

# Unincorporated Business Activity for 1980

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The recession that occurred during 1980 is clearly evidenced in the first tax return statistics on unincorporated businesses for the 1980 Income Year, as profits plummeted sharply after having reached record highs the year before. For sole proprietorships, profits dropped from \$60.8 billion to \$55.4 billion. For partnerships, the drop was far more pronounced, from \$15.2 billion to \$8.2 billion.

A more complete picture of the impact of the 1980 recession on the Nation's businesses as indicated by the receipts, deductions and profits they reported on their tax returns will not be possible until later this year, when the first 1980 statistics for corporations become available.

This article deals mainly with partnerships and Table 1 presents the first statistics for 1980 concerning them. In order to complete the picture of unincorporated businesses though, Table 2 presents somewhat similar statistics for sole proprietorships, which are covered in more detail in another Statistics of Income report, now available [1].

## MAJOR CHANGES, 1979 VS 1980

Comparisons summarizing the position of partnerships and sole proprietorships for 1979 and 1980 are provided in the table below and show how the number of businesses and the volume of business reported each increased from 1979 to 1980. They also show how profits declined, notwithstanding these increases. In evaluating the data shown, the fact that receipts and profits have slightly different definitions as between the two legal forms of business organization should be kept in mind [2].

Unincorporated Businesses	Income Year		Change
	1979	1980	
	Number (thousands)		
Sole proprietorships .	12,330	12,702	3.0%
Partnerships .....	1,300	1,380	6.2
	Total Receipts (billions)		
Sole proprietorships .	\$487.8	\$505.9	3.7
Partnerships .....	258.2	292.0	13.1
	Net Income less Deficit (billions)		
Sole proprietorships ..	\$60.8	\$55.4	- 8.9
Partnerships .....	15.2	8.2	-46.0

As shown below in Figure A, total active partnerships continued to grow in number during 1980 in nearly all industry divisions, even with the

recession [3]. Firms classified in the finance, insurance and real estate division continued to dominate the number of partnerships and at an increasing rate that reflected in large part the growth in real estate undertakings. For 1980, businesses in finance, insurance or real estate accounted for about 46 percent of all active partnerships. Five years earlier, they accounted for 41 percent, and ten years earlier, 37 percent.

Figure A. -- Partnerships by Industry

Industry	Number (thousands)	
	1979	1980
Total .....	1,300	1,380
Agriculture, forestry and fishing .....	125	126
Mining .....	28	35
Construction .....	75	67
Manufacturing .....	30	30
Transportation and utilities .....	20	20
Trade .....	205	200
Wholesale .....	32	32
Retail .....	173	168
Finance, insurance and real estate .....	577	637
Finance.....	139	166
Real estate .....	431	464
Services .....	239	263

Figure B helps show where the decline in partnership profits occurred.

Figure B. -- Net Income Less Deficit by Industry

Industry	Net Income less Deficit (billions)	
	1979	1980
Total .....	\$15.2	\$8.2
Agriculture, forestry and fishing .....	1.1	0.5
Mining .....	-2.5	-4.2
Construction .....	2.1	1.6
Manufacturing .....	0.5	-0.5
Transportation and utilities .....	0.4	0.2
Trade .....	2.9	2.5
Wholesale .....	0.9	0.9
Retail .....	1.9	1.6
Finance, insurance and real estate .....	-0.5	-4.2
Finance .....	-0.5	-1.4
Real estate .....	-1.4	-3.3
Services .....	11.3	12.4

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Partnership profits for Income Year 1980 were influenced not only by the recession, but also by increases in the costs and expenses recognized in conducting a business. The deduction claimed for interest paid on business indebtedness was a major factor. Among other effects, the continued rise in interest rates led to another sharp increase in the deduction, up from \$21.3 billion for 1979 to \$28.4 billion for 1980. The sharp increase in this deduction actually began with 1978, initially contributing to a lower rate of increase in profits (for that year and for 1979), followed by the steep decline witnessed for 1980.

Because many partnerships are engaged primarily in investment activities, it is not surprising that, based on the industries in which it occurred, most of the interest deducted was related to investment projects, rather than to loans or notes to finance the ordinary day-to-day operations of a business or farm. Thus, partnerships in three of the four industries which, together, accounted for 75 percent of the total 1980 interest deduction, were engaged mainly in financial or real estate dealings. The table below shows the interest paid reported for these four industries; the data are presented for 1980 as well as for 1977, the year before the beginning of the rapid rise in the interest deduction.

Industry	Interest Paid (billions)	
	1977	1980
Total .....	\$13.5	\$28.4
Farming .....	0.8	1.6
Security and commodity brokers and services .....	0.4	1.4
Holding and investment companies .....	0.4	2.7
Real estate operators and lessors of builders ..	8.7	15.6
All other .....	3.2	7.1

Figure C shows the relationship between partnership interest deductions and profits for the 10 years ending with 1980. The concentration of the interest paid deduction on returns with deficits is unique to partnerships; for corporations and sole proprietorships, those with net income typically account for the majority of the deduction.

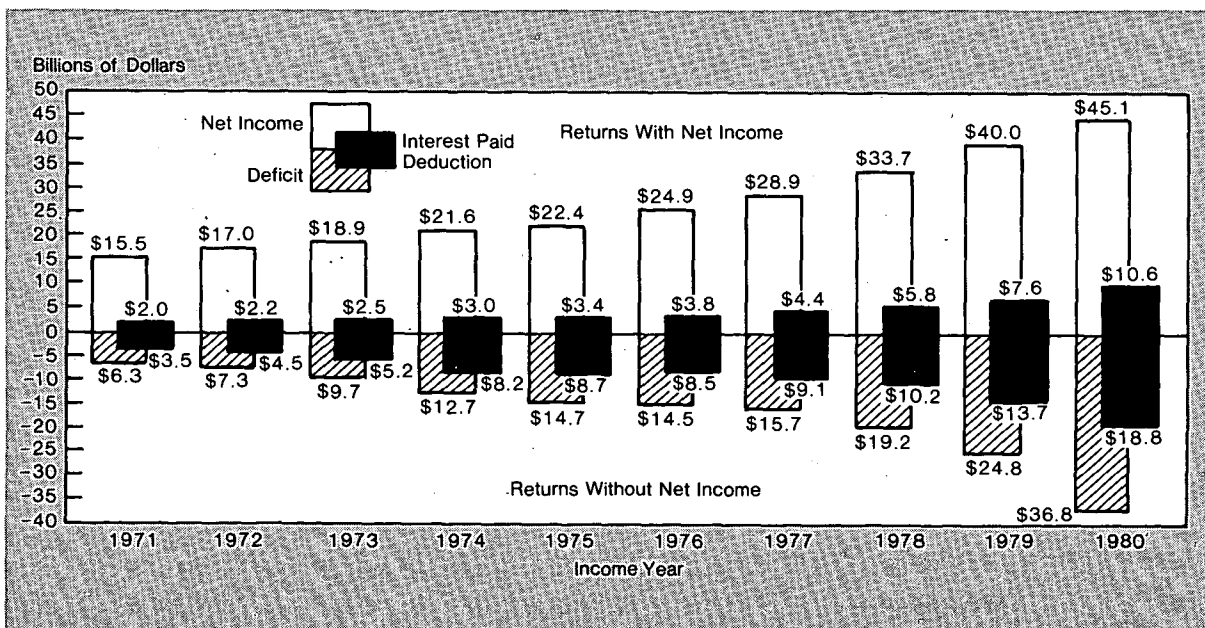
Interest reported as income was only about two-fifths as much as the amount reported as a deduction. Thus, the rising interest rates that led to the increase in the interest deduction had little offsetting effect on the income side of the ledger, which only served to reinforce the downward slide in profits for 1980. This kind of situation can be contrasted with that of the corporate sector which contains most banking and credit institutions and where, as a result, statistics for interest income tend to offset those for interest deducted, with a minimal effect on the total corporate profits data.

Another major deduction for which there was a sizable increase was depreciation, up by more than 20 percent over 1979. The generally more liberal depreciation allowed for tax purposes permitted partnerships to reduce their 1980 profits by nearly \$21.6 billion. Real estate operators and lessors of buildings reported the lion's share, \$10.8 billion or 50 percent of the total. Farm partnerships were a distant second, with \$1.6 billion or 8 percent of the total. These same two industries dominated the depreciation statistics for 1979 as well.

Figure D shows how profits were distributed for 1979 and 1980 as between partnerships with net income and those without. This table helps pinpoint the decline in profits to a marked increase in the total deficit reported by businesses without net income, rather than to a decline in the net income of profit-reporting businesses. The latter's profit continued to grow at a steady pace as evidenced by Figure C. Related to the increased growth in partnership losses was the marked increase in the number of businesses without net income. This increase can be contrasted with the much more

Figure C.

Partnership Net Income and Deficit and Deduction for interest Paid, 1971-80



moderate increase in the number with net income. The same growth patterns also characterized 1979, although the net result was a slight rise in total profits over the previous year.

