

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

by Nick Ward

For 1996, U.S. corporations were able to claim a record-high foreign tax credit of \$40.3 billion. This amount represents an increase of nearly \$10 billion from 1995. Corporations with credits earned \$150.8 billion in foreign-source taxable income, paying \$41.2 billion in income taxes to foreign governments. Under the foreign tax credit provisions, these corporations were able to lower their regular U.S. tax liability from \$130.7 billion (U.S. income tax before credits) to \$90.5 billion, a 30.8-percent reduction. Other credits, including the U.S. possessions tax credit and the general business credit, further reduced their U.S. tax liability to \$84.3 billion.

U.S. manufacturers remain the most significant industry group in the key measurements of foreign activity. U.S. manufacturers accounted for 66 percent of total foreign-source taxable income, 71 percent of total current-year foreign taxes paid, accrued, or deemed paid, and nearly 73 percent of total foreign tax credit claimed for 1996 [1]. However, the types of U.S. corporations receiving foreign-source taxable income have expanded and diversified in recent years. Corporations classified in the finance, insurance, and real estate industry grouping (FIRE) have rapidly increased their shares of both foreign-source taxable income and total foreign tax credit claimed. This industry's share of the total foreign tax credit claimed has more than doubled from less than 7 percent for 1990 to almost 16 percent for 1996.

As in prior years, the largest shares of foreign-source taxable income were generated in the United Kingdom, Canada, Japan, Germany, and the Netherlands. With nearly \$20 billion of the \$150.8 billion (or 13.2 percent) in foreign-source taxable income, the United Kingdom provided the largest amount of income. Overall, the 12 nations of the European Economic Community combined for 38 percent of foreign-source taxable income, 21 percent of current-year taxes paid or accrued, and 45 percent of current-year tax deemed paid.

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Background

U.S. corporations are subject to U.S. taxation on their worldwide income [2]. Their foreign-source income is also subject to taxation by the country in which the income is earned. Double taxation of U.S. corporation's income occurs when the same income is taxed first by the foreign government and, again, by the U.S. Since the Revenue Act of 1918, the foreign tax credit has served to reduce the impact of double taxation. The foreign tax credit provisions allow U.S. corporations to offset a portion or all of the U.S. tax on their foreign source taxable income with a credit for taxes paid to a foreign tax authority [3].

Although foreign tax credit provisions have been present for over 80 years, their nature and restrictions have been modified many times. The first limitation, an "overall limitation" on the amount of the foreign tax credits, was first introduced as part of the Revenue Act of 1921. Prior to this alteration, the provisions allowed an unlimited credit that, in effect, offset some of the U.S. tax on income earned within the United States. Congress included the overall limitation to restrict the foreign tax credit to an amount equivalent to the U.S. tax on foreign-source taxable income. Computationally, this limitation is equal to the amount of U.S. tax multiplied by the ratio of foreign-source to worldwide taxable income. This places a ceiling on the amount of creditable taxes. Corporations are then allowed to credit the lesser of their creditable taxes or the amount of this limit. Except for a brief period beginning after the enactment of the Internal Revenue Code of 1954 and lasting until the passage of Public Law 86-870 in 1960, the overall limitation has been an integral part of the foreign tax credit provisions.

At various times, Congress has also incorporated a "per-country" limitation, which required taxpayers to calculate a foreign tax credit limitation on a country-by-country basis. Congress included this limitation to prevent taxpayers from using foreign taxes incurred in a higher-tax foreign country to offset U.S. taxes on income earned in a lower-tax foreign

For 1996, U.S. corporations were able to credit almost 84 percent of their available foreign taxes.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

country. In various forms, this per-country limitation was operational from 1932 until 1976. For the periods 1932-1954 and 1960-1976, both the per-country limitation and the overall limitation were in effect.

Beginning with the passage of the Revenue Act of 1962, foreign tax credit limitations based on statutory categories of income have also been included in the foreign tax credit provisions. Initially, under the 1962 Act, Congress required taxpayers to compute a separate limitation for nonbusiness interest income. The intent of this requirement was to remove the incentive for corporations with foreign-source income, taxed at rates in excess of the U.S. rate, from making interest-bearing investments abroad to generate additional foreign income. Since this foreign-source income was subject to little or no foreign tax, this additional lower-taxed foreign income, combined with the higher-taxed foreign income, enabled corporations to increase the total foreign tax credit claimed.

From 1992 to 1996, an 87-percent increase in foreign tax credit accompanied a jump of over 90 percent in income subject to U.S. tax.

The purpose of each limitation has remained the same even as the number of separate categories of income requiring separate limitations has increased dramatically, especially under the provisions of Tax Reform Act of 1986. For 1996, taxpay-

ers had to compute a separate foreign tax credit limitation for the following statutory categories of foreign-source income (described in the Explanation of Selected Terms section below): passive income, high withholding tax interest, financial services income, shipping income, dividends from “noncontrolled” section 902 foreign corporations, dividends from Interest Charge-Domestic International Sales Corporations (IC-DISC’s) or former DISC’s, taxable foreign trade income attributable to Foreign Sales Corporations (FSC’s) [4], certain distributions from Foreign Sales Corporations (FSC’s) or former FSC’s, and “all other income from outside the United States” (commonly referred to as general limitation income). Income re-sourced by Treaty (under Section 904(g) primarily) and income from sanctioned countries (Section 901(j)) became separate limitation catego-

ries under the Taxpayer Relief Act of 1997. For 1996, however, both income categories are included in a combined limitation category.

In addition, Congress first allowed a carryover of “unused” foreign tax credits in the Technical Amendments Act of 1958. For 1996, the carryover provision allowed foreign taxes that exceeded the limitations to first be carried back 2 years and then carried forward 5 years and used as a credit for those years, to the extent the foreign taxes did not exceed the limitations for each year. The foreign taxes available for the credit shown in this article include only those carried forward to 1996 from previous years; no taxes carried back to 1996 are included in the statistics.

Foreign Tax Credit

The foreign tax credit of \$40.3 billion for 1996 easily eclipses the former record-high of \$36.8 billion claimed for 1979 [5]. The \$40.3 billion also represents an increase by nearly one-third from 1995. The reason behind this large increase appears to be simple; the components of the foreign tax credit all increased. Figure A shows the major components of the foreign tax credit calculation—income subject to U.S. tax (or worldwide income), U.S. income tax before credits, foreign-source taxable income, current-year foreign taxes, and the resulting total foreign tax credit claimed—for 1992 through 1996. As shown in Figure A, income subject to U.S. tax (worldwide income), U.S. income tax before credits, foreign-source taxable income, and current-year foreign taxes have all climbed steadily as the foreign tax credit rose from \$21.5 billion for 1992 to \$40.3 billion for 1996. During those 5 years, an 87-percent increase in foreign tax credit accompanied a jump of over 90 percent in income subject to U.S. tax.

More importantly, the large increases in income and taxes have been proportionate, leaving the components internally consistent for 1992 through 1996. With the exception of 1992, foreign-source taxable income as a percentage of worldwide income (column 5) has remained in the 39-to-41-percent range. Current-year foreign taxes as a percentage of foreign-source income, which serves as a proxy for the effective tax rate imposed by foreign governments on U.S. corporations’ foreign-source taxable income, has been only slightly variable, residing within the

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Figure A

U.S. Corporation Returns with a Foreign Tax Credit: Income Subject to U.S. Tax, Foreign-Source Taxable Income, Current-Year Foreign Taxes, and Foreign Tax Credit, Tax Years 1992-1996

[Money amounts are in millions of dollars]

Tax year	Number of returns	Income subject to U.S. tax	U.S. income tax before credits	Foreign-source taxable income (less loss) ¹		Current-year foreign taxes ³		Foreign tax credit	
				Amount	As a percentage of worldwide taxable income ²	Amount	As a percentage of foreign-source income ⁴	Amount ⁵	As a percentage of U.S. income tax ⁶
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1992.....	5,147	194,204	67,942	86,925	44.8	22,574	26.0	21,533	31.7
1993.....	6,322	228,688	81,913	94,687	41.4	23,716	25.0	22,895	28.0
1994.....	7,199	255,439	90,786	101,521	39.7	26,470	26.1	25,419	28.0
1995.....	6,710	303,308	107,996	120,518	39.7	30,930	25.7	30,416	28.2
1996.....	6,100	370,049	130,748	150,826	40.8	41,177	27.3	40,255	30.8

¹ For 1996, foreign-source taxable income is reported as "foreign taxable income (less loss) before adjustments," in Table 1, column 37 at the end of this article.

² Foreign-source taxable income (column 4) divided by income subject to U.S. tax (column 2). Worldwide taxable income is equal to income subject to U.S. tax.

³ For 1996, current-year foreign taxes are reported as "foreign taxes paid, accrued, and deemed paid" in Table 1, column 43, at the end of this article.

⁴ Current-year foreign taxes (column 6) divided by foreign-source taxable income (column 4).

⁵ The difference between current-year foreign taxes (column 6) and the foreign tax credit is due to: (1) carryforward of creditable taxes from prior years, (2) reduction of certain non-creditable current-year taxes, and (3) the effect of the credit limitation.

⁶ Foreign tax credit (column 8) divided by U.S. income tax before credits (column 3).

range of 25 to 27 percent. Also, corporations were able to offset a slightly higher percentage of their U.S. income tax (30.8 percent) for 1996 than for 1993, 1994, or 1995, but not as much as for 1992 (when the higher percentage of foreign-source income, mentioned above, increased the limitation). The overall effect of these slightly varying percentages, however, is minimal. U.S. corporations have experienced stable and balanced increases in both worldwide and foreign-source income since 1992. Current-year foreign taxes and the foreign tax credit claimed have merely followed the trend.

Factors Affecting the Amount of Foreign Tax Credit Claimed

As seen in Figure A, the current-year foreign taxes comprise a great deal of corporations' eventual foreign tax credit. Greater taxes paid can, subject to the effects of the limitation provisions, result in a greater credit. The foreign tax credit, however, includes more than just current-year foreign taxes. The total pool of creditable taxes available to a corporation equals current-year foreign taxes, minus certain non-creditable current-year foreign taxes, plus carryover of creditable taxes from prior years [6].

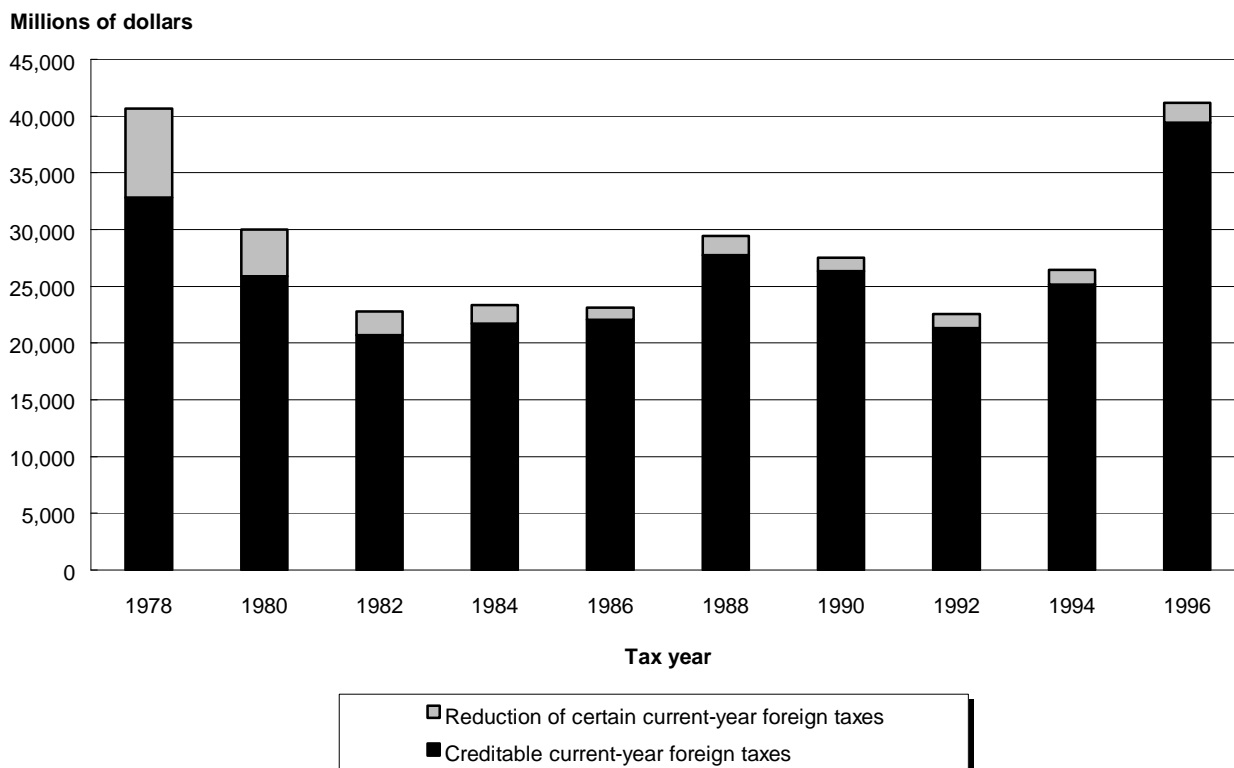
For 1996, corporations were required to reduce their pool of current-year foreign taxes available for

credit by nearly \$1.8 billion. This represents an increase from 1992 and 1994, but a slight drop in relative importance as the percentage of taxes eventually reduced dropped from almost 6 percent for 1992 to 5 percent for 1994 to 4.3 percent for 1996. The bulk of this reduction, recorded on Form 1118, Schedule G, *Reduction of Taxes, Paid, Accrued, or Deemed Paid*, is from reductions of oil and gas extraction taxes under Section 907. To a much smaller extent, corporations are also required to reduce their pool of current-year taxes available for credit under a variety of other provisions, including Internal Revenue Code section 901(j), which disallows certain taxes paid to sanctioned countries. The amount of current-year taxes disallowed for credit has been relatively small since the mid 1980's. Figure B shows the total pool of current-year foreign taxes for the past 10 even years by combining the amount of the reduction with the amount of creditable current-year taxes after reduction. The full height of each bar indicates how much credit would have been available to corporations without the reduction provisions described above. Corporations have been required to reduce their creditable current-year foreign taxes an average of only 5 percent since the mid-1980's. Before then, and especially in the late 1970's, reductions in taxes related to oil and gas

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Figure B

Reductions in Creditable Current-Year Foreign Taxes, Even Tax Years 1978-1996



extraction played a much bigger role. For 1978, 1980, and 1982, for example, current-year foreign taxes were reduced by 19.3, 13.7, and 9.1 percent, respectively.

After reducing their current-year taxes, the foreign tax credit provisions allow corporations to carry forward unused foreign tax credits for a period of up to 5 years and carry back up to 2 years [7]. As noted earlier, all statistics included in this article and the following tables show only taxes that have been carried forward from prior years. For 1996, corporations carried forward \$8.7 billion of prior year taxes in addition to the \$41 billion of current-year foreign taxes. Figure C shows carryforward taxes as a percentage of the total pool of taxes available for credit. Clearly, the relative importance of carryforward taxes has varied, but has stabilized recently. Carryforward taxes have accounted for roughly 20 percent of corporations' creditable taxes since 1992. The amount of carryforward has stabilized since being much more volatile (and significant) in the late 1970's and early 1980's. The high carryforward

balances of the era were driven by the petroleum industry. For 1978, corporations engaged in oil and gas extraction accounted for \$17.3 billion, or 90.1 percent, of the \$19.3 billion in carryover indicated for that year. Conversely, for 1996, corporations engaged in oil and gas extraction accounted for less than 5 percent of the \$8.7 billion in carryforward taxes. However other oil-related industries are still generating significant amounts of carryforward taxes. Corporations manufacturing petroleum (including integrated) and coal products represented over 41.3 percent (\$3.6 billion) of the total tax carried forward to 1996.

Figure D summarizes the factors affecting the foreign tax credit calculation for even tax years 1978 through 1996. The total amount of creditable taxes, after reductions and including taxes carried forward from previous years, is shown in column 5. The difference between these amounts and the amount of credit actually claimed (column 6) reflects the effects of the limitation provisions and (far less significantly) any reductions in credit due to international boycott

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Figure C

Carryforward as a Percentage of Foreign Taxes Available for Credit, Even Tax Years 1978-1996

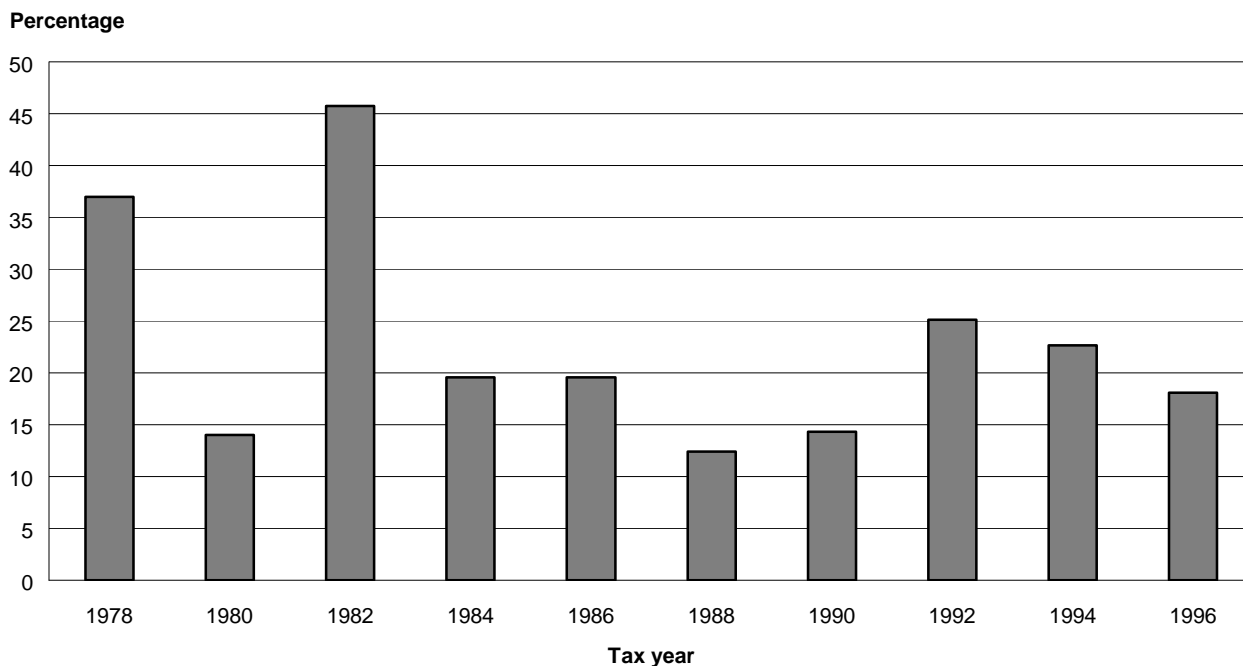


Figure D

U.S. Corporation Returns with a Foreign Tax Credit: The Significance of Current-Year Foreign Taxes, Current-Year Reduction in Taxes, Carryforward Taxes, and the Limitation Provisions of the Foreign Tax Credit, Even Tax Years 1978-1996

[Money amounts are in millions of dollars]

Tax year	Current-year foreign taxes ¹	Reduction of certain current-year foreign taxes	Creditable current-year foreign taxes ²	Carryforward of foreign taxes from prior years	Total taxes available for credit ³	Foreign tax credit	
						Amount	As a percentage of taxes available for credit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1978.....	40,652	7,848	32,804	19,260	52,064	26,358	50.6
1980.....	29,996	4,098	25,898	4,211	30,109	24,880	82.6
1982.....	22,795	2,085	20,710	17,470	38,181	18,932	49.6
1984.....	23,328	1,597	21,731	5,277	27,008	21,420	79.3
1986.....	23,102	1,060	22,042	5,364	27,408	22,261	81.2
1988.....	29,427	1,704	27,723	3,933	31,656	27,110	85.6
1990.....	27,514	1,163	26,351	4,409	30,761	24,987	81.2
1992.....	22,574	1,264	21,310	7,157	28,468	21,533	75.6
1994.....	26,470	1,319	25,151	7,361	32,511	25,419	78.2
1996.....	41,177	1,772	39,405	8,680	48,085	40,255	83.7

¹ For 1996, current-year foreign taxes are reported as "foreign taxes paid, accrued, and deemed paid," in Table 1, column 43, at the end of this article.

² Current-year foreign taxes (column 1) minus reduction of certain current-year foreign taxes (column 2).

³ Creditable current-year foreign taxes (column 3) plus carryforward of foreign taxes from prior years (column 4).

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

provisions. For 1996, after all restrictions of the foreign tax credit have been considered, U.S. corporations were able to credit almost 84 percent of their available foreign taxes. This is a slight increase over recent tax years and is considerably higher than in 1978 and 1982 when carryforward amounts were much more significant.

Industry Composition

Figure E, which shows the number of returns, foreign-source taxable income, current-year foreign taxes, and foreign tax credit claimed by selected industry group for 1996, provides a summary of foreign income and taxes by the U.S. corporation's industrial classification. Similar to recent years, manufacturing corporations remained the most significant industrial grouping. U.S. corporations involved in manufacturing received the most foreign-

source taxable income, paid out the most in current-year foreign taxes, and claimed the greatest amount of foreign tax credit. U.S. manufacturers reported 66 percent of the total \$151 billion in foreign source taxable income and over 71 percent of the total \$41 billion in current-year foreign taxes. This allowed them to account for nearly 73 percent of the total foreign tax credit claimed. U.S. corporations classified in the petroleum (including integrated) and coal products continued to be the most significant specific industry, with nearly 19 percent of the total foreign tax credit claimed.

Figure E also shows that the finance, insurance, and real estate (FIRE) corporations are second behind those in manufacturing, with 20 percent of the foreign-source taxable income and nearly 15 percent of the total current-year taxes. Figure E also shows each industrial grouping's foreign tax credit as a

Figure E

Foreign-Source Taxable Income, Current-Year Foreign Taxes, and Foreign Tax Credit, by Selected Industrial Group, Tax Year 1996, and Selected Industry Shares of Total Foreign Tax Credit Claimed, Selected Tax Years

[Money amounts are in millions of dollars]

Selected industrial group	1996				Industry's share of foreign tax credit ¹		
	Number of returns	Foreign-source taxable income (less loss)	Current-year foreign taxes	Foreign tax credit	1996	1990 ²	1978 ³
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All industries.....	6,100	150,826	41,177	40,255	100.0	100.0	100.0
Agriculture, forestry, and fishing.....	187	294	93	81	0.2	0.1	0.0
Mining.....	123	3,076	1,374	931	2.3	3.2	47.5
Construction.....	155	606	200	196	0.5	0.4	0.4
Manufacturing.....	1,742	99,657	29,422	29,191	72.5	83.1	44.2
Food and kindred products.....	95	7,132	2,241	2,301	5.7	3.7	2.0
Petroleum (including integrated) and coal products.....	27	22,500	8,516	7,636	19.0	21.5	17.7
Electrical and electronic equipment.....	318	9,930	2,278	2,236	5.6	4.8	2.8
Motor vehicles and equipment.....	37	8,517	2,300	2,281	5.7	6.9	3.9
Transportation and public utilities.....	157	3,967	441	432	1.1	0.6	0.8
Wholesale and retail trade.....	995	5,023	1,383	1,288	3.2	3.7	2.3
Finance, insurance, and real estate.....	1,649	30,291	6,363	6,253	15.5	6.6	4.2
Banking.....	84	13,294	2,750	2,687	6.7	2.1	2.9
Insurance.....	255	8,956	1,457	1,444	3.6	2.5	0.8
Services.....	1,091	7,912	1,902	1,883	4.7	2.4	0.5

¹ Equals each industry's foreign tax credit divided by the total foreign tax credit claimed for all industries.

² Actual foreign tax credit amounts for 1990 are not included in this figure.

³ Actual foreign tax credit amounts for 1978 are not included in this figure.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

percentage of the total foreign tax credit claimed for 1996, 1990, and 1978. Tax Year 1990 was included to provide a recent comparison, while 1978 was included as to demonstrate how much the foreign tax credit has changed in almost 20 years.

Several trends emerge when examining each industry's share of foreign tax credit historically. First, the manufacturing corporations may still produce most of the foreign tax credit, but corporations involved in finance, insurance, and real estate are quickly becoming more significant. Finance, insurance, and real estate corporations' share of the foreign tax credit has grown from only 4 percent for 1978 to nearly 16 percent for 1996. In actuality, most of the increase happened between 1990 and 1996, as the industry's share of the total foreign tax credit claimed more than doubled in these 6 years.

Finance, insurance, and real estate corporations' share of the foreign tax credit has grown from only 4 percent for 1978 to nearly 16 percent for 1996.

Using the foreign tax credit as a measurement also understates the growing importance of finance, insurance, and real estate corporations since income in those industries is usually taxed at a much lower rate than manufacturing income and, thus, would

generate lower amounts of creditable foreign taxes. The growth in foreign-source taxable income has been even more impressive. While total foreign-source taxable income increased by 25 percent from 1995 to 1996, foreign-source taxable income for manufacturing corporations increased only 21 percent. Corporations involved in finance, insurance, and real estate, however, reported 35 percent more foreign-source income in 1996 than in 1995.

A more distinct change in the historical foreign tax credit shares shown in Figure E is that mining corporations, which accounted for almost half of the foreign tax in 1978, dropped to only 2 percent of the credit for 1996. Changes in the oil and gas extraction industry account for nearly all of this reduction in importance. U.S. corporations engaged in foreign oil and gas extraction faced dramatically different tax and political conditions in the mid 1990's than during the late 1970's. Corporations were less likely in 1996 to receive oil and gas extraction income from members of the Organization of Petroleum Exporting

Countries (OPEC) due to the discovery of oil in the North Sea, and corporations generally paid lower foreign taxes on their oil and gas extraction income for 1996 than in the late 1970's. Another reason behind the drastic drop in mining's importance is that oil and gas extraction income is now more likely to be reported by manufacturing corporations, specifically those producing petroleum (including integrated) and coal products. This will be discussed below.

