

Foreign-Controlled Domestic Corporations, 1996

by James R. Hobbs

For Tax Year 1996, the 62,141 domestic corporations each “controlled” by a foreign “person” generated \$1.7 trillion of total receipts and reported \$3.0 trillion of total assets on income tax returns filed with the Internal Revenue Service. These corporations were few in number, just 1.3 percent of the U.S. total. However, they accounted for 10.7 percent of the receipts and 10.6 percent of the assets reported on all U.S. corporation income tax returns. They also accounted for 8.2 percent of the “taxable income” and 9.0 percent of the total income tax after credits reported on these returns.

The net income (less deficit) reported by foreign-controlled domestic corporations (FCDC’s) for tax purposes under the Internal Revenue Code was \$41.9 billion for 1996. This was a small increase over the \$38.5 billion reported for 1995 [1]. Placed in context, the net income (less deficit) reported on all corporation income tax returns increased somewhat faster, from \$714.2 billion for 1995 to \$806.5 billion for 1996 [2].

Of all the FCDC’s, 29,115 reported (positive) net income for 1996, totaling \$67.8 billion, a 5.4-percent increase over the \$64.3 billion reported for 1995. The profitable companies for 1996 also reported \$52.8 billion of taxable income after statutory special deductions (i.e., “income subject to tax” shown in the statistics), 22.4 percent more than for 1995. Total statutory special deductions actually decreased between the 2 years, although the net operating loss deduction component of that total increased slightly over the same time period. The U.S. tax liability (i.e., “total income tax after credits”) of FCDC’s was \$15.4 billion, 17.3 percent greater than that of the previous year.

For 1996, the 2,842 “largest” companies (i.e., those with at least \$250 million of assets, or with at least \$50 million of receipts, or with both) accounted for most of the key financial items of all FCDC’s: 93.3 percent of total assets, 91.2 percent of total receipts, 88.9 percent of taxable income, and 87.8 percent of total income tax after credits. After an overview of all FCDC’s, this article focuses on the largest foreign-controlled domestic companies and

compares them on industry and age bases to the largest domestic corporations not controlled by foreign persons. It also provides information on the foreign country distribution of the owners of the largest FCDC’s.

Direct Foreign Investment in the United States

Direct foreign investment in the United States can take several forms, including corporations, partnerships, and even joint ventures. Under these forms of direct investment, the foreign investor may have sufficient equity in the enterprise to control and participate in managing its operations [3]. With regard to corporations, a foreign investor can either gain control of an existing U.S. company, create a new company incorporated in the United States, or operate in the United States through a branch of a foreign corporation.

There are numerous factors involved in the decision of a foreign investor to operate in the United States through either a domestic or foreign corporation [4, 5]. For the foreign-controlled domestic corporations covered in this article, “control” is generally defined as ownership by any foreign person or entity (including an individual, corporation, partnership, estate, or trust), directly or indirectly, of 50 percent or more of a U.S. corporation’s voting stock (or the value of all of the corporation’s stock) at any time during the accounting period. (This is discussed in greater depth in the Data Sources and Limitations section. Also, a description of foreign persons and an explanation of the rules of ownership attribution are given in the Explanation of Selected Terms section.)

This article includes two basic tables showing balance sheet, income statement, and tax items, as well as various ratios. Table 1 includes information for all FCDC’s by selected industrial groupings and selected countries. Country information is based on the location of the owner’s country of residence, incorporation, organization, creation, or administration, as reported on tax returns filed with the Internal Revenue Service (IRS). Table 2 presents information on the “largest” FCDC’s, classified by selected industrial groupings and countries, and age of the companies. For comparison purposes, this table also contains data for the largest domestic corporations not controlled by foreign persons.

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Domestic corporations that are not foreign controlled can file Form 1120, *U.S. Corporation Income Tax Return*; Form 1120-A, *U.S. Corporation Short-Form Income Tax Return*; Form 1120-L, *U.S. Life Insurance Company Income Tax Return*; Form 1120-PC, *U.S. Property and Casualty Insurance Company Income Tax Return*; Form 1120-REIT, *U.S. Income Tax Return for Real Estate Investment Trusts*; and Form 1120-RIC, *U.S. Income Tax Return for Regulated Investment Companies*. FCDC's can also file tax returns on Forms 1120, 1120-L, 1120-PC, 1120-REIT, and 1120-RIC, but not on Form 1120-A. Because FCDC's cannot file Form 1120S, *U.S. Income Tax Return for an S Corporation*, and because S Corporations are mostly taxable income reporting, but not taxpaying, entities (in that income is taxed to the shareholders), these forms were excluded from the data for domestically-controlled corporations shown in the figures and tables of this article. Also, FCDC's cannot file Form 1120-F, *U.S. Income Tax Return of a Foreign Corporation*. Data for domesti-

cally-controlled corporations shown in this article do not include Form 1120-F, although data for all corporation returns do include this form (as well as Form 1120S) [6].

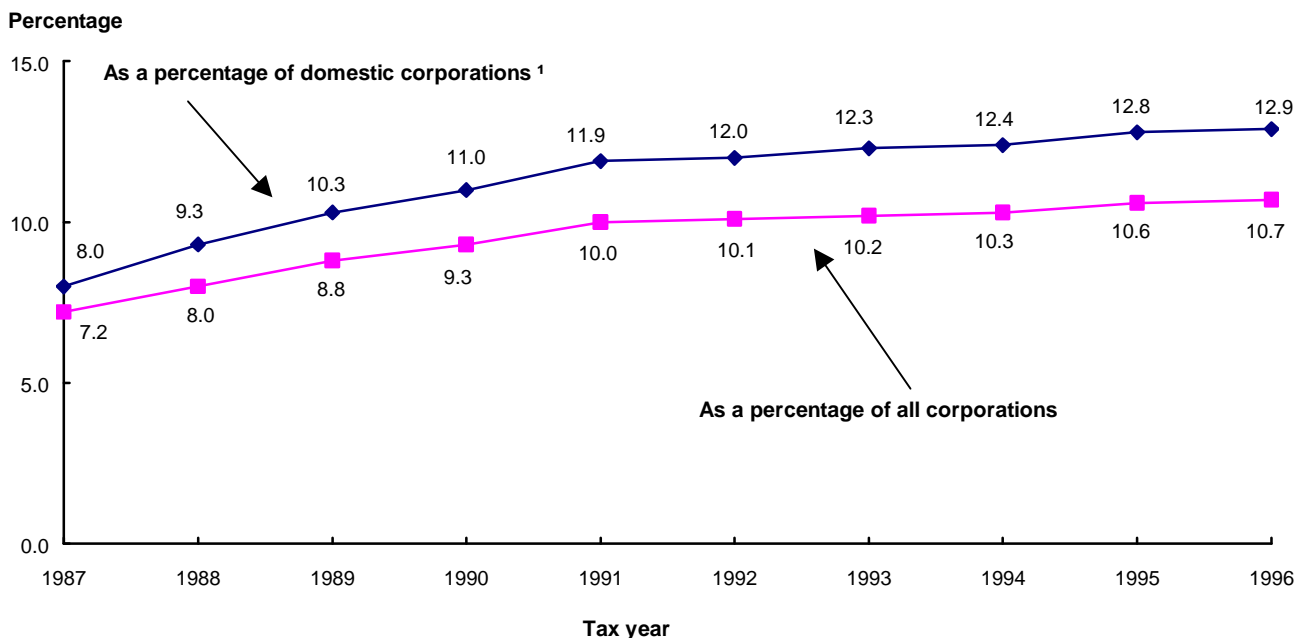
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Growth of Corporations

Direct foreign investment in the United States through foreign-controlled domestic corporations grew steadily and substantially during the 1987-1996 period [7]. Total receipts of FCDC's grew from \$0.7 trillion for 1987 to \$1.7 trillion for 1996, a 141.2-percent increase (using current dollars). In comparison, total receipts reported on all U.S. corporation income tax returns grew from \$9.6 trillion for 1987 to \$15.5 trillion for 1996, a 62.1-percent increase. As a result of the rapid growth rate of FCDC's, their share of the receipts reported on all corporate returns increased from 7.2 percent for 1987 to 10.7 percent for 1996 (see Figure A).

Figure A

Foreign-Controlled Domestic Corporations as a Percentage of Other Corporations, Based on Total Receipts, Tax Years 1987-1996

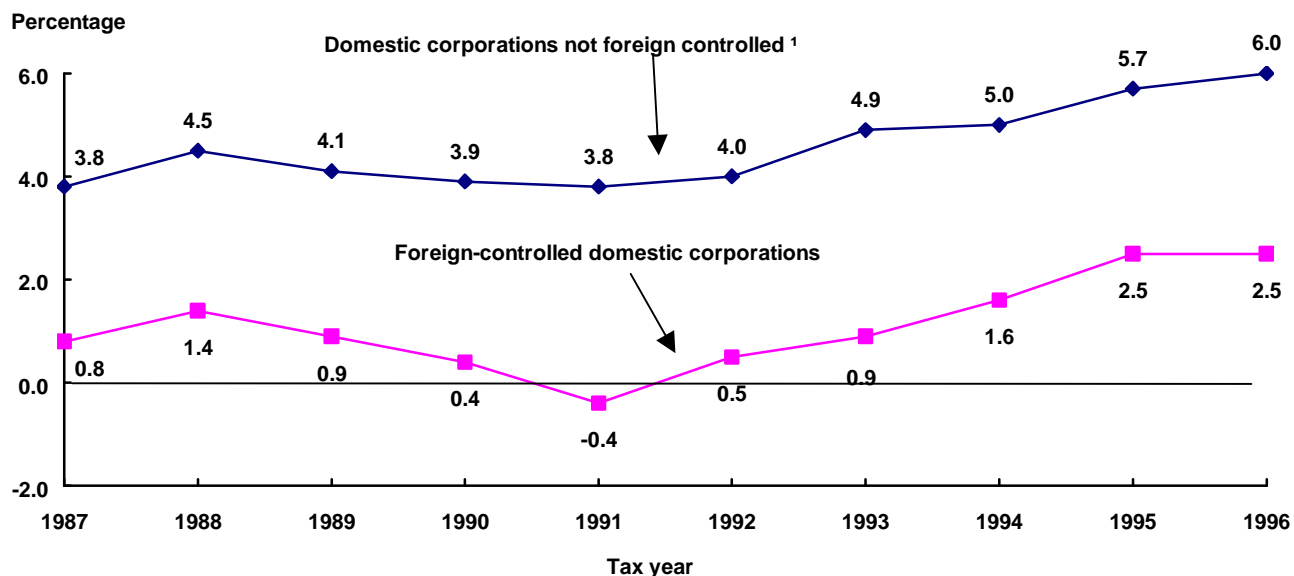


¹ Excludes Forms 1120S, U.S. Income Tax Return for an S Corporation.

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Figure B

Foreign-Controlled Domestic Corporations Compared to Other Domestic Corporations: Net Income (Less Deficit) as a Percentage of Total Receipts, Tax Years 1987-1996



¹ Excludes Forms 1120S, U. S. Income Tax Return for an S Corporation.

The growth of FCDC's can also be measured from the early 1970's, when a question concerning foreign ownership of companies was first placed on the corporation income tax return. For 1971, these companies reported \$39.2 billion of total receipts, just 2.1 percent of the \$1.9 trillion reported for all corporations.

Figure A also shows that FCDC total receipts as a percentage of the total receipts of domestic corporations increased from 8.0 percent for 1987 to 12.9 percent for 1996. While the receipts of FCDC's increased at a greater pace than those of domestic corporations not foreign-controlled during this 10-year period, the profit margin (as measured by the percentage of net income less deficit to total receipts) of FCDC's was consistently lower than that of the other domestic corporations (see Figure B).

Figure B shows the profit margins of foreign-controlled domestic corporations and other domestic corporations for Tax Years 1987 through 1996. The difference in the profit margins of the two groups of corporations increased slightly for 1996. Data from Forms 1120S are excluded from the figure. However, the figure does include data from Forms 1120-

REIT and 1120-RIC. Because of the special nature of real estate investment trusts (REIT's) and regulated investment companies (RIC's), some users of the data might wish to know the profit margins when these corporations are excluded from the calculations. (REIT's and RIC's are discussed in more detail in the "Largest Foreign-Controlled Domestic Corporations: Industry Characteristics section.) The 6.0-percent profit margin of domestic corporations not foreign-controlled is reduced to 4.9 percent when REIT's and RIC's are excluded from the data. However, REIT's and RIC's played a much smaller part for the foreign-controlled domestic corporations, and the 2.5-percent profit margin remains unchanged when these corporations are excluded from the FCDC data.

Figures A and B provide a general comparison of FCDC's to other domestic corporations. However, a more complete comparison requires that the analysis take into account characteristics other than just ownership status, such as the industrial activities, sizes, and ages within the two groups of corporations. Later in this article, this type of comparison is presented for the returns of the "largest" corporations.

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There were an estimated 62,141 returns of foreign-controlled domestic corporations for 1996, about a 3.3-percent increase over the 60,157 returns for 1995. (FCDC's, like most other corporations, could file consolidated returns for affiliated groups of domestic corporations. To the extent that they did, the data included in this article actually represent more companies than the stated number of returns.) Returns of FCDC's comprised a rather constant percentage of all U.S. corporation income tax returns, generally between 1.1 percent and 1.3 percent for each year between 1987 and 1996. This is in contrast to the level of receipts, as well as assets, reported by FCDC's over this period. The assets of domestic corporations controlled by foreign persons increased by 10.3 percent between 1995 and 1996, nearly the same as the increase of 10.1 percent for the assets reported on all U.S. corporation income tax returns [8]. The percentage of total corporate assets accounted for by FCDC's remained at 10.6 percent for 1996.

Industry Characteristics

In the preceding section, it was stated that FCDC receipts grew from 7.2 percent of all corporate receipts for 1987 to 10.7 percent for 1996. This growth can be viewed more specifically on an industrial basis. The four most significant industrial divisions (or groups) for FCDC's have been wholesale trade; manufacturing; finance, insurance, and real estate; and services. Using total receipts as the measure, the growth during the 1987-1996 period of FCDC's as a percentage of all corporations for these four groups was: for wholesale trade, 18.9 percent to 22.4 percent; for manufacturing, 8.5 percent to 14.9 percent; for finance, insurance, and real estate, 3.9 percent to 8.0 percent; and for services, 3.0 percent to 5.3 percent. Thus, FCDC's in all four groups show significant increases over this period.

For 1996, foreign-controlled domestic corporations were involved in every type of principal industrial activity, but, based on number of returns, 85.6 percent were concentrated in four industrial groupings: (1) finance, insurance, and real estate (18,884 returns); (2) wholesale trade (17,071 returns); (3) services (10,867 returns); and (4) manufacturing (6,349 returns). (In general, data are presented only for broad industrial classifications; with some exceptions, they do not focus on more specific industrial

subgroups underlying these broad classifications. The Data Sources and Limitations section discusses how returns were classified by industry.)

While the services industrial division comprised a substantial number of the total returns filed by FCDC's, these companies tended to have small amounts of receipts and assets when compared to companies in the other three groupings. For this reason, most of the remaining discussion on industry characteristics focuses on companies classified in finance, insurance, and real estate; wholesale trade; and manufacturing. However, selected financial data for the services industrial division, by country, are included in Table 1.

Based on assets, two industrial divisions dominated the total for 1996. Finance, insurance, and real estate, and manufacturing accounted for \$1.5 trillion and \$0.9 trillion of total assets, respectively, for a combined 79.1 percent of the \$3.0 trillion of assets for all FCDC's. These two divisions made up a similar portion of the total assets reported on returns of other corporations. In this respect, FCDC's closely mirrored other corporations.

Alternatively, on the basis of total receipts, manufacturing and wholesale trade continued to be the two primary industrial categories of FCDC's for 1996. Manufacturers reported \$0.7 trillion of receipts, while wholesalers reported \$0.5 trillion. These two groups accounted for 72.8 percent of the \$1.7 trillion of total receipts recorded for all FCDC's. This percentage was substantially higher than the comparable one (42.0 percent) for other corporations that filed U.S. corporation income tax returns.

Companies classified in different industries often have different financial characteristics. For instance, the comparative levels of total assets and total receipts of companies primarily engaged in wholesale trade activities differ significantly from those primarily engaged in finance, insurance, and real estate activities. FCDC wholesalers produced large amounts of receipts with relatively small amounts of assets (as of the end of their accounting periods), resulting in \$1.67 of receipts for each dollar of assets for 1996. Companies classified in finance, insurance, and real estate reported large amounts of assets, but relatively small amounts of receipts. These FCDC's produced only \$.13 of receipts for each dollar of assets. Other corporations in these two industrial categories had similar characteristics.

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While foreign-controlled domestic corporations accounted for about one-tenth of the \$15.5 trillion of total receipts reported by all corporations filing U.S. income tax returns for 1996, these companies played disproportionately larger roles in certain industrial groupings. For instance, FCDC's produced very substantial parts of the total receipts reported for mining (29.8 percent) and wholesale trade (22.4 percent). FCDC's also accounted for 14.9 percent of the receipts reported by all manufacturing companies. Conversely, FCDC involvement in the finance, insurance, and real estate; services; retail trade; transportation and public utilities; construction; and agriculture, forestry, and fishing industrial groupings was relatively low, accounting for only 8.0, 5.3, 3.6, 2.6, 2.1, and 1.9 percent, respectively, of the receipts for all companies classified in these categories.

While FCDC's accounted for 29.8 percent of the receipts for all mining companies for 1996, companies in this industrial division are not a major source of FCDC activity. Thus, they are not a major focus of this article. In comparison to the four industrial groupings shown in Table 1, mining accounted for only 2.0 percent of the total FCDC returns filed with IRS, 2.5 percent of the total FCDC receipts, and 3.3 percent of the total FCDC assets.

Statistics classified by industry do have certain limitations, which are discussed more thoroughly in the Data Sources and Limitations section, below. However, a brief point should be made here. FCDC's accounted for 14.9 percent and 22.4 percent of the receipts of all companies classified as manufacturers and wholesalers, respectively. However, these percentages may overstate the FCDC portion of wholesaling, and understate the FCDC portion of manufacturing. This is because certain U.S. companies (not foreign controlled) and their subsidiaries may have been involved in both manufacturing and wholesaling of products and reported tax information for these activities on a single (consolidated) income tax return, which was statistically classified under the one industry of its principal business activity, that being manufacturing, rather than trade. Conversely, many domestic companies controlled by foreign corporations acted as wholesalers in the United States for products manufactured overseas by their parent, or other related, companies. These domestic companies would have been classified in the wholesale trade industrial grouping.

Country Characteristics

Domestic corporations can be controlled by "persons" resident in any country throughout the world. However, for 1996, owners from eight countries controlled 54.0 percent of the 62,141 domestic corporations classified as 50-percent-or-more controlled by a foreign person. (Table 1 includes data for these eight countries.) The countries represent the geographic location of the direct foreign owner's place of residence in the case of individuals; and place of incorporation, organization, creation, or administration in the case of other persons. Because holding companies located in a country different from that of the ultimate owner may directly own the stock of U.S. affiliates, the country reported on the tax return may not necessarily reflect the country of the ultimate owner. No data on the extent of this potential limitation are available.

The 33,557 corporations controlled by persons from the eight countries shown in Table 1 accounted for the major portion of the most significant financial items for all FCDC's. These corporations reported 89.8 percent of FCDC total assets, 84.4 percent of total receipts, 85.6 percent of total taxable income, and 84.5 percent of total income tax after credits.

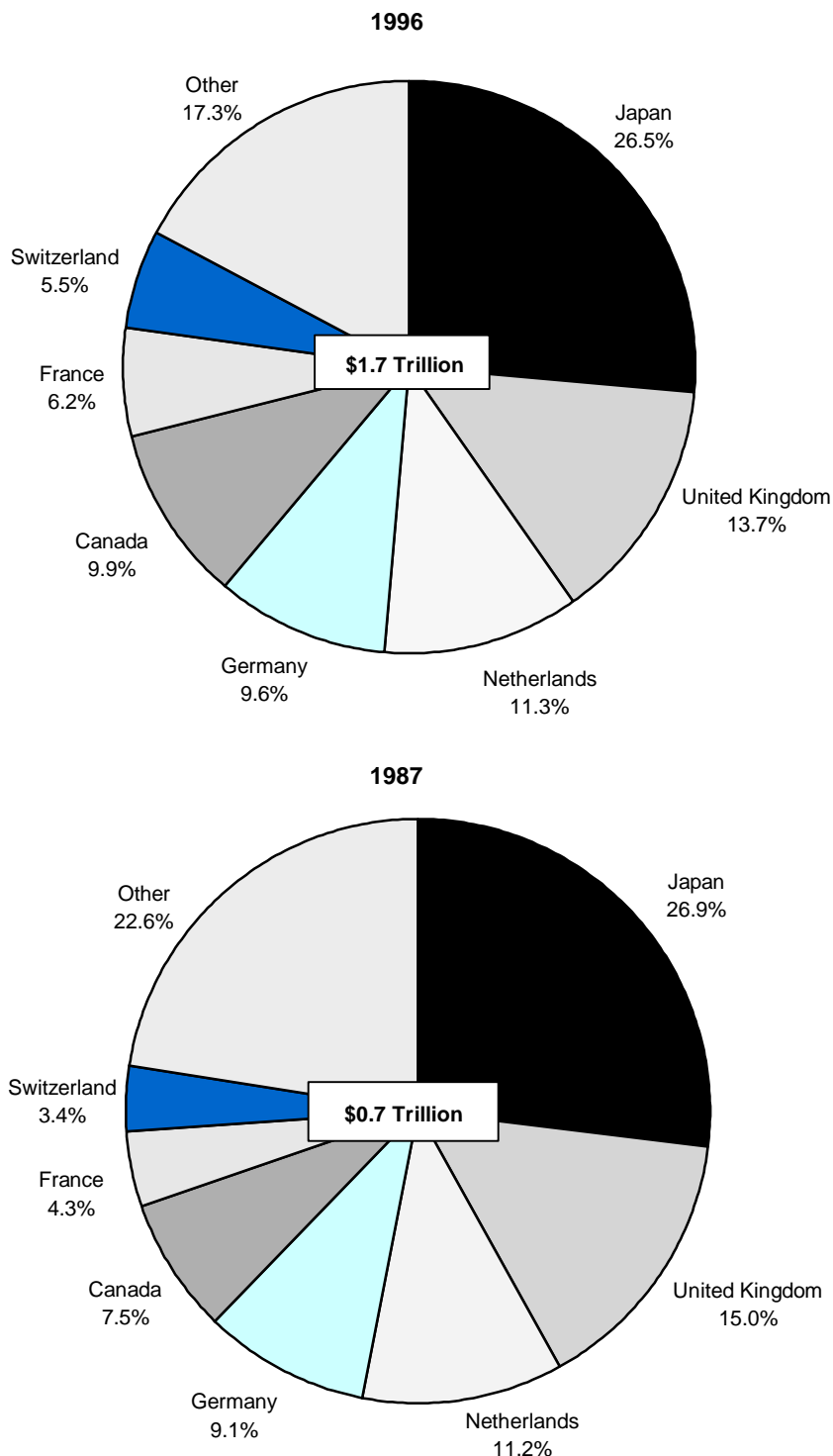
Domestic corporations controlled by Japanese persons reported assets of \$647 billion and total receipts of \$439 billion for 1996, amounts substantially larger than those for any other country. These assets and receipts represented 21.2 percent and 26.5 percent of the respective totals for all FCDC's. Companies controlled by Japanese persons also accounted for the largest amount of assets and receipts for each of the years in the 1987-1995 period (see Figure C). Companies classified in finance, insurance, and real estate accounted for \$365 billion, 56.5 percent, of the Japanese-controlled assets. Nearly \$252 billion, 57.3 percent, of the Japanese receipts were produced by wholesalers.

