporate ordinary dividends received. Similar to 1989, the largest increases for 1990 were reported by corporations classified in transportation and public utilities, followed by those in finance, insurance and real estate.

Despite the large decreases in the NOLD and the deduction for intercorporate dividends received, total statutory special deductions declined by only 1 percent to \$122.9 billion. This situation was mainly due to a change in its definition for the 1990 statistics. For 1990, the deduction for capital gains dividends paid by regulated investment companies and the deduction for small life insurance companies were included. These deduction

**Figure H**

## Total Liabilities by Type of Account, Tax Year 1990



NOTES: Liability and capital accounts are listed in the order in which they appear on the corporation income tax return balance sheet, starting with "Accounts payable."

Cost of treasury stock, reported as an adjustment to total liabilities, is not shown.

Detail may not add to total because of rounding.

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**Figure I**

## Selected Tax and Tax Credit Items, Tax Years 1989 and 1990

[Money amounts are in thousands of dollars]

Item	1989	1990	Percentage increase
	(1)	(2)	(3)
Income subject to tax.....	371,054,512	366,352,857	-1.3
Income tax, total <sup>1</sup> .....	127,754,021	128,185,666	-0.3
Regular tax.....	123,236,461	119,434,430	-3.1
Personal Holding Company tax <sup>2</sup> .....	25,618	12,126	-52.7
Tax from recapture of investment and low-income housing credits <sup>2</sup> .....	354,889	126,600	-64.3
Alternative minimum tax <sup>2</sup> .....	3,540,918	8,104,269	128.9
Environmental tax <sup>2</sup> .....	471,779	520,167	10.3
Tax credits, total.....	31,606,815	31,782,567	0.6
Foreign tax credit.....	23,996,821	249,889,922	4.1
U.S. possessions credit.....	2,793,603	3,194,481	14.4
Orphan drug credit.....	14,190	15,637	10.2
Nonconventional fuel source credit.....	82,792	81,790	-1.2
General business credit.....	3,882,728	2,833,701	-27.0
Prior-year minimum tax credit.....	836,681	667,036	-20.3
Total income tax after credits.....	96,147,206	96,403,099	0.3

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

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

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

amounts for 1990 were \$3.6 billion and \$0.3 billion, respectively.

The drop in income subject to tax resulted in a reduction from \$123.2 billion to \$119.4 billion in the regular income tax (before credits), which was based on income subject to tax [11]. However, regular tax did not include the "alternative minimum tax" (AMT) on "tax preference" items. When AMT was taken into account, total income tax before credits, which for Statistics of Income includes AMT, actually increased for the year, from \$127.8 billion to \$128.2 billion. Forty percent of the increase was due to manufacturers, with manufacturers of aircraft, guided missiles and parts accounting for a significant part.

Compared to Tax Year 1989, AMT more than doubled for Tax Year 1990, from \$3.5 billion to \$8.1 billion, with corporations in manufacturing (in particular, manufacturers of motor vehicles and parts) and transportation and public utilities, accounting for almost two-thirds of the total reported. (More than three-fourths of the AMT was reported by corporations with total assets of \$250 million or more.)

The increase in AMT for 1990 was attributable to at least two factors. First, for prior years one of the adjustments to the AMT tax base was for "net book income." For 1990, this adjustment was replaced by a new one, for "adjusted current earnings," the so-called "ACE adjustment." The 1989 adjustment amounted to \$68.5 billion, leaving "alternative minimum taxable income" or AMTI

(before AMT NOLD) at \$85.4 billion; the 1990 adjustment amounted to \$181.0 billion, leaving AMTI (before NOLD) at \$153.7 billion [12]. This change led to an increase in the number of corporations reporting an AMT liability for 1990. This number grew to 32,461, from 25,237 for Tax Year 1989, representing an increase of 28.6 percent.

In determining the income tax due the U.S. Government, the regular tax was reduced by tax credits. The foreign tax credit continued to be the largest credit. The 4.1 percent increase in foreign tax credit to \$25.0 billion for 1990 continued a trend that began with 1982 and which was interrupted only for 1988. The increase for 1990 was widespread among manufacturers.

The "general business credit" continued to decline, reflecting changes instituted by TRA. The credit dropped by 26.9 percent to \$2.8 billion. The investment credit, the largest component of the general business credit, was rescinded by TRA, but with exceptions that included the carryover of a gradually diminishing portion of unused credits accumulated for years prior to TRA. TRA also reduced the maximum amount of tax against which the general business credit could be applied.

The "prior-year minimum tax credit" dropped 20 percent to \$0.7 billion. This decrease is consistent with the increase in AMT for 1990, inasmuch as the credit was taken by companies that reported AMT for prior tax years, but that were not liable for the tax for the current year. Most of the decrease in this credit was due to a decline in the amounts claimed by bank holding companies, which decreased 70 percent compared to 1989, to \$48.6 million.

Total income tax after credits, the amount owed the Federal Government, increased slightly, from \$96.1 billion for Tax Year 1989 to \$96.4 billion for Tax Year 1990, despite declines in income subject to tax and regular income tax. This is mainly due to the sharp rise increase in AMT, which is not based on income subject to

**Figure J**

## Total Income Tax Before and After Credits, Tax Years 1989 and 1990

[Money amounts are in thousands of dollars]

Item	1989	1990	Increase
	(1)	(2)	(3)
Total income tax before credits.....	127,754,021	128,185,666	431,645
Total tax credits.....	31,606,815	33,389,472	1,782,657
Total income tax after credits.....	96,147,206	96,403,099	255,893

NOTE: For purposes of the statistics, Personal Holding Company tax, tax from recapture of investment and low-income housing credits, alternative minimum tax, environmental tax and certain other taxes are included in both tax before and after credits. By law, tax credits can only offset regular tax (see Figure I).

tax, as described previously. The increase in AMT offset the effect of total tax credits, increasing at a faster rate than total tax before credits (Figure J). Thus, despite the economic recession, the total tax after credits for Tax Year 1990 set a new record, exceeding the previous records reported for 1989 and 1988.

**Summary**

The number of returns filed for Tax Year 1990 increased 2.5 percent. This increase was fueled mainly by a 10.7 percent increase in returns filed by S Corporations which countered a 2.9 percent decline in the other types of returns filed. The number increased in each industrial division, except construction.

Corporate pre-tax profits decreased for the second year in a row, dropping by 4.7 percent to \$370.6 billion. Most of the industrial divisions (except mining and finance, insurance and real estate) reported decreases. Tax Year 1989 was the first recent year to show a decline in the pre-tax profits computed under the Internal Revenue Code since 1982. Losses reported by corporations without net income continued to increase, growing from \$167.3 billion to \$181.9 billion. Simultaneously, the profits reported by companies with positive net income, again, dropped slightly, from \$556.3 billion to \$552.5 billion.

Interest income and interest paid both showed significant changes between 1989 and 1990. For 1989, taxable interest income rose 20.5 percent, while, for 1990, it increased only 1.2 percent. Paralleling this change, interest paid showed a decrease of \$6.2 billion to \$825.4 billion. This decrease contrasted with 1989 when the deduction increased \$159.1 billion to a record \$831.5 billion. As expected, the finance, insurance and real estate division accounted for most of the gains in taxable interest income for 1990.

