

# U.S. Possessions Corporations, 1995

by Randy Miller

For Tax Year 1995, U.S. possessions corporations reported possessions tax credits of \$3.1 billion and taxable income of \$13.0 billion. The amount of possessions tax credits declined 33 percent from the \$4.6 billion reported for Tax Year 1993, the most recent year for which detailed statistics were compiled. Taxable income, however, declined only 2 percent from the \$13.2 billion reported for 1993. The number of corporations claiming the possessions tax credit fell 11 percent from 395 for 1993 to 353 for 1995. However, U.S. income tax after credits increased dramatically to \$1.5 billion for 1995 from \$31.7 million for 1993.

Corporations operating in Puerto Rico accounted for more than 99 percent of the possessions tax credits claimed for 1995 [1]. Of the 353 corporations claiming possessions tax credits, 336 conducted business in Puerto Rico. The remaining corporations conducted business primarily in the U.S. Virgin Islands and Guam.

Manufacturers claimed more than 95 percent of the possessions tax credits for 1995. Drug manufacturers accounted for more credits than all other corporations combined. They claimed more than \$1.6 billion, or 53 percent, of the credits and reported 65 percent of U.S. income taxes after credits. These corporations, however, represented only 13 percent of the 353 credit claimants.

## Background

Legislation encouraging investment in U.S. possessions was originally enacted in 1921. Since then, Congress has significantly modified the provisions of the Internal Revenue Code pertaining to possessions corporations [2]. The primary purpose of the possessions tax credit is to encourage U.S. corporations to conduct significant business in the possessions of the United States. For purposes of the possessions tax credit, possessions of the United States include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. To achieve possessions corporation status, a taxpayer must be a domestic corporation, organized under the laws of one of the fifty States.

The U.S. corporation must file Form 5712, *Election to be Treated as a Possessions Corporation under Section 936*. Once filed, this election remains in effect for 10 years, unless the taxpayer obtains permission for a revocation from the Internal Revenue Service.

To qualify for the possessions tax credit, a U.S. possessions corporation must meet two gross income tests. First, the corporation must derive at least 80 percent of its gross income from possessions sources for the corporation's applicable period. The applicable period is generally the shorter of 36 months or the period in which the corporation actively conducted a trade or business in a U.S. possession. The second test requires the corporation to derive at least 75 percent of its gross income from the active conduct of a trade or business in a U.S. possession. If these gross income tests are satisfied, a U.S. possessions corporation may claim the possessions tax credit for that portion of income earned from qualified sources in U.S. possessions.

The United States taxes its citizens and residents on their worldwide incomes. Because possessions corporations are domestic corporations, they are subject to U.S. taxation on income earned in U.S. possessions and other foreign tax jurisdictions. For U.S. tax purposes, income earned in U.S. possessions is generally considered foreign-source income. Unlike the foreign tax credit, the possessions tax credit reduces and, in some cases, eliminates the U.S. tax liability on qualified possessions income whether or not the possessions tax that income [3]. To attract U.S. investment, U.S. possessions typically tax the income of possessions corporations at low effective rates [4]. Thus, the income earned by possessions corporations from possessions sources tends to be subject to low worldwide effective tax rates.

## Highlights

As Figure A shows, the number of corporations claiming possessions tax credits has decreased steadily for more than a decade. For 1995, 353 corporations claimed possessions tax credits, 10.6 percent and 36.2 percent fewer than the number of credit claimants for 1993 and 1983, respectively. However, the amount of credits claimed rose continuously through 1993, even as the number of credit claimants declined. Due to tax law changes effective

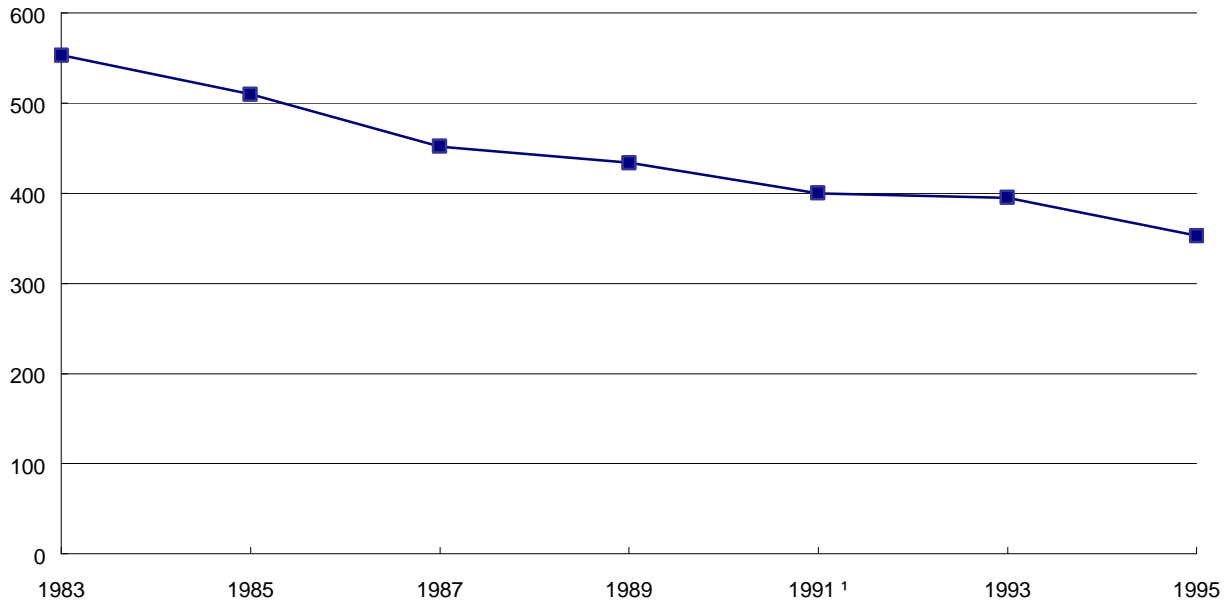
*This article was written by Randy Miller, an economist with the Special Studies Returns Analysis Section, under the direction of Chris Carson, Chief.*

# U.S. Possessions Corporations, 1995

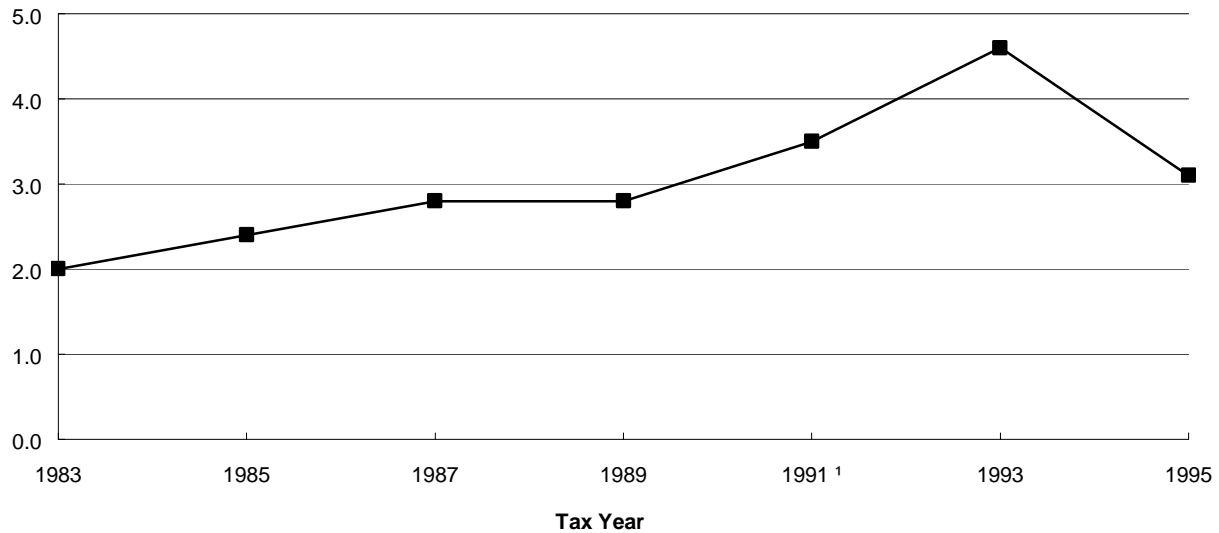
Figure A

## Number of Credit Claimants and Amount of Possessions Tax Credits, Selected Tax Years 1983-1995

### Number of Claimants



### Credits (Billions of dollars)



<sup>1</sup> No U.S. Possessions Study was conducted for Tax Year 1991. The number of credit claimants and possessions tax credits published in *Statistics of Income--1991, Corporation Income Tax Returns* were used as substitutes.

## U.S. Possessions Corporations, 1995

for 1994 and beyond, the amount of possessions tax credits reported for 1995 fell to \$3.1 billion from \$4.6 billion for 1993. This \$1.5-billion decrease resulted in additional tax revenue to the U.S. Treasury, as taxable income fell only 2 percent.

