

Partnership Employment and Payroll, 1979

By Nick Greenia*

The first available statistics on employment and payroll for partnerships indicate that for Tax Year 1979 only one third of all partnerships accounted for all of the estimated \$24 billion in reported payroll. Partnerships with payroll tended to be in trade and service industries while partnerships without payroll were more likely to be engaged in investment activities. Partnerships with payroll generated almost 70 percent of total partnership receipts and total deductions and nearly 60 percent of partnership net income, but controlled less than 40 percent of all partnership assets (Figure A).

STUDY ORIGINS

These new partnership employment and payroll data are the result of a study recently completed by the Internal Revenue Service for the Small Business Administration (SBA) as part of a contractual agreement between the two agencies. Eventually, this agreement is expected to realize two more business employment and payroll data sets for Tax Year 1979: one for corporations and one for sole proprietorships [1]. These data should prove useful in the continuing development of SBA's Small Business Data Base in fulfillment of its Congressional mandate to evaluate public policy and economic trends as they affect small businesses, without thereby placing any additional data collection burden on them [2].

BACKGROUND

Two relatively recent sets of circumstances probably are responsible for the increasingly evident role played by partnerships in investment activities. The first set of circumstances is the energy crisis and accompanying inflation of the early 1970's (most notably marked by the OPEC Oil Embargo of 1973), the repercussions of which have continued to some degree into the present. As a result, certain energy resources themselves have enjoyed a fairly steady appreciation as assets, and the efficient management of and exploration for them have received tax-favored status as a result of legislation passed to encourage energy production.

The second set of circumstances relates to another resource, also in virtually fixed supply, real estate. A combination of demographic and economic factors has caused the appreciation of these assets. Increased foreign investment in domestic real estate and the increased number of two-income households, occasioned by the rising labor force participation of women, have contributed to increases in the price of real estate. Real estate has more than kept pace with the rate of inflation, and this consideration together with certain tax advantages continue to make it attractive to investors. Among these tax advantages are the provisions regarding depreciation deductions, conversion of ordinary income to capital gains, and the use of "leverage" financing [3].

Thus, it is not especially surprising that two resources in relatively fixed supply account for much of the participation by partnerships in tax sheltered investment activity, predominantly in mining, finance, and real estate.

Partnerships as an Investment Entity

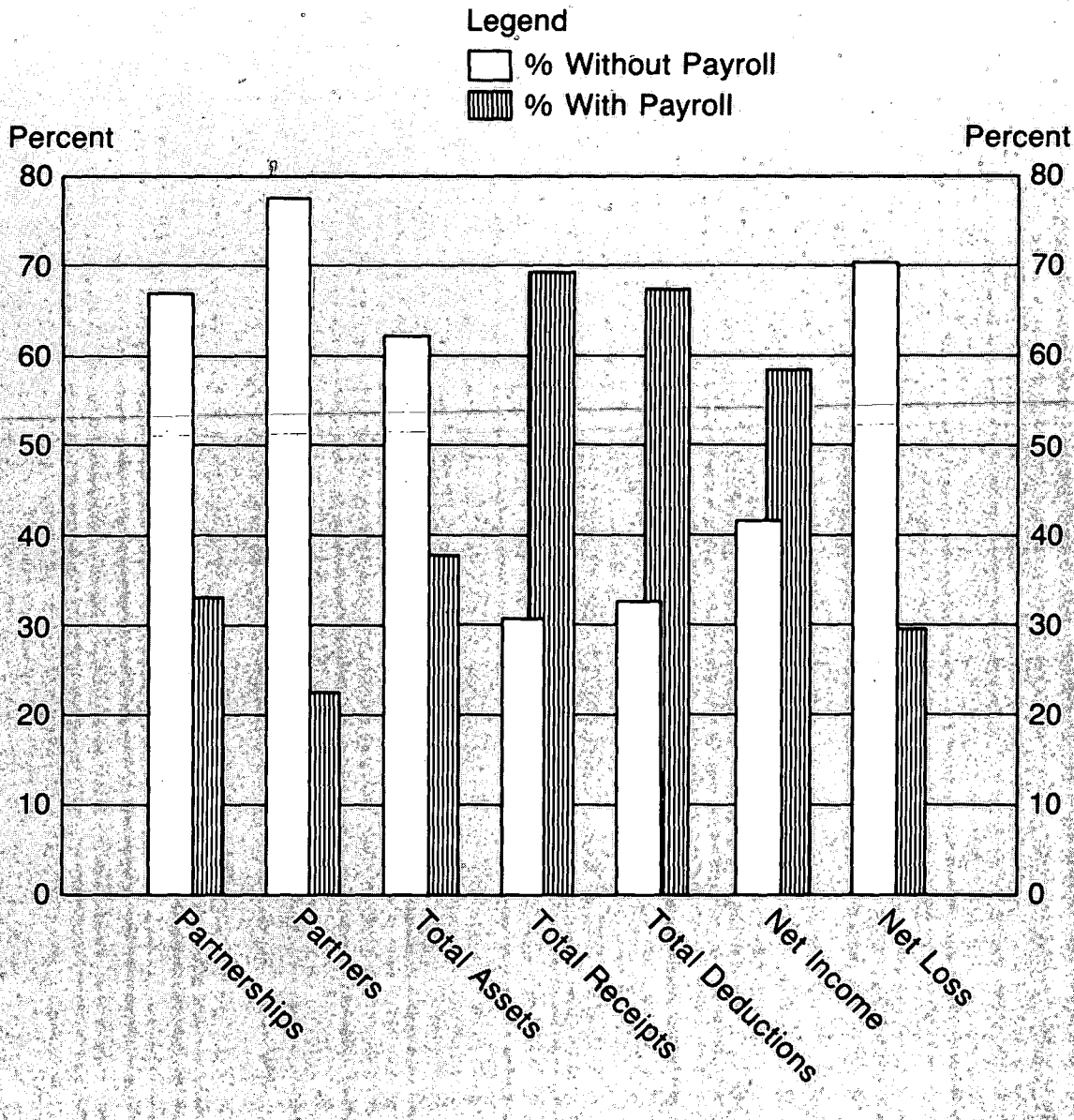
As a type of business entity, the partnership affords compelling opportunities as an investment vehicle not found in either the corporation or the sole proprietorship. Since the partners and not the partnership are taxed on partnership income, the so-called "double-taxation" of corporate activity (by which the corporation is taxed on its income and shareholders on their dividend distributions) is avoided. This flow-through aspect of partnerships becomes increasingly useful for individuals in high income tax brackets seeking ways of sheltering income [4].

The partnership also provides an excellent means for obtaining quantities of capital sufficient to achieve economies of scale and discount purchases not accessible to the smaller and accordingly more restricted sole proprietorship. In fact, the limited partnership offers an ideal form to obtain infusions of investment capital since, while one or more general partners control and direct business

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Figure A

Percent of Selected Items For Partnerships With and Partnerships Without Payroll



operations, the "limited" partners function much as shareholders in a corporation. While their liability is limited to the amount of their individual investments, they can share, nevertheless, directly in the partnership's

gains and losses since, unlike the corporation, the partnership is not taxed on its income prior to distribution. Thus, additional partners can be obtained to increase the "size" and also the earning potential of the partnership itself.

DATA ANALYSIS

Investment and Trade and Service Industries

Being primarily investment vehicles in which almost all business activity is performed by the participating partners, investment partnerships would tend not to have payroll and employment, or at least to have them in disproportionately smaller amounts (especially limited partnerships comprised of a general partner and many limited partners acting solely as providers of investment capital). On the other hand, partnerships engaged in the production of goods and services, by their very nature, would require employees and thus would report payroll and employment. This assessment seems best illustrated by Tables 2 and 5 which show that over 80 percent of the partners in partnerships without payroll were engaged in mining, finance, and real estate--industries with high rates of investment activity. Nearly half the partners in partnerships with payroll conducted business in wholesale trade, retail trade, and services.

Wholesale trade, retail trade, and services accounted for approximately three quarters of reported partnership employment (Figure B). Although mining, finance, and real estate represented a third of partners in partnerships with payroll, they accounted for a disproportionately small amount of reported employment, only 10 percent [5].

Partnership Size

Many partnerships with payroll were relatively small when examined by size of employment, business receipts, and total assets (Figures C, D, and E). Almost 60 percent of all partnerships reporting employment had fewer than 5 employees (Table 1). Over 90 percent of partnerships with payroll had less than \$1 million in business receipts and over 90 percent again had less than \$1 million in total assets [6].

Since two industry groups, retail trade and services, accounted for more than half of all partnerships with payroll but over 70 percent of reported employment, these statistics are not particularly remarkable. Indeed, they are to be expected, given that many of these enterprises can be capitalized with relatively small initial investments. Another feature attracting small businesses to these industries is that a significant portion of employee remuneration in eating, drinking, and lodging establishments can consist of tips paid by customers and thus not paid directly by the partnership. Employee remuneration paid directly by the partnership can be fairly low for a variety of reasons as discussed in "Payroll per Employee" below.

Although 60 percent of all partnerships reporting employment had fewer than 5 employees,

more than half of reported employment was in partnerships with 20 or more employees. Three quarters of the employees in these "larger" partnerships could be found in two major industry groups, retail trade and services. Eating, drinking, and lodging establishments help provide an explanation, since while they accounted for only 11 percent of reported payroll, they represented 23 percent of reported employment (Figure F). Because many of these ventures run double and even triple shifts, it is quite possible that some of the "larger" partnerships are thus explained. Much of the remainder would be accounted for by professional partnerships in medical and health services; legal services; and accounting, auditing, and bookkeeping services.

Larger partnerships with payroll tended to be few, but affected the distribution of both employment and payroll by size of business receipts, representing disproportionately large amounts. Fewer than 10 percent of all partnerships with payroll had \$1 million or more in business receipts. These partnerships accounted for some 20 percent of partners in partnerships with payroll, but over 56 percent of payroll and over 40 percent of reported employment, most of which was in partnerships with 20 or more employees.

Essentially four major industry groups accounted for the lopsided relationship of the payroll and employment data in this higher employment stratum: (1) finance, insurance, and real estate; (2) construction; (3) manufacturing; and (4) transportation, communication, utilities, and sanitary services. Unionization was most likely a contributing factor for all of these except finance, insurance, and real estate.