As positive net income reported by corporations declined, so did income subject to tax, the tax base tabulated for Statistics of Income. For 1990, income subject to tax decreased from \$371.1 billion, for 1989, to \$366.3 billion, resulting in a drop in regular income tax from \$123.2 billion to \$119.4 billion. "Alternative minimum tax", however, more than doubled from \$3.5 billion to \$8.1 billion. The net result was a slight increase in the amount actually due the Federal Government. For 1990, total income tax after credits was \$96.4 compared to \$96.1 billion for 1989. Despite the economic recession, the tax for 1990 set a record, exceeding the previous records reported for 1988 and 1989.

**Data Sources and Limitations**

Data for Tax Year 1990 are based on a sample of corporation income tax returns with accounting periods ended

July 1990 through June 1991. These returns represented domestic corporations filing Form 1120 or 1120A (short form); foreign corporations with income "effectively connected" with a U.S. business filing Form 1120F; life insurance companies filing Form 1120L; property and casualty insurance companies filing Form 1120PC; S Corporations filing Form 1120S; regulated investment companies filing Form 1120RIC; and real estate investment trusts filing Form 1120REIT. For purposes of the 1990 statistics, Forms 1120 IC-DISC filed by certain Domestic International Sales Corporations and Forms 1120-FSC filed by Foreign Sales Corporations were excluded. The 1987 revisions to the Standard Industrial Classification are not reflected in the industry statistics.

The data were estimated based on a stratified probability sample of approximately 82,400 corporation income tax returns drawn to represent the total of 3,717,000 returns filed for Tax Year 1990. The sample was selected after administrative processing was complete, but before any audit examination. It was stratified based on combinations of net income and total assets at rates ranging from 0.25 percent to 100 percent.

**Figure K**

**Coefficients of Variation (CV) for Frequency Estimates, Tax Year 1990**

Estimated number of returns	Approximate coefficient of variation (CV)
2,000,000.....	1.42
500,000.....	2.84
250,000.....	4.02
50,000.....	8.99
25,000.....	12.71
10,000.....	20.10
5,000.....	28.42

Because the data are based on a sample, they are subject to sampling error. In order to use the statistics properly, the magnitude of the sampling error, measured by the coefficient of variation (CV), should be taken into account (Figure K). The CV's for frequency estimates only are intended as a general indication of the reliability of the data. For numbers of returns other than those shown, the corresponding CV's can be estimated by interpolation.

**Notes and References**

[1] For 1988, the number of returns declined for the first time since the end of World War II. This decline was prompted by the Tax Reform Act of 1986, which caused some companies to be represented in the 1987 statistics twice, both by a part-year return and a full-



year return, each with an accounting period that ended during the span of months July 1987 through June 1988 (the accounting periods comprising Tax Year 1987 for purposes of the statistics).

The unusually large number of part-year returns filed for Tax Year 1987, in turn, led to an unusually large increase in the total number of returns for the year. The increase in part-year returns was due to many S Corporations (and Personal Service Corporations) having to change their accounting periods from a non-calendar year to a calendar year as required by the 1986 Act. In addition, other corporations changed to S Corporation status in order to take advantage of the lower individual income tax rates that applied to S Corporation profits (which are taxed through shareholders) allowed under the Act; some of these companies also had to file part-year returns if they were not already using the required calendar accounting period.

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

- [2] Starting with Tax Year 1987, statistics for net income or deficit, as well as for receipts and deductions, of S Corporations are limited to those derived from a trade or business. Investment or portfolio income (or loss), such as interest, dividends, rents, royalties and gain (loss) from sales of investment property, and the deductions related to this income, were not tabulated. This affects the overall statistics for receipts, deductions and net income or deficit. (S Corporation net income or deficit from investment or portfolio income is allocated directly to shareholders for taxation.)
- [3] *Ibid.*
- [4] The preferential "alternative tax" rate on net long-term capital gains (reduced by net short-term capital losses) was repealed by the Tax Reform Act of 1986 for tax years that began on or after July 1, 1987, effectively taxing corporate capital gains at the regular corporate tax rates. (Also, because they were no longer given preferential tax treatment, these gains were exempted from the "alternative minimum tax" on "tax preference" items.)

- [5] Net income also reflects certain income only constructively received from related foreign corporations.
- [6] The depreciation statistics include any identifiable amounts of depreciation reported in schedules in support of total "cost of sales and operations."
- [7] *Mergers & Acquisitions*, 1991 Almanac and Index, May/June 1990, Volume 25, Number 6.
- [8] However, for some corporations, statutory special deductions as reported on the tax return were sufficient to completely offset net income. As a result, these corporations had no income subject to tax, even though they reported a positive net income. Also, statutory special deductions did not apply to S Corporations whose net income was distributable to shareholders; consequently they had no income subject to (the corporate) tax. In addition, life insurance company income subject to tax was not defined as net income minus statutory special deductions. Therefore, the statistics in Table 2 for statutory special deductions when subtracted from net income will not equal income subject to tax.
- [9] Statutory special deductions include the following components: the several dividends received deductions; the deduction for dividends paid on certain preferred stock of public utilities; the deduction for dividends paid by regulated investment companies; the deduction allowed real estate investment trusts for taxes paid for failure to meet certain statutory requirements; the deduction for capital gain dividends paid by regulated investment companies; and the deduction for small life insurance companies.
- [10] In general, a deductible "net operating loss" must first be carried back for a period of 3 years; only the remainder is carried forward from subsequent years to be claimed as a deduction. Carryback adjustments from future tax years could not be shown on the tax returns used for the 1990 statistics and no attempt was made to obtain them at a later date.
- [11] Regular tax is the tax based on the regular corporate tax rates applied to "income subject to tax." It is therefore before all tax credits. The applicable credits are: foreign tax credit, U.S. possessions tax credit, orphan drug credit, research credit, nonconventional fuel source sales or production credit, general business credit and prior-year minimum tax credit.
- [12] See "Corporate Alternative Minimum Tax, 1987-1990" in this issue of the *Statistics of Income*

