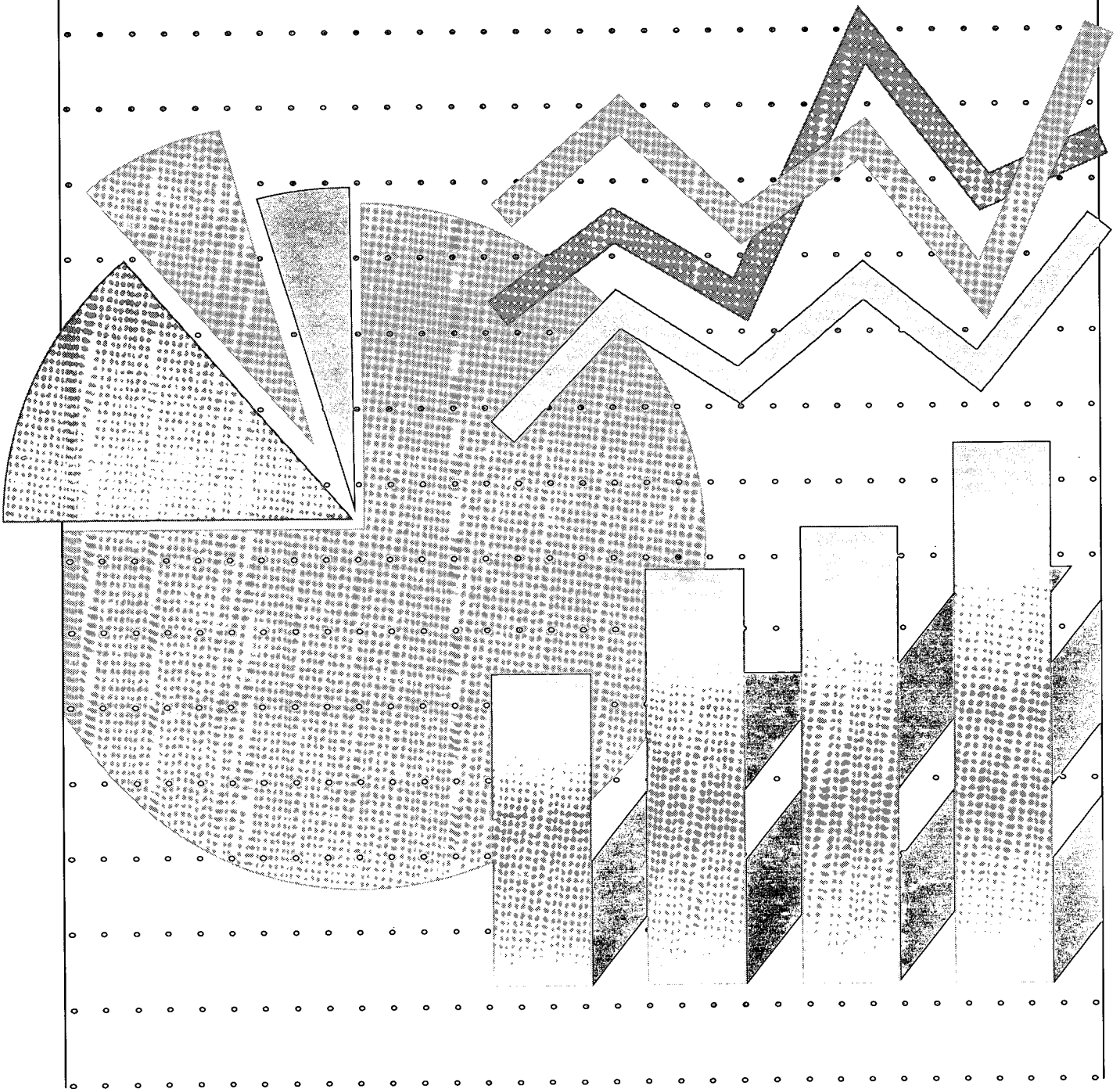


SOI BULLETIN

FALL 1992



PI 1989
Data
Rel.

Statistics of Income Bulletin • Volume 12, Number 2

Fall 1992

Publication 1136

**Department of the Treasury
Internal Revenue Service**

Shirley D. Peterson
Commissioner

Michael P. Dolan
Deputy Commissioner

David G. Blattner
Chief Operations Officer

Judy K. Van Alfen
Assistant Commissioner
(Returns Processing)

Fritz Scheuren
Director, Statistics of Income Division



SOI BULLETIN

A Quarterly Statistics of Income Report

Volume 12, Number 2

The *Statistics of Income (SOI) Bulletin* is issued quarterly, in July, October, January and April, by the Statistics of Income Division of the Internal Revenue Service. The report provides the earliest published annual financial statistics obtained from the various types of tax and information returns filed, as well as information from periodic or special analytical studies of particular interest to students of the U.S. tax system, tax policymakers and tax administrators. It also includes personal income and tax data by State and historical data for selected types of taxpayers, in addition to data on tax collections and refunds and on other tax-related items.

Information on the availability of supplemental data on the topics included in this issue, special tabulations undertaken on a reimbursable basis, or other SOI subjects, may be obtained by telephoning the SOI Statistical Information Services office (202-874-0410), or by writing to the Director, Statistics of Income Division R:S, Internal Revenue Service, P.O. Box 2608, Washington, D.C. 20013-2608.

Robert Wilson and Beth Kilss of the Statistics of Income Division are the technical editors of the *Bulletin*. Paul Arnsberger, Clementine Brittain, Romaine Ferguson, John Glynn, James Hobbs, Bettye Jamerson, Ruth Schwartz and James Willis made major contributions in the production of the fall issue. Views expressed in the articles are those of the authors and do not necessarily represent the views of the Treasury Department or the Internal Revenue Service.

Suggested Citation

Internal Revenue Service
Statistics of Income Bulletin
Fall 1992
Washington, D.C. 1992

For sale by the
Superintendent of Documents
P.O. Box 371954
Pittsburgh, PA 15250-7954

Featured Articles:

Individual Income Tax Returns, 1991: Taxpayer Taxpayer Usage Study	7
<i>By Laura Y. Prizzi and Jeffrey B. Curry</i>	
Sole Proprietorships, 1990	23
<i>By Craig Ammon</i>	
Corporation Income Tax Returns, 1989	40
<i>By Paula Karvounis and Nina Shumofsky</i>	
Controlled Foreign Corporations, 1988	60
<i>By John Latzy and Randy Miller</i>	

Data Releases:

International Boycott Participation, 1990	88
Foreign Recipients of U.S. Partnership Income, 1990	90
Private Foundation and Charitable Trust Statistics, 1989	92
U.S. Possessions Corporations, 1989	97

Departments:

Bulletin Board	2
An Economic Perspective on the Government's Statistical Efforts — An Invited Paper by Gene Steuerle	104
Selected Historical and Other Data	111
SOI Sampling Methodology and Data Limitations — Appendix	171
SOI Projects and Contacts	174
Publications and Tapes	178
Index — Previously Published Articles and Data Releases	Inside Back Cover

Bulletin Board

This Issue at a Glance

Individual Income Tax Returns, 1991: Taxpayer Usage Study

By Laura Y. Prizzi and Jeffrey B. Curry

The first statistics for Tax Year 1991, based on a small sample of returns filed through the end of April 1992, show that the average income tax was \$3,691 compared to \$3,569 for 1990. Overall, adjusted gross income increased by 6 percent. Tax as a percentage of adjusted gross income decreased slightly, from 12.5 to 12.4 percent. Returns with the earned income credit increased to 11.6 million, but it is estimated that another 0.8 million should also have shown the credit. The credit, itself, was up by 37.4 percent due in large part to a change in law contained in the Revenue Reconciliation Act of 1990. For 1991, the number of returns with itemized deductions increased by 7.3 percent to 30.8 million. Total itemized deductions also increased, by 9.5 percent. Electronically-filed returns increased by 25 percent to 10.9 million, which explains the declines in the number of "paper returns" (Forms 1040, 1040A and 1040EZ).

Sole Proprietorships, 1990

By Craig Ammon

The \$141.4 billion in nonfarm sole proprietorship profits reported for 1990 was only 6.6 percent more than 1989. The growth rates for both 1989 and 1990 were well below those recorded from 1983 to 1988, showing signs of the recession that began in 1990. Statistics for the real estate industry group showed a large decline in profits, 15.9 percent, compared to 1989. Despite the developing recession, the profits reported for the services industrial division were significantly higher than 1989, due mainly to the increases reported for business, legal, and medical and health services.

Corporation Income Tax Returns, 1989

By Paula Karvounis and Nina Shumofsky

Although the Nation's gross domestic product continued to grow for 1989, the rate of growth was only moderate and corporate pre-tax profits as reported on income tax returns actually declined for the first time since 1982. The decline, from \$413.0 billion to \$389.0 billion, represented a 5.8 percent drop from 1988, as deductions claimed by corporations increased at a faster rate than receipts. Interest deductions alone increased from \$672.4 billion to \$831.5 billion. Net losses of companies without net income were up sharply, from \$142.9 billion for 1988 to

\$167.3 billion for 1989, while the net income reported by companies reporting a profit hardly increased at all, from \$556.2 billion compared to \$555.9 billion. Despite the changing economy, the corporation income tax for both 1988 and 1989 was at a record high level, exceeding the amounts recorded for any previous year.

Controlled Foreign Corporations, 1988

By John Latzy and Randy Miller

For 1988, the 7,500 largest Controlled Foreign Corporations generated \$823.0 billion in business receipts on assets of \$958.1 billion. About 27 percent of these foreign subsidiaries were classified in finance, insurance and real estate, while 40 percent were engaged primarily in manufacturing (chiefly chemicals, non-electrical machinery, petroleum and coal products and motor vehicles). Foreign taxes paid by manufacturers exceeded \$16.0 billion. The statistics show that Controlled Foreign Corporations were incorporated in over 100 different countries, but the United Kingdom, (West) Germany and Canada predominated.

International Boycott Participation, 1990

Data Release

Foreign Recipients of U.S. Partnership Income, 1990

Data Release

Private Foundation and Charitable Trust Statistics, 1989

Data Release

U.S. Possessions Corporations, 1989

Data Release

Editors' note: This issue also includes a new feature -- an invited paper reprinted from another journal. From time to time in coming issues, we may include articles that we feel may be of interest to you, our readers, that were originally published elsewhere. For our first invited paper, we have reprinted a three-part series from Tax Notes:

An Economic Perspective on the Government's Statistical Efforts

An Invited Paper by Gene Steuerle, Urban Institute

Bulletin Board

Some Observations and Insights

In last fall's Bulletin Board column, we tried something new to Statistics of Income (SOI) by publicizing when data for the major SOI programs would be released to users, often ahead of their publication. This was in keeping with the practice of other Federal statistical agencies which announce their release dates well ahead of time. Our initial effort covered 12 release dates.

How well did we do? Although we've made great strides in improving the timeliness of our data, some of the projected dates were just too optimistic, for a variety of reasons. This only goes to show that we cannot rest on our laurels for long and that we must continue to seek out ways to improve our operations, while at the same time taking further steps to satisfy the changing data require-

ments of our main customers. Unlike many other Federal statistical programs, SOI is an annual program, and, while many of its data requirements remain unchanged from year to year, there are enough new requirements to make every new year a challenge. These include the changing research needs of tax policymakers; the changing source document, the tax return; the changing tax law; and the changing tax administration system.

So here is our second effort and, to put the projected release dates into perspective, we have included some of the critical dates that precede the data releases to help show some of the constraints under which we must operate in order to make data available on a timely basis.

