Foreign Sales Corporations, 1992

by Daniel S. Holik

Foreign Sales Corporations (FSC's) filed 3,073 income tax returns for Tax Year 1992. A FSC is a foreign corporation, created by "parent" shareholders (mostly corporations), to promote export of the parent's products and services [1]. Generally, the FSC mechanism exempts a portion of income derived from the export of U.S. manufactured merchandise and certain services from U.S. income taxation.

Most FSC returns for 1992 were filed for companies which exported manufactured products--FSC's reporting export of manufactured products accounted for 86 percent of all FSC returns filed (Table 1). Classified by the "gross receipts of FSC's and related suppliers," the largest exported manufactured product groups were machinery, other than electrical ($29.8 billion), chemicals and allied products ($29.3 billion), electrical machinery, equipment and supplies ($21.1 billion), and transportation equipment ($18.1 billion), while the largest nonmanufactured product or service group was grains and soybeans ($4.4 billion). (Gross receipts of FSC's and their related suppliers included all receipts that FSC's and related suppliers earned from export transactions with foreign parties, prior to any deductions.)

Economic Activity and Earnings

Overall measures of FSC's economic activity and earnings can be highlighted using Tax Year 1992 statistics. For 1992, the gross receipts of FSC's and related suppliers, a broad measure of economic activity, was $152.3 billion. After subtraction of costs of goods sold, and allocations of receipts using pricing rules to FSC's and their related suppliers, FSC's generated $15.6 billion of "total income." Of this amount, $6.0 billion was subject to U.S. tax as "nonexempt income," while $9.6 billion was exempt from regular U.S. income taxation (Figure A). Total deductions allocated to nonexempt income were $3.2 billion. Following other adjustments, income subject to U.S. tax, the tax base, was $2.3 billion, which generated a total U.S. income tax of $0.8 billion.

Figure A also shows how net exempt income was calculated. In order to make this calculation, FSC's first had to select administrative or nonadministrative intercompany pricing methods (methods used to allocate receipts between the FSC and its related suppliers, discussed later in this article). A total of $5.6 billion in deductions was allocated to the $9.6 billion of exempt income, so that net exempt income was $4.1 billion. This was 26 percent of total income.

Figure A

Foreign Sales Corporations: Calculation of Net Exempt Income, Tax Year 1992

[Money amounts are in millions of dollars]

Item	Total	Foreign trade income		Non-foreign trade income (less loss)
		Administrative	Non-administrative	
Total income	**15,612**	**14,243**	**912**	**457**
Nonexempt income	5,993	4,899	637	457
Exempt income	9,619	9,344	275	-
Deductions allocable to exempt income	5,563	5,394	169	-
Net exempt income	4,058	3,952	106	-

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

FSC's distributed $5.3 billion to their parent shareholders, mostly U.S. corporations. In general, distributions made by FSC's to their parent corporations were deductible and therefore not subject to U.S. income tax [2]. These distributions reflected current and accumulated (i.e., from prior year) earnings and profits.

Statutory Requirements

The FSC mechanism provides an exemption of certain income from U.S. taxation. FSC's are specifically designed to comply with General Agreement on Tariffs and Trade (GATT) standards. (The legislative history section of this article presents additional information about the development of the FSC entity by the U.S. Government in response to GATT findings.)

FSC's use a specific set of income, deduction, and exemption concepts. In addition, certain foreign economic process requirements are imposed on FSC's and related parties. Definitions of FSC-related income, deduction, and exemption concepts, as well as descriptions of foreign economic process and FSC entity requirements, are presented below.

Income and Export Pricing Concepts

Gross receipts of FSC's and related suppliers, an overall measure of FSC's income and economic activity, includes all receipts that FSC's and related suppliers earn from export transactions. FSC "foreign trade gross receipts" and FSC "foreign trade income" are calculated by applying certain pricing rules (see below) to gross receipts or net income of FSC's and related suppliers. "Foreign trade income" is income from qualified transactions attributable to the sale or lease of "export property" outside the United States or to the performance of various types of "export

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service" outside the United States [3].

When a FSC engages in a transaction with a related party, the FSC and the related party must allocate the receipts they receive from the transaction using one of four pricing methods: (1) the 1.83 percent of gross receipts method (generally, income of the FSC cannot exceed 1.83 percent of the foreign trade gross receipts of the FSC); (2) the 23 percent of combined taxable income method (generally, income of the FSC cannot exceed 23 percent of the combined taxable income of the FSC and the related supplier attributable to the foreign trade gross receipts from such sales); (3) the marginal costing method (generally, only direct production costs of a particular item, product, or product line are taken into account for purposes of computing the combined taxable income of the FSC and its related supplier); or (4) a method by which income of the FSC and its related supplier is allocated under Internal Revenue Code section 482.

Different pricing methods may be used by the FSC for different transactions. In addition, a FSC may elect to group transactions by product, or by product line. Pricing methods are generally divided into "administrative" and "nonadministrative" categories. The 1.83 percent of gross receipts method, the 23 percent of combined taxable income method, and the marginal costing method are referred to as "administrative" pricing methods, while the Internal Revenue Code section 482 method is referred to as a "nonadministrative" pricing method [4].

Table 2 presents data classified by the pricing method(s) used for intercompany transactions among FSC's and related parties. The method most often used was the 23 percent of combined taxable income method. Of the 2,898 FSC income tax returns showing the pricing method(s) used for intercompany transactions, 1,607 (or 55 percent) reported using only this method. Another 512 used only the 1.83 percent of gross receipts method (18 percent). Although only 110 FSC's (4 percent) reported using a combination of the three administrative pricing methods (the 1.83 percent of gross receipts, 23 percent of combined taxable income, and marginal costing methods), these companies included many of the larger FSC's, accounting for 41 percent of the gross receipts of FSC's and related suppliers.

Foreign Economic Process Requirements

A portion of the "foreign trade income" of a FSC is exempt from U.S. taxation. A FSC (other than certain "small FSC's," which are discussed below) generates foreign trade income only from a "qualified" transaction--e.g., only if certain economic activities or processes associated with the transaction take place outside the United States, in compliance with GATT standards. To test whether an export transaction is qualified, economic activities are divided into "sales participation" and "direct cost" categories. Export transaction activities can then be compared to the criteria established for each category.

A transaction is considered qualified under the sales participation test if the FSC participates outside the United States in one of the following sales activities involving the transaction: solicitation, negotiation, and the making of a contract [5]. Solicitation refers to communication to a customer, specifically addressing the customer's attention to the product. Negotiation refers to any communication to a customer aimed at an agreement on one or more of the terms of a transaction, including price, quantity, credit terms, and time or manner of delivery. The making of a contract refers to the performance by the FSC of any of the elements necessary to complete a sale, such as the making or accepting of an offer.

Direct costs related to a transaction fall into one of five categories: (1) advertising and sales promotion; (2) processing of customer orders and arrangements for delivery; (3) transportation; (4) determination of a final invoice and receipt of payment; and (5) assumption of credit risk [6]. Foreign direct costs are the portion of the total direct costs of any transaction attributable to activities performed outside the United States. The foreign direct cost test may be satisfied in one of two ways--foreign direct costs attributable to the transaction are 50 percent or more of the total direct costs attributable to the transaction; or foreign direct costs attributable to two of the five direct cost categories are 85 percent or more of the total direct costs attributable to the transaction.

FSC Tax Exemption

The portion of FSC foreign trade income exempt from U.S. taxation depends upon the pricing method and the type of shareholder. For corporate-owned FSC's, 15/23 (or 65.217 percent) of the foreign trade income derived from transactions in which administrative pricing rules are used is exempt from U.S. income tax, while 30 percent of the foreign trade income derived from transactions in which the nonadministrative pricing rule (Internal Revenue Service section 482 method) is used is exempt. Special rules apply to the income of FSC's owned by agricultural cooperatives, income derived from exports of "military property," and nonforeign trade income earned by FSC's (such as interest or dividend income).

Country of Incorporation

A FSC must be incorporated in specific foreign countries or U.S. possessions meeting requirements for the exchange

of certain tax information with the United States [7]. Since FSC's are required to perform their economic activities outside of the United States, and since other countries may impose additional requirements on FSC's or additional taxes on FSC earnings, choice of country of incorporation could be an important consideration. Table 3 presents data for FSC returns classified by the country of incorporation. The largest numbers of FSC's were incorporated in the U.S. Virgin Islands (66 percent of all FSC's), Barbados (12 percent), and Guam (7 percent).