Although for 1996 Japanese-controlled domestic corporations accounted for the largest part of the assets and receipts reported for all FCDC's, they did not file the largest number of returns, and they did not report the largest amounts of U.S. taxable income and U.S. total income tax after credits. Canadian-controlled domestic corporations filed the most returns, 9,277; Japanese-controlled domestic corporations were second with 6,807; and United Kingdom-controlled domestic corporations were third

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Figure C

Foreign-Controlled Domestic Corporations: Total Receipts for Selected Countries of Foreign Owners, Tax Years 1987 and 1996



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with 5,942. The U.K.-controlled companies reported the largest amounts of U.S. taxable income and U.S. total income taxes after credits (\$11.5 billion and \$3.4 billion, respectively), with Japanese-controlled companies second (\$9.5 billion and \$3.0 billion), and Netherlands-controlled companies third (\$6.3 billion and \$2.0 billion).

Domestic corporations controlled by persons in the United Kingdom accounted for the second largest amount (\$227 billion) of FCDC receipts for 1996, as well as the second largest amount for the 1987-1995 period as a whole. These receipts represented 13.7 percent of the 1996 receipts for all FCDC's. Most of the U.K. receipts, totaling \$130 billion, were reported by manufacturers.

For 1996, Japanese-controlled domestic corporations reported a combined net income (less deficit) of \$4.5 billion on \$439.1 billion of receipts, while U.K.-controlled companies reported net income (less deficit) totaling \$11.3 billion on \$226.8 billion of receipts. There are many factors that may have caused the difference in the percentages of net income (less deficit) divided by receipts (1.0 percent versus 5.0 percent, respectively; see column 54 of Table 1) for these two countries. It is noteworthy to look at the reported profits (i.e., net income amounts exceeded deficit amounts) and losses (i.e., deficit amounts exceeded net income amounts) on a country/industry basis.

In the manufacturing industrial division, the percentages were both positive, although the U.K. ratio of 5.2 percent was considerably higher than the Japanese ratio of 2.6 percent. Japanese-controlled manufacturing corporations reported profits of \$3.4 billion on \$127.7 billion of receipts, while U.K.-controlled companies reported profits of \$6.7 billion on \$129.6 billion of receipts. While the receipts of these two groups of companies were similar, the profits resulting from those receipts were not equal.

There was an even larger difference between the two countries in the case of companies classified within the finance, insurance, and real estate group. Japanese-controlled corporations reported profits of \$0.6 billion, or 2.0 percent of their \$31.6 billion of receipts, while U.K.-controlled companies reported profits of \$2.6 billion, 7.4 percent of their \$34.5 billion of receipts.

For the wholesale trade area, Japanese- and U.K.-controlled companies reported somewhat simi-

lar amounts of profits (\$0.7 billion and \$1.1 billion, respectively). However, these profits were produced from very different levels of receipts, \$251.6 billion for Japan, but less than one-tenth of that amount, \$24.4 billion, for the United Kingdom. Thus, net income (less deficit) as a percentage of total receipts was just 0.3 percent for companies with Japanese owners as compared to 4.6 percent for those companies with owners from the United Kingdom.

Receipts, Deductions, and Profits

A domestic corporation, whether controlled by a foreign person or not, could have business activities in foreign countries, as well as in the United States. The estimates shown in this article include business activities in the United States, as well as certain foreign activities as reported on tax returns of domestic corporations. Whether from domestic or foreign sources, income includes receipts from sales and operations, as well as investment income. However, foreign-source income is reported differently, depending on whether it is earned through a branch or through a foreign subsidiary of a domestic corporation. "Total receipts" shown in this article include the receipts of foreign branch operations of U.S. companies. Also included in these receipts are dividends remitted to U.S. corporations by their foreign subsidiaries. However, for the statistics, two items of constructive taxable income from related foreign corporations (i.e., includable income from Controlled Foreign Corporations and foreign dividend "gross-up") are not included in "total receipts," nor are they included in the statistics for "total receipts less total deductions." These two items are, however, reflected in the data for "net income (less deficit)" [9]. (See the Explanation of Selected Terms section.)

The receipts and deductions shown in this article for foreign-controlled domestic corporations do not include amounts generated by their foreign parent companies. However, FCDC's could have had business transactions with their foreign parent companies (as well as with other related foreign persons), and FCDC receipts and deductions stemming from these transactions are included in the statistics [10].

An FCDC that transacts business with a related foreign (or domestic) person must determine "transfer prices" for those transactions. These transactions may affect either the income or the deductions of the

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FCDC, such as the sale and purchase of tangible goods, fees for services, interest payments on debts, leasing expenses, and royalties. How transfer prices are determined may affect the amount of net income or deficit reported on the U.S. income tax return of an FCDC. Section 482 of the Internal Revenue Code, and the related regulations, provide guidance in determining transfer prices. In general, the objective is to use “arm’s length prices.”

Approximately 90 percent of the \$1.7 trillion of total receipts reported by domestic corporations controlled by a foreign person consisted of “business receipts” (i.e., receipts from sales and operations). These same companies reported \$1.6 trillion of total deductions. Cost of goods sold was 66 percent of that total.

It is noteworthy to look at the “gross profit” of FCDC’s. Gross profit is the difference between business receipts and cost of goods sold. The manufacturing and wholesale trade industrial groupings accounted for most of the reported amounts of business receipts and cost of goods sold, but manufacturers show substantially higher gross profits than do wholesalers. As shown in column 47 of Table 1, for every dollar of business receipts, manufacturers reported \$.71 of cost of goods sold. By comparison, wholesalers reported \$.83 of cost of goods sold for each dollar of business receipts.

Total receipts less total deductions for FCDC’s equaled \$39.9 billion for 1996. This is somewhat different from the \$41.9 billion of net income (less deficit) reported by these companies. Total receipts less total deductions include all of the income “actually” (as opposed to “constructively”) received by corporations and reported on tax returns. Unlike net income (less deficit), total receipts less total deductions include nontaxable interest on State and local Government obligations and exclude the two items of constructive taxable income from related foreign corporations previously mentioned. For 1996, FCDC’s received \$0.7 billion of tax-exempt interest on State and local Government obligations and reported \$2.7 billion of constructive taxable income.

The previous paragraph discussed the difference,

For 1996, FCDC profits increased by 9.0 percent, while profits of other corporations rose by 12.9 percent.

for statistical purposes, between “total receipts less total deductions” and net income (less deficit). It is also important to make a distinction between (positive) net income and taxable income (i.e., “income subject to tax” shown in the statistics). Because certain statutory special deductions, including the “net operating loss” deduction, were available to most companies in computing their taxable income, the statistics for net income are generally larger than the amounts shown for taxable income. For 1996, FCDC’s reported \$67.8 billion of net income and \$52.8 billion of taxable income, the difference in these amounts approximating the \$15.2 billion of statutory special deductions.

Net income (less deficit) for foreign-controlled domestic corporations was \$41.9 billion for 1996, up from the \$38.5 billion for 1995. Net income (less deficit) reported on all corporation income tax returns also increased between 1995 and 1996, from \$714.2 billion to \$806.5 billion. Thus, while the profits of FCDC’s rose 9.0 percent, the profits of all corporations increased by 12.9 percent.

The performance of FCDC’s in three of the four principal industrial groups shown in Table 1 improved for 1996. The finance, insurance, and real estate group reported a significant increase in net income (less deficit), \$11.4 billion for 1996 compared to \$4.0 billion for the previous year. The performance of wholesalers also increased substantially, net income (less deficit) rising to \$4.4 billion from \$2.9 billion for the previous year. Likewise, the services group improved its performance by eliminating the overall net loss (deficits in excess of net income) of \$0.2 billion for 1995 and replacing it with an overall net income amount of \$1.0 billion for 1996. However, companies whose principal business activity was in manufacturing reported \$22.5 billion of net income (less deficit), a significant drop from the \$29.3 billion reported for 1995. This decrease was due in part to the decrease in dividends received by these companies.

The \$41.9 billion of net income (less deficit) was the result of 29,115 corporations reporting \$67.8 billion of (positive) net income and 33,026 companies reporting \$25.9 billion of deficits [11]. Thus, nearly one out of every two (46.9 percent) domestic corporations with foreign owners reported a (positive) net income for 1996. In comparison, 56.0

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percent of all other corporations filing U.S. income tax returns for the same year reported a (positive) net income. The percentage of FCDC's reporting net income for 1996 was higher than the range of percentages for the previous 10 years, which was generally between 39 percent and 44 percent.

The percentage of companies reporting (positive) net income varied among the different industrial groups. Over half of the FCDC's classified in manufacturing (58.7 percent) and services (52.1 percent) reported net income for 1996, while nearly one-half did in wholesale trade (48.1 percent). However, only 41.2 percent of the finance, insurance, and real estate companies reported net income. This industrial group is composed of a diverse group of corporations, and the percentage of corporations reporting positive amounts of net income demonstrates this diversity. Within this group, 88.9 percent of the regulated investment companies and real estate investment trusts reported amounts of net income. Banks and other credit agencies also had a high percentage (73.5 percent), followed by security and commodity brokers and services (57.7 percent) and insurance companies and agents (46.9 percent). However, only 37.7 percent of the 13,990 real estate companies reported net income for 1996.

Conversely, more than one of every two FCDC's reported a deficit for 1996. Collectively, these companies show \$25.9 billion in deficits, nearly the same amount as that reported for the previous year. Deficits could be carried back or forward to other tax years, under prescribed rules, to reduce the taxable income of those years (see "net operating loss deduction" in the Explanation of Selected Terms section). When a company "carried back" a deficit to a previous tax year, it could file either Form 1120X, *Amended U.S. Corporation Income Tax Return*, or Form 1139, *Corporation Application for Tentative Refund*. Data from these forms are not included in the statistics. Net operating losses "carried forward" to Tax Year 1996 from prior years are included in the statistics and further discussed in the next section.

Taxes

For 1996, foreign-controlled domestic corporations reported \$52.8 billion of "income subject to tax" (or taxable income, i.e., for purposes of the statistics, the base on which the "regular" income tax was computed), resulting in \$18.3 billion of "regular" income

tax. The \$19.0 billion of total income tax before credits reported by FCDC's consisted of the regular income tax plus the alternative minimum tax, the environmental tax, the Personal Holding Company tax, and the tax from the recapture of investment credits. The alternative minimum tax was \$0.7 billion for 1996. The remaining taxes comprised a very small part of the total, each accounting for less than \$5 million.

The difference between the \$67.8 billion of (positive) net income and \$52.8 billion of income subject to tax was, for the most part, the result of statutory special deductions. These deductions were allowed for most corporations in computing their taxable income and include the deduction for "net operating losses" (NOL's) from prior years. For 1996, the net operating loss deduction was \$13.2 billion and accounted for over 87 percent of the \$15.2 billion of total statutory special deductions. (See the Explanation of Selected Terms section for a discussion of the net operating loss deduction.) FCDC's reduced their 1996 net income by nearly 20 percent using NOL's carried over from prior years. (NOL's carried back to Tax Year 1996 from 1997 and beyond are not included in the statistics shown in this article.)

Tax credits totaling \$3.5 billion reduced the U.S. income tax liability of foreign-controlled domestic corporations to \$15.4 billion for 1996. The largest credits claimed were \$2.3 billion of foreign tax credits, \$0.6 billion of prior-year minimum tax credits, \$0.4 billion of general business credits, and \$0.2 billion of U.S. possessions tax credits. Other credits included the orphan drug credit and the nonconventional source fuel credit. The \$15.4 billion of total U.S. income tax after credits represent the tax liability as originally reported by taxpayers. However, it does not include any changes made by taxpayers through amended returns or by IRS as a result of examination or enforcement activities.

The percentage of FCDC's reporting tax liabilities (i.e., total income tax after credits) for 1996 was 33.6 percent, up slightly from the 33.2 percent reported for the previous year. The percentages of FCDC's that had U.S. income tax liabilities varied considerably among countries, as well as among different industrial groups. For 1996, of the eight countries shown in Table 1, the United Kingdom had the lowest percentage of companies with U.S. in-

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come tax liabilities (25.1 percent), while Australia had the highest percentage (62.4). Among the four industrial groupings shown in the same table, the finance, insurance, and real estate group had the lowest percentage (23.5), while manufacturing had the highest percentage (52.3).

The "Largest" Foreign-Controlled Domestic Corporations

The "largest" companies accounted for the majority of the key FCDC financial items. For purposes of this article, the largest companies were those with at least \$250 million of total assets, or \$50 million of business receipts, or both. (Within the finance, insurance, and real estate industrial division, total receipts were used in place of business receipts for selecting the largest companies. Total receipts include both business receipts (i.e., gross receipts from sales and operations) plus investment income.) Both size of assets and size of receipts were used to select the largest companies in order to obtain maximum coverage of three primary industrial groupings: manufacturing; wholesale trade; and finance, insurance, and real estate [12]. These three groups accounted for most of the large companies. However, some of the largest companies were classified in other industries. The services group was not separately covered for this large-company analysis because only 7.4 percent of the largest FCDC's were classified in this group.

As previously discussed, certain industries have different characteristics from other industries. For instance, companies classified in wholesale trade generally report large amounts of receipts compared to their end-of-year assets. By comparison, corporations classified in finance, insurance, and real estate generally report large amounts of assets compared to their receipts. If either assets or receipts were used exclusively to select the largest companies, then the largest companies in one of these industrial divisions would have been undercovered in comparison to the other division. Table 2 shows data for the largest FCDC's by selected industrial groups. This table also contains data for the largest domestic corporations that were not foreign owned (i.e., that were owned by domestic persons, or in which ownership by each separate foreign person was less than 50 percent). For reasons previously discussed, data for domestic

corporations that filed Forms 1120S are excluded from the table.

Data shown in Table 2 are the focus of this section of the article, which covers the largest FCDC's in comparison to other large domestic corporations. In addition to presenting data by selected industrial groups, Table 2 also presents data by selected countries of the foreign owners of the domestic corporations, and by age of both the FCDC's and the other domestic corporations. Regarding the age of corporations, two categories are used: "new" and "old." Each company included in the study was placed into one of these categories based on the year of incorporation reported on the income tax return. Certain limitations of the data presented by age of the corporations are discussed below.

For 1996, the largest companies reported 93.3 percent of the total assets, 91.2 percent of the total receipts, 88.9 percent of the taxable income, and 87.8 percent of the total income tax after credits, of all the FCDC's. While accounting for most of these key financial items, these 2,842 companies comprised just 4.6 percent of the number of income tax returns filed by FCDC's.

For 1996, the largest FCDC's reported profits of \$43.0 billion, while smaller FCDC's reported losses of \$1.1 billion.

Table 2 shows that there were 15,921 large domestic corporations that did not have controlling foreign owners for 1996. These large companies accounted for only 0.7 percent of the total number of

income tax returns filed by domestic corporations without foreign owners (excluding Forms 1120S), an even smaller percentage than that of the FCDC's. However, like the largest FCDC's, these large companies comprised the majority of the key financial items of this group of returns: 90.6 percent of total assets, 76.8 percent of total receipts, 88.7 percent of taxable income, and 87.8 percent of total income tax after credits.

The largest companies generally report greater profits than do the smaller companies. For 1996, the largest FCDC's reported a combined profit of \$43.0 billion, while the smaller FCDC's reported a combined loss of \$1.1 billion. Later in this article, the profitability of the largest FCDC's is compared to

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that of the largest domestically-controlled corporations. This comparison includes industry and age characteristics of the corporations. It also includes country characteristics for the FCDC's.

Industry Characteristics

The industrial classification of the largest companies is somewhat different as between domestic corporations that are foreign-controlled and those that are not. For 1996, 33.6 percent of the largest domestic companies without foreign owners were classified in the finance, insurance, and real estate division. For the largest FCDC's, though, this division accounted for only 13.5 percent. Conversely, the largest FCDC's were more commonly classified in manufacturing (39.6 percent versus 23.8 percent) and wholesale trade (28.3 percent versus 12.4 percent), compared to the largest domestic companies that were not foreign-controlled.

Table 2 presents selected items and percentages for the largest domestic corporations, both foreign- and domestically-controlled. In comparing the percentages between the two groups of returns, this article focuses on each of the three industrial groupings shown in the table, rather than on the data for all industries. By doing so, the effect of different financial characteristics in different industries becomes more evident.

In each of the three industrial groupings shown in Table 2, the percentage of returns reporting (positive) net income was less for the largest FCDC's than for the domestically-controlled large companies. The smallest differences were for manufacturers (73.3 percent versus 79.4 percent) and wholesalers (75.3 percent versus 83.1 percent). (See column 40 of the table.) The largest difference was in finance, insurance, and real estate, with 86.3 percent of the domestically-controlled companies reporting net income, compared to 67.5 percent of the FCDC's. This group contained a wide variation of business activities and corresponding profits and losses. For instance, 92.1 percent of domestically-controlled banks and credit agencies reported (positive) net income, compared to 79.1 percent of their FCDC counterparts. In contrast, 65.6 percent of domestically-controlled real estate companies reported (positive) net income, compared to 43.1 percent of their FCDC counterparts.

Another key ratio is net income (less deficit) to

total receipts (column 54 of Table 2). Once again, for each of the three industrial groupings shown in this table, domestically-controlled companies had significantly higher percentages than did their foreign-controlled counterparts. The differences were: (1) for finance, insurance, and real estate, 14.1 percent for domestically-controlled companies, compared to 7.0 percent for FCDC's; (2) for manufacturing, 7.1 percent versus 3.2 percent; and (3) for wholesale trade, 1.9 percent versus 1.0 percent.

Because the finance, insurance, and real estate industrial sector includes a diverse group of business activities and corporations, this article will now take a closer look at the difference in the ratios of net income (less deficit) to total receipts for domestically-controlled companies (14.1 percent) versus FCDC's (7.0 percent). The finance, insurance, and real estate sector includes two types of corporations which are taxed under special provisions of the Internal Revenue Code: regulated investment companies (RIC's) and real estate investment trusts (REIT's). RIC's are typically mutual funds, while REIT's invest in real estate and mortgages. In general, companies electing to qualify under either of these provisions must meet certain requirements, including those related to distributions of income to shareholders. Such income is then taxed at the shareholder level. Thus, the tax liability of RIC's and REIT's is typically low, as shown in column 6 of Figure D. RIC's and REIT's played a much larger role for domestically-controlled corporations than for FCDC's. Looking at ratios of net income (less deficit) to total receipts for each of the other four industries shown in Figure D, FCDC's had lower levels of profitability than did the other domestic corporations. In particular, FCDC's classified in real estate reported a *negative* 5.3 percent as compared to a *positive* 7.1 percent for other domestic corporations.

A third method of comparing the profitability of the largest FCDC's to other large domestic corporations focuses on retained earnings. Column 12 of Table 2 shows the total of unappropriated and appropriated retained earnings of the corporations. The amounts were reported in the end-of-year balance sheets of the corporations' books of account. They represent earnings and profits of the corporations retained from normal and discontinued operations of previous years, as well as from "extraordinary" gains

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Figure D

"Large" Domestic Corporations in the Finance, Insurance, and Real Estate Industrial Group: Selected Items, by Selected Industries and Control Status, Tax Year 1996

[Money amounts are in millions of dollars]

Industry and control status	Number of returns	Total assets	Total receipts	Net income (less deficit)	Income subject to tax	Total income tax after credits	Net income (less deficit) divided by total receipts (percentage)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Finance, insurance, and real estate: ¹							
Domestic corporations not foreign controlled ²	5,345	14,278,738	1,855,354	261,811	133,797	40,260	14.1
Foreign-controlled domestic corporations.....	385	1,389,723	179,368	12,464	12,568	3,514	6.9
Banking and credit agencies:							
Domestic corporations not foreign controlled ²	1,579	6,613,871	615,411	69,400	68,954	20,693	11.3
Foreign-controlled domestic corporations.....	115	356,300	31,228	2,811	2,469	763	9.0
Security, commodity brokers and services:							
Domestic corporations not foreign controlled ²	133	867,921	98,402	11,007	10,827	3,179	11.2
Foreign-controlled domestic corporations.....	58	491,256	35,433	3,023	3,142	528	8.5
Insurance, including agents, brokers, and services:							
Domestic corporations not foreign controlled ²	820	3,067,786	937,721	51,384	48,266	14,756	5.5
Foreign-controlled domestic corporations.....	87	437,027	96,534	4,588	4,199	1,393	4.8
Real estate:							
Domestic corporations not foreign controlled ²	131	30,189	17,253	1,219	1,236	405	7.1
Foreign-controlled domestic corporations.....	58	35,721	7,471	-394	313	82	-5.3
Regulated investment companies and real estate investment trusts:							
Domestic corporations not foreign controlled ²	2,561	3,603,567	173,620	124,340	--	65	71.6
Foreign-controlled domestic corporations.....	8	6,884	647	171	--	1	26.4

¹ Includes other industries not separately shown in this figure.

² Excludes Forms 1120S, U.S. Income Tax Return for an S Corporation.

NOTE: "Large" corporations were those with total assets of \$250,000,000 or more, and/or with total receipts of \$50,000,000 or more (for the finance, insurance, and real estate industrial group).

and losses, and from prior period adjustments. The amounts are also after reductions for dividends and distributions made to stockholders. For 1996, the largest FCDC's reported \$9.3 billion of *negative* retained earnings, while other large domestic corporations reported \$2,304.0 billion of *positive* retained earnings. It should be noted that retained earnings are components of net worth and thus affect the ratio of net income (less deficit) to net worth, which is shown in column 53 of Table 2.

The differences in the ratios between domestically-controlled large companies and their foreign-controlled counterparts for taxable income (i.e., "income subject to tax") compared to total receipts

were also generally substantial. However, in the finance, insurance, and real estate group, the differences narrowed. The difference in net income (less deficit) as a percentage of total receipts for this group was 14.1 percent for domestically-controlled companies compared to 7.0 percent for FCDC's. In calculating the taxable income as a percentage of the total receipts reported by these companies, the difference narrowed to 7.2 percent for domestically-controlled companies versus 7.0 percent for FCDC's. This "narrowing" effect reflects, to some extent, the relatively large amount of statutory special deductions claimed by domestically-controlled large companies classified in finance, insurance, and real

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estate. In fact, for domestically-controlled companies, this industrial group claimed statutory special deductions equaling \$136.7 billion (of the \$167.5 billion total for all industries). For FCDC's, the same industrial group claimed only \$2.9 billion of the \$12.2 billion of statutory special deductions.

Table 2 also includes the ratio of total income tax after credits to total receipts (column 61). The total income tax after credits reported by both domestically-controlled companies (\$134.5 billion) and by FCDC's (\$13.5 billion) represents the tax liability of these companies as reported on their originally-filed U.S. income tax returns. However, it does not take into account either of the following changes: (1) amended returns filed by the corporations, or (2) adjustments made by IRS as a result of examination or enforcement activities. Among other reasons, corporations could file amended returns to use carryback provisions for net operating losses and unused foreign tax and general business credits.

In using total income tax after credits as a percentage of total receipts, it should also be noted that a small portion of total income tax after credits (for example, the tax recapture of prior-year investment credits) does not relate to the current-year total receipts reported by corporations. However, this is not considered to be a major limitation in using the percentage because the regular income tax and the alternative minimum tax represented 99 percent or more of the total income tax for both domestically-controlled companies and FCDC's [13].

In each of the three industrial groupings shown in Table 2, the percentage of total income tax after credits divided by total receipts is higher for domestically-controlled corporations than it is for FCDC's. The finance, insurance, and real estate group shows the highest percentages for both domestically-controlled corporations (2.2 percent) and for FCDC's (2.0 percent). The differences in these percentages are more significant between the largest domestically-controlled corporations and the largest FCDC's in the other two industrial groups. The differences are: (1) for manufacturing, 1.4 percent versus 1.0 percent; and (2) for wholesale trade, 0.7 percent versus 0.4 percent. These percentages appear to be more similar (comparing large FCDC's to large domestically-controlled corporations) than those using net income (less deficit) that were previously

discussed in this section. However, the differences remain significant. For example, the largest domestically-controlled wholesale corporations reported 51.1 percent more taxes after credits than did the largest FCDC's classified in that industrial sector, when based on the same level of receipts.