Oil and Gas Extraction Income

Oil and gas extraction income, deductions, and taxes are reported separately by U.S. corporations claiming a foreign tax credit related to that income [8]. Under Internal Revenue Code section 907, separate rules related to oil and gas extraction income affect the amount of foreign taxes available for corporations to credit. The provisions of Internal Revenue Code section 907 disallow certain foreign taxes and provide another limitation calculation specifically for foreign oil and gas extraction income (FOGEI). Foreign taxes are excluded from the foreign tax credit calculation if they were paid, accrued, or deemed paid at a rate in excess of the applicable U.S. tax rate. Taxes can also be excluded because they were not, in effect, income taxes, but rather royalty payments. Under the foreign tax credit provisions, only income taxes, as viewed through U.S. tax principles, are creditable. This excludes voluntary payments and payments for specific rights or services (such as the right to extract a natural resource).

Figure F shows gross income from foreign oil and gas extraction by both selected industry groups and selected countries for 1996. As mentioned above, most FOGEI is now reported by U.S. corporations classified as manufacturers of petroleum (including integrated) and coal products. For 1996, the oil and gas extraction industry accounted for less than 9 percent of the total oil and gas extraction related gross income reported. Figure F also lists the countries generating the greatest amounts of gross income associated with foreign oil and gas extraction for 1996. As for both 1994 and 1995, corporations reported the most gross income from the United Kingdom and Indonesia. Seven countries (the United Kingdom, Indonesia, Canada, the Netherlands, Australia, Norway, and Nigeria) together accounted for 66 percent of all gross income from foreign oil and gas extraction activities.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Figure F

U.S. Corporation Returns with a Foreign Tax Credit: Foreign Oil and Gas Extraction Gross Income by Selected Industrial Group and Selected Country, Tax Year 1996

[Money amounts are in millions of dollars]

Selected industrial group, country	Gross income (less loss)	Percent of total
Selected industrial group:		
All industries.....	22,074	100.0
Petroleum (including integrated) and coal products manufacturing.....	18,006	81.6
Oil and gas extraction.....	1,883	8.5
Industrial plastics and synthetic materials manufacturing.....	*1,456	*6.6
All other industries.....	729	3.3
Selected country:		
All countries.....	22,074	100.0
United Kingdom.....	3,749	17.0
Indonesia.....	2,128	9.6
Canada.....	2,018	9.1
Netherlands.....	1,828	8.3
Australia.....	*1,749	*7.9
Norway.....	*1,603	*7.3
Nigeria.....	*1,526	*6.9
Malaysia.....	*767	*3.5
Colombia.....	*651	*2.9
Chile.....	*576	*2.6
Saudi Arabia.....	*560	*2.5
Thailand.....	*507	*2.3
All other countries.....	12,351	56.0

Geographic Focus

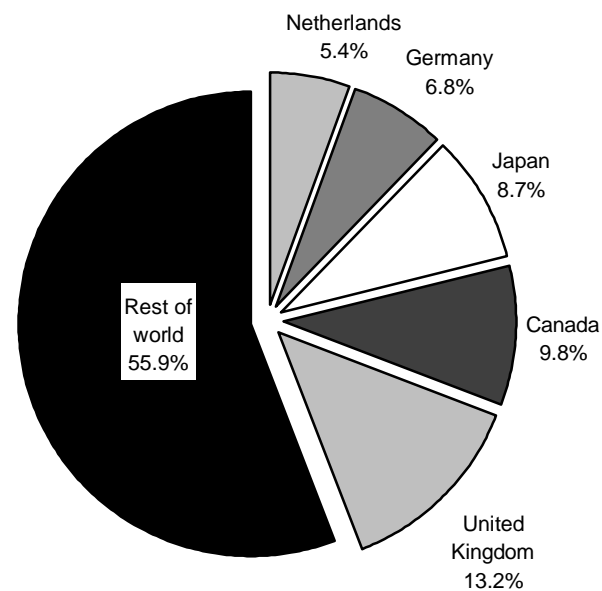
As in past years, a considerable portion of the foreign-source income came from a small number of countries. Figure G shows the most significant countries' shares of total foreign-source taxable income for 1996. The United Kingdom, Canada, Japan, Germany, and the Netherlands accounted for 44 percent of the foreign-source taxable income reported for U.S. corporations with foreign tax credits for 1996. The importance of these five countries is not surprising since their share totaled 43 percent for 1995, approximately 38 percent for 1994, and 41 percent for 1993. With three members among the top five in generating foreign-source taxable income, Europe, and more specifically the European Economic Community, was the most significant geographic region. Figure H shows foreign-source taxable income, current-year foreign taxes paid or accrued, and current-year tax deemed

paid for selected geographic regions and Canada. U.S. corporations are extremely active within European Economic Community countries since the 12 members of that organization accounted for almost twice as much foreign-source taxable income as the next largest region, Asia.

Regional differences in taxes are clearer when examining the two components of current-year foreign taxes, current-year foreign taxes paid or accrued, and current-year tax deemed paid. U.S. corporations reported 37 percent of their current-year foreign taxes paid or accrued and deemed paid going to European Economic Community members for 1996. Nearly 80 percent, or \$12 billion, of the \$15 billion collected by European Economic Community members was tax deemed paid. This represents a 45-percent share of total tax deemed paid by all U.S. corporations claiming a foreign tax credit for 1996. Asian countries, despite collecting less in combined taxes, received more current-year foreign taxes paid or accrued than European Economic Community members—collecting 33 percent of the total versus only 21 percent of the total being paid to European Economic Community members. Asian countries

Figure G

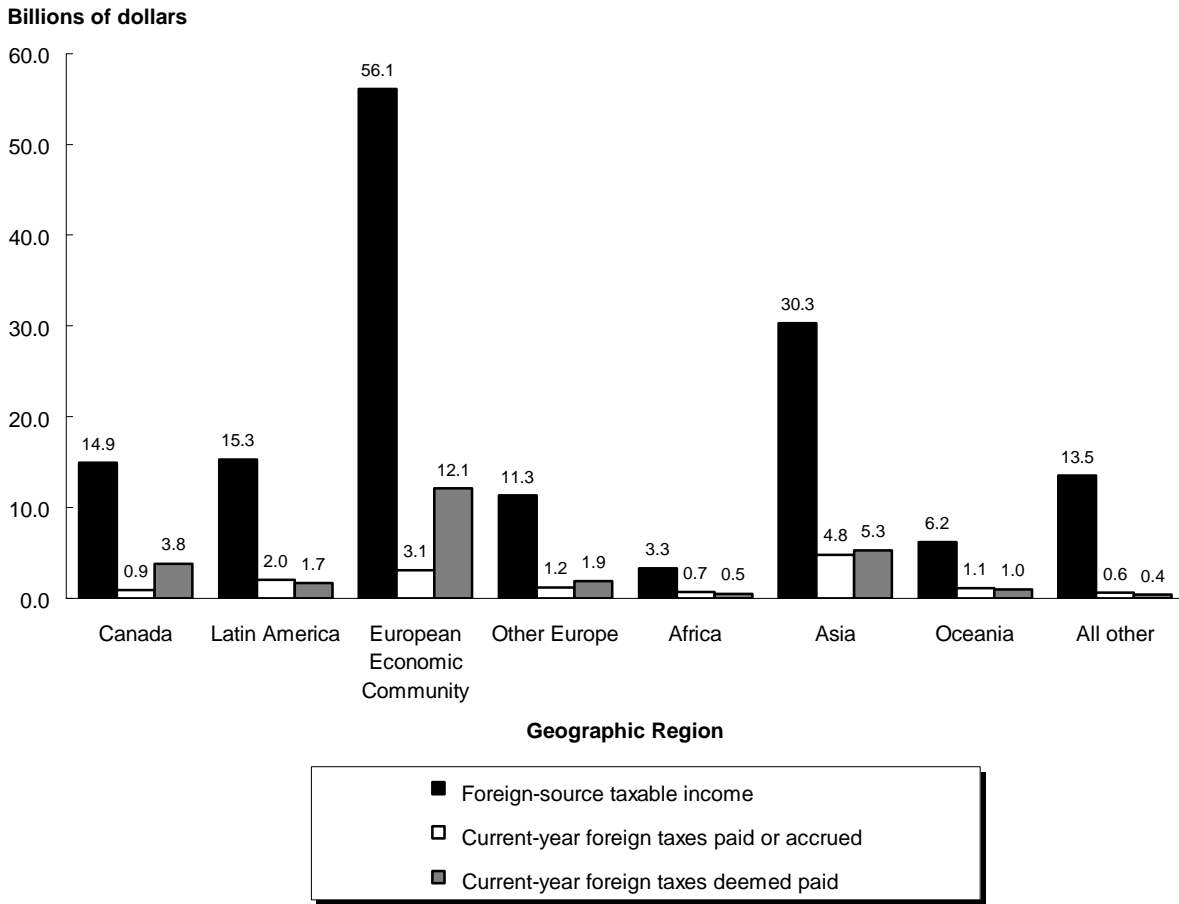
Foreign-Source Taxable Income, by Selected Country, Tax Year 1996



Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Figure H

Foreign-Source Taxable Income, Taxes Paid, and Taxes Deemed Paid, by Geographic Region, Tax Year 1996



also generated over 20 percent of the current-year tax deemed paid.

Figure I shows foreign gross income, both in total and by selected types for the major geographic regions discussed in this article. The distribution of income types follows the distribution of taxes deemed paid. Corporations received over 41 percent of their dividend income from the European Economic Community, but only 15 percent from Asian countries. Corporations continue to receive the greatest amount of dividend income from European Economic Community members, while income from the next largest region, Asia, is more likely to be of another type. For example, corporations reported only 21 percent (or \$29 billion of \$140 billion) in combined gross service

and other income from members of the European Economic Community versus 27 percent from Asian countries.

Summary

Worldwide taxable income, foreign-source taxable income, and current-year foreign taxes paid, accrued, or deemed paid all continued their recent upward trends for 1996. This allowed U.S. corporations to claim a record high foreign tax credit of \$40.3 billion for 1996 as income and taxes increased across the board. Reductions in creditable taxes and the inclusion of prior-year taxes continue to play stable and minor roles in determining the amount of foreign tax credit claimed. As in prior years, the United

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Figure I

U.S. Corporation Returns with a Foreign Tax Credit: Foreign-Source Gross Income, by Type and Selected Regions, Tax Year 1996

[Money amounts are in millions of dollars]

Selected regions and countries	Gross income (less loss)						
	Total	Dividends	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees	Service income	Other income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All countries.....	331,079	62,622	26,715	56,197	45,127	28,537	111,880
Canada.....	26,879	6,142	3,721	3,705	3,042	1,084	9,185
Latin America.....	35,629	5,826	1,737	10,192	3,135	1,837	12,902
Other Western Hemisphere.....	5,193	2,106	178	1,909	47	74	878
Europe, total.....	126,491	31,158	14,040	21,796	21,153	6,300	32,044
European Economic Community, total...	106,005	26,028	12,134	19,942	18,536	4,195	25,170
Other Europe.....	20,486	5,130	1,906	1,854	2,617	2,105	6,874
Africa.....	5,679	1,048	497	296	328	804	2,706
Asia.....	74,982	9,357	5,343	9,113	13,329	12,350	25,490
Oceania.....	11,234	2,352	1,018	1,188	1,201	407	5,067
All other countries.....	44,992	4,632	181	7,998	2,892	5,681	23,609

Kingdom, Canada, and Japan continued to generate the most foreign-source taxable income. One recent change, though, has been in the industries of the corporations earning foreign-source income and claiming foreign tax credits. Finance, insurance, and real estate corporations have been rapidly increasing their share of foreign income and foreign tax credit since 1990. U.S. corporations with foreign tax credits can no longer be characterized as being manufacturers involved in foreign oil and gas extraction or in the foreign production of goods. Banking and services are gradually becoming more significant abroad and claiming an increasing amount of the foreign tax credit.

Data Sources and Limitations

The statistics in this article were derived from corporation income tax returns with a foreign tax credit that were included in the 1996 Statistics of Income sample. To be included in the sample, returns had to have accounting periods ending between July 1996 and June 1997. The 1996 corporation income tax return sample included 94,172 returns chosen from the 4,968,336 returns filed for

Tax Year 1996. These returns were selected after administrative processing, but before any audit examination. Because some of the returns with a foreign tax credit that were sampled at the 100-percent rate were received too late to be included in the regular corporate statistics (although estimates for these returns were included), there are slight differences between the more complete statistics on the foreign tax credit presented in this article and those published in *Statistics of Income—1996, Corporation Income Tax Returns* [9].

The foreign tax credit is claimed under section 901 of the Internal Revenue Code. Corporations report the foreign income and taxes related to the credit on Form 1118, *Computation of Foreign Tax Credit—Corporations*, filed with their corporate income tax returns. The statistics in this article are based on information reported on Forms 1118 and related corporate returns. Corporations with “alternative minimum tax” (AMT) had to compute a separate “alternative minimum tax foreign tax credit.” Data on this computation are not reflected in the statistics presented in this article, even if the corporation reported both the regular and AMT computa-

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

tions, and even if the corporation reported only the AMT computation (because it had AMT but no regular tax). Some corporations reported preliminary data on their tax returns because complete information on their overseas operations was not available on their returns as originally filed, and amended returns were not used for these statistics. However, when necessary, additional information was obtained directly from the taxpayer.

Foreign income and taxes are understated in this article to the extent that they either were not or did not have to be reported on Form 1118. Some corporations did not file this form because they had no U.S. income tax to report and consequently were unable to claim the foreign tax credit for 1996 (any “unused credits” could, however, be carried forward or back for use in other years). Others may have chosen to deduct their foreign taxes from their gross incomes instead of taking the credit.

Because the estimates are based on a sample, they are subject to sampling error. Coefficients of variation (CV’s) are used to measure the magnitude of this sampling error. The CV is defined in the section sampling variability in the “SOI Sampling Methodology and Data Limitations” appendix of this publication. Figure J presents CV’s for foreign tax credits by selected industrial groups. The smaller the CV, the more reliable the estimate is judged to be.

Tables 1–3

Table 1, columns 2 through 15, presents statistics on assets, receipts, income, and taxes reported on Form 1120, *Corporation Income Tax Return*, for those corporations claiming a foreign tax credit. Columns 16 through 52 present statistics from Form 1118, *Foreign Tax Credit—Corporations*. Schedule references indicate the parts of Form 1118 from which the data were obtained. Columns 16 through 36 present statistics on foreign income (i.e., income from sources outside the United States) and deductions, reported primarily on Form 1118, Schedule A, *Income of Loss Before Adjustments*.

Although the amounts of “oil and gas income” and deductions (columns 23 and 36, respectively) are included in the summary columns (i.e., columns 16 through 22 and 26 through 35), these amounts are also reported separately (on Form 1118, Schedule I, *Reduction of Oil and Gas Extraction Taxes*) be-

cause oil and gas extraction income is subject to special rules under Internal Revenue Code section 907, which effectively requires a separate limitation calculation for taxes related to oil and gas extraction income. This may result in a reduction of foreign taxes available for credit. Reductions in creditable oil and gas extraction income taxes are included with several other types of reductions in column 41 of Table 1 and column 27 of Table 2.

Section 863(b) income (income partly within and partly without the United States) and foreign branch income are also included in the summary amounts reported in columns 16 through 22 of Table 1, and are also reported separately (on Form 1118, Schedule F, *Gross Income and Definitely Allocable Deductions From Sources Outside the U.S. Under Section 863(b) and for Foreign Branches*) in columns 24 and 25 of Table 1.

Total deductions not definitely allocable to specific types of income (column 32) are equal to the sum of Table 1, columns 33 through 35, relating to research and development, interest, and any other not definitely allocable expenses (any differences are due to taxpayer reporting variations). Total foreign-

Figure J

Coefficients of Variation for Foreign Tax Credit, by Selected Industrial Group, Tax Year 1996

Selected industrial group	Coefficients of variation for foreign tax credit (percentages)
All industries	0.04
Agriculture, forestry, and fishing	0.21
Mining	0.72
Construction	1.31
Manufacturing	0.03
Food and kindred products.....	0.19
Petroleum (including integrated) and coal products.....	0.04
Electrical and electronic equipment.....	0.07
Motor vehicles and equipment.....	0.01
Transportation and public utilities	0.84
Wholesale and retail trade	0.35
Finance, insurance, and real estate	0.10
Banking.....	(¹)
Insurance.....	0.05
Services	0.28

¹ Less than .005 percent.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

source gross income (Table 1, column 16) less total foreign deductions (Table 1, column 26) is equal to foreign-source taxable income before adjustments (Table 1, column 37).

Adjustments to foreign-source taxable income (reported in column 38 of Table 1) include the allocation of: (1) current-year foreign-source losses, (2) overall foreign losses, and (3) current-year U.S.-source losses as well as the recapture of prior-year overall foreign losses, and recharacterization of prior-year foreign-source losses. These adjustments (reported on Schedule J, *Separate Limitation Loss Allocations and Other Adjustments Necessary to Determine Numerators of Limitation Fractions, Year-End Recharacterization Balances, and Overall Foreign Loss Account Balances*) affect the numerator of the limitation fraction used to compute the foreign tax credit. The income after adjustments (the numerator of the limitation fraction) is reported in column 39 of Table 1. The limitation fraction, foreign-source taxable divided by total taxable income from all sources, is applied to the total U.S. tax against which the credit is allowed to determine any limitation on the foreign tax credit. Taxpayers are required to calculate this limitation for each statutory income category.

Statistics on foreign taxes are reported in columns 40 through 52 of Table 1. Data on foreign taxes paid, accrued, and deemed paid (through related foreign corporations or their subsidiaries) from Form 1118, Schedule B, *Foreign Tax Credit—Corporation*, are reported in columns 43 through 52 of Table 1. Total foreign taxes paid or accrued (Table 1, column 44) are the sum of columns 45 through 51 (any differences are due to taxpayer reporting variations). Table 1, column 42 shows carryovers of excess or “unused” taxes from prior years, which can be added to the 1996 pool of creditable foreign taxes. Total foreign taxes paid, accrued, and deemed paid, plus carryover, are then adjusted for certain items (e.g., reductions of foreign taxes related to oil and gas extraction income under Internal Revenue code section 907, reductions of foreign taxes related to income earned in sanctioned countries under Internal Revenue code section 901(j), and other reductions of creditable taxes) in column 41. Thus, total foreign taxes available for credit (Table 1, column 40) are equal to total foreign taxes paid, accrued, and deemed paid (column 43), plus any

carryover of prior-year excess or “unused” foreign taxes (column 42), less any reduction in foreign taxes (column 41).

Tables 2 and 3 are similar in column format to Table 1 except that they do not provide data from Form 1120—*U.S. Corporation Income Tax Return*. Table 2 presents data reported by industrial grouping and separate statutory limitation income category, while Table 3 presents data by selected geographic region and country.

Explanation of Selected Terms

Adjustments to Taxable Income.—This includes several types of adjustments reported on Schedule J of Form 1118, *Computation of Foreign Tax Credit—Corporations*. These include the allocation of current-year foreign-source losses, overall foreign losses, and current-year U.S.-source losses, as well as the recapture of prior-year overall foreign losses and recharacterization of prior-year foreign-source losses. The net effect of these adjustments is reported in column 38 of Table 1 and column 24 of Table 2.

Carryover of Foreign Taxes.—Under Internal Revenue Code section 904, U.S. persons are allowed a 2-year carryback and a 5-year carryforward of “excess” foreign taxes for purposes of computing the foreign tax credit for those years. Such taxes were included in the current-year credit to the extent that they did not exceed the credit limitations for the current year. The 1996 statistics shown in this article include only those taxes carried forward to 1996 from previous years. See column 42 of Table 1 and column 28 of Table 2.

Controlled Foreign Corporation.—Under Internal Revenue Code section 957, a foreign corporation is a “Controlled Foreign Corporation” if more than 50 percent of its outstanding voting stock, or more than 50 percent of the value of all its outstanding stock, is owned (directly, indirectly, or constructively) by “U.S. shareholders” on any day during the foreign corporation’s tax year. A “U.S. shareholder” for these purposes is a U.S. person (defined below) who owns 10 percent or more of the foreign corporation’s total combined voting stock. Ownership attribution rules are provided in Code section 958.

Current-Year Foreign Taxes.—The current-year foreign taxes include foreign taxes paid, accrued, or deemed paid (defined below) and are re-

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

ported in column 43 of Table 1, column 29 of Table 2, and column 15 of Table 3. Current-year foreign taxes do not include any carryback or carryforward of foreign taxes from subsequent or prior tax years.

Financial Services Income.—Financial services income includes income (as well as “passive income,” defined below) produced in the active conduct of a banking, insurance, financing, or similar business, and certain types of insurance investment income. Financial services income does not include “high withholding tax interest” or dividends from a “noncontrolled” foreign corporation. For corporations with financial services income, “export financing interest” (defined above) is subject to special rules under section 904(d) of the Internal Revenue Code. This separate limitation category is included in Table 2.

Foreign Dividend Income Resulting from Foreign Taxes Deemed Paid (Gross-up).—U.S. corporations may take an “indirect” foreign tax credit for taxes paid by a related foreign corporation (generally owned 10 percent or more by the U.S. corporation). Under Internal Revenue Code section 78, these taxes are “deemed paid” by the U.S. corporation under sections 902 and 960(a) with respect to distributions by a foreign corporation and must be included in income as a “dividend gross-up.” This item is shown in columns 7 and 18 of Table 1 and column 4 of Tables 2 and 3.

Foreign Oil and Gas Extraction Income (FOGEI) and Foreign Oil-Related Income (FORI).—FOGEI is income related to the extraction of oil and gas, as well as to the sale of assets used in the business, related services, working capital, dividend and partnership distributions, and other oil and gas extraction income. FORI is related to the processing, transporting, selling, or distributing of oil and gas products, rather than to oil and gas extraction.

Foreign Sales Corporation.—A Foreign Sales Corporation (FSC) is a company incorporated abroad, created for U.S. exports, and usually controlled by a U.S. person (defined below). A portion of the FSC’s “foreign trade income” is exempt from U.S. taxation.

Foreign-Source Taxable Income.—Foreign-source taxable income is equal to foreign gross income (less loss) less deductions and is reported on Schedule A, *Separate Limitation Income or (Loss) Before Adjustments*, of Form 1118. Adjustments to foreign-source taxable income include allocations of

current-year U.S.-source losses and recapture of foreign losses, as well as other adjustments. Foreign-source taxable income is reported as “foreign taxable income (less loss) before adjustments” in Table 1, column 37, Table 2, column 23, and Table 3, column 14. “Foreign taxable income (less loss) after adjustment” is also shown in Table 1, column 39, and Table 2, column 25.

High Withholding Tax Interest.—High withholding tax interest is interest subject to foreign withholding tax of at least 5 percent. “Export financing interest” cannot be classified as high withholding tax interest. This separate limitation category is included in Table 2.

Includable Income of Controlled Foreign Corporations.—This is the U.S. parent’s total *pro rata* share of income constructively received under Subpart F rules. As such, it consists of Subpart F income (defined below), increases in earnings invested in U.S. property, certain previously excluded Subpart F income, and factoring income. See column 6 of Table 1.

Income Related to Section 901(j).—Internal Revenue Code section 901(j) denies the use of foreign tax credit provisions for taxes paid to foreign governments that the United States does not recognize or with whom the United States has severed diplomatic ties. For 1996, these sanctioned countries were Afghanistan, Cuba, Iran, Iraq, Libya, North Korea, Sudan, and Syria. However, taxpayers do occasionally report income from these countries as shown in Table 3. Associated taxes are not creditable and are included in Table 2, column 27.

Income Related to Section 904(g).—Internal Revenue Code section 904(g) generally allows certain income (primarily interest and dividends) that otherwise would have been treated as U.S.-source income to be treated as foreign-source income for the purposes of calculating the foreign tax credit.

Income Subject to U.S. Tax.—Income subject to U.S. tax, or the corporate tax base (“worldwide taxable income”), is generally equal to net income minus certain statutory nonbusiness deductions. See column 9 of Table 1.

Interest Charge-Domestic International Sales Corporation.—Interest Charge-Domestic International Sales Corporations (IC-DISC’s) are certain small domestic corporations formed to export U.S.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

products. To elect IC-DISC status, at least 95 percent of a domestic corporation's gross receipts must be "qualified export receipts," and at least 95 percent of its assets must be "qualified export assets."

Noncontrolled Section 902 Foreign Corporation Dividends.—A foreign corporation is classified as noncontrolled if at least 10 percent of its stock was owned by one U.S. taxpayer and, collectively, U.S. taxpayers owned 50 percent or less of its stock. This separate limitation category is included in Table 2.

OPEC Countries.—The members of the Organization of Petroleum Exporting Countries (OPEC) for 1996 were: Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela.

Passive Income.—Passive income generally includes such income as dividends, interest, rents, and royalties not connected with the active conduct of a trade or business. The passive income category does not include any "export financing interest," any income taxed at a rate higher than the highest U.S. tax rate, any foreign "oil and gas extraction income," or any income that could be classified under any other category (except the "all other" income category). This separate limitation category is included in Table 2.

Shipping Income.—Shipping income is generally income obtained from the use (or leasing for use) of a vessel or aircraft in foreign commerce, income from directly-related services, gains on the sale or exchange of a vessel or aircraft used in the performance of such services, and income generated from other space and oceanic activities. Income that would be "foreign base company shipping income" for purposes of determining the income constructively received from Controlled Foreign Corporations for U.S. taxation purposes (under Internal Revenue Code section 954(f)) is also classified as shipping income. This separate limitation category is included in Table 2.

Specifically Allocable Income.—Internal Revenue Code section 863(b) provides special rules for determining taxable income from sources outside the United States with respect to gross income derived partly within and partly outside the United States. The income apportioned to sources outside the United States under these special rules is commonly referred to as "Section 863(b) income" and is shown in Table 1, column 25 and Tables 2 and 3, column 11.

