

# Sole Proprietorship Returns, 1996

by *Therese Cruciano*

**N**onfarm sole proprietorship profits for 1996 increased 4.4 percent over their 1995 level to \$176.8 billion. Excepting a decline in profits for the transportation and public utilities division, all of the principal sole proprietorship industrial divisions reported increased profits. The finance, insurance, and real estate division reported the largest percentage increase in profits at 8.5 percent, followed by the services and construction divisions with increases of 4.9 percent and 4.2 percent, respectively.

The 1996 level of sole proprietorship profits coincides with the growth of both receipts and deductions: total business receipts increased 4.4 percent to \$843.2 billion, while total business deductions also grew 4.4 percent to \$666.5 billion. The growth rates of both receipts and deductions were higher than their 1995 levels of 2.1 percent and 2.3 percent, respectively. The finance, insurance, and real estate division reported the largest percentage increases in receipts (12.4 percent) and deductions (14.5 percent) for 1996. When inflation is taken into account, total nonfarm sole proprietorship profits, receipts, and deductions all increased 2.2 percent from 1995. This growth rate for receipts and deductions for 1996 represents the highest rate of growth since 1988.

## Returns and Receipts

The number of individual income tax returns reporting nonfarm sole proprietorship activity for 1996 increased 3.2 percent, from 16.4 million for 1995 to more than 16.9 million (Figure A) [1]. The two largest industrial divisions showed larger percentage increases in the number of sole proprietorship returns for 1996, 3.5 percent for services and 4.1 percent for wholesale and retail trade. Total business receipts (the sum of "income from sales and operations" and "other business income") for all nonfarm sole proprietorship industries increased 4.4 percent, from \$807.4 billion to \$843.2 billion [2]. All of the sole proprietorship industrial divisions reported growth in business receipts for 1996. The finance, insurance, and real estate division showed the largest percentage growth in receipts, an increase of 12.4 percent, approximately twice the increase reported for 1995. Sole proprietorships in the services division showed the greatest dollar increase in receipts for 1996 with a \$12.2-billion increase. The construction division showed both

the second largest percentage (7.1 percent) and dollar (\$8.4 billion) increases in receipts.

As shown in Figure B, sole proprietorship receipts (in constant dollars) increased annually from 1984 through 1988 [3]. Between 1988 and 1991, the growth in receipts stopped, resulting in year-to-year fluctuations between gains and losses. Since 1991, total business receipts increased every year except 1995, when receipts declined 0.4 percent. For 1996, total receipts increased 2.2 percent (in constant dollars), the largest percentage increase since 1988.

## Deductions

Total business deductions (cost of sales and operations, plus business expenses, including expenses for a home office) increased 4.4 percent from \$638.1 billion for 1995 to \$666.5 billion for 1996 (Figure A) [4,5]. As with total business receipts, all of the sole proprietorship principal divisions reported increased business deductions for 1996. Sole proprietorships in the finance, insurance, and real estate division showed the largest percentage growth in deductions, an increase of 14.5 percent. Sole proprietorships in the construction division produced the second largest percentage increase (7.7 percent) and the largest dollar increase (\$7.5 billion). When allowing for inflation, business deductions increased 2.2 percent for 1996 (Figure B). This increase, the largest since 1988, contrasts with the 0.3 percent decline in deductions (in constant dollars) shown for 1995.

Representing 47.5 percent of total 1996 business deductions, the cost of sales and operations was \$316.4 billion (Figure C). This amount represents a 3.1-percent increase from the 1995 level. Total business "expenses" (total business deductions minus the cost of sales and operations) were \$350.0 billion for 1996, an increase of 5.7 percent from the 1995 amount. Figure D graphically presents the main components of total business expenses. The largest component, net salaries and wages, accounted for 16.1 percent of the total. For 1996, net salaries and wages totaled \$56.3 billion, 3.4 percent more than for 1995 (Figure C). The next largest components were car and truck expenses (10.5 percent), rent on business property, machinery, and equipment (8.1 percent), and depreciation (7.8 percent). For 1996, these items were \$36.7 billion, \$28.5 billion, and \$27.4 billion, respectively. Car and truck expenses showed an 11.9-percent increase from 1995; rent on business property, machinery, and equipment increased 3.7 percent; and depreciation increased 4.3 percent. Part of the large increase in car and truck expenses was likely due to the increase in the standard

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Figure A

## Nonfarm Sole Proprietorship Returns, Receipts, and Deductions, by Industry, Tax Years 1995 and 1996

[Number of returns is in thousands--money amounts are in billions of dollars]

Industrial group	Number of returns			Total business receipts			Total business deductions		
	1995	1996	Percentage increase	1995	1996	Percentage increase	1995	1996	Percentage increase
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>All industries.....</b>	<b>16,423.9</b>	<b>16,955.0</b>	<b>3.2</b>	<b>807.4</b>	<b>843.2</b>	<b>4.4</b>	<b>638.1</b>	<b>666.5</b>	<b>4.4</b>
Construction.....	2,111.4	2,096.8	-0.7	118.9	127.4	7.1	98.1	105.6	7.7
Special trade contractors.....	1,731.2	1,798.5	3.9	82.0	92.1	12.3	65.3	73.8	13.1
Transportation and public utilities.....	737.1	824.7	11.9	39.8	42.1	5.8	34.0	36.4	7.1
Wholesale and retail trade.....	3,027.0	3,151.3	4.1	257.3	261.1	1.5	240.7	244.4	1.6
Wholesale trade.....	374.3	351.0	-6.2	41.9	41.0	-2.2	36.9	35.7	-3.1
Retail trade.....	2,652.7	2,800.3	5.6	215.4	220.1	2.2	203.8	208.7	2.4
Food stores.....	152.5	138.8	-9.0	36.0	38.1	5.6	34.7	36.8	6.0
Automotive dealers and service stations.....	183.2	175.5	-4.2	53.5	53.3	-0.4	51.8	51.4	-0.8
Eating and drinking places.....	232.9	243.8	4.7	27.1	26.6	-1.8	25.9	25.6	-1.1
Finance, insurance, and real estate.....	1,275.1	1,271.4	-0.3	57.5	64.6	12.4	36.9	42.2	14.5
Finance.....	135.2	128.9	-4.7	10.9	14.9	36.5	9.7	13.1	34.4
Insurance.....	402.8	399.5	-0.8	20.3	20.0	-1.3	10.8	11.0	1.9
Real estate.....	737.1	743.1	0.8	26.3	29.7	13.0	16.4	18.2	11.0
Services.....	7,957.6	8,233.9	3.5	275.3	287.5	4.4	178.1	185.5	4.2
Business and personal services.....	3,006.8	3,216.3	7.0	71.2	77.4	8.7	51.0	54.3	6.6
Medical services.....	802.4	771.5	-3.9	73.1	74.1	1.3	39.4	40.4	2.5
Legal services.....	281.1	291.1	3.6	23.5	24.5	4.1	12.8	13.1	2.4
Consulting and management services.....	788.1	832.8	5.7	23.5	25.8	10.1	11.3	12.8	13.3
All other industries.....	1,315.7	1,377.0	4.7	58.6	60.5	3.3	50.4	52.2	3.7

NOTE: Detail may not add to totals because of rounding. Percentage increases were calculated before rounding.

Figure B

## Nonfarm Sole Proprietorship Receipts, Deductions, and Profits, Tax Years 1984-1996

[Money amounts are in billions of dollars]

Tax year	Total business receipts			Total business deductions			Net income less deficit		
	Current dollars	Constant dollars <sup>1,2</sup>		Current dollars	Constant dollars <sup>1,2</sup>		Current dollars	Constant dollars <sup>1,2</sup>	
		Amount	Percentage increase		Amount	Percentage increase		Amount	Percentage increase
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1984.....	516.0	679.8	6.8	445.3	586.7	5.9	70.8	93.3	12.9
1985.....	540.0	687.9	1.2	461.3	587.6	0.2	78.8	100.4	7.6
1986.....	559.4	694.0	0.9	469.0	581.9	-1.0	90.4	112.2	11.8
1987.....	610.8	735.0	5.9	505.4	608.2	4.5	105.5	127.0	13.2
1988.....	672.0	780.5	6.2	545.7	633.8	4.2	126.3	146.7	15.5
1989.....	692.8	772.4	-1.0	560.2	624.5	-1.5	132.7	147.9	0.8
1990.....	730.6	780.6	1.1	589.2	629.5	0.8	141.4	151.1	2.2
1991.....	712.6	732.4	-6.2	571.2	587.1	-6.7	141.5	145.4	-3.8
1992.....	737.1	737.1	0.6	583.1	583.1	-0.7	154.0	154.0	5.9
1993.....	757.2	738.0	0.1	600.8	585.6	0.4	156.5	152.5	-1.0
1994.....	790.6	752.2	1.9	623.8	593.5	1.3	166.8	158.7	4.1
1995.....	807.4	748.9	-0.4	638.1	592.0	-0.3	169.3	157.0	-1.1
1996.....	843.2	765.2	2.2	666.5	604.8	2.2	176.8	160.4	2.2

<sup>1</sup> Constant dollars are based on the overall implicit price deflator for gross domestic product computed and reported by the U.S. Department of Commerce, Bureau of Economic Analysis in the *Survey of Current Business*, April, 1998. The deflator represents the annual average of current-weighted prices, based on 1992=100.

<sup>2</sup> Due to technical changes, the overall implicit price deflator for gross domestic product was revised for 1985, 1994, and 1995.

NOTE: Percentage increases were calculated after rounding.

mileage rate from 30 cents a mile for 1995 to 31 cents a mile for 1996.

In constant dollars, the depreciation deduction for 1996 was \$24.8 billion (Figure E). This amount represents a

2.1-percent increase from 1995. The depreciation deduction first began to decline for 1986, following the enactment of the Tax Reform Act of 1986 (TRA86). TRA86 reduced the allowable depreciation deduction by lengthen-

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Figure C

## Components of Nonfarm Sole Proprietorship Business Deductions, Tax Years 1995 and 1996

[Money amounts are in millions of dollars]

Business deductions	1995	1996	Percentage increase
	(1)	(2)	
<b>Business deductions, total<sup>1,2</sup>.....</b>	<b>638,126.8</b>	<b>666,460.9</b>	<b>4.4</b>
<b>Cost of sales and operations.....</b>	<b>306,958.5</b>	<b>316,420.9</b>	<b>3.1</b>
Inventory, beginning of year.....	31,167.7	32,021.1	2.7
Cost of labor.....	24,383.4	26,001.5	6.6
Purchases.....	219,305.5	220,028.8	0.3
Materials and supplies.....	34,427.1	40,473.4	17.6
Other costs.....	31,030.6	31,681.2	2.1
Inventory, end of year.....	33,355.8	33,785.2	1.3
<b>Business expenses, total.....</b>	<b>331,168.3</b>	<b>350,039.9</b>	<b>5.7</b>
Advertising expenses.....	8,309.6	8,974.9	8.0
Bad debts from sales or services.....	996.6	986.5	-1.0
Car and truck expenses.....	32,784.9	36,700.3	11.9
Commissions.....	9,591.6	10,791.7	12.5
Depletion.....	457.5	566.3	23.8
Depreciation <sup>3</sup> .....	26,233.8	27,364.6	4.3
Employee benefit programs.....	1,298.8	1,409.7	8.5
Insurance.....	12,977.6	13,195.2	1.7
Legal and professional services.....	6,340.0	6,330.3	-0.2
Meals and entertainment deducted....	3,208.7	3,520.0	9.7
Mortgage interest.....	4,076.3	4,475.4	9.8
Other interest paid on business indebtedness.....	5,980.2	6,091.2	1.9
Office expenses.....	8,344.2	8,824.0	5.8
Pension and profit-sharing plans.....	649.0	707.0	8.9
Rent on machinery and equipment.....	6,218.4	6,926.9	11.4
Rent on other business property.....	21,284.6	21,589.4	1.4
Repairs.....	10,171.8	10,715.0	5.3
Supplies.....	16,902.1	18,777.1	11.1
Net salaries and wages.....	54,470.7	56,322.1	3.4
Taxes paid.....	13,471.2	13,736.1	2.0
Travel.....	6,505.0	7,179.0	10.4
Utilities.....	17,205.8	18,161.6	5.6
Home office business deductions.....	3,337.9	3,769.0	12.9
Other business deductions.....	59,408.1	61,828.6	4.1

<sup>1</sup> Includes returns with Schedule C-EZ attached. Because only a total is reported for business deductions on Schedule C-EZ, the totals shown in the statistics exceed the sum of the detailed deductions; the detailed deductions are, therefore, slightly understated.

<sup>2</sup> Total business deductions are calculated before subtraction of nonallowable "passive" activity losses and any "passive loss" carryover from the prior years. However, these losses (after subtraction) and any carryover are reflected in net income or deficit. Therefore, total business receipts minus total business deductions may not always equal net income or deficit.

<sup>3</sup> Depreciation does not include depreciation reported on Form 8829 for home office businesses.

NOTE: Percentage increases were calculated after rounding.

ing the cost recovery periods and changing the depreciation methods for property placed in service after July 31, 1986. The depreciation deduction dropped 2.1 percent for 1986 and continued to decline through 1992. Beginning with 1993, when the limit on expensing of certain capital expenditures increased, the trend reversed and depreciation increased until 1995, when it decreased 2.4 percent to \$24.3 billion [6]. The 1996 increase was a

return to the upward trend. The 1996 depreciation deduction accounted for 4.1 percent of total business deductions. Depreciation deductions as a percentage of total business deductions remained well below the 1985 (pre-TRA86) level of 5.7 percent.

Beginning with Tax Year 1992, certain smaller businesses could elect to not itemize depreciation and other business deductions by filing the Schedule C-EZ, *Net Profit From Business*, a simplified version of Schedule C, *Profit or Loss From Business*. (Schedule C and Schedule C-EZ are the source of sole proprietorship statistics.) Taxpayers could use Schedule C-EZ if they: had business expenses of \$2,500 or less; used the cash accounting method; had no inventories; did not report a deficit from the business; had only one business as a sole proprietor; had no employees; were not required to file Form 4562, *Depreciation and Amortization*, for the business; claimed no deduction for home business expenses; and had no prior-year disallowed passive activity losses from the business. The filing requirements for Schedule C-EZ changed for 1996 by eliminating the gross receipts ceiling (previously \$25,000) and by increasing the limit on business expenses from \$2,000 to \$2,500. Since taxpayers using Schedule C-EZ did not itemize business deductions, the detailed deductions in Table 2 are slightly understated and will not add to the totals.

Figure F presents the numbers and percentages of nonfarm sole proprietorship returns filed on Schedule C-EZ by industrial division. Of the 2.2 million Schedule C-EZ returns filed for 1996, taxpayers in the services industries filed 1.3 million returns, or 61.8 percent. Despite the loosening of the filing restrictions for Schedule C-EZ, the number of filers was virtually the same as for 1995. For 1996, business receipts from Schedule C-EZ filers totaled \$10.1 billion, or 1.2 percent of total business receipts reported. However, the business deductions reported on Schedule C-EZ returns accounted for only 0.2 percent of total business deductions for all industries. Even in the services division with its concentration of Schedule C-EZ filers, deductions reported on Schedule C-EZ accounted for only 0.3 percent of total business deductions.

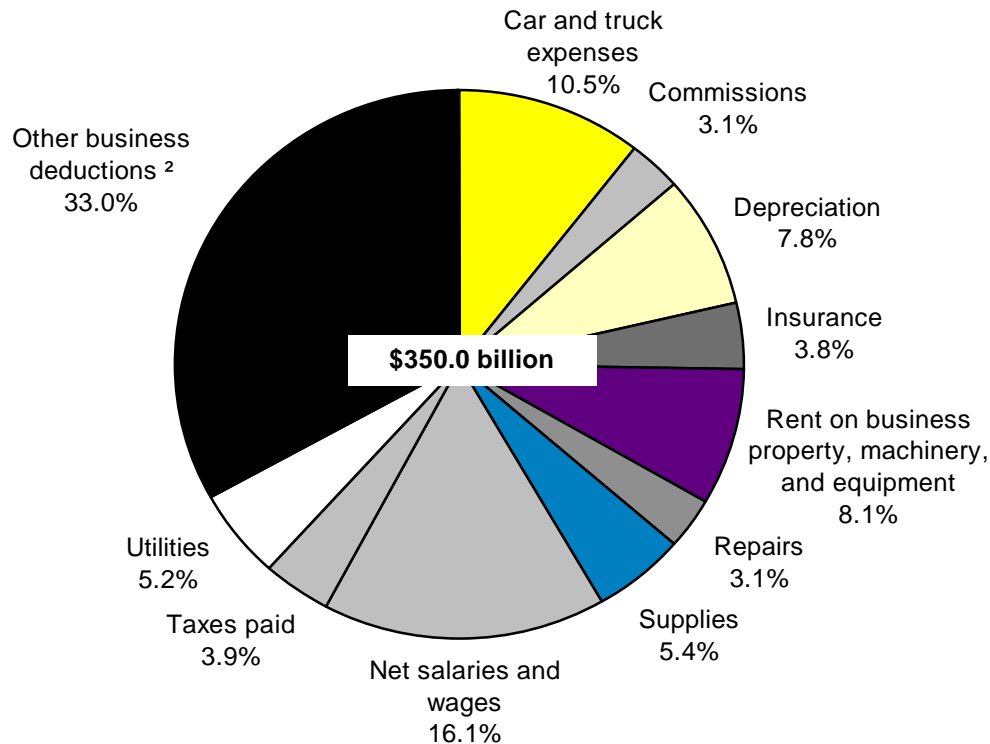
## Profits and Losses

All of the principal industrial divisions, except transportation and public utilities, reported increased sole proprietorship profits for 1996. Figure B presents total profits for all industries (in both current and constant dollars), while Figure G presents profits by industrial group [7]. Total profits increased 4.4 percent, from \$169.3 billion for 1995 to \$176.8 billion for 1996. Among the largest industrial

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Figure D

## Nonfarm Sole Proprietorship Total Business Expenses, Tax Year 1996 <sup>1</sup>



<sup>1</sup> Total business expenses equals all business deductions minus cost of sales and operations.

<sup>2</sup> Other business deductions includes: office expenses; advertising expenses; travel, meals, and entertainment; bad debts; depletion; employee benefit programs; interest; legal and professional services; pension and profit-sharing plans; and home office deductions. Other business deductions also includes all Schedule C-EZ deductions (\$1.1 billion).

Figure E

## Nonfarm Sole Proprietorship Net Income, Deficit, and Depreciation, Tax Years 1984-1996

[Money amounts are in billions of dollars]

Tax year	Current dollars			Constant dollars <sup>1,2</sup>			Percentage increase in constant dollars <sup>1</sup>		
	Net income	Deficit	Depreciation	Net income	Deficit	Depreciation	Net income	Deficit	Depreciation
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1984.....	89.8	19.1	23.9	118.4	25.1	31.5	10.1	0.7	4.3
1985.....	98.8	20.0	26.3	125.9	25.5	33.5	6.3	1.6	6.3
1986.....	110.5	20.1	26.4	137.1	24.9	32.8	8.9	-2.4	-2.1
1987.....	123.8	18.3	25.6	149.0	22.0	30.8	8.7	-11.6	-6.1
1988.....	145.5	19.2	26.1	169.0	22.3	30.3	13.4	1.4	-1.6
1989.....	152.4	19.7	24.5	169.9	21.9	27.3	0.5	-1.8	-9.9
1990.....	161.7	20.2	23.7	172.7	21.6	25.4	1.6	-1.4	-7.0
1991.....	162.4	20.9	23.1	166.9	21.5	23.7	-3.4	-0.5	-6.7
1992.....	173.5	19.5	23.3	173.5	19.5	23.3	4.0	-9.3	-1.7
1993.....	177.0	20.5	25.0	172.5	20.0	24.3	-0.6	2.6	4.3
1994.....	187.8	21.0	26.2	178.7	20.0	24.9	3.6	--	2.5
1995.....	191.7	22.5	26.2	177.9	20.8	24.3	-0.4	4.0	-2.4
1996.....	200.1	23.4	27.4	181.6	21.2	24.8	2.1	1.9	2.1

<sup>1</sup> Constant dollars are based on the overall implicit price deflator for gross domestic product computed and reported by the U.S. Department of Commerce, Bureau of Economic Analysis in the *Survey of Current Business*, April, 1998. The deflator represents the annual average of current-weighted prices, based on 1992=100.

<sup>2</sup> Due to technical changes, the overall implicit price deflator for gross domestic product was revised for 1985, 1994, and 1995.

NOTE: Percentage increases were calculated after rounding.

## Sole Proprietorship Returns, 1996

Figure F

### Nonfarm Sole Proprietorship Returns with Schedule C-EZ, by Industry, Tax Year 1996

[Money amounts are in millions of dollars]

Industrial division	Number of returns			Total business receipts			Total business deductions		
	Total	With Schedule C-EZ	Percentage of total	Total	On Schedule C-EZ	Percentage of total	Total	On Schedule C-EZ	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>All industries.....</b>	<b>16,955,023</b>	<b>2,151,320</b>	<b>12.7</b>	<b>843,233.8</b>	<b>10,129.8</b>	<b>1.2</b>	<b>666,460.9</b>	<b>1,100.8</b>	<b>0.2</b>
Construction.....	2,096,767	245,329	11.7	127,357.3	1,377.5	1.1	105,632.9	157.8	0.1
Transportation and public utilities.....	824,687	89,892	10.9	42,124.8	323.8	0.8	36,444.1	42.6	0.1
Wholesale and retail trade.....	3,151,272	198,424	6.3	261,111.2	801.5	0.3	244,421.9	120.3	( <sup>1</sup> )
Finance, insurance, and real estate.....	1,271,394	97,365	7.7	64,606.6	432.8	0.7	42,216.4	84.6	0.2
Services.....	8,233,940	1,329,037	16.1	287,494.8	6,406.7	2.2	185,514.6	621.9	0.3
All other industries.....	1,376,964	191,273	13.9	60,539.4	787.5	1.3	52,230.9	73.6	0.1

<sup>1</sup> Less than 0.05 percent.

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

divisions, the finance, insurance, and real estate division reported the largest percentage change in profits for 1996, an 8.5 percent increase. The services division produced the next largest percentage change, an increase of 4.9 percent.

TRA86 may have influenced 1996 sole proprietorship profits through its placement of restrictions on “passive losses.” Beginning in 1987, these restrictions were an effort to curb investment in “tax shelters” [8]. However, the restrictions had a limited effect on overall sole proprietorship profits, amounting to only \$79.7 million in nondeductible losses reported for 1996.

In constant dollars, total profits increased 2.2 percent for 1996 (Figure B), contrasting with the 1.1-percent decrease reported for 1995. The constant dollar increase in profits for 1996 continued the every-other-year cycle of increases starting with 1990. Figure E presents net income and deficit for sole proprietorships between 1984 and 1996, in current and constant dollars. For 1996, net income (in constant dollars) increased 2.1 percent and deficits (in constant dollars) increased 1.9 percent. This increase in net income is only the third such increase since 1990.

### Industry Trends

Using receipts as a measure of business size, Figures A and H show that services continued to be the largest sole proprietorship industrial division for 1996 with 34.1 percent of all business receipts. Total receipts for this division, at \$287.5 billion, were 4.4 percent more than the \$275.3 billion reported for 1995. Figures G and I show that services division profits grew 4.9 percent to \$102.0

billion, accounting for 57.7 percent of sole proprietorship profits for 1996. Medical services had the largest profits in the division, reporting approximately one third of total

Figure G

### Nonfarm Sole Proprietorship Profits, by Industry, Tax Years 1995 and 1996

[Money amounts are in billions of dollars]

Industrial group	Net income less deficit		
	1995	1996	Percentage increase
	(1)	(2)	(3)
<b>All industries.....</b>	<b>169.3</b>	<b>176.8</b>	<b>4.4</b>
Construction.....	20.8	21.7	4.2
Special trade contractors.....	16.7	18.3	9.3
Transportation and public utilities.....	5.8	5.7	-2.0
Wholesale and retail trade.....	16.6	16.7	0.5
Wholesale trade.....	5.1	5.3	4.2
Retail trade.....	11.6	11.4	-1.2
Food stores.....	1.4	1.3	-4.8
Automotive dealers and service stations.....	1.7	1.9	10.8
Eating and drinking places.....	1.3	1.0	-16.4
Finance, insurance, and real estate.....	20.6	22.4	8.5
Finance.....	1.2	1.8	54.3
Insurance.....	9.5	9.0	-5.2
Real estate.....	9.9	11.5	16.2
Services.....	97.2	102.0	4.9
Business and personal services.....	20.2	23.1	14.1
Medical services.....	33.7	33.7	( <sup>1</sup> )
Legal services.....	10.7	11.4	6.3
Consulting and management services...	12.1	13.1	7.5
All other industries.....	8.2	8.3	1.1

<sup>1</sup> Less than 0.05 percent.

NOTE: Detail may not add to totals because of rounding. Percentage increases were calculated before rounding.

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Figure H

## Shares of Nonfarm Sole Proprietorship Total Business Receipts, by Industry, Tax Year 1996

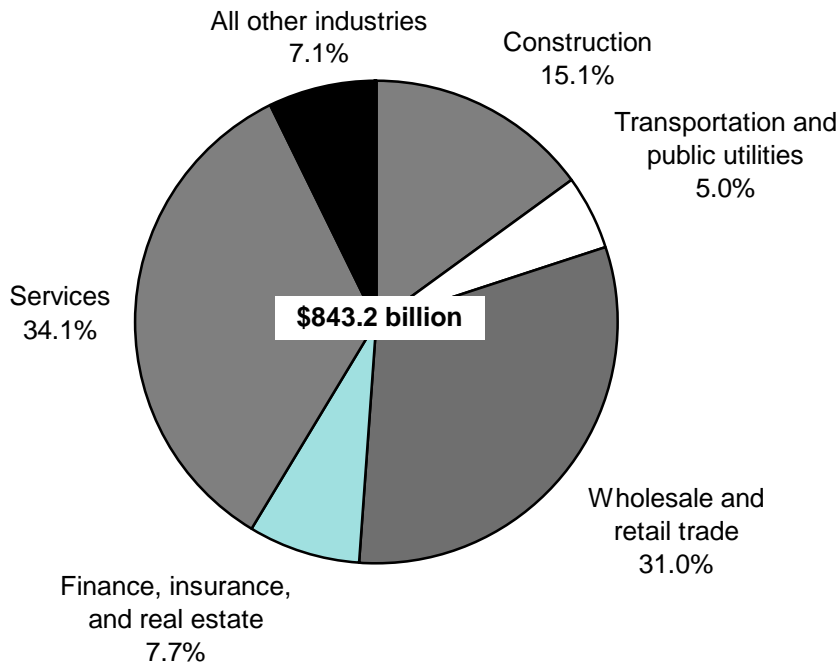
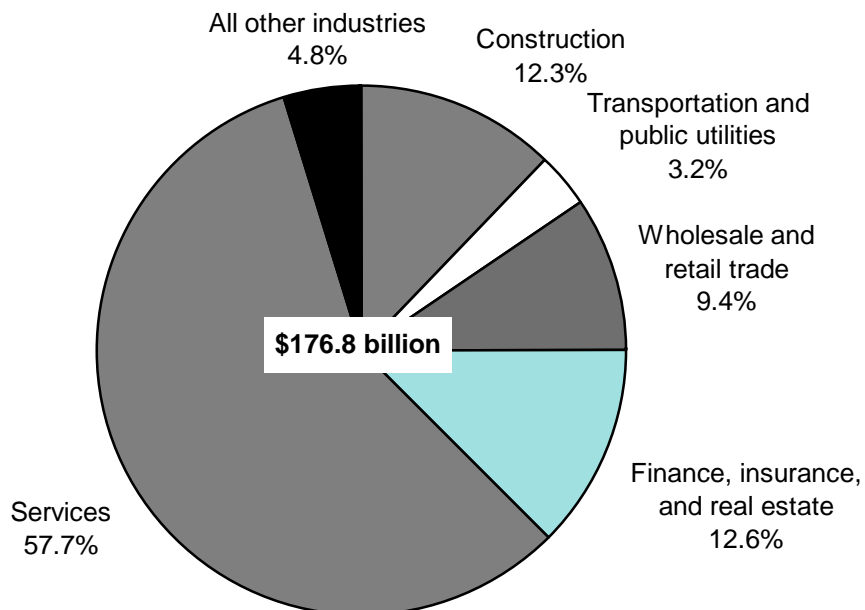


Figure I

## Shares of Nonfarm Sole Proprietorship Total Business Profits, by Industry, Tax Year 1996



## Sole Proprietorship Returns, 1996

services profits. However, small growth in both receipts and deductions for this group led to almost no change in profit levels for 1996. All of the other major groups showed faster growth. The business and personal services group reported an increase in both receipts and deductions. The net effect of these changes was increased profits (14.1 percent) to a level of \$23.1 billion. Profits from business and personal services sole proprietorships comprised 22.6 percent of total profits for the services division. Consulting and management services receipts and deductions increased 10.1 percent and 13.3 percent, respectively, resulting in a 7.5-percent increase in profits. Sole proprietorships in the legal services group reported increased receipts and deductions, resulting in a 6.3-percent growth in profits.

