

Corporation Income Tax Returns, 1993

by Michael G. Seiders

For Tax Year 1993, as the economy continued to emerge from the 1990-1991 recession, the corporate pre-tax profits as reported on income tax returns increased sharply, by 23.9 percent to \$498.2 billion. The \$527.6 billion increase in corporate sales and other receipts significantly exceeded the \$434.8 billion growth in deductions, fueling the increase in net income. The number of profit-reporting corporations increased 3.9 percent to a record 2.1 million, while the profits they reported rose 15.5 percent to a record \$658.7 billion. The number of corporations reporting deficits increased 0.8 percent; however, corporate net losses declined 4.7 percent to \$160.5 billion.

The increase in positive net income led to a 15.6 percent increase in "income subject to tax" (the tax base for regular income tax purposes) to \$436.8 billion. This increase, in part, prompted the regular corporation income tax (before tax credits) to increase from \$125.8 billion to \$149.0 billion. Total income tax after credits (the amount payable to the U.S. Government) increased \$18.4 billion from \$101.5 billion to \$119.9 billion.

Number of Returns

The estimated number of active corporation income tax returns for Tax Year 1993 increased 2.5 percent to 3,964,629 compared with Tax Year 1992 (Figure A). This modest increase continued the slow growth trend exhibited since Tax Year 1989 [1]. However, returns with net income increased 3.9 percent to a record high of 2,144,534. The number of returns without net income increased slightly 0.8 percent, to 1,820,095. As a percentage of total returns, the number of returns without net income declined to 46 percent, down from 47 percent for 1992 and 49 percent for 1990 and 1991.

By industrial division, the total number of returns classified in services; agriculture, forestry, and fishing; finance, insurance, and real estate; wholesale and retail; and manufacturing continued to rise. Those classified in mining continued to decline, by 3.6 percent for 1993, while those classified in transportation and public utilities declined 1.3 percent after recording an increase of 8.1 percent for 1992. Returns classified in construction rebounded, after a 1992 decline, with an increase of 2.3 percent. Only the transportation and public utilities division recorded a decrease among returns with net income (Figure B).

By return type, the number of Form 1120-A (corporation short-form) returns filed recorded the largest percentage decrease, declining 5.4 percent to 265,627 (Figure C). The number of Forms 1120-RIC, filed by regulated investment companies, increased 16.3 percent to 6,796 returns (Figure C). The number of Form 1120 returns, those filed by most non S-Corporations, declined 0.4 percent to 1,775,931, continuing a decline that began with 1987. In contrast, the number of Form 1120S returns filed by qualifying corporations electing to be taxed through their shareholders increased 6.5 percent to 1,901,505. With the increased growth rate for 1993, S Corporations comprised 48.0 percent of all corporation income tax returns, up slightly from 46.1 percent for 1992 [2]. However, the rate of increase in the number of S Corporation returns for 1993 was still lower than the average annual growth rate of nearly 10 percent recorded since the passage of the Tax Reform Act of 1986 (TRA '86).

Net Income

Pre-tax profits reported on corporation income tax returns for Tax Year 1993 increased sharply, rising 23.9 percent to \$498.2 billion (Figure D)[3]. The continued increase in corporate profits for 1993, in large part, reflected the gradually improving economy [4]. As with prior years, most corporate profits were attributable to returns with total assets of \$250 million or more. For 1993, the 6,798 returns with total assets of \$250 million or more accounted for nearly 79 percent of corporate profits.

The services division posted the largest percentage increase for 1993, rising 36.9 percent to \$25.4 billion, continuing the strong profits recorded for this division for 1992 (Figure D). The \$6.8 billion increase was mostly due to a 151.8 percent increase (\$1.5 billion) recorded for amusement and recreation services. The increased profit figures were also buttressed by a 122.4 percent increase (\$0.7 billion) recorded for hotels and other lodging places. Profits recorded for business services also increased, by 27.2 percent or \$2.7 billion, to slightly over \$9 billion.

Profits for the construction division increased sharply, by 36.5 percent, to \$7.5 billion, after having declined for 1992. The 1993 increase was mainly the result of lower mortgage and interest rates, which spurred residential real estate markets and public works projects [5]. However, commercial real estate markets continued to slump in 1993 due to high vacancy rates in commercial buildings [6].

For 1993, net income (less deficit) for the transportation and public utilities division increased by 26.6 percent to \$52.9 billion. Within this division, telephone, telegraph, and other communication services, and radio and televi-

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Figure A

Number and Growth Rate of Returns Filed, Tax Years 1983-1993

[Money amounts are in thousands of dollars]

Tax year	Total active corporation returns	Percentage increase over previous year	Number of returns with net income	Percentage increase over previous year	Number of returns without net income	Percentage increase over previous year
	(1)	(2)	(3)	(4)	(5)	(6)
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.....	3,562,789	-1.4	1,908,799	-4.3	1,653,990	2.3
1989.....	3,627,863	1.8	1,921,805	0.7	1,706,058	3.1
1990.....	3,716,650	2.5	1,910,670	-0.6	1,805,980	5.9
1991.....	3,802,788	2.3	1,942,450	1.7	1,860,338	3.0
1992.....	3,869,023	1.7	2,063,593	6.2	1,805,430	-3.0
1993.....	3,964,629	2.5	2,144,534	3.9	1,820,095	0.8

NOTE: Number of returns excludes Domestic International Sales Corporations, Foreign Sales Corporations and Interest-Charge Domestic International Sales Corporations starting with Tax Year 1988.

Figure B

Number of Returns by Industrial Division, Tax Years 1992-1993

[Money amounts are in thousands of dollars]

Industrial division	1992				1993			
	Total active corporation returns	Percentage increase over 1991	Number of returns with net income	Percentage increase over 1991	Total active corporation returns	Percentage increase over 1992	Number of returns with net income	Percentage increase over 1992
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All Industries ¹	3,869,023	1.7	2,063,593	6.2	3,964,629	2.5	2,144,534	3.9
Agriculture, forestry, and fishing.....	137,833	6.1	79,399	14.2	141,326	2.5	81,456	2.6
Mining.....	36,660	-6.5	15,824	-11.6	35,345	-3.6	15,969	0.9
Construction.....	407,881	-2.2	224,509	-4.0	417,250	2.3	250,904	11.8
Manufacturing.....	300,071	(²)	169,381	3.5	307,419	2.4	179,594	6.0
Transportation and public utilities.....	178,284	8.1	97,677	10.7	175,980	-1.3	97,212	-0.5
Wholesale and retail trade.....	1,052,713	0.9	567,784	5.9	1,072,980	1.9	582,440	2.6
Finance, insurance and real estate...	635,268	2.9	295,066	8.0	641,397	1.0	296,483	0.5
Services.....	1,100,449	3.7	607,204	10.2	1,157,724	5.2	636,095	4.8

¹ Includes returns not allocable by industrial division.

² Less than .05 percent.

sion broadcasting, accounted for most of the gain. Profits for telephone, telegraph, and other communication services grew by 18.5 percent or \$3.4 billion, to \$22.0 billion. Radio and television broadcasting profits also showed a sharp increase, 123 percent or \$1.6 billion, to \$3.0 billion.

Profits for the finance, insurance, and real estate division increased 26 percent to \$185.2 billion. The insurance industry group showed the largest gain, 48.4 percent, to \$42.4 billion. Bank holding companies also showed large profit gains, 32.1 percent, to \$42.1 billion. The improved quality of bank assets and the increased spread between

interest income and interest expense, set in the context of the general economic rebound, were largely responsible [7]. The security, commodity brokers, and services group also recorded large gains, 66.5 percent, to \$9.8 billion, due largely to impressive growth in the mutual fund industry as reflected in total assets, the number of funds, and the number of shareholder accounts [8].

Profits of manufacturers increased 20.6 percent to \$173.2 billion. Gains were widespread by industry. The largest part of the division's \$29.6 billion increase was associated with motor vehicles and equipment. For 1993, motor vehicle and equipment manufacturers posted profits

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Figure C

Number of Returns by Form Type, Tax Years 1992-1993

[Money amounts are in thousands of dollars]

Form type	1992	1993	Percentage increase
	(1)	(2)	
Total	3,869,023	3,964,629	2.5
Form 1120.....	1,782,933	1,775,931	-0.4
Form 1120-A.....	280,697	265,627	-5.4
Form 1120F.....	9,452	9,925	5.0
Form 1120L.....	1,959	1,876	-4.2
Form 1120-PC.....	2,475	2,623	6.0
Form 1120-REIT.....	.293	346	18.1
Form 1120-RIC.....	5,842	6,796	16.3
Form 1120S.....	1,785,371	1,901,505	6.5

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

of \$15.8 billion, a \$15.7 billion increase over the low profits reported for 1992. Profits among manufacturers were accompanied by a 14.1 percent increase to \$5.8 billion in the aircraft, guided missiles, and parts manufacturers. This particular industry group had reported a loss of \$4.2 billion for 1992. Significant profits in the manufacturing division were also reported for lumber (\$1.1 billion, or 41.3 percent) and for petroleum and coal products (\$2.1 billion, or 10.5 percent).

Profits for the wholesale and retail-trade division also increased for 1993, by 20.3 percent to \$49.7 billion. Retailers contributed \$5.6 billion to this increase compared with 1992; wholesalers, \$2.6 billion. While increases in profits were recorded throughout the retail

trade industries, the principal gains were recorded by motor vehicle dealers; "other retail stores" (which include jewelry stores, optical goods stores, florists, book stores, and sporting goods stores); and "miscellaneous retail stores" (which include drug stores, liquor stores, and proprietary stores). For 1993, pre-tax profits for motor vehicle dealers grew by 59.3 percent to \$2.8 billion, reflecting increased sales, enhanced operational efficiencies, and higher profit margins [9]. Profits for "other retail stores" increased 44.2 percent to \$3.6 billion. Miscellaneous retail stores posted increases of 58.7 percent and \$1.7 billion. Among wholesalers, profits rose 51.6 percent to slightly more than \$1 billion for companies classified in "lumber and construction materials," possibly reflecting the increase recorded in the construction industries. However, profits of motor vehicle and automotive equipment wholesalers dropped 17.5 percent, to \$1.1 billion. Petroleum and petroleum products showed the largest decline among wholesalers, 79.0 percent to nearly \$0.4 billion.

Of all the industry divisions, only mining showed an overall decline in profits. As Figure D indicates, mining showed a slight decline in net income for 1993. The poor performance for 1993 was due primarily to declines in both the coal mining and nonmetallic minerals (except fuels) industries. Profits for the nonmetallic minerals group fell 62.1 percent or nearly \$0.3 billion, to \$0.2 billion. However, the profits of oil and gas extractors (which exclude the large integrated extracting and refining companies) rose 31.3 percent or \$0.5 billion to \$2.2 billion, after losses for both 1992 and 1991.

