

Safe Harbor Leasing, 1981 and 1982

By Margaret Riley*

During 1981 and 1982, companies leased more than \$37 billion of property under liberal, less restrictive, "safe harbor" leasing arrangements. Safe harbor property leased in 1981 totalled over \$22 billion but, because of certain tax law changes, decreased to \$15 billion in 1982. Despite the downturn in leased property value, the number of leases transacted grew from 19,326 in 1981 to 31,672 in 1982.

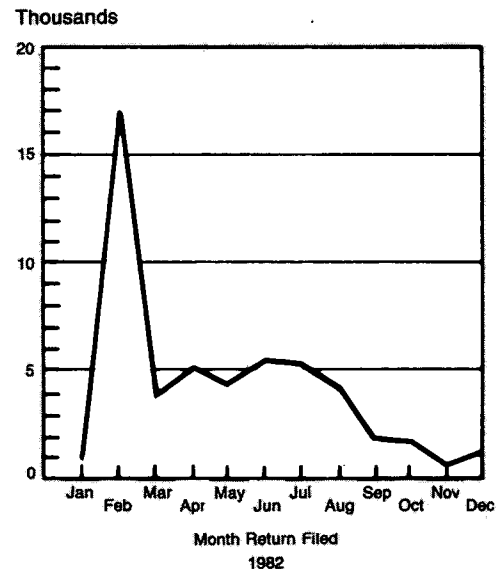
The major lessor industries with respect to the value of property leased included food and kindred products; petroleum refining; electrical machinery and electronics; nonelectrical machinery; retail trade; and banks, brokers and holding companies. Major lessees were in the oil and gas drilling; lumber and paper; chemicals; primary metals; motor vehicles; railroads; airlines and utilities classifications. Leasing, expectably, ranked high as an industrial activity of both lessors and lessees.

Tax law changes of 1982, which imposed numerous restrictions on safe harbor lease arrangements, significantly affected leasing behavior in that year. In February 1982, the Senate Finance Committee Chairman launched an effort to eliminate or limit drastically the privilege of trading tax benefits afforded to companies under the property leasing provisions of the Economic Recovery Tax Act of 1981. The new 1981 leasing provisions, which were aimed at increasing growth and productivity in the economy, allowed companies in different tax positions to benefit equally from the investment tax credit and depreciation deductions associated with property investments. In September 1982, a setback came to companies engaging in these arrangements when a bill was signed into law which severely limited corporate tax benefits associated with safe harbor leasing. The changes were generally effective with leases entered into after July 1, 1982, with some provisions retroactive to February 19, 1982.

Data on the number of leasing arrangements reported in 1982 reveal the impact of the new restrictions on the lessors and lessees of safe harbor property. The number of leases reported on mandatory information returns filed in 1982 began a steady decline at the end of the second quarter of the year. Preliminary data for 1983 show a continuing downward trend with only 3,900 returns filed during the first half of the year. As shown in Figure A, the peak filing indicated in the month of February is attributable to a January 31, 1982, deadline for reporting all safe harbor leases made during any part of 1981 in order for the election to be valid for that year [1]. Leases entered into after December 31, 1981, had to be reported and filed on an information return within 30 days from the date the lease term began. The initial January-February push to report 1981 lease activity by the deadline accounted for 35 percent of all returns filed in

1982. By ignoring this initial January-February volume of returns, mostly covering 1981 leases, the number of returns filed during 1982 reached a high of 5,123 in June, and declined by about 81 percent to 954 in December. Expressed as a ratio to the total volume of returns filed in 1982, the March-July period accounted for about 46 percent of the returns, while the August-December period accounted for only about 19 percent.