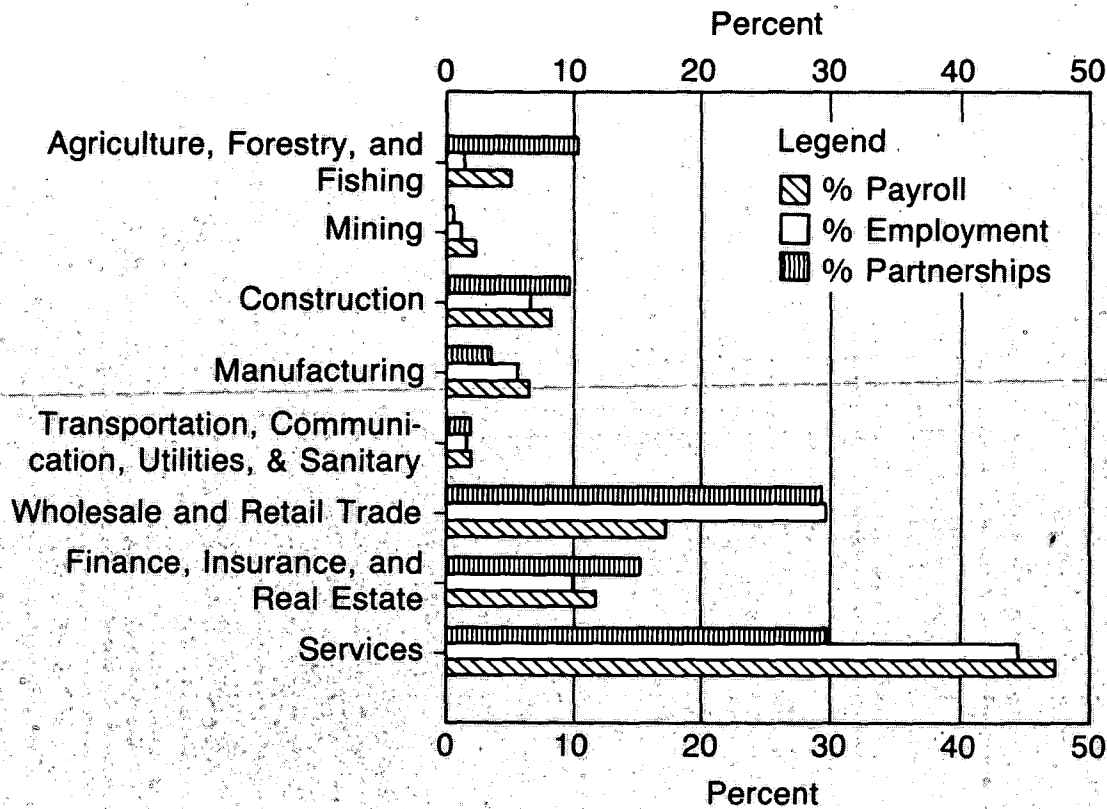
Fewer than 10 percent of partnerships with payroll had \$1 million or more in total assets. Although these partnerships represented a third of reported employment, the percentage of partners represented by these partnerships was roughly comparable at 27 percent.

Other Financial Distinctions

Across each industry (except transportation, communication, utilities, and sanitary services [7]), partners in partnerships with payroll controlled disproportionately high percentages of total income, net income, and even total assets. This relationship was pronounced for mining, finance, and to a lesser degree real estate, all areas with high concentrations of investment and tax shelter activity. Although less than 5 percent of the partners in mining and finance were in partnerships with payroll, they accounted for disproportionately large percentages of total assets and total income, some 30 percent and 40 percent, respectively.

Figure B

**1979 Partnerships With Payroll:
Percent of Partnerships, Employment, and Payroll
By Industrial Division**



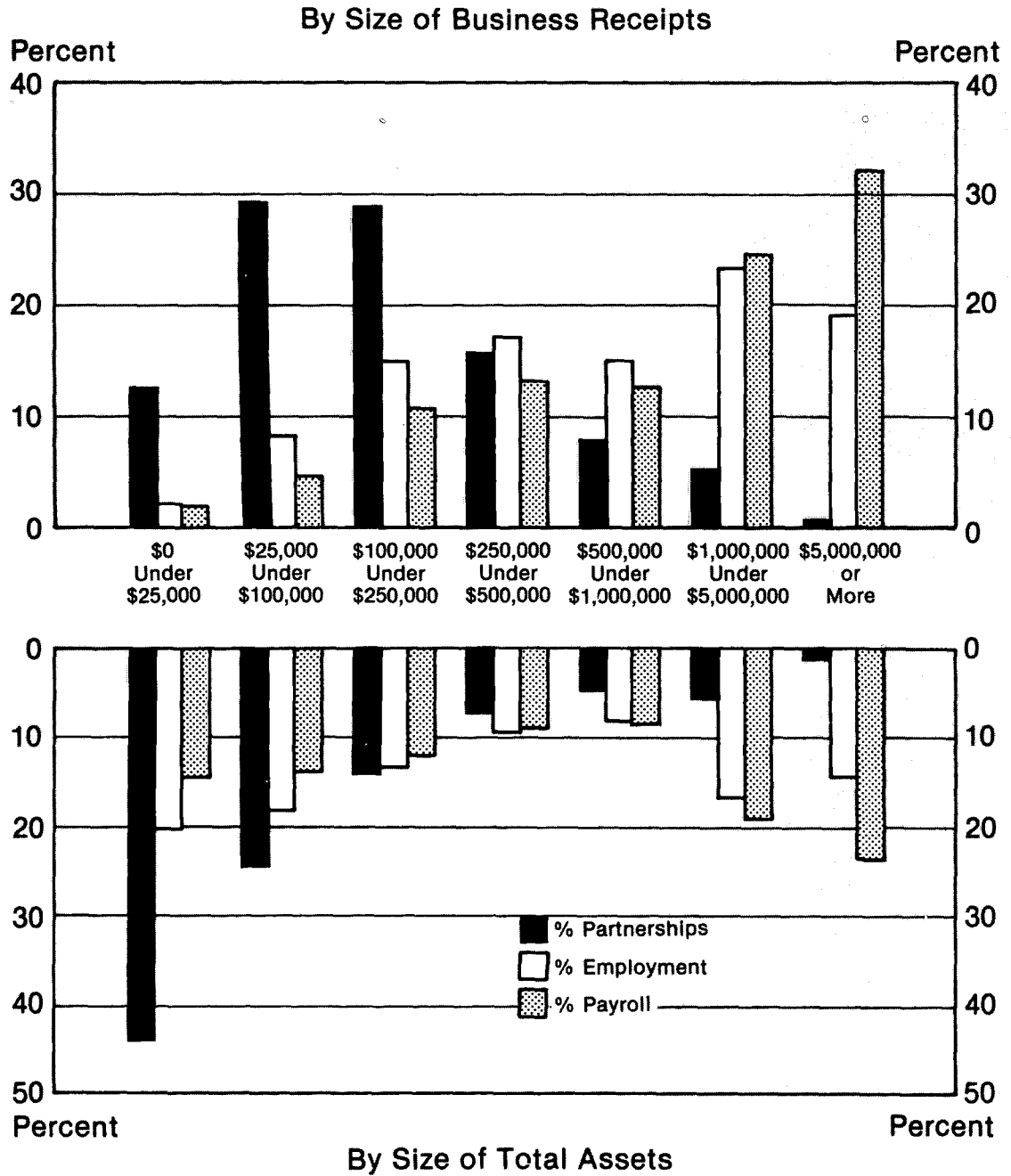
Note: "Nature of Business Not Allocable" is not shown separately because of the small number of sample returns on which it was based. Nevertheless, its data are included in the appropriate totals.

While total assets and total income per partnership in each industry (except transportation, communication, utilities, and sanitary services) were higher for partnerships with payroll than for those without, the relationships exhibited by mining, finance, and real estate above are not particularly unusual. Even investment partnerships would require some employees after they reached a certain size, if

only for purposes of support services and organization. Additionally, partnerships engaged in actual mining production activity would require larger capitalization expenditures per partnership than those strictly in investment activities, and thus would tend to be larger and report payroll. This explanation would apply somewhat to real estate as well, but additionally at work for both mining and real estate is

Figure C

Partnerships With Payroll: Percent of Partnerships, Employment, & Payroll by Size of Business Receipts & Size of Total Assets



Partnership Employment and Payroll, 1979

Figure D.--Number of Partnerships with Payroll by Size of Employment and Size of Total Assets

Size of total assets	Total	Size of employment				
		None reported	1 under 5	5 under 10	10 under 20	20 or more
	(1)	(2)	(3)	(4)	(5)	(6)
Total	393,216	121,562	160,409	59,989	29,735	21,521
\$0 under \$25,000	172,174	60,435	79,272	22,735	7,174	2,559
\$25,000 under \$100,000	96,193	24,835	42,319	18,234	6,971	3,835
\$100,000 under \$250,000	54,494	15,578	18,683	9,988	6,418	3,827
\$250,000 under \$500,000	27,603	8,583	8,436	3,367	4,029	3,187
\$500,000 under \$1,000,000	17,896	5,098	6,075	2,094	1,910	2,720
\$1,000,000 under \$5,000,000	21,176	6,214	5,221	3,139	2,663	3,938
\$5,000,000 or more	3,679	820	403	432	569	1,454

NOTE: Detail may not add to total because of rounding. See "Zero Employment" under Limitations for a discussion of the "None reported" category.

Figure E.--Number of Partnerships with Payroll by Size of Employment and Size of Business Receipts

Size of business receipts	Total	Size of employment				
		None reported	1 under 5	5 under 10	10 under 20	20 or more
	(1)	(2)	(3)	(4)	(5)	(6)
Total	393,216	121,562	160,409	59,989	29,735	21,521
\$0 under \$25,000	49,684	32,128	14,990	1,929	229	406
\$25,000 under \$100,000	114,324	42,703	59,749	9,994	1,571	307
\$100,000 under \$250,000	113,163	28,432	56,059	20,790	6,594	1,288
\$250,000 under \$500,000	61,939	10,890	21,071	16,747	9,221	4,010
\$500,000 under \$1,000,000	30,893	4,697	6,211	7,601	7,349	5,036
\$1,000,000 under \$5,000,000	20,353	2,454	2,158	2,752	4,575	8,413
\$5,000,000 or more	2,860	258	171	174	197	2,060

NOTE: Detail may not add to total because of rounding. See "Zero Employment" under Limitations for a discussion of the "None reported" category.