Figure D

Net Income (Less Deficit) and Net Income by Industrial Division, Tax Years 1992-93

[Money amounts are in thousands of dollars]

Industrial division	Net Income (less deficit)				Net income			
	1992		1993		1992		1993	
	Amount	Percentage increase	Amount	Percentage increase	Amount	Percentage increase	Amount	Percentage increase
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All Industries ¹	401,997,022	16.6	498,159,174	23.9	570,431,380	6.5	658,666,005	15.5
Agriculture, forestry, and fishing.....	1,607,297	156.9	1,647,725	2.5	4,625,097	22.5	4,841,649	4.7
Mining.....	2,706,769	-32.4	2,628,720	-2.9	6,688,820	-13.4	6,541,858	-2.2
Construction.....	5,505,062	-9.8	7,514,819	36.5	13,812,392	-7.7	14,814,675	7.3
Manufacturing.....	143,627,403	8.6	173,219,957	20.6	184,567,950	1.5	214,058,222	16.0
Transportation and public utilities.....	41,789,809	10.7	52,885,350	26.6	58,195,820	8.6	65,726,981	12.9
Wholesale and retail trade.....	41,343,782	38.0	49,714,808	20.2	72,317,416	12.2	78,182,240	8.1
Finance, insurance, and real estate.....	146,978,975	18.0	185,229,845	26.0	188,715,713	8.3	226,551,700	20.0
Services.....	18,525,343	89.6	25,361,467	36.9	41,370,718	18.3	47,845,396	-15.7

¹ Includes net income or deficit not allocable by industrial division.

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Receipts

Total receipts, the sum of business receipts and investment income, increased \$527.6 billion to \$12,269.7 billion [10] (Table 1). This 4.5 percent gain followed a 2.7 percent gain for 1992. The 1992 and 1993 figures reversed the previous 3-year pattern, when receipts increased but at a declining rate. The increase in receipts for 1993 exceeded the \$434.8 billion growth (and the 3.8 percent increase) in total deductions, leading to the increase in corporate profits (see the Net Income section of this article). The 6,798 returns of \$250 million or more for 1993 accounted for 54.9 percent of total receipts.

This increase in total receipts was spread over all industrial divisions, except mining. The largest percentage increase, 8.3 percent, was for the services division. This same division showed a large dollar increase of \$72.1 billion to \$941.6 billion. The construction division rebounded from a decline in 1992, increasing 7.8 percent, to \$538.3 billion. Manufacturing, the largest single contributor to total receipts increased \$130.5 billion, to \$3,890.7 billion. Receipts for the wholesale and retail division rose 5.9 percent or \$205.6 billion, to \$3,709.5 billion. Transportation and public utilities; agriculture, forestry, and fishing; and finance, insurance, and real estate each increased 4.0 percent, 2.9 percent, and 2.1 percent, respectively. Mining was the only division that showed a decline in receipts for 1993, by 0.6 percent or \$.7 billion, to \$112.1 billion.

Business receipts, the operating income of most corporations and the principal component of total receipts, grew \$505.1 billion for 1993 [11]. This 4.9 percent increase caused business receipts, as reported on corporation income tax returns, to increase to a new high of slightly less than \$10.9 trillion.

Continuing a decline that began with 1991, taxable interest income dropped 3.3 percent from \$790.9 billion for 1992 to \$764.5 billion for 1993 (Table 2). In turn, taxable interest for 1993 was 18.9 percent less than the \$942.2 billion recorded for 1990. This 3-year decline was largely a result of declining interest rates [12]. As with prior years, most of the interest income was attributable to commercial banks and bank holding companies. For 1993, taxable interest income for total banking declined 5.1 percent or \$16.2 billion, to \$300.0 billion, accounting for 61.3 percent of the total decline for the year.

Conversely, tax-exempt interest on State and local Government obligations rose 13 percent to \$43.3 billion. The nearly \$5.0 billion increase recorded for 1993 followed a \$2.0 billion increase for 1992. Like taxable interest, most tax-exempt interest income was attributable to finance, insurance, and real estate, but, unlike taxable

interest, most of it was reported by regulated investment companies (i.e., mutual funds, rather than banks). Tax-exempt interest reported by regulated investment companies increased 28.1 percent for 1993 to \$22.4 billion. The increases reported by these companies was consistent with the large increase in tax-exempt securities reported on their balance sheets, which increased 21.4 percent from \$262.3 billion to \$318.4 billion (see the discussion of tax-exempt securities in the Balance Sheet section of this article). Tax-exempt interest reported by insurance companies also increased, rising 6.7 percent, from \$216.7 billion to \$231.4 billion.

Among the other types of corporate receipts, the largest percentage increase for 1993 was for net short-term capital gains (reduced by net long-term capital losses), which rose \$11.5 billion to \$26.1 billion. This 78.7 percent increase was substantially less than the 234.3 percent gain recorded for 1991. However, indicative of the inherent fluctuating character of these short-term transactions, short-term gains had previously dropped 62 percent from 1989 to 1990. Net long-term capital gains (reduced by net short-term capital losses) increased for the second consecutive year [13]. For 1993, net long-term gains grew 18.1 percent to \$53.3 billion. Life insurance companies were the primary reason, in particular, stock life insurance companies, whose excess net long-term capital gains increased 32.6 percent from \$8.3 billion to \$11.0 billion. (In using the statistics, it should be noted that the capital gains data exclude those reported by regulated investment companies and S Corporations).

The corporate receipt category with the largest decrease in 1993 was rents, which declined 13.6 percent to \$85.5 billion. Manufacturing had the largest dollar decrease, 22.0 percent or \$7.7 billion, to \$27.4 billion. The decline in rents was fairly widespread across the manufacturing division. However, several industry groups predominated, including printing and publishing, 31.3 percent; chemicals and allied products, 26.6 percent; and rubber and miscellaneous plastic products, 22.3 percent. The services division showed the largest percentage decrease, 66.0 percent or \$4.9 billion, to \$2.5 billion, caused almost entirely by a drop in the rents reported for business services (except advertising). The hotel and other lodging places group showed a decline, 50 percent or \$0.2 billion, to \$0.2 billion. The wholesale and retail trade division also saw a 25 percent decrease in rents, from \$8.9 billion to \$6.6 billion, due primarily to a decline among retailers. Several groups of retailers experienced large declines: "other retail stores," 71.6 percent; automotive dealers, 68 percent; furniture and home furnishing stores, 66 percent; and miscellaneous retail stores, 63.9 percent.

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Deductions

Total deductions increased \$434.8 billion or 3.8 percent to \$11,764.7 billion for 1993. However, this increase was less than the \$527.6 billion increase in total receipts, giving rise to the sizable increase in net income previously described. Cost of sales and operations, generally the largest deduction item, rose \$280.5 billion to \$7,052.2 billion (Table 2). Although its 1993 growth of 4.1 percent was more than the 1.8 percent increase for 1992, the cost of sales and operations was less than the 4.9 percent increase in business receipts for 1993, thus the increase in net income.

For 1993, the interest paid deduction dropped 8.5 percent, from \$597.0 billion to \$546.2 billion, the fourth consecutive year of decline. Since 1989, the interest paid deduction declined 34.3 percent or \$285.3 billion. Like taxable interest income, the decline was largely driven by the continued decline in interest rates for 1993. As Figure E illustrates, between 1988 and 1989, both taxable interest income and the interest paid deduction grew rapidly as interest rates (using the prime rate) increased. However, as economic growth slowed and interest rates declined from their 1989 high to their relatively low levels in 1993, receipts and deductions followed suit.

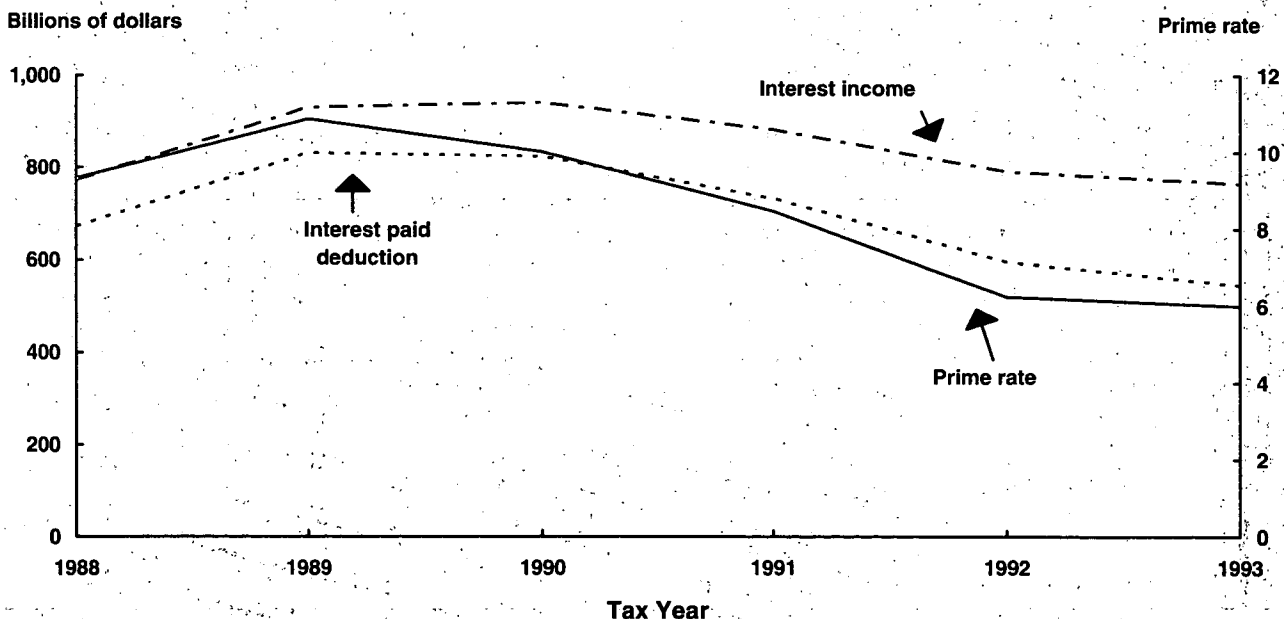
The largest decline in the 1993 interest paid deduction was, again, in the finance, insurance, and real estate division, 10.3 percent or \$33.5 billion, to \$292.8 billion. Most of the deduction was for interest paid on deposits and withdrawable shares by banking and savings institutions or interest paid by these same institutions on bonds, notes, loans, and mortgages. Within the finance division, commercial banks and savings and loan associations accounted for most of the decline, 13.7 percent or \$25.5 billion, to \$160.3 billion.