Figure A
Number of Safe Harbor Lease Returns
Filed by Month, 1982



BACKGROUND

Provisions enacted by the Economic Recovery Tax Act of 1981 substantially liberalized traditional leasing rules under which businesses were required to operate for Federal tax purposes, making it possible for both the lessor and lessee to maximize the benefits of depreciation deductions and tax credits associated with owning property. The 1981 Act created a type of leasing arrangement which became known as a safe harbor lease. The term safe harbor is appropriate

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because the new provisions guaranteed that a transaction would be recognized as a lease for Federal income tax purposes, regardless of existing IRS guidelines for determining whether the transaction is a lease, or merely a financing arrangement not subject to the same tax benefits, and also regardless of whether its nontax economic substance would otherwise be recognized as a true lease. In fact, many safe harbor leases are only paper transactions which are recognized as a lease for Federal tax purposes but have no business purpose other than to transfer tax benefits. Under these types of arrangements, the lessor becomes the owner of the property only on paper, while the lessee actually retains title to the property and is treated as the legal owner for State and local purposes.

Prior to the 1981 Act, strict requirements were placed on the parties to a lease in order for the transaction to qualify as a true lease. Also, any tax benefits derived from leased property were available solely to the actual owner-lessor. The intent of the new leasing provisions of the 1981 Act was to stimulate economic growth and provide incentives for investment to companies which otherwise could not utilize the benefits of the investment tax credit and the Accelerated Cost Recovery System (ACRS), a method of depreciation allowing more rapid recovery of the cost of the property.

A company in a loss position would not benefit fully from depreciation deductions and would have no tax liability against which to claim the investment tax credit. The depreciation deductions and investment tax credit could be carried forward to another tax year but their tax benefit would be reduced in terms of their present value. Businesses which could not take advantage of these benefits would have less incentive than profitable companies to make investments and replace buildings or equipment with newer, modern property which would increase productivity and competitiveness needed for economic expansion. Capital-intensive companies with small cash reserves might have to postpone investing in certain desirable property enhancements because of the expenses involved and the inability to use currently the tax benefits associated with the investment. The liberalized leasing arrangements allowed distressed industries and newly established companies with large capital investments and little or no profits to, in effect, "sell" the credits, in exchange for cash, to a company which could use them.

A typical safe harbor lease transaction, called a sale-leaseback, is illustrated in Figure B.

This type of sale-leaseback arrangement is sometimes referred to as a "wash" lease because, except for the cash down payment from one company to another, in this case from Company L to Company P, no further money actually changes hands and no real change in ownership occurs. The cash down payment is an agreed-upon amount based on the present value of the transferred tax benefits and the after-tax rate of return that Company P expects to earn from the property investment.

Another kind of safe harbor transaction is the straight lease. The straight lease is usually a financing arrangement which permits the parties to the lease to use tax benefits not allowed under the old leasing rules. The lessor purchases the property from a third party and leases it to the lessee for rental payments lowered by the amount of the associated tax credits. As with a sale-leaseback, under a straight lease the lessee can purchase the equipment from the lessor at the termination of the lease for a nominal amount.

Figure B

How A Sale-leaseback Works

Company L is a loss company.
Company P is a profit company.

Situation: L wants to purchase equipment costing \$10 million but cannot use the associated tax benefits because it has no tax liability.

P is earning profits and can use the tax credits to cut its tax burden.

Step 1: L buys equipment worth \$10 million and sells it to P.

P pays L \$3 million in cash and gives L a note for \$7 million plus interest.

Step 2: L leases the equipment back from P and pays P rent equal to the note principal and interest over a specified lease term.

P makes principal and interest payments to L over the same lease term.

Step 3: At the end of the lease term, L repurchases the equipment from P for a token amount, usually for \$1.00.

Outcome: L gets \$3 million in cash and rental payment deductions.

P gets the investment tax credit, accelerated depreciation deductions, and interest payment deductions.

In general, most companies used safe harbor leasing as intended by the provisions of the 1981 Act; however, there were certain transactions that were considered abuses. Some highly profitable companies that had eliminated their tax liability with these credits sold additional unused credits for cash to other profitable companies that could use them to lessen their Federal tax liability.