Figure F.--Employment and Payroll for Selected Business Activities in Retail Trade and Services

[Money amounts are in thousands of dollars]

Industry	Employment	Percent	Payroll	Percent
	(1)	(2)	(3)	(4)
All industries	2,498,340	100.0	23,678,837	100.0
Subtotal, selected industries	1,156,401	46.3	9,695,344	40.9
Retail trade				
Eating and drinking establishments	359,533	14.4	1,367,617	5.8
Services				
Hotels and other lodging places	223,352	8.9	1,308,440	5.5
Medical and health services	211,484	8.5	1,797,963	7.6
Legal services	218,919	8.8	3,007,396	12.7
Accounting, auditing, and bookkeeping services	143,113	5.7	2,213,928	9.3

probably the presence of corporate partners, and for real estate, also real estate investment trusts (REIT's) acting as partners.

Partners in certain investment partnerships (particularly real estate and mining) would exploit the accelerated depreciation provisions for their assets and claim correspondingly large amounts of depreciation deductions, resulting in some of the higher percentages of net losses incurred by partnerships without payroll. On the other hand, in partnerships with payroll engaged in trade and service net losses would tend to be explained less by tax deductions and more by the vicissitudes of the economy.

Payroll per Employee

The amount of payroll per employee is fairly constant until partnerships with 100 or more employees are encountered, rising then from a plateau of some \$8,000 to \$12,000 per employee or an increase of roughly 50 percent. The rise in payroll per employee is more noticeable as both business receipts and total assets increase, but the glimpse afforded by size of employment indicates that more may be involved than simply the increased ability to pay higher wages permitted by higher partnership income and assets.

At work for businesses with more employees in certain industries (particularly for larger partnerships in manufacturing, construction, and transportation, communication, utilities, and sanitary services) is the increased likelihood of unionization which may bid up the average wage rate (Figure G). In addition, and perhaps more fundamental, is the necessity for more management personnel, whether in the form of production working supervisors or in other more removed strata and administrative services of the management hierarchy, tending to increase average reported payroll per employee.

Another factor at work may be the amount of human capital actually required, as illustrated by mining and manufacturing. Though both mining and manufacturing are capital-intensive industries, it is important to consider that highly specialized workers employed in petroleum mining probably represent larger investments of human capital in terms of on-the-job-training, formal education, and the like. It is surely possible that a certain amount of the premium commanded by mining might be attributable to the short duration and harsh conditions of employment, but just as surely, mining is not unique among industries in this respect.

Figure G.--Payroll per Employee, by Industrial Division

Industrial division	Payroll per employee
All industries	\$8,839
Agriculture, forestry, and fishing	8,817
Mining	17,483
Construction	11,236
Manufacturing	10,755
Transportation, communication, utilities, and sanitary services ..	10,827
Wholesale trade	9,947
Retail trade	4,801
Finance	22,198
Insurance	10,715
Real estate	8,278
Services	9,933

NOTE: Payroll of partnerships reporting zero employment was excluded for purposes of this computation. "Wholesale and retail trade not allocable" and "Nature of business not allocable" are not shown separately because of the small number of sample returns on which they were based. They are, however, included in the "All industries" computation.

For retail trade (particularly eating and drinking establishments) and, to a lesser degree, certain businesses in services, the relatively low amount of human capital investment required, especially for job entry, helps account for some of the lower reported payroll per employee since a lower return would be expected. Additionally, the fact that these jobs require relatively less human capital tends to funnel more of the pool of unskilled workers towards them, thus increasing the demand for these jobs and consequently acting to keep wages down.

The lower human capital requirement also is partially responsible for at least two other factors helping to keep down wages in retail trade--high turnover and the high incidence of part-time and temporary employees. High turnover is influenced by the relative portability of job skills and by the relatively low increase in pay to be expected from a longer stay at the same job. The less rigorous requirements for job entrance, in conjunction with the variety of working hours and shifts available for these jobs, often make them especially suitable for temporary employees such as students and other individuals seeking supplemental rather than primary career income. Part-time employees are also attracted by these job features and, for obvious reasons, their participation also helps to depress average reported payroll.

"True" remuneration per employee is probably understated in eating and drinking and similar service-type establishments due to the tendency for substantial amounts of tip income to go unreported [8]. True average compensation may also be somewhat understated for agricultural employees since a substantial portion of their total remuneration can consist of food and shelter, both of which are not reportable for purposes of Form 943 (Employer's Annual Tax Return for Agricultural Employees).

Seasonality of business activity also may account for either understating or overstating of average employee payroll, depending on where in the business year March 12 (the date as of which employment is reported) happens to fall. Thus, for many construction partnerships annual payroll per employee probably is overstated in the sense that employment would be higher in good weather months.

SUMMARY

For Tax Year 1979, partnerships with payroll comprised only a third of all partnerships, but almost 60 percent of partnership net income. Partnerships without payroll represented some 70 percent of partnership net loss, and were heavily concentrated, probably as limited partnerships, in industries experiencing high rates of investment and tax shelter activity, primarily real estate and finance. Partnerships

with payroll were heavily clustered in retail trade and services, areas requiring relatively small capitalization outlays for business start-ups and operations.

Although 60 percent of partnerships reporting employment had fewer than 5 employees, more than half of all employees worked for partnerships with at least 20 employees. Retail trade and services accounted for over 70 percent of reported employment, much of it in partnerships with 20 or more employees.

Average employee payroll was fairly constant at approximately \$8,000 for partnerships with less than 100 employees; for partnerships with at least 100 employees, it rose to \$12,000. This wage differential is probably due to factors such as unionization and more layers of management personnel for larger partnerships. Average employee payroll varied more across industries and ranged from \$4,800 for retail trade to \$22,200 for finance. The variations in average employee payroll by industry can be explained by factors such as seasonality of business activity, unionization, industry profitability, the employee's human capital investment, and the part-time and temporary nature of certain jobs.

METHODOLOGY

Each of the business employment and payroll linkage studies undertaken by IRS Statistics of Income (SOI) Division for the Small Business Administration will add employment and payroll to the financial data already available from the IRS SOI business statistics series by matching SOI sample files of business income tax returns by Employer Identification Number (EIN) with the corresponding quarterly or annual Employer's Tax Returns reporting Federal income tax withheld and Social Security (FICA) taxes. For the Tax Year 1979 Partnership Linkage Study, this operation entailed matching the Tax Year 1979 SOI sample file of 48,396 Form 1065 (U.S. Partnership Return of Income) records [9] with the population of some 5 million Form 941 (Employer's Quarterly Federal Tax Return) and Form 943 (Employer's Annual Tax Return for Agricultural Employees) records perfected and provided by the Bureau of Census [10].

This study was designed to estimate data for full-year partnership returns; therefore, the data differ from those for similar items in the 1979 Statistics of Income partnership study as illustrated in Figure H; and should be qualified accordingly (see "Part-Year and Other Excluded Records" under Limitations).

Because the EIN's on some partnership records may have been incorrect, it was necessary to impute [11] for those records, which should have matched with Form 941 or Form 943 data but did not. Accordingly, three sets (LOW, BEST, and

Figure H.--Selected Items by Return Group as Percentages of 1979 Partnership Statistics of Income (SOI) Totals

Item	Total	Selected return groups (in percent)		
		Full year ¹	Part year	Other excluded cases
	(1)	(2)	(3)	(4)
Partnerships	100.0	91.5	6.2	2.3
Partners	100.0	91.2	6.3	2.5
Total assets	100.0	90.1	7.7	2.2
Total receipts	100.0	92.7	3.8	3.5
Proxy Payroll ²	100.0	94.6	3.9	1.5

¹Present study's universe.

²Proxy Payroll was the sum of "Salaries and Wages" plus "Cost of Labor" from Form 1065. See "Payroll and Proxy Payroll" under Limitations for further discussion.

HIGH) of estimates were eventually produced; those from the BEST set were used in this report.

LIMITATIONS

Because the data presented in this article are estimates based on a sample of returns, they are subject to sampling error. To insure proper use of the estimates, the magnitude of the sampling error should be known.

The table below presents approximated coefficients of variation (CV's) for frequency estimates. The approximate CV's shown here are intended only as a general indication of the reliability of the data. For numbers of partnerships other than those below, the corresponding CV's can be estimated by interpolation.

<u>Estimated Number of Returns</u>	<u>Approximated Coefficient of Variation</u>
940,000	.02
150,000	.05
37,000	.10
9,400	.20
4,200	.30
1,500	.50

The reliability of estimates based on samples and the use of CV's for evaluating the precision of sample estimates are discussed in the Appendix.

Part-Year and Other Excluded Records

Part-year partnership records (those with less than a full accounting year) and other excluded records (certain prior year records

and records sharing the same EIN and accounting period) were omitted from the present tabulations. Part year records may have been new or final returns whose matches with Form 941 or Form 943 data would not have been consistent with the rest of the population--especially since employment is reported only as of the first quarter. Other excluded records might have adversely affected the data by effecting multiple matches with Form 941 and Form 943 data or by matching to Form 941 or Form 943 data not representative of the Form 1065's accounting period. This limitation of the present results means that the estimates in this article are based on just over 90 percent of the population of 1979 partnership returns. They represent, however, partnerships containing nearly 95 percent of payroll as reported on Form 1065 (see "Payroll and Proxy Payroll" below for more discussion of this item).

Payroll and Proxy Payroll

Although the ratio of Form 1065 Proxy Payroll (Salaries and Wages plus Cost of Labor) to Form 941 and Form 943 Payroll suggested a virtual identity (98.9 percent) for all partnerships with payroll, there was some variation in this comparison across size of employment by industry, size of business receipts, and size of total assets. It is possible that the presence of false matches yet within the file might account for certain of these deviations. Nevertheless, it is more likely that they are due to (a) differences between the time period of the partnership's accounting period as reported on Form 1065 and the time period of the Calendar Year quarterly Form 941 or Calendar Year annual Form 943 representing its payroll and employment data and (b) the "burying" of some Proxy Payroll data in other deduction items on Form 1065.

Zero Employment

In addition to the 795,350 partnership Forms 1065 not matching Forms 941 and Forms 943 and thus reporting neither payroll nor employment, over 30 percent of the 393,216 Forms 1065 that did match Forms 941 and Forms 943 reported zero employment (Figure I). In spite of their numbers, these records nevertheless accounted for only some 7 percent of reported payroll.

Figure I.--Partnerships With and Without Employment

Category	Number of Partnerships
Total	1,188,566
Not Matching Form 941 or Form 943	795,350
Matching Form 941 or Form 943	393,216
Reporting employment	271,654
Not reporting employment	121,562

The deletion of Employment in Form 943 records (due to its unreliability) by Census accounts for the high proportion of zero employment represented by agriculture, forestry, and fishing, but for other industries the following are considered as possible explanations: (a) seasonality of business activity, (b) high birth and death rates experienced by partnerships as a whole (particularly those established purely for tax purposes) predictably resulting in high numbers of no first quarter Forms 941 (the only quarter for which employment was required to be reported), and (c) the reporting requirement itself, which asked for Employment only as of the pay period containing March 12.

