Statistics of Income

SOI BULLETIN

Department of the Treasury
Internal Revenue Service

Volume 3, Number 2 Fall 1983

Contents of This Issue

Publication 1136 (Rev. 10-83)

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Internal Revenue Service

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The SOI Bulletin provides the earliest published annual financial statistics from various types of tax and information returns filed with the Internal Revenue Service. It also includes information from periodic or special analytical studies of particular interest to tax administrators. In addition, historical data are provided for selected types of taxpayers, as well as on gross internal revenue collections and other tax related items.

Information on the availability of additional unpublished data concerning the topics in this issue may be obtained by writing to the Statistics of Income Division, Internal Revenue Service, Washington, DC 20224.

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COMMISSIONER OF INTERNAL REVENUE

Washington, DC 20224

October 7, 1983

The Honorable Donald T. Regan
Secretary of the Treasury
Washington, DC 20220

Dear Mr. Secretary:

I am transmitting the Fall 1983 issue of the Statistics of Income Bulletin. This report has been produced in accordance with the mandate of section 6108 of the Internal Revenue Code which requires the preparation and publication of statistics reasonably available with respect to the operation of the internal revenue laws. Presented in this issue are recent financial and tax data obtained from tax returns and associated supporting schedules.

With kind regards,

Sincerely,

Roscoe Egger

Commissioner

Other

SOI PUBLICATIONS

And Information Available

Department of the Treasury
Internal Revenue Service

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Annual Statistics of Income Reports

Individual Income Tax Returns Publication 79

Presents information on—
Sources of income
Adjusted gross income
Adjustments to income
Itemized deductions
Exemptions
Taxable income
Income tax
Tax credits
Income tax withheld and estimated tax payments
Tax due and overpayment refunded

Data classified by—
Size of adjusted gross income
States
Taxpayer's marital status and sex
Taxpayers age 65 or over

Corporation Income Tax Returns Publication 16

Presents information on—
Receipts
Deductions
Net income
Taxable income
Income tax
Tax credits
Distributions to stockholders
Assets and liabilities

Data classified by—
Industry; Accounting period
Size of total assets
Size of business receipts

Other Information Available

All the items listed below, as well as other unpublished or special tabulations from the STATISTICS OF INCOME PROGRAM, are available on a cost-reimbursable basis. Further details, including ordering information can be obtained by writing to: Director, Statistics of Income Division D:R:S, Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, D.C. 20224. Tape files indicated with an (A) are available (on a reimbursable basis) through the Machine Readable Archives Division (NRR) of the National Archives and Records Service, Washington, D.C. 20408.

Corporation Source Book

Presents detailed income and balance sheet data classified by industry and size of total assets. A general description is available upon request.

Small Area Data

Data on individual income tax returns, exemptions, and adjusted gross income are presented by State, county, and SMSA. Also, the number of persons who moved from one location to another based on addresses shown on the returns. A general description is available upon request.

Public-Use Tape Files

Continuing

Individual Tax Model, 1966-78 (A), 1979-80
Corporation Source Book, 1965-76 (A), 1977-80
Estate Tax Returns, 1972, 1976
Private Foundations, 1974 (A), 1979

New

Sole Proprietorships, 1980
County Migration Data, 1980-81

Contents

Articles in Preparation for Upcoming Issues

- Underreporting of Tip Income
- Estate Tax Returns, 1982
- Investment Tax Credit, Forms 1040 and 1120
- International Boycott Reports
- Taxpayers Age 65 and Over, 1981 and 1982
- Windfall Profit Tax, 1st Quarter 1983
- Individual Income Tax Returns, Preliminary 1982
- Corporation Income Tax Returns, 1981
- Annual Windfall Profits (Form 6248), 1980

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Safe Harbor Leasing, 1981 and 1982

By Margaret Riley*

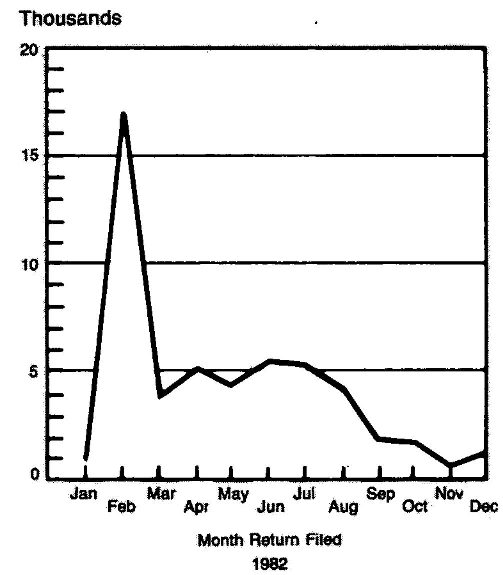
During 1981 and 1982, companies leased more than $37 billion of property under liberal, less restrictive, "safe harbor" leasing arrangements. Safe harbor property leased in 1981 totalled over $22 billion but, because of certain tax law changes, decreased to $15 billion in 1982. Despite the downturn in 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

*Foreign Special Projects Section. Prepared under the direction of Michael Coleman, Chief.

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.

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.

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.

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.

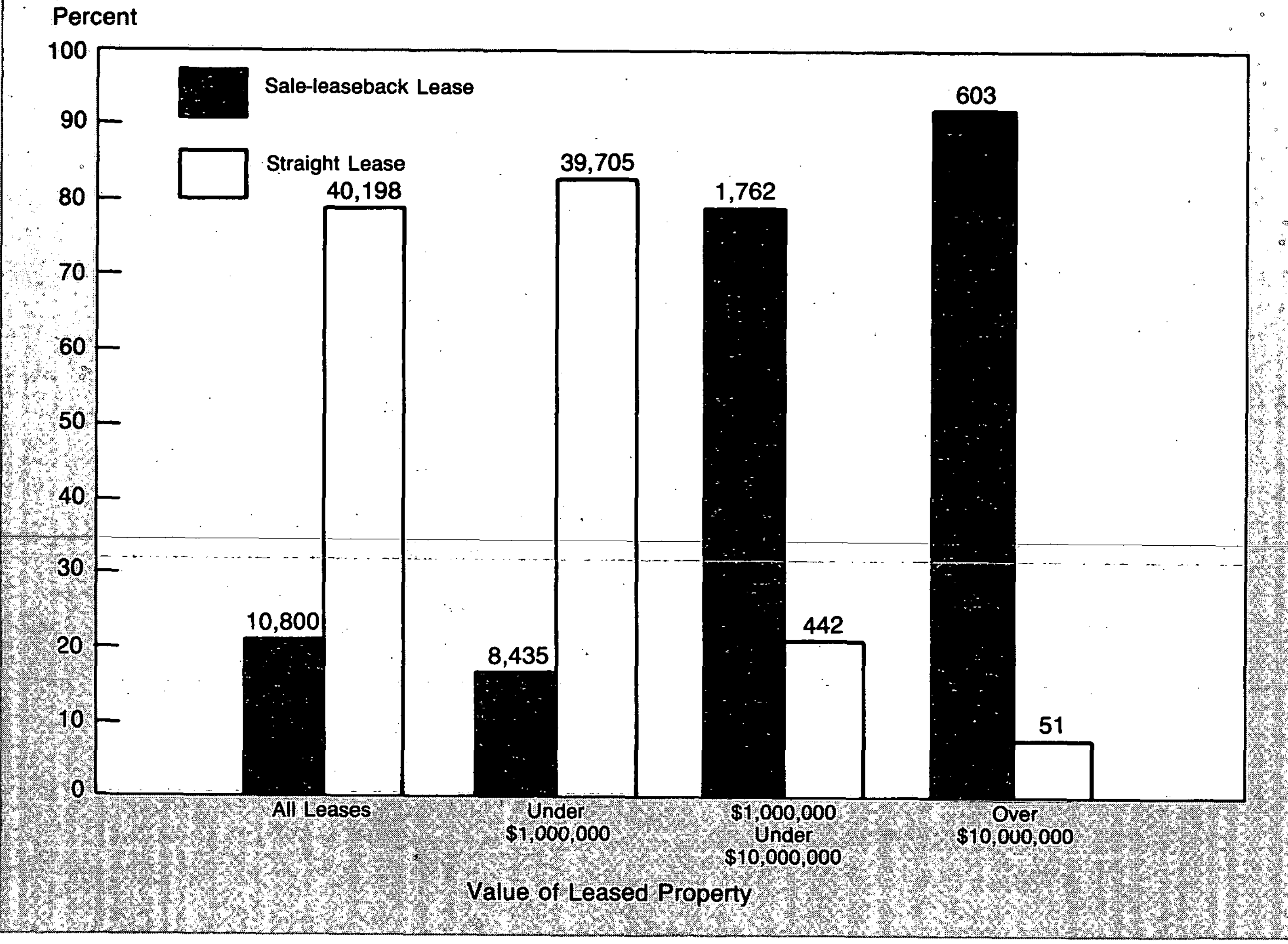
The high percentage of sale-leasebacks associated with large property values generally can be attributed to the appeal of sale-leaseback arrangements to corporations entering into large lease transactions. The tax benefits gained from sale-leasebacks are much greater than those gained from straight leases, 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 predominently 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.

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.

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 transporation 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.

Domestic International Sales Corporation Returns, 1980

By Jeffrey Hartzok*

For Income Year 1980, export gross receipts of Domestic International Sales Corporations (DISC's) exceeded $154 billion. DISC earnings and profits derived from these export receipts amounted to nearly $9.8 billion. By utilizing the provisions of U.S. income tax law pertaining to this special type of corporation, it was possible for stockholders of DISC's to defer, indefinitely, taxes on $3.6 billion of the $9.8 billion earned in 1980. The estimated cost of these provisions has been reported to be nearly $1.7 billion in lost U.S. tax revenues for 1980 [1].

Large U.S. corporations with DISC subsidiaries were the primary beneficiaries of the DISC provisions. Nearly 70 percent of all tax deferred profits in 1980 were retained by DISC's owned by U.S. corporations with total assets of $250 million or more.

DISC LEGISLATION

A DISC is a special type of corporation established by the Revenue Act of 1971 (for taxable years beginning in 1972) to promote exports through sheltering a portion of export profits from U.S. income taxation. The profits of a DISC are not taxed to the DISC itself, but instead are taxed to the stockholders when distributed or deemed distributed. Stockholders of DISC's (typically other operating U.S. corporations) are deemed to receive annually, a portion of the DISC's earnings and profits. This deemed distribution is fully taxable to the stockholders even if the earnings are not actually distributed. U.S. income taxation is deferred indefinitely, for the most part, on the remainder of the DISC's earnings and profits.

To qualify as a DISC, a corporation has to meet very strict formal requirements, such as satisfying the tests that 95 percent of both its gross receipts and assets are "qualified." These requirements are designed to limit the DISC to export related activities. A DISC is allowed to export products that qualified as export property which are manufactured, produced, grown, or extracted in the United States by someone other than the DISC. Property manufactured, produced, grown, or extracted by a DISC and later sold or leased does not qualify as export property.

A DISC usually acquires export property from its parent corporation or an affiliated corporation (a "related supplier") and then sells the property abroad. However, it can act simply as a commission merchant on export sales of related suppliers and, thus, not have any substance (i.e., no employees or real business activity). The allocation of income between the DISC and its related supplier is achieved through the use of special intercompany pricing rules discussed later in this article.

DISC Legislative Changes

The DISC legislation has undergone three major modifications since 1972. Each law change reduced the tax benefits allowed to the stockholders of DISC's. The Tax Reduction Act of 1975 eliminated DISC benefits for profits arising from exports of depletable energy products such as oil and natural gas. The Tax Reform Act of 1976 limited DISC benefits to taxable income attributable to export gross receipts in excess of 67 percent of the average export gross receipts in a four-year base period. DISC's with adjusted taxable income of $100,000 or less were exempted from these provisions. The Tax Equity and Fiscal Responsibility Act of 1982 increased the portion of DISC income considered deemed distributed to the DISC's corporate stockholders from 50 percent to 57.5 percent for taxable years beginning in 1983.

Objectives and Effects of the DISC Legislation

The principal objective of the original DISC provisions was to increase U.S. exports and thereby improve U.S. balance of trade by making U.S. exports more profitable for exporting companies and more competitive, in price, with foreign products.

Exports through DISC's have increased rapidly since their enactment, growing from $21.7 billion in export receipts in 1972 to $154.1 billion in 1980. A recent Treasury report [2] estimates that the DISC provisions directly increased U.S. exports in 1980 in the range of $7.2 billion to $11.0 billion. This range represents approximately 5 to 7 percent of the total of $154.1 billion of exports through DISC's.

A comparison of exports through DISC's to total U.S. exports and imports of merchandise for 1973 through 1980 is shown below [3].

DISC Exports vs. Total U.S. Exports and Imports
(Billions of Dollars)

Year	DISC Exports	Total U.S. Exports	Total U.S. Imports	U.S. Merchandise Trade Balance
1973	$44.8	$70.8	$69.5	$1.3
1974	66.8	97.9	101.0	-3.1
1975	73.2	107.1	96.9	10.2
1976	82.7	114.8	120.7	-5.9
1977	85.9	121.2	147.7	-26.5
1978	99.6	143.6	172.0	-28.4
1979	132.0	181.7	206.3	-24.6
1980	154.1	220.6	244.9	-24.3

Although total U.S. exports of merchandise (including exports through DISC's) have risen steadily since 1973, U.S. imports of foreign merchandise have increased

*Foreign Returns Analysis Section. Prepared under the direction of James R. Hobbs, Chief.

rapidly as well. Contributing to this increase in U.S. imports has been the growth of imports of petroleum products, machinery, and transportation equipment [4].

As noted before, large U.S. corporations with DISC subsidiaries have been the primary beneficiaries of the DISC provisions. Shown below is a historical comparison of the tax deferred income for all DISC's and those owned by corporations with total assets of $250 million or more ("large" majority corporate stockholders). Although a majority corporate stockholder of a DISC is defined as a corporation owning 50 percent or more of the DISC's capital stock, more than 99 percent of the DISC's owned by "large"' corporations are wholly owned subsidiaries.

Tax Deferred Income (Millions of Dollars)

Income Year	Total Deferred Amount	DISC's with "Large" Majority Corporate Stockholders	
		Total Amount	Percent of All DISC's
1975	$2,351	$1,498	63.7
1976	1,572	942	60.0
1977	1,519	959	63.1
1978	2,071	1,376	66.4
1979	3,065	2,148	70.1
1980	3,606	2,520	69.9

Assuming an income tax rate structure of 48 percent for Income Years 1975 through 1978 and 46 percent for Income Years 1979 and 1980, it was possible for these large corporations to defer indefinitely over $4.4 billion in U.S. income taxes since 1975 [5].

EXPORT ACTIVITIES, 1979 VS 1980

The number of DISC's actively engaged in exporting U.S. goods and services abroad for 1979 and 1980 was 7,933 and 8,665, respectively (see Figure A). The number of active DISC's continued to grow in nearly all major product and service groups, increasing nearly 9 percent from 1979. DISC's primarily engaged in exporting U.S. manufactured products continued to dominate DISC activity, representing 88 percent of the total number of DISC's. During this same period the cumulative number of elections to be treated as a DISC increased nearly 10 percent from 10,978 in February 1979 to 12,192 in February 1980 [6]. The data on elections were not adjusted for DISC's that were inactive, were liquidated, withdrew their election, or had their election revoked. The increase in the number of DISC elections during 1980 provides evidence of the continued use of the DISC provisions for export sales.

Balance Sheets

In 1980, DISC total assets amounted to $28.7 billion, an 18.9 percent increase over the previous year (Figure B). This increase compares to a net increase of only 13 percent in total assets for corporations in general [7], and it is more than double the 9.0 percent inflation rate for 1980, as measured by the Implicit Price Deflator for Gross National Product [8]. The fastest growing asset item for the second year in a row was export property which increased 42.1 percent in 1980 after increasing 76.2 percent the previous year.

Figure A -- Number of DISC's by Selected Major Product or Service Group, 1979 - 1980

Selected Major Product or Service Group	Number 1979	Number 1980	Percent Change
Total	7,933	8,665	9.0
Nonmanufactured products and services	953	1,052	10.4
Grains	119	110	-7.6
Other agriculture	183	222	21.3
Manufactured products	6,980	7,613	9.1
Food and kindred products	273	336	2.3
Textile mill products	247	284	15.0
Apparel and other fabric products	151	180	19.2
Lumber and wood products	197	198	0.5
Paper and allied products	141	160	13.5
Printing, publishing and allied products	96	126	32.0
Chemicals and allied products	521	621	19.9
Rubber and plastic products	136	162	19.1
Primary metal products	244	281	15.2
Fabricated metal products	701	773	10.3
Machinery, except electrical	1,465	1,448	-1.2
Electrical machinery and equipment	1,248	1,354	8.5
Transportation equipment	401	441	10.0
Professional, scientific, and photographic equipment	420	439	4.5

Figure B -- Balance Sheets, 1979-1980 (Millions of Dollars)

Selected Items	1979	1980
Total assets, total	$24,161	$28,729
Qualified assets, total	24,105	28,674
Working capital	475	628
Export-Import Bank obligations	1,211	1,587
Trade receivables	14,897	17,522
Export property	1,588	2,256
Producer's loans	3,484	4,367
Nonqualified assets	56	56
Total liabilities	3,902	4,389
Net worth, total	20,259	24,340
Capital stock and paid-in or capital surplus	277	238
Previously taxed income	5,860	6,783
Accumulated DISC income	14,146	17,308

Producer's loans increased 25.3 percent to $4.4 billion in 1980. In most cases, producer's loans were loans made by DISC's to their stockholders out of the DISC's accumulated, undistributed, untaxed profits. The practical effect to a stockholder of a DISC of borrowing these tax deferred profits was an interest-free loan. This occurred because the interest earned by the DISC from these producer's loans was not taxed to the DISC and the distributions out of this interest which were taxed to the stockholder were offset by the interest deduction taken by the stockholder.

In the aggregate, DISC net worth increased by over 20 percent in 1980. The largest single item was accumulated DISC income which amounted to $17.3 billion. This amount represents the aggregate tax deferred profits retained by DISC's since 1972.

Income Statements

Income statement statistics for all DISC's are presented in Figure C. For 1980, total receipts [9] continued to increase rising by 21.1 percent from 1979 to $52.8 billion. Qualified export receipts from the sale of export property accounted for over 96 percent of total DISC receipts. Most of these receipts were from direct foreign sales (either on a commission basis or noncommission basis) of U.S. merchandise to related and unrelated purchasers. Of the $1.7 billion of other qualified receipts, over 64 percent consisted of qualified interest other than that earned on producer's loans, an increase of 44.2 percent over 1979. This increase in qualified interest receipts reflects the favorable tax treatment of interest earned on trade receivables (the largest qualified export asset item) and other investments such as Export-Import Bank obligations and Private Export Funding Corporation notes.

While domestic profits for all corporations declined as a result of the downturn in the economy during 1980 [10], exports channeled through DISC's continued be a profitable business. DISC net income in 1980 increased 17.1 percent compared to a 16.2 percent decline in profits for corporations in general. There were several possible reasons for this phenomenon. One is a corporation with excessive net operating losses (or excessive tax credits) which may have elected not to export goods and services through a DISC. In a similar manner another corporation which had overall profits (both domestic and foreign) may have chosen to channel only profitable exports through a DISC and directly absorb the losses on unprofitable exports. Finally, the special intercompany pricing rules applicable to DISC's allowed DISC's to maximize their own profits on export sales and minimize the profits allocated to their parent company.

PRODUCT HIGHLIGHTS

DISC's engaged primarily in the export of grain and selected manufactured products such as chemicals, machinery, and transportation equipment received most of the DISC tax benefits [11]. Those primarily exporting grain generated over 60 percent of the profits from all nonmanufactured products and services. DISC's primarily exporting chemicals, machinery and transportation equipment accounted for nearly 73 percent of the earnings and profits from all manufactured products.

Figures D and E show the percentage of total export gross receipts and net income accounted for by these significant major product groups. Although DISC's primarily exporting manufactured products accounted for 72.4 percent of all DISC export gross receipts, they derived 91.8 percent of all DISC net income.

Figure C -- Income Statements, 1979-1980
(Millions of Dollars)

Selected Items	1979	1980
Total receipts	$43,601	$52,799
Qualified export receipts from the sale of export property	42,180	50,811
Other qualified export receipts, total	1,228	1,719
Leasing of export property	49	84
Engineering and architectural services	100	129
Interest on producer's loans	245	342
Other qualified interest ..	730	1,053
Nonqualified receipts	193	268
Total deductions	35,175	42,929
Cost of sales and operations.	32,920	40,248
Export promotion expenses ...	1,238	1,506
Net income (less deficit)	8,426	9,870

A comparison, for 1980, of DISC exports to total U.S. exports [12] for agricultural and nonagricultural products is shown below.

DISC Exports vs U.S. Exports, 1980
(Billions of Dollars)

Product/Services	DISC Exports	U.S. Exports
Total	$154.1	$216.6
Agricultural products and services	40.4	41.3
Nonagricultural products and services	113.7	175.3

DISC exports in 1980 accounted for approximately 65 percent of all nonagricultural exports [13] of U.S. goods and services abroad. The remaining (non-DISC) exports generally included: (1) exports by corporations with excessive net operating losses or tax credits, (2) exports of products ultimately used in the United States, (3) exports of certain products (such as oil and natural gas) which were denied DISC benefits by law, and (4) exports of unprofitable product lines.

DISTRIBUTIONS TO STOCKHOLDERS

Over 64 percent of DISC earnings and profits were considered to be taxable to their stockholders in 1980 compared to only 51 percent in 1975. This was a direct result of the Tax Reform Act of 1976 which allowed DISC tax benefits to be accrued only on profits arising from increases in exports over a base period amount.

Under the 1976 provisions, DISC benefits have been limited to earnings and profits attributable to export gross receipts in excess of 67 percent of the average export gross receipts of the DISC in a four-year base period. For taxable years beginning in 1976 through 1979 the base period years were 1972 through 1975. Starting with taxable years beginning in 1980, the

Figure D

Percent of Total Export Gross Receipts of DISC's by Selected Major Product or Service Group, 1980

1980 Total Export Gross Receipts = $154.1 billion

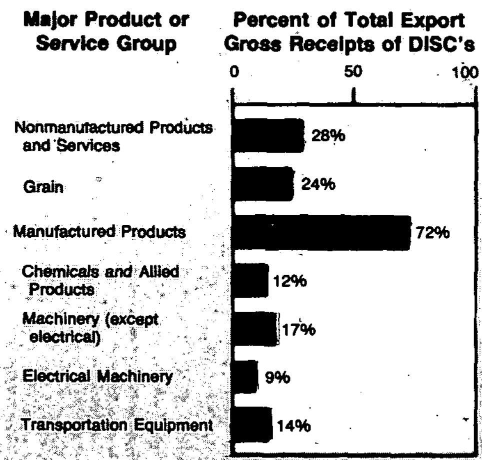
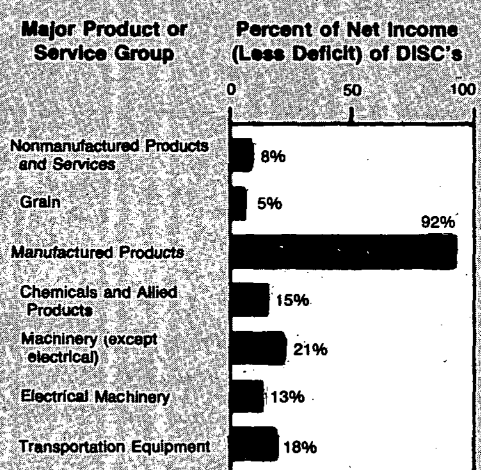


Figure E

Percent of Net Income (Less Deficit) of DISC's by Selected Major Product or Service Group, 1980

1980 Net Income (Less Deficit) = $9.9 billion



base period advanced each year. For DISC's which were members of the same controlled group (i.e., owned by one stockholder) the export gross receipts for both the current and base period years were aggregated. Small DISC's with adjusted taxable income of $100,000 or less were exempted from these provisions.

The total amounts of DISC taxable income and amounts deemed distributed for Income Years 1975 through 1980 are compared in Figure F. The difference shown between the amount of DISC taxable income and the amounts deemed distributed represents the amount of the DISC's income that can be deferred indefinitely from U.S. income taxation. As noted before, the amounts deemed to be distributed and fully taxable to DISC stockholders amounted to 50.7 percent of the total DISC taxable income in 1975. While the ratio of deemed distributions to DISC taxable income increased to approximately 70 percent for 1976 and 1977, it decreased slightly in the following two years. For 1980, however, the ratio (63.5 percent) remained constant to the previous year, reflecting the shift of the base period year for those DISC's with taxable years beginning in 1980.

INTERCOMPANY PRICING PRACTICES

A series of special intercompany pricing methods (the "4 percent gross receipts method" and the "50-50 combined taxable income method") have been provided for in cases where the DISC either purchases its inventory of export property from a related supplier or acts as a commission agent for a related supplier. A related supplier is the DISC's parent corporation or any other related person that controls the DISC.

Regardless of the actual price charged, the selling price is considered to be the smallest of the following:

(1) A price that will result in the DISC having taxable income of 4 percent of the qualified export receipts derived from the sale of export property plus 10 percent of the export promotion expenses allocable to those receipts,

(2) A price that will result in the DISC having taxable income of 50 percent of the combined taxable income derived by both the DISC and its related supplier from the sales of export property which is attributable to the qualified export receipts plus 10 percent of the export promotion expenses allocable to those receipts, or

(3) the competitive market price subject to the "arms length" pricing rules of the Internal Revenue Code.

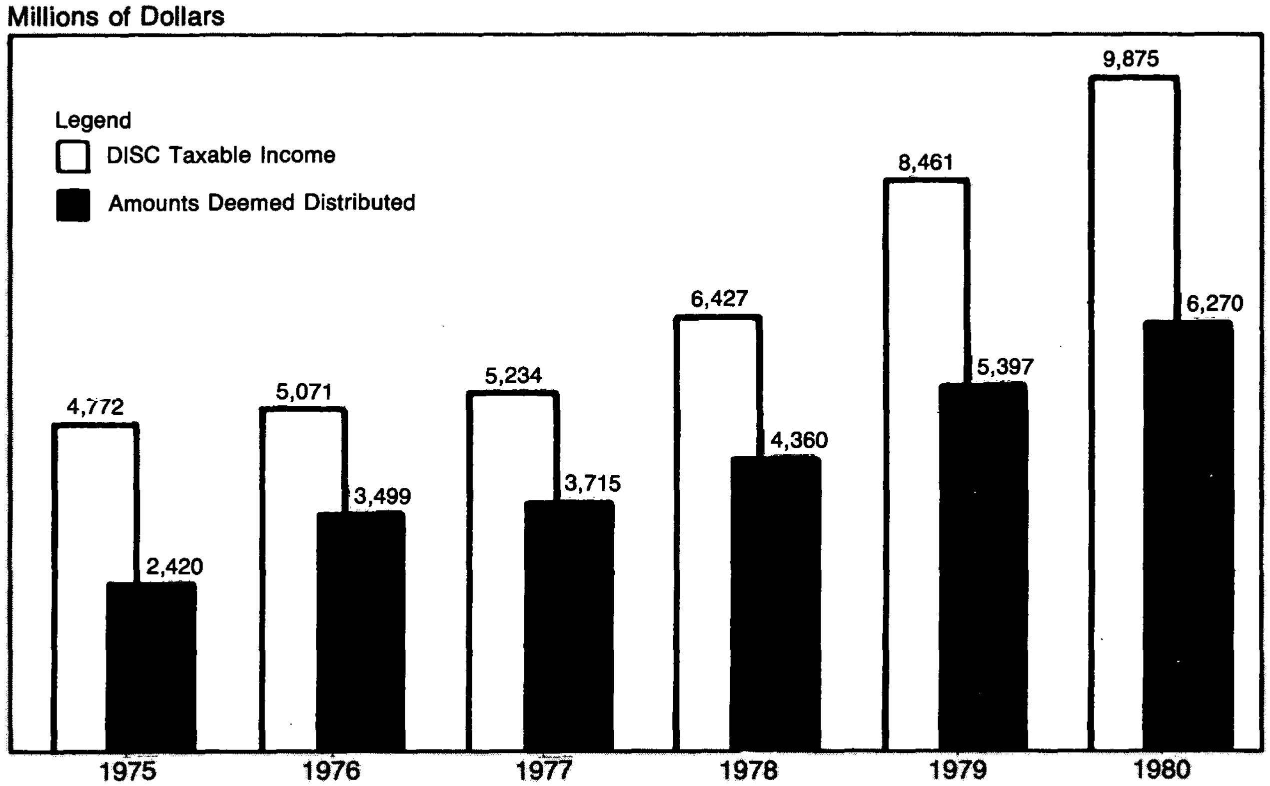
If the 4 percent gross receipts method or the 50-50 combined taxable income method are used, the transfer price from the related supplier to the DISC is computed only after the DISC sold the goods to a customer. The DISC and its supplier can make adjustments following the close of the taxable year in which the DISC sold the goods in order to maximize the DISC's allocation of earnings and profits [14]. However, neither of these methods permits the related supplier to allocate income to the DISC to the extent that it results in a loss to the supplier.

The importance of these special intercompany pricing rules is presented in Figure G. Over 35 percent of DISC export gross receipts were subject to the 50-50 combined taxable income method, nearly 34 percent to the 4 percent gross receipts method, and almost 20 percent to a combination of both the 50-50 method and the 4 percent method. Only 4 percent of DISC export gross receipts were subject to the arms length, or fair market price, method. The ratio of net income to export gross receipts indicates that DISC's and related suppliers with high profit margins tend to use the 50-50 combined taxable income method while DISC's and related suppliers with a combined profit margin of less than 8 percent tend to use the 4 percent gross receipts method [15].

SUMMARY

Exports of U.S. goods and services through DISC's have increased steadily since 1972. The use of the

Figure F
DISC Taxable Income and Amounts Deemed Distributed, 1975-1980



DISC provisions have increased the profitability of exporting, by lowering the effective U.S. tax rate on export profits. Large U.S. corporations with DISC subsidiaries are the primary beneficiaries of the DISC provisions accounting for nearly 70 percent of all tax deferred profits in 1980. Most DISC's and their parent companies take advantage of the special intercompany pricing rules in order to maximize the DISC's profits on exports sales and minimize the profits allocated to the parent company.

The DISC provisions have been a point of contention between the United States and other signatory countries of the General Agreement on Tariffs and Trade (GATT) for the last several years. GATT rules generally accept territorial systems of taxation in which income earned within a given country is taxed while income earned outside the home country is tax exempt. As a result, legislation has been introduced to replace the DISC provisions with a tax alternative. This proposal would require U.S. companies to establish foreign sales corporations through which export sales of U.S. goods would be made. A portion of the earnings and profits of these corporations which are attributable to foreign economic processes would be exempt from U.S. income taxation [16].

DATA SOURCES AND LIMITATIONS

The statistics in this article were estimated from a stratified probability sample of Domestic International Sales Corporation returns selected after revenue processing but before audit. All returns were manually designated and selected on the basis of randomly selected digits using the eighth position of the Employer Identification Number. The sample was stratified based upon size of net income or deficit of the DISC and total assets of DISC majority stockholders that were corporations, and selected at three rates ranging from 20 percent to 100 percent. There were 3,265 returns in the sample for 1980 drawn from a population of 9,782.

The estimates are intended to represent Form 1120-DISC returns with accounting periods ended July 1980 through June 1981. However, returns for prior years processed by the Internal Revenue Service during the same period as current year returns were included, in the statistics to compensate for current year returns filed after the cutoff date for 1980 sampling. This exception was for prior year returns of large DISC's. Inclusion of returns for large DISC's was manually verified insofar as possible on a name basis because of their impact on the statistics. Therefore, prior year returns of large DISC's were excluded from the statistics, because the 1980 returns for the same DISC's were included.

Because the data presented in this article are estimates based upon a sample, they are subject to sampling error. To use the data properly, the magnitude of the sampling error should be known. Coefficients of variation (CV's) are used to measure that magnitude.

Figure G.--RETURNS OF ACTIVE DISC's: Export Gross Receipts, Export Promotion Expenses, Net Income (Less Deficit), and Tax Deferred Income by Major Product and Service Division and by Intercompany Pricing Method

[All figures are estimates--money amounts are in millions]

Major product and service division and intercompany pricing method	Number of returns	Total export gross receipts of the DISC	Export promotion expenses	Net income (less deficit)		Tax deferred income
				Amount	Percent of export gross receipts	
	(1)	(2)	(3)	(4)	(5)	(6)
All Products and Services						
All returns	8,665	154,078	1,506	9,870	6.4	3,606
Returns reporting pricing method	7,202	143,896	1,244	9,554	6.6	3,484
50-50 method only	3,579	54,372	680	5,766	10.6	2,153
4 percent method only	2,053	48,436	149	1,133	2.3	410
Arm's-length method only	1,137	6,787	310	483	7.1	181
50-50 and 4 percent methods	409	30,562	88	1,994	6.5	674
All other combinations	25	3,739	17	178	4.7	66
Pricing method not determinable	1,463	10,182	24	316	3.1	122
Nonmanufactured Products and Services						
All returns	1,052	42,517	75	805	1.9	285
Returns reporting pricing method	673	38,191	58	736	1.9	261
50-50 method only	233	1,251	25	149	11.9	56
4 percent method only	258	28,279	17	370	1.3	125
Arm's-length method only	157	1,748	12	50	2.8	20
50-50 and 4 percent methods	22	4,297	(1)	86	2.0	28
All other combinations	3	2,616	4	81	3.1	32
Pricing method not determinable	379	4,326	16	69	1.6	24
Manufactured Products						
All returns	7,613	111,561	1,431	9,065	8.1	3,321
Returns reporting pricing method	6,529	105,705	1,186	8,818	8.3	3,223
50-50 method only	3,345	53,122	655	5,617	10.6	2,097
4 percent method only	1,795	20,156	132	763	3.8	285
Arm's-length method only	980	5,040	298	433	8.6	161
50-50 and 4 percent methods	386	26,264	88	1,908	7.3	646
All other combinations	23	1,123	13	97	8.7	34
Pricing method not determinable	1,084	5,856	245	257	4.4	98

[1] Less than $500,000.
NOTE: Detail may not add to total because of rounding.

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

Estimated Number of Returns	Approximated Coefficient of Variation	Estimated Number of Returns	Approximated Coefficient of Variation
200	.21	1,400	.08
300	.17	1,800	.07
400	.15	2,500	.06
600	.12	4,000	.05
800	.10	7,000	.04
1,000	.09	10,000	.03

DEFINITIONS

Brief definitions of the terms used throughout this article are shown below.

Accumulated DISC Income -- This balance sheet amount represented the portion of the DISC's earnings and profits, derived during taxable years for which the corporation qualified as a DISC, that was deferred from U.S. income taxation.

Amounts Deemed Distributed -- This amount represented that portion of the DISC's earnings and profits which were fully taxable as dividends to the DISC's stockholders. For taxable years beginning before January 1, 1976, amounts deemed distributed were the sum of: (1) gross interest on producer's loans; (2) certain gains from the sale or exchange of assets; (3) one-half of the excess DISC taxable income over the sum of (1) and (2); and (4) the foreign investment attributable to producer's loans for the taxable year. For taxable years beginning after December 31, 1975, amounts deemed distributed were the sum of: (1) gross interest on producer's loans; (2) certain gains from the sale or exchange of assets; (3) one-half of DISC taxable income attributable to military property; (4) DISC taxable income attributable to base period export gross receipts; (5) one-half of the excess DISC taxable income over the sum of (1), (2), (3), and (4); (6) international boycott income; (7) the amount of illegal bribes and kickbacks paid to foreign governments; and (8) the foreign investment attributable to producer's loans for the taxable year. The sum of the amounts described in (1) through (3) for taxable years beginning before January 1, 1976, and the sum of the amounts described in (1) through (7) for taxable years beginning, after December 31, 1975 were limited to the DISC's earnings and profits for the current taxable year. Amounts deemed distributed from foreign investment attributable to producer's loans were limited to the lower of either the accumulated DISC income or the DISC's accumulated earnings and profits for the current and all preceding years.

DISC Taxable Income -- This amount represented the DISC's net income minus the statutory special deductions (net operating loss deduction and dividends-received deduction). This sum of the DISC's tax deferred income and income taxable to stockholders was used in determining the amount of the DISC's earnings and profits that was considered to be deemed distributed to the stockholder of the DISC for the current taxable year.