In other transactions, the parties to the lease belonged to the same affiliated group filing a consolidated corporate tax return, meaning that the exchange of cash and tax benefits between subsidiaries, or between a subsidiary and its parent corporation, could be used in such a way as to reduce the tax liability of the parent to zero.

1982 TAX LAW CHANGES

In 1982 legislators acted to change the 1981 safe harbor leasing rules which they felt "enabled some taxpayers to avoid their equitable share of tax" [2]. The changes were effected by the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). The modified leasing provisions of TEFRA are expected to increase tax revenues by \$1.1 billion in Fiscal Year 1983, \$2.9 billion in 1984 and \$4.2 billion in 1985 [3].

TEFRA restructured the leasing rules of the Economic Recovery Tax Act of 1981 and reduced the tax benefits available to companies through safe harbor leasing.

While most of the restrictions generally apply to property leased after July 1, 1982, transitional rules apply in some situations and certain anti-abuse rules are effective retroactive to February 19, 1982. The following are some of the major restrictions and limitations placed on the traders of tax benefits by the TEFRA provisions.

- . Limits on the amount of income tax liability which can be reduced. The liability will be the greater of (1) the actual tax liability or (2) 50 percent of the liability before any adjustments for rental income, the investment tax credit, ACRS deductions and interest deductions (if paid to the lessee) are applied.
- . Limits on the amount of interest and depreciation deductions allowed.
- . Limits on the length of the lease term.
- . A requirement that the amount of the investment tax credit must be taken at certain rates over a 5-year period.
- . Application of special rules which disallow net operating loss and investment tax credit carrybacks if derived from safe harbor leasing.
- . Restrictions on the type and percentage of property eligible for safe harbor leasing.
- . Limits on the extent to which the lessee can apply benefits of safe harbor leasing to computing the percentage depletion deductions (relating to oil and gas wells).
- . The prohibition of safe harbor leasing between related corporations (members of an affiliated group).

Certain mass transit vehicles placed in service before 1988 will continue to qualify for safe harbor treatment. Special transitional effective dates for changes to safe harbor leasing are in effect for industries considered economically depressed: commercial airlines, auto manufacturers, and steel manufacturers. These transitional rules also apply to farmers' cooperatives and rural electric energy service organizations [4].

SAFE HARBOR LEASING ACTIVITIES IN 1981 AND 1982

Changes in leasing behavior resulting from the lease provisions of the 1981 and 1982 Tax Acts had a significant effect on the comparability of the statistics for each of the two years. While the number of leases reported increased, the corresponding value of the property decreased.

Even though leasing rules were tightened in 1982, the number of safe harbor leases reported for that year showed a 39-percent increase over 1981. This can be attributed, in part, to the August 13, 1981, enactment date of the safe harbor provision. Although certain property purchased or leased in 1981 before the enactment date was allowed to qualify for the safe harbor, lease transactions electing safe harbor status would have been greater if the provision had been in effect at the beginning of the year. New or struggling companies which made decisions to invest in new property based solely on the tax benefits allowed under safe harbor leasing did not have the opportunity to make such a decision before August of 1981. Another reason for the apparent growth in the number of leases transacted could be the "scramble" on the part of

businesses to execute safe harbor lease agreements before the rule changes in 1982 took effect.

The 32-percent decrease in the value of property leased in 1982 is most likely due to the new, restrictive rules. Many large leasing deals which were advantageous to businesses in 1981 were limited or prohibited in the latter part of 1982. Major factors contributing to the decline of leased property values were restrictions placed on certain organizations engaging in safe harbor leasing, limits on the type of property to be leased, and reductions in the amount of property and associated tax credits allowed.

Figure C illustrates the percentage distribution of sale-leaseback and straight leases for 1981 and 1982 combined. While only 21 percent of all 1981-82 leases were reported as sale-leasebacks, they accounted for 89 percent, or \$33.0 billion, of the associated \$37.1 billion of leased property reported for the two-year period. A significant shift in lease type can be seen from transactions with property under \$1 million to those with property \$1 million or more. Only 18 percent of the smaller transactions were sale-leasebacks compared to 83 percent of the larger agreements.