Figure D. -- Partnerships with Net Income or Deficit

Partnerships	1979		1980		Change
	Number (thousands)		Net Income (billions)		
Total .....	1,300	1,380	\$15.2	\$8.2	6.2%
With net income .....	766	774	40.0	45.1	1.0
Without net income ..	534	605	-24.8	-36.8	13.3

The decline in 1980 partnership profits was not accompanied by a decline in overall partnership operating receipts ("Business receipts" in Table 1). On the contrary, receipts rose, although as shown below, at a reduced rate compared to 1979. Receipts for purposes of this table and of Figure E which follows may be compared to "total receipts", shown earlier. The latter, a somewhat larger amount, also includes the income from investments reported by partnerships whose investments were incidental to their principal line of business.

Income Year	Receipts from Operations (billions)	Annual Increase
1976 ...	\$157.6	7.9%
1977 ...	176.5	12.0
1978 ...	214.9	21.8
1979 ...	253.0	17.7
1980 ...	286.0	13.4

Figure E shows the change in receipts between 1979 and 1980 by broad industrial groupings.

Figure E. -- Receipts from Operations by Industry

Industry	Receipts from Operations (billions)	
	1979	1980
Total .....	\$253.0	\$286.0
Agriculture, forestry and fishing .....	20.8	21.6
Mining .....	9.7	13.2
Construction .....	19.7	18.4
Manufacturing .....	13.1	15.3
Transportation and utilities .....	5.4	5.9
Trade .....	58.2	65.8
Wholesale .....	20.5	28.4
Retail .....	37.7	37.3
Finance, insurance and real estate .....	76.3	87.1
Finance .....	21.2	23.4
Real estate .....	51.8	60.6
Services .....	49.7	58.6

PARTNERSHIP INDUSTRY HIGHLIGHTS

In the aggregate, the most profitable industry division was services, where both receipts and profits rose, despite the downturn in business for the year. While this pattern was uneven by industry within the services division, the various declines indicated by the more detailed industry statistics shown in Table 1 were more than countered by the increases in two categories, legal services and medical and health services. For legal services, receipts increased from \$12.4 billion for 1979 to \$14.1 billion for 1980, while profits increased from \$5.8 billion to \$6.6 billion. For medical and health services, the increases were tied directly to those reported by physician partnerships. Receipts and profits of physician partnerships increased from 1979 to 1980 from \$3.9 billion to \$5.6 billion and from \$1.8 billion to \$2.4 billion, respectively.

Agriculture was an example of an industry division where sales increased, but where profits were down considerably compared to 1979. Thus, receipts from farming (which accounted for most of the activity in this division) increased from \$18.6 billion to \$19.2 billion, while profits dropped almost in half, from \$0.9 billion to \$0.5 billion. A contributing factor was the interest paid deduction shown above, which increased by about one third over the year before.

Construction witnessed a decrease in both receipts and net income. The combination of increased interest rates and reduced new housing starts during 1980 were undoubtedly factors. The ripple effect of the declines was also apparent in related industries in other industrial divisions, particularly in manufacturing (for lumber and wood; furniture; and stone, clay and glass) and in retail trade (for dealers in building materials, furniture, and home furnishings).

Quite apart from the declines in the construction industry, and in the industries that were dependent on it, were the declines in certain retail trade industries. Sales of automobile dealers dropped and so did their profits, with the latter down from \$421 million to \$273 million. Profits of general merchandise stores fell from \$54 million to \$34 million and those of apparel stores, from \$115 million to \$63 million. Aside from these specific industries, the trade division in total (the sum of wholesalers and retailers) was characterized by increasing sales, but declining profits. However, the increase in sales was due entirely to wholesalers. Retailers taken as a whole experienced a decline in sales as is shown in Figure E above. There were major exceptions, however, within the retail group. Of these, gasoline service stations and grocery stores each showed significant increases in receipts, even though their profit picture was far less favorable.

Unincorporated business is often characterized as being largely comprised of trade and service firms and, of course, most farm businesses are also unincorporated. In contrast, manufacturers, public utilities, and financial institutions are often associated with the corporate form. Partnerships tend to follow the pattern for unincorporated business with large numbers of firms engaged in trade and services, but they are also unique in that they include large numbers of firms classified in finance and especially in real estate. These latter industries are not only the largest in terms of the number of partnerships, but also the largest in terms of partnership receipts.

The effect of finance and real estate can readily be seen from Figure E, which shows that for 1979 and 1980 these two industry groupings accounted for well over one-fourth of all partnership operating receipts. When profits are disaggregated for the two industries, they, too, accounted for a disproportionately large portion of the totals, about one third of the total net income and nearly one half of the total deficit

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reported for all partnerships. Three groupings within finance and real estate were responsible for this predominance: within the finance group, security and commodity brokers and services, and holding and other investment companies; and within the real estate group, operators and lessors of buildings.

## PARTNERSHIPS AS TAX SHELTERS

A large part of the real estate activity reflected in the statistics may be the result of the higher-than-average incidence of tax shelter arrangements involving limited partnerships that characterize this industry [4]. These arrangements often involve land purchases and the construction, management or operation of office buildings, apartments, or of building complexes such as shopping centers. According to the partnership statistics for real estate, one group, real estate operators and lessors of buildings, accounted for most of the activity: 84 percent of real estate partnerships and 28 percent of all partnerships; 14 percent of the total net income of all partnerships and 27 percent of the total deficit. In addition, the partnerships in this industry reported sizable amounts for depreciation (already noted), \$15.6 billion for interest paid (55 percent of the total and 24 percent more than 1979) and about \$2.0 billion for net long-term capital gains allocable to partners. Most of these deductions and capital gains showed up on returns of partnerships that reported a loss for the year.

Other industry groups that are known to include above average incidences of tax shelter activities are oil and gas extraction, the largest single industry in mining, and equipment rental and leasing, the largest single industry in the business services category. Oil and gas extraction involves partnership ventures whose results are often highly speculative for all concerned, while equipment leasing usually involves the purchase by a partnership (often using borrowed funds) of equipment for use by a lessee, with attendant benefits to the partnership, the partners, and the lessee.

The receipts and profits of these three activities are given below, for 1980 and 1979, and for 1974, for comparison purposes.

<u>Industry</u>	<u>1974</u>	<u>1979</u>	<u>1980</u>
	<u>(Amounts in billions)</u>		
<u>Real Estate</u>			
Number of partnerships (thousands) .....	312	431	464
Receipts from operations ..	\$22.8	\$51.8	\$60.6
Net income less deficit ...	-3.5	-1.4	-3.3
Net income .....	2.5	7.0	8.1
Deficit .....	-6.0	-8.4	-11.4
<u>Oil and Gas Extraction</u>			
Number of partnerships (thousands) .....	12	24	31
Receipts from operations ..	\$2.2	\$6.0	\$9.3
Net income less deficit ..	-0.3	-2.5	-3.7
Net income .....	0.7	2.5	3.6
Deficit .....	-1.0	-5.0	-7.3
<u>Equipment rental and leasing</u>			
Number of partnerships (thousands) .....	8	18	20
Receipts from operations ..	\$0.6	\$1.8	\$2.2
Net income less deficit ..	-0.2	-0.2	-0.3
Net income .....	0.1	0.4	0.4
Deficit .....	-0.3	-0.6	-0.7

In past years, other popular tax shelters associated with partnerships have included cattle breeding and feeding; production, holding and distribution of motion picture film or television tapes; exploration for specific minerals and natural deposits other than oil and gas; and the development of certain tree crops.

Tax shelter activities often involve use of the partnership form of business. Promoters of specific business ventures often find that the partnership form facilitates the raising of capital (usually obtained from wealthier individuals) for projects that entail some extra degree of risk, but where the rates of return to the investing partners are potentially high in terms of profits and income tax reductions. Also, partnerships are not taxed directly; their profits and losses are passed through to the partners instead [5].

Thus, returns to the partners take the form of shares of the partnerships' profits and losses and, in addition, of any percentage depletion and capital gains or losses, guaranteed payments to partners and other tax benefits, such as the potential for investment tax credits. In general, partnership losses that are deductible by partners are limited (except when they result from the holding of real estate other than mineral property) to the amounts for which partners are individually liable, their so-called investment "at risk." By borrowing, individual partners can generally increase the size of their investment "at risk" to the advantage of both the partnership (for which it means increased capital) and of the partners (for which it means increased interest deductions). Moreover, in the case of limited partnerships, additional capital may also be raised by partnerships borrowing in their own right. Since losses are deductible to the partners, increases in partnership indebtedness allow partners to increase their share of any losses beyond that for which they are individually liable based on their investment contribution to the business.

## OTHER INFORMATION

Following tables 1 and 2 is a brief discussion on the sources of the data and their limitations, as well as the notes and references that go along with the article.







Table 1.—Business and Selected Other Receipts, Deductions, Net Income, and Inventory, by Industry—Continued

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

Table with 15 columns: Industry, Number of partnerships, Business receipts, Rents, Cost of sales and operations, Guaranteed payments to partners, Depreciation, Amortization, Rent paid, Interest paid, Bad debts, Net income less deficit, Net income, Deficit, Inventory (end-of-year). Rows include Services, Personal services, Business services, Amusement and recreation services, Medical and health services, and Legal services.