Tax credits is one factor that caused the percentages of total income tax after credits divided by total receipts for FCDC's and for domestically-controlled corporations to become more similar to each other. Domestically-controlled corporations claimed relatively more tax credits than did FCDC's. For 1996, large FCDC's claimed \$3.4 billion of credits, equaling 20.2 percent of their income tax liabilities before credits. Other large domestic corporations claimed \$48.3 billion of credits during the same time period, equalling 26.4 percent of their income tax liabilities before credits. Domestically-controlled manufacturing companies that claimed \$28.3 billion of foreign tax credits accounted for most of the total credits.

The differences in financial characteristics of different industries once again become evident when reviewing the percentages shown in Table 2. For instance, when the percentage of net income (less deficit) divided by total receipts (column 54) is used, the finance, insurance, and real estate group has a substantially higher percentage (7.0 percent for the largest FCDC's) than does the wholesale trade group (1.0 percent). However, when total assets are used as the denominator in place of total receipts (column 52), the difference is reversed (the largest FCDC's in finance, insurance, and real estate have a 0.9 percent and those in wholesale trade have a 1.7 percent). Because the distribution of industrial activities based on principal businesses is not the same for the largest FCDC's as it is for domestically-controlled companies, this, again, illustrates the importance of comparing domestically-controlled companies to FCDC's on an industrial basis.

Age Characteristics

Table 2 presents data for both the largest FCDC's and other large domestic corporations by the age of the corporations. "New" corporations are those with years of incorporation of 1994 and after reported on their income tax returns [14]. "Old" corporations are those incorporated in 1993 and before, or with unknown (i.e., unreported) dates of incorporation.

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The year of incorporation may be somewhat unreliable as an indicator of the true age of corporations. For example, a consolidated return may include companies that fall into both the new and old categories. However, the return (including all of the financial information contained in it) was classified into just one of the categories based on the year of incorporation of the parent company. Another limitation is the case of a reorganization of an old corporation and, as a result, it becoming a new corporation and reporting a recent year of incorporation. Here, a new corporation is not necessarily the same as a new business. A third limitation is that the year of incorporation is difficult to verify during statistical processing because there are no other items to which it can be compared on a tax return form, and recourse to other sources is not always practical. Thus, it is subject to greater levels of taxpayer reporting and data entry errors. Despite these limitations, it is believed that an analysis of the data by age of the corporations is meaningful. Further, there is no known bias in the accuracy of the year of incorporation between FCDC's and other domestic corporations.

Looking at the age characteristics of both the largest FCDC's and other large domestic corporations provides some additional information on the attributes of FCDC's. First, for 1996, most of the largest corporations were old corporations. For the FCDC's, 2,591 of the 2,842 largest corporations were old corporations (91.2 percent). The other large domestic corporations were very similar to FCDC's in this respect, with 91.5 percent classified as old corporations (i.e., 14,570 out of 15,921).

In most cases, new FCDC's reported lower profits than did their older counterparts. Startup costs of new businesses may be one reason for the lower profits. Looking at net income (less deficit) as a percentage of total receipts, new FCDC's had a ratio of essentially zero for 1996, while old FCDC's had a ratio of 3.1. This type of significant difference occurred in both manufacturing (1.0 percent for new FCDC's versus 3.3 percent for old FCDC's) and wholesale trade (negative 0.7 percent versus positive 1.4 percent). However, it did not occur in finance, insurance, and real estate. For this industrial sector, new FCDC's had a higher percentage than the older FCDC's (8.2 percent versus 6.9 percent). The age

difference in profitability performance of other large domestic corporations was similar to FCDC's. For them, the profit ratio of new companies (5.5 percent) was also less than that for the older companies (7.6 percent). (See column 54 of Table 2.) In addition to comparing FCDC's to other domestic corporations on the bases of industry and size, this article uses the same age groupings for the comparisons.

There are six unique industry and age combinations of the largest corporations shown in Figure E by which FCDC's can be compared to other domestic corporations. In all six of these, the profit ratios of net income (less deficit) to total receipts were substantially lower for FCDC's than they were for other domestic corporations.

In manufacturing, new FCDC's had a profit ratio of 1.1 percent, compared to 4.4 percent for other new domestic corporations. Within this same industrial group, the ratio for old FCDC's was 3.3 percent and that for other old domestic corporations was 7.3 percent.

For wholesalers, the older corporations had profit ratios of 1.4 percent (FCDC's) and 2.0 percent (other domestic corporations). The new large FCDC's in this industrial group reported a combined negative amount of net income (less deficit) equaling -0.7 percent of their total receipts, while their domestically-controlled counterparts reported a positive percentage equaling 0.6.

In the finance, insurance, and real estate group, new corporations had ratios of net income (less deficit) to total receipts of 8.2 percent (FCDC's) and 18.7 percent (other domestic corporations). The older corporations had ratios of 6.9 percent (FCDC's) and 14.0 percent (other domestic corporations). Due to the diverse business activities of this group, as previously mentioned, further profitability analysis by age within the specific industries might identify additional variations not apparent from the industrial division (or group) totals. However, this is beyond the scope of this article. In the next section of this article, country detail of the large FCDC's is examined.

Country Characteristics

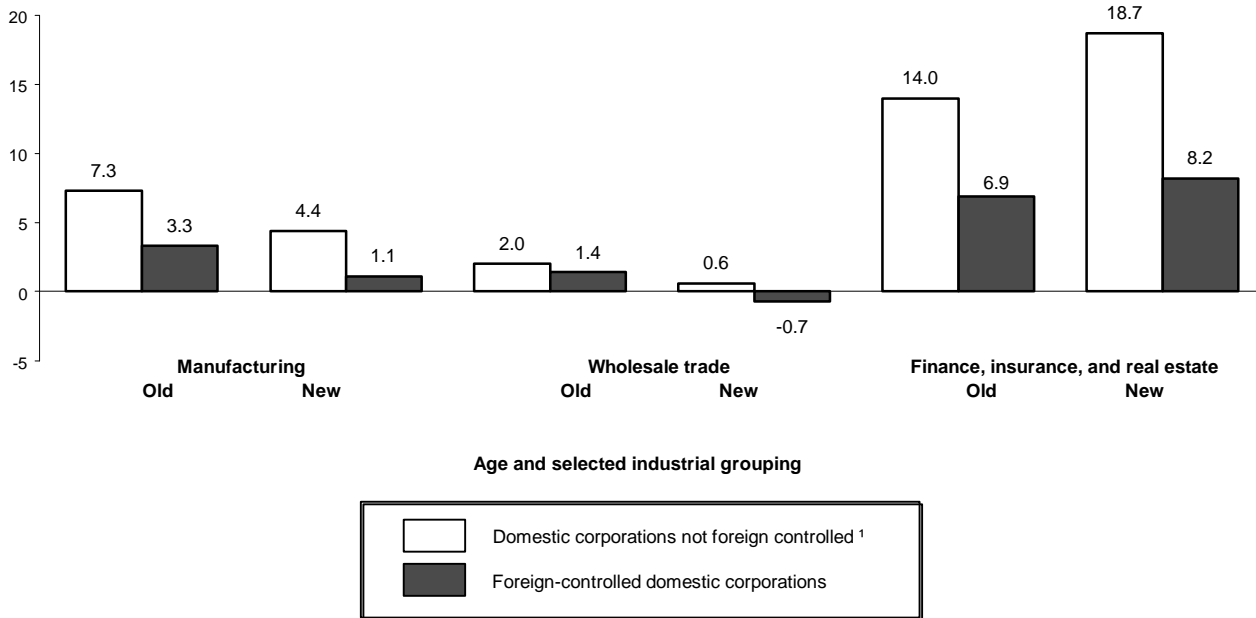
Within each industrial grouping in Table 2, there are seven countries shown for the FCDC's. The country information is based on the location of the owner's

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Figure E

Profitability of "Large" Domestic Corporations, by Control Status, Age of Corporations, and Selected Industrial Groupings, Tax Year 1996

Net income (less deficit) as a percentage of total receipts



¹ Excludes Forms 1120S, U.S. Income Tax Return for an S Corporation.

NOTES: "Large" corporations were those with total assets of \$250,000,000 or more, and/or with business receipts of \$50,000,000 or more (total receipts were used in lieu of business receipts for the finance, insurance, and real estate division). "New" corporations were those with dates of incorporation between 1994 and 1997; "old" corporations were those with dates of incorporation prior to 1994.

country of residence, incorporation, organization, creation, or administration, as reported on the U.S. income tax returns of the foreign-controlled domestic corporations. (See the Data Sources and Limitations section of this article for a brief discussion of the possible limitations of the data classified on a country basis.) The seven countries selected for the table were based on the largest aggregated amounts of total receipts for all industries. FCDC's controlled by persons from these seven countries accounted for 74.1 percent of the number of returns, 87.6 percent of the assets, and 84.4 percent of the total receipts of the 2,842 largest FCDC's.

More specifically, Japanese owners controlled 693 of the 2,842 largest FCDC's, which was the largest single portion (24.4 percent). These corporations accounted for 20.9 percent of the assets and 26.9 percent of the receipts of all large FCDC's. Three-fourths of these corporations were either

manufacturers or wholesalers.

United Kingdom owners controlled the second highest number of the largest FCDC's, 335, or 11.8 percent of the total. Following the United Kingdom, Canada shows 308; Germany, 229; the Netherlands, 222; France, 172; and, Switzerland, 147.

FCDC's with U.K. owners also had the second largest total assets and total receipts of all the largest FCDC's. These 335 corporations accounted for 18.2 percent of the assets and 14.1 percent of the receipts of all the largest FCDC's.

Within a given industrial and age grouping, domestic corporations controlled by owners in different foreign countries had different levels of profitability. Sometimes the differences were comparatively small, such as for old FCDC's classified as manufacturers. The ratios of net income (less deficit) to total receipts for the seven countries ranged from a low of 2.62 percent for Canada to a high of

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5.26 percent for the United Kingdom. As Table 2 indicates, in other cases, the differences among countries were much larger.

Summary

Direct foreign investment and activity in the United States through FCDC's continued to grow for 1996. While total receipts reported on all U.S. corporation income tax returns increased by 6.8 percent over the previous year, receipts of domestic corporations controlled by foreign persons increased more rapidly at 7.8 percent. As a result, the share of total corporate receipts accounted for by FCDC's increased slightly to 10.7 percent.

Two industrial groupings (manufacturing and wholesale trade) generated nearly three-fourths of the total receipts of all FCDC's. From a country perspective, domestic corporations controlled by persons in Japan reported total receipts of \$439 billion, 26.5 percent of the FCDC total. In addition, the United Kingdom, the Netherlands, Canada, and Germany accounted for 13.7, 11.3, 9.9, and 9.6 percent, respectively, of the total.

The collective net income (less deficit) reported by foreign-controlled domestic corporations increased to \$41.9 billion, compared to \$38.5 billion for 1995. Total income tax after credits moved in the same direction as profits, increasing from \$13.2 billion for 1995 to \$15.4 billion for 1996.

Of the 62,141 foreign-controlled domestic corporations, the 2,842 "largest" companies accounted for about 90 percent of the total amounts of key financial items (e.g., total assets, total receipts, taxable income, and total income tax after credits). In comparing these large companies to large domestically-controlled companies on industry and age bases, generally, the ratios related to profitability, e.g., net income (less deficit) compared to total receipts, were substantially smaller for the FCDC's. While this article has been able to compare the profits of FCDC's to other domestic corporations on the same bases of size, industry, and age, additional research is needed to explain the remaining differences in the profitability of the two groups of companies with different owners [15].

Explanation of Selected Terms

The following are brief explanations of some of the terms used in this article. For more extensive

definitions, see *Statistics of Income—1996, Corporation Income Tax Returns*.

Alternative Minimum Tax.—This tax was designed to ensure that a taxpayer with substantial economic income would not avoid significant tax liability through a legitimate use of exclusions, deductions, and credits. It is included in the statistics shown for both total income tax before (and after) credits.

Attribution Rules.—In regard to domestic corporations that are 50 percent or more owned by one foreign "person," these rules provide that an individual shall be considered as owning the stock of a corporation if it is owned, directly or indirectly, by or for his or her family. The family of an individual includes his or her spouse, brothers and sisters, ancestors, and lineal descendants. For more information on these rules, see section 267(c) of the Internal Revenue Code. However, if a corporation is owned by two or more unrelated persons, neither of which owned 50 percent or more of the corporation, then that corporation was excluded from the FCDC statistics even though, together, these persons may have met the 50-percent-or-more ownership criterion. See also, Foreign Person, defined below.

Business Receipts.—These receipts were, in general, the gross operating receipts of the corporation reduced by the cost of returned goods and allowances. Some corporations reported sales and excise taxes as part of their gross receipts from sales (and deducted these taxes as part of "cost of goods sold" or as "taxes paid"); others reported their receipts after adjustment for these taxes. Business receipts include rents reported as the principal business income by real estate operators and certain manufacturing, public utility, trade, and service corporations. In the finance, insurance, and real estate industries, business receipts include such banking items as fees, commissions, trust department earnings, and service charges. Interest, the principal operating income of banking and savings institutions, was excluded from business receipts, but included in the separate statistics for "interest received." Also in the finance, insurance, and real estate division, premium income of most insurance companies was included in business receipts.

Cost of Goods Sold.—This item generally consisted of the direct costs incurred by corporations in producing goods or providing services. Included

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were costs of materials used in manufacturing; costs of goods purchased for resale; direct labor; and certain overhead expenses, such as rent, utilities, supplies, maintenance, and repairs. For statistical processing purposes, however, certain items (such as advertising, amortization, bad debts, compensation of officers, depletion, depreciation, interest paid, sales and excise taxes, and contributions to charitable organizations, employee benefit programs, and pension plans) reported by taxpayers in cost of goods sold schedules were transferred to their respective and separate deduction categories.

Foreign Person.—A foreign person (or entity) is defined as a person other than a U.S. person. A U.S. person includes: (1) a citizen or resident of the United States, (2) a domestic partnership, (3) a domestic corporation, and (4) any estate or trust (other than a foreign estate or trust). Section 7701 of the Internal Revenue Code further defines the term, U.S. person.

Income Subject to Tax.—For most corporations, income subject to tax, i.e., taxable income, was defined by Internal Revenue Code section 63 and consisted of (positive) net income minus certain statutory special deductions. There were special provisions in the Code for determining the taxable income of life insurance companies, regulated investment companies, and real estate investment trusts. On Form 1120, this item was reported on page 1, line 30.

Net Income (or Deficit).—This is the difference between taxable receipts and the ordinary and necessary business deductions allowed by the Internal Revenue Code. In this article, for a group of returns, this item is referred to as either “profits” (i.e., net income exceeds deficits) or “losses” (deficits exceed net income). It reflects not only actual receipts, but “constructive” receipts as well (i.e., includable income from Controlled Foreign Corporations and the foreign dividend “gross-up”). Tax-exempt interest on State and local Government obligations is excluded from this item, but is included in “total receipts.” Because certain statutory special deductions, including the net operating loss deduction, were allowed most corporations in computing their “taxable income” (or “income subject to tax”), the statistics for (positive) net income are generally larger than the amounts shown for (U.S.) “income subject to tax” (i.e., the base on which the regular income tax

was computed). See also the discussion of the Net Operating Loss Deduction, shown below. On Form 1120, this item was reported on page 1, line 28.

Net Operating Loss Deduction (NOLD).—A statutory “net operating loss” (NOL) for a given tax year could be carried back, in general, 3 years to reduce the taxable income of those years, and any amount of the NOL not offset against income during that time could be carried forward and offset against income for a period not exceeding 15 years. The amount of the deduction included in the statistics, however, consists only of losses from prior years carried forward and actually used to reduce taxable income for the current (1996) tax year. Losses incurred after the 1996 Tax Year and carried back to that year at a later date could not be reported on the tax returns used for this article. Net operating losses on which the 1996 deduction was based include: (1) the excess of ordinary and necessary business expenses over income for previous loss years, and (2) statutory special deductions claimed for a loss year for dividends received and for dividends paid on certain preferred stock of public utilities (or any excess of such deductions over net income).

Net Worth.—This item represented the stockholders’ equity in the corporation, i.e., total assets less the claims of creditors. It is the net result of adding capital stock, paid-in or capital surplus, appropriated retained earnings, and unappropriated retained earnings, and then subtracting the cost of treasury stock. Treasury stock is common or preferred stock originally issued by the corporation which has been reacquired and held at the end of the accounting period by the issuing corporation.

Number of Returns.—The data contained in this article are based on the number of returns filed for Tax Year 1996. For expedient reasons, the number of returns is sometimes referred to in this article as the number of corporations. However, the actual number of corporations may be larger than the number of returns because most domestic corporations could elect to file consolidated income tax returns. These returns were filed by common parent corporations and contained combined financial data of two or more affiliated domestic corporations meeting certain stock ownership requirements. Each consolidated return was treated for statistical purposes as a single unit. The number of returns shown in this article represents returns of “active” corporations,

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i.e., those which reported any income or deduction items. While any corporation in existence during any portion of the taxable year was required to file an income tax return (even though it may have been inactive, not having any income or deductions), the great majority of returns filed with the Internal Revenue Service were for active corporations.

Statutory Special Deductions.—This item was the sum of: (1) deductions for net operating losses of prior years, (2) intercorporate dividends received deductions, (3) deductions for dividends paid on certain preferred stock of public utilities, (4) deductions for dividends paid by regulated investment companies and real estate investment trusts, and (5) Internal Revenue Code section 857(b)(2)(E) deductions reported by real estate investment trusts. Since these deductions were allowed by law in addition to ordinary and necessary business deductions, they are shown in the statistics as deductions from net income. In general, (positive) net income less statutory special deductions equals income subject to tax.

Total Assets.—This item represented those assets reported in the end-of-year balance sheets of the corporations' books of account. Total assets were net amounts after reduction by accumulated depreciation, accumulated amortization, accumulated depletion, and the allowance for bad debts.

Total Income Tax After Credits.—For 1996, total income tax was primarily comprised of the regular tax imposed on corporate income subject to tax (96.5 percent of the total tax) and the alternative minimum tax (3.5 percent). A small number of corporation income tax returns without net income reported amounts of regular tax. The regular tax, in these cases, resulted from special provisions of the Internal Revenue Code applicable to life insurance operations. Additionally, some taxes included in total income tax were not imposed directly on a corporation's income subject to tax, such as the recapture tax on investment credits. Thus, a small number of corporations without net income and regular tax reported such taxes on their income tax returns. These taxes were included in the statistics for total income tax. Also included in total income tax were the taxes on undistributed net capital gains of regulated investment companies. For 1996, the credits used to reduce the total income tax of FCDC's primarily included the foreign tax credit (63.4 percent of the total credits), the prior-year

minimum tax credit (18.2 percent), the general business credit (12.6 percent), and the U.S. possessions tax credit (4.6 percent). The statistics shown for this item may differ somewhat from the actual income tax collected and the final income tax liability of corporations for Tax Year 1996. Adjustments could be made to income tax returns after they were filed, which could affect the final tax liability. Such adjustments are not reflected in the statistics. Adjustments could result from tax examination and enforcement activities by IRS, or the use of carryback provisions for net operating losses and unused foreign tax and general business credits by taxpayers.

Total Receipts.—This item includes all of the income actually (as opposed to constructively) received by a corporation and reported on its income tax return. It includes gross taxable receipts, before the deduction of cost of goods sold and ordinary and necessary business expenses. It also includes tax-exempt interest received on State and local Government obligations. A domestic corporation (i.e., one incorporated in the United States), whether controlled by a foreign person or not, could have business activities in a foreign country, as well as in the United States. Thus, total receipts may include those from foreign branch operations of the U.S. company. Also, the total receipts of a domestic corporation conducting business abroad through foreign subsidiaries may include dividends remitted from those subsidiaries. This term, however, excludes certain taxable income from related foreign corporations that is only constructively received by the domestic corporation. Also, the statistics for this term exclude long-term capital gains of regulated investment companies.

Total Receipts Less Total Deductions.—This item differs from the "net income (less deficit)" shown in the statistics in that it includes nontaxable interest received on State and local Government obligations, and excludes constructive taxable income from related foreign corporations.

Data Sources and Limitations

Sample

The statistics for domestic corporations controlled by a foreign person are based on samples of corporation income tax returns filed primarily on Form 1120 (*U.S. Corporation Income Tax Return*). In addition,

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the 1996 statistics include data from the small numbers of other domestic corporation income tax returns filed on Forms 1120L (*U.S. Life Insurance Company Income Tax Return*), 1120-RIC (*U.S. Income Tax Return for Regulated Investment Companies*), 1120-REIT (*U.S. Income Tax Return for Real Estate Investment Trusts*), and 1120-PC (*U.S. Property and Casualty Insurance Company Income Tax Return*). As previously mentioned, FCDC's could not file Forms 1120S.

Form 1120 sampled returns were stratified based on the size of total assets and the size of "proceeds" (which was used as a measure of income and was the larger of the absolute value of net income or deficit or the absolute value of "cash flow," i.e., net income plus depreciation and depletion). Forms 1120L, 1120-RIC, 1120-REIT, and 1120-PC were sampled based solely on the size of total assets.

For 1996, the sampling rates for Forms 1120 alone (the overwhelming majority of the returns included in the sample) ranged from less than 1 percent to 100 percent. In general, Form 1120 returns with assets of \$50 million or more, or with "proceeds" of \$10 million or more, were selected for the Statistics of Income study at the 100-percent rate. For additional information on the sampling rates, see *Statistics of Income—1996, Corporation Income Tax Returns*.

Because the data presented are estimates based on samples, they are subject to sampling error. To

properly use these data, the magnitude of the sampling error should be known. Coefficients of variation (CV's) are used to measure that magnitude. Figure F shows CV's for selected financial data of selected industrial groups. For a general discussion of CV's, see the Appendix located near the back of this issue of the *Statistics of Income Bulletin*.

Nonsampling Limitations

Most of the data in this article relate to Tax Year 1996, defined to cover returns with accounting periods that ended during the 12-month span beginning in July 1996 and ending in June 1997. The sampling frame for the 1996 statistics consisted, in general, of tax returns with these accounting periods which posted to the IRS Business Master File between July 1996 and June 1998. As a result of the 12-month span for ending accounting periods, the statistics shown in this article include income received or expenses incurred during a 23-month span. For Tax Year 1996, that span was from August 1995 through June 1997. Nevertheless, most of the income and expense data are, in fact, associated with Calendar Year 1996.

Returns were selected for this study based on taxpayers' responses to two questions that appeared on the various types of Form 1120. The first question asked whether any "foreign person" owned, directly or indirectly, 25 percent or more of the filing corporation's voting stock at any time during the tax

Figure F

Foreign-Controlled Domestic Corporations: Coefficients of Variation for Selected Items, by Selected Industrial Groupings, Tax Year 1996

Selected items	All industries	Manufacturing	Wholesale trade	Finance, insurance, and real estate	Services
	Coefficients of variation (percentages)				
	(1)	(2)	(3)	(4)	(5)
Number of returns.....	4.37	10.12	8.51	6.93	12.42
Total assets.....	0.07	0.12	0.40	0.08	0.52
Total receipts.....	0.29	0.26	0.78	0.39	1.93
Net income.....	0.32	0.39	1.25	0.52	2.06
Deficit.....	0.90	1.24	2.53	1.74	3.31
Income subject to tax.....	0.34	0.41	1.44	0.45	2.65
Total income tax after credits.....	0.38	0.45	1.47	0.52	3.01

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year. If this question was answered “yes,” then a second question asked for the percentage owned [16]. If the first question was answered “yes,” and the second question was answered with a percentage between 50 and 100, then the return was included in the FCDC statistics [17, 18]. Taxpayers sometimes incorrectly answered these questions, or did not answer them at all [19]. However, prior to tabulation, corporations with large amounts of assets or receipts, and with changes in foreign ownership status between 1995 and 1996, were researched, and the answers to the questions were verified. These large corporations had a dominating effect on the estimates for balance sheet, income statement, and tax items.

Each return used for the statistics had an industry code reported, or was assigned one during administrative or statistical processing. This code was used as a classifier of the returns. The industry code represented the principal business activity (i.e., the activity which accounted for the largest portion of the total receipts) of the corporation filing the return. However, a given return may have been for a company engaged in several business activities or may have been a consolidated return filed for an affiliated group of corporations that conducted different business activities. To the extent that some consolidated (and non-consolidated) corporations were engaged in many types of business activities, the data in this article are not entirely related to the industrial activity under which they are shown.

