

Sole Proprietorship Returns, 1987

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Nonfarm sole proprietorship profits for 1987 set another record high, exceeding \$100 billion for the first time [1,2]. Tax Year 1987 was also the first full year of transition under the Tax Reform Act of 1986. Because it is difficult to separate the direct effects of changes in the law from sole proprietor behavioral responses to changes in the economy as well as changes in the law, it is not possible to fully assess the impact of the new law. However, for Tax Year 1987, the depreciation deduction declined for the first time since 1961. Also, net losses reported by sole proprietors declined for the first time in over 10 years.

Figure A shows total nonfarm sole proprietorship profits over the decade ending with 1987. Profits increased \$15.1 billion in Tax Year 1987, continuing a growth trend that began after the economic downturn of the early 1980's [3]. Figure B shows the relationship between profits and receipts over the same time period. This ratio fell continuously from 1978 to 1982, and then began a climb that continued through 1987 [4].

TAX REFORM AND SOLE PROPRIETORSHIPS

The primary provisions of the new tax law affecting sole proprietors' business activity for 1987 were the new rules for depreciation, capitalization of inventory costs, meals and entertainment expenses, and "passive" losses. Provisions relating to depreciation tended to affect all industries to a varying extent. Others, for example, passive activity losses, were more likely to affect specific industries.

The new Act modified the depreciation of assets covered under the Accelerated Cost Recovery System (ACRS) by lengthening the recovery period for many of the personal and real property categories. While this tended to decrease depreciation deductions, the new law also liberalized the declining-balance method of depreciation for most categories, a factor that increased depreciation deductions in the first years of the assets life. An exception to this latter change was most real estate property, for which the more limited deductions under the straight-line method were required. The Act also increased, from \$5,000 to \$10,000, the maximum deduction for expensing all or part of the cost of depreciable assets in the year they were placed in service, while placing a ceiling on expensing for certain

taxpayers. The overall net effect of tax reform was a decline of 3.3 percent in depreciation reported by sole proprietors for 1987 (see Figure C).

Tax reform also changed the capitalization of inventory costs. Under the new uniform capitalization rules, in general, businesses were required to depreciate certain costs incurred in producing or acquiring property. Other costs, such as insurance, attributable to inventory had to be treated as product costs and added to inventory costs. Under the previous law, businesses could claim these costs as current deductions. Also, State and local taxes paid on depreciable property now had to be added to the cost of the property and deducted over time as part of the depreciation deduction. Prior to tax reform, the full amount of taxes could be claimed as a current deduction. These changes in the capitalization of inventory costs and the treatment of taxes on depreciable property would all tend to decrease the deductions reported by sole proprietors.

Another deduction, for meals and entertainment, was limited by the new law to 80 percent of the cost. Despite this limitation, the combined deduction for travel and entertainment, including meals, increased over 11 percent from 1986. For 1987, meals and entertainment, after the limitation, accounted for 45 percent of the total deductible travel and entertainment expense claimed by sole proprietors [5].

The Act attempted to curb tax shelter activity by limiting passive losses and extending the "at-risk" rules. The new passive loss rules for 1987 limited the losses that could be deducted from any activity in which the taxpayer did not actively participate. With some exceptions for real estate, these passive losses could be used only to offset income from passive activities, with a 5-year phase-in for pre-enactment investment. Previously, any business losses could be used to offset income from any other activity. In

Figure A.—Nonfarm Sole Proprietorship Profits, Tax Years 1978–1987

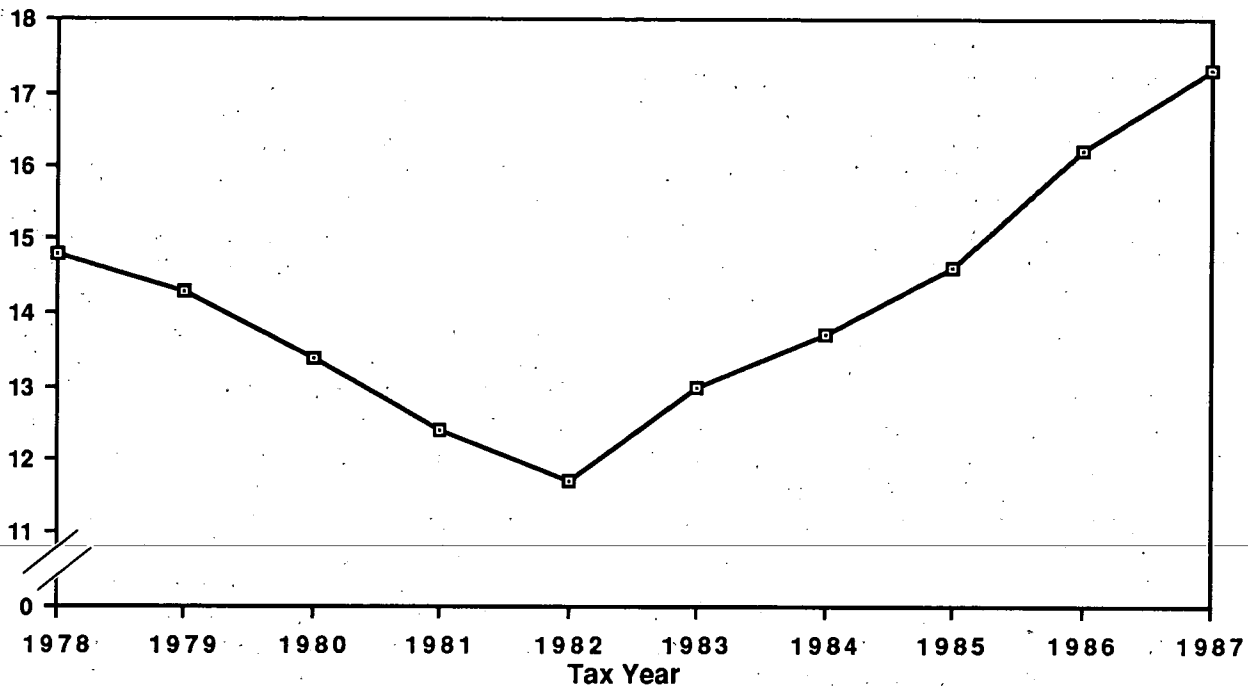
Tax Year	Net income (less deficit) (billions)
1978	\$ 53.5
1979	56.5
1980	54.9
1981	53.1
1982	50.6
1983	60.4
1984	70.8
1985	78.8
1986	90.4
1987	105.5

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Figure B

Profits as a Percentage of Receipts, Tax Years, 1978-1987

Percentage



addition, for 1987 the at-risk rules were applied to real estate activities. These rules limited deductible losses from real estate tax shelters to the amount the taxpayer had contributed or borrowed for use in the activity. In the past, real estate had not been subject to these at-risk rules.

Another law change aimed at curbing deductible losses required a business activity to show a profit in 3 out of 5

Figure C.—Nonfarm Sole Proprietorship Net Income, Net Deficit, and Depreciation, Tax Years 1978–1987

(Money amounts are in billions of dollars)

Tax Year	Net Income	Net Deficit	Depreciation
	(1)	(2)	(3)
1978	\$ 62.3	\$ 8.8	\$10.0
1979	67.1	10.6	12.9
1980	68.0	13.1	14.0
1981	68.5	15.5	15.9
1982	68.6	18.1	19.1
1983	78.6	18.3	22.1
1984	89.8	19.1	23.9
1985	98.8	20.0	26.3
1986	110.5	20.1	26.4
1987	123.8	18.3	25.6

consecutive years in order to be considered a bonafide business; otherwise, deductions for expenses related to the activity were limited. Before 1987, the requirement was 2 out of 5 years.