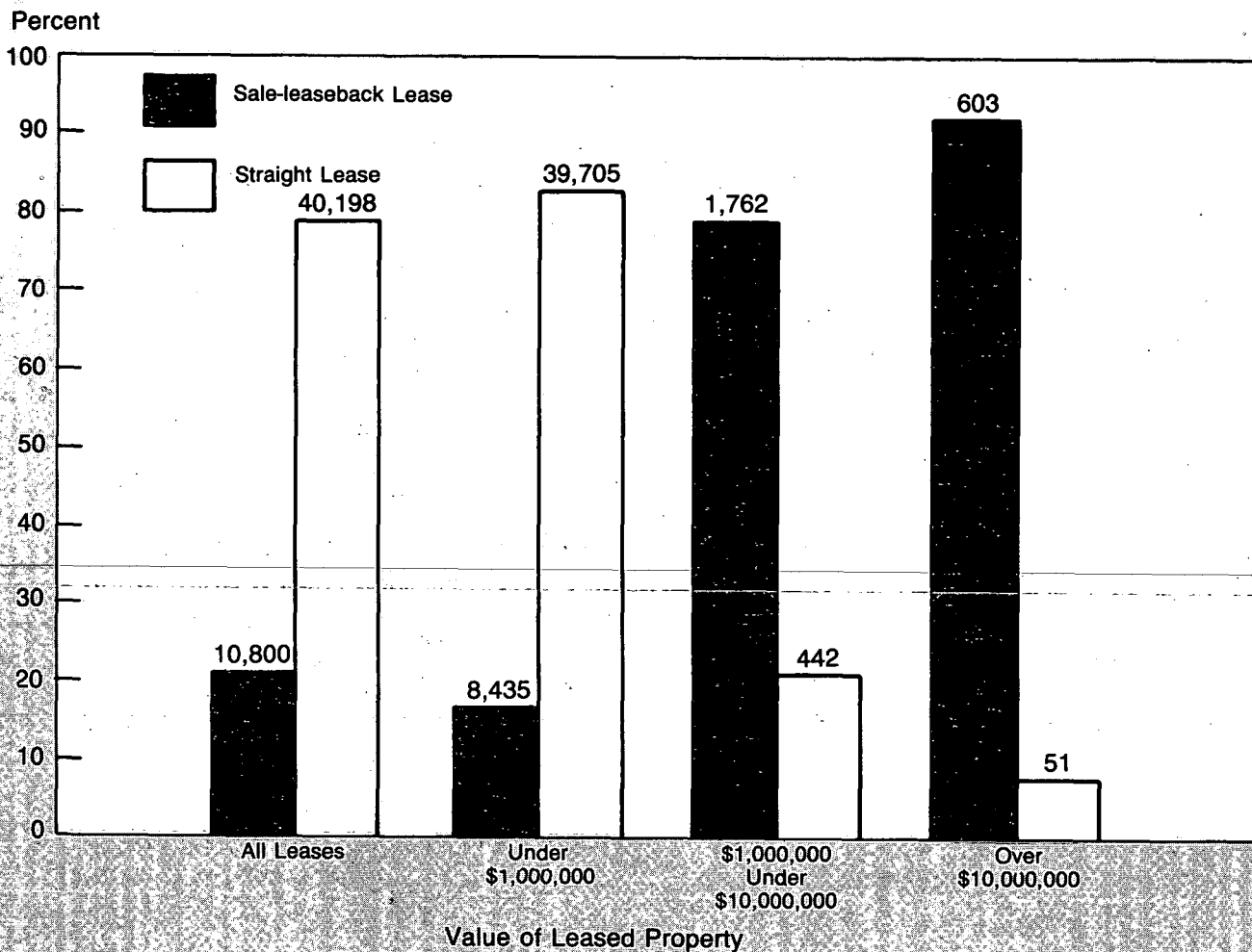
The high percentage of sale-leasebacks associated with large property values generally can be attributed to the appeal of sale-leaseback arrangements to corporations entering into large lease transactions. The tax benefits gained from sale-leasebacks are much greater than those gained from straight leases, especially for the "buyers" and "sellers" of large tax breaks derived from leases with large property values. The lessors and lessees of property with values greater than \$1 million would more likely prefer a sale-leaseback arrangement over a straight lease. Parties to small lease transactions more often took advantage of straight leases to enter into financing arrangements which formerly were not recognized for tax purposes.

