Statistics of Income

SOI BULLETIN

Department of the Treasury
Internal Revenue Service

Volume 8, Number 1 Summer 1988

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Publication 1136 (Rev. 11-88)

Statistics of Income

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Internal Revenue Service

Publication 1136 (Rev. 11–88)

Lawrence B. Gibbs
Commissioner

Charles H. Brennan
Deputy Commissioner
(Operations)

Dominic E. Pecorella
Assistant Commissioner
(Taxpayer Service and Returns Processing)

Fritz Scheuren
Director, Statistics of Income Division

The SOI Bulletin provides the earliest published annual financial statistics from various types of tax and information returns filed with the Internal Revenue Service. It also includes information from periodic or special analytical studies of particular interest to tax administrators. In addition, historical data are provided for selected types of taxpayers, as well as the gross internal revenue collections and other tax related items.

Information on the availability of additional unpublished data concerning the topics in this issue may be obtained by writing to the Statistics of Income Division, TR:S Internal Revenue Service, Washington, DC 20224.

In addition, special Statistics of Income tabulations based on income tax returns can be produced upon request on a reimbursable basis. Requests for this service should be addressed to the Director, Statistics of Income Division, at the address shown above.

Overall policy review of the SOI Bulletin was conducted by the Office of Tax Analysis, under the direction of Thomas Neubig. For this issue, those assisting in the review were Allen H. Lerman and Susan Nelson. Robert A. Wilson and Bettye Jamerson of the Statistics of Income Division were the technical editors and were assisted by Clementine D. Brittain who provided editorial assistance and did the copy preparation.

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SOI STATISTICAL SERVICES

(Available from Statistics of Income Division)

As part of the Statistics of Income program a series of special services is now being offered to data users (see below). Detailed information on these statistical services can be obtained by writing to Director, Statistics of Income Division (TR:S), Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, DC 20224. Purchase is by check made payable to the IRS Accounting Section.

Studies of International Income and Taxes, Publication 1267 — Price $45.00

Purchase price includes a 516-page document for 1979–83 that presents information from 13 Statistics of Income studies in the international area, including:

- Foreign activity of U.S. corporations
- Activity of foreign corporations in the U.S.
- Foreign interests in U.S. corporations
- Statistics related to individuals, trusts, and estates
- Data presented by— geographical area or industrial activity, as well as other classifiers

Purchasers of this service also will be provided with additional information for one year as it becomes available. The one year period for receiving additional information can be extended at a cost of $35.00 per year. A long-term subscription ($150) includes the compendium and additional information as it becomes available through August 1990. (The next compendium is scheduled for release in September 1990.)

Individual Income Tax Returns, Publication 1304 — Price $32.00

Purchase price includes a 196-page document for 1985 presenting Statistics of Income data and tables on:

- Sources of income
- Exemptions
- Itemized deductions
- Tax computations
- Data presented by— size of adjusted gross income, marital status

Purchasers of this service also will be provided with additional articles relating to 1985 data and preliminary 1986 data as they become available and will be notified of future statistical releases relating to individual income tax returns.

Partnership Returns, Publication 369 — Price $22.00

Purchase price includes a 314-page document for 1978–82 presenting previously unpublished Statistics of Income data for 1980, 1981 and 1982, as well as data previously issued in other publications. Features include:

- Number of partnerships
- Limited partnerships
- Receipts
- Cost of sales and operations
- Deductions
- Net income
- Capital gains
- Data presented by— industry, size of total assets, state, number of partners

Purchasers of this service also will be provided with data for 1983–1985 as they become available and will also be notified of future statistical releases relating to partnership returns.

Other Services — Price dependent on the request

- Unpublished tabulations from SOI program are available. Includes detailed tables underlying those published in SOI Bulletin.
- Special tabulations produced to user specifications.
- Public use tape files, including the Individual Tax Model (1978–1985), among others. (Earlier files are available from the Machine Readable Branch (NNSR) of the National Archives, Washington, DC 20408.

BUSINESS SOURCE BOOKS

(Available from Statistics of Income Division)

In addition to the Corporation Source Book, two others are now being offered by the Statistics of Income Division (see below). Information can be obtained by writing to Director, Statistics of Income Division (TR:S) at the address above. Purchase of Source Books is by check made payable to the IRS Accounting Section.

Corporation Source Book, 1985, Publication 1053 — Price $175.00

This is a 480-page document that presents detailed income statement, balance sheet, tax and investment credit items by major and minor industries and size of total assets. This report is part of an annual series and can be purchased for $175 (issues prior to 1982 are for sale at $150). A magnetic tape containing the tabular statistics for 1985 can be purchased for $1,500.

Partnership Source Book, Publication 1289 — Price $30.00

This is a 291-page document showing key partnership data for 1957 through 1983, at the minor, major and division industry level. Includes a historical definition of terms section and a summary of legislative changes affecting partnerships during that period. Tables feature:

- Number of partnerships
- Number of partners
- Business receipts
- Depreciation
- Taxes paid deduction
- Interest paid
- Payroll
- Payments to partners
- Net income

Purchasers of this service also will be advised of the release of subsequent years' data. A magnetic tape containing the tabular statistics can be purchased for an additional $200.

Sole Proprietorship Source Book, Publication 1323 — Price $95.00

This Source Book is a companion to that for partnerships, shown above. It is a 244-page document showing key proprietorship data for 1957 through 1984. Each page contains statistics for a particular industry. Included will be data on:

- Number of business
- Business receipts
- Interest paid
- Depreciation
- Taxes paid deduction
- Payroll
- Net income

As with Partnerships, a magnetic tape containing the tabular statistics can be purchased for $245.

OTHER PUBLICATIONS

(Available from Superintendent of Documents GPO, Washington, D.C. 20402)

The Statistics of Income (SOI) Bulletin (Quarterly) — Publication No. 1136

Subscription price $16.00; Single copy price $6.00

The SOI Bulletin provides the earliest published financial statistics from the various types of tax and information returns filed with the Internal Revenue Service. The Bulletin also includes information from periodic or special analytical studies of particular interest to tax administrators and economists.

Statistics of Income—1984, Corporation Income Tax Returns, Publication No. 16

Price $8.50

Presents information on—

- Receipts
- Deductions
- Net income
- Taxable income
- Income tax
- Tax credits
- Distribution to stockholders
- Assets
- Liabilities

Data classified by—

- industry
- accounting period
- size of total assets
- size of business receipts

SOI Bulletin Board

Summer 1988

SOME OBSERVATIONS AND INSIGHTS

As mentioned in the spring issue of the *SOI Bulletin*, one of the key factors affecting the Statistics of Income (SOI) Division this year continues to be tax reform. The Tax Reform Act of 1986 has led to many initiatives to provide new data. One of these was to compile some early statistics from individual income tax returns for 1987, the first full year under the new law. The results are included in this issue.

The 1986 Tax Reform Act was the culmination of the efforts of many, and extensive research was necessary in both the Treasury Department's Office of Tax Analysis (OTA) and in the Congressional Joint Committee on Taxation before it became law. As part of this research, estimates were made of the revenue gains and losses resulting from each proposed change, as well as of who would be affected by it and by how much. In making these estimates, simulations were made, using a large representative sample of taxpayers, in order to measure the effects of various alternative proposals.

The process of expanding the content of these so-called microsimulation models and of improving and refining the estimates made from them has been a continuing one. The individual income tax model used by the Office of Tax Analysis employs microdata from the SOI sample of individual income tax returns as its starting point, but many other variables are also used. (For some recent work on Treasury's estimation process, see "Measuring the Tax Burden: A Historical Perspective," a paper written by B.K. Atrostic and James R. Nunns of the Office of Tax Analysis, for the 50th anniversary Conference on Research in Income and Wealth, which was held by the National Bureau of Economic Research this year.)

Recently, nearly 100 U.S. and Canadian researchers met to discuss new developments in simulation modelling that might improve estimates of tax law changes affecting individuals. This one day workshop was organized and sponsored by the Statistics of Income Division at the request of OTA. Those in attendance included representatives of academia, Government, and the private sector.

Two areas of concern which received much attention at the workshop were discussions about computer-related advances and presentations on innovations and improvements in statistical methodology, both of which, when combined, permit faster and more accurate predictions to be made from large microdata files.

As a by-product of the Conference, we have prepared two volumes which may be of interest to *SOI Bulletin* subscribers. The first is a collection of selected statistical background papers on microsimulation modelling; the second contains afterthoughts, comments and feedback on discussions from the workshop and ideas for potential future research. In addition, we anticipate that a companion workshop may be held next spring which will focus on microsimulation of tax law changes affecting businesses. For further information on these plans or to obtain copies of the Workshop volumes, you may write to me at the address shown on the order forms in this issue or call me on (202) 376-0216.

Fritz Scheuren
Director,
Statistics of Income Division

THIS ISSUE AT A GLANCE

The Summer 1988 issue of the *Bulletin* focuses largely on data from individual and business income tax returns. A brief abstract of each article is provided below.

Individual Income Tax Returns for 1987: Selected Characteristics from the Taxpayer Usage Study.—The Taxpayer Usage Study is an annual one, designed to shed light on how individual income tax returns (Forms 1040, 1040A, and 1040EZ) were used for the most recent filing season. For 1987, the Study also provides the first statistics on the effects of the Tax Reform Act of 1986.

Gross Tax Gap Trends According to New IRS Estimates.—Presents estimates of the gross tax gap (which is the amount of income tax owed for a given year, but not voluntarily paid) for individuals and corporations, reflecting the latest tax compliance data.

Partnership Returns, 1986.—Provides data on partnership income, deductions, and profits derived from a sample of partnership tax returns, Form 1065, processed by IRS during 1987.

Sole Proprietorship Returns, 1986.—Provides data on sole proprietorship income, deductions, and profits based on a sample of individual income tax returns, Form 1040, processed by IRS during 1987.

Private Activity Tax-Exempt Bonds, 1986.—Presents data on private activity tax-exempt bonds which are issued by State and local Governments to assist private businesses, organizations, or individuals.

BEHIND THE SCENES

The past 75 years of SOI have been filled with many changes in staff size and composition, data processing approaches, and technological advances, as we have adapted to the challenges of increasingly complex data requirements by our users and growing capabilities for handling them. It is both interesting and impor-

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tant to stop every now and then and look back at our past history, as a means of documenting and evaluating the events that led us to where we are today.

This anniversary year serves as a good opportunity for us to review the methodological development of SOI data, with a focus on our role with regard to statistical sampling. For that important task, we have turned to one of the key people who was involved in the application of modern sampling techniques to Statistics of Income data — HOWIE WILSON. Howie, now retired, is a former Assistant Director of the Division. Prior to that appointment, his 16-year tenure in SOI included leadership in the individual, estate, gift and fiduciary programs. We are very fortunate to be able to draw on his experience and expertise in order to document the history of sampling and other events affecting the SOI program, as well as to recall the contributions of some of those people, past and present, who "made it all happen." We welcome Howie back, even though he'll be with us only temporarily.

Others in our Division whose contributions have greatly improved our ongoing programs were honored this past spring, during the Government-wide Public Service Recognition Week. For this first, annual event, the following five Division members were among those in the spotlight at a special ceremony to honor IRS employees in public service: DENISE HERBERT, for recruiting and special assignments in her role as an administrative assistant; ELIZABETH NELSON, a computer analyst, for implementing new computer technology at the Ogden Service Center; GREG ROBINSON, a statistical assistant, for his commitment and dedication during a special assignment on a project to evaluate the adequacy of IRS advice given to taxpayers over the telephone during the recent filing season; BONNYE WALKER, for quality planning efforts she undertook as a mathematical statistician; and TIM WHEELER, for the team work he has consistently exhibited as an economist and statistician working on the SOI corporate program.

YOUR CALL

As indicated above, the SOI Division is committed to documenting the many methodological changes which have been introduced in our programs. Therefore, in addition to the *SOI Bulletin* and other reports of published statistical results, we have produced regularly, since 1980, an IRS Methodology Reports (IMR) series — see the order form in the back of each *Bulletin*.

These methodology volumes are much more technical in nature than our traditional SOI publications and focus on innovations developed for statistical uses of administrative records, in general, and SOI, in particular. Administrative records, such as tax returns, are a valuable and essential resource for statistical programs and are rapidly becoming a cost-effective supplement to survey data; indeed, ways of increasing their potential for statistical purposes are continually being explored. The IMR series provides a reference source of current work in this area by drawing primarily on papers presented (by IRS staff and others involved in the U.S. and Canadian statistical communities) at the annual meetings of the American Statistical Association and other similar professional organizations.

In order to both update our mailing list and be more responsive to our users, a recent poll of IMR series subscribers was conducted. Among those responding, the following areas of subject interest were indicated:

General statistical applications involving administrative records	50.5%
SOI research on —	
Individuals	55.9
Corporations	33.8
Sole proprietors	26.5
Partnerships	25.5
Charitable organizations	17.2
Estate tax data	14.7
Domestic International Sales Corporations and other "international" data	8.8

A number of other areas of statistical methodology, all of which have been addressed in the IMR series over the past 8 years, also generated considerable interest. These topics included: uses of data sets of taxpayer information accumulated over a period of years; estimates of personal income and tax by state; estimates of personal wealth based on estate tax return data; redesign of SOI statistical samples; and imputation of missing data.

Topics for upcoming issues are expected to expand on some of these interests. As examples, they are sure to include recent work on the corporate SOI sample redesign; a historical look at SOI income distributions; new developments in missing data imputation; adjustments necessary to link data from different sources; and, almost certainly, something more on microsimulation modelling for tax policy purposes.

UPCOMING FEATURES

The following are a few of the articles to look for in upcoming issues of the *SOI Bulletin:*

- Income of the Deaf;
- Projections of Tax Return Filings;
- Reconciliation of Estimates for Personal Income and Adjusted Gross Income;
- Income Distributions; and
- Foreign Recipients of U.S. Income.

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By Michael E. Weber
The Tax Reform Act of 1986 resulted in major changes in the distributions of income and tax. The first data on the effects of the Act show that the average tax decreased from $3,267 for 1986 to $3,190 for 1987. Tax as a percentage of adjusted gross income (AGI) fell from 13.7 percent for 1986 to 12.7 percent for 1987, the most dramatic decline occurring in the $100,000 and over AGI class. This decline was due almost entirely to the broadened definition of AGI contained in the 1986 Act. The only income group which experienced an increase in the effective tax rate was the $1 under $5,000 class. However, this was largely attributable to the increase in the number of taxpayer dependents filing their own tax returns for the first time as a result of new filing requirements under the 1986 Act.

Gross Tax Gap Trends According to New IRS Estimates, Income Years 1973–1992 23
By Berdj Kenadjian
For 1987, the total gross income tax gap amounted to $84.9 billion. Noncompliant individuals were responsible for $63.5 billion of this total; corporations accounted for virtually all of the remaining $21.4 billion. Of the total tax gap due to individuals, $26.3 billion represented underreported farm and nonfarm proprietor income. Other areas contributing significant amounts to the individual tax gap for 1987 included the failure of individuals to report capital gains ($6.6 billion) and interest and dividends ($3.2 billion).

Partnership Returns, 1986 29
By Alan Zempel
For 1986, partnerships reported an overall net loss of $17.4 billion, up from $8.9 billion for 1985. The dominant industry in the statistics, real estate operators and lessors of buildings, accounted for almost 35 percent of the total number of partnerships and almost 50 percent of the assets reported by all partnerships.

Sole Proprietorship Returns, 1986 49
By Raymond M. Wolfe
For the fourth consecutive year, nonfarm sole proprietors reported a record high level of profits. For 1986, profits rose to just over $90 billion, up from the almost $79 billion for 1985. The number of individual income tax returns reporting nonfarm sole proprietorship activity increased by 3.9 percent, from 11.9 million for 1985 to 12.4 million for 1986.

Private Activity Tax-Exempt Bonds, 1986 65
By Gerald Auten and Edward Chung
For 1986, the face amount of long-term private activity tax-exempt bonds decreased by 75 percent, from $122.0 billion reported for 1985 to $29.9 billion, reversing the rapid upward trend of recent years. In contrast, the dollar volume of public purpose tax-exempt bonds continued to increase in 1986, to $115.5 billion. The total dollar volume of all types of tax-exempt bonds declined by 33 percent in 1986, to $145.7 billion.

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Individual Income Tax Returns for 1987: Selected Characteristics from the Taxpayer Usage Study

By Michael E. Weber*

The 1987 Taxpayer Usage Study (TPUS) provides the first data on the effects of the Tax Reform Act of 1986. TPUS tabulations show that the average tax decreased from $3,267 for 1986 to $3,190 for 1987. Tax as a percentage of adjusted gross income (AGI) fell from 13.7 percent for Tax Year 1986 to 12.7 percent for Tax Year 1987, the most dramatic decline occurring in the $100,000 and over AGI class (see Figure A). This decline was due almost entirely to the broadened definition of AGI contained in the 1986 act. The only income class which experienced an increase in the effective tax rate (total income tax as a percentage of AGI) was the $1 under $5,000 AGI class. The increase in this class was largely attributable to the increase in the number of taxpayer dependents filing their own tax returns for the first time as a result of new filing requirements under the Tax Reform Act [1].

Traditionally, statistics on individual income tax returns are presented by size of AGI. However, it should be noted that AGI is an imperfect tool for comparing data for Tax Years 1986 and 1987, since it underwent a substantial redefinition under the new law. Under the Tax Reform Act, many statutory adjustment items, including employee business expenses and contributions to individual retirement arrangements (IRA's), were limited or repealed. Therefore, when the effective tax rates are recomputed using total income (defined as the sum of all of the sources of income before the subtraction of these adjustments), tax as a percentage of total income dropped less dramatically than tax as a percentage of AGI—from 13.2 percent for Tax Year 1986 to 12.6 percent for Tax Year 1987 (see Figure B).

However, the total income concept is not immutable, either; it, too, was altered as a result of the same act. For instance, for 1986, taxpayers enjoyed three income exclusions: the exclusion of the first $100 of dividend income ($200 for married couples filing a joint return); the 60 percent exclusion of long-term capital gains in excess of short-term capital losses; and the exclusion of unemployment compensation for most taxpayers with total incomes under $12,000 ($18,000 if married filing jointly). These income exclusions were eliminated for 1987. In addition, depreciation schedules for many types of businesses were changed, and taxpayers were no longer allowed to offset "earned income" with "passive losses" [2].

It is not feasible to recompute depreciation or passive loss deductions from the 1986 data. However, Figure C shows the effects of adding back excluded amounts of dividend, capital gain, and unemployment compensation income to total income for 1986. When this is done, the effective tax rate actually increased slightly, from 12.5 percent for 1986 to 12.6 percent for 1987. When the data are viewed by income class, there is still a moderate

Figure A.—All Returns: Adjusted Gross Income and Total Income Tax, by Size of Adjusted Gross Income, Tax Years 1986 and 1987

[All figures are estimates based on samples—numbers of returns are in thousands, amounts are in millions of dollars]

Tax year, income and tax items	Total	Number of returns or amounts by size of adjusted gross income								
		Less than $1	$1 under $5,000	$5,000 under $10,000	$10,000 under $15,000	$15,000 under $20,000	$20,000 under $30,000	$30,000 under $50,000	$50,000 under $100,000	$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Tax Year 1987:										
All returns, total	98,569	606	14,834	14,953	12,829	10,737	15,807	17,948	9,398	1,457
Amount of adjusted gross income	$2,474,879	$-15,807	$37,939	$111,865	$159,296	$186,876	$391,848	$693,939	$607,511	$301,412
Amount of total income tax[1]	314,410	*59	731	3,853	9,078	14,483	37,310	76,805	93,485	78,605
Tax as a percentage of adjusted gross income	12.7%	N/A	1.9%	3.4%	5.7%	7.7%	9.5%	11.1%	15.4%	26.1%
Tax Year 1986[2]:										
All returns, total	96,737	814	14,523	15,062	12,943	10,418	16,119	17,934	7,625	1,299
Amount of adjusted gross income	$2,305,401	$-15,502	$38,221	$111,969	$161,076	$181,744	$398,006	$691,731	$484,730	$253,426
Amount of total income tax[1]	316,034	*131	403	4,353	10,774	15,558	40,680	86,454	80,205	77,476
Tax as a percentage of adjusted gross income	13.7%	N/A	1.1%	3.9%	6.7%	8.6%	10.2%	12.5%	16.5%	30.6%

[1] Total income tax is computed as the sum of income tax after credits and alternative minimum tax, less earned income credit.
[2] Data for Tax Year 1986 are revised estimates.
*Estimate should be used with caution because of the small number of sample returns on which it is based.
N/A Not applicable.
NOTE: Detail may not add to totals because of rounding. All data are based on returns filed through April.

* Individual Special Projects Section. Prepared under the direction of Peter Sailer, Chief.

Figure B.—All Returns: Total Income and Total Income Tax, by Size of Total Income, Tax Years 1986 and 1987

[All figures are estimates based on samples—numbers of returns are in thousands, amounts are in millions of dollars]

Tax year, income and tax items	Total	Number of returns or amounts by size of adjusted gross income								
		Less than $1	$1 under $5,000	$5,000 under $10,000	$10,000 under $15,000	$15,000 under $20,000	$20,000 under $30,000	$30,000 under $50,000	$50,000 under $100,000	$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Tax Year 1987:										
All returns, total	98,569	551	14,783	14,835	12,764	10,660	15,699	18,229	9,536	1,513
Amount of total income[1]	$2,501,484	$-15,629	$37,847	$110,774	$158,443	$185,394	$389,283	$705,746	$618,217	$311,409
Amount of total income tax[2]	314,410	*1	592	3,784	8,901	14,243	36,477	77,094	93,851	79,467
Tax as a percentage of total income	12.6%	N/A	1.6%	3.4%	5.6%	7.7%	9.4%	10.9%	15.2%	25.5%
Tax Year 1986[3]:										
All returns, total	96,737	764	14,396	14,817	12,670	10,147	15,617	17,974	8,816	1,535
Amount of total income[1]	$2,396,244	$-15,365	$37,778	$110,096	$157,333	$176,774	$385,385	$694,569	$562,928	$286,745
Amount of total income tax[2]	316,304	*368	368	4,114	10,295	14,729	38,017	81,441	85,002	81,970
Tax as a percentage of total income	13.2%	N/A	1.0%	3.7%	6.5%	8.3%	9.9%	11.7%	15.1%	28.6%

[1] Total income is computed as the sum of all the sources of income before subtracting statutory adjustments.
[2] Total income tax is computed as the sum of income tax after credits and alternative minimum tax, less earned income credit.
[3] Data for Tax Year 1986 are revised estimates.
*Estimate should be used with caution because of the small number of returns on which it is based.
N/A—Not applicable
NOTE: Detail may not add to totals because of rounding. All data are based on returns filed through April.

increase in the effective tax rate for the $1 under $5,000 class; on the other hand, as a group, taxpayers with incomes $50,000 and over saw an increase in their effective tax rates.

Due to the substantial changes in the tax laws under the Tax Reform Act, taxpayers were required to complete a new Form W-4 (Employee's Withholding Allowance Certificate) for Tax Year 1987; however, they were not required to file it until October 1, 1987. Thus, taxpayers may have claimed an incorrect number of withholding allowances for a large part of 1987. There was serious concern as to whether withholding would be as accurate as in prior years, or whether more taxpayers would be significantly under- or overwithheld. For 1986, 70.7 million taxpayers indicated that they should receive a refund, which averaged $900. This compares with 1987 figures of 72.1 million and $878 respectively. For 1986, the number of taxpayers with tax due at time of filing was 19.4 million, and the average tax due was $2,240. For 1987, the corresponding figures were 20.8 million taxpayers and $2,012. In other words, the revised withholding system appears to have worked about as well as the old one did.

FILING PATTERNS

Data presented in this article are estimates based on random samples of returns filed by April 15 drawn in each of the 10 Internal Revenue service centers. As is shown in Figure D, returns filed by April 15 have, in recent years, represented between 92.7 and 94.6 percent of all returns filed during the processing year. Based on Internal Revenue Service (IRS) projections of the number of returns to be filed during Processing Year 1988, it appears that a somewhat smaller percentage (92.6) of all taxpayers filed returns by April 15 this year, possibly due to the additional time

Figure C.—All Returns: Total Income (1987 Definition) and Total Income Tax, by Size of Total Income, Tax Years 1986 and 1987

[All figures are estimates based on samples—numbers of returns are in thousands, amounts are in millions of dollars]

Tax year, income and tax items	Total	Number of returns or amounts by size of adjusted gross income								
		Less than $1	$1 under $5,000	$5,000 under $10,000	$10,000 under $15,000	$15,000 under $20,000	$20,000 under $30,000	$30,000 under $50,000	$50,000 under $100,000	$100,000 or more
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Tax as a percentage of total income	12.6%	N/A	1.6%	3.4%	5.6%	7.7%	9.4%	10.9%	15.2%	25.5%
Tax Year 1986[3]:										
All returns, total	96,737	764	14,396	14,817	12,670	10,147	15,617	17,974	8,816	1,535
Amount of total income (1987 concept)	$2,522,389	$-13,090	$39,682	$113,646	$160,917	$180,099	$391,186	$706,243	$584,220	$359,490
Amount of total income tax[2]	316,304	*368	368	4,114	10,295	14,729	38,017	81,441	85,002	81,970
Tax as a percentage of total income	12.5%	N/A	0.9%	3.6%	6.4%	8.2%	9.7%	11.5%	14.5%	22.8%

[1] For 1986, total income was recomputed by adding excluded capital gain, dividends, and unemployment compensation to total income as shown on the return. However, total income as shown on the return was still used as the classifier.
[2] Total income tax is computed as the sum of income tax after credits and alternative minimum tax, less earned income credit.
[3] Data for Tax Year 1986 are revised estimates.
* Estimate should be used with caution because of the small number of sample returns on which it is based.
N/A Not applicable
NOTE: Detail may not add to total because of rounding. All data are based on returns filed through April.

Figure D.—Number of Returns Filed, Tax Years 1982–1987

[Number of returns in thousands]

Returns filed	Tax Year					
	1982	1983	1984	1985	1986	1987
	(1)	(2)	(3)	(4)	(5)	(6)
Returns filed through April of the filing year	89,964	90,407	92,611	95,307	96,737	98,569
Returns filed through December of the filing year	95,609	95,564	99,579	102,800	103,424	106,469[1]
Returns filed through April as a percentage of returns filed through December	94.1%	94.6%	93.0%	92.7%	93.5%	92.6%[2]

[1] The figure for Tax Year 1987 is a projected total by the IRS Research Division of Forms 1040, 1040A, and 1040EZ.
[2] Estimated on the basis of projections for Tax Year 1987.

required by taxpayers and tax preparers to adjust to the new provisions contained in the 1986 Act [3]. Prior experience suggests that the late-filed returns will, on the average, have significantly more income and be much more complex than the returns filed by April 15 tabulated for this article [4].

CHARACTERISTICS OF RETURNS

As shown in Figure E, the percentage of taxpayers using Form 1040 for 1987 declined slightly to 64.4 percent of all returns from 64.7 percent for 1986, even though the number of Forms 1040 filed increased by 0.9 million. This was the first decline in Form 1040 usage as a percentage of all returns filed since 1981. The decline was due largely to an 8.0 percent increase in the number of Forms 1040EZ filed. Much of the increase in the number of Forms 1040EZ can be attributed to dependents who were required to file for the first time as a result of the Tax Reform Act. The number of Forms 1040A filed declined by 2.2 percent and accounted for only 17.4 percent of all returns filed. This decline continues a trend begun for 1982 with the introduction of Form 1040EZ. Given that most of the dependents who filed for the first time used Form 1040EZ and that the number of Forms 1040A filed declined again, it can be concluded that, for 1987, taxpayers continued to shift to the more complex Form 1040 and away from the simpler Forms 1040A and 1040EZ.

Figure E.—Number of Returns Filed, by Form Used, Tax Years 1983–1987

[Number of returns in thousands]

Form used	Tax year				
	1983	1984	1985	1986	1987
	(1)	(2)	(3)	(4)	(5)
All returns	90,407	92,611	95,307	96,737	98,569
Long form, 1040	55,853	57,862	60,677	62,619	63,521
Short forms, total	34,556	34,749	34,629	34,118	35,048
1040A	19,094	18,422	17,926	17,495	17,104
1040EZ	15,462	16,327	16,703	16,623	17,944
	Percentage of returns				
All returns	100.0%	100.0%	100.0%	100.0%	100.0%
Long form, 1040	61.8	62.5	63.7	64.7	64.4
Short forms, total	38.2	37.5	36.3	35.3	35.6
1040A	21.1	19.9	18.8	18.1	17.4
1040EZ	17.1	17.6	17.5	17.2	18.2

NOTE: All data are based on returns filed through April.

The number of joint returns filed decreased for 1987 by 1.9 percent (see Table 1). In part, this decline is a continuation of a trend noted for the previous 2 years. However, for Tax Year 1987, part of the decline in joint returns may be attributed to an increase of 637,000 returns (or 77.0 percent) in the number of married taxpayers filing separate returns. This surge may be related to those new provisions which limit deductible medical and dental expenses to the amounts that exceed 7.5 percent of AGI (up from 5 percent for 1986), and which instituted a floor on deductible business expenses equal to 2 percent of AGI. These provisions made it advantageous for a taxpayer eligible for one of these deductions to file separately, thus reducing the amount of AGI used in computing the allowable deductions. The Tax Reform Act also abolished the two-earner deduction, which provided an additional incentive for married couples to file joint returns.

TWO-EARNER COUPLES

For 1987, there was also a decline in the number of returns filed by two-earner couples, as evidenced by the presence of at least one Form W-2 (Wage and Tax Statement) attached for each taxpayer, from 22.9 million for Tax Year 1986 to 22.6 million for Tax Year 1987 (see Table 8 for the 1987 data). This decline can be attributed directly to the increase in the number of separate returns filed by married couples noted above. On the assumption that most of the 637,000 increase in separate returns was attributable to two-earner couples, the overall number of such couples (whether filing jointly or separately) was more or less unchanged between 1986 and 1987 [5]. Since it appears that there will be more late filers for 1987, it remains to be seen whether rate of increase in two-earner couples has actually declined for 1987.

ADJUSTED GROSS INCOME

As is shown in Figure F, AGI increased by $169 billion, or 7.6 percent. The source of income showing the largest increase was salaries and wages, which went up by $78.5 billion (4.1 percent). The largest decrease occurred in the area of sales of capital assets (net gain less loss), which

decreased by $124.3 billion (62.7 percent). However, because of the abolition of the capital gains exclusion, net capital gains less losses in AGI decreased by only $6.6 billion (8.2 percent).

Several developments contributed to the decrease in net capital gains less losses. Most importantly, it should be noted that the amount of capital gains realized in 1986 represented a 94.6 percent increase over the comparable figure for 1985—due in part to favorable developments in the stock market, but largely to sales of capital assets made in 1986 in anticipation of the elimination of the capital gains exclusion for 1987. In addition, the 1987 decline in the stock market may have caused a larger than usual number of taxpayers to realize losses. Finally, it should be noted that returns with substantial amounts of capital gains and losses tend to arrive well after the April filing deadline. Given the projected increase in late filers for 1987, it may be too early to draw any major conclusions about sales of capital assets.

Unemployment Compensation

For Tax Year 1986, unemployment compensation was partially taxable, with the amount taxed depending on the taxpayer's filing status and AGI [6]. For 1986, about 7.4 million returns showed unemployment compensation as a source of income, but only 4.7 million of them showed amounts subject to tax (see Figure G). Under the Tax Reform Act of 1986, unemployment compensation became fully taxable as an ordinary source of income beginning with Tax Year 1987. A total of 7.0 million returns showed this source of income for 1987. There was a net increase of 2.3 million in the number of returns with unemployment compensation subject to tax for 1987; returns with adjusted gross incomes under $15,000 alone accounted for an increase of 2.1 million (see Figure G).

Individual Retirement Arrangements

The Tax Reform Act of 1986 placed substantial limitations on the amount taxpayers could deduct from total income for contributions made to an IRA. For example, starting with Tax Year 1987, a single taxpayer who made $35,000 or more and was covered by a private pension plan was no longer able to deduct any of the contribution he or she made to an IRA (although non-deductible contributions were still allowed). As a result, the number of taxpayers claiming an adjustment for an IRA declined dramatically, from 14.9 million for Tax Year 1986 to only 7.1 million for Tax Year 1987. Furthermore, the average IRA adjustment for

Figure F.—Selected Sources of Income, Statutory Adjustments, Tax Years 1986 and 1987

[Number of returns in thousands; amounts in millions of dollars]

Source of Income	Tax year 1987	Tax year 1986	Difference	Percentge difference
	(1)	(2)	(3)	(4)
All returns	98,569	96,737	1,832	1.9%
Adjusted gross income	$2,474,879	$2,305,401	$169,478	7.4
Salaries and wages:				
Number of returns	84,302	83,248	1,054	1.3
Amount	$1,974,431	$1,895,909	$78,522	4.1
Taxable interest:				
Number of returns	62,390	60,978	1,412	2.3
Amount	$136,302	$150,660	$-14,358	-9.5
Dividends before exclusion:				
Number of returns	19,967	19,624	343	1.7
Amount	$50,974	$54,466	$-3,492	-6.4
Dividends included in AGI:				
Number of returns	19,967	14,963	5,004	33.4
Amount	$50,974	$47,259	$3,715	7.9
Unemployment compensation, total:				
Number of returns	7,045	7,369	-324	-4.4
Amount	$13,554	$13,103	$451	3.4
Unemployment compensation included in AGI:				
Number of returns	7,045	4,716	2,329	49.4
Amount	$13,554	$8,306	$5,248	63.2
Social security benefits, total:				
Number of returns	9,014	8,113	901	11.1
Amount	$74,235	$64,715	$9,520	14.7
Social security benefits included in AGI:				
Number of returns	3,283	3,093	190	6.1
Amount	$11,704	$11,148	$556	5.0
Sales of capital assets, net gain less loss, total:				
Number of returns	13,148	12,898	250	1.9
Amount	$73,892	$198,143	$-124,251	-62.7
Sales of capital assets, net gain less loss included in AGI:				
Number of returns	13,148	12,898	250	1.9
Amount	$73,892	$80,501	$6,609	-8.2
Total statutory adjustments:				
Number of returns	10,296	35,922	-25,626	-71.3
Amount	$25,610	$92,057	$-66,447	-72.2

NOTE: All data are based on returns filed through April.

Figure G.—Returns With Unemployment Compensation, by Size of Adjusted Gross Income, Tax Years 1986 and 1987

[Number of returns in thousands, amounts in millions of dollars]

Size of adjusted gross income	Tax Year 1987			Tax Year 1986			Percentage change		
	Number of returns	Taxable benefits		Number of returns	Taxable benefits		Number of returns	Taxable benefits	
		Number of returns	Amount		Number of returns	Amount		Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns, total	7,045	7,045	$13,554	7,369	4,716	$8,306	-4.4%	49.4%	63.1%
No adjusted gross income	*29	*29	*51	*65	*9	(1)	-55.4	222.2	(2)
$1 under $5,000	301	301	351	552	*52	100	-45.5	478.9	251.0
$5,000 under $ 10,000	1,184	1,184	1,909	1,261	130	298	-6.1	810.8	540.6
$10,000 under $ 15,000	1,118	1,118	2,080	976	376	338	14.6	197.3	515.4
$15,000 under $ 20,000	817	817	1,518	897	656	1,091	-8.9	24.5	39.1
$20,000 under $ 25,000	853	853	1,702	874	874	1,638	-2.4	-2.4	3.9
$25,000 under $ 30,000	706	706	1,300	732	732	1,563	-3.6	-3.6	-16.8
$30,000 under $ 50,000	1,671	1,671	4,137	1,547	1,574	2,711	8.0	6.2	52.6
$50,000 under $ 75,000	290	290	410	299	299	477	-3.0	-3.0	-14.0
$75,000 under $100,000	*68	*68	*88	*23	*23	*75	195.7	195.7	17.3
$100,000 or more	*8	*8	*8	*18	*18	*39	-55.5	-55.5	-79.5

[1] Less than $500,000.
[2] Not computed.
*Estimate should be used with caution because of the small number of sample returns on which it is based.
NOTE: Detail may not add to total because of rounding. All data are based on returns filed through April.

returns with an IRA adjustment fell from $2,422 per return for 1986 to $1,910 per return for 1987

ITEMIZED DEDUCTIONS

The percentage of Forms 1040 showing itemized deductions declined sharply to 50.7 percent from 59.3 percent for 1986 (see Figure H). This was primarily the result of the Tax Reform Act, which eliminated certain deductions, such as for the general sales tax, and limited others, such as miscellaneous deductions to 2 percent of AGI and personal interest to 65 percent of the amount paid. In addition, under provisions of the Act, taxpayers who were age 65 or over or blind received a larger standard deduction than the rest of the population. This provision would have made it advantageous for many taxpayers in such groups to claim the standard deduction instead of itemizing deductions.

OFFICIAL LABEL AND ENVELOPE USAGE

For Tax Year 1987, 54.6 percent of all taxpayers used the IRS-provided name and address label, up slightly from 54.4 percent for Tax Year 1986 (see Figure I). This increase occurred in spite of a 505,000 increase in "electronically-filed" returns, which, by definition, did not have an IRS label attached to them. (Electronic returns are discussed below). Therefore, the relevant statistic is the percentage of non-electronic returns filed using the IRS label. This percentage was 54.9 percent for Tax Year 1987 and 54.5 percent for Tax Year 1986. Of the 53,848,000 labels used, 93.3 percent were unaltered. Only 38.8 percent of returns filed by dependents had an IRS label attached. The lower label usage rate for dependents was caused by the large number of taxpayer dependents filing for the first time as a result of the Tax Reform Act of 1986. IRS labels are not available to first-time filers.

When the official label is used, the IRS transcription operator need not enter the taxpayer's name or address, provided no changes were made to the label, since the information is already on file. Thus, taxpayers who use their official labels help the IRS decrease its processing costs. As a result, IRS may be able to mail the taxpayer his or her return refund earlier.

Figure H.—Percentage of Returns With Itemized Deductions, Tax Years 1979–1987

Tax year	All returns	Form 1040 returns
1979	28.9%	49.6%
1980	30.6	51.7
1981	31.1	52.7
1982	34.9	57.4
1983	36.0	58.3
1984	40.7	65.1
1985	37.8	59.4
1986	38.4	59.3
1987	32.6	50.7

NOTE: All data are based on returns filed through April.

Figure I.—All Returns: Number With Selected Characteristics, Tax Years 1985–1987

[Number of returns in thousands]

Item	Tax Year		
	1985	1986	1987
	(1)	(2)	(3)
All returns, total	95,307	96,737	98,569
Form 1040	60,677	62,619	63,521
Form 1040A	17,926	17,495	17,104
Form 1040EZ	16,703	16,623	17,944
Returns with paid-preparer signature, total	43,030	44,082	46,635
Form 1040	37,878	39,687	41,595
Form 1040A	4,409	3,794	4,199
Form 1040EZ	744	601	841
Returns with official IRS label, total	52,494	52,651	53,848
Form 1040	34,652	35,140	36,016
Form 1040A	9,240	8,891	8,998
Form 1040EZ	8,602	8,619	8,834
Returns with official bar-coded envelope, total	58,806	54,521	64,317
Form 1040	34,578	31,403	39,992
Form 1040A	12,559	11,844	12,126
Form 1040EZ	11,670	11,275	12,199

NOTE: All data are based on returns filed through April.

Official bar-coded envelope usage increased sharply for 1987 to 65.3 percent, from 56.4 percent for Tax Year 1986 (see Figure I). If electronically filed returns (which, by definition, cannot arrive in envelopes) are excluded from the comparison, the rate was slightly higher, at 65.6 percent for 1987, compared with 56.4 percent for 1986. This increase reverses a 4-year downward trend in envelope usage. However, official IRS envelope use is still below the 1982 high of 77.2 percent. Interestingly, 51.9 percent of returns filed by dependents were enclosed in an IRS envelope.

Use of the official envelope speeds the sorting of returns en route to and after receipt by the IRS service centers. The bar codes on the envelopes, representing ZIP Codes and IRS information, allow the Postal Service and the IRS to machine-sort the envelopes, which is faster and less costly than manual mail-sorting procedures.

PAID PREPARERS

For Tax Year 1987, the use of paid tax-return preparers increased by 1.7 percentage points, from 45.6 for 1986 to 47.3 for 1987 (see Figure I). This increase was less than increases experienced after other recent tax law changes. For example, use of tax preparers increased by 3.6 percentage points for 1984, and by 2.8 percentage points for 1982. There was an increase in paid-preparer use for all three tax form types for 1987, the most dramatic occurring for Forms 1040A, which increased to 24.6 percent of the total, up from 21.7 percent for 1986.

ELECTRONICALLY-FILED RETURNS

For Tax Year 1987, the IRS further expanded its program of electronic filing of tax returns, a program that was begun with Tax Year 1985. Refund returns from 16 selected IRS districts could be transmitted electronically by participating commercial tax-return preparers to two IRS service centers for processing. In total, 573,000 such returns were accepted by the IRS, as compared with 78,000 for 1986. Electronically-filed returns were limited to Forms 1040 filed by April 15, with only certain schedules attached.

SUMMARY

The Tax Reform Act of 1986 resulted in major changes in income and tax distributions from 1986 to 1987. Some of these changes are, however, more apparent than real. For example, adjusted gross income, which increased by 7.6 percent between 1986 and 1987, did so largely as a result of the disallowance of a number of exclusions and adjustments under the Tax Reform Act. When a more consistent measure of income is used—for example, total income plus excluded capital gains, dividends, and unemployment compensation—the data show a 0.8 percent decrease between the 2 years. However, even this statistic must be interpreted cautiously, since the decline is, to a large extent, a reflection of the extraordinary activity in the capital gains area in 1986, much of which was undertaken in anticipation of higher effective tax rates on capital gains in 1987.

In spite of these and other cautionary notes given throughout the article, it is possible to draw some broad conclusions from the data about the real effects of the Tax Reform Act of 1987. Particularly notable are the increase in the effective tax rate for taxpayers with total incomes of $50,000 or more, as well as those with incomes under $5,000 (see Figure J). The latter increase reflects the many dependents who had to file their own returns, on which they could claim no exemptions and only a limited standard deduction.

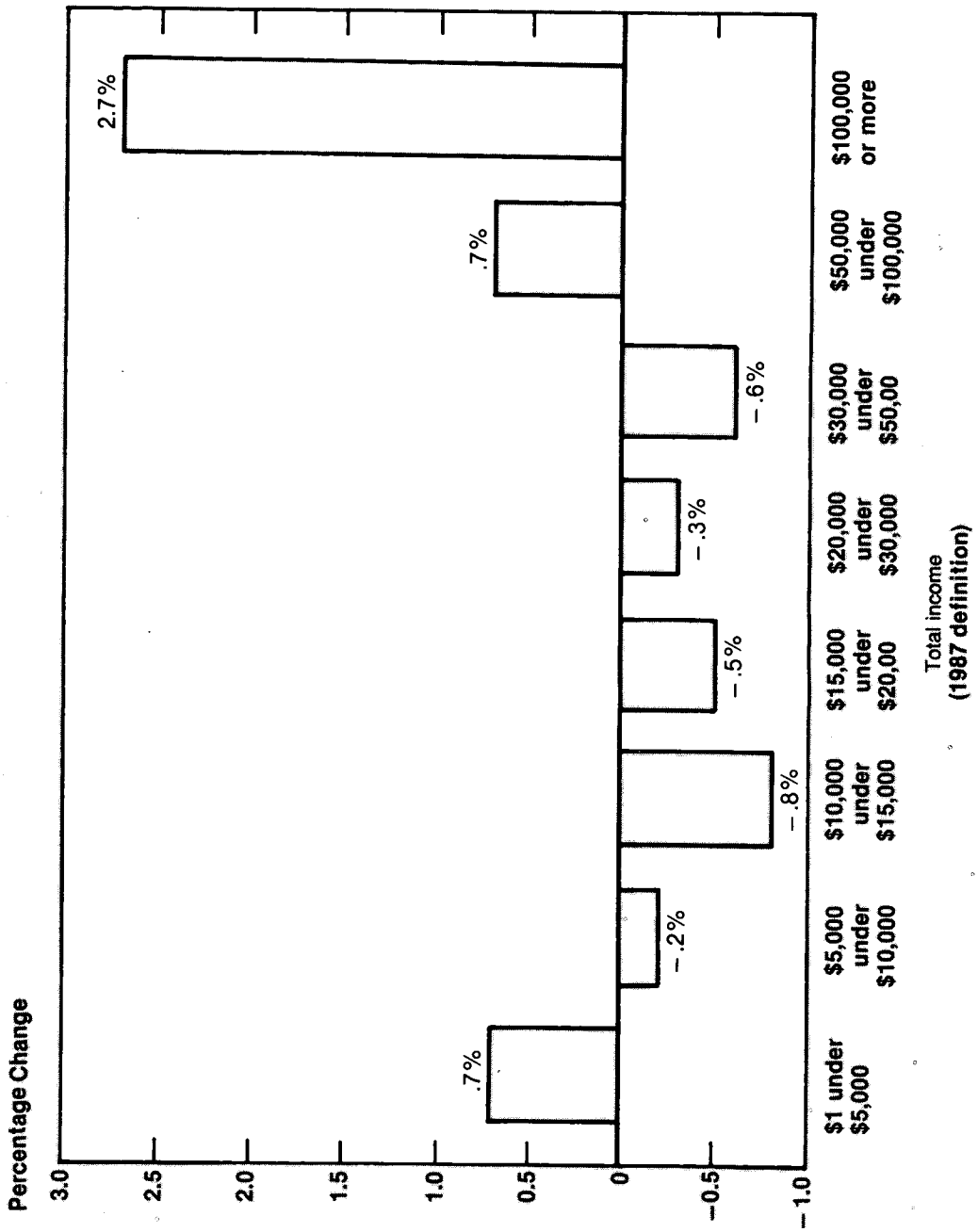
DATA SOURCES AND LIMITATIONS

Data for the Taxpayer Usage Study (TPUS) were derived from a continual daily random sampling of returns as they were received in the 10 IRS service center mailrooms from January 2 to April 29, 1988. Sampling was conducted for each service center at designated rates ranging from 1-in-1,200 to 1-in-2,300 for the period beginning January 2, 1988 through March 11, 1988, and at rates ranging from 1-in-5,100 to 1-in-6,900 for the period beginning March 12, 1988 through April 29, 1988. This yielded a sample of 20,073 returns for the first period and a sample of 9,318 returns for the second. In addition to the sample drawn from mailroom receipts, a separate sample was drawn for the electronically-transmitted returns. These returns were sampled at a rate of 1-in-1000, which yielded a sample of 516 returns.

The theoretical sampling rates were not used in weighting the file. Rather, a separate weight was computed for each type of return for each service center for each period by dividing the TPUS sample into each receipt count. The result was weights ranging from a low of 1,413.28 to a high of 3,818.44 for returns sampled from January 2 through March 11, 1988, and a low of 4,047.95 to a high of 10,894.74 for returns sampled from March 12 through April 29, 1988. The service center population and sample counts are presented by type of return form in Figure K.

Since the data presented in this article are estimates based on a sample, they are subject to sampling, as well as nonsampling, error. Nonsampling error may be higher for TPUS than for other Statistics of Income (SOI) data because the sampled returns had not yet been subjected to any of the regular IRS or SOI processing steps which would have corrected many taxpayer errors. However, the returns were subjected to an abbreviated form of SOI testing to identify and correct some of the more obvious taxpayer omissions (such as when the taxpayer failed to fill in an amount for total income, but carried the correct figure, less adjustments, forward to AGI).

Figure J
Change in Effective Tax Rates 1986-1987



Throughout this article, whenever 1987 data are compared to 1986 data, both are taken from the corresponding Taxpayer Usage Study. In other words, both represent returns received in the service centers through the end of April. In the case of capital gains, which were not included in the 1986 Taxpayer Usage Study, the estimate is based on returns received through the end of April contained in the 1986 SOI File.

Figure L provides a comparison of 1986 TPUS data and 1986 SOI data as a means of evaluating the representativeness of returns filed through April, as a percentage of returns filed through December. As with prior years, the TPUS data for 1987 are intended to provide early indications of trends in SOI data that will be published in more detail in the Winter 1988–1989 issue of the *Statistics of Income Bulletin* and later on in a separate SOI report on individual income tax returns.

If the statistical data provided are to be used properly, the magnitude of the sampling error must be known. Coefficients of variation, computed from the sample, are used to measure the magnitude of the sampling error. Figure M presents approximate coefficients of variation for frequency estimates. The coefficients of variation shown are intended only as a general indication of data reliability. For numbers of returns other than those shown, the corresponding coefficients of variation can be estimated by interpolation.

Figure K.—Population and Sample Counts by Service Center and Form Type, Tax Year 1987

[Population in thousands]

Service Center	Total		Form 1040		Form 1040A		Form 1040EZ	
	Population	Sample	Population	Sample	Population	Sample	Population	Sample
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
United States, total	98,569	29,905	63,521	17,630	17,104	5,893	17,944	6,382
Atlanta	10,992	3,517	6,461	1,850	2,423	896	2,108	771
Andover	10,168	3,114	6,705	1,867	1,372	458	2,091	789
Kansas City	10,031	3,310	6,734	2,117	1,526	509	1,771	684
Cincinnati [1]	10,732	3,349	7,173	2,172	1,623	525	1,936	652
Austin	10,339	3,088	6,155	1,652	2,278	812	1,906	624
Brookhaven	8,032	2,716	5,476	1,617	1,404	594	1,152	505
Philadelphia	8,170	2,920	5,282	1,658	1,349	618	1,539	644
Ogden*	10,455	3,255	7,186	2,102	1,394	467	1,875	686
Memphis	10,034	2,144	6,020	1,185	2,068	465	1,946	494
Fresno	9,616	2,492	6,330	1,410	1,666	549	1,620	533

[1] Cincinnati and Ogden return and sample figures include electronically filed returns.

Figure L.—Comparison of Taxpayer Usage Study (TPUS) Data and Statistics of Income (SOI) Data, Tax Year 1986

[Number of returns in thousands; amounts in millions of dollars]

Items	1986 TPUS	1986 SOI	Difference	Percentage difference
	(1)	(2)	(3)	(4)
All returns	96,737	103,057	6,320	6.1%
Adjusted gross income	$2,300,896	$2,484,989	$184,093	7.4
Individual Retirement Arrangement adjustment:				
Number of returns	14,898	15,547	649	4.2
Amount	$36,075	$37,784	$1,709	4.5
Itemized deductions:				
Number of returns	37,134	40,173	3,039	7.6
Amount	$272,350	$313,453	$41,103	13.1
Total tax:				
Number of returns	79,154	87,243	8,089	9.3
Amount	$325,415	$382,043	$56,628	14.8

NOTE: All data are based on returns filed through April.

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

Estimated number of returns	Approximate coefficient of variation		
	Form 1040	Form 1040A	Form 1040EZ
	(1)	(2)	(3)
50,000,000	.012	(1)	(1)
20,000,000	.018	(1)	(1)
15,000,000	.021	.021	.022
10,000,000	.026	.026	.027
5,000,000	.037	.036	.038
1,000,000	.082	.081	.085
500,000	.116	.115	.121
100,000	.259	.257	.270
75,000	.299	.277	.311

[1] Not applicable because the estimated number of returns was greater than the population estimate.

NOTES AND REFERENCES

[1] Examination of Figure A shows only an increase of 311,000 returns in the $1 under $5,000 AGI class. However, since 1981 this class has experienced an average decline in the number of returns of 381,000 per year. Thus, this year's increase in the number of returns in this class represents a significant reversal of this trend.

[2] Passive losses are those resulting from the conduct of any trade or business in which the taxpayer does not materially participate.

[3] As of June 1, 1988, the IRS projected that 106.5 million individual income tax returns for Tax Year 1987 will be filed by the end of 1988. Because of year-to-year changes in the percentage of returns that are filed by April 15, it may be difficult to project total frequencies and amounts for the year from the data presented in this article. However, comparisons of ratios and averages from the 1986 and 1987 TPUS reports should hold up reasonably well when compared with final data for those 2 years.

[4] Taxpayers can legitimately file after April 15 if:
- they were out of the country on April 15;
- they filed a Form 4868 for an automatic extension of filing deadline, paying any balance due; or
- they filed a Form 2688 for additional extension of filing deadline.

[5] For purposes of computing includible unemployment compensation, married taxpayers filing jointly were allowed an $18,000 exclusion and unmarried taxpayers were allowed a $12,000 exclusion (married couples living together but not filing jointly did not qualify for an exclusion). Includible unemployment compensation was computed as one-half of the excess of income from all sources over the exclusion, up to the total amount of unemployment compensation.

[6] For 1986, unemployment compensation was nontaxable if the taxpayer's total income was less than $12,000 for unmarried taxpayers, or less than $18,000 for married taxpayers filing joint returns. For married persons filing separately, the income exclusion was zero if they had lived together at any time during the year. One-half of the excess of total income over the income exclusion, up to the total amount of unemployment compensation, was subject to tax.

Table 1.—All Returns: Number by Marital Status, by Type of Return and Size of Adjusted Gross Income

[All figures are estimates based on samples—number of returns are in thousands]

Type of return, marital status	Total	Number of returns by size of adjusted gross income							
		Under $5,000[1]	$5,000 under $10,000	$10,000 under $15,000	$15,000 under $20,000	$20,000 under $30,000	$30,000 under $50,000	$50,000 under $100,000	$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns, total	98,569	15,440	14,953	12,829	10,737	15,807	17,948	9,398	1,457
Returns of single persons	43,608	12,672	9,606	6,714	4,934	5,609	3,136	757	180
Joint returns of husbands and wives	43,794	1,464	2,897	3,936	3,935	8,273	13,633	8,402	1,255
Separate returns of husbands and wives	1,465	200	298	264	265	266	120	*48	*3
Returns of heads of households	9,611	1,087	2,130	1,907	1,595	1,650	1,035	189	*19
Returns of surviving spouses	91	*17	*22	*10	*8	*9	*24	*2	*0
Form 1040 returns, total	63,521	5,593	6,883	6,441	6,149	11,406	16,261	9,330	1,457
Returns of single persons	20,233	4,043	4,008	2,652	2,224	3,601	2,774	751	180
Joint returns of husbands and wives	37,373	1,105	2,072	2,894	2,904	6,372	12,427	8,343	1,255
Separate returns of husbands and wives	968	93	132	161	184	233	113	*48	*3
Returns of heads of households	4,856	335	649	723	829	1,191	923	186	*19
Returns of surviving spouses	91	*17	*22	*10	*8	*9	*24	*2	—
Form 1040A returns, total	17,104	2,988	3,640	3,333	2,568	3,028	1,479	*68	N/A
Returns of single persons	5,430	1,770	1,168	1,006	691	635	155	*7	N/A
Joint returns of husbands and wives	6,421	359	824	1,042	1,030	1,901	1,207	*59	N/A
Separate returns of husbands and wives	497	108	167	102	81	*33	*6	—	N/A
Returns of heads of households	4,755	752	1,481	1,183	766	459	112	*2	N/A
Form 1040EZ returns, total[2]	17,944	6,859	4,430	3,056	2,019	1,373	208	—	N/A
Returns of single persons	17,944	6,859	4,430	3,056	2,019	1,373	208	—	N/A

[1] Includes returns with no adjusted gross income and negative adjusted gross income.
[2] Form 1040EZ returns could be filed by single persons only.
*Estimate should be used with caution because of the small number of sample returns on which it is based.
N/A—Not applicable.
NOTE: Detail may not add to totals because of rounding.

Table 2.—All Returns: Number With and Without Total Income Tax, by Type of Return and Size of Adjusted Gross Income

[All figures are estimates based on samples—numbers of returns are in thousands.]

Type of return, total income tax[1]	Total	Number of returns by size of adjusted gross income								
		No adjusted gross income[2]	$1 under $5,000	$5,000 under $10,000	$10,000 under $15,000	$15,000 under $20,000	$20,000 under $30,000	$30,000 under $50,000	$50,000 under $100,000	$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns, total	98,569	606	14,834	14,953	12,829	10,737	15,807	17,948	9,398	1,457
Number with total income tax	80,844	*26	5,571	9,789	10,907	10,315	15,616	17,822	9,340	1,457
Number with no total income tax	17,726	579	9,263	5,164	1,922	421	192	126	*58	—
Form 1040 returns, total	63,521	543	5,050	6,883	6,441	6,149	11,406	16,261	9,330	1,457
Number with total income tax	55,155	*24	1,793	3,990	5,371	5,844	11,233	16,157	9,286	1,457
Number with no total income tax	8,366	519	3,257	2,894	1,070	305	174	104	*44	—
Form 1040A returns, total	17,104	*37	2,951	3,640	3,333	2,568	3,028	1,479	*68	N/A
Number with total income tax	11,776	*2	925	1,388	2,486	2,455	3,009	1,457	*54	N/A
Number with no total income tax	5,328	*35	2,026	2,251	847	114	*18	*23	*14	N/A
Form 1040EZ returns, total	17,944	*25	6,833	4,430	3,056	2,019	1,373	208	—	N/A
Number with total income tax	13,913	—	2,853	4,411	3,051	2,017	1,373	208	—	N/A
Number with no total income tax	4,032	*25	3,980	*19	*5	*2	—	—	—	N/A

[1] Total income tax is computed as the sum of income tax after credits and alternative minimum tax, less earned income credit.
[2] Includes returns with negative adjusted gross income.
*Estimate should be used with caution because of the small number of sample returns on which it is based.
N/A—Not applicable.
NOTE: Detail may not add to total because of rounding.

Table 3.—All Returns: Number With and Without Total Income Tax, by Type of Return and Size of Total Income

[All figures are estimates based on samples—numbers of returns are in thousands, amounts are in millions of dollars]

Type of return, total tax[1]	Total	Number of returns by size of total income								
		No total income[2]	$1 under $5,000	$5,000 under $10,000	$10,000 under $15,000	$15,000 under $20,000	$20,000 under $30,000	$30,000 under $50,000	$50,000 under $100,000	$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns, total	98,569	551	14,783	14,835	12,764	10,660	15,699	18,229	9,536	1,513
Number with total income tax	80,844	*8	5,523	9,678	10,810	10,242	15,497	18,094	9,478	1,513
Number with no total income tax	17,726	543	9,260	5,157	1,954	418	201	135*58	—	
Form 1040 returns, total	63,521	497	4,996	6,775	6,401	6,072	11,290	16,511	9,466	1,513
Number with total income tax	55,155	*8	1,746	3,891	5,299	5,771	11,107	16,399	9,422	1,513
Number with no total income tax	8,366	489	3,250	2,885	1,102	301	183	112*44	—	
Form 1040A returns, total	17,104	*29	2,953	3,630	3,307	2,569	3,035	1,510	*70	N/A
Number with total income tax	11,776	—	923	1,377	2,460	2,455	3,017	1,488	*56	N/A
Number with no total income tax	5,328	*29	2,030	2,253	847	114	*18	*23	*14	N/A
Form 1040EZ returns, total	17,944	*25	6,833	4,430	3,056	2,019	1,373	208	—	N/A
Number with total income tax	13,913	—	2,853	4,411	3,051	2,017	1,373	208	—	N/A
Number with no total income tax	4,032	*25	3,980	*19	*5	*2	—	—	—	N/A

[1] Total income tax is computed as the sum of income tax after credits and alternative minimum tax, less earned income credit.
[2] Includes returns with negative total income.
*Estimate should be used with caution because of the small number of sample returns on which it is based.
N/A—Not applicable.
NOTE: Detail may not add to total because of rounding.

Table 4.—All Returns: Adjusted Gross Income, Selected Sources of Income and Statutory Adjustments by Size of Adjusted Gross Income

[All figures are estimates based on samples—numbers of returns are in thousands, amounts are in millions of dollars.]

Size of adjusted gross income	Adjusted gross income		Salaries and wages		Dividends		Taxable interest	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total	98,569	2,474,879	84,302	1,974,431	19,967	50,974	62,384	136,302
No adjusted gross income[1]	606	−15,807	218	2,497	99	42	320	552
$1 under $5,000	14,834	37,939	11,963	31,462	1,182	971	6,135	4,600
$5,000 under $10,000	14,953	111,865	11,608	80,532	1,683	2,335	7,057	12,619
$10,000 under $15,000	12,829	159,296	10,513	121,688	1,701	2,427	6,634	13,553
$15,000 under $20,000	10,737	186,876	9,287	151,685	1,436	2,906	6,090	12,084
$20,000 under $25,000	8,435	189,164	7,467	155,369	1,477	3,015	5,650	10,368
$25,000 under $30,000	7,373	202,684	6,707	169,912	1,567	3,390	5,361	9,998
$30,000 under $50,000	17,948	693,939	16,639	599,838	5,228	8,727	14,894	27,328
$50,000 under $75,000	7,514	448,351	6,995	369,114	3,362	9,730	6,975	19,702
$75,000 under $100,000	1,884	159,160	1,715	123,863	1,093	4,244	1,849	7,888
$100,000 or more	1,457	301,412	1,191	168,473	1,139	13,187	1,419	17,609

Size of adjusted gross income	Tax-exempt interest		Unemployment compensation		Returns with taxable social security benefits		
	Number of returns	Amount	Number of returns	Amount	Number of returns	Total benefits	Taxable benefits
	(9)	(10)	(11)	(12)	(13)	(14)	(15)
All returns, total	2,888	23,149	7,045	13,554	3,283	28,742	11,704
No adjusted gross income[1]	*10	*57	*29	*51	—	—	—
$1 under $5,000	94	717	301	351	*36	249	103
$5,000 under $10,000	142	549	1,184	1,909	*10	40	*25
$10,000 under $15,000	131	259	1,118	2,080	*10	80	*58
$15,000 under $20,000	151	321	817	1,518	*46	385	173
$20,000 under $25,000	134	795	853	1,702	173	1,431	205
$25,000 under $30,000	211	1,476	706	1,300	484	4,219	910
$30,000 under $50,000	624	2,633	1,671	4,137	1,419	11,631	4,448
$50,000 under $75,000	632	5,857	290	410	685	6,307	3,581
$75,000 under $100,000	316	2,496	*68	88	170	1,593	796
$100,000 or more	444	7,990	*8	*8	251	2,808	1,404

Size of adjusted gross income	Capital gain		Capital loss		Statutory adjustments		Reimbursed employee business expenses	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
All returns, total	10,253	80,161	2,892	6,269	10,296	25,610	1,180	3,075
No adjusted gross income[1]	*66	*277	*48	*114	82	677	*5	*44
$1 under $5,000	601	844	134	246	225	280	*6	*3
$5,000 under $10,000	736	1,064	190	388	486	581	*29	*39
$10,000 under $15,000	754	1,445	227	385	792	1,255	*60	*111
$15,000 under $20,000	650	1,160	254	400	846	1,608	*71	*193
$20,000 under $25,000	839	2,510	203	361	1,189	2,031	111	182
$25,000 under $30,000	813	2,592	209	361	1,267	2,300	100	183
$30,000 under $50,000	2,542	9,340	714	1,705	3,365	8,043	370	991
$50,000 under $75,000	1,811	13,212	483	995	1,229	3,795	282	853
$75,000 under $100,000	655	8,374	206	366	424	1,837	103	377
$100,000 or more	787	39,343	224	949	393	3,204	*42	*99

Size of adjusted gross income	IRA payments[2]		Self-employed health insurance deduction		Keogh retirement plan and self-employed (SEP) deduction		Returns with alimony paid
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns
	(24)	(25)	(26)	(27)	(28)	(29)	(30)
All returns, total	7,087	13,539	1,090	455	566	4,954	544
No adjusted gross income[1]	*25	*50	*12	*3	—	—	*2
$1 under $5,000	120	171	*52	*18	—	—	*4
$5,000 under $10,000	268	417	84	26	*5	*26	*21
$10,000 under $15,000	536	850	139	41	*36	*56	*42
$15,000 under $20,000	635	1,141	89	35	*24	*43	*50
$20,000 under $25,000	908	1,650	110	43	*27	*36	*45
$25,000 under $30,000	997	1,812	97	34	*8	*42	*60
$30,000 under $50,000	2,675	4,844	201	102	82	1,506	127
$50,000 under $75,000	571	1,489	190	96	171	709	107
$75,000 under $100,000	174	524	*46	*16	90	633	*39
$100,000 or more	177	592	*71	*41	123	1,904	*47

[1] Includes returns with negative adjusted gross income.
[2] IRA — individual retirement arrangement.
*Estimate should be used with caution because of the small number of sample returns on which it is based.
NOTE: Detail may not add to totals because of rounding.

Table 5. All Returns: Selected Items by Size of Adjusted Gross Income

(All figures are estimates based on samples—numbers of returns in thousands, amounts are in millions of dollars.)

Size of adjusted gross income	Adjusted gross income		Itemized deductions		Standard deduction		Exemptions	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total	98,569	2,474,879	32,179	328,426	65,908	202,382	89,761	199,098
No adjusted gross income[1]	606	* - 15,807	99	721	498	2,019	542	1,152
$1 under $5,000	14,834	37,939	233	1,561	14,565	32,178	7,827	11,616
$5,000 under $10,000	14,953	111,865	798	4,820	14,128	42,546	13,609	22,360
$10,000 under $15,000	12,829	159,296	1,395	9,194	11,371	36,734	12,609	23,064
$15,000 under $20,000	10,737	186,876	1,895	11,821	8,675	28,109	10,672	21,693
$20,000 under $30,000	15,807	391,848	5,797	40,326	9,897	34,030	15,765	36,442
$30,000 under $50,000	17,948	693,939	12,216	104,226	5,686	21,790	17,909	50,499
$50,000 under $100,000	9,398	607,510	8,370	108,422	1,014	4,573	9,376	28,043
$100,000 or more	1,457	301,412	1,376	47,335	*74	*403	1,452	4,227

Size of adjusted gross income	Income tax after credits		Alternative minimum tax		Total tax[2]		Income tax withheld	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All returns, total	82,495	313,101	138	1,994	84,257	326,000	84,603	289,316
No adjusted gross income[1]	*29	*59	—	—	125	156	184	215
$1 under $5,000	5,625	745	—	—	6,294	1,019	10,934	2,352
$5,000 under $10,000	10,649	4,032	—	—	11,171	4,669	11,623	7,283
$10,000 under $15,000	11,670	9,527	*5	—	11,932	10,383	10,981	13,083
$15,000 under $20,000	10,317	14,487	—	—	10,396	15,359	9,616	17,896
$20,000 under $30,000	15,609	37,310	*13	*15	15,680	39,238	14,522	43,226
$30,000 under $50,000	17,809	76,788	*22	*41	17,855	79,567	16,885	85,506
$50,000 under $100,000	9,330	92,882	*48	*604	9,348	96,193	8,679	81,275
$100,000 or more	1,457	77,271	*50	*1,334	1,457	79,417	1,180	38,480

Size of adjusted gross income	Earned income credit[3]		Refund		Overpayment applied to 1988 estimated tax		Tax due at time of filing	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	7,500	3,496	72,073	63,263	3,643	4,884	20,811	41,873
No adjusted gross income[1]	*40	*21	216	177	*19	*8	*61	*56
$1 under $5,000	1,454	572	10,582	2,672	*63	*19	2,601	522
$5,000 under $10,000	2,904	2,069	11,233	6,147	424	222	2,403	708
$10,000 under $15,000	2,903	829	10,259	6,051	564	215	2,035	1,182
$15,000 under $20,000	199	5	8,458	5,524	455	293	1,864	1,197
$20,000 under $30,000	—	—	12,459	11,213	722	782	2,865	2,512
$30,000 under $50,000	—	—	13,670	18,958	711	725	3,826	5,009
$50,000 under $100,000	—	—	4,866	10,141	486	1,033	4,156	11,359
$100,000 or more	—	—	329	2,380	198	1,587	998	19,328

[1] Includes returns with negative adjusted gross income.

[2] Total tax is the sum of income tax after credits, self-employment tax, alternative minimum tax, tax from recapture of investment credit, social security tax on tip income not reported to employer and tax on an IRA. (Income tax after credits was computed without regard to the earned income credit.)

[3] Includes returns with amounts used to reduce "total tax" to zero and returns with refundable amounts (where the credit exceeded "total tax").

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

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

Table 6.—Form 1040 Returns: Social Security Benefits, by Size of Adjusted Gross Income

[All figures are estimates based on samples—number of returns are in thousands, amounts are in millions of dollars]

Size of adjusted gross income	Total	Gross benefits		Tax-exempt interest[1]		Taxable benefits	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Form 1040 returns, total	63,521	9,014	74,065	1,103	13,690	3,283	11,704
No adjusted gross income[2]	543	*62	*370	—	—	—	—
$1 under $5,000	5,050	933	6,340	*29	*409	*36	*103
$5,000 under $10,000	6,883	1,758	13,476	*53	*317	*10	*25
$10,000 under $15,000	6,441	1,428	12,166	*43	*104	*10	*58
$15,000 under $20,000	6,149	899	7,815	*44	*212	*46	*173
$20,000 under $30,000	11,406	1,380	11,182	191	1,454	656	1,114
$30,000 under $50,000	16,261	1,440	11,866	252	1,632	1,419	4,448
$50,000 under $100,000	9,330	856	8,003	348	4,240	855	4,378
$100,000 or more	1,457	257	2,848	143	5,323	251	1,404

[1] Tax-exempt interest reported on returns with taxable social security benefits.
[2] Includes returns with negative adjusted gross income.
*Estimate should be used with caution because of the small number of sample returns on which it is based.
NOTE: Detail may not add to totals because of rounding.

Table 7.— Form 1040 Returns: Number With and Without Itemized Deductions, by Size of Adjusted Gross Income

(All figures are estimates based on samples—number of returns are in thousands and amounts are in millions of dollars.)

Number by size of itemized deductions	Total	Number of returns by size of adjusted gross income							
		Under $5,000[1]	$5,000 under $10,000	$10,000 under $15,000	$15,000 under $20,000	$20,000 under $30,000	$30,000 under $50,000	$50,000 under $100,000	$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Form 1040 returns, total	63,521	5,593	6,883	6,441	6,149	11,406	16,261	9,330	1,457
With itemized deductions:									
Number of returns	32,179	332	798	1,395	1,895	5,797	12,216	8,370	1,376
Total amount	328,426	2,282	4,820	9,194	11,821	40,326	104,226	108,422	47,335
Number of returns by size of itemized deductions:									
$1 under $500	*21	*7	*5	*2	—	*5	*2	—	—
$500 under $1,000	*40	*17	*9	*2	*8	*4	—	—	—
$1,000 under $1,500	*27	*5	*2	—	*14	*5	—	—	—
$1,500 under $2,000	*68	—	*17	*14	*16	*9	*6	*6	—
$2,000 under $3,500	1,464	*13	107	197	289	450	360	*48	—
$3,500 under $5,000	5,214	86	289	419	564	1,617	1,810	409	*23
$5,000 under $7,500	8,510	94	212	403	577	2,033	3,819	1,337	*35
$7,500 under $10,000	6,108	*68	81	224	215	992	2,929	1,550	*49
$10,000 under $15,000	6,180	*16	*36	82	156	523	2,433	2,710	224
$15,000 under $25,000	3,197	*18	*33	*23	*35	121	744	1,867	355
$25,000 under $50,000	1,148	*8	*7	*30	*21	*36	113	403	530
$50,000 or more	203	—	—	—	—	*2	—	*40	161
Without itemized deductions	31,342	5,262	6,085	5,046	4,254	5,609	4,045	960	81

[1] Includes returns with negative adjusted gross income.
*Estimate should be used with caution because of the small number of sample returns on which it is based.
NOTE: Detail may not add to totals because of rounding.