Consistent with prior years, manufacturers in Puerto Rico generated almost all the total receipts, taxable income, and possessions tax credits for 1995. Puerto Rican manufacturers reported 86.2 percent of the receipts, 96.2 percent of the income subject to tax, and 94.7 percent of the possessions tax credits. Puerto Rican manufacturers of drugs, instruments and related products, food and kindred products, and electrical and electronic equipment accounted for 69.0 percent of total receipts, 85.4 percent of taxable income, and 82.7 percent of possessions tax credits. Drug manufacturers alone claimed 52.9 percent of the credits, while earning 56.7 percent of the taxable income reported by all possessions corporations.

The estimated reduction in U.S. tax liability provides one measure of the true benefits to taxpayers of the possessions tax credit provisions. The reduction in U.S. tax liability for all possessions corporations was \$2.3 billion for 1995. This figure was computed using a two-step process. First, the estimated benefits from the partial deductibility of possessions income taxes were added to the reported possessions tax credits to derive the estimated total benefits [5]. Second, estimated income and tollgate taxes paid to possessions governments were subtracted from the estimated total benefits. Absent the possessions tax credit provisions, these taxes would have been fully creditable under the foreign tax credit mechanism.

### Credit Methods

Prior to 1994, U.S. possessions corporations received an unrestricted tax credit against their U.S. tax liability for qualified income earned in U.S. possessions. In effect, the possessions tax credit provisions exempted possessions source income from U.S. taxation. Many corporations received large tax benefits relative to their investments in local capital and labor. Congress addressed this issue in the Omnibus Budget Reconciliation Act of 1993 by

imposing two alternative limitations on the possessions tax credit. For 1994 and beyond, taxpayers were required to separate their active and passive incomes. For 1995, qualified passive income continued to receive the pre-1994 unrestricted credit [6]. To compute the possessions tax credit for active income, taxpayers elected either the percentage limitation or the economic activity limitation.

Generally, corporations with large profits relative to labor and depreciation expenses elected the percentage limitation method. This method required taxpayers to compute the possessions tax credit for active income as a percentage of the credit that would have been allowed prior to Tax Year 1994.

Taxpayers computed their possessions tax credit for active income using pre-1994 rules and multiplied that result by a statutory percentage. For Tax Year 1995, corporations with accounting periods beginning in 1994 (i.e., early fiscal year filers) received 60 percent of the credit that would have been allowed under prior tax law. Corporations with accounting periods beginning in 1995 (i.e., calendar and late fiscal year filers) received 55 percent of the credit. The resulting credit for active income was added to the full credit for passive income to derive the final possessions tax credit.

Corporations with large labor and depreciation expenses relative to profits generally elected the economic activity method. Under this method, the possessions tax credit for active income was limited to the lesser of the economic activity limit or the tentative credit based on pre-1994 rules. The economic activity limit generally consisted of a portion of the labor and depreciation expenses incurred for the year [7,8]. In many cases, corporations electing the economic activity limitation saw little or no reduction in their possessions tax credits.

Figure B provides selected information for possessions corporations by credit method. For 1995, 264, or 74.8 percent, of the 353 corporations that claimed the possessions tax credit used the economic activity limitation method. These corporations, however, accounted for only 30.2 percent of possessions tax credits and 22.9 percent of taxable income. Conversely, corporations electing the percentage limitation method represented only 23.5 percent of

The reduction in U.S. tax liability for all possessions corporations was \$2.3 billion for 1995.

# U.S. Possessions Corporations, 1995

Figure B

## Selected Information for Credit Claimants by Credit Method, Tax Year 1995

[Money amounts are in thousands of dollars]

Item	Total	Credit method		
		Economic activity	Percentage limitation	Unknown or not applicable <sup>1</sup>
	(1)	(2)	(3)	(4)
<b>Number of claimants.....</b>	<b>353</b>	<b>264</b>	<b>83</b>	<b>6</b>
Total assets.....	52,428,225	15,687,060	30,171,370	6,569,795
Total receipts.....	38,440,654	15,008,489	22,130,250	1,301,915
Income tax subject to tax.....	13,001,385	2,974,028	10,020,860	6,497
U.S. possessions tax credit.....	3,082,222	931,799	2,148,205	2,219
<b>Total U.S. income tax after credits.....</b>	<b>1,462,831</b>	<b>107,509</b>	<b>1,355,240</b>	<b>82</b>

<sup>1</sup> Credit method either was unknown because the taxpayer did not specify a method or did not apply because all income was qualified investment income (i.e., the credit limitations apply only to active income).

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

credit claimants while reporting 69.7 percent of the credits and 77.1 percent of taxable income. Corporations electing the economic activity limitation method claimed possessions tax credits of \$931.8 million, only an 8-percent decline from the \$1,012.0 million of credits that would have been claimed under the pre-1994 rules. For 1995, 86.0 percent of corporations that claimed credits using this method reported no reduction in tax benefits as a result of the newly enacted limitations. The 1993 tax law changes more severely impacted corporations electing the percentage limitation method. These corporations claimed \$2,148.2 million of credits, 39 percent less than the \$3,519.2 million they would have claimed under pre-1994 rules. Percentage limitation corporations received a small amount of relief for the reduction in credits in the form of \$226.5 million in possessions taxes that were deductible for 1995.

Figure C shows the industrial composition of corporations electing each credit method. For 1995, manufacturers comprised 79.2 percent of the credit claimants electing the economic activity limitation method and accounted for 85.3 percent of the credits claimed under this method. Electrical and electronic equipment manufacturers and apparel and other textile product manufacturers constituted 18.9 percent and 14.6 percent of these manufacturers, respectively. Manufacturers of electrical and electronic equipment claimed \$219.4 million, or 27.6 percent, of the \$795.2 million of possessions tax credits reported by manufacturers using the economic activity limitation. For 1995, 77 of the 83 credit claimants

using the percentage limitation were manufacturers. Manufacturers reported 99.7 percent of the credits for percentage limitation claimants. Makers of drugs and instruments and related products represented 46.8 percent and 22.1 percent of these manufacturers, respectively. Drug manufacturers claimed \$1,533.7 million, or 71.4 percent, of the credits claimed under the percentage limitation method.

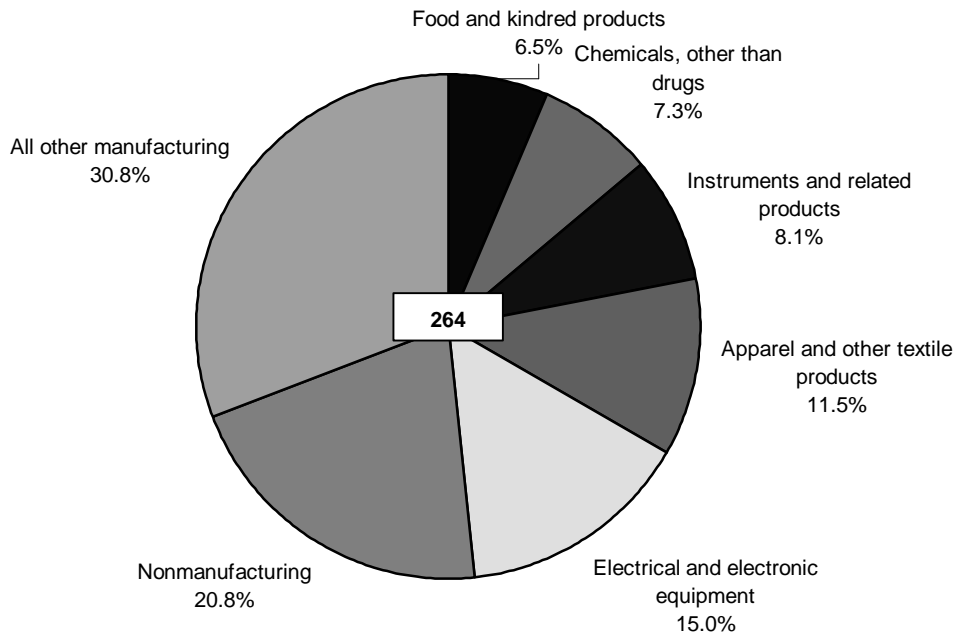
### Employment Data

A primary goal of the possessions tax credit is to provide tax incentives for U.S. corporations to create employment opportunities in U.S. possessions. The primary beneficiaries of the possessions tax credit provisions are manufacturers in Puerto Rico. Table 3 assesses the direct employment impact of Puerto Rican manufacturing corporations due to the possessions tax credit provisions. Table 3 also compares the estimated tax benefits per employee with the estimated compensation per employee for Puerto Rican manufacturers. Data from Form 940, *Federal Unemployment Tax Return*, are used in conjunction with data from each corporation's tax return to perform these assessments. Form 940 data are used to estimate the number of employees (or full-time equivalents) and the total compensation for all employees for each Puerto Rican manufacturer. The total taxable wages (Form 940, line 5) divided by \$7,000 (the base amount) provides the estimated number of employees (or full-time equivalents). The total payments (Form 940, line 1) multiplied by the employee compensation factor of 1.23762 provide