Other provisions of the tax law affecting sole proprietorship operations were the reduction in the jobs credit, changes in the rules regarding pension and profit-sharing plans, and the depletion limitations. The jobs credit deduction reported for 1987 by sole proprietors declined over 82 percent from 1986, and deductions for employer contributions to pension and profit-sharing plans dropped over 14 percent. The depletion deduction also showed a decline of 39 percent. However, these three deductions combined represented less than 1 percent of total sole proprietorship deductions.

With the various limitations on deductible losses and other tax law changes described above as contributing factors, the total net losses reported by sole proprietors for 1987 declined by almost 9 percent, the only decline in 10 years (see Figure C) [6].

INDUSTRY TRENDS UNDER TAX REFORM

Reflecting all of the changes in the law mentioned herein, as well as others that applied to specific industrial activities, sole proprietorship profits increased 16.6 percent for 1987 compared to 1986. All industry divisions except mining shared in this increase. Although mining reported a net loss (see Figure D), it was about one third of the loss reported for 1986, with the oil and gas extraction group accounting for most of this decline. The new passive loss rules probably contributed to this decline by limiting the deductible losses of those proprietors engaged in oil and gas extraction tax shelters [7]. The oil and gas extraction group also reported a decline of over 35 percent in the depletion deduction. This may have been due, in part, to the new rules eliminating percentage depletion that was not related to production, such as those on lease bonuses and advance royalties.

Real estate operators and lessors of buildings, an industry generally associated with tax shelter activities, also reported a large decline in net loss, almost 50 percent, for 1987. Contributing to this decline were the new passive loss limitations and lower depreciation deductions, which fell 57 percent for this group [8].

Over 47 percent of the increase in profits for all sole proprietorships was reported by service industries, an industrial division in which sole proprietorships are the predominant form of business in terms of the number of businesses. This \$7.2 billion increase in profits was larger than that of any other industrial division (see Figure D), and accounted for over 50 percent of the total profits for all sole proprietors. The medical and health services group continued to account for the largest share of service industry profits, but this share had gradually declined from 40 percent for 1979 to 33 percent for 1987. Over the same time period, business services, the second largest service group (including such diverse businesses as advertising, building services, computer and data processing services, and management and public relations) increased its share from 16 to 26 percent of service industry profits.

Figure D.—Profits by Industrial Division, Tax Years 1986 and 1987¹

Industrial Division	Net income (less deficit)	
	1986	1987
	(billions)	
Mining.....	\$-.7	\$-.2
Construction.....	12.8	14.5
Manufacturing.....	1.5	2.1
Transportation and public utilities.....	3.4	3.7
Wholesale and retail trade.....	10.0	11.2
Finance, insurance, and real estate.....	11.6	14.4
Services.....	48.8	56.0

¹ Excludes certain proprietorships included in Figure B, the nature of whose business was not allocable by industry.

Manufacturing, led by metal products, non-electric machinery, and printing and publishing, reported the highest increase in profits at 42.5 percent. Finance, insurance, and real estate followed, with the security and commodity brokers and services within this industry division reporting a 59 percent increase for 1987. Of those industries reporting profits, transportation, dominated by trucking and warehousing, reported the lowest increase at 7.7 percent over the previous year [9].

Sole proprietorship total receipts and number of returns on which they were reported increased along with profits for Tax Year 1987. Reported receipts increased 9.2 percent, from \$559 billion for 1986 to \$611 billion for 1987. This increase represented a gain in real (1982) dollar sales of \$28 billion [10]. All industrial divisions except mining and manufacturing showed increased receipts. The number of individual income tax returns reporting nonfarm sole proprietorship activity increased by 5.7 percent, from 12.4 million for 1986 to 13.1 million for 1987. The number of proprietorships increased in all industrial divisions except mining, which declined 0.6 percent.

SUMMARY

The continuing economic expansion in 1987 was reflected in record levels of sole proprietorship total receipts and profits. The Tax Reform Act of 1986 introduced a number of changes in the law that affected sole proprietorship activity, but it is not possible to fully assess the effects of these changes. This is because it is difficult to separate the direct effects of changes in the law from sole proprietor behavioral responses to changes in the economy as well as changes in the law. Overall, profitability of sole proprietorships for 1987 continued a trend of steady growth that began with 1983.

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 issue. Specific information applicable to sole proprietorship data for 1987 follows.

Sample Selection Criteria

The 1987 sole proprietorship estimates are based on data from a sample of individual income tax returns, Forms 1040, processed by the Internal Revenue Service (IRS) during 1988. The sample was stratified based on presence or absence of Schedule C, Profit or Loss from Business (Sole Proprietorship); Schedule F, Farm Income and Expenses; Form 4835, Farm Rental Income/Loss; the larger of total income or total loss; and size of business plus farm

Figure E.—Coefficients of Variation for Frequency Estimates, Tax Year 1987

Estimated number of returns	Approximate coefficient of variation
5,620,600018
4,552,700020
728,400050
182,100100
45,500200
20,200300
14,900350
7,300500

receipts. The returns were selected at rates that ranged from 0.05 percent to 100 percent. For 1987, there were 33,066 nonfarm sole proprietorship returns included in the sample, drawn from a population of 13,201,835 returns. For 1986, 35,680 out of 13,030,418 returns were selected.

Limitations

Because the data presented in this article are estimates based on a sample of returns, they are subject to sampling as well as nonsampling error. To ensure proper use of the statistical data provided, it is important to know the magnitude of the potential sampling error.

Approximate coefficients of variation (CV's) for frequency estimates are presented in Figure E. These CV's can be used to obtain measures of the potential sampling error. They are shown here only as a general indication of data reliability. For numbers other than those shown, the corresponding CV's can be estimated by interpolation. 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] For purposes of this article, the terms "sole proprietor" and "sole proprietorship" are used interchangeably. In fact, there are always more sole proprietorships than sole proprietors because some individuals own more than one business. As of 1981, the last year for which an analysis was made, the ratio of proprietorships to proprietors was approximately 1.1 to 1. For a fuller explanation of the relationship between proprietors and proprietorships, see *Statistics of Income—1981, Sole Proprietorship Returns*.

[2] Unless otherwise noted, all money amounts are as reported and are not adjusted for inflation.

[3] Profits are represented by net income less deficit (net losses), before Federal income tax. Proprietors compute their tax on total "taxable income" which includes their business profits plus any other income. For these statistics, if a proprietor owned more than one busi-

ness, the net income less deficit of each of the businesses was combined and reported under the industry of the proprietor's dominant business. The profits were calculated as the sum of net income (for proprietors reporting a profit) offset by net deficit (for proprietors reporting a deficit) for all returns within a particular industrial classification. Net income or net deficit for each return was calculated as business receipts minus cost of sales and operations and other business deductions. Industry profits, as well as all other industry statistics, are based on the 1972 Standard Industrial Classifications, as revised. Changes in these classifications, made in 1987, will be reflected in the Tax Year 1989 data.

[4] The ratio of profits to receipts increased from 1976 to 1977 and then fell in 1978, the first year displayed in Figure B.

[5] For 1986, data for travel and entertainment were combined. Therefore, since a comparison cannot directly be made between 1987 meals and entertainment with data from 1986, the comparison of the total travel and entertainment deduction between the 2 years is made.

[6] The terms "net losses" and "net deficit" are used interchangeably.

[7] Oil and gas tax shelters were able to create "tax losses" for their owners through deductions for dry holes, intangible drilling costs, and accelerated depreciation. Investors could then subtract these losses from their other income to lower their income tax liability. If the shelter became profitable, it could be sold, and the profit would be taxed as a long-term capital gain at a maximum tax rate of 20 percent for 1986, as opposed to the top rate of 50 percent for all other income. The Tax Reform Act of 1986 eliminated the use of these "passive" losses to offset any income except that from passive activities, with a phase-in period for pre-enactment investments. Starting with 1988, it also repealed the preferential tax treatment of capital gains.