Table 8.—All Returns: Presence of Form W-2 Wage and Tax Statement, by Type of Return and Size of Adjusted Gross Income

[All figures are estimates based on samples—number of returns in thousands]

Number of returns with Form W-2, type of return	Total	Number of returns by size of adjusted gross income							
		Under $5,000[1]	$5,000 under $10,000	$10,000 under $15,000	$15,000 under $20,000	$20,000 under $30,000	$30,000 under $50,000	$50,000 under $100,000	$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns, total	98,569	15,440	14,953	12,829	10,737	15,807	17,948	9,398	1,457
Forms W-2 attached, total	160,275	21,695	21,914	17,807	15,762	25,995	35,332	19,313	2,459
Number of returns with a W-2 attached	83,061	11,898	11,287	10,252	9,166	14,092	16,566	8,627	1,173
Number of returns by number of Forms W-2 attached:									
One	38,429	6,045	5,429	5,972	5,485	7,425	5,716	1,964	393
Two or more for same taxpayer	22,016	5,730	5,414	3,390	2,311	2,537	1,823	643	167
Two or more for different taxpayers[2]	22,616	124	444	889	1,370	4,130	9,027	6,019	613
Form W-2 not attached	15,508	3,542	3,666	2,578	1,571	1,715	1,382	771	284
Form 1040 returns, total	63,521	5,593	6,883	6,441	6,149	11,406	16,261	9,330	1,457
Forms W-2 attached, total	97,732	4,708	6,457	6,931	8,205	17,976	31,817	19,180	2,459
Number of returns with a W-2 attached	49,221	2,749	3,492	4,003	4,620	9,732	14,893	8,559	1,173
Number of returns by number of Forms W-2 attached:									
One	21,080	1,570	1,863	2,322	2,675	5,138	5,169	1,950	393
Two or more for same taxpayer	9,128	1,129	1,424	1,241	1,122	1,748	1,657	641	167
Two or more for different taxpayers[2]	19,013	*51	205	440	823	2,846	8,067	5,968	613
Form W-2 not attached	14,300	2,844	3,391	2,438	1,529	1,675	1,368	771	284
Form 1040A returns, total	17,104	2,988	3,640	3,333	2,568	3,028	1,479	*68	N/A
Forms W-2 attached, total	30,906	4,476	6,658	5,877	4,456	6,080	3,227	132	N/A
Number of returns with a W-2 attached	16,192	2,477	3,438	3,221	2,531	2,991	1,465	*68	N/A
Number of returns by number of Forms W-2 attached:									
One	8,067	1,344	1,694	1,837	1,486	1,293	397	*15	N/A
Two or more for same taxpayer	4,522	1,060	1,505	935	497	413	109	*2	N/A
Two or more for different taxpayers[2]	3,603	*73	239	450	547	1,285	959	*51	N/A
Form W-2 not attached	912	511	201	112	*38	*36	*14	—	N/A
Form 1040EZ returns, total	17,944	6,859	4,430	3,056	2,019	1,373	208	—	—
Forms W-2 attached, total	31,637	12,511	8,799	5,000	3,100	1,939	288	—	—
Number of returns with a W-2 attached	17,648	6,672	4,356	3,028	2,015	1,370	208	—	—
Number of returns by number of Forms W-2 attached:									
One	9,282	3,131	1,871	1,813	1,324	994	150	—	N/A
Two or more for same taxpayer	8,366	3,541	2,485	1,215	691	376	*58	—	N/A
Two or more for different taxpayers[2]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Form W-2 not attached	297	187	*74	*28	*4	*4	—	—	N/A

[1] Includes returns with no adjusted gross income and with negative gross income.
[2] Even if each spouse on a joint return had two or more Forms W-2, the return was counted only once in the statistics for "two or more different taxpayers."
*Estimate should be used with caution because of small number of sample returns on which it is based.
N/A — Not applicable.
NOTE: Detail may not add to totals because of rounding.

Table 9.—Form 1040 Returns: Number With Selected Forms and Schedules, by Size of Adjusted Gross Income

[All figures are estimates based on samples—numbers of returns are in thousands]

Form or schedule	Total	Under $5,000[1]	$5,000 under $10,000	$10,000 under $15,000	$15,000 under $20,000	$20,000 under $30,000	$30,000 under $50,000	$50,000 under $100,000	$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Forms 1040, total	63,521	5,593	6,883	6,441	6,149	11,406	16,261	9,330	1,457
A Itemized Deductions	33,301	391	943	1,567	2,079	6,102	12,382	8,468	1,369
B Interest and Dividend Income	31,767	2,447	3,549	3,144	2,595	4,837	7,561	6,260	1,374
C Profit (or Loss) from Business or Profession	10,447	1,189	1,241	1,028	981	1,810	2,311	1,623	265
D Capital Gains or Losses	11,689	671	750	887	790	1,706	2,846	3,018	1,021
E Supplemental Income Schedule	11,167	648	894	862	858	1,702	2,727	2,619	857
F Farm Income and Expenses	2,067	239	245	257	214	405	432	218	*58
R/RP Credit for the Elderly	436	*50	197	146	*43	—	—	—	—
SE Computation of Social Security Self-Employment Tax	9,823	1,072	1,258	1,087	892	1,694	2,081	1,448	289
1116 Computation of Foreign Tax Credit	496	*6	*28	*26	*22	*50	91	173	100
2106 Employee Business Expenses	4,415	*54	*56	127	297	753	1,543	1,375	210
2119 Sale or Exchange of Principal Residence	1,668	95	101	116	84	235	497	455	84
2210 Underpayment of Estimated Income Tax	3,764	122	189	352	285	572	765	1,023	456
2439 Regulated Investment Company Credit	*11	—	*5	—	—	—	—	*6	—
2441 Credit for Child and Dependent Care Expenses	5,847	*14	110	305	479	1,154	2,374	1,335	76
2555 Foreign Earned Income	*44	*13	—	*1	*6	—	*7	*6	*11
3468 Computation of Investment Credit	100	*2	*8	*11	—	—	*22	*33	*24
3800 General Business Credit	492	111	77	*39	*40	*74	*59	*52	*41
3903 Moving Expense Adjustment	961	*7	*21	*24	*42	186	363	260	*57
4136 Computation of Credit for Federal Tax on Gasoline, Special Fuels, and Lubricating Oil	706	102	113	82	85	132	128	*57	*7
4137 Computation of Social Security Tax on Unreported Tip Income	209	*40	*31	*28	*10	*34	*54	*13	*0
4255 Recapture of Investment Credit	335	*15	*10	*30	*15	*24	*64	126	*52
4562 Depreciation	11,104	888	888	848	974	1,864	2,824	2,258	560
4684 Casualties and Theft	175	*11	—	*12	*22	*37	*49	*44	—
4797 Supplemental Schedule of Gains and Losses	2,171	181	149	149	115	330	417	580	250
4835 Farm Rental Income and Expenses	529	*41	*66	*47	*46	109	111	*72	*36
4868 Application for Automatic Extension of Time to File	111	*8	*7	*16	*6	—	*51	*18	*5
4952 Investment Interest Expense Deduction	839	*24	*17	*15	*38	*70	162	264	249
4970 Tax on Accumulation Distribution of Trusts	*18	—	—	*11	—	—	—	—	*7
4972 Special 10-Year Averaging Methods	314	*11	*19	*50	*39	*68	*54	*67	*5
5329 Return for Individual Retirement Arrangement Taxes	1,178	*11	*45	84	78	237	361	334	*29
5695 Residential Energy Credit	*38	—	*1	*9	*7	*19	*2	—	—
5884 Job Credits	*23	—	—	—	*7	—	*6	*5	*5
6249 Windfall Profit Tax Credit	—	—	—	—	—	—	—	—	—
6251 Alternative Minimum Tax Computation	2,747	*61	*57	*75	*62	164	540	1,177	611
6252 Computation of Installment Sale Income	1,394	31	125	96	163	224	285	289	182
6765 Credit for Increasing Research Activities	*2	—	—	—	—	—	*2	—	—
8271 Investor Reporting of Tax Shelter Registration Number	562	*18	*18	*32	*27	*42	106	250	*66
8275 Disclosure Statement Under IRC Section 6661	—	—	—	—	—	—	—	—	—
8283 Noncash Charitable Contributions	751	*13	*5	*19	*17	*44	180	370	102
8332 Release of Claim to Exemption for Child of Divorced or Separated Parents	160	—	*2	*8	*17	*39	*75	*13	*7
8396 Mortgage Interest Credit	*4	—	—	—	—	*4	—	—	—
8582 Passive Activity Loss Limitations	3,551	148	162	185	190	389	781	1,167	528
8586 Low-Income Housing Credit	*7	—	*2	—	—	—	*5	—	—
8598 Home Mortgage Interest	411	*2	*7	*15	*21	*48	159	133	*26
8606 Nondeductible IRA Contributions, IRA Basis, and Nontaxable IRA distributions	1,139	—	—	*2	*19	*69	419	517	113
8615 Computation of Tax for Children Under Age 14 who have Interest Income of More Than $1,000	312	256	*47	*2	*5	*2	—	—	—

[1] Includes returns with no adjusted gross income and negative gross income.

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

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

Table 10.—Form 1040 and Form 1040A Returns: Number With Payments to an Individual Retirement Arrangement (IRA), by type of Return and Size of Adusted Gross Income

(All figures are estimates based on samples —number of returns are in thousands.)

Payments to an IRA, type of return	Total	Number of returns by size of adjusted gross income							
		Under $5,000[1]	$5,000 under $10,000	$10,000 under $15,000	$15,000 under $20,000	$20,000 under $30,000	$30,000 under $50,000	$50,000 under $100,000	$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Form 1040 and Form 1040A returns, total	80,625	8,581	10,523	9,774	8,717	14,434	17,740	9,398	1,457
Returns with payments to an IRA, total	7,087	145	268	536	635	1,905	2,675	744	177
Size of payment:									
$1 under $2,000	2,658	90	117	226	172	744	1,249	*60	—
$2,000	2,376	*42	130	252	358	716	596	259	*21
$2,001 under $2,250	*48	—	—	—	—	*20	*27	—	—
$2,251 under $4,000	738	—	*10	*23	*61	196	274	133	*41
$4,000	270	—	—	*14	*10	*44	178	*22	*2
More than $4,000	996	*11	*12	*22	*33	185	352	270	112
Returns without payments to an IRA	73,538	8,436	10,254	9,237	8,083	12,529	15,065	8,654	1,280
Form 1040 returns, total	63,521	5,593	6,883	6,441	6,149	11,406	16,261	9,330	1,457
Returns with payments to an IRA	6,424	120	232	403	534	1,669	2,544	744	176
Size of payment:									
$1 under $2,000	2,293	*74	94	157	132	614	1,163	*60	—
$2,000	2,147	*41	116	195	304	630	580	259	*21
$2,001 under $2,250	*48	—	—	—	—	*20	*27	—	—
$2,251 under $4,000	711	—	*10	*17	*61	189	259	133	*41
$4,000	250	—	—	*14	*4	*38	170	*22	*2
More than $4,000	975	*5	*12	*20	*33	178	345	270	112
Returns without payments to an IRA	57,097	5,473	6,652	6,038	5,615	9,738	13,716	8,586	1,280
Form 1040A returns, total	17,104	2,988	3,640	3,333	2,568	3,028	1,479	*68	—
Returns with payments to an IRA	660	24	37	132	100	237	130	—	—
Size of payment:									
$1 under $2,000	364	*16	*23	*69	*40	131	86	—	—
$2,000	228	*2	*14	*57	*54	86	*16	—	—
$2,251 under $4,000	*27	—	—	*6	—	*7	*14	—	—
$4,000	*20	—	—	—	*6	*6	*8	—	—
More than $4,000	*21	*6	—	*2	—	*7	*6	—	—
Returns without payments to an IRA	16,441	2,962	3,603	3,199	2,468	2,791	1,350	68	—

[1] Includes returns with no adjusted gross income and negative gross income.

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

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

N/A — Not applicable

Table 11.—All Returns: Exemptions by Size of Adjusted Gross Income

[All figures are estimates based on samples—number of returns and amounts are in thousands]

Size of adjusted gross income	Total number of returns	Returns claiming exemptions[1]		Taxpayer exemptions[1]		Exemptions for dependents, total	
		Number of returns	Number of exemptions	Number of returns	Number of exemptions	Number of returns	Number of exemptions
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All returns, total	98,569	89,761	199,098	89,734	133,448	34,878	65,084
No adjusted gross income.[1]	606	542	1,152	553	848	169	330
$1 under $5,000	14,834	7,827	11,616	7,820	8,966	1,620	2,621
$5,000 under $10,000	14,953	13,609	22,360	13,561	16,447	3,376	5,793
$10,000 under $15,000	12,829	12,609	23,064	12,580	16,495	3,631	6,405
$15,000 under $20,000	10,737	10,672	21,693	10,671	14,609	3,781	6,944
$20,000 under $30,000	15,807	15,765	36,442	15,773	24,025	6,485	12,316
$30,000 under $50,000	17,948	17,909	50,499	17,932	31,560	9,748	18,882
$50,000 under $100,000	9,398	9,376	28,043	9,392	17,792	5,343	10,278
$100,000 or more	1,457	1,452	4,227	1,452	2,707	727	1,515

Size of adjusted gross income	Exemptions for children under age 5		Exemptions for dependents age 5 and over		Exemptions for children at home	
	Number of returns	Number of exemptions	Number of returns	Number of exemptions	Number of returns	Number of exemptions
	(8)	(9)	(10)	(11)	(12)	(13)
All returns, total	11,258	14,525	27,486	49,347	32,167	59,130
No adjusted gross income[1]	*34	*51	143	287	163	325
$1 under $5,000	600	736	1,135	1,854	1,467	2,395
$5,000 under $10,000	1,230	1,557	2,422	4,107	3,039	5,178
$10,000 under $15,000	1,356	1,750	2,684	4,523	3,243	5,503
$15,000 under $20,000	1,374	1,787	2,888	4,894	3,379	6,138
$20,000 under $30,000	2,237	2,903	5,085	9,030	5,978	11,053
$30,000 under $50,000	3,025	3,984	7,978	14,825	9,131	17,516
$50,000 under $100,000	1,225	1,542	4,510	8,536	5,077	9,632
$100,000 or more	176	215	640	1,290	688	1,389

Size of adjusted gross income	Exemptions for children not at home		Exemptions for parents		Exemptions for other dependents	
	Number of returns	Number of exemptions	Number of returns	Number of exemptions	Number of returns	Number of exemptions
	(14)	(15)	(16)	(17)	(18)	(19)
All returns, total	1,575	2,502	1,151	1,400	1,478	2,329
No adjusted gross income[1]	—	—	—	—	*5	*5
$1 under $5,000	*68	*87	*74	*93	*70	*87
$5,000 under $10,000	150	244	123	139	190	287
$10,000 under $15,000	171	291	178	224	251	484
$15,000 under $20,000	200	332	153	176	230	373
$20,000 under $30,000	324	514	242	299	303	490
$30,000 under $50,000	433	672	203	264	290	423
$50,000 under $100,000	185	295	141	156	125	164
$100,000 or more	*45	*66	*37	*50	*14	*16

[1] Includes returns with negative adjusted gross income.

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

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

Table 12.—Returns Filed by Dependents: Adjusted Gross Income and Selected Sources of Income, by Size of Adjusted Gross Income

[All figures are estimates based on samples—numbers of returns are in thousands, amounts are in millions of dollars]

Size of adjusted gross income	Adjusted gross income		Salaries and wages		Dividends		Taxable interest	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total	8,796	30,960	7,452	24,869	1,026	1,246	4,659	3,390
No adjusted gross income[1]	*31	*-872	—	—	*11	*5	*15	*16
$1 under $5,000	6,983	15,040	5,876	12,399	676	360	3,514	1,674
$5,000 under $10,000	1,383	9,476	1,273	7,813	205	384	862	690
$10,000 under $15,000	261	3,123	220	2,410	*47	*102	138	386
$15,000 or more	136	4,193	83	2,246	87	396	128	625

Size of adjusted gross income	Total income		Itemized deductions		Standard deduction		Taxable income total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All returns, total	3,946	16,887	90	768	8,624	15,327	6,476	16,497
No adjusted gross income.[1]	—	—	—	—	*31	*26	*5	*871
$1 under $5,000	3,002	6,378	*12	*8	6,901	11,132	4,693	4,013
$5,000 under $10,000	657	4,496	*13	*23	1,358	3,377	1,379	5,967
$10,000 under $15,000	157	1,925	*6	*29	255	619	261	2,415
$15,000 or more	129	4,089	*58	*708	79	173	136	3,229

Size of adjusted gross income	Taxable income taxed in part at parents' rate		Total income tax		Total tax		Tax due at time of filing	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	293	781	6,224	2,253	8,796	2,338	2,780	617
No adjusted gross income[1]	—	—	*1	—	*31	—	*1	—
$1 under $5,000	239	387	4,511	496	6,983	520	2,037	265
/$5,000 under $10,000	47	289	1,328	813	1,383	833	615	198
$10,000 under $15,000	*2	*25	246	322	261	343	84	*49
$15,000 or more	*5	*80	136	623	136	644	43	106

Size of adjusted gross income	Refund	
	Number of returns	Amount
	(25)	(26)
All returns, total	5,638	927
No adjusted gross income[1]	*2	—
$1 under $5,000	4,675	632
$5,000 under $10,000/	728	161
$10,000 under $15,000	162	*51
$15,000 or more	72	84

[1] Includes returns with negative adjusted gross income.
*Estimate should be used with caution because of the small number of sample returns on which it is based.
NOTE: Detail may not add to totals because of rounding.

Table 13. Returns with Itemized Deductions: Selected Items by Adjusted Gross Income

[All figures are estimates based on samples—numbers of returns are in thousands, amounts are in millions of dollars.]

Size if adjusted gross income	Adjusted gross income		Itemized deduction	Medical and dental expenses		Total interest	
	Number of returns	Amount	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All returns, total	32,179	1,519,049	328,426	4,610	15,483	29,595	175,686
No adjusted gross income.[1]	99	*−2,564	721	*53	*154	86	375
$1 under $5,000	233	692	1,561	138	566	161	515
$5,000 under $10,000	798	6,277	4,820	531	1,717	571	1,652
$10,000 under $15,000	1,395	17,626	9,194	652	2,197	1,153	3,815
$15,000 under $20,000	1,895	33,421	11,821	651	1,814	1,688	5,100
$20,000 under $30,000	5,797	146,595	40,326	1,127	2,590	5,341	18,917
$30,000 under $50,000	12,216	483,670	104,226	1,072	3,600	11,540	55,209
$50,000 under $100,000	8,370	544,710	108,422	353	1,427	7,838	74,656
$100,000 or more	1,376	288,624	47,335	*34	*1,420	1,217	15,448

Size of adjusted gross income	Deductible home mortgage interest					
	Deductible investment interest		Paid to financial institutions		Paid to individuals	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(8)	(9)	(10)	(11)	(12)	(13)
All returns, total	1,187	3,930	24,512	136,160	1,586	4,038
No adjusted gross income[1]	—	—	*53	*220	*10	*16
$1 under $5,000	*13	*75	108	383	—	
$5,000 under $10,000	*14	*180	436	1,218	*21	*19
$10,000 under $15,000	*20	*29	922	3,043	*23	*37
$15,000 under $20,000	*65	*129	1,122	3,591	93	219
$20,000 under $30,000	93	93	4,205	14,271	300	668
$30,000 under $50,000	258	356	9,750	41,807	611	1,452
$50,000 under $100,000	424	1,004	6,867	60,768	444	1,175
$100,000 or more	301	2,064	1,049	10,858	83	452

Size of adjusted gross income	Personal interest paid		Total current-year contributions	
	Number of returns	Amount	Number of returns	Amount
	(14)	(15)	(16)	(17)
All returns, total	26,167	45,537	28,316	36,961
No adjusted gross income[1]	*50	*208	*62	*98
$1 under $5,000	112	82	140	117
/$,000 under $10,000	387	339	533	462
$10,000 under $15,000	942	1,067	1,055	971
$15,000 under $20,000	1,443	1,732	1,466	1,447
$20,000 under $30,000	4,639	6,274	4,995	4,663
$30,000 under $50,000	10,535	16,177	10,910	11,681
/$50,000 under $100,000	7,096	16,762	7,866	13,016
$100,000 or more	964	2,894	1,288	4,505

[1] Includes returns with negative adjusted gross income.
*Estimate should be used with caution because of the small number of sample returns on which it is based.
NOTE: Detail may not add to totals because of rounding.

Gross Tax Gap Trends According to New IRS Estimates, Income Years 1973–1992

By Berdj Kenadjian*

According to new Internal Revenue Service (IRS) estimates, the gross tax gap for individuals increased from $19.7 billion for 1973 to $63.5 billion for 1987. Over the same period, the gross gap for corporations increased from $8.8 billion to $21.4 billion. These estimates reflect the effects of new legislation which causes a reduction in the individual tax gap and a rise in the corporate gap. The estimates also reflect the latest compliance data which show that the individual compliance rate had risen for Income Year 1982 [1].

INTRODUCTION

The IRS defines the gross tax gap as the amount of income tax owed for a given year, but not voluntarily paid. The gap is measured net of overpayments. This comprehensive measure of tax compliance provides valuable information about the challenges faced by Federal tax administration officials and tax policymakers. The net tax gap equals the gross tax gap less taxes paid as a result of IRS enforcement activity. Although the net tax gap may be useful for some purposes, it is not analyzed here because it is not a measure of voluntary compliance.

The gross tax gap is comprised of unpaid income taxes on legally-earned individual and corporate income. Some individuals and corporations have created the gap by overstating deductions, credits, or exemptions; understating income; or making math errors on their tax returns. The gap also exists because some individuals and corporations fail to file obligatory tax returns and because some do not voluntarily pay taxes they report. (The most recent IRS estimates, however, do not include estimates for corporate nonfilers or for taxes reported, but not paid.)

Unreported income does not correspond to income earned in the "underground economy." The latter term usually refers to both illegal and legal transactions while the former covers only the legal sector. Income from illegal transactions is taxable, but extremely difficult to measure and tax. At present, IRS does not include illegal income in its tax gap estimates. The IRS estimates do account, however, for the legal portion of the so-called underground economy, such as unreported tip income, which forms part of the unreported wages and salaries, and unreported informal supplier income [2]. (Informal suppliers operate with no regular business addresses; generally keep no formal books or records; and do not necessarily conform to formal requirements for licensing, permit filing, or other performance codes.)

Many believe that this underground economy has assumed large proportions in the United States and elsewhere—and that it continues to grow in relation to the regular economy [3]. Examining both press reports and scholarly works on the subject reveals, however, that different people define the underground economy in different ways [4]. Specifically, it is not at all clear what particular types of business activities should fall into the proper definition. This and other ambiguities make this "economy" more a figure of speech than a concept with operational meaning.

ANALYSIS OF THE GAP

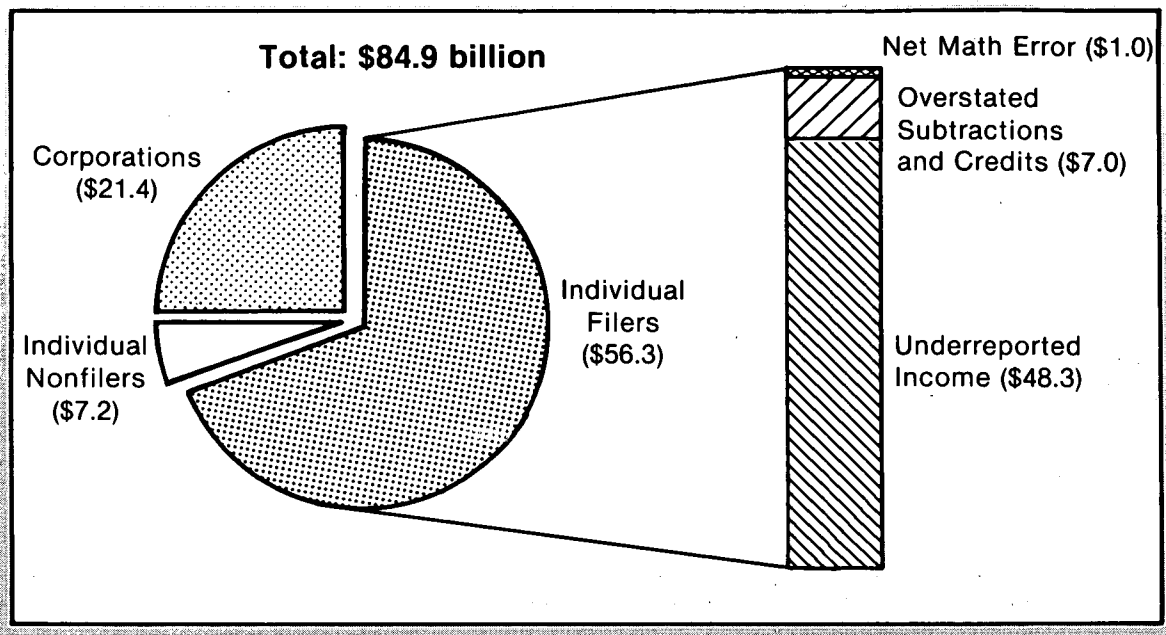
For 1987, the total gross income tax gap amounted to $84.9 billion. Noncompliant individuals were responsible for $63.5 billion of this total; corporations accounted for virtually all of the remaining $21.4 billion [5]. The amounts, summarized in Figure A, represent only income tax gaps, and do not include gaps resulting from failure to report employment or excise taxes, or any other non-income tax.

As Figures A and B illustrate, individuals who file returns but underreport their tax liabilities (either by underreporting income or by overstating deductions, credits or exemptions) account for most of the tax dollars lost to noncompliance. For 1987, this filer tax gap is estimated to be $56.3 billion—almost eight times as large as the gap resulting from individuals who do not file the required tax returns. The nonfiler tax gap is relatively small mainly because employers and other payers of income withhold tax from nonfilers' incomes.

The tax gap due to underreported income of individual filers ($48.3 billion) accounts for well over half of the total $84.9 billion tax gap for 1987. Underreported farm and nonfarm proprietor income ($26.3 billion) makes up more than half of all underreported individual income. This $26.3 billion includes an estimated $7.7 billion of underreported proprietor income believed to have been earned by informal suppliers who tend to operate "off the books." Informal suppliers include roadside or sidewalk vendors, moonlighting craftsmen or mechanics, unlicensed providers of child or elderly care services, and similar operators with informal business styles.

*Chief Economist, Compliance Estimates, Research Division.

Figure A
Revised Estimates of the Gross Tax Gap, Income Year 1987
Billions of dollars



Other areas contributing significant amounts to the tax gap include the failure of individuals to report all capital gains ($6.6 billion), interest and dividends ($3.2 billion), income distributions from partnerships and S Corporations ($3.2 billion), and rents and royalties ($3.1 billion) [6]. The shortfall in reported tax stemming from underreporting of wages and salaries and pensions and annuities is estimated to be about $1.5 billion. The remaining $4.2 billion is attributed to taxable social security and unemployment insurance payments, alimony, State income tax refunds, estate and trust income, and other income.

In contrast to the tax gap for individuals, the corporate tax gap for 1987 (shown in Figure B) is divided into only a few components because sufficient data do not exist to prepare detailed estimates. In particular, data are not available to distinguish the portion of the total corporate tax gap that is due to underreported income from the portion that is due to overstated deductions or credits. Such data are available only for small corporations (i.e., corporations with assets under $10 million), which account for less than a quarter of the corporate tax gap. The internal financial controls established by larger corporations to help protect the interests of their stockholders make it difficult to hide corporate income from the tax agencies. As Figure B shows, even for small corporations, less than half of the tax gap is estimated to be underreported income. The comparable percentage for individuals is 86 percent.

The corporate tax gap is mainly attributable to overstated expenses and credits rather than to underreported income or nonfiling. Particularly for large corporations, noncompliance usually involves aggressive tax planning that exploits the imprecise language of some tax laws. Tax law may also be circumvented by using improper accounting practices, especially in sourcing incomes and expenses associated with multinational operations involving several geographic regions or business entities.

TRENDS

Figure C presents estimated and projected tax gaps and voluntary compliance rates (VCR's) for selected years. The VCR measures the relationship between the total amount of tax that is voluntarily reported for any given year and the corresponding amount that should have been reported for that year. Figure D shows what should have been reported if measured on the basis of actual additional tax assessed, rather than on the basis of additional tax audit examiners recommend (Figure C).

The estimates of the total tax gap (in current dollars) increased from $28 billion for 1973 to $62 billion for 1979 to $85 billion for 1987. The gap is projected to increase to $114 billion for 1992. The estimated and projected growth of the tax gap is due in large part to the growth of income tax liabilities through real expansion of the economy and through inflation.

Figure B.—Gross Tax Gap by Source, Income Year 1987

[All figures are estimates—money amounts are in millions of dollars]

Source of gap	Tax gap[1]	Percentage of total
Total income tax gap	**$84,874**	**100.0%**
Individual income tax gap, total	**63,475**	**74.8**
Filers of tax returns, total	56,301	66.3
Underreported income, total	48,292	56.9
Wages and salaries	1,417	1.7
Interest and dividends	3,227	3.8
Capital gains	6,650	7.8
Informal suppliers[2]	7,739	9.1
Other nonfarm proprietor income	16,646	19.6
Farm income	1,904	2.2
Income from partnerships and S Corporations	3,216	3.8
Pensions and annuities	123	0.1
Rents and royalties	3,141	3.7
Estate and trust income	64	0.1
State income tax refunds	86	0.1
Alimony income	173	0.2
Taxable unemployment and social security benefits	338	0.4
Other income	3,566	4.2
Overstated subtractions, total	6,062	7.1
Deductions	3,478	4.1
Personal exemptions	2,039	2.4
Statutory adjustments	545	0.6
Overstated credits	899	1.0
Math errors	1,049	1.2
Nonfilers of tax returns	7,174	8.4
Corporation income tax gap, total	**21,399**	**25.2**
Small corporations (total assets under $10,000,000), total	5,225	6.2
Underreported income	2,519	3.0
Overstated deductions	2,706	3.2
Large corporations (total assets $10,000,000 or more)	15,845	18.7
Other[3]	329	0.4

[1] The gap and its components are measured net of overpayments.
[2] Informal suppliers are sole proprietors who operate with informal business styles; see text for examples.
[3] Consists of $164 million gap for fiduciaries reporting income of estates and trusts and $165 million gap for tax-exempt organizations reporting "unrelated business income," both classified under corporations for purposes of this analysis.
Note: Detail may not add to totals because of rounding.

Changes in voluntary compliance, however, also exert an important influence on the trend in the individual tax gap. Corporate compliance data over time are quite limited. Consequently, in estimating and projecting the corporate tax gap, essentially one composite VCR was used to represent corporate compliance for all years.

The growth rate in the individual gap is fairly rapid from 1973 to 1979, but much slower from 1979 to 1982. These trends reflect changes in the VCR for individuals—which decreased from 84.6 percent for 1973 to 81.8 percent for 1979, and then increased to 83.7 percent for 1982. From 1982 to 1986, the combined influence of real economic growth and inflation dominate the trends in both individual and corporate tax gaps. From 1986 to 1988, the Tax Reform Act of 1986 (TRA) causes the individual gap to decline and the corporation gap to increase even as economic factors continue to exert their normal influences on the tax gap.

None of the trend changes after 1982 can be attributed to changes in compliance. This is because the data needed to determine improvements or declines in voluntary compliance do not exist. The most recent year for which IRS has data from the Taxpayer Compliance Measurement Program (TCMP) for individuals is 1982 [7]. Consequently, for years after 1982, it was assumed that the voluntary reporting percentage for each source of income, such as sole proprietor income or wage income, remained constant. Similarly, after 1982, the reporting percentage for each deduction, exemption, adjustment, or credit claimed is also assumed to remain constant.

Even though the reporting percentage for every individual income source and every subtraction from individual income or tax is held constant, the overall VCR for the individual income tax may fluctuate. This is because the relative weights of the various income and subtraction items, which contribute to the overall noncompliance rate, change over time in response to changing economic conditions. It is known that some types of income are not reported as well as others. Consequently, if, in response to changing economic conditions, the relative importance of the more poorly reported types (e.g., proprietor income) increases, the VCR's for total individual income for those years decline. For example, the individual VCR declined from 83.7 percent for 1982, a recession year, to 81.6 percent for 1985, a year of expansion.

As Figure E shows, the combined influence of a prosperous period, which enlarged the tax base, and a decline in the VCR, accelerated the growth rate of the individual tax gap from 1982 to 1985. The drop in the individual tax gap from $79.3 billion for 1986 to $63.5 billion for 1987 is primarily due to the 1986 tax reform. This new law lowered marginal tax rates and repealed or limited many deductions, thereby reducing the possibility for taxpayers to overstate these deductions.

As mentioned above, in estimating and projecting the total corporate tax gap, for the most part one composite VCR was used to represent the corporate sector's compliance behavior for all years. The decline in the corporate gap from $15.0 billion for 1979 to $10.7 billion for 1982 reflects a drop in corporate tax liabilities due to the two back-to-back recessions in 1980 and 1981 to 1982, in addition to the tax cuts contained in the Economic Recovery Tax Act of 1981. The increase in the corporate tax gap, from an estimated $15.6 billion for 1986 to an estimated $21.4 billion for 1987, is attributable to the new law enacted in 1986 and to higher corporate profits, which together increased corporation tax liabilities for 1987.

TRA had a minor impact on the rate of change in the total tax gap from 1987 to 1988. After 1988, the increases in the individual and corporate tax gap estimates reflect little more than projected increases in tax (liabilities) of individuals and corporations.

Figure C.—Estimated Gross Tax Gaps and Voluntary Compliance Rates After Audit Examination, Selected Income Years, 1973–1992[1]

[All data are estimates—money amounts are in billions of dollars]

Source of gap	1973	1976	1979	1982	1985	1986	1987	1988	1992
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Total tax gap	**$28.4**	**$40.7**	**$61.7**	**$62.6**	**$87.8**	**$95.0**	**$84.9**	**$87.1**	**$113.7**
Individuals, total	19.7	29.6	46.8	51.9	73.3	79.3	63.5	64.3	82.6
Filers	17.9	26.8	42.3	46.2	65.5	71.2	56.3	56.9	72.4
Understated income	15.4	24.6	36.4	38.1	54.6	60.0	48.3	48.5	62.8
Overstated subtractions	2.4	2.0	4.7	6.5	8.6	8.9	6.0	6.1	6.8
Overstated credits	−.1	−.3	.6	.9	1.2	1.3	.9	1.1	1.3
Math errors	.2	.2	.5	.7	1.0	1.0	1.0	1.1	1.5
Nonfilers	1.8	2.8	4.5	5.7	7.8	8.1	7.2	7.3	10.2
Corporations[2]	8.8	11.1	15.0	10.7	14.4	15.6	21.4[3]	22.8	31.1
Total voluntary compliance rate (VCR)	**83.7%**	**82.4%**	**81.7%**	**83.4%**	**81.6%**	**81.1%**	**83.2%**	**83.6%**	**84.2%**
Individuals	84.6	82.6	81.8	83.7	81.6	81.0	83.5	84.0	84.9
Corporations[2]	81.3	81.6	81.3	81.8	81.7	81.7	82.5	82.4	82.5

[1] The gap and its components are measure net of overpayments.
[2] Includes the tax gaps for fiduciaries reporting income of estates and trusts and for tax-exempt organizations reporting "unrelated business income," both classified under corporations for purposes of this analysis.
[3] The increase in the corporate tax gap from 1986 to 1987 is attributable to the increase in corporate tax liabilities due to tax law changes enacted in 1986 and to the increase in corporate profits.

Figure D.—Estimated Gross Tax Gaps and Voluntary Compliance Rates After All Appeals, Selected Income Years, 1973–1992[1]

[All data are estimates—money amounts are in billions of dollars]

Source of gap	1973	1976	1979	1982	1985	1986	1987	1988	1992
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Total tax gap	**$23.7**	**$34.2**	**$52.0**	**$53.9**	**$75.5**	**$81.1**	**$71.2**	**$72.8**	**$95.0**
Individual	17.5	26.3	41.4	46.3	64.8	70.1	56.1	56.8	73.1
Corporations[2]	6.2	7.8	10.6	7.6	10.7	11.0	15.1[3]	16.0	21.9
Total voluntary compliance rate (VCR)	**86.0%**	**84.8%**	**84.1%**	**85.3%**	**83.8%**	**83.4%**	**85.6%**	**85.9%**	**86.6%**
Individuals	86.1	84.3	83.6	85.2	83.4	82.9	85.1	85.6	86.4
Corporations[2]	85.9	86.2	86.0	86.3	85.8	86.4	87.0	86.9	87.1

[1] The gaps shown are net of overpayments.
[2] Includes the tax gaps for fiduciaries reporting income of estates and trusts and for tax-exempt organizations reporting "unrelated business income," both classified under corporations for purposes of this analysis.
[3] The increase in the corporate tax gap from 1986 to 1987 is attributable to the increase in corporate tax liabilities due to tax law changes enacted in 1986 and to the increase in corporate profits.

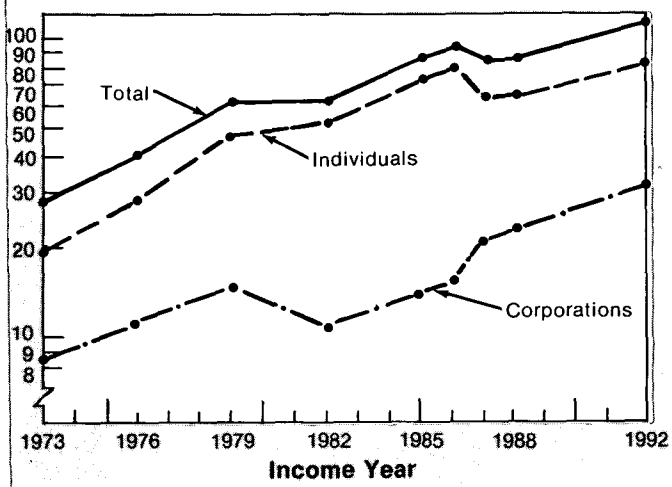
EFFECTS OF RECENT TAX LAWS

The widespread publicity given in recent years to problems of tax evasion culminated in a series of remedial measures. Among these are the compliance provisions of the Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982, the Interest and Dividend Tax Compliance Act of 1983, the Deficit Reduction Act of 1984, and the TRA of 1986. These provisions taken together have enhanced IRS capabilities to detect and correct noncompliance with income tax laws.

As a result of the above legislation, brokers and barter exchanges must file information returns on their customers' stock sales, large food and beverage establishments must allocate and report tips their employees receive equal to 8 percent of their sales, State and local Governments must file information reports on the tax refunds they issue, and alimony payers must report the names and taxpayer identification numbers of persons receiving the alimony payments. Information reporting also expanded to include real estate transactions, direct sales, sales of precious metals, and deductions individuals claim for mortgage interest payments. Receivers of charitable contributions in kind must now report on the disposal value of contributions initially valued at $5,000 or more. Moreover, individuals must report the social security numbers of all their dependents who are age 5 or older.

Although TEFRA's withholding provisions on interest and dividends were repealed before they took effect, backup withholding reinforced the interest and dividend information reporting system. Greater penalties for filers of inadequate information returns and for individuals who substantially understate their liabilities should help to contain noncompliant behavior, although it is not feasible to estimate what impact these penalties will have on the tax gap. The main thrust of the Tax Reform Act of 1986 was to reduce marginal tax rates and, at the same time, broaden the tax base to make the overall effect of reform "revenue neutral." Because the tax value of every dollar of unreported income or overstated deduction depends on the marginal tax rate, however, tax reform automatically reduced the individual tax gap. In addition, by lowering tax liabilities for individuals and raising them for corporations, tax reform shifted some of the gap from the household to the corporate sector.

Figure E
Gross Tax Gap, Selected Income Years 1973-1992
Billions of dollars



IRS gross tax gap estimates do not reflect those effects, mostly behavioral ones, of the law which are difficult to quantify. For example, it is possible that compliance may improve in response to the lowered individual and corporate marginal tax rates. On the other hand, the extensive changes in the law may cause some initial confusion, which could cause compliance to deteriorate temporarily. Another unquantifiable factor is the extent to which some of the tax gap may shift from the corporate to the household sector as small corporations reorganize as proprietorships and partnerships. Such a shift may be expected because TRA lowered most individual marginal tax rates to less than 34 percent, the new maximum rate for corporations. Before TRA, high income individuals were taxed at 50 percent on their marginal income, which was higher than the maximum corporate tax rate of 46 percent.

SUMMARY

The experience of the past 15 years demonstrates that the individual voluntary compliance rate (VCR) decreased from 1973 to 1979 and increased from 1979 to 1982. The tax gap responds both to business conditions and to changes in individuals' propensity to comply with tax law. The effect of business conditions is demonstrated by the approximately 40 percent increase in the individual gap from 1982 to 1985—a period in which the voluntary reporting percentage for each income and deduction item was assumed to remain constant. From 1986 to 1987, the 20 percent drop in the individual gap and the almost 40 percent increase in the corporate gap dramatize how changes in law can have a large impact on the tax gap.

Tax gap estimation is not a precise science. As new information becomes available, and as new studies and improved methods shed more light on the data, IRS conceptions of the size, composition of, and trends in the tax gap may change.

NOTES AND REFERENCES

[1] See also, U.S. Department of the Treasury, Internal Revenue Service, *Income Tax Compliance Research; Gross Tax Gap Estimates and Projections for 1973–1992,* Research Division, March 1988.

[2] See McCrohan, Kevin F., and Smith, James D., "Informal Suppliers in the Underground Economy," *Statistics of Income Bulletin,* Summer 1983, Volume 3, Number 1, and Pearl, Robert B., and McCrohan, Kevin F., "Estimates of Tip Income in Eating Places," *Statistics of Income Bulletin,* Winter 1983–1984, Volume 3, Number 3; also, Pearl, Robert B., "Tipping Practices of American Households: 1984," Survey Research Laboratory, University of Illinois, October 1985, (unpublished report written under contract to the Internal Revenue Service) and U.S. Department of the Treasury, Internal Revenue Service, "Restaurant Tipping Study: Consumer Based Estimates for 1979," Research Division, February 1983 (unpublished).

[3] See, for example, Batt, William, "The Underground Economy: What Is It? How Big Is It? And How Is It Measured?," *Manhattan College Journal of Business,* Fall 1985; *The Underground Economy in the United States and Abroad,* edited by Vito Tanzi, Lexington, Massachusetts, and Toronto, Canada, Lexington Books, D.C. Heath and Company, 1982; Feige, Edgar L., "How Big Is the Irregular Economy?" *Challenge,* Nov/Dec 1979; and Gutmann, Peter M., "Off the Books," *Across The Board,* August 1978.

[4] For a description of the activities covered by the term "underground economy," see Carson, Carol S., "The Underground Economy: An Introduction," *Survey of Current Business,* U.S. Department of Commerce, Bureau of Economic Analysis, May 1984.

[5] Actually, about $0.3 billion of the $21.4 billion "corporate" tax gap is due to underreported taxes on the income of estates and trusts that fiduciary agents report and on the "unrelated business income" that tax-exempt organizations report, both of which were classified as corporate taxes for purposes of this report.

[6] The net income of a qualified S Corporation (defined in section 1371 of the Internal Revenue Code), whether or not distributed, is taxed through each stockholder.

Therefore, its tax treatment is quite similar to that of partnership income.

[7] In the Taxpayer Compliance Measurement Program (TCMP), the Internal Revenue Service audits a representative sample of individual income tax returns and then "weights" the results to provide estimates of the aggregate error that would be found for each tax return line item if *all* such returns were audited. However, audit examiners are not as successful in detecting income not reported (especially income earned "off the books") as they are in uncovering deductions or credits that are overstated. As a result, TCMP results must be supplemented by special compliance studies and surveys to measure some of the components of the tax gap.

Partnership Returns, 1986

By Alan Zempel*

Partnership losses for 1986, $17.4 billion, were almost double the losses experienced by partnerships in 1985 ($8.9 billion) [1,2]. Among those reporting exceptionally large losses were real estate operators and lessors of buildings ($32.8 billion) and oil and gas extraction industries ($2.7 billion). These industries are generally associated with tax shelter activities that provided "tax losses" benefitting partners. For 1985, the oil and gas extraction industries reported a $2.3 billion gain, but this was an exception to the long string of losses reported over the last decade. Other industries reporting large losses for 1986 were communications ($3.2 billion), real estate subdividers and developers ($3.0 billion) and hotels ($3.4 billion).

DATA HIGHLIGHTS

Although reported losses nearly doubled for 1986, the number of returns filed by active partnerships—1,702,952—was almost the same as the number for 1985 [3].

Figure A shows, by industrial division, a comparison of the number of partnerships and the net income (less deficit) for 1985 and 1986. Partnerships operating in the finance, insurance, and real estate industry continued to dwarf those for all other industrial groups. This division accounted for more than 852,000 partnerships, half of all partnerships. Within this division, operators and lessors of buildings accounted for more than 602,000 partnership returns, which was more than a third of all such returns.

The net income (less deficit) in finance, insurance and real estate once again dominated the statistics for 1986. The net loss in this division approached $33 billion, up from a loss of $26 billion in 1985. Partnerships in the services division, in contrast, reported more than $18.5 billion in net income (less deficit), the largest amount of profit reported for any industrial division. Within this division, the largest profits were reported by partnerships operating as legal services ($11.9 billion). Other service industries showing significant amounts of net income were medical and health services ($4.5 billion) and accounting, auditing, and bookkeeping services ($3 billion).

Partnerships in mining reported an overall loss in 1986 of $3.5 billion. Almost $2.7 billion of this loss was in oil and gas extraction. This industry's long string of losses was broken only by a $2.3 billion gain in 1985 [4].

Figure B shows partnership income and loss, separately, by industrial division for 1986. The finance, insurance, and real estate division shows the largest amount of net income ($32 billion): the services division is a close second ($29 billion). Together, these divisions accounted for almost 77 percent of net income of all partnerships.

The overall net loss of partnerships is dominated by the finance, insurance, and real estate industrial division. The net loss of this division ($65 billion) accounted for more than 67 percent of total partnership losses ($97.5 billion). Within this division, losses incurred by operators and lessors of buildings exceeded $50.6 billion, which was more than 60 percent of all partnership losses. Only about 39 percent of the returns in this industry had positive net income, amounting to $17.8 billion.

The services division shows a loss of $10 billion, which is the second largest among the industrial divisions. However,

Figure A.—Number of Partnerships and Net Income Less Deficit, by Industrial Division, Income Years 1985 and 1986

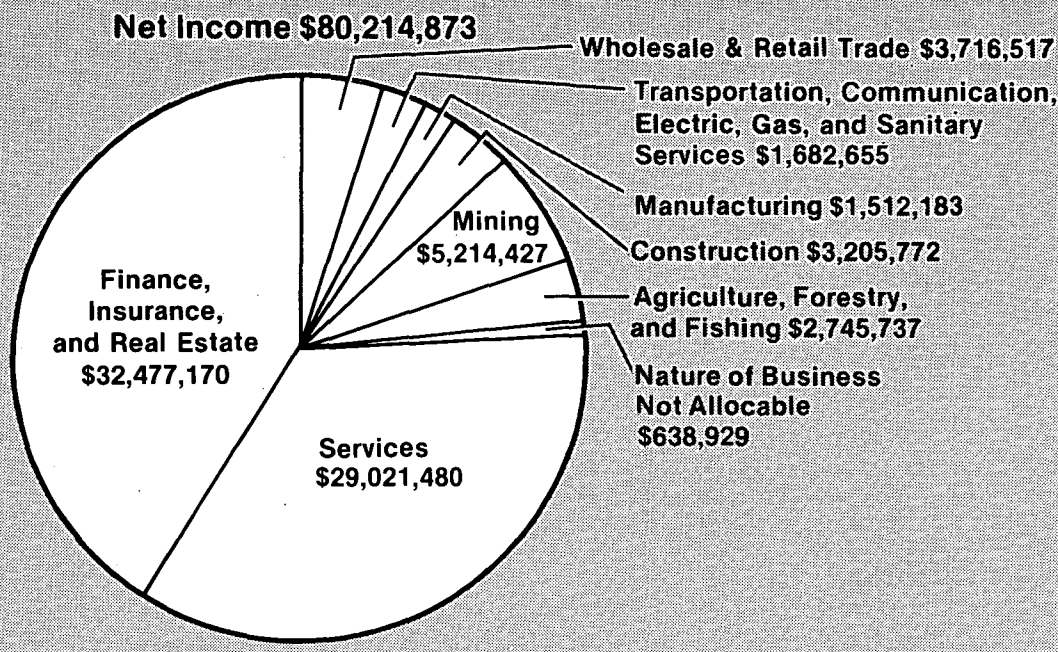
[All figures are estimates based on samples—money amounts are in thousands of dollars]

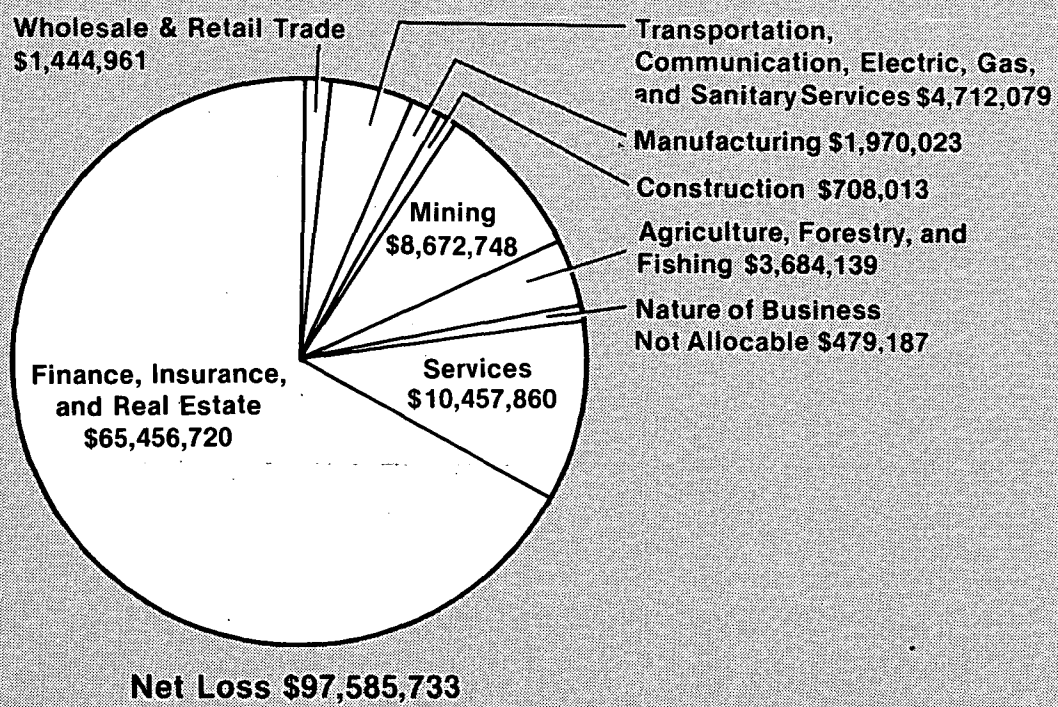
Industrial division	Number of partnerships				Net income (less deficit)		
	1985	1986	Change		1985	1986	Change
			Number	Percentage			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All industries[1]	1,713,603	1,702,952	-10,651	-0.6%	$-8,883,674	$-17,370,860	$-8,487,186
Agriculture, forestry, and fishing	135,909	147,532	11,623	7.6	-1,049,434	-938,402	111,032
Mining	62,363	53,142	9,921	15.9	1,481,701	-3,458,320	-4,940,021
Oil and gas extraction	55,816	48,821	-6,995	-12.5	2,272,783	-2,657,208	-4,929,991
Construction	56,665	61,425	4,760	8.4	2,207,401	2,497,759	290,384
Manufacturing	29,980	27,507	-2,473	-8.2	-1,085,187	-457,841	627,346
Transportation and public utilities	24,970	21,059	-3,911	-15.7	-3,066,313	-3,029,423	36,890
Wholesale and retail trade	200,532	174,118	-26,414	-13.1	1,976,685	2,271,556	294,871
Finance, insurance, and real estate	843,867	852,705	8,838	1.0	-25,928,669	-32,979,553	7,050,884
Real estate	694,027	713,383	19,356	2.8	-29,758,568	-36,616,870	-6,585,302
Services	341,295	325,134	-16,161	-4.7	16,541,329	18,563,621	2,022,292

[1] Includes "Nature of business not allocable," which is not shown separately.

* Corporation Special Projects Section.

Figure B.
Net Income or Loss by Industrial Division, Income Year 1986
(All figures are estimates based on samples --money amounts are in thousands of dollars)





this loss was more than offset by the $29 billion in net income, which resulted in a net income (less deficit) of almost $18.5 billion.

Effect of Tax Shelters on Partnership Data

Although the Tax Reform Act of 1986 will have a profound impact on the activities of partnerships established for tax shelter purposes, the data presented in this article are for a year prior to the enactment of this major piece of legislation.

Tax shelters provide investors with a means of realizing an economic profit, while minimizing the taxable income they must report on their tax returns [5]. Partnerships were an effective vehicle for accomplishing these goals, because partners' investment resources can be pooled for a particular activity, and business income (or losses) can be passed through to the partners. Partnership income is not taxed directly [6].

Tax shelters create a mismatching of income and deductions to create tax losses and, at least in the past, converted ordinary income (which is fully taxed) into tax-favored capital gains income [7]. For example, oil and gas partnerships initially produced deductions (and resulting losses) mainly through the expensing of dry hole and intangible drilling costs; only later (if at all) did the oil or gas production result in income. In addition, once wells became productive, they were often sold by the partnership, and the resulting profit received favorable long-term capital gains treatment.

Two of the most common means by which a tax shelter partnership generated deductions (and thereby losses) were through borrowing, which created a deduction for interest paid, and through acquiring property, for which a deduction for accelerated depreciation could be taken. Because real estate is usually acquired by means of a mortgage and buildings are entitled to accelerated depreciation deductions, this industry was well-suited to generating these deductions. There was a further tax advantage when property was held for six months or more, because any gain on the sale of that property was a long-term capital gain which was effectively taxed at lower rates.

Exemption of real estate from the "at risk" rules made this industry particularly attractive since the partner could be entitled to deduct losses far in excess of actual investment in the activity [8]. In fact, losses deducted for the first year of operation could be 10 (or more) times the size of investment required to become a partner. But a high ratio of losses deducted to investment could subject the activity to scrutiny by the Internal Revenue Service to determine whether it was "economically viable." If it was not, the losses were disallowed.

Figure C shows the impact of limited partnerships on the overall data for income years 1982 through 1986. Limited partnerships are those in which the liability of some of the partners is limited to the amount of their investment; general partners are liable for all of the obligations of the partnership. Although there is no limit on the number of limited partners, a partnership must have at least one general partner. Whereas partnership losses had consistently been in the range of $3 billion to $8 billion during the period, the distribution between limited and general partnerships shows significantly different circumstances.

Figure C.—Net Income (Less Deficit) By Type of Partnership, Income Years 1982–1986

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

Income year	Total	Limited partnerships	General partnerships
	(1)	(2)	(3)
1982	$ −7.3	$ −17.5	$10.2
1983	−2.6	−18.7	16.1
1984	−3.5	−22.6	19.1
1985	−8.9	−26.9	18.0
1986	−17.4	−35.5	18.1

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

For limited partnerships, losses exceeded $17 billion for each year starting with 1982, while for general partnerships, the amount of income was at least $10 billion each year. Losses for limited partnerships for 1986 exceeded $35 billion. In contrast income for general partnerships was slightly more than $18 billion. Because the limited partnership form of organization was the most attractive to a potential tax shelter investor, the overall magnitude of the losses attributable to limited partnerships may have been indicative of tax shelter losses.

Net income (less deficit) for limited partnerships is shown by industrial division for 1986 in Figure D. Although only about 16 percent of all partnerships were limited partnerships—even in finance, insurance, and real estate, only slightly

Figure D.—Number of Returns and Net Income (Less Deficit) by Type of Partnership and Industrial Division, Income Year 1986

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

Industrial division	Limited partnerships		General partnerships	
	Number of returns	Net income (less deficit)	Number of returns	Net income (less deficit)
	(1)	(2)	(3)	(4)
All industries	273,076	$ −35,517.1	1,429,876	$18,146.2
Agriculture, forestry, and fishing	9,082	−837.9	138,450	−100.5
Mining	19,031	−492.5	34,111	−2,965.9
Construction	1,671	111.1	59,754	2,386.7
Manufacturing	1,602	−273.7	25,905	−184.1
Transportation and public utilities	2,533	−1,415.3	18,526	−1,614.1
Wholesale and retail trade	9,741	89.9	164,377	2,181.7
Finance, insurance, and real estate	199,512	−29,474.6	653,193	−3,505.0
Services	29,119	−3,171.3	296,015	21,734.9

Note: Detail may not add to totals because of rounding and exclusion from detail of returns with nature of business not allocable.

more than 11 percent were limited partnerships—these partnerships accounted for virtually all partnership losses. Within this industrial division, one industry group, real estate, accounted for $29.8 billion in partnership losses. Operators and lessors of buildings within the real estate industry showed a $26.7 billion loss.

The impact of real estate tax shelters in producing losses is thus evident in the statistics. For 1986, all partnerships in the real estate industry produced an overall net loss of $36.6 billion. Of this, $32.8 billion was reported by partnerships that were operators or lessors of buildings. Over 61 percent of the partnerships in this industry reported a loss, whereas only 50 percent of the partnerships outside the real estate industry realized overall losses.

SUMMARY

As was the case for 1982 through 1985, partnerships reported an overall net loss for 1986. Losses climbed to $17.4 billion for 1986, up from $8.9 billion for 1985. The dominant industry in the statistics, operators and lessors of buildings, accounted for almost 35 percent of the total number of partnerships and almost 50 percent of the assets reported by all partnerships.

DATA SOURCES AND LIMITATIONS

Sample Selection

Tax Year 1986 statistics were estimated from a probability sample stratified by combinations of receipts, total assets, net income (or deficit) and industry. Almost 27,000 returns were selected from a total population of about 1.7 million returns filed during Calendar Year 1987. All partnerships engaging in business or having income from sources within the United States were required to file Form 1065, Partnership Return of Income, to report the income or loss, deductions, credits, and other tax-related items generated by the partnership. Sampling rates ranged from 0.1 percent to 100 percent.

Data Limitations

Because the data presented in this article are based on a sample of returns, they are subject to sampling error. To ensure proper use of the estimates, the magnitude of the sampling error should be known.

Figure E presents approximate coefficients of variation (CV's) for frequency estimates. The approximate CV's shown here are intended only as a general indication of data reliability and are not applicable to money amounts. For numbers of partnerships other than those shown, the corresponding CV's can be estimated by interpolation.

Figure E.—Coefficient of Variation for Frequency Estimates, Income Year 1986

Estimated number of returns	Approximate coefficient of variation
1,760,000	.025
440,000	0.05
110,000	0.10
28,000	0.20
18,000	0.25
9,000	0.35
4,400	0.50

The reliability of estimates based on samples and the use of CV's for evaluating the precision of sample estimates are discussed in the general Appendix to this publication.

Data reported for deductions in Table 1 are understated in both the farming industry and for operators and lessors of buildings in the real estate industries. This understatement results from the requirement to report only the net farm profit or loss and net rental income or loss in the income statement shown on the partnership (Form 1065) return. Details for the specific deductions applicable to these two activities are reported on supplemental schedules that were not used for this study. To the extent that amounts are shown for the detailed deduction items for these two industries in Table 1, they are from business activities other than the primary business activity of farming and real estate.

NOTES AND REFERENCES

[1] Zempel, Alan, "Partnership Returns, 1985," *Statistics of Income Bulletin,* Summer 1987, Volume 7, Number 1.

[2] U.S. Department of the Treasury, Internal Revenue Service, *Statistics of Income, 1978–82, Partnership Returns,* 1985.

[3] The statistics include data only for active partnerships, which are defined as those that reported any items of income or deductions. Thus, a partnership reporting assets but no income or deductions is not included.

[4] More detailed analyses of trends in this industry are available in Zempel, Alan, "Partnership Returns, 1985," and Dworin, Lowell, "An Analysis of Partnership Activity, 1981–83," *Statistics of Income Bulletin,* Spring 1986, Volume 5, Number 4. The latter article also contains a detailed discussion of the nature of reporting particular income and deduction amounts in certain industries.

[5] Partnership losses have been shown to be the largest source of offsets by which high-income individuals reduce their tax liabilities. See Nelson, Susan, "Taxes Paid by High-Income Taxpayers and the Growth of

Partnerships, 1983," *Statistics of Income Bulletin,* Fall 1985, Volume 5, Number 2.

[6] The partnership (Form 1065) income "bottom line" in many cases does not adequately reflect the total net income or loss from partnerships that must be reported on the tax returns of partners. For a discussion of this issue and an analysis of the difference between these two measures, see Dworin, Lowell, "An Analysis of Partnership Activity, 1981–83," *op cit.*

[7] For more detailed information on tax shelters, see, for example, Skiba, Jonathan W., and Sullivan, Joseph P., *The Tax Shelter Answer Book,* Panel Publishers, Inc., Greenvale, NY, 1984.

[8] The "at risk" rules are detailed, for example, in Skiba and Sullivan, *op. cit.*, pp. 71–77, and Willis, Arthur B., Rennell, John S., and Postlewaite, Philip F., *Partnership Taxation,* McGraw-Hill Book Company, New York, 1983.

Table 1.—Total Assets and Income Statement for Selected Industries

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

Item	All industries	Agriculture, forestry, and fishing								
		Total	Farms							
			Total	Field crop	Vegetable and melon	Fruit and tree nut	Beef cattle feedlots	Beef cattle, except feedlots	Hogs, sheep, and goats	Dairy farms
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Partnerships With and Without Net Income										
Number of partnerships	**1,702,952**	**147,532**	**119,217**	**49,793**	**3,703**	**12,872**	**1,901**	**17,352**	**4,636**	**16,758**
Number of partners	**15,228,530**	**642,342**	**480,857**	**152,079**	**11,148**	**137,157**	**4,974**	**68,979**	**13,101**	**40,214**
Total assets	**1,403,750,213**	**24,748,562**	**20,093,668**	**6,578,623**	**643,104**	**4,363,761**	**239,906**	**3,471,957**	**372,685**	**1,858,256**
Total receipts	**397,302,544**	**8,886,669**	**5,545,608**	**2,206,605**	**323,346**	**528,907**	**248,062**	**558,445**	**112,930**	**753,674**
Business receipts	327,428,647	6,084,975	2,968,651	999,188	118,036	245,629	240,631	388,658	37,946	313,173
Income from other partnerships and fiduciaries	4,716,373	32,144	31,970	1,941	14,804	7,298	—	7,868	—	—
Nonqualifying dividends and interest received	21,715,994	325,308	247,853	73,912	2,185	71,514	498	44,780	3,852	20,065
Rents received	23,096,566	242,851	216,604	174,280	2,359	12,841	6	7,107	8,650	6,932
Royalties	1,278,856	75,725	73,889	68,650	1,341	37	40	3,236	—	—
Farm net profit	1,743,021	1,703,829	1,671,765	741,966	176,557	161,574	5,024	78,725	46,218	377,870
Net gain, noncapital assets	3,333,255	211,466	189,993	68,272	4,074	605	98	24,973	7,565	32,554
Other receipts	13,989,833	210,371	144,882	78,397	3,990	29,410	1,766	3,099	8,699	3,079
Total deductions	**414,673,405**	**9,825,072**	**6,184,738**	**1,644,003**	**188,342**	**759,309**	**265,310**	**1,243,024**	**422,950**	**503,131**
Cost of sales and operations	164,167,707	3,382,137	1,899,905	611,350	76,940	146,125	203,524	264,566	32,184	221,414
Inventory, beginning of year	24,831,895	485,474	370,097	229,933	9,884	29,832	34,308	28,451	1,518	13,336
Purchases	100,010,383	2,013,222	1,266,769	361,397	29,827	38,895	193,873	188,656	29,309	213,700
Cost of labor	9,789,253	275,059	100,629	61,533	6,323	16,723	2,483	1,077	—	823
Other costs	57,000,019	1,091,186	554,682	186,551	43,163	111,437	7,134	63,651	1,427	9,925
Less: Inventory, end of year	27,463,816	482,804	392,273	228,064	12,257	50,762	34,275	17,270	70	16,369
Salaries and wages	36,304,654	391,300	168,492	69,125	4,972	30,072	3,795	3,847	—	11,548
Less: Jobs credit	41,169	4	4	2	2	—	—	—	—	—
Guaranteed payments to partners	7,237,781	302,101	261,243	97,082	1,170	19,479	166	38,739	4,907	89,049
Rent paid	9,479,021	100,428	47,937	20,752	858	1,895	1,042	2,680	—	10,265
Interest paid	29,452,297	291,391	134,244	48,200	6,502	19,444	4,658	21,329	145	5,633
Taxes paid	7,866,233	102,789	51,705	29,177	1,381	6,172	491	880	329	4,400
Bad debts	1,085,091	16,176	10,886	9,116	32	323	24	—	—	188
Repairs	2,538,640	143,419	57,729	40,041	2,201	2,716	1,125	273	1,040	4,397
Depreciation [1]	25,446,371	619,227	251,374	58,397	22,044	17,424	1,807	5,854	2,222	18,183
Depletion	311,118	48,044	—	—	—	—	—	—	—	—
Pension, profit sharing, annuity and bond purchase plans	851,939	6,232	2,752	1,713	28	48	75	—	—	—
Employee benefit plans	1,187,781	10,166	6,763	3,978	64	245	76	64	799	1,007
Net loss from other partnerships and fiduciaries	15,076,648	242,794	223,720	4,755	61	2,414	—	213,599	—	262
Rent net loss	38,862,999	73,209	63,065	6,919	16	12,387	—	350	—	583
Royalty net loss	37,477	11,023	11,023	11,023	—	—	—	—	—	—
Farm net loss	2,607,243	2,448,790	2,143,012	465,786	24,248	431,505	34,028	498,833	379,107	107,475
Net loss, noncapital assets	530,744	116,453	112,971	9,929	—	116	2	79,370	3	4,023
Other deductions	71,670,832	1,519,393	737,921	156,661	47,828	68,944	14,498	112,639	2,215	24,702
Net income (less deficit)	**−17,370,860**	**−938,402**	**−639,130**	**562,602**	**135,004**	**−230,403**	**−17,248**	**−684,578**	**−310,019**	**250,542**
Net income	80,214,873	2,745,737	2,288,143	1,092,203	207,334	240,243	16,975	109,364	62,809	379,989
Deficit	97,585,733	3,684,139	2,927,274	529,601	72,330	470,646	34,223	793,942	372,828	129,447
Partnerships With Net Income										
Number of partnerships	**850,884**	**77,733**	**63,324**	**33,796**	**2,086**	**3,530**	**877**	**6,584**	**2,036**	**9,977**
Number of partners	**7,640,660**	**278,580**	**245,267**	**109,879**	**5,748**	**63,173**	**1,893**	**24,793**	**4,326**	**22,666**
Total assets	**562,371,275**	**9,443,937**	**8,081,416**	**3,620,623**	**316,026**	**1,785,089**	**139,300**	**570,879**	**59,516**	**746,992**
Total receipts	**286,653,137**	**6,685,712**	**4,439,476**	**1,794,041**	**282,386**	**385,122**	**200,702**	**402,024**	**99,522**	**661,863**
Business receipts	232,562,285	4,314,307	2,201,713	676,500	88,710	136,309	194,566	289,742	36,001	278,335
Income from other partnerships and fiduciaries	4,457,848	25,547	25,417	1,860	9,415	6,984	—	7,158	—	—
Nonqualifying dividends and interest received	15,851,020	186,857	155,428	61,944	1,181	54,499	407	16,471	2,947	14,820
Rents received	17,931,034	186,711	182,429	153,309	82	6,950	6	5,919	8,650	6,723
Royalties	1,149,958	65,440	63,604	63,527	—	37	40	—	—	—
Farm net profit	1,680,047	1,642,946	1,610,882	722,573	176,557	157,403	5,024	78,725	42,546	347,043
Net gain, noncapital assets	2,413,568	107,439	93,069	58,005	3,455	582	16	3,303	679	12,703
Other receipts	10,607,378	156,465	106,935	56,324	2,986	22,359	643	706	8,699	2,238
Total deductions	**206,438,265**	**3,939,975**	**2,151,332**	**701,838**	**75,052**	**144,879**	**183,727**	**292,660**	**36,714**	**281,874**
Cost of sales and operations	106,133,685	2,243,678	1,399,893	404,487	65,574	75,166	161,232	187,108	30,680	208,364
Inventory, beginning of year	13,557,142	253,683	194,524	130,256	9,884	12,653	18,769	3,710	14	11,290
Purchases	67,343,008	1,398,959	970,087	251,541	29,827	26,275	149,104	132,606	29,258	199,342
Cost of labor	6,435,178	119,012	61,004	44,434	5,347	2,909	2,483	1,042	—	823
Other costs	33,902,296	698,566	353,555	84,307	32,773	48,788	7,134	55,350	1,427	9,925
Less: Inventory, end of year	15,103,928	226,542	179,276	106,051	12,257	15,460	16,258	5,601	19	13,015
Salaries and wages	26,942,308	256,133	97,315	36,340	2,028	17,686	3,244	1,156	—	9,077
Less: Jobs credit	28,332	2	2	—	2	—	—	—	—	—
Guaranteed payments to partners	4,348,599	118,830	86,606	50,931	92	2,411	—	9,290	—	20,493
Rent paid	6,390,866	50,624	20,765	6,960	118	154	561	203	—	9,198
Interest paid	9,039,441	90,756	48,835	18,700	616	4,412	3,469	11,864	145	3,984
Taxes paid	4,446,265	56,056	32,074	21,213	493	3,252	408	98	101	2,271
Bad debts	379,650	5,979	1,948	1,414	32	14	24	—	—	188
Repairs	1,333,898	109,390	41,651	32,425	89	789	935	254	1,040	3,296
Depreciation [1]	7,772,914	180,195	66,604	40,997	319	2,231	1,594	1,027	2,222	7,690
Depletion	252,907	1,135	—	—	—	—	—	—	—	—
Pension, profit sharing, annuity and bond purchase plans	781,384	4,203	1,077	39	28	48	75	—	—	—
Employee benefit plans	819,062	5,111	2,691	155	36	110	76	—	799	986
Net loss from other partnerships and fiduciaries	489,510	4,966	4,384	1,294	61	2,414	—	26	—	—
Rent net loss	767,099	2,471	894	—	16	500	—	350	—	28
Royalty net loss	239	47	47	47	—	—	—	—	—	—
Farm net loss	42,015	18,544	17,255	7,708	—	7,736	—	1,811	—	—
Net loss, noncapital assets	50,226	2,198	983	29	—	—	—	105	—	—
Other deductions	36,476,529	789,661	328,312	79,099	5,553	27,957	12,109	79,367	1,727	16,297
Net income	**80,214,873**	**2,745,737**	**2,288,143**	**1,092,203**	**207,334**	**240,243**	**16,975**	**109,364**	**62,809**	**379,989**

Footnotes at end of table.

