

Corporation Income Tax Returns for 1985: An Initial Look

By Allison Clark *

Although corporate net income (less deficit) for 1985 was the highest ever recorded to date at \$240 billion, the rate of growth slowed significantly from the rate for the previous 2 years. The \$7 billion increase for 1985 over 1984 was considerably smaller than the \$44 billion increase recorded for 1983 and the \$34 billion increase recorded for 1984. Of the eight broad industrial groupings, only two—the construction division and the finance, insurance and real estate division—reported large increases in profits (52 percent and 85 percent, respectively), while the services division increased slightly. These increases however, were not large enough to offset the declines recorded for the remaining five industrial divisions, resulting in the small rise of profits for 1985 [1].

NUMBER OF RETURNS

For Income Year 1985, the estimated number of active corporation returns rose by 3.4 percent to 3,277,219. This percentage was notably lower than that for 1984, 5.7 percent. Returns with net income grew, but by only 2.4 percent, compared with 6 percent for the preceding year and 4.2 percent for 1983 (see Figure A). The number of consolidated returns declined slightly, from 80,256 to 79,598.

Figure A—Number and Growth Rate of Returns Filed, Income Years 1978–1985

Income Year	Number of active corporation returns	Percentage change from previous year	Number of active corporation returns with net income	Percentage change from previous year
1978.....	2,376,779	6.0%	1,523,648	3.2%
1979.....	2,556,794	7.6	1,586,485	4.0
1980.....	2,710,538	6.0	1,596,632	.6
1981.....	2,812,420	3.8	1,597,298	(¹)
1982.....	2,925,933	4.0	1,608,363	.6
1983.....	2,999,071	2.5	1,676,288	4.2
1984.....	3,170,743	5.7	1,777,770	6.0
1985.....	3,277,219	3.4	1,820,120	2.4

¹ Less than .05 percent.

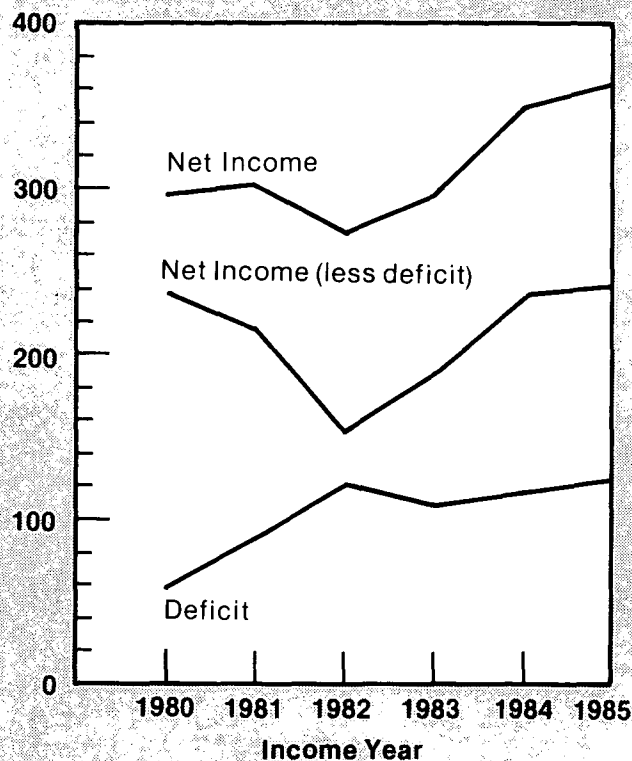
INCOME STATEMENT

The slowing of the economic expansion beginning during the second half of 1984, may have been a major cause of the decline in corporate net income (less deficit) for 1985 [2]. Whereas the deficit increased 7 percent for 1985 (from \$116 billion for 1984 to \$124 billion for 1985), net income increased only 4 percent (from \$349 billion to \$364 billion) (see Figure B). Although the number of returns filed for each industrial division rose, the number of returns with net income declined significantly in most industrial divisions.