For a further discussion of tax shelter activity, see "Partnership Returns, 1987," in this issue.

[8] For Tax Year 1987, sole proprietorship passive loss information was not separately abstracted for Statistics of Income. Therefore, the full impact of passive loss restrictions on sole proprietorship net income less deficit could not be accurately determined.

Of the total \$68 billion of passive losses from all sources reported on 1987 individual income tax re-

turns, \$13.5 billion was disallowed. About \$3 billion of this was in connection with nonbusiness real estate rental activities. (These estimates are based on data used for *Statistics of Income—1987, Individual Income Tax Returns*, which was in preparation at the time this article was written.) Since the purpose of the passive loss limitations was to reduce or eliminate benefits that resulted from tax shelter activities, it is likely that their effect was mostly reflected in the statistics reported for income or loss from partnerships, the category most frequently used for this purpose. Therefore, the effect of disallowed losses on the overall 1987 profit statistics for nonfarm sole proprietorships may be minimal, with the possible exception of specific industries. For additional information about passive losses for 1987, see Hostetter, Susan and Bates, Jeffrey, "Individual Income Tax Returns, Preliminary Data, 1987," *Statistics of Income Bulletin*, Spring 1989, Volume 8, Number 4.

- [9] Data for proprietorships providing agricultural services (including forestry and fishing) shown in Table 1 are omitted from Figure D because of their close relationship to farming industry data, which are not tabulated annually. For Tax Year 1982 (the most recent year for which detailed farm industry data are available), the number of farm returns was 2,691,722, and the number of returns reporting agricultural service businesses was 211,282. Reported receipts were \$99.3 billion and \$7.3 billion, respectively.
- [10] Constant dollars were based on the Gross National Product (GNP) implicit price deflator (1982 = 100; 1986 = 114; 1987 = 118) calculated by the U.S. Department of Commerce, Bureau of Economic Analysis. For a discussion of this deflator, see U.S. Department of Commerce, *Survey of Current Business*, U.S. Government Printing Office, March 1989, Volume 63, Number 3.

Table 1.—Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industry

[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 deduction	Rent paid deduction	Total interest paid deduction	Payroll	Net income less deficit	Number of returns	Business receipts	Depreciation deduction	Rent paid deduction	Total interest paid deduction	Payroll	Net income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
All nonfarm industries	13,091,132	610,822,732	25,557,350	16,358,248	11,615,902	61,960,503	105,460,627	9,884,338	515,313,171	17,559,319	12,760,400	7,035,214	50,092,680	123,782,540
Agricultural services, forestry, and fishing	360,654	14,495,263	1,206,835	279,524	368,217	1,562,241	2,039,480	262,735	12,064,134	731,026	257,057	210,460	1,435,034	2,724,419
Agricultural services	286,845	12,096,668	821,967	265,180	280,218	1,536,029	1,513,386	210,224	10,470,710	580,864	244,401	183,130	1,427,878	2,045,263
Veterinary services	19,248	2,128,471	111,600	58,168	54,559	375,566	579,188	18,765	2,113,227	111,109	54,774	54,219	371,051	583,155
Livestock breeding	15,858	138,793	71,129	2,544	20,913	6,553	-146,266	982	49,333	*5,590	—	*3,787	*1,075	13,202
Animal services, except livestock breeding and veterinary	65,290	3,832,077	159,361	137,592	62,431	205,942	51,638	38,299	2,996,275	86,764	135,111	35,122	160,659	238,196
Landscape and horticultural services	139,153	4,682,491	322,271	63,299	80,153	808,793	840,497	114,530	4,372,370	261,097	52,771	66,414	783,883	929,702
Other agricultural services	47,296	1,314,836	157,606	3,577	62,162	139,176	188,330	37,648	939,505	116,305	1,745	23,588	111,209	281,008
Forestry	13,403	178,829	154	154	5,987	4,042	31,574	5,953	127,825	*8,952	*22	*615	*2,175	55,691
Fishing, hunting, and trapping	60,406	2,219,767	365,177	14,190	82,011	22,170	494,520	46,558	1,465,600	141,210	12,633	26,714	4,981	623,465
Mining	158,864	6,600,294	835,631	75,844	361,606	420,609	-256,665	87,465	4,439,744	382,517	50,557	116,853	325,015	924,186
Metal mining	6,504	*46,097	*11,032	*10	*35	*2,433	-2,719	*2,293	*45,475	*7,790	—	*3	*2,004	*4,342
Coal mining	2,758	108,220	21,882	464	2,810	*2,819	-18,420	*1,842	*70,824	*4,342	*70	*650	*1,416	*7,058
Oil and gas extraction	146,887	6,400,492	796,647	75,223	356,076	410,812	-244,390	81,355	4,284,953	366,391	50,359	113,910	319,546	897,819
Nonmetallic minerals, except fuels	2,715	45,484	6,071	*147	2,686	*4,544	8,863	1,975	38,491	3,995	*128	*2,290	*2,049	14,967
Construction	1,635,744	89,277,578	3,192,300	723,308	1,077,825	14,109,964	14,512,879	1,399,297	79,803,525	2,577,001	584,165	853,792	12,395,599	15,703,474
General building contractors and operative builders	336,818	28,782,406	665,187	147,978	429,557	4,289,428	3,710,878	286,008	25,425,765	543,398	131,891	317,388	3,892,017	4,119,177