Table 1.—Total Assets and Income Statement for Selected Industries—Continued

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

Item	Agriculture, forestry, and fishing—continued				Mining			Construction		
	Farms—continued			Agricultural services, forestry, and fishing	Total	Oil and gas extraction	Other mining	Total	General contractors	Special trade contractors
	Poultry and eggs	General livestock including animal specialty	Other farms							Total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Partnerships With and Without Net Income										
Number of partnerships	**792**	**6,223**	**5,187**	**28,315**	**53,142**	**48,821**	**4,321**	**61,425**	**24,610**	**36,815**
Number of partners	**1,756**	**19,599**	**31,848**	**161,485**	**2,350,587**	**2,270,092**	**80,495**	**137,404**	**58,455**	**78,949**
Total assets	**469,835**	**1,721,160**	**374,381**	**4,654,894**	**66,968,783**	**55,987,206**	**10,981,577**	**16,555,693**	**14,099,894**	**2,455,799**
Total receipts	**268,706**	**361,060**	**183,872**	**3,341,062**	**17,831,325**	**13,725,131**	**4,106,194**	**27,620,392**	**18,672,852**	**8,947,540**
Business receipts	228,302	252,292	144,796	3,116,324	14,749,011	10,994,552	3,754,459	26,822,853	17,954,696	8,868,157
Income from other partnerships and fiduciaries	—	60	—	174	766,874	765,138	1,736	235,138	234,665	473
Nonqualifying dividends and interest received	1,286	20,420	9,341	77,455	354,307	333,748	20,559	190,132	167,959	22,173
Rents received	414	2,093	1,922	26,247	47,293	44,611	2,681	88,828	67,891	20,937
Royalties	—	586	—	1,836	878,543	855,064	23,479	873	835	38
Farm net profit	38,539	20,805	24,489	32,064	944	944	—	38	38	—
Net gain, noncapital assets	31	51,677	145	21,473	186,500	176,201	10,299	46,933	31,450	15,483
Other receipts	135	13,128	3,179	65,489	847,854	554,874	292,980	235,598	215,318	20,280
Total deductions	**226,825**	**683,284**	**248,560**	**3,640,334**	**21,289,645**	**16,382,339**	**4,907,307**	**25,122,633**	**17,249,361**	**7,873,272**
Cost of sales and operations	139,123	144,989	59,691	1,482,232	5,249,671	2,514,308	2,735,362	20,178,626	14,999,546	5,179,080
Inventory, beginning of year	3,657	16,506	2,673	115,377	275,719	30,754	244,965	2,888,761	2,664,080	224,681
Purchases	41,642	141,677	27,793	746,453	1,023,853	662,251	361,602	6,015,268	3,397,730	2,617,538
Cost of labor	1,897	875	8,896	174,430	431,012	75,205	355,807	3,031,635	2,089,779	941,856
Other costs	95,161	14,666	21,569	536,504	3,744,205	1,787,647	1,956,557	12,004,614	10,410,793	1,593,821
Less: Inventory, end of year	3,233	28,734	1,239	90,531	225,118	41,550	183,568	3,761,657	3,562,838	198,819
Salaries and wages	5,539	20,723	18,870	222,809	414,881	358,524	56,357	1,146,488	414,385	732,103
Less: Jobs credit	—	—	—	—	189	—	189	8	8	—
Guaranteed payments to partners	3,248	7,281	120	40,859	71,272	50,920	20,352	424,474	229,757	194,717
Rent paid	2,650	633	7,161	52,491	164,922	133,953	30,969	184,637	99,170	85,467
Interest paid	1,352	9,778	17,203	157,147	1,021,894	825,053	196,841	327,225	218,977	108,248
Taxes paid	659	3,706	4,509	51,085	608,178	471,283	136,895	238,718	89,233	149,485
Bad debts	504	40	658	5,290	61,221	56,692	4,529	18,445	8,091	10,354
Repairs	1,811	3,834	291	85,690	68,654	43,725	24,929	99,396	34,292	65,103
Depreciation [1]	3,393	75,562	46,489	367,853	4,484,338	3,923,198	561,140	394,051	148,772	245,279
Depletion	—	—	—	48,044	248,511	83,663	164,848	1,876	1,692	184
Pension, profit sharing, annuity and bond purchase plans	147	740	—	3,480	47,689	39,848	7,841	11,705	7,431	4,274
Employee benefit plans	183	124	223	3,403	30,264	13,986	16,278	30,082	11,992	18,090
Net loss from other partnerships and fiduciaries	—	2,630	—	19,074	490,952	480,422	10,530	34,315	30,037	4,278
Rent net loss	—	42,811	—	10,144	8,053	7,643	410	96,718	96,161	558
Royalty net loss	—	—	—	—	13	13	—	167	—	167
Farm net loss	14,172	175,904	11,954	305,777	47,978	47,306	671	1,646	1,646	—
Net loss, noncapital assets	2	19,526	—	3,483	10,029	7,872	2,158	19,813	10,386	9,427
Other deductions	54,042	175,003	81,390	781,472	8,261,315	7,323,929	937,386	1,914,257	847,799	1,066,457
Net income (less deficit)	**41,882**	**-322,224**	**-64,688**	**-299,272**	**-3,458,320**	**-2,657,208**	**-801,113**	**2,497,759**	**1,423,491**	**1,074,268**
Net income	57,270	80,968	40,989	457,593	5,214,427	4,660,460	553,967	3,205,772	1,904,335	1,301,436
Deficit	15,388	403,192	105,678	756,865	8,672,748	7,317,667	1,355,080	708,013	480,845	227,168
Partnerships With Net Income										
Number of partnerships	**788**	**1,077**	**2,573**	**14,409**	**22,785**	**21,613**	**1,172**	**41,176**	**11,511**	**29,665**
Number of partners	**1,663**	**4,961**	**6,164**	**33,313**	**1,505,782**	**1,477,972**	**27,810**	**89,786**	**28,440**	**61,347**
Total assets	**454,494**	**334,407**	**54,089**	**1,362,521**	**30,231,198**	**27,573,853**	**2,657,345**	**10,404,915**	**8,572,227**	**1,832,688**
Total receipts	**250,378**	**261,908**	**101,530**	**2,246,236**	**13,105,713**	**10,081,557**	**3,024,156**	**22,836,551**	**15,593,234**	**7,243,317**
Business receipts	210,012	216,263	75,274	2,112,594	10,481,656	7,741,209	2,740,447	22,117,179	14,942,503	7,174,676
Income from other partnerships and fiduciaries	—	—	—	131	692,674	692,291	383	230,568	230,125	443
Nonqualifying dividends and interest received	1,261	1,589	308	31,430	210,687	198,063	12,623	167,392	147,885	19,507
Rents received	414	331	46	4,282	25,919	24,962	957	60,409	40,824	19,586
Royalties	—	—	—	1,836	839,871	825,845	14,026	864	826	38
Farm net profit	38,539	17,984	24,489	32,064	407	407	—	38	38	—
Net gain, noncapital assets	29	14,296	1	14,370	145,978	141,511	4,467	35,595	24,241	11,354
Other receipts	124	11,445	1,412	49,530	708,522	457,268	251,254	224,507	206,793	17,714
Total deductions	**193,109**	**180,940**	**60,540**	**1,788,643**	**7,891,286**	**5,421,097**	**2,470,189**	**19,630,779**	**13,688,898**	**5,941,881**
Cost of sales and operations	126,548	119,278	21,456	843,785	3,283,128	1,579,767	1,703,361	16,367,972	12,438,146	3,929,825
Inventory, beginning of year	1,720	6,227	—	59,160	77,848	8,752	69,095	2,014,685	1,858,316	156,369
Purchases	33,374	111,124	7,635	428,872	828,071	553,280	274,791	4,819,439	2,686,598	2,132,842
Cost of labor	787	875	2,306	58,008	189,714	41,760	147,954	2,422,221	1,848,066	574,155
Other costs	92,191	10,143	11,515	345,011	2,244,724	987,912	1,256,812	10,027,082	8,866,358	1,160,724
Less: Inventory, end of year	1,524	9,090	—	47,266	57,229	11,938	45,291	2,915,458	2,821,192	94,266
Salaries and wages	4,677	17,059	6,047	158,818	134,867	92,689	42,178	852,144	291,342	560,802
Less: Jobs credit	—	—	—	—	108	—	108	3	3	—
Guaranteed payments to partners	3,248	21	120	32,224	40,635	29,883	10,752	213,062	74,172	138,890
Rent paid	450	541	2,580	29,859	31,387	26,750	4,637	137,575	76,897	60,678
Interest paid	840	3,697	1,107	41,922	272,510	243,799	28,711	181,401	114,471	66,930
Taxes paid	648	1,975	1,615	23,981	268,271	197,872	70,400	183,152	59,830	123,323
Bad debts	—	16	260	4,031	6,387	2,158	4,229	10,478	3,442	7,036
Repairs	1,710	845	268	67,739	23,252	16,772	6,480	73,969	26,203	47,766
Depreciation [1]	3,241	5,162	2,121	113,591	1,058,140	932,901	125,239	269,666	87,511	182,156
Depletion	—	—	—	1,135	242,414	83,663	158,751	1,876	1,692	184
Pension, profit sharing, annuity and bond purchase plans	147	740	—	3,126	44,305	38,305	6,001	8,622	4,562	4,061
Employee benefit plans	183	124	223	2,420	12,311	7,545	4,766	17,270	4,634	12,637
Net loss from other partnerships and fiduciaries	—	589	—	582	27,853	20,116	7,737	1,456	1,433	23
Rent net loss	—	—	—	1,577	417	416	1	5,307	4,958	349
Royalty net loss	—	—	—	—	3	3	—	—	—	—
Farm net loss	—	—	—	1,289	8,826	8,826	—	—	—	—
Net loss, noncapital assets	2	848	—	1,215	3,891	3,771	120	10,255	976	9,278
Other deductions	51,415	30,044	24,744	461,350	2,432,797	2,135,863	296,934	1,296,576	498,632	797,944
Net income	**57,270**	**80,968**	**40,989**	**457,593**	**5,214,427**	**4,660,460**	**553,967**	**3,205,772**	**1,904,335**	**1,301,436**

Footnotes at end of table.

Table 1.—Total Assets and Income Statement for Selected Industries—Continued

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

Item	Construction—continued				Manufacturing				
	Special trade contractors—continued								
	Plumbing, heating, and air conditioning	Painting, paper hanging and decorating	Masonry, stonework, tile setting and plastering	Contractors, not elsewhere classified	Total	Lumber and wood products, except furniture	Printing, publishing, and allied industries	Machinery, except electrical	Other manufacturing industries
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)
Partnerships With and Without Net Income									
Number of partnerships	**7,537**	**5,274**	**1,488**	**22,516**	**27,507**	**1,895**	**5,505**	**96**	**20,011**
Number of partners	**14,153**	**10,051**	**3,327**	**51,418**	**107,726**	**11,745**	**26,038**	**663**	**69,280**
Total assets	**158,534**	**144,416**	**93,393**	**2,059,456**	**25,299,208**	**4,012,834**	**1,897,615**	**980,311**	**18,408,448**
Total receipts	**1,649,797**	**764,431**	**657,463**	**5,875,848**	**22,729,009**	**2,442,875**	**2,784,363**	**659,497**	**16,842,275**
Business receipts	1,642,217	763,837	654,480	5,807,623	22,226,737	2,398,004	2,701,382	653,467	16,473,884
Income from other partnerships and fiduciaries	27	—	—	446	15,271	1,048	4	—	14,219
Nonqualifying dividends and interest received	3,208	363	1,385	17,217	123,582	23,542	18,575	2,735	78,730
Rents received	248	—	1,067	19,622	32,368	3,465	4,554	18	24,330
Royalties	—	—	—	38	30,301	214	1,510	211	28,365
Farm net profit	—	—	—	—	473	49	—	—	424
Net gain, noncapital assets	3,438	7	—	12,038	36,250	4,323	1,587	533	29,807
Other receipts	661	225	531	18,864	264,027	12,230	56,750	2,532	192,515
Total deductions	**1,420,967**	**502,362**	**588,270**	**5,361,673**	**23,186,849**	**2,533,724**	**2,662,950**	**745,928**	**17,244,246**
Cost of sales and operations	963,119	193,858	369,107	3,652,995	15,969,450	1,895,293	1,225,186	477,779	12,371,192
Inventory, beginning of year	50,540	608	8,282	165,252	2,552,226	169,428	103,775	142,174	2,136,850
Purchases	665,950	126,146	132,675	1,692,768	9,220,375	659,231	528,811	250,776	7,781,557
Cost of labor	120,351	36,677	89,056	695,773	1,888,162	356,851	184,615	60,316	1,286,380
Other costs	152,137	31,311	148,209	1,262,164	5,044,876	905,708	519,152	131,709	3,488,307
Less: Inventory, end of year	25,859	884	9,114	162,962	2,736,191	195,925	111,167	107,196	2,321,903
Salaries and wages	166,224	108,932	55,838	401,109	1,402,787	75,772	370,946	35,209	920,861
Less: Jobs credit	—	—	—	—	341	115	52	—	174
Guaranteed payments to partners	8,037	6,425	31,390	148,866	164,621	28,767	19,737	225	115,892
Rent paid	31,486	5,036	4,274	44,671	288,946	11,921	82,248	2,838	191,939
Interest paid	9,456	5,351	5,170	88,271	682,297	119,073	64,235	43,120	455,869
Taxes paid	31,751	12,571	8,311	96,851	210,621	30,928	41,792	5,053	132,847
Bad debts	442	—	708	9,204	36,538	1,091	14,403	778	20,266
Repairs	7,093	3,704	8,509	45,797	189,556	24,824	15,775	3,541	145,417
Depreciation [1]	25,983	18,238	12,406	188,653	1,179,296	108,885	82,540	64,245	923,626
Depletion	—	—	155	29	3,592	153	—	—	3,439
Pension, profit sharing, annuity and bond purchase plans	—	—	1,914	2,360	64,696	1,485	12,144	1,547	49,520
Employee benefit plans	2,345	3,221	2,293	10,231	97,461	14,948	25,238	4,779	52,496
Net loss from other partnerships and fiduciaries	—	—	4,200	78	54,738	40,034	2,718	—	11,986
Rent net loss	173	219	41	124	35,476	83	8	16,062	19,323
Royalty net loss	167	—	—	—	300	—	—	—	300
Farm net loss	—	—	—	—	4,357	24	—	—	4,333
Net loss, noncapital assets	—	—	—	9,427	30,717	5,167	16,438	—	9,112
Other deductions	174,691	144,807	83,954	663,006	2,771,742	175,391	689,594	90,752	1,816,005
Net income (less deficit)	**228,830**	**262,069**	**69,193**	**514,175**	**-457,841**	**-90,849**	**121,412**	**-86,432**	**-401,972**
Net income	262,210	271,027	76,396	691,803	1,512,183	106,659	342,683	25,593	1,037,247
Deficit	33,380	8,958	7,203	177,628	1,970,023	197,509	221,271	112,025	1,439,218
Partnerships With Net Income									
Number of partnerships	**5,851**	**5,166**	**1,251**	**17,397**	**16,848**	**1,369**	**2,922**	**63**	**12,494**
Number of partners	**10,271**	**9,825**	**2,798**	**38,453**	**56,635**	**4,115**	**6,383**	**168**	**45,969**
Total assets	**123,321**	**133,335**	**85,589**	**1,490,444**	**9,299,641**	**940,112**	**923,328**	**108,028**	**7,328,172**
Total receipts	**1,385,327**	**717,516**	**467,507**	**4,672,968**	**14,330,340**	**1,537,886**	**2,014,770**	**308,580**	**10,469,105**
Business receipts	1,380,737	716,923	464,915	4,612,101	14,020,254	1,525,752	1,988,808	305,329	10,200,365
Income from other partnerships and fiduciaries	27	—	—	417	11,883	1,029	—	—	10,854
Nonqualifying dividends and interest received	3,176	361	1,267	14,703	68,597	6,608	13,001	1,092	47,896
Rents received	237	—	1,067	18,282	23,796	1,337	3,368	—	19,092
Royalties	—	—	—	38	27,538	214	84	211	27,028
Farm net profit	—	—	—	—	473	49	—	—	424
Net gain, noncapital assets	490	7	—	10,857	28,401	464	522	350	27,065
Other receipts	661	225	258	16,570	149,398	2,434	8,987	1,596	136,381
Total deductions	**1,123,117**	**446,489**	**391,110**	**3,981,165**	**12,818,158**	**1,431,227**	**1,672,087**	**282,986**	**9,431,858**
Cost of sales and operations	783,225	165,519	242,279	2,738,802	9,215,637	1,192,198	865,836	240,238	6,917,365
Inventory, beginning of year	49,666	184	8,282	98,237	1,481,881	112,215	71,652	75,385	1,222,629
Purchases	531,131	113,629	116,472	1,371,609	5,365,687	409,247	439,133	105,922	4,411,385
Cost of labor	108,012	25,831	28,541	411,771	1,219,330	231,981	165,861	30,538	790,949
Other costs	118,750	26,531	98,099	917,344	2,690,218	557,847	265,620	57,340	1,809,412
Less: Inventory, end of year	24,336	657	9,114	60,159	1,541,481	119,093	76,430	28,948	1,317,010
Salaries and wages	117,120	95,136	55,448	293,097	969,791	40,403	265,113	7,033	657,242
Less: Jobs credit	—	—	—	—	218	17	52	—	149
Guaranteed payments to partners	3,984	6,425	12,945	115,536	119,950	15,295	18,110	225	86,320
Rent paid	25,886	4,004	3,998	26,790	147,262	9,853	30,833	555	106,020
Interest paid	7,145	4,770	4,458	50,556	274,660	40,307	32,049	665	201,638
Taxes paid	22,275	10,971	8,311	81,766	134,125	9,950	32,129	2,222	89,824
Bad debts	438	—	708	5,890	25,800	786	10,948	44	14,022
Repairs	5,867	3,704	8,444	29,750	63,764	4,932	14,306	362	44,164
Depreciation [1]	25,050	15,850	10,313	130,943	326,759	43,115	61,804	3,956	217,884
Depletion	—	—	155	29	2,468	153	—	—	2,315
Pension, profit sharing, annuity and bond purchase plans	—	—	1,914	2,147	50,478	1,137	8,993	882	39,466
Employee benefit plans	2,345	3,221	2,293	4,777	69,435	11,471	19,720	2,230	36,015
Net loss from other partnerships and fiduciaries	—	—	—	23	200	50	—	—	149
Rent net loss	173	135	41	—	2,051	83	—	—	1,968
Royalty net loss	—	—	—	—	87	—	—	—	87
Farm net loss	—	—	—	—	1,320	—	—	—	1,320
Net loss, noncapital assets	—	—	—	9,278	7,145	7	391	—	6,747
Other deductions	129,608	136,753	39,804	491,780	1,407,442	61,502	311,904	24,575	1,009,461
Net income	**262,210**	**271,027**	**76,396**	**691,803**	**1,512,183**	**106,659**	**342,683**	**25,593**	**1,037,247**

Footnotes at end of table.

Table 1.—Total Assets and Income Statement for Selected Industries—Continued

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

Item	Transportation, communication, electric, gas, and sanitary services					Wholesale and retail trade				
	Total	Transportation			Communication, electric, gas, and sanitary services	Total	Wholesale trade	Retail trade		
		Total	Trucking and warehousing	Other transportation				Total	Building materials, hardware, garden supply and mobile home dealers	General merchandise stores
	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
Partnerships With and Without Net Income										
Number of partnerships	**21,059**	**12,864**	**7,363**	**5,501**	**8,195**	**174,118**	**22,672**	**151,446**	**5,248**	**5,014**
Number of partners	**223,272**	**52,113**	**32,212**	**19,901**	**171,159**	**408,584**	**54,135**	**354,449**	**12,138**	**11,013**
Total assets	**33,567,060**	**6,884,672**	**1,328,172**	**5,556,500**	**26,682,388**	**23,007,217**	**8,744,179**	**14,263,038**	**975,814**	**516,051**
Total receipts	**13,247,016**	**5,104,417**	**1,367,689**	**3,736,727**	**8,142,599**	**69,487,365**	**24,667,466**	**44,819,899**	**2,935,921**	**1,114,098**
Business receipts	12,599,059	4,879,610	1,293,323	3,586,288	7,719,449	68,495,447	24,320,137	44,175,310	2,900,970	1,089,295
Income from other partnerships and fiduciaries	24,348	3,697	—	3,697	20,651	14,645	4,445	10,200	101	142
Nonqualifying dividends and interest received	143,355	39,614	3,188	36,425	103,741	226,349	125,242	101,107	9,465	13,615
Rents received	167,634	86,667	19,791	66,876	80,967	123,430	35,161	88,269	7,158	1,244
Royalties	125	—	—	—	125	7,084	109	6,976	478	—
Farm net profit	66	66	—	66	—	5,056	4,808	247	—	161
Net gain, noncapital assets	97,471	25,530	15,065	10,466	71,941	61,594	16,518	45,076	87	55
Other receipts	214,956	69,231	36,322	32,909	145,724	553,759	161,045	392,714	17,661	9,586
Total deductions	**16,276,439**	**4,890,391**	**1,508,138**	**3,382,253**	**11,386,048**	**67,215,809**	**24,097,871**	**43,117,938**	**2,756,754**	**1,063,408**
Cost of sales and operations	3,930,926	2,159,641	298,480	1,861,161	1,771,285	50,015,258	20,738,319	29,276,939	2,072,299	739,049
Inventory, beginning of year	72,646	14,137	3,355	10,782	58,509	6,011,661	1,744,115	4,267,545	381,049	204,586
Purchases	1,488,722	996,603	99,843	896,760	492,119	47,501,131	19,677,470	27,823,661	2,088,476	687,750
Cost of labor	156,271	105,244	41,036	64,208	51,027	898,176	295,812	602,364	23,462	2,419
Other costs	2,263,613	1,055,397	158,778	896,618	1,208,217	2,340,535	963,190	1,377,345	27,443	36,234
Less: Inventory, end of year	50,327	11,741	4,533	7,208	38,586	6,736,200	1,942,269	4,793,932	448,131	191,940
Salaries and wages	931,341	221,295	111,148	110,147	710,047	4,683,559	814,197	3,869,361	207,560	96,034
Less: Jobs credit	3,523	2,938	2,938	—	585	30,349	21,412	8,937	360	15
Guaranteed payments to partners	149,179	34,509	29,081	5,428	114,670	803,822	203,290	600,533	27,750	22,523
Rent paid	337,887	87,796	46,052	41,744	250,091	1,728,350	188,160	1,540,190	34,883	33,273
Interest paid	1,351,865	308,632	76,070	232,562	1,043,233	834,251	254,168	580,083	51,835	12,883
Taxes paid	232,256	61,384	28,591	32,794	170,872	983,475	138,072	845,403	56,540	22,402
Bad debts	191,958	2,908	1,384	1,524	189,049	118,002	52,488	65,514	10,197	1,378
Repairs	195,600	108,364	71,154	37,210	87,236	354,060	63,420	290,641	18,397	4,522
Depreciation[1]	3,224,659	689,111	258,149	430,962	2,535,548	1,069,564	178,739	890,825	41,712	29,825
Depletion	—	—	—	—	—	1,655	509	1,146	—	—
Pension, profit sharing, annuity and bond purchase plans	18,673	2,583	1,499	1,084	16,090	39,999	16,513	23,486	2,058	717
Employee benefit plans	50,209	11,164	6,088	5,075	39,045	94,609	25,648	68,961	4,101	1,193
Net loss from other partnerships and fiduciaries	216,685	5,676	—	5,676	211,009	6,076	3,573	2,504	7	—
Rent net loss	218,581	214,720	166,147	48,573	3,861	39,225	2,304	36,921	—	—
Royalty net loss	—	—	—	—	—	5	5	—	—	—
Farm net loss	269	9	9	—	260	4,652	2,032	2,621	—	—
Net loss, noncapital assets	104,171	2,516	3	2,513	101,655	12,226	4,630	7,596	313	—
Other deductions	5,125,703	983,020	417,219	565,801	4,142,683	6,457,367	1,433,218	5,024,149	229,461	99,625
Net income (less deficit)	**-3,029,423**	**214,026**	**-140,448**	**354,474**	**-3,243,449**	**2,271,556**	**569,595**	**1,701,961**	**179,167**	**50,690**
Net income	1,682,655	920,990	140,075	780,915	761,666	3,716,517	1,005,785	2,710,732	210,398	64,338
Deficit	4,712,079	706,964	280,523	426,441	4,005,115	1,444,961	436,190	1,008,771	31,231	13,647
Partnerships With Net Income										
Number of partnerships	**6,969**	**4,037**	**2,736**	**1,301**	**2,932**	**104,923**	**16,815**	**88,108**	**4,525**	**3,451**
Number of partners	**54,424**	**21,906**	**15,432**	**6,474**	**32,518**	**241,930**	**39,155**	**202,774**	**10,039**	**7,869**
Total assets	**8,526,827**	**3,183,514**	**538,419**	**2,645,095**	**5,343,313**	**14,598,987**	**6,330,143**	**8,268,844**	**658,437**	**422,549**
Total receipts	**6,828,210**	**3,509,296**	**664,932**	**2,844,364**	**3,318,915**	**49,976,261**	**17,094,387**	**32,881,873**	**2,289,911**	**941,793**
Business receipts	6,484,747	3,382,809	601,974	2,780,835	3,101,938	49,249,203	16,812,504	32,436,699	2,262,107	917,813
Income from other partnerships and fiduciaries	22,002	2,474	—	2,474	19,528	12,142	2,687	9,454	73	142
Nonqualifying dividends and interest received	46,295	22,401	1,919	20,482	23,894	190,485	109,450	81,035	8,641	13,540
Rents received	97,928	29,023	16,596	12,427	68,905	94,836	20,849	73,987	6,289	1,193
Royalties	1	—	—	—	1	7,070	109	6,961	478	—
Farm net profit	66	66	—	66	—	5,046	4,799	247	—	161
Net gain, noncapital assets	67,156	20,940	13,678	7,262	46,216	46,961	14,850	32,111	73	55
Other receipts	110,017	51,584	30,765	20,818	58,434	370,519	129,141	241,378	12,250	8,887
Total deductions	**5,145,555**	**2,588,306**	**524,857**	**2,063,449**	**2,557,249**	**46,259,744**	**16,088,602**	**30,171,142**	**2,079,513**	**877,455**
Cost of sales and operations	2,247,888	1,588,561	182,588	1,405,972	659,327	35,006,991	13,713,249	21,293,721	1,570,986	649,436
Inventory, beginning of year	16,272	7,939	560	7,379	8,333	3,971,161	1,135,108	2,836,053	278,904	173,816
Purchases	1,152,950	911,558	77,704	833,855	241,392	33,235,902	12,929,185	20,306,717	1,566,495	617,352
Cost of labor	99,692	82,070	27,105	54,965	17,623	723,033	255,509	467,524	15,205	2,419
Other costs	991,695	595,485	80,843	514,641	396,210	1,628,929	748,695	880,234	15,672	33,776
Less: Inventory, end of year	12,721	8,491	3,624	4,867	4,230	4,552,034	1,355,249	3,196,785	305,290	177,927
Salaries and wages	256,668	93,578	38,866	54,711	163,091	3,232,026	607,662	2,624,364	169,401	76,736
Less: Jobs credit	2,921	2,921	2,921	—	—	22,474	21,353	1,121	360	15
Guaranteed payments to partners	26,427	4,925	614	4,311	21,503	512,910	177,121	335,789	18,701	7,448
Rent paid	51,801	29,241	14,386	14,855	22,561	1,098,101	120,756	977,346	26,323	21,095
Interest paid	178,019	85,927	12,698	73,229	92,092	426,249	122,744	303,505	27,771	11,556
Taxes paid	66,525	30,099	10,213	19,886	36,426	719,014	106,378	612,635	48,496	14,718
Bad debts	22,218	958	77	881	21,260	61,742	21,971	39,771	7,832	1,335
Repairs	73,704	54,092	33,198	20,894	19,612	243,589	48,794	194,794	11,559	4,057
Depreciation[1]	731,435	195,104	41,658	153,445	536,331	580,600	114,702	465,898	30,417	14,715
Depletion	—	—	—	—	—	1,304	237	1,067	—	—
Pension, profit sharing, annuity and bond purchase plans	2,890	1,083	435	648	1,808	35,574	13,434	22,140	2,023	711
Employee benefit plans	9,307	2,575	843	1,731	6,732	74,684	20,850	53,834	3,127	1,014
Net loss from other partnerships and fiduciaries	8	—	—	—	8	803	568	235	7	—
Rent net loss	79	69	—	69	10	4,640	328	4,312	—	—
Royalty net loss	—	—	—	—	—	5	5	—	—	—
Farm net loss	9	9	9	—	—	4,312	2,032	2,280	—	—
Net loss, noncapital assets	1,768	1,036	1	1,034	732	7,570	4,500	3,070	313	—
Other deductions	1,479,729	503,974	192,192	311,782	975,756	4,272,124	1,034,624	3,237,500	162,916	74,650
Net income	**1,682,655**	**920,990**	**140,075**	**780,915**	**761,666**	**3,716,517**	**1,005,785**	**2,710,732**	**210,398**	**64,338**

Footnotes at end of table.

Table 1.—Total Assets and Income Statement for Selected Industries—Continued

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

Item	Wholesale and retail trade—Continued									
	Retail trade—continued									
	Food stores			Automotive dealers and service stations				Apparel and accessory stores	Furniture and home furnishings stores	Eating places
	Total	Grocery stores	Other food stores	Total	Motor vehicle dealers	Gasoline service stations	Other automotive dealers			
	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)
Partnerships With and Without Net Income										
Number of partnerships	**21,060**	**11,439**	**9,621**	**14,628**	**4,713**	**5,948**	**3,967**	**14,674**	**8,204**	**31,126**
Number of partners	**48,155**	**24,425**	**23,730**	**34,866**	**10,642**	**13,184**	**11,040**	**30,833**	**19,716**	**84,313**
Total assets	**1,644,249**	**1,004,892**	**639,356**	**2,271,997**	**872,636**	**608,576**	**790,785**	**807,493**	**1,133,953**	**2,834,184**
Total receipts	**8,161,520**	**6,128,731**	**2,032,789**	**9,530,948**	**4,330,061**	**3,609,366**	**1,591,521**	**1,881,412**	**2,614,071**	**9,101,227**
Business receipts	8,077,211	6,067,466	2,009,745	9,397,184	4,267,724	3,565,454	1,564,006	1,828,507	2,587,642	9,001,347
Income from other partnerships and fiduciaries	141	38	103	1,024	46	927	50	—	640	824
Nonqualifying dividends and interest received	5,263	2,794	2,469	18,605	3,174	12,354	3,077	5,111	10,887	21,050
Rents received	12,945	12,790	154	14,279	1,426	4,900	7,952	76	3,778	13,275
Royalties	14	14	—	1	—	1	—	—	580	—
Farm net profit	—	—	—	86	86	—	—	—	—	—
Net gain, noncapital assets	11,525	10,961	564	18,104	1,485	6,140	10,479	24	1,199	4,410
Other receipts	54,421	34,669	19,753	81,666	56,120	19,589	5,957	47,694	9,345	60,322
Total deductions	**8,021,549**	**5,983,740**	**2,037,808**	**9,333,062**	**4,277,045**	**3,476,925**	**1,579,092**	**1,834,027**	**2,400,334**	**8,660,260**
Cost of sales and operations	6,153,623	4,803,573	1,350,050	7,800,513	3,689,723	3,020,186	1,090,603	1,137,094	1,686,020	3,793,385
Inventory, beginning of year	561,258	371,012	190,245	884,502	481,132	129,643	273,727	478,010	425,625	117,980
Purchases	5,775,525	4,705,621	1,069,904	7,442,295	3,557,636	2,963,097	921,563	1,096,439	1,811,957	3,307,081
Cost of labor	59,684	34,840	24,844	96,193	30,395	22,646	43,152	3,393	41,428	267,947
Other costs	367,234	106,696	260,538	294,153	148,481	20,603	125,068	7,627	-82,857	220,612
Less: Inventory, end of year	610,076	414,595	195,481	916,632	527,923	115,803	272,906	448,376	510,133	120,236
Salaries and wages	536,365	367,586	168,779	427,628	173,692	130,473	123,463	162,370	174,231	1,555,023
Less: Jobs credit	508	282	226	64	60	3	—	—	7,149	636
Guaranteed payments to partners	86,514	34,833	51,681	103,856	19,312	20,732	63,811	53,662	25,068	115,674
Rent paid	216,739	112,962	103,777	122,847	32,311	48,919	41,616	118,043	73,783	560,341
Interest paid	65,476	40,498	24,978	83,717	40,649	18,863	24,205	23,573	33,299	163,286
Taxes paid	113,975	74,761	39,215	85,448	31,313	35,852	18,282	44,204	43,667	286,025
Bad debts	4,246	4,079	167	18,177	13,215	2,682	2,280	5,261	5,057	4,597
Repairs	45,612	34,868	10,745	30,587	11,838	11,840	6,908	10,656	10,298	121,470
Depreciation [1]	129,418	72,199	57,219	112,963	36,564	35,615	40,784	26,596	38,592	308,494
Depletion	369	369	—	79	79	—	—	—	—	—
Pension, profit sharing, annuity and bond purchase plans	3,893	3,079	814	2,053	880	374	799	930	5,894	2,503
Employee benefit plans	18,795	17,909	885	12,069	6,472	1,628	3,969	1,554	2,430	15,367
Net loss from other partnerships and fiduciaries	39	39	—	998	42	9	947	7	5	783
Rent net loss	532	532	—	16,124	10,732	4,147	1,245	5,411	239	50
Royalty net loss	—	—	—	—	—	—	—	—	—	—
Farm net loss	450	450	—	—	—	—	—	—	—	153
Net loss, noncapital assets	371	94	277	92	92	—	—	473	—	2,740
Other deductions	645,639	416,190	229,449	515,976	210,188	145,607	160,180	244,194	308,899	1,731,005
Net income (less deficit)	**139,971**	**144,991**	**-5,019**	**197,886**	**53,016**	**132,441**	**12,429**	**47,385**	**213,737**	**440,967**
Net income	278,932	206,320	72,611	302,158	104,642	150,992	46,525	178,306	237,561	737,207
Deficit	138,960	61,330	77,631	104,273	51,626	18,551	34,096	130,922	23,824	296,240
Partnerships With Net Income										
Number of partnerships	**11,250**	**8,764**	**2,486**	**8,896**	**3,201**	**3,829**	**1,866**	**5,741**	**7,861**	**19,183**
Number of partners	**25,635**	**18,520**	**7,115**	**20,736**	**6,763**	**8,316**	**5,657**	**11,625**	**18,998**	**49,245**
Total assets	**825,828**	**685,099**	**140,730**	**1,444,301**	**536,982**	**486,129**	**421,190**	**339,816**	**967,479**	**1,475,226**
Total receipts	**5,262,577**	**4,130,659**	**1,131,918**	**7,043,462**	**3,125,757**	**3,031,216**	**886,488**	**991,691**	**2,415,832**	**6,694,769**
Business receipts	5,206,115	4,080,253	1,125,862	6,944,341	3,080,709	2,989,342	874,289	946,858	2,390,938	6,655,036
Income from other partnerships and fiduciaries	141	38	103	1,024	46	927	50	—	625	690
Nonqualifying dividends and interest received	2,669	2,416	253	16,596	2,078	12,145	2,373	1,671	10,565	10,895
Rents received	12,312	12,157	154	12,291	453	4,559	7,279	76	3,507	9,666
Royalties	—	—	—	1	—	1	—	—	580	—
Farm net profit	—	—	—	86	86	—	—	—	—	—
Net gain, noncapital assets	10,881	10,847	34	7,866	1,403	6,116	346	24	1,186	2,916
Other receipts	30,460	24,948	5,512	61,258	40,981	18,126	2,151	43,063	8,431	15,566
Total deductions	**4,983,646**	**3,924,339**	**1,059,307**	**6,741,303**	**3,021,115**	**2,880,225**	**839,963**	**813,385**	**2,178,271**	**5,957,563**
Cost of sales and operations	4,003,023	3,213,245	789,778	5,772,888	2,648,451	2,528,552	595,885	521,943	1,566,920	2,748,806
Inventory, beginning of year	393,497	252,732	140,765	524,080	296,578	109,939	117,563	179,171	322,702	79,322
Purchases	3,836,948	3,103,832	733,116	5,580,120	2,563,370	2,460,752	555,998	545,238	1,543,637	2,441,332
Cost of labor	34,962	34,135	828	85,095	22,990	20,079	42,027	3,393	41,428	200,150
Other costs	147,048	97,590	49,458	150,368	117,722	20,283	12,362	11,445	54,645	112,612
Less: Inventory, end of year	409,431	275,043	134,388	566,777	352,210	82,501	132,066	217,305	395,493	84,610
Salaries and wages	297,870	208,354	89,517	291,121	119,668	102,123	69,329	79,318	146,829	1,054,413
Less: Jobs credit	215	18	197	63	59	3	—	—	—	299
Guaranteed payments to partners	25,570	18,839	6,731	50,739	9,691	15,863	25,185	22,030	21,886	84,108
Rent paid	106,071	79,453	26,618	83,167	25,957	39,174	18,036	53,472	64,028	379,939
Interest paid	31,547	17,780	13,766	48,972	24,140	13,404	11,428	4,082	23,873	69,509
Taxes paid	72,752	47,767	24,985	60,455	20,464	26,076	13,915	23,459	40,757	214,637
Bad debts	2,907	2,797	110	6,349	2,729	2,249	1,371	1,510	5,039	1,403
Repairs	25,113	20,630	4,483	23,600	10,135	9,034	4,431	3,045	9,833	81,526
Depreciation [1]	49,918	37,406	12,512	50,898	15,705	25,158	10,035	7,998	35,165	175,251
Depletion	369	369	—	—	—	—	—	—	—	—
Pension, profit sharing, annuity and bond purchase plans	3,253	2,548	706	1,737	878	374	485	929	5,882	2,178
Employee benefit plans	13,936	13,116	821	9,277	4,850	1,577	2,850	573	2,193	10,702
Net loss from other partnerships and fiduciaries	7	7	—	51	41	9	—	—	5	101
Rent net loss	532	532	—	2,103	977	994	132	—	53	18
Royalty net loss	—	—	—	—	—	—	—	—	—	—
Farm net loss	110	110	—	—	—	—	—	—	—	153
Net loss, noncapital assets	24	24	—	50	50	—	—	473	—	1,337
Other deductions	350,857	261,379	89,477	339,959	137,437	115,641	86,882	94,553	255,808	1,133,781
Net income	**278,932**	**206,320**	**72,611**	**302,158**	**104,642**	**150,992**	**46,525**	**178,306**	**237,561**	**737,207**

Footnotes at end of table.

Table 1.—Total Assets and Income Statement for Selected Industries—Continued

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

Item	Wholesale and retail trade—continued			Finance, insurance, and real estate					
	Retail trade—continued				Finance				
	Drinking places	Liquor stores	Other retail stores	Total	Total	Banking, and credit agencies other than banks	Security and commodity brokers and service	Holding and investment companies	Insurance agents, brokers, and service
	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)
Partnerships With and Without Net Income									
Number of partnerships	**4,623**	**4,406**	**42,464**	**852,705**	**130,753**	**2,701**	**2,858**	**125,193**	**8,570**
Number of partners	**12,013**	**9,328**	**92,075**	**9,459,473**	**1,999,304**	**36,944**	**87,998**	**1,874,362**	**23,792**
Total assets	**237,924**	**538,539**	**3,302,834**	**1,068,220,096**	**252,658,871**	**9,565,033**	**60,981,736**	**182,112,101**	**3,743,768**
Total receipts	**650,699**	**1,656,230**	**7,173,774**	**112,594,396**	**42,847,885**	**1,529,598**	**23,631,487**	**17,686,799**	**4,025,435**
Business receipts	635,432	1,610,813	7,046,910	61,320,413	26,765,102	780,936	19,447,940	6,536,226	2,766,754
Income from other partnerships and fiduciaries	6,757	—	571	3,286,822	2,089,356	9,656	84,237	1,995,463	13
Nonqualifying dividends and interest received	78	884	16,149	19,008,165	10,247,737	412,468	2,646,280	7,188,990	114,701
Rents received	398	5,372	29,744	19,386,041	423,558	2,498	494	420,566	30,107
Royalties	—	—	5,902	172,609	118,298	—	57,573	60,726	2,819
Farm net profit	—	—	—	3,653	867	—	—	867	—
Net gain, noncapital assets	368	704	8,601	2,130,604	167,456	1,079	5,319	161,058	72
Other receipts	7,666	38,457	65,897	7,286,089	3,035,510	322,961	1,389,645	1,322,905	1,110,968
Total deductions	**591,460**	**1,617,796**	**6,839,288**	**145,573,949**	**40,073,468**	**1,335,478**	**23,237,679**	**15,500,311**	**3,162,534**
Cost of sales and operations	240,122	1,258,813	4,396,021	43,225,850	22,467,591	510,419	17,323,303	4,633,869	266,564
Inventory, beginning of year	11,982	147,083	1,055,470	11,624,542	466,788	22,458	121,139	323,191	1,548
Purchases	199,618	1,207,709	4,206,810	25,913,061	18,624,027	164,988	14,376,164	4,082,875	54,364
Cost of labor	20,444	6,530	80,864	391,142	83,035	—	56,898	26,137	2,966
Other costs	20,921	45,716	440,263	17,749,467	3,827,411	332,098	3,002,008	493,305	208,860
Less: Inventory, end of year	12,843	148,225	1,387,339	12,452,360	533,670	9,126	232,906	291,638	1,174
Salaries and wages	104,883	51,545	553,723	4,046,856	1,765,830	111,052	1,025,190	629,587	274,018
Less: Jobs credit	15	—	190	1,294	841	115	91	634	—
Guaranteed payments to partners	10,435	14,744	140,308	1,668,957	639,074	5,021	285,719	348,334	92,917
Rent paid	32,115	41,556	306,611	774,267	214,500	24,983	91,539	97,978	63,295
Interest paid	4,714	32,377	108,923	18,491,659	6,038,183	496,979	2,245,846	3,295,358	29,836
Taxes paid	29,117	34,502	129,523	2,201,345	323,809	5,754	95,891	222,163	37,395
Bad debts	204	249	16,149	356,327	68,633	10,025	7,828	50,780	18,269
Repairs	10,223	6,973	31,903	478,034	63,949	3,355	8,279	52,316	4,567
Depreciation [1]	32,117	34,212	136,896	6,262,046	445,172	11,032	43,281	390,859	27,044
Depletion	—	—	698	3,341	798	—	193	605	—
Pension, profit sharing, annuity and bond purchase plans	—	—	5,438	137,433	112,397	187	38,930	73,280	5,897
Employee benefit plans	—	779	12,673	129,957	38,887	3,925	24,676	10,286	9,352
Net loss from other partnerships and fiduciaries	—	—	665	13,121,999	2,862,234	2,799	90,181	2,769,254	9,927
Rent net loss	—	1,812	12,753	37,071,453	511,391	525	6,029	504,837	12,696
Royalty net loss	—	—	—	2,050	1,387	—	—	1,387	—
Farm net loss	—	—	2,018	89,662	11,985	—	305	11,679	—
Net loss, noncapital assets	—	—	3,606	178,633	1,972	—	309	1,663	46
Other deductions	127,546	140,233	981,571	17,335,375	4,506,519	149,539	1,950,272	2,406,709	2,310,712
Net income (less deficit)	**59,239**	**38,434**	**334,485**	**−32,979,553**	**2,774,416**	**194,120**	**393,808**	**2,186,489**	**862,901**
Net income	86,592	59,233	556,007	32,477,169	8,962,841	222,223	1,382,508	7,358,110	1,002,178
Deficit	27,353	20,800	221,522	65,456,722	6,188,424	28,103	988,700	5,171,622	139,278
Partnerships With Net Income									
Number of partnerships	**2,128**	**1,684**	**23,388**	**350,264**	**67,108**	**2,399**	**762**	**63,947**	**7,109**
Number of partners	**4,401**	**3,786**	**50,441**	**4,335,190**	**1,172,384**	**34,227**	**33,080**	**1,105,077**	**20,741**
Total assets	**48,477**	**309,794**	**1,776,937**	**409,540,952**	**156,532,026**	**8,409,826**	**28,528,640**	**119,593,561**	**3,310,374**
Total receipts	**353,557**	**1,274,950**	**5,613,330**	**77,016,266**	**29,859,032**	**1,331,782**	**16,506,557**	**12,020,693**	**3,359,469**
Business receipts	343,603	1,264,896	5,504,992	37,628,177	16,427,358	652,927	13,821,300	1,953,130	2,255,014
Income from other partnerships and fiduciaries	6,757	—	2	3,133,404	2,056,907	9,656	80,195	1,967,056	13
Nonqualifying dividends and interest received	76	884	15,497	14,071,153	8,153,060	372,536	1,396,294	6,384,230	84,909
Rents received	398	2,071	26,185	15,302,443	348,064	1,945	382	345,737	30,107
Royalties	—	—	5,902	112,073	58,813	—	101	58,712	2,819
Farm net profit	—	—	—	2,110	867	—	—	867	—
Net gain, noncapital assets	368	704	8,038	1,474,545	153,655	977	4,795	147,882	72
Other receipts	2,355	6,394	52,713	5,292,361	2,660,309	293,741	1,203,488	1,163,079	986,534
Total deductions	**266,965**	**1,215,716**	**5,057,323**	**44,539,097**	**20,896,191**	**1,109,560**	**15,124,049**	**4,662,583**	**2,357,291**
Cost of sales and operations	128,783	1,010,936	3,320,000	25,185,096	12,783,882	409,909	11,975,193	398,780	247,140
Inventory, beginning of year	9,755	118,906	755,899	5,162,840	343,717	18,754	83,495	241,468	1,548
Purchases	106,373	1,007,908	3,061,314	16,046,977	12,163,213	164,296	11,863,667	135,251	54,364
Cost of labor	7,016	6,530	71,325	137,693	63,998	—	56,898	7,100	—
Other costs	12,716	1,646	340,307	9,010,715	556,677	235,477	88,346	232,854	192,402
Less: Inventory, end of year	7,078	124,053	908,821	5,173,129	343,724	8,618	117,212	217,894	1,174
Salaries and wages	37,292	43,973	427,411	2,212,308	1,418,096	92,096	792,335	533,665	240,459
Less: Jobs credit	—	—	170	767	745	115	—	629	—
Guaranteed payments to partners	8,892	14,744	81,669	773,297	359,369	4,427	180,653	174,289	50,867
Rent paid	9,826	22,783	210,642	378,836	149,251	20,581	64,316	64,355	55,600
Interest paid	321	7,954	77,920	6,026,156	3,820,700	454,941	1,187,886	2,177,874	27,041
Taxes paid	14,856	25,911	96,594	706,408	154,905	3,928	65,858	85,119	33,302
Bad debts	52	147	13,199	69,757	12,588	5,174	3,543	3,870	17,764
Repairs	4,284	4,242	27,535	154,537	52,240	2,559	6,420	43,261	3,708
Depreciation [1]	6,084	14,247	81,205	1,504,740	230,037	4,737	25,435	199,865	24,856
Depletion	—	—	698	2,091	798	—	193	605	—
Pension, profit sharing, annuity and bond purchase plans	—	—	5,428	131,676	109,281	13	36,432	72,837	5,889
Employee benefit plans	—	779	12,232	42,626	27,200	3,230	20,988	2,982	5,656
Net loss from other partnerships and fiduciaries	—	—	65	395,411	86,059	16	13,536	72,507	9,927
Rent net loss	—	1,499	107	709,232	37,635	525	225	36,885	5,149
Royalty net loss	—	—	—	—	—	—	—	—	—
Farm net loss	—	—	2,018	6,728	587	—	—	587	—
Net loss, noncapital assets	—	—	873	8,252	1,501	—	281	1,220	46
Other deductions	56,574	68,502	699,898	6,232,712	1,652,807	107,540	750,755	794,512	1,629,887
Net income	**86,592**	**59,233**	**556,007**	**32,477,169**	**8,962,841**	**222,223**	**1,382,508**	**7,358,110**	**1,002,178**

Footnotes at end of table.

Table 1.—Total Assets and Income Statement for Selected Industries—Continued

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

Item	Finance, insurance, and real estate—continued					Services				
	Real estate					Total	Hotels and other lodging places			Personal services
	Total	Operators and lessors of buildings	Lessors, other than buildings	Real estate agents, brokers, and managers	Other real estate		Total	Motels, motor hotels, and tourist courts	Other lodging places	Total
	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Partnerships With and Without Net Income										
Number of partnerships	**713,383**	**602,166**	**40,578**	**12,158**	**58,481**	**325,134**	**25,887**	**10,319**	**15,568**	**34,129**
Number of partners	**7,436,377**	**6,524,128**	**281,576**	**75,594**	**555,079**	**1,744,294**	**199,092**	**89,154**	**109,938**	**79,650**
Total assets	**811,817,457**	**687,748,827**	**16,161,082**	**10,175,086**	**97,732,462**	**123,460,841**	**52,184,125**	**13,993,891**	**38,190,234**	**947,438**
Total receipts	**65,721,077**	**38,614,280**	**1,303,986**	**2,449,702**	**23,353,109**	**120,925,356**	**20,586,464**	**5,139,258**	**15,447,206**	**2,878,698**
Business receipts	31,788,557	9,605,405	365,996	1,953,750	19,863,405	111,700,538	19,072,607	4,832,054	14,240,552	2,796,985
Income from other partnerships and fiduciaries	1,197,452	986,444	28,614	58,844	123,550	329,789	21,690	7,913	13,778	274
Nonqualifying dividends and interest received	8,645,727	7,124,756	155,582	207,057	1,158,332	1,198,562	314,856	93,084	221,772	10,435
Rents received	18,932,376	17,664,513	632,921	143,296	491,646	2,890,044	638,659	83,284	555,375	1,243
Royalties	51,492	28,249	22,145	11	1,086	111,002	24	23	1	—
Farm net profit	2,787	1,691	851	15	230	848	—	—	—	—
Net gain, noncapital assets	1,963,076	1,133,947	47,722	3,238	778,170	547,586	74,834	24,790	50,044	27,194
Other receipts	3,139,610	2,069,274	50,155	83,491	936,691	4,146,988	463,794	98,110	365,684	42,567
Total deductions	**102,337,946**	**71,423,492**	**1,861,864**	**2,760,517**	**26,292,073**	**102,361,735**	**24,902,820**	**5,875,323**	**19,027,497**	**2,674,217**
Cost of sales and operations	20,491,695	3,981,411	176,013	664,932	15,669,339	20,296,113	7,757,052	998,549	6,758,503	682,057
Inventory, beginning of year	11,156,206	1,427,763	123,791	195,921	9,408,731	763,446	176,156	52,571	123,585	94,734
Purchases	7,234,670	1,631,524	131,613	137,256	5,334,276	5,674,746	1,462,092	384,281	1,077,811	308,213
Cost of labor	305,141	138,582	616	25,017	140,926	2,610,271	956,493	209,397	747,096	207,705
Other costs	13,713,196	2,212,003	5,755	428,278	11,067,160	12,007,467	5,335,638	390,685	4,944,952	172,112
Less: Inventory, end of year	11,917,516	1,428,463	85,762	121,540	10,281,752	759,826	173,327	38,385	134,942	100,708
Salaries and wages	2,007,009	1,322,315	35,240	215,696	433,758	23,025,673	2,305,432	722,431	1,583,001	439,188
Less: Jobs credit	453	268	—	—	185	5,460	2,038	467	1,572	4
Guaranteed payments to partners	936,966	657,572	8,878	101,128	169,388	3,617,513	128,489	52,245	76,244	135,891
Rent paid	496,472	349,723	5,941	54,299	86,509	5,806,900	307,436	83,788	223,649	302,255
Interest paid	12,423,640	8,894,743	249,682	299,055	2,980,160	6,259,423	3,633,179	993,784	2,639,395	72,160
Taxes paid	1,840,141	1,343,800	54,185	56,321	385,835	3,225,456	895,030	268,430	626,600	85,439
Bad debts	269,425	197,710	365	1,743	69,607	263,189	40,091	13,111	26,980	3,756
Repairs	409,517	318,948	19,590	21,256	49,724	976,896	378,562	129,555	249,007	60,297
Depreciation [1]	5,789,830	4,998,293	230,642	126,892	434,003	7,954,619	2,805,331	790,167	2,015,164	168,051
Depletion	2,543	1,165	1,162	—	217	4,098	2,933	454	2,478	—
Pension, profit sharing, annuity and bond purchase plans	19,139	16,510	69	1,194	1,366	521,760	9,082	1,196	7,886	926
Employee benefit plans	81,718	62,137	464	4,087	15,030	731,338	116,118	17,116	99,002	6,989
Net loss from other partnerships and fiduciaries	10,249,838	8,434,080	158,898	291,071	1,365,789	882,850	430,104	35,803	394,300	—
Rent net loss	36,547,366	34,055,611	657,146	160,606	1,674,004	1,279,491	407,935	95,847	312,088	1,878
Royalty net loss	663	—	662	—	1	98	—	—	—	—
Farm net loss	77,677	54,588	22,274	—	815	2,039	—	—	—	—
Net loss, noncapital assets	176,614	117,244	78	11,510	47,782	50,858	2,804	1,422	1,382	974
Other deductions	10,518,144	6,617,911	240,573	750,727	2,908,933	27,468,883	5,685,281	1,671,891	4,013,390	714,361
Net income (less deficit)	**-36,616,870**	**-32,809,212**	**-557,879**	**-310,815**	**-2,938,964**	**18,563,621**	**-4,316,356**	**-736,065**	**-3,580,291**	**204,481**
Net income	22,512,150	17,760,462	636,224	394,416	3,721,048	29,021,484	800,278	253,690	546,588	321,721
Deficit	59,129,020	50,569,675	1,194,103	705,231	6,660,012	10,457,862	5,116,634	989,755	4,126,879	117,240
Partnerships With Net Income										
Number of partnerships	**276,047**	**234,209**	**16,145**	**4,644**	**21,049**	**208,492**	**10,484**	**2,503**	**7,982**	**22,569**
Number of partners	**3,142,065**	**2,704,433**	**108,286**	**34,938**	**294,408**	**998,312**	**54,843**	**18,236**	**36,608**	**49,183**
Total assets	**249,698,551**	**212,983,269**	**6,873,867**	**3,445,939**	**26,395,477**	**52,276,353**	**8,689,373**	**3,053,097**	**5,636,276**	**531,303**
Total receipts	**43,797,764**	**25,865,515**	**916,986**	**1,423,167**	**15,592,096**	**93,151,722**	**6,471,428**	**1,683,439**	**4,787,989**	**2,065,554**
Business receipts	18,945,805	4,464,684	162,342	1,121,339	13,197,441	85,964,151	5,584,131	1,519,187	4,064,944	2,004,353
Income from other partnerships and fiduciaries	1,076,483	885,447	28,036	55,029	107,972	318,379	18,378	5,037	13,342	270
Nonqualifying dividends and interest received	5,833,184	4,881,952	124,887	80,724	745,622	784,693	119,945	59,053	60,892	4,794
Rents received	14,924,271	14,100,788	496,835	118,694	207,954	2,047,599	435,003	41,266	393,737	401
Royalties	50,441	28,025	21,866	11	540	94,522	1	—	1	—
Farm net profit	1,243	150	851	15	227	848	—	—	—	—
Net gain, noncapital assets	1,320,818	584,561	41,188	1,891	693,178	498,052	63,654	21,464	42,190	26,214
Other receipts	1,645,518	919,909	40,983	45,464	639,163	3,443,478	250,316	37,433	212,883	29,521
Total deductions	**21,285,615**	**8,105,053**	**280,762**	**1,028,752**	**11,871,049**	**64,130,238**	**5,671,150**	**1,429,749**	**4,241,401**	**1,743,833**
Cost of sales and operations	12,154,074	2,055,792	77,435	295,218	9,725,629	11,366,011	2,467,105	243,310	2,223,794	490,775
Inventory, beginning of year	4,817,576	653,224	46,208	88,665	4,029,478	478,396	45,944	8,271	37,673	80,464
Purchases	3,829,400	969,413	75,088	73,922	2,710,978	3,729,421	344,462	134,134	210,328	216,635
Cost of labor	73,695	13,321	92	22,965	37,317	1,446,107	144,053	39,112	104,941	194,131
Other costs	8,261,636	1,006,690	-3,123	184,142	7,073,927	6,218,567	1,979,039	71,790	1,907,249	85,213
Less: Inventory, end of year	4,828,231	586,856	40,830	74,476	4,126,069	506,484	46,393	9,997	36,396	85,669
Salaries and wages	553,753	263,791	11,013	121,326	157,622	18,871,701	603,243	222,037	381,206	254,919
Less: Jobs credit	22	22	—	—	—	1,839	261	95	167	4
Guaranteed payments to partners	363,060	233,331	6,739	66,295	56,696	2,517,419	43,895	22,683	21,212	108,390
Rent paid	173,985	121,033	1,595	27,753	23,604	4,428,443	95,917	33,087	62,830	190,742
Interest paid	2,178,414	1,455,469	44,145	45,718	633,083	1,529,114	345,245	154,613	190,632	31,663
Taxes paid	518,201	380,659	21,421	22,313	93,808	2,272,697	273,069	84,774	188,295	41,098
Bad debts	39,405	35,321	56	229	3,799	175,590	7,714	2,796	4,918	2,422
Repairs	98,590	72,152	3,404	7,941	15,093	568,098	113,022	45,687	67,334	42,422
Depreciation [1]	1,249,848	1,133,517	37,151	21,709	57,471	3,013,045	322,767	138,823	183,944	78,018
Depletion	1,293	65	1,150	—	77	1,620	454	454	—	—
Pension, profit sharing, annuity and bond purchase plans	16,506	15,378	69	657	402	499,934	5,360	596	4,763	926
Employee benefit plans	9,770	5,919	445	1,399	2,007	583,119	30,738	4,954	25,784	5,166
Net loss from other partnerships and fiduciaries	299,426	263,514	934	2,011	32,966	56,758	2,892	2,214	678	—
Rent net loss	666,448	591,788	16,532	13,169	44,959	41,839	2,172	2,172	—	195
Royalty net loss	—	—	—	—	—	98	—	—	—	—
Farm net loss	6,141	4,866	1,275	—	—	2,039	—	—	—	—
Net loss, noncapital assets	6,705	5,375	62	1	1,268	9,145	1,223	1,175	49	—
Other deductions	2,950,017	1,467,105	57,536	403,012	1,022,564	18,195,406	1,356,594	470,467	886,127	497,100
Net income	**22,512,150**	**17,760,462**	**636,224**	**394,416**	**3,721,048**	**29,021,484**	**800,278**	**253,690**	**546,588**	**321,721**

Footnotes at end of table.

Table 1.—Total Assets and Income Statement for Selected Industries—Continued

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

Item	Services—continued										
	Personal services—continued				Business services	Automobile repair and services					Miscellaneous repair services
	Laundries, dry cleaning and garment services	Beauty shops	Barber shops	Other personal services		Total	Automobile repair shops: Total	Automobile repair shops: General automotive repair shops	Automobile repair shops: Other automotive repair	Automobile parking and other services	
	(69)	(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)
Partnerships With and Without Net Income											
Number of partnerships	**10,249**	**7,742**	**3,072**	**13,066**	**79,574**	**32,995**	**20,901**	**10,694**	**10,207**	**12,094**	**9,091**
Number of partners	**24,937**	**17,546**	**9,789**	**27,378**	**665,312**	**72,388**	**46,098**	**25,624**	**20,475**	**26,289**	**19,060**
Total assets	**293,946**	**197,888**	**53,583**	**402,022**	**24,057,686**	**1,675,876**	**566,738**	**417,750**	**148,989**	**1,109,138**	**308,386**
Total receipts	**766,437**	**733,382**	**223,692**	**1,155,186**	**12,956,901**	**3,947,590**	**2,762,310**	**1,440,355**	**1,321,955**	**1,185,280**	**856,115**
Business receipts	730,310	713,793	214,650	1,138,233	8,956,875	3,860,793	2,753,624	1,435,276	1,318,348	1,107,169	776,968
Income from other partnerships and fiduciaries	—	—	—	274	166,808	1,008	669	—	669	339	—
Nonqualifying dividends and interest received	910	1,199	26	8,300	441,201	10,165	5,272	3,992	1,281	4,893	1,930
Rents received	—	733	—	510	1,838,265	43,616	632	573	59	42,983	512
Royalties	—	—	—	—	25,469	—	—	—	—	—	—
Farm net profit	—	—	—	—	87	459	459	459	—	—	—
Net gain, noncapital assets	26,212	979	—	3	257,832	19,616	644	—	644	18,971	1,352
Other receipts	9,005	16,678	9,016	7,867	1,270,363	11,934	1,009	55	953	10,925	75,353
Total deductions	**731,795**	**724,451**	**165,028**	**1,052,943**	**11,296,432**	**3,521,290**	**2,379,019**	**1,226,630**	**1,152,389**	**1,142,272**	**775,346**
Cost of sales and operations	142,888	258,006	52,425	228,738	2,336,470	2,033,393	1,496,916	754,369	742,547	536,477	496,951
Inventory, beginning of year	2,199	64,755	85	27,695	112,867	101,630	66,549	37,759	28,790	35,081	88,763
Purchases	31,013	144,973	1,018	131,208	913,547	1,521,773	1,116,446	605,072	511,374	405,327	258,684
Cost of labor	30,538	114,709	48,416	14,043	230,259	167,327	151,329	73,899	77,429	15,999	65,650
Other costs	81,738	3,347	3,805	83,222	1,179,644	361,820	230,971	73,488	157,482	130,849	162,753
Less: Inventory, end of year	2,599	69,779	900	27,430	99,850	119,162	68,383	35,852	32,530	50,779	78,899
Salaries and wages	146,676	123,041	6,852	162,618	1,126,798	224,033	166,542	61,884	104,658	57,491	49,940
Less: Jobs credit	4	—	—	—	460	—	—	—	—	—	—
Guaranteed payments to partners	13,938	40,888	2,658	78,408	228,811	110,404	70,389	40,434	29,955	40,015	13,124
Rent paid	88,115	126,056	25,265	62,819	813,161	167,611	112,420	53,014	59,405	55,192	33,721
Interest paid	14,291	13,063	1,012	43,794	932,796	102,744	30,532	19,885	10,648	72,211	37,249
Taxes paid	32,948	16,856	6,035	29,599	151,597	66,872	47,684	21,376	26,308	19,188	11,420
Bad debts	743	9	—	3,004	74,440	9,140	7,927	4,832	3,095	1,213	1,134
Repairs	25,557	10,458	783	23,499	81,257	28,146	13,341	5,584	7,757	14,805	5,336
Depreciation[1]	69,637	25,367	7,813	65,234	1,668,609	255,566	75,101	44,585	30,516	180,466	27,175
Depletion	—	—	—	—	120	—	—	—	—	—	—
Pension, profit sharing, annuity and bond purchase plans	168	117	—	640	29,126	76	—	—	—	76	29
Employee benefit plans	443	3,508	—	3,038	31,782	5,336	4,271	2,027	2,245	1,065	297
Net loss from other partnerships and fiduciaries	—	—	—	—	132,274	1,292	—	—	—	1,292	—
Rent net loss	5	—	—	1,873	727,787	—	—	—	—	—	—
Royalty net loss	—	—	—	—	98	—	—	—	—	—	—
Farm net loss	—	—	—	—	—	—	—	—	—	—	—
Net loss, noncapital assets	—	—	—	974	18,384	101	—	—	—	101	—
Other deductions	196,390	107,082	62,184	348,745	2,943,382	516,575	356,896	218,640	135,256	162,679	98,970
Net income (less deficit)	**34,642**	**8,932**	**58,664**	**102,243**	**1,660,469**	**426,300**	**383,291**	**213,725**	**169,566**	**43,009**	**80,769**
Net income	101,816	21,612	60,837	137,456	3,753,923	527,738	411,914	224,716	187,199	115,823	114,528
Deficit	67,174	12,681	2,173	35,213	2,093,454	101,438	28,623	10,991	17,632	72,815	33,759
Partnerships With Net Income											
Number of partnerships	**5,898**	**4,127**	**2,817**	**9,728**	**44,024**	**22,804**	**15,338**	**8,863**	**6,475**	**7,465**	**6,540**
Number of partners	**11,826**	**9,807**	**8,771**	**18,780**	**396,532**	**51,311**	**34,713**	**21,707**	**13,006**	**16,598**	**13,450**
Total assets	**91,848**	**189,379**	**22,926**	**227,149**	**12,550,343**	**1,052,317**	**378,456**	**272,979**	**105,477**	**673,861**	**263,867**
Total receipts	**452,310**	**648,303**	**211,850**	**753,090**	**9,906,291**	**3,297,350**	**2,492,076**	**1,342,168**	**1,149,908**	**805,273**	**587,432**
Business receipts	416,527	642,729	202,809	742,289	6,578,075	3,249,816	2,486,245	1,337,667	1,148,578	763,571	565,729
Income from other partnerships and fiduciaries	—	—	—	270	164,298	339	—	—	—	339	—
Nonqualifying dividends and interest received	622	1,129	26	3,017	349,337	9,471	5,050	3,987	1,062	4,421	1,319
Rents received	—	—	—	401	1,385,244	25,957	59	—	59	25,898	—
Royalties	—	—	—	—	24,101	—	—	—	—	—	—
Farm net profit	—	—	—	—	87	459	459	459	—	—	—
Net gain, noncapital assets	26,212	—	—	3	246,566	8,130	102	—	102	8,028	408
Other receipts	8,949	4,445	9,016	7,110	1,158,582	3,178	162	55	106	3,016	19,975
Total deductions	**350,494**	**626,691**	**151,014**	**615,634**	**6,152,368**	**2,769,612**	**2,080,162**	**1,117,453**	**962,709**	**689,450**	**472,904**
Cost of sales and operations	64,098	243,516	52,221	130,940	1,609,516	1,722,298	1,343,259	698,120	645,140	379,038	310,703
Inventory, beginning of year	695	64,307	85	15,377	71,304	81,576	50,292	26,964	23,327	31,284	87,797
Purchases	18,911	136,644	—	61,080	737,274	1,296,786	1,000,255	563,355	436,900	296,532	256,077
Cost of labor	21,954	111,497	48,416	12,264	149,898	149,153	135,199	64,340	70,859	13,954	36,402
Other costs	24,290	482	3,805	56,636	717,479	291,653	208,310	69,495	138,815	83,343	9,084
Less: Inventory, end of year	1,752	69,413	85	14,418	66,441	96,873	50,799	26,037	24,762	46,074	78,657
Salaries and wages	57,930	117,617	2,693	76,680	835,379	204,327	157,117	60,663	96,453	47,210	24,975
Less: Jobs credit	4	—	—	—	442	—	—	—	—	—	—
Guaranteed payments to partners	10,130	19,533	494	78,233	126,286	67,657	55,712	37,345	18,367	11,945	12,700
Rent paid	45,035	104,401	24,170	17,136	345,488	112,148	83,195	52,557	30,638	28,954	16,545
Interest paid	2,492	10,534	1,012	17,625	345,498	56,127	20,447	11,052	9,395	35,680	6,752
Taxes paid	11,588	14,260	4,604	10,646	109,315	55,900	40,801	16,209	24,592	15,099	11,265
Bad debts	537	—	—	1,885	57,429	5,307	4,846	4,773	72	462	1,134
Repairs	15,256	8,315	783	18,068	50,256	21,350	11,737	5,314	6,423	9,613	5,026
Depreciation[1]	20,548	15,503	6,597	35,370	676,670	113,107	54,139	36,604	17,536	58,967	21,603
Depletion	—	—	—	—	120	—	—	—	—	—	—
Pension, profit sharing, annuity and bond purchase plans	168	117	—	640	26,445	76	—	—	—	76	29
Employee benefit plans	345	3,508	—	1,313	22,190	4,439	3,867	1,623	2,245	571	210
Net loss from other partnerships and fiduciaries	—	—	—	—	7,997	1,292	—	—	—	1,292	—
Rent net loss	5	—	—	190	32,083	—	—	—	—	—	—
Royalty net loss	—	—	—	—	98	—	—	—	—	—	—
Farm net loss	—	—	—	—	—	—	—	—	—	—	—
Net loss, noncapital assets	—	—	—	—	4,318	67	—	—	—	67	—
Other deductions	122,367	89,386	58,439	226,908	1,903,723	405,518	305,043	193,192	111,850	100,475	61,961
Net income	**101,816**	**21,612**	**60,837**	**137,456**	**3,753,923**	**527,738**	**411,914**	**224,716**	**187,199**	**115,823**	**114,528**

Footnotes at end of table.