# Corporations, 1990

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

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

Item, industrial division	Total <sup>1</sup>	Zero assets <sup>2</sup>	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
	(1)	(2)	(3)	(4)	(5)	(6)
<b>ALL INDUSTRIES <sup>3</sup></b>						
Number of returns.....	3,716,650	205,294	1,906,248	614,940	375,972	255,374
Total assets.....	18,190,057,609	--	59,610,230	99,661,769	133,500,029	180,874,426
Total receipts.....	11,409,520,074	195,344,348	335,737,079	309,499,710	330,712,024	410,471,695
Business receipts.....	9,860,441,633	111,644,007	328,529,098	301,752,196	321,104,397	398,079,616
Interest paid.....	825,372,164	67,028,392	3,015,657	3,765,375	4,532,824	6,163,515
Net income (less deficit).....	370,632,632	-109,2983	-586,996	1,372,127	2,475,995	3,167,931
Total income tax <sup>4</sup> .....	128,185,666	1,499,310	355,274	606,306	810,778	1,155,722
Total income tax after credits <sup>4</sup> .....	96,403,099	1,246,496	343,816	587,763	788,469	1,117,105
Net worth.....	4,738,917,551	--	-9,766,913	22,690,871	39,295,094	57,648,715
<b>AGRICULTURE, FORESTRY AND FISHING</b>						
Number of returns.....	126,423	6,325	51,164	23,543	19,946	14,590
Total assets.....	66,338,381	--	1,676,084	3,897,969	7,211,511	10,309,797
Total receipts.....	88,101,065	1,069,155	6,082,686	5,972,763	10,010,098	11,707,156
Business receipts.....	82,114,836	915,892	5,759,444	5,551,950	9,255,893	10,850,989
Interest paid.....	2,852,242	39,939	136,243	178,636	299,410	422,652
Net income (less deficit).....	1,156,269	90,884	-95,273	129,318	95,678	159,182
Total income tax <sup>4</sup> .....	589,866	12,462	8,369	25,878	38,588	52,865
Total income tax after credits <sup>4</sup> .....	554,818	11,876	8,249	24,518	36,709	51,559
Net worth.....	23,360,455	--	-586,921	1,164,889	2,714,185	4,475,072
<b>MINING</b>						
Number of returns.....	39,674	1,100	18,219	7,168	4,828	3,331
Total assets.....	219,197,640	--	439,983	1,100,395	1,741,907	2,360,076
Total receipts.....	111,444,457	1,744,026	962,415	1,642,893	2,820,640	3,796,957
Business receipts.....	97,321,579	1,615,863	815,782	1,494,771	2,619,357	3,494,515
Interest paid.....	6,674,114	16,189	25,867	35,862	55,024	88,045
Net income (less deficit).....	5,302,223	236,603	-13,970	77,136	-13	171,143
Total income tax <sup>4</sup> .....	2,223,977	71,177	4,177	8,570	9,189	12,741
Total income tax after credits <sup>4</sup> .....	1,348,333	55,376	3,559	7,411	9,127	11,956
Net worth.....	110,339,579	--	-20,357	384,338	-1,399,388	698,651
<b>CONSTRUCTION</b>						
Number of returns.....	406,874	15,668	219,529	64,067	43,259	29,167
Total assets.....	243,829,026	--	6,494,065	10,653,853	15,403,221	20,709,595
Total receipts.....	534,654,044	3,907,250	48,205,730	44,667,616	45,598,686	53,877,072
Business receipts.....	522,586,199	3,622,377	47,854,909	44,271,520	45,138,322	53,054,035
Interest paid.....	7,368,430	95,354	436,025	410,609	444,368	575,300
Net income (less deficit).....	6,824,608	-62,494	377,018	426,732	467,961	521,412
Total income tax <sup>4</sup> .....	2,092,196	22,304	46,672	87,436	94,428	167,788
Total income tax after credits <sup>4</sup> .....	1,906,537	21,414	44,152	84,139	92,580	157,686
Net worth.....	63,865,550	--	-2,120,681	3,182,260	5,542,691	6,776,173
<b>MANUFACTURING</b>						
Number of returns.....	301,669	13,205	108,255	51,031	37,996	30,423
Total assets.....	3,921,323,756	--	3,832,806	8,318,422	13,743,804	21,811,914
Total receipts.....	3,688,693,895	18,656,677	20,676,953	25,701,162	37,232,138	53,886,667
Business receipts.....	3,434,141,360	17,039,075	20,355,314	25,377,016	36,681,033	53,151,838
Interest paid.....	151,214,835	521,188	210,689	330,499	560,341	771,530
Net income (less deficit).....	171,373,726	472,492	-377,093	106,767	-107,833	207,646
Total income tax <sup>4</sup> .....	64,385,522	333,794	25,032	66,052	87,152	199,280
Total income tax after credits <sup>4</sup> .....	38,971,197	141,900	23,792	63,639	79,954	194,215
Net worth.....	1,392,233,318	--	-982,755	1,774,872	3,518,628	7,937,360

Footnotes at end of table.

# Corporations, 1990

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

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

Item, industrial division	Total <sup>1</sup>	Zero assets <sup>2</sup>	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
	(1)	(2)	(3)	(4)	(5)	(6)
<b>TRANSPORTATION AND PUBLIC UTILITIES</b>						
Number of returns.....	160,353	10,897	80,540	26,310	15,184	11,755
Total assets.....	1,522,045,738	--	2,621,419	4,251,589	5,372,995	8,190,564
Total receipts.....	936,277,062	4,704,479	17,372,353	17,255,369	15,833,616	21,152,932
Business receipts.....	874,111,070	4,239,901	16,986,555	16,954,283	15,455,257	20,826,786
Interest paid.....	59,190,735	171,406	218,415	238,622	240,851	359,776
Net income (less deficit).....	35,413,596	-6,595	--	9,064	38,933	102,441
Total income tax <sup>4</sup> .....	17,114,547	33,458	20,790	33,562	37,507	58,743
Total income tax after credits <sup>4</sup> .....	15,882,038	32,019	20,683	32,604	35,113	55,972
Net worth.....	508,667,821	--	-703,853	763,547	1,246,371	1,707,032
<b>WHOLESALE AND RETAIL TRADE</b>						
Number of returns.....	1,023,057	50,055	453,981	202,732	122,063	84,578
Total assets.....	1,447,296,828	--	17,598,052	32,804,388	43,463,995	59,755,401
Total receipts.....	3,308,988,336	56,969,600	98,281,509	128,367,895	144,091,820	191,981,200
Business receipts.....	3,216,861,660	55,878,457	97,002,648	126,776,965	142,105,926	189,084,525
Interest paid.....	63,914,431	473,671	769,358	1,242,179	1,443,808	2,054,261
Net income (less deficit).....	30,094,078	-500,637	-141,2680	158,367	765,327	949,495
Total income tax <sup>4</sup> .....	13,839,310	1,122,240	74,923	167,846	256,587	370,453
Total income tax after credits <sup>4</sup> .....	12,615,991	99,303	71,983	165,951	252,235	365,651
Net worth.....	354,827,439	--	-3081059	5,886,492	14,181,560	20,348,792
<b>FINANCE, INSURANCE AND REAL ESTATE</b>						
Number of returns.....	609,138	45,305	271,930	94,994	68,030	46,463
Total assets.....	10,193,295,357	--	8,059,098	15,244,946	24,180,461	33,131,811
Total receipts.....	1,954,709,651	90,885,667	23,685,612	15,665,902	15,735,716	16,611,307
Business receipts.....	900,908,453	12,896,012	21,887,537	13,981,146	13,347,472	14,110,955
Interest paid.....	506,921,011	65,155,026	403,144	423,267	635,252	875,686
Net income (less deficit).....	109,901,881	-1,037,780	-443,961	155,679	213,416	225,384
Total income tax <sup>4</sup> .....	22,556,387	800,706	57,558	79,663	119,579	125,698
Total income tax after credits <sup>4</sup> .....	20,511,294	788,041	57,200	78,563	118,562	123,870
Net worth.....	2,142,041,011	--	-1767747	4,260,402	7,510,650	10,203,828
<b>SERVICES</b>						
Number of returns.....	1,029,447	56,895	691,322	143,611	63,725	34,912
Total assets.....	572,842,266	--	18,665,134	23,147,044	22,043,784	24,481,532
Total receipts.....	779,329,609	12,008,980	119,850,398	70,120,701	58,686,515	57,351,498
Business receipts.....	726,041,364	10,821,407	117,262,608	67,244,792	55,929,340	53,449,444
Interest paid.....	27,188,190	551,224	805,592	899,885	847,612	1,016,157
Net income (less deficit).....	10,616,792	-249,700	1,474,225	628,243	975,080	845,333
Total income tax <sup>4</sup> .....	5,368,531	109,481	114,360	136,491	160,606	168,153
Total income tax after credits <sup>4</sup> .....	4,597,561	92,879	110,806	130,132	157,048	156,195
Net worth.....	143,154,346	--	-136,001	5,192,482	5,947,666	5,512,594

