

# Corporate Foreign Tax Credit, 1980: An Industry Focus

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For 1980, the foreign tax credit provisions of U.S. tax law enabled corporations to reduce their U.S. tax liability by almost \$25 billion. Although this amount was the smallest since the \$23.6 billion claimed for 1976, it still reduced the total corporate U.S. tax liability from \$105.1 billion to \$80.3 billion, a reduction of almost 24 percent. This sizeable reduction in the total corporate U.S. tax liability was accounted for by a relatively small number of corporations. Of the nearly 1.2 million corporations with U.S. tax liability before credits, fewer than 0.6 percent (6,199) claimed a foreign tax credit for income taxes paid to foreign countries [1].

As in past years, corporations primarily engaged in integrated petroleum activities (i.e., extracting, refining and marketing petroleum products) accounted for a significant portion of the total foreign tax credit claimed. Although only 43 of the 6,199 corporations claiming a foreign tax credit were engaged in integrated petroleum activities, their \$11.0 billion in foreign tax credit claimed accounted for more than 44 percent of the total credit. In addition, the U.S. tax liability of all corporations in the integrated petroleum industry was reduced from \$21.0 billion to \$10.0 billion, or by more than 52 percent.

## EVOLUTION OF THE FOREIGN TAX CREDIT

Generally, U.S. corporations are subject to U.S. tax on their worldwide income. When a portion of this income is derived from foreign sources, the foreign income is also typically subject to tax by the country in which it was earned. This results in double taxation of the foreign income. To alleviate the consequences of this double taxation, U.S. tax law allows corporations a credit against U.S. income tax for income taxes paid to foreign countries [2].

The United States was the first country to provide a tax credit for income taxes paid to foreign countries [3]. The foreign tax credit was established as part of the Revenue Act of 1918. The original foreign tax credit provisions allowed corporations to reduce their U.S.

tax liability by the amount of their foreign income tax burden, without limitation. In cases in which the foreign tax rate exceeded the U.S. tax rate, the foreign taxes paid in excess of the U.S. tax rate effectively reduced the U.S. tax on domestic income.

The ability of some corporations to offset U.S. tax on domestic income with the credit for foreign income taxes led to the development of the foreign tax credit limitation. The limitation was first adopted as part of the Revenue Act of 1921 and still remains as a fundamental principle of the current foreign tax credit provisions of U.S. tax law. The basis of the limitation is to restrict the crediting of foreign income taxes to the lesser of (1) the U.S. tax on foreign-source taxable income, or (2) the actual foreign income taxes paid.

Before the enactment of the Revenue Act of 1962, corporations combined all types of foreign income for purposes of computing their foreign tax credit limitation. With passage of the 1962 Act, corporations were required to compute a separate foreign tax credit limitation for certain investment interest income. This separate limitation removed the incentive for corporations with foreign-source income, taxed at rates in excess of the U.S. tax rate, from making interest-bearing investments abroad to generate additional foreign income. Since this foreign-source interest income was usually subject to little or no foreign tax, the addition of this lower-taxed foreign income to the higher-taxed foreign income enabled corporations to increase the total foreign tax credit claimed. Subsequent legislation required additional separate foreign tax credit limitations with respect to certain other types of foreign income.

For Tax Year 1980, separate foreign tax credit limitations were required with respect to (1) certain investment interest income, (2) dividends received from a Domestic International Sales Corporation (DISC) or former DISC, (3) foreign oil-related income, and (4) all other income from foreign sources [4]. The total foreign tax credit claimed was the sum of the four separate types of income credits. In

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certain instances, the total foreign tax credit claimed was reduced for participation in or for cooperation with international boycotts [5].

#### FOREIGN TAX CREDIT BY INDUSTRY

##### Foreign Income, Tax and Credit Trends

Although there was little change in the total foreign tax credit claimed from 1977 to 1980 (see Figure A), there were distinctly different industry trends. During this period, the foreign tax credit claimed for all industries except the oil and gas extraction industry increased by approximately 24 percent per year. Particularly noteworthy was the integrated petroleum industry, which increased by almost 40 percent per year over the 3-year period. On the other hand, the foreign tax credit claimed by corporations primarily engaged in oil and gas extraction decreased by almost 87 percent from 1977 to 1980, while alternately decreasing and increasing during the intervening years [6].

For Tax Year 1979, corporate profits, as measured by total income subject to U.S. tax, increased by \$40.6 billion over the 1978 level to almost \$280.2 billion (see Figure B). A significant portion of this increase was accounted for by the \$27.4 billion increase in foreign-source taxable income, as both foreign-source taxable income (\$92.5 billion) and

foreign tax credit claimed (\$36.8 billion) reached all-time highs for 1979.

Although every industry contributed to the \$10.5 billion increase in foreign tax credit claimed for 1979, the oil and gas extraction industry alone accounted for \$6.1 billion, or almost 60 percent of the total increase. An additional \$1.8 billion (or 17 percent) of the increase was attributed to the integrated petroleum industry. As many of the corporations in the oil and gas extraction and integrated petroleum industries had substantial operations in countries that were members of the Organization of Petroleum Exporting Countries (OPEC) [7], much of the increase in foreign income and foreign tax credit claimed can be attributed to the OPEC-induced rise in petroleum prices and the increased foreign taxes paid on their larger foreign earnings.

For 1980, corporate profits declined from 1979, as illustrated by the \$33.6 billion reduction in total income subject to U.S. tax. While corporate profits declined in many industries [8], the decreases in total foreign-source taxable income and total foreign tax credit claimed were largely restricted to the oil and gas extraction industry. Excluding this industry, the foreign tax credit claimed increased by 26 percent over 1979. In particular, the foreign tax credit claimed by the

Figure A.--Foreign Tax Credit Claimed and Percent Change in Foreign Tax Credit Claimed, by Selected Industry, 1977-1980

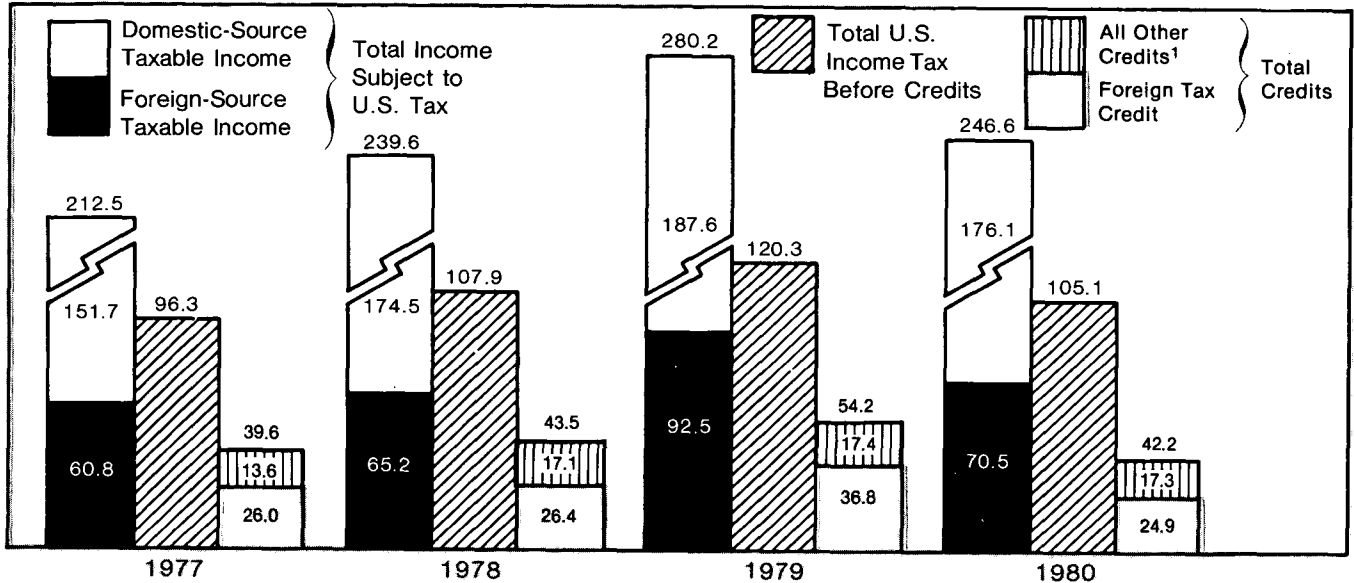
[All figures are estimates based on samples--money amounts are in millions of dollars]

Selected industry	1977	1978		1979		1980		Percent change 1977 to 1980
	Amount	Amount	Percent change from 1977	Amount	Percent change from 1978	Amount	Percent change from 1979	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All industries .....	\$26,006	\$26,358	1.4%	\$36,828	39.7%	\$24,880	-32.4%	-4.3%
Mining .....	13,959	12,513	-10.4	18,719	49.6	1,964	-89.5	-85.9
Oil and gas extraction .....	13,898	12,446	-10.5	18,591	49.4	1,822	-90.2	-86.9
Manufacturing .....	10,154	11,654	14.8	15,286	31.2	19,192	25.5	89.0
Chemicals and allied products .....	904	1,156	27.8	1,531	32.5	1,721	12.4	90.3
Petroleum (including integrated) and coal products .....	4,041	4,665	15.5	6,447	38.2	11,028	71.0	172.9
Machinery, except electrical .....	1,624	1,915	17.9	2,216	15.7	2,331	5.2	43.6
Wholesale and retail trade .....	604	594	-1.6	891	50.0	1,525	71.1	152.4
Finance, insurance, and real estate .....	867	1,104	27.3	1,290	16.8	1,397	8.3	61.1

Figure B

**Domestic-Source Taxable Income, Foreign-Source Taxable Income, Total Income Subject to U.S. Tax, Total U.S. Income Tax Before Credits, Foreign Tax Credit and All Other Credits, 1977-1980**

(Billions of Dollars)



<sup>1</sup>All other credits include U.S. possessions tax, investment, work incentive (WIN) and jobs credits. Also included for 1980 are nonconventional source fuel and alcohol fuel credits.