After increasing by more than 20 percent for both 1990 and 1991, the bad debt deduction reported by corporations continued its decline that began with 1992. For 1993, the bad debt deduction dropped 9.9 percent to \$80.7 billion. As with the 1992 decline, most of it was attributable to the finance, insurance, and real estate division. Again, commercial banks and savings and loan associations accounted for the largest part, dropping 21.8 percent or \$7.4 billion, to \$26.6 billion. In general, the decline for the bad debt deduction recorded for 1993 reflected the continued improved financial health of both commercial banks and the remaining savings and loan institutions [14,15].

In percentage terms, the largest increase among deduction items for 1993 was for charitable contributions,

Figure E

Interest Income, Interest Paid Deduction, and the Prime Rate



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which increased 14.2 percent to \$6.3 billion. Charitable contributions by manufacturers increased 15.5 percent to \$2.9 billion, largely because of companies classified in paper and allied products; chemicals and allied products; primary metals; and lumber. Charitable contributions also increased for finance, insurance, and real estate, 21.8 percent to \$1.4 billion. The largest increases were recorded for bank holding companies; security, commodity brokers, and services; and insurance companies.

The employee benefits programs deduction (which excludes pension plan contributions) also increased by 12.7 percent to \$160.1 billion. Most of the overall \$18.1 billion increase was attributable to manufacturing, which rose 16.7 percent or \$10.5 billion, to \$73.1 billion. Within manufacturing, motor vehicles and equipment manufacturers accounted for the largest part, increasing 130.9 percent from \$5.7 billion to \$13.2 billion.

Continuing the trend that began with 1991, the depreciation deduction (including amounts deducted as part of the cost of sales and operations) reported by corporations rose from \$346.2 billion for 1992 to \$363.5 billion for 1993. This 5.0 percent increase was the largest recorded since 1985, when the depreciation deduction rose 14.9 percent in advance of TRA '86. TRA '86 instituted a "Modified Accelerated Cost Recovery System" (MACRS) that lengthened certain class lives over which assets could be depreciated for tax purposes and changed the depreciation methods for business property placed in service after 1986. Prior to TRA '86 (from 1980 through 1985), depreciation deductions rose at an average annual rate of 15.6 percent; after TRA '86 (from 1987 through 1993), the average rate of increase dropped to 2.1 percent.

Assets

The total book value of assets reported on corporation income tax returns for 1993 increased \$1.8 trillion to \$21.8 trillion (Table 2). The 9.1 percent growth rate for 1993 exceeded the 5.1 and 4.6 percent rates for 1992 and 1991, respectively. The largest increase was recorded for the "other investments" account, which rose 14.7 percent or \$0.73 trillion, to just over \$5.7 trillion.

For 1993, "other investments" was the largest asset account on tax return balance sheets, comprising 26.1 percent of the total. In 1983, "other investments" was only 17.6 percent of the total. Net notes and accounts receivable (after subtracting the allowance for bad debts) was the second largest asset account for 1993, representing 20.2 percent of total assets. In contrast, net notes and accounts receivable for 1983 represented 25.7 percent of total corporate assets. In addition, net depreciable assets (after deducting accumulated depreciation) comprised

12.4 percent of total assets for 1993, down from 16.7 percent for 1983 and 13.1 for 1992.

By industrial division, the largest dollar increase in total assets for 1993 was for finance, insurance, and real estate (Table 1). Total assets for the finance division increased 11.8 percent, from \$11.5 trillion to \$12.8 trillion. For the third consecutive year, regulated investment companies recorded the largest increases in total assets, from \$1.9 trillion to \$2.3 trillion, an increase of 23.1 percent. After 1990, total assets of regulated investment companies nearly doubled, increasing from \$1.2 trillion for 1990 to \$2.3 trillion for 1993. In general, the sharp growth in mutual fund assets reflected the record-breaking performance of the securities markets and the infusion of new cash into mutual funds as a consequence of declining interest rates [16].

The largest percentage increase in total assets occurred in the services division. Total assets for services rose 12.6 percent to \$744.8 billion, primarily due to large increases in the amusement and recreation industry group, and in "other services" (which includes health care, legal, social, engineering, and architectural services); and hotels and other lodging places. Wholesale and retail trade also experienced a large increase, 7.6 percent growing to \$1.7 trillion. Wholesalers were led by increases in petroleum and petroleum products; motor vehicles; and electrical goods. Retailers were led by increases in automobile dealers; service stations; and apparel and accessories. Total assets also increased in all other industrial divisions of the economy during 1993.

Tax-exempt securities increased 13.9 percent, from \$615.6 billion for 1992 to \$701.1 billion for 1993 (Table 2). The \$85.5 billion increase for 1993 followed a \$146.4 billion increase the year before. Almost the entire increase was attributable to finance, insurance, and real estate, where tax-exempt investments rose 13.5 percent, from \$570.6 billion to \$647.4 billion. The increase in tax-exempt securities was largely due to regulated investment companies and insurance companies, specifically life and property and casualty companies. Investments in tax-exempt securities by regulated investment companies increased 21.4 percent to \$318.4 billion, and was reflected in the increase they reported for tax-exempt interest. Investments in these securities by life and property and casualty insurance companies also increased, 6.7 percent, to \$231.4 billion.

Continuing an increase that began in 1992, and after the slight decline recorded in 1991, intangible assets rose 5.8 percent to \$559.1 billion for 1993. This continued increase may reflect the continued increase in the number of completed merger and acquisitions observed for 1992 and

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1993; the number of completed mergers and acquisitions for 1991 had declined compared with 1990 [17]. In general, the acquisition costs of trademarks, patents, copyrights, and like assets, tend to increase during periods of increased merger and acquisition activity, and such acquisition costs are properly accounted for as intangible assets.

Liabilities and Stockholders' Equity

Compared with 1992, the largest percentage increases on corporation income tax return balance sheets for 1993 occurred in the equity accounts. Paid-in or capital surplus increased 15.5 percent to \$4,223.3 billion. The \$567.5 billion rise was 42.4 percent more than the \$398.6 billion figure recorded for 1992. Since 1989, the paid-in or capital surplus account increased \$1,626.1 billion, or 62.7 percent, from \$2,595.2 billion to \$4,223.3 billion. The capital stock account increased 8.6 percent to \$2,042.5 billion in 1993, after increasing 8.1 percent in 1992. From 1989 to 1993, the capital stock account increased \$565.2 billion, a 38.3 percent gain. Most of these two increases were due to regulated investment companies and reflected the growth of mutual funds in the early 1990's. Generally, the growth in these two equity items is related since paid-in or capital surplus, in part, represents receipts from the sales of capital stock in excess of par value.

Corporate indebtedness, as indicated by the various liability accounts, rose 7.3 percent to \$15.4 trillion in 1993. Short-term debt (accounts payable; mortgages, notes, and bonds payable in 1 year or less; and "other current liabilities") increased 7.7 percent to slightly over \$9 trillion in 1993. The increase in short-term debt was principally due to a 14.9 percent increase in "other current liabilities" to \$5,994.5 billion (this account includes the deposits and withdrawable shares of banking and savings institutions). Long-term debt (long-term mortgages, notes, and bonds payable; loans from stockholders; and "other liabilities") increased 6.8 percent to \$6.3 trillion.

From 1982 to 1986, debt as a percentage of the sum of corporate liabilities and shareholders' equity had been about 74 percent, while the equity component remained near 26 percent. Then for Tax Years 1987 and 1988, the debt component drifted slightly above 74 percent. However, after 1988, the debt component steadily declined, dropping to 71.5 percent in 1992 and 70.4 percent in 1993. Thus, the equity portion increased from 25.4 percent in 1988 to 29.6 percent in 1993.

Income Tax and Tax Credits

Reflecting the increase in positive net income, "income subject to tax" (the base on which the regular corporation

income tax was computed) increased by 15.6 percent for 1993, from \$377.9 billion to \$436.8 billion. Returns of \$250 million or more accounted for 77.7 percent of income subject to tax for 1993. For most corporations, income subject to tax was equal to net income minus certain "statutory special deductions," at least in theory [18]. While positive net income increased 23.9 percent to \$498.2 billion for 1993, total statutory special deductions increased 16.1 percent from \$117.6 billion to \$136.5 billion, leading to a disproportionate increase in income subject to tax (relative to net income). At least partly as a result, the regular corporation income tax (before reductions by credits) increased by 18.5 percent to a record high of \$149.0 billion (Figure F).

The \$18.9 billion increase in total statutory special deductions for 1993 was mainly due to the deduction for dividends paid allowed by regulated investment companies and real estate investment trusts. This deduction increased from \$64.9 billion to \$76.0 billion. Another reason for the increase was the "net operating loss deduction," which grew from \$38.9 billion to \$45.2 billion. In general, "net operating losses" were the deficits as shown in the statistics (excluding those of S Corporations, which were allocated to their shareholders), augmented by "unused" portions (discussed below) of the deductions for intercorporate dividends received and for dividends paid on certain preferred stock of public utilities. The net operating loss deduction was limited based on the size of positive net income, so the increase in positive net income for 1993 may have contributed to the size of the deduction. (The net operating loss deduction statistics are only for prior year losses, not previously deducted, "carried forward" to 1993; future-year losses "carried back" as deductions for 1993 are unavailable.) The deduction for intercorporate dividends received also increased for 1993, from \$13.4 billion to \$14.9 billion (Figure F).

It should be noted that the statistics for statutory special deductions include (a) certain unused amounts reported by corporations without net income and, therefore, with no income subject to tax, as well as (b) unused portions attributable to some corporations with net income where the total of these deductions exceeded the amount needed to offset net income; these corporations also had no income subject to tax. In addition, the relationship between net income and income subject to tax was defined differently for life insurance businesses and real estate investment trusts. Therefore, the net income shown in the statistics (which also includes the net income of S Corporations, which was, in general taxable to shareholders), minus statutory special deductions will not yield the statistics shown for income subject to tax.