Figure B

Net Income, Deficit, and Net Income (less deficit) Income Years 1980-1985

Billions of dollars



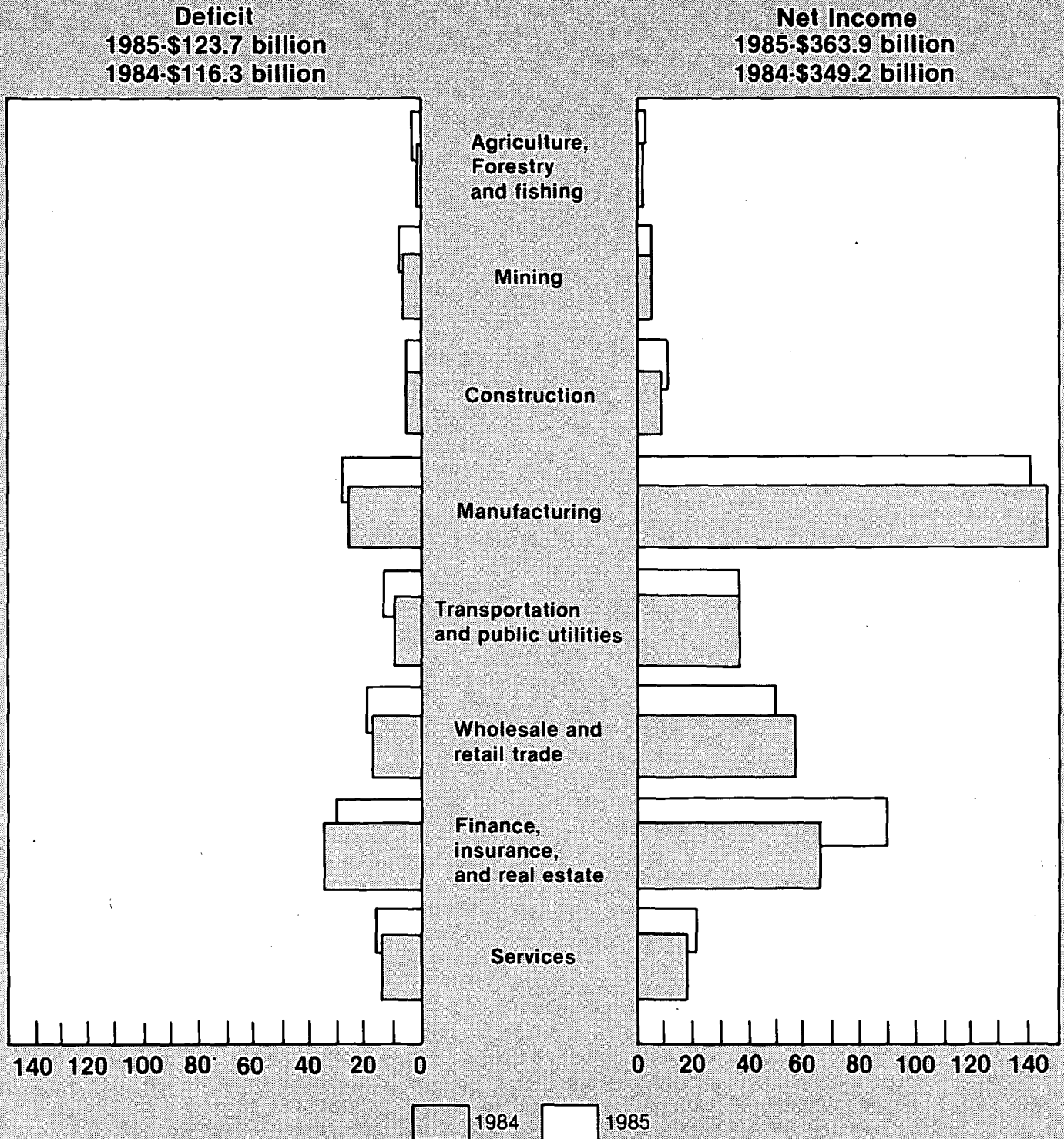
Despite significant declines in net income for the majority of industrial divisions, the construction division and the finance, insurance and real estate division reported large increases (see Figure C). In the finance division, security brokers and dealers accounted for much of the increase; in construction, both general building and heavy construction contractors reported large increases. Greater availability of financing helped the private nonresidential construction boom, and lower mortgage rates contributed to the strong growth of residential investment. Also, homeowners may have been trying to gain tax benefits before the new restrictions on interest deductions for second homes and changing marginal tax rates contained in the Revenue Act of 1986 became law [3].

The economic recovery enabled State and local Governments to finance more heavy construction in 1985 than in

Figure C

Net Income and Deficit by Industrial Division, Income Years 1984 and 1985

(Billions of dollars)



Note: Totals include returns not allocable by industrial division

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previous years, and the rapid pace of commercial and industrial construction stimulated the building of more highways, bridges, and schools [4].

Although there were large increases in construction and finance, the growth in net income (less deficit) was restrained by the declines in the agriculture, forestry, and fishing division and in the mining division. Profits of the agriculture division (\$202 million for 1984), declined 137 percent for 1985.

In mining, profits were down 620 percent from 1984. Oil and gas field services accounted for much of this decline; this reflected the large drop in world oil prices, which severely curtailed petroleum exploration and well drilling [5].

Business receipts, as reported on corporation income tax returns, topped \$7 trillion in 1985 but grew less than earlier years. For the first time, dividends from foreign corporations—\$20.8 billion—surpassed dividends received from domestic corporations. One reason was that the 1984 Tax Reform Act abolished Domestic International Sales Corporations (DISC's) as of 1985; as a result, many DISC's became Foreign Sales Corporations (FSC's)[6]. The change meant that DISC dividends, a component of domestic dividends, were shown as FSC dividends in 1985; a component of foreign dividends [7].

Short-term capital gains also increased substantially for 1985 to \$7 billion (117 percent). Long-term capital gains increased too, but by a smaller percentage. Regulated investment companies were largely responsible for both the long-term and the short-term gains. These companies, which mainly deal in mutual funds, have grown substantially in recent years. Because their portfolios are diversified, they offer an attractive, and usually low risk, investment opportunity [8]. In anticipation of provisions of the 1986 Tax Reform Act eliminating the preferential tax treatment allowed capital gains, firms may have tried to take advantage of the preferences still allowed for 1985.

As in prior years, the largest deduction was for cost of sales and operations, which accounted for almost 60 percent of the \$8.2 trillion of total deductions (see Table 1). The largest increase was for deductions for bad debts, which rose 28 percent from 1984; \$13 million of the \$43 million increase was attributable to bank holding companies.