Subpart F Income.—For 1996, Subpart F of the Internal Revenue Code required certain U.S. shareholders of Controlled Foreign Corporations (CFC's) to include in their gross incomes the shareholder's ratable share of the CFC's: (1) Subpart F income, (2) increase in earnings invested in U.S. property, (3) previously excluded Subpart F income withdrawn from "qualified investments" in less developed countries and in "foreign base company" shipping operations, and (4) factoring income. The Subpart F income of a CFC included: (1) certain insurance income, (2) "foreign base company" income, (3) international boycott participation income, (4) illegal bribes and other payments made to government officials that would be unlawful under the Foreign Corrupt Practices Act of 1977, and (5) income derived from a country, which is not recognized by the United States, with which the United States does not conduct or has severed diplomatic relations, or which repeatedly provides support for acts of international terrorism.

Taxes Deemed Paid.—A U.S. corporation, which received actual or constructive dividends from a related foreign subsidiary, is allowed to include a portion of the foreign taxes paid by the subsidiary for purposes of determining the foreign tax credit. The foreign taxes paid by the foreign subsidiary are considered to be indirectly, or deemed, paid by the related U.S. corporation. See column 52 of Table 1, column 38 of Table 2, and column 24 of Table 3.

U.S. Person.—A U.S. person is any citizen or resident of the United States, domestic partnership, corporation, association, company, or any estate or trust that is not considered "foreign." See Internal Revenue Code section 7701 for more information on the definition of a U.S. person.

Notes and References

- [1] Except where noted otherwise, foreign-source taxable income refers to foreign-source taxable income (less loss) before adjustments made on Form 1118, Schedule J. Foreign-source taxable income before adjustments is shown in column 37 of Table 1, column 23 of Table 2, and column 14 of Table 3.
- [2] The recognition of active earnings and profits of a foreign subsidiary by the U.S. parent corporation is deferred, for U.S. tax purposes, until they are distributed or deemed distributed.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

- [3] Corporations may also choose to deduct their taxes paid on foreign-source income. For most corporations, however, the foreign tax credit provisions are more beneficial since they offer a dollar for dollar credit up to certain limitations.
- [4] Because tax returns for FSC's were not included in the sample used for the statistics, this income category is not included. However, distributions from FSC's or former FSC's are reported on the parent corporation's return and are included in these statistics when provided by taxpayers. In this study, this particular statutory category is used when corporations report an anomalous separate category of income that is otherwise unsuited for one of the existing categories of income.
- [5] See States, William "Corporate Foreign Tax Credit, 1980: An Industry Focus," *Statistics of Income Bulletin*, Summer 1984, Volume 4, Number 1.
- [6] The foreign tax credit is then also subject to a reduction on Form 1118, Schedule B, Part III for international boycott operations. This amount, however, is minor. This reduction, once in excess of \$2.7 million in the late 1970's, is now approximately \$116,000 for 1996.
- [7] The foreign tax credit limitation provisions can render part or all of the foreign taxes "unusable" under several conditions. Most commonly, the effective foreign tax rate on foreign-source income could be in excess of the U.S. tax rate or the corporation could have either an overall loss (and thus no denominator in the limitation calculation) or a foreign-source loss (and thus no numerator). The unusable current-year taxes can be carried forward or carried back subject to the applicable provisions of the carry-to-year.
- [8] The income, deductions, and taxes related to foreign oil and gas extraction income (FOGEI) are reported on Schedule I, *Reduction of Oil and Gas Extraction Taxes*, of Form 1118, *Foreign Tax Credit—Corporations*. To claim the credit, the taxpayer must separate oil and gas income into two categories based on the activity producing the income: foreign oil and gas extraction income (FOGEI) and foreign oil-related income (FORI). See the *Explanation of Selected Terms* section for further definitions of these two classifications.
- [9] Internal Revenue Service, *Statistics of Income-1996, Corporation Income Tax Returns*, Publication 16, Rev. 9-1999.

SOURCE: IRS, *Statistics of Income Bulletin*, Summer 2000, Publication 1136 (Rev. 8-2000).

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 1.--U.S. Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income and Tax Reported on Form 1118, by Selected Industrial Group

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

Major and selected minor industrial group	Number of returns	Total assets	Total receipts	Dividends received from foreign corporations	Dividends received from IC-DISC's or former DISC's ¹	Includable income of Controlled Foreign Corporations	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All industries.....	6,100	12,076,910,437	4,886,362,144	34,745,162	15,758	25,203,555	26,764,932
Agriculture, forestry, and fishing.....	187	3,986,354	3,938,403	*85,125	--	*28,188	*80,081
Mining.....	123	70,135,566	29,589,446	249,026	--	118,426	130,460
Metal mining.....	11	*10,498,866	4,843,868	*83,923	--	*10,501	*30,662
Coal mining.....	6	*27,651,046	*5,399,637	*6,696	--	*7,655	*1,251
Oil and gas extraction.....	96	27,528,239	15,622,804	150,948	--	100,269	95,641
Nonmetallic minerals, except fuels.....	10	*4,457,415	*3,723,137	*7,459	--	--	*2,905
Construction.....	155	20,203,417	26,264,101	181,874	*380	*92,195	127,775
General building contractors.....	54	5,084,097	14,320,783	*31,677	--	*24,520	*20,013
Heavy construction contractors.....	36	13,875,663	9,671,301	*138,834	--	*67,674	*99,547
Special trade contractors.....	65	1,243,657	2,272,017	*11,363	*380	--	*8,214
Manufacturing.....	1,742	3,390,528,534	2,565,324,302	28,316,193	9,636	16,174,662	20,783,489
Food and kindred products.....	95	172,795,718	163,162,663	3,227,584	*460	1,072,940	1,745,691
Tobacco manufactures.....	5	*86,223,180	*54,927,343	*1,048,899	--	*1,250,457	*1,014,499
Textile mill products.....	64	6,044,459	8,122,268	*23,449	--	*17,602	14,855
Apparel and other textile products.....	24	18,378,580	17,672,251	*239,257	--	*22,733	*140,998
Lumber and wood products.....	16	27,360,413	16,437,408	*9,713	--	*10,339	*8,187
Furniture and fixtures.....	14	8,844,019	8,628,921	*44,789	--	*9,305	*23,757
Paper and allied products.....	43	97,879,553	65,516,508	1,154,857	--	217,992	837,452
Printing and publishing.....	107	126,594,986	69,822,749	315,633	*20	161,746	276,047
Industrial plastics and synthetic materials.....	105	256,043,217	153,496,243	1,622,522	*834	1,202,556	1,242,996
Drugs.....	34	212,484,392	129,795,591	2,425,934	*1,150	2,848,811	2,324,771
Other chemicals.....	83	79,003,625	95,661,077	1,124,068	--	462,444	735,021
Petroleum (including integrated) and coal products.....	27	593,011,372	468,196,628	6,910,149	--	1,698,616	4,159,021
Rubber and miscellaneous plastics products.....	65	20,653,091	25,280,451	216,849	*8	37,027	127,026
Leather and leather products.....	7	*1,678,485	*2,339,128	*1,280	--	--	*777
Stone, clay, and glass products.....	38	32,297,813	27,343,867	380,814	--	*73,287	236,348
Primary metal industries.....	44	50,950,447	50,005,736	711,585	*3,597	*123,284	455,481
Fabricated metal products.....	169	49,867,632	49,616,281	495,897	*1,246	202,538	406,413
Office, computing, and accounting machinery.....	23	80,849,854	97,741,909	2,471,278	--	740,811	1,392,216
Other machinery, except electrical.....	207	94,884,940	91,969,833	509,875	*427	481,100	434,820
Electrical and electronic equipment.....	318	500,798,004	307,454,411	1,918,092	*716	1,786,024	1,705,414
Motor vehicles and equipment.....	35	621,747,361	411,073,820	1,712,943	--	2,120,176	1,916,843
Transportation equipment, except motor vehicles.....	36	109,582,357	119,362,290	374,555	--	390,966	291,064
Instruments and related products.....	101	116,407,416	105,583,245	1,180,578	--	951,315	1,106,230
Miscellaneous manufacturing and manufacturing not allocable.....	81	26,147,619	26,113,682	195,594	*1,178	292,593	187,562
Transportation and public utilities.....	157	516,935,410	321,987,121	175,581	--	609,667	230,756
Transportation.....	84	113,305,024	102,670,810	64,053	--	138,172	69,428
Water transportation.....	36	7,352,998	6,877,286	*3,613	--	*38,326	*10,285
All other transportation.....	48	105,952,026	95,793,524	60,441	--	99,846	59,143
Communication.....	23	265,108,347	160,627,629	48,909	--	*350,495	*101,808
Electric, gas, and sanitary services.....	50	138,522,040	58,688,682	62,619	--	121,000	59,520

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 1.--U.S. Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income and Tax Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Number of returns	Total assets	Total receipts	Dividends received from foreign corporations	Dividends received from IC-DISC's or former DISC's ¹	Includable income of Controlled Foreign Corporations	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Wholesale and retail trade.....	995	544,888,538	613,420,729	947,275	*5,243	888,781	936,163
Wholesale trade.....	755	353,648,903	293,484,783	422,771	*5,243	587,625	390,499
Groceries and related products.....	6	*8,389,506	*22,165,737	*1,494	--	--	*756
Machinery, equipment, and supplies.....	75	6,478,619	8,775,212	22,811	--	*2,672	10,270
Miscellaneous wholesale trade.....	674	338,780,778	262,543,835	398,466	*5,243	584,953	379,473
Drugs, chemicals, and allied products.....	24	5,830,595	21,155,870	*18,358	*61	*2,918	*6,315
Petroleum and petroleum products.....	4	*192,706,990	*25,719,614	*81,427	--	*121,390	*95,080
Other miscellaneous wholesale trade.....	646	140,243,193	215,668,350	298,682	*5,183	460,645	278,079
Retail trade.....	240	191,239,636	319,935,946	524,504	--	301,157	545,664
Building materials, garden supplies, and mobile home dealers.....	5	*9,440,833	*19,536,124	*11	--	*594	--
General merchandise stores.....	6	*85,106,831	*180,348,892	*7,742	--	*193,309	*142,461
Food stores.....	8	*5,404,148	*10,863,479	*15	--	--	--
Automotive dealers and service stations.....	6	*1,194,626	*1,677,539	*175	--	--	--
Apparel and accessory stores.....	17	23,205,635	33,978,115	*33,321	--	*61,631	*7,710
Furniture and home furnishing stores.....	4	*1,017,407	*1,964,593	--	--	--	--
Eating and drinking places.....	22	33,291,816	26,170,428	*413,663	--	*15,879	*365,760
All other retail stores.....	173	32,578,340	45,396,777	*69,577	--	*29,743	*29,733
Finance, insurance, and real estate.....	1,649	7,272,074,766	1,131,576,397	3,454,705	--	6,601,802	3,297,452
Banking.....	84	3,031,085,997	261,352,367	408,325	--	2,977,379	1,088,781
Credit agencies other than banks.....	31	493,018,726	70,397,162	81,569	--	*401,087	*116,604
Security, commodity brokers, and services.....	107	1,043,884,817	88,174,475	1,225,609	--	938,112	806,004
Insurance.....	255	2,642,147,262	692,490,983	617,708	--	1,711,892	594,978
Insurance agents, brokers, and service.....	18	23,731,678	8,820,142	*170,369	--	*125,550	*102,806
Real estate.....	431	7,115,207	2,869,978	15,172	--	*11,207	*11,077
Holding and other investment companies, except bank holding companies.....	723	31,091,079	7,471,290	935,954	--	436,574	577,201
Services.....	1,091	258,157,853	194,261,646	1,335,383	*499	689,833	1,178,758
Hotels and other lodging places.....	29	28,507,814	30,725,094	*72,232	--	*74,067	*35,610
Personal services.....	17	10,415,480	8,447,046	*46,982	--	*28,011	*24,913
Business services.....	278	126,829,219	87,107,914	893,056	*499	480,761	924,229
Auto repair; miscellaneous repair services.....	10	*3,359,145	*2,965,374	*1,471	--	--	*467
Amusement and recreation services.....	60	59,945,157	31,173,207	*71,935	--	*45,997	*66,704
All other services.....	697	29,101,037	33,843,011	249,708	--	60,997	126,834

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 1.--U.S. Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income and Tax Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Net income (less deficit)	Income subject to U.S. tax	U.S. income tax before credits		Foreign tax credit claimed	U.S. possessions tax credit	General business credit	U.S. income tax after credits ²
			Total	Regular and alternative minimum tax				
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
All industries.....	391,100,714	370,048,864	130,747,810	130,712,014	40,254,937	210,918	2,790,072	84,320,008
Agriculture, forestry, and fishing.....	680,212	657,508	229,396	228,845	80,739	--	*2,529	144,678
Mining.....	4,452,394	4,030,146	1,460,819	1,460,456	931,324	--	30,499	456,007
Metal mining.....	635,813	625,353	233,303	233,303	162,363	--	--	*68,571
Coal mining.....	*842,400	*835,759	*293,501	*293,501	*203,260	--	*29	*78,007
Oil and gas extraction.....	2,613,100	2,211,304	808,641	808,287	561,119	--	*29,190	193,892
Nonmetallic minerals, except fuels.....	*361,080	*357,730	*125,374	*125,366	*4,581	--	*1,280	*115,538
Construction.....	1,348,237	1,313,314	459,288	458,300	195,720	--	*1,486	259,926
General building contractors.....	375,116	358,907	125,474	124,967	34,166	--	*580	90,728
Heavy construction contractors.....	873,049	859,130	301,124	300,644	152,389	--	*502	147,182
Special trade contractors.....	100,072	95,278	32,689	32,689	9,166	--	*403	22,016
Manufacturing.....	213,337,655	202,000,257	71,731,545	71,705,894	29,191,184	206,543	1,845,522	38,855,700
Food and kindred products.....	12,781,203	12,335,675	4,333,766	4,330,221	2,301,065	*2,222	149,057	1,854,638
Tobacco manufactures.....	*9,857,629	*9,534,374	*3,337,002	*3,337,002	*1,188,810	--	*19,619	*2,114,182
Textile mill products.....	490,210	472,390	165,215	165,183	15,651	--	*457	148,915
Apparel and other textile products.....	1,759,199	1,723,029	603,294	602,469	170,776	*74	*1,682	430,762
Lumber and wood products.....	544,941	530,077	185,554	185,517	12,488	--	*1,110	167,727
Furniture and fixtures.....	793,308	747,678	263,816	263,466	27,145	--	*1,319	235,087
Paper and allied products.....	5,787,527	5,582,499	1,958,508	1,957,945	896,120	*2,109	37,515	913,252
Printing and publishing.....	8,679,501	8,458,708	2,972,013	2,972,513	474,861	*306	11,947	2,477,885
Industrial plastics and synthetic materials.....	13,675,117	12,599,511	4,417,020	4,415,960	1,613,839	--	41,652	2,519,350
Drugs.....	15,864,094	15,228,524	5,455,593	5,455,160	2,623,653	*196,344	194,954	2,368,340
Other chemicals.....	8,238,233	8,042,197	2,816,723	2,815,503	1,039,959	*1,548	41,387	1,675,962
Petroleum (including integrated) and coal products.....	38,278,292	36,262,320	12,744,434	12,746,443	7,635,901	--	238,307	4,445,814
Rubber and miscellaneous plastics products.....	1,645,341	1,600,693	561,201	561,070	192,971	--	6,171	313,157
Leather and leather products.....	*112,636	*104,040	*36,247	*36,214	*7,465	--	*313	*27,645
Stone, clay, and glass products.....	2,495,451	2,069,929	730,327	735,683	230,619	--	*3,803	477,424
Primary metal industries.....	3,679,476	3,471,108	1,235,649	1,235,268	513,719	--	8,380	652,895
Fabricated metal products.....	5,318,245	5,048,132	1,770,115	1,769,392	467,639	*1	13,265	1,279,473
Office, computing, and accounting machinery.....	12,413,193	11,950,084	4,305,029	4,302,938	2,689,773	--	54,773	1,557,822
Other machinery, except electrical.....	8,024,338	7,406,584	2,599,847	2,596,613	600,236	--	72,338	1,883,016
Electrical and electronic equipment.....	27,451,645	25,421,814	9,101,229	9,086,637	2,236,093	*3,902	218,703	6,617,121
Motor vehicles and equipment.....	14,972,829	14,300,965	5,438,789	5,445,040	2,280,989	--	578,663	2,218,571
Transportation equipment, except motor vehicles.....	8,202,868	7,749,657	2,716,720	2,713,435	406,840	--	67,496	2,158,072
Instruments and related products.....	9,853,010	9,104,554	3,190,088	3,183,339	1,349,451	*37	63,459	1,768,012
Miscellaneous manufacturing and manufacturing not allocable.....	2,419,369	2,255,715	793,366	792,884	215,122	--	19,150	550,578
Transportation and public utilities.....	26,305,805	25,338,485	8,861,465	8,865,190	432,002	--	166,454	7,697,431
Transportation.....	5,802,727	5,559,153	1,954,084	1,953,964	137,977	--	26,613	1,502,803
Water transportation.....	334,182	325,603	115,111	115,102	22,326	--	*581	83,270
All other transportation.....	5,468,545	5,233,549	1,838,973	1,838,862	115,651	--	26,032	1,419,533
Communication.....	14,353,078	13,768,631	4,798,599	4,803,938	221,553	--	*93,615	4,464,760
Electric, gas, and sanitary services.....	6,150,000	6,010,702	2,108,781	2,107,288	72,472	--	46,226	1,729,867

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 1.--U.S. Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income and Tax Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Net income (less deficit)	Income subject to U.S. tax	U.S. income tax before credits		Foreign tax credit claimed	U.S. possessions tax credit	General business credit	U.S. income tax after credits ²
			Total	Regular and alternative minimum tax				
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Wholesale and retail trade.....	25,699,680	25,132,802	8,845,678	8,846,170	1,288,131	--	69,547	7,379,718
Wholesale trade.....	9,938,571	9,548,901	3,381,551	3,384,447	569,794	--	17,403	2,733,336
Groceries and related products.....	*213,347	*212,980	*74,535	*74,503	*1,854	--	--	*65,058
Machinery, equipment, and supplies.....	542,975	512,441	176,942	178,360	13,361	--	*953	150,888
Miscellaneous wholesale trade.....	9,182,249	8,823,480	3,130,073	3,131,585	554,578	--	16,450	2,517,390
Drugs, chemicals, and allied products.....	403,038	381,158	133,584	133,579	8,031	--	*5,036	118,946
Petroleum and petroleum products.....	*1,753,415	*1,740,730	*609,168	*609,168	*152,673	--	*5,333	*451,136
Other miscellaneous wholesale trade.....	7,025,796	6,701,592	2,387,321	2,388,837	393,874	--	6,081	1,947,308
Retail trade.....	15,761,110	15,583,901	5,464,127	5,461,723	718,338	--	52,145	4,646,382
Building materials, garden supplies, and mobile home dealers.....	*1,330,791	*1,327,329	*464,453	*464,453	*1,605	--	*199	*462,531
General merchandise stores.....	*7,117,877	*7,086,351	*2,480,470	*2,480,470	*144,663	--	*6,909	*2,307,541
Food stores.....	*320,687	*316,855	*113,530	*113,453	*15,063	--	*374	*98,093
Automotive dealers and service stations.....	*107,440	*82,290	*28,581	*28,558	*98	--	*14,387	*14,095
Apparel and accessory stores.....	2,189,769	2,187,733	771,119	771,063	17,291	--	*1,901	736,424
Furniture and home furnishing stores.....	*124,485	*124,212	*43,361	*43,361	*669	--	*320	*42,031
Eating and drinking places.....	2,884,827	2,859,381	1,003,765	1,002,257	483,004	--	24,600	489,015
All other retail stores.....	1,685,234	1,599,750	558,847	558,108	55,944	--	*3,454	496,653
Finance, insurance, and real estate.....	101,154,734	94,341,374	33,114,402	33,107,212	6,252,805	--	420,828	25,670,676
Banking.....	32,804,938	31,611,628	11,045,447	11,039,799	2,686,639	--	173,106	8,087,657
Credit agencies other than banks.....	4,636,799	4,367,765	1,532,888	1,532,602	245,531	--	*17,962	1,256,694
Security, commodity brokers, and services.....	10,795,967	10,470,119	3,678,087	3,677,378	1,103,588	--	19,004	2,512,316
Insurance.....	45,507,616	40,769,052	14,362,977	14,366,305	1,444,193	--	162,402	12,151,705
Insurance agents, brokers, and service.....	1,821,769	1,781,142	623,262	623,074	120,741	--	*5,961	494,188
Real estate.....	731,889	654,265	229,252	225,899	10,711	--	*41,217	175,623
Holding and other investment companies, except bank holding companies.....	4,855,756	4,687,403	1,642,488	1,642,155	641,403	--	*1,176	992,493
Services.....	18,121,996	17,234,978	6,045,217	6,039,946	1,883,031	*4,375	253,207	3,855,872
Hotels and other lodging places.....	1,151,399	1,112,658	392,824	392,824	73,110	*4,375	*23,504	287,655
Personal services.....	599,706	578,655	203,300	203,078	31,857	--	*1,886	169,504
Business services.....	11,733,776	11,019,889	3,864,445	3,863,289	1,400,354	--	206,578	2,250,798
Auto repair, miscellaneous repair services.....	*94,387	*69,377	*23,755	*23,727	*608	--	*1,446	*20,355
Amusement and recreation services.....	2,680,302	2,504,881	878,534	876,191	201,143	--	*10,414	635,220
All other services.....	2,051,200	1,949,518	682,358	680,838	175,959	--	9,378	492,340

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 1.--U.S. Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income and Tax Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Foreign income and taxes reported on Form 1118						
	Gross income (less loss)						
	Total	Dividends	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees	Service income	Other income
	(16)	(17)	(18)	(19)	(20)	(21)	(22)
All industries.....	331,078,563	62,621,960	26,714,995	56,197,146	45,127,226	28,536,992	111,880,244
Agriculture, forestry, and fishing.....	451,268	125,187	*80,714	*20,435	*24,079	--	*200,854
Mining.....	7,434,377	361,131	130,112	248,704	104,357	1,530,404	5,059,670
Metal mining.....	1,902,426	*94,565	*30,662	*70,887	*1,163	*332,466	*1,372,683
Coal mining.....	*1,354,832	*13,026	*1,251	*71,755	*40,448	*252	*1,228,100
Oil and gas extraction.....	4,136,348	246,081	95,294	98,276	61,209	1,192,718	2,442,771
Nonmetallic minerals, except fuels.....	*40,771	*7,459	*2,905	*7,785	*1,537	*4,968	*16,116
Construction.....	2,038,420	285,837	*127,756	12,990	11,130	1,571,354	29,353
General building contractors.....	393,412	67,838	*20,013	*4,982	*418	*297,216	*2,945
Heavy construction contractors.....	1,566,066	*206,623	*99,529	*5,585	*3,374	*1,239,069	*11,886
Special trade contractors.....	78,942	*11,375	*8,214	*2,424	*7,338	*35,069	*14,522
Manufacturing.....	173,377,185	47,179,226	20,767,867	7,852,821	30,863,256	3,613,995	63,100,021
Food and kindred products.....	11,095,903	4,408,865	1,745,539	207,699	1,244,461	*162,143	3,327,196
Tobacco manufactures.....	*5,991,463	*2,293,215	*1,013,905	*84,815	*965,071	*26,019	*1,608,437
Textile mill products.....	102,815	41,017	14,855	*4,859	*15,842	*954	*25,286
Apparel and other textile products.....	820,969	*261,787	*140,998	*14,564	319,678	*7,170	*76,772
Lumber and wood products.....	85,945	*17,321	*7,990	*31,206	*22,311	*3,506	*3,610
Furniture and fixtures.....	128,498	*52,658	*23,757	*9,743	10,952	*10,053	*21,334
Paper and allied products.....	3,613,692	1,373,928	837,452	69,904	584,068	*47,596	700,743
Printing and publishing.....	4,991,339	479,556	275,573	42,073	2,511,481	107,993	1,574,664
Industrial plastics and synthetic materials.....	11,561,330	3,299,490	1,237,247	457,240	1,782,943	147,799	4,636,611
Drugs.....	13,554,693	5,057,660	2,325,248	179,490	2,486,451	*82,695	3,423,150
Other chemicals.....	6,113,785	1,611,815	735,021	107,741	1,669,390	49,582	1,940,235
Petroleum (including integrated) and coal products.....	36,083,035	8,851,261	4,159,021	3,086,868	529,024	*893,647	18,563,213
Rubber and miscellaneous plastics products.....	1,332,871	255,723	127,026	50,384	384,715	*7,867	507,157
Leather and leather products.....	*99,555	*9,103	*777	*3,816	*44,178	*697	*40,985
Stone, clay, and glass products.....	1,155,276	492,401	236,348	17,255	182,838	*44,112	182,322
Primary metal industries.....	3,718,507	829,716	453,785	107,875	140,606	*376,945	1,809,580
Fabricated metal products.....	2,327,271	736,223	406,000	70,828	211,226	41,775	861,220
Office, computing, and accounting machinery.....	15,152,470	3,277,286	1,392,216	80,635	7,286,824	*120,875	2,994,634
Other machinery, except electrical.....	5,878,075	1,426,511	434,780	299,093	480,025	305,702	2,931,963
Electrical and electronic equipment.....	20,831,599	4,503,620	1,698,986	2,076,693	4,090,202	258,656	8,203,443
Motor vehicles and equipment.....	13,255,470	3,840,167	1,916,547	483,878	2,070,871	477,666	4,466,341
Transportation equipment, except motor vehicles.....	3,512,954	1,080,317	290,986	126,326	570,868	361,080	1,083,377
Instruments and related products.....	10,474,527	2,491,719	1,106,272	220,956	2,869,539	23,729	3,762,311
Miscellaneous manufacturing and manufacturing not allocable.....	1,495,143	487,864	187,536	18,880	389,690	55,736	355,436
Transportation and public utilities.....	25,774,839	911,852	230,693	331,882	1,452,033	8,353,511	14,494,867
Transportation.....	13,412,145	196,299	69,365	42,504	71,825	8,001,491	5,030,661
Water transportation.....	1,642,750	*38,028	*10,222	*4,100	*6,202	*1,562,935	*21,263
All other transportation.....	11,769,395	158,271	59,142	38,404	65,624	6,438,556	5,009,398
Communication.....	11,834,921	532,598	*101,808	*219,276	*1,370,159	*327,622	9,283,457
Electric, gas, and sanitary services.....	527,774	182,955	59,520	70,103	*10,049	*24,398	180,749

