

Foreign Sales Corporations, 2000

Data Release

Foreign Sales Corporations (FSC's) filed 4,200 income tax returns for Tax Year 2000, a 4-percent decrease from 1996 [1]. A FSC is a foreign corporation, created by "parent" shareholders (mostly corporations) [2]. Generally, the FSC mechanism exempts a portion of income derived from the export of U.S. manufactured merchandise and certain services from U.S. income taxation.

Most FSC returns for 2000 were filed for companies which exported manufactured products—FSC's reporting export of manufactured products accounted for 88 percent of all FSC returns filed (Table 1). Classified by the "gross receipts of FSC's and related suppliers," the largest exported manufactured product groups were transportation equipment (\$87.8 billion), electrical machinery (\$77.6 billion), chemicals and allied products (\$34.2 billion), and machinery, other than electrical (\$26.4 billion), while the largest nonmanufactured product or service group was crops, except cotton, grains, and soybeans (\$22.4 billion). (Gross receipts of FSC's and their related suppliers included all receipts that FSC's and related suppliers earned from export transactions with foreign parties, prior to any deductions).

Economic Activity and Earnings

Overall measures of FSC's economic activity and earnings can be highlighted, using Tax Year 2000 statistics. For 2000, the gross receipts of FSC's and related suppliers, a broad measure of economic activity, were \$349.0 billion, up from \$285.9 billion for 1996. After subtraction of costs of goods sold, and allocations of receipts using pricing rules to FSC's and their related suppliers, FSC's generated \$43.9 billion of "total income." Of this amount, \$16.0 billion were subject to U.S. tax as "nonexempt income," while \$27.9 billion were exempt from regular U.S. income taxation (Figure A). Total deductions allocated to nonexempt income were \$9.1 billion. Following other adjustments, income subject to U.S. tax, the tax base, was \$6.7 billion, which generated a total U.S. income tax of \$2.3 billion.

Figure A also shows how net exempt income was calculated. In order to make this calculation,

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Figure A

Foreign Sales Corporations: Calculation of Net Exempt Income, Tax Year 2000

[Money amounts are in millions of dollars]

Item	Total	Foreign trade income		Nonforeign trade income
		Administrative	Non-administrative	
Total income.....	43,873	42,035	1,585	253
Nonexempt income.....	15,951	14,588	1,110	253
Exempt income.....	27,922	27,447	475	--
Deductions allocable to exempt income.....	16,045	15,768	277	--
Net exempt income ¹	12,034	11,834	200	--

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

¹ Net exempt income detail may not add to totals because net exempt income is limited to positive amounts only.

FSC's first had to select administrative or nonadministrative intercompany pricing methods (methods used to allocate receipts between the FSC and its related suppliers, discussed later in this article). The applicable income exemption percentage varied, depending on which intercompany pricing methods the taxpayer selected and whether or not the shareholder of the FSC was a C corporation. A total of \$16.0 billion in deductions was allocated to the \$27.9 billion of exempt income, so that net exempt income was \$12.0 billion. This was 27 percent of total income.

In 2000, FSC's distributed \$14.7 billion to their parent shareholders, mostly U.S. corporations. These distributions reflected current and accumulated (i.e., from prior year) earnings and profits. The majority of these distributions (\$12.8 billion) were in the form of cash as opposed to stock or physical property[3]. In general, distributions made by FSC's to their parent corporations were eligible for a 100-percent dividends-received deduction and therefore not subject to U.S. income tax, provided they were derived from earnings and profits attributable to foreign trade income.

Legislative History

The FSC tax exemption was created by the Deficit Reduction Act of 1984 (DRA '84). The FSC replaced the then-existing Domestic International Sales Corporation (DISC), which had been controversial since its inception in 1971 [4]. The DISC mechanism enabled shareholders to defer Federal income taxes

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on a portion of the corporation's export income. Several foreign governments subscribing to the General Agreement on Tariffs and Trade (GATT) alleged that the DISC program was an illegal export subsidy under GATT rules. In addition, these foreign governments complained that DISC's were able to operate without substance as a corporation and without uniform arm's-length pricing standards imposed on the DISC and its related parties.

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To address complaints about the DISC and income tax practices of other foreign governments, expert panels were created under GATT auspices during the late 1970's, and investigations were conducted. The DISC legislation was amended several times during the 1970's, as GATT dis-

cussions and investigations ensued. In general, the panels' reports adopted in December 1981 found that the DISC and the income tax practices of several other foreign governments did, indeed, contradict GATT standards for export pricing. While the U.S. Government never officially acknowledged that the DISC mechanism was in violation of GATT standards, it recognized that the controversies needed to be addressed. Consequently, the Deficit Reduction Act of 1984 (DRA84) replaced the DISC entity with the Interest-Charge Domestic International Sales Corporation (IC-DISC), which conformed with the GATT findings adopted in 1981, [5] and with the FSC and "small FSC" [6].

In September 1998, the European Union (EU) called on the World Trade Organization (WTO) to review the FSC regime, claiming that the U.S. tax laws regarding the FSC mechanism provided unfair export subsidies in violation of WTO rules. In late July 1999 the WTO dispute panel issued a preliminary report backing the EU complaint, and in September 1999, issued a final report condemning the U.S. FSC tax entity and calling for the abolishment of the FSC statutes by October 1, 2000. The U.S. appealed the WTO panel's findings, but, in February 2000, the WTO appellate body upheld the original ruling.

The U.S. examined ways to comply with the WTO ruling. In November 2000, the FSC Repeal and Extraterritorial Income Exclusion Act of 2000 repealed the FSC rules and created an exemption from taxation for extraterritorial income (ETI). The act provided for a transition period by allowing current FSC's to be used through December 31, 2001.

The EU promptly claimed that the ETI exemption was an unfair export subsidy, and, in June 2001, a WTO dispute resolution panel agreed. Consequently, the future of the ETI is uncertain.

Statutory Requirements

The FSC mechanism provides an exemption of certain income from U.S. taxation. FSC's use a specific set of income, deduction, and exemption concepts. In addition, certain foreign economic process requirements are imposed on FSC's and related parties. Definitions of FSC-related income, deduction, and exemption concepts, as well as descriptions of foreign economic process and FSC entity requirements, are presented below.

Income and Export Pricing Concepts

Gross receipts of FSC's and related suppliers, an overall measure of FSC's income and economic activity, include all receipts that FSC's and related suppliers earn from export transactions. FSC "foreign trade gross receipts" and FSC "foreign trade income" are calculated by applying certain pricing rules (see below) to gross receipts or net income of FSC's and related suppliers. "Foreign trade income" is income from qualified transactions attributable to the sale or lease of "export property" outside the United States or to the performance of various types of "export service" outside the United States [7].

When a FSC engages in a transaction with another party, the FSC and the other party must allocate the income they receive from the transaction using one of five pricing methods: (1) the 1.83 percent of gross receipts method (generally, income of the FSC cannot exceed 1.83 percent of the foreign trade gross receipts of the FSC); (2) the 23 percent of combined-taxable-income method (generally, income of the FSC cannot exceed 23 percent of the combined taxable income of the FSC and the related supplier attributable to the foreign trade gross receipts from such sales); (3) the marginal costing

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method (generally, only direct production costs of a particular item, product, or product line are taken into account for purposes of computing the combined taxable income of the FSC and its related supplier); (4) a method by which income of the FSC and its related supplier is allocated under Internal Revenue Code section 482; or (5) a method by which income of the FSC and an unrelated supplier is allocated at arm's length.

Different pricing methods may be used by the FSC for different transactions. In addition, a FSC may elect to group transactions by product, product line, or other recognized industry or trade use. Pricing methods are generally divided into "administrative" and "nonadministrative" categories. The 1.83 percent of gross receipts method, the 23 percent of combined taxable income method, and the marginal costing method are referred to as "administrative" pricing methods, while the Internal Revenue Code section 482 method is the "nonadministrative" pricing method [8].

The nonadministrative method is based on Internal Revenue Code section 482, a method whereby the profit from a sale by a related supplier to the FSC is figured on the basis of the actual sales price, in line with that which would have resulted from a similar transaction between unrelated parties. The actual arm's length price is used to calculate the profit from a transaction between the FSC and an unrelated supplier.

Table 2 presents data classified by the pricing method(s) used for intercompany transactions among FSC's and related parties. The method most often used was the 23 percent of combined taxable income method. Of the 4,200 FSC income tax returns showing the pricing method(s) used for intercompany transactions, 2,119 (or 50 percent) reported using only this method. Although only 609 FSC's (15 percent) reported using all three administrative pricing methods (the 1.83 percent of gross receipts, the 23 percent of combined taxable income, and the marginal costing methods), these companies included many of the larger FSC's, accounting for 70 percent of the gross receipts of FSC's and related suppliers.

Commission FSC's vs. Buy-Sell FSC's

Generally, FSC's act as either principals or commission agents for export transactions. FSC's acting as principals for transactions are referred to as "buy-

sell" FSC's, while those acting as commission agents for transactions are referred to as "commission" FSC's. A buy-sell FSC generally assumes ownership of the export property and may report it as inventory on its balance sheet. A buy-sell FSC then computes a "transfer price" (reported on the *Schedule P, Transfer Price or Commission*) which it uses to calculate cost of goods sold (reported on *Schedule A, Cost of Goods Sold Related to Foreign Trading Gross Receipts*). A commission FSC generally does not assume ownership of the export property. Instead, cost of goods sold is reported by its related supplier and used in computing the commission amount on the Schedule P. Consequently, a commission FSC generally does not complete Schedule A.

For Tax Year 2000, the majority of all FSC's (76 percent) were commission FSC's (Figure B). Proportionally, there were more buy-sell FSC's in the nonmanufactured products and services sector (172, or 36 percent, of the 474 returns in the nonmanufactured products and services sector were buy-sell FSC's) than in the manufactured products sector (815, or 22 percent, of the 3,684 returns in the manufactured products sector were buy-sell FSC's).