Footnotes at end of table.

Corporations, 1990

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

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

Item, industrial division	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>ALL INDUSTRIES <sup>3</sup></b>							
Number of returns.....	265,263	38,529	25,177	11,020	7,408	5,837	5,589
Total assets.....	554,075,412	267,304,762	392,382,945	388,697,785	528,371,036	938,882,728	14,646,716,487
Total receipts.....	1,174,417,185	511,686,103	574,752,460	403,355,318	389,340,341	599,641,872	6,174,561,939
Business receipts.....	1,142,302,457	495,405,593	550,320,387	375,731,618	347,523,723	522,568,050	4,965,480,492
Interest paid.....	19,844,530	9,325,134	14,077,651	15,172,830	22,127,007	38,723,084	621,596,166
Net income (less deficit).....	10,685,922	6,435,784	9,633,779	7,750,683	9,909,493	20,017,789	300,863,108
Total income tax <sup>4</sup> .....	4,018,782	2,242,359	3,427,279	3,131,359	4,028,319	7,466,907	99,443,272
Total income tax after credits <sup>4</sup> .....	3,857,446	2,099,511	3,178,770	2,831,276	3,527,868	6,132,567	70,692,012
Net worth.....	151,057,175	78,195,023	116,244,014	106,806,206	142,749,692	277,981,679	3,756,015,996
<b>AGRICULTURE, FORESTRY AND FISHING</b>							
Number of returns.....	9,626	716	309	107	49	34	15
Total assets.....	17,856,615	4,993,699	4,441,103	3,702,424	3,422,610	5,019,997	5,806,571
Total receipts.....	20,489,303	4,924,934	6,548,935	5,063,030	4,159,371	5,294,411	6,729,223
Business receipts.....	19,052,445	4,523,367	6,243,042	4,848,361	3,936,788	4,794,328	6,382,337
Interest paid.....	747,340	210,912	196,306	137,605	114,688	211,199	157,314
Net income (less deficit).....	182,848	5,515	75,266	103,560	-42,283	77,183	374,390
Total income tax <sup>4</sup> .....	123,092	42,065	33,500	40,354	39,020	50,451	123,222
Total income tax after credits <sup>4</sup> .....	119,737	40,875	32,029	36,844	36,903	49,785	105,735
Net worth.....	6,058,865	1,533,089	1,243,143	1,261,211	967,536	1,606,868	2,922,518
<b>MINING</b>							
Number of returns.....	3,298	706	496	227	127	84	89
Total assets.....	6,941,660	5,035,374	7,639,712	8,322,297	11,009,088	13,259,830	161,347,317
Total receipts.....	6,614,535	4,358,372	6,600,057	5,808,879	7,182,940	7,541,379	62,371,365
Business receipts.....	5,922,892	3,824,654	5,824,834	5,106,332	6,454,058	6,547,458	53,601,063
Interest paid.....	212,298	114,484	217,824	233,345	295,489	447,621	4,932,066
Net income (less deficit).....	70,073	249,733	182,239	95,755	155,388	290,949	3,787,187
Total income tax <sup>4</sup> .....	61,100	44,864	72,046	89,984	122,037	145,057	1,583,035
Total income tax after credits <sup>4</sup> .....	57,164	42,824	64,319	76,273	63,640	116,512	840,171
Net worth.....	1,248,195	2,193,789	2,994,532	3,638,099	4,651,205	6,321,332	90,029,181
<b>CONSTRUCTION</b>							
Number of returns.....	29,343	3,575	1,636	332	176	75	45
Total assets.....	60,550,403	24,519,734	23,852,351	11,226,346	13,510,382	11,405,304	45,503,772
Total receipts.....	133,809,579	50,401,661	46,641,957	21,138,976	21,663,236	17,872,681	46,869,600
Business receipts.....	131,497,789	49,466,786	45,634,238	20,544,364	21,012,304	17,269,157	43,220,399
Interest paid.....	1,414,813	474,307	489,416	244,857	341,221	295,208	2,146,954
Net income (less deficit).....	2,029,672	1,026,614	1,110,076	393,257	289,897	91,161	153,301
Total income tax <sup>4</sup> .....	501,183	234,823	263,404	99,239	131,083	91,080	352,755
Total income tax after credits <sup>4</sup> .....	468,569	222,818	252,528	92,920	126,451	87,457	255,823
Net worth.....	17,732,305	7,017,833	6,698,537	3,131,468	3,241,862	2,670,121	9,992,981
<b>MANUFACTURING</b>							
Number of returns.....	41,402	8,099	5,851	2,169	1,199	970	1,070
Total assets.....	92,314,968	57,103,041	90,961,571	75,336,423	84,729,454	175,715,706	3,297,455,648
Total receipts.....	205,261,808	111,197,894	166,716,691	115,356,153	122,005,232	210,952,993	2,601,049,528
Business receipts.....	201,838,870	108,955,163	163,568,832	112,432,957	118,631,617	201,434,861	2,374,674,785
Interest paid.....	3,347,096	1,993,625	3,153,710	2,714,689	3,231,695	7,300,618	127,079,154
Net income (less deficit).....	3,208,800	2,284,310	4,424,895	3,230,954	3,926,565	9,080,824	144,915,399
Total income tax <sup>4</sup> .....	955,132	694,101	1,305,837	1,217,828	1,456,308	3,645,768	54,399,238
Total income tax after credits <sup>4</sup> .....	904,115	643,897	1,143,296	1,018,223	1,136,697	2,555,300	31,066,168
Net worth.....	32,763,472	21,562,855	36,272,810	29,585,606	33,880,101	63,047,257	1,162,873,112

Footnotes at end of table.