Partnership Returns, 1980

\*This estimate should be used with caution because of the small number of sample returns on which it was based.
†Total receipts for industries in Finance, insurance, and real estate, and business receipts for all other industries. Total receipts is the sum of business receipts plus receipts from investments.
‡Less than \$500.
NOTE: Detail may not add to total because of rounding.



**Table 2.— Sole Proprietorship Businesses: Business Receipts, Selected Deductions, 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 businesses	Business receipts	Depreciation	Taxes paid deduction	Interest	Payroll	Net income (less deficit)	Number of businesses	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>All industries.....</b>	<b>12,701,597</b>	<b>505,884,882</b>	<b>25,796,183</b>	<b>10,102,834</b>	<b>16,241,787</b>	<b>41,985,964</b>	<b>55,449,987</b>	<b>8,215,438</b>	<b>408,732,113</b>	<b>15,343,781</b>	<b>7,528,124</b>	<b>8,087,257</b>	<b>33,160,406</b>	<b>80,306,493</b>
<b>All nonfarm industries.....</b>	<b>9,730,019</b>	<b>411,205,713</b>	<b>13,952,703</b>	<b>7,672,459</b>	<b>7,190,257</b>	<b>37,483,041</b>	<b>54,947,219</b>	<b>6,767,006</b>	<b>347,821,195</b>	<b>9,184,339</b>	<b>6,006,302</b>	<b>4,219,486</b>	<b>30,757,452</b>	<b>68,010,051</b>
<b>Agriculture, forestry, and fishing.....</b>	<b>3,279,306</b>	<b>101,112,780</b>	<b>12,531,688</b>	<b>2,563,754</b>	<b>9,291,334</b>	<b>5,390,911</b>	<b>1,279,306</b>	<b>1,622,531</b>	<b>66,026,208</b>	<b>6,497,750</b>	<b>1,618,709</b>	<b>3,996,650</b>	<b>3,136,497</b>	<b>13,727,448</b>
Farms, total.....	2,971,578	94,679,168	11,843,481	2,430,375	9,051,530	4,502,923	502,768	1,448,432	60,910,919	6,159,442	1,521,821	3,867,771	2,402,955	12,296,442
Field crop.....	1,309,126	41,883,693	5,961,219	1,368,880	4,328,284	1,794,008	3,571,124	848,584	30,303,517	3,525,107	965,131	2,100,477	1,018,886	7,579,818
Vegetable and melon.....	61,785	2,679,434	220,448	74,976	126,986	293,850	100,517	24,509	1,901,741	131,538	47,357	51,738	181,365	311,268
Fruit and tree nut.....	89,184	2,435,023	273,990	103,434	212,726	507,908	- 78,360	33,366	1,487,562	106,682	50,159	68,497	249,470	428,252
Horticultural specialty.....	17,516	611,355	30,657	17,857	38,497	123,899	60,234	11,232	562,786	25,028	14,592	37,677	113,164	74,654
Beef cattle feedlots.....	10,257	1,602,234	54,814	6,453	134,042	58,425	- 91,303	2,183	488,321	9,218	1,297	19,771	8,799	29,189
Beef cattle, except feedlots.....	650,923	19,981,318	2,068,529	372,249	1,881,480	572,257	- 2,106,508	224,187	9,877,893	663,789	152,395	573,905	156,175	1,254,426
Hogs, sheep, and goats.....	253,718	6,567,835	764,912	104,789	602,912	144,450	- 523,863	85,469	4,058,581	342,540	63,251	239,688	56,071	569,947
Dairy farms.....	174,905	11,452,010	1,557,806	207,181	1,110,867	661,016	- 768,412	115,214	8,461,532	1,059,062	144,949	653,499	458,897	1,328,282
Poultry and eggs.....	43,028	1,659,879	206,253	25,363	134,458	142,601	- 36,580	16,359	1,040,176	87,698	15,797	46,919	97,522	122,841
General livestock, except animal specialty.....	85,579	3,978,456	249,522	39,983	253,895	54,022	- 359,073	16,174	1,617,910	74,717	14,561	43,342	15,048	165,692
Animal specialty.....	83,610	858,845	197,798	25,070	101,760	80,870	- 439,343	18,515	402,878	40,838	6,181	11,800	22,427	74,467
Farms not allocable.....	182,947	969,087	257,532	84,141	125,621	69,617	- 362,509	50,640	708,022	93,225	46,152	20,458	25,131	357,605
Farms, operators only, total.....	2,549,510	89,562,459	11,450,072	1,957,846	8,774,810	4,422,204	- 1,613,745	1,097,216	56,127,645	5,867,992	1,103,609	3,724,124	2,332,030	9,932,942
Field crop.....	954,930	37,679,151	5,678,493	976,358	4,102,730	1,753,438	1,690,567	542,426	26,301,856	3,297,318	611,335	1,970,988	982,340	5,530,922
Vegetable and melon.....	55,185	2,458,422	205,068	67,189	123,586	293,155	76,499	19,170	1,841,457	127,926	41,494	51,676	181,354	282,105
Fruit and tree nut.....	87,192	2,397,060	270,286	102,554	210,264	502,285	- 93,855	32,080	1,450,705	103,999	49,337	67,140	244,157	409,669
Horticultural specialty.....	**	**	**	**	**	**	**	13,136	498,573	21,938	14,225	37,677	86,540	63,529
Beef cattle feedlots.....	**	**	**	**	**	**	**	2,183	488,321	9,218	1,297	19,771	8,799	29,189
Beef cattle, except feedlots.....	650,974	19,864,100	2,052,384	365,769	1,876,745	570,062	- 2,145,905	218,847	9,783,321	657,797	146,959	572,832	154,201	1,205,269
Hogs, sheep, and goats.....	249,079	6,348,281	755,347	94,410	600,194	144,399	- 548,860	81,647	3,855,150	336,295	53,271	238,368	56,071	537,199
Dairy farms.....	174,165	11,445,442	1,555,904	206,710	1,110,213	660,768	- 768,839	114,476	8,455,157	1,057,214	144,480	652,880	458,683	1,327,841
Poultry and eggs.....	42,543	1,659,871	206,219	25,363	134,458	142,601	- 35,986	16,359	1,040,176	87,698	15,797	46,919	97,522	122,841
General livestock, except animal specialty.....	85,579	3,978,456	249,522	39,983	253,895	54,022	- 359,073	16,174	1,617,910	74,717	14,561	43,342	15,048	165,692
Animal specialty.....	81,749	854,698	195,964	24,576	101,760	79,528	- 437,020	16,877	401,390	40,838	6,181	11,800	22,427	72,980
Farms not allocable.....	140,440	599,792	198,538	31,004	88,446	66,149	- 485,904	23,841	393,628	53,035	4,673	10,731	24,790	182,955
Farms, landlords only, total.....	422,068	5,116,709	393,409	472,529	276,719	80,719	2,116,513	351,216	4,783,274	291,449	418,212	143,647	70,924	2,363,501
Field crop.....	354,196	4,204,542	282,726	392,522	225,555	40,570	1,880,557	306,158	4,001,661	227,789	353,796	129,489	36,546	2,045,916
Vegetable and melon.....	6,600	93,164	15,381	7,787	*3,401	*695	24,021	5,339	60,283	*3,612	*822	*1,357	*11	29,113
Fruit and tree nut.....	1,992	37,963	3,705	881	2,461	*5,622	15,493	1,286	36,857	2,683	*1,357	*5,313	*18,583	
Horticultural specialty.....	**	**	**	**	**	**	**	*96	*64,212	*3,090	*367	—	*26,525	*11,125
Beef cattle feedlots.....	**	**	**	**	**	**	**	—	—	—	—	—	—	—
Beef cattle, except feedlots.....	8,949	117,217	16,144	6,481	4,735	2,195	39,397	5,340	94,573	5,992	5,436	1,074	1,973	49,157
Hogs, sheep, and goats.....	*4,639	*219,554	*9,566	*10,379	*2,718	*51	*24,997	*3,822	*203,431	*6,245	*9,980	*1,320	—	*32,748
Dairy farms.....	*740	*6,567	*1,902	*471	*654	*248	*573	*738	*6,376	*1,847	*468	*619	*214	*721
Poultry and eggs.....	*485	*9	*33	—	—	—	- 574	—	—	—	—	—	—	—
General livestock, except animal specialty.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Animal specialty.....	*1,861	*4,148	*1,834	*494	—	*1,342	- 2,324	*1,638	*1,487	—	—	—	—	*1,487
Farms not allocable.....	42,507	369,295	58,995	53,137	37,175	3,468	123,395	26,799	314,394	40,190	41,479	9,727	*342	174,650
Agricultural services.....	214,066	4,861,885	483,167	104,154	189,358	673,825	572,651	125,086	3,996,486	260,665	78,967	112,895	563,769	1,004,691
Veterinary services.....	11,770	945,591	49,606	29,729	151,522	297,518	9,121	898,907	37,764	21,620	23,155	147,820	308,983	
Livestock breeding.....	11,123	87,359	14,736	603	3,450	2,287	- 39,049	1,028	60,810	*782	*184	*58	*757	16,890
Animal services, except livestock breeding and veterinary.....	55,207	605,742	82,210	10,123	20,091	66,607	- 86,913	19,370	419,269	14,684	6,509	9,550	52,252	103,745
Landscape and horticultural services.....	96,436	1,820,176	157,424	42,770	45,543	253,259	324,798	69,854	1,536,220	103,846	30,818	26,237	196,019	396,451
Other agricultural services.....	39,530	1,403,016	179,192	28,660	90,544	200,150	76,297	25,713	1,081,280	103,589	19,836	53,895	166,921	178,623
Forestry.....	15,396	287,571	22,091	10,451	7,633	91,626	13	5,221	226,708	9,131	7,401	2,299	78,501	50,378
Fishing, hunting, and trapping.....	78,266	1,284,156	182,949	18,773	42,813	122,536	203,874	43,792	892,005	68,512	10,519	13,685	91,272	375,936
<b>Mining.....</b>	<b>119,763</b>	<b>8,567,096</b>	<b>514,680</b>	<b>689,260</b>	<b>272,572</b>	<b>388,403</b>	<b>294,773</b>	<b>54,994</b>	<b>6,616,209</b>	<b>305,955</b>	<b>532,305</b>	<b>132,499</b>	<b>252,089</b>	<b>1,546,603</b>
Metal mining.....	7,708	71,731	10,287	2,745	5,935	7,325	- 117,616	837	56,596	3,368	1,893	2,013	*485	13,530
Coal mining.....	3,640	785,635	68,645	23,090	16,050	136,836	- 9,381	1,529	537,302	39,742	16,291	8,015	79,429	54,651
Oil and gas extraction.....	105,127	7,536,124	417,819	656,042	244,646	221,291	431,474	50,867	5,896,052	252,701	508,691	120,431	160,121	1,453,028
Nonmetallic minerals, except fuels.....	3,288	173,606	17,929	7,383	5,941	22,951	- 9,704	1,761	126,259	10,144	5,430	2,040	12,053	25,394