Public Release of SOI Information

Statistics of Income program	Year ended	Close of tax return filing period--		Close of sampling period	Release date (on or before)
		Regular	With extensions of time		
Individual Income Tax Returns					
1990					
Preliminary.....	December 1990	April 1991	August 1991	September 1991	February 1992
Complete.....	December 1990	April 1991	August 1991	December 1991	August 1992
1991					
Preliminary.....	December 1991	April 1992	August 1992	September 1992	February 1993
Complete.....	December 1991	April 1992	August 1992	December 1992	August 1993
1992					
Preliminary.....	December 1992	April 1993	August 1993	September 1993	February 1994
Complete.....	December 1992	April 1993	August 1993	December 1993	August 1994
Nonfarm Sole Proprietorships					
1991.....	December 1991	April 1992	August 1992	December 1992	July 1993
1992.....	December 1992	April 1993	August 1993	December 1993	July 1994
Partnerships					
1991.....	December 1991	April 1992	October 1992	December 1992	July 1993
1992.....	December 1992	April 1993	October 1993	December 1993	July 1994
Corporations ¹					
1990.....	June 1991	September 1991	March 1992	June 1992	March 1993
1991.....	June 1992	September 1992	March 1993	June 1993	March 1994
1992.....	June 1993	September 1993	March 1994	June 1994	March 1995
Corporation Foreign Tax Credit ²					
1990.....	June 1991	September 1991	March 1992	June 1992	June 1993
1992.....	June 1993	September 1993	March 1994	June 1994	March 1995
Controlled Foreign Corporations ²					
1990.....	June 1991	September 1991	March 1992	June 1992	June 1993
1992.....	June 1993	September 1993	March 1994	June 1994	March 1995
Tax-exempt Organizations					
1989.....	November 1990	April 1991	October 1991	December 1991	October 1992
1990.....	November 1991	April 1992	October 1992	December 1992	May 1993
1991.....	December 1992	April 1993	October 1993	December 1993	May 1994
1992.....	December 1993	April 1994	October 1994	December 1994	May 1995

Public Release of SOI Information--Continued

Statistics of Income program	Year ended	Close of tax return filing period--		Close of sampling period	Release date (on or before)
		Regular	With extensions of time		
Private Foundations					
1989.....	November 1990	April 1991	October 1991	December 1991	June 1992
1990.....	November 1991	April 1992	October 1992	December 1992	May 1993
1991.....	November 1992	April 1993	October 1993	December 1993	May 1994
1992.....	November 1993	April 1994	October 1994	December 1994	May 1995
Tax-exempt Organization Unrelated Business Income					
1987.....	November 1988	April 1989	October 1989	December 1989	May 1991
1988.....	November 1989	April 1990	October 1990	December 1990	May 1992
1989.....	November 1990	April 1991	October 1991	December 1991	August 1992
1990.....	November 1991	April 1992	October 1992	December 1992	May 1993
1991.....	November 1992	April 1993	October 1993	December 1993	May 1994
1992.....	November 1993	April 1994	October 1994	December 1994	May 1995
Estate-Tax Returns					
1990.....	(*)	(*)	(*)	December 1990	October 1991
1991.....	(*)	(*)	(*)	December 1991	October 1992
1992.....	(*)	(*)	(*)	December 1992	October 1993

¹ Corporation statistics for 1990 represent accounting periods ended July 1990-June 1991. Other "years" are similarly defined.
² Dates coincide with the corporation Statistics of Income program because these programs are based on schedules attached to the corporation income tax return.
³ Estate tax return statistics are processed on a filing-year, rather than on a year-of-death, basis. At a later stage (not shown here), the underlying data from several filing years are combined by year of death.

Behind the Scenes

During the past year, SOI staffers have participated in a variety of conferences and professional meetings, continuing a long-standing tradition which has gained strength as a resource for professional training and development since 1980.

A contingent of SOI staffers were among the 4,600 statisticians who recently participated in the 152nd Annual Meeting of the American Statistical Association, held in Boston, Massachusetts, August 9-13. The 18 SOI representatives spent the week attending technical sessions, workshops and business meetings, meeting and exchanging information with fellow statisticians and presenting methodological papers about ongoing SOI projects.

There were 12 papers delivered -- all of which will be published in a forthcoming issue in our IRS Methodology Reports series.

SOI presenters and presentations included:

- **Susan Hostetter**, who spoke on managing multiple uses of panels of individual income tax returns (editor's note: returns of the same taxpayers over a period of years);
- **Diane Steffick**, who presented a companion paper to Susan Hostetter's on analyzing longitudinal data linkages in a panel of individual tax returns;

- **Peter Sailer**, who co-authored a paper with **Barry Windheim** and **Ellen Yau**, which compared coverage of the population in the Census and tax documents;
- **Susan Hinkins**, who described a paper co-authored with **Jeri Mulrow** which was a comparison of preliminary and final estimates based on the 1990 SOI corporate sample;
- **Jeri Mulrow**, who presented a paper she co-authored with **Lock Oh** on raking ratio estimation (as a method of weighting data from the corporate SOI sample) over time;
- **David Steigerwald**, who presented a paper entitled "Macroeconomic Conditions versus Tax Reform: An Analysis of Partnerships since 1986;"
- **Alicia Meckstroth**, who discussed material from a paper by **Dan Skelly** on nonprofit organizations and their role in the U.S. economy;
- **Glenn White**, who presented a case study on some quality improvement efforts within the IRS and, following that, served as a chair for a contributed paper session on "Quality and Use of the Decennial Census;"
- **Ed Brzezinski**, who was a co-author of several papers on the results from quality assurance efforts in the 1990 Census coding of industry and occupation, and a presenter of one of them;
- **Louise Woodburn**, who presented a paper co-authored with **Arthur Kennickell** of the Federal

Bulletin Board

Reserve Board on methodological issues in the estimating of household net worth and results from the 1989 Survey of Consumer Finances;

- **Barry Johnson**, who presented a paper jointly with Louise Woodburn on the underlying methodology of the "estate multiplier" technique used to develop personal wealth estimates, focusing on recent improvements and estimates for 1989; and
- **Jonathan Daniels** spoke on the question development process for the IRS Test Call System.

Your Call

Last time we used this column to announce the debut of the SOI Electronic Bulletin Board -- what's available on it, how to get started using it and whom to contact for more information about it. In doing so we inadvertently printed the access phone numbers incorrectly. We were able to make the correction to most issues of the *Bulletin*, but for those who may have tried to access us with the wrong numbers and are wondering why you couldn't get through, we apologize for any inconvenience we may have caused. Please see below for the correct numbers, as well as some updates on the system.

This column will also bring you up to date on a new product that recently became available -- an experimental CD-ROM edition of the 1989 Statistics of Income Individual Public Use Tax File.

SOI Electronic Bulletin Board

To access the bulletin board system (BBS) or, to contact the system operator or the system coordinator, here are the phone numbers you will need to know:

SOI BBS: (202) 874-9574 (analog -- most users)
(202) 874-0408 (Treasury digital system users)

System operator: Jim Willis, (202) 874-0408
System coordinator: Jim Hobbs, (202) 874-0268.

With this information out of the way, you may want to know what has been happening since June when the system got underway. Our beginnings were modest -- with only 3 tables being loaded initially. We have now expanded the number of files to nearly 100. Files on the system now include data from recent *SOI Bulletin* publications for returns covering individuals, corporations, partnerships, sole proprietorships, and estates. It also contains files on personal wealth, excise taxes and certain

international topics (such as foreign tax credits) from SOI studies, as well as tax collections and refunds from IRS administrative systems. All data are in tabular form. The BBS does not contain any identifiable taxpayer information; all tabulations have been reviewed to prevent disclosure of information about specific taxpayers.

The electronic format of the tabulations allows researchers to manipulate and analyze the data as desired. However, the files are in a compressed format on the BBS in order to maximize the current limited amount of space (80 megabytes) on the hard disk of the computer. (In the future, we expect to increase this to 600 megabytes.) Users can download table files with software (e.g., PKUNZIP.EXE) to decompress those files on their own "personal computers" (PC). After decompression, files are in two different formats: ASCII and Lotus 1-2-3, Version 1a.

To date, the system has been used by over 200 people, both inside and outside of IRS. Each user is allowed 60 minutes per session on the BBS to browse the files and download any files of interest. In browsing the files, a user can only see the descriptive name of a table file. Because the files are compressed, the actual contents of a file cannot be viewed until downloaded and decompressed on the user's PC.

There is **no charge** by the IRS for using the BBS; users only have to incur any applicable long distance telephone charges. While the BBS currently has two different telephone numbers, the system has only one node/line and, thus, can accommodate only one user at a time. This is another area, however, which we will be exploring in the future. Some other possible enhancements now being explored include:

- replacement of the 386 PC with a dedicated 486 PC;
- expansion of the hard disk to allow more files on the system (discussed above);
- the addition of a tape backup system;
- the addition of FAX capabilities (to provide users an additional service);
- the addition of table files from other SOI publications (i.e., the individual and corporate reports) and projects (e.g., the Individual Public Use Tax File);
- the addition of text files, which will help explain the usefulness and limitations of the table files on the system; and
- the inclusion of table files on the BBS about 1 month before they are printed in future issues of the *SOI Bulletin*.

Periodically, we will continue to bring you up-to-date on the latest enhancements to our bulletin board system.

Bulletin Board

In the meantime, we look forward to serving you in any way we can -- either through the BBS or through our Statistical Information Services office (on 202-874-0410). Please feel free to contact us at any time.

Individual Public Use Tax File

Starting with Tax Year 1966, public use magnetic tape microdata files of unidentifiable individual income tax returns have been and still are available for a fee (see the Publications and Tapes section at the back of this issue). Now, thanks to a cooperative arrangement with the National Bureau of Economic Research, in addition to the magnetic tape version, we are also making available the 1989 individual public use tax file on CD-ROM (compact disk/read only memory).

The disk contains the complete 1989 Statistics of Income Individual Public Use Tax file converted to space delimited ASCII decimal format. The SAS program (and output) that performed the conversion and summary statistics for each code and field are also included. Documentation for the file is available by writing to the Director, Statistics of Income Division R:S, Internal Revenue

Service, P.O. Box 2608, Washington, DC 20013-2608.

For further information about how to obtain this limited CD-ROM edition, please call our Statistical Information Services office.

Upcoming Features

The following are some of the articles planned for inclusion in upcoming issues of the *SOI Bulletin*:

- Foreign Controlled U.S. Corporations, 1989;
- Tax Rates and Tax Shares, Individual Income Tax Returns, 1988-1989;
- Environmental Excise Taxes, 1990;
- Private Foundations and Charitable Trusts, 1989;
- High Income Individual Income Tax Returns, 1989; and
- Projections of Returns to be Filed, 1993-2000.

Future "data releases" include:

- Foreign Trusts, 1990; and
- Foreign Earned Income and Foreign Tax Credit by Country, Individual Income Tax Returns, 1987.

Individual Income Tax Returns, 1991: Taxpayer Usage Study

by Laura Y. Prizzi and Jeffrey B. Curry

Based on statistics obtained from the Taxpayer Usage Study (TPUS), which provides data from a small sample of individual income tax returns filed through the end of April, the average income tax per return for Tax Year 1991 was \$3,691, an increase over the 1990 average of \$3,569 [1]. Tax as a percentage of adjusted gross income (AGI) decreased slightly to 12.4 percent, from 12.5 percent for the previous year. (AGI is the sum of all sources of income less losses, reduced by statutory adjustments.) Tax as a percentage of AGI dropped for all the income classes, except two (Figures A and B). The changes in the highest (\$100,000 and over) and lowest (\$1 under \$5,000) classes were too small to be statistically significant [2].