General building contractors	313,394	27,688,231	622,419	132,562	394,469	4,088,167	3,557,922	266,053	24,714,960	511,134	117,698	300,244	3,793,422	3,915,261
Operative builders	23,424	1,094,175	42,768	*15,415	35,088	201,261	152,956	19,955	710,805	32,264	*14,193	17,143	98,595	203,917
Heavy construction contractors	45,882	3,426,798	207,304	29,484	58,227	398,702	365,879	36,986	2,774,850	136,469	13,536	46,229	255,732	499,254
Highway and street construction	7,888	865,563	35,390	15,530	4,725	187,140	45,144	5,068	366,785	4,267	*115	3,253	51,153	61,614
Heavy construction, except highway	37,994	2,561,235	171,914	13,954	53,502	211,562	320,735	31,918	2,408,065	132,202	13,422	42,975	201,580	437,640
Special trade contractors	1,231,121	56,359,925	2,296,702	525,668	579,422	9,357,961	10,234,697	1,057,582	50,948,494	1,876,272	434,971	479,569	8,184,173	10,874,986
Plumbing, heating, and air conditioning	125,711	10,177,529	256,937	93,407	61,470	1,475,339	1,242,872	98,962	8,338,107	195,493	67,218	45,528	1,093,204	1,376,421
Painting, paperhanging, and decorating	176,344	6,373,823	203,247	70,267	75,384	1,164,208	1,498,519	160,086	6,241,881	183,064	70,263	73,293	1,153,487	1,565,125
Electrical work	77,511	4,056,119	123,844	12,206	35,142	705,645	599,765	61,972	3,964,541	114,442	11,313	31,456	701,680	629,316
Masonry, stonework, tile setting, and plastering	131,451	5,683,770	147,026	33,512	31,814	1,098,963	1,123,273	113,304	4,915,551	140,888	19,219	29,992	792,847	1,187,815
Carpentering and flooring	427,766	13,330,414	495,268	134,517	125,242	2,139,551	3,344,894	386,814	12,716,688	431,699	108,209	117,166	2,099,236	3,395,991
Roofing and sheet metal work	80,205	4,140,763	112,073	21,377	27,058	688,731	685,328	74,270	3,839,085	107,679	19,689	22,113	645,826	708,174
Concrete work	29,908	2,626,690	88,608	29,075	15,671	664,005	311,119	23,272	2,569,967	84,061	*27,630	13,005	643,750	327,028
Water well drilling	7,773	599,287	*57,323	*10,331	*13,793	*40,478	*103,165	*7,746	*597,411	*57,166	*10,156	*13,769	*40,401	*104,102
Miscellaneous special trade contractors	174,452	9,371,529	812,377	120,975	193,849	1,381,040	1,325,761	131,156	7,765,263	561,779	101,274	133,249	1,013,742	1,581,014
Contractors not allocable	21,923	708,450	23,108	*20,178	*10,620	*63,874	201,426	18,721	654,416	*20,862	*3,766	*10,607	*63,676	210,056
Manufacturing	360,210	18,934,642	1,050,904	499,486	348,587	3,301,611	2,076,303	235,382	14,290,295	664,997	318,064	161,768	2,298,268	2,700,160
Food and kindred products	4,067	586,602	17,685	5,575	15,572	46,382	8,262	371	427,181	6,318	*1,045	*8,317	*23,402	35,403
Textile mill products	*3,281	*315,014	*320	*24,379	*6,716	*109,448	*57,581	*3,281	*315,014	*320	*24,379	*6,716	*109,448	*57,581
Apparel and other textile products	24,584	1,013,194	30,953	39,758	8,099	223,582	157,289	16,558	916,421	24,239	19,684	4,697	215,091	185,496
Lumber and wood products, except furniture	79,171	4,678,614	337,657	44,400	57,935	592,777	594,397	46,124	3,918,976	268,896	39,410	39,418	531,771	685,260
Furniture and fixtures	26,469	930,263	55,717	74,303	28,224	*177,848	39,006	15,942	543,269	*26,109	*18,837	*9,338	*52,583	98,599
Printing, publishing, and allied industries	63,855	4,528,613	250,515	110,196	118,457	859,622	275,311	36,084	2,271,041	86,860	60,899	23,086	351,399	461,452
Chemicals and allied industries	3,683	220,217	*8,513	*7,727	*249	*42,157	31,645	*2,306	*214,150	*8,494	*7,727	*249	*42,084	*45,362
Leather and leather products	7,339	207,167	*5,374	*20,669	*8,012	*4,105	29,239	5,491	*194,974	*2,580	*20,558	*7,670	*3,482	*35,948
Stone, clay, and glass products	15,042	309,087	25,865	*7,516	*17,140	*49,305	-33,722	9,377	138,388	*11,562	*2,480	*3,512	*12,723	18,654
Primary metal industries	*3,678	*299,988	*16,901	*27	*3,250	*18,091	*5,115	*2,970	*290,239	*11,281	*27	*3,250	*16,901	*9,321
Fabricated metal products	29,689	1,557,250	59,378	31,901	22,754	208,032	334,799	23,705	1,509,439	57,142	31,478	22,288	204,864	351,421
Machinery, except electrical	41,711	2,708,021	194,457	112,602	48,861	600,046	337,312	34,366	2,078,612	134,584	77,686	23,287	386,491	398,024
Electrical and electronic equipment	7,848	546,417	7,772	8,028	*5,919	28,874	101,805	7,355	545,223	7,362	7,939	*5,908	28,880	103,995
Transportation equipment	*2,116	*510,639	*6,507	*38	*1,918	*290,393	*43,390	*2,063	*509,565	*6,482	—	*1,821	*290,305	*44,981
Other manufacturing industries	46,719	507,530	32,598	11,413	5,017	49,319	95,455	29,338	416,579	12,755	5,893	2,210	29,155	168,198
Manufacturing not allocable	*958	*16,028	*693	*954	*463	*1,629	*-581	*51	*1,226	*11	*22	—	*189	*465
Transportation, communication, electric, gas, and sanitary services	647,778	29,733,523	2,869,165	553,173	845,521	2,454,938	3,686,399	504,349	23,849,530	1,895,017	404,184	550,547	1,769,677	4,796,689
Local and interurban passenger transit	98,471	1,816,365	113,375	92,406	71,839	*62,711	420,585	76,559	1,606,994	78,320	60,049	*62,695	472,936	
Taxicabs	65,131	927,493	48,754	74,659	*55,626	*17	187,042	47,750	750,789	*24,801	*61,002	*45,000	223,792	
Other passenger transportation	33,340	888,872	64,622	17,746	16,213	*62,695	233,543	28,752	856,204	53,520	17,746	15,043	*62,695	249,145