Export Gross Receipts -- Export gross receipts of the DISC included qualified export receipts from: (1) the sale, lease, or rental of export property; (2) services related and subsidiary to any qualified sale, lease, or rental of export property; (3) engineering or architectural services for construction projects located outside the United States; and (4) export management services provided unrelated DISC's to aid them in deriving qualified export receipts. For DISC's that acted as commission agents, export gross receipts included the total receipts on which the commission was earned.

Export Promotion Expenses -- These were expenses (excluding income taxes) incurred by a DISC to advance the sale, lease, or other distribution of export property for use, consumption, or distribution outside the United States. A DISC was allowed to increase its profit by an amount equal to 10 percent of the export promotion expenses attributable to sales of export property through use of the special DISC intercompany pricing rules.

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

Previously Taxed Income -- This balance sheet amount represented the portion of the DISC's earnings and profits derived during taxable years for which the corporation qualified as a DISC that was fully taxable as dividends to the DISC's stockholders. Excluded from this amount were amounts actually distributed to DISC's stockholders during each taxable year.

Producer's Loans -- This qualified asset generally consisted of loans made out of the DISC's tax deferred accumulated DISC income to its parent company or any other U.S. person engaged in manufacturing, producing, growing, or extracting export property. A producer's loan must have been designated as such, have been evidenced by a note, have had a stated maturity not to exceed 5 years and have been attributed to assets used in export production. If a producer's loan was renewed, it had to requalify at the time of renewal. A producer's loan did not have to be traced to a specific investment by the domestic borrower, but was subject to certain limitations to assure that it did not exceed the investment in assets which could have been attributable to production for export.

Related U.S. Persons -- Related U.S. persons were: (1) individuals who were citizens or residents of the United States and who controlled the DISC; (2) domestic partnerships, estates or trusts that controlled the DISC; (3) domestic corporations that controlled the DISC; and (4) domestic corporations that were controlled by the same person or persons that controlled the DISC. Control meant direct or indirect ownership of more than 50 percent of the voting power of the stock entitled to vote in a DISC or other domestic corporation.

NOTES AND REFERENCES

[1] See U.S. Department of the Treasury, The Operation and Effect of the Domestic International Sales Corporation Legislation, 1981 Annual Report, page 17.

[2] Ibid., pages 8-16. A more detailed analysis of the effect of the DISC provisions on the level and structure of U.S. trade is presented there.

[3] The U.S. export and import totals are based upon foreign trade statistics for merchandise for calendar years 1973 through 1980 as shown in U.S. Department of Commerce, Bureau of the Census, Statistical Abstract of the United States, 1982-83, page 833. The amounts for U.S. exports exclude U.S. Department Defense Military Assistance Program Grant-Aid Shipments.

[4] Ibid., page 842.

[5] The $4.4 billion deferral of U.S. income taxes by corporations with total assets of $250 million or more since 1975 is based upon the assumption that DISC income would be taxed to the parent corporation in the year earned by the DISC. This estimate understates the deferral of income taxes in cases where the DISC's accounting period ends one month later than its parent corporation's accounting period. This, in effect, postponed by one year the inclusion of the DISC deemed distribution as a taxable dividend in its parent corporation's gross income because the timing of the taxability of DISC income to its parent corporation was based on DISC accounting periods that end with or within the parent's accounting period. It can be roughly estimated that approximately 60 percent of all DISC's owned by U.S. corporations have accounting periods lagging slightly behind their parents's accounting period. The $4.4 billion estimate overstates the deferral of income taxes in cases where the DISC has made actual distributions out of its accumulated tax deferred profits (accumulated DISC income).

[6] U.S. Department of the Treasury, op. cit., page 24.

[7] Hobbs James R., "Corporation Returns, 1980," Statistics of Income Bulletin, Volume 2. Number 3, page 12.

[8] U.S. Department of Commerce, Bureau of Economic Analysis, Survey of Current Business, June 1981, Volume 61, Number 6, page 15.

[9] For DISC's which operated on a commission basis, receipts figures included only the commissions earned and not the gross receipts on which the commissions arose.

[10] For a more detailed discussion on the decline in profits for U.S. corporations in 1980, see Hobbs, op. cit., pp. 11-16.

[11] Since most DISC's, by their very nature, would have been classified in the "wholesale trade" industry (selling export property aboard) and to a much lesser extent, in the "services" industry, the statistics presented in this article are classified by the major product sold, leased, or rented, or the qualified service provided abroad. The most significant difference between the classification by major product or service and the classification by industry (which is used for the presentation of statistical data for corporations in general) was that the industrial classification made distinctions based upon type of business activity while the major product or service classification was based on the kind of property being sold, leased, or rented, or the service being provided. Both classification systems were derived from the Enterprise Standard Industrial Classification authorized by the Office of Information and Regulatory Affairs in the Office of Management and Budget.

[12] U.S. Department of Commerce, Bureau of the Census, Highlights of U.S. Export and Import Trade, Report FT990, December 1981, page 31.

[13] A comparison of DISC exports to total U.S. exports for agricultural products and services is not meaningful because of inter-DISC sales. Sales of export property between unrelated DISC's are qualified export receipts as long as the property sold is ultimately for direct use, consumption, or sale outside the United States. Inter-DISC sales also occur to a much lesser extent for sales of nonagricultural products. However, these sales are not considered to be a limitation of the comparison shown.

[14] The intercompany pricing methods allowed DISC's are not mutually exclusive. Any one may be applied to a particular product or product line or group of transactions without exclusion of other methods for other products, product lines or transactions in the same taxable year.

[15] This information can be used to estimate the combined profit margins of DISC's and their related suppliers. See U.S. Department of the Treasury, The Operation and Effect of the Domestic International Sales Corporation Legislation, 1976 Annual Report, pp. 35-36.

[16] U.S. Department of the Treasury, op.cit., pp. 6-7.

ALL RETURNS OF ACTIVE DOMESTIC INTERNATIONAL SALES CORPORATIONS

Table 1 — Assets, Receipts, Deductions, Income, and Distributions of DISC, and Total Export Gross Receipts of DISC and Related U.S. Persons for Current and First-Preceding Years, by Major Product and Service Division and by Type of Majority Stockholder and Size of Total Assets of Majority Corporate Stockholder

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

Major product and service division, type of stockholder and size of assets of majority corporate stockholder	Number of returns	Net income (less deficit)	Net income	Deficit	DISC taxable income	Taxable income attributable to base period export gross receipts	Adjusted DISC income subject to deferral computation	Total amount deemed distributed	Tax deferred income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All Products and Services									
All returns	**8,665**	**9,870,247**	**9,888,125**	**17,878**	**9,875,286**	**2,191,919**	**7,213,891**	**6,269,797**	**3,606,064**
Returns with majority stockholder, total	8,270	9,824,497	9,841,993	17,496	9,829,297	2,186,824	7,173,842	6,243,832	3,586,041
Corporate stockholders, total	7,194	9,747,320	9,755,596	8,276	9,743,314	2,180,111	7,095,978	6,196,773	3,547,110
Assets zero or not available	529	132,354	133,123	769	132,040	26,478	100,305	81,882	50,158
$1 under $100,000	134	14,173	14,313	140	14,313	2,050	12,167	8,226	6,087
$100,000 under $1,000,000	801	62,526	63,465	940	60,515	6,057	53,940	33,545	26,969
$1,000,000 under $5,000,000	2,018	237,256	240,170	2,914	239,999	23,940	210,033	135,396	104,777
$5,000,000 under $10,000,000	873	208,614	211,414	2,800	211,411	29,271	174,125	123,650	87,761
$10,000,000 under $50,000,000	1,491	839,601	839,917	317	839,878	145,175	670,746	504,765	335,116
$50,000,000 under $100,000,000	390	409,555	409,604	48	409,604	85,738	307,736	255,808	153,865
$100,000,000 under $250,000,000	303	705,206	705,211	4	701,021	159,947	526,023	438,178	262,843
$250,000,000 or more, total	654	7,138,035	7,138,379	344	7,134,533	1,701,454	5,040,905	4,615,323	2,519,535
$250,000,000 under $500,000,000	187	610,288	610,289	1	610,289	151,139	438,627	391,086	219,203
$500,000,000 under $1,000,000,000	188	995,044	995,044	(1)	995,044	256,557	713,313	638,817	356,552
$1,000,000,000 or more	279	5,532,703	5,533,046	343	5,529,199	1,293,758	3,888,964	3,585,419	1,943,780
Noncorporate stockholders	1,047	73,657	82,808	9,151	82,395	6,713	74,275	45,264	37,136
Type of stockholder not known	*30	*3,520	*3,589	*69	*3,589	—	*3,589	*1,794	*1,794
Returns with no majority stockholder	394	45,750	46,132	382	45,989	5,095	40,049	25,965	20,023
Nonmanufactured Products and Services									
All returns	**1,052**	**805,195**	**809,127**	**3,933**	**804,090**	**191,239**	**569,944**	**519,520**	**284,900**
Returns with majority stockholder, total	950	800,937	804,852	3,915	799,898	190,557	566,584	517,007	283,220
Corporate stockholders, total	819	791,969	795,316	3,347	790,361	189,966	557,848	511,834	278,852
Assets zero or not available	91	12,337	12,453	116	11,457	2,373	9,084	6,915	4,542
$1 under $100,000	*32	*164	*190	*25	*190	—	*190	*95	*95
$100,000 under $1,000,000	139	5,699	6,030	331	6,030	292	5,673	3,194	2,836
$1,000,000 under $5,000,000	234	23,580	23,603	23	23,491	3,122	19,293	13,844	9,647
$5,000,000 under $10,000,000	78	11,768	14,568	2,799	14,567	1,874	11,998	8,568	5,999
$10,000,000 under $50,000,000	119	57,250	57,253	4	57,253	11,605	43,362	35,572	21,681
$50,000,000 under $100,000,000	34	55,532	55,580	47	55,580	10,374	44,066	33,547	22,033
$100,000,000 under $250,000,000	15	179,539	179,539	(1)	179,539	51,172	127,085	116,009	63,530
$250,000,000 or more, total	75	446,099	446,100	1	442,254	109,155	297,096	294,089	148,490
$250,000,000 under $500,000,000	18	27,884	27,884	1	27,884	4,179	23,511	16,129	11,755
$500,000,000 under $1,000,000,000	23	141,410	141,410	—	141,410	56,162	78,954	102,317	39,418
$1,000,000,000 or more	34	276,806	276,806	(1)	272,959	48,813	194,632	175,644	97,316
Noncorporate stockholders	125	8,968	9,537	568	9,537	591	8,736	5,174	4,368
Type of stockholder not known	*5	*(1)	—	*(1)	—	—	—	—	—
Returns with no majority stockholder	102	4,258	4,275	17	4,192	682	3,360	2,512	1,680
Manufactured Products									
All returns	**7,613**	**9,065,052**	**9,078,998**	**13,946**	**9,071,196**	**2,000,680**	**6,643,947**	**5,750,277**	**3,321,164**
Returns with majority stockholder, total	7,321	9,023,560	9,037,141	13,581	9,029,400	1,996,267	6,607,257	5,726,824	3,302,821
Corporate stockholders, total	6,375	8,955,351	8,960,280	4,929	8,952,953	1,990,145	6,538,129	5,684,940	3,268,258
Assets zero or not available	437	120,017	120,669	653	120,583	24,105	91,220	74,967	45,616
$1 under $100,000	102	14,009	14,123	114	14,123	2,050	11,977	8,131	5,992
$100,000 under $1,000,000	662	56,827	57,435	608	54,484	5,765	48,267	30,351	24,133
$1,000,000 under $5,000,000	1,784	213,676	216,567	2,891	216,508	20,818	190,739	121,551	95,130
$5,000,000 under $10,000,000	795	196,846	196,846	1	196,844	27,398	162,127	115,082	81,762
$10,000,000 under $50,000,000	1,371	782,351	782,664	313	782,625	133,570	627,384	469,193	313,435
$50,000,000 under $100,000,000	356	354,023	354,024	1	354,024	75,364	263,669	222,262	131,831
$100,000,000 under $250,000,000	288	525,668	525,672	4	521,482	108,775	398,937	322,169	199,314
$250,000,000 or more, total	579	6,691,936	6,692,279	344	6,692,279	1,592,299	4,743,809	4,321,234	2,371,045
$250,000,000 under $500,000,000	169	582,405	582,405	(1)	582,405	146,959	415,116	374,957	207,448
$500,000,000 under $1,000,000,000	165	853,634	853,634	(1)	853,634	200,394	634,359	536,501	317,133
$1,000,000,000 or more	245	5,255,897	5,256,240	343	5,256,240	1,244,945	3,694,333	3,409,776	1,846,464
Noncorporate stockholders	922	64,689	73,272	8,582	72,858	6,123	65,539	40,090	32,768
Type of stockholder not known	*24	*3,520	*3,589	*69	*3,589	—	*3,589	*1,794	*1,794
Returns with no majority stockholder	292	41,492	41,857	365	41,796	4,413	36,690	23,453	18,343

Footnotes at end of table.

ALL RETURNS OF ACTIVE DOMESTIC INTERNATIONAL SALES CORPORATIONS

Table 1 — Assets, Receipts, Deductions, Income, and Distributions of DISC, and Total Export Gross Receipts of DISC and Related U.S. Persons for Current and First-Preceding Years, by Major Product and Service Division and by Type of Majority Stockholder and Size of Total Assets of Majority Corporate Stockholder — Continued

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

Major product and service division, type of stockholder and size of assets of majority corporate stockholder	Total amount actually distributed	Current year total export gross receipts of DISC and related U.S. persons				Full-year returns with full-year first-preceding year export gross receipts of DISC and related U.S. persons			
		Number of returns	Total amount	DISC's	Related U.S. persons (except DISC's)	Number of returns	Current year receipts	First-preceding year receipts	Percent increase (decrease) in current over first-preceding year receipts
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
All Products and Services									
All returns	**5,221,216**	**8,022**	**163,973,528**	**154,078,475**	**9,895,053**	**6,150**	**151,710,540**	**140,036,919**	**8.34**
Returns with majority stockholder, total	5,199,875	7,687	163,060,017	153,164,964	9,895,053	5,900	150,918,637	134,322,483	12.36
Corporate stockholders, total	5,163,061	6,701	161,116,916	151,223,948	9,892,968	5,151	149,513,319	133,088,616	12.34
Assets zero or not available	69,772	481	2,875,447	2,863,014	12,433	353	2,435,134	2,205,575	10.41
$1 under $100,000	3,065	124	196,606	196,606	—	63	125,614	76,009	65.26
$100,000 under $1,000,000	22,238	721	1,159,619	1,119,904	39,714	430	747,927	641,102	16.66
$1,000,000 under $5,000,000	113,453	1,901	4,085,225	4,052,786	32,440	1,364	3,242,785	2,976,871	8.93
$5,000,000 under $10,000,000	110,560	833	4,078,624	4,041,205	37,418	621	3,564,819	3,584,431	-.55
$10,000,000 under $50,000,000	328,926	1,377	14,364,501	14,314,266	50,234	1,164	11,291,919	10,169,634	11.04
$50,000,000 under $100,000,000	193,807	362	6,988,119	6,923,973	64,146	324	5,916,435	5,859,137	.98
$100,000,000 under $250,000,000	323,412	300	17,356,164	16,560,063	796,101	259	15,192,091	13,179,860	15.27
$250,000,000 or more, total	3,997,826	603	110,012,611	101,152,131	8,860,480	572	106,996,594	94,395,998	13.35
$250,000,000 under $500,000,000	305,937	171	9,229,525	9,127,452	102,073	151	8,526,250	7,048,398	20.97
$500,000,000 under $1,000,000,000	461,820	175	18,101,338	17,054,224	1,047,114	166	17,753,307	18,246,442	-2.70
$1,000,000,000 or more	3,230,068	257	82,681,748	74,970,454	7,711,293	255	80,717,037	69,101,158	16.81
Noncorporate stockholders	36,495	961	1,885,842	1,883,757	2,085	741	1,386,326	1,223,924	13.27
Type of stockholder not known	*319	*24	*57,258	*57,258	—	*8	*18,992	*9,943	*91.01
Returns with no majority stockholder	21,341	335	913,512	913,512	—	249	791,903	5,714,436	-86.14
Nonmanufactured Products and Services									
All returns	**346,565**	**589**	**45,393,860**	**42,517,079**	**2,876,781**	**492**	**38,167,766**	**36,471,932**	**4.65**
Returns with majority stockholder, total	342,988	524	45,185,548	42,308,767	2,876,781	444	37,988,869	36,224,220	4.87
Corporate stockholders, total	336,516	458	44,699,207	41,823,057	2,876,150	387	37,835,943	36,046,217	4.97
Assets zero or not available	5,646	54	1,254,137	1,248,944	5,193	41	1,088,833	899,420	21.06
$1 under $100,000	*388	*21	*2,709	*2,709	—	*11	*1,866	*1,461	*27.68
$100,000 under $1,000,000	2,025	75	281,263	254,726	26,537	*40	*95,461	*58,158	*64.14
$1,000,000 under $5,000,000	16,949	138	531,964	521,935	10,029	125	420,058	572,573	-26.64
$5,000,000 under $10,000,000	10,121	43	533,158	533,158	—	*26	*436,043	*489,805	*-10.98
$10,000,000 under $50,000,000	27,378	54	3,851,482	3,851,482	—	69	1,743,199	1,900,180	-8.26
$50,000,000 under $100,000,000	26,535	19	1,756,199	1,756,199	—	21	1,139,951	1,194,245	-4.55
$100,000,000 under $250,000,000	74,343	*12	*10,502,546	*9,872,449	*630,098	5	8,764,350	7,990,961	9.68
$250,000,000 or more, total	173,131	40	25,985,748	23,781,455	2,204,293	49	24,146,182	22,939,413	5.26
$250,000,000 under $500,000,000	10,525	9	1,490,373	1,490,373	—	9	1,258,743	810,531	55.30
$500,000,000 under $1,000,000,000	45,704	14	7,152,954	7,095,725	57,229	18	7,152,954	9,751,653	-26.65
$1,000,000,000 or more	116,902	17	17,342,421	15,195,357	2,147,063	22	15,734,485	12,377,229	27.12
Noncorporate stockholders	6,472	66	486,341	485,710	631	57	152,927	178,003	-14.09
Type of stockholder not known	—	—	—	—	—	—	—	—	—
Returns with no majority stockholder	3,576	64	208,312	208,312	—	48	178,897	247,712	-27.78
Manufactured Products									
All returns	**4,874,651**	**7,433**	**118,579,669**	**111,561,397**	**7,018,272**	**5,658**	**113,542,774**	**103,564,987**	**9.63**
Returns with majority stockholder, total	4,856,887	7,163	117,874,469	110,856,197	7,018,272	5,456	112,929,768	98,098,263	15.12
Corporate stockholders, total	4,826,545	6,243	116,417,710	109,400,891	7,016,818	4,764	111,677,377	97,042,399	15.08
Assets zero or not available	64,127	427	1,621,310	1,614,070	7,240	313	1,346,302	1,306,155	3.07
$1 under $100,000	2,678	102	193,898	193,898	—	52	123,748	74,548	66.00
$100,000 under $1,000,000	20,214	646	878,356	865,179	13,177	390	652,466	582,943	11.93
$1,000,000 under $5,000,000	96,503	1,763	3,553,261	3,530,850	22,411	1,239	2,822,727	2,404,297	17.40
$5,000,000 under $10,000,000	100,439	790	3,545,465	3,508,047	37,418	595	3,128,777	3,094,626	1.10
$10,000,000 under $50,000,000	301,549	1,323	10,513,019	10,462,784	50,234	1,095	9,548,721	8,269,453	15.47
$50,000,000 under $100,000,000	167,272	343	5,231,920	5,167,774	64,146	303	4,776,484	4,664,892	2.39
$100,000,000 under $250,000,000	249,068	288	6,853,618	6,687,614	166,004	254	6,427,741	5,188,899	23.87
$250,000,000 or more, total	3,824,694	563	84,026,863	77,370,676	6,656,188	523	82,850,412	71,456,585	15.95
$250,000,000 under $500,000,000	295,412	162	7,739,152	7,637,079	102,073	142	7,267,507	6,237,867	16.51
$500,000,000 under $1,000,000,000	416,116	161	10,948,384	9,958,499	989,885	148	10,600,353	8,494,789	24.79
$1,000,000,000 or more	3,113,166	240	65,339,327	59,775,097	5,564,230	233	64,982,552	56,723,929	14.56
Noncorporate stockholders	30,023	895	1,399,501	1,398,047	1,454	684	1,233,399	1,045,921	17.92
Type of stockholder not known	*319	*24	*57,258	*57,258	—	*8	*18,992	*9,943	*91.01
Returns with no majority stockholder	17,764	271	705,200	705,200	—	201	613,006	5,466,724	-88.79

*Estimate should be used with caution because of the small number of sample returns on which it was based.
[1]Less than $500.
Note: Detail may not add to total because of rounding.

ALL RETURNS OF ACTIVE DOMESTIC INTERNATIONAL SALES CORPORATIONS

Table 2 — Assets, Receipts, Deductions, Income, and Distributions of the DISC, and Total Export Gross Receipts of the DISC, and Related U.S. Persons for Current and First-Preceding Years, by Major Product or Service

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

Major product or service	Number of returns	Total assets	Qualified assets	Export property	Total liabilities	Total qualified and nonqualified receipts	Qualified export receipts from the sale of export property	Other qualified export receipts	Cost of sales and operations
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All products and services	**8,665**	**28,728,913**	**28,674,344**	**2,255,910**	**4,389,232**	**52,798,631**	**50,811,478**	**1,718,553**	**40,247,932**
Nonmanufactured products and services	**1,052**	**2,922,186**	**2,918,579**	**407,748**	**574,534**	**15,038,106**	**14,619,925**	**383,510**	**13,992,173**
Grains	110	1,680,007	1,679,260	340,805	391,132	12,336,079	12,176,439	136,656	11,731,895
Cotton	*26	*81,212	*80,050	—	*8,573	*184,264	*176,050	*6,578	*156,803
Crops, except cotton and grains	119	142,665	142,645	11,104	41,151	572,035	561,235	6,629	482,739
Livestock and livestock products	63	65,327	65,310	8,230	13,077	388,663	382,019	2,514	357,690
Agriculture services	*14	*3,957	*3,912	*265	*1,291	*127,481	*127,049	*432	*123,524
Fishery products and services	*15	*29,349	*28,923	—	*2,562	*106,105	*104,637	*1,464	*87,330
Metal mining, iron ores, coal mining products and services	53	133,665	133,665	42,890	60,083	1,025,624	1,020,334	5,214	976,819
Chemical and fertilizer mineral	*5	*4,709	*4,709	*103	*111	*3,299	*2,923	*376	*2,513
Other nonmetalic minerals products and services	*8	*2,262	*2,262	—	*464	*5,085	*5,061	*23	*3,284
Transportation electric, gas, and sanitary services	*4	*5,480	*5,135	*113	*4,556	*2,846	*2,358	*428	*1,360
Financial services	146	486,013	485,976	—	15,954	66,428	229	66,193	211
Export management services	*35	*8,655	*8,653	*2,685	*2,390	*4,756	—	*4,756	—
Motion picture distribution	*15	*149,949	*149,252	*77	*1,218	*82,480	*23,654	*57,494	*1,759
Engineering and architectural services	66	101,537	101,533	—	28,873	101,229	7,339	93,885	43,674
Miscellaneous nonmanufactured products and services	371	27,402	27,296	1,476	3,097	31,732	30,597	867	22,574
Manufactured products	**7,613**	**25,806,726**	**25,755,765**	**1,848,162**	**3,814,698**	**37,760,525**	**36,191,554**	**1,335,043**	**26,255,759**
Ordnance and accessories	23	65,314	65,314	*22	9,515	46,810	42,682	4,128	20,592
Ammunition, except for small arms	*3	*1,141	*1,141	—	—	*838	*804	*34	—
Sighting and fire control equipment	*3	*1,195	*1,195	*22	*594	*4,554	*4,554	—	*3,271
Small arms	*7	*53,311	*53,311	—	*3,941	*29,853	*25,863	*3,989	*8,631
Ordnance and accessories, not elsewhere classified	*11	*9,668	*9,668	—	*4,980	*11,566	*11,461	*105	*8,690
Food and kindred products	336	576,956	576,555	73,832	118,272	2,093,565	2,068,901	18,262	1,777,941
Meat products	102	133,450	133,428	13,358	34,345	484,643	475,820	4,961	409,316
Dairy products	*9	*8,519	*8,519	*571	*86	*2,682	*2,178	*92	*263
Canned fruits, vegetables, seafoods	71	122,921	122,556	8,743	14,798	355,465	350,872	3,844	307,417
Grain mill products	40	95,290	95,290	7,638	3,287	292,891	288,233	3,863	220,255
Sugar	*6	*1,460	*1,460	—	*6	*2,194	*2,194	—	—
Confectionery and related products	*12	*3,990	*3,990	—	*(1)	*1,678	*1,466	*213	—
Beverages	*14	*41,995	*41,995	*6,137	*6,382	*70,838	*69,265	*1,267	*40,947
Miscellaneous food preparations and kindred products	80	169,330	169,317	37,385	59,367	883,173	878,874	4,021	799,742
Tobacco manufactures	12	204,221	204,221	14,198	2,711	116,090	109,928	4,962	4,587
Cigarettes	5	179,973	179,973	—	1,366	100,283	95,141	3,941	—
Tobacco	*3	*914	*914	—	*16	*398	*356	*42	—
Tobacco stemming and redrying	4	23,334	23,334	14,198	1,329	15,410	14,431	979	*4,587
Textile mill products	284	426,440	424,624	55,922	178,483	556,488	543,069	10,992	394,372
Broad woven fabric mills, cotton	26	233,599	233,599	46,655	135,470	229,444	224,893	4,541	183,735
Broad woven fabric mills, fiber, silk and wool	*15	*36,729	*36,729	*1,194	*1,641	*22,078	*21,496	*581	*8,117
Narrow fabrics and smallwares mills	*16	*13,303	*13,303	*15	*3,236	*11,708	*10,715	*993	*7,370
Knitting mills	*12	*5,455	*5,455	—	*529	*11,180	*11,107	*72	*7,190
Floor covering mills	52	26,176	26,172	—	6,081	30,659	29,707	859	20,159
Yarn and thread mills	*23	*18,360	*18,352	1,557	*11,791	*56,020	*53,903	—	*48,503
Miscellaneous textile goods	140	92,820	91,014	6,501	19,734	195,401	191,248	3,945	119,297
Apparel and other finished products made from fabrics and similar materials	180	121,033	120,958	7,192	48,473	307,053	302,962	2,823	240,934
Male suits and coats	*4	*2,950	*2,950	—	—	*1,577	*1,577	—	—
Male furnishings and work clothing	*12	*22,683	*22,683	*15	*6,123	*26,064	*24,477	*1,587	*12,880
Female and infant undergarments	*13	*5,776	*5,776	*542	*2,465	*9,603	*9,680	*-77	*6,792
Hats, caps, and millinery	*5	*177	*177	—	*24	*1,007	*1,006	*1	*838
Girls, childrens and infants wear	*5	*3,264	*3,264	—	*187	*1,324	*1,324	—	—
Fur goods	*11	*3,445	*3,445	—	*1,352	*3,006	*2,554	*452	*1,863
Miscellaneous apparel and accessories	79	56,969	56,945	5,288	28,831	198,218	196,551	399	164,191
Miscellaneous fabricated textile products	50	25,770	25,719	1,346	9,492	66,253	65,792	460	54,371
Lumber, wood products, except furniture	198	291,029	290,723	17,388	61,266	1,105,987	1,097,780	6,360	942,740
Logging camps, logging contractors	*19	*60,417	*60,406	*893	*2,621	*111,667	*110,956	*420	*71,058
Sawmills and planing mills	46	39,949	39,919	639	4,325	94,670	93,016	1,573	73,467
Millwork, veneer, and plywood products	50	40,678	40,676	3,944	13,497	155,128	153,484	651	138,697
Miscellaneous wood products	82	149,985	149,723	11,912	40,822	744,522	740,323	3,717	659,517
Furniture and fixtures	42	13,479	13,479	982	1,457	15,245	15,020	225	7,380
Household furniture	*13	*1,954	*1,954	—	*382	*5,557	*5,557	—	*3,776
Office and public building related furniture	*10	*5,952	*5,952	—	*20	*2,824	*2,721	*103	—
Miscellaneous furniture, and fixtures	*19	*5,573	*5,573	*982	*1,055	*6,864	*6,742	*122	*3,603
Paper and allied products	160	495,530	493,747	30,428	70,963	935,875	911,784	20,349	643,524
Pulp mills	14	171,064	170,998	10,642	11,234	187,861	175,998	9,865	89,230
Paper mills, except building paper mills	*17	*32,681	*32,681	—	*3,709	*115,031	*114,675	*335	*83,213
Paperboard mills	*14	*112,470	*112,470	*3,567	*16,243	*232,705	*226,044	*6,009	*164,436
Converted paper products except containers and boxes	99	112,615	110,901	16,216	30,631	212,434	209,538	1,870	158,089
Paperboard containers, boxes and building paper	*17	*66,700	*66,697	*2	*9,146	*187,845	*185,530	*2,271	*148,555
Printing, publishing and allied products	126	206,210	206,084	761	113,776	110,536	107,274	3,024	66,816
Periodicals: publishing, and printing	*16	*17,164	*17,163	—	*2,896	*13,133	*12,897	*237	*3,448
Books	64	175,249	175,139	761	106,252	75,917	73,091	2,589	50,457
Miscellaneous publishing	*21	*1,595	*1,595	—	*707	*3,355	*3,351	*4	*1,956
Commercial printing	*13	*2,114	*2,099	—	*26	*2,346	*2,208	*139	*1,332
Miscellaneous service industries for print trade	*11	*10,089	*10,089	—	*3,895	*15,784	*15,728	*56	*9,622

Footnotes at end of table.

ALL RETURNS OF ACTIVE DOMESTIC INTERNATIONAL SALES CORPORATIONS

Table 2 — Assets, Receipts, Deductions, Income, and Distributions of the DISC, and Total Export Gross Receipts of the DISC, and Related U.S. Persons for Current and First-Preceding Years, by Major Product or Service.

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

Major product or service	Total export promotion and other expenses	Export promotion expenses	Net income (less deficit)	Net income	Deficit	DISC taxable income	Taxable income attributable to base period export gross receipt	Adjusted DISC income subject to deferral computation	Total amount deemed distributed
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
All products and services	**2,680,453**	**1,505,666**	**9,870,247**	**9,888,125**	**17,878**	**9,875,286**	**2,191,919**	**7,213,891**	**6,269,797**
Nonmanufactured products and services	**240,739**	**74,578**	**805,195**	**809,127**	**3,933**	**804,090**	**191,239**	**569,944**	**519,520**
Grains	117,223	24,987	486,962	486,964	2	483,006	131,482	333,695	316,503
Cotton	*1,710	*1,667	*25,751	*25,751	—	*25,751	*5,289	*17,896	*16,809
Crops, except cotton and grains	45,132	6,448	44,163	44,259	96	44,259	10,946	30,487	29,016
Livestock and livestock products	7,768	6,402	23,205	23,372	167	23,372	*4,193	*18,301	*14,221
Agriculture services	*2,183	*2,062	*1,775	*1,778	*3	*1,778	—	*1,778	*889
Fishery products and services	*6,604	*247	*12,171	*12,171	—	*12,171	*2,363	*8,999	*7,672
Metal mining, iron ores, coal mining products and services	19,987	6,958	28,817	29,005	187	28,009	1,662	25,809	15,104
Chemical and fertilizer mineral	*254	*204	*532	*532	—	*532	—	*532	*266
Other nonmetalic minerals products and services	*735	*177	*1,066	*1,066	—	*1,066	—	*1,066	*533
Transportation electric, gas, and sanitary services	*224	—	*1,261	*1,261	—	*1,261	—	*1,261	*631
Financial services	2,212	187	64,005	64,062	56	63,984	11,610	39,964	44,053
Export management services	*2,369	*1,115	*2,387	*2,470	*82	*2,470	*499	*1,649	*1,646
Motion picture distribution	*18,207	*18,023	*62,514	*62,514	—	*62,514	*12,445	*45,425	*39,801
Engineering and architectural services	11,963	3,093	45,591	48,378	2,787	48,378	10,045	38,261	29,248
Miscellaneous nonmanufactured products and services	4,166	3,009	4,992	5,545	552	5,539	704	4,822	3,128
Manufactured products	**2,439,714**	**1,431,088**	**9,065,052**	**9,078,998**	**13,946**	**9,071,196**	**2,000,680**	**6,643,947**	**5,750,277**
Ordnance and accessories	2,802	1,758	23,416	23,418	*2	23,418	4,736	12,014	17,411
Ammunition, except for small arms	—	—	*838	*838	—	*838	—	*441	*618
Sighting and fire control equipment	*686	*663	*597	*597	—	*597	—	*597	*298
Small arms	*1,194	*1,048	*20,028	*20,028	—	*20,028	*4,602	*10,158	*14,948
Ordnance and accessories, not elsewhere classified	*922	*47	*1,953	*1,956	*2	*1,956	*133	*818	*1,547
Food and kindred products	117,648	60,242	197,975	198,705	729	198,658	40,401	150,416	122,790
Meat products	29,609	16,972	45,718	46,102	384	46,058	8,813	35,377	27,672
Dairy products	*49	—	*2,370	*2,370	—	*2,370	*1,440	*930	*1,908
Canned fruits, vegetables, seafoods	15,717	10,147	32,331	32,652	321	32,652	5,636	25,519	19,893
Grain mill products	29,693	4,618	42,943	42,943	(1)	42,943	9,135	31,386	27,284
Sugar	*1	—	*2,193	*2,194	1	*2,194	—	*2,194	*1,097
Confectionery and related products	*5	*4	*1,674	*1,674	—	*1,674	*293	*1,295	*1,026
Beverages	*13,246	*12,279	*16,645	*16,645	—	*16,645	*3,388	*12,771	*10,259
Miscellaneous food preparations and kindred products	29,328	16,222	54,103	54,125	23	54,123	11,695	40,945	33,651
Tobacco manufactures	2,147	1,440	109,357	109,357	—	109,357	24,260	84,163	67,345
Cigarettes	1,440	1,440	98,843	98,843	—	98,843	21,403	76,612	60,537
Tobacco	—	—	*398	*398	—	*398	*107	*291	*252
Tobacco stemming and redrying	706	—	10,117	10,117	—	10,117	2,749	7,261	6,556
Textile mill products	71,287	25,299	90,830	92,669	1,840	92,669	19,223	71,609	56,865
Broad woven fabric mills, cotton	21,820	10,427	23,889	25,640	1,751	25,640	7,243	17,914	16,683
Broad woven fabric mills, fiber, silk and wool	*869	*531	*13,092	*13,092	—	*13,092	*4,053	*8,985	*8,598
Narrow fabrics and smallwares mills	*530	*518	*3,808	*3,808	—	*3,808	*1,025	*2,757	*2,430
Knitting mills	474	261	3,516	3,516	—	3,516	188	3,256	1,888
Floor covering mills	722	621	9,777	9,777	—	9,777	799	8,299	5,628
Yarn and thread mills	*2,939	*2,276	*4,578	*4,632	*54	*4,632	*45	*4,587	*2,339
Miscellaneous textile goods	43,932	10,665	32,170	32,204	34	32,204	5,870	25,812	19,299
Apparel and other finished products made from fabrics and similar materials	29,900	19,866	36,219	36,764	545	36,271	7,703	28,356	22,093
Male suits and coats	—	—	*1,577	*1,577	—	*1,577	*74	*1,504	*825
Male furnishings and work clothing	*4,936	*4,494	*8,248	*8,248	—	*8,248	*2,916	*5,325	*5,586
Female and infant undergarments	*1,632	*1,504	*1,180	*1,180	—	*1,180	*290	*890	*735
Hats, caps, and millinery	*30	*29	*140	*140	—	*140	—	*140	*70
Girls, childrens and infants wear	—	—	*1,324	*1,324	—	*1,324	*215	*1,109	*769
Fur goods	*192	—	*951	*951	—	*951	—	*951	*476
Miscellaneous apparel and accessories	20,128	12,235	13,899	14,366	466	14,366	2,557	11,603	8,564
Miscellaneous fabricated textile products	2,983	1,604	8,899	8,978	79	8,485	1,651	6,835	5,068
Lumber, wood products, except furniture	31,331	19,983	131,916	132,120	204	132,062	20,716	107,348	78,388
Logging camps, logging contractors	*991	*353	*39,617	*39,617	—	*39,617	*776	*38,537	*20,349
Sawmills and planing mills	2,769	1,785	18,434	18,434	—	18,434	3,519	13,947	11,461
Millwork, veneer, plywood products	3,725	2,468	12,706	12,706	—	12,706	4,123	8,028	8,692
Miscellaneous wood products	23,846	15,377	61,158	61,363	204	61,305	12,299	46,835	37,887
Furniture and fixtures	932	167	6,934	6,941	*8	6,941	522	6,321	3,781
Household furniture	*470	*165	*1,311	*1,319	*8	*1,319	—	*1,319	*659
Office and public building related furniture	(1)	—	*2,824	*2,824	—	*2,824	*209	*2,615	*1,516
Miscellaneous furniture, and fixtures	*462	*2	2,799	*2,799	—	*2,799	*313	*2,388	*1,605
Paper and allied products	72,529	18,177	219,823	219,823	—	219,823	63,973	146,790	146,428
Pulp mills	13,868	995	84,762	84,762	—	84,762	28,251	51,758	58,883
Paper mills, except building paper mills	*18,358	*4,997	*13,460	*13,460	—	*13,460	*4,324	*8,931	*8,995
Paperboard mills	*26,297	*5,376	*41,971	*41,971	—	*41,971	*12,756	*27,489	*28,227
Converted paper products except containers and boxes	10,533	5,589	43,813	43,813	—	43,813	9,174	34,119	26,753
Paperboard containers, boxes and building paper	*3,472	*1,220	*35,818	*35,818	—	*35,818	*9,468	*24,493	*23,570
Printing, publishing and allied products	6,458	4,367	37,262	37,334	*73	37,334	9,419	27,661	23,504
Periodicals: publishing, and printing	*431	*149	*9,254	*9,326	*73	*9,326	*1,346	*7,831	*5,411
Books	4,156	2,814	21,305	21,305	—	21,305	7,513	13,751	14,429
Miscellaneous publishing	*83	—	*1,316	*1,316	—	*1,316	—	*1,311	*660
Commercial printing	*100	*72	*914	*914	—	*914	*69	*841	*493
Miscellaneous service industries for print trade	*1,690	*1,331	*4,473	*4,473	—	*4,473	*491	*3,926	*2,510

Footnotes at end of table.