The second largest sole proprietorship industrial division with 31.0 percent of total receipts was wholesale and retail trade. A 1.5-percent increase in receipts for this division, accompanied by a 1.6-percent increase in deductions, led to profits slightly higher than the previous year's level (0.5-percent increase). Within this division, the wholesale trade group showed a 2.2-percent decrease in receipts and a 3.1-percent decrease in deductions, leading to a 4.2-percent increase in profits. The other component of this division, the retail trade group, reported growth in both receipts and deductions (2.2 percent and 2.4 percent, respectively), and showed a 1.2-percent decline in profits. Sole proprietorships in the retail trade group accounted for 84.3 percent of the receipts and 68.5 percent of the profits for the division. Within the retail trade group, automotive dealers and service stations reported a 10.8-percent growth in profits. This growth contrasts with the 4.8-percent and 16.4-percent declines in profits for food stores and eating and drinking places groups, respectively.

The third largest industrial division was construction, with receipts totaling \$127.4 billion. This amount was 15.1 percent of all sole proprietorship receipts for 1996, representing a 7.1-percent increase from the 1995 amount. Deductions likewise increased by 7.7 percent. Construction profits increased by 4.2 percent for 1996 to \$21.7 billion. Special trade contractors reported the largest portion (84.2 percent) of these profits. As a group, they showed substantial increases of 12.3 percent for receipts and 9.3 percent for profits.

The fourth largest division was finance, insurance, and real estate, which accounted for 7.7 percent of sole proprietorship receipts for 1996. Receipts increased 12.4 percent to \$64.6 billion, and deductions increased 14.5 percent to \$42.2 billion, yielding an 8.5-percent growth in profits. This growth in profits was the largest percentage

gain in profits of all the principal industrial divisions. The large 54.3-percent and 16.2-percent increases in profits for the finance and real estate groups, respectively, more than compensated for the 5.2-percent decline in profits for the insurance group. The exceptional high growth in finance profits was probably related to the large growth in stock activities exhibited for 1996.

### Summary

Profits for nonfarm sole proprietorships for 1996 grew 4.4 percent to a level of \$176.8 billion. Receipts and deductions both also increased 4.4 percent. All of the principal industrial divisions, except transportation and public utilities, showed increased profits for 1996. The finance, insurance, and real estate division reported the largest percentage growth in profits at 8.5 percent. The services division remained the largest sole proprietorship industrial division, accounting for 34.1 percent of receipts and 57.7 percent of profits. Services division receipts grew 4.4 percent to \$287.5 billion, while profits grew 4.9 percent to \$102.0 billion. In constant dollars, total nonfarm sole proprietorship profits increased 2.2 percent, the largest percentage increase since 1988.

### Data Sources and Limitations

The 1996 sole proprietorship estimates are based on a stratified probability sample of unaudited individual income tax returns, Forms 1040 and 1040PC (including electronically-filed returns), processed by the Internal Revenue Service during 1997. Returns in the sample were stratified based on: (1) the presence or absence of Schedule C, *Profit or Loss From Business (Sole Proprietorship)*, or Schedule C-EZ, *Net Profit From Business*, and Schedule F, *Farm Income and Expenses*; (2) the larger of positive income or negative income (i.e., "adjusted gross income" before statutory adjustments); and (3) tax year. The returns were selected at rates that ranged from 0.02 percent to 100 percent. The 1996 nonfarm sole proprietorship data are based on a sample of 40,075 returns and a population of 17,171,195 returns [9]. The corresponding sample and population for the 1995 data were 39,539 and 16,604,604 returns, respectively.

Since the data presented in this article are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data provided, the magnitude of the potential sampling error must be known; coefficients of variation (CV's) are used to measure that magnitude. Figure J presents estimated coefficients of variation for the number of returns and money amounts for selected items and industrial divisions.

# Sole Proprietorship Returns, 1996

Figure J

## Coefficients of Variation for Selected Items, Tax Year 1996

[Coefficients of variation are in percentages]

Industrial division	Coefficients of variation				
	Total receipts <sup>1</sup>	Total deductions	Net income	Net deficit	Depreciation
	(1)	(2)	(3)	(4)	(5)
<b>All industries</b> .....	0.80	0.89	1.12	2.23	1.46
Construction.....	3.06	3.23	3.60	9.43	4.39
Transportation and public utilities.....	4.10	4.23	5.44	9.19	5.71
Wholesale and retail trade.....	1.96	1.96	3.64	4.55	3.35
Finance, insurance, and real estate.....	3.05	3.15	4.07	6.28	5.64
Services.....	1.38	1.58	1.70	3.96	2.37

<sup>1</sup> Positive only.

The Appendix to this issue of the *Bulletin* discusses the reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of estimates based on samples.

### Notes and References

[1] For 1996, the 16,955,023 nonfarm sole proprietorship returns accounted for 19,031,717 nonfarm businesses. Actually, more businesses may have existed than those counted; processing for tax administration purposes allows only three businesses (reported on separate Schedules C) per return, and combines any remaining businesses on one (or more) of the three Schedules C. *Statistics of Income--1981, Sole Proprietorship Returns* contains a more detailed explanation of the relationship between proprietors and proprietorships.

For purposes of the statistics, if a proprietor owned more than one business, the statistics for each business were combined with those of the proprietor's dominant business and included in the industrial group for that business activity. When this occurred, the sum of net incomes (for businesses reporting a positive net income) reduced by the sum of net deficits (for businesses reporting a deficit) yielded the profits for a specific industrial group.

The *Standard Industrial Classification Manual, 1987*, issued by the U.S. Office of Management and Budget, was used to classify data by industry. These classifications were applied on a "per business" (rather than on a "per establishment") basis for *Statistics of Income* by combining various industry groups, although businesses were further combined as described above. While the wording of the industry

titles used for the sole proprietorship statistics diverge somewhat from those appearing in the *Standard Industrial Classification Manual*, the definitions are consistent.

- [2] Statistics for "business receipts, total" in Table 2 represent the total receipts of the business, mainly gross receipts from sales and operations. Business receipts also include miscellaneous business receipts, such as incidental sales of scrap, shown separately in the statistics as "other business income." However, business receipts exclude incidental investment income received through the business. Examples of such incidental investment income are interest, dividends, income or loss from rents or royalties, and capital or ordinary gain or loss from the sale of investment and business property. Sole proprietors report incidental investment income, in combination with nonbusiness related investment income, as part of their total income on their individual income tax returns.
- [3] Based on the overall implicit price deflator for Gross Domestic Product (GDP). See U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, April 1998. Indices used for this article were:

<u>Year</u>	<u>Indices</u>	<u>Year</u>	<u>Indices</u>
1984	75.9	1991	97.3
1985	78.5	1992	100.0
1986	80.6	1993	102.6
1987	83.1	1994	105.1
1988	86.1	1995	107.8
1989	89.7	1996	110.2
1990	93.6		



## Sole Proprietorship Returns, 1996

- [4] Sole proprietors report personal, i.e., nonbusiness, income and expense items apart from business income or loss, which is reported on the attached Schedule C, *Profit or Loss From Business* (or, to a lesser extent, on Schedule C-EZ, *Net Profit From Business*). Salaries paid to owners qualify as personal income, not as a business expense, and are, therefore, part of the owner's taxable income. Similarly, sole proprietors deduct charitable contributions made through the business as personal expenses on Schedule A, *Itemized Deductions*. However, the owner of a sole proprietorship may choose to deduct any foreign taxes paid as a business expense, unless the owner elects to claim these taxes as a credit against U.S. income tax.
- [5] Business deductions include the home office business deduction. After 1990, home office expenses were calculated separately on Form 8829, *Expenses for Business Use of Your Home*, and the deductible portion brought forward to the Schedule C. In some cases, these expenses were limited. Prior to 1990, these expenses were not limited and were included with other expenses, such as the depreciation deduction, utilities, and "other" expenses on Schedule C.
- [6] The increase in the depreciation deduction for 1993 may be attributed, in part, to a provision of the Omnibus Budget Reconciliation Act of 1993 (OBRA93). The cost of certain tangible property (as described in Internal Revenue Code section 179) may be treated as a current expense rather than a capital expenditure subject to depreciation deductions. The provision of OBRA93 (related to these expenses) increased the maximum amount of investment certain small businesses could immediately deduct on property placed in service after 1992, from \$10,000 to

\$17,500. As a result of this provision, the deduction increased 32.4 percent to \$13.5 billion for 1993. The total amount of this deduction for 1996 for all individual taxpayers (including sole proprietorships) was \$18.0 billion, a 5.8-percent increase from 1995.

- [7] Net income minus deficit (loss) before Federal income tax yields profits. Proprietors compute their tax on total "taxable income," which includes their business profits, plus any other income.
- [8] Losses generated by any "flow-through" business activity (i.e., such as partnerships or S Corporations for which profits and certain other amounts pass through to the owners for taxation), in which the taxpayer did not "materially participate" (i.e., was not involved regularly and substantially in the operations of the activity), qualified as passive activity losses. The Tax Reform Act of 1986 (TRA86) gradually eliminated the use of passive losses as a means to offset nonpassive income, such as salaries and wages. TRA86 provided for a 5-year phase-in (ending in 1991) of the limitations on passive losses for investments made prior to 1987; since Tax Year 1991, the restrictions applied to all passive losses. However, exceptions up to \$25,000 were made for certain real estate losses. Under prior law, passive losses were fully deductible.
- [9] The difference between the number of returns in the population and the total number of returns in Tables 1 and 2 is mainly due to returns in which Schedule C income was moved to other income or wages to avoid double counting of taxpayers for Gross Domestic Profit calculations. In addition, data from amended returns and tentative returns are not reflected in these statistics.

Source: IRS, Statistics of Income Bulletin, Publication 1136, Summer 1998.

# Sole Proprietorship Returns, 1996

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Groups**

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

Industrial group	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction <sup>1,2</sup>	Rent paid on machinery and equipment <sup>1</sup>	Rent paid on other business property <sup>1</sup>	Interest paid deduction <sup>1,3</sup>	Payroll <sup>1,4</sup>	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All nonfarm industries.....</b>	<b>16,955,023</b>	<b>843,233,843</b>	<b>27,882,580</b>	<b>6,926,867</b>	<b>21,589,370</b>	<b>10,566,611</b>	<b>82,323,614</b>	<b>176,755,693</b>
<b>Agricultural services, forestry, and fishing.....</b>	<b>552,107</b>	<b>20,279,907</b>	<b>1,383,587</b>	<b>182,960</b>	<b>282,274</b>	<b>317,399</b>	<b>2,982,131</b>	<b>3,223,406</b>
Agricultural services.....	472,604	17,684,865	1,135,149	153,949	263,203	263,846	2,822,504	2,794,525
Veterinary services, including pets.....	19,637	2,878,491	96,395	16,721	68,045	69,547	548,849	728,419
Livestock breeding.....	22,462	193,924	29,241	43	3,019	4,732	22,640	-112,993
Animal services, except livestock breeding, and veterinary.....	105,563	2,972,381	194,062	26,740	69,040	41,533	262,107	100,036
Landscape and horticultural services.....	259,871	8,830,873	716,507	79,040	81,018	115,631	1,309,139	1,795,578
Farm labor, management, and crop services.....	65,071	2,809,196	98,945	31,406	42,080	32,403	679,770	283,485
Forestry, except logging.....	14,944	604,448	38,362	15,413	5,516	6,697	41,484	85,913
Commercial fishing.....	59,159	1,979,614	205,217	13,597	12,534	37,865	117,713	358,365
Hunting and trapping.....	5,401	10,979	4,860	--	1,020	8,991	430	-15,397
<b>Mining.....</b>	<b>107,516</b>	<b>5,951,643</b>	<b>417,980</b>	<b>73,995</b>	<b>83,770</b>	<b>198,778</b>	<b>308,047</b>	<b>290,019</b>
Metal mining.....	6,339	99,137	5,928	5,182	7,072	4,609	5,239	28,114
Coal mining.....	1,033	240,279	6,586	682	49	1,171	3,625	26,617
Oil and gas extraction.....	92,855	5,228,101	362,734	55,112	55,409	179,412	223,894	236,287
Quarrying and nonmetallic minerals, except fuels.....	7,289	384,125	42,733	13,019	21,239	13,586	75,289	-999
<b>Construction.....</b>	<b>2,096,767</b>	<b>127,357,252</b>	<b>3,962,306</b>	<b>913,136</b>	<b>690,952</b>	<b>1,083,932</b>	<b>19,448,612</b>	<b>21,706,292</b>
General building contractors and operative builders.....	271,886	32,206,819	599,958	107,999	121,816	308,074	4,621,590	3,124,296
General building contractors.....	238,282	28,479,408	552,388	97,853	110,072	278,281	3,982,692	2,672,553
Operative builders.....	33,604	3,727,411	47,570	10,146	11,744	29,793	638,898	451,743
Heavy construction contractors.....	26,406	3,094,698	269,811	136,905	1,133	59,843	458,273	308,104
Highway and street construction.....	7,618	834,869	78,547	17,280	212	19,696	93,885	91,422
Heavy construction, except highway.....	18,788	2,259,829	191,264	119,626	921	40,147	364,388	216,682
Special trade contractors.....	1,798,476	92,055,735	3,092,537	668,231	568,003	716,015	14,368,749	18,273,893
Plumbing, heating, and air conditioning.....	147,073	10,200,301	253,264	51,323	67,895	92,060	1,474,370	1,399,582
Painting and paperhanging.....	202,618	6,601,971	177,044	47,627	43,767	34,527	1,026,477	2,085,981
Electrical work.....	107,696	6,538,012	152,136	53,333	52,520	29,541	1,085,892	1,286,693
Masonry, stonework, tile setting, and plastering.....	180,009	10,380,450	226,968	53,437	49,263	42,015	1,901,161	2,439,135
Carpentering and flooring.....	539,768	21,468,433	592,914	101,573	132,903	119,957	2,992,744	5,099,653
Roofing, siding, and sheet metal work.....	112,290	7,380,616	208,330	30,480	66,122	39,620	1,287,273	1,394,273
Concrete work.....	54,979	3,837,638	120,305	53,336	16,960	60,697	719,154	411,551
Miscellaneous special trade contractors.....	454,042	25,648,315	1,361,575	277,123	138,573	297,599	3,881,678	4,157,024
<b>Manufacturing.....</b>	<b>507,167</b>	<b>32,057,221</b>	<b>1,655,554</b>	<b>376,220</b>	<b>852,973</b>	<b>523,078</b>	<b>4,781,076</b>	<b>3,941,135</b>
Food and kindred products.....	19,613	1,739,279	84,173	33,241	38,311	33,634	193,927	-11,598
Textile mill products.....	*2,765	*338,982	*9,482	*509	*4,790	*7,246	*58,950	*46,584
Apparel and other textile products.....	30,190	2,208,358	59,441	12,546	118,692	13,791	465,734	342,631
Lumber and wood products, except furniture (including logging).....	100,580	8,045,650	749,626	130,643	55,996	219,865	1,090,600	493,330
Furniture and fixtures.....	25,190	1,395,062	43,223	1,903	46,738	12,321	292,233	278,379
Printing, publishing, and allied industries.....	125,668	5,497,411	177,474	78,381	174,685	68,341	746,896	839,531
Leather and leather products.....	4,638	341,696	--	2,177	9,319	--	*62,346	*45,822
Stone, clay, and glass products.....	25,188	813,784	54,890	9,192	20,822	16,382	132,487	84,873
Primary metal industries.....	*2,404	*55,889	*15,796	*250	--	*1,028	--	*10,463
Fabricated metal products.....	23,511	1,805,435	99,970	10,526	66,873	20,877	348,817	201,732
Machinery, except electrical.....	39,572	3,393,216	214,504	22,777	91,241	59,756	660,502	700,302
Electrical and electronic equipment.....	23,796	1,461,092	29,861	2,735	33,394	18,054	176,157	211,878
Paper and allied products.....	4,558	455,833	3,364	4,471	13,059	1,313	19,706	50,256
Other manufacturing industries.....	79,495	4,505,534	113,749	66,869	179,053	50,470	532,722	646,952
<b>Transportation and public utilities.....</b>	<b>824,687</b>	<b>42,124,760</b>	<b>3,604,427</b>	<b>1,136,665</b>	<b>384,692</b>	<b>883,316</b>	<b>4,009,466</b>	<b>5,680,369</b>
Local and interurban passenger transit.....	87,720	2,208,252	117,672	206,041	50,765	53,436	117,879	508,987
Taxicabs.....	47,040	1,105,736	38,106	194,672	43,659	25,734	32,176	312,912
Bus and limousine transportation.....	36,444	1,075,892	74,940	11,370	7,107	26,228	85,703	195,892
Other highway passenger transportation.....	*4,236	*26,624	*4,625	--	--	*1,475	--	*182
Trucking and warehousing.....	505,040	31,831,864	3,202,165	839,207	222,241	718,227	2,820,756	4,110,629
Trucking, local and long distance, including trash collection without own dump.....	380,483	29,044,588	3,146,308	742,221	165,105	703,407	2,703,856	3,304,376
Courier or package delivery service.....	123,900	2,586,797	43,397	96,616	33,584	4,358	95,904	740,410
Public warehousing.....	657	200,479	12,459	370	23,552	10,462	20,996	65,844
Water transportation.....	12,076	424,698	27,318	4,873	7,508	12,295	18,315	91,339
Air transportation.....	11,161	722,139	40,533	7,030	13,193	35,596	55,222	132,242
Transportation services.....	95,162	5,264,533	110,123	60,161	80,770	35,104	759,913	513,928
Travel agents and tour operators.....	57,851	3,176,495	36,316	23,140	63,114	7,278	562,425	315,727
Other transportation services.....	37,311	2,088,038	73,807	37,021	17,656	27,827	197,488	198,201
Communication services.....	89,276	1,356,796	68,821	10,341	9,906	22,396	227,971	235,345
Utilities, including dumps, snowplowing, road cleaning, etc.....	24,254	316,479	37,795	9,012	309	6,261	9,410	87,899

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Groups--Continued**

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

Industrial group	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction <sup>1,2</sup>	Rent paid on machinery and equipment <sup>1</sup>	Rent paid on other business property <sup>1</sup>	Interest paid deduction <sup>1,3</sup>	Payroll <sup>1,4</sup>	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Wholesale and retail trade.....</b>	<b>3,151,272</b>	<b>261,111,146</b>	<b>4,573,723</b>	<b>1,202,334</b>	<b>7,484,810</b>	<b>2,662,626</b>	<b>18,209,606</b>	<b>16,696,463</b>
Wholesale trade.....	350,993	40,976,076	546,115	146,616	365,457	208,924	1,351,950	5,264,599
Durable goods, including machinery, wood, metals, etc.....	191,973	20,930,359	339,125	83,483	189,132	116,779	714,378	3,522,720
Nondurable goods, including food, fiber, chemicals, etc.....	159,020	20,045,717	206,990	63,132	176,325	92,146	637,572	1,741,879
Retail trade.....	2,800,279	220,135,070	4,027,608	1,055,718	7,119,353	2,453,702	16,857,656	11,431,864
Building materials, paint, hardware, garden supply, and mobile home dealers.....	81,372	10,752,931	248,472	79,940	141,586	209,081	894,561	763,365
Lumber and other building materials dealers.....	27,393	3,062,178	93,283	39,303	28,200	28,391	195,796	416,480
Paint, glass, and wallpaper stores.....	8,613	699,860	22,928	6,591	21,363	15,342	132,377	34,799
Hardware stores.....	23,831	3,565,186	58,630	28,292	78,334	62,488	223,663	320,430
Retail nurseries and garden supply stores.....	15,993	2,162,663	60,348	2,363	12,298	41,073	258,245	70,844
Mobile home dealers.....	5,543	1,263,044	13,283	3,391	1,391	61,787	84,481	-79,187
General merchandise stores.....	53,175	4,708,909	58,274	6,725	189,243	35,181	243,871	332,900
Variety stores.....	18,812	1,817,471	14,628	5,841	114,525	13,226	82,830	167,864
Computer and software stores.....	13,980	1,305,638	15,930	241	13,474	7,420	54,611	64,720
Other general merchandise stores.....	20,384	1,585,800	27,716	643	61,243	14,535	106,430	100,316
Food stores.....	138,792	38,070,740	493,264	119,408	864,105	349,473	2,622,395	1,296,600
Grocery stores.....	87,074	29,624,223	325,834	76,148	525,193	270,593	1,654,283	847,800
Retail bakeries.....	14,999	1,864,891	69,444	14,079	123,886	42,133	410,454	117,150
Miscellaneous food stores.....	36,719	6,581,627	97,986	29,181	215,027	36,747	557,658	331,651
Automotive dealers and service stations.....	175,536	53,270,793	500,622	137,538	644,630	521,315	2,329,718	1,896,956
Motor vehicle dealers--new car dealers (franchised).....	5,463	1,729,363	4,322	4,190	1,858	10,244	39,972	85,860
Motor vehicle dealers--used cars only.....	71,554	16,199,186	93,104	31,241	116,755	186,167	346,208	795,810
Auto parts and accessories and selected home supply stores.....	30,422	5,291,443	74,850	22,447	118,354	60,782	445,174	330,597
Gasoline service stations.....	33,409	25,143,433	271,984	65,439	363,976	171,828	1,313,159	477,052
Boat dealers.....	8,627	1,783,105	28,218	2,067	25,689	52,149	71,522	10,329
Miscellaneous automotive dealers.....	26,060	3,124,264	28,144	12,154	17,999	40,145	113,683	197,308
Apparel and accessory stores.....	85,937	7,619,133	131,338	59,270	549,011	91,221	742,354	455,062
Men's and boys' clothing stores.....	1,508	569,854	9,839	88	20,056	8,632	39,974	10,937
Women's ready-to-wear stores.....	17,080	1,665,921	26,907	20,836	194,823	9,063	139,454	-3,866
Women's accessory and specialty stores.....	15,469	677,000	14,983	9,926	52,464	10,722	81,833	26,867
Family clothing stores.....	17,408	1,367,570	22,600	789	77,083	19,681	80,042	118,184
Shoe stores.....	7,042	1,140,617	8,523	4,590	87,423	15,676	92,670	33,662
Apparel and accessory stores, not elsewhere classified.....	27,429	2,198,172	48,485	23,041	117,162	27,445	308,382	269,279
Furniture and home furnishings stores.....	101,792	10,047,327	192,917	62,923	399,159	146,563	1,047,976	561,242
Furniture stores.....	26,853	3,613,835	70,920	36,921	152,102	57,824	376,639	219,291
Home furnishings and equipment stores, except appliances.....	28,608	2,403,718	58,732	1,645	93,884	37,630	240,433	144,928
Household appliance stores.....	11,591	1,095,376	13,707	17,910	61,825	18,593	108,636	93,877
Television, audio, and electronic stores.....	13,644	1,823,426	30,330	6,363	45,835	22,839	215,756	89,348
Music and record stores.....	21,096	1,110,973	19,228	85	45,514	9,677	106,513	13,797
Eating and drinking places.....	243,842	26,649,073	867,754	188,239	1,599,179	465,687	4,775,568	1,048,728
Eating places.....	142,562	21,523,686	681,550	134,363	1,403,548	351,979	4,263,005	793,368
Drinking places.....	43,026	4,076,956	140,494	40,983	159,563	111,646	469,208	192,322
Catering services.....	58,254	1,048,431	45,709	12,893	36,068	2,062	43,354	63,038
Miscellaneous retail stores.....	1,919,833	69,016,163	1,534,967	401,676	2,732,440	635,182	4,201,213	5,077,010
Drug stores.....	4,398	4,237,096	29,535	7,010	52,818	13,269	465,646	293,774
Liquor stores.....	11,306	4,674,642	47,393	2,774	159,469	45,744	337,518	213,727
Used merchandise and antique stores.....	129,308	3,535,160	77,226	13,831	364,452	46,531	173,654	245,864
Sporting goods and bicycle shops.....	39,935	3,823,767	67,458	10,730	157,420	57,373	206,946	203,053
Book stores.....	8,970	1,222,097	14,809	2,645	73,014	9,943	133,003	85,061
Stationery stores.....	9,978	1,304,521	15,510	15,107	82,117	14,907	99,277	126,402
Jewelry stores.....	47,390	3,611,228	53,412	20,286	180,259	29,163	220,712	406,377
Hobby, toy, and game shops.....	60,566	1,558,701	20,858	18,271	136,293	23,018	81,457	10,948
Camera and photographic supply stores.....	*1,687	*262,307	*4,583	*4,206	*19,037	*3,535	*4,745	*26,668
Luggage and leather goods stores.....	*1,369	*180,225	*1,745	*3,162	*10,148	*1,256	*6,012	*5,577
Fabric and needlework stores.....	13,276	500,230	6,133	12,169	37,417	4,560	22,418	13,320
Catalog or mail order.....	125,327	2,890,396	51,239	7,074	39,452	6,208	77,355	-57,006
Vending machine selling.....	60,900	1,676,637	172,355	10,110	11,962	11,334	68,766	153,468
Sales by door-to-door, telephone, etc.....	1,064,835	16,479,665	449,630	119,308	247,551	126,709	439,533	2,151,340
Gift, novelty, and souvenir shops.....	76,970	3,319,223	73,231	34,150	320,835	34,084	301,174	-5,251
Fuel oil dealers.....	8,489	1,883,317	24,015	1,058	3,900	15,792	76,431	50,722
Florists.....	47,656	3,139,584	108,095	43,856	139,694	33,230	394,637	213,120
Other retail shops.....	207,474	14,717,366	317,741	75,928	696,600	158,526	1,091,928	939,846