Footnotes at end of table.

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

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

Industry	Businesses with and without net income—continued							Businesses with net income—continued						
	Number of returns	Business receipts	Depreciation deduction	Rent paid deduction	Total interest paid deduction	Payroll	Net income less deficit	Number of returns	Business receipts	Depreciation deduction	Rent paid deduction	Total interest paid deduction	Payroll	Net income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Transportation, communication, electric, gas, and sanitary services—Continued														
Trucking and warehousing	385,487	21,118,358	2,348,568	310,127	632,790	1,506,229	2,707,101	316,591	16,817,604	1,650,118	261,997	433,412	977,817	3,320,834
Trucking, local and long distance	381,585	20,648,212	2,338,952	307,296	618,255	1,495,034	2,704,657	313,772	16,670,767	1,647,675	259,650	427,811	968,957	3,301,883
Public warehousing and trucking terminals	3,902	470,146	9,616	*2,831	14,534	11,195	2,443	*2,819	*146,837	*2,443	*2,347	*5,601	*8,861	*18,951
Water transportation	11,950	345,760	51,450	3,509	19,369	*14,861	127,829	8,224	282,633	12,878	*14	*1,769	*305	196,311
Air transportation	16,959	263,267	90,794	4,633	32,055	10,493	-93,700	6,882	125,153	*6,397	*875	*1,056	*7,607	48,044
Transportation services	72,887	4,863,640	135,464	129,435	58,021	447,935	431,123	54,593	3,959,832	108,082	54,118	50,771	390,358	528,028
Passenger transportation arrangement	33,574	2,560,338	23,200	101,072	20,831	-269,716	194,151	24,997	1,983,377	17,838	31,742	20,038	253,511	238,435
Freight transportation arrangement	5,957	308,368	32,657	*171	14,142	*2,989	54,887	3,208	298,720	*23,690	*146	*12,602	*1,750	76,645
Other transportation services	33,356	1,994,934	79,607	28,192	23,049	175,230	182,085	26,388	1,677,675	66,584	*22,230	18,131	*135,098	212,948
Communication	29,565	970,920	47,464	11,740	14,753	370,783	114,886	25,087	869,586	22,286	8,412	3,346	326,828	164,223
Electric, gas, and water services	5,547	66,632	24,812	*1,161	3,608	*1,164	*10,021	*3,645	*59,447	*263	*20	*9	*1,138	*19,196
Sanitary services	26,912	288,581	57,237	*163	13,086	*40,762	-11,403	12,768	128,281	*16,673	*1	*133	*2,929	47,117
Wholesale and retail trade	2,368,480	216,304,918	4,321,229	5,521,536	2,831,977	15,600,356	11,207,639	1,473,919	173,048,182	2,914,332	3,872,931	1,708,030	11,435,714	15,664,089
Wholesale trade	338,562	35,361,347	686,150	378,448	401,473	1,579,627	3,526,419	249,433	29,300,264	491,033	237,774	193,672	1,128,223	4,232,699
Motor vehicles and automotive equipment	9,605	823,345	*11,612	*2,428	*6,511	*31,897	89,564	*9,133	*814,584	*11,456	*2,427	*6,322	*1,288	*93,161
Lumber and construction materials	*4,107	*446,487	*51,114	*42,186	*229	*49,264	*-14,262	*1,378	*26,693	*119	*3	*16	*221	*21,700
Electrical goods	7,653	292,840	19,634	*754	4,806	7,205	40,499	4,849	240,933	12,090	*218	*2,240	*2,107	*53,678
Hardware, plumbing, and heating equipment	*2,811	*16,083	-	-	-	-	*5,090	*84	*10,234	-	-	-	-	*8,682
Farm machinery and equipment	2,398	1,022,974	27,552	*7,693	*34,033	*97,337	-46,212	*242	*7,368	*581	*55	*7	*538	*1,633
Other machinery, equipment, and supplies	18,989	2,207,624	58,595	32,464	27,523	252,278	271,434	14,638	1,761,956	50,307	20,856	15,267	190,544	323,266
Other durable goods	156,255	10,970,482	232,569	138,810	167,879	385,827	1,746,580	122,752	9,914,656	194,496	99,076	106,169	316,132	2,009,440
Drugs, chemicals, and allied products	8,541	1,385,409	22,368	*24,509	41,813	*109,868	63,157	6,257	712,529	*7,449	*20,426	*580	*51,480	99,861
Apparel, piece good, and notions	8,565	908,007	5,217	*242	1,148	*8,397	87,861	5,293	893,291	3,395	*242	*1,125	*8,050	93,294
Groceries and related products	25,533	8,262,608	104,362	45,331	31,762	382,122	265,000	17,492	7,636,233	95,337	43,753	29,432	370,729	315,354
Farm-product raw materials	4,121	536,442	7,384	*917	1,628	3,977	32,246	*3,205	480,052	6,476	*912	*814	*3,899	36,122
Alcoholic beverages	*1,104	*312,734	*9,290	*17,687	*30,717	*53,008	*-992	*944	*150,448	*677	*205	*77	*1,381	*35,003
Other nondurable goods	11,724	1,513,497	13,232	4,925	3,969	23,315	200,696	10,201	1,463,249	11,513	4,880	3,360	22,284	207,115
Wholesalers not allocable	77,156	6,662,816	123,220	60,502	49,457	174,132	785,759	52,965	5,188,038	97,406	44,901	28,623	128,974	934,390
Retail trade	1,973,508	177,334,483	3,568,727	5,108,892	2,409,617	13,563,798	7,309,634	1,189,742	140,867,867	2,373,087	3,606,849	1,500,416	10,195,361	10,984,951
Building materials, paint, hardware, garden supply, and mobile home dealers	51,051	6,689,566	112,782	134,291	141,795	755,307	490,017	33,169	5,180,527	64,019	89,011	52,248	616,255	638,514
Lumber and other building materials dealers	12,006	2,694,339	66,024	41,375	75,655	490,307	86,816	7,289	1,803,218	25,406	30,113	19,186	373,506	174,378
Paint, glass, and wallpaper stores	10,070	967,452	*10,959	*27,554	*15,188	*112,142	149,993	7,340	914,955	*8,684	*20,051	*14,301	*111,676	153,343
Hardware stores	8,388	1,749,400	16,797	*30,730	16,599	106,269	99,182	5,405	1,668,510	16,476	*30,342	*10,965	*102,599	117,307
Retail nurseries and garden supply stores	14,377	759,438	15,944	*14,991	4,771	39,099	84,564	8,390	595,041	13,259	*1,326	*3,740	*22,422	102,587
Mobile home dealers	6,210	518,937	3,058	*19,640	29,584	*7,490	69,463	*4,745	*198,803	*194	*7,180	*4,056	*6,051	*90,899
General merchandise stores	29,038	3,022,186	26,953	60,639	15,298	207,105	115,981	19,668	2,738,201	22,411	46,234	*14,634	182,618	151,765
Variety stores	18,690	1,605,687	*13,702	*36,777	*4,858	*94,645	47,179	13,087	1,451,109	*9,803	*26,576	*4,601	*75,473	78,289
Other general merchandise stores	10,348	1,416,499	13,252	*23,862	*10,439	*112,460	68,801	6,581	1,287,092	*12,607	*19,658	*10,033	*107,145	73,476
Food stores	139,962	27,797,971	480,168	503,057	325,519	1,500,569	749,675	90,028	21,288,384	329,638	346,584	193,856	1,156,182	1,141,638
Grocery stores	94,660	23,542,157	398,800	342,260	256,963	1,255,232	564,077	63,024	17,758,341	268,633	243,109	150,828	973,193	843,052
Meat and fish markets, including freezer provisioners	*1,889	*745,005	*6,645	*10,220	*1,796	*42,231	*27,967	*1,180	*475,344	*177	*8,642	*738	*2,611	*32,363
Fruit stores and vegetable markets	*6,614	*860,761	*6,984	*8,786	*5,195	*33,113	*33,462	*5,708	*794,409	*6,649	*6,343	*3,932	*32,070	*48,763
Candy, nut, and confectionery stores	*4,591	*50,279	*3,433	*3,256	*2,283	*4,951	*-9,231	†	†	†	†	†	†	†
Dairy product stores	*909	*184,751	*9,852	*10,530	*7	*37,829	*4,171	*906	*184,751	*9,846	*10,530	-	*37,829	*4,196
Retail bakeries	16,014	917,145	24,329	49,028	30,553	62,093	85,083	14,166	882,843	*22,667	*47,752	*27,140	*61,874	90,695
Miscellaneous food stores	15,285	1,497,874	30,123	78,978	28,723	65,119	44,147	5,042	1,189,404	*21,568	*30,202	*11,216	*48,424	120,452
Automotive dealers and service stations	169,483	52,358,270	532,265	883,704	464,219	2,660,854	1,282,891	116,634	43,505,067	396,661	757,733	309,730	2,132,427	1,705,075
Motor vehicle dealers—new car dealers (franchised)	12,495	3,893,179	24,646	21,031	38,125	110,404	48,088	10,699	3,719,747	22,399	18,552	34,279	100,526	67,725
Motor vehicle dealers—used cars only	57,921	12,053,004	101,088	234,022	135,997	370,837	398,059	40,309	10,233,407	57,362	205,302	94,733	352,578	564,826
Auto and home supply stores	35,234	4,880,734	98,219	90,888	88,198	480,389	184,057	25,128	3,929,834	80,889	79,125	62,073	371,160	259,636
Gasoline service stations	51,698	28,804,030	258,657	521,387	159,526	1,569,960	569,827	33,744	23,438,687	197,695	445,761	82,090	1,225,252	690,835
Boat dealers	*1,926	*359,015	*1,062	*994	*3,126	*828	*33,768	*990	*354,194	*55	*18	*20	*280	*41,872
Recreational vehicles	*552	*63,825	*863	-	*43	*11,589	*-5,680	*469	*2,768	*48	-	*43	*821	*686
Motorcycle dealers	*484	*591,540	*5,823	*6,854	*12,528	*59,691	*7,510	*243	*284,947	*2,729	*891	*10,600	*29,406	*9,952
Miscellaneous aircraft and automotive dealers	9,173	1,712,941	41,907	8,527	26,677	57,156	47,261	*5,052	*1,541,483	*35,484	*8,084	*25,867	*52,403	*69,545

Sole Proprietorship Returns/1987

Footnotes at end of table.