NOTES AND REFERENCES

[1] A more comprehensive treatment of small business employment and payroll will be forthcoming from David A. Hirschberg and Bruce Phillips (both of whose review of this article was much appreciated) of SBA at the conclusion of the Tax Year 1979 corporation and sole proprietorship studies. These two studies should be completed by the end of 1984; preliminary tabulations of sole proprietorship employment and payroll data are anticipated by early summer of 1984. The employment and payroll studies will be repeated for all three types of business entity for Tax Year 1982 to coincide with the Economic Censuses and thereafter annually for corporations and every five years for partnerships and sole proprietorships.

[2] For further information on the Small Business Data Base see Kirchhoff, Bruce A. and Hirschberg, David A., "Small Business Data Base: Progress and Potential," *1981 Proceedings: American Statistical Association, Section on Survey Research Methods*; Hirschberg, David A. and Phillips, Bruce, "Using Financial Statement Data to Evaluate the Status of Small Business," *1982 Proceedings: American Statistical Association, Section on Survey Research Methods*; and Rose, Paul and Taylor, Linda, "Size of Employment in Statistics of Income: A New Classifier," *1982 Proceedings: American Statistical Association, Section on Survey Research Methods*.

[3] For a more definitive treatment of tax shelter partnerships see Joint Committee on Internal Revenue Taxation (Staff), *Proposals Relating to Tax Shelters and Other Tax-Motivated Transactions*, JCS-5-84. Also see Piet, Patrick, "Partnership Returns for 1981 Reflect Tax Shelter Activity," *Statistics of Income Bulletin*, Winter 1983-84.

[4] "The use of tax-shelter investments by higher bracket taxpayers became increasingly widespread through the 1970's. In 1979 39 percent of taxpayers with over \$200,000 of adjusted gross income (AGI), before partnership loss, reported net partnership losses, which reduced federal income tax liability by 10.7 percent in this income class. Considering just those taxpayers in the top income bracket reporting partnership loss, these losses reduced their tax liability by an average 25.2 percent. On the other hand, only 0.1 percent of taxpayers with pre-loss AGI of \$10,000 - \$20,000 reported net partnership loss, and this loss reduced tax liability by only 0.2 percent in their income class....

These data overestimate tax shelter partnerships to the extent that net partnership losses are due to adverse economic circumstances as opposed to tax deductions.... However, net partnership loss data underestimate tax deductions to the extent that losses from one partnership offset profits from another." Joint Committee on Internal Revenue Taxation (Staff), *Proposals Relating to Tax Shelters and Other Tax-Motivated Transactions*, JCS-5-84, page 9.

[5] Almost one third (30.9 percent) of the 393,216 partnerships with payroll did not report employment. Partnerships with payroll were defined as those whose Form 1065 matched on Employer Identification

- Number (EIN) with a Form 941 or Form 943 containing payroll or employment for Calendar Year 1978, 1979, or 1980. See Methodology and also "Zero Employment" under Limitations for further discussion.
- [6] Tabulations of income statement, payroll, and employment data cross-classified by size of employment, business receipts, and total assets are available on a reimbursable basis. These may be obtained by writing to Director, Statistics of Income Division, D:R:S, Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, DC 20224.
- [7] Tax shelter partnerships without payroll engaged in the leasing of airplanes may provide a partial explanation for this exception, since the large companies engaged in actual business activity for these industries most likely would be corporations.
- [8] See Pearl, Robert B. and McCrohan, Kevin F., "Estimates of Tip Income in Eating Places, 1982," *Statistics of Income Bulletin*, Winter 1983-84.
- [9] For a more detailed account of this sampling scheme, see *Statistics of Income--1979, Partnership Returns*.
- [10] Internal Revenue Service initially processed Forms 941 and Forms 943 and provided the Census Bureau with extracts of selected data, as authorized by Internal Revenue Code section 6103. Census "perfected" these data for their own purposes and later supplied Statistics of Income Division with "perfected" employment and payroll data for 1978-1980.
- [11] For a more complete description of the imputation process, including its assumptions, see Greenia, Nick, *Processing and Imputation Methodology*, November 1983, (unpublished), available upon request by writing to Director, Statistics of Income Division, D:R:S, Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, DC 20224.

1979 Partnership Employment and Payroll

Table 1.—Total Assets, Income Statement, Employment, and Payroll by Number of Employees for Partnerships With Payroll

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

Item	Total		None		1 under 5		5 under 10		10 under 20		20 under 50		50 under 100		100 or more	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Number of partnerships	393,216	121,562	160,409	59,989	28,735	14,903	4,060	2,558								
Number of partners	1,427,197	469,941	475,852	165,507	130,138	69,715	56,537	59,687								
Total assets	151,306,994	38,885,298	28,099,614	18,688,591	17,286,780	13,927,441	8,954,727	26,503,543								
Total receipts	184,726,789	24,417,086	30,752,660	22,696,738	21,231,960	21,351,337	12,131,015	31,943,994								
Business receipts.....	157,924,780	22,840,659	29,927,936	22,271,516	20,668,155	20,790,768	11,748,465	29,679,279								
Income from other partnerships and fiduciaries.....	272,853	27,584	49,262	42,945	33,856	17,925	6,546	84,745								
Nonqualifying dividends.....	24,989	2,858	6,258	1,114	1,380	1,545	1,750	10,094								
Interest received.....	2,286,391	346,715	248,938	154,464	208,280	134,355	92,748	1,112,984								
Rents received.....	671,962	144,789	82,790	77,417	75,417	65,610	66,611	157,118								
Royalties.....	182,441	56,507	72,635	14,395	11,455	7,733	3,639	15,878								
Farm net profit.....	15,082	12,637	234	1,073	11,455	7,733	3,639	15,878								
Net gain, noncapital assets.....	373,378	117,666	71,901	81,734	29,483	27,332	12,042	33,222								
Other receipts.....	2,862,892	867,682	292,705	254,080	203,591	305,287	186,616	840,752								
Total deductions	148,838,928	23,917,161	27,189,610	20,000,950	18,901,044	19,092,739	11,004,899	28,731,324								
Cost of sales and operations.....	73,044,137	13,246,144	14,419,213	10,178,692	9,597,205	9,459,995	4,794,914	11,348,975								
Inventory, beginning of year.....	6,952,987	799,059	1,829,130	1,136,442	998,800	909,693	415,448	886,415								
Purchases.....	48,567,451	8,581,412	11,319,747	7,893,266	7,479,909	6,990,691	2,913,979	5,521,310								
Cost of labor.....	5,684,469	1,297,417	526,413	548,185	519,473	660,191	483,490	1,537,341								
Materials and supplies.....	3,820,018	737,016	814,725	411,290	402,403	513,763	206,858	733,963								
Other costs.....	15,736,441	4,862,162	1,760,978	1,405,071	1,293,469	1,535,897	1,231,072	3,648,802								
Less: Inventory, end of year.....	7,717,231	1,207,923	1,631,781	1,213,562	1,063,849	945,331	465,929	958,858								
Salaries and wages.....	17,736,019	860,670	2,047,750	2,269,648	2,383,079	2,666,845	1,488,945	5,991,081								
Less: Jobs credit.....	34,408	2,023	5,762	4,116	5,486	6,796	2,091	8,135								
Guaranteed payments to partners.....	2,884,452	348,048	820,303	480,973	415,730	341,366	137,803	440,228								
Rent paid.....	4,098,150	834,358	650,268	489,758	432,867	511,746	307,806	871,347								
Taxes paid.....	6,515,213	1,852,739	1,571,090	1,035,109	1,050,163	772,319	528,669	1,705,123								
Bad debts.....	4,939,499	635,632	954,138	667,947	668,931	603,743	367,304	920,740								
Repairs.....	244,269	34,023	52,058	34,900	30,439	27,784	16,546	48,519								
Depreciation.....	2,323,896	678,840	463,840	266,843	271,935	221,840	126,834	293,564								
Amortization.....	6,605,149	1,720,422	1,359,755	877,328	854,090	667,878	393,528	832,348								
Depletion.....	164,314	35,162	18,278	17,729	11,030	18,871	14,912	48,532								
Pension, profit-sharing, annuity, and bond purchase plans.....	179,801	51,008	12,168	7,979	8,323	15,173	15,184	69,987								
Employee benefit plans.....	296,427	7,420	13,629	19,305	21,742	31,055	26,402	178,874								
Net loss from other partnerships and fiduciaries.....	550,087	27,897	31,798	50,521	54,571	80,603	51,189	253,509								
Farm net loss.....	274,896	76,355	33,671	23,761	61,671	21,100	14,045	44,293								
Net loss, noncapital assets.....	214	—	29	—	—	116	—	69								
Other deductions.....	71,961	30,368	16,557	3,342	4,520	9,300	5,340	2,553								
Net income (less deficit)	26,743,917	3,459,998	4,731,029	3,562,131	3,040,231	3,651,201	2,707,567	5,591,759								
Net income.....	15,887,862	499,925	3,562,850	2,896,788	2,390,915	2,259,598	1,126,116	3,212,870								
Deficit.....	22,187,450	2,115,882	4,570,519	3,600,676	2,917,393	2,739,415	1,455,710	4,287,929								
Net short-term capital gain (less loss).....	—	—	—	—	—	—	—	—								
Net long-term capital gain (less loss).....	—	—	—	—	—	—	—	—								
Employment	2,498,340	334,745	334,745	390,486	397,470	441,990	272,969	660,680								
Payroll	23,678,837	2,449,490	2,449,490	2,815,482	2,985,897	3,785,170	2,144,943	7,892,750								
Proxy payroll ¹	23,422,488	2,178,086	2,178,086	2,815,633	2,902,552	3,430,997	1,992,435	7,528,422								

¹Reported as of March 12 on Form 941.
²From Form 941 and Form 943.
³The sum of "Salaries and Wages" plus "Cost of Labor" from Form 1065.
 NOTE: Detail may not add to total because of rounding.