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 1.--U.S. Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income and Tax Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Foreign income and taxes reported on Form 1118						
	Gross income (less loss)						
	Total	Dividends	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees	Service income	Other income
	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Wholesale and retail trade.....	12,603,872	1,817,236	936,253	1,662,167	1,253,371	293,189	6,641,657
Wholesale trade.....	7,858,959	1,001,720	390,584	1,353,644	363,836	96,045	4,653,130
Groceries and related products.....	*10,821	*1,494	*756	*3,905	*2,079	*180	*2,408
Machinery, equipment, and supplies.....	164,958	25,207	10,269	3,282	*15,206	*9,049	*101,945
Miscellaneous wholesale trade.....	7,683,180	975,020	379,559	1,346,457	346,551	86,816	4,548,777
Drugs, chemicals, and allied products.....	123,766	*21,227	*6,315	*102	*2,469	*13,458	*80,194
Petroleum and petroleum products.....	*1,700,623	*202,817	*95,080	*890,010	*137	*67	*512,513
Other miscellaneous wholesale trade.....	5,858,791	750,976	278,165	456,345	343,945	73,291	3,956,070
Retail trade.....	4,744,913	815,515	545,668	308,524	889,535	197,144	1,988,527
Building materials, garden supplies, and mobile home dealers.....	*19,319	*11	--	--	*7,676	--	*11,633
General merchandise stores.....	*945,025	*201,084	*142,465	*17,044	*62,484	*177,262	*344,686
Food stores.....	*149,099	*15	--	*2,974	*68,601	--	*77,509
Automotive dealers and service stations.....	*848	*175	--	*545	*128	--	--
Apparel and accessory stores.....	234,694	*85,611	*7,710	*8,639	*34,714	*809	97,212
Furniture and home furnishing stores.....	*13,397	--	--	--	*9,807	*822	*2,768
Eating and drinking places.....	2,848,776	*429,542	*365,760	*256,640	617,088	*4,644	*1,175,102
All other retail stores.....	533,756	*99,079	*29,733	22,683	89,037	*13,607	279,617
Finance, insurance, and real estate.....	89,842,449	9,698,422	3,262,854	45,683,318	1,282,097	9,304,527	20,611,230
Banking.....	45,034,361	3,412,278	1,081,562	30,062,863	635,397	*1,678,915	8,163,346
Credit agencies other than banks.....	7,303,845	485,241	116,605	2,052,523	*166,108	*237,745	*4,245,623
Security, commodity brokers, and services.....	12,029,484	1,872,445	806,014	7,010,927	*2,661	320,423	2,017,013
Insurance.....	22,148,502	2,246,791	567,562	6,263,852	462,855	6,666,682	5,940,760
Insurance agents, brokers, and service.....	596,101	294,668	*102,806	*23,303	*3,223	*140,158	*31,943
Real estate.....	98,821	25,936	*11,077	2,090	*941	*51,699	7,078
Holding and other investment companies, except bank holding companies.....	2,631,334	1,361,062	577,227	267,759	*10,912	208,905	205,468
Services.....	19,556,152	2,243,070	1,178,745	384,829	10,136,904	3,870,011	1,742,592
Hotels and other lodging places.....	852,463	*145,298	*35,610	71,934	*230,416	*89,022	*280,183
Personal services.....	264,635	*71,083	*24,913	*5,501	37,018	*121,007	*5,111
Business services.....	12,269,130	1,456,719	924,226	188,448	6,352,961	2,244,920	1,101,856
Auto repair, miscellaneous repair services.....	*6,870	*1,471	*467	*432	*2,469	*867	*1,163
Amusement and recreation services.....	4,280,359	*254,554	*66,704	*105,225	3,172,002	*538,299	143,574
All other services.....	1,882,694	313,944	126,825	13,289	342,037	875,895	210,705

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 1.--U.S. Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income and Tax Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Foreign income and taxes reported on Form 1118--Continued							
	Oil and gas extraction income (less loss) ³	Foreign branch income ³	Specifically allocable income [section 863 (b)] ³	Deductions				
				Total	Deductions allocable to specific types of income			Service expenses
					Total	Depreciation, depletion, and amortization	Rental, royalty, and licensing expenses	
(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	
All industries.....	22,073,503	75,499,359	27,442,900	180,252,217	91,896,475	1,398,793	6,341,056	12,557,040
Agriculture, forestry, and fishing.....	--	*3,346	*23,441	*157,071	*103,257	--	*4,327	--
Mining.....	2,462,356	1,525,846	*227,702	4,358,129	3,641,828	32,740	*25,055	*965,385
Metal mining.....	--	*127,578	--	*1,410,038	*1,042,194	*782	--	*114,791
Coal mining.....	*576,136	*29,812	--	*741,137	*731,870	--	--	--
Oil and gas extraction.....	1,882,660	1,364,495	*219,895	2,199,176	1,862,220	31,958	*25,055	*847,216
Nonmetallic minerals, except fuels.....	*3,560	*3,962	*7,808	*7,779	*5,545	--	--	*3,378
Construction.....	--	*18,518	*1,853	1,432,678	1,384,323	*344	*1,047	1,349,263
General building contractors.....	--	*2,898	--	285,669	256,482	*4	--	*233,794
Heavy construction contractors.....	--	*16,108	--	1,102,009	*1,086,192	*220	*59	*1,079,171
Special trade contractors.....	--	*488	*1,853	*45,000	*41,648	*121	*987	*36,298
Manufacturing.....	19,462,765	29,497,116	18,229,264	73,719,774	38,268,158	227,380	2,009,134	1,878,048
Food and kindred products.....	--	1,293,224	508,797	3,964,162	2,406,136	*1,317	*1,019,953	*1,850
Tobacco manufactures.....	--	*924,505	*589,384	*2,247,569	*1,387,309	--	*29,999	--
Textile mill products.....	--	*2,164	*22,968	43,187	*31,255	*64	--	*64
Apparel and other textile products.....	--	*66,964	*12,672	229,763	*72,403	*92	*5,473	*1,108
Lumber and wood products.....	--	*1,679	*2,401	*32,530	*7,653	*1,289	--	*2,487
Furniture and fixtures.....	--	*7,491	*6,296	*31,458	*22,642	*1,211	*2,294	*1,784
Paper and allied products.....	--	*37,376	511,983	882,744	239,665	*529	*23,946	*58,621
Printing and publishing.....	--	*236,158	*63,338	3,025,432	1,922,911	*490	342,305	88,460
Industrial plastics and synthetic materials.....	*1,456,066	1,611,631	2,048,162	5,549,747	3,045,652	*8,138	28,641	*39,061
Drugs.....	--	1,774,267	1,516,684	4,449,725	1,623,470	*734	*5,472	*52,361
Other chemicals.....	--	1,132,274	477,710	2,698,182	1,658,063	*553	*1,576	*10,267
Petroleum (including integrated) and coal products.....	18,006,124	16,696,754	*198,938	13,583,043	10,148,777	*18,900	*57,046	*279,251
Rubber and miscellaneous plastics products.....	--	223,687	59,900	609,541	415,769	*81	*8,964	*6,947
Leather and leather products.....	--	*340	*6,816	*51,068	*10,502	--	*1,526	*805
Stone, clay, and glass products.....	--	*43,763	*137,764	409,816	146,521	--	*822	*32,401
Primary metal industries.....	--	973,541	389,136	1,997,679	1,144,031	*142,890	*11,741	*333,981
Fabricated metal products.....	--	127,448	236,338	864,524	437,662	*1,934	*1,807	*21,295
Office, computing, and accounting machinery.....	--	*974,140	*813,417	6,123,466	1,893,264	*1,333	*1,255	*1,214
Other machinery, except electrical.....	*575	744,758	956,773	3,683,350	1,987,536	*2,109	25,648	109,126
Electrical and electronic equipment.....	--	864,665	5,639,116	10,901,735	5,123,229	*799	244,943	129,013
Motor vehicles and equipment.....	--	*746,259	1,216,207	4,738,958	1,204,999	--	*10,688	*401,055
Transportation equipment, except motor vehicles.....	--	481,550	554,522	2,041,052	1,492,429	*37,186	*69,623	*285,193
Instruments and related products.....	--	433,502	2,053,270	4,926,446	1,577,298	--	*41,376	*12,362
Miscellaneous manufacturing and manufacturing not allocable.....	--	98,974	206,672	634,593	268,984	*7,732	*74,036	9,343
Transportation and public utilities.....	*97,909	1,508,962	4,786,644	21,807,501	15,182,848	390,514	297,757	5,054,410
Transportation.....	--	*1,089,456	*4,710,425	11,850,252	10,658,060	*95,289	230,156	4,873,304
Water transportation.....	--	*23,832	*10,113	1,427,818	*1,395,385	*282	*6,588	*1,385,085
All other transportation.....	--	*1,065,624	*4,700,312	10,422,433	9,262,676	*95,007	*223,569	3,488,219
Communication.....	--	*278,494	*25,195	9,642,910	4,386,789	*291,908	*40,877	*178,657
Electric, gas, and sanitary services.....	*97,909	*141,012	*51,024	314,340	137,998	*3,318	*26,724	*2,448

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 1.--U.S. Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income and Tax Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Foreign income and taxes reported on Form 1118--Continued							
	Oil and gas extraction income (less loss) ³	Foreign branch income ³	Specifically allocable income [section 863 (b)] ³	Total	Deductions			
					Total	Deductions allocable to specific types of income		
						Depreciation, depletion, and amortization	Rental, royalty, and licensing expenses	Service expenses
(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	
Wholesale and retail trade.....	--	2,375,382	321,353	7,581,111	5,500,646	11,822	268,570	103,417
Wholesale trade.....	--	733,919	171,917	5,350,413	3,913,972	10,679	118,978	35,509
Groceries and related products.....	--	--	*728	*2,134	*728	*38	*567	*4
Machinery, equipment, and supplies.....	--	*86,230	*9,253	93,463	41,072	*7,078	*2,628	*6,814
Miscellaneous wholesale trade.....	--	647,689	161,936	5,254,817	3,872,172	*3,563	115,784	*28,690
Drugs, chemicals, and allied products.....	--	*810	*1,135	30,390	*13,033	--	--	*5,285
Petroleum and petroleum products.....	--	*99,696	--	*1,116,039	*353,743	--	--	*48
Other miscellaneous wholesale trade.....	--	547,183	*160,801	4,108,388	3,505,396	*3,563	115,784	*23,357
Retail trade.....	--	1,641,463	*149,436	2,230,698	1,586,674	*1,143	149,592	*67,908
Building materials, garden supplies, and mobile home dealers.....	--	--	--	*1,930	*303	--	*303	--
General merchandise stores.....	--	*285,030	*84,596	*400,611	*315,093	--	--	*61,368
Food stores.....	--	*59,389	--	*78,639	*72,112	*376	*13,603	--
Automotive dealers and service stations.....	--	--	--	--	--	--	--	--
Apparel and accessory stores.....	--	*30,852	*2,448	101,663	*66,898	--	--	*3,015
Furniture and home furnishing stores.....	--	--	--	*3,956	*2,443	--	*1,059	--
Eating and drinking places.....	--	*1,101,391	*489	1,429,569	961,189	--	*68,717	*3,459
All other retail stores.....	--	*164,800	*61,903	214,329	168,637	*767	*65,911	*66
Finance, insurance, and real estate.....	*50,473	38,366,308	2,981,923	59,551,857	20,046,027	424,700	1,561,553	701,672
Banking.....	--	28,895,869	*2,362,961	31,740,631	7,318,464	*350,181	*145,874	*104,443
Credit agencies other than banks.....	--	*309,367	--	6,013,307	4,280,670	*61,970	*199,325	*14,586
Security, commodity brokers, and services.....	--	*1,218,216	*3,633	7,768,920	2,659,299	*495	*980,758	*82,994
Insurance.....	--	7,861,604	590,102	13,192,305	5,106,418	*6,760	53,050	192,228
Insurance agents, brokers, and service.....	--	*31,900	--	*186,640	*153,419	*259	*329	*113,066
Real estate.....	--	*38,955	*9,031	51,705	46,935	*2,758	*1,872	*20,791
Holding and other investment companies, except bank holding companies.....	*50,473	*10,397	*16,195	598,348	480,821	*2,277	180,346	*173,564
Services.....	--	2,203,882	870,720	11,644,095	7,769,388	311,291	2,173,612	2,504,847
Hotels and other lodging places.....	--	*262,171	*2,439	560,180	*339,657	*3,751	*12,757	*12,530
Personal services.....	--	*40	*118	155,968	*120,121	--	*2,066	*115,179
Business services.....	--	1,214,615	618,313	6,162,742	3,395,718	46,215	335,576	1,342,739
Auto repair; miscellaneous repair services.....	--	--	*3,616	*2,320	*1,545	*276	(⁵)	*521
Amusement and recreation services.....	--	*624,976	*43,024	3,550,008	2,982,708	*257,263	*1,791,157	*400,121
All other services.....	--	*102,079	*203,210	1,212,878	929,638	*3,787	32,056	633,757

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 1.--U.S. Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income and Tax Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Foreign income and taxes reported on Form 1118--Continued							
	Deductions--Continued					Deductions from oil and gas extraction income ⁴	Taxable income (less loss) before adjustments	Adjustments to taxable income
	Other deductions allocable to specific types of income	Deductions not allocable to specific types of income						
		Total	Research and development	Interest	Other			
(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	
All industries.....	71,599,587	88,355,742	9,232,584	35,536,186	41,326,284	7,428,558	150,826,345	5,235,512
Agriculture, forestry, and fishing.....	*98,929	*53,814	*22,388	*12,424	*19,002	--	294,197	*1,149
Mining.....	2,618,649	716,301	*28,646	184,390	498,967	868,345	3,076,248	175,459
Metal mining.....	*926,621	*367,845	--	*67,549	*300,296	--	492,387	*15,790
Coal mining.....	*731,870	*9,267	--	*8,155	--	*117,801	*613,696	--
Oil and gas extraction.....	957,991	336,956	*28,646	107,229	198,097	750,544	1,937,173	*159,669
Nonmetallic minerals, except fuels.....	*2,167	*2,234	--	*1,457	*575	--	*32,992	--
Construction.....	33,670	48,355	*468	*7,693	33,623	--	605,741	*1,108
General building contractors.....	22,684	*29,187	--	*1,925	*27,261	--	107,743	--
Heavy construction contractors.....	*6,742	*15,817	--	*3,751	*5,834	--	464,057	--
Special trade contractors.....	*4,243	*3,352	*468	*2,017	*528	--	33,941	*1,108
Manufacturing.....	34,153,595	35,451,616	7,811,540	11,129,424	16,068,492	6,485,088	99,657,411	3,262,098
Food and kindred products.....	1,383,016	1,558,026	45,878	698,221	799,247	--	7,131,741	15,574
Tobacco manufactures.....	*1,357,310	*860,261	*43,747	*318,403	*460,277	--	*3,743,893	(⁵)
Textile mill products.....	*31,126	11,932	*1,597	9,426	*656	--	59,628	--
Apparel and other textile products.....	*65,731	157,360	*8,854	*77,512	*68,591	--	591,206	*17,580
Lumber and wood products.....	*3,878	*24,877	--	*16,187	*8,613	--	53,414	--
Furniture and fixtures.....	*17,354	*8,816	*113	*7,659	*1,044	--	97,040	(⁵)
Paper and allied products.....	156,568	643,079	126,453	170,969	343,985	--	2,730,948	*509
Printing and publishing.....	1,491,656	1,102,522	*13,203	227,763	839,821	--	1,965,907	*14,118
Industrial plastics and synthetic materials.....	2,969,811	2,504,096	516,016	1,219,465	752,352	*535,631	6,011,583	368,404
Drugs.....	1,564,904	2,826,255	823,075	832,446	961,327	--	9,104,967	123,992
Other chemicals.....	1,645,667	1,040,119	273,901	341,710	417,289	--	3,415,603	70,051
Petroleum (including integrated) and coal products.....	9,793,581	3,434,266	174,504	1,887,357	1,370,745	5,949,385	22,499,991	184,788
Rubber and miscellaneous plastics products.....	399,777	193,772	15,208	33,269	138,986	--	723,330	*27,997
Leather and leather products.....	*8,171	*40,566	*1,353	*8,376	*30,838	--	*48,487	--
Stone, clay, and glass products.....	*113,298	263,295	*35,707	110,682	*114,225	--	745,460	*71,409
Primary metal industries.....	655,419	853,648	25,648	154,802	658,861	--	1,720,828	56,457
Fabricated metal products.....	412,626	426,862	36,982	176,442	210,683	--	1,462,747	25,021
Office, computing, and accounting machinery.....	1,889,462	4,230,202	1,924,431	469,841	1,828,848	--	9,029,004	*668,751
Other machinery, except electrical.....	1,850,651	1,695,815	260,921	473,148	937,971	*72	2,194,725	19,908
Electrical and electronic equipment.....	4,748,474	5,778,506	1,277,489	1,652,548	2,800,080	--	9,929,864	474,060
Motor vehicles and equipment.....	793,257	3,533,959	842,889	1,389,312	1,290,224	--	8,516,512	602,676
Transportation equipment, except motor vehicles.....	*1,100,426	548,624	150,149	212,878	184,188	--	1,471,901	*5,545
Instruments and related products.....	1,523,560	3,349,148	1,113,946	575,474	1,654,570	--	5,548,081	478,456
Miscellaneous manufacturing and manufacturing not allocable.....	177,873	365,609	99,475	65,536	195,070	--	860,550	*36,802
Transportation and public utilities.....	9,440,167	6,624,654	312,900	737,028	5,570,089	*73,170	3,967,338	213,035
Transportation.....	5,459,311	1,192,191	*3,755	137,550	1,047,316	--	1,561,893	*169,935
Water transportation.....	*3,430	*32,434	--	*27,962	*2,493	--	214,932	*76,576
All other transportation.....	5,455,881	1,159,758	*3,755	109,588	1,044,823	--	1,346,961	*93,359
Communication.....	3,875,348	5,256,120	*309,136	*432,274	*4,514,711	--	2,192,011	*39,443
Electric, gas, and sanitary services.....	105,508	176,342	*9	167,204	*8,062	*73,170	213,434	*3,657

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 1.--U.S. Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income and Tax Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Foreign income and taxes reported on Form 1118--Continued							
	Deductions--Continued					Deductions from oil and gas extraction income ⁴	Taxable income (less loss) before adjustments	Adjustments to taxable income
	Other deductions allocable to specific types of income	Deductions not allocable to specific types of income						
		Total	Research and development	Interest	Other			
(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	
Wholesale and retail trade.....	5,116,837	2,080,465	3,548	1,515,266	513,966	--	5,022,761	173,559
Wholesale trade.....	3,748,806	1,436,442	3,267	1,101,859	297,730	--	2,508,546	157,033
Groceries and related products.....	*119	*1,406	--	--	--	--	*8,687	--
Machinery, equipment, and supplies.....	*24,553	52,390	*266	*8,114	*42,452	--	71,495	(⁵)
Miscellaneous wholesale trade.....	3,724,134	1,382,646	*3,000	1,093,745	255,278	--	2,428,363	157,033
Drugs, chemicals, and allied products.....	*7,748	*17,358	--	*3,803	*8,406	--	93,375	*48,085
Petroleum and petroleum products.....	*353,695	*762,296	--	*757,366	*4,930	--	*584,585	--
Other miscellaneous wholesale trade.....	3,362,692	602,992	*3,000	332,577	241,943	--	1,750,403	108,948
Retail trade.....	1,368,031	644,023	*281	413,407	216,236	--	2,514,216	*16,527
Building materials, garden supplies, and mobile home dealers.....	--	*1,627	--	--	--	--	*17,389	*5,623
General merchandise stores.....	*253,725	*85,518	*2	*63,754	*21,762	--	*544,414	*10,122
Food stores.....	*58,133	*6,528	--	*390	*2,124	--	*70,459	--
Automotive dealers and service stations.....	--	--	--	--	--	--	*848	--
Apparel and accessory stores.....	*63,883	34,765	*268	*27,405	*6,360	--	133,031	--
Furniture and home furnishing stores.....	*1,384	*1,513	--	*76	*1,432	--	*9,441	--
Eating and drinking places.....	*889,013	468,381	*11	*301,492	*163,230	--	1,419,207	(⁵)
All other retail stores.....	101,894	45,692	--	*20,289	*21,329	--	319,426	*782
Finance, insurance, and real estate.....	17,358,102	39,505,830	*15,939	21,279,488	16,592,139	*1,955	30,290,592	1,226,961
Banking.....	6,717,967	24,422,167	*6,068	14,502,053	8,505,624	--	13,293,730	997,697
Credit agencies other than banks.....	*4,004,790	1,732,637	--	1,033,820	*698,817	--	1,290,538	*11,933
Security, commodity brokers, and services.....	1,595,052	5,109,621	*2,574	4,745,670	*347,148	--	4,260,564	*37,141
Insurance.....	4,854,380	8,085,887	*1,135	954,171	6,958,547	--	8,956,197	169,207
Insurance agents, brokers, and service.....	*39,765	*33,221	*5,394	*13,820	*3,321	--	409,461	*5,156
Real estate.....	*21,514	*4,770	--	*4,662	*108	--	47,115	*5,413
Holding and other investment companies, except bank holding companies.....	124,634	117,527	*767	25,293	78,573	*1,955	2,032,987	*414
Services.....	2,779,638	3,874,707	1,037,155	670,472	2,030,007	--	7,912,057	182,141
Hotels and other lodging places.....	*310,619	220,524	--	*155,316	*64,676	--	292,283	*29,993
Personal services.....	*2,876	*35,846	*1,362	*32,524	*788	--	108,667	*5,394
Business services.....	1,671,189	2,767,023	997,008	150,335	1,495,624	--	6,106,388	132,198
Auto repair; miscellaneous repair services.....	*748	*775	(⁵)	*69	*706	--	*4,550	--
Amusement and recreation services.....	*534,167	567,299	*5,663	*269,480	*292,156	--	730,352	*11,070
All other services.....	260,040	283,239	33,122	62,748	176,056	--	669,817	*3,486

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 1.--U.S. Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income and Tax Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Foreign income and taxes reported on Form 1118--Continued						
	Taxable income (less loss) after adjustments	Foreign taxes available for credit				Paid or accrued	
		Total	Reduction for certain foreign taxes	Carryover	Total paid, accrued, and deemed paid	Total	Taxes withheld at source on dividends
All industries.....	145,590,834	48,085,447	1,772,035	8,680,079	41,177,403	14,385,591	2,543,654
Agriculture, forestry, and fishing.....	293,048	93,607	--	*844	92,764	12,050	*3,634
Mining.....	2,900,789	1,478,532	456,676	561,488	1,373,720	1,243,607	68,695
Metal mining.....	476,597	466,124	*24,525	*128,254	362,394	331,733	*38,751
Coal mining.....	*613,696	*219,166	*43,307	*1,250	*261,223	*259,972	*98
Oil and gas extraction.....	1,777,504	788,592	380,850	423,039	746,403	651,109	*29,807
Nonmetallic minerals, except fuels.....	*32,992	*4,651	*7,994	*8,945	*3,700	*794	*38
Construction.....	604,633	214,161	--	14,579	199,582	71,826	13,676
General building contractors.....	107,743	37,432	--	*773	36,659	16,646	*3,113
Heavy construction contractors.....	464,057	162,944	--	*9,729	153,215	53,686	*10,249
Special trade contractors.....	32,833	13,786	--	*4,078	9,708	1,494	*314
Manufacturing.....	96,395,313	35,004,424	1,310,611	6,893,400	29,421,635	8,603,888	1,941,938
Food and kindred products.....	7,116,167	2,491,511	--	250,452	2,241,060	495,520	264,493
Tobacco manufactures.....	*3,743,893	*1,265,525	--	*61,698	*1,203,827	*188,564	*113,266
Textile mill products.....	59,628	17,510	--	*752	16,757	1,940	*557
Apparel and other textile products.....	573,626	172,569	--	*483	172,086	31,088	*13,540
Lumber and wood products.....	53,414	24,461	*10	*10,741	13,730	5,504	*3,119
Furniture and fixtures.....	97,040	42,261	--	*15,224	27,036	3,279	*1,915
Paper and allied products.....	2,730,439	993,345	*20	*32,574	960,791	123,339	60,043
Printing and publishing.....	1,951,789	489,741	--	33,315	456,426	180,853	31,881
Industrial plastics and synthetic materials.....	5,643,178	1,738,901	*14	135,301	1,603,614	360,558	96,535
Drugs.....	8,980,975	2,790,624	*190	156,701	2,634,113	308,865	166,472
Other chemicals.....	3,345,552	1,085,570	--	45,109	1,040,461	305,207	92,532
Petroleum (including integrated) and coal products.....	22,315,203	10,795,562	1,309,105	3,589,083	8,515,584	4,356,562	351,674
Rubber and miscellaneous plastics products.....	695,333	225,109	--	41,296	183,813	56,787	20,827
Leather and leather products.....	*48,487	*8,115	--	*537	*7,578	*6,801	*170
Stone, clay, and glass products.....	674,051	314,528	--	45,578	268,950	32,601	13,365
Primary metal industries.....	1,664,371	772,238	*1,109	219,542	553,804	100,019	26,663
Fabricated metal products.....	1,437,726	581,296	*18	60,993	520,322	114,322	49,321
Office, computing, and accounting machinery.....	8,360,253	3,327,219	--	*1,413,481	1,913,738	521,522	125,734
Other machinery, except electrical.....	2,174,817	684,721	*43	122,308	562,457	126,796	37,875
Electrical and electronic equipment.....	9,455,804	2,435,789	--	157,589	2,278,200	577,345	136,277
Motor vehicles and equipment.....	7,913,836	2,557,426	--	257,477	2,299,949	344,206	217,015
Transportation equipment, except motor vehicles.....	1,466,357	494,366	*62	*110,672	383,756	92,771	26,352
Instruments and related products.....	5,069,625	1,457,298	--	124,954	1,332,344	225,737	75,666
Miscellaneous manufacturing and manufacturing not allocable.....	823,748	238,740	*40	7,541	231,239	43,703	16,645
Transportation and public utilities.....	3,754,303	522,968	*3,927	85,879	441,016	210,323	46,432
Transportation.....	1,391,958	170,349	--	34,140	136,210	66,845	4,582
Water transportation.....	138,355	31,155	--	*2,775	28,380	18,158	*8
All other transportation.....	1,253,602	139,194	--	31,365	107,830	48,687	*4,573
Communication.....	2,152,568	237,550	--	*41,874	195,676	93,867	*7,494
Electric, gas, and sanitary services.....	209,777	115,069	*3,927	*9,866	109,130	49,610	34,355