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Groups--Continued**

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

Industrial group	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction <sup>1,2</sup>	Rent paid on machinery and equipment <sup>1</sup>	Rent paid on other business property <sup>1</sup>	Interest paid deduction <sup>1,3</sup>	Payroll <sup>1,4</sup>	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Finance, insurance, and real estate.....</b>	<b>1,271,394</b>	<b>64,606,561</b>	<b>1,572,299</b>	<b>512,324</b>	<b>1,368,856</b>	<b>1,247,274</b>	<b>3,326,982</b>	<b>22,351,241</b>
Finance.....	128,864	14,916,259	210,758	50,525	264,930	483,029	588,639	1,821,972
Credit agencies and mortgage bankers.....	10,380	786,843	15,016	4,160	20,840	34,181	42,374	185,400
Security and commodity brokers and services.....	61,804	8,416,184	84,844	25,268	126,410	108,091	415,318	987,871
Security brokers and dealers.....	25,853	3,396,132	26,783	4,744	37,991	59,918	44,227	204,047
Investment advisors and services.....	26,409	1,914,065	49,403	12,720	66,528	13,974	109,460	632,305
Commodity contract brokers, exchanges and services.....	9,542	3,105,987	8,658	7,803	21,891	34,199	261,631	151,518
Other financial services.....	56,680	5,713,232	110,899	21,098	117,680	340,757	130,947	648,700
Insurance agents and brokers.....	350,847	18,222,075	359,731	190,685	575,146	184,375	1,634,452	8,323,482
Insurance services.....	48,634	1,806,217	33,832	50,264	33,666	9,483	198,310	705,554
Real estate.....	743,050	29,662,010	967,977	220,850	495,114	570,386	905,581	11,500,233
Real estate property managers.....	55,370	1,634,712	111,180	15,786	56,068	41,796	114,364	401,162
Operators and lessors of buildings.....	17,146	996,449	109,673	11,065	7,004	112,188	64,165	9,715
Operators and lessors, other than buildings.....	5,464	433,244	40,114	1,977	8,811	34,979	24,652	154,182
Real estate agents and brokers.....	642,090	24,390,719	668,306	190,827	416,858	247,737	660,178	10,758,895
Title abstract companies.....	9,515	126,431	4,767	--	1,478	2,622	13,890	55,415
Subdividers and developers.....	13,464	2,080,454	33,938	1,195	4,894	131,064	28,332	120,864
<b>Services.....</b>	<b>8,233,940</b>	<b>287,494,755</b>	<b>10,638,378</b>	<b>2,494,704</b>	<b>10,432,048</b>	<b>3,626,838</b>	<b>29,216,366</b>	<b>101,984,543</b>
Hotels and other lodging places.....	48,471	4,889,841	545,542	14,878	71,606	676,875	634,733	120,214
Hotels, motels, and tourist courts.....	36,810	4,285,738	490,616	14,054	48,826	594,121	577,516	87,508
Rooming and boarding houses.....	8,045	375,079	27,999	516	1,509	53,288	35,926	35,637
Camps and camping parks.....	3,615	229,025	26,927	307	21,272	29,467	21,291	-2,931
Personal services.....	1,261,698	28,072,556	1,070,098	362,825	2,274,040	264,121	2,673,216	7,817,475
Coin-operated laundries and dry cleaning.....	13,336	614,526	48,979	3,033	122,192	18,709	38,903	61,368
Other cleaning services, including laundry, dry cleaning, garment, carpet, and upholstery.....	59,197	3,004,272	153,067	74,693	267,895	35,470	551,637	532,092
Photographic portrait studios.....	48,635	1,907,659	115,172	19,631	99,091	8,542	83,204	295,410
Beauty shops.....	412,173	9,979,326	251,523	162,100	1,345,891	105,636	1,470,049	2,784,289
Barber shops.....	59,553	1,161,047	27,159	11,524	114,300	13,083	98,986	567,392
Funeral service and crematories.....	9,801	676,668	48,847	10,268	786	23,392	44,861	144,697
Miscellaneous personal services, including valet parking.....	659,002	10,729,058	425,350	81,576	323,885	59,288	385,575	3,432,227
Business services.....	1,954,565	49,354,675	2,178,136	386,390	849,376	467,581	4,357,966	15,267,091
Advertising, except direct mail.....	66,016	2,958,735	75,814	23,285	34,216	24,880	67,452	658,823
Consumer credit reporting and collecting services.....	1,969	38,620	1,314	--	8	--	--	3,277
Janitorial and related services to buildings.....	488,511	7,213,736	177,858	70,936	41,772	60,379	1,275,337	2,557,432
Computer and data processing services.....	202,025	4,143,744	251,707	43,842	51,403	34,015	163,223	1,645,056
Mailing, reproduction, commercial art and photography, and stenographic services.....	181,732	4,884,406	196,836	37,342	119,798	39,404	315,611	1,713,336
Computer repair, maintenance, and leasing.....	31,453	1,149,630	69,822	896	27,400	16,871	42,996	169,822
Equipment rental and leasing, except computer and automotive.....	27,341	1,562,864	389,242	39,966	36,510	57,793	121,090	250,593
Other business services.....	955,518	27,402,937	1,015,543	170,122	538,270	234,239	2,372,257	8,268,752
Automotive repair and services.....	392,337	25,507,386	962,557	274,046	965,326	348,974	3,049,743	3,072,089
Automotive rentals or leasing, without drivers.....	7,671	365,310	72,245	5,084	7,002	16,608	8,902	29,913
Automobile parking, except valet.....	5,687	137,390	5,174	5,041	57,994	5,016	10,590	16,694
Automotive repair shops.....	287,444	20,730,753	675,615	210,833	805,489	246,623	2,619,905	2,345,483
Automotive services, except repair.....	91,536	4,273,932	209,523	53,087	94,841	80,727	410,345	679,999
Miscellaneous repair services.....	278,687	9,831,001	325,323	60,053	212,349	93,304	851,184	2,135,529
TV and audio equipment repair.....	24,460	940,578	15,763	7,670	10,692	3,625	66,893	278,561
Electrical repair, except TV and audio equipment.....	49,296	1,627,099	48,982	1,359	41,358	12,182	130,567	340,610
Reupholstery and furniture repair.....	44,344	1,542,876	26,136	4,042	57,825	10,826	232,015	477,054
Other miscellaneous repair.....	160,587	5,720,447	234,442	46,981	102,474	66,672	421,709	1,039,303
Motion pictures.....	85,832	2,512,489	269,290	37,853	108,018	22,004	136,275	533,680
Motion picture and video production.....	69,075	1,327,600	107,687	27,622	24,636	1,491	19,472	468,649
Motion picture and tape distribution and allied services.....	3,183	220,436	8,659	107	1,338	113	6,472	33,434
Motion picture theaters.....	*1,623	*120,113	*10,967	*237	*5,918	*6,640	*18,960	*-12,160
Video tape rentals.....	11,950	844,340	141,976	9,887	76,126	13,760	91,371	43,757
Amusement and recreation services, except motion pictures.....	670,637	13,737,511	835,875	119,029	476,880	193,988	640,788	3,414,391
Entertainers, producers, agents, and related services.....	344,270	5,784,129	321,139	59,121	87,850	36,125	118,297	2,090,777
Bowling centers.....	4,494	298,287	24,719	566	12,868	28,059	44,752	470
Professional sports and racing, including promoters and managers.....	94,977	2,804,658	201,541	7,508	30,377	15,130	93,561	701,998
Other amusement and recreation services.....	210,435	4,463,662	275,981	39,562	281,152	106,188	351,262	554,842
Physical fitness facilities.....	16,462	386,775	12,495	12,271	64,633	8,486	32,916	66,304

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Groups--Continued**

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

Industrial group	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction <sup>1,2</sup>	Rent paid on machinery and equipment <sup>1</sup>	Rent paid on other business property <sup>1</sup>	Interest paid deduction <sup>1,3</sup>	Payroll <sup>1,4</sup>	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Services-Continued</b>								
Medical and health services.....	771,450	74,094,250	1,877,917	542,640	3,019,585	855,627	10,179,869	33,667,876
Offices of physicians.....	192,631	27,457,471	427,816	181,752	881,491	183,178	2,760,690	15,752,613
Offices of dentists.....	102,424	24,290,857	751,638	160,950	952,765	345,122	4,969,264	9,003,571
Offices of osteopathic physicians.....	11,175	1,498,417	21,510	4,162	46,949	11,446	161,307	917,469
Offices of chiropractors.....	31,599	3,807,103	161,426	60,917	260,218	93,775	501,791	1,326,509
Offices of optometrists.....	13,182	2,784,032	82,194	23,528	176,596	33,830	351,501	684,777
Offices of podiatrists.....	6,875	1,011,390	35,934	14,271	78,625	20,547	112,727	371,455
Registered and practical nurses.....	54,245	807,683	8,452	888	2,652	111	8,972	558,686
Nursing and personal care facilities.....	54,842	2,363,413	77,640	10,978	71,269	101,933	559,008	363,627
Medical and dental laboratories.....	25,075	1,306,830	34,075	10,161	58,434	9,235	214,904	394,084
Other medical and health services.....	279,402	8,767,055	277,231	75,033	490,585	56,449	539,705	4,295,085
Legal services.....	291,119	24,508,796	545,906	239,500	1,197,169	229,324	3,022,597	11,401,376
Educational services.....	258,497	2,760,817	133,872	6,593	118,969	31,977	217,402	958,703
Child day care.....	541,696	5,611,317	277,787	28,658	72,794	70,050	438,913	1,780,859
Ministers and chaplains.....	217,460	2,522,690	51,908	17,033	55,815	15,502	--	1,366,371
Engineering services.....	118,878	4,624,948	168,011	19,027	75,259	30,029	571,080	1,956,490
Architectural services.....	66,454	2,985,603	93,861	23,613	158,456	20,833	315,153	933,102
Surveying services.....	24,566	971,040	40,730	13,937	19,381	8,745	268,863	197,754
Accounting, auditing, and bookkeeping services.....	308,379	6,996,336	390,800	67,756	272,563	115,661	769,205	2,830,835
Management services.....	95,402	2,741,428	64,994	29,943	61,418	43,240	189,828	1,428,804
Consulting services.....	737,403	23,079,357	741,754	227,381	274,460	131,452	835,264	11,632,625
Public relations.....	15,848	319,393	13,957	4,532	4,330	1,322	18,588	151,198
Counseling, except health practitioners.....	94,562	2,373,322	50,060	19,019	144,255	6,227	45,701	1,318,082
<b>Nature of business not allocable.....</b>	<b>210,174</b>	<b>2,250,599</b>	<b>74,324</b>	<b>34,529</b>	<b>8,995</b>	<b>23,370</b>	<b>41,327</b>	<b>882,226</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Groups--Continued**

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

Industrial group	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction <sup>1,2</sup>	Rent paid on machinery and equipment <sup>1</sup>	Rent paid on other business property <sup>1</sup>	Interest paid deduction <sup>1,3</sup>	Payroll <sup>1,4</sup>	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>All nonfarm industries.....</b>	<b>12,523,855</b>	<b>738,136,654</b>	<b>20,087,203</b>	<b>5,431,643</b>	<b>17,450,439</b>	<b>6,907,241</b>	<b>70,030,209</b>	<b>200,123,896</b>
<b>Agricultural services, forestry, and fishing.....</b>	<b>398,677</b>	<b>17,903,635</b>	<b>954,000</b>	<b>154,649</b>	<b>231,344</b>	<b>215,417</b>	<b>2,697,353</b>	<b>4,195,222</b>
Agricultural services.....	336,382	15,541,485	751,571	126,564	214,293	185,657	2,556,474	3,649,225
Veterinary services, including pets.....	12,797	2,756,744	89,580	14,129	54,199	62,015	531,327	772,572
Livestock breeding.....	6,794	122,880	1,872	--	2,707	125	16,411	29,730
Animal services, except livestock breeding, and veterinary.....	63,154	2,400,722	80,638	26,432	59,819	25,301	216,388	460,151
Landscape and horticultural services.....	203,921	7,855,901	531,939	64,934	70,393	83,441	1,166,033	2,037,614
Farm labor, management, and crop services.....	49,716	2,405,239	47,542	21,069	27,175	14,775	626,316	349,158
Forestry, except logging.....	8,768	484,917	21,435	15,373	5,499	4,823	32,418	115,207
Commercial fishing.....	52,177	1,873,345	180,931	12,712	11,552	24,937	108,461	428,316
Hunting and trapping.....	1,350	3,888	63	--	--	--	--	*2,474
Mining.....	<b>65,298</b>	<b>4,360,475</b>	<b>242,503</b>	<b>45,723</b>	<b>68,137</b>	<b>47,693</b>	<b>211,376</b>	<b>957,058</b>
Metal mining.....	*2,232	*90,100	*1,862	*5,182	*6,963	*4,336	*5,239	*37,353
Coal mining.....	*1,028	*213,856	*3,202	*682	*25	*215	*3,625	*27,912
Oil and gas extraction.....	61,189	3,831,038	214,650	27,051	40,466	36,619	172,667	868,257
Quarrying and nonmetallic minerals, except fuels.....	849	225,482	22,789	12,809	20,684	6,522	29,845	23,536
<b>Construction.....</b>	<b>1,816,919</b>	<b>114,368,103</b>	<b>3,195,941</b>	<b>702,755</b>	<b>569,980</b>	<b>783,851</b>	<b>16,475,069</b>	<b>23,425,391</b>
General building contractors and operative builders.....	221,455	27,541,362	467,779	88,313	101,024	190,736	3,411,333	3,634,666
General building contractors.....	191,991	24,496,626	428,354	80,373	90,518	180,509	2,981,845	3,114,142
Operative builders.....	29,464	3,044,736	39,425	7,940	10,506	10,227	429,488	520,524
Heavy construction contractors.....	24,325	2,577,449	218,152	112,099	473	44,640	341,208	338,012
Highway and street construction.....	6,312	762,606	73,561	16,746	170	17,429	86,264	96,982
Heavy construction, except highway.....	18,013	1,814,843	144,591	95,353	302	27,210	254,945	241,030
Special trade contractors.....	1,571,140	84,249,292	2,510,009	502,343	468,483	548,476	12,722,527	19,452,713
Plumbing, heating, and air conditioning.....	115,901	9,322,769	207,850	45,200	60,840	86,448	1,387,830	1,528,773
Painting and paperhanging.....	190,166	6,191,637	144,278	45,452	40,035	31,352	905,060	2,137,340
Electrical work.....	88,934	6,131,395	142,386	51,779	52,490	29,132	961,972	1,332,288
Masonry, stonework, tile setting, and plastering.....	166,340	9,778,623	206,706	41,334	38,671	35,139	1,703,690	2,555,603
Carpentering and flooring.....	477,270	19,519,666	462,767	83,196	86,041	94,429	2,668,412	5,365,236
Roofing, siding, and sheet metal work.....	106,082	7,090,060	202,796	23,645	65,562	39,392	1,214,801	1,431,367
Concrete work.....	46,049	3,246,275	89,127	29,281	11,524	25,220	588,399	498,970
Miscellaneous special trade contractors.....	380,396	22,968,869	1,054,099	182,456	113,320	207,363	3,292,363	4,603,136
<b>Manufacturing.....</b>	<b>328,123</b>	<b>27,287,971</b>	<b>1,156,246</b>	<b>277,255</b>	<b>683,474</b>	<b>366,401</b>	<b>4,133,074</b>	<b>4,968,795</b>
Food and kindred products.....	11,131	1,490,781	30,857	16,769	25,185	13,957	145,794	114,967
Textile mill products.....	*2,419	*276,418	*9,337	*509	*749	*7,245	*17,260	*47,437
Apparel and other textile products.....	22,871	1,876,114	50,985	7,929	79,960	10,185	406,652	381,193
Lumber and wood products, except furniture (including logging).....	53,041	6,510,000	514,191	106,284	37,480	145,598	903,351	743,529
Furniture and fixtures.....	20,874	1,307,344	34,719	1,903	43,484	9,821	287,584	298,202
Printing, publishing, and allied industries.....	81,763	4,914,221	126,425	71,017	151,043	63,815	650,911	1,066,404
Leather and leather products.....	*4,638	*341,696	--	*2,177	*9,319	--	*62,346	*45,822
Stone, clay, and glass products.....	18,949	677,440	29,468	9,192	12,717	9,858	111,976	97,872
Primary metal industries.....	*2,397	*55,887	*15,796	*250	--	*1,027	--	*10,514
Fabricated metal products.....	14,995	1,480,747	69,380	6,687	47,311	13,901	309,995	283,120
Machinery, except electrical.....	26,777	3,242,946	201,193	14,203	89,670	49,761	631,929	794,835
Electrical and electronic equipment.....	15,611	1,206,961	17,987	2,734	22,870	8,113	133,733	268,815
Paper and allied products.....	*2,468	*244,450	*1,512	*2,583	*3,002	*158	*19,706	*59,265
Other manufacturing industries.....	50,189	3,662,965	54,395	35,018	160,683	32,963	451,837	756,819
<b>Transportation and public utilities.....</b>	<b>608,729</b>	<b>34,902,737</b>	<b>2,455,055</b>	<b>947,412</b>	<b>291,742</b>	<b>606,898</b>	<b>3,137,340</b>	<b>6,985,382</b>
Local and interurban passenger transit.....	73,426	1,927,489	87,832	191,077	50,200	37,718	82,842	575,998
Taxicabs.....	40,578	916,672	20,071	181,168	43,097	14,713	--	346,246
Bus and limousine transportation.....	31,703	989,757	64,441	9,909	7,103	21,530	82,842	224,262
Other highway passenger transportation.....	1,145	21,060	3,321	--	--	*1,475	--	*5,489
Trucking and warehousing.....	401,388	26,226,480	2,178,581	681,592	159,839	500,611	2,086,204	5,031,573
Trucking, local and long distance, including trash collection without own dump.....	303,863	23,837,541	2,142,984	616,912	128,942	488,769	1,988,947	4,145,215
Courier or package delivery service.....	96,876	2,196,599	25,791	64,321	7,422	4,045	76,881	817,651
Public warehousing.....	649	192,340	9,807	359	23,474	7,797	20,376	68,706
Water transportation.....	10,445	375,420	12,943	4,625	4,964	6,550	13,441	124,196
Air transportation.....	7,802	560,817	21,047	4,044	10,164	18,739	52,022	173,602
Transportation services.....	66,774	4,427,965	86,519	48,925	59,116	28,982	714,217	621,543
Travel agents and tour operators.....	36,534	2,529,363	28,925	17,181	42,622	5,951	526,385	398,134
Other transportation services.....	30,240	1,898,602	57,594	31,743	16,495	23,032	187,832	223,409
Communication services.....	28,932	1,084,899	36,863	9,312	7,151	8,862	179,202	366,821
Utilities, including dumps, snowplowing, road cleaning, etc.....	19,960	299,667	31,270	7,838	308	5,436	9,410	91,648

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Groups--Continued**

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

Industrial group	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction <sup>1,2</sup>	Rent paid on machinery and equipment <sup>1</sup>	Rent paid on other business property <sup>1</sup>	Interest paid deduction <sup>1,3</sup>	Payroll <sup>1,4</sup>	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>Wholesale and retail trade.....</b>	<b>1,723,917</b>	<b>214,948,238</b>	<b>2,950,934</b>	<b>838,634</b>	<b>5,468,699</b>	<b>1,721,175</b>	<b>14,141,991</b>	<b>23,858,400</b>
Wholesale trade.....	236,556	36,052,714	384,161	91,889	293,646	162,284	1,090,169	5,929,218
Durable goods, including machinery, wood, metals, etc.....	137,849	18,931,322	229,154	45,847	141,896	90,830	564,600	3,873,904
Nondurable goods, including food, fiber, chemicals, etc.....	98,707	17,121,392	155,007	46,042	151,750	71,454	525,569	2,055,314
Retail trade.....	1,487,361	178,895,524	2,566,773	746,746	5,175,054	1,558,891	13,051,821	17,929,182
Building materials, paint, hardware, garden supply, and mobile home dealers.....	55,812	8,358,073	178,745	52,287	106,150	102,173	610,156	1,048,805
Lumber and other building materials dealers.....	21,956	2,811,170	81,480	23,189	28,200	27,572	186,880	432,384
Paint, glass and wallpaper stores.....	6,641	488,957	17,540	3,267	14,003	1,031	94,585	49,405
Hardware stores.....	12,871	2,769,036	41,762	24,943	52,932	39,431	149,399	375,306
Retail nurseries and garden supply stores.....	11,558	1,451,630	33,986	879	10,157	22,910	112,706	136,156
Mobile home dealers.....	2,785	837,280	3,977	9	857	11,230	66,587	55,554
General merchandise stores.....	30,980	4,111,553	38,587	2,033	156,730	21,423	219,559	456,128
Variety stores.....	13,242	1,638,856	13,233	1,158	101,759	7,762	72,337	202,710
Computer and software stores.....	3,203	1,076,214	6,543	233	13,474	1,395	54,247	105,240
Other general merchandise stores.....	14,536	1,396,483	18,812	643	41,497	12,266	92,974	148,177
Food stores.....	103,698	30,965,508	355,229	105,965	667,952	225,836	2,044,321	1,695,542
Grocery stores.....	65,847	23,801,867	248,940	66,957	408,045	182,113	1,369,422	1,134,837
Retail bakeries.....	9,978	1,119,226	33,386	10,295	68,803	12,376	190,240	181,336
Miscellaneous food stores.....	27,872	6,044,416	72,904	28,713	191,105	31,347	484,658	379,370
Automotive dealers and service stations.....	121,642	45,297,110	382,132	106,836	544,696	358,615	2,007,676	2,429,968
Motor vehicle dealers--new car dealers (franchised).....	5,463	1,729,363	4,322	4,190	1,858	10,244	39,972	85,860
Motor vehicle dealers--used cars only.....	45,171	13,440,859	70,460	17,466	83,362	122,563	291,165	1,007,154
Auto parts and accessories and selected home supply stores.....	21,527	4,561,862	56,355	16,435	99,772	41,911	386,464	426,539
Gasoline service stations.....	22,218	21,343,928	204,720	55,324	327,678	109,184	1,132,570	611,952
Boat dealers.....	6,316	1,496,367	20,663	2,045	14,829	43,748	52,578	49,017
Miscellaneous automotive dealers.....	20,947	2,724,731	25,611	11,378	17,196	30,965	104,927	249,446
Apparel and accessory stores.....	49,154	5,471,114	65,186	30,292	350,119	62,691	440,631	766,281
Men's and boys' clothing stores.....	*637	*254,464	*2,170	*87	*11,571	*4,531	*21,582	*25,530
Women's ready-to-wear stores.....	9,200	1,108,528	13,325	3,173	114,418	4,755	90,220	117,533
Women's accessory and specialty stores.....	5,650	597,457	4,451	9,926	31,172	8,454	74,816	54,798
Family clothing stores.....	11,612	1,050,966	16,545	789	57,499	16,152	41,218	159,478
Shoe stores.....	4,492	832,648	6,730	1,575	61,388	7,067	57,286	81,292
Apparel and accessory stores, not elsewhere classified.....	17,563	1,627,052	21,965	14,743	74,073	21,731	155,508	327,649
Furniture and home furnishings stores.....	60,719	8,176,427	128,894	44,505	263,259	104,019	807,278	930,045
Furniture stores.....	20,741	3,093,581	61,270	21,973	84,134	52,974	346,321	286,691
Home furnishings and equipment stores, except appliances.....	17,163	1,846,378	29,674	995	51,061	28,083	183,151	272,189
Household appliance stores.....	10,707	943,767	9,246	17,846	54,180	8,009	95,361	126,513
Television, audio, and electronic stores.....	9,183	1,363,494	24,766	3,619	38,854	8,439	125,834	170,234
Music and record stores.....	2,925	929,208	3,938	72	35,031	6,514	56,610	74,418
Eating and drinking places.....	145,038	19,836,564	508,755	125,580	1,104,772	269,774	3,467,219	2,033,453
Eating places.....	88,011	16,105,933	388,364	98,249	983,480	206,192	3,088,924	1,542,171
Drinking places.....	22,273	3,016,888	95,747	25,368	103,992	61,520	340,421	335,547
Catering services.....	34,753	713,743	24,644	1,963	17,300	2,062	37,875	155,735
Miscellaneous retail stores.....	920,318	56,679,173	909,245	279,247	1,981,375	414,361	3,454,982	8,568,960
Drug stores.....	3,680	3,812,981	27,204	5,343	41,862	9,985	435,768	316,067
Liquor stores.....	8,043	4,409,161	42,161	2,389	156,250	38,444	330,599	231,183
Used merchandise and antique stores.....	57,913	2,648,868	43,120	6,133	220,608	27,964	158,784	532,174
Sporting goods and bicycle shops.....	19,035	3,342,130	53,390	6,479	147,765	56,002	197,408	270,957
Book stores.....	4,572	806,782	9,457	1,054	55,999	6,492	87,214	105,948
Stationery stores.....	5,460	1,264,388	13,776	10,325	79,194	14,090	95,463	152,834
Jewelry stores.....	29,595	3,222,280	45,061	13,911	163,072	15,721	184,782	482,591
Hobby, toy, and game shops.....	33,883	1,226,691	14,597	17,703	86,811	10,498	62,132	151,164
Camera and photographic supply stores.....	*1,618	*234,375	*3,609	*3,310	*17,664	--	*1,646	*31,715
Luggage and leather goods stores.....	*237	*121,833	*1,745	*3,162	*2,677	*4,699	*6,012	*6,948
Fabric and needlework stores.....	3,754	404,691	4,538	10,615	20,320	3,657	21,733	64,760
Catalog or mail order.....	37,804	2,492,893	19,063	6,518	20,858	3,876	73,796	327,219
Vending machine selling.....	20,037	1,476,535	64,887	6,926	11,376	4,370	68,686	291,126
Sales by door-to-door, telephone, etc.....	499,690	13,302,743	221,678	62,334	182,443	75,898	350,098	3,480,715
Gift, novelty, and souvenir shops.....	29,817	2,429,336	39,858	19,440	192,175	20,321	202,011	212,379
Fuel oil dealers.....	7,115	1,429,008	16,429	567	1,655	6,484	54,199	68,273
Florists.....	31,000	2,606,634	59,597	43,734	107,849	18,086	345,400	321,714
Other retail shops.....	127,062	11,447,847	229,076	59,304	472,796	101,603	779,251	1,521,193

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Groups--Continued**

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

Industrial group	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction <sup>1,2</sup>	Rent paid on machinery and equipment <sup>1</sup>	Rent paid on other business property <sup>1</sup>	Interest paid deduction <sup>1,3</sup>	Payroll <sup>1,4</sup>	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>Finance, insurance, and real estate.....</b>	<b>968,632</b>	<b>57,469,061</b>	<b>1,157,983</b>	<b>435,771</b>	<b>1,186,266</b>	<b>556,223</b>	<b>3,062,929</b>	<b>24,683,313</b>
Finance.....	85,233	11,399,562	151,844	41,782	216,618	115,422	526,702	2,683,662
Credit agencies and mortgage bankers.....	8,672	631,170	12,698	3,049	16,194	24,480	38,032	210,434
Security and commodity brokers and services.....	39,230	6,168,765	56,787	21,216	94,300	29,674	375,362	1,378,192
Security brokers and dealers.....	13,723	2,173,938	11,950	1,070	28,519	3,692	18,204	399,086
Investment advisors and services.....	21,890	1,520,412	37,769	12,522	57,852	10,682	98,479	705,922
Commodity contract brokers, exchanges and services.....	3,617	2,474,415	7,067	7,623	7,929	15,299	258,679	273,184
Other financial services.....	37,331	4,599,628	82,358	17,518	106,125	61,268	113,308	1,095,035
Insurance agents and brokers.....	291,095	17,429,481	311,043	164,561	535,390	168,658	1,580,933	8,608,923
Insurance services.....	42,393	1,685,976	32,136	32,155	31,549	7,656	193,857	764,831
Real estate.....	549,912	26,954,042	662,960	197,273	402,708	264,488	761,437	12,625,897
Real estate property managers.....	36,517	1,424,834	72,104	11,758	44,292	13,607	85,662	535,962
Operators and lessors of buildings.....	7,275	560,481	24,596	10,645	6,011	21,919	29,565	142,950
Operators and lessors, other than buildings.....	3,542	370,631	25,115	1,069	8,360	12,161	23,341	162,050
Real estate agents and brokers.....	486,903	22,948,339	524,696	173,651	340,349	157,337	594,174	11,346,586
Title abstract companies.....	8,370	123,305	4,767	--	1,478	2,622	13,890	57,367
Subdividers and developers.....	7,305	1,526,453	11,682	151	2,218	56,842	14,804	380,982
<b>Services.....</b>	<b>6,443,283</b>	<b>264,891,870</b>	<b>7,943,476</b>	<b>1,997,165</b>	<b>8,944,237</b>	<b>2,597,311</b>	<b>26,131,159</b>	<b>110,045,171</b>
Hotels and other lodging places.....	25,595	3,292,143	286,991	6,874	27,498	355,798	404,650	481,884
Hotels, motels, and tourist courts.....	20,404	2,938,819	254,356	6,634	25,197	317,263	360,101	407,879
Rooming and boarding houses.....	4,189	258,472	15,897	202	1,489	25,096	35,195	64,824
Camps and camping parks.....	*1,003	*94,852	*16,738	*38	*811	*13,438	*9,354	*9,181
Personal services.....	965,656	25,085,273	747,155	274,568	1,822,855	211,116	2,242,868	9,023,777
Coin-operated laundries and dry cleaning.....	10,281	491,518	24,554	232	101,253	9,039	37,778	89,418
Other cleaning services, including laundry, dry cleaning, garment, carpet, and upholstery.....	45,670	2,623,609	123,286	50,057	210,579	19,131	484,776	609,003
Photographic portrait studios.....	33,838	1,609,580	92,355	16,572	70,209	7,689	70,693	388,901
Beauty shops.....	351,068	9,002,456	177,290	136,837	1,134,320	92,903	1,202,416	3,073,299
Barber shops.....	54,617	1,125,385	19,307	11,524	103,513	13,083	98,330	586,804
Funeral service and crematories.....	8,541	670,118	48,391	10,195	786	23,248	44,440	158,648
Miscellaneous personal services, including valet parking.....	461,641	9,562,608	261,971	49,151	202,195	46,023	304,434	4,117,705
Business services.....	1,531,501	44,756,386	1,541,625	293,493	679,687	331,816	3,591,852	16,933,906
Advertising, except direct mail.....	42,362	2,701,951	46,423	16,562	31,723	8,397	64,020	734,129
Consumer credit reporting and collecting services.....	1,568	5,419	1	--	--	--	--	*3,903
Janitorial and related services to buildings.....	444,070	6,438,621	153,493	31,191	37,037	55,111	873,863	2,677,382
Computer and data processing services.....	142,313	3,793,607	127,075	39,949	50,506	29,242	131,133	1,896,655
Mailing, reproduction, commercial art and photography, and stenographic services.....	125,408	4,615,506	161,739	34,355	84,729	36,520	281,085	1,835,309
Computer repair, maintenance, and leasing.....	21,915	962,703	49,093	621	1,545	5,460	39,434	227,045
Equipment rental and leasing, except computer and automotive.....	17,820	1,382,634	231,582	32,920	35,387	26,824	115,199	351,682
Other business services.....	736,045	24,855,944	772,218	137,894	438,759	170,262	2,087,117	9,207,801
Automotive repair and services.....	310,329	22,333,555	736,308	206,486	836,557	232,593	2,581,223	3,544,048
Automotive rentals or leasing, without drivers.....	5,768	247,249	8,077	1,938	6,756	2,380	985	46,319
Automobile parking, except valet.....	4,399	131,126	3,407	5,041	57,994	3,877	10,590	21,733
Automotive repair shops.....	223,621	18,076,255	567,810	155,066	717,505	171,222	2,210,531	2,706,759
Automotive services, except repair.....	76,541	3,878,925	157,015	44,442	54,301	55,114	359,117	769,238
Miscellaneous repair services.....	211,760	8,900,319	255,333	44,045	185,859	71,574	749,982	2,333,448
TV and audio equipment repair.....	19,079	915,156	15,763	800	10,692	3,625	66,893	284,100
Electrical repair, except TV and audio equipment.....	39,634	1,445,296	27,192	1,157	36,823	11,637	92,599	375,382
Reupholstery and furniture repair.....	37,921	1,420,769	22,299	--	49,952	10,678	196,879	480,105
Other miscellaneous repair.....	115,126	5,119,098	190,079	42,088	88,392	45,634	393,611	1,193,861
Motion pictures.....	54,364	2,045,031	181,312	26,061	77,504	12,430	106,315	782,236
Motion picture and video production.....	43,472	1,137,828	48,705	16,073	17,270	1,436	15,656	631,447
Motion picture and tape distribution and allied services.....	*1,741	*92,121	*1,150	*107	*1,338	*3	*2,971	*48,437
Motion picture theaters.....	*118	*8,048	*231	*2	*957	*49	*856	*1,264
Video tape rentals.....	9,033	807,035	131,225	9,879	57,939	10,943	86,832	101,088
Amusement and recreation services, except motion pictures.....	423,269	11,012,491	432,829	66,709	276,265	87,418	395,348	4,673,093
Entertainers, producers, agents, and related services.....	232,952	4,944,496	166,623	32,186	47,023	11,615	72,565	2,631,434
Bowling centers.....	*569	*197,565	*23,649	*420	*806	*18,945	*40,158	*20,777
Professional sports and racing, including promoters and managers.....	44,104	2,391,296	83,182	4,516	15,310	5,199	83,745	1,055,582
Other amusement and recreation services.....	133,836	3,128,719	152,853	24,860	156,491	43,945	169,366	876,657
Physical fitness facilities.....	11,808	350,415	6,522	4,728	56,636	7,713	29,514	88,644

Footnotes at end of table.