BALANCE SHEET

Corporate assets, in contrast to profits, grew by 15 percent in 1985 to a new high of \$12.8 trillion (see Table 1). Corporations held more cash and receivables than in prior years and increased their reserves for bad debts. Depreciable assets, at almost \$3.2 trillion, historically the largest asset account, was replaced for 1985 by trade notes and accounts receivable, which increased to \$3.3 trillion (15 percent), again largely attributable to bank holding companies. More sustainable economic growth, fiscal expansion, easier monetary policy, and the decline in interest rates helped the commercial banking industry [9]. Some components of stockholders' equity, paid-in surplus, and treasury stock also showed large increases from 1984; these were mostly attributable to regulated investment companies.

INCOME TAX

In conjunction with the slower growth in the profits reported by corporations, income subject to tax (\$266 billion), the base on which the tax was actually computed, increased only 3.5 percent for 1985 over 1984, and income tax rose only 5 percent [10]. Again, increases in both these areas were reported by the construction division; the finance, insurance and real estate division; and the services division (see Figure D).

Total tax credits grew by 8.6 percent for 1985, reaching almost \$48 billion [11]. As in previous years, foreign tax credit was the largest credit claimed, mostly reported by the petroleum extracting and refining companies. The general business credit increased by \$19 billion, or 1.8 percent for 1985. The investment credit, one of four components of the

Figure D—Income Tax and Credits by Industrial Division, Income Year 1985

[Money amounts are in thousands of dollars]

Item	Agriculture, forestry and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Services
Income subject to tax	1,685,031	4,111,431	7,268,588	127,806,962	34,185,088	41,645,576	34,738,657	14,503,334
Income tax before credits ¹	540,671	1,810,559	2,312,846	56,687,476	15,214,129	16,392,896	13,598,201	4,742,347
Credits:								
Foreign tax credit	57,317	1,078,746	144,531	20,001,663	301,886	613,307	1,776,854	286,477
U.S. possessions tax credit	9,377	2,425	—	2,283,474	62,207	73,364	*8,887	9,472
Orphan drug credit	—	—	—	*204	—	—	—	—
Nonconventional source fuel credit	—	8,032	*779	17,820	14,199	800	1,637	—
Research activities credit	2,416	660	3,392	1,339,009	162,421	27,993	23,902	67,476
General business credit	126,935	163,177	501,581	7,662,847	6,240,492	2,280,877	1,593,044	1,035,092
Income tax after credits ¹	344,626	557,519	1,662,563	25,382,459	8,633,942	13,396,555	10,193,877	3,343,830

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

¹ Income tax before or after credits includes Personal Holding Company tax, tax from recomputing prior-year investment credit, additional tax for tax preferences, excessive net passive income tax (S Corporations) and tax on foreign corporations whose income was "effectively connected" with a U.S. business operation.

general business credit, accounted for most of the \$19 billion rise.

SUMMARY

Reflecting the apparent slowdown of economic expansion, corporate tax return data for 1985 show a decline in the rate of growth of profits and in income tax, although assets grew significantly. Favorable mortgage rates aided the construction boom, while the decline in oil prices caused mining profits to decrease.

The effects of tax changes may also be seen in this corporate data. The increases reported in capital gains and new construction were probably influenced by anticipated passage of the Tax Reform Act of 1986. In addition, the 1984 act changed DISC's to FSC's and thereby helped increase foreign dividends received relative to domestic dividends.

DATA SOURCES AND LIMITATIONS

The data for Income Year 1985 cited in this article are based on a sample of corporation income tax returns in the Form 1120 series with accounting periods ending July 1985 through June 1986. The returns represent domestic corporations filing Form 1120 or Form 1120-A (short form); foreign corporations with U.S. operations filing Form 1120F; life insurance corporations filing Form 1120L; mutual insurance companies filing Form 1120M; S Corporations filing Form 1120S; Interest-Charge Domestic International Sales Corporations filing Form 1120 IC-DISC, and Foreign Sales Corporations filing Form 1120-FSC.

The statistics were estimated based on a stratified probability sample of approximately 90,000 active corporation income tax returns selected after administrative processing and before audit examination. The returns were stratified on the basis of net income or deficit, total assets, and business receipts at rates ranging from 0.015 to 100 percent.

Because the data in this report are based on a sample, they are subject to sampling error. In order to use these statistics properly, the magnitude of the sampling error, measured by the coefficients of variation (CV's), should be known.

Figure E—Coefficients of Variation for Frequency Estimates, Income Year 1985

Estimated number of returns	Approximate coefficient of variation
1,250,000.....	.015
700,000.....	.020
110,000.....	.050
28,000.....	.100
7,500.....	.200
3,100.....	.300
2,300.....	.350
1,100.....	.500

The CV's for frequency estimates given below in Figure E are intended only as a general indication of the reliability of the data. For numbers of returns other than those shown below, the corresponding CV's can be estimated by interpolation.