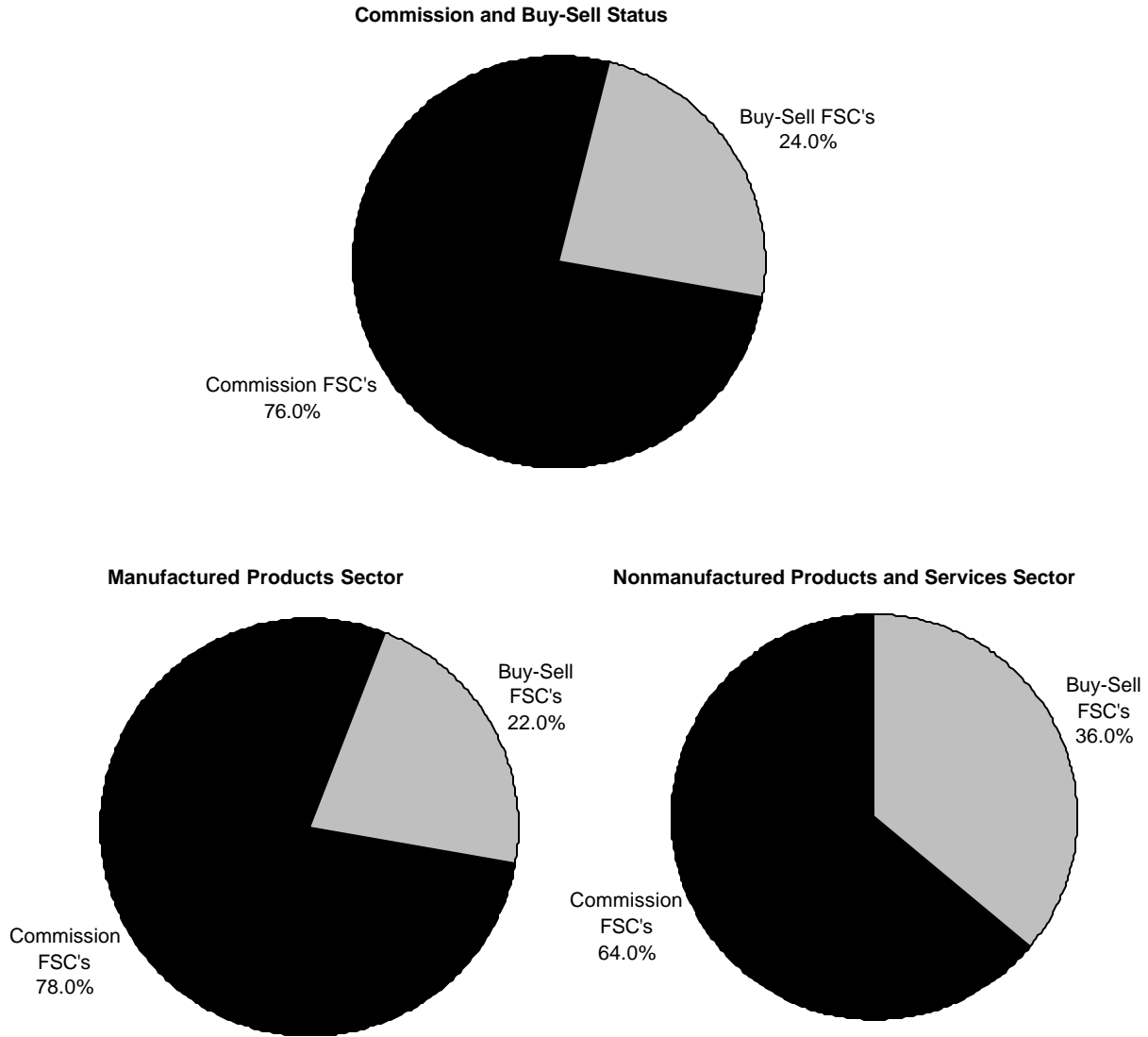
Foreign Economic Process Requirements

A portion of the "foreign trade income" of a FSC is exempt from U.S. taxation. A FSC (other than certain "small FSC's," which are discussed below) generates foreign trade income only from a "qualified" transaction--e.g., only if certain economic activities or processes associated with the transaction take place outside the United States, in compliance with GATT standards. To test whether an export transaction is qualified, economic activities are divided into "sales participation" and "direct cost" categories. Export transaction activities can then be compared to the criteria established for each category.

A transaction is considered qualified under the sales participation test if the FSC participates outside the United States in one of the following sales activities involving the transaction: solicitation, negotiation, and the making of a contract [9]. Solicitation refers to communication to a customer, specifically addressing the customer's attention to the product. Negotiation refers to any communication to a customer aimed at an agreement on one or more of the terms of a transaction, including price, quantity, credit terms, and time or manner of delivery. The making

Figure B

Foreign Sales Corporations: Commission and Buy-Sell Status, Manufactured Products Sector, and Nonmanufactured Products and Services Sector, Tax Year 2000



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of a contract refers to the performance by the FSC of any of the elements necessary to complete a sale, such as the making or accepting of an offer.

Direct costs related to a transaction fall into one of five categories: (1) advertising and sales promotion; (2) processing of customer orders and arrangements for delivery; (3) transportation; (4) determination of a final invoice and receipt of payment; and (5) assumption of credit risk [10]. Foreign direct costs are the portion of the total direct costs of any transaction attributable to activities performed outside the United States. The foreign direct cost test may be satisfied in one of two ways--foreign direct costs attributable to the transaction are 50 percent or more of the total direct costs attributable to the transaction; or foreign direct costs attributable to two of the five direct cost categories are 85 percent or more of the total direct costs attributable to the transaction.

FSC Tax Exemption

The portion of FSC foreign trade income exempt from U.S. taxation depends on the pricing method and the type of shareholder. For corporate-owned FSC's, 15/23 (or 65.217 percent) of the foreign trade income derived from transactions in which administrative pricing rules are used are exempt from U.S. income tax, while 30 percent of the foreign trade income derived from transactions in which the nonadministrative pricing rules (Internal Revenue Code section 482 method and transactions at arm's length) are used is exempt. Special rules apply to the income of FSC's owned by agricultural cooperatives, income derived from exports of "military property," and nonforeign trade income earned by FSC's (such as interest or dividend income).

Country of Incorporation

A FSC must be incorporated in specific foreign countries or U.S. possessions meeting requirements for the exchange of certain tax information with the United States [11]. Since FSC's are required to perform their economic activities outside of the United States, and since other countries may impose additional requirements on FSC's or additional taxes on FSC earnings, choice of country of incorporation could be an important consideration. Table 3 presents data for FSC returns classified by the country of incorporation. The largest numbers of FSC's were

incorporated in the U.S. Virgin Islands (52 percent of all FSC's), and Barbados (35 percent).

FSC's as a Corporate Tax Entity

Foreign management requirements for the FSC entity are imposed to ensure that the FSC has substance in the foreign country or U.S. possession in which it is incorporated. The required foreign management activities of a FSC include: (1) the maintenance of an office, a permanent set of books of account, and a principal bank account; (2) the disbursements of dividends, salaries, and legal and accounting fees; and (3) the holding of all board of directors' or shareholders' meetings.

Generally, a FSC is also required to: (1) have no more than 25 shareholders at any one time during the tax year; (2) have no preferred stock outstanding at any time during the tax year; (3) conform the FSC's tax year to the tax year of the principal shareholder; (4) maintain separate books and records; (5) maintain certain records at a location within the United States; (6) have at least one director who is not a resident of the United States; (7) not be a member, at any time during the tax year, of a controlled group of corporations which included an Interest Charge-Domestic International Sales Corporation (described below); (8) be a corporation created or organized under the laws of a qualifying foreign country or U.S. possession; and (9) have elected to be a FSC or "small FSC" [12]. Parent corporations (or other taxpayers) form a FSC by filing a Form 8279, *Election To Be Treated as a FSC or as a Small FSC*. This election is considered to be in effect as long as the FSC meets all qualification requirements.

Data Sources and Limitations

The statistics in this article are based on a sample of Form 1120-FSC returns with accounting periods ending between July 2000 and June 2001 and filed during Calendar Years 2000, 2001, or 2002. The data presented exclude "inactive" FSC returns; a FSC was considered to be inactive if no current receipts, net income or deficit, deductions, or distributions were reported on the return. Thus, a FSC that had no current income or deductions reported was treated as an active corporation if it made a distribution to its parent during the tax year.

The sample totaled 2,248 returns, weighted to reflect an estimated population of approximately

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5,075 active and inactive FSC returns. Certain returns were unavailable for the statistics. Because the data are based on a sample, they are subject to sampling error. However, coefficients of variation (CV's) for these data were not computed. With regard to nonsampling error, some of the data were inconsistently reported. Where possible, inconsistencies in the data were resolved to conform with provisions of the Internal Revenue Code.

The product and services classification system used in the 2000 FSC study was generally based on Internal Revenue Service instructions provided to the taxpayer for completion of *Schedule P, Transfer Price or Commission*. Products and services reported by a taxpayer on each specific return were reviewed for consistency with product information provided in supporting schedules and other taxpayer attachments and with the principal business activities described on the return. For example, the return was reviewed if a taxpayer reported engineering services on Schedule P without reporting any "engineering services income" on *Schedule B, Taxable Income or (Loss)*. In addition, products and services reported by taxpayers on specific returns were reviewed for consistency with the major product and services group classification. Since a FSC is intended to serve solely as an export mechanism for U.S. taxpayers, certain business activities, such as manufacturing, are not applicable to a FSC. Consequently, FSC returns reporting manufacturing as the principal business activity were reviewed and reconciled with product and other information. As an example, a FSC return reporting the manufacture of farm machinery and equipment as the principal business activity would have been reviewed to ascertain if a more appropriate principal business activity was the wholesaling of farm machinery and equipment.

Each return used for the statistics had product and industry codes reported or assigned during statistical processing. These codes were used as classifiers of the returns. The product and industry codes represented the principal business activity (i.e., the activity which accounted for the largest portion of gross receipts of FSC's and related suppliers) of the FSC filing the return. However, a given FSC return may have exported goods and services for a consolidated corporate parent which conducted different business activities. To the extent that some consolidated (and nonconsolidated) parent corporations

were engaged in many types of business activities, the data in this article are not entirely related to the product or industrial activity under which they are shown.

Explanation of Selected Terms

Cost of Goods Sold.--Cost of goods sold commonly consists of the manufacturing costs incurred by the FSC or its related suppliers, as mentioned below. Included are costs of goods purchased for resale, direct labor, and certain overhead expenses. Generally, FSC's act either as principals or as commission agents for export transactions. FSC's acting as principals for transactions are referred to as "buy-sell" FSC's, while those acting as commission agents for transactions are referred to as "commission" FSC's. Only buy-sell FSC's report a cost of goods sold. For commission FSC's, the cost of goods sold is reported by the commission FSC's related supplier and generally factored into the commission calculation.

Export Property.--The FSC's export property was inventory and property held for sale or lease which: (1) had been manufactured, produced, grown, or extracted in the United States by a "person" other than a FSC; (2) was held primarily for sale, lease, or rental in the ordinary course of business for direct use, consumption, or disposition outside the United States; and (3) had, at the time of sale, lease, or rental by the FSC, not more than 50 percent of its fair market value attributable to imported articles.

Foreign Direct Costs:

- *Administrative.*--These were foreign direct costs related to foreign trade income from transactions in which administrative intercompany pricing rules were applied. Foreign direct costs are attributable to activities performed outside of the United States and are related to the sale or other disposition of export property. As specified by Internal Revenue Code section 924(e), foreign direct costs include advertising and sales promotion, certain processing and arranging costs, certain transportation costs, certain determination and transmittal costs, and costs related to the assumption of credit risk.
- *Nonadministrative.*--These were foreign direct costs related to foreign trade income from transactions in which the nonadministrative

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intercompany pricing rule (Internal Revenue Code section 482 method) was applied. See administrative foreign direct costs entry, above, for additional information about foreign direct costs.