Changes in Individual Income Tax Provisions

Changes in the average and effective tax rates between 1990 and 1991 reflect not only changes in economic conditions, but also changes in the tax rate schedules mandated by the Revenue Reconciliation Act of 1990. For Tax Year 1990, there were two basic tax rates--15 percent and 28 percent--plus a phase-out of the benefits of the 15 percent rate (as compared to the 28 percent rate) and of the deduction for personal exemptions. For single taxpayers, the phase-out began when taxable incomes exceeded \$47,050. For married couples filing jointly, it began when taxable income exceeded \$78,400. This phase-out (sometimes referred to as the "bubble") was accomplished through use of an effective marginal tax rate (i.e., the rate applicable to the "last" increment of income) of 33 percent. For those taxpayers with income in excess of the amount needed to completely phase out the benefits of the 15 percent rate and the amount allowed for exemptions claimed, the marginal rate reverted to 28 percent [3].

For Tax Year 1991, the phase-out of the 15 percent rate bracket was eliminated, and a third marginal rate of 31 percent was introduced. A phase-out for the personal exemption was retained in a modified form. The phase-out of this exemption deduction was not incorporated into the tax rate schedule; instead, it was included in a modification to the definition of taxable income. The net result was a lowering of effective tax rates for most taxpayers who were in the "bubble," while potentially increasing the rates for those whose incomes put them above the "bubble" for 1990 [4]. In addition, a cap of 28 percent was placed on the marginal tax rate applicable to

long-term capital gains; this represented a benefit for those who were paying tax at an effective marginal rate of 33 percent for Tax Year 1990. The new law also limited certain itemized deductions for higher income taxpayers; see the section on Itemized Deductions for a fuller explanation.

Tax Year 1991 marked the introduction of major changes in the tax law concerning the earned income

**Electronically-
filed returns
increased by 25
percent to 10.9
million.**

credit (EIC), a refundable tax credit available to low-income workers with children. The maximum EIC allowed increased because of an increase in the basic rates, a new family size adjustment, and the creation of new supplemental credits for health care expenses and for children born during the current tax year. In addition, a taxpayer filing as a single person, who

met the earnings, AGI and qualifying child limitations for claiming EIC, became eligible for the credit. These changes may explain why the total amount claimed increased by 37.4 percent from 1990 to 1991. Calculations using the TPUS database indicate that for 1991 approximately 769,000 additional returns should have shown an earned income credit. Counting these additional returns, the number of returns with EIC for 1991 would have been up 4.1 percent from 1990 [5].

Filing Patterns

For the preceding 4 years, returns filed by April 15th have represented between 92.4 and 93.1 percent of all returns filed during the processing year. Based on Internal Revenue Service (IRS) projections of the total number of returns to be filed for 1991, 94.0 percent of all Tax Year 1991 returns were filed by April 15, 1992, compared to the 92.4 percent for Tax Year 1990 (Figure C). Previous experience suggests that returns filed after the April 15th deadline, on average, have larger incomes and are more complex than the returns that served as the basis for the statistics in this article [6].

Characteristics of Returns

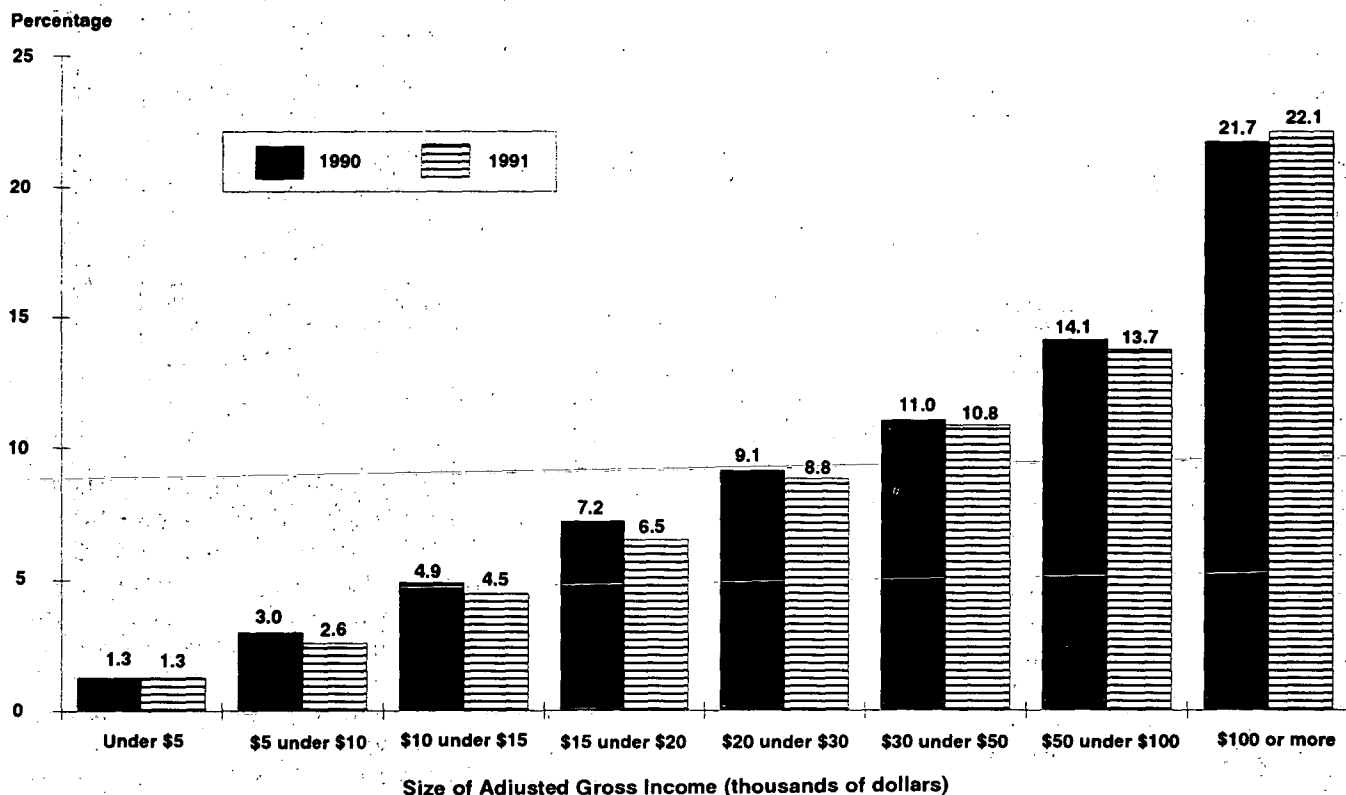
For Tax Year 1991, there was an across-the-board decrease in the percentage of "paper returns" filed with the IRS. As a result, the number of returns, *U.S. Individual Income Tax Return*, Form 1040, as a percentage of all returns, fell by 0.2 percentage points to 56.0 percent; *U.S. Individual Income Tax Return*, Form 1040A, dropped by 1.4 percentage points to 18.4 percent; and *Individual Tax Return for Single Filers With No Depen-*

Laura Y. Prizzi and Jeffrey B. Curry are economists with the Individual Special Projects Section. This article was prepared under the direction of Peter Sailer, Chief. Important contributions were made by Michael E. Weber.

Individual Income Tax Returns, 1991: Taxpayer Usage Study

Figure A

Total Income Tax as a Percentage of Adjusted Gross Income (AGI), by Size of AGI, Tax Years 1990 and 1991



NOTES: Total income tax represents income tax after credits and alternative minimum tax, less total earned income credit. All data are based on returns filed through April.

dents, Form 1040EZ, declined by 0.3 percentage points to 15.5 percent (Figure D). The overall decline in paper returns was offset by a 1.9 percentage point increase in electronically-filed returns (i.e., from 8.2 percent to 10.1 percent), with the number of these returns increasing by approximately 2.1 million.

Although the number of Form 1040A returns fell as a percentage of all returns filed, elderly taxpayers used them more frequently. For Tax Year 1991, the number of Forms 1040A filed by the elderly rose to more than 2.7 million, compared to 2.0 million for Tax Year 1990. The number of 1040A's filed by the elderly had already increased dramatically the previous year (from 0.3 million for Tax Year 1989), most likely as a result of a form change allowing pensions and annuities, social security benefits, Individual Retirement Arrangement (IRA) distributions and the credit for the elderly to be reported on Form 1040A.

Sources of Income

Overall, AGI increased 6 percent from 1990 to 1991, but the rate of increase for the different sources of income varied widely. For example, total salaries and wages increased by 4.3 percent, but taxable social security benefits increased by 26.1 percent. Other significantly larger-than-average increases included: taxable interest (12.4 percent); net capital loss (11.4 percent); and unemployment compensation (55.2 percent). Also, the number of taxpayers with income from unemployment compensation increased by 22.5 percent, reflecting the effects of the economic recession. For details on the sources of income and adjustments used in the calculation of adjusted gross income, see Tables 1 and 2.

Itemized Deductions

For 1991, the number of returns claiming itemized deductions increased by 7.3 percent, from 28.6 million.

Individual Income Tax Returns, 1991: Taxpayer Usage Study

Figure B

Adjusted Gross Income and Total Income Tax, by Size of Adjusted Gross Income, Tax Years 1990 and 1991

[Numbers of returns are in thousands, money amounts are in millions of dollars]

Tax year, items	Total	Size of adjusted gross income								
		Less than \$1 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 1991										
Number of returns.....	107,918	560	14,653	14,013	12,554	10,986	17,245	20,675	14,241	2,992
Adjusted gross income or deficit.....	3,208,371	-7,540	37,398	104,736	156,474	190,501	424,658	803,471	944,609	554,068
Total income tax ²	398,361	--	500	2,724	7,016	12,313	37,550	86,553	129,010	122,695
Tax as a percentage of adjusted gross income.....	12.4	--	1.3	2.6	4.5	6.5	8.8	10.8	13.7	22.1
TAX YEAR 1990										
Number of returns.....	105,129	530	15,139	14,060	13,013	10,857	16,195	19,722	12,798	2,450
Adjusted gross income or deficit.....	3,001,032	-15,133	38,467	105,337	162,038	189,549	399,510	766,363	852,316	502,581
Total income tax ²	375,251	--	503	3,153	7,940	13,586	36,447	84,313	120,119	109,190
Tax as a percentage of adjusted gross income.....	12.5	--	1.3	3.0	4.9	7.2	9.1	11.0	14.1	21.7

¹ Includes returns with adjusted gross deficit.

² Total income tax is computed as the sum of income tax after credits and alternative minimum tax, less earned income credit.

NOTES: Detail may not add to totals because of rounding. All data are based on returns filed through April.

returns for Tax Year 1990 to 30.7 million for Tax Year 1991. The total amount of itemized deductions claimed also increased, rising 9.5 percent. All AGI classes except the \$100,000-and-over class experienced a statistically significant increase in itemized deduction amounts. Taxpayers in the top income bracket may have been affected by new limitations on the amounts of certain types of itemized deductions which could be claimed in the computation of taxable income [7].

Paid Preparers, Official Labels and Envelopes, Electronically Filed Returns

For Tax Year 1991, the percentage of returns showing a paid tax preparer's signature increased by 2.1 percent. Paid tax preparer usage by filers of Forms 1040, 1040A and 1040EZ remained constant at 45 percent. On the other hand, the percentage of electronically-filed returns with a paid preparer's signature increased by 6.4 percent, to 68 percent for Tax Year 1991. Since a return cannot be filed electronically by an individual, even if that individual prepares his own return, an increase in the electronic

filing of tax returns may be associated with an increase in the preparation of tax returns by paid tax preparers [8].