FSC's as a Corporate Tax Entity

Foreign management requirements for the FSC entity are imposed to ensure that the FSC has substance in the foreign country or U.S. possession in which it is incorporated. The required foreign management activities of a FSC include: (1) the maintenance of an office, a permanent set of books of account, and a principal bank account; (2) the disbursements of dividends, salaries, and legal and accounting fees; and (3) the holding of all board of directors' or shareholders' meetings.

Generally, a FSC is also required to: (1) have no more than 25 shareholders at any one time during the tax year; (2) have no preferred stock outstanding at any time during the tax year; (3) conform the FSC's tax year to the tax year of the principal shareholder; (4) maintain separate books and records; (5) maintain certain records at a location within the United States; (6) have at least one director who is not a resident of the United States; (7) not be a member, at any time during the tax year, of a controlled group of corporations which included an Interest Charge-Domestic International Sales Corporation (described below); (8) be a corporation created or organized under the laws of a qualifying foreign country or U.S. possession; and (9) have elected to be a FSC or "small FSC" [8]. Parent corporations (or other taxpayers) form a FSC by filing a Form 8279, *Election to be Treated as a FSC or as a Small FSC.* This election is considered to be in effect as long as the FSC meets all qualification requirements.

Legislative History

The FSC tax exemption was created by the Deficit Reduction Act of 1984 (DRA'84). The FSC replaced the then-existing Domestic International Sales Corporation (DISC) [9]. From its inception, the DISC program had been controversial. Several foreign governments subscribing to the GATT used the forum provided by GATT to raise questions about whether the DISC program was an illegal export subsidy under GATT rules. In addition, these foreign governments complained that DISC's were able to operate without substance as a corporation, and without uniform arm's-length pricing standards imposed on the DISC and its related parties.

To address complaints about the DISC and income tax practices of other foreign governments, expert panels were created under GATT auspices during the late 1970's and investigations conducted. In general, the panels' reports adopted in December 1981 held that the DISC and the income tax practices of several other foreign governments did, indeed, contradict GATT standards for export pricing.

The DISC legislation was amended several times during the 1970's, as GATT discussions and investigations ensued. While the U.S. Government did not officially acknowledge that the DISC mechanism was in violation of GATT standards, it recognized that the controversies did need to be addressed. Finally, in DRA'84, the DISC program was modified in accordance with the GATT findings adopted in 1981, and the FSC entity created as an alternative.

At the same time the FSC entity was created, DRA'84 also created a "small FSC," and replaced the DISC entity with the Interest-Charge Domestic International Sales Corporation (IC-DISC). In addition, DRA'84 also required the Treasury Department to submit regular reports to Congress on the operation of the new FSC, small FSC, and IC-DISC programs [10].

Tax Year 1987 Compared to 1992

Figure B presents selected data for Tax Years 1987 (the last previous year for which data on FSC's are available) and 1992 [11]. Overall increases in the number of returns filed, total assets, gross receipts of FSC's and related suppliers, net exempt income, and distributions may indicate the popularity of the FSC program. There is some evidence that choices between administrative and nonadministrative pricing methods, and the relationships between total income, costs of goods sold, and deductions have changed during the 1987 through 1992 (Tax Year) period, but caveats to these comparisons are necessary. First, companies could elect different pricing methods from one year to the next. Second, a comparison of the 1987 and 1992 data may not show changes that could be evident if a longer time series were available. The Data Sources and Limitations section, below, provides additional information about the comparability of the data.

Data Sources and Limitations

The statistics in this article are based on a sample of Form 1120-FSC returns with accounting periods ending between July 1992 and June 1993 and filed during Calendar Years 1992, 1993, or 1994. The data presented exclude "inactive"

Figure B

Foreign Sales Corporations: Selected Items for Tax Years 1987 and 1992

[Money amounts are in millions of dollars]

Item	1987	1992
Number of returns	2,613	3,073
Total assets	5,563	17,999
Commissions and accounts receivable	4,580	11,754
Total current and long-term liabilities	3,116	4,574
Gross receipts of FSC's and related suppliers	84,280	152,253
Cost of goods sold	12,265	7,353
Total income:		
Administrative income	17,629	14,243
Nonadministrative income	2,658	912
Nonforeign trade income (less loss)	207	457
Foreign trade deductions:		
Administrative:		
Total	3,648	8,218
Foreign direct costs	1,788	3,217
Nonadministrative:		
Total	338	561
Foreign direct costs	108	80
Nonforeign trade deductions	190	429
Net income (less deficit)	1,294	2,303
Taxable income	1,292	2,304
Income tax:		
Total	507	781
Regular	505	779
Net exempt income:		
Administrative	2,006	3,952
Nonadministrative	105	106
Distributions	2,418	5,305

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

FSC returns; a FSC was considered to be inactive if no current receipts, net income or deficit, deductions, or distributions were reported on the return. Thus, a FSC that had no current income or deductions reported was treated as an active corporation if it made a distribution to its parent during the tax year.

The sample totaled 917 returns, weighted to reflect an estimated population of approximately 3,600 active and inactive FSC returns. Certain returns were unavailable for the statistics. Because the data are based on a sample, they are subject to sampling error. However, coefficients of variation (CV's) for these data were not computed. With regard to nonsampling error, some of the data were inconsistently reported. Where possible, inconsistencies in the data were resolved to conform with provisions of the Internal Revenue Code.

It should be noted that the 917 returns included in the sample for 1992 could include certain companies not included for 1987, due in part to changes in corporate shareholders or mergers and transactions among shareholders. In addition, certain companies included in the sample for 1987 could not be included for 1992, since parent corporations could have elected not to use the FSC mechanism for 1992, even though a FSC return should have been filed.

The product and services classification system used in the 1992 FSC study was generally based upon Internal Revenue Service instructions provided to the taxpayer for completion of Schedule P, *Transfer Price or Commission.* Products and services reported by a taxpayer on each specific return were reviewed for consistency with product information provided in supporting schedules and other taxpayer attachments and with the principal business activities described on the return. For example, the return was reviewed if a taxpayer reported engineering services on Schedule P without reporting any "engineering services income" on Schedule B, *Taxable Income or (Loss).* In addition, products and services reported by taxpayers on specific returns were reviewed for consistency with the major product and services group classification. Since a FSC is intended to serve solely as an export mechanism for U.S. taxpayers, certain business activities, such as manufacturing, are not applicable to a FSC. Consequently, FSC returns reporting manufacturing as the principal business activity were reviewed and reconciled with product and other information. As an example, a FSC return reporting the manufacture of farm machinery and equipment as the principal business activity would have been reviewed to ascertain if a more appropriate principal business activity was the wholesaling of farm machinery and equipment.

Each return used for the statistics had product and industry codes reported or assigned during statistical processing. These codes were used as classifiers of the returns. The product and industry codes represented the principal business activity (i.e., the activity which accounted for the largest portion of gross receipts of FSC's and related suppliers) of the FSC filing the return. However, a given FSC return may have exported goods and services for a consolidated corporate parent which conducted different business activities. To the extent that some consolidated (and nonconsolidated) parent corporations were engaged in many types of business activities, the data in this article are not entirely related to the product or industrial activity under which they are shown.

Explanation of Selected Terms

Cost of Goods Sold.--Cost of goods sold commonly consists of the manufacturing costs incurred by the FSC or its related suppliers, as mentioned below. Included are

costs of goods purchased for resale, direct labor, and certain overhead expenses. Generally, FSC's act either as principals or as commission agents for export transactions. FSC's acting as principals for transactions are referred to as "buy-sell" FSC's, while those acting as commission agents for transactions are referred to as "commission" FSC's. Only buy-sell FSC's report a cost of goods sold. For commission FSC's, the cost of goods sold is reported by the commission FSC's related supplier and generally factored into the commission calculation.

Export Property.--The FSC's export property was inventory and property held for sale or lease which: (1) had been manufactured, produced, grown, or extracted in the United States by a "person" other than a FSC; (2) was held primarily for sale, lease, or rental in the ordinary course of business for direct use, consumption, or disposition outside the United States; and (3) had, at the time of sale, lease, or rental by the FSC, not more than 50 percent of its fair market value attributable to imported articles.