Table 2.—Total Assets, Income Statement, Employment, and Payroll by Selected Industry for Partnerships With Payroll

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

Item	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	All industries	Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation, communication, electric, gas, and sanitary services	Wholesale trade	Retail trade	Finance	Insurance, agents, brokers, and service	Real estate	Services
Number of partnerships	393,218	40,392	2,402	37,895	13,951	7,460	13,121	102,309	6,616	4,890	48,225	116,235
Number of partners	1,427,197	114,786	13,179	82,354	41,339	22,923	34,028	246,731	65,983	14,868	380,257	409,768
Total assets	151,306,994	10,684,587	4,243,719	4,784,963	5,044,812	1,675,926	4,037,499	6,966,263	27,995,548	1,992,528	60,892,772	20,681,772
Total receipts	164,726,789	14,684,109	3,469,065	14,107,415	10,641,554	2,862,878	16,642,052	32,486,694	7,028,698	2,174,431	17,894,226	42,707,781
Business receipts	157,994,780	13,669,525	3,267,738	13,672,093	10,387,339	2,810,527	16,415,730	32,122,849	4,978,363	2,025,330	16,752,895	41,790,196
Income from other partnerships and fiduciaries	272,663	1,571	14,447	67,071	6,985	861	7,128	6,649	85,734	566	42,527	33,223
Nonqualifying dividends	24,899	1,115	100	3,090	3,708	223	854	2,334	3,409	433	5,651	4,081
Interest received	2,986,391	66,116	1,000	48,238	35,922	14,374	38,224	55,093	1,423,618	69,559	393,666	131,974
Rents received	671,962	18,211	18,211	48,523	19,691	10,536	41,085	89,741	31,189	3,696	127,482	185,918
Royalties	162,441	20,295	39,800	1,268	10,662	234	3,876	3,876	92,709	11	1,851	11,655
Farm net profit	15,082	10,600	88	1,276	858	6,592	356	1,063	26,449	384	502	—
Net gain, noncapital assets	373,379	80,603	18,094	15,072	21,259	6,592	5,960	23,018	26,449	384	130,914	44,847
Other receipts	2,962,892	704,563	91,243	290,763	155,708	19,998	132,054	182,071	387,227	74,452	438,738	515,888
Total deductions	148,838,928	14,024,043	3,233,303	12,632,082	10,170,040	2,671,512	15,976,808	30,829,072	6,989,280	1,847,150	18,393,454	32,054,352
Cost of sales and operations	73,044,137	8,974,983	1,352,048	9,208,227	7,959,703	1,149,513	13,741,412	22,630,561	28,051	242,826	2,554,545	5,890,504
Inventory, beginning of year	6,952,987	326,974	55,697	712,950	776,338	13,771	1,866,263	2,789,970	2,849	318	778,813	293,308
Purchases	48,587,451	3,713,645	177,964	1,896,424	4,553,925	507,141	13,075,998	21,282,110	38,404	53,725	744,515	2,479,980
Cost of labor	5,684,469	1,100,569	177,063	1,415,940	1,163,925	90,235	188,567	584,506	1,945	1,670	67,104	805,879
Materials and supplies	3,920,018	351,591	96,222	1,067,414	1,017,332	30,446	130,398	228,149	650	820	158,841	402,954
Other costs	15,786,441	3,844,679	811,542	3,944,679	3,041,568	529,568	505,640	860,115	26,496	186,558	1,694,614	2,144,424
Less: Inventory, end of year	7,717,231	404,865	66,441	610,180	906,404	22,553	1,345,453	3,103,288	42,293	366	889,343	326,045
Salaries and wages	17,738,019	248,726	234,262	774,335	621,485	350,952	625,454	2,720,862	797,452	282,336	1,174,874	9,904,707
Less: Jobs credit	34,408	1,489	387	2,010	2,005	497	936	6,993	621	342	743	18,825
Guaranteed payments to partners	2,984,452	148,840	22,819	279,568	122,239	45,159	162,253	452,258	225,034	53,625	154,751	1,317,888
Rent paid	4,098,150	576,833	40,432	99,659	120,839	53,291	98,446	766,985	89,721	39,421	303,984	1,908,513
Interest paid	8,515,213	752,639	175,776	1,772,488	1,992,439	82,890	119,168	332,308	1,253,919	5,410	4,250,357	1,163,650
Taxes paid	4,838,436	258,314	162,976	211,099	179,284	91,019	163,310	680,472	119,001	30,461	1,616,189	1,325,723
Bad debts	244,269	8,115	2,269	13,240	16,943	6,572	27,299	51,356	19,336	7,780	28,858	62,615
Repairs	2,323,896	511,341	106,264	108,468	126,737	100,069	72,490	180,284	17,048	2,685	720,550	377,373
Depreciation	6,805,149	824,562	316,116	241,915	306,716	184,338	131,439	430,943	74,514	15,824	2,667,284	1,510,485
Amortization	164,314	6,325	1,173	2,559	4,995	2,182	1,318	13,636	349	475	46,785	78,518
Depletion	179,801	7,820	90,030	1,352	68,690	3,334	1,125	5,993	3,334	38	475	912
Pension, profit-sharing, annuity, and bond purchase plans	268,427	3,695	12,058	10,772	23,698	5,782	12,081	11,733	30,096	7,206	6,314	173,002
Employee benefit plans	560,067	12,952	17,566	57,722	57,321	14,534	19,012	47,545	18,347	10,581	30,118	264,984
Net loss from other partnerships and fiduciaries	274,866	21,062	23,437	5,735	18,259	3,114	1,501	1,588	121,577	123	55,017	23,483
Farm net loss	214	89	17	1,824	69	29	29	—	—	—	—	—
Net loss, noncapital assets	71,961	6,746	4,520	1,440,543	1,037,976	582,259	800,643	2,501,582	25,740	25	12,093	8,122
Net income (less deficit)	26,743,917	1,562,649	671,923	1,440,543	1,037,976	582,259	800,643	2,501,582	4,160,256	1,148,804	4,772,023	8,062,698
Net income	15,987,862	660,065	235,761	1,475,333	471,514	191,366	685,244	1,687,622	39,419	327,280	-699,227	10,653,429
Deficit	22,167,460	1,430,613	530,157	1,632,625	1,077,846	307,284	747,303	2,061,970	600,346	390,326	1,763,725	11,624,639
Capital gains and losses allocable to partners:	6,279,599	770,548	294,386	157,292	606,332	115,918	82,058	393,970	560,928	63,045	2,262,952	971,209
Net short-term capital gain (less loss)	-55,301	3,882	4,504	-169	3,764	-241	1,020	1,144	-86,033	-650	8,184	8,184
Net long-term capital gain (less loss)	2,044,946	92,343	21,888	15,966	39,812	3,231	9,575	36,983	688,139	-13,692	1,014,283	135,625
Employment ¹	2,688,340	33,865	29,116	162,544	138,308	40,334	75,018	663,908	35,079	21,694	190,023	1,108,201
Payroll ²	23,678,637	1,183,206	544,075	1,913,462	1,514,092	451,720	788,162	3,323,441	907,901	234,461	1,633,762	11,202,375
Proxy payroll ³	23,422,468	1,349,294	411,325	2,190,275	1,805,410	441,177	814,421	3,285,368	799,397	284,006	1,241,978	10,797,661

¹Reported as of March 12 on Form 941.

²From Form 941 and Form 943.

³The sum of "Salaries and Wages" plus "Cost of Labor" from Form 1065.

NOTE: "Wholesale and retail trade not allocable" and "Nature of business not allocable" are not shown separately because of the small number of sample returns on which they were based. Nevertheless, the data are included in the appropriate totals. Detail may not add to total because of rounding.

1979 Partnership Employment and Payroll

Table 3.—Total Assets, Income Statement, Employment, and Payroll by Size of Business Receipts¹ for Partnerships With Payroll