Corporation Income Tax Returns, 1993

Figure F

Statutory Special Deductions, Income Subject to Tax, Selected Tax and Tax Credit Items, Tax Years 1992-1993

[Money amounts are in thousands of dollars]

Item	1992	1993	Percentage increase
	(1)	(2)	(3)
Statutory special deductions, total	117,627,408	136,513,433	16.1
Net operating loss deduction.....	38,894,962	45,158,874	16.1
Dividends received deduction.....	13,448,638	14,933,621	11.0
Public utility dividends paid deduction.....	49,908	49,060	-1.7
Deduction for dividends paid by regulated investment companies and real estate investment trusts.....	64,903,561	75,984,756	17.1
Income subject to tax	377,899,601	436,797,939	15.6
Income tax, total ¹	131,284,690	154,447,416	17.6
Regular tax.....	125,770,915	149,026,690	18.5
Personal Holding Company tax ²	20,494	9,472	-53.8
Tax from recapture of investment and low-income housing credits ²	25,145	22,864	-9.1
Alternative minimum tax ²	4,856,262	4,863,090	0.1
Environmental tax ²	496,610	566,361	14.1
Tax credits, total ³	29,752,312	34,510,139	16.0
Foreign tax credit.....	21,520,683	22,895,789	6.4
U.S. possessions credit.....	3,748,561	4,722,588	26.0
Orphan drug credit.....	17,826	20,486	14.9
Nonconventional fuel source credit.....	233,331	690,593	196.0
General business credit.....	1,918,100	3,078,073	60.5
Prior-year minimum tax credit.....	2,313,811	3,102,567	34.1
Total income tax after credits	101,532,379	119,937,278	18.1

¹ Includes certain other taxes, not shown separately.

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

³ Includes certain other credits, not shown separately.

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

Regular tax, which was the tax applicable to most corporations (accounting for 96.5 percent of total tax), could be reduced by tax credits, principally the foreign tax, U.S. possessions tax, orphan drug, nonconventional source fuel, general business, and prior-year minimum credits. Manufacturers were responsible for the largest portion accounting for 40.4 percent, or \$60.3 billion, of the \$149.0 billion grand total, with chemical and allied products accounting for 8.1 percent; petroleum (including integrated) and coal products, 4.9 percent; and automobiles and equipment, 3.2 percent of the grand total. The foreign tax credit (the largest credit) increased 6.4 percent, from \$21.5 billion to \$22.9 billion. Manufacturers claimed 71.4 percent of the foreign tax credit, led by petroleum (including integrated) and coal products and chemicals and allied products, which together accounted for 48.5 percent of all foreign tax credits reported for manufacturing and 34.7 percent of the grand total.

The U.S. possessions tax credit increased every year after 1988. For 1993, it increased 26 percent, from \$3.7 billion to \$4.7 billion. Manufacturers accounted for 97.0 percent of the total, with chemical and allied products, alone, accounting for 51.0 percent of the manufacturing total, and 49.0 percent of the grand total. The Tax Reform Act of 1976 added the U.S. possessions tax credit in lieu of the ordinary foreign tax credit in order to provide a tax incentive for domestic corporations to invest in Puerto Rico (or in U.S. possessions or territories, including American Samoa, Guam, Johnston Island, Midway Islands, and Wake Island).

The "general business credit" reversed 7 years of decline for 1993, by increasing 60.5 percent, from \$1.9 billion to \$3.1 billion. For 1993, this credit included the investment credit (for certain 1993 capital expenditures still recognized for credit purposes under provisions of TRA '86, which otherwise abolished the credit for new

Corporation Income Tax Returns, 1993

acquisitions), jobs credit, credit for alcohol used as fuel, credit for increasing research activities, low-income housing credit, enhanced oil recovery credit, disabled access credit, renewable electricity production credit, as well as the carryforward of previously unused investment credits. The purpose of the general business credit was to provide a single limitation on these component credits and to establish uniform rules for the carryback and carryforward to other years of the unused amounts which were in excess of this limitation. Each of these component credits was computed separately. The carryforward from prior years (amounts carried back to 1993 were unavailable) was the largest component (82.3 percent) of the "tentative" general business credit (the credit before limitation). However, the research credit was the largest component for 1993 expenditures (in contrast to the amounts carried forward to 1993 from prior years), representing 57.3 percent of the total credit for 1993 expenditures. The portion of the investment credit component attributable to 1993 expenditures rebounded 12.1 percent for 1993, after 3 consecutive years of decline. The 1993 amount, \$122.4 million, represented an increase of \$21.4 million over 1992, but was still well below the comparable amounts for 1990 and 1991 (\$1,145.1 million and \$309.7 million, respectively).

Corporations that reported "alternative minimum tax" (AMT) in prior years could elect to take a credit against current-year regular income tax liability based on the size of the prior year AMT. (The credit could not be applied against their current-year AMT). The credit for prior-year tax increased 34.1 percent for 1993 to \$3.1 billion. Most of this increase was due to amounts claimed by mutual property and casualty insurance companies, which increased from \$117.8 million for 1992 to \$628.0 million for 1993.

For purposes of the statistics, total income tax before or after credits includes regular tax, Personal Holding Company tax, taxes from recapturing prior-year investment or low-income housing credits, alternative minimum tax, environmental tax, other taxes unique to specific types of corporations, and certain statutory tax adjustments. AMT was the largest of these additional taxes. AMT slightly reversed its decline from the previous 2 years, increasing slightly to \$4.9 billion for 1993; AMT was reported on 29,326 returns. Total income tax after credits, the amount actually due the Federal Government, increased 18.1 percent, from \$101.5 billion for Tax Year 1992 to \$119.9 billion for Tax Year 1993. The 6,798 returns of \$250 million or more accounted for 79.6 percent of total income tax and 76.4 percent of total income tax after credits for 1993.

Summary

Corporate pre-tax profits as reported on income tax returns for 1993 increased by 24 percent over 1992 to \$498.2 billion, reflecting the continued economic recovery following the recession of 1990-1991. The number of returns with net income increased 3.9 percent, while those without net income dropped by 1 percent. "Positive" net income increased 16 percent to a record \$658.7 billion; "negative" net income (i.e., net losses) declined 5 percent to \$160.5 billion. Increases in pre-tax profits were recorded for each industrial division, except mining. Profits of the 6,800 returns with total assets of \$250 million or more accounted for almost 79 percent of the total.

As "positive" net income grew for 1993, so did income subject to tax (the tax base used for Statistics of Income). Income subject to tax increased 16 percent, from \$377.9 billion to \$436.8 billion for 1993. This gain led to a 19-percent increase in the regular income tax (before credits), including the "alternative minimum tax" (\$4.9 billion), from \$125.8 billion to \$149.0 billion. Total tax after credits, the amount payable to the U.S. Government, increased 18.1 percent (\$18.4 billion) from \$101.5 billion for 1992 to \$119.9 billion for 1993.

Data Sources and Limitations

Data for Tax Year 1993 are based on a sample of corporation income tax returns with accounting periods ended July 1993 through June 1994. These returns represented domestic corporations filing Form 1120 or 1120-A (short form); foreign corporations with income "effectively connected" with a U.S. business filing Form 1120F; life insurance companies filing Form 1120L; property and casualty insurance companies filing Form 1120-PC; S Corporations filing Form 1120S; regulated investment companies filing Form 1120-RIC; and real estate investment trusts filing Form 1120-REIT. For purposes of the 1993 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 estimates were based on a stratified probability sample of 91,643 corporation income tax returns drawn from a total population of 4,340,684. Based on the 87,453 active corporation returns in the sample, the population estimate of active corporations was 3,964,629 returns. The sample was selected after administrative processing was complete, but before any audit examination, and was stratified based on combinations of net income and total assets at rates ranging from 0.25 percent to 100 percent.

Corporation Income Tax Returns, 1993

Because the data are based on a sample, they are subject to sampling error. To properly use the statistics, the magnitude of the potential sampling error needs to be known. Coefficients of variation (CV's) are used to measure this magnitude. Figure G presents the CV's for the number of returns by asset size and industrial division. The smaller the CV, the more reliable the estimate is judged to be.

Notes and References

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

full-year return, each with an accounting period ending during the span of months July 1987 through June 1988 (the accounting periods comprising Tax Year 1987, as defined for these statistics). The unusually large number of part-year returns for that year, in turn, led to an unusually large increase in the total number of returns. The increase in part-year returns was caused by many S Corporations (and Personal Service Corporations) changing their accounting periods from a non-calendar year to a calendar year as required by the 1986 Act. In addition, other corporations changed to S Corporation status in order to take advantage of the lower individual income tax rates applicable to S Corporation profits (which are taxed through shareholders) allowed under the Act.

Figure G

Coefficients of Variation for Number of Returns, by Asset Size and Industrial Division, Tax Year 1993

[Money amounts are in thousands of dollars]

Industrial division	Total	Size of total assets					
		Zero assets ²	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All Industries¹	0.64	3.31	1.05	1.40	1.27	1.19	0.75
Agriculture, forestry, and fishing.....	3.37	20.10	6.60	7.59	5.64	4.89	3.87
Mining.....	6.79	26.53	12.81	16.11	13.20	10.82	7.63
Construction.....	2.07	11.56	3.32	4.49	3.90	3.58	2.41
Manufacturing.....	2.16	12.94	4.77	5.36	4.23	3.53	1.89
Transportation and public utilities.....	3.18	14.01	5.28	7.08	6.13	5.72	3.65
Wholesale and retail trade.....	1.21	6.89	2.21	2.47	2.18	2.12	1.31
Finance, insurance, and real estate.....	1.54	7.00	2.97	3.36	2.96	2.63	1.64
Services.....	1.20	6.12	1.56	2.76	2.99	3.13	2.14

Industrial division	Size of total assets - Continued					
	\$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
	(8)	(9)	(10)	(11)	(12)	(13)
All Industries¹	1.28	0.86	0.88	0.08	0.04	
Agriculture, forestry, and fishing.....	9.94	7.90	8.57	1.10	0.73	Not subject to sampling error
Mining.....	10.25	7.08	7.99	0.84	0.45	
Construction.....	4.46	3.79	5.09	0.66	0.52	
Manufacturing.....	2.81	1.68	1.75	0.24	0.12	
Transportation and public utilities.....	6.17	4.15	4.34	0.53	0.28	
Wholesale and retail trade.....	2.31	1.75	2.15	0.29	0.17	
Finance, insurance, and real estate.....	2.71	1.58	1.38	0.08	0.04	
Services.....	3.98	2.77	3.03	0.37	0.23	

¹ Includes returns not allocable by industrial division.

