

# S Corporation Returns, 1997

by Susan Wittman

Over the past 10 years, filings of S corporation returns have increased at an average annual rate of 10.7 percent. This growth has been spurred by four legislative acts: the Tax Reform Act of 1986, the Revenue Reconciliation Act of 1990, the Revenue Reconciliation Act of 1993, and the Small Business Job Protection Act of 1996 [1].

A total of 2.5 million S corporation returns were filed for Tax Year 1997, an increase of 6.4 percent over Tax Year 1996. S corporations are now the single most popular corporate entity choice representing 52.1 percent of all corporate entities. While S corporations have experienced continued growth, taxable corporations have experienced decreases in the number of returns filed. For Tax Year 1997, there was a decline of 3.0 percent, and over the past 10 years, taxable corporations have experienced average annual declines of 1.2 percent. The term “taxable corporations,” used herein, refers to all corporations other than S corporations [2].

Total net income (less deficit) of S corporations increased by 22.2 percent to \$153.1 billion for Tax Year 1997. At the same time, S corporations remained concentrated in three industrial divisions: services; wholesale and retail trade; and manufacturing, as these three divisions account for 70.8 percent of total net income (less deficit).

Nearly 71 percent of the 321,000 new S corporations were newly incorporated businesses electing S corporation status, while the remaining 93,000 new S corporations were previously incorporated and electing treatment under subchapter S for the first time. This compares with Tax Year 1996 when just over 76,000 out of 268,000 new S corporations were converted from taxable corporations.

The Small Business Job Protection Act of 1996 Tax legislation passed by Congress and signed into law by President Clinton in August 1996 included significant reform for S corporations. The Small Business Job Protection Act of 1996 (herein referred to as the 1996 Act) contained several major provisions relating to S corporations [3]. Some major provisions of the 1996 Act were:

- allow S corporations to have a maximum of 75 shareholders, up from 35, for tax years beginning after December 31, 1996;
- permit certain small business trusts to hold stock in a subchapter S corporation for tax years beginning after December 31, 1996;
- enable certain tax-exempt organizations to hold shares of S corporations for tax years beginning after December 31, 1997;
- permit financial institutions that use the specific chargeoff method of section 166 to account for the writeoff of bad debts to elect Subchapter S status for tax years beginning after December 31, 1996;
- allow S corporations to own 100 percent of the stock of a C or S corporation for tax years beginning after December 31, 1996.

These provisions collectively make an S election a more attractive choice for small businesses, similar to the limited liability company (LLC) [4]. The limited liability company is the fastest growing type of business entity combining the partnership taxation rules with limited personal liability for all owners (members) of the organization. Limited liability companies have advantages over S corporations, including no limit to the number of owners and allowance for corporate or foreign ownership.

## S Corporation Basics

An S corporation is a corporation that retains the main attributes of the traditional C corporation, such as limited liability, freely transferable ownership, and unlimited life span, but in exchange for certain limitations, receives the benefits of a flow-through entity for income tax purposes. Electing S corporation status allows income and expenses to pass through the corporate structure to its shareholders, and any resulting tax liability is the responsibility of the shareholders. This benefit eliminates double taxation on the corporation’s net income or capital gains. A taxable C corporation incurs a tax liability at the corporate level on its net income and capital gains. When profits are distributed to shareholders in the form of dividends, a second tax liability is incurred on those dividends. The elimination of double taxation can result in substantial tax savings for eligible corporations. Corporations that reported net losses

*Susan Wittman is an economist with the Corporation Special Projects Section. This article was prepared under the direction of Doug Shearer, Chief.*

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still benefit from an S election as the losses flow through to the individual shareholders and can potentially offset net income from other sources.

To elect treatment under Subchapter S, an eligible corporation must meet all criteria for an election and file Form 2553, *Election by a Small Business Corporation*, with the IRS Service Center where the corporation files its Federal tax forms. All qualified shareholders of the corporation must consent to the election on Form 2553, and all eligibility requirements must be met prior to the election [5]. The criteria for Tax Year 1997 were that the corporation:

- be a domestic corporation;
- have no more than 75 shareholders (a husband and wife (and their estates) are counted as one shareholder for this requirement);
- have only individuals, estates, certain trusts, and exempt organizations as shareholders [6];
- have no nonresident alien shareholders; and
- have only one class of stock.

Ineligible corporations were:

- banks or thrift institutions that use the reserve method of accounting for bad debts under Internal Revenue Code section 585;
- insurance companies subject to provisions of Subchapter L of the Internal Revenue Code;
- corporations eligible to elect the possessions tax credit;
- Interest-Charge Domestic International Sales Corporations (IC-DISC) or former Domestic International Sales Corporations (DISC); and
- affiliated group members eligible for inclusion on a consolidated return.

Form 1120S, *U.S. Tax Return for an S Corporation*, must be filed before the 15<sup>th</sup> day of the 3<sup>rd</sup> month following the close of the tax year. The tax year for an S corporation generally must be a calendar year. While provisions exist for an exemption from the calendar year rule, for Tax Year 1997 about 88.0 percent of all S corporations filed a calendar year return [7].

### Subsidiaries

Provisions of the 1996 Act allowed S corporations, for the first time, to own 80 percent or more of the stock of a C corporation. The 1996 Act allows C corporation subsidiaries to file a consolidated return with other affiliated C corporations, but the S corporation parent may not join in the affiliated filing. The 1996 Act also has a provision on the treatment of dividends for an S parent that owns at least 80 percent of a C subsidiary. The S parent cannot treat dividends received as passive income to the extent that the dividends are attributable to the earnings and profits of the C subsidiary's active trade or business.

Provisions of the 1996 Act also permit an S corporation to own 100 percent of the stock of an eligible S corporation. The parent S corporation can elect to treat the S subsidiary as a "qualified subchapter S subsidiary" or QSUB. If this election is made and the S subsidiary meets and retains all criteria for a valid S election, then all items of income or loss, credit or deduction, and all of the assets and liabilities of the S subsidiary are treated as those of the parent S corporation. The QSUB is not considered to be a separate entity for tax purposes. If the subsidiary fails to qualify as an S corporation or the S parent revokes the election, the subsidiary cannot make an S election for 5 years without the consent of the Secretary of the Treasury [8]. Additionally, the parent cannot re-elect to treat the subsidiary as a QSUB for 5 years. The provisions for ownership of subsidiaries, C or S, were effective for tax years beginning after December 31, 1996.

S corporation data for Tax Year 1997 report that approximately 1,900 S corporations made QSUB elections for eligible subsidiaries owned. Many of these S corporations made the election for multiple subsidiaries owned. Figure A shows the number of S corporations reporting a QSUB election by industrial division.

### Banks

The 1996 Act for the first time permitted certain financial institutions to elect treatment as an S corporation. The 104<sup>th</sup> Congress believed that if a corporation meets all of the criteria for an S election, the type of trade or business should not prohibit the election as long as special corporate tax benefits do not flow through to individual shareholders. A bank that adheres to the specific chargeoff method of IRC

# S Corporation Returns, 1997

Figure A

## S Corporations with a Qualified Subchapter S Subsidiary Election by Industrial Division, Tax Year 1997

Industrial division	Number of returns
<b>All industries.....</b>	<b>1,901</b>
Agriculture, forestry, and fishing.....	*537
Mining.....	*20
Construction.....	66
Manufacturing.....	318
Transportation and public utilities.....	174
Wholesale trade.....	78
Retail trade.....	78
Finance, insurance, and real estate.....	528
Services.....	103

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

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

section 166 to write off bad debts is permitted to elect subchapter S status under the 1996 Act. As a result of the legislation, which was effective for tax years beginning after December 31, 1996, some 639 banks or bank holding companies elected treatment as an S corporation in 1997 [9]. These S corporations had an average number of 9.4 shareholders (compared to an average of 1.9 shareholders for all S corporations). Their average total assets were \$75.0 million, and the average net income (less deficit) from a trade or business was \$1.3 million for this group for the same period. There were also 19 savings and loan institutions that elected subchapter S status for the first time. These savings and loan institutions had an average number of shareholders of 10.4, average total assets of \$434.9 million, and average net income (less deficit) from a trade or business of \$9.2 million. S corporations that were not classified as banks, bank holding companies, or savings and loan institutions were on average much smaller, with average total assets of \$510.2 thousand and average net income (less deficit) from a trade or business of \$45.2 thousand.

SCorporationFinancialDataforTaxYear1997  
Figure B displays total net income (less deficit) for each industrial division. Total net income (less deficit) is a comprehensive measure of S corporation profits that aggregates net income (less deficit) “from

a trade or business,” real estate rental net income (less deficit), net income (less deficit) from other rental activity, and portfolio income (less loss) distributed to shareholders (Table 1).

Total net income (less deficit) increased by 22.2 percent to \$153.1 million for Tax Year 1997 (Figure C). Net income (less deficit) from a trade or business comprised 73.0 percent of the total net income (less deficit) for the same period. As in prior years, three industrial divisions comprised the vast majority of total net income (less deficit): wholesale and retail trade (25.1 percent), services (23.3 percent), and manufacturing (22.4 percent). Portfolio income (less deficit) grew by 28.6 percent to \$36.8 billion, led by an increase in net long-term capital gain (less loss), which accounted for 86.9 percent of the growth in portfolio income (less deficit). The increase in the net long-term capital gain (less loss) can be attributed to the passage of the Taxpayer Relief Act of 1997, which was signed into law in August 1997. This legislation contained provisions that reduced the tax rates on long-term capital gains for all income tax brackets and was effective for certain capital gains realized after May 6, 1997. Shareholders of S corporations benefit from the reduced tax rates when gains are realized and then flow through to the shareholder. S corporations reported net long-term capital gain (less loss) totaling \$23.5 billion for Tax Year 1997, an increase of 43.4 percent over the prior year.

The finance, insurance, and real estate division reported \$10.0 billion of the \$36.8 billion in portfolio income (less deficit) and \$2.8 billion of the \$3.9 billion in real estate rental net income (less deficit). This division is unique in that more income is derived from portfolio income (less deficit) than from trade or business activities (Figure D). This division accounted for 13.3 percent of the total net income (less deficit) with \$20.4 billion and also accounted for 15.6 percent of the total returns filed.

Table 2 shows S corporations that reported positive total net income for Tax Year 1997. S corporations reporting positive total net income accounted for 63.4 percent of all returns filed. This represents an increase of 9.0 percent over the prior year when over 1.4 million S corporations reported positive total net income.

Total assets increased by 18.8 percent to \$1.3 trillion, with four industries holding the majority (82.3

# S Corporation Returns, 1997

Figure B

## S Corporations: Total Net Income (Less Deficit), by Industrial Division, Tax Year 1997

[Money amounts are in thousands of dollars]

Item	All industries <sup>1</sup>	Agriculture, forestry, and fishing	Mining	Construction	Manufacturing
	(1)	(2)	(3)	(4)	(5)
<b>Total net income (less deficit).....</b>	<b>153,063,011</b>	<b>2,450,167</b>	<b>2,834,344</b>	<b>14,493,088</b>	<b>34,344,858</b>
Net income (less deficit) from a trade or business.....	111,722,678	1,081,658	1,886,453	12,931,027	27,970,457
Portfolio income.....	36,798,082	1,252,687	920,961	1,457,712	6,162,120
Dividend income.....	1,499,026	27,803	51,199	114,899	194,762
Interest income.....	9,597,533	244,741	196,038	848,100	1,414,101
Royalty income (less loss).....	859,503	24,831	133,928	*8,340	122,312
Net short-term capital gain (less loss).....	1,140,527	16,391	81,985	31,081	139,550
Net long-term capital gain (less loss).....	23,495,736	935,730	455,961	450,496	4,279,499
Other portfolio income (net).....	205,757	*3,192	1,850	4,795	11,897
Real estate rental net income (less deficit).....	3,853,322	91,758	10,164	94,406	162,592
Net income (less deficit) from other rental activity.....	688,929	24,064	16,766	9,943	49,689

Item	Transportation and public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Services
	(6)	(7)	(8)	(9)
<b>Total net income (less deficit).....</b>	<b>4,422,930</b>	<b>38,345,586</b>	<b>20,420,790</b>	<b>35,729,256</b>
Net income (less deficit) from a trade or business.....	2,914,066	28,895,377	7,590,045	28,441,549
Portfolio income.....	1,360,635	8,914,747	9,997,872	6,721,405
Dividend income.....	46,046	251,401	605,393	207,522
Interest income.....	461,278	1,961,745	2,775,658	1,693,544
Royalty income (less loss).....	*1,772	139,718	79,667	348,935
Net short-term capital gain (less loss).....	18,057	100,190	808,048	-54,776
Net long-term capital gain (less loss).....	826,766	6,453,475	5,641,962	4,444,232
Other portfolio income (net).....	6,714	8,218	87,144	81,947
Real estate rental net income (less deficit).....	86,232	308,506	2,797,388	302,276
Net income (less deficit) from other rental activity.....	61,998	226,958	35,484	264,026

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

<sup>1</sup> Includes nature of business not allocable, not shown separately.

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

percent) of the assets (Figure E). Wholesale and retail trade reported \$371.1 billion in total assets followed by finance, insurance, and real estate reporting \$292.6 billion, manufacturers reporting \$227.7 billion, and services reporting \$184.4 billion (Table 3). The largest asset item reported by all S corporations, depreciable assets, accounted for 24.4 percent of total assets, while the largest liability item, "mortgages, notes, and accounts payable in more than one year," accounted for 20.9 percent of total liabilities. These statistics for Tax Year 1997 are consistent with data from the prior year.

### Rental Real Estate Net Income

Table 4 shows data for rental real estate net income as reported by S corporations on Form 8825, *Rental*

*Real Estate Income and Expenses of a Partnership or an S Corporation*. Net Rental Real Estate Income (less deficit) increased by 34.3 percent to \$3.9 billion for Tax Year 1997. The real estate group, within the finance, insurance, and real estate division, earns the vast majority of this type of income (71.4 percent). Also reported on Form 8825 and included in the net rental real estate income (less deficit) is the net gain (loss) from the disposition of property from rental real estate activities. This item reported a 261.2-percent increase to \$88.1 million for Tax Year 1997. Net income (loss) from rental real estate activities from estates or trusts in which the S corporation is a beneficiary increased by 206.1 percent to \$512.0 million. This item is also included in net rental real estate income (less deficit).

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Figure C

## S Corporations: Income Items for Selected Industrial Divisions, Tax Years 1996 and 1997

[Money amounts are in thousands of dollars]

Industrial division, item	1996	1997	Percentage change, 1996 to 1997
	(1)	(2)	(3)
<b>All industries <sup>1</sup></b>			
Number of returns.....	2,304,416	2,452,254	6.4
Net income (less deficit) from a trade or business.....	93,138,842	111,722,678	20.0
Net income.....	132,544,004	154,704,647	16.7
Deficit.....	39,405,161	42,981,970	9.1
Total net income (less deficit).....	125,245,496	153,063,011	22.2
Net income.....	161,896,380	192,122,074	18.7
Deficit.....	36,650,884	39,059,063	6.6
<b>Manufacturing</b>			
Number of returns.....	141,171	153,249	8.6
Net income (less deficit) from a trade or business.....	23,778,603	27,970,457	17.6
Net income.....	28,863,877	33,561,802	16.3
Deficit.....	5,085,274	5,591,345	10.0
Total net income (less deficit).....	28,733,161	34,344,858	19.5
Net income.....	33,400,086	39,303,105	17.7
Deficit.....	4,666,926	4,958,247	6.2
<b>Wholesale and retail trade</b>			
Number of returns.....	556,908	583,006	4.7
Net income (less deficit) from a trade or business.....	23,439,466	28,895,377	23.3
Net income.....	33,187,443	38,618,119	16.4
Deficit.....	9,747,977	9,722,742	-0.3
Total net income (less deficit).....	29,972,943	38,345,586	27.9
Net income.....	39,008,036	47,154,079	20.9
Deficit.....	9,035,094	8,808,493	-2.5
<b>Finance, insurance, and real estate</b>			
Number of returns.....	356,778	382,153	7.1
Net income (less deficit) from a trade or business.....	6,567,588	7,590,045	15.6
Net income.....	12,580,546	14,748,463	17.2
Deficit.....	6,012,958	7,158,418	19.0
Total net income (less deficit).....	15,088,860	20,420,790	35.3
Net income.....	20,974,039	26,888,171	28.2
Deficit.....	5,885,179	6,467,381	9.9
<b>Services</b>			
Number of returns.....	815,494	860,445	5.5
Net income (less deficit) from a trade or business.....	23,919,085	28,441,549	18.9
Net income.....	33,973,434	39,791,342	17.1
Deficit.....	10,054,350	11,349,794	12.9
Total net income (less deficit).....	31,113,590	35,729,256	14.8
Net income.....	40,313,108	46,255,320	14.7
Deficit.....	9,199,517	10,526,064	14.4

<sup>1</sup> Includes agriculture, forestry, and fishing; mining; construction; transportation and public utilities; and nature of business not allocable.

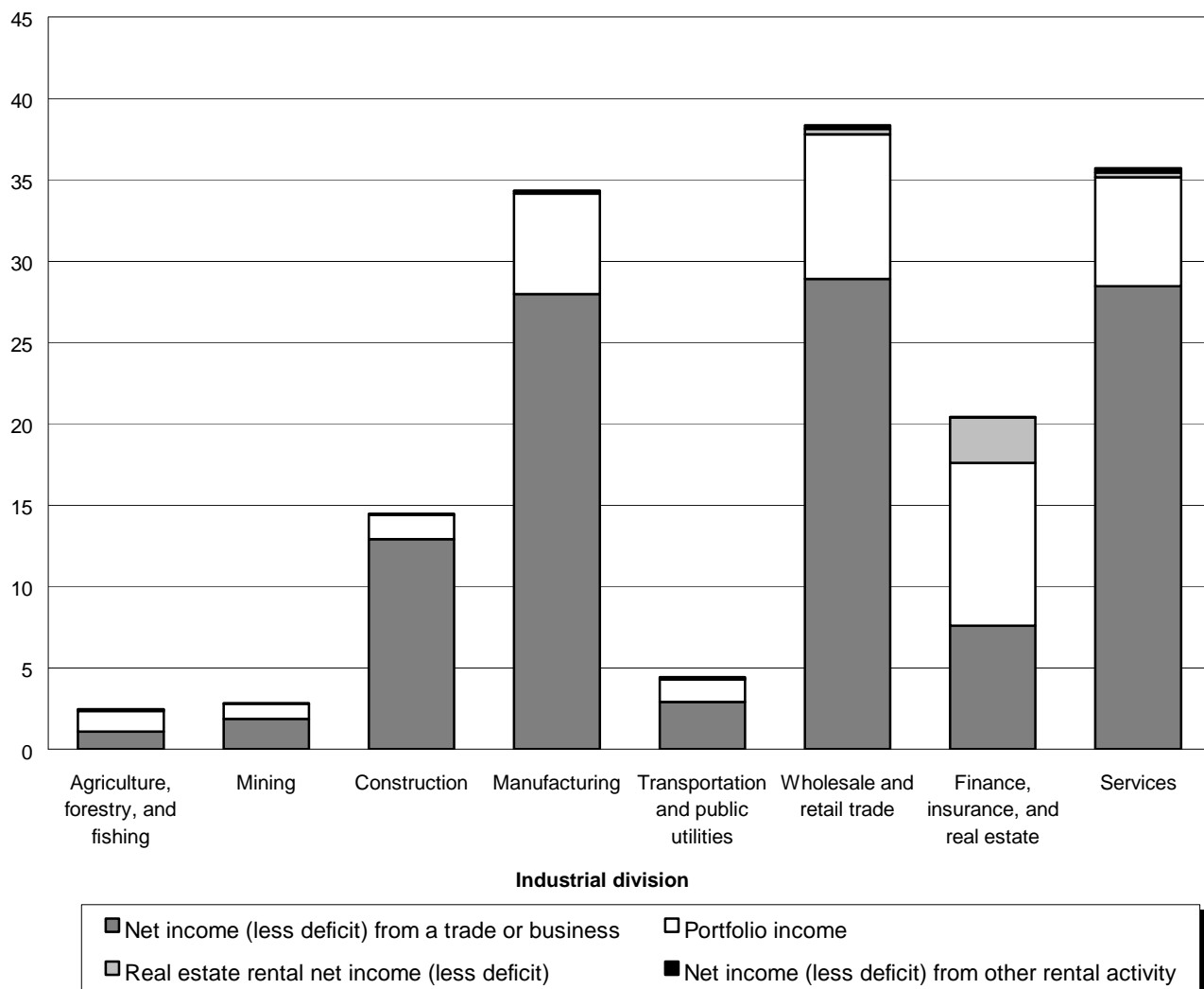
NOTE: Detail may not add to totals because of rounding.

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Figure D

## S Corporation Total Net Income (Less Deficit), by Industrial Division, Tax Year 1997

Billions of dollars



Partnerships also report net rental real estate income (less deficit) on Form 8825 similar to S corporations. Partnerships reported 716,000 returns with a Form 8825 and net rental real estate (less deficit) totaling \$17.3 billion for Tax Year 1997 [10]. Much like S corporations, the vast majority of returns and income come from real estate.

### Data by Number of Shareholders

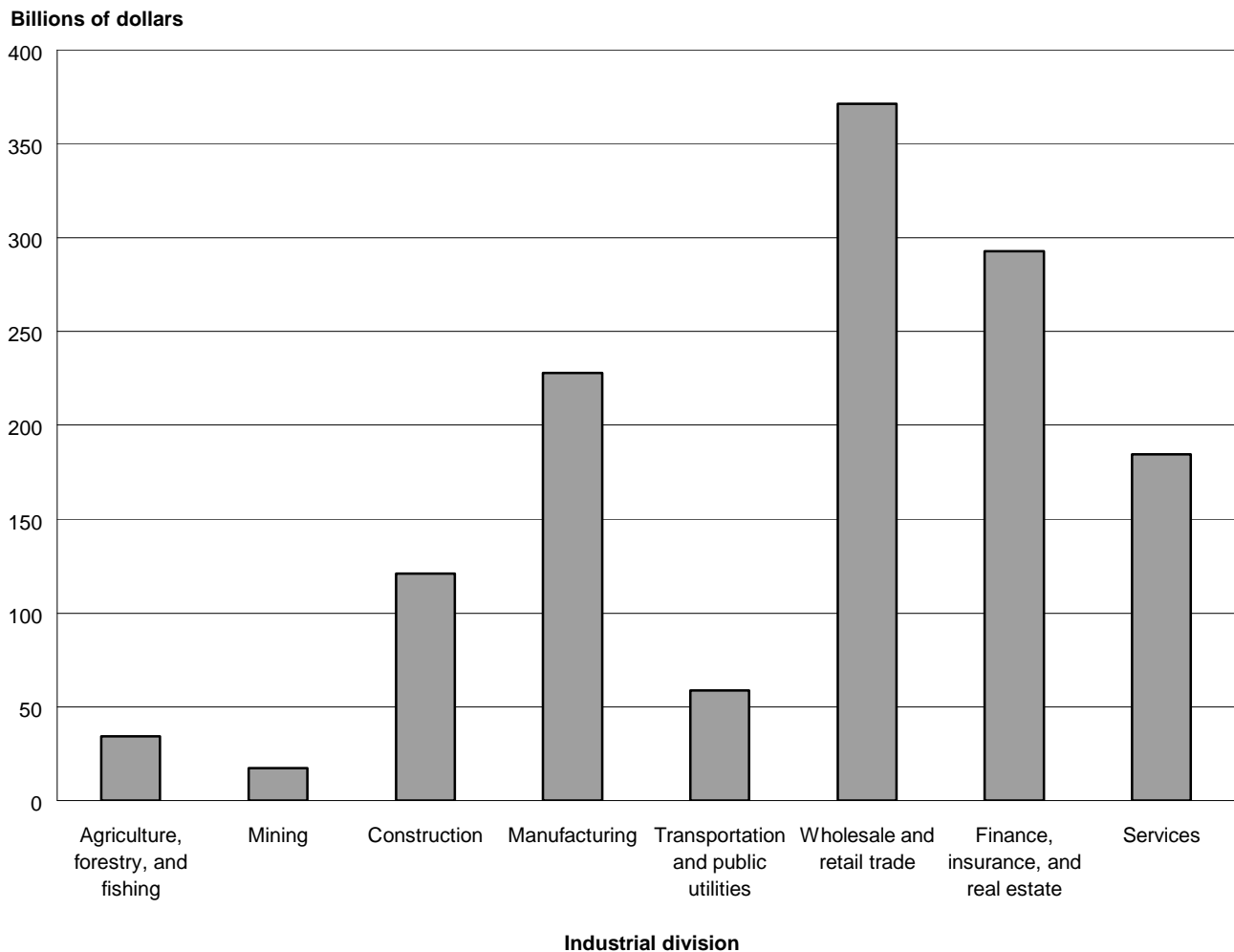
The 1996 Act made an S election a more attractive choice as it lessened some restrictions on businesses

wanting the benefits of corporate structure and the benefits of flow-through status that S election can provide. One of the provisions of the 1996 Act increased the maximum number of allowable shareholders from 35 to 75. This has not resulted in a significant change in the number of returns with 10 or fewer shareholders; for Tax Year 1997, about 98.7 percent of all S corporation returns had 10 or fewer shareholders (Table 5). This statistic is consistent with data from prior years. Nearly all (99.3 percent) new S corporations reported 10 or fewer sharehold-

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Figure E

**S Corporation Total Assets, by Industrial Division, Tax Year 1997**



ers. S corporations reporting 10 or fewer shareholders also accounted for 89.0 percent of total assets and 89.0 percent of total net income. While the vast majority of S corporations continued to have 10 or fewer shareholders, there was a significant increase in the number of returns and number of shareholders for returns with more than 30 shareholders. In Tax Year 1996, less than 500 returns, or 0.02 percent of all S corporations, reported more than 30 shareholders, and there were less than 17,000 shareholders owning shares in these corporations. For Tax Year 1997, more than 1,200 returns reported having more than 30 shareholders, and the total number of share-

holders exceeded 46,000. S corporations were not permitted to have more than 35 shareholders prior to the 1996 Act. For Tax Year 1997, there were 600 S corporations with more than 35 shareholders and nearly 26,000 shareholders. Thus, while the impact of the 1996 Act on the majority S corporations was small with respect to the number of shareholders, the number of returns with more than 30 shareholders more than doubled.

