

Statistics of Income

# SOI BULLETIN



Department of the Treasury  
Internal Revenue Service

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Summer 1984

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# SOI BULLETIN

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Information on the availability of additional unpublished data concerning the topics in this issue may be obtained by writing to the Statistics of Income Division, Internal Revenue Service, Washington, DC 20224.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

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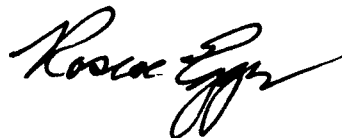
The Honorable Donald T. Regan  
The Secretary of the Treasury  
Washington, DC 20220

Dear Mr. Secretary:

I am transmitting the Summer 1984 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,

A handwritten signature in black ink, appearing to read "Roscoe Egan", written in a cursive style.

## Articles in Preparation for Upcoming Issues

- Individual Income Tax Return Data by 3-Digit ZIP Code, 1982
- Comparison of Mutual and Stock Life Insurance Companies
- Fiduciary Income Tax Returns, 1982
- Nonresident Alien Income and Tax Withheld, 1982
- Controlled Foreign Corporations, 1980 (Country Data)
- Superfund for Environmental Taxes, 1983
- Sales of Capital Assets, 1981
- Corporation Income Tax Returns, 1982

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# Taxpayers Age 65 or Over, 1977-1981

By Dan Holik and John Kozelec \*

Since the portion of the total U.S. population age 65 years old or over is growing faster than any other age group, it is not surprising that the number of taxpayers age 65 or over has been growing as well. This study examines how taxpayers age 65 or over are similar to, and different from, all other taxpayers.

A comprehensive economic picture of elderly taxpayers can be painted from the data presented in this article. For those persons age 65 or over who filed tax returns during 1977-81, the average adjusted gross income did not differ widely from the average adjusted gross income on all other returns. However, the components of adjusted gross income, certain itemized deductions, average income tax and the effective tax rate were quite different for elderly taxpayers when compared with those for all other taxpayers. Contrasted with all other taxpayers, elderly taxpayers depend on interest and dividend income instead of salary and wage income, and they are less likely to itemize deductions.

Elderly taxpayers who do itemize deductions claim large medical and dental expense deductions, large charitable contributions deductions and small home mortgage interest deductions.

Surprisingly few are eligible for the tax credit for the elderly, even though the tax credit was designed to help them. Finally, elderly taxpayers have higher income tax liabilities (on the average) and higher average effective tax rates, compared with all other taxpayers.

Taxpayers claiming either one or two exemptions for age 65 or over filed almost 10 million income tax returns for Tax Year 1981, more than 10 percent of the total 95.4 million returns filed [1]. As shown in Figure A, the proportion of returns filed by elderly taxpayers increased steadily over the 5-year period, 1977-81.

Actual and projected population and returns data are shown in Figure B. The elderly population is growing at a rapid rate relative to the rest of the U.S. population, and this growth is reflected in the number of tax returns filed by the elderly.

In addition to the demographic factors (changes in the age distribution of the population and mortality rates) behind the increase in filings, the number of returns filed by elderly taxpayers has been and will continue to be affected by changes in the income filing

Figure A.--Returns Filed by Taxpayers Age 65 or Over and Total Number of Returns Filed by All Taxpayers: 1977-81

Tax Year	Returns filed by taxpayers age 65 or over	Total number of returns filed by all taxpayers	Returns filed by taxpayers age 65 or over as a percentage of the total number of returns filed
	(1)	(2)	(3)
1977 .....	8,028,471	86,634,640	9.26%
1978 .....	8,370,125	89,771,551	9.32
1979 .....	8,661,655	92,694,302	9.34
1980 .....	8,994,420	93,902,469	9.57
1981 .....	9,878,319	95,396,123	10.35

\*Individual Returns Analysis Section. Prepared under the direction of David Paris, Chief. Staff assistance provided by Bert Ager.

## Taxpayers Age 65 or Over, 1977-1981

Figure B.--Population Age 65 or Over and Tax Return Filings, Actual and Projected: 1950 to 2010<sup>1</sup>

Tax Year	Total population, all ages	Population age 65 or over	Population age 65 or over as a percentage of the total population	Tax returns filed by taxpayers age 65 or over
	(1)	(2)	(3)	(4)
1950 .....	152,271,000	12,397,000	8.14%	1,949,071
1960 .....	180,671,000	16,675,000	9.23	5,214,157
1970 .....	205,052,000	20,107,000	9.81	6,913,144
1980 .....	227,658,000	25,708,000	11.29	8,994,420
1990 .....	249,731,000	31,799,000	12.73	12,090,000
2000 .....	267,990,000	35,036,000	13.07	13,570,000
2010 .....	283,141,000	39,269,000	13.87	15,570,000

<sup>1</sup>Population and tax return data courtesy of Research Division, Internal Revenue Service, and the Bureau of the Census, Department of Commerce. The projections are based on Census Bureau Middle Series population projections (P-25, No. 922, 10/82) and trend assumptions on relationships between population and tax returns filed. Additional information concerning projections of tax returns is available in Calendar Year Projections 1983-1990, Number of Returns to be Filed, Research Division, Internal Revenue Service, U.S. Department of the Treasury, Document 6186A, September 1983.

requirements and by special tax provisions for the elderly as well as by rising personal income.

The minimum income filing requirements for taxpayers changed between Tax Years 1978 and 1979. Minimum filing requirements for taxpayers age 65 or over during the period 1977-81 are presented in the following table:

Tax Year	Single person, age 65 or over	Surviving spouse age 65 or over
1977 .....	\$3,700	\$4,700
1978 .....	3,700	4,700
1979-81 ....	4,300	5,400

Tax Year	Married couple, one spouse age 65 or over	Married couple, both spouses age 65 or over
1977 .....	\$5,450	\$6,200
1978 .....	5,450	6,200
1979-81 ....	6,400	7,400

## AVERAGE ADJUSTED GROSS INCOME

The average adjusted gross incomes based on taxable returns for the period 1977 through 1981 for taxpayers age 65 or over and all other taxpayers increased each year and are presented in Figure C [2]. As can be seen, differences between the average adjusted gross incomes of the elderly and all other taxpayers were not large.

Figure C.--Average Adjusted Gross Income Reported on Taxable Returns: Taxpayers Age 65 or Over and All Other Taxpayers, 1977-81

Tax year	Average adjusted gross income	
	Taxpayers age 65 or over	All other taxpayers
1977 .....	\$17,350	\$17,024
1978 .....	17,810	18,094
1979 .....	19,523	19,562
1980 .....	20,950	21,066
1981 .....	22,205	22,460

Changes in the distribution of the number of returns filed by size of adjusted gross income for elderly taxpayers and all other taxpayers are presented in Figure D. Proportionately more taxpayers age 65 or over reported adjusted gross incomes of less than \$20,000 when compared with all other taxpayers. In 1981, nearly three-fourths of the returns filed by taxpayers age 65 or over reported adjusted gross incomes of less than \$20,000, while less than two-thirds of the returns filed by all other taxpayers reported adjusted gross incomes of less than \$20,000.

Differences between these groups also occurred at high income levels. Proportionately, more taxpayers age 65 or over reported adjusted gross incomes of \$1 million or more when compared with all other taxpayers. Consequently, while the differences between the average incomes were not large, the distributions of the incomes reported were quite different (Figures E and F). Among the elderly, there was a greater

Figure D.--Distribution of the Number of Returns Filed by Size of Adjusted Gross Income: 1977 and 1981

Adjusted Gross Income	Number of returns filed by taxpayers age 65 or over			Number of returns filed by all other taxpayers		
	1977	1981	Percentage change	1977	1981	Percentage change
	(1)	(2)	(3)	(4)	(5)	(6)
Total .....	8,028,471	9,878,319	23.0%	78,606,169	85,517,806	8.8%
Under \$5,000 .....	2,255,079	1,393,987	-38.2	21,007,556	17,352,389	-17.4
\$5,000 under \$10,000 .....	2,694,621	2,840,000	5.4	16,648,198	14,810,878	-11.0
\$10,000 under \$15,000 .....	1,283,675	1,884,710	46.8	13,015,531	12,308,450	-5.4
\$15,000 under \$20,000 .....	695,447	1,144,550	64.6	10,709,526	9,853,644	-8.0
\$20,000 under \$25,000 .....	337,618	713,149	111.2	7,429,096	8,403,987	13.1
\$25,000 under \$30,000 .....	222,013	470,027	111.7	4,132,027	6,735,255	63.0
\$30,000 under \$50,000 .....	333,952	909,678	172.4	4,450,964	12,478,047	180.3
\$50,000 under \$100,000 .....	150,917	387,760	156.9	989,867	3,054,960	208.6
\$100,000 under \$200,000 .....	40,901	98,883	141.8	184,249	417,633	126.7
\$200,000 under \$500,000 .....	11,885	29,356	147.0	34,501	88,736	157.2
\$500,000 under \$1,000,000 .....	1,705	4,404	158.3	3,527	10,354	193.6
\$1,000,000 or more .....	658	1,815	175.8	1,127	3,471	208.0

Figure E  
Returns Filed by Taxpayers Age 65 or Older, 1981

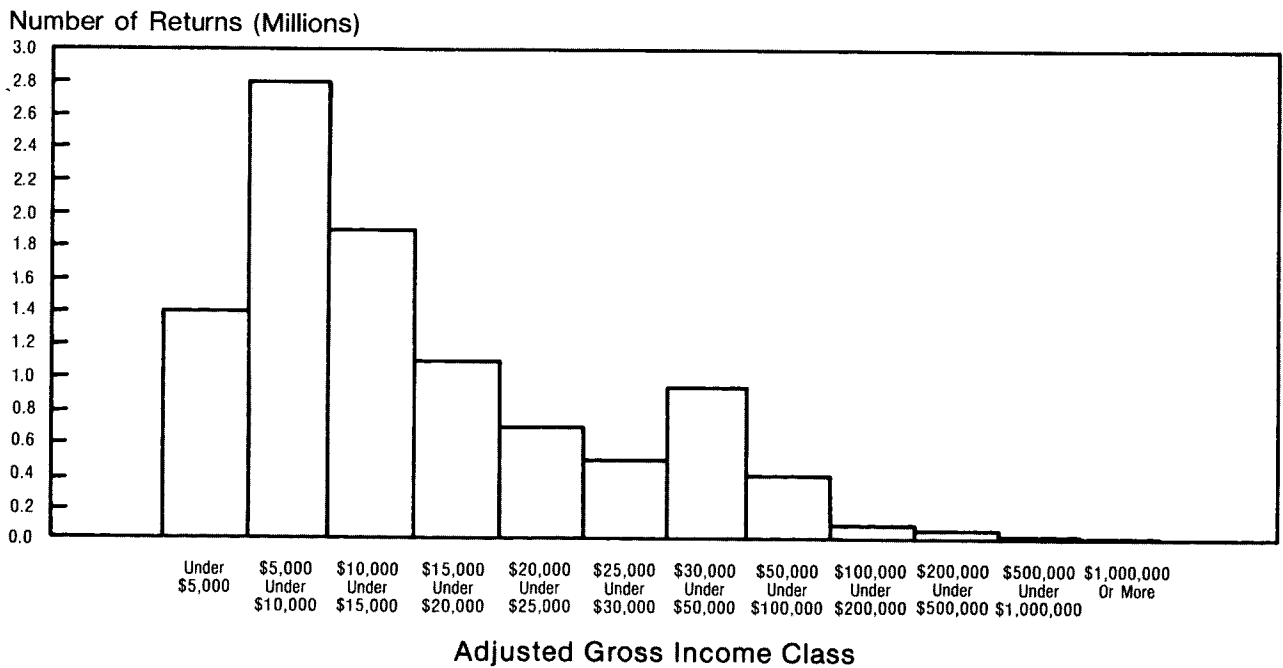
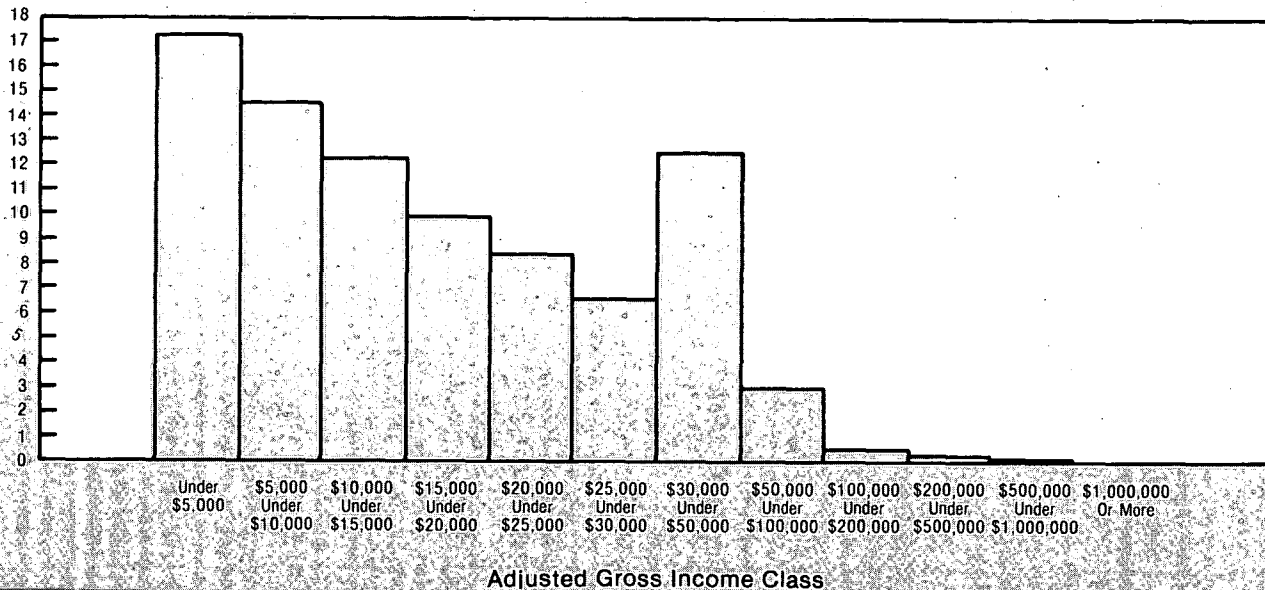




Figure F  
Returns Filed by All Other Taxpayers, 1981

Number of Returns (Millions)



likelihood that taxpayers were either much poorer or much richer than other taxpayers, based on the incomes reported.

#### Sources of Adjusted Gross Income

Income sources reported on elderly taxpayers' returns differed from those reported on all other taxpayers' returns (Figures G and H). Compared with all other taxpayers, those age 65 or over reported larger amounts of dividend and interest income and smaller amounts of salary and wage income. Strangely enough, differences in average pension and annuity income for the two groups were not large. Among the possible reasons for this is that certain portions of pension income and all social security income were excluded from taxable income [3]. (Consequently, the pension and annuity data presented do not include the full amount of this income, especially for elderly taxpayers.) Social security income provided 39 percent of the total income of persons aged 65 or over in 1982 [4].

The percentages of taxpayers age 65 or over and all other taxpayers that reported salary, interest, dividend and pension incomes were remarkably different. For example, for 1980, 40 percent of the elderly and 95 percent of all other taxpayers reported salary and wage income--a large number of elderly taxpayers remained employed. Ninety percent of elderly taxpayers reported interest income, while 48 percent of all other taxpayers reported interest income for 1980. Thirty-seven percent of tax-

payers age 65 or over reported dividend income, while 9 percent of all other taxpayers reported dividend income in 1980. Interest and dividends reported reflected the importance of savings and investments for elderly taxpayers. Almost half (49 percent) of elderly taxpayers reported pension and annuity income, while only 4 percent of all other taxpayers reported pension and annuity income in 1980.

#### ITEMIZED DEDUCTIONS

The percentages of all taxpayers itemizing deductions increased from 1977 to 1981 (Figure I). Throughout the period, a consistently smaller proportion of taxpayers age 65 or over itemized deductions--for example, for 1981, 30 percent of taxpayers age 65 or over itemized deductions, while 34 percent of all other taxpayers itemized deductions.

Average amounts of itemized deductions for all taxpayers are presented in Figure J. Not unexpectedly, taxpayers age 65 or over had larger average deductions for total medical and dental expenses; however, they also had larger average deductions for total contributions and total state and local taxes paid, relative to the average deductions reported by all other taxpayers. All other taxpayers had larger average total home mortgage interest deductions than taxpayers age 65 or over. On average, taxpayers age 65 or over reported larger amounts of total itemized deductions compared with all other taxpayers.

Figure G.--Average Sources of Adjusted Gross Income Reported on All Returns by Year: Taxpayers Age 65 or Over, 1977-81<sup>1</sup>

Tax Year	Selected components of adjusted gross income				
	Salaries and wages	Total interest received and dividends in adjusted gross income	Interest received	Dividends	Pensions and annuities
	(1)	(2)	(3)	(4)	(5)
1977 .....	\$8,448	\$8,190	\$3,546	\$4,644	\$4,583
1978 .....	9,127	9,183	3,860	5,323	4,992
1979 .....	9,781	9,843	4,372	5,521	5,314
1980 .....	10,928	11,878	5,906	5,972	5,652
1981 .....	11,586	10,381	( <sup>2</sup> )	( <sup>2</sup> )	6,218

<sup>1</sup>Since each taxpayer did not report the same sources of income, averages were computed using the number of returns reporting that source of income.

<sup>2</sup>Due to a change in tax law, interest received and dividends in adjusted gross income were not reported separately for 1981.

Figure H.--Average Sources of Adjusted Gross Income Reported on All Returns by Year, All Other Taxpayers, 1977-1981<sup>1</sup>

Tax Year	Selected components of adjusted gross income				
	Salaries and wages	Total interest received and dividends in adjusted gross income	Interest received	Dividends	Pensions and annuities
	(1)	(2)	(3)	(4)	(5)
1977 .....	\$12,709	\$2,911	\$788	\$2,123	\$4,859
1978 .....	13,775	3,140	845	2,295	5,353
1979 .....	14,997	3,342	991	2,431	5,621
1980 .....	16,337	3,887	1,322	2,565	6,207
1981 .....	17,930	3,486	( <sup>2</sup> )	( <sup>2</sup> )	6,563

<sup>1</sup>Since each taxpayer did not report the same sources of income, averages were computed using the number of returns reporting that source of income.

<sup>2</sup>Due to a change in tax law, interest received and dividends in adjusted gross income were not reported separately for 1981.

## Taxpayers Age 65 or Over, 1977-1981

Figure I.--Returns with Itemized Deductions: Taxpayers Age 65 or Over and All Other Taxpayers, 1977-81

Tax Year	Taxpayers age 65 or over		All other taxpayers	
	Number of returns with itemized deductions	Number of returns with itemized deductions as a percentage of total returns	Number of returns with itemized deductions	Number of returns with itemized deductions as a percentage of total returns
	(1)	(2)	(3)	(4)
1977 .....	1,656,633	21%	21,240,874	28%
1978 .....	1,908,533	23	23,850,765	30
1979 .....	1,925,961	23	24,557,916	30
1980 .....	2,260,347	26	26,689,935	32
1981 .....	2,922,205	30	28,649,041	34

Figure J.--Average Amounts of Itemized Deductions, Taxpayers Age 65 or Over and All Other Taxpayers: 1977-81<sup>1</sup>

Tax Year	Average of all total itemized deductions		Average total medical and dental expense deduction		Average total home mortgage interest deduction	
	Taxpayers age 65 or over	All other taxpayers	Taxpayers age 65 or over	All other taxpayers	Taxpayers age 65 or over	All other taxpayers
	(1)	(2)	(3)	(4)	(5)	(6)
1977 .....	\$7,603	\$5,929	\$1,685	\$572	\$1,283	\$1,762
1978 .....	7,289	6,311	1,616	583	1,318	2,002
1979 .....	8,186	6,857	1,887	593	1,589	2,348
1980 .....	8,693	7,433	2,016	622	1,719	2,686
1981 .....	8,774	8,056	2,046	672	1,939	2,958

Tax Year	Average total contributions deduction		Average total taxes paid deduction	
	Taxpayers age 65 or over	All other taxpayers	Taxpayers age 65 or over	All other taxpayers
	(7)	(8)	(9)	(10)
1977 .....	\$1,943	\$714	\$2,780	\$2,244
1978 .....	1,854	740	2,568	2,303
1979 .....	2,078	812	2,710	2,275
1980 .....	2,112	872	2,839	2,379
1981 .....	2,116	953	2,798	2,525

<sup>1</sup>Since each taxpayer who itemized deductions did not use the same deductions, the averages presented were calculated using the number of returns that reported a deduction in that category. Consequently, the sum of the averages of the total medical and dental expense, total home mortgage interest, total contributions and total taxes paid deductions may be larger than the average total itemized deduction for a given year.

## INCOME TAX

Average total tax credits claimed by all taxpayers are presented in Figure K. Differences in average total tax credits for the two groups were not large. Averages for each separate tax credit (investment credit, political contributions credit, etc.) also differed only slightly between elderly and all other taxpayers.

Figure K.--Average Total Tax Credits: Taxpayers Age 65 or Over and All Other Taxpayers, 1977-81

Tax Year	Average total tax credits	
	Taxpayers age 65 or over	All other taxpayers
1977 .....	\$175	\$201
1978 .....	192	238
1979 .....	286	369
1980 .....	307	372
1981 .....	123	152

For both groups, the two large differences in the average tax credit data (Tax Year 1978 compared to 1979 and 1980 compared to 1981) are partially due to two changes in tax law. The \$35 general tax credit was allowed to expire after Tax Year 1978. In addition, a one-year rate reduction credit of 1.25 percent was introduced in Tax Year 1981 as a part of the Economic Recovery Tax Act of 1981. The general tax credit and the rate reduction credit applied to all taxpayers.

A tax credit for the elderly was introduced in Tax Year 1976, replacing the retirement income credit. The number of returns filed by taxpayers age 65 or over claiming a credit for the elderly and the amount of credit claimed decreased during the 1977-81 period (Figure L). The decline in the use of credit for the elderly by taxpayers age 65 or over may be attributed to certain income restrictions [5]. For example, in 1980, if a taxpayer received nontaxable pensions (social security, veteran's pensions, railroad retirement, etc.) of \$3,750 or more, the taxpayer was not eligible for the credit. The median social security benefit income for the total population age 65 or over was \$4,210 in 1980 [6]. Hence, many taxpayers age 65 or over were not eligible for credit for the elderly.

Average total income tax liabilities of taxpayers age 65 or over and all other taxpayers are presented in Figure M. Elderly taxpayers had higher average total income tax liabilities than all other taxpayers. Differences in the average total income tax liability can be attributed to the distinctive distributions of the adjusted gross incomes reported. The higher percentage of high income taxpayers age 65 or over leads to higher marginal and average tax rates.

Figure L.--Tax Credits and Credit for the Elderly: Taxpayers Age 65 or Over, 1977-81

Tax Year	Credit for the elderly	
	Number of returns	Amount of credit
	(1)	(2)
1977 .....	568,921	\$92,893,000
1978 .....	444,187	72,149,000
1979 .....	352,995	53,322,000
1980 .....	294,905	50,669,000
1981 .....	210,684	39,331,000

Tax Year	Total tax credits	
	Number of returns	Amount of credit
	(3)	(4)
1977 .....	5,954,457	\$1,043,694,000
1978 .....	6,480,739	1,241,894,000
1979 .....	1,416,998	405,143,000
1980 .....	1,611,751	495,199,000
1981 .....	7,587,704	933,263,000

Figure M.--Average Total Income Tax Liability on Taxable Returns: Taxpayers Age 65 or Over and All Other Taxpayers, 1977-81

Tax Year	Average total income tax liability	
	Taxpayers age 65 or over	All other taxpayers
1977 .....	\$2,999	\$2,437
1978 .....	3,158	2,702
1979 .....	3,577	2,937
1980 .....	3,925	3,331
1981 .....	4,191	3,647

Effective tax rates for elderly taxpayers and all other taxpayers are presented in Figure N. The effective tax rate is defined as the ratio of total income taxes to total adjusted gross incomes reported. Taxpayers age 65 or over had higher effective tax rates relative to all other taxpayers.

Figure N.--Effective Tax Rates from Taxable Returns, 1977-81

Tax Year	Taxpayers age 65 or over	All other taxpayers
1977 .....	17.28%	14.31%
1978 .....	17.73	14.93
1979 .....	18.32	15.01
1980 .....	18.74	15.81
1981 .....	18.87	16.24

## Taxpayers Age 65 or Over, 1977-1981

### SUMMARY AND CONCLUSIONS

The total number of returns filed by taxpayers age 65 or over has increased in recent years. Since the elderly portion of the U.S. population is growing faster than any other age group, the total number and relative share of returns filed by taxpayers in this group will continue to increase.

The average adjusted gross income of taxpayers age 65 or over was similar to the average adjusted gross income for all other taxpayers. However, their income distribution, their sources of income, their itemized deductions, their average income tax liability and their effective tax rate were all quite different compared with those for all other taxpayers.

Taxpayers age 65 or over had less salary and wage income and more dividend and interest income than did all other taxpayers. Elderly taxpayers had large medical expense and charitable contributions deductions and small home mortgage interest deductions relative to those of all other taxpayers. Finally, taxpayers age 65 or over had a higher average income tax liability and higher average effective tax rates than did all other taxpayers.

### DATA SOURCES AND LIMITATIONS

These statistics are based on a sample of individual income tax returns, Forms 1040 and 1040A, filed for Tax Years 1977-81. A general description of sampling procedures and data limitations applicable to the Statistics of Income (SOI) tabulations is contained in the Appendix to this publication.

Because 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 error. To use properly the statistical data provided, the magnitude of the potential sampling error must be known. Coefficients of variation (CV's) are used to measure the magnitude of the sampling errors.

Estimated Number of Returns	Approximated Coefficient of Variation
5,033,400	0.02
806,300	0.05
201,300	0.10
50,300	0.20
22,400	0.30
8,100	0.50

The table above presents approximated coefficients of variation for frequency estimates. The approximate CV's shown are intended only as a general indication of the reliability of the data. For a number of returns other than those shown in the table, 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.

### Sample Selection

The individual tax return statistics are based on a probability sample of all individual income tax returns, Forms 1040 and 1040A. The sample was stratified based on presence or absence of Schedule C, Profit (or Loss) from Business or Profession; State in which filed; adjusted gross income or deficit or largest selected source of income or loss; and size of business plus farm receipts. The returns were selected at rates that ranged from 0.05 to 100 percent. The number of returns in the sample rose to 203,605 in 1979 and has been falling since then despite some growth in the overall population of returns.

Tax Year	Sample size	Population
1977 .....	155,299	86,759,093
1978 .....	157,792	90,067,233
1979 .....	203,605	92,774,844
1980 .....	171,683	94,154,944
1981 .....	144,322	95,396,123

For a detailed description of the samples selected for the Tax Years 1977-81, see the "Sources, Sample and Limitations of the Data" sections of the 1977 through 1981 editions of the publication Statistics of Income--Individual Income Tax Returns.

### NOTES AND REFERENCES

- [1] A return was classified as having been filed by a taxpayer age 65 or over if one additional exemption for age was claimed. In the case of joint returns of husbands and wives, some returns had only one age exemption, indicating that one spouse was not yet 65, while other returns had two age exemptions, indicating that both husband and wife were age 65 or over. Consequently, the data presented for taxpayers age 65 or over include some returns for persons who are not yet 65 and hence may be working.
- [2] A return is considered to be taxable if "total income tax" (the sum of income tax after credits and additional tax for tax preferences) was present. Additional information concerning taxable returns may be found in the 1977 through 1981 editions of Statistics of Income--Individual Income Tax Returns.
- [3] Certain social security benefits are taxable beginning in Tax Year 1984.

[4] Grad, Susan, Income of the Population 55 and Over, 1982, Social Security Administration, U.S. Department of Health and Human Services, SSA Publication No. 13-11871, March 1984, p. 78.

income from a public retirement system. For example, for 1980, taxpayers under 65 claimed \$84,324,000 of credit for the elderly (62 percent of the total \$134,993,000 credit for the elderly claimed).

[5] Taxpayers age 65 or over were not eligible for credit for the elderly in 1980 if they received nontaxable pensions of \$3,750 or more or if their adjusted gross income was \$17,500 or more. The credit for the elderly may be claimed by taxpayers under 65 with

[6] Grad, Susan, Income of the Population 55 and Over, 1980, Social Security Administration, U.S. Department of Health and Human Services, SSA Publication No. 13-11871, January 1983, p. 35.

Table 1.--Returns of Taxpayers Age 65 or Over: Sources of Income and Selected Tax Items, 1979 - 1981

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

Item	1979		1980		1981	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income less deficit.....	8,661,655	130,793,580	8,994,420	154,938,400	9,878,319	184,223,362
Taxable.....	6,181,511	120,679,822	7,018,911	147,045,185	7,946,193	176,433,409
Nontaxable.....	2,480,144	10,113,758	1,975,509	7,893,215	1,932,126	7,789,953
Sources of income:						
Salaries and wages.....	3,553,353	34,755,127	3,560,013	38,904,251	3,740,007	43,332,532
Pensions and annuities in adjusted gross income.....	4,078,099	21,671,624	4,376,554	24,757,236	4,781,278	29,729,152
Business and profession: Net profit.....	635,149	5,516,902	649,633	5,797,418	656,147	5,688,893
Net loss.....	163,427	717,802	186,652	928,541	229,305	1,206,967
Farm: Net profit.....	226,663	1,336,886	183,457	1,206,618	162,965	884,456
Net loss.....	166,256	806,417	184,227	1,103,001	207,684	1,495,495
Partnership: Net profit.....	270,394	3,067,327	302,044	3,423,429	311,614	3,448,158
Net loss.....	106,967	1,200,686	123,420	1,665,492	204,612	2,717,434
Small Business Corporation: Net profit.....	47,930	799,043	40,039	701,987	45,658	686,027
Net loss.....	18,855	282,980	24,287	312,639	26,982	381,729
Sales of capital assets: Net gain.....	1,716,914	8,898,656	1,866,884	8,964,751	1,881,683	9,378,546
Net loss.....	488,677	689,664	433,196	666,277	564,797	924,227
Sales of property other than capital assets: Net gain.....	131,539	526,008	113,825	340,368	130,969	466,508
Net loss.....	25,698	109,370	38,295	196,610	48,875	227,742
Interest received.....	7,809,935	34,142,035	8,117,942	47,945,320	8,997,938	68,286,583
Dividends received.....	3,589,460	17,355,236	3,801,762	20,146,506	4,250,935	23,177,369
Combined interest and dividend exclusion <sup>1</sup> .....	3,506,147	452,499	3,712,735	485,680	8,543,278	2,524,479
Interest and dividends in adjusted gross income <sup>2</sup> .....	3,061,598	16,902,737	3,292,281	19,660,826	8,567,185	88,939,473
Rent: Net income.....	1,321,978	5,345,706	1,294,724	6,310,916	1,344,513	7,009,747
Net loss.....	371,040	762,214	409,795	974,812	512,250	1,441,584
Royalty: Net income.....	234,654	1,484,051	273,000	1,883,614	303,603	2,684,012
Net loss.....	6,119	31,166	9,714	51,999	4,566	27,384
Estate or trust: Net income.....	296,341	1,859,187	328,387	2,150,238	286,654	2,203,693
Net loss.....	14,986	68,986	7,072	67,991	17,661	101,608
Total statutory adjustments.....	735,844	1,265,522	1,259,680	1,802,250	1,327,137	2,100,447
Total itemized deductions.....	1,925,961	15,764,691	2,260,347	19,648,372	2,922,205	25,639,871
Exemptions.....	8,661,655	25,674,779	8,994,420	26,721,322	9,878,319	29,415,152
Taxable income.....	7,894,265	97,215,351	8,337,245	117,679,056	9,225,137	140,549,180
Zero bracket amount.....	7,894,265	20,955,533	8,337,245	22,769,646	9,225,060	25,260,887
Income tax before credits.....	6,364,441	22,264,383	7,132,414	27,796,730	8,060,152	33,863,941
Total credits <sup>3</sup> .....	1,416,998	405,143	1,611,751	495,199	7,587,704	933,263
Income tax after credits.....	6,176,549	21,859,240	7,015,869	27,301,531	7,935,781	32,930,678
Additional tax for tax preferences.....	37,978	250,405	36,421	251,068	42,831	370,921
Total income tax.....	6,181,511	22,109,644	7,018,911	27,552,599	7,946,193	33,301,599
Self-employment tax.....	876,760	469,478	841,373	478,468	825,592	547,585
Total tax liability.....	6,450,800	22,616,682	7,233,596	28,064,335	8,130,477	33,879,983

<sup>1</sup>For 1979 and 1980, exclusion only applied to dividends.<sup>2</sup>For 1979 and 1980, this line included only dividends in AGI.<sup>3</sup>Both the number of returns and the amount of tax credits for 1981 increased significantly because of the inclusion of the rate reduction credit in this total. The rate reduction credit was a 1.25 percent tax cut introduced by the Economic Recovery Tax Act of 1981 and was available to all taxpayers.

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









Table 2—Returns of Taxpayers Age 65 or Over: Selected Income and Tax Items, by Size of Adjusted Gross Income—Continued

Table with columns: Size of adjusted gross income, Income tax before credits, Total, Credit for the elderly, Earned income credit used to offset income tax before credits, Income tax after credits, Total tax preferences. Rows include various income brackets from \$1,000 to \$15,000 and a total summary row.

Footnotes at end of table.

**Table 2 — Returns of Taxpayers Age 65 or Over: Selected Income and Tax Items, 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	Additional tax for tax preferences		Total income tax		All other taxes		Earned income credit used to offset all other taxes		Total tax liability		Earned income credit refundable portion	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
<b>All returns, total</b> .....	42,831	370,921	7,946,193	33,301,599	871,932	582,270	17,779	3,886	8,130,477	33,879,843	75,208	15,995
No adjusted gross income	..	..	..	..	..	..	..	..	..	..	..	..
\$1 under \$1,000	..	..	..	..	..	..	..	..	..	..	..	..
\$1,000 under \$2,000	..	..	..	..	..	..	..	..	..	..	..	..
\$2,000 under \$3,000	..	..	..	..	..	..	..	..	..	..	..	..
\$3,000 under \$4,000	..	..	..	..	..	..	..	..	..	..	..	..
\$4,000 under \$5,000	..	..	..	..	..	..	..	..	..	..	..	..
\$5,000 under \$6,000	..	..	..	..	..	..	..	..	..	..	..	..
\$6,000 under \$7,000	..	..	..	..	..	..	..	..	..	..	..	..
\$7,000 under \$8,000	..	..	..	..	..	..	..	..	..	..	..	..
\$8,000 under \$9,000	..	..	..	..	..	..	..	..	..	..	..	..
\$9,000 under \$10,000	..	..	..	..	..	..	..	..	..	..	..	..
\$10,000 under \$11,000	..	..	..	..	..	..	..	..	..	..	..	..
\$11,000 under \$12,000	..	..	..	..	..	..	..	..	..	..	..	..
\$12,000 under \$13,000	..	..	..	..	..	..	..	..	..	..	..	..
\$13,000 under \$14,000	..	..	..	..	..	..	..	..	..	..	..	..
\$14,000 under \$15,000	..	..	..	..	..	..	..	..	..	..	..	..
\$15,000 under \$16,000	..	..	..	..	..	..	..	..	..	..	..	..
\$16,000 under \$17,000	..	..	..	..	..	..	..	..	..	..	..	..
\$17,000 under \$18,000	..	..	..	..	..	..	..	..	..	..	..	..
\$18,000 under \$19,000	..	..	..	..	..	..	..	..	..	..	..	..
\$19,000 under \$20,000	..	..	..	..	..	..	..	..	..	..	..	..
\$20,000 under \$25,000	..	..	..	..	..	..	..	..	..	..	..	..
\$25,000 under \$30,000	..	..	..	..	..	..	..	..	..	..	..	..
\$30,000 under \$40,000	..	..	..	..	..	..	..	..	..	..	..	..
\$40,000 under \$50,000	..	..	..	..	..	..	..	..	..	..	..	..
\$50,000 under \$75,000	..	..	..	..	..	..	..	..	..	..	..	..
\$75,000 under \$100,000	..	..	..	..	..	..	..	..	..	..	..	..
\$100,000 under \$200,000	..	..	..	..	..	..	..	..	..	..	..	..
\$200,000 under \$500,000	..	..	..	..	..	..	..	..	..	..	..	..
\$500,000 under \$1,000,000	..	..	..	..	..	..	..	..	..	..	..	..
\$1,000,000 or more	..	..	..	..	..	..	..	..	..	..	..	..
<b>Taxable returns, total</b> .....	42,831	370,921	7,946,193	33,301,599	674,401	527,243	—	—	7,946,193	33,828,841	—	—
No adjusted gross income	1,263	17,048	2,133	18,494	463	501	—	—	2,133	18,995	—	—
\$1 under \$1,000	..	..	..	..	..	..	..	..	..	..	..	..
\$1,000 under \$2,000	..	..	..	..	..	..	..	..	..	..	..	..
\$2,000 under \$3,000	..	..	..	..	..	..	..	..	..	..	..	..
\$3,000 under \$4,000	..	..	..	..	..	..	..	..	..	..	..	..
\$4,000 under \$5,000	..	..	..	..	..	..	..	..	..	..	..	..
\$5,000 under \$6,000	..	..	..	..	..	..	..	..	..	..	..	..
\$6,000 under \$7,000	..	..	..	..	..	..	..	..	..	..	..	..
\$7,000 under \$8,000	..	..	..	..	..	..	..	..	..	..	..	..
\$8,000 under \$9,000	..	..	..	..	..	..	..	..	..	..	..	..
\$9,000 under \$10,000	..	..	..	..	..	..	..	..	..	..	..	..
\$10,000 under \$11,000	..	..	..	..	..	..	..	..	..	..	..	..
\$11,000 under \$12,000	..	..	..	..	..	..	..	..	..	..	..	..
\$12,000 under \$13,000	..	..	..	..	..	..	..	..	..	..	..	..
\$13,000 under \$14,000	..	..	..	..	..	..	..	..	..	..	..	..
\$14,000 under \$15,000	..	..	..	..	..	..	..	..	..	..	..	..
\$15,000 under \$16,000	..	..	..	..	..	..	..	..	..	..	..	..
\$16,000 under \$17,000	..	..	..	..	..	..	..	..	..	..	..	..
\$17,000 under \$18,000	..	..	..	..	..	..	..	..	..	..	..	..
\$18,000 under \$19,000	..	..	..	..	..	..	..	..	..	..	..	..
\$19,000 under \$20,000	..	..	..	..	..	..	..	..	..	..	..	..
\$20,000 under \$25,000	..	..	..	..	..	..	..	..	..	..	..	..
\$25,000 under \$30,000	..	..	..	..	..	..	..	..	..	..	..	..
\$30,000 under \$40,000	..	..	..	..	..	..	..	..	..	..	..	..
\$40,000 under \$50,000	..	..	..	..	..	..	..	..	..	..	..	..
\$50,000 under \$75,000	..	..	..	..	..	..	..	..	..	..	..	..
\$75,000 under \$100,000	..	..	..	..	..	..	..	..	..	..	..	..
\$100,000 under \$200,000	..	..	..	..	..	..	..	..	..	..	..	..
\$200,000 under \$500,000	..	..	..	..	..	..	..	..	..	..	..	..
\$500,000 under \$1,000,000	..	..	..	..	..	..	..	..	..	..	..	..
\$1,000,000 or more	..	..	..	..	..	..	..	..	..	..	..	..
<b>Total non-taxable returns</b> .....	—	—	—	—	197,531	55,028	17,779	3,886	184,284	51,141	75,208	15,995
All returns, summary:	..	..	..	..	..	..	..	..	..	..	..	..
\$20,000 under \$50,000	1,402	17,886	224,540	32,478	137,393	29,047	11,063	2,052	365,396	58,474	45,370	9,395
\$50,000 under \$10,000	1,133	11,414	2,344,434	7,700,020	162,223	1,140,020	6,716	1,835	2,320,966	782,144	1,813,461	29,838
\$10,000 under \$20,000	1,038	2,132	1,350,539	2,152,232	86,292	46,532	—	—	1,135,004	1,989,655	—	—
\$20,000 or more	38,150	347,887	2,602,189	28,624,088	389,346	413,161	—	—	2,605,589	29,017,250	—	—

\*Data combined to avoid disclosure of information for specific taxpayers.  
 †Consists of business and professional, farm, partnership, and Small Business Corporation net profit less loss.  
 ‡Consists of state income tax refunds, windfall profit tax refunds, alimony, unemployment compensation in adjusted gross income, other income less loss, less net adjustment for windfall profit tax withheld.  
 NOTE: Detail may not add to total because of rounding.

Table 3.—Itemized Deduction Returns of Taxpayers Age 65 or Over: Itemized Deductions by Size of Adjusted Gross Income, 1981

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

Table with columns for Size of adjusted gross income, Total itemized deductions, Excess itemized deductions, Total medical and dental expense deduction, Medical and dental expense deduction, and Total. Rows are categorized by size of adjusted gross income (Under \$5,000 to \$10,000,000 or more) and include sub-sections for Real estate taxes, General state taxes, Personal property taxes, and Home mortgage interest.

\*Includes sales tax on motor vehicles. NOTE: Detail may not add to total because of rounding.

# Sole Proprietorship Returns, 1982

By Raymond Wolfe\*

"God bless all our gains," say we;  
But "May God bless all our losses,"  
Better suits with our degree.  
E. B. White

Recessionary effects, which peaked in mid-1981, had an adverse impact on the overall profits of sole proprietorships for 1982. Profits dropped to the lowest level in a decade as can be seen below [1].

<u>Income Year</u>	<u>Net income less loss (billions)</u>
1973 .....	\$46.7
1974 .....	45.9
1976 .....	49.5
1978 .....	59.0
1980 .....	55.4
1982 .....	40.7

This decline in reported profits for Income Year 1982 was shared by proprietorships in most industries. However, farm proprietors fared worse than their nonfarm business counterparts. Farm proprietorships suffered overall losses for the second year in a row [2]. Furthermore, the ratio of profits to business receipts (expressed as a percentage in the following table) for farm proprietors continued the rapid decline that began after 1975.

<u>Income Year</u>	<u>Ratio of profits to receipts</u>	
	<u>Farm</u>	<u>Nonfarm</u>
1960 .....	10.5%	12.6%
1965 .....	11.4	14.5
1970 .....	6.9	15.4
1975 .....	7.7	14.5
1980 .....	0.5	13.4
1981 .....	-4.3	12.5
1982 .....	-9.1	11.7

The decline in this ratio for nonfarm businesses can be explained, for the most part, by higher operating costs. However, the rapid decline in the ratio for farmers was probably the result of a combination of factors. Although farm prices increased somewhat, an otherwise unfavorable domestic economic climate with higher operating costs, interest rates, and the apparent tendency of a number of individuals to invest in farming ventures to shelter off-farm income for tax purposes could explain the plummeting ratio [3]. Also, declining international sales contributed to the already disadvantageous situation.

The objective of this article is to present information on profits and other financial data reported to the Internal Revenue Service by non-farm and farm proprietors, focusing on business activity in specific industries. Detailed industry statistics on nonfarm proprietorships are presented in Tables 1 and 2 [4].

## NONFARM PROPRIETORSHIPS

The number of individual income tax returns reporting nonfarm sole proprietorship activity increased by about 5 percent, from 9.6 million in 1981, to 10.1 million in 1982 [5]. This increase was largely the result of increases in the number of businesses in the service industries. The relative ease in obtaining the small to moderate amounts of capital necessary to start a service-providing business may have contributed to this growth. Also, many laid-off employees may have opened small service businesses in order to weather the recession.

Total business receipts increased by about 2 percent, from \$427 billion in 1981, to \$434 billion in 1982. Because this increase was much less than the 1982 inflation rate (using the Gross National Product implicit price deflator as a measure), real sales declined. Nonfarm business receipts for the eight industrial divisions are presented in Figure A [6].

\*Individual Returns Analysis Section. Prepared under the direction of David Paris, Chief. Special thanks to John Gorman, Assistant Chief, National Income and Wealth Division, Bureau of Economic Analysis and Edward Reinsel, Data Coordinator, Economic Research Service, U.S. Department of Agriculture, for their thoughtful review of the manuscript.

## Sole Proprietorship Returns, 1982

Figure A.--Nonfarm Proprietorship Business Receipts

Industry	1980	1981	1982
	(billions)		
Total, nonfarm industries .....	\$411.2	\$427.1	\$433.7
Agricultural services, forestry and fishing .....	6.4	7.0	8.7
Mining .....	8.6	10.4	11.8
Construction .....	47.8	47.7	49.1
Manufacturing .....	14.8	13.6	10.0
Transportation and utilities .....	20.0	21.9	22.7
Trade .....	202.3	198.3	196.4
Finance, insurance and real estate .....	21.5	22.2	24.3
Services .....	88.0	103.0	108.3

Business deductions for 1982 claimed a larger percentage of receipts than they did in 1981. As shown in the following table, this continued the trend begun four years earlier.

Income Year	Deductions as a percentage of receipts
1977 .....	84.8%
1978 .....	85.2
1979 .....	85.7
1980 .....	86.6
1981 .....	87.6
1982 .....	88.3

The six largest deductions claimed by sole proprietors were for the cost of sales and operations, salaries and wages paid to employees of the proprietor, depreciation of plant and equipment, rent on business property, interest for indebtedness, and taxes [7]. Of particular interest are the latter two deductions. Fluctuations in the deduction for taxes paid have been similar to the changes in profits for the 10-year period ending with Income Year 1982 [8]. For example, in years when profits increased, the deduction for taxes paid increased. As would be expected, the amount of interest deducted by nonfarm sole proprietors has reflected fluctuating interest rates. As shown in the following table, the effects of recent high interest rates are evidenced by the higher amounts claimed as deductions on nonfarm sole proprietors' income tax returns.

Income Year	Interest deducted (billions)	Percentage of receipts
1972 .....	\$2.2	0.9%
1974 .....	3.0	1.1
1976 .....	3.8	1.3
1978 .....	4.9	1.4
1980 .....	7.2	1.8
1981 .....	9.1	2.2
1982 .....	10.1	2.3

Particularly aggravated by the high rates were the trade and construction industries, which depend heavily on borrowed funds for inventories and for financing new construction.

Overall profits continued to decline for industries in all but one industrial division, services, as shown below. Contributing to the decrease in profits for 1982 was the increase in the number of proprietorships (typically, new firms lose money in their first year of operation) and the inability of established firms in recession to reduce costs.

Figure B.--Nonfarm Proprietorship Net Income Less Loss, 1980, 1981, and 1982

Industrial division	1980	1981	1982
	(billions)		
Total .....	\$54.9	\$53.1	\$50.6
Agricultural services, forestry, and fishing .....	1.0	0.8	0.6
Mining .....	0.3	-0.2	-0.3
Construction .....	7.5	6.8	6.6
Manufacturing .....	1.7	1.4	0.9
Transportation and utilities .....	2.0	2.1	1.6
Trade .....	9.4	8.4	6.6
Finance, insurance, and real estate .....	6.6	6.0	5.8
Services .....	26.4	27.5	28.2

## Trade and Services

The industrial division which traditionally has shown the most proprietorship activity is wholesale and retail trade. For 1982, the division accounted for \$196.4 billion, or 45 percent of receipts for all nonfarm sole proprietorships. Within the division, retailers reported \$159.6 billion and wholesalers reported \$33.7 billion in receipts. Highlighted in Figure C are the receipts and profits reported by selected trade industries for 1982.

Figure C.--Business Receipts and Net Income Less Loss for Selected Trade Industries

Industry	Business receipts (billions)	Net income less loss (billions)
Wholesale trade .....	\$33.7	\$1.9
Durable goods .....	12.7	1.8
Nondurable goods .....	20.1	0.9
Retail trade .....	159.6	4.5
Food-related .....	56.2	1.4
Grocery stores .....	26.9	0.5
Automotive .....	49.2	1.0
Gasoline service stations .....	32.5	0.7
General merchandise and specialty shops .....	33.2	1.1
Building and home furnishings .....	14.6	0.8
Apparel .....	4.8	0.2

Wholesalers of durable goods fared relatively well in 1982. Sales dropped slightly for 1982 compared with 1981, but profits increased substantially. Sellers of nondurable goods also experienced a drop in sales; however, the expected corresponding drop in profits was also realized. These factors resulted in a doubling of the profits-to-receipts ratio for sellers of durables and a 20-percent decrease for sellers of nondurables, as shown below.

<u>Income Year</u>	<u>Ratio of profits to receipts</u>	
	<u>Durable goods</u>	<u>Nondurable goods</u>
1981 .....	6.9%	5.6%
1982 .....	14.2	4.5

Contributing to the drop in sales of wholesale durables might have been the reluctance of the ultimate consumers and other businesses to borrow at high interest rates in order to purchase heavy machinery and equipment. The better profit position of the durable goods industries may have resulted, in part, from modernization and cost-cutting initiatives.

Sellers of nondurable goods, who had enjoyed a much better year in 1981, did not do as well in 1982. Except for food distributors, they felt the full brunt of decreased consumer participation in a recession-ridden market-place. Operating costs continued at a high level, also.

Gasoline service stations and grocery stores have traditionally dominated the economic activities in their respective industry groups, and 1982 was no exception. These two industries accounted for 37 percent of the retail trade activity in 1982. However, for retail industries in general, the same factors that plagued wholesalers of nondurable goods dampened the effect of an approximate \$2-billion increase in sales. Profits continued to fall as shown below.

<u>Income Year</u>	<u>Profits of retailers (billions)</u>
1979 .....	\$7.3
1980 .....	5.7
1981 .....	5.6
1982 .....	4.5

Service industries continued to be somewhat insulated from the recessionary problems affecting other proprietorships. In fact, services was the only division for which profits increased in 1982 over 1981.

The total number of proprietorship returns reporting service industry activity increased from 3.9 million for 1981 (41 percent of all nonfarm activity) to 4.2 million for 1982 (42 percent of all nonfarm activity). Receipts totaled \$108 billion for 1982, a 5-percent increase over 1981. Although still below the increase in prices, profits increased by a relatively healthy 2.7 percent to \$28.2 billion. Increases in receipts and profits reported by the three leading service industry groups for 1981 and 1982 are highlighted in Figure D.

Figure D.--Service Industries: Percentage Increases in Receipts and Net Income Less Loss, 1981 to 1982

<u>Industry</u>	<u>Business receipts</u>	<u>Net income less loss</u>
Services .....	5.1%	2.7%
Medical and health ...	9.9	5.7
Business .....	28.9	22.4
Personal .....	2.1	3.5

The business services group includes advertising, data processing, maintenance, and, especially, management and public relations firms. Profits for this group are generally not restricted by high costs of sales and operations, or by high interest rates. In fact, the primary contributing factor to the increased profits logically might have been the poor economic climate. Businesses striving to improve sales and management efficiency, and to foster better public relations through advertising might naturally turn to these types of firms for help.

#### Construction and Finance

The relatively low level of housing starts in 1982 was most probably to blame for the decline in receipts reported by self-employed general building contractors and operative builders. On the other hand, special trade contractors, who are not so heavily dependent on new housing, reported increased receipts, contributing to an overall increase in the receipts reported by the construction industries. This broke the downward trend in receipts that began in 1978.

Special trade contractors also enjoyed increased profits for 1982. Unfortunately, the increased profits for this group did not reflect the trend in profits for the construction division as a whole. Trends in receipts and profits of the division and these two groups of contractors are presented in Figure E.



Figure E.--Business Receipts and Net Income Less Loss for Selected Construction Industries

Industry and Income Year	Business receipts (billions)	Net income less loss (billions)
Construction, total:		
1978 .....	\$51.3	\$8.1
1979 .....	50.9	7.9
1980 .....	47.8	7.5
1981 .....	47.7	6.8
1982 .....	49.1	6.6
Special trade contractors:		
1978 .....	27.1	5.6
1979 .....	28.2	5.5
1980 .....	27.3	5.3
1981 .....	28.6	4.9
1982 .....	31.7	5.0
Building contractors and operative builders:		
1978 .....	17.7	2.2
1979 .....	19.4	2.0
1980 .....	16.9	1.7
1981 .....	16.4	1.5
1982 .....	15.6	1.4

Real estate agents, brokers, and managers dominated the finance, insurance, and real estate industrial division in terms of reported receipts. Even so, for this group of proprietors, sales dropped by over 6 percent to \$9.6 billion, probably because prospective home buyers were discouraged by high mortgage rates. Profits dropped 8 percent to \$2.6 billion, with increased costs of maintaining staff, the principal contributing factor [9].

In contrast, insurance agents, brokers, and service representatives enjoyed increases in both sales and profits. Sales went up a healthy 19 percent to \$8.5 billion and profits increased almost 6 percent. A contributing factor may have been increased premium rates paid by home and automobile owners.

#### Other Nonfarm Industries

Collectively, mining; transportation, communication, electric, gas, and sanitary services; and manufacturing accounted for only about 10 percent of the total sole proprietorship receipts reported for 1982. These are industrial divisions in which the corporate form of business dominates. The large amount of start-up capital required deters many self-employed proprietors from entering the industries in these areas.

Mining was the only nonfarm industrial division which reported overall losses for

1982. It has been suggested that the activity in the oil extraction industry by many unincorporated businesses, especially partnerships, indicates tax shelter activity [10]. Applying this notion to sole proprietorships, one can speculate that the increased receipts and decreased profits from oil extraction activity reported by individuals for 1982 might also indicate some sheltering activity since the same rapid cost-recovery methods employed by partnerships in oil mining ventures are also available to sole proprietorships. This inverse relationship between the annual changes in receipts and profits for mining proprietorships has existed for several years [11]. This suggests that mining may be a popular way to offset positive sources of income and, therefore, reduce taxes.

Receipts reported by the transportation and utility industries rose by a small percentage, with trucking firms remaining the dominant group. Manufacturers' receipts and profits declined, which would be expected in the presence of decreased demand for newly-manufactured goods.

#### FARM PROPRIETORSHIPS

Traditionally, the number of farm proprietorships has varied from year-to-year more than the number of nonfarm businesses, reflecting a greater sensitivity on the part of farm businesses to the prevailing economic "climate" [12]. However erratic the changes have been, the overall trend in the number of farms was downward over the 25-year period ending with Income Year 1982. Moreover, during the same period, the proportion of farms in the total sole proprietorship population also declined as shown in the following table.

Income year	Percentage of all proprietorships	
	Farm	Nonfarm
1957 .....	38%	62%
1960 .....	37	63
1965 .....	34	66
1970 .....	31	69
1975 .....	29	71
1980 .....	24	76
1982 .....	20	80

Even though the proportion of farms has declined, the number of individual income tax returns filed by proprietors of farms (2.7 million for 1982) remained stable compared with 1981 [13]. According to some observers, this reversal of the 20-year downward trend in the number of farm proprietors was precipitated by the "preservation and encouragement of small

farms" by the Government and by growing numbers of town and city workers who moved to farms because they were willing to "use their nonfarm income to pay for consuming the farm way of life" [14]. Other researchers feel that, like some mining undertakings, "tax-loss" farming, particularly involving livestock, has been an increasingly prevalent proprietorship activity since the beginning of the 1970's [15].

As was true for nonfarm proprietorships, farm proprietorship statistics for Income Year 1982 also showed a moderate increase (approximately 4 percent) in receipts compared with 1981. Business receipts reported by farm proprietors for Income Years 1980 and 1982 are presented in Figure F [16].

Figure F.--Farm Proprietorship Receipts by Principal Commodity, 1980 and 1982

Principal commodity	1980 (billions)	1982
Total .....	\$89.6	\$99.3
Field crop .....	37.7	40.2
Vegetable and melon .....	2.6	3.2
Fruit and tree nut .....	2.4	2.7
Horticultural specialty .....	0.6	0.2
Beef cattle feedlots .....	1.6	0.4
Beef cattle, except feedlots ...	19.9	23.7
Hogs, sheep, and goats .....	6.3	9.5
Dairy farms .....	11.4	14.0
Poultry and eggs .....	1.7	2.4
General livestock, except animal specialty .....	3.9	1.3
Animal specialty .....	0.8	1.2

Economists in the U.S. Department of Agriculture's Economic Research Service attribute the restrained growth (and in some cases lack of growth) in receipts reported by farm industries (both incorporated and unincorporated) partly to the U.S. trade position. In a recent USDA publication, the inverse relationship between the strength of the dollar abroad and farm income was addressed. As the dollar dropped in value during the 1970's, farm exports increased, causing farmers to reactivate idle acreage. With the new decade came decreased demand for farm commodities, increased foreign competition, and the strengthening of the dollar's standing among world currencies; consequently, "farm exports slumped and Government stocks grew." Because of this situation, it was estimated that at least \$3 billion in sales of wheat, corn, and soybeans alone were lost during 1981 and 1982 [17].

Farm costs continued to increase in 1982. The major deductions claimed by farm proprietors are summarized below.

Deduction	Percentage of business receipts	
	1980	1982
Cost of sales and operations .....	28.7%	28.2%
Depreciation .....	12.5	15.1
Interest .....	9.6	13.0
Repairs .....	5.2	5.4
Rent .....	3.8	4.8
Taxes .....	2.6	2.3

Again, the upward trend in interest paid and the downward trend in state and local taxes paid continued as they did for nonfarm businesses. Part of the increase in depreciation claimed may reflect the use made by farm proprietors of the more generous Accelerated Cost Recovery System (ACRS) for depreciating farm property and equipment [18].

As was indicated in the opening of this article, the decline in profits for Income Year 1982 was more profound for farm proprietors than for nonfarm proprietors. Farm losses for 1982 doubled and amounted to \$9.2 billion. The falling profits reported by farm proprietors are summarized in Figure G.

Figure G.--Farm Proprietorship Net Income Less Loss, 1980 and 1982

Principal commodity	1980 (millions)	1982
Total .....	-\$1,613.7	-\$9,225.7
Field crop .....	1,690.6	-2,961.5
Vegetable and melon .....	76.5	-115.1
Fruit and tree nut .....	-93.9	-355.8
Horticultural specialty ..	49.2	4.8
Beef cattle feedlots .....	-91.2	-29.5
Beef cattle, except feedlots .....	-2,145.9	-4,521.6
Hogs, sheep and goats ...	-548.9	-199.1
Dairy farms .....	767.8	133.5
Poultry and eggs .....	-36.0	-103.1
General livestock, except animal specialty .....	-359.1	-71.5
Animal specialty .....	-437.0	-553.6
Farms not allocable .....	-485.9	-453.3

#### SUMMARY

The recession of the late seventies and early eighties extended well into 1982. Sales and profits reported for 1982 by sole proprietorships were disappointing in most instances. Except for service industries, farms and nonfarm businesses alike were adversely affected by high operating costs, high interest rates, and lack of consumer enthusiasm because of high prices. Farm proprietors were especially affected by the unfavorable domestic economic situation and by declining international sales.

At the end of 1982, several government economic indicators forecasted a better situation for businesses in 1983, with predictions of both vigorous business recovery and moderate inflation rates [19]. Lower inflation should reduce operating costs and stimulate sales, which would result in a double attack on falling proprietorship profits. E. B. White would be encouraged--there may be more gains to be blessed than losses when the 1983 SOI results are in.

#### DATA SOURCES AND LIMITATIONS

A general description of sampling procedures and data limitations applicable to the Statistics of Income (SOI) tabulations is contained in the Appendix to this report. Specific information applicable to 1982 sole proprietorship data is presented in the following sections.

##### Sample Selection Criteria

The 1982 sole proprietorship estimates are based on a sample of individual income tax returns, Forms 1040, processed by the IRS during 1983. The sample was stratified based on presence or absence of Schedule C, Profit (or loss) from Business or Profession; Schedule F, Profit (or loss) from Farm; the larger of total income or total loss; and size of business plus farm receipts. The returns were selected at rates that ranged from 0.02 percent to 100 percent. For 1982, there were 43,751 "business" returns in the sample drawn from a population of 10,525,430. The corresponding totals for 1981 were 55,649 and 9,949,028 returns.

##### Limitations

Because the data presented in this article are estimates based on a sample of returns filed with the IRS, they are subject to sampling, as well as nonsampling, error. To use properly the statistical data provided, the magnitude of the potential sampling error must be known.

For the sole proprietorship data, approximate coefficients of variation (CV's) for frequency estimates are presented in the table below. These CV's can be used to obtain measures of the potential sampling error. Also, they are shown here 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.

<u>Estimated number of returns</u>	<u>Approximate coefficient of variation</u>
7,177,600	0.01
1,794,400	0.02
287,100	0.05
71,800	0.10
17,900	0.20
8,000	0.30
5,900	0.35
2,900	0.50

Changes in the SOI sole proprietorship program affecting the comparability of 1981 and 1982 data with prior years' data are presented in detail in Statistics of Income--1981, Sole Proprietorship Returns and in Wilson, Robert A., "Unincorporated Business Activity for 1981," Statistics of Income Bulletin, Spring 1983.

#### NOTES AND REFERENCES

- [1] All money amounts in this article are in current dollars and have not been adjusted for inflation. "Profits" are represented by "net income less loss." Net income less loss was the sum of net income (for businesses reporting profit) offset by the net loss (for businesses reporting loss) for all businesses within a particular industry classification. Net income or net loss for each business was the result of business receipts minus business deductions.
- [2] Farm profits were estimated for 1981. Estimates appear in Wilson, Robert A., "Unincorporated Business Activity for 1981," Statistics of Income Bulletin, Summer 1983, pp. 63-67, and Statistics of Income--1981, Sole Proprietorship Returns.
- [3] U.S. Department of Agriculture, Economic Indicators of the Farm Sector, Income and Balance Sheet Statistics, 1979, 1980, 1981, Nos. 650, 674, and 698.
- [4] In recent years, the SOI sole proprietorship program has undergone several major changes. One of these changes involves the less frequent publication of detailed farm data. Currently, farm data are processed quinquennially for economic and agricultural census years (years with ending digits 2 or 7) for the U.S. Department of Agriculture (USDA) on a reimbursable basis. Because farm data are now available less frequently in SOI, most of the sole proprietorship historical comparisons in this article are confined to nonfarm businesses. Farm data appearing in this article are part of the information which will be provided to USDA.