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

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

Item, Industrial division	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>TRANSPORTATION AND PUBLIC UTILITIES</b>							
Number of returns.....	11,284	1,973	1,237	387	226	192	368
Total assets.....	23,516,691	13,583,594	19,127,392	13,497,271	16,730,562	30,613,156	1,384,540,504
Total receipts.....	46,190,676	19,936,662	22,891,195	15,657,677	15,163,269	24,000,431	716,118,402
Business receipts.....	44,564,857	19,167,104	21,834,640	14,879,192	14,225,819	22,025,405	662,951,271
Interest paid.....	1,034,646	646,883	833,277	606,449	847,951	1,965,052	52,027,408
Net income (less deficit).....	-43,314	-14,077	146,841	106,075	-1,577	-33,890	35,237,078
Total income tax. <sup>4</sup> .....	208,787	123,467	249,774	157,754	181,194	355,356	15,654,155
Total income tax after credits. <sup>4</sup> .....	195,638	117,515	242,065	153,569	169,094	328,257	14,499,511
Net worth.....	4,223,994	2,872,733	4,050,037	3,090,670	3,206,776	5,151,932	483,058,582
<b>WHOLESALE AND RETAIL TRADE</b>							
Number of returns.....	89,004	11,428	5,856	1,705	744	494	415
Total assets.....	185,624,226	78,482,031	87,842,977	59,122,216	52,625,982	79,844,581	750,132,978
Total receipts.....	613,990,640	259,704,036	256,065,852	160,404,394	132,822,755	189,289,264	1,077,019,370
Business receipts.....	604,952,101	255,128,247	251,103,034	157,111,055	129,621,295	184,426,366	1,023,671,040
Interest paid.....	6,961,496	2,901,673	3,336,240	2,266,829	2,188,295	3,202,513	37,074,108
Net income (less deficit).....	4,127,426	2,447,717	2,796,897	1,382,354	1,509,565	1,793,583	16,393,397
Total income tax. <sup>4</sup> .....	1,232,116	588,004	730,388	540,127	586,890	1,089,473	8,090,263
Total income tax after credits. <sup>4</sup> .....	1,207,362	571,250	712,414	512,704	561,421	1,038,852	7,056,865
Net worth.....	54,812,123	21,924,777	24,871,449	14,348,992	14,874,956	23,414,881	163,244,475
<b>FINANCE, INSURANCE AND REAL ESTATE</b>							
Number of returns.....	49,751	8,273	7,605	5,265	4,465	3,692	3,364
Total assets.....	104,173,663	57,339,205	123,855,418	188,459,096	316,674,633	576,278,204	8,745,898,821
Total receipts.....	39,008,777	20,056,614	28,833,513	45,444,912	55,875,737	99,732,176	1,503,173,719
Business receipts.....	30,350,325	15,440,158	18,510,152	28,492,063	25,939,150	45,608,501	660,344,981
Interest paid.....	3,597,059	1,860,610	4,436,007	7,692,804	13,594,723	23,156,859	385,090,574
Net income (less deficit).....	-36189	227,362	792,070	1,774,213	3,849,889	8,301,512	95,880,287
Total income tax. <sup>4</sup> .....	419,215	282,071	494,609	656,148	1,163,974	1,619,877	16,737,289
Total income tax after credits. <sup>4</sup> .....	415,211	248,348	481,566	634,982	1,128,969	1,566,914	14,869,068
Net worth.....	20,898,076	15,773,528	31,704,299	44,666,668	75,655,854	164,685,494	1,768,449,958
<b>SERVICES</b>							
Number of returns.....	31,303	3,735	2,178	827	419	297	223
Total assets.....	62,630,867	26,076,387	34,484,982	29,031,712	29,504,001	46,745,948	256,030,875
Total receipts.....	108,752,422	41,004,303	40,423,400	34,481,298	30,460,825	44,958,538	161,230,732
Business receipts.....	103,841,744	38,805,887	37,573,259	32,317,294	27,698,998	40,461,975	140,634,616
Interest paid.....	2,522,754	1,117,269	1,411,560	1,276,254	1,507,283	2,144,014	13,088,587
Net income (less deficit).....	1,186,579	220,600	107,411	664,514	225,970	416,467	4,122,069
Total income tax. <sup>4</sup> .....	517,856	232,965	277,721	329,925	347,814	469,843	2,503,316
Total income tax after credits. <sup>4</sup> .....	489,349	211,984	250,553	305,760	304,694	389,491	1,998,669
Net worth.....	13,195,452	5,265,814	8,313,410	7,083,492	6,250,455	11,083,795	75,445,188

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

<sup>2</sup> For the definition of zero assets, see Table 2, footnote 2.

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

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

NOTE: Detail may not add to totals because of rounding (see also footnote 3).