Footnotes at end of table.

**Table 2. — Sole Proprietorship Businesses: Business Receipts, Selected Deductions, 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							Businesses with net income						
	Number of businesses	Business receipts	Depreciation	Taxes paid deduction	Interest	Payroll	Net income (less deficit)	Number of businesses	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>Construction</b> .....	<b>1,073,301</b>	<b>47,834,507</b>	<b>1,800,346</b>	<b>809,618</b>	<b>834,150</b>	<b>7,028,072</b>	<b>7,460,876</b>	<b>892,691</b>	<b>42,064,443</b>	<b>1,359,505</b>	<b>696,908</b>	<b>567,344</b>	<b>6,061,126</b>	<b>8,276,824</b>
General building contractors and operative builders.....	226,326	16,897,953	405,704	235,558	360,009	2,114,842	1,654,471	168,703	14,108,279	270,394	187,378	216,080	1,772,329	1,999,792
General building contractors.....	223,505	16,629,499	400,771	232,334	338,743	2,103,767	1,632,066	166,995	13,911,790	268,020	186,105	206,724	1,762,896	1,961,011
Operative builders.....	2,821	268,454	4,932	3,225	21,266	110,775	22,406	1,708	196,488	2,373	1,272	9,356	*9,433	38,752
Heavy construction contractors.....	29,177	2,181,648	226,422	46,548	77,885	321,237	223,547	22,128	1,879,266	184,555	39,259	59,999	269,879	282,856
Highway and street construction.....	8,718	1,126,437	116,999	26,051	36,014	194,541	83,935	7,464	980,742	103,234	23,338	31,984	173,102	101,358
Heavy construction, except highway.....	20,459	1,055,210	109,422	20,497	41,872	126,696	139,522	14,664	898,524	81,321	15,920	28,015	96,776	181,498
Special trade contractors.....	773,446	27,296,045	1,104,103	502,480	369,296	4,258,112	5,342,312	664,554	24,974,136	866,091	452,270	272,435	3,777,368	5,722,902
Plumbing, heating, and air conditioning.....	78,447	4,578,010	144,517	91,261	49,102	586,603	684,278	64,280	4,278,038	115,423	86,765	41,410	628,346	729,188
Painting, paper hanging, and decorating.....	125,632	3,091,539	90,266	71,840	28,504	616,244	731,805	113,846	2,838,918	75,197	65,004	23,179	533,643	761,612
Electrical work.....	54,581	2,605,145	78,969	57,446	25,629	409,837	380,153	43,631	2,310,836	61,801	49,710	20,179	342,739	424,649
Masonry, stonework, tile setting, and plastering.....	78,967	3,689,486	90,217	81,214	33,149	810,213	671,978	71,135	3,374,677	79,419	73,082	29,698	705,089	704,231
Carpentering and flooring.....	241,738	4,681,932	155,215	56,225	39,916	1,390,068	218,562	4,352,467	118,092	30,880	35,171	30,880	1,461,419	1,461,419
Roofing and sheet metal work.....	43,169	1,794,364	49,052	20,581	11,812	275,877	332,916	37,951	1,621,501	39,548	18,340	9,316	248,148	349,398
Concrete work.....	14,623	931,099	42,809	20,218	10,868	187,071	155,776	12,429	889,464	38,813	18,839	10,360	178,138	159,173
Water well drilling.....	8,509	571,622	46,188	8,996	9,952	49,801	81,860	7,149	532,345	38,417	8,301	8,707	46,245	95,806
Miscellaneous special trade contractors.....	127,780	5,352,848	406,871	114,699	148,320	827,549	913,477	95,571	4,775,891	299,383	101,348	94,416	736,711	1,037,426
Contractors not allocable.....	44,352	1,458,861	64,117	25,031	26,960	333,882	240,636	37,306	1,102,763	38,465	18,003	18,830	241,550	271,304
<b>Manufacturing</b> .....	<b>296,216</b>	<b>14,846,538</b>	<b>841,104</b>	<b>339,909</b>	<b>268,433</b>	<b>2,692,415</b>	<b>1,673,759</b>	<b>190,698</b>	<b>12,763,831</b>	<b>606,075</b>	<b>282,425</b>	<b>183,739</b>	<b>2,288,268</b>	<b>2,178,893</b>
Food and kindred products.....	4,769	672,650	18,105	6,933	9,410	77,280	46,509	3,510	701,814	13,724	7,281	4,032	62,082	55,576
Textile mill products.....	5,896	254,660	6,385	5,857	690	46,069	34,044	4,507	250,763	5,168	5,728	*618	44,962	39,884
Apparel and other textile products.....	11,776	672,088	17,526	34,177	3,250	306,849	62,389	7,665	539,266	9,955	29,414	1,877	246,997	80,011
Lumber and wood products, except furniture.....	73,976	4,243,968	355,957	92,359	117,505	666,177	392,400	53,882	3,559,475	276,180	77,132	83,524	561,090	506,280
Furniture and fixtures.....	6,033	363,146	9,173	4,222	3,534	62,750	26,469	4,259	323,988	7,613	4,030	3,146	55,971	35,329
Printing, publishing, and allied industries.....	53,985	2,610,123	125,260	59,653	30,940	442,545	402,769	33,865	2,422,380	93,648	56,317	22,943	419,523	476,123
Chemicals and allied products.....	2,268	119,857	9,236	1,454	2,233	*6,239	15,108	1,393	84,571	*4,275	*719	*639	*4,020	26,028
Leather and leather products.....	1,031	39,916	*914	*432	*759	*3,619	976	*91	*28,196	*194	*197	*370	*2,846	*2,480
Stone, clay, and glass products.....	22,240	629,563	36,691	22,044	14,082	105,282	668	7,725	398,963	18,325	14,317	5,421	66,357	49,757
Primary metal industries.....	1,384	181,956	5,559	2,016	2,562	26,033	18,854	451	156,050	4,075	1,764	1,937	19,541	23,468
Fabricated metal products.....	16,126	802,703	33,848	14,228	11,481	144,950	144,391	9,805	762,553	25,855	13,203	8,216	137,506	164,847
Machinery, except electrical.....	29,936	1,854,889	135,457	48,856	37,000	484,654	500,242	21,144	1,556,706	96,985	31,417	27,498	392,394	293,821
Electrical and electronic equipment.....	7,181	260,023	19,271	3,640	8,848	43,093	11,169	3,366	211,634	4,103	2,302	2,115	35,480	51,236
Transportation equipment.....	3,868	222,386	5,732	6,779	3,469	23,976	24,815	2,326	217,028	3,785	6,646	3,453	23,255	30,567
Other manufacturing industries.....	51,478	1,663,775	56,907	34,333	24,612	252,891	229,676	33,365	1,499,008	41,284	31,562	17,729	216,235	322,694
Manufacturing not allocable.....	5,269	60,834	5,086	*450	*535	*8	13,642	3,344	51,435	*905	*222	*8	20,792	
<b>Transportation, communication, electric, gas, and sanitary services</b> .....	<b>438,795</b>	<b>19,965,525</b>	<b>1,864,611</b>	<b>502,961</b>	<b>636,785</b>	<b>1,767,043</b>	<b>1,995,557</b>	<b>306,484</b>	<b>15,607,625</b>	<b>1,178,554</b>	<b>365,822</b>	<b>381,342</b>	<b>1,274,147</b>	<b>2,737,117</b>
Local and interurban passenger transit.....	43,315	1,045,595	78,834	25,844	21,248	158,953	159,259	34,422	825,747	50,636	20,787	15,913	105,435	196,224
Taxicabs.....	26,937	487,631	25,483	11,121	5,431	62,133	92,833	21,100	402,900	17,423	10,539	5,031	61,531	106,493
Other passenger transportation.....	16,378	557,964	53,351	14,723	15,817	96,819	66,420	13,322	422,846	33,213	10,254	10,882	43,903	89,730
Trucking and warehousing.....	322,302	16,233,355	1,574,832	428,555	529,724	1,319,881	1,672,266	232,416	12,647,555	1,030,012	306,495	330,042	925,970	2,194,926
Trucking, local and long distance.....	316,871	15,746,790	1,560,917	419,047	516,792	1,273,794	1,633,576	228,102	12,263,428	1,018,610	299,201	321,177	887,471	2,150,392
Public warehousing and trucking terminals.....	5,431	486,564	13,915	9,508	12,933	46,087	38,690	4,314	384,127	11,402	7,293	8,865	38,499	44,533
Water transportation.....	11,776	1,367,419	52,640	4,210	31,785	25,718	10,446	5,340	272,166	21,499	3,324	9,354	24,617	61,456
Air transportation.....	9,131	301,000	42,024	11,529	16,702	43,197	-24,411	4,789	178,833	10,562	5,859	3,961	29,818	24,245
Transportation services.....	19,098	1,252,141	27,754	13,811	17,626	102,479	104,510	12,916	1,007,253	14,178	11,891	10,117	84,425	133,369
Passenger transportation arrangement.....	11,356	790,524	5,273	6,995	6,648	65,684	43,473	7,070	614,430	3,035	5,783	4,586	55,709	57,162
Freight transportation arrangement.....	1,719	255,020	7,484	3,203	4,264	14,897	30,954	1,465	232,694	4,258	2,796	2,247	13,682	36,162
Other transportation services.....	6,023	206,597	14,996	3,613	6,714	21,899	30,084	4,381	160,129	6,885	3,312	3,284	*15,033	40,044
Communication.....	5,512	124,902	26,435	2,821	5,408	21,207	-3,131	2,785	*99,638	7,309	2,070	768	17,334	23,753
Electric, gas, and water services.....	2,615	139,960	6,384	*2,165	*536	*5,135	14,938	1,570	136,795	5,317	*2,164	*499	*5,022	15,480
Sanitary services.....	25,046	501,154	55,708	14,027	13,757	90,473	61,680	12,246	439,638	39,041	13,232	10,687	81,527	87,665