- [5] In terms of total U.S. nonfarm business activity (not including forestry and fishing in this comparison), the relative importance of each of the three forms of business is shown by the SOI estimates for Income Year 1981 below:

Form of business	Number of returns (millions)	Business receipts (billions)
Proprietorships ....	9.5	\$425.1
Corporations .....	2.7	6,961.3
Partnerships .....	1.3	264.8

- [6] In the SOI sole proprietorship statistics, forestry and fishing are classified as nonfarm activities. They are normally reported on Schedule C, Profit or Loss from Business or Profession, rather than on the farm schedule, Schedule F, Farm Income and Expenses. Also, in figures containing estimates by industrial division in this article, detail items do not add to totals because data for businesses "not allocable" to any of the specific divisions are not shown separately, but are included in the totals.

- [7] The percentage of total deductions represented by each of these six components was:

Cost of sales and operations	53.6%
Salaries and wages	7.9
Depreciation	4.9
Rent	3.1
Interest	2.6
Taxes	2.0

- [8] See Wilson, *op.cit.*, p. 64.
- [9] Payroll, commissions, and employee benefit costs increased from \$1.0 billion for 1981 to \$1.3 billion for 1982.
- [10] *Ibid.* See also Piet, Patrick, "Partnership Returns for 1981 Reflect Tax Shelter Activity," *Statistics of Income Bulletin*, Winter 1983-84, p. 29.
- [11] Wolfe, Raymond M., "Methodological Changes in the Statistics of Income Sole Proprietorship Program--Dominant Business Processing," Internal Revenue Service, July 1982. A copy of this paper can be obtained by writing to the Director, Statistics of Income Division, Internal Revenue Service, Washington, DC 20224.
- [12] SOI farm data for Tax Year 1982 focus on farm proprietorship activity reported on Schedule F, Farm Income and Expenses, which is to be filed by active operators of farms. The statistics do not include farm proprietorship activity reported by landlords on Form 4835, Farm Rental Income

and Expenses. For Tax Year 1980, the latest year for which farm rental data are available, there were approximately 0.4 million Forms 4835 filed with reported receipts of \$5.1 billion and net income less loss of \$2.1 billion.

- [13] In terms of total U.S. agricultural activity (including forestry and fishing in this comparison), the relative importance of each of the three forms of business is shown by the SOI estimates for Income Year 1981 below:

Form of business	Number of farm returns (millions)	Business receipts (billions)
Proprietorships .	2.9	\$101.2
Corporations ....	0.1	65.1
Partnerships ....	0.1	7.4

In making this comparison, the reader should be aware that the data for corporations exclude farming operations of companies whose principal product or service was in some other, nonfarm, industry and include nonfarm operations of companies whose principal product or service was in some other farm industry.

- [14] Tweeten, Luther, "The Economics of Small Farms," *Science*, Vol. 219, March 4, 1983, p. 1037.
- [15] Simunek, Richard W. and Poirier, Lise, "Comparing IRS Farm Data Trends with USDA Measures of Farm Income," *Economic Indicators of the Farm Sector--Farm Sector Review*, 1982, U.S. Department of Agriculture, ECIFS 2-1, p. 81.
- [16] Detailed farm data by industry are not available for Income Year 1981. Receipts reported by all farm proprietors for 1981 were estimated at \$96 billion. See *Statistics of Income--1981, Sole Proprietorship Returns*, p. 4.
- [17] U.S. Department of Agriculture, *Economic Research Service Newsletter*, Vol. 2, No. 2, March/April 1984, and Longmire, Jim and Morey, Art, "Strong Dollar Dampens Demand for U.S. Farm Exports," *Foreign Agriculture Economic Report*, No. 193.
- [18] See *Statistics of Income--1981, Sole Proprietorship Returns*, page 3, and Holik, Dan, and Lessley, Billy V., "Accelerated Cost Recovery System (ACRS)," Maryland Agri-Economics, Cooperative Extension Service, University of Maryland, October 1982.
- [19] U.S. Department of Commerce, *Survey of Current Business*, Vol. 62, No. 12, December 1982.











Table 1.—Nonfarm Sole Proprietorship Businesses: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industry, 1982—Continued

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

Industry	Businesses with and without net income							Businesses with net income						
	Number of returns	Business receipts	Depreciation	Taxes paid deduction	Interest	Payroll	Net income less loss	Number of returns	Business receipts	Depreciation	Taxes paid deduction	Interest	Payroll	Net income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>Services — Continued</b>														
Medical and health services .....	469,364	26,693,535	1,132,649	523,316	523,905	3,908,077	10,917,862	403,556	25,809,668	999,399	490,544	468,258	3,752,610	11,237,103
Offices of physicians .....	151,216	10,673,198	405,233	172,739	98,603	1,254,273	5,412,246	130,442	10,479,243	365,710	162,116	86,251	1,206,659	5,549,495
Offices of dentists .....	78,468	7,744,300	272,613	184,491	204,000	1,423,000	2,848,074	75,487	7,672,738	262,554	181,206	193,949	1,407,507	2,855,659
Offices of osteopathic physicians .....	*1,265	*76,008	*6,375	*4,482	*833	*8,774	*23,381	*1,265	*76,008	*6,375	*4,482	*833	*8,774	*23,381
Offices of chiropractors .....	22,130	1,310,212	93,851	18,376	44,395	144,860	480,252	18,906	1,254,690	92,418	17,779	44,395	144,659	497,144
Offices of optometrists .....	17,767	1,372,525	60,137	24,749	43,194	172,367	338,235	16,077	1,319,785	58,107	23,255	42,942	164,686	340,036
Registered and practical nurses .....	51,154	537,809	14,418	6,458	1,363	21,957	372,870	48,477	518,696	11,450	3,988	1,136	16,879	384,070
Nursing and personal care facilities .....	33,731	1,543,846	89,743	58,181	67,177	510,353	129,503	24,340	1,333,211	57,701	50,216	41,173	486,894	163,189
Hospitals .....	*636	*80,472	*2,936	*2,514	*1,535	*38,093	*-1,526	*3	*4,763	*57	*192	(1)	*1,751	*1,338
Medical laboratories .....	1,938	147,691	10,889	3,218	4,523	30,435	28,230	1,582	144,663	10,521	3,172	4,204	30,422	30,194
Dental laboratories .....	13,923	498,769	22,823	8,768	4,539	81,276	171,558	10,589	476,739	21,053	8,396	4,534	81,259	175,186
Other medical and health services .....	97,136	2,708,703	153,631	39,340	53,743	222,688	1,115,039	76,388	2,529,131	113,452	35,741	48,841	203,020	1,217,412
Legal services .....	221,434	9,167,895	376,781	138,326	170,152	1,157,406	3,853,116	185,683	8,752,043	331,256	125,157	136,335	1,061,772	4,022,025
Education services .....	162,669	1,236,735	88,776	20,728	33,479	101,313	294,618	119,038	951,340	46,842	14,317	10,956	64,409	401,337
Engineering and architectural services .....	98,088	2,444,318	154,171	33,088	45,481	278,264	799,556	72,328	2,233,231	111,160	24,107	29,276	228,872	910,452
Accounting, auditing, and bookkeeping services .....	241,620	3,691,733	244,608	45,794	87,327	432,685	1,430,025	203,139	3,373,887	188,640	38,461	64,683	379,542	1,536,188
Certified public accountants .....	31,177	1,172,541	49,451	15,781	18,153	187,779	516,090	27,866	1,152,826	42,730	15,272	16,408	181,022	536,940
Other accounting, auditing, and bookkeeping services .....	210,443	2,519,192	195,157	30,013	69,173	244,906	913,935	175,273	2,221,061	145,910	23,189	48,275	198,520	999,248
Other services .....	252,312	4,304,229	264,707	58,493	92,002	341,744	928,159	161,660	3,680,614	132,602	41,448	34,828	277,752	1,277,438
<b>Nature of business not allocable .....</b>	<b>81,493</b>	<b>2,345,699</b>	<b>81,565</b>	<b>39,544</b>	<b>30,510</b>	<b>244,929</b>	<b>462,801</b>	<b>60,593</b>	<b>2,045,823</b>	<b>57,052</b>	<b>29,465</b>	<b>18,620</b>	<b>217,478</b>	<b>553,487</b>

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

\*\*The estimate for this cell is not shown to avoid disclosure of information for specific taxpayers. However, the data are included in the appropriate totals.

(1) Less than \$500.

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

**Table 2.— Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1982**

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

Item	All nonfarm industries	Agricultural services, forestry and fishing					Mining			Construction					
		Total	Livestock breeding	Animal services, except livestock breeding and veterinary	Landscape and horticultural services	Other agricultural services forestry, and fishing	Total	Oil and gas extraction	Other mining	Total	General contractors and operative builders	Special trade contractors			
												Total	Plumbing, heating, and air-conditioning	Painting, paper hanging, and decorating	Electrical work
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
<b>Businesses with and without net income</b>															
Number of returns .....	10,105,515	293,883	14,357	61,255	91,492	126,779	138,259	126,575	11,684	1,202,872	283,483	907,687	83,567	133,335	83,169
Business receipts, total .....	433,664,897	8,697,269	76,201	2,130,984	2,251,839	4,238,245	11,793,547	11,154,734	638,813	49,124,529	17,286,919	31,654,009	4,366,801	3,677,616	3,515,464
Income from sales and operations .....	428,311,840	8,619,730	74,500	2,093,470	2,248,725	4,203,035	11,396,429	10,768,793	627,636	48,760,235	17,085,390	31,491,245	4,360,002	3,659,507	3,485,957
Other business income .....	5,251,966	77,508	1,701	37,510	3,114	35,183	357,293	346,159	11,134	364,113	201,384	162,729	6,800	18,109	29,507
Windfall profit tax credit or refund .....	101,091	*30	—	*4	—	*27	39,825	39,782	*42	*181	*145	*36	—	—	—
Business deductions, total .....	383,091,734	8,064,558	154,874	2,207,603	1,933,579	3,768,502	12,138,993	11,387,030	751,963	42,519,102	15,769,550	26,621,654	3,740,869	2,964,031	3,048,393
Cost of sales and operations, total .....	205,471,499	3,256,184	26,143	1,262,441	870,716	1,096,885	2,344,108	1,987,197	356,911	23,255,228	9,764,009	13,406,804	2,147,606	1,330,155	1,778,776
Inventory, beginning-of-year .....	20,957,208	317,645	*12,251	77,508	100,163	127,723	88,313	68,654	19,660	1,458,325	918,496	539,829	154,826	74,104	51,513
Purchases .....	161,295,256	2,328,116	6,631	1,176,492	364,129	780,865	1,228,207	1,013,056	215,152	8,679,947	2,950,710	5,729,237	1,170,246	489,164	964,616
Cost of labor .....	11,424,639	380,535	*55	*27,830	251,166	101,484	124,437	62,703	61,734	4,071,169	1,490,834	2,563,830	179,232	264,605	356,700
Materials and supplies .....	12,735,789	309,651	*9,876	18,031	195,792	85,952	65,077	43,101	21,976	6,642,832	2,729,004	3,848,197	648,620	313,328	397,830
Other costs .....	20,863,523	284,887	*1,037	44,739	129,649	109,461	924,205	887,689	56,515	3,861,927	2,607,219	1,252,429	138,575	251,089	78,428
Less: Inventory, end-of-year .....	21,804,915	364,651	*3,708	82,159	170,183	108,601	86,131	68,005	18,126	1,458,972	932,254	526,718	143,893	62,135	70,309
Bad debts from sales or services .....	548,440	8,663	*738	*972	*3,604	3,348	22,360	21,480	880	43,781	12,830	30,951	5,008	*1,583	*3,286
Commissions .....	4,464,026	69,221	1,363	14,588	*3,574	49,695	31,464	29,062	2,402	217,310	111,976	105,334	*1,609	5,047	*2,377
Depletion .....	1,762,281	3,269	*81	*366	*1,951	*872	1,138,679	1,129,336	9,343	23,630	7,570	16,056	*57	*317	*2,006
Depreciation .....	19,121,559	746,404	21,721	136,701	178,073	409,908	953,623	890,520	63,103	2,259,925	708,640	1,545,798	161,628	153,155	138,451
Employee benefit program .....	609,296	17,099	*18	1,009	*2,223	13,849	9,914	7,935	1,979	128,424	41,391	87,033	9,073	11,515	2,401
Insurance .....	6,448,494	166,864	2,786	28,571	62,309	73,199	64,165	56,625	7,540	1,047,615	311,219	733,894	95,585	89,775	83,166
Interest on business indebtedness .....	10,143,489	303,129	3,897	45,330	25,054	228,849	665,514	638,104	27,409	1,166,584	543,832	621,194	86,252	69,688	39,154
Legal and professional services .....	3,349,887	68,938	3,182	22,520	9,135	34,101	133,589	125,960	7,629	234,365	89,339	143,794	22,026	18,148	21,728
Pension and profit-sharing plans .....	136,359	3,558	—	*13	—	3,545	4,316	3,179	*1,136	9,898	6,290	3,608	*345	*132	*2,743
Rent on business property .....	11,797,053	168,517	1,770	37,719	74,194	54,834	118,112	104,704	14,409	699,984	241,507	456,954	39,082	73,735	35,907
Repairs .....	6,006,403	262,403	1,364	25,502	85,856	149,681	82,686	50,751	31,935	747,901	227,778	519,225	35,829	27,661	26,564
Net salaries and wages .....	30,403,121	833,019	1,607	73,922	179,672	577,817	301,039	287,867	13,172	3,812,275	1,059,967	2,749,318	341,781	360,647	226,921
Gross salaries and wages .....	30,411,648	833,019	1,607	73,922	179,672	577,817	301,039	287,867	13,172	3,819,540	1,059,971	2,756,579	349,042	360,647	226,921
Less: Jobs credit .....	8,526	—	—	—	—	—	—	—	—	*7,265	*4	*7,261	*7,261	—	—
Taxes paid deduction .....	7,747,540	146,492	2,079	16,703	41,787	85,923	411,335	401,648	9,687	825,292	310,712	513,137	78,165	68,948	56,048
Windfall profit tax withheld .....	740,264	50	*25	*24	—	*2	677,756	675,952	1,804	12,078	10,956	1,122	—	*10	*319
Other business deductions .....	74,342,023	2,010,748	88,100	541,224	395,431	985,994	5,179,332	4,976,709	202,622	8,034,810	2,321,532	5,687,431	716,821	753,516	628,548
<b>Net income less loss .....</b>	<b>50,573,163</b>	<b>632,711</b>	<b>-78,673</b>	<b>-76,619</b>	<b>31 8,260</b>	<b>469,743</b>	<b>-345,446</b>	<b>-232,296</b>	<b>-113,151</b>	<b>6,605,428</b>	<b>1,517,370</b>	<b>5,032,355</b>	<b>625,932</b>	<b>713,585</b>	<b>467,071</b>
Net income .....	68,647,384	1,305,545	8,400	160,903	391,484	744,759	1,600,930	1,556,219	44,711	8,005,817	2,162,885	5,787,121	670,171	784,311	542,624
Loss .....	18,074,220	672,834	87,073	237,522	73,223	275,016	1,94 6,376	1,788,514	157,862	1,400,389	645,515	754,766	44,238	70,726	75,553

Footnotes at end of table.

Sole Proprietorship Returns/1982

Table 2.—Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1982—Continued

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

Item	Construction—Continued				Total	Manufacturing				Total	Transportation, communication, electric, gas, and sanitary services			
	Special trade contractors—Continued			Contractors not allocable		Lumber and wood products, except furniture	Printing, publishing, and allied industries	Machinery, except electrical	Other manufacturing industries		Local and interurban passenger transit	Trucking and warehousing	Other transportation	Communication, electric, gas and sanitary services
	Masonry, stonework, tile setting and plastering	Carpentering and flooring	Miscellaneous special trade contractors											
(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	
<b>Businesses with and without net income</b>														
Number of returns.....	63,532	233,157	310,927	11,702	249,342	56,436	44,870	21,038	126,998	451,531	36,949	320,468	55,175	38,939
Business receipts, total.....	2,559,757	4,204,196	13,330,174	183,601	10,033,072	1,584,723	2,917,701	953,649	4,577,000	22,661,685	688,132	18,552,279	1,911,187	1,510,087
Income from sales and operations.....	2,539,878	4,163,077	13,282,823	183,601	9,890,237	1,569,487	2,903,032	943,281	4,474,437	22,507,880	685,615	18,410,715	1,903,693	1,507,856
Other business income.....	19,879	41,119	47,316	—	142,749	15,236	14,608	10,368	102,537	153,722	*2,516	141,564	7,485	2,156
Windfall profit tax credit or refund.....	—	—	*36	—	*86	—	*61	—	*25	*84	—	—	*9	*75
Business deductions, total.....	2,152,045	3,026,309	11,690,007	127,898	9,141,192	1,421,944	2,605,940	832,460	4,280,848	21,017,095	536,797	17,252,215	1,889,668	1,338,414
Cost of sales and operations, total.....	1,171,332	1,318,928	5,660,007	*84,414	4,018,884	422,875	1,153,216	288,097	2,154,695	4,345,223	*73,828	3,097,451	693,392	480,553
Inventory, beginning-of-year.....	*10,113	14,649	234,623	—	464,784	97,437	44,838	51,027	271,482	71,488	*37	44,038	13,890	13,523
Purchases.....	441,549	611,798	2,051,863	—	2,436,598	251,624	685,626	169,757	1,329,590	2,531,047	*334	1,694,121	477,078	359,515
Cost of labor.....	321,883	220,875	1,220,536	*16,504	695,747	94,244	152,054	49,023	400,425	556,567	*50,852	390,657	67,403	47,655
Materials and supplies.....	280,718	321,259	1,886,442	*65,631	613,741	39,931	148,013	30,280	395,516	221,986	*20,080	132,639	14,787	54,480
Other costs.....	124,871	167,649	491,819	*2,279	406,579	31,608	202,594	48,012	124,364	1,034,339	*2,563	874,298	131,125	26,353
Less: Inventory, end-of-year.....	7,803	17,302	225,275	—	598,565	91,970	79,910	60,002	366,683	70,204	*39	38,303	10,890	20,972
Bad debts from sales or services.....	*32	*2,068	18,974	—	13,056	335	2,719	*830	9,172	19,840	*36	15,025	1,641	3,137
Commissions.....	*79	*19,698	76,524	—	172,651	14,360	98,505	*4,342	55,444	439,271	*702	405,539	13,076	19,953
Depletion.....	*455	—	13,222	*3	3,462	*382	*1,034	*73	*1,972	386,247	—	385,288	910	*48
Depreciation.....	76,060	197,394	819,109	*5,486	667,013	165,596	146,916	76,450	278,051	2,123,402	65,739	1,747,868	167,492	142,303
Employee benefit programs.....	16,543	*6,625	40,876	—	52,537	7,517	26,030	2,867	16,124	47,470	*3	44,061	1,238	2,167
Insurance.....	53,012	69,744	342,611	*2,502	181,028	40,540	38,758	26,565	75,166	851,442	37,135	725,750	39,779	48,778
Interest on business indebtedness.....	37,511	57,613	330,975	*1,558	281,649	60,842	80,361	36,188	104,257	772,830	13,305	644,027	83,646	31,852
Legal and professional services.....	9,602	15,767	56,523	*1,232	65,772	7,463	21,200	6,540	30,569	120,013	3,200	82,578	14,698	19,537
Pension and profit-sharing plans.....	*1	*174	*214	—	918	*16	*21	*38	843	8,488	*13	*8,421	*54	—
Rent on business property.....	24,238	51,107	232,885	*1,523	416,754	32,088	127,047	75,045	182,573	699,679	43,427	585,258	28,271	42,724
Repairs.....	24,332	40,397	364,442	*898	185,348	91,765	23,542	11,070	58,970	1,688,032	45,997	1,530,386	87,872	23,777
Net salaries and wages.....	286,732	351,320	1,181,916	*2,990	1,120,812	134,955	376,280	131,556	478,022	1,385,149	38,281	1,071,925	162,078	112,866
Gross salaries and wages.....	286,732	351,320	1,181,916	*2,990	1,120,812	134,955	376,280	131,556	478,022	1,385,150	38,281	1,071,925	162,079	112,866
Less: Jobs credit.....	—	—	—	—	—	—	—	—	—	—	—	—	*1	—
Taxes paid deduction.....	45,318	55,913	208,745	*1,443	211,432	38,286	65,278	20,808	87,061	549,972	15,508	457,504	26,793	50,167
Windfall profit tax withheld.....	—	—	793	—	*25	—	—	*2	*22	239	—	146	93	*1
Other business deductions.....	406,797	839,561	2,342,189	25,847	1,749,850	404,924	445,032	151,988	747,906	7,579,797	199,624	6,450,989	568,634	360,551
Net income less loss.....	407,712	1,177,887	1,640,168	55,703	891,880	162,779	311,761	121,188	296,151	1,644,591	151,334	1,300,063	21,520	171,673
Net income.....	448,345	1,294,092	2,047,579	55,811	1,450,577	268,942	386,373	154,243	641,018	2,639,107	177,506	2,008,607	226,400	226,595
Loss.....	40,633	116,205	407,411	*109	558,697	106,163	74,612	33,055	344,867	994,517	26,171	708,543	204,880	54,921

Footnotes at end of table.

**Table 2. — Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1982 — Continued**

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

Item	Wholesale and retail trade													
	Total	Wholesale trade								Retail trade				
		Total	Motor vehicles and automotive equipment	Lumber and construction materials	Farm machinery and equipment	Other machinery, equipment and supplies	Groceries and related products	Farm products raw materials	Other wholesale trade	Total	Building materials, paint, hardware, garden supply, and mobile home dealers			
											Total	Lumber and other building materials dealers	Paint, glass, and wallpaper stores	Hardware stores
(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	
<b>Businesses with and without net income</b>														
<b>Number of returns</b> .....	<b>2,486,593</b>	<b>276,959</b>	<b>13,523</b>	<b>4,564</b>	<b>8,759</b>	<b>24,330</b>	<b>31,367</b>	<b>12,972</b>	<b>181,444</b>	<b>2,123,231</b>	<b>60,608</b>	<b>9,519</b>	<b>7,190</b>	<b>21,948</b>
<b>Business receipts, total</b> .....	<b>196,423,399</b>	<b>33,728,557</b>	<b>1,945,445</b>	<b>136,703</b>	<b>1,332,796</b>	<b>2,936,152</b>	<b>6,145,439</b>	<b>5,699,951</b>	<b>15,532,071</b>	<b>159,581,109</b>	<b>7,730,569</b>	<b>2,054,287</b>	<b>959,463</b>	<b>2,706,000</b>
Income from sales and operations.....	194,853,785	33,488,941	1,944,704	130,110	1,322,299	2,906,163	6,137,125	5,679,235	15,369,305	158,275,495	7,700,985	2,053,724	958,869	2,694,988
Other business income.....	1,555,255	239,086	741	6,593	10,401	29,983	8,314	20,715	162,338	1,292,520	29,576	558	*594	11,013
Windfall profit tax credit or refund.....	14,359	530	—	—	*96	*6	—	*1	*428	13,095	*7	*5	—	—
<b>Business deductions, total</b> .....	<b>189,786,992</b>	<b>31,814,169</b>	<b>1,835,924</b>	<b>127,217</b>	<b>1,320,445</b>	<b>2,713,337</b>	<b>5,902,061</b>	<b>5,650,888</b>	<b>14,264,297</b>	<b>155,108,011</b>	<b>7,391,922</b>	<b>1,977,179</b>	<b>870,482</b>	<b>2,550,605</b>
Cost of sales and operations, total.....	142,468,077	25,227,911	1,452,869	89,092	1,073,491	1,870,058	5,119,281	5,074,549	10,548,570	115,528,793	5,387,240	1,386,648	627,748	1,935,897
Inventory, beginning-of-year.....	16,049,462	2,131,818	185,541	*4,677	430,282	129,158	208,898	145,906	1,027,355	13,601,764	901,726	177,197	75,618	530,718
Purchases.....	130,557,615	22,530,220	1,367,077	84,267	927,948	1,355,630	4,649,085	4,608,567	9,537,855	106,492,679	4,785,352	1,290,708	559,347	1,862,151
Cost of labor.....	2,372,835	243,915	*1,966	*1,293	35,925	20,818	39,684	11,047	93,182	2,102,091	127,885	39,606	*26,667	*33,465
Materials and supplies.....	2,147,329	291,460	*14,094	*692	5,731	129,598	8,027	20,070	113,248	1,782,750	250,972	47,662	*32,543	46,549
Other costs.....	7,921,638	2,138,879	30,342	*2,161	14,328	392,148	309,634	439,751	950,515	5,684,026	321,976	10,405	*5,746	*13,259
Less: Inventory, end-of-year.....	16,580,802	2,108,381	186,151	*3,998	340,723	157,293	96,047	150,582	1,173,586	14,134,518	1,000,670	178,931	72,173	550,246
Bad debts from sales or services.....	274,291	52,538	3,110	*200	4,497	6,599	4,429	1,561	32,142	217,918	17,259	7,237	*1,976	6,889
Commissions.....	1,033,612	342,572	10,646	*402	*273	8,822	44,704	15,813	261,912	670,972	129,112	*117,281	*99	6,765
Depreciation.....	52,205	12,381	*26	—	*5	*599	*7	*1,790	9,955	39,676	*3,849	*3	*2,907	*926
Depreciation.....	4,065,739	564,205	39,594	3,861	23,643	93,818	74,835	34,130	294,325	3,377,059	168,775	45,555	13,758	40,901
Employee benefit programs.....	134,232	16,754	*46	*24	*46	6,270	2,848	870	6,649	110,586	3,015	*24	*1,107	*335
Insurance.....	1,767,490	258,640	22,721	986	18,510	39,039	34,817	18,447	124,120	1,477,943	95,478	28,412	11,868	33,600
Interest on business indebtedness.....	2,668,601	397,674	25,160	8,234	56,670	42,566	57,814	40,830	166,399	2,177,976	126,695	35,602	5,253	36,149
Legal and professional services.....	625,767	77,773	2,115	858	1,963	8,781	12,560	7,020	44,475	529,810	17,467	3,103	3,698	6,749
Pension and profit-sharing plans.....	21,814	2,823	—	—	—	*52	*124	*135	2,512	18,864	*48	*16	*22	—
Rent on business property.....	4,009,696	313,357	10,516	1,910	3,096	52,338	27,163	21,743	196,592	3,618,856	131,091	38,750	13,256	64,671
Repairs.....	1,371,476	163,861	15,173	358	4,630	17,235	40,435	13,815	72,215	1,184,426	76,082	14,775	7,516	22,965
Net salaries and wages.....	10,703,662	1,307,549	78,484	1,564	51,853	233,311	129,265	87,157	725,915	9,182,257	425,689	108,310	71,113	118,742
Gross salaries and wages.....	10,703,939	1,307,553	78,484	1,564	51,853	233,311	129,269	87,157	725,915	9,182,530	425,689	108,310	71,113	118,742
Less: Jobs credit.....	*277	*4	—	—	—	*4	—	—	—	*273	—	—	—	—
Taxes paid deduction.....	3,163,511	315,055	16,926	934	12,341	34,161	30,151	19,702	200,839	2,784,853	120,902	21,757	25,127	41,953
Windfall profit tax withheld.....	15,685	8,826	*18	—	—	*304	*18	*477	8,010	6,788	*4	—	—	—
Other business deductions.....	17,411,134	2,752,249	158,519	18,794	69,427	299,385	323,611	312,847	1,569,667	14,181,254	689,217	169,706	85,032	234,064
<b>Net income less loss</b> .....	<b>6,636,407</b>	<b>1,914,387</b>	<b>109,521</b>	<b>9,486</b>	<b>12,351</b>	<b>222,814</b>	<b>243,378</b>	<b>49,063</b>	<b>1,267,773</b>	<b>4,473,098</b>	<b>338,647</b>	<b>77,108</b>	<b>88,980</b>	<b>155,395</b>
Net income.....	11,836,106	2,456,778	128,469	22,495	45,593	276,648	292,342	92,520	1,598,711	8,944,086	488,190	105,949	89,048	205,683
Loss.....	5,201,699	542,391	*18,948	13,010	33,242	53,834	48,964	43,457	330,937	4,470,987	149,543	28,841	*68	50,288

Footnotes at end of table.

Table 2. — Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1982 — Continued

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

Wholesale and retail trade—Continued

Retail trade—Continued

Table with 14 columns: Item, Building materials, paint, etc.—Continued, Retail nurseries, garden supply stores, and mobile home dealers, General merchandise stores, Food stores (Total, Grocery stores, Other food stores), Automotive dealers and service stations (Total, Motor vehicle dealers—new car dealers (franchised), Used car dealers, Gasoline service stations, Other automotive dealers), Apparel and accessory stores, Furniture and home furnishings stores, Eating places, Drinking places. Rows include: Number of returns, Business receipts, total, Income from sales and operations, Business deductions, total, Cost of sales and operations, Total, Depreciation, Employee benefit programs, Insurance, Interest on business indebtedness, Legal and professional services, Pension and profit-sharing plans, Rent on business property, Repairs, Net salaries and wages, Gross salaries and wages, Less: Jobs credit, Taxes paid deduction, Windfall profit tax withheld, Other business deductions, Net income less loss, Net income, Loss.

Footnotes at end of table.

Sole Proprietorship Returns/1982

**Table 2. — Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1982 — Continued**

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

Item	Wholesale and retail trade—Continued								Finance, insurance, and real estate						
	Retail trade—Continued								Wholesale and retail trade not allocable	Total	Finance			Real estate	
	Drug stores and proprietary stores	Liquor stores	Used merchan- dise stores	Sporting goods and bicycle shops	Gift, novelty, and souvenir shops	Direct selling organi- zations	Other retail stores	Total			Security, commodity brokers, and services	Other finance	Insurance agents, brokers, and service	Total	Operators and lessors of buildings
(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)	
<b>Businesses with and without net income</b>															
<b>Number of returns</b>	9,986	14,216	85,668	35,740	32,263	765,930	330,105	86,403	926,165	56,298	41,262	15,036	264,569	605,298	24,749
<b>Business receipts, total</b>	1,731,955	3,587,866	1,859,259	2,366,953	1,450,229	6,943,073	14,396,349	3,113,733	24,331,647	4,109,193	3,582,484	526,709	8,521,828	11,700,626	1,337,935
Income from sales and operations	1,723,182	3,583,802	1,778,975	2,341,472	1,432,785	6,705,116	14,199,528	3,089,349	23,501,547	4,022,497	3,513,476	509,020	8,286,549	11,192,501	1,238,894
Other business income	8,773	4,016	80,275	25,481	17,436	235,469	193,959	23,649	23,649	86,687	68,999	17,688	234,675	506,102	98,830
Windfall profit tax credit or refund	—	*47	*9	—	*8	*2,488	*2,862	*735	2,637	*9	*9	—	*605	2,023	*211
<b>Business deductions, total</b>	1,611,931	3,411,887	1,852,837	2,357,446	1,441,606	6,980,027	13,627,363	2,864,812	18,486,668	3,809,704	3,359,274	450,430	5,548,757	9,128,206	1,291,604
Cost of sales and operations, total	1,197,383	2,825,183	1,114,332	1,746,343	880,711	3,833,316	8,798,947	1,711,373	4,781,818	2,804,360	2,672,817	131,543	756,566	1,220,892	315,004
Inventory, beginning-of-year	247,911	309,347	724,352	647,420	329,134	464,736	2,053,900	315,880	626,235	311,686	311,300	*387	12,895	301,653	102,919
Purchases	1,237,117	2,670,697	1,002,278	1,631,895	815,339	3,496,721	7,549,479	1,534,716	1,500,164	846,108	838,922	7,186	117,095	536,961	268,952
Cost of labor	*20,769	*7,434	17,056	*19,395	*59,515	25,740	193,092	26,829	26,829	*32,913	*32,871	*43	*7,117	90,667	*1,422
Materials and supplies	*580	*4,188	36,621	*5,594	12,572	104,967	259,828	73,119	75,007	11,008	*10,780	*228	20,665	43,334	503
Other costs	*781	*169,207	67,377	73,182	17,908	262,793	837,806	98,733	3,072,892	1,922,708	1,798,358	124,349	625,550	524,634	44,784
Less: Inventory, end-of-year	309,775	335,690	733,352	631,143	353,757	521,640	2,095,159	337,903	623,178	320,063	319,413	*650	26,757	276,358	103,576
Bad debts from sales or services	3,605	1,802	1,498	*2,571	2,419	7,011	44,836	3,835	44,150	11,401	5,666	5,735	16,402	16,347	2,524
Commissions	*4,441	*2	21,009	*455	*4,202	219,858	94,495	20,068	1,592,427	35,380	27,596	7,784	620,261	936,786	20,976
Depreciation	—	*2,262	*5	*3,416	*3,041	6,093	6,065	148	19,694	6,900	6,580	320	4,187	8,607	2,366
Depreciation	25,760	54,653	80,796	57,715	48,290	309,852	457,190	124,475	1,319,914	68,971	48,882	20,090	344,575	906,367	157,250
Employee benefit programs	*1,599	*755	*687	*901	*842	2,664	9,708	6,892	32,901	1,824	1,691	233	15,153	15,823	1,336
Insurance	16,480	24,706	24,509	20,702	18,811	55,090	179,097	30,907	290,828	19,211	13,758	5,453	99,639	171,979	32,092
Interest on business indebtedness	19,449	39,252	53,968	47,939	21,526	93,940	256,140	92,951	1,396,016	208,129	131,543	76,586	204,226	983,661	162,187
Legal and professional services	8,226	10,611	10,159	6,890	6,634	22,844	57,183	18,184	317,603	24,313	17,537	6,776	77,939	215,351	14,345
Pension and profit-sharing plans	*725	*21	*271	*20	*442	*169	2,732	*127	10,769	1,541	1,211	*330	6,030	3,198	*24
Rent on business property	28,652	66,539	91,394	70,298	116,497	163,575	398,365	77,483	643,504	71,083	52,126	18,957	282,104	290,317	40,776
Repairs	7,665	19,185	33,749	6,849	9,427	40,897	124,798	23,188	196,325	6,223	4,292	1,832	46,280	143,821	39,609
Net salaries and wages	142,592	145,540	24,776	57,633	108,561	222,710	883,908	213,856	1,216,426	93,022	32,576	60,446	687,347	436,056	100,072
Gross salaries and wages	142,592	145,540	24,776	57,633	108,561	222,710	883,908	213,856	1,216,426	93,022	32,576	60,446	687,347	436,056	100,072
Less: Jobs credit	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Taxes paid deduction	24,773	61,545	40,244	46,321	28,351	58,351	292,455	63,604	322,108	11,803	5,469	6,334	80,109	230,196	66,957
Windfall profit tax withheld	*2	*611	*325	*89	*6	*791	*1,718	*90	3,484	926	819	*107	586	1,972	*96
Other business deductions	130,580	159,218	355,116	287,303	191,846	1,942,868	2,019,725	477,630	6,298,701	444,515	336,710	107,805	2,307,352	3,546,834	335,991
<b>Net income less loss</b>	120,024	175,979	6,422	9,508	8,623	-36,955	768,985	248,922	5,844,979	299,488	223,210	76,278	2,973,071	2,572,419	48,331
Net income	170,176	193,200	185,223	109,561	105,412	913,733	1,392,827	437,242	7,711,076	640,792	486,200	154,592	3,234,825	3,835,459	177,967
Loss	*50,152	17,221	178,801	100,053	96,789	950,688	623,842	188,320	1,866,097	341,304	262,990	78,314	261,754	1,263,040	131,637

Footnotes at end of table.

Table 2. — Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1982 — Continued

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

Item	Finance, insurance, and real estate—Continued				Total	Services									
	Real estate—Continued					Hotels and other lodging places			Personal services						
	Lessors, other than buildings	Real estate agents, brokers, and managers	Subdividers and developers, except cemeteries	Other real estate		Total	Motels, motor hotels, and tourist courts	Other lodging places	Total	Coin- operated laundries and dry cleaning	Other laundry, cleaning, and garment services	Photo- graphic studios, portrait	Beauty shops	Barber shops	Other personal services
	(73)	(74)	(75)	(76)		(77)	(78)	(79)	(80)	(81)	(82)	(83)	(84)	(85)	(86)
<b>Businesses with and without net income</b>															
<b>Number of returns</b> .....	16,214	548,932	3,138	12,265	4,275,377	53,271	23,082	30,189	772,250	18,539	43,224	75,720	223,771	66,183	344,813
<b>Business receipts, total</b> .....	178,738	9,630,518	275,873	277,561	108,254,050	2,789,870	1,730,582	1,059,288	11,473,666	1,090,715	1,441,722	904,619	3,922,181	919,484	3,194,946
Income from sales and operations.....	173,631	9,263,498	241,990	274,488	106,463,336	2,747,684	1,693,742	1,053,942	11,360,893	1,086,713	1,434,204	900,156	3,848,330	913,559	3,177,931
Other business income.....	5,105	365,212	33,882	3,072	1,747,064	42,177	36,832	5,345	112,284	*4,002	*7,517	4,463	73,851	5,924	16,525
Windfall profit tax credit or refund.....	*2	1,808	*1	*1	43,649	*9	*9	—	*489	—	—	—	—	—	*489
<b>Business deductions, total</b> .....	155,889	7,161,604	314,257	204,852	80,054,236	2,958,267	1,802,304	1,155,963	8,987,338	980,055	1,178,707	847,188	3,077,665	503,485	2,400,238
Cost of sales and operations, total.....	*320	740,307	146,157	19,103	20,193,847	517,207	173,326	343,881	1,813,766	81,068	189,415	210,123	771,630	44,075	517,456
Inventory, beginning-of-year.....	*105	147,111	50,017	*1,500	1,803,851	38,560	9,994	28,566	168,579	*5,376	11,780	29,905	34,428	*4,228	82,863
Purchases.....	*62	240,892	26,344	*711	11,435,554	323,984	150,555	173,429	736,883	38,113	18,879	106,988	277,137	*35,044	260,722
Cost of labor.....	—	88,292	*919	*34	3,041,648	100,141	11,963	88,177	396,685	*16,843	*20,423	4,159	250,735	*1,571	102,954
Materials and supplies.....	*9	38,787	*3,278	*758	2,644,987	15,283	2,747	12,536	435,026	*24,647	67,356	70,132	183,463	8,139	81,289
Other costs.....	*236	363,555	99,959	*16,100	3,178,391	71,924	9,877	62,047	244,408	*709	75,111	23,404	66,391	*648	78,146
Less: Inventory, end-of-year.....	*92	138,331	34,360	—	1,910,584	32,684	11,810	20,874	167,816	*4,619	4,135	24,466	40,524	*5,555	88,517
Bad debts from sales or services.....	—	10,386	*1,807	*1,630	114,241	5,222	2,360	2,862	8,777	*309	*267	2,737	2,799	*312	2,353
Commissions.....	*61	907,688	6,363	1,699	868,110	4,168	1,517	2,651	133,793	*50,139	*1,311	35,624	3,986	*113	42,619
Depreciation.....	*577	5,240	*59	*365	123,452	*10,574	*10,133	*442	4,697	*2,705	*3	*172	*1,694	—	*122
Depreciation.....	33,089	686,157	11,433	18,438	6,903,974	461,392	305,654	155,738	635,353	109,283	91,594	80,675	158,211	15,737	179,853
Employee benefit programs.....	*2,054	9,917	2,364	*153	181,211	16,645	14,502	2,143	10,282	*561	*304	*1,341	*1,776	*116	6,185
Insurance.....	2,680	131,120	2,761	3,326	2,040,948	73,224	47,371	25,854	178,348	24,999	35,169	12,169	54,860	8,572	42,580
Interest on business indebtedness.....	23,081	713,349	69,197	15,846	2,858,657	405,668	274,097	131,570	242,052	38,525	21,494	17,306	49,583	5,503	109,641
Legal and professional services.....	804	188,606	8,639	2,956	1,764,681	36,507	23,895	12,611	109,898	11,368	8,640	9,691	23,664	3,388	53,148
Pension and profit-sharing plans.....	*12	3,083	*77	*2	73,716	689	*664	*26	1,612	—	*502	*14	*290	*767	*38
Rent on business property.....	1,991	242,276	1,347	3,927	4,993,716	71,439	44,144	27,295	915,771	109,716	126,189	61,947	333,727	98,300	185,893
Repairs.....	6,308	94,141	2,864	899	1,415,863	127,095	82,904	44,191	206,869	36,545	34,419	15,527	55,524	9,980	54,874
Net salaries and wages.....	42,345	272,518	7,646	13,475	10,836,813	253,078	197,992	55,086	1,479,163	103,817	251,324	18,853	702,808	141,478	260,862
Gross salaries and wages.....	42,345	272,518	7,646	13,475	10,837,796	253,082	197,992	55,090	1,479,163	103,817	251,324	18,853	702,808	141,478	260,862
Less: Jobs credit.....	—	—	—	—	983	—	*4	—	—	—	—	—	—	—	—
Taxes paid deduction.....	12,973	139,193	8,381	2,692	2,077,853	156,069	106,773	49,295	265,684	23,877	35,908	10,385	110,017	25,185	60,313
Windfall profit tax withheld.....	*102	1,698	*65	*11	26,954	131	*7	*124	*28	—	*1	—	*18	*8	*1
Other business deductions.....	29,492	3,015,924	45,097	120,330	25,580,201	819,159	516,965	302,194	2,981,244	387,144	382,167	370,626	807,077	149,950	884,280
<b>Net income less loss</b> .....	22,848	2,468,915	-38,384	72,710	28,199,813	-168,397	-71,722	-96,675	2,486,328	110,660	263,015	57,431	844,516	415,998	794,707
Net income.....	51,730	3,486,833	28,872	90,057	33,542,739	188,468	101,746	86,722	2,917,612	139,286	307,229	168,670	919,684	425,094	957,649
Loss.....	28,882	1,017,918	67,256	17,347	5,342,926	356,865	173,468	183,397	431,284	28,626	44,214	111,239	75,168	*9,095	162,942

Footnotes at end of table.

**Table 2. — Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1982 — Continued**

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

Item	Services—Continued												
	Business services					Automobile repair and services					Miscellaneous repair services	Amusement and recreation services, including motion pictures	
	Total	Advertising	Services to buildings	Management and public relations	Other business services	Total	Automobile repair shops			Automobile parking and other services		Total	Producers, orchestras, and entertainers
							Total	General automobile repair shops	Other automobile repair				
(88)	(89)	(90)	(91)	(92)	(93)	(94)	(95)	(96)	(97)	(98)	(99)	(100)	
<b>Businesses with and without net income</b>													
Number of returns .....	1,203,054	58,713	160,755	405,005	578,581	236,646	193,311	145,941	47,370	43,335	253,667	311,002	134,677
Business receipts, total .....	24,575,971	1,844,593	2,375,568	6,746,898	13,608,912	11,088,810	8,630,181	6,886,860	1,743,321	2,458,629	5,779,677	5,007,613	1,574,873
Income from sales and operations .....	24,109,647	1,803,532	2,353,520	6,504,246	13,448,349	11,041,112	8,596,981	6,861,959	1,735,022	2,444,131	5,745,521	4,859,804	1,526,987
Other business income .....	465,774	41,060	22,049	242,533	160,132	44,786	30,288	21,989	8,300	14,497	34,155	144,758	44,981
Windfall profit tax credit or refund .....	550	—	—	119	431	*2,912	*2,912	—	—	—	*1	*3,051	*2,905
Business deductions, total .....	18,633,877	1,398,305	1,842,132	3,711,088	11,682,352	10,202,726	7,830,435	6,283,267	1,547,168	2,372,290	4,929,292	5,027,630	1,358,268
Cost of sales and operations, total .....	5,674,814	524,651	582,617	366,721	4,200,825	5,250,715	4,644,206	3,883,094	761,112	606,509	2,389,217	791,608	131,116
Inventory, beginning-of-year .....	580,051	*5,600	*10,266	88,919	475,265	329,349	308,756	266,712	42,044	20,592	330,044	124,760	19,484
Purchases .....	3,123,699	203,983	165,362	147,422	2,606,933	3,798,326	3,478,318	2,906,505	571,812	320,008	1,671,262	419,351	35,269
Cost of labor .....	1,007,454	28,587	270,600	30,169	678,098	662,642	532,471	461,667	70,804	130,171	191,744	130,475	37,585
Materials and supplies .....	818,683	42,859	83,872	71,360	620,591	499,988	408,071	285,424	122,647	91,918	266,304	167,117	7,695
Other costs .....	742,180	249,319	57,844	120,013	315,004	328,321	264,617	245,325	*19,293	63,704	261,380	177,209	49,038
Less: Inventory, end-of-year .....	597,253	5,697	5,327	91,162	495,067	367,911	348,027	282,539	65,488	19,884	331,516	129,305	17,955
Bad debts from sales or services .....	33,601	*787	*400	6,315	26,100	11,265	10,365	8,980	*1,385	900	7,059	7,750	982
Commissions .....	381,709	103,952	13,363	67,236	197,158	35,251	15,841	11,302	*4,539	19,410	4,248	109,669	56,928
Depletion .....	53,914	*136	*1,038	14,823	37,917	*3,847	*1,160	*1,160	—	*2,687	*1,979	8,283	2,819
Depreciation .....	1,892,525	73,473	129,262	441,106	1,248,685	621,946	332,568	258,342	74,226	289,378	326,288	704,777	181,234
Employee benefit programs .....	35,410	532	8,463	6,715	19,700	7,641	3,689	3,525	*165	3,951	8,271	22,238	665
Insurance .....	371,154	22,621	54,474	52,112	241,947	258,287	184,970	146,800	38,170	73,317	123,510	91,812	14,707
Interest on business indebtedness .....	783,633	26,370	48,676	184,681	523,906	207,027	113,473	79,758	33,715	93,554	104,987	162,945	19,180
Legal and professional services .....	334,659	15,380	10,382	171,350	137,547	62,238	42,695	33,387	9,308	19,543	41,038	181,244	127,129
Pension and profit-sharing plans .....	8,663	*664	*9	6,430	1,560	*47	—	—	—	*47	*870	3,714	2,649
Rent on business property .....	807,300	31,276	53,684	200,096	522,243	401,644	271,088	224,787	46,301	130,556	176,939	289,589	52,494
Repairs .....	307,618	9,896	24,093	40,111	233,518	190,504	59,271	46,843	12,427	131,233	80,157	104,933	17,503
Net salaries and wages .....	1,650,309	94,232	309,953	220,757	1,025,368	1,050,217	737,760	537,193	200,567	312,457	358,249	378,815	113,916
Gross salaries and wages .....	1,650,312	94,232	309,953	220,757	1,025,370	1,051,164	738,707	538,140	200,567	312,457	358,249	378,815	113,916
Less: Jobs credit .....	*2	—	—	—	*2	*947	*947	—	—	—	—	—	—
Taxes paid deduction .....	326,154	14,144	47,819	47,590	216,602	293,378	219,577	169,703	49,874	73,801	116,651	100,172	14,037
Windfall profit tax withheld .....	7,062	*13	—	2,970	4,079	*95	—	—	—	*95	*2	509	*64
Other business deductions .....	5,965,352	480,177	557,902	1,882,075	3,045,197	1,808,623	1,193,773	878,394	315,379	614,850	1,189,827	2,069,571	622,845
<b>Net income less loss .....</b>	<b>5,942,094</b>	<b>446,288</b>	<b>533,436</b>	<b>3,035,811</b>	<b>1,9 26,560</b>	<b>886,084</b>	<b>799,746</b>	<b>603,593</b>	<b>196,153</b>	<b>86,338</b>	<b>850,385</b>	<b>- 20,017</b>	<b>216,605</b>
Net income .....	7,632,189	473,463	634,306	3,545,346	2,979,074	1,268,303	1,057,707	811,794	245,912	210,596	1,119,930	1,031,695	482,772
Loss .....	1,690,094	27,175	100,870	509,535	1,052,514	382,218	25 7,961	208,201	49,759	124,258	269,545	1,051,712	266,167

Footnotes at end of table.



Table 2.—Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1982—Continued

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

Item	Services—Continued														Nature of business not allocable
	Amusement and recreation services, including motion pictures—Continued			Medical and health services				Legal services	Educational services	Engineering and architectural services	Accounting, auditing, and bookkeeping services			Other services	
	Professional sports clubs and promoters	Racing, including track operation	Other amusement and recreation services	Total	Offices of physicians	Offices of dentists	Other medical and health services				Total	Certified public accountants	Other accounting, auditing, and bookkeeping services		
(101)	(102)	(103)	(104)	(105)	(106)	(107)	(108)	(109)	(110)	(111)	(112)	(113)	(114)	(115)	
<b>Businesses with and without net income</b>															
Number of returns .....	4,216	49,073	123,036	469,364	151,216	78,468	239,680	221,434	162,669	98,088	241,620	31,177	210,443	252,312	81,493
Business receipts, total .....	124,980	670,435	2,637,325	26,693,535	10,673,198	7,744,300	8,276,036	9,167,895	1,236,735	2,444,318	3,691,733	1,172,541	2,519,192	4,304,229	2,345,699
Income from sales and operations .....	123,471	607,735	2,601,611	26,213,407	10,470,420	7,636,295	8,106,692	8,974,879	1,219,378	2,371,932	3,566,896	1,134,296	2,432,600	4,252,184	2,318,661
Other business income .....	*1,509	62,554	35,714	444,114	202,774	108,005	133,334	192,858	17,357	72,385	124,419	38,244	86,176	51,998	26,798
Windfall profit tax credit or refund .....	—	*146	—	*36,014	—	—	*36,010	158	—	—	*417	—	*416	—	*240
Business deductions, total .....	125,136	1,048,607	2,495,619	15,775,673	5,260,952	4,896,226	5,618,495	5,314,779	942,117	1,644,761	2,261,708	656,451	1,605,257	3,376,070	1,882,898
Cost of sales and operations, total .....	*1,396	86,398	572,698	1,722,235	184,251	591,156	946,828	288,921	148,339	220,417	205,451	48,772	156,679	1,171,157	808,129
Inventory, beginning-of-year .....	*169	17,099	88,007	71,508	6,732	*9,054	55,723	8,078	19,069	10,893	33,429	*309	33,120	89,531	77,105
Purchases .....	*294	58,688	325,101	575,799	24,387	64,961	486,452	66,288	73,882	111,240	47,216	*11,440	35,776	487,625	598,005
Cost of labor .....	*216	*839	91,835	299,897	29,239	101,877	168,782	41,026	*28,409	31,305	59,826	*25,857	33,970	92,043	51,003
Materials and supplies .....	*333	*1,183	59,906	279,081	51,816	122,767	104,497	17,629	39,827	15,673	23,346	*2,575	20,771	165,029	15,179
Other costs .....	*583	20,158	107,430	606,071	81,566	301,764	222,742	165,219	10,720	63,842	77,769	8,875	68,894	429,349	178,666
Less: Inventory, end-of-year .....	*199	11,570	99,581	110,122	9,488	9,267	91,367	9,319	23,568	12,535	36,135	*284	*35,852	92,418	111,828
Bad debts from sales or services .....	*377	1,931	4,460	19,994	2,821	3,459	13,715	6,705	2,391	4,154	4,187	*950	3,236	3,136	8,058
Commissions .....	*145	27,167	25,429	104,279	17,242	68,318	18,719	15,002	8,242	5,633	15,015	*7,446	7,569	51,102	39,959
Depreciation .....	*5	4,350	1,110	19,863	4,641	4,377	10,845	9,027	*807	3,117	3,866	*170	*3,696	3,476	11,642
Employee benefit programs .....	8,236	198,010	317,298	1,132,649	405,233	272,613	454,803	376,781	88,776	154,171	244,608	49,451	195,157	264,707	81,565
Insurance .....	*176	4,041	17,355	53,429	18,797	13,194	21,438	13,915	*1,151	2,571	5,197	4,175	1,023	4,462	5,508
Interest on business indebtedness .....	1,469	33,659	41,976	645,256	348,737	130,462	166,057	128,339	22,152	49,788	46,725	12,851	33,875	52,352	38,114
Legal and professional services .....	*2,409	38,354	103,001	523,905	98,603	204,000	221,302	170,152	33,479	45,481	87,327	18,153	69,173	92,002	30,510
Pension and profit-sharing plans .....	2,487	19,722	31,907	589,021	266,483	189,345	133,192	220,044	15,288	75,158	43,990	14,432	29,558	55,596	19,158
Rent on business property .....	*113	78	874	45,640	28,271	13,962	3,407	9,441	*27	2,386	*277	*12	*266	348	*2,883
Repairs .....	7,448	16,649	212,998	1,232,072	478,918	352,044	401,110	521,639	87,736	77,485	229,869	62,056	167,813	182,232	46,088
Net salaries and wages .....	*1,571	19,699	66,159	215,326	49,327	62,382	103,617	49,620	18,089	15,689	25,293	4,222	21,071	74,671	56,370
Gross salaries and wages .....	17,209	36,159	211,531	3,608,180	1,225,034	1,321,123	1,062,022	1,116,379	72,904	246,959	372,859	161,922	210,937	249,701	193,926
Less: Jobs credit .....	—	—	—	*27	*4	—	*24	*3	—	—	—	—	—	—	—
Taxes paid deduction .....	1,677	12,814	71,645	523,316	172,739	184,491	166,086	138,326	20,728	33,088	45,794	15,781	30,013	58,493	39,544
Windfall profit tax withheld .....	—	425	*20	14,578	632	*13,897	*49	910	—	2,364	*39	*39	—	1,235	3,993
Other business deductions .....	80,417	549,151	817,158	5,325,929	1,959,223	1,471,401	1,895,505	2,249,577	422,008	706,301	931,210	256,018	675,192	1,111,400	497,450
Net income less loss .....	- 156	- 378,172	141,705	10,917,862	5,412,246	2,848,074	2,657,541	3,853,116	294,618	799,556	1,430,025	516,090	913,935	928,159	462,801
Net income .....	14,443	58,407	476,073	11,237,103	5,549,495	2,855,659	2,831,950	4,022,025	401,337	910,452	1,536,188	536,940	999,248	1,277,438	553,487
Loss .....	14,599	436,579	334,367	319,241	137,249	7,584	174,408	168,909	106,719	110,896	106,163	20,849	85,313	349,279	90,686

Footnotes at end of table.

**Table 2. — Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1982 — Continued**

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

Item	All nonfarm industries	Agricultural services, forestry and fishing					Mining			Construction					
		Total	Livestock breeding	Animal services, except livestock breeding and veterinary	Landscape and horticultural services	Other agricultural services forestry and fishing	Total	Oil and gas extraction	Other mining	Total	General contractors and operative builders	Special trade contractors			
												Total	Plumbing, heating, and air-conditioning	Painting, paper hanging, and decorating	Electrical work
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
<b>Businesses with net income</b>															
Number of returns .....	6,761,405	170,380	1,718	24,539	67,945	76,178	58,610	55,287	3,323	965,852	214,408	741,094	67,322	109,875	59,703
Business receipts, total .....	343,941,193	6,169,095	34,293	1,120,112	1,525,370	3,489,320	7,234,840	6,900,833	334,006	40,254,185	12,672,379	27,401,705	3,951,498	3,288,383	2,828,777
Income from sales and operations .....	339,891,862	6,114,266	34,149	1,091,557	1,523,302	3,465,258	6,979,211	6,651,292	327,919	39,977,497	12,517,850	27,279,546	3,946,722	3,271,043	2,825,787
Other business income .....	3,971,298	54,802	144	28,554	2,069	24,035	233,437	227,354	6,083	276,685	154,527	122,159	4,776	17,340	2,990
Windfall profit tax credit or refund .....	78,034	27	—	—	—	27	22,192	22,188	4	3	3	—	—	—	—
Business deductions, total .....	275,293,810	4,863,550	25,893	959,209	1,133,887	2,744,561	5,633,910	5,344,615	289,295	32,248,368	10,509,494	21,614,584	3,281,327	2,504,072	2,286,153
Cost of sales and operations, total .....	153,441,558	1,832,040	14,154	603,224	392,279	822,384	1,188,070	990,087	197,983	17,713,773	6,513,003	11,116,355	1,931,106	1,133,123	1,382,039
Inventory, beginning-of-year .....	13,424,293	228,731	9,268	54,981	72,721	91,761	44,718	44,370	349	856,797	402,320	454,477	129,499	70,786	33,254
Purchases .....	120,224,614	1,353,454	5,092	572,034	206,616	569,712	573,411	417,898	155,512	6,463,354	1,861,633	4,601,721	966,964	418,545	752,883
Cost of labor .....	8,594,122	191,391	25	12,054	88,165	91,148	76,786	60,126	16,660	2,972,150	997,793	1,957,853	171,396	228,937	227,632
Materials and supplies .....	10,046,717	167,314	—	12,596	82,404	72,314	27,167	22,460	4,707	5,644,283	2,151,523	3,427,129	645,986	257,093	370,929
Other costs .....	15,429,995	152,097	280	8,822	65,982	77,014	507,674	486,573	21,101	2,646,731	1,525,209	1,119,242	138,086	216,322	41,276
Less: Inventory, end-of-year .....	14,278,182	260,947	511	57,261	123,609	79,566	41,686	41,341	345	869,541	425,474	444,067	120,825	58,561	43,935
Bad debts from sales or services .....	334,838	2,639	19	102	683	1,834	4,965	4,861	105	30,873	9,221	21,652	4,800	1,583	194
Commissions .....	3,370,453	34,237	602	1,308	957	31,371	17,554	16,619	935	165,153	83,526	81,627	1,533	4,643	260
Depletion .....	941,912	2,519	—	1	1,648	870	793,389	785,006	8,383	6,425	2,608	3,817	57	305	1,857
Depreciation .....	11,176,544	402,685	1,240	40,475	121,352	239,619	428,828	411,162	17,666	1,548,085	412,196	1,130,688	130,799	111,637	110,680
Employee benefit programs .....	437,969	15,874	—	283	1,866	13,724	5,711	3,837	1,873	88,269	27,148	61,121	9,073	10,460	1,990
Insurance .....	4,720,729	110,405	363	11,913	42,494	55,634	28,978	27,130	1,849	827,585	215,745	609,340	78,982	75,715	70,942
Interest on business indebtedness .....	5,186,669	170,017	684	12,892	16,760	139,681	169,398	166,117	3,281	684,408	286,942	395,907	64,331	56,627	28,442
Legal and professional services .....	2,438,401	27,774	1,141	4,369	6,748	15,516	56,993	55,510	1,483	165,343	53,928	110,183	20,591	14,290	14,028
Pension and profit-sharing plans .....	122,026	3,450	—	—	—	3,450	2,970	2,095	876	4,807	4,226	581	345	132	53
Rent on business property .....	8,380,835	109,392	138	22,684	50,923	35,646	46,993	44,662	2,331	446,493	106,364	338,606	31,737	60,461	25,346
Repairs .....	3,971,826	159,687	314	5,350	69,954	84,070	32,768	29,669	3,099	565,799	138,851	426,051	29,872	20,924	21,152
Net salaries and wages .....	23,995,353	669,988	140	37,959	102,810	529,079	155,978	149,315	6,663	3,189,748	801,705	2,385,930	277,321	327,842	153,572
Gross salaries and wages .....	24,003,870	669,988	140	37,959	102,810	529,079	155,978	149,315	6,663	3,197,012	801,710	2,393,191	284,582	327,842	153,572
Less: Jobs credit .....	8,518	—	—	—	—	—	—	—	—	7,265	4	7,261	—	—	—
Taxes paid deduction .....	5,576,665	112,458	328	11,007	28,585	72,538	263,722	258,733	4,990	635,659	218,089	416,127	60,944	61,865	47,874
Windfall profit tax withheld .....	494,147	2	—	—	—	2	439,519	437,895	1,625	11,381	10,908	472	—	1	310
Other business deductions .....	50,703,885	1,210,384	6,770	207,644	296,826	699,144	1,998,072	1,961,917	36,155	6,164,569	1,625,033	4,516,127	639,833	624,465	427,415
<b>Net income .....</b>	<b>68,647,384</b>	<b>1,305,545</b>	<b>8,400</b>	<b>160,903</b>	<b>391,484</b>	<b>744,759</b>	<b>1,600,930</b>	<b>1,556,219</b>	<b>44,711</b>	<b>8,005,817</b>	<b>2,162,885</b>	<b>5,787,121</b>	<b>670,171</b>	<b>784,311</b>	<b>542,624</b>

Footnotes at end of table.