# Corporations, 1990

**Table 2.--Balance Sheets, Income Statements and Tax Items, by Asset Size**

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

Item	Total <sup>1</sup>	Zero assets <sup>2</sup>	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns.....	3,716,650	205,294	1,906,248	614,940	375,972	255,374
<b>Total assets.....</b>	<b>18,190,057,609</b>	<b>--</b>	<b>59,610,230</b>	<b>99,661,769</b>	<b>133,500,029</b>	<b>180,874,426</b>
Cash.....	771,086,440	--	12,628,235	16,748,796	19,233,362	22,752,430
Notes and accounts receivable.....	4,198,016,230	--	6,984,031	14,790,381	22,371,291	34,669,521
Less: Allowance for bad debts.....	110,059,993	--	80,397	158,489	246,664	986,376
Inventories.....	893,586,141	--	7,498,636	15,310,649	22,049,139	31,934,560
Investments in U.S. Government obligations.....	921,193,216	--	16,266	111,316	328,584	617,774
Tax-exempt securities.....	380,320,504	--	52,072	110,513	148,238	283,161
Other current assets.....	1,164,582,476	--	2,483,298	4,405,380	6,368,818	8,233,839
Loans to stockholders.....	94,866,044	--	3,855,431	5,106,160	4,730,625	4,291,800
Mortgage and real estate loans.....	1,537,899,636	--	409,715	1,197,948	1,979,773	2,342,282
Other investments.....	4,136,891,162	--	1,880,147	4,081,729	6,857,206	10,935,823
Depreciable assets.....	4,317,781,452	--	57,488,024	71,711,026	86,756,817	104,932,319
Less: Accumulated depreciation.....	1,848,022,862	--	39,361,314	44,734,696	52,044,445	60,338,142
Depletable assets.....	129,370,543	--	266,563	441,444	320,042	632,864
Less: Accumulated depletion.....	55,075,300	--	156,851	134,138	111,472	248,542
Land.....	209,579,296	--	1,669,690	4,621,894	8,036,946	12,680,598
Intangible assets.....	491,252,807	--	2,387,347	3,208,032	3,136,608	4,255,284
Less: Accumulated amortization.....	95,754,475	--	1,249,010	1,525,764	1,335,814	1,555,132
Other assets.....	1,052,544,294	--	2,838,347	4,369,590	4,920,975	5,440,365
<b>Total liabilities.....</b>	<b>18,190,057,609</b>	<b>--</b>	<b>59,610,230</b>	<b>99,661,769</b>	<b>133,500,029</b>	<b>180,874,426</b>
Accounts payable.....	1,094,001,051	--	9,156,370	14,160,681	18,056,376	25,973,713
Mortgages, notes and bonds payable in less than 1 year.....	1,802,732,358	--	8,684,769	10,364,647	16,077,191	20,885,050
Other current liabilities.....	5,197,682,027	--	7,334,932	8,276,201	9,834,997	13,035,987
Loans from stockholders.....	268,559,197	--	26,139,079	19,070,634	17,117,898	17,581,219
Mortgages, notes and bonds payable in 1 year or more.....	2,665,098,250	--	14,238,504	22,171,116	29,323,779	40,535,378
Other liabilities.....	2,423,067,175	--	3,823,489	2,927,618	3,794,695	5,214,364
Capital stock.....	1,584,840,863	--	13,898,628	12,820,039	12,976,544	15,849,794
Net worth.....	4,738,917,551	--	-9,766,913	22,690,871	39,295,094	57,648,715
Paid-in or capital surplus.....	2,814,210,083	--	15,081,533	9,202,472	13,086,709	15,926,442
Retained earnings, appropriated.....	60,978,729	--	126,718	285,561	640,481	636,994
Retained earnings, unappropriated.....	1,235,119,369	--	-181,465,32	8,000,047	16,149,562	24,512,585
Other retained earnings (Form 1120S).....	113,908,215	--	-17893897	-3876837	569,051	5,931,150
Less: Cost of treasury stock.....	1,070,139,706	--	2,833,363	3,740,412	4,127,253	5,208,249
<b>Total receipts.....</b>	<b>11,409,520,074</b>	<b>195,344,348</b>	<b>335,737,079</b>	<b>309,499,710</b>	<b>330,712,024</b>	<b>410,471,695</b>
Business receipts.....	9,860,441,633	111,644,007	328,529,098	301,752,196	321,104,397	398,079,616
Interest on State and local Government obligations.....	35,164,734	830,442	56,847	16,184	27,364	52,580
Other interest.....	942,237,940	71,636,052	617,916	1,045,949	1,290,022	1,783,089
Rents.....	100,642,848	710,653	528,793	733,936	982,371	1,280,654
Royalties.....	32,142,258	84,706	118,971	139,451	42,184	730,228
Net short-term capital gain reduced by net long-term capital loss.....	4,110,745	70,956	21,455	30,339	46,385	95,986
Net long-term capital gain reduced by net short-term capital loss.....	50,935,859	1,703,522	514,355	377,071	533,556	743,659
Net gain, noncapital assets.....	32,275,111	1,235,414	560,449	569,910	503,672	779,171
Dividends, domestic corporations.....	13,413,839	147,387	15,970	52,581	86,951	101,278
Dividends, foreign corporations.....	33,261,669	105,718	*1313	*12896	*12	3,232
Other receipts.....	304,893,438	7,175,489	4,771,912	4,769,197	6,095,111	6,822,202

Footnotes at end of table.

# Corporations, 1990

## Table 2.--Balance Sheets, Income Statements and Tax Items, by Asset Size--Continued

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

Item	Total <sup>1</sup>	Zero assets <sup>2</sup>	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total deductions</b> .....	<b>11,032,574,630</b>	<b>195,731,091</b>	<b>336,203,338</b>	<b>308,109,561</b>	<b>328,176,360</b>	<b>407,143,747</b>
Cost of sales and operations.....	6,610,769,883	80,217,046	157,030,604	169,261,952	195,269,268	257,719,532
Compensation of officers.....	205,403,164	2,339,800	33,337,945	24,541,894	20,285,671	21,003,452
Repairs.....	95,887,821	593,930	2,969,680	2,748,968	2,760,603	3,015,093
Bad debts.....	83,690,549	3,544,551	784,641	863,855	1,030,107	1,900,461
Rent on business property.....	184,771,540	2,451,163	15,276,714	10,658,801	9,189,699	9,261,922
Taxes paid.....	250,928,813	2,403,881	10,494,508	9,005,921	9,181,188	10,553,848
Interest paid.....	825,372,164	67,028,392	3,015,657	3,765,375	4,532,824	6,163,515
Contributions or gifts.....	4,752,406	20,994	32,945	52,245	71,600	85,091
Amortization.....	31,503,958	664,184	425,753	430,781	409,749	522,296
Depreciation.....	332,781,754	2,304,303	5,766,166	6,665,974	7,147,377	8,461,672
Depletion.....	9,646,712	45,101	41,184	21,014	46,753	80,008
Advertising.....	126,417,097	805,845	5,025,586	3,147,441	2,957,384	3,823,733
Pension, profit sharing, stock bonus and annuity plans.....	42,233,693	325,192	1,280,067	1,199,545	1,089,591	1,525,027
Employee benefit programs.....	113,320,117	938,160	1,725,479	1,816,840	2,294,660	2,864,004
Net loss, noncapital assets.....	22,330,746	2,698,498	403,489	141,938	164,617	213,788
Other deductions.....	2,092,764,214	29,350,053	98,592,917	73,787,016	71,745,269	79,950,307
<b>Total receipts less total deductions</b> .....	<b>376,945,444</b>	<b>-386,744</b>	<b>-466,260</b>	<b>1,390,148</b>	<b>2,535,664</b>	<b>3,327,947</b>
Constructive taxable income from related foreign corporations.....	36,776,886	207,951	--	*1,523	--	*6
<b>Net income (less deficit)</b> .....	<b>181,894,157</b>	<b>8,826,909</b>	<b>14,259,684</b>	<b>8,498,401</b>	<b>7,734,197</b>	<b>8,660,626</b>
Net income (less deficit), Form 1120-A.....	-438,845	-16,661	-330,694	-16,411	-75,079	--
Net income (less deficit), Form 1120-F.....	-1,500,728	-1,500,728	--	--	--	--
Net income (less deficit), Form 1120-S <sup>3</sup> .....	32,250,110	234,072	2,177,072	1,290,870	1,568,879	1,607,450
Net income.....	370,632,632	-109,2983	-586,996	1,372,127	2,475,995	3,167,931
Deficit.....	552,526,789	7,733,926	13,672,688	9,870,528	10,210,192	11,828,557
<b>Statutory special deductions, total</b> <sup>4</sup> .....	<b>122,911,074</b>	<b>2,085,555</b>	<b>1,926,929</b>	<b>1,387,993</b>	<b>1,292,309</b>	<b>1,620,504</b>
Net operating loss deduction.....	38,419,100	1,619,507	1,907,278	1,323,739	1,228,756	1,517,318
Dividends received deduction.....	12,434,448	97,127	6,873	34,421	58,002	74,282
Public utility dividends paid deduction.....	46,721	129	--	--	--	--
<b>Income subject to tax</b> <sup>5</sup> .....	<b>366,352,857</b>	<b>4,324,204</b>	<b>2,165,790</b>	<b>3,484,111</b>	<b>4,148,269</b>	<b>5,051,769</b>
<b>Income tax before credits, total</b> <sup>6</sup> .....	<b>128,185,666</b>	<b>1,499,310</b>	<b>355,274</b>	<b>606,306</b>	<b>810,778</b>	<b>1,155,722</b>
Regular tax.....	119,434,430	1,426,306	348,066	600,295	797,909	1,119,628
Personal Holding Company tax.....	12,126	*28	*2,018	*701	*2,261	*556
Tax from recapture of investment and low-income housing credits.....	126,600	145	*168	*14	*165	174
Alternative minimum tax.....	8,104,269	33,321	1,650	3,027	9,565	33,272
Environmental tax.....	520,167	4,596	*39	*34	*62	*56
Adjustments to total tax.....	-112,710	*-5	--	*845	*-53	--
Foreign tax credit.....	24,989,922	164,229	*154	*1,518	*495	3,191
U.S. possessions tax credit.....	3,194,481	68,477	473	43	55	683
Orphan drug credit.....	15,637	--	--	--	--	--
Nonconventional source fuel credit.....	81,790	*1	--	*1,159	--	*11
General business credit.....	2,833,701	10,011	10,831	14,698	21,210	26,708
Prior year minimum tax credit.....	667,036	10,096	--	*1,125	549	8,023
<b>Total income tax after credits</b> .....	<b>96,403,099</b>	<b>1,246,496</b>	<b>343,816</b>	<b>587,763</b>	<b>788,469</b>	<b>1,117,105</b>