NOTES AND REFERENCES

- [1] The figures in this report are estimates based on data from corporation income tax returns with accounting periods ending from July 1985 through June 1986. This span, in effect, defines the income year such that non-calendar-year accounting periods are centered on the calendar year ended December.
- [2] *Economic Report of the President*, February, 1986, p.23.
- [3] Mathieu, Renee, "Private Residential Construction" and MacAuley, Patrick, "Private Nonresidential Construction," 1986 *U.S. Industrial Outlook*, U.S. Department of Commerce, International Trade Administration.
- [4] MacAuley, Patrick, "Publicly Owned Construction," *op. cit.*
- [5] U.S. Department of Commerce, Bureau of Economic Analysis, "The Business Situation," *Survey of Current Business*, April 1986.
- [6] See *Statistics of Income—1984, Corporation Income Tax Returns*, for a discussion of the tax law change. Both DISC's and FSC's were designed to promote sales of U.S. exports.
- [7] Dividends received from foreign corporations include: dividends from wholly-owned foreign subsidiaries and from Foreign Sales Corporations subject to a 100-percent deduction (Internal Revenue Code section 245), certain dividends subject to an 85-percent deduction, and other dividends received from foreign corporations not eligible for a deduction. Dividends received from domestic corporations include those subject to an 85-percent deduction, dividends received on debt financed stock which were generally not deductible, dividends on certain preferred stock of public utilities subject to a 60-percent deduction, and intra-group dividends received by members of an affiliated group of corporations which were 100-percent deductible, plus certain dividends from IC-DISC's (or former DISC's) not eligible for the 85-percent deduction.
- [8] McAdam, M. Bruce, "Mutual Fund Industry," 1986

U.S. Industrial Outlook, U.S. Department of Commerce, International Trade Administration.

- [9] Candilis, Wray O., "Commercial Banking," *1986 U.S. Industrial Outlook*, U.S. Department of Commerce, International Trade Administration.
- [10] Income tax (total) includes regular and alternative tax reduced by credits (see footnote 8) plus additional tax for tax preferences, tax from recomputing prior-year investment credit, Personal Holding Company tax, and excessive net passive income tax (S corporations).
- [11] For these statistics, credits include foreign tax credit;

U.S. possessions tax credit; nonconventional source fuel credit; research activities credit; orphan drug credit; and general business credit consisting of investment, jobs, alcohol fuel and employees stock ownership credit. It is believed by some that the foreign tax credit should be included in the total tax liability amount to approximate a worldwide tax burden, since worldwide income is reported on corporate tax returns. However, for these statistics, foreign tax credit is included as a deduction amount from the tax, with all other relevant credits. For a discussion of the relationship between income tax and foreign tax credit in this context, see Lerman, Allen, "High-Income Returns, 1984," *Statistics of Income Bulletin*, Spring 1987, Vol. 6, No. 4.

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Table 1—Selected Balance Sheet Income Statement and Tax Items by Asset Size