There is an additional limitation related to data presented by industrial classification. Companies that sell similar products may not be classified in the same industry. For instance, those FCDC's that were primarily U.S. distributors of products made in foreign countries by their parent or other related companies were classified as wholesalers. However, other domestic corporations that were also distributors and that were included in consolidated returns covering the manufacture and distribution of similar products may have been classified as manufacturers.

Each return used for the statistics also had a foreign country code assigned during statistical processing which identified the owner's country. For individuals, it was the owner's country of residence. For all others, it was the country in which the foreign entity was incorporated, organized, created, or administered. The code was also used as a classifier of

the returns. To the extent that a holding company or other affiliated entity was part of a chain between a U.S. subsidiary company and the ultimate parent, the data may not be entirely related to the foreign country under which they are shown.

Notes and References

- [1] For 1995 data covering FCDC's, see Hobbs, James R., “Foreign-Controlled Domestic Corporations, 1995,” *Statistics of Income Bulletin*, Fall 1998, Volume 18, Number 2. In addition, FCDC data for Tax Years 1991-1995 are included on the IRS Internet site at: http://www.irs.ustreas.gov/prod/tax_stats.
- [2] Total corporate data come from: (1) *Statistics of Income Bulletin*, Spring 1999, Volume 18, Number 4; (2) *Statistics of Income—Corporation Income Tax Returns*, selected years; and (3) *Source Book of Statistics of Income—Corporation Income Tax Returns*, selected years.
- [3] Direct investment is different from portfolio investment in that the latter exerts no control over the management of the enterprise, except to the extent, for example, of rights to vote periodically in stockholder meetings of the corporation. The portfolio investor has a minimal interest in a company, and is primarily seeking dividend payments, an increase in the value of the shares of stock, or both.
- [4] Sections 7701(a)(4) and (5) of the Internal Revenue Code define a domestic corporation as one created or organized in the United States or under the laws of the United States or any State. A foreign corporation is “one which is not domestic.”
- [5] There are separate tabulations covering branch operations of foreign corporations with income “effectively connected” with a U.S. trade or business in *Statistics of Income—1996, Corporation Income Tax Returns*.
- [6] As a result of the Statistics of Income (SOI) sampling process, data shown in this article for “all corporations” exclude certain out-of-scope returns, such as returns for homeowners' associations (Form 1120-H) and certain politi-

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cal organizations (Form 1120-POL). For a more complete listing of the returns excluded from the SOI corporation sample, see the Description of the Sample and Limitations of the Data section of *Statistics of Income—1996, Corporation Income Tax Returns*. Regarding historical data contained in this article, “all corporation” returns included returns of Foreign Sales Corporations (Form 1120-FSC) and Interest-Charge Domestic International Sales Corporations (Form 1120-IC-DISC) through Tax Year 1987. Beginning with Tax Year 1988, these returns were excluded from the SOI corporate programs. Because these returns accounted for such a small portion of the total for most financial items, this change is not considered to be significant in terms of year-to-year comparisons.

- [7] For additional information on foreign investment in the United States, see *Survey of Current Business* reports, produced by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA). BEA periodically produces several data sets related to this subject, including: (a) “Foreign Direct Investment in the United States: New Investment in 1998,” June 1999; (b) “The International Investment Position of the United States at Yearend 1998,” July 1999; and (c) “Foreign Direct Investment in the United States: Preliminary Results From the 1997 Benchmark Survey,” August 1999. In addition to the printed versions of these reports, electronic versions can be obtained from the Internet at: <http://www.bea.doc.gov>. The data in these reports may not be directly comparable to the information shown in this article because of definitional differences such as those relating to time periods covered and levels of foreign ownership.
- [8] The 10.3-percent increase between 1995 and 1996 in the assets of domestic corporations controlled by foreign persons, as well as the 10.1-percent increase for all corporations, may overstate the actual “growth in investment.” Assets are generally reported at book value on tax returns (i.e., at the value at the time of

acquisition). The book value of newly-acquired assets is generally greater than the book value of similar assets they replaced. Therefore, new corporations may tend to have a greater percentage of new assets with greater book values. To the extent that new corporations comprised a different portion of FCDC’s than they did for other companies, the comparability of 10.3 percent to 10.1 percent (above) may be limited.

- [9] In general, the computation of net income (less deficit) can be shown as follows:

Begin With: Total Receipts
(Includes Business Receipts)

Less: Total Deductions
(Includes Cost of Goods Sold)

Equals: Total Receipts Less Total Deductions

Plus: Constructive Taxable Income from
Related Foreign Corporations

Less: Tax-exempt Interest on State and Local
Government Obligations

Equals: Net Income (Less Deficit)

- [10] For the most recent detailed information on transactions between “foreign-owned domestic corporations” and their related foreign persons, see “Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 1996,” *Statistics of Income Bulletin*, Fall 1999, Volume 19, Number 2. Unfortunately, the data contained in that article are not completely comparable to the data contained in this article. For instance, the statistics contained in that article are for U.S. corporations that were owned (25 percent or more) by a foreign person. By contrast, the foreign ownership level used for the FCDC statistics shown in this article was 50 percent or more. Additionally, returns included in the “foreign-owned” study showed total receipts of \$500 million or more and reported transactions with related foreign persons on Form 5472, *Information Return of a 25 Percent Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business*. Neither of these conditions was a requirement for inclusion in the FCDC study.

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- [11] The 33,026 companies reporting a deficit may include a small number of “break-even” companies, i.e., those whose receipts and deductions were equal.
- [12] Most, if not all, of the largest FCDC’s and other domestic corporations were selected for this study at the 100-percent sampling rate. Therefore, sampling error is not considered to be a major concern for the large-corporation data. A complete discussion on sampling rates is presented in *Statistics of Income—1996, Corporation Income Tax Returns*.
- [13] One focus of this article is U.S. total income tax after credits. Total worldwide taxes may be approximated by adding the foreign tax credits claimed by corporations to the U.S. tax liabilities (i.e., total income tax after credits) of these corporations. Using this procedure, the foreign tax credit approximates the foreign tax liabilities of the corporations. Tables 1 and 2 show amounts of foreign tax credits in addition to U.S. total income tax after credits.
- [14] Dates of incorporation are reported, for example, on Form 1120, page 1, question C.
- [15] See Grubert, Harry, “Another Look at the Low Taxable Income of Foreign-Controlled Companies in the United States,” U.S. Department of the Treasury, Office of Tax Analysis, Paper 74, 1997, and “Tax Administration: Foreign- and U.S.-Controlled Corporations That Did Not Pay U.S. Income Taxes, 1989-95,” U.S. General Accounting Office, GAO/GGD-99-39, March 1999.
- [16] On Form 1120, Page 3, Schedule K, the actual questions were: “(10) Did one foreign person at any time during the tax year own, directly or indirectly, at least 25 percent of: (a) the total voting power of all classes of stock of the corporation entitled to vote, or (b) the total value of all classes of stock of the corporation?” and “(10a) If ‘Yes,’ enter percentage owned.” There was an additional question used for the country distribution of these statistics, which was: “(10b) If ‘Yes,’ enter owner’s country.”
- [17] Returns for this study may exclude certain domestic companies that are effectively controlled by foreign persons, such as public companies in which “control” may be exercised with as little as 10 percent to 20 percent of the stock holdings.
- [18] Statistics of Income also compiles data on domestic corporations with 25-percent to 49-percent foreign ownership. If a company was classified as an FCDC based on 50-percent or more foreign stock ownership, then it was not included in the 25-percent to 49-percent foreign ownership category, even if it had an unrelated foreign owner with 25-percent to 49-percent stock ownership. For 1996, there were only 3,565 returns that indicated a level of foreign ownership between 25 percent and 49 percent. These companies reported \$163.2 billion of assets, \$85.7 billion of receipts, \$3.3 billion of taxable income, and \$0.9 billion of total income tax after credits. All of these amounts were small in comparison to data for the FCDC’s.
- [19] The FCDC statistics include data from returns in which the first question (see footnote 16) was answered “Yes,” and the second question covering percentage owned was not answered.

SOURCE: IRS, Statistics of Income Bulletin, Fall 1999, Publication 1136 (Rev. 12-99)

Foreign-Controlled Domestic Corporations, 1996

Table 1.--Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries

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

Selected industrial groupings and countries	Number of returns			Assets				Liabilities
	Total	With net income	With total income tax after credits	Total	Current	Noncurrent		Current
						Total	Loans to stockholders	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
All industries ¹	62,141	29,115	20,886	3,047,613	1,446,015	1,601,599	22,257	1,413,369
Australia.....	850	630	530	112,993	29,036	83,957	3,526	24,802
Canada.....	9,277	4,753	3,396	334,306	144,484	189,822	629	101,912
France.....	1,930	1,054	851	254,491	113,613	140,877	2,992	112,660
Germany.....	5,004	2,776	2,365	258,457	134,431	124,025	1,224	119,441
Japan.....	6,807	3,845	2,475	647,403	410,150	237,253	505	433,652
Netherlands.....	1,577	679	520	347,084	132,245	214,839	1,199	124,595
Switzerland.....	2,170	1,243	970	245,069	140,777	104,292	93	142,431
United Kingdom.....	5,942	1,980	1,489	537,523	192,605	344,918	8,720	213,549
Manufacturing ¹	6,349	3,725	3,323	931,135	312,088	619,047	2,606	271,286
Australia.....	30	23	22	18,658	4,501	14,158	--	3,949
Canada.....	960	796	700	130,004	49,526	80,478	187	28,807
France.....	243	159	121	55,873	16,440	39,433	134	20,655
Germany.....	739	567	536	91,083	30,558	60,526	170	23,467
Japan.....	1,063	633	585	99,403	45,602	53,801	25	40,387
Netherlands.....	155	99	103	160,807	44,020	116,787	39	45,347
Switzerland.....	362	220	190	70,563	27,232	43,330	27	23,710
United Kingdom.....	542	338	343	215,485	54,855	160,630	1,981	53,533
Wholesale trade ¹	17,071	8,213	6,157	285,001	170,115	114,886	616	160,039
Australia.....	*56	*14	*15	*2,161	*1,085	*1,077	--	*954
Canada.....	1,792	791	661	11,616	7,776	3,840	18	5,623
France.....	419	289	268	6,668	4,167	2,501	59	2,212
Germany.....	1,317	870	513	30,587	19,182	11,405	3	16,565
Japan.....	2,088	1,573	828	149,252	87,572	61,679	210	91,411
Netherlands.....	277	180	183	16,838	8,927	7,911	25	7,388
Switzerland.....	230	151	128	5,187	3,376	1,811	39	2,772
United Kingdom.....	1,639	588	430	23,188	8,677	14,511	113	6,247
Finance, insurance, and real estate ¹	18,884	7,771	4,430	1,479,192	850,499	628,693	17,243	892,895
Australia.....	108	71	22	20,683	11,104	9,578	3,488	14,204
Canada.....	3,756	1,923	1,169	158,156	75,471	82,685	190	61,322
France.....	239	110	69	176,125	85,143	90,982	2,798	84,874
Germany.....	1,139	456	456	111,541	73,709	37,832	36	72,568
Japan.....	2,135	772	540	365,496	263,117	102,379	212	290,473
Netherlands.....	366	119	87	131,149	67,225	63,924	1,089	60,653
Switzerland.....	551	181	69	162,208	107,086	55,121	25	113,504
United Kingdom.....	1,416	630	328	221,939	105,688	116,251	6,283	129,312
Services ¹	10,867	5,658	4,342	152,937	42,566	110,370	1,302	34,744
Australia.....	488	*411	*411	50,479	7,322	43,157	1	3,329
Canada.....	1,265	688	391	8,270	3,103	5,167	41	1,427
France.....	797	378	335	5,888	3,587	2,301	--	1,607
Germany.....	1,324	734	734	9,822	2,760	7,062	1,010	2,816
Japan.....	731	305	256	20,574	7,751	12,822	2	5,477
Netherlands.....	506	131	80	15,357	4,463	10,894	41	4,329
Switzerland.....	591	*356	*273	3,668	1,791	1,876	--	1,566
United Kingdom.....	1,147	258	237	24,626	6,862	17,764	195	9,339

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1996

Table 1.--Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries--Continued

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

Selected industrial groupings and countries	Liabilities--Continued		Net worth		Receipts		
	Noncurrent		Total	Retained earnings	Total	Business receipts	Interest ²
	Total	Loans from stockholders					
	(9)	(10)	(11)	(12)	(13)	(14)	(15)
All industries ¹.....	910,040	70,279	724,204	-84,000	1,656,366	1,486,200	98,681
Australia.....	39,409	2,042	48,782	-7,026	27,415	22,465	3,742
Canada.....	130,020	6,181	102,375	4,569	163,520	144,925	9,401
France.....	103,605	5,627	38,225	-12,511	103,420	88,601	7,719
Germany.....	69,927	3,984	69,089	2,841	158,606	144,060	7,837
Japan.....	115,975	11,253	97,776	-24,815	439,103	400,491	25,796
Netherlands.....	108,709	7,042	113,780	11,913	187,895	169,162	11,073
Switzerland.....	62,127	5,005	40,512	-47	91,545	76,839	8,870
United Kingdom.....	180,370	17,410	143,604	-21,687	226,751	199,089	16,415
Manufacturing ¹.....	282,302	25,557	377,547	-8,450	730,164	693,951	12,398
Australia.....	5,336	1,523	9,373	-3,536	10,542	9,937	324
Canada.....	33,825	1,815	67,372	10,259	83,241	78,045	1,310
France.....	16,445	2,477	18,773	-6,933	45,626	42,791	792
Germany.....	26,639	1,149	40,977	1,102	78,022	74,155	1,228
Japan.....	24,609	1,248	34,407	-1,198	127,688	124,334	1,057
Netherlands.....	30,583	3,570	84,876	17,523	105,586	100,750	2,291
Switzerland.....	28,668	1,945	18,184	-2,367	50,769	47,614	988
United Kingdom.....	85,268	9,002	76,684	-12,777	129,620	121,086	3,406
Wholesale trade ¹.....	71,343	7,991	53,618	-17,474	475,094	459,574	5,602
Australia.....	*498	*1	*709	*-36	*2,065	*2,026	*24
Canada.....	3,210	981	2,783	-2,682	26,070	25,532	157
France.....	1,887	637	2,568	-320	13,347	13,142	98
Germany.....	7,069	2,090	6,952	-1,772	38,453	36,310	949
Japan.....	33,140	792	24,701	-6,225	251,587	243,175	2,837
Netherlands.....	7,708	125	1,742	-1,132	25,874	25,221	169
Switzerland.....	943	127	1,472	274	9,721	9,593	33
United Kingdom.....	8,685	1,211	8,256	147	24,405	22,669	751
Finance, insurance, and real estate ¹.....	409,300	22,366	176,998	-12,050	191,977	93,928	72,696
Australia.....	2,785	80	3,694	-742	1,807	380	992
Canada.....	76,656	1,587	20,178	35	23,178	12,290	7,218
France.....	76,691	2,359	14,560	868	21,697	10,977	6,385
Germany.....	24,178	400	14,795	2,801	17,766	11,076	5,311
Japan.....	44,513	6,723	30,511	-12,383	31,649	7,040	21,072
Netherlands.....	53,404	2,051	17,092	1,860	23,161	12,610	7,613
Switzerland.....	29,234	2,511	19,470	2,805	22,795	11,738	7,799
United Kingdom.....	59,662	2,117	32,965	2,716	34,509	20,675	10,983
Services ¹.....	75,275	5,734	42,917	-26,043	79,863	68,511	4,906
Australia.....	28,806	36	18,344	-3,098	9,079	6,642	2,178
Canada.....	5,367	534	1,476	-1,934	5,537	5,096	146
France.....	4,670	58	-389	-5,635	4,355	3,891	142
Germany.....	4,083	132	2,923	806	8,133	7,041	157
Japan.....	9,291	1,785	5,806	-3,511	8,734	7,470	574
Netherlands.....	8,414	1,024	2,614	-5,323	10,563	8,577	602
Switzerland.....	1,484	108	617	-674	4,789	4,653	23
United Kingdom.....	7,246	1,083	8,041	-3,095	13,366	11,620	608

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1996

Table 1.--Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries--Continued

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

Selected industrial groupings and countries	Receipts--Continued				Deductions			
	Rents	Royalties	Dividends received from:		Total	Cost of goods sold	Compensation of officers	Salaries and wages
			Domestic corporations	Foreign corporations				
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
All industries ¹	8,071	8,217	1,618	3,480	1,616,498	1,073,946	9,963	101,580
Australia.....	321	172	8	17	26,285	15,683	172	1,352
Canada.....	923	1,978	318	136	160,356	99,021	843	11,401
France.....	1,627	583	361	358	99,670	63,686	626	6,689
Germany.....	413	453	229	439	154,597	98,913	1,382	12,248
Japan.....	2,011	968	151	223	434,760	323,984	2,125	15,166
Netherlands.....	747	1,183	92	234	181,888	123,944	891	9,324
Switzerland.....	240	536	76	922	87,735	43,894	667	11,239
United Kingdom.....	887	1,801	332	797	215,837	121,696	1,413	18,447
Manufacturing ¹	1,426	5,306	373	1,945	708,568	489,271	3,063	41,648
Australia.....	4	49	1	6	10,629	7,752	17	426
Canada.....	117	1,717	90	121	81,261	54,788	340	5,285
France.....	142	507	52	282	44,161	28,222	207	3,305
Germany.....	284	311	80	301	75,888	50,471	441	6,403
Japan.....	138	234	42	124	124,387	97,740	455	3,938
Netherlands.....	272	364	64	143	102,962	78,233	220	3,823
Switzerland.....	34	518	3	73	48,796	26,366	293	4,929
United Kingdom.....	317	1,300	31	643	123,219	73,779	559	8,103
Wholesale trade ¹	1,163	773	76	182	470,993	382,940	1,923	16,035
Australia.....	--	--	--	--	*2,051	*1,451	*20	*147
Canada.....	42	6	2	2	25,660	21,258	107	1,438
France.....	9	12	3	8	13,001	10,924	63	496
Germany.....	16	46	3	20	37,816	27,609	176	1,564
Japan.....	815	470	49	33	250,922	205,661	701	6,692
Netherlands.....	41	11	1	35	25,506	20,992	121	689
Switzerland.....	15	--	--	2	9,525	7,365	93	561
United Kingdom.....	108	180	2	65	23,317	16,957	165	1,559
Finance, insurance, and real estate ¹	4,570	157	1,023	1,116	181,192	50,601	2,945	18,194
Australia.....	282	--	3	--	1,451	53	73	125
Canada.....	611	6	207	--	22,427	7,087	264	902
France.....	1,445	--	300	68	20,032	7,242	246	1,719
Germany.....	54	--	143	16	17,034	6,234	555	1,868
Japan.....	835	12	41	47	31,080	2,008	717	2,341
Netherlands.....	340	96	23	35	20,649	6,052	324	986
Switzerland.....	185	6	72	844	21,077	6,386	189	4,261
United Kingdom.....	340	21	217	41	31,907	12,094	259	3,797
Services ¹	266	1,561	24	168	79,013	30,665	1,144	10,989
Australia.....	35	82	1	5	8,948	4,488	37	571
Canada.....	21	89	--	2	5,584	1,458	61	1,129
France.....	10	53	1	--	4,326	1,414	56	721
Germany.....	5	84	--	97	7,814	3,030	159	1,165
Japan.....	43	185	20	6	8,938	3,383	114	1,036
Netherlands.....	50	692	--	15	10,383	3,800	97	1,506
Switzerland.....	1	--	--	--	4,892	1,724	44	1,027
United Kingdom.....	56	270	--	37	12,941	3,956	318	2,458

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1996

Table 1.--Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries--Continued

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

Selected industrial groupings and countries	Deductions--Continued		Total receipts less total deductions	Constructive taxable income from related foreign corporations	Net income (less deficit)	Net income	Deficit
	Interest paid	Taxes paid					
	(24)	(25)					
All industries ¹	96,537	24,246	39,868	2,727	41,924	67,842	25,918
Australia.....	3,889	385	1,130	21	1,145	1,702	557
Canada.....	7,527	2,077	3,164	67	3,193	6,129	2,935
France.....	4,966	1,496	3,750	326	4,042	5,064	1,022
Germany.....	8,588	2,496	4,009	193	4,052	5,506	1,453
Japan.....	26,053	3,786	4,343	246	4,543	11,908	7,365
Netherlands.....	9,707	2,147	6,007	140	6,044	7,472	1,427
Switzerland.....	9,149	1,687	3,810	993	4,741	5,551	810
United Kingdom.....	16,770	6,263	10,914	519	11,271	13,849	2,578
Manufacturing ¹	26,210	11,480	21,596	935	22,494	30,852	8,358
Australia.....	506	174	-87	5	-82	266	349
Canada.....	2,202	887	1,980	59	2,038	2,789	751
France.....	1,639	726	1,465	150	1,614	2,152	538
Germany.....	2,425	1,287	2,134	83	2,212	2,979	767
Japan.....	2,678	1,316	3,301	84	3,375	4,957	1,582
Netherlands.....	3,697	838	2,624	90	2,714	3,335	622
Switzerland.....	2,340	885	1,973	14	1,970	2,153	183
United Kingdom.....	7,730	4,137	6,401	312	6,711	7,647	936
Wholesale trade ¹	10,210	3,796	4,101	263	4,356	9,072	4,716
Australia.....	*58	*25	*15	--	*15	*42	*28
Canada.....	288	250	410	2	412	685	273
France.....	133	132	346	134	480	541	61
Germany.....	1,559	401	636	14	648	908	260
Japan.....	5,376	1,415	665	59	724	3,179	2,455
Netherlands.....	451	186	368	9	377	554	178
Switzerland.....	148	106	196	1	197	264	68
United Kingdom.....	1,121	353	1,088	30	1,119	1,310	191
Finance, insurance, and real estate ¹ ..	48,329	3,549	10,784	1,274	11,448	17,712	6,264
Australia.....	711	68	356	--	350	363	13
Canada.....	3,859	271	751	2	716	1,445	730
France.....	2,547	345	1,665	37	1,669	1,771	101
Germany.....	4,098	241	732	10	601	743	142
Japan.....	16,937	561	569	87	626	2,930	2,304
Netherlands.....	3,998	377	2,512	17	2,426	2,612	186
Switzerland.....	6,432	394	1,718	978	2,651	2,898	248
United Kingdom.....	5,832	681	2,602	117	2,561	3,177	616
Services ¹	6,722	2,224	850	201	1,040	3,902	2,861
Australia.....	2,475	73	131	7	138	*220	83
Canada.....	260	201	-47	--	-47	262	309
France.....	259	119	29	--	29	271	242
Germany.....	251	197	319	83	402	599	197
Japan.....	738	276	-205	6	-206	430	636
Netherlands.....	920	344	180	18	198	413	215
Switzerland.....	103	214	-102	--	-103	*122	224
United Kingdom.....	962	405	426	59	484	707	222