Foreign Direct Costs (Administrative).--These were foreign direct costs related to foreign trade income from transactions in which administrative intercompany pricing rules were applied. Foreign direct costs are attributable to activities performed outside of the United States and are related to the sale or other disposition of export property. As specified by Internal Revenue Code section 924(e), foreign direct costs include advertising and sales promotion, certain processing and arranging costs, certain transportation costs, certain determination and transmittal costs, and costs related to the assumption of credit risk.

Foreign Direct Costs (Nonadministrative).--These were foreign direct costs related to foreign trade income from transactions in which the nonadministrative intercompany pricing rule (Internal Revenue Code section 482 method) was applied. See administrative foreign direct costs entry, above, for additional information.

Foreign Trade Deductions (Administrative).--Included were deductions related to foreign trade income (exempt and nonexempt) from transactions in which the administrative pricing rules were used. These deductions include, but are not limited to, administrative foreign direct costs (see above).

Foreign Trade Deductions (Nonadministrative).--Included were deductions related to foreign trade income (exempt and nonexempt) from transactions in which the nonadministrative pricing rules were used. These deductions include, but are not limited to, nonadministrative foreign direct costs.

Foreign Trade Gross Receipts.--Foreign trade gross receipts represent: (1) the sale, exchange, or other disposition of export property (see above); (2) the lease or rental of export property for use by the lessee outside the United States; (3) services which are related and subsidiary to activities described in (1) or (2); (4) engineering or architectural services for construction projects located (or proposed for location) outside the United States; and (5) the performance of managerial services for an unrelated FSC or DISC. These receipts are earned by, or allocated to, the FSC as a result of applying intercompany pricing rules (see below). Excluded are passive income (see nonforeign trade income, below). In general, foreign trade gross receipts of a "buy-sell" FSC consist of receipts derived from qualified export transactions prior to the subtraction of a cost of goods sold. In general, the foreign trade gross receipts of the related supplier are deemed the foreign trade gross receipts of a "commission" FSC.

Gross Receipts of FSC's and Related Suppliers.--Gross receipts of FSC's and related suppliers is used as a computational base for calculation of foreign trade gross receipts (see above). These receipts are comprised of all gross receipts (prior to any deductions) earned by the FSC and related parties from: (1) the resale of export property or services supplied by related suppliers; or (2) a FSC acting in its capacity as a commission agent for related suppliers in the disposition of export property or services. Because certain FSC's (especially those acting as commission agents), may not have title to property being exported, gross receipts attributed to FSC's and their related suppliers is a more complete measure of export activities.

Intercompany Pricing Rules.--These rules are used to allocate receipts (and derive income) between the FSC and its related suppliers.

Administrative.-- Administrative pricing rules include: (1) the 1.83 percent of gross receipts method; (2) the 23 percent of combined taxable income method; and (3) the marginal costing method. If one of these three administrative pricing rules was not applied, then the nonadministrative Internal Revenue Code section 482 method had to be used.

Nonadministrative.--The Internal Revenue Code section 482 method had to be used.

Net Exempt Income (Administrative).--Included were exempt foreign trade income from transactions for which the administrative pricing rules were applied, net of deductions related to that exempt foreign trade income.

Net Exempt Income (Nonadministrative).--Included were exempt foreign trade income from transactions for which the nonadministrative pricing rule (Internal Revenue Code section 482 method) applied, net of deductions related to that exempt foreign trade income.

Net Income.--Total nonexempt income net of all appropriate deductions except the "net operating loss" and

dividends-received deductions, including: (1) net income attributable to nonexempt foreign trade income from transactions for which the administrative pricing rules applied; (2) net income attributable to nonexempt foreign trade income from transactions for which the nonadministrative pricing rule applied, reduced by any nontaxable income (i.e., income that is not "effectively connected" with a U.S. trade or business); and (3) net income attributable to nonforeign trade income.

Nonforeign Trade Deductions.--These were deductions related to nonforeign trade income, described below.

Taxable Income.--Total net income, reduced by the "net operating loss" and dividends received deductions as well as FSC income exempt from U.S. income tax.

Total Income: Foreign Trade Income.--This was income from qualified transactions attributable to the sale or lease of "export property" outside the United States or to the performance of various types of "export service" outside the United States.

Administrative.--Included were foreign trade gross receipts (or the commission portion of gross receipts) earned by FSC's from transactions for which the administrative pricing rules were applied.

Nonadministrative.--Included were foreign trade gross receipts (or the commission portion of gross receipts) earned by FSC's from transactions for which the nonadministrative pricing rule applied.

Total Income: Nonforeign Trade Income.--This was income earned by FSC's that was generally not related to qualified exports of U.S. manufactured products or services, such as interest, dividends, or royalties, earned by FSC's and income earned by "small FSC's" (see Footnote [8]) in excess of the $5 million exemption from tax of small FSC foreign trade income.

Notes and References

[1] A "foreign" corporation is incorporated abroad, while a "domestic" corporation is incorporated in the United States. Almost all FSC's are owned by domestic corporations; however, owners of a FSC are generally referred to as "shareholders," since a FSC may also be owned by an individual, a partnership, or a trust or estate. (FSC's are no longer included in the Statistics of Income data for all corporations because they are not engaged in trade or business in the United States.)

[2] In general, distributions made by FSC's to parent corporations were not subject to U.S. taxation. These distributions were eligible for a 100-percent dividends received deduction, provided they were derived from earnings and profits attributable to foreign trade income (see the Explanation of Selected Terms section of this article).

[3] See the entries for "Cost of Goods Sold" and "Export Property" in the Explanation of Selected Terms section of this article for additional information.

[4] Generally, "administrative" pricing rules allow the FSC to calculate foreign trade gross receipts and allocate those receipts between the FSC and its related supplier, using Internal Revenue Service designated (e.g., "administered") methods. If administrative pricing rules are not applicable to a transaction, or if a taxpayer does not choose to use them, the FSC has to calculate foreign trade gross receipts using "nonadministrative" rules provided by Internal Revenue Code section 482 and associated Treasury regulations.

[5] Extensive definitions of solicitation, negotiation, and the making of a contract are provided in Internal Revenue Code section 924 and associated Treasury regulations.

[6] See Internal Revenue Code section 924(e) and associated Treasury regulations for additional information regarding direct costs.

[7] A qualifying foreign country had to meet the exchange of information requirements of Internal Revenue Code section 927(e)(3)(A) or (B). For Tax Year 1992, the following countries were qualified: Australia, Austria, Barbados, Belgium, Bermuda, Canada, Costa Rica, Cyprus, Denmark, Dominica, Dominican Republic, Egypt, Finland, France, Germany, Grenada, Honduras, Iceland, Ireland, Jamaica, South Korea, Malta, Marshall Islands, Mexico, Morocco, the Netherlands, New Zealand, Norway, Pakistan, Philippines, St. Lucia, Sweden, and Trinidad and Tobago. In addition, all U.S. possessions other than Puerto Rico (i.e., American Samoa, the Commonwealth of Northern Mariana Islands, Guam, and the U.S. Virgin Islands) were qualified for Tax Year 1992.

[8] A "small FSC" is designed to be used by small exporters that may not be able to support the costs of a foreign office or foreign economic activities. A small FSC is exempt from the foreign management and foreign economic process requirements regarding

its eligibility to treat a portion of its income as "foreign trade gross receipts." However, any foreign trade gross receipts in excess of $5 million were not taken into account in determining foreign trade income exempt from U.S. taxation.

[9] For additional information about the Domestic International Sales Corporation (DISC) and Interest-Charge Domestic International Sales Corporation (IC-DISC) entities, see Holik, Daniel S., "Interest-Charge Domestic International Sales Corporations, 1991," *Statistics of Income Bulletin*, Summer 1995, Volume 15, Number 1.

[10] See, for example, *The Operation and Effect of the Foreign Sales Corporation Legislation, January 1, 1985 to June 30, 1988*, U.S. Department of the Treasury, January 1993.

[11] For additional information about FSC's for Tax Year 1987, see "Foreign Sales Corporation Statistics for 1987," *Statistics of Income Bulletin*, Spring 1992, Volume 11, Number 4.