For 1991, electronically-filed returns increased by 25 percent, to 10.9 million. Electronic filing of returns now accounts for 10 percent of all returns filed. An analysis of electronic-filing by AGI class indicates that taxpayers with AGI under \$30,000 accounted for 79.1 percent of all electronically-filed returns for 1991, but only 63.3 percent of all paper returns. In addition, 37.3 percent of all taxpayers filing electronically claimed the earned income credit, compared to only 7.8 for paper returns (Figure E). Thus, many lower income taxpayers may be filing electronically in order to accelerate receipt of the earned income credit. Of the returns filed electronically with a Schedule EIC attached, 69.5 percent were prepared by paid tax preparers, compared to only 40.8 percent for non-electronically-filed returns.

About 51.0 percent of all paper returns filed had the IRS-provided name and address label attached [9]. This was down slightly from 52.1 percent for 1990. Of the 49.5 million labels used by taxpayers, 95.9 percent were

Figure C

Number of Returns Filed, Tax Years 1987-1991

[Numbers of returns are in thousands]

Returns filed	Tax year				
	1987	1988	1989	1990	1991
	(1)	(2)	(3)	(4)	(5)
Returns filed through April of the filing year.....	98,569	102,228	104,314	105,129	107,918
Returns filed through December of the filing year.....	107,173	109,708	112,136	113,829	114,770 ¹
Returns filed through April as a percentage of returns filed through December.....	92.6	93.1	93.0	92.4	94.0 ²

¹ Projected total by the IRS Research Division of Forms 1040, 1040A, 1040EZ, and electronically-filed returns.

² Estimated on the basis of projections for Tax Year 1991.

Individual Income Tax Returns, 1991: Taxpayer Usage Study

Figure D

Returns Filed by Form Used, Tax Years 1987-1991

(Numbers of returns are in thousands)

Form used	Tax year				
	1987	1988	1989	1990	1991
	(1)	(2)	(3)	(4)	(5)
Number of returns					
All returns.....	98,569	102,228	104,314	105,129	107,918
Long form, 1040.....	62,948	63,647	63,533	58,908	60,401
Short forms, total.....	35,048	37,381	36,514	37,466	36,651
1040A.....	17,104	18,284	17,677	20,871	19,868
1040EZ.....	17,944	19,097	18,837	16,595	16,783
Electronically-filed returns.....	573	1,200	4,267	8,755	10,866
Percentage of returns					
All returns.....	100.0	100.0	100.0	100.0	100.0
Long form, 1040.....	63.9	62.3	60.9	56.0	56.0
Short forms, total.....	35.6	36.6	35.0	35.6	33.9
1040A.....	17.4	17.9	16.9	19.9	18.4
1040EZ.....	18.2	18.7	18.1	15.8	15.5
Electronically-filed returns.....	0.6	1.2	4.0	8.3	10.1

NOTES: Detail may not add to totals because of rounding. All data are based on returns filed through April.

unaltered. When the official IRS label is attached to the taxpayer's return, the IRS transcription operator does not need to enter the taxpayer's name or address, provided no changes have been made to the label. Therefore, official label usage helps to decrease processing time and costs.

About 59.9 percent of paper returns for Tax Year 1991 were mailed in official bar-coded envelopes, down from 64.4 percent for 1990. The bar codes on the official envelopes represent postal ZIP Codes and tax form type that allow both the Postal Service and the IRS to machine-sort the envelopes. Machine sorting is less costly and faster than hand-sorting.

Data Sources and Limitations

Data for the TPUS were derived from a daily random sampling of returns as they were received in the ten IRS service center mail rooms from January 1, 1992 to May 1, 1992. In addition to the sample drawn from the mail room receipts, a separate sample was drawn in five IRS service centers from the electronically-transmitted returns. Returns were selected at different rates in three different sampling periods. During the first sampling period (January 1 - 31), returns were selected at a rate of 1-in-1,920. For the second sampling period (February 1 - March 27), the rate decreased to 1-in-15,900, but then increased to 1-in-13,100 for the third sampling period (March 28 - May 1).

The sample size for the entire sampling period from January to May was approximately 10,000. Examined by sampling period, 2,911 returns were selected during January; 3,437 were selected during February and March; and 3,374 were selected during April.

Weights were computed by dividing the sample size into the population. These computations were made

separately for each type of return for each sampling period. The results were weights ranging from 1,962 to 3,061 for returns sampled during the first sampling period. For the second sampling period, the weights ranged from 13,779 to 17,884. For the final sampling period, the

Figure E

Paper Returns and Electronically-Filed Returns and Percentage Claiming Earned Income Credit, by Size of Adjusted Gross Income, Tax Year 1991

(Numbers of returns are in thousands)

Size of adjusted gross income	Number of returns	Percentage of returns	Percentage of returns claiming earned income credit
	(1)	(2)	(3)
Paper returns, total.....	97,052	100.0	7.8
No adjusted gross income ¹	546	0.6	--
\$1 under \$5,000.....	13,796	14.2	1.3
\$5,000 under \$10,000.....	11,862	12.2	1.9
\$10,000 under \$15,000.....	10,441	10.8	2.0
\$15,000 under \$20,000.....	9,521	9.8	2.1
\$20,000 under \$30,000.....	15,249	15.7	0.5
\$30,000 under \$50,000.....	19,000	19.6	N/A
\$50,000 under \$100,000.....	13,674	14.1	N/A
\$100,000 or more.....	2,964	3.0	N/A
Electronically-filed returns, total.....	10,866	100.0	37.3
No adjusted gross income ¹	14	0.1	--
\$1 under \$5,000.....	856	7.9	4.3
\$5,000 under \$10,000.....	2,152	19.8	11.4
\$10,000 under \$15,000.....	2,114	19.5	12.4
\$15,000 under \$20,000.....	1,465	13.5	7.7
\$20,000 under \$30,000.....	1,995	18.4	1.5
\$30,000 under \$50,000.....	1,675	15.4	N/A
\$50,000 under \$100,000.....	567	5.2	N/A
\$100,000 or more.....	28	0.3	N/A

¹ Includes returns with adjusted gross deficit.

N/A - Not applicable.

NOTES: Detail may not add to totals because of rounding. All data are based on returns filed through April.

Individual Income Tax Returns, 1991: Taxpayer Usage Study

weights ranged from 13,245 to 14,977.

Since the data presented in this article are estimates based on a sample, they are subject to sampling, as well as non-sampling error. Non-sampling 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 processing steps, which would have corrected many taxpayer errors. However, as the returns were added to the TPUS data base, they were computer-tested for internal consistency, and some of the more obvious taxpayer omissions and mathematical errors were corrected.

In several instances, Tax Year 1991 data are compared with Tax Year 1990 data. In all cases, unless otherwise noted, the 1990 data used for comparison purposes were obtained from the returns processed for *Statistics of Income—1990, Individual Income Tax Returns*, by May 1, 1991. Consequently, these data incorporate changes made during IRS processing.

If the statistical data provided are to be used properly, then 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. Approximate coefficients of variation for frequency estimates are presented in Figure F. The coefficients of variation shown are intended only as a general indication

returns which did not have any total income tax.

- [2] Data for AGI classes of \$100,000 or more are based on a sample of 219 returns which were weighted by approximately 13,661, on average. Therefore, these estimates should be used with caution.
- [3] A fuller explanation of the tax rate structure is contained in Day, Charles and Strudler, Michael, "Individual Income Tax Rates and Tax Shares, 1988-1989," in the Winter 1992-1993 issue of the *Statistics of Income Bulletin*.
- [4] It should be noted that, if the additional taxes generated by the phase-out of the exemption amount for 1991 were taken into account, the effective marginal rates could (for taxpayers with large numbers of exemptions) exceed the maximum 33 percent marginal rate in effect for 1990.
- [5] Data from tax returns for 1990 used for this article reflect corrections made during IRS administrative processing of the returns after they were filed. Tax Year 1991 data used for this article had not yet undergone such processing. Thus, 1990 data include returns of taxpayers who did not initially claim the earned income credit, but through error checking at the IRS service centers it was determined that they should have. See the final section of this article, Data Sources and Limitations, for a further description of the 1990 and 1991 samples.
- [6] Taxpayers could legitimately file after April 15th if:
 - they lived outside of the United States and Puerto Rico and their main place of business or military post of duty was outside the United States and Puerto Rico (these taxpayers were permitted an automatic extension to June 15th);
 - they filed a Form 4868 for an automatic extension of the filing deadline, paying the estimated balance due with the form (these taxpayers were permitted an automatic extension to August 17th); or
 - they filed a Form 2688 for an additional extension of filing deadline (these taxpayers were permitted an extension of 2 additional months or more, provided that there was a good reason that the previous 4-month extension was not sufficient).
- [7] The reduction in otherwise allowable itemized deductions is the smaller of: 3 percent of the excess of AGI over \$100,000 (\$50,000 if married filing separately), or 80 percent of total itemized deductions less the deduction for medical expenses; deduction for investment interest; deduction for theft and

Figure F

Coefficients of Variation for Frequency Estimates, Tax Year 1991

Coefficients of variation	Estimated number of returns			
	1040EZ	1040A	1040	Electronically-filed returns
	(1)	(2)	(3)	(4)
0.02.....	44,707,000	39,973,400	40,405,400	36,482,500
0.05.....	7,153,100	6,395,700	6,464,900	5,837,200
0.10.....	1,788,300	1,598,900	1,616,200	1,459,300
0.20.....	447,100	399,700	404,100	364,800
0.30.....	198,700	177,700	179,600	162,100
0.35.....	146,000	130,500	131,900	119,100
0.50.....	71,500	64,000	64,600	58,400

of data reliability. For numbers of returns other than those shown, the corresponding coefficients of variation can be estimated by interpolation. Please note that the coefficients of variation for the 1990 data used in year-to-year comparisons are much lower than those for the 1991 data. As noted above, the 1990 data were derived from the larger Statistics of Income sample.

Notes and References

- [1] Average tax was computed by dividing total income tax by the total number of returns, including those

Individual Income Tax Returns, 1991: Taxpayer Usage Study

casualty losses; and the deduction for gambling losses.

- [8] The data presented here on paid preparers and envelope and label usage (for both 1990 and 1991) were taken from the 1991 *TPUS Weekly Report No. 15*, which encompasses data for the same time period as the TPUS data base, but has preliminary weights. Also see, *Data Sources and Limitations*.

- [9] Electronic returns have been omitted from the discussion of label and envelope usage because an electronically-filed return cannot have a label "affixed," or be shipped in an envelope. Taxpayers may have submitted Form 8453, *U.S. Individual Income Tax Declaration for Electronic Filing*, with the label affixed, but this information was not available at the time of TPUS processing.