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

Item	(1) All returns	(2) \$0	(3) \$1 under \$25,000	(4) \$25,000 under \$50,000	(5) \$50,000 under \$100,000	(6) \$100,000 under \$250,000	(7) \$250,000 under \$500,000	(8) \$500,000 under \$1 million	(9) \$1 million under \$2.5 million	(10) \$2.5 million under \$5 million	(11) \$5 million under \$10 million	(12) \$10 million and over
Number of partnerships	383,216	5,579	44,165	48,242	66,082	113,163	61,939	30,893	15,655	4,698	1,692	1,168
Number of partners	1,427,197	22,282	116,912	127,548	175,913	316,603	230,770	151,935	65,334	56,708	40,412	40,412
Total assets	151,306,964	2,306,697	3,895,719	3,338,383	6,546,566	16,947,477	20,458,566	19,486,528	14,105,843	10,584,044	8,814,000	32,317,168
Total receipts	164,726,769	363,046	654,404	1,846,640	5,114,996	19,688,331	22,117,635	21,676,433	16,849,338	12,418,245	11,618,245	41,595,893
Business receipts	157,924,780	50,254	529,637	1,743,908	4,859,566	18,059,616	21,444,392	21,054,474	16,040,824	11,438,604	11,438,604	39,318,574
Income from other partnerships and fiduciaries	272,863	29	335	4,960	27,973	17,844	17,844	28,727	35,609	15,734	54,662	54,662
Nonqualifying dividends	24,989	29	35	3	5	2,811	1,634	3,287	1,574	1,834	1,269	10,188
Interest received	2,288,391	8,177	23,033	26,804	55,768	187,108	154,674	154,674	136,985	92,036	92,036	1,302,347
Rents received	671,982	4,006	6,186	13,239	32,074	72,289	97,016	88,528	73,472	52,257	52,257	134,669
Royalties	182,441	7,055	7,478	1,346	5,219	12,028	28,281	28,281	28,274	29,257	29,257	24,935
Farm net profit	15,082	10,242	310	228	1,278	2,281	523	460	1,599	345	31	68
Net gain, noncapital assets	373,378	3,134	25,060	11,740	20,910	64,156	55,481	44,372	34,866	11,571	35,082	35,082
Other receipts	2,982,892	280,151	62,281	46,360	127,835	307,764	284,596	277,628	296,905	183,486	715,367	715,367
Total deductions	148,838,928	492,047	841,123	1,861,115	4,629,891	16,072,635	19,308,292	19,426,914	15,138,787	10,608,252	10,608,252	38,478,353
Cost of sales and operations	73,044,137	0	163,075	510,938	1,574,312	6,615,795	8,754,739	9,599,898	11,430,489	9,625,500	9,625,500	19,867,652
Inventory, beginning of year	6,952,987	8,715	46,634	6,935	254,894	803,706	903,228	928,108	1,076,663	892,915	551,916	1,383,473
Purchases	49,587,451	34,191	15,851	327,274	1,010,238	4,244,207	6,353,755	7,094,128	8,311,202	5,593,438	3,706,389	11,776,438
Cost of labor	5,694,469	—	23,707	54,543	158,576	668,700	772,808	741,928	760,883	470,666	386,399	1,846,116
Materials and supplies	3,820,018	—	21,897	53,206	180,544	489,368	470,988	377,501	463,637	259,563	303,816	1,198,497
Other costs	15,736,441	7,236	39,720	90,269	263,791	1,384,931	1,252,675	1,527,026	2,015,707	2,287,768	1,534,296	5,353,102
Less: Inventory, end of year	7,177,231	51,143	96,798	118,211	281,729	995,159	898,716	1,066,806	1,197,933	902,445	557,316	1,490,973
Salaries and wages	17,738,019	55,983	86,362	240,918	538,127	1,990,466	2,334,620	2,246,079	2,588,671	1,599,702	1,289,781	4,767,430
Less: Jobs credit	34,408	2	243	112	2,103	6,268	6,268	6,961	5,477	2,663	1,897	5,211
Guaranteed payments to partners	2,984,452	5,121	24,723	103,382	234,969	580,971	571,700	401,722	325,671	200,463	111,476	424,288
Rent paid	4,098,150	18,895	45,327	106,016	213,794	647,669	622,712	582,698	584,364	321,185	246,837	688,624
Interest paid	8,515,213	41,170	88,187	142,135	268,491	1,186,176	1,186,176	1,186,176	1,386,489	882,282	545,717	1,880,193
Taxes paid	4,838,436	13,612	37,396	68,733	199,895	613,761	765,078	713,449	772,714	509,670	341,755	783,373
Bad debts	244,269	2,978	1,916	3,148	9,881	27,591	42,239	34,507	36,434	24,947	17,465	43,243
Repairs	2,323,896	3,997	20,704	49,219	131,861	417,728	428,199	355,149	307,004	191,275	101,087	276,673
Depreciation	6,805,149	23,202	87,507	158,462	340,864	1,084,913	1,185,703	1,107,644	1,037,004	586,941	395,879	796,440
Amortization	164,314	2,673	4,566	3,519	6,807	17,133	13,238	15,431	22,768	17,274	14,926	46,138
Depletion	179,801	3	279	94	39	1,250	5,409	3,621	17,639	6,090	11,128	132,240
Pension, profit-sharing, annuity, and bond purchase plans	296,427	316	62	67	636	6,974	20,327	16,160	27,801	26,438	30,140	163,615
Employee benefit plans	550,087	1,130	1,365	1,564	6,528	25,708	52,947	54,631	81,473	67,360	52,586	206,123
Net loss from other partnerships and fiduciaries	274,896	9,153	6,212	1,803	24,216	7,219	31,885	19,934	33,560	26,459	44,428	69,734
Farm net loss	214	—	—	—	—	—	—	—	—	—	—	—
Net loss, noncapital assets	71,981	1,311	3,039	461	27,687	6,282	6,096	6,096	5,061	5,548	8,930	8,930
Other deductions	28,743,917	312,603	261,855	450,851	1,064,117	3,076,238	3,314,969	3,068,057	3,330,966	2,069,931	1,472,533	8,332,086
Net income (less deficit)	15,887,862	-129,001	-186,719	-11,476	485,105	2,615,696	2,809,543	2,249,519	2,215,109	1,512,552	1,206,993	3,117,540
Net income	22,167,450	95,407	117,898	336,962	887,080	3,488,541	3,635,281	3,032,798	2,989,980	1,936,110	1,513,628	4,165,426
Deficit	6,278,588	224,408	304,617	347,938	401,975	642,845	825,737	783,219	773,871	423,558	303,635	1,047,885
Capital gains and losses allocable to partners												
Net short-term capital gain (less loss)	-55,301	4,663	3,535	21,889	15,057	3,827	176	35,423	-234,339	8,440	31,181	54,846
Net long-term capital gain (less loss)	2,044,946	38,442	136,594	29,643	85,274	117,549	112,015	202,865	1,053,336	136,945	16,425	111,659
Employment ²	2,498,340	7,590	47,157	69,578	134,018	375,446	429,861	374,318	354,414	227,223	140,847	337,903
Payroll ³	23,678,837	97,255	376,773	695,616	1,757,638	6,848,426	7,923,706	7,258,602	5,855,602	4,055,602	3,455,602	11,771,323
Proxy payroll ⁴	23,422,489	55,883	112,132	295,461	694,703	2,658,246	3,107,428	2,988,007	2,346,554	1,678,161	1,878,161	6,419,546

¹Total Receipts for industries in "Finance, insurance, and real estate" and "Business Receipts" for all other industries.

²Based on Form 941 and Form 943.

³The sum of "Salaries and Wages" plus "Cost of Labor" from Form 1065.

⁴NOTE: Detail may not add to total because of rounding.

Table 4.—Total Assets, Income Statement, Employment, and Payroll by Size of Total Assets for Partnerships With Payroll

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

Item	(1) All returns	(2) \$0	(3) \$1 under \$25,000	(4) \$25,000 to \$100,000	(5) \$100,000 to \$250,000	(6) \$250,000 to \$500,000	(7) \$500,000 to \$1 million	(8) \$1 million under \$5 million		(9) \$5 million and over
								Number of partnerships	\$5 million under \$5 million	
Number of partnerships	393,216	79,161	93,013	96,193	54,494	27,603	17,896	21,176	21,176	3,679
Number of partners	1,427,197	188,090	217,808	243,438	185,954	123,433	108,785	203,596	203,596	176,094
Total assets	151,306,994	14,567,593	1,007,896	5,277,373	8,610,364	9,778,766	12,642,185	44,482,501	44,482,501	69,506,328
Total receipts	164,726,798	14,105,095	10,106,332	20,804,099	20,288,975	15,484,279	13,928,144	32,730,738	32,730,738	36,816,738
Business receipts.....	157,924,780	14,105,095	9,990,751	20,519,745	19,867,058	15,097,982	13,932,766	31,212,214	31,212,214	33,789,269
Income from other partnerships and fiduciaries.....	272,863	28,597	561	17,838	7,955	17,077	32,569	57,641	57,641	110,666
Nonqualifying dividends.....	24,969	493	1,557	441	3,356	2,311	1,890	3,199	3,199	12,321
Interest received.....	2,996,391	40,807	23,779	28,134	61,229	68,017	150,900	424,379	424,379	1,502,131
Rents received.....	671,962	40,875	10,103	28,363	65,390	56,943	66,571	219,377	219,377	190,210
Royalties.....	182,441	5,861	4,960	23,380	22,164	7,410	6,921	67,564	67,564	43,142
Farm net profit.....	15,082	480	—	89	6,312	162	1,774	1,774	1,774	58,735
Net gain, noncapital assets.....	373,379	38,286	25,144	14,414	32,949	29,770	58,772	116,308	116,308	1,099,070
Other receipts.....	2,962,892	309,079	49,476	170,674	222,713	206,697	271,014	634,178	634,178	35,656,098
Total deductions	148,838,928	12,599,681	7,687,985	17,554,898	17,681,575	13,925,629	12,666,769	30,886,302	30,886,302	13,084,920
Cost of sales and operations.....	73,044,137	7,492,968	3,453,762	9,631,500	10,261,678	7,434,887	6,556,229	15,128,171	15,128,171	1,351,482
Inventory, beginning of year.....	6,952,987	180,036	820,269	1,006,212	718,170	1,006,212	661,053	1,805,734	1,805,734	6,995,939
Purchases.....	48,567,451	4,959,328	2,157,132	7,316,030	7,828,966	5,605,079	4,177,495	9,526,451	9,526,451	1,296,962
Cost of labor.....	5,684,469	480,034	364,447	750,411	630,562	484,598	597,618	1,079,816	1,079,816	864,492
Materials and supplies.....	3,820,018	356,707	385,081	479,428	386,246	291,633	382,090	694,342	694,342	4,281,263
Other costs.....	15,736,441	1,643,410	1,126,878	1,601,297	1,601,297	1,176,033	1,461,040	3,961,811	3,961,811	1,715,217
Less: Inventory, end of year.....	7,717,231	556,523	137,844	861,516	1,172,654	840,627	723,068	1,709,962	1,709,962	4,390,404
Salaries and wages.....	17,739,019	1,254,120	1,325,022	2,966,348	2,216,108	1,589,241	1,472,230	3,124,544	3,124,544	3,883
Less: Jobs credit.....	34,408	1,591	2,224	5,161	9,309	3,759	2,635	5,847	5,847	428,113
Guaranteed payments to partners.....	2,984,452	215,158	454,010	627,187	459,906	272,578	193,118	334,400	334,400	666,623
Rent paid.....	4,098,150	404,749	431,920	709,007	565,271	391,537	326,048	612,994	612,994	3,643,404
Interest paid.....	6,515,213	340,902	68,740	209,436	352,542	500,899	422,746	2,674,543	2,674,543	1,205,891
Taxes paid.....	4,639,436	349,390	240,197	481,798	496,027	422,958	451,361	1,190,842	1,190,842	49,789
Bad debts.....	244,269	21,428	14,187	21,674	48,054	22,199	27,805	59,653	59,653	463,741
Repairs.....	2,323,696	270,592	70,685	180,754	246,945	237,874	250,223	584,500	584,500	1,802,902
Depreciation.....	6,603,149	536,437	146,696	419,256	574,457	476,426	673,975	2,074,700	2,074,700	71,877
Amortization.....	164,314	2,008	2,078	19,787	9,176	7,790	16,789	44,181	44,181	131,366
Depletion.....	178,601	4,345	1,653	3,126	4,937	7,913	4,937	27,244	27,244	139,500
Pension, profit-sharing, annuity, and bond purchase plans.....	296,427	11,353	10,162	21,393	16,938	16,873	19,907	61,322	61,322	188,547
Employee benefit plans.....	550,087	21,078	24,872	52,132	46,203	50,661	51,663	14,934	14,934	130,779
Net loss from other partnerships and fiduciaries.....	274,896	1,947	10	4,289	26,474	20,141	32,692	58,563	58,563	31,253
Farm net loss.....	214	15	—	—	—	—	—	89	89	9,228,775
Net loss, noncapital assets.....	71,961	5,354	1,387	3,554	5,150	9,745	1,120	14,397	14,397	1,160,541
Other deductions.....	26,743,917	1,667,425	1,646,537	2,825,579	2,374,329	2,367,664	1,855,549	4,777,060	4,777,060	3,541,961
Net income (less deficit)	15,887,862	1,967,911	2,218,347	3,249,201	2,977,760	1,559,650	1,261,375	1,844,436	1,844,436	2,361,421
Net income.....	22,167,450	2,257,548	2,450,550	3,574,982	2,977,760	1,971,981	1,810,150	3,582,638	3,582,638	3,541,961
Deficit.....	6,279,588	289,637	232,202	325,681	350,360	413,331	548,775	1,738,202	1,738,202	—
Capital gains and losses allocable to partners:										
Net short-term capital gain (less loss).....	-55,301	346	28	1,246	4,079	8,023	20,512	11,683	11,683	630,256
Net long-term capital gain (less loss).....	2,044,946	84,678	3,514	99,716	52,962	83,700	103,303	986,819	986,819	357,941
Employment	2,499,340	258,235	250,584	456,144	332,794	229,545	199,477	415,630	415,630	5,581,694
Payroll	23,678,937	1,780,637	1,660,120	3,251,518	2,784,268	2,112,052	1,977,111	4,531,436	4,531,436	5,687,366
Proxy payroll	23,422,468	1,734,155	1,689,470	3,116,758	2,846,690	2,073,840	1,969,949	4,204,360	4,204,360	—

¹Reported as of March 12 on Form 941.
²From Form 941 and Form 943.
³The sum of "Salaries and Wages," plus "Cost of Labor," from Form 1065.
 NOTE: Detail may not add to total because of rounding.