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 1.--U.S. Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income and Tax Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Foreign income and taxes reported on Form 1118--Continued							
	Taxable income (less loss) after adjustments	Foreign taxes available for credit					Paid or accrued	
		Total	Reduction for certain foreign taxes	Carryover	Total paid, accrued, and deemed paid	Total	Taxes withheld at source on dividends	
								(39)
Wholesale and retail trade.....	4,849,202	1,511,164	--	127,866	1,383,298	447,046	67,474	
Wholesale trade.....	2,351,513	660,633	--	76,453	584,179	193,595	40,611	
Groceries and related products.....	*8,687	*2,387	--	*1,104	*1,283	*527	*51	
Machinery, equipment, and supplies.....	71,495	15,504	--	*401	15,102	4,833	999	
Miscellaneous wholesale trade.....	2,271,330	642,742	--	74,948	567,795	188,235	39,561	
Drugs, chemicals, and allied products.....	45,290	16,774	--	*3,476	13,298	6,984	*861	
Petroleum and petroleum products.....	*584,585	*152,698	--	*202	*152,496	*57,416	*21,030	
Other miscellaneous wholesale trade.....	1,641,456	473,270	--	71,270	402,000	123,835	17,670	
Retail trade.....	2,497,689	850,531	--	51,412	799,119	253,451	26,863	
Building materials, garden supplies, and mobile home dealers.....	*11,767	*1,605	--	--	*1,605	*1,605	*2	
General merchandise stores.....	*534,291	*174,295	--	*4,772	*169,522	*27,057	*5,960	
Food stores.....	*70,459	*16,243	--	*8,380	*7,862	*7,862	*2	
Automotive dealers and service stations.....	*848	*98	--	*3	*96	*96	*22	
Apparel and accessory stores.....	133,031	37,407	--	*16,458	20,949	13,239	*295	
Furniture and home furnishing stores.....	*9,441	*676	--	*120	*556	*556	--	
Eating and drinking places.....	1,419,207	559,245	--	*20,360	538,885	173,125	*14,349	
All other retail stores.....	318,645	60,962	--	*1,319	59,643	29,910	*6,234	
Finance, insurance, and real estate.....	29,063,631	7,102,084	*821	739,504	6,363,401	3,073,690	314,428	
Banking.....	12,296,033	3,182,748	--	432,811	2,749,937	1,668,375	62,117	
Credit agencies other than banks.....	1,278,605	306,642	*53	*32,683	274,011	157,406	36,107	
Security, commodity brokers, and services.....	4,223,423	1,116,898	--	21,909	1,094,989	288,975	52,619	
Insurance.....	8,786,990	1,584,751	--	127,280	1,457,471	863,050	96,841	
Insurance agents, brokers, and service.....	404,305	121,235	--	*406	120,829	18,023	15,807	
Real estate.....	41,702	17,310	*1	*4,390	12,922	1,844	349	
Holding and other investment companies, except bank holding companies.....	2,032,573	772,501	*767	120,026	653,242	76,016	50,590	
Services.....	7,729,916	2,158,506	--	256,519	1,901,988	723,161	87,378	
Hotels and other lodging places.....	262,290	110,934	--	*22,861	88,073	52,463	*4,979	
Personal services.....	103,272	56,473	--	*25,782	30,691	5,778	*2,125	
Business services.....	5,974,191	1,506,122	--	97,500	1,408,622	484,316	69,458	
Auto repair; miscellaneous repair services.....	*4,550	*956	--	*331	*625	*158	(⁵)	
Amusement and recreation services.....	719,282	213,754	--	*8,430	205,325	138,620	*5,716	
All other services.....	666,330	270,266	--	101,615	168,652	41,827	5,100	

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 1.--U.S. Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income and Tax Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Foreign income and taxes reported on Form 1118--Continued						Taxes deemed paid
	Foreign taxes available for credit--Continued						
	Paid or accrued--Continued						
	Taxes withheld at source on--		Other taxes paid or accrued on--				
	Interest	Rents, royalties, and license fees	Branch income	Specifically allocable income [section 863 (b)]	Service income	Other income	
(46)	(47)	(48)	(49)	(50)	(51)	(52)	
All industries.....	540,763	1,994,254	5,550,340	4,600	315,733	3,436,247	26,791,812
Agriculture, forestry, and fishing.....	*622	*2,883	*4,128	--	*378	*406	*80,714
Mining.....	14,078	6,953	263,095	*121	*44,656	846,008	130,112
Metal mining.....	*7,902	*138	*155,687	--	*3,850	*125,404	*30,662
Coal mining.....	*5,091	--	*2,923	--	--	*251,860	*1,251
Oil and gas extraction.....	1,036	6,807	103,785	*121	*40,807	468,745	95,294
Nonmetallic minerals, except fuels.....	*49	*8	*699	--	--	--	*2,905
Construction.....	*771	*854	*28,683	--	27,635	*206	*127,756
General building contractors.....	*48	*10	*358	--	*13,118	--	*20,013
Heavy construction contractors.....	*454	*203	*28,325	--	*14,249	*206	*99,529
Special trade contractors.....	*270	*641	--	--	*268	--	*8,214
Manufacturing.....	239,590	1,418,251	2,871,446	3,554	71,068	2,058,040	20,817,747
Food and kindred products.....	6,750	83,225	108,863	*194	*5,692	26,302	1,745,539
Tobacco manufactures.....	*8,709	*53,184	*12,652	--	*199	*554	*1,015,263
Textile mill products.....	*522	*560	*111	--	*16	*174	*14,817
Apparel and other textile products.....	*271	15,758	*443	--	*494	*582	*140,998
Lumber and wood products.....	*992	*1,132	*100	--	*15	*147	*8,226
Furniture and fixtures.....	*313	714	*58	--	*279	--	*23,757
Paper and allied products.....	3,731	35,440	*22,618	--	*386	*1,122	837,452
Printing and publishing.....	906	110,006	*7,184	*7	*1,461	29,409	275,573
Industrial plastics and synthetic materials.....	9,649	78,356	137,723	*439	*7,852	30,005	1,243,056
Drugs.....	*2,178	58,524	47,723	--	*5,183	28,785	2,325,248
Other chemicals.....	4,000	112,937	82,687	--	*4,883	8,168	735,254
Petroleum (including integrated) and coal products.....	74,247	22,218	2,161,620	--	*1,486	1,745,317	4,159,021
Rubber and miscellaneous plastics products.....	2,164	23,132	*9,613	--	*72	*979	127,026
Leather and leather products.....	*226	*5,458	*939	--	*7	--	*777
Stone, clay, and glass products.....	852	7,039	*4,649	--	*1,793	*4,903	236,348
Primary metal industries.....	2,873	8,913	*20,467	--	*2,361	*38,742	453,785
Fabricated metal products.....	1,258	11,480	9,197	--	*859	42,207	406,000
Office, computing, and accounting machinery.....	*4,798	339,647	*49,510	--	*1,300	*532	1,392,216
Other machinery, except electrical.....	6,429	22,604	32,248	*807	14,747	12,086	435,661
Electrical and electronic equipment.....	74,826	244,448	60,551	*1,139	5,809	54,294	1,700,855
Motor vehicles and equipment.....	24,805	30,947	*37,371	--	*10,754	23,312	1,955,743
Transportation equipment, except motor vehicles.....	1,602	29,521	*31,612	--	*3,091	*592	290,986
Instruments and related products.....	6,662	106,191	25,503	*968	*2,162	8,585	1,106,607
Miscellaneous manufacturing and manufacturing not allocable.....	825	16,815	8,005	--	*167	*1,245	187,536
Transportation and public utilities.....	17,745	35,319	37,259	--	31,041	42,527	230,693
Transportation.....	2,213	3,711	*24,900	--	26,688	4,752	69,365
Water transportation.....	*499	*723	*884	--	*14,635	*1,409	*10,222
All other transportation.....	1,714	2,988	*24,016	--	12,053	*3,343	59,142
Communication.....	*12,846	*30,648	*8,037	--	*1,154	*33,689	*101,808
Electric, gas, and sanitary services.....	*2,687	*961	*4,322	--	*3,199	*4,087	59,520

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 1.--U.S. Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income and Tax Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Foreign income and taxes reported on Form 1118--Continued						Taxes deemed paid
	Foreign taxes available for credit--Continued						
	Paid or accrued--Continued						
	Taxes withheld at source on--		Other taxes paid or accrued on--				
	Interest	Rents, royalties, and license fees	Branch income	Specifically allocable income [section 863 (b)]	Service income	Other income	
(46)	(47)	(48)	(49)	(50)	(51)	(52)	
Wholesale and retail trade.....	21,402	107,925	191,286	*63	5,184	53,712	936,253
Wholesale trade.....	17,121	39,812	45,932	*63	2,434	47,622	390,584
Groceries and related products.....	*59	*304	--	*63	*32	*17	*756
Machinery, equipment, and supplies.....	346	*492	*1,660	--	*26	*1,310	10,269
Miscellaneous wholesale trade.....	16,715	39,016	44,273	--	2,376	46,294	379,559
Drugs, chemicals, and allied products.....	*22	*380	*73	--	*911	*4,736	*6,315
Petroleum and petroleum products.....	*2,383	*4,128	*7,694	--	*12	*22,169	*95,080
Other miscellaneous wholesale trade.....	14,310	34,507	36,505	--	*1,453	19,390	278,165
Retail trade.....	4,281	68,113	145,353	--	*2,750	6,090	545,668
Building materials, garden supplies, and mobile home dealers.....	--	*1,453	--	--	--	*151	--
General merchandise stores.....	*629	*3,789	*14,539	--	*1,046	*1,094	*142,465
Food stores.....	*229	*7,490	*142	--	--	--	--
Automotive dealers and service stations.....	*54	*20	--	--	--	--	--
Apparel and accessory stores.....	*411	*2,473	*8,373	--	*81	*1,606	*7,710
Furniture and home furnishing stores.....	*10	*482	--	--	*64	--	--
Eating and drinking places.....	*1,822	45,347	*109,927	--	--	*1,679	*365,760
All other retail stores.....	*1,126	7,059	*12,372	--	*1,559	*1,560	*29,733
Finance, insurance, and real estate.....	240,229	14,557	2,091,656	*25	45,245	367,551	3,289,711
Banking.....	129,412	*918	1,356,591	--	*3,106	116,231	1,081,562
Credit agencies other than banks.....	3,256	*11,734	*90,164	--	*2,752	*13,392	116,605
Security, commodity brokers, and services.....	44,867	*19	*90,053	--	*6,449	94,968	806,014
Insurance.....	57,715	*381	553,207	--	25,218	129,689	594,420
Insurance agents, brokers, and service.....	*123	*64	*484	--	*979	*567	*102,806
Real estate.....	*11	*43	*496	*25	*302	*619	*11,077
Holding and other investment companies, except bank holding companies.....	4,844	*1,398	*661	--	*6,440	12,083	577,226
Services.....	6,326	407,511	62,787	*836	90,526	67,796	1,178,826
Hotels and other lodging places.....	*1,105	*15,152	*17,590	--	*5,663	*7,974	*35,610
Personal services.....	*262	*1,867	*1,072	--	*451	--	*24,913
Business services.....	3,088	262,213	36,990	*836	58,218	53,513	924,307
Auto repair; miscellaneous repair services.....	*26	*103	--	--	*11	*19	*467
Amusement and recreation services.....	*724	*110,249	*4,795	--	*14,500	*2,637	*66,704
All other services.....	*1,120	17,928	*2,340	--	11,684	*3,654	126,825

* Data should be used with caution because of the small number of returns on which they were based.

¹ Interest Charge-Domestic International Sales Corporation (IC-DISC) and Domestic International Sales Corporation (DISC).

² In addition to the credits shown in columns 12-14, this is after reduction by other credits, such as the jobs credit and the investment credit, which are not shown separately in this table.

³ Included in gross income (less loss), columns 16-22. See text for additional information.

⁴ Included in deductions, columns 26-35. See text for additional information.

⁵ Less than \$500.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 2.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Industrial Division and Income Type

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

Industrial division and income type	Number of returns	Foreign income and taxes reported on Form 1118						
		Gross income (less loss)						
		Total	Dividends	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees	Service income	Other income
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
ALL INDUSTRIES								
All income types.....	6,100	331,078,563	62,621,960	26,714,995	56,197,146	45,127,226	28,536,992	111,880,244
Passive income.....	2,282	5,339,523	2,210,281	266,983	1,954,546	237,488	*20,142	650,084
High withholding tax interest.....	317	1,801,177	37,306	24,167	1,739,703	--	--	--
Financial services income.....	388	91,085,476	9,733,764	3,322,731	46,320,659	1,639,406	8,799,775	21,269,141
Shipping income.....	53	12,991,993	198,863	33,450	60,024	321,125	7,487,809	4,890,722
Dividends from noncontrolled section 902 corporations.....	552	3,622,878	2,431,219	1,123,148	16,839	1,451	*346	49,874
Dividends from an IC-DISC or former DISC ¹	10	*4,624	*4,624	--	--	--	--	--
Income related to sections 904(q) or 901(j).....	34	93,009	36,776	*3,061	*16,036	*1,532	*10	35,595
Certain distributions from a FSC or former FSC ²	82	3,350,547	3,350,547	--	--	--	--	--
All other income from outside the United States.....	3,820	212,789,336	44,618,581	21,941,455	6,089,339	42,926,224	12,228,910	84,984,827
AGRICULTURE, FORESTRY, AND FISHING								
All income types.....	187	451,268	125,187	*80,714	*20,435	*24,079	--	*200,854
Passive income.....	9	*30,445	*648	*37	*11,007	--	--	*18,754
High withholding tax interest.....	--	--	--	--	--	--	--	--
Financial services income.....	83	*199	*199	--	--	--	--	--
Shipping income.....	--	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations.....	**	**	**	**	**	**	**	**
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(q) or 901(j).....	--	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC ²	**	**	**	**	**	**	**	**
All other income from outside the United States.....	95	407,693	*111,614	*80,472	*9,428	*24,079	--	*182,099
MINING								
All income types.....	123	7,434,377	361,131	130,112	248,704	104,357	1,530,404	5,059,670
Passive income.....	31	73,337	25,387	*1,261	43,165	*1,024	--	*2,501
High withholding tax interest.....	7	*39,540	*1,718	*1,507	*36,315	--	--	--
Financial services income.....	**	**	**	**	**	**	**	**
Shipping income.....	**	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	7	*22,375	*21,397	*933	*45	--	--	--
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(g) or 901(j).....	**	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	--	--	--	--	--	--	--	--
All other income from outside the United States.....	106	7,285,398	299,850	125,464	169,179	103,333	1,530,404	5,057,169
CONSTRUCTION								
All income types.....	155	2,038,420	285,837	*127,756	12,990	11,130	1,571,354	29,353
Passive income.....	44	12,010	*2,326	*79	*7,447	--	--	*2,158
High withholding tax interest.....	4	*1,486	--	--	*1,486	--	--	--
Financial services income.....	--	--	--	--	--	--	--	--
Shipping income.....	**	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	28	*10,337	*7,186	*4,125	--	--	--	*-974
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(g) or 901(j).....	**	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	**	**	**	**	**	**	**	**
All other income from outside the United States.....	89	2,000,581	262,448	*123,533	4,058	*11,019	1,571,354	28,168

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 2.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Industrial Division and Income Type--Continued

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

Industrial division and income type	Number of returns	Foreign income and taxes reported on Form 1118						
		Gross income (less loss)						
		Total	Dividends	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees	Service income	Other income
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
MANUFACTURING								
All income types.....	1,742	173,377,185	47,179,226	20,767,867	7,852,821	30,863,256	3,613,995	63,100,021
Passive income.....	610	3,641,530	1,847,705	234,193	1,118,876	160,067	*1,859	278,830
High withholding tax interest.....	97	251,769	*11,007	*3,347	237,414	--	--	--
Financial services income.....	72	5,388,571	1,574,623	601,049	1,703,083	*401,843	*3,248	1,104,723
Shipping income.....	22	461,649	70,693	*13,189	*33,491	*182,563	*94,091	67,623
Dividends from noncontrolled section 902 corporations.....	239	2,655,002	1,740,510	880,464	4,639	*1,254	--	28,135
Dividends from an IC-DISC or former DISC ¹	10	*4,624	*4,624	--	--	--	--	--
Income related to sections 904(q) or 901(i).....	22	43,903	*25,803	*2,993	*15,900	--	*10	*-802
Certain distributions from a FSC or former FSC ²	61	2,930,821	2,930,821	--	--	--	--	--
All other income from outside the United States.....	1,461	157,999,316	38,973,440	19,032,632	4,739,417	30,117,528	3,514,787	61,621,512
TRANSPORTATION AND PUBLIC UTILITIES								
All income types.....	157	25,774,839	911,852	230,693	331,882	1,452,033	8,353,511	14,494,867
Passive income.....	68	96,730	33,973	2,140	24,385	*2,638	--	*33,594
High withholding tax interest.....	13	18,326	*196	*111	18,019	--	--	--
Financial services income.....	8	*69,080	*2,862	*1,567	*24,855	*18,446	*16,679	*4,671
Shipping income.....	18	12,460,444	*120,032	*19,655	*18,804	*97,742	7,393,718	*4,810,494
Dividends from noncontrolled section 902 corporations.....	18	58,994	36,795	*13,734	*728	--	--	*7,736
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(q) or 901(i).....	**	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	**	**	**	**	**	**	**	**
All other income from outside the United States.....	108	12,901,472	584,406	193,487	244,957	1,333,208	943,115	9,602,300
WHOLESALE AND RETAIL TRADE								
All income types.....	995	12,603,872	1,817,236	936,253	1,662,167	1,253,371	293,189	6,641,657
Passive income.....	512	303,797	55,291	6,192	113,097	46,391	--	*82,827
High withholding tax interest.....	70	131,133	*12,783	*4,405	113,946	--	--	--
Financial services income.....	4	*2,064,444	*32,777	*136,444	*1,066,718	*3,496	--	*525,009
Shipping income.....	**	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	44	76,938	58,095	17,371	*1,469	*4	--	--
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(q) or 901(i).....	**	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	--	--	--	--	--	--	--	--
All other income from outside the United States.....	477	10,027,194	1,357,968	771,838	366,938	1,203,480	293,189	6,033,780
FINANCE, INSURANCE, AND REAL ESTATE								
All income types.....	1,649	89,842,449	9,698,422	3,262,854	45,683,318	1,282,097	9,304,527	20,611,230
Passive income.....	862	981,513	160,686	12,306	555,710	14,437	*11,735	226,639
High withholding tax interest.....	101	1,336,967	*11,602	*14,797	1,310,567	--	--	--
Financial services income.....	192	83,504,994	7,795,642	2,582,059	43,508,796	1,213,370	8,778,027	19,627,100
Shipping income.....	**	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	175	719,219	510,763	183,770	*9,040	*162	*346	*15,138
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(q) or 901(i).....	**	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	5	*111,006	*111,006	--	--	--	--	--
All other income from outside the United States.....	504	3,175,309	1,101,115	469,337	293,956	54,127	514,420	742,353

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 2.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Industrial Division and Income Type--Continued

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

Industrial division and income type	Number of returns	Foreign income and taxes reported on Form 1118						
		Gross income (less loss)						
		Total	Dividends	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees	Service income	Other income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SERVICES								
All income types.....	1,091	19,556,152	2,243,070	1,178,745	384,829	10,136,904	3,870,011	1,742,592
Passive income.....	145	200,161	84,265	10,776	80,860	12,931	*6,548	4,781
High withholding tax interest.....	26	21,956	--	--	21,956	--	--	--
Financial services income.....	27	54,954	*25,375	*663	*17,207	*2,250	*1,822	*7,637
Shipping income.....	**	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	37	78,954	55,618	22,547	*918	*31	--	*-161
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(a) or 901(j).....	**	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	13	*149,477	*149,477	--	--	--	--	--
All other income from outside the United States....	980	18,992,373	1,927,739	1,144,691	261,407	10,079,450	3,861,641	1,717,445

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 2.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Industrial Division and Income Type--Continued

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

Industrial division and income type	Foreign income and taxes reported on Form 1118--Continued							
	Oil and gas extraction income (less loss) ³	Foreign branch income ³	Specifically allocable income [section 863 (b)] ³	Total	Deductions			
					Total	Deductions allocable to specific types of income		Service expenses
						Depreciation, depletion, and amortization	Rental, royalty and licensing expenses Other	
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
ALL INDUSTRIES								
All income types.....	22,073,503	75,499,359	27,442,900	180,252,217	91,896,475	1,398,793	6,341,056	12,557,040
Passive income.....	--	137,482	8,605	1,567,855	287,622	6,092	21,223	9,678
High withholding tax interest.....	--	*289,986	*60,689	714,873	91,753	--	--	--
Financial services income.....	--	38,537,482	*2,837,549	60,918,131	20,568,569	427,029	1,387,737	505,651
Shipping income.....	--	*825,914	*4,632,002	11,735,401	10,374,066	*144,558	210,886	*4,409,949
Dividends from noncontrolled section 902 corporations.....	--	*11,165	*27,940	575,079	-55,913	*49	*-2,972	*282
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(q) or 901(i).....	--	*328	--	21,833	*1,512	--	--	--
Certain distributions from a FSC or former FSC ²	--	--	--	3,320,900	3,307,487	--	--	--
All other income from outside the United States.....	22,073,503	35,697,003	19,876,115	101,398,146	57,321,380	821,064	4,724,182	7,631,481
AGRICULTURE, FORESTRY, AND FISHING								
All income types.....	--	*3,346	*23,441	*157,071	*103,257	--	*4,327	--
Passive income.....	--	--	--	*2,674	--	--	--	--
High withholding tax interest.....	--	--	--	--	--	--	--	--
Financial services income.....	--	--	--	--	--	--	--	--
Shipping income.....	--	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations.....	**	**	**	**	**	**	**	**
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(q) or 901(i).....	--	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC ²	**	**	**	**	**	**	**	**
All other income from outside the United States.....	--	*3,346	*23,441	*142,516	*91,387	--	*4,327	--
MINING								
All income types.....	2,462,356	1,525,846	*227,702	4,358,129	3,641,828	32,740	*25,055	*965,385
Passive income.....	--	*11,022	--	24,331	*13,938	*2	*606	--
High withholding tax interest.....	--	--	--	*3,649	*2,471	--	--	--
Financial services income.....	**	**	**	**	**	**	**	**
Shipping income.....	**	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	--	--	--	*5,746	*305	--	--	--
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(q) or 901(i).....	**	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	--	--	--	--	--	--	--	--
All other income from outside the United States.....	2,462,356	1,514,824	*227,702	4,324,085	3,624,965	32,738	*24,449	*965,385
CONSTRUCTION								
All income types.....	--	*18,518	*1,853	1,432,678	1,384,323	*344	*1,047	1,349,263
Passive income.....	--	--	--	*1,308	*193	--	--	--
High withholding tax interest.....	--	--	--	*85	--	--	--	--
Financial services income.....	--	--	--	--	--	--	--	--
Shipping income.....	**	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	--	--	--	*303	*115	--	--	--
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(q) or 901(i).....	**	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	**	**	**	**	**	**	**	**
All other income from outside the United States.....	--	*18,518	*1,853	1,417,010	1,370,053	*227	*987	1,349,263

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 2.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Industrial Division and Income Type--Continued