Figure C-1

**Number of Credit Claimants and Amount of Possessions Tax Credits, by Credit Method and Industry Group, Tax Year 1995<sup>1,2</sup>**

**Number of credit claimants electing the economic activity method**



**Possessions tax credits claimed under the economic activity method**

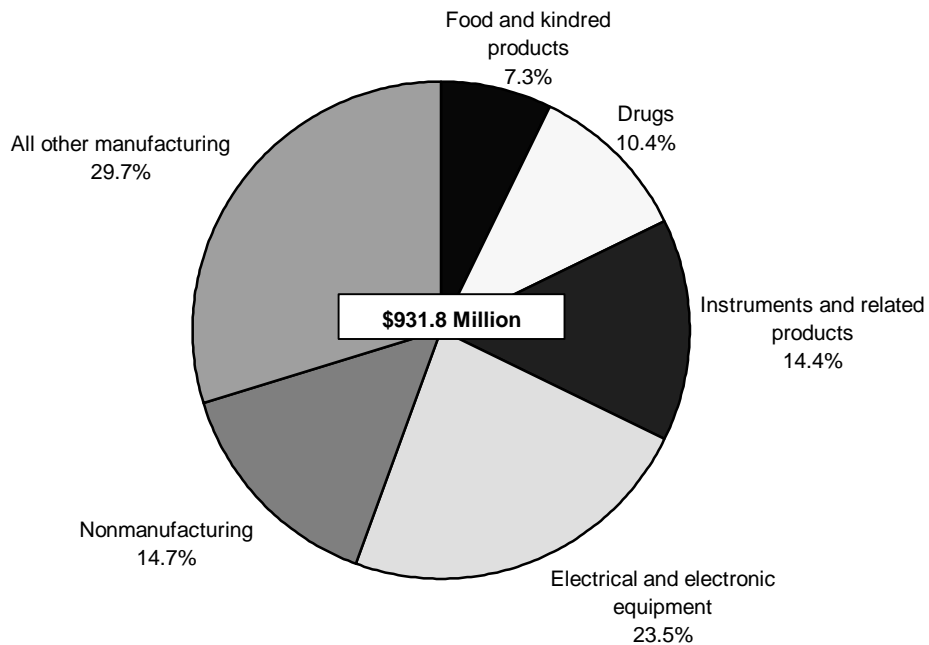
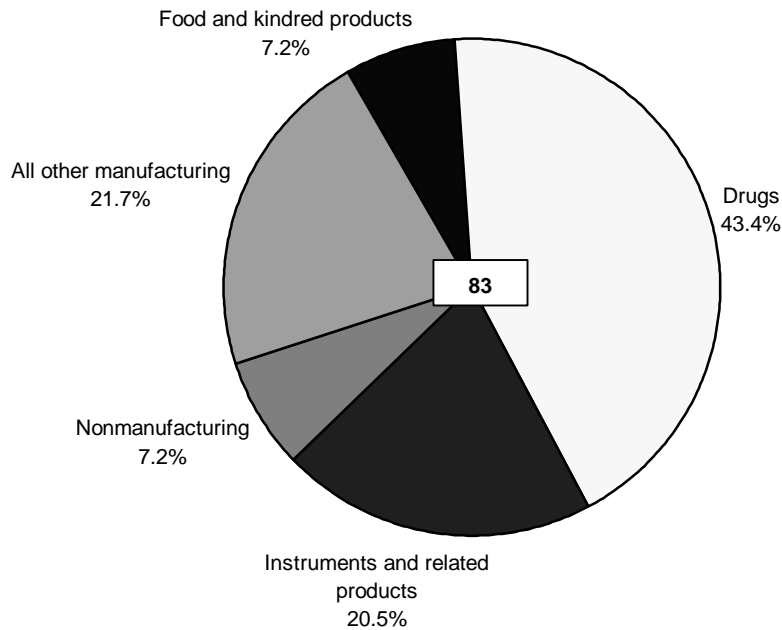


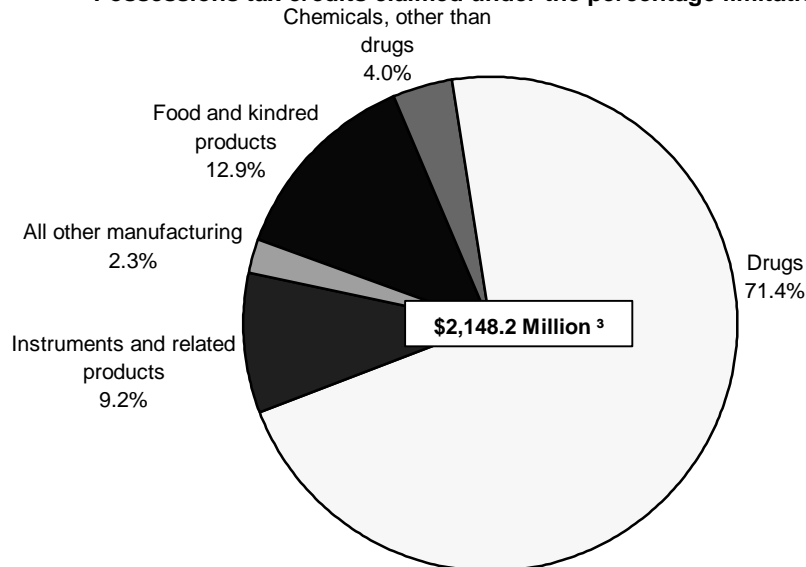
Figure C-2

**Number of Credit Claimants and Amount of Possessions Tax Credits, by Credit Method and Industry Group, Tax Year 1995<sup>1,2</sup>--Continued**

**Number of credit claimants electing the percentage limitation method**



**Possessions tax credits claimed under the percentage limitation method**



<sup>1</sup> Detail may not add to 100 percent because of rounding.

<sup>2</sup> The most significant industries are presented for each pie chart. Therefore, industry coverage between the charts is slightly different. For example, an insignificant number of drug manufacturers elected the economic activity method. However, these manufacturers reported significant possessions tax credits. The converse is true for manufacturers of apparel and textile products and chemical products (other than drugs).

<sup>3</sup> Includes \$6.0 million for nonmanufacturers (less than 0.5 percent of the total).

## U.S. Possessions Corporations, 1995

the estimated total compensation [9]. The employee compensation factor estimates the total compensation of employees, including benefits not reported on Form 940.

Form 940 data were collected for 269 of the 315 manufacturers operating in Puerto Rico. Columns 1-3 of Table 3 present data for these 269 possessions corporations. Columns 4-9 present estimated data for all 315 active manufacturers in Puerto Rico. Weights based on the relative cost of goods sold within each industrial grouping were used to estimate the number of workers and total compensation for all active Puerto Rican manufacturers. Assets were used to weight the data for corporations not reporting cost of goods sold. Benefits per worker were computed by dividing the estimated reduction in U.S. tax liability by the estimated number of workers for each industrial grouping.

For 1995, estimated average tax benefits per worker declined 45.4 percent from 1993 to \$18,736. At the same time, estimated compensation per worker increased slightly to \$23,835. The ratio of benefits per worker to compensation per worker fell to 78.6 percent, significantly below the 150.3-percent ratio computed for 1993. The legislative credit limitations enacted in the Omnibus Budget Reconciliation Act of 1993 effected this decline. Manufacturers of scientific instruments and drugs realized the largest estimated benefits per worker at \$58,946 and \$56,040, respectively. These were the only industrial groups whose average benefits per worker exceeded the average compensation per worker. Nonetheless, both industries were adversely affected by the 1993 tax law changes. The ratio of benefits per worker to compensation per worker for manufacturers of scientific instruments declined to 164.5 percent from the 277.0 percent calculated for 1993. Similarly, this ratio for drug manufacturers decreased to 142.2 percent from 230.0 percent for 1993.

### Explanation of Selected Terms

*Distributions to Stockholders.*—Distributions to stockholders represent cash and property (other than company stock) distributions to stockholders during the current year.

*Gross Compensation.*—The gross compensation amounts in Table 3 include total compensation reported on Form 940, *Federal Unemployment (FUTA) Tax Return*, and non-payroll fringe benefits imputed

using an employee compensation factor.

*Tollgate taxes.*—Tollgate taxes are taxes imposed by the Government of Puerto Rico on out-bound distributions from possessions source income.

*Employee Compensation Ratio.*—This ratio is used to estimate the total compensation paid to employees, including benefits not reported on Form 940. In addition to wages, salaries, and benefits reported on Form 940, the employee compensation factor accounts for legally-required benefits such as worker's compensation, State and Federal unemployment insurance, and Social Security. Other benefits not generally reported on Form 940 include severance pay, supplemental unemployment benefits, certain insurance payments (e.g., health, life, etc.), and certain retirement and savings benefits.