1979 Partnership Employment and Payroll

Table 5.—Total Assets and Income Statement by Selected Industry for Partnerships Without Payroll

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

Item	(1) All industries	(2) Agriculture, forestry, and fishing	(3) Mining	(4) Construction	(5) Manufacturing	(6) Transportation, communication, electric, gas, and sanitary services	(7) Wholesale trade	(8) Retail trade	(9) Finance	(10) Insurance agents, brokers, and service	(11) Real estate	(12) Services
Number of partnerships	795,350	77,935	21,928	30,323	13,697	9,368	15,516	53,785	122,963	1,690	347,653	99,985
Number of partners	4,902,562	237,961	599,260	69,653	34,570	27,528	38,427	110,960	1,763,346	5,980	1,673,828	332,470
Total assets	248,624,279	7,446,123	10,363,366	2,633,911	1,847,398	5,954,743	988,504	1,014,460	55,278,533	195,661	151,202,040	12,167,084
Total receipts	72,974,436	6,636,938	5,504,907	4,647,260	1,427,490	1,895,507	3,119,761	3,489,644	8,780,377	201,477	31,406,227	5,657,623
Business receipts	65,276,509	6,384,213	5,191,551	4,579,065	1,391,956	1,873,761	3,097,496	3,455,170	4,019,802	165,039	29,878,911	5,244,884
Income from other partnerships and fiduciaries	871,318	4,281	75,934	4,708	10,924	717	128	717	668,201	1,230	84,699	20,296
Nonqualifying dividends	1,019	3	62	82	6	22	45	139	115	115	2,241	20,296
Interest received	4,439,127	40,427	42,483	19,450	9,306	6,767	7,558	4,322	3,468,913	7,762	654,432	175,686
Royalties	320,503	43,541	14,077	16,708	1,950	1,234	5,863	7,762	787	787	126,755	21,381
Farm net profit	334,481	9,325	71,067	63	1,414	0	81	1,643	209,392	0	17,291	24,116
Net gain, noncapital assets	7,989	6,433	87	0	0	0	0	0	763	0	0	5
Net gain, noncapital assets	517,432	55,468	25,897	2,101	731	5,342	708	2,036	112,021	0	241,674	71,452
Other receipts	1,141,408	292,232	-83,797	23,103	11,202	6,392	17,882	16,322	163,926	26,536	401,433	99,366
Total deductions	72,105,075	6,382,874	7,394,507	4,117,069	1,435,542	1,996,509	2,913,631	3,249,904	7,695,543	148,906	31,857,540	4,985,579
Cost of sales and operations	21,579,980	3,636,572	1,559,776	3,237,226	985,935	673,915	2,564,792	2,569,864	16,038	46,610	4,979,657	1,104,268
Inventory, beginning of year	3,317,691	179,666	39,897	533,398	91,898	1,714	188,598	2,569,864	16,038	46,610	4,979,657	1,104,268
Purchases	10,645,765	1,649,341	368,546	634,669	760,550	516,198	2,088,315	2,457,769	49,506	10,448	1,605,025	524,428
Cost of labor	537,130	132,903	102,232	150,149	42,313	11,156	6,472	6,472	25,765	0	89,578	17,325
Materials and supplies	1,462,797	100,269	115,583	671,296	87,638	5,731	47,641	31,363	1,668	14,497	283,525	103,487
Other costs	9,567,511	1,980,232	962,956	1,785,220	117,877	143,757	437,970	148,351	28,174	21,663	3,423,358	499,953
Less: Inventory, end of year	3,951,503	205,659	49,429	537,506	114,331	4,642	201,674	420,596	86,149	0	2,202,281	126,017
Salaries and wages	755,291	21,050	33,698	32,116	24,482	11,358	8,598	8,282	19,015	15	572,426	24,272
Less: Jobs credit	860,822	78,791	508	4	87	0	6	47	1	0	180	25
Guaranteed payments to partners	1,309,956	243,461	84,373	92,054	28,313	9,395	31,482	57,078	126,505	2,558	211,962	171,463
Interest paid	11,398,151	461,242	291,168	127,337	21,760	201,211	19,044	105,198	41,808	2,747	617,330	130,521
Taxes paid	3,052,650	107,221	171,332	30,171	56,368	43,704	34,371	29,139	878,077	1,097	877,623	539,630
Bad debts	62,877	3,116	3,627	3,705	5,627	308	12,330	51,500	109,773	1,002	2,420,494	60,681
Repairs	1,523,963	208,094	53,411	19,037	3,870	3,068	3,870	1,957	8,225	52	39,339	19,681
Depreciation	9,168,231	570,705	543,206	82,240	11,940	45,238	5,787	22,703	3,067	3,067	1,068,335	69,212
Amortization	198,292	989	13,766	2,794	66,470	566,878	26,039	48,978	383,143	1,034	5,925,584	1,593,637
Depletion	213,976	5,778	187,995	2,794	459	3,319	524	337	14,380	0	112,556	17,074
Pension, profit-sharing, annuity, and bond purchase plans	6,106	316	3,435	76	1,567	2,148	1,219	0	11,252	0	5,726	437
Employee benefit plans	25,552	1,533	7,298	2,390	539	2,148	73	13	119	0	1,193	184
Net loss from other partnerships and fiduciaries	1,914,756	30,232	318,665	894	1,561	1,197	500	224	1,183,397	1,318	9,543	1,188
Farm net loss	6,208	3,191	0	0	5,689	988	4,740	0	2,834	0	334,957	33,866
Net loss, noncapital assets	232,629	6,464	64,285	2,022	44	4,808	163	443	127,204	0	184	0
Other deductions	19,185,927	784,132	3,997,664	465,496	189,629	417,891	200,084	354,143	4,694,548	89,905	6,757,679	23,154
Net income (less deficit)	889,382	474,063	-1,889,601	530,191	-8,052	-101,001	206,129	239,940	1,144,634	52,571	-451,313	672,044
Net income	15,769,918	1,079,752	1,862,316	685,313	160,355	426,682	254,140	332,383	4,226,894	55,274	4,864,241	1,722,091
Deficit	14,900,456	605,688	3,751,916	155,122	168,407	527,683	48,011	92,442	3,081,960	2,704	5,415,554	1,050,047
Capital gains and losses allocable to partners:												
Net short-term capital gain (less loss)	160,780	-4,914	74	-32	294	368	15	0	96,769	-53	61,957	6,302
Net long-term capital gain (less loss)	2,632,898	101,723	37,630	6,140	1,829	9,322	181	5,043	1,276,551	1,264	1,122,081	72,144

NOTE: "Wholesale and retail trade not allocable" and "Nature of business not allocable" are not shown separately because of the small number of sample returns on which they were based. Nevertheless, the data are included in the appropriate totals. Detail may not add to total because of rounding.

Table 6.—Total Assets and Income Statement by Size of Business Receipts¹ for Partnerships Without Payroll