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

integrated petroleum industry increased by \$4.6 billion, or by 71 percent over 1979. The foreign tax credit claimed by corporations engaged in wholesale and retail trade also increased by 71 percent, from almost \$900 million to more than \$1.5 billion. This increase was largely attributable to those corporations involved in wholesaling petroleum and petroleum products.

Although the foreign tax credit claimed by most industries increased for 1980, these increases were more than offset by a \$16.8 billion reduction in foreign tax credit claimed by the oil and gas extraction industry. This decline was largely the result of the foreign nationalization of certain U.S. oil interests in the Middle East. This nationalization adversely affected the industry's foreign earnings, which reduced the amount of foreign taxes available for credit [9].

Since foreign taxes can only offset the U.S. income tax on foreign income, the total foreign taxes available for credit often exceed the allowable credit. The combined effect of the foreign tax credit limitation and the statutory

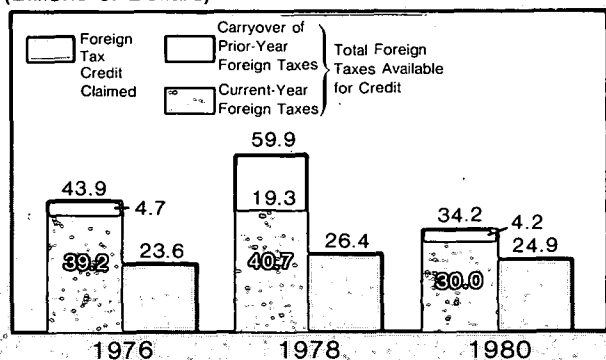
reduction for excess foreign oil and gas extraction taxes [10] are illustrated by Figure C [11]. For 1980, the \$24.9 billion in foreign tax credit claimed represented only 73 percent of the \$34.2 billion in total foreign taxes available for credit. Of the \$9.3 billion in foreign taxes that were not creditable for 1980, \$4.1 billion were foreign oil and gas extraction taxes in excess of 46 percent (the maximum U.S. tax rate) of foreign oil and gas extraction taxable income [12].

#### Impact of Prior-Year Foreign Taxes

Foreign taxes that cannot be claimed as a credit currently because of the operation of the foreign tax credit limitation may be credited in prior or subsequent years. With the exception of excess foreign oil and gas extraction taxes, U.S. tax law permitted all foreign taxes that could not be claimed currently as a tax credit to be carried back 2 years and forward 5 years. The foreign taxes carried to other years may be credited in such years to the extent that the current-year foreign taxes do not equal or exceed the foreign tax credit limitation for that year. The amount

Figure C  
Total Foreign Taxes Available for Credit and  
Foreign Tax Credit Claimed,  
1976, 1978 and 1980

(Billions of Dollars)



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

the amount of foreign taxes that could be credited in the domestic loss years.

For some corporations, the choice between domestic and foreign investments is influenced by the amount of unused prior-year foreign taxes available for credit. Those corporations with carryover that may not be used because the 5-year carryforward period is about to expire often choose to make the foreign investment if the resulting income is subject to a relatively low foreign tax rate. In many instances, the addition of this relatively low-taxed foreign income enables corporations to credit some portion of their carryover against the U.S. tax on the additional foreign income. This results in a lower U.S. tax liability after credit than if the alternative domestic investment was made, as the U.S. tax on the income from the domestic investment cannot be reduced by the foreign tax carryover.

#### Estimated Effective U.S. Tax Rates on Foreign-Source Taxable Income

The actual U.S. income tax paid on a corporation's foreign-source taxable income is a function of the overall foreign tax rate as well as the U.S. income tax rate. Since the U.S. tax on foreign-source taxable income is reduced on a dollar-for-dollar basis by the amount of foreign income taxes paid, the effective U.S. tax rate on foreign-source taxable income is often much less than the U.S. statutory rate. In general, a measure of a corporation's effective U.S. tax rate on foreign-source taxable income is the actual amount of U.S. income tax (U.S. income tax on foreign-source taxable income less the foreign tax credit claimed) on foreign-source taxable income, expressed as a percentage of foreign-source taxable income. For those corporations for which the U.S. income tax on foreign-source taxable income is entirely eliminated by the foreign tax credit, the effective U.S. tax rate on foreign-source taxable income is zero.

For purposes of obtaining a relative measure of the effective U.S. tax rate on foreign-source taxable income for selected major industries, the five corporations with the largest foreign tax credit claimed and the five corporations with the largest foreign-source taxable income in each industry were selected. Those corporations among the five largest in both categories were included only once for purposes of this analysis [14]. The results of the analysis of the 99 selected corporations is presented in Figure E. Brief summaries of the methodology and the limitations of the statistics are presented in the Data Sources and Limitations section of this article.

The average effective U.S. tax rate on foreign-source taxable income for the selected corporations was 2.7 percent [15]. Many of the

of excess foreign oil and gas extraction taxes that could be carried to prior or subsequent years was limited to 2 percent of foreign oil and gas extraction taxable income.

Nearly 1,200 corporations carried more than \$4.2 billion in unused prior-year foreign taxes to 1980 [13] for potential crediting against their U.S. income tax on foreign-source taxable income. As shown in Figure D, 514 corporations credited \$736 million, or more than 17 percent of the total carryover. No foreign tax credit was claimed with respect to the foreign tax carryover for the remaining 680 corporations with carryover. In the case of these corporations, the current-year foreign income taxes offset completely the U.S. tax on foreign-source taxable income, precluding the crediting of any foreign tax carryover.

The oil and gas extraction and integrated petroleum industries together accounted for more than \$3.2 billion of the \$4.2 billion in unused foreign taxes carried to 1980. The substantial carryover for these industries was largely a function of the relatively high effective foreign tax rates in prior years. More than \$485 million of the \$3.2 billion available carryover for these industries was used to offset U.S. income tax on foreign-source taxable income. Of this amount, \$452 million was accounted for by three large integrated petroleum companies.

On a percentage basis, the banking industry credited the largest proportion of its available foreign tax carryover. The \$52 million in credited carryover represented 98 percent of the total carryover available. The \$53 million in uncredited prior-year foreign taxes carried to 1980 were primarily the result of substantial prior-year domestic losses. These losses effectively reduced the U.S. tax before credits on foreign-source taxable income, thereby reducing

Figure D.--Foreign Tax Credit Claimed, Carryover Credited and Carryover Credited as a Percent of Both Total Carryover and Foreign Tax Credit Claimed, by Selected Major Industry, 1980

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

Selected major industry	Foreign tax credit claimed		Total carryover of prior year foreign taxes		Carryover credited for 1980		Carryover credited as a percent of	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Total carryover	Total foreign tax credit claimed
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All industries .....	6,199	\$24,879,737	1,194	\$4,210,788	514	\$735,656	17.5%	3.0%
Agriculture, forestry, and fishing .....	89	7,490	3	697	3	72	10.3	1.0
Mining .....	162	1,963,897	71	992,350	32	37,616	3.8	1.9
Oil and gas extraction .....	127	1,822,371	59	940,635	27	26,055	2.8	1.4
Construction .....	161	150,842	20	23,529	15	8,237	35.0	5.5
Manufacturing .....	2,271	19,191,909	351	2,842,132	202	576,779	20.3	3.0
Food and kindred products ..	169	653,025	34	24,778	31	10,335	41.7	1.6
Chemicals and allied products .....	246	1,720,564	41	94,869	26	7,126	7.5	0.4
Petroleum (including integrated) and coal products ..	43	11,027,563	17	2,284,333	12	459,430	20.1	4.2
Primary metal industries ..	79	611,160	11	91,132	8	36,517	40.1	6.0
Electrical and electronic equipment .....	225	643,169	40	148,917	17	14,498	9.7	2.3
Transportation equipment, except motor vehicles .....	39	141,473	8	52,231	**	21,613	41.4	15.3
Transportation and public utilities .....	147	462,236	32	134,461	18	21,922	16.3	4.7
Transportation .....	109	211,438	24	109,465	11	20,610	18.8	9.7
Wholesale and retail trade ...	769	1,524,766	117	91,490	63	18,023	19.7	1.2
Wholesale trade .....	649	1,387,957	77	71,020	49	8,557	12.0	0.6
Retail trade .....	120	136,809	39	20,470	14	9,467	46.2	6.9
Finance, insurance, and real estate .....	1,738	1,397,281	522	89,317	134	66,958	75.0	4.8
Banking .....	168	1,061,486	19	53,361	**	52,283	98.0	4.9
Services .....	862	181,307	78	36,812	47	6,048	16.4	3.3

\*\*Data deleted to avoid disclosure of information for specific corporations.

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

selected corporations effectively had no U.S. income tax liability on their foreign-source taxable income, while some had effective U.S. tax rates on foreign-source taxable income approaching 46 percent (the maximum U.S. tax rate). Although these 99 corporations represented only 1.6 percent of the total number of corporations claiming a foreign tax credit, their foreign-source taxable income and foreign tax credit claimed accounted for approximately two-thirds of the respective totals for all corporations claiming a foreign tax credit.