Foreign Trade Deductions:

- *Administrative.*--Included were deductions related to foreign trade income (exempt and nonexempt) from transactions in which the administrative pricing rules were used. These deductions include, but are not limited to, administrative foreign direct costs (see above).
- *Nonadministrative.*--Included were deductions related to foreign trade income (exempt and nonexempt) from transactions in which the nonadministrative pricing rules were used. These deductions include, but are not limited to, nonadministrative foreign direct costs.

Foreign Trade Gross Receipts.--Foreign trade gross receipts represent: (1) the sale, exchange, or other disposition of export property (see above); (2) the lease or rental of export property for use by the lessee outside the United States; (3) services which are related and subsidiary to activities described in (1) or (2); (4) engineering or architectural services for construction projects located (or proposed for location) outside the United States; and (5) the performance of managerial services for an unrelated FSC or DISC. These receipts are earned by, or allocated to, the FSC as a result of applying intercompany pricing rules (see below). Excluded are passive income (see non-foreign trade income, below). In general, foreign trade gross receipts of a "buy-sell" FSC consist of receipts derived from qualified export transactions prior to the subtraction of a cost of goods sold. In general, the foreign trade gross receipts of the related supplier are deemed the foreign trade gross receipts of a "commission" FSC.

Gross Receipts of FSC's and Related Suppliers.--Gross receipts of FSC's and related suppliers are used as a computational base for the calculation of foreign trade gross receipts (see above). These receipts are comprised of all gross receipts (prior to any deductions) earned by the FSC and related parties from: (1) the resale of export property or services supplied by related suppliers; or (2) a FSC acting in its capacity as a commission agent for related suppliers in the disposition of export property

or services. Because certain FSC's (especially those acting as commission agents), may not have title to property being exported, gross receipts attributed to FSC's and their related suppliers are a more complete measure of export activities.

Intercompany Pricing Rules.--These rules are used to allocate receipts (and derive income) between the FSC and its related suppliers.

Administrative.--Administrative pricing rules include: (1) the 1.83 percent of gross receipts method; (2) the 23 percent of combined taxable income method; and (3) the marginal costing method. If one of these three administrative pricing rules was not applied, then the nonadministrative Internal Revenue Code section 482 method had to be used.

Nonadministrative.--The Internal Revenue Code section 482 method had to be used.

Net Exempt Income:

- *Administrative.*--Included were exempt foreign trade income from transactions for which the administrative pricing rules were applied, net of deductions related to that exempt foreign trade income.
- *Nonadministrative.*--Included were exempt foreign trade income from transactions for which the nonadministrative pricing rule (Internal Revenue Code section 482 method) applied, net of deductions related to that exempt foreign trade income.

Net Income.--Total nonexempt income net of all appropriate deductions except the "net operating loss" and dividends-received deductions, including: (1) net income attributable to nonexempt foreign trade income from transactions for which the administrative pricing rules applied; (2) net income attributable to nonexempt foreign trade income from transactions for which the nonadministrative pricing rule applied, reduced by any nontaxable income (i.e., income that is not "effectively connected" with a U.S. trade or business); and (3) net income attributable to nonforeign trade income.

Nonforeign Trade Deductions.--These were deductions related to nonforeign trade income, described below.

Taxable Income.--Total net income, reduced by the "net operating loss" and dividends received deductions, as well as FSC income exempt from U.S. income tax.

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Total Income:

- *Foreign Trade Income.*--This was income from qualified transactions attributable to the sale or lease of "export property" outside the United States or to the performance of various types of "export service" outside the United States.
Administrative.--Included were foreign trade gross receipts (or the commission portion of gross receipts) earned by FSC's from transactions for which the administrative pricing rules were applied.
Nonadministrative.--Included were foreign trade gross receipts (or the commission portion of gross receipts) earned by FSC's from transactions for which the nonadministrative pricing rule applied.
- *Nonforeign Trade Income.*--This was income earned by FSC's that was generally not related to qualified exports of U.S. manufactured products or services, such as interest, dividends, or royalties, and income earned by "small FSC's" (see Footnote [12]) in excess of the \$5 million exemption from tax of small FSC foreign trade income.

Notes and References

- [1] Data in this article are compared to 1996 data because this is the last year for which comparable statistics are available. For additional information about FSC's for Tax Year 1996, see Belmonte, Cynthia, "Foreign Sales Corporations, 1996," *Statistics of Income Bulletin*, Spring 2000, Volume 19, Number 4.
- [2] A "foreign" corporation is incorporated abroad, while a "domestic" corporation is incorporated in the United States. Almost all FSC's are owned by domestic corporations; however, owners of a FSC are generally referred to as "shareholders," since a FSC may also be owned by an individual, a partnership, or a trust or estate. (FSC's are no longer included in the Statistics of Income data for all corporations because they are not engaged in trade or business in the United States.)
- [3] Calculation based on unpublished data.
- [4] For additional information about the Domestic International Sales Corporation (DISC) and Interest-Charge Domestic International Sales Corporation (IC-DISC) entities, see Cynthia

Belmonte, "Interest-Charge Domestic International Sales Corporations, 1996," *Statistics of Income Bulletin*, Fall 2000, Volume 20, Number 2.

- [5] Generally, the IC-DISC is not taxed on its income. However, the corporation's shareholders are taxed when the income is distributed or "deemed distributed," and an interest charge is imposed on the DISC's tax-deferred liability. DRA'84 required the Treasury Department to submit regular reports to Congress on the operation of the new FSC, small FSC, and IC-DISC programs. See, for example, *The Operation and Effect of the Foreign Sales Corporation Legislation, January 1, 1985, to June 30, 1988*, U.S. Department of the Treasury, January 1993 and *The Operation and Effect of the Foreign Sales Corporation Legislation, July 1, 1992, to June 30, 1993*, U.S. Department of the Treasury, November 1997.
- [6] A "small FSC" is designed to be used by small exporters that may not be able to support the costs of a foreign office or foreign economic activities. A small FSC is exempt from the foreign management and foreign economic process requirements regarding its eligibility to treat a portion of its income as "foreign trading gross receipts." However, foreign trading gross receipts in excess of \$5 million are treated as taxable nonforeign trade income. The \$5-million limit may be further reduced by a partial tax year or if the small FSC is a member of a controlled group that has other small FSC's.
- [7] See the entries for "Cost of Goods Sold" and "Export Property" in the Explanation of Selected Terms section of this article for additional information.
- [8] Generally, "administrative" pricing rules allow the FSC to calculate foreign trade gross receipts and allocate those receipts between the FSC and its related supplier, using Internal Revenue Service designated (e.g., "administered") methods. If administrative pricing rules are not applicable to a transaction, or if a taxpayer does not choose to use them, the FSC has to calculate foreign trade gross receipts using "nonadminis-

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trative” rules provided by Internal Revenue Code section 482 and associated Treasury regulations.

- [9] Extensive definitions of solicitation, negotiation, and the making of a contract are provided in Internal Revenue Code section 924 and associated Treasury regulations.
- [10] See Internal Revenue Code section 924(e) and associated Treasury regulations for additional information regarding direct costs.
- [11] A qualifying foreign country had to meet the exchange of information requirements of Internal Revenue Code section 927(e)(3)(A) or (B). For Tax Year 2000, the following countries were qualified: Australia, Austria, Barbados, Belgium, Bermuda, Canada, Costa Rica, Cyprus, Denmark, Dominica, Dominican Republic, Egypt, Finland, France, Germany, Grenada, Honduras, Iceland, Ireland, Jamaica,

South Korea, Malta, Marshall Islands, Mexico, Morocco, the Netherlands, New Zealand, Norway, Pakistan, Peru, Philippines, St. Lucia, Sweden, and Trinidad and Tobago. In addition, all U.S. possessions other than Puerto Rico (i.e., American Samoa, the Commonwealth of Northern Mariana Islands, Guam, and the U.S. Virgin Islands) were qualified for Tax Year 2000.

- [12] A “small FSC” is designed to be used by small exporters that may not be able to support the costs of a foreign office or foreign economic activities. A small FSC is exempt from the foreign management and foreign economic process requirements regarding its eligibility to treat a portion of its income as “foreign trade gross receipts.” However, any foreign trade gross receipts in excess of \$5 million were not taken into account in determining foreign trade income exempt from U.S. taxation.

Source: IRS, Statistics of Income Winter Bulletin 2003/2004, Publication 1136

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Table 1.--Tax Year 2000 Foreign Sales Corporations: Assets, Receipts, Deductions, Net Income, Exempt Income, Taxes and Distributions, by Major Product or Service