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1996

Table 1.--Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries--Continued

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

Selected industrial groupings and countries	Statutory special deductions		Income subject to tax	Income tax before credits			Credits		Total income tax after credits
	Total	Net operating loss deduction		Total	Income tax	Alternative minimum tax	Total	Foreign tax credit	
	(31)	(32)		(34)	(35)	(36)	(37)	(38)	
All industries¹	15,177	13,249	52,778	18,984	18,329	663	3,547	2,250	15,437
Australia.....	559	469	1,180	425	410	15	282	228	143
Canada.....	1,625	1,328	4,538	1,626	1,564	61	300	90	1,325
France.....	1,407	1,162	3,667	1,306	1,277	28	310	219	996
Germany.....	1,490	1,242	4,019	1,444	1,388	54	257	158	1,187
Japan.....	2,430	2,252	9,502	3,456	3,302	150	420	137	3,036
Netherlands.....	1,242	1,030	6,301	2,300	2,200	103	287	161	2,013
Switzerland.....	949	841	4,534	1,613	1,579	51	644	528	969
United Kingdom.....	2,409	1,989	11,463	4,068	3,998	68	692	577	3,377
Manufacturing¹	6,299	5,558	24,627	8,951	8,575	375	1,594	831	7,357
Australia.....	107	106	159	60	55	5	13	2	47
Canada.....	585	497	2,231	799	776	23	247	80	552
France.....	634	585	1,525	548	532	16	134	109	414
Germany.....	734	555	2,245	808	779	28	125	51	683
Japan.....	1,187	1,106	3,784	1,408	1,316	92	149	32	1,260
Netherlands.....	374	291	2,976	1,093	1,040	57	243	142	850
Switzerland.....	496	468	1,658	611	577	33	107	5	504
United Kingdom.....	1,113	915	6,539	2,325	2,284	39	423	345	1,903
Wholesale trade¹	1,983	1,861	7,099	2,531	2,443	88	214	106	2,317
Australia.....	*9	*9	*33	*12	*11	--	*3	--	*9
Canada.....	299	298	386	140	129	11	10	2	130
France.....	118	115	423	149	147	2	47	47	101
Germany.....	285	266	624	218	215	3	26	4	192
Japan.....	613	567	2,568	925	891	33	67	21	858
Netherlands.....	227	209	328	143	113	29	14	2	128
Switzerland.....	28	27	237	81	81	--	11	1	70
United Kingdom.....	66	53	1,244	434	432	2	29	26	405
Finance, insurance, and real estate¹	3,904	2,978	13,829	4,909	4,821	83	986	748	3,923
Australia.....	166	80	234	83	81	1	28	1	55
Canada.....	315	132	1,135	397	391	5	17	2	380
France.....	469	281	1,306	459	456	3	119	60	340
Germany.....	426	377	318	131	108	23	5	4	126
Japan.....	421	386	2,518	891	877	10	166	63	725
Netherlands.....	313	209	2,354	826	824	3	9	7	817
Switzerland.....	366	290	2,463	873	862	11	524	522	349
United Kingdom.....	673	530	2,521	886	880	5	84	64	801
Services¹	1,398	1,369	2,506	873	853	36	177	136	696
Australia.....	*203	*202	*17	*9	*5	*5	--	--	*9
Canada.....	88	85	176	60	58	2	4	--	56
France.....	82	81	189	67	65	2	4	2	63
Germany.....	27	27	572	197	195	--	95	93	102
Japan.....	94	79	336	123	115	8	21	5	102
Netherlands.....	226	222	188	70	65	6	8	5	63
Switzerland.....	*25	*25	*96	*16	*32	*1	*1	--	*15
United Kingdom.....	275	275	431	155	148	6	38	28	117

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1996

Table 1.--Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries--Continued

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

Selected industrial groupings and countries	Percentages					Total liabilities divided by net worth
	Number of returns with net income	Number of returns with total income tax after credits	Current liabilities	Noncurrent liabilities	Net worth	
	Divided by total number of returns		Divided by total assets			
	(40)	(41)	(42)	(43)	(44)	
All industries ¹	46.85	33.61	46.38	29.86	23.76	320.82
Australia.....	74.12	62.35	21.95	34.88	43.17	131.63
Canada.....	51.23	36.61	30.48	38.89	30.62	226.55
France.....	54.61	44.09	44.27	40.71	15.02	565.77
Germany.....	55.48	47.26	46.21	27.06	26.73	274.09
Japan.....	56.49	36.36	66.98	17.91	15.10	562.13
Netherlands.....	43.06	32.97	35.90	31.32	32.78	205.05
Switzerland.....	57.28	44.70	58.12	25.35	16.53	504.93
United Kingdom.....	33.32	25.06	39.73	33.56	26.72	274.31
Manufacturing ¹	58.67	52.34	29.13	30.32	40.55	146.63
Australia.....	76.67	73.33	21.17	28.60	50.24	99.06
Canada.....	82.92	72.92	22.16	26.02	51.82	92.96
France.....	65.43	49.79	36.97	29.43	33.60	197.62
Germany.....	76.73	72.53	25.76	29.25	44.99	122.28
Japan.....	59.55	55.03	40.63	24.76	34.61	188.90
Netherlands.....	63.87	66.45	28.20	19.02	52.78	89.46
Switzerland.....	60.77	52.49	33.60	40.63	25.77	288.04
United Kingdom.....	62.36	63.28	24.84	39.57	35.59	181.00
Wholesale trade ¹	48.11	36.07	56.15	25.03	18.81	431.54
Australia.....	*25.00	*26.79	*44.15	*23.04	*32.81	*204.80
Canada.....	44.14	36.89	48.41	27.63	23.96	317.39
France.....	68.97	63.96	33.17	28.30	38.51	159.62
Germany.....	66.06	38.95	54.16	23.11	22.73	339.96
Japan.....	75.34	39.66	61.25	22.20	16.55	504.23
Netherlands.....	64.98	66.06	43.88	45.78	10.35	866.59
Switzerland.....	65.65	55.65	53.44	18.18	28.38	252.38
United Kingdom.....	35.88	26.24	26.94	37.45	35.60	180.86
Finance, insurance, and real estate ¹	41.15	23.46	60.36	27.67	11.97	735.71
Australia.....	65.74	20.37	68.67	13.47	17.86	459.91
Canada.....	51.20	31.12	38.77	48.47	12.76	683.80
France.....	46.03	28.87	48.19	43.54	8.27	1,109.65
Germany.....	40.04	40.04	65.06	21.68	13.26	653.91
Japan.....	36.16	25.29	79.47	12.18	8.35	1,097.92
Netherlands.....	32.51	23.77	46.25	40.72	13.03	667.31
Switzerland.....	32.85	12.52	69.97	18.02	12.00	733.12
United Kingdom.....	44.49	23.16	58.26	26.88	14.85	573.26
Services ¹	52.07	39.96	22.72	49.22	28.06	256.35
Australia.....	*84.22	*84.22	6.59	57.07	36.34	175.18
Canada.....	54.39	30.91	17.26	64.90	17.85	460.30
France.....	47.43	42.03	27.29	79.31	-6.61	-1,613.62
Germany.....	55.44	55.44	28.67	41.57	29.76	236.02
Japan.....	41.72	35.02	26.62	45.16	28.22	254.36
Netherlands.....	25.89	15.81	28.19	54.79	17.02	487.49
Switzerland.....	*60.24	*46.19	42.69	40.46	16.82	494.33
United Kingdom.....	22.49	20.66	37.92	29.42	32.65	206.26

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1996

Table 1.--Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries--Continued

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

Selected industrial groupings and countries	Percentages--Continued					
	Total receipts divided by total assets	Cost of goods sold divided by business receipts	Interest paid divided by total receipts	Total receipts less total deductions divided by		
				Total assets	Net worth	Total receipts
(46)	(47)	(48)	(49)	(50)	(51)	
All industries¹	54.35	72.26	5.83	1.31	5.51	2.41
Australia.....	24.26	69.81	14.19	1.00	2.32	4.12
Canada.....	48.91	68.33	4.60	0.95	3.09	1.93
France.....	40.64	71.88	4.80	1.47	9.81	3.63
Germanv.....	61.37	68.66	5.41	1.55	5.80	2.53
Japan.....	67.83	80.90	5.93	0.67	4.44	0.99
Netherlands.....	54.14	73.27	5.17	1.73	5.28	3.20
Switzerland.....	37.35	57.12	9.99	1.55	9.40	4.16
United Kingdom.....	42.18	61.13	7.40	2.03	7.60	4.81
Manufacturing¹	78.42	70.51	3.59	2.32	5.72	2.96
Australia.....	56.50	78.01	4.80	-0.47	-0.93	-0.83
Canada.....	64.03	70.20	2.65	1.52	2.94	2.38
France.....	81.66	65.95	3.59	2.62	7.80	3.21
Germanv.....	85.66	68.06	3.11	2.34	5.21	2.74
Japan.....	128.45	78.61	2.10	3.32	9.59	2.59
Netherlands.....	65.66	77.65	3.50	1.63	3.09	2.49
Switzerland.....	71.95	55.37	4.61	2.80	10.85	3.89
United Kingdom.....	60.15	60.93	5.96	2.97	8.35	4.94
Wholesale trade¹	166.70	83.32	2.15	1.44	7.65	0.86
Australia.....	*95.56	*71.62	*2.81	*0.69	*2.12	*0.73
Canada.....	224.43	83.26	1.10	3.53	14.73	1.57
France.....	200.16	83.12	1.00	5.19	13.47	2.59
Germanv.....	125.72	76.04	4.05	2.08	9.15	1.65
Japan.....	168.57	84.57	2.14	0.45	2.69	0.26
Netherlands.....	153.66	83.23	1.74	2.19	21.13	1.42
Switzerland.....	187.41	76.77	1.52	3.78	13.32	2.02
United Kingdom.....	105.25	74.80	4.59	4.69	13.18	4.46
Finance, insurance, and real estate¹	12.98	53.87	25.17	0.73	6.09	5.62
Australia.....	8.74	13.95	39.35	1.72	9.64	19.70
Canada.....	14.66	57.66	16.65	0.47	3.72	3.24
France.....	12.32	65.97	11.74	0.95	11.44	7.67
Germanv.....	15.93	56.28	23.07	0.66	4.95	4.12
Japan.....	8.66	28.52	53.52	0.16	1.86	1.80
Netherlands.....	17.66	47.99	17.26	1.92	14.70	10.85
Switzerland.....	14.05	54.40	28.22	1.06	8.82	7.54
United Kingdom.....	15.55	58.50	16.90	1.17	7.89	7.54
Services¹	52.22	44.76	8.42	0.56	1.98	1.06
Australia.....	17.99	67.57	27.26	0.26	0.71	1.44
Canada.....	66.95	28.61	4.70	-0.57	-3.18	-0.85
France.....	73.96	36.34	5.95	0.49	-7.46	0.67
Germany.....	82.80	43.03	3.09	3.25	10.91	3.92
Japan.....	42.45	45.29	8.45	-1.00	-3.53	-2.35
Netherlands.....	68.78	44.30	8.71	1.17	6.89	1.70
Switzerland.....	130.56	37.05	2.15	-2.78	-16.53	-2.13
United Kingdom.....	54.28	34.04	7.20	1.73	5.30	3.19

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1996

Table 1.--Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries--Continued

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

Selected industrial groupings and countries	Percentages--Continued			
	Net income (less deficit) divided by			Net operating loss deduction divided by net income
	Total assets	Net worth	Total receipts	
(52)	(53)	(54)	(55)	
All industries ¹.....	1.38	5.79	2.53	19.53
Australia.....	1.01	2.35	4.18	27.56
Canada.....	0.96	3.12	1.95	21.67
France.....	1.59	10.57	3.91	22.95
Germany.....	1.57	5.86	2.55	22.56
Japan.....	0.70	4.65	1.03	18.91
Netherlands.....	1.74	5.31	3.22	13.78
Switzerland.....	1.93	11.70	5.18	15.15
United Kingdom.....	2.10	7.85	4.97	14.36
Manufacturing ¹.....	2.42	5.96	3.08	18.02
Australia.....	-0.44	-0.87	-0.78	39.85
Canada.....	1.57	3.02	2.45	17.82
France.....	2.89	8.60	3.54	27.18
Germany.....	2.43	5.40	2.84	18.63
Japan.....	3.40	9.81	2.64	22.31
Netherlands.....	1.69	3.20	2.57	8.73
Switzerland.....	2.79	10.83	3.88	21.74
United Kingdom.....	3.11	8.75	5.18	11.97
Wholesale trade ¹.....	1.53	8.12	0.92	20.51
Australia.....	*0.69	*2.12	*0.73	*21.43
Canada.....	3.55	14.80	1.58	43.50
France.....	7.20	18.69	3.60	21.26
Germany.....	2.12	9.32	1.69	29.30
Japan.....	0.49	2.93	0.29	17.84
Netherlands.....	2.24	21.64	1.46	37.73
Switzerland.....	3.80	13.38	2.03	10.23
United Kingdom.....	4.83	13.55	4.59	4.05
Finance, insurance, and real estate ¹.....	0.77	6.47	5.96	16.81
Australia.....	1.69	9.47	19.37	22.04
Canada.....	0.45	3.55	3.09	9.13
France.....	0.95	11.46	7.69	15.87
Germany.....	0.54	4.06	3.38	50.74
Japan.....	0.17	2.05	1.98	13.17
Netherlands.....	1.85	14.19	10.47	8.00
Switzerland.....	1.63	13.62	11.63	10.01
United Kingdom.....	1.15	7.77	7.42	16.68
Services ¹.....	0.68	2.42	1.30	35.08
Australia.....	0.27	0.75	1.52	*91.82
Canada.....	-0.57	-3.18	-0.85	32.44
France.....	0.49	-7.46	0.67	29.89
Germany.....	4.09	13.75	4.94	4.51
Japan.....	-1.00	-3.55	-2.36	18.37
Netherlands.....	1.29	7.57	1.87	53.75
Switzerland.....	-2.81	-16.69	-2.15	*20.49
United Kingdom.....	1.97	6.02	3.62	38.90

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1996

Table 1.--Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries--Continued

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

Selected industrial groupings and countries	Percentages--Continued					
	Income subject to tax divided by			Total income tax after credits divided by		
	Total assets	Net worth	Total receipts	Total assets	Net worth	Total receipts
(56)	(57)	(58)	(59)	(60)	(61)	
All industries¹	1.73	7.29	3.19	0.51	2.13	0.93
Australia.....	1.04	2.42	4.30	0.13	0.29	0.52
Canada.....	1.36	4.43	2.78	0.40	1.29	0.81
France.....	1.44	9.59	3.55	0.39	2.61	0.96
Germany.....	1.55	5.82	2.53	0.46	1.72	0.75
Japan.....	1.47	9.72	2.16	0.47	3.11	0.69
Netherlands.....	1.82	5.54	3.35	0.58	1.77	1.07
Switzerland.....	1.85	11.19	4.95	0.40	2.39	1.06
United Kingdom.....	2.13	7.98	5.06	0.63	2.35	1.49
Manufacturing¹	2.64	6.52	3.37	0.79	1.95	1.01
Australia.....	0.85	1.70	1.51	0.25	0.50	0.45
Canada.....	1.72	3.31	2.68	0.42	0.82	0.66
France.....	2.73	8.12	3.34	0.74	2.21	0.91
Germany.....	2.46	5.48	2.88	0.75	1.67	0.88
Japan.....	3.81	11.00	2.96	1.27	3.66	0.99
Netherlands.....	1.85	3.51	2.82	0.53	1.00	0.81
Switzerland.....	2.35	9.12	3.27	0.71	2.77	0.99
United Kingdom.....	3.03	8.53	5.04	0.88	2.48	1.47
Wholesale trade¹	2.49	13.24	1.49	0.81	4.32	0.49
Australia.....	*1.53	*4.65	*1.60	*0.42	*1.27	*0.44
Canada.....	3.32	13.87	1.48	1.12	4.67	0.50
France.....	6.34	16.47	3.17	1.51	3.93	0.76
Germany.....	2.04	8.98	1.62	0.63	2.76	0.50
Japan.....	1.72	10.40	1.02	0.57	3.47	0.34
Netherlands.....	1.95	18.83	1.27	0.76	7.35	0.49
Switzerland.....	4.57	16.10	2.44	1.35	4.76	0.72
United Kingdom.....	5.36	15.07	5.10	1.75	4.91	1.66
Finance, insurance, and real estate¹	0.93	7.81	7.20	0.27	2.22	2.04
Australia.....	1.13	6.33	12.95	0.27	1.49	3.04
Canada.....	0.72	5.62	4.90	0.24	1.88	1.64
France.....	0.74	8.97	6.02	0.19	2.34	1.57
Germany.....	0.29	2.15	1.79	0.11	0.85	0.71
Japan.....	0.69	8.25	7.96	0.20	2.38	2.29
Netherlands.....	1.79	13.77	10.16	0.62	4.78	3.53
Switzerland.....	1.52	12.65	10.81	0.22	1.79	1.53
United Kingdom.....	1.14	7.65	7.31	0.36	2.43	2.32
Services¹	1.64	5.84	3.14	0.46	1.62	0.87
Australia.....	*0.03	*0.09	*0.19	*0.02	*0.05	*0.10
Canada.....	2.13	11.92	3.18	0.68	3.79	1.01
France.....	3.21	-48.59	4.34	1.07	-16.20	1.45
Germany.....	5.82	19.57	7.03	1.04	3.49	1.25
Japan.....	1.63	5.79	3.85	0.50	1.76	1.17
Netherlands.....	1.22	7.19	1.78	0.41	2.41	0.60
Switzerland.....	*2.62	*15.56	*2.00	*0.41	*2.43	*0.31
United Kingdom.....	1.75	5.36	3.22	0.48	1.46	0.88

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

¹ Includes industrial groups or countries, as appropriate, not specifically listed.

² Excludes interest received on State and local Government obligations, which totaled \$671 million.

NOTES: This table presents separate data for the eight largest countries, based on 1996 total assets at the all-industries level. Also, this table presents separate data for the four industrial groups that accounted for 86 percent of the number of returns, 93 percent of the assets, and 89 percent of the receipts for all foreign-controlled domestic corporations. Percentages were calculated using rounded data. Detail may not add to totals because of rounding.

Foreign-Controlled Domestic Corporations, 1996

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Number of returns			Assets				Liabilities
	Total	With net income	With total income tax after credits	Total	Current	Noncurrent		Current
						Total	Loans to stockholders	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
All industries: ¹								
Domestic corporations not foreign controlled	15,921	12,842	10,706	22,039,466	8,727,980	13,311,486	46,149	8,417,372
Old corporations.....	14,570	11,901	9,985	20,975,239	8,482,316	12,492,923	42,720	8,126,259
New corporations.....	1,351	940	721	1,064,227	245,664	818,563	3,429	291,113
Foreign-controlled domestic corporations ¹.....	2,842	2,031	2,031	2,843,455	1,359,697	1,483,758	20,325	1,343,010
Old corporations.....	2,591	1,889	1,882	2,630,421	1,266,519	1,363,901	20,285	1,237,035
New corporations.....	250	142	149	213,035	93,178	119,856	41	105,975
Selected countries:								
Canada.....	308	207	206	309,978	135,580	174,398	320	96,328
Old corporations.....	275	193	189	286,856	129,822	157,034	319	92,690
New corporations.....	33	14	17	23,122	5,758	17,363	1	3,639
France.....	172	127	128	246,036	109,076	136,960	2,901	109,441
Old corporations.....	169	**	**	240,362	108,270	132,092	2,901	107,935
New corporations.....	3	**	**	5,674	806	4,868	--	1,506
Germany.....	229	177	176	244,740	127,004	117,737	1,163	114,327
Old corporations.....	216	168	167	240,625	125,413	115,212	1,163	113,018
New corporations.....	13	9	9	4,115	1,591	2,525	1	1,309
Japan.....	693	503	505	594,698	389,493	205,205	418	415,168
Old corporations.....	644	473	472	535,462	364,003	171,459	411	384,655
New corporations.....	49	30	33	59,235	25,489	33,746	6	30,513
Netherlands.....	222	151	159	338,487	129,111	209,376	1,159	122,080
Old corporations.....	201	138	147	316,268	115,836	200,432	1,159	107,868
New corporations.....	20	12	12	22,219	13,274	8,945	--	14,211
Switzerland.....	147	119	122	237,737	136,874	100,863	71	140,097
Old corporations.....	131	109	112	232,512	134,542	97,970	71	138,242
New corporations.....	16	10	10	5,224	2,332	2,893	--	1,854
United Kingdom.....	335	255	258	518,533	184,059	334,474	8,285	206,915
Old corporations.....	301	237	238	452,368	153,353	299,015	8,255	163,766
New corporations.....	34	18	20	66,165	30,706	35,459	30	43,149
Manufacturing:								
Domestic corporations not foreign controlled	3,782	3,004	3,019	4,032,289	1,457,387	2,574,902	29,356	1,265,753
Old corporations.....	3,484	2,825	2,832	3,904,540	1,412,619	2,491,921	29,290	1,233,888
New corporations.....	299	179	187	127,749	44,768	82,981	66	31,865
Foreign-controlled domestic corporations ¹.....	1,125	825	840	895,001	294,164	600,837	2,541	258,710
Old corporations.....	1,027	763	773	845,340	279,921	565,420	2,536	246,250
New corporations.....	99	62	66	49,660	14,243	35,417	4	12,460
Selected countries:								
Canada.....	126	87	90	126,807	47,956	78,851	146	27,832
Old corporations.....	110	79	80	113,852	45,424	68,428	145	25,664
New corporations.....	16	8	10	12,955	2,532	10,423	1	2,168
France.....	80	64	66	53,855	15,383	38,472	126	19,960
Old corporations.....	**	**	**	49,793	14,597	35,196	126	18,474
New corporations.....	**	**	**	4,062	786	3,276	--	1,486
Germany.....	125	104	105	85,806	27,406	58,400	170	21,541
Old corporations.....	119	98	99	84,843	27,043	57,800	169	21,303
New corporations.....	6	6	6	963	363	600	1	238
Japan.....	264	190	193	89,759	41,848	47,911	25	36,481
Old corporations.....	248	180	181	82,188	40,498	41,690	25	34,651
New corporations.....	16	10	11	7,572	1,350	6,222	--	1,830
Netherlands.....	67	42	46	159,520	43,366	116,155	39	44,931
Old corporations.....	58	37	41	151,153	40,278	110,875	39	42,704
New corporations.....	9	5	5	8,368	3,088	5,280	--	2,227
Switzerland.....	70	56	57	67,998	25,831	42,167	26	23,045
Old corporations.....	63	51	52	65,909	25,010	40,900	26	22,578
New corporations.....	7	5	5	2,088	821	1,267	--	466
United Kingdom.....	150	119	119	211,966	53,005	158,961	1,979	52,387
Old corporations.....	137	109	109	207,247	51,256	155,990	1,979	51,282
New corporations.....	13	9	9	4,720	1,749	2,971	--	1,105