Table 1.—Total Assets and Income Statement for Selected Industries—Continued

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

Item	Services—continued										Nature of business not allocable
	Amusement and recreation services, including motion pictures	Medical and health services			Legal services	Engineering and architectural services	Accounting, auditing, and bookkeeping services			Other services	
		Total	Offices of physicians	Other medical and health services			Total	Certified public accountants	Other accounting, auditing, and bookkeeping services		
	(80)	(81)	(82)	(83)	(84)	(85)	(86)	(87)	(88)	(89)	(90)
Partnerships With and Without Net Income											
Number of partnerships	**28,641**	**34,173**	**9,950**	**24,224**	**30,018**	**11,819**	**17,246**	**9,924**	**7,322**	**21,560**	**40,329**
Number of partners	**197,538**	**155,304**	**36,761**	**118,542**	**142,515**	**26,317**	**62,059**	**45,852**	**16,207**	**125,060**	**154,849**
Total assets	**16,114,774**	**8,734,604**	**1,480,051**	**7,254,553**	**11,839,357**	**874,152**	**2,879,350**	**2,562,108**	**317,242**	**3,845,094**	**21,922,754**
Total receipts	**11,302,478**	**16,917,138**	**7,492,924**	**9,424,215**	**30,611,166**	**4,285,883**	**14,316,436**	**13,186,213**	**1,130,223**	**2,266,487**	**3,981,016**
Business receipts	10,206,124	15,682,233	6,513,951	9,168,282	29,877,435	4,251,092	14,160,109	13,059,107	1,101,002	2,059,316	3,429,614
Income from other partnerships and fiduciaries	65,284	27,697	5,158	22,540	28,874	3,914	12,003	12,003	—	2,238	11,341
Nonqualifying dividends and interest received	112,905	93,087	13,821	79,266	68,780	10,534	35,641	29,839	5,802	99,228	146,234
Rents received	146,450	49,054	5,435	43,619	134,094	651	4,606	3,810	796	32,895	118,077
Royalties	57,081	639	17	622	637	5	7,844	7,844	—	19,303	2,593
Farm net profit	—	—	—	—	301	—	—	—	—	—	28,113
Net gain, noncapital assets	93,453	23,078	370	22,709	31,127	416	954	930	23	17,729	14,851
Other receipts	621,181	1,041,349	954,172	87,177	469,917	19,471	95,280	72,680	22,600	35,779	230,192
Total deductions	**11,175,745**	**12,390,830**	**4,513,321**	**7,877,508**	**18,754,701**	**3,749,807**	**11,235,680**	**10,269,111**	**966,569**	**1,884,868**	**3,821,274**
Cost of sales and operations	3,539,799	1,284,908	221,681	1,063,227	244,248	1,190,200	118,708	84,978	33,730	612,326	1,919,676
Inventory, beginning of year	90,515	53,053	640	52,413	931	9,932	1,723	10	1,713	33,141	157,421
Purchases	703,957	279,306	22,706	256,600	12,268	27,080	5,751	1,953	3,798	182,077	1,160,006
Cost of labor	201,117	227,246	48,352	178,894	15,317	219,185	95,340	68,476	26,864	224,631	107,524
Other costs	2,651,558	766,724	151,544	615,180	216,233	947,252	17,738	14,568	3,170	195,993	754,056
Less: Inventory, end of year	107,349	41,421	1,561	39,860	501	13,249	1,845	29	1,816	23,516	259,332
Salaries and wages	1,241,625	3,422,064	1,335,126	2,086,938	7,985,103	934,962	5,117,293	4,798,773	318,519	179,237	261,767
Less: Jobs credit	67	568	10	558	639	4	1,679	1,679	—	—	—
Guaranteed payments to partners	217,480	607,904	342,111	265,793	888,597	270,486	938,918	832,666	106,251	77,411	35,840
Rent paid	310,979	723,409	363,014	360,394	2,056,635	173,014	858,064	794,802	63,262	60,614	92,685
Interest paid	566,053	381,081	31,151	349,931	235,596	36,490	141,172	116,348	24,823	120,902	192,293
Taxes paid	193,039	396,421	115,160	281,261	808,652	115,117	469,554	433,074	36,480	32,315	63,395
Bad debts	35,821	39,856	9,713	30,143	30,772	1,904	23,718	23,686	32	2,558	23,235
Repairs	85,755	91,150	28,280	62,870	148,725	17,239	64,817	56,585	8,232	15,611	33,025
Depreciation[1]	1,224,660	433,703	77,735	355,967	766,861	68,816	344,205	302,839	41,366	191,642	258,571
Depletion	—	—	—	—	595	—	450	450	—	—	—
Pension, profit sharing, annuity and bond purchase plans	23,789	73,860	50,752	23,109	213,379	23,653	143,299	142,516	783	4,541	3,753
Employee benefit plans	31,926	184,229	111,674	72,555	195,426	35,422	120,047	116,224	3,823	3,766	13,695
Net loss from other partnerships and fiduciaries	208,078	23,545	1,660	21,885	36,987	1,957	3,323	2,283	1,040	45,289	26,239
Rent net loss	16,786	19,255	390	18,865	84,961	20	415	415	—	20,455	40,790
Royalty net loss	—	—	—	—	—	—	—	—	—	—	23,822
Farm net loss	—	—	—	—	2,039	—	—	—	—	—	7,850
Net loss, noncapital assets	23,899	641	475	166	1,565	64	1,246	1,243	3	1,179	7,843
Other deductions	3,456,125	4,709,372	1,824,409	2,884,963	5,055,199	880,467	2,892,130	2,563,908	328,222	517,021	816,796
Net income (less deficit)	**126,733**	**4,526,308**	**2,979,602**	**1,546,706**	**11,856,465**	**536,077**	**3,080,756**	**2,917,102**	**163,655**	**381,619**	**159,743**
Net income	1,758,170	5,186,053	3,018,035	2,168,017	12,058,690	590,835	3,195,989	2,978,507	217,482	713,559	638,929
Deficit	1,631,437	659,744	38,433	621,311	202,225	54,758	115,233	61,405	53,827	331,940	479,187
Partnerships With Net Income											
Number of partnerships	**13,520**	**25,289**	**7,816**	**17,474**	**25,876**	**8,134**	**13,976**	**8,010**	**5,966**	**15,276**	**21,692**
Number of partners	**76,029**	**99,871**	**30,493**	**69,377**	**121,104**	**18,366**	**53,179**	**39,959**	**13,220**	**64,443**	**80,021**
Total assets	**8,361,847**	**4,530,818**	**1,120,333**	**3,410,485**	**11,233,996**	**670,142**	**2,605,801**	**2,377,473**	**228,328**	**1,786,545**	**18,048,466**
Total receipts	**7,442,942**	**14,683,601**	**7,084,019**	**7,599,582**	**29,429,082**	**3,719,755**	**13,795,552**	**12,818,060**	**977,492**	**1,752,736**	**2,722,362**
Business receipts	6,690,705	13,499,631	6,107,456	7,392,176	28,851,454	3,687,556	13,648,692	12,699,384	949,308	1,604,008	2,302,612
Income from other partnerships and fiduciaries	61,978	27,696	5,157	22,540	27,454	3,737	12,003	12,003	—	2,225	11,250
Nonqualifying dividends and interest received	74,438	66,681	12,660	54,021	66,979	9,209	29,882	24,196	5,686	52,640	124,862
Rents received	52,382	42,571	5,435	37,136	76,252	631	2,014	1,218	796	27,142	91,392
Royalties	43,789	17	17	—	637	5	7,844	7,844	—	18,127	2,579
Farm net profit	—	—	—	—	301	—	—	—	—	—	28,113
Net gain, noncapital assets	84,757	19,567	365	19,202	31,127	382	954	930	23	16,293	9,442
Other receipts	434,893	1,027,437	952,930	74,507	374,878	18,234	94,163	72,485	21,678	32,301	152,111
Total deductions	**5,684,772**	**9,497,548**	**4,065,984**	**5,431,564**	**17,370,392**	**3,128,920**	**10,599,563**	**9,839,553**	**760,010**	**1,039,177**	**2,083,433**
Cost of sales and operations	1,962,472	984,574	163,951	820,622	196,080	1,042,851	118,273	84,543	33,730	461,367	1,217,305
Inventory, beginning of year	61,869	31,058	640	30,418	791	6,235	1,723	10	1,713	9,635	100,376
Purchases	460,295	261,699	21,028	240,671	8,982	14,694	5,751	1,953	3,798	126,765	765,601
Cost of labor	83,588	159,894	18,079	141,815	15,317	206,161	95,340	68,476	26,864	212,170	78,376
Other costs	1,435,535	564,218	125,766	438,452	171,438	824,817	17,303	14,133	3,170	122,788	391,800
Less: Inventory, end of year	78,816	32,296	1,561	30,735	448	9,057	1,845	29	1,816	9,990	118,849
Salaries and wages	703,656	2,711,252	1,270,324	1,440,928	7,669,993	791,495	4,953,762	4,693,949	259,813	118,699	156,669
Less: Jobs credit	67	294	10	285	639	4	126	126	—	—	—
Guaranteed payments to partners	174,017	479,418	280,342	199,076	562,883	137,347	744,715	690,564	54,151	60,109	26,069
Rent paid	154,801	578,608	336,484	242,124	1,931,701	148,042	807,163	759,520	47,643	47,287	66,837
Interest paid	193,470	182,308	28,208	154,100	212,929	28,189	106,811	90,859	15,953	20,122	60,576
Taxes paid	114,613	306,942	109,006	197,937	782,242	101,064	454,741	423,816	30,925	22,448	40,016
Bad debts	17,142	28,296	8,330	19,965	30,751	1,340	23,718	23,686	32	338	1,699
Repairs	41,848	73,687	26,230	47,457	138,233	13,943	59,361	51,937	7,424	8,951	23,596
Depreciation[1]	430,610	260,473	66,457	194,016	683,885	55,508	333,086	296,562	36,524	37,319	108,333
Depletion	—	—	—	—	595	—	450	450	—	—	—
Pension, profit sharing, annuity and bond purchase plans	16,257	69,911	49,212	20,699	210,500	22,987	142,962	142,179	783	4,481	3,700
Employee benefit plans	17,466	160,028	108,369	51,659	193,359	34,966	112,349	108,526	3,823	2,208	5,199
Net loss from other partnerships and fiduciaries	6,301	4,506	1,351	3,155	29,006	1,217	3,323	2,283	1,040	224	2,054
Rent net loss	41	390	390	—	4,257	—	415	415	—	2,286	1,063
Royalty net loss	—	—	—	—	—	—	—	—	—	—	—
Farm net loss	—	—	—	—	2,039	—	—	—	—	—	236
Net loss, noncapital assets	44	624	475	149	1,565	56	1,246	1,243	3	3	1
Other deductions	1,852,102	3,656,828	1,616,866	2,039,962	4,721,013	749,919	2,737,313	2,469,147	268,166	253,335	370,082
Net income	**1,758,170**	**5,186,053**	**3,018,035**	**2,168,017**	**12,058,690**	**590,835**	**3,195,989**	**2,978,507**	**217,482**	**713,559**	**638,929**

[1] The deduction for depreciation shown in table 1 differs from that shown in table 2 due to the reporting characteristics in farming and in real estate. The depreciation in table 1 is taken from the front page of the partnership income reporting form while that in table 2 is taken from the form 4562 on which the depreciation deduction is computed.

Table 2.—Selected Items, by Industry

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

Industry	Number of partnerships		Number of partners	Total assets	Business receipts [1]	Cost of sales and operations	Depreciation	Taxes paid deduction	Interest paid	Payroll	Guaranteed payments to partners	Net income (less deficit)	Net income	Deficit
	Total	Limited												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
All industries	**1,702,952**	**273,076**	**15,228,530**	**1,403,750,213**	**378,702,630**	**164,167,707**	**59,847,381**	**7,866,233**	**29,452,297**	**46,093,906**	**7,237,781**	**-17,370,860**	**80,214,873**	**97,585,733**
Agriculture, forestry, and fishing	147,532	9,082	642,342	24,748,562	6,084,975	3,382,137	2,586,475	102,789	291,391	666,360	302,101	-938,402	2,745,737	3,684,139
Farms	119,217	6,879	480,857	20,093,668	2,968,651	1,899,905	2,062,877	51,705	134,244	269,121	261,243	-639,130	2,288,143	2,927,274
Field crop	49,793	397	152,079	6,578,623	999,188	611,350	650,375	29,177	48,200	130,658	97,082	562,602	1,092,203	529,601
Vegetable and melon	3,703	*	11,148	643,104	118,036	76,940	82,408	1,381	6,502	11,295	1,170	135,004	207,334	72,330
Fruit and tree nut	12,872	3,568	137,157	4,363,761	245,629	146,125	276,902	6,172	19,444	46,795	19,479	-230,403	240,243	470,646
Horticultural specialty	5,177	1,080	31,629	345,949	133,318	50,244	61,847	4,504	13,812	22,675	120	-50,846	40,989	91,835
Beef cattle feedlots	1,901	*	4,974	239,906	240,631	203,524	19,948	491	4,658	6,278	166	-17,248	16,975	34,223
Beef cattle, except feedlots	17,352	91	68,979	3,471,957	388,658	264,566	251,116	880	21,329	4,924	38,739	-684,578	109,364	793,942
Hogs, sheeps, and goats	4,636	255	13,101	372,685	37,946	32,184	88,351	329	145	—	4,907	-310,019	62,809	372,828
Dairy farms	16,758	1,118	40,214	1,858,256	313,173	221,414	434,600	4,400	5,633	12,371	89,049	250,542	379,989	129,447
Poultry and eggs	792	256	1,756	469,835	228,302	139,123	29,573	659	1,352	7,436	3,248	41,882	57,270	15,388
General livestock, including animal specialty	6,223	101	19,599	1,721,160	252,292	144,989	167,758	3,706	9,778	21,597	7,281	-322,224	80,968	403,192
Farms not allocable	9	9	219	28,432	11,478	9,447	—	5	3,391	5,091	—	-13,843	—	13,843
Agricultural services	19,995	1,627	79,230	2,531,508	1,895,511	1,030,675	411,411	33,640	72,367	277,039	25,554	-271,602	281,900	553,503
Veterinary services	427	—	854	38,113	144,100	16,901	3,851	4,810	924	33,442	14,899	27,532	27,532	—
Livestock breeding	4,566	1,042	40,444	1,043,987	179,161	84,615	250,906	668	22,479	9,546	411	-366,762	43,153	409,916
Animal services, except livestock breeding and veterinary	3,146	—	6,814	371,530	125,823	79,636	25,597	2,394	3,154	19,963	48	-25,020	38,182	63,202
Landscape and horticultural services	8,648	508	17,579	223,963	656,515	333,329	43,262	13,306	10,190	118,211	2,557	102,832	120,418	17,586
Other agricultural services	3,209	77	13,538	853,915	789,911	516,194	87,795	12,463	35,620	95,877	7,639	-10,184	52,615	62,799
Forestry	5,492	39	75,683	1,575,493	684,575	249,572	66,672	13,061	21,744	56,766	599	-53,019	83,606	136,625
Fishing, hunting, and trapping	2,829	536	6,572	547,893	536,239	201,986	45,514	4,383	63,036	63,433	14,706	25,349	92,087	66,738
Mining	53,142	19,031	2,350,587	66,968,783	14,749,011	5,249,671	4,927,537	608,178	1,021,894	845,894	71,272	-3,458,320	5,214,427	8,672,748
Metal mining	2,674	1,314	45,113	4,421,474	785,851	694,915	220,957	53,799	118,760	119,425	752	-651,607	73,638	725,245
Coal mining	489	37	8,777	4,367,633	1,979,242	1,378,519	235,685	68,250	35,119	186,186	7,494	-95,659	419,816	515,475
Oil and gas extraction	48,821	17,395	2,270,092	55,987,206	10,994,552	2,514,308	4,300,145	471,283	825,053	433,729	50,920	-2,657,208	4,660,460	7,317,667
Nonmetallic minerals, except fuels	1,158	284	26,604	2,192,470	989,365	661,928	170,751	14,846	42,962	106,553	12,106	-53,848	60,513	114,361
Construction	61,425	1,671	137,404	16,555,693	26,822,853	20,178,626	521,636	238,718	327,225	4,178,124	424,474	2,497,759	3,205,772	708,013
General building contractors and operative builders	21,851	1,115	52,726	11,090,672	13,968,213	11,683,030	164,259	62,907	189,498	1,941,570	221,357	1,104,580	1,468,553	363,973
General building contractors	20,481	952	49,343	8,501,725	12,312,503	10,897,519	131,639	56,278	153,204	1,877,409	217,522	735,711	1,038,185	302,474
Operative builders	1,370	163	3,383	2,588,947	1,155,710	785,511	32,619	6,630	36,294	64,161	3,834	368,869	430,368	61,500
Heavy construction contractors	2,759	286	5,729	3,009,222	3,986,483	3,316,516	101,313	26,326	29,479	562,594	8,400	318,911	435,782	116,871
Highway and street construction	537	257	1,121	328,678	780,294	647,936	22,869	14,275	8,576	148,171	2,338	21,339	56,572	35,233
Heavy construction except highway	2,222	30	4,608	2,680,544	3,206,189	2,668,580	78,445	12,051	20,903	414,423	6,062	297,573	379,210	81,638
Special trade contractors	36,815	270	78,949	2,455,799	8,868,157	5,179,080	256,064	149,485	108,248	1,673,960	194,717	1,074,268	1,301,436	227,168
Plumbing, heating, and air conditioning	7,537	99	14,153	158,534	1,642,217	963,119	30,931	31,751	9,456	286,575	8,037	228,830	262,210	33,380
Painting, paper hanging, and decorating	5,274	—	10,051	144,416	763,837	193,858	18,310	12,571	5,351	145,609	6,425	262,069	271,027	8,958
Electrical work	1,812	—	3,670	292,326	774,804	564,490	5,115	9,028	5,358	134,910	22,314	93,411	97,004	3,593
Masonry, stonework, tile setting, and plastering	1,488	—	3,327	93,393	654,480	369,107	10,739	8,311	5,170	144,894	31,390	69,193	76,396	7,203
Carpentry and flooring	3,845	—	9,850	46,414	490,340	164,361	9,143	13,230	3,193	142,131	3,937	93,971	106,698	12,728
Roofing and sheet metal work	1,953	—	5,133	41,991	351,812	176,920	6,827	4,288	1,315	97,438	31,620	9,222	13,595	4,374
Concrete work	1,382	—	3,188	122,388	514,669	326,852	12,922	14,271	4,160	99,781	22,535	65,970	66,477	506
Water well drilling	719	*	1,437	73,820	149,296	127,758	7,603	1,311	4,402	56,722	732	-20,373	5,200	25,572
Miscellaneous special trade contractors	12,805	*	28,140	1,482,518	3,526,701	2,292,615	154,474	54,724	69,843	565,900	67,727	271,974	402,829	130,854
Manufacturing	27,507	1,602	107,726	25,299,208	22,226,737	15,969,450	1,888,127	210,621	682,297	3,290,950	164,621	-457,841	1,512,183	1,970,023
Food and kindred products	1,040	47	3,942	1,383,698	1,761,079	1,373,656	71,771	22,764	37,897	176,794	8,203	7,656	82,841	75,184
Textile mill products	518	3	1,060	90,073	148,327	117,835	2,328	1,923	3,015	26,680	306	1,134	4,737	3,603
Apparel and other textile products	3,914	11	5,863	834,689	1,488,064	990,701	22,753	14,370	41,214	255,957	5,715	100,324	105,017	4,693
Lumber and wood products, except furniture	1,895	139	11,745	4,012,834	2,398,004	1,895,293	184,136	30,928	119,073	432,622	28,767	-90,849	106,659	197,509
Furniture and fixtures	1,136	3	3,797	120,530	209,714	150,769	3,724	949	7,757	30,461	3,116	-9,571	2,084	11,655
Printing, publishing, and allied industries	5,505	410	26,038	1,897,615	2,701,382	1,225,186	101,493	41,792	64,235	555,561	19,737	121,412	342,683	221,271

Footnotes at end of table.

Table 2.—Selected Items, by Industry—Continued

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

Industry	Number of partnerships		Number of partners	Total assets	Business receipts 1	Cost of sales and operations	Depreciation	Taxes paid deduction	Interest paid	Payroll	Guaranteed payments to partners	Net income (less deficit)	Net income	Deficit
	Total	Limited												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Manufacturing—continued														
Chemicals and allied products	237	50	6,134	6,743,270	2,985,787	2,325,865	848,674	21,899	133,418	312,067	8,941	-692,184	177,504	869,688
Leather and leather products	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Stone, clay, and glass products	547	*	1,198	185,524	222,390	139,728	13,241	4,194	3,912	37,770	1,778	11,715	19,996	8,281
Primary metal industries	21	6	79	952,357	1,237,244	1,103,506	70,964	9,220	18,202	178,962	1,700	-11,639	14,410	26,049
Fabricated metal products	4,594	538	7,637	894,804	1,599,981	1,147,613	45,788	9,838	24,406	181,731	13,710	148,400	179,152	30,752
Machinery, except electrical	96	59	663	980,311	653,467	477,779	70,210	5,053	43,120	95,525	225	-86,432	25,593	112,025
Electrical and electronic equipment	1,786	42	5,748	580,619	826,380	578,554	26,604	5,857	10,349	161,174	9,924	27,355	64,043	36,687
Transportation equipment	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Other manufacturing industries	6,203	284	33,778	6,076,618	5,491,167	3,980,814	409,438	34,008	161,144	767,855	60,667	-13,170	288,004	301,175
Transportation, communication, electric, gas, and sanitary services	21,059	2,533	223,272	33,567,060	12,599,059	3,930,926	3,485,669	232,256	1,351,865	1,087,612	149,179	-3,029,423	1,682,655	4,712,079
Local and interurban passenger transportation	388	10	1,062	107,015	156,106	47,340	25,098	4,743	10,904	26,262	17	2,522	16,397	13,875
Taxicabs	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other passenger transportation	388	10	1,062	107,015	156,106	47,340	25,098	4,743	10,904	26,262	17	2,522	16,397	13,875
Trucking and warehousing	7,363	145	32,212	1,328,172	1,293,323	298,480	330,176	28,591	76,070	152,184	29,081	-140,448	140,075	280,523
Trucking, local and long distance	6,392	40	19,281	617,125	1,091,322	250,086	250,489	24,670	55,322	105,225	28,424	2,170	106,436	104,267
Public warehousing and trucking terminals	971	106	12,931	711,047	202,001	48,395	79,687	3,920	20,748	46,959	657	-142,618	33,638	176,256
Water transportation	672	606	8,047	1,869,719	931,874	625,536	204,961	8,571	107,018	84,193	3,046	-125,225	107,705	232,930
Air transportation	387	*	1,671	273,583	134,201	30,150	52,166	196	14,678	2,484	—	-52,960	2,119	55,079
Transportation services	4,055	58	9,121	3,306,184	2,364,106	1,158,134	299,472	19,284	99,963	61,415	2,365	530,137	654,694	124,557
Passenger transportation arrangement	97	*	230	137,561	85,060	66,932	2,113	958	165	9,162	937	-8,692	2,076	10,768
Freight transportation arrangement	225	*	601	70,581	312,379	124,415	9,439	1,333	2,050	11,595	12	37,318	42,392	5,074
Other transportation services	3,732	45	8,290	3,098,041	1,966,667	966,787	287,920	16,992	97,747	40,659	1,416	501,511	610,226	108,715
Communication	5,551	1,292	144,740	16,306,797	5,188,250	976,099	1,399,251	125,659	655,429	685,628	100,457	-2,452,460	319,302	2,771,762
Electric, gas, and water services	2,435	414	25,654	9,336,705	2,188,283	733,098	1,082,178	37,528	325,852	23,652	10,306	-765,634	380,099	1,145,732
Sanitary services	209	*	765	1,038,886	342,916	62,088	92,368	7,685	61,952	51,794	3,907	-25,355	62,265	87,620
Wholesale and retail trade	174,118	9,741	408,584	23,007,217	68,495,447	50,015,258	1,122,764	983,475	834,251	5,581,735	803,822	2,271,556	3,716,517	1,444,961
Wholesale trade	22,672	591	54,135	8,744,179	24,320,137	20,738,319	209,031	138,072	254,168	1,110,009	203,290	569,595	1,005,785	436,190
Motor vehicles and automotive equipment	602	3	1,503	203,954	791,538	533,550	11,958	8,124	4,639	49,925	2,865	73,038	88,938	15,900
Lumber and construction materials	776	4	2,152	295,202	1,204,190	954,426	19,456	10,571	10,493	75,795	4,306	49,992	82,554	32,562
Electrical goods	795	11	773	178,387	195,154	148,415	4,206	1,703	11,429	18,121	1,978	-11,943	9,577	21,520
Hardware, plumbing, and heating equipment	708	116	1,833	187,946	513,529	345,225	3,164	4,518	4,458	33,810	4,179	48,331	49,112	781
Farm machinery and equipment	532	108	1,532	248,720	203,752	168,592	1,726	2,221	2,791	20,380	4,106	-5,782	1,655	7,437
Other machinery, equipment and supplies	1,380	6	3,098	500,962	516,046	361,228	16,437	7,835	21,293	44,187	4,574	23,151	39,481	16,330
Other durable goods	8,204	30	17,988	2,938,273	3,403,136	2,510,588	38,694	23,511	53,650	192,367	112,879	174,463	230,426	55,963
Drugs, chemicals, and allied products	163	113	1,022	307,369	705,143	588,172	1,982	2,713	6,672	32,303	669	39,431	58,544	19,113
Apparel, piece goods, and notions	2,304	8	5,012	231,693	974,996	731,507	4,224	4,234	8,763	163,624	15,087	68,048	68,650	601
Groceries and related products	1,224	21	2,307	440,823	3,496,001	3,214,616	16,447	15,011	25,073	155,263	17,971	17,746	84,316	66,570
Farm-product raw materials	1,595	22	3,819	797,837	3,472,727	3,170,983	43,233	12,480	32,473	89,486	12,917	35,458	61,417	25,959
Alcoholic beverages	318	8	719	191,180	831,937	672,513	6,929	9,197	6,236	49,613	3,740	28,199	41,483	13,284
Other nondurable goods	4,071	139	12,377	2,221,832	8,011,987	7,338,504	40,576	35,954	66,198	185,134	18,018	29,463	189,631	160,168
Retail trade	151,446	9,150	354,449	14,263,038	44,175,310	29,276,939	913,732	845,403	580,083	4,471,726	600,533	1,701,961	2,710,732	1,008,771
Building materials, paint, hardware, garden supply, and mobile home dealers	5,248	142	12,138	975,814	2,900,970	2,072,299	43,800	56,540	51,835	231,022	27,750	179,167	210,398	31,231
Lumber and other building materials dealers	1,127	139	3,111	508,698	1,463,991	1,132,465	20,374	13,357	21,108	97,081	10,437	76,055	86,806	10,751
Paint, glass, and wallpaper stores	733	—	1,481	35,963	167,897	84,292	2,787	4,536	1,204	17,223	678	16,258	16,258	—
Hardware stores	1,897	*	4,340	298,996	787,946	543,316	7,788	26,171	17,280	59,934	16,252	41,826	54,280	12,454
Retail nurseries and garden supply stores	947	—	2,095	100,417	416,851	250,472	10,105	11,590	6,317	50,736	—	44,661	47,185	2,524
Mobile home dealers	544	*	1,111	31,739	74,285	61,754	2,745	886	5,926	6,049	383	367	5,869	5,502
General merchandise stores	5,014	435	11,013	516,051	1,089,295	739,049	28,967	22,402	12,883	98,453	22,523	50,690	64,338	13,647
Variety stores	1,221	55	2,939	96,127	316,709	178,555	14,704	9,488	304	33,623	15,549	15,265	24,740	9,475
Other general merchandise stores	3,793	379	8,074	419,924	772,587	560,494	14,263	12,914	12,579	64,829	6,974	35,425	39,597	4,172

Footnotes at end of table.

Table 2.—Selected Items, by Industry—Continued

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

Industry	Number of partnerships		Number of partners	Total assets	Business receipts 1	Cost of sales and operations	Depreciation	Taxes paid deduction	Interest paid	Payroll	Guaranteed payments to partners	Net income (less deficit)	Net income	Deficit
	Total	Limited												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Wholesale and retail trade—continued														
Food stores	21,060	689	48,155	1,644,249	8,077,211	6,153,623	118,216	113,975	65,476	596,049	86,514	139,971	278,932	138,960
Grocery stores	11,439	225	24,425	1,004,892	6,067,466	4,803,573	75,281	74,761	40,498	402,426	34,833	144,991	206,320	61,330
Meat and fish markets, including freezer provisioners	1,613	*	3,656	80,798	536,850	379,890	7,674	2,417	585	22,948	27,795	30,294	34,562	4,267
Fruit stores and vegetable markets	174	—	433	20,125	150,763	112,394	1,429	2,607	2,052	11,652	6,689	3,172	3,512	340
Candy, nut, and confectionery stores	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dairy products stores	1,273	—	4,073	61,917	160,004	103,993	6,128	5,809	8,622	14,127	—	308	4,168	3,860
Retail bakeries	625	*	1,260	118,255	131,867	47,362	1,130	5,710	244	36,674	713	19,462	19,530	68
Miscellaneous food stores	5,936	362	14,309	358,261	1,030,261	706,411	26,574	22,671	13,475	108,223	16,483	-58,256	10,840	69,095
Automotive dealers and service stations	14,628	765	34,866	2,271,997	9,397,184	7,800,513	127,116	85,448	83,717	523,821	103,856	197,886	302,158	104,273
Motor vehicle dealers-new car dealers (franchised)	451	49	1,924	608,832	2,885,433	2,517,485	20,177	19,814	25,745	168,238	8,229	16,375	48,419	32,044
Motor vehicle dealers-used cars only	4,262	631	8,718	263,804	1,382,290	1,172,238	22,755	11,499	14,904	35,849	11,083	36,641	56,223	19,582
Auto and home supply stores	2,737	*	7,568	424,330	888,453	618,434	9,063	10,714	7,529	102,061	61,390	14,684	29,349	14,665
Gasoline service stations	5,948	31	13,184	608,576	3,565,454	3,020,186	37,320	35,852	18,863	153,119	20,732	132,441	150,992	18,551
Boat dealers	578	*	1,162	99,468	178,986	140,159	1,706	565	5,249	15,247	—	-7,876	188	8,063
Recreational vehicle dealers	215	*	431	81,778	113,744	77,364	2,080	251	1,119	9,081	67	-4,387	212	4,599
Motorcycle dealers	84	28	252	18,894	118,955	97,615	1,107	2,542	2,710	7,606	1,053	-383	894	1,277
Miscellaneous aircraft and automotive dealers	352	—	1,628	166,314	263,868	157,031	32,908	4,211	7,598	32,620	1,302	10,391	15,882	5,491
Apparel and accessory stores	14,674	542	30,833	807,493	1,828,507	1,137,094	34,852	44,204	23,573	165,763	53,662	47,385	178,306	130,922
Men's and boys' clothing and furnishings stores	533	24	1,590	143,809	151,954	103,975	11,603	2,325	4,623	14,674	5,110	-15,149	4,261	19,410
Women's ready-to wear stores	1,048	508	1,081	8,526	109,312	76,459	885	4,562	1,254	11,609	674	-19,959	3,537	23,496
Women's accessory and specialty stores	2,354	*	2,909	61,813	160,128	108,038	2,749	2,041	5,078	16,972	99	-14,774	3,218	17,992
Children's and infants' wear stores	4,691	—	9,381	122,562	257,618	190,398	6,832	4,434	8,862	24,627	11,669	-54,051	69	54,121
Family clothing stores	813	—	1,742	114,965	333,434	177,602	3,174	11,540	1,257	49,456	3,194	77,853	86,242	8,389
Shoe stores	623	*	1,253	57,272	99,888	62,713	572	1,667	821	6,509	—	9,455	10,215	760
Furriers and fur shops	7	—	14	1,158	7,960	4,003	164	44	18	637	—	696	696	—
Apparel and accessory stores not elsewhere classified	4,604	—	12,862	297,389	708,212	413,906	8,874	17,591	1,659	41,279	32,916	63,316	70,069	6,754
Furniture and home furnishings stores	8,204	259	19,716	1,133,953	2,587,642	1,686,020	38,016	43,667	33,299	215,659	25,068	213,737	237,561	23,824
Furniture stores	2,355	4	5,103	525,767	930,228	567,662	11,147	24,646	9,437	92,329	3,948	83,076	83,945	869
Floor covering stores	989	—	1,980	185,428	337,894	234,178	8,064	6,254	3,798	40,196	3,739	22,475	28,558	6,083
Drapery, curtain, and upholstery stores	1,158	—	4,407	30,715	237,639	157,915	396	110	2,265	—	—	30,972	30,972	—
Home furnishings and equipment stores, except appliances	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Household appliance stores	2,938	255	6,413	194,052	600,036	386,318	10,476	8,887	9,310	43,553	15,421	56,031	65,469	9,438
Radio and television stores	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Music stores	706	—	1,696	153,540	355,068	240,343	6,972	2,717	5,473	31,748	387	26,720	26,963	243
Eating and drinking places	35,749	3,350	96,325	3,072,108	9,636,779	4,033,507	336,345	315,142	168,000	1,948,297	126,109	500,206	823,799	323,592
Eating places	31,126	3,191	84,313	2,834,184	9,001,347	3,793,385	304,168	286,025	163,286	1,822,970	115,674	440,967	737,207	296,240
Drinking places	4,623	159	12,013	237,924	635,432	240,122	32,177	29,117	4,714	125,327	10,435	59,239	86,592	27,353
Miscellaneous retail stores	46,870	2,969	101,403	3,841,374	8,657,722	5,654,834	186,420	164,025	141,300	692,662	155,052	372,919	615,240	242,321
Drug stores and proprietary stores	1,178	*	2,916	235,598	766,944	519,279	8,254	10,844	4,935	83,397	19,003	75,902	77,741	1,839
Liquor stores	4,406	—	9,328	538,539	1,610,813	1,258,813	40,503	34,502	32,377	58,075	14,744	38,434	59,233	20,800
Used merchandise stores	2,741	1,045	5,481	93,020	216,569	151,987	2,578	902	4,534	8,185	765	3,685	15,699	12,014
Sporting goods and bicycle shops	2,385	—	4,420	66,898	375,100	278,463	4,499	6,437	747	18,122	1,823	-6,730	12,283	19,013
Book stores	622	508	1,471	50,103	116,077	75,897	1,562	662	823	17,739	2,253	3,914	3,927	13
Stationery stores	115	*	230	17,077	93,666	60,240	663	3,346	2,099	11,286	6,250	-3,931	1,659	5,590
Jewelry stores	1,485	—	3,215	144,298	431,716	237,968	4,371	4,929	5,352	49,509	2,164	65,891	67,625	1,734
Hobby, toy, and game shops	1,047	—	2,168	31,241	63,561	48,340	5,869	590	298	1,272	—	-1,511	1,020	2,531
Camera and photographic supply stores	763	—	1,526	72,019	55,088	37,845	5,455	1,181	1,971	7,469	—	-1,796	—	1,796
Gift, novelty, and souvenir shops	5,947	1,075	12,503	88,330	684,199	189,034	3,750	11,277	764	14,226	1,957	49,005	74,466	25,461
Luggage and leather goods stores	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Sewing, needlework, and piece goods stores	3,984	114	7,968	259,999	451,721	245,890	11,115	8,757	13,265	43,510	36,372	13,097	20,440	7,343

Footnotes at end of table.

Table 2.—Selected Items, by Industry—Continued

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

Industry	Number of partnerships		Number of partners	Total assets	Business receipts [1]	Cost of sales and operations	Depreciation	Taxes paid deduction	Interest paid	Payroll	Guaranteed payments to partners	Net income (less deficit)	Net income	Deficit
	Total	Limited												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Wholesale and retail trade—continued														
Retail trade—continued														
Miscellaneous retail stores—continued														
Mail order houses	513	*	1,042	255,045	454,618	250,377	9,374	2,143	14,565	43,830	808	30,317	30,323	6
Merchandising machine operators	1,017	—	2,035	1,403	107,139	54,533	5,696	2,016	1,759	14,586	724	7,873	7,873	—
Direct selling organizations	1,626	*	3,883	15,897	214,259	118,450	16,144	7,632	11,322	14,154	6,756	2,754	11,143	8,389
Fuel and ice dealers, except fuel oil dealers and bottled gas dealers	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Fuel oil dealers	146	*	294	42,362	241,061	172,127	5,588	5,048	2,075	18,327	5,182	11,684	11,746	62
Liquified petroleum gas (bottled gas) dealers	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Florists	2,373	—	3,701	44,608	218,325	94,270	5,948	5,504	2,269	24,579	1,703	27,809	31,205	3,396
Cigar stores and stands	—	—	—	—	—	—	—	—	—	—	—	—	—	—
News dealers and newstands	508	—	1,016	—	12,095	9,676	—	172	—	3,964	—	-12,826	—	12,826
Other miscellaneous retail stores	15,986	179	38,087	1,859,239	2,773,266	1,796,686	52,442	54,537	41,263	253,555	53,822	74,690	188,553	113,863
Finance, insurance, and real estate	852,705	199,512	9,459,473	1,068,220,096	112,594,396	43,225,850	33,889,985	2,201,345	18,491,659	4,437,998	1,668,957	-32,979,553	32,477,169	65,456,722
Finance	130,753	33,162	1,999,304	252,658,871	42,847,885	22,467,591	940,163	323,809	6,038,183	1,848,865	639,074	2,774,416	8,962,841	6,188,424
Banking	1,190	4	20,315	3,827,824	966,409	502,728	4,293	2,948	191,796	63,623	2,192	102,176	103,886	1,710
Credit agencies other than banks	1,511	1,123	16,628	5,737,209	563,190	7,690	3,830	2,806	305,183	47,429	2,829	91,944	118,337	26,393
Security and commodity brokers and services	2,858	1,353	87,998	60,981,736	23,631,487	17,323,303	36,610	95,891	2,245,846	1,082,089	285,719	393,808	1,382,508	988,700
Security underwriting syndicates	270	7	1,696	2,130,258	743,804	238,035	1,638	10,946	96,178	113,425	8,883	229,765	239,058	9,293
Security brokers and dealers, except underwriting syndicates	1,359	678	10,038	48,356,254	20,728,278	15,903,108	23,874	75,056	1,920,556	863,125	218,478	44,617	803,404	758,787
Commodity contracts brokers, exchanges, and services	1,229	668	76,265	10,495,224	2,159,406	1,182,160	11,098	9,890	229,112	105,539	58,358	119,426	340,046	220,620
Holding and investment companies	125,193	30,683	1,874,362	182,112,101	17,686,799	4,633,869	895,430	222,163	3,295,358	655,724	348,334	2,186,489	7,358,110	5,171,622
Investment clubs	18,150	2,568	184,773	6,810,368	380,731	78,205	35,838	2,979	25,834	1,033	9,117	-167,867	222,297	390,164
Common trust funds	3,043	43	292,106	23,617,934	1,516,345	2,405	1,495	511	73,902	1,085	8,096	1,294,179	1,379,005	84,827
Other holding and investment companies	104,000	28,071	1,397,484	151,683,800	15,789,724	4,553,259	858,096	218,673	3,195,623	553,606	331,121	1,060,177	5,756,807	4,696,630
Insurance agents, brokers, and services	8,570	68	23,792	3,743,768	4,025,435	266,564	40,091	37,395	29,836	276,984	92,917	862,901	1,002,178	139,278
Real estate	713,383	166,282	7,436,377	811,817,457	65,721,077	20,491,695	32,909,731	1,840,141	12,423,640	2,312,150	936,966	-36,616,870	22,512,150	59,129,020
Operators and lessors of buildings	602,166	139,506	6,524,128	687,748,827	38,614,280	3,981,411	30,507,169	1,343,800	8,894,743	1,460,897	657,572	-32,809,212	17,760,462	50,569,675
Lessors, other than buildings	40,578	7,694	281,576	16,162,082	1,303,986	176,013	868,394	54,185	249,682	35,856	8,878	-557,879	636,224	1,194,103
Real estate agents, brokers, and managers	12,158	2,241	75,594	10,175,086	2,449,702	664,932	211,695	56,321	299,055	240,713	101,128	-310,815	394,416	705,231
Title abstract companies	118	99	371	30,187	72,971	14,543	1,201	1,500	932	17,148	571	6,540	10,716	4,177
Subdividers and developers, except cemeteries	56,460	15,646	350,926	95,292,635	22,802,528	15,311,307	1,313,937	383,571	2,967,296	557,031	161,787	-3,011,298	3,620,797	6,632,096
Cemetery subdividers and developers	28	14	99	305,443	30,871	25,287	8	342	1,004	22	2,349	-12,230	429	12,659
Combined real estate, insurance, loans, and law offices	1,875	1,081	203,684	2,104,197	446,739	318,202	7,326	423	10,927	483	4,681	78,024	89,105	11,081
Services	325,134	29,119	1,744,294	123,460,841	111,700,538	20,296,113	11,177,040	3,225,456	6,259,423	25,635,944	3,617,513	18,563,621	29,021,484	10,457,862
Hotels and other lodging places	25,887	6,644	199,092	52,184,125	19,072,607	7,757,052	3,128,197	895,030	3,633,179	3,261,925	128,489	-4,316,356	800,278	5,116,634
Hotels	4,246	1,698	63,801	33,232,937	13,703,637	6,634,492	2,040,801	586,687	2,519,926	2,263,862	63,385	-3,468,388	382,140	3,850,528
Motels, motor hotels, and tourist courts	10,319	3,170	89,154	13,993,891	4,832,054	998,549	870,884	268,430	993,784	931,829	52,245	-736,065	253,690	989,755
Rooming and boarding houses	3,600	451	14,748	1,329,710	125,234	37,651	63,834	3,001	29,183	12,374	477	-78,888	20,794	99,682
Sporting and recreational camps	1,137	64	3,611	147,593	55,567	3,788	2,359	2,052	3,919	5,382	6,668	2,806	5,932	3,125
Trailering parks and camp sites for transients	6,534	1,233	26,712	3,301,036	265,067	68,762	136,901	30,136	72,082	23,665	5,700	-12,787	136,964	149,751
Organizational hotels and lodging houses, on a membership basis	51	28	1,067	178,957	91,048	13,809	13,419	4,723	14,285	24,813	14	-23,034	758	23,792
Personal services	34,129	977	79,650	947,438	2,796,985	682,057	157,405	85,439	72,160	646,893	135,891	204,481	321,721	117,240
Coin-operated laundries and dry cleaning	4,890	227	14,191	184,615	473,137	92,953	38,407	23,101	11,781	107,866	3,921	6,075	59,948	53,873
Other laundry, dry cleaning, and garment services	5,360	—	10,746	109,332	257,173	49,936	27,996	9,847	2,510	69,348	10,017	28,567	41,868	13,301
Photographic studios, portrait	621	—	1,355	18,361	52,358	27	5,693	1,128	925	10,884	8,088	475	475	—
Beauty shops	7,742	*	17,546	197,888	713,793	258,006	20,189	16,856	13,063	237,750	40,888	8,932	21,612	12,681
Barber shops	3,072	209	9,789	53,583	214,650	52,425	7,813	6,035	1,012	55,268	2,658	58,664	60,837	2,173
Shoe repair and hat cleaning shops	508	—	1,525	—	6,661	2,452	140	234	—	2,378	—	1,457	1,457	—
Funeral service and crematories	1,763	*	3,784	245,139	487,739	139,092	33,637	19,421	28,461	71,966	7,055	38,245	55,879	17,634
Miscellaneous personal services	10,174	537	20,715	138,521	591,474	87,167	23,531	8,816	14,408	91,433	63,264	62,067	79,646	17,579
Business services	79,574	6,956	665,312	24,057,686	8,956,875	2,336,470	3,877,571	151,597	932,796	1,357,057	228,811	1,660,469	3,753,923	2,093,454
Advertising	1,919	33	4,965	357,993	1,088,028	607,522	34,214	6,590	68,033	76,402	17,816	13,996	111,239	97,242
Services to buildings	2,740	—	5,978	237,407	167,231	62,502	22,445	2,060	11,085	27,938	2,089	36,707	66,890	30,183
Computer and data processing services	5,118	1,065	15,863	971,315	455,076	267,948	118,488	3,937	26,916	43,235	421	90,601	113,473	22,872
Management, consulting and public relations services	12,451	536	45,563	1,863,990	1,626,651	141,962	82,432	32,298	46,963	423,875	68,563	741,116	832,049	90,934
Equipment rental and leasing services	35,211	2,544	435,261	15,891,776	1,932,743	428,539	3,326,219	28,743	608,325	62,130	46,086	466,976	1,768,931	1,301,955
Other business services	22,136	2,777	157,682	4,735,205	3,687,146	827,998	293,774	77,969	171,475	723,477	93,836	311,073	861,341	550,268

Footnotes at end of table.

Table 2.—Selected Items, by Industry—Continued

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

Industry	Number of partnerships		Number of partners	Total assets	Business receipts [1]	Cost of sales and operations	Depreciation	Taxes paid deduction	Interest paid	Payroll	Guaranteed payments to partners	Net income (less deficit)	Net income	Deficit
	Total	Limited												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Services—continued														
Automobile repair and services	32,995	1,204	72,388	1,675,876	3,860,793	2,033,393	261,631	66,872	102,744	391,360	110,404	426,300	527,738	101,438
Automotive rentals, without drivers	817	48	2,435	478,754	175,115	49,650	140,633	2,435	35,500	3,916	517	-13,009	31,672	44,681
Automobile parking	289	12	1,012	382,554	96,996	7,036	13,305	9,421	26,877	13,409	1,249	2,416	12,372	9,956
Automotive top and body repair shops	5,516	—	11,033	102,658	1,103,407	609,301	19,723	21,004	8,455	164,216	20,698	183,630	184,166	536
General automotive repair shops	10,694	—	25,624	417,750	1,435,276	754,369	45,814	21,376	19,885	135,783	40,434	213,725	224,716	10,991
Other automotive repair shops	4,691	—	9,442	46,330	214,941	133,246	6,652	5,303	2,193	17,871	9,258	-14,064	3,032	17,096
Automotive services, except repair	10,989	1,145	22,842	247,829	835,058	479,792	35,503	7,332	9,834	56,165	38,248	53,602	71,780	18,177
Miscellaneous repair services	9,091	509	19,060	308,386	776,968	496,951	32,133	11,420	37,249	115,589	13,124	80,769	114,528	33,759
Radio and TV repair shops	1,045	—	2,091	58,109	98,488	63,005	100	388	—	—	—	25,516	25,516	—
Electrical repair shops, except radio and TV	610	—	1,228	2,016	106,954	99,032	896	742	29,182	31,931	212	-14,696	2,817	17,513
Reupholstery and furniture repair	1,554	—	3,107	—	24,066	16,789	—	103	—	—	—	2,473	2,509	36
Other miscellaneous repair shops	5,882	509	12,635	248,261	547,461	318,125	31,137	10,186	8,067	83,658	12,912	67,476	83,686	16,210
Motion pictures	4,656	1,198	101,564	9,022,494	4,594,209	2,051,829	1,000,676	27,833	164,660	240,630	58,464	271,159	1,067,150	795,991
Motion picture production, distribution, and services	4,564	1,157	100,845	8,189,774	4,205,708	1,926,159	914,990	15,915	148,106	206,192	55,777	195,122	979,209	784,087
Motion picture theaters	93	41	719	832,720	588,501	125,671	85,686	11,918	16,553	34,438	2,686	76,036	87,941	11,905
Amusement and recreation services, except motion pictures	23,985	4,823	95,974	7,092,279	5,611,915	1,487,970	589,385	165,205	401,393	1,202,111	159,016	-144,426	691,020	835,446
Producers, orchestras, and entertainers	5,735	10	21,017	165,888	823,393	243,038	40,255	2,819	2,561	43,003	86,339	163,670	184,575	20,905
Billiard and pool establishments	1,045	—	2,091	2,181	20,977	7,274	700	1,212	—	7,180	—	-2,618	—	2,618
Bowling alleys	448	69	2,327	308,391	189,161	36,454	34,382	9,404	27,416	41,793	4,238	-16,818	7,743	24,560
Professional sports clubs and promoters	682	550	4,905	1,003,822	687,130	124,497	27,732	21,659	44,207	339,274	7,231	-33,932	59,774	93,706
Racing, including track operation	2,654	1,562	12,257	552,291	291,376	63,994	75,272	5,752	33,656	34,527	812	-161,056	22,581	183,638
Other amusement and recreation services	13,421	2,632	53,376	5,059,708	3,599,878	1,012,714	411,044	124,360	293,554	736,335	60,396	-93,672	416,347	510,019
Medical and health services	34,173	1,997	155,304	8,734,604	15,682,233	1,284,908	447,144	396,421	381,081	3,649,310	607,904	4,526,308	5,186,053	659,744
Offices of physicians	9,950	50	36,761	1,480,051	6,613,951	221,681	78,325	115,160	31,151	1,383,478	342,111	2,979,602	3,018,035	38,433
Offices of dentists	8,158	—	19,234	423,023	1,893,457	115,977	42,647	43,967	20,516	409,353	57,519	513,104	681,189	168,084
Offices of osteopathic physicians	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Offices of chiropractors	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Offices of optometrists	1,893	—	4,408	39,711	472,332	131,590	4,005	3,904	1,509	38,742	—	201,442	201,442	—
Registered and practical nurses	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Nursing and personal care facilities	3,171	595	23,410	4,267,857	2,636,139	344,617	175,501	141,073	243,200	978,674	19,631	38,217	227,695	189,478
Hospitals	64	39	1,519	695,562	731,183	76,545	31,336	20,745	30,763	230,256	11,672	57,243	68,849	11,606
Medical laboratories	887	72	13,265	495,789	503,696	29,157	15,621	11,370	3,411	130,519	33,816	22,409	77,913	55,504
Dental laboratories	2,062	—	4,124	15,682	277,104	30,157	5,389	11,159	1,932	36,062	—	140,179	140,179	—
Other medical and health services	7,758	1,240	51,909	1,291,824	2,527,152	335,183	92,303	45,274	46,527	417,475	122,094	532,893	729,533	196,639
Legal services	30,018	*	142,515	11,839,357	29,877,435	244,248	988,361	808,652	235,596	8,000,420	888,597	11,856,465	12,058,690	202,225
Educational services	4,665	*	10,891	33,317	148,160	19,668	2,829	927	1,106	8,171	28,707	33,306	38,848	5,542
Engineering and architectural services	11,819	7	26,317	874,152	4,251,092	1,190,200	68,230	115,117	36,490	1,154,147	270,486	536,077	590,835	54,758
Accounting, auditing, and bookkeeping services	17,246	*	62,059	2,879,350	14,160,109	118,708	434,354	469,554	141,172	5,212,632	938,918	3,080,756	3,195,989	115,233
Certified public accountants	9,924	*	45,852	2,562,108	13,059,107	84,978	296,252	433,074	116,348	4,867,249	832,666	2,917,102	2,978,507	61,405
Other accounting, auditing, and bookkeeping services	7,322	—	16,207	317,242	1,101,002	33,730	138,102	36,480	24,823	345,383	106,251	163,655	217,482	53,827
Other services	16,895	4,794	114,169	3,811,777	1,911,156	592,659	189,123	31,388	119,797	395,698	48,704	348,313	674,711	326,398
Nature of business not allocable	40,329	786	154,849	21,922,754	3,429,614	1,919,676	248,150	63,395	192,293	369,291	35,840	159,743	638,929	479,187

*The estimate for this cell is not shown separately to avoid disclosure of information about specific taxpayers. The data are included in the appropriate totals.

[1] Total receipts for industries in finance, insurance and real estate and business reciepts for all other industries.

Sole Proprietorship Returns, 1986

By Raymond M. Wolfe*

For Tax Year 1986 and for the fourth consecutive year, nonfarm sole proprietors reported a record high level of profits. As can be seen in Figure A, this continued the upward trend in profits that began with 1983 [1,2].

Figure A.—Nonfarm Sole Proprietorship Profits, Tax Years 1980–1985

Tax Year	Net income (less deficit) (billions)
1980	$54.9
1981	53.1
1982	50.6
1983	60.4
1984	70.8
1985	78.8
1986	90.4

The increase in profits reported for 1986 was shared by proprietorships in all industrial divisions except mining [3]. Several divisions realized increases in profits of 10 percent or more over those of the previous year, as shown in Figure B [4].

Figure B.—Profits by Industrial Division, Tax Years 1985 and 1986[1]

Industrial Division	Net income (less deficit) (billions)	
	1985	1986
Mining	$ 0.5	$ −0.7
Construction	11.1	12.8
Manufacturing	1.3	1.5
Transportation and public utilities	2.4	3.4
Wholesale and retail trade	8.3	10.0
Finance, insurance, and real estate	9.8	11.6
Services	43.1	48.8

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

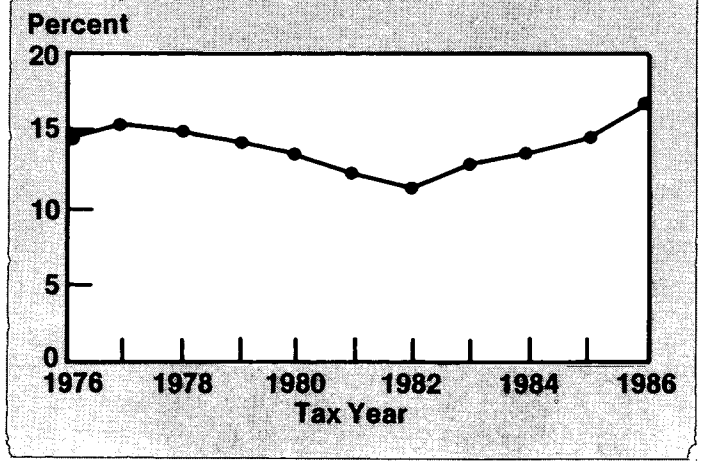
Almost half of the increase in profits reported for all sole proprietorships was reported by industries in services, the division in which the sole proprietorship is the predominant form of business. All industry groups within services, except hotels, motion pictures, offices of dentists and chiropractors, and educational services, reported increases in profits of more than 10 percent.

The large decrease in profits for the mining division (over 200-percent) resulted from the large declines in profits reported for metal mining and oil and gas extraction industries. For 1985, metal mining industries reported losses of $12 million and oil and gas extraction industries reported profits of $521 million. For 1986, both reported losses, $50 million and $640 million, respectively. Both of the other industry groups in the division—coal and nonmetallic mineral mining—reported declines in profits compared with 1985.

The number of individual income tax returns reporting nonfarm sole proprietorship activity increased by 3.9 percent, from 11.9 million for 1985 to 12.4 million for 1986. The number of proprietorships increased in all but two industrial divisions—mining, down 9 percent, and trade, down 1 percent. The greatest increases in number of returns filed were in the construction division; finance, insurance, and real estate division; and the services division. The increases for the construction and services divisions represent a continuation of an upward trend in the number of proprietorships engaged in these activities.

Not only were profits up, but also the total reported receipts on which they were based were up for Tax Year 1985. Reported receipts increased 3.6 percent, from $540 billion for 1985 to $559 billion for 1986. This increase represented a gain in real (1982) dollar sales of $4 billion [5]. The percentage ratio of profits to receipts also continued to rise, as Figure C shows. Contributing to this widening of the difference between receipts and profits were the small increases in the amounts deducted for cost of sales

Figure C
Percentage Ratio of Profits to Receipts, Tax Years 1976-1986



*Acting Chief, Individual Returns Analysis Section.

and operations (0.1 percent) and in the following other major expense items compared with the amounts deducted for 1985: depreciation (0.5 percent), rent paid (2.6 percent), and salaries paid (1.1 percent). Also, the amount deducted for another major expense item—interest paid on other than mortgage loans—declined over 14 percent, compared with 1985. Other detailed industry statistics and income statement items on nonfarm sole proprietorships are presented in Tables 1 and 2.

SUMMARY

In summary, the continuing positive economic climate in 1986 produced good results for the majority of nonfarm sole proprietors. Overall, compared with 1985, a larger number of proprietorships reported larger receipts and profits. The increasing profitability of sole proprietors in service industries and the falling prices of oil and oil products during 1986 are evident in the statistics. Mining, the industrial division that includes oil and gas extraction industries, was the only division that reported overall net losses for 1986.

DATA SOURCES AND LIMITATIONS

A general description of sampling procedures and data limitations applicable to the Statistics of Income (SOI) tabulations is contained in the Appendix to this issue. Specific information applicable to sole proprietorship data for 1986 is presented below.

Sample Selection Criteria

The 1986 sole proprietorship estimates are based on data from a sample of individual income tax returns, Forms 1040, processed by the Internal Revenue Service (IRS) during 1986. The sample was stratified based on presence or absence of Schedule C, Profit or (Loss) from Business or Profession; Schedule F, Farm Income and Expenses; the larger of total income or total loss; and size of business plus farm receipts. The returns were selected at rates that ranged from 0.03 percent to 100 percent. For 1986, 31,628 nonfarm sole proprietorship returns were included in the sample; these were drawn from a population of 12,721,266 returns. For 1985, 38,154 out of 12,268,399 returns were selected.

Limitations

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

Approximate coefficients of variation (CV's) for frequency estimates are presented in Figure D. These CV's can be used to obtain measures of the potential sampling error. They are shown here only as a general indication of data reliability. For numbers other than those shown, the corresponding CV's can be estimated by interpolation. The reliability of estimates based on samples and the use of CV's for evaluating the precision of sample estimates are discussed in the Appendix.

Figure D.—Coefficients of Variation for Frequency Estimates, Tax Year 1986

Estimated number of returns	Approximate Coefficient of Variation
11,540,700	.016
7,386,100	.020
1,181,800	.050
295,400	.100
73,900	.200
32,800	.300
24,100	.350
11,800	.500

NOTES AND REFERENCES

[1] Unless otherwise noted, all money amounts in this article are as reported and are not adjusted for inflation.

[2] Profits are represented by net income less deficit, before Federal income tax; they were calculated as the sum of net income (for businesses reporting a profit) offset by the net deficit (for businesses reporting a deficit) for all businesses within a particular industrial classification. Net income or net deficit for each business was calculated as business receipts minus cost of sales and operations and business deductions.

Changes in the tax laws and in the procedures for processing sole proprietorship returns affect the comparability of data for different tax years. The Tax Reform Act of 1986 made numerous changes to the tax law affecting sole proprietors. Although most of these changes became effective for 1987, some became effective for 1986. Most notably, a new depreciation system, the Modified Accelerated Cost Recovery System (MACRS), was developed for some property placed in service after July 1986.

Tax law changes for other recent years and changes in processing the returns that have affected the year-to-year comparability of data are described in detail in Wilson, Robert A., "Unincorporated Business Activity for 1981," *Statistics of Income Bulletin,* Spring 1983; in Wolfe, Raymond M., "Sole Proprietorship Returns, 1982," *Statistics of Income Bulletin,* Summer 1983; and in the annual editions of the *Statistics of Income—Sole Proprietorship Returns* (for years prior to 1982)

and the *Statistics of Income—Individual Income Tax Returns* series of annual statistical reports.

For a further discussion of unincorporated business activity, see "Partnership Returns, 1986," in this issue.

[3] For purposes of this article, the terms "sole proprietor" and "sole proprietorship" are used interchangeably. In fact, there are always more sole proprietorships than sole proprietors because some individuals own more than one business. Over the past two decades, the ratio of proprietorships to proprietors has remained constant at approximately 1.1 to 1. For a fuller explanation of the relationship between proprietors and proprietorships, see *Statistics of Income—1981, Sole Proprietorship Returns.*

[4] Data for proprietorships providing agricultural services (including forestry and fishing) shown in Tables 1 and 2 are omitted from Figure B because of their close relationship to farming industry data, which are not tabulated annually. For Tax Year 1982 (the latest year for which detailed farm industry data are available), the number of farm returns was 2,691,722, and the number of returns reporting agricultural service businesses was 211,282. Reported receipts were $99.3 billion and $7.3 billion, respectively.

[5] Constant dollars were based on the Gross National Product (GNP) implicit price deflator (1982 = 100; 1985 = 112; 1986 = 115) calculated by the U.S. Department of Commerce, Bureau of Economic Analysis. For a discussion of this deflator, see U.S. Department of Commerce, *Survey of Current Business*, U.S. Government Printing Office, April 1988, Volume 67, Number 4.

Table 1.—Nonfarm Sole Proprietorship Businesses: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industry, 1986

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

Industry	Businesses with and without net income							Businesses with net income						
	Number of returns	Business receipts	Depreciation	Rent paid deduction	Interest paid deduction [1]	Payroll [2]	Net income less deficit	Number of returns	Business receipts	Depreciation	Rent paid deduction	Interest paid deduction [1]	Payroll [2]	Net income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
All nonfarm industries	**12,393,700**	**559,384,259**	**26,418,043**	**15,653,599**	**11,504,438**	**56,009,470**	**90,423,763**	**9,247,806**	**461,538,759**	**16,890,126**	**11,604,909**	**6,113,431**	**44,021,590**	**110,496,952**
Agricultural services, forestry, and fishing	**324,258**	**11,618,715**	**972,973**	**301,656**	**257,541**	**1,492,537**	**1,170,993**	**223,250**	**8,928,328**	**544,019**	**265,802**	**131,464**	**1,167,230**	**1,929,876**
Agricultural services	241,364	9,138,003	641,276	282,272	189,658	1,435,039	703,897	167,524	7,188,621	388,542	255,358	110,498	1,145,088	1,259,254
Veterinary services	13,203	1,113,225	75,450	*29,884	19,454	189,619	268,779	10,770	1,109,840	68,258	*29,884	16,929	189,619	278,452
Livestock breeding	15,530	175,113	67,054	1,235	20,604	7,815	−128,448	3,878	97,660	10,566	*8	*6,370	*129	39,141
Animal services, except livestock breeding and veterinary	71,727	2,335,321	155,325	178,920	40,666	80,924	92,183	44,335	1,723,512	75,110	171,611	25,256	64,419	322,216
Landscape and horticultural services	122,139	2,954,419	251,621	52,683	64,529	444,475	450,140	95,978	2,835,036	215,700	43,609	51,735	439,970	509,561
Other agricultural services	18,765	2,559,925	91,826	19,549	44,405	712,207	21,243	12,563	1,422,572	18,908	10,245	10,208	450,952	109,884
Forestry	17,432	844,100	79,660	*443	13,518	32,755	375	8,368	637,304	16,136	*272	*6,646	*2,650	61,757
Fishing, hunting, and trapping	65,462	1,636,612	252,037	18,941	54,364	24,742	466,720	47,358	1,102,402	139,342	*10,172	14,319	*19,492	608,866
Mining	**159,818**	**7,210,025**	**1,058,773**	**53,855**	**429,811**	**199,005**	**−688,298**	**56,408**	**4,601,820**	**460,439**	**24,097**	**69,459**	**41,774**	**768,188**
Metal mining	9,850	16,017	23,494	*25	*12	*243	−50,804	*9	*2,793	*447	—	—	*126	*362
Coal mining	50	33,667	1,673	467	*795	*1,570	4,601	34	27,920	*1,483	459	*409	*1,220	5,893
Oil and gas extraction	149,713	7,127,354	1,027,960	53,036	427,854	188,613	−640,960	56,284	4,551,141	456,998	23,328	68,604	37,720	755,549
Nonmetallic minerals, except fuels	205	32,987	5,646	*327	1,150	*8,579	−1,136	*81	*19,966	*1,510	*311	*446	*2,708	*6,385
Construction	**1,576,677**	**87,539,701**	**3,533,815**	**1,003,893**	**1,338,169**	**13,484,281**	**12,815,063**	**1,362,226**	**78,249,094**	**2,957,207**	**748,868**	**992,545**	**12,090,846**	**14,406,899**
General building contractors and operative builders	376,131	32,697,118	930,784	123,421	573,865	5,547,014	3,448,093	315,868	28,169,908	728,798	99,181	408,273	4,705,623	4,079,841
General building contractors	343,230	30,923,455	871,502	114,253	553,960	5,287,882	3,143,049	287,837	26,468,583	688,189	90,322	390,953	4,450,863	3,736,668
Operative builders	32,901	1,773,663	59,282	9,168	19,905	259,131	305,044	28,031	1,701,324	40,610	8,859	17,320	254,760	343,173
Heavy construction contractors	40,059	2,264,645	305,226	25,622	51,662	410,830	110,349	28,859	1,799,047	243,499	12,051	38,554	315,806	270,995
Highway and street construction	3,723	400,212	29,521	1,449	4,740	69,577	−77,116	16	59,463	1,254	*150	485	10,301	6,517
Heavy construction, except highway	36,336	1,864,432	275,705	24,173	46,922	341,253	187,465	28,843	1,739,584	242,245	11,901	38,069	305,506	264,478
Special trade contractors	1,156,443	52,537,706	2,288,550	854,758	712,642	7,524,165	9,234,279	1,013,455	48,239,908	1,975,655	637,546	545,718	7,067,146	10,033,720
Plumbing, heating, and air conditioning	116,783	8,019,625	296,906	96,646	135,969	992,379	1,108,401	98,764	7,605,614	284,771	89,815	97,917	982,846	1,208,911
Painting, paper hanging, and decorating	199,444	6,772,827	295,331	126,690	111,025	1,220,998	1,676,202	182,914	6,501,287	282,287	117,383	97,182	1,197,015	1,717,129
Electrical work	91,597	4,123,875	165,774	25,394	47,347	563,859	636,078	73,312	3,637,759	130,744	20,313	43,087	516,545	677,387
Masonry, stonework, tile setting, and plastering	114,515	5,806,891	145,583	96,967	94,125	1,117,260	1,106,473	100,778	5,274,860	136,973	84,526	58,882	1,109,890	1,184,800
Carpentering and flooring	343,629	10,250,746	369,667	116,918	105,043	1,225,709	2,480,067	316,896	9,309,127	337,645	85,916	88,028	1,126,755	2,562,113
Roofing and sheet metal work	57,590	3,985,704	123,351	46,994	17,788	615,017	476,702	56,363	3,746,728	120,300	40,357	15,213	554,819	509,377
Concrete work	24,061	2,255,110	65,454	8,034	31,097	402,766	305,988	16,919	2,234,142	63,172	6,758	29,268	399,114	320,022
Water well drilling	*13,123	*967,206	*111,478	*435	*17,185	*109,276	*42,889	*9,554	*715,406	*66,248	*435	*10,459	*74,087	*88,428
Miscellaneous special trade contractors	195,701	10,355,723	715,005	336,681	153,063	1,276,902	1,401,479	157,955	9,214,986	553,516	192,044	105,682	1,106,075	1,765,554
Contractors not allocable	*4,044	*40,232	*9,255	*91	—	*2,271	*22,342	*4,044	*40,232	*9,255	*91	—	*2,271	*22,342
Manufacturing	**329,238**	**19,638,481**	**1,152,211**	**606,972**	**435,123**	**3,501,447**	**1,456,702**	**209,726**	**14,002,319**	**545,019**	**430,910**	**155,621**	**2,183,303**	**2,374,974**
Food and kindred products	6,108	655,294	33,488	15,202	11,997	57,235	−2,922	5,412	448,402	*16,223	*7,422	*7,126	*42,929	47,751
Textile mill products	*4,387	*124,439	*497	*1,919	*697	*13,168	*30,367	*3,773	*123,028	*342	*1,919	*690	*12,808	*34,789
Apparel and other textile products	29,278	1,584,948	45,600	98,956	15,448	480,890	224,647	19,141	1,516,780	29,520	91,857	*8,501	450,521	284,881
Lumber and wood products, except furniture	82,050	4,763,096	323,590	45,546	109,837	459,164	520,329	54,885	3,779,674	223,653	41,976	46,727	329,264	636,738
Furniture and fixtures	16,093	193,478	7,459	*10,695	*2,955	*1,394	1,443	*7,736	*181,487	*4,343	*10,666	*2,564	*818	*28,610
Printing, publishing, and allied industries	52,446	4,460,283	266,924	134,202	148,895	957,962	165,528	27,428	2,699,617	98,577	94,659	52,544	681,227	394,338
Chemicals and allied industries	*12	*14,887	*306	*131	*87	*1,111	*1,190	3	*11,670	*226	*19	*21	*808	*1,948
Leather and leather products	*8,871	*219,774	*3,594	*18,755	*3,556	*811	*32,548	*5,912	*214,631	*2,809	*18,184	*3,296	—	*36,182
Stone, clay, and glass products	12,406	316,132	18,559	*10,784	*8,924	*22,279	40,624	*6,732	*297,308	*5,012	*10,216	*414	*15,930	*75,525
Primary metal industries	*3,572	*535,049	*6,741	*40,867	*5,182	*83,587	*5,348	*3,572	*535,049	*6,741	*40,867	*5,182	*83,587	*5,348
Fabricated metal products	14,122	1,799,137	69,436	28,621	23,836	355,972	165,685	10,863	1,243,668	*48,712	*20,837	*9,211	*238,540	198,944
Machinery, except electrical	33,770	2,857,304	272,652	121,248	88,371	787,692	29,728	19,286	1,065,094	60,598	21,669	9,624	85,300	253,758
Electrical and electronic equipment	8,143	197,686	5,005	4,019	643	12,045	34,515	5,497	122,039	4,466	*1,138	*119	9,895	71,759
Transportation equipment	*11	*6,704	*123	*242	*109	*1,207	*−406	**	**	**	**	**	**	**
Other manufacturing industries	57,900	1,906,592	97,923	75,633	14,337	266,156	210,279	39,482	1,759,997	43,747	69,366	9,603	230,418	303,586
Manufacturing not allocable	*69	*3,679	*313	*150	*250	*774	*−2,202	**	**	**	**	**	**	**
Transportation, communication, electric, gas, and sanitary services	**575,854**	**27,416,165**	**2,961,677**	**649,664**	**787,066**	**1,936,827**	**3,423,725**	**429,927**	**20,743,359**	**1,714,294**	**474,328**	**425,574**	**965,251**	**4,513,418**
Local and interurban passenger transit	72,632	1,523,358	116,875	48,498	62,663	*73,077	339,444	63,274	1,374,889	69,164	*37,554	53,551	*70,361	386,411
Taxicabs	49,566	875,377	52,286	*44,537	*43,612	*1,025	186,699	42,154	742,032	*26,600	*33,774	*38,160	*1,025	203,832
Other passenger transportation	23,066	647,981	64,590	*3,961	19,050	*72,052	152,745	21,120	632,857	*42,564	*3,780	*15,390	*69,336	182,579

Footnotes at end of table.

Table 1.—Nonfarm Sole Proprietorship Businesses: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industry, 1986—Continued

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

Industry	Businesses with and without net income—continued							Businesses with net income—continued						
	Number of returns	Business receipts	Depreciation	Rent paid deduction	Interest paid deduction [1]	Payroll [2]	Net income less deficit	Number of returns	Business receipts	Depreciation	Rent paid deduction	Interest paid deduction [1]	Payroll [2]	Net income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Transportation, communication, electric, gas, and sanitary services—Continued														
Trucking and warehousing	385,068	21,407,186	2,459,497	527,622	596,658	1,601,295	2,575,195	277,031	15,950,295	1,501,290	387,409	327,331	727,028	3,292,163
Trucking, local and long distance	379,062	21,040,008	2,401,315	526,816	565,738	1,585,642	2,565,532	274,055	15,805,819	1,479,770	387,382	326,370	725,516	3,266,308
Public warehousing and trucking terminals	6,006	367,178	58,182	806	30,920	15,653	9,663	*2,976	*144,476	*21,520	*27	*961	*1,512	*25,855
Water transportation	8,794	343,099	107,053	6,015	53,045	16,464	-66,448	2,724	130,156	*7,270	*12	*9,544	*86	92,485
Air transportation	5,831	247,702	32,883	15,442	12,431	35,330	36,632	4,960	225,105	*11,789	*14,797	*3,562	*33,845	71,088
Transportation services	55,483	2,440,327	44,587	36,357	13,421	99,163	357,050	50,958	1,796,048	22,966	26,944	3,844	57,373	393,574
Passenger transportation arrangement	27,499	1,909,027	22,647	31,628	5,473	80,566	223,259	23,212	1,297,480	17,714	22,941	3,140	43,324	239,935
Freight transportation arrangement	7	*10,771	*1,314	*528	*481	*1,437	*197	5	*4,240	*355	*19	*53	*455	*774
Other transportation services	27,977	520,529	20,626	4,200	7,467	17,160	133,594	27,741	494,328	4,897	*3,985	*650	*13,593	152,865
Communication	22,657	685,041	92,657	10,622	19,387	46,029	105,301	17,550	547,283	60,210	2,703	9,672	*11,347	146,405
Electric, gas, and water services	4,653	356,605	55,472	1,658	4,59_	*5,112	-36,760	*70	*319,479	*2,162	*1,530	*659	*4,906	*772
Sanitary services	20,736	412,847	52,653	3,451	24,863	*60,357	113,312	13,360	400,104	39,443	*3,378	*17,411	*60,304	130,520
Wholesale and retail trade	**2,268,672**	**192,491,816**	**4,136,425**	**4,774,434**	**2,472,607**	**13,066,573**	**10,019,464**	**1,393,108**	**149,186,558**	**2,685,475**	**3,193,121**	**1,434,544**	**9,182,770**	**14,352,382**
Wholesale trade	304,197	28,392,270	573,767	234,930	266,484	1,304,088	2,676,136	207,552	23,508,475	451,297	172,650	169,920	1,113,613	3,218,518
Motor vehicles and automotive equipment	9,963	2,430,509	*81,088	*26,186	*50,777	*150,020	193,288	7,473	1,751,471	*80,009	*24,726	*42,273	*148,504	211,884
Lumber and construction materials	*10	*21,158	*288	*65	*246	*1,452	*2,356	6	*20,082	*288	*61	*131	*1,358	*2,712
Electrical goods	5,561	233,175	*1,481	*208	*1,657	*1,056	86,301	5,550	225,046	*1,455	*181	*1,443	*805	87,180
Hardware, plumbing, and heating equipment	*8,613	*874,550	*4,845	*18,013	*5,600	*95,529	*-36,325	*3,837	*764,991	*3,398	*7,635	*3,738	*80,913	*15,763
Farm machinery and equipment	7,836	485,855	*10,326	*86	*4,301	*565	58,227	*5,391	*439,785	*7,804	*83	*3,649	*257	*61,714
Other machinery, equipment, and supplies	13,146	1,588,380	38,512	11,626	24,570	99,821	283,915	9,423	1,404,975	32,458	9,632	23,478	99,012	297,857
Other durable goods	122,289	5,669,031	145,718	74,874	62,743	158,389	1,157,742	82,428	4,742,014	112,082	60,673	21,174	120,520	1,333,682
Drugs, chemicals, and allied products	8,842	266,020	3,041	*4,232	*803	*8,620	29,765	4,523	209,006	*1,669	*4,232	*735	*8,575	46,889
Apparel, piece goods, and notions	7,042	806,140	19,343	*10,779	*3,126	*226,842	86,884	7,033	790,850	*19,153	*10,457	*2,916	*221,481	88,365
Groceries and related products	20,430	6,809,074	130,862	55,226	50,568	421,114	246,644	13,312	5,387,463	101,024	26,561	18,286	315,241	290,820
Farm-products raw materials	5,099	2,035,009	25,367	522	16,887	6,807	48,908	4,595	1,647,071	17,519	*234	10,970	5,017	75,772
Alcoholic beverages	*626	*250,928	*3,272	*244	*394	*1,476	*35,435	*626	*250,928	*3,272	*244	*394	*1,476	*35,435
Other nondurable goods	25,431	1,233,246	8,207	1,946	5,770	51,216	176,025	17,391	1,175,023	5,549	681	4,552	49,507	196,539
Wholesalers not allocable	69,309	5,689,195	101,418	30,923	39,041	81,180	306,972	45,964	4,699,770	65,616	27,249	36,181	60,947	473,908
Retail trade	1,886,060	160,492,798	3,497,714	4,492,604	2,181,108	11,682,227	6,552,362	1,121,965	122,370,151	2,188,299	2,977,763	1,247,389	8,008,202	10,298,428
Building materials, paint, hardware, garden supply, and mobile home dealers	65,814	6,442,407	178,934	128,628	143,855	522,942	363,545	42,899	4,847,473	83,205	83,697	54,854	326,994	559,239
Lumber and other building materials dealers	16,438	1,649,684	86,015	*25,377	49,141	221,796	-10,705	3,670	913,621	12,850	*10,687	*4,613	*100,411	91,071
Paint, glass, and wallpaper stores	6,677	1,083,153	*1,933	*37,450	*11,848	*84,002	179,256	*6,674	*1,081,869	*1,655	*37,413	*11,535	*83,610	*180,106
Hardware stores	13,772	1,494,624	34,202	31,339	26,777	94,134	120,149	10,059	1,377,762	23,180	*30,155	*22,818	*76,687	142,135
Retail nurseries and garden supply stores	21,489	1,153,549	41,687	22,923	22,636	103,414	49,495	17,091	850,712	33,997	*881	*11,478	*64,513	81,424
Mobile home dealers	7,438	1,061,397	15,097	*11,540	33,453	*19,596	25,351	*5,405	*623,511	*11,522	*4,560	*4,409	*1,773	*64,503
General merchandise stores	18,908	2,670,782	42,315	5,493	65,887	231,562	116,076	12,044	2,467,889	*30,460	*3,724	*21,958	*227,964	181,833
Variety stores	11,121	1,535,005	*11,478	*2,775	*8,019	*114,576	71,713	*7,847	*1,440,742	*10,493	*1,547	*4,336	*112,320	*88,197
Other general merchandise stores	7,787	1,135,777	30,836	*2,717	*57,868	*116,986	44,363	*4,197	*1,027,147	*19,967	*2,176	*17,622	*115,644	*93,636
Food stores	133,885	28,639,299	486,240	423,147	333,976	1,314,770	709,070	84,615	18,847,464	286,720	330,093	157,204	701,447	1,137,296
Grocery stores	97,631	24,928,334	405,510	310,994	280,140	1,100,161	536,713	61,941	16,016,984	215,358	226,934	107,670	534,178	921,005
Meat and fish markets, including freezer provisioners	*2,088	*768,338	*6,840	*1,178	*2,534	*43,532	*-27,397	*8	*101,700	*826	*33	*1,338	*6,499	*1,088
Fruit stores and vegetable markets	*7,935	*768,353	*14,581	*1,683	*2,048	*164	*36,169	*4,979	*760,746	*14,540	*1,683	*123	*95	*36,719
Candy, nut, and confectionery stores	*3,785	*188,139	*8,480	*9,478	*2,169	*18,988	*4,415	*822	*183,411	*8,473	*9,478	*2,169	*18,988	*6,835
Dairy products stores	*122	*145,628	*1,319	*939	*938	*6,260	*-45	*58	*45,738	*912	*771	*308	*5,645	*1,223
Retail bakeries	14,335	431,002	*17,748	*2,512	*21,140	*18,175	42,738	*10,708	*384,780	*17,157	*920	*21,128	*11,814	*47,559
Miscellaneous food stores	7,989	1,409,505	31,762	96,362	25,008	127,490	116,479	*6,099	*1,354,106	*29,455	*90,275	*24,468	*124,227	*122,868
Automotive dealers and service stations	149,552	43,579,852	458,637	717,160	406,169	2,311,064	1,020,726	103,966	36,384,686	308,213	602,922	297,621	1,662,955	1,469,991
Motor vehicle dealers—new car dealers (franchised)	2,905	2,500,311	23,694	18,607	30,237	65,079	22,472	2,006	2,063,921	14,820	12,934	21,746	44,582	51,387
Motor vehicle dealers—used cars only	53,458	10,492,097	66,705	130,439	106,761	197,257	336,724	41,066	9,775,542	59,958	112,787	89,622	171,764	409,905
Auto and home supply stores	27,940	3,469,739	60,074	61,226	47,566	346,189	142,639	19,909	2,837,622	49,270	49,181	40,901	179,164	196,836
Gasoline service stations	51,228	24,463,378	234,175	482,309	161,300	1,597,943	541,779	34,168	20,327,327	168,245	410,957	127,675	1,244,460	713,197
Boat dealers	1,555	99,966	*15,207	*883	*8,326	*1,820	-65,164	*60	*3,201	*20	*346	*12	—	*346
Recreational vehicles	*2,080	*621,100	*11,044	*1,091	*8,394	*835	*56,630	*2,022	*617,650	*11,039	*1,091	*7,288	*742	*59,195
Motorcycle dealers	*3,362	*691,210	*14,935	*5,629	*11,625	*65,916	*-16,900	*204	*232,275	*1,994	*513	*10,019	*21,941	*1,565
Miscellaneous aircraft and automotive dealers	7,024	1,242,051	*32,802	*16,975	*31,959	*36,024	2,545	*4,531	*527,149	*2,867	*15,113	*358	*302	*37,559

Footnotes at end of table.