# Sole Proprietorship Returns, 1996

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Groups--Continued**

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

Industrial group	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction <sup>1,2</sup>	Rent paid on machinery and equipment <sup>1</sup>	Rent paid on other business property <sup>1</sup>	Interest paid deduction <sup>1,3</sup>	Payroll <sup>1,4</sup>	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>Services-Continued</b>								
Medical and health services.....	650,651	72,004,550	1,718,467	497,290	2,851,546	755,182	9,964,687	34,350,538
Offices of physicians.....	170,494	26,711,182	404,158	169,395	848,803	159,680	2,717,073	15,946,894
Offices of dentists.....	94,868	24,072,287	736,923	149,892	936,736	332,968	4,925,749	9,075,847
Offices of osteopathic physicians.....	10,828	1,475,652	21,502	4,162	46,912	11,446	161,307	917,517
Offices of chiropractors.....	23,575	3,558,287	115,239	51,492	223,952	69,172	482,337	1,361,234
Offices of optometrists.....	12,651	2,701,036	76,542	20,540	164,775	31,029	334,194	690,911
Offices of podiatrists.....	6,530	993,403	35,721	12,881	74,441	20,547	111,005	375,748
Registered and practical nurses.....	47,231	794,473	8,428	888	2,593	111	8,972	564,908
Nursing and personal care facilities.....	40,562	1,991,573	56,820	10,644	44,006	71,504	493,509	434,780
Medical and dental laboratories.....	21,627	1,222,951	32,988	10,161	41,311	8,425	205,749	406,595
Other medical and health services.....	222,286	8,483,707	230,147	67,235	468,018	50,299	524,793	4,576,103
Legal services.....	239,868	23,718,141	475,821	222,661	1,098,717	208,334	2,823,131	11,689,027
Educational services.....	211,720	2,544,240	94,366	5,865	103,523	23,956	192,513	1,057,428
Child day care.....	459,187	4,957,030	212,751	22,008	44,663	34,542	339,122	1,966,174
Ministers and chaplains.....	184,853	2,389,687	26,130	16,489	55,798	5,922	--	1,448,583
Engineering services.....	96,160	4,389,845	132,510	18,835	71,568	17,622	542,446	2,115,081
Architectural services.....	60,699	2,936,665	92,585	19,976	141,916	20,663	311,540	953,598
Surveying services.....	22,416	894,743	35,929	8,586	19,323	8,745	246,609	218,544
Accounting, auditing, and bookkeeping services.....	260,044	6,717,776	326,053	63,761	243,111	91,493	710,218	2,972,947
Management services.....	81,963	2,606,373	54,309	13,451	54,795	33,900	147,796	1,526,378
Consulting services.....	560,917	21,673,490	545,220	166,466	216,982	87,909	717,793	12,421,284
Public relations.....	12,154	308,636	12,153	4,532	4,330	1,322	17,386	175,806
Counseling, except health practitioners.....	80,178	2,325,498	35,631	19,009	131,739	4,975	45,681	1,377,391
<b>Nature of business not allocable.....</b>	<b>170,276</b>	<b>2,004,564</b>	<b>31,065</b>	<b>32,278</b>	<b>6,559</b>	<b>12,272</b>	<b>39,920</b>	<b>1,005,163</b>

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

<sup>1</sup> Excludes amounts reported on Schedule C-EZ filed by certain small businesses not required to itemize their business deductions. Therefore, totals shown may be slightly understated.

<sup>2</sup> Depreciation excludes depreciation reported on Form 8829 for home office businesses.

<sup>3</sup> Interest paid is the sum of mortgage interest and other interest paid on business indebtedness (see Table 2).

<sup>4</sup> Payroll is the sum of net salaries and wages plus the cost of labor reported as part of cost of sales and operations (see Table 2).

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

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups**

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

Net income status, item	All nonfarm industries	Agricultural services, forestry, and fishing					Mining	
		Total	Livestock breeding	Animal services, except livestock breeding, and veterinary	Landscape and horticultural services	All other agricultural services, and forestry, and fishing	Total	Oil and gas extraction
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
Number of returns <sup>1</sup> .....	16,955,023	552,107	22,462	105,563	259,871	164,212	107,516	92,855
<b>Business receipts, total <sup>1</sup>.....</b>	<b>843,233,843</b>	<b>20,279,907</b>	<b>193,924</b>	<b>2,972,381</b>	<b>8,830,873</b>	<b>8,282,729</b>	<b>5,951,643</b>	<b>5,228,101</b>
Income from sales and operations <sup>1</sup> .....	831,545,876	19,923,805	178,613	2,843,938	8,779,678	8,121,575	5,640,321	4,919,913
Other business income.....	11,687,967	356,102	15,311	128,443	51,195	161,154	311,322	308,189
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>666,460,878</b>	<b>17,060,810</b>	<b>307,346</b>	<b>2,876,024</b>	<b>7,035,295</b>	<b>6,842,144</b>	<b>5,683,100</b>	<b>5,013,292</b>
Cost of sales and operations.....	316,420,940	5,338,071	41,933	968,408	2,364,143	1,963,586	1,361,785	1,085,079
Inventory, beginning of year.....	32,021,142	278,166	*904	107,638	55,825	113,799	74,357	36,391
Cost of labor.....	26,001,536	704,722	*2	*9,559	468,417	226,744	95,822	57,688
Purchases.....	220,028,820	3,121,473	*39,215	848,715	811,839	1,421,705	528,195	350,042
Materials and supplies.....	40,473,390	957,980	*1,084	*33,997	750,746	172,154	16,092	7,890
Other costs.....	31,681,218	583,119	*1,851	102,059	326,003	153,206	721,037	670,452
Inventory, end of year.....	33,785,165	307,389	*1,123	133,560	48,686	124,022	73,718	37,384
Advertising expenses.....	8,974,861	158,300	4,901	26,090	95,556	31,753	4,200	3,808
Bad debts from sales or services.....	986,451	20,381	--	*3,330	14,478	2,573	5,699	5,249
Car and truck expenses.....	36,700,251	1,033,271	17,625	140,357	624,197	251,092	162,676	135,774
Commissions.....	10,791,724	128,834	967	7,839	29,171	90,858	5,040	4,053
Depletion.....	566,320	1,133	*27	*121	*363	*623	471,625	461,772
Depreciation <sup>3</sup> .....	27,364,611	1,379,809	29,116	193,174	713,967	443,551	417,672	362,684
Employee benefit programs.....	1,409,655	44,723	*3,563	3,588	13,162	24,410	6,169	4,640
Insurance.....	13,195,206	467,247	3,577	55,932	243,121	164,618	58,373	49,176
Legal and professional services.....	6,330,311	130,501	11,178	17,459	45,463	56,401	100,444	96,973
Meals and entertainment deducted.....	3,519,959	56,058	197	10,460	16,121	29,279	10,078	8,353
Mortgage interest.....	4,475,403	131,011	*1,318	17,757	39,812	72,124	19,665	13,880
Other interest paid on business indebtedness.....	6,091,207	186,387	3,414	23,775	75,819	83,379	179,114	165,532
Office expenses.....	8,823,978	178,037	4,527	42,302	70,398	60,810	31,334	25,507
Pension and profit-sharing plans.....	706,964	9,734	--	*631	*1,878	7,225	1,417	1,400
Rent on machinery and equipment.....	6,926,867	182,960	*43	26,740	79,040	77,137	73,995	55,112
Rent on other business property.....	21,589,370	282,274	3,019	69,040	81,018	129,196	83,770	55,409
Repairs.....	10,715,000	617,636	2,045	78,235	284,607	252,749	119,052	80,436
Salaries and wages.....	56,322,078	2,277,410	22,638	252,548	840,722	1,161,502	212,225	166,207
Supplies.....	18,777,077	958,658	21,220	148,351	457,803	331,284	99,553	89,396
Taxes paid.....	13,736,129	427,780	2,771	44,781	183,779	196,449	181,271	168,254
Travel.....	7,178,971	112,181	2,631	36,386	23,236	49,929	27,621	25,375
Utilities.....	18,161,600	396,404	4,309	85,617	149,833	156,645	74,652	64,232
Home office business deductions.....	3,768,966	46,082	*861	*7,259	25,895	12,068	2,994	2,668
Depreciation, Form 8829.....	517,969	3,778	*124	*888	*2,539	*227	309	*50
Other business deductions.....	61,828,590	2,470,447	125,302	610,813	551,888	1,182,444	1,971,074	1,880,719
<b>Net income less deficit <sup>1,2</sup>.....</b>	<b>176,755,693</b>	<b>3,223,406</b>	<b>-112,993</b>	<b>100,036</b>	<b>1,795,578</b>	<b>1,440,785</b>	<b>290,019</b>	<b>236,287</b>
Net income <sup>1,2</sup> .....	200,123,896	4,195,222	29,730	460,151	2,037,614	1,667,727	957,058	868,257
Deficit <sup>2</sup> .....	23,368,202	971,817	142,723	360,116	242,036	226,942	667,039	631,970

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	All nonfarm industries	Agricultural services, forestry, and fishing					Mining	
		Total	Livestock breeding	Animal services, except livestock breeding, and veterinary	Landscape and horticultural services	All other agricultural services, forestry, and fishing	Total	Oil and gas extraction
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>BUSINESSES WITH NET INCOME</b>								
Number of returns <sup>1</sup> .....	12,523,855	398,677	6,794	63,154	203,921	124,808	65,298	61,189
Business receipts, total <sup>1</sup> .....	738,136,654	17,903,635	122,880	2,400,722	7,855,901	7,524,132	4,360,475	3,831,038
Income from sales and operations <sup>1</sup> .....	728,180,718	17,582,560	105,214	2,289,011	7,806,076	7,382,259	4,156,846	3,629,990
Other business income.....	9,955,937	321,075	*17,666	111,711	49,824	141,873	203,630	201,048
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>538,014,424</b>	<b>13,708,621</b>	<b>93,150</b>	<b>1,940,571</b>	<b>5,818,287</b>	<b>5,856,614</b>	<b>3,402,957</b>	<b>2,962,320</b>
Cost of sales and operations.....	260,088,608	4,468,146	*39,623	746,476	1,979,280	1,702,767	1,010,623	846,799
Inventory, beginning of year.....	21,691,339	187,091	*904	58,056	40,309	87,823	11,931	8,482
Cost of labor.....	21,899,604	640,774	*2	*8,719	416,416	215,637	61,740	*52,745
Purchases.....	178,701,446	2,665,472	*39,138	695,671	672,839	1,257,825	436,794	284,572
Materials and supplies.....	34,958,641	781,343	*95	*32,936	610,113	138,198	8,674	7,796
Other costs.....	26,286,139	413,633	*578	*27,426	279,547	106,083	502,300	500,582
Inventory, end of year.....	23,448,560	220,167	*1,093	76,332	39,943	102,799	10,818	7,378
Advertising expenses.....	7,097,067	118,192	*754	19,197	73,895	24,345	3,098	2,848
Bad debts from sales or services.....	622,434	12,285	--	*45	*9,669	2,571	1,579	1,476
Car and truck expenses.....	29,263,159	831,445	*9,336	92,202	535,295	194,613	135,334	113,712
Commissions.....	9,198,082	118,560	*25	4,772	27,285	86,478	3,941	2,954
Depreciation.....	405,644	*301	--	--	--	*301	328,749	318,985
Depreciation <sup>3</sup> .....	19,692,229	950,854	*1,754	79,802	529,894	339,403	242,483	214,632
Employee benefit programs.....	1,278,004	40,286	*3,273	*3,344	12,010	21,659	5,027	3,617
Insurance.....	10,943,574	393,687	*95	37,959	213,170	142,464	42,672	36,349
Legal and professional services.....	4,929,380	92,928	*252	7,096	36,896	48,683	46,482	44,624
Meals and entertainment deducted.....	2,840,202	43,082	*55	7,792	12,129	23,106	4,816	4,184
Mortgage interest.....	2,906,167	90,604	--	*13,836	22,850	53,919	6,161	4,652
Other interest paid on business indebtedness.....	4,001,074	124,813	*125	11,466	60,591	52,631	41,531	31,967
Office expenses.....	7,205,185	126,347	*2,053	15,398	54,902	53,994	16,304	12,022
Pension and profit-sharing plans.....	672,655	9,485	--	*629	*1,631	7,225	1,055	1,044
Rent on machinery and equipment.....	5,431,643	154,649	--	26,432	64,934	63,283	45,723	27,051
Rent on other business property.....	17,450,439	231,344	*2,707	59,819	70,393	98,425	68,137	40,466
Repairs.....	8,228,204	468,674	*210	47,192	216,852	204,420	90,670	65,961
Salaries and wages.....	48,130,605	2,056,579	*16,409	207,669	749,617	1,082,884	149,635	119,921
Supplies.....	15,022,656	739,755	*1,054	97,701	343,378	297,622	81,323	74,675
Taxes paid.....	11,158,186	375,181	*2,162	29,639	161,548	181,833	110,755	102,100
Travel.....	5,565,769	74,575	*52	23,291	20,616	30,616	14,982	13,527
Utilities.....	14,257,143	327,093	*2,055	65,652	127,281	132,105	48,924	40,728
Home office business deductions.....	3,142,521	37,435	*729	*7,021	21,397	8,289	*2,458	*2,351
Depreciation, Form 8829.....	394,974	3,146	*118	*835	*2,045	*148	*20	*18
Other business deductions.....	47,401,753	1,797,391	*10,264	331,109	462,950	993,069	899,025	834,205
<b>Net income <sup>1,2</sup>.....</b>	<b>200,123,896</b>	<b>4,195,222</b>	<b>29,730</b>	<b>460,151</b>	<b>2,037,614</b>	<b>1,667,727</b>	<b>957,058</b>	<b>868,257</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns.....	2,151,320	68,061	*1,188	*5,814	24,942	36,117	4,478	4,470
Business receipts.....	10,129,759	248,646	*766	*6,675	103,617	137,589	17,278	17,275
Business deductions.....	1,100,828	25,479	*163	*5,034	9,824	10,460	1,605	1,604
<b>Net income.....</b>	<b>9,028,931</b>	<b>223,167</b>	<b>*603</b>	<b>*1,641</b>	<b>93,793</b>	<b>127,130</b>	<b>15,673</b>	<b>15,671</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Mining--cont'd		Construction					
	All other mining	Total	General building and heavy construction contractors	Special trade contractors				
				Total	Plumbing, heating, and air conditioning	Painting and paperhanging	Electrical work	Masonry, stonework, tile setting, and plastering
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
Number of returns <sup>1</sup> .....	14,661	2,096,767	298,292	1,798,476	147,073	202,618	107,696	180,009
<b>Business receipts, total <sup>1</sup>.....</b>	<b>723,541</b>	<b>127,357,252</b>	<b>35,301,517</b>	<b>92,055,735</b>	<b>10,200,301</b>	<b>6,601,971</b>	<b>6,538,012</b>	<b>10,380,450</b>
Income from sales and operations <sup>1</sup> .....	720,409	126,292,109	34,784,850	91,507,260	10,165,769	6,564,400	6,523,223	10,342,016
Other business income.....	*3,133	1,065,143	516,668	548,475	34,532	*37,571	14,789	38,434
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>669,809</b>	<b>105,632,887</b>	<b>31,851,045</b>	<b>73,781,842</b>	<b>8,800,719</b>	<b>4,515,989</b>	<b>5,251,318</b>	<b>7,941,314</b>
Cost of sales and operations.....	276,706	61,027,364	22,153,203	38,874,161	5,206,757	1,938,170	3,000,489	4,126,784
Inventory, beginning of year.....	*37,967	2,367,969	1,606,354	761,615	143,954	*14,624	71,230	*46,555
Cost of labor.....	*38,135	12,304,019	3,526,328	8,777,692	705,142	784,761	545,831	1,270,871
Purchases.....	*178,153	17,718,625	6,179,243	11,539,382	2,753,432	368,684	1,224,908	983,406
Materials and supplies.....	*8,202	21,890,969	8,182,601	13,708,368	1,478,424	688,687	1,078,841	1,208,972
Other costs.....	*50,584	9,405,465	4,312,525	5,092,940	262,044	112,108	166,860	646,259
Inventory, end of year.....	*36,334	2,659,683	1,653,848	1,005,835	136,239	30,694	87,181	*29,280
Advertising expenses.....	391	609,642	112,289	497,354	79,084	48,097	26,894	32,536
Bad debts from sales or services.....	*449	54,122	12,736	41,387	8,339	*2,365	*4,295	*6,603
Car and truck expenses.....	26,902	7,015,266	1,152,816	5,862,450	556,633	563,265	350,797	804,540
Commissions.....	*987	939,284	182,552	756,732	*14,795	*28,134	5,487	*170,230
Depletion.....	*9,854	40,158	*1,589	38,569	--	--	--	--
Depreciation <sup>3</sup> .....	54,987	3,928,878	855,804	3,073,073	252,042	173,900	151,052	223,346
Employee benefit programs.....	*1,529	194,855	38,030	156,824	29,601	*5,519	20,750	*8,651
Insurance.....	9,197	2,680,246	616,264	2,063,982	226,176	150,102	165,757	221,524
Legal and professional services.....	3,471	512,383	138,394	373,989	43,712	32,779	27,540	30,842
Meals and entertainment deducted.....	1,725	235,157	38,974	196,183	12,039	22,492	10,376	23,817
Mortgage interest.....	*5,785	432,917	181,302	251,615	44,189	14,665	*2,612	17,194
Other interest paid on business indebtedness.....	13,581	651,016	186,615	464,400	47,871	19,862	26,929	24,821
Office expenses.....	5,827	670,546	175,382	495,164	64,316	42,388	46,508	40,482
Pension and profit-sharing plans.....	*18	37,854	8,292	29,561	*5,847	*4,609	*1,168	*112
Rent on machinery and equipment.....	18,883	913,136	244,905	668,231	51,323	47,627	53,333	53,437
Rent on other business property.....	28,360	690,952	122,949	568,003	67,895	43,767	52,520	49,263
Repairs.....	38,615	1,399,284	263,543	1,135,741	93,506	63,936	42,167	84,381
Salaries and wages.....	46,019	7,144,593	1,553,535	5,591,058	769,228	241,717	540,060	630,289
Supplies.....	10,157	4,109,820	584,091	3,525,729	392,586	365,057	138,961	384,687
Taxes paid.....	13,017	1,633,282	457,224	1,176,059	167,893	62,109	113,404	106,168
Travel.....	2,245	351,348	43,389	307,959	17,957	51,444	14,204	45,742
Utilities.....	10,420	1,471,428	305,299	1,166,128	171,995	65,822	97,291	101,521
Home office business deductions.....	*326	307,793	55,391	252,402	20,644	30,781	14,538	39,433
Depreciation, Form 8829.....	*259	33,429	13,965	19,464	*1,221	3,145	*1,084	3,622
Other business deductions.....	90,355	8,424,098	2,347,758	6,076,340	452,116	464,891	330,447	702,700
<b>Net income less deficit <sup>1,2</sup>.....</b>	<b>53,732</b>	<b>21,706,292</b>	<b>3,432,400</b>	<b>18,273,893</b>	<b>1,399,582</b>	<b>2,085,981</b>	<b>1,286,693</b>	<b>2,439,135</b>
Net income <sup>1,2</sup> .....	88,801	23,425,391	3,972,678	19,452,713	1,528,773	2,137,340	1,332,288	2,555,603
Deficit <sup>2</sup> .....	35,069	1,719,099	540,279	1,178,820	129,190	51,359	45,595	116,468

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Mining--cont'd		Construction					
	All other mining	Total	General building and heavy construction contractors	Special trade contractors				
				Total	Plumbing, heating, and air conditioning	Painting and paperhanging	Electrical work	Masonry, stonework, tile setting, and plastering
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>BUSINESSES WITH NET INCOME</b>								
Number of returns <sup>1</sup> .....	4,109	1,816,919	245,780	1,571,140	115,901	190,166	88,934	166,340
Business receipts, total <sup>1</sup> .....	529,438	114,368,103	30,118,811	84,249,292	9,322,769	6,191,637	6,131,395	9,778,623
Income from sales and operations <sup>1</sup> .....	526,856	113,526,871	29,705,067	83,821,804	9,298,389	6,154,103	6,116,606	9,777,519
Other business income.....	*2,582	841,232	413,744	427,488	24,380	*37,534	14,789	*1,104
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>440,637</b>	<b>90,942,711</b>	<b>26,146,132</b>	<b>64,796,579</b>	<b>7,793,996</b>	<b>4,054,296</b>	<b>4,799,107</b>	<b>7,223,020</b>
Cost of sales and operations.....	*163,823	53,192,063	18,246,274	34,945,789	4,617,651	1,748,909	2,856,680	3,783,115
Inventory, beginning of year.....	*3,449	1,691,902	1,106,892	585,010	98,468	*6,248	65,902	*15,071
Cost of labor.....	*8,995	10,400,242	2,465,406	7,934,836	687,015	697,901	535,711	1,150,380
Purchases.....	*152,222	15,469,697	5,187,050	10,282,647	2,320,519	286,314	1,157,088	974,002
Materials and supplies.....	*878	19,304,993	7,000,179	12,304,814	1,343,959	663,007	1,052,732	1,042,849
Other costs.....	*1,719	8,284,303	3,665,650	4,618,653	258,503	106,952	126,918	603,340
Inventory, end of year.....	*3,440	1,959,074	1,178,903	780,171	90,814	*11,515	81,671	*2,528
Advertising expenses.....	250	531,964	91,834	440,130	76,329	45,206	26,327	28,171
Bad debts from sales or services.....	*102	49,808	11,009	38,799	8,339	*1,181	*4,289	*6,603
Car and truck expenses.....	21,622	6,211,916	1,011,163	5,200,753	484,813	496,276	318,131	711,513
Commissions.....	*987	786,887	141,550	645,337	*8,080	*7,282	*2,945	*168,855
Depreciation.....	*9,764	38,556	--	38,556	--	--	--	--
Depreciation <sup>3</sup> .....	27,851	3,164,597	671,976	2,492,621	206,629	141,133	141,333	203,132
Employee benefit programs.....	*1,410	171,245	27,963	143,282	28,594	*5,519	14,592	*8,295
Insurance.....	6,323	2,362,500	509,960	1,852,539	209,275	142,913	153,821	206,745
Legal and professional services.....	1,858	430,001	110,894	319,106	39,165	23,467	24,740	28,462
Meals and entertainment deducted.....	*632	210,797	36,160	174,637	11,990	21,902	9,983	23,420
Mortgage interest.....	*1,510	291,878	100,786	191,092	42,204	14,514	*2,277	14,161
Other interest paid on business indebtedness.....	9,564	491,974	134,589	357,384	44,244	16,838	26,855	20,978
Office expenses.....	4,282	562,499	151,531	410,968	53,570	35,673	44,714	37,331
Pension and profit-sharing plans.....	*10	37,270	*7,815	29,455	*5,740	*4,609	*1,168	*112
Rent on machinery and equipment.....	18,672	702,755	200,412	502,343	45,200	45,452	51,779	41,334
Rent on other business property.....	*27,672	569,980	101,497	468,483	60,840	40,035	52,490	38,671
Repairs.....	24,709	1,190,886	215,246	975,640	81,450	60,214	36,447	83,021
Salaries and wages.....	29,714	6,074,827	1,287,136	4,787,692	700,815	207,159	426,261	553,310
Supplies.....	6,648	3,510,881	458,226	3,052,655	351,359	316,916	79,952	358,933
Taxes paid.....	8,655	1,341,216	343,785	997,431	154,431	58,806	98,708	91,652
Travel.....	1,455	302,318	35,301	267,017	14,097	49,049	12,463	44,936
Utilities.....	8,196	1,213,860	237,450	976,410	149,577	63,071	88,762	63,547
Home office business deductions.....	*106	272,399	55,186	217,213	19,997	30,781	11,741	39,264
Depreciation, Form 8829.....	*2	31,344	13,955	17,388	*1,221	3,145	*1,053	3,575
Other business deductions.....	64,820	7,072,168	1,939,670	5,132,498	375,434	444,897	298,908	655,250
<b>Net income <sup>1,2</sup>.....</b>	<b>88,801</b>	<b>23,425,391</b>	<b>3,972,678</b>	<b>19,452,713</b>	<b>1,528,773</b>	<b>2,137,340</b>	<b>1,332,288</b>	<b>2,555,603</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns.....	*8	245,329	33,211	212,118	*11,732	28,961	*13,522	*13,983
Business receipts.....	*3	1,377,470	159,765	1,217,705	*38,431	243,545	*54,024	*131,547
Business deductions.....	*1	157,811	18,719	139,092	*4,174	32,495	*13,740	*12,211
<b>Net income.....</b>	<b>*2</b>	<b>1,219,660</b>	<b>141,047</b>	<b>1,078,613</b>	<b>*34,257</b>	<b>211,050</b>	<b>*40,284</b>	<b>*119,336</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Construction--continued		Manufacturing				
	Special trade contractors--cont'd		Total	Lumber and wood products, except furniture (including logging)	Printing, publishing, and allied industries	Machinery, except electrical	All other manufacturing industries
	Carpentering and flooring	All other special trade contractors					
	(17)	(18)	(19)	(20)	(21)	(22)	(23)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
<b>Number of returns</b> <sup>1</sup> .....	539,768	621,312	507,167	100,580	125,668	39,572	241,347
<b>Business receipts, total</b> <sup>1</sup> .....	21,468,433	36,866,569	32,057,221	8,045,650	5,497,411	3,393,216	15,120,944
Income from sales and operations <sup>1</sup> .....	21,373,714	36,538,138	31,816,399	8,001,263	5,460,740	3,330,932	15,023,463
Other business income.....	94,719	328,431	240,822	44,387	36,671	62,284	97,481
<b>Business deductions, total</b> <sup>1,2</sup> .....	16,368,780	30,903,721	28,116,083	7,552,318	4,657,880	2,692,914	13,212,972
Cost of sales and operations.....	8,331,080	16,270,881	13,829,961	3,167,378	1,909,233	1,159,228	7,594,123
Inventory, beginning of year.....	194,387	290,865	1,214,127	228,027	192,404	70,111	723,585
Cost of labor.....	1,915,080	3,556,005	2,240,136	441,005	266,448	312,697	1,219,987
Purchases.....	2,117,506	4,091,446	6,906,730	1,688,231	674,321	445,088	4,099,090
Materials and supplies.....	3,194,233	6,059,212	2,591,426	221,911	515,086	186,939	1,667,489
Other costs.....	1,249,083	2,656,585	2,011,844	781,499	416,867	237,878	575,601
Inventory, end of year.....	339,209	383,232	1,134,302	193,295	155,892	93,486	691,630
Advertising expenses.....	92,931	217,811	234,391	14,672	84,578	14,745	120,396
Bad debts from sales or services.....	6,560	13,225	54,188	*529	20,791	3,518	29,350
Car and truck expenses.....	1,642,789	1,944,426	1,052,370	296,609	230,871	99,776	425,114
Commissions.....	171,839	366,247	426,537	140,243	66,762	53,079	166,453
Depletion.....	*29,898	8,671	*1,211	*678	*1	*2	*529
Depreciation <sup>3</sup> .....	586,726	1,686,006	1,642,948	748,867	171,058	214,503	508,520
Employee benefit programs.....	39,051	53,252	77,893	15,458	17,219	22,935	22,281
Insurance.....	383,356	917,066	533,734	239,387	48,011	53,592	192,744
Legal and professional services.....	68,149	170,967	156,533	22,750	33,965	19,276	80,542
Meals and entertainment deducted.....	36,674	90,787	72,545	9,127	13,851	7,268	42,299
Mortgage interest.....	49,479	123,477	198,838	76,334	32,815	17,819	71,870
Other interest paid on business indebtedness.....	70,478	274,439	324,240	143,531	35,526	41,937	103,246
Office expenses.....	103,237	198,233	243,172	19,005	83,578	18,758	121,832
Pension and profit-sharing plans.....	--	17,825	15,619	*1,892	2,490	*4,982	6,255
Rent on machinery and equipment.....	101,573	360,939	376,220	130,643	78,381	22,777	144,420
Rent on other business property.....	132,903	221,655	852,973	55,996	174,685	91,241	531,051
Repairs.....	119,408	732,344	678,150	442,093	52,536	36,132	147,389
Salaries and wages.....	1,077,664	2,332,099	2,540,940	649,595	480,448	347,806	1,063,091
Supplies.....	988,476	1,255,963	780,168	116,934	213,381	101,579	348,273
Taxes paid.....	214,547	511,938	593,115	139,288	80,210	86,318	287,299
Travel.....	38,580	140,031	261,085	28,761	53,118	8,610	170,596
Utilities.....	243,258	486,241	590,020	67,413	107,715	82,312	332,580
Home office business deductions.....	95,864	51,142	92,495	*7,039	40,273	*1,471	43,712
Depreciation, Form 8829.....	6,188	4,204	12,607	*759	6,416	*1	5,431
Other business deductions.....	1,716,450	2,409,736	2,462,393	1,016,753	619,629	173,390	652,621
<b>Net income less deficit</b> <sup>1,2</sup> .....	<b>5,099,653</b>	<b>5,962,848</b>	<b>3,941,135</b>	<b>493,330</b>	<b>839,531</b>	<b>700,302</b>	<b>1,907,972</b>
Net income <sup>1,2</sup> .....	5,365,236	6,533,473	4,968,795	743,529	1,066,404	794,835	2,364,026
Deficit <sup>2</sup> .....	265,583	570,625	1,027,660	250,200	226,874	94,532	456,054