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

Major product or service ¹	Number of returns	Total assets	Commissions and accounts receivable	Total current and long-term liabilities	Foreign trading gross receipts of FSC's and related supplier		
					Total	Full costing	Marginal costing
					(5)	(6)	(7)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
All products and industries.....	4,200	47,746,635	29,389,932	10,882,918	348,971,178	251,465,022	97,506,157
Nonmanufactured products and services.....	474	9,931,948	2,839,544	1,971,262	36,964,964	28,361,620	8,603,343
Grains and soybeans.....	14	93,497	52,760	47,867	4,082,661	4,007,198	75,463
Cotton.....	16	5,078	1,101	224	99,344	99,344	--
Crops, except cotton, grains, and soybeans.....	57	596,106	331,098	-158,661	22,382,507	14,200,663	8,181,843
Livestock and livestock products.....	5	52,753	51,697	13,298	143,120	143,120	--
Fishery products and services.....	11	19,525	19,385	785	278,848	278,848	--
Metal mining, except iron ores.....	6	80,671	77,549	60,138	766,954	766,954	--
Coal mining products and services.....	8	7,270	7,208	-1,626	663,482	616,295	47,187
Finance, insurance, and real estate services.....	12	217,427	1,660	6,016	87,551	87,551	--
Computer software.....	119	916,888	860,949	674,007	2,811,033	2,641,365	169,668
Motion picture distribution.....	38	1,286,839	1,279,171	1,095,466	1,980,457	1,980,457	--
Engineering and architectural services.....	59	84,472	80,021	24,907	1,486,609	1,486,609	--
Leasing services for property other than aircraft.....	104	6,501,265	26,761	60,513	1,078,506	1,078,506	--
Miscellaneous nonmanufactured products and services.....	20	63,409	46,945	144,958	917,490	819,693	97,797
Manufactured products.....	3,684	37,743,784	26,540,457	8,904,371	311,650,281	222,747,467	88,902,813
Ordnance and accessories.....	26	27,505	27,499	10,023	272,435	62,370	210,065
Food and kindred products.....	149	426,410	322,258	144,497	9,305,027	8,277,814	1,027,213
Meat products.....	7	72,737	54,106	17,789	3,347,106	3,020,786	326,320
Dairy products.....	9	7,930	5,673	3,494	115,692	115,692	--
Canned and preserved fruits, vegetables, and seafoods.....	11	21,178	20,169	11,423	421,366	421,366	--
Confectionary and related products.....	3	9,912	9,882	613	523,334	408,863	114,471
Beverages.....	12	56,823	23,877	12,193	1,353,163	1,019,749	333,414
Miscellaneous food preparations and kindred products.....	100	242,082	192,801	105,249	3,480,550	3,239,549	241,001
Tobacco products.....	5	57,643	56,054	1,616	3,029,044	69,074	2,959,970
Textile mill products.....	43	111,580	80,115	48,011	1,499,936	1,404,693	95,244
Yarn and thread mills.....	4	3,234	3,057	238	247,164	169,699	77,465
Miscellaneous textile goods.....	35	101,449	70,169	47,951	757,227	739,789	17,437
Apparel and other finished goods.....	31	37,293	19,894	14,558	165,480	142,783	22,697
Lumber and wood products, except furniture and fixtures.....	87	147,839	128,161	22,657	1,817,532	1,502,467	315,065
Millwork, veneer, plywood.....	10	15,464	15,171	1,255	584,164	471,007	113,158
Miscellaneous wood products.....	77	132,376	112,990	21,402	1,233,368	1,031,460	201,908
Furniture and fixtures.....	29	71,117	65,421	27,227	1,298,355	1,274,281	24,073
Household furniture.....	8	3,333	3,313	2,346	157,441	157,441	--
Miscellaneous furniture and fixtures.....	17	28,257	23,072	4,060	472,901	448,828	24,073
Paper and allied products.....	49	405,137	270,282	103,208	15,658,012	11,650,112	4,007,900
Pulp mills.....	8	46,590	40,182	28,764	778,694	657,102	121,592
Paper mills, except building paper mills.....	21	309,610	190,260	55,160	10,495,473	9,620,630	874,844
Converted paper and paperboard products.....	12	15,768	15,240	5,941	3,376,110	371,077	3,005,033
Paperboard containers and boxes.....	6	30,373	21,894	13,373	953,452	947,020	6,431
Printing, publishing and allied products.....	81	114,591	77,187	18,725	1,245,336	1,166,024	79,312
Periodicals, publishing, and printing.....	20	6,857	6,281	--	112,459	64,423	48,036
Books.....	24	26,196	23,289	3,891	476,859	461,542	15,317
Miscellaneous publishing.....	20	4,968	4,553	141	64,899	64,899	--
Services industries for the printing trade.....	12	74,437	42,650	14,438	566,179	566,179	--
Chemicals and allied products.....	332	5,693,082	2,656,605	1,168,952	34,220,874	24,960,498	9,260,377
Industrial inorganic and organic chemicals.....	17	695,884	583,115	212,567	8,008,101	4,933,649	3,074,452
Plastics materials, synthetic resins.....	69	107,374	91,774	61,433	820,588	691,961	128,627
Drugs.....	31	618,746	401,094	-26,772	6,200,721	4,233,687	1,967,034
Soap, detergents, and cleaning preparations.....	43	187,064	107,299	10,690	1,633,421	1,363,134	270,287
Paints, varnishes, lacquers, enamels.....	39	57,003	35,332	25,850	993,181	668,526	324,655
Agricultural chemicals.....	9	91,817	84,865	15,021	752,271	632,782	119,489
Miscellaneous chemical products.....	124	3,935,194	1,353,126	870,163	15,812,591	12,436,758	3,375,833
Petroleum refining and related products.....	4	156,912	92,531	68,413	802,789	719,065	83,724
Rubber and miscellaneous plastics products.....	29	51,334	29,842	36,196	2,359,346	1,718,086	641,260
Tires and inner tubes.....	6	12,886	780	12,191	1,476,435	838,045	638,391
Fabricated rubber products.....	6	12,013	3,103	1,551	599,676	596,807	2,869
Miscellaneous plastics products.....	7	8,984	8,842	1,168	119,784	119,784	--
All other miscellaneous rubber and plastics products.....	10	17,450	17,118	21,286	163,451	163,451	--

Footnotes at end of table.

Foreign Sales Corporations, 2000

Table 1.--Tax Year 2000 Foreign Sales Corporations: Assets, Receipts, Deductions, Net Income, Exempt Income, Taxes and Distributions, by Major Product or Service--Continued

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

Major product or service ¹	Number of returns	Total assets	Commissions and accounts receivable	Total current and long-term liabilities	Foreign trading gross receipts of FSC's and related supplier		
					Total	Full costing	Marginal costing
					(5)	(6)	(7)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Leather and leather products.....	6	4,624	3,895	1,122	418,062	414,479	3,583
Stone, clay, glass and concrete products.....	26	108,300	107,540	27,704	4,139,174	2,378,621	1,760,553
Glass products, made or purchased glass.....	7	3,139	3,016	2,636	84,854	84,854	--
Concrete, gypsum, and plaster products.....	5	24,128	24,092	14,277	255,929	229,912	26,017
Abrasive, asbestos products.....	8	9,659	9,381	829	321,428	321,428	--
Primary metal products.....	60	138,697	125,737	60,527	2,858,090	2,514,240	343,850
Blast furnaces, steel works.....	7	21,360	19,215	428	558,624	558,624	--
Iron and steel foundries.....	16	14,338	10,285	4,729	188,452	188,452	--
Miscellaneous primary metal products.....	31	99,143	92,453	55,181	2,098,962	1,755,113	343,850
Fabricated metal products.....	265	486,651	436,626	183,889	7,896,505	7,778,914	117,591
Cutlery, hand tools, and general hardware.....	21	103,349	98,827	22,842	1,188,974	1,188,974	--
Heating apparatus and plumbing fixtures.....	54	65,121	62,307	24,815	1,059,740	1,012,199	47,541
Fabricated structural metal products.....	21	9,978	8,854	979	106,539	106,539	--
Screw machine products.....	5	10,338	10,335	118	81,677	81,677	--
Miscellaneous fabricated metal products.....	159	267,000	235,714	118,818	5,099,810	5,029,760	70,050
Machinery, other than electrical.....	723	1,956,558	1,413,262	581,952	26,405,039	23,181,457	3,223,581
Engines and turbines.....	5	70,790	70,601	22,931	1,005,621	955,489	50,132
Farm machinery and equipment.....	15	71,651	68,812	16,429	1,839,404	1,837,954	1,451
Construction, mining, and materials handling machinery.....	94	575,260	495,441	111,271	9,012,754	7,857,774	1,154,980
Metal working machinery and equipment.....	48	57,521	21,763	6,142	389,444	354,744	34,701
Special industry machinery.....	169	174,766	151,386	86,104	5,543,318	5,063,635	479,682
General industrial machinery and equipment.....	111	522,099	190,304	158,144	911,004	737,678	173,326
Office, computing, and accounting machinery.....	10	56,556	56,525	6,603	907,043	462,210	444,833
Miscellaneous machinery, except electrical.....	270	427,915	358,430	174,328	6,796,451	5,911,975	884,476
Electrical machinery.....	770	6,333,133	5,284,430	2,006,563	77,600,202	62,043,011	15,557,190
Electrical transmission and distribution equipment.....	9	26,559	2,284	11,199	130,409	130,409	--
Electrical industrial apparatus.....	6	9,362	5,139	169	274,165	274,165	--
Household appliances.....	11	107,376	93,532	66,725	1,443,585	1,119,953	323,631
Electric lighting and wiring equipment.....	3	4,414	4,414	541	107,482	107,482	--
Radio and television receiving sets.....	6	10,570	10,123	8,665	322,711	322,711	--
Communications equipment.....	81	1,795,333	1,286,275	545,934	19,380,858	16,582,987	2,797,871
Electronics components and accessories.....	204	2,880,273	2,598,146	860,733	30,400,253	25,900,009	4,500,244
Computers and peripheral equipment.....	103	852,928	842,314	264,342	16,693,637	10,791,308	5,902,329
Miscellaneous electrical machinery.....	348	646,316	442,202	248,256	8,847,102	6,813,988	2,033,115
Transportation equipment.....	468	12,883,158	9,661,631	1,378,028	87,832,119	43,246,478	44,585,641
Motor vehicles and motor vehicle equipment.....	151	1,899,022	1,518,023	909,341	31,600,662	21,358,333	10,242,329
Aircraft and parts.....	70	1,968,081	1,805,251	279,143	50,574,182	17,358,714	33,215,468
Ship and boat building and repairing.....	3	2,613	2,609	1,673	35,333	35,333	--
Leased aircraft.....	202	8,666,539	6,041,943	96,182	2,264,322	2,224,640	39,683
Miscellaneous transportation equipment.....	40	260,552	207,461	25,123	2,847,877	2,159,523	688,354
Professional, scientific instruments.....	232	7,308,844	4,721,743	2,758,102	19,806,107	16,419,187	3,386,920
Engineering, laboratory, and scientific equipment.....	45	673,046	668,561	652,236	1,707,183	1,134,450	572,734
Instruments for measuring and controlling.....	51	182,557	164,788	64,573	1,760,078	1,493,526	266,552
Surgical, medical, and dental instruments and supplies.....	101	6,432,733	3,881,185	2,027,393	10,575,619	8,027,985	2,547,634
Photographic equipment and supplies.....	22	10,590	7,209	5,939	5,698,676	5,698,676	--
Watches and clocks.....	13	9,918	--	7,961	64,550	64,550	--
Miscellaneous manufactured products.....	268	1,223,376	959,742	242,402	13,020,818	11,823,812	1,197,005
Jewelry, silverware, and plated ware.....	4	1,237	1,221	1,194	2,552	2,552	--
Musical instruments.....	12	565	5	182	107,354	107,354	--
Toys, amusement, sporting and athletic goods.....	120	218,998	180,745	139,340	1,606,314	1,434,597	171,717
Pens, pencils, and other office and artist's materials.....	7	4,875	4,841	7,389	602,016	601,126	890
Miscellaneous manufactured products.....	125	997,701	772,929	94,298	10,702,582	9,678,183	1,024,399
Product or service not allocable.....	42	70,903	9,931	7,285	355,934	355,934	--

Footnotes at end of table.