### Taxation of S Corporations

Although S corporations generally do not pay income tax, less than half of 1 percent reported some Federal

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income tax liability. There are four types of Federal income tax that can apply directly to S corporations. The most common tax reported by S corporations is the “built-in gains” tax. Nearly three-quarters, or \$190 million, of all Federal income tax reported by S corporations for Tax Year 1997 were from the built-in gains tax, and the total amount of this tax increased by 18.3 percent over Tax Year 1996 (Figure F). The built-in gains tax does not apply to an S corporation that has had a valid S election in place since inception. S corporations that are potentially liable for this tax are those that made an S election after 1986 and realized a gain on the sale of an asset held at the time of that election within 10 years from the first day of the S corporation’s election. The gain that results in a tax liability is built in to the extent of the appreciation of the asset that occurred while under the taxable corporation rules [11].

The remaining taxes that can result in an income tax liability for an S corporation are the excess net passive income tax, the LIFO recapture tax (included in “Adjustments to tax” in Figure F), and the recapture of prior year’s investment credit. All of these apply only to corporations that had operated as C corporations before their S elections. The excess net passive income tax is imposed on S corporations that were previously C corporations and that have subchapter C earnings and profits if their passive investment income exceeds 25 percent of gross receipts [12]. The last-in, first-out, or LIFO recapture tax, applies to corporations that switched from C to S status after December 17, 1987, and that had valued their inventory assets using LIFO. Upon conversion,

these corporations are required to include in gross income a LIFO recapture amount, which is the amount of inventory valued under the first-in, first-out (FIFO) method that exceeds the inventory valued under LIFO. Similarly, if inventory is transferred in a tax-free reorganization from a taxable C corporation to an S corporation, there must be a LIFO recapture adjustment made to gross income. Finally, an S corporation is liable for recapture attributable to credits allowed in years before the corporation was an S corporation.

Figure F displays taxes reported by S corporations for Tax Years 1996 and 1997. The adjustments to tax include Section 1363(d) LIFO recapture taxes and interest due from Form 8697, *Interest Computation under Look-Back Method for Completed Long-Term Contracts*. The income tax adjustment includes Section 1291(c)(2) deferred tax of a shareholder in a passive foreign investment company.

S corporations reported total net income of \$153.1 billion and total tax liability of \$256.4 million for Tax Year 1997. This tax liability was reported by fewer than 8,000 S corporations for this period, or approximately 0.3 percent of all S corporations.

### Summary for Tax Year 1997

S corporations continued to demonstrate steady growth as the number of returns filed increased by 6.4 percent to 2.5 million returns. S corporations are the most popular corporate entity, with 52.1 percent of all U.S. corporations electing treatment under subchapter S. The Small Business Job Protection Act of 1996 provided significant reform and eased many restrictions faced by S corporations. Provisions of the 1996 Act allowed S corporations to own 80 percent or more of the stock of a C corporation. Also for the first time, S corporations could own 100 percent of the stock of an eligible S corporation and elect to treat the S subsidiary as a “qualified subchapter S subsidiary.” Over 1,900 S corporations reported owning at least one QSUB for Tax Year 1997. The 1996 Act also allowed certain financial institutions to elect treatment as an S corporation for the first time. For Tax Year 1997, some 658 banks, bank holding companies, and savings and loan institutions elected treatment as an S corporation.

Total net income (less deficit) for S corporations increased to \$153.1 billion, up 22.2 percent. Net income from a trade or business comprised 73.0

Figure F

### S Corporation Taxes, Tax Years 1996 and 1997

(Money amounts are in thousands of dollars)

Items	1996	1997	Percent change, 1996 to 1997
	(1)	(2)	
<b>Total tax</b> .....	<b>192,303</b>	<b>256,352</b>	<b>33.3</b>
Built-in gains tax.....	160,682	190,016	18.3
Excess net passive income tax.....	10,703	16,494	54.1
Adjustments to tax.....	19,869	46,393	133.5
Investment credit recapture tax.....	*894	*1,042	16.6
Income tax adjustment.....	*155	*2,407	1,452.9

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



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percent of total net income (less deficit) at \$111.7 billion, up 20.0 percent over Tax Year 1996. Portfolio income (or loss) increased by 28.6 percent to \$36.8 billion, led by increases in net long-term capital gain (less loss) of 43.4 percent to \$23.5 billion and representing 63.9 percent of all portfolio income (or loss). The increase in net long-term capital gain (less loss) was spurred by the reduction in tax rates resulting from the passage of the Taxpayer Relief Act of 1997. Total assets reported by S corporations were \$1.3 trillion, with four industries reporting 82.3 percent of all assets.

As in past years, S corporations are concentrated in three industrial divisions when measured by the number of returns filed: services; wholesale and retail trade; and finance, insurance, and real estate. These three industries accounted for 74.5 percent of all returns filed for Tax Year 1997. Net rental real estate income (less deficit) increased by 34.3 percent to \$3.9 billion for Tax Year 1997. Despite increases in the maximum number of shareholders allowed, 98.7 percent of all S corporations continued to be owned by 10 or fewer shareholders. The number of returns that reported more than 30 shareholders more than doubled yet still accounted for less than 1 percent of the total returns for Tax Year 1997. Nearly all of the newly elected S corporations reported 10 or fewer shareholders. Less than half of 1 percent of all S corporations reported Federal income tax liability, and most reported liability for the built-in gains tax.

### Data Sources and Limitations

The statistics for Tax Year 1997 are based on a sample of S corporation income tax returns with accounting periods ending July 1997 through June 1998 that posted to the Internal Revenue Service Business Master File between July 1997 and the end of June 1999.

The estimates in this article were based on a stratified probability sample of 24,780 S corporation returns drawn from a total population of 2,574,150 returns. The stratification was based on combinations of total assets and net income (less deficit) from trade or business income. Sample rates ranged from 0.25 percent to 100 percent. The sample was selected after administrative processing, but before audit examination. The selected sample included 24,281 active S corporation returns. Based on this count, the number of active S corporations for Tax

Year 1997 was estimated to be 2,452,254.

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 on sampling variability in the "SOI Sampling Methodology and Data Limitations" appendix of this publication. Figure G presents the coefficients of variation for S corporations for selected variables by industrial division. The smaller the coefficient of variation, the more reliable the estimate is judged to be.

### Notes and References

- [1] For more information on the impact of the Tax Reform Act of 1986 on S corporations, see Gill, Amy, "S Corporation Returns, 1992," *Statistics of Income Bulletin*, Spring 1995, Volume 14, Number 4; Gill, Amy and Wittman, Susan, "S Corporation Election After the Tax Reform Act of 1986," *Statistics of Income Bulletin*, Spring 1998, Volume 17, Number 4. For more information on the impact of the Revenue Reconciliation Act of 1993, see Wittman, Susan, "S Corporation Returns, 1994," *Statistics of Income Bulletin*, Spring 1997, Volume 16, Number 4.
- [2] For purposes of this article, taxable corporation return types include Form 1120, Form 1120-A, Form 1120F, Form 1120L, and Form 1120-PC. Form 1120-REIT and Form 1120-RIC, while not taxable corporations, are included in the statistics along with all other corporations.
- [3] The 1996 Act contained 17 provisions relating to S corporations. Five of the 17 have been highlighted, other major provisions include: permit financial institutions to hold safe harbor debt; grant the IRS the authority to validate certain invalid elections; repealed TEFRA audit procedures; allow retroactive re-elections; allow adjustments to basis of inherited S corporation stock; and modified rules regarding the treatment of certain real estate held by an S corporation.
- [4] For more information on limited liability companies, see Zempel, Alan, "Partnership Returns, 1997," *Statistics of Income Bulletin*, Fall 1999, Volume 19, Number 2.

FigureG

**S Corporations: Coefficients of Variation for Number of Returns, Number of Shareholders, Total Receipts, Dividends, and Interest, by Industrial Division, Tax Year 1997**

Industrial division	Number of returns	Number of shareholders	Total receipts	Dividend income	Interest income
	(1)	(2)	(3)	(4)	(5)
<b>All industries</b> <sup>1</sup> .....	<b>0.26</b>	<b>0.90</b>	<b>0.68</b>	<b>6.30</b>	<b>1.53</b>
Agriculture, forestry, and fishing.....	4.68	5.86	5.13	17.44	7.02
Mining.....	12.18	19.36	8.87	9.88	8.19
Construction.....	1.70	2.26	1.88	7.87	3.70
Manufacturing.....	3.36	4.15	1.88	8.00	3.00
Transportation and public utilities.....	4.10	5.27	4.10	14.08	5.21
Wholesale and retail trade.....	1.19	1.79	1.03	14.97	2.42
Finance, insurance, and real estate.....	1.50	2.86	3.57	13.64	3.75
Services.....	1.02	1.80	2.14	8.54	4.37

<sup>1</sup> Includes nature of business not allocable, not shown separately.

- [5] Provisions exist to allow for late-filed election to be considered as timely-made. See Revenue Procedure 97-40 for extended filings. For further details on filing an S election, see Internal Revenue Service, *Internal Revenue Code, Subchapter S [Section 1362(a), (b)]*.
- [6] Eligible trusts are defined in the *Internal Revenue Code 1361(c)(2)(A)*. Eligible exempt organizations are defined in *Internal Revenue Code 401(a) or 501(c)(3)*.
- [7] S corporations may elect another tax year if a business purpose can be established to the satisfaction of the Internal Revenue Service, or they may use an alternate tax year but make “required payments” to the Internal Revenue Service per Code section 1378.
- [8] If the election is terminated, then the subsidiary will be treated as a new corporation acquiring all of its assets and liabilities immediately before the termination of the QSUB election from the parent S corporation in exchange for its stock.
- [9] For industry definitions used to classify Statistics of Income corporation data, see Internal Revenue Service, *Statistics of Income, Corporation Source Book*, Publication 1053. Banks

are assigned to Statistics of Income industry code 6060, bank holding companies 6090, and savings and loan associations 6120.

- [10] For more information on rental real estate data reported by partnerships, see Zempel, Alan, “Partnership Returns, 1997,” *Statistics of Income Bulletin*, Fall 1999, Volume 19, Number 2.
- [11] For further detail, see Internal Revenue Service, *Internal Revenue Code, Subchapter S, Section 1374*. Also see Gill, Amy, “S Corporation Returns, 1992,” *Statistics of Income Bulletin*, Spring 1995, Volume 14, Number 4.
- [12] “Passive investment income” means gross receipts derived from royalties, rents, dividends, interest (excluding interest on installment sales of inventory to customers and income of certain lending and financing businesses), annuities, and sales or exchanges of stock or securities to the extent of any gains. “Excess net passive income” is the amount that bears the same ratio to net passive income as the amount of passive investment income that exceeds 25 percent of gross receipts bears to passive investment income.

SOURCE: IRS, *Statistics of Income Bulletin*, Publication 1136, Spring 2000.

# S Corporation Returns, 1997

**Table 1.--All Returns: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group**

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

Item	All industries	Agriculture, forestry, and fishing	Mining					Nonmetallic minerals, except fuels
			Total	Metal mining	Coal mining	Oil and gas extraction		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
<b>Number of returns.....</b>	<b>2,452,254</b>	<b>88,270</b>	<b>16,403</b>	<b>*1,192</b>	<b>823</b>	<b>12,202</b>	<b>2,186</b>	
<b>Number of shareholders.....</b>	<b>4,656,807</b>	<b>214,565</b>	<b>39,142</b>	<b>*8,464</b>	<b>1,628</b>	<b>24,645</b>	<b>4,404</b>	
<b>Income from a trade or business:</b>								
<b>Total receipts <sup>1</sup>.....</b>	<b>2,895,237,519</b>	<b>51,202,714</b>	<b>14,976,849</b>	<b>*216,868</b>	<b>3,413,876</b>	<b>8,085,346</b>	<b>3,260,760</b>	
Business receipts.....	2,840,623,943	47,744,780	13,705,830	*171,975	3,309,011	7,045,410	3,179,434	
Interest on Government obligations:								
State and local.....	943,255	37,387	13,638	--	*4,074	7,635	*1,929	
Net gain, noncapital assets.....	5,894,594	388,615	290,889	*24,670	43,450	200,132	22,637	
Other receipts.....	47,775,727	3,031,931	966,493	*20,223	57,340	832,169	56,761	
<b>Total deductions.....</b>	<b>2,782,571,586</b>	<b>50,083,669</b>	<b>13,076,759</b>	<b>*200,689</b>	<b>3,335,965</b>	<b>6,591,313</b>	<b>2,948,792</b>	
Cost of goods sold.....	1,846,213,271	25,755,506	6,585,430	*72,255	1,864,414	2,667,326	1,981,434	
Compensation of officers.....	108,270,276	1,321,960	316,202	*5,450	15,789	204,882	90,081	
Salaries and wages.....	281,934,980	4,348,044	1,088,439	*6,923	180,375	778,875	122,265	
Repairs.....	18,504,868	1,198,038	343,891	*18,559	90,076	191,814	43,442	
Bad debts.....	5,978,012	73,078	21,924	*( <sup>2</sup> )	*4,101	13,108	4,715	
Rent paid on business property.....	58,176,400	1,816,235	300,850	*8,063	98,662	171,556	22,570	
Taxes paid.....	59,433,721	1,054,782	533,760	*11,236	147,035	279,394	96,095	
Interest paid.....	33,534,784	1,210,241	326,849	*3,799	55,413	210,931	56,707	
Amortization.....	3,569,790	31,729	32,278	*554	3,439	12,634	15,651	
Depreciation.....	48,746,061	2,198,432	692,282	*10,014	147,328	317,050	217,890	
Depletion.....	350,952	*26,835	135,931	*4,411	53,040	23,645	54,835	
Advertising.....	27,680,184	205,788	21,814	*155	1,125	11,697	8,838	
Pension, profit-sharing, stock bonus, and annuity plans.....	10,059,851	76,317	59,758	*2,728	10,394	24,791	21,845	
Employee benefit programs.....	19,856,378	264,681	211,444	*1,667	151,792	35,836	22,149	
Net loss, noncapital assets.....	587,800	7,498	2,385	--	68	*1,329	*988	
Other deductions.....	259,674,259	10,494,503	2,403,522	*54,875	512,914	1,646,444	189,288	
<b>Total receipts less total deductions <sup>1</sup>.....</b>	<b>112,665,933</b>	<b>1,119,045</b>	<b>1,900,090</b>	<b>*16,179</b>	<b>77,911</b>	<b>1,494,033</b>	<b>311,967</b>	
<b>Net income (less deficit) from a trade or business.....</b>	<b>111,722,678</b>	<b>1,081,658</b>	<b>1,886,453</b>	<b>*16,179</b>	<b>73,836</b>	<b>1,486,399</b>	<b>310,039</b>	
Net income.....	154,704,647	3,219,819	2,417,696	*36,644	158,307	1,834,837	387,908	
Deficit.....	42,981,970	2,138,161	531,243	*20,465	84,470	348,438	77,869	
<b>Portfolio income (less deficit) distributed to shareholders.....</b>	<b>36,798,082</b>	<b>1,252,687</b>	<b>920,961</b>	<b>*3,624</b>	<b>93,766</b>	<b>769,494</b>	<b>54,077</b>	
Dividend income.....	1,499,026	27,803	51,199	--	6,876	39,555	4,767	
Interest income.....	9,597,533	244,741	196,038	*3,624	28,339	138,322	25,753	
Royalty income (less loss).....	859,503	24,831	133,928	--	*2,861	131,067	--	
Net short-term capital gain (less loss).....	1,140,527	16,391	81,985	--	*7,978	69,139	*4,868	
Net long-term capital gain (less loss).....	23,495,736	935,730	455,961	--	47,257	391,114	17,590	
Other portfolio income (net).....	205,757	*3,192	1,850	--	*454	*297	*1,099	
<b>Real estate rental net income (less deficit).....</b>	<b>3,853,322</b>	<b>91,758</b>	<b>10,164</b>	<b>*48</b>	<b>*1,616</b>	<b>3,992</b>	<b>4,508</b>	
Net income.....	5,713,349	104,261	18,431	*48	*1,627	11,860	4,896	
Deficit.....	1,860,027	12,503	8,266	--	11	*7,868	*388	
<b>Net income (less deficit) from other rental activity.....</b>	<b>688,929</b>	<b>24,064</b>	<b>16,766</b>	<b>*172</b>	<b>*1,095</b>	<b>2,943</b>	<b>*12,557</b>	
Net income.....	1,065,842	26,541	18,087	*172	*1,095	4,264	*12,557	
Deficit.....	376,913	*2,477	*1,321	--	--	*1,321	--	
<b>Total net income (less deficit).....</b>	<b>153,063,011</b>	<b>2,450,167</b>	<b>2,834,344</b>	<b>*20,022</b>	<b>170,314</b>	<b>2,262,827</b>	<b>381,181</b>	
Net income.....	192,122,074	4,371,253	3,219,960	*40,196	236,272	2,489,114	454,378	
Deficit.....	39,059,063	1,921,086	385,616	*20,174	*65,958	226,287	*73,197	

Footnotes at end of table.

# S Corporation Returns, 1997

**Table 1.--All Returns: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued**

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

Item	Construction				Manufacturing			
	Total	General building contractors and operative builders	Heavy construction contractors	Special trade contractors	Total	Food and kindred products	Tobacco manufactures	Textile mill products
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
<b>Number of returns.....</b>	<b>261,104</b>	<b>101,623</b>	<b>9,242</b>	<b>150,239</b>	<b>153,249</b>	<b>9,507</b>	<b>3</b>	<b>2,471</b>
<b>Number of shareholders.....</b>	<b>414,392</b>	<b>160,376</b>	<b>16,705</b>	<b>237,310</b>	<b>363,440</b>	<b>38,906</b>	<b>12</b>	<b>5,830</b>
<b>Income from a trade or business:</b>								
<b>Total receipts <sup>1</sup>.....</b>	<b>332,647,323</b>	<b>152,422,824</b>	<b>37,269,942</b>	<b>142,954,557</b>	<b>488,763,265</b>	<b>65,072,155</b>	<b>371,132</b>	<b>17,524,273</b>
Business receipts.....	329,955,853	151,425,313	36,490,937	142,039,602	483,403,850	64,513,489	351,191	17,280,657
Interest on Government obligations:								
State and local.....	56,981	31,478	12,264	13,239	144,681	9,657	--	5,455
Net gain, noncapital assets.....	320,115	59,877	133,970	126,267	898,648	77,823	12,100	31,107
Other receipts.....	2,314,375	906,156	632,770	775,449	4,316,087	471,186	7,840	207,055
<b>Total deductions.....</b>	<b>319,659,315</b>	<b>148,211,625</b>	<b>35,727,969</b>	<b>135,719,721</b>	<b>460,648,128</b>	<b>62,271,717</b>	<b>309,895</b>	<b>16,766,781</b>
Cost of goods sold.....	250,380,576	127,827,999	27,881,498	94,671,079	333,190,846	48,298,504	206,652	13,269,121
Compensation of officers.....	11,018,667	3,507,915	863,872	6,646,879	15,209,291	907,538	4,959	384,837
Salaries and wages.....	16,190,890	4,629,061	1,645,694	9,916,135	34,390,126	3,699,747	12,652	818,525
Repairs.....	1,482,362	327,310	261,517	893,535	2,291,760	316,884	763	77,342
Bad debts.....	420,388	89,262	31,117	300,010	1,115,124	79,130	20	52,106
Rent paid on business property.....	2,757,552	639,203	270,151	1,848,198	4,888,213	437,754	1,555	112,800
Taxes paid.....	6,100,848	1,614,464	631,468	3,854,916	9,919,707	936,225	45,999	318,652
Interest paid.....	2,185,762	931,324	279,456	974,981	5,467,421	589,728	4,060	228,242
Amortization.....	57,580	21,684	2,882	33,013	537,352	63,808	14,687	7,511
Depreciation.....	4,895,481	930,345	1,379,665	2,585,471	11,331,145	1,294,076	3,495	393,721
Depletion.....	12,232	*189	12,043	--	154,373	--	--	--
Advertising.....	911,762	364,277	33,217	514,268	4,414,546	1,197,797	3,026	43,467
Pension, profit-sharing, stock bonus, and annuity plans.....	1,077,238	277,381	152,694	647,163	2,135,671	202,078	251	44,991
Employee benefit programs.....	2,598,165	560,783	297,995	1,739,386	4,943,221	532,555	1,730	174,781
Net loss, noncapital assets.....	37,379	6,393	*14,695	16,290	76,435	4,651	2	*2,025
Other deductions.....	19,532,434	6,484,033	1,970,004	11,078,397	30,582,897	3,711,243	10,043	838,661
<b>Total receipts less total deductions <sup>1</sup>.....</b>	<b>12,988,008</b>	<b>4,211,199</b>	<b>1,541,973</b>	<b>7,234,836</b>	<b>28,115,138</b>	<b>2,800,437</b>	<b>61,237</b>	<b>757,493</b>
<b>Net income (less deficit) from a trade or business.....</b>	<b>12,931,027</b>	<b>4,179,721</b>	<b>1,529,709</b>	<b>7,221,597</b>	<b>27,970,457</b>	<b>2,790,780</b>	<b>61,237</b>	<b>752,038</b>
Net income.....	16,085,416	5,619,828	1,973,085	8,492,503	33,561,802	3,232,866	61,237	937,635
Deficit.....	3,154,388	1,440,107	443,375	1,270,906	5,591,345	442,086	--	185,597
<b>Portfolio income (less deficit) distributed to shareholders.....</b>	<b>1,457,712</b>	<b>636,564</b>	<b>336,373</b>	<b>484,774</b>	<b>6,162,120</b>	<b>214,696</b>	<b>211,372</b>	<b>220,628</b>
Dividend income.....	114,899	44,439	34,975	35,485	194,762	10,882	220	4,314
Interest income.....	848,100	436,657	157,506	253,936	1,414,101	161,962	1,308	45,660
Royalty income (less loss).....	*8,340	--	*8,337	*3	122,312	*7,082	--	--
Net short-term capital gain (less loss).....	31,081	10,622	5,935	14,524	139,550	-782	--	*3,692
Net long-term capital gain (less loss).....	450,496	143,491	126,308	180,696	4,279,499	34,993	209,843	166,962
Other portfolio income (net).....	4,795	*1,354	*3,311	*130	11,897	*560	--	1
<b>Real estate rental net income (less deficit).....</b>	<b>94,406</b>	<b>77,659</b>	<b>11,003</b>	<b>5,743</b>	<b>162,592</b>	<b>6,106</b>	<b>8</b>	<b>4,261</b>
Net income.....	120,624	98,970	11,160	10,494	181,828	7,999	8	4,425
Deficit.....	26,218	21,311	*157	4,751	19,236	1,894	--	*164
<b>Net income (less deficit) from other rental activity.....</b>	<b>9,943</b>	<b>6,157</b>	<b>1,760</b>	<b>2,026</b>	<b>49,689</b>	<b>3,384</b>	<b>--</b>	<b>*1,387</b>
Net income.....	14,870	7,949	2,322	*4,599	52,214	*3,939	--	*1,463
Deficit.....	*4,927	*1,792	562	*2,572	2,525	*556	--	76
<b>Total net income (less deficit).....</b>	<b>14,493,088</b>	<b>4,900,101</b>	<b>1,878,845</b>	<b>7,714,142</b>	<b>34,344,858</b>	<b>3,014,966</b>	<b>272,617</b>	<b>978,313</b>
Net income.....	17,347,415	6,190,918	2,225,751	8,930,745	39,303,105	3,431,525	272,617	1,151,819
Deficit.....	2,854,327	1,290,817	346,906	1,216,604	4,958,247	416,560	--	173,506

Footnotes at end of table.