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1996

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Number of returns			Assets				Liabilities
	Total	With net income	With total income tax after credits	Total	Current	Noncurrent		Current
						Total	Loans to stockholders	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Wholesale trade:								
Domestic corporations not foreign controlled	1,973	1,640	1,609	472,385	345,567	126,818	1,277	279,781
Old corporations.....	1,864	1,552	1,519	445,746	330,936	114,811	375	270,790
New corporations.....	109	88	90	26,639	14,631	12,008	902	8,992
Foreign-controlled domestic corporations ¹.....	804	605	584	253,103	145,967	107,136	420	138,488
Old corporations.....	737	569	547	196,969	120,831	76,138	383	107,554
New corporations.....	67	36	36	56,133	25,136	30,997	36	30,934
Selected countries:								
Canada.....	68	54	51	8,949	5,781	3,168	11	4,207
Old corporations.....	61	51	47	8,581	5,503	3,077	11	4,012
New corporations.....	7	3	3	368	278	91	--	196
France.....	29	17	17	5,601	3,361	2,240	59	1,835
Old corporations.....	29	17	17	5,601	3,361	2,240	59	1,835
New corporations.....	--	--	--	--	--	--	--	--
Germany.....	57	43	41	27,264	16,671	10,593	1	14,647
Old corporations.....	54	**	**	25,393	16,044	9,348	1	13,973
New corporations.....	3	**	**	1,872	626	1,245	--	674
Japan.....	260	205	201	141,311	81,911	59,400	203	86,561
Old corporations.....	240	193	188	95,791	61,508	34,283	197	58,565
New corporations.....	20	11	12	45,519	20,402	25,117	6	27,996
Netherlands.....	54	36	36	15,662	8,157	7,505	25	6,755
Old corporations.....	50	36	36	15,553	8,013	7,540	25	6,576
New corporations.....	4	--	--	109	144	-35	--	179
Switzerland.....	42	34	34	3,924	2,303	1,621	37	2,019
Old corporations.....	36	29	29	3,511	2,000	1,511	37	1,745
New corporations.....	6	4	4	413	303	110	--	274
United Kingdom.....	41	34	35	20,882	6,986	13,895	39	4,551
Old corporations.....	35	30	31	14,652	4,589	10,062	9	3,602
New corporations.....	6	4	4	6,230	2,397	3,833	30	949
Finance, insurance, and real estate:								
Domestic corporations not foreign controlled	5,345	4,612	2,422	14,278,738	6,113,315	8,165,422	5,694	6,149,117
Old corporations.....	4,803	4,155	2,206	13,682,969	5,976,706	7,706,263	4,531	5,944,966
New corporations.....	542	457	216	595,768	136,609	459,159	1,163	204,151
Foreign-controlled domestic corporations ¹.....	385	260	254	1,389,723	823,985	565,739	15,870	870,473
Old corporations.....	349	241	236	1,315,436	784,561	530,875	15,870	818,026
New corporations.....	36	19	18	74,287	39,424	34,864	--	52,447
Selected countries:								
Canada.....	41	27	25	147,690	73,170	74,520	14	60,042
Old corporations.....	36	**	**	141,079	71,734	69,345	14	59,053
New corporations.....	5	**	**	6,611	1,436	5,175	--	989
France.....	26	19	18	173,339	83,662	89,677	2,716	83,536
Old corporations.....	**	**	**	172,994	83,660	89,334	2,716	83,535
New corporations.....	**	**	**	345	3	342	--	1
Germany.....	23	17	17	108,310	72,695	35,616	--	71,814
Old corporations.....	20	**	**	107,115	72,117	34,998	--	71,429
New corporations.....	3	**	**	1,195	578	617	--	385
Japan.....	81	49	50	341,518	255,750	85,768	189	283,853
Old corporations.....	77	46	47	336,492	252,719	83,773	189	283,707
New corporations.....	4	3	3	5,026	3,031	1,995	--	146
Netherlands.....	24	19	19	127,666	66,504	61,162	1,053	60,060
Old corporations.....	**	**	**	115,983	57,511	58,472	1,053	48,953
New corporations.....	**	**	**	11,683	8,993	2,691	--	11,107
Switzerland.....	19	16	18	160,096	106,170	53,926	8	112,963
Old corporations.....	**	**	**	159,741	106,122	53,619	8	112,910
New corporations.....	**	**	**	355	48	307	--	53
United Kingdom.....	57	40	40	214,247	102,900	111,347	5,981	127,363
Old corporations.....	54	**	**	176,892	83,670	93,222	5,981	92,803
New corporations.....	3	**	**	37,356	19,230	18,126	--	34,561

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1996

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Liabilities--Continued		Net worth		Receipts		
	Noncurrent		Total	Retained earnings	Total	Business receipts	Interest ²
	Total	Loans from stockholders					
	(9)	(10)	(11)	(12)	(13)	(14)	(15)
All industries: ¹							
Domestic corporations not foreign controlled...	6,043,776	73,031	7,578,317	2,303,999	8,514,974	7,090,165	816,147
Old corporations.....	5,748,238	70,812	7,100,742	2,249,099	8,110,960	6,736,528	789,091
New corporations.....	295,538	2,219	477,576	54,900	404,014	353,638	27,056
Foreign-controlled domestic corporations ¹.....	824,683	46,109	675,762	-9,331	1,510,362	1,353,053	94,952
Old corporations.....	770,250	44,493	623,136	-9,396	1,386,591	1,237,472	91,475
New corporations.....	54,433	1,617	52,627	65	123,771	115,581	3,477
Selected countries:							
Canada.....	119,561	3,323	94,088	11,957	145,987	129,003	8,928
Old corporations.....	107,522	3,015	86,645	12,508	132,561	116,533	8,482
New corporations.....	12,039	309	7,444	-552	13,427	12,469	446
France.....	99,843	4,909	36,753	-7,877	97,912	83,673	7,540
Old corporations.....	97,774	4,909	34,653	-7,365	95,924	81,880	7,497
New corporations.....	2,069	--	2,099	-512	1,989	1,793	43
Germanv.....	66,493	3,054	63,920	2,863	144,027	130,110	7,670
Old corporations.....	65,242	3,052	62,365	2,802	140,738	126,933	7,619
New corporations.....	1,251	3	1,555	61	3,289	3,177	51
Japan.....	93,193	5,486	86,337	-7,215	405,991	370,787	24,780
Old corporations.....	78,513	5,429	72,294	-11,311	347,893	315,884	24,029
New corporations.....	14,679	57	14,043	4,096	58,098	54,903	751
Netherlands.....	104,035	5,998	112,372	16,948	182,417	164,277	10,897
Old corporations.....	101,694	5,958	106,706	17,854	169,357	152,180	10,192
New corporations.....	2,341	41	5,666	-906	13,061	12,098	705
Switzerland.....	59,689	4,522	37,951	524	84,957	70,649	8,780
Old corporations.....	57,302	4,522	36,968	960	80,221	65,985	8,767
New corporations.....	2,387	--	983	-436	4,737	4,664	13
United Kinodm.....	169,306	12,176	142,311	-7,800	212,962	186,578	16,042
Old corporations.....	159,738	10,984	128,863	-6,086	199,217	174,483	14,982
New corporations.....	9,568	1,192	13,448	-1,714	13,745	12,095	1,060
Manufacturing:							
Domestic corporations not foreign controlled...	1,370,424	30,836	1,396,112	737,846	3,274,411	2,991,158	86,198
Old corporations.....	1,311,415	30,488	1,359,237	726,944	3,147,518	2,869,368	84,431
New corporations.....	59,009	348	36,875	10,902	126,893	121,791	1,766
Foreign-controlled domestic corporations ¹.....	271,062	23,157	365,228	-1,697	691,782	657,121	12,095
Old corporations.....	247,291	22,499	351,799	299	652,612	619,871	11,375
New corporations.....	23,771	657	13,429	-1,996	39,170	37,249	721
Selected countries:							
Canada.....	32,364	1,402	66,610	10,338	78,835	73,760	1,293
Old corporations.....	23,055	1,210	65,132	11,780	69,732	65,456	909
New corporations.....	9,309	192	1,478	-1,442	9,103	8,304	383
France.....	15,727	2,194	18,168	-6,027	43,490	40,807	778
Old corporations.....	14,432	2,194	16,887	-5,505	41,522	39,014	742
New corporations.....	1,294	--	1,281	-522	1,968	1,793	36
Germanv.....	25,392	994	38,873	759	71,381	67,706	1,184
Old corporations.....	25,124	992	38,416	666	70,468	66,813	1,176
New corporations.....	268	3	457	93	913	893	9
Japan.....	21,672	517	31,607	1,996	119,380	116,367	986
Old corporations.....	18,113	488	29,424	1,146	116,150	113,384	828
New corporations.....	3,559	29	2,183	850	3,230	2,983	158
Netherlands.....	30,091	3,479	84,498	17,798	104,186	99,503	2,270
Old corporations.....	27,914	3,446	80,535	18,559	94,870	90,319	2,249
New corporations.....	2,178	33	3,963	-761	9,316	9,185	22
Switzerland.....	27,853	1,786	17,101	-2,450	48,203	45,132	967
Old corporations.....	26,704	1,786	16,627	-2,456	47,128	44,065	965
New corporations.....	1,149	--	474	6	1,074	1,067	2
United Kinodm.....	84,070	8,761	75,510	-12,621	126,180	117,778	3,366
Old corporations.....	81,500	8,377	74,465	-12,633	120,872	112,795	3,299
New corporations.....	2,569	384	1,045	13	5,308	4,984	67

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1996

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Liabilities--Continued		Net worth		Receipts		
	Noncurrent		Total	Retained earnings	Total	Business receipts	Interest ²
	Total	Loans from stockholders					
	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Wholesale trade:							
Domestic corporations not foreign controlled.....	86,622	1,831	105,981	57,718	671,765	647,780	11,722
Old corporations.....	77,200	1,432	97,757	55,675	631,327	607,969	11,623
New corporations.....	9,423	399	8,224	2,043	40,438	39,811	99
Foreign-controlled domestic corporations ¹.....	63,941	5,702	50,674	-6,256	418,753	404,317	5,380
Old corporations.....	49,873	4,970	39,542	-10,283	353,388	341,956	4,775
New corporations.....	14,068	732	11,132	4,027	65,365	62,361	605
Selected countries:							
Canada.....	2,464	688	2,277	-13	20,579	20,129	143
Old corporations.....	2,303	578	2,266	47	19,066	18,621	142
New corporations.....	162	110	11	-60	1,513	1,508	(³)
France.....	1,610	456	2,156	-203	11,958	11,784	92
Old corporations.....	1,610	456	2,156	-203	11,958	11,784	92
New corporations.....	--	--	--	--	--	--	--
Germany.....	6,550	1,897	6,067	-1,866	33,221	31,197	925
Old corporations.....	5,924	1,897	5,495	-1,743	31,475	29,482	918
New corporations.....	625	--	572	-123	1,745	1,715	7
Japan.....	31,861	546	22,888	-5,229	238,252	230,169	2,771
Old corporations.....	21,487	519	15,739	-9,417	185,550	180,062	2,414
New corporations.....	10,374	27	7,150	4,189	52,702	50,107	357
Netherlands.....	7,348	107	1,559	-156	24,057	23,434	162
Old corporations.....	7,327	100	1,650	25	23,557	22,937	162
New corporations.....	21	7	-92	-181	499	497	--
Switzerland.....	717	95	1,188	226	7,587	7,485	28
Old corporations.....	634	95	1,132	216	5,656	5,565	27
New corporations.....	83	--	56	11	1,930	1,920	1
United Kingdom.....	8,258	1,016	8,073	1,035	20,353	18,693	729
Old corporations.....	5,865	428	5,185	1,120	17,054	15,695	497
New corporations.....	2,393	588	2,888	-84	3,299	2,998	232
Finance, insurance, and real estate:							
Domestic corporations not foreign controlled.....	3,262,114	26,513	4,867,507	1,149,142	1,855,354	885,592	675,615
Old corporations.....	3,177,692	25,605	4,560,312	1,127,918	1,794,096	857,817	652,712
New corporations.....	84,422	908	307,195	21,224	61,258	27,776	22,903
Foreign-controlled domestic corporations ¹.....	368,725	11,849	150,526	17,139	179,368	87,367	70,215
Old corporations.....	361,594	11,849	135,816	17,165	174,822	85,303	68,309
New corporations.....	7,131	--	14,709	-26	4,547	2,064	1,905
Selected countries:							
Canada.....	72,137	498	15,511	3,105	21,431	11,407	6,928
Old corporations.....	70,488	498	11,539	2,222	21,312	11,399	6,889
New corporations.....	1,649	--	3,972	883	119	8	39
France.....	75,799	2,165	14,004	1,656	21,379	10,825	6,305
Old corporations.....	75,798	2,165	13,661	1,643	21,363	10,825	6,302
New corporations.....	1	--	344	13	16	--	3
Germany.....	23,454	157	13,042	2,888	17,317	10,826	5,230
Old corporations.....	23,144	157	12,542	2,800	16,787	10,351	5,194
New corporations.....	309	--	500	88	530	475	36
Japan.....	31,313	3,311	26,352	-2,455	28,234	5,305	20,359
Old corporations.....	31,017	3,311	21,768	-1,629	27,861	5,130	20,175
New corporations.....	295	--	4,584	-826	373	175	184
Netherlands.....	51,098	1,361	16,508	3,916	22,434	12,110	7,513
Old corporations.....	51,064	1,361	15,965	3,834	21,177	11,650	6,853
New corporations.....	34	--	543	81	1,257	459	660
Switzerland.....	28,346	2,376	18,787	3,189	22,416	11,553	7,753
Old corporations.....	28,240	2,376	18,591	3,487	22,295	11,485	7,745
New corporations.....	106	--	195	-298	121	68	8
United Kingdom.....	56,414	1,280	30,469	7,102	33,352	20,078	10,744
Old corporations.....	55,652	1,280	28,437	7,147	32,600	19,996	10,097
New corporations.....	762	--	2,033	-45	752	82	647

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1996

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Receipts--Continued				Deductions			
	Rents	Royalties	Dividends received from:		Total	Cost of goods sold	Compensation of officers	Salaries and wages
			Domestic corporations	Foreign corporations				
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
All industries: ¹								
Domestic corporations not foreign controlled	74,268	54,247	12,759	41,992	7,891,543	4,454,034	45,403	717,311
Old corporations.....	70,462	51,719	12,260	41,145	7,508,891	4,245,696	43,143	680,257
New corporations.....	3,806	2,528	498	848	382,651	208,338	2,260	37,053
Foreign-controlled domestic corporations ¹...	6,891	7,631	1,522	3,406	1,469,351	984,932	7,224	89,518
Old corporations.....	6,637	7,265	1,445	3,331	1,345,566	901,266	6,771	83,033
New corporations.....	254	366	77	75	123,785	83,665	453	6,485
Selected countries:								
Canada.....	712	1,890	275	126	142,987	88,825	628	9,995
Old corporations.....	638	1,740	267	125	129,475	80,864	556	8,692
New corporations.....	74	150	9	1	13,512	7,960	72	1,303
France.....	1,614	545	358	356	94,409	60,761	530	6,183
Old corporations.....	1,612	542	323	356	92,565	59,614	521	6,094
New corporations.....	2	3	35	--	1,844	1,147	9	89
Germany.....	379	451	226	428	140,466	89,588	1,096	11,073
Old corporations.....	378	431	226	428	137,254	87,565	1,080	10,837
New corporations.....	1	20	--	--	3,212	2,023	16	236
Japan.....	1,666	762	123	211	400,394	302,054	1,514	12,962
Old corporations.....	1,622	738	99	208	341,978	259,731	1,396	11,716
New corporations.....	44	24	24	3	58,416	42,323	119	1,246
Netherlands.....	688	1,180	92	234	176,232	121,173	783	8,657
Old corporations.....	677	1,111	89	212	163,153	112,673	721	7,845
New corporations.....	11	69	3	22	13,079	8,500	62	812
Switzerland.....	201	535	74	921	81,294	39,943	478	10,583
Old corporations.....	176	535	73	921	76,388	37,307	463	9,880
New corporations.....	25	--	1	--	4,905	2,636	16	703
United Kingdom.....	796	1,720	329	787	202,245	114,838	1,093	16,807
Old corporations.....	779	1,640	327	758	188,686	106,083	1,018	15,737
New corporations.....	18	80	2	28	13,560	8,754	76	1,070
Manufacturing:								
Domestic corporations not foreign controlled	22,891	42,251	3,584	34,937	3,075,997	2,030,338	13,659	208,409
Old corporations.....	22,750	41,715	3,564	34,373	2,954,052	1,946,313	12,826	200,916
New corporations.....	141	536	19	565	121,945	84,025	833	7,493
Foreign-controlled domestic corporations ¹...	1,388	5,221	370	1,933	670,709	463,080	2,420	39,004
Old corporations.....	1,365	4,939	322	1,877	631,933	438,120	2,200	36,026
New corporations.....	23	282	48	56	38,776	24,960	219	2,977
Selected countries:								
Canada.....	115	1,717	90	121	76,982	51,627	250	5,056
Old corporations.....	108	1,568	81	120	67,967	47,263	190	3,895
New corporations.....	7	149	9	1	9,016	4,364	60	1,161
France.....	141	505	52	280	42,134	26,853	180	3,128
Old corporations.....	139	502	16	280	40,296	25,706	171	3,039
New corporations.....	2	3	35	--	1,838	1,147	9	89
Germany.....	281	309	80	299	69,531	45,959	332	5,959
Old corporations.....	281	306	80	299	68,689	45,403	325	5,892
New corporations.....	--	3	--	--	842	557	7	67
Japan.....	125	218	40	117	115,988	91,726	350	3,494
Old corporations.....	124	207	40	115	112,693	89,724	297	3,262
New corporations.....	1	10	--	2	3,296	2,003	53	232
Netherlands.....	272	363	64	143	101,593	77,372	199	3,727
Old corporations.....	268	294	64	123	92,160	70,354	170	3,222
New corporations.....	4	69	--	20	9,433	7,017	29	505
Switzerland.....	28	518	3	73	46,322	24,724	244	4,719
Old corporations.....	28	518	3	73	45,254	23,978	237	4,640
New corporations.....	--	--	1	--	1,068	746	7	79
United Kingdom.....	316	1,275	31	642	119,868	71,688	490	7,778
Old corporations.....	316	1,238	30	618	114,830	68,025	472	7,523
New corporations.....	--	37	(²)	23	5,038	3,663	18	255

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1996

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Receipts--Continued				Deductions			
	Rents	Royalties	Dividends received from:		Total	Cost of goods sold	Compensation of officers	Salaries and wages
			Domestic corporations	Foreign corporations				
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
Wholesale trade:								
Domestic corporations not foreign controlled	1,963	468	141	528	659,922	553,194	2,722	32,305
Old corporations.....	1,900	447	133	516	619,716	519,275	2,585	30,293
New corporations.....	64	20	8	12	40,205	33,919	138	2,013
Foreign-controlled domestic corporations 1.....	1,128	749	75	180	414,650	339,743	1,130	12,756
Old corporations.....	1,054	689	65	174	348,856	290,662	1,043	11,304
New corporations.....	75	59	10	6	65,794	49,082	88	1,452
Selected countries:								
Canada.....	41	2	1	--	20,204	17,256	80	1,074
Old corporations.....	41	1	1	--	18,677	15,887	77	1,027
New corporations.....	--	1	--	--	1,528	1,368	3	47
France.....	9	10	3	8	11,649	10,088	35	380
Old corporations.....	9	10	3	8	11,649	10,088	35	380
New corporations.....	--	--	--	--	--	--	--	--
Germany.....	13	46	3	20	32,649	23,980	100	1,142
Old corporations.....	13	28	3	20	30,901	22,900	93	1,012
New corporations.....	--	18	--	--	1,749	1,080	7	130
Japan.....	810	462	48	32	237,693	195,165	473	5,979
Old corporations.....	776	451	39	31	184,530	156,068	424	5,127
New corporations.....	34	11	9	1	53,163	39,096	49	852
Netherlands.....	41	11	1	35	23,645	19,654	84	543
Old corporations.....	41	11	1	35	23,137	19,186	77	539
New corporations.....	--	--	--	--	508	468	8	4
Switzerland.....	14	--	--	2	7,414	5,841	45	395
Old corporations.....	14	--	--	2	5,488	3,992	43	369
New corporations.....	1	--	--	--	1,926	1,849	2	26
United Kingdom.....	107	177	2	65	19,302	14,154	99	1,260
Old corporations.....	97	150	1	65	16,064	11,899	90	1,007
New corporations.....	10	27	1	--	3,237	2,255	9	253
Finance, insurance, and real estate:								
Domestic corporations not foreign controlled	34,485	487	7,829	2,975	1,567,768	531,110	16,171	151,951
Old corporations.....	32,132	312	7,502	2,969	1,518,199	512,179	15,691	147,767
New corporations.....	2,353	175	327	6	49,569	18,930	479	4,184
Foreign-controlled domestic corporations 1.....	3,728	118	956	1,087	167,562	48,649	2,511	17,191
Old corporations.....	3,588	118	940	1,081	163,398	47,602	2,433	16,670
New corporations.....	140	--	16	6	4,164	1,046	77	521
Selected countries:								
Canada.....	441	--	166	--	20,772	6,788	227	806
Old corporations.....	375	--	166	--	20,675	6,788	226	802
New corporations.....	66	--	--	--	96	--	(3)	4
France.....	1,445	--	300	68	19,786	7,221	234	1,686
Old corporations.....	1,445	--	300	68	19,785	7,221	234	1,686
New corporations.....	--	--	--	--	1	--	--	--
Germany.....	41	--	142	12	16,650	6,229	531	1,793
Old corporations.....	40	--	142	12	16,142	5,902	530	1,766
New corporations.....	1	--	--	--	508	327	1	27
Japan.....	620	1	33	44	26,769	1,121	587	2,131
Old corporations.....	620	1	20	44	26,551	940	587	2,131
New corporations.....	--	--	13	--	218	180	1	--
Netherlands.....	288	96	23	35	19,829	5,989	308	905
Old corporations.....	280	96	20	35	18,606	5,989	289	766
New corporations.....	8	--	3	--	1,223	--	18	139
Switzerland.....	156	5	70	844	20,747	6,363	155	4,233
Old corporations.....	132	5	70	844	20,620	6,322	154	4,223
New corporations.....	24	--	--	--	127	41	1	10
United Kingdom.....	266	15	214	41	30,679	11,970	220	3,653
Old corporations.....	266	15	214	36	29,951	11,889	186	3,566
New corporations.....	--	--	--	5	728	80	34	86

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1996

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Deductions--Continued		Total receipts less total deductions	Constructive taxable income from related foreign corporations	Net income (less deficit)	Net income	Deficit
	Interest paid	Taxes paid					
	(24)	(25)	(26)	(27)	(28)	(29)	(30)
All industries: ¹							
Domestic corporations not foreign controlled	541,403	192,838	623,431	49,963	636,792	681,583	44,791
Old corporations.....	518,226	183,885	602,069	48,913	614,727	653,231	38,504
New corporations.....	23,178	8,953	21,362	1,049	22,065	28,352	6,287
Foreign-controlled domestic corporations ¹.....	91,086	21,110	41,011	2,680	43,050	59,031	15,981
Old corporations.....	84,893	19,580	41,025	2,643	43,052	56,848	13,796
New corporations.....	6,193	1,530	-14	37	-1	2,183	2,185
Selected countries:							
Canada.....	6,877	1,701	3,000	63	3,027	4,786	1,760
Old corporations.....	5,772	1,514	3,086	63	3,112	4,592	1,480
New corporations.....	1,105	187	-85	--	-85	194	280
France.....	4,781	1,359	3,503	324	3,797	4,546	749
Old corporations.....	4,676	1,342	3,359	324	3,652	4,401	749
New corporations.....	105	17	145	--	145	145	1
Germany.....	8,283	2,200	3,561	185	3,599	4,570	971
Old corporations.....	8,181	2,160	3,484	185	3,529	4,456	927
New corporations.....	102	40	77	--	70	114	44
Japan.....	24,665	3,142	5,598	234	5,796	10,061	4,265
Old corporations.....	22,524	2,854	5,915	233	6,112	9,575	3,463
New corporations.....	2,141	287	-318	2	-316	485	802
Netherlands.....	9,381	1,992	6,185	140	6,222	7,092	870
Old corporations.....	8,715	1,819	6,203	126	6,228	6,909	681
New corporations.....	666	173	-18	15	-6	183	189
Switzerland.....	8,961	1,545	3,664	993	4,596	5,162	566
Old corporations.....	8,837	1,496	3,832	993	4,765	5,111	346
New corporations.....	125	49	-168	--	-168	51	220
United Kingdom.....	16,308	5,924	10,717	516	11,074	12,837	1,764
Old corporations.....	15,072	5,569	10,532	506	10,879	12,423	1,544
New corporations.....	1,236	355	185	10	195	414	219
Manufacturing:							
Domestic corporations not foreign controlled	118,142	77,957	198,414	37,143	233,935	246,224	12,290
Old corporations.....	113,338	76,105	193,466	36,477	228,333	239,151	10,818
New corporations.....	4,804	1,852	4,948	666	5,601	7,073	1,472
Foreign-controlled domestic corporations ¹.....	25,353	10,755	21,073	923	21,961	28,475	6,514
Old corporations.....	23,344	10,195	20,679	907	21,551	27,427	5,876
New corporations.....	2,010	560	394	16	410	1,048	638
Selected countries:							
Canada.....	2,111	828	1,853	59	1,911	2,513	602
Old corporations.....	1,172	670	1,766	59	1,824	2,363	539
New corporations.....	940	158	87	--	87	149	62
France.....	1,605	688	1,356	149	1,505	1,947	442
Old corporations.....	1,501	672	1,225	149	1,374	1,816	442
New corporations.....	104	17	131	--	131	131	--
Germany.....	2,313	1,149	1,850	83	1,929	2,524	595
Old corporations.....	2,288	1,135	1,779	83	1,858	2,454	595
New corporations.....	25	14	70	--	70	70	--
Japan.....	2,441	1,163	3,392	74	3,456	4,456	1,000
Old corporations.....	2,127	1,129	3,457	74	3,522	4,389	868
New corporations.....	314	35	-66	--	-66	66	132
Netherlands.....	3,658	816	2,593	90	2,682	3,239	557
Old corporations.....	3,534	681	2,710	75	2,785	3,162	377
New corporations.....	125	136	-117	15	-102	78	180
Switzerland.....	2,300	831	1,881	14	1,879	1,974	95
Old corporations.....	2,270	814	1,875	14	1,872	1,952	79
New corporations.....	29	17	6	--	6	23	16
United Kingdom.....	7,634	4,070	6,312	312	6,623	7,448	825
Old corporations.....	7,467	3,991	6,042	311	6,352	7,162	810
New corporations.....	168	79	270	(⁹)	271	286	15