Table 1.—Nonfarm Sole Proprietorship Businesses: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industry, 1986—Continued

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

Industry	Businesses with and without net income—continued							Businesses with net income—continued						
	Number of returns	Business receipts	Depreciation	Rent paid deduction	Interest paid deduction [1]	Payroll [2]	Net income less deficit	Number of returns	Business receipts	Depreciation	Rent paid deduction	Interest paid deduction [1]	Payroll [2]	Net income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Wholesale and retail trade—Continued														
Retail trade—Continued														
Apparel and accessory stores	74,288	7,947,558	124,722	454,565	90,096	647,184	332,062	40,043	5,733,834	89,318	221,920	49,459	395,833	520,796
Men's and boys' clothing and furnishings stores	*4,315	*1,665,535	*27,051	*114,111	*11,578	*91,173	*59,373	*3,700	*1,312,408	*22,948	*87,053	*9,618	*74,058	*68,989
Women's ready-to-wear stores	26,795	2,321,392	37,223	177,181	30,262	246,970	31,684	13,146	1,246,255	20,454	39,522	6,554	88,126	108,544
Women's accessory and specialty stores	*3,367	*405,977	*65	*1,094	*23	*113	*3,732	*202	*395,155	—	—	—	—	*6,624
Children's and infants' wear stores	*3,046	*579,550	*8,817	*28,662	*9,570	*67,729	*1,830	*1,226	*565,789	*8,817	*15,558	*9,570	*67,729	*16,607
Family clothing stores	17,158	890,424	30,812	31,302	16,921	43,080	71,983	8,765	625,014	23,456	*9,991	*13,673	*41,449	118,228
Shoe stores	4,729	1,142,504	6,772	*45,943	12,293	112,866	94,631	*2,636	*751,014	*2,339	*16,642	*2,526	*42,067	*112,187
Furriers and fur shops	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Apparel and accessory stores, not elsewhere classified	14,878	942,177	13,982	56,272	9,448	85,254	68,829	10,368	838,198	*11,304	*53,155	*7,518	*82,405	89,617
Furniture and home furnishings stores	83,002	8,825,140	184,578	274,650	145,860	990,934	710,109	51,646	6,926,422	131,044	176,645	98,026	835,579	884,154
Furniture stores	19,460	1,610,944	43,455	56,469	48,664	115,002	198,491	15,537	1,387,534	32,661	43,645	33,886	100,489	232,681
Floor covering stores	7,851	1,577,181	35,173	*43,948	*10,810	*171,143	76,852	4,893	1,220,760	14,020	*15,580	*6,165	*171,059	99,824
Drapery, curtain, and upholstery stores	*7,543	*209,090	*4,941	*2,955	*550	*30,472	*75,572	*6,727	*208,308	*4,214	*2,955	*549	*30,461	*77,041
Home furnishings and equipment stores, except appliances	10,675	1,132,940	23,312	19,351	2,306	149,679	32,069	2,226	872,033	*15,249	*1,065	*472	*107,591	71,396
Household appliance stores	17,507	2,588,551	34,890	120,771	61,555	377,285	213,516	12,731	1,685,051	*30,860	*88,062	*40,125	*282,634	238,135
Radio and television stores	15,447	1,241,581	35,206	14,697	19,319	115,269	48,319	6,892	1,127,517	*26,681	*8,888	*14,172	*111,298	98,804
Music stores	*4,519	*464,853	*7,601	*16,459	*2,656	*32,083	*65,290	*2,640	*425,219	*7,359	*16,450	*2,656	*32,048	*66,273
Eating and drinking places	208,647	21,256,872	985,474	1,258,457	433,093	3,586,874	510,899	114,301	14,257,796	566,326	886,734	211,824	2,238,981	1,290,351
Eating places	149,938	16,493,161	791,523	1,156,067	345,501	3,129,269	333,705	82,124	10,774,529	465,498	821,831	173,812	1,878,184	950,833
Drinking places	58,709	4,763,711	193,951	102,390	87,593	457,606	177,194	32,177	3,483,267	100,828	64,903	38,013	360,797	339,517
Miscellaneous retail stores	1,121,144	39,758,632	989,349	1,192,847	542,423	2,020,597	2,682,746	647,467	31,608,507	657,728	643,994	337,293	1,577,554	4,104,155
Drug stores and proprietary stores	16,860	4,281,021	75,912	77,517	72,012	273,434	247,454	10,943	3,885,168	75,881	77,357	72,009	270,411	298,948
Liquor stores	26,489	6,330,046	105,046	81,006	92,315	197,826	166,701	19,791	5,282,949	83,756	*51,408	*74,329	118,921	244,210
Used merchandise stores	89,300	1,485,501	52,273	89,221	6,554	13,660	66,377	43,722	1,192,875	14,192	56,959	3,327	8,503	174,034
Sporting goods and bicycle shops	26,692	1,291,908	28,600	7,131	29,817	68,366	179,198	14,469	1,218,348	25,723	*4,380	*28,172	65,802	197,227
Book stores	18,681	1,090,425	44,965	61,034	*7,750	82,370	95,733	7,242	1,030,767	*43,261	*50,038	*6,210	*74,588	108,826
Stationery stores	5,631	617,995	11,550	*18,796	*2,003	*31,014	6,198	*2,466	*350,066	*10,532	*7,189	*1,797	*27,875	*59,047
Jewelry stores	20,831	2,214,161	48,796	89,461	22,643	106,391	283,307	14,408	1,950,452	40,689	56,199	*16,813	100,550	343,782
Hobby, toy, and game shops	16,773	423,246	15,729	*29,305	*2,552	*34,334	−5,116	*8,347	*379,118	*14,186	*28,445	*1,882	*33,919	*21,790
Camera and photographic supply stores	*5,005	*172,800	*4,319	*11,673	*1,257	*28,811	*8,743	*2,041	*132,688	*4,254	*3,692	*1,160	*28,679	*15,012
Gift, novelty, and souvenir shops	47,133	2,040,237	62,135	261,567	61,105	151,908	−45,877	20,724	1,088,254	12,228	64,567	3,822	79,800	139,249
Luggage and leather goods stores	*5,446	*132,264	*709	*2,154	*6,874	*8,804	*5,080	*2,955	*27,473	—	—	—	—	*8,120
Sewing, needlework, and piece goods stores	16,667	532,865	*8,838	*19,174	*6,245	*48,469	77,082	13,974	506,243	*6,812	*18,578	*2,487	*48,298	86,563
Mail order houses	26,444	501,127	5,546	8,425	5,103	*13,890	28,519	15,149	403,878	3,901	*3,956	*3,243	*10,581	63,936
Merchandising machine operators	21,222	419,943	25,447	16,371	*6,293	*7,344	7,416	10,237	238,800	*4,505	*6,105	*2,284	*6,611	72,245
Direct selling organizations	615,101	6,548,064	180,278	78,211	79,091	95,955	815,889	367,410	5,390,872	95,989	54,626	49,337	86,608	1,186,339
Fuel and ice dealers, except fuel oil dealers and bottled gas dealers	*1,431	*217,591	*34,170	*465	*8,370	*47,289	*22,860	*204	*216,678	*31,143	*465	*8,370	*47,289	*27,168
Fuel oil dealers	4,236	1,877,622	26,194	*4,321	*22,854	*18,362	57,213	*3,977	*735,490	*22,528	*3,260	*10,188	*16,092	*60,196
Liquified petroleum gas (bottled gas) dealers	*7	*2,524	*162	—	*78	*126	*−281	—	—	—	—	—	—	—
Florists	30,505	2,758,026	92,680	136,608	50,375	407,870	33,096	14,032	1,797,791	*48,881	*26,600	*13,485	*234,559	165,747
Cigar stores and stands	**	**	**	**	**	**	**	**	**	**	**	**	**	**
News dealers and newsstands	*14,254	*784,456	*8,142	*14,936	*2,290	*47,484	*59,107	*11,299	*779,359	*8,142	*14,599	*2,290	*47,484	*63,525
Other miscellaneous retail stores	112,435	6,030,222	157,848	185,372	56,840	336,675	573,585	64,076	4,994,653	111,121	115,472	36,088	270,769	767,730
Retail trade not allocable	30,820	1,372,257	47,465	37,656	19,749	56,300	107,128	24,984	1,296,080	35,285	28,034	*19,149	40,895	150,614
Wholesale and retail trade not allocable	**	**	**	**	**	**	**	**	**	**	**	**	**	**
Finance, insurance, and real estate	**1,128,684**	**36,210,941**	**1,916,388**	**1,018,115**	**1,903,681**	**2,102,672**	**11,601,929**	**858,531**	**31,121,804**	**1,220,085**	**775,365**	**658,692**	**1,796,800**	**14,315,586**
Finance	55,553	2,739,080	71,693	84,246	259,358	39,202	471,861	34,320	1,801,576	57,760	44,163	67,193	29,642	850,375
Banking and miscellaneous finance	1,769	121,167	8,559	10,696	6,433	*37	52,662	1,539	116,791	7,734	*10,648	*2,624	*33	59,286
Credit agencies other than banks	10,459	281,846	5,433	5,713	13,820	774	45,214	9,445	152,212	4,297	*295	3,776	*662	73,298
Security and commodity brokers and services	43,325	2,336,067	57,701	67,837	239,105	38,390	373,985	23,336	1,532,574	45,729	33,219	60,793	28,987	717,791
Security brokers and dealers, except underwriting syndicates	15,499	1,170,615	16,298	30,759	43,657	10,369	244,830	10,306	750,167	8,226	24,433	19,237	6,834	374,401
Commodity contracts brokers, exchanges, and services	27,826	1,165,451	41,403	37,077	195,448	28,021	129,156	13,030	782,407	37,503	8,786	41,556	22,153	343,390
Insurance agents, brokers, and service	273,082	10,598,741	437,587	469,299	292,040	1,043,006	3,901,253	221,846	9,791,031	360,661	428,049	209,619	952,207	4,259,568

Footnotes at end of table.

Table 1.—Nonfarm Sole Proprietorship Businesses: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industry, 1986—Continued

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

Industry	Businesses with and without net income—continued							Businesses with net income—continued						
	Number of returns	Business receipts	Depreciation	Rent paid deduction	Interest paid deduction [1]	Payroll [2]	Net income less deficit	Number of returns	Business receipts	Depreciation	Rent paid deduction	Interest paid deduction [1]	Payroll [2]	Net income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Finance, Insurance, and real estate—Continued														
Real estate	800,049	22,873,119	1,407,109	464,570	1,352,283	1,020,464	7,228,815	602,365	19,529,196	801,663	303,153	381,880	814,951	9,205,643
Operators and lessors of buildings	38,598	1,413,292	211,730	41,065	329,312	66,894	-42,547	21,341	645,714	41,808	20,093	47,595	27,934	275,124
Lessors, other than buildings	4,805	147,582	44,984	1,396	41,037	5,935	-59,861	2,614	51,620	4,632	*834	6,899	1,295	17,753
Real estate agents, brokers, and managers	671,824	17,304,345	1,017,814	270,739	629,544	697,500	7,037,428	521,453	15,626,256	687,218	216,068	228,120	589,603	7,909,649
Title abstract companies	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subdividers and developers, except cemeteries	15,278	1,789,926	62,427	15,818	216,260	52,371	26,117	9,081	1,304,363	25,699	4,369	70,825	13,053	363,133
Cemetery subdividers and developers	*3,015	*108,917	*342	—	*255	*39,929	*26,719	*3,014	*108,915	*342	—	*255	*39,929	*27,515
Combined real estate, insurance, loans, law offices	66,529	2,109,058	69,811	135,552	135,875	157,836	240,959	44,862	1,792,329	41,963	61,789	28,187	143,137	612,469
Services	**5,758,498**	**168,972,768**	**10,334,345**	**7,041,004**	**3,689,120**	**19,741,538**	**48,838,556**	**4,515,157**	**147,194,711**	**6,495,415**	**5,525,613**	**2,125,255**	**16,145,944**	**55,685,279**
Hotels and other lodging places	49,804	3,751,173	651,491	70,161	555,969	403,307	-345,781	20,352	1,859,480	201,454	36,392	135,415	243,540	206,281
Hotels	559	245,911	29,924	1,606	41,952	32,868	-63,328	*21	*21,240	*1,672	*43	*1,661	*4,760	*3,113
Motels, motor hotels, and tourist courts	28,373	2,837,883	502,914	62,387	418,114	299,188	-259,440	10,446	1,463,196	161,879	30,430	102,683	177,983	148,774
Rooming and boarding houses	15,582	550,680	*87,828	*5,914	*73,510	*61,302	8,215	*6,654	*307,989	*35,802	*5,912	*20,849	*60,492	*39,361
Sporting and recreational camps	**	**	**	**	**	**	**	**	**	**	**	**	**	**
Trailering parks and campsites for transients	5,078	113,960	29,918	*250	22,202	9,830	-32,405	*3,021	*64,375	*1,210	*2	*10,032	*219	*13,793
Organizational hotels and lodging houses on a membership basis	**	**	**	**	**	**	**	**	**	**	**	**	**	**
Personal services	1,238,272	20,732,460	1,118,877	1,577,382	447,055	2,176,951	4,756,838	982,779	17,191,878	679,824	1,090,969	295,440	1,672,901	5,707,635
Coin-operated laundries and dry cleaning	28,709	1,155,378	119,282	158,381	46,168	141,845	29,120	14,319	720,970	32,957	73,756	*30,500	117,536	123,144
Other laundry, cleaning, and garment services	40,835	1,472,852	99,593	138,337	*10,176	246,769	211,422	25,626	818,867	20,491	61,152	*3,435	96,894	259,763
Photographic portrait studios	74,634	1,019,006	127,881	43,697	25,078	*50,547	119,764	39,678	934,108	101,520	*28,494	*18,962	*50,183	192,056
Beauty shops	304,197	6,183,203	288,462	602,512	137,075	849,580	1,310,469	253,574	5,044,131	184,551	429,430	98,396	622,914	1,575,678
Barber shops	55,349	1,197,409	27,845	134,811	*5,754	*178,900	470,090	52,394	1,150,401	*26,601	128,446	*5,754	*168,380	524,113
Shoe repair and hat cleaning shops	*10,686	*164,351	*2,541	*24,332	*1,590	*10,243	*-31,810	*5,910	*112,083	*2,541	*2,837	*1,590	—	*37,461
Funeral service and crematories	9,555	858,604	23,527	*107,912	*31,264	39,749	97,842	7,734	757,574	16,316	*107,912	*7,925	*38,886	107,402
Miscellaneous personal services	714,307	8,681,658	429,746	367,401	189,951	659,317	2,549,941	583,544	7,653,744	294,847	258,942	128,879	578,107	2,888,018
Business services	1,765,601	42,641,686	2,996,692	993,327	828,035	4,793,138	12,119,141	1,416,938	37,051,227	1,827,856	740,327	392,068	3,779,165	14,059,105
Advertising	63,798	2,756,906	82,101	52,816	9,311	40,829	679,257	61,757	2,702,705	79,258	52,648	7,819	39,999	691,534
Services to buildings	269,055	2,972,809	117,138	23,158	48,238	614,854	981,306	248,867	2,518,609	73,791	21,028	28,503	435,588	1,047,954
Computer and data processing services	110,347	2,019,991	171,266	28,744	49,908	83,947	714,550	82,941	1,770,344	64,881	14,676	19,253	33,463	882,114
Management and public relations	443,821	10,326,056	528,522	212,602	241,101	496,398	4,927,270	356,884	9,624,843	392,828	156,087	125,999	465,802	5,408,092
Equipment rental and leasing	35,059	2,340,820	1,072,699	21,519	207,119	257,663	-179,574	17,878	1,353,173	517,048	11,571	52,366	150,405	199,069
Other business services	843,521	22,225,104	1,024,965	654,488	272,357	3,299,447	4,996,332	648,611	19,081,553	700,050	484,317	158,128	2,653,907	5,830,342
Automobile repair and services	315,574	16,682,000	1,048,019	910,107	375,631	2,428,534	1,744,080	248,301	12,403,512	534,527	628,301	192,770	1,664,660	2,263,757
Automobile rentals, without drivers	8,815	640,074	249,587	12,294	47,229	4,950	-93,152	5,392	175,795	14,004	*6,215	3,451	*373	23,803
Automobile parking	*2,958	*74,150	*591	*46,114	*859	*(3)	*13,543	*2,957	*72,851	*591	*46,114	*(3)	—	*14,652
Automobile top and body repair shops	44,158	2,305,867	73,660	*149,712	*31,872	425,613	318,551	33,922	1,826,696	63,357	*104,400	*26,796	303,511	364,825
General automotive repair shops	140,575	7,157,853	242,606	349,047	133,172	1,214,883	895,369	112,806	5,298,809	163,955	209,221	99,277	792,113	1,049,986
Other automotive repair shops	80,207	4,075,843	208,179	207,487	45,742	422,628	445,067	65,640	3,446,842	146,765	183,237	35,166	350,058	554,695
Automotive services, except repair	38,861	2,428,212	273,396	145,452	116,757	360,460	164,703	27,584	1,582,519	145,854	*79,114	*28,079	*218,605	255,797
Miscellaneous repair services	303,164	8,469,322	469,279	229,676	138,689	760,728	1,333,330	231,674	7,841,029	384,666	179,259	115,242	738,568	1,559,283
Radio and TV repair shops	28,064	234,982	*48,758	*10,242	*1,924	*3,530	32,005	*16,146	*155,772	*9,944	—	*1,924	—	*69,357
Electrical repair shops, except radio and TV	69,914	2,502,946	114,893	55,939	28,950	313,367	415,594	60,252	2,256,824	102,418	*31,371	28,194	312,044	488,822
Reupholstery and furniture repair	32,247	508,051	12,933	*24,342	*9,153	*13,644	140,357	27,994	438,723	*9,861	*19,974	*2,989	*6,052	141,377
Other miscellaneous repair shops	172,939	5,223,343	292,695	139,154	98,662	430,187	745,375	127,282	4,989,710	262,443	127,914	82,135	420,472	859,728
Motion pictures	33,787	1,255,394	143,855	40,885	3,602	171,086	58,120	22,333	628,961	28,760	29,577	*1,429	47,340	179,625
Motion picture production, distribution, and services	33,774	1,249,669	142,380	40,727	3,172	170,214	58,532	22,326	624,193	27,368	29,507	*1,000	46,926	179,068
Motion picture theaters	*13	*5,725	*1,474	*158	*429	*872	*-412	*7	*4,768	*1,393	*70	*429	*414	*556
Amusement and recreation services, except motion pictures	383,221	7,213,889	979,222	305,525	226,451	671,501	514,381	213,244	5,502,446	402,177	163,419	97,722	494,411	1,692,548
Producers, orchestras, and entertainers	201,423	2,140,840	292,122	69,091	39,502	101,024	526,688	128,860	1,761,468	134,061	25,643	25,921	67,646	812,598
Billiard and pool establishments	**	**	**	**	**	**	**	**	**	**	**	**	**	**
Bowling units	*1,834	*536,905	*79,590	*456	*40,672	*76,950	*73,934	*1,821	*528,388	*78,207	—	*39,048	*75,401	*76,932
Professional sports clubs and promoters	10,057	155,544	530	*29	*48	*11	107,774	5,001	152,545	*261	*29	*48	*11	113,626
Racing, including track operation	59,968	1,355,581	264,964	19,774	46,970	81,258	-330,093	17,651	815,049	50,963	14,334	4,955	60,327	250,128
Other amusement and recreation services	**	**	**	**	**	**	**	**	**	**	**	**	**	**

Footnotes at end of table.

Table 1.—Nonfarm Sole Proprietorship Businesses: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industry, 1986—Continued

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

Industry	Businesses with and without net income—continued							Businesses with net income—continued						
	Number of returns	Business receipts	Depreciation	Rent paid deduction	Interest paid deduction [1]	Payroll [2]	Net income less deficit	Number of returns	Business receipts	Depreciation	Rent paid deduction	Interest paid deduction [1]	Payroll [2]	Net income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Services—Continued														
Medical and health services	557,428	38,458,197	1,504,232	1,695,653	676,251	5,122,665	16,318,745	476,656	36,334,367	1,335,968	1,557,445	557,891	4,554,035	16,853,272
Offices of physicians	194,673	18,508,857	558,319	724,531	194,477	1,744,781	9,711,094	168,178	17,948,303	514,566	710,365	158,827	1,654,880	9,893,929
Offices of dentists	79,904	9,158,916	473,065	391,220	250,168	1,752,623	3,120,285	74,087	9,047,118	446,328	377,656	235,241	1,733,841	3,226,907
Offices of osteopathic physicians	2,841	319,962	10,802	10,086	3,450	43,242	183,460	2,840	319,961	10,797	10,086	3,450	43,242	183,764
Offices of chiropractors	12,550	1,881,349	93,514	80,384	54,702	285,722	707,833	12,549	1,880,128	93,474	80,221	54,702	285,423	708,147
Offices of optometrists	15,083	1,659,989	75,991	115,964	51,234	223,747	154,465	7,723	1,314,633	42,434	75,260	44,062	182,072	226,489
Registered and practical nurses	73,777	724,959	11,123	*3,158	*2,476	*437	509,914	65,028	716,191	*9,616	*3,158	*2,049	*437	530,843
Nursing and personal care facilities	41,480	2,006,659	79,749	86,768	73,102	641,397	168,971	35,373	1,055,604	42,769	43,581	17,701	239,898	211,028
Hospitals	**	**	**	**	**	**	**	**	**	**	**	**	**	**
Medical laboratories	3,107	114,367	1,171	*308	*592	*703	50,966	*3,033	*112,465	*646	*167	*544	*700	*51,587
Dental laboratories	25,513	1,087,890	38,619	*59,491	*15,729	170,982	385,905	21,873	1,077,194	*37,805	*59,491	*15,396	170,982	387,044
Other medical and health services	**	**	**	**	**	**	**	**	**	**	**	**	**	**
Legal services	228,399	13,934,038	481,364	703,994	166,146	1,416,884	6,417,305	194,538	13,733,666	441,776	673,307	152,347	1,374,858	6,593,762
Educational services	181,254	1,112,315	75,678	64,752	20,302	81,729	295,384	125,513	907,852	26,660	35,673	3,522	35,745	413,333
Engineering and architectural services	150,823	4,408,736	266,136	106,025	51,054	387,899	1,974,442	125,826	4,300,234	180,893	94,511	46,359	372,036	2,140,236
Accounting, auditing, and bookkeeping services	251,945	5,231,128	318,321	225,112	99,014	916,915	2,092,564	227,153	5,189,829	296,826	215,648	97,477	906,130	2,170,027
Certified public accountants	31,719	1,252,629	84,982	63,228	18,290	174,866	509,401	28,674	1,248,759	84,492	63,221	18,277	174,858	519,357
Other accounting, auditing, and bookkeeping services	220,226	3,978,499	233,339	161,884	80,724	742,049	1,583,164	198,479	3,941,070	212,334	152,427	79,200	731,272	1,650,670
Other services	299,226	5,082,430	281,180	118,405	100,923	410,202	1,560,007	229,850	4,250,230	154,027	80,786	37,572	262,555	1,846,415
Nature of business not allocable	272,001	8,285,646	351,436	204,007	191,319	484,590	1,785,629	199,473	7,510,768	268,174	166,805	120,278	447,673	2,150,350

(1) Interest paid is the sum of mortgage interest and other interest. These items are shown separately in Table 2.
(2) Payroll is the sum of net wages paid plus cost of labor. These items are shown separately in Table 2.
(3) Less than $500.
* This estimate should be used with caution because of the small number of sample returns on which it was based.
** The estimate for this cell is not shown to avoid disclosure of information for specific taxpayers. However, the data are included in the appropriate totals.
NOTE: Detail may not add to total because of rounding.

Table 2.—Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1986

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

Item	All nonfarm industries	Agricultural services, forestry, and fishing					Mining			Construction					
		Total	Livestock breeding	Animal services, except livestock breeding and veterinary	Landscape and horticultural services	Other agricultural services, forestry, and fishing	Total	Oil and gas extraction	Other mining	Total	General contractors and operative builders	Special trade contractors			
												Total	Plumbing, heating, and air-conditioning	Painting, paper hanging, and decorating	Electrical work
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Businesses with and without net income															
Number of returns	**12,393,700**	**324,258**	**15,530**	**71,727**	**122,139**	**114,862**	**159,818**	**149,713**	**10,105**	**1,576,677**	**416,190**	**1,156,443**	**116,783**	**199,444**	**91,597**
Business receipts, total	**559,384,259**	**11,618,715**	**175,113**	**2,335,321**	**2,954,419**	**6,153,862**	**7,210,025**	**7,127,354**	**82,671**	**87,539,701**	**34,961,763**	**52,537,706**	**8,019,625**	**6,772,827**	**4,123,875**
Income from sales and operations	548,273,173	11,541,833	140,890	2,320,965	2,940,661	6,139,317	6,907,305	6,837,169	70,136	86,442,858	34,332,065	52,070,560	8,003,611	6,761,784	4,066,091
Other business income	11,050,364	76,880	34,222	14,356	*13,758	14,545	290,286	277,751	12,535	1,096,839	629,693	467,146	16,014	*11,043	57,784
Windfall profit tax credit or refund	60,722	*2	*2	*(1)	—	—	12,435	12,434	*(1)	*5	*5	—	—	—	—
Business deductions, total	**468,960,496**	**10,447,722**	**303,562**	**2,243,138**	**2,504,279**	**5,396,744**	**7,898,323**	**7,768,315**	**130,009**	**74,724,638**	**31,403,322**	**43,303,427**	**6,911,224**	**5,096,625**	**3,487,797**
Cost of sales and operations, total	232,134,760	3,801,856	18,983	1,136,829	1,007,906	1,638,138	685,368	660,974	24,393	44,440,827	21,008,834	23,431,993	4,220,005	1,942,588	2,095,287
Cost of labor	17,317,871	313,314	*469	*14,566	171,888	126,391	47,934	39,599	*8,335	8,384,298	4,144,826	4,239,473	393,879	538,827	214,957
Inventory, beginning of year	21,476,477	79,357	*3,175	38,226	*5,597	32,359	20,211	19,714	*497	1,390,570	652,701	737,869	191,861	*39,818	36,343
Inventory, end of year	24,476,892	104,333	*3,139	41,303	*5,191	54,699	25,582	25,282	*300	1,493,978	639,362	854,616	293,880	39,514	36,642
Bad debts from sales or services	787,393	10,465	—	*86	*1,082	9,296	45,056	44,919	*137	187,342	39,135	148,207	*13,342	*21,116	*1,671
Car and truck expenses	16,380,826	366,586	3,175	76,127	162,195	125,089	40,770	33,257	7,514	3,235,164	921,274	2,312,635	363,683	346,404	169,203
Depletion	1,102,895	942	*22	*73	*126	*721	869,772	867,184	2,538	54,337	54,337	—	—	—	—
Depreciation	26,418,043	972,973	67,054	155,325	251,621	498,972	1,058,773	1,027,960	30,812	3,533,815	1,236,010	2,288,550	296,906	295,331	165,774
Commissions	5,461,118	103,996	1,778	22,984	*6	79,228	17,794	17,516	278	492,641	84,878	407,763	*5,897	*160,350	*53,895
Mortgage interest	4,767,304	105,388	8,797	23,519	33,301	39,771	58,346	57,427	*919	436,574	245,478	191,096	32,490	*15,611	19,612
Other interest	6,737,133	152,153	11,807	17,147	31,228	91,971	371,465	370,428	1,038	901,595	380,049	521,546	103,479	95,414	27,735
Office expenses	4,144,460	67,922	558	10,446	26,237	30,682	25,353	25,173	180	317,765	106,628	211,136	37,010	33,751	25,052
Pension and profit-sharing plans	638,262	12,812	*(1)	*5	*3,549	*9,258	3,181	3,119	*62	24,628	13,573	11,055	*1,039	*4,443	*75
Insurance	10,783,481	308,955	10,916	30,385	115,286	152,367	38,655	36,211	2,444	2,127,125	701,717	1,424,678	180,557	221,231	94,042
Rent on business property	15,653,599	301,656	1,235	178,920	52,683	68,818	53,855	53,036	819	1,003,893	149,043	854,758	96,646	126,690	25,394
Employee benefit programs	292,358	2,962	*5	*5	—	*2,951	439	430	*9	92,416	6,100	86,316	*7,834	*15,839	*8,819
Travel and entertainment	5,842,885	83,994	3,415	25,711	13,423	41,445	39,912	38,573	1,339	382,540	106,110	275,980	17,092	82,282	16,546
Utilities and telephone	12,644,624	184,308	5,891	30,796	64,045	83,576	38,806	37,623	1,182	969,270	261,285	707,986	130,969	111,509	56,513
Net salaries and wages	38,691,599	1,179,223	7,346	66,357	272,587	832,932	151,071	149,015	2,057	5,099,982	1,813,018	3,284,693	598,500	682,171	348,902
Gross salaries and wages	38,928,351	1,179,223	7,346	66,357	272,587	832,932	154,070	152,014	2,057	5,154,419	1,819,749	3,332,398	598,502	682,171	348,902
Less: Jobs credit	236,752	—	—	—	—	—	*2,999	*2,999	—	54,436	*6,731	*47,705	*2	—	—
Windfall profit tax withheld	86,734	*1	*(1)	*1	—	—	26,031	26,029	*2	1,556	528	*1,028	—	—	—
Other business deductions	86,393,023	2,791,533	162,578	468,423	469,003	1,691,529	4,373,727	4,319,440	54,286	11,423,169	4,275,324	7,144,006	805,775	941,894	379,278
Net income less deficit	**90,423,763**	**1,170,993**	**-128,448**	**92,183**	**450,140**	**757,118**	**-688,298**	**-640,960**	**-47,338**	**12,815,063**	**3,558,442**	**9,234,279**	**1,108,401**	**1,676,202**	**636,078**
Net income	110,496,952	1,929,876	39,141	322,216	509,561	1,058,959	768,188	755,549	12,640	14,406,899	4,350,836	10,033,720	1,208,911	1,717,129	677,387
Deficit	20,073,189	758,884	167,589	230,032	59,421	301,841	1,456,487	1,396,509	59,978	1,591,836	792,395	799,441	100,509	40,927	41,309
Businesses with net income															
Number of returns	**9,247,806**	**223,250**	**3,878**	**44,335**	**95,978**	**79,059**	**56,408**	**56,284**	**124**	**1,362,226**	**344,727**	**1,013,455**	**98,764**	**182,914**	**73,312**
Business receipts, total	**461,538,759**	**8,928,328**	**97,660**	**1,723,512**	**2,835,036**	**4,272,119**	**4,601,820**	**4,551,141**	**50,679**	**78,249,094**	**29,968,954**	**48,239,908**	**7,605,614**	**6,501,287**	**3,637,759**
Income from sales and operations	452,218,088	8,905,237	93,033	1,721,344	2,823,664	4,267,195	4,478,902	4,430,912	47,990	77,198,595	29,370,346	47,788,017	7,592,004	6,490,249	3,580,915
Other business income	9,270,422	23,091	*4,626	*2,169	*11,372	4,924	117,797	115,108	2,689	1,050,499	598,608	451,891	*13,610	*11,038	56,844
Windfall profit tax credit or refund	50,249	—	—	—	—	—	5,121	5,121	—	*(1)	*(1)	—	—	—	—
Business deductions, total	**351,041,807**	**6,998,451**	**58,519**	**1,401,297**	**2,325,475**	**3,213,160**	**3,833,631**	**3,795,592**	**38,039**	**63,842,195**	**25,618,118**	**38,206,187**	**6,396,703**	**4,784,159**	**2,960,372**
Cost of sales and operations, total	179,096,879	2,646,918	*1,568	663,290	982,918	999,142	315,344	304,539	10,805	38,146,040	17,331,813	20,814,227	3,895,895	1,831,751	1,803,973
Cost of labor	14,383,892	274,079	—	*12,576	171,666	89,836	4,126	1,605	*2,520	7,500,737	3,595,587	3,905,150	388,468	538,011	182,448
Inventory, beginning of year	14,922,226	33,644	*23	*26,190	*2,013	5,418	2,601	2,176	*425	1,069,074	465,275	603,799	189,860	*23,477	19,835
Inventory, end of year	16,965,494	38,106	*21	*30,299	*2,288	5,498	7,405	7,105	*300	1,027,522	454,752	572,770	275,858	*25,537	23,223
Bad debts from sales or services	388,597	*5,194	—	*77	*991	*4,125	1,214	1,086	*129	51,847	31,508	20,340	*10,924	—	*1,671
Car and truck expenses	12,846,922	288,491	—	56,868	145,789	85,833	15,573	15,249	323	2,872,024	817,061	2,053,708	336,756	324,286	135,098
Depletion	800,805	*379	—	*2	*126	*251	600,959	598,465	2,494	47,831	47,831	—	—	—	—
Depreciation	16,890,126	544,019	10,566	75,110	215,700	242,643	460,439	456,998	3,440	2,957,207	972,297	1,975,655	284,771	282,287	130,744
Commissions	4,401,960	61,986	*841	*18,040	*6	43,099	7,513	7,234	278	379,756	50,853	328,903	*625	*148,044	*2,961
Mortgage interest	2,404,619	69,788	*6,248	*20,976	*26,426	16,138	24,664	24,344	*320	329,100	199,808	129,292	23,726	*15,611	19,388
Other interest	3,708,813	61,676	*122	*4,280	25,310	31,964	44,795	44,260	*535	663,445	247,019	416,426	74,191	81,571	23,699
Office expenses	3,363,827	56,911	*9	9,288	24,914	22,700	7,869	7,781	88	260,436	87,587	172,849	32,347	28,338	19,511
Pension and profit-sharing plans	536,080	12,807	—	—	*3,549	*9,258	1,312	1,306	*6	24,286	13,231	11,055	*1,039	*4,443	*75
Insurance	8,189,527	173,948	*2,404	17,502	99,595	54,446	8,396	7,955	441	1,826,206	567,071	1,258,405	171,087	218,481	81,336
Rent on business property	11,604,909	265,802	*8	171,611	43,609	50,574	24,097	23,328	769	748,868	111,231	637,546	89,815	117,383	20,313
Employee benefit programs	206,126	*1,002	—	—	—	*1,002	*119	*119	—	58,776	5,699	53,077	*7,834	*15,839	*8,819
Travel and entertainment	4,575,924	50,608	*117	10,396	12,211	27,884	9,256	9,111	*145	347,669	90,547	256,672	15,543	81,281	15,214
Utilities and telephone	9,140,511	140,401	*3,952	23,528	59,668	53,254	8,445	8,223	222	773,879	197,053	576,826	111,170	104,909	42,411
Net salaries and wages	29,637,698	893,151	*129	*51,843	268,304	572,876	37,648	36,114	*1,534	4,590,109	1,425,842	3,161,996	594,378	659,004	334,096
Gross salaries and wages	29,854,992	893,151	*129	*51,843	268,304	572,876	39,980	38,446	*1,534	4,642,894	1,430,921	3,209,702	594,380	659,004	334,096
Less: Jobs credit	217,293	—	—	—	—	—	*2,332	*2,332	—	*52,784	*5,079	*47,705	*2	—	—
Windfall profit tax withheld	66,901	*(1)	—	*(1)	—	—	18,724	18,724	*(1)	*1,027	*(1)	*1,027	—	—	—
Other business deductions	63,181,584	1,725,373	32,555	278,485	416,360	997,972	2,247,266	2,230,756	16,510	9,763,689	3,421,666	6,338,185	746,601	870,931	321,063
Net income	**110,496,952**	**1,929,876**	**39,141**	**322,216**	**509,561**	**1,058,959**	**768,188**	**755,549**	**12,640**	**14,406,899**	**4,350,836**	**10,033,720**	**1,208,911**	**1,717,129**	**677,387**

Footnotes at end of table.

Table 2.—Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1986—Continued

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

Item	Construction—Continued				Manufacturing					Transportation, communication, electric, gas, and sanitary services				
	Special trade contractors—Continued			Contractors not allocable	Total	Lumber and wood products, except furniture	Printing, publishing, and allied industries	Machinery, except electrical	Other manufacturing industries	Total	Local and interurban passenger transit	Trucking and warehousing	Other transportation	Communication, electric, gas, and sanitary services
	Masonry, stonework, tile setting and plastering	Carpentering and flooring	Miscellaneous special trade contractors											
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)
Businesses with and without net income														
Number of returns	**114,515**	**343,629**	**290,475**	***4,044**	**329,238**	**82,050**	**52,446**	**33,770**	**160,972**	**575,854**	**72,632**	**385,068**	**70,108**	**48,046**
Business receipts, total	**5,806,891**	**10,250,746**	**17,563,742**	***40,232**	**19,638,481**	**4,763,096**	**4,460,283**	**2,857,304**	**7,557,798**	**27,416,165**	**1,523,358**	**21,407,186**	**3,031,129**	**1,454,492**
Income from sales and operations	5,806,728	10,081,834	17,350,512	*40,232	19,075,284	4,304,512	4,443,576	2,855,248	7,471,948	26,686,425	1,481,019	20,770,975	2,984,408	1,450,025
Other business income	*163	168,912	213,230	—	563,197	458,584	16,708	2,056	85,850	729,289	42,340	636,211	46,720	4,018
Windfall profit tax credit or refund	—	—	—	—	*(1)	—	—	—	*(1)	*451	—	—	*2	*449
Business deductions, total	**4,700,418**	**7,770,679**	**15,336,685**	***17,889**	**18,181,780**	**4,242,766**	**4,294,755**	**2,827,576**	**6,816,682**	**23,992,440**	**1,183,914**	**18,831,991**	**2,703,894**	**1,272,641**
Cost of sales and operations, total	2,817,370	4,698,647	7,658,096	—	9,243,406	1,645,719	2,182,851	1,243,920	4,170,916	4,971,711	*31,556	2,775,477	1,586,989	577,688
Cost of labor	805,477	943,501	1,342,831	—	1,575,142	91,694	367,897	279,577	835,973	525,642	*2,312	478,316	34,242	*10,772
Inventory, beginning of year	*1,422	*343,144	125,281	—	1,746,705	255,553	118,483	80,472	1,292,197	66,578	*1,330	49,343	5,923	*9,982
Inventory, end of year	*115,621	*181,367	187,593	—	1,651,851	263,211	132,692	54,282	1,201,667	70,374	*1,182	54,704	7,061	*7,427
Bad debts from sales or services	*57	*2,364	109,657	—	16,789	*1,403	2,392	*7,058	5,936	20,056	*2,550	14,264	1,226	2,016
Car and truck expenses	289,585	501,605	642,157	*1,255	519,963	234,352	72,482	86,202	126,927	1,872,095	93,766	1,626,985	106,044	45,299
Depletion	—	—	—	—	79,273	*76,577	*1	*38	*2,657	40,365	—	*40,314	*49	*2
Depreciation	145,583	369,667	1,015,289	*9,255	1,152,211	323,590	266,924	272,652	289,045	2,961,677	116,875	2,459,497	184,523	200,782
Commissions	*14,198	*22,942	150,481	—	155,552	67,247	21,412	16,544	50,349	420,166	*5,871	358,190	39,573	16,531
Mortgage interest	55,156	28,457	39,770	—	100,210	32,411	32,753	11,443	23,603	283,065	*39,400	197,178	24,562	21,925
Other interest	38,970	76,586	179,362	—	334,913	77,426	116,142	76,928	64,417	504,001	23,263	399,480	54,335	26,923
Office expenses	11,975	24,466	78,882	—	102,261	14,563	35,318	11,707	40,673	80,065	1,825	61,065	13,989	3,186
Pension and profit-sharing plans	*851	*887	3,761	—	17,949	*159	*108	*15,602	2,081	7,516	—	*7,379	*14	*123
Insurance	130,007	171,512	627,329	*730	459,906	164,711	81,703	87,865	125,627	1,262,428	109,283	1,076,358	45,416	31,371
Rent on business property	96,967	116,918	392,143	*91	606,972	45,546	134,202	121,248	305,975	649,664	48,498	527,622	57,813	15,731
Employee benefit programs	*32,169	*2,592	19,063	—	20,624	*52	*15,852	*40	4,681	11,218	—	10,643	*543	*32
Travel and entertainment	9,844	51,750	98,466	*450	154,642	7,254	31,669	42,344	73,375	265,269	*1,249	222,752	26,284	14,983
Utilities and telephone	65,364	96,254	247,377	—	394,147	61,010	96,779	51,709	184,649	341,601	14,836	254,236	47,535	24,995
Net salaries and wages	311,783	282,208	1,061,129	*2,271	1,926,305	367,470	590,065	508,115	460,656	1,411,185	*70,765	1,122,979	116,716	100,726
Gross salaries and wages	352,881	282,208	1,067,734	*2,271	1,932,490	371,838	590,065	509,448	461,139	1,423,842	*70,765	1,133,836	118,419	100,822
Less: Jobs credit	*41,098	—	*6,605	—	*6,184	*4,368	—	*1,334	*483	*12,656	—	*10,857	*1,703	*96
Windfall profit tax withheld	—	*1,027	*1	—	*4	—	—	*4	—	*20	—	*13	*7	—
Other business deductions	680,540	1,322,798	3,013,721	*3,839	2,896,654	1,123,277	614,103	274,159	885,116	8,890,338	624,176	7,677,557	398,278	190,327
Net income less deficit	**1,106,473**	**2,480,067**	**2,227,058**	***22,342**	**1,456,702**	**520,329**	**165,528**	**29,728**	**741,116**	**3,423,725**	**339,444**	**2,575,195**	**327,235**	**181,852**
Net income	1,184,800	2,562,113	2,683,380	*22,342	2,374,974	636,738	394,338	253,758	1,090,139	4,513,418	386,411	3,292,163	557,147	277,697
Deficit	78,327	82,046	456,322	—	918,272	116,409	228,810	224,030	349,023	1,089,693	46,967	716,969	229,912	95,845
Businesses with net income														
Number of returns	**100,778**	**316,896**	**240,791**	***4,044**	**209,726**	**54,885**	**27,428**	**19,286**	**108,127**	**429,927**	**63,274**	**277,031**	**58,642**	**30,980**
Business receipts, total	**5,274,860**	**9,309,127**	**15,911,261**	***40,232**	**14,002,319**	**3,779,674**	**2,699,617**	**1,065,094**	**6,457,935**	**20,743,359**	**1,374,889**	**15,950,295**	**2,151,309**	**1,266,866**
Income from sales and operations	5,274,697	9,143,533	15,706,618	*40,232	13,464,261	3,326,670	2,684,007	1,064,796	6,388,788	20,299,992	1,332,791	15,588,163	2,115,694	1,263,345
Other business income	*163	165,594	204,643	—	538,058	453,004	15,610	297	69,146	442,918	*42,098	362,133	35,615	3,072
Windfall profit tax credit or refund	—	—	—	—	—	—	—	—	—	*449	—	—	—	*449
Business deductions, total	**4,090,059**	**6,747,014**	**13,227,881**	***17,889**	**11,627,345**	**3,142,936**	**2,305,278**	**811,336**	**5,367,796**	**16,229,941**	**988,478**	**12,658,132**	**1,594,162**	**989,169**
Cost of sales and operations, total	2,537,510	3,919,580	6,825,517	—	6,084,068	1,255,709	1,018,267	441,643	3,368,449	3,403,686	*26,890	1,849,867	960,758	566,171
Cost of labor	798,213	854,026	1,143,983	—	1,106,985	61,110	238,745	28,431	778,698	217,933	—	176,885	*30,457	*10,591
Inventory, beginning of year	*1,303	*304,101	65,222	—	1,253,411	26,542	87,077	8,489	1,131,303	23,430	*1,330	*8,694	*3,426	*9,981
Inventory, end of year	*1,892	*157,098	89,162	—	1,148,673	35,294	86,126	9,366	1,017,888	13,534	*1,182	*557	*4,374	*7,421
Bad debts from sales or services	*50	*2,364	*5,331	—	12,402	*45	*1,590	*6,717	4,050	14,032	*2,550	*11,035	*326	*121
Car and truck expenses	246,288	451,561	559,718	*1,255	356,248	180,821	41,056	39,965	94,406	1,466,107	75,357	1,256,727	99,242	34,781
Depletion	—	—	—	—	*79,224	*76,575	*1	—	*2,649	*29,089	—	*29,089	—	—
Depreciation	136,973	337,645	803,236	*9,255	545,019	223,653	98,577	60,598	162,191	1,714,294	69,164	1,501,290	42,026	101,814
Commissions	*14,189	*22,942	140,142	—	129,655	67,012	5,846	*8,612	48,185	273,729	*4,818	225,058	37,718	*6,136
Mortgage interest	25,231	20,165	25,171	—	41,585	15,450	*15,743	1,968	8,423	150,934	*37,799	90,654	*3,640	*18,841
Other interest	33,651	67,863	135,451	—	114,036	31,277	36,801	7,655	38,303	274,640	*15,752	236,677	13,310	8,901
Office expenses	9,762	22,161	60,731	—	61,972	13,665	18,788	1,489	28,032	47,494	*1,499	31,874	12,595	1,527
Pension and profit-sharing plans	*851	*887	3,761	—	10,300	*159	*108	*9,696	338	*359	—	*345	*12	*2
Insurance	119,244	163,231	505,025	*730	291,035	124,956	37,941	21,814	106,324	830,460	85,625	695,583	25,372	23,880
Rent on business property	84,526	85,916	239,593	*91	430,910	41,976	94,659	21,669	272,606	474,328	*37,554	387,409	41,753	7,611
Employee benefit programs	*137	*2,592	17,856	—	16,794	*26	*12,593	*6	4,169	10,618	—	*10,601	*10	*7
Travel and entertainment	9,824	43,508	91,302	*450	87,366	6,487	17,283	3,107	60,489	206,717	*916	178,575	22,952	4,274
Utilities and telephone	55,159	79,546	183,631	—	263,018	33,101	56,319	17,129	156,470	229,861	*14,341	165,773	32,432	17,314
Net salaries and wages	311,677	272,729	990,112	*2,271	1,076,318	268,154	442,482	56,869	308,813	747,317	*70,361	550,143	60,847	65,966
Gross salaries and wages	352,776	272,729	996,716	*2,271	1,082,401	272,522	442,482	58,203	309,195	759,844	*70,361	560,967	62,550	65,966
Less: Jobs credit	*41,098	—	*6,605	—	*6,083	*4,368	—	*1,334	*382	*12,527	—	*10,824	*1,703	—
Windfall profit tax withheld	—	*1,027	—	—	—	—	—	—	—	—	—	—	—	—
Other business deductions	504,987	1,253,298	2,641,305	*3,839	2,027,394	803,872	407,225	112,397	703,900	6,356,276	545,853	5,437,433	241,168	131,822
Net income	**1,184,800**	**2,562,113**	**2,683,380**	***22,342**	**2,374,974**	**636,738**	**394,338**	**253,758**	**1,090,139**	**4,513,418**	**386,411**	**3,292,163**	**557,147**	**277,697**

Footnotes at end of table.

Table 2.—Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1986—Continued

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

Item	Wholesale and retail trade													
		Wholesale trade								Retail trade				
											Building materials, paint, hardware, garden supply, and mobile home dealers			
	Total	Total	Motor vehicles and automotive equipment	Lumber and construction materials	Farm machinery and equipment	Other machinery, equipment, and supplies	Groceries and related products	Farm-products raw materials	Other wholesale trade	Total	Total	Lumber and other building materials dealers	Paint, glass, and wallpaper stores	Hardware stores
	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)
Businesses with and without net income														
Number of returns	**2,268,672**	**304,197**	**9,963**	***10**	**7,836**	**13,146**	**20,430**	**5,099**	**247,713**	**1,886,060**	**65,814**	**16,438**	**6,677**	**13,772**
Business receipts, total	**192,491,816**	**28,392,270**	**2,430,509**	***21,158**	**485,855**	**1,588,380**	**6,809,074**	**2,035,009**	**15,022,285**	**160,492,798**	**6,442,407**	**1,649,684**	**1,083,153**	**1,494,624**
Income from sales and operations	190,034,368	27,991,929	2,425,635	*21,060	484,989	1,522,374	6,798,995	2,030,263	14,708,612	158,816,314	6,275,930	1,646,125	1,071,380	1,445,966
Other business income	2,449,651	400,340	*4,874	*98	*866	66,006	10,079	4,746	313,671	1,671,495	166,477	3,559	*11,773	48,658
Windfall profit tax credit or refund	7,797	*1	—	—	—	*(1)	—	—	*1	*4,990	—	—	—	—
Business deductions, total	**182,472,351**	**25,716,134**	**2,237,221**	***18,802**	**427,628**	**1,304,465**	**6,562,430**	**1,986,101**	**13,179,486**	**153,940,436**	**6,078,862**	**1,660,389**	**903,897**	**1,374,475**
Cost of sales and operations, total	131,293,100	19,712,222	1,588,455	*15,580	362,683	854,289	5,385,696	1,825,637	9,679,882	109,606,844	4,259,850	1,096,280	*676,288	986,680
Cost of labor	2,421,596	367,316	*32,590	*613	—	*25,058	*173,327	*684	135,044	2,049,831	174,685	*121,935	*47,998	*228
Inventory, beginning of year	14,907,425	1,271,376	*160,765	*2,533	*5,549	202,120	95,208	17,072	788,129	13,469,095	982,160	150,896	*421,931	240,697
Inventory, end of year	17,134,523	1,549,429	*167,446	*2,893	*56,825	135,633	87,265	33,505	1,065,863	15,396,830	1,510,018	149,092	*427,876	302,764
Bad debts from sales or services	272,647	38,466	*21	*13	*65	*4,166	1,719	*362	32,121	227,459	12,288	*117	*4,045	*3,758
Car and truck expenses	2,862,703	647,976	*38,860	*40	*18,630	32,060	110,173	17,473	430,740	2,078,156	168,417	89,053	*8,298	14,411
Depletion	4,836	423	*34	*64	—	*12	*2	—	*310	3,167	*2	—	—	—
Depreciation	4,136,425	573,767	*81,088	*288	*10,326	38,512	130,862	25,367	287,325	3,497,714	178,934	86,015	*1,933	34,202
Commissions	1,052,321	355,731	*8,216	*4	*4	44,559	4,213	2,684	296,051	619,172	6,309	*372	—	*2,089
Mortgage interest	988,573	117,882	*23,387	*60	*4,194	—	38,166	8,230	43,845	855,433	28,029	*2,110	*6,462	*4,251
Other interest	1,484,034	148,602	*27,391	*186	*107	24,570	12,402	8,657	75,289	1,325,674	115,826	47,031	*5,386	22,527
Office expenses	704,076	119,915	9,415	*19	*1,418	8,980	7,468	261	92,354	557,514	21,277	5,958	*3,115	2,017
Pension and profit-sharing plans	61,777	9,328	—	—	*7	*7,506	*164	*44	1,607	52,364	*13,368	*234	*325	*205
Insurance	2,181,723	259,097	*9,143	*245	*4,161	34,248	59,638	2,217	149,445	1,899,495	112,256	32,551	*20,583	20,752
Rent on business property	4,774,434	234,930	*26,186	*65	*86	11,626	55,226	522	141,219	4,492,604	128,628	*25,377	*37,450	31,339
Employee benefit programs	89,988	12,693	*8,875	—	*20	*3	*1,404	*173	2,219	77,268	*2,974	—	*3	*22
Travel and entertainment	1,209,139	367,405	*4,335	*6	*27	31,011	8,888	3,519	319,619	758,288	31,003	7,038	*11,467	5,725
Utilities and telephone	4,204,709	347,842	28,760	*223	*4,489	30,245	84,104	8,255	191,766	3,790,622	148,604	34,130	*23,271	36,065
Net salaries and wages	10,644,978	936,772	*117,430	*839	*565	74,763	247,787	6,124	489,264	9,632,397	348,257	99,861	*36,004	93,906
Gross salaries and wages	10,714,697	944,583	*117,430	*839	*2,305	74,763	247,787	6,124	495,336	9,694,305	348,824	99,861	*36,004	93,906
Less: Jobs credit	69,719	*7,811	—	—	*1,739	—	—	—	*6,072	61,908	*567	—	—	—
Windfall profit tax withheld	42,339	*24,676	*24,672	—	—	*1	*(1)	—	*3	17,662	*2	*2	—	—
Other business deductions	16,464,550	1,808,408	240,955	*1,171	*20,847	107,914	414,518	76,576	946,427	14,448,604	502,840	134,259	69,269	116,528
Net income less deficit	**10,019,464**	**2,676,136**	**193,288**	***2,356**	**58,227**	**283,915**	**246,644**	**48,908**	**1,842,799**	**6,552,362**	**363,545**	**-10,705**	**179,256**	**120,149**
Net income	14,352,382	3,218,518	211,884	*2,712	*61,714	297,857	290,820	75,772	2,277,760	10,298,428	559,239	91,071	*180,106	142,135
Deficit	4,332,917	542,382	*18,596	*356	*3,487	*13,942	44,176	26,864	434,961	3,746,066	195,694	*101,776	*850	*21,987
Businesses with net income														
Number of returns	**1,393,108**	**207,552**	**7,473**	***6**	***5,391**	**9,423**	**13,312**	**4,595**	**167,352**	**1,121,965**	**42,899**	**3,670**	***6,674**	**10,059**
Business receipts, total	**149,186,558**	**23,508,475**	**1,751,471**	***20,082**	***439,785**	**1,404,975**	**5,387,463**	**1,647,071**	**12,857,628**	**122,370,151**	**4,847,473**	**913,621**	***1,081,869**	**1,377,762**
Income from sales and operations	147,111,944	23,157,425	*1,748,359	*19,984	*438,940	1,341,415	5,377,563	1,643,617	12,587,547	121,006,905	4,721,385	910,454	*1,070,099	1,329,785
Other business income	2,069,641	351,049	*3,112	*98	*845	*63,560	*9,900	3,453	270,080	1,358,274	126,089	*3,167	*11,770	*47,976
Windfall profit tax credit or refund	*4,973	*1	—	—	—	—	—	—	*1	*4,972	—	—	—	—
Business deductions, total	**134,834,176**	**20,289,957**	***1,539,587**	***17,371**	***378,071**	**1,107,118**	**5,096,643**	**1,571,299**	**10,579,868**	**112,071,724**	**4,288,235**	**822,550**	***901,763**	**1,235,626**
Cost of sales and operations, total	99,329,277	15,606,724	*943,640	*14,513	*324,832	707,836	4,232,130	1,455,464	7,928,308	81,973,359	3,181,283	*632,072	*675,411	924,307
Cost of labor	1,771,286	338,447	*32,590	*613	—	*25,038	*157,781	*684	121,741	1,428,450	*74,593	*26,538	*47,785	—
Inventory, beginning of year	10,312,343	839,919	*98,420	*2,201	*2,480	*198,211	41,076	*11,580	485,951	9,316,124	792,232	*94,066	*421,833	211,834
Inventory, end of year	11,810,360	1,018,997	*109,213	*2,893	*54,416	*130,897	43,309	*26,592	651,677	10,629,853	862,108	*93,046	*427,552	272,881
Bad debts from sales or services	187,234	7,708	*21	*13	—	*4,166	*270	*61	3,177	174,156	12,112	*68	*4,037	*3,649
Car and truck expenses	1,979,871	511,553	*19,696	*29	*18,597	29,983	81,212	16,796	345,240	1,350,143	61,654	*4,591	*8,269	5,479
Depletion	3,258	410	*34	*64	—	—	*2	—	*310	1,601	*2	—	—	—
Depreciation	2,685,475	451,297	*80,009	*288	*7,804	32,458	101,024	17,519	212,195	2,188,299	83,205	12,850	*1,655	23,180
Commissions	857,928	292,645	*8,187	*4	*4	*27,245	4,168	*2,620	250,417	488,552	4,303	*372	—	*2,089
Mortgage interest	525,249	74,522	*19,093	*60	*3,604	—	*13,407	*2,847	35,510	441,534	22,662	*889	*6,228	*3,915
Other interest	909,295	95,398	*23,180	*70	*45	23,478	4,879	8,123	35,622	805,855	32,192	*3,724	*5,307	*18,903
Office expenses	501,559	97,223	*7,849	*19	*1,220	7,815	4,494	243	75,584	380,924	12,459	*2,684	*3,103	*1,492
Pension and profit-sharing plans	20,307	9,312	—	—	*7	*7,506	*164	*44	1,591	10,909	*955	*234	*325	*205
Insurance	1,629,287	197,019	*8,683	*240	*3,456	33,905	31,129	1,677	117,930	1,411,683	75,641	*18,310	*20,510	15,111
Rent on business property	3,193,121	172,650	*24,726	*61	*83	9,632	26,561	*234	111,354	2,977,763	83,697	*10,687	*37,413	*30,155
Employee benefit programs	52,060	12,344	*8,875	—	*7	*3	*1,404	*32	2,023	39,690	*2,949	—	—	—
Travel and entertainment	915,819	303,742	*3,549	*6	*13	23,319	8,706	2,934	265,214	529,918	22,537	*2,084	*11,452	*5,227
Utilities and telephone	2,866,705	260,549	*26,982	*198	*2,891	27,254	59,403	7,420	136,402	2,546,625	94,623	9,643	*23,160	27,577
Net salaries and wages	7,411,485	775,166	*115,914	*745	*257	73,974	157,460	4,333	422,482	6,579,752	252,401	*73,873	*35,825	*76,687
Gross salaries and wages	7,477,154	781,238	*115,914	*745	*257	73,974	157,460	4,333	428,554	6,639,349	252,969	*73,873	*35,825	*76,687
Less: Jobs credit	65,669	*6,072	—	—	—	—	—	—	*6,072	59,598	*567	—	—	—
Windfall profit tax withheld	32,425	*24,672	*24,672	—	—	—	*(1)	—	*(1)	*7,753	—	—	—	—
Other business deductions	11,733,822	1,397,023	*224,480	*1,061	*15,251	98,544	370,230	50,950	636,507	10,163,207	345,559	50,469	*69,067	97,650
Net income	**14,352,382**	**3,218,518**	**211,884**	***2,712**	***61,714**	**297,857**	**290,820**	**75,772**	**2,277,760**	**10,298,428**	**559,239**	**91,071**	***180,106**	**142,135**

Footnotes at end of table.

Table 2.—Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1986—Continued

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

Item	Wholesale and retail trade—Continued													
	Retail trade—Continued													
	Building materials paint, etc.—Continued		Food stores			Automotive dealers and service stations								
	Retail nurseries, garden supply stores, and mobile home dealers	General merchandise stores	Total	Grocery stores	Other food stores	Total	Motor vehicle dealers-new car dealers (franchised)	Used car dealers	Gasoline service stations	Other automotive dealers	Apparel and accessory stores	Furniture and home furnishings stores	Eating places	Drinking places
	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)
Businesses with and without net income														
Number of returns	**28,927**	**18,908**	**133,885**	**97,631**	**36,254**	**149,552**	**2,905**	**53,458**	**51,228**	**41,961**	**74,288**	**83,002**	**149,938**	**58,709**
Business receipts, total	**2,214,946**	**2,670,782**	**28,639,299**	**24,928,334**	**3,710,964**	**43,579,852**	**2,500,311**	**10,492,097**	**24,463,378**	**6,124,065**	**7,947,558**	**8,825,140**	**16,493,161**	**4,763,711**
Income from sales and operations	2,112,459	2,497,740	28,249,884	24,563,268	3,686,616	43,382,713	2,481,932	10,402,206	24,417,300	6,081,274	7,941,418	8,787,474	16,405,059	4,695,592
Other business income	102,487	*173,042	386,264	361,917	*24,347	195,659	18,378	89,891	44,598	42,791	5,798	37,666	88,101	68,118
Windfall profit tax credit or refund	—	—	*3,150	*3,150	*(1)	*1,480	*(1)	—	*1,480	—	*342	—	*1	—
Business deductions, total	**2,140,101**	**2,554,706**	**27,930,228**	**24,391,622**	**3,538,606**	**42,559,126**	**2,477,838**	**10,155,373**	**23,921,599**	**6,004,315**	**7,615,496**	**8,115,031**	**16,159,456**	**4,586,517**
Cost of sales and operations, total	1,500,602	1,982,032	22,539,575	20,013,510	2,526,065	34,558,391	2,122,200	8,350,061	19,645,485	4,440,646	5,091,112	5,353,529	6,867,832	2,840,405
Cost of labor	*4,525	*101,697	131,044	102,143	*28,902	324,676	*4,378	72,494	224,436	*23,367	*66,793	453,587	304,257	175,922
Inventory, beginning of year	168,636	563,329	1,701,699	1,348,145	353,555	2,482,956	275,759	619,238	841,421	746,540	1,201,583	1,080,233	159,804	147,150
Inventory, end of year	630,286	523,285	1,868,304	1,660,342	207,962	2,445,844	227,665	687,314	769,363	761,501	1,616,110	1,245,741	225,124	152,933
Bad debts from sales or services	*4,368	*2,971	12,335	11,993	*342	107,663	1,427	*66,922	33,372	5,942	12,592	27,953	7,245	*3,158
Car and truck expenses	56,655	7,975	163,919	94,863	69,056	223,749	6,295	35,862	98,446	83,146	79,061	179,081	143,785	21,749
Depletion	*2	—	*487	*68	*419	*882	*77	*1	*805	—	*108	*13	*274	—
Depreciation	56,784	42,315	486,240	405,510	80,730	458,637	23,694	66,705	234,175	134,062	124,722	184,578	791,523	193,951
Commissions	3,848	*585	3,462	*1,286	*2,176	152,030	3,432	118,324	1,234	29,040	7,518	118,404	17,089	*5,898
Mortgage interest	15,207	*45,191	152,991	130,030	*22,960	199,820	17,339	39,708	109,151	33,623	17,702	25,857	112,824	59,429
Other interest	40,882	20,696	180,986	150,109	30,876	206,348	12,898	67,054	52,149	74,248	72,394	120,003	232,676	28,163
Office expenses	10,188	2,437	28,589	23,413	5,175	68,871	1,791	22,878	28,902	15,301	49,105	65,192	43,350	11,980
Pension and profit-sharing plans	*12,604	*30	4,426	4,065	*361	2,402	339	*522	*1,528	*13	*52	*196	626	*28,771
Insurance	38,371	36,380	232,285	166,562	65,723	464,372	19,410	94,073	245,910	104,979	82,686	131,251	301,970	109,420
Rent on business property	34,463	5,493	423,147	310,994	112,153	717,160	18,607	130,439	482,309	85,804	454,565	274,650	1,156,067	102,390
Employee benefit programs	*2,949	*1,005	6,031	5,982	*49	9,847	1,710	*60	*5,930	*2,148	*85	*3,347	18,445	*6
Travel and entertainment	6,773	2,918	12,695	6,828	5,867	59,681	5,965	22,897	13,703	17,115	134,355	90,531	28,461	66,535
Utilities and telephone	55,138	52,369	696,468	573,534	122,934	519,004	14,564	97,000	285,502	121,939	186,959	199,066	860,420	219,355
Net salaries and wages	118,485	129,865	1,183,726	998,018	185,708	1,986,388	60,702	124,762	1,373,507	427,417	580,392	537,347	2,825,012	281,683
Gross salaries and wages	119,052	129,865	1,234,691	1,048,984	185,708	1,986,388	60,702	124,762	1,373,507	427,417	580,393	537,619	2,825,345	281,683
Less: Jobs credit	*567	—	*50,966	*50,966	—	—	—	—	—	—	*2	*272	334	—
Windfall profit tax withheld	—	—	*5,010	*5,010	*(1)	*16	*(1)	—	*16	—	*8,505	*(1)	*2,742	—
Other business deductions	182,784	222,444	1,797,857	1,489,845	308,012	2,823,864	167,388	918,108	1,309,476	428,892	713,585	804,033	2,749,115	613,622
Net income less deficit	**74,846**	**116,076**	**709,070**	**536,713**	**172,358**	**1,020,726**	**22,472**	**336,724**	**541,779**	**119,750**	**332,062**	**710,109**	**333,705**	**177,194**
Net income	145,927	181,833	1,137,296	921,005	216,291	1,469,991	51,387	409,905	713,197	295,500	520,796	884,154	950,833	339,517
Deficit	71,081	65,757	428,225	384,292	43,933	449,265	28,915	73,181	171,418	175,750	188,734	174,044	617,128	162,323
Businesses with net income														
Number of returns	**22,496**	**12,044**	**84,615**	**61,941**	**22,674**	**103,966**	**2,006**	**41,066**	**34,168**	**26,726**	**40,043**	**51,646**	**82,124**	**32,177**
Business receipts, total	**1,474,223**	**2,467,889**	**18,847,464**	**16,016,984**	**2,830,480**	**36,384,686**	**2,063,921**	**9,775,542**	**20,327,327**	**4,217,897**	**5,733,834**	**6,026,422**	**10,774,529**	**3,483,267**
Income from sales and operations	1,411,046	2,296,370	18,500,282	15,693,839	2,806,443	36,221,193	2,047,153	9,690,233	20,282,033	4,201,773	5,729,582	6,896,284	10,745,003	3,453,905
Other business income	*63,176	*171,519	344,032	319,995	*24,037	162,014	16,768	85,309	43,814	16,124	3,910	30,138	29,526	29,362
Windfall profit tax credit or refund	—	—	*3,150	*3,150	*(1)	*1,480	—	—	*1,480	—	*342	—	—	—
Business deductions, total	**1,328,296**	**2,286,056**	**17,710,168**	**15,095,980**	**2,614,189**	**34,914,696**	**2,012,533**	**9,365,636**	**19,614,129**	**3,922,396**	**5,213,038**	**6,042,268**	**9,823,696**	**3,143,750**
Cost of sales and operations, total	949,492	*1,826,353	14,281,147	12,531,600	1,749,547	28,683,980	1,732,778	7,700,500	16,202,310	3,048,392	3,612,349	4,079,901	4,135,124	2,061,282
Cost of labor	*269	*101,697	*54,283	*25,589	*28,694	287,050	*4,378	*50,060	210,713	*21,900	*48,419	444,973	100,439	*142,504
Inventory, beginning of year	*64,499	*472,817	1,124,908	804,002	320,907	1,766,603	192,251	542,769	676,922	354,660	690,055	674,665	92,451	90,460
Inventory, end of year	*68,629	*520,868	1,329,756	1,153,243	176,512	1,821,624	156,978	594,048	653,163	417,434	1,058,803	752,777	92,599	97,838
Bad debts from sales or services	*4,358	*2,947	4,712	4,373	*338	86,840	1,188	*65,577	16,965	3,110	9,235	25,661	4,927	*3,000
Car and truck expenses	43,315	*6,666	119,835	57,812	62,023	175,154	5,062	28,489	85,446	56,157	44,574	101,962	71,991	12,894
Depletion	*2	—	*422	*3	*419	*811	*7	—	*804	—	*25	*3	*182	—
Depreciation	45,520	*30,460	286,720	215,358	71,362	308,213	14,820	59,958	168,245	65,190	89,318	131,044	465,498	100,828
Commissions	*1,842	*585	*2,657	*942	*1,714	149,943	2,966	116,861	1,092	29,023	*6,904	85,494	*390	*5,858
Mortgage interest	*11,630	*3,500	67,550	46,766	*20,784	144,526	12,172	36,780	84,644	*10,930	*8,913	14,083	44,264	*21,242
Other interest	*4,258	*18,457	89,655	60,905	*28,750	153,095	9,574	52,841	43,031	47,648	40,546	83,943	129,548	16,770
Office expenses	5,180	*2,258	15,695	10,937	4,758	53,032	1,653	21,547	18,351	11,481	33,162	53,772	20,451	7,859
Pension and profit-sharing plans	*192	*30	*3,796	*3,435	*361	2,387	*324	*522	*1,528	*13	*52	*196	536	*466
Insurance	21,710	*36,155	164,626	105,614	59,012	360,110	15,663	82,554	195,017	66,876	59,435	108,562	190,571	82,457
Rent on business property	*5,442	*3,724	330,093	226,934	103,159	602,922	12,934	112,787	410,957	66,244	221,920	176,645	821,831	64,903
Employee benefit programs	*2,949	*785	*1,433	*1,433	—	9,636	1,576	*4	*5,930	*2,126	*72	*3,197	17,084	—
Travel and entertainment	*3,774	*2,126	7,989	2,640	*5,350	50,563	5,557	20,798	13,032	11,175	107,640	67,001	19,138	*25,251
Utilities and telephone	34,243	37,302	448,475	345,667	102,808	400,476	11,047	80,062	221,194	88,173	134,803	153,834	523,967	133,420
Net salaries and wages	*66,017	*126,267	647,164	508,589	138,575	1,375,905	40,204	121,703	1,033,748	180,249	347,414	390,606	1,777,745	218,293
Gross salaries and wages	*66,584	*126,267	697,715	559,140	138,575	1,375,905	40,204	121,703	1,033,748	180,249	347,414	390,878	1,778,079	218,293
Less: Jobs credit	*567	—	*50,551	*50,551	—	—	—	—	—	—	—	*272	334	—
Windfall profit tax withheld	—	—	*5,010	*5,010	*(1)	—	—	—	—	—	—	—	*2,742	—
Other business deductions	128,374	188,441	1,233,188	967,961	265,227	2,357,103	145,007	864,652	1,111,836	235,609	496,675	566,365	1,597,706	389,227
Net income	**145,927**	**181,833**	**1,137,296**	**921,005**	**216,291**	**1,469,991**	**51,387**	**409,905**	**713,197**	**295,500**	**520,796**	**884,154**	**950,833**	**339,517**

Footnotes at end of table.