Footnotes at end of table.

# Corporations, 1990

## Table 2.--Balance Sheets, Income Statements and Tax Items, by Asset Size--Continued

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

Item	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Number of returns.....	265,263	38,529	25,177	11,020	7,408	5,837	5,589
<b>Total assets.....</b>	<b>554,075,412</b>	<b>267,304,762</b>	<b>392,362,945</b>	<b>388,697,785</b>	<b>528,371,036</b>	<b>938,882,728</b>	<b>14,646,716,487</b>
Cash.....	52,127,579	21,858,451	28,539,159	25,614,135	29,124,632	42,987,458	499,472,203
Notes and accounts receivable.....	118,301,157	60,627,340	92,765,977	104,573,698	146,492,333	229,725,587	3,366,714,914
Less: Allowance for bad debts.....	1,834,965	1,192,287	2,165,373	2,495,553	3,658,021	7,054,633	90,187,233
Inventories.....	119,155,310	51,888,967	60,360,340	40,529,242	39,282,337	58,227,043	447,349,918
Investments in U.S. Government obligations.....	3,513,291	3,459,057	15,604,450	27,096,913	45,825,479	69,919,578	754,700,507
Tax-exempt securities.....	1,258,394	1,036,105	4,222,001	7,124,458	13,429,538	30,704,048	321,951,976
Other current assets.....	28,822,877	15,294,774	21,471,508	19,190,542	25,348,376	46,057,256	986,905,810
Loans to stockholders.....	7,956,671	2,767,494	2,487,748	1,718,290	1,763,195	3,969,123	56,219,507
Mortgage and real estate loans.....	6,222,647	3,028,912	6,684,774	15,088,698	37,053,635	86,921,885	1,376,969,368
Other investments.....	34,888,521	22,555,925	43,714,317	53,496,760	82,265,760	178,401,169	3,697,813,905
Depreciable assets.....	270,392,936	117,747,270	154,156,305	113,284,859	121,061,911	197,324,542	3,022,925,441
Less: Accumulated depreciation.....	140,442,571	57,036,797	70,368,266	48,141,051	50,303,032	77,664,467	1,207,588,082
Depletable assets.....	2,458,926	1,875,231	2,614,274	3,461,978	4,513,302	6,086,643	106,699,276
Less: Accumulated depletion.....	1,070,866	854,219	1,298,701	1,499,296	1,811,058	2,118,739	45,771,417
Land.....	31,890,676	12,542,620	14,293,355	10,264,555	9,793,241	13,481,439	90,304,283
Intangible assets.....	10,615,600	6,468,586	10,626,169	11,265,001	16,160,216	31,433,671	391,696,292
Less: Accumulated amortization.....	4,078,170	2,200,249	3,289,340	3,015,751	4,006,817	6,008,335	67,490,093
Other assets.....	13,897,399	7,437,581	11,944,249	11,140,307	16,036,010	36,489,460	938,030,013
<b>Total liabilities.....</b>	<b>554,075,412</b>	<b>267,304,762</b>	<b>392,362,945</b>	<b>388,697,785</b>	<b>528,371,036</b>	<b>938,882,728</b>	<b>14,646,716,487</b>
Accounts payable.....	84,991,075	39,094,370	45,857,904	35,908,875	38,067,085	57,451,870	725,282,932
Mortgages, notes and bonds payable in less than 1 year.....	91,246,124	44,391,905	54,220,309	37,683,403	38,753,368	63,858,464	1,416,567,130
Other current liabilities.....	48,085,860	27,108,547	68,147,179	114,512,967	197,963,117	332,936,962	4,370,445,277
Loans from stockholders.....	38,966,498	11,557,521	11,411,915	6,555,711	6,414,523	9,349,108	104,395,091
Mortgages, notes and bonds payable in 1 year or more.....	119,712,884	55,575,302	77,372,632	66,582,700	78,234,269	141,017,602	2,020,334,085
Other liabilities.....	20,015,795	11,382,094	19,108,993	20,647,923	26,188,982	56,287,243	2,253,675,976
Capital stock.....	40,538,238	17,325,886	24,733,373	22,810,936	30,703,682	67,285,864	1,325,897,881
Net worth.....	151,057,175	78,195,023	116,244,014	106,806,206	142,749,692	277,981,679	3,756,015,996
Paid-in or capital surplus.....	54,345,443	29,995,930	53,500,931	59,323,468	87,661,163	174,469,464	2,301,616,528
Retained earnings, appropriated.....	1,466,330	670,557	936,051	784,110	1,581,682	3,399,198	50,451,046
Retained earnings, unappropriated.....	31,963,790	11,923,245	14,174,586	12,584,236	17,257,792	43,331,783	1,073,368,274
Other retained earnings (Form 1120S).....	36,708,436	22,750,273	28,425,332	15,464,380	12,113,741	9,594,532	4,122,054
Less: Cost of treasury stock.....	13,965,061	4,470,868	5,526,259	4,160,924	6,568,368	20,099,161	999,439,787
<b>Total receipts.....</b>	<b>1,174,417,185</b>	<b>511,686,103</b>	<b>574,752,460</b>	<b>403,355,318</b>	<b>389,340,341</b>	<b>599,641,872</b>	<b>6,174,561,939</b>
Business receipts.....	1,142,302,457	495,405,593	550,320,387	375,731,618	347,523,723	522,568,050	4,965,480,492
Interest on State and local Government obligations.....	177,601	158,896	409,670	722,503	1,290,426	2,968,006	28,454,216
Other interest.....	5,004,357	3,039,151	7,572,242	13,148,889	23,943,679	43,070,400	770,086,194
Rents.....	3,789,461	1,692,646	2,336,614	1,866,360	2,184,796	4,956,485	79,580,080
Royalties.....	359,147	338,389	363,721	325,242	751,583	1,420,031	27,468,606
Net short-term capital gain reduced by net long-term capital loss.....	107,512	52,765	87,403	163,500	149,641	283,543	3,001,259
Net long-term capital gain reduced by net short-term capital loss.....	1,899,215	790,294	1,584,215	1,217,346	1,570,110	3,819,412	36,183,102
Net gain, noncapital assets.....	2,167,888	865,828	1,091,084	939,960	1,038,539	1,383,935	21,139,261
Dividends, domestic corporations.....	349,527	191,043	317,261	357,062	302,582	647,572	10,844,625
Dividends, foreign corporations.....	77,614	87,908	138,981	180,827	298,704	1,332,697	31,021,767
Other receipts.....	18,182,408	9,063,592	10,530,883	8,702,010	10,286,557	17,191,740	201,302,337

Footnotes at end of table.