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Construction--continued		Manufacturing				
	Special trade contractors--cont'd		Total	Lumber and wood products, except furniture (including logging)	Printing, publishing, and allied industries	Machinery, except electrical	All other manufacturing industries
	Carpentering and flooring	All other special trade contractors					
	(17)	(18)	(19)	(20)	(21)	(22)	(23)
<b>BUSINESSES WITH NET INCOME</b>							
Number of returns <sup>1</sup> .....	477,270	532,527	328,123	53,041	81,763	26,777	166,542
Business receipts, total <sup>1</sup> .....	19,519,666	33,305,203	27,287,971	6,510,000	4,914,221	3,242,946	12,620,804
Income from sales and operations <sup>1</sup> .....	19,474,631	33,000,556	27,120,216	6,468,932	4,879,405	3,180,703	12,591,176
Other business income.....	45,035	304,646	167,754	41,067	34,816	62,243	29,628
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>14,154,429</b>	<b>26,771,730</b>	<b>22,319,163</b>	<b>5,766,470</b>	<b>3,847,805</b>	<b>2,448,111</b>	<b>10,256,778</b>
Cost of sales and operations.....	7,220,781	14,718,653	11,336,304	2,428,099	1,630,927	1,092,972	6,184,306
Inventory, beginning of year.....	169,220	230,101	804,060	201,463	71,591	59,797	471,209
Cost of labor.....	1,733,251	3,130,577	1,970,610	343,049	234,000	294,026	1,099,535
Purchases.....	1,825,373	3,719,350	5,189,618	1,203,525	582,794	401,143	3,002,156
Materials and supplies.....	2,665,651	5,536,616	2,345,697	216,667	427,658	180,874	1,520,497
Other costs.....	1,100,883	2,422,056	1,732,588	624,708	383,339	230,237	494,305
Inventory, end of year.....	273,597	320,047	706,270	161,314	68,455	73,105	403,396
Advertising expenses.....	77,013	187,084	157,571	7,029	68,378	11,232	70,932
Bad debts from sales or services.....	*5,969	12,418	19,595	*291	14,514	*2,013	2,776
Car and truck expenses.....	1,469,332	1,720,688	758,608	236,379	152,358	73,704	296,167
Commissions.....	171,678	286,497	380,367	138,565	65,852	52,112	123,838
Depletion.....	*29,898	*8,659	*965	*434	*1	--	*529
Depreciation <sup>3</sup> .....	458,287	1,342,107	1,150,100	514,106	122,659	201,192	312,143
Employee benefit programs.....	35,114	51,169	66,706	14,757	12,003	21,360	18,585
Insurance.....	339,780	800,006	417,393	194,868	38,736	45,825	137,964
Legal and professional services.....	58,925	144,348	120,577	16,922	28,787	14,870	59,999
Meals and entertainment deducted.....	29,756	77,586	58,150	7,656	11,561	7,121	31,813
Mortgage interest.....	38,020	79,916	143,411	57,424	32,075	17,080	36,831
Other interest paid on business indebtedness.....	56,410	192,060	222,990	88,173	31,740	32,681	70,396
Office expenses.....	86,319	153,362	190,829	14,499	67,634	17,023	91,672
Pension and profit-sharing plans.....	--	17,825	15,550	*1,839	2,490	*4,982	6,241
Rent on machinery and equipment.....	83,196	235,382	277,255	106,284	71,017	14,203	85,751
Rent on other business property.....	86,041	190,405	683,474	37,480	151,043	89,670	405,280
Repairs.....	106,009	608,498	522,082	352,430	42,600	32,840	94,213
Salaries and wages.....	935,161	1,964,986	2,162,464	560,303	416,911	337,903	847,348
Supplies.....	901,781	1,043,714	546,038	70,023	147,570	78,121	250,323
Taxes paid.....	186,840	406,994	487,277	116,464	64,620	81,297	224,896
Travel.....	29,659	116,814	204,914	13,794	46,852	7,222	137,045
Utilities.....	194,319	417,134	442,632	47,149	81,520	73,820	240,144
Home office business deductions.....	66,438	48,991	73,321	*4,586	28,757	*1,471	38,507
Depreciation, Form 8829.....	4,480	3,915	6,146	*84	3,766	*1	*2,295
Other business deductions.....	1,459,895	1,898,113	1,856,246	735,571	510,444	127,537	482,694
<b>Net income <sup>1,2</sup>.....</b>	<b>5,365,236</b>	<b>6,533,473</b>	<b>4,968,795</b>	<b>743,529</b>	<b>1,066,404</b>	<b>794,835</b>	<b>2,364,026</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns.....	57,512	86,408	44,793	*4,541	*8,670	*8,067	23,516
Business receipts.....	275,164	474,994	192,797	*18,066	*40,864	*46,741	87,127
Business deductions.....	27,809	48,663	24,346	*1,343	*6,755	*9,862	6,385
<b>Net income.....</b>	<b>247,355</b>	<b>426,331</b>	<b>168,451</b>	<b>*16,722</b>	<b>*34,109</b>	<b>*36,878</b>	<b>80,742</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Transportation and public utilities					Wholesale and retail trade			
	Total	Local and interurban passenger transit	Trucking and warehousing	All other transportation	Communication services and utilities, including dumps, snowplowing, road cleaning, etc.	Total	Wholesale trade		
							Total	Durable goods including machinery, wood, metals, etc.	Nondurable goods, including food, fiber, chemicals, etc.
	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>									
Number of returns <sup>1</sup> .....	824,687	87,720	505,040	118,398	113,530	3,151,272	350,993	191,973	159,020
<b>Business receipts, total <sup>1</sup>.....</b>	<b>42,124,760</b>	<b>2,208,252</b>	<b>31,831,864</b>	<b>6,411,369</b>	<b>1,673,275</b>	<b>261,111,146</b>	<b>40,976,076</b>	<b>20,930,359</b>	<b>20,045,717</b>
Income from sales and operations <sup>1</sup> .....	42,210,012	2,208,051	31,545,705	6,789,936	1,666,320	258,050,048	40,531,545	20,751,268	19,780,277
Other business income.....	-85,252	*201	286,159	-378,567	6,955	3,061,098	444,531	179,091	265,440
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>36,444,128</b>	<b>1,699,265</b>	<b>27,721,234</b>	<b>5,673,636</b>	<b>1,349,993</b>	<b>244,421,898</b>	<b>35,710,534</b>	<b>17,406,600</b>	<b>18,303,934</b>
Cost of sales and operations.....	7,074,197	*57,830	3,684,600	2,970,420	361,348	171,904,148	27,378,131	12,566,174	14,811,957
Inventory, beginning of year.....	80,995	--	9,791	53,298	*17,906	23,288,443	2,095,433	1,488,886	606,548
Cost of labor.....	1,514,323	*14,308	800,605	*583,621	*115,789	3,682,080	523,060	254,348	268,712
Purchases.....	2,670,476	*530	794,141	1,676,953	198,852	156,536,116	24,612,751	11,015,505	13,597,246
Materials and supplies.....	508,774	*27,240	433,000	*37,981	*10,553	6,995,290	934,950	705,408	229,542
Other costs.....	2,818,992	*15,752	1,661,453	1,096,439	45,348	5,824,954	1,229,445	492,695	736,750
Inventory, end of year.....	519,362	--	14,390	477,871	*27,101	24,422,736	2,017,509	1,390,668	626,841
Advertising expenses.....	199,998	28,697	74,235	66,639	30,427	2,715,742	210,743	136,040	74,703
Bad debts from sales or services.....	31,025	*662	14,128	5,749	10,486	379,649	71,600	28,027	43,573
Car and truck expenses.....	6,643,556	289,692	5,965,086	247,898	140,879	5,728,813	1,353,345	766,364	586,982
Commissions.....	829,616	74,362	541,970	171,548	41,736	1,983,179	552,873	328,497	224,376
Depletion.....	6,268	*1,909	*1,021	*104	*3,233	12,627	547	*540	*7
Depreciation <sup>3</sup> .....	3,580,197	117,033	3,182,164	174,415	106,585	4,515,243	522,677	328,472	194,205
Employee benefit programs.....	54,985	*1,331	49,218	4,232	*204	221,985	29,077	14,452	14,625
Insurance.....	1,791,024	133,659	1,537,315	96,274	23,775	2,196,262	196,074	103,692	92,382
Legal and professional services.....	184,250	5,027	138,326	29,429	11,468	997,415	134,502	79,198	55,304
Meals and entertainment deducted.....	471,807	6,106	429,011	18,914	17,776	562,107	193,340	122,659	70,681
Mortgage interest.....	203,469	*11,338	167,486	20,414	4,232	1,135,589	63,307	31,851	31,457
Other interest paid on business indebtedness.....	679,847	42,098	550,741	62,582	24,426	1,527,037	145,617	84,928	60,689
Office expenses.....	237,856	8,935	133,036	66,938	28,946	1,333,146	279,720	188,465	91,255
Pension and profit-sharing plans.....	18,952	*10,428	6,277	*2,247	--	73,893	9,128	3,918	5,209
Rent on machinery and equipment.....	1,136,665	206,041	839,207	72,065	19,352	1,202,334	146,616	83,483	63,132
Rent on other business property.....	384,692	50,765	222,241	101,471	10,215	7,484,810	365,457	189,132	176,325
Repairs.....	2,565,218	120,410	2,312,654	99,978	32,176	1,984,850	210,687	118,587	92,100
Salaries and wages.....	2,495,143	103,571	2,020,151	249,829	121,592	14,527,526	828,890	460,030	368,860
Supplies.....	539,128	21,281	396,321	57,730	63,797	2,759,133	293,936	185,955	107,981
Taxes paid.....	843,855	31,742	738,167	56,681	17,265	4,460,444	282,302	165,586	116,716
Travel.....	565,695	11,772	285,839	214,305	53,779	1,469,833	453,088	300,976	152,112
Utilities.....	581,958	52,027	394,947	95,357	39,627	5,717,375	532,729	300,487	232,242
Home office business deductions.....	70,154	*2,633	33,151	21,105	*13,265	438,116	125,312	66,706	58,606
Depreciation, Form 8829.....	24,231	*639	20,001	*3,560	*32	58,480	23,437	10,653	12,785
Other business deductions.....	5,211,981	306,137	3,979,852	757,366	168,626	8,970,481	1,318,649	742,530	576,118
<b>Net income less deficit <sup>1,2</sup>.....</b>	<b>5,680,369</b>	<b>508,987</b>	<b>4,110,629</b>	<b>737,508</b>	<b>323,244</b>	<b>16,696,463</b>	<b>5,264,599</b>	<b>3,522,720</b>	<b>1,741,879</b>
Net income <sup>1,2</sup> .....	6,985,382	575,998	5,031,573	919,342	458,469	23,858,400	5,929,218	3,873,904	2,055,314
Deficit <sup>2</sup> .....	1,305,013	67,011	920,944	181,833	135,225	7,161,938	664,619	351,184	313,435

Footnotes at end of table.



# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Transportation and public utilities					Wholesale and retail trade			
	Total	Local and interurban passenger transit	Trucking and warehousing	All other transportation	Communication services and utilities, including dumps, snowplowing, road cleaning, etc.	Total	Wholesale trade		
							Total	Durable goods including machinery, wood, metals, etc.	Nondurable goods, including food, fiber, chemicals, etc.
	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
<b>BUSINESSES WITH NET INCOME</b>									
Number of returns <sup>1</sup> .....	608,729	73,426	401,388	85,021	48,893	1,723,917	236,556	137,849	98,707
Business receipts, total <sup>1</sup> .....	34,902,737	1,927,489	26,226,480	5,364,202	1,384,566	214,948,238	36,052,714	18,931,322	17,121,392
Income from sales and operations <sup>1</sup> .....	35,028,427	1,927,366	25,971,265	5,748,354	1,381,442	212,392,845	35,685,394	18,764,576	16,920,818
Other business income.....	-125,690	*123	255,215	-384,152	*3,124	2,555,393	367,320	166,746	200,573
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>27,917,280</b>	<b>1,351,492</b>	<b>21,194,907</b>	<b>4,444,784</b>	<b>926,097</b>	<b>191,089,836</b>	<b>30,123,708</b>	<b>15,057,630</b>	<b>15,066,078</b>
Cost of sales and operations.....	5,622,306	*49,760	2,944,061	2,390,063	238,422	138,790,756	23,644,956	11,192,993	12,451,963
Inventory, beginning of year.....	35,170	--	6,638	*19,064	*9,467	16,054,461	1,639,709	1,154,023	485,686
Cost of labor.....	1,232,987	*14,308	542,930	*583,477	*92,272	2,832,373	417,873	176,413	241,460
Purchases.....	1,994,759	--	672,365	1,194,781	*127,613	126,649,978	21,238,049	9,878,492	11,359,557
Materials and supplies.....	356,225	*19,812	298,158	*36,748	*1,507	5,692,030	819,681	633,837	185,844
Other costs.....	2,484,203	*15,640	1,432,258	1,019,407	*16,898	4,662,088	1,112,908	411,612	701,296
Inventory, end of year.....	481,039	--	8,289	*463,415	*9,335	17,100,172	1,583,263	1,061,383	521,880
Advertising expenses.....	124,655	26,550	51,282	40,083	6,740	1,968,909	152,913	101,016	51,897
Bad debts from sales or services.....	20,596	*403	11,330	*1,616	*7,247	252,325	39,013	18,982	20,031
Car and truck expenses.....	5,233,528	243,316	4,663,921	218,451	107,839	3,873,190	1,013,199	637,576	375,623
Commissions.....	699,058	65,897	446,242	154,408	32,511	1,558,074	508,226	313,293	194,933
Depreciation.....	*5,607	*1,909	*448	*19	*3,231	3,330	*529	*524	*4
Depreciation <sup>3</sup> .....	2,450,444	87,685	2,174,630	120,028	68,101	2,917,024	369,220	220,353	148,867
Employee benefit programs.....	43,466	*1,300	38,223	3,860	*83	192,727	27,571	13,384	14,187
Insurance.....	1,353,248	91,666	1,167,223	77,844	16,515	1,649,290	159,309	89,413	69,896
Legal and professional services.....	143,728	3,630	108,515	24,360	7,223	709,561	104,901	63,976	40,925
Meals and entertainment deducted.....	382,457	5,538	353,774	10,092	13,053	392,438	154,820	98,370	56,450
Mortgage interest.....	167,211	*7,674	139,878	16,788	*2,872	687,452	45,730	23,899	21,831
Other interest paid on business indebtedness.....	439,686	30,044	360,734	37,483	11,425	1,033,723	116,554	66,931	49,623
Office expenses.....	165,297	6,178	96,885	43,529	18,705	921,247	211,414	137,455	73,959
Pension and profit-sharing plans.....	18,728	*10,428	6,120	*2,180	--	72,127	8,372	3,229	5,142
Rent on machinery and equipment.....	947,412	191,077	681,592	57,593	17,150	838,634	91,889	45,847	46,042
Rent on other business property.....	291,742	50,200	159,839	74,244	7,460	5,468,699	293,646	141,896	151,750
Repairs.....	1,970,931	88,185	1,779,962	77,866	24,918	1,394,054	148,344	82,231	66,113
Salaries and wages.....	1,904,353	*68,535	1,543,274	196,204	96,340	11,309,618	672,296	388,187	284,109
Supplies.....	436,014	12,215	330,870	42,270	50,659	1,765,056	212,146	135,567	76,580
Taxes paid.....	647,057	24,662	566,909	45,582	9,903	3,400,763	226,130	131,023	95,107
Travel.....	463,237	11,433	229,469	181,292	41,044	1,015,623	346,867	239,099	107,767
Utilities.....	431,532	47,488	296,654	63,210	24,180	4,177,063	427,719	257,704	170,015
Home office business deductions.....	56,820	*967	30,988	14,396	*10,470	342,831	114,578	60,889	53,689
Depreciation, Form 8829.....	4,611	*147	3,951	*480	*32	33,910	14,941	8,801	6,140
Other business deductions.....	3,855,607	220,974	2,987,992	541,379	105,261	6,238,597	1,022,721	583,940	438,781
<b>Net income <sup>1,2</sup>.....</b>	<b>6,985,382</b>	<b>575,998</b>	<b>5,031,573</b>	<b>919,342</b>	<b>458,469</b>	<b>23,858,400</b>	<b>5,929,218</b>	<b>3,873,904</b>	<b>2,055,314</b>
<b>Returns with Schedule C-EZ:</b>									
Number of returns.....	89,892	16,263	42,362	19,848	11,419	198,424	24,142	12,290	11,852
Business receipts.....	323,833	60,295	134,625	98,978	29,936	801,498	167,023	135,504	31,520
Business deductions.....	42,592	3,778	24,091	9,946	4,777	120,291	12,188	9,852	2,336
<b>Net income.....</b>	<b>281,242</b>	<b>56,516</b>	<b>110,534</b>	<b>89,032</b>	<b>25,159</b>	<b>681,207</b>	<b>154,835</b>	<b>125,652</b>	<b>29,183</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Wholesale and retail trade--continued						
	Retail trade						
	Total	Building materials, paint, hardware, garden supply, and mobile home dealers					General merchandise stores
		Total	Lumber and other building materials dealers	Paint, glass, and wallpaper stores	Hardware stores	Retail nurseries, garden supply stores, and mobile home dealers	
(33)	(34)	(35)	(36)	(37)	(38)	(39)	
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
Number of returns <sup>1</sup> .....	2,800,279	81,372	27,393	8,613	23,831	21,536	53,175
<b>Business receipts, total <sup>1</sup>.....</b>	<b>220,135,070</b>	<b>10,752,931</b>	<b>3,062,178</b>	<b>699,860</b>	<b>3,565,186</b>	<b>3,425,707</b>	<b>4,708,909</b>
Income from sales and operations <sup>1</sup> .....	217,518,503	10,712,651	3,059,055	699,304	3,535,572	3,418,721	4,662,842
Other business income.....	2,616,567	40,280	3,123	*557	29,614	6,986	46,067
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>208,711,364</b>	<b>9,996,314</b>	<b>2,645,698</b>	<b>671,810</b>	<b>3,244,756</b>	<b>3,434,050</b>	<b>4,376,010</b>
Cost of sales and operations.....	144,526,018	7,076,695	1,886,421	324,858	2,338,979	2,526,437	3,295,519
Inventory, beginning of year.....	21,193,010	1,350,938	215,249	73,526	739,317	322,846	648,837
Cost of labor.....	3,159,020	266,466	*82,633	*9,321	*2,340	172,173	*8,155
Purchases.....	131,923,365	5,919,214	1,584,101	233,749	1,996,112	2,105,252	3,087,946
Materials and supplies.....	6,060,340	579,859	*37,864	*70,882	*246,576	224,537	168,194
Other costs.....	4,595,510	307,334	162,876	*3,982	89,020	51,457	37,459
Inventory, end of year.....	22,405,227	1,347,116	196,300	*66,601	734,386	349,829	655,072
Advertising expenses.....	2,505,000	116,377	20,299	15,947	48,762	31,369	45,401
Bad debts from sales or services.....	308,049	38,063	3,121	*270	6,813	*27,859	*6,201
Car and truck expenses.....	4,375,468	248,586	89,327	27,474	62,158	69,628	53,965
Commissions.....	1,430,306	21,863	*8,534	*437	*1,877	11,016	*5,236
Depletion.....	12,080	--	--	--	--	--	*32
Depreciation <sup>3</sup> .....	3,992,566	248,031	93,283	22,928	58,189	73,631	57,941
Employee benefit programs.....	192,908	25,495	*4,946	*3,539	12,342	4,668	6,467
Insurance.....	2,000,188	145,655	35,291	20,977	39,195	50,192	25,040
Legal and professional services.....	862,914	50,076	10,666	*2,698	16,697	20,015	16,334
Meals and entertainment deducted.....	368,767	9,718	3,863	*2,605	2,808	442	3,283
Mortgage interest.....	1,072,282	88,096	*8,170	*13,160	22,541	44,225	14,525
Other interest paid on business indebtedness.....	1,381,420	120,985	20,221	*2,182	39,947	58,635	20,655
Office expenses.....	1,053,426	51,668	14,129	6,903	19,372	11,263	12,470
Pension and profit-sharing plans.....	64,765	*6,400	*1,639	*497	*3,847	*416	*1,495
Rent on machinery and equipment.....	1,055,718	79,940	39,303	*6,591	28,292	5,754	6,725
Rent on other business property.....	7,119,353	141,586	28,200	*21,363	78,334	13,689	189,243
Repairs.....	1,774,163	118,555	57,185	*4,310	27,581	29,478	33,857
Salaries and wages.....	13,698,637	628,095	113,163	*123,057	221,323	170,552	235,716
Supplies.....	2,465,196	65,957	21,963	*7,500	11,113	25,381	32,944
Taxes paid.....	4,178,142	183,502	35,127	23,237	61,906	63,232	66,270
Travel.....	1,016,745	32,146	17,107	*63	2,870	12,105	4,850
Utilities.....	5,184,647	213,384	46,664	24,345	68,929	73,446	100,524
Home office business deductions.....	312,804	*2,499	--	--	*2,462	*37	*6,250
Depreciation, Form 8829.....	35,042	*441	--	--	*441	--	*333
Other business deductions.....	7,651,832	282,526	87,076	16,868	68,418	110,165	127,855
<b>Net income less deficit <sup>1,2</sup>.....</b>	<b>11,431,864</b>	<b>763,365</b>	<b>416,480</b>	<b>34,799</b>	<b>320,430</b>	<b>-8,343</b>	<b>332,900</b>
Net income <sup>1,2</sup> .....	17,929,182	1,048,805	432,384	49,405	375,306	191,710	456,128
Deficit <sup>2</sup> .....	6,497,319	285,440	*15,904	*14,606	54,876	200,053	123,228