Table 2.—Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1986—Continued

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

Item	Wholesale and retail trade—Continued								Finance, insurance, and real estate						
	Retail trade—Continued							Wholesale and retail trade not allocable	Total	Finance			Insurance agents, brokers, and service	Real estate	
	Drug stores and proprietary stores	Liquor stores	Used merchandise stores	Sporting goods and bicycle shops	Gift, novelty, and souvenir shops	Direct selling organizations	Other retail stores			Total	Security, commodity brokers, and services	Other finance		Total	Operators and lessors of buildings
	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)
Businesses with and without net income															
Number of returns	**16,860**	**26,489**	**89,300**	**26,692**	**47,133**	**615,101**	**330,389**	**78,415**	**1,128,684**	**55,553**	**43,325**	**12,228**	**273,082**	**800,049**	**38,598**
Business receipts, total	**4,281,021**	**6,330,046**	**1,485,501**	**1,291,908**	**2,040,237**	**6,548,064**	**19,154,112**	**3,606,747**	**36,210,941**	**2,739,080**	**2,336,067**	**403,014**	**10,598,741**	**22,873,119**	**1,413,292**
Income from sales and operations	4,271,931	6,279,723	1,455,407	1,281,288	2,001,607	6,261,230	19,029,317	3,226,125	34,316,345	2,477,313	2,099,643	377,670	10,443,951	21,395,081	1,300,425
Other business income	9,090	50,323	30,093	10,620	38,630	286,817	124,795	377,816	1,894,041	261,703	236,360	25,343	154,790	1,477,548	112,763
Windfall profit tax credit or refund	—	—	—	—	—	*16	—	*2,806	554	*64	*64	—	*(1)	490	*103
Business deductions, total	**4,033,567**	**6,163,345**	**1,419,123**	**1,112,710**	**2,086,114**	**5,732,175**	**17,793,979**	**2,815,781**	**24,609,012**	**2,267,220**	**1,962,081**	**305,138**	**6,697,488**	**15,644,304**	**1,455,839**
Cost of sales and operations, total	3,057,749	5,197,709	849,832	808,221	1,224,994	3,382,995	11,592,618	1,974,034	5,096,938	1,069,045	937,683	131,362	584,615	3,443,278	243,906
Cost of labor	*26,669	*7,570	4,803	*16,373	*478	3,828	257,449	*4,449	313,259	1,668	1,622	*46	*9,637	301,954	*7,434
Inventory, beginning of year	502,099	644,181	661,234	168,042	408,721	222,840	2,543,062	166,955	814,026	5,477	*2,921	*2,555	*7,365	801,184	214,180
Inventory, end of year	561,642	577,871	868,740	190,723	360,692	328,522	2,921,282	188,264	1,170,321	3,684	*2,121	*1,563	11,948	1,154,690	134,088
Bad debts from sales or services	4,028	*1,572	*1,023	*1,042	*1,279	5,865	26,443	6,722	103,927	11,132	9,600	*1,533	39,977	52,818	3,388
Car and truck expenses	23,107	21,120	63,552	18,099	26,931	591,942	345,671	136,571	1,927,250	44,455	31,268	13,187	609,741	1,273,054	50,426
Depletion	—	—	*5	*104	*10	*1,086	*197	*1,246	29,939	1,223	1,214	*9	11,073	17,643	8,486
Depreciation	75,912	105,046	52,273	28,600	62,135	180,278	532,570	64,944	1,916,388	71,693	57,701	13,992	437,587	1,407,109	211,730
Commissions	*7	—	14,367	*18,383	5,642	78,638	190,841	77,418	1,847,171	41,435	38,380	3,056	468,058	1,337,678	16,680
Mortgage interest	*4,632	70,179	*3,396	*8,877	41,057	8,825	76,623	15,258	907,706	41,885	36,265	5,620	58,687	807,134	230,971
Other interest	67,381	22,136	3,158	20,941	20,048	70,266	144,653	9,758	995,975	217,473	202,840	14,633	233,352	545,149	98,341
Office expenses	22,742	9,712	10,291	3,628	7,591	63,229	149,518	26,648	568,569	24,434	22,240	2,194	250,774	293,361	10,747
Pension and profit-sharing plans	*86	*913	—	—	—	*2	*1,492	*86	67,066	4,750	4,447	*303	37,569	24,747	340
Insurance	34,335	63,495	37,539	7,810	18,658	73,544	193,493	23,131	446,123	10,121	7,776	2,344	172,934	263,069	33,227
Rent on business property	77,517	81,006	89,221	7,131	261,567	78,211	635,851	46,901	1,018,115	84,246	67,837	16,409	469,299	464,570	41,065
Employee benefit programs	*66	*3	*20	—	*30,707	*742	3,989	*27	17,239	397	392	*5	14,128	2,714	337
Travel and entertainment	12,768	13,345	19,488	19,502	10,625	125,140	131,241	83,447	992,810	82,623	67,534	15,089	309,196	600,991	16,734
Utilities and telephone	60,816	98,298	43,765	13,196	67,153	122,049	503,100	66,245	955,885	23,759	19,064	4,695	375,279	556,847	63,482
Net salaries and wages	246,765	190,256	8,858	51,993	151,430	92,127	1,018,299	75,809	1,789,413	37,533	36,768	766	1,033,370	718,510	59,459
Gross salaries and wages	246,765	190,364	8,858	51,993	151,785	99,646	1,020,085	75,809	1,805,372	37,583	36,768	816	1,034,260	733,528	59,617
Less: Jobs credit	—	*108	—	—	*355	*7,518	*1,786	—	15,959	*50	—	*50	*891	15,018	*157
Windfall profit tax withheld	—	—	*(1)	—	*(1)	*(1)	*1,388	—	201	*23	*23	—	11	168	*2
Other business deductions	345,656	288,555	222,335	105,182	156,286	857,235	2,245,994	207,539	5,928,296	500,991	421,049	79,942	1,591,840	3,835,466	366,518
Net income less deficit	**247,454**	**166,701**	**66,377**	**179,198**	**-45,877**	**815,889**	**1,360,133**	**790,966**	**11,601,929**	**471,861**	**373,985**	**97,875**	**3,901,253**	**7,228,815**	**-42,547**
Net income	298,948	244,210	174,034	197,227	139,249	1,186,339	2,014,763	835,435	14,315,586	850,375	717,791	132,584	4,259,568	9,205,643	275,124
Deficit	*51,494	77,509	107,657	18,028	185,126	370,450	654,631	44,469	2,713,658	378,515	343,806	34,709	358,315	1,976,828	317,671
Businesses with net income															
Number of returns	**10,943**	**19,791**	**43,722**	**14,469**	**20,724**	**367,410**	**195,392**	**63,591**	**858,531**	**34,320**	**23,336**	**10,984**	**221,846**	**602,365**	**21,341**
Business receipts, total	**3,885,168**	**5,282,949**	**1,192,875**	**1,218,348**	**1,088,254**	**5,390,872**	**14,846,121**	**3,307,932**	**31,121,804**	**1,801,576**	**1,532,574**	**269,003**	**9,791,031**	**19,529,196**	**645,714**
Income from sales and operations	3,876,103	5,233,696	1,163,103	1,208,471	1,063,570	5,152,362	14,745,597	2,947,614	29,605,879	1,695,527	1,439,282	256,245	9,662,068	18,248,284	614,576
Other business income	9,066	49,253	29,771	*9,877	24,684	238,510	100,524	360,318	1,515,511	106,050	93,292	12,758	128,963	1,280,498	31,104
Windfall profit tax credit or refund	—	—	—	—	—	—	—	—	*414	—	—	—	*(1)	*414	*33
Business deductions, total	**3,586,220**	**5,038,739**	**1,018,841**	**1,021,121**	**949,005**	**4,204,533**	**12,831,358**	**2,472,496**	**16,806,217**	**951,201**	**814,782**	**136,419**	**5,531,463**	**10,323,553**	**370,590**
Cost of sales and operations, total	2,728,555	4,355,199	663,315	749,158	665,545	2,627,511	8,322,656	1,749,193	3,023,333	382,588	333,471	*49,117	420,664	2,220,081	25,478
Cost of labor	*26,580	*7,402	*943	*16,313	—	*3,374	119,879	*4,389	298,777	*967	*967	—	*9,591	288,218	*7,250
Inventory, beginning of year	501,261	476,189	410,384	105,584	199,279	111,258	1,807,977	156,300	354,216	*2,013	*2,013	—	*1,412	350,792	*219
Inventory, end of year	561,268	449,873	483,188	109,338	223,164	214,420	2,052,228	161,510	663,035	*1,529	*1,529	—	*2,939	658,566	*201
Bad debts from sales or services	4,000	*1,565	*1,019	*1,042	*1,097	4,294	11,705	*5,370	37,129	2,054	1,636	*418	17,717	17,358	*1,034
Car and truck expenses	15,445	19,417	33,609	16,243	12,587	410,665	247,447	118,175	1,581,395	36,070	24,278	11,792	512,575	1,032,750	35,456
Depletion	—	—	—	*104	*4	*(1)	*47	*1,246	24,839	717	*708	*9	10,844	13,278	*6,847
Depreciation	75,881	83,756	14,192	25,723	12,228	95,989	385,245	45,880	1,220,085	57,760	45,729	12,031	360,661	801,663	41,808
Commissions	*6	—	13,442	*18,383	*3,397	63,211	133,979	76,731	1,577,151	14,567	12,574	1,993	353,186	1,209,398	6,812
Mortgage interest	*4,628	*58,444	*2,245	*8,876	*83	4,738	35,779	9,192	265,343	19,840	17,815	*2,025	55,857	189,646	36,849
Other interest	67,381	*15,885	1,082	*19,296	3,739	44,599	89,667	8,042	393,350	47,353	42,978	4,375	153,762	192,235	10,745
Office expenses	22,623	8,449	4,465	2,953	2,861	42,004	98,881	23,412	487,898	21,531	19,500	2,031	227,378	238,990	5,261
Pension and profit-sharing plans	*86	*913	—	—	—	*2	*1,488	*86	56,927	2,794	2,491	*303	31,090	23,043	*255
Insurance	28,484	54,338	31,019	7,539	6,052	56,089	150,603	20,585	305,932	8,275	6,493	1,781	146,421	151,236	10,569
Rent on business property	77,357	*51,408	56,959	*4,380	64,567	54,626	362,730	42,708	775,365	44,163	33,219	10,943	428,049	303,153	20,093
Employee benefit programs	*66	*3	—	—	—	*742	*3,723	*26	15,749	*11	*11	—	14,059	1,678	*88
Travel and entertainment	12,754	*10,636	12,657	15,223	2,151	80,258	93,994	82,160	792,558	65,560	52,350	13,210	274,323	452,674	8,866
Utilities and telephone	52,078	75,894	28,765	11,302	31,418	73,875	346,394	59,530	720,393	19,186	15,540	3,646	321,937	379,271	21,524
Net salaries and wages	243,830	111,519	7,560	*49,489	79,800	83,234	868,525	56,567	1,498,023	28,675	28,020	*655	942,616	526,733	20,684
Gross salaries and wages	243,830	111,519	7,560	*49,489	80,155	90,752	868,525	56,567	1,510,979	28,725	28,020	705	943,319	538,935	20,841
Less: Jobs credit	—	—	—	—	*355	*7,518	—	—	12,955	*50	—	*50	*703	*12,202	*157
Windfall profit tax withheld	—	—	—	—	—	*(1)	*1	—	12	*1	*1	—	5	7	*(1)
Other business deductions	253,045	191,313	148,511	91,410	63,475	562,696	1,678,492	173,591	4,030,737	200,058	177,968	22,089	1,260,319	2,570,360	118,220
Net income	**298,948**	**244,210**	**174,034**	**197,227**	**139,249**	**1,186,339**	**2,014,763**	**835,435**	**14,315,586**	**850,375**	**717,791**	**132,584**	**4,259,568**	**9,205,643**	**275,124**

Footnotes at end of table.

Table 2.—Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1986—Continued

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

Item	Finance, insurance, and real estate—Continued				Services										
	Real estate—Continued					Hotels and other lodging places			Personal services						
	Lessors, other than buildings	Real estate agents, brokers, and managers	Subdividers and developers, except cemeteries	Other real estate	Total	Total	Motels, motor hotels, and tourist courts	Other lodging places	Total	Coin-operated laundries and dry cleaning	Other laundry, cleaning, and garment services	Photographic portrait studios	Beauty shops	Barber shops	Other personal services
	(73)	(74)	(75)	(76)	(77)	(78)	(79)	(80)	(81)	(82)	(83)	(84)	(85)	(86)	(87)
Businesses with and without net income															
Number of returns	**4,805**	**671,824**	**15,278**	**69,544**	**5,758,498**	**49,804**	**28,373**	**21,431**	**1,238,272**	**28,709**	**40,835**	**74,634**	**304,197**	**55,349**	**734,548**
Business receipts, total	**147,582**	**17,304,345**	**1,789,926**	**2,217,975**	**168,972,768**	**3,751,173**	**2,837,883**	**913,289**	**20,732,460**	**1,155,378**	**1,472,852**	**1,019,006**	**6,183,203**	**1,197,409**	**9,704,613**
Income from sales and operations	143,676	16,212,877	1,666,793	2,071,310	165,158,939	3,691,343	2,792,699	898,644	20,350,314	1,153,371	1,425,096	994,606	6,095,915	1,196,485	9,484,841
Other business income	3,907	1,091,165	123,125	146,588	3,774,351	59,829	45,185	14,645	381,965	*2,007	*47,756	*24,218	87,288	*924	219,772
Windfall profit tax credit or refund	—	*303	*7	*77	39,478	—	—	—	*182	—	—	*182	—	—	—
Business deductions, total	**207,443**	**10,266,917**	**1,763,808**	**1,950,297**	**120,134,212**	**4,096,953**	**3,097,323**	**999,630**	**15,975,622**	**1,126,258**	**1,261,430**	**899,242**	**4,872,734**	**727,319**	**7,088,639**
Cost of sales and operations, total	7,214	1,813,704	927,555	450,898	29,512,957	413,391	325,771	87,621	3,986,335	17,258	178,775	256,130	1,281,701	*47,953	2,204,519
Cost of labor	*304	283,340	9,342	*1,533	3,470,884	14,135	9,378	4,757	503,522	*2,213	*11,189	*1,127	349,768	—	139,225
Inventory, beginning of year	*664	158,924	379,925	47,491	2,195,221	16,729	10,150	6,578	489,459	*843	*3,721	*865	74,750	*1,426	407,855
Inventory, end of year	*511	309,793	468,243	242,054	2,571,722	29,329	22,610	6,719	422,971	*284	*3,767	*1,371	49,607	*8,370	359,571
Bad debts from sales or services	581	12,805	8,208	27,836	129,504	1,629	1,103	525	8,053	*33	*58	*479	*3,162	—	4,321
Car and truck expenses	351	1,030,865	15,705	175,708	5,341,555	56,974	36,496	20,478	705,689	20,648	63,472	77,013	128,047	*3,246	413,263
Depletion	*19	8,684	147	306	23,211	221	*10	*210	*6,098	—	—	*2,287	*3,097	—	*714
Depreciation	44,984	1,017,814	62,427	70,153	10,334,345	651,491	502,914	148,576	1,118,877	119,282	99,593	127,881	288,462	27,845	455,815
Commissions	962	1,214,414	18,343	87,279	1,340,377	6,873	5,512	1,361	158,765	*975	*7	*2,900	*33,481	*88,915	32,486
Mortgage interest	21,285	354,537	130,212	70,129	1,811 703	448,904	351,666	97,238	247,165	*25,642	*1,134	*15,588	63,370	*1,163	140,268
Other interest	19,752	275,007	86,048	66,001	1,877,418	107,065	66,448	40,617	199,889	20,526	*9,042	9,489	73,704	*4,592	82,536
Office expenses	4,630	235,146	9,780	33,058	2,236,941	23,273	17,574	5,700	195,583	3,646	5,637	16,559	59,169	*7,342	103,231
Pension and profit-sharing plans	*43	7,947	906	*15,510	381,556	1,559	1,450	*110	35,685	*30,204	*157	—	*3,779	—	*1,545
Insurance	10,885	177,776	21,949	19,232	3,785,119	139,653	96,535	43,118	367,257	34,017	47,506	10,633	104,947	6,203	163,953
Rent on business property	1,396	270,739	15,818	135,552	7,041,004	70,161	62,387	7,774	1,577,382	158,381	138,337	43,697	602,512	134,811	499,644
Employee benefit programs	*165	1,756	354	*102	54,828	1,838	1,729	*108	*43	—	—	—	—	—	*43
Travel and entertainment	1,224	446,624	28,659	107,751	2,649,941	16,916	15,006	1,910	197,020	*1,922	*2,721	41,490	34,130	*2,921	113,836
Utilities and telephone	19,927	378,086	22,741	72,612	5,377,543	504,343	408,981	95,362	1,091,225	182,813	131,471	42,433	345,589	50,959	337,960
Net salaries and wages	5,630	414,160	43,029	196,232	16,270,654	389,172	289,809	99,363	1,673,429	139,631	235,580	*49,421	499,812	*178,900	570,084
Gross salaries and wages	5,630	425,836	45,952	196,493	16,325,570	389,519	290,008	99,511	1,674,564	139,631	235,580	*49,421	499,812	*178,900	571,220
Less: Jobs credit	—	*11,676	*2,923	*261	54,916	*347	*199	*148	*1,135	—	—	—	—	—	*1,135
Windfall profit tax withheld	*139	16	*4	*6	16,550	*2	*2	—	*8	—	*6	—	—	—	*3
Other business deductions	68,256	2,606,837	371,922	421,933	31,949,007	1,263,490	913,930	349,560	4,407,118	371,281	347,934	203,242	1,347,772	172,470	1,964,418
Net income less deficit	**-59,861**	**7,037,428**	**26,117**	**267,678**	**48,838,556**	**-345,781**	**-259,440**	**-86,341**	**4,756,838**	**29,120**	**211,422**	**119,764**	**1,310,469**	**470,090**	**2,615,973**
Net income	17,753	7,909,649	363,133	639,984	55,685,279	206,281	148,774	57,507	5,707,635	123,144	259,763	192,056	1,575,678	524,113	3,032,881
Deficit	77,614	872,222	337,015	372,306	6,846,722	552,062	408,214	143,848	950,797	94,025	48,341	72,292	265,209	*54,023	416,907
Businesses with net income															
Number of returns	**2,614**	**521,453**	**9,081**	**47,876**	**4,515,157**	**20,352**	**10,446**	**9,906**	**982,779**	**14,319**	**25,626**	**39,678**	**253,574**	**52,394**	**597,188**
Business receipts, total	**51,620**	**15,626,256**	**1,304,363**	**1,901,244**	**147,194,711**	**1,859,480**	**1,463,196**	**396,284**	**17,191,878**	**720,970**	**818,867**	**934,108**	**5,044,131**	**1,150,401**	**8,523,401**
Income from sales and operations	50,972	14,587,215	1,214,273	1,781,248	143,810,384	1,830,273	1,443,055	387,218	16,868,514	719,330	771,111	924,332	4,979,371	1,149,477	8,324,894
Other business income	649	1,038,744	90,083	119,919	3,345,035	29,206	20,141	*9,066	323,364	*1,640	*47,756	*9,776	64,760	*924	198,507
Windfall profit tax credit or refund	—	*297	*7	*77	39,292	—	—	—	—	—	—	—	—	—	—
Business deductions, total	**33,867**	**7,716,606**	**941,230**	**1,261,260**	**91,509,432**	**1,653,199**	**1,314,422**	**338,777**	**11,484,243**	**597,826**	**559,103**	**742,052**	**3,468,454**	**626,288**	**5,490,520**
Cost of sales and operations, total	*2,542	1,211,433	643,186	337,443	23,530,925	196,167	172,098	24,068	3,051,081	*4,854	58,362	246,965	873,497	*19,986	1,847,417
Cost of labor	*304	279,221	*421	*1,022	2,959,404	*4,746	*2,633	*2,113	441,465	—	*2,240	*1,127	307,182	—	130,916
Inventory, beginning of year	—	66,077	246,607	*37,889	1,651,634	8,981	3,256	*5,724	312,414	*308	*18	*196	28,110	*1,426	282,356
Inventory, end of year	—	198,382	227,004	*232,979	2,016,975	18,627	12,678	*5,949	322,199	*10	*18	*100	19,488	*2,460	300,123
Bad debts from sales or services	*82	7,793	*372	8,076	78,843	869	596	*273	4,139	*9	*58	*479	*2,024	—	*1,570
Car and truck expenses	194	866,859	7,854	122,388	4,131,947	37,888	28,669	9,219	495,734	*7,342	32,255	60,168	89,949	*3,246	302,774
Depletion	*1	6,238	*117	75	15,072	*(1)	—	*(1)	*3,001	—	—	*2,287	—	—	*714
Depreciation	4,632	687,218	25,699	42,306	6,495,415	201,454	161,879	39,575	679,824	32,957	20,491	101,520	184,551	*26,601	313,704
Commissions	*87	1,126,084	13,366	63,048	1,084,807	1,481	1,335	*146	131,074	—	*7	*2,682	*14,035	*88,915	25,434
Mortgage interest	3,862	115,690	25,338	7,907	948,726	103,542	73,906	29,636	169,766	*19,843	*1,134	*14,092	51,282	*1,163	82,252
Other interest	*3,037	112,430	45,487	20,535	1,176,529	31,873	28,777	*3,096	125,674	*10,656	*2,301	*4,870	47,114	*4,592	56,141
Office expenses	231	202,626	6,159	24,713	1,912,696	10,562	8,969	1,594	139,912	1,559	2,663	11,791	52,890	*977	70,032
Pension and profit-sharing plans	*30	7,180	*194	*15,383	348,005	*1,036	*926	*110	7,633	*2,152	*157	—	*3,779	—	*1,545
Insurance	739	119,787	6,480	13,661	2,985,822	61,218	44,878	16,339	260,221	17,245	18,105	8,292	82,705	5,446	128,429
Rent on business property	*834	216,068	4,369	61,789	5,525,613	36,392	30,430	*5,962	1,090,969	73,756	61,152	*28,494	429,430	128,446	369,691
Employee benefit programs	*1	1,491	*57	*41	48,436	*391	*391	—	*16	—	—	—	—	—	*16
Travel and entertainment	935	374,408	13,803	54,662	2,111,501	6,081	5,450	631	155,339	*622	*2,303	36,981	31,074	*2,921	81,438
Utilities and telephone	4,258	292,482	9,964	51,044	3,999,903	217,124	181,266	35,858	725,955	114,386	27,204	31,398	249,190	40,200	263,577
Net salaries and wages	*991	310,382	12,632	182,044	13,186,539	238,794	175,351	63,443	1,231,435	117,536	94,653	*49,057	315,733	*168,380	486,077
Gross salaries and wages	*991	321,876	13,183	182,044	13,231,600	238,801	175,351	63,451	1,232,571	117,536	94,653	*49,057	315,733	168,380	487,212
Less: Jobs credit	—	*11,494	*551	—	45,060	*7	—	*7	*1,135	—	—	—	—	—	*1,135
Windfall profit tax withheld	—	6	*(1)	*(1)	14,712	—	—	—	*8	—	*6	—	—	—	*3
Other business deductions	11,413	2,058,431	126,151	256,145	23,913,942	508,327	399,501	108,826	3,212,460	194,908	238,252	142,977	1,041,201	135,415	1,459,707
Net income	**17,753**	**7,909,649**	**363,133**	**639,984**	**55,685,279**	**206,281**	**148,774**	**57,507**	**5,707,635**	**123,144**	**259,763**	**192,056**	**1,575,678**	**524,113**	**3,032,881**

Footnotes at end of table.

Table 2.—Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1986—Continued

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

Item	Services—Continued												
	Business services					Automobile repair and services					Miscellaneous repair services	Amusement and recreation services, including motion pictures	
							Automobile repair shops						
	Total	Advertising	Services to buildings	Management and public relations	Other business services	Total	Total	General automobile repair shops	Other automobile repair	Automobile parking and other services		Total	Producers, orchestras, and entertainers
	(88)	(89)	(90)	(91)	(92)	(93)	(94)	(95)	(96)	(97)	(98)	(99)	(100)
Businesses with and without net income													
Number of returns	**1,765,601**	**63,798**	**269,055**	**443,821**	**988,927**	**315,574**	**264,940**	**140,575**	**124,365**	**50,634**	**303,164**	**417,008**	**201,423**
Business receipts, total	**42,641,686**	**2,756,906**	**2,972,809**	**10,326,056**	**26,585,916**	**16,682,000**	**13,539,563**	**7,157,853**	**6,381,710**	**3,142,437**	**8,469,322**	**8,469,283**	**2,140,840**
Income from sales and operations	41,484,093	2,714,741	2,951,517	9,853,590	25,964,245	16,488,781	13,530,100	7,150,644	6,379,457	2,958,680	8,442,190	8,123,113	2,081,669
Other business income	1,157,583	42,165	21,292	472,457	621,670	192,782	9,026	6,772	2,254	183,756	27,132	346,150	59,171
Windfall profit tax credit or refund	10	*(1)	—	*9	*1	*437	*437	*437	—	—	—	*20	—
Business deductions, total	**30,522,545**	**2,077,649**	**1,991,504**	**5,398,786**	**21,054,608**	**14,937,920**	**11,880,577**	**6,262,484**	**5,618,093**	**3,057,343**	**7,135,992**	**7,896,782**	**1,614,152**
Cost of sales and operations, total	9,279,610	1,085,118	590,135	776,487	6,827,870	6,419,268	5,926,385	3,482,568	2,443,818	492,883	3,487,193	1,591,338	195,233
Cost of labor	1,151,485	*31,891	259,750	59,691	800,152	617,051	530,485	401,246	129,239	*86,565	428,203	89,566	51,438
Inventory, beginning of year	531,081	*2,776	*4	49,990	478,311	314,014	302,832	200,416	102,416	*11,182	406,058	135,653	7,539
Inventory, end of year	636,504	*2,476	*45	45,494	588,489	384,769	373,336	205,314	168,022	11,433	441,922	310,097	9,416
Bad debts from sales or services	49,702	*828	*626	17,884	30,362	6,065	4,744	*2,165	*2,579	*1,321	*4,425	453	*88
Car and truck expenses	1,811,890	101,930	260,284	396,352	1,053,324	493,989	267,496	147,420	120,076	226,493	365,756	306,705	147,607
Depletion	7,299	*52	—	4,932	2,315	*775	*752	*752	—	*22	—	392	196
Depreciation	2,996,692	82,101	117,138	528,522	2,268,930	1,048,019	524,445	242,606	281,839	523,574	469,279	1,123,077	292,122
Commissions	548,970	53,644	*44,421	128,965	321,940	110,586	*66,198	*4,675	*61,523	44,388	47,426	223,497	63,244
Mortgage interest	246,662	*3,080	*22,679	75,497	145,406	198,301	96,083	69,656	*26,427	102,218	55,771	127,220	14,171
Other interest	581,373	6,231	25,559	165,604	383,979	177,330	114,704	63,517	51,187	62,626	82,918	102,832	25,332
Office expenses	503,235	36,927	22,616	143,100	300,591	70,870	53,022	28,232	24,789	17,848	81,309	78,022	15,436
Pension and profit-sharing plans	76,247	*5	*33	21,233	54,977	*1,901	*1,854	*1,840	*14	*47	*32,494	4,560	1,039
Insurance	623,379	16,417	71,074	87,684	448,205	427,822	300,877	154,077	146,801	126,945	198,586	195,580	22,154
Rent on business property	993,327	52,816	23,158	212,602	704,751	910,107	706,247	349,047	357,199	203,860	229,676	346,410	69,091
Employee benefit programs	*1,751	—	*637	776	338	*2,520	*2,515	*969	*1,545	*6	*28	1,343	336
Travel and entertainment	987,922	44,646	37,725	502,573	402,979	41,497	30,844	16,871	13,973	10,653	96,910	260,306	87,106
Utilities and telephone	998,127	59,128	56,340	222,615	660,043	588,543	398,408	172,260	226,148	190,135	287,599	252,198	51,114
Net salaries and wages	3,641,653	8,938	355,103	436,706	2,840,905	1,811,484	1,532,639	813,637	719,002	278,845	332,524	753,020	49,585
Gross salaries and wages	3,657,246	8,938	357,284	441,235	2,849,788	1,814,262	1,534,575	815,573	719,002	279,687	332,524	753,329	49,610
Less: Jobs credit	15,593	—	*2,181	*4,529	*8,883	*2,779	*1,936	*1,936	—	*842	—	*309	*25
Windfall profit tax withheld	7,760	—	*1	1,702	6,057	*6,580	*6,580	—	*6,580	—	—	250	*187
Other business deductions	7,166,947	525,786	363,976	1,675,550	4,601,634	2,622,263	1,846,786	712,192	1,134,594	775,478	1,364,096	2,529,580	580,111
Net income less deficit	**12,119,141**	**679,257**	**981,306**	**4,927,270**	**5,531,308**	**1,744,080**	**1,658,986**	**895,369**	**763,618**	**85,093**	**1,333,330**	**572,501**	**526,688**
Net income	14,059,105	691,534	1,047,954	5,408,092	6,911,525	2,263,757	1,969,506	1,049,986	919,520	294,251	1,559,283	1,872,173	812,598
Deficit	1,939,964	12,277	66,649	480,822	1,380,217	519,677	310,519	154,617	155,902	209,158	225,953	1,299,672	285,910
Businesses with net income													
Number of returns	**1,416,938**	**61,757**	**248,867**	**356,884**	**749,430**	**248,301**	**212,368**	**112,806**	**99,562**	**35,933**	**231,674**	**235,577**	**128,860**
Business receipts, total	**37,051,227**	**2,702,705**	**2,518,609**	**9,624,843**	**22,205,070**	**12,403,512**	**10,572,347**	**5,298,809**	**5,273,538**	**1,831,165**	**7,841,029**	**6,131,407**	**1,761,468**
Income from sales and operations	36,053,544	2,660,808	2,498,604	9,219,990	21,674,142	12,225,487	10,566,366	5,293,395	5,272,971	1,659,121	7,814,308	5,907,576	1,704,031
Other business income	997,674	41,897	*20,004	404,845	530,928	177,588	5,544	*4,977	*567	172,044	26,722	223,815	57,437
Windfall profit tax credit or refund	*9	*(1)	—	*9	*(1)	*437	*437	*437	—	—	—	*16	—
Business deductions, total	**22,992,122**	**2,011,171**	**1,470,655**	**4,216,751**	**15,293,545**	**10,139,755**	**8,602,842**	**4,248,823**	**4,354,018**	**1,536,914**	**6,281,746**	**4,259,234**	**948,870**
Cost of sales and operations, total	7,658,079	1,055,969	509,870	727,120	5,365,120	4,742,385	4,409,774	2,336,119	2,073,655	332,611	3,121,007	1,049,685	100,141
Cost of labor	1,092,746	*31,819	258,778	56,854	745,296	372,472	367,943	240,523	*127,421	*4,528	417,047	55,430	*25,137
Inventory, beginning of year	452,857	*41	*4	30,521	422,292	235,890	224,947	180,524	44,422	*10,943	281,353	106,397	7,386
Inventory, end of year	536,779	*91	*45	27,873	508,770	293,490	283,413	185,779	97,634	*10,078	302,615	272,930	8,988
Bad debts from sales or services	17,205	*828	*626	2,501	13,250	*2,988	*2,832	*1,366	*1,466	*157	*4,425	295	*88
Car and truck expenses	1,346,572	99,821	216,318	286,580	743,852	362,348	218,261	121,357	96,904	144,088	323,092	178,765	102,425
Depletion	5,159	*48	—	3,689	1,421	*22	—	—	—	*22	—	253	156
Depreciation	1,827,856	79,258	73,791	392,828	1,281,979	534,527	374,078	163,955	210,122	160,450	384,666	430,937	134,061
Commissions	506,009	53,599	*44,113	101,599	306,699	48,073	*11,444	*3,946	*7,499	*36,629	*20,283	151,910	50,586
Mortgage interest	87,408	*2,687	*3,405	26,055	55,261	101,976	84,589	*60,173	*24,416	*17,387	52,529	57,960	9,446
Other interest	304,660	*5,132	25,099	99,944	174,485	90,794	76,651	39,104	37,547	14,143	62,713	41,190	16,475
Office expenses	424,219	34,624	20,016	115,057	254,522	43,989	34,691	14,024	20,667	9,298	68,938	49,049	9,672
Pension and profit-sharing plans	75,431	—	*33	20,727	54,671	*1,901	*1,854	*1,840	*14	*47	*32,494	2,478	1,039
Insurance	438,487	16,339	35,257	73,161	313,730	280,541	219,791	103,890	115,901	60,750	176,386	112,768	17,295
Rent on business property	740,327	52,648	21,028	156,087	510,564	628,301	496,858	209,221	287,637	131,443	179,259	192,996	25,643
Employee benefit programs	1,295	—	*637	415	243	*1,551	*1,545	—	*1,545	*6	*28	1,238	334
Travel and entertainment	754,082	40,425	34,889	389,637	289,132	22,233	20,164	7,510	12,654	2,069	82,904	173,738	57,900
Utilities and telephone	775,064	58,039	42,413	172,435	502,177	403,234	294,726	124,454	170,272	108,508	226,040	156,291	32,481
Net salaries and wages	2,686,419	8,180	176,811	408,948	2,092,480	1,292,189	1,077,739	551,590	526,149	214,450	321,520	486,322	42,509
Gross salaries and wages	2,693,505	8,180	178,992	409,670	2,096,662	1,294,125	1,079,675	553,527	526,149	214,450	321,520	486,510	42,534
Less: Jobs credit	*7,086	—	*2,181	*722	*4,182	*1,936	*1,936	*1,936	—	—	—	*189	*25
Windfall profit tax withheld	6,134	—	—	84	6,051	*6,580	*6,580	—	*6,580	—	—	*56	—
Other business deductions	5,337,716	503,573	266,349	1,239,883	3,327,910	1,576,123	1,271,265	510,273	760,992	304,858	1,225,461	1,173,305	348,621
Net income	**14,059,105**	**691,534**	**1,047,954**	**5,408,092**	**6,911,525**	**2,263,757**	**1,969,506**	**1,049,986**	**919,520**	**294,251**	**1,559,283**	**1,872,173**	**812,598**

Footnotes at end of table.

Table 2.—Nonfarm Sole Proprietorship Businesses: Income Statement for Selected Industries, 1986—Continued

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

Item	Services—Continued															Nature of business not allocable
	Amusement and recreation services, including motion pictures—Continued			Medical and health services				Legal services	Educational services	Engineering and architectural services	Accounting, auditing, and bookkeeping services			Other services	
	Professional sports clubs and promoters	Racing, including track operation	Other amusement and recreation services	Total	Offices of physicians	Offices of dentists	Other medical and health services				Total	Certified public accountants	Other accounting, auditing, and bookkeeping services		
	(101)	(102)	(103)	(104)	(105)	(106)	(107)	(108)	(109)	(110)	(111)	(112)	(113)	(114)	(115)
Businesses with and without net income															
Number of returns	**10,057**	**59,968**	**145,560**	**557,428**	**194,673**	**79,904**	**282,851**	**228,399**	**181,254**	**150,823**	**251,945**	**31,719**	**220,226**	**299,226**	**272,001**
Business receipts, total	**155,544**	**1,355,581**	**4,817,319**	**38,458,197**	**18,508,857**	**9,158,916**	**10,790,424**	**13,934,038**	**1,112,315**	**4,408,736**	**5,231,128**	**1,252,629**	**3,978,499**	**5,082,430**	**8,285,646**
Income from sales and operations	153,222	1,232,803	4,655,419	37,623,108	17,906,804	9,093,019	10,623,285	13,571,961	1,089,189	4,319,152	5,004,908	1,214,100	3,790,808	4,970,787	8,109,816
Other business income	*2,322	122,758	161,899	835,075	602,040	65,897	167,138	362,017	−15,629	89,584	226,220	38,529	187,691	111,643	175,830
Windfall profit tax credit or refund	—	*20	—	*14	*14	—	*1	*60	*38,755	—	*(1)	*(1)	—	*(1)	*(1)
Business deductions, total	**47,770**	**1,685,674**	**4,549,187**	**22,139,452**	**8,797,763**	**6,038,631**	**7,303,058**	**7,516,732**	**816,930**	**2,434,295**	**3,138,564**	**743,229**	**2,395,335**	**3,522,423**	**6,500,017**
Cost of sales and operations, total	*70	95,797	1,300,238	2,340,896	390,423	772,722	1,177,751	461,394	85,988	299,075	135,206	*9,606	125,600	1,013,262	3,088,599
Cost of labor	—	*3,611	34,517	331,941	79,211	126,281	126,449	32,732	*250	128,889	*68,482	—	*68,482	104,628	265,803
Inventory, beginning of year	—	*16,062	112,052	190,550	6,482	*2,040	182,028	25,263	13,710	*24,480	*5,247	—	*5,247	42,976	256,384
Inventory, end of year	—	*12,528	288,152	211,283	20,849	*3,834	186,600	26,600	10,271	*24,832	*4,739	—	*4,739	68,405	254,207
Bad debts from sales or services	—	*144	222	24,736	12,050	1,800	10,886	10,437	*146	9,172	*3,108	*405	*2,703	11,579	1,608
Car and truck expenses	*18,637	46,184	94,276	676,184	277,227	76,031	322,926	295,260	76,957	157,577	171,924	44,728	127,197	222,649	214,740
Depletion	*5	166	*25	3,396	1,407	*1,368	621	2,207	*5	*304	*883	*22	*861	1,632	271
Depreciation	530	264,964	565,461	1,504,232	558,319	473,065	472,847	481,364	75,678	266,136	318,321	84,982	233,339	281,180	351,436
Commissions	*189	67,521	92,543	83,749	35,220	22,557	25,972	67,862	*18,579	1,692	22,102	*5,633	16,469	50,277	31,099
Mortgage interest	*43	13,935	99,072	304,870	86,243	70,197	148,430	57,020	*9,550	24,582	35,160	*1,816	33,344	56,497	75,741
Other interest	*5	33,036	44,460	371,381	108,233	179,971	83,177	109,126	10,752	26,472	63,854	16,475	47,379	44,426	115,579
Office expenses	*919	6,208	55,459	626,813	312,838	153,893	160,082	390,132	21,424	67,030	121,201	36,631	84,571	58,050	41,507
Pension and profit-sharing plans	*165	*2,504	852	140,069	80,760	43,565	15,744	48,533	*1,017	25,012	11,290	*1,032	10,258	3,190	61,777
Insurance	*17	31,094	142,315	1,342,446	882,819	233,802	225,825	272,124	11,442	61,201	86,234	32,781	53,454	59,393	173,445
Rent on business property	*29	19,774	257,517	1,695,653	724,531	391,220	579,901	703,994	64,752	106,025	225,112	63,228	161,884	118,405	204,007
Employee benefit programs	—	102	*905	27,855	15,076	5,973	6,805	11,266	—	*1,555	*6,606	*2,160	*4,446	*23	*2,645
Travel and entertainment	8,984	48,136	116,079	391,779	181,813	68,561	141,404	245,470	41,210	125,850	100,005	23,187	76,818	145,055	64,639
Utilities and telephone	45	21,372	179,667	903,163	363,658	207,233	332,272	386,437	37,681	91,389	135,773	48,131	87,642	101,065	178,354
Net salaries and wages	*11	77,648	625,777	4,790,724	1,665,570	1,626,342	1,498,812	1,384,152	81,479	259,010	848,433	174,866	673,567	305,574	218,787
Gross salaries and wages	*11	77,811	625,897	4,799,941	1,671,602	1,626,342	1,501,997	1,387,259	81,479	281,440	848,433	174,866	673,567	305,574	238,669
Less: Jobs credit	—	*164	*120	9,217	6,032	—	*3,185	3,106	—	*22,430	—	—	—	—	*19,882
Windfall profit tax withheld	—	*58	*4	467	144	*56	*267	22	—	*16	—	—	—	*1,444	*33
Other business deductions	18,121	957,031	974,316	6,911,041	3,101,432	1,710,274	2,099,335	2,589,930	280,273	912,195	853,352	197,547	655,805	1,048,722	1,675,749
Net income less deficit	**107,774**	**−330,093**	**268,132**	**16,318,745**	**9,711,094**	**3,120,285**	**3,487,366**	**6,417,305**	**295,384**	**1,974,442**	**2,092,564**	**509,401**	**1,583,164**	**1,560,007**	**1,785,629**
Net income	113,626	250,128	695,821	16,853,272	9,893,929	3,226,907	3,732,436	6,593,762	413,333	2,140,236	2,170,027	519,357	1,650,670	1,846,415	2,150,350
Deficit	*5,853	580,221	427,688	534,527	182,834	106,622	245,070	176,457	117,948	165,794	77,463	9,957	67,506	286,409	364,720
Businesses with net income															
Number of returns	**5,001**	**17,651**	**84,065**	**476,656**	**168,178**	**74,087**	**234,391**	**194,538**	**125,513**	**125,826**	**227,153**	**28,674**	**198,479**	**229,850**	**199,473**
Business receipts, total	**152,545**	**815,049**	**3,402,345**	**36,334,367**	**17,948,303**	**9,047,118**	**9,338,947**	**13,733,666**	**907,852**	**4,300,234**	**5,189,829**	**1,248,759**	**3,941,070**	**4,250,230**	**7,510,768**
Income from sales and operations	151,704	801,615	3,250,225	35,515,847	17,351,097	8,981,482	9,183,268	13,375,534	888,082	4,213,758	4,966,335	1,212,952	3,753,383	4,151,127	7,342,895
Other business income	*841	13,417	152,120	818,506	597,193	65,635	155,678	358,072	−18,985	86,476	223,494	*35,807	187,687	99,103	167,873
Windfall profit tax credit or refund	—	*16	—	*14	*14	—	*1	*60	*38,755	—	—	—	—	—	—
Business deductions, total	**38,919**	**564,920**	**2,706,525**	**19,481,096**	**8,054,374**	**5,820,211**	**5,606,511**	**7,139,904**	**494,520**	**2,159,998**	**3,019,802**	**729,401**	**2,290,400**	**2,403,814**	**5,360,418**
Cost of sales and operations, total	*70	*57,593	891,882	2,099,647	355,768	754,284	989,594	454,482	78,140	288,882	134,695	*9,603	125,092	656,675	2,617,288
Cost of labor	—	—	30,293	303,256	76,343	125,336	101,576	32,732	*169	125,871	*68,482	—	*68,482	44,988	250,566
Inventory, beginning of year	—	*6,296	92,715	190,416	6,349	*2,040	182,028	25,261	*9,244	*1,168	*5,247	—	*5,247	21,904	221,873
Inventory, end of year	—	*5,724	258,218	200,209	10,270	*3,834	186,104	26,086	*7,521	*3,538	*838	—	*838	32,143	239,884
Bad debts from sales or services	—	*17	*190	23,270	12,050	1,750	9,470	8,872	*146	*8,349	*2,703	*(1)	*2,703	*5,581	702
Car and truck expenses	*18,270	12,785	45,285	580,507	250,810	73,825	255,872	265,751	51,338	138,323	168,073	44,656	123,417	183,555	155,267
Depletion	*5	*67	*25	2,950	966	*1,367	*617	2,134	*5	*223	*869	*22	*847	457	*154
Depreciation	*261	50,963	245,652	1,335,968	514,566	446,328	375,074	441,776	26,660	180,893	296,826	84,492	212,334	154,027	268,174
Commissions	*67	11,327	89,929	69,166	35,058	22,082	12,025	66,871	*17,566	1,692	22,083	*5,633	16,450	48,600	29,435
Mortgage interest	*43	*194	48,276	237,978	76,331	66,245	95,402	54,083	*884	21,940	33,967	*1,816	32,151	26,692	49,231
Other interest	*5	4,761	19,950	319,914	82,496	168,996	68,422	98,264	*2,638	24,419	63,510	16,462	47,049	10,880	71,047
Office expenses	*918	1,852	36,607	587,720	297,305	150,099	140,316	356,414	15,392	60,070	109,071	36,583	72,488	47,360	26,992
Pension and profit-sharing plans	*165	*421	852	139,650	80,614	43,540	15,496	48,332	*1,017	25,012	11,289	*1,032	10,257	1,733	61,777
Insurance	*17	9,124	86,331	1,208,330	798,904	224,890	184,536	265,963	4,651	54,813	81,633	31,121	50,512	40,813	138,442
Rent on business property	*29	14,334	152,991	1,557,445	710,365	377,656	469,424	673,307	35,673	94,511	215,648	63,221	152,427	80,786	166,805
Employee benefit programs	—	*8	*896	25,244	12,590	5,970	6,684	10,498	—	*1,555	*6,606	*2,160	*4,446	*13	*2,574
Travel and entertainment	*8,736	32,436	74,666	348,293	150,639	67,563	130,091	222,675	30,863	105,500	97,557	22,889	74,668	112,235	54,431
Utilities and telephone	*25	6,279	117,505	806,546	344,823	200,929	260,794	375,852	26,245	80,801	128,434	47,640	80,794	78,318	137,905
Net salaries and wages	*11	60,327	383,475	4,250,779	1,578,536	1,608,505	1,063,739	1,342,126	35,577	246,164	837,648	174,858	662,789	217,567	197,107
Gross salaries and wages	*11	60,491	383,475	4,259,950	1,584,568	1,608,505	1,066,877	1,345,232	35,577	268,594	837,648	174,858	662,789	217,567	216,989
Less: Jobs credit	—	*164	—	9,170	6,032	—	*3,139	3,106	—	*22,430	—	—	—	—	*19,882
Windfall profit tax withheld	—	*55	*1	467	144	*56	*267	22	—	*(1)	—	—	—	*1,444	—
Other business deductions	10,297	302,376	512,011	5,887,223	2,752,407	1,606,128	1,528,688	2,452,484	167,725	826,850	809,191	187,215	621,976	737,077	1,383,086
Net income	**113,626**	**250,128**	**695,821**	**16,853,272**	**9,893,929**	**3,226,907**	**3,732,436**	**6,593,762**	**413,333**	**2,140,236**	**2,170,027**	**519,357**	**1,650,670**	**1,846,415**	**2,150,350**

* This estimate should be used with caution because of the small number of sample returns on which it was based.
(1) Less than $500.
NOTE: Detail may not add to total because of rounding.

Private Activity Tax-Exempt Bonds, 1986

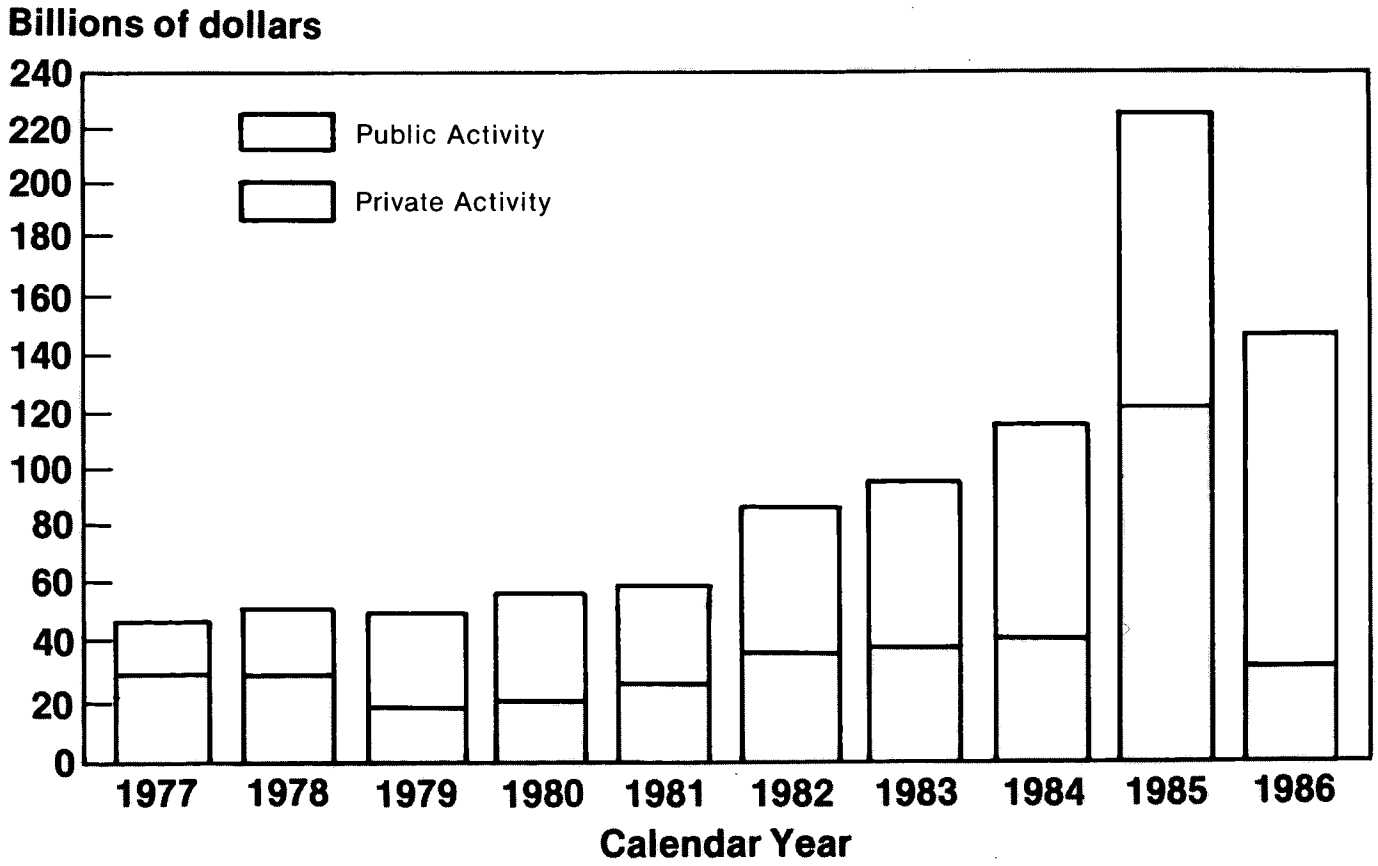
By Gerald Auten and Edward Chung*

In a reversal of the rapid upward trend of recent years, the face amount of long-term private activity tax-exempt bonds in 1986 decreased to $29.9 billion. This volume, which represented a 75 percent decrease from the 1985 volume of $122.0 billion was the smallest since 1981. (Private activity bonds are bonds issued by State and local Governments that provide a benefit for private businesses, organizations, or individuals.) In contrast, the face amount of public purpose tax-exempt bonds continued to increase in 1986 to $115.5 billion. However, as shown in Figure A, the total dollar volume of all types of tax-exempt bonds declined by 33 percent in 1986 to $145.7 billion [1].

The primary factor affecting the issuance of tax-exempt bonds in 1986 was tax reform, which had four main effects:

1. The issuance of a considerable volume of tax-exempt bonds was accelerated in 1985 in anticipation of restrictions included in the House bill that went into effect on December 31, 1985.

Figure A
Long-Term Tax-Exempt Bond Volume, 1977-1986



*Gerald Auten, now on the faculty at Bowling Green State University, was formerly a financial economist with the Office of Tax Analysis, U.S. Department of the Treasury. Edward Chung is a statistician with the Foreign Special Projects Section, Foreign Statistics Branch, Statistics of Income Division, Michael Alexander, Section Chief. Dorothy Wallace, Foreign Special Projects Section, contributed to this article.

2. From January 1986 until September 1986, when the Tax Reform Act was passed, there was considerable uncertainty as to how tax reform would affect tax-exempt bonds issued in 1986 and later years. This uncertainty discouraged the issuance of all tax-exempt bonds, especially private activity bonds.

3. Uncertainty about the regulations implementing the bill discouraged issuances in the last quarter of 1986.

4. Some of the provisions of the Tax Reform Act that restricted issuance of tax-exempt bonds took effect as soon as the bill was signed into law on October 22, 1986.

New Issues of Private Activity Bonds by Purpose

There are four main categories of tax-exempt private activity bonds: student loan bonds; private exempt entity bonds; mortgage revenue bonds; and industrial development bonds (IDB's), including bonds for multi-family rental housing. The total volume of private activity bonds includes the face amount of both new issues and refunding issues.

As shown in Figure B, the volume of new issues of long-term private activity bonds in 1986 totaled $17.2 billion [2]. The largest category was the $6.8 billion of small-issue IDB's, which further regional economic development by providing subsidized financing for construction and improvement of private business facilities that range from manufacturing plants to shopping centers. Small-issue IDB's are limited to issues of up to $1 million or up to $10 million over a 6-year period for facilities for the same principal user in the same municipality or unincorporated areas of a county. Congress limited the issuance of tax-exempt small-issue IDB's after December 31, 1986, to manufacturing facilities and repealed the tax-exemption altogether for bonds issued after December 31, 1988.

Two types of tax-exempt bonds are intended to provide subsidies for low-income housing. Qualified mortgage bonds (also called mortgage revenue bonds or mortgage subsidy bonds) are issued to fund mortgages for first-time home buyers with low and middle incomes and home buyers in certain designated low-income areas at below-market interest rates. Mortgage loans were required to be made for houses costing no more than 110 percent of the average area purchase price (120 percent in targeted areas). New issues of qualified mortgage bonds amounted to only $1.3 billion in 1986, compared with $13.9 billion and $13.6 billion in 1984 and 1985, respectively. The provision permitting these bonds to be tax-exempt was to expire on December 31, 1988 [3].

In addition tax-exempt bonds valued at $1.5 billion were issued to finance multi-family rental housing. Tax-exempt IDB's could be used to finance multi-family housing projects if at least 20 percent of the units (15 percent in targeted areas) were set aside for low- or moderate-income households with incomes below 80 percent of median gross family income. The relatively small volume of new issues in 1986 reflects the acceleration into 1985 (when the volume amounted to $25.2 billion) of issues that would normally have been made later.

Tax-exempt student loan bonds could be issued to finance loans for financing post-secondary education expenses in connection with Guaranteed Student Loans and Parent Loans for Undergraduate Students programs of the U.S. Department of Education. In 1986, $1.7 billion of these bonds were issued, a decline of 65 percent from 1985, but still 24 percent more than in 1984.

Private exempt entity bonds are issued by State and local Governments to finance the activities of charitable, educational, religious, and similar organizations that are tax-exempt under section 501(c)(3) of the Internal Revenue Code. The primary beneficiaries of these bonds are private, nonprofit hospitals, colleges, and universities. In 1986, the volume of new issues of private exempt entity bonds was $2.5 billion, down from $25.7 billion in 1985.

Other industrial development bonds are issued to finance certain other exempt activities, including airports, docks,

Figure B. — New Issue Private Activity Bond Volume, Calendar Years 1983–86

[Money amounts in millions of dollars]

Type of bond	1983	1984	r1985	1986
	(1)	(2)	(3)	(4)
Total	49,911	65,816	99,770	17,215
Student loan bonds	3,086	1,370	2,803	1,696
Private exempt entity bonds	8,202	9,037	25,737	2,545
Qualified mortgage bonds[1]	10,800	13,900	13,561	1,319
Industrial development bonds, total	27,823	41,509	57,669	11,656
Small-issue	13,791	16,967	17,058	6,781
Multi-family rental housing	5,349	5,346	25,216	1,501
Airports, docks, etc.[2]	2,109	3,713	3,554	463
Sewage and waste disposal	1,442	6,314	5,073	1,307
Pollution control	3,411	7,599	5,230	1,274
Other	1,721	1,570	1,538	330

[1] Qualified mortgage figures for 1983 and 1984 are based on estimates developed by the Office of Tax Analysis, U. S. Department of the Treasury
[2] Volume for new issues is the purchase price of the bond minus any amount used to refund earlier obligations.
r — Revised

and wharves; sewage and waste disposal facilities; pollution control facilities; and mass transit, water, and heating and cooling facilities. The volume of new issues of these types of bonds declined in 1986.

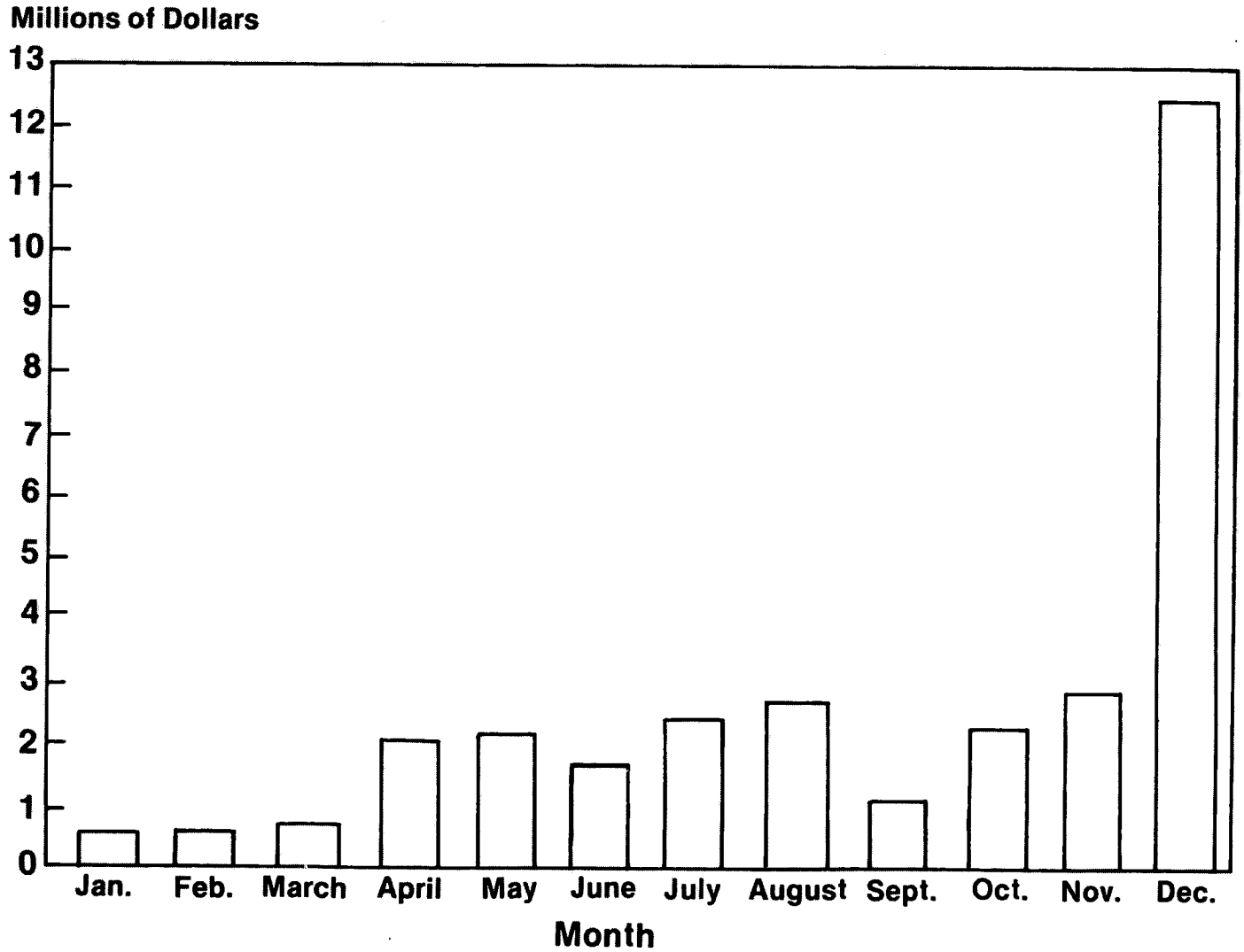
VOLUME OF ISSUES BY MONTH

The dollar volume of private activity bonds issued by month in 1986 is shown in Figure C. Less than 5 percent of the bonds were issued in the first 3 months of the year. In contrast, almost 39 percent of the bonds issued in 1986 —more than $12.5 billion—were issued in December. The large volume at the end of 1986 suggests the possibility that some State and local Governments attempted to issue bonds before the stricter volume cap went into effect in 1987. Unused volume caps can be carried forward to future years, however, so that the end-of-the-year increase in volume may simply reflect a normal seasonal pattern [4].

PRIVATE ACTIVITY BONDS BY STATE

The per capita amounts of private activity bonds for the 10 States with the highest per capita volumes of issues are shown in Figure D. Delaware and Alaska had the largest per capita amounts of bonds. Each of these States issued approximately $240 per capita of private activity bonds, three times the national average of $71 per capita. Almost all the bonds issued by Delaware were small-issue IDB's; most of the bonds issued by Alaska were qualified mortgage bonds. Table 7 at the end of this article shows the private activity bonds issued by type for each of the States.

Figure C
Private Activity Tax-Exempt Bond Volume By Month, 1986



Four States issued more than $1 billion in private activity bonds: California, New York, Pennsylvania, and Texas.

SIZE OF ISSUES

A distribution of the main types of private activity bonds by size of issue is shown in Table 5. The largest issues were student loan and mortgage revenue bonds. The student loan bond issues with face values of $50 million or more accounted for almost 90 percent of the total volume of student loan bonds. For mortgage revenue bonds, nearly two-thirds of the dollar volume was accounted for by issues of $50 million or more. Most multi-family housing and private exempt entity bonds were of intermediate size (between $2 million and $50 million). The small-issue IDB's were generally the smallest issues. Although two-thirds of the small-issue IDB's were under $2 million in size, more than two-thirds of the dollar volume was accounted for by bonds with values between $2 million and $10 million.

MATURITIES OF ISSUES

Table 6 shows the distribution of the weighted-average maturities of the major types of private activity bonds. Many of the bond issues are serial bonds in which a percentage of the bonds mature each year. Thus the average amount of bonds outstanding over the life of the bond issue is only a fraction of the face amount of the bond. The weighted average maturity is calculated as the average maturity of the new bonds with weights determined by the amount of the bonds outstanding in each maturity class. The shortest maturities are for student loan bonds, which have a mean weighted-average maturity of 14 years. The longest maturities were reported for qualified mortgage revenue bonds, with 70 percent reporting weighted-average maturities of 20 years or more.

THE TAX REFORM ACT OF 1986

The Tax Reform Act of 1986 included a number of provisions that restrict both the supply of and the demand for tax-exempt State and local securities. These restrictions reflect congressional concern about four undesirable effects stemming from the large and increasing volume of tax-exempt bonds that were being issued under prior law: [5]:

1. The large volume of tax-exempt issues increased the interest rates that State and local governments had to pay to issue bonds for traditional governmental purposes.

2. The issuance of large volumes of private activity bonds resulted in an inefficient allocation of capital, because subsidized activities may be less productive than competitive but unsubsidized activities.

3. The equity of the tax system was harmed as high-income individual and corporations limited their tax liabilities by investing in tax-exempt bonds.

4. The increasing volume of private activity bonds resulted in mounting revenue losses to the Federal Government. Because the tax rates are progressive and because the large volume of tax-exempt bonds had narrowed the interest rate spread between taxable and tax-exempt bonds, the revenue loss to the Federal Government was considerably greater than the interest saving to the State and local Governments.

The major provisions of the Tax Reform Act of 1986 that restricted the issuance of tax-exempt bonds dealt with —

— tightening the definition of governmental use as opposed to private activity bonds. The percentage of proceeds of a governmental purpose bond that could be used by a non-governmental person in any trade or business, or secured by payments or property used in a trade or business, was reduced from 25 percent to 10 percent.

— restricting the purposes for which tax-exempt private activity bonds could be issued. Tax-exempt private activity bonds can no longer be used to finance pollution control facilities, sports stadiums, convention facilities, or parking facilities.

— imposing a single, unified volume cap by State for most private activity tax-exempt bonds. The annual State volume cap was the greater of $75 per capita or $150 million (face amount) in 1987 and $50 per capita or $100 million (face amount) in 1988 and thereafter. The volume cap applied to all private activity bonds except those issued for tax-exempt nonprofit hospitals and private universities and colleges; qualified veterans' mortgages; and publicly owned airports, docks and wharfs, and solid waste facilities.

Figure D.—States with the Largest Per Capita New Issues of Private Activity Bonds, 1986

Selected States	New issues of private activity bonds	
	Per capita (dollars)	Total issues (million dollars)
United States, total	**$71.41**	**$17,215**
Delaware	240.13	152
Alaska	239.70	128
Maine	169.65	199
Montana	123.32	101
Georgia	117.63	720
Pennsylvania	117.51	1,397
Mississippi	116.57	306
Colorado	114.78	375
Missouri	99.49	504
South Dakota	98.87	70

Source: U.S. Department of Commerce, Bureau of the Census — Resident population for 1986; Table 7.

— restricting advance refundings to governmental use and private exempt entity bonds, and imposing a limit of two advance refundings for issues for which tax-exempt refundings are permitted.

— tightening a number of restrictions on the ability of State and local Governments to profit by issuing tax-exempt bonds and investing the proceeds in taxable investments with higher yields.

— not extending the December 31, 1986, cutoff date for small-issue IDB's other than manufacturing facilities. The cutoff date for issuing tax-exempt IDB's for manufacturing facilities was extended for 1 year to December 31, 1989.

A number of provisions in the Tax Reform Act of 1986 tended to reduce the demand for tax-exempt securities. Most important, the reductions in marginal tax rates for both individuals and corporations reduced the advantage of holding tax-exempt securities. Another provision subjected the interest on certain private activity bonds, otherwise tax-exempt, to the alternative minimum tax at a 21 percent tax rate for individuals and a 20 percent rate for corporations. This minimum tax would only be paid, however, if the interest on these bonds plus other forms of "tax preferences" subject to this tax amounted to a significant percentage of total taxable income. Finally, banks were no longer able to deduct the interest they pay when they borrowed to finance the purchase of tax-exempt municipal bonds.

Conversely, the elimination of many other ways of sheltering income from tax under the 1986 tax reform caused some investors to increase their purchases of tax-exempt bonds. Similarly, the broadening of the corporate income tax base could tend to induce some businesses to purchase tax-exempt bonds.

Other provisions of the Tax Reform Act of 1986 improved the reporting of information on tax-exempt bonds beginning in 1987. State and local Governments are required to file Form 8038 information returns with the Internal Revenue Service (IRS) for public purpose bonds issued after December 31, 1986, as well as for private purpose bonds. In addition, individual taxpayers were required to report tax-exempt interest on their individual income tax returns (Form 1040) beginning with 1987 returns. These two requirements will substantially improve and expand the information available about tax-exempt bonds.

Several private activity bond provisions are scheduled to expire in 1988 and 1989. The provision permitting issuance of tax-exempt bonds for qualified mortgage subsidy bonds was extended for 1 year by the Tax Reform Act of 1986, but it is currently set to expire on December 31, 1988 [6]. The exception permitting tax-exempt small IDB's for manufacturing facilities is set to expire on December 31, 1989. If these provisions are allowed to expire, the volume of private activity bonds can be expected to decline further after 1988.

HIGHLIGHTS FOR 1986

A total of 5,220 information returns were filed for private activity bonds issued in 1986. Some returns included descriptions of more than one activity (multiple-lot issues), thereby reducing the number of returns. But multiple returns may be filed for a single activity when a bond is refunded, especially in the case of short-term obligations that have maturities as short as 1 day.

Table 1 (columns 4, 5, and 6) shows the total face amount of new issues by type of private activity bond. The bonds are further categorized into short-term obligations (with maturities of 1 year or less) and long-term obligations. In some cases, bonds issued to refund previous issues may include a component of new-issue funding; this is included in the new-issue columns in Table 1. For example, a bond issue with a $100 million purchase price sold to refund a $95 million outstanding obligation would have $5 million of new-issue volume. New-issue volume, therefore, represents the net increase in private activity bonds excluding non-refunded retirements.

Table 2 shows the relationship between the aggregate face amount and lendable proceeds for long-term private activity bonds. It also shows the purchase price allocations to issuance costs and reserve or replacement funds as well as the allocation of the lendable proceeds between refundings and non-refunding (new issue) proceeds. Issuance costs averaged 1.3 percent of the purchase price for all private activity bonds in 1986, compared with 2.6 percent in 1985 [7]. In 1986, more than 45 percent of the lendable proceeds were used to refund prior issues. Refunding volume was most important for private exempt entity bonds and qualified mortgage bonds, which accounted for more than 60 percent of the total volume in both cases.

Table 3 shows the uses of the non-refunding lendable proceeds for each of the types of IDB's. Almost 90 percent of the proceeds were used for depreciable property. The remainder was used for land and other property.

Table 4 shows the volume of industrial development bonds and private exempt entity bonds by industry grouping. Table 5 shows private activity bonds by size of face amount and by type of bond. Table 6 shows the distribution of average maturities by type of bond issue.

Table 7 shows the new-issue volume by type of bond for each State. No one type of bond was issued by every State, and most States issued bonds in all the major categories.

The States with the largest total volumes were California with $1.7 billion, New York with $1.5 billion, and Pennsylvania with $1.4 billion.

DATA SOURCES AND LIMITATIONS

Form 8038, Information Return for Private Activity Bond Issues, has been required for all student loan bonds, private exempt entity bonds, and IDB's since 1983. The reporting of qualified mortgage bonds has been required since 1984. The data in this article on private activity bonds were extracted from the 5,219 returns filed with IRS for 1986.

Because the entire population of Forms 8038 was used for this study, there is no sampling error. A number of checks were performed to ensure that each return was internally consistent and to exclude duplicate and amended returns. A certain amount of filer and processing error may remain, however.

DEFINITIONS

Private Activity Bonds.—Includes four types of tax-exempt, State or local Government bonds issued for other than public purposes: industrial development bonds, private exempt entity bonds, student loan bonds, and qualified mortgage bonds. Private activity bonds were classified as short-term if their final maturity was 1 year or less from their date of issue.

Industrial Development Bonds (IDB's).—State or local Government obligations, all or a major portion of the proceeds of which are used in a private trade or business, with payments of principal and interest secured by the property used in a private trade or business. Under the small-issue exemption in effect in 1986, virtually any private trade or business could finance depreciable property or land with an IDB, if the bond's face amount did not exceed $1 million or $10 million including related capital expenditures during a 6-year period beginning 3 years before and ending 3 years after the date of issue.