Table 1.--Assets, Receipts, Deductions, Net Income, Exempt Income, Distributions, and Taxes of All Active FSC Returns, by Major Product or Service

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

Major product or service	Number of returns	Total assets	Commissions and accounts receivable	Total current and long-term liabilities	Gross receipts of FSC's and related suppliers	Cost of goods sold	Total income			Foreign trade deductions			
										Administrative		Nonadministrative	
							Administrative foreign trade income	Nonadministrative foreign trade income	Nonforeign trade income (less loss)	Total	Foreign direct costs	Total	Foreign direct costs
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
All products and services	**3,073**	**17,999,301**	**11,754,053**	**4,574,201**	**152,252,957**	**7,352,795**	**14,242,911**	**911,697**	**457,089**	**8,218,044**	**3,217,498**	**560,575**	**79,571**
Nonmanufactured products and services	**365**	**1,040,197**	**915,901**	**699,979**	**15,747,088**	**1,561,519**	**1,397,446**	**81,370**	**2,280**	**757,581**	**211,425**	**48,823**	**39,956**
Grains and soybeans	27	22,861	12,118	17,264	4,399,760	182,619	188,151	52,630	29	43,300	7,531	40,001	39,946
Cotton	9	32,762	32,754	29	1,716,534	–	121,793	–	–	89,068	89,014	–	–
Crops, except cotton, grains, and soybeans	31	694	624	282	167,032	–	8,825	–	–	337	121	–	–
Livestock and livestock products	38	46,130	23,506	25,599	830,595	337,226	39,398	–	449	29,496	24,805	–	–
Fishery products and services	6	23,269	18,086	170	1,001,061	–	27,432	–	–	1,440	1,314	–	–
Metal mining, except iron ore	16	30,511	30,023	7,406	691,268	–	49,085	–	–	2,601	2,503	–	–
Coal mining products and services	12	50,688	35,200	11,996	1,283,642	956,965	51,511	5,825	5	17,020	4,160	1,263	10
Computer software	48	549,334	524,758	399,946	2,141,951	–	540,293	–	1,437	378,936	39,092	–	–
Motion picture distribution	13	138,361	130,739	99,422	895,404	7,333	168,652	16,373	107	95,503	22,261	1,527	–
Engineering and architectural services	24	19,673	18,717	4,782	394,269	69,549	29,979	–	152	8,656	4,438	–	–
Leasing services, other than aircraft	66	20,828	755	4,538	69,988	–	7,613	745	32	4,727	45	225	–
All other nonmanufactured products and services	75	105,087	88,623	28,546	2,155,582	7,828	164,716	5,796	68	86,497	16,141	5,807	–
Manufactured products	**2,633**	**16,927,440**	**10,835,949**	**3,971,896**	**136,286,987**	**5,778,869**	**12,836,356**	**830,327**	**454,790**	**7,457,547**	**3,006,053**	**511,752**	**39,615**
Ordnance and accessories	7	21,042	20,924	8,849	649,539	13,300	11,750	–	–	3,087	3,074	–	–
Food and kindred products	149	566,462	507,751	269,406	5,702,020	983,595	482,580	114,682	58,001	287,317	158,661	46,726	23,130
Meat products	14	235,440	191,662	148,709	2,225,031	596,310	146,814	112	11	83,147	71,101	6	–
Dairy products	4	116	–	113	–	–	–	–	–	–	–	–	–
Canned and preserved fruits, vegetables, and seafoods	19	2,762	2,618	158	111,073	64,621	4,337	–	1	1,393	907	–	–
Bakery products	27	7,024	7,011	507	89,614	–	7,011	–	–	–	–	–	–
Beverages	4	50,250	50,244	23,775	311,076	82,215	71,061	–	–	55,124	19,845	–	–
All other food preparations and kindred products	81	270,870	256,217	96,144	2,965,225	240,450	253,357	114,570	57,989	147,653	66,808	46,721	23,130
Tobacco products	12	173,462	150,307	32,745	7,424,028	–	885,281	–	202	495,399	312,499	–	–
Textile mill products	22	76,024	48,999	46,037	398,683	31,159	30,567	28,870	74	16,973	864	23,494	6,328
Apparel and other finished goods	3	4,859	3,078	1,125	54,714	–	5,434	–	–	3,161	2,650	–	–
Lumber and wood products, except furniture	103	355,582	344,147	87,793	2,613,145	1,388,785	362,325	2,991	152,916	192,515	139,098	732	–
Logging camps and logging contractors	7	25,141	25,015	594	17,853	–	7,916	–	1,266	71	56	–	–
Millwork, veneer, plywood, and prefabricated structural wood products	21	48,046	47,516	24,787	459,424	11,301	79,698	–	–	58,205	21,913	–	–
Miscellaneous wood products	76	282,395	271,616	62,412	2,135,868	1,377,484	274,711	2,991	151,650	134,239	117,129	732	–

Footnotes at end of table.

Table 1.–Assets, Receipts, Deductions, Net Income, Exempt Income, Distributions, and Taxes of All Active FSC Returns, by Major Product or Service–Continued

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

Major product or service	Non-foreign trade deductions	Net income (less deficit) prior to adjustments			Net income (less deficit)	Net income	Deficit	Taxable income	Income tax		Net exempt income		Distributions
		Administrative	Non-administrative	Non-foreign trade					Total	Regular	Administrative	Non-administrative	
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
All products and services	**429,134**	**2,214,820**	**245,503**	**28,368**	**2,302,739**	**2,304,473**	**1,734**	**2,303,968**	**781,072**	**779,048**	**3,951,989**	**106,198**	**5,304,817**
Nonmanufactured products and services	**1,291**	**210,649**	**22,782**	**989**	**225,562**	**225,670**	**108**	**225,570**	**76,173**	**76,010**	**429,630**	**9,778**	**515,348**
Grains and soybeans	205	49,809	8,840	176	49,633	49,634	(1)	49,629	16,831	16,772	95,042	3,789	113,366
Cotton	–	–	–	–	–	–	–	–	–	–	32,725	–	15,515
Crops, except cotton, grains, and soybeans	–	2,702	–	–	2,702	2,702	–	2,702	919	919	5,786	–	7,639
Livestock and livestock products	–	3,444	–	449	3,893	3,893	–	3,893	968	968	6,458	–	6,499
Fishery products and services	–	9,041	–	–	9,041	9,041	–	9,041	3,074	3,074	16,951	–	59,071
Metal mining, except iron ore	–	16,168	–	–	16,168	16,176	8	16,170	5,510	5,498	30,329	–	24,909
Coal mining products and services	5	11,997	3,194	1	15,191	15,191	–	15,191	5,176	5,165	22,494	1,369	7,823
Computer software	1,056	56,125	–	381	56,505	56,506	1	56,494	19,373	19,341	105,232	–	103,481
Motion picture distribution	–	25,443	10,392	107	35,943	35,979	36	35,979	12,239	12,199	47,774	4,454	94,597
Engineering and architectural services	–	7,426	–	152	7,578	7,581	3	7,581	2,427	2,427	13,903	–	12,053
Leasing services, other than aircraft	25	1,004	364	7	1,357	1,411	54	1,411	474	474	1,924	166	2,636
All other nonmanufactured products and services	–	27,490	8	68	27,550	27,556	6	27,478	9,183	9,172	51,013	–	67,759
Manufactured products	**427,825**	**2,002,016**	**222,720**	**27,378**	**2,075,020**	**2,076,630**	**1,610**	**2,076,225**	**704,167**	**702,308**	**3,518,286**	**96,421**	**4,789,359**
Ordnance and accessories	–	9,622	–	–	9,622	9,623	2	9,623	3,283	3,272	5,653	–	12,423
Food and kindred products	55,487	59,743	47,569	2,515	63,931	64,064	132	64,055	21,190	21,138	135,521	20,387	113,304
Meat products	–	22,145	74	11	22,231	22,231	(1)	22,230	7,571	7,548	41,523	32	18,512
Dairy products	–	–	–	–	–	–	–	–	–	–	–	–	788
Canned and preserved fruits, vegetables, and seafoods	–	1,023	–	1	1,024	1,024	–	1,024	243	236	1,921	–	2,205
Bakery products	–	2,438	–	–	2,438	2,438	–	2,438	507	507	4,572	–	–
Beverages	–	5,543	–	–	5,543	5,543	–	5,543	1,885	1,885	10,394	–	–
All other food preparations and kindred products	55,487	28,592	47,495	2,503	32,695	32,826	132	32,820	10,985	10,962	77,112	20,355	91,799
Tobacco products	55	135,612	–	148	135,760	135,760	–	135,649	46,263	46,162	254,269	–	282,595
Textile mill products	–	4,728	3,655	74	8,458	8,458	–	8,458	2,884	2,882	8,865	1,720	10,295
Apparel and other finished goods	–	791	–	–	791	791	–	791	274	273	1,482	–	179
Lumber and wood products, except furniture	151,552	59,065	1,582	1,364	62,011	62,159	148	62,159	21,297	21,159	111,022	678	107,390
Logging camps and logging contractors	–	2,728	–	1,266	3,994	3,994	–	3,994	1,358	1,358	5,116	–	1,760
Millwork, veneer, plywood, and prefabricated structural wood products	–	7,476	–	–	7,476	7,476	–	7,476	2,575	2,570	14,017	–	31,758
Miscellaneous wood products	151,552	48,860	1,582	99	50,541	50,688	148	50,688	17,364	17,231	91,889	678	73,872

Footnotes at end of table.