Footnotes at end of table.

**Table 2. — Sole Proprietorship Businesses: Business Receipts, Selected Deductions, 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							Businesses with net income						
	Number of businesses	Business receipts	Depreciation	Taxes paid deduction	Interest	Payroll	Net income (less deficit)	Number of businesses	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>Wholesale and retail trade</b>	<b>2,527,084</b>	<b>202,283,802</b>	<b>2,969,860</b>	<b>3,148,363</b>	<b>1,950,693</b>	<b>12,552,143</b>	<b>9,375,330</b>	<b>1,447,271</b>	<b>167,544,566</b>	<b>2,034,297</b>	<b>2,416,332</b>	<b>1,224,047</b>	<b>9,749,581</b>	<b>13,427,535</b>
Wholesale trade	329,754	42,653,889	532,365	336,067	313,103	1,629,046	3,127,157	244,945	36,467,437	402,704	269,292	212,337	1,351,254	3,606,514
Motor vehicles and automotive equipment	14,709	2,264,954	18,516	12,968	14,619	133,878	135,214	10,429	1,859,308	13,008	10,935	8,947	122,701	152,357
Lumber and construction materials	10,179	1,044,933	23,012	10,706	12,897	58,859	81,196	8,120	871,640	17,053	8,364	8,542	44,966	89,358
Electrical goods	7,807	653,135	13,169	5,469	12,366	38,316	53,355	5,557	468,128	7,067	4,095	3,640	25,699	68,750
Hardware, plumbing, and heating equipment	7,294	859,674	13,461	15,751	12,474	78,151	77,832	5,060	632,651	6,855	9,815	5,871	52,682	87,192
Farm machinery and equipment	10,180	1,827,416	25,495	16,428	24,399	89,053	61,250	6,892	1,530,176	18,084	13,041	16,775	73,091	89,161
Other machinery, equipment, and supplies	24,951	2,712,292	56,128	33,937	33,158	157,862	339,315	20,464	2,489,937	45,480	28,885	25,644	143,294	370,919
Other durable goods	48,982	5,074,851	67,092	35,098	35,997	183,636	476,441	36,229	4,540,920	58,580	32,448	24,982	177,728	545,274
Drugs, chemicals, and allied products	13,761	844,327	8,948	5,180	2,171	69,813	127,707	8,904	791,629	7,036	4,749	1,614	68,826	138,237
Apparel, piece goods, and notions	13,427	733,923	8,887	4,420	4,599	30,350	139,342	10,511	652,843	5,636	2,170	3,794	7,733	148,896
Groceries and related products	35,235	7,482,198	85,643	44,568	31,983	341,102	388,068	29,382	6,914,838	76,151	40,269	26,926	317,000	412,649
Farm-product raw materials	11,932	5,998,199	40,886	10,967	35,144	49,060	36,714	9,597	4,362,813	24,826	7,895	20,750	34,572	103,823
Alcoholic beverages	2,114	499,186	5,218	5,863	2,522	29,166	35,479	1,843	460,742	4,742	4,792	1,816	27,425	36,167
Other nondurable goods	57,010	9,564,978	119,955	116,480	68,684	297,522	501,721	38,753	7,998,271	80,609	86,061	44,161	194,646	626,458
Wholesalers not allocable	72,173	3,073,233	45,945	18,232	22,088	72,277	673,233	56,844	2,893,540	37,576	15,772	18,878	60,892	97,272
Retail trade	2,066,267	153,814,591	2,322,072	2,744,076	1,574,571	10,537,411	5,687,993	1,121,838	126,048,217	1,555,767	2,094,526	973,098	8,077,016	9,737,116
Building materials, paint, hardware, garden supply, and mobile home dealers	63,032	6,246,826	119,614	118,570	119,167	538,232	354,745	39,843	5,089,890	81,998	85,972	63,046	435,448	523,809
Lumber and other building materials dealers	9,082	1,351,495	26,343	28,713	21,897	110,445	54,889	6,115	1,023,054	19,259	17,765	9,147	81,101	90,795
Paint, glass, and wallpaper stores	5,701	491,326	8,615	7,183	5,057	42,628	47,892	4,131	475,500	6,549	6,549	51,098	45,604	54,604
Hardware stores	20,001	2,239,281	32,894	39,198	45,492	189,817	129,743	13,167	1,798,757	21,813	30,902	25,009	152,606	198,076
Retail nurseries and garden supply stores	22,411	1,301,371	35,267	25,420	19,837	147,709	75,559	11,624	1,093,878	20,327	17,041	7,154	119,204	120,650
Mobile home dealers	5,837	863,354	16,495	18,055	26,885	38,155	51,926	4,806	698,701	12,707	13,716	16,773	31,440	68,684
General merchandise stores	35,355	4,736,526	55,931	70,249	32,729	205,714	96,469	21,516	3,685,918	36,189	46,077	23,918	129,101	193,184
Variety stores	8,691	522,889	9,870	9,724	2,831	32,004	-4,825	4,202	372,943	3,354	4,691	1,374	18,897	26,459
Other general merchandise stores	26,664	4,213,637	46,061	60,525	29,899	173,710	101,294	17,314	3,312,975	32,835	41,386	22,544	110,204	166,725
Food stores	164,995	27,593,375	354,908	381,421	228,817	1,594,971	820,036	112,300	22,455,415	238,363	294,943	143,934	1,221,907	1,165,145
Grocery stores	102,990	21,949,693	238,300	301,214	172,165	1,104,025	580,791	70,995	18,066,951	169,399	241,236	112,374	890,318	816,930
Meat and fish markets, including freezer provisioners	16,880	2,312,686	31,092	20,810	17,990	150,745	113,750	12,639	2,136,244	26,708	19,004	14,754	140,897	128,623
Fruit stores and vegetable markets	7,006	661,932	7,489	5,421	3,977	25,895	5,528	4,064	436,763	5,243	3,617	1,183	20,444	21,589
Candy, nut, and confectionery stores	7,202	231,006	6,256	5,277	801	14,472	3,403	4,091	121,807	3,052	2,026	*122	*3,874	12,841
Dairy products stores	6,173	842,493	25,503	17,131	10,293	73,476	25,737	3,733	496,300	11,031	9,922	5,827	49,328	40,161
Retail bakeries	13,379	876,965	31,736	20,206	18,888	183,023	56,120	9,025	584,338	12,553	10,548	6,751	83,321	85,684
Miscellaneous food stores	11,365	718,601	14,533	11,362	4,704	43,336	34,708	7,753	613,013	10,378	8,589	2,923	33,725	59,316
Automotive dealers and service stations	205,138	53,298,532	402,329	683,327	322,094	2,315,461	1,433,286	142,331	45,589,343	307,451	591,246	201,184	1,999,151	1,824,940
Motor vehicle dealers - new car dealers (franchised)	6,831	2,582,906	13,729	23,998	52,120	96,931	2,532	3,981	1,617,782	7,928	12,969	21,579	48,689	41,250
Motor vehicle dealers - used cars only	42,297	5,145,579	45,534	44,991	59,772	165,967	119,713	22,259	3,868,676	30,216	33,155	33,977	121,152	224,208
Auto and home supply stores	27,229	3,502,376	54,867	60,229	47,723	299,759	198,077	17,236	3,050,982	41,344	50,775	33,585	264,474	252,356
Gasoline service stations	111,931	40,213,571	248,678	526,299	106,666	1,630,971	1,092,856	90,620	35,839,316	208,868	476,185	83,931	1,471,976	1,228,865
Boat dealers	7,009	586,813	18,391	7,835	21,051	41,810	-18,220	2,313	275,887	3,254	4,382	5,612	25,853	18,115
Recreational vehicles	3,117	339,137	7,941	7,975	13,245	26,204	1,578	1,781	218,357	5,285	3,971	9,581	22,876	9,371
Motorcycle dealers	3,829	807,041	11,041	11,327	19,641	51,372	28,670	2,525	625,908	9,235	9,330	11,869	41,688	38,699
Miscellaneous aircraft and automotive dealers	2,895	121,108	2,147	673	1,876	*2,447	8,080	1,616	92,436	*1,320	478	*1,051	*2,443	12,077
Apparel and accessory stores	66,917	5,114,523	84,019	113,132	84,310	462,733	256,790	38,857	4,155,130	54,974	87,917	48,064	373,200	452,462
Men's and boys' clothing and furnishings stores	6,316	468,610	8,072	8,940	8,061	33,023	26,414	4,072	380,589	5,127	7,612	4,170	28,703	43,120
Women's ready-to-wear stores	18,016	1,396,659	29,355	33,177	24,176	136,479	29,149	9,349	1,090,326	16,228	25,639	10,505	105,380	104,539
Women's accessory and specialty stores	2,383	127,505	1,221	1,666	*219	12,941	6,816	1,154	95,960	*867	*1,283	*124	*10,126	10,470
Children's and infant wear stores	4,587	454,953	4,829	5,967	5,298	47,329	7,164	2,131	416,676	4,270	5,036	4,796	44,151	19,597
Family clothing stores	10,291	839,702	12,374	18,922	15,369	66,471	47,575	4,959	701,900	9,545	15,320	12,998	51,842	79,214
Shoe stores	8,262	1,094,935	12,272	24,842	17,693	105,786	82,578	5,789	853,678	7,551	18,293	84,036	108,269	86,269
Furriers and fur shops	*1,874	*141,396	*684	*2,762	*608	*16,383	*24,385	*1,864	*140,839	*683	*2,746	*606	*16,233	*24,465
Apparel and accessory stores, not elsewhere classified	15,188	590,463	15,212	16,856	12,886	44,321	32,712	9,539	475,161	10,703	11,989	6,005	32,728	62,789