# S Corporation Returns, 1997

**Table 1.--All Returns: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued**

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

Item	Manufacturing--continued							
	Apparel and other textile products	Lumber and wood products	Furniture and fixtures	Paper and allied products	Printing and publishing	Chemical and allied products	Petroleum (including integrated) and coal products	Rubber and miscellaneous plastics products
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
<b>Number of returns.....</b>	<b>7,838</b>	<b>11,397</b>	<b>4,584</b>	<b>1,752</b>	<b>29,312</b>	<b>5,677</b>	<b>241</b>	<b>6,046</b>
<b>Number of shareholders.....</b>	<b>16,290</b>	<b>25,000</b>	<b>10,969</b>	<b>6,025</b>	<b>60,788</b>	<b>13,597</b>	<b>395</b>	<b>15,375</b>
<b>Income from a trade or business:</b>								
<b>Total receipts <sup>1</sup>.....</b>	<b>27,962,058</b>	<b>27,608,834</b>	<b>12,521,683</b>	<b>19,438,958</b>	<b>41,183,068</b>	<b>20,369,712</b>	<b>2,513,564</b>	<b>30,202,085</b>
Business receipts.....	27,599,863	27,340,940	12,396,214	19,262,101	40,120,106	20,233,150	2,478,831	29,997,778
Interest on Government obligations:								
State and local.....	2,994	3,074	4,702	8,738	20,425	6,044	*42	13,731
Net gain, noncapital assets.....	9,280	35,479	25,330	44,926	117,965	5,133	*597	51,636
Other receipts.....	349,921	229,341	95,437	123,194	924,573	125,386	34,094	138,941
<b>Total deductions.....</b>	<b>27,267,929</b>	<b>26,381,191</b>	<b>11,881,920</b>	<b>18,462,005</b>	<b>39,077,360</b>	<b>19,166,589</b>	<b>2,458,922</b>	<b>28,436,954</b>
Cost of goods sold.....	19,934,328	20,289,992	8,607,972	14,022,751	21,158,969	12,883,963	1,959,184	20,811,479
Compensation of officers.....	929,331	616,781	328,461	479,460	2,306,193	664,732	37,436	1,001,717
Salaries and wages.....	2,333,477	1,363,435	870,361	1,222,681	5,286,306	1,678,086	114,795	1,752,141
Repairs.....	55,414	228,429	49,017	111,437	271,984	105,981	26,109	122,263
Bad debts.....	69,241	46,514	55,198	58,320	207,345	57,302	*6,271	43,027
Rent paid on business property.....	382,608	172,339	143,117	166,183	767,731	235,831	15,795	210,987
Taxes paid.....	655,978	543,140	275,314	355,554	1,127,098	367,660	36,433	628,346
Interest paid.....	414,192	348,509	126,864	217,055	572,177	242,366	21,283	392,118
Amortization.....	11,157	16,131	4,466	19,993	149,097	46,021	*2,715	23,832
Depreciation.....	316,177	688,064	222,333	524,369	1,226,467	493,692	45,607	1,038,813
Depletion.....	--	*137,301	--	*402	*583	--	*346	--
Advertising.....	257,657	105,654	159,713	52,854	516,186	247,796	6,332	217,780
Pension, profit-sharing, stock bonus, and annuity plans.....	76,265	87,170	57,302	96,937	248,370	87,732	*5,619	130,757
Employee benefit programs.....	178,527	198,490	159,246	186,229	487,990	206,193	*12,733	341,215
Net loss, noncapital assets.....	4,756	19,970	*2,854	*1,805	6,742	*1,570	48	1,209
Other deductions.....	1,648,820	1,519,273	819,701	945,975	4,744,119	1,847,667	168,216	1,721,269
<b>Total receipts less total deductions <sup>1</sup>.....</b>	<b>694,129</b>	<b>1,227,644</b>	<b>639,762</b>	<b>976,954</b>	<b>2,105,708</b>	<b>1,203,123</b>	<b>54,641</b>	<b>1,765,131</b>
<b>Net income (less deficit) from a trade or business.....</b>	<b>691,135</b>	<b>1,224,569</b>	<b>635,060</b>	<b>968,216</b>	<b>2,085,283</b>	<b>1,197,079</b>	<b>54,599</b>	<b>1,751,400</b>
Net income.....	1,271,306	1,587,270	779,004	1,185,093	2,888,919	1,455,829	85,962	2,071,865
Deficit.....	580,171	362,701	143,943	216,877	803,636	258,750	*31,363	320,465
<b>Portfolio income (less deficit) distributed to shareholders.....</b>	<b>67,939</b>	<b>316,000</b>	<b>321,155</b>	<b>114,914</b>	<b>1,419,259</b>	<b>485,705</b>	<b>7,332</b>	<b>153,591</b>
Dividend income.....	12,965	3,586	925	4,929	33,050	18,320	*9	8,900
Interest income.....	47,121	70,436	28,796	61,229	157,170	67,441	7,446	81,360
Royalty income (less loss).....	7,441	*178	*7	30	*5,629	*3,100	--	*4,524
Net short-term capital gain (less loss).....	*225	1,915	*-671	*2,500	3,594	2,665	*93	-12,565
Net long-term capital gain (less loss).....	-122	236,900	291,522	46,094	1,213,662	393,939	*-217	71,372
Other portfolio income (net).....	*309	*2,986	575	132	*6,155	*240	--	( <sup>2</sup> )
<b>Real estate rental net income (less deficit).....</b>	<b>10,591</b>	<b>16,620</b>	<b>*657</b>	<b>-13</b>	<b>15,278</b>	<b>6,388</b>	<b>1</b>	<b>10,522</b>
Net income.....	12,541	20,019	*657	2,259	18,059	*6,585	1	11,416
Deficit.....	*1,950	*3,399	--	*2,272	2,780	*197	--	*894
<b>Net income (less deficit) from other rental activity.....</b>	<b>*611</b>	<b>2,329</b>	<b>*197</b>	<b>--</b>	<b>9,680</b>	<b>*687</b>	<b>41</b>	<b>*5,077</b>
Net income.....	*611	2,361	*197	--	9,684	*687	41	*5,389
Deficit.....	--	*32	--	--	*4	--	--	*312
<b>Total net income (less deficit).....</b>	<b>770,276</b>	<b>1,559,518</b>	<b>957,070</b>	<b>1,083,116</b>	<b>3,529,501</b>	<b>1,689,859</b>	<b>61,973</b>	<b>1,920,589</b>
Net income.....	1,324,213	1,875,184	1,100,770	1,290,693	4,192,537	1,924,917	93,336	2,211,665
Deficit.....	553,937	315,666	143,701	207,577	663,036	235,058	*31,363	291,075

Footnotes at end of table.

# S Corporation Returns, 1997

**Table 1.--All Returns: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued**

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

Item	Manufacturing--continued						
	Leather and leather products	Stone, clay, and glass products	Primary metal industries	Fabricated metal products	Machinery, except electrical	Electrical and electronic equipment	Motor vehicles and equipment
	(24)	(25)	(26)	(27)	(28)	(29)	(30)
<b>Number of returns.....</b>	<b>609</b>	<b>4,751</b>	<b>1,811</b>	<b>21,438</b>	<b>11,719</b>	<b>10,562</b>	<b>1,213</b>
<b>Number of shareholders.....</b>	<b>1,099</b>	<b>10,069</b>	<b>5,536</b>	<b>47,124</b>	<b>25,813</b>	<b>22,599</b>	<b>3,302</b>
<b>Income from a trade or business:</b>							
<b>Total receipts 1.....</b>	<b>2,466,240</b>	<b>13,057,099</b>	<b>23,299,581</b>	<b>65,605,093</b>	<b>31,405,898</b>	<b>31,671,408</b>	<b>12,001,015</b>
Business receipts.....	2,461,613	12,884,988	23,230,568	64,935,252	31,071,539	31,445,155	11,898,580
Interest on Government obligations:							
State and local.....	*525	*2,542	3,168	26,445	8,571	10,298	5,957
Net gain, noncapital assets.....	*62	73,074	5,823	186,323	51,394	31,861	16,375
Other receipts.....	4,040	96,495	60,021	457,072	274,393	184,094	80,103
<b>Total deductions.....</b>	<b>2,346,501</b>	<b>12,029,313</b>	<b>22,431,552</b>	<b>60,361,806</b>	<b>28,840,271</b>	<b>29,396,734</b>	<b>11,253,376</b>
Cost of goods sold.....	1,723,107	7,937,533	19,541,023	44,306,834	20,186,880	20,912,987	9,383,009
Compensation of officers.....	94,928	359,778	306,941	2,578,450	1,169,169	966,860	148,099
Salaries and wages.....	171,676	1,020,626	602,835	4,022,519	2,401,573	2,789,949	476,888
Repairs.....	4,044	114,030	81,392	291,921	121,876	109,429	29,716
Bad debts.....	3,762	42,985	42,850	106,372	76,862	63,317	10,664
Rent paid on business property.....	18,122	183,005	56,873	640,652	321,010	324,025	50,918
Taxes paid.....	46,214	330,861	253,324	1,468,667	786,658	597,762	209,406
Interest paid.....	34,487	178,427	200,642	683,592	359,930	283,120	81,480
Amortization.....	*1,246	15,598	9,622	37,619	24,848	20,553	6,801
Depreciation.....	22,220	555,033	417,276	1,685,765	756,559	610,289	193,457
Depletion.....	--	14,948	*591	--	--	*202	--
Advertising.....	45,170	68,467	31,101	305,181	237,075	318,551	53,116
Pension, profit-sharing, stock bonus, and annuity plans.....	*4,398	63,683	81,500	318,116	212,599	146,697	41,239
Employee benefit programs.....	39,914	119,177	159,592	768,307	488,480	309,960	124,088
Net loss, noncapital assets.....	*609	*609	*1,699	4,738	14,775	3,213	*108
Other deductions.....	136,605	1,024,553	644,290	3,143,073	1,681,977	1,939,818	444,386
<b>Total receipts less total deductions 1.....</b>	<b>119,739</b>	<b>1,027,785</b>	<b>868,029</b>	<b>5,243,286</b>	<b>2,565,627</b>	<b>2,274,674</b>	<b>747,639</b>
<b>Net income (less deficit) from a trade or business.....</b>	<b>119,214</b>	<b>1,025,244</b>	<b>864,860</b>	<b>5,216,841</b>	<b>2,557,056</b>	<b>2,264,377</b>	<b>741,682</b>
Net income.....	144,720	1,172,791	1,032,041	5,576,438	2,935,907	2,629,570	792,239
Deficit.....	*25,506	147,547	167,181	359,597	378,851	365,193	*50,557
<b>Portfolio income (less deficit) distributed to shareholders.....</b>	<b>12,275</b>	<b>73,551</b>	<b>116,927</b>	<b>585,263</b>	<b>551,049</b>	<b>555,834</b>	<b>38,363</b>
Dividend income.....	*5,423	*3,517	1,174	24,293	15,636	23,777	*7,408
Interest income.....	5,726	47,171	46,214	176,207	129,880	93,592	23,580
Royalty income (less loss).....	*99	*63	547	1,272	10,531	4,966	*3,408
Net short-term capital gain (less loss).....	*-2	*326	*4,323	7,416	802	3,480	*2,189
Net long-term capital gain (less loss).....	*1,026	22,474	64,668	375,708	394,166	429,510	1,778
Other portfolio income (net).....	*3	--	--	*367	*34	*510	--
<b>Real estate rental net income (less deficit).....</b>	<b>*712</b>	<b>8,567</b>	<b>4,739</b>	<b>40,101</b>	<b>9,050</b>	<b>2,874</b>	<b>*124</b>
Net income.....	*865	8,582	5,881	41,009	9,286	4,512	*232
Deficit.....	*153	*15	*1,142	*908	*236	*1,637	108
<b>Net income (less deficit) from other rental activity.....</b>	<b>*507</b>	<b>*126</b>	<b>*4,019</b>	<b>9,330</b>	<b>*1,322</b>	<b>*2,010</b>	<b>*1,716</b>
Net income.....	*507	*442	*4,028	10,173	*1,524	*2,185	*1,716
Deficit.....	--	316	9	*843	*201	*175	--
<b>Total net income (less deficit).....</b>	<b>132,708</b>	<b>1,107,487</b>	<b>990,545</b>	<b>5,851,535</b>	<b>3,118,477</b>	<b>2,825,095</b>	<b>781,885</b>
Net income.....	156,011	1,229,917	1,148,416	6,185,087	3,451,790	3,128,419	827,132
Deficit.....	*23,303	122,429	157,871	333,553	333,313	303,324	*45,247

Footnotes at end of table.

# S Corporation Returns, 1997

**Table 1.--All Returns: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued**

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

Item	Manufacturing--continued			Transportation and public utilities			
	Transportation equipment, except motor vehicles	Instruments and related products	Miscellaneous manufacturing and manufacturing not allocable	Total	Transportation	Communication	Electric, gas, and sanitary services
	(31)	(32)	(33)	(34)	(35)	(36)	(37)
<b>Number of returns</b> .....	<b>2,406</b>	<b>3,292</b>	<b>16,619</b>	<b>105,803</b>	<b>83,951</b>	<b>14,500</b>	<b>7,352</b>
<b>Number of shareholders</b> .....	<b>5,384</b>	<b>10,433</b>	<b>38,892</b>	<b>212,346</b>	<b>152,109</b>	<b>42,425</b>	<b>17,812</b>
<b>Income from a trade or business:</b>							
<b>Total receipts</b> 1.....	<b>8,814,639</b>	<b>7,472,538</b>	<b>28,202,234</b>	<b>114,202,022</b>	<b>88,209,868</b>	<b>16,138,938</b>	<b>9,853,216</b>
Business receipts.....	8,648,688	7,321,119	27,932,029	111,864,882	86,645,561	15,624,180	9,595,141
Interest on Government obligations:							
State and local.....	*2,002	4,782	5,529	36,597	24,465	6,886	*5,246
Net gain, noncapital assets.....	26,091	24,154	72,114	673,535	489,266	167,259	17,010
Other receipts.....	137,858	122,483	192,562	1,627,007	1,050,575	340,613	235,819
<b>Total deductions</b> .....	<b>8,277,833</b>	<b>6,753,747</b>	<b>26,475,731</b>	<b>111,251,359</b>	<b>86,041,741</b>	<b>15,724,947</b>	<b>9,484,672</b>
Cost of goods sold.....	6,222,988	3,936,576	17,596,996	49,517,356	37,470,920	6,903,200	5,143,236
Compensation of officers.....	232,014	431,971	1,259,639	3,059,545	2,227,294	595,066	237,185
Salaries and wages.....	545,757	908,690	2,297,408	16,030,871	12,512,974	2,556,279	961,617
Repairs.....	22,678	34,457	116,594	2,017,352	1,764,431	120,487	132,435
Bad debts.....	15,463	13,589	64,784	326,375	148,794	162,309	15,272
Rent paid on business property.....	88,774	110,121	448,012	4,823,501	4,333,294	314,856	175,350
Taxes paid.....	197,976	184,160	554,279	3,460,505	2,723,569	442,068	294,869
Interest paid.....	82,162	58,429	348,558	1,964,927	1,275,100	444,878	244,948
Amortization.....	7,564	14,625	39,458	326,784	80,735	209,232	36,818
Depreciation.....	145,834	145,676	552,220	5,454,071	4,353,721	627,762	472,588
Depletion.....	--	--	--	*231	*231	--	--
Advertising.....	56,345	69,054	422,224	744,014	415,748	298,152	30,114
Pension, profit-sharing, stock bonus, and annuity plans.....	40,360	62,663	126,943	358,526	297,207	27,383	33,936
Employee benefit programs.....	102,686	85,912	265,414	1,081,429	887,490	97,363	96,576
Net loss, noncapital assets.....	*2,574	*102	2,376	40,726	6,998	*13,169	*20,558
Other deductions.....	514,659	697,722	2,380,827	22,045,148	17,543,236	2,912,743	1,589,169
<b>Total receipts less total deductions</b> 1.....	<b>536,806</b>	<b>718,791</b>	<b>1,726,503</b>	<b>2,950,663</b>	<b>2,168,127</b>	<b>413,991</b>	<b>368,545</b>
<b>Net income (less deficit) from a trade or business</b> .....	<b>534,804</b>	<b>714,009</b>	<b>1,720,974</b>	<b>2,914,066</b>	<b>2,143,662</b>	<b>407,105</b>	<b>363,299</b>
Net income.....	623,218	885,212	2,212,680	6,248,166	4,020,709	1,448,295	779,162
Deficit.....	88,414	171,204	491,705	3,334,101	1,877,048	1,041,190	415,863
<b>Portfolio income (less deficit) distributed to shareholders</b> .....	<b>126,525</b>	<b>92,465</b>	<b>477,279</b>	<b>1,360,635</b>	<b>488,015</b>	<b>757,431</b>	<b>115,189</b>
Dividend income.....	2,124	4,455	8,856	46,046	26,044	17,283	2,719
Interest income.....	32,126	39,080	90,596	461,278	247,073	117,345	96,860
Royalty income (less loss).....	602	*1,149	71,684	*1,772	*1,772	--	--
Net short-term capital gain (less loss).....	*252	*762	119,336	18,057	16,593	979	*485
Net long-term capital gain (less loss).....	91,421	47,019	186,781	826,766	194,726	617,871	14,169
Other portfolio income (net).....	--	--	26	6,714	1,807	*3,952	*956
<b>Real estate rental net income (less deficit)</b> .....	<b>2,373</b>	<b>*1,714</b>	<b>21,919</b>	<b>86,232</b>	<b>75,266</b>	<b>7,028</b>	<b>3,938</b>
Net income.....	*2,448	*3,049	21,994	92,717	79,390	7,337	*5,990
Deficit.....	75	*1,335	*75	6,485	*4,124	*308	*2,053
<b>Net income (less deficit) from other rental activity</b> .....	<b>*3,936</b>	<b>*460</b>	<b>*2,870</b>	<b>61,998</b>	<b>38,099</b>	<b>17,922</b>	<b>*5,977</b>
Net income.....	*3,936	*460	*2,870	130,813	105,745	19,091	*5,977
Deficit.....	--	--	--	68,815	67,646	*1,169	--
<b>Total net income (less deficit)</b> .....	<b>667,638</b>	<b>808,647</b>	<b>2,223,042</b>	<b>4,422,930</b>	<b>2,745,041</b>	<b>1,189,486</b>	<b>488,403</b>
Net income.....	747,527	968,562	2,590,969	7,560,131	4,534,436	2,152,136	873,559
Deficit.....	79,888	159,915	367,927	3,137,201	1,789,395	962,650	385,156

Footnotes at end of table.

# S Corporation Returns, 1997

**Table 1.--All Returns: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued**

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

Item	Wholesale and retail trade							
	Total	Wholesale trade				Retail trade		
		Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade	Total	Building materials, garden supplies, and mobile home dealers	General merchandise stores
(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	
<b>Number of returns.....</b>	<b>583,006</b>	<b>164,477</b>	<b>13,111</b>	<b>23,203</b>	<b>128,162</b>	<b>416,942</b>	<b>19,258</b>	<b>5,730</b>
<b>Number of shareholders.....</b>	<b>1,094,792</b>	<b>309,337</b>	<b>26,899</b>	<b>42,063</b>	<b>240,376</b>	<b>782,574</b>	<b>36,490</b>	<b>11,328</b>
<b>Income from a trade or business:</b>								
<b>Total receipts <sup>1</sup>.....</b>	<b>1,337,278,598</b>	<b>571,323,647</b>	<b>79,054,274</b>	<b>54,686,489</b>	<b>437,582,884</b>	<b>763,668,540</b>	<b>35,768,720</b>	<b>9,755,375</b>
Business receipts.....	1,320,780,014	565,511,148	78,710,478	53,721,838	433,078,832	752,999,754	35,445,767	9,639,689
Interest on Government obligations:								
State and local.....	172,748	118,618	3,141	9,263	106,213	54,130	*1,033	*1,656
Net gain, noncapital assets.....	1,292,822	505,982	13,428	195,143	297,411	785,568	22,055	*515
Other receipts.....	15,033,014	5,187,899	327,227	760,244	4,100,428	9,829,088	299,865	113,514
<b>Total deductions.....</b>	<b>1,308,210,474</b>	<b>554,892,083</b>	<b>78,034,098</b>	<b>52,060,148</b>	<b>424,797,838</b>	<b>751,119,473</b>	<b>34,945,069</b>	<b>9,611,482</b>
Cost of goods sold.....	1,024,343,917	454,319,095	68,267,312	39,573,811	346,477,972	568,422,157	25,775,035	6,165,598
Compensation of officers.....	25,524,258	11,811,140	1,393,063	1,591,264	8,826,813	13,654,744	912,524	259,077
Salaries and wages.....	95,575,159	33,503,112	3,283,954	4,055,231	26,163,927	61,913,996	3,328,836	1,253,442
Repairs.....	6,092,926	1,895,001	234,096	239,483	1,421,422	4,190,169	173,627	57,827
Bad debts.....	2,230,183	1,252,709	95,473	99,067	1,058,169	974,421	105,878	21,775
Rent paid on business property.....	23,612,081	5,350,895	560,884	555,925	4,234,086	18,216,395	590,146	447,032
Taxes paid.....	19,050,111	6,964,612	523,348	634,739	5,806,525	12,052,386	641,043	202,909
Interest paid.....	10,499,512	4,156,156	351,523	539,016	3,265,616	6,305,889	439,763	90,354
Amortization.....	966,845	327,369	50,996	27,670	248,702	637,741	19,572	8,529
Depreciation.....	11,760,628	4,388,561	375,883	810,468	3,202,211	7,333,549	349,739	94,661
Depletion.....	19,451	*10,377	--	162	*10,215	*9,074	1,109	--
Advertising.....	14,164,518	2,950,526	203,227	231,198	2,516,101	11,195,518	369,358	181,233
Pension, profit-sharing, stock bonus, and annuity plans.....	2,140,324	1,291,089	111,312	202,192	977,585	844,641	76,987	13,999
Employee benefit programs.....	5,091,153	1,988,327	169,531	321,209	1,497,586	3,095,912	174,701	38,323
Net loss, noncapital assets.....	150,864	33,252	*1,983	627	30,642	117,613	*19,291	358
Other deductions.....	66,988,541	24,649,863	2,411,512	3,178,086	19,060,266	42,155,267	1,967,459	776,363
<b>Total receipts less total deductions <sup>1</sup>.....</b>	<b>29,068,124</b>	<b>16,431,563</b>	<b>1,020,176</b>	<b>2,626,340</b>	<b>12,785,047</b>	<b>12,549,066</b>	<b>823,651</b>	<b>143,893</b>
<b>Net income (less deficit) from a trade or business.....</b>	<b>28,895,377</b>	<b>16,312,945</b>	<b>1,017,035</b>	<b>2,617,077</b>	<b>12,678,833</b>	<b>12,494,937</b>	<b>822,618</b>	<b>142,236</b>
Net income.....	38,618,119	19,422,965	1,303,131	2,878,955	15,240,879	19,098,167	1,183,313	336,060
Deficit.....	9,722,742	3,110,020	286,097	261,878	2,562,045	6,603,230	360,695	193,824
<b>Portfolio income (less deficit) distributed to shareholders.....</b>	<b>8,914,747</b>	<b>5,018,060</b>	<b>408,644</b>	<b>271,690</b>	<b>4,337,727</b>	<b>3,894,201</b>	<b>132,745</b>	<b>84,795</b>
Dividend income.....	251,401	158,619	12,431	23,534	122,654	92,782	18,217	*440
Interest income.....	1,961,745	936,638	78,227	126,274	732,137	1,022,622	84,558	10,106
Royalty income (less loss).....	139,718	111,758	*14,709	768	96,281	27,960	*327	*371
Net short-term capital gain (less loss).....	100,190	44,251	-931	-401	45,583	55,939	*-599	--
Net long-term capital gain (less loss).....	6,453,475	3,759,908	304,059	121,205	3,334,644	2,693,568	30,223	*73,879
Other portfolio income (net).....	8,218	6,887	*148	*311	6,427	1,331	*19	--
<b>Real estate rental net income (less deficit).....</b>	<b>308,506</b>	<b>92,742</b>	<b>13,521</b>	<b>7,062</b>	<b>72,159</b>	<b>215,764</b>	<b>20,189</b>	<b>3,785</b>
Net income.....	419,352	169,994	16,707	7,676	145,611	249,358	24,123	*7,259
Deficit.....	110,846	77,252	*3,186	*615	73,451	33,594	*3,934	*3,474
<b>Net income (less deficit) from other rental activity.....</b>	<b>226,958</b>	<b>108,133</b>	<b>*12,637</b>	<b>73,988</b>	<b>21,508</b>	<b>118,784</b>	<b>*7,564</b>	<b>--</b>
Net income.....	256,602	119,262	*12,637	84,298	22,327	137,299	*7,670	--
Deficit.....	29,644	*11,129	--	*10,310	*819	18,515	106	--
<b>Total net income (less deficit).....</b>	<b>38,345,586</b>	<b>21,531,880</b>	<b>1,451,836</b>	<b>2,969,817</b>	<b>17,110,227</b>	<b>16,723,686</b>	<b>983,116</b>	<b>230,817</b>
Net income.....	47,154,079	24,284,843	1,664,018	3,210,697	19,410,127	22,769,958	1,310,889	398,302
Deficit.....	8,808,493	2,752,963	212,182	240,881	2,299,900	6,046,272	327,774	167,485

Footnotes at end of table.