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1996

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Deductions--Continued		Total receipts less total deductions	Constructive taxable income from related foreign corporations	Net income (less deficit)	Net income	Deficit
	Interest paid	Taxes paid					
	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Wholesale trade:							
Domestic corporations not foreign controlled...	13,463	6,296	11,843	940	12,568	15,198	2,630
Old corporations.....	12,903	6,028	11,611	935	12,333	14,585	2,252
New corporations.....	560	268	233	6	235	613	378
Foreign-controlled domestic corporations ¹.....	9,618	3,041	4,103	261	4,357	7,336	2,979
Old corporations.....	7,456	2,491	4,533	260	4,789	6,968	2,179
New corporations.....	2,163	550	-430	1	-432	368	800
Selected countries:							
Canada.....	236	145	374	--	375	508	133
Old corporations.....	225	136	389	--	389	492	103
New corporations.....	10	8	-15	--	-15	15	30
France.....	126	98	309	134	443	460	17
Old corporations.....	126	98	309	134	443	460	17
New corporations.....	--	--	--	--	--	--	--
Germany.....	1,492	309	571	14	584	684	100
Old corporations.....	1,418	292	575	14	587	656	69
New corporations.....	74	17	-3	--	-3	28	31
Japan.....	5,249	1,271	559	59	617	2,688	2,070
Old corporations.....	3,506	1,049	1,020	59	1,078	2,486	1,408
New corporations.....	1,742	222	-461	1	-460	202	662
Netherlands.....	431	158	412	9	421	488	68
Old corporations.....	423	157	420	9	429	488	59
New corporations.....	8	1	-9	--	-9	--	9
Switzerland.....	118	76	172	1	174	211	38
Old corporations.....	109	66	168	1	169	202	32
New corporations.....	9	10	4	--	4	10	5
United Kingdom.....	1,084	295	1,051	30	1,082	1,152	71
Old corporations.....	792	253	990	30	1,020	1,082	62
New corporations.....	292	42	61	1	62	70	9
Finance, insurance, and real estate:							
Domestic corporations not foreign controlled...	313,884	28,000	287,586	7,791	261,811	269,579	7,768
Old corporations.....	304,221	27,284	275,897	7,751	250,382	257,281	6,899
New corporations.....	9,662	716	11,689	40	11,429	12,298	869
Foreign-controlled domestic corporations ¹.....	45,546	2,918	11,806	1,251	12,464	15,502	3,037
Old corporations.....	44,085	2,848	11,424	1,242	12,094	15,011	2,918
New corporations.....	1,461	70	382	9	371	491	120
Selected countries:							
Canada.....	3,553	212	659	--	623	1,046	423
Old corporations.....	3,514	203	636	--	600	1,019	419
New corporations.....	40	9	23	--	23	27	4
France.....	2,473	321	1,592	37	1,599	1,682	83
Old corporations.....	2,473	320	1,578	37	1,584	1,667	83
New corporations.....	--	1	15	--	15	15	--
Germany.....	4,004	218	667	6	532	610	78
Old corporations.....	4,004	213	645	6	516	594	78
New corporations.....	--	5	22	--	16	16	--
Japan.....	16,182	453	1,465	87	1,526	2,420	893
Old corporations.....	16,152	449	1,311	87	1,372	2,259	887
New corporations.....	30	4	154	--	154	161	7
Netherlands.....	3,800	332	2,605	17	2,519	2,543	24
Old corporations.....	3,272	323	2,571	17	2,487	2,512	24
New corporations.....	528	10	34	--	32	32	--
Switzerland.....	6,359	371	1,669	978	2,602	2,817	215
Old corporations.....	6,345	366	1,674	978	2,608	2,798	190
New corporations.....	14	5	-6	--	-6	19	25
United Kingdom.....	5,633	637	2,674	115	2,631	2,942	311
Old corporations.....	5,082	633	2,649	106	2,598	2,898	300
New corporations.....	551	5	25	9	33	44	11

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1996

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Statutory special deductions		Income subject to tax	Income tax before credits			Credits		Total income tax after credits
	Total	Net operating loss deduction		Total	Income tax	Alternative minimum tax	Total	Foreign tax credit	
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
All industries: ¹									
Domestic corporations not foreign controlled	167,540	24,483	515,399	182,816	180,067	2,708	48,270	37,517	134,547
Old corporations.....	156,673	23,215	497,727	176,573	173,906	2,616	47,261	36,825	129,312
New corporations.....	10,867	1,268	17,672	6,243	6,161	91	1,009	691	5,235
Foreign-controlled domestic corporations ¹.....	12,209	10,477	46,925	16,975	16,386	597	3,429	2,203	13,546
Old corporations.....	11,353	9,765	45,624	16,482	15,935	557	3,403	2,188	13,080
New corporations.....	856	712	1,301	493	451	41	27	16	466
Selected countries:									
Canada.....	1,219	1,054	3,601	1,309	1,256	53	283	83	1,027
Old corporations.....	1,127	969	3,499	1,268	1,221	47	281	83	987
New corporations.....	92	85	102	41	35	6	1	--	40
France.....	1,256	1,014	3,301	1,179	1,153	26	305	218	874
Old corporations.....	1,125	908	3,286	1,172	1,148	24	305	218	867
New corporations.....	131	106	15	7	5	2	--	--	7
Germanv.....	1,318	1,072	3,255	1,188	1,135	51	247	153	941
Old corporations.....	1,312	1,067	3,147	1,150	1,097	51	246	153	904
New corporations.....	6	6	108	37	37	--	1	1	36
Japan.....	1,866	1,709	8,214	3,006	2,867	135	382	121	2,624
Old corporations.....	1,702	1,564	7,892	2,880	2,755	122	379	120	2,501
New corporations.....	164	145	322	125	112	13	3	1	122
Netherlands.....	1,082	872	6,081	2,222	2,125	99	282	157	1,940
Old corporations.....	1,023	828	5,946	2,169	2,079	93	280	157	1,889
New corporations.....	60	44	134	53	47	6	2	1	51
Switzerland.....	831	735	4,261	1,522	1,488	50	637	527	885
Old corporations.....	809	731	4,232	1,511	1,478	49	636	527	874
New corporations.....	22	4	29	11	10	1	(³)	--	11
United Kingdom.....	2,017	1,606	10,843	3,850	3,790	57	682	575	3,167
Old corporations.....	1,788	1,381	10,657	3,779	3,726	51	674	569	3,106
New corporations.....	229	224	186	70	65	6	9	6	62
Manufacturing:									
Domestic corporations not foreign controlled	18,292	8,290	228,286	81,266	79,883	1,435	34,554	28,267	46,713
Old corporations.....	17,635	7,780	221,863	79,017	77,641	1,414	34,152	27,904	44,865
New corporations.....	657	510	6,422	2,249	2,242	22	402	363	1,847
Foreign-controlled domestic corporations ¹.....	5,648	4,912	22,898	8,344	7,990	353	1,552	824	6,792
Old corporations.....	5,101	4,417	22,387	8,146	7,813	332	1,541	821	6,605
New corporations.....	547	495	512	198	177	21	11	3	187
Selected countries:									
Canada.....	541	454	1,998	718	697	21	244	80	474
Old corporations.....	449	369	1,941	693	677	15	242	80	450
New corporations.....	92	85	57	26	20	6	1	--	24
France.....	586	537	1,368	493	477	15	132	109	361
Old corporations.....	455	431	1,368	491	477	13	132	109	359
New corporations.....	131	106	--	2	--	2	--	--	2
Germanv.....	669	490	1,856	673	647	26	120	51	553
Old corporations.....	664	485	1,790	651	624	26	120	50	531
New corporations.....	5	5	66	23	23	--	1	1	22
Japan.....	1,022	942	3,447	1,286	1,202	84	138	27	1,148
Old corporations.....	995	916	3,407	1,270	1,188	81	136	27	1,134
New corporations.....	27	26	40	16	13	3	2	--	15
Netherlands.....	350	267	2,905	1,068	1,015	56	242	142	826
Old corporations.....	321	251	2,845	1,046	994	55	241	141	805
New corporations.....	29	17	60	21	21	1	1	1	21
Switzerland.....	449	422	1,525	565	532	32	101	5	464
Old corporations.....	447	419	1,506	557	525	31	100	5	457
New corporations.....	3	2	20	8	7	1	(⁹)	--	7
United Kingdom.....	1,061	865	6,390	2,273	2,234	37	417	345	1,856
Old corporations.....	852	660	6,314	2,242	2,208	32	413	343	1,829
New corporations.....	209	206	77	32	26	5	4	2	27

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1996

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Statutory special deductions		Income subject to tax	Income tax before credits			Credits		Total income tax after credits
	Total	Net operating loss deduction		Total	Income tax	Alternative minimum tax	Total	Foreign tax credit	
Wholesale trade:									
Domestic corporations not foreign controlled	801	529	14,417	5,084	5,015	83	548	436	4,536
Old corporations.....	734	475	13,865	4,894	4,830	79	540	430	4,354
New corporations.....	67	54	552	189	186	3	7	7	182
Foreign-controlled domestic corporations ¹.....	1,635	1,514	5,710	2,073	1,988	84	204	102	1,869
Old corporations.....	1,513	1,402	5,462	1,976	1,902	74	203	102	1,774
New corporations.....	122	111	248	96	86	10	1	1	95
Selected countries:									
Canada.....	248	246	260	100	90	10	8	--	93
Old corporations.....	248	246	245	95	85	10	8	--	87
New corporations.....	--	--	15	5	5	--	--	--	5
France.....	84	81	375	133	131	2	47	47	86
Old corporations.....	84	81	375	133	131	2	47	47	86
New corporations.....	--	--	--	--	--	--	--	--	--
Germany.....	228	209	457	161	159	2	25	4	136
Old corporations.....	228	209	429	152	149	2	25	4	127
New corporations.....	--	--	28	10	10	--	--	--	10
Japan.....	532	487	2,157	786	753	33	63	21	723
Old corporations.....	426	390	2,061	742	719	23	63	21	679
New corporations.....	106	97	97	44	34	10	--	--	44
Netherlands.....	222	204	267	122	93	29	14	2	107
Old corporations.....	222	204	267	122	93	29	14	2	107
New corporations.....	--	--	--	--	--	--	--	--	--
Switzerland.....	20	19	191	66	66	--	11	1	55
Old corporations.....	20	19	182	63	63	--	11	1	52
New corporations.....	--	--	10	3	3	--	--	--	3
United Kingdom.....	46	33	1,107	389	387	2	28	26	360
Old corporations.....	31	19	1,051	369	367	2	27	26	342
New corporations.....	15	15	56	20	20	--	1	1	19
Finance, insurance, and real estate:									
Domestic corporations not foreign controlled	136,661	5,606	133,797	47,152	46,691	376	6,892	5,323	40,260
Old corporations.....	127,231	5,366	130,769	46,079	45,638	358	6,859	5,308	39,220
New corporations.....	9,430	240	3,029	1,073	1,053	19	33	15	1,039
Foreign-controlled domestic corporations ¹.....	2,946	2,180	12,568	4,474	4,403	67	960	732	3,514
Old corporations.....	2,797	2,108	12,266	4,368	4,298	66	956	728	3,412
New corporations.....	149	72	302	106	105	1	4	3	102
Selected countries:									
Canada.....	101	41	950	336	332	3	16	2	320
Old corporations.....	101	41	923	327	323	3	16	2	310
New corporations.....	--	--	27	9	9	--	--	--	9
France.....	443	256	1,243	438	435	3	119	60	319
Old corporations.....	443	256	1,228	433	429	3	119	60	314
New corporations.....	--	--	15	5	5	--	--	--	5
Germany.....	412	364	199	92	69	22	1	1	90
Old corporations.....	411	363	184	87	64	22	1	1	85
New corporations.....	1	1	15	5	5	--	--	--	5
Japan.....	225	195	2,200	779	769	7	159	63	621
Old corporations.....	218	195	2,046	726	716	7	159	63	567
New corporations.....	7	--	154	54	54	--	--	--	54
Netherlands.....	273	170	2,325	816	814	2	7	5	809
Old corporations.....	244	143	2,323	815	813	2	7	5	808
New corporations.....	29	27	3	1	1	--	--	--	1
Switzerland.....	320	254	2,426	860	849	11	524	522	337
Old corporations.....	301	252	2,426	860	849	11	524	522	337
New corporations.....	19	2	--	--	--	--	--	--	--
United Kingdom.....	551	415	2,409	845	843	2	83	63	762
Old corporations.....	551	415	2,365	830	827	2	80	60	750
New corporations.....	--	--	44	15	15	--	4	3	12

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1996

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Percentages					Total liabilities divided by net worth
	Number of returns with net income	Number of returns with total income tax after credits	Current liabilities	Noncurrent liabilities	Net worth	
	Divided by total number of returns		Divided by total assets			
	(40)	(41)	(42)	(43)	(44)	
All industries: ¹						
Domestic corporations not foreign controlled.	80.66	67.24	38.19	27.42	34.39	190.82
Old corporations.....	81.68	68.53	38.74	27.40	33.85	195.40
New corporations.....	69.58	53.37	27.35	27.77	44.88	122.84
Foreign-controlled domestic corporations ¹.....	71.46	71.46	47.23	29.00	23.77	320.78
Old corporations.....	72.91	72.64	47.03	29.28	23.69	322.13
New corporations.....	56.80	59.60	49.75	25.55	24.70	304.80
Selected countries:						
Canada.....	67.21	66.88	31.08	38.57	30.35	229.45
Old corporations.....	70.18	68.73	32.31	37.48	30.21	231.07
New corporations.....	42.42	51.52	15.74	52.07	32.19	210.61
France.....	73.84	74.42	44.48	40.58	14.94	569.43
Old corporations.....	**	**	44.91	40.68	14.42	593.63
New corporations.....	**	**	26.54	36.46	36.99	170.32
Germany.....	77.29	76.86	46.71	27.17	26.12	282.88
Old corporations.....	77.78	77.31	46.97	27.11	25.92	285.83
New corporations.....	69.23	69.23	31.81	30.40	37.79	164.63
Japan.....	72.58	72.87	69.81	15.67	14.52	588.81
Old corporations.....	73.45	73.29	71.84	14.66	13.50	640.67
New corporations.....	61.22	67.35	51.51	24.78	23.71	321.81
Netherlands.....	68.02	71.62	36.07	30.74	33.20	201.22
Old corporations.....	68.66	73.13	34.11	32.15	33.74	196.39
New corporations.....	60.00	60.00	63.96	10.54	25.50	292.13
Switzerland.....	80.95	82.99	58.93	25.11	15.96	526.43
Old corporations.....	83.21	85.50	59.46	24.64	15.90	528.95
New corporations.....	62.50	62.50	35.49	45.69	18.82	431.43
United Kingdom.....	76.12	77.01	39.90	32.65	27.44	264.37
Old corporations.....	78.74	79.07	36.20	35.31	28.49	251.04
New corporations.....	52.94	58.82	65.21	14.46	20.32	392.01
Manufacturing:						
Domestic corporations not foreign controlled.	79.43	79.83	31.39	33.99	34.62	188.82
Old corporations.....	81.08	81.29	31.60	33.59	34.81	187.26
New corporations.....	59.87	62.54	24.94	46.19	28.87	246.44
Foreign-controlled domestic corporations ¹.....	73.33	74.67	28.91	30.29	40.81	145.05
Old corporations.....	74.29	75.27	29.13	29.25	41.62	140.29
New corporations.....	62.63	66.67	25.09	47.87	27.04	269.80
Selected countries:						
Canada.....	69.05	71.43	21.95	25.52	52.53	90.37
Old corporations.....	71.82	72.73	22.54	20.25	57.21	74.80
New corporations.....	50.00	62.50	16.73	71.86	11.41	776.52
France.....	80.00	82.50	37.06	29.20	33.74	196.43
Old corporations.....	**	**	37.10	28.98	33.91	194.86
New corporations.....	**	**	36.58	31.86	31.54	217.02
Germany.....	83.20	84.00	25.10	29.59	45.30	120.73
Old corporations.....	82.35	83.19	25.11	29.61	45.28	120.85
New corporations.....	100.00	100.00	24.71	27.83	47.46	110.72
Japan.....	71.97	73.11	40.64	24.14	35.21	183.99
Old corporations.....	72.58	72.98	42.16	22.04	35.80	179.32
New corporations.....	62.50	68.75	24.17	47.00	28.83	246.86
Netherlands.....	62.69	68.66	28.17	18.86	52.97	88.79
Old corporations.....	63.79	70.69	28.25	18.47	53.28	87.69
New corporations.....	55.56	55.56	26.61	26.03	47.36	111.15
Switzerland.....	80.00	81.43	33.89	40.96	25.15	297.63
Old corporations.....	80.95	82.54	34.26	40.52	25.23	296.40
New corporations.....	71.43	71.43	22.32	55.03	22.70	340.72
United Kingdom.....	79.33	79.33	24.71	39.66	35.62	180.71
Old corporations.....	79.56	79.56	24.74	39.33	35.93	178.31
New corporations.....	69.23	69.23	23.41	54.43	22.14	351.58

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1996

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Percentages					Total liabilities divided by net worth
	Number of returns with net income	Number of returns with total income tax after credits	Current liabilities	Noncurrent liabilities	Net worth	
	Divided by total number of returns		Divided by total assets			
	(40)	(41)	(42)	(43)	(44)	
Wholesale trade:						
Domestic corporations not foreign controlled:	83.12	81.55	59.23	18.34	22.44	345.73
Old corporations.....	83.26	81.49	60.75	17.32	21.93	355.97
New corporations.....	80.73	82.57	33.76	35.37	30.87	223.92
Foreign-controlled domestic corporations ¹.....	75.25	72.64	54.72	25.26	20.02	399.47
Old corporations.....	77.20	74.22	54.60	25.32	20.08	398.13
New corporations.....	53.73	53.73	55.11	25.06	19.83	404.26
Selected countries:						
Canada.....	79.41	75.00	47.01	27.53	25.44	292.97
Old corporations.....	83.61	77.05	46.75	26.84	26.41	278.68
New corporations.....	42.86	42.86	53.26	44.02	2.99	3,254.55
France.....	58.62	58.62	32.76	28.74	38.49	159.79
Old corporations.....	58.62	58.62	32.76	28.74	38.49	159.79
New corporations.....	--	--	--	--	--	--
Germany.....	75.44	71.93	53.72	24.02	22.25	349.38
Old corporations.....	**	**	55.03	23.33	21.64	362.09
New corporations.....	**	**	36.00	33.39	30.56	227.10
Japan.....	78.85	77.31	61.26	22.55	16.20	517.40
Old corporations.....	80.42	78.33	61.14	22.43	16.43	508.62
New corporations.....	55.00	60.00	61.50	22.79	15.71	536.64
Netherlands.....	66.67	66.67	43.13	46.92	9.95	904.62
Old corporations.....	72.00	72.00	42.28	47.11	10.61	842.61
New corporations.....	--	--	164.22	19.27	-84.40	-217.39
Switzerland.....	80.95	80.95	51.45	18.27	30.28	230.30
Old corporations.....	80.56	80.56	49.70	18.06	32.24	210.16
New corporations.....	66.67	66.67	66.34	20.10	13.56	637.50
United Kingdom.....	82.93	85.37	21.79	39.55	38.66	158.66
Old corporations.....	85.71	88.57	24.58	40.03	35.39	182.58
New corporations.....	66.67	66.67	15.23	38.41	46.36	115.72
Finance, insurance, and real estate:						
Domestic corporations not foreign controlled:	86.29	45.31	43.06	22.85	34.09	193.35
Old corporations.....	86.51	45.93	43.45	23.22	33.33	200.04
New corporations.....	84.32	39.85	34.27	14.17	51.56	93.94
Foreign-controlled domestic corporations ¹.....	67.53	65.97	62.64	26.53	10.83	823.25
Old corporations.....	69.05	67.62	62.19	27.49	10.32	868.54
New corporations.....	52.78	50.00	70.60	9.60	19.80	405.04
Selected countries:						
Canada.....	65.85	60.98	40.65	48.84	10.50	852.16
Old corporations.....	**	**	41.86	49.96	8.18	1,122.64
New corporations.....	**	**	14.96	24.94	60.08	66.41
France.....	73.08	69.23	48.19	43.73	8.08	1,137.78
Old corporations.....	**	**	48.29	43.82	7.90	1,166.33
New corporations.....	**	**	0.29	0.29	99.71	0.58
Germany.....	73.91	73.91	66.30	21.65	12.04	730.47
Old corporations.....	**	**	66.68	21.61	11.71	754.05
New corporations.....	**	**	32.22	25.86	41.84	138.80
Japan.....	60.49	61.73	83.12	9.17	7.72	1,195.99
Old corporations.....	59.74	61.04	84.31	9.22	6.47	1,445.81
New corporations.....	75.00	75.00	2.90	5.87	91.21	9.62
Netherlands.....	79.17	79.17	47.04	40.02	12.93	673.36
Old corporations.....	**	**	42.21	44.03	13.76	626.48
New corporations.....	**	**	95.07	0.29	4.65	2,051.75
Switzerland.....	84.21	94.74	70.56	17.71	11.73	752.16
Old corporations.....	**	**	70.68	17.68	11.64	759.24
New corporations.....	**	**	14.93	29.86	54.93	81.54
United Kingdom.....	70.18	70.18	59.45	26.33	14.22	603.16
Old corporations.....	**	**	52.46	31.46	16.08	522.05
New corporations.....	**	**	92.52	2.04	5.44	1,737.48