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Wholesale and retail trade--continued						
	Retail trade						
	Total	Building materials, paint, hardware, garden supply, and mobile home dealers					General merchandise stores
		Total	Lumber and other building materials dealers	Paint, glass, and wallpaper stores	Hardware stores	Retail nurseries, garden supply stores, and mobile home dealers	
(33)	(34)	(35)	(36)	(37)	(38)	(39)	
<b>BUSINESSES WITH NET INCOME</b>							
Number of returns <sup>1</sup> .....	1,487,361	55,812	21,956	6,641	12,871	14,343	30,980
Business receipts, total <sup>1</sup> .....	178,895,524	8,358,073	2,811,170	488,957	2,769,036	2,288,911	4,111,553
Income from sales and operations <sup>1</sup> .....	176,707,451	8,339,226	2,808,338	488,418	2,758,865	2,283,605	4,067,115
Other business income.....	2,188,074	18,847	2,831	*539	10,171	5,306	44,438
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>160,966,128</b>	<b>7,309,268</b>	<b>2,378,785</b>	<b>439,552</b>	<b>2,393,730</b>	<b>2,097,201</b>	<b>3,655,425</b>
Cost of sales and operations.....	115,145,800	5,321,148	1,727,928	*212,249	1,784,558	1,596,414	2,834,170
Inventory, beginning of year.....	14,414,752	952,817	169,021	*26,583	519,825	237,388	486,216
Cost of labor.....	2,414,500	151,603	*75,261	*9,321	--	67,021	*7,864
Purchases.....	105,411,928	4,547,804	1,510,024	*180,757	1,477,970	1,379,052	2,629,666
Materials and supplies.....	4,872,349	466,100	*37,476	*18,292	*229,698	180,634	152,566
Other costs.....	3,549,181	207,685	95,405	*66	84,296	27,918	32,632
Inventory, end of year.....	15,516,909	1,004,861	159,259	*22,770	527,232	295,600	474,775
Advertising expenses.....	1,815,996	87,357	19,269	*12,468	31,305	24,317	23,789
Bad debts from sales or services.....	213,312	9,060	*3,012	*88	5,808	*152	*1,451
Car and truck expenses.....	2,859,991	155,360	67,030	*19,888	33,246	35,196	43,391
Commissions.....	1,049,847	14,089	*8,422	*434	*1,808	*3,425	*5,236
Depreciation.....	2,801	--	--	--	--	--	*32
Depreciation <sup>3</sup> .....	2,547,804	178,304	81,480	*17,540	41,321	37,963	38,584
Employee benefit programs.....	165,156	20,782	*4,946	*2,832	9,428	*3,576	6,419
Insurance.....	1,489,981	100,147	29,067	*14,547	28,650	27,882	21,422
Legal and professional services.....	604,659	31,903	10,569	*1,484	13,067	6,783	13,526
Meals and entertainment deducted.....	237,618	7,471	3,863	*1,744	1,573	291	1,785
Mortgage interest.....	641,722	22,388	*8,170	--	8,885	*5,333	*12,113
Other interest paid on business indebtedness.....	917,169	79,785	19,402	*1,031	30,546	28,807	9,311
Office expenses.....	709,833	31,583	10,978	*4,552	10,552	5,500	6,602
Pension and profit-sharing plans.....	63,755	*5,903	*1,639	--	*3,847	*416	*1,495
Rent on machinery and equipment.....	746,746	52,287	*23,189	*3,267	24,943	887	2,033
Rent on other business property.....	5,175,054	106,150	28,200	*14,003	52,932	11,015	156,730
Repairs.....	1,245,710	68,221	37,052	*1,321	14,776	15,071	23,874
Salaries and wages.....	10,637,322	458,553	111,619	*85,264	149,399	112,271	211,694
Supplies.....	1,552,910	40,157	12,776	*7,170	6,608	13,603	24,363
Taxes paid.....	3,174,633	128,193	32,240	*12,680	38,851	44,423	54,129
Travel.....	668,756	19,368	15,866	*17	2,364	1,120	4,259
Utilities.....	3,749,344	153,254	42,977	*15,561	44,045	50,671	76,004
Home office business deductions.....	228,253	*2,139	--	--	*2,102	*37	*5,303
Depreciation, Form 8829.....	18,969	*441	--	--	*441	--	*3
Other business deductions.....	5,215,875	215,252	79,091	*11,412	53,116	71,632	70,500
<b>Net income <sup>1,2</sup>.....</b>	<b>17,929,182</b>	<b>1,048,805</b>	<b>432,384</b>	<b>49,405</b>	<b>375,306</b>	<b>191,710</b>	<b>456,128</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns.....	174,281	*2,442	*1,255	--	--	*1,186	*6,380
Business receipts.....	634,474	*8,238	*5,382	--	--	*2,856	*10,326
Business deductions.....	108,103	*416	--	--	--	*416	*7,210
<b>Net income.....</b>	<b>526,372</b>	<b>*7,823</b>	<b>*5,382</b>	<b>--</b>	<b>--</b>	<b>*2,441</b>	<b>*3,116</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Wholesale and retail trade--continued							
	Retail trade--continued							
	Food stores			Automotive dealers and service stations				
	Total	Grocery stores	All other food stores	Total	New car dealers (franchised)	Used car dealers	Gasoline service stations	All other automotive dealers
(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
Number of returns <sup>1</sup> .....	138,792	87,074	51,718	175,536	5,463	71,554	33,409	65,110
<b>Business receipts, total <sup>1</sup>.....</b>	<b>38,070,740</b>	<b>29,624,223</b>	<b>8,446,518</b>	<b>53,270,793</b>	<b>1,729,363</b>	<b>16,199,186</b>	<b>25,143,433</b>	<b>10,198,812</b>
Income from sales and operations <sup>1</sup> .....	37,645,265	29,222,299	8,422,965	53,006,579	1,708,036	16,024,827	25,133,019	10,140,697
Other business income.....	425,476	401,923	23,552	264,215	21,327	174,359	10,414	58,115
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>36,774,104</b>	<b>28,776,423</b>	<b>7,997,681</b>	<b>51,373,800</b>	<b>1,643,503</b>	<b>15,403,376</b>	<b>24,666,380</b>	<b>9,660,540</b>
Cost of sales and operations.....	28,890,891	23,333,226	5,557,665	43,099,155	1,505,359	13,071,843	21,193,602	7,328,351
Inventory, beginning of year.....	2,124,936	1,863,658	261,278	4,071,122	165,441	1,767,949	647,432	1,490,300
Cost of labor.....	545,360	257,795	287,565	411,379	*8,764	99,642	203,794	99,178
Purchases.....	26,810,121	22,170,094	4,640,026	40,347,112	1,475,561	12,397,822	19,478,014	6,995,715
Materials and supplies.....	931,267	387,517	543,750	1,553,402	*10,314	345,976	1,128,407	68,705
Other costs.....	710,129	634,772	75,358	1,275,793	*61,015	472,963	386,756	355,060
Inventory, end of year.....	2,230,922	1,980,609	250,313	4,559,653	215,736	2,012,509	650,800	1,680,609
Advertising expenses.....	153,798	93,672	60,126	274,557	8,948	97,172	52,391	116,046
Bad debts from sales or services.....	26,071	23,297	2,774	86,155	894	56,475	20,843	7,943
Car and truck expenses.....	252,421	138,608	113,813	390,794	12,463	145,397	72,750	160,184
Commissions.....	28,834	16,517	*12,316	156,242	*3,247	110,604	7,249	35,142
Depletion.....	*290	*290	--	*1,703	*713	--	*88	*902
Depreciation <sup>3</sup> .....	492,184	325,784	166,399	500,469	4,322	93,104	271,983	131,060
Employee benefit programs.....	34,989	19,878	15,111	31,167	3,239	5,616	11,345	10,968
Insurance.....	255,839	173,515	82,324	428,957	7,838	139,486	159,679	121,954
Legal and professional services.....	105,053	74,957	30,097	101,827	873	29,927	44,389	26,638
Meals and entertainment deducted.....	25,102	19,348	5,753	21,944	1,108	10,556	2,397	7,884
Mortgage interest.....	178,008	127,820	50,188	223,723	*2,761	66,725	93,183	61,054
Other interest paid on business indebtedness.....	171,465	142,773	28,693	297,593	7,483	119,442	78,646	92,022
Office expenses.....	58,657	31,842	26,815	147,664	2,467	57,563	31,139	56,496
Pension and profit-sharing plans.....	7,461	3,009	*4,451	4,145	*203	*801	*2,302	*838
Rent on machinery and equipment.....	119,408	76,148	43,260	137,538	4,190	31,241	65,439	36,667
Rent on other business property.....	864,105	525,193	338,912	644,630	1,858	116,755	363,976	162,042
Repairs.....	310,484	239,107	71,377	287,084	4,589	126,781	108,617	47,097
Salaries and wages.....	2,077,035	1,396,488	680,547	1,918,340	31,208	246,566	1,109,365	531,201
Supplies.....	212,351	122,538	89,813	256,066	6,533	71,456	88,183	89,895
Taxes paid.....	580,418	413,885	166,533	648,864	6,638	163,663	299,643	178,919
Travel.....	20,727	11,544	9,183	72,274	2,757	36,118	3,031	30,367
Utilities.....	944,749	700,692	244,057	631,912	7,624	164,566	283,989	175,732
Home office business deductions.....	*9,164	*272	*8,892	2,626	--	*139	*161	*2,325
Depreciation, Form 8829.....	*1,080	*50	*1,030	*153	--	--	*1	*152
Other business deductions.....	950,580	762,118	188,462	1,006,902	16,187	441,201	300,700	248,813
<b>Net income less deficit <sup>1,2</sup>.....</b>	<b>1,296,600</b>	<b>847,800</b>	<b>448,801</b>	<b>1,896,956</b>	<b>85,860</b>	<b>795,810</b>	<b>477,052</b>	<b>538,234</b>
Net income <sup>1,2</sup> .....	1,695,542	1,134,837	560,706	2,429,968	85,860	1,007,154	611,952	725,002
Deficit <sup>2</sup> .....	398,942	287,037	111,905	533,011	--	211,344	134,900	186,768

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Wholesale and retail trade--continued							
	Retail trade--continued							
	Food stores			Automotive dealers and service stations				
	Total	Grocery stores	All other food stores	Total	New car dealers (franchised)	Used car dealers	Gasoline service stations	All other automotive dealers
(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	
<b>BUSINESSES WITH NET INCOME</b>								
Number of returns <sup>1</sup> .....	103,698	65,847	37,850	121,642	5,463	45,171	22,218	48,790
Business receipts, total <sup>1</sup> .....	30,965,508	23,801,867	7,163,642	45,297,110	1,729,363	13,440,859	21,343,928	8,782,961
Income from sales and operations <sup>1</sup> .....	30,576,944	23,436,479	7,140,465	45,120,954	1,708,036	13,285,991	21,392,856	8,734,071
Other business income.....	388,564	365,388	23,176	176,157	21,327	154,868	-48,927	48,889
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>29,269,930</b>	<b>22,667,030</b>	<b>6,602,900</b>	<b>42,866,986</b>	<b>1,643,503</b>	<b>12,433,705</b>	<b>20,731,976</b>	<b>8,057,801</b>
Cost of sales and operations.....	23,234,954	18,428,121	4,806,834	36,226,338	1,505,359	10,636,995	17,885,171	6,198,813
Inventory, beginning of year.....	1,648,472	1,437,091	211,381	3,036,480	165,441	1,208,564	488,088	1,174,386
Cost of labor.....	429,463	241,949	187,514	337,990	*8,764	66,721	179,735	82,771
Purchases.....	21,529,235	17,414,024	4,115,211	33,936,796	1,475,561	10,100,838	16,520,187	5,840,210
Materials and supplies.....	785,197	352,119	433,079	1,393,300	*10,314	191,237	1,128,407	63,343
Other costs.....	562,422	497,941	64,481	945,958	*61,015	447,571	93,450	343,922
Inventory, end of year.....	1,719,835	1,515,003	204,832	3,424,186	215,736	1,377,936	524,695	1,305,819
Advertising expenses.....	117,897	75,160	42,737	235,853	8,948	79,988	44,231	102,687
Bad debts from sales or services.....	24,513	21,920	2,593	79,840	894	54,322	17,907	6,717
Car and truck expenses.....	186,868	102,906	83,962	301,995	12,463	114,778	51,451	123,303
Commissions.....	27,264	15,517	*11,747	136,951	*3,247	105,284	*713	27,706
Depletion.....	*290	*290	--	*732	*713	--	*19	*(4)
Depreciation <sup>3</sup> .....	354,416	248,890	105,526	381,979	4,322	70,460	204,719	102,477
Employee benefit programs.....	31,548	17,238	14,310	25,080	3,239	2,862	8,810	10,169
Insurance.....	193,125	130,390	62,735	324,571	7,838	87,702	136,090	92,941
Legal and professional services.....	68,182	51,812	16,370	77,978	873	21,889	33,844	21,372
Meals and entertainment deducted.....	21,898	18,921	2,977	16,180	1,108	7,120	1,115	6,838
Mortgage interest.....	104,865	82,259	22,606	131,543	*2,761	41,465	46,340	40,977
Other interest paid on business indebtedness.....	120,971	99,854	21,117	227,072	7,483	81,097	62,844	75,647
Office expenses.....	44,597	25,969	18,628	119,497	2,467	46,245	26,114	44,671
Pension and profit-sharing plans.....	7,351	2,952	*4,399	4,138	*203	*801	*2,302	*832
Rent on machinery and equipment.....	105,965	66,957	39,008	106,836	4,190	17,466	55,324	29,857
Rent on other business property.....	667,952	408,045	259,908	544,696	1,858	83,362	327,678	131,798
Repairs.....	220,078	163,636	56,442	225,262	4,589	95,997	89,204	35,471
Salaries and wages.....	1,614,857	1,127,473	487,384	1,669,686	31,208	224,444	952,835	461,198
Supplies.....	164,551	99,442	65,109	176,048	6,533	45,307	69,960	54,249
Taxes paid.....	457,619	343,056	114,563	551,064	6,638	132,442	256,773	155,211
Travel.....	15,768	10,353	5,416	54,716	2,757	23,422	2,579	25,958
Utilities.....	723,926	527,496	196,431	498,242	7,624	121,376	222,592	146,650
Home office business deductions.....	*8,309	*272	*8,038	*2,516	--	*30	*161	*2,325
Depreciation, Form 8829.....	*814	*50	*764	*153	--	--	*1	*152
Other business deductions.....	748,145	594,203	153,941	746,701	16,187	338,669	231,910	159,934
<b>Net income <sup>1,2</sup>.....</b>	<b>1,695,542</b>	<b>1,134,837</b>	<b>560,706</b>	<b>2,429,968</b>	<b>85,860</b>	<b>1,007,154</b>	<b>611,952</b>	<b>725,002</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns.....	*5,215	*3,960	*1,255	*8,836	*3	*4,293	*1,152	*3,387
Business receipts.....	*8,902	*8,463	*439	*95,231	*42	*43,447	*11,798	*39,944
Business deductions.....	*4,019	*3,900	*119	*1,471	--	*181	*1,290	--
<b>Net income.....</b>	<b>*4,884</b>	<b>*4,564</b>	<b>*320</b>	<b>*93,759</b>	<b>*42</b>	<b>*43,266</b>	<b>*10,508</b>	<b>*39,944</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Wholesale and retail trade--continued							
	Retail trade--continued							
	Apparel and accessory stores	Furniture and home furnishings stores	Eating places	Drinking places	Drug stores	Liquor stores	Used merchandise and antique stores	Sporting goods and bicycle shops
	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
Number of returns <sup>1</sup> .....	85,937	101,792	142,562	43,026	4,398	11,306	129,308	39,935
<b>Business receipts, total <sup>1</sup>.....</b>	<b>7,619,133</b>	<b>10,047,327</b>	<b>21,523,686</b>	<b>4,076,956</b>	<b>4,237,096</b>	<b>4,674,642</b>	<b>3,535,160</b>	<b>3,823,767</b>
Income from sales and operations <sup>1</sup> .....	7,579,585	9,832,878	21,366,274	3,985,345	4,224,542	4,548,665	3,453,153	3,687,513
Other business income.....	39,548	214,449	157,412	91,611	12,554	125,977	82,007	136,254
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>7,164,676</b>	<b>9,484,716</b>	<b>20,728,451</b>	<b>3,884,634</b>	<b>3,943,322</b>	<b>4,460,915</b>	<b>3,289,296</b>	<b>3,620,714</b>
Cost of sales and operations.....	4,328,912	5,870,123	9,239,276	1,887,183	3,238,188	3,649,317	1,754,777	2,571,175
Inventory, beginning of year.....	1,381,037	1,451,477	316,750	142,802	354,474	422,171	1,390,864	771,230
Cost of labor.....	198,250	236,088	404,744	*29,287	*175,081	*154,936	28,435	*11,588
Purchases.....	3,880,429	4,974,903	8,115,550	1,688,681	2,875,560	3,105,008	1,800,470	2,481,918
Materials and supplies.....	133,771	316,196	403,282	84,418	*198,140	*53,353	27,913	*53,799
Other costs.....	131,564	250,366	322,030	*54,643	*1,422	*372,129	36,682	36,195
Inventory, end of year.....	1,396,139	1,358,908	323,080	112,648	366,489	458,280	1,529,587	783,554
Advertising expenses.....	154,842	270,272	442,772	71,973	25,655	16,662	62,360	57,477
Bad debts from sales or services.....	7,086	10,527	15,931	*8,237	2,147	4,520	*441	3,459
Car and truck expenses.....	143,691	236,351	156,608	51,289	13,088	10,760	134,954	53,272
Commissions.....	56,779	141,095	32,312	*1,977	*13,611	*11,468	44,700	17,665
Depletion.....	--	*1,096	*5,568	--	--	*1	*1	*90
Depreciation <sup>3</sup> .....	128,767	186,848	681,542	140,398	29,535	47,393	76,435	67,199
Employee benefit programs.....	3,648	17,539	19,171	*1,252	3,058	*1,617	*1,008	*2,681
Insurance.....	77,307	114,419	330,239	85,407	25,740	27,111	34,910	25,871
Legal and professional services.....	36,346	40,979	141,424	36,126	12,292	18,122	18,765	17,222
Meals and entertainment deducted.....	27,870	20,579	8,611	4,188	588	440	8,064	11,730
Mortgage interest.....	50,665	74,415	165,366	82,281	*5,177	31,662	21,765	13,550
Other interest paid on business indebtedness.....	40,556	72,148	186,614	29,365	8,092	14,082	24,766	43,823
Office expenses.....	59,163	68,543	59,632	11,611	16,474	12,343	26,347	22,291
Pension and profit-sharing plans.....	*2,669	*6,427	3,754	*7,234	*7,795	*1,493	*3,355	*512
Rent on machinery and equipment.....	59,270	62,923	134,363	40,983	7,010	2,774	13,831	10,730
Rent on other business property.....	549,011	399,159	1,403,548	159,563	52,818	159,469	364,452	157,420
Repairs.....	60,121	75,995	356,755	92,094	10,951	31,186	35,474	15,333
Salaries and wages.....	544,104	811,888	3,858,261	439,922	290,565	182,582	145,219	195,359
Supplies.....	92,583	84,239	361,737	78,350	17,422	16,629	79,200	26,525
Taxes paid.....	158,568	238,131	968,488	224,855	39,612	69,757	63,321	70,946
Travel.....	78,523	45,533	33,848	1,787	6,688	*3,259	38,573	15,624
Utilities.....	200,403	266,434	1,051,421	235,822	37,098	85,258	114,958	81,579
Home office business deductions.....	28,390	30,504	543	*700	--	--	8,122	*2,938
Depreciation, Form 8829.....	*2,572	6,069	*8	*96	--	--	*791	*259
Other business deductions.....	271,886	337,734	1,069,852	192,038	79,717	62,814	213,322	136,241
<b>Net income less deficit <sup>1,2</sup>.....</b>	<b>455,062</b>	<b>561,242</b>	<b>793,368</b>	<b>192,322</b>	<b>293,774</b>	<b>213,727</b>	<b>245,864</b>	<b>203,053</b>
Net income <sup>1,2</sup> .....	766,281	930,045	1,542,171	335,547	316,067	231,183	532,174	270,957
Deficit <sup>2</sup> .....	311,219	368,803	748,803	143,226	*22,293	*17,456	286,310	67,904

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Wholesale and retail trade--continued							
	Retail trade--continued							
	Apparel and accessory stores	Furniture and home furnishings stores	Eating places	Drinking places	Drug stores	Liquor stores	Used merchandise and antique stores	Sporting goods and bicycle shops
	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)
<b>BUSINESSES WITH NET INCOME</b>								
Number of returns <sup>1</sup> .....	49,154	60,719	88,011	22,273	3,680	8,043	57,913	19,035
Business receipts, total <sup>1</sup> .....	5,471,114	8,176,427	16,105,933	3,016,888	3,812,981	4,409,161	2,648,868	3,342,130
Income from sales and operations <sup>1</sup> .....	5,450,126	7,995,900	16,004,272	2,929,329	3,800,490	4,309,227	2,597,513	3,208,247
Other business income.....	20,989	180,527	101,661	87,558	12,490	99,935	51,355	133,883
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>4,704,833</b>	<b>7,246,382</b>	<b>14,563,741</b>	<b>2,681,341</b>	<b>3,496,913</b>	<b>4,177,978</b>	<b>2,116,694</b>	<b>3,071,172</b>
Cost of sales and operations.....	2,793,955	4,642,337	6,605,952	1,350,200	2,877,816	3,416,155	1,217,919	2,144,696
Inventory, beginning of year.....	896,612	961,868	184,091	72,187	311,144	384,296	605,670	610,164
Cost of labor.....	*67,661	209,854	284,204	*19,776	*175,081	*154,873	*18,745	*11,588
Purchases.....	2,640,224	4,052,399	5,768,433	1,231,975	2,533,809	2,834,617	1,237,383	2,066,307
Materials and supplies.....	84,059	276,364	314,536	58,104	*193,027	*53,353	5,125	*46,201
Other costs.....	32,106	139,425	269,283	*54,643	*634	*372,129	32,513	33,499
Inventory, end of year.....	926,707	997,574	214,595	86,485	335,879	383,113	681,518	623,063
Advertising expenses.....	95,449	195,451	324,396	44,393	22,636	15,654	46,105	49,558
Bad debts from sales or services.....	6,034	8,857	1,318	*6,466	*2,025	4,500	*330	3,202
Car and truck expenses.....	93,642	168,241	99,107	30,496	12,281	8,775	69,678	42,987
Commissions.....	55,165	121,535	15,425	*1,102	*13,611	*11,468	19,283	*16,774
Depletion.....	--	*1,095	*518	--	--	*1	--	*73
Depreciation <sup>3</sup> .....	63,915	123,813	388,358	95,651	27,204	42,161	42,804	53,355
Employee benefit programs.....	3,460	15,884	15,865	*1,251	*3,048	*1,617	*972	*1,685
Insurance.....	56,264	83,941	228,118	64,203	24,218	24,881	22,301	23,352
Legal and professional services.....	23,842	25,365	89,058	25,138	10,896	17,078	9,942	15,973
Meals and entertainment deducted.....	23,206	19,188	6,379	*581	588	*173	5,532	8,382
Mortgage interest.....	37,129	56,530	94,738	41,750	*5,177	24,762	12,045	13,220
Other interest paid on business indebtedness.....	25,561	47,489	111,454	19,770	4,808	14,082	15,918	42,782
Office expenses.....	36,323	54,916	43,698	5,755	13,844	9,164	18,147	18,084
Pension and profit-sharing plans.....	*2,669	*6,427	3,733	*7,234	*7,795	*1,493	*3,355	*512
Rent on machinery and equipment.....	30,292	44,505	98,249	25,368	5,343	*2,389	6,133	6,479
Rent on other business property.....	350,119	263,259	983,480	103,992	41,862	156,250	220,608	147,765
Repairs.....	45,722	45,221	249,905	62,481	9,863	28,521	19,572	11,648
Salaries and wages.....	372,970	597,424	2,804,720	320,645	260,687	175,726	140,039	185,820
Supplies.....	64,632	60,230	239,898	47,053	12,208	16,406	28,181	21,017
Taxes paid.....	117,039	177,060	723,960	157,813	33,673	64,957	42,264	61,961
Travel.....	56,257	38,667	14,935	*1,379	6,460	*3,144	17,521	14,153
Utilities.....	148,910	188,127	702,814	150,173	31,986	77,903	77,206	68,718
Home office business deductions.....	*21,074	27,923	*536	*700	--	--	*4,905	*2,818
Depreciation, Form 8829.....	*1,271	*5,081	*6	*96	--	--	*316	*34
Other business deductions.....	177,688	232,081	716,309	117,746	68,883	60,521	75,760	116,159
<b>Net income <sup>1,2</sup>.....</b>	<b>766,281</b>	<b>930,045</b>	<b>1,542,171</b>	<b>335,547</b>	<b>316,067</b>	<b>231,183</b>	<b>532,174</b>	<b>270,957</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns.....	*6,102	*4,757	*6,988	--	--	*158	*2,260	--
Business receipts.....	*14,025	*13,689	*52,877	--	--	*11,003	*9,336	--
Business deductions.....	*3,515	*816	*817	--	--	*196	*173	--
<b>Net income.....</b>	<b>*10,510</b>	<b>*12,873</b>	<b>*52,060</b>	<b>--</b>	<b>--</b>	<b>*10,806</b>	<b>*9,163</b>	<b>--</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Wholesale and retail trade--continued			Total	Finance, insurance, and real estate			
	Retail trade--continued				Total	Finance		
	Sales by door-to-door, telephone, etc.	Gift, novelty, and souvenir shops	All other retail stores			Total	Credit agencies and mortgage bankers	Security and commodity brokers and services
	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
Number of returns <sup>1</sup> .....	1,064,835	76,970	651,336	1,271,394	128,864	10,380	61,804	56,680
<b>Business receipts, total <sup>1</sup>.....</b>	<b>16,479,665</b>	<b>3,319,223</b>	<b>33,995,042</b>	<b>64,606,561</b>	<b>14,916,259</b>	<b>786,843</b>	<b>8,416,184</b>	<b>5,713,232</b>
Income from sales and operations <sup>1</sup> .....	15,992,220	3,286,622	33,534,370	62,854,538	14,647,797	753,984	8,279,489	5,614,324
Other business income.....	487,445	32,601	460,672	1,752,023	268,462	32,859	136,694	98,909
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>14,332,475</b>	<b>3,324,474</b>	<b>31,957,464</b>	<b>42,216,432</b>	<b>13,084,877</b>	<b>601,443</b>	<b>7,405,135</b>	<b>5,078,300</b>
Cost of sales and operations.....	7,160,951	1,953,190	20,510,666	12,279,318	7,974,261	109,421	5,099,921	2,764,919
Inventory, beginning of year.....	1,045,028	814,684	4,906,661	1,419,065	181,865	*373	105,129	76,363
Cost of labor.....	176,222	42,964	470,067	464,723	23,062	--	*14,302	*8,760
Purchases.....	6,331,704	1,838,186	18,666,561	8,469,803	6,588,412	*112,204	4,735,493	1,740,715
Materials and supplies.....	579,137	46,807	930,803	287,014	11,743	--	*2,259	*9,484
Other costs.....	229,148	137,043	693,572	3,070,896	1,316,706	*4,651	323,263	988,793
Inventory, end of year.....	1,200,288	926,493	5,156,997	1,432,183	147,528	*7,806	80,525	59,197
Advertising expenses.....	228,897	63,850	520,107	1,631,046	145,392	30,786	39,339	75,267
Bad debts from sales or services.....	63,960	3,078	32,173	165,496	89,898	*22,183	38,737	28,977
Car and truck expenses.....	1,644,187	65,728	919,772	3,839,272	220,962	29,988	97,959	93,016
Commissions.....	529,707	10,852	357,964	3,288,154	573,582	61,033	228,949	283,600
Depletion.....	*1,870	*60	*1,368	4,207	2,636	--	2,271	365
Depreciation <sup>3</sup> .....	432,118	72,864	830,842	1,551,260	206,212	14,714	81,553	109,944
Employee benefit programs.....	5,694	*2,512	36,608	107,025	8,927	*1,624	6,280	1,024
Insurance.....	104,262	34,008	285,423	598,702	63,157	7,747	26,158	29,252
Legal and professional services.....	102,192	14,688	151,467	703,847	141,950	10,131	74,096	57,723
Meals and entertainment deducted.....	131,776	8,102	86,771	653,289	77,561	5,849	40,380	31,332
Mortgage interest.....	28,961	11,142	82,947	527,026	82,138	*7,547	46,939	27,653
Other interest paid on business indebtedness.....	97,748	22,943	230,586	720,247	400,891	26,635	61,152	313,104
Office expenses.....	235,166	24,277	247,121	1,321,744	163,866	19,603	89,801	54,462
Pension and profit-sharing plans.....	2,204	*928	8,892	66,020	5,310	--	3,394	*1,916
Rent on machinery and equipment.....	119,308	34,150	226,766	512,324	50,525	4,160	25,268	21,098
Rent on other business property.....	247,551	320,835	1,465,961	1,368,856	264,930	20,840	126,410	117,680
Repairs.....	86,793	22,969	236,511	410,988	38,284	3,972	13,287	21,025
Salaries and wages.....	263,311	258,210	1,850,029	2,862,260	565,576	42,374	401,016	122,187
Supplies.....	478,606	68,889	593,697	832,470	153,560	23,128	95,106	35,327
Taxes paid.....	144,355	81,985	639,071	666,529	84,400	8,250	40,075	36,074
Travel.....	407,353	28,935	226,626	776,623	133,359	6,189	50,721	76,449
Utilities.....	357,701	80,383	783,022	1,551,145	183,976	30,817	55,248	97,911
Home office business deductions.....	116,192	*11,761	93,116	228,836	23,805	*302	14,734	8,770
Depreciation, Form 8829.....	17,512	*368	5,361	21,038	4,546	*302	3,290	*954
Other business deductions.....	1,287,258	126,163	1,506,945	5,465,114	1,420,046	113,470	644,681	661,895
<b>Net income less deficit <sup>1,2</sup>.....</b>	<b>2,151,340</b>	<b>-5,251</b>	<b>2,037,541</b>	<b>22,351,241</b>	<b>1,821,972</b>	<b>185,400</b>	<b>987,871</b>	<b>648,700</b>
Net income <sup>1,2</sup> .....	3,480,715	212,379	3,681,218	24,683,313	2,683,662	210,434	1,378,192	1,095,035
Deficit <sup>2</sup> .....	1,329,376	217,630	1,643,678	2,332,072	861,690	25,034	390,321	446,335

Footnotes at end of table.



# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Wholesale and retail trade--continued			Total	Finance, insurance, and real estate				
	Retail trade--continued				Total	Finance			Other financial services
	Sales by door-to-door, telephone, etc.	Gift, novelty, and souvenir shops	All other retail stores			Total	Credit agencies and mortgage bankers	Security and commodity brokers and services	
(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)		
<b>BUSINESSES WITH NET INCOME</b>									
Number of returns <sup>1</sup> .....	499,690	29,817	336,892	968,632	85,233	8,672	39,230	37,331	
<b>Business receipts, total<sup>1</sup>.....</b>	<b>13,302,743</b>	<b>2,429,336</b>	<b>27,447,698</b>	<b>57,469,061</b>	<b>11,399,562</b>	<b>631,170</b>	<b>6,168,765</b>	<b>4,599,628</b>	
Income from sales and operations <sup>1</sup> .....	12,888,483	2,409,143	27,010,481	55,944,346	11,235,015	603,778	6,095,521	4,535,716	
Other business income.....	414,260	20,193	437,217	1,524,715	164,548	27,392	73,244	63,912	
<b>Business deductions, total<sup>1,2</sup>.....</b>	<b>9,822,028</b>	<b>2,216,957</b>	<b>23,766,480</b>	<b>32,786,350</b>	<b>8,715,900</b>	<b>420,735</b>	<b>4,790,573</b>	<b>3,504,592</b>	
Cost of sales and operations.....	5,281,276	1,409,233	15,789,651	8,751,424	5,501,843	*746	3,438,531	2,062,566	
Inventory, beginning of year.....	667,956	429,657	3,167,122	562,641	90,135	*345	*71,959	17,831	
Cost of labor.....	133,733	*34,621	377,443	448,846	*20,854	--	*14,030	*6,824	
Purchases.....	4,586,060	1,307,084	14,510,136	5,816,093	4,505,980	*685	3,294,990	1,210,305	
Materials and supplies.....	394,784	26,727	622,903	235,248	*8,362	--	*2,255	*6,106	
Other costs.....	186,011	133,681	546,558	2,321,217	932,750	*60	94,530	838,159	
Inventory, end of year.....	687,269	522,537	3,434,513	632,621	56,238	*344	39,234	16,660	
Advertising expenses.....	143,167	39,292	374,998	1,466,954	115,562	26,002	22,729	66,831	
Bad debts from sales or services.....	41,369	*2,366	21,981	88,814	27,884	*12,874	*1,111	13,899	
Car and truck expenses.....	1,016,239	34,157	596,772	3,236,301	166,960	27,843	58,976	80,141	
Commissions.....	351,637	*584	259,724	2,917,435	447,605	*56,213	136,695	254,698	
Depletion.....	*1	*56	*2	2,020	740	--	*516	*224	
Depreciation <sup>3</sup> .....	214,527	39,491	503,242	1,138,103	147,559	12,397	53,741	81,421	
Employee benefit programs.....	4,990	*2,396	30,159	102,316	7,681	*1,527	5,176	978	
Insurance.....	83,311	22,492	217,636	483,482	56,868	7,512	24,516	24,840	
Legal and professional services.....	77,487	8,860	109,430	504,968	104,575	7,340	54,889	42,347	
Meals and entertainment deducted.....	78,349	2,814	45,092	564,821	55,080	2,309	32,621	20,150	
Mortgage interest.....	26,719	8,710	50,033	252,257	26,883	*5,889	2,531	18,463	
Other interest paid on business indebtedness.....	49,179	11,612	137,375	303,966	88,538	18,590	27,143	42,805	
Office expenses.....	130,068	15,012	162,543	1,122,383	117,223	14,677	55,914	46,632	
Pension and profit-sharing plans.....	2,204	*845	8,600	49,785	4,045	--	2,195	*1,850	
Rent on machinery and equipment.....	62,334	19,440	179,093	435,771	41,782	*3,049	21,216	17,518	
Rent on other business property.....	182,443	192,175	1,057,573	1,186,266	216,618	16,194	94,300	106,125	
Repairs.....	69,579	16,981	148,784	302,683	30,926	3,203	9,991	17,732	
Salaries and wages.....	216,365	167,390	1,440,746	2,614,083	505,847	38,032	361,332	106,483	
Supplies.....	286,215	32,239	339,711	636,922	67,397	22,819	16,156	28,422	
Taxes paid.....	97,079	55,352	452,469	506,507	69,298	7,045	33,802	28,450	
Travel.....	269,934	9,237	142,958	622,441	85,540	4,219	35,785	45,537	
Utilities.....	226,284	53,614	572,182	1,272,434	149,359	27,230	36,707	85,422	
Home office business deductions.....	79,029	*1,499	71,502	210,585	19,142	*302	13,654	5,187	
Depreciation, Form 8829.....	7,151	*368	3,236	19,879	4,285	*302	3,046	*937	
Other business deductions.....	779,779	69,138	1,021,214	3,929,310	651,271	104,044	248,685	298,542	
<b>Net income<sup>1,2</sup>.....</b>	<b>3,480,715</b>	<b>212,379</b>	<b>3,681,218</b>	<b>24,683,313</b>	<b>2,683,662</b>	<b>210,434</b>	<b>1,378,192</b>	<b>1,095,035</b>	
<b>Returns with Schedule C-EZ:</b>									
Number of returns.....	79,360	*4,571	47,212	97,365	10,805	*1,343	2,982	6,480	
Business receipts.....	276,816	*5,508	128,522	432,808	66,081	*5,418	12,260	48,403	
Business deductions.....	54,355	*1,972	33,143	84,634	9,674	*682	1,662	7,330	
<b>Net income.....</b>	<b>222,462</b>	<b>*3,537</b>	<b>95,379</b>	<b>348,174</b>	<b>56,407</b>	<b>*4,735</b>	<b>10,598</b>	<b>41,073</b>	

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Finance, insurance, and real estate--continued						
	Insurance		Real estate				
	Insurance agents and brokers	Insurance services	Total	Operators and lessors	Real estate agents and brokers	Subdividers and developers	All other real estate
	(64)	(65)	(66)	(67)	(68)	(69)	(70)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
Number of returns <sup>1</sup> .....	350,847	48,634	743,050	22,610	642,090	13,464	64,885
<b>Business receipts, total <sup>1</sup>.....</b>	<b>18,222,075</b>	<b>1,806,217</b>	<b>29,662,010</b>	<b>1,429,693</b>	<b>24,390,719</b>	<b>2,080,454</b>	<b>1,761,143</b>
Income from sales and operations <sup>1</sup> .....	17,689,852	1,473,021	29,043,867	1,406,708	23,991,804	1,932,913	1,712,442
Other business income.....	532,222	333,195	618,143	22,985	398,916	147,541	48,701
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>9,878,271</b>	<b>1,099,079</b>	<b>18,154,205</b>	<b>1,262,583</b>	<b>13,627,444</b>	<b>1,959,624</b>	<b>1,304,554</b>
Cost of sales and operations.....	892,120	*115,780	3,297,157	268,529	1,463,099	1,484,605	80,924
Inventory, beginning of year.....	*2,092	*2,970	1,232,138	99,234	225,973	849,496	57,435
Cost of labor.....	*17,810	*92,739	331,111	*31,209	290,183	*1,472	*8,248
Purchases.....	432,033	*10,032	1,439,327	205,061	626,431	588,732	19,104
Materials and supplies.....	*15,699	*4,333	255,238	*27,804	34,105	183,064	10,265
Other costs.....	427,635	*11,447	1,315,107	19,383	532,118	727,271	36,335
Inventory, end of year.....	*3,149	*5,742	1,275,764	114,161	245,711	865,430	50,462
Advertising expenses.....	346,570	15,375	1,123,709	21,870	1,068,563	4,715	28,561
Bad debts from sales or services.....	40,402	*8,709	26,487	*2,860	14,160	7,985	*1,482
Car and truck expenses.....	1,077,352	212,028	2,328,931	40,694	2,152,676	18,817	116,743
Commissions.....	852,370	47,322	1,814,880	33,305	1,694,870	24,612	62,092
Depletion.....	*90	*293	1,189	*341	*638	183	*27
Depreciation <sup>3</sup> .....	355,365	32,904	956,779	149,723	660,345	33,906	112,807
Employee benefit programs.....	88,448	*1,348	8,302	595	5,069	776	1,862
Insurance.....	224,170	17,368	294,007	43,273	203,888	9,924	36,922
Legal and professional services.....	138,009	8,965	414,923	20,436	305,759	51,973	36,755
Meals and entertainment deducted.....	213,235	37,232	325,262	6,915	298,706	3,413	16,227
Mortgage interest.....	80,637	*3,281	360,970	129,453	112,527	95,931	23,059
Other interest paid on business indebtedness.....	103,738	6,202	209,417	17,714	135,210	35,133	21,359
Office expenses.....	418,562	44,219	695,097	15,090	623,512	5,695	50,801
Pension and profit-sharing plans.....	30,328	*1,357	29,025	*172	13,716	*161	14,976
Rent on machinery and equipment.....	190,685	50,264	220,850	13,042	190,827	1,195	15,786
Rent on other business property.....	575,146	33,666	495,114	15,816	416,858	4,894	57,546
Repairs.....	103,328	10,340	259,037	72,428	150,377	8,216	28,015
Salaries and wages.....	1,616,642	105,571	574,471	57,608	369,995	26,861	120,006
Supplies.....	199,005	35,234	444,670	27,844	382,320	6,978	27,528
Taxes paid.....	223,872	14,549	343,708	85,561	193,058	34,846	30,243
Travel.....	229,768	86,273	327,223	9,856	271,952	5,345	40,069
Utilities.....	502,556	47,803	816,809	95,009	629,089	14,833	77,877
Home office business deductions.....	43,133	13,476	148,421	*239	111,461	*692	36,030
Depreciation, Form 8829.....	4,366	*928	11,198	*63	7,961	*32	3,141
Other business deductions.....	1,302,023	146,576	2,596,470	134,201	2,119,729	77,870	264,671
<b>Net income less deficit <sup>1,2</sup>.....</b>	<b>8,323,482</b>	<b>705,554</b>	<b>11,500,233</b>	<b>163,897</b>	<b>10,758,895</b>	<b>120,864</b>	<b>456,577</b>
Net income <sup>1,2</sup> .....	8,608,923	764,831	12,625,897	305,000	11,346,586	380,982	593,330
Deficit <sup>2</sup> .....	285,441	59,277	1,125,664	141,103	587,691	260,118	136,753

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Finance, insurance, and real estate--continued						
	Insurance		Real estate				
	Insurance agents and brokers	Insurance services	Total	Operators and lessors	Real estate agents and brokers	Subdividers and developers	All other real estate
	(64)	(65)	(66)	(67)	(68)	(69)	(70)
<b>BUSINESSES WITH NET INCOME</b>							
Number of returns <sup>1</sup> .....	291,095	42,393	549,912	10,817	486,903	7,305	44,887
Business receipts, total <sup>1</sup> .....	17,429,481	1,685,976	26,954,042	931,112	22,948,339	1,526,453	1,548,139
Income from sales and operations <sup>1</sup> .....	16,890,201	1,354,905	26,464,225	920,715	22,626,154	1,390,741	1,526,615
Other business income.....	539,280	331,071	489,817	10,396	322,185	135,712	21,523
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>8,825,495</b>	<b>921,144</b>	<b>14,323,811</b>	<b>626,075</b>	<b>11,597,456</b>	<b>1,145,471</b>	<b>954,809</b>
Cost of sales and operations.....	719,271	*99,990	2,430,320	215,022	1,209,867	942,148	63,283
Inventory, beginning of year.....	*2,092	*1,257	469,157	52,443	102,232	285,463	*29,019
Cost of labor.....	*17,780	*92,739	317,472	*31,209	277,043	*973	*8,248
Purchases.....	282,585	*4,253	1,023,275	159,688	467,589	387,966	8,031
Materials and supplies.....	*15,012	*334	211,540	*27,803	27,161	146,312	10,265
Other costs.....	404,905	*2,864	980,697	*16,695	465,579	469,313	29,111
Inventory, end of year.....	*3,103	*1,457	571,822	72,815	129,737	347,878	*21,391
Advertising expenses.....	329,842	14,612	1,006,938	10,673	970,409	2,807	23,050
Bad debts from sales or services.....	38,002	*8,709	14,220	*514	13,298	*319	*88
Car and truck expenses.....	945,844	172,728	1,950,769	25,952	1,824,677	9,046	91,094
Commissions.....	784,213	24,749	1,660,868	25,143	1,556,715	20,714	58,296
Depletion.....	*63	*293	925	*300	*489	*122	*13
Depreciation <sup>3</sup> .....	306,677	31,208	652,660	49,647	516,920	11,682	74,411
Employee benefit programs.....	87,844	*1,348	5,443	*279	4,227	*209	728
Insurance.....	211,577	16,948	198,089	14,522	160,453	4,590	18,524
Legal and professional services.....	115,059	8,228	277,106	11,031	226,473	14,412	25,190
Meals and entertainment deducted.....	186,183	34,023	289,535	6,395	271,425	1,067	10,649
Mortgage interest.....	77,371	*1,591	146,412	26,067	72,289	42,671	5,386
Other interest paid on business indebtedness.....	91,287	6,065	118,076	8,013	85,048	14,171	10,843
Office expenses.....	376,440	39,094	589,626	9,236	536,245	2,426	41,719
Pension and profit-sharing plans.....	29,157	*1,357	15,226	*157	13,705	*71	1,294
Rent on machinery and equipment.....	164,561	32,155	197,273	11,713	173,651	151	11,758
Rent on other business property.....	535,390	31,549	402,708	14,371	340,349	2,218	45,770
Repairs.....	99,062	8,142	164,554	25,276	118,159	4,097	17,022
Salaries and wages.....	1,563,153	101,118	443,964	21,698	317,131	13,832	91,304
Supplies.....	183,872	22,542	363,111	12,528	325,376	934	24,273
Taxes paid.....	206,421	11,469	219,319	27,283	156,971	18,178	16,886
Travel.....	187,129	79,560	270,212	7,324	235,415	1,413	26,060
Utilities.....	457,974	37,469	627,631	57,234	519,132	5,546	45,719
Home office business deductions.....	38,289	10,744	142,409	*164	108,702	*649	32,894
Depreciation, Form 8829.....	4,366	*928	10,300	*63	7,776	*( <sup>4</sup> )	*2,460
Other business deductions.....	1,060,410	122,509	2,095,121	45,525	1,801,293	31,933	216,371
<b>Net income <sup>1,2</sup>.....</b>	<b>8,608,923</b>	<b>764,831</b>	<b>12,625,897</b>	<b>305,000</b>	<b>11,346,586</b>	<b>380,982</b>	<b>593,330</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns.....	41,064	*5,939	39,557	*13	32,300	*356	6,889
Business receipts.....	137,266	*22,115	207,347	*78	186,164	*1,833	19,271
Business deductions.....	30,718	*2,944	41,298	*10	39,039	*65	2,184
<b>Net income.....</b>	<b>106,548</b>	<b>*19,171</b>	<b>166,049</b>	<b>*69</b>	<b>147,124</b>	<b>*1,769</b>	<b>17,087</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Services							
	Total	Hotels and other lodging places			Personal services			
		Total	Hotels, motels, and tourist courts	Other lodging places	Total	Coin-operated laundry and dry cleaning	Other cleaning, including laundry, dry cleaning, etc.	Photographic portrait studios
	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
Number of returns <sup>1</sup> .....	8,233,940	48,471	36,810	11,661	1,261,698	13,336	59,197	48,635
<b>Business receipts, total <sup>1</sup>.....</b>	<b>287,494,755</b>	<b>4,889,841</b>	<b>4,285,738</b>	<b>604,104</b>	<b>28,072,556</b>	<b>614,526</b>	<b>3,004,272</b>	<b>1,907,659</b>
Income from sales and operations <sup>1</sup> .....	282,519,388	4,784,723	4,182,045	602,678	27,644,705	611,472	2,998,540	1,904,755
Other business income.....	4,975,367	105,118	103,692	*1,426	427,851	*3,054	*5,732	*2,903
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>185,514,587</b>	<b>4,770,733</b>	<b>4,199,367</b>	<b>571,366</b>	<b>20,254,961</b>	<b>553,158</b>	<b>2,472,209</b>	<b>1,612,249</b>
Cost of sales and operations.....	43,150,601	679,064	637,080	41,985	4,722,721	34,749	474,839	380,756
Inventory, beginning of year.....	3,269,061	52,590	47,121	*5,469	314,110	*4,317	*11,092	25,033
Cost of labor.....	4,958,421	81,247	81,061	*186	611,897	*16,122	*122,281	*14,794
Purchases.....	23,736,502	460,124	448,584	*11,540	2,492,598	*6,879	215,766	131,036
Materials and supplies.....	7,202,595	73,112	51,410	*21,702	1,022,384	*13,370	42,012	65,169
Other costs.....	7,192,076	70,518	61,496	*9,021	632,722	*406	90,082	172,138
Inventory, end of year.....	3,208,054	58,527	52,593	*5,934	350,989	*6,346	*6,393	27,415
Advertising expenses.....	3,412,743	110,790	97,243	13,547	475,236	1,612	110,925	59,474
Bad debts from sales or services.....	266,728	2,848	2,837	*11	15,560	*173	*919	*1,773
Car and truck expenses.....	11,046,067	79,328	66,966	12,361	1,261,188	13,780	180,506	123,606
Commissions.....	3,169,537	22,958	21,541	*1,417	485,821	*1,471	*26,464	47,411
Depletion.....	28,250	*247	*247	--	1,012	--	--	*82
Depreciation <sup>3</sup> .....	10,274,631	544,594	490,449	54,146	1,015,082	48,728	152,646	111,681
Employee benefit programs.....	701,810	8,025	7,708	*318	21,879	*1,620	*3,534	*279
Insurance.....	4,850,753	137,506	123,210	14,296	385,775	16,773	72,689	20,331
Legal and professional services.....	3,529,972	48,459	38,638	9,821	196,222	7,600	17,511	10,433
Meals and entertainment deducted.....	1,438,190	4,360	3,848	*512	124,440	*1,265	2,245	27,585
Mortgage interest.....	1,815,407	512,264	445,938	66,327	146,204	11,215	9,995	*4,922
Other interest paid on business indebtedness.....	1,811,431	164,611	148,183	16,428	117,917	7,494	25,475	*3,620
Office expenses.....	4,788,625	37,888	35,109	2,779	348,546	1,282	16,274	42,305
Pension and profit-sharing plans.....	483,431	*718	*712	*6	8,728	*2	*1,036	*2,168
Rent on machinery and equipment.....	2,494,704	14,878	14,054	824	362,825	*3,033	74,693	19,631
Rent on other business property.....	10,432,048	71,606	48,826	*22,780	2,274,040	122,192	267,895	99,091
Repairs.....	2,914,064	258,267	220,514	37,754	338,393	21,679	56,223	17,815
Salaries and wages.....	24,257,945	553,486	496,456	57,031	2,061,319	22,781	429,356	68,410
Supplies.....	8,623,732	172,346	157,633	14,714	1,376,311	14,046	147,770	131,612
Taxes paid.....	4,909,553	329,916	296,029	33,887	478,335	22,252	80,747	34,614
Travel.....	3,591,489	13,665	12,866	*799	319,558	*1,060	1,162	54,127
Utilities.....	7,730,395	512,244	451,252	60,991	1,173,120	140,978	156,370	57,670
Home office business deductions.....	2,579,416	*7,879	*6,218	*1,662	288,814	*970	*8,003	32,159
Depreciation, Form 8829.....	363,747	*947	*167	*781	55,015	*251	*421	3,491
Other business deductions.....	26,593,085	482,785	375,813	106,971	2,179,177	56,403	151,447	259,988
<b>Net income less deficit <sup>1,2</sup>.....</b>	<b>101,984,543</b>	<b>120,214</b>	<b>87,508</b>	<b>32,705</b>	<b>7,817,475</b>	<b>61,368</b>	<b>532,092</b>	<b>295,410</b>
Net income <sup>1,2</sup> .....	110,045,171	481,884	407,879	74,005	9,023,777	89,418	609,003	388,901
Deficit <sup>2</sup> .....	8,060,627	361,670	320,370	41,300	1,206,302	28,050	76,911	93,491

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Services							
	Total	Hotels and other lodging places			Personal services			
		Total	Hotels, motels, and tourist courts	Other lodging places	Total	Coin-operated laundry and dry cleaning	Other cleaning, including laundry, dry cleaning, etc.	Photographic portrait studios
	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)
<b>BUSINESSES WITH NET INCOME</b>								
Number of returns <sup>1</sup> .....	6,443,283	25,595	20,404	5,192	965,656	10,281	45,670	33,838
Business receipts, total <sup>1</sup> .....	264,891,870	3,292,143	2,938,819	353,324	25,085,273	491,518	2,623,609	1,609,580
Income from sales and operations <sup>1</sup> .....	260,437,246	3,217,753	2,865,107	352,646	24,694,906	488,852	2,621,607	1,606,676
Other business income.....	4,454,624	74,390	73,712	*678	390,367	*2,666	*2,002	*2,903
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>154,848,104</b>	<b>2,811,672</b>	<b>2,532,386</b>	<b>279,286</b>	<b>16,061,347</b>	<b>402,100</b>	<b>2,014,606</b>	<b>1,220,679</b>
Cost of sales and operations.....	36,505,352	441,098	419,054	*22,045	4,025,494	30,996	367,948	337,798
Inventory, beginning of year.....	2,338,394	29,508	26,181	*3,327	167,617	*1,836	*4,302	*6,242
Cost of labor.....	4,274,787	62,617	62,617	--	538,653	*16,122	*92,261	*14,793
Purchases.....	20,171,800	291,594	286,422	*5,172	2,100,655	*6,878	*172,356	103,804
Materials and supplies.....	6,211,265	36,858	27,853	*9,005	834,788	*9,618	25,739	53,261
Other costs.....	5,835,726	50,011	41,655	*8,356	585,149	*406	*78,672	171,331
Inventory, end of year.....	2,326,620	29,489	25,675	*3,814	201,369	*3,865	*5,382	*11,633
Advertising expenses.....	2,719,583	57,986	52,015	5,971	340,401	836	82,230	38,974
Bad debts from sales or services.....	177,419	1,819	1,808	*11	11,653	*161	*496	*170
Car and truck expenses.....	8,831,416	46,127	38,643	7,485	968,472	10,618	156,210	73,948
Commissions.....	2,713,240	12,085	10,964	*1,121	397,284	*1,466	*26,296	17,925
Depletion.....	25,277	*247	*247	--	869	--	--	*82
Depreciation <sup>3</sup> .....	7,647,909	286,307	254,189	32,118	700,471	24,303	123,286	90,108
Employee benefit programs.....	656,020	3,410	3,189	*221	18,506	*66	*3,534	*193
Insurance.....	4,226,950	80,161	72,708	7,453	298,539	10,864	58,358	16,458
Legal and professional services.....	2,873,832	22,280	20,354	1,926	147,049	3,245	14,563	5,371
Meals and entertainment deducted.....	1,164,342	2,570	2,189	*381	90,117	*1,264	2,108	22,869
Mortgage interest.....	1,264,098	266,277	239,823	26,454	121,563	*4,872	7,091	*4,745
Other interest paid on business indebtedness.....	1,333,214	89,521	77,440	*12,080	89,553	4,167	12,040	*2,944
Office expenses.....	4,086,890	17,732	16,764	968	263,907	1,145	10,863	32,938
Pension and profit-sharing plans.....	468,610	*609	*603	*6	6,018	*2	*1,036	*2,168
Rent on machinery and equipment.....	1,997,165	6,874	6,634	*240	274,568	*232	50,057	16,572
Rent on other business property.....	8,944,237	27,498	25,197	*2,300	1,822,855	101,253	210,579	70,209
Repairs.....	2,268,468	167,146	148,764	18,382	256,716	9,833	47,683	10,016
Salaries and wages.....	21,856,372	342,033	297,483	44,549	1,704,215	21,655	392,515	55,900
Supplies.....	7,253,444	122,981	114,918	8,063	1,128,067	10,980	121,623	96,004
Taxes paid.....	4,280,774	201,802	186,853	14,949	404,619	16,682	73,396	27,359
Travel.....	2,850,398	8,007	7,666	*341	203,317	*1,048	1,162	34,178
Utilities.....	6,299,750	341,567	310,512	31,056	905,483	97,544	120,952	40,932
Home office business deductions.....	2,143,621	*1,047	*517	*530	216,047	*970	*2,066	23,205
Depreciation, Form 8829.....	295,567	*684	*167	*517	46,684	*251	--	*2,247
Other business deductions.....	21,650,418	264,488	223,853	40,635	1,588,828	47,900	125,029	198,905
<b>Net income <sup>1,2</sup>.....</b>	<b>110,045,171</b>	<b>481,884</b>	<b>407,879</b>	<b>74,005</b>	<b>9,023,777</b>	<b>89,418</b>	<b>609,009</b>	<b>388,901</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns.....	1,329,037	*344	*344	--	154,654	--	*4,901	*2,398
Business receipts.....	6,406,669	*6,343	*6,343	--	559,783	--	*12,565	*2,388
Business deductions.....	621,943	--	--	--	76,754	--	*3,485	*708
<b>Net income.....</b>	<b>5,784,726</b>	<b>*6,343</b>	<b>*6,343</b>	<b>--</b>	<b>483,029</b>	<b>--</b>	<b>*9,080</b>	<b>*1,680</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Services--continued						
	Personal services--continued			Business services			
	Beauty shops	Barber shops	All other personal services	Total	Advertising, except direct mail	Janitorial and related services to buildings	All other business services
	(79)	(80)	(81)	(82)	(83)	(84)	(85)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
Number of returns <sup>1</sup> .....	412,173	59,553	668,804	1,954,565	66,016	488,511	1,400,038
<b>Business receipts, total <sup>1</sup>.....</b>	<b>9,979,326</b>	<b>1,161,047</b>	<b>11,405,727</b>	<b>49,354,675</b>	<b>2,958,735</b>	<b>7,213,736</b>	<b>39,182,203</b>
Income from sales and operations <sup>1</sup> .....	9,794,979	1,132,208	11,202,750	48,691,131	2,909,612	7,116,084	38,665,436
Other business income.....	184,346	*28,839	202,976	663,544	*49,124	97,653	516,767
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>7,195,037</b>	<b>593,655</b>	<b>7,828,653</b>	<b>34,087,726</b>	<b>2,299,912</b>	<b>4,656,304</b>	<b>27,131,510</b>
Cost of sales and operations.....	1,349,586	24,188	2,458,602	10,914,458	1,226,585	939,739	8,748,133
Inventory, beginning of year.....	86,285	*2,850	184,533	663,981	*1,128	14,998	647,855
Cost of labor.....	363,050	--	95,650	1,306,609	*10,332	505,886	790,392
Purchases.....	543,188	*14,449	1,581,280	5,428,866	604,225	183,144	4,641,497
Materials and supplies.....	412,203	8,652	480,976	1,932,263	*90,690	171,778	1,669,795
Other costs.....	33,637	*746	335,713	2,154,984	520,211	89,028	1,545,745
Inventory, end of year.....	88,777	*2,509	219,549	572,244	--	25,094	547,150
Advertising expenses.....	156,916	8,723	137,587	678,537	46,678	89,464	542,396
Bad debts from sales or services.....	1,521	*500	10,674	82,630	*3,068	5,240	74,322
Car and truck expenses.....	220,743	26,766	695,787	3,031,222	157,063	737,228	2,136,932
Commissions.....	210,999	*554	198,922	858,631	89,626	71,864	697,141
Depletion..... <sup>*3</sup>	--	--	927	6,651	* <sup>(4)</sup>	*726	5,924
Depreciation <sup>3</sup> .....	247,111	27,159	427,758	2,114,823	74,289	176,077	1,864,457
Employee benefit programs.....	5,957	*791	9,697	68,454	*3,919	2,571	61,963
Insurance.....	132,190	12,395	131,397	634,312	10,800	186,270	437,242
Legal and professional services.....	56,411	6,898	97,369	394,714	23,865	42,393	328,457
Meals and entertainment deducted.....	17,355	*908	75,082	278,682	30,123	13,033	235,527
Mortgage interest.....	68,611	*11,855	39,606	113,172	*19,504	9,595	84,074
Other interest paid on business indebtedness.....	37,025	*1,228	43,074	354,409	5,377	50,784	298,247
Office expenses.....	105,821	3,236	179,627	687,304	27,010	52,386	607,909
Pension and profit-sharing plans.....	*1,626	--	3,897	27,016	*519	*1,882	24,615
Rent on machinery and equipment.....	162,100	*11,524	91,844	386,390	23,285	70,936	292,169
Rent on other business property.....	1,345,891	114,300	324,671	849,376	34,216	41,772	773,388
Repairs.....	130,518	12,268	99,890	559,932	12,298	71,738	475,896
Salaries and wages.....	1,106,999	*98,986	334,787	3,051,357	57,121	769,451	2,224,785
Supplies.....	629,381	77,757	375,745	1,384,361	53,790	279,477	1,051,093
Taxes paid.....	203,911	21,186	115,625	653,352	28,657	133,038	491,657
Travel.....	45,558	*182	217,468	649,818	40,921	22,093	586,803
Utilities.....	474,075	59,620	284,407	1,107,140	61,525	117,937	927,678
Home office business deductions.....	45,596	*1,522	200,563	517,677	23,070	31,487	463,119
Depreciation, Form 8829.....	4,412	--	46,440	63,313	1,526	1,781	60,007
Other business deductions.....	417,784	68,883	1,224,673	4,499,045	237,794	662,751	3,598,500
<b>Net income less deficit <sup>1,2</sup>.....</b>	<b>2,784,289</b>	<b>567,392</b>	<b>3,576,924</b>	<b>15,267,091</b>	<b>658,823</b>	<b>2,557,432</b>	<b>12,050,836</b>
Net income <sup>1,2</sup> .....	3,073,299	586,804	4,276,352	16,933,906	734,129	2,677,382	13,522,394
Deficit <sup>2</sup> .....	289,011	*19,411	699,428	1,666,815	75,306	119,950	1,471,559