Foreign Sales Corporations, 2000

Table 1.--Tax Year 2000 Foreign Sales Corporations: Assets, Receipts, Deductions, Net Income, Exempt Income, Taxes and Distributions, by Major Product or Service--Continued

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

Major product or service ¹	Total costs of sales and operations	Foreign trade income		Total nonforeign trade income	Foreign direct costs		Total foreign trade deductions
		Administrative	Non-administrative		Administrative	Non-administrative	
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
All products and industries.....	26,364,690	42,034,878	1,585,132	253,131	3,780,752	163,555	24,149,985
Nonmanufactured products and services.....	627,246	3,374,731	740,369	14,874	582,753	151,885	2,198,112
Grains and soybeans.....	46,296	86,872	--	478	41,307	--	45,370
Cotton.....	64,508	9,389	--	54	3,160	--	4,555
Crops, except cotton, grains, and soybeans.....	--	825,115	61,300	6,589	249,237	151,641	375,453
Livestock and livestock products.....	29,272	13,975	6,786	1,867	5,319	--	5,369
Fishery products and services.....	--	22,855	--	--	1,418	--	1,625
Metal mining, except iron ores.....	--	39,464	--	919	7,791	--	11,897
Coal mining products and services.....	483,268	25,874	--	--	47	--	10,567
Finance, insurance, and real estate services.....	--	1,604	30,511	--	3	--	38
Computer software.....	178	1,178,325	14,636	180	18,737	--	925,815
Motion picture distribution.....	--	726,702	--	1,890	80,335	--	523,856
Engineering and architectural services.....	--	92,984	--	--	1,969	--	19,935
Leasing services for property other than aircraft.....	--	261,230	615,503	453	168,143	5	214,634
Miscellaneous nonmanufactured products and services.....	3,710	77,738	11,633	2,443	2,964	240	56,673
Manufactured products.....	25,737,444	38,647,173	830,663	237,933	3,197,900	11,669	21,951,762
Ordnance and accessories.....	1,957	14,492	--	--	2,400	--	6,056
Food and kindred products.....	683,426	1,048,665	4,865	803	244,252	704	682,512
Meat products.....	71,248	206,062	688	--	70,327	--	105,827
Dairy products.....	--	7,380	--	--	214	--	3,385
Canned and preserved fruits, vegetables, and seafoods.....	4,197	33,471	--	--	10,323	--	25,894
Confectionary and related products.....	--	43,616	--	1	16,898	--	16,948
Beverages.....	--	315,260	--	--	40,825	--	233,323
Miscellaneous food preparations and kindred products.....	586,923	433,940	4,178	213	105,430	704	291,064
Tobacco products.....	--	420,617	--	--	5,362	--	144,766
Textile mill products.....	15,962	122,270	7,801	18,956	16,162	1,446	74,428
Yarn and thread mills.....	--	8,789	--	--	1,300	--	2,904
Miscellaneous textile goods.....	15,962	78,999	7,801	18,956	14,831	1,446	44,417
Apparel and other finished goods.....	--	35,083	--	--	9,939	--	29,962
Lumber and wood products, except furniture and fixtures.....	287,390	241,186	10,413	250	52,167	--	129,745
Millwork, veneer, plywood.....	--	77,388	--	--	1,845	--	49,992
Miscellaneous wood products.....	287,390	163,798	10,413	250	50,322	--	79,753
Furniture and fixtures.....	--	304,817	--	373	9,357	--	259,383
Household furniture.....	--	23,500	--	--	1,331	--	18,512
Miscellaneous furniture and fixtures.....	--	51,146	--	373	4,237	--	31,989
Paper and allied products.....	1,239,021	831,223	--	54	208,762	--	286,473
Pulp mills.....	--	109,865	--	12	47,821	--	74,605
Paper mills, except building paper mills.....	1,235,331	490,817	--	40	156,182	--	184,668
Converted paper and paperboard products.....	--	170,798	--	1	300	--	1,160
Paperboard containers and boxes.....	3,690	56,404	--	--	4,305	--	25,876
Printing, publishing and allied products.....	121,747	163,904	7,831	1,011	22,826	5,800	93,217
Periodicals, publishing, and printing.....	--	7,995	--	--	898	--	963
Books.....	53,856	71,859	308	--	20,763	6	36,016
Miscellaneous publishing.....	--	7,287	--	--	--	--	5,148
Services industries for the printing trade.....	67,892	66,214	7,523	1,011	359	5,794	42,985
Chemicals and allied products.....	298,388	4,640,763	8,899	15,036	740,923	2,504	2,346,913
Industrial inorganic and organic chemicals.....	202,872	1,204,824	--	8,852	112,361	--	670,885
Plastics materials, synthetic resins.....	35,121	117,974	--	33	12,169	--	73,861
Drugs.....	467	824,350	--	5,135	46,182	--	212,410
Soap, detergents, and cleaning preparations.....	--	216,164	--	5	43,516	--	122,817
Paints, varnishes, lacquers, enamels.....	23,523	65,964	1,793	--	3,186	--	37,410
Agricultural chemicals.....	--	67,832	--	--	11,943	--	43,972
Miscellaneous chemical products.....	36,404	2,143,655	7,106	1,011	511,565	2,504	1,185,558
Petroleum refining and related products.....	--	113,059	--	--	751	--	83,439
Rubber and miscellaneous plastics products.....	73,154	112,814	--	70	16,069	--	68,280
Tires and inner tubes.....	--	31,824	--	--	13,115	--	15,522
Fabricated rubber products.....	--	33,805	--	--	2,145	--	13,347
Miscellaneous plastics products.....	--	29,802	--	82	502	--	26,400
All other miscellaneous rubber and plastics products.....	73,154	17,383	--	-12	306	--	13,011

Footnotes at end of table.

Foreign Sales Corporations, 2000

Table 1.--Tax Year 2000 Foreign Sales Corporations: Assets, Receipts, Deductions, Net Income, Exempt Income, Taxes and Distributions, by Major Product or Service--Continued

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

Major product or service ¹	Total costs of sales and operations	Foreign trade income		Total nonforeign trade income	Foreign direct costs		Total foreign trade deductions
		Administrative	Non-administrative		Administrative	Non-administrative	
		(8)	(9)		(10)	(11)	
Leather and leather products.....	-	21,615	--	--	5,644	-	12,371
Stone, clay, glass and concrete products.....	12,094	317,485	--	--	31,091	-	137,281
Glass products, made or purchased glass.....	10,233	26,356	--	--	2,408	--	20,689
Concrete, gypsum, and plaster products.....	-	44,622	--	--	12,093	--	34,361
Abrasive, asbestos products.....	1,861	28,187	--	--	16,589	--	16,727
Primary metal products.....	63,705	229,396	--	107	38,001	-	147,784
Blast furnaces, steel works.....	582	65,968	--	--	2,920	--	42,176
Iron and steel foundries.....	-	13,562	--	--	1,096	--	7,392
Miscellaneous primary metal products.....	63,123	146,345	--	107	33,965	--	98,161
Fabricated metal products.....	175,701	658,000	43,710	285	35,285	300	347,419
Cutlery, hand tools, and general hardware.....	94,150	192,072	43,249	246	2,323	300	134,788
Heating apparatus and plumbing fixtures.....	6,979	113,825	--	39	1,705	--	72,533
Fabricated structural metal products.....	13,943	9,526	--	--	2,941	--	3,719
Screw machine products.....	-	1,626	--	--	4	--	4
Miscellaneous fabricated metal products.....	60,628	311,590	462	--	28,135	--	119,783
Machinery, other than electrical.....	402,579	2,501,341	7,764	1,133	251,036	875	1,646,962
Engines and turbines.....	-	109,200	--	--	29,172	--	82,209
Farm machinery and equipment.....	-	166,049	--	1	39,402	--	307,107
Construction, mining, and materials handling machinery.....	7,695	474,133	--	70	60,547	--	99,308
Metal working machinery and equipment.....	-	86,268	--	218	6,318	--	25,436
Special industry machinery.....	29,268	603,777	--	63	74,771	--	376,103
General industrial machinery and equipment.....	75,424	118,511	7,069	189	7,153	871	80,450
Office, computing, and accounting machinery.....	95,237	223,772	--	1	5,154	--	197,511
Miscellaneous machinery, except electrical.....	194,954	719,632	696	592	28,518	4	478,837
Electrical machinery.....	312,952	17,168,723	25,448	66,380	886,472	-	11,520,006
Electrical transmission and distribution equipment.....	-	4,981	--	--	213	--	1,020
Electrical industrial apparatus.....	9,494	17,700	--	26	3,059	--	8,164
Household appliances.....	-	121,607	--	74	25,978	--	70,826
Electric lighting and wiring equipment.....	-	7,417	--	--	3,003	--	3,007
Radio and television receiving sets.....	30,536	23,934	--	--	275	--	9,221
Communications equipment.....	76,438	3,668,027	--	11,579	172,438	--	2,465,854
Electronics components and accessories.....	85,064	6,420,987	476	34,231	461,424	--	4,430,486
Computers and peripheral equipment.....	-	5,750,731	--	--	154,967	--	4,004,306
Miscellaneous electrical machinery.....	111,421	1,153,339	24,972	20,470	65,115	--	527,123
Transportation equipment.....	21,230,871	5,537,339	713,932	30,146	345,543	40	1,791,924
Motor vehicles and motor vehicle equipment.....	10,570	2,296,827	132	6,104	241,243	--	1,178,027
Aircraft and parts.....	21,169,971	2,634,895	--	16,963	73,291	--	275,555
Ship and boat building and repairing.....	-	2,524	--	--	546	--	1,236
Leased aircraft.....	9,167	126,230	706,271	1,343	143	40	2,836
Miscellaneous transportation equipment.....	-	389,123	7,528	5,736	30,303	--	269,666
Professional, scientific instruments.....	541,075	2,547,032	--	90,769	166,535	-	1,380,681
Engineering, laboratory, and scientific equipment.....	472,581	481,341	--	--	20,103	--	396,319
Instruments for measuring and controlling.....	23,999	178,116	--	12,994	3,337	--	74,173
Surgical, medical, and dental instruments and supplies.....	44,494	1,635,694	--	77,775	113,871	--	871,151
Photographic equipment and supplies.....	-	243,142	--	--	22,699	--	32,512
Watches and clocks.....	-	8,740	--	--	6,526	--	6,526
Miscellaneous manufactured products.....	277,424	1,617,351	--	12,560	109,322	-	762,159
Jewelry, silverware, and plated ware.....	-	1,221	--	--	--	--	1,192
Musical instruments.....	-	5,526	--	--	1,178	--	2,001
Toys, amusement, sporting and athletic goods.....	41,277	260,053	--	--	13,928	--	143,362
Pens, pencils, and other office and artist's materials.....	217,987	69,673	--	--	33,110	--	44,181
Miscellaneous manufactured products.....	18,160	1,280,879	--	12,560	61,107	--	571,424
Product or service not allocable.....	-	12,975	14,100	325	99	-	112

Footnotes at end of table.