ALL RETURNS OF ACTIVE DOMESTIC INTERNATIONAL SALES CORPORATIONS

Table 2 — Assets, Receipts, Deductions, Income, and Distributions of the DISC, and Total Export Gross Receipts of the DISC, and Related U.S. Persons for Current and First-Preceding Years, by Major Product or Service.

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

Major product or service	Tax deferred income	Total amount actually distributed	Current year total export gross receipts of DISC and related U.S. persons			Full-year returns with first-preceding year export gross receipts of DISC and related U.S. persons			
			Total amount	DISC's	All related U.S. persons except DISC's	Number of returns	Current year receipts	First-preceding year receipts	Percent increase (decrease) current over first-preceding year receipts
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)
All products and services	**3,606,064**	**5,221,216**	**163,973,528**	**154,078,475**	**9,895,053**	**6,150**	**151,710,540**	**140,036,919**	**8.34**
Nonmanufactured products and services	**284,900**	**346,565**	**45,393,860**	**42,517,079**	**2,876,781**	**492**	**38,167,766**	**36,471,932**	**4.65**
Grains	166,827	192,928	39,913,732	37,165,866	2,747,866	67	33,404,169	31,602,001	5.70
Cotton	*8,948	*16,075	*1,268,246	*1,263,243	*5,003	*20	*1,115,584	*1,073,039	*3.96
Crops, except cotton and grains	15,243	22,043	1,132,628	1,106,860	25,768	99	930,265	942,454	- 1.29
Livestock and livestock products	9,150	14,062	740,391	740,391	—	35	542,539	750,904	- 27.75
Agriculture services	*889	*752	*151,174	*151,174	—	*9	*151,174	*218,184	*- 30.71
Fishery products and services	*4,499	*9,855	*151,601	*151,601	—	*9	*145,316	*135,500	*7.24
Metal mining, iron ores, coal mining products and services	12,905	25,639	1,069,050	1,069,050	—	*13	*995,808	*794,640	*25.31
Chemical and fertilizer mineral	*266	*266	*2,923	*2,923	—	**	*2,923	*4,344	*- 32.72
Other nonmetalic minerals products and services	*533	*520	*6,961	*6,961	—	*8	*6,961	*4,701	*48.08
Transportation electric, gas, and sanitary services	*631	*631	*8,478	*8,478	—	**	*109	*83	31.25
Financial services	19,931	21,327	1,124	1,124	—	58	1,109	260,716	- 99.57
Export management services	*824	*1,559	*34,599	*34,599	—	*24	*16,385	*44,453	*- 63.14
Motion picture distribution	*22,713	*21,609	*357,747	*295,115	*62,633	*15	*357,747	*312,976	*14.30
Engineering and architectural services	19,130	16,510	491,874	466,392	25,482	*44	*442,143	*251,540	*75.77
Miscellaneous nonmanufactured products and services	2,411	2,790	63,333	53,304	10,029	*82	*55,535	*76,397	*- 27.31
Manufactured products	**3,321,164**	**4,874,651**	**118,579,669**	**111,561,397**	**7,018,272**	**5,658**	**113,542,774**	**103,564,987**	**9.63**
Ordnance and accessories	6,007	17,676	196,543	196,543	—	23	196,543	165,363	18.85
Ammunition, except for small arms	*220	*472	*8,895	*8,895	—	*3	*8,895	*6,258	*42.12
Sighting and fire control equipment	*298	*499	*4,554	*4,554	—	*3	*4,554	*3,273	*39.13
Small arms	*5,079	*15,546	*166,603	*166,603	—	*7	*166,603	*141,712	*17.56
Ordnance and accessories, not elsewhere classified	*409	*1,159	*16,491	*16,491	—	*11	*16,491	*14,120	*16.79
Food and kindred products	75,869	106,966	4,251,809	4,204,101	47,708	245	3,810,361	3,723,981	2.32
Meat products	18,386	27,017	952,514	950,071	2,443	80	920,689	802,089	14.79
Dairy products	*461	*1,250	*35,499	*30,661	*4,838	*9	*35,499	*45,679	*- 22.29
Canned fruits, vegetables, seafoods	12,759	16,663	632,690	631,771	919	62	580,075	584,753	- .80
Grain mill products	15,659	27,370	797,388	797,388	—	26	667,755	556,005	20.10
Sugar	*1,097	*758	*20,904	*20,904	—	—	—	—	—
Confectionery and related products	*648	*722	*20,209	*19,791	*417	*6	*19,576	*15,456	*26.66
Beverages	*6,385	*10,071	*147,885	*141,684	*6,201	*10	*112,368	*100,574	*11.73
Miscellaneous food preparations and kindred products	20,472	23,117	1,644,720	1,611,829	32,891	51	1,474,400	1,619,425	- 8.96
Tobacco manufactures	42,082	40,495	1,355,571	1,110,066	245,506	12	1,355,571	1,216,250	11.45
Cigarettes	38,306	37,670	996,346	750,840	245,506	5	996,346	926,195	7.57
Tobacco	*145	*212	*6,478	*6,478	—	*3	*6,478	*5,688	*13.89
Tobacco stemming and redrying	3,630	2,614	352,747	352,747	—	4	352,747	284,367	24.05
Textile mill products	35,805	55,971	1,843,501	1,829,029	14,472	205	1,647,897	1,531,815	7.58
Broad woven fabric mills, cotton	*8,957	*23,813	*562,318	*561,913	*405	*26	*562,318	*627,554	*- 10.40
Broad woven fabric mills, fiber, silk and wool	*4,493	*6,785	*315,217	*315,217	—	*15	*315,217	*273,348	*15.32
Narrow fabrics and smallwares mills	*1,378	*981	*44,838	*44,838	—	*5	*38,909	*28,360	*37.19
Knitting mills	*1,628	*1,106	*37,932	*37,932	—	*5	*18,309	*15,393	*18.94
Floor covering mills	4,149	5,303	181,051	175,231	—	28	116,603	103,337	12.84
Yarn and thread mills	*2,294	*2,205	*159,698	*159,698	—	*14	*81,576	*59,970	*36.03
Miscellaneous textile goods	*12,905	*15,778	*542,446	*534,199	*14,067	*111	*514,964	*423,853	*12.50
Apparel and other finished products made from fabrics and similar materials	14,178	13,000	611,175	581,968	29,207	116	487,251	379,514	28.39
Male suits and coats	*752	*565	*39,681	*39,430	*251	**	*38,544	*28,261	*36.38
Male furnishings and work clothing	*2,663	*2,827	*83,292	*83,292	—	*12	*83,292	*45,966	*81.20
Female and infant undergarments	*445	*621	*30,163	*30,163	—	*8	*29,288	*23,992	*22.07
Hats, caps, and millinery	*70	—	*1,006	*1,006	—	—	—	—	—
Girls, childrens and infants wear	*554	*653	*33,092	*33,092	—	**	*23,760	*21,708	*9.45
Fur goods	*476	*51	*2,554	*2,554	—	*5	*2,449	*2,240	*9.38
Miscellaneous apparel and accessories	5,801	5,307	283,406	268,130	15,276	48	174,151	149,009	16.87
Miscellaneous fabricated textile products	3,417	2,977	137,982	124,302	13,680	37	135,768	108,338	25.32
Lumber, wood products, except furniture	53,674	55,536	2,934,877	2,883,720	51,158	127	2,780,481	3,069,233	- 9.41
Logging camps, logging contractors	*19,268	*6,207	*1,158,956	*1,158,956	—	*16	*1,151,040	*1,059,555	*8.63
Sawmills and planing mills	6,974	10,453	148,784	148,784	—	25	124,052	105,174	17.95
Millwork, veneer, and plywood products	4,014	5,297	285,522	240,405	45,117	34	281,763	217,580	29.50
Miscellaneous wood products	23,418	33,580	1,341,614	1,335,573	6,041	51	1,223,626	1,686,925	- 27.46
Furniture and fixtures	3,161	2,019	81,492	81,492	—	37	48,594	36,311	33.82
Household furniture	*659	*378	*11,097	*11,097	—	*11	*4,754	*4,021	*18.23
Office and public building related furniture	*1,307	*567	*27,404	*27,404	—	*10	*27,404	*19,120	*43.33
Miscellaneous furniture, and fixtures	*1,194	*1,074	*42,990	*42,990	—	*16	*16,435	*13,171	*24.78
Paper and allied products	73,395	159,584	3,163,598	3,114,530	49,068	121	2,966,576	2,130,540	39.24
Pulp mills	25,879	82,059	1,349,892	1,349,892	—	14	1,349,892	964,300	39.99
Paper mills, except building paper mills	*4,465	*8,508	*276,939	*276,939	—	*13	*251,810	*178,150	*41.35
Paperboard mills	*13,744	*20,798	*477,525	*477,525	—	*9	*474,202	*303,007	*56.50
Converted paper products except containers and boxes	17,059	16,220	781,351	732,877	48,474	74	658,460	523,651	25.74
Paperboard containers, boxes and building paper	*12,247	*32,001	*277,892	*277,297	*594	*11	*232,213	*161,431	*43.84
Printing, publishing and allied products	13,831	25,360	393,624	391,604	*2,020	89	324,075	327,133	- .93
Periodicals: publishing, and printing	*3,915	*4,892	*65,262	*65,262	—	*10	*49,437	*53,793	*- 8.10
Books	6,875	17,475	256,540	256,540	—	52	236,590	244,012	- 3.04
Miscellaneous publishing	*656	*865	*11,050	*11,050	—	*16	*2,634	*1,917	*37.38
Commercial printing	*421	*433	*13,378	*13,378	—	*8	*8,209	*7,182	*14.30
Miscellaneous service industries for print trade	*1,963	*1,695	*47,392	*45,372	*2,020	3	27,206	20,229	34.49

Footnotes at end of table.

ALL RETURNS OF ACTIVE DOMESTIC INTERNATIONAL SALES CORPORATIONS

Table 2 — Assets, Receipts, Deductions, Income, and Distributions of the DISC, and Total Export Gross Receipts of the DISC, and Related U.S. Persons for Current and First-Preceding Years, by Major Product or Service.

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

Major product or service	Number of returns	Total assets	Qualified assets	Export property	Total liabilities	Total qualified and nonqualified receipts	Qualified export receipts from the sale of export property	Other qualified export receipts	Cost of sales and operations
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Manufactured products — Continued									
Chemicals and allied products	621	4,955,001	4,952,819	189,352	600,728	7,422,022	7,133,933	273,888	5,427,084
Industrial inorganic and organic chemicals	101	2,282,842	2,282,790	99,722	233,536	3,364,639	3,262,626	97,644	2,372,489
Plastics materials and manmade fibers	95	1,282,315	1,282,258	28,388	141,518	1,525,952	1,410,995	114,159	1,102,771
Drugs	43	356,946	356,231	17	46,050	272,742	251,431	19,643	143,384
Soap, detergents and cleaning preparations	81	74,609	74,595	2,319	6,212	61,906	59,646	2,260	25,112
Paints and allied products	53	61,653	61,637	10,612	10,939	128,437	126,309	1,756	95,086
Gum and wood chemicals	3	98,790	98,790	—	1,775	36,751	25,737	10,980	12,261
Agricultural chemicals	54	415,633	414,831	25,208	100,818	1,458,890	1,444,415	9,048	1,285,657
Miscellaneous chemical products	191	382,215	381,686	23,086	59,879	572,706	552,774	18,398	390,323
Petroleum refining and related products	*32	*84,878	*84,851	*136	*3,941	*50,448	*49,202	*1,246	*13,713
Paving and roofing materials	*8	*4,908	*4,908	—	*1,786	*10,620	*10,444	*176	*5,043
Miscellaneous products of petroleum and coal	*24	*79,970	*79,943	*136	*2,156	*39,828	*38,758	*1,070	*8,670
Rubber and miscellaneous plastics products	162	179,891	178,771	7,306	23,872	242,715	238,252	4,378	135,960
Tires and inner tubes	*15	*66,846	*66,843	—	*793	*30,479	*27,188	*3,291	*2,997
Fabricated rubber products, not elsewhere classified	29	26,986	26,986	—	3,837	57,421	57,166	254	33,213
Miscellaneous plastics products	118	86,059	84,942	7,306	19,242	154,815	153,897	834	99,751
Leather and leather products	79	158,284	158,113	4,583	110,600	705,599	704,509	833	672,941
Leather tanning and finishing	47	60,075	60,074	2,703	42,120	111,262	110,717	336	96,157
Footwear, except rubber	*6	*13,484	*13,484	—	*6,213	*25,137	*25,118	*19	*19,862
Leather gloves and mittens	*5	*691	*691	—	*604	*908	*908	—	*832
Luggage	*7	*8,666	*8,666	—	*79	*4,501	*4,501	—	—
Leather goods, not elsewhere classified	*13	*75,369	*75,199	*1,879	*61,585	*563,791	*563,266	*478	*556,091
Stone, clay, glass and concrete products	78	241,300	241,005	1,451	14,917	198,312	179,513	17,583	78,170
Flat glass, glass and glassware, pressed or blown	*4	*95,387	*95,092	*1,373	*8,963	*82,073	*73,936	*8,136	*42,949
Glass products, made or purchased glass	3	64,947	64,947	—	1,220	43,655	38,760	3,911	—
Cement, hydraulic	*5	*3,764	*3,764	—	*240	*2,948	*2,681	*267	*1,763
Structural clay products	*9	*3,628	*3,628	—	*311	*4,699	*4,629	*70	*1,377
Pottery and related products	*3	*3,775	*3,775	—	*162	*11,523	*11,442	*81	*9,000
Cut stone and stone products	*5	*2,562	*2,562	—	*27	*574	*322	*252	—
Abrasive, asbestos, miscellaneous mineral products	48	67,238	67,238	78	3,994	52,840	47,743	4,866	23,082
Primary metal products	281	473,235	472,513	29,164	76,180	932,390	906,664	19,531	652,244
Blast furnaces, steel works and finishing mills	19	95,212	94,635	—	1,828	40,796	35,688	4,780	—
Iron and steel foundries	*25	*45,255	*45,255	*737	*781	*20,603	*15,254	*5,192	*7,891
Primary smelting and refining of nonferrous metals	*13	*58,632	*58,632	—	*3,602	*44,081	*39,836	*4,246	*6,157
Secondary smelting and refining of nonferrous metals	*32	*31,207	*31,204	*4,067	*15,408	*79,473	*79,135	*313	*66,280
Rolling, drawing and extruding of nonferrous metals	*25	*30,549	*30,487	*34	*8,412	*20,523	*19,764	*476	*3,669
Miscellaneous primary metal products	166	212,381	212,301	24,326	46,150	726,913	716,987	4,524	568,249
Fabricated metal products, except ordnance, machinery and transportation equipment	773	994,072	990,381	72,972	138,078	1,695,472	1,623,180	34,810	1,181,108
Metal cans	3	13,677	13,672	—	545	6,352	5,153	1,042	—
Cutlery, hand tools and general hardware	89	57,739	56,807	2,499	8,417	98,062	95,986	2,028	59,338
Heating apparatus and plumbing fixtures	84	48,881	48,804	2,289	8,974	72,871	70,955	1,299	46,992
Fabricated structural metal products	125	112,500	112,337	3,325	11,237	209,108	204,579	4,046	143,786
Screw machine products	*29	*20,845	*20,845	*1,810	*7,023	*46,010	*45,519	*490	*31,916
Metal stampings	40	16,426	16,426	—	3,306	15,988	15,098	889	8,627
Coating, engraving and allied services	*13	*21,357	*21,357	—	*754	*8,095	*7,022	*1,072	*1,499
Miscellaneous fabricated wire products	*23	*18,802	*18,802	*595	*3,350	*54,367	*53,885	*146	*45,187
Miscellaneous fabricated metal products	367	683,845	681,331	62,455	94,473	1,184,620	1,124,981	23,797	843,762
Machinery except electrical	1,448	5,985,491	5,975,549	248,896	988,503	5,776,234	5,363,153	366,676	3,281,170
Engines and turbines	35	1,420,684	1,420,684	63,724	119,644	1,403,411	1,311,120	92,123	832,383
Farm machinery and equipment	130	241,179	240,878	1,717	63,362	257,048	244,054	12,685	169,060
Construction and mining machinery	254	1,679,727	1,675,254	85,248	421,938	1,879,751	1,730,518	109,055	1,258,203
Metalworking machinery and equipment	129	194,025	193,853	31,394	53,517	121,251	114,411	6,738	53,448
Special industry machinery, except metalwork	397	778,788	776,946	21,428	144,782	837,154	800,627	35,026	454,999
General industry machinery and equipment	115	360,077	359,714	9,841	90,495	358,835	338,070	20,460	184,134
Office, computing and accounting machines	69	824,919	822,362	—	10,588	350,806	277,947	70,121	26,261
Service industry machines	*11	*13,130	*13,128	*186	*2,169	*37,267	*36,761	*263	*27,533
Miscellaneous machinery, except electrical	308	472,963	472,729	35,358	82,007	530,712	509,643	20,205	275,149
Electrical machinery, equipment and supplies	1,354	3,329,776	3,323,272	100,164	425,148	4,216,327	3,986,339	220,614	2,569,733
Electric transmission and distribution equipment	45	529,794	528,838	329	8,295	309,251	236,304	72,624	69,489
Electrical industrial apparatus	115	139,208	138,460	3,894	21,697	221,950	219,110	1,488	151,677
Household appliances	50	260,271	260,270	4,844	30,788	295,990	282,134	11,880	188,350
Electric lighting and wiring equipment	*27	*13,695	*13,603	*1,258	*3,306	*34,146	*33,354	*783	*27,047
Radio and television sets, except communication	*18	*53,341	*53,099	*1,034	*11,606	*58,205	*57,339	*483	*30,760
Communication equipment	153	377,315	375,854	2,078	27,676	377,584	345,698	31,443	200,950
Electronic components and accessories	529	1,224,342	1,222,740	19,300	150,234	1,537,630	1,463,310	73,277	928,460
Miscellaneous electrical machinery, equipment and supplies	418	731,810	730,407	67,427	171,547	1,381,570	1,349,090	28,636	973,000
Transportation equipment	441	4,563,759	4,559,396	950,797	637,804	7,921,997	7,631,940	217,321	5,857,857
Motor vehicles and motor vehicle equipment	219	1,837,354	1,836,590	32,073	143,920	962,015	846,688	82,152	441,702
Aircraft and parts	171	2,592,364	2,591,165	917,876	473,415	6,778,688	6,609,983	133,502	5,329,076
Ship and boat building and repairing	*18	*76,523	*74,123	—	*1,795	*70,115	*65,510	*308	*1,575
Railroad equipment	*9	*10,528	*10,528	—	*559	*16,504	*16,102	*342	*8,916
Motorcycles, bicycles and parts	*3	*665	*665	—	*11	*647	*647	—	—
Miscellaneous transportation equipment	*20	*46,325	*46,325	*848	*18,105	*94,027	*93,010	*1,017	*76,589
Professional, scientific, controlling instruments; photographic and optical goods; watches and clocks	439	1,955,681	1,947,298	12,218	96,744	2,428,462	2,311,577	91,955	1,654,834
Engineering, laboratory and scientific equipment	123	367,816	367,805	1,848	27,573	226,446	220,124	6,306	52,949
Instruments for measuring physical characteristics	127	242,879	240,326	2,866	32,401	218,437	206,913	10,690	95,150
Optical instruments and lenses	*19	*17,268	*17,268	*185	*1,746	*22,537	*21,789	*748	*13,946
Surgical, medical, dental instruments and supplies	117	190,285	190,285	5,571	23,746	217,550	208,463	9,035	119,723
Ophthalmic goods	*12	*26,157	*26,150	—	*2,719	*34,447	*33,858	*588	*17,833
Photographic equipment and supplies	41	1,111,274	1,105,463	1,747	8,560	1,709,045	1,620,431	64,587	1,355,233
Miscellaneous manufactured products and manufactured products not allocable	545	485,146	476,093	30,399	93,266	882,898	863,890	15,084	632,058
Jewelry, silverware, and plated ware	*25	*9,874	*9,874	*1,386	*795	*15,705	*15,610	*95	*9,070
Musical instruments	*28	*13,424	*13,424	*628	*2,803	*17,151	*16,943	*205	*9,936
Toys, amusement, sporting and athletic goods	70	122,273	122,273	3,696	21,368	274,046	270,197	3,252	221,840
Pens, pencils, and office materials	*22	*21,009	*21,009	*643	*3,074	*57,937	*57,118	*265	*43,004
Costume jewelry, novelties and buttons	*13	*5,904	*5,904	*170	*2,106	*17,428	*17,283	*106	*14,114
Miscellaneous manufactured products	386	312,662	303,608	23,877	63,120	500,631	486,738	11,161	334,094

Footnotes at end of table.

ALL RETURNS OF ACTIVE DOMESTIC INTERNATIONAL SALES CORPORATIONS

Table 2 — Assets, Receipts, Deductions, Income, and Distributions of the DISC, and Total Export Gross Receipts of the DISC, and Related U.S. Persons for Current and First-Preceding Years, by Major Product or Service.

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

Major product or service	Total export promotion and other expenses	Export promotion expenses	Net income (less deficit)	Net income	Deficit	DISC taxable income	Taxable income attributable to base period export gross receipts	Adjusted DISC income subject to deferral computation	Total amount deemed distributed
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Manufactured products — Continued									
Chemicals and allied products	508,105	219,224	1,486,833	1,488,334	1,501	1,488,284	339,624	1,091,010	943,192
Industrial inorganic and organic chemicals	282,488	112,089	709,662	709,662	(1)	709,662	159,564	507,452	455,992
Plastics materials and manmade fibers	89,566	35,578	333,615	333,615	—	333,615	80,295	251,647	208,153
Drugs	14,507	5,654	114,850	115,030	180	115,030	29,600	77,878	76,091
Soap, detergents and cleaning preparations	7,454	5,549	29,340	29,340	—	29,296	5,723	23,473	17,559
Paints and allied products	13,267	8,407	20,084	20,132	48	20,126	4,370	15,530	12,361
Gum and wood chemicals	559	549	23,930	23,930	—	23,930	8,522	15,204	16,328
Agricultural chemicals	42,156	22,195	131,076	131,419	343	131,419	24,900	102,765	80,037
Miscellaneous chemical products	58,108	29,203	124,275	125,206	931	125,206	26,649	97,061	76,670
Petroleum refining and related products	*5,497	*5,129	*31,238	*31,239	*(1)	*31,239	*5,496	*25,616	*18,431
Paving and roofing materials	*3,301	*3,086	*2,276	*2,276	—	*2,276	*67	*2,209	*1,172
Miscellaneous products of petroleum and coal	*2,196	*2,044	*28,962	*28,962	*(1)	*28,962	*5,428	*23,407	*17,259
Rubber and miscellaneous plastics products	33,015	15,926	73,739	73,739	—	69,881	11,897	57,157	41,357
Tires and inner tubes	*424	*10	*27,058	*27,058	—	*27,058	*6,625	*19,977	*17,123
Fabricated rubber products, not elsewhere classified	6,682	4,206	17,526	17,526	—	13,668	3,107	10,398	8,469
Miscellaneous plastics products	25,909	11,710	29,155	29,155	—	29,155	2,165	26,782	15,764
Leather and leather products	16,797	8,316	15,861	16,416	555	16,416	2,719	13,392	9,720
Leather tanning and finishing	7,336	3,293	7,769	7,770	1	7,770	967	6,518	4,512
Footwear, except rubber	*2,110	*745	*3,166	*3,166	—	*3,166	*494	*2,652	*1,840
Leather gloves and mittens	*17	*17	*59	*59	—	*59	—	*59	*29
Luggage	*13	—	*4,488	*4,488	—	*4,488	*1,102	*3,385	*2,795
Leather goods, not elsewhere classified	*7,321	*4,261	*380	*934	*554	*934	*155	*778	*545
Stone, clay, glass and concrete products	35,113	18,078	85,028	85,028	—	85,028	18,697	65,554	52,251
Flat glass, glass and glassware, pressed or blown	*9,988	*3,450	*29,135	*29,135	—	*29,135	*6,396	*22,740	*17,765
Glass products, made or purchased glass	17,536	9,601	26,119	26,119	—	26,119	5,118	21,001	15,619
Cement, hydraulic	*152	*79	*1,033	*1,033	—	*1,033	—	*1,033	*516
Structural clay products	*432	*147	*2,890	*2,890	—	*2,890	—	*2,843	*1,469
Pottery and related products	*1,002	*921	*1,520	*1,520	—	*1,520	*232	*1,260	*890
Cut stone and stone products	*56	—	*519	*519	—	*519	—	*267	*385
Abrasive, asbestos, miscellaneous mineral products	5,947	3,881	23,812	23,812	—	23,812	6,951	16,412	15,606
Primary metal products	91,861	25,579	188,284	188,418	134	188,417	34,571	148,836	113,999
Blast furnaces, steel works and finishing mills	2,384	2,350	38,412	38,412	—	38,412	10,793	27,285	24,769
Iron and steel foundries	*1,927	*1,879	*10,785	*10,785	—	*10,785	*2,300	*5,583	*7,994
Primary smelting and refining of nonferrous metals	*52	*52	*37,873	*37,873	—	*37,873	*3,087	*34,777	*20,484
Secondary smelting and refining of nonferrous metals	*6,484	*3,061	*6,710	*6,710	—	*6,710	*1,742	*4,861	*4,280
Rolling, drawing and extruding of nonferrous metals	*1,408	*1,115	*15,446	*15,446	—	*15,446	*1,064	*14,083	*8,405
Miscellaneous primary metal products	79,607	17,122	79,058	79,191	134	79,191	15,585	62,247	48,067
Fabricated metal products, except ordnance, machinery and transportation equipment	139,961	88,747	374,402	375,483	1,081	375,151	77,207	290,526	230,241
Metal cans	(1)	—	6,352	6,352	—	6,352	1,604	4,748	3,978
Cutlery, hand tools and general hardware	18,946	16,817	19,778	19,784	6	19,784	3,397	15,464	12,053
Heating apparatus and plumbing fixtures	5,936	4,410	19,943	19,943	—	19,943	3,867	15,762	12,062
Fabricated structural metal products	11,352	7,692	53,970	54,090	120	54,090	8,950	43,164	32,650
Screw machine products	*2,916	*2,540	*11,177	*11,177	—	*11,177	*1,941	*9,172	*6,396
Metal stampings	1,310	1,056	6,050	6,050	—	6,050	1,449	4,235	3,933
Coating, engraving and allied services	*137	*(1)	*6,458	*6,458	—	*6,458	*1,418	*4,910	*4,003
Miscellaneous fabricated wire products	*4,175	*2,725	*5,005	*5,005	—	*5,005	*1,668	*3,264	*3,373
Miscellaneous fabricated metal products	95,188	53,507	245,669	246,624	954	246,292	52,913	189,808	151,793
Machinery except electrical	432,226	291,664	2,062,838	2,065,952	3,114	2,065,888	533,092	1,465,636	1,333,027
Engines and turbines	20,391	7,750	550,637	550,637	—	550,600	147,311	374,165	363,518
Farm machinery and equipment	22,031	15,032	65,957	66,499	541	66,499	16,639	48,612	42,193
Construction and mining machinery	130,315	97,492	491,234	493,611	2,377	493,611	144,269	337,329	324,946
Metalworking machinery and equipment	11,047	10,259	56,756	56,756	—	56,756	16,962	38,566	37,408
Special industry machinery, except metalwork	81,391	43,545	300,764	300,838	74	300,822	66,984	229,564	186,040
General industry machinery and equipment	56,590	26,884	118,111	118,115	5	118,115	29,703	86,616	74,828
Office, computing and accounting machines	7,337	2,199	317,207	317,207	—	317,207	74,194	242,020	196,197
Service industry machines	*3,637	*2,924	*6,098	*6,098	—	*6,098	*732	*5,366	*3,415
Miscellaneous machinery, except electrical	99,488	85,578	156,074	156,191	117	156,180	36,299	103,398	104,482
Electrical machinery, equipment and supplies	364,511	235,293	1,282,082	1,282,311	229	1,281,970	248,158	961,111	802,169
Electric transmission and distribution equipment	23,672	14,702	216,090	216,090	—	216,003	51,517	140,492	145,925
Electrical industrial apparatus	18,363	15,727	51,910	52,009	99	52,009	10,332	40,713	31,652
Household appliances	31,609	14,219	76,031	76,032	1	76,032	23,266	52,552	49,756
Electric lighting and wiring equipment	*2,019	*1,987	*5,080	*5,080	—	*5,080	*908	*4,171	*2,994
Radio and television sets, except communication	*13,402	*12,898	*14,043	*14,043	—	*14,043	*5,018	*9,025	*9,531
Communication equipment	28,959	16,102	147,675	147,692	17	147,631	32,970	105,647	94,810
Electronic components and accessories	105,681	62,138	503,489	503,490	(1)	503,295	78,590	397,090	304,729
Miscellaneous electrical machinery, equipment and supplies	140,806	97,520	267,764	267,876	112	267,876	45,556	211,421	162,772
Transportation equipment	292,643	260,931	1,771,496	1,772,117	621	1,769,561	368,437	1,255,058	1,142,150
Motor vehicles and motor vehicle equipment	69,443	52,149	450,870	451,386	516	449,141	144,821	286,188	306,204
Aircraft and parts	217,343	203,875	1,232,269	1,232,373	105	1,232,063	214,574	891,341	786,353
Ship and boat building and repairing	*74	—	*68,466	*68,466	—	*68,466	*3,785	*63,429	*36,752
Railroad equipment	*2,467	*2,443	*5,121	*5,121	—	*5,121	*1,468	*3,490	*3,376
Motorcycles, bicycles and parts	*1	—	*647	*647	—	*647	—	*647	*323
Miscellaneous transportation equipment	*3,315	*2,463	*14,123	*14,123	—	*14,123	*3,788	*9,963	*9,142
Professional, scientific, controlling instruments; photographic and optical goods; watches and clocks	83,098	61,977	690,529	690,529	(1)	690,527	139,689	516,236	432,410
Engineering, laboratory and scientific equipment	14,685	10,450	158,812	158,812	—	158,812	21,414	135,969	90,828
Instruments for measuring physical characteristics	33,517	22,046	89,770	89,770	(1)	89,768	16,015	68,579	55,478
Optical instruments and lenses	*3,135	*1,617	*5,456	*5,456	—	*5,456	*841	*3,906	*3,503
Surgical, medical, dental instruments and supplies	24,578	21,779	73,250	73,250	—	73,250	12,303	59,976	43,263
Ophthalmic goods	*4,736	*4,239	*11,878	*11,878	—	*11,878	*2,707	*9,169	*7,293
Photographic equipment and supplies	2,447	1,847	351,364	351,364	—	351,364	86,409	238,639	232,045
Miscellaneous manufactured products and manufactured products not allocable	101,851	48,926	148,989	152,299	3,310	152,299	30,141	119,137	92,727
Jewelry, silverware, and plated ware	*1,810	*251	*4,825	*4,825	—	*4,825	*396	*4,344	*2,653
Musical instruments	*3,648	*1,950	*3,566	*3,566	—	*3,566	*539	*3,023	*2,051
Toys, amusement, sporting and athletic goods	11,218	3,245	40,988	40,988	(1)	40,988	9,511	31,429	25,273
Pens, pencils, and office materials	*8,044	*4,305	*6,889	*6,889	—	*6,889	*2,703	*4,187	*4,796
Costume jewelry, novelties and buttons	*1,828	*1,570	*1,486	*1,592	*107	*1,592	*105	*1,382	*902
Miscellaneous manufactured products	75,302	37,606	91,235	94,438	3,203	94,438	16,887	[illegible]	57,052

Footnotes at end of table.

ALL RETURNS OF ACTIVE DOMESTIC INTERNATIONAL SALES CORPORATIONS

Table 2 — Assets, Receipts, Deductions, Income, and Distributions of the DISC, and Total Export Gross Receipts of the DISC, and Related U.S. Persons for Current and First-Preceding Years, by Major Product or Service.