While all lessor organizations engaging in safe harbor leasing were corporations, lessees included corporations, partnerships, sole proprietorships, and individuals. The size of participating organizations ranged from small home-operated businesses to very large corporate giants. The type and value of property covered by a single lease transaction varied considerably, from a \$99 typewriter to hundreds of millions of dollars worth of machinery and equipment.

Table 1 shows lease data reported for 1981 and 1982 by size of the lease transaction. The majority of lease transactions can be classified as small. In 1981, transactions for less than \$1 million of leased property comprised 92 percent of all leases reported; in 1982, small transactions accounted for 96 percent. While the ratio of the number of small transactions to the total number of transactions reported is quite high, the value of leased property they cover is relatively low. The largest concentration of property value can be linked to the large lease agreements. Transactions for over \$10 million of property in 1981 accounted for only 2 percent of all leases reported, but they covered 76 percent of the value of all property leased. In 1982, the proportions were less than 1 percent of leases, but 69 percent of total property value.

Some safe harbor lessors and lessees paid a third party to arrange the lease agreement. These third-party payments, mostly to lawyers, accountants, and brokerage firms, totalled \$267.2 million for 1981 and 1982, or about 0.7 percent of the total value of

Figure C
Number of Sale-leaseback and Straight Leases and Their Percent Distribution by Value of Leased Property, 1981-1982



property leased for the two-year period. It appears that the ratio of third-party payments to the size of the lease transaction was only slightly higher for small lease arrangements than it was for large ones. This analysis indicates that transaction costs placed no undue burden on small businesses desiring to lease property under the safe harbor provision.

The amount of the tentative investment tax credit (ITC) reported as a result of safe harbor leases entered into in 1981 and 1982 was approximately \$3.2 billion. To provide a meaningful representation of the significance of safe harbor-related ITC, it is helpful to relate it to the total \$18.4 billion ITC claimed by all businesses in 1980 (the latest year these data are available). The ITC reported for 1981 safe harbor leases was \$1.8 billion, or 10.0 percent of the 1980 total; for 1982 leases, the corresponding figures are \$1.3 billion, or 7.3 percent.

Out of the 39 possible industry categories shown in table 2, 12 lessee activities and 13 lessor activities can be associated with leased property worth over \$1 billion. Utilities ranked as the dominant lessee with \$3.7 billion of property leased under the safe harbor provision, while petroleum refining benefited most as a lessor with \$5.2 billion of leased property. The 12 major lessee industries accounted for \$27.5 billion of property, or slightly more than 74 percent of the total \$37.1 billion. The value of property associated with the top 13 lessor industries amounted to \$29.9 billion, about 81 percent of the total.

Safe harbor property lessees classified under wholesale and retail trade, agriculture, and services other than leasing accounted for 40 percent of all leases reported but only 5 percent of the total value of property leased. Four lessor industries accounted for 60 percent of all leases reported: banks and

other credit agencies, communications, motor vehicles, and nonelectrical machinery; however, the value of the property covered by these leases amounted to only 18 percent of the total.