Individual Income Tax Returns, 1991: Taxpayer Usage Study

Table 1.--All Returns: Total Income and 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	Number of returns	Total income (or loss) ¹	Sources of income					
			Salaries and wages		Taxable interest		Tax-exempt interest ²	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
All returns.....	107,918	3,242,619	91,099	2,443,771	67,361	209,311	3,972	37,291
No adjusted gross income ³	560	-7,480	138	2,258	355	1,185	*16	*235
\$1 under \$5,000.....	14,653	37,895	11,760	29,893	6,044	4,918	*96	*100
\$5,000 under \$10,000.....	14,013	105,308	10,762	73,710	6,153	9,842	190	475
\$10,000 under \$15,000.....	12,554	157,624	10,126	114,627	5,948	14,067	268	1,285
\$15,000 under \$20,000.....	10,986	192,055	9,221	148,352	5,711	13,418	159	618
\$20,000 under \$30,000.....	17,245	429,033	15,065	339,013	10,973	25,001	420	1,728
\$30,000 under \$50,000.....	20,675	810,962	18,483	658,712	16,165	39,198	662	4,766
\$50,000 under \$100,000.....	14,241	952,500	13,024	767,819	13,105	46,791	1,302	11,287
\$100,000 or more.....	2,992	564,462	2,519	309,389	2,906	54,892	858	16,796

Size of adjusted gross income	Sources of income--Continued							
	Dividends		Taxable refunds of State and local income taxes		Alimony received		Business net income	
	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.....	22,709	70,689	16,410	8,444	573	4,163	10,420	152,955
No adjusted gross income ⁴	*82	*35	*40	*16	--	--	*40	*384
\$1 under \$5,000.....	1,498	1,055	169	19	*13	*11	713	2,088
\$5,000 under \$10,000.....	1,458	2,250	241	74	*80	*298	951	5,685
\$10,000 under \$15,000.....	1,660	3,461	315	74	*59	*268	878	6,017
\$15,000 under \$20,000.....	1,371	2,270	697	271	*65	*244	974	7,326
\$20,000 under \$30,000.....	3,054	7,085	2,112	776	*115	*560	1,535	15,366
\$30,000 under \$50,000.....	5,103	10,393	5,584	2,228	171	1,346	2,514	27,491
\$50,000 under \$100,000.....	6,409	18,719	5,890	3,364	*57	*609	2,183	36,911
\$100,000 or more.....	2,073	25,421	1,363	1,622	*13	*827	633	51,685

Size of adjusted gross income	Sources of income--Continued							
	Business net loss		Sales of capital assets from Schedule D				Capital gain distributions	
	Number of returns	Amount	Net capital gain		Net capital loss		Number of returns	Amount
Number of returns			Amount	Number of returns	Amount			
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	
All returns.....	2,909	12,594	7,477	65,512	4,452	8,672	2,754	1,190
No adjusted gross income ⁵	243	3,290	*40	*78	*101	*216	--	--
\$1 under \$5,000.....	161	399	340	702	235	470	377	76
\$5,000 under \$10,000.....	*125	*284	384	799	235	363	*125	*82
\$10,000 under \$15,000.....	*71	*347	413	740	355	723	*98	*25
\$15,000 under \$20,000.....	*107	*455	443	1,333	246	438	151	23
\$20,000 under \$30,000.....	497	1,795	894	2,577	452	902	404	172
\$30,000 under \$50,000.....	920	3,456	1,634	8,861	980	1,994	715	360
\$50,000 under \$100,000.....	688	2,400	2,352	18,311	1,254	2,254	829	402
\$100,000 or more.....	*96	*169	977	32,112	593	1,311	*56	*71

Footnotes at end of table.

Individual Income Tax Returns, 1991: Taxpayer Usage Study

Table 1.--All Returns: Total Income and Sources of Income, by Size of Adjusted Gross Income--Continued

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

Size of adjusted gross income	Sources of income--Continued						
	Other gain (less loss)		Schedule E income (less loss) ²		Returns with taxable Individual Retirement Arrangement (IRA) distributions		
	Number of returns	Amount	Number of returns	Amount	Number	Total distributions	Taxable amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)
All returns.....	1,591	-231	13,276	55,819	4,304	44,310	18,102
No adjusted gross income ¹	*85	--	135	-3,283	*29	*166	*166
\$1 under \$5,000.....	*86	*53	555	-1,300	*104	*231	*146
\$5,000 under \$10,000.....	*81	*209	666	-646	304	967	636
\$10,000 under \$15,000.....	*112	*147	924	1,216	456	7,505	830
\$15,000 under \$20,000.....	*97	*51	934	467	425	1,666	1,598
\$20,000 under \$30,000.....	197	-508	1,838	1,493	815	6,484	2,286
\$30,000 under \$50,000.....	421	101	3,081	82	991	13,403	3,506
\$50,000 under \$100,000.....	340	471	3,536	2,794	933	9,454	6,012
\$100,000 or more.....	172	-754	1,607	54,997	247	4,434	2,922

Size of adjusted gross income	Sources of income--Continued						
	Taxable pensions and annuities			Farm net income		Farm net loss	
	Number of returns	Total	Taxable amount	Number of returns	Amount	Number of returns	Amount
	(32)	(33)	(34)	(35)	(36)	(37)	(38)
All returns.....	18,153	225,500	169,210	1,025	12,143	1,240	10,004
No adjusted gross income ¹	*59	*456	*241	*16	*193	*56	*1,541
\$1 under \$5,000.....	654	2,118	1,425	*112	*152	*46	*1,036
\$5,000 under \$10,000.....	2,321	11,321	10,218	*59	*240	*118	*459
\$10,000 under \$15,000.....	2,263	15,597	14,406	*32	*186	137	1,213
\$15,000 under \$20,000.....	1,968	16,924	15,434	*91	*518	*88	*186
\$20,000 under \$30,000.....	3,117	33,159	30,197	183	1,926	165	1,380
\$30,000 under \$50,000.....	4,023	57,315	44,557	313	3,916	358	1,918
\$50,000 under \$100,000.....	3,009	52,622	36,740	193	4,972	203	1,136
\$100,000 or more.....	738	35,988	15,992	*26	*41	*69	*1,136

Size of adjusted gross income	Sources of income--Continued						
	Other income (less loss)		Unemployment compensation		Returns with taxable social security benefits		
	Number of returns	Amount	Number of returns	Amount	Number of returns	Total benefits	Taxable amount
	(39)	(40)	(41)	(42)	(43)	(44)	(45)
All returns.....	6,113	24,025	9,242	22,219	10,071	101,358	22,832
No adjusted gross income ¹	*128	*-1,893	--	--	*93	*1,010	--
\$1 under \$5,000.....	304	88	344	529	540	4,387	81
\$5,000 under \$10,000.....	402	586	1,257	2,725	1,398	12,651	*1
\$10,000 under \$15,000.....	333	541	1,369	3,089	1,220	12,958	237
\$15,000 under \$20,000.....	367	499	1,333	3,429	856	8,483	98
\$20,000 under \$30,000.....	840	2,020	1,533	3,613	1,670	16,628	1,723
\$30,000 under \$50,000.....	1,448	3,309	2,248	5,554	2,345	22,980	9,588
\$50,000 under \$100,000.....	1,492	4,171	1,078	2,969	1,500	16,571	8,260
\$100,000 or more.....	798	14,705	*79	*311	449	5,690	2,845

¹ The sum of all sources of income less loss, before reduction by statutory adjustments. (Total income minus statutory deductions equals adjusted gross income.)

² Not included in "total income" (column 2) or "adjusted gross income" (column 17).

³ Rent, royalty, partnership, S Corporation, and estate or trust net income less loss.

⁴ Includes returns with adjusted gross deficit.

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

NOTES: Detail may not add to totals because of rounding. All data are based on returns filed through April.

Individual Income Tax Returns, 1991: Taxpayer Usage Study

Table 2.--All Returns: Total Income, Statutory Adjustments, and Adjusted Gross 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	Number of returns	Total income (or loss) ¹	Statutory adjustments						
			Total		Deduction for self-employment tax		Payments to an Individual Retirement Arrangement (IRA)		Self-employed health insurance deduction
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns.....	107,918	3,242,619	16,101	33,597	11,017	10,514	5,113	9,740	3,387
No adjusted gross income ²	560	-7,480	*101	*60	*85	*53	--	--	*13
\$1 under \$5,000.....	14,653	37,895	782	438	639	148	*88	*106	181
\$5,000 under \$10,000.....	14,013	105,308	1,161	812	997	427	*122	*186	269
\$10,000 under \$15,000.....	12,554	157,624	1,268	1,170	911	423	295	508	256
\$15,000 under \$20,000.....	10,986	192,055	1,502	1,554	1,017	626	538	655	360
\$20,000 under \$30,000.....	17,245	429,033	2,863	4,377	1,650	1,363	1,327	2,290	427
\$30,000 under \$50,000.....	20,675	810,962	4,190	6,898	2,644	2,445	1,700	3,061	868
\$50,000 under \$100,000.....	14,241	952,500	3,042	7,891	2,214	2,885	755	2,036	610
\$100,000 or more.....	2,992	564,462	1,190	10,396	861	2,143	290	899	403

Size of adjusted gross income	Statutory adjustments--Continued							Adjusted gross income or deficit
	Self-employed health insurance deduction --Continued	Keogh retirement plan and self-employed deduction		Penalty on early withdrawal of savings		Alimony paid		
	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
All returns.....	2,039	998	7,268	821	170	613	3,882	3,208,371
No adjusted gross income ²	*6	--	--	*16	*1	--	--	-7,540
\$1 under \$5,000.....	55	--	--	*26	*5	*16	*124	37,398
\$5,000 under \$10,000.....	122	*13	*8	*85	*7	*13	*79	104,736
\$10,000 under \$15,000.....	112	*13	*35	*62	*19	*27	*73	156,474
\$15,000 under \$20,000.....	176	*16	*28	*92	*70	--	--	190,501
\$20,000 under \$30,000.....	268	*72	*152	153	29	*103	*275	424,656
\$30,000 under \$50,000.....	492	224	520	197	10	*102	*370	803,471
\$50,000 under \$100,000.....	442	362	1,647	176	22	174	859	944,609
\$100,000 or more.....	366	297	4,878	*13	*7	178	2,102	554,066

¹ The sum of all sources of income less loss, before reduction by statutory adjustments. (Total income minus statutory adjustments equals adjusted gross income.)

² Includes returns with adjusted gross deficit.

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

NOTES: Detail may not add to totals because of rounding. All data are based on returns filed through April.