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

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

Industry	Businesses with and without net income—continued							Businesses with net income—continued						
	Number of returns	Business receipts	Depreciation deduction	Rent paid deduction	Total interest paid deduction	Payroll	Net income less deficit	Number of returns	Business receipts	Depreciation deduction	Rent paid deduction	Total interest paid deduction	Payroll	Net income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Wholesale and retail trade—Continued														
Retail trade—Continued														
Apparel and accessory stores	73,796	7,432,474	132,290	412,489	128,227	557,350	424,461	51,557	5,668,532	75,792	288,482	94,639	403,113	618,113
Men's and boy's clothing and furnishings stores	*2,170	*668,925	*21,982	*51,311	*10,877	*43,069	*39,726	*1,847	*648,220	*10,884	*50,639	*1,867	*42,539	*66,526
Women's ready-to-wear stores	21,121	2,818,031	51,456	133,364	27,715	186,252	153,452	12,585	1,716,694	20,342	66,146	15,613	111,511	219,492
Women's accessory and specialty stores	7,424	112,257	*2,930	*21,226	*1,006	*261	-11,265	*5,033	*90,768	—	*17,710	—	—	*8,974
Children's and infant's wear stores	*1,149	*518,555	*6,390	*25,501	*6,811	*61,209	*10,891	*1,145	*518,299	*6,385	*25,443	*6,783	*61,097	*11,172
Family clothing stores	16,380	1,203,719	16,636	70,734	26,445	60,922	104,853	11,764	884,863	*15,487	51,183	*24,156	*25,693	111,279
Shoe stores	7,819	874,451	*9,109	*38,316	*28,429	*87,445	23,003	*5,685	*729,340	*5,578	*23,620	*23,792	*54,404	*64,030
Furriers and fur shops	*1,822	*32,477	—	*10,932	—	—	*1,108	*1,822	*32,477	—	*10,932	—	—	*1,108
Apparel and accessory stores, not elsewhere classified	15,911	1,204,059	23,787	61,105	26,944	118,192	102,694	11,676	1,047,869	*17,117	42,809	*22,428	107,870	135,533
Furniture and home furnishings stores	101,957	11,571,796	287,037	356,318	209,029	1,303,951	790,051	73,707	9,049,235	213,210	231,403	130,126	908,830	1,013,454
Furniture stores	28,456	4,265,519	90,721	127,289	98,263	387,158	329,686	22,317	3,720,106	82,339	83,362	77,534	338,969	392,005
Floor covering stores	8,529	1,219,509	40,534	*868	*22,704	257,983	80,103	6,915	616,722	*17,132	*224	*4,265	*135,171	89,561
Drapery, curtain, and upholstery stores	*6,644	*228,755	*1,867	*18,233	*10,230	*30,896	*21,674	*3,437	*103,097	*1,507	*654	*1,595	—	*37,678
Home furnishings and equipment stores, except appliances	16,438	1,305,346	32,941	43,515	24,455	167,843	75,410	10,590	1,135,794	31,061	38,357	14,534	146,068	113,722
Household appliance stores	13,055	1,844,653	*23,927	103,781	*28,577	*251,163	113,189	*10,485	*993,883	*12,793	*58,854	*13,471	*83,548	*130,326
Radio and television stores	21,304	2,160,541	64,904	43,710	20,483	183,933	172,605	15,181	1,948,207	58,259	31,827	16,055	180,392	224,248
Music stores	5,721	521,652	32,144	*18,923	4,316	*24,974	-4,721	*2,972	*505,605	*10,120	*18,124	*2,670	*24,682	*23,808
Computer and software stores	*1,810	*25,821	—	—	—	—	*2,107	*1,810	*25,821	—	—	—	—	*2,107
Eating and drinking places	216,465	22,030,673	928,450	1,225,552	492,236	3,845,490	707,803	115,147	15,532,765	582,815	826,864	288,618	2,678,205	1,488,915
Eating places	163,852	17,653,789	759,077	1,104,028	380,675	3,391,663	419,900	81,269	12,359,258	484,458	733,292	213,321	2,310,049	1,090,231
Drinking places	52,613	4,376,884	169,373	121,524	111,562	453,827	287,903	33,878	3,173,507	98,357	93,572	75,297	368,156	398,685
Miscellaneous retail stores	1,161,425	45,050,969	1,039,887	1,469,388	610,094	2,672,742	2,694,303	673,554	37,046,249	683,258	981,681	409,551	2,075,423	4,062,236
Drug stores and proprietary stores	10,896	4,570,602	74,351	63,069	47,931	335,381	379,754	10,425	4,566,452	74,280	62,979	47,755	335,184	380,688
Liquor stores	20,887	6,320,022	83,937	123,560	90,612	338,367	129,147	12,168	4,990,225	62,238	86,348	62,952	139,390	178,882
Used merchandise stores	75,290	2,097,157	65,435	114,361	21,215	31,427	59,868	39,824	1,705,479	35,526	58,837	12,357	23,757	187,589
Sporting goods and bicycle shops	39,937	3,047,551	64,930	75,574	45,228	168,130	270,129	23,439	2,796,745	60,047	*55,888	39,214	157,626	338,685
Book stores	13,622	1,224,381	22,075	104,860	5,093	111,322	102,067	10,773	1,207,617	20,816	98,589	*5,030	104,131	116,619
Stationery stores	2,679	559,204	11,301	21,133	*7,425	*92,807	24,041	*2,670	*558,257	*11,113	*21,047	*7,395	*92,591	*24,278
Jewelry stores	26,540	1,678,653	32,427	55,484	20,008	136,553	192,265	15,336	1,403,315	22,707	28,773	9,441	124,509	240,738
Hobby, toy, and game shops	12,431	530,982	15,531	*29,343	*3,888	*2,401	12,078	*4,655	*497,072	*10,134	*28,252	*3,812	*709	*31,925
Camera and photographic supply stores	*3,196	*41,928	*72	—	*9	—	-2,198	—	—	—	—	—	—	—
Gift, novelty, and souvenir shops	55,367	2,292,279	50,105	258,193	73,310	158,299	17,585	-23,753	1,535,513	31,443	141,484	54,623	116,078	153,375
Luggage and leather goods stores	*3,199	*91,521	*4,965	*20,658	*712	*40	-5,294	*2,291	*91,227	*4,961	*19,355	*712	—	*6,841
Sewing, needlework, and piece goods stores	14,357	558,104	17,064	60,750	*11,649	53,994	-30,646	6,712	275,097	*3,341	*8,520	*6	*26,277	31,155
Mail order houses	34,793	929,365	15,912	7,187	6,435	46,440	49,859	15,462	791,873	10,066	*6,860	*3,295	45,190	87,409
Merchandising machine operators	25,203	797,457	73,478	10,426	*7,446	*62,295	-6,510	13,579	468,676	*34,222	*6,682	*5,773	*11,376	34,165
Direct selling organizations	648,876	9,183,032	220,060	116,911	89,728	219,780	1,059,835	392,633	7,320,466	111,240	95,233	45,031	155,818	1,418,081
Fuel and ice dealers, except fuel oil dealers and bottled gas dealers	*243	*1,555	*191	*46	*65	*48	*-100	†	†	†	†	†	†	†
Fuel oil dealers	*1,194	*545,448	*5,627	*683	*3,881	*931	*40,722	*1,108	*544,819	*5,598	*683	*3,877	*920	*40,743
Liquefied petroleum gas (bottled gas) dealers	†	†	†	†	†	†	†	†	†	†	†	†	†	†
Florists	51,836	3,052,920	76,027	140,946	42,443	463,804	90,256	26,952	2,244,762	49,077	93,042	22,409	320,693	191,763
Cigar stores and stands	*240	*12,752	*343	*1,341	*269	—	*-612	—	—	—	—	—	—	—
News dealers and newsstands	*7,765	*913,004	*35,005	*25,728	*14,480	*91,754	*116,943	*5,943	*911,435	*35,005	*25,728	*14,480	*91,754	*117,074
Other miscellaneous retail stores	112,873	6,601,851	171,025	239,126	118,282	458,811	194,747	65,829	5,135,569	101,417	143,366	71,382	329,259	481,452
Retail trade not allocable	30,331	1,380,576	28,894	61,454	23,200	60,431	54,452	16,278	858,908	5,281	*38,856	*7,014	*42,309	165,241
Wholesale and retail trade not allocable	56,410	3,609,089	66,352	36,197	20,887	456,931	371,587	34,744	2,880,051	50,212	28,309	13,941	112,129	446,439
Finance, insurance, and real estate	1,224,580	42,039,464	1,774,622	983,989	1,693,140	2,182,244	14,372,053	928,732	35,479,559	1,203,764	825,664	807,281	1,600,628	16,789,652
Finance	65,566	4,451,051	82,296	116,494	237,328	221,365	798,270	49,459	3,312,628	59,465	84,884	102,031	195,024	1,273,609
Banking and miscellaneous finance	5,102	168,315	*1,143	*17,588	*1,405	*22,533	65,976	4,854	160,652	*1,142	*16,541	*835	*22,533	75,011
Credit agencies other than banks	9,003	388,158	5,268	7,818	16,224	3,501	138,699	8,464	316,815	5,171	7,743	3,479	*1,893	143,568
Security and commodity brokers and services	51,461	3,894,578	76,516	91,087	219,699	195,332	593,595	36,141	2,835,161	53,152	60,599	97,717	170,598	1,055,029
Security brokers and dealers, except underwriting syndicates	15,654	1,511,473	19,618	8,040	72,663	39,516	166,746	12,881	1,085,250	12,797	5,089	22,258	33,934	323,007
Commodity contract brokers, exchanges, and services	35,807	2,383,105	56,898	83,047	147,036	155,816	426,849	23,260	1,749,911	40,355	55,510	75,458	136,664	732,022
Insurance agents, brokers, and service	317,721	11,437,720	489,010	356,822	219,230	1,011,825	4,684,774	249,167	10,334,217	356,418	327,959	175,318	874,609	5,043,714