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

Corporation Income Tax Returns, 1993

- [2] See Gill, Amy M. and Wittman, Susan M., "S Corporation Returns, 1993," *Statistics of Income Bulletin*, Spring 1996, Volume 15, Number 4.
- [3] Starting with Tax Year 1987, statistics for net income or deficit and for receipts and deductions of S Corporations are limited to those derived "from a trade or business." Investment or portfolio income (or loss) such as interest, dividends, rents, royalties and gain (loss) from sales of investment property, and the deductions related to this income were not included in the corporation totals. Therefore, the overall statistics for receipts, deductions and net income or deficit are slightly understated; it is estimated that total net income (less deficit), alone, is understated by \$12.1 billion as a result (see Gill, Amy M. and Wittman, Susan M., *op. cit.*).
- [4] The growth rate in the gross domestic product (GDP) for 1993 was 2.2 percent compared with a 2.7 percent increase for 1992 (in constant dollars). The U.S. Department of Commerce, Bureau of Economic Analysis, as reported in The U.S. Office of Management and Budget, *Economic Report of the President*, February 1996, p. 281.
- [5] MacAuley, Patrick, "Construction," *1994 U.S. Industrial Outlook*, U.S. Department of Commerce, International Trade Administration, January 1994, pp. 5-1, 11.
- [6] *Ibid*, pp. 5-1, 11
- [7] Candilis, Wray O., and Shuman, John R., "Financial Services," *1994 U.S. Industrial Outlook*, *op. cit.*, p. 45-2.
- [8] Muir, S. Cassin, "Securities Industry," *1994 U.S. Industrial Outlook*, *op. cit.*, p. 46-5.
- [9] Hamrock, Susan, "Motor Vehicles and Parts," *1994 U.S. Industrial Outlook*, *op. cit.*, pp. 28-35.
- [10] See footnote 3 above.
- [11] In the finance, insurance, and real estate industries, business receipts included such banking items as fees, commissions, trust department earnings, and service charges which may have originally been reported on attached schedules as other income. For such companies, these items were included in the statistics for business receipts, not other receipts. Similarly, condominium management fees reported by condominium management and cooperative housing associations were included in business receipts, when identified from attached other income schedules. Rents reported by real estate operators and lessors of buildings as their principal income were included in the statistics for business receipts. Premium income of most insurance companies was included in business receipts. Regulated investment companies and real estate investment trusts do not report business receipts.
- [12] U.S. Department of the Treasury; The Council of Economic Advisors; Bureau of Economic Analysis; and *Eggert's Blue-Chip Economic Indicators* as reported in The U.S. Office of Management and Budget, *Economic Report of the President*, February 1994, pp. 31, 78-85.
- [13] The preferential "alternative tax" rate on net long-term capital gains (reduced by net short-term capital losses) was repealed by the Tax Reform Act of 1986 for tax years that began on or after July 1, 1987, effectively taxing corporate capital gains at the regular corporate tax rates. (Also, because they were no longer given preferential tax treatment, these gains were exempted from the "alternative minimum tax" on "tax preference" items.)
- [14] Candilis, Wray O., and Shuman, John R., *op. cit.*, p. 45-2.
- [15] Feid, John J., and Colantuoni, Joseph A., "Financial Services," *1994 U.S. Industrial Outlook*, *op. cit.*, p. 45-5.
- [16] Muir, S. Cassin, *op. cit.*, p. 46-5.
- [17] *Mergers & Acquisitions, 1994 Almanac and Index*, May/June 1995, Volume 29, Number 6, p. 48.
- [18] For 1993, statutory special deductions include the following: 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 and real estate investment trusts; the special deduction for taxes paid by real estate investment trusts allowed under section 857; and the special deduction allowed small life insurance companies.

Corporation Income Tax Returns, 1993

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; size of total assets is in whole dollars.]

Item, and industrial division	Total ¹	Size of total assets				
		Zero assets ²	\$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)
ALL INDUSTRIES ³						
Number of returns.....	3,964,629	239,331	2,048,646	635,265	394,244	269,277
Total assets..... ⁴	21,815,869,373	--	63,188,749	102,662,775	139,592,757	189,985,446
Total receipts.....	12,269,721,710	151,793,131	380,938,628	319,364,601	352,203,519	409,079,513
Business receipts.....	10,865,542,520	98,165,166	374,264,825	313,155,611	345,470,001	400,066,774
Interest paid.....	546,236,159	32,859,097	2,460,394	2,874,617	3,656,572	4,707,916
Net income (less deficit)..... ⁴	498,159,174	-2,601,993	4,847,963	4,823,383	4,221,007	5,859,725
Total income tax..... ⁵	154,447,416	1,595,244	382,528	572,987	781,033	1,079,868
Total income tax after credits..... ⁵	119,937,278	1,297,415	374,794	556,744	758,790	1,038,651
Net worth.....	6,463,939,611	--	-12,807,099	23,877,324	41,130,802	58,317,826
AGRICULTURE, FORESTRY, AND FISHING						
Number of returns.....	141,326	5,791	59,869	23,908	22,493	16,640
Total assets..... ⁴	74,646,834	--	2,045,180	3,888,509	8,036,901	11,790,320
Total receipts.....	98,301,076	524,957	7,761,657	6,793,757	11,116,422	12,681,856
Business receipts.....	92,071,144	403,475	7,491,079	6,267,983	10,225,539	11,465,191
Interest paid.....	2,233,054	53,668	105,981	160,891	255,964	325,858
Net income (less deficit)..... ⁴	1,647,725	-104,058	278,266	-48,838	182,012	263,174
Total income tax..... ⁵	613,080	7,883	19,095	20,099	35,623	62,234
Total income tax after credits..... ⁵	568,605	5,591	18,820	19,808	33,421	58,307
Net worth.....	27,698,859	--	-68,049	989,117	3,125,577	5,351,314
MINING						
Number of returns.....	35,345	2,850	15,884	4,909	3,553	3,472
Total assets..... ⁴	224,018,659	--	510,151	767,238	1,302,807	2,478,157
Total receipts.....	112,121,150	746,747	1,270,752	1,384,579	1,952,132	3,482,651
Business receipts.....	102,064,204	605,989	1,222,603	1,274,437	1,821,940	3,164,197
Interest paid.....	4,794,523	53,831	14,398	17,331	15,189	76,710
Net income (less deficit)..... ⁴	2,628,720	-35,493	-22,722	40,881	80,353	20,985
Total income tax..... ⁵	1,360,692	6,450	*382	*1,942	3,158	14,419
Total income tax after credits..... ⁵	737,935	6,367	*292	*1,608	2,684	9,916
Net worth.....	111,449,998	--	-227,169	-5,961	-102,832	752,397
CONSTRUCTION						
Number of returns.....	417,250	20,500	226,212	64,637	41,498	30,281
Total assets..... ⁴	240,435,575	--	6,537,432	10,568,594	14,842,976	21,085,740
Total receipts.....	538,266,252	3,622,917	53,688,977	39,128,565	46,268,011	55,473,966
Business receipts.....	528,889,876	3,409,432	53,449,401	38,870,522	45,915,734	54,869,281
Interest paid.....	5,052,958	68,011	296,060	281,752	338,875	422,331
Net income (less deficit)..... ⁴	7,514,819	-131,680	1,016,685	790,798	578,080	849,403
Total income tax..... ⁵	1,654,270	11,857	33,095	64,662	108,345	115,206
Income tax after credits..... ⁵	1,492,497	11,409	32,809	63,441	104,215	109,110
Net worth.....	75,814,580	--	-196,301	3,427,532	4,800,466	6,711,432
MANUFACTURING						
Number of returns.....	307,419	12,600	116,717	45,993	37,500	31,197
Total assets..... ⁴	4,225,134,395	--	3,879,799	7,564,665	13,580,696	22,328,340
Total receipts.....	3,890,747,271	20,668,061	19,393,682	24,323,901	36,327,849	56,021,960
Business receipts.....	3,652,017,915	19,233,543	19,120,574	24,047,298	35,936,524	55,425,788
Interest paid.....	118,233,685	593,468	171,850	221,489	414,546	621,449
Net income (less deficit)..... ⁴	173,219,957	196,076	-381,347	232,622	187,210	844,975
Total income tax..... ⁵	61,912,971	363,167	36,991	34,321	85,139	182,744
Income tax after credits..... ⁵	38,070,925	98,746	34,782	32,645	80,902	173,549
Net worth.....	1,440,728,404	--	-2,138,810	1,410,613	3,031,965	7,755,343

Footnotes at end of table.

Corporation Income Tax Returns, 1993

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; size of total assets is in whole dollars.]

Item, and industrial division	Total ¹	Size of total assets--continued				
		Zero assets ²	\$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)
TRANSPORTATION AND PUBLIC UTILITIES						
Number of returns.....	175,980	12,393	90,757	26,042	17,601	12,161
Total assets.....	1,770,691,651	--	2,779,128	4,139,201	6,118,590	8,563,165
Total receipts..... ⁴	1,037,156,438	4,408,943	25,449,172	12,554,300	17,683,155	22,156,149
Business receipts.....	981,004,201	3,850,866	25,026,796	12,414,037	17,354,703	21,669,177
Interest paid.....	53,421,303	158,422	142,285	141,623	226,053	327,256
Net income (less deficit)..... ⁴	52,885,350	-6,689	93,029	120,328	146,394	332,005
Total income tax..... ⁵	20,717,373	31,074	19,268	21,900	36,191	58,910
Total income tax after credits.....	18,902,929	28,246	19,162	20,595	33,674	54,064
Net worth.....	579,823,500	--	-510,643	830,238	1,279,055	2,056,526
WHOLESALE AND RETAIL TRADE						
Number of returns.....	1,072,980	57,997	483,836	204,607	130,058	82,706
Total assets.....	1,702,833,504	--	18,264,195	33,470,091	45,990,818	58,201,028
Total receipts..... ⁴	3,709,494,745	40,781,122	107,498,289	137,707,856	158,707,185	187,586,108
Business receipts.....	3,623,042,583	39,954,798	106,141,057	136,270,203	157,060,065	185,157,439
Interest paid.....	46,771,670	362,644	611,039	910,576	1,259,431	1,409,511
Net income (less deficit)..... ⁴	49,714,808	-711,411	-718,077	991,722	993,387	1,786,202
Total income tax..... ⁵	16,373,907	87,470	69,753	164,281	224,405	339,147
Total income tax after credits..... ⁵	15,152,750	86,335	68,203	162,072	222,365	333,101
Net worth.....	448,591,875	--	-4,641,176	7,000,699	13,424,086	20,328,137
FINANCE, INSURANCE, AND REAL ESTATE						
Number of returns.....	641,397	46,888	273,799	108,385	71,306	53,629
Total assets.....	12,831,680,335	--	8,724,343	17,714,139	25,162,925	38,014,940
Total receipts..... ⁴	1,940,315,739	65,991,609	28,561,545	18,111,109	15,117,515	14,587,552
Business receipts.....	992,334,922	17,476,600	26,975,356	16,351,586	13,509,178	12,589,344
Interest paid.....	292,846,507	31,010,834	290,820	462,120	390,389	706,113
Net income (less deficit)..... ⁴	185,229,845	-1,380,337	804,715	723,953	766,403	326,273
Total income tax..... ⁵	44,409,373	970,913	52,988	138,136	116,525	136,274
Total income tax after credits..... ⁵	38,723,220	950,373	52,812	135,805	114,147	134,887
Net worth.....	3,543,133,206	--	-2,624,025	3,361,907	8,592,353	7,413,215
SERVICES						
Number of returns.....	1,157,724	76,839	772,197	155,304	69,915	38,929
Total assets.....	744,758,261	--	20,288,934	24,296,069	24,430,584	27,359,898
Total receipts..... ⁴	941,642,864	14,887,083	136,759,697	79,044,828	64,973,736	57,005,032
Business receipts.....	892,537,156	13,080,246	134,285,804	77,348,611	63,588,805	55,643,442
Interest paid.....	22,857,022	557,444	822,931	672,199	755,482	816,923
Net income (less deficit)..... ⁴	25,361,467	-411,140	3,771,428	1,985,455	1,287,540	1,447,671
Total income tax..... ⁵	7,401,280	114,912	148,896	127,615	171,648	170,782
Total income tax after credits..... ⁵	6,284,086	108,832	145,853	120,739	167,383	165,565
Net worth.....	236,109,841	--	-2,383,244	6,820,624	6,901,460	7,897,344

Footnotes at end of table.