Table 1.--Assets, Receipts, Deductions, Net Income, Exempt Income, Distributions, and Taxes of All Active FSC Returns, by Major Product or Service--Continued

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

Major product or service	Number of returns	Total assets	Commissions and accounts receivable	Total current and long-term liabilities	Gross receipts of FSC's and related suppliers	Cost of goods sold	Total income			Foreign trade deductions			
										Administrative		Nonadministrative	
							Administrative foreign trade income	Non-administrative foreign trade income	Non-foreign trade income (less loss)	Total	Foreign direct costs	Total	Foreign direct costs
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Manufactured products--continued													
Furniture and fixtures	18	18,140	17,953	9,092	668,185	--	71,028	--	3	39,116	4,159	--	--
Paper and allied products	47	329,573	307,607	194,286	5,231,904	315,147	584,542	--	1,045	443,308	380,028	--	--
Pulp mills	10	184,717	184,347	120,381	2,994,309	32,647	308,598	--	--	240,868	219,247	--	--
Converted paper and paperboard products, except containers and boxes	7	37,254	26,416	4,207	1,079,730	2	63,386	--	725	23,784	14,423	--	--
Paperboard containers and boxes	21	11,262	1,891	2,135	62,415	9,981	7,139	--	319	6,947	--	--	--
Paper, paperboard, building paper, and building board mills	9	96,340	94,954	67,563	1,095,450	272,518	205,419	--	--	171,709	146,358	--	--
Printing, publishing, and allied products	29	78,655	63,660	23,326	434,123	134,598	80,578	17,768	461	45,563	27,890	9,796	6,179
Periodicals, publishing, and printing	9	47,971	39,020	17,216	119,457	88,873	13,909	14,710	194	2,444	1,835	7,044	6,170
Books	10	10,209	9,854	1,445	245,338	--	59,456	--	49	38,282	22,262	--	--
All other printing and publishing products	10	20,475	14,786	4,665	69,328	45,725	7,214	3,058	218	4,836	3,793	2,752	8
Chemicals and allied products	233	1,613,836	1,525,331	607,427	29,284,937	326,336	2,466,574	7,982	11,482	1,453,923	854,900	5,859	3,209
Industrial inorganic and organic chemicals	26	212,225	207,415	113,754	2,668,936	--	608,447	24	21	469,382	313,819	--	--
Plastics materials, synthetic resins, rubber, and fibers, and other man-made fibers, except glass	69	109,611	77,248	48,359	2,284,620	89,088	194,270	--	--	77,489	31,075	--	--
Drugs	23	295,951	291,350	38,299	4,622,788	3,342	367,321	--	9,454	122,377	71,382	--	--
Soap, detergents, and cleaning preparations	9	35,926	34,858	11,090	1,033,728	--	68,291	--	--	37,501	19,901	--	--
Paints, varnishes, lacquers, enamels, and allied products	11	38,078	25,561	5,806	159,595	82,049	14,792	--	--	6,771	4,498	--	--
Agricultural chemicals	7	24,197	24,043	23,233	671,675	10	46,277	--	--	23,555	14,757	--	--
Miscellaneous chemical products	89	897,848	864,855	366,888	17,843,596	151,847	1,167,176	7,958	2,007	716,848	399,468	5,859	3,209
Petroleum refining and related products	30	4,567	1,320	815	113,132	--	5,512	--	--	937	799	--	--
Rubber and miscellaneous plastics products	31	34,301	21,534	14,226	1,261,649	21,972	66,134	--	210	33,388	11,016	--	--
Tires and inner tubes	8	14,196	10,597	12,526	901,253	21,972	46,737	--	2	27,738	8,202	--	--
Fabricated rubber products not elsewhere classified	10	11,773	2,677	1,568	126,780	--	7,223	--	208	2,744	765	--	--
Miscellaneous plastics products	13	8,332	8,260	133	233,616	--	12,175	--	--	2,905	2,048	--	--
Leather and leather products	25	42,558	41,763	26,144	251,648	--	35,652	--	--	15,300	2,247	--	--
Footwear, except rubber	9	27,962	27,925	12,962	121,865	--	11,508	--	--	1,347	1,067	--	--
All other leather goods	16	14,597	13,839	13,182	129,783	--	24,144	--	--	13,954	1,180	--	--
Stone, clay, glass, and concrete products	43	44,432	37,422	17,875	288,204	18,506	41,139	1,577	103	25,977	1,012	1,577	49

Footnotes at end of table.

Table 1.–Assets, Receipts, Deductions, Net Income, Exempt Income, Distributions, and Taxes of All Active FSC Returns, by Major Product or Service–Continued

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

Major product or service	Non-foreign trade deductions	Net income (less deficit) prior to adjustments			Net income (less deficit)	Net income	Deficit	Taxable income	Income tax		Net exempt income		Distributions
		Administrative	Non-administrative	Non-foreign trade					Total	Regular	Administrative	Non-administrative	
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
Manufactured products–continued													
Furniture and fixtures	--	11,100	--	3	11,103	11,103	--	11,103	3,771	3,771	20,812	--	31,345
Paper and allied products	7	49,118	--	1,038	50,156	50,164	8	50,160	17,314	16,983	92,120	--	142,929
Pulp mills	--	23,558	--	--	23,559	23,559	--	23,559	8,038	8,010	44,171	--	40,815
Converted paper and paperboard products, except containers and boxes	--	13,775	--	725	14,501	14,501	--	14,501	4,941	4,930	25,827	--	69,546
Paperboard containers and boxes	--	58	--	319	378	378	--	378	57	57	134	--	863
Paper, paperboard, building paper, and building board mills	7	11,725	--	7	11,719	11,727	8	11,723	4,279	3,986	21,988	--	31,706
Printing, publishing, and allied products	10	12,180	5,580	451	14,752	14,752	--	14,751	4,987	4,981	22,836	2,392	30,560
Periodicals, publishing, and printing	10	3,988	5,366	184	6,294	6,294	--	6,294	2,108	2,105	7,477	2,300	9,206
Books	--	7,365	--	49	7,413	7,413	--	7,413	2,524	2,520	13,809	--	20,191
All other printing and publishing products	--	827	214	218	1,045	1,045	--	1,045	355	355	1,551	92	1,162
Chemicals and allied products	9,435	352,113	1,487	2,047	355,647	355,669	23	355,656	121,074	120,754	660,746	637	884,433
Industrial inorganic and organic chemicals	--	48,371	17	21	48,408	48,408	--	48,408	16,415	16,398	90,694	7	118,018
Plastics materials, synthetic resins, rubber, and fibers, and other man-made fibers, except glass	--	40,620	--	--	40,620	40,620	--	40,620	13,843	13,807	76,161	--	21,955
Drugs	9,417	85,199	--	37	85,236	85,252	17	85,252	29,060	28,986	159,768	--	224,624
Soap, detergents, and cleaning preparations	--	10,408	--	--	10,408	10,408	--	10,408	3,547	3,540	20,382	--	17,993
Paints, varnishes, lacquers, enamels, and allied products	--	2,790	--	--	2,790	2,790	--	2,790	951	949	5,231	--	1,638
Agricultural chemicals	6	7,953	--	6	7,947	7,953	6	7,953	2,729	2,704	14,819	--	32,887
Miscellaneous chemical products	12	156,772	1,470	1,995	160,237	160,237	--	160,224	54,528	54,370	293,691	630	467,317
Petroleum refining and related products	--	1,591	--	--	1,591	1,591	--	1,591	539	536	2,984	--	4,311
Rubber and miscellaneous plastics products	--	11,415	--	210	11,625	11,625	--	11,618	3,984	3,950	21,356	--	22,090
Tires and inner tubes	--	6,633	--	2	6,635	6,635	--	6,628	2,261	2,253	12,390	--	11,722
Fabricated rubber products not elsewhere classified	--	1,558	--	208	1,766	1,766	--	1,766	600	600	2,921	--	4,278
Miscellaneous plastics products	--	3,224	--	--	3,224	3,224	--	3,224	1,123	1,096	6,045	--	6,090
Leather and leather products	--	6,965	--	--	6,965	6,965	--	6,965	2,335	2,331	13,387	--	18,437
Footwear, except rubber	--	3,463	--	--	3,463	3,463	--	3,463	1,144	1,141	6,699	--	9,481
All other leather goods	--	3,502	--	--	3,502	3,502	--	3,502	1,191	1,191	6,688	--	8,957
Stone, clay, glass, and concrete products	6	5,274	--	97	5,371	5,371	--	5,371	1,660	1,673	9,888	--	4,016

Footnotes at end of table.