Foreign Sales Corporations, 2000

Table 1.--Tax Year 2000 Foreign Sales Corporations: Assets, Receipts, Deductions, Net Income, Exempt Income, Taxes and Distributions, by Major Product or Service--Continued

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

Major product or service ¹	Total foreign trade deductions--continued	Total nonforeign trade deductions	Net income prior to exclusions or adjustments		Nonforeign trade net income	Net income (less deficit)	Net income
	Non-administrative		Administrative	Non-administrative			
			(17)	(18)			
(15)	(16)	(17)	(18)	(19)	(20)	(21)	
All products and industries.....	1,015,170	116,435	6,392,938	461,977	136,696	6,565,839	6,654,909
Nonmanufactured products and services.....	546,080	15,315	404,339	199,210	-441	414,437	414,645
Grains and soybeans.....	--	467	14,196	--	12	14,208	14,209
Cotton.....	--	--	1,469	--	54	1,523	1,523
Crops, except cotton, grains, and soybeans.....	151,641	11,293	152,232	--	-4,704	145,399	145,404
Livestock and livestock products.....	18	--	2,993	4,738	1,867	9,599	9,599
Fishery products and services.....	--	--	7,399	--	--	7,384	7,384
Metal mining, except iron ores.....	--	--	9,589	--	919	10,507	10,507
Coal mining products and services.....	--	--	5,324	--	--	5,324	5,324
Finance, insurance, and real estate services.....	16,907	--	545	9,523	--	545	545
Computer software.....	8,807	2	87,989	4,081	178	92,248	92,400
Motion picture distribution.....	--	1,502	70,556	--	389	70,944	70,947
Engineering and architectural services.....	--	--	24,857	--	--	24,857	24,859
Leasing services for property other than aircraft.....	368,054	37	16,207	173,175	416	20,777	20,824
Miscellaneous nonmanufactured products and services.....	654	2,015	7,260	7,694	428	7,397	7,397
Manufactured products.....	459,962	101,120	5,984,025	259,287	136,813	6,146,504	6,235,366
Ordnance and accessories.....	--	--	7,173	--	--	7,173	7,173
Food and kindred products.....	1,191	18	120,684	2,572	785	124,041	126,672
Meat products.....	5	--	34,865	478	--	35,343	35,343
Dairy products.....	--	--	961	--	--	961	961
Canned and preserved fruits, vegetables, and seafoods.....	--	--	1,836	--	--	1,836	1,838
Confectionary and related products.....	--	1	7,015	--	(²)	7,015	7,015
Beverages.....	--	--	28,479	--	--	28,479	28,479
Miscellaneous food preparations and kindred products.....	1,186	17	46,552	2,094	196	48,843	51,472
Tobacco products.....	--	--	95,949	--	--	95,949	95,949
Textile mill products.....	5,548	19,186	16,641	1,532	-230	17,942	17,943
Yarn and thread mills.....	--	--	2,047	--	--	2,047	2,047
Miscellaneous textile goods.....	5,548	19,186	12,029	1,532	-230	13,330	13,331
Apparel and other finished goods.....	--	--	1,714	--	--	1,714	1,714
Lumber and wood products, except furniture and fixtures.....	7,011	108	38,612	2,381	142	41,135	41,203
Millwork, veneer, plywood.....	--	--	9,529	--	--	9,529	9,529
Miscellaneous wood products.....	7,011	108	29,082	2,381	142	31,606	31,674
Furniture and fixtures.....	--	--	15,806	--	373	16,176	16,181
Household furniture.....	--	--	1,735	--	--	1,735	1,739
Miscellaneous furniture and fixtures.....	--	--	6,666	--	373	7,037	7,037
Paper and allied products.....	--	16	189,480	--	37	189,518	189,522
Pulp mills.....	--	12	12,264	--	--	12,264	12,264
Paper mills, except building paper mills.....	--	4	106,488	--	37	106,524	106,528
Converted paper and paperboard products.....	--	--	59,005	--	1	59,006	59,006
Paperboard containers and boxes.....	--	--	10,618	--	--	10,618	10,618
Printing, publishing and allied products.....	6,688	--	27,620	800	1,011	25,865	26,148
Periodicals, publishing, and printing.....	--	--	2,394	--	--	2,394	2,394
Books.....	15	--	15,578	205	--	12,217	12,219
Miscellaneous publishing.....	--	--	718	--	--	718	718
Services industries for the printing trade.....	6,673	--	8,080	595	1,011	9,685	9,966
Chemicals and allied products.....	4,435	8,832	794,450	3,125	6,204	792,586	792,868
Industrial inorganic and organic chemicals.....	--	8,793	184,459	--	60	184,519	184,519
Plastics materials, synthetic resins.....	--	32	15,298	--	1	15,299	15,301
Drugs.....	--	--	212,873	--	5,135	218,008	218,010
Soap, detergents, and cleaning preparations.....	--	--	32,393	--	5	32,398	32,401
Paints, varnishes, lacquers, enamels.....	155	1	9,929	1,146	-1	11,075	11,089
Agricultural chemicals.....	--	3	8,299	--	-3	8,296	8,528
Miscellaneous chemical products.....	4,280	3	331,198	1,978	1,008	322,991	323,020
Petroleum refining and related products.....	--	--	10,303	--	--	10,303	10,303
Rubber and miscellaneous plastics products.....	--	91	15,490	--	-21	15,469	15,469
Tires and inner tubes.....	--	--	5,670	--	--	5,670	5,670
Fabricated rubber products.....	--	--	7,116	--	--	7,116	7,116
Miscellaneous plastics products.....	--	90	1,183	--	-7	1,176	1,176
All other miscellaneous rubber and plastics products.....	--	2	1,521	--	-14	1,507	1,507

Footnotes at end of table.

Foreign Sales Corporations, 2000

Table 1.--Tax Year 2000 Foreign Sales Corporations: Assets, Receipts, Deductions, Net Income, Exempt Income, Taxes and Distributions, by Major Product or Service--Continued

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

Major product or service ¹	Total foreign trade deductions--continued	Total nonforeign trade deductions	Net income prior to exclusions or adjustments		Nonforeign trade net income	Net income (less deficit)	Net income
	Non-administrative		Administrative	Non-administrative			
			(17)	(18)			
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
Leather and leather products.....	--	--	3,215	--	--	3,215	3,215
Stone, clay, glass and concrete products.....	--	--	62,680	--	--	62,680	62,681
Glass products, made or purchased glass.....	--	--	1,971	--	--	1,971	1,971
Concrete, gypsum, and plaster products.....	--	--	3,569	--	--	3,569	3,569
Abrasive, asbestos products.....	--	--	3,986	--	--	3,986	3,987
Primary metal products.....	--	--	28,886	--	107	28,993	29,216
Blast furnaces, steel works.....	--	--	8,784	--	--	8,784	8,784
Iron and steel foundries.....	--	--	2,146	--	--	2,146	2,365
Miscellaneous primary metal products.....	--	--	16,750	--	107	16,857	16,857
Fabricated metal products.....	14,491	81	111,050	20,445	204	131,699	131,711
Cutlery, hand tools, and general hardware.....	14,468	81	19,928	20,146	165	40,239	40,240
Heating apparatus and plumbing fixtures.....	--	--	14,357	--	39	14,396	14,396
Fabricated structural metal products.....	--	--	2,020	--	--	2,020	2,020
Screw machine products.....	--	--	565	--	--	565	565
Miscellaneous fabricated metal products.....	23	--	70,078	298	(²)	70,376	70,388
Machinery, other than electrical.....	3,122	13	296,430	3,250	1,120	300,800	383,016
Engines and turbines.....	--	--	9,388	--	--	9,388	9,388
Farm machinery and equipment.....	--	--	-49,064	--	1	-49,064	22,728
Construction, mining, and materials handling machinery.....	--	--	130,300	--	70	130,370	130,370
Metal working machinery and equipment.....	--	--	20,997	--	218	21,215	21,215
Special industry machinery.....	--	7	78,741	--	57	78,798	78,804
General industrial machinery and equipment.....	1,558	--	13,241	3,858	189	17,287	17,287
Office, computing, and accounting machinery.....	--	--	9,134	--	1	9,135	9,136
Miscellaneous machinery, except electrical.....	1,564	6	83,694	-608	585	83,671	94,088
Electrical machinery.....	15,299	45,995	2,058,308	7,078	20,385	2,085,998	2,086,182
Electrical transmission and distribution equipment.....	--	--	1,378	--	--	1,378	1,379
Electrical industrial apparatus.....	--	--	3,317	--	26	3,343	3,343
Household appliances.....	--	--	17,663	--	74	17,737	17,738
Electric lighting and wiring equipment.....	--	--	1,534	--	--	1,534	1,534
Radio and television receiving sets.....	--	--	5,118	--	--	5,347	5,347
Communications equipment.....	--	3	458,620	--	11,576	470,196	470,198
Electronics components and accessories.....	37	30,161	742,600	307	4,070	746,977	746,992
Computers and peripheral equipment.....	--	2	607,369	--	-2	607,367	607,391
Miscellaneous electrical machinery.....	15,262	15,829	220,710	6,771	4,640	232,118	232,260
Transportation equipment.....	402,119	6,587	1,378,635	218,145	23,558	1,402,763	1,405,626
Motor vehicles and motor vehicle equipment.....	530	6,552	353,770	-277	-448	353,033	354,138
Aircraft and parts.....	--	2	926,155	--	16,961	943,116	943,117
Ship and boat building and repairing.....	--	--	448	--	--	448	448
Leased aircraft.....	397,014	28	42,920	216,355	1,315	45,094	46,850
Miscellaneous transportation equipment.....	4,575	6	47,295	2,067	5,730	53,025	53,025
Professional, scientific instruments.....	9	12,519	408,374	-6	78,251	485,965	485,986
Engineering, laboratory, and scientific equipment.....	5	15	32,395	-3	-15	32,377	32,383
Instruments for measuring and controlling.....	--	12,498	36,154	--	496	35,998	35,998
Surgical, medical, and dental instruments and supplies.....	5	5	265,795	-3	77,770	343,561	343,570
Photographic equipment and supplies.....	--	--	73,259	--	--	73,259	73,266
Watches and clocks.....	--	--	770	--	--	770	770
Miscellaneous manufactured products.....	48	7,673	302,524	-34	4,887	306,520	306,588
Jewelry, silverware, and plated ware.....	--	--	10	--	--	10	10
Musical instruments.....	--	--	1,226	--	--	1,226	1,226
Toys, amusement, sporting and athletic goods.....	46	--	40,328	-32	--	39,439	39,473
Pens, pencils, and other office and artist's materials.....	--	--	8,867	--	--	8,867	8,867
Miscellaneous manufactured products.....	2	7,673	252,093	-2	4,887	256,979	257,012
Product or service not allocable.....	9,128	1	4,574	3,480	324	4,898	4,898

Footnotes at end of table.