# Corporations, 1990

## Table 2.—Balance Sheets, Income Statements and Tax Items, by Asset Size—Continued

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

Item	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>Total deductions</b> .....	<b>1,163,492,387</b>	<b>505,056,724</b>	<b>564,668,991</b>	<b>394,881,532</b>	<b>378,014,348</b>	<b>576,635,931</b>	<b>5,874,460,618</b>
Cost of sales and operations.....	822,540,592	370,635,249	405,919,553	275,260,795	249,020,790	365,462,761	3,262,431,742
Compensation of officers.....	37,637,815	11,587,662	10,540,860	5,888,220	4,761,305	5,641,336	27,837,205
Repairs.....	6,305,051	2,181,442	2,510,447	1,722,374	1,821,681	2,865,902	66,392,649
Bad debts.....	4,788,040	1,706,822	2,370,769	2,199,635	3,245,194	3,739,842	57,516,831
Rent on business property.....	18,245,836	6,114,186	6,961,438	5,402,410	5,473,084	7,832,324	87,903,963
Taxes paid.....	24,302,342	9,258,410	10,901,079	7,158,239	7,332,768	11,023,621	139,313,007
Interest paid.....	19,844,530	9,325,134	14,077,651	15,172,830	22,127,007	38,723,084	621,596,166
Contributions or gifts.....	197,103	81,013	133,520	113,117	142,574	287,072	3,535,132
Amortization.....	1,451,678	924,401	1,418,581	1,517,491	1,639,998	2,782,051	19,316,995
Depreciation.....	21,036,512	8,926,309	12,327,219	8,993,024	9,746,853	14,946,522	226,459,823
Depletion.....	202,581	127,807	229,495	241,749	332,514	433,606	7,844,901
Advertising.....	9,464,804	4,057,743	5,397,998	3,693,603	4,032,985	7,799,666	76,210,308
Pension, profit sharing, stock bonus and annuity plans.....	3,601,113	1,351,778	1,644,585	1,123,377	1,056,423	2,072,524	25,964,472
Employee benefit programs.....	7,677,367	3,747,180	4,501,441	3,444,675	3,657,546	6,577,653	74,075,111
Net loss, noncapital assets.....	702,685	445,830	500,164	625,132	565,734	1,228,349	14,640,523
Other deductions.....	185,494,339	74,585,959	85,234,193	62,324,861	63,057,894	105,219,618	1,163,421,788
<b>Total receipts less total deductions</b> .....	<b>10,924,798</b>	<b>6,629,380</b>	<b>10,083,469</b>	<b>8,473,786</b>	<b>11,325,993</b>	<b>23,005,941</b>	<b>300,101,321</b>
Constructive taxable income from related foreign corporations.....	*16,861	49,363	60,916	154,677	172,452	962,365	35,150,771
<b>Net income (less deficit)</b> .....	<b>22,299,924</b>	<b>8,875,199</b>	<b>10,644,308</b>	<b>8,525,462</b>	<b>8,626,966</b>	<b>12,400,488</b>	<b>62,541,993</b>
Net income (less deficit), Form 1120-A.....	--	--	--	--	--	--	--
Net income (less deficit), Form 1120-F.....	--	--	--	--	--	--	--
Net income (less deficit), Form 1120-S <sup>3</sup> .....	7,703,288	4,526,824	5,567,593	3,056,134	2,498,462	2,072,970	414,641
Net income.....	10,685,922	6,435,784	9,633,779	7,750,683	9,909,493	20,017,789	300,863,108
Deficit.....	32,985,847	15,310,983	20,278,087	16,276,145	18,536,459	32,418,276	363,405,101
<b>Statutory special deductions, total</b> <sup>4</sup> .....	<b>3,720,374</b>	<b>1,639,057</b>	<b>2,887,189</b>	<b>3,163,904</b>	<b>4,128,272</b>	<b>9,048,563</b>	<b>90,010,424</b>
Net operating loss deduction.....	3,071,334	1,230,139	1,866,689	1,821,541	1,727,939	2,523,678	18,581,181
Dividends received deduction.....	264,529	141,317	302,099	314,550	304,254	700,286	10,136,708
Public utility dividends paid deduction.....	--	--	*38	*585	810	100	45,060
<b>Income subject to tax</b> <sup>5</sup> .....	<b>13,279,326</b>	<b>6,457,924</b>	<b>9,636,177</b>	<b>8,862,046</b>	<b>11,209,116</b>	<b>21,371,163</b>	<b>276,362,960</b>
<b>Income tax before credits, total</b> <sup>6</sup> .....	<b>4,018,782</b>	<b>2,242,359</b>	<b>3,427,279</b>	<b>3,131,359</b>	<b>4,028,319</b>	<b>7,466,907</b>	<b>99,443,272</b>
Regular tax.....	3,868,822	2,159,152	3,278,132	2,984,483	3,806,711	7,164,318	91,880,609
Personal Holding Company tax.....	3,462	*1,142	413	*316	256	2	970
Tax from recapture of investment and low-income housing credits.....	1,857	1,333	1,567	2,723	1,237	3,247	113,969
Alternative minimum tax.....	141,755	82,090	138,962	132,141	184,538	274,103	7,069,844
Environmental tax.....	609	860	4,016	7,268	11,276	25,855	465,495
Adjustments to total tax.....	-393	-2360	-5223	-2018	-635	-3706	-99160
Foreign tax credit.....	27,092	47,921	48,831	82,213	177,282	684,495	23,752,500
U.S. possessions tax credit.....	16,866	21,722	113,401	141,938	221,821	410,336	2,198,668
Orphan drug credit.....	*86	--	--	--	--	20	15,531
Nonconventional source fuel credit.....	*451	*133	*378	*783	1,049	1,986	75,841
General business credit.....	77,435	54,061	86,200	54,554	72,411	151,654	2,273,928
Prior year minimum tax credit.....	39,407	19,012	19,698	20,595	27,888	85,850	434,792
<b>Total income tax after credits</b> .....	<b>3,857,446</b>	<b>2,099,511</b>	<b>3,178,770</b>	<b>2,831,276</b>	<b>3,527,868</b>	<b>6,132,567</b>	<b>70,692,012</b>

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

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

<sup>3</sup> Net income of S Corporations was taxed (with few exceptions) through their shareholders. Therefore, the net income of these corporations is excluded from the statistics on income subject to tax. (In general, income subject to tax equals net income minus statutory special deductions on returns with both net income and income tax.)

<sup>4</sup> See Footnote 9 under Notes and References section above.

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

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

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

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