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Services--continued						
	Personal services--continued			Business services			
	Beauty shops	Barber shops	All other personal services	Total	Advertising, except direct mail	Janitorial and related services to buildings	All other business services
	(79)	(80)	(81)	(82)	(83)	(84)	(85)
<b>BUSINESSES WITH NET INCOME</b>							
Number of returns <sup>1</sup> .....	351,068	54,617	470,182	1,531,501	42,362	444,070	1,045,069
Business receipts, total <sup>1</sup> .....	9,002,456	1,125,385	10,232,726	44,756,386	2,701,951	6,438,621	35,615,814
Income from sales and operations <sup>1</sup> .....	8,842,641	1,096,546	10,038,584	44,331,631	2,693,699	6,384,541	35,253,391
Other business income.....	159,815	*28,839	194,142	424,754	*8,252	54,079	362,423
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>5,929,156</b>	<b>538,581</b>	<b>5,956,225</b>	<b>27,823,707</b>	<b>1,967,821</b>	<b>3,761,239</b>	<b>22,094,647</b>
Cost of sales and operations.....	1,159,088	21,672	2,107,992	9,322,588	1,153,106	665,825	7,503,657
Inventory, beginning of year.....	52,580	*2,136	100,522	524,083	*1,128	14,998	507,957
Cost of labor.....	329,466	--	86,010	1,045,113	*8,592	258,933	777,588
Purchases.....	463,889	*11,930	1,341,797	4,509,968	570,447	175,946	3,763,575
Materials and supplies.....	341,979	8,652	395,539	1,794,345	*90,369	154,192	1,549,783
Other costs.....	32,764	*746	301,231	1,852,034	482,569	86,850	1,282,615
Inventory, end of year.....	61,589	*1,793	117,107	402,955	--	25,094	377,862
Advertising expenses.....	116,718	8,311	93,334	555,783	43,663	76,799	435,320
Bad debts from sales or services.....	*532	*500	9,794	40,784	*3,068	*1,539	36,177
Car and truck expenses.....	179,255	13,059	535,383	2,329,495	98,613	633,958	1,596,924
Commissions.....	194,443	*554	156,600	734,018	71,553	69,179	593,286
Depreciation.....	*3	--	*784	5,270	*(-)	*726	4,543
Depreciation <sup>3</sup> .....	173,946	19,307	269,521	1,499,825	44,898	151,712	1,303,216
Employee benefit programs.....	5,929	*791	7,992	61,694	*760	*2,489	58,445
Insurance.....	102,137	10,675	100,047	539,428	5,669	160,649	373,111
Legal and professional services.....	43,644	4,372	75,852	309,120	19,819	37,659	251,642
Meals and entertainment deducted.....	15,529	*908	47,439	222,702	23,471	9,175	190,056
Mortgage interest.....	60,758	*11,855	32,242	80,514	*4,947	8,152	67,416
Other interest paid on business indebtedness.....	32,145	*1,228	37,030	251,302	*3,450	46,959	200,893
Office expenses.....	88,028	1,759	129,175	540,897	23,045	41,836	476,017
Pension and profit-sharing plans.....	*660	--	2,153	21,795	*519	*1,882	19,394
Rent on machinery and equipment.....	136,837	*11,524	59,347	293,493	16,562	31,191	245,740
Rent on other business property.....	1,134,320	103,513	202,981	679,687	31,723	37,037	610,926
Repairs.....	101,827	11,595	75,763	432,242	7,627	47,787	376,829
Salaries and wages.....	872,951	*98,330	262,863	2,546,739	55,428	614,930	1,876,381
Supplies.....	540,790	74,829	283,841	1,129,987	45,892	232,155	851,939
Taxes paid.....	169,855	20,279	97,048	546,677	25,457	107,490	413,731
Travel.....	34,115	*182	132,631	514,597	35,666	17,634	461,297
Utilities.....	398,204	51,688	196,163	900,635	52,144	94,859	753,632
Home office business deductions.....	33,996	*1,522	154,288	434,174	18,594	26,728	388,851
Depreciation, Form 8829.....	*3,345	--	40,842	41,799	1,526	1,781	38,493
Other business deductions.....	312,101	67,903	836,990	3,649,488	173,335	566,515	2,909,638
<b>Net income <sup>1,2</sup>.....</b>	<b>3,073,299</b>	<b>586,804</b>	<b>4,276,352</b>	<b>16,933,906</b>	<b>734,129</b>	<b>2,677,382</b>	<b>13,522,394</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns.....	30,544	*3,651	113,159	419,115	*10,647	164,886	243,582
Business receipts.....	146,526	*14,978	383,326	1,973,667	*138,495	597,227	1,237,945
Business deductions.....	21,348	*2,224	48,989	184,267	*8,811	76,374	99,083
<b>Net income.....</b>	<b>125,178</b>	<b>*12,754</b>	<b>334,337</b>	<b>1,789,400</b>	<b>*129,684</b>	<b>520,853</b>	<b>1,138,862</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Services--continued						
	Automotive repair and services			Miscellaneous repair services	Amusement and recreation services, including motion pictures		
	Total	Automotive repair shops	All other automotive services		Total	Entertainers, producers, agents, and related services	All other amusement and recreation services
(86)	(87)	(88)	(89)	(90)	(91)	(92)	
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
Number of returns <sup>1</sup> .....	392,337	287,444	104,893	278,687	756,469	344,270	412,200
<b>Business receipts, total <sup>1</sup>.....</b>	<b>25,507,386</b>	<b>20,730,753</b>	<b>4,776,633</b>	<b>9,831,001</b>	<b>16,249,999</b>	<b>5,784,129</b>	<b>10,465,871</b>
Income from sales and operations <sup>1</sup> .....	25,297,891	20,537,515	4,760,376	9,816,302	15,561,639	5,469,663	10,091,976
Other business income.....	209,495	193,239	16,257	14,698	688,360	314,465	373,895
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>22,434,893</b>	<b>18,385,270</b>	<b>4,049,623</b>	<b>7,695,472</b>	<b>12,305,837</b>	<b>3,693,396</b>	<b>8,612,441</b>
Cost of sales and operations.....	11,500,077	9,787,407	1,712,669	3,668,526	2,508,591	395,142	2,113,448
Inventory, beginning of year.....	865,921	663,999	201,922	388,185	362,357	34,628	327,729
Cost of labor.....	914,538	816,438	98,100	279,165	141,682	*20,626	121,056
Purchases.....	8,482,380	7,054,573	1,427,806	2,381,831	1,424,274	178,509	1,245,765
Materials and supplies.....	1,707,946	1,612,425	95,522	796,520	289,368	57,099	232,269
Other costs.....	399,406	335,729	63,676	188,695	691,080	146,191	544,888
Inventory, end of year.....	870,114	695,757	174,357	365,870	400,170	41,911	358,259
Advertising expenses.....	318,628	246,906	71,722	120,959	312,918	83,430	229,488
Bad debts from sales or services.....	30,132	18,131	12,001	17,266	12,778	*1,369	11,409
Car and truck expenses.....	656,449	414,512	241,937	673,027	840,298	352,862	487,436
Commissions.....	57,424	41,319	16,105	32,075	437,566	197,373	240,193
Depletion..... <sup>*17</sup>	--	--	*17	*117	84	*9	75
Depreciation <sup>3</sup> .....	962,108	675,288	286,820	310,730	1,097,171	315,879	781,292
Employee benefit programs.....	36,978	34,145	2,833	16,421	14,219	950	13,269
Insurance.....	540,127	421,766	118,362	162,198	178,399	41,406	136,993
Legal and professional services.....	147,423	111,659	35,764	52,444	266,089	144,333	121,756
Meals and entertainment deducted.....	23,449	14,295	9,154	25,960	141,705	80,083	61,622
Mortgage interest.....	164,942	123,349	41,593	47,361	114,764	14,048	100,716
Other interest paid on business indebtedness.....	184,033	123,275	60,758	45,944	101,228	22,076	79,152
Office expenses.....	178,517	143,380	35,137	80,855	207,408	92,793	114,615
Pension and profit-sharing plans.....	*3,470	*3,252	*218	*2,158	3,031	2,173	858
Rent on machinery and equipment.....	274,046	210,833	63,213	60,053	156,882	59,121	97,760
Rent on other business property.....	965,326	805,489	159,837	212,349	584,898	87,850	497,047
Repairs.....	328,571	211,333	117,237	90,014	239,361	41,415	197,946
Salaries and wages.....	2,135,205	1,803,467	331,738	572,018	635,381	97,671	537,711
Supplies.....	863,148	751,941	111,206	460,286	520,964	183,591	337,373
Taxes paid.....	659,965	563,512	96,454	176,425	202,098	28,747	173,351
Travel.....	36,207	23,563	12,644	36,208	428,754	206,646	222,108
Utilities.....	738,612	567,529	171,083	267,795	477,390	146,707	330,682
Home office business deductions.....	19,152	*9,627	*9,525	82,197	118,842	82,160	36,682
Depreciation, Form 8829.....	*449	*326	*123	14,593	7,994	5,260	2,734
Other business deductions.....	1,598,996	1,274,227	324,769	462,957	2,647,572	981,349	1,666,222
<b>Net income less deficit <sup>1,2</sup>.....</b>	<b>3,072,089</b>	<b>2,345,483</b>	<b>726,606</b>	<b>2,135,529</b>	<b>3,948,071</b>	<b>2,090,777</b>	<b>1,857,295</b>
Net income <sup>1,2</sup> .....	3,544,048	2,706,759	837,290	2,333,448	5,455,329	2,631,434	2,823,895
Deficit <sup>2</sup> .....	471,959	361,276	110,684	197,920	1,507,258	540,657	966,601

Footnotes at end of table.



# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Services--continued						
	Automotive repair and services			Miscellaneous repair services	Amusement and recreation services, including motion pictures		
	Total	Automotive repair shops	All other automotive services		Total	Entertainers, producers, agents and related services	All other amusement and recreation services
				(86)			
<b>BUSINESSES WITH NET INCOME</b>							
Number of returns <sup>1</sup> .....	310,329	223,621	86,708	211,760	477,633	232,952	244,681
Business receipts, total <sup>1</sup> .....	22,333,555	18,076,255	4,257,300	8,900,319	13,057,522	4,944,496	8,113,026
Income from sales and operations <sup>1</sup> .....	22,126,693	17,884,483	4,242,211	8,886,195	12,443,754	4,652,696	7,791,058
Other business income.....	206,862	191,772	15,090	14,124	613,768	291,800	321,968
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>18,789,507</b>	<b>15,369,496</b>	<b>3,420,011</b>	<b>6,566,871</b>	<b>7,602,419</b>	<b>2,313,106</b>	<b>5,289,314</b>
Cost of sales and operations.....	9,654,263	8,061,211	1,593,052	3,203,770	1,670,436	222,375	1,448,061
Inventory, beginning of year.....	656,446	489,766	166,680	239,290	295,607	*28,655	266,952
Cost of labor.....	726,802	639,481	*87,322	270,384	43,952	*16,678	27,274
Purchases.....	7,296,665	5,900,477	1,396,188	2,115,958	1,045,436	*101,657	943,779
Materials and supplies.....	1,344,216	1,270,049	74,167	753,980	177,535	39,006	138,529
Other costs.....	330,195	289,357	40,838	111,179	411,107	58,838	352,270
Inventory, end of year.....	700,061	527,919	172,143	287,021	303,202	*22,458	280,744
Advertising expenses.....	264,197	197,269	66,929	104,373	133,222	51,759	81,463
Bad debts from sales or services.....	18,706	16,982	*1,724	14,351	5,144	*70	5,074
Car and truck expenses.....	529,329	347,667	181,662	581,313	546,468	251,215	295,252
Commissions.....	35,272	21,709	*13,563	28,233	314,145	147,646	166,499
Depletion.....	--	--	--	*117	24	*4	*21
Depreciation <sup>3</sup> .....	735,960	567,584	168,376	244,008	606,630	161,618	445,011
Employee benefit programs.....	34,077	31,811	*2,267	9,575	6,598	557	6,041
Insurance.....	452,260	348,948	103,312	129,428	112,158	29,030	83,127
Legal and professional services.....	116,650	86,416	30,234	42,787	178,276	109,470	68,806
Meals and entertainment deducted.....	20,134	11,723	8,411	20,143	96,713	60,330	36,383
Mortgage interest.....	112,883	92,294	20,589	37,507	60,988	6,120	54,868
Other interest paid on business indebtedness.....	119,711	78,928	40,783	34,067	38,860	5,495	33,364
Office expenses.....	153,179	124,027	29,152	70,643	128,227	61,160	67,067
Pension and profit-sharing plans.....	*3,452	*3,234	*218	*2,058	2,174	1,466	708
Rent on machinery and equipment.....	206,486	155,066	51,421	44,045	92,769	32,186	60,584
Rent on other business property.....	836,557	717,505	119,052	185,859	353,769	47,023	306,746
Repairs.....	274,089	183,004	91,085	79,445	115,803	32,310	83,492
Salaries and wages.....	1,854,421	1,571,050	283,370	479,598	457,710	55,887	401,823
Supplies.....	758,116	656,147	101,969	373,564	269,429	98,985	170,444
Taxes paid.....	564,110	483,123	80,988	140,111	144,198	23,056	121,143
Travel.....	31,128	18,728	12,400	28,198	270,787	136,233	134,554
Utilities.....	615,705	467,278	148,428	215,218	279,126	78,403	200,723
Home office business deductions.....	*14,741	*5,246	*9,495	72,580	94,102	59,872	34,230
Depreciation, Form 8829.....	*348	*226	*123	11,325	7,511	5,005	2,506
Other business deductions.....	1,372,185	1,117,483	254,702	406,751	1,567,387	606,626	960,761
<b>Net income <sup>1,2</sup>.....</b>	<b>3,544,048</b>	<b>2,706,759</b>	<b>837,290</b>	<b>2,333,448</b>	<b>5,455,329</b>	<b>2,631,434</b>	<b>2,823,895</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns.....	37,219	15,809	21,409	31,602	116,444	64,727	51,717
Business receipts.....	201,590	108,651	92,939	91,007	304,491	204,847	99,644
Business deductions.....	11,893	5,063	6,829	19,129	57,447	34,210	23,237
<b>Net income.....</b>	<b>189,697</b>	<b>103,587</b>	<b>86,110</b>	<b>71,879</b>	<b>247,044</b>	<b>170,637</b>	<b>76,407</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Services--continued									Nature of business not allocable
	Medical and health services				Legal services	Educational services	Accounting, auditing, and bookkeeping	Counseling, except health	Other services	
	Total	Offices of physicians	Offices of dentists	All other medical and health services						
(93)	(94)	(95)	(96)	(97)	(98)	(99)	(100)	(101)	(102)	
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>										
Number of returns <sup>1</sup> .....	771,450	192,631	102,424	476,395	291,119	258,497	308,379	94,562	1,817,707	210,174
<b>Business receipts, total <sup>1</sup>.....</b>	<b>74,094,250</b>	<b>27,457,471</b>	<b>24,290,857</b>	<b>22,345,922</b>	<b>24,508,796</b>	<b>2,760,817</b>	<b>6,996,336</b>	<b>2,373,322</b>	<b>42,855,777</b>	<b>2,250,599</b>
Income from sales and operations <sup>1</sup> .....	73,138,854	27,127,458	24,059,186	21,952,210	24,164,197	2,682,695	6,800,254	2,337,941	41,599,057	2,239,256
Other business income.....	955,396	330,013	231,671	393,713	344,599	78,122	196,082	35,381	1,256,720	11,343
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>40,426,087</b>	<b>11,704,559</b>	<b>15,287,286</b>	<b>13,434,242</b>	<b>13,107,137</b>	<b>1,800,222</b>	<b>4,165,499</b>	<b>1,055,240</b>	<b>23,410,778</b>	<b>1,370,953</b>
Cost of sales and operations.....	4,178,818	666,187	1,661,453	1,851,178	450,220	182,086	131,121	57,365	4,157,555	455,495
Inventory, beginning of year.....	223,621	34,216	9,102	180,304	21,780	27,193	*17,304	*2,065	329,954	28,959
Cost of labor.....	633,728	75,594	378,404	179,730	62,861	*78,750	*26,185	*745	821,013	*37,290
Purchases.....	1,180,537	53,892	153,946	972,699	52,190	68,825	22,364	*34,089	1,708,426	340,899
Materials and supplies.....	901,802	90,356	395,539	415,906	32,196	27,459	*9,632	*303	409,610	*23,251
Other costs.....	1,459,862	434,928	730,580	294,354	301,388	12,526	72,770	*22,133	1,185,994	52,835
Inventory, end of year.....	220,731	22,799	6,118	191,815	20,195	32,668	*17,133	*1,969	297,442	27,738
Advertising expenses.....	612,787	102,105	197,518	313,164	388,893	46,543	75,182	21,555	250,715	8,798
Bad debts from sales or services.....	24,055	1,833	11,096	11,126	23,266	*2,344	*5,159	*3,529	47,161	*9,164
Car and truck expenses.....	1,148,941	331,070	140,364	677,506	502,432	193,631	356,578	109,419	2,193,554	178,959
Commissions.....	322,477	87,891	57,666	176,920	211,426	94,247	43,236	33,796	569,882	21,542
Depletion.....	2,329	1,180	*461	*688	11,466	*1,239	*724	*3	4,359	*840
Depreciation <sup>3</sup> .....	1,857,513	427,140	751,046	679,327	538,031	126,188	369,437	44,136	1,294,816	73,974
Employee benefit programs.....	289,247	90,978	110,097	88,172	82,596	*1,326	43,964	*4,220	114,482	*211
Insurance.....	1,813,781	934,487	429,711	449,583	494,106	23,125	95,316	22,740	363,368	18,864
Legal and professional services.....	988,740	459,159	262,853	266,729	481,988	30,110	82,724	57,201	783,858	14,965
Meals and entertainment deducted.....	230,534	78,538	56,345	95,651	139,239	18,692	45,069	17,257	388,802	20,728
Mortgage interest.....	411,862	91,668	139,146	181,048	86,172	17,862	46,126	*2,850	151,827	11,482
Other interest paid on business indebtedness.....	443,765	91,509	205,977	146,279	143,152	14,115	69,535	3,378	169,347	11,887
Office expenses.....	1,491,020	494,861	507,339	488,820	698,750	60,751	231,490	46,098	719,997	19,518
Pension and profit-sharing plans.....	288,744	127,610	126,153	34,981	85,378	*2,380	8,613	*6,117	47,076	*45
Rent on machinery and equipment.....	542,640	181,752	160,950	199,939	239,500	6,593	67,756	19,019	364,124	34,529
Rent on other business property.....	3,019,585	881,491	952,765	1,185,328	1,197,169	118,969	272,563	144,255	721,912	8,995
Repairs.....	567,142	156,498	232,080	178,563	138,145	35,550	84,413	11,692	262,585	25,759
Salaries and wages.....	9,546,141	2,685,096	4,590,860	2,270,185	2,959,736	138,651	743,021	44,956	1,816,674	4,037
Supplies.....	2,227,556	543,885	1,115,314	568,356	293,661	111,866	147,723	48,453	1,017,058	74,416
Taxes paid.....	1,513,211	414,389	643,619	455,203	418,886	23,065	119,058	14,691	320,550	20,299
Travel.....	415,714	150,917	75,865	188,932	205,051	42,390	70,471	37,203	1,336,451	23,096
Utilities.....	1,474,915	419,519	452,898	602,497	667,741	96,004	211,619	66,622	937,192	48,224
Home office business deductions.....	168,155	12,680	5,567	149,908	73,680	64,768	75,291	39,336	1,123,626	*3,080
Depreciation, Form 8829.....	20,404	676	*592	19,137	7,875	7,684	21,363	*5,924	158,186	*351
Other business deductions.....	6,799,070	2,264,910	2,399,922	2,134,238	2,561,872	321,050	742,186	188,908	4,109,467	259,916
<b>Net income less deficit <sup>1,2</sup>.....</b>	<b>33,667,876</b>	<b>15,752,613</b>	<b>9,003,571</b>	<b>8,911,692</b>	<b>11,401,376</b>	<b>958,703</b>	<b>2,830,835</b>	<b>1,318,082</b>	<b>19,447,203</b>	<b>882,226</b>
Net income <sup>1,2</sup> .....	34,350,538	15,946,894	9,075,847	9,327,796	11,689,027	1,057,428	2,972,947	1,377,391	20,825,448	1,005,163
Deficit <sup>2</sup> .....	682,662	194,281	72,276	416,104	287,651	98,725	142,112	59,310	1,378,245	122,937

Footnotes at end of table.

# Sole Proprietorship Returns, 1996

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Services--continued									Nature of business not allocable
	Medical and health services				Legal services	Educational services	Accounting, auditing, and bookkeeping	Counseling, except health	Other services	
	Total	Offices of physicians	Offices of dentists	All other medical and health services						
(93)	(94)	(95)	(96)	(97)	(98)	(99)	(100)	(101)	(102)	
<b>BUSINESSES WITH NET INCOME</b>										
Number of returns <sup>1</sup> .....	650,651	170,494	94,868	385,289	239,868	211,720	260,044	80,178	1,478,348	170,276
Business receipts, total <sup>1</sup> .....	72,004,550	26,711,182	24,072,287	21,221,081	23,718,141	2,544,240	6,717,776	2,325,498	40,156,469	2,004,564
Income from sales and operations <sup>1</sup> .....	71,106,032	26,424,019	23,833,516	20,848,497	23,377,980	2,469,538	6,521,699	2,290,117	38,970,950	1,991,361
Other business income.....	898,518	287,163	238,771	372,584	340,161	74,702	196,077	35,381	1,185,519	13,203
<b>Business deductions, total <sup>1,2</sup>.....</b>	<b>37,653,714</b>	<b>10,763,990</b>	<b>14,996,440</b>	<b>11,893,284</b>	<b>12,028,778</b>	<b>1,486,812</b>	<b>3,744,827</b>	<b>948,107</b>	<b>19,330,345</b>	<b>999,401</b>
Cost of sales and operations.....	3,788,249	376,184	1,655,852	1,756,214	394,009	166,069	123,373	56,970	3,659,032	411,634
Inventory, beginning of year.....	200,856	26,359	5,827	168,670	21,775	7,976	*17,304	*2,065	175,866	*5,689
Cost of labor.....	621,378	64,276	378,315	178,787	49,778	*78,118	*26,185	*745	811,062	*37,246
Purchases.....	1,131,336	52,451	149,997	928,888	51,501	59,001	20,880	*33,694	1,515,112	*307,233
Materials and supplies.....	878,042	89,760	395,539	392,743	22,780	25,052	*8,609	*303	334,757	*23,167
Other costs.....	1,156,102	161,864	729,254	264,984	268,361	*11,345	67,529	*22,133	970,580	50,080
Inventory, end of year.....	199,465	18,527	3,080	177,858	20,186	15,423	*17,133	*1,969	148,346	*11,780
Advertising expenses.....	578,459	100,921	193,641	283,898	355,888	42,536	66,802	17,635	202,301	6,142
Bad debts from sales or services.....	20,177	1,831	11,090	7,257	22,717	*1,789	*4,116	*3,529	32,633	*13
Car and truck expenses.....	1,056,932	309,496	133,005	614,431	441,909	156,209	299,070	89,987	1,786,104	151,421
Commissions.....	315,339	85,013	55,770	174,557	207,926	93,834	40,700	*31,341	503,063	*20,520
Depreciation.....	1,451	832	*461	*158	11,273	*1,223	*724	*3	4,073	*840
Depreciation <sup>3</sup> .....	1,702,042	403,484	736,331	562,228	469,648	87,595	314,676	30,796	969,951	30,714
Employee benefit programs.....	286,498	90,642	109,493	86,363	79,941	*67	43,737	*4,220	107,696	*211
Insurance.....	1,721,328	891,806	420,712	408,809	453,505	14,578	89,031	20,817	315,718	14,352
Legal and professional services.....	885,522	401,708	254,298	229,516	420,946	18,842	66,607	49,493	616,260	7,304
Meals and entertainment deducted.....	199,281	69,703	55,763	73,814	129,100	14,210	37,844	15,962	315,565	19,299
Mortgage interest.....	362,120	83,429	135,880	142,811	73,521	*13,835	36,826	*2,850	95,215	*3,095
Other interest paid on business indebtedness.....	393,062	76,251	197,088	119,723	134,813	10,121	54,667	*2,125	115,412	9,177
Office expenses.....	1,409,071	485,257	488,372	435,442	662,577	50,247	208,080	41,632	540,698	13,389
Pension and profit-sharing plans.....	286,421	125,827	126,121	34,472	82,028	*2,380	8,613	*6,117	46,947	*45
Rent on machinery and equipment.....	497,290	169,395	149,892	178,003	222,661	5,865	63,761	19,009	270,343	32,278
Rent on other business property.....	2,851,546	848,803	936,736	1,066,008	1,098,717	103,523	243,111	131,739	609,376	6,559
Repairs.....	536,399	149,917	225,433	161,049	118,479	26,439	77,106	11,673	172,933	19,755
Salaries and wages.....	9,343,309	2,652,796	4,547,434	2,143,079	2,773,354	114,395	684,034	44,936	1,511,629	*2,674
Supplies.....	2,084,935	523,719	1,087,255	473,961	258,579	98,654	135,496	45,802	847,835	53,223
Taxes paid.....	1,460,116	406,941	636,706	416,469	397,123	20,713	111,276	14,210	275,820	8,656
Travel.....	332,953	129,097	72,831	131,025	169,225	35,120	62,471	36,548	1,158,048	17,282
Utilities.....	1,362,433	400,905	440,697	520,831	601,428	82,416	184,877	56,119	754,742	43,857
Home office business deductions.....	136,302	11,659	5,567	119,076	66,096	59,773	67,196	37,424	944,139	*3,051
Depreciation, Form 8829.....	16,425	674	*592	15,158	6,173	6,771	11,377	*4,835	141,636	*351
Other business deductions.....	5,995,266	1,961,175	2,319,794	1,714,297	2,368,734	245,897	693,511	166,729	3,331,153	102,992
<b>Net income <sup>1,2</sup>.....</b>	<b>34,350,538</b>	<b>15,946,894</b>	<b>9,075,847</b>	<b>9,327,796</b>	<b>11,689,027</b>	<b>1,057,428</b>	<b>2,972,947</b>	<b>1,377,391</b>	<b>20,825,448</b>	<b>1,005,163</b>
<b>Returns with Schedule C-EZ:</b>										
Number of returns.....	87,987	21,907	*1,542	64,539	18,330	58,902	65,019	15,528	323,892	73,941
Business receipts.....	804,177	422,450	*87,004	294,723	258,961	159,191	251,703	169,688	1,626,067	328,760
Business deductions.....	47,346	7,205	*220	39,922	14,581	26,677	27,122	10,441	146,285	22,128
<b>Net income.....</b>	<b>756,831</b>	<b>415,245</b>	<b>*86,785</b>	<b>254,801</b>	<b>244,380</b>	<b>132,514</b>	<b>224,580</b>	<b>159,247</b>	<b>1,479,782</b>	<b>306,632</b>

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

<sup>1</sup> Includes returns with Schedule C-EZ attached. Schedule C-EZ was filed for certain small businesses, i.e., those with net income and with receipts of \$25,000 or less and business deductions of \$2,000 or less, with no inventories or employees, and with no deduction for a home office business and no allowable "passive" activity losses. Because only a total is reported for business deductions on Schedule C-EZ, the totals shown in the statistics exceed the sum of the detailed deductions; the detailed deductions are, therefore, slightly understated.

<sup>2</sup> Total business deductions are before subtraction of nonallowable "passive" activity losses and any "passive loss" carryover from the prior years. However, these losses (after subtraction) and any carryover are reflected in net income or deficit. Therefore, total business receipts minus total business deductions may not always equal net income or deficit.

<sup>3</sup> Depreciation does not include depreciation reported on Form 8829 for home office businesses.

<sup>4</sup> Less than \$500.

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