Private Exempt Entity Bonds.—State or local Government obligations issued for use by tax-exempt charitable, religious, educational, and similar organizations (described in Internal Revenue Code section 501[c][3]). Most were for use by private, nonprofit medical facilities, colleges, and universities.

Qualified Mortgage Bonds.—State and local Government obligations issued to finance mortgages for owner-occupied residences. In general, the loans had to be made to new homeowners and purchasers of homes in designated low-income areas. Restrictions also applied to the purchase price of the residence and the income of the recipients of the mortgage loans.

Residential Rental Housing Industrial Revenue Bonds.—IDB's issued to finance multi-family residential rental projects. In general, at least 20 percent of the units in the project financed (15 percent in certain targeted areas) had to be set aside for lower-income individuals or families with incomes below 80 percent of median family income.

Student Loan Bonds.—State or local Government obligations issued to finance the post-secondary education expenses of individuals.

NOTES AND REFERENCES:

[1] Estimate made by the Office of Tax Analysis, U.S. Department of the Treasury. See U.S. Office of Management and Budget, *Special Analyses: Budget of the United States Government, FY 1989,* Special Analysis F, Table F–17.

[2] Although Figure B shows only new issues of private activity bonds, the volume of current and advance refunding issues is nearly equal to the volume of new issues. Such refundings are generally undertaken to refinance at interest rates lower than those specified by the original issue. The dollar value of refunding issues can be computed as the difference between total issues and new issues as shown in Table 1.

[3] U.S. General Accounting Office, Resources, Community and Economic Development Division, *Home Ownership: Mortgage Bonds Are Costly and Provide Little Assistance to Those in Need,* Report to the Chairman, Joint Committee on Taxation, U.S. Congress, March 1988.

[4] This monthly pattern may be similar for prior years as well. For 1983, when the only other year for which this information was tabulated, nearly one-fourth of the total volume occurred in December. See Clark, Philip, and Neubig, Tom, "Private Activity Tax-Exempt Bonds, 1983," *Statistics of Income Bulletin,* Summer 1984, Vol. 4, No. 1.

[5] U.S. Congress, Joint Committee on Taxation, *General Explanation of the Tax Reform Act of 1986,* May 4, 1987.

[6] As this article was in preparation, Congress was considering a 2-year extension of tax-exempt mortgage revenue bonds.

[7] See Clark, Philip, "Private Activity Tax-Exempt Bonds, 1985," *Statistics of Income Bulletin,* Spring 1987, Vol. 7, No.1, Table 2.

Table 1.—Volume of Private Activity Bonds by Type of Activity

[Money amounts in millions of dollars]

Type of activity	All issues[1]			New issues[2]		
	Total	Short-term	Long-term	Total	Short-term	Long-term
	(1)	(2)	(3)	(4)	(5)	(6)
Total	32,472	2,535	29,937	17,215	433	16,782
Student loan bonds	2,557	570	1,987	1,696	244	1,452
Private exempt entity bonds	6,554	201	6,353	2,545	58	2,487
Qualified mortgage bonds[3]	5,325	—	5,325	1,319	—	1,319
Industrial development bonds:						
Industrial park	53	—	53	51	—	51
Small issue	7,853	34	7,819	6,781	27	6,754
Multi-family rental housing	2,301	2	2,299	1,501	—	1,501
Sports facilities	68	—	68	60	—	60
Convention facilities	1	—	1	1	—	1
Airports, docks, etc.[4]	2,588	1,521	1,067	463	46	417
Sewage and waste disposal facilities	2,222	46	2,176	1,307	44	1,262
Pollution control facilities	2,380	13	2,367	1,274	12	1,262
Water furnishing facilities	154	3	151	38	2	37
Hydroelectric generating facilities	63	—	63	44	—	44
Mass commuting vehicles	5	—	5	(5)	—	(5)
Local heating and cooling facilities	77	—	77	11	—	11
Electric energy and gas facilities	272	146	126	125	(5)	125

[1] Volume for all issues is the face amount of the bond.
[2] Volume for new issues is the purchase price of the bond minus any amount used to refund earlier obligations.
[3] Includes qualified veterans' mortgage bonds.
[4] Includes wharves, mass commuting facilities, parking facilities, or storage facilities directly related to any of the preceding.
[5] Less than $500,000.
NOTE: Detail may not add to totals because of rounding.

Table 2.—Computation of Nonrefunding Lendable Proceeds for Long-Term Private Activity Bonds, by Type of Bonds

[Money amounts in millions of dollars]

Item	Total	Type of bond				
		Student loan	Private exempt entity	Qualified mortgage bonds[1]	Industrial development bonds	
					Small issue	Other
	(1)	(2)	(3)	(4)	(5)	(6)
Face amount	29,937	1,987	6,353	5,325	7,819	8,453
Purchase price	29,849	1,953	6,317	5,322	7,812	8,446
Bond issuance costs	404	17	133	15	138	101
Allocations to reserve or replacement funds	688	81	218	124	89	176
Lendable proceeds	28,746	1,856	5,966	5,113	7,587	8,224
Proceeds used to refund prior issues	13,067	501	3,830	4,003	1,058	3,676
Nonrefunding lendable proceeds	15,679	1,356	2,136	1,110	6,529	4,549

[1] Includes qualified veterans' mortgage bonds.
NOTE: Detail may not add to totals because of rounding.

Table 3.—Nonrefunding Lendable Proceeds from Sales of Long-Term Bonds, by Type of Property Financed

[Money amounts in millions of dollars]

Type of property financed	Total		Type of industrial development bond					
			Private exempt entity		Small issue		Multi-family rental housing	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	**14,139**	**100**	**1,758**	**100**	**6,486**	**100**	**1,377**	**100**
Depreciable property:								
3-year ACRS	91	1	6	([1])	67	1	6	([1])
5-year ACRS	2,041	14	233	13	996	15	37	3
10-year ACRS	962	7	42	2	115	2	14	1
15-year ACRS	2,736	19	162	9	310	5	131	10
18-year ACRS	6,803	48	1,032	59	4,121	64	1,021	74
Land	834	6	81	5	570	9	122	9
Other property	552	4	156	9	257	4	30	2
Other uses	120	1	46	3	50	1	16	1

Type of property financed	Type of industrial development bond—Continued							
	Sports and convention		Sewage, waste disposal and pollution control		Airport and dock		Other exempt activity[2]	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total	**60**	**100**	**1,732**	**100**	**230**	**100**	**2,495**	**100**
Depreciable property:								
3-year ACRS	1	2	9	1	1	—	2	—
5-year ACRS	10	17	13	1	12	5	740	30
10-year ACRS	—	—	20	1	3	1	769	31
15-year ACRS	4	7	1,293	75	167	72	668	27
18-year ACRS	32	54	295	17	5	2	295	12
Land	8	13	35	2	8	4	9	0
Other property	5	8	58	3	33	14	13	1
Other uses	([3])	([1])	7	([1])	1	([1])	([3])	([1])

[1] Includes wharves, mass commuting facilities, or storage facilities directly related to any of the preceding.
[2] Consists of industrial parks, water furnishing facilities, hydroelectric generating facilities, mass commuting vehicles, local heating and cooling facilities, and facilities for the local furnishing of electrical energy or gas.
[3] Less than $500,000.
NOTE: Detail may not add to totals because of rounding.
ACRS is the Accelerated Cost Recovery System of depreciating property for tax purposes.

Table 4.—Volume of Industrial Development Bonds and Private Exempt Entity Bonds, by Industry[1]

[Money amounts in millions of dollars]

Industry	Industrial development bonds				Private exempt entity bonds	
	Small issue		Other			
	Amount	Percent	Amount	Percent	Amount	Percent
	(1)	(2)	(3)	(4)	(5)	(6)
All industries	**6,315**	**100.00**	**4,486**	**100.00**	**2,140**	**100.00**
Agriculture, forestry, and fishing	60	.95	39	.78	17	.88
Mining	18	.29	12	(2)	—	.29
Construction	81	1.28	34	(2)	65	.75
Manufacturing						
Food and kindred products	181	2.86	—	—	—	—
Textile products	84	1.33	1	(2)	—	—
Lumber, wood products, and furniture	157	2.49	2	.03	1	.04
Paper and allied products	73	1.16	9	(2)	—	.20
Printing and publishing	109	1.73	1	(2)	—	.02
Chemicals and allied products	110	1.74	82	(2)	—	1.82
Rubber and miscellaneous plastics products	145	2.29	—	—	—	—
Stone, clay, and glass products	54	.85	—	—	—	—
Primary metal industries	32	.51	3	—	—	.07
Fabricated metal products	199	3.15	2	(2)	—	.04
Machinery, except electrical	69	1.09	65	—	—	1.46
Electrical and electronic equipment	130	2.07	—	—	—	—
Transportation equipment	103	—	104	(2)	—	2.32
Other manufacturing	125	1.93	18	(2)	—	.40
Transportation						
Trucking and warehousing	160	2.53	2	(2)	—	.04
Transportation by air	4	.06	336	(2)	—	7.48
Other transportation	37	.59	45	(2)	—	1.01
Electric, gas, and sanitary service	22,555	.36	2,321	—	—	51.73
Wholesale trade						
Durable goods	236	3.73	2	—	—	.04
Nondurable goods	223	.42	1	.02	—	.02
Retail trade						
General merchandise stroes	89	1.40	—	.03	1	(2)
Food stores	80	1.25	—	—	—	—
Other retail trade	242	3.83	1	.06	1	.03
Finance and insurance	94	1.49	—	—	—	—
Real estate	1,485	23.52	1,349	2.40	51	30.07
Services						
Hotels and other lodging places	849	13.44	—	.14	3	—
Personal and business services	95	1.51	1	.19	4	.02
Medical and health services	766	12.13	4	80.75	1,728	.09
Educational services	11	.18	—	10.49	224	—
Other services	164	2.60	36	4.63	99	.81
Other industries	27	.42	15	.49	10	.34

[1] Consists of the nonrefunding lendable proceeds of the bonds.
[2] Less than 0.005 percent.
[3] Less than $500,000.
NOTES: Detail may not add to totals because of rounding.

Table 5.—Number and Face Amount of Private Activity Bond Issuances, by Type and Size of Face Amount

[Money amount in millions of dollars]

Size of face amount	Total number of bond issuances	Face amount by type of bond						
		Total face amount	Student loan	Private exempt entity	Qualified mortgage	Small issue IDB	Rental	All other
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	**5,220**	**32,475**	**2,557**	**6,554**	**5,286**	**7,855**	**2,301**	**7,921**
Under $100,000	191	11	([1])	1	—	10	([1])	([1])
$100,000 under $500,000	1,013	285	4	5	600	264	3	8
$500,000 under $1,000,000	821	580	2	19	—	536	9	14
$1,000,000 under $2,000,000	919	1,249	2	44	4	1,113	24	62
$2,000,000 under $5,000,000	1,055	3,384	13	247	16	2,723	136	248
$5,000,000 under $10,000,000	601	4,225	17	359	49	2,979	483	339
$10,000,000 under $20,000,000	230	3,142	36	745	475	230	776	879
$20,000,000 under $50,000,000	235	7,057	196	2,193	1,280	—	676	2,712
$50,000,000 under $100,000,000	91	6,373	1,237	1,878	1,606	—	194	1,457
$100,000,000 or more	34	6,168	1,049	1,063	1,856	—	—	2,201

[1] Less than $500,000.

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

Table 6.—Number and Face Amount of Private Activity Bonds, by Weighted Average Maturity and Type of Bond

[Money amounts in millions of dollars]

Weighted average maturity in years	Total number of bond issuances	Face amount by type of bond						
		Total face amount	Student loan	Private exempt entity	Qualified mortgage	Small issue IDB	Rental	All other
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	**5,220**	**32,475**	**2,557**	**6,554**	**5,286**	**7,855**	**2,301**	**7,921**
Less than 5	403	2,833	571	286	—	216	7	1,754
5 under 10	1,205	2,772	441	487	51	1,624	25	144
10 under 15	1,187	4,157	418	873	648	1,598	275	345
15 under 20	1,047	6,605	176	1,943	876	1,386	496	1,727
20 under 25	810	7,095	380	1,628	1,336	1,598	985	1,167
25 under 30	247	3,130	—	498	789	586	166	1,091
30 or more	321	5,884	571	840	1,587	846	347	1,693
Mean of the weighted average maturity in years	N/A	N/A	14.0	18.9	23.5	16.4	21.3	18.2

N/A Not applicable

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

Table 7.—Volume of New Issue Private Activity Bonds by Type of Bond and State

[Money amounts in millions of dollars]

State	Total	Volume by type of bond									
		Student loan	Private exempt entity	Qualified mortgage bonds[1]	Industrial development bonds						
					Small issue industrial park	Multi-family housing	Sports and convention	Airport and docks[3]	Sewage waste disposal	Pollution control	Other exempt activities[4]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total	**17,215**	**1,696**	**2,545**	**1,319**	**6,832**	**1,501**	**61**	**463**	**1,307**	**1,274**	**219**
Alabama	290	3	10	2	216	—	—	—	11	48	—
Alaska	128	—	20	49	22	—	—	37	—	—	—
Arizona	183	—	19	—	52	42	—	60	10	—	—
Arkansas	39	(5)	—	(5)	36	—	—	3	—	—	—
California	1,675	209	127	331	162	294	—	—	46	360	147
Colorado	375	57	170	83	46	(5)	15	2	—	2	—
Connecticut	223	—	10	14	114	13	—	8	45	8	13
Delaware	152	—	5	—	140	7	—	—	—	—	—
Florida	562	—	198	3	234	70	15	19	19	(5)	6
Georgia	718	4	162	(5)	443	88	—	1	8	12	—
Hawaii	62	—	5	—	—	—	—	57	—	—	—
Idaho	14	—	5	—	9	—	—	—	—	—	(5)
Illinois	623	112	61	6	280	14	—	—	—	151	—
Indiana	262	—	64	—	153	5	—	1	—	38	—
Iowa	99	—	26	—	72	2	—	—	—	—	—
Kansas	137	—	13	—	121	4	—	—	—	—	—
Kentucky	305	—	6	—	159	43	—	15	16	67	—
Louisiana	158	—	16	—	99	2	—	—	25	17	—
Maine	199	—	4	—	38	—	—	—	157	—	—
Maryland	312	—	90	37	127	59	—	—	—	—	—
Massachusetts	420	—	49	(5)	136	128	—	—	104	2	—
Michigan	807	24	142	—	382	25	—	164	3	67	(5)
Minnesota	329	—	45	114	110	59	—	(5)	—	—	(5)
Mississippi	306	—	10	150	43	7	—	2	2	91	—
Missouri	504	145	53	—	161	145	—	—	—	—	—
Montana	101	28	—	—	4	—	—	—	(5)	70	—
Nebraska	136	104	4	—	28	—	—	—	—	—	—
Nevada	26	—	(5)	—	14	—	—	12	—	—	—
New Hampshire	48	—	—	—	3	1	—	—	30	14	—
New Jersey	531	—	76	—	350	12	—	10	83	—	—
New Mexico	6	—	4	—	2	—	—	—	—	—	—
New York	1,515	376	67	372	628	8	9	2	14	40	—
North Carolina	168	(5)	60	6	54	—	—	—	48	—	—
North Dakota	64	—	27	—	23	13	—	—	—	—	—
Ohio	729	80	195	—	392	14	17	31	(5)	(5)	—
Oklahoma	69	19	16	—	30	2	—	—	2	—	(5)
Oregon	45	—	15	—	30	—	—	—	—	—	—
Pennsylvania	1,397	80	197	47	573	24	1	13	444	19	—
Rhode Island	49	—	3	—	46	—	—	—	—	—	—
South Carolina	237	—	50	—	120	47	—	—	20	—	—
South Dakota	70	—	6	7	58	—	—	—	—	—	—
Tennessee	412	—	11	—	228	164	—	9	—	—	—
Texas	1,194	319	197	20	213	74	4	10	93	263	2
Utah	94	—	10	2	73	9	—	—	—	—	—
Vermont	48	11	2	—	29	5	—	—	—	—	1
Virginia	523	3	92	70	301	39	—	2	15	—	—
Washington	297	123	19	2	52	50	—	(5)	—	6	44
West Virginia	96	—	16	—	72	(5)	—	—	7	—	—
Wisconsin	402	—	104	—	148	33	—	4	105	—	6
Wyoming	6	—	3	(5)	2	—	—	—	—	—	—
Others[6]	70	—	62	4	5	—	—	—	—	—	—

[1] Volume for new issues is the purchase price of the bond minus the amount used to refund earlier obligations.
[2] Consists of qualified mortgage bonds and qualified veterans' mortgage bonds.
[3] Includes wharves, mass commuting facilities, parking facilities, or storage facilities directly related to any of the preceding.
[4] Consists of water furnishing facilities, hydroelectric facilities, mass commuting vehicles, local district heating and cooling facilities, and facilities for local furnishing of electric energy of gas.
[5] Less than $500,000.
[6] Includes District of Columbia, Guam, Puerto Rico, and the Virgin Islands.
NOTE: Detail may not add to totals because of rounding.

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NOTICE

The data on the following pages are the latest and most accurate available at time of publication. However, they are subject to continuous revision as more information becomes available. Data labeled as preliminary should be used with caution.

Table 1.—Individual Income Tax Returns: Selected Income and Tax Items for Selected Tax Years, 1970–1986

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

Item	1970	1975	1980	1984	1985	p1986
	(1)	(2)	(3)	(4)	(5)	(6)
All returns	**74,279,831**	**82,229,332**	**93,902,469**	**99,438,708**	**101,660,287**	**103,299,601**
Form 1040 returns	74,279,831	54,527,726	57,122,592	64,533,502	67,006,425	68,885,007
Form 1040A returns	N/A	27,701,606	36,779,877	18,431,641	18,124,702	17,705,607
Form 1040EZ returns	N/A	N/A	N/A	16,473,565	16,529,160	16,708,987
Adjusted gross income (AGI)	**631,692,540**	**947,784,873**	**1,613,731,497[1]**	**2,139,904,356[1]**	**2,305,951,483[1]**	**2,522,516,770[1]**
Salaries and wages:						
Number of returns	66,965,659	73,520,046	83,802,109	85,925,617	87,198,001	88,587,358
Amount	531,883,892	795,399,462	1,349,842,802	1,807,137,587	1,928,200,978	2,046,135,285
Interest received:						
Number of returns	32,630,355	40,378,240	49,019,575	62,059,703	64,526,434	65,489,838
Amount	22,021,267	43,433,554	102,009,444	176,369,305	182,109,194	168,202,347
Dividends after exclusion:						
Number of returns	7,729,939	8,853,491	10,738,982	14,259,407	15,527,579	16,751,892
Amount	15,806,924	21,892,126	38,761,253	48,640,734	55,046,351	63,073,757
Business or profession net income less loss:						
Number of returns	6,159,985	7,242,542	8,881,119	11,237,218	11,900,341	12,431,364
Amount	30,554,201	39,421,478	55,129,154	70,766,610	78,772,577	90,367,239
Net capital gain less loss:						
Number of returns	7,962,663	7,574,823	9,970,921	12,558,688	11,125,595	12,936,506
Amount	9,006,683	14,071,893	30,029,074	54,519,368	67,694,001	135,005,278
Pensions and annuities in AGI:						
Number of returns	3,249,558	5,088,937	7,373,704	11,551,051	13,133,295	14,849,501
Amount	7,878,808	20,886,871	43,339,736	80,447,934	95,096,003	108,502,091
Rents and royalties net income less loss:						
Number of returns	6,557,498	7,143,812	8,208,132	9,100,525	9,970,604	9,620,244
Amount	3,232,817	5,202,078	4,105,381	−9,482,800	−12,963,727	−13,023,962
Partnerships and S Corporations:						
Number of returns	n.a.	n.a.	n.a.	5,203,592	5,487,671	5,641,537
Amount	12,637,912	12,811,091	10,099,346	−2,268,204	−2,526,591	5,453,558
Farm net income less loss:						
Number of returns	3,026,530	2,755,041	2,608,430	2,694,420	2,620,861	2,532,815
Amount	2,788,713	3,563,325	−1,792,466	−13,095,506	−12,005,483	−6,907,476
Total statutory adjustments:						
Number of returns	6,370,552	9,024,255	13,148,919	37,025,796	37,763,418	38,231,054
Amount	7,665,251	15,101,999	28,614,061	89,745,075	95,082,299	99,246,133
Individual Retirement Arrangements:						
Number of returns	N/A	1,211,794	2,564,421	15,232,856	16,205,846	15,714,041
Amount	N/A	1,436,443	3,430,894	35,374,424	38,211,574	38,255,838
Self-employed retirement (Keogh):						
Number of returns	591,655	595,892	568,936	648,958	675,822	772,476
Amount	847,692	1,603,788	2,007,666	4,072,409	5,181,993	6,178,104
Married couple who both work:						
Number of returns	N/A	N/A	N/A	24,126,180	24,835,278	25,858,054
Amount	N/A	N/A	N/A	22,407,621	24,614,983	26,915,348
Exemptions:						
Number of exemptions	204,126,402	212,202,596	227,925,098	240,886,327	244,180,202	246,596,408
Number, age 65 or over	8,904,331	9,937,208	11,847,168	15,890,548	16,748,810	17,580,998
Total deductions:						
Number of returns	73,862,448	81,585,541	88,491,251	94,855,579	96,848,626	98,525,016
Amount	120,549,755	233,181,778	346,000,155	499,585,197[2]	554,733,523[2]	611,416,045[2]
Itemized deductions:						
Number of returns	35,430,047	26,074,061	28,950,282	38,203,092	39,848,184	40,838,502
Total[3]	88,178,487	122,260,601	218,028,139	358,876,015	405,023,525	446,542,466
Medical and dental expense	10,585,749	11,422,312	14,972,082	21,450,276	22,926,214	25,062,523
Taxes paid	32,014,673	44,141,289	69,404,275	115,245,288	128,084,618	144,704,846
Interest paid	23,929,477	38,885,282	91,187,006	158,176,338	180,094,578	194,451,076
Contributions	12,892,732	15,393,331	25,809,608	42,119,812	47,962,848	54,454,472
Taxable income:						
Number of returns	59,593,598[4]	65,852,602	88,104,696	94,178,183	96,124,046	97,742,435
Amount	401,154,285	595,492,866	1,279,985,360	1,701,365,731	1,820,740,833	1,976,811,955
Income tax before credits:						
Number of returns	59,596,755	65,854,734	76,135,819	84,440,481	85,994,216	86,975,883
Amount	84,156,695	132,452,044	256,294,315	306,686,024	332,165,333	378,422,425
Total tax credits[5]	**369,610**	**8,069,846**	**7,215,839**	**9,263,308**	**10,248,044**	**7,654,631**
Child care credit	N/A	N/A	956,439	2,648,834	3,127,702	3,493,653
Credit for the elderly and disabled	167,656	128,968	134,993	107,002	108,642	174,003
Residential energy credit	N/A	N/A	562,141	645,093	811,675	N/A
Foreign tax credit	169,623	381,985	1,341,675	738,014	782,561	1,342,687
Investment credit	30,554	1,593,150	3,288,415	(6)	(6)	(6)
General business credit	N/A	N/A	N/A	4,183,101[6]	4,791,132[6]	1,035,205[6]
Income tax after credits	**83,787,323**	**124,382,197**	**249,078,475**	**297,422,715**	**321,917,289**	**370,932,395**
Total income tax:[7]						
Number of returns	59,317,371	61,490,737	73,906,244	81,639,509	82,846,420	84,324,468
Amount	83,909,311	124,526,297	250,341,440	301,923,057	325,710,254	377,050,937

See notes following Table 20.

Table 2—Individual Income and Tax by State, Tax Year 1986

[Money amounts are in thousands of dollars, except as indicated]

State	Number of returns	Number of exemptions[1]	Adjusted gross income (AGI)	Salaries and wages		Dividends after exclusion	
				Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
United States, total[2]	**103,633,570**	**246,191,989**	**2,472,559,803**	**87,807,445**	**2,012,988,154**	**16,582,775**	**58,806,712**
Alabama	1,537,065	3,847,654	32,055,361	1,346,009	26,967,941	157,958	465,657
Alaska	230,883	534,843	6,496,459	201,311	5,855,266	58,557	76,054
Arizona	1,394,726	3,419,376	32,189,015	1,160,153	25,675,242	229,414	966,657
Arkansas	882,648	2,253,714	16,573,801	736,162	13,506,122	80,403	254,923
California	12,025,076	29,059,066	311,810,079	10,179,884	252,813,311	1,817,039	7,041,542
Colorado	1,431,107	3,307,373	34,123,277	1,221,838	28,642,676	255,654	707,693
Connecticut	1,592,585	3,470,065	47,914,355	1,362,992	38,330,784	349,358	1,386,237
Delaware	291,371	667,690	7,284,979	251,466	5,852,093	57,489	247,326
District of Columbia	325,256	660,561	8,277,611	279,821	6,231,360	47,337	278,076
Florida	5,300,996	12,412,785	123,771,406	4,212,686	86,085,972	1,002,261	5,447,144
Georgia	2,547,529	6,029,447	58,644,369	2,280,245	50,354,128	285,223	904,099
Hawaii	485,014	1,096,934	10,959,168	417,709	8,871,259	78,527	217,571
Idaho	365,805	981,909	6,976,504	300,963	5,766,423	50,961	136,644
Illinois	4,956,836	11,829,956	123,481,338	4,189,258	100,849,865	904,886	3,100,433
Indiana	2,308,198	5,590,219	51,454,068	1,961,212	42,754,720	315,385	825,160
Iowa	1,151,875	2,869,924	23,098,819	902,165	17,969,664	196,679	475,834
Kansas	1,029,405	2,535,614	23,141,841	848,072	18,674,353	169,596	459,759
Kentucky	1,382,471	3,383,047	27,961,310	1,166,565	22,904,413	152,702	523,210
Louisiana	1,606,074	4,147,948	32,810,721	1,382,750	27,518,645	173,817	558,088
Maine	512,336	1,189,180	10,633,419	438,252	8,327,608	74,779	279,172
Maryland	2,126,981	4,782,964	57,492,048	1,857,677	47,453,346	355,106	1,159,130
Massachusetts	2,801,179	6,022,344	74,561,622	2,408,927	59,830,878	508,025	1,901,212
Michigan	3,887,234	9,069,063	97,548,841	3,320,352	82,183,789	771,279	2,023,279
Minnesota	1,824,501	4,324,929	43,701,683	1,530,659	35,841,273	347,167	882,821
Mississippi	917,726	2,419,071	16,395,149	807,397	13,942,359	77,061	209,433
Missouri	2,125,569	5,079,879	48,181,438	1,775,934	38,874,763	344,268	1,137,566
Montana	331,153	820,597	5,745,837	259,399	4,607,327	58,740	151,340
Nebraska	668,844	1,653,023	13,552,160	539,548	10,727,060	109,686	267,720
Nevada	467,586	1,047,854	11,211,642	404,794	8,888,757	58,121	237,640
New Hampshire	504,826	1,129,373	13,079,734	441,042	10,413,220	83,920	306,350
New Jersey	3,809,056	8,733,854	108,177,409	3,289,813	88,361,136	796,579	2,590,356
New Mexico	594,610	1,507,536	11,588,975	507,897	9,647,864	79,086	237,964
New York	7,659,120	17,714,051	209,807,910	6,482,306	164,379,474	1,465,839	6,194,835
North Carolina	2,710,326	6,297,773	57,576,908	2,407,469	47,803,806	328,362	1,316,960
North Dakota	273,194	686,712	5,176,279	211,485	3,883,579	38,106	71,681
Ohio	4,579,516	10,787,793	105,307,256	3,891,705	87,381,936	764,663	2,512,694
Oklahoma	1,243,715	3,120,105	26,126,269	1,021,124	21,432,814	143,848	442,444
Oregon	1,139,392	2,734,830	24,358,381	926,394	19,196,582	184,956	624,276
Pennsylvania	5,142,034	11,883,176	116,983,029	4,265,919	93,268,723	931,099	3,176,718
Rhode Island	447,240	986,093	10,444,079	386,773	8,272,943	70,880	247,082
South Carolina	1,346,996	3,239,597	27,774,612	1,203,904	23,231,645	141,363	465,851
South Dakota	284,907	719,113	4,811,621	220,880	3,719,515	44,573	97,055
Tennessee	1,967,923	4,700,375	41,071,250	1,721,866	34,740,998	200,896	704,314
Texas	6,641,788	16,693,551	152,811,524	5,734,433	129,943,391	789,428	2,973,502
Utah	598,429	1,686,920	13,264,172	515,721	11,171,640	77,118	221,472
Vermont	237,156	542,870	5,072,812	201,814	3,994,882	44,123	167,792
Virginia	2,583,679	5,877,163	65,737,990	2,268,296	54,426,286	415,159	1,395,255
Washington	1,947,149	4,566,312	46,153,240	1,625,903	37,346,541	330,263	966,823
West Virginia	663,519	1,657,788	13,552,665	554,976	11,058,758	84,660	254,940
Wisconsin	2,034,831	4,817,360	44,928,005	1,719,146	37,284,719	350,245	985,668
Wyoming	195,820	494,959	4,272,634	166,732	3,626,691	31,367	99,754
Other areas[3]	520,315	1,107,656	6,434,729	297,647	12,099,614	98,764	431,506

Table 2. (Continued)—Individual Income and Tax by State, Tax Year 1986

[Money amounts are in thousands of dollars, except as indicated]

State	Interest		Unemployment Compensation in AGI		Itemized deductions		
	Number of returns	Amount	Number of returns	Amount	Number of returns	Total deductions	Average amount (whole) dollars)
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
United States, total[2]	**65,158,038**	**167,137,870**	**4,971,846**	**7,011,890**	**40,639,456**	**448,694,962**	**11,041**
Alabama	781,959	1,643,153	83,920	73,874	547,379	4,997,741	9,130
Alaska	147,006	264,928	28,891	66,605	89,844	1,171,272	13,037
Arizona	849,024	2,605,656	45,332	49,207	635,917	7,051,260	11,088
Arkansas	461,444	1,294,034	43,142	48,012	263,788	2,434,579	9,229
California	7,412,186	21,639,047	603,323	822,812	5,258,264	74,070,718	14,087
Colorado	960,314	2,228,536	62,477	97,874	671,251	7,589,251	11,306
Connecticut	1,184,309	2,854,343	79,174	99,487	638,673	7,930,874	12,418
Delaware	180,200	385,870	14,536	26,033	116,821	1,195,983	10,238
District of Columbia	163,093	420,899	6,544	11,350	130,803	1,695,558	12,963
Florida	3,153,630	12.384,370	110,530	146,765	1,822,042	20,660,926	11,339
Georgia	1,272,215	2,871,629	103,437	89,746	954,319	10,589,127	11,096
Hawaii	358,642	690,703	17,107	24,777	200,457	2,234,375	11,146
Idaho	229,816	596,408	26,107	36,613	145,765	1,376,295	9,442
Illinois	3,334,214	8,838,159	238,605	396,122	1,904,175	19,404,541	10,191
Indiana	1,448,373	3,253,387	105,101	108,466	795,410	6,988,793	8,786
Iowa	845,001	2,414,250	53,462	70,892	437,035	3,761,853	8,608
Kansas	687,804	1,960,446	48,211	68,410	426,914	4,124,040	9,660
Kentucky	759,490	1,826,338	76,115	79,154	481,724	4,165,544	8,647
Louisiana	867,320	2,216,838	99,640	192,189	522,627	5,200,762	9,951
Maine	333,096	637,784	22,863	24,497	167,105	1,506,181	9,013
Maryland	1,384,767	2,966,091	71,815	102,483	1,028,374	12,207,897	11,871
Massachusetts	2,054,162	4,467,205	142,803	231,949	1,147,145	12,666,575	11,042
Michigan	2,614,822	5,340,793	312,491	417,860	1,776,484	16,938,129	9,535
Minnesota	1,328,622	3,015,101	97,256	182,353	866,237	9,178,651	10,596
Mississippi	399,304	979,986	37,493	39,370	261,814	2,423,805	9,258
Missouri	1,343,363	3,646,277	98,110	100,191	774,971	7,242,414	9,345
Montana	224,408	621,114	17,146	22,746	116,154	1,114,924	9,599
Nebraska	465,973	1,278,785	22,348	23,294	226,996	2,154,589	9,492
Nevada	256,011	805,903	24,613	31,864	168,013	1,983,480	11,806
New Hampshire	356,885	751,150	18,463	19,564	174,056	1,798,123	10,331
New Jersey	2,611,157	6,231,320	171,878	295,540	1,573,856	18,669,576	11,862
New Mexico	326,553	816,866	19,664	26,276	200,283	1,942,825	9,700
New York	5,298,715	14,244,503	317,747	494,199	3,674,359	45,939,826	12,503
North Carolina	1,458,578	2,925,537	119,786	99,445	1,011,017	9,786,413	9,680
North Dakota	194,710	541,652	13,199	21,711	76,352	666,325	8,727
Ohio	2,970,830	6,488,978	246,047	365,617	1,676,441	16,240,764	9,688
Oklahoma	712,540	2,059,291	56,809	82,730	491,260	5,193,924	10,573
Oregon	752,475	1,952,294	79,976	112,446	495,003	4,849,558	9,797
Pennsylvania	3,537,843	7,736,439	346,716	558,049	1,813,083	16,865,989	9,302
Rhode Island	299,269	658,864	30,168	39,212	164,228	1,638,675	9,978
South Carolina	674,431	1,354,838	51,275	42,918	512,208	4,997,353	9,756
South Dakota	189,333	533,684	6,693	6,478	70,700	592,561	8,381
Tennessee	1,016,828	2,335,788	82,190	73,766	550,236	5,372,242	9,764
Texas	3,558,488	11,238,670	257,940	459,753	2,124,256	24,661,542	11,609
Utah	391,434	700,744	29,475	45,261	286,443	3,139,368	10,960
Vermont	160,029	329,993	10,053	11,154	84,537	827,177	9,785
Virginia	1,551,683	3,417,854	80,527	76,355	1,076,357	12,204,453	11,339
Washington	1,304,446	3,330,132	124,117	189,085	754,259	7,698,174	10,206
West Virginia	399,594	835,300	45,046	69,799	180,111	1,539,876	8,550
Wisconsin	1,508,191	3,174,511	153,211	206,254	877,845	8,231,537	9,377
Wyoming	130,067	326,598	12,833	20,569	68,472	626,001	9,142
Other areas[3]	253,391	1,004,831	5,441	10,714	127,593	1,152,543	9,033

Table 2 (Continued)—Individual Income and Tax by State, Tax Year 1986

[Money amounts are in thousands of dollars, except as indicated]

State	Tax liability			Earned income credit			
	Total tax		Average tax (whole dollars)	Number of returns	Total	In excess of tax liability	
	Number of returns	Amount				Number of returns	Amount
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
United States, total[2]	**87,249,754**	**380,561,579**	**4,362**	**6,428,594**	**2,081,288**	**4,798,776**	**1,539,383**
Alabama	1,252,656	4,421,503	3,530	168,623	56,041	130,143	42,528
Alaska	200,388	1,088,004	5,429	8,458	2,476	5,676	1,595
Arizona	1,176,984	4,599,719	3,908	87,332	28,321	66,395	21,586
Arkansas	714,523	2,205,280	3,086	95,831	31,553	70,457	22,867
California	10,107,230	47,689,905	4,718	833,769	276,762	671,225	221,766
Colorado	1,225,989	5,073,718	4,138	68,832	22,047	49,119	15,598
Connecticut	1,406,387	8,735,570	6,211	36,974	11,452	25,895	8,070
Delaware	251,192	1,111,557	4,425	15,741	5,006	11,553	3,682
District of Columbia	275,330	1,398,386	5,079	25,311	8,244	20,155	6,569
Florida	4,442,667	20,901,193	4,705	360,801	117,867	264,730	85,540
Georgia	2,131,940	8,596,520	4,032	220,789	72,460	167,703	54,422
Hawaii	413,710	1,517,040	3,667	17,780	5,332	11,673	3,496
Idaho	301,839	900,570	2,984	27,118	8,725	18,820	5,911
Illinois	4,168,172	20,193,692	4,845	265,298	85,162	204,111	65,285
Indiana	1,919,661	7,595,220	3,957	126,067	40,479	91,756	29,210
Iowa	959,964	3,229,279	3,364	56,065	17,513	36,852	11,134
Kansas	873,306	3,492,057	3,999	49,752	15,654	34,145	10,601
Kentucky	1,136,929	3,932,907	3,459	119,612	38,929	83,863	26,705
Louisiana	1,270,955	4,776,941	3,759	202,052	65,617	159,353	51,091
Maine	433,975	1,488,984	3,431	28,167	8,938	19,059	5,920
Maryland	1,850,643	8,709,935	4,706	94,841	30,106	69,754	22,061
Massachusetts	2,470,823	12,382,608	5,012	77,830	24,581	54,636	17,226
Michigan	3,284,233	14,920,589	4,543	159,952	50,568	117,464	36,731
Minnesota	1,565,900	6,308,508	4,029	69,033	21,480	45,325	13,477
Mississippi	706,696	2,100,578	2,972	155,269	51,735	125,909	41,092
Missouri	1,788,018	7,378,231	4,126	130,340	41,865	92,812	29,348
Montana	263,888	785,293	2,976	24,339	7,716	16,775	5,102
Nebraska	561,032	1,954,594	3,484	34,580	10,815	23,103	6,946
Nevada	399,866	1,855,190	4,640	23,421	7,459	17,174	5,461
New Hampshire	442,442	2,190,189	4,950	14,355	4,439	9,361	2,884
New Jersey	3,361,488	18,336,028	5,455	153,628	49,002	113,280	36,508
New Mexico	472,113	1,560,823	3,306	62,505	19,841	48,913	15,343
New York	6,633,319	34,044,488	5,132	439,923	142,984	329,548	106,212
North Carolina	2,264,416	7,932,772	3,503	212,369	67,953	151,290	48,212
North Dakota	228,549	744,188	3,256	15,581	4,818	9,695	2,861
Ohio	3,866,646	15,332,075	3,965	222,212	70,326	161,577	50,623
Oklahoma	1,019,651	3,738,325	3,666	99,787	32,862	71,893	23,057
Oregon	951,485	3,325,425	3,495	63,956	20,574	46,237	14,614
Pennsylvania	4,339,329	17,701,095	4,079	237,378	74,847	168,091	52,677
Rhode Island	385,784	1,579,594	4,095	19,048	6,060	13,972	4,424
South Carolina	1,108,678	3,650,940	3,293	124,819	40,994	94,261	30,688
South Dakota	228,808	678,663	2,966	20,351	6,360	13,210	3,872
Tennessee	1,619,886	6,072,049	3,748	178,018	58,182	132,559	42,487
Texas	5,461,504	25,078,319	4,592	578,350	189,736	443,861	144,508
Utah	494,064	1,632,674	3,305	31,379	9,910	22,638	7,062
Vermont	204,489	728,142	3,561	11,193	3,463	7,157	2,156
Virginia	2,228,026	9,851,527	4,422	126,421	40,421	89,803	28,708
Washington	1,659,563	7,012,270	4,225	85,475	27,040	62,145	19,377
West Virginia	549,907	1,845,691	3,356	53,188	16,886	38,129	12,086
Wisconsin	1,712,228	6,168,435	3,603	82,146	25,710	56,545	17,179
Wyoming	162,741	658,837	4,048	11,079	3,515	7,823	2,438
Other areas[3]	299,742	1,355,459	4,522	1,456	462	1,153	387

See notes following Table 20.

Table 3.—Number of Individual Returns, Income, Tax, and Average Tax, By Size of Income, Tax Years 1983–1986

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

Size of adjusted gross income	Number of returns for—		Adjusted gross income (AGI)		Taxable income	
	1983	1984	1983	1984[1]	1983	1984
	(1)	(2)	(3)	(4)	(5)	(6)
Total	**96,321,310**	**99,438,708**	**1,942,589,865**	**2,139,904,356**	**1,544,872,497**	**1,701,365,731**
Less than $1,000[2,3]	3,415,113	3,329,148	−25,592,802	−31,984,443	75,549	63,799
$1,000 under $3,000	7,253,408	6,883,760	14,428,816	13,732,880	6,757,833	6,504,129
$3,000 under $5,000	7,167,924	7,030,537	28,679,137	28,151,199	17,374,119	17,251,761
$5,000 under $7,000	6,734,360	6,584,434	40,321,353	39,617,706	26,472,290	26,095,663
$7,000 under $9,000	6,879,931	6,792,931	55,039,361	54,388,545	39,153,168	38,888,493
$9,000 under $11,000	6,205,165	6,051,873	61,927,394	60,390,249	46,314,016	45,303,739
$11,000 under $13,000	5,724,798	5,877,979	68,522,507	70,439,379	52,529,347	54,708,664
$13,000 under $15,000	5,161,674	5,202,547	72,217,107	72,660,372	57,062,111	57,397,788
$15,000 under $17,000	4,593,795	4,893,833	73,350,227	78,195,614	58,956,588	62,489,602
$17,000 under $19,000	4,291,218	4,561,541	77,093,374	82,012,673	62,209,794	66,307,248
$19,000 under $22,000	5,617,176	5,645,759	115,071,603	115,466,828	93,320,322	93,889,175
$22,000 under $25,000	5,115,957	5,198,716	120,238,524	122,123,861	97,650,110	93,375,159
$25,000 under $30,000	7,357,487	7,635,404	201,763,983	209,274,643	163,111,031	168,006,165
$30,000 under $35,000	6,011,290	6,020,636	194,666,035	195,263,778	156,601,086	155,819,230
$35,000 under $40,000	4,409,645	5,054,470	164,664,066	188,944,011	131,804,272	149,423,027
$40,000 under $50,000	5,147,782	5,963,041	228,225,122	264,922,227	181,289,066	210,324,094
$50,000 under $75,000	3,591,188	4,657,702	211,838,450	275,046,849	166,095,719	214,921,141
$75,000 under $100,000	822,840	1,049,444	70,011,841	89,289,787	54,345,021	69,194,901
$100,000 under $150,000	469,391	581,498	56,206,333	69,273,546	43,403,109	53,604,014
$150,000 under $200,000	152,560	179,695	26,170,484	30,767,972	20,312,767	23,865,523
$200,000 under $300,000	108,379	132,306	26,016,239	31,729,787	20,642,936	24,405,339
$300,000 under $500,000	53,960	67,405	20,144,746	25,780,158	15,959,347	19,789,383
$500,000 under $1,000,000	25,469	29,215	17,173,250	19,729,296	13,706,293	15,798,723
$1,000,000 or more	10,800	14,834	24,358,715	34,687,437	19,726,601	27,938,970

Size of adjusted gross income	Total income tax[4]		Percentage of returns showing no total income tax		Returns showing total income tax			
					Average tax (whole dollars)		Tax as percentage of AGI	
	1983	1984	1983	1984	1983	1984	1983	1984
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total	**274,181,323**	**301,923,057**	**19.0**	**17.9**	**3,514**	**3,698**	**14.5**	**14.4**
Less than $1,000[2,3]	127,789	419,790	99.7	99.2	13,249[4]	16,783[4]	—	—
$1,000 under $3,000	51,414	44,652	93.4	93.8	108	104	5.7	5.4
$3,000 under $5,000	409,533	430,167	42.0	40.8	99	103	2.4	2.5
$5,000 under $7,000	1,310,055	1,233,034	33.7	33.7	293	282	4.9	4.7
$7,000 under $9,000	2,603,057	2,483,282	21.2	21.3	480	465	6.0	5.8
$9,000 under $11,000	3,888,167	3,617,920	8.3	8.2	684	651	6.8	6.5
$11,000 under $13,000	5,012,113	5,013,506	4.2	5.2	914	899	7.6	7.5
$13,000 under $15,000	6,066,527	5,831,903	2.7	3.6	1,208	1,163	8.6	8.3
$15,000 under $17,000	6,809,411	6,785,324	2.4	2.0	1,518	1,415	9.5	8.9
$17,000 under $19,000	7,664,811	7,775,189	1.6	1.8	1,816	1,736	10.1	9.7
$19,000 under $22,000	12,163,958	11,677,768	1.2	1.5	2,192	2,100	10.7	10.3
$22,000 under $25,000	13,595,791	13,237,769	1.3	1.0	2,692	2,573	11.5	11.0
$25,000 under $30,000	24,354,551	23,793,004	.8	1.2	3,338	3,152	12.2	11.5
$30,000 under $35,000	25,156,554	23,926,881	.6	.7	4,208	4,004	13.0	12.3
$35,000 under $40,000	22,673,889	24,678,348	.8	.5	5,182	4,907	13.9	13.1
$40,000 under $50,000	34,798,186	38,675,241	.4	.3	6,787	6,504	15.3	14.6
$50,000 under $75,000	38,352,897	47,355,174	.4	.4	10,725	10,211	18.2	17.3
$75,000 under $100,000	15,392,973	18,759,377	.3	.4	18,770	17,944	22.1	21.1
$100,000 under $150,000	14,351,743	17,117,874	.4	.2	30,690	29,502	25.6	24.8
$150,000 under $200,000	7,662,455	8,644,645	.3	.2	50,365	48,205	29.4	28.2
$200,000 under $300,000	8,488,945	10,013,524	.2	.2	78,513	75,844	32.7	31.6
$300,000 under $500,000	7,124,258	8,761,557	.2	.2	132,313	130,272	35.4	34.1
$500,000 under $1,000,000	6,463,482	7,526,585	.2	.2	254,228	258,255	37.7	38.2
$1,000,000 or more	9,658,764	14,120,545	.3	.2	896,655	954,091	39.8	40.8

See notes following Table 20.

Table 3. (Continued)—Number of Individual Returns, Income, Tax, and Average Tax, By Size of Income, Tax Years 1983–1986

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

Size of adjusted gross income	Number of returns for —		Adjusted gross income (AGI)		Taxable income	
	1985	p1986	1985[1]	p1986[1]	r1985	p1986
	(1)	(2)	(3)	(4)	(5)	(6)
Total	**101,660,287**	**103,299,601**	**2,305,951,483**	**2,522,516,770**	**1,820,740,833**	**1,976,811,955**
Less than $1,000[2,3]	3,292,007	2,988,314	−36,740,956	−31,691,676	6,856	3,157
$1,000 under $3,000	6,771,487	6,947,866	13,581,245	14,072,326	5,947,953	6,092,873
$3,000 under $5,000	6,685,481	6,904,868	26,769,868	27,833,806	16,049,013	16,318,741
$5,000 under $7,000	6,570,968	6,480,298	39,356,896	38,969,981	25,680,025	24,634,678
$7,000 under $9,000	6,664,279	6,202,854	53,477,888	49,604,378	37,544,431	33,766,924
$9,000 under $11,000	6,235,044	6,165,734	62,125,340	61,414,973	46,036,142	44,047,681
$11,000 under $13,000	5,582,921	5,548,379	66,863,381	66,513,394	51,016,092	49,611,859
$13,000 under $15,000	5,386,772	5,303,387	75,352,290	74,088,939	58,884,575	57,158,044
$15,000 under $17,000	4,895,393	4,771,498	78,225,269	76,278,777	61,708,177	59,726,583
$17,000 under $19,000	4,542,598	4,513,805	81,675,266	81,217,307	65,462,334	64,575,441
$19,000 under $22,000	6,089,064	6,098,876	124,506,145	125,031,917	100,462,536	99,384,345
$22,000 under $25,000	5,051,210	5,209,825	118,539,622	122,220,314	95,256,056	98,353,626
$25,000 under $30,000	7,457,947	7,546,056	204,399,150	207,521,896	164,077,078	165,342,856
$30,000 under $35,000	6,451,040	11,535,409	209,135,063	r399,681,247	320,091,716	r315,275,596
$35,000 under $40,000	5,184,620		193,807,899			
$40,000 under $50,000	6,701,544	7,515,514	297,914,321	334,720,916	233,646,097	261,481,959
$50,000 under $75,000	5,628,639	6,472,320	333,710,362	384,276,545	259,467,072	297,565,471
$75,000 under $100,000	1,263,409	1,543,398	107,424,625	131,616,441	82,293,087	100,413,647
$100,000 under $150,000	706,248	1,152,431	84,315,947	152,495,909	90,834,865	117,868,659
$150,000 under $200,000	203,109		34,884,492			
$200,000 under $300,000	152,523	306,148	36,457,244	87,234,337	52,919,889	68,410,763
$300,000 under $500,000	85,565		32,529,032			
$500,000 under $1,000,000	41,107	56,746	27,541,427	37,140,292	21,269,595	30,526,547
$1,000,000 or more	17,312	35,875	40,099,667	82,274,749	32,087,247	66,252,503

Size of adjusted gross income	Total income tax[4]		Percentage of returns showing no total income tax		Returns showing total income tax			
					Average tax (whole dollars)		Tax as percentage of AGI	
	1985	p1986	1985	p1986	1985	p1986	1985	p1986
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total	**325,710,254**	**377,050,937**	**18.5**	**18.4**	**3,931**	**4,471**	**14.4**	**r15.2**
Less than $1,000[2,3]	185,922	211,733	99.7	99.5	16,964	15,137	—	—
$1,000 under $3,000	41,698	59,322	94.4	94.0	111	142	5.4	r7.1
$3,000 under $5,000	347,878	326,125	48.2	52.0	100	98	2.4	r2.3
$5,000 under $7,000	1,193,043	1,041,027	33.9	35.1	275	248	4.6r	r4.1
$7,000 under $9,000	2,259,763	1,962,638	26.3	r29.0	460	445	5.7	r5.5
$9,000 under $11,000	r3,480,779	3,221,722	11.8	13.3	633	603	6.3	r6.0
$11,000 under $13,000	4,548,843	4,333,337	5.9	6.3	865	833	7.2	r6.9
$13,000 under $15,000	5,789,495	5,466,711	3.9	3.9	1,119	1,073	8.0	r7.7
$15,000 under $17,000	6,534,361	6,334,407	2.9	2.4	1,375	1,361	8.6	r8.5
$17,000 under $19,000	7,482,062	7,303,995	2.3	1.6	1,686	1,645	9.4	r9.1
$19,000 under $22,000	12,203,165	11,990,139	2.0	1.2	2,044	1,991	10.0	r9.7
$22,000 under $25,000	r12,275,305	12,687,967	1.6	0.8	2,469	2,454	10.5	r10.5
$25,000 under $30,000	r22,916,849	22,808,328	1.0	0.6	3,103	3,042	11.3	r11.1
$30,000 under $35,000	25,080,332	48,781,218	.8	0.5	3,919	4,249	12.1	r12.3
$35,000 under $40,000	24,713,424		.8		4,803		12.8	
$40,000 under $50,000	41,501,665	46,057,420	.4	0.1	6,215	6,136	14.0	13.8
$50,000 under $75,000	56,064,781	62,873,790	.2	0.2	9,984	9,732	16.8	16.4
$75,000 under $100,000	21,794,656	26,231,288	.3	0.2	17,297	17,029	20.3	r20.0
$100,000 under $150,000	19,895,978	38,542,715	.4	0.2	28,296	33,495	23.7	25.3
$150,000 under $200,000	9,760,959		.1		48,128		28.0	
$200,000 under $300,000	11,362,146	28,726,392	.2	0.2	74,658	94,001	31.2	r33.0
$300,000 under $500,000	10,670,832		.2		124,947		32.9	
$500,000 under $1,000,000	9,878,188	14,396,794	.2	0.1	240,714	254,001	35.9	38.8
$1,000,000 or more	15,728,128	33,693,869	.3	0.1	910,931	940,434	39.3	41.0

See notes following Table 20.

Table 4.—Reconcilation of Adjusted Gross Income (AGI) and Personal Income Used in the National Income and Product Accounts (NIPA), Selected Years, 1970–1985

[All figures are estimates—money amounts are in billions of dollars]

Income and adjustment items	1970	1975	1980	1983	1984	1985
	(1)	(2)	(3)	(4)	(5)	(6)
1. Personal income (per NIPA)	**831.8**	**1,313.4**	**2,258.5**	**2,838.6**	**3,108.7**	**3,327.0**
2. Portion of personal income not included in AGI	**181.2**	**350.5**	**608.5**	**887.2**	**936.2**	**1,015.4**
Transfer payments (except taxable military pay and taxable Government pensions)	79.3	176.9	290.3	388.5	373.9	400.3
Other labor income (except fees)	31.9	65.0	136.5	171.7	180.0	189.1
Imputed income	25.5	33.4	45.1	54.4	49.4	59.1
Investment income received by nonprofit institutions or retained by fiduciaries	7.7	11.2	21.7	28.7	31.6	35.9
Investment income retained by life insurance carriers and noninsured pension funds[1]	12.5	23.5	59.9	86.8	98.4	106.3
Differences in accounting treatment (NIPA vs. IRS)	8.5	16.0	14.1	50.6	79.8	89.0
Other excluded or exempt income	15.8	24.4	41.0	106.5	123.0	135.7
3. Portion of AGI not included in personal income	**47.7**	**85.1**	**157.8**	**224.9**	**252.7**	**300.0**
Personal contributions for social insurance	27.9	50.4	88.6	120.1	132.7	148.9
Net capital gain from sales of property	8.9	14.2	29.7	50.6	56.2	68.4
Taxable private pensions	6.3	13.1	28.3	49.4	58.4	72.9
S Corporation income (taxed through shareholders)	1.7	2.1	.7	2.0	6.2	7.9
Other taxable income	2.9	5.4	10.5	2.9	−.8	1.9
4. Total net adjustment for conceptual differences (line 2 minus line 3)	**133.5**	**265.4**	**450.7**	**662.3**	**683.5**	**715.4**
5. Estimated total AGI (per NIPA) (line 1 minus line 4)	**698.3**	**1,048.0**	**1,807.9**	**2,176.3**	**2,425.2**	**2,611.6**
6. Adjusted gross income (AGI) (SOI)	**631.7**	**947.8**	**1,613.7**	**1,942.6**	**2,139.9**	**p2,321.9[2]**
7. Estimated difference in AGI (NIPA vs. SOI) (line 5 minus line 6)[3]	**66.6**	**100.2**	**194.1**	**233.7**	**285.3**	**289.7**

See notes following Table 20.

Table 5.—Personal Income and Total Adjusted Gross Income Based on Individual Income Tax Returns per National Income and Product Accounts (NIPA), Tax Years 1947–1986

[All figures are estimates—money amounts are in billions of dollars]

Tax year	Personal income (per NIPA)[1]	Total adjusted gross income (AGI) (per NIPA)[1]	Difference	
			Amount	Percentage of personal income
	(1)	(2)	(3)	(4)
1947	190.2	170.6	19.6	10.3
1948	209.2	184.6	24.6	11.8
1949	206.4	181.7	24.7	12.0
1950	228.1	201.4	26.7	11.7
1951	256.5	228.8	27.7	10.8
1952	273.8	241.8	32.0	11.7
1953	290.5	257.1	33.4	11.5
1954	293.0	256.4	36.6	12.5
1955	314.2	277.1	37.1	11.8
1956	337.2	297.9	39.3	11.7
1957	356.3	310.7	45.6	12.8
1958	367.1	316.0	51.1	13.9
1959	390.7	338.7	52.0	13.3
1960	409.4	352.5	56.9	13.9
1961	426.0	365.8	60.2	14.1
1962	453.2	387.8	65.4	14.4
1963	476.3	408.7	67.6	14.2
1964	510.2	442.0	68.2	13.4
1965	552.0	479.4	72.6	13.2
1966	600.8	520.0	80.8	13.4
1967	644.5	555.4	89.1	13.8
1968	707.2	610.0	97.2	13.7
1969	772.9	663.4	109.5	14.2
1970	831.8	698.3	133.5	16.0
1971	894.0	745.6	148.4	16.6
1972	981.6	824.7	156.9	16.0
1973	1,101.7	926.0	175.7	15.9
1974	1,210.1	1,004.0	206.1	17.0
1975	1,313.4	1,048.0	265.4	20.2
1976	1,451.4	1,166.7	284.7	19.6
1977	1,607.5	1,297.0	310.5	19.3
1978	1,812.4	1,466.9	345.5	19.1
1979	2,034.0	1,647.3	386.7	19.0
1980	2,258.5	1,807.9	450.6	20.0
1981	2,520.9	1,990.0	530.9	21.1
1982	2,670.8	2,059.4	611.4	22.9
1983	2,838.6	2,176.3	662.3	23.3
1984	3,108.7	2,425.2	683.5	22.0
p1985	3,327.0	2,611.6	715.4	21.5
p1986	3,534.3	n.a.	n.a.	n.a.

See notes following Table 20.

Table 6.—Total Adjusted Gross Income Estimated from National Income and Product Accounts (NIPA) and Adjusted Gross Income Reported on Individual Income Tax Returns per SOI, Tax Years 1947–1986

[All figures are estimates—money amounts are in billions of dollars]

Tax year	Adjusted gross income (AGI)		Difference	
	Total (per NIPA)[1]	Reported on tax returns (per SOI)	Amount	Percentage of total
	(1)	(2)	(3)	(4)
1947	170.6	149.7	20.9	12.3
1948	184.6	163.6	21.0	11.4
1949	181.7	160.6	21.1	11.6
1950	201.4	179.1	22.3	11.1
1951	228.8	202.4	26.4	11.5
1952	241.8	215.3	26.5	11.0
1953	257.1	228.7	28.4	11.0
1954	256.4	229.2	27.2	10.6
1955	277.1	248.5	28.6	10.3
1956	279.9	267.8	30.1	10.1
1957	310.7	280.4	30.3	9.8
1958	316.0	281.2	34.8	11.0
1959	338.7	305.1	33.6	9.9
1960	352.5	315.5	37.0	10.5
1961	365.8	329.9	35.9	9.8
1962	387.8	348.7	39.1	10.1
1963	408.7	368.8	39.9	9.8
1964	442.0	396.7	45.3	10.2
1965	479.4	429.2	50.2	10.5
1966	520.0	468.5	51.5	9.9
1967	555.4	504.8	50.6	9.1
1968	610.0	554.4	55.6	9.1
1969	663.4	603.5	59.9	9.0
1970	698.3	631.7	66.6	9.5
1971	745.6	673.6	72.0	9.7
1972	824.7	746.0	78.7	9.5
1973	926.0	827.1	98.9	10.7
1974	1,004.0	905.5	98.5	9.8
1975	1,048.0	947.8	100.2	9.6
1976	1,166.7	1,053.9	112.8	9.7
1977	1,297.0	1,158.5	138.5	10.7
1978	1,466.9	1,302.4	164.5	11.2
1979	1,647.3	1,465.4	181.9	11.0
1980	1,807.9	1,613.7	194.2	10.7
1981	1,990.0	1,772.6	217.4	10.9
1982	2,059.4	1,852.1	207.3	10.1
1983	2,176.3	1,942.6	233.7	10.7
1984	2,425.2	2,139.9	r285.3	11.8
1985	p2,611.6	2,306.0	(2)	(2)
p1986	3,534.3	2,522.5	(2)	(2)

See notes following Table 20.

Table 7.—Standard, Itemized, and Total Deductions Reported on Individual Income Tax Returns, Tax Years 1944–1986

[All figures are estimates based on samples—number of returns are in millions; money amounts are in billions of dollars]

Tax Year	Total number of returns	Standard deduction[1]		Itemized deductions		Total deductions	
		Number of returns[2]	Amount	Number of returns[2]	Amount[3]	Amount	Percentage of adjusted gross income (AGI)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1944	47.1	38.7	8.0	8.4	4.8	12.8	11.0
1945	49.9	41.5	8.1	8.5	5.5	13.6	11.3
1946	52.8	44.1	8.9	8.8	6.3	15.2	11.3
1947	55.1	44.7	9.8	10.4	7.8	17.6	11.8
1948	52.1	43.2	11.5	8.8	7.9	19.4	11.9
1949	51.8	42.1	11.1	9.7	8.8	19.9	12.4
1950	53.1	42.7	12.0	10.3	9.9	21.9	12.2
1951	55.4	43.9	13.3	11.6	11.9	25.2	12.5
1952	56.5	43.7	13.7	12.8	13.6	27.3	12.7
1953	57.8	43.4	14.2	14.4	15.6	29.8	13.0
1954	56.7	41.0	13.3	15.7	17.4	30.7	13.4
1955	58.3	41.4	13.6	16.9	20.0	33.6	13.5
1956	59.2	40.7	13.8	18.5	22.6	36.4	13.6
1957	59.8	39.7	13.8	20.2	25.7	39.5	14.1
1958	59.1	38.3	13.2	20.8	27.5	40.7	14.5
1959	60.3	37.8	13.4	22.5	32.0	45.4	14.9
1960	61.0	36.9	13.1	24.1	35.3	48.4	15.3
1961	61.5	36.2	12.9	25.3	38.4	51.3	15.6
1962	62.7	36.3	13.1	26.5	41.7	54.8	15.7
1963	63.9	35.8	13.1	28.2	46.1	59.2	16.1
1964	65.4	38.5	20.2	26.9	46.8	67.0	16.9
1965	67.6	39.7	20.6	27.9	50.7	71.4	16.6
1966	70.2	41.6	21.8	28.6	54.6	76.4	16.3
1967	71.7	41.9	22.1	29.8	59.6	81.7	16.2
1968	73.7	41.7	22.1	32.0	69.2	91.3	16.4
1969	75.8	40.9	21.6	34.9	80.2	101.8	16.8
1970	74.3	38.8	32.4	35.4	88.2	120.5	19.0
1971	74.6	43.9	48.1	30.7	91.9	139.9	20.7
1972	77.6	50.6	69.8	27.0	96.7	166.4	22.2
1973	80.7	52.6	73.6	28.0	107.0	180.6	21.8
1974	83.3	53.8	76.1	29.6	119.4	195.5	21.6
1975	82.2	56.1	100.9	26.1	122.3	r233.2	23.5
1976	84.7	58.7	113.8	26.0	133.9	247.6	23.5
1977	86.6	63.7	137.7	22.9	138.5	276.2	23.8
1978	89.8	64.0	139.8	25.8	164.4	r304.3	23.4
1979	92.7	66.2	148.8	26.5	184.2	333.0	22.7
1980	93.9	65.0	146.0	29.0	218.0	r346.0	22.6
1981	95.4	63.8	144.7	31.6	256.4	401.2	22.6
1982	95.3	61.9	140.2	33.4	284.5	425.2[4]	22.9
1983	96.3	61.1	138.5	35.2	309.6	448.7[4]	23.1
1984	99.4	61.2	139.5	38.2	358.9	499.6[4]	23.3
1985	101.7	61.8	145.0	39.8	405.0	554.7[4]	23.9
p1986	103.3	62.5	151.5	40.8	446.5	611.4[4]	r23.9

See notes following Table 20.

Table 8.—Personal Income Per National Income and Product Accounts (NIPA) and Taxable Income, and Individual Income Tax Per SOI, Tax Years 1947–1986

[All figures are estimates—money amounts are in billions of dollars]

Tax year	Personal income (per NIPA)[1]	Taxable income (per SOI)[2]		Total income tax (per SOI)[3]		
		Amount	As a percentage of personal income	Total	As a percentage of— Personal income	As a percentage of— Taxable income
	(1)	(2)	(3)	(4)	(5)	(6)
1947	190.2	75.4	39.6	18.1	9.5	24.0
1948	209.2	74.8	35.8	15.4	7.4	20.6
1949	206.4	71.7	34.7	14.5	7.0	20.2
1950	228.1	84.3	37.0	18.4	8.1	21.8
1951	256.5	99.2	38.7	24.2	9.4	25.9
1952	273.8	107.2	39.2	27.8	10.2	25.9
1953	290.5	114.3	39.3	29.4	10.1	25.7
1954	293.0	115.3	39.4	26.7	9.1	23.2
1955	314.2	128.0	40.7	29.6	9.4	23.1
1956	337.2	141.5	42.0	32.7	9.7	23.1
1957	356.3	149.4	41.9	34.4	9.7	23.0
1958	367.1	149.3	40.7	34.3	9.3	23.0
1959	390.7	166.5	42.6	38.6	9.9	23.2
1960	409.4	171.6	41.9	39.5	9.6	23.0
1961	426.0	181.8	42.7	42.2	9.9	23.2
1962	453.2	195.3	43.1	44.9	9.9	23.0
1963	476.3	209.1	43.9	48.2	10.1	23.1
1964	510.2	229.9	45.1	47.2	9.3	20.5
1965	552.0	255.1	46.2	49.6	9.0	19.4
1966	600.8	286.3	47.7	56.1	9.3	19.6
1967	644.5	315.1	48.9	63.0	9.8	20.0
1968	707.2	352.8	49.9	76.7	10.8	21.7
1969	772.9	388.8	50.3	86.6	11.2	22.3
1970	831.8	401.2	48.2	83.9	10.1	20.9
1971	894.0	414.0	46.3	85.4	9.6	20.6
1972	981.6	447.6	45.6	93.6	9.5	20.9
1973	1,101.7	511.9	46.5	108.1	9.8	21.1
1974	1,210.1	573.6	47.4	123.6	10.2	21.5
1975	1,313.4	595.5	45.3	124.5	9.5	20.9
1976	1,451.4	674.9	46.5	141.8	9.8	21.0
1977	1,607.5	733.8	45.6	159.8	9.9	21.8
1978	1,812.4	846.4	46.7	188.2	10.4	22.2
1979	2,034.0	926.6	45.6	214.5	10.5	23.2
1980	2,258.5	1,045.2	46.3	250.3	11.1	24.0
1981	2,520.9	1,170.1	46.4	284.1	11.3	24.3
1982	2,670.8	1,231.9	46.1	277.6	10.4	22.6
1983	2,838.6	1,300.2	45.8	274.2	9.7	21.1
1984	3,108.7	1,447.0	46.5	301.9	9.7	20.9
1985	3,327.0	1,550.5r	46.6	325.7	9.8	21.0
p1986	3,534.3	1,694.0	([4])	377.1	([4])	22.2

See notes following Table 20.

Table 9.—Number of Individual Income Tax Returns, by Type of Tax Settlement, Tax Years 1944–1986

[All figures are estimates based on samples—number of returns are in millions].

Tax year	Total number of returns	Returns with—		No overpayments or tax due at time of filing[1]
		Tax due at time of filing[1]	Overpayments[1]	
	(1)	(2)	(3)	(4)
1944	47.1	22.6	22.9	1.6
1945	49.9	14.5	33.5	1.9
1946	52.8	13.6	34.4	4.8
1947	55.1	15.3	33.0	6.7
1948	52.1	8.1	38.4	5.6
1949	51.8	13.8	30.2	7.9
1950	53.1	14.3	32.0	6.8
1951	55.4	18.6	31.0	.8
1952	56.5	19.3	32.1	5.1
1953	57.8	19.0	32.7	6.2
1954	56.7	16.6	35.2	5.0
1955	58.3	18.7	35.4	4.2
1956	59.2	19.4	36.1	3.7
1957	59.8	18.6	37.6	3.6
1958	59.1	18.1	37.4	3.6
1959	60.3	19.1	38.4	2.8
1960	61.0	18.1	39.4	3.5
1961	61.5	18.6	40.0	2.9
1962	62.7	18.7	40.9	3.1
1963	63.9	19.3	41.4	3.3
1964	65.4	22.5	39.3	3.5
1965	67.6	20.0	44.3	3.2
1966	70.2	17.8	49.4	3.0
1967	71.7	17.5	51.2	3.0
1968	73.7	20.3	50.6	2.8
1969	75.8	17.9	54.9	3.0
1970	74.3	16.5	55.3	2.5
1971	74.6	17.0	55.3	2.4
1972	77.6	11.9	63.3	2.3
1973	80.7	14.2	64.2	2.2
1974	83.3	15.4	65.8	2.1
1975	82.2	15.8	63.8	2.6
1976	84.7	16.9	65.0	2.8
1977	86.6	17.8	66.0	2.8
1978	89.8	21.6	65.5	2.7
1979	92.7	18.8	71.4	2.4
1980	93.9	21.8	69.9	2.3
1981	95.4	23.0	70.0	2.4
1982	95.3	20.3	72.4	2.6
1983	96.3	18.5	75.0	r2.9
1984	99.4	21.2	75.6	2.7
1985	101.7	21.2	77.4	r3.0
p1986	103.3	21.4	r78.5	r3.4

See notes following Table 20.

Table 10.—Nonfarm Sole Proprietorship Returns: Selected Income and Deduction Items for Selected Income Years, 1970–1986

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

Item	1970	1975	1980	1984	1985	1986
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns, total	**5,769,741**	**7,221,346**	**8,931,712**	**11,262,390**	**11,928,573**	**12,393,700**
Number with net income	n.a.	n.a.	n.a.	8,002,865	8,640,701	9,247,806
Inventory, end of year	**11,060,775**	**15,578,040**	**21,996,236**	**23,232,929**	**24,969,895**	**24,476,892**
Business receipts, total	**198,582,172**	**273,954,741**	**411,205,713**	**516,036,944**	**540,045,430**	**559,384,259**
Income from sales and operations	n.a.	272,342,560	407,169,299	507,234,292	528,675,271	r548,293,173
Total deductions	**168,044,746**	**234,318,288**	**356,258,495**	**445,270,334**	**461,272,852**	**468,960,496**
Cost of sales and operations	109,148,811	146,261,435	209,889,809	229,905,960	232,294,132	232,134,760
Purchases	88,585,913	117,722,352	168,301,517	n.a.	n.a.	n.a.
Cost of labor	7,704,285	8,791,083	10,922,221	13,008,803	14,504,201	17,317,871
Materials and supplies	6,216,057	9,090,638	12,909,222	n.a.	n.a.	n.a.
Commissions	1,274,016	2,225,830	3,333,345	n.a.	n.a.	5,461,118
Net salaries and wages	15,107,047	20,227,859	26,560,821	34,686,204	38,265,691	38,691,599
Car and truck expenses	n.a.	n.a.	13,378,289	17,523,807	17,044,421	16,380,826
Rent paid	4,636,528	6,676,314	9,636,290	14,278,260	15,258,690	15,653,599
Repairs	2,444,607	3,044,175	5,031,573	n.a.	n.a.	n.a.
Taxes paid	3,775,502	5,423,961	7,672,459	n.a.	n.a.	n.a.
Utilities	n.a.	n.a.	4,790,337	n.a.	n.a.	12,644,624
Insurance	2,309,608	3,503,812	6,003,126	n.a.	n.a.	10,783,481
Interest paid	1,784,276	3,390,845	7,190,257	11,025,276	11,913,982	11,504,437
Depreciation	5,451,525	7,958,143	13,952,703	23,900,034	26,291,389	26,418,043
Pension and profit sharing plans	72,741	125,296	141,463	258,070	311,323	638,262
Net income (less deficit)	**30,537,426**	**39,636,453r**	**54,947,219**	**70,766,610**	**78,772,578**	**90,423,763**
Net income	33,735,732	45,624,890	68,010,051	89,849,570	98,775,563	110,496,952
Deficit	3,198,306	5,988,437	13,062,832	19,082,960	20,002,986	20,073,189

See notes following Table 20.