**Table 2.—Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1982—Continued**

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

Item	Construction—Continued				Manufacturing					Transportation, communication, electric, gas, and sanitary services				
	Special trade contractors—Continued			Contractors not allocable	Total	Lumber and wood products, except furniture	Printing, publishing, and allied industries	Machinery, except electrical	Other manufacturing industries	Total	Local and interurban passenger transit	Trucking and warehousing	Other transportation	Communication, electric, gas and sanitary services
	Masonry, stonework, tile setting and plastering	Carpentering and flooring	Miscellaneous special trade contractors											
(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	
<b>Businesses with net income</b>														
Number of returns.....	55,081	204,907	244,206	10,350	140,256	32,337	30,799	12,552	64,568	310,398	27,021	223,843	33,112	26,422
Business receipts, total.....	2,123,826	3,825,261	11,383,961	180,101	8,335,021	1,303,821	2,522,155	821,694	3,687,351	16,500,749	622,083	13,211,202	1,370,369	1,297,094
Income from sales and operations.....	2,103,954	3,784,379	11,347,661	180,101	8,210,473	1,296,980	2,508,582	811,377	3,593,535	16,413,268	620,374	13,129,278	1,368,157	1,295,460
Other business income.....	19,872	40,882	36,300	—	124,487	6,842	13,513	10,317	93,816	87,480	1,710	81,924	2,213	1,634
Windfall profit tax credit or refund.....	—	—	—	—	61	—	61	—	—	—	—	—	—	—
Business deductions, total.....	1,675,481	2,531,169	9,336,382	124,289	6,884,444	1,034,879	2,135,782	667,451	3,046,332	13,861,641	444,578	11,202,595	1,143,969	1,070,499
Cost of sales and operations, total.....	836,371	1,181,488	4,652,228	84,414	3,094,601	284,536	969,070	220,941	1,620,054	2,973,083	73,592	1,966,707	528,465	404,318
Inventory, beginning-of-year.....	2,324	7,779	210,835	—	206,709	12,489	37,987	46,215	110,019	49,427	36	30,149	11,858	7,384
Purchases.....	314,236	501,203	1,647,889	—	1,808,842	191,871	527,780	113,531	975,660	1,714,568	322	1,030,279	370,854	313,112
Cost of labor.....	184,056	216,977	928,856	16,504	555,404	61,961	130,548	40,648	322,246	457,907	50,630	308,994	66,979	31,305
Materials and supplies.....	244,936	301,676	1,606,507	65,631	428,159	33,820	136,458	28,446	229,436	170,516	20,080	94,293	13,367	42,776
Other costs.....	95,483	164,436	463,639	2,279	327,903	1,538	172,650	44,036	109,679	624,620	2,563	533,250	68,742	20,064
Less: Inventory, end-of-year.....	4,665	10,583	205,497	—	232,416	17,143	36,352	51,935	126,986	43,955	38	30,258	3,335	10,322
Bad debts from sales or services.....	32	1,739	13,304	—	9,846	1	1,692	555	7,598	1,947	—	1,701	38	208
Commissions.....	79	19,694	55,417	—	158,899	14,292	97,548	3,397	43,662	398,163	702	371,177	8,636	17,648
Depletion.....	455	—	1,143	—	2,644	10	653	49	1,931	654	—	484	170	—
Depreciation.....	60,714	135,733	581,125	5,201	385,995	91,344	103,925	60,342	130,384	1,240,461	50,911	1,043,018	50,571	95,961
Employee benefit programs.....	1,260	4,268	34,068	—	44,735	7,023	19,644	2,750	15,317	21,932	3	18,775	1,092	2,061
Insurance.....	40,999	59,094	283,607	2,499	139,662	31,340	30,241	23,151	54,930	593,254	28,673	520,779	17,289	26,514
Interest on business indebtedness.....	24,486	35,690	186,331	1,558	180,712	44,924	55,235	29,911	50,642	416,893	10,272	357,598	23,813	25,210
Legal and professional services.....	8,782	11,969	40,523	1,232	45,416	5,264	17,155	4,888	18,109	80,481	3,025	58,695	2,607	16,153
Pension and profit-sharing plans.....	1	—	51	—	892	9	15	38	829	7,724	13	7,663	49	—
Rent on business property.....	21,107	33,111	166,844	1,523	285,497	20,552	83,279	56,444	125,221	582,397	40,138	491,875	12,021	38,363
Repairs.....	20,004	33,999	300,100	898	145,144	76,393	19,423	10,388	38,939	1,174,634	39,836	1,077,174	42,566	15,058
Net salaries and wages.....	272,787	285,271	1,069,137	2,112	944,580	114,807	320,117	120,551	389,105	993,665	37,135	806,350	47,290	102,890
Gross salaries and wages.....	272,787	285,271	1,069,137	2,112	944,580	114,807	320,117	120,551	389,105	993,665	37,135	806,350	47,290	102,890
Less: Jobs credit.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Taxes paid deduction.....	37,832	43,262	164,350	1,443	164,094	28,514	54,305	14,771	66,505	364,330	13,328	301,204	11,586	38,212
Windfall profit tax withheld.....	—	—	161	—	2	—	—	—	2	5	—	5	—	—
Other business deductions.....	350,572	685,850	1,787,992	23,409	1,281,726	315,869	363,479	119,273	483,105	5,012,019	146,950	4,179,391	397,775	287,903
<b>Net income.....</b>	<b>448,345</b>	<b>1,294,092</b>	<b>2,047,579</b>	<b>55,811</b>	<b>1,450,577</b>	<b>268,942</b>	<b>386,373</b>	<b>154,243</b>	<b>641,018</b>	<b>2,639,107</b>	<b>177,506</b>	<b>2,008,607</b>	<b>226,400</b>	<b>226,595</b>

Footnotes at end of table.

**Table 2. — Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1982 — Continued**

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

Item	Wholesale and retail trade													
	Total	Wholesale trade								Retail trade				
		Total	Motor vehicles and automotive equipment	Lumber and construction materials	Farm machinery and equipment	Other machinery, equipment and supplies	Groceries and related products	Farm-products raw materials	Other wholesale trade	Building materials, paint, hardware, garden supply, and mobile home dealers				
										Total	Lumber and other building materials dealers	Paint, glass, and wallpaper stores	Hardware stores	
(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	
<b>Businesses with net income</b>														
Number of returns.....	1,306,215	186,768	10,884	3,819	6,110	18,050	22,144	6,608	119,153	1,072,703	43,202	7,545	7,189	16,137
Business receipts, total.....	149,524,005	26,817,707	1,837,527	95,987	1,064,603	2,592,890	5,246,886	4,224,879	11,754,935	120,099,673	6,094,769	1,511,423	959,255	2,592,878
Income from sales and operations.....	148,411,382	26,637,977	1,836,788	89,477	1,056,313	2,576,688	5,243,531	4,209,103	11,626,079	119,188,701	6,072,507	1,511,061	958,664	2,582,781
Other business income.....	1,100,793	179,619	739	6,511	8,195	16,202	3,355	15,776	128,842	899,985	22,261	362	591	10,097
Windfall profit tax credit or refund.....	11,830	111	—	—	96	—	—	—	15	10,987	—	—	—	—
Business deductions, total.....	137,685,899	24,360,929	1,709,058	73,492	1,019,010	2,316,242	4,954,544	4,132,359	10,156,225	111,155,587	5,606,579	1,405,474	870,207	2,387,195
Cost of sales and operations, total.....	107,074,745	19,485,562	1,369,262	45,570	832,188	1,604,883	4,394,534	3,845,454	7,393,673	86,268,640	4,125,653	954,964	627,601	1,816,922
Inventory, beginning-of-year.....	10,444,981	1,475,515	168,884	2,244	357,938	96,193	47,765	93,383	709,108	8,733,105	691,318	90,896	75,614	466,892
Purchases.....	98,560,694	17,262,843	1,309,694	43,796	690,828	1,099,399	4,095,608	3,414,209	6,609,320	80,060,270	3,684,879	900,153	559,201	1,755,231
Cost of labor.....	1,696,741	200,457	40,503	408	21,328	18,169	32,071	7,844	80,134	1,482,584	108,036	39,083	26,667	32,617
Materials and supplies.....	1,424,644	252,672	11,148	131	4,267	129,241	4,357	510	103,017	1,109,956	105,264	11,417	32,543	46,332
Other costs.....	6,031,131	1,842,017	15,820	1,413	3,700	376,910	269,481	409,205	765,487	4,149,647	303,366	7,926	5,732	11,169
Less: Inventory, end-of-year.....	11,083,446	1,547,942	176,778	2,423	245,873	115,030	54,749	79,697	873,393	9,266,922	767,211	94,511	72,157	495,318
Bad debts from sales or services.....	196,189	44,277	1,994	197	3,768	6,193	3,514	1,033	27,577	149,240	14,961	7,093	1,976	5,819
Commissions.....	704,107	303,194	10,399	298	235	3,245	43,534	13,015	232,468	382,242	127,078	116,917	98	6,714
Depletion.....	26,225	6,741	—	—	5	592	7	1,776	4,362	19,436	3,836	3	2,907	926
Depreciation.....	2,276,953	397,221	36,270	1,622	14,437	77,084	46,304	18,251	203,252	1,800,017	105,846	35,558	13,747	35,795
Employee benefit programs.....	89,202	13,941	46	19	11	5,886	2,513	658	4,808	68,602	2,646	14	1,107	60
Insurance.....	1,212,028	204,487	20,354	763	14,818	35,865	25,585	11,084	96,019	983,807	70,179	20,632	11,864	31,060
Interest on business indebtedness.....	1,382,666	264,577	18,742	7,374	51,281	37,487	28,550	18,797	102,347	1,060,915	68,383	18,749	5,248	31,234
Legal and professional services.....	411,067	55,212	2,030	222	1,545	7,290	8,088	5,387	30,650	343,727	12,687	2,077	3,692	6,359
Pension and profit-sharing plans.....	17,549	2,499	—	—	—	52	82	11	2,354	14,932	32	—	22	—
Rent on business property.....	2,618,375	212,701	9,081	286	1,957	40,361	23,788	12,919	124,309	2,356,104	104,453	25,767	13,241	59,984
Repairs.....	856,731	107,589	14,520	175	1,925	14,125	22,964	8,338	45,542	733,801	51,036	10,017	7,515	22,218
Net salaries and wages.....	7,559,377	1,050,769	70,654	1,159	37,316	204,347	99,563	48,448	589,283	6,314,714	300,606	72,507	71,077	111,899
Gross salaries and wages.....	7,559,647	1,050,769	70,654	1,159	37,316	204,347	99,563	48,448	589,283	6,314,984	300,606	72,507	71,077	111,899
Less: Jobs credit.....	270	—	—	—	—	—	—	—	—	270	—	—	—	—
Taxes paid deduction.....	2,215,333	232,400	12,843	572	9,735	30,875	23,169	12,691	142,515	1,927,340	96,637	10,690	25,123	39,142
Windfall profit tax withheld.....	13,279	8,575	—	—	—	298	1	360	7,917	4,662	—	—	—	—
Other business deductions.....	11,032,074	1,971,183	142,865	15,235	49,792	247,657	232,348	134,138	1,149,149	8,727,409	522,549	130,487	84,988	219,063
<b>Net income.....</b>	<b>11,838,106</b>	<b>2,456,778</b>	<b>128,469</b>	<b>22,495</b>	<b>45,593</b>	<b>276,648</b>	<b>292,342</b>	<b>92,520</b>	<b>1,598,711</b>	<b>8,944,086</b>	<b>488,190</b>	<b>105,949</b>	<b>89,048</b>	<b>205,683</b>

Footnotes at end of table.

Table 2. — Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1982 — Continued

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

Item	Wholesale and retail trade—Continued													
	Retail trade—Continued													
	Building materials, paint, etc.—Continued	General merchandise stores	Food stores			Automotive dealers and service stations					Apparel and accessory stores	Furniture and home furnishings stores	Eating places	Drinking places
			Total	Grocery stores	Other food stores	Total	Motor vehicle dealers—new car dealers (franchised)	Used car dealers	Gasoline service stations	Other automotive dealers				
(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	
<b>Businesses with net income</b>														
Number of returns.....	12,331	11,002	132,701	74,305	58,396	103,267	5,133	24,491	49,736	23,907	40,667	68,353	90,611	35,707
Business receipts, total.....	1,031,213	1,625,542	26,321,536	19,866,032	6,455,505	38,987,639	2,598,419	4,483,933	26,738,552	5,166,736	3,303,749	5,504,156	10,394,463	4,311,205
Income from sales and operations.....	1,020,002	1,619,920	26,193,044	19,791,252	6,401,792	38,866,531	2,584,878	4,463,513	26,701,890	5,116,249	3,231,107	5,440,447	10,334,058	4,276,216
Other business income.....	11,211	5,622	128,492	74,779	53,713	113,491	13,333	20,419	36,468	43,270	72,643	63,703	60,405	34,987
Windfall profit tax credit or refund.....	—	—	—	—	—	7,618	207	—	194	7,217	—	6	—	2
Business deductions, total.....	943,703	1,501,216	25,040,225	19,067,324	5,972,901	37,450,749	2,506,936	4,237,768	25,942,591	4,763,453	2,871,253	4,816,922	9,396,410	3,985,751
Cost of sales and operations, total.....	726,167	1,170,164	21,021,121	16,259,679	4,761,442	32,642,187	2,202,423	3,718,618	23,031,332	3,689,814	2,000,092	3,154,021	5,134,823	2,748,643
Inventory, beginning-of-year.....	57,917	229,748	1,374,096	1,186,737	187,359	1,937,420	192,340	476,217	500,270	768,594	638,696	703,109	155,582	186,727
Purchases.....	470,294	1,041,687	19,879,439	15,380,933	4,498,506	31,392,918	1,869,438	3,471,328	22,380,740	3,671,412	1,813,555	2,774,317	4,199,199	2,556,920
Cost of labor.....	9,669	38,549	271,555	95,596	175,959	242,233	14,442	17,264	124,194	86,334	20,489	143,438	254,167	153,339
Materials and supplies.....	14,973	1,813	279,942	251,263	28,678	159,454	86,434	51,976	17,115	3,930	13,733	61,391	214,293	51,567
Other costs.....	278,539	112,546	756,477	614,264	142,212	921,132	258,157	96,520	556,341	10,114	164,063	205,027	471,491	17,341
Less: Inventory, end-of-year.....	105,225	254,180	1,540,388	1,269,115	271,273	2,010,970	218,387	394,686	547,328	850,569	650,445	733,261	159,909	217,271
Bad debts from sales or services.....	72	1,043	19,670	15,247	4,423	58,212	553	11,535	26,192	19,932	6,821	15,349	6,133	493
Commissions.....	3,348	2,259	13,929	2,629	11,301	42,712	11,183	17,887	5,836	7,806	4,197	29,253	3,973	29
Depletion.....	—	—	9,852	9,840	11	280	4	—	263	13	531	4	1,469	1
Depreciation.....	20,747	15,458	344,442	222,442	122,000	296,149	13,169	27,195	180,955	74,831	50,186	117,400	325,852	106,561
Employee benefit programs.....	1,465	4	16,890	15,480	1,410	19,002	1,926	4,869	7,171	5,036	1,243	4,861	11,412	1,552
Insurance.....	6,624	11,536	161,074	114,148	46,925	222,851	15,988	26,779	132,696	47,388	25,849	73,381	152,556	47,474
Interest on business indebtedness.....	13,151	17,527	182,872	120,045	62,827	244,040	35,196	43,362	93,352	72,130	28,348	76,674	141,197	61,663
Legal and professional services.....	559	3,190	71,855	57,691	14,164	72,191	3,726	6,327	43,578	18,559	12,972	15,463	58,144	21,599
Pension and profit-sharing plans.....	10	25	7,031	1,259	5,772	921	120	53	722	26	198	1,875	1,126	—
Rent on business property.....	5,460	31,387	359,178	183,492	175,686	464,753	14,670	33,668	345,357	71,057	119,223	125,968	474,238	103,551
Repairs.....	11,285	8,859	134,987	103,376	31,611	146,007	12,784	47,628	57,494	28,100	15,156	29,725	143,313	58,380
Net salaries and wages.....	45,122	76,406	1,064,892	829,261	235,631	1,449,803	64,446	93,131	1,003,838	288,388	219,407	458,341	1,348,627	273,980
Gross salaries and wages.....	45,122	76,406	1,065,044	829,413	235,631	1,449,921	64,446	93,131	1,003,956	288,388	219,407	458,341	1,348,627	273,980
Less: Jobs credit.....	—	—	152	152	—	118	—	—	118	—	—	—	—	—
Taxes paid deduction.....	21,681	36,719	257,707	197,411	60,297	488,194	9,542	26,774	367,288	84,590	64,452	121,085	339,946	164,696
Windfall profit tax withheld.....	—	1	2,858	2,858	—	2	—	—	—	1	4	39	—	—
Other business deductions.....	88,011	126,636	1,371,868	932,468	439,400	1,303,444	121,205	179,942	646,515	355,782	322,573	593,483	1,253,601	397,130
<b>Net income.....</b>	<b>87,510</b>	<b>124,326</b>	<b>1,281,311</b>	<b>798,707</b>	<b>482,604</b>	<b>1,536,890</b>	<b>91,483</b>	<b>246,164</b>	<b>795,961</b>	<b>403,282</b>	<b>432,497</b>	<b>687,234</b>	<b>998,053</b>	<b>325,454</b>

Footnotes at end of table.

**Table 2. — Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1982 — Continued**

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

Item	Wholesale and retail trade—Continued								Finance, insurance, and real estate							
	Retail trade—Continued								Total	Finance			Real estate			
	Drug stores and proprietary stores	Liquor stores	Used merchandise stores	Sporting goods and bicycle shops	Gift, novelty, and souvenir shops	Direct selling organizations	Other retail stores	Wholesale and retail trade not allocable		Total	Total	Security, commodity brokers, and services	Other finance	Insurance agents, brokers, and service	Total	Operators and lessors of buildings
<b>Businesses with net income</b>																
Number of returns .....	8,476	10,618	35,672	15,265	16,426	291,711	169,025	46,744	622,433	35,312	25,237	10,075	201,619	385,502	13,129	
Business receipts, total .....	1,596,911	3,236,491	1,312,906	1,519,804	823,065	3,971,750	11,095,686	2,606,625	20,433,948	3,375,520	2,913,198	462,322	7,890,369	9,168,059	692,653	
Income from sales and operations .....	1,593,630	3,232,568	1,250,766	1,496,172	821,379	3,821,839	10,938,517	2,584,704	19,807,798	3,305,504	2,857,471	448,033	7,674,493	8,827,801	610,123	
Other business income .....	3,282	3,875	62,132	23,632	1,686	149,467	154,308	21,189	625,208	70,012	55,723	14,289	215,790	339,406	82,530	
Windfall profit tax credit or refund .....	—	47	9	—	—	444	2,662	733	942	4	4	—	86	852	—	
Business deductions, total .....	1,426,735	3,043,291	1,127,683	1,410,243	717,653	3,058,017	9,702,859	2,169,383	12,722,872	2,734,728	2,426,998	307,730	4,655,545	5,332,600	514,686	
Cost of sales and operations, total .....	1,087,236	2,541,657	723,458	1,038,952	485,880	1,723,033	6,671,722	1,320,543	3,426,535	2,216,688	2,110,871	105,817	586,993	622,854	63,809	
Inventory, beginning-of-year .....	243,096	267,171	238,579	361,522	192,982	159,125	1,353,933	236,361	376,853	272,867	—	—	10,354	93,632	27,385	
Purchases .....	1,083,525	2,386,602	649,458	997,335	450,976	1,543,419	5,596,041	1,237,581	680,599	435,698	431,760	3,938	109,212	135,688	23,462	
Cost of labor .....	20,059	7,434	12,459	16,280	34,179	11,950	148,416	13,700	101,262	10,270	10,228	43	4,346	86,665	1,330	
Materials and supplies .....	555	4,164	2,437	1,090	3,759	39,906	170,568	62,016	57,159	6,519	6,292	228	20,575	30,064	209	
Other costs .....	6	164,868	54,205	41,994	12,800	139,255	785,075	39,467	2,594,386	1,770,360	1,668,720	101,641	466,755	357,271	41,993	
Less: Inventory, end-of-year .....	270,003	288,584	233,681	379,268	208,816	170,624	1,382,311	268,582	383,743	279,028	278,995	33	24,250	80,465	30,490	
Bad debts from sales or services .....	3,500	1,704	622	2,436	922	1,660	15,714	2,672	20,311	2,942	1,458	1,485	13,345	4,024	1,047	
Commissions .....	3,832	—	16,087	362	4,195	77,447	56,888	18,671	1,168,893	26,662	21,111	5,552	491,295	650,937	15,390	
Depreciation .....	—	441	3	—	217	350	2,453	48	9,495	2,338	2,076	262	3,962	3,194	60	
Depreciation .....	19,198	42,830	32,423	19,243	9,841	112,383	202,204	79,715	785,356	41,845	28,859	12,986	279,871	463,640	76,681	
Employee benefit programs .....	1,599	754	656	9	—	1,746	6,228	6,658	25,616	1,720	1,569	151	15,070	8,826	810	
Insurance .....	14,057	23,332	11,069	13,905	6,779	31,106	118,659	23,733	196,351	7,906	3,567	4,339	87,287	101,158	11,986	
Interest on business indebtedness .....	13,458	32,369	36,542	12,084	6,766	36,557	102,435	57,174	599,576	59,155	38,334	20,822	164,120	376,301	52,416	
Legal and professional services .....	6,966	9,149	6,703	3,638	2,992	9,159	37,019	12,128	204,579	8,640	5,039	3,601	69,001	126,938	5,441	
Pension and profit-sharing plans .....	725	21	270	20	442	162	2,084	118	9,866	1,386	1,073	314	6,020	2,460	24	
Rent on business property .....	25,606	56,261	39,360	47,889	55,564	60,783	287,891	49,570	448,059	43,668	28,441	15,227	250,773	153,618	15,119	
Repairs .....	6,339	17,295	22,238	2,437	4,560	23,808	69,660	15,341	103,442	4,430	2,973	1,457	29,164	69,848	22,457	
Net salaries and wages .....	122,866	126,440	12,007	28,922	32,441	153,291	646,685	193,895	996,025	81,363	24,417	56,946	643,676	270,986	41,181	
Gross salaries and wages .....	122,866	126,440	12,007	28,922	32,441	153,291	646,685	193,895	996,025	81,363	24,417	56,946	643,676	270,986	41,181	
Less: Jobs credit .....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Taxes paid deduction .....	21,032	52,985	27,805	29,383	11,835	32,313	182,550	55,593	199,803	8,202	3,157	5,045	72,938	118,663	32,533	
Windfall profit tax withheld .....	—	608	—	—	6	693	452	42	1,795	813	742	71	201	781	45	
Other business deductions .....	100,320	137,447	198,440	210,963	95,213	793,527	1,300,215	333,482	4,527,171	226,969	153,313	73,656	1,941,830	2,358,372	175,587	
<b>Net income .....</b>	<b>170,176</b>	<b>193,200</b>	<b>185,223</b>	<b>109,561</b>	<b>105,412</b>	<b>913,733</b>	<b>1,392,827</b>	<b>437,242</b>	<b>7,711,076</b>	<b>640,792</b>	<b>486,200</b>	<b>154,592</b>	<b>3,234,825</b>	<b>3,835,459</b>	<b>177,967</b>	

Footnotes at end of table.

Table 2. — Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1982 — Continued

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

Item	Finance, insurance, and real estate—Continued				Total	Hotels and other lodging places			Services								
	Real estate—Continued					Total	Total	Motels, motor hotels, and tourist courts	Other lodging places	Personal services							
	Lessors, other than buildings	Real estate agents, brokers, and managers	Subdividers and developers, except cemeteries	Other real estate						Total	Total	Coin-operated laundries and dry cleaning	Other laundry, cleaning, and garment services	Photo-graphic studios, portrait	Beauty shops	Barber shops	Other personal services
<b>Businesses with net income</b>																	
Number of returns .....	9,768	354,809	416	7,380	3,126,668	24,454	9,630	14,824	608,209	12,169	34,673	35,447	185,465	63,569	276,886		
Business receipts, total .....	148,209	7,984,828	89,457	252,912	93,443,528	1,132,501	723,370	409,131	9,880,510	857,409	1,313,370	738,885	3,317,576	843,470	2,809,799		
Income from sales and operations .....	145,359	7,739,895	80,529	251,895	91,945,549	1,119,552	713,410	406,142	9,776,289	854,156	1,306,095	736,967	3,247,737	837,545	2,793,789		
Other business income .....	2,849	244,082	8,928	1,016	1,455,201	12,947	9,957	2,989	104,191	3,253	7,276	1,918	69,839	5,924	15,981		
Windfall profit tax credit or refund .....	—	851	—	1	42,779	3	3	—	30	—	—	—	—	—	30		
Business deductions, total .....	96,479	4,497,995	60,585	162,856	59,900,789	944,033	621,624	322,409	6,962,898	718,123	1,006,142	570,215	2,397,892	418,376	1,852,150		
Cost of sales and operations, total .....	74	510,133	29,798	18,940	15,441,057	134,204	52,272	81,932	1,422,197	76,596	167,805	131,374	562,376	24,098	459,948		
Inventory, beginning-of-year .....	71	56,709	7,968	1,500	1,145,151	11,912	7,036	4,876	132,672	5,356	10,314	6,840	30,009	4,228	75,924		
Purchases .....	62	110,854	663	627	8,505,355	86,394	48,022	38,372	602,526	37,788	10,951	53,839	245,766	15,067	239,114		
Cost of labor .....	—	85,277	58	—	2,492,441	3,133	446	2,687	291,212	16,763	18,987	4,084	156,781	1,571	99,026		
Materials and supplies .....	—	29,096	1	758	2,113,406	2,316	1,140	1,176	315,569	21,065	59,418	54,443	114,742	8,139	57,762		
Other costs .....	6	276,740	22,477	16,055	2,462,215	47,096	4,051	43,045	211,643	133	70,100	16,867	49,133	648	74,763		
Less: Inventory, end-of-year .....	64	48,542	1,369	—	1,277,511	16,647	8,424	8,223	131,426	4,509	1,966	4,699	34,055	5,555	80,641		
Bad debts from sales or services .....	—	1,294	54	1,628	61,596	2,045	1,451	594	7,774	225	62	2,625	2,697	312	1,852		
Commissions .....	17	632,428	1,433	1,670	685,065	759	357	402	128,694	50,118	1,029	34,645	976	113	41,812		
Depletion .....	37	3,024	55	19	90,965	26	7	19	2,663	845	—	86	1,634	—	98		
Depreciation .....	20,924	351,285	4,141	10,609	4,051,130	128,358	93,897	34,460	409,994	71,802	68,223	44,035	102,498	12,645	110,791		
Employee benefit programs .....	2,052	5,770	57	137	141,293	10,990	9,548	1,442	8,941	426	303	954	1,744	116	5,400		
Insurance .....	1,154	84,280	841	2,897	1,582,057	26,829	17,158	9,672	142,732	20,006	31,027	8,546	43,247	7,885	32,021		
Interest on business indebtedness .....	8,380	300,239	7,809	7,457	1,564,379	100,589	85,066	15,523	167,970	35,470	19,702	12,496	34,810	2,969	62,524		
Legal and professional services .....	378	116,809	1,699	2,611	1,430,520	11,600	8,824	2,776	92,869	10,072	7,191	4,536	17,905	3,241	49,925		
Pension and profit-sharing plans .....	12	2,422	—	2	71,917	635	618	18	1,548	—	502	14	244	767	21		
Rent on business property .....	1,081	135,672	493	1,253	3,816,743	38,732	20,632	18,100	711,962	58,166	106,981	37,290	281,168	94,719	133,638		
Repairs .....	1,864	44,539	275	713	897,569	47,926	34,738	13,187	146,437	17,830	30,407	3,195	46,304	8,879	39,822		
Net salaries and wages .....	38,729	176,984	1,475	12,619	9,318,534	83,856	58,912	24,944	1,216,530	80,195	229,450	17,972	580,657	103,574	204,682		
Gross salaries and wages .....	38,729	176,984	1,475	12,619	9,319,518	83,860	58,912	24,948	1,216,530	80,195	229,450	17,972	580,657	103,574	204,682		
Less: Jobs credit .....	—	—	—	—	983	4	—	4	—	—	—	—	—	—	—		
Taxes paid deduction .....	5,695	75,734	2,618	2,084	1,591,801	63,510	47,477	16,033	202,581	15,290	29,179	8,065	84,816	21,315	43,916		
Windfall profit tax withheld .....	13	651	61	11	25,084	81	3	78	9	—	—	—	—	8	1		
Other business deductions .....	16,070	2,056,732	9,776	100,207	19,131,079	293,895	190,665	103,230	2,299,995	281,081	314,281	264,382	636,819	137,734	665,699		
Net income .....	51,730	3,486,833	28,872	90,057	33,542,739	188,468	101,746	86,722	2,917,612	139,286	307,229	168,670	919,684	425,094	957,649		

Footnotes at end of table.

**Table 2. — Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1982 — Continued**

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

Item	Services—Continued												
	Business services					Automobile repair and services					Miscellaneous repair services	Amusement and recreation services, including motion pictures	
	Total	Advertising	Services to buildings	Management and public relations	Other business services	Total	Automobile repair shops			Automobile parking and other services		Total	Producers, orchestras, and entertainers
							Total	General automobile repair shops	Other automobile repair				
(88)	(89)	(90)	(91)	(92)	(93)	(94)	(95)	(96)	(97)	(98)	(99)	(100)	
<b>Businesses with net income</b>													
Number of returns .....	870,398	47,994	135,642	302,911	383,851	149,340	125,951	95,900	30,051	23,389	167,551	161,312	72,757
Business receipts, total.....	20,431,402	1,763,668	2,069,565	6,195,442	10,402,727	8,793,450	7,100,393	5,810,683	1,289,710	1,693,057	4,687,334	3,717,549	1,153,627
Income from sales and operations .....	20,053,733	1,725,970	2,048,594	5,986,749	10,292,420	8,758,003	7,075,408	5,792,463	1,282,945	1,682,595	4,661,021	3,656,464	1,121,120
Other business income .....	377,290	37,698	20,971	208,586	110,034	32,535	22,073	15,307	6,766	10,462	26,312	58,180	29,602
Windfall profit tax credit or refund .....	379	—	—	106	273	2,912	2,912	2,912	—	—	1	2,905	2,905
Business deductions, total .....	12,799,213	1,290,205	1,435,259	2,650,096	7,423,653	7,525,147	6,042,687	4,998,888	1,043,798	1,482,461	3,567,404	2,685,854	670,855
Cost of sales and operations, total .....	4,185,626	489,292	454,279	320,612	2,921,444	4,102,404	3,661,840	3,131,496	530,343	440,564	1,824,070	603,110	74,703
Inventory, beginning-of-year .....	369,630	5,305	1,146	74,569	288,612	209,942	193,288	182,238	11,051	16,653	208,956	78,778	3,776
Purchases .....	2,040,439	195,448	98,267	115,874	1,630,850	3,036,943	2,756,838	2,366,252	390,586	280,105	1,335,267	331,071	8,957
Cost of labor .....	944,342	22,301	240,148	28,908	652,985	506,175	423,680	356,031	67,649	82,495	148,431	123,549	36,760
Materials and supplies .....	725,672	41,264	72,785	67,576	544,047	324,723	311,294	232,644	78,650	13,429	231,621	51,352	2,310
Other costs .....	501,660	230,046	44,001	110,631	116,983	284,854	221,783	206,859	14,924	63,071	123,312	103,233	26,530
Less: Inventory, end-of-year .....	396,118	5,072	2,068	76,945	312,033	260,232	245,044	212,527	32,517	15,189	223,518	84,872	3,631
Bad debts from sales or services .....	7,614	744	281	1,100	5,489	8,771	8,756	7,714	1,042	15	3,409	4,937	472
Commissions .....	302,879	100,486	3,220	54,261	144,912	11,421	11,405	10,702	704	16	3,373	62,486	26,474
Depletion .....	45,776	—	1,038	11,242	33,496	1,176	1,160	1,160	—	16	1,438	1,325	805
Depreciation .....	942,294	62,776	75,854	249,730	553,934	322,017	210,822	175,323	35,499	111,195	206,908	231,659	62,145
Employee benefit programs .....	25,786	34	8,463	4,098	13,190	4,713	3,260	3,095	165	1,453	7,832	15,291	343
Insurance .....	253,951	21,433	43,679	36,657	152,182	198,277	148,798	124,047	24,751	49,478	87,593	36,127	5,705
Interest on business indebtedness .....	333,761	23,456	24,272	79,729	206,303	108,669	75,895	62,479	13,416	32,774	57,557	51,498	6,733
Legal and professional services .....	221,446	13,961	7,319	113,930	86,236	42,266	33,308	26,802	6,506	8,958	29,627	137,559	107,660
Pension and profit-sharing plans .....	8,335	664	9	6,231	1,430	26	—	—	—	26	735	3,303	2,428
Rent on business property .....	508,250	26,461	39,455	134,037	308,298	254,293	180,450	154,051	26,399	73,843	94,173	175,287	19,920
Repairs .....	151,624	9,334	17,591	27,347	97,352	136,277	43,353	34,530	8,822	92,924	50,171	51,795	6,766
Net salaries and wages .....	1,341,359	92,386	283,634	188,322	777,017	871,428	625,698	481,108	144,589	245,730	279,225	236,779	59,579
Gross salaries and wages .....	1,341,361	92,386	283,634	188,322	777,019	872,375	626,644	482,055	144,589	245,730	279,225	236,779	59,579
Less: Jobs credit .....	2	—	—	—	2	947	947	947	—	—	—	—	—
Taxes paid deduction .....	226,802	13,401	39,319	34,590	139,491	227,395	172,292	137,388	34,905	55,103	81,642	55,837	7,089
Windfall profit tax withheld .....	6,218	—	—	2,413	3,805	—	—	—	—	—	2	206	—
Other business deductions .....	4,237,494	435,778	436,847	1,385,796	1,979,074	1,236,013	865,649	648,992	216,656	370,364	839,649	1,018,655	290,034
<b>Net income .....</b>	<b>7,632,189</b>	<b>473,463</b>	<b>634,306</b>	<b>3,545,346</b>	<b>2,979,074</b>	<b>1,268,303</b>	<b>1,057,707</b>	<b>811,794</b>	<b>245,912</b>	<b>210,596</b>	<b>1,119,930</b>	<b>1,031,695</b>	<b>482,772</b>

Footnotes at end of table.



**Table 2. — Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1982 — Continued**

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

Item	Services—Continued														Nature of business not allocable
	Amusement and recreation services, including motion pictures—Continued			Medical and health services				Legal services	Educational services	Engineering and architectural services	Accounting, auditing, and bookkeeping services			Other services	
	Professional sports clubs and promoters	Racing, including track operation	Other amusement and recreation services	Total	Offices of physicians	Offices of dentists	Other medical and health services				Total	Certified public accountants	Other accounting, auditing, and bookkeeping services		
(101)	(102)	(103)	(104)	(105)	(106)	(107)	(108)	(109)	(110)	(111)	(112)	(113)	(114)	(115)	
<b>Businesses with net income</b>															
Number of returns .....	2,025	15,329	71,201	403,556	130,442	75,487	197,627	185,683	119,038	72,328	203,139	27,866	175,273	161,660	60,593
Business receipts, total .....	70,328	300,464	2,193,131	25,809,668	10,479,243	7,672,738	7,657,687	8,752,043	951,340	2,233,231	3,373,887	1,152,826	2,221,061	3,680,614	2,045,823
Income from sales and operations .....	70,130	290,971	2,174,243	25,352,319	10,281,389	7,564,783	7,506,147	8,561,774	938,271	2,163,997	3,262,360	1,114,666	2,147,695	3,641,765	2,032,417
Other business income .....	198	9,493	18,887	421,335	197,850	107,955	115,529	190,155	13,069	69,233	111,109	38,158	72,951	38,845	13,205
Windfall profit tax credit or refund .....	—	—	—	36,014	4	—	36,010	114	—	1	417	2	416	3	201
Business deductions, total .....	55,884	242,057	1,717,058	14,572,565	4,929,748	4,817,080	4,825,737	4,730,018	550,004	1,322,779	1,837,699	615,886	1,221,813	2,403,176	1,492,336
Cost of sales and operations, total .....	1,226	57,053	470,128	1,611,159	178,845	591,153	841,161	237,203	46,527	178,058	113,041	48,725	64,316	983,457	697,654
Inventory, beginning-of-year .....	7	15,148	59,846	53,869	5,004	9,054	39,812	745	4,151	9,280	4,822	309	4,513	60,394	70,827
Purchases .....	107	51,742	270,264	536,710	19,169	64,961	452,580	32,708	15,046	77,154	20,025	11,440	8,585	391,072	564,338
Cost of labor .....	216	—	86,574	261,693	27,719	101,877	132,097	36,333	13,857	29,871	51,905	25,857	26,048	81,939	50,021
Materials and supplies .....	333	173	48,536	269,303	51,719	122,765	94,819	17,208	10,022	13,719	21,036	2,575	18,460	130,865	14,068
Other costs .....	569	77	76,057	578,251	81,466	301,764	195,021	152,285	8,083	57,136	18,677	8,828	9,849	375,987	83,237
Less: Inventory, end-of-year .....	6	10,087	71,148	88,667	6,233	9,267	73,167	2,075	4,631	9,102	3,422	284	3,139	56,800	84,937
Bad debts from sales or services .....	318	—	4,146	16,171	1,971	3,459	10,741	3,941	561	1,998	2,608	864	1,744	1,767	6,473
Commissions .....	32	14,036	21,945	91,808	9,835	66,507	15,465	14,005	8,114	2,261	14,217	7,414	6,804	45,048	38,382
Depreciation .....	5	345	171	19,641	4,422	4,377	10,841	8,510	807	2,821	3,763	139	3,623	2,921	9,595
Depreciation .....	3,216	17,410	148,888	999,399	365,710	262,554	371,135	331,256	46,842	111,160	188,640	42,730	145,910	132,602	57,052
Employee benefit programs .....	—	14	14,935	46,163	16,330	13,171	16,663	12,391	816	1,018	4,600	3,764	837	2,751	5,338
Insurance .....	316	3,066	27,041	589,201	328,820	126,808	133,574	116,307	10,418	43,142	41,670	12,140	29,529	35,811	30,410
Interest on business indebtedness .....	907	4,251	39,606	468,258	86,251	193,949	188,058	136,335	10,956	29,276	64,683	16,408	48,275	34,828	18,620
Legal and professional services .....	96	4,833	24,970	549,535	256,196	180,966	112,373	199,722	6,504	61,059	35,190	14,249	20,941	43,143	16,228
Pension and profit-sharing plans .....	2	9	864	45,154	28,236	13,962	2,956	9,363	27	2,386	277	12	266	125	2,851
Rent on business property .....	3,130	8,911	143,327	1,158,365	452,629	349,421	356,315	447,564	68,704	59,950	191,492	55,059	136,433	107,971	26,886
Repairs .....	25	2,033	42,970	187,110	47,630	62,053	77,426	45,145	10,839	14,629	20,296	3,799	16,498	35,319	36,052
Net salaries and wages .....	2,153	4,835	170,212	3,490,917	1,178,940	1,305,630	1,006,346	1,025,439	50,552	199,001	327,637	155,165	172,473	195,813	167,457
Gross salaries and wages .....	2,153	4,835	170,212	3,490,944	1,178,944	1,305,630	1,006,370	1,025,442	50,552	199,001	327,637	155,165	172,473	195,813	167,457
Less: Jobs credit .....	—	—	—	27	4	—	24	3	—	—	—	—	—	—	—
Taxes paid deduction .....	462	3,249	45,036	490,544	162,116	181,206	147,222	125,157	14,317	24,107	38,461	15,272	23,189	41,448	29,465
Windfall profit tax withheld .....	—	204	2	14,505	570	13,897	39	773	—	2,060	37	37	—	1,192	3,081
Other business deductions .....	43,996	121,808	562,818	4,794,634	1,811,248	1,447,965	1,535,422	2,016,805	274,022	589,852	791,086	240,109	550,976	738,979	346,792
<b>Net income .....</b>	<b>14,443</b>	<b>58,407</b>	<b>476,073</b>	<b>11,237,103</b>	<b>5,549,495</b>	<b>2,855,659</b>	<b>2,831,950</b>	<b>4,022,025</b>	<b>401,337</b>	<b>910,452</b>	<b>1,536,188</b>	<b>536,940</b>	<b>999,248</b>	<b>1,277,438</b>	<b>553,487</b>

\*This estimate should be used with caution because of the small number of sample returns on which it was based.  
 \*\*The estimate for this cell is not shown to avoid disclosure of information for specific taxpayers. However, the data are included in the appropriate totals.  
 NOTE: Detail may not add to total because of rounding.

# Individual Income Tax Returns: Selected Characteristics From the 1983 Taxpayer Usage Study

By Dorothea Riley\*

After getting off to a slow start, total receipts of individual income tax returns in the ten Internal Revenue Service (IRS) Centers through the end of April 1984, ended up about 450,000 returns higher than for the comparable period in 1983.

This article presents a preliminary analysis of individual income tax returns received by the IRS in January through April 1984--in general, all timely filed returns for Tax Year 1983. The data are based on the IRS Taxpayer Usage Study (TPUS), which samples every 15,000th return filed and records which forms, schedules, and items have been used, as well as the usage of mailing labels and pre-addressed envelopes and the level of income.

The increasing use of the automatic extension of filing time has reduced the percentage of returns filed by the end of April and made the early analysis of trends more difficult. For example, last year's April figures represented 93 percent of the final totals for the year. The table below presents a comparison of recent years.

	<u>Tax Years</u>	
	<u>1980</u>	<u>1981</u>
Returns filed through Dec. 31 ..	92,551	95,520
Returns filed through April (TPUS) .....	89,154	90,670
TPUS percent of totals .....	96.3	94.9

	<u>Tax Years</u>	
	<u>1982</u>	<u>1983</u>
Returns filed through Dec. 31 ..	95,609	97,038*
Returns filed through April (TPUS) .....	89,964	90,407
TPUS percent of totals .....	94.1	93.2

\*Projected for Calendar Year 1984

A cautionary note is in order: Previous experience shows that returns filed after the April 30 cutoff for this report will undoubtedly

be more complex and show substantially higher incomes or losses than those described in this article. Nonetheless, by comparing April data for Tax Year 1983 returns to April data for Tax Year 1982, it is possible to note certain trends in filing and reporting patterns that should hold true for the year as a whole.

## OVERALL FILING TRENDS

There is a continuation of the shift towards the use of the long form (Form 1040) and away from the short form (Form 1040A). This trend is largely the result of the increased use of itemized deductions, which is typically associated with rising income levels. Furthermore, the continued high interest rates on home mortgages and credit card use, as well as the rise in some state income taxes, made it advantageous for more taxpayers to itemize their deductions (and therefore file Form 1040).

Number of Forms 1040, 1040A, and 1040EZ Filed through April, by Tax Year

[Thousands of returns]

<u>Form type</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
Total .....	89,154	90,670	89,964	90,407
Long form (1040).....	52,840	53,544	54,687	55,853
Short forms, total .....	36,314	37,126	35,277	34,556
1040A .....	36,314	37,126	20,492	19,094
1040EZ .....	-	-	14,785	15,462

The decline in the use of short forms actually represented the net effect of a modest increase in the use of the shortest form (Form 1040EZ) with a sharp decline in the use of the intermediate form (Form 1040A). The increase in 1040EZ usage may be associated with an increase in first-time filers in a year in which average employment rose by about 1.3 million [1]. This assumption is consistent with certain other trends (such as the declining use of the IRS mailing labels, especially among 1040EZ filers) noted later.

Other significant trends for Tax Year 1983 include increased usage of certain deduction and adjustment items and a rise in returns with signatures of paid preparers--two phenomena that conceivably may be related.

**PAYMENTS TO AN INDIVIDUAL RETIREMENT ACCOUNT**

An estimated 12.8 million taxpayers claimed adjustments to income for payments to an Individual Retirement Account (IRA) on their Tax Year 1983 Form 1040 and 1040A returns, compared to 11.4 million claiming the adjustment on their Tax Year 1982 Form 1040. In keeping with continuing efforts at simplifying tax return preparation, two new lines were added to the Tax Year 1983 Form 1040A--one to report IRA payments. Over one-half of the total increase in the number of returns with IRA payments was reported on the Form 1040A even though the number of Forms 1040A dropped between Tax Years 1982 and 1983.

Figure A shows the steady increase during the January-April filing period in the cumulative proportion of returns filed that reported an IRA payment. This rise may have resulted from increased publicity of the regulation allowing an IRA payment made before April 16, 1984 to be reported on the 1983 return. Some taxpayers wishing to take advantage of this "grace period" may have delayed filing their returns until after arranging for the payment. Perhaps the most important reason for the month-to-month rise in the percentage of returns reporting IRA payments is that higher-income taxpayers, who are more likely to make IRA payments than lower-income taxpayers, tend to file later [2].

As can be seen in Table 2, while 4.4 percent of the combined returns with adjusted gross income (AGI) of below \$15,000 reported IRA payments, almost 60 percent above \$50,000 in AGI reported IRA payments. The overall percentage distribution of returns with IRA payments ranged from a low of 2.2 percent for AGI's under \$5,000 to a high of 59.4 percent for AGI's of \$100,000 and over (Figure B). Almost 75 percent of all returns reporting IRA payments were joint returns (Table 3).

**ALL-SAVERS CERTIFICATE INTEREST**

Interest received on the All-Savers Certificate (ASC) was reported on 1.9 million of the almost 55.9 million Form 1040 returns filed for Tax Year 1983. A provision of the Economic Recovery Tax Act of 1981 allowed a maximum lifetime exclusion of \$2,000 for joint returns and \$1,000 for all others. (This exclusion was to expire on December 31, 1983.) The ASC data for Tax Year 1981 represent only the first 3 months of ASC activity (the certificates were not available until October 1, 1981), whereas the ASC data for Tax Year 1983 represent the final months (October - December, 1983) of its activity.

All-Savers Certificate (ASC) Exclusion

<u>Tax Year</u>	<u>Returns (thousands)</u>	<u>Percent of all returns</u>
1981 .....	1,151	1.3
1982 (Form 1040 and 1040A) .....	4,565	6.1
1983 (Form 1040 only) ..	1,882	3.4

The 4.6 million taxpayers reporting ASC interest exclusions for Tax Year 1982 represent a full year's worth of exclusions. For the 3 years combined, fewer than 8 million taxpayers took advantage of the provision establishing the ASC interest exclusion. About 15 percent of the Tax Year 1983 returns reporting--whether joint or nonjoint--ASC interest reported that the maximum exclusion had been taken over the years involved; the comparable proportion for Tax Year 1982 was about one-third--both among joint and nonjoint returns (see Table 4).

**TWO-EARNER MARITAL DEDUCTION**

The deduction for two-earner married couples was claimed on 21 million joint Forms 1040 and 1040A returns filed through April 26, 1984; the comparable figure for Tax Year 1982 was 20 million. For joint returns, the deduction was claimed on 47.6 percent of the Tax Year 1983 returns compared with 45.0 percent for the previous year. The increased use of the deduction for Tax Year 1983 was a reflection of the increase of almost 1 million in the number of working spouses from April 1982 to April 1983

Figure A  
1040 and 1040A IRA Payment Returns:  
Tax Years 1982 and 1983

(Cumulative Percent of Form 1040 and 1040A Returns with Payments)

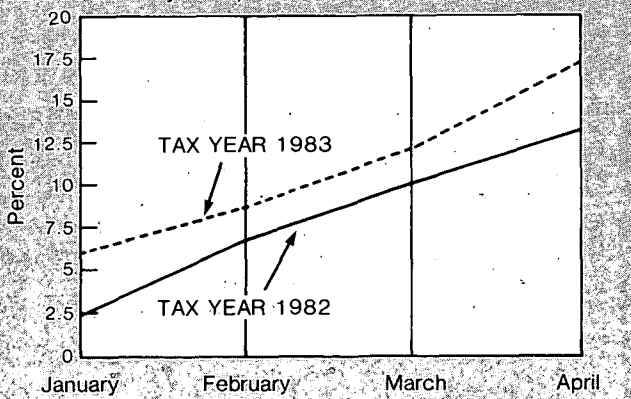
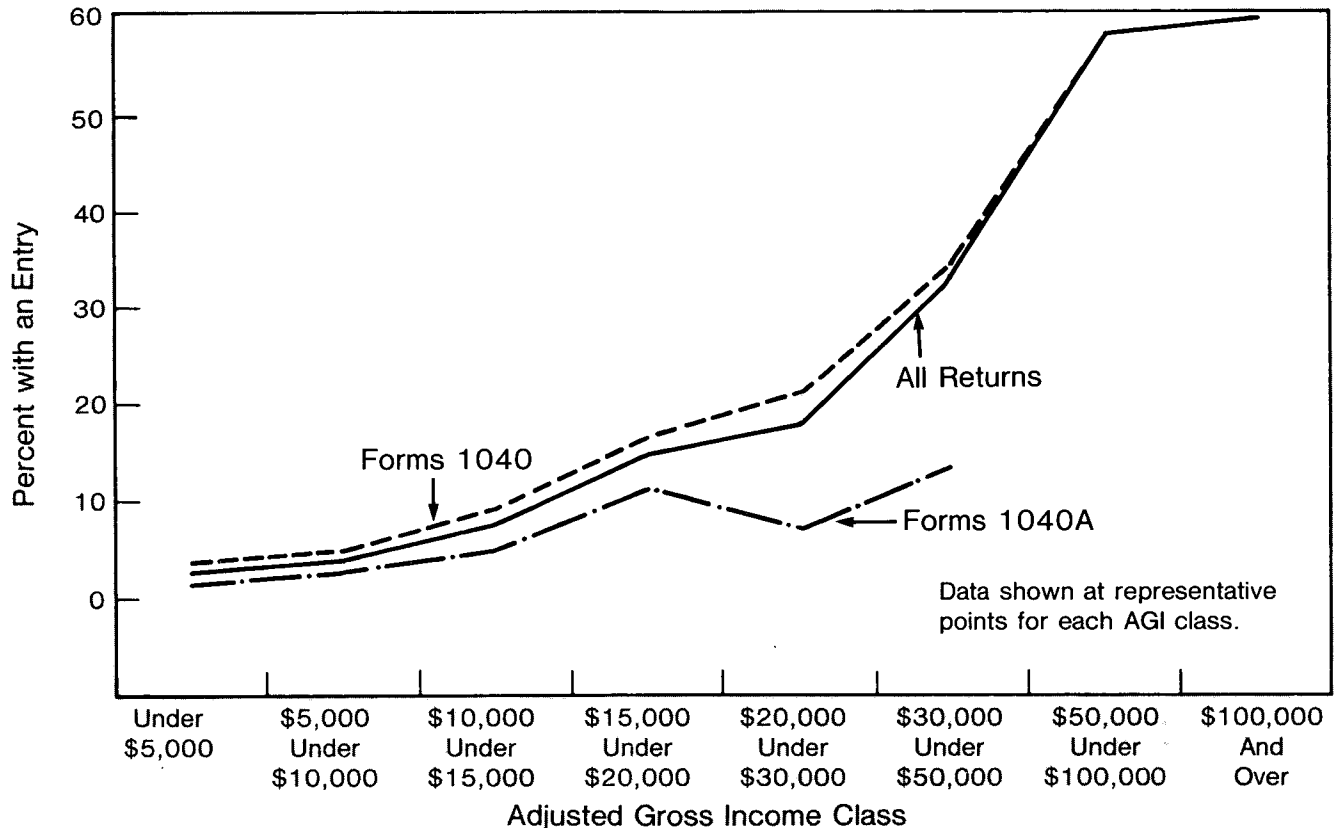


Figure B  
**Percentage of Forms 1040 and 1040A with IRA Payments**  
**Tax Year 1983**



[3]. However, the total difference may be understated because of the increased number of late filers who have more complex returns and are more apt to have the two-earner marital deduction.

For Tax Year 1982, some taxpayers claimed this deduction even though they were ineligible (i.e., they used interest and/or dividend income as a source of wages for a spouse who had no earned income). Deductions claimed by ineligible taxpayers are included in the Tax Year 1982 statistics even though they may have been later disallowed during routine revenue processing. Only about 81 percent of the Form 1040 filers claiming the marital deduction for Tax Year 1982 attached a Schedule W in support of the entry (Schedule W was not required for Form 1040A filers). Almost 98 percent of the Form 1040 filers claiming the two-earner marital deduction for Tax Year 1983 attached a Schedule W in support of that entry (see Table 5).

The number of returns with two or more Forms W-2 (Wage and Earning Statements)--one for each spouse--closely approximates the number of returns claiming the two-earner marital deduction (see Table 6). Table 7 shows the number of taxpayers claiming the marital deduction on a joint return, by size of AGI.

#### CHARITABLE CONTRIBUTION FOR NON-ITEMIZERS

Use of the limited deduction for charitable contributions by non-itemizers also increased. The deduction was claimed on 23.1 million returns filed for Tax Year 1983, compared with 20.8 million returns for Tax Year 1982--the first year it was allowed [4]. The 1983 figure, an increase of 2.3 million returns, was probably due to increased awareness of the deduction.

Table 8 shows that \$25, the maximum amount allowed for the limited charitable deduction, was listed on almost 18 million of the 1983

returns claiming the deduction. An estimated 1.1 million taxpayers erroneously entered an amount in excess of the \$25 maximum on that line, the same number as the year before. For 1982, most such entries represented incorrect entries of other items on this line. Such deductions were subsequently disallowed for that line during revenue processing.

#### SHIFTS IN FILING STATUS

For Tax Year 1982 the number of jointly filed returns increased from 46.7 percent of the 90.7 million returns filed for the comparable period in 1981 to 50.0 percent of the almost 90.0 million returns filed for Tax Year 1982. That growth was reversed for Tax Year 1983 (see table below) [5].

Filing status	Number of returns (thousands)		
	1981	1982	1983
All returns filed .....	90,670	89,964	90,407
	Percentage of returns		
Single .....	43.2	40.0	40.9
Married filing joint return ....	46.7	50.0	48.6
Married filing separate return .	1.2	1.2	0.7
Unmarried head of household .....	8.7	8.7	9.7
Qualifying widow(er) with dependent child .	0.2	0.1	0.1

Jointly filed returns were down by about 1.1 million from the comparable period last year, and returns with the married filing separate status were likewise down--from a little more than 1 million for Tax Year 1982 to an estimated 654,000 for Tax Year 1983. Most of the drop in joint returns (about 700,000) occurred among the Forms 1040A (see table below). By contrast,

Filing status	Number of returns (thousands)		
	Tax year		
	1981	1982	1983
All returns filed .....	90,670	89,964	90,407
Joint returns .....	42,330	44,977	43,924
Nonjoint returns .....	48,340	44,987	46,483
Long forms .....	53,544	54,687	55,853
Joint returns .....	34,019	36,205	35,878
Nonjoint returns .....	19,525	18,482	19,975
Short forms .....	37,126	35,277	34,556
Joint returns .....	8,310	8,773	8,046
Nonjoint returns .....	28,816	26,504	26,510

returns with the "unmarried head of household" status increased from 7.8 million (or 8.7 percent) for Tax Year 1982 to 8.7 million (or 9.7 percent) for Tax Year 1983.

This increase in the "unmarried head of household" status is in line with the rise in the number of taxpayers with this filing status that has occurred for at least the last 10 years [6]. Table 1 shows the number of returns filed for Tax Year 1983 with an entry for filing status, classified by adjusted gross income.

#### INCOME DISTRIBUTION

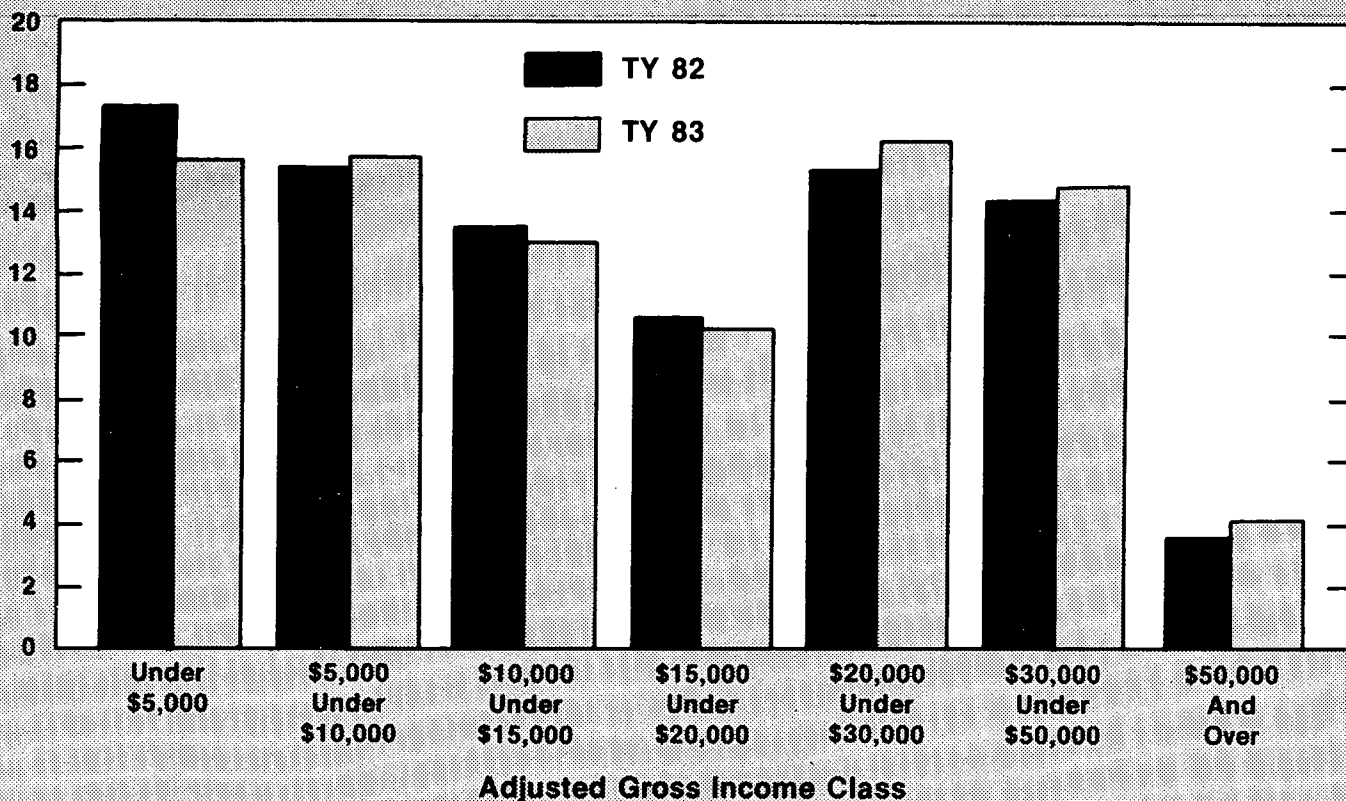
The proportion of higher-income returns relative to the total continued to increase in Tax Year 1983. This increase was especially notable for AGI's of \$50,000 and over. The number of returns in this class increased from 3.0 million for 1981 to 3.7 million for 1982 and to 4.1 million for 1983 (see table below).

Adjusted gross income class	Tax year	
	1980	1981
All returns filed (000's) ...	89,154	90,670
Under \$5,000 .....	17,646	19,166
\$5,000 under \$10,000 .....	18,137	16,138
\$10,000 under \$15,000 .....	13,406	13,733
\$15,000 under \$20,000 .....	11,160	10,815
\$20,000 under \$30,000 .....	15,706	15,817
\$30,000 under \$50,000 .....	10,581	12,005
\$50,000 and over .....	2,517	2,995
	1982	1983
All returns filed (000's) ...	89,964	90,407
Under \$5,000 .....	17,129	15,718
\$5,000 under \$10,000 .....	15,650	15,955
\$10,000 under \$15,000 .....	13,472	13,046
\$15,000 under \$20,000 .....	10,571	10,444
\$20,000 under \$30,000 .....	15,343	16,284
\$30,000 under \$50,000 .....	14,100	14,848
\$50,000 and over .....	3,699	4,114

From Tax Year 1980 to Tax Year 1983, the number of returns with AGI's over \$15,000 increased by 5.7 million. The increase for Tax Year 1983 in the number of returns with AGI's between \$5,000 and \$10,000 was probably related to the decrease in the unemployment rate, as well as to reported increases in pension income, and upward shifts in income which have been going on for a number of years.

Figure C shows that the number of returns with AGI's under \$15,000 and the number with AGI's over \$15,000 have reversed their relative importance since 1982, the latter group now being the larger one. The movement into higher AGI classes continues even with the increased use of certain adjustments to income.

**Figure C**  
**Millions of Returns by Adjusted Gross Income Class**  
**Tax Years 1982 and 1983**



#### ITEMIZED DEDUCTIONS

The percent of taxpayers filing a Form 1040 and claiming itemized deductions on Schedule A has steadily grown over the past 5 years, from 49.6 percent for 1979 to 58.3 percent for 1983 (see below).

Tax Year	Percent with Itemized Deductions	
	Form 1040	All filers
1979 .....	49.6	28.9
1980 .....	51.7	30.6
1981 .....	52.7	31.1
1982 .....	57.4	34.9
1983 .....	58.3	36.0

Rising expenditures and interest rates may have caused more taxpayers to be eligible to itemize their deductions on Schedule A. Table 9 shows on a selected basis which schedules and forms were attached to the Tax Year 1983 Form 1040 by size of AGI.

#### INTEREST AND DIVIDEND INCOME REPORTED

The number of taxpayers reporting interest income increased, from 50.2 million for Tax Year 1982 to 53.5 million for Tax Year 1983, while the number with dividends increased only slightly, remaining below the 1981 level. Improved economic conditions may have accounted for the increase in the number of returns with interest income. The conversion of investments from All-Savers Certificate accounts to passbook savings also may have contributed to the increase in the number of taxpayers reporting taxable interest income on 1983 returns.

Table 10 shows the number of returns filed with entries for taxable interest income for Tax Years 1981-1983 by size of adjusted gross income. Table 11 shows the number of returns with dividend income for Tax Year 1983 by size of adjusted gross income.

## OFFICIAL PREAMDRESSED LABELS

Overall use of the official IRS preaddressed mailing label on return forms decreased from about 55.7 million (or 62 percent) for Tax Year 1982, to 52.3 million (or 57.8 percent) for Tax Year 1983. Returns without a signature of a paid preparer were more likely to have the label than those with a signature. Label usage declined for all return types but only by a few percentage points for Forms 1040 and 1040A. For the Form 1040EZ returns, however, label usage declined by 14.6 percent (from roughly 9.3 million with labels last year to 7.5 million with labels this year). Some preliminary research indicates this latter decline is associated with the increased number of "start-filers"--first time filers who did not receive a mailed tax package from IRS and therefore had no label to use.

Figure D shows the decline in label usage during the filing season, as expressed by the cumulative percentage of returns filed. The sharp decline in label usage from more than 70 percent at the end of January to a little more than 60 percent by the end of March reflects the filing pattern observed in the past--as the more complex preparer returns are received, label usage goes down. Returns without the official label, according to IRS officials, are more costly to process. Thus it has become standard practice for the IRS to encourage, through the news media, use of the IRS official mailing labels. Table 12 shows the number of returns with and without labels by preparer status.

## PREPARER RETURNS

The number of returns with a paid preparer signature for Tax Year 1983 increased from 40.1 percent for Tax Year 1982 to 41.2 percent for Tax Year 1983 [7]. The increase in use of preparers was notable in all three form types, however, the greatest increase was in the Forms 1040A--from 22.2 percent for 1982 to 24.4 percent for 1983. This increase may be due to the greater complexity of the Form 1040A, which is now a four page document (the fourth page is a new schedule) as compared to three pages for 1982. It was also due to the continued shift of taxpayers without complexity from the Form 1040A to the Form 1040EZ. Two new lines were added to the Form 1040A for Tax Year 1983, as previously mentioned. In years of major tax law changes or changes to the forms, the percentage of paid preparers rises temporarily. Table 13 shows the number of returns filed with a paid preparer signature by return type.