*Federal Unemployment Tax Return (FUTA) Base Amount.*—The base amount for FUTA tax is generally the first \$7,000 of taxable wages paid to each employee. Wages paid in excess of \$7,000 and certain types of exempt payments are not subject to FUTA tax.

### Data Sources and Limitations

The statistics in this article pertain to all U.S. possessions corporations with accounting periods ending between July 1995 and June 1996. Because these statistics are based on a population study, there is no sampling error. Data were collected from Form 1120, *U.S. Corporation Income Tax Return*, and Form 5735, *Possessions Corporation Tax Credit (Under Sections 936 and 30A)*. The number and effect of missing returns are believed to be negligible. Forms 940, *Employer's Annual Federal Unemployment (FUTA) Tax Return*, were edited for 353 corporations. However, only Form 940 data for active Puerto Rican manufacturers were included in this article. Data for 269 Puerto Rican manufacturers were available. Weights based on cost of goods sold were used to estimate the Form 940 data for the 46 Puerto Rican manufacturers whose Form 940 data could not be obtained. Data were also collected from Form 5712, *Election to be Treated as a Possessions Corporation under Section 936*, although these statistics were not used for this article. Due to processing differences, slight variations exist between the data in this article and the more limited statistics published in *Statistics of Income—1995, Corporation Income Tax Returns*.

## U.S. Possessions Corporations, 1995

### Notes and References

- [1] Throughout this article, statistics relating to specific possessions (e.g., Puerto Rico) refer to unpublished data. Except for Table 3, the tables associated with this article contain data for all possessions. However, the large majority of activity occurs in Puerto Rico.
- [2] For a brief legislative history of the possessions tax credit, see Nutter, Sarah E., "U.S. Possessions Corporations, 1993," *Statistics of Income Bulletin*, Fall 1997, Volume 17, Number 2.
- [3] Subject to numerous limitations, the foreign tax credit is available only for actual taxes paid or accrued, or deemed paid. For more information on the foreign tax credit, see Nutter, Sarah E., "Corporate Foreign Tax Credit, 1994," *Statistics of Income Bulletin*, Fall 1998, Volume 18, Number 2.
- [4] For 1995, the Government of Puerto Rico collected approximately \$726.4 million in income taxes from U.S. possessions corporations. The maximum corporate income tax rate imposed by Puerto Rico is 39 percent. However, very few possessions corporations are taxed at such high rates because the Government of Puerto Rico has enacted industrial incentive initiatives that exempt most or all of the income of possessions corporations from Puerto Rican income taxation.
- [5] For Tax Years 1994 and beyond, possessions corporations are allowed to deduct the portion of actual income taxes paid to U.S. possessions that relates to possessions income not sheltered by the possessions tax credit. For example, a Calendar Year 1995 taxpayer with no passive income that elected the percentage limitation method would deduct 45 percent of the income taxes paid to a possession on Form 1120, *U.S. Corporation Income Tax Return*. This is because the possessions tax credit shelters from U.S. taxation 55 percent of the active possessions source income for Calendar Year 1995 taxpayers electing this method. The benefit of this tax deduction is included in the calculation for the reduction in U.S. tax liability because possessions taxes would not be deducted if the possessions tax credit were not claimed. Possessions taxes would likely be credited under the foreign tax credit regime.
- [6] The Small Business Job Protection Act of 1996 eliminated the credit for qualified passive income earned after June 30, 1996. This provision, however, does not apply to Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.
- [7] The labor component of the economic activity limit generally consists of 60 percent of the corporation's qualified wages and employee fringe benefits for the tax year, subject to certain limitations (see Internal Revenue Code sections 936(i)(1) and 936(i)(2) for more detailed information). The amount of depreciation expense taken into account when computing the economic activity limit depends on the useful life of each asset. Taxpayers compute 15 percent of the depreciation deduction for short-life property, 40 percent for medium-life property, and 65 percent for long-life property. Short-life property refers to property with a useful life of 3 to 5 years. Medium-life property is 7-year or 10-year property. Long-life property generally refers to property that is neither short-life nor medium-life.
- [8] In general, corporations are allowed a deduction for possessions income taxes allocable to non-sheltered possessions income. However, credit claimants electing the economic activity method that do not use the profit-split method of income determination may include these taxes in their economic activity limit. This inclusion effectively allows such taxes to be credited rather than deducted, thereby reducing U.S. tax liability dollar for dollar.
- [9] The employee compensation factor was computed from the Bureau of Labor Statistics survey of fringe benefits published in *Compensation and Working Conditions*, August 1995.



# U.S. Possessions Corporations, 1995

**Table 1.--All Returns of Active U.S. Possessions Corporations: Balance Sheets, by Selected Industry Group**

[Money amounts are in thousands of dollars]

Item	All industries	Agriculture, forestry, and fishing	Construction	Manufacturing			
				Total	Food and kindred products	Textile mill products	Apparel and other textile products
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of returns.....</b>	<b>440</b>	<b>3</b>	<b>4</b>	<b>333</b>	<b>24</b>	<b>6</b>	<b>40</b>
<b>Total assets.....</b>	<b>53,919,471</b>	<b>26,737</b>	<b>11,864</b>	<b>42,341,788</b>	<b>5,450,113</b>	<b>177,283</b>	<b>580,334</b>
Cash.....	6,143,770	2,144	2,200	5,698,845	178,225	3,489	14,367
Notes and accounts receivable.....	12,704,889	6,171	6,062	10,605,655	2,350,101	89,513	159,427
Less: allowance for bad debts.....	133,464	112	--	24,154	9,709	31	268
Ending inventories.....	3,409,659	1,834	115	3,146,685	236,998	30,243	98,300
Investment in Government obligations.....	628,026	--	--	512,490	--	--	461
Tax-exempt securities.....	2,278,580	--	--	1,902,222	--	--	3,905
Other current assets.....	1,688,458	1,868	2,953	1,390,246	29,611	408	27,293
Loans to stockholders.....	620,927	--	--	603,929	--	--	12,145
Mortgage and real estate loans.....	1,147,387	--	--	444	--	--	444
Other investments.....	14,290,077	492	--	10,465,630	2,083,602	200	172,829
Depreciable assets.....	12,743,077	6,872	2,692	9,109,980	803,993	91,386	101,663
Less: accumulated depreciation.....	5,046,931	1,324	2,351	3,630,801	367,961	39,706	46,223
Depletable assets.....	11,458	--	--	5,390	5,390	--	--
Less: accumulated depletion.....	4,593	--	--	2,827	2,827	--	--
Land.....	224,481	8,482	--	146,217	19,959	85	695
Intangible assets (amortizable).....	726,270	--	190	654,073	86,181	--	29,926
Less: accumulated amortization.....	170,443	--	--	153,083	17,018	--	261
Other assets.....	2,657,840	308	--	1,910,843	53,564	1,694	5,627
<b>Total liabilities and stockholders' equity.....</b>	<b>53,919,471</b>	<b>26,737</b>	<b>11,864</b>	<b>42,341,788</b>	<b>5,450,113</b>	<b>177,283</b>	<b>580,334</b>
Accounts payable.....	4,042,037	9,485	3,119	3,591,715	504,089	30,079	42,029
Mortgages, notes, and bonds payable							
in less than one year.....	652,154	3,589	2,589	231,659	23,231	215	12,860
Other current liabilities.....	2,183,373	258	2,575	818,502	69,727	12,143	-6,356
Loans from stockholders.....	111,494	--	--	6,959	--	--	2,275
Mortgages, notes, and bonds payable							
in one year or more.....	2,608,133	354	--	821,541	226,934	845	7,993
Other liabilities.....	2,306,571	697	--	57,852	27,226	15,131	3,486
Preferred stock.....	170,391	--	--	91,234	2	200	1,464
Common stock.....	2,074,829	2	211	1,974,881	2,710	64	1,712
Paid-in or capital surplus.....	5,968,199	140	9	2,476,263	423,484	1,603	92,194
Retained earnings, appropriated.....	9,623	--	--	7,844	5,053	--	--
Retained earnings, unappropriated.....	33,858,600	12,207	3,357	32,326,329	4,167,655	116,999	433,607
Less: cost of treasury stock.....	65,938	--	--	62,997	--	--	10,934

Footnotes at end of table.