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

Item	Total	Zero assets	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Number of returns	3,277,219	141,720	1,691,731	593,156	338,200	221,125	215,730	29,622	20,920	10,354	6,200	4,391	4,052
Total assets	12,773,093,888	—	57,338,285	95,799,427	119,781,108	155,093,396	443,209,527	206,840,158	325,747,315	366,883,129	440,358,429	710,189,800	9,851,852,669
Cash	683,204,264	—	12,398,231	16,251,379	17,327,422	18,509,749	41,289,202	16,467,980	23,738,409	24,029,496	27,423,133	39,521,910	446,247,282
Notes and accounts receivable	3,317,635,191	—	6,739,199	14,989,792	22,205,284	32,071,753	99,742,327	48,549,070	87,936,719	113,817,078	131,049,445	178,544,581	2,581,989,555
Less: Allowance for bad debts	61,580,335	—	135,222	211,742	358,265	558,300	2,208,677	1,312,765	2,183,841	2,760,880	3,085,689	5,281,532	43,483,409
Inventories	714,722,928	—	6,996,498	15,257,471	20,480,439	30,247,770	96,781,458	39,903,185	46,246,487	34,362,930	30,228,626	43,718,233	350,499,833
Investments in government obligations	916,550,098	—	77,131	229,411	398,030	860,101	3,733,512	4,144,504	20,861,655	39,765,975	55,164,227	71,987,938	719,327,524
Loans to stockholders	516,571,232	—	4,350,772	5,066,432	4,247,731	3,728,497	6,522,662	1,857,371	2,018,596	1,473,753	1,440,231	1,812,268	24,242,955
Mortgage and real estate loans	1,258,672,577	—	434,448	1,220,856	1,924,085	2,150,049	5,933,275	3,678,853	8,796,617	21,381,501	46,131,323	111,980,982	1,055,040,589
Depreciable assets	3,174,193,649	—	47,464,951	58,728,443	66,793,984	80,897,745	201,330,199	85,453,172	110,145,824	93,187,735	89,211,726	139,965,809	2,201,014,257
Less: Accumulated depreciation	1,232,072,530	—	30,366,526	34,237,245	37,656,407	44,652,649	102,342,005	39,352,554	48,926,212	38,834,006	36,295,181	55,254,277	764,155,453
Depletable assets	42,505,245	—	201,356	239,193	470,931	362,994	2,426,995	1,870,956	3,397,701	3,675,846	2,963,695	7,794,577	88,935,145
Less: Accumulated depletion	37,203,920	—	92,127	75,821	182,239	103,302	909,738	681,445	1,269,634	1,411,395	1,077,673	3,224,990	28,175,556
Land	141,448,357	—	1,867,448	4,968,472	6,994,344	9,751,103	23,127,583	8,405,089	9,597,121	7,438,674	6,796,951	8,615,560	53,886,063
Intangible assets	145,290,625	—	1,349,476	1,688,355	1,721,976	1,870,376	5,078,228	2,668,295	3,454,239	4,270,468	5,000,176	7,919,155	110,269,880
Less: Accumulated amortization	42,505,245	—	684,004	691,583	676,699	691,641	1,667,730	820,318	1,100,755	1,149,499	1,189,188	1,759,473	32,074,313
Total liabilities	12,773,093,888	—	57,338,285	95,799,427	119,781,108	155,093,396	443,209,527	206,840,158	325,747,315	366,883,129	440,358,429	710,189,800	9,851,852,669
Accounts payable	891,571,443	—	8,157,598	12,431,633	17,633,287	23,435,467	70,834,202	29,839,918	36,266,796	29,477,701	42,580,574	72,183,853	594,270,053
Mortgages, notes, and bonds payable, less than 1 year	1,001,337,795	—	7,447,956	9,697,998	14,161,056	20,502,038	73,673,180	34,541,272	38,926,616	32,240,333	28,379,167	43,889,392	697,878,787
Loans from stockholders	174,317,253	—	16,652,290	12,778,164	11,871,589	10,499,510	18,602,799	5,158,915	5,138,977	3,464,342	3,702,379	5,998,039	80,450,249
Mortgages, notes, and bonds payable in 1 year or more	1,699,272,481	—	13,415,236	19,999,224	24,401,609	31,447,919	87,291,623	40,567,611	56,756,541	52,626,887	53,328,553	88,004,532	1,231,388,768
Capital stock	920,182,882	—	12,510,938	11,855,030	12,347,207	13,414,701	30,465,039	15,075,943	21,243,370	18,878,735	21,117,121	44,234,530	719,169,427
Paid-in or capital surplus	1,420,996,805	—	7,976,491	6,179,771	6,466,031	6,455,822	29,644,124	17,273,703	27,761,807	33,792,760	43,644,118	83,470,490	1,155,331,668
Retained earnings, appropriated	54,074,364	—	230,917	351,047	492,318	668,682	1,736,484	469,303	1,011,676	1,338,181	1,476,048	3,167,623	43,132,083
Retained earnings, unappropriated	1,311,512,589	—	15,436,405	15,033,236	23,257,603	33,294,917	83,884,925	32,887,784	50,560,657	39,298,074	41,121,600	61,886,450	945,723,743
Less: Cost of treasury stock	403,068,064	—	2,475,405	3,508,254	3,604,226	5,166,196	10,153,599	5,440,254	5,109,673	3,590,236	4,703,902	13,304,698	345,641,531
Total receipts	8,398,278,426	119,659,188	275,540,367	276,036,845	287,189,508	349,213,000	959,773,722	385,062,352	432,615,174	313,101,687	299,726,112	474,942,981	4,224,395,372
Business receipts	7,369,538,953	78,724,023	267,680,817	266,710,496	277,514,806	337,683,621	927,610,374	369,747,459	406,614,973	282,457,552	261,622,478	413,416,078	3,479,169,427
Interest	614,500,241	29,717,112	894,362	1,366,159	1,645,219	2,110,771	5,874,487	3,354,630	9,741,570	16,950,780	23,470,993	39,608,132	479,694,918