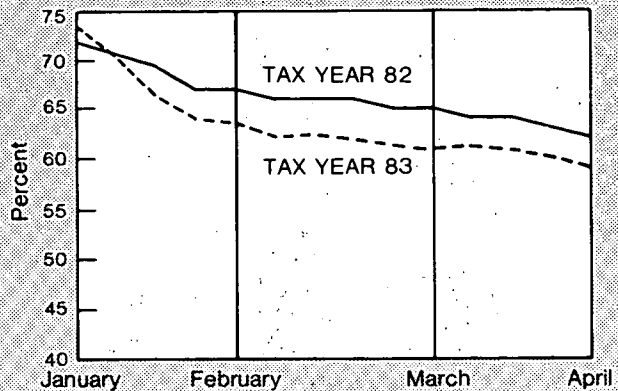
## UNEMPLOYMENT COMPENSATION

For 1983, an estimated 9.6 million taxpayers reported unemployment compensation as income compared to the estimated 10.4 million taxpayers

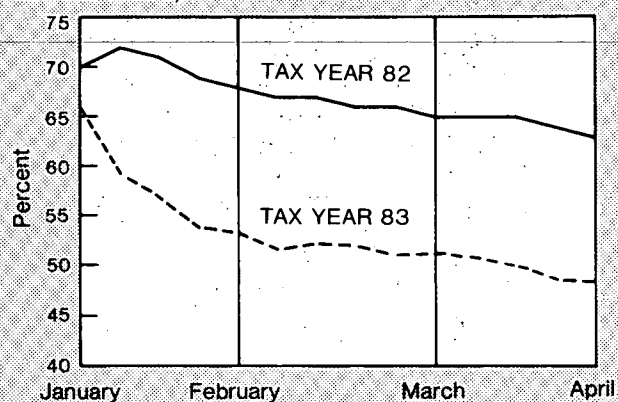
Figure D

All Returns Filed with Labels:  
Tax Years 1982 and 1983

(Cumulative Percent of All Returns with IRS Labels)

Form 1040EZ Returns with Labels:  
Tax Years 1982 and 1983

(Cumulative Percent of Form 1040EZ Returns with IRS Labels)



for the comparable period the previous year. Over one-half of the 9.6 million taxpayers had to include unemployment compensation in taxable income, and a little over three-fourths of the returns with taxable unemployment compensation were jointly-filed returns (see Table 14).

## DATA SOURCES AND LIMITATIONS

Data in the Taxpayer Usage Study (TPUS) were derived from a continuous daily sampling of returns when they were received at the Internal Revenue service centers. Sampling was conducted at a designated 1-in-13,000 rate for Tax Years 1979 and 1980--and 1-in-15,000 for Tax Years 1981, 1982 and 1983. Estimates from the annual Taxpayer Usage Studies apply exclusively to the Forms 1040, 1040A, and 1040EZ Individual Income Tax Returns filed on current year tax forms,

and cover about 93 percent of the total individual returns expected to be filed for the year. The designated sampling rate was set at 1 in 15,000 in order to yield a sample of about 6,500 Forms 1040, 1040A, and 1040EZ from the Tax Year 1983 filing population, projected to be about 97.0 million individual income tax returns.

For Tax Year 1983, the official IRS service center count of Forms 1040 received by April 27, 1984, was 55,853,000, while the number of 1040's in the sample was 4,007. Thus, the effective weight for Forms 1040 was 13,938.83 (55,853,000 divided by 4,007). For Forms 1040A, the official IRS count received by April 27 was 19,094,000, and the number of sample 1040A's was 1,215. The weight assigned was 15,715.23. For Forms 1040EZ, the official IRS count received by April 27 was 15,462,000 while the number of sample 1040EZ's was 942. Thus, the weight assigned was 16,414.01. The TPUS samples are not stratified by income size and the sampling rates are low. Therefore, only frequency estimates are available.

Because 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, errors. To use properly the statistical data provided, the magnitude of the sampling errors must be known. Coefficients of Variation (CV's), computed from the sample, are used to measure the magnitude of the sampling errors.

The table below presents approximate 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 [8]. For numbers of returns other than those shown below, the corresponding CV's can be estimated by interpolation.

Estimated Number of Returns	Approximate Coefficients of Variation (Percent)
34,845,000	2.0
15,487,000	3.0
8,711,000	4.0
5,575,000	5.0
1,394,000	10.0
619,000	15.0
348,000	20.0
155,000	30.0
114,000	35.0
56,000	50.0

Estimates with CV's of 50 percent have standard deviations which are about one-half as large as the estimates themselves.

#### NOTES AND REFERENCES

The statistics in this article are based in all cases and for all years on filings through the end of April. Data from the entire year's filings for 1983 will appear separately in a subsequent issue of the Statistics of Income Bulletin using the larger Statistics of Income sample now being processed.

- [1] U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, February 1984, Table A-1.
- [2] Galper, Harvey, and Steuerle, Eugene, "Tax Incentives for Saving," Statistics of Income Bulletin, Spring 1984, p. 5.
- [3] U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, April 1984, Table A-73.
- [4] Riley, Dorothea, "Individual Income Tax Returns: Selected Characteristics from the 1982 Taxpayer Usage Study," Statistics of Income Bulletin, Summer 1983, p. 44.
- [5] SOI data for all of 1982 showed 48.3 percent of the Forms 1040 and 1040A were jointly filed (compared to 50.0 percent for TPUS). The difference is probably due to the early cut-off for TPUS.
- [6] Grayson, Paul E., "The Life Cycle of Individual Income Tax Returns," Statistics of Income Bulletin, Spring 1984, p. 14.
- [7] Riley, op.cit., p. 52.
- [8] See also Grayson, Paul E., "Is the Difference Significant? A Nomographic Guide to Interpreting Statistics in the IRS's Taxpayer Usage Study," Statistics of Income and Related Administrative Record Research: 1983, pp. 183-188.



Individual Income Tax Returns, 1983 Taxpayer Usage Study

Table 1.--All Returns: Entry for Filing Status, by Adjusted Gross Income, and by Type of Return

[All figures are estimates based on samples--numbers of returns are in thousands]

Filing status	Total	Size of adjusted gross income							
		Under \$5,000	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 and over
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns filed .....	90,407	15,718	15,955	13,046	10,444	16,284	14,848	3,457	657
Single .....	36,958	12,101	9,226	5,809	4,083	4,065	1,452	125	*98
Married filing joint return .....	43,924	2,047	4,146	5,082	4,993	10,870	12,951	3,304	531
Married filing separate return .....	654	211	152	*89	*91	*98	-	-	*14
Unmarried, head of household .....	8,774	1,360	2,389	2,052	1,277	1,224	432	28	*14
Qualifying widow(er) with dependent child .....	*98	-	*42	*14	-	*28	*14	-	-
All Form 1040 returns filed .....	55,853	4,823	6,663	7,039	6,384	12,754	14,092	3,457	641
Single .....	15,556	3,248	3,108	2,537	2,161	2,955	1,324	125	98
Married filing joint return .....	35,878	1,199	2,732	3,652	3,485	8,670	12,322	3,304	516
Married filing separate return .....	293	*70	*42	*42	*28	*98	-	-	14
Unmarried, head of household .....	4,028	307	739	795	711	1,004	432	*28	*14
Qualifying widow(er) with dependent child .....	*98	-	*42	*14	-	*28	*14	-	-
All Form 1040A returns filed .....	19,094	4,133	4,761	3,709	2,829	2,938	707	N.A.	*16 <sup>1</sup>
Single .....	5,940	2,090	1,587	974	691	519	*79	-	-
Married filing joint return .....	8,046	849	1,414	1,430	1,509	2,200	629	-	*16
Married filing separate return .....	361	141	110	*47	*63	-	-	-	-
Unmarried, head of household .....	4,746	1,053	1,650	1,257	566	220	-	-	-
All Form 1040EZ returns filed** .....	15,462	6,763	4,530	2,298	1,231	591	49	N.A.	N.A.
		Percentage of returns							
All returns filed .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Single .....	40.9	77.0	57.8	44.5	39.1	25.0	9.8	3.6	14.9
Married filing joint return .....	48.6	13.0	26.0	39.0	47.8	66.7	87.2	95.6	80.8
Married filing separate return .....	0.7	1.3	1.0	0.7	0.9	0.6	-	-	2.1
Unmarried, head of household .....	9.7	8.7	15.0	15.7	12.2	7.5	2.9	0.8	2.1
Qualifying widow(er) with dependent child .....	0.1	-	0.3	0.1	-	0.2	0.1	-	-
All Form 1040 returns filed .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Single .....	27.9	67.3	46.6	36.0	33.9	23.2	9.4	3.6	15.3
Married filing joint return .....	64.2	24.9	41.0	51.9	54.6	68.0	87.4	95.6	80.5
Married filing separate return .....	0.5	1.5	0.6	0.6	0.4	0.8	-	-	2.2
Unmarried, head of household .....	7.2	6.4	11.1	11.3	11.1	7.9	3.1	0.8	2.2
Qualifying widow(er) with dependent child .....	0.2	-	0.6	0.2	-	0.2	0.1	-	-
All Form 1040A returns filed .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	N.A.	100.0 <sup>1</sup>
Single .....	31.1	50.6	33.3	26.3	24.4	17.7	11.2	-	-
Married filing joint return .....	42.1	20.5	29.7	38.6	53.3	74.9	89.0	-	100.0
Married filing separate return .....	1.9	3.4	2.3	1.3	2.2	-	-	-	-
Unmarried, head of household .....	24.9	25.5	34.6	33.9	20.0	7.5	-	-	-
All Form 1040EZ returns filed .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	N.A.	N.A.

N.A. - Not applicable.

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

\*\*All Form 1040EZ's were, by law, single returns.

<sup>1</sup>This is an obvious taxpayer error as the maximum AGI allowed to be reported on a Form 1040A is \$49,999.99.

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

Table 2.--All Form 1040 and Form 1040A Returns: Entry for Payments to an Individual Retirement Account (IRA), by Size of Adjusted Gross Income

Payments to an IRA (Line 25, Form 1040, Line 11a, Form 1040A)	Total	Size of adjusted gross income							
		Under \$5,000	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 and over
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All Form 1040 and 1040A returns filed .....	74,946	8,956	11,424	10,748	9,213	15,693	14,799	3,457	657
Returns with payments to an IRA, total .....	12,803	200	389	786	1,346	2,753	4,903	2,035	390
\$1 under \$2,000 .....	2,961	*85	190	274	466	887	906	153	-
\$2,000 .....	4,315	*87	171	401	584	1,096	1,460	432	*84
\$2,001 under \$2,250 .....	*99	-	-	-	*28	*16	*56	-	-
\$2,250 .....	2,049	*14	-	*56	125	307	878	530	139
\$2,251 under \$4,000 .....	518	-	-	*28	-	113	265	112	-
\$4,000 .....	2,805	-	*28	*28	143	321	1,310	808	167
More than \$4,000 .....	*56	*14	-	-	-	*14	*28	-	-
Returns without payments to an IRA ..	62,143	8,755	11,036	9,962	7,867	12,939	9,896	1,422	267
All Form 1040 returns filed .....	55,853	4,823	6,663	7,039	6,384	12,754	14,092	3,457	641
Returns with payments to an IRA, total .....	11,876	153	279	613	1,031	2,565	4,809	2,035	390
Returns without payment to an IRA ...	43,977	4,670	6,384	6,426	5,353	10,189	9,283	1,422	251
All Form 1040A returns filed .....	19,094	4,133	4,762	3,709	2,829	2,939	707	N.A.	*16
Returns with payments to an IRA, total .....	927	*47	110	173	314	189	*94	-	-
Returns without payments to an IRA ..	18,167	4,086	4,652	3,536	2,514	2,750	613	-	*16
Percentage of returns									
All Form 1040 and 1040A returns filed .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Returns with payments to an IRA, total .....	17.1	2.2	3.4	7.3	14.6	17.5	33.1	58.9	59.4
\$1 under \$2,000 .....	4.0	1.0	1.7	2.5	5.1	5.7	6.1	4.4	-
\$2,000 .....	5.8	1.0	1.5	3.7	6.3	7.0	9.9	12.5	12.7
\$2,001 under \$2,250 .....	0.1	-	-	-	0.3	0.1	0.4	-	-
\$2,250 .....	2.7	0.2	-	0.5	1.4	2.0	5.9	15.3	21.2
\$2,251 under \$4,000 .....	0.7	-	-	0.3	-	0.7	1.8	3.2	-
\$4,000 .....	3.7	-	0.2	0.3	1.6	2.0	8.9	23.4	25.5
More than \$4,000 .....	0.1	0.2	-	-	-	0.1	0.2	-	-
Returns without payments to an IRA ..	82.9	97.8	96.6	92.7	85.4	82.5	66.9	41.1	40.6
All Form 1040 returns filed .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Returns with payments to an IRA, total .....	21.3	3.2	4.2	8.7	16.2	20.1	34.1	58.9	60.9
Returns without payments to an IRA ..	78.7	96.8	95.8	91.3	83.8	79.9	65.9	41.1	39.1
All Form 1040A returns filed .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Returns with payments to an IRA, total .....	4.9	1.1	2.3	4.7	11.1	6.4	13.3	-	-
Returns without payments to an IRA ..	95.1	98.9	97.7	95.3	88.9	93.6	86.7	-	100.0

N.A. - Not applicable.

\*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.

## Individual Income Tax Returns, 1983 Taxpayer Usage Study

Table 3.--Form 1040 and Form 1040A Returns: Entry for Payments to an Individual Retirement Account (IRA), Classified by Filing Status, and Type of Return

[All figures are estimates based on samples--number of returns are in thousands]

Payments to an IRA	Total	Filing status				
		Single	Married filing joint return	Married filing separate return	Unmarried head of household	Qualifying widow(er)
	(1)	(2)	(3)	(4)	(5)	(6)
All Form 1040 and 1040A returns filed .....	74,946	21,496	43,924	654	8,774	*98
Returns with payments to an IRA, total .....	12,803	2,576	9,435	*16	748	*28
\$1 under \$2,000 .....	2,961	722	2,063	-	176	-
\$2,000 .....	4,315	1,811	1,889	*16	571	*28
\$2,001 under \$2,250 .....	100	*30	*70	-	-	-
\$2,250 .....	2,049	-	2,049	-	-	-
\$2,251 under \$4,000 .....	518	-	518	-	-	-
\$4,000 .....	2,805	-	2,805	-	-	-
More than \$4,000 .....	*56	*14	*42	-	-	-
Returns without payments to an IRA .....	62,143	18,920	34,489	638	8,027	*70
All Form 1040 returns filed .....	55,853	15,556	35,878	293	4,028	*98
Returns with payments to an IRA, total .....	11,876	1,979	9,200	-	669	*28
Returns without payments to an IRA .....	43,977	13,576	26,679	293	3,359	*70
All Form 1040A returns filed .....	19,094	5,940	8,046	361	4,746	N.A.
Returns with payments to an IRA, total .....	927	597	236	*16	*79	-
Returns without payments to an IRA .....	18,167	5,343	7,810	346	4,667	-

N.A. -- Not applicable.

\*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.

Table 4.--All Form 1040 Returns: Entry for All Savers Certificate Interest Exclusion (ASC), by Filing Status

[All figures are estimates based on samples--number of returns are in thousands]

Amount of All Savers Certificate Interest Exclusion (Schedule B, Lines 4, 5 or 6, Form 1040)	Total	Filing status				
		Single	Married filing joint return	Married filing separate return	Unmarried head of household	Qualifying widow(er)
	(1)	(2)	(3)	(4)	(5)	(6)
All Form 1040 returns filed .....	55,853	15,556	35,878	293	4,028	*98
Returns with ASC exclusions, total .....	1,882	432	1,408	-	*42	-
Under \$1,000 .....	1,408	348	1,018	-	*42	-
\$1,000 .....	*98	*70	*28	-	-	-
\$1,001 under \$2,000 .....	209	*14	195	-	-	-
\$2,000 .....	167	-	167	-	-	-
Returns without ASC exclusions .....	53,971	15,124	34,470	293	3,986	*98
Percentage of returns						
All Form 1040 returns filed .....	100.0	100.0	100.0	100.0	100.0	100.0
Returns with ASC exclusions, total .....	3.4	2.8	3.9	-	1.0	-
Under \$1,000 .....	2.5	2.2	2.8	-	1.0	-
\$1,000 .....	0.2	0.4	0.1	-	-	-
\$1,001 under \$2,000 .....	0.4	0.1	0.5	-	-	-
\$2,000 .....	0.3	-	0.5	-	-	-
Returns without ASC exclusions .....	96.6	97.2	96.1	100.0	99.0	100.0

\*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.

Table 5.--All Joint Form 1040 and 1040A Returns Filed: Entry for Deduction for Two-Earner Married Couples, by the Presence of a Schedule W Attached to the Form 1040

[All figures are estimates based on samples--number of returns are in thousands]

Entry for deduction for married couple	Total	Schedule W	
		Attached	Not attached
All joint Forms 1040 and 1040A returns filed .....	43,924	17,493	26,431
Entry for deduction for married couple .....	20,994	17,242	3,752
Percent with entry .....	47.8	98.6	14.2
All joint Forms 1040 returns filed .....	35,878	17,493	18,385
Entry for deduction for married couple .....	17,647	17,242	404
Percent with entry .....	49.2	98.6	2.2
All joint Forms 1040A returns filed .....	8,046	-	8,046
Entry for deduction for married couple .....	3,347	-	3,347
Percent with entry .....	41.6	-	41.6

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

Table 6.--All Returns: Presence of W-2 Statement(s), by Size of Adjusted Gross Income Class and by Type of Return

[All figures are estimates based on samples--number of returns are in thousands]

Attachment of Form W-2, type of return	Total	Size of adjusted gross income							
		Under \$5,000	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 and over
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns filed .....	90,407	15,718	15,955	13,046	10,444	16,284	14,848	3,457	657
Attached, total .....	77,777	12,719	12,594	10,905	9,243	14,877	13,817	3,094	530
One .....	39,904	6,975	7,156	7,124	5,235	7,581	4,453	1,115	265
Two or more (separate earners) ....	20,699	272	907	1,566	2,312	5,420	8,312	1,756	153
Two or more (same earners) .....	17,176	5,471	4,532	2,215	1,695	1,876	1,052	223	112
Not attached .....	12,630	3,000	3,360	2,141	1,201	1,407	1,031	362	127
All Form 1040 returns filed .....	55,853	4,823	6,663	7,039	6,384	12,754	14,092	3,457	641
Attached, total .....	44,269	2,300	3,666	4,962	5,199	11,458	13,061	3,094	530
One .....	20,546	1,422	2,021	2,899	2,997	5,673	4,154	1,115	265
Two or more (separate earners) ....	16,880	*84	404	1,031	1,338	4,210	7,903	1,756	153
Two or more (same earners) .....	6,844	795	1,241	1,031	864	1,575	1,004	223	112
Not attached .....	11,583	2,523	2,997	2,077	1,185	1,296	1,031	362	112
All Form 1040A returns filed .....	19,094	4,133	4,761	3,709	2,829	2,938	707	N.A.	*16
Attached, total .....	18,277	3,787	4,447	3,677	2,813	2,844	707	-	-
One .....	10,199	2,090	2,656	2,436	1,336	1,399	283	-	-
Two or more (separate earners) ....	3,819	189	503	534	974	1,210	409	-	-
Two or more (same earners) .....	4,259	1,509	1,289	707	503	236	*16	-	-
Not attached .....	817	346	314	*31	*16	*94	-	-	*16
All Form 1040EZ returns filed .....	15,462	6,763	4,530	2,298	1,231	591	*49	N.A.	N.A.
Attached, total .....	15,232	6,631	4,481	2,265	1,231	574	*49	-	-
One .....	9,159	3,463	2,479	1,789	903	509	*16	-	-
Two or more .....	6,073	3,168	2,003	476	328	*66	*33	-	-
Not attached .....	230	131	*49	*33	-	*16	-	-	-

N.A. - Not applicable.

\*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.

## Individual Income Tax Returns, 1983 Taxpayer Usage Study

Table 7.--Form 1040 and Form 1040A Joint Returns: Entry for Deduction for Two-Earner Married Couples, by Size of Adjusted Gross Income

[All figures are estimates based on samples--numbers of returns are in thousands]

Deduction for married couple	Total	Size of adjusted gross income							
		Under \$5,000	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 and over
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All joint 1040 and 1040A returns filed .....	43,924	2,047	4,146	5,082	4,993	10,870	12,951	3,304	531
Returns with entry for deduction for married couple, total .....	20,994	197	813	1,484	2,274	5,676	8,530	1,882	139
Returns without entry for deduction for married couple .....	22,931	1,850	3,334	3,598	2,719	5,195	4,421	1,422	392
All joint 1040 returns filed .....	35,878	1,199	2,732	3,652	3,485	8,670	12,322	3,304	516
Returns with entry for deduction for married couple, total .....	17,647	*56	404	1,059	1,394	4,544	8,168	1,882	139
Returns without entry for deduction for married couple .....	18,232	1,143	2,328	2,593	2,091	4,126	4,154	1,422	376
All joint 1040A returns filed .....	8,046	849	1,414	1,430	1,509	2,200	629	-	*16
Returns with entry for deduction for married couple, total .....	3,347	141	409	424	880	1,131	361	-	-
Returns without entry for deduction for married couple .....	4,699	707	1,006	1,006	629	1,069	267	-	*16

N.A. - Not applicable.

\*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.

Table 8.--All Returns Without Itemized Deductions: Entry for Charitable Contributions, and Size of the Contribution, by Size of Adjusted Gross Income and by Type of Return

[All figures are estimates based on samples--numbers of returns are in thousands]

Contribution status	Total	Size of adjusted gross income							
		Under \$5,000	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 and over
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns filed .....	90,407	15,718	15,955	13,046	10,444	16,284	14,848	3,457	657
With entry for charitable contributions, total .....	23,128	2,811	5,584	4,824	3,621	4,184	1,909	167	*28
\$1 under \$25 .....	4,176	726	1,173	1,021	627	524	104	-	-
\$25 .....	17,899	1,917	4,273	3,564	2,841	3,529	1,635	125	*14
More than \$25 .....	1,054	168	138	239	152	131	171	*42	*14
Without entry for charitable contributions .....	67,280	12,908	10,371	8,222	6,823	12,099	12,939	3,290	629
All Form 1040 returns filed .....	55,853	4,823	6,663	7,039	6,384	12,754	14,092	3,457	641
With entry for charitable contributions, total .....	11,876	836	2,676	2,356	1,742	2,634	1,436	167	*28
\$1 under \$25 .....	1,338	125	335	321	279	223	*56	-	-
\$25 .....	10,050	669	2,314	1,937	1,422	2,328	1,241	125	*14
More than \$25 .....	488	*42	*28	*98	*42	*84	139	*42	*14
Without entry for charitable contributions .....	43,977	3,987	3,987	4,683	4,642	10,120	12,656	3,290	613
All Form 1040A returns filed .....	19,094	4,133	4,762	3,709	2,829	2,939	707	N.A.	*16
With entry for charitable contributions, total .....	6,820	629	1,430	1,697	1,320	1,320	424	-	-
\$1 under \$25 .....	1,524	141	346	487	283	236	*31	-	-
\$25 .....	4,730	361	974	1,069	927	1,037	361	-	-
More than \$25 .....	566	126	110	141	110	*47	*31	-	-
Without entry for charitable contributions .....	12,274	3,504	3,332	2,012	1,509	1,619	283	-	*16
All Form 1040EZ returns filed .....	15,462	6,763	4,530	2,298	1,231	591	*49	N.A.	N.A.
With entry for charitable contributions, total .....	4,432	1,346	1,477	771	558	230	*49	-	-
\$1 under \$25 .....	1,313	460	492	213	*66	*66	*16	-	-
\$25 .....	3,119	886	985	558	492	164	*33	-	-
More than \$25 .....	-	-	-	-	-	-	-	-	-
Without entry for charitable contributions .....	11,030	5,417	3,053	1,527	673	361	-	-	-

N.A. - Not applicable.

\*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.

## Individual Income Tax Returns, 1983 Taxpayer Usage Study

Table 9.--All Form 1040 Returns: Use of Selected Forms and Schedule, by Size of Adjusted Gross Income

[All figures are estimates based on samples--number of returns are in thousands]

Form or Schedule	Type of attachment	Total	Size of adjusted gross income							
			Under \$5,000	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 and over
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Form 1040, total		55,853	4,823	6,663	7,039	6,384	12,754	14,092	3,457	641
A	Itemized Deductions	32,575	641	1,519	2,816	3,164	8,503	12,029	3,304	599
B	Interest and Dividend Income	26,749	2,161	3,345	3,122	2,913	4,934	7,234	2,467	571
C	Profit (or Loss) from Business or Profession	8,558	1,073	1,087	1,254	892	1,714	1,798	585	153
D	Capital Gains and Losses	7,457	432	502	976	697	1,241	2,105	1,129	376
E	Supplemental Income Schedule	9,492	615	1,143	1,171	836	1,798	2,328	1,157	446
F	Farm Income and Expenses	2,202	321	335	237	251	404	502	*70	*84
G	Income Averaging	4,446	*14	*56	223	348	990	1,826	892	*98
R/RP	Credit for the Elderly	418	*28	139	*56	*28	*70	*84	*14	-
SE	Computation of Social Security Self-Employment Tax	8,655	1,115	1,268	1,310	920	1,756	1,631	502	153
W	Deduction for a Married Couple When Both Work	17,535	*70	404	1,045	1,422	4,474	8,098	1,882	139
1116	Computation of Foreign Tax Credit	279	*14	*14	*42	*14	*56	*84	*28	*28
2106	Employee Business Expenses	6,119	125	251	641	669	1,464	2,161	781	*28
2119	Sale or Exchange of Principal Residence	822	*28	*42	*70	*70	195	265	139	*14
2210/2210F	Underpayment of Estimated Income Tax	2,579	139	279	376	335	376	655	307	112
2440	Disability Income Exclusion	237	*70	*56	*70	*28	*14	-	-	-
2441	Credit for Child and Dependent Care Expenses	4,865	*42	153	404	418	1,478	1,965	390	*14
3468	Computation of Investment Credit	3,276	321	348	376	321	474	641	516	279
3903	Moving Expense Adjustment	1,199	*84	*70	223	153	223	335	*98	*14
4136	Computation of Credit for Federal Tax on Gasoline, Special Fuels, and Lubricating Oil	808	223	112	139	*70	*98	153	*14	-
4255	Recapture of Investment Credit	474	*70	*28	*42	*28	*56	*98	*70	*84
4562	Depreciation	8,294	836	892	1,059	781	1,561	2,119	864	181
4684	Casualties and Thefts	293	-	*42	*28	*56	*42	*98	*28	-
4797	Supplemental Schedule of Gains and Losses	1,324	195	*70	167	167	265	251	*98	112
5329	Return for Individual Retirement Arrangement Taxes	139	-	-	-	*28	*70	*28	*14	-
5695	Residential Energy Credit	2,467	*56	*70	237	265	627	920	251	*42
6251	Alternative Minimum Tax Computation	558	*28	*14	*28	*14	*28	167	181	*98
6252	Computation of Installment Sale Income	1,143	*42	112	167	181	237	181	167	*56

\*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.

Table 10.--All Returns: Entry for Interest Income (Line 8, Form 1040, Line 9, Form 1040A, and Line 2, Form 1040EZ), by Size of Adjusted Gross Income

[All figures are estimates based on samples--number of returns are in thousands]

Amount of interest income	Total	Size of adjusted gross income						
		Under \$5,000	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 and over
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All TY83 returns filed .....	90,407	15,718	15,955	13,046	10,444	16,284	14,848	4,114
Returns without interest income .....	36,898	9,799	8,453	6,434	4,330	5,221	2,395	266
Returns with interest income, total .....	53,510	5,919	7,502	6,612	6,114	11,063	12,454	3,847
Percent with an entry .....	59.2	37.7	47.0	50.7	58.5	67.9	83.9	93.5
All TY82 returns filed .....	89,964	17,129	15,650	13,472	10,571	15,343	14,100	3,699
Returns without interest income .....	39,798	11,537	8,689	6,762	4,543	5,350	2,692	225
Returns with interest income .....	50,165	5,592	6,981	6,710	6,028	9,993	11,408	3,474
Percent with an entry .....	55.8	32.6	44.6	49.8	57.0	65.1	80.9	93.9
All TY81 returns filed .....	90,670	19,166	16,138	13,733	10,815	15,817	12,005	2,995
Returns without interest income .....	43,224	12,844	10,062	7,224	5,052	5,495	2,298	248
Returns with interest income .....	47,446	6,322	6,076	6,509	5,763	10,323	9,707	2,747
Percent with an entry .....	52.3	33.0	37.7	47.4	53.3	65.3	80.9	91.7

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

Table 11.--All Form 1040 and 1040A Returns: Entry for Dividends (Line 9a, Form 1040, Line 8a, Form 1040A) Classified by Size of Adjusted Gross Income

[All figures are estimates based on samples--number of returns are in thousands]

Amount of dividend income	Total	Size of adjusted gross income							
		Under \$5,000	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 and over
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All 1040 and 1040A returns filed ..	74,947	8,956	11,424	10,748	9,213	15,693	14,799	3,457	657
Returns with dividend income, total ..	15,520	1,117	1,692	1,713	1,652	3,001	4,016	1,882	446
\$400 or less .....	7,759	552	838	945	864	1,729	2,063	697	*70
More than \$400 .....	7,761	565	854	768	788	1,272	1,953	1,185	376
Returns without dividend income .....	59,426	7,839	9,732	9,035	7,561	12,692	10,783	1,575	211
All 1040 returns filed .....	55,853	4,823	6,663	7,039	6,384	12,754	14,092	3,457	641
Returns with dividend income, total ..	14,482	976	1,519	1,603	1,464	2,718	3,875	1,882	446
\$400 or less .....	6,942	474	697	850	739	1,478	1,937	697	*70
More than \$400 .....	7,541	502	822	753	725	1,241	1,937	1,185	376
Returns without dividend income .....	41,370	3,847	5,143	5,436	4,920	10,036	10,217	1,575	195
All 1040A returns filed .....	19,094	4,133	4,761	3,709	2,829	2,938	707	N.A.	*16
Returns with dividend income, total ..	1,037	141	173	110	189	283	141	-	-
\$400 or less .....	817	*79	141	*94	126	251	126	-	-
More than \$400 .....	220	*63	*31	*16	*63	*31	*16	-	-
Returns without dividend income .....	18,057	3,992	4,589	3,599	2,640	2,656	566	-	*16

N.A. - Not applicable.

\*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.



Table 12.--All Returns: Use of Official IRS Preaddressed Label, by Type of Returns and by Preparer Status

[All figures are estimates based on samples--number of returns are in thousands]

Characteristics of label usage	Preparer Status							
	Total		Form 1040		Form 1040A		Form 1040EZ	
	Entry	No entry	Entry	No entry	Entry	No entry	Entry	No entry
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns filed .....	37,248	53,160	31,990	23,863	4,652	14,442	607	14,855
Official preaddressed label								
Used, total .....	19,602	32,654	17,326	16,964	1,980	8,518	295	7,173
Label unchanged .....	18,311	31,047	16,225	16,253	1,807	7,999	279	6,795
Change includes addition/deletion of a name only .....	127	*42	112	*42	*16	-	-	-
Change includes street address only .....	525	680	446	265	*63	267	*16	148
Change includes city address .....	-	*16	-	-	-	*16	-	-
Change includes state address .....	*14	-	*14	-	-	-	-	-
Other, or combination of changes .....	624	870	530	404	*94	236	-	230
Not used .....	17,647	20,506	14,664	6,900	2,672	5,925	312	7,682
	Percentage of returns							
All returns filed .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Official preaddressed label								
Used, total .....	52.6	61.4	54.2	71.1	42.6	59.0	48.6	48.3
Label unchanged .....	49.2	58.4	50.7	68.1	38.9	55.4	45.9	45.7
Change includes addition/deletion of a name only .....	0.3	0.1	0.3	0.2	0.3	-	-	-
Change includes street address only .....	1.4	1.3	1.4	1.1	1.4	1.8	2.7	1.0
Change includes city address .....	-	*	-	-	-	0.1	-	-
Change includes state address .....	*	-	*	-	-	-	-	-
Other, or combination of changes .....	1.7	1.6	1.7	1.7	2.0	1.6	-	1.5
Not used .....	47.4	38.6	45.8	28.9	57.4	41.0	51.4	51.7

\*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.

Table 13.--All Returns: Entry for Tax (Line 56, Form 1040, Line 23, Form 1040A, Line 9, Form 1040EZ), Classified by Type of Return and Preparer Status

[All figures are estimates based on samples--numbers of returns are in thousands]

Entry for tax and type of return	Total	Paid Preparer Signature	
		Entry	No entry
	(1)	(2)	(3)
All returns filed .....	90,407	37,248	53,160
Entry .....	74,330	32,967	41,363
No entry (including 0, "None," "-", etc.) .....	16,078	4,282	11,797
All Form 1040 returns filed .....	55,853	31,990	23,863
Entry .....	49,566	29,132	20,434
No entry (including 0, "None," "-", etc.) .....	6,286	2,857	3,429
All Form 1040A returns filed .....	19,094	4,652	14,442
Entry .....	14,128	3,457	10,671
No entry (including 0, "None," "-", etc.) .....	4,966	1,194	3,772
All Form 1040EZ returns filed .....	15,462	607	14,855
Entry .....	10,636	378	10,259
No entry (including 0, "None," "-", etc.) .....	4,826	230	4,596
	Percentage of returns		
All returns filed .....	100.0	100.0	100.0
Entry .....	82.2	88.5	77.8
No entry (including 0, "None," "-", etc.) .....	17.8	11.5	22.2
All Form 1040 returns filed .....	100.0	100.0	100.0
Entry .....	88.7	91.1	85.6
No entry (including 0, "None," "-", etc.) .....	11.3	8.9	14.4
All Form 1040A returns filed .....	100.0	100.0	100.0
Entry .....	74.0	74.3	73.9
No entry (including 0, "None," "-", etc.) .....	26.0	25.7	26.1
All Form 1040EZ returns filed .....	100.0	100.0	100.0
Entry .....	68.8	62.2	69.1
No entry (including 0, "None," "-", etc.) .....	31.2	37.8	30.9

NOTE: Entry for tax after credits. Detail may not add to total because of rounding.

## Individual Income Tax Returns, 1983 Taxpayer Usage Study

Table 14.--Form 1040 and Form 1040A Returns: Entry for Unemployment Compensation, Classified by Filing Status

[All figures are estimates based on samples--number of returns are in thousands]

Unemployment compensation	Total	Filing status				
		Single	Married filing joint return	Married filing separate return	Unmarried head of household	Qualifying widow(er)
	(1)	(2)	(3)	(4)	(5)	(6)
All Form 1040 and 1040A returns filed .....	74,946	21,496	43,924	654	8,774	*98
Entry for unemployment compensation, total ...	9,591	2,191	6,283	136	980	-
Entry for both taxable and nontaxable amount .....	5,210	718	4,054	*75	363	-
Entry for "Total Received" only .....	4,152	1,398	2,123	*61	571	-
Entry for "Taxable Amount" only .....	229	*75	106	-	*47	-
No entry for unemployment compensation .....	65,355	19,305	37,641	518	7,794	*98
All Form 1040 returns filed .....	55,853	15,556	35,878	293	4,028	*98
Entry for unemployment compensation, total ...	6,008	1,059	4,460	*42	446	-
Entry for both taxable and nontaxable amount .....	4,126	530	3,331	*28	237	-
Entry for "Total Received" only .....	1,826	502	1,101	*14	209	-
Entry for "Taxable Amount" only .....	*56	*28	*28	-	-	-
No entry for unemployment compensation .....	49,845	14,496	31,418	251	3,582	*98
All Form 1040A returns filed .....	19,094	5,940	8,046	361	4,746	N.A.
Entry for unemployment compensation, total ...	3,583	1,131	1,823	*94	534	-
Entry for both taxable and nontaxable amount .....	1,084	189	723	*47	126	-
Entry for "Total Received" only .....	2,326	896	1,021	*47	361	-
Entry for "Taxable Amount" only .....	173	*47	*79	-	*47	-
No entry for unemployment compensation .....	15,511	4,809	6,223	267	4,212	-

N.A. - Not applicable.

\*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.

# Corporate Foreign Tax Credit, 1980: An Industry Focus

By William States\*

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

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

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

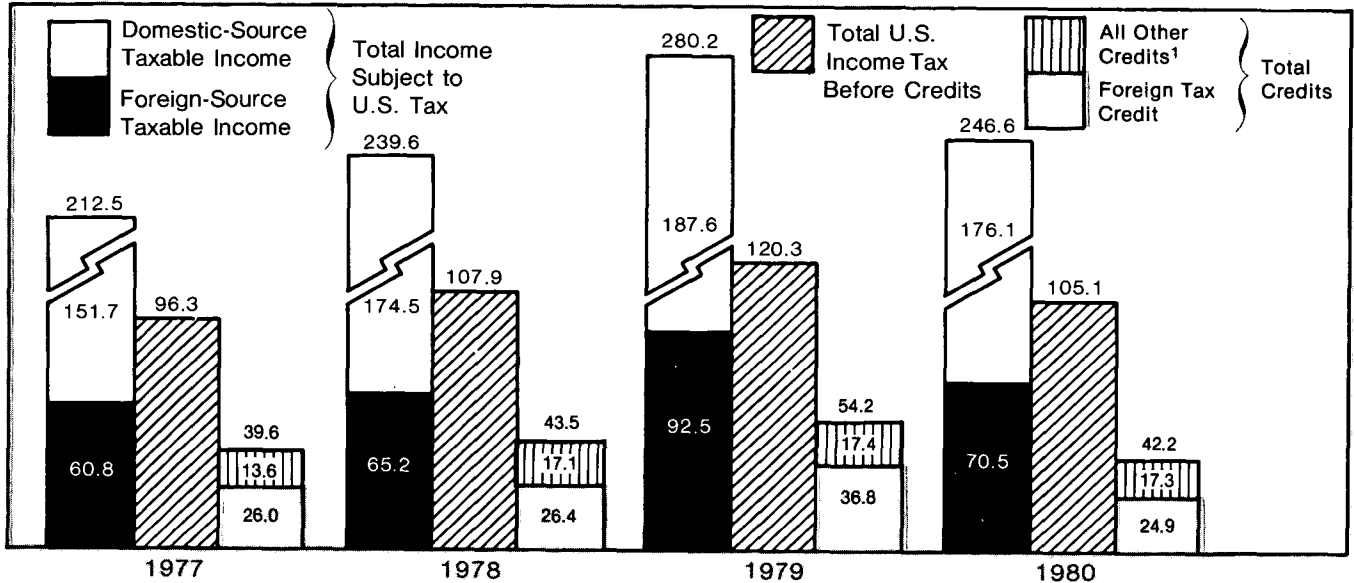
[All figures are estimates based on samples--money amounts are in millions of dollars]

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

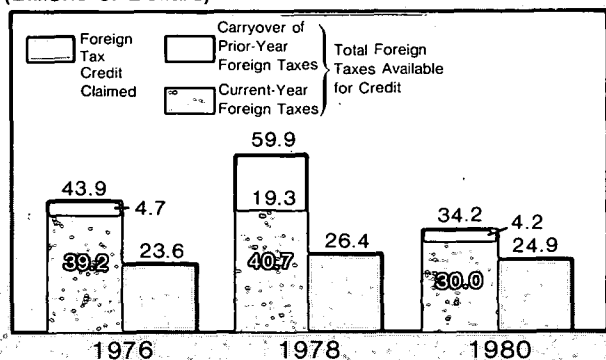
reduction for excess foreign oil and gas extraction taxes [10] are illustrated by Figure C [11]. For 1980, the \$24.9 billion in foreign tax credit claimed represented only 73 percent of the \$34.2 billion in total foreign taxes available for credit. Of the \$9.3 billion in foreign taxes that were not 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.

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

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

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

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

Major industry	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>All industries</b> .....	<b>6,199</b>	<b>3,245,852,517</b>	<b>2,303,163,923</b>	<b>13,877,760</b>	<b>4,279,440</b>	<b>2,873,881</b>	<b>12,647,655</b>	<b>144,244,681</b>	<b>2,983</b>	<b>138,601,997</b>
<b>Agriculture, forestry, and fishing</b> .....	<b>89</b>	<b>2,571,871</b>	<b>5,394,727</b>	<b>16,246</b>	<b>1,628</b>	<b>1,414</b>	<b>3,391</b>	<b>235,047</b>	<b>—</b>	<b>231,319</b>
<b>Mining</b> .....	<b>162</b>	<b>58,340,430</b>	<b>39,354,919</b>	<b>271,572</b>	<b>39,457</b>	<b>58,790</b>	<b>81,802</b>	<b>6,674,554</b>	<b>774</b>	<b>6,418,964</b>
Metal mining .....	16	10,709,678	5,030,501	57,575	3,496	5,675	23,312	504,792	—	432,138
Coal mining .....	7	1,942,885	1,930,241	2,304	1,669	—	265	65,370	—	61,371
Oil and gas extraction .....	127	40,886,507	28,627,917	210,091	28,692	53,115	57,553	5,636,541	774	5,458,692
Nonmetallic minerals, except fuels .....	12	4,801,360	3,766,260	1,603	5,599	—	672	467,851	—	466,762
<b>Construction</b> .....	<b>161</b>	<b>11,941,943</b>	<b>20,678,945</b>	<b>82,822</b>	<b>4,524</b>	<b>107,773</b>	<b>109,713</b>	<b>905,314</b>	<b>39</b>	<b>882,761</b>
General building contractors and operative builders .....	75	5,293,441	8,441,145	29,495	494	2,331	15,051	192,249	19	183,962
Heavy construction contractors .....	40	5,463,304	10,164,336	48,361	3,816	105,351	93,973	655,626	—	645,676
Special trade contractors .....	46	1,185,199	2,073,464	4,965	214	91	689	57,439	19	53,123
<b>Manufacturing</b> .....	<b>2,271</b>	<b>1,138,860,451</b>	<b>1,483,360,175</b>	<b>11,812,812</b>	<b>3,913,068</b>	<b>2,277,012</b>	<b>10,023,329</b>	<b>106,566,278</b>	<b>1,842</b>	<b>103,689,005</b>
Food and kindred products .....	169	70,724,714	117,353,032	616,786	125,151	82,815	435,803	6,667,681	70	6,609,916
Tobacco manufactures .....	9	27,975,318	24,233,385	47,743	71,213	19,551	35,230	2,281,704	—	2,068,511
Textile mill products .....	42	7,233,801	11,869,140	31,283	15,586	17,491	35,894	605,694	—	588,144
Apparel and other textile products .....	100	5,913,141	9,365,628	57,310	3,698	2,542	46,787	808,413	—	800,966
Lumber and wood products .....	24	13,832,207	13,937,902	102,407	36,777	7,078	48,760	604,290	(1)	654,666
Furniture and fixtures .....	33	1,825,688	2,980,465	1,305	858	851	1,454	263,563	—	262,956
Paper and allied products .....	42	30,907,657	36,978,921	558,256	105,937	29,996	335,206	2,731,238	—	2,708,125
Printing and publishing .....	148	20,897,582	25,660,381	127,228	21,183	376	75,938	2,491,199	7	2,433,951
Chemicals and allied products .....	246	112,852,108	138,520,636	1,217,730	735,873	565,739	1,048,548	10,678,743	83	10,598,306
Petroleum (including integrated) and coal products .....	43	325,103,221	540,172,212	4,310,738	73,465	739,843	4,420,205	44,826,469	—	43,014,198
Rubber and miscellaneous plastics products .....	117	9,708,904	13,678,515	81,250	18,763	7,209	60,967	562,917	—	556,384
Leather and leather products .....	14	2,583,195	4,069,961	2,248	89	357	2,105	381,408	—	330,345
Stone, clay, and glass products .....	36	19,951,952	21,541,442	178,075	41,050	16,390	113,737	1,177,159	37	1,125,164
Primary metal industries .....	79	89,393,439	85,087,390	414,798	110,324	166,481	256,429	4,088,139	—	3,895,505
Fabricated metal products .....	214	32,814,788	38,998,056	429,623	96,816	35,319	282,800	2,795,607	—	2,781,069
Machinery, except electrical .....	411	109,074,029	112,240,913	2,093,455	639,305	195,843	1,783,261	11,341,103	527	11,299,754
Electrical and electronic equipment .....	225	112,467,170	115,974,420	621,091	609,333	184,647	392,733	6,574,213	32	6,405,388
Motor vehicles and equipment .....	79	78,081,450	80,556,060	422,621	243,736	50,784	231,377	1,837,617	642	1,794,178
Transportation equipment, except motor vehicles .....	39	35,160,789	46,132,643	117,657	615,033	40,250	79,841	1,622,363	288	1,582,062
Instruments and related products .....	87	22,204,323	30,486,450	336,476	315,856	95,194	329,122	3,419,543	68	3,385,323
Miscellaneous manufacturing products and manufacturing not allocable .....	113	10,154,976	13,522,621	44,732	33,112	18,257	43,130	807,209	88	794,093
<b>Transportation and public utilities</b> .....	<b>147</b>	<b>146,392,772</b>	<b>122,635,801</b>	<b>159,615</b>	<b>23,983</b>	<b>104,803</b>	<b>106,024</b>	<b>5,682,547</b>	<b>—</b>	<b>5,554,994</b>
Transportation .....	109	52,672,447	53,108,416	65,073	3,618	35,570	33,706	2,258,890	—	2,222,418
Water transportation .....	18	6,189,219	3,101,513	7,272	4	10,211	935	504,531	—	493,091
Other transportation .....	92	46,483,227	49,890,311	57,802	3,614	25,359	32,772	1,754,359	—	1,729,327
Communication .....	18	44,591,536	19,566,865	61,601	1,559	49,442	50,887	1,371,948	—	1,290,292
Electric, gas, and sanitary services .....	20	49,128,789	49,960,519	32,941	18,006	19,791	21,431	2,051,709	—	2,042,284
<b>Wholesale and retail trade</b> .....	<b>769</b>	<b>135,829,845</b>	<b>287,472,208</b>	<b>1,014,590</b>	<b>248,781</b>	<b>187,420</b>	<b>2,044,595</b>	<b>8,426,600</b>	<b>310</b>	<b>8,139,341</b>
Wholesale trade .....	649	60,794,568	181,538,515	839,518	247,758	158,559	1,955,224	5,642,658	310	5,562,673
Groceries and related products .....	28	5,028,237	10,199,336	15,234	1,349	49,231	37,246	298,795	—	295,600
Machinery, equipment, and supplies .....	114	5,945,711	10,804,893	4,209	3,309	1,637	1,080	377,444	—	373,596
Miscellaneous wholesale trade .....	507	49,820,620	160,534,286	820,075	237,106	107,691	1,916,897	4,966,419	310	4,893,477
Drugs, chemicals, and allied products .....	31	2,642,293	6,056,062	21,691	4,051	373	14,263	308,125	—	201,997
Petroleum and petroleum products .....	30	15,497,480	43,019,847	667,860	677	91,145	1,846,603	3,029,597	—	3,008,740
Other miscellaneous wholesale trade .....	446	31,680,847	111,458,376	130,523	232,378	16,172	56,031	1,728,697	310	1,682,739
Retail trade .....	120	75,035,277	105,933,693	175,072	1,023	28,861	89,371	2,783,942	—	2,576,669
Building materials, garden supplies, and mobile home dealers .....	*19	*124,951	*271,022	*165	—	—	—	*9,810	—	*9,627
General merchandise stores .....	14	53,945,512	61,783,527	125,296	995	26,507	62,640	1,180,487	—	988,516
Food stores .....	5	6,149,989	21,776,692	32,526	—	1,160	20,172	274,522	—	273,174
Automotive dealers and service stations .....	*21	*313,996	*808,149	*103	—	—	*18	*9,129	—	*7,511
Apparel and accessory stores .....	5	2,538,493	4,016,953	361	—	33	151	103,689	—	103,546
Furniture and home furnishings stores .....	*26	*1,006,908	*1,751,026	*1	—	—	—	*251,167	—	*250,875
Eating and drinking places .....	20	7,454,081	8,306,125	11,242	—	382	2,162	646,105	—	635,529
Miscellaneous retail stores .....	10	3,501,347	7,220,199	5,380	28	780	4,228	309,032	—	308,161
<b>Finance, insurance, and real estate</b> .....	<b>1,738</b>	<b>1,716,555,976</b>	<b>308,944,772</b>	<b>406,198</b>	<b>4,636</b>	<b>101,214</b>	<b>188,661</b>	<b>13,406,894</b>	<b>—</b>	<b>11,428,706</b>
Banking .....	168	1,124,652,081	113,544,941	93,425	—	40,094	62,307	3,850,487	—	3,811,203
Credit agencies other than banks .....	77	28,199,656	6,083,354	43,694	—	22,264	10,089	119,366	—	110,659
Security, commodity brokers and services .....	34	49,777,923	7,777,272	9,958	1,257	2,830	2,451	856,366	—	755,302
Insurance carriers .....	217	501,652,676	176,155,950	85,064	761	30,236	28,707	7,227,119	—	5,615,992
Insurance agents, brokers, and services .....	115	3,558,515	2,175,486	14,667	—	2,258	12,564	416,719	—	413,164
Real estate .....	459	2,305,302	1,046,983	2,696	319	—	179	163,135	—	128,591
Holding and other investment companies except bank holding companies .....	668	6,409,823	2,160,786	156,693	2,298	3,532	72,364	773,703	—	593,794
<b>Services</b> .....	<b>862</b>	<b>35,348,612</b>	<b>35,309,283</b>	<b>113,905</b>	<b>43,352</b>	<b>35,455</b>	<b>90,141</b>	<b>2,345,154</b>	<b>18</b>	<b>2,254,615</b>
Hotels and other lodging places .....	10	4,530,078	3,758,973	6	—	1,343	1	201,147	—	191,346
Personal services .....	*12	*1,453,003	*1,760,274	*7,300	*274	*320	*5,988	*141,825	—	*140,175
Business services .....	362	9,781,884	11,848,329	65,209	1,673	17,209	55,280	754,757	—	731,462
Auto repair, miscellaneous repair services .....	4	1,731,597	1,789,487	—	—	—	—	15,084	—	15,084
Amusement and recreational services .....	96	12,146,921	10,945,888	24,053	34,843	7,866	19,818	843,301	18	801,671
Other services .....	379	5,705,129	5,206,332	17,336	6,562	8,717	9,053	389,042	—	374,878

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	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							Gross income (less loss) excluding branch operations and specially allocable income	
									Total	Dividends
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>All industries</b> .....	<b>62,629,272</b>	<b>61,997,541</b>	<b>24,879,737</b>	<b>173,962</b>	<b>7,031,324</b>	<b>102,751</b>	<b>10,256</b>	<b>30,431,243</b>	<b>86,077,698</b>	<b>19,823,516</b>
<b>Agriculture, forestry, and fishing</b> .....	<b>99,661</b>	<b>98,667</b>	<b>7,490</b>	<b>—</b>	<b>5,713</b>	<b>36</b>	<b>—</b>	<b>86,421</b>	<b>35,258</b>	<b>17,645</b>
<b>Mining</b> .....	<b>2,910,852</b>	<b>2,853,816</b>	<b>1,963,897</b>	<b>—</b>	<b>201,186</b>	<b>895</b>	<b>37</b>	<b>744,837</b>	<b>5,922,735</b>	<b>337,630</b>
Metal mining .....	182,108	161,630	58,114	—	29,307	103	—	94,584	801,847	66,495
Coal mining .....	32,137	24,009	770	—	12,173	—	5	19,189	4,267	2,303
Oil and gas extraction .....	2,473,323	2,461,319	1,822,371	—	118,880	681	29	531,362	4,566,340	263,191
Nonmetallic minerals, except fuels .....	223,285	206,858	82,643	—	40,826	110	4	99,702	550,181	5,640
<b>Construction</b> .....	<b>399,154</b>	<b>394,895</b>	<b>150,842</b>	<b>—</b>	<b>39,733</b>	<b>1,081</b>	<b>13</b>	<b>207,485</b>	<b>1,115,560</b>	<b>190,831</b>
General building contractors and operative builders .....	81,285	79,258	38,257	—	9,411	513	10	33,094	188,516	31,826
Heavy construction contractors .....	294,349	292,363	109,768	—	28,072	566	3	155,939	913,144	153,963
Special trade contractors .....	23,520	23,274	2,817	—	2,250	2	—	18,451	13,899	5,043
<b>Manufacturing</b> .....	<b>46,977,540</b>	<b>46,541,793</b>	<b>19,191,909</b>	<b>172,206</b>	<b>5,067,720</b>	<b>49,853</b>	<b>6,200</b>	<b>22,489,651</b>	<b>56,419,900</b>	<b>17,048,654</b>
Food and kindred products .....	2,956,606	2,920,229	653,025	4,267	312,783	6,957	395	1,979,181	2,459,338	812,239
Tobacco manufactures .....	949,282	946,602	59,486	—	158,421	214	52	731,110	458,967	113,586
Textile mill products .....	270,527	268,803	39,408	—	34,857	4,198	167	191,898	116,415	52,237
Apparel and other textile products .....	367,264	366,775	64,392	71	15,371	3,337	116	283,978	242,670	87,471
Lumber and wood products .....	215,108	201,146	67,620	—	70,840	1,930	29	74,659	179,345	109,485
Furniture and fixtures .....	120,706	120,411	2,453	—	8,613	1,434	32	108,115	130,037	2,156
Paper and allied products .....	1,151,594	1,126,590	373,645	—	193,465	789	72	583,624	1,201,871	589,267
Printing and publishing .....	1,086,273	1,078,592	101,596	—	113,185	779	78	870,635	335,551	130,998
Chemicals and allied products .....	4,832,357	4,767,929	1,720,564	112,724	591,139	3,000	485	2,404,446	4,949,400	2,056,274
Petroleum (including integrated) and coal products .....	19,544,044	19,474,445	11,027,563	—	1,537,544	903	125	6,977,909	25,945,850	6,484,686
Rubber and miscellaneous plastics products .....	250,480	246,984	86,094	—	25,310	671	60	138,346	285,573	89,184
Leather and leather products .....	151,449	151,250	4,889	—	6,095	770	88	139,608	14,439	2,602
Stone, clay, and glass products .....	496,839	481,824	134,747	—	105,250	1,199	183	255,560	505,653	214,386
Primary metal industries .....	1,737,979	1,663,290	611,160	—	275,744	2,750	282	848,043	1,839,130	604,283
Fabricated metal products .....	1,253,992	1,246,497	340,394	1,394	132,207	1,749	141	778,107	1,044,783	486,097
Machinery, except electrical .....	5,214,364	5,163,435	2,331,302	2,586	501,683	5,620	631	2,372,543	7,515,532	2,380,682
Electrical and electronic equipment .....	2,925,703	2,905,567	843,169	51,126	431,541	7,251	1,231	1,791,385	3,236,670	1,060,684
Motor vehicles and equipment .....	820,276	801,035	353,684	—	186,393	1,594	354	276,251	1,235,888	502,478
Transportation equipment, except motor vehicles .....	725,130	712,073	141,473	—	217,392	1,485	757	364,022	3,438,375	566,579
Instruments and related products .....	1,550,757	1,544,074	386,916	39	120,534	1,627	395	1,041,246	1,214,157	627,688
Miscellaneous manufacturing products and manufacturing not allocable .....	356,709	354,233	48,332	—	27,357	1,597	468	278,957	191,256	75,495
<b>Transportation and public utilities</b> .....	<b>2,508,210</b>	<b>2,471,005</b>	<b>462,236</b>	<b>9</b>	<b>841,549</b>	<b>2,965</b>	<b>1,347</b>	<b>1,200,104</b>	<b>2,421,514</b>	<b>264,263</b>
Transportation .....	996,369	980,243	211,438	9	331,184	432	74	453,232	1,188,992	100,015
Water transportation .....	226,061	223,899	154,699	—	41,607	29	—	29,726	716,361	17,481
Other transportation .....	770,308	756,345	56,739	9	289,578	403	74	423,505	472,631	82,534
Communication .....	597,226	584,476	75,833	—	226,393	718	42	294,240	486,745	111,042
Electric, gas, and sanitary services .....	914,615	906,286	174,965	—	283,972	1,815	1,231	452,632	745,776	53,206
<b>Wholesale and retail trade</b> .....	<b>3,671,095</b>	<b>3,637,386</b>	<b>1,524,766</b>	<b>1,747</b>	<b>302,702</b>	<b>34,765</b>	<b>1,348</b>	<b>1,805,768</b>	<b>5,609,255</b>	<b>1,284,716</b>
Wholesale trade .....	2,495,177	2,481,670	1,387,957	156	124,372	2,180	557	979,956	5,091,724	1,079,951
Groceries and related products .....	130,687	129,277	49,521	—	11,290	841	96	68,939	110,619	64,465
Machinery, equipment, and supplies .....	170,131	168,651	18,958	—	16,662	85	392	134,034	148,375	5,793
Miscellaneous wholesale trade .....	2,194,359	2,183,741	1,319,477	156	96,420	1,254	69	776,983	4,832,730	1,009,692
Drugs, chemicals, and allied products .....	88,305	87,240	21,751	91	6,007	86	2	60,369	51,885	22,064
Petroleum and petroleum products .....	1,353,203	1,352,573	1,219,153	65	7,378	81	3	126,587	2,952,320	759,006
Other miscellaneous wholesale trade .....	752,851	743,929	78,572	—	83,034	1,087	64	590,027	1,828,525	228,622
Retail trade .....	1,175,918	1,155,716	136,809	1,591	178,330	32,585	791	825,811	5,175,531	204,765
Building materials, garden supplies, and mobile home dealers .....	*4,006	*4,003	*67	—	*288	—	—	*3,652	*201	—
General merchandise stores .....	447,009	434,033	90,201	—	71,481	6,874	153	278,299	282,382	152,799
Food stores .....	128,766	125,023	25,796	1,591	34,693	5,311	143	61,233	75,232	33,686
Automotive dealers and service stations .....	*3,286	*2,904	*117	—	*642	*94	—	*2,433	*521	*103
Apparel and accessory stores .....	47,101	46,843	1,805	—	7,140	455	—	37,702	32,967	393
Furniture and home furnishings stores .....	*114,949	*114,910	*1,712	—	*1,520	*174	—	*111,543	*474	*1
Eating and drinking places .....	290,186	288,510	10,140	—	41,390	18,669	261	219,727	77,109	11,624
Miscellaneous retail stores .....	140,615	139,490	6,972	—	21,177	1,009	234	111,223	48,644	6,160
<b>Finance, insurance, and real estate</b> .....	<b>5,061,456</b>	<b>5,007,762</b>	<b>1,397,281</b>	<b>—</b>	<b>401,161</b>	<b>7,006</b>	<b>406</b>	<b>3,255,603</b>	<b>13,003,448</b>	<b>507,253</b>
Banking .....	1,707,102	1,678,344	1,061,486	—	215,030	4,723	130	425,733	8,392,952	133,514
Credit agencies other than banks .....	49,476	48,398	17,700	—	5,025	8	11	26,732	487,921	65,933
Security, commodity brokers and services .....	330,425	330,034	25,007	—	14,862	110	6	290,441	2,042,618	12,789
Insurance carriers .....	2,492,238	2,473,221	190,064	—	140,882	1,862	173	2,159,258	1,681,741	115,443
Insurance agents, brokers, and services .....	185,768	185,571	15,227	—	5,261	158	4	165,118	97,261	16,942
Real estate .....	48,196	46,021	2,220	—	6,100	36	—	39,840	17,735	2,597
Holding and other investment companies except bank holding companies .....	248,252	246,172	85,578	—	14,001	109	82	148,482	283,220	160,035
<b>Services</b> .....	<b>1,000,268</b>	<b>991,192</b>	<b>181,307</b>	<b>—</b>	<b>171,216</b>	<b>6,150</b>	<b>905</b>	<b>640,688</b>	<b>1,549,866</b>	<b>172,525</b>
Hotels and other lodging places .....	84,643	82,953	7,127	—	23,425	975	127	52,990	17,495	1,349
Personal services .....	*64,061	*63,133	*6,471	—	*8,021	*1,825	*6	*47,738	*16,794	*6,904
Business services .....	330,806	327,104	90,398	—	36,013	903	678	202,815	365,855	82,405
Auto repair; miscellaneous repair services .....	6,878	6,875	76	—	2,772	111	3	3,917	680	—
Amusement and recreational services .....	347,968	346,404	57,181	—	80,313	516	5	209,952	974,712	55,810
Other services .....	165,912	164,723	20,055	—	20,674	1,820	86	123,276	174,330	26,056