Corporation Income Tax Returns, 1993

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; size of total assets is in whole dollars.]

Item, and industrial division	Size of total assets--continued						
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
ALL INDUSTRIES³							
Number of returns.....	279,146	40,077	25,906	11,371	7,968	6,599	6,798
Total assets..... ⁴	585,115,423	277,364,662	401,660,986	402,041,584	564,528,095	1,038,795,154	18,050,933,743
Total receipts..... ⁴	1,250,178,880	560,801,791	657,265,630	427,762,340	414,914,207	608,219,632	6,737,199,838
Business receipts.....	1,223,675,528	547,768,340	637,858,564	405,281,084	383,043,352	542,569,202	5,594,224,075
Interest paid.....	14,776,174	6,694,210	9,612,898	9,598,737	13,261,942	23,052,845	422,680,758
Net income (less deficit)..... ⁴	17,955,206	8,648,647	12,446,974	10,292,537	13,751,415	26,917,675	390,996,633
Total income tax..... ⁵	4,050,482	2,258,964	3,663,484	3,535,493	4,579,190	8,994,517	122,953,624
Total income tax after credits..... ⁵	3,871,768	2,146,370	3,353,792	3,224,758	4,159,319	7,572,044	91,582,832
Net worth.....	174,639,595	83,809,380	125,774,316	124,800,336	182,614,471	382,532,243	5,279,250,417
AGRICULTURE, FORESTRY, AND FISHING							
Number of returns.....	11,317	735	352	123	57	30	11
Total assets.....	21,185,391	5,115,905	5,175,715	4,137,170	3,927,748	4,379,145	4,964,850
Total receipts..... ⁴	23,147,630	7,668,980	6,723,962	5,109,307	4,790,829	5,792,043	6,189,675
Business receipts.....	21,483,620	7,380,966	6,434,803	4,817,695	4,611,215	5,525,499	5,964,080
Interest paid.....	610,970	151,039	146,902	99,111	78,828	149,098	94,746
Net income (less deficit)..... ⁴	250,163	32,195	-23,239	131,646	80,439	188,522	417,442
Total income tax..... ⁵	106,617	46,072	35,903	36,229	45,912	47,751	149,662
Total income tax after credits..... ⁵	103,871	44,117	34,970	33,391	44,038	45,472	126,800
Net worth.....	8,155,149	1,254,453	1,668,615	1,671,204	1,413,360	1,375,509	2,762,610
MINING							
Number of returns.....	3,124	676	427	141	107	97	105
Total assets.....	6,362,804	4,772,425	6,587,697	5,038,580	7,609,877	16,339,189	172,249,734
Total receipts..... ⁴	5,824,973	3,655,885	5,880,486	3,322,799	4,696,983	10,754,637	69,148,526
Business receipts.....	5,235,931	3,110,935	5,439,235	3,069,059	4,195,165	9,758,808	63,165,904
Interest paid.....	142,229	85,659	132,665	104,810	147,288	338,211	3,666,201
Net income (less deficit)..... ⁴	188,140	99,268	158,120	22,702	132,078	276,389	1,668,020
Total income tax..... ⁵	39,962	24,598	60,618	53,897	44,740	134,533	975,992
Total income tax after credits..... ⁵	34,844	21,732	47,543	48,430	33,064	92,856	438,597
Net worth.....	2,606,230	2,129,149	3,328,006	2,325,946	4,089,769	8,412,870	88,141,592
CONSTRUCTION							
Number of returns.....	28,396	3,620	1,492	351	157	63	42
Total assets.....	58,207,283	24,899,900	22,261,230	11,879,016	10,996,966	10,034,375	49,122,063
Total receipts..... ⁴	134,009,360	54,569,289	44,911,255	22,788,432	18,828,865	17,508,432	47,468,184
Business receipts.....	132,392,061	53,983,958	44,186,883	22,367,659	18,316,288	17,107,162	44,021,495
Interest paid.....	1,003,450	336,120	313,182	215,500	172,546	244,630	1,360,500
Net income (less deficit)..... ⁴	1,464,105	941,960	632,591	259,765	267,050	-42,883	888,945
Total income tax..... ⁵	381,546	193,451	131,280	68,700	82,295	72,990	390,843
Total income tax after credits..... ⁵	354,341	184,537	125,004	63,201	78,927	67,324	298,179
Net worth.....	17,867,296	8,147,457	7,531,162	3,991,651	3,775,736	2,085,588	17,672,561
MANUFACTURING							
Number of returns.....	43,086	8,145	6,201	2,384	1,383	1,041	1,173
Total assets.....	95,667,262	56,421,893	96,615,889	83,229,363	97,649,165	162,883,835	3,585,313,488
Total receipts..... ⁴	210,365,715	115,782,843	175,170,938	136,151,980	146,383,306	209,954,560	2,740,202,477
Business receipts.....	207,789,601	114,591,080	172,856,441	133,532,729	143,532,385	204,163,587	2,521,788,367
Interest paid.....	2,401,574	1,380,125	2,211,059	2,009,584	2,557,194	4,557,293	101,094,053
Net income (less deficit)..... ⁴	4,334,885	3,027,025	6,225,999	5,150,394	5,037,645	10,044,842	138,319,631
Total income tax..... ⁵	957,569	743,571	1,453,516	1,394,499	1,730,400	3,640,652	51,290,405
Total income tax after credits..... ⁵	905,470	685,830	1,265,989	1,187,713	1,437,784	2,500,490	29,667,026
Net worth.....	35,375,521	22,361,820	41,571,533	35,466,432	40,889,161	66,465,758	1,188,539,069

Footnotes at end of table.

Corporation Income Tax Returns, 1993

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; size of total assets is in whole dollars.]

Item, and industrial division	Size of total assets—continued						
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
TRANSPORTATION AND PUBLIC UTILITIES							
Number of returns.....	12,555	1,926	1,222	459	258	222	383
Total assets.....	26,511,288	13,412,192	18,932,456	16,079,709	18,113,444	35,559,658	1,620,482,820
Total receipts.....	51,984,381	21,492,805	26,388,673	20,654,361	16,399,350	30,516,875	787,468,275
Business receipts.....	50,475,908	20,917,426	25,632,797	19,433,573	15,503,302	28,933,215	739,792,402
Interest paid.....	830,130	418,623	613,365	613,885	720,192	1,483,209	47,746,262
Net income (less deficit).....	691,965	438,529	475,199	556,745	471,006	998,633	48,568,207
Total income tax.....	256,740	150,036	211,005	205,848	230,913	520,005	18,975,483
Total income tax after credits.....	235,818	145,365	198,089	199,629	221,919	489,308	17,257,061
Net worth.....	6,577,149	3,205,565	4,313,227	3,388,916	3,673,359	6,674,960	548,335,148
WHOLESALE AND RETAIL TRADE							
Number of returns.....	90,613	12,657	6,769	1,858	849	564	466
Total assets.....	190,150,246	87,723,205	102,430,057	63,882,692	58,945,335	90,405,150	953,370,687
Total receipts.....	649,326,191	298,856,540	317,540,373	172,948,227	149,557,792	203,825,007	1,285,160,055
Business receipts.....	641,719,135	294,775,177	313,133,488	170,101,389	146,899,456	199,598,631	1,232,231,744
Interest paid.....	4,721,855	2,081,859	2,465,607	1,498,533	1,526,478	2,112,707	27,811,430
Net income (less deficit).....	7,187,030	3,540,116	4,712,615	2,426,607	2,558,112	3,894,695	23,053,812
Total income tax.....	1,284,535	597,305	907,869	682,768	747,513	1,421,389	9,847,473
Total income tax after credits.....	1,262,493	581,116	882,427	639,714	716,046	1,359,536	8,839,341
Net worth.....	60,056,906	24,890,098	27,813,400	19,617,326	19,343,609	31,897,568	228,861,222
FINANCE, INSURANCE, AND REAL ESTATE							
Number of returns.....	54,092	8,054	6,834	5,163	4,661	4,251	4,335
Total assets.....	112,754,567	55,328,532	109,539,496	185,396,885	331,930,376	666,950,748	11,280,163,384
Total receipts.....	41,477,762	18,098,195	26,442,860	27,692,195	39,453,467	84,469,063	1,560,312,867
Business receipts.....	34,766,783	14,295,305	18,300,616	14,894,408	17,533,257	35,660,704	769,981,787
Interest paid.....	2,791,133	1,314,278	2,489,216	4,193,161	7,116,633	12,537,472	229,544,337
Net income (less deficit).....	1,141,522	106,021	-374,691	1,544,818	4,475,775	10,347,546	166,747,845
Total income tax.....	478,957	287,464	475,645	765,351	1,277,248	2,493,917	37,215,954
Total income tax after credits.....	462,568	283,519	453,890	746,624	1,247,681	2,408,553	31,732,363
Net worth.....	26,673,641	14,338,635	28,432,794	48,882,192	99,399,309	252,495,234	3,056,167,949
SERVICES							
Number of returns.....	35,693	4,245	2,602	891	495	331	283
Total assets.....	73,689,846	29,581,274	39,970,495	32,276,207	35,355,183	52,243,053	385,266,718
Total receipts.....	133,557,085	40,666,561	54,201,401	39,095,028	34,803,615	45,399,016	241,249,780
Business receipts.....	129,385,704	38,713,493	51,874,302	37,064,573	32,452,285	41,821,597	217,278,296
Interest paid.....	2,265,408	925,345	1,240,902	864,152	942,783	1,630,225	11,363,229
Net income (less deficit).....	2,697,985	454,399	656,211	199,942	729,310	1,209,933	11,332,732
Total income tax.....	544,070	216,355	387,540	328,200	420,169	663,281	4,107,812
Total income tax after credits.....	511,916	200,041	345,871	306,055	379,861	608,506	3,223,466
Net worth.....	17,215,833	7,381,200	11,016,692	9,334,740	10,030,167	13,124,758	148,770,266

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

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

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

³ Includes "Nature of business not allocable" which is not shown separately.