Table 1.–Assets, Receipts, Deductions, Net Income, Exempt Income, Distributions, and Taxes of All Active FSC Returns, by Major Product or Service–Continued

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

Major product or service	Number of returns	Total assets	Commissions and accounts receivable	Total current and long-term liabilities	Gross receipts of FSC's and related suppliers	Cost of goods sold	Total income: Administrative foreign trade income	Total income: Nonadministrative foreign trade income	Total income: Nonforeign trade income (less loss)	Foreign trade deductions: Administrative: Total	Foreign trade deductions: Administrative: Foreign direct costs	Foreign trade deductions: Nonadministrative: Total	Foreign trade deductions: Nonadministrative: Foreign direct costs
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Manufactured products--continued													
Primary metal products	75	68,756	63,347	51,198	1,609,622	24,777	173,983	--	23,908	142,144	46,469	--	--
Iron and steel foundries	3	7,856	7,844	6,875	647,997	--	12,041	--	--	5,733	2,057	--	--
Nonferrous foundries	7	6,571	6,193	1,831	110,213	--	6,780	--	--	2,446	1,669	--	--
Miscellaneous primary metal products	65	54,329	49,310	42,492	851,412	24,777	155,162	--	23,908	133,964	42,743	--	--
Fabricated metal products, other than ordnance, machinery, and transportation products	156	235,968	167,283	78,176	2,433,395	227,625	220,106	46,023	477	119,718	36,393	16,809	278
Cutlery, hand tools, and general hardware	12	60,690	51,728	21,790	784,740	73,509	72,158	38,766	312	41,121	11,232	10,352	264
Heating apparatus and plumbing fixtures	68	51,212	37,378	20,954	511,793	56,185	55,954	7,257	13	36,113	8,853	6,457	14
Metal stampings	27	16,858	4,735	294	228,286	--	14,038	--	26	866	190	--	--
Miscellaneous fabricated metal products	50	107,209	73,442	35,138	908,574	97,932	77,956	--	153	41,618	16,118	--	--
Machinery, other than electrical	493	2,981,297	2,532,675	1,228,134	29,758,319	1,528,068	2,455,209	9,512	170,036	1,195,179	388,171	7,388	43
Engines and turbines	4	1,843,431	1,495,777	730,809	11,577,290	1,267,859	805,431	--	12,898	209,926	63,702	--	--
Farm machinery and equipment	10	22,841	22,406	7,462	648,342	--	49,898	--	--	34,635	33,718	--	--
Construction, mining, and materials handling machinery and equipment	22	141,471	131,840	99,117	1,218,479	15,432	128,776	4,923	386	84,781	17,196	4,940	--
Metalworking machinery and equipment	42	20,337	19,988	256	84,429	20,555	13,929	--	--	10,847	--	--	--
Special industry machinery, except metalworking machinery	60	150,326	112,359	58,430	1,423,850	31,152	227,751	2,318	232	154,700	20,762	1,169	--
General industrial machinery and equipment	13	83,601	73,343	27,792	589,379	28,894	49,200	--	112	32,500	17,102	--	--
Office, computing, and accounting machines	121	288,702	278,356	99,401	3,822,415	48,462	583,294	1,023	146,203	373,349	110,949	1,061	43
Miscellaneous machinery, except electrical	221	430,587	398,606	204,867	10,394,135	115,714	596,929	1,248	10,205	294,440	124,743	219	--
Electrical machinery, equipment and supplies	539	1,350,528	1,175,127	621,451	21,120,754	281,024	2,856,772	19,250	20,272	1,850,103	321,018	14,721	2
Electric transmission and distribution equipment	4	29,403	29,358	24,788	129,677	--	29,703	--	--	24,130	20,965	--	--
Electrical industrial apparatus	29	28,017	27,968	19,242	731,320	--	29,406	--	--	9,348	1,554	--	--
Household appliances	25	51,368	44,505	41,565	856,320	48,710	187,871	--	21	103,173	26,629	--	--
Electronics components and accessories	250	770,187	663,922	304,012	13,796,759	78,195	1,713,954	9,937	8,393	1,039,840	115,760	4,828	--
Radio and television receiving sets, and communications equipment	77	176,016	168,808	72,456	3,214,460	39,123	588,244	--	40	483,494	134,293	--	--
Miscellaneous electrical machinery and supplies	154	295,537	240,566	159,388	2,392,217	114,996	307,595	9,313	11,818	190,119	21,817	9,893	2

Footnotes at end of table.

Table 1.–Assets, Receipts, Deductions, Net Income, Exempt Income, Distributions, and Taxes of All Active FSC Returns, by Major Product or Service–Continued

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

Major product or service	Non-foreign trade deductions	Net income (less deficit) prior to adjustments			Net income (less deficit)	Net income	Deficit	Taxable income	Income tax		Net exempt income		Distributions
		Administrative	Non-administrative	Non-foreign trade					Total	Regular	Administrative	Non-administrative	
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
Manufactured products–continued													
Primary metal products	22,711	11,094	--	1,197	12,291	12,298	7	12,296	4,125	4,122	20,777	--	31,126
Iron and steel foundries	--	2,194	--	--	2,194	2,194	--	2,192	748	745	4,114	--	7,076
Nonferrous foundries	--	1,507	--	--	1,507	1,514	7	1,514	504	503	2,839	--	2,050
Miscellaneous primary metal products	22,711	7,393	--	1,197	8,590	8,590	--	8,590	2,874	2,873	13,824	--	22,001
Fabricated metal products, other than ordnance, machinery, and transportation products	414	34,921	20,450	475	55,433	55,563	130	55,470	18,681	18,642	65,630	8,764	99,390
Cutlery, hand tools, and general hardware	28	10,796	19,890	284	30,969	30,969	--	30,969	10,551	10,530	20,242	8,524	46,371
Heating apparatus and plumbing fixtures	386	6,901	560	13	7,061	7,192	130	7,098	2,328	2,322	12,940	240	13,699
Metal stampings	--	4,422	--	26	4,448	4,448	--	4,448	1,452	1,452	8,750	--	11,948
Miscellaneous fabricated metal products	--	12,802	--	153	12,955	12,955	--	12,955	4,350	4,339	23,699	--	27,373
Machinery, other than electrical	155,534	480,291	1,464	14,502	496,256	496,307	51	496,154	168,102	167,878	821,820	678	903,339
Engines and turbines	--	236,216	--	12,898	249,114	249,114	--	249,114	84,794	84,699	388,370	--	391,928
Farm machinery and equipment	--	5,309	--	--	5,309	5,310	1	5,310	1,812	1,805	9,956	--	20,859
Construction, mining, and materials handling machinery and equipment	121	15,303	12	265	15,556	15,568	13	15,568	5,298	5,281	28,692	--	36,257
Metalworking machinery and equipment	--	1,072	--	--	1,072	1,072	--	1,072	235	235	2,010	--	661
Special industry machinery, except metalworking machinery	3	25,409	782	229	26,420	26,426	6	26,426	8,900	8,902	47,647	369	48,181
General industrial machinery and equipment	--	5,809	--	112	5,921	5,921	--	5,921	2,020	2,013	10,891	--	2,844
Office, computing, and accounting machines	145,335	73,025	27	868	73,867	73,872	5	73,790	25,072	25,030	136,930	--	160,490
Miscellaneous machinery, except electrical	10,075	118,147	721	130	118,998	119,023	26	118,953	39,971	39,913	197,323	309	242,118
Electrical machinery, equipment and supplies	20,003	397,279	3,068	269	400,617	401,682	1,066	401,682	136,643	136,272	657,516	1,752	809,254
Electric transmission and distribution equipment	--	1,938	--	--	1,938	1,938	--	1,938	661	659	3,634	--	4,450
Electrical industrial apparatus	--	6,977	--	--	6,977	6,977	--	6,977	2,373	2,372	13,081	--	14,733
Household appliances	--	29,460	--	21	29,481	29,481	--	29,481	10,035	10,012	55,237	--	65,415
Electronics components and accessories	8,818	248,462	3,475	425	251,512	251,953	441	251,953	85,724	85,474	440,570	1,635	544,996
Radio and television receiving sets, and communications equipment	--	63,548	--	40	63,588	63,588	--	63,588	21,690	21,627	68,315	--	90,137
Miscellaneous electrical machinery and supplies	11,185	46,894	406	633	47,121	47,745	624	47,745	16,160	16,128	76,678	117	89,525

Footnotes at end of table.