Interest on Government obligations	20,164,514	639,309	13,391	11,606	25,257	61,871	209,910	118,414	480,372	821,193	1,166,745	1,763,754	14,851,497
Rents	89,700,937	1,216,883	1,263,216	1,705,537	2,438,197	2,528,818	6,719,967	2,913,246	3,599,150	3,079,113	2,999,641	4,204,332	57,009,476
Royalties	15,237,421	187,371	268,619	171,470	284,534	258,412	452,468	314,134	414,681	375,454	296,638	674,123	11,539,426
Net short-term capital gain	—	—	—	—	—	—	—	—	—	—	—	—	—
Less net short-term loss	7,032,062	123,264	39,523	35,545	31,004	34,251	159,681	147,063	107,087	210,159	253,382	456,794	5,434,310
Net long-term capital gain	—	—	—	—	—	—	—	—	—	—	—	—	—
Less net long-term loss	53,771,685	1,447,920	475,095	757,501	579,785	855,084	2,543,639	1,158,152	2,003,635	1,624,631	2,006,278	3,549,641	36,439,446
Net gain, noncapital assets	33,537,842	3,800,393	916,884	731,517	1,119,277	1,083,351	2,926,875	1,173,858	1,507,460	1,258,972	1,141,508	1,877,589	15,999,150
Dividends, domestic corporations	16,967,379	190,153	40,182	102,996	115,507	159,673	665,039	302,483	506,495	422,635	588,050	1,035,694	12,838,428
Dividends, foreign corporations	20,770,361	425,379	38	101	3,229	11,204	85,269	20,712	77,887	102,058	209,942	760,949	19,073,691
Total deductions	8,158,144,128	116,969,775	276,175,011	273,643,906	283,756,072	345,743,289	947,565,490	380,158,100	424,087,787	306,557,047	291,847,186	459,445,781	4,051,511,226
Cost of sales	4,894,254,081	52,424,795	119,467,710	143,937,641	169,834,049	226,374,852	678,890,815	277,914,101	298,324,282	200,610,227	187,700,562	296,266,747	2,241,910,109
Compensation of officers	170,737,540	1,431,695	36,058,468	25,987,997	18,358,831	15,176,488	27,989,529	7,711,656	9,626,114	4,482,093	3,392,359	3,893,228	18,327,050
Repairs	81,495,784	583,093	2,248,871	2,148,126	2,186,833	2,320,693	5,074,578	1,742,930	2,007,229	1,649,914	1,805,556	2,835,806	57,088,599
Bad debts	43,333,558	1,017,238	589,785	723,007	837,291	1,155,719	3,181,857	1,306,219	2,039,562	2,157,571	2,121,108	2,902,255	25,301,406
Rent paid on business property	134,661,335	1,814,142	11,360,693	8,507,272	6,886,255	6,745,920	12,797,542	4,463,563	5,444,989	4,113,064	4,022,306	5,797,903	62,698,704
Taxes paid	200,977,161	2,072,291	8,388,233	7,789,404	7,451,313	8,483,501	18,995,922	6,838,006	8,140,747	9,565,481	5,810,424	8,598,396	112,443,220
Interest paid	568,645,475	29,418,122	2,592,354	3,588,375	4,338,811	5,743,580	15,390,223	7,371,711	12,844,027	16,398,122	20,631,909	35,226,647	414,507,582
Contributions or gifts	4,471,736	43,389	60,959	76,461	83,373	100,461	269,803	125,346	182,136	141,017	179,409	240,441	2,973,913
Amortization	6,133,737	139,163	192,738	181,120	177,347	176,153	391,977	203,607	254,638	229,867	269,367	335,161	3,582,431
Depreciation	304,380,703	2,420,411	6,693,356	7,232,771	7,712,168	8,996,472	21,219,543	8,863,050	11,281,168	9,557,094	8,843,749	14,258,555	197,272,440
Depletion	7,779,731	136,227	27,865	23,535	59,487	60,371	230,223	140,462	249,665	301,155	257,062	421,637	5,871,350
Advertising	91,922,667	1,491,224	2,386,111	2,366,177	2,561,967	3,508,779	7,913,623	3,134,433	4,034,279	3,350,338	3,528,591	5,594,306	52,047,370
Pension, profit sharing, stock bonus, and annuity plans	49,588,712	310,657	3,845,160	3,073,961	1,956,674	2,021,114	4,407,612	1,466,180	1,519,110	1,191,062	1,159,324	1,963,557	26,673,159
Employee benefit programs	71,601,577	714,914	1,568,106	1,489,684	1,365,721	1,911,399	5,012,847	2,400,008	2,941,961	2,634,254	2,414,340	3,892,057	45,255,196
Net loss, noncapital assets	7,893,175	417,502	317,418	125,015	166,083	213,609	566,103	292,130	353,075	413,540	346,333	546,249	4,135,938
Total receipts less total deductions	240,134,300	2,690,414	— 634,644	2,392,937	3,433,436	3,469,711	12,208,232	4,904,252	8,527,387	6,544,641	7,878,927	15,499,200	172,884,146
Constructive taxable income from related foreign corporations	20,299,335	294,256	*14,499	—	*196	*4,821	42,264	10,195	43,436	71,193	142,055	476,971	19,199,449
Net income (less deficit)	240,119,020	2,353,360	— 633,636	2,368,181	3,404,973	3,387,904	11,981,786	4,792,273	8,052,437	5,786,436	6,854,224	14,212,417	177,232,099
Net income	363,867,384	9,523,304	9,533,916	9,307,156	9,539,830	10,316,705	26,821,761	11,554,799	16,435,848	12,887,186	13,080,568	21,917,353	212,873,552
Deficit	123,748,365	7,169,944	10,167,452	6,668,975	6,134,857	6,928,801	14,839,976	6,762,526	8,383,411	7,100,750	6,226,344	7,704,936	35,641,454
Statutory special deductions, total	39,587,845	1,735,689	1,927,174	1,241,282	1,208,850	1,340,073	3,157,218	1,342,898	1,860,566	1,587,627	1,805,237	2,628,465	19,980,716
Net operating loss deduction	27,111,827	1,590,291	1,893,008	1,155,274	1,111,077</								