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									
	Gross income (less loss) excluding branch operations and specially allocable income — Continued							Oil and gas extraction gross income (less loss)		
	Dividend gross-up	Interest income	Rents, royalties and license fees	Service income	Net capital gain	Partnership income (net)	Other income	Total	From extraction of oil or gas	From sale of business assets
(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	
<b>All industries</b> .....	<b>12,644,525</b>	<b>12,509,769</b>	<b>7,180,244</b>	<b>12,380,812</b>	<b>1,068,403</b>	<b>228,191</b>	<b>20,242,237</b>	<b>31,098,661</b>	<b>23,487,743</b>	<b>261,928</b>
Agriculture, forestry, and fishing .....	3,391	2,182	2,516	790	360	320	8,054	—	—	—
<b>Mining</b> .....	<b>81,802</b>	<b>102,819</b>	<b>123,539</b>	<b>582,713</b>	<b>89,615</b>	<b>132,436</b>	<b>4,472,180</b>	<b>3,731,863</b>	<b>3,395,321</b>	<b>110,326</b>
Metal mining .....	23,312	15,754	6,498	278,083	10,489	13,677	387,539	—	—	—
Coal mining .....	265	1,777	22	—	—	—	—	—	—	—
Oil and gas extraction .....	57,553	54,442	107,309	303,560	44,846	97,563	3,637,877	3,731,863	3,395,321	110,326
Nonmetallic minerals, except fuels .....	672	30,847	9,711	1,070	34,280	21,196	446,764	—	—	—
<b>Construction</b> .....	<b>109,650</b>	<b>15,900</b>	<b>10,478</b>	<b>709,892</b>	<b>3,890</b>	<b>28,536</b>	<b>46,382</b>	<b>29,339</b>	<b>29,339</b>	<b>—</b>
General building contractors and operative builders .....	15,051	2,329	2,125	103,871	1,846	2,167	29,302	29,339	29,339	—
Heavy construction contractors .....	93,911	12,874	7,228	605,818	2,044	18,729	18,578	—	—	—
Special trade contractors .....	689	697	1,125	204	—	7,640	-1,497	—	—	—
<b>Manufacturing</b> .....	<b>10,021,138</b>	<b>3,200,639</b>	<b>5,681,280</b>	<b>9,328,455</b>	<b>686,029</b>	<b>50,467</b>	<b>10,403,237</b>	<b>24,609,845</b>	<b>19,010,306</b>	<b>148,209</b>
Food and kindred products .....	435,807	141,098	285,562	84,375	60,830	974	638,354	—	—	—
Tobacco manufactures .....	35,230	16,917	109,828	8,722	1,924	—	172,761	27,245	27,245	—
Textile mill products .....	35,603	3,203	16,171	2,385	83	500	6,234	—	—	—
Apparel and other textile products .....	46,787	21,470	72,241	592	250	52	13,807	—	—	—
Lumber and wood products .....	48,760	7,472	8,609	389	758	343	3,530	—	—	—
Furniture and fixtures .....	1,454	354	3,339	76	321	—	1,338	—	—	—
Paper and allied products .....	335,207	36,141	181,954	16,836	22,495	—	19,971	—	—	—
Printing and publishing .....	75,923	10,158	76,194	12,169	2,029	4,792	23,288	—	—	—
Chemicals and allied products .....	1,048,124	271,837	947,516	165,892	66,568	7,995	385,193	749,594	747,945	—
Petroleum (including integrated) and coal products .....	4,420,201	1,437,814	135,402	5,309,432	163,852	17,063	7,977,401	23,803,179	18,229,731	148,209
Rubber and miscellaneous plastics products .....	60,967	9,416	84,992	23,327	11,201	-209	6,694	—	—	—
Leather and leather products .....	2,105	66	834	—	68	—	8,765	—	—	—
Stone, clay, and glass products .....	113,737	25,468	93,072	33,393	10,536	207	14,854	24,434	—	—
Primary metal industries .....	256,429	148,362	186,153	40,521	248,376	13,272	341,734	88	88	—
Fabricated metal products .....	282,800	40,053	161,375	9,555	31,344	-122	33,680	—	—	—
Machinery, except electrical .....	1,783,266	363,571	2,205,663	385,134	44,806	6,774	345,637	14	7	—
Electrical and electronic equipment .....	392,727	243,895	633,848	724,079	11,954	2,262	167,220	5,291	5,291	—
Motor vehicles and equipment .....	230,735	117,839	138,659	109,844	2,466	-4,514	138,381	—	—	—
Transportation equipment, except motor vehicles .....	79,842	277,331	90,852	2,371,890	943	1,047	49,891	—	—	—
Instruments and related products .....	292,304	17,550	217,943	12,360	5,188	25	41,099	—	—	—
Miscellaneous manufacturing products and manufacturing not allocable .....	43,130	10,625	31,074	17,484	38	6	13,405	—	—	—
<b>Transportation and public utilities</b> .....	<b>106,023</b>	<b>74,919</b>	<b>127,058</b>	<b>779,101</b>	<b>54,976</b>	<b>-13,070</b>	<b>1,028,243</b>	<b>835,559</b>	<b>808,018</b>	<b>3,393</b>
Transportation .....	33,705	22,684	55,574	456,541	1,828	-61,188	579,833	366,115	365,355	109
Water transportation .....	936	3,956	3,656	324,895	2,256	-60,960	424,142	365,472	364,712	109
Other transportation .....	32,769	18,728	51,918	131,647	-428	-227	155,691	643	643	—
Communication .....	50,887	4,039	51,092	204,976	16,795	3,770	44,145	—	—	—
Electric, gas, and sanitary services .....	21,431	48,197	20,392	117,584	36,353	44,348	404,265	469,444	442,663	3,284
<b>Wholesale and retail trade</b> .....	<b>2,044,313</b>	<b>459,320</b>	<b>148,745</b>	<b>123,775</b>	<b>140,740</b>	<b>-106</b>	<b>1,407,752</b>	<b>1,886,022</b>	<b>238,736</b>	<b>—</b>
Wholesale trade .....	1,954,944	382,772	76,047	114,734	138,489	-106	1,344,894	1,886,022	238,736	—
Groceries and related products .....	37,246	6,939	6,958	2,034	66	—	-3,989	—	—	—
Machinery, equipment, and supplies .....	1,079	19,111	38,731	43,502	2,463	—	37,695	—	—	—
Miscellaneous wholesale trade .....	1,916,618	359,822	30,358	69,198	135,959	-106	1,311,188	1,886,022	238,736	—
Drugs, chemicals, and allied products .....	14,263	997	10,453	857	1,100	-106	2,256	—	—	—
Petroleum and petroleum products .....	1,846,603	17,540	290	2,190	134,883	—	191,808	1,882,664	235,379	—
Other miscellaneous wholesale trade .....	55,752	341,286	19,615	66,151	-24	—	1,117,124	3,358	3,358	—
Retail trade .....	89,369	76,548	72,698	9,041	2,251	—	62,858	—	—	—
Building materials, garden supplies, and mobile home dealers .....	—	*35	*166	—	—	—	—	—	—	—
General merchandise stores .....	62,639	53,918	5,345	5,648	578	—	1,455	—	—	—
Food stores .....	20,172	2,486	6,371	21	—	—	12,496	—	—	—
Automotive dealers and service stations .....	*18	*86	*313	—	—	—	—	—	—	—
Apparel and accessory stores .....	151	35	2,655	15	67	—	29,651	—	—	—
Furniture and home furnishings stores .....	—	*449	—	*24	—	—	—	—	—	—
Eating and drinking places .....	2,162	18,536	34,316	1,845	—	—	8,625	—	—	—
Miscellaneous retail stores .....	4,228	1,002	23,531	1,487	1,605	—	10,630	—	—	—
<b>Finance, insurance, and real estate</b> .....	<b>188,653</b>	<b>8,645,200</b>	<b>98,421</b>	<b>616,156</b>	<b>90,536</b>	<b>24,376</b>	<b>2,832,853</b>	<b>5,033</b>	<b>6,023</b>	<b>—</b>
Banking .....	62,303	7,373,309	57,274	132,286	59,470	-23,016	597,811	—	—	—
Credit agencies other than banks .....	10,089	341,069	10,205	14,124	-81	14,051	32,530	—	—	—
Security, commodity brokers and services .....	2,450	139,942	2,645	128,232	451	425	1,755,685	—	—	—
Insurance carriers .....	28,706	738,185	10,105	327,551	6,680	29,964	425,106	5,820	5,810	—
Insurance agents, brokers, and services .....	12,564	19,776	4,433	10,125	10,421	865	22,135	—	—	—
Real estate .....	177	113	8,131	929	5,587	—	201	—	—	—
Holding and other investment companies except bank holding companies .....	72,364	32,806	5,629	2,908	8,006	2,086	-615	213	213	—
<b>Services</b> .....	<b>89,555</b>	<b>8,789</b>	<b>988,061</b>	<b>239,929</b>	<b>2,258</b>	<b>5,232</b>	<b>43,518</b>	<b>—</b>	<b>—</b>	<b>—</b>
Hotels and other lodging places .....	1	916	10,057	782	—	589	3,800	—	—	—
Personal services .....	*5,398	*256	*632	*2,135	*7	—	*1,461	—	—	—
Business services .....	55,280	5,225	77,489	123,632	2,601	77	19,145	—	—	—
Auto repair, miscellaneous repair services .....	—	295	208	—	—	—	177	—	—	—
Amusement and recreational services .....	19,818	67	887,505	1,297	252	1,056	8,908	—	—	—
Other services .....	9,058	2,029	12,169	112,083	-601	3,509	10,026	—	—	—

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										
	Oil and gas extraction gross income (less loss) — Continued			Deductions other than from branch operations and specially allocable income							
	Dividends from foreign corporations	Includable income of Controlled Foreign Corporations	Partnership income	Total	Deductions allocable to specific types of income					Deductions not allocable to specific types of income	
					Total	Rental, royalty and licensing expenses		Service expenses	Other deductions		Total
						Depreciation, depletion and amortization	Other				
(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)		
<b>All industries</b> .....	<b>7,012,294</b>	<b>200,279</b>	<b>136,417</b>	<b>38,940,201</b>	<b>26,936,251</b>	<b>310,963</b>	<b>614,231</b>	<b>4,532,287</b>	<b>21,478,772</b>	<b>12,003,948</b>	
<b>Agriculture, forestry, and fishing</b> .....	—	—	—	2,714	1,942	—	—	—	1,942	772	
<b>Mining</b> .....	129,487	—	96,729	2,176,504	2,051,406	41,800	15,114	323,937	1,670,556	125,097	
Metal mining .....	—	—	—	671,034	663,897	15,513	—	173,277	475,107	7,137	
Coal mining .....	—	—	—	219	—	—	—	—	—	219	
Oil and gas extraction .....	129,487	—	96,729	1,153,410	1,054,408	26,287	15,114	150,660	862,347	99,001	
Nonmetallic minerals, except fuels .....	—	—	—	351,842	333,102	—	—	—	333,102	18,740	
<b>Construction</b> .....	—	—	—	657,430	603,109	1,147	1,870	531,043	69,049	54,321	
General building contractors and operative builders .....	—	—	—	89,346	55,680	877	20	25,541	29,243	33,666	
Heavy construction contractors .....	—	—	—	564,947	547,111	—	1,849	505,503	39,759	17,836	
Special trade contractors .....	—	—	—	3,137	318	271	—	—	48	2,819	
<b>Manufacturing</b> .....	5,230,640	200,279	20,412	23,011,030	19,133,156	149,101	307,034	2,811,393	15,865,629	3,877,874	
Food and kindred products .....	—	—	—	954,547	717,149	214	4,480	11,555	700,900	237,397	
Tobacco manufactures .....	—	—	—	206,867	164,347	—	1,051	2,048	161,249	42,520	
Textile mill products .....	—	—	—	19,643	13,541	761	891	2,042	9,847	6,103	
Apparel and other textile products .....	—	—	—	69,780	26,762	60	4,242	3,357	19,103	43,018	
Lumber and wood products .....	—	—	—	9,813	3,099	185	214	—	2,700	6,714	
Furniture and fixtures .....	—	—	—	1,807	1,569	—	36	33	1,500	239	
Paper and allied products .....	—	—	—	210,635	73,192	109	3,279	4,355	65,450	137,443	
Printing and publishing .....	—	—	—	59,547	41,209	136	17,077	6,467	17,528	18,339	
Chemicals and allied products .....	1,649	—	—	1,536,563	887,979	545	49,211	46,782	791,441	648,584	
Petroleum (including integrated) and coal products .....	5,204,556	200,279	20,404	12,316,770	11,958,331	52,749	1,968	160,612	11,743,002	358,439	
Rubber and miscellaneous plastics products .....	—	—	—	90,152	22,059	209	300	14,069	7,482	68,093	
Leather and leather products .....	—	—	—	1,487	1,487	1	93	—	1,393	—	
Stone, clay, and glass products .....	24,434	—	—	113,559	34,213	542	672	13,117	19,881	79,347	
Primary metal industries .....	—	—	—	587,989	338,024	23,976	54,789	11,716	247,544	249,965	
Fabricated metal products .....	—	—	—	201,693	98,087	18,166	2,845	3,170	73,906	103,606	
Machinery, except electrical .....	—	—	7	2,274,317	1,577,875	10,310	23,336	197,235	1,346,994	696,442	
Electrical and electronic equipment .....	—	—	—	1,478,443	809,397	27,484	117,915	245,539	418,459	669,045	
Motor vehicles and equipment .....	—	—	—	381,958	185,457	809	12,353	60,492	111,802	196,502	
Transportation equipment, except motor vehicles .....	—	—	—	2,212,531	2,112,318	12,636	5,624	2,012,832	81,226	100,213	
Instruments and related products .....	—	—	—	222,325	45,715	—	3,546	8,830	33,339	176,610	
Miscellaneous manufacturing products and manufacturing not allocable .....	—	—	—	60,604	21,348	209	3,111	7,145	10,884	39,255	
<b>Transportation and public utilities</b> .....	4,872	—	19,276	1,190,745	714,548	30,929	12,439	172,470	498,710	476,196	
Transportation .....	—	—	652	662,045	342,987	26,710	4,141	96,905	215,231	319,058	
Water transportation .....	—	—	652	356,267	76,416	18,102	—	13,304	45,010	279,851	
Other transportation .....	—	—	—	305,778	266,571	8,608	4,141	83,601	170,221	39,208	
Communication .....	—	—	—	176,039	141,653	3,269	1,802	6,870	17,711	34,386	
Electric, gas, and sanitary services .....	4,872	—	18,624	352,661	229,909	949	6,497	68,695	153,768	122,752	
<b>Wholesale and retail trade</b> .....	1,647,286	—	—	1,752,185	1,020,912	8,833	15,746	73,402	922,931	731,273	
Wholesale trade .....	1,647,286	—	—	1,585,786	908,313	6,933	2,214	72,768	826,398	677,472	
Groceries and related products .....	—	—	—	9,504	9,084	( <sup>1</sup> )	816	879	7,888	420	
Machinery, equipment, and supplies .....	—	—	—	116,745	87,353	192	—	57,041	30,119	29,392	
Miscellaneous wholesale trade .....	1,647,286	—	—	1,459,537	811,877	6,740	1,398	14,848	788,891	647,660	
Drugs, chemicals, and allied products .....	—	—	—	11,169	8,606	—	—	—	8,606	2,563	
Petroleum and petroleum products .....	1,647,286	—	—	138,944	128,300	—	—	—	128,300	10,644	
Other miscellaneous wholesale trade .....	—	—	—	1,309,423	674,971	6,740	1,398	14,848	651,984	634,453	
Retail trade .....	—	—	—	166,400	112,599	1,900	13,532	634	96,533	53,801	
Building materials, garden supplies, and mobile home dealers .....	—	—	—	*38	*88	—	*88	—	—	—	
General merchandise stores .....	—	—	—	78,264	60,131	—	625	35	59,471	18,133	
Food stores .....	—	—	—	14,011	13,274	—	1,340	198	11,737	736	
Automotive dealers and service stations .....	—	—	—	*115	*83	*9	*75	—	—	*32	
Apparel and accessory stores .....	—	—	—	—	—	—	—	—	—	—	
Furniture and home furnishings stores .....	—	—	—	—	—	—	—	—	—	—	
Eating and drinking places .....	—	—	—	47,578	19,730	—	5	402	19,323	27,848	
Miscellaneous retail stores .....	—	—	—	26,344	19,293	1,891	11,400	—	6,002	7,051	
<b>Finance, insurance, and real estate</b> .....	10	—	—	9,188,478	2,716,787	67,714	188,262	493,593	1,967,218	6,471,692	
Banking .....	—	—	—	5,983,284	1,648,601	59,380	35,107	77,375	1,476,738	4,334,683	
Credit agencies other than banks .....	—	—	—	351,247	148,778	3,878	5,867	1,747	137,285	202,470	
Security, commodity brokers and services .....	—	—	—	1,951,851	206,453	704	131,305	72,454	1,989	1,745,398	
Insurance carriers .....	10	—	—	839,265	670,023	1,685	12,963	338,199	317,176	169,243	
Insurance agents, brokers, and services .....	—	—	—	36,020	27,918	—	—	3,728	24,190	8,102	
Real estate .....	—	—	—	6,172	5,289	1,900	2,396	89	905	883	
Holding and other investment companies except bank holding companies .....	—	—	—	20,640	9,726	167	623	—	8,935	10,914	
<b>Services</b> .....	—	—	—	961,114	694,390	11,440	73,767	126,448	482,736	266,724	
Hotels and other lodging places .....	—	—	—	6,426	4,740	—	11	35	4,694	1,686	
Personal services .....	—	—	—	*2,979	*2,154	—	*40	*675	*1,439	*824	
Business services .....	—	—	—	153,727	83,294	861	22,703	35,247	24,483	70,432	
Auto repair, miscellaneous repair services .....	—	—	—	182	33	—	33	—	—	149	
Amusement and recreational services .....	—	—	—	687,074	521,181	10,406	50,668	22,418	437,688	165,894	
Other services .....	—	—	—	110,726	82,987	173	311	68,073	14,430	27,738	

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									
	Deductions other than from branch operations and specially allocable income—Continued			Deductions from oil and gas extraction income			Taxable income (less loss)			
	Deductions not allocable to specific types of income—Continued			Total	Allocable to specific types of income	Not allocable to specific types of income	Before loss recapture			
	Research and development expenses	Interest expenses	General and administrative expenses				Total	Foreign branch income	Specially allocable income (Section 863(B))	Other than from branch operations and specially allocable income
(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	
<b>All Industries .....</b>	<b>319,759</b>	<b>1,382,830</b>	<b>901,098</b>	<b>7,124,054</b>	<b>7,015,975</b>	<b>108,079</b>	<b>70,541,309</b>	<b>21,871,325</b>	<b>1,532,488</b>	<b>47,137,497</b>
<b>Agriculture, forestry, and fishing .....</b>	—	—	—	—	—	—	32,842	298	—	32,544
<b>Mining .....</b>	<b>4,086</b>	<b>13,956</b>	<b>15,324</b>	<b>653,837</b>	<b>641,044</b>	<b>12,793</b>	<b>4,655,500</b>	<b>908,326</b>	<b>944</b>	<b>3,746,230</b>
Metal mining .....	—	—	—	—	—	—	167,766	36,953	—	130,813
Coal mining .....	—	—	—	—	—	—	4,148	—	—	4,148
Oil and gas extraction .....	4,030	13,776	15,286	653,837	641,044	12,793	4,283,729	869,855	944	3,412,930
Nonmetallic minerals, except fuels .....	55	180	39	—	—	—	199,857	1,518	—	198,339
<b>Construction .....</b>	—	<b>1,861</b>	<b>2,467</b>	<b>14,868</b>	<b>14,765</b>	<b>103</b>	<b>491,539</b>	<b>33,409</b>	—	<b>458,130</b>
General building contractors and operative builders .....	—	1,529	5	14,868	14,765	103	118,772	19,602	—	99,170
Heavy construction contractors .....	—	299	—	—	—	—	361,111	12,914	—	348,197
Special trade contractors .....	—	33	2,462	—	—	—	11,656	893	—	10,763
<b>Manufacturing .....</b>	<b>312,223</b>	<b>229,630</b>	<b>454,882</b>	<b>6,208,003</b>	<b>6,123,810</b>	<b>84,193</b>	<b>47,993,090</b>	<b>13,114,023</b>	<b>1,470,197</b>	<b>33,408,870</b>
Food and kindred products .....	6,347	18,998	19,255	—	—	—	1,702,583	181,640	16,152	1,504,791
Tobacco manufactures .....	1,413	1,703	8,370	7,381	7,381	—	199,516	-61,832	9,248	252,100
Textile mill products .....	—	—	213	—	—	—	97,576	567	—	96,772
Apparel and other textile products .....	—	414	460	—	—	—	175,498	2,608	—	172,890
Lumber and wood products .....	351	—	—	—	—	—	192,401	2,864	20,003	169,533
Furniture and fixtures .....	5	5	—	—	—	—	7,554	324	—	7,230
Paper and allied products .....	1,258	4,938	5,549	—	—	—	1,020,601	15,489	13,876	991,236
Printing and publishing .....	—	1,250	1,100	—	—	—	326,240	46,902	3,333	276,004
Chemicals and allied products .....	34,719	38,622	34,027	181,454	181,293	161	4,575,381	961,505	201,039	3,412,836
Petroleum (including integrated) and coal products .....	556	2,182	1,513	6,011,298	5,927,268	84,030	24,362,648	10,671,160	62,407	13,629,080
Rubber and miscellaneous plastics products .....	20,040	11,075	20,075	—	—	—	200,570	3,892	1,258	195,421
Leather and leather products .....	—	—	—	—	—	—	13,721	769	—	12,953
Stone, clay, and glass products .....	4,347	2,300	6,695	—	—	—	408,680	7,809	8,777	392,093
Primary metal industries .....	5,504	14,302	17,811	27	25	2	1,721,178	422,830	47,207	1,251,141
Fabricated metal products .....	1,513	3,646	6,440	—	—	—	943,718	83,811	16,817	843,090
Machinery, except electrical .....	108,823	43,774	193,708	—	—	—	5,818,718	192,348	385,155	5,241,215
Electrical and electronic equipment .....	51,465	28,240	70,258	7,844	7,844	—	2,376,966	412,968	205,771	1,758,227
Motor vehicles and equipment .....	26,727	41,685	47,157	—	—	—	1,243,491	61,427	328,134	853,929
Transportation equipment, except motor vehicles .....	7,197	1,878	2,644	—	—	—	1,248,069	18,687	3,538	1,225,845
Instruments and related products .....	38,097	2,134	16,551	—	—	—	1,224,294	86,317	146,145	991,832
Miscellaneous manufacturing products and manufacturing not allocable .....	3,861	12,485	3,057	—	—	—	133,689	1,936	1,100	130,653
<b>Transportation and public utilities .....</b>	—	<b>12,678</b>	<b>1,204</b>	<b>184,749</b>	<b>177,922</b>	<b>6,827</b>	<b>1,346,378</b>	<b>61,473</b>	<b>54,137</b>	<b>1,230,769</b>
Transportation .....	—	—	—	57,417	57,417	—	566,181	29,252	9,981	526,947
Water transportation .....	—	—	—	56,991	56,991	—	370,861	669	10,098	360,095
Other transportation .....	—	—	—	427	427	—	195,319	28,583	-117	166,853
Communication .....	—	—	—	—	—	—	332,040	12,428	8,905	310,706
Electric, gas, and sanitary services .....	—	12,678	1,204	127,332	120,505	6,827	448,158	19,792	35,250	393,115
<b>Wholesale and retail trade .....</b>	<b>722</b>	<b>26,291</b>	<b>19,245</b>	<b>62,419</b>	<b>58,304</b>	<b>4,115</b>	<b>3,986,687</b>	<b>127,416</b>	<b>2,201</b>	<b>3,857,070</b>
Wholesale trade .....	722	25,793	19,148	62,419	58,304	4,115	3,604,367	96,825	1,603	3,505,939
Groceries and related products .....	—	—	—	—	—	—	101,802	-751	1,437	101,116
Machinery, equipment, and supplies .....	—	3	7	—	—	—	58,429	26,716	82	31,630
Miscellaneous wholesale trade .....	722	25,790	19,141	62,419	58,304	4,115	3,444,137	70,860	84	3,373,193
Drugs, chemicals, and allied products .....	19	428	451	—	—	—	53,669	12,953	—	40,716
Petroleum and petroleum products .....	—	—	—	61,271	57,156	4,115	2,867,625	54,249	—	2,813,376
Other miscellaneous wholesale trade .....	702	25,362	18,690	1,148	1,148	—	522,843	3,657	84	519,102
Retail trade .....	—	498	97	—	—	—	382,320	30,591	598	351,131
Building materials, garden supplies, and mobile home dealers .....	—	—	—	—	—	—	*173	*60	—	*114
General merchandise stores .....	—	—	—	—	—	—	216,587	12,469	—	204,118
Food stores .....	—	—	—	—	—	—	61,221	—	—	61,221
Automotive dealers and service stations .....	—	—	*23	—	—	—	*406	—	—	*406
Apparel and accessory stores .....	—	—	—	—	—	—	33,067	99	—	32,967
Furniture and home furnishings stores .....	—	—	—	—	—	—	*8,364	*7,890	—	*474
Eating and drinking places .....	—	136	9	—	—	—	35,044	4,915	598	29,531
Miscellaneous retail stores .....	—	363	65	—	—	—	27,458	5,158	—	22,300
<b>Finance, insurance, and real estate .....</b>	<b>1,006</b>	<b>1,097,001</b>	<b>406,773</b>	<b>178</b>	<b>130</b>	<b>48</b>	<b>11,399,614</b>	<b>7,580,334</b>	<b>4,310</b>	<b>3,814,970</b>
Banking .....	757	1,068,173	405,506	—	—	—	9,887,480	7,475,914	1,897	2,409,669
Credit agencies other than banks .....	—	17,697	724	—	—	—	140,093	1,606	1,814	136,674
Security, commodity brokers and services .....	—	—	—	—	—	—	103,079	12,241	70	90,767
Insurance carriers .....	249	11,131	544	( <sup>1</sup> )	—	( <sup>1</sup> )	934,261	91,256	529	842,476
Insurance agents, brokers, and services .....	—	—	—	—	—	—	61,445	204	—	61,241
Real estate .....	—	—	—	—	—	—	11,806	243	—	11,563
Holding and other investment companies except bank holding companies .....	—	—	—	178	130	48	261,450	-1,130	—	262,580
<b>Services .....</b>	<b>1,722</b>	<b>1,412</b>	<b>1,202</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>635,498</b>	<b>46,047</b>	<b>700</b>	<b>588,752</b>
Hotels and other lodging places .....	—	1,130	18	—	—	—	30,613	19,544	—	11,069
Personal services .....	—	—	—	—	—	—	*13,847	*32	—	*13,815
Business services .....	477	273	1,187	—	—	—	242,460	29,651	680	212,128
Auto repair; miscellaneous repair services .....	—	—	—	—	—	—	498	—	—	498
Amusement and recreational services .....	—	—	—	—	—	—	280,004	-7,634	—	287,638
Other services .....	1,246	9	-3	—	—	—	68,078	4,454	19	63,604

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									
	Taxable income (less loss) — Continued		Foreign taxes available for credit						Other taxes paid or accrued on	
	Recapture of prior year foreign losses	After loss recapture	Total after reduction	Reduction for certain foreign taxes	Total before reduction	Total	Paid or accrued			
							Dividends	Interest		Rents, royalties and license fees
(51)	(52)	(53)	(54)	(55)	(56)	(57)			(58)	
<b>All industries .....</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>
<b>Agriculture, forestry, and fishing .....</b>	—	32,842	9,111	—	9,111	5,023	871	155	496	45
<b>Mining .....</b>	<b>5,180</b>	<b>4,650,319</b>	<b>3,232,724</b>	<b>461,555</b>	<b>3,694,279</b>	<b>2,620,127</b>	<b>24,171</b>	<b>11,154</b>	<b>13,841</b>	<b>599,850</b>
Metal mining .....	—	167,766	115,480	956	116,436	44,013	7,973	643	631	1,926
Coal mining .....	—	4,148	846	—	846	581	312	267	2	—
Oil and gas extraction .....	5,180	4,278,548	3,033,023	460,599	3,493,622	2,495,435	15,607	9,894	13,182	596,935
Nonmetallic minerals, except fuels .....	—	199,857	83,375	—	83,375	80,098	279	350	25	989
<b>Construction .....</b>	<b>12,455</b>	<b>479,084</b>	<b>177,967</b>	—	<b>177,967</b>	<b>44,788</b>	<b>3,145</b>	<b>194</b>	<b>647</b>	<b>13,593</b>
General building contractors and operative builders .....	12,455	106,317	49,439	—	49,439	27,257	954	34	62	8,601
Heavy construction contractors .....	—	361,111	122,779	—	122,779	14,957	1,364	99	404	4,992
Special trade contractors .....	—	11,656	5,749	—	5,749	2,573	826	60	181	—
<b>Manufacturing .....</b>	<b>32,010</b>	<b>47,961,079</b>	<b>22,674,048</b>	<b>2,927,320</b>	<b>25,801,367</b>	<b>12,738,098</b>	<b>1,196,105</b>	<b>132,542</b>	<b>442,425</b>	<b>8,885,460</b>
Food and kindred products .....	5,655	1,696,928	681,849	—	681,849	221,264	78,063	11,944	29,317	82,744
Tobacco manufactures .....	—	199,516	140,788	17	140,805	24,085	3,810	1,844	5,641	4,311
Textile mill products .....	—	97,576	45,752	—	45,752	5,528	3,702	138	1,332	95
Apparel and other textile products .....	—	175,498	65,007	—	65,007	17,581	7,385	702	8,013	1,065
Lumber and wood products .....	568	191,832	73,318	—	73,318	16,731	13,612	1,098	1,207	183
Furniture and fixtures .....	30	7,524	2,873	—	2,873	1,112	241	73	755	28
Paper and allied products .....	1,883	1,018,717	427,610	—	427,610	85,137	64,419	2,302	11,694	5,229
Printing and publishing .....	—	326,240	110,739	—	110,739	30,728	13,587	1,241	5,370	8,408
Chemicals and allied products .....	1,284	4,574,097	1,888,280	4,492	1,892,772	749,778	144,320	21,030	85,567	471,732
Petroleum (including integrated) and coal products .....	3,382	24,359,266	13,696,594	2,891,389	16,587,984	9,883,449	318,765	19,452	9,692	7,726,447
Rubber and miscellaneous plastics products .....	71	200,500	89,123	—	89,123	27,452	12,175	1,043	8,772	1,026
Leather and leather products .....	77	13,844	6,024	—	6,024	2,870	564	22	177	325
Stone, clay, and glass products .....	789	407,891	147,946	2,126	150,072	35,361	13,122	1,642	10,962	7,598
Primary metal industries .....	611	1,720,566	686,737	28,393	715,129	367,568	47,371	3,503	16,464	209,053
Fabricated metal products .....	8,156	935,562	367,048	65	367,113	77,990	39,953	2,357	12,293	18,867
Machinery, except electrical .....	54	5,818,665	2,372,678	95	2,372,773	571,862	241,690	31,868	134,186	120,145
Electrical and electronic equipment .....	3,018	2,373,947	879,584	538	880,122	338,478	67,743	10,943	55,237	158,346
Motor vehicles and equipment .....	985	1,242,506	359,404	204	359,609	127,054	54,792	12,793	16,546	32,191
Transportation equipment, except motor vehicles instruments and related products .....	3,170	1,244,900	172,343	(1)	172,344	40,271	15,778	6,708	6,745	6,985
Miscellaneous manufacturing products and manufacturing not allocable .....	2,239	1,222,055	398,177	—	398,177	98,989	48,434	1,272	18,005	29,422
<b>Transportation and public utilities .....</b>	<b>21,255</b>	<b>1,325,124</b>	<b>598,729</b>	<b>10,216</b>	<b>608,946</b>	<b>368,462</b>	<b>17,283</b>	<b>3,318</b>	<b>15,395</b>	<b>28,464</b>
Transportation .....	6,524	559,657	308,212	1,676	309,888	166,718	6,734	1,992	5,942	8,665
Water transportation .....	349	370,512	217,756	1,676	219,432	135,525	277	243	1,920	325
Other transportation .....	6,174	189,145	90,456	—	90,456	31,193	6,457	1,749	4,021	8,340
Communication .....	—	332,040	75,881	—	75,881	24,217	7,078	660	7,775	5,142
Electric, gas, and sanitary services .....	14,731	433,427	214,636	8,540	223,177	177,527	3,470	666	1,273	14,657
<b>Wholesale and retail trade .....</b>	<b>1,673</b>	<b>3,985,013</b>	<b>1,703,603</b>	<b>697,238</b>	<b>2,400,841</b>	<b>265,038</b>	<b>89,036</b>	<b>13,848</b>	<b>17,720</b>	<b>34,497</b>
Wholesale trade .....	2	3,604,365	1,552,690	697,238	2,249,928	223,964	74,195	7,594	11,688	24,766
Groceries and related products .....	—	101,802	49,587	—	49,587	6,152	3,842	421	1,600	19
Machinery, equipment, and supplies .....	—	58,429	22,166	—	22,166	20,662	251	488	7,183	10,293
Miscellaneous wholesale trade .....	2	3,444,135	1,480,936	697,238	2,178,174	197,150	70,103	6,685	2,905	14,454
Drugs, chemicals, and allied products .....	—	53,669	28,819	—	28,819	10,360	2,747	39	1,009	6,411
Petroleum and petroleum products .....	—	2,867,625	1,355,670	697,163	2,052,833	155,678	55,907	700	106	4,468
Other miscellaneous wholesale trade .....	2	522,841	96,447	74	96,522	31,112	11,449	5,946	1,789	3,574
Retail trade .....	1,672	380,648	150,913	—	150,913	41,074	14,840	6,254	6,032	9,731
Building materials, garden supplies, and mobile home dealers .....	—	*173	*46	—	*46	—	—	*5	*25	*16
General merchandise stores .....	1,238	215,349	95,619	—	95,619	20,216	11,272	4,844	915	1,566
Food stores .....	—	61,221	28,521	—	28,521	3,673	2,339	81	722	351
Automotive dealers and service stations .....	—	*406	*279	—	*279	*102	*13	*13	*76	—
Apparel and accessory stores .....	—	33,067	1,845	—	1,845	1,595	39	—	227	27
Furniture and home furnishings stores .....	*306	*8,057	*5,943	—	*5,943	*3,751	—	*67	—	*3,680
Eating and drinking places .....	127	34,917	11,136	—	11,136	8,531	378	1,138	3,357	2,569
Miscellaneous retail stores .....	—	27,458	7,525	—	7,525	3,159	798	105	709	1,522
<b>Finance, insurance, and real estate .....</b>	<b>3,166</b>	<b>11,396,448</b>	<b>1,483,818</b>	<b>1,857</b>	<b>1,485,675</b>	<b>1,207,706</b>	<b>29,854</b>	<b>514,515</b>	<b>18,204</b>	<b>506,843</b>
Banking .....	507	9,886,972	1,092,302	101	1,092,403	976,740	7,403	462,357	12,770	451,635
Credit agencies other than banks .....	—	140,093	27,084	931	28,015	11,413	1,746	4,372	241	1,898
Security, commodity brokers and services .....	2,177	100,901	25,069	—	25,069	22,274	785	287	13	16,068
Insurance carriers .....	88	934,173	222,366	826	223,192	176,465	7,671	45,347	2,664	37,092
Insurance agents, brokers, and services .....	—	61,445	15,612	—	15,612	3,024	1,591	194	79	119
Real estate .....	4	11,802	4,663	—	4,663	2,625	229	16	1,863	32
Holding and other investment companies except bank holding companies .....	389	261,061	96,721	—	96,721	15,166	10,428	1,940	575	—
<b>Services .....</b>	<b>1,857</b>	<b>633,641</b>	<b>228,778</b>	—	<b>228,778</b>	<b>102,411</b>	<b>13,399</b>	<b>762</b>	<b>39,202</b>	<b>19,356</b>
Hotels and other lodging places .....	923	29,690	7,580	—	7,580	6,510	—	142	2,035	3,271
Personal services .....	—	*13,847	*9,645	—	*9,645	*1,448	*989	*44	*45	*74
Business services .....	934	241,526	116,885	—	116,885	41,135	7,457	330	4,098	11,574
Auto repair, miscellaneous repair services .....	—	498	76	—	76	76	—	44	15	—
Amusement and recreational services .....	—	280,004	58,345	—	58,345	37,418	2,938	7	31,707	1,828
Other services .....	—	68,078	36,247	—	36,247	15,824	2,015	195	1,302	2,610

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							
	Foreign taxes available for credit—Continued					Foreign tax credit computed		
	Paid or accrued—Continued			Deemed paid (64)	Carryover (65)	Before reduction for international boycott operations (66)	Reduction for international boycott operations (67)	After reduction for international boycott operations (68)
	Service income (61)	Partnership income (62)	Other income (63)					
<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>1,974,156</b>
Metal mining.....	25,396	2,564	4,881	23,312	49,111	58,114	—	58,114
Coal mining.....	—	—	—	—	—	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>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>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>101,173</b>	<b>2,044,313</b>	<b>91,490</b>	<b>1,524,461</b>	1	<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>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.

¹Less 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
	(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>
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							Gross income (less loss) excluding branch operations and specially allocable income	
									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						Taxable income (less loss)			
	Dividend gross-up	Interest income	Other income	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	Before loss recapture			
							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.

# Partnership Returns, 1982

By Patrick Piet\*

In the Winter 1983-84 issue of the Statistics of Income Bulletin, it was reported that, for the first time, partnerships in the United States reported an overall net loss for Tax Year 1981 [1]. Information now available reveals that partnerships reported an even greater overall net loss for 1982. The statistics indicate tax shelter activity as the main reason for this loss.

## BACKGROUND

A partnership is "an association of two or more persons to carry on as co-owners of a business for profit" [2]. Partnerships are not taxed directly on their income. Rather, all income (or loss), credits, and other tax-related items "flow through" to the partners, who report their shares on their own returns. Partners may be individuals, corporations, estates, trusts, or other partnerships.

Partnerships included in this study ranged from small, two-owner businesses (mainly found in wholesale and retail trade and personal service industries), to ventures involving thousands of partners, most of whom are passive investors not involved in the daily operations of the business. These large partnerships are most frequently found in the oil and gas extraction, finance, and real estate industries. Partnerships with large numbers of partners are also present in professional service industries, such as those for physicians, legal services, and certified public accountants. In contrast to the large ventures in the oil and gas extraction, finance, and real estate industries, however, the partners in professional service industries typically are active participants.

## DATA HIGHLIGHTS

The number of returns filed by active partnerships rose from 1,460,502 for Tax Year 1981 to 1,514,212 for Tax Year 1982, an increase of 3.7 percent. This increase is somewhat less than the 5.9-percent increase reported between 1980 and 1981. As shown in Figure A, the greatest increase in number of returns occurred in the area of finance, insurance, and real estate.

Within this area, the industry with the largest increase in number of returns was operators and lessors of buildings, which increased by more than 34,000 returns (7.9 percent). Among the service industries, the largest increase occurred in equipment rental and leasing, which rose by more than 5,000 returns (19.2 percent). In mining, the largest growth was in oil and gas extraction, which increased by 3,700 returns (7.9 percent). Not surprisingly, these are all industries in which tax shelters are particularly active, as will be seen later. In contrast, the construction, manufacturing, and transportation and public utility industries all showed decreases in the number of returns.

As noted earlier, overall losses for partnerships increased from \$2.7 billion for 1981 to \$7.3 billion for 1982. In contrast to the situation in 1981, however, when every industry except manufacturing showed a decrease in net income, four of the eight industrial divisions showed increases in net income for 1982, and four recorded decreases. As will be seen later, these figures are closely tied to the use of partnerships as tax shelters.

## EFFECTS OF TAX SHELTERS ON PARTNERSHIP DATA

Information from a variety of sources indicates an increasing public interest in, and use of, partnerships as tax shelters. The relationship between losses of partnerships and tax shelter activity is indicated in Figure B, which presents the loss figures reported on partnership returns for certain industries and investment in publicly-registered limited partnerships [3]. Each of these industries reported an overall net loss. In addition, the two activities with the largest amount of investment, oil and gas extraction and real estate, were also the two industries in the statistics with the largest losses.

Overall, industries identified in Figure B as ones in which tax shelters are particularly active reported an overall net loss of \$21.0 billion. By contrast, all other industries reported a net profit of \$13.7 billion. In wholesale and retail trade, for example, where the nature of the business activity is not

\*Corporation Special Projects Section. Prepared under the direction of Thomas Petska, Chief.

## Partnership Returns, 1982

Figure A.--Number of Partnerships and Net Income Less Loss by Industrial Division, 1981 and 1982

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

Industrial division	Number of partnerships				Net income or loss		
	1981	1982	Increase or decrease		1981	1982	Increase or decrease
			Number	Percent			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total .....	1,460,502	1,514,212	53,711	3.7	-2,734,897	-7,314,587	-4,579,690
Agriculture, forestry, and fishing .....	124,973	132,394	7,421	5.9	-703,617	-703,199	418
Mining .....	51,368	55,766	4,398	8.6	-10,109,096	-8,829,824	1,279,272
Construction .....	69,856	64,632	-5,224	-7.5	1,209,222	1,418,607	209,385
Manufacturing .....	30,306	23,156	-7,151	-23.6	-440,649	-819,240	-378,591
Transportation and public utilities .....	21,711	18,185	-3,526	-16.3	-227,832	-773,634	-545,802
Wholesale and retail trade .....	216,808	202,531	-14,276	-6.6	1,316,933	1,571,562	254,629
Finance, insurance, and real estate .....	681,638	717,810	36,173	5.3	-5,360,047	-11,132,658	-5,772,610
Services .....	262,932	287,529	24,597	9.4	11,618,171	11,888,674	270,502

NOTE: Partnerships with nature of business not allocable are not shown separately. However, their data are included in the appropriate totals.

conducive to tax shelter activity, partnerships reported an overall profit of \$1.5 billion. In the area of service industries, three of the more traditional (as opposed to tax shelter) industries all reported a net profit for 1982. These latter industries are medical and health services (\$3.8 billion), legal services (\$7.3 billion) and certified public accountants (\$1.7 billion). The contrast between these industries and those in Figure B show the difference in profitability between tax shelter and non-tax shelter industries.

Figure B.--Investment in Publicly-Offered Limited Partnerships and Net Income, Selected Industries, 1982

[Amounts are in millions of dollars]

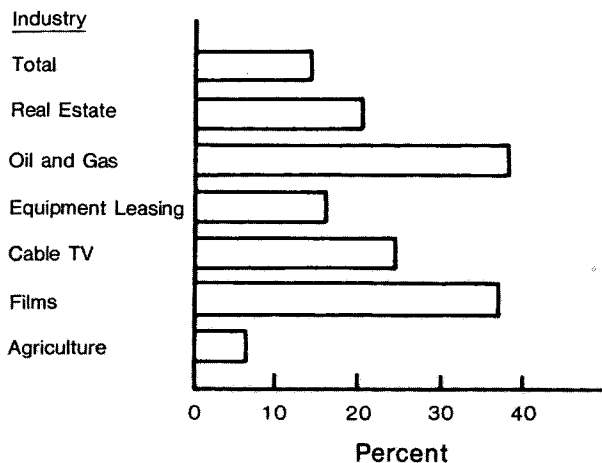
Industry	Investment	Net income less loss
Real estate .....	2,471	-11,117
Oil and gas extraction .....	2,399	-7,727
Equipment leasing ..	241	-691
Cable TV .....	111	-431
Films .....	65	-444
Agriculture .....	46	-601

SOURCES: Investment data appeared in the February 1984 issue of The Stanger Report. Net income data were taken from Table I at the end of this article. The SOI industry communications were used to show net income for cable TV, and farms were used for agriculture.

The relationship between tax shelter activity and partnership losses can also be seen by studying data on limited partnerships. A limited partnership is one in which at least one partner's liability for the debts of the partnership is limited to the amount of his/her investment in the partnership. Many tax shelters are organized as limited partnerships to provide investors with limited liability. As shown in Figure C, limited partnerships accounted for 15 percent of all partnerships. For each of the industries for which tax shelter investment data were available (except agriculture), the percent of limited partnerships exceeded the overall percentage. More than 38 percent of all oil and gas partnerships were limited partnerships. Because of the inherent risk in drilling for oil, it is not surprising that, to attract capital, organizers of these ventures would limit investor liability. On the other hand, the percentages of limited partnerships in real estate (20 percent) and in equipment rental and leasing (16 percent) were much closer to the overall percentage. This may be due to the fact that in these areas, the real estate or equipment is used as collateral, so that investors are better protected against losses than in oil and gas ventures.

Although tax shelters create losses used to reduce taxes paid by investors, it should be noted that tax shelters are not inherently objectionable [4]. Rather, most tax shelters are formed simply to allow investors to use incentives in the tax law that encourage investment. An example of this is the deduction for

Figure C  
**Limited Partnerships as a Percent  
 of All Returns, for Selected Industries, 1982**



"intangible drilling costs" [5]. This deduction provides an incentive for exploration for new sources of oil and gas, thereby reducing dependence on foreign petroleum sources. The enactment of more favorable depreciation rules under the Accelerated Cost Recovery System instituted for depreciable property acquired after December 31, 1980, is another example of incentives, designed to stimulate investment, which have encouraged the growth of partnership tax shelters.

Some tax shelter organizers have attempted to take undue advantage of these incentives by engaging in activities of dubious legality, or even of blatant illegality. These "abusive" tax shelters lack a substantial economic basis. Some of these tax shelters generate losses by overvaluing assets (or even creating fictitious assets) on which depreciation is taken, or by reporting fictitious loans for which interest deductions are allocated to partners. The Internal Revenue Service (IRS) is striving to identify and discourage such activities by disallowing partners' tax deductions with no sound economic basis [6].

While the IRS is making efforts to curtail abusive tax shelter partnerships, data on tax shelter investment indicate an overall increase in investment in publicly-offered limited partnerships [7]. In 1981, total investment was \$4.9 billion; in 1982, it rose by 13 percent to \$5.5 billion. The greatest increase in investment was in real estate, which rose from \$1.6 billion in 1981 to \$2.5 billion in 1982, an increase of 55 percent. In oil and gas extraction, investment fell from \$2.9 billion to \$2.4 billion, a decrease of 17 percent. This decrease may be due partly to the drop in crude oil prices, which made oil and gas investment less attractive than other shelters, such as real estate.

Statistics of Income--1982, Partnership Returns, presenting additional data for 1982, as well as data for 1978 through 1981, is currently being prepared. This report will provide additional information on the increase in tax shelter activities in the last 5 years.

#### SUMMARY

Data presented in this article show that the overall loss by partnerships increased from \$2.7 billion for 1981 to \$7.3 billion for 1982. This loss was caused largely by increased tax shelter activity. Two of the most popular tax shelter areas, oil and gas extraction and real estate, had similarly large overall losses. The loss in oil and gas extraction was \$7.7 billion for 1982, down from the \$9.4 billion loss for 1981. In real estate, the loss increased from \$7.9 billion for 1981 to more than \$11 billion for 1982.

#### DATA SOURCES AND LIMITATIONS

##### Sample Selection

The statistics for Tax Year 1982 were estimated from a stratified probability sample of approximately 35,000 returns selected from a total population of about 1.6 million returns filed during Calendar Year 1983. Every partnership engaging in business or obtaining income from sources within the United States was required to file this return to report the income, deductions, credits, gains, and losses from operating the partnership. Amended and tentative returns were excluded from the sampling procedure, which was implemented after revenue processing, but prior to audit. Sample rates ranged from 0.2 percent to 100 percent.

##### Changes in Processing

With one exception, processing of the partnership returns for the 1982 Statistics of Income program was virtually unchanged from the 1981 program. The exception was that, for 1981, counts were made of the number of partners by type of entity reported on the Schedule K-1, Partner's Share of Income, Credits, Deductions, etc. [8]. The sum of the number of partners, by entity, was compared with the number of partners reported on the front page of the Form 1065, and any discrepancies were resolved. For 1982, and for years prior to 1981, the number of partners listed on the front page of Form 1065 by the partnership was accepted as reported.

The procedure used for 1981 was expected to result in more accurate counts. Its use produced unexpected results for common trust funds in the finance, insurance and real estate division, however. The number of partners in the common trust funds industry appeared to increase from 641,212 for 1980 to more than 3.7 million for 1981. Examination of some returns

in the common trust fund industry reveals that partnerships often report a small number of partners on the Form 1065, while the K-1 lists hundreds of persons for which money is being held in trust. Because partners listed on the K-1 in this industry are actually the trust's beneficiaries and thus are usually totally divorced from the partnership's activity, considering them to be partners may be misleading. In this industry, the number of partners on the Form 1065 may be a better indicator of actual partners than the count of the Schedules K-1.

Figure D shows the magnitude of the difference in number of partners between 1981 and 1982 by industrial division after an adjustment to the 1981 figure for finance, insurance, and real estate to compensate for this counting problem in the common trust fund industry.

Limitations

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

The following table presents approximate 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 and are not applicable to money amounts. For numbers of partnerships

other than those shown, the corresponding CV's can be estimated by interpolation.

<u>Estimated Number of Returns</u>	<u>Approximated Coefficient of Variation</u>
2,100	0.50
4,200	0.35
13,000	0.20
23,000	0.15
52,000	0.10
207,000	0.05
1,514,000	0.018

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

NOTES AND REFERENCES

- [1] Piet, Patrick, "Partnership Returns for 1981 Reflect Tax Shelter Activity," Statistics of Income Bulletin, Winter 1983-84, p. 29.
- [2] This definition is found in the Uniform Partnership Act, Part II, Section 6.
- [3] The Stanger Report, "Record Investment in 1983," Robert A. Stanger & Company, February 1984.
- [4] Merrill, Peter, "Economic Analysis of Tax Shelters," Staff Paper for Joint Committee on Taxation, February 1984.

Figure D.--Number of Partners, by Industrial Division, 1981 and 1982

[All figures are estimates based on samples]

Industrial division	Number of partners		Increase or decrease	
	1981	1982	Number	Percent
	(1)	(2)	(3)	(4)
Total .....	9,448,361	9,764,667	361,306	3.3
Agriculture, forestry, and fishing .....	405,594	448,623	43,028	10.6
Mining .....	1,475,289	1,574,375	99,086	6.7
Construction .....	165,054	149,600	-15,454	-9.4
Manufacturing .....	90,879	76,649	-14,231	-15.7
Transportation and public utilities .....	73,005	92,611	19,606	26.9
Wholesale and retail trade .....	528,483	485,413	-43,070	-8.2
Finance, insurance, and real estate .....	5,646,744	5,727,193	80,449	1.4
Services .....	1,024,751	1,171,642	146,891	14.3

Number of partners for 1981 was adjusted for reporting variations in the common trust fund industry in finance, insurance, and real estate. The number of partners originally reported in the Statistics of Income Bulletin, Winter 1983-84, was 8,456,258. See "Changes in Processing."

NOTE: Partnerships with nature of business not allocable are not shown separately. However, their data are included in the appropriate totals.

- [5] "Intangible drilling costs" are certain costs of developing a drilling site, such as labor, materials and supplies, fuel, repairs, and transportation, which may be deducted in the year incurred rather than capitalized and written off over the life of the well. Most of these costs are incurred before the actual drilling for oil.
- [6] This paragraph summarizes remarks made by Internal Revenue Commissioner Roscoe L. Egger, Jr. to the American Institute of Certified Public Accountants, 94th Annual Meeting, October 4, 1983. The text of the remarks is contained in the IRS Press Release IR-83-124.
- [7] The Stanger Report, p. 8.
- [8] Partnerships are required to file a Schedule K-1 for each partner to report the share of income, deductions, credits, etc., allocated to that partner.

Table 1.—Total Assets and Income Statement for Selected Industries

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

Item	All industries	Agriculture, forestry, and fishing								
		Total	Farms							
			Total	Field crop	Vegetable and melon	Fruit and tree nut	Beef cattle feedlots	Beef cattle except feedlots	Hogs, sheep, and goats	Dairy farms
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
<b>Partnerships With and Without Net Income</b>										
Number of partnerships	1,514,212	132,394	111,785	46,798	2,609	10,161	1,343	19,053	3,881	16,517
Number of partners	9,764,667	448,623	376,580	148,182	8,247	62,779	8,508	54,936	13,884	40,729
Total assets	845,281,449	24,763,189	21,489,833	8,830,552	489,546	3,530,037	510,172	3,905,304	328,430	2,007,637
Total receipts	296,690,303	7,682,713	5,078,493	1,762,885	179,550	554,509	397,838	686,395	215,030	500,105
Business receipts	251,608,987	4,995,069	2,501,808	598,492	65,616	283,043	296,960	376,353	164,033	151,557
Income from other partnerships and fiduciaries	1,976,512	24,387	22,850	5,251	1,535	10,028	778	3,832	91	116
Nonqualifying interest and dividends	15,259,801	308,225	278,167	116,361	6,480	59,777	4,890	57,288	2,343	14,512
Rents received	14,715,048	183,247	178,892	110,690	3,460	110,690	4,752	35,387	1,771	4,690
Royalties	1,217,811	73,037	71,090	29,656	1,016	1,244	116	30,853	531	6,456
Farm net profit	1,746,014	1,679,353	1,651,541	801,525	50,938	160,949	71,066	137,190	43,662	294,630
Net gain, noncapital assets	1,284,962	263,018	244,675	72,290	49,094	19,593	16,793	34,579	1,661	23,596
Other receipts	8,881,168	156,377	129,469	28,620	1,412	9,100	2,482	10,912	937	4,547
Total deductions	304,004,833	8,385,913	5,679,693	1,754,949	263,494	691,486	372,851	1,012,310	220,273	425,840
Cost of sales and operations	144,595,111	2,907,723	1,622,115	321,268	42,006	136,271	246,365	288,016	126,073	102,344
Inventory, beginning of year	25,307,927	300,514	194,468	45,143	324	31,916	31,986	51,986	595	14,152
Purchases	96,111,197	2,043,781	1,199,934	226,909	31,971	70,792	223,137	268,296	55,070	102,865
Cost of labor	7,163,865	160,367	65,412	21,704	2,103	22,820	891	2,936	366	797
Materials and supplies	6,549,014	117,852	82,139	20,085	5,055	8,120	4,757	5,976	9	386
Other costs	32,147,879	729,037	399,573	168,428	3,443	35,698	11,731	11,872	74,461	1,585
Less: inventory, end of year	22,704,771	443,827	319,410	160,999	890	32,874	25,236	62,801	4,428	17,441
Salaries and wages	23,204,883	320,956	124,972	45,891	3,774	15,587	7,046	13,565	1,738	11,844
Less: jobs credit	15,583	300	291	163	—	—	—	112	—	—
Guaranteed payments to partners	5,350,678	281,789	219,877	94,277	6,222	23,917	4,026	22,803	1,708	55,387
Rent paid	5,693,874	99,385	66,305	8,942	36,735	2,368	678	2,924	1,505	7,786
Interest paid	21,517,044	407,630	244,483	92,911	2,043	53,088	9,199	36,077	4,694	6,490
Taxes paid	5,288,971	64,499	37,673	14,407	382	6,502	709	3,260	537	1,609
Bad debts	556,090	8,859	5,204	2,946	3	530	18	615	70	375
Repairs	1,950,053	144,261	60,025	32,208	1,429	4,710	1,715	6,725	3,070	3,237
Depreciation	—	—	—	—	—	—	—	—	—	—
Depletion	465,882	3,150	517	163	—	14	—	321	—	16
Pension, profit sharing, annuity, and bond purchase plans	413,489	1,419	1,225	370	23	88	17	392	—	246
Employee benefit plans	602,220	2,012	931	320	6	—	—	162	78	35
Net loss from other partnerships and fiduciaries	8,767,376	112,239	109,467	19,993	1,380	16,100	13,975	54,303	179	593
Rent net loss	14,761,087	20,905	17,863	4,971	2,448	2,572	—	6,662	78	502
Royalty net loss	—	—	10,546	3,813	—	—	—	846	—	—
Farm net loss	2,515,960	2,355,820	2,243,104	840,221	66,744	311,584	60,539	482,261	48,142	183,437
Net loss, noncapital assets	438,252	40,252	38,170	12,076	69	6,416	62	1,990	1,489	14,560
Other deductions	53,986,241	1,254,669	693,355	190,776	98,017	80,479	21,957	69,024	24,424	26,257
<b>Net income (less deficit)</b>	<b>-7,314,587</b>	<b>-703,199</b>	<b>-601,199</b>	<b>7,937</b>	<b>-83,944</b>	<b>-136,976</b>	<b>24,987</b>	<b>-325,915</b>	<b>-5,244</b>	<b>74,265</b>
Net income	53,556,856	2,444,056	2,138,328	1,005,616	108,963	241,825	94,430	211,282	46,253	279,929
Deficit	60,871,442	3,147,255	2,739,526	997,679	192,907	378,801	69,443	537,197	51,496	205,664
<b>Capital gains and losses</b>										
Net short-term capital gain (less loss)	1,249,482	8,144	6,957	493	247	522	604	4,106	15	550
Net long-term capital gain (less loss)	7,060,222	237,561	227,022	83,730	1,966	6,366	29,266	70,147	12,381	15,465
<b>Partnerships With Net Income</b>										
Number of partnerships	791,117	67,928	57,526	27,078	1,096	4,430	504	7,750	1,705	10,670
Number of partners	4,864,897	200,943	173,084	84,240	2,628	20,167	1,532	20,454	6,507	26,737
Total assets	322,276,194	8,829,722	8,015,284	3,649,207	213,789	1,125,337	322,996	1,249,651	44,307	909,720
Total receipts	213,032,807	5,562,730	3,840,312	1,380,547	162,396	436,131	319,372	495,435	181,365	361,856
Business receipts	178,563,897	3,258,433	1,604,309	312,437	54,517	208,582	229,381	256,660	136,523	51,104
Income from other partnerships and fiduciaries	1,819,607	15,837	15,139	4,063	1,531	6,889	752	1,866	12	20
Nonqualifying interest and dividends	10,904,519	207,025	193,427	81,388	4,327	47,169	3,862	37,891	584	9,110
Rents received	11,814,066	125,280	123,887	92,758	2,380	5,962	175	19,177	237	813
Royalties	999,229	60,640	60,372	27,472	1,016	214	112	27,244	—	3,787
Farm net profit	1,696,408	1,638,720	1,611,843	790,454	49,865	156,445	70,889	132,601	43,662	278,496
Net gain, noncapital assets	811,778	170,404	160,807	55,377	48,626	7,979	11,852	14,794	236	14,552
Other receipts	6,423,306	86,391	70,529	16,598	135	2,891	2,348	5,202	111	3,973
Total deductions	159,475,946	3,118,676	1,701,986	374,931	53,433	194,308	224,942	284,153	135,112	81,927
Cost of sales and operations	92,064,279	1,911,374	1,044,594	177,394	31,834	89,417	181,906	173,171	111,459	21,014
Inventory, beginning of year	11,325,387	146,722	99,272	13,488	324	12,007	28,477	34,477	106	5,839
Purchases	61,683,925	1,365,002	727,966	114,212	31,971	48,686	159,769	150,728	39,862	21,718
Cost of labor	4,486,198	95,734	38,034	9,373	—	14,249	840	1,029	366	797
Materials and supplies	4,154,932	65,914	52,657	8,997	—	4,822	592	5,659	9	91
Other costs	19,823,022	379,071	206,258	43,953	—	20,767	11,469	5,093	71,442	1,585
Less: inventory, end of year	9,409,184	141,067	79,593	12,629	461	11,114	19,241	23,814	325	9,015
Salaries and wages	18,113,674	157,478	50,169	16,505	1,729	6,958	6,785	9,856	768	2,015
Less: jobs credit	12,707	276	155	—	—	—	—	112	—	—
Guaranteed payments to partners	3,090,314	124,071	95,935	48,073	1,651	10,092	3,524	7,148	313	19,720
Rent paid	3,829,569	35,703	17,212	2,915	3,150	583	477	1,221	1,505	6,434
Interest paid	6,807,630	88,519	61,120	17,018	1,379	16,706	7,081	7,837	2,098	4,482
Taxes paid	3,384,325	30,935	16,068	6,119	329	2,756	608	1,520	264	249
Bad debts	238,056	3,475	369	140	3	96	17	13	—	1
Repairs	1,106,387	69,881	25,030	8,255	1,429	3,344	1,547	2,965	2,469	1,916
Depreciation	—	—	—	—	—	—	—	—	—	—
Depletion	279,605	147	84	1	—	—	—	64	—	16
Pension, profit sharing, annuity, and bond purchase plans	353,039	370	192	89	23	—	—	—	—	—
Employee benefit plans	408,758	1,167	398	69	—	—	—	162	7	16
Net loss from other partnerships and fiduciaries	290,497	8,938	6,417	3,184	593	688	178	1,743	—	—
Rent net loss	276,780	5,932	3,275	498	4	26	—	2,057	—	376
Royalty net loss	—	—	—	—	—	—	—	—	—	—
Farm net loss	87,580	61,806	58,924	18,666	947	3,820	1,247	24,778	—	3,752
Net loss, noncapital assets	45,921	5,233	4,816	1,207	65	193	27	209	49	2,925
Other deductions	24,172,659	496,118	254,425	57,576	8,335	47,951	18,249	43,291	11,510	12,178
<b>Net income</b>	<b>53,556,856</b>	<b>2,444,056</b>	<b>2,138,328</b>	<b>1,005,616</b>	<b>108,963</b>	<b>241,825</b>	<b>94,430</b>	<b>211,282</b>	<b>46,253</b>	<b>279,929</b>
<b>Capital gains and losses</b>										
Net short-term capital gain (less loss)	303,622	1,287	1,194	260	152	2	601	62	15	24
Net long-term capital gain (less loss)	3,370,532	91,108	89,212	30,852	3,267	4,322	1,344	33,813	4,717	9,389

Footnotes at end of table.