Footnotes at end of table.

Table 2. — Sole Proprietorship Businesses: Business Receipts, Selected Deductions, 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						Businesses with net income							
	Number of businesses	Business receipts	Depreciation	Taxes paid deduction	Interest	Payroll	Net income (less deficit)	Number of businesses	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>Wholesale and retail trade — Continued</b>														
Retail trade — Continued														
Furniture and home furnishings stores.....	112,928	7,725,396	149,020	153,165	124,318	661,067	402,676	72,434	6,418,782	103,038	116,719	100,789	517,439	655,261
Furniture stores.....	30,307	2,436,831	47,699	42,905	37,307	135,197	147,853	21,101	2,082,646	38,793	34,770	31,162	102,224	215,891
Floor covering stores.....	10,095	1,104,147	21,081	20,360	14,431	122,663	69,742	7,658	953,993	15,733	16,117	12,484	113,809	94,351
Drapery, curtain and upholstery stores.....	10,341	439,952	5,672	8,082	1,952	58,095	55,707	6,947	389,027	4,055	6,624	1,458	49,079	63,911
Home furnishings and equipment stores, except appliances.....	21,151	835,956	17,475	19,969	22,826	95,318	17,309	12,387	649,874	14,133	14,710	19,687	74,602	78,234
Household appliance stores.....	15,213	1,398,288	11,669	25,822	25,140	94,430	75,641	11,249	1,165,704	9,309	20,886	20,862	88,771	91,778
Radio and television stores.....	16,610	1,026,406	18,416	21,076	11,029	105,353	41,777	9,103	857,559	13,165	16,772	8,586	72,647	74,586
Music stores.....	9,211	483,816	27,007	14,951	11,632	50,012	- 5,354	3,989	319,979	7,849	6,841	6,550	16,308	36,511
Eating and drinking places.....	228,350	17,852,266	545,555	697,901	320,503	3,017,629	798,884	143,346	13,109,518	345,434	472,605	184,241	1,990,663	1,355,337
Eating places.....	161,739	13,365,366	422,913	505,557	236,169	2,509,848	600,900	103,921	9,881,638	271,259	342,978	134,626	1,666,474	1,010,151
Drinking places.....	66,611	4,486,901	122,642	192,344	84,334	507,781	197,985	39,425	3,227,881	74,175	129,627	49,614	324,189	345,186
Miscellaneous retail stores.....	1,154,720	29,961,571	584,795	507,911	330,971	1,618,751	1,384,498	532,132	24,448,158	370,188	385,937	199,617	1,303,706	2,734,601
Drug stores and proprietary stores.....	14,460	2,825,457	29,254	44,469	21,312	289,827	282,121	12,800	2,716,942	27,910	42,380	20,274	278,199	298,434
Liquor stores.....	25,065	5,038,021	54,169	113,292	43,899	240,100	220,356	18,586	4,299,776	43,125	96,078	31,271	202,731	257,521
Used merchandise stores.....	82,122	2,095,060	51,766	31,891	37,467	69,913	75,393	39,593	1,592,384	32,064	23,418	21,671	61,747	199,528
Sporting goods and bicycle shops.....	42,543	2,161,482	40,083	39,095	30,030	158,960	163,950	22,556	1,792,721	25,078	28,539	22,472	138,619	212,398
Book stores.....	14,897	477,428	6,685	5,807	3,174	20,667	42,917	7,924	408,104	3,659	4,025	2,314	15,226	59,373
Stationery stores.....	5,791	435,519	8,717	12,706	4,351	52,159	14,756	2,933	410,828	8,207	12,242	*4,235	50,714	30,239
Jewelry stores.....	29,706	1,541,899	22,039	35,431	25,069	112,744	179,387	16,726	1,286,417	17,179	30,499	16,440	82,201	232,838
Hobby, toy, and game shops.....	16,289	338,375	8,319	5,104	6,424	9,192	- 5,679	7,029	233,247	3,866	1,484	4,737	5,867	21,698
Camera and photographic supply stores.....	1,258	92,624	3,038	2,659	1,707	4,944	11,671	748	83,444	2,714	2,308	*1,168	*3,914	14,734
Gift, novelty, and souvenir shops.....	32,456	994,998	26,869	20,236	16,217	103,153	26,570	17,175	756,600	10,367	16,474	7,609	80,939	100,406
Luggage and leather goods stores.....	2,985	50,742	*1,623	*1,067	*970	*268	*8,462	2,589	45,590	*970	*952	*137	*76	11,524
Sewing, needlework, and piece goods stores.....	16,024	321,488	5,177	6,029	5,422	19,149	22,305	9,121	225,057	3,188	3,532	1,288	8,926	41,147
Mail order houses.....	20,585	385,069	6,235	6,155	6,490	31,461	50,447	8,191	319,917	4,916	4,321	3,115	21,298	76,659
Merchandising machine operators.....	15,182	753,444	55,394	17,598	11,114	37,839	50,939	7,526	666,811	42,695	16,461	8,355	34,295	68,954
Direct selling organizations.....	698,659	4,835,907	110,762	36,727	37,887	79,496	- 46,379	284,422	3,311,418	55,154	23,104	18,951	46,466	579,388
Fuel and ice dealers, except fuel oil dealers and bottled gas dealers.....	12,478	406,793	28,960	5,986	4,535	16,509	26,413	5,482	386,742	19,139	5,044	3,468	13,736	47,504
Fuel oil dealers.....	5,416	1,299,366	19,035	11,350	6,260	29,585	58,118	2,922	1,078,046	14,174	9,707	4,069	22,671	64,515
Liquified petroleum gas (bottled) dealers.....	1,089	136,725	1,304	2,367	1,345	3,411	4,841	1,043	124,435	1,138	2,007	1,085	3,411	8,890
Florists.....	33,024	1,169,607	33,022	33,346	16,128	133,663	32,283	18,193	875,296	17,243	21,284	7,299	91,712	99,257
Cigar stores and stands.....	4,359	268,515	2,555	7,259	*2,109	13,356	18,735	3,284	248,080	1,982	6,273	*1,344	*11,725	21,146
News dealers and newstands.....	7,936	627,083	12,180	9,484	3,629	53,644	40,462	5,653	522,390	6,312	4,422	*2,620	*26,022	47,459
Other miscellaneous retail stores.....	72,396	3,705,969	57,608	59,850	45,967	138,711	106,429	37,636	3,063,919	29,109	31,383	15,694	103,212	240,848
Retail trade not allocable.....	34,832	1,285,575	25,899	18,399	11,662	122,850	140,610	19,079	1,096,062	18,133	13,110	8,305	106,400	171,377
Wholesale and retail trade not allocable.....	131,063	5,815,323	115,423	68,220	63,019	385,687	560,180	80,488	5,028,932	75,826	52,514	38,612	321,311	744,905
<b>Finance, insurance, and real estate.....</b>	<b>1,048,966</b>	<b>21,530,768</b>	<b>879,805</b>	<b>339,500</b>	<b>1,152,039</b>	<b>1,051,395</b>	<b>6,614,831</b>	<b>732,154</b>	<b>17,399,879</b>	<b>520,942</b>	<b>205,325</b>	<b>434,848</b>	<b>749,943</b>	<b>7,983,869</b>
Finance.....	37,820	2,861,286	27,235	14,684	144,447	37,038	367,394	28,506	1,447,601	17,278	10,350	38,448	28,181	550,498
Banking and miscellaneous finance.....	1,060	94,350	768	651	38,168	2,804	15,429	560	63,909	568	579	10,776	*1,900	26,513
Credit agencies other than banks.....	3,647	103,671	3,531	1,059	15,884	9,984	22,194	2,153	84,407	2,796	554	8,255	9,342	37,514
Security and commodity brokers and services.....	33,113	2,663,265	22,936	12,973	90,395	24,250	329,771	25,793	1,299,285	13,914	9,216	19,417	16,939	486,471
Security brokers and dealers, except underwriting syndicates.....	19,264	1,592,359	10,390	8,439	49,872	6,624	184,288	15,281	650,852	6,346	6,546	11,875	5,457	274,965
Commodity contracts brokers, exchanges, and services.....	13,849	1,070,906	12,546	4,535	40,523	17,626	145,483	10,512	648,433	7,568	2,671	7,542	11,481	211,506
Insurance agents, brokers, and service.....	238,817	6,507,098	161,505	65,016	100,260	560,876	2,660,443	186,804	6,052,021	127,303	57,683	74,727	493,614	2,874,312
Real estate.....	772,329	12,162,384	691,064	259,800	907,331	453,481	3,586,795	516,844	9,900,258	376,362	137,292	321,674	228,148	4,559,059
Operators and lessors of buildings.....	27,734	1,074,088	178,020	77,407	276,431	72,824	- 4,281	10,969	613,674	70,222	35,587	78,651	41,585	172,607
Lessors, other than buildings.....	56,057	344,091	73,689	40,563	97,218	12,451	- 27,545	29,699	204,036	15,667	18,284	19,962	3,706	75,532
Real estate agents, brokers, and managers.....	662,499	9,813,793	413,741	122,041	437,978	238,836	3,440,985	457,866	8,351,714	276,381	70,621	189,894	161,603	4,039,492
Title abstract companies.....	3,499	80,445	1,108	628	*1,349	*3,025	37,256	3,499	60,445	1,108	628	*1,349	*3,025	37,256
Subdividers and developers, except cemeteries.....	8,199	530,435	15,818	12,473	78,013	107,958	4,963	4,347	348,738	6,175	6,197	20,539	2,920	89,278
Cemetery subdividers and developers.....	*1,616	*8,535	*558	*392	*2,388	*315	*- 281	*1,218	*3,008	*23	*22	-	-	*1,043
Combined real estate, insurance, loans, law offices.....	12,725	330,998	8,131	6,298	13,954	18,073	135,705	9,246	318,644	6,786	5,954	11,219	15,309	143,851