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

Industrial division and income type	Foreign income and taxes reported on Form 1118--Continued							
	Oil and gas extraction income (less loss) ³	Foreign branch income ³	Specifically allocable income [section 863 (b)] ³	Total	Deductions			
					Total	Deductions allocable to specific types of income		Service expenses
						Rental, royalty and licensing expenses	Depreciation, depletion, and amortization	
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
MANUFACTURING								
All income types.....	19,462,765	29,497,116	18,229,264	73,719,774	38,268,158	227,380	2,009,134	1,878,048
Passive income.....	--	101,008	*6,790	1,093,050	85,454	*495	5,916	*4,952
High withholding tax interest.....	--	*163	--	64,463	32,720	--	--	--
Financial services income.....	--	*487,300	--	2,393,497	1,226,680	*7,826	*10,688	--
Shipping income.....	--	*15,348	--	405,473	282,201	--	*12,975	*2,955
Dividends from noncontrolled section 902 corporations.....	--	*9,927	*855	374,857	2,343	--	*126	--
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(g) or 901(i).....	--	--	--	18,710	*1,194	--	--	--
Certain distributions from a FSC or former FSC ²	--	--	--	2,929,407	2,928,794	--	--	--
All other income from outside the United States.....	19,462,765	28,883,371	18,221,619	66,440,317	33,708,772	219,059	1,979,430	1,870,141
TRANSPORTATION AND PUBLIC UTILITIES								
All income types.....	*97,909	1,508,962	4,786,644	21,807,501	15,182,848	390,514	297,757	5,054,410
Passive income.....	--	*912	*39	58,341	24,207	--	--	--
High withholding tax interest.....	--	*29	--	*4,754	*30	--	--	--
Financial services income.....	--	*979	--	*52,720	*14,425	--	--	*13,273
Shipping income.....	--	*809,897	*4,632,002	11,247,543	10,030,111	*94,668	*197,851	*4,406,979
Dividends from noncontrolled section 902 corporations.....	--	--	--	24,311	*3,289	--	--	--
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(g) or 901(i).....	**	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	**	**	**	**	**	**	**	**
All other income from outside the United States.....	*97,909	697,144	154,603	10,283,479	4,977,199	*295,846	99,905	634,158
WHOLESALE AND RETAIL TRADE								
All income types.....	--	2,375,382	321,353	7,581,111	5,500,646	11,822	268,570	103,417
Passive income.....	--	*525	*618	112,596	19,896	*2,140	*9,372	*46
High withholding tax interest.....	--	*11	*66	31,586	*12,333	--	--	--
Financial services income.....	--	*113,723	--	*1,282,820	*482,423	--	--	--
Shipping income.....	**	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	--	--	--	17,191	*4,737	--	--	--
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(g) or 901(i).....	**	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	--	--	--	--	--	--	--	--
All other income from outside the United States.....	--	2,260,794	320,669	6,132,110	4,980,702	9,682	259,199	103,370
FINANCE, INSURANCE, AND REAL ESTATE								
All income types.....	*50,473	38,366,308	2,981,923	59,551,857	20,046,027	424,700	1,561,553	701,672
Passive income.....	--	*1,190	*763	192,913	129,348	*2,142	3,308	*3,684
High withholding tax interest.....	--	*289,783	*60,623	598,557	43,219	--	--	--
Financial services income.....	--	37,929,682	*2,837,549	57,158,073	18,836,046	419,202	1,375,909	491,025
Shipping income.....	**	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	--	*1,190	*25,721	129,788	-69,199	*49	*-3,098	*257
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(g) or 901(i).....	**	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	--	--	--	*80,546	*71,589	--	--	--
All other income from outside the United States.....	*50,473	144,464	*57,268	1,391,947	1,035,024	*3,307	185,434	206,706

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 2.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Industrial Division and Income Type--Continued

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

Industrial division and income type	Foreign income and taxes reported on Form 1118--Continued							
	Oil and gas extraction income (less loss) ³	Foreign branch income ³	Specifically allocable income [section 863 (b)] ³	Deductions				
				Total	Deductions allocable to specific types of income			Service expenses
					Total	Rental, royalty and licensing expenses		
					Depreciation, depletion, and amortization	Other		
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
SERVICES								
All income types.....	--	2,203,882	870,720	11,644,095	7,769,388	311,291	2,173,612	2,504,847
Passive income.....	--	*22,825	*395	82,641	14,587	*1,312	*2,021	*996
High withholding tax interest.....	--	--	--	11,779	*979	--	--	--
Financial services income.....	--	*5,798	--	30,731	*8,845	*1	*1,141	*1,353
Shipping income.....	**	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	--	*47	*1,364	22,873	*2,498	--	--	*25
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(q) or 901(j).....	**	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	--	--	--	*151,705	*147,860	--	--	--
All other income from outside the United States.....	--	2,174,542	868,961	11,266,682	7,533,278	260,205	2,170,451	2,502,459

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 2.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Industrial Division and Income Type--Continued

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

Industrial division and income type	Foreign income and taxes reported on Form 1118--Continued							
	Deductions--Continued					Deductions from oil and gas extraction income ⁴	Taxable income (less loss) before adjustments	Adjustments to taxable income
	Other deductions allocable to specific types of income	Deductions not allocable to specific types of income						
		Total	Research and development	Interest	Other			
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
ALL INDUSTRIES								
All income types.....	71,599,587	88,355,742	9,232,584	35,536,186	41,326,284	7,428,558	150,826,345	5,235,512
Passive income.....	250,628	1,280,233	103,227	760,349	355,995	--	3,771,668	182,164
High withholding tax interest.....	91,753	623,120	609	439,650	180,697	--	1,086,304	91,658
Financial services income.....	18,248,152	40,349,562	36,005	22,521,147	16,235,351	--	30,167,345	1,344,757
Shipping income.....	5,608,673	1,361,335	*8,239	209,898	1,143,184	--	1,256,592	78,080
Dividends from noncontrolled section 902 corporations.....	-53,271	630,992	34,835	384,191	205,419	--	3,047,800	-52,670
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	*4,624	*207
Income related to sections 904(g) or 901(j).....	*1,512	20,321	*1,641	17,149	*1,530	--	71,176	-7,808
Certain distributions from a FSC or former FSC ²	3,307,487	*13,414	--	--	*13,414	--	29,647	-4,300
All other income from outside the United States.....	44,144,653	44,076,767	9,048,029	11,203,801	23,190,694	7,428,558	111,391,190	3,603,423
AGRICULTURE, FORESTRY, AND FISHING								
All income types.....	*98,929	*53,814	*22,388	*12,424	*19,002	--	294,197	*1,149
Passive income.....	--	*2,674	--	*1,376	*1,297	--	*27,772	*-7
High withholding tax interest.....	--	--	--	--	--	--	--	--
Financial services income.....	--	--	--	--	--	--	*199	--
Shipping income.....	--	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations.....	**	**	**	**	**	**	**	**
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(g) or 901(j).....	--	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC ²	**	**	**	**	**	**	**	**
All other income from outside the United States.....	*87,059	*51,129	*22,388	*11,045	*17,696	--	265,177	*1,157
MINING								
All income types.....	2,618,649	716,301	*28,646	184,390	498,967	868,345	3,076,248	175,459
Passive income.....	*13,329	10,394	*171	4,669	*4,999	--	49,006	*-236
High withholding tax interest.....	*2,471	*1,177	--	*805	*372	--	*35,892	*8
Financial services income.....	**	**	**	**	**	**	**	**
Shipping income.....	**	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	*305	*5,441	*5	*2,499	*2,936	--	*16,629	*13
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(g) or 901(j).....	**	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	--	--	--	--	--	--	--	--
All other income from outside the United States.....	2,602,393	699,120	*28,470	176,362	490,544	868,345	2,961,313	171,503
CONSTRUCTION								
All income types.....	33,670	48,355	*468	*7,693	33,623	--	605,741	*1,108
Passive income.....	*193	*1,115	--	*255	*681	--	10,702	*-56
High withholding tax interest.....	--	*85	--	*36	*48	--	*1,401	*69
Financial services income.....	--	--	--	--	--	--	--	--
Shipping income.....	**	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	*115	*188	--	*164	*24	--	*10,034	*-980
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(g) or 901(j).....	**	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	**	**	**	**	**	**	**	**
All other income from outside the United States.....	19,576	46,956	*468	*7,238	*32,859	--	583,571	*2,076

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 2.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Industrial Division and Income Type--Continued

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

Industrial division and income type	Foreign income and taxes reported on Form 1118--Continued							
	Deductions--Continued					Deductions from oil and gas extraction income ⁴	Taxable income (less loss) before adjustments	Adjustments to taxable income
	Other deductions allocable to specific types of income	Deductions not allocable to specific types of income						
		Total	Research and development	Interest	Other			
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	
MANUFACTURING								
All income types.....	34,153,595	35,451,616	7,811,540	11,129,424	16,068,492	6,485,088	99,657,411	3,262,098
Passive income.....	74,091	1,007,596	101,961	623,040	261,417	--	2,548,480	172,918
High withholding tax interest.....	32,720	31,743	469	16,112	14,921	--	187,306	3,877
Financial services income.....	1,208,167	1,166,817	18,840	952,179	195,798	--	2,995,074	71,569
Shipping income.....	266,270	123,272	*2,151	89,249	31,873	--	56,176	-11,136
Dividends from noncontrolled section 902 corporations.....	2,217	372,515	34,563	245,078	91,247	--	2,280,144	-39,086
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	*4,624	*207
Income related to sections 904(q) or 901(i).....	*1,194	17,517	*196	17,122	*198	--	25,193	-12,535
Certain distributions from a FSC or former FSC ²	2,928,794	*612	--	--	*612	--	*1,414	-532
All other income from outside the United States.....	29,640,143	32,731,545	7,653,359	9,186,645	15,472,425	6,485,088	91,558,999	3,076,817
TRANSPORTATION AND PUBLIC UTILITIES								
All income types.....	9,440,167	6,624,654	312,900	737,028	5,570,089	*73,170	3,967,338	213,035
Passive income.....	24,207	34,134	*215	29,988	3,931	--	38,389	-5,899
High withholding tax interest.....	*30	*4,723	*124	*4,543	*56	--	13,572	*-36
Financial services income.....	*1,152	*38,295	*2,002	*14,669	*21,537	--	*16,360	*1,165
Shipping income.....	*5,330,612	1,217,432	*6,088	105,764	*1,105,566	--	1,212,901	*115,224
Dividends from noncontrolled section 902 corporations.....	*3,289	21,022	*4	19,100	*1,918	--	34,683	-2,445
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(q) or 901(i).....	**	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	**	**	**	**	**	**	**	**
All other income from outside the United States.....	3,947,289	5,306,281	*303,022	562,936	4,435,787	*73,170	2,617,993	104,529
WHOLESALE AND RETAIL TRADE								
All income types.....	5,116,837	2,080,465	3,548	1,515,266	513,966	--	5,022,761	173,559
Passive income.....	8,338	92,700	*284	42,443	39,667	--	191,201	12,781
High withholding tax interest.....	*12,333	19,253	--	15,780	2,491	--	99,547	*23,273
Financial services income.....	*482,423	*800,397	--	*795,443	*4,954	--	*781,624	*72,037
Shipping income.....	**	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	*4,737	12,454	*202	10,815	*646	--	59,747	-3,373
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(q) or 901(i).....	**	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	--	--	--	--	--	--	--	--
All other income from outside the United States.....	4,608,450	1,151,409	3,061	646,534	466,207	--	3,895,084	73,629
FINANCE, INSURANCE, AND REAL ESTATE								
All income types.....	17,358,102	39,505,830	*15,939	21,279,488	16,592,139	*1,955	30,290,592	1,226,961
Passive income.....	120,213	63,565	--	9,672	30,412	--	788,600	-6,108
High withholding tax interest.....	43,219	555,338	*15	392,021	162,417	--	738,410	65,094
Financial services income.....	16,549,910	38,322,027	*15,122	20,746,427	16,003,505	--	26,346,922	1,201,542
Shipping income.....	**	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	-66,407	198,987	--	89,029	106,096	--	589,432	-3,837
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(q) or 901(i).....	**	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	*71,589	*8,956	--	--	*8,956	--	*30,461	*78
All other income from outside the United States.....	639,578	356,923	*802	42,320	280,736	*1,955	1,783,361	-29,809

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 2.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Industrial Division and Income Type--Continued

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

Industrial division and income type	Foreign income and taxes reported on Form 1118--Continued							
	Deductions--Continued					Deductions from oil and gas extraction income ⁴	Taxable income (less loss) before adjustments	Adjustments to taxable income
	Other deductions allocable to specific types of income	Deductions not allocable to specific types of income						
		Total	Research and development	Interest	Other			
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
SERVICES								
All income types.....	2,779,638	3,874,707	1,037,155	670,472	2,030,007	--	7,912,057	182,141
Passive income.....	10,257	68,055	*595	48,905	13,590	--	117,520	8,772
High withholding tax interest.....	*979	*10,800	--	*10,352	*391	--	10,177	*-626
Financial services income.....	*6,350	*21,885	*40	*12,402	*9,443	--	24,223	*-1,555
Shipping income.....	**	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	*2,474	20,374	*61	17,504	2,543	--	56,081	-2,962
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--	--
Income related to sections 904(q) or 901(j).....	**	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	*147,860	*3,845	--	--	*3,845	--	*-2,228	*-3,846
All other income from outside the United States.....	2,600,163	3,733,404	1,036,459	570,720	1,994,439	--	7,725,692	203,521

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 2.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Industrial Division and Income Type--Continued

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

Industrial division and income type	Foreign income and taxes reported on Form 1118--Continued						
	Taxable income (less loss) after adjustments	Foreign taxes available for credit				Paid or accrued	
		Total	Reduction for certain foreign taxes	Carryover	Total paid, accrued, and deemed paid	Total	Taxes withheld at source on dividends
	(25)	(26)	(27)	(28)	(29)	(30)	(31)
ALL INDUSTRIES							
All income types.....	145,590,834	48,085,447	1,772,035	8,680,079	41,177,403	14,385,591	2,543,654
Passive income.....	3,589,504	511,692	*91	50,045	461,738	186,992	92,815
High withholding tax interest.....	994,646	364,612	--	135,343	229,269	204,927	*2,334
Financial services income.....	28,822,587	6,948,549	*53	610,496	6,338,106	2,960,498	280,921
Shipping income.....	1,178,512	101,867	--	*28,846	73,022	39,571	*701
Dividends from noncontrolled section 902 corporations.....	3,100,470	1,665,957	*247	412,984	1,253,220	129,740	126,859
Dividends from an IC-DISC or former DISC ¹	*4,416	--	--	--	--	--	--
Income related to sections 904(q) or 901(i).....	78,984	12,248	*3,558	*1,655	14,151	*11,009	*189
Certain distributions from a FSC or former FSC ²	33,947	--	--	--	--	--	--
All other income from outside the United States.....	107,787,767	38,480,522	1,768,086	7,440,710	32,807,898	10,852,854	2,039,835
AGRICULTURE, FORESTRY, AND FISHING							
All income types.....	293,048	93,607	--	*844	92,764	12,050	*3,634
Passive income.....	*27,778	*44	--	--	*44	*8	*6
High withholding tax interest.....	--	--	--	--	--	--	--
Financial services income.....	*199	*8	--	*8	--	--	--
Shipping income.....	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations.....	**	**	**	**	**	**	**
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--
Income related to sections 904(q) or 901(i).....	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC ²	**	**	**	**	**	**	**
All other income from outside the United States.....	264,020	93,311	--	*817	92,495	12,022	*3,608
MINING							
All income types.....	2,900,789	1,478,532	456,676	561,488	1,373,720	1,243,607	68,695
Passive income.....	49,242	7,080	--	*2,473	4,606	3,346	*266
High withholding tax interest.....	*35,884	*8,279	--	*1,939	*6,340	*4,833	--
Financial services income.....	**	**	**	**	**	**	**
Shipping income.....	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	*16,616	*5,350	--	*1,364	*3,985	*3,052	*1,640
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--
Income related to sections 904(q) or 901(i).....	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	--	--	--	--	--	--	--
All other income from outside the United States.....	2,789,810	1,449,764	453,132	555,712	1,347,184	1,221,720	*66,789
CONSTRUCTION							
All income types.....	604,633	214,161	--	14,579	199,582	71,826	13,676
Passive income.....	10,758	1,471	--	--	1,471	1,392	*1,099
High withholding tax interest.....	*1,332	*239	--	--	*239	*239	--
Financial services income.....	--	--	--	--	--	--	--
Shipping income.....	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	*11,014	*6,272	--	*1,062	*5,210	*1,085	*1,085
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--
Income related to sections 904(q) or 901(i).....	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	**	**	**	**	**	**	**
All other income from outside the United States.....	581,495	206,160	--	13,517	192,643	69,110	*11,492

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 2.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Industrial Division and Income Type--Continued

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

Industrial division and income type	Foreign income and taxes reported on Form 1118--Continued						
	Taxable income (less loss) after adjustments	Foreign taxes available for credit				Paid or accrued	
		Total	Reduction for certain foreign taxes	Carryover	Total paid, accrued, and deemed paid	Total	Taxes withheld at source on dividends
	(25)	(26)	(27)	(28)	(29)	(30)	(31)
MANUFACTURING							
All income types	96,395,313	35,004,424	1,310,611	6,893,400	29,421,635	8,603,888	1,941,938
Passive income.....	2,375,562	420,617	*90	39,972	380,734	138,780	74,690
High withholding tax interest.....	183,429	39,131	--	5,558	33,573	30,050	*1,925
Financial services income.....	2,923,505	914,374	--	*171,848	742,526	113,080	*35,587
Shipping income.....	67,313	*22,864	--	*8,829	*14,035	*846	*700
Dividends from noncontrolled section 902 corporations.....	2,319,230	1,271,350	*247	326,061	945,536	65,109	64,512
Dividends from an IC-DISC or former DISC ¹	*4,416	--	--	--	--	--	--
Income related to sections 904(g) or 901(j).....	37,729	*3,205	*14	*33	*3,186	*194	*189
Certain distributions from a FSC or former FSC ²	*1,946	--	--	--	--	--	--
All other income from outside the United States.....	88,482,183	32,332,884	1,310,260	6,341,098	27,302,045	8,255,828	1,764,335
TRANSPORTATION AND PUBLIC UTILITIES							
All income types	3,754,303	522,968	*3,927	85,879	441,016	210,323	46,432
Passive income.....	44,288	4,272	--	*685	3,588	1,448	736
High withholding tax interest.....	13,608	2,313	--	*228	2,085	1,974	--
Financial services income.....	*15,195	*2,048	--	*45	*2,002	*435	*19
Shipping income.....	1,097,677	78,395	--	*20,017	58,379	38,724	--
Dividends from noncontrolled section 902 corporations.....	37,128	23,051	--	*3,465	19,587	*5,853	*5,826
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--
Income related to sections 904(g) or 901(j).....	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	**	**	**	**	**	**	**
All other income from outside the United States.....	2,513,465	411,385	*3,927	59,936	355,375	161,889	39,851
WHOLESALE AND RETAIL TRADE							
All income types	4,849,202	1,511,164	--	127,866	1,383,298	447,046	67,474
Passive income.....	178,419	17,455	--	2,670	14,784	8,593	868
High withholding tax interest.....	76,274	16,965	--	*772	16,193	11,788	--
Financial services income.....	*709,587	*196,044	--	*59	*195,985	*59,541	*21,289
Shipping income.....	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	63,120	24,816	--	*6,420	18,396	1,025	1,024
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--
Income related to sections 904(g) or 901(j).....	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	--	--	--	--	--	--	--
All other income from outside the United States.....	3,821,454	1,255,622	--	117,844	1,137,778	365,940	44,293
FINANCE, INSURANCE, AND REAL ESTATE							
All income types	29,063,631	7,102,084	*821	739,504	6,363,401	3,073,690	314,428
Passive income.....	794,708	39,131	*1	1,798	37,334	25,026	11,120
High withholding tax interest.....	673,315	295,044	--	126,329	168,714	153,917	*409
Financial services income.....	25,145,380	5,832,945	*53	438,093	5,394,905	2,786,364	224,026
Shipping income.....	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	593,268	293,940	--	58,280	235,660	51,521	50,680
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--
Income related to sections 904(g) or 901(j).....	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	30,382	--	--	--	--	--	--
All other income from outside the United States.....	1,813,170	640,422	*767	114,986	526,203	56,861	28,192

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 2.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Industrial Division and Income Type--Continued

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

Industrial division and income type	Foreign income and taxes reported on Form 1118--Continued						
	Taxable income (less loss) after adjustments	Foreign taxes available for credit				Paid or accrued	
		Total	Reduction for certain foreign taxes	Carryover	Total paid, accrued, and deemed paid	Total	Taxes withheld at source on dividends
SERVICES							
All income types.....	7,729,916	2,158,506	--	256,519	1,901,988	723,161	87,378
Passive income.....	108,748	21,622	--	2,446	19,176	8,400	4,031
High withholding tax interest.....	10,803	2,642	--	*517	2,125	2,125	--
Financial services income.....	*25,778	*2,182	--	*442	*1,740	*1,077	--
Shipping income.....	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	59,043	40,935	--	16,313	24,621	2,074	2,071
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--
Income related to sections 904(g) or 901(i).....	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	*1,618	--	--	--	--	--	--
All other income from outside the United States.....	7,522,171	2,090,975	--	236,801	1,854,175	709,484	81,276

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 2.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Industrial Division and Income Type--Continued

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

Industrial division and income type	Foreign income and taxes reported on Form 1118--Continued						Taxes deemed paid
	Foreign taxes available for credit--Continued						
	Paid or accrued--Continued						
	Taxes withheld at source on--		Other taxes paid or accrued on--				
Interest	Rents, royalties, and license fees	Branch income	Specifically allocable income [section 863 (b)]	Service income	Other income		
(32)	(33)	(34)	(35)	(36)	(37)	(38)	
ALL INDUSTRIES							
All income types.....	540,763	1,994,254	5,550,340	4,600	315,733	3,436,247	26,791,812
Passive income.....	21,487	20,787	9,488	*194	864	41,355	274,746
High withholding tax interest.....	202,593	--	--	--	--	--	24,342
Financial services income.....	131,480	19,833	2,118,429	--	39,042	370,793	3,377,608
Shipping income.....	*404	*2,220	*19,084	--	*14,425	*2,737	33,450
Dividends from noncontrolled section 902 corporations.....	*104	267	*120	*8	*2	*2,380	1,123,480
Dividends from an IC-DISC or former DISC 1.....	--	--	--	--	--	--	--
Income related to sections 904(q) or 901(i).....	--	--	*7,277	--	--	*3,544	*3,142
Certain distributions from a FSC or former FSC 2.....	--	--	--	--	--	--	--
All other income from outside the United States.....	184,695	1,951,146	3,395,943	4,397	261,400	3,015,437	21,955,044
AGRICULTURE, FORESTRY, AND FISHING							
All income types.....	*622	*2,883	*4,128	--	*378	*406	*80,714
Passive income.....	*2	--	--	--	--	--	*37
High withholding tax interest.....	--	--	--	--	--	--	--
Financial services income.....	--	--	--	--	--	--	--
Shipping income.....	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations.....	**	**	**	**	**	**	**
Dividends from an IC-DISC or former DISC 1.....	--	--	--	--	--	--	--
Income related to sections 904(q) or 901(i).....	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC 2.....	**	**	**	**	**	**	**
All other income from outside the United States.....	*620	*2,883	*4,128	--	*378	*406	*80,472
MINING							
All income types.....	14,078	6,953	263,095	*121	*44,656	846,008	130,112
Passive income.....	*1,291	*128	*279	--	--	*1,381	*1,261
High withholding tax interest.....	*4,833	--	--	--	--	--	*1,507
Financial services income.....	**	**	**	**	**	**	**
Shipping income.....	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	*5	--	--	--	--	*1,408	*933
Dividends from an IC-DISC or former DISC 1.....	--	--	--	--	--	--	--
Income related to sections 904(q) or 901(i).....	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC 2.....	--	--	--	--	--	--	--
All other income from outside the United States.....	7,949	6,825	255,704	*121	*44,656	839,676	125,464
CONSTRUCTION							
All income types.....	*771	*854	*28,683	--	27,635	*206	*127,756
Passive income.....	*266	--	--	--	*27	--	*79
High withholding tax interest.....	*239	--	--	--	--	--	--
Financial services income.....	--	--	--	--	--	--	--
Shipping income.....	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	--	--	--	--	--	--	*4,125
Dividends from an IC-DISC or former DISC 1.....	--	--	--	--	--	--	--
Income related to sections 904(q) or 901(i).....	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC 2.....	**	**	**	**	**	**	**
All other income from outside the United States.....	*267	*854	*28,683	--	27,608	*206	*123,533

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 2.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Industrial Division and Income Type--Continued

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

Industrial division and income type	Foreign income and taxes reported on Form 1118--Continued						Taxes deemed paid
	Foreign taxes available for credit--Continued						
	Paid or accrued--Continued						
	Taxes withheld at source on--		Other taxes paid or accrued on--				
Interest	Rents, royalties, and license fees	Branch income	Specifically allocable income [section 863 (b)]	Service income	Other income		
(32)	(33)	(34)	(35)	(36)	(37)	(38)	
MANUFACTURING							
All income types.....	239,590	1,418,251	2,871,446	3,554	71,068	2,058,040	20,817,747
Passive income.....	13,956	13,858	6,893	*194	--	29,188	241,954
High withholding tax interest.....	28,126	--	--	--	--	--	*3,522
Financial services income.....	*51,226	*3,148	*21,442	--	*1,260	*416	629,446
Shipping income.....	*27	--	*-19	--	--	*138	*13,189
Dividends from noncontrolled section 902 corporations.....	*14	*206	*120	*8	--	*249	880,427
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--
Income related to sections 904(g) or 901(i).....	--	--	*5	--	--	--	*2,993
Certain distributions from a FSC or former FSC ²	--	--	--	--	--	--	--
All other income from outside the United States.....	146,241	1,401,039	2,843,006	3,352	69,807	2,028,050	19,046,217
TRANSPORTATION AND PUBLIC UTILITIES							
All income types.....	17,745	35,319	37,259	--	31,041	42,527	230,693
Passive income.....	614	*6	*39	--	--	*53	2,140
High withholding tax interest.....	1,974	--	--	--	--	--	*111
Financial services income.....	--	--	*342	--	*75	--	*1,567
Shipping income.....	*377	*2,220	*19,102	--	*14,425	*2,600	*19,655
Dividends from noncontrolled section 902 corporations.....	*27	--	--	--	--	--	*13,734
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--
Income related to sections 904(g) or 901(i).....	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	**	**	**	**	**	**	**
All other income from outside the United States.....	14,753	33,093	17,777	--	16,541	39,874	193,487
WHOLESALE AND RETAIL TRADE							
All income types.....	21,402	107,925	191,286	*63	5,184	53,712	936,253
Passive income.....	1,309	5,891	*33	--	--	*492	6,192
High withholding tax interest.....	11,788	--	--	--	--	--	*4,405
Financial services income.....	*438	*4,113	*9,386	--	--	*24,315	*136,444
Shipping income.....	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	--	*1	--	--	--	--	17,371
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--
Income related to sections 904(g) or 901(j).....	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	--	--	--	--	--	--	--
All other income from outside the United States.....	7,867	97,920	181,707	*63	5,184	28,905	771,838
FINANCE, INSURANCE, AND REAL ESTATE							
All income types.....	240,229	14,557	2,091,656	*25	45,245	367,551	3,289,711
Passive income.....	3,431	*215	*527	--	*79	9,653	12,308
High withholding tax interest.....	153,508	--	--	--	--	--	*14,797
Financial services income.....	79,706	12,427	2,086,994	--	37,371	345,840	2,608,540
Shipping income.....	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	*58	*58	--	--	*2	*724	184,139
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--
Income related to sections 904(g) or 901(i).....	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	--	--	--	--	--	--	--
All other income from outside the United States.....	3,526	1,857	4,134	*25	7,794	11,334	469,342

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 2.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Industrial Division and Income Type--Continued

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

Industrial division and income type	Foreign income and taxes reported on Form 1118--Continued						Taxes deemed paid
	Foreign taxes available for credit--Continued						
	Taxes withheld at source on--		Paid or accrued--Continued				
	Interest	Rents, royalties, and license fees	Other taxes paid or accrued on--				
Branch income			Specifically allocable income [section 863 (b)]	Service income	Other income		
	(32)	(33)	(34)	(35)	(36)	(37)	(38)
SERVICES							
All income types.....	6,326	407,511	62,787	*836	90,526	67,796	1,178,826
Passive income.....	618	690	*1,717	--	*758	*588	10,776
High withholding tax interest.....	2,125	--	--	--	--	--	--
Financial services income.....	*110	*144	*265	--	*336	*222	*663
Shipping income.....	**	**	**	**	**	**	**
Dividends from noncontrolled section 902 corporations.....	--	*3	--	--	--	--	22,547
Dividends from an IC-DISC or former DISC ¹	--	--	--	--	--	--	--
Income related to sections 904(q) or 901(i).....	**	**	**	**	**	**	**
Certain distributions from a FSC or former FSC ²	--	--	--	--	--	--	--
All other income from outside the United States.....	3,473	406,675	60,805	*836	89,432	66,986	1,144,691

* Data should be used with caution because of the small number of returns on which they were based.