Table 1.— Total Assets and Income Statement for Selected Industries — Continued

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

Item	Agriculture, forestry, and fishing — Continued			Mining			Construction			Manufacturing	
	Farms — Continued		Agri- cultural services, forestry and fishing	Total	Oil and gas extraction	Other mining	Total	General contractors	Special trade contractors		
	Poultry and eggs	General livestock including animal specialty									(11)
<b>Partnerships With and Without Net Income</b>											
Number of partnerships	1,108	7,096	20,609	55,766	50,837	4,929	64,632	25,583	38,882	23,156	
Number of partners	2,909	25,128	72,043	1,574,375	1,512,328	62,047	149,600	63,080	86,185	76,649	
Total assets	468,118	1,108,463	3,273,356	45,550,344	38,047,761	7,502,583	11,611,718	9,652,986	1,957,084	13,003,045	
Total receipts	247,791	451,920	2,604,220	19,798,121	15,797,946	4,000,175	18,508,283	12,534,841	5,963,254	15,091,902	
Business receipts	227,121	289,287	2,493,261	17,563,468	13,717,073	3,846,395	17,973,953	12,047,456	5,916,369	14,771,551	
Income from other partnerships and fiduciaries	295	924	1,537	428,576	414,277	14,299	64,594	63,014	1,580	12,126	
Nonqualifying interest and dividends	609	14,606	30,508	347,187	320,719	26,468	246,991	219,267	27,724	89,191	
Royalties received	2,295	4,014	4,355	53,940	41,987	11,953	61,783	58,165	3,618	15,465	
Farm net profit	15,639	46,738	27,812	460,958	442,961	17,997	1,075	1,064	10	45,339	
Net gain, noncapital assets	394	25,961	18,342	115,378	4,382	—	2,235	593	1,643	732	
Other receipts	907	69,646	26,907	824,232	767,920	26,750	25,319	22,132	3,186	18,156	
Total deductions	272,967	597,379	2,706,220	28,627,944	23,525,361	5,102,583	17,089,672	11,777,342	5,303,763	15,911,136	
Cost of sales and operations	149,845	190,127	1,285,608	5,997,774	3,434,180	2,563,594	13,488,184	10,107,870	3,373,723	11,753,930	
Inventory, beginning of year	3,710	5,598	106,046	313,643	105,100	208,544	2,578,958	2,429,248	148,768	1,443,674	
Purchases	72,016	147,782	843,847	1,623,378	1,319,379	304,000	2,004,997	947,657	1,055,783	7,513,679	
Cost of labor	3,030	2,031	94,955	589,451	207,653	381,798	2,053,974	1,249,305	802,445	1,216,479	
Materials and supplies	28,507	7,630	35,713	456,893	182,098	274,795	2,689,332	1,878,923	808,114	726,342	
Other costs	45,278	38,963	129,463	3,398,149	1,775,402	1,622,746	6,627,059	5,898,496	727,723	2,305,146	
Less: inventory, end of year	2,695	11,877	324,417	383,740	155,451	228,289	2,465,537	2,295,759	169,661	1,451,390	
Salaries and wages	5,747	17,409	195,984	460,186	353,124	107,062	618,481	205,811	412,669	703,836	
Less: jobs credit	—	16	9	—	—	—	230	211	19	1,076	
Guaranteed payments to partners	2,662	7,014	62,002	243,849	186,093	57,756	296,117	77,603	218,513	119,124	
Rent paid	6,451	31,773	33,090	257,242	176,801	80,441	79,567	37,682	41,477	167,168	
Interest paid	1,141	5,501	163,147	1,441,765	1,183,312	258,453	547,536	427,875	119,589	423,663	
Taxes paid	80	547	26,826	655,182	504,678	150,505	147,119	71,848	75,245	166,364	
Bad debts	1,941	3,431	84,236	129,872	68,682	61,190	108,818	35,188	73,425	98,011	
Repairs	—	3	2,633	381,429	235,081	146,348	2,096	1,760	336	39,007	
Depreciation	—	—	—	—	—	—	—	—	—	—	
Depletion	—	—	—	—	—	—	—	—	—	—	
Pension, profit sharing, annuity, and bond purchase plans	79	9	193	28,692	8,630	20,061	7,162	4,201	2,961	25,194	
Employee benefit plans	129	184	1,082	29,439	7,816	21,624	14,718	6,408	8,312	53,169	
Net loss from other partnerships and fiduciaries	—	2,622	2,772	2,041,011	1,966,441	74,570	37,717	37,692	25	49,064	
Royalty net loss	—	315	3,042	15,916	15,670	246	27,332	26,696	636	2,894	
Farm net loss	33,902	5,887	118,333	117,960	117,960	373	1,162	1,162	—	19	
Net loss, noncapital assets	28	1,479	112,715	10,923	10,730	193	7,937	6,003	1,935	2,349	
Other deductions	60,982	107,874	561,314	14,586,763	13,383,995	1,202,768	1,321,061	613,892	706,389	1,665,437	
Net Income (less deficit)	-25,176	-145,459	-102,000	-8,829,824	-7,727,415	-1,102,409	1,418,607	757,498	659,489	-819,240	
Net income	19,261	96,059	305,728	5,794,849	5,493,067	301,782	2,059,007	1,207,586	849,800	935,930	
Deficit	44,437	241,518	407,728	14,624,673	13,220,482	1,404,190	640,400	450,088	190,312	1,755,170	
<b>Capital gains and losses</b>											
Net short-term capital gain (less loss)	87	332	1,188	19,463	17,610	1,853	23,797	4,190	19,606	6,589	
Net long-term capital gain (less loss)	1,374	4,620	10,539	64,912	57,195	7,717	98,901	83,426	15,475	53,064	
<b>Partnerships With Net Income</b>											
Number of partnerships	415	2,057	10,402	22,903	21,686	1,217	45,552	15,898	29,487	14,182	
Number of partners	1,076	5,821	27,859	803,314	772,625	30,689	102,062	37,706	64,022	37,533	
Total assets	216,536	205,241	814,438	16,426,242	14,190,967	2,235,275	6,451,789	5,396,871	1,053,269	3,746,885	
Total receipts	162,001	265,608	1,722,418	14,575,617	12,170,084	2,405,533	14,805,099	9,790,031	5,004,791	9,832,143	
Business receipts	143,719	165,412	1,654,124	12,909,397	10,578,698	2,330,699	14,376,998	9,397,450	4,969,418	9,704,886	
Income from other partnerships and fiduciaries	—	5	698	407,645	393,428	14,216	62,590	61,287	1,302	5,245	
Nonqualifying interest and dividends	345	8,000	13,598	140,790	127,245	13,545	197,206	176,000	21,200	43,717	
Rents received	1,907	468	1,393	37,308	34,654	2,655	38,633	36,493	2,140	8,736	
Royalties	472	57	410,952	408,042	2,910	144	135	5	4,151		
Farm net profit	15,363	45,361	26,877	3,499	3,499	—	2,232	589	1,643	540	
Net gain, noncapital assets	70	7,188	9,597	32,366	31,608	757	18,869	16,692	2,178	5,318	
Other receipts	125	39,116	15,862	633,659	592,909	40,751	108,340	101,374	6,906	59,550	
Total deductions	142,740	169,550	1,416,690	8,780,767	6,677,016	2,103,751	12,746,000	8,582,444	4,154,990	8,896,210	
Cost of sales and operations	97,254	142,207	866,780	3,531,902	2,118,006	1,413,896	10,530,660	7,701,944	2,821,574	7,059,296	
Inventory, beginning of year	2,695	1,652	47,450	163,742	52,448	111,294	1,315,535	1,198,394	116,818	697,055	
Purchases	58,254	101,671	637,035	1,070,789	888,167	182,622	1,430,281	563,959	864,785	1,130,763	
Cost of labor	1,038	2,031	57,700	296,627	88,007	208,621	1,746,966	1,037,544	707,198	545,650	
Materials and supplies	23,269	7,630	13,257	195,672	39,042	156,630	2,049,023	1,329,907	716,821	424,602	
Other costs	13,473	30,575	172,812	1,954,809	1,098,976	855,832	5,417,257	4,920,694	495,724	1,056,211	
Less: inventory, end of year	1,475	1,351	61,474	149,736	48,634	101,102	1,428,382	1,348,494	79,771	794,985	
Salaries and wages	2,804	612	107,308	250,746	215,760	34,986	484,483	156,060	328,423	473,161	
Less: jobs credit	—	—	9	—	—	—	23	4	19	1,051	
Guaranteed payments to partners	1,333	2,523	28,136	69,347	6,415	142,089	31,704	110,384	81,788	131,881	
Rent paid	14	184	18,491	75,425	50,819	24,607	49,978	20,313	29,256	64,132	
Interest paid	2,036	2,103	27,399	458,627	418,190	40,437	179,129	128,119	50,938	94,415	
Taxes paid	593	1,005	14,867	457,065	371,756	85,309	105,592	45,726	59,840	123,086	
Bad debts	80	—	3,106	4,973	3,900	1,073	7,273	2,798	4,473	14,012	
Repairs	715	948	44,651	51,745	36,756	14,990	62,728	18,517	64,206	62,829	
Depreciation	—	—	—	—	—	—	—	—	—	—	
Depletion	—	—	—	—	—	—	—	—	—	—	
Pension, profit sharing, annuity, and bond purchase plans	79	—	178	15,902	5,141	10,761	6,403	3,550	2,853	13,357	
Employee benefit plans	108	—	770	8,581	3,797	4,785	11,072	3,044	8,028	29,927	
Net loss from other partnerships and fiduciaries	—	32	2,521	55,919	55,738	181	1,882	1,858	24	491	
Royalty net loss	—	—	2,657	2,188	1,942	246	3,315	2,679	636	784	
Farm net loss	—	5,715	2,882	7,866	7,673	193	2,374	2,214	160	1,918	
Net loss, noncapital assets	7	133	417	7,820	7,715	105	1,252	478	774	801	
Other deductions	35,260	10,767	241,693	2,633,551	2,394,579	238,972	915,444	400,648	514,016	696,515	
Net Income	19,261	96,059	305,728	5,794,849	5,493,067	301,782	2,059,007	1,207,586	849,800	935,930	
<b>Capital gains and losses</b>											
Net short-term capital gain (less loss)	76	1	94	3,875	3,821	53	3,577	3,564	13	38	
Net long-term capital gain (less loss)	145	-2	1,896	28,548	21,482	7,065	25,187	12,615	12,572	45,327	

Footnotes at end of table.



Table 1.—Total Assets and Income Statement for Selected Industries—Continued

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

Item	Transportation, communication, electric, gas and sanitary services			Wholesale and retail trade						
	Total	Transportation	Communication, electric, gas and sanitary services	Total	Wholesale trade	Retail trade				
						Total	Building materials, hardware, garden supply and mobile home dealers	General merchandise stores	Food stores	Automotive dealers and service stations
(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	
<b>Partnerships With and Without Net Income</b>										
Number of partnerships	18,185	11,969	6,216	202,531	27,157	174,326	9,772	3,475	20,776	21,085
Number of partners	92,611	43,804	48,807	485,413	66,398	416,915	24,682	8,377	45,470	51,149
Total assets	17,862,405	6,035,141	11,627,264	19,203,909	7,208,146	11,855,088	1,158,437	338,514	1,253,766	1,908,393
Total receipts	6,780,132	4,396,385	2,383,767	70,068,547	30,426,783	39,469,694	2,287,529	796,166	7,417,816	9,938,475
Business receipts	6,533,859	4,261,013	2,272,846	69,238,092	30,089,334	38,985,117	2,242,526	778,172	7,363,411	9,838,050
Income from other partnerships and fiduciaries	6,409	3,353	3,056	11,758	8,202	3,556	285	2	273	2,195
Nonqualifying interest and dividends	74,035	34,309	39,726	330,916	200,153	126,222	15,149	7,157	6,725	32,808
Rents received	55,927	53,187	2,741	93,852	15,514	78,289	8,525	2,957	7,073	5,428
Royalties	51	—	51	3,668	1,229	2,439	626	—	1,029	3
Farm net profit	—	—	—	5,197	3,708	1,489	5	—	806	663
Net gain, noncapital assets	33,271	23,878	9,393	39,680	7,767	31,907	4,190	596	2,432	7,485
Other receipts	76,579	20,625	55,954	345,383	100,877	240,665	16,224	7,282	36,068	51,842
<b>Total deductions</b>	<b>7,553,764</b>	<b>4,179,624</b>	<b>3,374,140</b>	<b>68,496,935</b>	<b>30,149,990</b>	<b>38,179,624</b>	<b>2,209,786</b>	<b>794,236</b>	<b>7,247,228</b>	<b>9,749,004</b>
Cost of sales and operations	3,153,907	2,001,501	1,152,405	54,976,057	27,314,252	27,554,799	1,591,862	591,577	5,884,627	8,329,885
Inventory, beginning of year	8,626	5,966	2,660	5,452,779	1,866,926	3,575,787	431,973	161,039	371,067	755,441
Purchases	1,428,211	936,175	492,036	50,251,551	24,450,485	25,709,642	1,525,073	521,737	5,698,795	7,938,873
Cost of labor	174,479	116,370	58,109	854,314	225,996	620,428	17,756	4,046	46,432	85,824
Materials and supplies	79,817	50,408	29,408	765,764	384,285	375,863	7,546	175	53,974	84,044
Other costs	1,482,138	903,909	578,229	3,345,958	2,178,215	1,156,656	69,952	22,860	122,583	288,550
Less: inventory, end of year	19,364	11,327	8,037	5,694,310	1,791,656	3,883,576	460,441	118,280	408,224	823,148
Salaries and wages	480,841	254,621	226,220	3,670,266	635,146	3,029,496	177,444	57,863	442,728	347,949
Less: jobs credit	15	4	1	2,253	188	3,065	141	—	626	821
Guaranteed payments to partners	75,694	48,845	26,849	720,708	163,138	556,262	62,488	13,262	48,321	95,064
Rent paid	91,318	50,058	41,260	1,248,634	148,897	1,093,489	34,756	20,459	113,171	135,225
Interest paid	618,255	342,225	276,030	782,317	277,423	499,108	40,063	8,396	62,466	91,317
Taxes paid	132,751	55,807	76,944	793,038	121,133	670,622	36,569	11,915	86,743	93,041
Bad debts	30,310	11,141	19,169	98,311	41,210	56,817	7,461	1,702	3,629	11,908
Repairs	121,361	95,322	26,039	297,544	69,348	227,498	15,734	3,659	33,409	27,345
Depreciation	—	—	—	—	—	—	—	—	—	—
Depletion	362	362	—	7,116	5,908	1,208	58	884	52	—
Pension, profit sharing, annuity, and bond purchase plans	9,334	6,504	2,831	22,933	13,298	9,626	1,007	669	2,592	569
Employee benefit plans	15,784	7,290	8,493	63,905	21,875	41,387	2,730	310	6,585	11,391
Net loss from other partnerships and fiduciaries	46,758	11,241	35,517	32,462	12,634	19,828	7,571	—	139	426
Rent net loss	100,619	98,971	1,648	13,771	2,685	11,086	78	—	306	105
Royalty net loss	—	—	—	7,739	51	7,688	—	—	—	8
Farm net loss	1,580	—	—	9,529	3,847	4,477	1,404	700	911	458
Net loss, noncapital assets	1,668	696	972	22,022	1,970	20,053	26	—	3,722	44
Other deductions	1,688,690	711,133	977,557	4,806,732	1,089,466	3,687,131	199,911	72,189	449,652	507,592
<b>Net income (less deficit)</b>	<b>- 773,634</b>	<b>216,740</b>	<b>- 990,374</b>	<b>1,571,562</b>	<b>276,781</b>	<b>1,290,032</b>	<b>77,742</b>	<b>1,931</b>	<b>170,586</b>	<b>189,471</b>
Net income	1,084,915	814,354	270,561	3,009,274	746,716	2,240,356	148,712	37,574	301,102	301,970
Deficit	1,858,549	597,613	1,260,935	1,437,712	469,935	950,324	70,970	35,643	130,516	112,499
<b>Capital gains and losses</b>										
Net short-term capital gain (less loss)	3,668	50	3,618	5,248	3,575	1,673	10	—	844	52
Net long-term capital gain (less loss)	39,247	3,252	35,995	210,860	81,651	129,208	36,279	481	2,025	47,743
<b>Partnerships With Net Income</b>										
Number of partnerships	8,274	4,793	3,482	116,451	16,161	99,692	5,856	1,902	12,853	12,143
Number of partners	22,332	12,321	10,011	277,903	39,532	237,172	14,392	4,734	27,247	31,224
Total assets	2,983,485	1,633,871	1,349,614	12,931,895	5,149,778	7,719,641	776,807	271,191	817,453	1,275,443
Total receipts	4,514,099	3,109,678	1,404,421	55,019,342	25,012,075	29,942,457	1,754,828	674,371	5,892,638	7,280,442
Business receipts	4,397,390	3,043,021	1,354,369	54,351,507	24,719,184	29,574,739	1,725,106	659,851	5,849,018	7,208,529
Income from other partnerships and fiduciaries	6,151	3,114	3,038	9,029	7,195	1,834	285	2	53	871
Nonqualifying interest and dividends	24,860	15,080	9,780	299,474	186,138	108,808	12,755	7,054	6,080	30,637
Rents received	19,944	19,297	647	60,486	9,707	50,740	4,263	2,218	4,578	4,842
Royalties	51	—	51	3,562	1,189	2,374	626	—	988	—
Farm net profit	—	—	—	5,151	3,676	1,474	5	—	806	663
Net gain, noncapital assets	27,679	18,841	8,838	21,127	2,698	18,422	481	43	2,109	2,263
Other receipts	36,024	10,326	27,698	269,005	82,288	184,065	11,306	5,204	28,995	32,638
<b>Total deductions</b>	<b>3,429,183</b>	<b>2,295,324</b>	<b>1,133,860</b>	<b>52,010,059</b>	<b>24,265,356</b>	<b>27,702,095</b>	<b>1,606,115</b>	<b>636,797</b>	<b>5,591,536</b>	<b>6,978,473</b>
Cost of sales and operations	2,130,211	1,454,578	675,634	43,118,690	22,391,160	20,703,285	1,186,772	477,861	4,676,825	6,078,329
Inventory, beginning of year	1,807	383	1,425	3,946,556	1,446,670	2,497,853	298,030	104,618	283,276	492,233
Purchases	1,343,154	866,135	477,020	40,071,025	20,652,416	19,389,018	1,141,890	467,938	4,519,331	5,777,719
Cost of labor	93,494	65,407	28,087	562,409	158,147	402,123	12,164	2,935	38,609	60,139
Materials and supplies	59,804	39,024	20,781	419,624	178,430	241,194	4,826	160	33,308	72,065
Other costs	643,640	489,363	154,277	2,137,992	1,267,715	869,053	59,193	8,164	96,640	198,647
Less: inventory, end of year	11,689	5,734	5,955	4,018,917	1,312,217	2,695,956	329,331	105,955	294,338	522,475
Salaries and wages	255,923	156,885	99,037	2,688,416	490,174	2,196,402	129,785	51,126	316,056	254,927
Less: jobs credit	1	—	—	3,113	132	2,982	141	—	626	821
Guaranteed payments to partners	41,549	28,266	13,283	465,875	105,430	360,175	52,575	11,447	27,410	54,946
Rent paid	40,984	31,750	9,234	785,633	84,706	698,090	20,225	16,031	75,339	80,782
Interest paid	99,790	58,817	40,973	361,853	141,580	219,406	17,407	3,899	30,830	41,767
Taxes paid	51,298	31,505	19,793	549,486	91,017	458,215	25,986	9,075	64,089	58,483
Bad debts	7,436	1,498	5,938	57,977	20,174	37,706	4,101	1,093	2,277	8,946
Repairs	70,665	58,266	12,399	208,719	50,519	157,698	11,644	3,262	22,905	20,136
Depreciation	—	—	—	—	—	—	—	—	—	—
Depletion	111	111	—	6,483	5,513	970	40	884	1	—
Pension, profit sharing, annuity, and bond purchase plans	4,752	4,202	550	19,702	11,396	8,306	836	669	1,595	542
Employee benefit plans	7,738	4,893	2,845	43,499	15,377	28,122	2,294	212	4,920	9,215
Net loss from other partnerships and fiduciaries	1,916	779	1,137	15,303	3,230	12,073	96	—	139	11,091
Rent net loss	633	181	453	2,235	1,046	1,188	51	—	120	26
Royalty net loss	—	—	—	—	—	—	—	—	—	—
Farm net loss	107	—	—	2,575	290	2,286	—	700	587	458
Net loss, noncapital assets	505	389	116	4,138	523	3,615	2	—	2,597	44
Other deductions	535,566	351,712	183,853	3,191,613	749,612	2,431,345	134,980	54,868	300,911	312,386
<b>Net income</b>	<b>1,084,915</b>	<b>814,354</b>	<b>270,561</b>	<b>3,009,274</b>	<b>746,716</b>	<b>2,240,356</b>	<b>148,712</b>	<b>37,574</b>	<b>301,102</b>	<b>301,970</b>
<b>Capital gains and losses</b>										
Net short-term capital gain (less loss)	46	30	17	4,053	3,248	805	10	—	308	52
Net long-term capital gain (less loss)	37,095	1,862	35,213	132,115	35,473	96,642	36,161	439	1,649	29,813

Footnotes at end of table.

Table 1. — Total Assets and Income Statement for Selected Industries — Continued

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

Item	Wholesale and retail trade — Continued							Finance, insurance, and real estate		
	Retail trade — Continued							Total	Finance	
	Automotive dealers and service stations — Continued		Apparel and accessory stores	Furniture and home furnishings stores	Eating places	Drinking places	Liquor stores		Total	Banking and credit agencies other than banks
	Motor vehicle dealers	Gasoline service stations								
(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)		
<b>Partnerships With and Without Net Income</b>										
Number of partnerships	4,847	10,307	20,030	9,626	28,384	6,957	4,275	717,810	147,676	1,590
Number of partners	15,355	22,549	45,164	20,076	81,527	15,667	9,210	5,727,193	1,983,132	18,618
Total assets	625,355	661,716	942,680	834,421	2,343,698	207,853	428,543	645,766,823	248,459,880	999,877
Total receipts	2,780,041	5,774,532	2,029,248	1,706,523	6,760,796	522,546	1,287,036	85,655,741	48,514,699	489,264
Business receipts	2,732,123	5,736,208	1,993,620	1,654,634	6,688,412	512,076	1,272,628	53,354,961	35,152,656	254,244
Income from other partnerships and fiduciaries	45	826	—	143	79	—	—	1,314,654	901,681	8,720
Nonqualifying interest and dividends	18,682	8,163	11,767	19,401	10,009	904	2,457	13,147,897	9,444,540	179,302
Rents received	1,696	3,499	3,341	7,117	26,818	495	2,640	12,573,285	297,162	781
Royalties	—	3	1	350	408	—	—	553,294	395,750	—
Farm net profit	—	373	—	—	15	—	—	41,265	14,020	—
Net gain, noncapital assets	1,160	3,294	1,150	136	4,812	49	5,932	603,740	130,985	360
Other receipts	26,335	22,166	19,369	24,742	30,243	9,024	3,379	4,066,645	2,177,905	45,857
Total deductions	2,732,967	5,643,918	1,953,742	1,561,842	6,547,322	510,609	1,241,044	96,788,398	48,912,792	454,149
Cost of sales and operations	2,351,552	5,030,699	1,288,263	1,067,112	3,055,631	248,602	993,745	40,600,992	3,106,087	141,144
Inventory, beginning of year	314,409	192,757	490,508	276,461	99,003	116,402	116,402	14,629,586	6,988,621	11,016
Purchases	2,180,851	4,831,589	1,241,380	1,043,639	2,505,378	229,163	999,777	26,846,386	23,812,900	104,241
Cost of labor	44,882	16,927	16,727	29,878	325,636	15,577	2,419	473,767	173,526	—
Materials and supplies	22,916	43,594	24,158	10,483	52,284	2,724	2,212	915,904	211,736	—
Other costs	142,240	125,675	64,367	24,439	185,345	636	1,306	9,334,684	3,673,311	36,385
Less: inventory, end of year	353,746	193,843	548,876	317,788	112,016	14,332	128,371	11,599,336	3,800,007	10,497
Salaries and wages	98,219	155,767	159,833	116,458	1,180,092	58,795	63,750	2,520,455	1,293,002	55,078
Less: jobs credit	737	77	—	40	1,256	—	—	746	434	—
Guaranteed payments to partners	16,277	38,836	45,436	36,043	71,705	9,432	12,856	1,404,416	581,286	6,728
Rent paid	23,905	72,524	110,997	40,405	390,338	39,743	21,607	525,174	165,341	9,661
Interest paid	45,160	24,255	28,439	24,129	113,326	7,639	20,703	13,935,516	6,374,207	88,078
Taxes paid	17,482	59,250	40,211	28,717	231,841	20,586	20,165	1,388,955	237,480	2,231
Bad debts	4,081	5,056	2,557	9,016	5,740	432	1,276	176,802	64,035	11,209
Repairs	7,882	13,060	7,326	6,920	84,355	8,579	7,802	415,413	45,777	782
Depreciation <sup>1</sup>	—	—	—	—	—	—	—	—	—	—
Depletion	—	—	—	—	—	—	—	—	—	—
Pension, profit sharing, annuity, and bond purchase plans	259	281	844	660	791	—	73	71,355	53,681	814
Employee benefit plans	3,388	5,637	985	991	12,211	11	1,250	71,261	36,276	3,107
Net loss from other partnerships and fiduciaries	11,097	8	41	42	442	—	—	5,818,550	2,880,066	3,746
Rent net loss	134	266	6,241	552	753	1,158	217	13,457,229	449,832	2
Royalty net loss	8	—	—	—	—	—	—	61,398	2,986	253
Farm net loss	—	458	—	—	—	—	—	84,453	32,903	—
Net loss, noncapital assets	—	37	16	33	950	—	—	269,186	167,300	154
Other deductions	141,302	195,963	234,826	205,464	1,188,321	96,984	71,517	11,901,915	4,546,440	125,633
Net income (less deficit)	47,073	130,614	75,503	144,679	213,474	11,937	45,992	-11,132,658	-398,092	35,115
Net income	70,351	166,336	163,765	166,385	443,864	33,331	61,039	19,389,655	7,032,513	83,116
Deficit	23,277	35,723	88,262	21,705	230,391	21,394	15,047	30,522,313	7,430,605	48,001
<b>Capital gains and losses</b>										
Net short-term capital gain (less loss)	25	27	28	80	6	—	—	1,305,537	1,095,832	11,072
Net long-term capital gain (less loss)	69	47,045	-6,809	22,408	14,298	4,477	5,065	6,070,685	3,874,429	1,638
<b>Partnerships With Net Income</b>										
Number of partnerships	2,512	6,427	9,680	6,811	17,007	4,068	2,746	329,042	80,728	988
Number of partners	10,546	13,507	21,786	14,237	47,899	9,071	5,913	2,737,557	1,268,509	17,312
Total assets	441,705	450,921	608,605	633,734	1,381,575	95,556	215,570	243,758,483	106,815,863	691,214
Total receipts	2,055,739	4,276,221	1,557,067	1,354,259	4,817,610	324,021	939,039	48,898,648	24,643,632	407,502
Business receipts	2,014,884	4,254,363	1,522,278	1,312,887	4,777,068	315,802	926,553	24,556,261	14,708,754	211,326
Income from other partnerships and fiduciaries	45	825	—	143	—	—	—	1,208,307	639,662	8,720
Nonqualifying interest and dividends	18,320	6,449	11,010	14,268	6,755	859	2,427	9,452,737	6,873,361	148,403
Rents received	1,454	3,155	3,340	4,063	13,287	495	978	10,262,026	176,682	49
Royalties	—	—	1	350	383	—	—	443,867	290,564	—
Farm net profit	—	373	—	—	—	—	—	33,937	8,570	—
Net gain, noncapital assets	1,127	1,001	1,147	109	2,935	49	5,819	388,453	73,534	360
Other receipts	19,908	10,054	19,291	22,438	17,183	6,817	3,262	2,553,060	1,672,504	38,644
Total deductions	1,985,388	4,109,885	1,393,300	1,187,872	4,373,745	290,691	878,000	29,508,993	17,611,118	324,387
Cost of sales and operations	1,716,782	3,720,397	957,877	833,002	2,129,526	161,992	711,943	16,387,038	12,181,628	135,863
Inventory, beginning of year	134,597	148,144	319,682	214,619	72,084	9,384	9,285	4,708,835	2,194,637	11,016
Purchases	1,605,176	3,555,685	939,613	797,890	1,758,963	151,236	703,500	8,363,112	7,182,970	104,241
Cost of labor	38,298	17,523	4,372	27,431	175,258	9,492	1,298	124,507	68,171	—
Materials and supplies	19,755	42,962	2,210	6,637	45,319	892	1,658	304,633	72,066	—
Other costs	84,814	94,808	53,331	12,405	160,581	636	1,658	5,368,403	3,104,160	31,103
Less: inventory, end of year	215,857	136,726	361,332	225,980	80,699	9,648	86,215	2,482,451	440,376	10,497
Salaries and wages	73,950	111,153	125,634	89,155	815,691	31,094	50,109	1,451,948	772,698	46,751
Less: jobs credit	737	77	—	40	1,192	—	—	30	16	—
Guaranteed payments to partners	12,294	21,525	23,836	28,478	45,191	2,980	9,480	573,488	274,895	3,402
Rent paid	17,898	45,115	69,116	24,791	255,643	19,214	14,907	221,769	71,938	8,580
Interest paid	20,868	12,002	10,399	13,269	48,581	2,352	9,870	4,412,025	2,761,878	76,009
Taxes paid	11,539	35,865	28,256	23,690	153,540	11,900	12,930	594,867	101,907	1,710
Bad debts	2,559	4,351	2,014	6,556	1,275	362	922	39,901	8,229	3,902
Repairs	6,871	9,464	5,994	4,631	56,436	2,847	4,453	164,572	12,399	711
Depreciation <sup>1</sup>	—	—	—	—	—	—	—	—	—	—
Depletion	—	—	—	—	—	—	—	—	—	—
Pension, profit sharing, annuity, and bond purchase plans	259	253	774	623	773	—	73	58,941	43,667	786
Employee benefit plans	2,453	4,422	928	366	4,578	11	1,232	38,792	18,883	2,931
Net loss from other partnerships and fiduciaries	11,083	8	41	39	235	—	—	154,525	60,718	256
Rent net loss	—	—	—	—	—	—	—	243,025	25,871	2
Royalty net loss	—	—	—	—	—	—	—	29	—	—
Farm net loss	—	458	—	—	—	—	—	8,125	3,008	—
Net loss, noncapital assets	—	36	15	2	354	—	—	14,953	2,506	117
Other deductions	102,689	119,582	152,299	142,978	745,710	49,965	50,570	4,141,139	1,177,962	40,277
Net income	70,351	166,336	163,765	166,385	443,864	3,331	61,039	19,389,655	7,032,513	83,116
<b>Capital gains and losses</b>										
Net short-term capital gain (less loss)	25	27	28	80	6	—	—	433,218	395,906	7,970
Net long-term capital gain (less loss)	69	29,116	-6,809	22,408	979	4,477	4,348	2,857,380	1,694,393	1,515

Footnotes at end of table.

## Partnership Returns/1982

Table 1.—Total Assets and Income Statement for Selected Industries—Continued

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

Item	Finance, insurance, and real estate—Continued							Services		
	Finance—Continued		Insurance agents, brokers, and services	Real estate			Total	Hotels and other lodging places	Personal services	
	Security and commodity brokers and services	Holding and investment companies		Total	Operators and lessors of buildings	Lessors, other than buildings				Real estate agents, brokers, and managers
(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	
<b>Partnerships With and Without Net Income</b>										
Number of partnerships	4,854	141,232	7,560	562,575	470,331	29,651	17,641	287,529	18,152	29,274
Number of partners	91,223	1,873,291	23,255	3,720,805	3,133,115	202,813	122,905	1,171,642	117,973	67,403
Total assets	127,245,583	120,214,420	3,457,077	393,849,866	329,815,045	9,993,948	7,652,309	66,208,999	22,293,321	934,400
Total receipts	34,364,095	13,661,340	3,342,832	33,798,209	21,143,219	752,388	2,003,805	72,222,308	9,482,069	1,902,078
Business receipts	29,646,553	5,251,859	2,646,319	15,555,987	5,280,474	131,911	1,675,110	66,413,627	8,510,334	1,882,573
Income from other partnerships and fiduciaries	130,847	782,114	993	411,980	305,119	21,611	28,782	102,693	11,729	373
Nonqualifying interest and dividends	3,496,586	5,768,652	126,747	3,576,610	2,712,994	90,470	126,856	667,834	166,385	11,852
Rents received	4,784	291,597	1,122	12,269,301	11,582,364	427,669	75,154	1,647,983	518,299	2,161
Royalties	6,005	389,745	119	157,425	139,256	17,095	111	76,783	222	—
Farm net profit	2,114	11,906	—	27,245	5,715	20,068	226	8,348	—	—
Net gain, noncapital assets	14,310	116,315	3,295	469,460	355,259	8,970	3,184	181,717	21,753	109
Other receipts	1,062,897	1,069,152	558,539	1,330,201	752,438	34,594	94,382	3,123,323	253,347	5,009
Total deductions	34,901,146	13,557,496	2,960,100	44,915,506	29,640,088	798,273	2,400,934	60,333,640	10,514,030	1,660,130
Cost of sales and operations	27,669,155	3,249,788	497,094	9,043,811	1,988,361	36,195	710,424	11,368,067	2,092,728	404,942
Inventory, beginning of year	6,395,105	592,501	21,345	7,819,620	914,501	33,717	613,356	554,130	90,347	26,391
Purchases	23,445,278	263,381	60,300	2,972,587	811,491	19,922	217,795	4,217,009	864,935	188,843
Cost of labor	68,812	104,713	9,066	290,336	41,699	4,307	55,598	1,626,675	467,463	83,326
Materials and supplies	1,596	210,140	234	703,934	137,347	212	34,742	709,127	106,774	58,582
Other costs	986,703	2,650,222	427,267	5,234,107	1,162,424	16,671	316,997	4,867,940	660,317	73,435
Less: inventory, end of year	3,218,340	571,169	22,557	7,776,772	1,079,101	38,634	528,063	6,068,814	97,107	25,635
Salaries and wages	776,353	461,571	378,011	849,442	515,454	22,315	132,362	14,343,517	1,431,304	283,314
Less: jobs credit	20	414	11	302	182	7	7	9,962	1,912	5,350
Guaranteed payments to partners	315,166	259,392	84,687	738,444	475,780	10,731	80,700	2,182,351	137,715	115,594
Rent paid	73,251	82,429	60,764	299,068	172,047	8,670	51,829	3,210,392	243,678	120,697
Interest paid	3,427,116	2,859,013	74,510	7,486,799	4,689,092	114,108	362,358	3,322,534	1,566,259	33,258
Taxes paid	57,926	177,323	43,086	1,108,389	839,500	24,580	52,563	1,921,588	469,254	47,211
Bad debts	2,857	49,969	17,038	95,728	45,937	8,015	5,917	145,540	26,990	4,959
Repairs	4,478	40,517	14,463	355,173	296,177	4,828	24,161	629,496	255,227	31,972
Depreciation	—	—	—	—	—	—	—	—	—	—
Depletion	5	2,619	—	7,720	1,032	770	—	22,330	336	—
Pension, profit sharing, annuity, and bond purchase plans	23,440	29,427	10,898	6,776	2,023	2,617	1,386	247,064	4,262	1,358
Employee benefit plans	23,452	9,717	12,816	22,169	10,136	1,073	1,452	350,783	45,659	8,325
Net loss from other partnerships and fiduciaries	320,886	2,555,435	8,051	2,930,439	2,166,102	104,465	245,918	559,756	113,437	4,482
Rent net loss	1,081	—	7,619	12,999,778	12,197,498	261,576	134,168	1,108,616	213,834	9,919
Royalty net loss	—	2,733	—	58,412	58,404	—	—	2,508	1,374	—
Farm net loss	574	32,328	647	50,903	26,326	21,264	189	37,438	525	—
Net loss, noncapital assets	148,072	19,074	95	101,791	92,559	5,222	712	45,158	6,893	844
Other deductions	2,020,995	2,399,812	1,721,279	5,634,196	3,290,177	84,901	494,169	16,615,525	2,801,478	500,539
Net income (less deficit)	-537,051	103,844	382,732	-11,117,297	-8,496,869	-45,885	-397,130	11,888,674	-1,031,962	241,948
Net income	1,200,707	5,748,690	472,450	11,884,691	9,968,600	480,509	242,267	18,638,775	807,435	326,259
Deficit	1,737,758	5,644,846	89,719	23,001,989	18,465,468	526,394	639,396	6,750,101	1,839,397	84,311
<b>Capital gains and losses</b>										
Net short-term capital gain (less loss)	376,524	708,237	-4,071	213,776	188,264	794	3,295	-123,691	1,389	3,459
Net long-term capital gain (less loss)	371,746	3,501,045	-6,291	2,202,547	1,356,901	443,772	56,773	232,241	83,464	3,551
<b>Partnerships With Net Income</b>										
Number of partnerships	1,300	78,439	6,158	242,156	203,757	15,978	8,141	180,153	8,060	20,549
Number of partners	68,618	1,182,759	19,154	1,449,894	1,220,504	111,219	35,583	665,039	49,582	47,300
Total assets	45,848,239	60,276,410	2,281,076	134,661,544	117,526,940	4,001,088	2,750,239	26,295,610	5,863,567	609,881
Total receipts	13,083,823	11,152,306	2,571,449	21,683,567	14,791,926	617,472	961,183	59,083,585	4,589,576	1,615,859
Business receipts	10,580,469	3,916,959	2,285,143	7,562,364	2,235,067	86,578	765,218	54,355,148	3,863,188	1,600,591
Income from other partnerships and fiduciaries	119,376	711,565	993	367,652	274,289	21,488	19,333	93,489	9,442	32
Nonqualifying interest and dividends	1,482,274	5,242,234	104,037	2,475,339	1,935,790	67,649	85,253	498,870	103,748	10,561
Rents received	3,452	173,182	6,086	10,079,258	9,564,244	374,760	49,573	1,249,125	425,978	1,586
Royalties	5,555	285,010	4	153,299	137,251	15,088	84	75,703	—	—
Farm net profit	—	8,570	—	25,367	4,950	20,039	226	7,828	—	—
Net gain, noncapital assets	14,309	58,866	3,211	311,707	254,956	5,321	777	143,111	20,250	109
Other receipts	877,938	755,921	171,974	708,582	385,381	26,550	40,718	2,660,310	166,969	2,979
Total deductions	11,883,116	5,403,616	2,098,999	9,798,876	4,823,327	136,963	718,916	40,444,819	3,782,140	1,289,600
Cost of sales and operations	9,387,081	2,658,684	186,665	4,018,745	776,058	26,995	197,192	7,110,657	724,777	334,450
Inventory, beginning of year	1,896,323	287,298	16,984	2,497,214	191,810	23,481	164,803	324,296	37,382	21,307
Purchases	6,920,784	157,945	58,065	1,122,076	284,161	14,534	141,922	2,756,228	379,368	169,381
Cost of labor	43,811	24,360	1,162	55,174	3,749	4,145	13,036	989,368	148,706	75,737
Materials and supplies	1,596	70,470	82	232,484	25,966	111	18,647	547,843	49,497	46,912
Other costs	808,099	2,264,957	131,983	2,132,260	439,138	13,296	8,994	2,847,679	144,690	42,336
Less: inventory, end of year	283,532	146,347	21,612	2,020,463	168,766	28,571	150,209	354,757	34,867	21,224
Salaries and wages	477,203	248,741	316,132	363,120	229,246	15,140	70,547	12,279,627	651,078	233,438
Less: jobs credit	9	6	11	4	4	—	—	8,213	758	5,350
Guaranteed payments to partners	191,708	79,785	57,808	240,784	109,564	3,745	42,477	1,568,635	33,397	70,737
Rent paid	41,497	21,860	51,975	97,856	63,081	3,191	19,305	2,544,156	133,053	88,975
Interest paid	1,109,138	1,576,732	26,569	1,623,578	1,120,707	22,658	63,998	1,096,301	352,369	17,504
Taxes paid	38,596	61,602	38,105	454,855	366,727	10,088	29,078	1,457,185	211,147	34,896
Bad debts	1,162	3,165	17,421	14,939	17,421	—	322	98,792	16,315	4,799
Repairs	2,598	9,090	13,929	138,244	117,248	1,732	8,321	391,340	118,292	23,426
Depreciation	—	—	—	—	—	—	—	—	—	—
Depletion	—	309	—	1,292	691	423	—	22,008	310	—
Pension, profit sharing, annuity, and bond purchase plans	16,570	26,311	10,393	4,881	1,125	2,559	1,059	233,277	2,107	1,307
Employee benefit plans	14,873	1,079	11,773	8,137	5,125	1,030	978	267,096	14,258	2,507
Net loss from other partnerships and fiduciaries	20,035	40,426	6,238	87,569	78,219	7,774	1,377	51,524	258	472
Rent net loss	—	25,870	—	217,154	175,327	4,743	12,756	18,669	2,426	2,071
Royalty net loss	—	—	—	29	29	—	—	1	—	—
Farm net loss	—	3,008	—	5,117	4,512	147	189	2,700	—	—
Net loss, noncapital assets	103	2,286	93	12,354	11,891	97	—	11,185	454	844
Other deductions	569,757	567,927	1,339,428	1,623,749	960,687	22,527	240,835	11,471,285	1,216,117	414,530
Net income	1,200,707	5,748,690	472,450	11,884,691	9,968,600	480,509	242,267	18,638,775	807,435	326,259
<b>Capital gains and losses</b>										
Net short-term capital gain (less loss)	63,988	323,948	-4,276	41,587	31,866	81	1,557	-142,551	595	493
Net long-term capital gain (less loss)	178,282	1,514,596	-6,583	1,169,570	829,370	112,335	39,322	103,466	39,604	2,421

Footnotes at end of table.

Table 1.—Total Assets and Income Statement for Selected Industries—Continued

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

Item	Services—Continued									
	Business services	Automobile repair and services	Miscellaneous repair services	Amusement and recreation services, including motion pictures	Medical and health services		Legal services	Engineering and architectural services	Accounting, auditing, and bookkeeping services	
					Total	Offices of physicians			Total	Certified public accountants
(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	
<b>Partnerships With and Without Net Income</b>										
Number of partnerships	61,108	21,517	10,808	24,681	27,287	10,668	26,472	7,865	13,550	8,755
Number of partners	355,814	48,782	24,605	121,940	106,411	44,505	114,491	21,426	44,858	34,702
Total assets	18,837,015	1,414,955	243,489	6,859,858	3,972,061	922,991	3,901,344	838,015	1,686,921	1,547,682
Total receipts	6,937,228	2,611,955	987,463	5,980,206	12,029,318	5,909,190	17,380,072	4,028,373	7,597,479	7,081,591
Business receipts	5,186,795	2,515,214	976,790	5,260,824	10,892,489	5,063,307	16,922,654	3,885,379	7,457,855	6,948,023
Income from other partnerships and fiduciaries	11,569	—	—	17,193	5,265	1,242	6,966	42,283	5,297	3,546
Nonqualifying interest and dividends	156,407	4,775	1,758	64,497	40,748	20,132	58,820	20,140	38,764	35,729
Rents received	848,556	37,440	5,260	62,643	46,396	18,296	20,295	382	17,253	16,919
Royalties	2,535	—	—	39,659	—	—	11,784	6,287	27	27
Farm net profit	878	431	—	927	—	—	4	—	—	—
Net gain, noncapital assets	100,544	7,915	1,338	15,679	12,253	11,239	4,986	473	909	852
Other receipts	629,944	46,180	2,317	518,785	1,032,168	794,975	354,563	73,430	77,374	76,494
<b>Total deductions</b>	<b>7,511,710</b>	<b>2,358,150</b>	<b>840,488</b>	<b>6,684,924</b>	<b>8,182,114</b>	<b>3,226,285</b>	<b>10,031,274</b>	<b>3,502,245</b>	<b>5,798,101</b>	<b>5,407,703</b>
Cost of sales and operations	1,273,595	1,227,554	556,518	2,262,603	937,043	91,583	1,518,225	1,027,925	127,607	117,051
Inventory, beginning of year	32,628	64,066	76,882	82,096	23,294	1,039	1,907	7,379	3,441	—
Purchases	457,241	931,524	399,567	250,275	113,744	8,297	17,818	58,689	—	—
Cost of labor	123,571	97,365	68,110	111,929	331,611	16,349	27,465	177,659	43,375	38,184
Materials and supplies	96,020	95,688	44,073	30,268	125,999	3,154	98,449	98,449	2,237	364
Other costs	601,177	135,178	45,806	1,853,755	361,439	55,108	103,811	693,460	81,000	78,503
Less: inventory, end of year	37,042	96,266	77,920	65,720	19,043	460	2,330	7,713	2,446	—
Salaries and wages	655,260	229,066	46,495	776,932	2,424,992	975,343	4,398,919	1,057,170	2,711,297	2,568,827
Less: jobs credit	61	—	235	77	721	12	120	5	1,477	1,468
Guaranteed payments to partners	156,236	91,171	21,272	105,899	336,589	242,688	434,297	108,942	587,580	545,814
Rent paid	374,661	110,166	22,872	147,729	519,729	271,089	1,070,708	141,351	383,876	352,967
Interest paid	680,119	89,849	11,570	338,115	200,407	27,094	153,750	38,024	76,922	67,384
Taxes paid	103,720	15,606	122,996	275,487	275,487	82,353	444,720	97,048	237,605	222,170
Bad debts	38,154	6,243	738	13,597	14,555	5,162	14,847	3,298	13,119	13,070
Repairs	73,904	23,320	5,216	56,816	60,410	22,036	60,888	8,509	24,476	22,068
Depreciation	—	—	—	—	—	—	—	—	—	—
Depletion	11,204	—	—	209	428	207	212	—	9,888	9,888
Pension, profit sharing, annuity, and bond purchase plans	10,218	202	92	11,694	53,409	37,559	93,684	40,892	27,009	25,974
Employee benefit plans	12,412	1,954	157	17,524	108,246	68,190	88,924	20,084	42,208	39,797
Net loss from other partnerships and fiduciaries	180,296	664	—	103,639	959	68	23,544	3,450	3,620	3,620
Rent net loss	824,298	6,035	—	4,176	4,606	1,162	4,144	1,112	1,283	1,283
Royalty net loss	1,133	—	—	—	—	—	—	—	—	—
Farm net loss	4,841	58	—	13,427	—	—	3	—	—	—
Net loss, noncapital assets	8,363	4,453	—	14,734	236	70	1,221	28	1,289	1,289
Other deductions	1,881,290	364,549	131,034	2,059,617	2,991,898	1,341,222	2,754,097	902,337	1,406,563	1,290,200
<b>Net income (less deficit)</b>	<b>-574,483</b>	<b>253,817</b>	<b>146,973</b>	<b>-704,718</b>	<b>3,847,203</b>	<b>2,682,904</b>	<b>7,348,798</b>	<b>526,128</b>	<b>1,799,378</b>	<b>1,673,888</b>
Net income	1,823,436	386,389	163,721	645,143	4,135,897	2,693,869	7,385,560	588,477	1,830,026	1,694,056
Deficit	2,397,919	132,572	16,748	1,349,861	288,694	10,964	36,762	62,350	30,648	20,168
<b>Capital gains and losses</b>										
Net short-term capital gain (less loss)	-165,254	361	—	145	3,687	4	1,978	26	111	69
Net long-term capital gain (less loss)	23,156	100	—	12,818	16,825	296	16,849	1,184	5,538	5,431
<b>Partnerships With Net Income</b>										
Number of partnerships	31,560	13,883	8,264	7,887	22,877	9,750	23,978	5,073	11,279	7,420
Number of partners	162,145	29,555	16,657	34,603	82,427	39,394	106,169	14,245	39,955	31,703
Total assets	5,823,077	772,389	168,664	2,160,214	2,630,799	833,297	3,707,039	584,657	1,514,013	1,395,268
Total receipts	5,180,029	1,985,791	867,479	3,638,821	10,790,568	5,659,157	17,045,725	3,677,415	7,368,729	6,877,432
Business receipts	3,787,417	1,897,426	859,188	3,190,997	9,690,575	4,814,089	16,595,176	3,544,988	7,246,597	6,761,108
Income from other partnerships and fiduciaries	10,430	—	—	15,647	1,374	1,242	6,966	42,283	5,297	3,546
Nonqualifying interest and dividends	109,517	4,349	438	29,867	35,592	19,441	58,003	18,619	37,857	34,822
Rents received	634,065	34,569	5,258	42,465	44,211	18,296	20,153	382	1,075	740
Royalties	2,494	—	—	38,931	—	—	11,697	6,287	27	27
Farm net profit	360	431	—	927	—	—	4	—	—	—
Net gain, noncapital assets	80,523	6,154	1,338	3,679	12,050	11,235	4,986	181	898	841
Other receipts	555,223	42,863	1,257	316,309	1,006,766	794,854	348,741	64,696	76,979	76,347
<b>Total deductions</b>	<b>3,356,593</b>	<b>1,599,416</b>	<b>703,755</b>	<b>2,993,678</b>	<b>6,654,670</b>	<b>2,965,288</b>	<b>9,660,165</b>	<b>3,088,938</b>	<b>5,538,703</b>	<b>5,183,376</b>
Cost of sales and operations	862,653	918,359	481,872	1,229,823	685,628	91,583	149,372	801,834	121,580	111,024
Inventory, beginning of year	20,152	38,867	60,810	38,065	6,360	1,039	1,907	2,326	3,441	—
Purchases	346,417	641,254	357,769	170,683	83,702	8,297	17,818	31,904	—	—
Cost of labor	78,204	76,558	55,621	51,710	206,454	16,349	27,465	173,645	37,348	32,157
Materials and supplies	58,235	90,374	39,331	18,316	113,543	11,250	2,464	93,400	2,237	364
Other costs	382,537	129,444	30,401	991,933	282,600	55,108	102,048	503,975	81,000	78,503
Less: inventory, end of year	22,893	58,138	62,060	40,884	7,031	460	2,330	3,415	2,446	—
Salaries and wages	555,815	172,299	41,069	374,941	2,061,616	943,488	4,295,210	1,013,828	2,644,090	2,509,130
Less: jobs credit	61	—	—	89	369	5	120	5	1,477	1,468
Guaranteed payments to partners	85,043	2,521	6,267	76,510	246,897	170,182	355,447	85,854	526,882	491,941
Rent paid	104,803	78,037	19,498	83,175	454,766	262,188	1,041,609	133,013	366,049	339,160
Interest paid	170,447	41,529	7,161	73,532	131,235	24,060	144,013	24,053	68,246	60,376
Taxes paid	78,530	33,482	13,428	60,216	225,581	78,842	434,731	93,182	231,678	216,906
Bad debts	26,795	2,811	654	1,639	10,831	5,162	14,686	3,004	13,084	13,070
Repairs	40,018	17,815	4,871	31,993	49,292	19,970	58,717	8,294	23,054	20,890
Depreciation	—	—	—	—	—	—	—	—	—	—
Depletion	11,204	—	—	—	428	207	178	—	9,888	9,888
Pension, profit sharing, annuity, and bond purchase plans	10,041	142	92	5,496	49,944	35,006	93,540	40,795	26,719	25,683
Employee benefit plans	11,132	822	157	7,079	80,850	53,116	88,037	19,405	39,830	37,621
Net loss from other partnerships and fiduciaries	22,516	664	—	10,240	699	68	10,740	641	2,758	2,758
Rent net loss	6,756	155	—	134	454	450	4,021	309	630	630
Royalty net loss	—	—	—	—	—	—	—	—	—	—
Farm net loss	1,232	58	—	—	—	—	3	—	—	—
Net loss, noncapital assets	1,349	3,961	—	1,458	227	70	1,221	28	1,253	1,253
Other deductions	946,318	241,388	109,114	860,158	2,472,061	1,229,009	2,643,873	819,216	1,326,740	1,221,652
<b>Net income</b>	<b>1,823,436</b>	<b>386,389</b>	<b>163,721</b>	<b>645,143</b>	<b>4,135,897</b>	<b>2,693,869</b>	<b>7,385,560</b>	<b>588,477</b>	<b>1,830,026</b>	<b>1,694,056</b>
<b>Capital gains and losses</b>										
Net short-term capital gain (less loss)	-166,361	361	—	21	3,617	4	1,973	25	111	69
Net long-term capital gain (less loss)	10,989	100	—	12,865	12,865	296	16,823	428	5,538	5,430

\*The deduction for depreciation is not shown separately because the amounts reported on the partnership return, Form 1065, are understated. The understatement results from the reporting characteristics of partnerships in farming and real estate. A more accurate estimate of the depreciation deduction, obtained from the Form 4562, the form on which depreciation is computed, is almost \$32.4 billion for all industries. Of this total, \$2.0 billion is reported for farms and \$16.2 billion for real estate.

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

# Private Activity Tax-Exempt Bonds, 1983

By Phil Clark and Tom Neubig\*

In 1983, approximately \$58 billion of long-term tax-exempt bonds were issued for the direct benefit of private businesses, organizations, or individuals [1]. These so-called private purpose bonds accounted for 61 percent of the estimated \$93.3 billion of long-term tax-exempt bonds issued that year [2].

Until recently, little information was available about the volumes and use of these bonds. Concern over this lack of data led to an information reporting requirement, which was enacted as part of the Tax Equity and Fiscal Responsibility Act of 1982. This requirement was effective for industrial development bonds (IDB's), student loan bonds, and private exempt entity bonds issued after December 31, 1982 [3].

This article reports the newly available information about these three categories of tax-exempt private activity bonds. The new data show that the largest volume of private activity bonds was for private businesses under the small issue industrial development bond exemption. IDB's are issued by state and local governments in order to provide below-market rate financing for a wide range of private development. In 1983, long-term small issue IDB volume totaled \$14.4 billion. This represents a large increase over previous statistics, available only for publicly-reported issues, which totaled \$4.5 billion.

## BACKGROUND AND HISTORY

Since 1979, over one-half of all long-term tax-exempt bonds issued have been for the direct benefit of private businesses, organizations, or individuals (see Figure A). The growth of private activity tax-exempt bonds has been attributed to a number of factors [4]. State and local governments, and various quasi-governmental agencies that they have created or authorized, have increasingly used tax-exempt financing to promote economic development and housing in their jurisdictions. High interest rates have provided an increased incentive for

all borrowers to seek the lowest cost financing tool, and tax-exempt financing is generally available in unlimited amounts to all eligible borrowers. State and local governments can provide this Federal subsidy to businesses and individuals at little or no expense because arbitrage profits (resulting from bond proceeds being invested in higher-yielding taxable securities) and fees can defray any administrative costs. Finally, tax-exempt financing for some projects has been a substitute for reduced direct Federal expenditures or loan guarantees.

The increased supply of tax-exempt obligations is attractive to potential investors only if tax-exempt interest rates increase relative to yields on alternative investments. Empirical evidence indicates that, with everything else constant, the issuance of private activity bonds does exert upward pressure on tax-exempt interest rates, and thereby raises the cost of financing traditional governmental activities, such as the construction of schools, roads, and sewers [5].

Private activity bonds also cause substantial present and future revenue losses because of the tax exemption of interest income on obligations which can be outstanding for 30 to 40 years. Outstanding private activity bonds will cause an estimated tax revenue loss of \$8.5 billion in Fiscal Year 1984 [6].

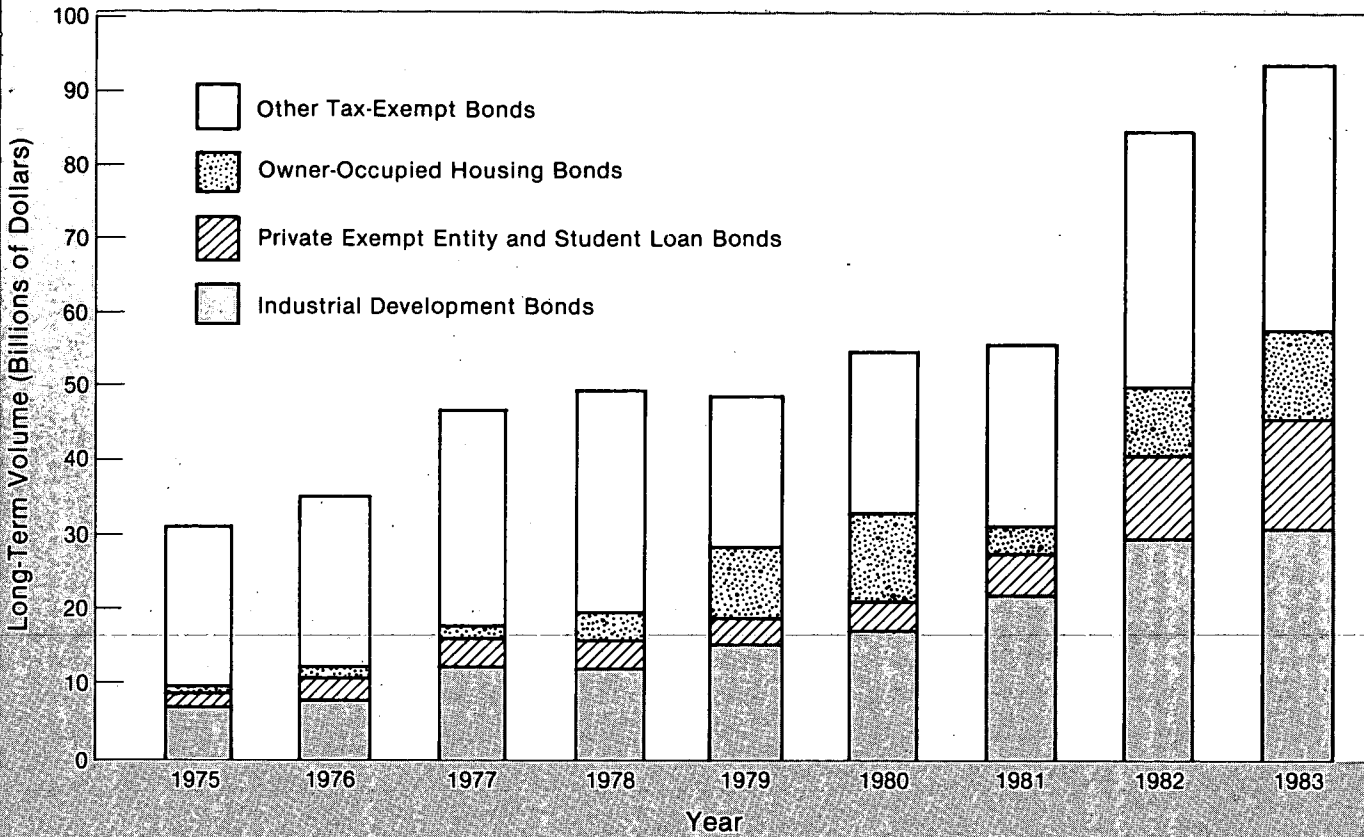
The large volume of private activity bonds has prompted Congress to place limitations on them in 1969, 1980, 1982, and 1984. As part of the 1982 legislation, Congress included an information reporting requirement for issuers of private activity bonds. The Senate Committee report in explaining the need for the information requirement states that:

While the growth of private activity bonds in recent years has been large, information concerning the specific uses is incomplete. Accordingly, in order to enable the Congress and others to monitor

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Figure A  
Long-Term Tax-Exempt Bond Volume, 1975-83



Source: Table F-13, Special Analysis F, Budget of the United States Government, FY 1985

the use of tax-exempt bonds for private activities and to help in enforcing other restrictions on industrial development bonds, the committee bill requires issuers to make quarterly reports to the Internal Revenue Service on private activity tax-exempt obligations issued by them [7].

Prior to the information reporting requirement, statistics on the total volume of private activity bonds and their uses were available only for publicly-reported bond issues [8]. A Congressional Budget Office survey of local economic development agencies reported a large volume of privately-placed small issue IDB's [9], many of which were not included in trade association statistics. The survey data indicated a rapid growth of volume and extensive use of small issue IDB's by certain businesses. With the reporting requirement in effect, more detailed analysis of private activity bonds is possible.

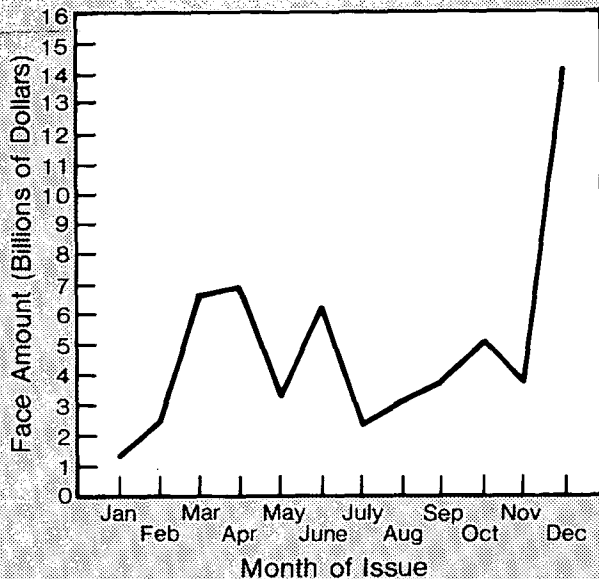
## DATA ANALYSIS

### Uses of Private Activity Bonds Proceeds

A total of 13,036 information returns were received for bonds issued in 1983. The dollar volume of bonds issued in each month of 1983 is shown in Figure B. Approximately 24 percent of the 1983 private activity bond volume (34.7 percent of the number of returns) was issued in December. The sharp increase in volume at the end of 1983 was largely attributable to Congressional proposals placing restrictions on IDB's and student loan bonds effective January 1, 1984.

This article concentrates on the dollar volume of bond issuances, rather than the number of information returns filed because the number of returns is not an accurate reflection of the number of private activities financed with tax-exempt bonds. Multiple returns for a single activity may be filed when a bond is refunded, especially in the case of short-term

Figure B  
Volume of Private Activity Bond  
Issuances, By Month, 1983



obligations which have maturities of as little as one day from the date of issuance. On the other hand, some returns included descriptions of many activities (multiple lot issues), which reduced the number of returns filed.

Table 1 shows the face amount and new issue volume by type of private activity bond. Industrial development bonds are shown by type of activity. The bonds are further categorized into short-term obligations, which have average maturities of one year or less, and long-term obligations. Shown in columns 4, 5, and 6 is the new issue volume, which equals the purchase price of the bond minus the amount of proceeds used to refund prior issues. For instance, a bond issue with a \$100 million purchase price sold to refund a \$95 million outstanding obligation would count as \$5 million of new issues. New issue volume therefore represents the net increase in outstanding private activity bonds (excluding non-refunded retirements).

Table 2 shows the aggregate face amount, purchase price, and lendable proceeds for long-term private activity bonds, as well as the issuance costs and the amounts allocated to reserve or replacement funds. Lendable proceeds of IDB's are required to be used primarily to

purchase land and depreciable property. A minor portion of lendable proceeds can be used for other purposes, such as working capital. Table 3 shows, for long-term IDB's, the allocation of non-refunding lendable proceeds. Of the proceeds, 90 percent were used to finance depreciable property, 7 percent for land, and 3 percent for other property.

Issuers of private exempt entity bonds, industrial park IDB's and small issue IDB's were required to provide information on the industrial classification of the initial principal users of the projects being financed. Table 4 shows the classification by industry for these bonds. Private hospitals and educational facilities accounted for 96 percent of the total exempt entity bond volume on those returns showing an industry. Small issue IDB's were used most frequently for manufacturing (30 percent), followed by services (23 percent), and real estate (21 percent), based on returns with an industry reported. Industrial park bonds were primarily used to finance real estate.

#### Size Distribution of Small Issue IDB's

Small issue IDB's are limited to \$1 million per user per county or \$10 million, if capital expenditures on the project do not exceed \$10 million over a 6-year period (\$20 million in the case of Urban Development Action Grant assisted projects). The \$10 million limit was raised from \$5 million in 1979. It has been speculated that raising the limit from \$5 million to \$10 million sparked the rapid growth of small issue IDB's.

Table 5 shows the size distribution of small issue IDB's. Twenty-nine percent of the small issue IDB volume (6.0 percent of the returns) was from bond issues with face amounts from \$5 million to \$10 million. Only 17.2 percent of the volume (61.1 percent of the returns) was from issues of \$1 million or less.

#### Maturity Distribution

Approximately 45 percent of the private activity bond volume issued in 1983 is scheduled to be outstanding in the year 2000. Figure C shows the scheduled amount outstanding over the next 40 years for long-term student loan bonds, private exempt entity bonds, small issue IDB's, and other IDB's. The average maturities for the four categories of bonds are shown in Figure D. The longest reported maturity was 43 years for a multi-family rental housing IDB, which could still be outstanding in 2026.