Table 1.–Assets, Receipts, Deductions, Net Income, Exempt Income, Distributions, and Taxes of All Active FSC Returns, by Major Product or Service–Continued

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

Major product or service	Number of returns	Total assets	Commissions and accounts receivable	Total current and long-term liabilities	Gross receipts of FSC's and related suppliers	Cost of goods sold	Total income			Foreign trade deductions			
										Administrative		Nonadministrative	
							Administrative foreign trade income	Nonadministrative foreign trade income	Nonforeign trade income (less loss)	Total	Foreign direct costs	Total	Foreign direct costs
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Manufactured products–continued													
Transportation equipment	226	8,414,844	3,349,121	370,464	18,124,851	69,935	1,030,955	564,956	2,599	529,427	149,650	370,160	398
Motor vehicles and motor vehicle equipment	31	723,854	710,145	125,034	8,012,373	18,657	360,498	4,275	1,390	186,825	51,630	2,100	--
Aircraft and parts	85	431,888	315,981	166,961	8,585,799	50,180	578,078	187	586	296,735	91,858	165	--
Leased aircraft	101	7,161,910	2,270,359	31,682	659,322	--	16,371	560,493	605	214	42	367,895	398
All other transportation equipment	8	97,191	52,636	46,787	867,357	1,098	76,007	--	18	45,653	6,121	--	--
Professional, scientific, and controlling instruments	278	420,055	367,922	231,743	7,850,095	322,735	838,209	8,193	8,177	486,270	141,308	7,648	--
Engineering, laboratory, and scientific and research instruments and associated equipment	50	69,880	64,435	24,868	930,848	--	85,335	--	74	51,929	17,158	--	--
Instruments for measuring, controlling, and indicating physical characteristics	30	45,363	39,150	25,469	508,261	--	130,533	4,621	251	104,546	1,661	4,621	--
Optical instruments and lenses	47	17,654	8,266	2,976	279,031	--	45,137	--	--	25,710	6,949	--	--
Surgical, medical, and dental instruments and supplies	134	260,549	237,189	166,561	2,505,331	290,352	296,025	3,572	19	181,678	51,956	3,027	--
All other professional, scientific, and controlling instruments	17	26,608	18,881	11,869	3,626,624	32,382	281,179	--	7,833	122,408	63,585	--	--
Miscellaneous manufactured products	113	92,498	88,678	51,581	1,014,041	91,305	132,026	8,523	4,824	78,742	24,146	6,842	--
Jewelry, silverware, and plated ware	8	1,661	1,656	80	31,595	--	1,740	--	--	15	--	--	--
Toys, amusement, sporting and athletic goods	65	44,632	42,776	27,074	379,666	59,656	54,376	--	310	39,138	2,001	--	--
Pens, pencils, and other office and artists' materials	9	30,017	29,797	15,671	281,656	--	31,631	--	--	16,758	13,026	--	--
Miscellaneous manufactured products	31	16,188	14,449	8,756	321,124	31,650	44,279	8,523	4,514	22,831	9,120	6,842	--
Product or service not allocable	**75**	**31,664**	**2,203**	**2,326**	**218,882**	**12,406**	**9,109**	**-**	**19**	**2,916**	**21**	**-**	**-**

Footnotes at end of table.

Table 1.--Assets, Receipts, Deductions, Net Income, Exempt Income, Distributions, and Taxes of All Active FSC Returns, by Major Product or Service--Continued

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

Major product or service	Non-foreign trade deductions	Net income (less deficit) prior to adjustments			Net income (less deficit)	Net income	Deficit	Taxable income	Income tax		Net exempt income		Distributions
		Administrative	Non-administrative	Non-foreign trade					Total	Regular	Administrative	Non-administrative	
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
Manufactured products--continued													
Transportation equipment	1,095	218,102	136,307	1,504	228,585	228,615	30	228,610	77,786	77,580	327,168	58,745	891,096
Motor vehicles and motor vehicle equipment	1,083	60,683	1,517	307	61,978	61,978	--	61,973	21,117	21,062	113,267	658	79,553
Aircraft and parts	--	138,751	15	586	139,352	139,367	15	139,367	47,394	47,249	183,525	6	371,508
Leased aircraft	13	5,620	134,775	593	14,189	14,203	15	14,203	4,835	4,833	10,580	58,081	424,706
All other transportation equipment	--	13,048	--	18	13,066	13,066	--	13,066	4,441	4,436	19,796	--	15,329
Professional, scientific, and controlling instruments	7,701	122,480	381	476	123,337	123,351	13	123,344	41,317	41,301	229,684	163	335,160
Engineering, laboratory, and scientific and research instruments and associated equipment	4	11,620	--	70	11,690	11,690	--	11,690	3,964	3,957	21,789	--	34,094
Instruments for measuring, controlling, and indicating physical characteristics	--	8,908	--	251	9,159	9,160	1	9,160	2,926	2,921	17,080	--	14,264
Optical instruments and lenses	--	6,756	--	--	6,756	6,756	--	6,756	2,156	2,149	12,671	--	15,496
Surgical, medical, and dental instruments and supplies	--	39,773	381	19	40,174	40,186	13	40,180	13,362	13,427	74,597	163	131,482
All other professional, scientific, and controlling instruments	7,697	55,422	--	136	55,558	55,558	--	55,558	18,910	18,847	103,546	--	139,824
Miscellaneous manufactured products	3,816	18,534	1,177	1,008	20,719	20,719	--	20,719	6,658	6,648	34,750	504	55,686
Jewelry, silverware, and plated ware	--	600	--	--	600	600	--	600	111	111	1,125	--	791
Toys, amusement, sporting and athletic goods	265	5,300	--	45	5,345	5,345	--	5,345	1,537	1,537	9,938	--	7,025
Pens, pencils, and other office and artists' materials	--	5,173	--	--	5,173	5,173	--	5,173	1,760	1,759	9,700	--	31,666
Miscellaneous manufactured products	3,550	7,460	1,177	963	9,601	9,601	--	9,601	3,249	3,241	13,988	504	16,203
Product or service not allocable	**17**	**2,156**	**--**	**1**	**2,157**	**2,173**	**16**	**2,173**	**732**	**730**	**4,072**	**--**	**110**

[1]Less than $500.