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

⁵ For purposes of the statistics, includes not only regular tax, but alternative minimum tax, tax from recapture of investment and low-income housing credits and certain other taxes. By law, only regular tax could be reduced by tax credits.

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

Corporation Income Tax Returns, 1993

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

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

Item	Total ¹	Size of total assets				
		Zero assets ²	\$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.....	3,964,629	239,331	2,048,646	635,265	394,244	269,277
Total assets.....	21,815,869,373	-	63,188,749	102,662,775	139,592,757	189,985,446
Cash.....	812,077,106	-	14,685,705	18,334,855	19,797,773	23,861,869
Notes and accounts receivable.....	4,532,360,299	-	7,094,258	14,673,541	23,950,966	36,381,615
Less: Allowance for bad debts.....	117,104,017	-	253,040	146,199	284,969	463,206
Inventories.....	947,287,758	-	7,754,069	15,870,809	23,374,316	31,363,274
Investment in U.S. Government obligations.....	1,290,041,298	-	51,614	134,052	306,010	545,719
Tax-exempt securities.....	701,101,044	-	50,727	206,136	250,775	497,159
Other current assets.....	1,537,521,042	-	2,867,757	4,355,975	6,656,453	9,449,622
Loans to stockholders.....	83,900,670	-	4,377,099	5,314,679	4,873,288	4,360,565
Mortgage and real estate loans.....	1,626,813,106	-	500,571	1,192,042	1,931,976	2,347,751
Other investments.....	5,700,750,483	-	1,674,163	4,869,178	7,881,345	11,663,943
Depreciable assets.....	4,968,959,443	-	66,925,255	75,341,794	94,470,145	113,559,015
Less: Accumulated depreciation.....	2,265,345,826	-	47,475,714	47,803,297	58,630,875	66,009,366
Depletable assets.....	136,837,315	-	325,409	490,119	575,197	842,491
Less: Accumulated depletion.....	64,129,960	-	200,242	195,795	260,702	345,365
Land.....	230,380,089	-	1,824,899	4,554,493	8,860,160	14,212,245
Intangible assets.....	559,011,523	-	2,888,843	3,700,136	4,305,117	4,853,540
Less: Accumulated amortization.....	138,208,765	-	1,709,638	1,934,849	1,937,542	2,114,544
Other assets.....	1,273,616,767	-	1,807,013	3,705,105	3,473,324	4,979,120
Total liabilities.....	21,815,869,373	-	63,188,749	102,662,775	139,592,757	189,985,446
Accounts payable.....	1,465,685,698	-	9,807,552	14,256,215	19,595,885	26,960,076
Mortgages, notes, and bonds payable in less than 1 year.....	1,569,039,749	-	8,006,788	8,634,504	13,310,052	17,953,781
Other current liabilities.....	5,994,457,055	-	7,812,900	8,520,654	10,811,376	14,269,957
Loans from stockholders.....	303,017,642	-	30,332,480	20,933,407	21,708,168	21,391,578
Mortgages, notes, and bonds payable in 1 year or more.....	2,871,045,770	-	14,286,574	21,814,223	29,508,305	41,107,762
Other liabilities.....	3,148,683,849	-	5,749,555	4,626,447	3,528,169	9,984,467
Net worth.....	6,463,939,611	-	-12,807,099	23,877,324	41,130,802	58,317,826
Capital stock.....	2,042,497,435	-	16,597,897	12,725,511	16,922,749	17,458,191
Paid-in or capital surplus.....	4,223,297,163	-	23,754,190	14,988,947	17,053,092	19,378,677
Retained earnings, appropriated.....	106,288,339	-	2,289,146	237,403	628,271	654,350
Retained earnings, unappropriated.....	1,424,175,422	-	-31,303,662	4,025,919	12,744,887	19,550,324
Other retained earnings (1120S).....	131,159,615	-	-21,239,225	-4,270,429	-1,783,496	6,801,606
Less: Cost of treasury stock.....	1,463,478,361	-	2,905,445	3,830,028	4,434,699	5,525,323
Total receipts.....	12,269,721,710	151,793,131	380,938,628	319,364,601	352,203,519	409,079,513
Business receipts.....	10,865,542,520	98,165,166	374,264,825	313,155,611	345,470,001	400,066,774
Interest.....	764,546,106	41,857,652	309,066	556,007	700,533	1,008,497
Interest on State and local Government obligations.....	43,319,556	223,671	3,740	20,766	35,580	53,845
Rents.....	85,478,375	698,019	357,184	367,149	658,633	898,486
Royalties.....	44,076,734	77,928	187,715	228,501	66,808	122,457
Net short-term capital gain less net long-term capital loss.....	26,064,516	405,769	69,897	45,042	48,887	53,887
Net long-term capital gain less net short-term capital loss.....	53,303,500	1,687,064	426,391	396,714	639,548	671,617
Net gain, noncapital assets.....	32,763,625	1,566,170	609,641	519,449	558,733	750,541
Dividends, domestic corporations.....	13,570,604	74,984	7,700	53,083	88,376	98,070
Dividends, foreign corporations.....	25,907,770	14,114	*212	*1,006	1,842	903
Other receipts.....	315,148,404	7,022,595	4,702,255	4,021,272	3,934,580	5,354,437

Footnotes at end of table.

Corporation Income Tax Returns, 1993

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

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

Item	Total ¹	Size of total assets--continued				
		Zero assets ²	\$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)
Total deductions	11,764,744,057	154,176,318	376,086,924	314,538,380	347,946,932	403,166,853
Cost of sales and operations.....	7,052,236,546	65,493,534	159,870,670	165,566,937	200,994,382	252,979,250
Compensation of officers.....	226,147,454	2,717,666	38,225,213	24,334,406	20,724,398	20,189,097
Repairs.....	104,140,185	806,834	3,735,123	3,449,827	3,389,520	3,506,822
Bad debts.....	80,671,397	6,045,321	778,172	645,386	985,649	1,203,076
Rent on business property.....	200,741,346	2,641,234	17,689,785	11,340,164	10,034,930	9,484,765
Taxes paid.....	289,513,615	2,858,755	12,453,543	9,538,882	10,341,793	11,220,583
Interest paid.....	546,236,159	32,859,097	2,460,394	2,874,617	3,656,572	4,707,916
Contributions or gifts.....	6,305,178	49,903	58,364	55,781	66,502	95,933
Amortization.....	38,494,898	572,106	445,592	427,533	485,161	601,377
Depreciation.....	363,545,335	2,636,241	6,047,881	6,343,618	6,943,391	8,226,575
Depletion.....	8,471,334	30,602	31,148	20,831	29,015	36,635
Advertising.....	140,143,456	938,654	4,398,286	3,244,469	3,432,697	3,675,228
Pension, profit sharing, stock bonus and annuity plans.....	61,073,784	349,791	1,891,300	1,235,645	1,212,481	1,537,083
Employee benefit programs.....	160,120,219	1,244,515	2,650,877	2,344,168	2,932,519	3,535,526
Net loss, noncapital assets.....	26,272,309	2,946,142	404,132	152,308	307,484	383,503
Other deductions.....	2,460,630,844	31,985,922	124,946,446	82,963,806	82,410,439	81,783,484
Total receipts less total deductions	504,977,653	-2,383,187	4,851,704	4,826,221	4,256,587	5,912,660
Constructive taxable income						
from related foreign corporations.....	36,501,077	*4,865		*17,928		*910
Net income (less deficit), total	498,159,174	-2,601,993	4,847,963	4,823,383	4,221,007	5,859,725
Net income, total.....	658,666,005	9,069,730	17,301,100	12,192,006	11,576,910	13,340,392
Deficit, total.....	160,506,831	11,671,723	12,453,136	7,368,623	7,355,903	7,480,667
Net income (less deficit), Form 1120A.....	-118,866	-25,590	-89,579	-661	-3,036	-
Net income (less deficit), Form 1120F.....	-2,115,353	-2,115,353	-	-	-	-
Net income (less deficit), Form 1120S ³	54,133,890	-787,417	6,711,861	4,005,457	2,706,325	3,859,325
Statutory special deductions, total	136,513,433	2,821,591	2,091,002	1,510,294	1,376,295	1,577,291
Net operating loss deduction.....	45,158,874	1,773,363	2,085,450	1,469,967	1,305,700	1,496,365
Dividends received deduction.....	14,933,621	58,036	4,968	37,885	63,200	66,989
Public utility dividends paid deduction.....	49,060					
Income subject to tax ⁵	436,797,939	4,566,366	2,254,027	3,127,724	3,973,250	4,786,123
Income tax before credits, total ⁶	154,447,416	1,595,244	382,528	572,987	781,033	1,079,868
Regular tax.....	149,026,690	1,527,253	376,916	566,885	769,400	1,061,879
Personal Holding Company tax.....	9,472	*84	*523	*327	*372	*781
Recapture of investment and low- income housing credits.....	22,864	**	-	-	*121	-
Alternative minimum tax.....	4,863,090	32,997	4,895	5,535	10,786	15,420
Environmental tax.....	566,361	4,190	*53	*204	*17	*42
Foreign tax credit.....	22,895,789	4,747	*125	*4,776	509	245
U.S. possessions tax credit.....	4,722,588	262,040	1,479	99	*369	1,965
Orphan drug credit.....	20,486					
Nonconventional source fuel credit.....	690,593	1	*51	*283	*296	*6,254
General business credit.....	3,078,073	11,062	5,816	9,352	13,731	24,933
Prior year minimum tax credit.....	3,102,567	19,978	*263	*1,732	7,337	7,821
Total income tax after credits	119,937,278	1,297,415	374,794	556,744	758,790	1,038,651

Footnotes at end of table.