Figure C  
Distribution of Bond Maturities, by Year

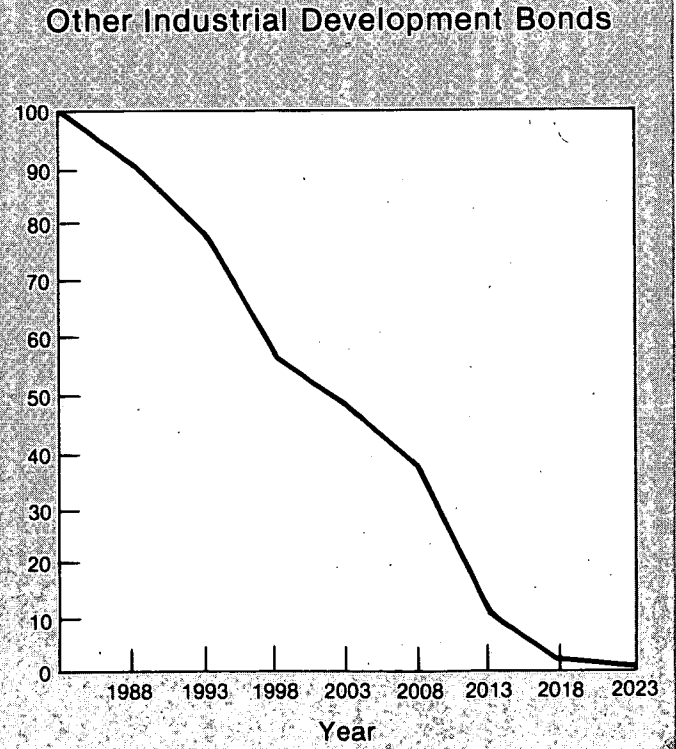
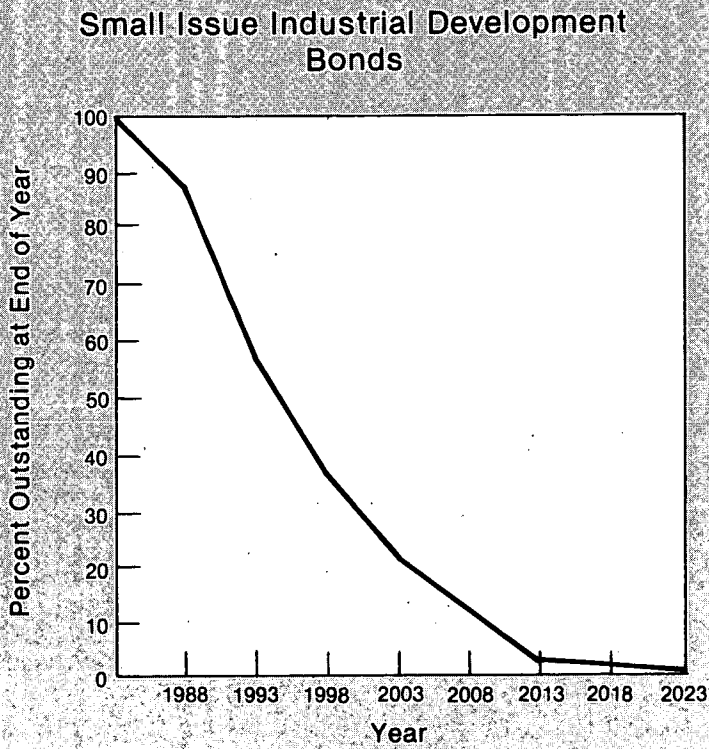
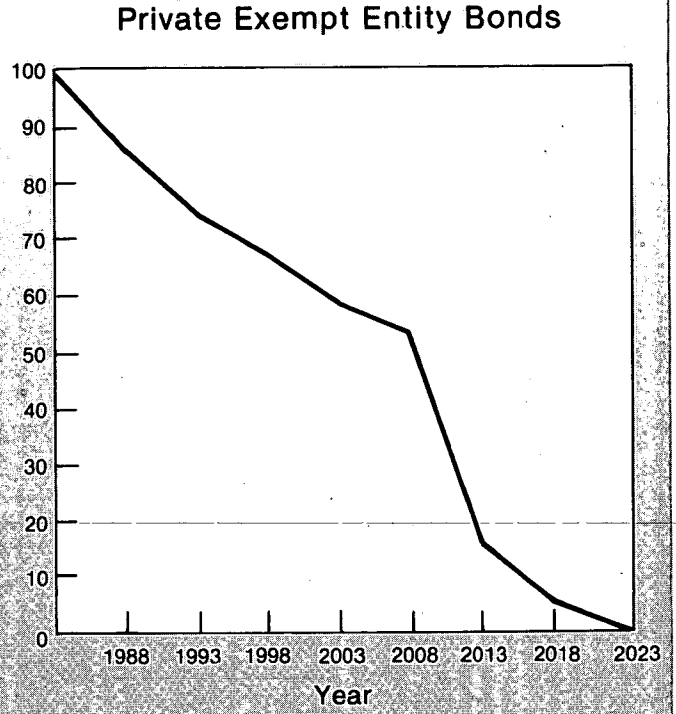
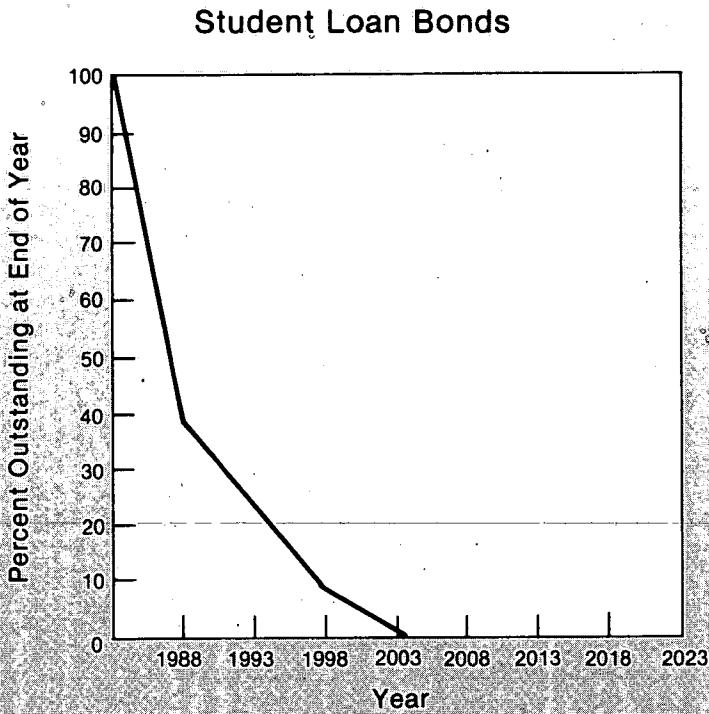




Figure D.--Average Maturity by Type of Long-term Bond

Type of bond	Average maturity (years)
Total .....	17.38
Student loan bonds .....	6.25
Exempt entity bonds .....	21.51
Small issue IDB's .....	14.37
Other IDB's .....	19.84

Volume of Private Activity Bonds by State

Table 6 shows the total new issue volume by type of bond for each state. This information revises preliminary tabulations published by the Department of the Treasury in March 1984.

SUMMARY

Private activity bond issues provide a reduction in borrowing costs for businesses, non-profit organizations, and individuals. The implicit Federal interest subsidy directs the allocation of the Nation's resources toward activities benefiting from this type of financing. One of the effects of private activity bonds is an increase in tax-exempt interest rates. Higher tax-exempt interest rates increase the borrowing costs of financing traditional governmental projects and may result in delay or cancellation of some public projects. In addition, the tax exemption of interest income from private activity bonds reduces Federal income tax receipts as long as the bonds are outstanding.

The lack of available information about the volume and uses of private activity bonds in 1982 led Congress to require information reporting on the issuance of such bonds. As a result of this requirement, the first comprehensive data on the total volume, uses, and maturities of these bonds are now available. The data confirm that the volume of publicly-reported small-issue IDB's is only a fraction of the total volume. In 1983, publicly-reported small-issue IDB's constituted only one-third of the \$14.4 billion total volume.

Detailed information on other IDB's is also available for the first time. IDB's, other than small issues, totaled \$15.9 billion in 1983. In the past, many of these bonds could not have been identified or classified as private purpose bonds. With these IDB's now included, private purpose bonds accounted for over 60 percent of the long-term tax-exempt bond volume in 1983.

Finally, the data on the bonds' maturity distribution indicate that nearly half of the private activity bond volume issued in 1983 is scheduled to be outstanding at the turn of the

century. These maturity distribution data will enable analysts to calculate the total benefits of the reduced interest rates available from tax-exempt bonds to private beneficiaries and the total revenue loss to the Federal Government.

DATA SOURCES AND LIMITATIONS

Form 8038, Information Return for Private Activity Bond Issues, is required to be filed for all student loan, private exempt entity, and industrial development bonds. The return is due within 15 days after the end of the calendar quarter in which the bond is issued. Virtually all of the data in this article were extracted from the 13,036 returns filed for 1983.

Because the entire population of Forms 8038 was used for this study, there was no sampling error. In part because 1983 was the first year of the filing requirement, however, a certain amount of filer and processing error was encountered. Throughout the processing of the forms, a number of checks were performed to ensure that each return was internally consistent, and to exclude duplicate and amended returns. Both automatic and manual correction routines were performed to balance return data and to supply data missing from the returns. Despite these efforts, a small number of returns remained with missing or inconsistent data. This necessitated that a portion of the data (e.g., Table 3) be expressed in percentages rather than as aggregate figures.

DEFINITIONS

Industrial Development Bonds.--State or local government obligations all or a major portion of the proceeds of which are used in a private trade or business, with payments of principal and interest secured by the property used in a private trade or business. In general, IDB's can finance certain specified activities in unlimited amounts. In addition, under the small issue exemption, virtually any private trade or business can finance depreciable property or land with an IDB if the bond's face amount does not exceed \$1 million, or \$10 million with certain limits on capital expenditures.

Student Loan Bonds.--State or local government obligations issued to finance the educational expenses of individuals.

Private Exempt Entity Bonds.--State or local government obligations issued for tax-exempt charitable, religious, educational, and similar organizations (described in Internal Revenue Code section 501(c)(3)), but primarily for private, non-profit medical facilities and colleges.

## NOTES AND REFERENCES

- [1] These data are an update of data released in U.S. Department of the Treasury, "Treasury Report on Private Purpose Tax-exempt Bond Activity During Calendar Year 1983," March 28, 1984. Differences in the statistics are due to additional consistency checks and error resolution. The major difference was a shift of approximately \$4 billion from long-term obligations to short-term obligations based on corrections to the average maturities of the bonds.
- [2] The estimated total volume of long-term tax-exempt bonds (\$93.3 billion) is greater than the total of \$83.3 billion reported by Credit Markets (June 4, 1984) by the volume of privately-placed small issue IDB's. The additional volume of \$10.0 billion is the difference between the face amount of long-term small issue IDB's (\$14.434 billion) reported to the IRS on Form 8038 and the \$4.482 billion of publicly-reported "industrial aid" bonds.
- [3] The information reporting requirement did not cover owner-occupied housing bonds or certain tax-exempt bonds authorized by statutes other than the Internal Revenue Code. Data on the \$11.7 billion of owner-occupied housing bonds issued in 1983 are from the Office of Financial Management, U.S. Department of Housing and Urban Development. Other bonds not covered include private activity bonds issued by the District of Columbia, Puerto Rico, and certain U.S. possessions, and certain multi-family rental housing bonds. The information reporting requirement is extended to these other bonds by the Deficit Reduction Act of 1984. Definitions of the bonds covered appear at the end of this article.
- [4] Testimony of Treasury Assistant Secretary John E. Chapoton before the House Ways and Means Committee, June 15, 1983.
- [5] Empirical estimates of the effect of an additional \$1 billion of tax-exempt obligations range from 1 basis point (one-hundredth of one percentage point) to 7 basis points. For a summary of the econometric estimates, see G.E. Peterson, J.A. Tuccillo, and J.C. Weicher, "The Impact of Local Mortgage Revenue Bonds on Securities, Markets and Housing Policy Objectives," in Efficiency in the Municipal Bond Market, edited by G.C. Kaufman, Greenwich, Connecticut, JAI Press, Inc., 1981.
- [6] Budget of the United States Government, FY 1985, Special Analysis G, Table G-2.
- [7] U.S. Senate, Committee on Finance, Tax Equity and Fiscal Responsibility Act of 1982, Rept. 97-494, Volume 1, (July 12, 1982), p. 167.
- [8] See, for instance, Credit Markets, formerly the Weekly Bond Buyer, March 29, 1982; January 10, 1983; and January 4, 1984; and the Public Securities Association, Statistical Yearbook of Municipal Finance.
- [9] Congressional Budget Office, Small Issue Industrial Development Bonds, April 1981.

Table 1.--Volume of Private Activity Bonds by Type of Activity, 1983

[Millions of dollars]

Type of activity	All issues <sup>1</sup>			New issues <sup>2</sup>		
	Total	Short-term	Long-term	Total	Short-term	Long-term
	(1)	(2)	(3)	(4)	(5)	(6)
Total.....	59,352	14,017	45,335	38,869	2,005	36,864
Student loans <sup>3</sup> .....	3,531	264	3,267	3,086	245	2,841
Private exempt entities.....	15,503	3,760	11,743	8,096	415	7,681
Industrial development bonds:						
Industrial park.....	190	( <sup>4</sup> )	189	190	( <sup>4</sup> )	190
Small issue.....	14,540	106	14,434	13,689	79	13,610
Multi-family rental housing.....	5,567	296	5,271	5,337	199	5,138
Sports facilities.....	276	-	276	220	-	220
Convention facilities.....	248	15	233	246	15	231
Airports, docks, etc. <sup>5</sup> .....	3,449	421	3,029	2,089	89	2,000
Sewage and waste disposal facilities....	2,741	1,325	1,416	1,442	263	1,179
Pollution control facilities.....	11,842	7,390	4,453	3,411	637	2,774
Water furnishing facilities.....	108	7	100	91	4	87
Hydroelectric generating facilities....	60	-	60	60	-	60
Mass commuting vehicles.....	13	9	4	13	9	4
Local heating and cooling facilities....	85	-	85	85	-	85
Electric energy and gas facilities.....	1,200	425	775	815	51	764

<sup>1</sup>Volume for all issues is the face amount of the bond.<sup>2</sup>Volume for new issues is the purchase price of the bond minus any amount used to refund earlier obligations.<sup>3</sup>Only partial information on the amount of refunding was collected for student loan bonds.<sup>4</sup>Less than \$500,000.<sup>5</sup>Includes wharves, mass commuting facilities, parking facilities, or storage facilities directly related to any of the preceding.

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

Table 2.--Computation of Non-Refunding Lendable Proceeds For Long-Term Private Activity Bonds, by Type

[Millions of dollars]

	Type of bond				
	Total	Student loan <sup>1</sup>	Private exempt entity	Industrial development bonds	
				Small issue	Other
	(1)	(2)	(3)	(4)	(5)
Face amount.....	45,335	3,267	11,743	14,434	15,891
Purchase price.....	45,159	3,252	11,653	14,436	15,818
Bond issuance costs.....	1,260	46	349	435	430
Allocations to reserve or replacement funds.....	1,417	214	537	233	432
Lendable proceeds.....	42,482	2,991	10,767	13,767	14,956
Proceeds used to refund prior issues.....	8,298	415	3,970	827	3,087
Non-refunding lendable proceeds.....	34,184	2,578	6,797	12,940	11,869

<sup>1</sup>Only partial information on the amount of refunding was collected for student loan bonds.

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

Table 3.--Long-Term Industrial Development Bonds: Percent Distribution of Non-Refunding Lendable Proceeds, by Type of Property Financed

Type of property financed	Type of industrial development bond			
	Total	Small issue	Multi-family housing	Sports and convention
	(1)	(2)	(3)	(4)
Total.....	100.0	100.0	100.0	100.0
Depreciable property:				
3-year ACRS.....	0.7	1.2	0.2	0.2
5-year ACRS.....	19.8	21.2	4.1	4.9
10-year ACRS.....	4.3	2.4	0.8	3.2
15-year ACRS.....	65.4	65.1	82.1	86.2
Land.....	6.8	7.8	9.3	2.4
Other property <sup>1</sup> .....	3.0	2.3	3.5	3.2

Type of property financed	Type of industrial development bond--Continued			
	Airport and dock <sup>2</sup>	Sewage, waste disposal and pollution control	Electric and gas	Other exempt activity <sup>3</sup>
	(5)	(6)	(7)	(8)
Total.....	100.0	100.0	100.0	100.0
Depreciable property:				
3-year ACRS.....	0.1	0.3	-	0.4
5-year ACRS.....	32.0	34.8	0.9	7.1
10-year ACRS.....	2.8	15.3	1.2	5.8
15-year ACRS.....	55.3	46.0	94.7	41.7
Land.....	5.0	1.0	3.1	20.0
Other property <sup>1</sup> .....	4.9	2.5	0.1	25.1

<sup>1</sup> Includes a small amount of proceeds which were not targeted for a specific type of property at the time of filing.

<sup>2</sup> Includes wharves, mass commuting facilities, parking facilities, or storage facilities directly related to any of the preceding.

<sup>3</sup> Consists of industrial parks, water furnishing facilities, hydroelectric generating facilities, mass commuting vehicles, and local heating and cooling facilities.

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

Table 4.--Volume<sup>1</sup> of Small Issue Industrial Development Bonds, Industrial Park Bonds, and Private Exempt Entity Bonds, by Industry

[Millions of dollars]

Industry	Small-issue and industrial park IDB's		Private exempt entity bonds	
	Amount	Percent	Amount	Percent
	(1)	(2)	(3)	(4)
All industries.....	14,730	100.00	15,503	100.00
Agriculture, forestry, and fishing.....	178	1.21	19	.12
Minning.....	98	.67	-	-
Construction.....	129	.88	-	-
Manufacturing.....	4,183	28.40	54	.35
Food and kindred products.....	467	3.17	7	.05
Textile products.....	332	2.25	1	.01
Chemicals, rubber, and plastics.....	637	4.32	8	.05
Primary and fabricated metal.....	655	4.45	-	-
Machinery, except electrical.....	300	2.04	1	.01
Electrical and electronic equipment.....	439	2.98	2	.01
Other manufacturing.....	1,354	9.19	35	.23
Transportation.....	324	2.20	1	.01
Wholesale trade.....	792	5.38	5	.03
Durable goods.....	373	2.53	5	.03
Nondurable goods.....	419	2.84	-	-
Retail trade.....	1,408	9.56	11	.07
General merchandise stores.....	405	2.75	7	.05
Food stores.....	420	2.85	( <sup>2</sup> )	( <sup>3</sup> )
Other retail trade.....	584	3.96	4	.03
Finance and insurance.....	273	1.85	-	-
Real estate.....	2,835	19.25	96	.62
Services.....	3,182	21.60	12,997	83.84
Hotels and other lodging places.....	941	6.39	7	.05
Personal and business services.....	196	1.33	47	.30
Medical and health services.....	1,577	10.71	10,993	70.91
Educational services.....	58	.39	1,824	11.77
Other services.....	409	2.78	126	.81
Other industries.....	340	2.31	216	1.39
Industry not reported.....	988	6.70	2,104	13.57

<sup>1</sup>Consists of the face amount of the bonds. Short term bonds have been included.<sup>2</sup>Less than \$500,000.<sup>3</sup>Less than 0.05 percent.

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

## Private Activity Tax-Exempt Bonds, 1983

Table 5.--Number and Volume of Small Issue Industrial Development Bonds, by Size of Face Amount  
 [Money amounts are in millions of dollars]

Size of face amount	Returns		Face amount	
	Number	Percent of total	Amount	Percent of total
	(1)	(2)	(3)	(4)
Total.....	10,043	100.00	14,540	100.00
\$1 - \$100,000.....	1,568	15.61	77	.53
\$100,001 - \$250,000.....	1,019	10.15	183	1.26
\$250,001 - \$500,000.....	1,445	14.39	558	3.84
\$500,001 - \$750,000.....	938	9.34	601	4.13
\$750,001 - \$1,000,000.....	1,166	11.61	1,083	7.45
\$1,000,001 - \$2,500,000.....	2,129	21.20	3,548	24.40
\$2,500,001 - \$5,000,000.....	1,176	11.71	4,278	29.42
\$5,00,001 - \$10,000,000.....	602	5.99	4,211	28.96

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

# Private Activity Tax-Exempt Bonds, 1983

**Table 6.—Volume of New Issue Private Activity Bonds<sup>1</sup>, by State, 1983**

[Millions of dollars]

State	Type of activity										
	Total	Student loan bonds	Exempt entity bonds	Industrial development bonds							Other exempt activities <sup>3</sup>
				Small issue and industrial park	Multi-family housing	Sports and convention	Airport and dock <sup>2</sup>	Sewage and waste disposal	Pollution control	Electric and gas	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
<b>United States, total</b> .....	<b>38,869</b>	<b>3,086</b>	<b>8,096</b>	<b>13,879</b>	<b>5,337</b>	<b>466</b>	<b>2,089</b>	<b>1,442</b>	<b>3,411</b>	<b>815</b>	<b>249</b>
Alabama .....	667	75	103	260	82	—	1	113	34	—	—
Alaska .....	239	—	4	159	38	—	28	—	10	—	—
Arizona .....	1,467	204	102	285	172	1	9	204	184	305	—
Arkansas .....	230	—	31	155	18	—	—	1	26	—	—
California .....	3,718	576	1,210	382	784	79	166	122	75	297	28
Colorado .....	686	133	146	212	81	40	21	7	42	—	3
Connecticut .....	313	16	77	119	82	—	13	—	—	—	6
Delaware .....	116	—	10	77	20	—	—	1	2	6	(*)
Florida .....	2,388	—	610	512	353	62	395	220	226	—	10
Georgia .....	1,074	—	91	505	328	—	40	1	24	—	85
Hawaii .....	77	—	20	—	—	—	57	—	—	—	—
Idaho .....	74	17	28	8	4	—	(*)	—	13	—	4
Illinois .....	1,706	159	404	579	99	5	311	126	24	—	—
Indiana .....	1,054	82	384	380	43	12	6	24	123	—	—
Iowa .....	317	60	28	211	13	—	—	(*)	4	—	—
Kansas .....	486	—	11	183	45	—	22	—	225	—	—
Kentucky .....	596	119	144	173	15	—	27	6	112	—	—
Louisiana .....	1,035	—	124	380	188	—	151	1	167	—	24
Maine .....	49	6	4	40	—	—	—	—	—	—	—
Maryland .....	960	—	47	322	296	—	48	236	10	—	—
Massachusetts .....	1,556	132	698	362	55	5	—	167	136	—	—
Michigan .....	750	—	219	273	96	—	—	11	151	—	—
Minnesota .....	1,253	168	206	565	140	65	1	—	109	—	—
Mississippi .....	234	20	9	108	8	—	—	8	82	—	—
Missouri .....	1,056	—	201	577	177	8	58	—	34	—	—
Montana .....	213	34	5	81	16	(*)	—	1	75	—	2
Nebraska .....	126	—	13	98	9	—	—	(*)	6	—	—
Nevada .....	187	—	4	26	17	—	16	—	53	72	—
New Hampshire .....	246	42	35	61	—	33	—	—	75	—	—
New Jersey .....	1,426	—	334	810	48	41	67	4	102	10	10
New Mexico .....	246	42	77	94	11	—	—	—	22	—	—
New York .....	1,722	—	450	574	367	6	107	31	48	125	14
North Carolina .....	318	—	67	177	44	—	6	(*)	23	—	—
North Dakota .....	123	—	41	56	7	—	—	5	21	—	—
Ohio .....	1,362	198	332	645	7	15	20	3	140	—	3
Oklahoma .....	394	—	33	106	177	—	29	(*)	49	—	—
Oregon .....	121	—	60	37	—	—	6	—	—	—	18
Pennsylvania .....	2,320	201	650	1,231	30	26	41	18	125	—	—
Rhode Island .....	105	—	26	67	13	—	—	—	—	—	—
South Carolina .....	483	50	17	178	4	2	(*)	40	192	—	—
South Dakota .....	163	25	26	23	10	45	—	9	9	—	17
Tennessee .....	882	—	104	677	70	—	—	13	17	—	—
Texas .....	3,367	259	611	786	1,117	—	329	30	230	—	4
Utah .....	427	50	37	155	40	—	25	2	118	—	—
Vermont .....	106	75	8	13	8	—	—	2	—	—	—
Virginia .....	1,442	299	175	691	173	18	1	33	51	—	2
Washington .....	241	—	47	80	—	—	88	—	6	—	20
West Virginia .....	211	—	23	133	28	2	—	2	23	—	—
Wisconsin .....	298	46	11	231	7	—	—	2	2	—	—
Wyoming .....	237	—	(*)	22	3	—	—	—	211	—	—

<sup>1</sup>Volume for new issues is the purchase price of the bond minus the amount used to refund earlier obligations.  
<sup>2</sup>Includes wharves, mass commuting facilities, parking facilities, or storage facilities directly related to any of the preceding.  
<sup>3</sup>Consists of water furnishing facilities, hydroelectric generating facilities, mass commuting vehicles, and local district heating and cooling facilities.  
<sup>4</sup>Less than \$500,000.

# Crude Oil Windfall Profit Tax, Third Quarter, 1983

By Michael Alexander\*

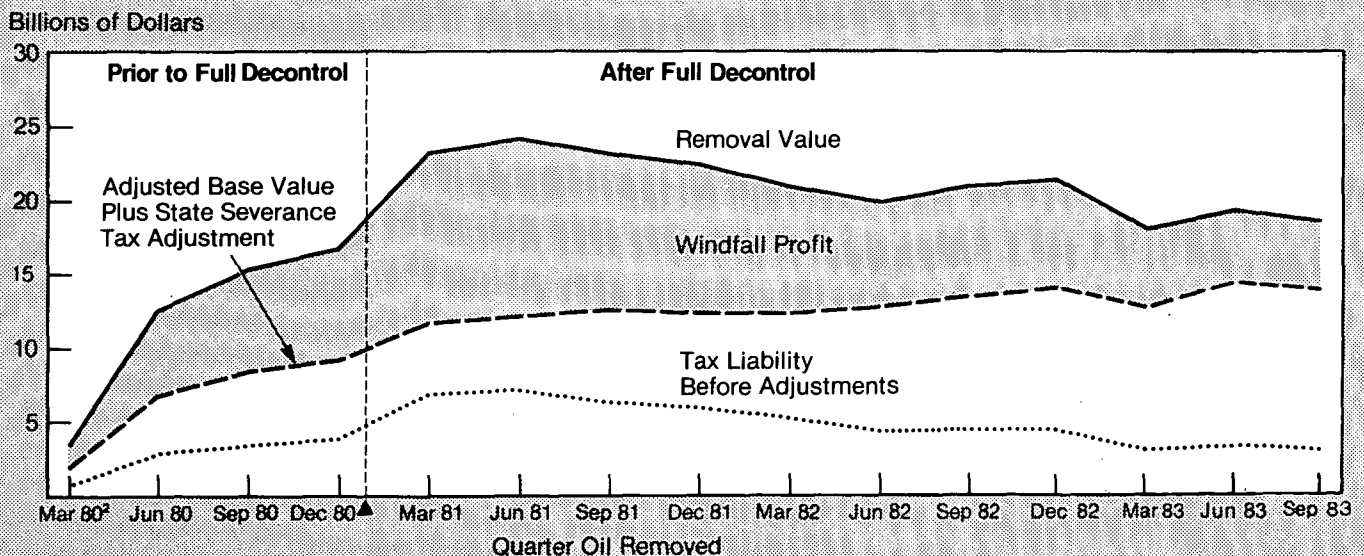
The windfall profit tax liability for the third quarter of 1983, \$2.5 billion after adjustments, was the lowest amount since the first full quarter (June 1980) for which liability was reported and was \$226 million lower than the total for the previous quarter. Since the inception of the Crude Oil Windfall Profit Tax Act of 1980, total reported windfall tax liability has been more than \$61 billion through September 1983.

The windfall profit is defined as the removal value less the sum of the adjusted base value and state severance tax adjustment. The windfall profit has declined by more than 61 percent from a high of \$11.4 billion in June 1981 to \$4.7 billion for the quarter ending September 1983 (Figure A). The average windfall profit has declined from \$16.40 per

barrel in June 1981 to \$6.63 in September 1983 (Figure B). The decrease in windfall profit was a result of declining removal prices (generally the price for which oil is sold) and rising adjusted base prices and state severance tax adjustments.

Since June 1981, the average removal price has fallen by almost 22 percent, from \$33.09 to \$25.86 per barrel. The decrease in removal prices resulted from a combination of declining demand in the United States for oil products and the worldwide surplus of crude oil. According to the *Oil & Gas Journal*, the demand for oil products in the United States declined for the fifth straight year in 1983 [1]. The demand in the first half of 1983, 14.98 million barrels of oil a day, was a decrease of 3.5 percent below the first half of 1982.

Figure A  
Components<sup>1</sup> of Windfall Profit Tax Liability Before Adjustments:  
Aggregate Values By Quarter Oil Removed

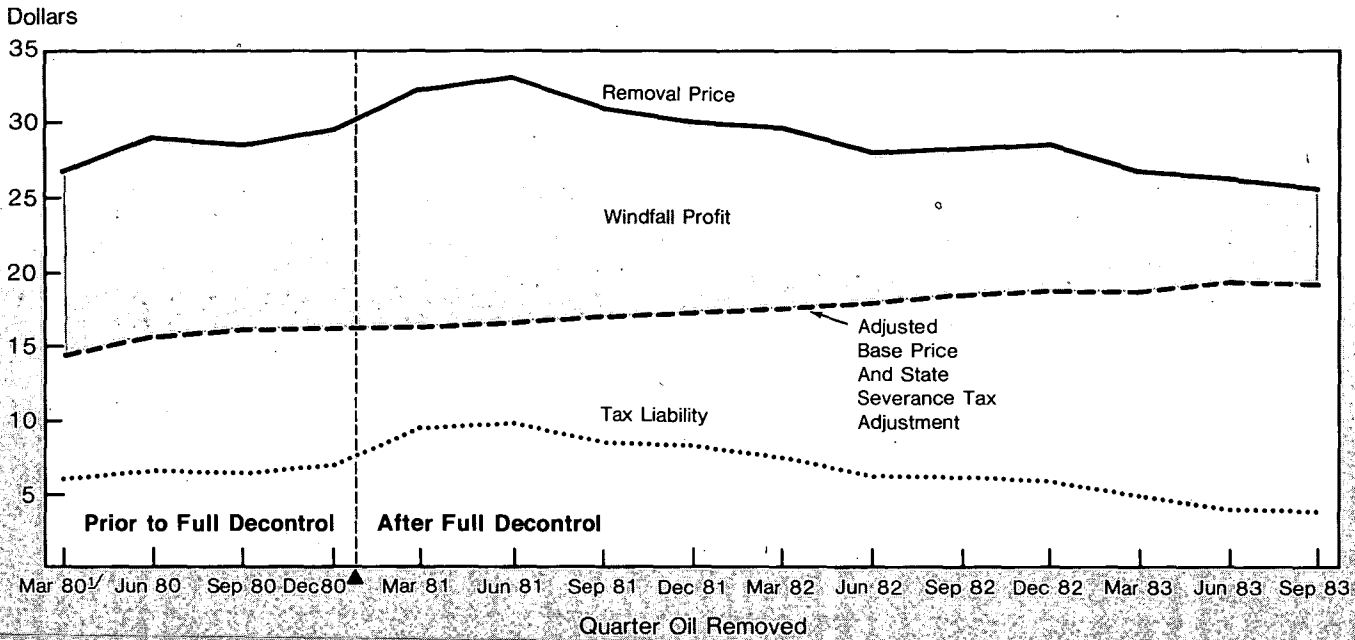


<sup>1</sup>Some returns report windfall profit tax liability only; therefore, data for removal value, adjusted base value and state severance tax adjustment have been adjusted to reflect totals as if all returns reported this detail.

<sup>2</sup>One month only.



Figure B  
Components of Windfall Profit Tax Liability:  
Averages per Barrel by Quarter Oil Removed



NOTE: Because of price controls during 1980, there were cases where the removal price was less than the adjusted base price and no Form 6047 was filed. The data in the figure are based on information reported.

<sup>1</sup>One month only.

The sum of the adjusted base price and the state severance tax adjustment has risen 15 percent from \$16.69 per barrel for the quarter ending June 1981 to \$19.23 for the quarter ending September 1983. The adjusted base price increased primarily as a result of an inflation adjustment, which is derived from the Gross National Product (GNP) "implicit price deflator."

The following table is a summary, by quarter, of tax liability before and after adjustments since the tax went into effect in 1980. The adjustments were necessary because of errors by withholding agents during previous quarters or, more frequently, reflect the application of the net income limitation. The net income limitation adjustment amounted to -\$270 million, and adjustments to previous quarters were approximately -\$30 million, for a total adjustment of -\$300 million for the quarter ending September 1983.

The net income limitation generates an adjustment because this 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. The adjustments in the following table include under- or over-withholding from previous quarters that the depositing or withholding agent (usually the first purchaser) corrects by

adjusting the amounts withheld in succeeding quarters. Producers can claim as a refund or a credit on their income tax returns additional over-withholding of windfall profit tax, due to error or the net income limitation that has not been corrected by the withholding agent.

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

Quarter Ending	Tax Before Adjustments	Total Adjustments	Tax After Adjustments
Total ....	\$64,960	-\$3,940	\$61,020
Mar. 1980 <sup>1</sup> ...	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
Mar. 1983 ....	3,320	-193	3,127
June 1983 ....	2,951	-203	2,748
Sept. 1983 ...	2,822	-300	2,522

<sup>1</sup>One month only.

Based on returns of taxpayers who provided complete detail on windfall profit tax computation [2], tier one oil continued to dominate production for the quarter ended September 1983. Tier one oil (which consists of all domestically produced crude oil other than oil specifically classified as tier two or tier three, or oil explicitly exempted from the tax) represented 66 percent of total production. Tier two oil, which represented 9 percent of total production consists of oil produced from stripper well property not qualifying for the stripper exemption and oil from economic interests in a Naval Petroleum Reserve held by the United States. Tier three oil, which consists of heavy oil, incremental tertiary oil and newly discovered oil (64 percent of tier three), accounted for 25 percent of total production.

#### Percent of Oil Production by Tier of Oil

Quarter Ending	Tier One	Tier Two	Tier Three
June 1981 .....	70	14	16
Sept. 1981 .....	69	14	17
Dec. 1981 .....	69	13	18
Mar. 1982 .....	68	13	19
June 1982 .....	67	13	20
Sept. 1982 .....	65	13	22
Dec. 1982 .....	65	12	23
Mar. 1983 .....	68	9	23
June 1983 .....	63	8	29
Sept. 1983 .....	66	9	25

#### DATA SOURCES AND LIMITATIONS

The windfall profit tax is reported on the Quarterly Federal Excise Tax Return, Form 720. 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 2 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. Although efforts were made to secure missing returns, some returns may have been omitted because of 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 Statistics of Income 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. Returns are not due until 2 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.

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 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.

Deposit Requirements.--The timing of any first purchaser to deposit amounts withheld depends on the identity of the first purchaser. Major refiners, other than independent refiners, are required to make semimonthly deposits of the withholding tax. All other first purchasers are required to make withholding deposits no later than 45 days after the oil is removed from the premises, except independent refiners that purchase oil under delayed payments contracts. They are required to make deposits by the first day of the third month beginning after the month of removal.

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, before 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 a 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.

Exempt Stripper Oil.--Oil removed from stripper wells after 1982 may qualify for exemption from the windfall profit tax if the following conditions are met:

- (1) The oil must be removed from a stripper well property after 1982;
- (2) The oil must be produced by an independent producer;
- (3) The oil must be attributable to the independent producer's working interest in the property; and

- (4) The stripper well property must not be a property transferred by a nonindependent producer on or after July 23, 1981.

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 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 (1) produced from property that 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 before 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 using 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 sold after May 31, 1979, and 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] Beck, Robert J., "Midyear Review/Forecast," Oil & Gas Journal, July 25, 1983, p. 114.
- [2] At the inception of the windfall profit tax (March 1980), taxpayers were not required

to complete the detail of the Form 6047, which shows how the tax is computed. However, taxpayers have been required to provide full information as of January 1981.

- [3] Beck, Robert J., "Forecast Review," Oil & Gas Journal, January 30, 1984, p. 117.
- [4] Joint Committee on Taxation (Staff), General Explanation of the Crude Oil Windfall Profit Tax Act of 1980, U.S. Government Printing Office, 1981.
- [5] See also Belal, Carol, and Clark, Phil, "Windfall Profit Tax Liability for 1980," Statistics of Income Bulletin, Fall 1981, pp. 50-54.
- [6] See also Coleman, Michael, "Crude Oil Windfall Profit Tax for 1981," Statistics of Income Bulletin, Fall 1982, pp. 41-46.
- [7] See also Alexander, Michael, "Crude Oil Windfall Profit Tax for 1982," Statistics of Income Bulletin, Fall 1983, pp. 35-40.

## Crude Oil Windfall Profit Tax, 1983

Table 1.--Windfall Profit Tax Liability by Oil Tier and Tax Rate for Quarter Ending September 1983 Aggregate Components of Windfall Profit

[Money amounts are in millions of dollars]

Oil tier and tax rate	Number of barrels of oil (000's)	Removal value	Adjusted base value	State severance tax adjustment	Windfall profit	Tax liability before adjustments
	(1)	(2)	(3)	(4)	(5)	(6)
Returns with tax liability shown by oil tier and tax rate, total .....	572,210	14,801	10,813	198	3,790	2,258
Tier one, other than Sadlerochit oil:						
Taxed at 70 percent .....	232,030	6,588	3,942	116	2,530	1,731
Taxed at 50 percent .....	23,388	683	400	17	266	133
Tier one, Sadlerochit oil:						
Taxed at 70 percent .....	120,555	2,083	2,016	16	51	36
Taxed at 50 percent .....	-	-	-	-	-	-
Tier two oil:						
Taxed at 60 percent .....	48,252	1,346	961	14	371	210
Taxed at 30 percent .....	2,262	66	47	1	18	6
Tier three oil (taxed at 30 percent):						
Newly discovered oil <sup>1</sup> .....	93,669	2,767	2,324	28	415	102
Incremental tertiary oil .....	23,261	678	563	6	109	31
Heavy oil .....	28,793	591	561	( <sup>2</sup> )	30	9
Returns with total tax liability only .....	-	-	-	-	-	558 <sup>3</sup>

<sup>1</sup>Newly discovered oil is taxed at 25.0 percent beginning in 1983.<sup>2</sup>Less than 500,000.<sup>3</sup>Also includes \$6 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 for Returns Reporting Components of Windfall Profit by Oil Tier and Tax Rate for the Quarter Ending September 1983 Average Daily Production and Average Dollars per Barrel

Oil tier and tax rate	Daily production (000's) (barrels)	Removal price	Adjusted base price	State severance tax adjustment	Windfall profit	Tax liability before adjustments
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total .....	6,358	25.86	18.89	.34	6.63	3.94
Tier one, other than Sadlerochit oil:						
Taxed at 70 percent .....	2,578	28.39	16.98	.49	10.92	7.45
Taxed at 50 percent .....	260	29.19	17.08	.73	8.38	5.66
Tier one, Sadlerochit oil:						
Taxed at 70 percent .....	1,339	17.27	16.71	.13	.43	.29
Taxed at 50 percent .....	-	-	-	-	-	-
Tier two oil:						
Taxed at 60 percent .....	536	27.89	19.91	.29	7.69	4.35
Taxed at 30 percent .....	25	29.15	20.68	.46	8.01	2.78
Tier three oil (taxed at 30 percent):						
Newly discovered oil <sup>1</sup> .....	1,041	29.53	24.80	.29	4.44	1.09
Incremental tertiary oil .....	258	29.12	24.21	.27	4.64	1.35
Heavy oil .....	320	20.53	19.50	-	1.03	.31

<sup>1</sup>Newly discovered oil is taxed at 25.0 percent beginning in 1983.

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

Table 3.--Windfall Profit Tax Liability by Oil Tier and Tax Rate for January - September 1983 Aggregate Components of Windfall Profit

[Money amounts are in millions of dollars]

Oil tier and tax rate	Number of barrels of oil (000's)	Removal value	Adjusted base value	State severance tax adjustment	Windfall profit	Tax liability before adjustments
	(1)	(2)	(3)	(4)	(5)	(6)
Returns with tax liability shown by oil tier and tax rate, total .....	1,651,489	43,558	30,770	720	12,068	7,174
Tier one, other than Sadlerochit oil:						
Taxed at 70 percent .....	750,890	20,977	12,561	456	7,960	5,513
Taxed at 50 percent .....	67,971	2,007	1,146	53	808	405
Tier one, Sadlerochit oil:						
Taxed at 70 percent <sup>1</sup> .....	267,272	4,649	4,417	39	193	136
Taxed at 50 percent .....	-	-	-	-	-	-
Tier two oil:						
Taxed at 60 percent .....	133,683	3,825	2,660	50	1,115	614
Taxed at 30 percent .....	8,999	267	186	4	77	24
Tier three oil (taxed at 30 percent):						
Newly discovered oil <sup>2</sup> .....	279,428	8,343	6,776	100	1,467	353
Incremental tertiary oil .....	59,246	1,748	1,407	18	323	94
Heavy oil .....	84,001	1,742	1,619	1	122	36
Returns with total tax liability only .....	-	-	-	-	-	1,913 <sup>3</sup>

<sup>1</sup>These numbers are understated because some returns that normally report detail in this category did not report any detail for the quarter ending June 1983.

<sup>2</sup>Newly discovered oil is taxed at 25.0 percent beginning in 1983.

<sup>3</sup>Also includes \$42 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 4.--Windfall Profit Tax Liability for Returns Reporting Components of Windfall Profit by Oil Tier and Tax Rate for January - September 1983 Average Daily Production and Average Dollars per Barrel

Oil tier and tax rate	Daily production (000's) (barrels)	Removal price	Adjusted base price	State severance tax adjustment	Windfall profit	Tax liability before adjustments
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total .....	6,049	26.37	18.63	.44	7.31	4.34
Tier one, other than Sadlerochit oil:						
Taxed at 70 percent .....	2,751	27.94	16.73	.61	10.60	7.34
Taxed at 50 percent .....	249	29.53	16.86	.78	11.89	5.96
Tier one, Sadlerochit oil:						
Taxed at 70 percent .....	979	17.39	16.53	.15	.72	.51
Taxed at 50 percent .....	-	-	-	-	-	-
Tier two oil:						
Taxed at 60 percent .....	490	28.61	19.90	.37	8.34	4.59
Taxed at 30 percent .....	33	29.67	20.67	.44	8.56	2.67
Tier three oil (taxed at 30 percent):						
Newly discovered oil <sup>1</sup> .....	1,024	29.86	24.25	.36	5.25	1.26
Incremental tertiary oil .....	217	29.50	23.75	.30	5.45	1.59
Heavy oil .....	308	20.74	19.27	-	1.46	.43

<sup>1</sup>Newly discovered oil is taxed at 25.0 percent beginning in 1983.

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

Table 5.--Exempt Oil Volume by Tier and Category, Quarter Ending September 1983

[Thousands of barrels]

	Total	Tier one	Tier two	Tier three		
				Newly discovered oil	Incremental tertiary oil	Heavy oil
	(1)	(2)	(3)	(4)	(5)	(6)
Total .....	70,553	18,207	37,032	13,930	652	732
Exempt governmental interest .....	17,771	13,754	687	2,443	326	560
Exempt charitable interest .....	726	378	170	138	29	10
Exempt Indian oil .....	771	340	274	140	15	2
Exempt Alaskan oil .....	7,317	44	-	7,273	-	-
Exempt Royalty oil .....	11,599	3,691	3,532	3,935	281	161
Exempt Stripper oil .....	32,369	-	32,369	-	-	-

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

Table 6.--Exempt Oil Volume by Tier and Category, January - September 1983

[Thousands of barrels]

	Total	Tier one	Tier two	Tier three		
				Newly discovered oil	Incremental tertiary oil	Heavy oil
	(1)	(2)	(3)	(4)	(5)	(6)
Total .....	187,729	48,028	97,137	38,977	1,674	1,912
Exempt governmental interest .....	46,925	35,904	1,809	6,870	876	1,465
Exempt charitable interest .....	2,302	1,148	694	375	58	24
Exempt Indian oil .....	2,428	1,101	800	481	29	17
Exempt Alaskan oil .....	21,910	94	583	21,233	-	-
Exempt Royalty oil .....	33,654	9,781	12,741	10,016	708	408
Exempt Stripper oil .....	80,510	-	80,510	-	-	-

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

# 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:

$$\begin{array}{ll} 150,000 & \text{(sample estimate)} \\ \times 0.02 & \text{(coefficient of variation)} \\ = 3,000 & \text{(standard error of estimate)} \\ \\ 150,000 & \text{(sample estimate)} \\ + 3,000 & \text{(standard error)} \\ = 147,000 - 153,000 & \text{(68\% confidence interval)} \end{array}$$

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 inputted 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--1981, Sole Proprietorship Returns (see especially pages 5 to 9).
- [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).

## Selected Statistical Series, 1970-1984

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### NOTICE

The data on the following pages are the latest and most accurate available at time of publication. However, they are subject to continuous revision as more return information becomes available. Data labeled as preliminary should be used with caution.

## Selected Statistical Series, 1970-1984

**Table 1. — Individual Income Tax Returns: Selected Income and Tax Items for Selected Years, 1970-1982**  
[All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	1970	1975	1979	1980	1981	1982
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns:						
All returns .....	74,279,831	82,229,332	92,694,302	93,902,469	95,396,123	95,337,432
Joint returns .....	42,376,365	44,140,085	44,855,141	45,243,211	45,697,648	46,050,287
Total gross income:						
Salaries and wages:						
Number of returns .....	66,965,659	73,520,046	83,200,646	83,802,109	84,208,807	83,106,842
Amount .....	531,883,892	795,399,462	1,229,251,389	1,349,842,802	1,486,100,497	1,564,995,190
Interest received:						
Number of returns .....	32,630,355	40,378,240	47,885,069	49,019,575	49,656,550 <sup>1</sup>	52,841,721
Amount .....	22,021,267	43,433,554	73,875,462	102,009,444	140,559,366 <sup>1</sup>	157,021,475
Taxable pensions and annuities:						
Number of returns .....	3,249,558	5,088,937	6,866,851	7,373,704	8,157,475	8,824,885
Amount .....	7,878,808	20,886,871	37,346,510	43,339,736	51,886,406	60,123,166
Dividends:						
No. of returns before exclusion ..	12,452,227	13,370,427	13,969,453	14,640,139	16,482,018 <sup>1</sup>	17,186,673
Amount .....	17,018,148	23,270,182	37,479,767	43,567,241	48,161,460 <sup>1</sup>	54,044,825
No. of returns after exclusion ...	7,729,939	8,853,491	9,881,105	10,738,982	n.a.	13,172,360
Amount .....	15,806,924	21,892,126	33,482,508	36,761,253	n.a.	52,142,410
Net capital gain less loss:						
Number of returns .....	7,962,663	7,574,823	8,641,573	8,929,474	9,484,987	9,636,414
Amount .....	9,006,683	14,071,893	28,448,300	29,659,600	30,818,535	34,403,728
Business net income:						
Number of returns .....	6,159,985	7,242,542	8,562,834	8,881,119	9,571,409	10,092,322
Amount .....	30,554,201	39,421,478	56,564,467	55,129,154	53,071,628	50,573,164
Total adjustments:						
Number of returns .....	6,370,552	9,024,255	11,543,369	13,148,919	14,078,211	33,421,412
Amount .....	7,665,251	15,101,999	24,778,484	28,614,061	31,442,288	64,887,065
Married couple who both work:						
Number of returns .....	N/A	N/A	N/A	N/A	N/A	21,690,558
Amount .....	N/A	N/A	N/A	N/A	N/A	9,048,263
Individual Retirement Arrangement:						
Number of returns .....	N/A	1,211,794	2,451,955	2,564,421	3,415,053	12,010,038
Amount .....	N/A	1,436,443	3,198,788	3,430,894	4,750,190	28,273,852
Self-Employed Retirement (Keogh):						
Number of returns .....	591,655	595,892	590,189	568,936	557,038	559,011
Amount .....	847,692	1,603,788	2,029,300	2,007,666	2,011,947	2,482,594
Adjusted gross income .....	631,692,540	947,784,873	1,465,394,530	1,613,731,497	1,772,604,303	1,852,135,465
Exemptions:						
Total number .....	204,126,402	212,202,596	224,691,732	227,925,098	231,222,374	232,191,565
Number, age 65 or over .....	8,904,331	9,937,208	11,322,713	11,847,168	13,118,926	13,955,570
Total amount .....	127,531,204	159,140,845	223,891,529	227,569,280	231,119,115	232,142,140
Total deductions:						
Number of returns .....	73,862,448	81,585,541	87,202,857	88,491,251	90,319,941	90,283,236 <sup>2</sup>
Amount .....	120,549,755	233,181,778	332,957,555	346,000,155	401,168,213	425,157,106 <sup>2</sup>
Total itemized deductions:						
Number of returns .....	35,430,047	26,074,061	26,483,877	28,950,282	31,571,246	33,432,809
Amount .....	88,178,487	122,260,601	184,168,669	218,028,139	256,448,021	284,506,318
Medical and dental expense .....	10,585,749	11,422,312	12,915,626	14,972,082	17,878,680	21,705,262
Taxes paid .....	32,014,673	44,141,289	60,674,905	69,404,275	79,698,519	88,037,196
Interest paid .....	23,929,477	38,885,282	74,427,045	91,187,006	108,718,281	121,852,419
Contributions .....	12,892,732	15,393,331	22,210,838	25,809,608	30,800,722	33,471,694
Taxable income:						
Number of returns .....	59,593,598	65,852,602	86,932,978	88,104,696	89,851,304	89,717,836
Amount .....	401,154,285	595,492,866	1,157,247,646	1,279,985,360	1,410,880,665	1,473,348,899
Income tax before credits:						
Number of returns .....	59,596,755	65,854,734	74,243,824	76,135,819	79,011,548	78,349,842
Amount .....	84,156,695 <sup>3</sup>	132,452,044	220,099,516	256,294,315	293,590,035	283,931,862
Total tax credits .....	369,610	8,069,846	6,780,186	7,215,839	11,288,005	7,854,493
General tax credit .....	N/A	5,020,477	N/A	N/A	3,382,711 <sup>4</sup>	N/A
Investment credit .....	30,554	1,593,150	3,313,836	3,288,415	3,971,199	4,139,897
Foreign tax credit .....	169,623	381,985	850,212	1,341,645	1,233,564	757,326
Child care credit .....	N/A	N/A	793,143	956,439	1,147,907	1,501,453
Credit for the elderly .....	167,656	128,968	131,734	134,993	124,011	131,074
Residential energy credit .....	N/A	N/A	473,603	562,141	600,831	582,857
Earned income credit .....	N/A	252,141	495,500	451,366	452,482	359,717
Income tax after credits .....	83,787,323	124,382,197	213,319,330	249,078,475	282,302,029	276,077,369
Additional tax for tax preferences ...	121,988	144,100	1,175,188	1,262,964	1,826,960	1,519,932
Total income tax:						
Number of returns .....	59,317,371	61,490,737	71,694,983	73,906,244	76,724,724	77,035,300
Amount .....	83,909,311	124,526,297	214,494,519	250,341,440	284,128,989	277,597,301
Payment status:						
Returns with payment due .....	16,478,813	15,842,400	18,844,060	21,755,516	23,007,970	20,326,807
Returns with refund due .....	55,273,385	63,825,188	71,433,691	69,868,451	70,028,741	72,425,701

See notes following Table 13.

**Table 2. — Individual Income and Tax Data by State and Region, 1980 and 1982**  
 [All figures are estimates based on samples — money amounts are in thousands of dollars]

State	1980				1982 <sup>1</sup>			
	Number of returns <sup>2</sup>	Adjusted gross income	Income Tax		Number of returns <sup>2</sup>	Adjusted gross income	Income Tax	
			Total	Average <sup>3</sup>			Total	Average <sup>3</sup>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
United States, total <sup>4</sup>	93,902,469	1,613,731,497	250,341,440	3,387	95,337,432	1,852,135,405	277,597,290	3,604
Alabama .....	1,397,132	21,478,922	2,993,120	2,923	1,389,520	23,814,637	3,215,379	2,927
Alaska .....	183,214	4,096,935	770,495	5,258	225,374	5,724,633	1,061,385	5,608
Arizona .....	1,113,274	18,297,827	2,597,397	3,031	1,166,958	21,472,442	2,944,043	3,179
Arkansas .....	812,491	11,272,836	1,515,512	2,598	818,008	12,801,328	1,715,450	2,687
California .....	10,347,246	189,584,745	28,731,981	3,478	10,627,477	219,427,063	31,873,895	3,729
Colorado .....	1,296,849	22,812,045	3,544,984	3,397	1,356,269	27,897,040	4,263,095	3,844
Connecticut .....	1,438,316	27,956,852	5,002,379	4,251	1,466,577	32,813,502	5,565,180	4,541
Delaware .....	253,759	4,627,551	745,043	3,682	259,346	5,256,507	787,992	3,723
District of Columbia ..	307,630	5,583,948	967,251	3,922	310,429	6,278,122	1,037,106	4,091
Florida .....	4,158,577	67,126,444	10,852,200	3,358	4,499,380	83,039,759	12,907,680	3,565
Georgia .....	2,130,647	33,037,292	4,657,125	2,888	2,190,895	39,234,368	5,433,835	3,100
Hawaii .....	424,177	7,320,740	1,043,741	3,149	443,969	8,266,617	1,111,898	3,105
Idaho .....	358,915	5,461,728	706,404	2,616	358,685	5,860,737	756,046	2,690
Illinois .....	4,833,700	90,054,783	15,221,014	3,906	4,744,853	97,684,733	15,576,481	4,039
Indiana .....	2,202,492	37,209,694	5,862,416	3,405	2,164,265	39,984,323	5,913,728	3,414
Iowa .....	1,189,316	19,847,193	2,921,284	3,165	1,161,328	20,625,407	3,029,452	3,238
Kansas .....	995,792	16,982,757	2,652,576	3,429	994,045	19,102,380	2,971,115	3,658
Kentucky .....	1,305,719	19,889,309	2,860,438	2,838	1,307,561	22,651,744	3,196,125	3,083
Louisiana .....	1,575,442	26,504,653	4,354,431	3,561	1,629,459	31,998,251	5,106,220	3,932
Maine .....	460,932	6,361,432	839,885	2,415	463,873	7,396,239	962,295	2,616
Maryland .....	1,875,660	34,499,721	5,387,424	3,588	1,897,632	40,662,278	6,087,444	3,877
Massachusetts .....	2,538,270	43,123,948	6,715,511	3,306	2,576,063	51,224,300	7,850,047	3,686
Michigan .....	3,665,336	66,797,050	10,418,234	3,627	3,526,172	70,588,591	10,271,107	3,634
Minnesota .....	1,738,205	29,683,060	4,372,841	3,257	1,713,421	32,893,015	4,557,952	3,274
Mississippi .....	860,654	11,988,888	1,608,497	2,632	861,622	13,530,929	1,825,235	2,786
Missouri .....	1,976,184	32,188,452	4,909,363	3,196	1,973,453	36,542,234	5,477,439	3,440
Montana .....	331,423	4,998,061	697,064	2,841	335,225	5,424,566	773,100	2,984
Nebraska .....	661,985	10,473,626	1,500,101	3,007	660,387	11,348,687	1,664,935	3,121
Nevada .....	393,931	6,786,431	1,103,441	3,378	405,003	7,801,889	1,206,118	3,665
New Hampshire .....	412,482	6,751,857	1,019,017	2,955	423,600	7,976,557	1,187,607	3,419
New Jersey .....	3,354,753	62,909,704	10,389,950	3,760	3,493,939	75,061,268	11,993,693	4,098
New Mexico .....	518,221	7,764,293	1,092,667	2,930	543,829	9,285,126	1,313,746	3,151
New York .....	7,157,005	129,526,287	20,139,212	3,496	7,208,004	151,962,785	23,048,397	3,852
North Carolina .....	2,339,466	34,490,419	4,720,993	2,651	2,372,880	40,013,158	5,287,682	2,780
North Dakota .....	270,773	3,979,672	561,835	2,758	278,858	4,663,816	702,527	3,118
Ohio .....	4,481,348	76,444,637	12,047,279	3,316	4,343,283	82,803,052	12,209,794	3,473
Oklahoma .....	1,186,369	19,966,388	3,142,204	3,387	1,279,435	25,431,657	4,045,313	3,905
Oregon .....	1,128,676	18,534,535	2,660,962	3,022	1,081,659	19,202,352	2,559,900	3,003
Pennsylvania .....	4,844,637	81,173,150	12,647,123	3,264	4,856,168	91,125,274	13,585,728	3,446
Rhode Island .....	406,989	6,396,560	959,951	2,960	407,445	7,263,985	1,015,459	3,069
South Carolina .....	1,183,782	17,339,729	2,263,462	2,479	1,199,188	19,956,082	2,548,665	2,690
South Dakota .....	277,999	3,732,619	507,494	2,778 <sup>5</sup>	276,780	3,845,546	552,435	2,583 <sup>5</sup>
Tennessee .....	1,761,757	26,596,829	3,892,150	2,976	1,774,802	30,170,139	4,311,319	3,073
Texas .....	5,844,966	103,953,686	17,914,779	3,896	6,265,743	129,674,346	21,969,829	4,345
Utah .....	539,149	8,749,569	1,109,253	2,734	554,682	10,357,851	1,282,952	2,927
Vermont .....	210,066	3,041,963	410,576	2,469	213,930	3,406,291	462,681	2,689
Virginia .....	2,227,154	38,794,066	5,941,511	3,351	2,269,504	45,864,819	6,711,498	3,589
Washington .....	1,789,302	32,732,130	5,410,251	3,697	1,777,471	35,811,926	5,476,773	3,804
West Virginia .....	674,367	10,895,660	1,667,520	3,186	663,858	12,169,074	1,775,950	3,331
Wisconsin .....	1,968,908	32,756,618	4,644,436	3,042	1,936,117	35,561,896	4,874,712	3,139
Wyoming .....	210,414	3,949,099	678,650	4,071	213,270	4,369,704	723,725	4,192
IRS Region								
Central .....	12,329,262	211,236,350	32,855,887	3,367	12,005,139	228,196,784	33,366,704	3,460
Mid-Atlantic .....	12,863,593	227,588,140	36,078,302	3,482	13,463,478	269,060,648	41,008,589	3,732
Midwest .....	12,917,070	222,716,023	34,638,368	3,426	12,745,197	243,165,334	36,435,933	3,536
North Atlantic .....	12,624,060	223,158,899	35,086,531	3,456	12,759,492	262,043,659	40,091,666	3,797
Southeast .....	13,832,015	212,058,523	30,987,547	2,956	14,287,567	249,759,072	35,529,793	3,122
Southwest .....	12,440,544	213,205,757	34,895,803	3,602	13,100,058	260,559,832	42,108,493	3,995
Western .....	16,609,307	296,562,701	44,830,969	3,400	16,976,501	339,350,076	49,056,110	3,601

See notes following Table 13.

Table 3. — Number of Individual Returns, Income, Tax and Average Tax by Size of Adjusted Gross Income, Tax Years 1979-1982  
 [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	
	1979	1980	1979	1980	1979	1980
	(1)	(2)	(3)	(4)	(5)	(6)
Total .....	92,694,302	93,902,469	1,465,394,530	1,613,731,497	1,157,247,646	1,279,985,360
Less than \$1000 .....	3,788,992	3,687,997	-7,517,144	-11,063,711	11,183	11,799
\$1,000 under \$3,000 .....	9,023,068	8,673,301	17,931,942	17,314,975	7,686,884	7,569,858
\$3,000 under \$5,000 .....	8,051,507	7,694,231	32,078,295	30,654,346	19,061,575	18,534,160
\$5,000 under \$7,000 .....	8,390,494	7,633,889	50,451,302	45,738,822	34,235,887	30,497,371
\$7,000 under \$9,000 .....	7,746,054	7,336,650	61,777,911	58,608,700	44,720,542	42,267,675
\$9,000 under \$11,000 .....	6,732,073	6,605,618	67,110,738	65,907,303	51,164,615	49,980,765
\$11,000 under \$13,000 .....	5,934,255	5,830,212	71,110,174	69,911,911	55,230,224	54,591,487
\$13,000 under \$15,000 .....	5,295,237	5,267,669	74,071,705	73,590,238	58,475,957	58,114,413
\$15,000 under \$17,000 .....	4,768,357	4,654,783	76,229,537	74,387,702	60,650,268	59,701,351
\$17,000 under \$19,000 .....	4,486,955	4,350,522	80,768,766	78,267,330	64,462,617	63,009,244
\$19,000 under \$22,000 .....	6,120,386	5,925,162	125,269,674	121,233,104	100,437,035	97,261,921
\$22,000 under \$25,000 .....	5,030,867	5,325,787	117,930,754	125,021,261	95,129,727	100,538,990
\$25,000 under \$30,000 .....	6,309,121	6,783,466	172,374,956	185,760,754	139,428,200	150,218,626
\$30,000 under \$35,000 .....	4,069,181	4,729,899	131,310,195	152,927,369	106,353,381	124,032,123
\$35,000 under \$40,000 .....	2,377,022	3,221,053	88,616,644	120,167,693	72,024,022	97,276,738
\$40,000 under \$50,000 .....	2,229,252	3,053,039	98,307,745	134,907,796	79,955,613	109,091,818
\$50,000 under \$75,000 .....	1,466,498	2,033,079	86,844,336	120,009,700	70,514,158	96,834,054
\$75,000 under \$100,000 .....	423,380	535,348	36,318,472	45,918,079	29,474,761	36,849,386
\$100,000 under \$150,000 .....	275,371	336,269	32,942,244	40,213,979	26,834,478	32,528,035
\$150,000 under \$200,000 .....	82,501	107,245	14,108,589	18,377,241	11,563,895	14,823,138
\$200,000 under \$300,000 .....	54,599	68,422	13,085,114	16,387,236	10,638,067	13,211,348
\$300,000 under \$500,000 .....	25,627	31,947	9,585,275	11,956,450	7,704,281	9,505,239
\$500,000 under \$1,000,000 .....	9,904	12,467	6,571,180	8,323,125	5,177,337	6,516,941
\$1,000,000 or more .....	3,601	4,414	8,116,126	9,210,095	6,312,939	7,018,879

Size of adjusted gross income	Total income tax <sup>1</sup>		Percent of filers with no income tax liability		Filers with income tax liability			
	1979	1980	1979	1980	Average tax (whole dollars)		Tax as percent of adj. gross inc.	
	(7)	(8)	(9)	(10)	1979	1980	1979	1980
Total .....	214,494,519	250,341,440	22.7	21.3	2,992	3,387	15.3	16.1
Less than \$1,000 .....	76,734	103,645	99.7	99.7	7,745 <sup>2</sup>	10,091 <sup>2</sup>	-	-
\$1,000 under \$3,000 .....	22,840	32,471	97.5	96.9	103	122	5.0	6.1
\$3,000 under \$5,000 .....	502,851	530,988	44.3	42.5	112	120	2.7	2.9
\$5,000 under \$7,000 .....	2,115,791	1,864,897	31.2	32.1	366	360	6.1	6.0
\$7,000 under \$9,000 .....	3,682,395	3,494,441	18.0	17.8	580	579	7.2	7.2
\$9,000 under \$11,000 .....	5,386,370	5,296,395	5.0	5.0	842	844	8.4	8.5
\$11,000 under \$13,000 .....	6,566,830	6,586,710	2.5	2.5	1,135	1,159	9.5	9.7
\$13,000 under \$15,000 .....	7,556,089	7,633,561	1.7	2.1	1,452	1,480	10.4	10.7
\$15,000 under \$17,000 M .....	8,356,173	8,417,235	1.4	1.5	1,777	1,835	11.1	11.5
\$17,000 under \$19,000 .....	9,311,627	9,351,972	1.2	1.1	2,100	2,173	11.7	12.1
\$19,000 under \$22,000 .....	15,323,619	15,189,223	.8	1.0	2,524	2,589	12.3	12.9
\$22,000 under \$25,000 .....	15,404,532	16,620,372	.5	.6	3,079	3,138	13.1	13.7
\$25,000 under \$30,000 .....	24,377,331	26,635,973	.5	.4	3,884	3,941	14.2	14.4
\$30,000 under \$35,000 .....	20,429,956	23,969,187	.4	.5	5,043	5,091	15.6	15.7
\$35,000 under \$40,000 .....	15,056,264	20,419,148	.3	.5	6,532	6,373	17.0	17.1
\$40,000 under \$50,000 .....	18,593,072	25,565,426	.2	.4	8,359	8,404	19.0	19.9
\$50,000 under \$75,000 .....	19,753,175	27,208,647	.5	.6	13,536	13,463	22.9	22.8
\$75,000 under \$100,000 .....	10,057,784	12,549,071	.3	.4	23,833	23,531	27.8	26.4
\$100,000 under \$150,000 .....	10,548,353	12,868,433	.2	.3	38,392	38,368	32.1	32.1
\$150,000 under \$200,000 .....	5,107,321	6,537,749	.1	.3	61,939	61,169	36.2	35.7
\$200,000 under \$300,000 .....	5,141,069	6,370,648	.1	.1	94,238	93,234	39.3	38.9
\$300,000 under \$500,000 .....	4,077,942	4,971,806	.1	.1	159,226	155,797	42.6	41.6
\$500,000 under \$1,000,000 .....	2,972,594	3,713,691	.1	.1	300,353	298,169	45.3	44.7
\$1,000,000 or more .....	4,073,808	4,409,751	.1	.1	1,131,928	999,944	50.2	47.9

M - The median taxpayer with respect to adjusted gross income was in this interval for both 1979 and 1980. See notes following Table 13.