Most industries had corporations with effective U.S. tax rates on foreign-source taxable income ranging from zero to well above the 2.7 percent overall average rate. However, the corporations representing the oil and gas extraction, integrated petroleum and banking industries had effective U.S. tax rates on foreign-source taxable income ranging from zero to only 1.7 percent. The average effective U.S. tax rate on foreign-source taxable income for the 17 corporations in these industries was less than 0.5 percent. For the remaining 82

corporations in other industries, the average effective U.S. tax rate on foreign-source taxable income was 5.8 percent.

As discussed earlier, the corporations representing the oil and gas extraction and integrated petroleum industries had two of the lowest average effective U.S. tax rates on foreign-source taxable income. These low effective U.S. tax rates were the result of the relatively high current-year foreign tax rates in combination with the prior-year foreign taxes available for credit (carryover). In particular, these corporations effectively had no U.S. income tax liability on their foreign oil-related income as the foreign taxes available for credit (current-year foreign taxes after reduction for excess oil and gas extraction taxes plus carryover of prior-year foreign taxes) exceeded the amount needed to offset completely the U.S. income tax on this income. A small amount of U.S. income tax was payable by some of the corporations in both industries with respect to their non oil-related income from foreign sources. In these instances, the

## Corporate Foreign Tax Credit, 1980

Figure E.--Estimated Effective U.S. Tax Rates on Foreign-Source Taxable Income for Selected Corporations, by Selected Major Industry, 1980<sup>1</sup>

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

Selected major industry	Number of returns	Total income subject to U.S. tax (adjusted)	Foreign-source taxable income (adjusted)	U.S. income tax before credits	Foreign tax credit claimed (adjusted)	Effective U.S. tax rate on foreign-source taxable income (percent)	
						Range	Average
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All industries .....	99	\$58,797	\$44,361	\$26,937	\$17,032	0.0% to 45.6%	2.7%
Agriculture, forestry, and fishing .....	5	167	30	76	7	0.0 to 24.3	4.7
Mining .....	10	4,056	3,614	1,867	1,579	0.0 to 24.4	0.7
Oil and gas extraction .....	5	3,556	3,277	1,637	1,451	0.0 to 1.3	( <sup>2</sup> )
All other mining .....	5	500	337	230	128	0.0 to 24.4	7.1
Construction .....	5	385	406	177	130	0.0 to 15.1	10.0
Manufacturing .....	47	45,658	30,070	20,981	12,710	0.0 to 45.6	2.7
Food and kindred products .....	5	1,942	836	893	371	0.0 to 8.9	1.6
Chemicals and allied products ..	6	3,012	1,850	1,373	799	0.0 to 12.1	2.3
Petroleum (including integrated) and coal products .....	6	25,061	17,579	11,528	7,987	0.0 to 1.5	0.6
Primary metal industries .....	6	1,334	959	608	390	0.0 to 12.1	2.7
Machinery, except electrical ...	6	7,173	4,609	3,298	1,930	1.4 to 12.9	3.6
Electrical and electronic equipment .....	6	2,324	1,400	1,070	413	0.0 to 12.8	4.1
Motor vehicles and equipment ...	5	1,040	1,038	477	284	0.0 to 21.8	16.6
All other manufacturing .....	7	3,773	1,799	1,734	537	0.0 to 45.6	12.8
Transportation and public utilities .....	6	1,731	1,016	796	365	1.2 to 24.6	7.3
Wholesale and retail trade .....	6	3,414	3,181	1,564	1,335	0.0 to 25.5	3.3
Finance, insurance, and real estate .....	13	2,746	5,780	1,212	840	0.0 to 34.2	1.8
Banking .....	6	1,618	5,252	721	694	0.0 to 1.7	0.5
All other finance, insurance, and real estate .....	7	1,128	528	491	146	0.0 to 34.2	13.9
Services .....	7	641	263	264	66	0.0 to 36.3	13.4

<sup>1</sup>For each industry the 5 corporations with the largest foreign tax credit claimed and the 5 corporations with the largest foreign-source taxable income were selected. Those corporations among the 5 largest in both categories were included only once.

<sup>2</sup>Less than 0.05%.

NOTE: See text for additional information. Detail may not add to totals because of rounding.

foreign taxes available for credit were somewhat less than the U.S. income tax on this income.

The corporations selected to represent the banking industry had a 0.5 percent average effective U.S. tax rate on foreign-source taxable income. Although this effective U.S. tax rate on foreign-source taxable income is comparable to the integrated petroleum industry's rate, the cause of the banking industry's relatively low effective U.S. tax rate was distinctly different. Since all the corporations representing the banking industry had domestic losses, their total worldwide income (total income subject to U.S. tax) was less than their foreign-source taxable income. In the aggregate, the \$1.6 billion in total worldwide income for these banks resulted from \$5.3 billion in foreign-source taxable income reduced by domestic losses of \$3.6 billion. Since the U.S. income tax before credits is

based on worldwide income, the effect of the domestic losses was to reduce the pre-credit U.S. income tax on foreign-source taxable income from approximately \$2.4 billion (or 46 percent of \$5.3 billion) to slightly more than \$700 million (or 46 percent of \$1.6 billion). As a result, the \$721 million in pre-credit U.S. tax liability on foreign-source taxable income was largely eliminated by the \$694 million in foreign tax credit claimed. Without the domestic losses, the average effective U.S. tax rate on foreign-source taxable income would have been approximately 33 percent, as the average foreign tax rate on this foreign-source taxable income was only 13 percent.

The highest average effective U.S. tax rate on foreign-source taxable income for any of the selected industries was the 16.6 percent rate for the corporations primarily engaged in the manufacturing of motor vehicles and equipment.

The relatively high average U.S. tax rate was primarily the result of the low overall foreign tax rate of 28 percent on foreign-source taxable income. The average effective U.S. tax rate on foreign-source taxable income would have been slightly higher were it not for the domestic losses of some of the selected corporations.

#### SUMMARY

Although the foreign tax credit claimed for Tax Year 1980 declined by more than 32 percent from its 1979 all-time high, the \$24.9 billion claimed was still the largest single credit against the U.S. corporate income tax. This nearly 24 percent reduction in the total U.S. corporate tax liability was accounted for by the relatively few corporations (6,199) that claimed a credit for income taxes paid to foreign governments.

For 1980, those corporations in the oil and gas extraction and integrated petroleum industries collectively accounted for more than one-half of the foreign tax credit claimed by all corporations. Particularly noteworthy was the continued growth of the foreign activities of the integrated petroleum industry. The \$11.0 billion in foreign tax credit claimed by corporations in this industry represented a 71 percent increase over 1979. On the other hand, the foreign tax credit claimed by corporations in the oil and gas extraction industry was at its lowest level since 1972. The \$1.8 billion in foreign tax credit claimed by corporations in this industry was nearly \$17 billion less than the credit claimed for 1979. This substantial decrease was largely the result of the nationalization of certain U.S. oil interests in the Middle East.

An analysis of the corporations with the largest foreign-source taxable income and foreign tax credit claimed revealed that the average effective U.S. tax rate on foreign-source taxable income for the selected corporations was less than 3 percent. Many of these corporations effectively had no U.S. income tax liability on their foreign-source taxable income, while some had effective U.S. tax rates on foreign-source taxable income approaching the maximum U.S. tax rate. The average effective U.S. tax rate on foreign-source taxable income for each of the oil and gas extraction, integrated petroleum and banking industries was less than 1 percent. There was very little range in the effective U.S. tax rates on foreign-source taxable income for the corporations selected to represent these three industries, as every effective U.S. tax rate was less than the 2.7 percent average for all industries.

#### DATA SOURCES AND LIMITATIONS

##### Sample Selection and Variability

The statistics for the 1980 Tax Year were estimated from a stratified probability sample of about 85,000 corporation income tax returns selected after revenue processing, but before audit. A description of the sample selection procedures for corporate returns is presented in the Appendix of this publication.

From the general corporate sample described earlier, all returns claiming a foreign tax credit were used for the 1980 statistics presented in this article. However, slight differences exist between the 1980 foreign tax credit data presented in this article and the previously published data in Statistics of Income--1980, Corporation Income Tax Returns. These differences are the result of the different weighting methods used for returns sampled at less than the 100 percent rate [16]. In addition, the statistics presented in this article include certain returns with foreign tax credit that were prescribed for inclusion in the 100 percent sample class but were received too late to be included in Statistics of Income--1980, Corporation Income Tax Returns.

Sampling variability (i.e., the degree to which estimates based on a sample differ from similar data based on a complete count or census) arises only in strata in which returns are selected at a rate of less than 100 percent. For this article, returns selected at the 100 percent rate accounted for the largest part of the estimated amounts. For instance, for 1980, those corporations with \$250 million or more in total assets (which were selected at a 100 percent rate) accounted for a major portion of total assets (96.5 percent), foreign tax credit claimed (96.1 percent), and foreign-source taxable income (95.8 percent) of all corporations claiming a foreign tax credit. Because of the predominance of these large corporations, sampling variability is not considered a major limitation of the statistics.

##### General Limitations

The foreign tax credit is claimed under section 901 of the Internal Revenue Code. Corporations claiming a foreign tax credit generally provide supporting foreign income and tax data on Form 1118, Computation of Foreign Tax Credit--Corporations, attached to the U.S. income tax return. Form 1118 is the source of the foreign income and tax data for this article. The statistics presented in this article do not reflect any adjustments that may be made during audit, when the acceptability of

the foreign income and taxes reported for purposes of this credit is finally determined. Additionally, some corporations provided only preliminary foreign income and tax data with their U.S. tax returns because not all the information on their foreign operations was available at the time the U.S. income tax return was filed.