# S Corporation Returns, 1997

**Table 1.--All Returns: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued**

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

Item	Wholesale and retail trade--continued						
	Retail trade--continued						Wholesale and retail trade not allocable
	Food stores	Automotive dealers and service stations	Apparel and accessory stores	Furniture and home furnishing stores	Eating and drinking places	Miscellaneous retail stores	
(46)	(47)	(48)	(49)	(50)	(51)	(52)	
<b>Number of returns.....</b>	<b>38,992</b>	<b>56,119</b>	<b>20,536</b>	<b>24,201</b>	<b>130,344</b>	<b>121,762</b>	<b>1,587</b>
<b>Number of shareholders.....</b>	<b>69,856</b>	<b>99,380</b>	<b>33,340</b>	<b>43,255</b>	<b>267,157</b>	<b>221,769</b>	<b>2,881</b>
<b>Income from a trade or business:</b>							
<b>Total receipts <sup>1</sup>.....</b>	<b>81,149,339</b>	<b>388,586,521</b>	<b>13,813,227</b>	<b>31,613,613</b>	<b>84,484,686</b>	<b>118,497,059</b>	<b>2,286,412</b>
Business receipts.....	80,030,769	382,947,477	13,577,572	31,097,460	83,239,790	117,021,229	2,269,112
Interest on Government obligations:							
State and local.....	8,768	5,093	*754	6,241	3,674	26,911	--
Net gain, noncapital assets.....	58,367	311,530	*362	40,436	208,946	143,357	*1,272
Other receipts.....	1,051,436	5,322,421	234,538	469,476	1,032,276	1,305,562	*16,027
<b>Total deductions.....</b>	<b>79,959,321</b>	<b>384,873,634</b>	<b>13,687,596</b>	<b>30,533,083</b>	<b>82,569,604</b>	<b>114,939,683</b>	<b>2,198,917</b>
Cost of goods sold.....	60,154,506	334,566,057	8,448,341	19,524,266	34,726,233	79,062,121	1,602,666
Compensation of officers.....	1,007,061	3,635,005	470,107	940,437	2,641,746	3,788,787	58,374
Salaries and wages.....	7,402,672	18,393,551	1,410,090	3,396,379	15,571,481	11,157,545	158,050
Repairs.....	640,004	1,005,823	75,364	176,495	1,499,661	561,368	7,757
Bad debts.....	78,217	319,186	22,335	115,068	55,804	256,158	*3,053
Rent paid on business property.....	1,955,315	3,626,047	916,865	1,238,677	5,731,446	3,710,867	44,791
Taxes paid.....	1,270,742	3,346,889	308,170	660,171	3,577,419	2,045,042	33,114
Interest paid.....	486,645	2,799,427	142,946	210,626	1,128,760	1,007,368	37,467
Amortization.....	85,264	89,336	20,249	14,836	283,194	116,762	*1,735
Depreciation.....	1,080,780	1,798,711	161,317	399,319	2,025,542	1,423,479	38,518
Depletion.....	--	--	*7,081	--	--	*884	--
Advertising.....	793,264	3,627,569	352,883	1,117,960	2,465,769	2,287,481	18,474
Pension, profit-sharing, stock bonus, and annuity plans.....	124,730	202,905	35,735	54,901	58,053	277,330	*4,594
Employee benefit programs.....	478,401	1,246,314	36,880	153,692	495,850	471,750	6,915
Net loss, noncapital assets.....	2,151	17,071	*8,188	*443	45,356	24,755	--
Other deductions.....	4,399,570	10,199,743	1,271,045	2,529,811	12,263,290	8,747,986	183,410
<b>Total receipts less total deductions <sup>1</sup>.....</b>	<b>1,190,017</b>	<b>3,712,887</b>	<b>125,630</b>	<b>1,080,530</b>	<b>1,915,081</b>	<b>3,557,376</b>	<b>87,494</b>
<b>Net income (less deficit) from a trade or business.....</b>	<b>1,181,249</b>	<b>3,707,794</b>	<b>124,877</b>	<b>1,074,289</b>	<b>1,911,408</b>	<b>3,530,465</b>	<b>87,494</b>
Net income.....	1,700,602	5,049,865	456,686	1,355,908	3,925,556	5,090,176	96,987
Deficit.....	519,353	1,342,071	331,809	281,619	2,014,148	1,559,710	*9,493
<b>Portfolio income (less deficit) distributed to shareholders.....</b>	<b>152,444</b>	<b>957,914</b>	<b>95,021</b>	<b>1,155,099</b>	<b>574,003</b>	<b>742,180</b>	<b>*2,485</b>
Dividend income.....	10,613	13,262	2,147	6,075	13,324	28,705	--
Interest income.....	105,439	398,873	14,719	71,016	162,357	175,555	*2,485
Royalty income (less loss).....	68	*844	*138	1,078	*3,797	*21,336	--
Net short-term capital gain (less loss).....	-1,043	-6,571	*228	*421	15,638	47,865	--
Net long-term capital gain (less loss).....	37,366	550,460	*77,789	1,076,489	378,662	468,699	--
Other portfolio income (net).....	( <sup>2</sup> )	*1,046	--	*21	*225	*20	--
<b>Real estate rental net income (less deficit).....</b>	<b>33,793</b>	<b>56,540</b>	<b>*385</b>	<b>10,607</b>	<b>24,815</b>	<b>65,650</b>	<b>--</b>
Net income.....	38,305	62,837	*482	11,166	28,393	76,793	--
Deficit.....	*4,512	6,296	*97	*559	*3,579	11,143	--
<b>Net income (less deficit) from other rental activity.....</b>	<b>*21,640</b>	<b>8,059</b>	<b>*-30</b>	<b>*18,031</b>	<b>23,022</b>	<b>40,497</b>	<b>*41</b>
Net income.....	*21,640	25,895	*392	*18,031	23,174	40,497	*41
Deficit.....	--	17,835	*422	--	*152	--	--
<b>Total net income (less deficit).....</b>	<b>1,389,126</b>	<b>4,730,308</b>	<b>220,252</b>	<b>2,258,026</b>	<b>2,533,248</b>	<b>4,378,793</b>	<b>90,020</b>
Net income.....	1,874,273	5,901,918	531,989	2,469,610	4,461,589	5,821,386	99,278
Deficit.....	485,147	1,171,610	311,737	211,584	1,928,341	1,442,594	*9,258

Footnotes at end of table.

# S Corporation Returns, 1997

**Table 1.--All Returns: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued**

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

Item	Finance, insurance, and real estate							
	Total	Banking	Credit agencies other than banks	Security, commodity brokers, and services	Insurance	Insurance agents, brokers, and services	Real estate	Holding and other investment companies, except bank holding companies
	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
<b>Number of returns</b> .....	<b>382,153</b>	<b>758</b>	<b>15,468</b>	<b>15,029</b>	--	<b>43,990</b>	<b>281,126</b>	<b>25,782</b>
<b>Number of shareholders</b> .....	<b>877,115</b>	<b>8,789</b>	<b>30,260</b>	<b>24,729</b>	--	<b>73,316</b>	<b>679,769</b>	<b>60,251</b>
<b>Income from a trade or business:</b>								
<b>Total receipts</b> <sup>1</sup> .....	<b>104,017,724</b>	<b>4,230,536</b>	<b>8,475,315</b>	<b>12,766,071</b>	--	<b>18,818,469</b>	<b>55,610,126</b>	<b>4,117,207</b>
Business receipts.....	91,985,536	1,748,776	6,258,146	10,885,289	--	18,456,348	52,377,961	2,259,015
Interest on Government obligations:								
State and local.....	372,152	104,297	12,993	78,346	--	10,768	87,741	78,006
Net gain, noncapital assets.....	549,630	25,805	103,637	33,712	--	32,084	292,527	61,865
Other receipts.....	11,110,406	2,351,659	2,100,538	1,768,723	--	319,270	2,851,896	1,718,320
<b>Total deductions</b> .....	<b>96,055,527</b>	<b>3,272,359</b>	<b>7,665,605</b>	<b>11,723,136</b>	--	<b>16,901,231</b>	<b>52,629,072</b>	<b>3,864,123</b>
Cost of goods sold.....	23,882,044	--	--	--	--	2,980,396	20,398,526	503,122
Compensation of officers.....	9,313,186	272,191	581,882	2,441,596	--	2,577,225	3,238,613	201,679
Salaries and wages.....	22,346,609	423,946	2,210,333	3,215,787	--	5,014,080	10,742,028	740,435
Repairs.....	837,098	44,616	49,326	38,631	--	125,752	556,132	22,642
Bad debts.....	816,840	74,985	397,552	48,158	--	34,446	202,485	59,213
Rent paid on business property.....	3,001,827	45,347	267,689	324,141	--	659,329	1,635,503	69,817
Taxes paid.....	2,853,392	96,530	273,419	362,068	--	595,250	1,411,201	114,924
Interest paid.....	5,721,291	1,554,081	1,238,099	729,509	--	193,577	1,754,766	251,260
Amortization.....	247,669	23,863	36,400	13,058	--	73,107	92,911	8,330
Depreciation.....	1,397,146	88,398	142,076	121,937	--	221,402	751,623	71,710
Depletion.....	1,850	6	*670	--	--	*717	*290	*167
Advertising.....	1,708,921	28,954	206,292	141,712	--	361,786	948,472	21,705
Pension, profit-sharing, stock bonus, and annuity plans.....	699,111	26,337	50,426	126,793	--	193,666	282,137	19,752
Employee benefit programs.....	887,491	59,006	83,986	84,168	--	249,226	371,926	39,180
Net loss, noncapital assets.....	124,439	3,166	26,629	*5,887	--	*280	81,792	6,684
Other deductions.....	22,216,612	530,933	2,100,826	4,069,691	--	3,620,993	10,160,668	1,733,502
<b>Total receipts less total deductions</b> <sup>1</sup> .....	<b>7,962,197</b>	<b>958,177</b>	<b>809,710</b>	<b>1,042,934</b>	--	<b>1,917,238</b>	<b>2,981,054</b>	<b>253,084</b>
<b>Net income (less deficit) from a trade or business</b> .....	<b>7,590,045</b>	<b>853,880</b>	<b>796,716</b>	<b>964,588</b>	--	<b>1,906,470</b>	<b>2,893,312</b>	<b>175,077</b>
Net income.....	14,748,463	873,543	1,422,766	2,436,812	--	2,222,966	6,305,329	1,487,046
Deficit.....	7,158,418	*19,663	626,050	1,472,224	--	316,495	3,412,017	1,311,969
<b>Portfolio income (less deficit) distributed to shareholders</b> .....	<b>9,997,872</b>	<b>39,943</b>	<b>370,186</b>	<b>2,279,685</b>	--	<b>482,877</b>	<b>3,379,348</b>	<b>3,445,834</b>
Dividend income.....	605,393	3,575	5,407	95,320	--	31,378	101,576	368,137
Interest income.....	2,775,658	20,042	239,385	320,162	--	199,373	1,428,594	568,102
Royalty income (less loss).....	79,667	4	*55	*67	--	--	15,623	63,917
Net short-term capital gain (less loss).....	808,048	49	12,457	564,663	--	6,620	40,710	183,550
Net long-term capital gain (less loss).....	5,641,962	14,000	100,649	1,282,643	--	241,286	1,776,105	2,227,281
Other portfolio income (net).....	87,144	*2,274	*12,233	16,831	--	*4,219	16,741	34,847
<b>Real estate rental net income (less deficit)</b> .....	<b>2,797,388</b>	<b>-651</b>	<b>2,075</b>	<b>2,869</b>	--	<b>3,952</b>	<b>2,752,593</b>	<b>36,550</b>
Net income.....	4,362,852	3,701	5,133	*4,576	--	*5,874	4,268,635	74,933
Deficit.....	1,565,463	4,352	3,058	*1,707	--	*1,922	1,516,041	38,383
<b>Net income (less deficit) from other rental activity</b> .....	<b>35,484</b>	<b>155</b>	<b>648</b>	<b>3,221</b>	--	<b>*1,398</b>	<b>31,778</b>	<b>-1,716</b>
Net income.....	82,201	936	*1,338	3,258	--	*1,553	68,443	6,673
Deficit.....	46,717	*781	*690	37	--	*156	36,665	*8,389
<b>Total net income (less deficit)</b> .....	<b>20,420,790</b>	<b>893,327</b>	<b>1,169,626</b>	<b>3,250,364</b>	--	<b>2,394,697</b>	<b>9,057,032</b>	<b>3,655,745</b>
Net income.....	26,888,171	905,732	1,642,823	3,864,630	--	2,666,147	13,087,133	4,721,707
Deficit.....	6,467,381	*12,406	473,197	614,266	--	271,451	4,030,100	1,065,962

Footnotes at end of table.

# S Corporation Returns, 1997

**Table 1.--All Returns: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued**

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

Item	Services							Nature of business not allocable
	Total	Hotels and other lodging places	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
<b>Number of returns</b> .....	<b>860,445</b>	<b>19,480</b>	<b>60,188</b>	<b>261,096</b>	<b>83,119</b>	<b>73,351</b>	<b>363,210</b>	<b>*1,821</b>
<b>Number of shareholders</b> .....	<b>1,434,631</b>	<b>51,530</b>	<b>96,516</b>	<b>426,167</b>	<b>126,758</b>	<b>144,886</b>	<b>588,775</b>	<b>*6,384</b>
<b>Income from a trade or business:</b>								
<b>Total receipts</b> <sup>1</sup> .....	<b>451,975,219</b>	<b>13,989,534</b>	<b>17,057,821</b>	<b>165,324,219</b>	<b>36,724,473</b>	<b>37,993,094</b>	<b>180,886,077</b>	<b>*173,806</b>
Business receipts.....	441,010,668	13,677,658	16,876,169	161,289,106	36,241,725	36,240,530	176,685,480	*172,529
Interest on Government obligations:								
State and local.....	109,073	7,360	*746	33,598	*392	19,195	47,782	--
Net gain, noncapital assets.....	1,480,340	40,010	29,106	661,234	241,068	228,285	280,638	--
Other receipts.....	9,375,138	264,506	151,800	3,340,281	241,289	1,505,083	3,872,178	*1,277
<b>Total deductions</b> .....	<b>423,424,597</b>	<b>13,629,782</b>	<b>16,220,995</b>	<b>154,603,330</b>	<b>35,358,708</b>	<b>36,352,495</b>	<b>167,259,287</b>	<b>*161,759</b>
Cost of goods sold.....	132,434,305	2,047,841	4,886,858	63,843,249	17,165,633	10,147,855	34,342,868	*123,291
Compensation of officers.....	42,498,717	409,590	1,163,467	12,242,839	1,989,997	2,817,150	23,875,675	*8,449
Salaries and wages.....	91,959,318	2,786,994	3,254,440	31,783,857	4,833,274	6,381,207	42,919,546	*5,526
Repairs.....	4,241,291	531,146	307,319	977,210	404,679	699,936	1,321,001	*148
Bad debts.....	974,099	22,801	63,026	284,235	65,947	85,592	452,497	--
Rent paid on business property.....	16,972,342	591,188	1,446,785	4,054,370	1,867,016	1,715,655	7,297,327	*3,800
Taxes paid.....	16,459,162	868,728	745,892	5,289,929	1,287,483	1,574,558	6,692,572	*1,454
Interest paid.....	6,158,781	1,182,648	240,863	1,438,791	600,081	900,186	1,796,212	--
Amortization.....	1,369,553	63,771	51,824	271,472	53,096	656,647	272,742	--
Depreciation.....	11,014,245	1,063,206	591,630	3,377,065	1,549,601	1,920,962	2,511,782	*2,630
Depletion.....	*49	--	--	*49	--	--	*( <sup>2</sup> )	--
Advertising.....	5,508,822	355,393	440,637	1,646,328	538,472	792,357	1,735,635	--
Pension, profit-sharing, stock bonus, and annuity plans.....	3,512,907	9,335	61,801	1,043,214	64,595	137,377	2,196,585	--
Employee benefit programs.....	4,778,794	119,034	121,120	1,723,010	338,579	240,052	2,236,998	--
Net loss, noncapital assets.....	148,074	5,875	*218	33,478	21,411	38,939	48,153	--
Other deductions.....	85,394,139	3,572,232	2,845,114	26,594,234	4,578,845	8,244,021	39,559,694	*16,462
<b>Total receipts less total deductions</b> <sup>1</sup> .....	<b>28,550,622</b>	<b>359,752</b>	<b>836,825</b>	<b>10,720,889</b>	<b>1,365,765</b>	<b>1,640,599</b>	<b>13,626,790</b>	<b>*12,047</b>
<b>Net income (less deficit) from a trade or business</b> .....	<b>28,441,549</b>	<b>352,392</b>	<b>836,080</b>	<b>10,687,291</b>	<b>1,365,374</b>	<b>1,621,404</b>	<b>13,579,009</b>	<b>*12,047</b>
Net income.....	39,791,342	1,086,717	1,327,227	13,992,529	2,026,234	3,799,273	17,559,363	*13,825
Deficit.....	11,349,794	734,325	491,147	3,305,238	660,860	2,177,869	3,980,354	*1,778
<b>Portfolio income (less deficit) distributed to shareholders</b> .....	<b>6,721,405</b>	<b>189,810</b>	<b>117,787</b>	<b>3,320,921</b>	<b>85,571</b>	<b>821,997</b>	<b>2,185,320</b>	<b>*9,943</b>
Dividend income.....	207,522	9,464	6,719	95,848	6,529	20,800	68,161	--
Interest income.....	1,693,544	165,361	50,777	626,362	53,863	248,861	548,321	*2,329
Royalty income (less loss).....	348,935	--	--	41,978	*10,596	219,519	76,843	--
Net short-term capital gain (less loss).....	-54,776	34	2,134	11,023	*3,321	-76,765	5,476	--
Net long-term capital gain (less loss).....	4,444,232	13,657	58,083	2,470,992	10,628	406,454	1,484,418	*7,615
Other portfolio income (net).....	81,947	*1,294	*73	74,718	*634	*3,129	2,100	--
<b>Real estate rental net income (less deficit)</b> .....	<b>302,276</b>	<b>43,525</b>	<b>26,087</b>	<b>98,488</b>	<b>39,819</b>	<b>59,890</b>	<b>34,468</b>	<b>--</b>
Net income.....	413,284	62,343	*30,295	117,620	48,167	69,318	85,542	--
Deficit.....	111,008	18,818	*4,208	19,132	*8,348	9,429	51,074	--
<b>Net income (less deficit) from other rental activity</b> .....	<b>264,026</b>	<b>*3,359</b>	<b>*615</b>	<b>171,369</b>	<b>26,718</b>	<b>-278</b>	<b>62,244</b>	<b>--</b>
Net income.....	484,512	*3,359	*623	313,733	96,611	5,826	64,360	--
Deficit.....	220,486	--	*9	142,364	69,893	*6,104	*2,116	--
<b>Total net income (less deficit)</b> .....	<b>35,729,256</b>	<b>589,086</b>	<b>980,568</b>	<b>14,278,068</b>	<b>1,517,482</b>	<b>2,503,013</b>	<b>15,861,040</b>	<b>*21,991</b>
Net income.....	46,255,320	1,264,566	1,443,755	17,371,367	2,217,648	4,436,497	19,521,487	*22,638
Deficit.....	10,526,064	675,480	463,187	3,093,299	700,167	1,933,484	3,660,447	*648

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

<sup>1</sup> Includes interest on Government obligations: State and local, which is not reflected in net income (less deficit) from a trade or business.

<sup>2</sup> Less than \$500.

NOTE: Detail may not add to total due to rounding.

# S Corporation Returns, 1997

**Table 2.--Returns With Net Income: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group**

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

Item	All industries	Agriculture, forestry, and fishing	Mining				
			Total	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of returns</b> .....	<b>1,555,396</b>	<b>52,681</b>	<b>8,905</b>	<b>*378</b>	<b>304</b>	<b>6,915</b>	<b>1,308</b>
<b>Number of shareholders</b> .....	<b>2,959,804</b>	<b>129,538</b>	<b>20,083</b>	<b>*720</b>	<b>978</b>	<b>15,745</b>	<b>2,640</b>
<b>Income from a trade or business:</b>							
<b>Total receipts</b> <sup>1</sup> .....	<b>2,393,589,923</b>	<b>37,964,683</b>	<b>12,923,864</b>	<b>*214,536</b>	<b>2,780,697</b>	<b>6,973,569</b>	<b>2,955,062</b>
Business receipts.....	2,347,208,788	35,354,050	11,797,676	*169,759	2,684,753	6,068,026	2,875,138
Interest on Government obligations:							
State and local.....	816,487	22,901	11,243	--	*1,699	7,635	*1,909
Net gain, noncapital assets.....	5,026,520	310,069	249,279	*24,670	*43,352	159,592	21,666
Other receipts.....	40,538,128	2,277,663	865,666	*20,108	50,893	738,316	56,349
<b>Total deductions</b> .....	<b>2,241,516,528</b>	<b>34,810,557</b>	<b>10,607,355</b>	<b>*177,892</b>	<b>2,632,923</b>	<b>5,230,782</b>	<b>2,565,757</b>
Cost of goods sold.....	1,525,662,198	19,154,893	5,540,279	*71,955	1,661,086	2,028,931	1,778,307
Compensation of officers.....	89,391,084	1,135,413	270,930	*5,450	*15,207	167,023	83,249
Salaries and wages.....	219,392,089	2,945,847	922,423	*1,308	155,451	656,213	109,451
Repairs.....	13,874,102	773,748	274,751	*18,029	56,593	168,852	31,276
Bad debts.....	3,886,180	38,958	15,402	*( <sup>2</sup> )	*4,101	6,759	4,542
Rent paid on business property.....	43,035,555	1,017,956	243,986	*5,402	65,050	157,808	15,726
Taxes paid.....	46,973,862	719,800	436,392	*9,695	104,756	242,308	79,632
Interest paid.....	22,687,280	691,743	258,424	*2,934	46,562	162,874	46,056
Amortization.....	2,295,708	13,987	19,144	--	3,439	11,763	3,942
Depreciation.....	34,608,054	1,297,123	597,385	*8,047	128,114	274,328	186,896
Depletion.....	211,633	*798	119,318	*4,411	43,502	*21,227	50,178
Advertising.....	21,962,219	159,401	19,919	*155	1,093	10,370	8,302
Pension, profit-sharing, stock bonus, and annuity plans.....	8,952,730	70,733	47,649	*2,728	10,073	17,818	17,030
Employee benefit programs.....	16,193,063	192,645	188,450	*1,667	141,303	25,261	20,220
Net loss, noncapital assets.....	243,186	5,155	*1,471	--	68	*1,315	*88
Other deductions.....	192,147,585	6,592,356	1,651,431	*46,111	196,524	1,277,932	130,864
<b>Total receipts less total deductions</b> <sup>1</sup> .....	<b>152,073,395</b>	<b>3,154,126</b>	<b>2,316,509</b>	<b>*36,644</b>	<b>147,774</b>	<b>1,742,786</b>	<b>389,304</b>
<b>Net income (less deficit)</b>							
<b>from a trade or business</b> .....	<b>151,256,908</b>	<b>3,131,225</b>	<b>2,305,266</b>	<b>*36,644</b>	<b>146,074</b>	<b>1,735,152</b>	<b>387,396</b>
Net income.....	154,605,010	3,219,819	2,416,555	*36,644	158,307	1,833,696	387,908
Deficit.....	3,348,103	88,594	111,289	--	*12,232	98,544	*512
<b>Portfolio income (less deficit)</b>							
<b>distributed to shareholders</b> .....	<b>34,938,205</b>	<b>1,156,974</b>	<b>881,352</b>	<b>*3,504</b>	<b>87,608</b>	<b>739,353</b>	<b>50,886</b>
Dividend income.....	1,341,751	21,904	46,678	--	*6,271	36,131	4,276
Interest income.....	8,230,825	178,909	175,854	*3,504	26,885	119,975	25,491
Royalty income (less loss).....	789,568	12,827	124,561	--	*1,607	122,954	--
Net short-term capital gain (less loss).....	1,297,395	14,440	81,870	--	*7,874	69,128	*4,868
Net long-term capital gain (less loss).....	23,098,916	926,269	450,553	--	44,531	390,869	15,153
Other portfolio income (net).....	179,750	*2,625	1,837	--	441	*297	*1,099
<b>Real estate rental net income</b>							
<b>(less deficit)</b> .....	<b>5,084,640</b>	<b>68,020</b>	<b>16,244</b>	<b>*48</b>	<b>*1,510</b>	<b>11,147</b>	<b>3,539</b>
Net income.....	5,383,626	73,372	17,356	*48	*1,521	11,860	3,927
Deficit.....	298,986	5,352	*1,112	--	11	*713	*388
<b>Net income (less deficit)</b>							
<b>from other rental activity</b> .....	<b>842,321</b>	<b>15,034</b>	<b>17,098</b>	<b>--</b>	<b>1,079</b>	<b>3,463</b>	<b>*12,557</b>
Net income.....	948,440	15,179	17,377	--	1,079	*3,741	*12,557
Deficit.....	106,119	*145	*278	--	--	*278	--
<b>Total net income</b> .....	<b>192,122,074</b>	<b>4,371,253</b>	<b>3,219,960</b>	<b>*40,196</b>	<b>236,272</b>	<b>2,489,114</b>	<b>454,378</b>

Footnotes at end of table.

# S Corporation Returns, 1997

**Table 2.--Returns With Net Income: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued**

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

Item	Construction				Manufacturing			
	Total	General building contractors and operative builders	Heavy construction contractors	Special trade contractors	Total	Food and kindred products	Tobacco manufactures	Textile mill products
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
<b>Number of returns.....</b>	<b>182,159</b>	<b>66,089</b>	<b>6,517</b>	<b>109,552</b>	<b>99,616</b>	<b>5,904</b>	<b>3</b>	<b>1,928</b>
<b>Number of shareholders.....</b>	<b>292,496</b>	<b>103,002</b>	<b>12,061</b>	<b>177,434</b>	<b>245,320</b>	<b>31,153</b>	<b>12</b>	<b>4,468</b>
<b>Income from a trade or business:</b>								
<b>Total receipts <sup>1</sup>.....</b>	<b>276,760,967</b>	<b>124,507,265</b>	<b>31,748,831</b>	<b>120,504,870</b>	<b>425,580,248</b>	<b>56,446,022</b>	<b>371,132</b>	<b>14,074,391</b>
Business receipts.....	274,441,993	123,766,422	31,014,052	119,661,520	421,174,658	55,932,706	351,191	13,956,816
Interest on Government obligations:								
State and local.....	48,856	25,592	10,111	13,152	134,534	8,909	--	5,438
Net gain, noncapital assets.....	269,576	50,185	105,378	114,013	820,693	67,308	12,100	30,988
Other receipts.....	2,000,542	665,067	619,290	716,185	3,450,364	437,099	7,840	81,149
<b>Total deductions.....</b>	<b>260,768,521</b>	<b>118,912,771</b>	<b>29,830,260</b>	<b>112,025,490</b>	<b>392,282,211</b>	<b>53,210,238</b>	<b>309,895</b>	<b>13,138,863</b>
Cost of goods sold.....	207,734,250	104,594,563	23,673,068	79,466,619	286,791,333	41,439,178	206,652	10,445,651
Compensation of officers.....	8,897,481	2,656,346	731,004	5,510,131	13,032,683	771,069	4,959	329,618
Salaries and wages.....	12,591,912	3,425,393	1,337,641	7,828,877	28,786,727	3,137,258	12,652	660,477
Repairs.....	1,112,160	246,465	167,912	697,783	1,951,059	265,431	763	68,995
Bad debts.....	328,619	61,529	23,289	243,801	792,402	51,305	20	31,490
Rent paid on business property.....	2,108,102	448,447	204,146	1,455,510	3,888,977	335,850	1,555	97,506
Taxes paid.....	4,957,392	1,257,156	503,423	3,196,812	8,489,945	810,836	45,999	253,432
Interest paid.....	1,515,293	608,537	190,942	715,813	4,035,755	440,832	4,060	155,616
Amortization.....	40,278	11,432	2,425	26,422	398,297	41,062	14,687	6,355
Depreciation.....	3,647,887	697,633	969,749	1,980,506	9,228,656	1,060,818	3,495	315,489
Depletion.....	11,834	*189	11,645	--	59,035	--	--	--
Advertising.....	681,144	260,587	25,964	394,593	3,720,201	1,065,417	3,026	39,323
Pension, profit-sharing, stock bonus, and annuity plans.....	973,072	240,058	143,533	589,481	1,981,748	189,645	251	41,212
Employee benefit programs.....	2,122,932	462,196	243,473	1,417,264	4,244,752	449,143	1,730	140,925
Net loss, noncapital assets.....	29,980	3,445	*14,695	11,839	28,778	4,377	2	*1,577
Other deductions.....	14,016,186	3,938,797	1,587,350	8,490,038	24,851,863	3,148,016	10,043	551,198
<b>Total receipts less total deductions <sup>1</sup>.....</b>	<b>15,992,445</b>	<b>5,594,494</b>	<b>1,918,571</b>	<b>8,479,380</b>	<b>33,298,038</b>	<b>3,235,784</b>	<b>61,237</b>	<b>935,528</b>
<b>Net income (less deficit) from a trade or business.....</b>	<b>15,943,590</b>	<b>5,568,902</b>	<b>1,908,459</b>	<b>8,466,228</b>	<b>33,163,504</b>	<b>3,226,875</b>	<b>61,237</b>	<b>930,090</b>
Net income.....	16,082,675	5,617,926	1,973,085	8,491,663	33,542,825	3,232,866	61,237	937,635
Deficit.....	139,085	49,024	64,625	25,436	379,320	*5,991	--	*7,545
<b>Portfolio income (less deficit) distributed to shareholders.....</b>	<b>1,331,715</b>	<b>564,392</b>	<b>310,678</b>	<b>456,645</b>	<b>5,968,295</b>	<b>198,189</b>	<b>211,372</b>	<b>218,058</b>
Dividend income.....	106,726	38,987	34,240	33,499	165,525	10,359	220	4,314
Interest income.....	725,892	360,687	136,427	228,778	1,290,429	147,905	1,308	43,090
Royalty income (less loss).....	*8,292	--	*8,289	*3	91,956	*7,082	--	--
Net short-term capital gain (less loss).....	25,755	5,091	5,948	14,716	154,846	-53	--	*3,692
Net long-term capital gain (less loss).....	460,235	158,254	122,462	179,519	4,253,802	32,339	209,843	166,962
Other portfolio income (net).....	4,815	*1,374	*3,311	*130	11,736	*558	--	1
<b>Real estate rental net income (less deficit).....</b>	<b>66,391</b>	<b>54,340</b>	<b>6,311</b>	<b>5,740</b>	<b>130,241</b>	<b>4,957</b>	<b>8</b>	<b>2,285</b>
Net income.....	76,440	62,197	6,405	7,838	142,258	6,395	8	*2,351
Deficit.....	10,050	7,857	*94	2,098	12,016	1,439	--	66
<b>Net income (less deficit) from other rental activity.....</b>	<b>5,720</b>	<b>3,284</b>	<b>303</b>	<b>*2,133</b>	<b>41,065</b>	<b>*1,504</b>	<b>--</b>	<b>*1,387</b>
Net income.....	10,057	4,879	*865	*4,312	43,388	*2,060	--	*1,463
Deficit.....	*4,337	1,595	562	*2,179	2,324	*556	--	76
<b>Total net income.....</b>	<b>17,347,415</b>	<b>6,190,918</b>	<b>2,225,751</b>	<b>8,930,745</b>	<b>39,303,105</b>	<b>3,431,525</b>	<b>272,617</b>	<b>1,151,819</b>

Footnotes at end of table.