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	(1) All returns	(2) \$0	(3) \$1 under \$25,000	(4) \$25,000 under \$50,000	(5) \$50,000 under \$100,000	(6) \$100,000 under \$250,000	(7) \$250,000 under \$500,000	(8) \$500,000 under \$1 million	(9) \$1 million under \$2.5 million	(10) \$2.5 million under \$5 million	(11) \$5 million under \$10 million	(12) \$10 million and over
Number of partners	4,902,562	496,140	1,787,355	452,140	433,357	439,567	317,100	248,549	261,459	236,825	116,580	93,490
Total assets	248,624,229	21,742,117	36,694,218	18,888,392	23,875,419	33,656,277	26,732,012	23,263,949	26,831,808	13,270,861	9,327,179	14,341,706
Total receipts	72,974,436	3,855,382	3,999,617	4,053,198	6,523,078	9,993,809	7,995,676	8,011,171	8,897,495	6,165,947	4,227,048	13,542,014
Business receipts	65,276,509	3,297,690	3,975,690	3,596,500	5,942,527	8,975,168	6,848,898	7,348,584	8,041,298	5,428,757	3,625,020	12,496,085
Income from other partnerships and fiduciaries.....	871,318	25,891	44,362	38,958	44,362	157,503	117,172	83,704	114,478	81,919	63,401	55,205
Nonqualifying dividends.....	65,070	6,576	13,722	13,722	4,829	8,804	4,813	14,248	12,259	11,840	316	512
Interest received.....	4,439,127	145,669	369,644	265,695	266,798	477,024	300,077	466,972	494,390	433,991	463,991	860,738
Rents received.....	300,503	68,324	36,744	26,715	26,531	53,655	35,177	24,980	23,505	23,505	21,242	23,575
Royalties.....	39,489	68,364	23,392	18,763	33,951	57,456	33,154	47,492	18,950	21,388	7,203	4,865
Farm net profit.....	1,689	6,433	0	0	0	0	0	0	0	0	0	87
Net gain, noncapital assets.....	517,402	4,080	63,105	49,277	60,832	82,666	76,823	42,413	74,131	25,085	31,659	7,780
Other receipts.....	1,141,408	110,323	79,066	58,219	106,164	181,955	113,721	149,829	125,669	79,062	44,189	83,685
Total deductions	72,105,075	4,640,016	4,907,548	3,783,058	6,174,470	9,055,888	7,187,350	7,566,400	8,294,099	5,311,138	3,527,650	11,647,657
Cost of sales and operations	21,579,380	0	505,891	655,349	1,539,011	2,635,201	1,947,361	2,504,149	2,452,113	2,455,018	1,761,946	5,123,401
Inventory, beginning of year.....	3,317,681	74,045	224,874	109,231	277,258	335,668	364,634	433,632	503,359	320,084	320,084	353,840
Purchases.....	10,845,768	31,121	316,494	432,082	948,856	1,498,565	1,124,228	1,296,843	954,547	854,001	658,782	2,570,255
Cost of labor.....	537,190	1,681	24,076	25,959	49,263	68,700	71,532	33,684	55,094	29,927	31,363	147,830
Materials and supplies.....	1,462,797	39,778	62,071	72,218	196,012	172,841	124,463	177,231	117,833	112,414	103,253	321,947
Other costs.....	9,587,511	40,758	221,952	177,929	497,160	1,069,763	761,736	1,064,010	1,320,322	1,436,649	861,777	2,095,515
Less: Inventory, end of year.....	3,951,503	187,382	344,242	162,070	391,538	510,456	498,232	461,450	497,019	318,854	213,274	365,985
Salaries and wages.....	755,291	8,787	18,796	16,590	51,851	77,651	113,923	148,430	145,543	69,727	48,016	55,976
Less: Jobs credit.....	895	0	0	0	487	59	14	14	167	47	25	36
Guaranteed payments to partners.....	860,822	38,402	97,124	91,718	166,518	153,675	83,954	57,229	72,790	23,714	19,916	35,780
Rent paid.....	1,309,958	35,055	125,498	95,983	173,803	226,818	143,898	146,858	137,881	117,684	62,052	69,425
Interest paid.....	11,398,151	373,917	970,810	787,434	1,082,713	1,704,443	1,473,785	1,408,323	1,711,850	758,555	455,244	659,077
Taxes paid.....	3,052,850	86,956	311,325	246,831	305,893	422,194	339,232	368,483	449,607	206,871	113,318	203,238
Bad debts.....	83,877	9,973	19,308	1,998	5,865	7,471	8,458	13,781	7,898	4,427	1,043	10,655
Repairs.....	1,525,963	9,437	170,806	144,390	181,781	269,100	189,701	178,838	167,923	81,481	41,198	71,308
Depreciation.....	9,769,201	301,456	829,435	675,635	1,128,725	1,670,971	1,202,557	1,104,071	1,242,531	572,351	362,327	778,173
Amortization.....	166,292	28,656	18,214	8,999	8,221	24,161	23,004	20,274	15,738	5,553	2,750	10,752
Depletion.....	213,978	11,465	6,397	2,802	4,169	27,225	23,462	6,627	6,300	10,609	12,372	102,526
Pension, profit-sharing, annuity, and bond purchase plans.....	45,084	463	1,212	852	1,094	1,415	1,178	330	585	139	125	188
Employee benefit plans.....	23,522	204	1,212	616	1,415	3,025	1,578	1,755	1,780	1,110	1,855	10,893
Net loss from other partnerships and fiduciaries.....	1,914,756	1,000,652	366,165	90,921	77,558	124,654	72,404	49,658	56,460	20,167	16,164	40,182
Farm net loss.....	6,209	5,989	49,368	6,034	13,360	12,763	22,849	11,062	6,852	3,550	2,441	4,065
Net loss, noncapital assets.....	232,629	120,463	49,368	6,034	13,360	12,763	22,849	11,062	6,852	3,550	2,441	4,065
Other deductions.....	19,185,927	2,616,199	1,417,145	967,117	1,403,579	1,776,162	1,565,063	1,546,546	1,818,615	890,453	626,957	4,468,110
Net income (less deficit)	869,362	-4,274,834	-1,307,932	260,141	348,608	938,121	408,326	444,771	603,396	854,809	696,398	1,894,357
Net income.....	15,769,819	225,398	984,300	1,154,842	1,670,464	2,308,455	1,505,444	1,400,427	1,558,533	1,369,020	994,983	2,597,950
Deficit.....	14,900,456	4,500,032	2,292,232	894,702	1,321,856	1,370,334	1,097,118	955,656	955,137	514,211	295,585	703,593
Capital gains and losses allocable to partners:												
Net short-term capital gain (less loss).....	160,780	25,228	11,734	26,805	10,592	-11,680	88,948	3,505	-5,441	1,174	-11,726	21,645
Net long-term capital gain (less loss).....	2,633,869	374,776	836,466	306,189	249,449	316,018	218,136	56,742	128,888	10,529	-7,560	45,258

¹Total receipts for industries in "Finance, insurance, and real estate" and "Business receipts" for all other industries. NOTE: Detail may not add to total because of rounding.

1979 Partnership Employment and Payroll

Table 7.—Total Assets and Income Statement by Size of Total Assets for Partnerships Without Payroll

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

Item	(1) All returns	(2) \$0	(3) \$1 under \$25,000	(4) \$25,000 under \$50,000	(5) \$50,000 under \$100,000	(6) \$100,000 under \$250,000	(7) \$250,000 under \$500,000	(8) \$500,000 under \$1 million	(9) \$1 million under \$5 million	(10) \$5 million and over
Number of partnerships	795,350	174,483	190,851	75,649	89,281	117,624	66,398	37,709	36,972	6,404
Number of partners	4,802,562	856,713	606,482	264,900	367,042	579,612	433,458	370,236	370,236	710,237
Total assets	246,624,229	1,709,983	2,731,766	6,499,467	26,279,286	19,044,616	23,564,591	26,279,286	73,855,923	94,938,375
Total receipts	72,974,436	8,713,665	5,385,943	2,694,641	3,980,346	6,197,917	6,124,852	5,960,619	14,650,250	19,036,502
Business receipts	65,276,509	7,003,535	5,061,638	2,497,959	3,742,738	5,642,121	5,596,240	5,378,292	13,527,037	16,826,950
Income from other partnerships and fiduciaries	871,318	89,039	110,726	62,534	18,570	102,132	59,241	104,631	153,291	171,154
Nonqualifying dividends	65,970	18,455	683	700	1,224	2,365	5,307	6,033	20,776	10,407
Interest received	4,438,127	1,234,642	67,702	24,534	66,582	208,370	229,686	285,778	720,579	1,601,255
Rents received	320,503	35,225	5,233	11,087	12,284	40,573	34,723	34,628	69,657	11,063
Royalties	394,481	39,778	17,924	26,601	26,601	52,611	47,026	50,571	58,414	12,063
Farm net profit	7,689	1,813	4,491	1,411	0	5	5	972	55	87
Net gain, noncapital assets	517,432	112,548	37,251	29,608	16,287	53,166	45,127	37,642	109,346	78,437
Other receipts	1,141,408	178,629	70,427	40,155	94,082	96,535	107,378	82,072	191,094	281,057
Total deductions	72,105,075	6,753,618	4,937,843	2,183,454	3,687,612	5,637,625	6,148,090	6,256,906	16,063,212	20,234,716
Cost of sales and operations	21,578,380	3,217,102	2,348,822	1,149,689	1,581,908	2,124,963	1,870,230	1,713,250	3,417,026	4,156,392
Inventory, beginning of year	3,317,681	271,076	241,136	137,755	170,061	431,773	326,054	392,347	835,971	511,508
Purchases	10,645,765	1,473,661	1,466,967	698,946	875,992	1,171,803	667,827	721,174	1,329,027	2,240,387
Cost of labor	537,130	62,895	64,262	22,620	28,540	56,048	70,400	29,668	67,925	134,671
Materials and supplies	1,462,797	248,731	196,323	74,088	85,133	99,580	141,161	74,498	233,420	309,664
Other costs	9,567,511	1,326,253	562,069	337,413	536,657	734,460	896,916	969,249	2,282,644	1,781,850
Less: Inventory, end of year	3,951,503	165,614	181,934	121,133	114,479	368,700	332,128	503,698	1,331,961	851,667
Salaries and wages	755,291	47,576	27,764	11,719	24,975	29,850	62,657	45,855	276,360	228,536
Less: Jobs credit	865	105,071	47	47	0	0	5	5	139	143
Guaranteed payments to partners	860,822	156,558	181,567	40,715	44,381	66,588	51,338	54,478	125,804	126,315
Rent paid	1,309,956	156,958	181,567	72,698	67,433	104,090	135,188	165,862	178,938	247,202
Interest paid	11,398,151	497,404	182,710	121,814	274,743	824,173	1,120,024	1,136,872	3,664,975	3,603,435
Taxes paid	3,052,850	206,062	87,507	60,848	126,707	271,726	312,988	342,407	800,286	844,320
Bad debts	83,877	8,151	6,735	3,086	1,975	5,132	12,010	11,640	11,767	23,380
Repairs	1,525,963	182,388	60,428	57,315	87,205	163,310	162,401	366,795	278,508	278,508
Depreciation	9,768,231	490,144	231,668	180,170	315,119	766,899	945,774	906,814	3,126,622	3,126,622
Amortization	165,292	3,242	4,916	1,864	4,064	7,392	9,783	11,176	73,048	50,807
Depletion	213,979	9,005	3,021	901	1,611	6,372	3,303	11,608	51,359	126,788
Pension, profit-sharing, annuity, and bond purchase plans	8,109	1,296	1,073	0	771	55	172	84	500	4,851
Employee benefit plans	25,552	1,690	851	737	966	898	2,218	1,371	2,839	13,880
Net loss from other partnerships and fiduciaries	1,914,756	373,363	139,133	38,140	73,745	129,633	170,270	224,056	357,506	408,909
Farm net loss	6,209	1,979	117	1,014	0	265	0	0	2,834	0
Net loss, noncapital assets	252,629	37,600	26,228	6,933	21,655	18,212	18,212	44,954	16,483	59,408
Other deductions	19,185,927	1,445,144	1,389,152	435,857	1,061,049	1,315,024	1,271,527	1,420,871	3,911,807	6,935,496
Net income (less deficit)	869,362	1,960,047	447,800	501,187	292,736	360,292	-23,236	-278,288	-1,212,961	-1,178,214
Net income	15,769,818	2,894,044	1,444,563	715,253	808,504	1,463,593	1,235,744	1,110,815	2,520,238	3,557,074
Deficit	14,900,456	933,997	896,763	214,066	515,768	1,123,291	1,258,982	1,368,103	3,733,199	4,735,268
Capital gains and losses allocable to partners:										
Net short-term capital gain (less loss)	160,700	41,869	23,523	26,516	-3,130	-2,587	-2,398	21,367	-8,112	63,791
Net long-term capital gain (less loss)	2,633,669	693,599	229,259	50,495	117,735	244,799	273,071	244,382	441,359	399,209

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