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

Table 2.--Assets, Receipts, Deductions, Net Income, Exempt Income, Distributions, and Taxes of All Active FSC Returns, by Intercompany Pricing Method

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

Intercompany pricing method	Number of returns	Total assets	Commissions and accounts receivable	Total current and long-term liabilities	Gross receipts of FSC's and related suppliers	Cost of goods sold	Total income			Foreign trade deductions			
										Administrative		Nonadministrative	
							Administrative foreign trade income	Nonadministrative foreign trade income	Nonforeign trade income (less loss)	Total	Foreign direct costs	Total	Foreign direct costs
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
All returns	**3,073**	**17,999,301**	**11,754,053**	**4,574,201**	**152,252,957**	**7,352,795**	**14,242,911**	**911,697**	**457,089**	**8,218,044**	**3,217,498**	**560,575**	**79,571**
Returns showing intercompany pricing method, total	**2,898**	**17,731,531**	**11,539,260**	**4,368,400**	**151,530,738**	**7,076,912**	**14,097,848**	**882,828**	**456,947**	**8,079,209**	**3,184,538**	**537,077**	**73,243**
1.83 percent of gross receipts method only	512	561,135	460,756	357,360	11,285,762	2,067,307	799,681	--	31,163	623,177	236,760	--	--
23 percent of combined taxable income method only	1,607	3,252,566	2,865,515	1,487,270	41,312,460	1,202,039	4,461,374	--	48,290	2,586,557	820,208	--	--
Marginal costing method only	23	80,959	80,035	65,249	452,385	--	139,353	--	35	113,482	11,185	--	--
Section 482 method only	282	7,477,907	2,488,907	197,225	1,450,585	439,337	--	817,000	350,050	--	--	487,519	30,038
1.83 and 23 percent methods	290	1,120,652	1,016,461	433,294	25,368,460	518,723	2,654,866	--	233	1,570,738	502,497	--	--
1.83 and section 482 methods	8	9,120	6,112	6,006	23,474	19,054	4,234	187	--	3,942	--	165	--
23 percent and marginal costing methods	51	340,763	338,638	140,709	4,166,496	120,920	716,046	--	59	522,463	215,679	--	--
23 percent and section 482 methods	8	143,733	90,408	113,659	275,527	259,890	4,316	11,249	1,451	3,750	298	7,721	3,209
1.83, 23 percent, and marginal costing methods	110	4,702,515	4,152,754	1,552,856	62,851,313	2,449,642	5,050,677	--	25,271	2,547,472	1,380,004	--	--
All four methods	4	31,829	31,663	9,890	379,227	--	127,805	1,762	374	102,291	17,722	1,671	50
Returns showing other combinations of pricing methods	3	10,352	8,011	4,882	3,965,049	--	139,496	52,630	21	5,377	185	40,001	39,946
Returns not showing intercompany pricing method	**175**	**267,771**	**214,793**	**205,800**	**722,219**	**275,885**	**145,064**	**28,870**	**142**	**138,793**	**32,960**	**23,499**	**6,328**

Footnotes at end of tables.

Table 2.--Assets, Receipts, Deductions, Net Income, Exempt Income, Distributions, and Taxes of All Active FSC Returns, by Intercompany Pricing Method--Continued

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

Intercompany pricing method	Non-foreign trade deductions	Net income (less deficit) prior to adjustments			Net income (less deficit)	Net income	Deficit	Taxable income	Income tax		Net exempt income		Distributions
		Administrative	Non-administrative	Non-foreign trade					Total	Regular	Administrative	Non-administrative	
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
All returns	**429,134**	**2,214,820**	**245,503**	**28,368**	**2,302,739**	**2,304,473**	**1,734**	**2,303,968**	**781,072**	**779,048**	**3,951,989**	**106,198**	**5,304,817**
Returns showing intercompany pricing method, total	**428,859**	**2,165,986**	**233,010**	**28,479**	**2,250,365**	**2,251,950**	**1,585**	**2,251,465**	**763,252**	**761,199**	**3,860,213**	**100,689**	**5,195,279**
1.83 percent of gross receipts method only	29,773	49,948	--	1,390	51,338	51,527	189	51,440	16,696	16,716	126,667	--	154,269
23 percent of combined taxable income method only	41,440	670,412	--	6,850	677,285	677,879	594	677,848	228,707	227,945	1,233,568	--	1,499,479
Marginal costing method only	4	9,161	--	30	9,192	9,192	--	9,192	3,133	3,127	16,872	--	18,701
Section 482 method only	346,419	--	230,468	3,631	57,377	58,049	672	57,831	19,372	19,254	--	99,592	470,580
1.83 and 23 percent methods	65	433,928	--	581	434,096	434,226	130	434,221	147,387	146,984	707,036	--	1,126,293
1.83 and section 482 methods	--	101	15	--	116	116	--	116	17	17	190	6	--
23 percent and marginal costing methods	3	67,336	--	56	67,393	67,393	--	67,393	22,958	22,923	126,249	--	128,022
23 percent and section 482 methods	1,062	194	2,464	389	3,047	3,047	--	3,047	1,022	1,022	371	1,064	--
1.83, 23 percent, and marginal costing methods	10,084	926,031	--	15,187	941,218	941,218	--	941,074	320,786	320,042	1,632,621	--	1,773,519
All four methods	9	8,875	63	365	9,303	9,303	--	9,303	3,174	3,169	16,639	27	24,416
Returns showing other combinations of pricing methods	205	46,650	8,840	-184	46,467	46,467	--	46,467	15,854	15,798	87,469	3,789	107,312
Returns not showing intercompany pricing method	**70**	**2,183**	**3,652**	**72**	**5,907**	**6,056**	**149**	**6,036**	**1,966**	**2,051**	**4,307**	**1,720**	**2,226**

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

Table 3.–Assets, Receipts, Deductions, Net Income, Exempt Income, Distributions, and Taxes of All Active FSC Returns, by Country of Incorporation

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

Country of incorporation	Number of returns	Total assets	Commissions and accounts receivable	Total current and long-term liabilities	Gross receipts of FSC's and related suppliers	Cost of goods sold	Total income: Administrative foreign trade income	Total income: Nonadministrative foreign trade income	Total income: Non-foreign trade income (less loss)	Foreign trade deductions: Administrative: Total	Foreign trade deductions: Administrative: Foreign direct costs	Foreign trade deductions: Nonadministrative: Total	Foreign trade deductions: Nonadministrative: Foreign direct costs
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Total, all countries	**3,073**	**17,999,301**	**11,754,053**	**4,574,201**	**152,252,957**	**7,352,795**	**14,242,911**	**911,697**	**457,089**	**8,218,044**	**3,217,498**	**560,575**	**79,571**
Barbados	367	2,210,844	1,183,104	654,355	17,840,668	1,388,266	2,511,882	108,555	504	1,648,007	263,199	62,460	58
Bermuda	62	4,192,304	391,661	38,309	1,419,845	–	64,776	274,076	356	15,500	12,788	171,656	329
Guam	224	1,534,974	1,288,221	530,128	21,869,899	3,343,541	1,665,831	71,371	228,693	761,615	483,654	49,257	40,070
Jamaica	148	400,059	372,730	177,632	3,922,307	204,033	527,310	5	516	323,384	68,682	4	2
Netherlands	35	791,697	775,550	182,033	10,327,574	1,965	762,312	–	203	409,801	185,223	–	–
Northern Marianas Islands	27	19,977	6,192	7,194	60,404	51,251	–	9,153	60	–	–	9,800	–
United States Virgin Islands	2,021	8,811,917	7,700,910	2,962,144	95,666,177	2,316,823	8,594,604	448,538	226,745	4,972,497	2,167,580	267,398	39,112
All other, including country not stated	189	37,529	35,685	22,406	1,146,084	46,916	116,196	–	10	87,239	36,372	–	–

Country of incorporation	Non-foreign trade deductions	Net income (less deficit) prior to adjustments: Administrative	Net income (less deficit) prior to adjustments: Non-administrative	Net income (less deficit) prior to adjustments: Non-foreign trade	Net income (less deficit)	Net income	Deficit	Taxable income	Income tax: Total	Income tax: Regular	Net exempt income: Administrative	Net exempt income: Non-administrative	Distributions
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
Total, all countries	**429,134**	**2,214,820**	**245,503**	**28,368**	**2,302,739**	**2,304,473**	**1,734**	**2,303,968**	**781,072**	**779,048**	**3,951,989**	**106,198**	**5,304,817**
Barbados	25	312,351	32,266	480	312,943	312,956	13	312,932	105,986	105,773	563,572	13,852	739,033
Bermuda	13	17,139	71,650	343	19,424	19,439	15	19,439	6,624	6,603	32,179	30,787	239,154
Guam	217,313	306,898	15,480	11,379	321,459	321,721	262	321,715	109,897	109,205	608,961	6,634	840,548
Jamaica	1	70,911	([1])	515	71,427	71,430	3	71,429	24,050	24,018	133,301	([1])	160,649
Netherlands	89	123,828	–	115	123,942	123,979	36	123,979	42,225	42,174	229,965	–	397,775
Northern Marianas Islands	–	–	-453	60	-393	227	619	227	34	34	–	97	–
United States Virgin Islands	211,693	1,373,424	126,559	15,465	1,443,658	1,444,427	769	1,443,953	489,396	488,382	2,365,091	54,829	2,912,996
All other, including country not stated	–	10,268	–	10	10,278	10,295	17	10,295	2,861	2,858	18,920	–	14,662

[1] Less than $500.

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