# S Corporation Returns, 1997

**Table 2.--Returns With Net Income: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued**

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

Item	Manufacturing--continued							
	Apparel and other textile products	Lumber and wood products	Furniture and fixtures	Paper and allied products	Printing and publishing	Chemical and allied products	Petroleum (including integrated) and coal products	Rubber and miscellaneous plastics products
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
<b>Number of returns</b> .....	<b>4,971</b>	<b>7,745</b>	<b>3,608</b>	<b>1,426</b>	<b>17,732</b>	<b>3,424</b>	<b>74</b>	<b>4,804</b>
<b>Number of shareholders</b> .....	<b>9,106</b>	<b>18,838</b>	<b>8,554</b>	<b>5,136</b>	<b>35,826</b>	<b>9,628</b>	<b>137</b>	<b>12,550</b>
<b>Income from a trade or business:</b>								
<b>Total receipts</b> <sup>1</sup> .....	<b>22,261,464</b>	<b>24,043,169</b>	<b>10,722,185</b>	<b>17,273,291</b>	<b>34,879,107</b>	<b>17,990,653</b>	<b>2,376,893</b>	<b>25,021,799</b>
Business receipts.....	21,975,384	23,794,202	10,612,504	17,118,918	34,239,221	17,848,202	2,342,199	24,838,400
Interest on Government obligations:								
State and local.....	2,747	3,067	4,576	8,738	19,024	6,044	*42	9,349
Net gain, noncapital assets.....	5,520	33,286	25,289	44,028	105,385	5,014	*597	50,492
Other receipts.....	277,814	212,613	79,815	101,608	515,477	131,393	34,055	123,558
<b>Total deductions</b> .....	<b>20,992,962</b>	<b>22,492,245</b>	<b>9,939,224</b>	<b>16,083,265</b>	<b>32,073,113</b>	<b>16,536,398</b>	<b>2,290,889</b>	<b>22,973,908</b>
Cost of goods sold.....	15,721,615	17,524,624	7,278,542	12,418,257	17,785,195	11,269,096	1,855,366	16,718,137
Compensation of officers.....	781,667	542,851	291,676	430,868	1,685,238	605,688	*35,952	859,296
Salaries and wages.....	1,616,262	1,168,524	735,658	1,058,944	4,244,991	1,378,588	110,396	1,466,540
Repairs.....	39,663	191,214	42,146	67,396	230,880	97,416	26,081	107,555
Bad debts.....	44,823	30,424	30,673	22,210	161,229	40,302	*6,271	36,352
Rent paid on business property.....	238,939	138,403	110,300	140,437	619,576	196,702	*15,568	175,094
Taxes paid.....	468,711	461,122	231,841	313,674	939,161	309,384	29,007	535,443
Interest paid.....	258,798	261,065	90,246	148,045	446,407	194,025	*18,039	244,613
Amortization.....	7,312	8,803	2,958	14,780	115,927	36,458	*2,026	15,682
Depreciation.....	211,733	556,181	178,267	408,887	972,952	412,805	40,523	798,280
Depletion.....	--	*41,962	--	*402	*583	--	*346	--
Advertising.....	202,443	96,369	94,181	45,075	457,383	215,343	6,083	198,000
Pension, profit-sharing, stock bonus, and annuity plans.....	67,021	78,144	56,472	90,671	204,486	86,629	*5,519	123,411
Employee benefit programs.....	139,615	172,155	132,395	165,060	401,903	175,169	*12,384	299,288
Net loss, noncapital assets.....	*795	1,287	*2,423	*418	2,842	*759	48	663
Other deductions.....	1,193,564	1,219,117	661,447	758,142	3,804,360	1,518,031	127,281	1,395,553
<b>Total receipts less total deductions</b> <sup>1</sup> .....	<b>1,268,502</b>	<b>1,550,923</b>	<b>782,961</b>	<b>1,190,026</b>	<b>2,805,994</b>	<b>1,454,256</b>	<b>86,004</b>	<b>2,047,891</b>
<b>Net income (less deficit) from a trade or business</b> .....	<b>1,265,756</b>	<b>1,547,856</b>	<b>778,385</b>	<b>1,181,288</b>	<b>2,786,970</b>	<b>1,448,212</b>	<b>85,962</b>	<b>2,038,542</b>
Net income.....	1,271,306	1,587,270	779,004	1,185,093	2,888,919	1,455,829	85,962	2,054,869
Deficit.....	*5,550	*39,414	619	*3,805	101,949	*7,617	--	*16,327
<b>Portfolio income (less deficit) distributed to shareholders</b> .....	<b>52,365</b>	<b>307,913</b>	<b>321,531</b>	<b>109,543</b>	<b>1,379,800</b>	<b>474,979</b>	<b>7,332</b>	<b>163,093</b>
Dividend income.....	9,259	3,521	910	4,929	23,291	12,057	*9	8,780
Interest income.....	37,595	63,554	26,648	55,950	141,988	63,815	7,446	75,559
Royalty income (less loss).....	*4,809	*125	*7	30	*1,286	*3,100	--	*4,524
Net short-term capital gain (less loss).....	*225	*1,507	*-673	*2,500	3,915	2,525	*93	1,848
Net long-term capital gain (less loss).....	168	236,221	294,063	46,094	1,203,165	393,243	*-217	72,382
Other portfolio income (net).....	*309	*2,985	575	41	*6,155	*240	--	( <sup>2</sup> )
<b>Real estate rental net income (less deficit)</b> .....	<b>5,481</b>	<b>17,179</b>	<b>*657</b>	<b>-138</b>	<b>16,116</b>	<b>*1,039</b>	<b>1</b>	<b>8,615</b>
Net income.....	5,481	19,937	*657	1,926	17,969	*1,236	1	9,182
Deficit.....	--	*2,758	--	*2,064	*1,853	*197	--	*567
<b>Net income (less deficit) from other rental activity</b> .....	<b>*611</b>	<b>2,237</b>	<b>*197</b>	<b>--</b>	<b>9,651</b>	<b>*687</b>	<b>41</b>	<b>*1,414</b>
Net income.....	*611	*2,269	*197	--	9,655	*687	41	*1,727
Deficit.....	--	*32	--	--	*4	--	--	*312
<b>Total net income</b> .....	<b>1,324,213</b>	<b>1,875,184</b>	<b>1,100,770</b>	<b>1,290,693</b>	<b>4,192,537</b>	<b>1,924,917</b>	<b>93,336</b>	<b>2,211,665</b>

Footnotes at end of table.

# S Corporation Returns, 1997

**Table 2.--Returns With Net Income: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued**

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

Item	Manufacturing--continued						
	Leather and leather products	Stone, clay, and glass products	Primary metal industries	Fabricated metal products	Machinery, except electrical	Electrical and electronic equipment	Motor vehicles and equipment
	(24)	(25)	(26)	(27)	(28)	(29)	(30)
<b>Number of returns</b> .....	<b>203</b>	<b>3,682</b>	<b>1,244</b>	<b>16,429</b>	<b>7,773</b>	<b>5,753</b>	<b>526</b>
<b>Number of shareholders</b> .....	<b>626</b>	<b>7,917</b>	<b>3,860</b>	<b>36,636</b>	<b>18,162</b>	<b>13,092</b>	<b>1,701</b>
<b>Income from a trade or business:</b>							
<b>Total receipts</b> <sup>1</sup> .....	<b>1,929,726</b>	<b>12,266,256</b>	<b>20,977,773</b>	<b>60,338,575</b>	<b>28,155,380</b>	<b>27,699,038</b>	<b>11,086,024</b>
Business receipts.....	1,925,605	12,100,597	20,908,991	59,700,234	27,840,026	27,501,514	10,989,262
Interest on Government obligations:							
State and local.....	*525	*2,542	1,968	26,327	7,400	9,908	5,802
Net gain, noncapital assets.....	*62	71,479	5,801	179,065	47,308	29,870	16,108
Other receipts.....	3,533	91,638	61,013	432,949	260,647	157,747	74,851
<b>Total deductions</b> .....	<b>1,784,481</b>	<b>11,107,659</b>	<b>19,949,940</b>	<b>54,758,204</b>	<b>25,227,238</b>	<b>25,111,710</b>	<b>10,292,267</b>
Cost of goods sold.....	1,335,655	7,373,234	17,583,262	40,362,503	17,667,475	18,178,988	8,558,026
Compensation of officers.....	56,873	337,836	256,208	2,428,987	1,046,515	812,992	143,617
Salaries and wages.....	141,428	963,883	530,387	3,523,750	2,158,093	2,320,465	454,750
Repairs.....	3,195	110,642	76,138	264,073	99,789	95,666	29,006
Bad debts.....	*1,979	35,969	16,534	97,249	54,665	54,141	10,571
Rent paid on business property.....	*13,482	171,189	43,659	547,402	264,169	261,251	48,639
Taxes paid.....	37,754	305,645	222,249	1,351,452	701,441	496,107	196,938
Interest paid.....	23,934	140,024	160,861	570,755	289,932	199,323	66,910
Amortization.....	*1,182	13,637	8,966	35,294	18,147	13,107	5,652
Depreciation.....	15,033	491,013	319,661	1,504,190	659,630	474,551	177,554
Depletion.....	--	14,948	*591	--	--	*202	--
Advertising.....	18,752	60,985	29,403	269,660	175,278	267,264	45,685
Pension, profit-sharing, stock bonus, and annuity plans.....	*3,582	63,140	74,169	310,533	204,680	128,438	40,806
Employee benefit programs.....	36,861	108,228	135,797	708,300	417,023	259,600	118,975
Net loss, noncapital assets.....	--	*94	*1,678	4,314	*363	3,213	*108
Other deductions.....	94,772	917,193	490,377	2,779,740	1,470,037	1,546,403	395,032
<b>Total receipts less total deductions</b> <sup>1</sup> .....	<b>145,245</b>	<b>1,158,597</b>	<b>1,027,833</b>	<b>5,580,370</b>	<b>2,928,143</b>	<b>2,587,328</b>	<b>793,757</b>
<b>Net income (less deficit)</b>							
<b>from a trade or business</b> .....	<b>144,720</b>	<b>1,156,055</b>	<b>1,025,865</b>	<b>5,554,044</b>	<b>2,920,743</b>	<b>2,577,420</b>	<b>787,955</b>
Net income.....	144,720	1,172,791	1,032,041	5,576,438	2,935,371	2,628,125	792,239
Deficit.....	--	*16,736	*6,176	22,395	*14,628	*50,705	*4,285
<b>Portfolio income (less deficit)</b>							
<b>distributed to shareholders</b> .....	<b>10,924</b>	<b>66,262</b>	<b>113,446</b>	<b>583,734</b>	<b>521,147</b>	<b>545,330</b>	<b>37,389</b>
Dividend income.....	*5,423	*1,222	1,068	21,782	12,747	23,294	*7,404
Interest income.....	4,375	42,181	43,077	171,988	114,324	84,223	22,864
Royalty income (less loss).....	*99	*58	547	*1,229	5,976	*4,913	3,171
Net short-term capital gain (less loss).....	*-2	*326	*4,303	7,360	802	3,948	*2,189
Net long-term capital gain (less loss).....	*1,026	22,474	64,449	381,007	387,263	428,509	1,761
Other portfolio income (net).....	*3	--	--	*367	*34	*443	--
<b>Real estate rental net income</b>							
<b>(less deficit)</b> .....	<b>*-140</b>	<b>7,799</b>	<b>5,716</b>	<b>38,258</b>	<b>8,554</b>	<b>4,478</b>	<b>*113</b>
Net income.....	13	7,814	5,881	39,166	8,790	4,479	*221
Deficit.....	*153	*15	*166	*908	*236	*1	108
<b>Net income (less deficit)</b>							
<b>from other rental activity</b> .....	<b>*507</b>	<b>*-199</b>	<b>*3,390</b>	<b>9,052</b>	<b>*1,346</b>	<b>*1,190</b>	<b>*1,675</b>
Net income.....	*507	*117	*3,399	*9,896	*1,346	*1,366	*1,675
Deficit.....	--	316	9	*843	--	*175	--
<b>Total net income</b> .....	<b>156,011</b>	<b>1,229,917</b>	<b>1,148,416</b>	<b>6,185,087</b>	<b>3,451,790</b>	<b>3,128,419</b>	<b>827,132</b>

Footnotes at end of table.

# S Corporation Returns, 1997

**Table 2.--Returns With Net Income: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued**

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

Item	Manufacturing--continued			Transportation and public utilities			
	Transportation equipment, except motor vehicles	Instruments and related products	Miscellaneous manufacturing and manufacturing not allocable	Total	Transportation	Communication	Electric, gas, and sanitary services
	(31)	(32)	(33)	(34)	(35)	(36)	(37)
<b>Number of returns.....</b>	<b>1,892</b>	<b>1,735</b>	<b>8,760</b>	<b>60,211</b>	<b>47,095</b>	<b>8,416</b>	<b>4,701</b>
<b>Number of shareholders.....</b>	<b>3,809</b>	<b>4,476</b>	<b>19,634</b>	<b>123,373</b>	<b>89,002</b>	<b>22,533</b>	<b>11,839</b>
<b>Income from a trade or business:</b>							
<b>Total receipts <sup>1</sup>.....</b>	<b>7,909,406</b>	<b>6,674,225</b>	<b>23,083,741</b>	<b>83,317,693</b>	<b>66,337,868</b>	<b>10,235,779</b>	<b>6,744,046</b>
Business receipts.....	7,776,214	6,544,201	22,878,271	81,288,611	65,030,824	9,748,863	6,508,925
Interest on Government obligations:							
State and local.....	*2,002	4,782	5,344	30,805	21,952	6,728	*2,125
Net gain, noncapital assets.....	19,998	23,476	47,518	523,889	354,515	154,126	15,248
Other receipts.....	111,191	101,766	152,608	1,474,388	930,577	326,063	217,749
<b>Total deductions.....</b>	<b>7,288,351</b>	<b>5,786,127</b>	<b>20,935,235</b>	<b>77,135,009</b>	<b>62,341,129</b>	<b>8,817,868</b>	<b>5,976,012</b>
Cost of goods sold.....	5,582,328	3,500,750	13,986,798	33,573,781	27,372,163	3,168,594	3,033,024
Compensation of officers.....	207,956	319,861	1,082,957	2,234,697	1,722,340	348,928	163,428
Salaries and wages.....	423,884	765,144	1,914,654	11,610,418	9,229,323	1,717,060	664,035
Repairs.....	20,215	32,695	82,101	1,248,099	1,049,732	102,489	95,878
Bad debts.....	12,225	9,793	44,178	204,317	92,122	99,752	12,443
Rent paid on business property.....	79,305	83,567	306,383	3,274,759	2,972,398	164,051	138,310
Taxes paid.....	170,549	158,770	450,431	2,436,953	1,943,745	273,385	219,823
Interest paid.....	62,348	37,834	222,090	1,056,624	732,177	212,809	111,638
Amortization.....	4,938	7,251	24,072	205,330	34,702	146,436	24,192
Depreciation.....	124,013	105,714	397,869	3,293,899	2,602,668	393,303	297,928
Depletion.....	--	--	--	*154	*154	--	--
Advertising.....	48,297	64,632	317,602	514,983	279,738	214,525	20,720
Pension, profit-sharing, stock bonus, and annuity plans.....	36,245	52,134	124,561	291,671	238,848	24,532	28,291
Employee benefit programs.....	97,744	75,253	197,201	795,906	654,554	69,683	71,669
Net loss, noncapital assets.....	*2,574	*102	*1,141	17,642	*1,772	*1,864	*14,007
Other deductions.....	415,731	572,626	1,783,199	16,375,775	13,414,694	1,880,456	1,080,625
<b>Total receipts less total deductions <sup>1</sup>.....</b>	<b>621,054</b>	<b>888,098</b>	<b>2,148,506</b>	<b>6,182,684</b>	<b>3,996,739</b>	<b>1,417,912</b>	<b>768,034</b>
<b>Net income (less deficit)</b>							
<b>from a trade or business.....</b>	<b>619,052</b>	<b>883,316</b>	<b>2,143,162</b>	<b>6,151,879</b>	<b>3,974,786</b>	<b>1,411,184</b>	<b>765,909</b>
Net income.....	623,218	885,212	2,212,680	6,248,166	4,020,709	1,448,295	779,162
Deficit.....	*4,166	*1,896	*69,518	96,287	45,923	37,111	*13,253
<b>Portfolio income (less deficit)</b>							
<b>distributed to shareholders.....</b>	<b>122,166</b>	<b>84,000</b>	<b>439,724</b>	<b>1,229,811</b>	<b>413,629</b>	<b>715,909</b>	<b>100,273</b>
Dividend income.....	2,124	3,978	8,833	41,488	22,505	16,597	2,386
Interest income.....	28,593	31,154	82,793	376,963	201,513	90,777	84,674
Royalty income (less loss).....	602	*1,149	*53,249	*1,772	*1,772	--	--
Net short-term capital gain (less loss).....	*252	*762	119,325	20,221	18,520	1,217	*485
Net long-term capital gain (less loss).....	90,595	46,957	175,498	785,898	166,958	607,168	11,772
Other portfolio income (net).....	--	--	26	3,468	*2,362	*151	*956
<b>Real estate rental net income (less deficit).....</b>	<b>2,373</b>	<b>*786</b>	<b>6,106</b>	<b>81,257</b>	<b>71,733</b>	<b>7,192</b>	<b>*2,332</b>
Net income.....	*2,448	*2,121	6,181	84,450	72,731	7,334	*4,385
Deficit.....	75	*1,335	*75	3,193	*998	*142	*2,053
<b>Net income (less deficit)</b>							
<b>from other rental activity.....</b>	<b>*3,936</b>	<b>*460</b>	<b>*1,977</b>	<b>97,183</b>	<b>74,287</b>	<b>17,851</b>	<b>*5,045</b>
Net income.....	*3,936	*460	*1,977	116,927	94,010	17,872	*5,045
Deficit.....	--	--	--	*19,744	*19,723	21	--
<b>Total net income.....</b>	<b>747,527</b>	<b>968,562</b>	<b>2,590,969</b>	<b>7,560,131</b>	<b>4,534,436</b>	<b>2,152,136</b>	<b>873,559</b>

Footnotes at end of table.



# S Corporation Returns, 1997

**Table 2.--Returns With Net Income: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued**

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

Item	Wholesale and retail trade							
	Total	Wholesale trade			Retail trade			
		Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade	Total	Building materials, garden supplies, and mobile home dealers	General merchandise stores
(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	
<b>Number of returns.....</b>	<b>349,620</b>	<b>107,431</b>	<b>9,058</b>	<b>16,994</b>	<b>81,379</b>	<b>240,908</b>	<b>12,365</b>	<b>3,319</b>
<b>Number of shareholders.....</b>	<b>653,286</b>	<b>211,991</b>	<b>18,019</b>	<b>31,930</b>	<b>162,042</b>	<b>439,604</b>	<b>23,910</b>	<b>7,149</b>
<b>Income from a trade or business:</b>								
<b>Total receipts <sup>1</sup>.....</b>	<b>1,112,029,763</b>	<b>503,784,203</b>	<b>70,654,286</b>	<b>49,858,685</b>	<b>383,271,232</b>	<b>606,495,198</b>	<b>27,810,241</b>	<b>6,333,014</b>
Business receipts.....	1,098,266,978	498,620,394	70,325,165	48,992,677	379,302,552	597,911,116	27,541,348	6,260,510
Interest on Government obligations:								
State and local.....	161,423	113,941	3,141	9,263	101,536	47,483	*1,033	*1,656
Net gain, noncapital assets.....	1,083,030	417,237	12,362	151,717	253,159	665,729	11,307	*344
Other receipts.....	12,518,332	4,632,632	313,618	705,029	3,613,985	7,870,870	256,553	70,503
<b>Total deductions.....</b>	<b>1,073,818,130</b>	<b>484,499,095</b>	<b>69,418,568</b>	<b>46,978,332</b>	<b>368,102,195</b>	<b>587,665,661</b>	<b>26,639,480</b>	<b>6,013,272</b>
Cost of goods sold.....	851,812,543	398,115,490	60,936,416	36,007,498	301,171,577	452,453,299	19,774,407	4,016,751
Compensation of officers.....	21,234,349	10,471,855	1,164,270	1,422,042	7,885,544	10,722,787	786,080	187,881
Salaries and wages.....	76,753,920	29,527,595	2,898,316	3,662,031	22,967,248	47,122,836	2,493,627	671,121
Repairs.....	4,789,231	1,641,145	203,566	198,676	1,238,902	3,142,937	139,375	32,860
Bad debts.....	1,548,243	865,820	78,983	77,352	709,485	681,177	80,796	12,765
Rent paid on business property.....	17,554,941	4,488,572	485,484	470,200	3,532,889	13,030,860	404,310	252,439
Taxes paid.....	15,088,483	6,081,629	449,773	576,978	5,054,877	8,987,289	466,122	123,915
Interest paid.....	7,478,599	3,303,266	279,162	462,728	2,561,376	4,153,895	289,442	55,736
Amortization.....	599,312	229,648	40,938	14,288	174,421	368,987	4,579	4,580
Depreciation.....	8,647,492	3,715,159	327,412	680,324	2,707,423	4,904,583	259,649	53,293
Depletion.....	*18,635	*10,377	--	162	*10,215	*8,259	1,109	--
Advertising.....	11,188,452	2,519,426	198,263	205,068	2,116,095	8,655,534	270,738	96,533
Pension, profit-sharing, stock bonus, and annuity plans.....	1,970,281	1,223,794	109,294	195,202	919,298	742,569	68,878	12,245
Employee benefit programs.....	4,156,956	1,748,078	150,722	287,569	1,309,787	2,404,112	132,376	27,770
Net loss, noncapital assets.....	53,136	20,417	*1,880	627	17,910	32,719	*3,685	358
Other deductions.....	50,923,559	20,536,825	2,094,089	2,717,587	15,725,149	30,253,819	1,464,307	465,026
<b>Total receipts less total deductions <sup>1</sup>.....</b>	<b>38,211,633</b>	<b>19,285,109</b>	<b>1,235,718</b>	<b>2,880,353</b>	<b>15,169,038</b>	<b>18,829,537</b>	<b>1,170,761</b>	<b>319,742</b>
<b>Net income (less deficit)</b>								
<b>from a trade or business.....</b>	<b>38,050,209</b>	<b>19,171,168</b>	<b>1,232,576</b>	<b>2,871,090</b>	<b>15,067,502</b>	<b>18,782,054</b>	<b>1,169,728</b>	<b>318,085</b>
Net income.....	38,611,826	19,422,965	1,303,131	2,878,955	15,240,879	19,091,874	1,183,115	336,060
Deficit.....	561,616	251,797	70,555	7,865	173,377	309,819	*13,386	*17,975
<b>Portfolio income (less deficit)</b>								
<b>distributed to shareholders.....</b>	<b>8,640,676</b>	<b>4,926,507</b>	<b>406,103</b>	<b>263,384</b>	<b>4,257,021</b>	<b>3,711,919</b>	<b>120,063</b>	<b>81,301</b>
Dividend income.....	227,611	144,214	12,428	23,481	108,305	83,397	15,612	*439
Interest income.....	1,741,691	844,748	75,688	118,407	650,653	894,692	72,731	6,783
Royalty income (less loss).....	134,966	107,366	*14,709	768	91,889	27,600	163	*371
Net short-term capital gain (less loss).....	120,610	53,865	-931	-401	55,196	66,745	*124	--
Net long-term capital gain (less loss).....	6,407,431	3,769,428	304,059	120,818	3,344,550	2,638,004	31,415	*73,707
Other portfolio income (net).....	8,368	6,887	*148	*311	6,427	1,481	*19	--
<b>Real estate rental net income</b>								
<b>(less deficit).....</b>	<b>262,372</b>	<b>84,508</b>	<b>12,702</b>	<b>4,024</b>	<b>67,782</b>	<b>177,864</b>	<b>18,877</b>	<b>*-1,084</b>
Net income.....	351,777	153,704	15,750	4,565	133,388	198,074	20,197	*2,390
Deficit.....	89,406	69,196	*3,048	*541	65,606	20,210	*1,320	*3,474
<b>Net income (less deficit)</b>								
<b>from other rental activity.....</b>	<b>200,822</b>	<b>102,660</b>	<b>*12,637</b>	<b>72,200</b>	<b>17,823</b>	<b>98,121</b>	<b>*2,221</b>	<b>--</b>
Net income.....	220,811	113,789	*12,637	82,510	18,642	106,981	*2,327	--
Deficit.....	19,989	*11,129	--	*10,310	*819	8,860	106	--
<b>Total net income.....</b>	<b>47,154,079</b>	<b>24,284,843</b>	<b>1,664,018</b>	<b>3,210,697</b>	<b>19,410,127</b>	<b>22,769,958</b>	<b>1,310,889</b>	<b>398,302</b>

Footnotes at end of table.