Individual Income Tax Returns, 1991: Taxpayer Usage Study

Table 3.--Returns with Itemized Deductions: Deductions, by Type and 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	Number of returns with itemized deductions	Adjusted gross income or deficit	Itemized deductions						
			Total	Medical and dental expense deduction		Taxes paid deduction		Interest paid deduction	
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
All returns.....	30,787	1,817,109	412,459	5,175	27,468	30,118	128,944	26,156	188,413
No adjusted gross income ¹	*79	*-3,825	*1,281	*79	*495	*66	*216	*53	*469
\$1 under \$5,000.....	198	580	2,543	*125	*345	171	539	171	1,489
\$5,000 under \$10,000.....	656	5,284	6,082	442	3,003	534	628	376	1,585
\$10,000 under \$15,000.....	863	10,707	8,482	546	3,280	781	988	480	2,942
\$15,000 under \$20,000.....	1,357	23,950	13,030	627	2,995	1,282	2,437	971	5,588
\$20,000 under \$30,000.....	3,968	98,822	37,183	1,268	5,706	3,863	7,864	3,231	16,370
\$30,000 under \$50,000.....	9,523	382,946	96,809	1,374	4,646	9,415	28,424	8,117	46,859
\$50,000 under \$100,000.....	11,248	757,742	166,816	621	3,871	11,143	53,334	10,222	80,325
\$100,000 or more.....	2,896	540,903	80,232	*93	*3,127	2,883	35,513	2,534	32,806

Size of adjusted gross income	Itemized deductions--Continued							
	Interest paid deduction--Continued				Contributions deduction		Casualty or theft loss deduction	
	Deductible home mortgage interest				Number of returns	Amount	Number of returns	Amount
	Paid to financial institutions		Paid to individuals					
Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
All returns.....	25,110	173,740	2,726	9,824	27,785	45,070	*115	*1,005
No adjusted gross income ¹	*40	*147	--	--	*13	*7	--	--
\$1 under \$5,000.....	158	1,309	*27	*177	*88	*47	--	--
\$5,000 under \$10,000.....	334	1,432	*43	*151	435	374	*26	*33
\$10,000 under \$15,000.....	454	2,908	*32	*14	614	958	*3	*35
\$15,000 under \$20,000.....	912	4,460	*112	*1,064	1,111	1,225	*13	*184
\$20,000 under \$30,000.....	3,145	15,659	182	348	3,290	3,638	*29	*206
\$30,000 under \$50,000.....	7,845	44,113	841	2,163	8,733	10,311	*14	*248
\$50,000 under \$100,000.....	9,820	74,107	1,198	4,577	10,672	18,917	*29	*298
\$100,000 or more.....	2,402	29,604	290	1,329	2,830	9,594	--	--

Size of adjusted gross income	Itemized deductions--Continued							
	Moving expense deduction		Miscellaneous deductions subject to reduction by 2 percent of adjusted gross income				Other miscellaneous deductions	
	Number of returns	Amount	Before reduction		After reduction		Number of returns	Amount
			Number of returns	Amount	Number of returns	Amount		
(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	
All returns.....	748	4,437	14,712	81,205	7,029	22,838	7,622	7,236
No adjusted gross income ¹	--	--	*40	*94	*40	*94	*26	*90
\$1 under \$5,000.....	--	--	*101	*159	*88	*60	*26	*19
\$5,000 under \$10,000.....	*13	*24	309	635	210	436	203	224
\$10,000 under \$15,000.....	*43	*59	381	831	163	135	147	20
\$15,000 under \$20,000.....	*13	*2	504	1,549	281	582	238	75
\$20,000 under \$30,000.....	*59	*155	1,868	5,199	1,045	2,975	805	1,163
\$30,000 under \$50,000.....	185	928	4,328	13,060	2,165	5,523	2,147	1,330
\$50,000 under \$100,000.....	281	1,518	5,539	25,800	2,439	8,046	3,078	2,396
\$100,000 or more.....	154	1,751	1,642	33,877	598	4,987	951	1,919

¹ Includes returns with adjusted gross deficit.

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

NOTES: Detail may not add to totals because of rounding. All data are based on returns filed through April.

Individual Income Tax Returns, 1991: Taxpayer Usage Study

Table 4.--All Returns: Number of Returns by Marital Status, 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, marital status	Total	Number of returns by size of adjusted gross income								
		No adjusted gross income 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)
All returns.....	107,918	560	14,653	14,013	12,554	10,988	17,245	20,675	14,241	2,992
Returns of single persons.....	46,721	330	12,169	8,877	6,064	5,059	7,292	5,130	1,460	340
Joint returns of husbands and wives.....	46,264	186	975	2,504	3,779	3,470	6,968	13,516	12,285	2,582
Separate returns of husbands and wives.....	1,875	*13	*110	231	301	405	318	348	*93	*56
Returns of heads of households.....	12,988	*29	1,385	2,401	2,394	2,052	2,669	1,867	377	*13
Returns of surviving spouses.....	*69	--	*13	--	*16	--	--	*13	*27	--
Form 1040 returns.....	60,401	475	4,599	4,780	4,935	4,784	9,368	15,215	13,302	2,964
Returns of single persons.....	19,813	262	3,546	3,092	2,120	2,042	3,472	3,528	1,424	327
Joint returns of husbands and wives.....	34,962	171	640	1,175	2,175	2,015	4,450	10,338	11,429	2,568
Separate returns of husbands and wives.....	1,080	*13	*59	*72	*110	159	197	321	*93	*56
Returns of heads of households.....	4,507	*29	341	440	528	548	1,248	1,015	343	*13
Returns of surviving spouses.....	*40	--	*13	--	--	--	--	*13	*13	--
Form 1040A returns.....	19,868	*48	2,775	3,651	3,226	2,993	3,739	3,066	370	--
Returns of single persons.....	6,939	*46	1,827	1,578	1,057	830	1,040	545	*16	--
Joint returns of husbands and wives.....	7,890	*2	247	1,050	1,168	1,099	1,845	2,125	354	--
Separate returns of husbands and wives.....	585	--	*34	*99	161	213	*79	396	--	--
Returns of heads of households.....	4,438	--	667	923	824	852	776	--	--	--
Returns of surviving spouses.....	*16	--	--	--	*16	--	--	--	--	--
Form 1040EZ returns, total ².....	16,783	*23	6,422	3,431	2,280	1,764	2,142	719	*2	--
Returns of single persons ²	16,783	*23	6,422	3,431	2,280	1,764	2,142	719	*2	--
Electronically-filed returns.....	10,866	*14	856	2,152	2,114	1,465	1,995	1,875	567	*28
Returns of single persons.....	3,187	*14	374	776	607	423	638	338	*18	*14
Joint returns of husbands and wives.....	3,412	--	*88	279	436	356	671	1,054	502	*14
Separate returns of husbands and wives.....	210	--	*18	*60	*30	*34	*41	*28	*34	--
Returns of heads of households.....	4,043	--	377	1,038	1,041	653	645	256	*14	--
Returns of surviving spouses.....	*14	--	--	--	--	--	--	*14	--	--

¹ Includes returns with adjusted gross deficit.

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.

NOTES: Detail may not add to totals because of rounding. All data are based on returns filed through April.

Individual Income Tax Returns, 1991: Taxpayer Usage Study

Table 5.--All Returns: Adjusted Gross Income, Selected Deduction, Tax and Payment Items, by Size of Adjusted Gross Income

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

Size of adjusted gross income	Number of returns	Adjusted gross income or deficit	Itemized deductions		Standard deductions		Exemptions	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns.....	107,918	3,208,371	30,787	412,459	77,131	323,945	98,622	461,722
No adjusted gross income ¹	560	-7,540	*79	*1,281	480	1,851	502	1,791
\$1 under \$5,000.....	14,853	37,398	198	2,543	14,456	41,512	7,617	24,940
\$5,000 under \$10,000.....	14,013	104,736	656	6,082	13,357	54,308	12,582	45,164
\$10,000 under \$15,000.....	12,554	156,474	863	8,482	11,691	51,122	12,294	49,740
\$15,000 under \$20,000.....	10,988	190,501	1,357	13,030	9,630	42,210	10,898	45,550
\$20,000 under \$30,000.....	17,245	424,656	3,968	37,183	13,277	60,560	17,186	75,711
\$30,000 under \$50,000.....	20,675	803,471	9,523	96,809	11,152	55,789	20,661	114,110
\$50,000 under \$100,000.....	14,241	944,609	11,248	166,816	2,994	16,086	14,228	90,257
\$100,000 or more.....	2,992	554,066	2,896	80,232	*96	*507	2,654	14,459

Size of adjusted gross income	Taxable income		Income tax before credits		Tax credits			
	Number of returns	Amount	Number of returns	Amount	Total		Child care credit	
					Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All returns.....	87,905	2,081,212	87,868	402,501	7,387	4,013	5,947	2,754
No adjusted gross income ¹	--	--	--	--	--	--	--	--
\$1 under \$5,000.....	4,186	2,947	4,267	504	*106	*60	*37	*42
\$5,000 under \$10,000.....	8,110	18,175	8,101	2,753	253	83	*62	*44
\$10,000 under \$15,000.....	10,365	51,078	10,342	7,664	481	261	345	172
\$15,000 under \$20,000.....	10,429	91,177	10,425	13,652	780	340	664	281
\$20,000 under \$30,000.....	18,998	251,240	16,916	38,089	1,168	529	1,102	494
\$30,000 under \$50,000.....	20,616	535,708	20,616	87,560	2,151	1,018	1,879	805
\$50,000 under \$100,000.....	14,222	671,010	14,222	129,793	2,044	1,158	1,737	868
\$100,000 or more.....	2,979	459,875	2,979	122,487	390	555	*122	*50

Footnotes at end of table.

Individual Income Tax Returns, 1991: Taxpayer Usage Study

Table 5.--All Returns: Adjusted Gross Income, Selected Deduction, Tax and Payment Items, by Size of Adjusted Gross Income--Continued

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

Size of adjusted gross income	Income tax after credits ²		Alternative minimum tax		Total tax ³		Income tax withheld	
	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.....	87,259	398,749	172	1,258	89,172	421,603	93,093	361,817
No adjusted gross income ¹	--	--	--	--	*85	*107	168	311
\$1 under \$5,000.....	4,252	502	--	--	4,923	827	10,812	2,243
\$5,000 under \$10,000.....	8,022	2,740	*13	*1	8,724	3,542	10,876	6,733
\$10,000 under \$15,000.....	10,008	7,497	*13	*11	10,283	8,377	10,476	11,621
\$15,000 under \$20,000.....	10,298	13,355	--	--	10,402	14,590	9,909	16,764
\$20,000 under \$30,000.....	16,919	37,644	--	--	16,984	40,447	15,750	44,123
\$30,000 under \$50,000.....	20,573	86,485	*13	*68	20,602	91,708	19,234	92,886
\$50,000 under \$100,000.....	14,209	128,592	*53	*418	14,190	134,949	13,282	120,126
\$100,000 or more.....	2,979	121,935	*79	*760	2,979	127,057	2,586	67,011

Size of adjusted gross income	Earned income credit ⁴		Total income tax ⁵		Tax overpaid		Tax due at the time of filing	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
All returns.....	11,594	9,690	84,712	398,361	81,632	83,774	23,030	51,294
No adjusted gross income ¹	*16	*6	--	--	211	591	*56	*58
\$1 under \$5,000.....	1,730	906	4,237	500	11,056	3,273	2,226	447
\$5,000 under \$10,000.....	3,030	3,498	7,858	2,724	11,165	8,038	1,836	566
\$10,000 under \$15,000.....	3,264	3,599	8,475	7,016	10,291	9,206	1,967	1,008
\$15,000 under \$20,000.....	2,932	1,623	9,494	12,313	9,183	7,248	1,706	1,186
\$20,000 under \$30,000.....	621	59	16,888	37,550	13,961	12,685	3,189	3,361
\$30,000 under \$50,000.....	--	--	20,573	86,553	15,328	19,576	5,287	7,635
\$50,000 under \$100,000.....	--	--	14,209	129,010	9,082	17,390	5,127	13,263
\$100,000 or more.....	--	--	2,979	122,695	1,356	5,767	1,636	23,770

¹ Includes returns with adjusted gross deficit.

² Income tax before credits less child and dependent care, elderly or disabled, foreign tax, general business and prior year minimum tax credits, but before earned income credit.

³ 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 Individual Retirement Arrangements (IRA). (Income tax after credits was computed without regard to the earned income credit).

⁴ Includes credit used to reduce "total" tax to zero and credit which was refundable (the amount in excess of "total tax").

⁵ Income tax after credits plus alternative minimum tax, less earned income credit (which was treated as a payment of tax on the income).

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

NOTES: Detail may not add to totals because of rounding. All data are based on returns filed through April.