Table 2—Selected Corporation Income Tax Items, by Industrial Division and Asset Size

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

	Total	Zero Assets	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
AGRICULTURE, FORESTRY, AND FISHING													
Number of returns	103,156	3,260	37,974	21,115	17,821	16,263	8,875	483	236	75	33	16	5
Total assets	52,651,197	—	1,430,190	3,614,038	6,343,340	9,240,005	5,594,226	3,260,880	3,549,783	2,482,267	2,244,589	2,232,344	2,659,535
Total receipts	70,491,486	2,354,393	4,660,259	6,958,446	8,637,854	8,146,564	16,180,808	4,221,519	4,145,674	2,747,612	2,922,585	4,686,045	4,829,727
Business receipts	65,419,402	2,199,834	4,345,161	6,582,647	8,014,469	7,349,669	14,852,435	3,970,803	3,809,301	2,500,471	2,726,995	4,529,657	4,537,959
Depreciation	3,639,336	64,206	271,052	389,811	561,440	641,364	879,511	181,074	195,713	121,062	9,0912	145,987	97,202
Net income (less deficit)	- 74,270	1,458	- 123,029	- 30,337	61,397	- 51,444	- 240,384	- 10,028	- 26,070	- 12,050	5,291	53,841	297,085
Income tax, total	540,671	8,368	10,339	26,188	44,529	50,204	101,627	38,480	45,817	26,618	25,484	31,832	131,183
Net worth	15,406,222	—	- 587,950	1,149,520	2,154,789	3,411,709	4,390,529	780,815	878,402	762,530	434,276	697,772	1,333,830
MINING													
Number of returns	41,426	1,660	19,293	6,329	5,118	3,427	3,784	781	502	249	130	78	74
Total assets	240,815,996	—	606,292	1,011,684	1,861,146	2,451,313	7,897,333	54,48,389	7,657,957	8,841,180	9,152,999	13,898,675	182,007,029
Total receipts	142,038,595	2,745,519	2,191,895	1,292,346	2,767,575	3,170,816	7,916,916	4,851,118	5,312,696	6,037,564	4,974,596	9,463,965	91,316,589
Business receipts	126,710,610	2,320,366	1,955,953	1,153,344	2,536,442	2,883,867	7,042,391	4,314,057	4,747,640	5,207,822	4,335,608	8,517,670	81,695,449
Depreciation	9,019,510	212,442	69,550	105,326	205,052	265,856	590,040	435,906	471,244	633,559	381,860	790,705	4,857,969
Net income (less deficit)	- 2,543,487	- 375,261	- 44,854	- 117,905	- 82,838	- 59,782	- 323,819	- 213,694	- 401,350	- 369,900	- 153,293	26,175	- 426,964
Income tax, total	1,810,559	47,974	4,764	3,067	16,767	35,659	127,217	57,626	68,936	72,389	123,507	203,940	1,051,713
Net worth	104,772,798	—	- 677,050	- 570,658	378,377	564,270	2,175,550	1,167,651	2,397,832	2,799,583	3,503,279	5,110,473	87,923,493
CONSTRUCTION													
Number of returns	318,276	10,076	162,745	54,750	37,864	24,626	23,536	2,721	1,327	405	140	48	39
Total assets	215,297,771	—	5,428,610	8,879,541	13,447,496	17,312,547	47,584,316	19,119,631	19,749,673	13,751,058	10,867,924	7,253,966	51,903,011
Total receipts	387,232,953	2,800,204	34,899,097	29,008,961	3,517,1515	43,083,604	101,995,603	32,426,643	29,975,514	18,931,502	12,283,250	9,491,227	37,165,832
Business receipts	374,590,273	2,687,205	34,624,371	28,573,136	34,331,819	42,285,182	99,845,016	31,423,744	28,853,802	18,015,426	11,621,307	8,974,527	33,354,738
Depreciation	7,818,360	43,040	719,239	826,692	884,284	910,254	1,857,051	618,978	518,809	352,417	254,226	172,048	661,323
Net income (less deficit)	4,370,924	- 64,516	206,886	299,621	553,605	658,668	1,160,631	302,407	395,576	30,126	10,012	57,638	760,270
Income tax, total	2,312,846	15,364	73,960	108,656	184,268	238,549	599,686	193,636	251,055	104,797	79,981	47,234	415,660
Net worth	54,687,269	—	249,318	2,591,027	4,026,164	5,012,025	10,953,747	3,705,545	4,045,198	2,868,688	2,368,477	1,266,830	17,600,251
MANUFACTURING													
Number of returns	276,545	11,667	98,507	47,349	34,838	29,761	38,547	6,746	4,834	1,883	955	680	764
Total assets	2,644,393,424	—	3,486,430	7,966,240	12,377,708	21,400,236	83,802,444	47,120,301	74,373,143	65,754,499	70,386,570	116,531,394	2,141,194,458
Total receipts	2,831,062,496	26,957,911	14,502,679	23,197,562	31,814,829	51,866,862	185,627,923	93,687,650	129,340,036	101,600,429	101,520,897	153,096,787	1,917,260,867
Business receipts	2,656,345,750	23,079,730	14,247,156	22,656,627	31,265,900	51,036,709	182,432,070	91,710,910	126,076,321	98,712,632	97,979,210	147,391,303	1,769,182,675
Depreciation	122,957,247	389,474	391,775	743,101	986,441	1,559,537	5,257,629	2,543,397	3,777,999	3,308,012	3,353,078	5,484,284	95,145,116
Net income (less deficit)	113,758,645	3,781,714	- 333,700	19,665	239,914	481,634	3,395,721	2,360,321	4,032,744	3,384,749	3,495,227	6,207,647	86,704,941
Income tax, total	56,687,476	1,983,734	37,052	89,197	178,247	364,478	1,866,711	1,360,304	2,210,999	1,905,796	2,033,822	3,567,671	41,086,803
Net worth	1,099,645,876	—	- 409,290	2,065,595	4,158,139	7,739,926	33,424,859	19,896,095	31,802,473	30,052,418	32,427,083	53,197,765	885,290,811

Table 2—Selected Corporation Income Tax Items by Industrial Division and Asset Size—Continued