# S Corporation Returns, 1997

**Table 2.--Returns With Net Income: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued**

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

Item	Wholesale and retail trade--continued						
	Retail trade--continued						Wholesale and retail trade not allocable
	Food stores	Automotive dealers and service stations	Apparel and accessory stores	Furniture and home furnishing stores	Eating and drinking places	Miscellaneous retail stores	
(46)	(47)	(48)	(49)	(50)	(51)	(52)	
<b>Number of returns.....</b>	<b>25,823</b>	<b>35,660</b>	<b>9,051</b>	<b>16,338</b>	<b>69,610</b>	<b>68,742</b>	<b>1,282</b>
<b>Number of shareholders.....</b>	<b>47,381</b>	<b>62,732</b>	<b>13,271</b>	<b>29,705</b>	<b>138,083</b>	<b>117,372</b>	<b>1,692</b>
<b>Income from a trade or business:</b>							
<b>Total receipts <sup>1</sup>.....</b>	<b>57,888,248</b>	<b>320,104,789</b>	<b>10,068,996</b>	<b>27,746,003</b>	<b>61,978,787</b>	<b>94,565,119</b>	<b>1,750,361</b>
Business receipts.....	57,068,234	315,492,637	9,922,046	27,349,117	60,867,293	93,409,929	1,735,468
Interest on Government obligations:							
State and local.....	8,282	3,961	*754	3,790	2,362	25,645	--
Net gain, noncapital assets.....	54,790	258,664	*214	40,284	178,639	121,487	*64
Other receipts.....	756,943	4,349,527	145,983	352,812	930,492	1,008,058	*14,829
<b>Total deductions.....</b>	<b>56,198,726</b>	<b>315,136,851</b>	<b>9,626,927</b>	<b>26,435,226</b>	<b>58,082,115</b>	<b>89,533,064</b>	<b>1,653,374</b>
Cost of goods sold.....	42,987,817	275,225,015	6,153,403	17,107,629	24,589,217	62,599,059	1,243,754
Compensation of officers.....	717,954	3,010,478	278,816	759,472	1,922,413	3,059,692	*39,707
Salaries and wages.....	5,043,952	14,970,753	958,396	2,958,809	11,354,742	8,671,436	103,490
Repairs.....	431,479	834,747	49,340	147,548	1,072,041	435,548	5,149
Bad debts.....	43,298	210,065	10,927	75,133	36,950	211,244	*1,246
Rent paid on business property.....	1,245,835	2,815,303	610,317	1,047,623	4,014,581	2,640,453	35,508
Taxes paid.....	865,801	2,706,317	230,203	546,120	2,477,144	1,571,667	19,565
Interest paid.....	266,684	2,026,310	102,657	152,959	597,210	662,895	*21,439
Amortization.....	49,410	59,876	9,301	7,225	156,679	77,336	*677
Depreciation.....	656,654	1,349,195	96,634	332,691	1,218,973	937,495	27,749
Depletion.....	--	--	*7,081	--	--	*68	--
Advertising.....	519,950	2,848,868	272,967	974,851	1,858,298	1,813,329	13,493
Pension, profit-sharing, stock bonus, and annuity plans.....	112,962	182,215	17,286	50,321	57,045	241,616	*3,918
Employee benefit programs.....	342,757	1,020,074	25,849	135,638	345,081	374,567	*4,766
Net loss, noncapital assets.....	*751	12,779	--	*396	1,862	12,888	--
Other deductions.....	2,913,422	7,864,856	803,749	2,138,810	8,379,879	6,223,771	132,915
<b>Total receipts less total deductions <sup>1</sup>.....</b>	<b>1,689,522</b>	<b>4,967,938</b>	<b>442,070</b>	<b>1,310,777</b>	<b>3,896,672</b>	<b>5,032,055</b>	<b>96,987</b>
<b>Net income (less deficit)</b>							
<b>from a trade or business.....</b>	<b>1,681,241</b>	<b>4,963,976</b>	<b>441,316</b>	<b>1,306,988</b>	<b>3,894,310</b>	<b>5,006,410</b>	<b>96,987</b>
Net income.....	1,699,046	5,045,581	456,686	1,355,908	3,925,556	5,089,921	96,987
Deficit.....	17,805	81,605	*15,370	*48,921	31,246	83,511	--
<b>Portfolio income (less deficit)</b>							
<b>distributed to shareholders.....</b>	<b>139,432</b>	<b>875,263</b>	<b>89,885</b>	<b>1,151,584</b>	<b>530,605</b>	<b>723,786</b>	<b>*2,250</b>
Dividend income.....	10,086	11,104	2,063	5,867	10,775	27,451	--
Interest income.....	94,428	344,926	9,806	67,956	141,366	156,696	*2,250
Royalty income (less loss).....	12	*844	--	1,078	*3,797	*21,336	--
Net short-term capital gain (less loss).....	-806	3,705	*228	*421	15,246	47,827	--
Net long-term capital gain (less loss).....	35,712	513,638	*77,789	1,076,241	359,046	470,456	--
Other portfolio income (net).....	( <sup>2</sup> )	*1,046	--	*21	*376	*20	--
<b>Real estate rental net income</b>							
<b>(less deficit).....</b>	<b>33,864</b>	<b>50,195</b>	<b>*396</b>	<b>11,039</b>	<b>13,882</b>	<b>50,694</b>	<b>--</b>
Net income.....	35,062	54,939	*482	11,166	14,934	58,904	--
Deficit.....	*1,198	4,744	*85	*127	*1,051	8,210	--
<b>Net income (less deficit)</b>							
<b>from other rental activity.....</b>	<b>*19,737</b>	<b>12,483</b>	<b>*392</b>	<b>--</b>	<b>22,792</b>	<b>40,497</b>	<b>*41</b>
Net income.....	*19,737	21,084	*392	--	*22,944	40,497	*41
Deficit.....	--	8,602	--	--	*152	--	--
<b>Total net income.....</b>	<b>1,874,273</b>	<b>5,901,918</b>	<b>531,989</b>	<b>2,469,610</b>	<b>4,461,589</b>	<b>5,821,386</b>	<b>99,278</b>

Footnotes at end of table.

# S Corporation Returns, 1997

**Table 2.--Returns With Net Income: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued**

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

Item	Finance, insurance, and real estate							Holding and other investment companies, except bank holding companies
	Total	Banking	Credit agencies other than banks	Security, commodity brokers, and services	Insurance	Insurance agents, brokers, and services	Real estate	
	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
<b>Number of returns.....</b>	<b>240,955</b>	<b>719</b>	<b>9,268</b>	<b>11,270</b>	--	<b>32,492</b>	<b>170,936</b>	<b>16,271</b>
<b>Number of shareholders.....</b>	<b>576,316</b>	<b>8,424</b>	<b>19,286</b>	<b>19,675</b>	--	<b>52,650</b>	<b>432,712</b>	<b>43,569</b>
<b>Income from a trade or business:</b>								
<b>Total receipts <sup>1</sup>.....</b>	<b>85,635,811</b>	<b>4,160,530</b>	<b>7,269,351</b>	<b>10,976,978</b>	--	<b>15,737,819</b>	<b>43,917,624</b>	<b>3,573,510</b>
Business receipts.....	75,176,688	1,713,598	5,355,254	9,773,011	--	15,384,213	41,118,189	1,832,423
Interest on Government obligations:								
State and local.....	304,298	104,212	12,385	47,972	--	10,768	58,452	70,509
Net gain, noncapital assets.....	483,785	24,341	85,516	33,711	--	31,378	252,521	56,317
Other receipts.....	9,671,039	2,318,377	1,816,195	1,122,283	--	311,460	2,488,462	1,614,261
<b>Total deductions.....</b>	<b>72,003,974</b>	<b>3,184,016</b>	<b>5,929,486</b>	<b>9,077,473</b>	--	<b>13,526,765</b>	<b>38,005,367</b>	<b>2,280,869</b>
Cost of goods sold.....	17,796,873	--	--	--	--	1,714,562	15,651,586	430,725
Compensation of officers.....	7,545,356	262,004	466,110	2,106,377	--	2,244,486	2,370,829	95,550
Salaries and wages.....	17,794,154	412,994	1,796,816	2,773,195	--	4,281,756	8,049,311	480,082
Repairs.....	625,921	43,689	39,979	37,157	--	111,881	381,082	12,133
Bad debts.....	410,472	73,277	195,945	40,662	--	31,125	63,878	5,585
Rent paid on business property.....	2,170,433	44,634	213,316	289,053	--	533,163	1,057,880	32,386
Taxes paid.....	2,201,781	94,179	226,093	314,360	--	504,638	987,630	74,882
Interest paid.....	4,010,313	1,524,647	988,177	405,277	--	136,722	832,638	122,852
Amortization.....	194,186	23,486	29,854	9,850	--	59,003	68,315	3,677
Depreciation.....	959,692	85,663	98,855	97,035	--	170,908	469,554	37,676
Depletion.....	1,809	6	*670	--	--	*676	*290	*167
Advertising.....	1,427,014	28,298	162,838	129,778	--	330,927	755,814	19,359
Pension, profit-sharing, stock bonus, and annuity plans.....	579,359	25,828	48,355	115,477	--	184,305	185,985	19,409
Employee benefit programs.....	670,726	57,374	54,272	71,231	--	208,893	253,660	25,296
Net loss, noncapital assets.....	20,580	3,160	10,236	*169	--	*280	5,851	*884
Other deductions.....	15,595,305	504,777	1,597,969	2,687,853	--	3,013,439	6,871,063	920,204
<b>Total receipts less total deductions <sup>1</sup>.....</b>	<b>13,631,837</b>	<b>976,514</b>	<b>1,339,865</b>	<b>1,899,505</b>	--	<b>2,211,054</b>	<b>5,912,258</b>	<b>1,292,641</b>
<b>Net income (less deficit)</b>								
<b>from a trade or business.....</b>	<b>13,327,539</b>	<b>872,302</b>	<b>1,327,480</b>	<b>1,851,533</b>	--	<b>2,200,287</b>	<b>5,853,805</b>	<b>1,222,132</b>
Net income.....	14,724,204	873,543	1,421,614	2,436,694	--	2,222,966	6,282,437	1,486,950
Deficit.....	1,396,665	1,242	94,134	585,160	--	22,679	428,632	264,818
<b>Portfolio income (less deficit)</b>								
<b>distributed to shareholders.....</b>	<b>9,365,274</b>	<b>29,996</b>	<b>311,417</b>	<b>2,007,622</b>	--	<b>460,349</b>	<b>3,119,718</b>	<b>3,436,171</b>
Dividend income.....	548,580	3,575	3,232	68,719	--	28,872	89,374	354,808
Interest income.....	2,335,293	19,140	191,193	270,683	--	172,342	1,198,386	483,548
Royalty income (less loss).....	79,262	4	*55	*67	--	--	15,218	63,917
Net short-term capital gain (less loss).....	864,929	49	16,508	580,966	--	10,719	50,916	205,771
Net long-term capital gain (less loss).....	5,467,613	4,954	99,694	1,076,050	--	244,196	1,749,353	2,293,365
Other portfolio income (net).....	69,596	*2,274	*734	11,136	--	*4,219	16,470	34,763
<b>Real estate rental net income</b>								
<b>(less deficit).....</b>	<b>4,136,611</b>	<b>3,280</b>	<b>2,601</b>	<b>2,375</b>	--	<b>5,632</b>	<b>4,060,730</b>	<b>61,993</b>
Net income.....	4,272,377	3,701	4,888	*3,931	--	*5,874	4,183,119	70,863
Deficit.....	135,766	422	2,287	*1,556	--	*242	122,389	8,870
<b>Net income (less deficit)</b>								
<b>from other rental activity.....</b>	<b>58,748</b>	<b>155</b>	<b>*1,324</b>	<b>*3,100</b>	--	<b>*-121</b>	<b>52,880</b>	<b>1,410</b>
Net income.....	70,033	936	*1,324	*3,136	--	*35	60,693	*3,908
Deficit.....	11,285	*781	--	37	--	*156	7,814	*2,498
<b>Total net income.....</b>	<b>26,888,171</b>	<b>905,732</b>	<b>1,642,823</b>	<b>3,864,630</b>	--	<b>2,666,147</b>	<b>13,087,133</b>	<b>4,721,707</b>

Footnotes at end of table.

# S Corporation Returns, 1997

**Table 2.--Returns With Net Income: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Major Industrial Group--Continued**

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

Item	Services							Nature of business not allocable
	Total	Hotels and other lodging places	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
<b>Number of returns.....</b>	<b>559,962</b>	<b>11,279</b>	<b>37,138</b>	<b>166,319</b>	<b>56,819</b>	<b>42,338</b>	<b>246,069</b>	<b>*1,286</b>
<b>Number of shareholders.....</b>	<b>914,076</b>	<b>32,831</b>	<b>59,246</b>	<b>268,894</b>	<b>88,744</b>	<b>73,343</b>	<b>391,018</b>	<b>*5,316</b>
<b>Income from a trade or business:</b>								
<b>Total receipts <sup>1</sup>.....</b>	<b>359,203,086</b>	<b>9,792,452</b>	<b>12,761,875</b>	<b>136,659,396</b>	<b>29,207,917</b>	<b>29,832,430</b>	<b>140,949,016</b>	<b>*173,808</b>
Business receipts.....	349,535,604	9,551,172	12,629,564	133,172,556	28,854,187	28,331,882	136,996,243	*172,529
Interest on Government obligations:								
State and local.....	102,427	5,318	*740	32,109	*392	19,171	44,697	--
Net gain, noncapital assets.....	1,286,199	39,797	26,973	581,940	177,898	210,374	249,217	--
Other receipts.....	8,278,855	196,165	104,598	2,872,790	175,440	1,271,003	3,658,859	*1,279
<b>Total deductions.....</b>	<b>319,929,658</b>	<b>8,717,887</b>	<b>11,455,113</b>	<b>122,859,266</b>	<b>27,197,799</b>	<b>26,156,521</b>	<b>123,543,072</b>	<b>*161,113</b>
Cost of goods sold.....	103,134,955	1,336,169	3,456,975	52,577,371	13,604,228	7,954,215	24,205,997	*123,291
Compensation of officers.....	35,031,727	340,759	811,232	10,327,137	1,587,753	2,481,260	19,483,587	*8,449
Salaries and wages.....	67,981,164	1,851,293	2,320,154	23,818,638	3,606,758	4,435,820	31,948,501	*5,526
Repairs.....	3,098,985	326,998	219,916	735,289	309,722	518,200	988,861	*148
Bad debts.....	547,768	11,615	47,996	190,240	41,484	22,110	234,323	--
Rent paid on business property.....	12,772,600	444,803	1,057,475	3,094,793	1,483,099	1,328,607	5,363,824	*3,800
Taxes paid.....	12,642,308	581,297	545,854	4,184,892	1,002,286	1,173,523	5,154,457	*808
Interest paid.....	3,640,528	656,167	141,474	931,437	386,870	436,884	1,087,697	--
Amortization.....	825,173	30,493	21,534	200,775	34,165	372,791	165,416	--
Depreciation.....	6,933,289	607,380	346,715	2,233,946	970,780	1,141,083	1,633,385	*2,630
Depletion.....	*49	--	--	*49	--	--	*(?)	--
Advertising.....	4,251,105	190,964	326,803	1,291,723	425,768	598,609	1,417,239	--
Pension, profit-sharing, stock bonus, and annuity plans.....	3,038,217	8,000	57,246	882,734	58,555	99,825	1,931,857	--
Employee benefit programs.....	3,820,696	72,278	80,046	1,449,960	256,687	176,316	1,785,409	--
Net loss, noncapital assets.....	86,445	*178	*78	28,340	*10,722	19,026	28,102	--
Other deductions.....	62,124,648	2,259,496	2,021,616	20,911,944	3,418,922	5,398,253	28,114,417	*16,462
<b>Total receipts less total deductions <sup>1</sup>.....</b>	<b>39,273,428</b>	<b>1,074,565</b>	<b>1,306,762</b>	<b>13,800,130</b>	<b>2,010,118</b>	<b>3,675,909</b>	<b>17,405,944</b>	<b>*12,695</b>
<b>Net income (less deficit)</b>								
<b>from a trade or business.....</b>	<b>39,171,001</b>	<b>1,069,247</b>	<b>1,306,022</b>	<b>13,768,021</b>	<b>2,009,726</b>	<b>3,656,738</b>	<b>17,361,247</b>	<b>*12,695</b>
Net income.....	39,745,117	1,086,717	1,327,227	13,974,231	2,024,922	3,797,037	17,534,984	*13,825
Deficit.....	574,116	17,470	21,205	206,210	*15,196	140,299	173,737	*1,130
<b>Portfolio income (less deficit)</b>								
<b>distributed to shareholders.....</b>	<b>6,354,165</b>	<b>147,814</b>	<b>112,406</b>	<b>3,244,016</b>	<b>74,818</b>	<b>721,471</b>	<b>2,053,641</b>	<b>*9,943</b>
Dividend income.....	183,239	7,122	5,681	87,075	5,070	18,065	60,226	--
Interest income.....	1,403,465	126,923	43,591	542,759	45,384	203,766	441,043	*2,329
Royalty income (less loss).....	335,932	--	--	41,963	*10,596	206,613	76,761	--
Net short-term capital gain (less loss).....	14,724	6	*2,134	85,312	*3,365	-77,556	1,464	--
Net long-term capital gain (less loss).....	4,339,500	12,469	60,927	2,412,301	9,769	370,505	1,473,529	*7,615
Other portfolio income (net).....	77,305	*1,294	*73	74,607	*634	*79	*618	--
<b>Real estate rental net income</b>								
<b>(less deficit).....</b>	<b>323,504</b>	<b>44,146</b>	<b>24,713</b>	<b>93,077</b>	<b>36,494</b>	<b>54,445</b>	<b>70,629</b>	<b>--</b>
Net income.....	365,596	46,206	*28,391	109,734	37,220	60,192	83,852	--
Deficit.....	42,092	*2,060	*3,678	16,657	*727	5,747	13,223	--
<b>Net income (less deficit)</b>								
<b>from other rental activity.....</b>	<b>406,651</b>	<b>*3,359</b>	<b>*615</b>	<b>266,253</b>	<b>96,611</b>	<b>3,843</b>	<b>35,970</b>	<b>--</b>
Net income.....	454,670	*3,359	*623	312,883	96,611	4,415	36,779	--
Deficit.....	48,019	--	*9	46,629	--	*572	*809	--
<b>Total net income.....</b>	<b>46,255,320</b>	<b>1,264,566</b>	<b>1,443,755</b>	<b>17,371,367</b>	<b>2,217,648</b>	<b>4,436,497</b>	<b>19,521,487</b>	<b>*22,638</b>

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

<sup>1</sup> Includes interest on Government obligations: State and local, which is not reflected in net income (less deficit) from a trade or business.

<sup>2</sup> Less than \$500.

NOTE: Detail may not add to total due to rounding.

# S Corporation Returns, 1997

## Table 3.--All Returns: Balance Sheets, by Major Industrial Group

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

Item	All industries	Agriculture, forestry, and fishing	Mining					Nonmetallic minerals, except fuels
			Total	Metal mining	Coal mining	Oil and gas extraction		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
<b>Number of returns.....</b>	<b>2,452,254</b>	<b>88,270</b>	<b>16,403</b>	<b>*1,192</b>	<b>823</b>	<b>12,202</b>	<b>2,186</b>	
<b>Number of shareholders.....</b>	<b>4,656,807</b>	<b>214,565</b>	<b>39,142</b>	<b>*8,464</b>	<b>1,628</b>	<b>24,645</b>	<b>4,404</b>	
<b>Total assets.....</b>	<b>1,307,473,289</b>	<b>34,344,520</b>	<b>17,430,158</b>	<b>*277,080</b>	<b>2,923,672</b>	<b>11,263,856</b>	<b>2,965,550</b>	
Cash.....	130,898,379	2,544,448	2,193,256	*56,148	358,540	1,388,115	390,452	
Notes and accounts receivable.....	271,562,884	3,009,627	2,074,908	*32,687	298,171	1,325,561	418,489	
Less: Allowance for bad debts.....	3,765,625	9,231	10,375	--	577	*5,336	4,462	
Inventories.....	221,503,423	2,502,370	440,734	*11,396	73,103	162,474	193,762	
Investments in								
Government obligations.....	17,654,810	53,938	432,898	--	*121,425	244,822	*66,651	
Tax-exempt securities.....	5,942,443	*202,353	129,719	--	*21,356	*94,882	*13,481	
Other current assets.....	72,643,744	1,576,017	614,607	*14,599	18,526	433,511	147,970	
Loans to shareholders.....	24,213,260	710,868	305,069	--	*9,336	281,459	*14,274	
Mortgage and real estate loans.....	24,464,235	541,414	*2,615	--	--	*21	*2,594	
Other investments.....	110,801,040	2,872,728	4,832,425	*16,993	996,077	3,558,346	261,009	
Depreciable assets.....	675,135,086	30,622,956	8,938,371	*208,684	2,239,942	3,628,765	2,860,980	
Less: Accumulated depreciation.....	356,513,009	18,868,586	5,614,726	*153,661	1,549,327	2,089,306	1,822,431	
Depletable assets.....	6,747,225	237,524	3,654,807	*21,128	*183,988	3,304,789	144,901	
Less: Accumulated depletion.....	2,635,570	*54,982	1,810,804	--	*64,341	1,678,154	68,309	
Land.....	58,990,322	6,817,166	432,656	*45,875	48,066	118,060	220,655	
Intangible assets (amortizable).....	36,243,477	495,814	444,665	*9,424	*18,241	371,298	45,702	
Less: Accumulated amortization.....	12,970,868	130,919	169,117	*9,191	*6,941	138,024	14,961	
Other assets.....	26,558,032	1,221,016	538,449	*22,997	158,086	262,573	94,793	
<b>Total liabilities.....</b>	<b>1,307,473,289</b>	<b>34,344,520</b>	<b>17,430,158</b>	<b>*277,080</b>	<b>2,923,672</b>	<b>11,263,856</b>	<b>2,965,550</b>	
Accounts payable.....	167,345,030	1,667,140	1,314,037	*22,322	196,533	879,071	216,111	
Mortgages, notes, and bonds payable in less than 1 year.....	171,306,160	5,488,810	1,115,387	*19,821	266,025	633,350	196,191	
Other current liabilities.....	153,304,084	1,483,997	1,100,576	*4,957	228,414	760,213	106,990	
Loans from stockholders.....	127,766,013	7,036,017	1,643,095	*84,764	658,183	804,486	95,662	
Mortgages, notes, and bonds payable in 1 year or more.....	272,619,511	9,179,716	2,596,228	*23,819	373,162	1,582,573	616,674	
Other liabilities.....	35,380,750	997,512	773,669	*5,873	368,721	369,991	29,083	
Net worth, total.....	379,751,741	8,491,328	8,887,167	*115,524	832,633	6,234,171	1,704,839	
Capital stock.....	52,589,889	3,939,368	612,074	*86,152	27,444	454,099	44,379	
Paid-in or capital surplus.....	125,608,318	8,084,417	3,248,478	*344,218	248,786	2,422,191	233,283	
Retained earnings, unappropriated.....	218,889,559	-2,950,005	5,332,014	*-307,238	698,404	3,435,652	1,505,195	
Adjustments to shareholders' equity <sup>1</sup> .....	1,167,214	158,507	*20,806	--	*3,748	*17,058	--	
Less: Cost of treasury stock.....	18,503,239	740,958	326,207	*7,609	*145,750	94,829	*78,018	

Footnotes at end of table.