# U.S. Possessions Corporations, 1995

**Table 1.--All Returns of Active U.S. Possessions Corporations: Balance Sheets, by Selected Industry Group--Continued**

[Money amounts are in thousands of dollars]

Item	Manufacturing--continued						
	Paper and allied products	Printing and publishing	Chemicals and allied products		Petroleum (including integrated) and coal products	Rubber and miscellaneous plastics products	Leather and leather products
			Total	Drugs			
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>Number of returns.....</b>	<b>9</b>	<b>10</b>	<b>74</b>	<b>49</b>	<b>3</b>	<b>15</b>	<b>11</b>
<b>Total assets.....</b>	<b>125,278</b>	<b>30,577</b>	<b>22,838,956</b>	<b>20,764,938</b>	<b>609,464</b>	<b>290,604</b>	<b>269,699</b>
Cash.....	17,246	7,881	2,976,248	2,635,435	4,003	17,370	30,273
Notes and accounts receivable.....	47,508	3,435	5,085,930	4,717,818	198,783	61,940	120,826
Less: allowance for bad debts.....	183	173	6,829	5,377	625	262	10
Ending inventories.....	16,024	2,953	1,360,883	1,096,835	106,386	21,740	66,238
Investment in Government obligations.....	--	--	150,673	147,572	--	1,594	--
Tax-exempt securities.....	--	1,500	1,783,758	1,783,758	--	--	--
Other current assets.....	501	71	889,723	863,829	704	11,518	1,266
Loans to stockholders.....	--	344	499,518	12,500	--	--	--
Mortgage and real estate loans.....	--	--	--	--	--	--	--
Other investments.....	634	--	5,089,636	4,904,922	--	57,722	26,417
Depreciable assets.....	48,393	17,718	5,079,394	4,421,793	583,034	171,516	45,390
Less: accumulated depreciation.....	15,641	7,113	1,784,517	1,468,145	307,214	73,046	21,761
Depletable assets.....	--	--	--	--	--	--	--
Less: accumulated depletion.....	--	--	--	--	--	--	--
Land.....	2,673	285	64,209	59,582	11,113	3,302	705
Intangible assets (amortizable).....	1,613	2,158	100,519	63,212	--	17,411	--
Less: accumulated amortization.....	552	211	49,406	38,276	--	950	--
Other assets.....	7,059	1,726	1,599,213	1,569,477	13,279	746	352
<b>Total liabilities and stockholders' equity.....</b>	<b>125,278</b>	<b>30,577</b>	<b>22,838,956</b>	<b>20,764,938</b>	<b>609,464</b>	<b>290,604</b>	<b>269,699</b>
Accounts payable.....	10,100	3,934	1,564,790	1,364,064	178,907	16,336	29,046
Mortgages, notes, and bonds payable							
in less than one year.....	10,787	1,638	70,167	66,210	22,333	13,992	--
Other current liabilities.....	2,840	2,689	453,344	415,358	6,872	16,284	6,042
Loans from stockholders.....	--	--	--	--	--	81	--
Mortgages, notes, and bonds payable							
in one year or more.....	9,891	4,425	477,098	463,138	3,029	22,863	3,659
Other liabilities.....	--	653	-76,081	-94,242	-1,225	389	368
Preferred stock.....	--	2	136	1	20,000	28	--
Common stock.....	490	93	1,768,674	1,721,335	4,846	1,222	5,306
Paid-in or capital surplus.....	40,372	4,291	828,072	683,461	133,245	102,832	15,946
Retained earnings, appropriated.....	--	--	1,925	1,925	--	--	--
Retained earnings, unappropriated.....	51,024	12,848	17,750,840	16,143,685	241,455	119,999	256,431
Less: cost of treasury stock.....	228	--	12	--	--	3,429	47,101

Footnotes at end of table.

# U.S. Possessions Corporations, 1995

**Table 1.--All Returns of Active U.S. Possessions Corporations: Balance Sheets, by Selected Industry Group--Continued**

[Money amounts are in thousands of dollars]

Item	Manufacturing--continued					Transportation and public utilities	Wholesale and retail trade
	Fabricated metal products	Machinery, except electrical	Electrical and electronic equipment	Instruments and related products	Miscellaneous manufacturing and manufacturing not allocable		Total
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
<b>Number of returns.....</b>	<b>14</b>	<b>12</b>	<b>50</b>	<b>40</b>	<b>14</b>	<b>5</b>	<b>35</b>
<b>Total assets.....</b>	<b>126,927</b>	<b>877,572</b>	<b>3,882,465</b>	<b>6,280,758</b>	<b>229,310</b>	<b>2,374,175</b>	<b>1,227,331</b>
Cash.....	10,031	43,932	352,500	2,016,231	15,407	41,260	26,049
Notes and accounts receivable.....	26,624	181,979	742,777	1,297,058	86,233	369,148	408,656
Less: allowance for bad debts.....	540	1,279	2,359	200	71	43,430	15,052
Ending inventories.....	22,179	203,316	401,430	481,799	32,454	62,029	167,568
Investment in Government obligations.....	--	923	283,249	75,487	--	--	--
Tax-exempt securities.....	--	--	1,365	111,692	--	--	--
Other current assets.....	2,267	47,248	192,156	163,914	1,792	26,771	22,718
Loans to stockholders.....	--	--	91,920	--	--	--	13,676
Mortgage and real estate loans.....	--	--	--	--	--	--	--
Other investments.....	25,121	224,049	1,135,788	1,457,451	32,220	4,067	43,766
Depreciable assets.....	94,633	243,068	700,130	815,620	116,966	3,037,156	398,181
Less: accumulated depreciation.....	57,478	103,561	324,389	328,550	65,723	1,190,839	141,099
Depletable assets.....	--	--	--	--	--	--	--
Less: accumulated depletion.....	--	--	--	--	--	--	--
Land.....	3,846	7,494	8,705	13,983	1,060	27,199	20,046
Intangible assets (amortizable).....	72	--	230,998	164,339	343	4,693	40,980
Less: accumulated amortization.....	11	--	21,613	60,883	95	--	9,298
Other assets.....	180	30,401	89,803	72,817	8,720	36,118	251,136
<b>Total liabilities and stockholders' equity.....</b>	<b>126,927</b>	<b>877,572</b>	<b>3,882,465</b>	<b>6,280,758</b>	<b>229,310</b>	<b>2,374,175</b>	<b>1,227,331</b>
Accounts payable.....	10,810	54,768	305,905	766,352	23,656	191,734	119,914
Mortgages, notes, and bonds payable							
in less than one year.....	3,895	1	17,606	10,184	88	2,124	133,821
Other current liabilities.....	11,880	27,107	113,335	80,987	8,261	49,619	76,621
Loans from stockholders.....	206	--	96	4,155	--	--	399
Mortgages, notes, and bonds payable							
in one year or more.....	3,945	38	2,187	37,497	7,131	138,134	333,022
Other liabilities.....	-393	34,976	9,328	28,488	1,043	115,914	167,068
Preferred stock.....	--	18	2,780	40,001	1,534	--	--
Common stock.....	5,121	4,574	26,770	145,690	1,668	6	11,992
Paid-in or capital surplus.....	20,891	13,157	546,544	127,039	60,189	1,916,357	139,075
Retained earnings, appropriated.....	--	--	--	--	864	--	--
Retained earnings, unappropriated.....	70,571	742,930	2,857,951	5,040,362	126,121	-39,716	245,776
Less: cost of treasury stock.....	--	--	41	--	1,250	--	358

Footnotes at end of table.

# U.S. Possessions Corporations, 1995

**Table 1.--All Returns of Active U.S. Possessions Corporations: Balance Sheets, by Selected Industry Group--Continued**

[Money amounts are in thousands of dollars]