**Table 3. (Continued) — Number of Individual Returns, Income, Tax and Average Tax by Size of Adjusted Gross Income, Tax Years 1979-1982**

[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	
	1981	1982	1981	1982	1981	1982
	(1)	(2)	(3)	(4)	(5)	(6)
Total .....	95,396,123	95,337,432	1,772,604,303	1,852,135,465	1,410,880,665	1,473,348,899
Less than \$1000 .....	3,484,734	3,412,105	-16,952,842	-22,324,833	7,084	29,646
\$1,000 under \$3,000 .....	7,855,771	7,573,825	15,691,845	15,122,101	7,064,102	6,717,217
\$3,000 under \$5,000 .....	7,405,871	6,966,104	29,580,649	27,925,256	17,994,684	17,168,389
\$5,000 under \$7,000 .....	7,251,941	6,682,490	43,446,800	39,885,078	29,153,117	26,709,472
\$7,000 under \$9,000 .....	7,066,520	7,176,962	56,341,030	57,512,193	40,597,471	40,904,714
\$9,000 under \$11,000 .....	6,514,144	6,421,665	65,051,373	64,229,520	49,147,621	47,995,843
\$11,000 under \$13,000 .....	5,821,233	5,651,414	69,702,815	67,793,416	54,207,411	52,526,932
\$13,000 under \$15,000 .....	5,190,200	5,414,103	72,548,282	75,702,223	57,705,230	59,652,891
\$15,000 under \$17,000 .....	4,648,986	4,734,479	74,256,678	75,594,637	59,486,499	60,951,455
\$17,000 under \$19,000 .....	4,291,557	3,964,008	77,161,287	71,295,728	62,056,343	57,689,594
\$19,000 under \$22,000 .....	5,967,094	5,365,925	122,157,450	109,806,080	98,703,455	88,855,846
\$22,000 under \$25,000 .....	5,207,693	5,273,703	122,181,884	123,853,268	98,956,187	100,054,304
\$25,000 under \$30,000 .....	7,205,282	7,621,965	197,424,953	209,572,367	159,682,521	169,726,189
\$30,000 under \$35,000 .....	5,294,687	5,646,966	171,601,299	182,644,120	138,893,019	146,947,632
\$35,000 under \$40,000 .....	3,910,649	4,215,650	145,814,841	157,391,914	118,288,891	126,471,828
\$40,000 under \$50,000 .....	4,182,389	4,716,532	185,322,655	208,952,374	149,273,745	166,018,176
\$50,000 under \$75,000 .....	2,796,836	3,057,266	164,256,670	179,566,469	131,174,316	141,376,967
\$75,000 under \$100,000 .....	645,884	702,064	55,099,048	59,748,095	43,524,621	46,720,423
\$100,000 under \$150,000 .....	398,479	432,757	47,552,689	51,674,638	37,510,693	40,228,978
\$150,000 under \$200,000 .....	118,037	138,082	20,164,437	23,616,649	15,842,213	18,710,797
\$200,000 under \$300,000 .....	80,945	93,033	19,350,168	22,323,087	15,230,276	17,807,227
\$300,000 under \$500,000 .....	37,147	47,245	13,906,555	17,650,665	10,788,043	14,153,358
\$500,000 under \$1,000,000 .....	14,758	20,681	9,815,188	13,830,843	7,416,993	11,042,159
\$1,000,000 or more .....	5,286	8,408	11,128,551	18,769,578	8,168,130	14,888,860

Size of adjusted gross income	Total income tax <sup>1</sup>		Filers with income tax liability					
			Percent of filers with no income tax liability		Average tax (whole dollars)		Tax as percent of adj. gross inc.	
	1981	1982	1981	1982	1981	1982	1981	1982
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total .....	284,128,989	277,597,301	19.6	19.2	3,703	3,604	16.5	15.4
Less than \$1,000 .....	137,840	130,288	99.5	99.6	8,626 <sup>2</sup>	9,298 <sup>2</sup>	-	-
\$1,000 under \$3,000 .....	43,465	35,182	95.5	95.0	123	92	6.0	5.0
\$3,000 under \$5,000 .....	516,050	475,448	41.7	41.9	120	117	2.9	2.8
\$5,000 under \$7,000 .....	1,761,464	1,473,139	32.0	31.4	357	321	5.9	5.4
\$7,000 under \$9,000 .....	3,306,387	2,967,854	18.1	20.7	571	521	7.1	6.5
\$9,000 under \$11,000 .....	5,150,823	4,462,848	5.2	6.8	834	746	8.3	7.4
\$11,000 under \$13,000 .....	6,531,708	5,566,452	3.2	4.0	1,160	1,026	9.7	8.6
\$13,000 under \$15,000 .....	7,601,053	7,002,695	2.2	2.3	1,498	1,324	10.7	9.5
\$15,000 under \$17,000 .....	8,355,068	7,766,398	1.8	1.5	1,830	1,665	11.5	10.4
\$17,000 under \$19,000 M .....	9,226,778	7,786,372	1.3	1.8	2,179	2,001	12.1	11.1
\$19,000 under \$22,000 .....	15,609,261	12,725,118	1.1	1.2	2,645	2,399	12.9	11.7
\$22,000 under \$25,000 .....	16,563,264	15,378,094	.9	1.3	3,209	2,956	13.7	12.6
\$25,000 under \$30,000 .....	28,474,945	27,852,640	.6	.6	3,976	3,676	14.5	13.4
\$30,000 under \$35,000 .....	26,910,961	25,867,035	.4	.5	5,103	4,605	15.7	14.2
\$35,000 under \$40,000 .....	24,834,220	24,098,091	.3	.5	6,370	5,743	17.1	15.4
\$40,000 under \$50,000 .....	34,847,163	35,029,801	.6	.5	8,379	7,468	18.9	16.9
\$50,000 under \$75,000 .....	36,299,454	35,892,383	.5	.5	13,050	11,803	22.2	20.1
\$75,000 under \$100,000 .....	14,715,265	14,594,818	.4	.4	22,867	20,865	26.8	24.5
\$100,000 under \$150,000 .....	14,619,378	14,385,740	.4	.2	36,828	33,321	30.9	27.9
\$150,000 under \$200,000 .....	6,886,418	7,483,155	.2	.5	58,439	54,447	34.2	31.8
\$200,000 under \$300,000 .....	7,183,611	7,651,434	.2	.2	88,930	82,400	37.2	34.3
\$300,000 under \$500,000 .....	5,566,282	6,380,687	.1	.1	149,990	135,233	40.1	36.2
\$500,000 under \$1,000,000 .....	4,100,676	5,222,845	.1	.1	278,182	252,751	41.8	37.8
\$1,000,000 or more .....	4,887,456	7,368,787	.1	.1	925,655	877,132	44.0	39.3

M - The median taxpayer with respect to adjusted gross income was in this interval for both 1981 and 1982. See notes following Table 13.

## Selected Statistical Series, 1970-1984

Table 4. — Nonfarm Sole Proprietorship Returns: Selected Income and Deduction Items for Selected Years, 1970-1982  
 [All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	1970	1975	1979	1980	1981	1982 (Revised)
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns, total .....	5,769,741	7,221,346	8,595,736	8,931,712	9,584,790	10,105,515
No. with net business income .....	n.a.	n.a.	n.a.	n.a.	6,534,688	6,761,405
Inventory, end of year .....	11,060,775	15,578,040	21,925,135	21,996,236	22,921,503	21,804,915
Business receipts, total .....	198,582,172	273,954,741	395,669,594	411,205,713	427,063,055	433,664,897
Income from sales and operations .....	n.a.	272,342,560	392,497,616	407,169,299	421,700,025	428,311,840
Total deductions .....	168,044,746	234,318,288	339,141,191	356,258,495	373,991,426	383,091,734
Cost of goods sold/operations .....	109,148,811	146,261,435	202,498,637	209,889,809	209,723,950	205,471,499
Purchases .....	88,585,913	117,722,352	161,798,251	168,301,517	167,751,431	161,295,256
Cost of labor .....	7,704,285	8,791,083	10,943,072	10,922,221	10,923,120	11,424,639
Materials and supplies .....	6,216,057	9,090,638	13,943,072	12,909,222	12,081,423	12,735,789
Commissions .....	1,274,016	2,225,830	3,744,999	3,333,345	3,539,844	4,464,026
Salaries and wages .....	15,107,047	20,227,859	27,338,570	26,560,821	28,749,357	30,403,121
Car and truck expenses .....	n.a.	n.a.	11,442,680	13,378,289	12,358,478	n.a.
Rent paid .....	4,636,528	6,676,314	8,885,890	9,636,290	10,715,102	11,797,053
Repairs .....	2,444,607	3,044,175	4,769,757	5,031,573	5,414,156	6,006,403
Taxes paid .....	3,775,502	5,423,961	7,484,662	7,672,459	6,661,054	7,747,540
Utilities .....	n.a.	n.a.	4,502,560	4,790,337	8,275,517	n.a.
Insurance .....	2,309,608	3,503,812	5,861,950	6,003,126	6,238,704	6,448,494
Interest paid .....	1,784,276	3,390,845	6,386,472	7,190,257	9,052,338	10,143,489
Depreciation .....	5,451,525	7,958,143	12,929,133	13,952,703	15,854,513	19,121,559
Pension and profit sharing plans .....	72,741	125,296	135,952	141,463	152,588	136,359
Net income (less loss) .....	30,537,426	36,636,453	56,528,403	54,947,219	53,071,628	50,573,164
Net income, businesses w/profit .....	33,735,732	45,624,890	67,078,638	68,010,051	68,552,791	68,647,384
Net loss, businesses w/o profit .....	3,198,306	5,988,437	10,550,235	13,062,832	15,481,162	18,094,220

See notes following Table 13.

Table 5. — Partnership Returns: Selected Income Statement and Balance Sheet Items for Selected Years, 1970-1982  
 [All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	1970	1975	1979	1980	1981	1982 (Preliminary)
	(1)	(2)	(3)	(4)	(5)	(6)
Total number of active partnerships ..	936,133	1,073,094	1,299,593	1,379,654	1,460,502	1,514,212
Number with net income .....	639,795	661,134	765,575	774,173	749,222	791,117
Number with balance sheets .....	555,741	783,271	n.a.	1,194,236	1,193,792	1,217,386
Number of partners .....	3,697,818	4,950,634	6,954,767	8,419,899	9,448,361	9,764,667
Total assets <sup>1</sup> .....	116,752,751	235,468,301	447,130,068	597,503,923	715,232,726	845,281,449
Buildings/depreciable assets (net) ..	n.a.	113,124,969	n.a.	239,139,823	367,270,152	310,846,376
Inventories, end of year .....	n.a.	11,985,431	n.a.	33,218,272	59,649,950	100,728,688
Land .....	n.a.	36,731,958	n.a.	70,241,248	76,336,446	84,820,308
Total liabilities .....	n.a.	193,875,629	n.a.	488,734,023	580,033,757	701,630,766
Accounts payable .....	n.a.	12,302,055	n.a.	33,899,048	29,092,451	37,254,748
Short-term debt <sup>2</sup> .....	n.a.	22,709,476	n.a.	48,001,839	55,691,914	73,277,805
Long-term debt <sup>3</sup> .....	n.a.	136,296,764	n.a.	178,044,406	196,508,937	236,218,378
Nonrecourse loans .....	n.a.	n.a.	n.a.	118,910,380	138,134,304	154,408,961
Partners' capital accounts .....	n.a.	41,592,672	n.a.	108,769,900	135,198,969	143,650,646
Total receipts .....	93,348,080	148,417,529	258,197,936	291,998,115	272,129,807	296,690,303
Business receipts .....	90,208,834	142,505,781	242,653,710	271,108,832	230,027,336	251,608,987
Interest received <sup>4</sup> .....	942,304	2,477,173	7,246,203	10,869,323	13,772,559	15,259,801
Total deductions .....	83,557,684	140,679,959	242,992,028	283,749,460	274,864,704	304,004,833
Cost of goods sold/operations .....	46,040,874	64,672,843	102,096,671	113,885,668	130,043,609	144,595,111
Purchases .....	31,820,581	42,608,734	64,201,085	70,439,607	92,136,914	96,111,197
Cost of labor .....	4,146,927	4,585,836	6,737,888	7,015,547	5,835,683	7,183,865
Salaries and wages .....	8,129,233	12,489,039	19,392,819	22,336,337	21,136,914	23,204,883
Taxes paid .....	3,159,258	5,770,918	8,328,583	9,553,145	5,040,336	5,288,971
Interest paid .....	4,470,206	12,097,100	21,275,551	28,362,385	19,586,018	21,517,044
Depreciation <sup>5</sup> .....	4,578,820	10,108,834	17,662,667	21,576,189	27,263,184	32,361,640
Net income (less loss) .....	9,790,396	7,737,570	15,205,908	8,248,655	-2,734,897	-7,314,587
Net income, businesses w/profit .....	14,419,124	22,431,931	40,000,896	45,061,756	50,567,190	53,556,856
Net loss, businesses w/o profit .....	4,628,728	14,694,361	24,794,987	36,813,100	53,302,086	60,871,442

See notes following Table 13.

**Table 6. — Number of Business Income Tax Returns, by Size of Receipts and Assets, for Selected Years, 1970-1981**  
 [All figures are estimates based on samples — amounts are in thousands]

Size of business	Number of businesses reporting					
	1970	1975	1978	1979	1980	1981
	(1)	(2)	(3)	(4)	(5)	(6)
	CORPORATIONS					
Receipt size						
Under \$25,000 .....	451.9	468.9	498.7	522.0	557.0	585.3
\$25,000 - \$49,999 .....	170.7	186.4	196.8	198.3	207.7	210.2
\$50,000 - \$99,999 .....	219.8	260.7	275.3	296.5	322.7	311.5
\$100,000 - \$199,999 .....				380.4	558.4	569.1
\$200,000 - \$499,999 .....	516.9	673.9	804.1	497.2	367.3	404.4
\$500,000 - \$999,999 .....	141.1	184.2	248.8	262.9	279.8	291.6
\$1,000,000 or more .....	165.0	249.5	353.0	399.5	417.7	440.3
Asset size						
Under \$100,000 .....	961.0	1,177.7	1,320.9	1,403.2	1,514.6	1,569.5
\$100,000 - \$1 million .....	599.1	704.6	862.2	940.3	968.9	1,004.1
\$1 million - \$10 million .....	87.0	116.4	162.3	180.5	191.8	201.2
\$10 million - \$25 million .....	9.8	12.2	15.2	15.3	16.6	17.5
\$25 million - \$50 million .....	3.9	5.6	6.9	7.3	7.8	8.4
\$50 million - \$100 million .....	2.1	3.1	4.1	4.4	4.8	5.2
\$100 million - \$250 million .....	1.4	2.1	2.8	3.0	3.2	3.4
\$250 million and over .....	1.2	1.9	2.5	2.7	2.9	3.1
	PARTNERSHIPS <sup>1</sup>					
Receipt size						
Under \$25,000 .....	501.7	549.7	585.1	603.3	638.0	748.2 <sup>2</sup>
\$25,000 - \$49,999 .....	125.2	141.0	160.8	174.2	181.8	163.6
\$50,000 - \$99,999 .....	119.6	133.7	167.5	168.7	183.6	180.2
\$100,000 - \$199,999 .....	97.2	114.0	139.5	149.5	195.5	147.1
\$200,000 - \$499,999 .....	65.2	90.6	115.2	126.3	95.3	131.3
\$500,000 - \$999,999 .....	17.0	25.5	38.2	44.2	48.1	50.8
\$1,000,000 or more .....	10.3	18.6	27.7	33.5	37.4	39.2
Asset size						
Under \$25,000 .....	635.7	611.0	623.7	592.2	541.9	612.5
\$25,000 - \$49,999 .....	80.8	105.9	117.9	133.1	156.3	154.6
\$50,000 - \$99,999 .....	73.5	106.8	134.9	150.6	180.2	173.6
\$100,000 - \$249,999 .....	74.7	116.0	161.4	185.1	219.1	211.5
\$250,000 - \$499,999 .....	33.8	56.9	85.4	101.7	117.9	122.0
\$500,000 - \$999,999 .....	19.3	35.3	50.6	61.5	72.1	83.4
\$1,000,000 or more .....	18.3	41.2	60.2	75.3	92.2	103.0

See notes following Table 13.



## Selected Statistical Series, 1970-1984

Table 7. — Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items by Industrial Division for Selected Years, 1970-1981

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

Industrial division and items	1970	1975	1978	1979	1980	1981
	(1)	(2)	(3)	(4)	(5)	(6)
<b>AGRICULTURE, FORESTRY AND FISHING</b>						
Number of returns, total .....	37,283	56,280	69,971	76,643	80,883	85,370
Number with net income .....	19,843	33,328	44,807	46,683	43,827	44,948
Total assets .....	11,909,403	21,177,941	32,904,622	36,265,804	40,738,977	46,081,067
Total liabilities .....	7,897,335	14,332,992	22,685,831	24,775,572	29,278,042	32,492,648
Total receipts .....	14,277,707	28,118,514	41,417,558	50,986,876	52,089,915	65,061,959
Business receipts .....	13,591,763	26,624,149	39,222,456	48,367,354	48,850,056	60,907,045
Interest received .....	69,742	171,732	251,195	349,252	476,654	751,553
Total deductions .....	14,209,713	27,369,286	40,125,054	49,751,856	51,418,280	64,735,599
Cost of sales and operations .....	10,555,539	19,738,447	29,140,482	36,226,280	35,798,332	45,552,234
Interest paid .....	356,225	797,420	1,251,690	1,592,102	2,184,441	2,738,463
Net income (less loss) .....	65,295	746,908	1,296,962	1,239,718	673,158	328,308
Net income, businesses w/profit ..	493,400	1,493,168	2,202,179	2,469,480	2,464,381	2,551,988
Deficit, businesses w/o profit ...	428,105	746,260	905,217	1,229,762	1,791,222	2,223,679
Income tax before credits .....	113,115	351,059	475,815	501,397	533,768	543,280
Total income tax after credits .....	107,023	294,584	340,710	365,106	422,282	414,448
Distributions to stockholders except in own stock .....	65,824	244,524	251,428	326,037	304,733	512,027
<b>MINING</b>						
Number of returns, total .....	14,465	14,242	19,124	24,296	25,576	33,363
Number with net income .....	7,303	8,297	11,148	11,259	12,698	17,634
Total assets .....	23,972,812	64,505,341	97,670,205	115,530,163	126,947,880	168,908,241
Total liabilities .....	10,590,991	31,739,651	52,613,050	64,248,721	72,879,732	98,442,207
Total receipts .....	17,747,750	65,909,994	94,706,062	132,926,563	176,672,390	200,194,751
Business receipts .....	16,699,586	63,670,496	90,538,979	127,833,110	167,397,918	189,552,446
Interest received .....	176,728	522,757	635,038	959,329	1,301,266	2,432,908
Total deductions .....	15,927,348	42,348,765	67,158,152	89,992,366	169,051,624	195,021,576
Cost of sales and operations .....	9,955,600	30,171,612	44,583,576	60,477,876	116,989,880	150,193,394
Interest paid .....	388,032	1,166,182	2,180,034	2,769,022	3,440,080	6,051,461
Net income (less loss) .....	1,834,315	23,574,833	27,709,582	43,063,340	7,750,561	5,620,746
Net income, businesses w/profit ..	2,399,507	24,347,893	29,582,865	44,911,264	10,133,685	10,611,609
Deficit, businesses w/o profit ...	565,192	773,060	1,873,283	1,571,455	2,383,124	4,990,863
Income tax before credits .....	1,031,550	11,361,037	13,741,509	20,098,354	3,947,569	4,119,612
Total income tax after credits .....	342,928	1,051,138	1,046,525	1,212,267	1,672,492	1,685,491
Distributions to stockholders except in own stock .....	1,177,550	1,015,895	2,194,973	3,215,842	4,757,780	3,278,771
<b>CONSTRUCTION</b>						
Number of returns, total .....	138,905	191,219	228,657	259,213	272,432	276,395
Number with net income .....	82,078	108,852	148,712	162,732	150,368	145,206
Total assets .....	42,719,792	76,691,947	105,545,997	125,420,947	132,939,026	150,764,144
Total liabilities .....	30,900,188	57,662,870	79,758,557	95,369,236	100,112,852	113,695,252
Total receipts .....	90,610,644	146,955,117	216,710,160	258,723,850	267,205,356	280,172,375
Business receipts .....	88,945,385	143,412,713	211,618,796	252,702,613	260,387,692	270,543,236
Interest received .....	219,698	614,585	898,396	1,394,177	2,073,650	3,122,737
Total deductions .....	89,070,022	144,717,309	210,906,569	252,709,644	262,116,275	276,744,601
Cost of sales and operations .....	73,434,969	116,845,554	171,491,603	204,421,609	208,064,925	214,612,975
Interest paid .....	711,496	1,973,244	2,580,694	3,536,998	4,278,502	5,318,285
Net income (less loss) .....	1,538,418	2,236,262	5,876,327	6,136,913	5,271,209	3,455,058
Net income, businesses w/profit ..	2,548,013	4,514,864	8,056,979	9,117,112	8,911,143	8,295,947
Deficit, businesses w/o profit ...	1,009,595	2,278,602	2,180,652	2,980,199	3,639,934	4,840,889
Income tax before credits <sup>1</sup> .....	776,979	1,320,196	2,398,869	2,550,908	2,521,507	2,316,708
Total income tax after credits .....	756,637	1,131,960	1,496,951	1,824,890	1,973,614	1,868,113
Distributions to stockholders except in own stock .....	299,204	464,553	627,914	697,637	793,764	889,557
<b>MANUFACTURING</b>						
Number of returns, total .....	197,807	217,354	223,417	241,795	242,550	251,294
Number with net income .....	120,814	136,839	159,631	164,605	153,640	149,964
Total assets .....	612,912,516	944,581,970	1,308,673,807	1,533,494,376	1,709,471,700	1,933,710,383
Total liabilities .....	303,989,223	501,994,296	713,609,724	856,041,068	960,284,926	1,085,493,079
Total receipts .....	722,952,890	1,296,359,650	1,836,552,260	2,166,399,886	2,404,323,844	2,613,512,581
Business receipts .....	700,090,661	1,258,338,650	1,773,467,830	2,086,220,228	2,301,056,550	2,487,695,859
Interest received .....	4,748,499	8,691,092	15,089,753	21,355,133	28,315,784	38,848,407
Total deductions .....	692,455,462	1,230,689,496	1,730,009,625	2,045,448,376	2,290,593,808	2,509,134,569
Cost of sales and operations .....	495,879,549	925,111,030	1,290,204,263	1,533,327,048	1,707,143,900	1,822,985,043
Interest paid .....	12,570,242	22,055,903	30,915,600	41,587,856	54,177,356	73,084,336
Net income (less loss) .....	31,846,078	68,406,627	113,518,786	130,791,918	125,667,815	116,775,393
Net income, businesses w/profit ..	37,925,489	74,466,554	120,144,888	140,223,449	141,547,510	138,215,539
Deficit, businesses w/o profit ...	6,079,411	6,059,927	6,626,102	9,431,531	15,879,695	21,440,146
Income tax before credits .....	16,744,905	32,306,739	52,753,150	58,668,112	59,577,413	58,820,480
Total income tax after credits .....	13,242,226	21,024,964	34,218,035	35,059,349	32,701,861	30,115,496
Distributions to stockholders except in own stock .....	14,616,282	19,973,061	31,173,451	38,321,486	37,306,509	41,434,134

Table 7. (Continued) — Corporation Income Tax Returns: Selected Balance Sheet, Income Statements, and Tax Items by Industrial Division for Selected Years, 1980-1981

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

Industrial division and items	1970	1975	1978	1979	1980	1981
	(1)	(2)	(3)	(4)	(5)	(6)
<b>TRANSPORTATION AND PUBLIC UTILITIES</b>						
Number of returns, total .....	67,398	80,701	92,686	106,824	111,324	109,127
Number with net income .....	38,204	45,360	54,343	61,583	62,232	56,480
Total assets .....	287,740,207	443,236,797	597,721,008	676,186,972	758,364,400	837,300,816
Total liabilities .....	166,535,185	266,792,390	356,560,566	411,531,388	467,708,707	516,438,230
Total receipts .....	135,495,271	243,480,637	372,898,491	448,140,811	523,807,396	598,507,994
Business receipts .....	131,463,171	234,689,427	360,687,424	434,427,319	507,372,820	575,602,089
Interest received .....	930,266	1,520,913	2,945,437	4,067,665	5,760,072	8,048,746
Total deductions .....	127,931,131	233,409,166	352,027,145	429,849,123	503,954,285	579,172,068
Cost of sales and operations ...	77,743,359	143,932,463	227,211,452	284,041,578	336,868,172	358,354,512
Interest paid .....	7,364,200	13,761,062	18,142,886	21,631,167	27,638,591	34,085,384
Net income (less loss) .....	7,543,718	10,099,571	21,001,954	18,462,903	20,046,155	19,573,717
Net income, businesses w/profit.	9,471,595	12,088,189	23,305,319	22,058,598	24,917,293	25,739,287
Deficit, businesses w/o profit..	1,927,877	1,988,618	2,303,365	3,595,695	4,871,138	6,165,570
Income tax before credits .....	4,342,334	5,107,158	10,252,353	9,115,461	10,532,722	10,481,203
Total income tax after credits ...	4,036,650	2,836,470	5,256,704	4,834,026	5,322,990	5,065,529
Distributions to stockholders except in own stock .....	5,837,565	8,900,353	13,666,472	15,275,029	17,329,807	19,622,705
<b>WHOLESALE AND RETAIL TRADE</b>						
Number of returns, total .....	518,062	614,632	721,443	776,661	799,628	816,836
Number with net income .....	339,987	399,668	483,173	502,947	487,300	476,877
Total assets .....	192,181,800	323,496,726	486,146,204	573,310,389	646,901,005	708,060,408
Total liabilities .....	115,179,668	200,846,992	313,748,608	376,719,434	424,611,318	472,256,895
Total receipts .....	522,547,923	969,938,872	1,461,404,863	1,750,559,063	1,955,523,778	2,039,628,384
Business receipts .....	511,316,883	951,463,550	1,436,428,884	1,711,773,627	1,919,347,689	1,997,262,710
Interest received .....	1,291,906	3,857,318	5,293,767	8,243,949	10,503,989	14,319,277
Total deductions .....	512,910,193	947,511,780	1,426,238,358	1,711,496,089	1,919,454,218	2,006,891,471
Cost of sales and operations ...	392,391,856	745,299,204	1,134,768,864	1,361,550,632	1,538,128,634	1,594,256,679
Interest paid .....	4,309,663	8,587,173	13,677,333	19,931,751	25,645,855	30,997,865
Net income (less loss) .....	9,671,044	22,489,430	35,759,358	40,242,601	38,309,671	33,320,403
Net income, businesses w/profit.	12,395,411	27,681,721	41,432,239	48,246,345	49,426,500	47,657,374
Deficit, businesses w/o profit..	2,724,367	5,192,291	5,672,882	8,003,744	11,116,829	14,336,971
Income tax before credits .....	4,476,047	8,103,316	12,386,647	13,313,992	13,515,653	12,329,212
Total income tax after credits ...	4,237,181	7,348,619	9,913,600	10,772,309	10,550,255	10,282,598
Distributions to stockholders except in own stock .....	2,068,501	5,029,897	7,272,502	8,821,280	10,343,087	10,034,841
<b>FINANCE, INSURANCE AND REAL ESTATE</b>						
Number of returns, total .....	406,235	411,846	454,031	471,227	493,426	469,795
Number with net income .....	248,586	243,409	278,590	281,195	273,853	258,622
Total assets .....	1,401,153,520	2,321,965,956	3,249,397,057	3,630,045,296	4,022,206,073	4,486,191,441
Total liabilities .....	1,204,673,072	2,052,195,429	2,883,857,407	3,187,436,102	3,491,664,756	3,830,001,863
Total receipts .....	177,321,173	315,795,981	474,690,489	560,968,442	697,460,846	877,808,946
Business receipts .....	92,091,887	157,126,715	234,578,853	254,722,667	256,892,475	330,631,846
Interest received .....	63,694,046	127,040,303	194,203,053	250,979,245	315,146,115	421,159,015
Total deductions .....	161,630,060	297,963,817	432,294,860	514,086,140	652,637,787	838,764,803
Cost of sales and operations ...	48,434,362	84,614,209	111,618,648	123,367,688	129,644,330	162,447,596
Interest paid .....	34,548,509	77,677,659	118,850,328	164,365,541	219,167,684	314,128,780
Net income (less loss) .....	12,214,079	11,663,330	33,873,934	37,011,262	33,122,792	26,346,494
Net income, businesses w/profit.	15,081,939	18,825,003	38,585,831	43,275,518	46,040,390	53,018,005
Deficit, businesses w/o profit..	2,867,860	7,161,673	4,711,897	6,264,256	12,917,599	26,671,510
Income tax before credits .....	4,404,449	5,558,647	11,756,250	11,595,112	9,680,755	7,968,422
Total income tax after credits ...	4,150,009	4,673,705	9,908,261	9,601,617	7,698,134	6,037,489
Distributions to stockholders except in own stock .....	7,387,211	8,729,977	13,599,824	18,348,769	24,692,146	41,998,295 <sup>2</sup>
<b>SERVICES</b>						
Number of returns, total .....	281,218	435,672	560,016	609,103	671,338	752,813
Number with net income .....	150,525	249,641	338,498	364,156	408,716	441,100
Total assets .....	61,875,140	90,534,067	134,379,134	153,219,483	178,163,737	213,724,531
Total liabilities .....	42,346,078	63,678,693	95,548,868	108,132,469	125,298,224	152,673,683
Total receipts .....	69,572,626	131,377,364	210,606,073	244,542,893	279,883,187	346,846,723
Business receipts .....	66,459,515	125,747,462	201,678,049	234,497,897	266,088,619	328,053,889
Interest received .....	435,070	875,506	1,524,734	2,196,467	3,269,412	4,696,008
Total deductions .....	68,384,452	127,996,443	202,985,210	236,359,966	271,792,974	338,790,049
Cost of sales and operations ...	37,733,747	63,724,869	100,355,222	117,057,522	129,352,692	157,886,393
Interest paid .....	1,802,802	3,279,438	4,752,293	6,082,021	8,033,612	10,472,892
Net income (less loss) .....	1,198,703	3,396,744	7,666,125	8,252,805	8,193,903	8,197,916
Net income, businesses w/profit.	3,384,869	6,025,592	10,994,355	12,060,033	13,246,601	15,182,552
Deficit, businesses w/o profit..	2,186,166	2,628,848	3,328,230	3,807,228	5,052,698	6,984,635
Income tax before credits .....	1,058,264	1,625,093	3,151,307	3,276,011	3,497,265	4,029,725
Total income tax after credits ...	1,003,130	1,323,637	2,158,326	2,419,382	2,613,888	2,943,149
Distributions to stockholders except in own stock .....	558,452	855,402	1,490,937	1,816,177	1,841,945	2,491,324

See notes following Table 13.

## Selected Statistical Series, 1970-1984

Table 8. — Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, 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, total .....	1,665,477	2,023,647	2,376,779	2,577,801	2,710,538	2,812,420
Number with net income .....	1,008,337	1,226,208	1,523,648	1,599,322	1,596,632	1,597,298
Small Business Corp. returns .....	257,475	358,413	478,679	518,550	545,389	541,489
DISC returns .....	N/A	6,431	7,208	8,066	8,665	9,408
Total assets .....	2,634,706,564	4,286,556,273	6,014,452,008	6,844,891,231	7,617,238,403	8,547,161,872
Notes and acc'ts receivable .....	614,667,376	1,051,542,806	1,589,330,717	1,817,469,863	1,984,601,790	2,239,832,960
Inventories .....	190,401,642	317,718,545	442,652,820	504,315,590	534,806,547	588,219,956
Investments in Gov't obligations ...	196,625,390	316,131,699	403,628,383	421,441,738	472,059,737	514,837,697
Net capital assets, except land <sup>1</sup> ....	552,838,384	825,107,002	1,115,564,447	1,264,872,322	1,418,605,742	1,591,843,868
Total liabilities .....	1,882,295,401	3,189,491,468	4,519,695,153	5,125,337,041	5,672,850,147	6,303,221,090
Accounts payable .....	148,812,597	263,417,584	403,553,630	482,558,295	542,172,368	619,969,292
Short-term debt <sup>2</sup> .....	170,884,261	272,123,551	380,851,818	452,958,194	504,802,288	585,947,678
Long-term debt <sup>2</sup> .....	362,700,303	586,703,526	780,536,053	885,515,693	986,663,932	1,058,070,877
Net worth .....	752,411,163	1,097,064,806	1,494,756,856	1,719,554,190	1,944,388,256	2,243,940,782
Total receipts .....	1,750,776,503	3,198,627,860	4,714,602,615	5,615,625,519	6,361,284,012	7,026,351,839
Business receipts .....	1,620,885,576	2,961,729,640	4,353,704,519	5,152,613,019	5,731,616,337	6,244,678,064
Interest on Gov't obligations .....	9,687,116	17,264,405	25,381,712	30,420,365	38,061,592	50,519,552
United States .....	5,911,199	10,552,799	16,241,045	19,541,449	25,440,716	36,638,092
State and Local .....	3,775,917	6,711,606	9,140,667	10,878,916	12,620,876	13,881,460
Other interest .....	61,883,309	126,034,505	195,479,301	259,146,298	328,802,958	442,918,194
Rents and royalties .....	16,524,889	26,932,271	38,164,761	40,303,671	53,821,391	67,522,636
Net short-term capital gain less net long-term capital loss .....	190,439	301,601	884,646	1,209,842	2,013,510	2,178,572
Net long-term capital gain less net short-term capital loss .....	5,481,580	8,364,523	14,679,876	20,005,538	24,910,957	29,064,630
Net gain, sales of noncap. assets ..	5,315,562	7,757,287	12,137,078	15,397,176	20,117,615	16,639,271
Dividends received from domestic corporations .....	5,238,421	8,818,282	13,321,287	16,863,766	18,654,800	17,442,112
Dividends received from foreign corporations .....	3,466,515	5,467,726	9,277,932	12,715,084	14,563,353	13,790,320
Total deductions .....	1,682,778,847	3,052,674,597	4,467,196,877	5,331,970,825	6,125,365,155	6,813,841,356
Cost of sales and operations .....	1,146,263,273	2,129,928,467	3,113,421,507	3,721,782,971	4,204,905,905	4,509,198,199
Bad debts .....	6,479,814	13,781,147	15,660,693	17,486,107	18,769,771	22,286,815
Taxes paid .....	49,523,243	81,530,302	116,155,070	128,172,063	163,003,622	170,470,926
Interest paid .....	62,055,010	129,307,921	192,403,316	261,530,850	344,612,542	476,964,684
Contributions or gifts .....	797,029	1,202,130	2,084,022	2,294,755	2,358,554	2,514,425
Depreciation .....	52,941,266	86,295,664	121,299,900	138,490,396	157,345,828	186,195,048
Depletion .....	5,623,339	5,341,489	6,402,020	7,828,973	8,871,993	7,929,396
Pension, profit-sharing, stock bonus, and annuity plans .....	12,225,912	26,526,129	41,825,415	46,583,431	51,529,310	52,952,583
Net loss, sales of noncap. assets ..	1,289,305	1,804,079	2,155,305	4,074,858	5,903,104	7,943,607
Net income (less loss) .....	65,901,614	142,636,826	246,867,473	285,300,630	239,006,542	213,648,962
Net income, businesses w/profit ....	83,710,924	169,483,336	274,519,721	322,517,550	296,787,201	301,440,778
Net loss, businesses w/o profit ....	17,809,310	26,846,510	27,652,248	37,216,920	57,780,659	87,791,816
Income subject to tax .....	72,374,437	146,589,287	239,631,773	280,155,155	246,598,486	241,496,368
Income tax before credits <sup>3</sup> .....	32,949,937	65,769,822	106,976,893	119,157,964	103,831,172	100,644,417
Tax credits, total .....	5,414,940	26,452,791	43,501,607	54,229,274	42,167,741	43,813,131
Foreign tax credit .....	4,548,986	19,987,724	26,357,629	36,828,057	24,861,315	21,828,686
Possessions tax credit .....	N/A	N/A	1,134,422	1,376,124	1,565,681	1,945,637
Investment credit .....	865,954	6,459,746	12,897,172	14,678,306	15,102,812	18,887,286
Jobs credit .....	N/A	N/A	3,093,915	1,318,837	601,444	472,895
Research credit .....	N/A	N/A	N/A	N/A	N/A	639,302
Income tax after credits <sup>3</sup> .....	27,534,997	39,317,031	63,475,286	64,928,690	61,663,431	56,831,286
Additional tax for tax preferences ...	265,249	156,740	340,519	433,649	438,820	524,851
Total income tax .....	27,878,078	39,691,517	64,386,838	66,120,672	62,974,695	58,444,720
Distributions to stockholders, except in own stock .....	32,012,677	45,224,392	70,294,349	86,833,911	97,378,617	120,295,338

See notes following Table 13.

**Table 9. — Gross Internal Revenue Collections: Amount Collected by Quarter and Fiscal Year, 1980-1984**  
 [Money amounts are in millions of dollars]

Quarter and fiscal year	Amount collected by type of return					
	Total	Individual income taxes <sup>1</sup>	Corporation income taxes	Excise taxes <sup>2</sup>	Employment taxes <sup>3</sup>	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
<b>FISCAL YEAR 1980 TOTAL</b> .....	519,375	287,548	72,380	24,619	128,330	6,498
October 1979 - December 1979 .....	105,947	58,899	14,894	4,902	25,755	1,497
January 1980 - March 1980 .....	122,422	68,723	15,074	4,250	32,850	1,524
April 1980 - June 1980 .....	166,827	91,480	28,360	7,335	38,036	1,617
July 1980 - September 1980 .....	124,179	68,447	14,051	8,132	31,689	1,861
<b>FISCAL YEAR 1981 TOTAL</b> .....	606,799	332,850	73,733	40,420	152,886	6,910
October 1980 - December 1980 .....	118,804	67,081	14,527	7,305	28,193	1,698
January 1981 - March 1981 .....	143,899	77,467	14,844	10,082	39,878	1,628
April 1981 - June 1981 .....	196,970	108,600	29,204	11,963	45,510	1,692
July 1981 - September 1981 .....	147,126	79,702	15,158	11,069	39,304	1,893
<b>FISCAL YEAR 1982 TOTAL</b> .....	632,241	352,609	65,991	36,779	168,718	8,143
October 1981 - December 1981 .....	137,570	71,526	15,898	10,577	37,654	1,915
January 1982 - March 1982 .....	154,128	85,930	14,722	9,426	41,751	2,299
April 1982 - June 1982 .....	196,506	113,852	23,115	8,389	49,165	1,986
July 1982 - September 1982 .....	144,036	81,301	12,256	8,387	40,148	1,943
<b>FISCAL YEAR 1983 TOTAL</b> .....	627,247	349,628	61,780	35,766	173,848	6,226
October 1982 - December 1982 .....	132,205	70,312	13,404	8,498	38,404	1,588
January 1983 - March 1983 .....	150,019	86,853	11,494	8,222	41,930	1,519
April 1983 - June 1983 .....	194,431	111,721	22,027	8,947	50,219	1,516
July 1983 - September 1983 .....	150,591	80,742	14,855	10,097	43,294	1,602
<b>FISCAL YEAR 1984</b>						
October 1983 - December 1983 .....	141,849	73,379	16,208	9,654	41,132	1,476
January 1984 - March 1984 .....	164,681	89,316	14,337	8,862	50,545	1,622

See notes following Table 13.

**Table 10. — Internal Revenue Refunds: Amount Refunded by Quarter and Fiscal Year, 1980-1984**  
 [Money amounts are in millions of dollars]

Quarter and fiscal year	Amount refunded by type of return					
	Total	Individual income taxes <sup>1</sup>	Corporation income taxes	Excise taxes <sup>2</sup>	Employment taxes <sup>3</sup>	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
<b>FISCAL YEAR 1980 TOTAL</b> .....	54,009	44,423 <sup>4</sup>	8,056	293	1,115	123
October 1979 - December 1979 .....	3,062	732	2,119	45	137	29
January 1980 - March 1980 .....	19,980	17,731	1,962	137	132	18
April 1980 - June 1980 .....	26,438	23,553	2,222	75	550	39
July 1980 - September 1980 .....	4,529	2,407	1,753	36	296	37
<b>FISCAL YEAR 1981 TOTAL</b> .....	63,303	48,409 <sup>4</sup>	13,294	343	1,114	143
October 1980 - December 1980 .....	4,215	971	3,047	49	116	32
January 1981 - March 1981 .....	21,988	18,285	3,687	76	-99	39
April 1981 - June 1981 .....	30,352	26,027	3,160	163	967	34
July 1981 - September 1981 .....	6,749	3,125	3,400	55	128	40
<b>FISCAL YEAR 1982 TOTAL</b> .....	75,202	55,102 <sup>5</sup>	17,974	367	1,578	181
October 1981 - December 1981 .....	9,530	1,347	3,920	42	185	37
January 1982 - March 1982 .....	24,024	19,338	4,197	76	377	36
April 1982 - June 1982 .....	35,793	30,481	4,298	163	796	54
July 1982 - September 1982 .....	9,855	3,936	5,559	86	220	53
<b>FISCAL YEAR 1983 TOTAL</b> .....	89,761	61,198 <sup>5</sup>	26,012	493	1,849	208
October 1982 - December 1982 .....	9,411	1,875	7,030	58	397	52
January 1983 - March 1983 .....	23,928	16,548	6,838	108	372	62
April 1983 - June 1983 .....	46,715	38,341	7,421	194	721	38
July 1983 - September 1983 .....	9,705	4,434	4,723	133	359	56
<b>FISCAL YEAR 1984</b>						
October 1983 - December 1983 .....	7,201	2,064 <sup>6</sup>	4,548	195	325	69
January 1984 - March 1984 .....	25,285	19,613 <sup>7</sup>	4,850	129	646	47

See notes following Table 13.

Table 11. — Classes of Excise Taxes by Selected Fiscal Year, 1970-1984  
 [Money amounts are in thousands of dollars]

Selected class of tax	Taxes collected by Fiscal Year					
	1970	1975	1980	1981	1982	1983
	(1)	(2)	(3)	(4)	(5)	(6)
ALCOHOL TAXES, TOTAL .....	4,746,382	5,350,858	5,704,768	5,688,413	5,459,810	5,634,853
Distilled spirits .....	3,501,538	3,865,162	3,945,377	3,837,640	3,634,519	3,798,148
Wine .....	163,337	177,113	211,538	244,445	218,987	239,329
Beer .....	1,081,507	1,308,583	1,547,853	1,606,328	1,606,303	1,597,375
TOBACCO TAXES, TOTAL .....	2,094,212	2,315,090	2,446,416	2,583,857	2,539,495	4,139,810
Cigarettes .....	2,036,101	2,261,116	2,402,857	2,538,674	2,499,046	4,099,226
Cigars .....	56,834	51,226	39,500	40,742	35,666	33,716
MANUFACTURERS EXCISE TAXES, TOTAL ..	6,683,061	5,516,611	6,487,421	6,088,156	6,382,900	6,776,023
Gasoline and lubricating oil <sup>1</sup> .....	3,517,586	4,071,465	4,326,549	4,108,716	4,320,856	4,953,267
Tires, tubes and tread rubber <sup>2</sup> .....	614,795	697,660	682,624	668,902	616,785	677,966
Motor vehicles, bodies, parts <sup>3</sup> .....	1,753,327	662,556	1,088,696	914,524	884,845	516,872
Recreational products .....	53,427	84,946	136,521	158,054	131,288	132,672
Black Lung taxes .....	N/A	N/A	251,288	237,097	426,620	490,731
SPECIAL FUELS, TOTAL <sup>4</sup> .....	257,820	404,187	560,144	587,486	628,625	831,196
Diesel and special motor fuels ...	257,712	370,489	512,718	553,107	598,840	742,380
MISCELLANEOUS EXCISE TAXES, TOTAL ..	2,084,730	3,306,077	6,359,198	19,773,803	24,813,053	19,228,685
Telephone and teletype <sup>5</sup> .....	1,469,562	2,023,744	1,117,834	998,503	919,749	1,048,317
Air transportation .....	250,802	850,567	1,748,837	1,326,829	1,154,818	1,898,786
Highway use tax .....	135,086	207,663	263,272	266,225	257,329	287,457
Foreign insurance <sup>6</sup> .....	8,614	19,458	74,630	74,882	68,276	-44,440
Exempt organizations net investment income .....	N/A	63,828	65,280	84,045	93,188	112,380
Crude oil windfall profit .....	N/A	N/A	3,051,719	16,930,548	22,035,927	15,660,081
Environmental taxes (superfund) ..	N/A	N/A	N/A	61,264	252,903	235,954

Selected class of tax	Fiscal year quarter ending					
	Dec. 1982	Mar. 1983	June 1983	Sept. 1983	Dec. 1983	Mar. 1984
	(7)	(8)	(9)	(10)	(11)	(12)
ALCOHOL TAXES, TOTAL .....	1,362,584	1,331,830	1,293,551	1,646,888	1,250,919	1,360,213
Distilled spirits .....	991,691	906,974	853,577	1,045,906	892,575	925,751
Wine .....	67,672	63,829	61,896	45,933	64,331	88,292
Beer .....	303,221	361,027	378,078	555,050	294,013	346,170
TOBACCO TAXES, TOTAL .....	638,860	1,002,323	1,137,118	1,361,508	1,147,900	1,155,892
Cigarettes .....	629,867	993,909	1,127,198	1,348,253	1,140,023	1,144,380
Cigars .....	7,798	6,791	7,946	11,181	5,426	9,196
MANUFACTURERS EXCISE TAXES, TOTAL ..	1,463,058	1,480,465	1,426,353	2,406,147	2,814,504	2,477,790
Gasoline and lubricating oil <sup>1</sup> .....	992,928	979,122	998,042	1,983,175	2,488,842	2,181,613
Tires, tubes and tread rubber <sup>2</sup> .....	166,892	168,796	158,654	183,624	187,793	133,924
Motor vehicles, bodies, parts <sup>3</sup> .....	144,263	179,889	106,755	85,965	-18,802 <sup>7</sup>	7,739 <sup>7</sup>
Recreational products .....	35,354	27,043	38,141	32,133	35,042	24,512
Black Lung taxes .....	123,114	125,176	123,777	118,664	121,185	128,541
SPECIAL FUELS AND RETAILERS TAXES, TOTAL <sup>4</sup> .....	151,540	182,275	177,061	320,319	588,675	638,989
Diesel and special motor fuels ...	140,554	155,646	151,367	294,813	411,280	376,065
Trucks and buses, chassis, bodies, etc. ....	-	-	-	-	149,064	234,213
MISCELLANEOUS EXCISE TAXES, TOTAL ..	4,998,036	6,370,018	4,715,585	3,145,046	4,285,278	2,889,908
Telephone and teletype <sup>5</sup> .....	140,756	211,881	394,149	301,532	677,149	399,012
Air transportation .....	343,762	503,498	548,423	503,103	587,384	598,922
Highway use tax .....	17,789	54,784	46,444	168,440	25,665	51,845
Foreign insurance <sup>6</sup> .....	-14,801	-9,640	-3,229	-16,769	8,010	15,822
Exempt organizations net investment income .....	7,654	23,600	45,325	35,800	9,445	24,279
Crude oil windfall profit .....	4,440,146	5,518,749	3,616,501	2,084,685	2,909,803	1,727,718
Environmental taxes (superfund) ..	56,330	59,247	61,175	59,203	63,725	65,475

See notes following Table 13.

Table 12. — Selected Returns and Forms Filed During Selected Calendar Years, 1970-1984

Type of return or form	Calendar Year						1985 Projected
	Number Filed						
	1970	1975	1980	1982	1983	1984 Estimated	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Individual income <sup>1</sup> .....	77,281,384	84,026,785	93,194,916	95,574,230	95,541,338	97,038,000	100,775,000
Form 1040 .....	77,143,251	61,450,279	55,360,030	57,800,627	59,580,123	61,200,000	63,058,000
Nonbusiness .....	68,129,351	51,377,153	43,957,141	45,480,555	46,631,876	47,871,000	49,040,000
Business .....	9,013,900	10,073,126	11,402,889	12,320,072	12,948,247	13,329,000	14,018,000
Schedule C .....	6,351,304	7,438,968	8,944,298	9,877,372	10,507,205	10,925,000	11,646,000
Schedule F .....	2,662,596	2,634,158	2,458,591	2,442,700	2,441,042	2,404,000	2,372,000
Form 1040A .....	N/A	22,462,776	37,692,282	37,618,855	21,045,266	19,901,000	20,628,000
Form 1040EZ .....	N/A	N/A	N/A	N/A	14,915,949	15,937,000	17,089,000
Corporation income:							
Form 1120 .....	1,487,244	1,705,789	2,030,092	2,346,203	2,461,461	2,514,560	1,577,000
Form 1120A <sup>2</sup> .....							1,000,000
Form 1120S .....	248,936	367,219	528,070	566,787	616,719	672,495	708,000
Partnership, Form 1065 .....	991,904	1,132,839	1,401,567	1,552,735	1,613,493	1,673,018	1,757,000
Fiduciary, Form 1041 <sup>3</sup> .....	1,149,445	1,558,570	1,876,392	1,962,485	2,019,483	2,068,110	2,127,000
Estate Tax, Forms 706 and 706NA ....	141,156	225,827	147,303	127,051	108,330	88,922	76,000
Gift Tax, Form 709 .....	146,338	273,184	214,389	84,364	93,260	106,679	121,000
Exempt Organization:							
Form 990 <sup>4</sup> .....	377,030	346,627	362,632	368,278	344,216	331,038	334,000
Form 990-PF .....	N/A	29,637	33,137	31,831	33,232	33,333	34,000
Form 990-T .....	5,041	19,683	23,455	23,720	25,598	26,836	28,000

See notes on following page.

Table 13. — Selected Demographic and Economic Indexes, 1970-1983

Series	Source	1970 Total (Millions)	INDEXES (1970 = 100)				
			1975	1980	1981	1982	1983
			(1)	(2)	(3)	(4)	(5)
Total U.S. Population <sup>1</sup> .....	Census	205.05	105.3	111.0	112.1	113.2	114.2
Number of Individual Tax Exemptions <sup>2</sup> .....	SOI	195.10	103.6	110.7	111.7	112.2	-
Civilian Employment <sup>3</sup> .....	BLS	78.68	109.1	126.2	127.6	126.5	128.2
Individual Income Tax Returns Filed <sup>4</sup> .....	SOI	74.28	110.7	126.4	128.4	128.3	-
Personal Income <sup>5</sup> .....	BEA	\$ 811,100	156.0	267.0	300.2	317.9	338.0
Individual Income Taxes <sup>6</sup> .....	SOI	\$ 83,909	148.4	298.3	338.6	330.8	-
Social Security & Gov't. Pension Contributions <sup>7</sup> ...	BEA	\$ 58,600	189.2	347.6	404.4	431.7	464.7
Gross National Product <sup>8</sup> .....	BEA	\$ 992,700	156.1	265.1	297.6	309.6	333.4
Real (Deflated) Gross National Product <sup>9</sup> .....	BEA	\$1,025,600	113.4	135.9	139.4	136.8	141.4
Industrial Production Index <sup>10</sup> .....	FRB	-	109.3	136.4	140.1	128.6	137.0
Corporations Reporting Net Profit <sup>11</sup> .....	SOI	1.01	121.6	158.4	158.4	-	-
Unincorporated Businesses* with Net Profit <sup>12</sup> .....	SOI	± 5.59	± 113.3	± 133.8	± 129.5	± 112.9	-
Net Corporations Income Tax Collections <sup>13</sup> .....	IRS	\$ 32,829	123.7	196.8	186.2	149.9	112.8
Business Failures <sup>14</sup> .....	D&B	0.01	106.4	109.2	156.3	235.8	-
Corporations Reporting Net Loss <sup>11</sup> .....	SOI	0.66	121.4	169.5	184.9	-	-
Unincorporated Businesses* with Net Loss <sup>12</sup> .....	SOI	± 1.73	± 138.3	± 203.6	± 214.3	± 300.4	-
Business Fixed Investment <sup>15</sup> .....	BEA	\$ 33,900	89.4	227.1	264.6	174.0	131.6
Corporation Investment Tax Credit <sup>16</sup> .....	SOI	\$ 866	746.0	1,744.1	2,181.1	-	-
Depreciation Claimed on Corp. Tax Returns <sup>17</sup> .....	SOI	\$ 52,941	163.0	297.2	351.7	-	-

\*Excluding farm sole proprietorships.  
See notes on following page.

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.

[2] Includes total itemized deductions, charitable contributions for non-itemizers, and zero bracket amounts on nonitemized returns.

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

[4] 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

[1] For 1982, state figures are from the Individual Master File, adjusted to U.S. totals in Statistics of Income data.

[2] Total returns filed include both taxable returns and returns without tax liability.

[3] Average tax applies only to returns with tax liability. The number of returns with tax liability can be derived by dividing total tax by average tax.

[4] In addition to the state figures shown, includes also number of returns filed by all U.S. citizens living abroad.

[5] Number not considered reliable due to high sampling variability.

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

[1] Includes income tax after credits and the additional tax for tax preferences, i.e., minimum tax and alternative minimum tax.

[2] For many taxpayers at this level, includes large amounts of additional tax for tax preferences.

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 4

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 5

[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.

[4] Beginning for 1982, this figure includes both interest and dividends.

[5] Beginning for 1981, this figure was taken from Form 4562, which resulted in somewhat higher figures than reported for earlier years.

SOURCE: Statistics of Income--Partnership 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 6

[1] Prior to 1979, balance sheets completed by partnerships which liquidated during the year were assigned to the "under \$25,000" category regardless of asset size.

Beginning in 1979, balance sheets of liquidating partnerships were treated in the same manner as all other balance sheets.

- [2] For 1981, a reduction in data available for receipts caused an increase in the number of returns arbitrarily assigned to the "under \$25,000" size class.

SOURCE: Statistics of Income--Corporation Income Tax Returns, appropriate years, and Statistics of Income--Partnership 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 normal tax, surtax, and alternative tax for Tax Years 1970 through 1978, and regular tax and alternative tax for Tax Years 1979-1981.
- [2] The 109-percent increase by the regulated investment companies industry accounted for almost 62 percent of the increase from 1980 to 1981.

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 8

- [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 1979-1981. 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.

Tables 9 and 10

- [1] Includes estimated tax payments or amounts withheld by employers prior to return filing, payments made with the return, and any subsequent payments.
- [2] Includes 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] Includes payroll taxes levied on salaries and wages, such as social security, railroad retirement, and unemployment taxes.
- [4] Includes earned income credits refunded, amounting to \$1.3 billion.
- [5] Includes earned income credits refunded, amounting to \$1.2 billion.
- [6] Includes earned income credits refunded, amounting to \$11 million.
- [7] Includes earned income credits refunded, amounting to \$595 million.

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

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

Table 11

- [1] Includes 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.
- [2] Effective January 1, 1984, dealers holding taxable tires were assessed a one-time floor stock tax.
- [3] Effective January 7, 1983, the excise taxes on parts and accessories for trucks and buses, which are included in this classification, were repealed. Beginning with the quarter ending December 1983, motor vehicles are excluded.
- [4] Special fuels, total includes diesel and special motor fuels which were classified as miscellaneous excise taxes in 1970. Beginning with the quarter ending December 1983, motor vehicles are included.
- [5] Effective January 1, 1983, the excise tax increased from 1 percent to 3 percent.



[6] 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.

[7] This amount reflects adjustments made for prior quarters.

NOTES: For 1970 and 1975, fiscal year was defined as July of the previous year through June of the year noted. For 1980, 1981, 1982, and 1983, 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.

#### Table 12

- [1] Includes Forms 1040NR, PR and SS.
- [2] Form 1120A will be introduced in 1985.
- [3] Includes Form 1041A in 1970 and 1975.
- [4] Includes Form 990A in 1970.

SOURCE: Internal Revenue Service, Research Division, Projections and Forecasting Group.

#### Table 13

- [1] U.S. Department of Commerce, Bureau of the Census, The 1984 Economic Report of the President, Table B-28.
- [2] Exemptions reported on individual income tax returns. Does not include additional exemptions allowed for a taxpayer or spouse age 65 or over, blind, or both. Statistics of Income--Individual Income Tax Returns, appropriate years.
- [3] Wage and salary workers in all industries and government, as well as the self-employed. U.S. Department of Labor, Bureau of Labor Statistics, The 1984 Economic Report of the President, Table B-30.

[4] Includes Forms 1040, 1040A, and 1040EZ. Statistics of Income--Individual Income Tax Returns, appropriate years.

[5] Incomes received by persons in the form of wages and salaries, proprietary incomes, rents, dividends, and interest, as well as social security benefits, unemployment compensation and other government transfer payments. U.S. Department of Commerce, Bureau of Economic Analysis, The 1984 Economic Report of the President, Table B-22.

[6] Income tax after credits. Includes additional tax for tax preferences. Statistics of Income--Individual Income Tax Returns, appropriate years.

[7] Contributions made by employers and employees to the social security system and contributions made to state and local government employee pension funds. Ibid., Table B-20.

[8] The global measure of the level of economic activity for the United States. Ibid., Table B-1.

[9] Same as Note 8, except corrected for inflation. Ibid., Table B-2.

[10] An index number measuring the Nation's physical volume of output of manufacturing, mining, and utility industries. Board of Governors of the Federal Reserve System, The 1984 Economic Report of the President, Table B-42.

[11] Based on the number of returns of active corporations. The number of Forms 1120-DISC and Forms 1120S filed, respectively, by Domestic International Sales Corporations and Small Business Corporations for which an election was made to be taxed through stockholders are included. Statistics of Income--Corporation Income Tax Returns, appropriate years.

[12] Based on number of partnership returns filed and Schedule C's filed with the individual income tax returns of sole proprietors. Statistics of Income--Partnership Returns, appropriate years, and Statistics of Income--Sole Proprietorship Returns, appropriate years.

[13] Corporation income taxes collected less refunds. Annual Report of the Commissioner of Internal Revenue, appropriate years.

- [14] A measure of failures of commercial and industrial businesses, excluding railroads, banks and other financial businesses, steamship lines, and travel agencies. U.S. Department of Commerce, Bureau of Economic Analysis, and Dun & Bradstreet, Inc., The 1984 Economic Report of the President, Table B-91.
- [15] Total spending for factories and other business structures and for producers durable equipment. U.S. Department of Commerce, Bureau of Economic Analysis, The 1984 Economic Report of the President, Table B-15.
- [16] Reduction of income tax allowed corporations for investment in qualifying depreciable (or amortizable) property with a useful life of at least 3 years. Statistics of Income--Corporation Income Tax Returns, appropriate years.
- [17] Depreciation deducted as a reasonable allowance for the exhaustion, wear and tear, and obsolescence of business property allowable under Internal Revenue Code section 167. Ibid.



# Notes

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4. Which table(s) in the Selected Statistical Series did you find helpful to your needs?

- Individual income tax returns       Business returns       Classes of excise taxes  
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## Notes

# Notes



## Notes

**Notes**

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