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

Major product or service	Tax deferred income	Total amount actually distributed	Current year total export gross receipts of DISC and related U.S. persons			Full-year returns with first-preceding year export gross receipts of DISC and related U.S. persons			
			Total amount	DISC's	All related U.S. persons except DISC's	Number of returns	Current year receipts	First-preceding year receipts	Percent increase (decrease) current over first-preceding year receipts
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)
Manufactured products — Continued									
Chemicals and allied products	545,266	801,789	18,029,472	16,727,710	1,301,761	468	17,608,171	15,664,763	12.41
Industrial inorganic and organic chemicals	253,670	436,699	6,862,304	6,781,892	80,412	78	6,793,126	6,360,553	6.80
Plastics materials and manmade fibers	125,635	168,695	4,521,066	4,179,402	341,664	65	4,406,733	3,771,763	16.83
Drugs	38,939	48,877	995,026	835,715	159,311	31	984,810	697,657	41.16
Soap, detergents and cleaning preparations	11,736	13,160	273,781	273,781	—	51	205,190	202,490	1.33
Paints and allied products	7,765	11,610	173,023	173,023	—	53	173,023	150,893	14.67
Gum and wood chemicals	7,602	1,209	224,524	224,524	—	3	224,524	209,331	7.26
Agricultural chemicals	51,382	73,019	2,533,783	2,475,883	57,900	43	2,495,107	2,024,587	23.24
Miscellaneous chemical products	48,536	48,520	2,445,965	1,783,490	662,475	144	2,325,659	2,247,489	3.48
Petroleum refining and related products	*12,808	*8,301	*343,958	*318,833	*25,125	*21	*338,527	*305,743	*10.72
Paving and roofing materials	*1,104	*1,310	*10,444	*10,444	—	*3	*6,825	*4,961	*37.60
Miscellaneous products of petroleum and coal	*11,703	*6,991	*333,514	*308,389	*25,125	*18	*331,701	*300,782	*10.28
Rubber and miscellaneous plastics products	28,525	25,735	1,085,173	1,084,719	453	123	910,872	733,413	24.20
Tires and inner tubes	*9,935	*8,492	*512,779	*512,779	—	*15	*512,779	*405,246	*26.54
Fabricated rubber products, not elsewhere classified	5,199	6,902	165,213	165,213	—	*21	*132,128	*97,978	*34.85
Miscellaneous plastics products	13,391	10,341	407,181	406,728	453	86	265,966	230,190	15.54
Leather and leather products	6,696	7,928	843,307	837,126	6,181	66	839,873	1,023,647	-17.95
Leather tanning and finishing	3,259	3,294	205,401	199,220	6,181	41	205,401	188,483	8.98
Footwear, except rubber	*1,326	*1,057	*35,137	*35,137	—	**	*32,611	*25,111	*29.87
Leather gloves and mittens	*29	—	*908	*908	—	—	—	—	—
Luggage	*1,693	*3,537	*38,594	*38,594	—	**	*38,594	*36,294	*6.34
Leather goods, not elsewhere classified	*389	*39	*563,266	*563,266	—	*13	*563,266	*773,759	*-27.20
Stone, clay, glass and concrete products	32,777	36,971	923,010	881,896	41,114	56	856,668	758,772	12.90
Flat glass, glass and glassware, pressed or blown	*11,370	*10,682	*268,579	*268,579	—	**	*265,067	*266,896	*-0.69
Glass products, made or purchased glass	10,500	11,273	292,692	292,692	—	**	292,692	214,515	36.44
Cement, hydraulic	*516	*342	*2,681	*2,681	—	*5	*2,681	*1,515	*76.92
Structural clay products	*1,422	*1,605	*35,001	*35,001	—	*5	*2,195	*4,357	*-49.61
Pottery and related products	*630	—	*11,442	*11,442	—	*3	*11,442	*8,662	*32.08
Cut stone and stone products	*133	—	*322	*322	—	*5	*322	*287	*12.42
Abrasive, asbestos, miscellaneous mineral products	8,206	13,070	312,294	271,180	41,114	31	282,270	262,541	7.51
Primary metal products	74,418	100,929	3,295,355	3,261,916	33,439	202	2,968,877	2,181,034	36.12
Blast furnaces, steel works and finishing mills	13,642	33,621	651,181	645,094	6,088	**	622,058	472,922	31.53
Iron and steel foundries	*2,792	*10,866	*343,376	*338,879	*4,497	**	*343,376	*297,975	*15.24
Primary smelting and refining of nonferrous metals	*17,388	*12,974	*380,935	*380,935	—	*7	*378,600	*214,686	*76.35
Secondary smelting and refining of nonferrous metals	*2,431	*2,657	*131,103	*131,103	—	*16	*89,522	*112,775	*-20.62
Rolling, drawing and extruding of nonferrous metals	*7,042	*6,405	*221,931	*220,487	*1,444	*19	*220,970	*132,240	*67.10
Miscellaneous primary metal products	31,123	34,405	1,566,829	1,545,419	21,411	118	1,314,352	950,434	38.29
Fabricated metal products, except ordnance, machinery and transportation equipment	144,913	169,541	4,299,539	4,264,412	35,127	599	4,062,091	3,498,449	16.11
Metal cans	2,374	2,640	133,771	133,771	—	3	133,771	121,403	10.19
Cutlery, hand tools and general hardware	7,732	9,510	215,258	212,061	3,196	77	194,814	219,997	-11.45
Heating apparatus and plumbing fixtures	7,881	7,642	243,548	236,977	6,571	54	220,582	197,250	11.83
Fabricated structural metal products	21,440	23,520	574,396	560,109	14,286	89	535,043	454,707	17.67
Screw machine products	*4,781	*3,269	*82,183	*82,183	—	*24	*71,878	*48,124	*49.36
Metal stampings	2,117	2,029	78,779	77,829	951	*24	*68,923	*41,774	*64.99
Coating, engraving and allied services	*2,455	*3,459	*69,986	*69,986	—	*13	*69,986	*78,365	*-10.69
Miscellaneous fabricated wire products	*1,632	*2,745	*67,633	*67,633	—	*23	*67,633	*58,173	*16.26
Miscellaneous fabricated metal products	94,502	114,728	2,833,985	2,823,864	10,122	292	2,699,462	2,278,657	18.47
Machinery except electrical	732,861	997,989	27,485,256	25,548,595	1,936,661	1,135	26,485,524	26,217,058	1.02
Engines and turbines	187,083	185,502	7,243,653	6,156,863	1,086,789	28	7,043,678	5,230,957	34.65
Farm machinery and equipment	24,306	46,589	1,341,110	1,246,986	94,124	100	1,313,832	6,180,160	-78.74
Construction and mining machinery	168,665	242,516	7,991,281	7,573,894	417,386	192	7,706,451	6,291,207	22.50
Metalworking machinery and equipment	19,348	33,030	752,426	729,178	23,248	109	695,941	559,593	24.37
Special industry machinery, except metalwork	114,781	150,180	3,575,686	3,466,859	108,827	337	3,328,357	2,735,194	21.69
General industry machinery and equipment	43,288	66,058	1,471,113	1,466,523	4,590	70	1,431,240	1,109,808	28.96
Office, computing and accounting machines	121,010	186,795	3,099,044	2,912,029	187,015	47	3,047,476	2,617,979	16.41
Service industry machines	*2,683	*2,651	*56,542	*56,239	*303	*11	*56,542	*58,041	*-2.58
Miscellaneous machinery, except electrical	51,698	84,667	1,954,401	1,940,023	14,378	241	1,862,007	1,434,120	29.84
Electrical machinery, equipment and supplies	479,801	534,360	14,452,869	14,360,181	92,689	1,006	13,614,085	10,876,303	25.17
Electric transmission and distribution equipment	70,078	114,110	1,791,766	1,791,668	98	36	1,758,452	1,273,931	38.03
Electrical industrial apparatus	20,356	20,740	763,768	763,762	6	80	705,638	527,285	33.82
Household appliances	26,276	32,738	1,259,915	1,211,204	48,711	36	1,219,648	1,090,125	11.88
Electric lighting and wiring equipment	*2,086	*3,890	*54,976	*54,976	—	*14	*40,317	*38,498	*4.73
Radio and television sets, except communication	*4,513	*1,462	*149,795	*149,795	—	*7	*141,535	*89,239	*58.60
Communication equipment	52,821	74,039	1,648,894	1,645,168	3,725	120	1,561,265	1,416,870	10.19
Electronic components and accessories	198,567	180,039	5,600,556	5,564,272	36,284	416	5,447,408	4,180,384	30.31
Miscellaneous electrical machinery, equipment and supplies	105,104	107,342	3,183,201	3,179,336	3,865	297	2,739,822	2,259,973	21.23
Transportation equipment	627,412	1,353,206	24,769,519	21,795,893	2,973,626	319	24,516,793	23,254,276	5.43
Motor vehicles and motor vehicle equipment	142,938	549,846	12,222,642	11,140,614	1,082,029	141	12,078,685	13,071,233	-7.59
Aircraft and parts	445,710	751,565	11,843,763	9,952,166	1,891,598	133	11,787,564	9,687,269	21.68
Ship and boat building and repairing	*31,714	*41,594	*491,610	*491,610	—	**	*453,774	*337,911	*34.29
Railroad equipment	*1,745	*2,769	*56,859	*56,859	—	*9	*56,859	*64,290	*-11.56
Motorcycles, bicycles and parts	*323	—	*7,497	*7,497	—	—	—	—	—
Miscellaneous transportation equipment	*4,982	*7,432	*147,146	*147,146	—	**	*139,910	*93,571	*49.52
Professional, scientific, controlling instruments; photographic and optical goods; watches and clocks	258,117	281,931	6,051,285	6,026,606	24,679	310	5,822,210	4,621,790	25.97
Engineering, laboratory and scientific equipment	67,984	55,851	1,603,084	1,599,076	4,008	85	1,559,576	1,085,766	43.64
Instruments for measuring physical characteristics	34,289	35,296	907,440	906,710	730	93	803,376	642,769	24.99
Optical instruments and lenses	*1,953	*1,870	*41,173	*41,173	—	*14	*39,758	*40,816	*-2.59
Surgical, medical, dental instruments and supplies	29,987	31,341	784,876	770,581	14,294	89	749,746	619,201	21.08
Ophthalmic goods	*4,584	*6,226	*141,127	*141,127	—	*12	*141,127	*124,100	*13.72
Photographic equipment and supplies	119,319	151,346	2,573,586	2,567,938	5,647	*17	*2,528,628	*2,109,139	*19.89
Miscellaneous manufactured products and manufactured products not allocable	59,571	79,363	2,168,736	2,060,458	108,278	380	1,901,735	1,849,598	2.82
Jewelry, silverware, and plated ware	*2,172	*1,835	*82,637	*82,637	—	*25	*82,637	*53,437	*54.65
Musical instruments	*1,515	*1,740	*80,711	*80,711	—	*17	*69,517	*59,079	*17.67
Toys, amusement, sporting and athletic goods	15,714	12,703	558,746	479,446	79,300	42	539,023	477,257	12.94
Pens, pencils, and office materials	*2,093	*3,888	*82,592	*67,597	*14,995	**	*82,210	*84,342	*-2.53
Costume jewelry, novelties and buttons	*691	*874	*21,725	*21,725	—	**	*20,820	*20,461	*1.75
Miscellaneous manufactured products	37,386	58,323	1,342,325	1,328,342	13,983	266	1,107,528	1,155,023	-4.11

*Estimate should be used with caution because of the small number of sample returns on which it was based.
**Data deleted to avoid disclosure of information for specific corporations.
[1]Less than $500.
Note: Detail may not add to total because of rounding.

Projections of Returns to be Filed in Fiscal Years 1984-1991

By Richard Fratanduono and Patrick O'Keefe*

The number of tax returns and supplemental documents filed with the IRS in Fiscal Year (FY) 1984 is projected to be 175.4 million, an increase of 2.2 percent over the estimated 171.5 million 1983 filings [1]. This growth rate is up significantly from the 0.7 percent increase which was projected for 1983. Fiscal Year 1985 and 1986 growth rates are even more substantial at 3.7 and 3.2 percent, respectively.

Individual income tax returns, which represent the principal component of all returns filed, are projected to grow by 1.8 percent from 1983 to 1984, 3.6 percent from 1984 to 1985, and 2.9 percent from 1985 to 1986. These increases reflect the expectation of a continued upturn in the economy and marked growth in projected employment. Following a forecasted growth pause in employment in 1986 (Filing Year 1987), total tax returns and supplemental documents are projected to increase by an average of 2.7 percent per year through FY 1991. However, individual income tax returns are expected to rise at a slightly slower average rate of 2.1 percent.

Returns projections are based on either econometric models involving independent economic and demographic variables, or observed trends extrapolated over time [2]. The models, which are developed on a calendar year basis, are revised annually to incorporate the current economic outlook as well as the most recent experience in return filing patterns.

The basic assumption of the employment projections is that the rate of growth of the money supply will be managed in a fashion that will accommodate a robust economic recovery and maintain reasonable control of inflation through 1985. After a growth pause in 1986 the economy is expected to regain momentum, primarily because lower projected inflation and wage growth from 1987 through 1991 should foster a climate of stable but moderate economic growth.

GENERAL SUMMARY

The projected number of returns to be filed in 1984 and later years consists of primary returns, supplemental documents, and returns which are not part of the master file system. The approximately 163 million primary returns actually filed in 1982 generated most of the IRS processing workload. Included were such returns as Forms 1040 and 1040A, U.S. Individual Income Tax Returns; Form 1040ES, Individual Declaration of Estimated Tax; Form 1120, U.S. Corporation Income Tax Return; and Form 941, Employers Quarterly Federal Tax Return.

The supplemental documents which were filed consisted primarily of amended returns and requests for filing extensions from both individuals and corporations. For 1982 the 55,000 returns which were not part of the master file included a variety of small-volume returns such as Employer's Monthly and Quarterly Tax Returns and Quarterly Federal Excise Tax Returns. However, approximately 600 million information documents were not included in any of these categories. Such forms included Form 1099, which is used for the reporting of interest and dividend income by its payers.

Average annual percent changes for the various returns series are illustrated in Figure A. Figure B shows the total number of returns in different categories.

The projections for 1984 and the rate of change from 1983 to 1984 are as follows:

Type of Return	1984 Projection (000)	Change From 1983 %
Total	175,356	2.2
Individual	96,269	1.8
Individual Declarations	34,340	2.8
Fiduciary	2,042	2.7
Partnership	1,666	3.3
Corporation	3,187	3.9
Estate and Gift	194	-3.0
Employment	26,442	1.7
Exempt Organization	435	-6.3
Employee Plans	1,053	-0.7
Alcohol, Tobacco, and Firearms	571	-2.1
Excise	869	2.4
Selected Supplemental Documents	8,244	7.9
Non-Master File	44	2.3

INDIVIDUAL INCOME TAX RETURNS

Projections of Forms 1040, 1040A, and 1040EZ prepared this year have a different 1984-1990 growth path than the same projections formulated last year. Last year's estimates for Fiscal Years 1984 through 1987 have been adjusted downward because of the unexpected length of the recession. The projections for Fiscal Years 1988 through 1990 are higher than those made last year because employment is currently forecasted to increase by 6.4 percent between 1986 and 1989 (Filing Years 1987-1990), rather than the 4.7 percent rise previously forecasted [3].

In addition to the adjustment in the growth path, there was a downward shift made to the previously forecasted level of these returns because of the

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Figure A
Projected Average Annual Percentage Change in the Number of Returns Processed, 1982-1991

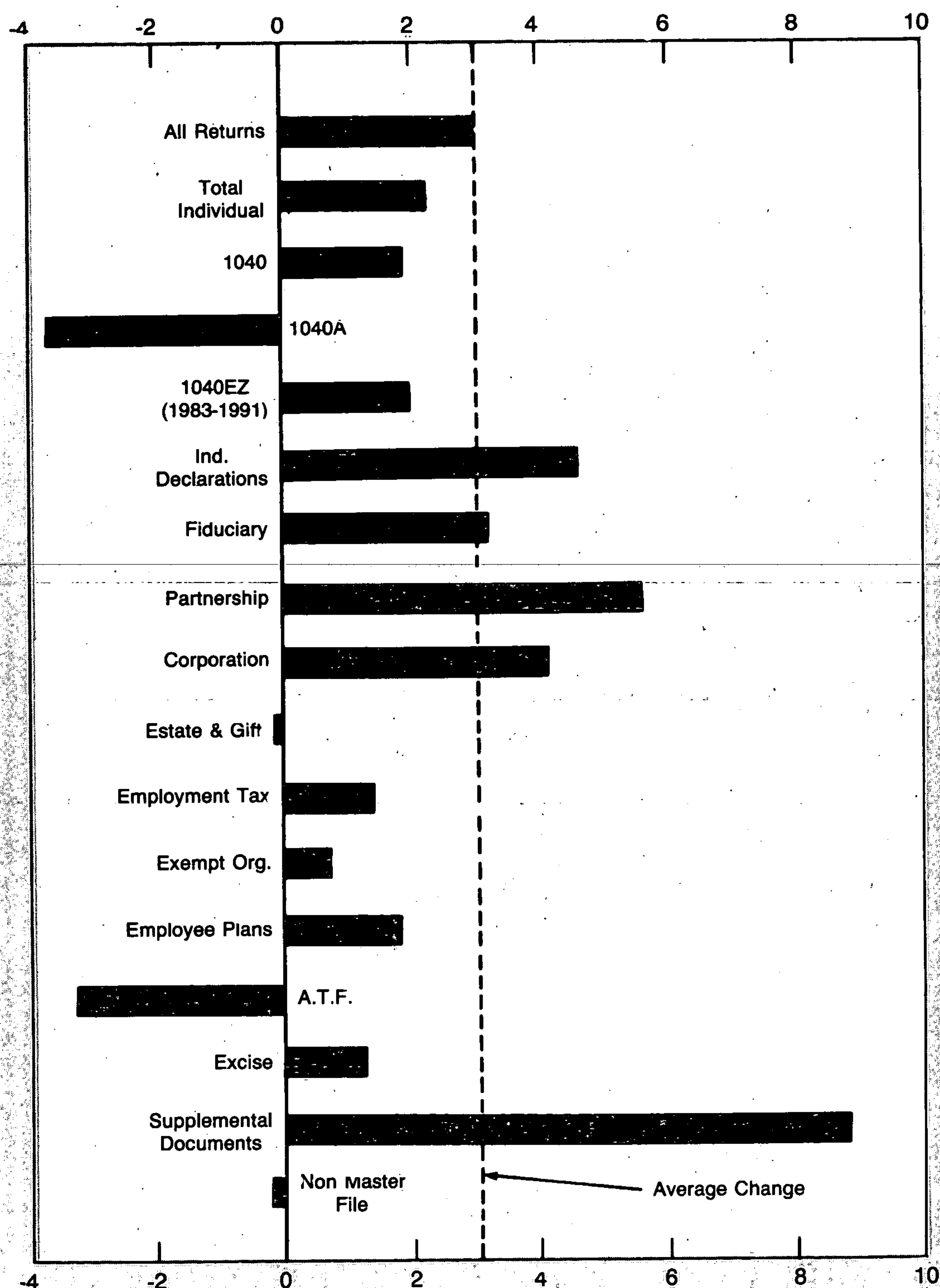
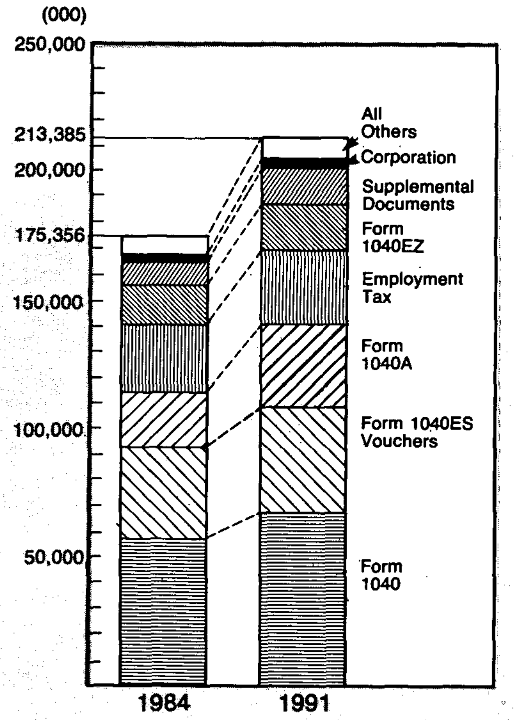


Figure B
Number of Returns by Type—1984 and 1991



repeal of the interest and dividend withholding requirement provision of the Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982. The 1984-1990 projections made last year included approximately 200,000 additional annual return filings as an estimate of the effect of TEFRA, which required a 10 percent rate of withholding on payments of interest and dividend income to begin on July 1, 1983.

Projections for Form 1040 were made by extrapolating the historical proportion of Form 1040 to the total 1040 series (Forms 1040, 1040A, and 1040EZ) using a 3-period moving average. After completion of this procedure the final allocations of the total 1040 series projections between Form 1040 and 1040A were developed by estimating the impact of anticipated program changes. For instance, many taxpayers will become eligible to file Form 1040A in Filing Year 1984 due to the inclusion of two new lines on the form. The lines will allow for a deduction from income for contributions to an Individual Retirement Account and for the child care credit. Based on an analysis of Tax Year 1982 returns filings, it is expected that 900,000 taxpayers will shift from filing Form 1040 to 1040A in 1984 and 1.4 million in subsequent years.

The projection of 15.9 million Forms 1040EZ to be filed in FY 84 was based on a potential filer base derived from studies conducted by the Internal Audit Division of IRS and data from the Taxpayer Usage Study conducted for Tax Year 1982 [4]. An estimated 80 percent of the potential filer base will file Form 1040EZ in 1983. The potential filer base for 1985-1991 was projected by correlating potential filers of Form 1040EZ with forecasts of employment of persons in the 16-24 years age group. This group is believed to be most representative of potential filers of Form 1040EZ because of the size and source of their income, marital status, and lack of itemized deductions. The 80 percent usage ratio employed for the 1983 estimate was assumed to grow by five percentage points each year through 1986, at which point it will stablize at 95 percent of potential.

OTHER TAX RETURN FILINGS

Individual Declarations Of Estimated Tax

Projections of Form 1040ES, Individual Declarations of Estimated Tax, are moderately higher than those made last year. Increases from levels projected last year range from one to four percent.

The revised projections are largely the result of an amended estimate of the effect of a provision in the Economic Recovery Tax Act of 1981 which raised the filing threshold for Form 1040ES filers by $100 annually until reaching $500 in 1985. The greatest changes are expected to occur in Fiscal Years 1985 and 1986, during which an additional one million ES vouchers are forecast. Projected increases in income not subject to withholding such as interest, dividends and rent are expected to contribute to the increased filings of individual declarations through the remainder of the decade.

Fiduciary

Fiduciary returns, Form 1041, traditionally have been projected as a function of time and current dollar personal income. Because of the lower rate of inflation expected throughout the remainder of the decade, current dollar personal income is expected to be much lower than previously forecast. This change caused a significant decrease in the FY 1983 fiduciary returns projections. The decline in projections, this year compared to those made last year, vary from 5.5 percent in 1983, to 8.7 percent in 1986, to 12.9 percent in 1990.

Partnership

The 1983 projections of Form 1065, partnership returns, have been adjusted upward, both in level and in growth rate, from the 1982 projections. The 1983-1990 forecasted rate of growth has risen from 21.6 percent to 45.7 percent. These adjustments are a direct result of heightened taxpayer awareness of the numerous tax advantages available through partnerships, as well as continued emphasis on tax savings through partnership arrangements.

Corporation

Total corporation returns, which consist of Forms 1120, 1120S, 1120H, 1120F, and 1120-POL, are projected to be 2 to 4 percent higher than the projections prepared last year. This change takes into account the fact that actual receipts during 1982 exceeded projections of all forms except Form 1120S. Among the asset classes of Form 1120, ten classes exhibited increases ranging from two to eight percent, while the "assets not reported" class declined by approximately three percent.

Estate and Gift Tax

There has been a dramatic downward shift in estate and gift tax returns caused by filing requirement changes mandated by the Economic and Recovery Act (ERTA) of 1981. Included among the changes is a gradual increase in the unified credit against estate and gift taxes over a five year period, so that no tax will be imposed on transfers of $600,000 or less occurring in 1986. Also included is an increase in the excludable gifts in any single year to any individual from $3,000 to $10,000. These provisions are expected to reduce the number of estate tax returns (Form 706) by more than 56 percent through 1991. The changes introduced in ERTA have also caused a decrease in filings of gift tax returns of 60 percent between 1980 and 1983; however, these returns are expected to increase at an average annual rate of 14.4 percent between 1983 and 1991.

Employment Tax

Forms 940, 940PR, 941, 941E, 941PR/SS, 942, 942PR, 943, 943PR, and CT-1 comprise the employment tax returns. Total projections of the employment forms for Fiscal Years 1983 through 1986 are lower than last year. Much of the decrease is due to lower projections of Form 942 caused by the general decline of employment in the Home Service Industry.

Exempt Organization

Total exempt organization returns are composed of Forms 990, 990C, 990PF, 990T, 4720, and 5227. This total is greatly influenced by Form 990 which represents 75 percent of all exempt returns. A 6.5 percent decrease from FY 1983 to FY 1984 is expected because the receipt threshold requirement for filing will increase from $10,000 to $25,000.

Employee Plans

Employee plans, which have been projected since 1977, are one of the newest and most volatile projections prepared. There was a methodological change in the projection of these returns this year. Rather than the trend and point analyses employed in previous years, regressions on civilian employment, employees not covered by pension plans, and time were used this year. The result is an increase of approximately 16 percent in the FY 1984 and FY 1985 projections over the projections made last year. For the longer range, however, the increase is expected to diminish to 2.8 percent.

Alcohol, Tobacco and Firearms

Total alcohol, tobacco and firearms returns are composed of Forms 7, 8, 11, 4705, 4706, 4707, 4708, and Alcohol and Tobacco Excise Tax returns. Forecasts of these returns over the past two years have displayed virtually no growth; however, a recent change in regulations concerning the duration of licenses has caused a downward adjustment in the projections for this year.

During FY 1984, one third of all licenses renewed or issued to dealers, manufacturers, and importers of firearms and explosives will expire after one year, one third will expire after two years, and one third will expire after three years. Beginning in FY 1985, all original and renewal licenses issued will have a three year duration, rather than the current length of one year. The 22 percent decrease forecasted between Fiscal Years 1984 and 1991 reflects the anticipated effect of this major change in regulations on this return series.

Excise

Projections of excise returns have been updated to reflect recent economic and receipts information. Excise returns, which consist of Forms 11C, 720, 730, and 2290, are projected to increase from 862,000 in 1983 to 928,000 in 1991, at an annual growth rate of less than one percent. Returns filed on Form 2290 (Federal Use Tax Returns on Highway Motor Vehicles), are expected to increase modestly from 454,000 in 1983 to 455,000 in 1984, while returns filed on Form 720 (Quarterly Federal Excise Tax Return) are expected to increase from 383,000 in 1983 to 390,000 in 1984. The Airport and Airway Revenue Act (AAR) of 1982, which increased some existing aviation taxes and imposed new user taxes on excise returns, is anticipated to have a negligible effect on the volume of filings of Forms 2290 and 720.

Selected Supplemental Documents

Selected Supplemental Documents consist of Forms 990AR, 1040X, 1041A, 1120X, 2688, 4868, 7004, and 7005. These forms are principally amended returns and requests for filing extensions from both individuals and corporations. An increase in the length of time from two to four months for the automatic extension for individual filers (Form 4868) is expected to substantially decrease filings of second extensions (Form 2688).

BASIC METHODOLOGY AND ASSUMPTIONS

The number of returns filed represents processed returns at IRS Service Centers during a fiscal year. Returns processed in FY 1982 and receipts for fiscal years prior to 1982 are those reported in the Annual Report of the Commissioner of Internal Revenue [5]. Data for FY 1983 include actual processed returns through June with the remainder of the fiscal year estimated, in general, on the basis of FY 1982 filing patterns.

To illustrate the general forecasting process, projections for the combined total of Forms 1040, 1040A, and 1040EZ were prepared based on a multiple regression of the combined total on historical and forecasted values of total employment, employed married women with husbands present (used to identify potential joint filers), pension beneficiaries and annuitants, and a qualitative (dummy) variable which adjusts for the effects of the Tax Reduction and Simplification Act of 1977 [6]. The base period for this regression was 1949-1983, with 1983 estimated on January-June processed returns.

Most returns projections were formulated on a calendar year basis, then subsequently converted to fiscal year projections through the use of the Census Bureau's X-11Q Seasonal Adjustment Program [7]. Seasonal factors were obtained from the program and then applied to the calendar year projections.

BASIC TABLE INFORMATION

Projections for the major types of primary returns for Fiscal Years 1984-1991 are shown in Table 1. For comparison purposes, actual receipt figures are shown for 1982 and estimated receipts are given for 1983.

NOTES AND REFERENCES

[1] A complete listing of the tax returns included in the categories shown in Table 1 can be found in U.S. Department of the Treasury, Internal Revenue Service, Annual Report: Commissioner of Internal Revenue and the Chief Counsel for the Internal Revenue Service: 1982, Publication 55, Washington, DC 1982.

[2] U.S. Department of the Treasury, Internal Revenue Service, "Number of Returns to be Filed Statistical Methodology," Calendar Year Projections series, Document 6186-B.

[3] O'Keefe, Patrick and Padden, John, "Projections of Returns to be Filed in Fiscal Years 1983-1990," Statistics of Income Bulletin, Volume 2, Number 2, pp. 35-39.

[4] Riley, Dorothea, "Individual Income Tax Returns: Selected Characteristics from the 1982 Taxpayer Usage Study," Statistics of Income Bulletin, Volume 3, Number 1, pp. 43-56.

[5] U.S. Department of the Treasury, Internal Revenue Service, Annual Report, op. cit.

[6] Projections of total employment, employed married women with husbands present, and pension beneficiaries and annuitants are all prepared by the Projections and Forecasting Group, Research Division, Internal Revenue Service.

[7] U.S. Bureau of the Census, "The X-11 Variant of the Census Method II Seasonal Adjustment Program," Technical Paper No. 15 (1967 revision).

Table 1.--Number of Returns by Type, Fiscal Years 1982 - 1991[1]
(Thousands)

Type of return	Actual	Estimated	Projected							
	1982	1983[2]	1984	1985	1986	1987	1988	1989	1990	1991
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Grand total	170,369	171,515	175,356	181,780	187,553	192,526	198,003	203,702	208,721	213,385
Individual, total	95,482	94,603	96,269	99,720	102,651	104,894	107,367	110,014	111,706	113,470
Form 1040	57,718	58,402	58,649	59,681	60,813	62,572	64,045	65,516	66,521	67,570
Form 1040A	37,608	21,020	21,513	23,036	23,953	24,458	25,517	26,721	27,468	28,244
Form 1040EZ	-	15,022	15,946[3]	16,840	17,714	17,686	17,621	17,585	17,519	17,453
Other	155	159	161	164	170	178	184	192	198	203
Declaration of Estimated Tax (Individual)	31,863	33,413	34,340	35,862	37,231	38,490	39,907	41,445	43,339	45,021
Fiduciary	1,964	1,988	2,042	2,105	2,170	2,235	2,300	2,365	2,430	2,498
Partnership	1,561	1,612	1,666	1,744	1,848	1,945	2,049	2,151	2,251	2,348
Corporation	2,950	3,068	3,187	3,300	3,423	3,547	3,669	3,793	3,913	4,037
Estate Tax	135	114	93	76	64	45	41	44	47	50
Gift Tax	100	86	101	116	132	136	150	163	176	185
Employment Tax	25,835	25,991	26,442	26,951	27,278	27,690	28,153	28,536	28,823	29,156
Exempt Organization	444	464	435	433	439	446	453	459	466	473
Employee Plans	1,021	1,060	1,053	1,072	1,096	1,115	1,133	1,151	1,168	1,185
Alcohol, Tobacco and Firearms	575	583	571	461	452	449	452	443	440	443
Excise Tax	829	849	869	887	886	894	903	911	919	927
Selected Supplemental Documents	7,555	7,637	8,244	9,006	9,835	10,591	11,375	12,176	12,990	13,538
Form 1040X	1,865	1,957	2,076	2,230	2,397	2,534	2,669	2,822	2,946	3,081
Form 4868	2,861	3,286	3,505	3,915	4,337	4,723	5,141	5,571	5,976	6,129
Form 2688	1,342	763	859	917	1,024	1,132	1,232	1,339	1,452	1,557
Form 1120X	66	80	94	108	122	133	142	151	160	170
Form 7004	1,072	1,171	1,280	1,371	1,455	1,535	1,621	1,715	1,816	1,926
Form 7005	329	363	413	448	482	516	551	559	620	655
Form 990AR	3	-	-	-	-	-	-	-	-	-
Form 1041A	17	17	17	17	18	18	19	19	20	20
Non-Master File Returns[4]	55	43	44	47	48	49	51	51	53	54

[1]Based on counts of returns processed.
[2]Based on returns processed through June 30, 1983.
[3]Revised from a previous IRS estimate.
[4]Includes Forms CT-2, 720M, 941M, 941MI, 990BL, 1120-DISC, and 1042. These are documents which are not included as part of the principal IRS master files for individuals, businesses and employee benefit plans.
NOTE: Detail may not add to total because of rounding.

Superfund for Environmental Taxes, 1981 and 1982

By Rashida Belal*

The "Superfund" tax liability reported for the third calendar quarter of 1982, the most recent quarter for which statistics are available, amounted to approximately $52.1 million, bringing the total reported since the beginning of the program to $368.4 million. The amount reported this quarter represents a decline of more than $7 million from the previous quarter and a $14 million dollar decline from the second quarter of 1981, the initial quarter the tax was imposed.

The 1980 Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), which established the "Superfund", imposed an environmental excise tax on products falling into three general categories--petroleum, petrochemicals and inorganic chemicals. When comparing the liability accrued for the three quarters of 1981 against the liability accrued for the first three quarters of 1982, total liability declined in all three categories. This decline is attributed to a soft economy leading to lower usage of these products by the chemical industry, which is the major consumer.

In 1981 almost $36 million in tax liability was assessed on inorganic chemicals. However, in 1982 less than $31 million was reported for the same category of products. Furthermore, the environmental tax reported on inorganic chemicals has declined each quarter since the inception of the tax. The liability reported for petrochemicals also has shown a rather steady decline, although there was an increase in liability for the quarter ended December, 1981. For the three quarters of 1981 for which we have data, just under $130 million was reported in liability. However, for the first three quarters in 1982, only $114 million in total liability was reported.

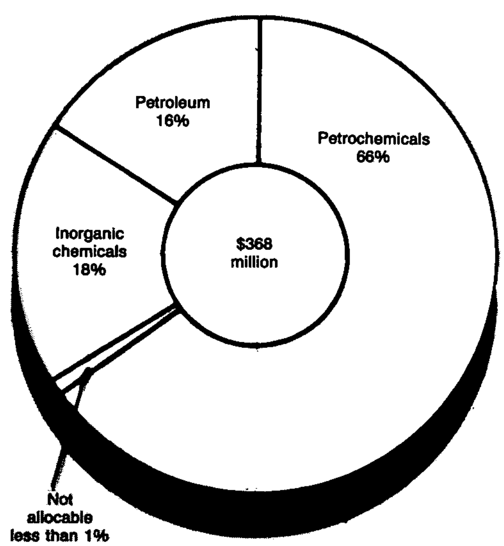
Environmental Taxes by Category for
Quarters Ending June 30, 1981, through Sept. 30, 1982
(Millions of dollars)

Quarter Ending	Total 1/	Petro-chemicals	Inorganic Chemicals	Petroleum
June 1981	$68.6	$45.7	$12.8	$10.0
Sept. 1981	60.8	40.0	11.5	9.3
Dec. 1981	67.9	43.7	11.4	11.5
Mar. 1982	59.6	39.5	11.2	8.9
June 1982	59.2	39.0	10.7	9.5
Sept. 1982	52.1	34.5	8.2	9.3
TOTAL	$368.4	$242.5	$65.8	$58.5

1/ Includes liability for taxes not allocable to a specific category. Detail may not add due to rounding to total.

The least amount of superfund tax liability has been reported for petroleum products. In the first three quarters of 1981, slightly less than $31 million was reported in liability as opposed to just under $28 million in 1982. Moreover, while the liability reported against petroleum has declined overall, it has declined the least of the three product categories, in terms of both dollars and percentages. Tables 1 and 2 contain complete data on environmental taxes for each type of substance by quarter.

Figure A
Sources of Environmental Taxes, Quarters Ending June 30, 1981, through Sept. 30, 1982



Petrochemicals, which were reported by less than 30 percent of the taxpayers reporting environmental taxes, nevertheless accounted for 66 percent of the total tax liability. About $34.5 million in tax liability for petrochemicals was reported for the quarter ending September 1982. Taxes on inorganic chemicals accounted for approximately 16 percent of total liability, or $8.2 million. Petroleum accounted for only $9.3 million in tax liability, which represented 18 percent of the total liability.

As shown in Table 1, the tax on ethylene has accounted for more than $93.0 million, or 30 percent of the total tax reported on chemical products. Furthermore, the tax on two other chemicals, benzene and propylene, totaled $74.6 million, which accounted for another 20 percent of the liability. Taxes on

*Foreign Special Projects Section. Prepared under the direction of Michael Coleman, Chief.

inorganic chemicals represented 21 percent of the liability. The tax assessed against chlorine is the largest of the inorganic chemicals taxes representing 9 percent of the total tax and $34.8 million.

As shown in the table below, the tax on petroleum products was reported on the average by 344 businesses per quarter, and it generated about $170,000 in tax, per business. However, petrochemicals, by far the least reported of the three commodities, had the highest tax per business, ($1.2 million).

Number of Businesses and Amount of Environmental Taxes for Quarters Ending June 30, 1981 through Sept. 30, 1982

	Number of Businesses	Environmental Tax	Average Tax per Business
Petroleum	344	$ 58,544,877	$ 170,000
Petrochemicals	194	242,497,895	1,250,000
Inorganics	333	65,797,452	196,000
Not Allocable	50	1,516,692	30,000
Total		$367,718,990	

Taxes on sulfuric acid, ammonia, hydrochloric acid and toluene were among those most reported on inorganic chemicals. On the average, about 37 percent of the businesses reported tax liability for these chemicals; however, the tax liability for these four chemicals accounted for only 8 percent of the total liability.