Item	Wholesale and retail trade --continued		Finance, insurance, and real estate				Services
	Wholesale trade	Retail trade	Total	Credit agencies other than banks	Holding and investment companies except bank holding companies	Other finance, insurance, and real estate	
	(22)	(23)	(24)	(25)	(26)	(27)	
<b>Number of returns.....</b>	<b>20</b>	<b>15</b>	<b>22</b>	<b>9</b>	<b>4</b>	<b>9</b>	<b>38</b>
<b>Total assets.....</b>	<b>160,057</b>	<b>1,067,273</b>	<b>7,522,238</b>	<b>727,352</b>	<b>218,839</b>	<b>6,576,046</b>	<b>415,337</b>
Cash.....	12,845	13,204	320,887	20,233	1	300,652	52,381
Notes and accounts receivable.....	72,321	336,335	1,187,028	413,498	--	773,529	122,166
Less: allowance for bad debts.....	3,801	11,250	41,854	10,535	--	31,318	8,859
Ending inventories.....	24,718	142,849	--	--	--	--	31,425
Investment in Government obligations.....	--	--	115,536	5,693	--	109,843	--
Tax-exempt securities.....	--	--	376,357	--	--	376,357	--
Other current assets.....	7,900	14,818	203,685	3,913	--	199,772	40,214
Loans to stockholders.....	12,545	1,131	1,400	--	--	1,400	1,921
Mortgage and real estate loans.....	--	--	1,136,563	174,469	--	962,093	10,379
Other investments.....	194	43,571	3,730,876	109,010	216,146	3,405,719	45,244
Depreciable assets.....	40,867	357,313	55,728	6,563	--	49,165	132,466
Less: accumulated depreciation.....	20,429	120,670	16,280	3,075	--	13,205	64,233
Depletable assets.....	--	--	--	--	--	--	6,067
Less: accumulated depletion.....	--	--	--	--	--	--	1,766
Land.....	840	19,205	12,381	264	--	12,117	10,153
Intangible assets (amortizable).....	152	40,827	11,634	--	--	11,634	14,697
Less: accumulated amortization.....	39	9,258	1,818	--	--	1,818	6,243
Other assets.....	11,941	239,195	430,112	7,317	2,692	420,102	29,320
<b>Total liabilities and stockholders' equity.....</b>	<b>160,057</b>	<b>1,067,273</b>	<b>7,522,238</b>	<b>727,352</b>	<b>218,839</b>	<b>6,576,046</b>	<b>415,337</b>
Accounts payable.....	45,384	74,529	82,020	13,791	--	68,228	44,047
Mortgages, notes, and bonds payable							
in less than one year.....	14,122	119,698	264,828	257,980	--	6,847	13,541
Other current liabilities.....	9,008	67,612	1,205,018	193,593	302	1,011,123	30,776
Loans from stockholders.....	399	--	77,399	--	--	77,399	26,735
Mortgages, notes, and bonds payable							
in one year or more.....	33,515	299,506	1,259,458	161,948	--	1,097,509	55,622
Other liabilities.....	2,181	164,886	1,941,984	10,388	--	1,931,596	23,054
Preferred stock.....	--	--	75,055	--	250	74,805	4,102
Common stock.....	1,721	10,271	87,285	14,848	1	72,435	450
Paid-in or capital surplus.....	29,481	109,594	1,398,964	17,280	196,026	1,185,657	37,387
Retained earnings, appropriated.....	--	--	1,779	170	--	1,608	--
Retained earnings, unappropriated.....	24,602	221,173	1,130,325	57,349	22,258	1,050,717	180,321
Less: cost of treasury stock.....	358	--	1,881	--	--	1,881	700

NOTES: Industries have been omitted because of disclosure. Detail may not add to totals because of rounding.

# U.S. Possessions Corporations, 1995

**Table 2.--All Returns of Active U.S. Possessions Corporations: Income Statements, Tax, and Distributions to Stockholders, by Selected Industry Group**

[Money amounts are in thousands of dollars]

Item	All industries	Agriculture, forestry, and fishing	Construction	Manufacturing			
				Total	Food and kindred products	Textile mill products	Apparel and other textile products
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of returns.....</b>	<b>440</b>	<b>3</b>	<b>4</b>	<b>333</b>	<b>24</b>	<b>6</b>	<b>40</b>
<b>Total receipts.....</b>	<b>40,402,744</b>	<b>14,860</b>	<b>14,812</b>	<b>35,432,627</b>	<b>4,201,146</b>	<b>436,387</b>	<b>718,562</b>
Business receipts.....	37,908,258	14,530	14,610	33,600,702	3,646,512	432,959	711,867
Interest, except state and local Government obligations.....	1,383,407	260	183	1,064,642	133,242	938	2,881
Interest on state and local Government obligations.....	38,989	--	--	38,989	--	121	2,029
Rents.....	26,894	4	--	6,124	1,156	--	39
Royalties.....	2,537	--	--	2,521	40	--	--
Net short-term capital gain.....	4,594	--	--	69	--	--	--
Net long-term capital gain.....	70,694	--	--	60,166	50,939	--	59
Net gain, noncapital assets.....	97,467	--	4	96,639	7	747	16
Dividends other than constructive distributions.....	220,497	--	--	188,060	25	--	65
Other receipts.....	651,449	65	13	376,757	369,220	1,620	1,602
<b>Total deductions.....</b>	<b>27,218,987</b>	<b>13,269</b>	<b>14,231</b>	<b>22,656,462</b>	<b>2,639,196</b>	<b>254,719</b>	<b>579,508</b>
Cost of goods sold.....	15,989,544	9,292	11,384	13,913,681	1,750,081	235,948	550,619
Compensation of officers.....	18,115	357	109	14,062	2,341	209	508
Salaries and wages.....	1,036,882	802	432	317,924	84,459	312	4,637
Repairs.....	194,171	116	1	38,508	10,798	--	180
Bad debts.....	60,668	9	78	6,191	1,021	24	1,190
Rents paid.....	107,497	297	56	34,717	9,917	1,342	584
Taxes paid.....	422,637	184	262	338,631	35,194	5,089	2,359
Interest paid.....	262,792	405	119	72,164	19,018	938	1,258
Contributions.....	3,663	--	--	2,982	587	47	72
Amortization.....	65,223	--	--	48,183	5,018	--	108
Depreciation.....	383,817	295	35	115,784	18,858	5,653	2,220
Depletion.....	830	--	--	830	--	--	--
Advertising.....	130,926	3	29	60,729	39,439	2,383	55
Pension, profit-sharing, stock bonus, and annuity plans.....	59,836	--	--	28,747	1,815	532	569
Employee benefit programs.....	151,922	3	195	48,684	9,804	16	1,882
Net loss, noncapital assets.....	-38,527	--	--	-32,788	-851	-1	-135
Other deductions.....	8,359,201	1,501	1,527	7,632,081	655,005	2,220	13,234
<b>Total receipts less total deductions.....</b>	<b>13,183,756</b>	<b>1,591</b>	<b>580</b>	<b>12,776,164</b>	<b>1,561,950</b>	<b>181,668</b>	<b>139,054</b>
Net income (less deficit).....	13,144,766	1,591	580	12,737,175	1,561,950	181,546	137,025
Net income.....	13,221,290	1,739	666	12,779,927	1,562,579	181,618	139,533
Deficit.....	-76,524	-147	-86	-42,752	-629	-71	-2,508
Income subject to tax.....	13,003,318	311	--	12,574,573	1,562,579	181,618	139,488
<b>U.S. income tax before credits:</b>							
<b>Total.....</b>	<b>4,553,398</b>	<b>104</b>	<b>--</b>	<b>4,401,347</b>	<b>546,998</b>	<b>63,486</b>	<b>48,547</b>
Regular tax.....	4,550,434	104	--	4,398,466	546,934	63,485	48,502
U.S. possessions tax credit.....	3,082,222	104	--	2,938,847	345,178	39,625	48,218
Foreign tax credit.....	550	--	--	494	21	--	29
General business credit.....	71	--	--	--	--	--	--
Other credits.....	4,688	--	--	4,654	--	--	7
<b>Total U.S. income tax after credits.....</b>	<b>1,465,866</b>	<b>--</b>	<b>--</b>	<b>1,457,350</b>	<b>201,798</b>	<b>23,861</b>	<b>291</b>
<b>Reduction in U.S. tax liability.....</b>	<b>2,253,011</b>	<b>87</b>	<b>--</b>	<b>2,139,522</b>	<b>243,822</b>	<b>25,801</b>	<b>38,881</b>
<b>Distributions to stockholders.....</b>	<b>8,512,102</b>	<b>--</b>	<b>--</b>	<b>7,815,647</b>	<b>923,946</b>	<b>158,550</b>	<b>67,914</b>

Footnotes at end of table.

# U.S. Possessions Corporations, 1995

**Table 2.--All Returns of Active U.S. Possessions Corporations: Income Statements, Tax, and Distributions to Stockholders, by Selected Industry Group--Continued**

[Money amounts are in thousands of dollars]