Foreign Sales Corporations, 2000

Table 1.--Tax Year 2000 Foreign Sales Corporations: Assets, Receipts, Deductions, Net Income, Exempt Income, Taxes and Distributions, by Major Product or Service--Continued

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

Major product or service ¹	Deficit	Taxable income	Total tax liability	Regular income tax	Net exempt income		Total distributions
					Administrative	Non-administrative	
	(22)	(23)	(24)	(25)	(26)	(27)	(28)
All products and industries.....	89,070	6,651,414	2,306,304	2,306,320	11,833,788	199,614	14,660,743
Nonmanufactured products and services.....	208	413,966	143,546	143,549	773,332	85,564	2,166,560
Grains and soybeans.....	2	14,209	4,800	4,800	27,308	--	953,495
Cotton.....	--	1,523	533	533	3,364	--	2,513
Crops, except cotton, grains, and soybeans.....	5	145,404	50,692	50,692	297,438	--	157,955
Livestock and livestock products.....	--	8,920	3,089	3,089	5,613	2,031	12,084
Fishery products and services.....	--	7,384	2,513	2,513	13,830	--	12,010
Metal minina. except iron ores.....	--	10,507	3,672	3,672	17,978	--	13,977
Coal mining products and services.....	--	5,324	1,827	1,827	9,982	--	16,935
Finance, insurance, and real estate services.....	--	545	191	191	1,021	4,081	25,848
Computer software.....	152	92,400	31,977	31,977	165,401	1,749	351,068
Motion picture distribution.....	3	70,947	24,675	24,675	132,290	--	187,278
Engineering and architectural services.....	1	24,859	8,573	8,573	48,194	--	131,350
Leasing services for property other than aircraft.....	46	20,824	7,276	7,276	30,401	74,282	221,620
Miscellaneous nonmanufactured products and services.....	--	7,397	2,499	2,501	13,805	3,422	76,797
Manufactured products.....	88,862	6,232,549	2,161,175	2,161,187	11,052,166	112,558	12,489,457
Ordnance and accessories.....	--	7,173	2,500	2,500	5,503	--	19,409
Food and kindred products.....	2,630	126,639	44,188	44,201	240,004	1,102	401,912
Meat products.....	--	35,343	12,366	12,366	65,371	205	81,900
Dairy products.....	--	961	336	336	3,034	--	2,377
Canned and preserved fruits, vegetables, and seafoods.....	1	1,838	629	629	5,743	--	8,056
Confectionary and related products.....	--	7,015	2,455	2,455	17,392	--	115,917
Beverages.....	--	28,479	9,958	9,958	53,396	--	47,510
Miscellaneous food preparations and kindred products.....	2,629	51,438	17,902	17,915	93,180	898	144,284
Tobacco products.....	--	95,949	33,575	33,575	179,902	--	202,494
Textile mill products.....	1	17,935	6,150	6,150	31,202	721	47,498
Yarn and thread mills.....	--	2,047	706	706	3,838	--	4,766
Miscellaneous textile goods.....	1	13,323	4,559	4,559	22,555	721	33,663
Apparel and other finished goods.....	--	1,714	510	510	3,406	--	4,674
Lumber and wood products, except furniture and fixtures.....	69	41,203	14,153	14,153	72,827	1,020	78,130
Millwork, veneer, plywood.....	--	9,529	3,236	3,236	17,867	--	18,881
Miscellaneous wood products.....	69	31,674	10,917	10,917	54,961	1,020	59,250
Furniture and fixtures.....	4	16,181	5,594	5,594	29,635	--	131,303
Household furniture.....	4	1,739	602	602	3,261	--	4,833
Miscellaneous furniture and fixtures.....	--	7,037	2,400	2,400	12,491	--	10,614
Paper and allied products.....	4	189,522	66,129	66,129	355,270	--	555,197
Pulp mills.....	--	12,264	4,242	4,242	22,995	--	55,596
Paper mills, except building paper mills.....	4	106,528	37,141	37,141	199,661	--	133,820
Converted paper and paperboard products.....	--	59,006	20,647	20,647	110,632	--	351,204
Paperboard containers and boxes.....	--	10,618	3,712	3,712	19,909	--	12,796
Printing, publishing and allied products.....	283	25,568	8,751	8,751	46,705	344	52,752
Periodicals, publishing, and printing.....	--	2,394	765	765	4,638	--	19,419
Books.....	2	11,640	4,000	4,000	23,375	89	25,266
Miscellaneous publishing.....	--	718	215	215	1,421	--	--
Services industries for the printing trade.....	281	9,966	3,479	3,479	15,677	255	6,165
Chemicals and allied products.....	283	792,821	276,362	276,361	1,499,980	1,339	1,977,021
Industrial inorganic and organic chemicals.....	--	184,519	64,454	64,453	349,480	--	368,901
Plastics materials, synthetic resins.....	2	15,301	5,152	5,152	28,814	--	33,692
Drugs.....	1	218,010	76,312	76,312	399,068	--	517,414
Soap, detergents, and cleaning preparations.....	3	32,401	11,226	11,226	60,960	--	357,465
Paints, varnishes, lacquers, enamels.....	14	11,089	3,791	3,791	18,651	491	29,248
Agricultural chemicals.....	233	8,528	2,923	2,923	15,990	--	15,568
Miscellaneous chemical products.....	30	322,973	112,505	112,505	627,017	848	654,733
Petroleum refining and related products.....	--	10,303	3,597	3,597	19,318	--	42,737
Rubber and miscellaneous plastics products.....	--	15,469	5,375	5,375	29,044	--	52,826
Tires and inner tubes.....	--	5,670	1,974	1,974	10,632	--	20,309
Fabricated rubber products.....	--	7,116	2,485	2,485	13,342	--	23,742
Miscellaneous plastics products.....	--	1,176	403	403	2,219	--	862
All other miscellaneous rubber and plastics products.....	--	1,507	513	513	2,851	--	7,913

Footnotes at end of table.

Foreign Sales Corporations, 2000

Table 1.--Tax Year 2000 Foreign Sales Corporations: Assets, Receipts, Deductions, Net Income, Exempt Income, Taxes and Distributions, by Major Product or Service--Continued

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

Major product or service ¹	Deficit	Taxable income	Total tax liability	Regular income tax	Net exempt income		Total distributions
					Administrative	Non-administrative	
	(22)	(23)	(24)	(25)	(26)	(27)	(28)
Leather and leather products.....	-	3,215	1,110	1,110	6,029	-	8,516
Stone, clay, glass and concrete products.....	1	62,681	21,857	21,829	117,527	-	146,519
Glass products, made or purchased glass.....	-	1,971	633	633	3,696	-	4,497
Concrete, gypsum, and plaster products.....	-	3,569	1,238	1,238	6,692	-	9,190
Abrasive, asbestos products.....	1	3,987	1,384	1,356	7,476	-	9,626
Primary metal products.....	223	29,216	10,068	10,069	53,654	-	62,910
Blast furnaces, steel works.....	-	8,784	3,073	3,073	15,516	-	18,302
Iron and steel foundries.....	219	2,365	804	804	4,435	-	4,734
Miscellaneous primary metal products.....	(²)	16,857	5,778	5,779	31,434	-	36,592
Fabricated metal products.....	12	131,711	45,068	45,100	202,926	8,775	206,445
Cutlery, hand tools, and general hardware.....	(²)	40,240	14,018	14,018	37,359	8,634	52,140
Heating apparatus and plumbing fixtures.....	-	14,396	4,747	4,747	26,935	-	36,942
Fabricated structural metal products.....	-	2,020	683	683	3,787	-	2,924
Screw machine products.....	-	565	138	138	1,058	-	394
Miscellaneous fabricated metal products.....	12	70,388	24,098	24,131	125,120	140	109,074
Machinery, other than electrical.....	82,216	382,814	130,853	130,848	711,446	1,653	767,929
Engines and turbines.....	-	9,388	3,229	3,224	17,603	-	35,574
Farm machinery and equipment.....	71,791	22,728	7,889	7,889	42,612	-	32,424
Construction, mining, and materials handling machinery.....	-	130,370	45,410	45,410	244,526	-	311,560
Metal working machinery and equipment.....	-	21,215	7,149	7,149	39,835	-	25,530
Special industry machinery.....	7	78,734	26,694	26,694	148,945	-	85,448
General industrial machinery and equipment.....	-	17,287	5,361	5,361	24,832	1,653	31,152
Office, computing, and accounting machinery.....	1	9,136	3,166	3,166	17,129	-	61,025
Miscellaneous machinery, except electrical.....	10,417	93,957	31,955	31,955	175,966	-	185,214
Electrical machinery.....	185	2,084,247	723,571	723,569	3,684,688	3,074	4,463,766
Electrical transmission and distribution equipment.....	1	1,379	480	480	2,585	-	4,225
Electrical industrial apparatus.....	-	3,343	1,167	1,167	6,219	-	7,707
Household appliances.....	(²)	17,738	6,176	6,176	33,119	-	58,258
Electric lighting and wiring equipment.....	-	1,534	537	537	2,876	-	2,970
Radio and television receiving sets.....	-	5,347	1,867	1,867	9,595	-	5,698
Communications equipment.....	2	470,198	164,316	164,316	784,071	-	1,223,187
Electronics components and accessories.....	15	746,738	260,230	260,230	1,298,646	134	1,047,632
Computers and peripheral equipment.....	24	607,391	212,345	212,344	1,139,099	-	1,657,743
Miscellaneous electrical machinery.....	142	230,579	76,453	76,453	408,477	2,939	456,345
Transportation equipment.....	2,862	1,405,614	486,206	486,206	2,443,612	94,530	2,215,404
Motor vehicles and motor vehicle equipment.....	1,105	354,138	118,635	118,635	730,001	-	363,853
Aircraft and parts.....	1	943,117	329,929	329,929	1,539,156	-	1,174,634
Ship and boat building and repairing.....	-	448	154	154	839	-	784
Leased aircraft.....	1,756	46,838	16,133	16,133	80,619	93,636	562,163
Miscellaneous transportation equipment.....	(²)	53,025	18,538	18,538	77,906	894	75,176
Professional, scientific instruments.....	21	485,986	169,301	169,301	760,817	-	753,822
Engineering, laboratory, and scientific equipment.....	6	32,383	11,210	11,210	55,454	-	27,708
Instruments for measuring and controlling.....	-	35,998	12,461	12,461	67,788	-	67,091
Surgical, medical, and dental instruments and supplies.....	9	343,570	119,723	119,723	498,748	-	462,396
Photographic equipment and supplies.....	7	73,266	25,638	25,638	137,384	-	194,956
Watches and clocks.....	-	770	270	270	1,444	-	1,671
Miscellaneous manufactured products.....	67	306,588	106,257	106,257	558,671	-	298,193
Jewelry, silverware, and plated ware.....	-	10	3	3	19	-	222
Musical instruments.....	-	1,226	374	374	2,299	-	4,207
Toys, amusement, sporting and athletic goods.....	34	39,473	13,577	13,577	76,280	-	50,946
Pens, pencils, and other office and artist's materials.....	-	8,867	3,111	3,111	16,625	-	21,275
Miscellaneous manufactured products.....	34	257,012	89,191	89,191	463,449	-	221,542
Product or service not allocable.....	-	4,898	1,584	1,584	8,290	1,491	4,726

¹ Detail for products or services may not add to totals because certain data were deleted to avoid disclosure of specific return information.

² Less than \$500.