Corporation Income Tax Returns, 1993

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

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

Item	Size of total assets—continued						
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under 250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Number of returns.....	279,146	40,077	25,906	11,371	7,968	6,599	6,798
Total assets.....	585,115,423	277,364,662	401,660,986	402,041,584	564,528,095	1,038,795,154	18,050,933,743
Cash.....	55,387,742	24,447,531	30,517,056	25,997,905	31,690,320	46,800,575	520,555,775
Notes and accounts receivable.....	124,962,171	61,876,447	93,847,308	101,606,534	147,504,593	226,519,406	3,693,943,459
Less: Allowance for bad debts.....	1,796,834	1,291,496	2,403,403	2,685,265	4,214,404	7,374,438	96,190,762
Inventories.....	117,619,093	56,093,344	64,804,627	43,398,361	41,659,224	58,936,426	486,414,215
Investment in U.S. Government obligations.....	2,985,682	3,294,188	12,100,847	28,094,582	51,386,551	89,873,244	1,101,268,808
Tax-exempt securities.....	2,051,659	1,404,865	5,017,317	10,405,779	24,760,552	57,948,265	598,507,809
Other current assets.....	30,518,114	15,642,935	21,808,963	21,937,895	27,595,785	51,644,725	1,345,042,819
Loans to stockholders.....	8,869,517	2,832,049	2,804,201	2,020,304	1,914,361	2,790,342	43,744,266
Mortgage and real estate loans.....	6,067,860	2,587,728	6,403,872	14,344,001	33,537,945	76,926,217	1,480,973,143
Other investments.....	40,183,255	23,585,582	43,362,310	56,453,407	95,499,973	239,628,259	5,175,949,066
Depreciable assets.....	308,778,598	130,312,911	172,402,503	127,956,698	134,005,731	209,375,915	3,535,830,877
Less: Accumulated depreciation.....	166,729,890	66,793,410	84,704,265	59,797,965	60,319,428	91,170,880	1,515,910,737
Depletable assets.....	1,914,490	1,805,357	2,862,531	2,907,003	3,700,123	7,991,506	113,423,089
Less: Accumulated depletion.....	712,790	773,879	1,385,573	1,339,922	1,717,841	3,080,508	54,117,342
Land.....	35,214,472	12,789,305	15,212,830	10,790,536	10,269,111	14,042,743	102,609,296
Intangible assets.....	12,081,712	7,994,385	11,767,045	12,892,136	19,156,632	36,684,200	442,687,777
Less: Accumulated amortization.....	4,891,325	4,113,635	4,232,373	4,233,185	6,107,250	9,274,558	97,659,867
Other assets.....	12,611,899	5,670,454	11,475,188	11,292,779	14,206,117	30,533,715	1,173,862,053
Total liabilities.....	585,115,423	277,364,662	401,660,986	402,041,584	564,528,095	1,038,795,154	18,050,933,743
Accounts payable.....	86,947,249	40,588,290	52,728,532	41,972,451	46,612,971	72,835,284	1,053,381,194
Mortgages, notes, and bonds payable in less than 1 year.....	81,726,693	44,782,651	53,449,960	34,815,847	36,136,388	51,709,547	1,218,513,540
Other current liabilities.....	50,194,044	28,575,920	60,044,537	106,910,007	193,307,456	333,997,487	5,180,012,718
Loans from stockholders.....	45,711,352	14,287,231	12,750,371	7,341,254	6,799,815	9,381,029	112,380,958
Mortgages, notes, and bonds payable in 1 year or more.....	122,368,181	52,674,888	73,490,277	62,283,817	71,437,932	129,530,734	2,252,543,076
Other liabilities.....	23,528,309	12,646,302	23,422,994	23,917,872	27,619,063	58,808,830	2,954,851,842
Net worth.....	174,639,595	83,809,380	125,774,316	124,800,336	182,614,471	382,532,243	5,279,250,417
Capital stock.....	43,053,291	19,256,107	28,013,046	27,570,133	36,845,478	77,349,051	1,746,705,981
Paid-in or capital surplus.....	68,967,254	38,729,876	65,874,094	77,615,748	124,714,367	272,356,392	3,499,864,526
Retained earnings, appropriated.....	1,495,200	720,971	993,753	947,243	1,618,868	3,840,589	92,862,545
Retained earnings, unappropriated.....	36,912,862	4,389,238	3,195,484	1,303,636	12,239,503	33,163,017	1,327,954,214
Other retained earnings (1120S).....	37,303,753	25,244,390	33,139,525	21,720,193	15,158,191	11,608,319	7,476,787
Less: Cost of treasury stock.....	13,092,765	4,531,203	5,441,586	4,356,617	7,961,936	15,785,123	1,395,613,636
Total receipts.....	1,250,178,880	560,801,791	657,265,630	427,762,340	414,914,207	608,219,632	6,737,199,838
Business receipts.....	1,223,675,528	547,768,340	637,858,564	405,281,084	383,043,352	542,569,202	5,594,224,075
Interest.....	3,531,155	1,751,590	4,801,177	9,141,453	17,075,258	33,242,495	650,571,222
Interest on State and local Government obligations.....	229,252	145,642	392,483	659,875	1,455,722	3,683,787	36,415,193
Rents.....	2,302,041	876,447	1,550,516	1,086,460	1,440,398	2,848,298	72,394,744
Royalties.....	334,949	191,967	361,874	357,514	824,809	1,203,892	40,118,321
Net short-term capital gain less net long-term capital loss.....	195,236	88,871	227,009	337,354	716,172	1,976,702	21,899,692
Net long-term capital gain less net short-term capital loss.....	1,752,032	1,000,148	1,299,716	1,362,361	1,348,463	2,570,742	40,148,704
Net gain, noncapital assets.....	1,760,307	810,423	1,062,676	875,703	882,808	1,425,635	21,941,538
Dividends, domestic corporations.....	386,555	179,824	287,507	248,788	320,405	483,594	11,341,717
Dividends, foreign corporations.....	46,232	40,214	135,792	140,400	319,000	626,766	24,581,289
Other receipts.....	15,965,593	7,948,324	9,288,315	8,271,349	7,487,821	17,588,519	223,563,345

Footnotes at end of table.

Corporation Income Tax Returns, 1993

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

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

Item	Size of total assets—continued						
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under 250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Total deductions	1,232,029,036	552,010,620	644,499,587	416,950,952	399,841,550	578,183,540	6,345,313,367
Cost of sales and operations.....	860,643,141	408,147,618	466,275,369	287,476,030	266,981,975	368,319,680	3,549,487,959
Compensation of officers.....	42,170,035	12,978,049	12,552,760	6,841,975	5,568,210	6,213,309	33,632,335
Repairs.....	7,828,362	2,764,659	3,036,294	2,089,184	2,122,878	3,531,563	67,879,120
Bad debts.....	3,696,453	1,675,190	2,148,383	1,957,514	1,942,262	3,418,724	56,175,266
Rent on business property.....	19,514,872	6,333,328	7,750,498	5,531,030	5,653,165	8,667,833	96,099,743
Taxes paid.....	27,314,536	10,590,718	12,561,453	8,216,442	8,246,618	12,068,568	164,101,723
Interest paid.....	14,776,174	6,694,210	9,612,898	9,598,737	13,261,942	23,052,845	422,680,758
Contributions or gifts.....	221,846	97,189	144,569	125,538	170,862	277,569	4,941,121
Amortization.....	1,506,771	1,266,947	1,521,614	1,339,675	1,726,571	2,973,532	25,628,018
Depreciation.....	21,869,086	9,088,095	12,554,588	9,624,811	10,215,352	15,907,404	254,088,293
Depletion.....	139,293	147,829	236,576	196,872	207,091	596,692	6,798,750
Advertising.....	9,887,944	4,468,765	5,878,240	4,586,894	4,578,681	7,185,396	87,868,203
Pension, profit sharing, stock bonus and annuity plans.....	4,190,074	1,756,524	2,024,261	1,470,576	1,411,385	2,321,853	41,672,811
Employee benefit programs.....	10,615,202	4,790,491	6,484,622	5,083,617	4,810,685	8,231,567	107,396,431
Net loss, noncapital assets.....	1,051,880	689,412	1,096,106	952,358	1,131,696	2,093,477	15,063,812
Other deductions.....	206,603,368	80,521,595	100,621,357	71,859,699	71,812,177	113,323,528	1,411,799,023
Total receipts less total deductions	18,149,844	8,791,171	12,766,043	10,811,388	15,072,657	30,036,093	391,886,472
Constructive taxable income from related foreign corporations.....	34,613	3,119	73,415	141,024	134,479	565,369	35,525,353
Net income (less deficit), total	17,955,206	8,648,647	12,446,974	10,292,537	13,751,415	26,917,675	390,996,633
Net income, total.....	36,502,701	16,456,446	23,219,027	18,307,419	21,300,517	37,281,440	442,118,316
Deficit, total.....	18,547,495	7,807,799	10,772,053	8,014,882	7,549,101	10,363,765	51,121,684
Net income (less deficit), Form 1120A... Net income (less deficit), Form 1120F... Net income (less deficit), Form 1120S ³	12,250,110	6,064,685	8,086,126	4,468,112	3,266,720	2,412,885	1,089,701
Statutory special deductions, total	3,833,425	1,585,489	2,736,027	2,852,966	4,614,111	9,323,159	102,191,783
Net operating loss deduction.....	3,420,560	1,294,923	2,075,409	1,771,009	2,276,014	2,629,401	23,560,712
Dividends received deduction.....	294,675	158,476	266,637	260,143	335,983	553,391	12,833,237
Public utility dividends paid deduction.....	*5,131	-	-	**	1,233	12	42,684
Income subject to tax	13,318,183	6,547,426	10,452,488	10,057,551	12,945,564	25,333,150	339,436,088
Income tax before credits, total	4,050,482	2,258,964	3,663,484	3,535,493	4,579,190	8,994,517	122,953,624
Regular tax.....	3,914,986	2,182,739	3,537,204	3,416,707	4,408,622	8,741,537	118,522,561
Personal Holding Company tax.....	3,158	1,113	2,368	*35	383	46	281
Recapture of investment and low- income housing credits.....	*283	*192	*657	*1,674	53	63	19,821
Alternative minimum tax.....	126,891	71,675	117,712	106,129	154,568	228,675	3,987,806
Environmental tax.....	556	769	4,338	7,365	12,148	26,945	509,734
Foreign tax credit.....	23,294	10,027	61,775	55,218	102,896	334,070	22,298,106
U.S. possessions tax credit.....	18,817	21,257	122,953	140,554	176,040	832,537	3,144,477
Orphan drug credit.....	-	-	-	-	199	-	20,287
Nonconventional source fuel credit.....	1,767	*1,567	1,832	1,732	7,053	6,848	662,910
General business credit.....	71,272	37,474	60,068	56,026	59,712	124,315	2,604,310
Prior year minimum tax credit.....	63,565	42,269	63,064	57,204	73,971	124,703	2,640,661
Total income tax after credits	3,871,768	2,146,370	3,353,792	3,224,758	4,159,319	7,572,044	91,582,832

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

** Amount is less than \$500.

¹ Excludes Foreign Sales Corporations (Form 1120-FSC) and Interest-Charge Domestic International Sales Corporations (Form 1120-IC-DISC)

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

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

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

⁵ See Footnote 3.

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

Note: Detail may not add to totals due to rounding.