Footnotes at end of table.

**Table 2. — Sole Proprietorship Businesses: Business Receipts, Selected Deductions, 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							Businesses with net income						
	Number of businesses	Business receipts	Depreciation	Taxes paid deduction	Interest	Payroll	Net income (less deficit)	Number of businesses	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.....</b>	<b>3,842,790</b>	<b>87,964,739</b>	<b>4,311,519</b>	<b>1,680,322</b>	<b>1,804,265</b>	<b>11,044,936</b>	<b>26,433,341</b>	<b>2,910,151</b>	<b>79,181,840</b>	<b>2,789,318</b>	<b>1,391,640</b>	<b>1,152,927</b>	<b>9,592,646</b>	<b>29,973,211</b>
Hotels and other lodging places .....	58,819	2,774,216	333,399	154,256	282,676	340,645	131,433	31,216	2,047,881	179,896	103,583	144,344	255,159	311,438
Hotels.....	3,942	399,968	27,704	16,420	19,448	78,626	15,107	3,281	309,238	17,219	12,145	9,847	52,693	36,195
Hotels, motor hotels, and tourist courts .....	31,777	1,907,682	239,522	112,913	219,651	235,498	126,202	16,169	1,413,610	136,139	80,654	114,447	185,617	223,386
Rooming and boarding houses .....	7,678	126,647	10,666	7,950	11,325	9,984	17,404	5,856	108,923	8,500	5,933	9,513	17,602	22,318
Sporting and recreational camps.....	1,749	156,233	11,573	2,375	8,595	10,754	4,841	1,331	138,536	8,251	*1,690	*6,751	*5,917	11,744
Trailing parks and camp sites .....	13,644	183,356	43,916	14,590	23,654	6,755	- 32,119	4,553	77,360	9,787	3,162	3,785	3,330	17,760
Organizational hotels and lodging houses, on a membership basis .....	*29	*329	**8	*9	*5	*29	*- 2	*26	*217	—	—	—	—	*35
Personal services.....	736,700	10,000,298	498,059	241,112	177,286	1,664,759	2,565,814	599,599	8,906,230	337,073	202,617	118,832	1,439,843	2,897,851
Coin-operated laundries and dry cleaning.....	20,183	576,648	76,465	11,686	26,718	49,199	35,712	10,733	428,975	40,270	7,356	12,239	36,447	74,869
Other laundry, cleaning, and garment services.....	47,858	1,792,584	113,303	53,854	38,559	363,450	296,554	36,584	1,587,324	82,312	44,959	24,756	310,909	346,097
Photographic studios, portrait .....	61,759	754,327	55,274	15,086	13,925	62,130	98,219	30,010	638,545	32,521	13,372	10,712	57,740	178,530
Beauty shops.....	252,688	3,590,985	114,715	96,368	38,497	868,154	975,969	212,363	3,234,289	83,803	81,472	24,381	754,273	1,046,246
Barber shops .....	78,793	946,613	20,697	7,465	101,623	493,662	74,457	925,258	1,877	16,036	7,360	94,704	498,192	498,192
Shoe repair and hat cleaning shops.....	11,423	317,805	8,970	5,811	3,915	30,153	84,318	9,337	279,914	6,107	4,742	2,550	24,986	88,424
Funeral service and crematories .....	9,897	841,428	43,514	22,365	21,609	88,193	177,929	7,392	782,642	39,384	20,461	19,735	82,174	192,475
Miscellaneous personal services.....	254,099	1,179,908	65,122	18,641	26,599	101,858	403,451	216,723	1,029,283	32,799	14,219	17,099	78,699	473,019
Business services.....	865,817	14,520,287	879,318	197,423	321,711	1,290,870	4,281,942	658,008	12,702,941	461,864	147,250	150,980	1,044,787	5,111,976
Advertising.....	29,977	1,284,214	32,973	8,721	12,229	86,555	169,520	20,866	1,065,611	18,177	5,377	8,410	61,185	207,748
Services to buildings.....	142,752	1,560,106	67,328	32,095	16,016	307,782	478,470	122,864	1,460,953	50,932	28,021	12,106	279,738	525,182
Computer and data processing services.....	30,927	522,011	39,204	5,403	10,573	36,763	190,885	24,059	494,126	19,788	3,917	5,069	36,083	217,701
Management and public relations.....	280,940	4,543,875	155,599	34,553	71,798	162,238	2,041,179	214,315	4,224,454	101,286	26,262	46,538	121,991	2,322,343
Equipment rental and leasing.....	35,356	1,109,371	372,065	28,762	140,219	77,233	- 43,606	14,308	770,540	139,834	20,718	44,277	59,231	160,453
Other business services.....	345,865	5,500,709	212,148	87,889	70,875	620,298	1,445,495	261,596	4,687,257	131,848	62,954	33,580	486,559	1,678,548
Automobile repair and services.....	224,712	9,425,292	424,428	228,322	183,372	1,418,195	1,018,939	182,441	8,180,176	296,301	190,923	130,588	1,152,254	1,261,633
Automotive rentals, without drivers.....	11,759	404,989	118,434	8,329	34,889	9,828	12,019	4,619	287,027	67,898	4,785	20,639	5,629	46,189
Automotive parking.....	2,962	102,927	846	3,488	1,162	22,429	18,502	2,277	95,205	546	3,048	1,762	18,079	21,963
Automotive top and body repair shops.....	49,712	2,363,949	75,822	53,696	39,179	390,052	308,310	39,205	2,161,348	49,598	30,170	356,216	349,348	349,348
General automotive repair shops.....	113,346	4,432,647	143,206	104,868	67,807	663,337	436,799	82,129	3,712,671	102,345	80,220	48,237	472,406	556,806
Other automotive repair shops.....	21,163	1,279,546	37,085	36,511	13,771	237,977	184,324	16,952	1,184,471	32,876	34,193	11,629	221,888	157,761
Automotive services, except repair.....	25,768	841,234	49,034	21,429	26,563	94,573	96,540	17,259	739,453	34,757	19,079	19,150	78,036	127,586
Miscellaneous repair services.....	266,929	6,124,526	237,569	112,923	91,511	643,330	1,256,404	196,995	5,526,257	180,964	93,642	76,578	563,958	1,395,784
Radio and TV repair shops.....	27,111	632,468	23,754	13,544	7,865	47,880	113,804	21,599	585,971	12,300	20,892	7,586	40,114	125,834
Electrical repair shops, except radio and TV.....	39,413	1,265,380	32,395	26,294	17,471	137,132	254,056	32,684	1,133,667	27,424	20,992	15,932	113,312	269,149
Reupholstery and furniture repair.....	38,715	917,941	31,283	20,943	14,771	155,302	180,258	32,389	874,975	25,655	19,880	13,549	150,061	192,069
Other miscellaneous repair shops.....	161,690	3,308,757	150,137	52,142	51,404	303,015	708,286	110,323	2,931,644	106,993	40,469	39,511	260,471	808,732
Motion pictures.....	15,478	315,839	33,547	9,047	29,209	97,569	33,310	39,205	273,971	13,350	5,428	11,912	27,243	83,610
Motion picture production, distribution, and services.....	13,546	242,905	29,793	3,954	4,033	20,574	30,221	8,424	214,510	10,376	2,529	1,160	19,558	74,431
Motion picture theaters.....	1,932	72,934	3,754	6,611	5,014	8,635	6,391	*1,142	*59,462	*2,974	*2,898	*4,033	*7,666	*9,179
Amusement and recreation services, except motion pictures.....	313,006	4,034,985	447,168	76,030	110,378	348,486	- 18,181	156,882	2,897,303	151,483	47,148	36,628	220,975	879,038