Footnotes at end of table.

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

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

Industry	Businesses with and without net income—continued							Businesses with net income—continued						
	Number of returns	Business receipts	Depreciation deduction	Rent paid deduction	Total interest paid deduction	Payroll	Net income less deficit	Number of returns	Business receipts	Depreciation deduction	Rent paid deduction	Total interest paid deduction	Payroll	Net income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Finance, insurance, and real estate—Continued														
Real estate	841,293	26,150,692	1,202,685	510,673	1,236,582	949,054	8,889,009	630,106	21,832,714	787,881	412,821	529,932	530,995	10,472,330
Operators and lessors of buildings	18,154	633,477	90,829	4,984	141,033	50,696	-21,625	8,257	414,467	37,817	775	61,693	12,834	115,849
Lessors, other than buildings	10,073	621,492	61,937	28,145	114,128	15,041	24,971	8,129	509,326	33,571	*23,962	76,260	10,313	59,163
Real estate agents, brokers, and managers	720,700	18,168,851	849,065	373,489	509,206	554,581	7,938,356	545,125	16,240,062	624,095	315,053	237,024	307,242	8,737,602
Title abstract companies	*5,552	*190,474	*5,821	*62	*3,720	*25,022	*58,301	*5,552	*190,474	*5,821	*62	*3,720	*25,022	*58,301
Subdividers and developers, except cemeteries	16,826	3,078,420	79,431	11,685	330,842	87,725	76,108	9,022	1,905,577	19,230	2,751	112,661	43,635	470,924
Cemetery subdividers and developers	*248	*5,957	*132	*34	*1,059	*87	*-359	*244	*3,485	*23	*17	*102	-	*2,305
Combined real estate, insurance, loans, and law offices	69,740	3,452,021	115,469	92,274	136,593	215,903	813,258	53,777	2,569,323	67,323	70,201	38,473	131,950	1,028,185
Services	5,977,347	183,497,832	9,933,303	7,490,322	3,940,333	21,579,178	55,965,425	4,721,605	164,246,726	6,983,492	6,248,880	2,527,969	18,275,503	62,297,334
Hotels and other lodging places	52,170	3,893,079	740,662	36,817	598,134	472,623	-308,335	27,391	2,268,819	325,792	17,305	223,148	193,455	269,598
Hotels	2,065	275,244	48,161	5,439	50,113	50,642	-55,920	*327	*83,484	*12,595	*696	*6,117	*14,556	*5,110
Motels, motor hotels, and tourist courts	25,082	2,770,907	513,699	27,184	431,076	382,679	-233,287	11,669	1,495,963	202,986	13,985	121,972	153,218	166,158
Rooming and boarding houses	11,685	567,454	95,752	*790	73,897	25,406	62,845	10,727	558,515	92,616	*538	*71,945	*24,221	70,848
Sporting and recreational camps	*1,847	*25,190	*17	*1,265	*34	*869	*960	*1,374	*23,318	-	*1,264	-	*869	*3,426
Trailer parks and camp sites for transients	9,584	238,925	81,664	*1,319	42,564	12,818	-77,470	*3,210	*103,508	*17,595	*4	*23,114	*592	*21,327
Organizational hotels and lodging houses on a membership basis	*1,907	*15,360	*1,369	*819	*449	*209	*-5,463	*84	*4,032	-	*819	-	-	*2,189
Personal services	1,230,352	20,046,836	958,528	1,518,574	453,456	2,603,593	5,498,453	1,012,610	17,345,901	649,964	1,164,356	319,777	2,013,245	6,127,673
Coin-operated laundries and dry cleaning	23,699	1,119,128	98,677	202,520	51,750	150,320	59,495	14,679	684,091	49,252	91,295	22,454	*84,238	117,231
Other laundry, cleaning, and garment services	46,762	2,812,160	119,635	257,144	38,395	548,923	539,030	44,566	2,717,991	107,589	254,929	31,579	522,214	559,515
Photographic portrait studios	49,415	870,128	72,705	21,802	18,389	70,401	141,723	30,453	792,555	58,727	14,624	14,930	68,728	176,212
Beauty shops	283,388	5,772,274	233,050	646,937	90,614	1,065,822	1,268,033	235,760	4,835,502	150,402	489,679	68,695	785,422	1,432,207
Barber shops	54,650	1,120,712	19,483	140,682	8,374	*153,005	488,893	51,935	1,108,950	19,426	140,094	*7,837	*153,005	494,970
Shoe repair and hat cleaning shops	*6,020	*208,944	*5,166	*23,615	*707	*14,778	*56,908	*4,197	*207,121	*5,166	*22,522	*707	*14,778	*58,312
Funeral service and crematories	9,017	943,894	*54,427	*11,990	*54,731	*114,985	124,160	8,079	844,829	*33,729	*11,709	*39,773	*107,467	141,064
Miscellaneous personal services	757,401	7,199,595	355,384	213,883	190,496	485,359	2,820,211	622,941	6,154,860	225,672	139,504	139,504	277,393	3,148,161
Business services	1,872,718	46,593,427	2,618,390	1,188,293	874,689	4,075,875	14,622,364	1,499,886	41,108,620	1,698,393	914,579	451,075	3,500,470	16,467,263
Advertising	71,301	2,443,038	116,557	65,410	40,413	141,900	579,367	53,979	2,121,153	72,616	58,584	7,679	112,458	663,197
Services to buildings	271,794	4,118,812	164,331	73,318	54,894	900,584	1,360,705	253,507	4,024,255	151,825	67,509	47,914	894,592	1,400,747
Computer and data processing services	113,583	1,693,788	213,568	26,579	58,896	68,260	688,040	75,449	1,483,777	89,367	24,773	15,413	43,414	855,587
Management and public relations	525,982	13,157,912	470,324	271,563	220,976	535,385	6,619,536	417,482	12,489,573	359,541	209,276	113,823	459,468	7,199,356
Equipment rental and leasing	27,959	1,805,426	547,621	35,675	163,063	80,098	183,779	17,823	1,397,839	315,022	27,113	83,319	33,400	370,840
Other business services	862,099	23,374,452	1,105,979	715,747	336,445	2,349,648	5,190,937	681,646	19,592,023	710,022	527,326	182,927	1,957,138	5,977,536
Automobile repair and services	344,933	19,589,527	1,033,927	806,743	383,870	2,886,631	1,910,868	259,415	16,976,556	737,565	634,851	300,759	2,376,474	2,347,233
Automotive rentals, without drivers	10,060	571,152	150,169	5,932	35,305	60,711	-10,826	2,678	275,835	65,169	*1,206	14,434	*4,095	33,294
Automobile parking	*1,853	*36,300	*5,744	*18,546	*3,300	*1,990	*-2,907	*26	*3,761	*65	*143	*148	*373	*2,494
Automobile top and body repair shops	35,104	2,298,958	96,154	97,451	33,423	427,689	253,022	25,099	2,232,648	83,737	95,713	31,662	427,689	271,784
General automotive repair shops	176,785	9,479,519	352,869	367,278	175,285	1,394,820	890,416	142,686	8,199,959	274,907	288,855	145,949	1,136,714	1,064,422
Other automobile repair shops	65,057	4,457,910	229,912	228,839	50,917	607,711	559,028	45,433	3,870,590	163,475	189,158	41,815	503,467	655,972
Automotive services, except repair	56,074	2,745,688	199,080	88,697	85,641	393,710	222,134	43,493	2,393,763	150,213	59,775	66,750	304,137	319,267
Miscellaneous repair services	259,512	6,620,474	381,741	172,101	132,115	696,749	1,285,974	198,565	6,062,330	315,566	138,004	102,651	544,256	1,495,957
Radio and TV repair shops	30,006	407,123	22,413	*24,753	*14,461	*21,359	64,847	18,205	346,733	*13,288	*10,042	*8,401	*15,389	93,256
Electrical repair shops, except radio and TV	50,845	2,058,665	114,673	35,911	15,841	244,690	375,113	41,900	1,921,305	93,539	*23,298	15,829	186,936	437,188
Reupholstery and furniture repair	43,191	790,962	27,325	*21,434	27,293	*126,174	150,643	36,373	601,906	22,823	*20,071	18,801	*48,037	195,456
Other miscellaneous repair shops	135,470	3,363,724	217,329	90,003	74,521	304,525	695,372	102,087	3,192,386	185,917	84,593	59,621	293,894	770,057
Motion pictures	35,675	1,162,247	123,009	29,833	28,700	107,499	119,709	22,030	861,253	73,294	17,726	26,051	96,303	244,202
Motion picture production, distribution, and services	35,345	1,110,860	120,369	28,978	27,079	102,022	113,253	21,944	811,727	70,654	17,542	24,430	90,989	236,997
Motion picture theaters	*330	*51,387	*2,640	*854	*1,621	*5,477	*6,456	*86	*49,526	*2,640	*185	*1,621	*5,315	*7,204
Amusement and recreation services, except motion pictures	436,483	7,429,681	766,129	288,722	194,957	592,273	854,927	258,684	5,959,150	353,093	215,573	59,215	469,471	2,056,583
Producers, orchestras, and entertainers	214,633	2,852,866	305,804	83,328	52,203	89,246	711,853	144,277	2,417,485	209,788	57,879	23,100	77,662	1,064,454
Billiard and pool establishments	*469	*24,136	*219	*10	-	*4,342	*4,393	*469	*24,136	*219	*10	-	*4,342	*4,393
Bowling units	*3,202	*202,485	*20,032	*423	*11,608	*24,818	*41,433	*1,376	*192,793	*19,055	-	*10,847	*24,046	*46,362
Professional sports clubs and promoters	6,636	90,752	984	*526	*214	*8,758	31,454	4,791	89,417	984	*526	*214	*8,758	32,759
Racing, including track operation	60,002	1,043,361	240,167	13,269	40,077	73,039	-309,970	15,872	724,739	40,008	*4,491	7,198	*48,790	226,866
Other amusement and recreation services	151,541	3,216,081	198,921	191,166	90,855	392,070	375,764	91,899	2,510,580	83,039	152,666	17,856	305,872	681,749