# S Corporation Returns, 1997

## Table 3.--All Returns: Balance Sheets, by Major Industrial Group--Continued

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

Item	Construction				Manufacturing			
	Total	General building contractors and operative builders	Heavy construction contractors	Special trade contractors	Total	Food and kindred products	Tobacco manufactures	Textile mill products
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
<b>Number of returns.....</b>	<b>261,104</b>	<b>101,623</b>	<b>9,242</b>	<b>150,239</b>	<b>153,249</b>	<b>9,507</b>	<b>3</b>	<b>2,471</b>
<b>Number of shareholders.....</b>	<b>414,392</b>	<b>160,376</b>	<b>16,705</b>	<b>237,310</b>	<b>363,440</b>	<b>38,906</b>	<b>12</b>	<b>5,830</b>
<b>Total assets.....</b>	<b>121,033,444</b>	<b>59,719,551</b>	<b>19,116,514</b>	<b>42,197,378</b>	<b>227,661,004</b>	<b>25,528,011</b>	<b>137,495</b>	<b>8,924,632</b>
Cash.....	17,521,322	7,470,072	3,807,461	6,243,789	20,691,366	1,960,008	21,549	671,024
Notes and accounts receivable.....	36,590,008	14,641,661	5,572,152	16,376,195	57,440,577	5,282,184	9,048	2,151,361
Less: Allowance for bad debts.....	243,254	36,382	101,010	105,862	1,026,532	66,194	186	68,966
Inventories.....	17,340,683	14,267,657	445,809	2,627,216	48,589,180	5,661,815	63,385	2,102,283
Investments in								
Government obligations.....	652,951	249,136	309,276	94,539	1,316,947	174,299	--	*112,542
Tax-exempt securities.....	306,060	121,688	115,921	68,451	968,101	38,280	--	*40,806
Other current assets.....	13,261,374	8,557,049	1,417,791	3,286,534	8,208,056	614,203	2,145	400,103
Loans to shareholders.....	2,322,007	1,012,386	230,805	1,078,815	2,603,718	210,004	159	54,654
Mortgage and real estate loans.....	711,700	551,717	22,531	137,452	479,033	*46,990	--	*617
Other investments.....	7,198,890	3,720,969	1,991,025	1,486,895	14,335,370	1,722,817	12,142	637,416
Depreciable assets.....	50,718,836	12,429,238	13,654,965	24,634,633	146,750,104	18,657,326	39,000	5,801,838
Less: Accumulated depreciation.....	31,067,655	6,741,968	9,019,321	15,306,367	85,571,377	10,218,241	16,788	3,590,463
Depletable assets.....	105,653	*6,041	97,452	*2,161	1,852,680	*14,065	--	4,847
Less: Accumulated depletion.....	30,162	2,138	26,096	*1,928	349,511	*2,993	--	4,847
Land.....	3,064,836	1,953,938	323,793	787,105	3,480,781	517,261	1,911	123,567
Intangible assets (amortizable).....	518,824	113,202	24,563	381,060	5,709,043	711,341	4,101	111,005
Less: Accumulated amortization.....	171,319	48,233	11,914	111,172	1,843,708	187,449	1,695	21,286
Other assets.....	2,232,690	1,453,519	261,308	517,863	4,027,177	392,295	2,723	398,130
<b>Total liabilities.....</b>	<b>121,033,444</b>	<b>59,719,551</b>	<b>19,116,514</b>	<b>42,197,378</b>	<b>227,661,004</b>	<b>25,528,011</b>	<b>137,495</b>	<b>8,924,632</b>
Accounts payable.....	26,356,629	14,113,670	4,518,200	7,724,759	31,578,717	3,448,525	6,183	1,411,855
Mortgages, notes, and bonds payable in less than 1 year.....	15,760,204	10,862,232	1,202,059	3,695,912	22,510,408	2,588,527	55,978	742,482
Other current liabilities.....	18,342,721	9,315,988	2,468,919	6,557,813	19,510,570	1,662,119	18,081	576,336
Loans from stockholders.....	7,914,211	4,630,678	502,317	2,781,216	12,709,287	1,019,957	--	358,070
Mortgages, notes, and bonds payable in 1 year or more.....	15,167,601	7,052,196	2,246,704	5,868,700	36,828,988	4,864,348	351	1,862,876
Other liabilities.....	2,690,988	1,341,377	348,311	1,001,301	5,378,390	373,978	60	214,311
Net worth, total.....	34,801,090	12,403,409	7,830,004	14,567,677	99,144,644	11,570,556	56,842	3,758,702
Capital stock.....	2,674,402	1,173,315	370,856	1,130,231	7,409,281	812,070	156	235,454
Paid-in or capital surplus.....	5,838,191	2,999,814	868,296	1,970,081	12,010,331	1,437,296	11,371	404,495
Retained earnings, unappropriated.....	27,377,685	8,371,109	6,825,743	12,180,832	83,786,626	9,550,964	45,314	3,316,099
Adjustments to shareholders' equity <sup>1</sup> .....	147,536	106,934	*11,888	28,715	312,756	*173,285	--	*1,392
Less: Cost of treasury stock.....	1,236,725	247,763	246,779	742,182	4,374,349	403,059	--	198,738

Footnotes at end of table.

# S Corporation Returns, 1997

## Table 3.--All Returns: Balance Sheets, by Major Industrial Group--Continued

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

Item	Manufacturing--continued							
	Apparel and other textile products	Lumber and wood products	Furniture and fixtures	Paper and allied products	Printing and publishing	Chemical and allied products	Petroleum (including integrated) and coal products	Rubber and miscellaneous plastics products
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
<b>Number of returns.....</b>	<b>7,838</b>	<b>11,397</b>	<b>4,584</b>	<b>1,752</b>	<b>29,312</b>	<b>5,677</b>	<b>241</b>	<b>6,046</b>
<b>Number of shareholders.....</b>	<b>16,290</b>	<b>25,000</b>	<b>10,969</b>	<b>6,025</b>	<b>60,788</b>	<b>13,597</b>	<b>395</b>	<b>15,375</b>
<b>Total assets.....</b>	<b>11,001,335</b>	<b>12,548,570</b>	<b>5,170,673</b>	<b>9,290,575</b>	<b>20,944,282</b>	<b>10,793,925</b>	<b>1,041,151</b>	<b>15,989,984</b>
Cash.....	830,295	914,209	465,600	689,122	2,190,085	1,062,115	131,483	1,367,152
Notes and accounts receivable.....	2,815,923	1,978,563	1,656,859	2,074,989	5,490,980	3,065,944	293,936	4,040,102
Less: Allowance for bad debts.....	56,653	33,504	22,125	39,473	236,160	53,117	*2,034	47,690
Inventories.....	3,894,649	2,903,583	1,234,628	1,512,331	1,676,334	2,320,042	183,926	2,906,669
Investments in								
Government obligations.....	*64,249	*48,387	*16,546	*75,460	*88,887	*19,439	--	*31,644
Tax-exempt securities.....	*16,367	--	*77,296	*93,163	*146,267	*29,596	--	*154,470
Other current assets.....	596,581	552,373	96,790	467,653	1,187,512	242,689	25,734	491,390
Loans to shareholders.....	212,940	74,624	15,153	73,125	325,033	140,899	*1,881	151,288
Mortgage and real estate loans.....	*20,629	*40,454	4,815	*16,958	*38,192	*6,859	*7,628	*16,034
Other investments.....	705,371	485,891	159,598	616,798	1,562,599	659,947	*44,210	1,145,295
Depreciable assets.....	4,067,651	8,279,296	3,042,844	7,266,147	14,899,718	5,994,431	846,308	12,686,303
Less: Accumulated depreciation.....	2,398,734	4,818,121	1,786,541	3,876,277	8,621,147	3,370,252	528,518	7,500,160
Depletable assets.....	--	1,494,515	--	*67,066	64,254	*327	2,669	--
Less: Accumulated depletion.....	--	*146,638	--	*23,049	130	*300	1,152	--
Land.....	64,692	390,774	84,056	85,034	257,133	152,483	*22,087	203,188
Intangible assets (amortizable).....	84,626	130,451	66,521	113,361	1,855,138	428,980	*6,295	252,357
Less: Accumulated amortization.....	46,313	35,845	28,226	39,504	574,693	107,490	*3,557	87,308
Other assets.....	129,063	289,557	86,858	117,670	594,278	201,332	*10,255	179,250
<b>Total liabilities.....</b>	<b>11,001,335</b>	<b>12,548,570</b>	<b>5,170,673</b>	<b>9,290,575</b>	<b>20,944,282</b>	<b>10,793,925</b>	<b>1,041,151</b>	<b>15,989,984</b>
Accounts payable.....	2,125,619	1,129,584	633,368	1,300,960	2,545,363	1,553,540	178,205	2,469,577
Mortgages, notes, and bonds payable in less than 1 year.....	1,374,607	1,313,951	609,444	747,263	1,632,708	1,216,220	*124,542	1,425,551
Other current liabilities.....	969,927	965,064	619,985	529,257	2,739,176	720,538	33,851	1,122,412
Loans from stockholders.....	1,231,783	921,430	236,995	210,884	1,132,201	1,111,464	*109,599	673,129
Mortgages, notes, and bonds payable in 1 year or more.....	1,332,538	2,389,413	671,317	1,595,550	4,766,664	1,612,543	*154,681	2,986,642
Other liabilities.....	272,136	318,562	39,989	207,863	986,828	239,053	13,263	159,111
Net worth, total.....	3,694,726	5,510,567	2,359,576	4,698,799	7,141,343	4,340,566	427,011	7,153,562
Capital stock.....	317,578	321,965	188,706	172,703	1,321,744	252,384	3,019	320,066
Paid-in or capital surplus.....	761,948	480,108	129,829	341,646	1,366,159	509,159	*59,590	689,308
Retained earnings, unappropriated.....	2,868,658	4,783,331	2,146,280	4,262,638	4,998,612	3,770,804	364,679	6,273,730
Adjustments to shareholders' equity <sup>1</sup> .....	*21,729	*-1,596	*1,207	--	*-28,941	-781	--	*21,944
Less: Cost of treasury stock.....	275,187	73,242	106,446	78,189	516,231	191,000	*276	151,485

Footnotes at end of table.

# S Corporation Returns, 1997

## Table 3.--All Returns: Balance Sheets, by Major Industrial Group--Continued

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

Item	Manufacturing--continued						
	Leather and leather products	Stone, clay, and glass products	Primary metal industries	Fabricated metal products	Machinery, except electrical	Electrical and electronic equipment	Motor vehicles and equipment
	(24)	(25)	(26)	(27)	(28)	(29)	(30)
<b>Number of returns.....</b>	<b>609</b>	<b>4,751</b>	<b>1,811</b>	<b>21,438</b>	<b>11,719</b>	<b>10,562</b>	<b>1,213</b>
<b>Number of shareholders.....</b>	<b>1,099</b>	<b>10,069</b>	<b>5,536</b>	<b>47,124</b>	<b>25,813</b>	<b>22,599</b>	<b>3,302</b>
<b>Total assets.....</b>	<b>1,228,273</b>	<b>7,138,025</b>	<b>7,722,648</b>	<b>31,687,424</b>	<b>17,398,355</b>	<b>14,223,177</b>	<b>4,811,397</b>
Cash.....	149,776	657,023	559,300	3,295,247	1,995,435	1,496,975	286,541
Notes and accounts receivable.....	354,209	1,525,929	2,090,670	8,380,208	4,649,878	4,142,481	1,391,442
Less: Allowance for bad debts.....	9,583	28,636	41,987	96,306	60,367	61,774	11,410
Inventories.....	388,663	961,141	1,364,216	6,270,649	4,297,533	3,619,572	1,285,987
Investments in							
Government obligations.....	--	*92,146	*5,215	224,469	185,944	*36,611	27,666
Tax-exempt securities.....	--	*16,035	*21,763	191,012	*37,576	*33,459	*23,671
Other current assets.....	44,469	190,670	238,264	1,052,280	613,299	468,665	212,301
Loans to shareholders.....	--	118,181	102,132	249,492	251,627	212,542	33,122
Mortgage and real estate loans.....	--	*7,450	*114	*45,867	*15,718	*23,483	--
Other investments.....	79,393	502,733	618,739	1,856,994	1,125,770	863,337	394,448
Depreciable assets.....	418,742	6,370,395	5,757,120	22,833,954	9,627,361	6,865,780	2,173,717
Less: Accumulated depreciation.....	228,290	3,945,073	3,299,347	13,811,974	5,918,227	3,919,893	1,148,195
Depletable assets.....	--	38,709	*163,051	*24	--	*1,925	--
Less: Accumulated depletion.....	--	11,487	*156,721	*24	--	*1,730	--
Land.....	18,723	217,750	182,278	455,792	202,526	184,042	50,246
Intangible assets (amortizable).....	*21,504	263,319	114,813	465,870	306,678	184,670	61,978
Less: Accumulated amortization.....	*21,431	30,802	71,867	166,338	103,408	92,678	12,330
Other assets.....	*12,098	192,543	74,895	440,209	171,012	165,711	42,214
<b>Total liabilities.....</b>	<b>1,228,273</b>	<b>7,138,025</b>	<b>7,722,648</b>	<b>31,687,424</b>	<b>17,398,355</b>	<b>14,223,177</b>	<b>4,811,397</b>
Accounts payable.....	114,261	703,353	1,236,932	4,380,531	2,457,371	1,888,304	794,126
Mortgages, notes, and bonds payable in less than 1 year.....	129,269	614,038	678,563	3,370,137	1,798,906	1,384,084	379,861
Other current liabilities.....	69,194	562,187	618,044	2,404,609	2,095,759	1,480,300	373,670
Loans from stockholders.....	*243,308	596,268	378,069	1,498,295	778,119	731,426	*65,709
Mortgages, notes, and bonds payable in 1 year or more.....	*134,588	1,156,880	1,445,161	4,672,407	2,169,214	1,560,739	553,680
Other liabilities.....	*3,064	75,009	304,471	532,392	389,102	240,914	216,402
Net worth, total.....	534,588	3,430,290	3,061,409	14,829,054	7,709,883	6,937,410	2,427,949
Capital stock.....	116,171	213,381	158,385	738,251	579,082	446,232	60,831
Paid-in or capital surplus.....	39,181	531,956	303,553	1,383,937	1,266,800	568,300	148,737
Retained earnings, unappropriated.....	400,602	2,810,508	2,733,827	13,425,630	6,307,768	6,122,645	2,270,674
Adjustments to shareholders' equity!.....	--	*-115	*-1,528	*66,241	*63	*19,962	-141
Less: Cost of treasury stock.....	*21,366	125,440	132,828	785,005	443,830	219,729	*52,152

Footnotes at end of table.



# S Corporation Returns, 1997

## Table 3.--All Returns: Balance Sheets, by Major Industrial Group--Continued

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

Item	Manufacturing--continued			Transportation and public utilities			
	Transportation equipment, except motor vehicles	Instruments and related products	Miscellaneous manufacturing and manufacturing not allocable	Total	Transportation	Communication	Electric, gas, and sanitary services
	(31)	(32)	(33)	(34)	(35)	(36)	(37)
<b>Number of returns.....</b>	<b>2,406</b>	<b>3,292</b>	<b>16,619</b>	<b>105,803</b>	<b>83,951</b>	<b>14,500</b>	<b>7,352</b>
<b>Number of shareholders.....</b>	<b>5,384</b>	<b>10,433</b>	<b>38,892</b>	<b>212,346</b>	<b>152,109</b>	<b>42,425</b>	<b>17,812</b>
<b>Total assets.....</b>	<b>4,076,672</b>	<b>4,201,072</b>	<b>13,803,329</b>	<b>58,659,212</b>	<b>39,966,331</b>	<b>11,681,950</b>	<b>7,010,932</b>
Cash.....	302,804	362,101	1,283,524	5,417,759	3,635,613	1,084,344	697,802
Notes and accounts receivable.....	813,234	1,216,108	4,016,531	10,017,218	6,878,084	1,997,214	1,141,920
Less: Allowance for bad debts.....	12,734	24,580	53,054	175,716	84,921	85,359	5,437
Inventories.....	1,179,886	1,017,409	3,744,480	1,061,437	722,886	165,904	172,648
Investments in							
Government obligations.....	--	*74,061	*39,381	278,704	71,764	*98,801	*108,140
Tax-exempt securities.....	*5,235	*14,176	*28,930	244,513	176,405	*5,624	*62,484
Other current assets.....	131,657	204,983	374,295	3,456,058	2,483,021	713,366	259,671
Loans to shareholders.....	54,725	*106,357	215,782	1,728,835	1,045,268	351,915	331,652
Mortgage and real estate loans.....	*15,661	*70,717	*100,848	232,477	148,021	*16,753	*67,704
Other investments.....	302,307	234,483	605,079	5,276,659	2,512,082	1,909,231	855,347
Depreciable assets.....	2,398,538	1,807,694	6,915,940	52,466,678	40,390,934	6,392,498	5,683,247
Less: Accumulated depreciation.....	1,411,033	1,109,503	4,054,601	27,840,076	21,049,773	3,593,633	3,196,670
Depletable assets.....	--	*787	*440	122,174	*20,839	*1,040	*100,295
Less: Accumulated depletion.....	--	--	*440	76,137	*18,019	*522	*57,596
Land.....	45,206	52,881	169,151	1,588,674	1,060,895	173,773	354,006
Intangible assets (amortizable).....	69,828	91,279	364,927	3,656,552	961,474	2,250,477	444,601
Less: Accumulated amortization.....	25,631	48,804	137,056	1,145,787	371,210	556,617	217,960
Other assets.....	206,991	130,922	189,170	2,349,191	1,382,968	757,143	209,080
<b>Total liabilities.....</b>	<b>4,076,672</b>	<b>4,201,072</b>	<b>13,803,329</b>	<b>58,659,212</b>	<b>39,966,331</b>	<b>11,681,950</b>	<b>7,010,932</b>
Accounts payable.....	552,704	427,842	2,220,514	5,830,381	3,920,726	1,203,134	706,522
Mortgages, notes, and bonds payable in less than 1 year.....	298,364	238,763	1,787,150	6,135,974	4,338,164	906,996	890,813
Other current liabilities.....	429,480	434,301	1,086,281	4,616,319	3,153,532	1,055,869	406,917
Loans from stockholders.....	189,642	317,871	905,069	6,087,647	4,263,856	1,274,919	548,871
Mortgages, notes, and bonds payable in 1 year or more.....	652,654	375,425	1,871,317	18,625,376	12,607,334	4,005,835	2,012,207
Other liabilities.....	375,152	51,824	364,906	3,008,976	1,169,578	1,073,559	765,840
Net worth, total.....	1,578,675	2,355,045	5,568,091	14,354,539	10,513,141	2,161,638	1,679,761
Capital stock.....	162,848	250,854	737,402	2,370,320	1,439,469	752,381	178,470
Paid-in or capital surplus.....	337,192	338,389	901,377	8,286,804	5,827,839	1,642,074	816,891
Retained earnings, unappropriated.....	1,112,627	1,937,689	4,283,547	4,996,706	4,142,828	159,571	694,306
Adjustments to shareholders' equity <sup>1</sup> .....	*35,643	*-1,565	*5,956	-109,814	-16,637	*-169,966	*76,789
Less: Cost of treasury stock.....	*69,635	170,322	360,190	1,189,477	880,359	222,423	*86,695

Footnotes at end of table.

# S Corporation Returns, 1997

**Table 3.--All Returns: Balance Sheets, by Major Industrial Group--Continued**

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

Item	Wholesale and retail trade							
	Total	Wholesale trade				Retail trade		
		Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade	Total	Building materials, garden supplies, and mobile home dealers	General merchandise stores
(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	
<b>Number of returns.....</b>	<b>583,006</b>	<b>164,477</b>	<b>13,111</b>	<b>23,203</b>	<b>128,162</b>	<b>416,942</b>	<b>19,258</b>	<b>5,730</b>
<b>Number of shareholders.....</b>	<b>1,094,792</b>	<b>309,337</b>	<b>26,899</b>	<b>42,063</b>	<b>240,376</b>	<b>782,574</b>	<b>36,490</b>	<b>11,328</b>
<b>Total assets.....</b>	<b>371,105,598</b>	<b>167,307,776</b>	<b>14,490,638</b>	<b>22,553,635</b>	<b>130,263,502</b>	<b>202,890,755</b>	<b>13,590,024</b>	<b>3,565,787</b>
Cash.....	34,219,191	14,207,641	1,127,795	1,810,699	11,269,147	19,963,718	942,069	311,267
Notes and accounts receivable.....	78,126,159	53,062,010	5,151,847	6,234,425	41,675,738	24,850,279	2,918,498	343,185
Less: Allowance for bad debts.....	1,080,761	711,183	51,131	95,588	564,464	366,470	37,579	*3,921
Inventories.....	135,025,141	52,932,366	3,799,926	8,966,322	40,166,117	81,692,911	5,435,194	1,747,706
Investments in								
Government obligations.....	1,097,086	709,934	*60,189	*49,948	599,798	374,362	*7,239	*81,973
Tax-exempt securities.....	763,842	468,383	*15,077	*11,640	441,666	295,458	*42,275	*52,208
Other current assets.....	12,868,301	6,416,870	458,561	689,340	5,268,969	6,437,930	244,795	57,156
Loans to shareholders.....	5,118,970	1,864,357	286,757	159,636	1,417,964	3,251,924	296,935	*60,031
Mortgage and real estate loans.....	1,024,542	275,391	*14,829	*57,795	202,767	747,678	*32,878	--
Other investments.....	16,221,349	9,301,639	685,482	998,471	7,617,686	6,905,815	745,642	84,175
Depreciable assets.....	147,218,969	52,366,814	5,315,873	7,218,169	39,832,772	94,599,002	4,955,105	1,411,579
Less: Accumulated depreciation.....	81,558,656	30,670,391	3,223,228	3,998,909	23,448,254	50,778,070	2,882,973	793,586
Depletable assets.....	259,872	220,319	--	*9,452	210,867	39,553	*9,799	--
Less: Accumulated depletion.....	121,569	111,117	--	*46	*111,071	10,452	*812	--
Land.....	8,752,176	2,494,987	218,685	213,656	2,062,646	6,255,229	505,161	87,757
Intangible assets (amortizable).....	12,257,869	3,708,728	624,028	255,870	2,828,831	8,472,133	210,634	302,335
Less: Accumulated amortization.....	4,502,032	1,340,165	163,400	104,889	1,071,876	3,136,464	88,637	233,988
Other assets.....	5,415,152	2,111,193	169,347	77,644	1,864,202	3,296,221	253,802	57,911
<b>Total liabilities.....</b>	<b>371,105,598</b>	<b>167,307,776</b>	<b>14,490,638</b>	<b>22,553,635</b>	<b>130,263,502</b>	<b>202,890,755</b>	<b>13,590,024</b>	<b>3,565,787</b>
Accounts payable.....	66,674,518	39,704,813	3,914,256	5,015,135	30,775,423	26,814,869	2,048,183	796,883
Mortgages, notes, and bonds payable in less than 1 year.....	76,017,056	25,082,849	2,026,957	3,579,972	19,475,920	50,699,095	2,149,020	178,631
Other current liabilities.....	26,398,511	11,513,002	899,022	1,627,743	8,986,236	14,802,497	885,223	268,642
Loans from stockholders.....	34,433,389	10,963,199	942,058	1,480,367	8,540,774	23,312,514	1,260,945	432,521
Mortgages, notes, and bonds payable in 1 year or more.....	57,419,529	20,192,216	2,030,847	2,894,822	15,266,546	37,107,725	2,255,253	482,490
Other liabilities.....	4,865,576	2,060,484	195,544	296,349	1,568,590	2,750,839	174,544	98,020
Net worth, total.....	105,297,020	57,791,213	4,481,954	7,659,246	45,650,013	47,403,217	4,816,858	1,308,600
Capital stock.....	13,339,944	3,704,035	331,871	427,255	2,944,908	9,596,433	452,610	149,285
Paid-in or capital surplus.....	21,096,977	6,702,934	536,518	852,908	5,313,508	14,351,590	471,309	480,820
Retained earnings, unappropriated.....	76,575,126	50,119,046	3,746,671	6,813,723	39,558,652	26,425,422	4,367,844	736,997
Adjustments to shareholders' equity <sup>1</sup> .....	168,616	101,341	--	*-2,060	103,401	67,275	*10,144	*257
Less: Cost of treasury stock.....	5,883,642	2,836,143	133,106	432,580	2,270,456	3,037,503	485,049	*58,760

Footnotes at end of table.