Data Sources and Limitations

The Quarterly Excise Tax Return, Form 720 is the form on which environmental taxes are reported. Form 6627, Environmental Taxes, is the supporting schedule where the tax liability for petroleum and chemicals is computed. The tax as applied by Congress is levied at different rates ranging from $.0079 per barrel (bbl.) of crude oil or petroleum to as much as $4.87 per ton of certain chemicals. The average tax levied is $3.12 per medium.

TAX ON PETROLEUM

The requirements for filing and reporting a tax on petroleum apply to the following:

1) operators of U.S. refineries receiving crude oil;

2) importers of petroleum products for consumption, use, or warehousing; or

3) users or exporters of crude oil on which the environmental tax has not been paid.

Since the tax is imposed only once on a product, if it has already been paid it cannot be imposed again on another business that would otherwise be liable. For example, if crude oil is taxed at one refinery and is then shipped to another refinery for its use, then the second refinery would not be liable for taxes.

TAX ON THE SALE AND USE OF CERTAIN CHEMICALS

The requirements for filing and reporting this tax apply to any importer, manufacturer, or producer that sells or uses any of the 42 taxable chemicals listed in Table 1. There are some exceptions to what is taxed, with the following being nontaxable:

1) ammonia, if used directly as a fertilizer;

2) methane or butane used as a fuel (however, the business using the chemical for a taxable purpose is liable);

3) nitric acid, sulfuric acid, ammonia, or methane used in the production of ammonia that is used for fertilizer;

4) sulfuric acid produced solely as a byproduct of and on the same site as air pollution control equipment; or

5) any substance derived from coal.

Returns are due one month after the end of the quarter. These returns are the chief source of data for this study and data in this article reflect information reported on returns filed for the tax quarters ending June 30, 1981, through September 30, 1982.

Any adjustments, credits, or refunds, to environmental taxes either on the Form 720 or Form 843, Claim, are not reflected in the data. A taxpayer could take an adjustment or credit if a taxed chemical were later used to manufacture or produce any other substance subject to the tax. If a tax were paid on a chemical subsequently used to produce fertilizer, a credit or adjustment could also be claimed.

The Internal Revenue Service also releases environmental tax statistics in a report on excise taxes that is issued quarterly [3]. These figures, taken from the Form 720, show the total liability, after adjustments, of returns recorded in the computerized Business Master File as part of routine processing. There is no breakdown of tax by chemical. Returns are due for filing one month after the end of the quarter in which the business is liable for environmental taxes. Therefore, that report covers what was recorded during a quarter, regardless of the specific tax period, unlike the data presented in this article. As a result, the two series of data are not directly comparable.

Since no statistical sampling was involved, the data are not subject to sampling error, but may be subject to nonsampling error. Attempts were made to secure all returns filed. In addition, the returns were passed through a series of validity checks to verify the accuracy and completeness of the returns. For those returns supplying a total with no breakdown by category, the amount was included under "Not allocable."

NOTES AND REFERENCES

[1] Lennett, David, "Handling Hazardous Waste--An Unsolved Problem," Environment, October 1980, page 7.

[2] U.S. Department of the Treasury, Internal Revenue Service, Internal Revenue Report of Excise Taxes.

[3] See also Barnhardt, Janet, "Superfund for Environmental Taxes," Statistics of Income Bulletin, Volume 2, Number 2, pp. 31-34.

Table 1.--Environmental Taxes Reported by Type of Substance, Quarters Ending June 30, 1981, - September 30, 1982

[Money amounts are in thousands of dollars]

Type of substance	Total to date	Quarter ended					
		June 1981	Sept. 1981	Dec. 1981	March 1982	June 1982	Sept. 1982
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Petroleum	58,544	9,988	9,274	11,541	8,948	9,517	9,283
Petrochemicals, total	242,497	45,747	40,003	43,700	39,538	39,040	34,468
Acetylene	956	206	235	188	119	135	71
Benzene	29,007	5,322	4,233	5,253	4,558	4,543	5,097
Butane	6,221	1,248	1,088	1,050	1,020	1,025	790
Butylene	7,072	1,333	1,247	1,442	1,105	1,212	733
Butadiene	9,668	1,832	1,483	2,015	1,488	1,501	1,349
Ethylene	93,220	17,024	15,229	15,969	15,293	15,403	14,303
Methane	12,687	2,479	2,264	2,309	2,031	2,004	1,600
Naphthalene	536	139	65	93	99	53	88
Propylene	45,607	9,498	7,922	7,646	7,978	6,682	5,881
Toluene	13,720	2,563	2,354	2,686	1,996	2,140	1,980
Xylene	23,805	4,103	3,883	5,050	3,849	4,343	2,577
Inorganics, total	65,797	12,810	11,534	11,363	11,152	10,701	8,237
Ammonia	12,620	2,295	2,138	2,191	2,132	2,039	1,825
Antimony	13	4	2	2	2	2	2
Antimony trioxide	94	12	12	23	19	15	12
Arsenic	3	1	([1])	1	1	1	1
Arsenic trioxide	120	21	23	23	22	19	11
Barium sulfide	12	*	*	3	*	*	*
Bromine	958	205	156	206	*	143	179
Cadmium	15	3	2	3	3	2	2
Chlorine	34,788	7,079	6,186	5,791	6,063	5,684	3,985
Chromium	182	76	36	25	27	10	8
Chromite	739	114	182	245	80	81	36
Potassium dichromate	([1])	*	*	*	*	([1])	([1])
Sodium dichromate	36	*	17	([1])	2	1	*
Cobalt	34	3	3	11	8	6	3
Cupric sulphate	85	10	17	11	11	11	25
Cupric oxide	28	4	4	4	7	4	6
Cuprous oxide	22	3	4	4	4	4	3
Hydrochloric acid	814	90	114	211	152	142	104
Hydrogen fluoride	1,648	328	327	238	265	274	217
Lead oxide	1,920	366	235	402	330	267	319
Mercury	12	2	2	2	2	2	4
Nickel	798	120	157	171	163	124	62
Phosphorus	2,531	494	423	420	449	407	338
Stannous chloride	6	*	*	2	1	1	1
Stannic chloride	25	1	([1])	11	4	5	4
Zinc chloride	81	15	13	16	12	15	10
Zinc sulfate	88	18	13	15	16	16	10
Potassium hydroxide	76	16	13	16	16	14	2
Sodium hydroxide	3,693	713	657	650	654	600	420
Sulfuric acid	3,873	703	700	593	568	745	565
Nitric acid	486	101	93	74	68	67	83
Not applicable	1,517	67	20	1,318	*	3	109

*This figure is not shown to avoid disclosure of information for specific businesses. However, the data are included in the appropriate totals.

[1]Less than $1,000, however, the data are included in the appropriate totals.

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

Table 2.--Environmental Taxes Reported by Type of Substance, Aggregate For The Quarters Ending June 30, 1981, - September 30, 1982

Type of substance	Number of businesses	Number of tons (000's)	Tax rate per ton (dollars)	Average tax per business (dollars)
	(1)	(2)	(3)	(4)
Petroleum	344	7,410,633[1]	0.0079[2]	170,186
Petrochemicals, total	194[3]	50,870	N/A	1,249,989
Acetylene	38	197	4.87	25,121
Benzene	54	5,957	4.87	537,164
Butane	28	1,278	4.87	222,194
Butylene	20	1,453	4.87	353,584
Butadiene	28	1,986	4.87	345,298
Ethylene	35	19,142	4.87	2,663,442
Methane	25	3,688	3.44	507,473
Naphthalene	5	110	4.87	107,266
Propylene	46	9,365	4.87	991,446
Toluene	75	2,817	4.87	182,933
Xylene	63	4,888	4.87	377,856
Inorganics, total	333[3]	53,547	N/A	197,590
Ammonia	78	4,780	2.64	161,795
Antimony	16	3	4.45	842
Antimony Trioxide	20	25	3.75	4,695
Arsenic	8	1	4.45	436
Arsenic trioxide	17	35	3.41	7,038
Barium sulfide	3	5	2.30	4,125
Bromine	8	215	4.45	119,753
Cadmium	23	3	4.45	639
Chlorine	44	12,884	2.70	790,632
Chromium	15	41	4.45	12,131
Chromite	16	486	1.52	46,175
Potassium dichromate	4	([4])	1.69	3
Sodium dichromate	7	19	1.87	5,111
Cobalt	21	8	4.45	1,630
Cupric sulphate	24	45	1.87	3,553
Cupric oxide	14	8	3.59	1,966
Cuprous oxide	5	6	3.97	4,434
Hydrochloric acid	75	2,807	0.29	10,850
Hydrogen flouride	13	390	4.23	126,746
Lead oxide	35	464	4.14	54,846
Mercury	9	3	4.45	1,331
Nickel	19	179	4.45	41,975
Phosphorus	9	569	4.45	281,206
Stannous chloride	5	2	2.85	1,158
Stannic chloride	8	12	2.12	3,140
Zinc chloride	19	36	2.22	4,231
Zinc sulfate	20	46	1.90	4,398
Potassium hydroxide	19	345	0.22	4,001
Sodium hydroxide	64	13,186	0.28	57,701
Sulfuric acid	92	14,896	0.26	42,099
Nitric acid	31	2,025	0.24	15,666
Not allocable	50	N/A	N/A	30,334

N/A - Not applicable.
[1]Number of barrels.
[2]Rate per barrel.
[3]Detail in column one may not add to any meaningful total because businesses may report more than one of the indicated substances.
[4]Less than 1,000 tons, however, the data are included in the appropriate totals.
NOTE: Detail may not add to total because of rounding.

Crude Oil Windfall Profit Tax for 1982

By Michael Alexander*

Windfall profit tax liability after adjustments for the fourth quarter of 1982 was $3.8 billion. This was the seventh consecutive quarter that windfall profit tax after adjustments has declined. The total windfall profit tax after adjustments reported since the enactment of the Crude Oil Windfall Profit Tax Act amounted to almost $53 billion through December 1982. Of this total, $10 billion was reported for 1980, $26 billion for 1981 and $17 billion for 1982. The sharp increase in 1981 was largely due to the full decontrol of oil prices in January 1981 and the fact that the law had been in effect for only 10 months of 1980. The decrease in 1982 can be attributed to lower removal prices and windfall profit, which resulted from an abundant supply of foreign crude oil relative to worldwide demand, and tax law changes.

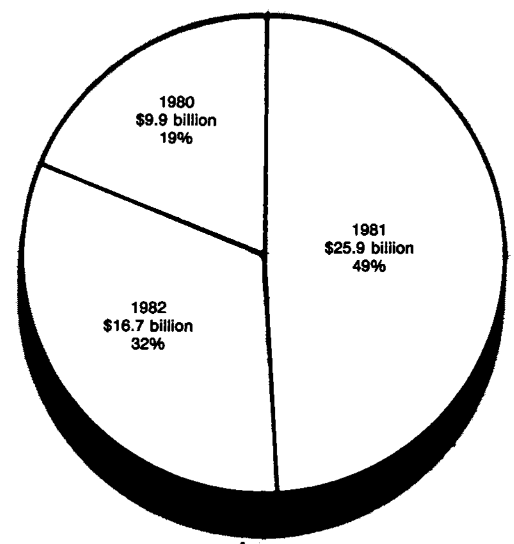
The windfall profit tax reported for 1981, which had increased by 162 percent from the amount for 1980, has accounted for nearly one-half of the total tax liability during the three-year period. The full decontrol of oil prices in January 1981 caused the removal price (generally the price for which the oil is sold) to increase, which resulted in the quarterly tax liability after adjustments to reach a height of $7.2 billion in the first quarter of 1981. Since then, there has been a declining trend in the windfall profit tax reported, with the largest quarterly drop being from $7.1 billion for the second quarter of 1981 to $6.1 billion in the third quarter.

The continuing decline could be attributed to a combination of lower removal values and increases in the adjusted base value. The adjusted base value (see Definitions) was increasing primarily because of inflation. The removal value declined in the third quarter of 1981 and into 1982 as a result of a decrease in U.S. demand for oil and gasoline, a result of a sluggish economy and increased conservation efforts. An abundant supply of foreign crude oil relative to worldwide demand also created a downward force on removal prices for U.S. domestic crude oil.

There were two major tax law changes affecting oil removed in 1982 as a result of the Economic Recovery Tax Act of 1981. The tax rate for newly discovered oil was reduced from 30 percent to 27.5 percent. Another tax law change replaced the royalty owners tax credit with a more liberal exemption from the windfall profit tax for specified amounts of royalty production. Previously a $2,500 credit for windfall profit tax paid by royalty holders ($1,000 for 1980) was allowed. The new law provides a two barrel per day exemption for qualified royalty owners. Almost 34 million barrels of oil were certified as exempt royalty oil in 1982.

Shown in the table below is windfall profit tax liability before and after adjustments. Because of a

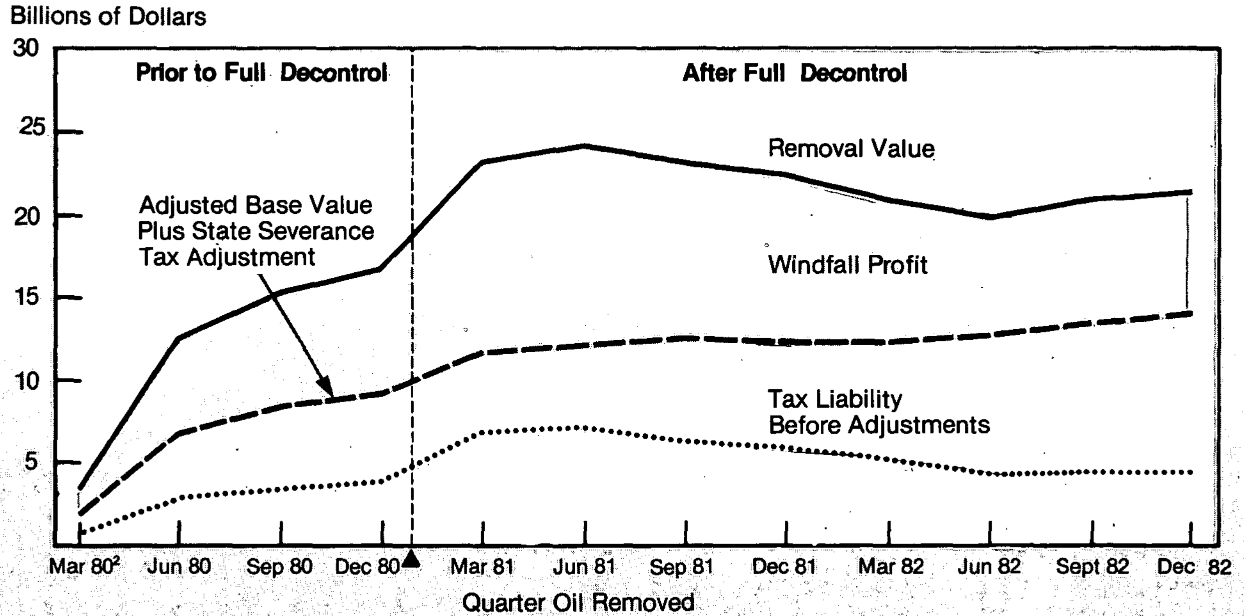
Windfall Profit Tax Liability by Year March 1, 1980 Through December 31, 1982



large ($634 million) negative adjustment, the windfall profit tax liability after adjustments showed a decrease of $153 million from the previous quarter. These adjustments were necessary as a result of errors in withholding during previous quarters or, more frequently, from the application of the net income limitation. The net income limitation accounted for 92 percent of the adjustments for the fourth quarter of 1982. (The net income limitation provision limits the windfall profit to 90 percent of the net income per barrel of oil and can be estimated by certain taxpayers for the current quarter.) Should under- or over-withholding occur, the depositing or withholding agent (usually the first purchaser) is responsible for correcting that error to the extent possible by adjusting the amounts withheld in succeeding quarters. These adjustments are also reflected in the table below. Additional over-withholding of windfall profit tax due to error or the net income limitation which has not been corrected by the withholding agent can be claimed as a refund or credit by producers on their income tax returns.

*Foreign Special Projects Section. Prepared under the direction of Michael Coleman, Chief.

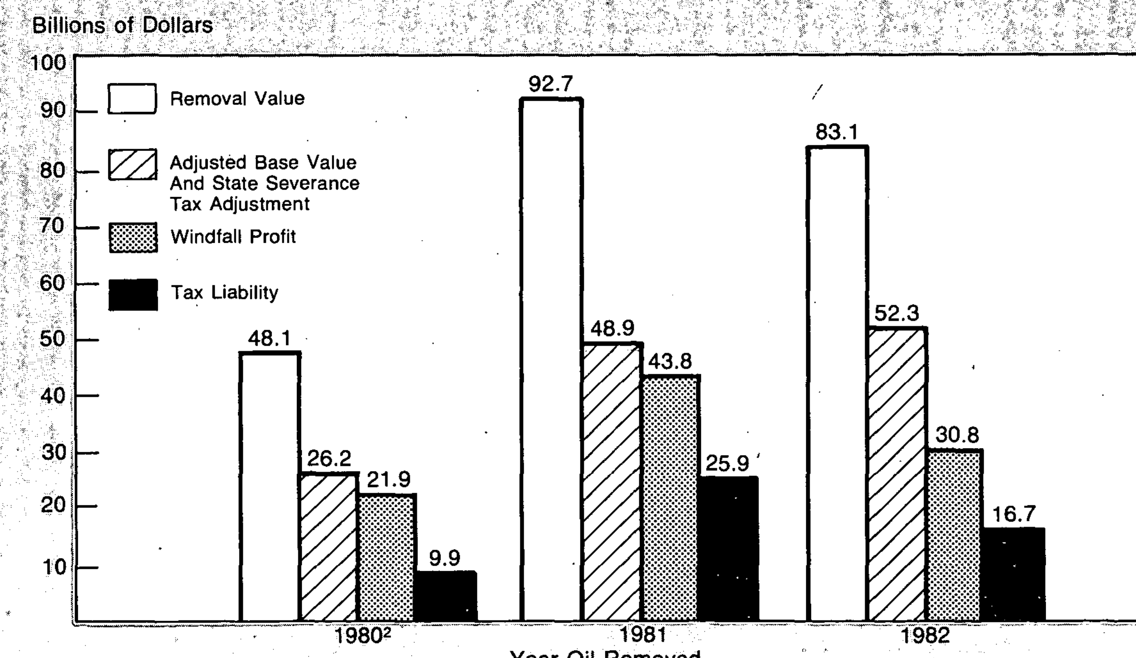
Components[1] of Windfall Profit Tax Liability Before Adjustments: Aggregate Values By Quarter Oil Removed



[1]Some returns report windfall profit tax liability only; therefore, data for removal value, adjusted base value and state severance tax adjustment have been adjusted to reflect totals as if all returns reported this detail.

[2]One month only.

Components[1] of Windfall Profit Tax Liability After Adjustments: Aggregate Values by Year Oil Removed



[1]Some returns report windfall profit tax liability only; therefore, data for removal value, adjusted base value and state severance tax adjustment have been adjusted to reflect totals as if all returns reported this detail.

[2]Represents only 10 months.

Windfall Profit Tax Before and After Adjustments
(Millions of Dollars)

Quarter Ending	Tax Before Adjustments	Adjustments	Tax After Adjustments
Total	$55,867	$3,244	$52,623
Mar. 1980 1/	788	---	788
June 1980	2,842	-21	2,821
Sept. 1980	3,413	-88	3,325
Dec. 1980	3,918	-927	2,991
Mar. 1981	6,953	+242	7,195
June 1981	7,253	-107	7,146
Sept. 1981	6,344	-251	6,093
Dec. 1981	6,007	-497	5,510
Mar. 1982	5,222	-221	5,001
June 1982	4,283	-295	3,988
Sept. 1982	4,404	-445	3,959
Dec. 1982	4,440	-634	3,806

1/ One month only.

DATA SOURCES AND LIMITATIONS

The Quarterly Federal Excise Tax Return, Form 720, is the form on which the windfall profit tax is reported. Form 6047, Windfall Profit Tax, shows how the tax is computed and is filed as an attachment to Form 720. Tabulations in this article are based on the Form 6047. Returns are due two months after the end of the quarter in which the oil is removed. Data are based on all returns with a tax liability of $1 million or more before adjustments and a 10 percent sample of all other returns.

Sampling and nonsampling errors were controlled by a variety of methods. Missing returns were requested from the service centers. However, some returns may have been omitted due to time and resource constraints. Attempts were made to correct imbalances in taxpayer entries for the components of windfall profit; if this proved impossible, an out-of-balance return was treated as a return on which the components were not reported, and therefore only the liability for each tier was tabulated. A number of verification checks were performed at all stages of manual data abstraction and computer tabulation.

The SOI Bulletin also includes data on excise tax collections. The excise tax collection figures show the liability after adjustments, as reported on Form 720, from returns entered into the IRS' computerized Business Master File (BMF) each quarter. A number of considerations affect comparisons of data from these two sources. As mentioned above, returns are not due until two months after the close of the taxable quarter; however, the interval between the close of the taxable period and the final recording of the return often varies, so that the quarterly BMF totals usually represent several taxable periods. On the other hand, the data presented here have been tabulated for specific taxable periods. As a result, the two sets of statistics are not directly comparable.

DEFINITIONS

Brief definitions of the terms used in the tables are given below.

Adjusted Base Price.--The base price multiplied by the inflation adjustment, which is derived from the Gross National Product (GNP) "implicit price deflator."

Adjustments to Liability.--Corrections applied to the current quarter's liability in order to correct for the net income limitation and over- and under-withholding in previous quarters.

Base Price.--For tier one oil, the upper tier ceiling price, as defined by Department of Energy price control regulations, which would have applied to the oil had it been produced and sold in May 1979, reduced by 21 cents. For tiers two and three oil, the base prices were $15.20 and $16.55, respectively, adjusted for grade and quality.

Crude Oil.--The term applies only to natural crude petroleum and does not include synthetic petroleum, such as oil from shale or tar sands. It does, however, include natural gas liquids treated as crude oil under the June 1979 energy pricing regulations issued by the Department of Energy.

Exempt Alaskan Oil.--Oil from a reservoir other than the Sadlerochit reservoir that has been commercially exploited by any well north of the Arctic Circle; and oil produced north of the divides of the Alaska and Aleutian Ranges, and at least 75 miles from the nearest point of the Trans-Alaskan Pipeline System.

Exempt Charitable Oil.--Oil produced from economic interests held by qualified charitable medical facilities, educational institutions, and child care organizations (as defined in Internal Revenue Code section 170), if such interest was held on January 21, 1980, and at all times thereafter; and oil produced from interests held by a church on January 21, 1980, if, prior to January 22, 1980, the net proceeds of such oil were dedicated to the support of a medical facility, educational institution, or child care facility.

Exempt Governmental Oil.--Oil produced from an economic interest held by a state or political subdivision (including agencies and instrumentalities), the net income from which is used for public purposes.

Exempt Indian Oil.--Oil produced from mineral interests held by or on behalf of Indian tribes or individuals on January 21, 1980, which is one of the following: (a) production received by Indian tribes and individuals from Tribal Trust Lands (the title to such land is held by the United States in trust for the tribes), (b) production from land or mineral interests held by an Indian tribe eligible for services provided to Indians by the Secretary of the Interior, or (c) oil the proceeds from which are paid into the U.S. Treasury to the credit of tribal or native trust funds pursuant to law. This exemption also applies to production of any Alaskan Native Corporation prior to 1991, including wholly-owned subsidiaries of the native Indian corporation as clarified by IRS on September 3, 1982.

Exempt Royalty Oil.--Qualified royalty owners are exempt from the windfall profit tax on two barrels of oil per day for each day of the calendar quarter for oil removed after December 31, 1981. For 1985 and thereafter, three barrels per day will be exempt.

Net Income Limitation.--The windfall profit on a barrel of oil may not exceed 90 percent of the net income attributable to the barrel.

Removal Price.--Generally, the price for which a barrel of oil is sold. In some instances, a constructive sale price is used.

Sadlerochit Oil.--Crude oil production from the Sadlerochit reservoir in the Prudhoe Bay oil field in Alaska.

State Severance Tax Adjustment.--A tax imposed by a state with respect to the extraction of oil. The windfall profit is reduced by the amount by which the severance tax exceeds that which would have been imposed had the oil been valued at its adjusted base price.

Stripper Oil.--In general, oil from a property for which the average daily production per well has been 10 barrels or less for any consecutive 12-month period after 1972.

Tier One Oil.--All domestically-produced crude oil other than any oil classified in tier two or three, or explicitly exempted by law from the tax. This includes the bulk of domestic oil from reservoirs proven to be productive before 1979.

Tier Two Oil.--Any oil which is from a stripper well property within the meaning of the June 1979 Department of Energy pricing regulations and oil from a U.S. economic interest in a Naval Petroleum Reserve. Note that the Crude Oil Windfall Profit Tax Act of 1980 defined tier two oil as from a "National" Petroleum Reserve. This was amended to read "Naval" Petroleum Reserve by the Technical Corrections Act of 1982.

Tier Three Oil, Heavy Oil.--All crude oil which is (1) produced from property which had a weighted average gravity of 16.0 degrees or less on the American Petroleum Institute (API) scale, corrected to 60 degrees Fahrenheit, for the last month of production prior to July 1979, or (2) oil from a property with a weighted average gravity of 16.0 degrees API or less, corrected to 60 degrees Fahrenheit, for the taxable period.

Tier Three Oil, Incremental Tertiary Oil.--Production in excess of a base level on a property on which a qualified tertiary recovery project (one which utilizes one of several specific chemical, fluid or gaseous recovery methods to extract oil not recoverable using standard techniques) has been undertaken. The non-incremental oil (i.e., the amount of production up to the base level) remains in the otherwise applicable tier.

Tier Three Oil, Newly Discovered Oil.--Crude oil that is sold after May 31, 1979, and that is produced from (1) an outer continental shelf area for which the lease was entered into on or after January 1, 1979, and from which there was no production in Calendar Year 1978 or (2) an on-shore property developed after Calendar Year 1978.

Windfall Profit.--The excess of the removal price of the barrel of oil over the sum of the adjusted base price and the State severance tax adjustment.

NOTES AND REFERENCES

[1] At the inception of the windfall profit tax, taxpayers were not required to complete the detail of the Form 6047, which shows how the tax is computed. However, taxpayers were required to provide full information as of January 1981.

[2] Joint Committee on Taxation (Staff), General Explanation of the Crude Oil Windfall Profit Tax Act of 1980, U.S. Government Printing Office, 1981.

[3] See also Belal, Carol and Clark, Phil, "Windfall Profit Tax Liability for 1980," Statistics of Income Bulletin, Volume 1, Number 2, pp. 50-54.

[4] See also Coleman, Michael, "Crude Oil Windfall Profit Tax for 1981," Statistics of Income Bulletin, Volume 2, Number 2, pp. 41-46.

Table 1.--Windfall Profit Tax Liability by Oil Tier and Tax Rate For Quarter Ending December 1982 Aggregate Components of Windfall Profit

[Money amounts are in millions of dollars]

Oil tier and tax rate	Removal value	Adjusted base value	State severance tax adjustment	Windfall profit	Tax liability before adjustments
	(1)	(2)	(3)	(4)	(5)
Returns with tax liability shown by oil tier and tax rate, total	19,085	12,017	361	6,707	3,968
Tier one, other than Sadlerochit oil:					
Taxed at 70 percent	8,716	4,551	176	3,989	2,793
Taxed at 50 percent	894	458	25	411	205
Tier one, Sadlerochit oil:					
Taxed at 70 percent	2,368	1,977	57	334	234
Taxed at 50 percent	-	-	-	-	-
Tier two oil:					
Taxed at 60 percent	1,568	995	26	547	328
Taxed at 30 percent	1,023	651	16	356	107
Tier three oil (taxed at 30 percent):					
Newly discovered oil[1]	3,269	2,397	53	819	225
Incremental tertiary oil	482	347	7	128	39
Heavy oil	765	641	1	123	37
Returns with total tax liability only	-	-	-	-	473[2]

[1]Newly discovered oil is taxed at 27.5 percent.
[2]Also includes $165 million for returns that reported by tier and type, but did not report data for columns 1-5.
NOTE: Detail may not add to total because of rounding.

Table 2.--Windfall Profit Tax Liability by Oil Tier and Tax Rate For January - December 1982 Aggregate Components of Windfall Profit

[Money amounts are in millions of dollars]

Oil tier and tax rate	Removal value	Adjusted base value	State severance tax adjustment	Windfall profit	Tax liability before adjustments
	(1)	(2)	(3)	(4)	(5)
Returns with tax liability shown by oil tier and tax rate, total	77,622	47,202	1,557	28,863	17,152
Tier one, other than Sadlerochit oil:					
Taxed at 70 percent	36,881	18,772	761	17,348	12,144
Taxed at 50 percent	3,716	1,873	109	1,734	867
Tier one, Sadlerochit oil:					
Taxed at 70 percent	9,384	7,630	266	1,488	1,042
Taxed at 50 percent	1	([1])	([1])	1	([1])
Tier two oil:					
Taxed at 60 percent	6,398	3,967	108	2,323	1,394
Taxed at 30 percent	4,346	2,703	70	1,573	468
Tier three oil (taxed at 30 percent):					
Newly discovered oil[2]	12,452	8,845	215	3,392	936
Incremental tertiary oil	1,479	1,025	23	431	129
Heavy oil	2,967	2,387	4	576	174
Returns with total tax liability only	-	-	-	-	1,200[3]

[1]Less than 500,000
[2]Newly discovered oil is taxed at 27.5 percent.
[3]Also includes $235 million for returns that reported by tier and type, but did not report data for columns 1-5.
NOTE: Detail may not add to total because of rounding.

Table 3.--Exempt Oil Volume by Tier and Category, Quarter Ending December 1982
(Thousands of barrels)

	Total	Tier one	Tier two	Tier three: Newly discovered oil	Tier three: Incremental tertiary oil	Tier three: Heavy oil
	(1)	(2)	(3)	(4)	(5)	(6)
Total	37,532	21,075	4,453	11,225	408	371
Exempt governmental interest	19,592	16,293	689	2,227	163	221
Exempt charitable interest	976	535	294	83	54	11
Exempt Indian oil	1,410	559	450	386	5	10
Exempt Alaskan oil	6,359	70	-	6,290	-	-
Exempt Royalty oil	9,195	3,619	3,019	2,241	187	129

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

Table 4.--Exempt Oil Volume by Tier and Category, January - December 1982
(Thousands of barrels)

	Total	Tier one	Tier two	Tier three: Newly discovered oil	Tier three: Incremental tertiary oil	Tier three: Heavy oil
	(1)	(2)	(3)	(4)	(5)	(6)
Total	144,006	80,546	18,105	42,735	1,271	1,350
Exempt governmental interest	74,494	61,441	3,190	8,592	571	702
Exempt charitable interest	4,331	2,372	1,146	535	224	55
Exempt Indian oil	5,855	2,254	1,848	1,703	13	38
Exempt Alaskan oil	25,380	702	245	24,431	1	1
Exempt Royalty oil	33,946	13,778	11,674	7,475	462	555

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

Average and Marginal Tax Rates, 1981 Individual Income Tax Returns

By Richard Thompson and Charles Hicks*

The total Federal income tax on all individual returns rose from 15.5 percent of adjusted gross income (AGI) for 1980 to 16 percent for 1981. This increase occurred even though the first of four tax cuts for individuals, enacted by the Economic Recovery Tax Act of 1981, was in effect during the year.

This first tax cut was in the form of a rate reduction credit of 1.25 percent that was built into the tax tables. Overall, there were 74.9 million returns that benefited from the credit, resulting in a tax savings of $3.4 billion. One reason for the tax cuts was to offset the effect of inflation or "bracket creep." This phenomenon is caused by the fact that increases in income, intended to compensate workers for increased living costs, can result in higher tax burdens without improving their real disposable personal income. As a result, many taxpayers have experienced a decrease in purchasing power, even though they are earning nominally higher salaries and wages. During 1981, the credit was not enough to overcome completely the inflation rate, with the result that the effect of bracket creep exceeded the 1.25 percent tax rate reduction.

EFFECTIVE TAX RATES ON ALL RETURNS, 1950-1981

The median taxpayer for 1981 had an AGI of $13,497 and owed $1,394 (10.3 percent of AGI) in federal income taxes. Figure A shows the approximate effective tax rate for the average, or more specifically, the median taxpayer for selected years since 1950.

Figure A.-- Effective Tax Rates on Median AGI, All Returns, 1950 - 1981

Tax Year	Median Adjusted Gross Income	Effective Tax Rates
1950	$2,721	5.5%
1955	3,528	8.1
1960	4,281	8.7
1965	5,143	8.4
1970	6,784	9.8
1975	8,929	8.9
1976	9,556	8.8
1977	10,222	8.5
1978	10,972	9.0
1979	11,869	9.3
1980	12,824	9.9
1981	13,497	10.3

The effective tax rate, defined as the ratio between total income tax and adjusted gross income, on the median AGI has almost doubled since 1950. However, the rate of increase in the effective tax rate has slowed considerably in the last eleven years.

One method used to measure the overall effects of the tax law system from year to year is to compare the effective tax rate for total AGI for each of the years involved. Figure B shows that the effective tax rate on total AGI increased only half as much in 1981 as it did the previous year.

Figure B.-- Effective Tax Rates on Total AGI, All Returns, 1950 - 1981

Tax Year	All Returns	Joint Returns	Nonjoint Returns
1950	10.2%	9.9%	11.4%
1955	11.9	11.6	12.9
1960	12.5	12.3	13.5
1965	11.5	11.5	11.8
1970	13.3	13.3	13.1
1975	13.1	13.5	11.9
1976	13.5	14.0	11.8
1977	13.8	14.5	11.9
1978	14.5	15.2	12.5
1979	14.6	15.4	12.8
1980	15.5	16.2	13.7
1981*	16.0	16.7	14.4

* Including the rate reduction credit.

EFFECTIVE TAX RATES ON RETURNS WITH TOTAL INCOME TAX, 1980 AND 1981

Every year there are many individual income tax returns filed that do not show any amount for total income tax. For 1980, the number was approximately 20.0 million of the 93.9 million returns filed, and for 1981 it was approximately 18.7 million out of 95.4 million returns filed. This situation occurs because even individuals without a tax liability must file a tax return whenever:

a. they are claimed as a dependent on another person's tax return and they had unearned income (such as dividends, interest, or capital gains) of $1,000 or more;
b. they have self-employment income of more than $400; or
c. they are entitled to a refund of income tax withheld or a refund of the earned income credit.

The presence, in the filing population, of these approximately 19 to 20 million tax returns without total income tax causes some distortion in the tax rate data shown in Figure A for all returns filed. Figure C shows the effective tax rate on the median AGI for only those returns that had an amount present for total income tax.

*Individual Returns Analysis Section. Prepared under the direction of Raymond Plowden, Chief.

Figure C.-- Effective Tax Rates on Median AGI for Returns With Total Income Tax

Tax Year	Median Adjusted Gross Income	Effective Tax Rates
1980	$16,490	11.8%
1981	17,496	11.9

A comparison with Figure A shows that the effective tax rate increases substantially when the focus changes from all returns to taxable returns. For 1980, the rate increased from 9.9 percent to 11.8 percent; for 1981, the rate went from 10.3 percent to 11.9 percent [1].

EFFECTIVE TAX RATES VERSUS TAX BRACKET RATES

There are substantial differences between effective tax rates and tax bracket rates. One of these differences is that effective tax rates, as used in the figures above, are based on AGI while the tax bracket rates are applied to a usually lesser amount of income called taxable income (AGI less the amounts for personal exemptions and itemized deductions). Another difference is that a tax return has only one effective tax rate while the same return may have tax generated at many different tax bracket rates. Both the tax rates and the income brackets to which they applied have been changed many times since 1950.