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

¹ Interest Charge - Domestic International Sales Corporation (IC-DISC) and Domestic International Sales Corporation (DISC).

² Foreign Sales Corporation (FSC).

³ Included in gross income (less loss), columns 2-8. See text for additional information.

⁴ Included in deductions, columns 12-21. See text for additional information.

NOTE: Totals for income types include small amounts for categories not listed separately.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 3.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Selected Country to Which Foreign Tax Was Paid

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

Selected country	Number of returns	Foreign income and taxes reported on Form 1118				
		Gross income (less loss)				
		Total	Dividends	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
(1)	(2)	(3)	(4)	(5)	(6)	
All countries.....	6,100	331,078,563	62,621,960	26,714,995	56,197,146	45,127,226
Canada.....	1,906	26,878,811	6,142,279	3,720,752	3,704,938	3,041,637
Latin America, total.....	1,465	35,629,448	5,826,181	1,737,345	10,191,960	3,135,268
Mexico.....	1,086	8,089,267	851,028	412,922	1,272,774	955,208
Central America, total.....	300	1,610,631	286,733	84,206	250,722	293,642
Belize.....	40	12,014	*2,875	*906	653	*206
Costa Rica.....	157	127,715	12,180	3,088	10,241	22,536
El Salvador.....	105	130,348	4,571	*1,626	31,311	8,131
Guatemala.....	157	213,402	6,637	1,969	25,451	13,781
Honduras.....	102	68,762	*4,859	*3,466	4,199	4,287
Nicaragua.....	62	33,118	--	--	*5,306	1,953
Panama.....	196	996,836	255,611	73,151	152,520	243,136
Central America not allocable.....	9	*28,436	--	--	*21,042	*-390
Caribbean countries, total.....	333	3,248,846	957,469	88,624	795,125	67,825
Cayman Islands (British).....	163	1,631,351	739,210	61,704	674,573	15,148
Dominican Republic.....	129	282,779	75,280	16,848	25,013	9,355
Haiti.....	42	74,382	--	--	11,818	*867
Jamaica.....	118	190,288	*30,929	*1,345	26,116	12,278
Trinidad and Tobago.....	119	722,076	*17,248	*6,991	30,662	3,590
Other Caribbean countries.....	120	347,970	94,802	1,736	26,942	26,587
South America, total.....	840	19,646,423	3,730,934	1,151,593	5,184,073	1,805,251
Argentina.....	507	4,505,112	792,803	364,005	1,531,243	484,675
Bolivia.....	116	65,422	*2,367	*458	22,331	4,125
Brazil.....	546	7,788,097	2,090,173	617,468	2,574,177	812,518
Chile.....	366	2,617,481	386,192	38,065	559,862	152,336
Colombia.....	321	1,811,521	141,304	43,899	142,478	102,295
Ecuador.....	191	219,846	18,791	5,035	51,514	22,556
Paraguay.....	78	69,161	*5,001	*2,854	20,688	3,184
Peru.....	234	1,103,126	63,232	39,285	51,996	47,238
Uruguay.....	133	262,849	51,724	4,543	96,090	16,392
Venezuela.....	370	1,030,724	179,287	35,983	117,682	155,371
Other South America.....	60	173,085	*59	--	*16,012	*4,560
Latin America not allocable.....	28	3,034,281	*18	--	*2,689,266	*13,342
Other Western Hemisphere, total.....	333	5,192,952	2,106,312	177,782	1,909,092	47,492
Bahamas.....	126	2,065,908	462,717	16,763	1,250,553	5,166
Bermuda.....	222	2,385,635	1,265,206	107,124	570,105	28,986
Netherlands Antilles.....	94	476,362	287,260	39,126	77,325	6,043
Other British West Indies.....	98	215,737	80,325	12,948	9,711	2,455
All other Western Hemisphere.....	62	49,309	*10,804	*1,820	*1,397	4,842
Europe, total.....	2,691	126,490,604	31,158,366	14,039,633	21,796,051	21,152,881
European Economic Community, total.....	2,463	106,005,108	26,028,343	12,133,989	19,942,107	18,535,735
Belgium.....	402	5,583,463	1,138,048	414,823	502,549	811,771
Denmark.....	274	959,292	94,653	44,601	45,946	283,016
France (including Andorra).....	703	10,522,674	2,838,519	1,203,524	1,513,875	2,615,512
Germany.....	733	16,621,569	4,325,350	2,895,594	1,207,770	4,673,909
Greece.....	167	948,891	36,952	18,659	634,873	91,503
Ireland.....	272	3,387,746	861,339	116,615	162,028	1,726,790
Italy (including San Marino).....	544	7,613,777	2,090,389	1,264,641	1,265,057	1,668,314
Luxembourg.....	89	436,163	184,301	37,661	55,207	53,016
Netherlands.....	830	11,366,633	4,780,105	2,379,121	510,100	1,506,793
Portugal.....	205	547,369	171,584	66,641	36,030	163,578

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 3.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Selected Country to Which Foreign Tax Was Paid--Continued

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

Selected country	Number of returns	Foreign income and taxes reported on Form 1118				
		Gross income (less loss)				
		Total	Dividends	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
(1)	(2)	(3)	(4)	(5)	(6)	
Europe--continued						
European Economic Community--continued						
Spain.....	580	3,469,094	770,069	298,141	656,064	1,155,798
United Kingdom.....	1,706	44,541,213	8,736,288	3,393,969	13,346,252	3,785,734
Other European Economic Community.....	5	*7,224	*747	--	*6,355	--
Other West European countries, total.....	854	13,628,346	4,047,991	1,378,224	1,535,698	2,082,650
Austria.....	253	1,030,325	432,897	203,353	74,798	262,782
Finland.....	252	677,343	92,741	25,954	80,299	222,433
Liechtenstein.....	12	27,684	*24,319	*1,002	*1,177	*959
Monaco.....	20	13,533	*683	*227	*1,462	*26
Norway.....	260	3,137,083	162,359	42,932	402,475	135,321
Sweden.....	524	2,221,479	784,000	259,533	236,196	552,216
Switzerland.....	464	5,600,233	2,450,007	791,195	359,989	775,795
Turkey.....	183	834,588	92,999	52,302	367,277	120,877
Other West European countries.....	79	58,835	*7,986	*1,725	12,023	10,827
West European countries not allocable.....	3	*27,244	--	--	--	*1,412
East European countries, total.....	393	2,371,513	301,308	79,972	223,979	436,757
Romania.....	56	55,482	*6	*1	*14,219	9,279
Former Soviet Union.....	180	1,207,047	173,259	7,428	126,111	133,707
Other East Europe.....	339	1,108,984	128,043	72,543	83,649	293,771
Europe not allocable.....	53	4,485,638	*780,723	*447,448	*94,266	97,739
Africa, total.....	519	5,678,937	1,048,460	497,062	295,697	327,805
North Africa, total.....	178	1,328,512	73,098	22,400	102,671	37,086
Algeria.....	41	161,177	--	--	*195	*3,868
Egypt.....	136	1,033,000	46,207	12,046	71,627	24,272
Libya.....	8	*11,425	*10,494	--	--	--
Morocco.....	70	78,606	*10,064	*6,791	6,190	8,277
Other North Africa.....	59	44,305	*6,332	*3,563	*24,659	670
East Africa, total.....	111	283,077	35,201	22,395	31,109	16,598
Ethiopia.....	26	53,863	--	--	*3,770	*5,173
Kenya.....	70	145,474	18,620	13,582	19,175	5,141
Tanzania.....	22	6,245	*2,615	*673	*288	*340
Uganda.....	18	4,577	*1,492	*976	--	*776
Other East Africa.....	59	72,919	12,475	*7,164	*7,877	5,169
West and Central Africa, total.....	174	3,337,627	833,564	385,417	60,639	14,605
Gabon.....	30	111,342	*91,529	*2,041	*13,084	--
Ghana.....	44	103,169	*36,564	*21,455	*483	*-15
Liberia.....	31	100,971	74,016	*6,051	*12,276	--
Nigeria.....	91	1,923,360	456,112	195,699	2,271	8,805
Zaire.....	26	90,486	*1,854	*555	*1,134	*30
Other West and Central Africa.....	97	1,008,299	*173,488	*159,616	31,391	5,784
Southern Africa, total.....	399	726,097	106,597	66,849	99,664	259,514
Malawi.....	17	15,354	*13,801	*1,030	*99	*1
Zimbabwe.....	54	36,730	16,513	*12,656	*319	2,365
South Africa (including Namibia).....	390	643,582	64,260	49,505	98,743	245,321
Zambia.....	20	5,621	*4,650	*19	*258	*181
Other Southern Africa.....	23	24,811	*7,373	*3,639	*246	*11,646
Africa not allocable.....	13	3,623	--	--	*1,615	*2

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 3.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Selected Country to Which Foreign Tax Was Paid--Continued

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

Selected country	Number of returns	Foreign income and taxes reported on Form 1118				
		Gross income (less loss)				
		Total	Dividends	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
(1)	(2)	(3)	(4)	(5)	(6)	
Asia, total.....	1,804	74,982,034	9,356,739	5,343,514	9,112,767	13,328,501
Middle East, total.....	508	4,782,645	159,930	45,188	553,044	362,678
Bahrain.....	75	322,812	*7,382	*103	255,482	29,432
Iran.....	25	8,168	*384	--	*18	*-4,042
Iraq.....	5	*1,007	--	--	--	*289
Israel.....	379	644,342	55,940	18,334	103,131	128,000
Kuwait.....	84	97,177	*758	*347	*1,535	8,059
Lebanon.....	61	107,322	*569	*58	*13,881	13,679
Qatar.....	66	150,438	--	--	3,129	7,366
Saudi Arabia.....	188	1,825,527	46,822	16,514	45,899	106,590
United Arab Emirates.....	132	713,867	*40,961	*9,025	103,653	15,604
Other areas of the Arabian Peninsula.....	66	692,043	*140	*5	7,041	49,372
Other Middle East.....	121	219,941	6,973	*800	19,275	8,329
Southern and Southeast Asia, total.....	889	19,852,401	2,533,561	917,277	3,368,523	2,534,830
Bangladesh.....	38	60,999	*96	*138	*17,856	2,410
India.....	319	1,048,166	45,699	28,405	443,804	83,331
Indonesia.....	346	5,418,739	584,186	323,512	435,217	139,111
Malaysia.....	380	2,027,674	278,347	89,725	105,951	209,460
Pakistan.....	136	436,641	4,856	3,431	200,575	5,605
Philippines.....	306	1,690,336	227,610	97,361	275,639	163,908
Singapore.....	478	6,718,144	886,133	119,363	1,388,121	1,704,305
Sri Lanka.....	66	41,247	*1,839	*919	9,498	*337
Thailand.....	354	2,127,333	496,097	252,209	347,827	207,696
Vietnam.....	69	56,841	--	--	*5,702	*666
Other Southern and Southeast Asia.....	87	226,281	*8,698	*2,215	*138,332	18,001
Eastern Asia, total.....	1,462	48,660,437	6,653,981	4,381,048	5,183,248	10,247,284
China.....	385	1,884,281	81,442	7,567	87,365	468,620
Hong Kong.....	415	3,626,126	401,700	110,950	788,678	630,985
Japan.....	510	7,298,441	1,830,660	280,437	1,650,396	487,248
South Korea.....	1,198	31,708,641	4,040,787	3,843,378	1,882,289	7,611,540
Taiwan.....	468	3,337,489	298,886	138,716	773,214	1,047,306
Other Eastern Asia.....	30	805,457	*506	--	*1,306	*1,585
Asia not allocable.....	44	1,686,551	*9,267	--	*7,952	183,709
Oceania, total.....	881	11,233,599	2,352,123	1,017,574	1,188,400	1,201,239
Australia.....	827	9,273,285	1,571,138	779,843	950,010	1,039,240
New Zealand.....	348	1,644,453	733,254	227,006	201,618	153,280
Other Oceania.....	81	315,861	47,731	10,724	36,771	8,719
Puerto Rico and U.S. Possessions, total.....	505	4,094,328	355,526	91,882	1,009,305	161,180
Puerto Rico.....	443	3,213,921	266,257	82,286	781,503	130,004
U.S. Possessions, total.....	180	880,407	89,268	9,595	227,802	31,176
American Samoa.....	26	65,496	*45,000	--	*6,124	*2,413
Guam.....	129	382,594	*6,755	*2,998	101,528	23,957
Virgin Islands.....	90	276,718	*6,075	*2,080	108,615	4,019
Other U.S. Possessions.....	26	155,599	*31,438	*4,518	*11,535	*785
Country not stated.....	2,449	37,542,678	920,804	89,452	6,988,936	2,731,223
Interest Charge-Domestic International						
Sales Corporation dividends ¹	10	*4,624	*4,624	--	--	--
Foreign Sales Corporation dividends ¹	82	3,350,547	3,350,547	--	--	--

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 3.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Selected Country to Which Foreign Tax Was Paid--Continued

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

Selected country	Foreign income and taxes reported on Form 1118--Continued					
	Gross income (less loss)--Continued		Oil and gas extraction income (less loss) ²	Foreign branch income ²	Specifically allocable income [section 863(b)] ²	Total deductions
	Service income	Other income				
	(7)	(8)	(9)	(10)	(11)	(12)
All countries.....	28,536,992	111,880,244	22,073,503	75,499,359	27,442,900	180,252,217
Canada.....	1,084,419	9,184,786	2,017,700	2,652,963	1,855,495	12,023,022
Latin America, total.....	1,837,188	12,901,506	2,048,027	9,733,137	1,932,128	20,302,634
Mexico.....	398,143	4,199,192	*3,415	1,275,741	808,045	4,212,398
Central America, total.....	56,025	639,303	*7,794	489,783	34,315	803,191
Belize.....	*322	7,053	--	*2,137	*332	5,925
Costa Rica.....	11,004	68,666	--	*34,964	10,385	57,349
El Salvador.....	4,685	80,025	--	*42,170	4,595	84,782
Guatemala.....	20,122	145,442	--	99,233	4,737	150,648
Honduras.....	3,690	48,260	--	*23,865	2,616	50,631
Nicaragua.....	*470	25,388	--	*11,129	403	21,177
Panama.....	15,733	256,685	*7,794	272,403	10,889	413,413
Central America not allocable.....	--	*7,783	--	*3,883	*358	*19,267
Caribbean countries, total.....	92,436	1,247,366	*480,587	685,491	44,411	1,772,358
Cayman Islands (British).....	*3,361	137,354	--	333,432	16,957	796,897
Dominican Republic.....	11,152	145,132	--	96,048	6,814	172,602
Haiti.....	*2,568	59,129	--	*12,975	*158	43,281
Jamaica.....	26,151	93,469	--	44,524	3,193	89,972
Trinidad and Tobago.....	28,683	634,902	*480,587	*100,419	2,512	451,440
Other Caribbean countries.....	20,522	177,381	--	*98,093	14,777	218,166
South America, total.....	1,098,652	6,675,921	1,556,232	7,237,917	885,405	11,580,594
Argentina.....	325,587	1,006,799	*291,896	2,144,238	414,888	2,272,595
Bolivia.....	17,792	18,349	*110	*15,948	1,371	49,453
Brazil.....	226,717	1,467,044	*336	2,666,515	319,998	4,033,863
Chile.....	110,620	1,370,405	*576,143	503,028	25,043	1,810,870
Colombia.....	79,038	1,302,507	*650,601	596,759	29,969	1,142,030
Ecuador.....	15,092	106,859	*26,824	62,407	5,476	214,224
Paraguay.....	*3,134	34,300	*42	*50,974	929	97,900
Peru.....	55,407	845,968	*869	820,142	11,062	849,356
Uruguay.....	28,378	65,722	--	119,284	3,081	235,117
Venezuela.....	233,917	308,484	*11,147	209,072	16,175	743,283
Other South America.....	*2,968	149,485	--	*49,549	57,415	131,904
Latin America not allocable.....	*191,932	139,724	--	*44,205	*159,953	1,934,093
Other Western Hemisphere, total.....	74,036	878,238	*41,189	1,622,747	70,410	2,386,900
Bahamas.....	25,240	305,468	--	1,364,304	658	1,582,024
Bermuda.....	28,530	385,683	*41,189	*167,921	188	557,513
Netherlands Antilles.....	*6,373	60,235	--	*70,773	15,880	139,325
Other British West Indies.....	1,993	108,305	--	*13,841	53,570	74,819
All other Western Hemisphere.....	*11,899	18,546	--	*5,906	1,806	33,219
Europe, total.....	6,299,804	32,043,870	7,778,964	28,355,390	7,271,375	59,107,107
European Economic Community, total.....	4,195,401	25,169,532	5,917,286	25,066,596	4,721,129	49,921,262
Belgium.....	221,633	2,494,639	*524	1,895,830	172,739	3,092,371
Denmark.....	18,006	473,070	*284,699	381,658	40,168	565,810
France (including Andorra).....	285,642	2,065,603	*28,042	1,106,167	385,516	4,969,439
Germany.....	475,685	3,043,261	*19,684	2,212,735	674,755	6,290,352
Greece.....	67,879	99,024	--	620,951	16,730	592,930
Ireland.....	93,396	427,578	--	261,222	62,010	1,339,358
Italy (including San Marino).....	158,534	1,166,843	*-2,479	1,165,355	336,040	3,086,405
Luxembourg.....	4,946	101,031	--	*3,430	22,417	194,480
Netherlands.....	273,936	1,916,577	1,828,119	2,783,891	285,504	3,159,477
Portugal.....	16,654	92,882	--	58,050	10,036	243,290

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 3.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Selected Country to Which Foreign Tax Was Paid--Continued

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

Selected country	Foreign income and taxes reported on Form 1118--Continued					
	Gross income (less loss)--Continued		Oil and gas extraction income (less loss) ²	Foreign branch income ²	Specifically allocable income [section 863(b)] ²	Total deductions
	Service income	Other income				
	(7)	(8)	(9)	(10)	(11)	(12)
Europe--continued						
European Economic Community--continued						
Spain.....	67,661	521,361	*9,353	719,300	87,232	1,784,169
United Kingdom.....	2,511,307	12,767,663	3,749,343	13,858,007	2,627,983	24,602,783
Other European Economic Community.....	*122	--	--	--	--	*397
Other West European countries, total.....	513,067	4,070,715	*1,603,338	2,462,464	605,961	5,647,829
Austria.....	9,277	47,218	--	47,159	20,773	521,875
Finland.....	10,864	245,052	--	*41,010	174,033	371,095
Liechtenstein.....	--	*226	--	--	-*4	11,977
Monaco.....	*8,056	*3,078	--	*5,054	--	10,709
Norway.....	241,313	2,152,683	*1,603,342	1,246,350	12,486	990,257
Sweden.....	70,943	318,590	--	137,493	51,493	909,726
Switzerland.....	112,430	1,110,817	*1	746,301	266,328	2,280,274
Turkey.....	54,329	146,803	*-4	238,461	71,331	507,529
Other West European countries.....	5,856	20,417	--	*635	9,522	30,462
West European countries not allocable.....	--	*25,832	--	--	--	*13,925
East European countries, total.....	160,331	1,169,167	*258,339	683,890	92,763	1,416,749
Romania.....	4,062	27,915	*18	*27,990	2,004	41,595
Former Soviet Union.....	27,730	738,812	*258,321	354,755	46,597	851,238
Other East Europe.....	128,538	402,440	--	301,145	44,161	523,916
Europe not allocable.....	*1,431,005	1,634,456	--	*142,439	1,851,522	2,121,267
Africa, total.....	803,778	2,706,134	2,487,662	1,692,639	92,505	2,387,558
North Africa, total.....						
Algeria.....	*77,194	79,920	*22,319	*54,260	*1,011	115,684
Egypt.....	66,039	812,808	*285,150	268,281	9,671	401,335
Libya.....	*1	*930	--	--	--	*693
Morocco.....	7,514	39,770	--	*23,234	7,843	35,520
Other North Africa.....	11,629	-2,547	*208	*37,831	4,607	32,486
East Africa, total.....						
Ethiopia.....	*6,776	38,144	--	*12,805	*70	44,411
Kenya.....	*5,338	83,618	--	*80,600	638	62,750
Tanzania.....	*69	2,261	--	*1,212	*343	2,371
Uganda.....	*2	1,330	--	*10	*193	1,523
Other East Africa.....	*515	39,720	--	*22,576	1,114	21,334
West and Central Africa, total.....						
Gabon.....	*727	3,961	*88,026	*8,944	*575	16,020
Ghana.....	*821	43,861	--	*61	*665	31,340
Liberia.....	*3,878	4,750	--	--	*141	25,094
Nigeria.....	203,989	1,056,483	*1,526,359	*893,145	3,010	477,184
Zaire.....	*31	86,882	*79,476	*79,991	*408	54,489
Other West and Central Africa.....	385,725	252,295	*485,447	107,210	18,490	661,008
Southern Africa, total.....						
Malawi.....	*25	396	--	*2	*36	10,804
Zimbabwe.....	*747	4,131	--	*-6	*399	9,265
South Africa (including Namibia).....	32,560	153,194	*678	103,337	42,995	374,283
Zambia.....	*70	443	--	*-853	*11	3,824
Other Southern Africa.....	*22	1,885	--	--	*20	4,095
Africa not allocable.....	*106	*1,900	--	--	*265	2,043

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 3.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Selected Country to Which Foreign Tax Was Paid--Continued

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

Selected country	Foreign income and taxes reported on Form 1118--Continued					
	Gross income (less loss)--Continued		Oil and gas extraction income (less loss) ²	Foreign branch income ²	Specifically allocable income [section 863(b)] ²	Total deductions
	Service income	Other income				
	(7)	(8)	(9)	(10)	(11)	(12)
Asia, total.....	12,350,022	25,490,492	5,064,340	24,602,702	5,429,403	44,687,518
Middle East, total.....	778,573	2,883,232	1,338,114	1,886,643	165,258	3,230,112
Bahrain.....	15,148	15,264	*313	*261,346	1,515	200,404
Iran.....	*37	11,771	--	*380	*3,269	8,217
Iraq.....	--	*719	--	--	*2	*917
Israel.....	124,134	214,803	--	*20,826	27,513	413,742
Kuwait.....	37,889	48,588	--	*22,719	10,589	75,554
Lebanon.....	*827	78,308	--	*4,589	13,891	89,137
Qatar.....	45,879	94,064	*11,834	*66,313	8,960	121,617
Saudi Arabia.....	374,106	1,235,595	*559,979	748,509	61,738	1,443,970
United Arab Emirates.....	133,061	411,563	*263,775	371,984	13,774	463,786
Other areas of the Arabian Peninsula.....	36,912	598,572	*502,213	*267,363	5,950	279,372
Other Middle East.....	10,579	173,987	--	122,615	18,056	133,397
Southern and Southeast Asia, total.....	1,631,749	8,866,461	3,441,916	7,836,583	679,032	10,808,752
Bangladesh.....	*17,543	22,956	--	*5,166	*3,489	47,408
India.....	237,664	209,263	*2	435,391	18,480	706,923
Indonesia.....	251,069	3,685,644	2,127,983	2,584,678	24,706	2,341,320
Malaysia.....	124,038	1,220,154	*767,093	1,107,850	61,778	1,021,912
Pakistan.....	94,571	127,603	*34,809	266,833	4,579	286,924
Philippines.....	149,436	776,383	--	628,712	185,963	858,193
Singapore.....	462,734	2,157,488	*3,677	2,015,807	315,004	4,122,679
Sri Lanka.....	11,357	17,297	--	*12,423	1,183	32,905
Thailand.....	243,544	579,960	*506,588	614,815	48,818	1,132,894
Vietnam.....	26,448	24,025	*1,764	*5,618	7,015	103,805
Other Southern and Southeast Asia.....	13,346	45,688	--	*159,291	8,016	153,789
Eastern Asia, total.....	9,437,958	12,756,917	*284,310	14,830,075	4,051,561	29,433,527
China.....	477,917	761,370	*270,751	423,565	75,457	1,282,392
Hong Kong.....	391,058	1,302,756	--	1,660,543	178,433	2,393,292
Japan.....	792,127	2,257,573	--	2,555,511	550,911	4,614,182
South Korea.....	6,651,629	7,679,016	*13,559	9,415,705	2,245,166	18,558,376
Taiwan.....	393,110	686,258	--	774,750	201,575	1,798,843
Other Eastern Asia.....	*732,116	69,945	--	*1	*800,019	786,442
Asia not allocable.....	*501,742	983,881	--	*49,401	533,551	1,215,127
Oceania, total.....	407,377	5,066,887	*1,872,513	4,075,775	370,820	5,043,694
Australia.....	319,566	4,613,488	*1,749,160	3,781,522	343,299	4,293,856
New Zealand.....	68,724	260,571	*11,644	240,277	21,902	584,821
Other Oceania.....	19,087	192,828	*111,710	*53,976	5,619	165,016
Puerto Rico and U.S. Possessions, total.....	572,692	1,903,744	--	1,809,151	302,875	3,614,064
Puerto Rico.....	442,557	1,511,314	--	1,533,225	169,627	2,973,109
U.S. Possessions, total.....	130,135	392,430	--	275,926	133,247	640,955
American Samoa.....	*8	11,950	--	*5,835	*7,138	64,216
Guam.....	59,626	187,730	--	183,680	19,784	284,765
Virgin Islands.....	62,884	93,044	--	75,072	*8,262	156,207
Other U.S. Possessions.....	*7,617	99,706	--	*11,340	*98,063	135,767
Country not stated.....	5,107,678	21,704,586	763,108	954,855	10,117,889	27,378,821
Interest Charge--Domestic International						
Sales Corporation dividends ¹.....	--	--	--	--	--	--
Foreign Sales Corporation dividends ¹.....	--	--	--	--	--	3,320,900