There is a certain amount of undercoverage of foreign income and tax data. In some instances, corporations did not provide a Form 1118 in support of their foreign tax credit claimed with their tax return as originally filed. However, the foreign tax credit claimed by these corporations represented only a fraction of 1 percent of the total foreign tax credit claimed by all corporations. Some corporations with foreign income and taxes operated at a deficit and had no U.S. tax liability against which a foreign tax credit could be claimed. In addition, some corporations chose to deduct their foreign income taxes from gross income rather than credit them against their U.S. tax liability. Data from such returns are excluded from this study. For 1980, the amount of foreign income and tax data so excluded was estimated to be in the range of \$15 billion to \$20 billion.

The U.S. tax law allows parent corporations to file consolidated income tax returns presenting the combined financial data of an entire group of affiliated corporations. Therefore, the actual number of corporations claiming a foreign tax credit is understated, as the statistics in this article represent the number of corporation income tax returns with foreign tax credit. For purposes of this article, however, the term "corporations" is used to denote "returns."

#### Effective Tax Rate Methodology and Limitations

An effective U.S. tax rate on foreign-source taxable income was computed for each of the 99 corporations selected for inclusion in Figure E. The computation was made by first determining each corporation's U.S. income tax before credits on its total foreign-source taxable income. This result represented the portion of a corporation's pre-credit U.S. tax liability that was attributable to its foreign-source taxable income. Each corporation's effective U.S. income tax on foreign-source taxable income was computed by reducing the pre-credit U.S. tax liability on foreign-source taxable income by the amount of foreign tax credit claimed. This represented the actual U.S. income tax liability of the corporation on its foreign-source taxable income. The final step was to calculate the effective U.S. tax rate on foreign-source taxable income by relating the corporation's actual U.S. income tax liability on its foreign-source taxable income to the total amount of foreign-source taxable income.

After computing the effective U.S. tax rate on foreign-source taxable income for each corporation, the data were aggregated to determine the industry averages.

In some instances it was necessary to make relatively small adjustments in foreign-source taxable income, total income subject to U.S. tax, and foreign tax credit claimed for purposes of computing the effective U.S. tax rate on foreign-source taxable income. These adjustments were necessary to ensure the comparability of the resulting effective tax rates. Additional information on the adjustments is available on request.

Since all the corporations selected for this effective tax rate analysis claimed a foreign tax credit against the U.S. income tax on their foreign-source taxable income, the results should not be "generalized" to include those corporations that did not claim a foreign tax credit. For example, the foreign-source taxable income of corporations deducting their foreign income taxes (in lieu of crediting them) and the distributions and tax-deferred profits of Domestic International Sales Corporations (DISC's) were not included in this analysis.

#### EXPLANATION OF SELECTED TERMS

Current-year foreign taxes.--Generally, current-year foreign taxes available for credit included both (1) foreign taxes directly paid or accrued by the U.S. corporation on profits of foreign branch operations; withholding taxes on dividends, interest, rents, royalties and license fees; and other foreign taxes paid or accrued on partnership and services income; and (2) foreign taxes indirectly, or deemed, paid by the U.S. corporation. These "deemed paid" taxes were the taxes paid or accrued by a related foreign corporation on the profits from which dividends were paid (or constructive distributions made) to the U.S. corporation.

Foreign oil and gas extraction income.--This was income derived from foreign sources from the extraction of minerals from oil and gas wells or the sale or exchange of assets used in such extraction. Foreign oil and gas extraction income was a part of foreign oil-related income (see following definition). The amount of foreign oil and gas extraction taxes that could be used in the foreign oil-related tax credit computation was limited to 46 percent (the maximum U.S. tax rate for 1980) of foreign oil and gas extraction income.

Foreign oil-related income.--This was income derived from foreign sources from (1) extracting of minerals from oil and gas wells, (2) processing such minerals into their primary products, (3) transporting such minerals or primary products, and (4) selling or exchanging assets used in these activities.



Foreign-source taxable income.--Foreign-source taxable income was gross foreign-source income (including certain income "constructively," although not "actually," received, i.e., "foreign dividend gross-up" and "includable income of Controlled Foreign Corporations") less the allocable deductions determined under the Internal Revenue Code and by provisions of any tax treaty between the United States and a particular foreign country. This taxable income was the amount on which the U.S. income tax on foreign earnings was determined. It could differ from the net profit from overseas business operations and investments computed under foreign tax law, which was used as the basis for foreign taxation. In general, foreign-source taxable income included foreign branch profits, dividends received from foreign corporations, rental income, royalties, license fees, interest, gains from the sale of real property, and compensation for labor or services performed.

Foreign taxes available for credit.--Generally, foreign taxes available for credit was the sum of (1) current-year foreign taxes (foreign taxes paid or accrued or "deemed paid"), and (2) uncredited prior-year foreign taxes (carry-over). In some instances, this sum was reduced for participation in or cooperation with international boycotts or by any excess oil and gas extraction taxes.

#### NOTES AND REFERENCES

- [1] There will be an article in the Winter 1984-85 issue of the Statistics of Income Bulletin presenting geographically classified foreign income and tax data for Tax Year 1980.
- [2] Under U.S. tax law, corporations could deduct foreign income, war profits and excess profits taxes in lieu of claiming a foreign tax credit. However, most corporations obtained a greater tax benefit by electing to credit these taxes against U.S. income tax rather than deducting them from gross income. Foreign taxes other than income, war profits and excess profits taxes are always deducted from gross income as such taxes cannot be claimed as a foreign tax credit.
- [3] See Owens, Elisabeth A., The Foreign Tax Credit: A Study of the Credit for Foreign Taxes under United States Income Tax Law, Cambridge: Harvard Law School, 1961.
- [4] The Tax Equity and Fiscal Responsibility Act of 1982 repealed the separate foreign tax credit limitation for foreign oil-related income. For taxable years beginning after December 31, 1982, separate foreign tax credit limitations were required with respect to (1) certain investment interest income, (2) dividends received from a DISC or former DISC, and (3) all other income from foreign sources.
- [5] U.S. Department of Treasury, The Operation and Effect of the International Boycott Provisions of the Internal Revenue Code - Third Report, May 1982.
- [6] Corporations in the oil and gas extraction industry are primarily engaged in exploring for and extracting natural gas and crude petroleum. Corporations primarily engaged in refining or extracting and refining crude petroleum are classified in the integrated petroleum industry. Corporations in the integrated petroleum industry may also transport and market petroleum products. However, since corporations were classified in the industry which accounted for the greatest portion of worldwide receipts, the industrial classification of some of these corporations does not reflect their actual foreign activity. For example, some of the corporations classified in the integrated petroleum industry were primarily engaged in the extraction of oil and gas abroad, but were not classified as such because their industry classification was based on worldwide rather than foreign receipts.
- [7] The Organization of Petroleum Exporting Countries (OPEC) includes Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates and Venezuela.
- [8] See Hobbs, James R., "Corporation Income Tax Returns: 1980," Statistics of Income Bulletin, Winter 1982-83, pp. 11-16.
- [9] The nationalization resulted in the deduction of certain foreign income taxes from gross income rather than the inclusion of these taxes for foreign tax credit purposes. The foreign income taxes deducted were estimated to be in excess of \$15 billion.
- [10] Under U.S. tax law, oil and gas extraction taxes in excess of 46 percent of foreign oil and gas extraction income were excluded from the foreign tax credit computation with respect to foreign oil-related income.
- [11] Data on the total foreign taxes available for credit for Tax Years 1975, 1977, and 1979 are not available.
- [12] The excess oil and gas extraction taxes for Tax Years 1976 and 1978 were \$11.3 billion and \$7.8 billion, respectively.

- [13] These statistics do not include the carryback of subsequent-year unused foreign taxes. These taxes would be reported at some future date on amended returns and were therefore not available.
- [14] For example, the seven corporations representing the services industry were selected by first compiling a list of the five corporations with the largest foreign tax credit claimed and the five corporations with the largest foreign-source taxable income. Since three corporations were among the five largest in both categories, they were included only once for purposes of this analysis. This selection technique resulted in better effective tax rate estimates than those that would result from the use of industry totals. Effective tax rate estimates based solely on industry totals would be subject to certain "aggregation errors," such as those that would result from the inability to make industry level adjustments for the presence of corporations with domestic losses.
- [15] The 2.7 percent average effective U.S. tax rate on foreign-source taxable income may be somewhat lower than the actual average for all 6,199 corporations claiming a foreign tax credit. Since the selected corporations were those with the largest foreign operations in each industry, it is likely that these corporations placed a greater emphasis on tax planning with respect to their foreign activities than did the corporations with less substantial foreign operations.
- [16] The statistics in this article are based upon "initial" weights which were derived by dividing the number of returns filed per sample class by the number of sample returns for the stratum. The data published in Statistics of Income--1980, Corporation Income Tax Returns are based upon adjusted "initial," or post-stratified weights. The "post-stratified" weights were based upon a comparison of the weighted sample and population for subclasses within each major business activity grouping.