While the effective tax rate is generally accepted as a good measure of the tax burden, based on the percent of adjusted gross income payable as income tax, it fails to take account of changes in the number and kinds of adjustments to income that are allowed by the tax law, types of income which are not reported on the tax return, and types of income which are reported on the tax return but not fully included in adjusted gross income. For example, the only adjustment allowable for 1950 was the employee business expense adjustment. By 1981, the number of allowable adjustments had increased to eight, including payments to an individual retirement arrangement, payments to a Keogh plan, and forfeited interest penalties on early withdrawals from savings accounts. Since 1970, the number of returns with adjustments has doubled, and the dollar amount of adjustments has quadrupled. Thus, the effective tax rate presented above actually overstates the tax burden to the degree these adjustments have been used to reduce gross income. Examples of types of income which are not fully taxable include dividend income, long-term capital gains, and unemployment compensation. The types of income which are not reportable on the tax return include social security benefits and interest earned on tax free bonds.

COMPUTATION OF INCOME TAX BEFORE CREDITS

For 1981, there were four methods of computing income tax before credits: the regular method, the maximum tax (including the alternative maximum) method, the income averaging method and the alternative tax method. The first of these, the regular method, was used on 92.0 percent of the returns on which a tax was computed. The maximum tax method was designed to limit the tax rate on personal service income, primarily salaries and wages, to 50 percent. The income averaging method was designed to help taxpayers whose current-year income was substantially greater than that for the previous four years. The alternative tax method, which could also be used in conjunction with the maximum tax method, effectively taxed capital gains incurred after June 9, 1981, at a 20 percent rate. (For a further discussion of the maximum tax, income averaging and alternative tax methods, see Statistics of Income--1981, Individual Income Tax Returns.)

The following example shows how income tax before credits was computed for 1981 for a married couple filing a joint return, claiming four exemptions, having $4,880 in itemized deductions and with an adjusted gross income of $48,796.

Joint Return with Income Subject to Tax at Regular Rates Only

Derivation of Income Subject To Tax:

$48,796	- Adjusted Gross Income
-1,480	- Itemized deductions in excess of zero bracket amount
-4,000	- Exemption amount
$43,316	- Income subject to tax

Derivation of Regular Tax:

1st	$3,400 taxed at 0%..................	$ 0
Next	2,100 taxed at 14%..................	294
Next	2,100 taxed at 16%..................	336
Next	4,300 taxed at 18%..................	776
Next	4,100 taxed at 21%..................	861
Next	4,200 taxed at 24%..................	1,008
Next	4,400 taxed at 28%..................	1,232
Next	5,300 taxed at 32%..................	1,696
Next	5,300 taxed at 37%..................	1,961
Next	8,116 taxed at 43%..................	3,490
	$43,316 Income tax before credits	$11,652
	Rate-reduction credit	-146
	Net income tax before credits	$11,502

MARGINAL TAX RATES

As illustrated above, a particular return can have income taxed at many different tax bracket rates. However, a return has only one marginal tax rate, which is the highest tax bracket rate applicable to that return. In this example, the taxpayer had income taxed at ten tax bracket rates varying from 0 percent to the marginal (highest) rate of 43 percent.

Table 1 shows the amount of income subject to tax and the amount of tax, and classifies these items by both the marginal rate and each of the rates at which tax was computed, as well as by the filing status: joint, single, head of household, and separate returns of husbands and wives. For example, Table 1, page 1, line 6, columns 5 and 6 show that for those returns whose marginal (highest) tax rate was 19 percent, the amount of tax generated at the 0 percent through 19 percent rates totaled $3,214,780,000; and for these same returns, the amount of tax generated solely at the 19 percent marginal rate totaled $671,316,000.

Table 2 shows the amount of tax generated for each particular tax rate from 0 percent to 70 percent as well as the corresponding number of returns and amount of income subject to tax. The data are classified by adjusted gross income (AGI) classes. For example, Table 2, page 1, line 7, columns 1, 10, 11, and 12 show that of the 6,160,672 returns which had an AGI between $10,000 and $12,000 there were 5,804,882 returns which had a portion of their income taxed at the 16 percent rate; and these 5,804,882 returns had $7,804,062,000 of income subject to tax, and generated $1,248,650,000 of tax at the 16 percent rate.

DATA SOURCES AND LIMITATIONS

These statistics are based on a sample of individual income tax returns, Forms 1040 and 1040A, filed for Tax Year 1981. Returns in the sample were stratified based on the presence or absence of Schedule C, Profit (or Loss) from Business or Profession; State for which filed; adjusted gross income or deficit, or largest of selected sources of income or loss; and size of business plus farm receipts. For the complete 1981 sample used here returns were selected at rates ranging from 0.05 percent to 100 percent, resulting in 144,322 returns being selected from a population of 95,396,123.

As the data presented in this article are estimates based on a sample of documents filed with the Internal Revenue Service, they are subject to sampling, as well as nonsampling, error. To properly use the statistical data provided, the magnitude of the potential sampling error must 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 a number other than those shown below, the corresponding CV's can be estimated by interpolation.

Number of Returns	Approximated Coefficient of Variation
5,049,200	.02
807,900	.05
202,000	.10
50,000	.20
22,400	.30
8,100	.50

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.

NOTES AND REFERENCES

[1] Their is a slight difference between the rates shown here and those shown for the median taxpayer in Table 2 of the Selected Statistical Series found on page 53. This is due to the use of narrower AGI size classes in presenting the data in this article.

Table 1.—Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at which Tax was Computed

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

All returns

Tax rate classes	Classified by the highest marginal rate at which tax was computed: Number of returns	Adjusted gross income	Income subject to tax: At all rates	Income subject to tax: At marginal rate	Tax generated: At all rates	Tax generated: At marginal rate	Income tax after credits: Total	Income tax after credits: As a percent of — Adjusted gross income	Income tax after credits: As a percent of — Income subject to tax
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All marginal rates	**89,851,304**	**1,779,986,140**	**1,401,682,882**	**180,324,077**	**293,034,356**	**56,044,904**	**282,293,728**	**15.9**	**20.1**
0 percent	10,859,020	37,981,045	14,403,993	14,403,993	—	—	10,994	—	0.1
14 percent	6,951,505	41,723,249	23,978,905	5,533,424	771,931	774,679	523,100	1.3	2.2
16 percent	6,124,628	49,237,565	31,734,593	4,875,132	2,203,882	780,021	1,828,787	3.7	5.8
18 percent	10,759,285	115,564,634	82,413,971	16,986,841	8,336,138	3,057,631	7,891,877	6.8	9.6
19 percent	3,677,814	32,352,020	27,438,244	3,533,243	3,214,780	671,316	3,127,947	9.7	11.4
21 percent	9,232,975	144,306,833	111,726,673	15,317,623	14,840,565	3,216,701	14,244,757	9.9	12.7
22 percent	1,216,055	16,298,033	12,350,261	1,770,612	1,636,806	389,535	1,528,835	9.4	12.4
24 percent	9,540,184	189,620,202	150,638,070	16,644,588	23,060,455	3,994,701	22,190,804	11.7	14.7
26 percent	2,639,492	44,074,537	38,086,200	2,870,135	6,412,237	746,235	6,252,980	14.2	16.4
28 percent	5,647,773	157,737,171	124,620,417	11,988,699	21,603,491	3,356,836	20,836,057	13.2	16.7
30 percent	2,420,006	44,998,065	39,885,223	3,585,564	7,378,964	1,075,669	7,233,575	16.1	18.1
31 percent	533,516	13,293,969	10,965,566	1,255,575	2,153,994	389,228	2,079,183	15.6	19.0
32 percent	5,425,094	180,846,142	145,428,579	13,354,033	28,458,051	4,273,291	27,585,722	15.3	19.0
34 percent	2,505,743	58,173,296	51,550,929	5,946,519	10,953,616	2,021,816	10,791,767	18.6	20.9
36 percent	213,687	6,663,098	5,484,408	462,764	1,224,353	166,595	1,194,737	17.9	21.8
37 percent	3,834,683	148,983,421	121,798,301	8,906,417	26,705,684	3,295,374	25,861,091	17.4	21.2
39 percent	1,067,961	31,167,758	27,534,717	2,437,734	6,682,077	950,716	6,552,896	21.0	23.8
42 percent	69,116	2,581,812	2,143,840	153,301	538,442	64,386	528,964	20.5	24.7
43 percent	3,444,321	163,278,047	133,601,401	14,666,522	33,881,516	6,306,604	32,897,151	20.1	24.6
44 percent	437,237	15,728,135	13,641,920	1,049,495	3,712,042	461,778	3,641,489	23.2	26.7
46 percent	50,189	2,349,696	1,894,301	182,856	540,084	84,114	521,126	22.2	27.5
49 percent	1,692,137	99,101,629	81,299,518	8,485,103	24,468,788	4,157,700	23,564,043	23.8	29.0
50 percent maximum rate	103,028	12,050,622	9,742,707	3,867,474	3,854,547	1,933,737	3,630,059	30.1	37.3
50 percent alternative rate	19,890	4,064,890	3,138,245	1,471,274	1,388,380	735,637	1,315,879	32.4	41.9
54 percent	653,748	55,171,133	44,555,921	4,984,805	15,916,446	2,691,795	15,234,943	27.6	34.2
55 percent	148,478	8,357,687	6,967,568	673,331	2,424,841	370,332	2,355,864	28.2	33.8
59 percent	208,332	24,258,778	19,709,743	1,596,057	8,012,799	941,674	7,644,589	31.5	38.8
63 percent	77,617	6,401,972	5,246,226	633,101	2,177,104	398,854	2,066,791	32.3	39.4
64 percent	143,257	23,209,454	18,936,116	2,044,009	8,498,462	1,308,166	8,135,846	35.1	43.0
68 percent	72,511	13,973,818	11,393,635	1,045,815	5,512,974	711,154	5,275,269	37.8	46.3
70 percent	82,022	36,437,432	29,372,691	9,598,042	16,470,905	6,718,629	15,746,602	43.2	53.6

Tax rate classes	Classified by each rate at which tax was computed: Number of returns	Income taxed at rate	Income tax generated at rate
	(10)	(11)	(12)
All marginal rates	**89,851,304**	**1,401,682,882**	**293,071,321**
0 percent	89,850,982	240,752,396	—
14 percent	78,991,935	129,340,803	18,107,712
16 percent	72,040,418	116,127,365	18,580,378
18 percent	65,915,762	202,706,197	36,487,115
19 percent	19,115,228	34,408,071	6,537,533
21 percent	47,925,535	151,258,686	31,764,324
22 percent	3,553,057	9,015,311	1,983,368
24 percent	41,029,358	127,064,816	30,495,556
26 percent	10,579,339	20,553,486	5,343,906
28 percent	20,909,576	78,159,429	21,884,640
30 percent	7,021,846	18,311,401	5,493,420
31 percent	917,941	3,293,026	1,020,838
32 percent	15,261,719	64,603,521	20,673,127
34 percent	4,601,788	17,055,123	5,798,742
36 percent	384,424	1,367,329	492,238
37 percent	9,836,455	40,144,344	14,853,407
39 percent	2,095,935	7,885,677	3,075,414
42 percent	170,621	691,150	290,283
43 percent	6,001,627	41,322,670	17,768,748
44 percent	1,027,844	4,178,928	1,838,728
46 percent	101,475	725,845	333,889
49 percent	3,145,917	26,903,654	13,182,790
50 percent maximum rate	544,920	26,809,861	13,404,931
50 percent alternative rate	160,441	4,012,848	2,006,424
54 percent	907,222	10,324,862	5,575,425
55 percent	245,432	1,943,865	1,069,126
59 percent	338,538	4,219,710	2,489,629
63 percent	118,112	1,644,701	1,036,162
64 percent	197,293	4,295,045	2,748,829
68 percent	125,230	2,964,721	2,016,010
70 percent	82,022	9,598,042	6,718,629

Joint returns and returns of surviving spouses

Tax rate classes	Classified by the highest marginal rate at which tax was computed: Number of returns	Adjusted gross income	Income subject to tax: At all rates	Income subject to tax: At marginal rate	Tax generated: At all rates	Tax generated: At marginal rate	Income tax after credits: Total	Income tax after credits: As a percent of — Adjusted gross income	Income tax after credits: As a percent of — Income subject to tax
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
All marginal rates	**43,940,657**	**1,253,692,329**	**970,391,714**	**120,414,193**	**214,794,102**	**40,863,907**	**206,515,981**	**16.5**	**21.3**
0 percent	2,644,390	17,135,416	4,982,286	4,982,286	—	—	10,471	0.1	0.2
14 percent	2,285,570	20,236,056	10,198,978	2,428,638	338,940	340,009	236,299	1.2	2.3
16 percent	2,394,097	26,728,950	15,670,957	2,503,777	1,103,194	400,604	993,889	3.7	6.3
18 percent	5,029,670	73,014,358	49,297,455	11,074,160	5,159,603	1,993,349	4,885,136	6.7	9.9
19 percent	—	—	—	—	—	—	—	—	—
21 percent	5,402,635	102,343,271	75,370,409	11,080,466	9,909,518	2,326,898	9,417,139	9.2	12.5
22 percent	—	—	—	—	—	—	—	—	—
24 percent	5,863,641	137,739,580	106,342,863	12,525,684	16,284,082	3,006,164	15,593,777	11.3	14.7
26 percent	—	—	—	—	—	—	—	—	—
28 percent	5,503,971	155,771,048	123,028,220	11,848,902	21,329,099	3,317,693	20,567,905	13.2	16.7
30 percent	—	—	—	—	—	—	—	—	—
31 percent	—	—	—	—	—	—	—	—	—
32 percent	5,312,787	179,004,929	143,908,951	13,215,338	28,160,751	4,228,908	27,296,221	15.2	19.0
34 percent	—	—	—	—	—	—	—	—	—
36 percent	—	—	—	—	—	—	—	—	—
37 percent	3,716,660	146,649,169	119,898,550	8,770,780	26,289,663	3,245,189	25,452,209	17.4	21.2
39 percent	—	—	—	—	—	—	—	—	—
42 percent	—	—	—	—	—	—	—	—	—
43 percent	3,313,351	160,171,673	131,006,537	14,376,730	33,222,601	6,181,994	32,248,521	20.1	24.6
44 percent	—	—	—	—	—	—	—	—	—
46 percent	—	—	—	—	—	—	—	—	—
49 percent	1,340,154	84,438,774	68,778,221	7,399,437	20,671,829	3,625,724	19,877,881	23.5	28.9
50 percent maximum rate	85,623	10,374,786	8,369,583	3,232,203	3,301,045	1,616,102	3,102,798	29.9	37.1
50 percent alternative rate	14,246	3,366,554	2,586,122	1,217,505	1,152,706	608,753	1,089,720	32.4	42.1
54 percent	599,123	52,208,646	42,183,412	4,715,069	15,095,985	2,546,137	14,448,787	27.7	34.3
55 percent	—	—	—	—	—	—	—	—	—
59 percent	194,255	23,126,724	18,839,217	1,524,127	7,667,372	899,235	7,308,415	31.6	38.8
63 percent	—	—	—	—	—	—	—	—	—
64 percent	141,160	23,019,482	18,783,064	2,010,352	8,424,728	1,286,625	8,065,058	35.0	42.9
68 percent	46,237	10,793,599	8,814,284	779,649	4,280,985	530,161	4,073,848	37.7	46.2
70 percent	53,087	27,569,312	22,332,605	6,729,088	12,402,001	4,710,362	11,847,907	43.0	53.1

Tax rate classes	Classified by each rate at which tax was computed: Number of returns	Income taxed at rate	Income tax generated at rate
	(22)	(23)	(24)
All marginal rates	**43,940,657**	**970,391,714**	**214,817,546**
0 percent	43,940,383	145,380,182	—
14 percent	41,295,969	84,350,468	11,809,066
16 percent	39,010,388	79,397,961	12,703,674
18 percent	36,616,267	146,896,386	26,441,349
19 percent	—	—	—
21 percent	31,586,531	118,434,101	24,871,161
22 percent	—	—	—
24 percent	26,183,701	97,869,704	23,488,729
26 percent	—	—	—
28 percent	20,319,870	77,038,643	21,570,820
30 percent	—	—	—
31 percent	—	—	—
32 percent	14,815,815	63,580,794	20,345,854
34 percent	—	—	—
36 percent	—	—	—
37 percent	9,502,858	39,437,436	14,591,851
39 percent	—	—	—
42 percent	—	—	—
43 percent	5,786,053	40,584,477	17,451,325
44 percent	—	—	—
46 percent	—	—	—
49 percent	2,471,967	23,450,058	11,490,528
50 percent maximum rate	467,830	23,916,383	11,958,192
50 percent alternative rate	121,647	3,224,717	1,612,359
54 percent	832,602	9,770,254	5,275,937
55 percent	—	—	—
59 percent	315,742	4,005,518	2,363,256
63 percent	—	—	—
64 percent	193,150	4,207,169	2,692,588
68 percent	76,542	2,118,375	1,440,495
70 percent	53,087	6,729,088	4,710,362

Footnote(s) at end of table.

Table 1.—Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at which Tax was Computed—Continued

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

Tax rate classes	Separate returns of husbands and wives: Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Income subject to tax		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of — Adjusted gross income	As a percent of — Income subject to tax			
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All marginal rates	**1,397,848**	**18,631,106**	**14,442,280**	**1,935,579**	**3,230,831**	**680,025**	**3,138,512**	**16.8**	**21.7**	**1,397,848**	**14,442,280**	**3,231,062**
0 percent	161,036	477,599	153,923	153,923	—	—	—	—	—	1,397,845	2,254,966	—
14 percent	92,708	397,457	201,879	44,330	6,176	6,206	5,568	1.4	2.8	1,236,808	1,245,635	174,389
16 percent	77,565	396,686	253,971	40,667	17,893	6,507	17,050	4.3	6.7	1,144,100	1,160,529	185,685
18 percent	164,943	1,276,529	802,998	176,278	83,666	31,730	80,995	6.3	10.1	1,066,535	2,114,700	380,646
19 percent	—	—	—	—	—	—	—	—	—	—	—	—
21 percent	171,622	1,568,246	1,169,637	148,711	151,633	31,229	147,771	9.4	12.6	901,591	1,645,148	345,481
22 percent	—	—	—	—	—	—	—	—	—	—	—	—
24 percent	140,263	1,592,439	1,265,281	143,355	193,186	34,405	188,095	11.8	14.9	729,969	1,381,738	331,617
26 percent	—	—	—	—	—	—	—	—	—	—	—	—
28 percent	143,802	1,966,122	1,592,197	139,797	274,391	39,143	268,152	13.6	16.8	589,706	1,120,786	313,820
30 percent	—	—	—	—	—	—	—	—	—	—	—	—
31 percent	—	—	—	—	—	—	—	—	—	—	—	—
32 percent	112,307	1,841,213	1,519,627	138,695	297,300	44,382	289,501	15.7	19.1	445,904	1,022,727	327,273
34 percent	—	—	—	—	—	—	—	—	—	—	—	—
36 percent	—	—	—	—	—	—	—	—	—	—	—	—
37 percent	118,023	2,334,252	1,899,751	135,637	416,021	50,186	408,882	17.5	21.5	333,597	706,908	261,556
39 percent	—	—	—	—	—	—	—	—	—	—	—	—
42 percent	—	—	—	—	—	—	—	—	—	—	—	—
43 percent	130,970	3,106,374	2,594,864	289,792	658,914	124,611	648,631	20.9	25.0	215,574	738,193	317,423
44 percent	—	—	—	—	—	—	—	—	—	—	—	—
46 percent	—	—	—	—	—	—	—	—	—	—	—	—
49 percent	50,624	1,557,022	1,299,248	139,959	390,535	68,580	381,296	24.5	29.3	84,604	381,098	186,738
50 percent maximum rate	—	—	—	—	—	—	—	—	—	—	—	—
50 percent alternative rate	*33	*15,858	*10,698	*9,971	*5,203	*4,986	*5,163	*32.6	*48.3	1,834	56,148	28,074
54 percent	25,148	1,036,915	877,227	120,633	314,131	65,142	301,523	29.1	34.4	33,952	233,324	125,995
55 percent	—	—	—	—	—	—	—	—	—	—	—	—
59 percent	4,661	310,414	223,566	22,073	92,144	13,023	90,685	29.2	40.6	8,804	71,375	42,111
63 percent	—	—	—	—	—	—	—	—	—	—	—	—
64 percent	2,097	189,972	153,052	33,658	73,734	21,541	70,788	37.3	46.3	4,143	87,877	56,241
68 percent	1,177	138,983	115,651	15,816	60,833	10,755	59,797	43.0	51.7	2,046	38,844	26,414
70 percent	869	425,025	308,709	182,284	195,070	127,599	174,613	41.1	56.6	869	182,284	127,599

Tax rate classes	Returns of heads of households: Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Income subject to tax		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of — Adjusted gross income	As a percent of — Income subject to tax			
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All marginal rates	**7,621,207**	**102,712,261**	**75,509,205**	**11,069,791**	**12,547,674**	**2,576,996**	**11,602,139**	**11.3**	**15.4**	**7,621,207**	**75,509,205**	**12,550,168**
0 percent	882,492	3,780,262	1,125,239	1,125,239	—	—	—	—	—	7,621,203	16,623,590	—
14 percent	1,128,991	7,422,105	3,803,132	1,206,728	168,558	168,942	28,248	0.4	0.7	6,738,711	12,987,140	1,818,200
16 percent	1,059,515	8,984,810	5,731,906	1,070,040	482,338	171,206	234,940	2.6	4.1	5,609,720	10,625,470	1,700,075
18 percent	997,147	10,518,248	7,525,896	1,044,640	815,831	188,035	715,373	6.8	9.5	4,550,204	8,861,365	1,595,046
19 percent	—	—	—	—	—	—	—	—	—	—	—	—
21 percent	—	—	—	—	—	—	—	—	—	—	—	—
22 percent	1,216,055	16,298,033	12,350,261	1,770,612	1,636,806	389,535	1,528,835	9.4	12.4	3,553,057	9,015,311	1,983,368
24 percent	863,229	14,519,377	11,441,366	1,255,263	1,775,244	301,263	1,697,908	11.7	14.8	2,336,998	5,971,324	1,433,118
26 percent	555,827	11,312,742	9,128,769	791,544	1,581,848	205,801	1,526,275	13.5	16.7	1,473,769	3,728,956	969,529
28 percent	—	—	—	—	—	—	—	—	—	—	—	—
30 percent	—	—	—	—	—	—	—	—	—	—	—	—
31 percent	533,516	13,293,969	10,965,566	1,255,575	2,153,994	389,228	2,079,183	15.6	19.0	917,941	3,293,026	1,020,838
32 percent	—	—	—	—	—	—	—	—	—	—	—	—
34 percent	—	—	—	—	—	—	—	—	—	—	—	—
36 percent	213,687	6,663,098	5,484,408	462,764	1,224,353	166,595	1,194,737	17.9	21.8	384,424	1,367,329	492,238
37 percent	—	—	—	—	—	—	—	—	—	—	—	—
39 percent	—	—	—	—	—	—	—	—	—	—	—	—
42 percent	69,116	2,581,812	2,143,840	153,301	538,442	64,386	528,964	20.5	24.7	170,621	691,150	290,283
43 percent	—	—	—	—	—	—	—	—	—	—	—	—
44 percent	—	—	—	—	—	—	—	—	—	—	—	—
46 percent	50,189	2,349,696	1,894,301	182,856	540,084	84,114	521,126	22.2	27.5	101,475	725,845	333,889
49 percent	—	—	—	—	—	—	—	—	—	—	—	—
50 percent maximum rate	4,858	491,591	404,422	187,270	161,446	93,635	152,909	31.1	37.8	14,319	615,315	307,658
50 percent alternative rate	512	106,779	89,821	40,280	40,873	20,140	35,650	33.4	39.7	5,336	104,731	52,366
54 percent	29,477	1,925,572	1,495,282	149,103	506,330	80,516	484,633	25.2	32.4	40,668	321,284	173,493
55 percent	—	—	—	—	—	—	—	—	—	—	—	—
59 percent	9,416	821,640	646,960	49,857	253,283	29,416	245,489	29.9	37.9	13,992	142,817	84,262
63 percent	3,356	413,829	319,971	33,760	141,791	21,269	130,587	31.6	40.8	5,889	95,026	59,866
64 percent	—	—	—	—	—	—	—	—	—	—	—	—
68 percent	2,293	415,155	309,376	37,910	151,029	25,779	140,675	33.9	45.5	3,303	86,475	58,803
70 percent	1,531	813,544	648,688	253,052	375,424	177,136	356,607	43.8	55.0	1,531	253,052	177,136

Footnote(s) at end of table.

Table 1.—Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at which Tax was Computed—Continued

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

Tax rate classes	Returns of single persons: Classified by the highest marginal rate at which tax was computed: Number of returns	Adjusted gross income	Income subject to tax: At all rates	Income subject to tax: At marginal rate	Tax generated: At all rates	Tax generated: At marginal rate	Income tax after credits: Total	Income tax after credits: As a percent of — Adjusted gross income	Income tax after credits: As a percent of — Income subject to tax	Classified by each rate at which tax was computed: Number of returns	Income taxed at rate	Income tax generated at rate
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
All marginal rates	**36,891,592**	**404,950,443**	**341,339,683**	**46,904,514**	**62,461,749**	**11,923,978**	**61,037,096**	**15.1**	**17.9**	**36,891,592**	**341,339,683**	**62,472,551**
0 percent	7,171,102	16,587,768	8,142,545	8,142,545	—	—	523	—	—	36,891,551	76,493,658	—
14 percent	3,444,236	13,667,630	9,774,915	1,853,728	258,257	259,522	252,986	1.9	2.6	29,720,447	30,757,560	4,306,058
16 percent	2,593,451	13,127,120	10,077,758	1,260,647	600,458	201,704	582,908	4.4	5.8	26,276,210	24,943,405	3,990,945
18 percent	4,567,525	30,755,499	24,787,622	4,691,762	2,277,039	844,517	2,210,373	7.2	8.9	23,682,756	44,833,745	8,070,074
19 percent	3,677,814	32,352,020	27,438,244	3,533,243	3,214,780	671,316	3,127,947	9.7	11.4	19,115,228	34,408,071	6,537,533
21 percent	3,658,718	40,395,316	35,186,628	4,088,445	4,779,414	858,573	4,679,847	11.6	13.3	15,437,413	31,179,438	6,547,682
22 percent	—	—	—	—	—	—	—	—	—	—	—	—
24 percent	2,673,051	35,768,805	31,588,560	2,720,285	4,807,943	652,868	4,711,024	13.2	14.9	11,778,690	21,842,050	5,242,092
26 percent	2,083,665	32,761,795	28,957,431	2,078,591	4,830,389	540,434	4,726,706	14.4	16.3	9,105,570	16,824,530	4,374,378
28 percent	—	—	—	—	—	—	—	—	—	—	—	—
30 percent	2,420,006	44,998,065	39,885,223	3,585,564	7,378,964	1,075,669	7,233,575	16.1	18.1	7,021,846	18,311,401	5,493,420
31 percent	—	—	—	—	—	—	—	—	—	—	—	—
32 percent	—	—	—	—	—	—	—	—	—	—	—	—
34 percent	2,505,743	58,173,296	51,550,929	5,946,519	10,953,616	2,021,816	10,791,767	18.6	20.9	4,601,788	17,055,123	5,798,742
36 percent	—	—	—	—	—	—	—	—	—	—	—	—
37 percent	—	—	—	—	—	—	—	—	—	—	—	—
39 percent	1,067,961	31,167,758	27,534,717	2,437,734	6,682,077	950,716	6,552,896	21.0	23.8	2,095,935	7,885,677	3,075,414
42 percent	—	—	—	—	—	—	—	—	—	—	—	—
43 percent	—	—	—	—	—	—	—	—	—	—	—	—
44 percent	437,237	15,728,135	13,641,920	1,049,495	3,712,042	461,778	3,641,489	23.2	26.7	1,027,844	4,178,928	1,838,728
46 percent	—	—	—	—	—	—	—	—	—	—	—	—
49 percent	301,359	13,105,833	11,222,049	945,707	3,406,424	463,396	3,304,866	25.2	29.4	589,346	3,072,498	1,505,524
50 percent maximum rate	12,547	1,184,245	968,702	448,001	392,056	224,001	374,352	31.6	38.6	62,771	2,278,163	1,139,082
50 percent alternative rate	5,099	575,699	451,604	203,518	189,598	101,759	185,345	32.2	41.0	31,624	627,251	313,626
54 percent	—	—	—	—	—	—	—	—	—	—	—	—
55 percent	148,478	8,357,687	6,967,568	673,331	2,424,841	370,332	2,355,864	28.2	33.8	245,432	1,943,865	1,069,126
59 percent	—	—	—	—	—	—	—	—	—	—	—	—
63 percent	74,261	5,98[illegible],143	4,926,255	599,341	2,035,313	377,585	1,936,204	32.3	39.3	112,223	1,549,676	976,296
64 percent	—	—	—	—	—	—	—	—	—	—	—	—
68 percent	22,804	2,626,080	2,154,324	212,439	1,020,128	144,459	1,000,948	38.1	46.5	43,339	721,027	490,298
70 percent	26,535	7,629,550	6,082,689	2,433,618	3,498,411	1,703,533	3,367,476	44.1	55.4	26,535	2,433,618	1,703,533

(1) Percent not computed.
NOTE: Detail may not add to total because of rounding.

Table 2. —All Returns With Income Subject to Tax: Tax Generated by Rate and by Size of Adjusted Gross Income

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

Size of adjusted gross income	Number of returns with income subject to tax	Taxable income	Income subject to tax	Tax generated at all rates	Tax generated at specified rate							
					0 percent		14 percent			16 percent		
					Number of returns	Income subject to tax	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total	**89,851,304**	**1,410,880,665**	**1,401,682,882**	**293,071,321**	**89,850,982**	**240,752,396**	**78,991,935**	**129,340,803**	**18,107,712**	**72,040,418**	**116,127,365**	**18,580,378**
Under $2,000	3,209,021	2,009,754	2,009,754	11,948	3,209,021	1,924,412	176,755	85,342	11,948	—	—	—
$2,000 under $4,000	6,902,961	12,815,951	12,815,951	143,394	6,902,961	11,811,128	2,071,873	883,470	123,686	184,822	106,788	17,086
$4,000 under $6,000	7,103,954	23,416,225	23,416,225	1,182,845	7,103,954	15,409,005	5,465,282	5,344,277	748,199	3,441,515	2,237,141	357,943
$6,000 under $8,000	7,177,795	35,767,964	35,761,488	2,898,217	7,177,795	17,523,689	6,329,852	7,371,373	1,031,992	4,906,945	4,663,613	746,178
$8,000 under $10,000	6,624,192	44,397,583	44,373,108	4,475,484	6,624,192	17,150,645	6,370,397	8,996,999	1,259,580	5,410,708	5,940,920	950,547
$10,000 under $12,000	6,160,672	52,409,259	52,364,935	6,178,856	6,160,672	16,221,938	6,055,971	9,315,989	1,304,238	5,804,882	7,804,062	1,248,650
$12,000 under $14,000	5,473,466	56,422,150	56,357,966	7,391,781	5,473,466	14,802,760	5,419,475	8,686,216	1,216,070	5,316,242	8,079,592	1,292,735
$14,000 under $16,000	4,871,379	58,456,156	58,316,026	8,213,149	4,871,379	13,593,917	4,840,355	8,118,753	1,136,625	4,796,185	7,770,096	1,243,215
$16,000 under $18,000	4,452,314	60,785,609	60,623,224	9,084,869	4,452,314	12,749,476	4,432,815	7,663,414	1,072,878	4,412,833	7,418,413	1,186,946
$18,000 under $20,000	4,115,501	63,190,610	62,971,343	9,983,017	4,115,501	12,010,153	4,105,105	7,200,332	1,008,046	4,079,709	7,012,853	1,122,056
$20,000 under $25,000	9,098,035	165,407,940	164,712,231	28,092,830	9,098,035	27,547,399	9,082,046	16,687,195	2,336,207	9,058,426	16,407,036	2,625,126
$25,000 under $30,000	7,197,182	159,682,521	158,862,209	29,378,940	7,197,182	22,745,069	7,192,219	13,884,698	1,943,858	7,185,871	13,750,014	2,200,002
$30,000 under $50,000	13,377,623	406,455,654	403,231,733	89,033,842	13,377,623	43,780,915	13,366,156	26,830,217	3,756,230	13,361,235	26,698,199	4,271,712
$50,000 under $100,000	3,435,862	174,698,937	172,067,092	52,774,313	3,435,862	11,353,463	3,433,032	6,970,752	975,905	3,430,775	6,943,805	1,111,009
$100,000 under $200,000	514,132	53,360,906	52,540,267	22,188,249	514,131	1,682,588	513,757	1,029,265	144,097	513,506	1,023,911	163,826
$200,000 under $500,000	117,337	26,018,319	25,733,834	12,989,457	117,288	382,775	117,260	234,097	32,774	117,195	232,795	37,247
$500,000 under $1,000,000	14,631	7,416,993	7,366,867	4,129,889	14,479	46,744	14,467	28,501	3,990	14,458	28,308	4,529
$1,000,000 or more	5,247	8,168,130	8,158,630	4,920,248	5,127	16,320	5,118	9,913	1,388	5,111	9,822	1,572
All returns, summary:												
Under $5,000	13,624,562	25,065,869	25,065,869	567,673	13,624,562	21,101,168	4,891,924	3,381,444	473,402	1,486,540	535,733	85,717
$5,000 under $10,000	17,393,361	93,341,609	93,310,657	8,144,212	17,393,361	42,717,711	15,522,235	19,300,017	2,702,002	12,457,450	12,412,728	1,986,036
$10,000 under $15,000	14,106,967	137,469,241	137,297,918	17,525,231	14,106,967	37,877,921	13,934,457	22,086,417	3,092,098	13,560,521	19,787,627	3,166,020
$15,000 under $20,000	10,966,365	153,794,544	153,335,576	23,326,444	10,966,365	31,500,323	10,919,264	18,898,286	2,645,760	10,849,330	18,297,388	2,927,582
$20,000 or more	33,760,049	1,001,209,401	992,672,862	243,507,763	33,759,727	107,555,273	33,724,055	65,674,637	9,194,449	33,686,577	65,093,888	10,415,022

Size of adjusted gross income	Tax generated at specified rate—Continued											
	18 percent			19 percent			21 percent			22 percent		
	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total	**65,915,762**	**202,706,197**	**36,487,115**	**19,115,228**	**34,408,071**	**6,537,533**	**47,925,535**	**151,258,686**	**31,764,324**	**3,553,057**	**9,015,311**	**1,983,368**
Under $2,000	—	—	—	—	—	—	—	—	—	—	—	—
$2,000 under $4,000	42,797	14,564	2,622	—	—	—	—	—	—	—	—	—
$4,000 under $6,000	1,178,575	419,927	75,587	*17,821	*5,876	*1,116	—	—	—	—	—	—
$6,000 under $8,000	4,093,818	5,908,716	1,063,569	874,040	264,115	50,182	73,755	29,982	6,296	—	—	—
$8,000 under $10,000	4,061,316	7,641,006	1,375,381	3,196,010	4,283,127	813,794	803,406	343,600	72,156	*6,914	*435	*96
$10,000 under $12,000	4,821,591	8,732,389	1,571,830	2,977,204	5,818,843	1,105,580	2,888,983	4,037,518	847,879	306,730	207,396	45,627
$12,000 under $14,000	5,027,932	10,626,786	1,912,821	2,464,111	4,896,649	930,363	2,549,227	5,546,789	1,164,826	611,746	1,085,607	238,834
$14,000 under $16,000	4,676,253	12,597,315	2,267,517	1,890,382	3,768,201	715,958	2,816,582	5,187,206	1,089,313	560,521	1,453,873	319,852
$16,000 under $18,000	4,335,220	13,253,358	2,385,604	1,541,865	3,078,184	584,855	3,312,121	6,867,311	1,442,135	459,971	1,340,043	294,809
$18,000 under $20,000	4,052,593	13,266,625	2,387,993	1,318,511	2,631,970	500,074	3,444,653	9,395,058	1,972,962	340,244	1,026,285	225,783
$20,000 under $25,000	9,024,889	31,978,631	5,756,154	2,218,824	4,432,672	842,208	8,156,833	27,413,664	5,756,869	621,468	1,905,925	419,304
$25,000 under $30,000	7,173,100	27,430,958	4,937,572	1,157,006	2,310,815	439,055	6,809,376	25,353,875	5,324,314	317,026	980,763	215,768
$30,000 under $50,000	13,349,676	54,103,305	9,738,595	1,171,952	2,343,704	445,304	13,063,734	51,209,244	10,753,941	262,359	810,228	178,250
$50,000 under $100,000	3,428,256	14,104,082	2,538,735	226,121	451,327	85,752	3,369,016	13,376,219	2,809,006	54,922	170,194	37,443
$100,000 under $200,000	513,046	2,078,940	374,209	47,332	94,524	17,960	503,909	1,976,224	415,007	8,569	26,551	5,841
$200,000 under $500,000	117,148	472,419	85,035	11,531	23,031	4,376	114,862	448,685	94,224	2,140	6,634	1,459
$500,000 under $1,000,000	14,448	57,328	10,319	1,754	3,508	667	14,116	54,468	11,438	313	965	212
$1,000,000 or more	5,104	19,849	3,573	764	1,526	290	4,962	18,843	3,957	134	413	91
All returns, summary:												
Under $5,000	85,898	47,524	8,554	—	—	—	—	—	—	—	—	—
$5,000 under $10,000	9,290,608	13,936,689	2,508,604	4,087,871	4,553,118	865,092	877,161	373,582	78,452	*6,914	*435	*96
$10,000 under $15,000	12,215,821	25,363,977	4,565,516	6,449,056	12,724,381	2,417,632	6,743,380	12,052,605	2,531,047	1,219,440	2,020,072	444,416
$15,000 under $20,000	10,697,768	33,112,496	5,960,249	3,743,017	7,469,466	1,419,199	8,268,186	18,981,278	3,986,068	1,059,772	3,093,131	680,489
$20,000 or more	33,625,667	130,245,510	23,444,192	4,835,284	9,661,105	1,835,610	32,036,808	119,851,221	25,168,756	1,266,931	3,901,673	858,368

Footnote(s) at end of table.