Item	Manufacturing--continued						
	Paper and allied products	Printing and publishing	Chemicals and allied products		Petroleum (including integrated) and coal products	Rubber and miscellaneous plastics products	Leather and leather products
			Total	Drugs			
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>Number of returns.....</b>	<b>9</b>	<b>10</b>	<b>74</b>	<b>49</b>	<b>3</b>	<b>15</b>	<b>11</b>
<b>Total receipts.....</b>	<b>119,065</b>	<b>36,844</b>	<b>17,780,104</b>	<b>16,008,620</b>	<b>882,960</b>	<b>192,714</b>	<b>348,726</b>
Business receipts.....	117,806	35,955	16,841,205	15,159,816	869,677	190,512	343,854
Interest, except state and local Government obligations.....	1,009	417	591,688	508,692	8,131	1,968	2,798
Interest on state and local Government obligations.....	--	--	18,736	17,647	--	87	--
Rents.....	96	--	252	163	2,422	--	16
Royalties.....	--	--	2,480	2,480	--	--	--
Net short-term capital gain.....	--	--	69	69	--	--	--
Net long-term capital gain.....	18	--	3,171	355	--	--	50
Net gain, noncapital assets.....	--	5	94,261	91,820	270	83	1,136
Dividends other than constructive distributions.....	--	--	159,006	157,731	--	--	--
Other receipts.....	134	466	71,280	69,844	2,458	61	869
<b>Total deductions.....</b>	<b>106,075</b>	<b>29,049</b>	<b>9,646,558</b>	<b>8,444,189</b>	<b>869,297</b>	<b>164,255</b>	<b>318,801</b>
Cost of goods sold.....	95,556	20,282	3,708,205	2,851,416	800,706	136,987	290,108
Compensation of officers.....	85	--	5,619	4,243	--	228	179
Salaries and wages.....	2,486	2,033	88,633	72,959	7,013	5,995	3,028
Repairs.....	60	40	15,312	13,639	2,526	827	507
Bad debts.....	174	9	2,484	2,351	345	174	--
Rents paid.....	176	224	5,353	4,286	2,341	539	534
Taxes paid.....	486	232	215,703	205,844	4,057	1,716	1,677
Interest paid.....	706	555	28,476	26,295	3,032	2,455	215
Contributions.....	8	2	1,411	1,388	--	14	66
Amortization.....	195	84	15,298	13,764	--	1,803	--
Depreciation.....	1,667	591	31,852	25,515	8,845	5,152	934
Depletion.....	--	--	--	--	--	--	--
Advertising.....	136	32	8,901	926	124	31	310
Pension, profit-sharing, stock bonus, and annuity plans.....	61	70	4,672	4,547	550	54	7
Employee benefit programs.....	210	269	14,179	12,030	835	772	1,011
Net loss, noncapital assets.....	--	-4	-25,366	-25,279	-10	-2	-5
Other deductions.....	4,257	4,700	5,492,432	5,193,464	38,905	9,302	20,214
<b>Total receipts less total deductions.....</b>	<b>12,990</b>	<b>7,795</b>	<b>8,133,546</b>	<b>7,564,431</b>	<b>13,663</b>	<b>28,459</b>	<b>29,925</b>
Net income (less deficit).....	12,990	7,795	8,114,809	7,546,784	13,663	28,371	29,925
Net income.....	13,076	7,795	8,117,559	7,549,472	26,706	28,371	29,943
Deficit.....	-86	--	-2,749	-2,687	-13,043	--	-17
Income subject to tax.....	12,785	7,795	7,943,731	7,376,920	26,706	27,570	29,943
<b>U.S. income tax before credits:</b>							
<b>Total.....</b>	<b>4,372</b>	<b>2,657</b>	<b>2,781,550</b>	<b>2,583,281</b>	<b>9,354</b>	<b>9,441</b>	<b>10,345</b>
Regular tax.....	4,372	2,657	2,779,992	2,581,787	9,345	9,441	10,345
U.S. possessions tax credit.....	4,166	2,654	1,752,789	1,630,812	6,654	9,278	9,639
Foreign tax credit.....	29	--	46	37	--	--	--
General business credit.....	--	--	--	--	--	--	--
Other credits.....	2	--	3,590	3,590	--	--	--
<b>Total U.S. income tax after credits.....</b>	<b>173</b>	<b>2</b>	<b>1,025,123</b>	<b>948,840</b>	<b>2,699</b>	<b>163</b>	<b>706</b>
<b>Reduction in U.S. tax liability.....</b>	<b>3,101</b>	<b>2,060</b>	<b>1,259,543</b>	<b>1,183,366</b>	<b>3,732</b>	<b>7,379</b>	<b>7,755</b>
<b>Distributions to stockholders.....</b>	<b>15,026</b>	<b>6,887</b>	<b>4,986,406</b>	<b>4,142,619</b>	<b>80,985</b>	<b>16,089</b>	<b>12,277</b>

Footnotes at end of table.

# U.S. Possessions Corporations, 1995

**Table 2.--All Returns of Active U.S. Possessions Corporations: Income Statements, Tax, and Distributions to Stockholders, by Selected Industry Group--Continued**

[Money amounts are in thousands of dollars]

Item	Manufacturing--continued					Transportation and public utilities	Wholesale and retail trade
	Fabricated metal products	Machinery, except electrical	Electrical and electronic equipment	Instruments and related products	Miscellaneous manufacturing and manufacturing not allocable		Total
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
<b>Number of returns.....</b>	<b>14</b>	<b>12</b>	<b>50</b>	<b>40</b>	<b>14</b>	<b>5</b>	<b>35</b>
<b>Total receipts.....</b>	<b>144,027</b>	<b>1,533,553</b>	<b>3,808,728</b>	<b>4,365,425</b>	<b>308,093</b>	<b>1,219,875</b>	<b>2,039,132</b>
Business receipts.....	142,453	1,504,933	3,709,263	4,216,439	304,443	1,150,419	1,943,773
Interest, except state and local Government obligations.....	1,510	28,106	80,964	194,846	2,174	5,493	748
Interest on state and local Government obligations.....	--	--	222	16,719	1,068	--	--
Rents.....	9	--	1,315	751	--	10,369	3,837
Royalties.....	--	--	--	--	--	--	--
Net short-term capital gain.....	--	--	--	--	--	--	--
Net long-term capital gain.....	--	--	11	884	--	--	3,331
Net gain, noncapital assets.....	--	--	5	102	--	--	378
Dividends other than constructive distributions.....	--	--	243	24,719	--	--	8
Other receipts.....	53	513	16,702	-89,036	405	53,593	87,055
<b>Total deductions.....</b>	<b>133,689</b>	<b>1,284,154</b>	<b>2,892,304</b>	<b>3,033,973</b>	<b>251,220</b>	<b>943,585</b>	<b>1,958,642</b>
Cost of goods sold.....	122,508	1,129,657	2,184,693	2,359,530	179,289	6,224	1,353,609
Compensation of officers.....	--	53	1,957	1,923	171	--	2,410
Salaries and wages.....	2,746	30,966	35,870	31,281	2,123	254,300	211,673
Repairs.....	18	1,684	3,237	2,486	12	136,381	13,833
Bad debts.....	61	40	156	208	5	31,211	4,984
Rents paid.....	166	1,507	7,384	2,839	73	17,354	36,302
Taxes paid.....	501	7,617	14,013	34,113	435	15,800	45,663
Interest paid.....	744	12	2,895	6,903	524	13,791	33,167
Contributions.....	6	66	195	228	19	--	231
Amortization.....	4	210	15,862	8,252	35	5,911	7,694
Depreciation.....	882	3,440	20,946	7,478	442	226,614	24,778
Depletion.....	--	--	--	--	--	--	--
Advertising.....	5	1	76	790	202	11,898	51,502
Pension, profit-sharing, stock bonus, and annuity plans.....	34	697	10,869	7,937	48	20,878	4,252
Employee benefit programs.....	164	4,165	7,872	5,793	386	65,869	20,737
Net loss, noncapital assets.....	-119	-2,149	-1,193	-2,386	-290	--	-1,978
Other deductions.....	5,729	102,095	600,941	570,070	67,195	143,260	153,515
<b>Total receipts less total deductions.....</b>	<b>10,338</b>	<b>249,398</b>	<b>916,423</b>	<b>1,331,452</b>	<b>56,872</b>	<b>276,290</b>	<b>80,490</b>
Net income (less deficit).....	10,338	249,398	916,201	1,314,733	55,803	276,290	80,490
Net income.....	11,259	253,084	924,882	1,315,247	57,083	278,466	87,374
Deficit.....	-921	-3,686	-8,681	-514	-1,280	-2,175	-6,884
Income subject to tax.....	11,172	253,084	923,309	1,290,528	57,073	274,412	86,872
<b>U.S. income tax before credits:</b>							
<b>Total.....</b>	<b>3,829</b>	<b>88,532</b>	<b>322,956</b>	<b>452,193</b>	<b>19,676</b>	<b>96,104</b>	<b>30,169</b>
Regular tax.....	3,829	88,529	322,555	451,410	19,676	96,023	30,169
U.S. possessions tax credit.....	3,623	77,631	256,275	331,270	19,160	95,856	28,026
Foreign tax credit.....	1	--	1	1	169	--	3
General business credit.....	--	--	--	--	--	--	--
Other credits.....	--	--	--	1,054	--	--	33
<b>Total U.S. income tax after credits.....</b>	<b>204</b>	<b>10,900</b>	<b>66,680</b>	<b>119,867</b>	<b>347</b>	<b>247</b>	<b>2,106</b>
<b>Reduction in U.S. tax liability.....</b>	<b>2,826</b>	<b>53,235</b>	<b>196,017</b>	<b>254,812</b>	<b>15,577</b>	<b>74,735</b>	<b>23,134</b>
<b>Distributions to stockholders.....</b>	<b>8,934</b>	<b>451,630</b>	<b>433,450</b>	<b>484,748</b>	<b>64,668</b>	<b>250,120</b>	<b>8,577</b>

Footnotes at end of table.