Table 1.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Major Industry—Continued

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

Major industry	Foreign income and taxes reported on Form 1118—Continued							
	Foreign taxes available for credit—Continued					Foreign tax credit computed		
	Paid or accrued—Continued			Deemed paid	Carryover	Before reduction for international boycott operations	Reduction for international boycott operations	After reduction for international boycott operations
	Service income	Partnership income	Other income					
(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	
<b>All industries</b> .....	<b>364,388</b>	<b>50,528</b>	<b>4,250,346</b>	<b>12,644,523</b>	<b>4,210,788</b>	<b>24,881,344</b>	<b>2,795</b>	<b>24,878,551</b>
Agriculture, forestry, and fishing.....	112	407	2,937	3,391	697	7,489	—	7,489
<b>Mining</b> .....	<b>38,484</b>	<b>2,986</b>	<b>1,929,642</b>	<b>81,802</b>	<b>992,350</b>	<b>1,974,156</b>	<b>—</b>	<b>1,974,156</b>
Metal mining.....	25,396	2,564	4,881	23,312	49,111	58,114	—	58,114
Coal mining.....	—	—	—	—	265	770	—	770
Oil and gas extraction.....	13,053	422	1,846,341	57,553	940,635	1,832,630	—	1,832,630
Nonmetallic minerals, except fuels.....	35	—	78,421	672	2,604	82,643	—	82,643
<b>Construction</b> .....	<b>19,660</b>	<b>2,529</b>	<b>5,020</b>	<b>109,650</b>	<b>23,529</b>	<b>150,767</b>	<b>—</b>	<b>150,767</b>
General building contractors and operative builders.....	11,984	697	4,925	15,051	7,131	38,257	—	38,257
Heavy construction contractors.....	7,672	331	94	93,911	13,911	109,695	—	109,695
Special trade contractors.....	5	1,501	—	689	2,487	2,814	—	2,815
<b>Manufacturing</b> .....	<b>249,039</b>	<b>16,346</b>	<b>1,816,181</b>	<b>10,021,138</b>	<b>2,842,132</b>	<b>19,191,703</b>	<b>2,789</b>	<b>19,188,914</b>
Food and kindred products.....	6,648	69	12,479	435,807	24,778	653,268	243	653,025
Tobacco manufactures.....	911	—	7,568	35,230	81,491	59,486	—	59,486
Textile mill products.....	71	—	190	35,603	4,621	38,865	—	38,865
Apparel and other textile products.....	186	8	222	46,787	639	64,388	—	64,388
Lumber and wood products.....	—	138	493	48,760	7,827	67,624	4	67,620
Furniture and fixtures.....	11	—	5	1,454	306	2,453	—	2,453
Paper and allied products.....	940	—	552	335,206	7,266	373,780	55	373,725
Printing and publishing.....	214	98	1,811	75,923	4,088	101,526	13	101,513
Chemicals and allied products.....	11,823	3,054	12,252	1,048,124	94,869	1,720,834	710	1,720,125
Petroleum (including integrated) and coal products.....	164,575	6,310	1,638,209	4,420,201	2,284,333	11,027,563	—	11,027,563
Rubber and miscellaneous plastics products.....	1,896	—	2,541	60,967	704	86,398	304	86,094
Leather and leather products.....	—	—	1,782	2,105	1,049	4,889	—	4,889
Stone, clay, and glass products.....	1,373	—	664	113,737	974	134,761	14	134,747
Primary metal industries.....	4,711	1,019	85,447	256,429	91,132	611,214	5	611,209
Fabricated metal products.....	389	—	4,130	282,800	6,322	340,507	123	340,384
Machinery, except electrical.....	16,119	2,313	25,541	1,783,266	17,645	2,331,601	304	2,331,297
Electrical and electronic equipment.....	29,868	1,858	14,483	392,727	148,917	643,472	33	643,440
Motor vehicles and equipment.....	4,018	1,481	5,234	230,735	1,820	352,352	—	352,352
Transportation equipment, except motor vehicles.....	3,750	—	306	79,842	52,231	141,589	—	141,589
Instruments and related products.....	453	—	1,402	292,304	6,884	386,578	736	385,842
Miscellaneous manufacturing products and manufacturing not allocable.....	1,082	—	870	43,130	4,233	48,555	245	48,310
<b>Transportation and public utilities</b> .....	<b>15,250</b>	<b>17,464</b>	<b>271,288</b>	<b>106,023</b>	<b>134,461</b>	<b>461,673</b>	<b>—</b>	<b>461,673</b>
Transportation.....	12,653	191	130,540	33,705	109,465	211,347	—	211,347
Water transportation.....	5,935	191	126,633	936	82,971	154,699	—	154,699
Other transportation.....	6,718	—	3,908	32,769	26,494	56,649	—	56,649
Communication.....	1,214	73	2,274	50,887	777	75,361	—	75,361
Electric, gas, and sanitary services.....	1,383	17,199	138,474	21,430	24,219	174,965	—	174,965
<b>Wholesale and retail trade</b> .....	<b>8,765</b>	<b>—</b>	<b>101,173</b>	<b>2,044,313</b>	<b>91,490</b>	<b>1,524,461</b>	<b>1</b>	<b>1,524,460</b>
Wholesale trade.....	8,152	—	97,569	1,954,944	71,020	1,387,672	1	1,387,671
Groceries and related products.....	268	—	2	37,246	6,189	49,521	—	49,521
Machinery, equipment, and supplies.....	1,849	—	599	1,079	425	18,942	1	18,941
Miscellaneous wholesale trade.....	6,035	—	96,969	1,916,618	64,406	1,319,209	—	1,319,209
Drugs, chemicals, and allied products.....	115	—	38	14,263	4,196	21,751	—	21,751
Petroleum and petroleum products.....	1,519	—	92,978	1,846,603	50,552	1,219,153	—	1,219,153
Other miscellaneous wholesale trade.....	4,402	—	3,952	55,752	9,657	78,304	—	78,304
Retail trade.....	613	—	3,604	89,369	20,470	136,789	—	136,789
Building materials, garden supplies, and mobile home dealers.....	—	—	—	—	—	*46	—	*46
General merchandise stores.....	455	—	1,164	62,639	12,764	90,201	—	90,201
Food stores.....	36	—	144	20,172	4,675	25,796	—	25,796
Automotive dealers and service stations.....	—	—	—	*18	*159	*117	—	*117
Apparel and accessory stores.....	—	—	1,299	151	100	1,805	—	1,805
Furniture and home furnishings stores.....	*4	—	—	—	*2,192	*1,712	—	*1,712
Eating and drinking places.....	97	—	991	2,162	442	10,140	—	10,140
Miscellaneous retail stores.....	20	—	6	4,228	138	6,972	—	6,972
<b>Finance, insurance, and real estate</b> .....	<b>11,634</b>	<b>9,276</b>	<b>117,380</b>	<b>188,652</b>	<b>89,317</b>	<b>1,390,334</b>	<b>5</b>	<b>1,390,330</b>
Banking.....	588	149	41,837	62,303	53,361	1,054,654	5	1,054,649
Credit agencies other than banks.....	158	977	2,021	10,089	6,513	17,700	—	17,700
Security, commodity brokers and services.....	4,694	255	172	2,450	345	24,996	—	24,996
Insurance carriers.....	5,609	7,413	70,668	28,706	18,021	190,025	—	190,025
Insurance agents, brokers, and services.....	451	232	357	12,564	24	15,227	—	15,227
Real estate.....	42	—	441	176	1,861	2,219	—	2,219
Holding and other investment companies except bank holding companies.....	90	250	1,882	72,363	9,192	85,514	—	85,514
<b>Services</b> .....	<b>21,444</b>	<b>1,521</b>	<b>6,726</b>	<b>89,555</b>	<b>36,812</b>	<b>180,753</b>	<b>—</b>	<b>180,753</b>
Hotels and other lodging places.....	—	88	974	1	1,069	7,102	—	7,102
Personal services.....	*20	—	276	*5,398	*2,798	*5,951	—	*5,951
Business services.....	13,140	423	4,113	55,280	20,470	90,388	—	90,388
Auto repair; miscellaneous repair services.....	—	—	16	—	—	76	—	76
Amusement and recreational services.....	159	159	621	19,818	1,109	57,181	—	57,181
Other services.....	8,125	851	727	9,058	11,365	20,055	—	20,055

Footnotes at end of table.

## All Corporation Returns with Foreign Tax Credit, 1980

Table 1. — Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Major Industry — Continued