Part of the intent of safe harbor leasing was to aid distressed industries. Table 2 clearly indicates that the leasing provision served that purpose. The business activities of major lessees included airlines, railroads, motor vehicles, lumber and paper products, chemicals, primary metals, and utilities. Many organizations in these business activities have suffered large corporate losses over the last several years and generally are considered distressed industries. Although the total value of property leased by lessees engaged in agriculture is comparatively low, the high number of associated lease transactions provides evidence that several farm businesses also benefited from safe harbor agreements.

It should be noted that if the lessee company, the actual user of the property, is a member of an affiliated group, the business activity reflects the activity of that specific lessee, even if the affiliated group is engaged predominantly in another activity. For example, a subsidiary might be tabulated under airlines even though the parent is a holding company. In the case of the lessor company, the buyer of the property and associated tax benefits, the activity is classified on the basis of the parent rather than the subsidiary.

One of the most controversial issues surrounding the safe harbor provision was that large, prosperous companies were also benefiting from it. Along with a number of restrictions imposed in 1982 to curtail this type of activity, related corporations are now prohibited from engaging in safe harbor leasing. Some corporations used safe harbor leasing to manipulate internally tax credits and deductions among their subsidiaries to reduce or eliminate entirely their Federal tax liability. The law prohibiting this type of lease arrangement applied retroactively to all leases entered into after February 19, 1982.

Leases Between Related Corporations, 1981-1982

Date Lease Term Began	Number of Returns	Value of Leased Property
All Related Leases	491	\$459,426,898
In 1981	190	320,766,024
In 1982	301	138,660,874
After February 19, 1982	252	111,604,388

Leases in which the lessor and lessee were related corporations totalled 301 for 1982 and involved over \$138.6 million in leased property. Approximately 84 percent of these 1982 related leases, accounting for \$111.6 million of the total \$15.0 billion of all property leased in 1982, had their safe harbor treatment revoked. The 190 leases transacted in 1981 between related parties, which covered \$320.8 million in value of property, were not affected by the 1982 prohibition.

POST-1983 LEASING TRANSACTIONS

After December 31, 1983, at which time the safe harbor lease provisions will be repealed, new rules governing leases for Federal tax purposes will go into effect. The leases entered into under the new provisions will be called "finance leases." Finance leasing will carry many of the restrictions placed on

safe harbor leasing by TEFRA, in addition to other modifications.

Finance leases must meet all of the requirements imposed under pre-safe harbor leasing rules with two exceptions allowed. The lessee can buy the property at the end of the lease for less than fair market value (but no less than 10 percent of original cost) and eligible property can include limited use property (property not readily usable by anyone other than the lessee). Special rules apply to the leasing of new investment credit property used for farming, and finance leasing among affiliated corporations is barred.

DATA SOURCES AND LIMITATIONS

The data in this article are tabulated from a sample of Forms 6793, Safe Harbor Lease Information Returns, filed jointly by lessors and lessees with the Internal Revenue Service during calendar year 1982 to report leases entered into in 1981 and 1982. The return was required to be filed by the later of January 31, 1982, or 30 days after the date the lease was made in order for the safe harbor election to be valid.

All Forms 6793 received from January 1 through February 4, 1982, were included in the sample, whether they were sale-leaseback or straight leases. Because of the heavy filing volume of straight lease returns, Forms 6793 received after February 4 which reported straight leases were stratified according to the value (unadjusted basis) of the leased property. While all sale-leasebacks and large straight leases (\$1 million or more of property value) continued to be included in the study, sampling of small straight leases (less than \$1 million of property value) was begun on February 5, 1982. Initially, 1 in 10 small straight leases was selected; subsequently, on July 26, 1982, the sampling rate was reduced, again based on filing volume, to 1 in 20. There were 17,064 returns in the sample drawn from an estimated population of 50,998.

The table below presents approximate values of the coefficients of variation (CV's), used to measure the magnitude of the sampling error, for estimates of the number of small straight lease returns filed. For numbers of returns not shown, the corresponding CV's can be estimated by interpolation. Since all sale-leaseback and large straight lease returns filed were included in the study, they are not subject to sampling error and, therefore, CV's are not presented for these two categories.