Individual Income Tax Returns, 1991: Taxpayer Usage Study

Table 6.--Form 1040, 1040A and Electronically-Filed 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	Number of returns by size of adjusted gross income								
		No adjusted gross income 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)
Forms 1040, total.....	60,401	475	4,599	4,780	4,935	4,764	9,368	15,215	13,302	2,964
A Itemized Deductions.....	28,945	*79	184	625	803	1,271	3,536	8,789	10,773	2,867
B Interest and Dividends Income.....	29,888	262	1,812	2,040	2,594	1,881	4,145	6,803	7,775	2,576
C Profit or Loss from Business.....	12,832	277	827	1,052	944	1,049	1,933	3,277	2,709	762
D Capital Gains and Losses.....	11,523	147	532	619	752	688	1,316	2,494	3,419	1,558
E Supplemental Income Schedule.....	12,749	135	503	639	911	906	1,751	2,943	3,410	1,551
EIC Earned Income Credit.....	3,413	*16	575	713	851	999	259	--	--	--
F Farm Income and Expenses.....	2,034	*72	144	163	156	*120	290	613	380	*96
R Credit for the Elderly or Disabled.....	220	*11	*62	*71	*41	*35	--	--	--	--
SSE Social Security Self-Employment Tax.....	10,821	*85	692	974	924	983	1,565	2,692	2,127	779
2106 Employee Business Expenses.....	3,522	--	*12	*35	*31	147	395	972	1,429	501
2441 Credit for Child Care and Dependent Care Expenses.....	3,745	--	--	*13	*55	241	584	1,273	1,457	122
4136 Computation of Credit for Federal Tax on Fuels.....	769	*25	*103	*60	*25	*97	*107	167	170	*15
4562 Depreciation and Amortization.....	11,461	238	541	620	784	853	1,638	3,072	2,854	861
4797 Sales of Business Property.....	2,386	*72	*101	*97	187	*88	250	597	566	427
8283 Noncash Charitable Contributions.....	1,146	--	--	--	--	*13	*53	131	606	342
Forms 1040A, total.....	19,868	*48	2,775	3,651	3,226	2,993	3,739	3,066	370	--
1 Interest and Dividend Income.....	5,065	--	843	962	772	554	998	792	144	--
2 Child and Dependent Care Expenses.....	1,087	--	--	*3	*96	226	225	440	*97	--
3 Credit for the Elderly or Disabled.....	*96	--	--	*47	*31	*17	--	--	--	--
EIC Earned Income Credit.....	3,870	--	637	1,025	972	1,055	181	--	--	--
Electronically-filed returns, total.....	10,866	*14	856	2,152	2,114	1,465	1,995	1,675	587	28
A Itemized Deductions.....	1,841	--	*13	*31	*60	*86	431	734	459	*28
B Interest and Dividends Income.....	555	--	*42	*44	*28	*41	*102	*87	181	*28
C Profit or Loss from Business.....	440	--	*41	*46	*22	*28	*87	*87	*129	--
D Capital Gains and Losses.....	376	--	*43	--	*17	--	*42	*120	140	*14
E Supplemental Income Schedule.....	316	--	*35	*15	*14	*27	*45	*82	*83	*14
EIC Earned Income Credit.....	4,048	--	465	1,240	1,350	831	162	--	--	--
F Farm Income and Expenses.....	*97	--	*14	*14	--	--	*28	*41	--	--
R Credit for the Elderly or Disabled.....	*28	--	--	*14	--	*14	--	--	--	--
SSE Social Security Self-Employment Tax.....	220	--	--	*45	*13	*28	*59	*17	*58	--
2106 Employee Business Expenses.....	232	--	--	--	--	--	*30	133	*55	*14
2441 Credit for Child Care and Dependent Care Expenses.....	1,005	--	*6	*45	194	184	274	149	153	--
4136 Computation of Credit for Federal Tax on Fuels.....	*43	--	*14	*15	--	--	*14	--	--	--
4562 Depreciation and Amortization.....	529	--	*76	*60	*17	*70	*82	*117	*117	--
4797 Sales of Business Property.....	*48	--	*14	*3	--	--	--	*17	*14	--
8283 Noncash Charitable Contributions.....	*14	--	--	--	--	--	--	--	--	*14

¹ Includes returns with adjusted gross deficit.

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

NOTES: Detail may not add to totals because of rounding. All data are based on returns filed through April. Differences exist between the number of returns with a specific characteristic and the number with a specific form or schedule in support of the characteristic. Therefore, data in this table do not necessarily agree with others.

Individual Income Tax Returns, 1991: Taxpayer Usage Study

Table 7.—All Returns: Exemptions, by Size of Adjusted Gross Income

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

Size of adjusted gross income	Number of returns	Total exemptions		Taxpayer exemptions		Exemptions for dependents			
		Number of returns	Number of exemptions	Number of returns	Number of exemptions	Total		Exemptions for children under age 1	
						Number of returns	Number of exemptions	Number of returns	Number of exemptions
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
All returns.....	107,918	87,181	204,589	87,181	133,443	38,681	71,145	2,762	2,906
No adjusted gross income ¹	560	481	813	481	667	*87	*145	—	—
\$1 under \$5,000.....	14,653	5,290	9,274	5,290	6,263	1,979	3,010	182	182
\$5,000 under \$10,000.....	14,013	9,891	18,315	9,891	12,395	3,427	5,920	327	331
\$10,000 under \$15,000.....	12,554	10,088	20,928	10,088	13,866	4,020	7,062	398	417
\$15,000 under \$20,000.....	10,986	9,195	19,483	9,196	12,666	3,784	6,817	327	330
\$20,000 under \$30,000.....	17,245	15,076	33,104	15,076	22,042	6,230	11,062	438	462
\$30,000 under \$50,000.....	20,675	19,942	52,355	19,942	33,458	9,608	18,897	519	548
\$50,000 under \$100,000.....	14,241	14,226	41,711	14,226	26,511	8,019	15,200	515	580
\$100,000 or more.....	2,992	2,992	8,605	2,992	5,574	1,527	3,031	*56	*56

Size of adjusted gross income	Exemptions for dependents—Continued							
	Exemptions for children age 1 and over		Exemptions for children at home		Exemptions for children not at home		Exemptions for other dependents	
	Number of returns	Number of exemptions	Number of returns	Number of exemptions	Number of returns	Number of exemptions	Number of returns	Number of exemptions
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
All returns.....	35,919	65,725	36,957	66,995	674	1,010	2,352	3,541
No adjusted gross income ¹	*87	*145	*87	*145	—	—	—	—
\$1 under \$5,000.....	1,796	2,772	1,886	2,785	*15	*60	*129	*165
\$5,000 under \$10,000.....	3,100	5,268	3,233	5,201	*47	*79	393	641
\$10,000 under \$15,000.....	3,622	6,358	3,731	6,413	*60	*102	383	547
\$15,000 under \$20,000.....	3,458	6,145	3,655	6,404	*27	*45	228	368
\$20,000 under \$30,000.....	5,792	10,231	5,829	10,085	209	329	408	649
\$30,000 under \$50,000.....	9,089	17,680	9,214	18,123	183	247	399	527
\$50,000 under \$100,000.....	7,504	14,230	7,820	14,514	133	148	345	538
\$100,000 or more.....	1,472	2,896	1,501	2,925	—	—	*66	*106

¹ Includes returns with adjusted gross deficit.

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

NOTES: Detail may not add to totals because of rounding. All data are based on returns filed through April.

Individual Income Tax Returns, 1991: Taxpayer Usage Study

Table 8.--Returns With Earned Income Credit and Returns That Should Have Shown an Earned Income Credit: Adjusted Gross Income and Earned Income Credit Items, 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	Number of returns with earned income credit	Returns with earned income credit					
		Adjusted gross income or deficit	Total earned income credit	Basic credit		Returns with health insurance credit	
				Number of returns	Amount	Insurance payments	
						Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
All returns.....	11,594	132,064	9,690	11,175	8,654	1,925	1,039
No adjusted gross income ¹	*16	*-106	*6	*16	*4	*16	*28
\$1 under \$5,000.....	1,730	5,222	906	1,647	839	*91	*36
\$5,000 under \$10,000.....	3,030	23,160	3,498	2,892	3,134	268	269
\$10,000 under \$15,000.....	3,264	40,589	3,599	3,150	3,228	530	325
\$15,000 under \$20,000.....	2,932	50,443	1,623	2,867	1,400	841	336
\$20,000 under \$30,000.....	621	12,756	59	603	49	178	45
\$30,000 or more.....	--	--	--	--	--	--	--

Size of adjusted gross income	Returns with earned income credit--Continued				Advanced earned income credit payments		Number of other returns that should have shown an earned income credit
	Returns with health insurance credit--Continued		Extra credit for children born in 1991		Number of returns	Amount	
	Credit		Number of returns	Amount			
	Number of returns	Amount			Number of returns	Amount	
(8)	(9)	(10)	(11)	(12)	(13)	(14)	
All returns.....	1,873	428	1,445	324	*18	*6	769
No adjusted gross income ¹	*16	*1	--	--	--	--	--
\$1 under \$5,000.....	*91	*17	267	30	*16	*6	*130
\$5,000 under \$10,000.....	250	96	432	141	--	--	*67
\$10,000 under \$15,000.....	528	176	408	111	*2	*1	183
\$15,000 under \$20,000.....	809	132	305	40	--	--	361
\$20,000 under \$30,000.....	178	5	*34	*1	--	--	*29
\$30,000 or more.....	--	--	--	--	--	--	--

¹ Includes returns with adjusted gross deficit.

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

NOTES: Detail may not add to totals because of rounding. All data are based on returns filed through April.

Sole Proprietorships, 1990

by Craig Ammon

Nonfarm sole proprietorship profits for 1990 grew 6.6 percent over 1989 to \$141.4 billion. This growth rate, along with that of 1989, was well below those recorded from 1983 to 1988, showing signs of the recession that began in 1990. The real estate industrial group was hit hardest, with a decrease in profits of 15.9 percent from 1989 to 1990. In contrast, services as a whole showed significant increases; specifically, profits increased 22.0 percent for business services, 19.0 percent for legal services, and 16.9 percent for medical and health services.

Total Receipts and Profits

The number of individual income tax returns reporting nonfarm sole proprietorship activity for 1990 rose to 14.8 million, 3.4 percent more than 1989 [1]. Sole proprietorship total receipts (the sum of "income from sales and operations" and "other income") rose 5.5 percent above the level for 1989, from \$692.8 billion to \$730.6 billion [2]. Sole proprietorship receipts for 1990 did, however, decline for three of the eight industrial divisions: manufacturing; construction; and finance, insurance and real estate [Tables 1 and 2].

The increases in overall profits for both 1989 and 1990 were well below the increases recorded from 1983 to 1988 [3,4]. These earlier increases ranged from a low of 11.3 percent for 1985 to a high of 19.8 percent for 1988 (Figure A).

Figures B and C show how the relationship between total receipts and deductions affected profits and profitability over the 10-year period, 1981 to 1990. Profits increased sharply for 1983 and this trend continued through 1988 because receipts grew more rapidly than deductions. For 1989 and 1990, the slow-down that occurred in the growth of receipts was significant enough to slow the growth in profits.

Deductions and Losses

Beginning with 1983, deductions (including the cost of sales and operations) as a percentage of receipts began a decline that continued through 1990. This decline explains why profits increased by 6.6 percent, while receipts increased by only 5.5 percent.

A reduction in allowable depreciation deductions as mandated by the 1986 Tax Reform Act is reflected in the downward trend in the depreciation statistics after 1986. The Act generally lengthened the cost recovery period and changed the depreciation methods for business prop-

Craig Ammon is an economist with the Individual Returns Analysis Section. This article was prepared under the direction of Jeffrey Hartzok, Chief.