Footnotes at end of table.

Sole Proprietorship Returns/1987

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

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

Industry	Businesses with and without net income—continued							Businesses with net income—continued						
	Number of returns	Business receipts	Depreciation deduction	Rent paid deduction	Total interest paid deduction	Payroll	Net income less deficit	Number of returns	Business receipts	Depreciation deduction	Rent paid deduction	Total interest paid deduction	Payroll	Net income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Services—Continued														
Medical and health services	625,726	45,132,260	1,863,303	2,031,014	767,842	6,286,705	18,699,937	550,679	43,193,102	1,680,106	1,915,696	656,913	5,737,689	19,154,130
Offices of physicians	187,340	20,037,187	686,011	824,936	221,957	2,049,084	10,648,140	169,475	19,702,054	667,357	804,677	216,524	2,001,681	10,764,005
Offices of dentists	96,110	11,613,067	579,363	562,659	291,775	2,186,706	3,796,493	88,639	11,232,820	511,547	535,880	240,432	2,125,146	3,871,506
Offices of osteopathic physicians	4,509	517,586	34,248	16,513	9,496	100,026	152,295	3,402	468,211	30,566	15,308	8,567	80,077	171,072
Offices of chiropractors	25,960	2,939,962	149,361	185,850	61,693	438,329	987,294	22,066	2,905,762	141,786	173,225	57,469	433,569	1,022,109
Offices of optometrists	16,746	1,679,915	86,220	80,099	27,093	241,854	314,629	12,445	1,471,158	73,605	64,230	22,547	203,905	358,025
Registered and practical nurses	75,909	727,102	11,859	9,596	3,117	*146	513,596	70,190	717,109	11,369	9,596	2,839	*146	515,472
Nursing and personal care facilities	37,269	2,443,787	124,290	54,953	86,904	798,982	165,333	27,202	1,782,849	89,548	54,475	59,350	495,680	226,714
Hospitals	*473	*45,153	*582	*450	*1,384	*18,852	*-4,510	*470	*21,930	*426	—	*801	*11,051	*1,281
Medical laboratories	*674	*23,653	*1,388	*936	*1,380	*1,838	*2,134	*669	*23,243	*1,350	*882	*176	*1,663	*3,547
Dental laboratories	16,655	621,599	29,140	*43,816	16,379	*96,665	170,981	13,928	602,802	25,904	*43,816	*7,678	*96,665	178,842
Other medical and health services	164,081	4,483,248	160,841	251,206	46,664	354,223	1,953,552	142,193	4,265,165	126,649	213,608	40,531	288,106	2,041,557
Legal services	226,959	15,958,721	520,766	785,291	223,767	1,694,672	7,144,999	193,708	14,780,560	427,035	691,460	176,115	1,547,914	7,378,678
Educational services	169,987	1,164,141	79,710	42,960	33,482	107,129	388,476	136,885	982,485	53,039	33,775	16,289	76,939	478,078
Engineering and architectural services	172,149	5,887,420	297,611	126,201	66,796	1,097,419	2,226,606	140,738	5,336,258	228,216	107,003	48,686	869,920	2,375,354
Accounting, auditing, and bookkeeping services	249,579	4,976,669	331,364	289,485	121,676	650,857	1,925,112	210,520	4,615,376	276,865	254,182	104,094	548,019	2,056,540
Certified public accountants	27,641	872,000	55,669	35,207	21,002	110,617	334,886	18,055	806,066	48,857	33,815	19,349	94,356	353,521
Other accounting, auditing, and bookkeeping services	221,938	4,104,669	275,695	254,278	100,674	540,240	1,590,226	192,465	3,809,309	228,007	220,367	84,746	453,664	1,703,019
Other services	301,104	5,043,349	218,177	174,289	60,848	307,155	1,596,337	210,494	4,756,317	164,565	144,368	43,195	301,347	1,846,586
Nature of business not allocable	357,475	9,939,218	373,360	231,066	148,696	749,362	1,857,115	270,854	8,091,476	207,173	198,898	98,516	557,241	2,182,536

* This estimate should be used with caution because of the small number of 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.