The approximated CV's are intended only as a general indication of the reliability of the data for small straight leases. The CV's should be considered conservative because the sampling rate of 1 in 20 small straight lease returns was the only rate used in computing them. While a rate of 1 in 20 was used for sampling during the latter part of the study, at other times during the course of the study either all small straight lease returns or 1 in 10 of them had been included. The CV's shown in the table below generally will be overstated because most of the estimates of small straight lease returns in this article are derived from one sample selected at the three different rates mentioned above. Using the lowest sampling rate of 1 in 20 to calculate the CV's presents the "worst possible case" of sampling variability for any estimate of the number of small straight lease returns. If an estimated number of returns includes small straight lease returns in combination with large straight lease or sale-leaseback returns, the CV's will overstate the variability to an even greater extent.

Safe Harbor Leasing, 1981 and 1982

Estimated Number of Small Straight Lease Returns	Approximated Coefficient of Variation
35,000	.01
25,000	.02
15,000	.03
10,000	.04
5,000	.06
2,500	.09
1,000	.14
500	.20

The reliability of estimates based on samples and the use of coefficients of variation for evaluating the precision of sample estimates are discussed in the Appendix.

Generally, a separate return form had to be filed for each lease reported. However, if multiple leases had the same lessor, lessee, beginning date, length, term of debt and interest rate, they were allowed to be reported as a single lease on one return form. From the information provided on the Form 6793, it was impossible to determine if several similar leases were lumped together and reported as one lease. Therefore, in this article, reference to the number of leases is the same as the number of returns filed, even though some returns may have reported multiple lease transactions.

The data in the 1981-82 study do not reflect adjustments reported on amended returns, prompted by either tax law changes or taxpayer decisions. While the Form 6793 requires companies to report information regarding their leases in order for the safe harbor election to be valid, the actual tax benefits derived

from the leases are claimed on the lessor's and lessee's income tax returns. For this reason, the data reported by businesses on the Form 6793 do not necessarily represent the actual credits and deductions claimed on their income tax returns. General information regarding nonsampling error can be found in the Appendix of this report.

Finally, the statistics collected for this study are reported on Form 6793 by the calendar year in which the lease term began and not on the basis of the fiscal year of the return filers. Because of this, some caution should be exercised in comparing the figures cited in this article with data from studies based on fiscal years.

NOTES AND REFERENCES

- [1] The requirement for parties to a safe harbor lease to file an information return (Form 6793) with the IRS did not go into effect until 1982. Because the Form 6793 was not released for use until January of 1982, an entire year's worth of 1981 leases were not reported until that time.
- [2] United States Senate, Report of the Committee on Finance on H.R. 4961, Report 97-494, U.S. Government Printing Office, July 12, 1982.
- [3] *Ibid.*
- [4] The Research Institute of America, Inc., Highlights of '82 Tax Equity and Fiscal Responsibility Act, September 2, 1982.

Table 1.--Value of Property and Payments to Third Parties by Size of Lease Transaction and Lease Type, 1981 - 1982
[Money amounts are in thousands of dollars]