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

Major industry	Foreign income and taxes reported on Form 1118 — Continued					
	Income and taxes of related foreign corporations and DISC's					
	Gains, profits and income	Taxes paid on gains, profits and income	Dividends paid or constructively distributed to domestic corporations	Taxes deemed paid by related foreign corporations	Dividends paid to related foreign corporations and DISC's by second-tier foreign corporations	Dividends paid to second-tier foreign corporations by third-tier foreign corporations
	(69)	(70)	(71)	(72)	(73)	(74)
<b>All Industries</b> .....	<b>82,531,082</b>	<b>32,674,021</b>	<b>15,866,406</b>	<b>2,877,108</b>	<b>3,749,830</b>	<b>508,494</b>
<b>Agriculture, forestry, and fishing</b> .....	<b>41,968</b>	<b>7,000</b>	<b>12,843</b>	—	—	—
<b>Mining</b> .....	<b>1,062,818</b>	<b>250,205</b>	<b>290,917</b>	<b>22,089</b>	<b>43,588</b>	—
Metal mining .....	260,246	63,805	52,259	17,940	34,905	—
Coal mining .....	10,962	3,793	500	—	—	—
Oil and gas extraction .....	786,530	180,528	237,046	4,149	8,683	—
Nonmetallic minerals, except fuels .....	5,080	2,080	1,113	—	—	—
<b>Construction</b> .....	<b>417,925</b>	<b>116,493</b>	<b>178,583</b>	<b>65,007</b>	<b>131,701</b>	—
General building contractors and operative builders .....	61,441	18,511	25,068	—	—	—
Heavy construction contractors .....	335,006	96,748	149,426	65,007	131,701	—
Special trade contractors .....	21,478	1,234	4,088	—	—	—
<b>Manufacturing</b> .....	<b>69,821,250</b>	<b>27,523,316</b>	<b>13,620,405</b>	<b>2,492,371</b>	<b>3,108,716</b>	<b>413,788</b>
Food and kindred products .....	2,561,818	857,626	664,318	120,462	182,789	11,497
Tobacco manufactures .....	239,088	58,546	76,739	12,742	34,864	4,097
Textile mill products .....	179,710	74,900	51,208	653	673	—
Apparel and other textile products .....	217,481	91,094	59,622	137	260	35
Lumber and wood products .....	179,683	56,924	95,215	1,408	2,280	—
Furniture and fixtures .....	15,566	6,726	2,138	—	—	—
Paper and allied products .....	2,294,392	796,205	558,616	58,991	161,197	6,725
Printing and publishing .....	603,125	215,152	107,546	20,055	33,767	1,994
Chemicals and allied products .....	7,452,741	2,344,156	1,905,872	283,273	383,111	12,052
Petroleum (including integrated) and coal products .....	27,810,354	12,426,021	4,497,445	457,797	537,803	192,641
Rubber and miscellaneous plastics products .....	495,981	200,785	86,330	1,133	1,946	—
Leather and leather products .....	5,847	2,748	2,215	—	—	—
Stone, clay, and glass products .....	1,013,847	335,658	183,909	42,689	45,267	4,167
Primary metal industries .....	2,731,057	805,798	508,350	112,855	156,652	51,338
Fabricated metal products .....	2,122,366	908,916	399,589	33,761	59,990	6,747
Machinery, except electrical .....	13,016,156	5,538,772	2,252,662	935,839	873,731	84,007
Electrical and electronic equipment .....	3,426,024	1,109,482	722,033	167,455	327,941	35,666
Motor vehicles and equipment .....	2,371,913	790,283	458,362	141,426	185,994	—
Transportation equipment, except motor vehicles .....	1,164,920	166,206	503,124	65,497	79,005	—
Instruments and related products .....	1,629,263	627,045	422,017	30,282	34,980	2,800
Miscellaneous manufacturing products and manufacturing not allocable .....	289,920	110,272	63,095	5,916	6,465	22
<b>Transportation and public utilities</b> .....	<b>832,493</b>	<b>254,176</b>	<b>196,147</b>	<b>66,196</b>	<b>99,604</b>	<b>17,746</b>
Transportation .....	258,303	80,040	70,458	22,117	29,053	326
Water transportation .....	14,353	1,347	7,852	84	82	—
Other transportation .....	243,950	78,693	62,606	22,033	28,971	326
Communication .....	440,007	135,918	84,922	36,951	58,960	15,537
Electric, gas, and sanitary services .....	134,184	38,219	40,766	7,129	11,591	1,883
<b>Wholesale and retail trade</b> .....	<b>7,525,203</b>	<b>3,566,090</b>	<b>1,107,497</b>	<b>99,205</b>	<b>218,816</b>	<b>53,753</b>
Wholesale trade .....	6,484,593	3,225,874	937,828	47,406	143,679	558
Groceries and related products .....	173,074	70,086	56,353	—	—	—
Machinery, equipment, and supplies .....	13,615	4,692	2,443	—	—	—
Miscellaneous wholesale trade .....	6,297,904	3,151,096	879,032	47,406	143,679	558
Drugs, chemicals, and allied products .....	69,243	25,599	21,001	79	280	—
Petroleum and petroleum products .....	4,911,994	2,906,634	715,985	36,886	122,546	—
Other miscellaneous wholesale trade .....	1,316,668	218,863	142,045	10,441	20,852	558
Retail trade .....	1,040,609	340,215	169,669	51,799	75,137	53,195
Building materials, garden supplies, and mobile home dealers .....	—	—	—	—	—	—
General merchandise stores .....	866,140	286,572	129,086	38,586	42,445	31,992
Food stores .....	126,048	32,842	32,526	13,199	32,673	21,203
Automotive dealers and service stations .....	1,333	378	46	—	—	—
Apparel and accessory stores .....	2,338	547	164	—	—	—
Furniture and home furnishings stores .....	—	—	—	—	—	—
Eating and drinking places .....	4,859	2,247	2,527	—	—	—
Miscellaneous retail stores .....	39,893	17,629	5,321	14	19	—
<b>Finance, insurance, and real estate</b> .....	<b>2,393,208</b>	<b>787,602</b>	<b>330,010</b>	<b>113,946</b>	<b>125,727</b>	<b>21,918</b>
Banking .....	1,056,163	423,900	77,784	5,826	26,793	6,096
Credit agencies other than banks .....	153,707	54,406	13,655	3,512	18,642	—
Security, commodity brokers and services .....	28,225	3,317	6,881	2,281	4,579	211
Insurance carriers .....	276,791	79,332	72,307	9,157	11,420	1,305
Insurance agents, brokers, and services .....	121,090	35,789	15,277	32,343	38,780	8,033
Real estate .....	99,417	9,947	1,292	( <sup>1</sup> )	20	—
Holding and other investment companies except bank holding companies .....	657,815	180,911	142,814	60,826	25,493	6,273
<b>Services</b> .....	<b>436,217</b>	<b>169,140</b>	<b>130,006</b>	<b>18,294</b>	<b>21,679</b>	<b>1,289</b>
Hotels and other lodging places .....	4	1	3	—	—	—
Personal services .....	*60,562	*26,967	*6,566	*772	*817	—
Business services .....	255,242	101,006	70,630	17,185	20,457	1,289
Auto repair, miscellaneous repair services .....	—	—	—	—	—	—
Amusement and recreational services .....	77,883	29,719	31,398	88	88	—
Other services .....	42,526	11,446	21,408	249	317	—

Footnotes at end of table.

Table 1.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Major Industry—Continued

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

Major industry	Foreign income and taxes reported on Form 1118—Continued				
	Income and taxes of related foreign corporations and DISC's—Continued				
	Income and taxes of first, second, and third-tier foreign corporations from which constructive distributions were received				
	Gains, profits and income	Taxes paid on gains and income	Dividends constructively distributed to domestic corporations	Taxes deemed paid by related foreign corporations	Taxes deemed paid by domestic corporations
(75)	(76)	(77)	(78)	(79)	
<b>All industries</b> .....	<b>5,812,673</b>	<b>1,958,764</b>	<b>2,046,802</b>	<b>242,503</b>	<b>1,267,467</b>
<b>Agriculture, forestry, and fishing</b> .....	<b>1,647</b>	<b>232</b>	<b>1,414</b>	<b>—</b>	<b>232</b>
<b>Mining</b> .....	<b>55,774</b>	<b>11,506</b>	<b>31,170</b>	<b>3,788</b>	<b>12,205</b>
Metal mining.....	6,304	1,470	4,834	—	1,470
Coal mining.....	—	—	—	—	—
Oil and gas extraction.....	49,470	10,036	26,336	3,788	10,735
Nonmetallic minerals, except fuels.....	—	—	—	—	—
<b>Construction</b> .....	<b>26,135</b>	<b>4,947</b>	<b>9,077</b>	<b>—</b>	<b>3,999</b>
General building contractors and operative builders.....	4,332	601	2,066	—	599
Heavy construction contractors.....	12,094	4,241	6,920	—	3,399
Special trade contractors.....	9,709	105	91	—	1
<b>Manufacturing</b> .....	<b>5,117,620</b>	<b>1,783,595</b>	<b>1,745,058</b>	<b>229,100</b>	<b>1,158,480</b>
Food and kindred products.....	89,030	22,928	46,454	6,156	20,513
Tobacco manufactures.....	71,376	9,179	19,177	250	4,185
Textile mill products.....	29,208	11,795	17,376	18	11,766
Apparel and other textile products.....	4,114	674	2,501	40	534
Lumber and wood products.....	—	—	—	—	—
Furniture and fixtures.....	485	137	348	—	137
Paper and allied products.....	17,456	2,362	13,161	1,214	2,288
Printing and publishing.....	1,334	233	376	—	86
Chemicals and allied products.....	1,000,375	200,321	483,618	108,353	233,686
Petroleum (including integrated) and coal products.....	2,293,768	1,176,530	578,860	30,643	658,184
Rubber and miscellaneous plastics products.....	9,057	2,994	5,867	181	3,022
Leather and leather products.....	240	17	114	—	9
Stone, clay, and glass products.....	14,077	2,518	8,022	1,033	2,348
Primary metal industries.....	222,336	37,993	87,229	3,608	11,369
Fabricated metal products.....	69,190	25,402	18,062	492	7,883
Machinery, except electrical.....	441,963	84,393	166,182	36,306	78,163
Electrical and electronic equipment.....	411,279	76,337	140,380	21,901	42,787
Motor vehicles and equipment.....	145,432	40,166	41,981	722	10,018
Transportation equipment, except motor vehicles.....	78,189	15,259	27,303	478	14,999
Instruments and related products.....	184,666	58,068	77,745	17,563	46,263
Miscellaneous manufacturing products and manufacturing not allocable.....	34,043	16,290	10,302	141	10,241
<b>Transportation and public utilities</b> .....	<b>86,927</b>	<b>24,452</b>	<b>55,248</b>	<b>428</b>	<b>20,414</b>
Transportation.....	33,593	8,259	19,315	428	4,508
Water transportation.....	9,656	664	6,951	84	647
Other transportation.....	23,937	7,595	12,364	344	3,862
Communication.....	40,267	14,092	24,966	—	13,805
Electric, gas, and sanitary services.....	13,067	2,101	10,966	—	2,101
<b>Wholesale and retail trade</b> .....	<b>367,899</b>	<b>104,685</b>	<b>131,944</b>	<b>7,635</b>	<b>54,153</b>
Wholesale trade.....	325,254	101,491	106,066	5,300	49,906
Groceries and related products.....	129,281	58,379	35,811	—	29,125
Machinery, equipment, and supplies.....	3,823	429	1,567	—	207
Miscellaneous wholesale trade.....	192,150	42,683	68,688	5,300	20,574
Drugs, chemicals, and allied products.....	—	—	—	—	—
Petroleum and petroleum products.....	146,276	38,932	54,814	3,163	16,387
Other miscellaneous wholesale trade.....	45,875	3,752	13,874	2,138	4,187
Retail trade.....	42,645	3,194	25,877	2,334	4,248
Building materials, garden supplies, and mobile home dealers.....	—	—	—	—	—
General merchandise stores.....	42,074	3,005	25,495	2,334	4,059
Food stores.....	—	—	—	—	—
Automotive dealers and service stations.....	—	—	—	—	—
Apparel and accessory stores.....	—	—	—	—	—
Furniture and home furnishings stores.....	—	—	—	—	—
Eating and drinking places.....	571	188	382	—	188
Miscellaneous retail stores.....	—	—	—	—	—
<b>Finance, insurance, and real estate</b> .....	<b>118,528</b>	<b>21,638</b>	<b>51,365</b>	<b>1,552</b>	<b>10,988</b>
Banking.....	35,736	7,321	15,289	—	3,628
Credit agencies other than banks.....	3,269	714	2,555	—	714
Security, commodity brokers and services.....	1,940	157	1,497	—	93
Insurance carriers.....	55,656	7,074	28,640	1,552	4,937
Insurance agents, brokers, and services.....	2,520	750	932	—	328
Real estate.....	28	6	4	—	1
Holding and other investment companies except bank holding companies.....	19,380	5,617	2,449	—	1,287
<b>Services</b> .....	<b>38,143</b>	<b>7,708</b>	<b>21,525</b>	<b>—</b>	<b>6,994</b>
Hotels and other lodging places.....	4	1	3	—	1
Personal services.....	—	—	—	—	—
Business services.....	14,983	3,515	9,491	—	3,282
Auto repair, miscellaneous repair services.....	—	—	—	—	—
Amusement and recreational services.....	10,544	3,163	7,381	—	3,163
Other services.....	12,612	1,029	4,651	—	548