# U.S. Possessions Corporations, 1995

**Table 2.--All Returns of Active U.S. Possessions Corporations: Income Statements, Tax, and Distributions to Stockholders, by Selected Industry Group--Continued**

[Money amounts are in thousands of dollars]

Item	Wholesale and retail trade --continued		Finance, insurance, and real estate				Services
	Wholesale trade	Retail trade	Total	Credit agencies other than banks	Holding and investment companies except bank holding companies	Other finance, insurance, and real estate	
	(22)	(23)	(24)	(25)	(26)	(27)	(28)
<b>Number of returns.....</b>	<b>20</b>	<b>15</b>	<b>22</b>	<b>9</b>	<b>4</b>	<b>9</b>	<b>38</b>
<b>Total receipts.....</b>	<b>427,358</b>	<b>1,611,774</b>	<b>1,253,991</b>	<b>73,526</b>	<b>5,459</b>	<b>1,175,004</b>	<b>427,444</b>
Business receipts.....	423,095	1,520,677	855,464	7,121	--	848,343	328,758
Interest, except state and local Government obligations.....	255	493	304,857	46,159	--	258,698	7,220
Interest on state and local Government obligations.....	--	--	--	--	--	--	--
Rents.....	60	3,776	897	27	--	869	5,660
Royalties.....	--	--	15	--	--	15	--
Net short-term capital gain.....	--	--	4,525	--	--	4,525	--
Net long-term capital gain.....	3,331	--	5,909	--	--	5,909	1,287
Net gain, noncapital assets.....	378	--	180	--	--	180	265
Dividends other than constructive distributions.....	8	--	32,428	95	--	32,333	--
Other receipts.....	228	86,826	49,712	20,123	5,459	24,129	84,251
<b>Total deductions.....</b>	<b>416,744</b>	<b>1,541,897</b>	<b>1,246,545</b>	<b>52,546</b>	<b>92</b>	<b>1,193,906</b>	<b>386,251</b>
Cost of goods sold.....	327,191	1,026,418	514,536	--	--	514,536	180,816
Compensation of officers.....	640	1,770	1,099	985	--	113	76
Salaries and wages.....	28,100	183,572	169,250	8,818	29	160,401	82,498
Repairs.....	2,794	11,038	590	88	--	502	4,740
Bad debts.....	1,542	3,442	14,450	487	--	13,963	3,741
Rents paid.....	2,579	33,722	11,483	1,049	16	10,418	7,285
Taxes paid.....	4,997	40,665	17,957	829	--	17,128	4,137
Interest paid.....	1,732	31,435	135,773	27,800	--	107,973	7,370
Contributions.....	40	190	407	20	9	377	40
Amortization.....	725	6,968	3,341	7	--	3,333	92
Depreciation.....	3,616	21,161	7,560	1,061	--	6,498	8,748
Depletion.....	--	--	--	--	--	--	--
Advertising.....	17,595	33,907	3,557	252	--	3,305	3,205
Pension, profit-sharing, stock bonus, and annuity plans.....	70	4,181	5,622	396	2	5,223	336
Employee benefit programs.....	559	20,177	13,785	670	--	13,115	2,646
Net loss, noncapital assets.....	-79	-1,898	-859	-56	--	-802	-2,901
Other deductions.....	25,200	128,314	349,608	10,027	33	339,546	77,707
<b>Total receipts less total deductions.....</b>	<b>10,614</b>	<b>69,876</b>	<b>7,446</b>	<b>20,980</b>	<b>5,367</b>	<b>-18,901</b>	<b>41,192</b>
Net income (less deficit).....	10,613	69,876	7,446	20,980	5,367	-18,901	41,192
Net income.....	17,138	70,236	27,727	20,980	5,400	1,347	45,388
Deficit.....	-6,524	-360	-20,281	--	-32	-20,248	-4,195
Income subject to tax.....	17,051	69,820	24,903	19,445	5,400	56	42,245
<b>U.S. income tax before credits:</b>							
<b>Total.....</b>	<b>5,826</b>	<b>24,342</b>	<b>11,034</b>	<b>6,603</b>	<b>1,836</b>	<b>2,594</b>	<b>14,638</b>
Regular tax.....	5,826	24,342	11,031	6,601	1,836	2,594	14,638
U.S. possessions tax credit.....	3,800	24,225	7,657	5,737	1,836	84	11,729
Foreign tax credit.....	--	3	--	--	--	--	52
General business credit.....	--	--	71	--	--	71	--
Other credits.....	--	33	--	--	--	--	--
<b>Total U.S. income tax after credits.....</b>	<b>2,025</b>	<b>80</b>	<b>3,304</b>	<b>866</b>	<b>--</b>	<b>2,438</b>	<b>2,857</b>
<b>Reduction in U.S. tax liability.....</b>	<b>2,825</b>	<b>20,308</b>	<b>6,187</b>	<b>4,648</b>	<b>1,532</b>	<b>6</b>	<b>9,344</b>
<b>Distributions to stockholders.....</b>	<b>8,077</b>	<b>499</b>	<b>431,975</b>	<b>2,805</b>	<b>221,724</b>	<b>207,445</b>	<b>5,782</b>

NOTES: Industries have been omitted because of disclosure. Detail may not add to totals because of rounding.



# U.S. Possessions Corporations, 1995

**Table 3.--Returns of Active U.S. Possessions Corporations in Puerto Rico: Tax Benefits, Employment, and Compensation of Employees, by Selected Manufacturing Industries**

[Money amounts are in thousands of dollars, except as noted]

Selected manufacturing industries	Actual data			Weighted data					
	Number of returns	Reported number of workers	Reported compensation	Number of returns	Gross number of workers	Gross compensation	Gross compensation per worker (whole dollars)	Tax benefits per worker (whole dollars)	Benefits per worker over compensation per worker (percentage)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>All manufacturing industries.....</b>	<b>269</b>	<b>100,982</b>	<b>2,392,223</b>	<b>315</b>	<b>113,444</b>	<b>2,703,933</b>	<b>23,835</b>	<b>18,736</b>	<b>78.6</b>
Food and kindred products .....	19	12,740	252,836	21	13,058	259,153	19,846	17,802	89.7
Textile mill products.....	5	4,540	62,877	5	4,540	62,877	13,850	5,683	41.0
Apparel and other textile products.....	32	15,918	105,971	36	16,222	199,645	12,307	2,393	19.4
Men's and boy's clothing.....	11	4,456	53,434	11	4,456	53,434	11,990	1,984	16.5
Women's and children's clothing.....	11	7,576	94,956	14	7,877	98,722	12,533	3,116	24.9
Hats, caps, and accessories.....	6	2,887	36,524	6	2,887	36,524	12,654	825	6.5
All other textile products.....	4	999	10,925	5	1,002	10,964	10,938	3,038	27.8
Paper and allied products.....	8	591	15,239	9	601	15,507	25,802	5,160	20.0
Printing and publishing.....	9	309	6,067	10	427	8,396	19,648	4,821	24.5
Chemical and allied products.....	55	21,939	864,564	70	23,352	918,429	39,330	53,929	137.1
Industrial chemicals, plastics, materials, and synthetics.....	9	1,306	54,426	10	1,306	54,453	41,688	22,559	54.1
Drugs.....	40	20,064	790,590	47	21,113	831,929	39,404	56,040	142.2
Petroleum (including integrated) and coal products.....	3	628	28,652	3	628	28,652	45,604	5,940	13.0
Rubber and miscellaneous plastics products.....	14	1,685	39,700	15	1,715	40,414	23,560	4,302	18.3
Leather and leather products.....	11	6,589	88,795	11	6,589	88,795	13,476	1,177	8.7
Footwear, except rubber.....	8	5,116	68,311	8	5,116	68,311	13,353	968	7.2
All other leather products.....	3	1,473	20,483	3	1,473	20,483	13,905	1,904	13.7
Fabricated metal products.....	12	791	17,758	14	876	20,025	22,860	3,225	14.1
Machinery, except electrical.....	10	5,647	120,514	12	5,664	120,875	21,342	9,399	44.0
Electrical and electronic equipment.....	40	15,789	343,251	49	19,531	421,328	21,572	10,036	46.5
Radio, television, and communication equipment.....	22	8,085	169,386	29	11,789	246,608	20,919	9,761	46.7
Electronic components.....	6	5,372	122,206	6	5,372	122,206	22,749	11,054	48.6
All other electrical and electronic equipment.....	12	2,332	51,659	14	2,370	52,514	22,154	9,095	41.1
Instruments and related products.....	34	9,418	254,270	40	15,508	410,465	26,468	16,434	62.1
Scientific instruments.....	7	1,260	45,145	9	1,268	45,431	35,842	58,946	164.5
All other instruments and related products.....	27	8,158	209,125	31	14,240	365,034	25,635	12,648	49.3
Miscellaneous manufacturing and manufacturing not allocable.....	10	1,880	42,654	13	2,211	50,166	22,686	7,044	31.0

NOTES: Industries have been omitted because of disclosure. Detail may not add to totals because of rounding.

SOURCE IRS, SOI Bulletin, Summer 1999,  
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