Size of lease transaction	Total			Straight lease returns			Sale-leaseback returns		
	Number of returns	Value of leased property	Payments to third parties	Number of returns	Value of leased property	Payments to third parties	Number of returns	Value of leased property	Payments to third parties
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1981									
Total.....	19,326	22,023,390	132,629	14,890	2,476,845	9,594	4,436	19,546,545	123,035
\$0 under \$10,000.....	6,345	36,683	495	6,024	34,650	58	321	2,033	437
\$10,000 under \$100,000.....	8,028	279,542	1,521	6,816	224,831	903	1,212	54,711	618
\$100,000 under \$1,000,000.....	3,320	1,027,857	7,858	1,726	460,949	2,076	1,594	566,908	5,781
\$1,000,000 under \$10,000,000....	1,251	4,013,393	37,520	279	810,690	4,337	972	3,202,703	33,182
\$10,000,000 under \$100,000,000..	347	9,598,506	59,108	45	945,725	2,219	337	15,720,190	83,016
\$100,000,000 or more.....	35	7,067,409	26,128						
1982									
Total.....	31,672	15,029,634	134,561	25,308	1,552,771	9,352	6,364	13,476,863	125,209
\$0 under \$10,000.....	9,491	52,833	663	8,887	49,590	591	604	3,243	72
\$10,000 under \$100,000.....	18,102	529,167	2,988	14,418	439,982	2,326	3,684	89,186	661
\$100,000 under \$1,000,000.....	2,854	856,845	7,702	1,834	447,641	3,502	1,020	409,204	4,199
\$1,000,000 under \$10,000,000....	953	3,188,742	27,857	163	467,470	1,779	790	2,721,272	26,077
\$10,000,000 under \$100,000,000..	249	6,733,249	82,649	6	148,089	1,153	243	6,585,160	81,495
\$100,000,000 or more.....	23	3,668,798	12,703	-	-	-	23	3,668,798	12,703

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

Safe Harbor Leasing, 1981 and 1982

Table 2.--Value of Leased Property Reported by Business Activity of the Lessee and Lessor, 1981-1982
 [Money amounts are in thousands of dollars]

Business activity	Lessee		Lessor	
	Number of returns	Value of leased property	Number of returns	Value of leased property
	(1)	(2)	(3)	(4)
Total.....	50,998	37,053,025	50,998	37,053,025
Agriculture.....	7,980	440,694	44	18,528
Oil and gas extraction.....	715	1,750,567	47	331,322
Mining.....	445	901,067	24	19,105
Construction.....	1,321	270,019	190	225,289
Manufacturing:				
Food and kindred.....	753	350,213	306	3,697,360
Textiles and apparel.....	326	94,664	56	102,790
Lumber and paper.....	574	3,334,314	456	230,106
Printing.....	809	614,214	476	1,689,073
Chemicals.....	732	2,194,195	733	1,738,834
Petroleum refining.....	109	663,228	229	5,248,982
Rubber and plastics.....	167	328,612	13	118,673
Stone, clay and glass.....	251	1,062,362	37	130,110
Primary metals.....	313	2,581,445	155	352,177
Fabricated metals.....	697	344,879	257	596,410
Nonelectrical machinery.....	597	221,879	6,862	2,441,236
Electrical and electronics.....	682	866,570	1,938	3,042,055
Motor vehicles.....	198	1,990,188	5,590	932,311
Other transportation equipment.....	186	316,097	389	209,034
Scientific, optical and photo equipment.....	271	40,568	174	1,293,544
Other manufacturing.....	417	149,284	91	499,655
Railroads.....	264	2,503,537	21	224,329
Mass transit.....	22	194,198	-	-
Other motor transportation.....	1,141	369,103	375	344,861
Water transportation.....	155	1,340,722	9	14,364
Airlines.....	224	2,481,881	10	41,376
Other transportation.....	316	486,112	39	64,390
Communications.....	1,183	1,088,049	6,554	1,253,519
Utilities.....	644	3,667,493	150	761,910
Wholesale trade.....	2,292	593,536	1,591	782,020
Retail trade:				
Automotive dealers and service stations.....	2,211	64,498	643	33,453
Other retail trade.....	2,139	202,554	1,180	1,852,313
Banks and other credit agencies.....	802	733,006	11,473	1,867,167
Insurance.....	1,514	177,128	881	966,630
Real estate.....	818	263,384	320	110,283
Brokers and holding companies.....	244	60,830	1,922	2,126,725
Leasing.....	6,936	3,459,355	7,096	2,387,688
Other services.....	5,961	652,741	567	1,222,397
Not allocable.....	6,589	199,840	100	83,002

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