Table 2. —All Returns With Income Subject to Tax: Tax Generated by Rate and by Size of Adjusted Gross Income—Continued

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

Size of adjusted gross income	Tax generated at specified rate—Continued											
	24 percent			26 percent			28 percent			30 percent		
	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
Total	**41,029,358**	**127,064,816**	**30,495,556**	**10,579,339**	**20,553,486**	**5,343,906**	**20,909,576**	**78,159,429**	**21,884,640**	**7,021,846**	**18,311,401**	**5,493,420**
Under $2,000	—	—	—	—	—	—	—	—	—	—	—	—
$2,000 under $4,000	—	—	—	—	—	—	—	—	—	—	—	—
$4,000 under $6,000	—	—	—	—	—	—	—	—	—	—	—	—
$6,000 under $8,000	—	—	—	—	—	—	—	—	—	—	—	—
$8,000 under $10,000	29,623	16,377	3,930	—	—	—	—	—	—	—	—	—
$10,000 under $12,000	332,731	211,011	50,643	*1,962	*632	*164	41,043	15,159	4,245	—	—	—
$12,000 under $14,000	2,271,219	2,531,951	607,668	92,162	4,072	1,059	72,046	95,225	26,663	—	—	—
$14,000 under $16,000	2,236,684	4,105,467	985,312	1,519,709	1,488,357	386,973	79,048	152,022	42,566	*3,475	*4,008	*1,202
$16,000 under $18,000	1,965,376	4,107,359	985,766	1,542,395	2,839,574	738,289	72,017	149,269	41,795	1,146,059	993,781	298,134
$18,000 under $20,000	2,392,783	4,326,984	1,038,476	1,481,911	2,869,541	746,081	70,588	152,760	42,773	1,166,735	2,713,518	814,055
$20,000 under $25,000	7,573,776	18,770,369	4,504,889	2,712,408	5,949,042	1,546,751	1,101,860	1,254,243	351,188	2,111,783	6,390,938	1,917,281
$25,000 under $30,000	6,906,861	24,275,622	5,826,149	1,448,667	3,320,907	863,436	4,221,416	11,784,238	3,299,587	1,145,682	3,599,232	1,079,770
$30,000 under $50,000	13,254,695	52,353,005	12,564,721	1,428,344	3,271,110	850,489	11,547,927	48,316,498	13,528,619	1,164,508	3,704,355	1,111,307
$50,000 under $100,000	3,417,301	13,790,704	3,309,769	279,559	646,423	168,070	3,128,545	13,716,971	3,840,752	222,593	710,891	213,267
$100,000 under $200,000	512,047	2,037,622	489,029	55,631	126,217	32,816	455,616	1,999,161	559,765	47,065	150,116	45,035
$200,000 under $500,000	116,770	462,596	111,023	13,639	30,931	8,042	102,964	451,688	126,473	11,440	36,552	10,966
$500,000 under $1,000,000	14,402	56,247	13,499	2,058	4,657	1,211	12,318	53,913	15,096	1,745	5,576	1,673
$1,000,000 or more	5,090	19,503	4,681	894	2,024	526	4,188	18,281	5,119	761	2,434	730
All returns, summary:												
Under $5,000	—	—	—	—	—	—	—	—	—	—	—	—
$5,000 under $10,000	29,623	16,377	3,930	—	—	—	—	—	—	—	—	—
$10,000 under $15,000	3,746,816	4,771,082	1,145,060	848,384	448,600	116,636	137,127	150,978	42,274	*1,689	*1,529	*459
$15,000 under $20,000	5,451,977	10,511,690	2,522,806	3,789,755	6,753,575	1,755,930	197,615	413,457	115,768	2,314,580	3,709,778	1,112,933
$20,000 or more	31,800,942	111,765,667	26,823,760	5,941,200	13,351,311	3,471,341	20,574,834	77,594,994	21,726,598	4,705,577	14,600,095	4,380,029

Size of adjusted gross income	Tax generated at specified rate—Continued											
	31 percent			32 percent			34 percent			36 percent		
	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
Total	**917,941**	**3,293,026**	**1,020,838**	**15,261,719**	**64,603,521**	**20,673,127**	**4,601,788**	**17,055,123**	**5,798,742**	**384,424**	**1,367,329**	**492,238**
Under $2,000	—	—	—	—	—	—	—	—	—	—	—	—
$2,000 under $4,000	—	—	—	—	—	—	—	—	—	—	—	—
$4,000 under $6,000	—	—	—	—	—	—	—	—	—	—	—	—
$6,000 under $8,000	—	—	—	—	—	—	—	—	—	—	—	—
$8,000 under $10,000	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $12,000	—	—	—	—	—	—	—	—	—	—	—	—
$12,000 under $14,000	—	—	—	*12,531	*2,320	*742	—	—	—	—	—	—
$14,000 under $16,000	—	—	—	53,567	76,072	24,343	—	—	—	—	—	—
$16,000 under $18,000	—	—	—	65,594	133,345	42,670	—	—	—	—	—	—
$18,000 under $20,000	*3,710	*863	*268	63,675	156,803	50,177	273,754	104,893	35,664	—	—	—
$20,000 under $25,000	328,374	626,348	194,168	129,662	335,927	107,497	1,798,589	4,482,670	1,524,108	*3,432	*607	*219
$25,000 under $30,000	267,644	1,047,402	324,695	1,066,393	1,299,965	415,989	1,099,752	5,096,624	1,732,852	98,055	164,873	59,354
$30,000 under $50,000	252,226	1,269,864	393,658	10,184,342	43,185,919	13,819,494	1,147,333	5,875,843	1,997,787	217,246	855,608	308,019
$50,000 under $100,000	54,865	289,727	89,815	3,111,579	16,378,841	5,241,229	221,636	1,173,888	399,122	54,605	287,831	103,619
$100,000 under $200,000	8,541	45,267	14,033	455,042	2,404,075	769,304	46,820	247,662	84,205	8,541	44,949	16,182
$200,000 under $500,000	2,139	11,212	3,476	102,859	543,462	173,908	11,404	60,302	20,503	2,104	11,123	4,004
$500,000 under $1,000,000	309	1,637	507	12,292	64,807	20,738	1,740	9,217	3,134	308	1,632	588
$1,000,000 or more	133	705	219	4,183	21,985	7,035	760	4,025	1,369	133	705	254
All returns, summary:												
Under $5,000	—	—	—	—	—	—	—	—	—	—	—	—
$5,000 under $10,000	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $15,000	—	—	—	24,095	12,729	4,073	—	—	—	—	—	—
$15,000 under $20,000	*3,710	*863	*268	171,272	355,810	113,859	273,754	104,893	35,663	—	—	—
$20,000 or more	914,231	3,292,163	1,020,571	15,066,352	64,234,982	20,555,194	4,328,034	16,950,231	5,763,079	384,424	1,367,329	492,238

Footnote(s) at end of table.

Table 2. —All Returns With Income Subject to Tax: Tax Generated by Rate and by Size of Adjusted Gross Income—Continued

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

Size of adjusted gross income	Tax generated at specified rate—Continued: 37 percent: Number of returns	37 percent: Income subject to tax	37 percent: Tax generated at rate	39 percent: Number of returns	39 percent: Income subject to tax	39 percent: Tax generated at rate	42 percent: Number of returns	42 percent: Income subject to tax	42 percent: Tax generated at rate	43 percent: Number of returns	43 percent: Income subject to tax	43 percent: Tax generated at rate
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
Total	**9,836,455**	**40,144,344**	**14,853,407**	**2,095,935**	**7,885,677**	**3,075,414**	**170,621**	**691,150**	**290,283**	**6,001,627**	**41,322,670**	**17,768,748**
Under $2,000	—	—	—	—	—	—	—	—	—	—	—	—
$2,000 under $4,000	—	—	—	—	—	—	—	—	—	—	—	—
$4,000 under $6,000	—	—	—	—	—	—	—	—	—	—	—	—
$6,000 under $8,000	—	—	—	—	—	—	—	—	—	—	—	—
$8,000 under $10,000	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $12,000	—	—	—	—	—	—	—	—	—	—	—	—
$12,000 under $14,000	—	—	—	—	—	—	—	—	—	—	—	—
$14,000 under $16,000	*3,361	*738	*273	—	—	—	—	—	—	—	—	—
$16,000 under $18,000	37,431	29,696	10,988	—	—	—	—	—	—	—	—	—
$18,000 under $20,000	49,903	92,589	34,258	—	—	—	—	—	—	17,134	10,118	4,351
$20,000 under $25,000	123,684	279,735	103,502	56,751	11,489	4,481	—	—	—	88,282	231,811	99,679
$25,000 under $30,000	50,484	123,002	45,511	708,628	1,493,731	582,555	—	—	—	43,062	161,685	69,524
$30,000 under $50,000	5,927,197	20,578,999	7,614,230	1,048,587	4,898,650	1,910,473	106,240	353,988	148,675	2,318,407	8,240,006	3,543,203
$50,000 under $100,000	3,071,172	16,013,368	5,924,946	221,424	1,161,568	453,012	53,412	279,585	117,426	2,963,436	26,659,806	11,463,716
$100,000 under $200,000	454,079	2,397,163	886,950	46,695	246,898	96,290	8,430	44,250	18,585	452,469	4,766,763	2,049,708
$200,000 under $500,000	102,709	542,478	200,717	11,352	60,112	23,444	2,098	10,993	4,617	102,441	1,079,910	464,361
$500,000 under $1,000,000	12,266	64,656	23,923	1,739	9,206	3,590	308	1,630	685	12,234	128,826	55,395
$1,000,000 or more	4,169	21,921	8,111	759	4,023	1,569	133	705	296	4,162	43,744	18,810
All returns, summary:												
Under $5,000	—	—	—	—	—	—	—	—	—	—	—	—
$5,000 under $10,000	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $15,000	—	—	—	—	—	—	—	—	—	—	—	—
$15,000 under $20,000	90,695	123,023	45,519	—	—	—	—	—	—	17,134	10,118	4,351
$20,000 or more	9,745,760	40,021,322	14,807,889	2,095,935	7,885,677	3,075,414	170,621	691,150	290,283	5,984,493	41,312,551	17,764,397

Size of adjusted gross income	Tax generated at specified rate—Continued: 44 percent: Number of returns	44 percent: Income subject to tax	44 percent: Tax generated at rate	46 percent: Number of returns	46 percent: Income subject to tax	46 percent: Tax generated at rate	49 percent: Number of returns	49 percent: Income subject to tax	49 percent: Tax generated at rate	50 percent maximum tax rate: Number of returns	50 percent maximum tax rate: Income subject to tax	50 percent maximum tax rate: Tax generated at rate
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)
Total	**1,027,844**	**4,178,928**	**1,838,728**	**101,475**	**725,845**	**333,889**	**3,145,917**	**26,903,654**	**13,182,790**	**544,920**	**26,809,861**	**13,404,930**
Under $2,000	—	—	—	—	—	—	—	—	—	—	—	—
$2,000 under $4,000	—	—	—	—	—	—	—	—	—	—	—	—
$4,000 under $6,000	—	—	—	—	—	—	—	—	—	—	—	—
$6,000 under $8,000	—	—	—	—	—	—	—	—	—	—	—	—
$8,000 under $10,000	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $12,000	—	—	—	—	—	—	—	—	—	—	—	—
$12,000 under $14,000	—	—	—	—	—	—	—	—	—	—	—	—
$14,000 under $16,000	—	—	—	—	—	—	—	—	—	—	—	—
$16,000 under $18,000	—	—	—	—	—	—	—	—	—	—	—	—
$18,000 under $20,000	—	—	—	—	—	—	—	—	—	—	—	—
$20,000 under $25,000	—	—	—	—	—	—	*12,069	*6,529	*3,199	—	—	—
$25,000 under $30,000	*6,863	*642	*282	—	—	—	16,217	38,095	18,667	—	—	—
$30,000 under $50,000	744,454	2,731,356	1,201,796	40,022	145,953	67,138	398,649	1,475,099	722,798	7,968	18,946	9,473
$50,000 under $100,000	216,307	1,129,265	496,877	50,734	466,435	214,560	2,093,692	17,031,478	8,345,424	189,939	2,114,015	1,057,007
$100,000 under $200,000	46,413	244,547	107,601	8,211	86,889	39,969	493,440	6,589,297	3,228,755	263,386	10,555,525	5,277,763
$200,000 under $500,000	11,313	59,913	26,362	2,070	21,936	10,090	113,040	1,514,986	742,343	73,157	9,488,252	4,744,126
$500,000 under $1,000,000	1,735	9,185	4,042	306	3,244	1,492	13,904	184,268	90,291	8,053	2,607,218	1,303,609
$1,000,000 or more	759	4,020	1,769	132	1,390	639	4,906	63,902	31,312	2,417	2,025,904	1,012,952
All returns, summary:												
Under $5,000	—	—	—	—	—	—	—	—	—	—	—	—
$5,000 under $10,000	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $15,000	—	—	—	—	—	—	—	—	—	—	—	—
$15,000 under $20,000	—	—	—	—	—	—	—	—	—	—	—	—
$20,000 or more	1,027,844	4,178,928	1,838,728	101,475	725,845	333,889	3,145,917	26,903,654	13,182,790	544,920	26,809,861	13,404,930

Footnote(s) at end of table.

Table 2. —All Returns With Income Subject to Tax: Tax Generated by Rate and by Size of Adjusted Gross Income—Continued

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

Size of adjusted gross income	Tax generated at specified rate—Continued											
	50 percent alternative rate			54 percent			55 percent			59 percent		
	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate
	(73)	(74)	(75)	(76)	(77)	(78)	(79)	(80)	(81)	(82)	(83)	(84)
Total	**160,441**	**4,012,848**	**2,006,424**	**907,222**	**10,324,862**	**5,575,426**	**245,432**	**1,943,865**	**1,069,126**	**338,538**	**4,219,710**	**2,489,629**
Under $2,000	—	—	—	—	—	—	—	—	—	—	—	—
$2,000 under $4,000	—	—	—	—	—	—	—	—	—	—	—	—
$4,000 under $6,000	—	—	—	—	—	—	—	—	—	—	—	—
$6,000 under $8,000	—	—	—	—	—	—	—	—	—	—	—	—
$8,000 under $10,000	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $12,000	—	—	—	—	—	—	—	—	—	—	—	—
$12,000 under $14,000	—	—	—	—	—	—	—	—	—	—	—	—
$14,000 under $16,000	—	—	—	—	—	—	—	—	—	—	—	—
$16,000 under $18,000	—	—	—	—	—	—	—	—	—	—	—	—
$18,000 under $20,000	—	—	—	—	—	—	—	—	—	—	—	—
$20,000 under $25,000	—	—	—	—	—	—	—	—	—	—	—	—
$25,000 under $30,000	—	—	—	—	—	—	—	—	—	—	—	—
$30,000 under $50,000	*6,169	*7,773	*3,887	27,126	107,996	58,318	48,868	64,955	35,725	—	—	—
$50,000 under $100,000	45,936	154,567	77,284	574,704	4,452,959	2,404,598	157,472	1,371,471	754,309	42,023	168,419	99,367
$100,000 under $200,000	70,169	791,701	395,850	261,915	4,746,153	2,562,923	29,977	383,632	210,997	251,295	3,077,207	1,815,552
$200,000 under $500,000	30,237	1,089,428	544,714	36,252	842,892	455,162	7,383	100,146	55,080	37,891	808,302	476,898
$500,000 under $1,000,000	5,568	701,408	350,704	5,111	123,292	66,577	1,184	16,138	8,876	5,184	116,764	68,891
$1,000,000 or more	2,362	1,267,970	633,985	2,114	51,571	27,849	548	7,523	4,138	2,145	49,018	28,921
All returns, summary:												
Under $5,000	—	—	—	—	—	—	—	—	—	—	—	—
$5,000 under $10,000	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $15,000	—	—	—	—	—	—	—	—	—	—	—	—
$15,000 under $20,000	—	—	—	—	—	—	—	—	—	—	—	—
$20,000 or more	160,441	4,012,848	2,006,424	907,222	10,324,862	5,575,426	245,432	1,943,865	1,069,126	338,538	4,219,710	2,489,629

Size of adjusted gross income	Tax generated at specified rate—Continued											
	63 percent			64 percent			68 percent			70 percent		
	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate
	(85)	(86)	(87)	(88)	(89)	(90)	(91)	(92)	(93)	(94)	(95)	(96)
Total	**118,112**	**1,644,701**	**1,036,162**	**197,293**	**4,295,045**	**2,748,829**	**125,230**	**2,964,721**	**2,016,010**	**82,022**	**9,598,042**	**6,718,630**
Under $2,000	—	—	—	—	—	—	—	—	—	—	—	—
$2,000 under $4,000	—	—	—	—	—	—	—	—	—	—	—	—
$4,000 under $6,000	—	—	—	—	—	—	—	—	—	—	—	—
$6,000 under $8,000	—	—	—	—	—	—	—	—	—	—	—	—
$8,000 under $10,000	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $12,000	—	—	—	—	—	—	—	—	—	—	—	—
$12,000 under $14,000	—	—	—	—	—	—	—	—	—	—	—	—
$14,000 under $16,000	—	—	—	—	—	—	—	—	—	—	—	—
$16,000 under $18,000	—	—	—	—	—	—	—	—	—	—	—	—
$18,000 under $20,000	—	—	—	—	—	—	—	—	—	—	—	—
$20,000 under $25,000	—	—	—	—	—	—	—	—	—	—	—	—
$25,000 under $30,000	—	—	—	—	—	—	—	—	—	—	—	—
$30,000 under $50,000	—	—	—	—	—	—	—	—	—	—	—	—
$50,000 under $100,000	72,118	634,589	399,791	1,933	33,050	21,152	6,724	31,399	21,351	—	—	—
$100,000 under $200,000	35,623	747,655	471,022	137,844	2,000,608	1,280,389	41,462	592,536	402,924	15,002	302,374	211,662
$200,000 under $500,000	8,408	211,384	133,172	49,899	1,890,836	1,210,135	67,240	1,902,437	1,293,657	50,315	2,701,527	1,891,069
$500,000 under $1,000,000	1,342	34,729	21,879	5,416	261,248	167,199	6,921	307,353	209,000	12,150	2,380,193	1,666,135
$1,000,000 or more	621	16,344	10,297	2,201	109,303	69,954	2,883	130,997	89,078	4,555	4,213,948	2,949,764
All returns, summary:												
Under $5,000	—	—	—	—	—	—	—	—	—	—	—	—
$5,000 under $10,000	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $15,000	—	—	—	—	—	—	—	—	—	—	—	—
$15,000 under $20,000	—	—	—	—	—	—	—	—	—	—	—	—
$20,000 or more	118,112	1,644,701	1,036,162	197,293	4,295,045	2,748,829	125,230	2,964,721	2,016,010	82,022	9,598,042	6,718,630

*Estimate should be used with caution because of the small number of sample returns on which it is based.
NOTE: Detail may not add to total because of rounding.

Selected Statistical Series, 1970-1983

Table 1.—Individual Income Tax Returns: Selected Income and Tax Items for Selected Years, 1970-1981
[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	1970	1975	1978	1979	1980	1981
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns:						
All returns	74,279,831	82,229,332	89,771,551	92,694,302	93,902,469	95,396,123
Joint returns	42,376,365	44,140,085	44,483,348	44,855,141	45,243,211	45,697,648
Sources of income:						
Salaries and wages:						
Number of returns	66,965,659	73,520,046	80,278,349	83,200,646	83,802,109	84,208,807
Amount	531,883,892	795,399,462	1,090,291,855	1,229,251,389	1,349,842,802	1,486,100,497
Interest received:						
Number of returns	32,630,355	40,378,240	46,107,411	47,885,069	49,019,575	49,656,550[1]
Amount	22,021,267	43,433,554	61,222,522	73,875,462	102,009,444	140,559,366[1]
Taxable pensions and annuities:						
Number of returns	3,249,558	5,088,937	6,373,564	6,866,851	7,373,704	8,157,475
Amount	7,878,808	20,886,871	32,743,819	37,346,510	43,339,736	51,886,406
Dividends:						
No. of returns before exclusion	12,452,227	13,370,427	13,587,058	13,969,453	14,640,139	16,482,018[1]
Amount	17,018,148	23,270,182	31,671,858	37,479,767	43,567,241	48,161,460[1]
No. of returns after exclusion	7,729,939	8,853,491	9,425,819	9,881,105	10,738,982	n.a.
Amount	15,806,924	21,892,126	30,206,475	33,482,508	36,761,253	n.a.
Net capital gain less loss:						
Number of returns	7,962,663	7,574,823	8,711,086	8,641,573	8,929,474	9,484,987
Amount	9,006,683	14,071,893	23,231,376	28,448,300	29,659,600	30,818,535
Business net income less loss:						
Number of returns	6,159,985	7,242,542	8,194,375	8,562,834	8,881,119	9,571,409
Amount	30,554,201	39,421,478	53,546,508	56,564,467	55,129,154	53,071,628
Total adjustments:						
Number of returns	6,370,552	9,024,255	10,576,655	11,543,369	13,148,919	14,078,211
Amount	7,665,251	15,101,999	22,364,088	24,778,484	28,614,061	31,442,288
Individual Retirement Arrangement:						
Number of returns	N/A	1,211,794	2,382,741	2,451,955	2,564,421	3,415,053
Amount	N/A	1,436,443	2,970,121	3,198,788	3,430,894	4,750,190
Self-Employed Retirement (Keogh):						
Number of returns	591,655	595,892	627,367	590,189	568,936	557,038
Amount	847,692	1,603,788	1,994,029	2,029,300	2,007,666	2,011,947
Adjusted gross income	631,692,540	947,784,873	1,302,447,386	1,465,394,530	1,613,731,497	1,772,604,303
Exemptions:						
Total number	204,126,402	212,202,596	219,867,696	224,691,732	227,925,098	231,222,374
Number, age 65 or over	8,904,331	9,937,208	10,996,804	11,322,713	11,847,168	13,118,926
Total amount	127,531,204	159,140,845	164,900,772	223,891,529	227,569,280	231,119,115
Total deductions:						
Number of returns	73,862,448	81,585,541	85,473,429	87,202,857	88,491,251	90,319,941
Amount	120,549,755	233,181,778	304,282,120	332,957,555	346,000,155	401,168,213
Total itemized deductions:						
Number of returns	35,430,047	26,074,061	25,756,298	26,483,877	28,950,282	31,571,246
Amount	88,178,487	122,260,601	164,432,406	184,168,669	218,028,139	256,448,021
Medical and dental expense	10,585,749	11,422,312	12,203,983	12,915,626	14,972,082	17,878,680
Taxes paid	32,014,673	44,141,289	59,506,835	60,674,905	69,404,275	79,698,519
Interest paid	23,929,477	38,885,282	60,681,144	74,427,045	91,187,006	108,718,281
Contributions	12,892,732	15,393,331	19,691,249	22,210,838	25,809,608	30,800,722
Taxable income:						
Number of returns	59,593,598	65,852,602	85,280,660	86,932,978	88,104,696	89,851,304
Amount	401,154,285	595,492,866	1,062,190,322	1,157,247,646	1,279,985,360	1,410,880,665
Income tax before credits:						
Number of returns	59,596,755	65,854,734	73,087,283	74,243,824	76,135,819	79,011,548
Amount	84,156,695[2]	132,452,044	203,803,653	220,099,516	256,294,315	293,590,035
Total tax credits	369,610	8,069,846	17,085,591	6,780,186	7,215,839	11,288,005
General tax credit	N/A	5,020,477	10,248,475	N/A	N/A	3,382,711[3]
Investment credit	30,554	1,593,150	2,926,988	3,313,836	3,288,415	3,971,199
Foreign tax credit	169,623	381,985	901,030	850,212	1,341,645	1,233,564
Child care credit	N/A	N/A	654,304	793,143	956,439	1,147,907
Credit for the elderly	167,656	128,968	145,255	131,734	134,993	124,011
Residential energy credit	N/A	N/A	576,545	473,603	562,141	600,831
Earned income credit	N/A	252,141	152,934	495,500	451,366	452,482
Income tax after credits	83,787,323	124,382,197	186,718,062	213,319,330	249,078,475	282,302,029
Additional tax for tax preferences	121,988	144,100	1,514,475	1,175,188	1,262,964	1,826,960
Total income tax:						
Number of returns	59,317,371	61,490,737	68,688,305	71,694,983	73,906,244	76,724,724
Amount	83,909,311	124,526,297	188,232,537	214,494,519	250,341,440	284,128,989

See notes following Table 9.

Table 2.—Number of Individual Returns, Income, Tax and Average Tax by Size of Adjusted Gross Income, Tax Years 1980 and 1981

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

Size of adjusted gross income	Number of returns filed		Total adjusted gross income		Taxable income	
	1980	1981	1980	1981	1980	1981
	(1)	(2)	(3)	(4)	(5)	(6)
Total	93,902,469	95,396,123	1,613,731,497	1,772,604,303	1,279,985,360	1,410,880,665
Less than $1000	3,687,997	3,484,734	-11,063,711	-16,952,842	11,799	7,084
$1,000 under $3,000	8,673,301	7,855,771	17,314,975	15,691,845	7,569,858	7,064,102
$3,000 under $5,000	7,694,231	7,405,871	30,654,346	29,580,649	18,534,160	17,994,684
$5,000 under $7,000	7,633,889	7,251,941	45,738,822	43,446,800	30,497,371	29,153,117
$7,000 under $9,000	7,336,650	7,066,520	58,608,700	56,341,030	42,267,675	40,597,471
$9,000 under $11,000	6,605,618	6,514,144	65,907,303	65,051,373	49,980,765	49,147,621
$11,000 under $13,000	5,830,212	5,821,233	69,911,911	69,702,815	54,591,487	54,207,411
$13,000 under $15,000	5,267,669	5,190,200	73,590,238	72,548,282	58,114,413	57,705,230
$15,000 under $17,000	4,654,783	4,648,986	74,387,702	74,256,678	59,701,351	59,486,499
$17,000 under $19,000	4,350,522	4,291,557	78,267,330	77,161,287	63,009,244	62,056,343
$19,000 under $22,000	5,925,162	5,967,094	121,233,104	122,157,450	97,261,921	98,703,455
$22,000 under $25,000	5,325,787	5,207,693	125,021,261	122,181,884	100,538,990	98,956,187
$25,000 under $30,000	6,783,466	7,205,282	185,760,754	197,424,953	150,218,626	159,682,521
$30,000 under $35,000	4,729,899	5,294,687	152,927,369	171,601,299	124,032,123	138,893,019
$35,000 under $40,000	3,221,053	3,910,649	120,167,693	145,814,841	97,276,738	118,288,891
$40,000 under $50,000	3,053,039	4,182,389	134,907,796	185,322,655	109,091,818	149,273,745
$50,000 under $75,000	2,033,079	2,796,836	120,009,700	164,256,670	96,834,054	131,174,316
$75,000 under $100,000	535,348	645,884	45,918,079	55,099,048	36,849,386	43,524,621
$100,000 under $150,000	336,269	398,479	40,213,979	47,552,689	32,528,035	37,510,693
$150,000 under $200,000	107,245	118,037	18,377,241	20,164,437	14,823,138	15,842,213
$200,000 under $300,000	68,422	80,945	16,387,236	19,350,168	13,211,348	15,230,276
$300,000 under $500,000	31,947	37,147	11,956,450	13,906,555	9,505,239	10,788,043
$500,000 under $1,000,000	12,467	14,758	8,323,125	9,815,188	6,516,941	7,416,993
$1,000,000 or more	4,414	5,286	9,210,095	11,128,551	7,018,879	8,168,130

Size of adjusted gross income	Total income tax		Percent of filers with no income tax liability		Filers with income tax liability: Average tax (whole dollars)		Filers with income tax liability: Tax as percent of adj. gross inc.	
	1980	1981	1980	1981	1980	1981	1980	1981
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total	250,341,440	284,128,989	21.3	19.6	3,387	3,703	16.1	16.5
Less than $1,000	103,645	137,840	99.7	99.5	10,091	8,626	--	--
$1,000 under $3,000	32,471	43,465	96.9	95.5	122	123	6.1	6.0
$3,000 under $5,000	530,988	516,050	42.5	41.7	120	120	2.9	2.9
$5,000 under $7,000	1,864,897	1,761,464	32.1	32.0	360	357	6.0	5.9
$7,000 under $9,000	3,494,441	3,306,387	17.8	18.1	579	571	7.2	7.1
$9,000 under $11,000	5,296,395	5,150,823	5.0	5.2	844	834	8.5	8.3
$11,000 under $13,000	6,586,710	6,531,708	2.5	3.2	1,159	1,160	9.7	9.7
$13,000 under $15,000	7,633,561	7,601,053	2.1	2.2	1,480	1,498	10.6	10.7
$15,000 under $17,000 M-1980	8,417,235	8,355,068	1.5	1.8	1,835	1,830	11.5	11.5
$17,000 under $19,000 M-1981	9,351,972	9,226,778	1.1	1.3	2,173	2,179	12.1	12.1
$19,000 under $22,000	15,189,223	15,609,261	1.0	1.1	2,589	2,645	12.7	12.9
$22,000 under $25,000	16,620,372	16,563,264	.6	.9	3,138	3,209	13.4	13.7
$25,000 under $30,000	26,635,973	28,474,945	.4	.6	3,941	3,976	14.4	14.5
$30,000 under $35,000	23,969,187	26,910,961	.5	.4	5,091	5,103	15.7	15.7
$35,000 under $40,000	20,419,148	24,834,220	.5	.3	6,373	6,370	17.1	17.1
$40,000 under $50,000	25,565,426	34,847,163	.4	.6	8,404	8,379	19.0	18.9
$50,000 under $75,000	27,208,647	36,299,454	.6	.5	13,463	13,050	22.8	22.2
$75,000 under $100,000	12,549,071	14,715,265	.4	.4	23,531	22,867	27.4	26.8
$100,000 under $150,000	12,868,433	14,619,378	.3	.4	38,368	36,828	32.1	30.9
$150,000 under $200,000	6,537,749	6,886,418	.3	.2	61,169	58,439	35.7	34.2
$200,000 under $300,000	6,370,648	7,183,611	.1	.2	93,234	88,930	38.9	37.2
$300,000 under $500,000	4,971,806	5,566,282	.1	.1	155,797	149,990	41.6	40.1
$500,000 under $1,000,000	3,713,691	4,100,676	.1	.1	298,169	278,182	44.7	41.8
$1,000,000 or more	4,409,751	4,887,456	.1	.1	999,944	925,655	47.9	44.0

M - The median taxpayer is at this level.

See notes following Table 9.

Table 3.—Nonfarm Sole Proprietorship Returns: Selected Income and Deduction Items for Selected Years, 1970-1981
[All figures are estimates based on samples—money amounts are in thousands of dollars]

Items	1970	1975	1978	1979	1980	1981
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns, total	5,769,741	7,221,346	8,229,952	8,595,736	8,931,712	9,584,790
No. with net business income	n.a.	n.a.	n.a.	n.a.	n.a.	6,534,688
Inventory, end of year	11,060,775	15,578,040	19,602,909	21,925,135	21,996,236	22,921,503
Business receipts, total	198,582,172	273,954,741	361,630,253	395,669,594	411,205,713	427,063,055
Income from sales and operations	n.a.	272,342,560	358,922,485	392,497,616	407,169,299	421,700,025
Total deductions	168,044,746	234,318,288	308,148,911	339,141,191	356,258,495	373,991,426
Cost of goods sold/operations	109,148,811	146,261,435	187,635,841	202,498,637	209,889,809	209,723,950
Purchases	88,585,913	117,722,352	146,141,140	161,798,251	168,301,517	167,751,431
Cost of labor	7,704,285	8,791,083	10,971,193	10,943,072	10,922,221	10,923,120
Materials and supplies	6,216,057	9,090,638	13,044,634	13,230,280	12,909,222	12,081,423
Commissions	1,274,016	2,225,830	3,680,402	3,744,999	3,333,345	3,539,844
Salaries and wages	15,107,047	20,227,859	25,634,002	27,338,570	26,560,821	28,749,357
Car and truck expenses	n.a.	n.a.	n.a.	11,442,680	13,378,289	12,358,478
Rent paid	4,636,528	6,676,314	8,008,711	8,885,890	9,636,290	10,715,102
Repairs	2,444,607	3,044,175	4,150,126	4,769,757	5,031,573	5,414,156
Taxes paid	3,775,502	5,423,961	6,969,754	7,484,662	7,672,459	6,661,054
Utilities	n.a.	n.a.	n.a.	4,502,560	4,790,337	8,275,517
Insurance	2,309,608	3,503,812	5,308,705	5,861,950	6,003,126	6,238,704
Interest paid	1,784,276	3,390,845	4,997,828	6,386,472	7,190,257	9,052,338
Depreciation	5,451,525	7,958,143	10,998,979	12,929,133	13,952,703	15,854,513
Pension and profit sharing plans	72,741	125,296	125,421	135,952	141,463	152,588
Net income less deficit	30,537,426	36,636,453	53,481,341	56,528,403	54,947,219	53,071,628
Net income	33,735,732	45,624,890	62,271,438	67,078,638	68,010,051	68,552,791
Deficit	3,198,306	5,988,437	8,790,096	10,550,235	13,062,832	15,481,162

See notes following Table 9.