Producers, orchestras, and entertainers.....	149,964	1,492,465	107,881	9,527	17,547	90,769	327,117	95,470	1,215,930	50,256	7,122	12,022	72,626	495,033
Billiard and pool establishments.....	2,886	69,331	3,127	1,683	*312	*1,671	22,958	2,120	67,887	2,938	*1,654	*312	*1,640	25,199
Bowling alleys.....	1,536	110,326	7,349	4,287	5,702	12,591	10,138	1,301	90,675	4,324	2,665	*3,167	*7,767	16,158
Professional sports clubs and promoters.....	1,437	102,125	5,468	3,938	*3,314	18,202	- 2,869	713	84,803	2,716	*3,093	*1,732	*10,333	19,483
Racing, including track operation.....	63,502	727,085	162,945	11,674	25,401	48,396	- 433,875	10,214	289,781	22,908	3,770	2,198	10,464	62,597
Other amusement and recreation services.....	93,681	1,533,653	160,397	44,921	58,101	176,857	58,350	47,064	1,148,226	68,341	28,843	17,197	118,145	260,568
Medical and health services.....	416,177	23,240,527	758,750	403,939	365,059	3,313,997	10,360,312	370,237	22,428,427	697,460	377,542	317,345	3,114,255	10,551,446
Offices of physicians.....	150,877	9,949,187	185,100	144,414	96,521	1,144,718	5,337,208	153,234	9,717,453	264,810	139,087	83,864	1,112,756	5,418,593
Offices of dentists.....	82,265	7,055,754	250,772	135,346	139,105	1,144,601	2,947,322	75,962	6,995,636	237,071	133,991	130,683	1,133,688	2,975,104
Offices of osteopathic physicians.....	2,421	283,772	7,611	5,155	*810	115,734	86,694	2,311	283,536	7,611	5,121	*810	115,734	86,694
Offices of chiropractors.....	19,210	977,123	50,058	16,234	31,835	91,446	398,671	17,450	942,846	48,491	15,506	31,534	87,138	405,644
Offices of optometrists.....	18,863	1,653,857	49,600	30,475	28,024	200,829	475,663	16,629	1,448,293	44,152	24,021	26,875	136,978	485,676
Registered and practical nurses.....	45,024	310,841	4,319	1,362	927	*2,041	236,840	43,107	305,079	3,939	1,168	*362	*6	239,448
Nursing and personal care facilities.....	12,915	882,331	39,613	40,363	43,995	305,932	64,932	9,879	691,080	29,056	30,111	27,231	234,831	87,837
Hospitals.....	*29	*46,916	*887	*1,923	*729	*19,741	*1,087	*28	*29,566	*309	*1,153	*268	*12,243	*1,358
Medical laboratories.....	1,691	60,762	3,921	1,350	*548	14,803	814	54,029	1,502	*1,339	*1,781	*1,502	*14,742	15,934
Dental laboratories.....	11,169	545,186	16,655	10,889	4,824	96,800	157,887	10,157	533,322	16,468	10,679	4,824	94,649	160,007
Other medical and health services.....	71,713	1,474,798	50,215	16,338	17,740	177,352	641,190	58,666	1,427,587	44,052	15,367	10,717	171,489	675,150
Legal services.....	175,718	6,605,098	190,743	96,005	62,266	736,833	3,183,895	147,081	6,373,420	160,114	88,816	50,946	691,626	3,282,156
Educational services.....	176,148	1,260,138	72,999	28,800	29,012	143,497	317,585	136,605	1,078,631	48,545	22,004	21,180	102,101	383,331
Engineering and architectural services.....	93,339	2,849,987	139,026	44,969	30,350	430,677	977,324	156,072	2,737,952	71,340	42,027	24,588	399,462	1,089,663
Accounting, auditing, and bookkeeping services.....	180,404	2,596,726	97,495	40,413	48,194	391,933	1,209,373	156,635	2,488,377					

DATA SOURCES AND LIMITATIONS

The partnership statistics are based on a sample of partnership returns, Forms 1065, processed by the Internal Revenue Service during 1981. The sample was stratified based on industry, gross receipts, net income or deficit, and total assets, and selected at rates that ranged from 0.18 percent to 100 percent. There were 45,770 returns in the sample drawn from a population of 1,467,132.

The sole proprietorship statistics are based on a sample of individual income tax returns, Forms 1040, processed during 1981. The sample was stratified based on the 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 percent to 100 percent. There were 82,021 returns (accounting for 95,809 businesses) in the sample, estimating a total population of 11,406,161 returns (and 12,701,597 businesses).

Because the statistics are estimates based on samples, they are subject to sampling error. The upper limits for the coefficient of variation shown below (for frequency estimates only) are intended as a general indication of the reliability of the data.

Figure E. -- Coefficient of Variation of Estimated Number of Businesses

Coefficient of Variation	Number of		
	Partnerships	Sole Proprietorships	
			All other industries
		Farming	
2.0%	1,370,000	6,179,300	1,611,300
5.0	220,000	988,700	257,800
10.0	55,000	247,200	64,500
20.0	14,000	61,800	16,100
30.0	6,100	27,500	7,200
50.0	2,200	9,900	2,600

Additional information about the Statistics of Income samples and on sampling as well as on nonsampling error may be found at the end of this report.

NOTES AND REFERENCES

- [1] Statistics of Income--1979-1980, Sole Proprietorship Returns. For more detailed statistics on partnerships for 1979, see Statistics of Income --1979, Partnership Returns.
- [2] See Wilson, Robert A., "Unincorporated Business Activity for 1979," SOI Bulletin, Vol. 1, No. 3, page 41.
- [3] Partnerships that were in business at any time during the year were required to file a return of income. Thus, the number of returns for 1980 include final returns of businesses that had liquidated during the year. Therefore, the increase in the total number of partnership returns for recession year 1980 may have included a disproportionate increase in the number indicating that the business had been liquidated by the close of its accounting period. The number of "final returns" for 1980 have not been tabulated.
- [4] A limited partnership is one formed by two or more persons having as members one or more general partners and one or more limited partners. A limited partner, by agreement, is not responsible for partnership indebtedness except to the extent of the partner's own investment contribution to the business.
- [5] For additional information about partnerships as tax shelters, see, for example, Tannenhauser, Robert and Carol, Tax Shelters - A Complete Guide, Crown Publishers, Inc., 1978; and Biel, Dennis H., and Stevenson, W.C., "Tax Shelters: A Primer for CPAs," Journal of Accountancy, June 1982.