\*This estimate should be used with caution because of the small number of sample returns on which it was based.

†Less than \$500 per return.

NOTE: Detail may not add to totals because of rounding and because nature of business not allocable is not shown.

## Corporation Returns with Form 1118 Filed in Support of Foreign Tax Credit Claimed, 1980

Table 2.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Size of Total Assets

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

Size of total assets	Number of returns	Total assets	Total receipts	Dividends received from foreign corporations	Dividends received from DISC's	Includable income of Controlled Foreign Corporations	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)	Net income (less deficit)	Western Hemisphere Trade Corporation deduction	Income subject to U.S. tax
<b>Total</b>	<b>6,046</b>	<b>3,229,777,033</b>	<b>2,293,231,821</b>	<b>13,871,443</b>	<b>4,274,019</b>	<b>2,873,674</b>	<b>12,644,524</b>	<b>143,466,463</b>	<b>2,983</b>	<b>137,930,564</b>
Zero assets	68	—	11,309,080	37,456	22,112	3,777	29,257	588,717	—	558,119
\$1 under \$1,000,000	2,072	753,207	1,437,675	9,570	378	8,565	3,996	178,857	—	117,712
\$1,000,000 under \$10,000,000	1,371	5,659,464	8,805,142	28,332	17,930	4,389	14,753	781,743	—	728,142
\$10,000,000 under \$50,000,000	908	21,273,564	33,810,171	110,749	72,885	26,263	78,459	2,727,302	58	2,614,351
\$50,000,000 under \$100,000,000	334	24,323,897	35,570,165	152,641	83,985	24,768	110,765	2,817,409	291	2,694,207
\$100,000,000 under \$250,000,000	375	61,467,595	75,328,391	389,621	149,453	63,819	275,654	6,218,928	124	5,995,213
\$250,000,000 under \$500,000,000	262	93,397,655	117,274,577	458,674	218,656	121,509	331,466	7,248,837	777	7,137,126
\$500,000,000 under \$1,000,000,000	200	146,917,374	172,271,567	754,752	347,569	176,466	534,566	11,683,258	340	11,303,247
\$1,000,000,000 or more	456	2,875,984,277	1,837,425,053	11,929,648	3,361,050	2,444,118	11,265,607	111,221,411	1,393	106,782,447

Size of total assets	U.S. income tax before credits		Foreign tax credit claimed	U.S. possessions tax credit	Investment credit	Jobs credit	Other credits	U.S. income tax after credits	Foreign income and taxes reported on Form 1118	
	Total	Regular and alternative tax							Total	Dividends
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>Total</b>	<b>62,324,700</b>	<b>61,697,948</b>	<b>24,866,908</b>	<b>173,345</b>	<b>6,929,275</b>	<b>102,398</b>	<b>10,226</b>	<b>30,242,547</b>	<b>86,077,698</b>	<b>19,823,516</b>
Zero assets	238,384	234,686	52,119	11,687	45,676	491	26	128,385	1,508,415	46,353
\$1 under \$1,000,000	37,257	37,010	11,048	161	4,326	146	—	21,575	121,555	18,135
\$1,000,000 under \$10,000,000	304,270	301,215	56,536	751	20,279	1,392	317	225,006	335,662	36,929
\$10,000,000 under \$50,000,000	1,164,025	1,155,739	153,956	11,195	84,632	3,643	895	909,703	955,725	141,710
\$50,000,000 under \$100,000,000	1,216,927	1,208,190	190,524	3,893	94,614	3,349	585	923,962	2,553,291	187,103
\$100,000,000 under \$250,000,000	2,681,203	2,658,784	516,170	21,014	230,904	17,939	706	1,894,471	1,683,973	471,113
\$250,000,000 under \$500,000,000	3,234,169	3,201,204	483,737	124,645	357,661	9,385	912	2,257,829	2,963,925	622,338
\$500,000,000 under \$1,000,000,000	5,124,280	5,075,013	1,158,545	—	607,352	9,289	1,355	3,347,739	4,673,708	999,197
\$1,000,000,000 or more	48,324,185	47,826,106	22,244,273	—	5,483,831	56,772	5,430	20,533,879	71,281,443	17,300,640

Size of total assets	Foreign income and taxes reported on Form 1118—Continued									
	Gross income (less loss) excluding branch operations and specially allocable income—Continued			Total gross income (less loss) from extraction of oil or gas	Total deductions excluding branch operations and specially allocable income	Total deductions from oil and gas extraction income	Taxable income (less loss)			
	Dividend gross-up	Interest income	Other income				Total	Foreign branch income	Specially allocable income (Section 863(B))	Other than from branch operations and specially allocable income
(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	
<b>Total</b>	<b>12,644,525</b>	<b>12,509,769</b>	<b>41,099,887</b>	<b>31,098,661</b>	<b>38,940,201</b>	<b>7,124,054</b>	<b>70,541,309</b>	<b>21,871,325</b>	<b>1,532,488</b>	<b>47,137,497</b>
Zero assets	29,257	891,607	541,199	—	1,263,143	—	258,267	693	12,303	245,272
\$1 under \$1,000,000	3,996	2,019	97,405	—	71,609	—	52,458	2,513	—	49,946
\$1,000,000 under \$10,000,000	14,758	9,129	274,847	4,231	154,712	1,346	197,830	15,679	1,201	180,950
\$10,000,000 under \$50,000,000	78,458	33,608	701,949	64,553	496,239	19,082	523,477	52,029	11,962	459,486
\$50,000,000 under \$100,000,000	110,766	35,758	2,219,664	80,997	2,037,841	23,877	576,055	47,441	13,163	515,450
\$100,000,000 under \$250,000,000	275,654	108,361	828,846	414,276	469,954	76,342	1,384,710	123,260	47,431	1,214,019
\$250,000,000 under \$500,000,000	331,459	168,058	1,842,070	88,870	1,637,542	32,564	1,466,981	90,257	50,341	1,326,384
\$500,000,000 under \$1,000,000,000	534,563	310,162	2,829,787	914,864	2,123,501	108,782	3,346,580	727,670	68,703	2,550,208
\$1,000,000,000 or more	11,265,613	10,951,068	31,764,122	29,530,869	30,685,661	6,862,062	62,734,952	20,811,784	1,327,384	40,595,783

Footnotes at end of table.