# S Corporation Returns, 1997

## Table 3.--All Returns: Balance Sheets, by Major Industrial Group--Continued

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

Item	Wholesale and retail trade--continued						
	Retail trade--continued						Wholesale and retail trade not allocable
	Food stores	Automotive dealers and service stations	Apparel and accessory stores	Furniture and home furnishing stores	Eating and drinking places	Miscellaneous retail stores	
(46)	(47)	(48)	(49)	(50)	(51)	(52)	
<b>Number of returns</b> .....	<b>38,992</b>	<b>56,119</b>	<b>20,536</b>	<b>24,201</b>	<b>130,344</b>	<b>121,762</b>	<b>1,587</b>
<b>Number of shareholders</b> .....	<b>69,856</b>	<b>99,380</b>	<b>33,340</b>	<b>43,255</b>	<b>267,157</b>	<b>221,769</b>	<b>2,881</b>
<b>Total assets</b> .....	<b>16,785,534</b>	<b>83,529,959</b>	<b>5,178,654</b>	<b>11,262,825</b>	<b>28,748,749</b>	<b>40,229,224</b>	<b>907,067</b>
Cash.....	1,826,329	6,876,386	424,585	1,345,348	3,446,258	4,791,477	47,833
Notes and accounts receivable.....	911,524	10,111,858	416,873	1,860,370	1,390,947	6,897,024	213,870
Less: Allowance for bad debts.....	6,541	126,654	3,345	45,011	*9,198	134,220	*3,108
Inventories.....	3,680,190	47,409,188	2,710,306	4,527,029	1,347,425	14,835,875	399,864
Investments in							
Government obligations.....	*20,454	*95,395	296	*92,712	*35,508	*40,785	*12,790
Tax-exempt securities.....	*5,986	*49,530	4,725	*58,558	*4,331	*77,846	--
Other current assets.....	768,728	2,045,995	254,402	538,485	1,059,311	1,469,058	13,500
Loans to shareholders.....	259,957	973,846	10,765	126,149	946,192	578,049	*2,689
Mortgage and real estate loans.....	127,998	220,166	1,812	*42,492	183,571	138,760	*1,473
Other investments.....	859,426	1,666,884	202,124	367,326	1,238,235	1,742,002	*13,895
Depreciable assets.....	13,537,516	21,394,032	2,060,592	4,087,029	29,839,010	17,314,139	253,154
Less: Accumulated depreciation.....	7,276,603	10,588,404	1,122,376	2,195,913	15,959,628	9,958,587	110,195
Depletable assets.....	*15,209	*1,274	--	*10,884	*( ? )	*2,387	--
Less: Accumulated depletion.....	*2,867	*469	--	*5,867	--	*436	--
Land.....	804,178	2,099,645	41,606	202,887	1,796,487	717,509	*1,960
Intangible assets (amortizable).....	1,035,550	1,225,156	167,446	191,925	3,828,271	1,510,815	*77,008
Less: Accumulated amortization.....	348,072	472,371	44,134	62,308	1,332,367	554,588	*25,403
Other assets.....	566,574	548,502	52,977	120,731	934,395	761,329	*7,738
<b>Total liabilities</b> .....	<b>16,785,534</b>	<b>83,529,959</b>	<b>5,178,654</b>	<b>11,262,825</b>	<b>28,748,749</b>	<b>40,229,224</b>	<b>907,067</b>
Accounts payable.....	2,875,539	6,414,126	1,070,443	2,329,584	2,669,482	8,610,629	154,836
Mortgages, notes, and bonds payable in less than 1 year.....	1,008,743	40,208,875	465,224	784,923	1,858,087	4,045,592	235,111
Other current liabilities.....	1,075,414	4,974,756	389,110	1,394,688	2,395,401	3,419,265	83,012
Loans from stockholders.....	1,684,888	6,444,413	827,434	609,422	6,317,732	5,735,158	*157,676
Mortgages, notes, and bonds payable in 1 year or more.....	4,486,683	10,197,587	923,643	1,386,485	10,822,114	6,553,470	*119,589
Other liabilities.....	198,954	844,615	201,636	244,710	559,504	428,856	*54,253
Net worth, total.....	5,455,313	14,445,588	1,301,164	4,513,013	4,126,429	11,436,253	102,590
Capital stock.....	716,173	3,090,888	277,927	478,026	2,430,054	2,001,471	39,476
Paid-in or capital surplus.....	754,053	3,831,751	1,175,695	987,302	3,021,708	3,628,952	*42,453
Retained earnings, unappropriated.....	4,400,344	8,200,818	-129,157	3,120,754	-878,474	6,606,295	30,658
Adjustments to shareholders' equity <sup>1</sup> .....	669	10,386	*2,397	*1,588	27,424	*14,409	--
Less: Cost of treasury stock.....	415,925	688,256	*25,699	74,656	474,284	814,874	*9,996

Footnotes at end of table.

# S Corporation Returns, 1997

## Table 3.--All Returns: Balance Sheets, by Major Industrial Group--Continued

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

Item	Finance, insurance, and real estate							
	Total	Banking	Credit agencies other than banks	Security, commodity brokers, and services	Insurance	Insurance agents, brokers, and services	Real estate	Holding and other investment companies, except bank holding companies
	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
<b>Number of returns.....</b>	<b>382,153</b>	<b>758</b>	<b>15,468</b>	<b>15,029</b>	--	<b>43,990</b>	<b>281,126</b>	<b>25,782</b>
<b>Number of shareholders.....</b>	<b>877,115</b>	<b>8,789</b>	<b>30,260</b>	<b>24,729</b>	--	<b>73,316</b>	<b>679,769</b>	<b>60,251</b>
<b>Total assets.....</b>	<b>292,569,402</b>	<b>48,569,868</b>	<b>33,394,590</b>	<b>19,424,371</b>	--	<b>10,324,484</b>	<b>154,672,013</b>	<b>26,184,076</b>
Cash.....	21,688,616	2,773,794	3,086,723	2,457,619	--	2,739,972	9,055,663	1,574,844
Notes and accounts receivable.....	54,018,842	28,821,457	9,480,763	4,722,427	--	2,616,932	6,805,850	1,571,414
Less: Allowance for bad debts.....	685,090	360,248	243,740	*1,761	--	12,127	63,437	3,777
Inventories.....	10,136,278	--	--	--	--	--	9,949,849	186,430
Investments in								
Government obligations.....	13,300,272	8,726,740	387,176	3,250,111	--	*125,418	685,166	125,661
Tax-exempt securities.....	3,101,300	1,876,078	*30,307	*84,539	--	*85,019	365,102	660,255
Other current assets.....	21,016,053	1,681,511	2,103,253	3,819,013	--	833,509	10,627,897	1,950,870
Loans to shareholders.....	5,467,714	5,136	323,140	286,637	--	655,690	3,522,440	674,672
Mortgage and real estate loans.....	20,235,237	1,258,453	12,892,695	*137,205	--	*103,498	5,150,175	693,211
Other investments.....	43,076,488	2,677,309	3,611,659	3,345,484	--	1,154,991	16,080,207	16,206,838
Depreciable assets.....	96,494,137	1,376,122	1,412,639	1,487,956	--	2,860,878	87,191,589	2,164,954
Less: Accumulated depreciation.....	30,630,339	638,863	575,410	891,552	--	1,870,126	25,919,953	734,434
Depletable assets.....	376,664	2,190	--	68,956	--	*279	197,394	*107,844
Less: Accumulated depletion.....	160,946	1,591	--	52,913	--	*279	56,164	*49,999
Land.....	26,679,656	119,734	79,367	43,625	--	137,995	25,757,489	541,445
Intangible assets (amortizable).....	3,693,602	112,651	236,179	200,121	--	1,209,927	1,811,547	123,176
Less: Accumulated amortization.....	1,482,420	33,409	124,823	31,708	--	593,347	663,397	35,735
Other assets.....	6,243,339	172,804	694,662	498,613	--	276,255	4,174,597	426,408
<b>Total liabilities.....</b>	<b>292,569,402</b>	<b>48,569,868</b>	<b>33,394,590</b>	<b>19,424,371</b>	--	<b>10,324,484</b>	<b>154,672,013</b>	<b>26,184,076</b>
Accounts payable.....	17,829,683	4,433,497	1,182,133	5,142,723	--	3,292,792	3,367,053	411,485
Mortgages, notes, and bonds payable in less than 1 year.....	25,221,046	1,670,741	7,460,437	1,244,862	--	943,489	12,175,301	1,726,216
Other current liabilities.....	61,565,455	36,597,557	10,399,946	5,765,763	--	1,650,361	6,387,377	764,451
Loans from stockholders.....	29,595,913	36,809	1,425,780	573,618	--	561,211	24,151,482	2,847,012
Mortgages, notes, and bonds payable in 1 year or more.....	79,811,433	390,153	5,963,138	946,997	--	1,506,042	68,228,729	2,776,375
Other liabilities.....	11,037,462	481,007	2,250,599	488,396	--	268,171	6,555,434	993,855
Net worth, total.....	67,508,410	4,960,103	4,712,557	5,262,013	--	2,102,417	33,806,638	16,664,682
Capital stock.....	13,207,611	326,980	456,920	444,861	--	254,872	9,853,887	1,870,092
Paid-in or capital surplus.....	37,903,554	1,007,304	1,297,000	1,832,732	--	726,216	25,070,785	7,969,517
Retained earnings, unappropriated.....	18,520,845	3,807,177	2,922,020	3,108,082	--	1,430,323	-43,612	7,296,855
Adjustments to shareholders' equity <sup>1</sup> .....	264,349	19,107	*70,248	*28,961	--	*-12,527	154,923	*3,638
Less: Cost of treasury stock.....	2,387,949	200,465	33,631	152,622	--	296,467	1,229,346	475,419

Footnotes at end of table.

# S Corporation Returns, 1997

## Table 3.--All Returns: Balance Sheets, by Major Industrial Group--Continued

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

Item	Services							Nature of business not allocable
	Total	Hotels and other lodging places	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
<b>Number of returns.....</b>	<b>860,445</b>	<b>19,480</b>	<b>60,188</b>	<b>261,096</b>	<b>83,119</b>	<b>73,351</b>	<b>363,210</b>	<b>*1,821</b>
<b>Number of shareholders.....</b>	<b>1,434,631</b>	<b>51,530</b>	<b>96,516</b>	<b>426,167</b>	<b>126,758</b>	<b>144,886</b>	<b>588,775</b>	<b>*6,384</b>
<b>Total assets.....</b>	<b>184,401,457</b>	<b>21,811,717</b>	<b>7,723,018</b>	<b>59,365,754</b>	<b>16,025,991</b>	<b>25,048,835</b>	<b>54,426,142</b>	<b>*268,493</b>
Cash.....	26,546,021	1,320,265	941,223	9,561,972	1,644,887	3,441,772	9,635,903	*76,399
Notes and accounts receivable.....	30,271,676	559,584	938,933	15,244,484	1,857,081	1,471,789	10,199,805	*13,868
Less: Allowance for bad debts.....	534,667	7,995	*4,625	126,019	20,732	45,586	329,710	--
Inventories.....	6,398,187	117,913	353,635	2,386,360	1,636,256	676,503	1,227,520	*9,412
Investments in								
Government obligations.....	522,015	*13,868	*25,772	179,699	*29,595	*21,233	251,849	--
Tax-exempt securities.....	226,555	*36	*2,089	102,036	*988	*32,800	88,606	--
Other current assets.....	11,642,603	739,496	299,280	4,678,358	467,900	1,313,971	4,143,598	*675
Loans to shareholders.....	5,956,080	399,945	143,540	1,783,585	338,314	592,785	2,697,912	--
Mortgage and real estate loans.....	1,237,217	500,874	*47,544	275,801	*50,302	198,704	163,992	--
Other investments.....	16,987,133	1,532,698	515,910	6,453,305	526,223	2,290,583	5,668,414	--
Depreciable assets.....	141,847,001	22,370,210	7,958,266	36,458,060	15,884,923	22,699,854	36,475,688	*78,035
Less: Accumulated depreciation.....	75,349,739	8,766,565	4,509,873	21,259,653	8,226,164	12,252,036	20,335,448	*11,854
Depletable assets.....	137,851	*1,249	*1,989	104,785	*10,210	*9,716	*9,902	--
Less: Accumulated depletion.....	31,459	*110	*160	*18,973	*7,322	*46	*4,849	--
Land.....	8,119,850	2,580,672	288,322	911,441	991,886	2,246,036	1,101,493	*54,528
Intangible assets (amortizable).....	9,467,109	498,966	637,550	2,398,262	827,818	2,107,165	2,997,349	--
Less: Accumulated amortization.....	3,525,565	152,092	241,762	976,424	226,429	978,263	950,595	--
Other assets.....	4,483,588	102,703	325,385	1,208,676	240,255	1,221,856	1,384,713	*47,430
<b>Total liabilities.....</b>	<b>184,401,457</b>	<b>21,811,717</b>	<b>7,723,018</b>	<b>59,365,754</b>	<b>16,025,991</b>	<b>25,048,835</b>	<b>54,426,142</b>	<b>*268,493</b>
Accounts payable.....	16,022,489	600,933	381,919	7,609,549	1,377,455	1,572,998	4,479,635	*71,436
Mortgages, notes, and bonds payable in less than 1 year.....	19,019,429	1,161,254	456,142	6,416,705	2,578,726	1,999,503	6,407,099	*37,847
Other current liabilities.....	20,282,363	783,087	562,306	7,776,332	864,764	2,698,495	7,597,380	*3,573
Loans from stockholders.....	28,332,395	3,481,557	1,504,549	7,388,593	1,947,142	6,288,314	7,722,240	*14,059
Mortgages, notes, and bonds payable in 1 year or more.....	52,990,641	12,779,584	2,088,138	11,852,167	5,397,007	7,214,202	13,659,543	--
Other liabilities.....	6,619,672	450,778	460,960	2,494,962	143,022	1,015,883	2,054,066	*8,504
Net worth, total.....	41,134,469	2,554,523	2,269,005	15,827,447	3,717,875	4,259,440	12,506,179	*133,074
Capital stock.....	9,032,898	1,531,127	579,077	2,058,726	706,128	1,702,228	2,455,612	*3,991
Paid-in or capital surplus.....	29,076,115	4,360,936	803,667	8,417,406	1,537,629	7,597,619	6,358,857	*63,452
Retained earnings, unappropriated.....	5,184,932	-3,157,930	1,048,273	6,057,323	1,726,249	-4,826,664	4,337,682	*65,630
Adjustments to shareholders' equity <sup>1</sup> .....	204,458	*2,917	*-996	122,837	*14,762	*-1,362	66,299	--
Less: Cost of treasury stock.....	2,363,933	182,526	161,015	828,845	266,894	212,381	712,271	--

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

<sup>1</sup> Adjustments to shareholders' equity was added to the Form 1120S, U.S. Tax Return for an S Corporation, for Tax Year 1997. Some examples of adjustments included in this field are unrealized gains and losses on securities held "available for sale"; foreign currency translation adjustments; the excess of additional pension liability over unrecognized prior service cost; guarantees of employee stock debt; and compensation related to employee stock award plans.

<sup>2</sup> Less than \$500.

NOTE: Detail may not add to total due to rounding.

# S Corporation Returns, 1997

**Table 4.--Returns with Real Estate Rental Income, by Selected Industrial Divisions and Selected Industry**

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

Item	All industries <sup>1</sup>	Agriculture, forestry, and fishing	Mining	Construction	Manufacturing
	(1)	(2)	(3)	(4)	(5)
<b>Number of returns.....</b>	<b>205,473</b>	<b>6,463</b>	<b>249</b>	<b>7,501</b>	<b>4,851</b>
<b>Gross income.....</b>	<b>20,533,016</b>	<b>215,943</b>	<b>25,711</b>	<b>373,269</b>	<b>302,613</b>
<b>Real estate rental expenses, total.....</b>	<b>17,279,635</b>	<b>124,953</b>	<b>19,268</b>	<b>288,595</b>	<b>141,622</b>
Advertising.....	70,370	*52	18	1,751	71
Auto and travel.....	77,653	*88	6	*2,823	129
Cleaning and maintenance.....	658,275	1,453	*99	5,546	7,175
Commissions.....	117,715	*833	*34	1,389	970
Insurance.....	483,085	4,219	*151	8,782	3,292
Legal and other professional fees.....	858,825	3,594	*868	4,070	4,098
Interest.....	4,772,184	21,479	*4,220	79,822	18,589
Repairs.....	923,729	10,578	*1,283	17,627	12,644
Taxes.....	2,140,350	18,925	1,319	36,154	24,958
Utilities.....	1,194,972	4,966	*368	16,427	11,077
Wages and salaries.....	931,183	*1,116	223	*16,486	3,061
Depreciation.....	2,846,494	18,611	3,874	55,106	43,567
Other expenses.....	2,204,801	39,041	6,805	42,612	11,992
<b>Net gain (less loss) from sales of business property.....</b>	<b>88,070</b>	<b>*588</b>	<b>43</b>	<b>--</b>	<b>*193</b>
Gain.....	93,591	*588	43	--	*193
Loss.....	5,521	--	--	--	--
<b>Net income (less deficit) from partnerships and fiduciaries.....</b>	<b>511,945</b>	<b>253</b>	<b>3,678</b>	<b>9,732</b>	<b>1,407</b>
Income.....	1,004,935	4,570	*11,277	15,785	10,013
Deficit.....	492,990	*4,317	*7,600	6,053	8,606
<b>Real estate rental net income (less deficit).....</b>	<b>3,853,322</b>	<b>91,758</b>	<b>10,164</b>	<b>94,406</b>	<b>162,592</b>
Income.....	5,713,349	104,261	18,431	120,624	181,828
Deficit.....	1,860,027	12,503	8,266	26,218	19,236

Item	Transportation and public utilities	Wholesale and retail trade	Finance, insurance, and real estate		Services
			Total	Real estate	
	(6)	(7)	(8)	(9)	(10)
<b>Number of returns.....</b>	<b>1,656</b>	<b>14,117</b>	<b>152,266</b>	<b>143,839</b>	<b>18,369</b>
<b>Gross income.....</b>	<b>227,091</b>	<b>926,647</b>	<b>17,502,560</b>	<b>17,267,481</b>	<b>959,181</b>
<b>Real estate rental expenses, total.....</b>	<b>145,506</b>	<b>620,499</b>	<b>15,226,912</b>	<b>15,025,944</b>	<b>712,280</b>
Advertising.....	2,048	505	62,052	61,523	3,872
Auto and travel.....	*454	918	67,201	65,567	6,035
Cleaning and maintenance.....	3,224	12,479	613,930	606,116	14,369
Commissions.....	*837	4,215	100,999	99,363	8,438
Insurance.....	2,901	13,201	436,113	430,298	14,427
Legal and other professional fees.....	3,879	13,048	810,167	800,428	19,101
Interest.....	37,268	97,737	4,347,362	4,302,590	165,706
Repairs.....	4,174	31,254	804,870	792,671	41,300
Taxes.....	18,058	74,575	1,903,702	1,876,893	62,661
Utilities.....	6,564	29,937	1,080,786	1,070,305	44,846
Wages and salaries.....	12,540	46,053	789,349	786,707	62,357
Depreciation.....	30,478	129,625	2,411,483	2,368,762	153,750
Other expenses.....	23,081	166,953	1,798,898	1,764,720	115,418
<b>Net gain (less loss) from sales of business property.....</b>	<b>-263</b>	<b>*2,560</b>	<b>83,995</b>	<b>84,013</b>	<b>*954</b>
Gain.....	--	*2,769	89,044	89,044	*954
Loss.....	263	210	5,048	5,031	--
<b>Net income (less deficit) from partnerships and fiduciaries.....</b>	<b>4,910</b>	<b>-202</b>	<b>437,745</b>	<b>427,044</b>	<b>54,422</b>
Income.....	5,593	18,634	836,592	804,074	102,470
Deficit.....	*684	18,836	398,846	377,029	48,048
<b>Real estate rental net income (less deficit).....</b>	<b>86,232</b>	<b>308,506</b>	<b>2,797,388</b>	<b>2,752,593</b>	<b>302,276</b>
Income.....	92,717	419,352	4,362,852	4,268,635	413,284
Deficit.....	6,485	110,846	1,565,463	1,516,041	111,008

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

<sup>1</sup> Includes nature of business not allocable, which is not shown separately.

NOTE: Detail may not add to total due to rounding.

# S Corporation Returns, 1997

**Table 5.--All Returns: Total Receipts and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Number of Shareholders**

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

Item	Total <sup>1</sup>	Number of shareholders						
		1	2	3	4 - 10	11 - 20	21 - 30	31 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Number of returns</b> .....	<b>2,452,254</b>	<b>1,323,633</b>	<b>729,756</b>	<b>175,035</b>	<b>192,922</b>	<b>17,338</b>	<b>3,031</b>	<b>1,234</b>
<b>Number of shareholders</b> .....	<b>4,656,807</b>	<b>1,323,633</b>	<b>1,459,512</b>	<b>525,106</b>	<b>984,782</b>	<b>244,222</b>	<b>73,323</b>	<b>46,229</b>
<b>Total assets</b> .....	<b>1,307,473,289</b>	<b>404,625,563</b>	<b>298,730,795</b>	<b>145,541,590</b>	<b>309,749,994</b>	<b>78,941,398</b>	<b>33,614,404</b>	<b>35,385,069</b>
<b>Total receipts</b> <sup>2</sup> .....	<b>2,895,237,519</b>	<b>940,562,926</b>	<b>793,373,147</b>	<b>334,518,363</b>	<b>623,766,994</b>	<b>120,546,253</b>	<b>48,220,472</b>	<b>32,646,605</b>
Business receipts.....	2,840,623,943	922,155,922	781,935,123	329,148,945	610,809,245	117,166,337	46,953,097	30,860,884
Interest on Government obligations:								
State and local.....	943,255	259,812	157,625	68,356	251,835	103,119	34,570	67,187
Net gain, noncapital assets.....	5,894,594	1,987,158	1,019,645	598,875	1,553,083	396,378	236,726	101,722
Other receipts.....	47,775,727	16,160,034	10,260,754	4,702,189	11,152,830	2,880,419	996,080	1,616,813
<b>Total deductions</b> .....	<b>2,782,571,586</b>	<b>904,883,338</b>	<b>766,086,345</b>	<b>321,605,698</b>	<b>598,350,739</b>	<b>114,077,059</b>	<b>45,713,488</b>	<b>30,254,912</b>
Cost of goods sold.....	1,846,213,271	568,407,058	515,390,507	224,853,211	410,291,683	78,409,027	28,191,177	19,663,937
Compensation of officers.....	108,270,276	42,628,850	30,803,534	11,513,891	19,044,989	2,172,370	1,457,575	607,803
Salaries and wages.....	281,934,980	96,677,889	73,678,145	29,041,006	60,007,266	11,844,669	6,983,955	3,500,482
Repairs.....	18,504,868	6,522,477	5,142,014	1,934,007	3,783,075	715,974	232,362	165,717
Bad debts.....	5,978,012	2,049,633	1,432,477	688,188	1,385,737	281,157	87,341	49,748
Rent paid on business property.....	58,176,400	22,566,101	17,102,436	6,143,326	9,929,651	1,513,807	455,628	425,152
Taxes paid.....	59,433,721	20,328,692	15,690,354	6,621,263	12,530,719	2,547,150	1,082,545	601,153
Interest paid.....	33,534,784	10,770,809	7,984,901	4,097,487	7,446,564	1,780,187	699,468	736,126
Amortization.....	3,569,790	1,454,101	724,437	383,525	671,015	214,176	73,853	43,447
Depreciation.....	48,746,061	15,665,618	12,465,012	5,267,096	11,198,358	2,384,298	1,000,980	736,856
Depletion.....	350,952	60,392	32,166	19,883	201,205	23,678	11,927	1,701
Advertising.....	27,680,184	9,298,295	7,499,779	2,783,619	5,635,539	1,512,876	505,930	400,515
Pension, profit-sharing, stock bonus, and annuity plans.....	10,059,851	3,332,859	2,243,433	905,955	2,265,294	546,570	536,060	226,347
Employee benefit programs.....	19,856,378	5,733,219	5,006,871	2,108,248	4,984,259	1,139,616	525,546	350,343
Net loss, noncapital assets.....	587,800	258,439	128,938	43,685	127,311	21,208	2,759	5,460
Other deductions.....	259,674,259	99,128,905	70,761,340	25,201,308	48,848,074	8,970,297	3,866,381	2,740,122
<b>Total receipts less total deductions</b> <sup>2</sup> .....	<b>112,665,933</b>	<b>35,679,588</b>	<b>27,286,803</b>	<b>12,912,665</b>	<b>25,416,255</b>	<b>6,469,194</b>	<b>2,506,984</b>	<b>2,391,693</b>
<b>Net income (less deficit) from a trade or business</b> .....	<b>111,722,678</b>	<b>35,419,776</b>	<b>27,129,178</b>	<b>12,844,309</b>	<b>25,164,420</b>	<b>6,366,075</b>	<b>2,472,414</b>	<b>2,324,506</b>
Net income.....	154,704,647	54,838,376	37,578,755	16,721,201	32,157,320	7,643,100	3,144,115	2,559,348
Deficit.....	42,981,970	19,418,600	10,449,577	3,876,892	6,992,900	1,277,025	671,701	234,842
<b>Portfolio income (less deficit) distributed to shareholders</b> .....	<b>36,798,082</b>	<b>9,697,740</b>	<b>5,666,711</b>	<b>5,211,224</b>	<b>10,978,018</b>	<b>3,004,734</b>	<b>1,526,026</b>	<b>711,871</b>
Dividend income.....	1,499,026	609,362	213,637	167,696	312,836	106,176	32,771	56,481
Interest income.....	9,597,533	3,199,564	2,068,478	1,051,337	2,311,664	529,514	226,738	209,189
Royalty income (less loss).....	859,503	414,823	170,014	19,805	120,727	70,180	54,638	9,316
Net short-term capital gain (less loss).....	1,140,527	671,069	152,559	-11,760	169,745	93,527	24,253	41,069
Net long-term capital gain (less loss).....	23,495,736	4,682,871	3,048,751	3,975,214	8,034,411	2,182,408	1,182,755	388,750
Other portfolio income (net).....	205,757	120,051	13,272	8,932	28,636	22,928	4,871	7,066
<b>Real estate rental net income (less deficit)</b> .....	<b>3,853,322</b>	<b>987,236</b>	<b>732,458</b>	<b>557,821</b>	<b>1,058,167</b>	<b>379,430</b>	<b>59,418</b>	<b>79,297</b>
Net income.....	5,713,349	1,719,260	1,301,379	729,468	1,377,005	420,298	72,995	91,947
Deficit.....	1,860,027	732,024	568,922	171,647	318,839	40,869	13,577	12,650
<b>Net income (less deficit) from other rental activity</b> .....	<b>688,929</b>	<b>103,685</b>	<b>172,572</b>	<b>70,939</b>	<b>290,260</b>	<b>26,024</b>	<b>18,696</b>	<b>6,754</b>
Net income.....	1,065,842	325,731	272,032	87,094	321,409	32,395	18,772	8,409
Deficit.....	376,913	222,046	99,460	16,155	31,149	6,371	76	1,655
<b>Total net income (less deficit)</b> .....	<b>153,063,011</b>	<b>46,208,436</b>	<b>33,700,919</b>	<b>18,684,293</b>	<b>37,490,865</b>	<b>9,776,262</b>	<b>4,076,554</b>	<b>3,122,428</b>
Net income.....	192,122,074	64,096,104	43,452,738	22,214,280	43,558,576	10,801,429	4,621,859	3,312,108
Deficit.....	39,059,063	17,887,668	9,751,819	3,529,987	6,067,711	1,025,167	545,304	189,680

<sup>1</sup> Total includes S Corporations for which neither a number of shareholders was reported nor a Schedule K-1, Shareholder's Share of Income, Credits, Deductions, etc., was filed.

<sup>2</sup> Includes interest on Government obligations: State and local, which is not reflected in net income (less deficit) from a trade or business.

NOTE: Detail may not add to total due to rounding.