Foreign Sales Corporations, 2000

Table 2.--Tax Year 2000 Foreign Sales Corporations: Assets, Receipts, Deductions, Net Income, Exempt Income, Taxes and Distributions, by Intercompany Pricing Method

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

Intercompany pricing method ¹	Number of returns	Total assets	Commissions and accounts receivable	Total current and long-term liabilities	Foreign trading gross receipts of FSC's and related supplier		
					Total	Full costing	Marginal costing
					(5)	(6)	(7)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
All returns.....	4,200	47,746,635	29,389,932	10,882,918	348,971,178	251,465,022	97,506,157
No pricing method shown.....	85	13,183	6,887	5,279	--	--	--
1.83 percent of gross receipts method only.....	308	568,508	225,470	179,989	5,936,794	5,920,291	16,503
23 percent of combined taxable income method only.....	2,119	6,487,898	5,190,434	3,191,995	38,580,655	37,117,449	1,463,206
Marginal costing method only.....	11	13,269	14,579	4,162	602,832	600,393	2,439
Section 482 method only.....	266	14,204,114	5,794,736	220,517	1,598,709	1,556,950	41,759
Transactions at arm's length method only.....	37	1,323,454	284,455	81,704	308,572	302,948	5,624
1.83 and 23-percent methods.....	619	4,397,589	1,710,031	1,035,146	35,024,173	33,555,829	1,468,344
1.83 and marginal costing methods.....	26	5,290	5,008	3,968	174,170	27,643	146,527
1.83 and section 482 methods.....	5	4,952	452	--	3,128	3,128	--
1.83, 23-percent, and marginal costing methods.....	609	19,622,362	15,180,556	5,660,465	244,364,159	158,304,275	86,059,884
1.83, 23-percent, marginal costing, and section 482 methods.....	7	294,556	256,930	2,539	17,108,367	10,610,336	6,498,032
23-percent and marginal costing methods.....	76	607,911	562,470	478,229	4,043,433	2,239,594	1,803,839
23-percent and section 482 methods.....	23	121,386	121,988	10,188	106,812	106,812	--
23-percent, section 482, and transactions at arm's length methods.....	3	44,361	11,616	3,484	47,853	47,853	--

Intercompany pricing method ¹	Total costs of sales and operations	Foreign trade income		Total nonforeign trade income	Foreign direct costs		Total foreign trade deductions
		Administrative	Non-administrative		Administrative	Non-administrative	
		(8)	(9)		(10)	(11)	
All returns.....	26,364,690	42,034,878	1,585,132	253,131	3,780,752	163,555	24,149,985
No pricing method shown.....	--	--	--	347	--	--	--
1.83 percent of gross receipts method only.....	537,379	676,285	--	31,472	50,000	--	566,380
23 percent of combined taxable income method only.....	792,806	7,148,874	--	29,895	773,829	--	4,905,737
Marginal costing method only.....	--	17,773	--	--	1,153	--	1,827
Section 482 method only.....	241,797	--	1,339,225	19,686	--	7,011	--
Transactions at arm's length method only.....	162,377	--	146,195	21,229	--	1,688	--
1.83 and 23-percent methods.....	859,405	2,812,189	--	2,235	383,091	--	1,501,414
1.83 and marginal costing methods.....	6,683	11,946	--	--	58	--	6,835
1.83 and section 482 methods.....	1,409	1,718	--	256	17	--	115
1.83, 23-percent, and marginal costing methods.....	23,109,544	29,994,600	--	123,086	2,148,423	--	16,209,284
1.83, 23-percent, marginal costing, and section 482 methods.....	71,248	752,112	62,296	5,705	361,749	151,647	590,359
23-percent and marginal costing methods.....	14,299	554,168	--	481	55,939	--	342,420
23-percent and section 482 methods.....	47,103	15,571	17,054	12,991	--	704	12,276
23-percent, section 482, and transactions at arm's length methods.....	37,371	3,188	7,238	5,750	283	2,504	2,161

Footnotes at end of table.

Foreign Sales Corporations, 2000

Table 2.--Tax Year 2000 Foreign Sales Corporations: Assets, Receipts, Deductions, Net Income, Exempt Income, Taxes and Distributions, by Intercompany Pricing Method--Continued

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

Intercompany pricing method ¹	Total foreign trade deductions	Total nonforeign trade deductions	Net income prior to exclusions or adjustments		Nonforeign trade net income	Net income (less deficit)	Net income
	--continued		Administrative	Non-administrative			
	Non-administrative	(15)	(16)	(17)	(18)	(19)	(20)
All returns.....	1,015,170	116,435	6,392,938	461,977	136,696	6,565,839	6,654,909
No pricing method shown.....	--	33	--	--	315	300	324
1.83 percent of gross receipts method only.....	--	30,178	34,918	--	1,295	36,212	39,292
23 percent of combined taxable income method only.....	--	10,421	821,632	--	19,473	832,765	905,345
Marginal costing method only.....	--	--	5,547	--	--	5,547	5,550
Section 482 method only.....	768,312	15,956	--	399,440	3,730	48,168	50,598
Transactions at arm's length method only.....	77,817	21,113	--	47,828	116	5,606	5,606
1.83 and 23-percent methods.....	--	127	458,949	--	2,107	461,056	461,070
1.83 and marginal costing methods.....	--	--	1,775	--	--	1,775	1,775
1.83 and section 482 methods.....	--	--	488	--	256	744	744
1.83, 23-percent, and marginal costing methods.....	--	8,266	4,926,238	--	114,820	5,031,212	5,041,050
1.83, 23-percent, marginal costing, and section 482 methods.....	151,658	11,293	56,263	685	-5,589	51,359	51,359
23-percent and marginal costing methods.....	--	2	73,360	--	479	73,839	73,840
23-percent and section 482 methods.....	7,811	12,495	1,146	6,470	496	3,733	3,733
23-percent, section 482, and transactions at arm's length methods.....	4,810	6,552	353	1,702	-802	1,253	2,352

Intercompany pricing method ¹	Deficit	Taxable income	Total tax liability	Regular income tax	Net exempt income		Total distributions
					Administrative	Non-administrative	
	(22)	(23)	(24)	(25)	(26)	(27)	(28)
All returns.....	89,070	6,651,414	2,306,304	2,306,320	11,833,788	199,614	14,660,743
No pricing method shown.....	24	324	113	113	--	--	63,866
1.83 percent of gross receipts method only.....	3,080	39,039	12,801	12,795	72,681	--	73,626
23 percent of combined taxable income method only.....	72,580	904,533	304,949	304,981	1,602,962	--	2,610,258
Marginal costing method only.....	4	5,550	1,939	1,939	10,406	--	38,297
Section 482 method only.....	2,430	50,598	17,047	17,047	--	172,495	731,678
Transactions at arm's length method only.....	--	3,990	1,304	1,304	--	20,687	45,237
1.83 and 23-percent methods.....	14	460,271	158,960	158,946	860,523	--	743,127
1.83 and marginal costing methods.....	--	1,775	603	603	3,335	--	4,806
1.83 and section 482 methods.....	--	744	211	211	1,115	--	--
1.83, 23-percent, and marginal costing methods.....	9,838	5,041,036	1,758,572	1,758,576	9,013,056	--	10,087,673
1.83, 23-percent, marginal costing, and section 482 methods.....	--	51,359	17,940	17,940	105,491	294	35,244
23-percent and marginal costing methods.....	1	73,840	25,555	25,555	138,390	--	181,995
23-percent and section 482 methods.....	--	3,733	1,300	1,300	2,149	2,782	23,902
23-percent, section 482, and transactions at arm's length methods.....	1,099	2,352	800	800	674	848	--

¹ Detail may not add to total because certain data were deleted to avoid disclosure of specific return information.

Foreign Sales Corporations, 2000

Table 3.--Tax Year 2000 Foreign Sales Corporations: Assets, Receipts, Deductions, Net Income, Exempt Income, Taxes, and Distributions, by Country of Incorporation

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

Country of incorporation	Number of returns	Total assets	Commissions and accounts receivable	Total current and long-term liabilities	Foreign trading gross receipts of FSC's and related suppliers	Total costs of sales operations	Foreign trade income	
							Adminis-trative	Nonadminis-trative
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All countries.....	4,200	47,746,635	29,389,932	10,882,918	348,971,178	26,364,690	42,034,878	1,585,132
Barbados.....	1,468	18,128,340	10,347,332	5,398,855	166,281,693	2,131,160	22,989,272	593,986
Bermuda.....	207	10,521,866	4,268,168	271,035	6,031,968	23,540	551,677	630,768
Guam.....	165	1,920,578	1,784,457	621,686	64,682,611	23,005,003	3,023,204	78,499
Jamaica.....	85	1,469,082	1,339,899	1,103,576	5,608,263	68,721	1,032,994	--
Netherlands.....	21	1,925,301	1,738,354	318,731	15,284,921	--	3,143,449	--
United States Virgin Islands.....	2,174	13,099,617	9,512,558	2,985,776	85,295,598	1,016,721	10,908,129	261,634
All other, including country not stated.....	76	422,084	396,754	182,569	5,725,195	112,823	385,165	17,006

Country of incorporation	Total nonforeign trade income	Foreign direct costs		Total foreign trade deductions		Total nonforeign trade deductions	Net income prior to exclusions or adjustments	
		Adminis-trative	Nonadminis-trative	Adminis-trative	Nonadminis-trative		Adminis-trative	Nonadminis-trative
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All countries.....	253,131	3,780,752	163,555	24,149,985	1,015,170	116,435	6,392,938	461,977
Barbados.....	35,969	1,417,553	5,800	13,889,998	335,831	2,223	3,192,370	180,670
Bermuda.....	2,589	29,078	10	146,010	369,541	66	143,646	182,734
Guam.....	7,189	577,009	151,641	1,074,259	158,675	11,388	767,292	7,115
Jamaica.....	1	119,326	--	679,022	--	4	123,096	--
Netherlands.....	9,771	332,414	--	1,764,348	--	8,709	479,693	--
United States Virgin Islands.....	164,595	1,264,352	6,104	6,397,604	139,952	63,883	1,621,684	85,108
All other, including country not stated.....	33,016	40,987	(¹)	198,689	10,666	30,161	64,832	4,438

Footnotes at end of table.

Foreign Sales Corporations, 2000

Table 3.--Tax Year 2000 Foreign Sales Corporations: Assets, Receipts, Deductions, Net Income, Exempt Income, Taxes, and Distributions, by Country of Incorporation--Continued

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

Country of incorporation	Nonforeign trade net income	Net income (less deficit)	Net income	Deficit	Taxable income
All countries	136,696	6,565,839	6,654,909	89,070	6,651,414
Barbados.....	33,746	3,226,304	3,308,392	82,088	3,307,812
Bermuda.....	2,523	146,814	147,516	701	147,502
Guam.....	-4,199	770,194	770,199	6	769,342
Jamaica.....	-3	122,236	122,241	5	122,241
Netherlands.....	1,062	480,751	480,989	238	480,989
United States Virgin Islands.....	100,712	1,746,368	1,752,394	6,026	1,752,212
All other, including country not stated.....	2,855	70,935	70,941	6	69,079

Country of incorporation	Total tax liability	Regular income tax	Net exempt income		Total distributions
			Adminis-trative	Nonadminis-trative	
	(22)	(23)	(24)	(25)	(26)
All countries	2,306,304	2,306,320	11,833,788	199,614	14,660,743
Barbados.....	1,145,381	1,145,378	6,097,985	77,511	6,520,879
Bermuda.....	51,182	51,182	264,689	78,794	720,722
Guam.....	268,687	268,700	1,271,999	3,051	1,312,740
Jamaica.....	42,574	42,574	230,906	--	236,035
Netherlands.....	168,297	168,298	899,847	--	1,838,668
United States Virgin Islands.....	606,026	606,029	2,946,099	37,536	3,840,333
All other, including country not stated.....	23,394	23,394	121,656	1,902	190,262

¹ Less than \$500.

NOTE: Detail may not add to totals because certain data were deleted to avoid disclosure of specific return information.