Table 4.—Partnership Returns: Selected Income Statement and Balance Sheet Items for Selected Years, 1970-1981
[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	1970	1975	1978	1979	1980	1981 (Preliminary)
	(1)	(2)	(3)	(4)	(5)	(6)
Total number of active partnerships	936,133	1,073,094	1,234,157	1,299,593	1,379,654	1,460,502
Number with net income	639,795	661,134	761,753	765,575	774,173	749,222
Number with balance sheets	555,741	783,271	1,023,542	n.a.	1,194,236	1,193,792
Number of partners	3,697,818	4,950,634	6,121,455	6,954,767	8,419,899	12,225,123
Total assets [1]	116,752,751	235,468,301	353,696,180	447,130,068	597,503,923	715,232,726
Buildings/depreciable assets (net)	n.a.	113,124,969	158,727,737	n.a.	239,139,823	367,270,152
Inventories, end of year	n.a.	11,985,431	17,202,990	n.a.	33,218,272	59,649,950
Land	n.a.	36,731,958	46,442,485	n.a.	70,241,248	76,336,446
Total liabilities	n.a.	193,875,629	293,050,496	n.a.	488,734,023	580,033,757
Accounts payable	n.a.	12,302,055	20,943,025	n.a.	33,899,048	29,092,451
Short-term debt [2]	n.a.	22,709,476	27,810,649	n.a.	48,001,839	55,691,914
Long-term debt [3]	n.a.	136,296,764	114,942,633	n.a.	178,044,406	196,508,937
Nonrecourse loans	n.a.	n.a.	83,746,916	n.a.	118,910,380	138,134,304
Partners' capital accounts	n.a.	41,592,672	60,645,684	n.a.	108,769,900	135,198,969
Total receipts	93,348,080	148,417,529	219,192,109	258,197,936	291,998,115	272,129,807
Business receipts	90,208,834	142,505,781	207,731,266	242,653,710	271,108,832	230,027,336
Interest received	942,304	2,477,173	4,346,928	7,246,203	10,869,323	13,772,559
Total deductions	83,557,684	140,679,959	204,745,300	242,992,028	283,749,460	274,864,704
Cost of goods sold/operations	46,040,874	64,672,843	87,217,203	102,096,671	113,885,668	n.a.
Cost of labor	4,146,927	4,585,836	5,667,139	6,737,888	7,015,547	n.a.
Purchases	31,820,581	42,608,734	55,983,188	64,201,085	70,439,607	n.a.
Salaries and wages	8,129,233	12,489,039	16,585,456	19,392,819	22,336,337	n.a.
Taxes paid	3,159,258	5,770,918	7,364,870	8,328,583	9,553,145	n.a.
Interest paid	4,470,206	12,097,100	16,022,804	21,275,551	28,362,385	n.a.
Depreciation	4,578,820	10,108,834	14,519,760	17,662,667	21,576,189	n.a.
Net income (less deficit)	9,790,396	7,737,570	14,446,809	15,205,908	8,248,655	-2,734,897
Net income	14,419,124	22,431,931	33,689,343	40,000,896	45,061,756	50,567,190
Deficit	4,628,728	14,694,361	19,242,534	24,794,987	36,813,100	53,302,086

See notes following Table 9.

Table 5.—Corporation Income Tax Returns: Selected Balance Sheet, Income Statement and Tax Items for Selected Years, 1970-1980
[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	1970	1975	1977	1978	1979	1980
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns, total	1,665,477	2,023,647	2,241,887	2,376,779	2,577,801	2,710,538
Number with net income	1,008,337	1,226,208	1,424,528	1,523,648	1,599,322	1,596,632
Small Business Corp. returns	257,475	358,413	428,204	478,679	518,550	545,389
DISC returns	N/A	6,431	6,665	7,208	8,066	8,665
Total assets	2,634,706,564	4,286,556,273	5,326,389,281	6,014,452,008	6,844,891,231	7,617,238,403
Notes and acc'ts receivable	614,667,376	1,051,542,806	1,337,902,515	1,589,330,717	1,817,469,863	1,984,601,790
Inventories	190,401,642	317,718,545	396,032,639	442,652,820	504,315,590	534,806,547
Investments in Gov't obligations	196,625,390	316,131,699	380,540,830	403,628,383	421,441,738	472,059,737
Net capital assets, except land [1]	552,838,384	825,107,002	1,001,921,728	1,115,564,447	1,264,872,322	1,418,605,742
Total liabilities	1,882,295,401	3,189,491,468	3,975,418,416	4,519,695,153	5,125,337,041	5,672,850,147
Accounts payable	148,812,597	263,417,584	346,521,170	403,553,630	482,558,295	542,172,368
Short-term debt [2]	170,884,261	272,123,551	319,805,729	380,851,818	452,958,194	504,802,288
Long-term debt [2]	362,700,303	586,703,526	694,119,251	780,536,053	885,515,693	986,663,932
Net worth	752,411,163	1,097,064,806	1,350,970,865	1,494,756,856	1,719,554,190	1,944,388,256
Total receipts	1,750,776,503	3,198,627,860	4,128,304,478	4,714,602,615	5,615,625,519	6,361,284,012
Business receipts	1,620,885,576	2,961,729,640	3,813,925,121	4,353,704,519	5,152,613,019	5,731,616,337
Interest on Gov't obligations	9,687,116	17,264,405	22,177,902	25,381,712	30,420,365	38,061,592
United States	5,911,199	10,552,799	14,356,996	16,241,045	19,541,449	25,440,716
State and Local	3,775,917	6,711,606	7,820,906	9,140,667	10,878,916	12,620,876
Other interest	61,883,309	126,034,505	154,491,738	195,479,301	259,146,298	328,802,958
Rents and royalties	16,524,889	26,932,271	38,773,512	38,164,761	40,303,671	53,821,391
Net short-term capital gain less net long-term capital loss	190,439	301,601	521,410	884,646	1,209,842	2,013,510
Net long-term capital gain less net short-term capital loss	5,481,580	8,364,523	11,916,138	14,679,876	20,005,538	24,910,957
Net gain, noncapital assets	5,315,562	7,757,287	11,169,250	12,137,078	15,397,176	20,117,615
Dividends received from domestic corporations	5,238,421	8,818,282	13,932,345	13,321,287	16,863,766	18,654,800
Dividends received from foreign corporations	3,466,515	5,467,726	8,275,849	9,277,932	12,715,084	14,563,353
Total deductions	1,682,778,847	3,052,674,597	3,908,781,721	4,467,196,877	5,331,970,825	6,125,365,155
Cost of sales and operations	1,146,263,273	2,129,928,467	2,725,009,554	3,113,421,507	3,721,782,971	4,204,905,905
Bad debts	6,479,814	13,781,147	14,249,343	15,660,693	17,486,107	18,769,771
Taxes paid	49,523,243	81,530,302	104,282,166	116,155,070	128,172,063	163,003,622
Interest paid	62,055,010	129,307,921	152,865,323	192,403,316	261,530,850	344,612,542
Contributions or gifts	797,029	1,202,130	1,789,747	2,084,022	2,294,755	2,358,554
Depreciation	52,941,266	86,295,664	106,972,692	121,299,900	138,490,396	157,345,828
Depletion	5,623,339	5,341,489	5,658,877	6,402,020	7,828,973	8,871,993
Pension, profit-sharing, stock bonus, and annuity plans	12,225,912	26,526,129	36,463,699	41,825,415	46,583,431	51,529,310
Net loss, noncapital assets	1,289,305	1,804,079	1,618,022	2,155,305	4,074,858	5,903,104
Net income (less deficit)	65,901,614	142,636,826	219,243,043	246,867,473	285,300,630	239,006,542
Net income	83,710,924	169,483,336	245,274,490	274,519,721	322,517,550	296,787,201
Deficit	17,809,310	26,846,510	26,031,447	27,652,248	37,216,920	57,780,659
Income subject to tax	72,374,437	146,589,287	212,501,782	239,631,773	280,155,155	246,598,486
Income tax before credits [3]	r32,949,937	65,769,822	95,627,563	106,976,893	119,157,964	103,831,172
Tax credits, total	5,414,940	26,452,791	39,605,284	43,501,607	54,229,274	42,167,741
Foreign tax credit	4,548,986	19,987,724	26,006,028	26,357,629	36,828,057	24,861,315
Possessions tax credit	N/A	N/A	837,687	1,134,422	1,376,124	1,565,681
Investment credit	865,954	6,459,746	11,038,404	12,897,172	14,678,306	15,102,812
Jobs credit	N/A	N/A	1,703,838	3,093,915	1,318,837	601,444
Income tax after credits [3]	r27,534,997	39,317,031	56,022,279	63,475,286	64,928,690	61,663,431
Additional tax for tax preferences	265,249	156,740	263,316	340,519	433,649	438,820
Total income tax after credits	r27,878,078	39,691,517	56,735,169	64,386,838	66,120,672	62,974,695
Distributions to stockholders, except in own stock	32,012,677	45,224,392	61,536,761	70,294,349	86,833,911	97,378,617

See notes following Table 9.

Table 6.—Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items by Industrial Division for Selected Years, 1970-1980
[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial division and items	1970	1975	1977	1978	1979	1980
	(1)	(2)	(3)	(4)	(5)	(6)
AGRICULTURE, FORESTRY AND FISHING						
Number of returns, total	37,283	56,280	65,594	69,971	76,643	80,883
Number with net income	19,843	33,328	38,440	44,807	46,683	43,827
Total assets	11,909,403	21,177,941	28,902,259	32,904,622	36,265,804	40,738,977
Total liabilities	7,897,335	14,332,992	19,974,685	22,685,831	24,775,572	29,278,042
Total receipts	14,277,707	28,118,514	35,907,867	41,417,558	50,986,876	52,089,915
Total deductions	14,209,713	27,369,286	35,199,177	40,125,054	49,751,856	51,418,280
Net income (less deficit)	65,295	746,908	708,956	1,296,962	1,239,718	673,158
Income tax before credits[1]	113,115	351,059	395,785	475,815	501,397	533,768
Total income tax after credits	107,023	294,584	286,940	340,710	365,106	422,282
MINING						
Number of returns, total	14,465	14,242	19,216	19,124	24,296	25,576
Number with net income	7,303	8,297	10,963	11,148	11,259	12,698
Total assets	23,972,812	64,505,341	88,377,059	97,670,205	115,530,163	126,947,880
Total liabilities	10,590,991	31,739,651	45,695,450	52,613,050	64,248,721	72,879,732
Total receipts	17,747,750	65,909,994	96,164,753	94,706,062	132,926,563	176,672,390
Total deductions	15,927,348	42,348,765	64,894,600	67,158,152	89,992,366	169,051,624
Net income (less deficit)	1,834,315	23,574,833	31,353,923	27,709,582	43,063,340	7,750,561
Income tax before credits[1]	1,031,550	11,361,037	15,176,753	13,741,509	20,098,354	3,947,569
Total income tax after credits	342,928	1,051,138	1,053,804	1,046,525	1,212,267	1,672,492
CONSTRUCTION						
Number of returns, total	138,905	191,219	214,745	228,657	259,213	272,432
Number with net income	82,078	108,852	135,955	148,712	162,732	150,368
Total assets	42,719,792	76,691,947	91,222,022	105,545,997	125,420,947	132,939,026
Total liabilities	30,900,188	57,662,870	68,130,156	79,758,557	95,396,236	100,112,852
Total receipts	90,610,644	146,955,117	181,550,922	216,710,160	258,723,850	267,205,356
Total deductions	89,070,022	144,717,309	177,093,366	210,906,569	252,709,644	262,116,275
Net income (less deficit)	1,538,418	2,236,262	4,517,522	5,876,327	6,136,913	5,271,209
Income tax before credits[1]	776,979	1,320,196	1,894,222	2,398,869	2,550,908	2,521,507
Total income tax after credits	756,637	1,131,960	1,335,283	1,496,951	1,824,890	1,973,614
MANUFACTURING						
Number of returns, total	197,807	217,354	231,149	223,471	241,795	242,550
Number with net income	120,814	136,839	158,995	159,631	164,605	153,640
Total assets	612,912,516	944,581,970	1,182,263,458	1,308,673,807	1,533,494,376	1,709,471,700
Total liabilities	303,989,223	501,994,296	634,919,791	713,609,724	856,041,068	960,284,926
Total receipts	722,952,890	1,296,359,650	1,653,531,899	1,836,552,260	2,166,399,886	2,404,323,844
Total deductions	692,455,462	1,230,689,496	1,559,542,934	1,730,009,625	2,045,448,376	2,290,593,808
Net income (less deficit)	31,846,078	68,406,627	100,008,887	113,518,786	130,791,918	125,667,815
Income tax before credits[1]	16,744,905	32,306,739	47,135,474	52,753,150	58,668,112	59,577,413
Total income tax after credits	13,242,226	21,024,964	31,305,693	34,218,035	35,059,349	32,701,861
TRANSPORTATION AND PUBLIC UTILITIES						
Number of returns, total	67,398	80,701	85,215	92,686	106,824	111,324
Number with net income	38,204	45,360	52,064	54,343	61,583	62,232
Total assets	287,740,207	443,236,797	538,778,308	597,721,008	676,186,972	758,364,400
Total liabilities	166,535,185	266,792,390	320,611,496	356,560,566	411,531,388	467,708,707
Total receipts	135,495,271	243,480,637	330,112,349	372,898,491	448,140,811	523,807,396
Total deductions	127,931,131	233,409,166	311,785,440	352,027,145	429,849,123	503,954,285
Net income (less deficit)	7,543,718	10,099,571	18,393,402	21,001,954	18,462,903	20,046,155
Income tax before credits[1]	4,342,334	5,107,158	8,769,636	10,252,353	9,115,461	10,532,722
Total income tax after credits	4,036,650	2,836,470	4,486,645	5,256,704	4,834,026	5,322,990
WHOLESALE AND RETAIL TRADE						
Number of returns, total	518,062	614,632	672,394	721,443	776,661	799,628
Number with net income	339,987	399,668	443,545	483,173	502,947	487,300
Total assets	192,181,800	323,496,726	414,650,094	486,146,204	573,310,389	646,901,005
Total liabilities	115,179,668	200,846,992	261,984,659	313,748,608	376,719,434	424,611,318
Total receipts	522,547,923	969,938,872	1,239,882,173	1,461,404,863	1,750,559,063	1,955,523,778
Total deductions	512,910,193	947,511,780	1,210,396,709	1,426,238,358	1,711,496,089	1,919,454,218
Net income (less deficit)	9,671,044	22,489,430	30,180,147	35,759,358	40,242,601	38,309,671
Income tax before credits[1]	4,476,047	8,103,316	10,481,276	12,386,647	13,313,992	13,515,653
Total income tax after credits	4,237,181	7,348,619	8,629,935	9,913,600	10,772,309	10,550,255
FINANCE, INSURANCE AND REAL ESTATE						
Number of returns, total	406,235	411,846	432,919	454,301	471,227	493,426
Number with net income	248,586	243,409	270,542	278,590	281,195	273,853
Total assets	1,401,153,520	2,321,965,956	2,861,478,449	3,249,397,057	3,630,045,296	4,022,206,073
Total liabilities	1,204,673,072	2,052,195,429	2,538,498,572	2,883,857,407	3,187,436,102	3,491,664,756
Total receipts	177,321,173	315,795,981	405,131,593	474,690,489	560,968,442	697,460,846
Total deductions	161,630,060	297,963,817	370,210,083	432,294,860	514,086,140	652,637,787
Net income (less deficit)	12,214,079	11,663,330	27,668,033	33,873,934	37,011,262	33,122,792
Income tax before credits[1]	4,404,449	5,558,647	9,203,930	11,756,250	11,595,112	9,680,755
Total income tax after credits	4,150,009	4,673,705	7,790,084	9,908,261	9,601,617	7,698,134
SERVICES						
Number of returns, total	281,218	435,672	516,387	560,016	609,103	671,338
Number with net income	150,525	249,641	312,594	338,498	364,156	408,716
Total assets	61,875,140	90,534,067	119,286,766	134,379,134	153,219,483	178,163,737
Total liabilities	42,346,078	63,678,693	84,671,125	95,548,868	108,132,469	125,298,224
Total receipts	69,572,626	131,377,364	183,007,786	210,606,073	244,542,893	279,883,187
Total deductions	68,384,452	127,996,443	176,460,437	202,985,210	236,359,966	271,792,974
Net income (less deficit)	1,198,703	3,396,744	6,596,830	7,666,125	8,252,805	8,193,903
Income tax before credits[1]	1,058,264	1,625,093	2,555,357	3,151,307	3,276,011	3,497,265
Total income tax after credits	1,003,130	1,323,637	1,834,727	2,158,326	2,419,382	2,613,888

See notes following Table 9.

Table 7.—Gross Internal Revenue Collections: Amount Collected by Quarter and Fiscal Year, 1979-1983
[Money amounts are in millions of dollars]

Quarter and fiscal year	Total	Source of revenue				
		Individual income taxes[1]	Corporation income taxes	Excise taxes[2]	Employment taxes[3]	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
1979						
FISCAL YEAR TOTAL	460,412	251,546	71,448	19,050	112,850	5,519
October 1978 to December 1978	91,796	49,563	14,745	4,983	21,154	1,351
January 1979 to March 1979	108,284	60,070	14,124	4,468	28,237	1,385
April 1979 to June 1979	149,817	82,684	28,304	4,731	32,775	1,323
July 1979 to September 1979	110,515	59,228	14,275	4,868	30,684	1,460
1980						
FISCAL YEAR TOTAL	519,375	287,548	72,380	24,619	128,330	6,498
October 1979 to December 1979	105,947	58,899	14,894	4,902	25,755	1,497
January 1980 to March 1980	122,422	68,723	15,074	4,250	32,850	1,524
April 1980 to June 1980	166,827	91,480	28,360	7,335	38,036	1,617
July 1980 to September 1980	124,179	68,447	14,051	8,132	31,689	1,861
1981						
FISCAL YEAR TOTAL	606,799	332,850	73,733	40,420	152,886	6,910
October 1980 to December 1980	118,804	67,081	14,527	7,305	28,193	1,698
January 1981 to March 1981	143,899	77,467	14,844	10,082	39,878	1,628
April 1981 to June 1981	196,970	108,600	29,204	11,963	45,510	1,692
July 1981 to September 1981	147,126	79,702	15,158	11,069	39,304	1,893
1982						
FISCAL YEAR TOTAL	632,241	352,609	65,991	36,779	168,718	8,143
October 1981 to December 1981	137,570	71,526	15,898	10,577	37,654	1,915
January 1982 to March 1982	154,128	85,930	14,722	9,426	41,751	2,299
April 1982 to June 1982	196,506	113,852	23,115	8,389	49,165	1,986
July 1982 to September 1982	144,036	81,301	12,256	8,387	40,148	1,943
1983						
October 1982 to December 1982	132,205	70,312	13,404	8,498	38,404	1,588
January 1983 to March 1983	150,019	86,853	11,494	8,222	41,930	1,519
April 1983 to June 1983	194,431	111,721	22,027	8,947	50,219	1,516

Table 8.—Selected Returns and Forms Filed During Selected Calendar Years, 1970-1984

Type of return or form	Calendar Year Filed						
	Actuals					Estimated	Projected
	1970	1975	1980	1981	1982	1983	r1984
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Individual income[1]	77,281,384	84,026,785	93,194,916	94,156,710	95,574,230	94,644,000	96,258,000
Form 1040	77,143,251	61,450,279	55,360,030	57,088,682	57,800,627	58,525,000	58,742,000
Nonbusiness	68,129,351	51,377,153	43,957,141	45,288,528	45,480,555	45,992,000	45,949,000
Business	9,013,900	10,073,126	11,402,889	11,800,154	13,320,072	12,533,000	12,793,000
Schedule C	6,351,304	7,438,968	8,944,298	9,345,121	9,877,372	10,152,000	10,490,000
Schedule F	2,662,596	2,634,158	2,458,591	2,455,033	2,442,700	2,381,000	2,303,000
Form 1040A	N/A	22,462,776	37,692,282	36,924,610	37,618,855	21,065,000	21,545,000
Form 1040EZ	N/A	N/A	N/A	N/A	N/A	15,054,000	15,971,000
Corporation income:							
Form 1120	1,487,244	1,705,789	2,030,092	2,265,811	2,346,203	2,425,000	2,477,000
Form 1120S	248,936	367,219	528,070	547,176	566,787	607,000	663,000
Partnership, Form 1065	991,904	1,132,839	1,401,567	1,457,974	1,552,735	1,614,000	1,668,000
Fiduciary, Form 1041[2]	1,149,445	1,558,570	1,876,392	1,944,494	1,962,485	1,990,000	2,048,000
Estate Tax, Forms 706 and 706NA	141,156	225,827	147,303	146,496	127,051	109,000	87,000
Gift Tax, Form 709	146,338	273,184	214,389	190,106	84,364	92,000	102,000
Exempt Organization:							
Form 990[3]	377,030	346,627	362,632	322,572	368,278	384,000	341,000
Form 990-PF	N/A	29,637	33,137	31,688	31,831	33,000	33,000
Form 990-T	5,041	19,683	23,455	24,562	23,720	25,000	26,000

See notes following Table 9.

Table 9.—Classes of Excise Taxes by Selected Fiscal Year, 1970-1983
[Money amounts are in thousands of dollars]

Selected class of tax	1970	1975	1979	1980	1981	1982
	(1)	(2)	(3)	(4)	(5)	(6)
ALCOHOL TAXES, TOTAL	4,746,382	5,350,858	5,647,924	5,704,768	5,688,413	5,459,810
Distilled spirits	3,501,538	3,865,162	3,945,034	3,945,377	3,837,640	3,634,519
Wine	163,337	177,113	198,289	211,538	244,445	218,987
Beer	1,081,507	1,308,583	1,504,601	1,547,853	1,606,328	1,606,303
TOBACCO TAXES, TOTAL	2,094,212	2,315,090	2,495,517	2,446,416	2,583,857	2,539,495
Cigarettes	2,036,101	2,261,116	2,454,829	2,402,857	2,538,674	2,499,046
Cigars	56,834	51,226	36,225	39,500	40,742	35,666
MANUFACTURERS EXCISE TAXES, TOTAL	6,683,061	5,516,611	7,057,612	6,487,421	6,088,156	6,382,900
Gasoline and lubricating oil	3,517,586	4,071,465	4,633,712	4,326,549	4,108,716	4,320,856
Tires, tubes and tread rubber	614,795	697,660	878,283	682,624	668,902	616,785
Motor vehicles, bodies, parts,	1,753,327	662,556	1,189,169	1,088,696	914,524	884,845
Recreational products	53,427	84,946	124,392	136,521	158,054	131,288
Black Lung taxes	N/A	N/A	232,056	251,288	237,097	426,620
SPECIAL FUELS, TOTAL[1]	257,820	404,187	553,291	560,144	587,486	628,625
Diesel and special motor fuels	257,712	370,489	506,651	512,718	553,107	598,840
MISCELLANEOUS EXCISE TAXES, TOTAL[1]	2,084,730	3,306,077	3,223,033	6,359,198	19,773,803	24,813,053
Telephone and teletype	1,469,562	2,023,744	1,362,193	1,117,834	998,503	919,749
Air transportation	250,802	850,567	1,425,656	1,748,837	1,326,829	1,154,818
Highway use tax	135,086	207,663	251,793	263,272	266,225	257,329
Foreign insurance	8,614	19,458	69,261	74,630	74,882	68,276
Exempt organizations net investment income	N/A	63,828	65,217	65,280	84,045	93,188
Crude oil windfall profit	N/A	N/A	N/A	3,051,719	16,930,548	22,035,927
Environmental taxes (superfund)	N/A	N/A	N/A	N/A	61,264	252,903

Selected class of tax	Fiscal year quarter ending					
	Mar. 1982	June 1982	Sept. 1982	Dec. 1982	Mar. 1983	June 1983
	(7)	(8)	(9)	(10)	(11)	(12)
ALCOHOL TAXES, TOTAL	1,227,818	1,360,635	1,502,209	1,362,584	1,331,830	1,293,551
Distilled spirits	822,081	875,938	942,311	991,691	906,974	853,577
Wine	57,022	77,417	24,332	67,672	63,829	61,896
Beer	348,715	407,281	535,566	303,221	361,027	378,078
TOBACCO TAXES, TOTAL	588,809	611,915	685,428	638,860	1,002,323	1,137,118
Cigarettes	579,657	602,470	673,383	629,867	993,909	1,127,198
Cigars	7,959	8,383	10,636	7,798	6,791	7,946
MANUFACTURERS EXCISE TAXES, TOTAL	1,576,431	1,610,776	1,624,385	1,463,058	1,480,465	1,426,353
Gasoline and lubricating oil	1,070,549	1,084,495	1,099,027	992,928	979,122	998,042 [2]
Tires, tubes and tread rubber	142,504	148,941	139,197	166,892	168,796	158,654
Motor vehicles, bodies, parts[3]	260,029	197,766	204,322	144,263	179,889	106,755
Recreational products	22,451	48,635	36,278	35,354	27,043	38,141
Black Lung taxes	80,394	130,979	143,517	123,114	125,176	123,777
SPECIAL FUELS, TOTAL	154,556	152,806	166,676	151,540	182,275	177,061
Diesel and special motor fuels	146,588	144,370	158,421	140,554	155,646	151,367
MISCELLANEOUS EXCISE TAXES, TOTAL	4,256,630	5,974,399	9,013,517	4,998,036	6,370,018	4,715,585
Telephone and teletype[4]	294,784	185,752	174,043	140,756	211,881	394,149
Air transportation	280,722	285,463	304,870	343,762	503,498	548,423
Highway use tax	46,635	35,344	151,866	17,789	54,784	46,444
Foreign insurance[5]	15,974	16,310	19,921	-14,801	-9,640	-3,229
Exempt organizations net investment income	11,013	36,893	35,632	7,654	23,600	45,325
Crude oil windfall profit	3,535,776	5,346,061	8,256,853	4,440,146	5,518,749	3,616,501
Environmental taxes (superfund)	64,061	62,012	59,473	56,330	59,247	61,175

See notes on following page.

Notes to Selected Statistical Series Tables

General notations

N/A - Not applicable

n.a. - Not available

r - Revised

Table 1

[1] The 1981 data for interest and dividends are before exclusion. The combined amount of interest and dividends in adjusted gross income (after the exclusion) was $178,097,705,000, reported on 34,144,410 returns. For 1980, there was no exclusion applicable to interest income.

[2] Includes surcharge of $2,018,078,000.

[3] For 1981 only, this was the 1.25 percent rate reduction credit applicable to all returns with income tax before credits, as provided by the Economic Recovery Tax Act of 1981.

SOURCE: Statistics of Income, Individual Income Tax Returns, appropriate years. Tax law changes have affected the comparability of the data. See the specific Statistics of Income reports for a description of those law changes.

Table 2

SOURCE: Statistics of Income, Individual Income Tax Returns, appropriate years. Tax law changes have affected the comparability of the data. See the specific Statistics of Income reports for a description of those law changes.

Table 3

SOURCE: Statistics of Income, Sole Proprietorship Returns, appropriate years. Tax law changes have affected the comparability of the data. See the specific Statistics of Income reports for a description of those law changes.

Table 4

[1] Total assets, total liabilities and partners capital accounts are somewhat understated because not all partnership returns filed contained a completed balance sheet.

[2] Short-term debt is the abbreviated title given to mortgages, notes and bonds payable in less than 1 year.

[3] Long-term debt is the abbreviated title given to mortgages, notes and bonds payable in 1 year or more. In addition, for Tax Year 1975 long-term debt included nonrecourse loans.

SOURCE: Statistics of Income, Partnership Returns, for appropriate years. Tax law changes have affected the comparability of the data. See the specific Statistics of Income reports for a description of those law changes.

Table 5

[1] Net capital assets, except land, consisted of depreciable, depletable, and intangible assets less accumulated depreciation, depletion and amortization.

[2] Short-term debt is the abbreviated title given to mortgages, notes and bonds payable in less than 1 year. Long-term debt is the abbreviated title given to mortgages, notes and bonds payable in 1 year or more.

[3] Consists of normal tax, surtax, and alternative tax for Tax Years 1970 through 1978, and regular tax and alternative tax for Tax Years 1979 and 1980. Tax Year 1970 includes surcharge of $784,437,000.

SOURCE: Statistics of Income, Corporation Income Tax Returns, appropriate years. Tax law changes have affected the comparability of the data. See the appropriate Statistics of Income reports for a description of those law changes.

Table 6

[1] Consists of normal tax, surtax, and alternative tax for Tax Years 1970 through 1978, and regular tax and alternative tax for Tax Years 1979 and 1980.

SOURCE: Statistics of Income, Corporation Income Tax Returns, appropriate years. Tax law changes have affected the comparability of the data. See the appropriate Statistics of Income reports for a description of those law changes.

Table 7

[1] Consists of amounts paid by individuals or corporations as estimated tax payments or amounts withheld by employers prior to return filing, payments made with the return, and any subsequent payments.

[2] Consists of taxes imposed on selected products, services, and activities, such as those on alcohol and tobacco products and the windfall profit tax on domestically produced crude oil.

[3] Composed largely of payroll taxes levied on salaries and wages, such as social security, railroad retirement, and unemployment taxes.

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

SOURCE: Internal Revenue Service, Returns Processing and Accounting Division, Revenue and Accounting Branch.

Table 8

[1] Includes Forms 1040NR, PR and SS.

[2] Includes Form 1041A in 1970 and 1975.

[3] Includes Form 990A in 1970.

SOURCE: Internal Revenue Service, Research Division.

Table 9

[1] Special fuels, total includes diesel and special motor fuels which were classified as miscellaneous excise taxes in 1970.

[2] Includes $20,653,000 from a one-time tax of 5 cents per gallon on gasoline and 4 cents per gallon on gasohol imposed on inventories of dealers as of April 1, 1983.

[3] Effective January 7, 1983, the excise taxes on parts and accessories for trucks and buses, which are included in this classification, were repealed.

[4] Effective January 1, 1983, the excise tax increased from 1 percent to 3 percent.

[5] The negative amounts are due to refunds of this tax under the United States - United Kingdom Income Tax Treaty, which provides for an exemption from the tax retroactive to January 1, 1975. Also, a similar United States - France treaty provides for an exemption retroactive to January 1, 1979.

NOTES: For 1970 and 1975, fiscal year was defined as July of the previous year through June of the year noted. For 1979, 1980, 1981, and 1982, fiscal year was defined as October of the previous year through September of the year noted.

Additional detail is published in the Annual Report of the Commissioner of Internal Revenue.

SOURCE: Internal Revenue Service, Returns Processing and Accounting Division, Revenue and Accounting Branch.

Appendix

General Description of Statistics of Income Sample Procedures and Data Limitations

This appendix discusses typical sampling procedures used in most Statistics of Income (SOI) programs. Aspects covered briefly include sampling criteria, selection techniques, methods of estimation, and sampling variability. Some of the nonsampling error limitations of the data are also described, as well as the tabular conventions employed.

Additional information on sample design and data limitations for specific SOI studies can be found in the separate SOI publications (see References). More technical information is available, upon request, from the Statistics of Income Division.

SAMPLE CRITERIA AND SELECTION OF RETURNS

Statistics compiled for the SOI studies are generally based on stratified probability samples of income tax returns or other forms filed with the Internal Revenue Service (IRS). The statistics do not reflect any changes made by the taxpayer through an amended return or by the IRS as a result of an audit. The samples are based on such criteria as: principal business activity; presence or absence of a schedule; State from which filed; size of adjusted gross income (or deficit) or largest of specific income (or loss) items; total assets or size of business and farm receipts.

The probability of a return being designated depends on its sample class or stratum and may range from a fraction of one percent to one hundred percent. Considerations in determining the selection probability for each stratum include the number of returns in the stratum, the diversity of returns in the stratum, and interest in the stratum as a separate subject of study. All this is subject to constraints on the allowable total cost or total sample size for the program.

For most SOI studies, returns are computer designated based on the Taxpayer Identification Number (TIN) which is either the Social Security Number (SSN) or Employer Identification Number (EIN). In some cases, the ending digits of each TIN are compared to a set of numbers randomly selected for each sample class. If the TIN ending digits are in the set, then the return is designated for the sample. Otherwise, it is not designated.

Alternatively, a fixed and essentially random number is associated with each possible TIN. If that random number falls into a range of numbers specified for the return's sample stratum, then it is designated. Otherwise, it is not.

Under either method of selection, the TIN's designated from one year's study are for the most part selected for the next study, so that a large proportion of the new sample are repeaters. This longitudinal character of the sample design improves the estimates of change from one study to the next.

METHOD OF ESTIMATION

In general, weighting factors are obtained by dividing the computer count of returns filed for a sample stratum by the actual number of returns secured for the sample. These weighting factors are then used to inflate the sample results to total population levels. During sampling, lists of the returns designated are checked against the returns secured for the sample to insure that the sample designated is the same as the sample selected. Special searches are made for returns not initially secured so that any bias from nonresponse is minimal.

For the individual income tax returns sample, weighting factors are computed for each sample class within each Internal Revenue district, even though the district is not used to designate the sample. This is an example of post-stratified estimation and is used to improve the estimates for the States. Usage of post-stratified estimation is being studied for other SOI studies.

SAMPLING VARIABILITY

The particular sample used in a study is only one of a large number of possible random samples that could have been selected using the same sample design. Estimates derived from the different samples would usually vary. The standard error of the estimate is a measure of the variation among the estimates from all possible samples and is used to measure the precision with which an estimate from a particular sample approximates the average result of the possible samples. The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that this interval includes the actual population value.

In SOI reports the standard error is not directly presented. Instead, the ratio of the standard error to the estimate itself is presented in decimal form. This ratio is called the coefficient of variation (CV). The user of SOI data may multiply an estimate by its coefficient of variation to recreate the standard error and to construct confidence intervals.

For example, if a sample estimate of 150,000 returns is known to have a coefficient of variation of 0.02, then the following arithmetic procedure would be followed to construct a 68% confidence interval estimate:

150,000	(sample estimate)
x 0.02	(coefficient of variation)
= 3,000	(standard error of estimate)
150,000	(sample estimate)
± 3,000	(standard error)
= 147,000 - 153,000	(68% confidence interval)

Based on these data, the interval estimate is from 147 to 153 thousand returns. A conclusion that the average estimate of the number of returns lies within an interval computed in this way would be correct for approximately two-thirds of all possible similarly selected samples. To obtain this interval estimate with 95% confidence, multiply the standard error by two before adding to and subtracting from the sample estimate. (In this particular case, the resulting interval would be from 144 to 156 thousand returns.)

Further details concerning confidence intervals, including the approximation of CV's for combined sample estimates, may be obtained on request by writing to the Statistics of Income Division, D:R:S, Internal Revenue Service, Washington, DC 20224.

NONSAMPLING ERROR CONTROLS AND LIMITATIONS

Although the previous discussion focuses on sampling methods and the limitations of the data caused by sampling errors, there are other sources of errors which may be significant in evaluating the usefulness of SOI data. These include taxpayer reporting errors, processing errors, early cut-off of sampling, etc. More extensive information on nonsampling errors is presented in SOI reports, when appropriate.

In transcribing and tabulating the information from the returns or forms selected for the sample, checks are imposed to improve the quality of the resultant estimates. Missing entries are inputed during statistical processing by utilizing other information on the return and accompanying schedules. Data may be disaggregated and recombined during editing to achieve consistent statistical definitions. In the future, SOI studies will make use of earlier returns of the same taxpayer to check current data, for instance the industry code. Also, research on better methods of imputing missing data is being conducted.

Quality of the basic data abstracted at the processing centers is controlled by a continuous sampling verification system. In addition, the Statistics of Income Division in the National Office conducts an independent reprocessing of a small subsample of statistically processed returns as a further check. Prior to tabulation, numerous computer tests are applied to each return record to check for inconsistencies.

Finally, before publication, all statistics are reviewed for accuracy and reasonableness in light of provisions of the tax laws, taxpayer reporting variations and limitations, economic conditions, comparability with other statistical series, and statistical techniques used in data processing and estimating.

TABULAR CONVENTIONS

Estimates of frequencies and money amounts that are considered unreliable, due to the small sample size on which they are based, are noted by an asterisk (*) to the left of the data item(s) in the tabulations. The presence of an asterisk indicates that the sample rate is less than 100 percent of the population and there are fewer than 10 sample observations available for estimation purposes.

A dash in place of a frequency or amount indicates that no sample return had that characteristic. In addition, a dash in place of a coefficient of variation for which there is an estimate indicates that all returns contributing to the estimate were selected at the 100 percent rate.

Whenever a weighted frequency in a data cell is less than 3, the estimate is either combined with other cells or deleted in order to avoid disclosure of information about individual taxpayers or businesses. These combinations and deletions are indicated by a double asterisk (**).

REFERENCES

[1] Statistics of Income--1981, Individual Income Tax Returns (see especially pages 11-13).

[2] Statistics of Income--1980, Corporation Income Tax Returns (see especially pages 9 to 14).

[3] Statistics of Income--1980, Partnership Returns (see especially pages 5-7).

[4] Statistics of Income--1979-80, Sole Proprietorship Returns (see especially page 5 to 8).

[5] Statistics of Income--1976-1979, International Income and Taxes, Foreign Income and Taxes Reported on U.S. Tax Returns (see especially pages 13-15 and 85-87).

[6] Statistics of Income--1973, Sales of Capital Assets Reported on Individual Income Tax Returns (see especially pages 17 to 20).

[7] Statistics of Income--1976 Estate Tax Returns (see especially pages 11 to 12).

[8] Statistics of Income--1974-1978, Private Foundations (see especially pages 9 to 16).

Form 6839 (Rev. 10-83)
Department of the Treasury
Internal Revenue Service

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SOI BULLETIN — Fall 1983

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