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 3.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Selected Country to Which Foreign Tax Was Paid--Continued

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

Selected country	Foreign income and taxes reported on Form 1118--Continued					
	Deductions from oil and gas extraction income ³	Taxable income (less loss) before adjustments	Total	Foreign taxes paid, accrued, and deemed paid		
				Total	Foreign taxes paid or accrued	
					Dividends	Interest
(13)	(14)	(15)	(16)	(17)	(18)	
All countries.....	7,428,558	150,826,346	41,177,403	14,385,591	2,543,654	540,763
Canada.....	282,505	14,855,790	4,645,453	887,472	299,175	87,561
Latin America, total.....	1,018,439	15,326,814	3,736,552	1,999,207	300,344	158,356
Mexico.....	*2,516	3,876,869	690,083	277,161	1,414	36,565
Central America, total.....	*747	807,440	131,072	46,866	6,376	678
Belize.....	*4	6,089	*1,151	*245	--	--
Costa Rica.....	--	70,367	11,497	8,409	*1,111	*56
El Salvador.....	--	45,566	4,687	3,060	--	*300
Guatemala.....	*97	62,755	18,536	16,567	575	226
Honduras.....	--	18,131	7,018	3,552	*15	*16
Nicaragua.....	--	11,941	*261	*261	--	*41
Panama.....	*646	583,422	86,478	13,327	4,647	*40
Central America not allocable.....	--	*9,168	*1,445	*1,445	*27	--
Caribbean countries, total.....	*363,686	1,476,488	205,911	117,287	2,536	762
Cayman Islands (British).....	*5,125	834,454	61,704	--	--	--
Dominican Republic.....	--	110,177	28,187	11,338	*864	*50
Haiti.....	--	31,102	*5,203	*5,203	--	--
Jamaica.....	--	100,316	9,450	8,105	*256	*443
Trinidad and Tobago.....	*358,560	270,635	98,512	91,521	*1,096	*54
Other Caribbean countries.....	--	129,804	2,855	1,120	*319	*214
South America, total.....	651,491	8,065,829	2,709,482	1,557,889	290,015	120,351
Argentina.....	*92,858	2,232,517	682,157	318,152	31,521	26,609
Bolivia.....	*1,206	15,969	2,677	2,219	*201	*163
Brazil.....	*9	3,754,233	1,156,670	539,202	175,861	86,416
Chile.....	*117,801	806,611	358,762	320,698	65,131	2,475
Colombia.....	299,775	669,492	302,392	258,493	11,081	*153
Ecuador.....	*45,528	5,623	13,154	8,119	*336	*163
Paraguay.....	*1,174	28,739	8,176	5,322	*19	*242
Peru.....	*64,035	253,770	70,142	30,857	*5,623	*251
Uruguay.....	*8,305	27,733	10,319	5,776	*131	*60
Venezuela.....	*20,798	287,441	90,684	54,701	*110	3,819
Other South America.....	*1	41,180	*14,349	*14,349	--	--
Latin America not allocable.....	--	1,100,188	*4	*4	*3	--
Other Western Hemisphere, total.....	*3,909	2,806,053	185,163	6,814	*293	*1,472
Bahamas.....	*19	483,885	16,763	--	--	--
Bermuda.....	*2,293	1,828,121	107,189	*65	*1	--
Netherlands Antilles.....	--	337,037	40,086	*393	*137	--
Other British West Indies.....	--	140,918	14,780	1,832	*148	--
All other Western Hemisphere.....	*1,598	16,091	*6,344	*4,524	*8	*1,472
Europe, total.....	2,352,739	67,383,497	18,333,992	4,275,494	1,292,960	111,787
European Economic Community, total.....	1,631,484	56,083,846	15,208,042	3,056,213	1,072,248	90,816
Belgium.....	*122	2,491,092	508,146	93,323	25,482	3,635
Denmark.....	*206,787	393,482	97,522	52,921	6,267	*-12
France (including Andorra).....	*1,492	5,553,236	1,413,756	210,231	87,289	11,352
Germany.....	*2,824	10,331,217	3,267,175	369,587	220,948	*213
Greece.....	--	355,960	62,892	44,233	*10	*4
Ireland.....	*18	2,048,387	138,529	20,736	12,931	*707
Italy (including San Marino).....	*7,090	4,527,372	1,620,377	355,387	59,531	38,573
Luxembourg.....	--	241,683	43,491	5,830	5,177	--
Netherlands.....	138,868	8,207,156	2,633,571	250,444	157,436	856
Portugal.....	--	304,079	102,499	35,858	15,256	423

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 3.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Selected Country to Which Foreign Tax Was Paid--Continued

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

Selected country	Foreign income and taxes reported on Form 1118--Continued					
	Deductions from oil and gas extraction income ³	Taxable income (less loss) before adjustments	Total	Foreign taxes paid, accrued, and deemed paid		
				Total	Taxes withheld at source on--	
					Dividends	Interest
(13)	(14)	(15)	(16)	(17)	(18)	
Europe--continued						
European Economic Community--continued						
Spain.....	*7,960	1,684,925	500,582	202,441	59,393	3,723
United Kingdom.....	1,266,242	19,938,429	4,819,503	1,415,219	422,527	31,341
Other European Economic Community.....	*80	*6,827	--	--	--	--
Other West European countries, total.....	*522,879	7,980,517	2,529,374	1,150,124	217,760	12,782
Austria.....	--	508,450	234,191	30,838	23,634	*4
Finland.....	--	306,248	34,761	8,807	3,300	*172
Liechtenstein.....	--	15,707	*1,044	*42	*42	--
Monaco.....	--	2,824	*1,009	*782	--	--
Norway.....	*522,862	2,146,826	882,462	839,525	5,798	*29
Sweden.....	--	1,311,753	322,350	62,818	43,435	*5,401
Switzerland.....	--	3,319,959	975,196	182,981	141,546	*4,672
Turkey.....	*13	327,058	75,028	22,725	*4	*2,503
Other West European countries.....	*3	28,373	3,332	*1,607	--	--
West European countries not allocable.....	--	*13,319	--	--	--	--
East European countries, total.....	*198,377	954,764	147,983	68,011	2,950	*7,166
Romania.....	*2,937	13,887	989	988	--	*2
Former Soviet Union.....	*188,481	355,809	53,948	46,520	*841	*7,110
Other East Europe.....	*6,960	585,067	93,045	20,503	2,109	*54
Europe not allocable.....	--	2,364,371	*448,593	*1,145	*3	*1,023
Africa, total.....	502,275	3,291,379	1,203,452	706,055	14,993	201
North Africa, total.....	*52,179	742,794	319,751	297,351	*911	*109
Algeria.....	*31,646	45,493	*53,884	*53,884	--	--
Egypt.....	*15,960	631,665	244,275	232,229	*11	--
Libya.....	--	*10,731	*3,544	*3,544	--	--
Morocco.....	--	43,086	10,334	3,543	*825	*109
Other North Africa.....	*4,574	11,819	7,714	*4,152	*76	--
East Africa, total.....	*12	150,687	35,618	13,222	1,416	*64
Ethiopia.....	--	9,452	*2,093	*2,093	--	--
Kenya.....	--	82,724	23,882	10,300	*897	*27
Tanzania.....	--	3,874	*710	*37	--	*37
Uganda.....	--	3,054	*1,280	*304	*304	--
Other East Africa.....	*12	51,585	7,653	488	*215	--
West and Central Africa, total.....	447,915	2,072,491	746,523	361,106	7,801	*23
Gabon.....	*5,318	95,322	3,905	*1,865	*680	*1
Ghana.....	--	71,830	*25,828	*4,373	*4,179	*6
Liberia.....	--	75,877	*6,051	--	--	--
Nigeria.....	*258,831	1,446,176	386,791	191,091	*1,826	*17
Zaire.....	*49,079	35,997	*13,691	*13,136	*153	--
Other West and Central Africa.....	*134,688	347,290	310,257	150,641	*964	--
Southern Africa, total.....	*2,168	323,826	99,640	32,455	3,038	*4
Malawi.....	--	4,550	*1,058	*28	*28	--
Zimbabwe.....	*72	27,465	14,647	1,991	*1,329	*1
South Africa (including Namibia).....	*2,096	269,299	77,074	27,569	1,205	*3
Zambia.....	--	1,797	*244	*225	*43	--
Other Southern Africa.....	--	20,716	*6,616	*2,643	*433	--
Africa not allocable.....	--	1,580	*1,920	*1,920	*1,826	--

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 3.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Selected Country to Which Foreign Tax Was Paid--Continued

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

Selected country	Foreign income and taxes reported on Form 1118--Continued					
	Deductions from oil and gas extraction income ³	Taxable income (less loss) before adjustments	Total	Foreign taxes paid, accrued, and deemed paid		
				Total	Taxes withheld at source on--	
					Dividends	Interest
(13)	(14)	(15)	(16)	(17)	(18)	
Asia, total.....	2,113,701	30,294,517	10,126,296	4,780,456	464,790	97,256
Middle East, total.....	932,156	1,552,534	543,998	498,810	8,473	638
Bahrain.....	*14	122,409	*103	--	--	--
Iran.....	--	-49	--	--	--	--
Iraq.....	*2	*90	--	--	--	--
Israel.....	--	230,600	49,410	31,076	8,292	442
Kuwait.....	*4,614	21,623	9,574	9,227	--	--
Lebanon.....	--	18,186	822	764	*23	*8
Qatar.....	*5,426	28,821	*1,219	*1,219	--	--
Saudi Arabia.....	*612,873	381,557	244,991	228,477	*147	*117
United Arab Emirates.....	*155,157	250,081	71,189	62,164	--	--
Other areas of the Arabian Peninsula.....	*154,070	412,671	147,738	147,733	--	--
Other Middle East.....	--	86,545	18,950	18,150	*11	*72
Southern and Southeast Asia, total.....	1,116,472	9,043,649	2,965,426	2,048,131	128,333	74,225
Bangladesh.....	--	13,591	*9,256	*9,118	--	--
India.....	*1	341,244	150,501	122,096	5,627	938
Indonesia.....	593,532	3,077,419	1,430,915	1,107,403	65,284	57,115
Malaysia.....	*346,542	1,005,763	383,078	293,353	3,516	878
Pakistan.....	*8,674	149,717	61,526	58,095	405	*32
Philippines.....	*59	832,143	238,334	140,974	31,913	11,508
Singapore.....	*391	2,595,464	277,336	157,956	1,767	2,147
Sri Lanka.....	--	8,342	3,576	2,657	*258	*1
Thailand.....	*102,673	994,439	396,252	144,044	19,564	1,564
Vietnam.....	*64,600	46,964	617	617	--	--
Other Southern and Southeast Asia.....	--	72,492	14,034	*11,819	--	*42
Eastern Asia, total.....	*65,073	19,226,909	6,608,301	2,224,944	325,188	22,393
China.....	*64,212	601,889	54,549	46,982	*677	2,158
Hong Kong.....	--	1,232,834	303,632	192,671	67,704	5,941
Japan.....	--	2,684,259	484,434	202,157	854	*67
South Korea.....	*855	13,150,264	5,396,144	1,552,309	229,699	13,304
Taiwan.....	*6	1,538,646	369,541	230,825	26,255	923
Other Eastern Asia.....	--	19,015	--	--	--	--
Asia not allocable.....	--	471,424	*8,571	*8,571	*2,795	--
Oceania, total.....	387,265	6,189,906	2,152,664	1,135,090	87,828	21,818
Australia.....	*341,354	4,979,429	1,743,647	963,804	15,451	18,275
New Zealand.....	*1,411	1,059,632	329,305	102,299	71,012	1,058
Other Oceania.....	*44,499	150,845	79,712	68,988	*1,365	*2,484
Puerto Rico and U.S. Possessions, total.....	*266	480,264	279,094	187,213	10,875	14,760
Puerto Rico.....	*115	240,812	236,760	154,474	10,836	7,986
U.S. Possessions, total.....	*151	239,451	42,334	32,739	*39	*6,774
American Samoa.....	--	1,280	*659	*659	*8	--
Guam.....	*151	97,829	19,445	16,447	--	--
Virgin Islands.....	--	120,511	17,302	15,222	*32	*6,597
Other U.S. Possessions.....	--	19,831	*4,928	*410	--	*177
Country not stated.....	767,460	10,163,858	514,736	407,789	72,396	47,553
Interest Charge-Domestic International						
Sales Corporation dividends ¹	--	*4,624	--	--	--	--
Foreign Sales Corporation dividends ¹	--	29,647	--	--	--	--

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 3.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Selected Country to Which Foreign Tax Was Paid--Continued

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

Selected country	Foreign income and taxes reported on Form 1118--Continued					
	Foreign taxes paid, accrued, and deemed paid--Continued					
	Taxes withheld at source on --Continued	Foreign taxes paid or accrued--Continued				Taxes deemed paid
		Rents, royalties, and license fees	Other taxes paid or accrued on--			
			Branch income	Specifically allocable income [section 863(b)]	Service income	
(19)	(20)	(21)	(22)	(23)	(24)	
All countries.....	1,994,254	5,550,340	4,600	315,733	3,436,246	26,791,812
Canada.....	92,965	254,664	*189	16,689	136,230	3,757,980
Latin America, total.....	291,654	451,059	*249	68,518	729,028	1,737,345
Mexico.....	70,621	101,291	*38	13,154	54,079	412,922
Central America, total.....	11,259	22,640	--	4,814	1,099	84,206
Belize.....	--	*244	--	*1	--	*906
Costa Rica.....	3,719	*2,833	--	*135	*554	3,088
El Salvador.....	1,139	*1,522	--	*68	*32	*1,626
Guatemala.....	3,011	*8,961	--	*3,753	*41	1,969
Honduras.....	748	*1,774	--	*743	*255	*3,466
Nicaragua.....	*154	*45	--	*4	*18	--
Panama.....	2,488	5,843	--	*110	199	73,151
Central America not allocable.....	*1	*1,417	--	--	--	--
Caribbean countries, total.....	2,225	24,052	--	5,393	*82,319	88,624
Cayman Islands (British).....	--	--	--	--	--	61,704
Dominican Republic.....	1,191	*8,898	--	*103	*231	16,848
Haiti.....	*2	*1,072	--	--	*4,128	--
Jamaica.....	653	*5,652	--	*1,060	*42	*1,345
Trinidad and Tobago.....	265	*8,117	--	*4,071	*77,918	*6,991
Other Caribbean countries.....	*114	*312	--	*160	--	1,736
South America, total.....	207,547	303,077	*211	45,157	591,530	1,151,593
Argentina.....	56,949	113,003	--	17,009	73,063	364,005
Bolivia.....	*183	*1,213	--	*301	*158	*458
Brazil.....	89,442	96,042	*211	5,849	85,380	617,468
Chile.....	20,201	*10,716	--	1,142	221,033	38,065
Colombia.....	12,276	35,622	--	6,204	193,157	43,899
Ecuador.....	4,037	*1,538	--	*472	*1,573	5,035
Paraguay.....	201	*4,779	--	--	*81	*2,854
Peru.....	4,670	4,803	--	1,416	14,093	39,285
Uruguay.....	2,428	*2,909	--	*109	*138	4,543
Venezuela.....	17,146	18,117	--	12,655	2,854	35,983
Other South America.....	*15	*14,334	--	--	--	--
Latin America not allocable.....	*1	--	--	--	--	--
Other Western Hemisphere, total.....	*131	*4,180	*194	*531	*12	178,349
Bahamas.....	--	--	--	--	--	16,763
Bermuda.....	--	--	--	*64	--	107,124
Netherlands Antilles.....	--	*257	--	--	--	39,693
Other British West Indies.....	*28	*982	*194	*467	*12	12,948
All other Western Hemisphere.....	*103	*2,941	--	--	--	*1,820
Europe, total.....	356,482	1,898,332	*753	83,010	532,169	14,058,499
European Economic Community, total.....	317,278	1,037,239	*632	69,787	468,214	12,151,829
Belgium.....	5,347	14,438	--	*3,804	40,616	414,823
Denmark.....	*7	*44,931	--	*1,538	*190	44,601
France (including Andorra).....	63,978	34,818	--	830	11,964	1,203,524
Germany.....	2,238	110,397	--	*24,671	11,120	2,897,587
Greece.....	1,390	42,806	--	*2	*21	18,659
Ireland.....	*194	*4,865	--	*1,877	*163	117,793
Italy (including San Marino).....	118,449	103,613	*8	2,847	32,366	1,264,989
Luxembourg.....	*6	*508	--	*123	*15	37,661
Netherlands.....	7,288	40,034	--	*5,513	39,317	2,383,127
Portugal.....	13,033	*6,021	--	*772	354	66,641

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

Table 3.--U.S. Corporation Returns with a Foreign Tax Credit: Foreign Income and Tax Reported on Form 1118, by Selected Country to Which Foreign Tax Was Paid--Continued

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

Selected country	Foreign income and taxes reported on Form 1118--Continued					
	Foreign taxes paid, accrued, and deemed paid--Continued					
	Foreign taxes paid or accrued--Continued					Taxes deemed paid
	Taxes withheld at source on --Continued	Other taxes paid or accrued on--				
Branch income		Specifically allocable income [section 863(b)]	Service income	Other income		
	(19)	(20)	(21)	(22)	(23)	(24)
Europe--continued						
European Economic Community--continued						
Spain.....	91,676	40,740	*4	1,946	4,959	298,141
United Kingdom.....	13,674	594,067	*620	25,863	327,128	3,404,283
Other European Economic Community.....	--	--	--	--	--	--
Other West European countries, total.....	25,105	828,773	--	9,893	55,811	1,379,249
Austria.....	1,843	*4,716	--	*439	*202	203,353
Finland.....	5,083	*89	--	*1	*162	25,954
Liechtenstein.....	--	--	--	--	--	*1,002
Monaco.....	--	*630	--	*151	--	*227
Norway.....	*142	*786,513	--	*520	*46,523	42,938
Sweden.....	*5,145	*2,211	--	*3,265	3,360	259,533
Switzerland.....	*143	29,894	--	*3,402	3,325	792,215
Turkey.....	12,660	*4,705	--	2,114	*739	52,302
Other West European countries.....	*88	*16	--	*2	*1,500	*1,725
West European countries not allocable.....	--	--	--	--	--	--
East European countries, total.....	14,099	32,210	*121	3,331	8,134	79,972
Romania.....	*699	*2	--	*286	--	*1
Former Soviet Union.....	770	*29,238	*121	905	*7,533	7,428
Other East Europe.....	12,630	*2,970	--	2,139	*600	72,543
Europe not allocable.....	--	*110	--	--	*10	*447,448
Africa, total.....	24,687	384,911	--	24,827	256,437	497,397
North Africa, total.....						
Algeria.....	*108	*42,898	--	*10,879	--	--
Egypt.....	2,238	*17,708	--	*1,427	*210,846	12,046
Libya.....	--	--	--	--	*3,544	--
Morocco.....	494	*1,345	--	*44	*725	*6,791
Other North Africa.....	*24	*3,968	--	*70	*14	*3,563
East Africa, total.....						
Ethiopia.....	--	*2,093	--	--	--	--
Kenya.....	*144	*3,383	--	*403	*5,446	13,582
Tanzania.....	--	--	--	--	--	*673
Uganda.....	--	--	--	--	--	*976
Other East Africa.....	*80	*67	--	--	*127	*7,164
West and Central Africa, total.....						
Gabon.....	--	*1,184	--	--	--	*2,041
Ghana.....	*2	--	--	*159	*27	*21,455
Liberia.....	--	--	--	--	--	*6,051
Nigeria.....	*880	*182,156	--	*6,155	*57	195,699
Zaire.....	--	*12,983	--	--	--	*555
Other West and Central Africa.....	*1,065	*113,316	--	*1,484	*33,812	*159,616
Southern Africa, total.....						
Malawi.....	--	--	--	--	--	*1,030
Zimbabwe.....	257	*122	--	*282	--	12,656
South Africa (including Namibia).....	17,186	*3,506	--	*3,924	1,746	49,505
Zambia.....	--	*181	--	--	--	*19
Other Southern Africa.....	*2,210	--	--	--	--	*3,974
Africa not allocable.....	--	--	--	--	*94	--

Footnotes at end of table.

Corporate Foreign Tax Credit, 1996: An Industry and Geographic Focus

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Selected country	Foreign income and taxes reported on Form 1118--Continued					
	Foreign taxes paid, accrued, and deemed paid--Continued					
	Foreign taxes paid or accrued--Continued					Taxes deemed paid
	Taxes withheld at source on --Continued	Other taxes paid or accrued on--				
Rents, royalties, and license fees		Branch income	Specifically allocable income [section 863(b)]	Service income	Other income	
	(19)	(20)	(21)	(22)	(23)	(24)
Asia, total	1,026,005	2,142,776	*938	75,897	972,794	5,345,840
Middle East, total.....	23,690	224,438	--	10,038	231,532	45,188
Bahrain.....	--	--	--	--	--	*103
Iran.....	--	--	--	--	--	--
Iraq.....	--	--	--	--	--	--
Israel.....	18,509	*53	--	*362	3,418	18,334
Kuwait.....	*390	*8,251	--	--	*585	*347
Lebanon.....	*57	*668	--	*8	--	*58
Qatar.....	*37	*1,180	--	*3	--	--
Saudi Arabia.....	4,136	160,079	--	8,361	*55,636	16,514
United Arab Emirates.....	*29	*35,432	--	--	*26,702	*9,025
Other areas of the Arabian Peninsula.....	*456	*1,451	--	*829	*144,997	*5
Other Middle East.....	*75	*17,324	--	*476	*193	*800
Southern and Southeast Asia, total.....	164,180	1,073,828	*389	35,874	571,301	917,295
Bangladesh.....	--	*7,449	--	*1,613	*56	*138
India.....	10,210	*94,854	*8	7,935	2,524	28,405
Indonesia.....	10,911	680,935	--	3,440	289,718	323,512
Malaysia.....	16,407	19,271	*29	3,590	249,662	89,725
Pakistan.....	*5,133	*52,086	--	*377	*61	3,431
Philippines.....	12,339	69,756	--	3,684	11,773	97,361
Singapore.....	83,511	60,503	*352	1,597	8,079	119,380
Sri Lanka.....	*71	*2,041	--	*287	--	*919
Thailand.....	25,417	75,486	--	12,926	9,087	252,209
Vietnam.....	*99	*262	--	*256	--	--
Other Southern and Southeast Asia.....	*82	*11,184	--	*170	*340	*2,215
Eastern Asia, total.....	837,574	839,767	*549	29,661	169,811	4,383,357
China.....	24,757	10,564	--	1,223	7,603	7,567
Hong Kong.....	47,821	62,457	--	5,109	3,640	110,961
Japan.....	5,003	77,781	*180	*385	117,886	282,277
South Korea.....	640,479	623,631	*283	13,159	31,754	3,843,835
Taiwan.....	119,514	65,334	*85	9,785	8,928	138,716
Other Eastern Asia.....	--	--	--	--	--	--
Asia not allocable.....	*561	*4,743	--	*323	*149	--
Oceania, total	79,240	250,086	--	7,083	689,036	1,017,574
Australia.....	67,088	234,770	--	4,772	623,448	779,843
New Zealand.....	11,854	13,228	--	2,223	2,923	227,006
Other Oceania.....	*298	*2,087	--	*88	*62,665	10,724
Puerto Rico and U.S. Possessions, total	12,905	95,943	*79	9,990	42,661	91,882
Puerto Rico.....	12,377	77,520	*79	9,155	36,521	82,286
U.S. Possessions, total.....	*528	18,423	--	834	6,140	9,595
American Samoa.....	--	*307	--	--	*345	--
Guam.....	*3	13,526	--	*608	2,310	*2,998
Virgin Islands.....	*525	4,357	--	*226	3,485	*2,080
Other U.S. Possessions.....	--	*233	--	--	--	*4,518
Country not stated	110,185	68,390	*2,198	29,189	77,879	106,947
Interest Charge-Domestic International						
Sales Corporation dividends ¹	--	--	--	--	--	--
Foreign Sales Corporation dividends ¹	--	--	--	--	--	--

* Data should be used with caution because of the small number of returns on which they are based.

¹ Dividends from an Interest Charge-Domestic International Sales Corporation or a Foreign Sales Corporation were not reported for specific foreign countries.

² Included in gross income (less loss), columns 2-8. See text for additional information.

³ Included in total deductions, column 12. See text for additional information.

NOTES: Detail may not add to totals due to rounding and processing tolerances.