Table 2. — Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Size of Total Assets — Continued

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

Size of total assets	Foreign income and taxes reported on Form 1118 — Continued									
	Taxable income (less loss) — Continued		Foreign taxes available for credit							
	Recapture of prior year foreign losses	After loss recapture	Total after reduction	Reduction for certain foreign taxes	Total before reduction	Paid or accrued on				
						Total	Dividends	Interest	Rents, royalties and license fees	Branch income
(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	
<b>Total</b>	<b>77,596</b>	<b>70,463,713</b>	<b>30,108,786</b>	<b>4,098,186</b>	<b>34,206,972</b>	<b>17,351,661</b>	<b>1,373,863</b>	<b>676,488</b>	<b>547,938</b>	<b>10,088,109</b>
Zero assets .....	519	257,748	64,101	—	64,101	33,285	3,047	17,163	4,385	2,055
\$1 under \$1,000,000 .....	306	52,152	14,111	—	14,111	8,784	3,105	179	2,480	939
\$1,000,000 under \$10,000,000 .....	13	197,816	85,412	32	85,444	41,682	4,259	900	8,000	4,650
\$10,000,000 under \$50,000,000 .....	1,049	522,428	204,625	8,630	213,256	92,004	11,210	2,717	19,392	16,655
\$50,000,000 under \$100,000,000 .....	3,363	572,691	222,905	59	222,964	90,821	16,191	4,206	9,370	22,374
\$100,000,000 under \$250,000,000 .....	1,760	1,382,950	599,038	25,419	624,457	285,375	37,312	5,469	23,011	57,047
\$250,000,000 under \$500,000,000 .....	7,646	1,459,335	618,441	6,124	624,565	201,913	40,320	6,222	29,337	39,589
\$500,000,000 under \$1,000,000,000 .....	3,864	3,342,717	1,239,275	276,030	1,515,305	912,916	83,860	16,492	51,436	569,419
\$1,000,000,000 or more .....	59,075	62,675,876	27,060,877	3,781,892	30,842,770	15,684,881	1,174,559	623,140	400,528	9,375,380

Size of total assets	Foreign income and taxes reported on Form 1118 — Continued					
	Foreign taxes available for credit — Continued			Foreign tax credit computed		
	Paid or accrued on — Continued	Total deemed paid	Carryover available for credit	Before reduction for international boycott operations	Reduction for international boycott operations	After reduction for international boycott operations
(41)	(42)	(43)	(44)	(45)	(46)	
<b>Total</b>	<b>4,665,263</b>	<b>12,644,523</b>	<b>4,210,788</b>	<b>24,881,344</b>	<b>2,795</b>	<b>24,878,551</b>
Zero assets .....	6,634	29,257	1,559	52,235	—	52,235
\$1 under \$1,000,000 .....	2,082	3,996	1,331	11,058	—	11,058
\$1,000,000 under \$10,000,000 .....	23,874	14,757	29,005	56,558	1	56,557
\$10,000,000 under \$50,000,000 .....	42,029	78,458	42,794	154,237	—	154,238
\$50,000,000 under \$100,000,000 .....	38,680	110,766	21,377	190,544	—	190,544
\$100,000,000 under \$250,000,000 .....	162,536	275,653	63,428	516,429	259	516,170
\$250,000,000 under \$500,000,000 .....	86,445	331,459	91,193	483,808	21	483,787
\$500,000,000 under \$1,000,000,000 .....	191,709	534,563	67,826	1,158,877	332	1,158,545
\$1,000,000,000 or more .....	4,111,275	11,265,613	3,892,275	22,257,599	2,182	22,255,417

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

## Corporation Returns with Form 1118 Filed in Support of Foreign Tax Credit Claimed, 1980

Table 3.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Type of Foreign Income for which Separate Credit was Computed

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

Type of foreign income for which separate credit was computed	Number of returns	Total assets	Total receipts	Dividends received from foreign corporations	Dividends received from DISC's	Includable income of Controlled Foreign Corporations	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)	Net income (less deficit)	Western Hemisphere Trade Corporation deduction	Income subject to U.S. tax
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>Total</b>	<b>6,046</b>	<b>3,229,777,033</b>	<b>2,293,231,821</b>	<b>13,871,443</b>	<b>4,274,019</b>	<b>2,873,674</b>	<b>12,644,524</b>	<b>143,466,463</b>	<b>2,983</b>	<b>137,930,564</b>
Certain interest income	336	544,122,098	575,642,400	5,293,790	1,580,718	769,038	5,806,525	41,635,411	394	40,400,397
Dividends received from DISC's	138	368,370,279	388,393,928	1,569,109	1,696,473	644,022	1,307,465	25,818,468	1,212	24,962,730
Foreign oil related income	119	503,793,434	705,623,707	5,419,230	409,519	960,699	6,434,635	57,669,045	323	55,674,016
Foreign oil and gas extraction income	93	458,442,624	653,822,721	5,090,815	316,138	929,980	6,112,435	56,065,016	19	54,063,317
All other foreign source income	5,892	3,190,875,770	2,263,553,005	13,868,102	4,265,212	2,859,841	12,642,452	137,955,756	2,983	132,563,226

Type of foreign income for which separate credit was computed	U.S. income tax before credits		Foreign tax credit claimed	U.S. possessions tax credit	Investment credit	Jobs credit	Other credits	U.S. income tax after credits	Foreign income and taxes reported on Form 1118	
	Total	Regular and alternative tax							Total	Dividends
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>Total</b>	<b>62,324,700</b>	<b>61,697,948</b>	<b>24,866,908</b>	<b>173,345</b>	<b>6,929,275</b>	<b>102,398</b>	<b>10,226</b>	<b>30,242,547</b>	<b>86,077,698</b>	<b>19,823,516</b>
Certain interest income	18,278,468	18,111,055	8,669,939	91	2,212,604	19,913	1,711	7,374,211	654,108	—
Dividends received from DISC's	11,236,158	11,123,314	4,334,845	—	1,798,998	12,327	1,578	5,088,410	1,564,791	1,561,687
Foreign oil related income	25,336,706	25,199,067	15,090,362	—	2,106,738	4,726	1,584	8,133,296	31,371,441	6,689,056
Foreign oil and gas extraction income	24,580,129	24,485,201	14,693,784	—	2,000,763	4,311	1,565	7,879,706	30,751,332	6,429,002
All other foreign source income	59,864,089	59,248,550	24,426,041	173,255	6,674,854	101,036	10,195	28,478,709	52,487,357	11,572,774

Type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—Continued									
	Gross income (less loss) excluding branch operations and specially allocable income—Continued			Total gross income (less loss) from extraction of oil or gas	Total deductions excluding branch operations and specially allocable income	Total deductions from oil and gas extraction income	Taxable income (less loss)			Other than from branch operations and specially allocable income
	Dividend gross-up	Interest income	Other income				Total	Foreign branch income	Specially allocable income (Section 963(B))	
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
<b>Total</b>	<b>12,644,525</b>	<b>12,509,769</b>	<b>41,099,887</b>	<b>31,098,661</b>	<b>38,940,201</b>	<b>7,124,054</b>	<b>70,541,309</b>	<b>21,871,325</b>	<b>1,532,488</b>	<b>47,137,497</b>
Certain interest income	—	654,108	—	—	93,305	—	560,803	—	—	560,803
Dividends received from DISC's	3,105	—	—	—	397,673	—	1,167,118	—	—	1,167,118
Foreign oil related income	5,947,972	970,888	17,763,525	31,098,661	12,688,626	7,124,054	31,027,245	12,295,715	48,712	18,682,815
Foreign oil and gas extraction income	5,659,740	962,927	17,699,663	31,098,661	12,602,771	7,124,054	23,974,607	12,257,534	48,712	18,148,561
All other foreign source income	6,693,449	10,884,773	23,336,362	—	25,760,596	—	37,786,144	9,575,607	1,483,776	26,726,761

Type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—Continued									
	Taxable income (less loss)—Continued			Foreign taxes available for credit						
	Recapture of prior year foreign losses	After loss recapture	Total after reduction	Reduction for certain foreign taxes	Total before reduction	Total	Dividends	Interest	Rents, royalties and license fees	Branch income
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
<b>Total</b>	<b>77,596</b>	<b>70,463,713</b>	<b>30,108,786</b>	<b>4,098,186</b>	<b>34,206,972</b>	<b>17,351,661</b>	<b>1,373,863</b>	<b>676,488</b>	<b>547,938</b>	<b>10,088,109</b>
Certain interest income	2,823	557,980	22,277	—	22,277	21,119	—	21,119	—	—
Dividends received from DISC's	26	1,167,092	4,170	—	4,170	1,066	—	1,066	—	—
Foreign oil related income	22,055	31,005,190	18,267,030	4,067,137	22,334,167	12,978,822	340,475	7,611	10,142	8,638,534
Foreign oil and gas extraction income	22,055	30,432,752	17,885,769	4,067,137	21,952,906	10,623,884	330,594	7,293	10,142	8,620,969
All other foreign source income	52,692	37,733,451	11,815,309	31,049	11,846,357	4,350,655	1,032,323	647,758	537,797	1,449,575

Type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—Continued					
	Foreign taxes available for credit—Continued			Foreign tax credit computed		
	Paid or accrued on—Continued	Total deemed paid	Carryover available for credit	Before reduction for international boycott operations	Reduction for international boycott operations	After reduction for international boycott operations
	(41)	(42)	(43)	(44)	(45)	(46)
<b>Total</b>	<b>4,665,263</b>	<b>12,644,523</b>	<b>4,210,788</b>	<b>24,881,344</b>	<b>2,795</b>	<b>24,878,551</b>
Certain interest income	—	—	1,158	21,139	—	—
Dividends received from DISC's	—	3,105	—	4,106	—	—
Foreign oil related income	3,982,060	5,947,972	3,407,374	14,130,086	—	—
Foreign oil and gas extraction income	3,969,401	4,143,327	44,494	13,867,152	—	—
All other foreign source income	683,203	6,693,447	802,256	10,726,014	—	—

NOTE: The data in columns 1-18 pertain to the total activity of the domestic parent corporation. Since many corporations compute a foreign tax credit for more than one type of foreign income, the data in these columns are not additive. The data in columns 45 and 46 are reported as corporate totals only, not by type of income. The data in columns 19-23, 25, 28-33, 35, 37-41 and 44 of the foreign oil and gas extraction income line represent the amounts of total foreign oil related income and tax for those corporations reporting foreign oil and gas extraction income and taxes. The data in columns 24, 26, 27, 34, 36, 42 and 43 of the foreign oil and gas extraction income line are the actual foreign oil and gas extraction income and tax amounts. Form 1118 detail may not add to totals because of rounding.