Table 11.—Partnership Returns: Balance Sheet Items and Selected Income Statement for Selected Income Years, 1970–1986

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

Item	1970	1975	1980	1984	1985	1986
	(1)	(2)	(3)	(4)	(5)	(6)
Total number of active partnerships	**936,133**	**1,073,094**	**1,379,654**	**1,643,581**	**1,713,603**	**1,702,952**
Number with net income	639,795	661,134	774,173	844,738	875,846	850,884
Number with balance sheets	555,741	783,271	1,194,236	1,201,320	1,227,498	1,202,737
Number of partners	**3,697,818**	**4,950,634**	**8,419,899**	**12,426,721**	**13,244,824**	**15,301,345**
Total assets[1]	**116,752,751**	**235,468,301**	**597,503,923**	**1,030,848,519**	**1,269,434,302**	**1,403,750,213**
Depreciable assets (net)	n.a.	113,124,969	239,139,823	581,643,219	695,878,822	779,936,070
Inventories, end of year	n.a.	11,985,431	33,218,272	39,446,014	27,279,234	27,463,816
Land	n.a.	36,731,958	70,241,248	122,036,819	152,179,314	179,141,689
Total liabilities[1]	**n.a.**	**193,875,629**	**488,734,023**	**1,030,848,464**	**1,269,434,367**	**1,403,750,220**
Accounts payable	n.a.	12,302,055	33,899,048	32,780,197	40,871,755	43,621,862
Short-term debt[2]	n.a.	22,709,476	48,001,839	68,625,844	102,760,363	92,456,724
Long-term debt[3]	n.a.	136,296,764	178,044,406	322,327,016	93,319,855	429,195,599
Nonrecourse loans	n.a.	n.a.	118,910,380	260,167,109	327,558,208	365,044,180
Partners' capital accounts	**n.a.**	**41,592,672**	**108,769,900**	**1,754,754,922**	**200,212,653**	**228,022,656**
Total receipts[4]	**93,348,080**	**148,417,529**	**291,998,115**	**375,192,511**	**367,117,316**	**397,302,544**
Business receipts	90,208,834	142,505,781	271,108,832	318,342,380	302,733,374	327,428,647
Interest received	942,304	2,477,173	10,869,323	16,651,205	20,558,966	21,715,994
Total deductions[4]	**83,557,684**	**140,679,959**	**283,749,460**	**378,692,535**	**376,000,991**	**r414,673,405**
Cost of sales and operations	46,040,874	64,672,843	113,885,668	180,857,822	146,315,315	164,167,707
Purchases	31,820,581	42,608,734	70,439,607	100,358,781	91,925,923	100,010,383
Cost of labor	4,146,927	4,585,836	7,015,547	7,826,231	8,845,106	9,789,253
Salaries and wages[4]	8,129,233	12,489,039	22,336,337	28,522,626	33,884,204	36,304,654
Taxes paid	3,159,258	5,770,918	9,553,145	6,673,186	7,745,756	7,866,233
Interest paid[4]	4,470,206	12,097,100	28,362,385	25,437,588	28,674,933	29,452,297
Depreciation[4,5]	4,578,820	10,108,834	21,576,189	46,939,395	53,650,790	r59,847,381
Net income (less deficit)	**9,790,396**	**7,737,570**	**8,248,655**	**−3,500,024**	**−8,883,674**	**−17,370,860**
Net income	14,419,124	22,431,931	45,061,756	69,696,922	77,044,693	80,214,873
Deficit	4,628,728	14,694,361	36,813,100	73,196,946	85,928,367	97,585,733

See notes following Table 20.

Table 12.—Number of Business Income Tax Returns, by Size of Business, for Selected Years 1970–1986

[All figures are estimates based on samples—number of businesses are in thousands]

Size of business	Number of businesses for—					
	1970	1975	1980	1984	1985	1986
	(1)	(2)	(3)	(4)	(5)	(6)
CORPORATIONS						
Receipt size[1]						
Under $25,000[2]	451.9	468.9	557.0	686.1	710.8	n.a.
$25,000 under $50,000	170.7	186.4	207.7	212.5	236.6	n.a.
$50,000 under $100,000	219.8	260.7	322.7	338.7	330.2	n.a.
$100,000 under $250,000	} 516.9	673.9	558.4	615.2	620.5	n.a.
$250,000 under $500,000			367.3	468.4	489.2	n.a.
$500,000 under $1,000,000	141.1	184.2	279.8	344.8	352.4	n.a.
$1,000,000 or more	165.0	249.5	417.7	505.0	537.6	n.a.
Asset size						
Under $100,000[3]	961.0	1,177.7	1,514.6	1,773.7	1,833.5	n.a.
$100,000 under $1 million	599.1	704.6	968.9	1,119.8	1,152.5	n.a.
$1 million under $10 million	87.0	116.4	191.8	232.9	245.4	n.a.
$10 million under $25 million	9.8	12.2	16.6	20.8	20.9	n.a.
$25 million under $50 million	3.9	5.6	7.8	10.1	10.4	n.a.
$50 million under $100 million	2.1	3.1	4.8	6.0	6.2	n.a.
$100 million under $250 million	1.4	2.1	3.2	3.8	4.4	n.a.
$250 million and over	1.2	1.9	2.9	3.7	4.1	n.a.
PARTNERSHIPS						
Receipt size[1]						
Under $25,000[2]	501.7	549.7	638.0	r820.4[4]	840.1[4]	836.6[4]
$25,000 under $50,000	125.2	141.0	181.8	r197.3	195.5	182.9
$50,000 under $100,000	119.6	133.7	183.6	r200.5	199.5	204.5
$100,000 under $200,000	97.2	114.0	155.2	r162.8	190.1	184.0
$200,000 under $500,000	65.2	90.6	135.6	r149.9	165.5	165.1
$500,000 under $1,000,000	17.0	25.5	48.1	r60.6	66.9	69.1
$1,000,000 or more	10.3	18.6	37.4	r52.1	56.0	60.7
Asset size[5]						
Under $25,000[3]	635.7	611.0	541.9	773.8	794.1	774.9
$25,000 under $50,000	80.8	105.9	156.3	118.6	132.7	142.4
$50,000 under $1,000,000	73.5	106.8	180.2	170.5	165.8	140.4
$100,000 under $200,000	74.7	116.0	219.1	208.5	210.9	214.4
$200,000 – $500,000	33.8	56.9	117.9	129.0	142.8	147.4
$500,000 – $1,000,000	19.3	35.3	72.1	93.8	100.0	99.8
$1,000,000 or more	18.3	41.2	92.2	149.4	167.2	183.3
NONFARM SOLE PROPRIETORSHIPS						
Receipt size						
$2,500[2]	1,894.3	2,299.9	2,783.1	2,988.9	3,067.5	3,178,358
$2,500 under $5,000	815.1	959.4	1,158.6	1,324.4	1,444.6	1,495,149
$5,000 under $10,000	891.5	1,041.7	1,262.9	1,482.4	1,633.6	1,666,017
$10,000 under $25,000	1,137.4	1,325.7	1,711.8	2,036.4	2,104.6	2,175,296
$25,000 under $50,000	746.4	849.5	1,079.1	1,261.3	1,393.9	1,466,623
$50,000 under $100,000	562.0	644.5	835.6	1,061.3	1,094.1	1,138,276
$100,000 under $200,000	297.4	380.9 }	795.8	984.4	1,060.2	1,140,888
$200,000 under $500,000	122.3	209.2				
$500,000 under $1,000,000	20.8	35.3	73.9	r86.4	89.3	95,412
$1,000,000 or more	6.6	13.5	29.2	36.8	40.7	37,671

See notes following Table 20.

Table 13.—Corporation Income Tax Returns: Balance Sheet, Income Statement, and Tax Items for Selected Income Years, 1970–1985

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

Items	1970	1975	1980	1983	1984	1985
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns, total	**1,665,477**	**2,023,647**	**2,710,538**	**2,999,071**	**3,170,743**	**3,277,219**
Number with net income	1,008,337	1,226,208	1,596,632	1,676,288	1,777,770	1,820,120
Consolidated returns[1,2]	19,871	38,307	57,890	73,645	80,256	79,598
S Corporation returns[2,3]	257,475	358,413	545,389	648,267	701,339	724,749
DISC returns[2,4]	N/A	6,431	8,665	9,898	12,480	1,383
FSC returns[2,5]	N/A	N/A	N/A	N/A	N/A	2,341
Total assets	**2,634,706,564**	**4,286,556,273**	**7,617,238,403**	**10,201,084,144**	**11,106,701,948**	**12,773,093,888**
Cash	176,924,573	290,426,439	528,914,747	590,386,817	595,773,262	683,204,264
Notes and accounts receivable	614,667,367	1,051,542,806	1,984,601,790	2,677,367,962	2,896,980,896	3,317,635,191
Less: Allowance for bad debts	20,030,327	31,032,998	50,057,307	51,162,613	54,341,671	61,580,335
Inventories	190,401,642	317,718,545	534,806,547	599,445,162	664,243,060	714,722,928
Investments in Government obligations	196,625,390	316,131,699	472,059,737	685,146,228	725,695,801	916,550,098
Other current assets	73,058,482	145,101,716	310,177,160	433,594,597	513,743,712	629,136,396
Loans to stockholders	4,774,082	9,355,636	29,873,250	47,836,294	58,430,009	56,761,232
Mortgage and real estate loans	327,593,354	548,054,483	894,323,489	982,415,018	1,126,962,114	1,258,672,577
Other investments	401,389,022	626,266,074	1,213,986,210	1,798,295,351	1,972,830,815	2,413,551,474
Depreciable assets	868,908,018	1,276,564,500	2,107,027,914	2,730,371,698	2,913,301,626	3,174,193,649
Less: Accumulated depreciation	334,646,086	483,798,526	767,841,763	1,024,756,282	1,116,171,771	1,232,072,530
Depletable assets	18,517,264	38,511,396	71,901,490	107,958,232	114,808,431	112,339,389
Less: Accumulated depletion	6,774,796	14,501,561	19,569,556	32,682,172	36,340,299	37,203,920
Land	46,626,157	66,819,206	92,931,935	119,350,378	128,269,064	141,448,357
Intangible assets (amortizable)	12,818,168	12,823,183	45,480,694	87,852,590	117,467,829	145,290,625
Less: Accumulated amortization	5,984,184	4,491,990	18,393,037	25,062,592	36,190,604	42,505,240
Other assets	69,838,438	121,065,665	187,015,106	474,727,482	521,126,077	582,949,738
Total liabilities	**2,634,706,564**	**4,286,556,273**	**7,617,238,403**	**10,201,084,144**	**11,106,701,948**	**12,773,093,888**
Accounts payable	148,812,597	263,417,584	542,172,368	671,495,438	741,372,874	891,571,443
Mortgages, notes, and bonds payable in less than 1 year	170,884,261	272,123,551	504,802,288	759,536,076	866,546,604	1,001,337,795
Other current liabilities	892,218,397	1,577,425,991	2,706,796,360	3,513,512,199	3,760,174,725	4,234,983,432
Loans from stockholders	24,573,814	38,143,936	85,718,510	131,025,956	145,250,514	174,317,253
Mortgages, notes, and bonds payable in 1 year or more	362,700,303	586,703,526	986,663,932	1,323,209,421	1,494,350,573	1,699,272,481
Other liabilities	283,106,029	451,676,880	846,696,691	1,156,873,507	1,214,879,371	1,467,912,913
Capital stock	201,213,719	251,715,862	417,153,783	787,278,549	839,344,197	920,182,882
Paid-in or capital surplus	196,642,421	298,534,854	532,039,407	873,620,667	1,066,288,359	1,420,996,805
Retained earnings, appropriated	16,657,051	29,955,676	41,461,644	52,538,370	51,100,507	54,074,364
Retained earnings, unappropriated	349,225,750	537,631,026	1,027,902,049	1,221,793,087	1,256,771,201	1,311,512,589
Less: Cost of treasury stock	11,327,778	20,772,613	74,168,627	289,799,122	329,376,924	403,068,064
Total receipts	**1,750,776,503**	**3,198,627,860**	**6,361,284,012**	**7,135,494,059**	**r7,860,711,226[6]**	**8,398,278,426[6]**
Business receipts	1,620,886,576	2,961,729,640	5,731,616,337	6,334,602,711	6,948,481,893	7,369,538,953
Interest on State and local Government obligations	3,775,917	6,711,606	12,620,876	16,667,263	16,613,501	20,164,514
Other interest	67,794,508	136,587,304	354,243,674	496,648,009[7]	r566,537,974[7]	617,622,425[7]
Dividends received from domestic corporations	5,238,421	8,818,282	18,654,800	19,696,776	21,185,391	16,967,379
Dividends received from foreign corporations	3,466,515	5,467,726	14,563,353	13,892,070	15,373,474	20,770,361
Rents	13,938,502	21,765,130	41,371,141	69,580,411	75,834,113	89,700,937
Royalties	2,586,387	5,167,141	12,450,250	13,876,095	14,535,929	15,237,421
Net short-term capital gain reduced by net long-term capital loss	190,439	301,601	2,013,510	5,048,854	3,233,999[6]	7,032,062[6]
Net long-term capital gain reduced by net short-term capital loss	5,481,580	8,364,523	24,910,957	33,924,549	38,518,792	53,771,685
Net gain, noncapital assets	5,315,562	7,757,287	20,117,615	26,134,711	26,506,096	33,537,842
Other receipts	22,102,096	35,957,620	128,721,498	105,422,613	133,948,728	153,934,848

Table 13.(Continued)—Corporation Income Tax Returns: Balance Sheet, Income Statement, and Tax Items for Selected Income Years, 1970–1985

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

Items	1970	1975	1980	1983	1984	1985
	(1)	(2)	(3)	(4)	(5)	(6)
Total deductions	**1,682,778,847**	**3,052,674,597**	**6,125,365,155**	**6,945,457,358**	**7,628,772,066**	**8,158,144,126**
Cost of sales and operations	1,146,263,273	2,129,928,467	4,204,905,905	4,308,238,989	4,692,505,746	4,894,254,081
Compensation of officers	32,846,381	57,832,552	108,973,751	141,193,212	157,028,565	170,737,540
Repairs	13,986,819	23,422,171	42,407,967	74,652,495	76,367,591	81,495,784
Bad debts	6,479,814	13,781,147	18,769,771	30,543,184	33,803,267	43,333,588
Rent paid on business property	23,842,355	40,769,829	71,990,832	104,717,965	119,476,469	134,661,335
Taxes paid	49,523,243	81,530,302	163,003,622	173,420,116	191,748,629	200,977,161
Interest paid	62,055,010	129,307,921	344,612,542	475,060,444	535,814,101	568,645,475
Contributions or gifts	797,029	1,202,130	2,358,554	3,626,605	4,057,112	4,471,736
Amortization	745,005	717,398	1,374,658	4,309,952	5,170,089	6,133,737
Depreciation	52,941,266	86,295,664	157,345,828	241,491,819	264,882,261	304,380,703
Depletion	5,623,339	5,341,489	8,871,993	7,574,216	8,051,260	7,779,731
Advertising	18,089,097	26,605,786	52,266,004	72,393,870	82,023,440	91,922,667
Pension, profit-sharing, stock bonus, and annuity plans	12,225,912	26,526,129	51,529,310	54,355,062	52,555,188	49,588,712
Employee benefit programs	7,398,283	15,690,563	40,179,104	59,115,141	64,547,638	71,601,577
Net loss, noncapital assets	1,289,305	1,804,079	5,903,104	7,615,697	9,647,008	7,893,175
Other deductions	248,672,716	411,918,970	850,872,216	1,187,148,601	1,331,088,812	1,520,267,133
Total receipts less total deductions	**67,997,656**	**145,953,263**	**235,918,858**	**190,036,702**	**231,939,061**	**240,134,300**
Constructive taxable income from related foreign corporations	1,679,875	3,395,169	15,708,560	14,944,490	17,575,037	20,299,335
Net income (less deficit)	**65,901,614**	**142,636,826**	**239,006,542**	**188,313,928**	**232,900,596[6]**	**240,119,020[6]**
Net income	83,710,924	169,483,336	296,787,201	296,932,146	349,179,415[6]	363,867,384[6]
Deficit	17,809,310	26,846,510	57,780,659	108,618,218	116,278,819[6]	123,748,365[6]
Income subject to tax[8]	**72,374,437**	**146,589,287**	**246,598,486**	**218,686,396**	**257,054,060**	**266,060,609**
Income tax, total	33,293,018[9]	66,144,308	105,142,436	92,218,567	107,968,407	111,340,839
Regular and alternative tax	32,949,937	65,769,822	103,831,172	90,461,858	106,013,271	109,106,358
Tax from recomputing prior-year investment credit	77,832	217,138	867,571	1,175,071	1,382,945	1,497,597
Tax from recomputing prior-year work incentive (WIN) credit	N/A	608	4,873	N/A	N/A	N/A
Additional tax for tax preferences	265,249	156,740	438,820	561,505	544,863	725,878
Foreign tax credit	4,548,986	19,987,724	r24,879,737	19,951,165	21,075,296	24,263,487
U.S. possessions tax credit	N/A	N/A	r1,572,734	r1,966,168	1,978,578	2,450,583
Investment credit	865,954	6,459,746	15,102,812	16,145,173	(10)	(10)
Work incentive (WIN) credit	N/A	5,321	36,483	N/A	N/A	N/A
Jobs credit	N/A	N/A	601,444	449,224	(10)	(10)
Nonconventional source fuel credit	N/A	N/A	2	33,012	69,695	43,267
Alcohol fuel credit	N/A	N/A	4	7,178	(10)	(10)
Research activities credit	N/A	N/A	N/A	1,277,474	1,589,048	1,627,997
Employees stock ownership credit	N/A	N/A	N/A	909,880	(10)	(10)
Orphan drug credit	N/A	N/A	N/A	*236	*105	*204
General business credit	N/A	N/A	N/A	N/A	19,265,475	19,607,097
Distributions to stockholders:						
Cash and property except in own stock	32,012,677	45,224,392	97,378,617	128,298,545	144,871,643	n.a.
Corporation's own stock	1,922,810	2,066,559	3,525,549	4,810,283	5,889,191	n.a.

See notes following Table 20.

Table 14.—Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items by Industrial Division, for Selected Income Years, 1970–1985

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

Industrial division and items	1970	1975	1980	1983	1984	1985
	(1)	(2)	(3)	(4)	(5)	(6)
AGRICULTURE, FORESTRY AND FISHING						
Number of returns, total	37,283	56,280	80,883	92,125	98,361	103,156
Number with net income	19,843	33,328	43,827	47,636	r50,037	52,776
Total assets	11,909,403	21,177,941	40,738,977	50,292,891	50,699,926	52,651,197
Net worth	4,012,068	6,844,949	11,460,935	13,559,332	14,310,555	15,406,221
Total receipts	14,277,707	28,118,514	52,089,915	59,208,642	66,645,119	70,491,486
Business receipts	13,591,763	26,624,149	48,850,056	55,114,507	62,093,338	65,419,402
Interest received	69,742	171,732	476,654	r677,378[1]	723,118[1]	775,383[1]
Total deductions	14,209,713	27,369,286	51,418,280	59,386,796	66,436,289	70,559,478
Cost of sales and operations	10,555,539	19,738,447	35,798,332	38,308,491	42,991,472	45,085,526
Interest paid	356,225	797,420	2,184,441	2,866,689	2,952,198	2,758,952
Net income (less deficit)	65,295	746,908	673,158	−196,528	202,522	−74,270
Net income	493,400	1,493,168	2,464,381	2,499,829	2,874,899	2,930,905
Deficit	428,105	746,260	1,791,222	2,696,357	2,672,377	3,005,175
Income tax before credits	113,115[2]	351,059	533,768	430,119	509,081	540,671
Total income tax after credits[2]	107,023[2]	294,584	422,356	313,537	373,115	344,626
Distributions to stockholders except in own stock	65,824	244,524	304,733	172,301	417,177	n.a.
MINING						
Number of returns, total	14,465	14,242	25,576	37,066	40,564	41,426
Number with net income	7,303	8,297	12,698	15,526	18,177	18,031
Total assets	23,972,812	64,505,341	126,947,880	194,417,434	209,036,474	240,815,996
Net worth	13,381,821	32,765,690	54,068,148	85,602,456	94,335,000	104,772,797
Total receipts	17,747,750	65,909,994	176,672,390	132,419,750	123,496,633	142,038,595
Business receipts	16,699,586	63,670,496	167,397,918	122,510,903	111,030,063	126,710,610
Interest received	176,728	522,757	1,301,266	r2,529,873[1]	3,089,562[1]	3,584,890[1]
Total deductions	15,927,348	42,348,765	169,051,624	134,305,739	124,627,966	145,389,514
Cost of sales and operations	9,955,600	30,171,612	116,989,880	85,540,564	74,213,000	87,972,035
Interest paid	388,032	1,166,182	3,440,080	6,763,864	7,077,300	7,789,995
Net income (less deficit)	1,834,315	23,574,833	7,750,561	−1,586,098	−353,185	−2,543,487
Net income	2,399,507	24,347,893	10,133,685	5,929,343	6,991,815	6,166,623
Deficit	565,192	773,060	2,383,124	7,515,441	7,344,999	8,710,110
Income tax before credits	1,031,550[2]	11,361,037	3,947,569	3,203,406	2,381,154	1,810,559
Total income tax after credits[3]	342,928[2]	1,051,138	1,674,566	1,282,044	1,014,361	557,519
Distributions to stockholders except in own stock	1,127,550	1,015,895	4,757,780	2,710,318	3,057,411	n.a.
CONSTRUCTION						
Number of returns, total	138,905	191,219	272,432	283,519	306,906	318,276
Number with net income	82,078	108,852	150,368	150,138	173,351	185,613
Total assets	42,719,792	76,691,947	132,939,026	161,365,795	195,272,738	215,297,771
Net worth	11,819,604	19,029,077	32,826,174	41,540,682	50,338,974	54,687,270
Total receipts	90,610,644	146,955,117	267,205,356	290,798,843	338,575,635	387,232,953
Business receipts	88,945,385	143,412,715	260,387,692	280,896,210	326,752,784	374,590,273
Interest received	219,698	614,583	2,073,650	r2,762,556[1]	3,540,430[1]	3,851,628[1]
Total deductions	89,070,022	144,717,309	262,116,275	288,574,577	335,696,154	382,823,113
Cost of sales and operations	73,434,969	116,845,554	208,064,925	221,189,268	257,057,538	295,803,244
Interest paid	711,496	1,973,244	4,278,502	4,861,075	5,990,178	6,407,652
Net income (less deficit)	1,538,418	2,236,262	5,271,209	2,265,564	2,906,704	4,370,924
Net income	2,548,013	4,514,864	8,911,143	7,990,419	9,147,150	11,053,145
Deficit	1,009,595	2,278,602	3,639,934	5,724,855	6,240,445	6,682,220
Income tax before credits	776,979[2]	1,320,196	2,521,507	1,859,927	1,767,756	2,312,846
Total income tax after credits[3]	756,637[2]	1,131,960	1,973,659	r1,393,074	1,296,301	1,662,563
Distributions to stockholders except in own stock	299,204	464,553	793,764	846,579	738,873	n.a.
MANUFACTURING						
Number of returns, total	197,807	217,354	242,550	261,927	272,050	276,545
Number with net income	120,814	136,839	153,640	152,304	162,584	159,778
Total assets	612,912,516	944,581,970	1,709,471,700	2,232,987,922	2,417,631,605	2,644,393,424
Net worth	308,923,293	442,587,674	749,186,774	953,108,742	1,025,028,491	1,099,645,876
Total receipts	722,952,890	1,296,359,650	2,404,323,844	2,552,830,718	2,768,247,655	2,831,062,496
Business receipts	700,090,661	1,258,338,650	2,301,056,550	2,418,344,305	2,608,971,901	2,656,345,750
Interest received	4,748,499	8,691,092	28,315,784	r37,958,034[1]	42,749,996[1]	47,753,626[1]
Total deductions	692,455,462	1,230,689,496	2,290,593,808	2,469,257,725	2,661,153,853	2,733,105,346
Cost of sales and operations	495,879,549	925,111,030	1,707,143,900	1,678,378,729	1,796,313,155	1,797,852,805
Interest paid	12,570,242	22,055,903	54,177,356	73,973,082	85,039,616	90,452,072
Net income (less deficit)	31,846,078	68,406,627	125,667,815	95,330,965	121,215,254	−113,758,645
Net income	37,925,489	74,466,554	141,547,510	124,417,490	147,852,003	142,541,119
Deficit	6,079,411	6,059,927	15,879,695	29,086,525	26,636,749	28,782,474
Income tax before credits	16,744,905[2]	32,306,739	59,577,413	50,950,876	58,542,710	56,687,476
Total income tax after credits[3]	13,242,226[2]	21,024,964	r32,726,986	r24,527,921	30,429,379	25,382,459
Distributions to stockholders except in own stock	14,616,282	19,973,061	37,306,509	43,295,901	45,630,537	n.a.

Table 14.(Continued)—Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items by Industrial Division, for Selected Income Years, 1970–1985

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

Industrial division and items	1970	1975	1980	1983	1984	1985
	(1)	(2)	(3)	(4)	(5)	(6)
TRANSPORTATION AND PUBLIC UTILITIES						
Number of returns, total	67,398	80,701	111,324	122,567	128,184	138,337
Number with net income	38,204	45,360	62,232	61,588	65,405	69,938
Total assets	287,740,207	443,236,797	758,364,400	998,870,785	1,084,873,718	1,246,426,899
Net worth	121,205,022	176,444,407	290,655,693	394,284,132	423,937,357	490,481,127
Total receipts	135,495,271	243,480,637	523,807,396	657,421,487	725,631,232	772,358,188
Business receipts	131,463,171	234,689,427	507,372,820	627,836,585	693,105,168	733,943,970
Interest received	930,266	1,520,913	5,760,072	r9,491,678[1]	11,250,353[1]	12,310,594[1]
Total deductions	127,931,131	233,409,166	503,954,285	638,194,372	697,240,089	747,836,158
Cost of sales and operations	77,743,359	143,932,463	336,868,172	339,191,696	373,236,459	381,028,354
Interest paid	7,364,200	13,761,062	27,638,591	36,787,550	40,178,514	44,880,858
Net income (less deficit)	7,543,718	10,099,571	20,046,155	19,492,314	28,851,644	25,087,629
Net income	9,471,595	12,088,189	24,917,293	28,040,349	37,897,899	37,880,144
Deficit	1,927,877	1,988,618	4,871,138	8,548,036	9,041,255	12,792,516
Income tax before credits	4,342,334[2]	5,107,158	10,532,722	11,621,625	15,579,597	15,214,129
Total income tax after credits[3]	4,036,650[2]	2,836,470	5,322,655	r5,430,069	8,532,848	8,432,924
Distributions to stockholders except in own stock	5,837,565	8,900,353	17,329,807	24,540,824	27,505,378	n.a.
WHOLESALE AND RETAIL TRADE						
Number of returns, total	518,062	614,632	799,628	851,785	896,524	917,301
Number with net income	339,987	399,668	487,300	492,057	516,750	510,825
Total assets	192,181,800	323,496,726	646,901,005	804,242,963	899,032,645	1,009,965,739
Net worth	77,002,132	122,649,734	222,289,687	265,222,391	289,338,722	286,260,274
Total receipts	522,547,923	969,938,872	1,955,523,778	2,119,444,862	2,307,612,139	2,473,865,453
Business receipts	511,316,883	951,463,550	1,919,347,689	2,071,264,407	2,250,774,641	2,408,174,933
Interest received	1,291,906	3,857,318	10,503,989	r15,049,512[1]	18,406,334[1]	21,633,480[1]
Total deductions	512,910,193	947,511,780	1,919,454,218	2,084,482,953	2,265,843,128	2,440,403,373
Cost of sales and operations	392,391,856	745,299,204	1,538,128,634	1,626,952,423	1,759,718,001	1,869,766,621
Interest paid	4,309,663	8,587,173	25,645,855	27,598,584	33,204,502	38,217,998
Net income (less deficit)	9,671,044	22,489,430	38,309,671	35,292,870	42,010,706	33,126,702
Net income	12,395,411	27,681,721	49,426,500	50,844,081	58,584,558	51,434,500
Deficit	2,724,367	5,192,291	11,116,829	15,551,210	16,573,852	18,307,798
Income tax before credits	4,476,047[2]	8,103,316	13,515,653	12,910,870	15,082,817	16,392,896
Total income tax after credits[3]	4,237,181[2]	7,348,619	r10,564,358	r10,698,145	12,414,978	13,396,555
Distributions to stockholders except in own stock	2,068,501	5,029,897	10,343,087	12,722,120	13,057,047	n.a.
FINANCE, INSURANCE, AND REAL ESTATE						
Number of returns, total	406,235	411,846	493,426	479,656	497,366	518,432
Number with net income	248,586	243,409	273,853	269,267	274,171	285,273
Total assets	1,401,153,520	2,321,965,956	4,022,206,073	5,487,225,439	5,938,984,929	7,029,452,681
Net worth	196,480,448	269,770,527	530,541,317	816,806,465	901,658,317	1,161,968,009
Total receipts	177,321,173	315,795,981	697,460,846	902,822,472	1,033,146,416	1,182,034,309
Business receipts	92,091,887	157,126,715	256,892,475	362,627,365	431,157,290	501,993,840
Interest received	63,694,046	127,040,303	315,146,115	r439,937,980[1]	497,044,327[1]	541,268,193[1]
Total deductions	161,630,060	297,963,817	652,637,787	856,678,689	985,687,308	1,104,572,202
Cost of sales and operations	48,434,362	84,614,209	129,644,330	172,818,057	213,655,427	237,577,803
Interest paid	34,548,509	77,677,659	219,167,684	310,356,963	r347,164,947	363,009,417
Net income (less deficit)	12,214,079	11,663,330	33,122,792	31,714,771	32,677,046	60,670,526
Net income	15,081,939	18,825,003	46,040,390	r60,113,503	66,225,666	90,546,934
Deficit	2,867,860	7,161,673	12,917,599	28,398,732	33,548,620	29,876,408
Income tax before credits	4,404,449[2]	5,558,647	9,680,755	8,540,701	9,619,055	13,598,201
Total income tax after credits[3]	4,150,009[2]	4,673,705	7,699,628	r5,697,444	6,730,460	10,193,877
Distributions to stockholders except in own stock	7,387,211	8,729,977	24,692,146	41,592,101	51,315,346	n.a.
SERVICES						
Number of returns, total	281,218	435,672	671,338	848,394	899,370	939,390
Number with net income	150,525	249,641	408,716	481,888	508,336	529,337
Total assets	61,875,140	90,534,067	178,163,737	269,797,251	307,895,160	330,982,941
Net worth	19,529,062	26,855,374	52,865,513	74,710,659	84,773,772	89,852,365
Total receipts	69,572,626	131,377,364	279,883,187	416,462,427	490,332,811	534,587,609
Business receipts	66,459,515	125,747,462	266,088,619	392,064,594	458,038,533	497,980,990
Interest received	435,070	875,506	3,269,412	r4,880,988[1]	6,277,591[1]	6,561,301[1]
Total deductions	68,384,452	127,996,443	271,792,974	410,486,562	484,990,160	528,685,613
Cost of sales and operations	37,733,747	63,724,869	129,352,692	143,277,759	170,889,613	176,070,808
Interest paid	1,802,802	3,279,438	8,033,612	11,798,141	14,068,343	15,027,259
Net income (less deficit)	1,198,703	3,396,744	8,193,903	6,002,928	5,464,130	5,883,782
Net income	3,384,869	6,025,592	13,246,601	16,959,225	19,373,912	21,124,460
Deficit	2,186,166	2,628,848	5,052,698	10,956,298	13,909,782	15,240,678
Income tax before credits	1,058,264[2]	1,625,093	3,497,265	3,779,735	4,458,267	4,742,347
Total income tax after credits[3]	1,003,130[2]	1,323,637	r2,603,370	r2,680,663	3,175,178	3,343,830
Distributions to stockholders except in own stock	558,452	855,402	1,841,945	2,407,362	3,126,700	n.a.

See notes following Table 20.

Table 15.—Corporation Profits Before Taxes Per National Income and Product Accounts (NIPA) and Per SOI, and Income Subject to Tax per SOI, Income Years, 1960–1985

[All figures are estimates—money amounts are in billion of dollars]

Income Year	Profits before taxes (per NIPA)[1]	Net income (less deficit) (per SOI)	Income subject to tax (per SOI)[2]
	(1)	(2)	(3)
1960	49.9	43.5	47.2
1961	49.8	45.9	47.9
1962	55.1	49.6	51.7
1963	59.8	54.3	54.3
1964	66.7	61.6	60.4
1965	77.4	73.9	70.8
1966	83.3	80.5	77.1
1967	80.1	78.2	74.8
1968	89.1	86.0	81.4
1969	87.2	80.2	81.2
1970	76.0	65.9	72.4
1971	87.3	79.7	83.2
1972	101.5	96.8	95.1
1973	122.2	120.4	115.5
1974	138.9	148.2	144.0
1975	134.8	142.6	146.6
1976	170.3	185.4	183.5
1977	200.4	219.2	212.5
1978	233.5	246.9	239.6
1979	257.2	284.6	279.4
1980	237.1	239.0	246.6
1981	226.5	213.6	241.5
1982	169.6	154.3	205.2
1983	207.6	188.3	218.7
1984	240.0	232.9	257.1
1985	224.8[3]	240.1[3]	266.1[3]

See notes following Table 20.

Table 16.—Gross Internal Revenue Collections: Amount Collected by Quarter and Fiscal Year, 1984–1988

[Money amounts are in millions of dollars]

Quarter and fiscal year	Total	Amount collected by type of return				
		Individual income taxes[1]	Corporation income taxes[2]	Excise taxes[3]	Employment taxes[4]	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
FISCAL YEAR 1984, TOTAL	**680,475**	**362,892**	**74,179**	**38,017**	**199,210**	**6,177**
October 1983 – December 1983	141,849	73,379	16,208	9,654	41,132	1,476
January 1984 – March 1984	164,681	89,316	14,337	8,862	50,545	1,622
April 1984 – June 1984	208,814	114,525	25,990	9,680	57,061	1,558
July 1984 – September 1984	165,131	85,672	17,644	9,822	50,472	1,521
FISCAL YEAR 1985, TOTAL	**742,871**	**396,659**	**77,413**	**37,005**	**225,214**	**6,580**
October 1984 – December 1984	155,919	79,775	17,546	9,732	47,286	1,580
January 1985 – March 1985	176,324	89,325	17,350	8,650	59,352	1,647
April 1985 – June 1985	233,946	136,141	24,843	9,013	62,313	1,636
July 1985 – September 1985	176,682	91,418	17,674	9,610	56,263	1,717
FISCAL YEAR 1986, TOTAL	**782,252**	**r416,965**	**80,442**	**33,672**	**r243,978**	**7,195**
October 1985 – December 1985	167,836	86,608	18,854	9,321	51,354	1,699
January 1986 – March 1986	186,178	97,804	16,243	8,175	62,309	1,647
April 1986– June 1986	240,680	134,129	25,703	8,191	70,687	1,970
July 1986 – September 1986	187,558	r98,424	19,642	7,985	r59,628	1,879
FISCAL YEAR 1987, TOTAL	**886,290**	**465,452**	**102,859**	**33,311**	**277,000**	**7,668**
October 1986 – December 1986	180,580	92,346	22,466	8,281	55,615	1,872
January 1987 – March 1987	209,032	105,483	22,649	7,925	71,156	1,819
April 1987 – June 1987	285,477	164,008	29,748	8,493	81,139	2,089
July 1987 – September 1987	211,201	103,615	27,996	8,612	69,090	1,888
FISCAL YEAR 1988						
October 1987 – December 1987	197,095	97,479	24,828	6,475	66,500	1,813
January 1988 – March 1988	220,447	111,215	22,006	5,304	80,161	1,761

See notes following Table 20.

Table 17.—Internal Revenue Refunds: Amount Refunded By Quarter and Fiscal Year, 1984–1988

[Money amounts are in millions of dollars]

Quarter and fiscal year	Total	Amount refunded by type of return				
		Individual income taxes[1]	Corporation income taxes[2]	Excise taxes[3]	Employment taxes[4]	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
FISCAL YEAR 1984, TOTAL	**85,872**	**64,629**	**17,889**	**657**	**2,486**	**211**
October 1983 – December 1983	7,201	2,064	4,548	195	325	69
January 1984 – March 1984	25,285	19,613	4,850	129	646	47
April 1984 – June 1984	44,859	38,161	5,452	230	968	47
July 1984 – September 1984	8,527	4,790	3,039	103	547	48
FISCAL YEAR 1985, TOTAL	**86,322**	**66,908**	**16,725**	**892**	**1,606**	**191**
October 1984 – December 1984	6,729	2,246	4,177	122	138	46
January 1985 – March 1985	17,664	12,808	4,286	91	439	40
April 1985 – June 1985	52,376	46,370	4,70'	556	702	47
July 1985 – September 1985	9,551	5,484	3,561	123	326	57
FISCAL YEAR 1986, TOTAL	**94,424**	**73,078**	**18,297**	**962**	**1,800**	**287**
October 1985 – December 1985	7,948	3,003	4,268	128	488	61
January 1986 – March 1986	25,895	19,950	4,997	320	577	51
April 1986 – June 1986	50,200	44,375	5,058	232	435	100
July 1986 – September 1986	10,381	5,750	3,974	282	300	75
FISCAL YEAR 1987, TOTAL	**96,969**	**73,583**	**19,891**	**1,381**	**1,900**	**214**
October 1986 – December 1986	8,668	3,406	4,789	111	312	50
January 1987 – March 1987	r28,422	r22,198	r5,296	r479	r393	r56
April 1987 – June 1987	r50,063	42,858	5,948	332	r869	57
July 1987 – September 1987	9,816	5,121	3,858	459	326	52
FISCAL YEAR 1988						
October 1987 – December 1987	7,701	3,437	3,727	207	275	55
January 1988 – March 1988	27,245	21,744	5,248	198	553	55

See notes following Table 20.

Table 18.—Classes of Excise Taxes by Selected Fiscal Years, 1970–1987

[Money amounts are in thousands of dollars]

Selected class of tax	Taxes collected by fiscal year					
	1970	1975	1980	1985	1986	1987
	(1)	(2)	(3)	(4)	(5)	(6)
ALCOHOL AND TOBACCO TAXES, TOTAL	**6,840,594**	**7,665,948**	**8,151,184**	**9,881,293**	**10,233,303**	**11,097,677**
Distilled spirits	3,501,538	3,865,162	3,945,377	3,520,697	3,731,368	n.a.
Wine	163,337	177,113	211,538	305,966	415,196	n.a.
Beer	1,081,507	1,308,583	1,547,853	1,571,436	1,500,921	n.a.
Cigarettes	2,036,101	2,261,116	2,402,857	4,448,916	4,566,338	n.a.
Cigars	56,834	51,226	39,500	24,294	30,418	n.a.
MANUFACTURERS EXCISE TAXES, TOTAL	**6,683,061**	**5,516,611**	**6,487,421**	**10,020,574**	**9,927,742**	**10,221,574**
Gasoline and lubricating oil	3,517,586	4,071,465	4,326,549	9,062,630	8,857,380	9,163,790
Tires, tubes and tread rubber[1]	614,795	697,660	682,624	242,923	285,728	296,408
Motor vehicles, bodies, parts[2]	1,753,327	662,556	1,088,696	N/A	N/A	N/A
Recreational products	53,427	84,946	136,521	166,666	174,898	186,608
Black Lung taxes	N/A	N/A	251,288	548,356	561,158	574,769
SPECIAL FUELS, AND RETAILERS TAXES, TOTAL[3]	**257,820**	**404,187**	**560,144**	**3,802,608**	**3,783,295**	**3,762,284**
Diesel and special motor fuels	257,712	370,489	512,718	2,430,165	2,613,980	2,659,404
Trucks and buses	N/A	N/A	N/A	1,289,750	1,091,356	1,020,553
MISCELLANEOUS EXCISE TAXES, TOTAL	**2,084,730**	**3,306,077**	**6,359,198**	**11,044,833**	**15,131,146**	**7,255,282**
Telephone and teletype[4]	1,469,562	2,023,744	1,117,834	2,307,607	2,339,153	2,522,062
Air transportation	250,802	850,567	1,748,837	2,589,818	2,707,534	2,913,249
Highway use tax	135,086	207,663	263,272	456,143	566,675	556,006
Foreign insurance	8,614	19,458	74,630	73,494	139,720	115,133
Exempt organization net investment income	N/A	63,828	65,280	136,153	217,191	218,102
Crude oil windfall profit	N/A	N/A	3,051,719	5,073,159	8,866,967	14,910
Environmental taxes (Superfund)[5]	N/A	N/A	N/A	272,957	68,538	407,167

Selected class of tax	Fiscal year quarter ending					
	Dec. 1986	Mar. 1987	June 1987	Sept. 1987	Dec. 1987	Mar. 1988
	(7)	(8)	(9)	(10)	(11)	(12)
ALCOHOL AND TOBACCO TAXES, TOTAL	**1,394,412**	**1,615,688**	**1,446,495**	**3,191,354**	**2,937,754**	**2,274,408**
Distilled spirits	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Wine	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Beer	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cigarettes	1,031,001	1,170,327	1,186,882	n.a.	n.a.	n.a.
Cigars	9,063	7,268	13,102	n.a.	n.a.	n.a.
MANUFACTURERS EXCISE TAXES, TOTAL	**2,606,798**	**2,531,445**	**2,480,742**	**2,602,589**	**2,695,686**	**2,602,434**
Gasoline and lubricating oil	2,341,860	r2,270,070	2,222,664	2,329,196	2,415,076	2,317,004
Tires, tubes and tread rubber[1]	76,947	77,586	66,151	75,723	80,819	83,000
Recreational products	43,018	40,224	53,374	49,992	47,944	45,957
Black Lung taxes	144,974	143,564	138,552	147,679	151,849	156,473
SPECIAL FUELS AND RETAILERS TAXES, TOTAL[3]	**915,477**	**937,409**	**882,798**	**1,026,600**	**981,117**	**1,021,290**
Diesel and special motor fuels	672,119	646,030	637,857	703,399	682,194	703,431
Trucks and buses, chassis, bodies, etc.	222,455	271,891	224,059	302,148	277,933	297,710
MISCELLANEOUS EXCISE TAXES, TOTAL	**1,838,554**	**1,367,972**	**2,077,536**	**1,971,226**	**1,789,207**	**2,094,963**
Telephone and teletype[4]	679,150	583,799	679,331	579,782	741,777	379,100
Air transportation	770,929	747,811	r636,949	757,560	783,855	719,181
Highway use tax	59,958	126,163	91,726	278,159	47,251	126,368
Foreign insurance	25,523	34,321	31,321	23,968	25,233	26,802
Exempt organization net investment income	22,318	43,256	121,962	30,567	19,385	32,558
Crude oil windfall profit	223,634	−230,799	250,915	−228,840	−122,710	501,123

See notes following Table 20.

Table 19.—Selected Returns and Forms Filed or to be Filed During Selected Calendar Years, 1970–1988

Type of return or form	Number Filed In Calendar Year —						
	1970	1975	1980	1985	1986	1987	1988 r(Projected)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Individual income	77,281,384	84,026,785	93,196,076	99,704,246	101,925,850	103,462,011	107,333,700
Form 1040	77,143,251	61,450,279	55,360,030	64,010,068	66,359,095	68,545,023	70,852,000
Nonbusiness	68,129,351	51,377,153	43,957,141	49,873,300	51,733,688	53,736,837	55,153,500
Business	9,013,900	10,073,126	11,402,889	14,136,768	14,625,407	14,808,186	15,698,500
Schedule C	6,351,304	7,438,968	8,944,298	11,767,348	12,329,218	12,633,261	13,547,800
Schedule F	2,662,596	2,634,158	2,458,591	2,369,420	2,296,189	2,174,925	2,150,700
Form 1040A	N/A	22,462,776	37,692,282	18,779,084	18,408,426	17,870,312	17,688,000
Form 1040EZ	N/A	N/A	N/A	16,739,767	16,983,394	16,835,390	18,576,200
Other[1]	138,133	113,730	143,764	175,327	201,935	211,286	217,500
Corporation income	1,758,600	2,132,758	2,675,704	3,437,249	3,700,851	3,828,613	3,993,500
Forms 1120, L, and M	1,487,244	1,762,920	2,115,542	2,432,265	2,523,240	2,550,692	2,488,800
Form 1120A	N/A	N/A	N/A	199,665	285,134	300,760	293,500
Form 1120S	248,936	367,219	528,070	736,945	811,987	892,376	1,115,800
Other[2]	1,414	2,619	32,092	68,374	80,490	84,785	95,400
Partnership, Form 1065	991,904	1,132,839	1,401,567	1,755,339	1,831,600	1,824,166	1,836,200
Fiduciary, Forms 1041 and 1041S	1,149,445	1,558,570	1,876,392	2,124,969	2,276,245	2,335,805	2,551,900
Estate Tax, Forms 706 and 706NA	141,156	225,827	147,303	80,768	67,591	57,165	54,100
Gift Tax, Form 709	146,338	273,184	214,789	97,720	101,322	104,095	105,300
Exempt Organization	387,469	403,809	442,607	454,097	488,046	514,947	527,800
Form 990	377,030	346,627	362,632	365,506	375,834	400,332	409,700
Form 990-PF	N/A	29,637	33,137	32,005	40,931	42,227	42,900
Form 990-T	5,046	19,683	23,455	26,181	32,731	33,156	34,900
Forms 990C, 4720, and 5227	5,393	7,862	23,383	30,405	r38,550	39,232	40,300

See notes on following Table 20.

Table 20.—Taxpayers Receiving Assistance, Paid and Unpaid, by Tax Year of Return, 1984–1987

[Some estimates based on samples—all amounts are in thousands]

Type of assistance	Tax Year			
	1984	1985	1986	1987
	(1)	(2)	(3)	(4)
Returns with paid preparer signature:[1]				
All returns	45,220	46,685	48,049	50,899
1040EZ	728	740	655	916
1040A	4,470	4,389	4,135	4,577
1040, total	40,022	41,556	43,259	45,406
1040 Business, total	10,081	10,658	11,087	10,526
Nonfarm	8,288	8,924	9,385	9,004
Farm	1,793	1,734	1,702	1,522
1040 Nonbusiness, total	29,941	30,898	32,172	34,880
With itemized deductions	17,866	18,996	18,732	17,078
Without itemized deductions	12,075	11,902	12,627	17,802
Assistance provided by IRS:[2]				
Telephone inquiries	41,904	r37,863	r34,655	38,521
Recorded telephone information	8,307	7,850	r10,892	13,405
Office walk-ins, information	8,144	8,114	r7,090	7,408
Written inquiries	160	241	r169	166
Special programs:				
Community classes and seminars (taxpayers assisted)	400	374	r903	950
Volunteer Income Tax Assistance (VITA) (returns prepared)	295	302	r337	385
Tax Counseling for the Elderly (returns prepared)	199	333	r331	375

See notes on following page.

Notes to Selected Historical Data Tables

General notations

N/A - Not applicable

n.a. - Not available

p - Preliminary

r - Revised

* - See Appendix, General Description of Statistics of Income Sample Procedures and Data Limitations.

Table I

[1] Includes unemployment compensation starting with 1979 and certain social security income starting with 1984.

[2] Includes total itemized deductions before subtraction of zero bracket amount, and charitable contributions, and zero bracket amount on non-itemized deduction returns.

[3] Includes deductions not shown separately below.

[4] Includes surcharge of $2,018,078,000.

[5] Includes credits not shown separately below.

[6] Investment credit was included in the more-inclusive general business tax credit beginning with 1984.

[7] Includes income tax after credits and the additional tax for tax preferences, i.e., "minimum tax" (applicable for 1970–1982) and "alternative minimum tax" (applicable after 1979).

SOURCE: *Statistics of Income—Individual Income Tax Returns,* appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

Table 2

[1] Includes exemptions for age and blindness.

[2] Totals in Table 2 do not agree with Tables 1 and 3 because they were obtained from a different source. For purposes of Table 2:

a. Number of returns by State include, in addition to Forms 1040, 1040A and 1040EZ filed by U.S. citizens and residents, Forms 1040NR filed by nonresident aliens, as well as self-employment tax returns used in Puerto Rico and certain U.S. territories and possessions.

b. "Total tax" liability includes total income tax plus tax from recomputing prior-year investment credit, tax applicable to Individual Retirement Arrangements (IRA's), self-employment tax, social security tax on tip income, and certain other income-related taxes. Total tax is before reduction by earned income credit (see also footnote (c), below).

c. Earned income credit, available to certain low-income workers, could result in a refund (1) if there was no "total tax" (as defined in footnote 2(b), above), in which case the full amount was refundable, or (2) if the credit exceeded "total tax," in which case the excess was refundable. The difference between columns 19 and 21 is the refundable portion.

Total tax (column 16) minus earned income credit (column 21) is the amount most comparable to total tax in Tables 1 and 3. The total tax which results from this subtraction differs from Tables 1 and 3 because it includes additional taxes (see footnote 2(b), above) and because earned income credit used to offset tax (column 21) also includes amounts offset against these additional taxes.

[3] Includes, for example, returns filed from Army Post Office and Fleet Post Office addresses by service men and women stationed overseas; returns filed by other U.S. citizens abroad; and returns filed by residents of Puerto Rico with income from sources outside Puerto Rico or with income earned as U.S. Government employees.

NOTE: This table presents aggregates of all returns filed and processed through the Individual Master File (IMF) system during Calendar Year 1987. Data have not been edited for Statistics of Income purposes.

SOURCE: Internal Revenue Service, Tax Processing Systems Division, IMF Returns Systems Branch.

Table 3

[1] Social security income was included in adjusted gross income starting with Tax Year 1984.

[2] Includes returns with adjusted gross deficit.

[3] In addition to low income taxpayers, size class (and others) includes taxpayers with "tax preferences," not

reflected in AGI or taxable income, which are subject to the "alternative minimum tax" (included in "total income tax").

[4] Includes income tax after credits and the additional tax for tax preferences, i.e., the "alternative minimum tax" (see footnote 3).

SOURCE: *Statistics of Income—Individual Income Tax Returns,* appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

Table 4

[1] Imputed interest received by persons from life insurance carriers and private non-insured pension plans.

[2] Reconciliation is based on preliminary SOI data for AGI. For the revised AGI for 1985, see Table 1.

[3] Represents income of low-income individuals not required to file individual income tax returns, unreported income, and statistical errors or omissions.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, The National Income and Product Accounts of the United States, 1929–82: Statistical Tables, 1986; for years after 1982, *Survey of Current Business,* various issues. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

Table 5

[1] See Table 4 for an explanation of the differences between personal income and AGI.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, The National Income and Product Accounts of the United States, 1929–82: Statistical Tables, 1986; for years after 1982, *Survey of Current Business,* various issues. Statistics of Income data are subject tosampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

Table 6

[1] See Table 4 for an explanation of the differences between personal income and AGI.

[2] Not computed because preliminary estimates in columns 1 and 2 are not completely comparable.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, The National Income and Product Accounts of the United States, 1929–82: Statistical Tables, 1986; for years after 1982, *Survey of Current Business,* various issues; and *Statistics of Income—Individual Income Tax Returns,* appropriate years. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

Table 7

[1] Amount of standard deduction for 1944–1957 estimated by Joseph A. Pechman, The Brookings Institution, on the basis of the distribution of the number of tax returns by income classes and marital status in *Statistics of Income—Individual Income Tax Returns,* and for 1958–1986 obtained directly from Statistics of Income tabulations for these years. Represents zero bracket amount for 1977–1986.

[2] Returns with standard deduction, 1955–1986, include a small number with no adjusted gross income and no deductions. For 1944–1954, returns with no adjusted gross income are included in the number of returns with itemized deductions.

[3] For 1977–1986, itemized deductions are before subtraction of "zero bracket amount."

[4] Sum of standard and itemized deduction returns and amounts, plus charitable deduction reported on standard deduction returns for Tax Years 1982–1986.

SOURCE: Except as indicated in footnote 1, *Statistics of Income—Individual Income Tax Returns,* and unpublished tables, appropriate years. Data are subject to sampling error. Tax law and form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of changes mentioned above.

Table 8

[1] See Table 4 for an explanation of the differences between personal income and AGI.

[2] Taxable income excludes "zero bracket amount" for 1977–1986.

[3] For the definition of total income tax, see footnote 7, Table 1.

[4] Percentage not computed because preliminary SOI data for taxable income and tax may not be altogether comparable with Department of Commerce estimate for personal income.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, The National Income and Product Accounts of the United States, 1929–82: Statistical Tables, 1986; for years after 1982, *Survey of Current Business,* various issues; and *Statistics of Income—Individual Income Tax Returns,* appropiate years. Statistics of Income data are subject to sampling errors; tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

Table 9

[1] Excludes returns with refundable crude oil windfall profit tax overpayment only, starting with 1980.

SOURCE: *Statistics of Income—Individual Income Tax Returns,* and unpublished tables, appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

Table 10

SOURCE: *Statistics of Income—Sole Proprietorship Returns,* appropriate years, and *SOI Bulletin,* Summer issues. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

Table 11

[1] Total assets, total liabilities and partners' capital account are somewhat understated because not all partnership returns included a complete balance sheet.

[2] Short-term debt is the abbreviated title given to mortgages, notes and bonds payable in less than 1 year.

[3] Long-term debt is the abbreviated title given to mortgages, notes and bonds payable in 1 year or more. In addition, for Tax Year 1975, long-term debt included nonrecourse loans.

[4] See footnote 4, Table 12, for changes in the comparability of the statistics for receipts and deductions after 1980. Also, statistics for interest received are combined with dividends beginning with 1982.

[5] After 1980, represents the more all-inclusive amounts reported in depreciation computation schedules rather than the amounts reported as the depreciation deduction (plus depreciation identified in cost of sales and operations schedules).

SOURCE: *Statistics of Income—Partnership Returns,* appropriate years, and *SOI Bulletin,* Summer issues. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

Table 12

[1] Size classes are based on business receipts, i.e., gross amounts from sales and operations, for industries except those in finance, insurance and real estate. For the latter industries, total receipts, which is the sum of business receipts and investment income, was used. For partnerships, see also footnote 4, below.

[2] Includes returns with no receipts as defined in footnote 1.

[3] Includes corporations with zero assets and liabilities. In addition, for partnerships, includes partnerships without balance sheet information (see also footnote 5, below).

[4] After 1980, "total receipts" in Table 11 includes, in part, only the net income or loss from farming and rentals. Previously, "total receipts" included the gross receipts from farming and rentals and, if rental receipts were the principal source of total receipts, they were treated as "business receipts" for the statistics. To help minimize the break in comparability caused by this change in statistical treatment of farm and rental income, an effort was made starting with 1981 to include rental (though not farm) gross receipts in the receipts used for the size distribution in Table 12. In Table 11, since only the net income or loss from farming and rentals was included starting with 1981, the deductions reported in computing these net incomes are excluded from the deduction statistics. For previous years, these deductions are reflected in the deduction statistics.

[5] Prior to 1979, partnerships that had liquidated were assumed to have zero assets and liabilities, even if their balance sheets showed otherwise, and were included in the "under $25,000" asset size class. Beginning with 1980, balance sheet data reported for liquidated partnerships were tabulated as reported and were included in the appropriate asset size classes.

SOURCE: *Statistics of Income—Corporation Income Tax Returns,* appropriate years, *Statistics of Income—Partner-*

ship Returns, appropriate years, *Statistics of Income—Sole Proprietorship Returns,* appropriate years, and *SOI Bulletin,* Summer issues. Tax law and tax form changes affect the year-to-year comparability of the data. See the appropriate Statistics of Income reports for a description of sampling error and of the changes mentioned above

Table 13

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

[1] Consolidated returns were filed on an elective basis for affiliated groups of corporations (with exceptions), in general, if 80 percent or more of the stock of the affiliates was owned within the group and a common parent corporation owned at least 80 percent of the stock of at least one of the affiliates.

[2] Included in "Number of returns, total" and "Number with net income."

[3] Generally, small corporations with no more than 35 shareholders (10 prior to 1983), most of them individuals, electing to be taxed at the shareholder level.

[4] Domestic International Sales Corporations (DISC's) were designed to promote U.S. exports. They were taxed through parent corporations, but only when profits were distributed or deemed distributed to them. This system of tax deferral was generally replaced after 1984 with a new system of Foreign Sales Corporations (FSC's); see footnote 5. Tax benefits of DISC's remaining after 1984 were limited and an interest charge for tax deferred amounts imposed on the parent corporations.

[5] Foreign Sales Corporations (FSC's) generally replaced DISC's as a means of promoting U.S. exports (see footnote 4). Under the FSC provisions, a portion of these subsidiaries' "foreign trade income" was exempt from U.S. income tax.

[6] For 1985, net long-term capital gain reduced by net short-term capital loss includes amounts from Forms 1120S filed by S Corporations which are reflected in "Total receipts," but are not included in "Net income (less deficit)." For 1984, net long-term capital gains reported on Forms 1120–S were excluded from both "Total receipts" and "Net income (less deficit)."

[7] Includes dividends reported in combination with interest on Form 1120-S by S Corporations, i.e., certain corporations that elect to be taxed through shareholders (see footnote 3). Based on prior years, when Form 1120-S required each to be reported separately, nearly all of the combined amount represents interest.

[8] For most years, "income subject to tax" (the corporate tax base) exceeds "net income less deficit" chiefly because of the deficits reported on returns without net income. Moreover, it is the sum of the several tax bases applicable over time to different classes of corporations, not all of which were directly related to net income. Income subject to tax thus includes the "taxable income" base used by most companies (and defined as net income minus certain statutory special deductions); a variation of this base in combination with net long-term capital gains in certain situations when the lower capital gains tax applied; the special tax bases applicable to S Corporations and insurance businesses; and the amounts taxable to certain investment companies. Profits of Domestic International Sales Corporations were tax-deferred; most of those of qualifying Foreign Sales Corporations were tax-exempt and those of S Corporations were taxed (with few exceptions) through their individual shareholders, so that the net income of neither is reflected in income subject to tax.

[9] Includes surcharge of $784,437,000.

[10] General business credit includes alcohol fuel, investment, jobs, and employee stock ownership plan (ESOP) credits which were shown separately for previous years.

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

SOURCE: *Statistics of Income—Corporation Income Tax Returns,* appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the appropriate Statistics of Income reports for a description of sampling error and of the changes mentioned above.

Table 14

[1] See footnote 7, Table 13.

[2] See footnote 9, Table 13.

[3] Also includes additional tax for tax preferences ("minimum tax"), tax from recomputing prior-year investment credit and Personal Holding Company tax.

SOURCE: *Statistics of Income—Corporation Income Tax Returns,* appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the appropriate Statistics of Income reports for a description of sampling error and of the changes mentioned above.

Table 15

[1] Profits shown are without inventory valuation and capital-consumption adjustment.

[2] See footnote 8, Table 13 for an explanation of "income subject to tax."

[3] Preliminary estimates in columns 2 and 3 are not completely comparable with Department of Commerce preliminary estimate in column 1.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, The National Income and Product Accounts of the United States, 1929–82: Statistical Tables, 1986; for years after 1982, *Survey of Current Business,* various issues; and *Statistics of Income—Corporation Income Tax Returns,* appropriate years. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

Tables 16 and 17

[1] Individual income tax collected includes that portion which was designated for the presidential election campaign fund by taxpayers on their returns. Also included is the fidiciary income tax collected (from estates and trusts). Fidiciary income tax collected was $8.4 billion in 1987, $4.5 billion in 1986, $4.1 billion in 1985, and $2.9 billion in 1984. Presidential election campaign designations amounted to $33.2 million in 1987, $35.9 million in 1986, and $34.8 million in 1985 and 1984.

[2] Corporation income tax collected includes various taxes applicable to tax-exempt organizations, including the tax on "unrelated business income." Total taxes collected from tax-exempt organizations were $119.9 billion (1987), $30.2 million (1986), $54.9 million (1985), and $50.0 million (1984).

[3] Excise taxes are imposed on selected products, services and activities, such as those on alcohol and tobacco products and the windfall profit tax on domestically-produced crude oil.

[4] Employment taxes include payroll taxes levied on salaries and wages, such as social security, railroad retirement, and unemployment taxes; plus the self-employment tax imposed on "self-employment income."

NOTES: Collections (or refunds) are those made during the time periods indicated, regardless of the year or other period during which the tax liability was incurred (or to which the refund applied). Collections represent the gross amounts before refunds and include amounts paid with the return; prior to filing the return (as applicable, income tax withheld by employers and estimated tax payments); and subsequent to filing the return (chiefly the result of initial return processing or of audit examination and enforcement activities). Collections also include interest and penalties. Refunds result chiefly from tax overpayments determined at time of filing a return. Included are amounts subsequently determined as due the taxpayer as a result of an amended return or a claim for refund (including those produced by "net operating loss" and other carryback adjustments from future taxable years); or as a result of initial return processing or of examination and other activities. Individual income tax refunds are net of offsets under laws which require IRS to act as collection agent for delinquent payments owed various U.S. agencies under specific programs. All refund data include interest paid by IRS. Detail may not add to totals because of rounding.

SOURCE: Internal Revenue Service, Returns Processing and Accounting Division, Accounting Branch.

Table 18

[1] Effective January 1, 1984, taxes on tubes and tread rubber were repealed, and dealers holding taxable tires were assessed a one-time floor stock tax.

[2] Effective January 7, 1983, the excise taxes on parts and accessories for trucks and buses, which are included in this classification, were repealed. Beginning with the quarter ending December 1983, motor vehicles are excluded.

[3] Special fuels, total, includes diesel and special motor fuels which were classified as miscellaneous excise taxes in 1970. Beginning with the quarter ending December 1983, motor vehicles are included.

[4] Effective January 1, 1983, the excise tax increased from 1 percent to 3 percent.

[5] Expired September 30, 1985 (P.L. 96–510); reimposed in January 1987 (P.L. 99–499).

[6] Negative amounts primarily reflect credits and adjustments applied to current period liabilities to correct for the net income limitation and overwithholding in previous periods.

NOTES: For 1970 and 1975, the fiscal year was defined as July of the previous calendar year through June of the year noted. For 1980–1986, the fiscal year was defined as October of the previous calendar year through September of the year noted. Additional detail is published in the *Annual Report of the Commissioner and Chief Counsel, Internal Revenue Service.*

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, Returns Processing and Accounting Division, Revenue and Accounting Branch; and Financial Management Service.

Table 19

[1] Includes Forms 1040C, 1040NR, 1040PR, and 1040SS; excludes amended returns (Form 1040X).

[2] Includes Forms 1120F, 1120 POL, and 1120H; excludes Forms 1120-DISC/FSC and amended returns (Form 1120X).

[3] Includes Form 1041A.

[4] Includes Form 990A.

SOURCE: Internal Revenue Service, Research Division, Projections and Forecasting Group.

Table 20

[1] Estimates of returns with paid assistance for 1985 and earlier years are based on the full-year sample of returns used for Statistics of Income—Individual Income Tax Returns. 1986 and 1987 projections are based on converting 1986 and 1987 Taxpayer Usage Study sample (TPUS) to the equivalent of the Statistics of Income (SOI) sample. This was done because the TPUS sample represents returns filed through April, while the SOI sample represents all individual income tax returns filed in a calendar year. For additional information about the TPUS sample, see the Summer 1987 issue of the SOI Bulletin.

[2] Data on IRS Taxpayer Service Programs are collected on a fiscal-year basis. In general, assistance rendered in a given fiscal year may be related to returns due on April 15th during that fiscal year and are for the tax year ending with the previous December. Therefore, data in Table 21, which are presented on a tax year basis, are actually for a fiscal year, e.g., data shown as for Tax Year 1986 are actually for Fiscal Year 1987. However, data shown as for Tax Year 1986 in previous issues of the *SOI Bulletin* were actually for the first 7 months of Fiscal Year 1987; the revised data represent the entire Fiscal Year 1987.

NOTE: Data on IRS assistance represent taxpayer contacts. Some taxpayers make more than one contact. The number of taxpayers assisted (in contrast to the number of contacts made) is not known.

SOURCE: Data on paid preparers were obtained from Statistics of Income and Taxpayer Usage Study samples. Data on IRS assistance were compiled by the Taxpayer Service Division.

Appendix*

General Description of Statistics of Income Sample Procedures and Data Limitations

This appendix discusses typical sampling procedures used in most Statistics of Income (SOI) programs. Aspects covered briefly include sampling criteria, selection techniques, methods of estimation, and sampling variability. Some of the nonsampling error limitations of the data are also described, as well as the tabular conventions employed.

Additional information on sample design and data limitations for specific SOI studies can be found in the separate SOI reports (see the References at the end of this Appendix). More technical information is available, upon request, by writing to the Director, Statistics of Income Division, Internal Revenue Service, Washington, DC 20224.

SAMPLE CRITERIA AND SELECTION OF RETURNS

Statistics compiled for the SOI studies are generally based on stratified probability samples of income tax returns or other forms filed with the Internal Revenue Service (IRS). The statistics do not reflect any changes made by the taxpayer through an amended return or by the IRS as a result of an audit. As returns are filed and processed for tax purposes, they are assigned to sampling classes (strata) based on criteria such as: industry, presence or absence of a tax form or schedule, accounting period, State from which filed, and various income factors or other measures of economic size (total assets, for example, is used for the corporation and partnership statistics). The samples are selected from each stratum over the appropriate filing periods. Thus, sample selection can continue for a given study for several calendar years, 3 for corporations because of the prevalence of fiscal (noncalendar) year reporting. Because sampling must take place before the population size is known precisely, the rates of sample selection within each stratum are fixed. This means in practice, that both the population and the sample size can differ from that planned. However, these factors do not compromise the validity of the estimates.

The probability of a return being designated depends on its sample class or stratum and may range from a fraction of 1 percent to 100 percent. Considerations in determining the selection probability for each stratum include the number of returns in the stratum, the diversity of returns in the stratum, and interest in the stratum as a separate subject of study. All this is subject to constraints based on the estimated cost or the target size of the total sample for the program.

For most SOI studies, returns are designated by computer from the IRS Master File based on the taxpayer identification number (TIN) which is either the social security number (SSN) or the employer identification number (EIN). A fixed and essentially random number is associated with each possible TIN. If that random number falls into a range of numbers specified for a return's sample stratum, then it is selected and processed for the study. Otherwise it is counted (for estimation purposes) but not selected. In some cases, the TIN is used directly by matching specified digits of it against a predetermined list for the sample stratum. A match is required for designation.

Under either method of selection, the TIN's designed from one year's sample are for the most part selected for the next year's, so that a very high proportion of the returns selected in the current sample are from taxpayers whose previous years' returns were included in earlier samples. This longitudinal character of the sample design improves the estimates of change from 1 year to the next.

METHOD OF ESTIMATION

As noted above, the probability with which a return is selected for inclusion in a sample depends on the sampling rate prescribed for the stratum in which it is classified. Weights are, in general, computed by dividing the count of returns filed for a given stratum by the count of sample returns for that same stratum. "Weights" are used to adjust for the various sampling rates used—the lower the rate, the larger the weight. For some studies, it is possible to improve the estimates by subdividing the original sampling classes into "post-strata," based on additional criteria or refinements of those used in the original stratification. Weights were then computed for these post-strata using additional population counts. The data on each return in a stratum are multiplied by that weight. To produce the tabulated estimates, these weighted data are summed to produce the published statistical totals.

SAMPLING VARIABILITY

The particular sample used in a study is only one of a large number of possible random samples that could have been selected using the same sample design. Estimates derived from the different samples usually vary. The stan-

*Compiled by Bettye Jamerson, Coordination and Publications Staff, under the direction of Robert Wilson, Team Leader. Major contributions were made by Paul McMahon, Corporation Statistics Branch, Operations Section.

dard error of the estimate is a measure of the variation among the estimates from all possible samples and is used to measure the precision with which an estimate from a particular sample approximates the average result of the possible samples. The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that this interval includes the actual population value.

In SOI reports the standard error is not directly presented. Instead, the ratio of the standard error to the estimate itself is presented in decimal form. This ratio is called the coefficient of variation (CV). The user of SOI data may multiply an estimate by its coefficient of variation to recreate the standard error and to construct confidence intervals.

For example, if a sample estimate of 150,000 returns is known to have a coefficient of variation of 0.02, then the following arithmetic procedure would be followed to construct a 68 percent confidence interval estimate:

150,000	(sample estimate)
x 0.02	(coefficient of variation)
= 3,000	(standard error of estimate)
150,000	(sample estimate)
+ or - 3,000	(standard error)
= 147,000-153,000	(68 percent confidence interval)

Based on these data, the interval estimate is from 147 to 153 thousand returns. A conclusion that the average estimate of the number of returns lies within an interval computed in this way would be correct for approximately two-thirds of all possible similarly selected samples. To obtain this interval estimate with 95 percent confidence, the standard error should be multiplied by 2 before adding to and subtracting from the sample estimate. (In this particular case, the resulting interval would be from 144 to 156 thousand returns.)

Generally in the *SOI Bulletin* only conservative upper limit CV's are provided for frequency estimates. These do, however, provide a rough guide to the order of magnitude of the sampling error.

Further details concerning confidence intervals, including the approximation of CV's for combined sample estimates, may be obtained on request by writing the Director, Statistics of Income Division.

NONSAMPLING ERROR CONTROLS AND LIMITATIONS

Although the previous discussion focuses on sampling methods and the limitations of the data caused by sampling error, there are other sources of error that may be significant in evaluating the usefulness of SOI data. These include taxpayer reporting errors, processing errors, and effects of an early cut-off of sampling. More extensive information on nonsampling error is presented in SOI reports, when appropriate.

In transcribing and tabulating the information from the returns or forms selected for the sample, checks are imposed to improve the quality of the resultant estimates. Tax return data may be disaggregated or recombined during statistical "editing" in order both to improve data consistency from return to return and to achieve definitions of the data items that are more in keeping with the needs of major users. In some cases not all of the data are available from the tax return as originally filed. Sometimes the missing data can be obtained through field followup. More often though, they are obtained through imputation methods. As examples, other information in the return or in accompanying schedules may be sufficient to enable an estimate to be made; prior-year data for the same taxpayer may be used for the same purpose; or data from another return for the same year that has similar characteristics may be substituted. Research to improve methods of imputing data that are missing from returns continues to be an ongoing process [1].

Quality of the basic data abstracted from the returns is subjected to a number of quality control steps including 100-percent key verification. The data are then subjected to many tests based on the structure of the tax law and the improbability of various data combinations. Records failing these tests are then subjected to further review and any necessary corrections are made. In addition, the Statistics of Income Division in the National Office conducts an independent reprocessing of a small subsample of statistically-processed returns as a further check [2].

Finally, before publication, all statistics are reviewed for accuracy and reasonableness in light of provisions of the tax laws, taxpayer reporting variations and limitations, economic conditions, comparability with other statistical series, and statistical techniques used in data processing and estimating.

TABULAR CONVENTIONS

Estimates of frequencies and money amounts that are considered unreliable due to the small sample size on which they are based are noted in SOI tables by an asterisk (*) to the left of the data item(s). The presence of an asterisk indicates that the sample rate is less than 100 percent of the population and that there are fewer than 10 sample observations available for estimation purposes.

A dash in place of a frequency or amount indicates that no sample return had that characteristic. In addition, a dash

in place of a coefficient of variation for which there is an estimate indicates that all returns contributing to the estimate were selected at the 100-percent rate.

Whenever a weighted frequency in a data cell is less than 3, the estimate is either combined with other cells or deleted in order to avoid disclosure of information about individual taxpayers or businesses [3]. These combinations and deletions are indicated by a double asterisk (**).

NOTES

[1] See, for example, Hinkins, Susan M., "Matrix Sampling and the Effects of Using Hot Deck Imputation," in *1984 Proceedings: American Statistical Association, Section on Survey Research Methods.* Other research efforts are included in *Statistical Uses of Administrative Records: Recent Research and Present Prospects,* Volume 1, Internal Revenue Service, March 1984.

[2] Quality control activities for all SOI studies will be published in a series of forthcoming reports. These reports will provide detailed information relating to quality in all phases of SOI processing.

[3] For geographic statistics, these same steps are taken when a weighted frequency is less than 10.

REFERENCES

For information about the samples used for specific SOI programs see:

Statistics of Income—1985, Individual Income Tax Returns, 1984, (see especially pages 4-7).

Statistics of Income—1984, Corporation Income Tax Returns (see especially pages 7-12).

Statistics of Income—1978-82, Partnership Returns (see especially pages 237-244).

Statistics of Income—1979-83, Compendium of Studies of International Income and Taxes, Foreign Income and Taxes Reported on U.S. Tax Returns (see information about the samples used at the end of each chapter).

SOI Bulletin (see each issue).

Form **6839** (Rev. 11-88)
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