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1996

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Percentages -- Continued					
	Total receipts divided by total assets	Cost of goods sold divided by business receipts	Interest paid divided by total receipts	Total receipts less total deductions divided by		
				Total assets	Net worth	Total receipts
	(46)	(47)	(48)	(49)	(50)	(51)
All industries: ¹						
Domestic corporations not foreign controlled...	38.64	62.82	6.36	2.83	8.23	7.32
Old corporations.....	38.67	63.02	6.39	2.87	8.48	7.42
New corporations.....	37.96	58.91	5.74	2.01	4.47	5.29
Foreign-controlled domestic corporations ¹.....	53.12	72.79	6.03	1.44	6.07	2.72
Old corporations.....	52.71	72.83	6.12	1.56	6.58	2.96
New corporations.....	58.10	72.39	5.00	-0.01	-0.03	-0.01
Selected countries:						
Canada.....	47.10	68.85	4.71	0.97	3.19	2.05
Old corporations.....	46.21	69.39	4.35	1.08	3.56	2.33
New corporations.....	58.07	63.84	8.23	-0.37	-1.14	-0.63
France.....	39.80	72.62	4.88	1.42	9.53	3.58
Old corporations.....	39.91	72.81	4.87	1.40	9.69	3.50
New corporations.....	35.05	63.97	5.28	2.56	6.91	7.29
Germany.....	58.85	68.86	5.75	1.46	5.57	2.47
Old corporations.....	58.49	68.99	5.81	1.45	5.59	2.48
New corporations.....	79.93	63.68	3.10	1.87	4.95	2.34
Japan.....	68.27	81.46	6.08	0.94	6.48	1.38
Old corporations.....	64.97	82.22	6.47	1.10	8.18	1.70
New corporations.....	98.08	77.09	3.69	-0.54	-2.26	-0.55
Netherlands.....	53.89	73.76	5.14	1.83	5.50	3.39
Old corporations.....	53.55	74.04	5.15	1.96	5.81	3.66
New corporations.....	58.78	70.26	5.10	-0.08	-0.32	-0.14
Switzerland.....	35.74	56.54	10.55	1.54	9.65	4.31
Old corporations.....	34.50	56.54	11.02	1.65	10.37	4.78
New corporations.....	90.68	56.52	2.64	-3.22	-17.09	-3.55
United Kingdom.....	41.07	61.55	7.66	2.07	7.53	5.03
Old corporations.....	44.04	60.80	7.57	2.33	8.17	5.29
New corporations.....	20.77	72.38	8.99	0.28	1.38	1.35
Manufacturing:						
Domestic corporations not foreign controlled...	81.20	67.88	3.61	4.92	14.21	6.06
Old corporations.....	80.61	67.83	3.60	4.95	14.23	6.15
New corporations.....	99.33	68.99	3.79	3.87	13.42	3.90
Foreign-controlled domestic corporations ¹.....	77.29	70.47	3.66	2.35	5.77	3.05
Old corporations.....	77.20	70.68	3.58	2.45	5.88	3.17
New corporations.....	78.88	67.01	5.13	0.79	2.93	1.01
Selected countries:						
Canada.....	62.17	69.99	2.68	1.46	2.78	2.35
Old corporations.....	61.25	72.21	1.68	1.55	2.71	2.53
New corporations.....	70.27	52.55	10.33	0.67	5.89	0.96
France.....	80.75	65.80	3.69	2.52	7.46	3.12
Old corporations.....	83.39	65.89	3.61	2.46	7.25	2.95
New corporations.....	48.45	63.97	5.28	3.23	10.23	6.66
Germany.....	83.19	67.88	3.24	2.16	4.76	2.59
Old corporations.....	83.06	67.96	3.25	2.10	4.63	2.52
New corporations.....	94.81	62.37	2.74	7.27	15.32	7.67
Japan.....	133.00	78.82	2.04	3.78	10.73	2.84
Old corporations.....	141.32	79.13	1.83	4.21	11.75	2.98
New corporations.....	42.66	67.15	9.72	-0.87	-3.02	-2.04
Netherlands.....	65.31	77.76	3.51	1.63	3.07	2.49
Old corporations.....	62.76	77.90	3.73	1.79	3.36	2.86
New corporations.....	111.33	76.40	1.34	-1.40	-2.95	-1.26
Switzerland.....	70.89	54.78	4.77	2.77	11.00	3.90
Old corporations.....	71.50	54.42	4.82	2.84	11.28	3.98
New corporations.....	51.44	69.92	2.70	0.29	1.27	0.56
United Kingdom.....	59.53	60.87	6.05	2.98	8.36	5.00
Old corporations.....	58.32	60.31	6.18	2.92	8.11	5.00
New corporations.....	112.46	73.50	3.17	5.72	25.84	5.09

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1996

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Percentages -- Continued					
	Total receipts divided by total assets	Cost of goods sold divided by business receipts	Interest paid divided by total receipts	Total receipts less total deductions divided by		
				Total assets	Net worth	Total receipts
	(46)	(47)	(48)	(49)	(50)	(51)
Wholesale trade:						
Domestic corporations not foreign controlled	142.21	85.40	2.00	2.51	11.17	1.76
Old corporations.....	141.63	85.41	2.04	2.60	11.88	1.84
New corporations.....	151.80	85.20	1.38	0.87	2.83	0.58
Foreign-controlled domestic corporations¹.....	165.45	84.03	2.30	1.62	8.10	0.98
Old corporations.....	179.41	85.00	2.11	2.30	11.46	1.28
New corporations.....	116.45	78.71	3.31	-0.77	-3.86	-0.66
Selected countries:						
Canada.....	229.96	85.73	1.15	4.18	16.43	1.82
Old corporations.....	222.19	85.32	1.18	4.53	17.17	2.04
New corporations.....	411.14	90.72	0.66	-4.08	-136.36	-0.99
France.....	213.50	85.61	1.05	5.52	14.33	2.58
Old corporations.....	213.50	85.61	1.05	5.52	14.33	2.58
New corporations.....	--	--	--	--	--	--
Germany.....	121.85	76.87	4.49	2.09	9.41	1.72
Old corporations.....	123.95	77.67	4.51	2.26	10.46	1.83
New corporations.....	93.22	62.97	4.24	-0.16	-0.52	-0.17
Japan.....	168.60	84.79	2.20	0.40	2.44	0.23
Old corporations.....	193.70	86.67	1.89	1.06	6.48	0.55
New corporations.....	115.78	78.03	3.31	-1.01	-6.45	-0.87
Netherlands.....	153.60	83.87	1.79	2.63	26.43	1.71
Old corporations.....	151.46	83.65	1.80	2.70	25.45	1.78
New corporations.....	457.80	94.16	1.60	-8.26	9.78	-1.80
Switzerland.....	193.35	78.04	1.56	4.38	14.48	2.27
Old corporations.....	161.09	71.73	1.93	4.78	14.84	2.97
New corporations.....	467.31	96.30	0.47	0.97	7.14	0.21
United Kingdom.....	97.47	75.72	5.33	5.03	13.02	5.16
Old corporations.....	116.39	75.81	4.64	6.76	19.09	5.81
New corporations.....	52.95	75.22	8.85	0.98	2.11	1.85
Finance, insurance, and real estate:						
Domestic corporations not foreign controlled	12.99	59.97	16.92	2.01	5.91	15.50
Old corporations.....	13.11	59.71	16.96	2.02	6.05	15.38
New corporations.....	10.28	68.15	15.77	1.96	3.81	19.08
Foreign-controlled domestic corporations¹.....	12.91	55.68	25.39	0.85	7.84	6.58
Old corporations.....	13.29	55.80	25.22	0.87	8.41	6.53
New corporations.....	6.12	50.68	32.13	0.51	2.60	8.40
Selected countries:						
Canada.....	14.51	59.51	16.58	0.45	4.25	3.07
Old corporations.....	15.11	59.55	16.49	0.45	5.51	2.98
New corporations.....	1.80	--	33.61	0.35	0.58	19.33
France.....	12.33	66.71	11.57	0.92	11.37	7.45
Old corporations.....	12.35	66.71	11.58	0.91	11.55	7.39
New corporations.....	4.64	--	--	4.35	4.36	93.75
Germany.....	15.99	57.54	23.12	0.62	5.11	3.85
Old corporations.....	15.67	57.02	23.85	0.60	5.14	3.84
New corporations.....	44.35	68.84	--	1.84	4.40	4.15
Japan.....	8.27	21.13	57.31	0.43	5.56	5.19
Old corporations.....	8.28	18.32	57.97	0.39	6.02	4.71
New corporations.....	7.42	102.86	8.04	3.06	3.36	41.29
Netherlands.....	17.57	49.45	16.94	2.04	15.78	11.61
Old corporations.....	18.26	51.41	15.45	2.22	16.10	12.14
New corporations.....	10.76	--	42.00	0.29	6.26	2.70
Switzerland.....	14.00	55.08	28.37	1.04	8.88	7.45
Old corporations.....	13.96	55.05	28.46	1.05	9.00	7.51
New corporations.....	34.08	60.29	11.57	-1.69	-3.08	-4.96
United Kingdom.....	15.57	59.62	16.89	1.25	8.78	8.02
Old corporations.....	18.43	59.46	15.59	1.50	9.32	8.13
New corporations.....	2.01	97.56	73.27	0.07	1.23	3.32

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1996

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Percentages -- Continued			
	Net income (less deficit) divided by			Net operating loss deduction divided by net income
	Total assets	Net worth	Total receipts	
(52)	(53)	(54)	(55)	
All industries: ¹				
Domestic corporations not foreign controlled...	2.89	8.40	7.48	3.59
Old corporations.....	2.93	8.66	7.58	3.55
New corporations.....	2.07	4.62	5.46	4.47
Foreign-controlled domestic corporations ¹.....	1.51	6.37	2.85	17.75
Old corporations.....	1.64	6.91	3.10	17.18
New corporations.....	(³)	(³)	(³)	32.62
Selected countries:				
Canada.....	0.98	3.22	2.07	22.02
Old corporations.....	1.08	3.59	2.35	21.10
New corporations.....	-0.37	-1.14	-0.63	43.81
France.....	1.54	10.33	3.88	22.31
Old corporations.....	1.52	10.54	3.81	20.63
New corporations.....	2.56	6.91	7.29	73.10
Germany.....	1.47	5.63	2.50	23.46
Old corporations.....	1.47	5.66	2.51	23.95
New corporations.....	1.70	4.50	2.13	5.26
Japan.....	0.97	6.71	1.43	16.99
Old corporations.....	1.14	8.45	1.76	16.33
New corporations.....	-0.53	-2.25	-0.54	29.90
Netherlands.....	1.84	5.54	3.41	12.30
Old corporations.....	1.97	5.84	3.68	11.98
New corporations.....	-0.03	-0.11	-0.05	24.04
Switzerland.....	1.93	12.11	5.41	14.24
Old corporations.....	2.05	12.89	5.94	14.30
New corporations.....	-3.22	-17.09	-3.55	7.84
United Kingdom.....	2.14	7.78	5.20	12.51
Old corporations.....	2.40	8.44	5.46	11.12
New corporations.....	0.29	1.45	1.42	54.11
Manufacturing:				
Domestic corporations not foreign controlled...	5.80	16.76	7.14	3.37
Old corporations.....	5.85	16.80	7.25	3.25
New corporations.....	4.38	15.19	4.41	7.21
Foreign-controlled domestic corporations ¹.....	2.45	6.01	3.17	17.25
Old corporations.....	2.55	6.13	3.30	16.10
New corporations.....	0.83	3.05	1.05	47.23
Selected countries:				
Canada.....	1.51	2.87	2.42	18.07
Old corporations.....	1.60	2.80	2.62	15.62
New corporations.....	0.67	5.89	0.96	57.05
France.....	2.79	8.28	3.46	27.58
Old corporations.....	2.76	8.14	3.31	23.73
New corporations.....	3.23	10.23	6.66	80.92
Germany.....	2.25	4.96	2.70	19.41
Old corporations.....	2.19	4.84	2.64	19.76
New corporations.....	7.27	15.32	7.67	7.14
Japan.....	3.85	10.93	2.89	21.14
Old corporations.....	4.29	11.97	3.03	20.87
New corporations.....	-0.87	-3.02	-2.04	39.39
Netherlands.....	1.68	3.17	2.57	8.24
Old corporations.....	1.84	3.46	2.94	7.94
New corporations.....	-1.22	-2.57	-1.09	21.79
Switzerland.....	2.76	10.99	3.90	21.38
Old corporations.....	2.84	11.26	3.97	21.47
New corporations.....	0.29	1.27	0.56	8.70
United Kingdom.....	3.12	8.77	5.25	11.61
Old corporations.....	3.06	8.53	5.26	9.22
New corporations.....	5.74	25.93	5.11	72.03

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1996

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Percentages -- Continued			
	Net income (less deficit) divided by			Net operating loss deduction divided by net income
	Total assets	Net worth	Total receipts	
(52)	(53)	(54)	(55)	
Wholesale trade:				
Domestic corporations not foreign controlled:	2.66	11.86	1.87	3.48
Old corporations.....	2.77	12.62	1.95	3.26
New corporations.....	0.88	2.86	0.58	8.81
Foreign-controlled domestic corporations ¹....	1.72	8.60	1.04	20.64
Old corporations.....	2.43	12.11	1.36	20.12
New corporations.....	-0.77	-3.88	-0.66	30.16
Selected countries:				
Canada.....	4.19	16.47	1.82	48.43
Old corporations.....	4.53	17.17	2.04	50.00
New corporations.....	-4.08	-136.36	-0.99	--
France.....	7.91	20.55	3.70	17.61
Old corporations.....	7.91	20.55	3.70	17.61
New corporations.....	--	--	--	--
Germany.....	2.14	9.63	1.76	30.56
Old corporations.....	2.31	10.68	1.86	31.86
New corporations.....	-0.16	-0.52	-0.17	--
Japan.....	0.44	2.70	0.26	18.12
Old corporations.....	1.13	6.85	0.58	15.69
New corporations.....	-1.01	-6.43	-0.87	48.02
Netherlands.....	2.69	27.00	1.75	41.80
Old corporations.....	2.76	26.00	1.82	41.80
New corporations.....	-8.26	9.78	-1.80	--
Switzerland.....	4.43	14.65	2.29	9.00
Old corporations.....	4.81	14.93	2.99	9.41
New corporations.....	0.97	7.14	0.21	--
United Kingdom.....	5.18	13.40	5.32	2.86
Old corporations.....	6.96	19.67	5.98	1.76
New corporations.....	1.00	2.15	1.88	21.43
Finance, insurance, and real estate:				
Domestic corporations not foreign controlled:	1.83	5.38	14.11	2.08
Old corporations.....	1.83	5.49	13.96	2.09
New corporations.....	1.92	3.72	18.66	1.95
Foreign-controlled domestic corporations ¹....	0.90	8.28	6.95	14.06
Old corporations.....	0.92	8.90	6.92	14.04
New corporations.....	0.50	2.52	8.16	14.66
Selected countries:				
Canada.....	0.42	4.02	2.91	3.92
Old corporations.....	0.43	5.20	2.82	4.02
New corporations.....	0.35	0.58	19.33	--
France.....	0.92	11.42	7.48	15.22
Old corporations.....	0.92	11.60	7.41	15.36
New corporations.....	4.35	4.36	93.75	--
Germany.....	0.49	4.08	3.07	59.67
Old corporations.....	0.48	4.11	3.07	61.11
New corporations.....	1.34	3.20	3.02	6.25
Japan.....	0.45	5.79	5.40	8.06
Old corporations.....	0.41	6.30	4.92	8.63
New corporations.....	3.06	3.36	41.29	--
Netherlands.....	1.97	15.26	11.23	6.69
Old corporations.....	2.14	15.58	11.74	5.69
New corporations.....	0.27	5.89	2.55	84.38
Switzerland.....	1.63	13.85	11.61	9.02
Old corporations.....	1.63	14.03	11.70	9.01
New corporations.....	-1.69	-3.08	-4.96	10.53
United Kingdom.....	1.23	8.64	7.89	14.11
Old corporations.....	1.47	9.14	7.97	14.32
New corporations.....	0.09	1.62	4.39	--

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1996

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Percentages -- Continued					
	Income subject to tax divided by			Total income tax after credits divided by		
	Total assets	Net worth	Total receipts	Total assets	Net worth	Total receipts
	(56)	(57)	(58)	(59)	(60)	(61)
All industries: ¹						
Domestic corporations not foreign controlled.	2.34	6.80	6.05	0.61	1.78	1.58
Old corporations.....	2.37	7.01	6.14	0.62	1.82	1.59
New corporations.....	1.66	3.70	4.37	0.49	1.10	1.30
Foreign-controlled domestic corporations ¹.....	1.65	6.94	3.11	0.48	2.00	0.90
Old corporations.....	1.73	7.32	3.29	0.50	2.10	0.94
New corporations.....	0.61	2.47	1.05	0.22	0.89	0.38
Selected countries:						
Canada.....	1.16	3.83	2.47	0.33	1.09	0.70
Old corporations.....	1.22	4.04	2.64	0.34	1.14	0.74
New corporations.....	0.44	1.37	0.76	0.17	0.54	0.30
France.....	1.34	8.98	3.37	0.36	2.38	0.89
Old corporations.....	1.37	9.48	3.43	0.36	2.50	0.90
New corporations.....	0.26	0.71	0.75	0.12	0.33	0.35
Germanv.....	1.33	5.09	2.26	0.38	1.47	0.65
Old corporations.....	1.31	5.05	2.24	0.38	1.45	0.64
New corporations.....	2.62	6.95	3.28	0.87	2.32	1.09
Japan.....	1.38	9.51	2.02	0.44	3.04	0.65
Old corporations.....	1.47	10.92	2.27	0.47	3.46	0.72
New corporations.....	0.54	2.29	0.55	0.21	0.87	0.21
Netherlands.....	1.80	5.41	3.33	0.57	1.73	1.06
Old corporations.....	1.88	5.57	3.51	0.60	1.77	1.12
New corporations.....	0.60	2.36	1.03	0.23	0.90	0.39
Switzerland.....	1.79	11.23	5.02	0.37	2.33	1.04
Old corporations.....	1.82	11.45	5.28	0.38	2.36	1.09
New corporations.....	0.56	2.95	0.61	0.21	1.12	0.23
United Kingdom.....	2.09	7.62	5.09	0.61	2.23	1.49
Old corporations.....	2.36	8.27	5.35	0.69	2.41	1.56
New corporations.....	0.28	1.38	1.35	0.09	0.46	0.45
Manufacturing:						
Domestic corporations not foreign controlled.	5.66	16.35	6.97	1.16	3.35	1.43
Old corporations.....	5.68	16.32	7.05	1.15	3.30	1.43
New corporations.....	5.03	17.42	5.06	1.45	5.01	1.46
Foreign-controlled domestic corporations ¹.....	2.56	6.27	3.31	0.76	1.86	0.98
Old corporations.....	2.65	6.36	3.43	0.78	1.88	1.01
New corporations.....	1.03	3.81	1.31	0.38	1.39	0.48
Selected countries:						
Canada.....	1.58	3.00	2.53	0.37	0.71	0.60
Old corporations.....	1.70	2.98	2.78	0.40	0.69	0.65
New corporations.....	0.44	3.86	0.63	0.19	1.62	0.26
France.....	2.54	7.53	3.15	0.67	1.99	0.83
Old corporations.....	2.75	8.10	3.29	0.72	2.13	0.86
New corporations.....	--	--	--	0.05	0.16	0.10
Germanv.....	2.16	4.77	2.60	0.64	1.42	0.77
Old corporations.....	2.11	4.66	2.54	0.63	1.38	0.75
New corporations.....	6.85	14.44	7.23	2.28	4.81	2.41
Japan.....	3.84	10.91	2.89	1.28	3.63	0.96
Old corporations.....	4.15	11.58	2.93	1.38	3.85	0.98
New corporations.....	0.53	1.83	1.24	0.20	0.69	0.46
Netherlands.....	1.82	3.44	2.79	0.52	0.98	0.79
Old corporations.....	1.88	3.53	3.00	0.53	1.00	0.85
New corporations.....	0.72	1.51	0.64	0.25	0.53	0.23
Switzerland.....	2.24	8.92	3.16	0.68	2.71	0.96
Old corporations.....	2.28	9.06	3.20	0.69	2.75	0.97
New corporations.....	0.96	4.22	1.86	0.34	1.48	0.65
United Kingdom.....	3.01	8.46	5.06	0.88	2.46	1.47
Old corporations.....	3.05	8.48	5.22	0.88	2.46	1.51
New corporations.....	1.63	7.37	1.45	0.57	2.58	0.51

** Not shown to avoid disclosure of information about specific corporations. However, the data are included in the appropriate totals.

¹ Includes industrial groups or countries, as appropriate, not specifically listed.

² Excludes interest received on State and local Government obligations, which totaled \$37 billion for large domestic corporations not foreign controlled, and \$641 million for large foreign-controlled domestic corporations.

³ For money amounts, less than \$500,000. For percentages, less than 0.005 percent (positive or negative).

Foreign-Controlled Domestic Corporations, 1996

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Percentages--Continued					
	Income subject to tax divided by			Total income tax after credits divided by		
	Total assets	Net worth	Total receipts	Total assets	Net worth	Total receipts
	(56)	(57)	(58)	(59)	(60)	(61)
Wholesale trade:						
Domestic corporations not foreign controlled.	3.05	13.60	2.15	0.96	4.28	0.68
Old corporations.....	3.11	14.18	2.20	0.98	4.45	0.69
New corporations.....	2.07	6.71	1.37	0.68	2.21	0.45
Foreign-controlled domestic corporations ¹.....	2.26	11.27	1.36	0.74	3.69	0.45
Old corporations.....	2.77	13.81	1.55	0.90	4.49	0.50
New corporations.....	0.44	2.23	0.38	0.17	0.85	0.15
Selected countries:						
Canada.....	2.91	11.42	1.26	1.04	4.08	0.45
Old corporations.....	2.86	10.81	1.29	1.01	3.84	0.46
New corporations.....	4.08	136.36	0.99	1.36	45.45	0.33
France.....	6.70	17.39	3.14	1.54	3.99	0.72
Old corporations.....	6.70	17.39	3.14	1.54	3.99	0.72
New corporations.....	--	--	--	--	--	--
Germany.....	1.68	7.53	1.38	0.50	2.24	0.41
Old corporations.....	1.69	7.81	1.36	0.50	2.31	0.40
New corporations.....	1.50	4.90	1.60	0.53	1.75	0.57
Japan.....	1.53	9.42	0.91	0.51	3.16	0.30
Old corporations.....	2.15	13.09	1.11	0.71	4.31	0.37
New corporations.....	0.21	1.36	0.18	0.10	0.62	0.08
Netherlands.....	1.70	17.13	1.11	0.68	6.86	0.44
Old corporations.....	1.72	16.18	1.13	0.69	6.48	0.45
New corporations.....	--	--	--	--	--	--
Switzerland.....	4.87	16.08	2.52	1.40	4.63	0.72
Old corporations.....	5.18	16.08	3.22	1.48	4.59	0.92
New corporations.....	2.42	17.86	0.52	0.73	5.36	0.16
United Kingdom.....	5.30	13.71	5.44	1.72	4.46	1.77
Old corporations.....	7.17	20.27	6.16	2.33	6.60	2.01
New corporations.....	0.90	1.94	1.70	0.30	0.66	0.58
Finance, insurance, and real estate:						
Domestic corporations not foreign controlled.	0.94	2.75	7.21	0.28	0.83	2.17
Old corporations.....	0.96	2.87	7.29	0.29	0.86	2.19
New corporations.....	0.51	0.99	4.94	0.17	0.34	1.70
Foreign-controlled domestic corporations ¹.....	0.90	8.35	7.01	0.25	2.33	1.96
Old corporations.....	0.93	9.03	7.02	0.26	2.51	1.95
New corporations.....	0.41	2.05	6.64	0.14	0.69	2.24
Selected countries:						
Canada.....	0.64	6.12	4.43	0.22	2.06	1.49
Old corporations.....	0.65	8.00	4.33	0.22	2.69	1.45
New corporations.....	0.41	0.68	22.69	0.14	0.23	7.56
France.....	0.72	8.88	5.81	0.18	2.28	1.49
Old corporations.....	0.71	8.99	5.75	0.18	2.30	1.47
New corporations.....	4.35	4.36	93.75	1.45	1.45	31.25
Germany.....	0.18	1.53	1.15	0.08	0.69	0.52
Old corporations.....	0.17	1.47	1.10	0.08	0.68	0.51
New corporations.....	1.26	3.00	2.83	0.42	1.00	0.94
Japan.....	0.64	8.35	7.79	0.18	2.36	2.20
Old corporations.....	0.61	9.40	7.34	0.17	2.60	2.04
New corporations.....	3.06	3.36	41.29	1.07	1.18	14.48
Netherlands.....	1.82	14.08	10.36	0.63	4.90	3.61
Old corporations.....	2.00	14.55	10.97	0.70	5.06	3.82
New corporations.....	0.03	0.55	0.24	0.01	0.18	0.08
Switzerland.....	1.52	12.91	10.82	0.21	1.79	1.50
Old corporations.....	1.52	13.05	10.88	0.21	1.81	1.51
New corporations.....	--	--	--	--	--	--
United Kingdom.....	1.12	7.91	7.22	0.36	2.50	2.28
Old corporations.....	1.34	8.32	7.25	0.42	2.64	2.30
New corporations.....	0.12	2.16	5.85	0.03	0.59	1.60

NOTES: This table presents separate data for the seven largest countries, based on total receipts for 1996, at the all-industries level. "Large" corporations are those with total assets of \$250,000,000 or more, and/or with business receipts of \$50,000,000 or more (total receipts were used in lieu of business receipts for the finance, insurance, and real estate division). Form 1120S data are excluded from this table. "New" corporations were those with dates of incorporation between 1994 and 1997; "old" corporations were those with dates of incorporation prior to 1994. Percentages were calculated using rounded data. Detail may not add to totals because of rounding.