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

	Total	Zero Assets	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
TRANSPORTATION AND PUBLIC UTILITIES													
Number of returns	138,337	6,530	72,794	25,085	12,982	8,993	8,877	1,256	857	376	142	122	324
Total assets	1,246,426,899	—	2,453,137	3,993,232	4,548,803	6,348,285	18,569,471	8,702,139	13,456,585	13,148,755	10,124,249	25,378,802	1,139,703,441
Total receipts	772,358,188	11,942,825	11,893,943	13,488,735	117,082,98	15,181,078	33,907,163	11,410,533	17,630,236	14,672,742	10,898,247	20,876,072	598,748,316
Business receipts	733,943,970	11,159,016	11,630,523	13,136,333	11,387,156	14,748,635	32,709,504	10,609,071	16,758,577	13,880,764	10,197,286	18,972,906	568,754,199
Depreciation	70,304,523	608,814	444,735	544,158	647,286	806,071	1,938,018	757,734	1,219,084	1,066,530	774,390	1,647,102	59,850,601
Net income (less deficit)	25,087,629	-522,156	-175,106	24970	-23,086	108,102	207,942	-36,338	235,554	206,518	69,751	457,380	24,534,098
Income tax, total	15,214,129	154,793	19,512	34062	43453	90,757	321,915	160,077	250,227	273,470	161,822	314,323	13,389,719
Net worth	490,481,127	—	-337,127	960602	1279740	1829944	4,814,863	2,221,619	3,826,193	3,500,586	3,125,447	6,168,718	463,090,540
WHOLESALE AND RETAIL TRADE													
Number of returns	917,301	33,139	405,906	196,451	116,716	74,999	74,870	8,523	4,301	1,256	520	377	244
Total assets	1,009,965,739	—	15,709,139	31,878,815	4,145,5231	52,677,025	151,431,684	58,490,348	64,491,171	434,77,376	36,916,507	63,343,193	450,095,250
Total receipts	2,473,865,453	26,197,685	82,312,915	11,748,0271	137,298,288	172,438,177	513,579,643	197,136,892	184,735,303	111,800,302	95,723,703	162,273,000	672,889,274
Business receipts	2,408,174,953	25,177,783	80,910,894	115,805,889	135,145,275	169,734,125	505,009,414	193,444,620	180,408,806	109,123,268	93,144,516	158,291,759	641,978,584
Depreciation	36,279,699	201,181	1,410,727	1,819,850	1,407,575	1,174,456	5,047,229	2,245,803	2,532,960	1,738,924	1,414,748	2,540,426	12,393,505
Net income (less deficit)	33,126,702	70,282	-835,483	540,808	108,6273	144,852	5,818,802	2,173,439	2,739,009	1,562,794	1,508,835	2,675,085	14,338,407
Income tax, total	16,392,896	296,986	181,148	317,943	443,016	619,728	2,379,869	1,078,609	1,338,279	899,540	788,089	1,334,176	6,715,513
Net worth	286,260,274	—	-1,297,329	9,228,992	13,622,643	19,166,362	47,622,183	16,469,876	19,947,848	12,839,825	11,251,720	21,630,705	115,777,449
FINANCE, INSURANCE, AND REAL ESTATE													
Number of returns	518,432	35,042	237,493	91,724	54,501	35,981	34,928	6,511	7,306	5,546	4,017	2,885	2,495
Total assets	7,029,452,681	—	7,903,031	14,832,523	19,483,565	24,976,105	73,919,163	46,115,352	118,925,388	199,445,681	281,543,700	453,009,701	5,789,297,827
Total receipts	1,182,034,309	39,177,929	16,811,201	11,800,373	11,812,272	12,596,718	28,460,191	15,758,771	32,945,971	35,970,147	50,139,335	90,806,800	835,323,548
Business receipts	501,993,840	5,940,702	14,512,524	9,165,532	8,610,781	8,907,799	18,216,773	10,824,264	19,931,810	15,810,566	22,858,940	45,081,563	322,123,242
Depreciation	26,893,911	595,143	487,277	529,665	574,955	589,223	1,484,775	644,737	928,674	1,030,330	1,227,115	1,632,211	17,157,295
Net income (less deficit)	60,670,526	-590,947	363,432	563,715	736,199	631,506	1,427,361	203,786	857,807	707,661	1,610,127	4,408,648	49,412,835
Income tax, total	13,598,201	720,765	95,066	160,725	199,309	253,791	724,552	345,214	548,966	661,540	683,597	1,044,787	8,159,888
Net worth	1,161,968,009	—	1,573,306	572,5921	6,724,878	8,323,555	21,735,014	11,562,172	26,252,715	31,844,169	44,732,436	84,188,663	919,305,144
SERVICES													
Number of returns	939,390	35,879	642,312	147,017	57,280	29,613	22,067	2,581	1,529	557	264	185	107
Total assets	330,982,941	—	19,963,665	23,008,872	1,9901,067	20,378,644	43,885,060	18,435,899	23,131,091	19,622,908	19,121,892	28,541,724	94,992,118
Total receipts	534,587,609	7,326,054	107,474,505	71,978,569	47,567,344	42,362,115	71,217,796	25,406,638	2,796,854	20,909,131	21,263,499	24,249,085	66,864,219
Business receipts	497,980,990	6,034,579	104,681,350	68,854,378	45,836,249	40,402,942	66,632,726	23,291,339	25,501,433	18,788,107	18,758,616	21,656,693	57,542,580
Depreciation	27,354,083	301,414	2,869,551	2,253,841	1,761,480	1,948,040	3,558,932	1,431,007	1,629,592	1,297,584	1,347,420	1,845,793	7,109,428
Net income (less deficit)	5,883,782	63,951	328,508	1,093,228	835,936	162,579	548,385	15,523	298,882	291,086	308,272	326,004	1,611,427
Income tax, total	4,742,347	132,174	313,852	364,591	317,063	268,691	572,901	238,767	331,750	295,341	345,487	449,590	1,112,141
Net worth	89,852,365	—	4,260,688	8,638,900	6,514,755	5,531,604	10,378,569	4,442,420	6,151,030	5,033,962	4,442,266	7,193,470	27,264,697