Figure A

Nonfarm Sole Proprietorship Profits, Tax Years 1981-1990

[Money amounts are in billions of dollars]

Tax year	Net income (less deficit)	Percentage increase over previous year
1981.....	53.1	-3.3
1982.....	50.6	-4.7
1983.....	60.4	19.4
1984.....	70.8	17.2
1985.....	78.8	11.3
1986.....	90.4	14.7
1987.....	105.5	16.7
1988.....	126.3	19.7
1989.....	132.7	5.1
1990.....	141.4	6.6

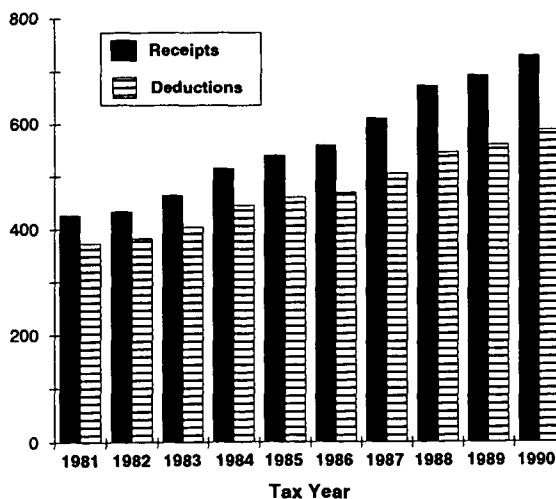
erty placed in service after 1986. For 1987, the first full year under the new rules, depreciation fell 3 percent, the first decrease since 1961. After increasing slightly for 1988, depreciation declined for 1989 and 1990. The 1990 figure, \$23.7 billion, was 3.3 percent less than 1989 (Figure D). Depreciation accounted for 4.0 percent of total deductions for 1990.

The restrictions on "passive" losses that began with 1987 in an effort to curb investments in "tax shelters" continued to have a very limited impact on overall sole proprietorship profits. The restrictions did, however, have a more significant effect on certain industrial groups (Figure E) [5,6]. The groups most affected by the restrictions were in finance, insurance and real estate, account-

Figure B

Receipts and Deductions, Tax Years 1981-1990

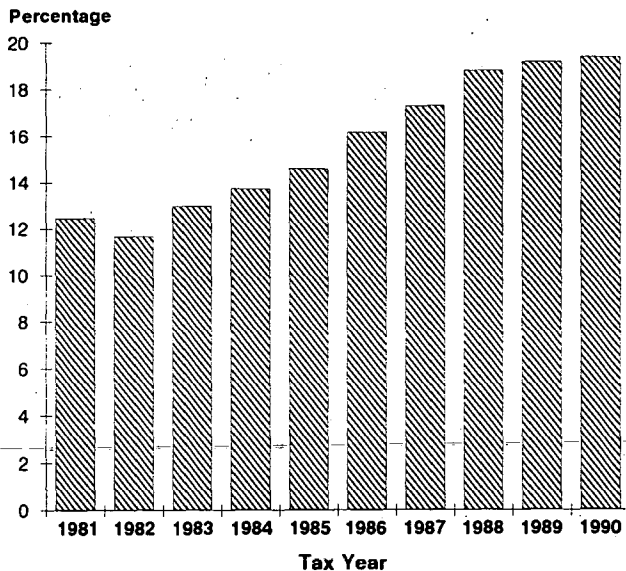
Billions of dollars



Sole Proprietorships, 1990

Figure C

Profits as a Percentage of Receipts, Tax Years 1981-1990



ing for half of all disallowed passive losses, and in services, accounting for one third. Mining, dominated by oil and gas extraction, was a distant third in terms of disallowed passive losses.

Industry Trends

The services division continued to show the largest

Figure D

Nonfarm Sole Proprietorship Net Income, Net Loss (Deficit) and Depreciation, Tax Years 1981-1990

[Money amounts are in billions of dollars]

Tax year	Net income	Net loss ¹	Depreciation
	(1)	(2)	(3)
1981.....	68.5	15.5	15.9
1982.....	68.6	18.1	19.1
1983.....	78.6	18.3	22.1
1984.....	89.8	19.1	23.9
1985.....	98.8	20.0	26.3
1986.....	110.5	20.1	26.4
1987.....	123.8	18.3	25.6
1988.....	145.5	19.2	26.1
1989.....	152.4	19.7	24.5
1990.....	161.7	20.2	23.7

¹ Disallowed passive losses are not included in the net losses for 1987 through 1990 because they were not deductible for tax purposes. Therefore, the net losses shown are slightly understated for these years. For 1988 through 1990, the disallowed loss amounts were approximately \$0.1 billion for each year; the amount for 1987 is unavailable (see also, Figure E).

NOTE: See also footnote 6 at the end of this article.

number of businesses and the largest amount of profits, 59.5 percent of the total profits for 1990 (Figure F). Sole proprietors primarily engaged in business services reported the largest increases in receipts and profits within the division; their receipts rose 13.2 percent and profits, 22.0 percent, over 1989. They were followed closely by sole proprietors in the legal services group, who reported increases in receipts of 19.6 percent and profits of 19.0 percent. The reported increases for the medical and health services group were only slightly less — a 15.6 percent increase in receipts and a 16.9 percent increase in profits — but total profits for this group were \$28.5 billion, compared to \$14.5 billion for business services and \$9.3 billion for legal services.

The real estate industrial group reported the greatest decrease in profits of all the major groups. From 1989 to 1990, receipts dropped 18.2 percent and profits decreased by 15.9 percent. Real estate agents and brokers, who account for 90.0 percent of the receipts and profits reported for this industrial group, showed a 4.6 percent decline in business receipts and a 16.8 percent decline in

Figure E

Disallowed Passive Losses and Net Income or Deficit, Tax Year 1990

[Money amounts are in millions of dollars]

Selected industrial group	Disallowed passive losses	Profits after disallowed passive losses	
		Net deficit	Net income (less deficit)
	(1)	(2)	(3)
All industries.....	80.3	20,227.1	141,430.2
Mining.....	4.0	793.3	654.5
Oil and gas extraction....	4.0	771.4	614.6
All other mining.....	(1)	21.9	39.9
Finance, insurance and real estate.....	41.5	2,850.8	16,359.4
Finance and insurance..	3.6	1,313.0	9,037.9
Real estate.....	38.0	1,537.7	7,321.5
Operators and lessors of buildings..	9.9	85.0	84.7
Operators and lessors, other than buildings.....	4.3	17.0	60.0
Subdividers and developers, except cemeteries.....	15.6	-490.0	-123.7
All other real estate....	8.1	945.8	7,300.5
Services.....	26.7	6,771.7	84,162.1
Hotels, motels and tourist courts.....	7.5	457.0	-183.8
Professional sports and racing, including promoters and managers.....	10.6	472.9	128.2
Offices of physicians.....	3.3	128.9	14,884.3
All other services.....	5.4	5,712.9	69,333.4
All other industrial groups.....	8.1	9,811.3	40,254.2

¹ Less than \$0.05 million.

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

Sole Proprietorships, 1990

Figure F

Nonfarm Sole Proprietorship Profits, by Industrial Group, Tax Years 1989 and 1990

(Money amounts are in billions of dollars)

Industrial group	Net income (less deficit)		Percentage increase
	1989	1990	
	(1)	(2)	(3)
Total	132.7	141.4	6.6
Agricultural services, forestry and fishing.....	2.2	2.4	9.1
Mining.....	0.5	0.7	40.0
Construction.....	17.2	16.4	-4.7
Manufacturing.....	3.2	2.5	-21.9
Transportation and public utilities.....	4.6	4.1	-10.9
Wholesale and retail trade.....	13.5	14.1	4.4
Finance, insurance and real estate.....	16.4	16.4	--
Services.....	73.4	84.2	14.7

NOTE: Detail may not add to totals because of rounding and because of proprietorships whose businesses were not allocable by industrial group.

profits. Real estate subdividers and developers reported losses of \$123.7 million, five times as great as the losses of \$21.1 million reported for 1989. Real estate operators and lessors reported profits of \$60.0 million for 1990, down 23.5 percent from 1989 profits of \$78.5 million [7].

Summary

Profits reported by nonfarm sole proprietorships for 1990 were only slightly ahead of 1989. Total deductions continued to decline as a percentage of receipts, but the small growth in receipts caused the growth in profits to lag far behind those reported for 1983 through 1988. Depreciation deductions continued the downward trend resulting from law changes contained in the Tax Reform Act of 1986. The recession hurt the real estate group, which experienced a significant decrease in profits. Disallowed passive losses for the real estate group, as a whole, were about 2.4 percent of total real estate net losses. Despite the developing recession, the profits reported for the services division were significantly higher than 1989.

Data Sources and Limitations

A general description of sampling procedures and data limitations applicable to the Statistics of Income tabulations is contained in the Appendix to this issue. Specific information applicable to sole proprietorship data for 1990 is presented below.

Sample Selection Criteria

The 1990 sole proprietorship estimates are based on data from a sample of individual income tax returns, Forms 1040, processed by the Internal Revenue Service during Calendar Year 1991. The sample was stratified based on the larger of "total income" or "total loss" amounts and the size of business plus farm receipts. Additional stratification of the sample was based on the presence of Schedule C, *Profit or Loss from Business (Sole Proprietorship)*; Schedule F, *Farm Income and Expenses*; and Form 4835, *Farm Rental Income/Loss*. The returns were selected at rates that ranged from .04 percent to 100 percent. For 1990, there were 35,000 nonfarm sole proprietorship returns included in the sample; these were drawn from a population of 14,657,690 returns. By comparison, 36,956 returns were drawn from a population of 14,297,558 for 1989.

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 insure proper use of the estimates, users should be aware of the magnitude of the potential sampling error.

Approximate coefficients of variation (CV's) for frequency estimates are presented in Figure G. These CV's can be used to obtain measures of the potential

Figure G

Coefficients of Variation for Frequency Estimates, Tax Year 1990

Estimated number of returns	Approximate coefficient of variation
5,861,100.....	0.02
937,800.....	0.05
234,400.....	0.10
58,600.....	0.20
26,000.....	0.30
19,100.....	0.35
9,400.....	0.50

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.

Notes and References

- [1] In this article, the terms "sole proprietor" and "sole proprietorship" are used interchangeably, but, in fact, there are always more sole proprietorships than sole

Sole Proprietorships, 1990

proprietors because some individuals own more than one business. For 1990, the ratio of proprietorships to proprietors continued to be approximately 1.1 to 1. For a fuller explanation of the relationship between proprietors and proprietorships, see *Statistics of Income--1981, Sole Proprietorship Returns*.

For the statistics, if a proprietor owned more than one business, the net income or deficit of each of the businesses was combined and reported under the industry of the proprietor's dominant business. Profits were calculated for the statistics as the sum of net incomes (for businesses reporting a profit) reduced by the sum of net deficits (for proprietorships reporting a deficit). Net income or net deficit for each return was calculated as business receipts minus the sum of cost of sales and operations and other business deductions. Industry profits, as well as all other industry statistics, are based on the revised *Standard Industrial Classification Manual, 1987*, issued by the U.S. Office of Management and Budget.

- [2] For sole proprietorships, the total receipts of the business, mainly the gross receipts from sales and operations, are reflected in the statistics for "income from sales and operations," under "business receipts," in Table 1. Miscellaneous business receipts, such as from sales of scrap, are also included in business receipts (under "other income"), but incidental investment income received through the business (such as interest, dividends, income, or loss from rents or royalties, and capital and ordinary gains and losses from the sale of investment property and other assets) is excluded. Incidental investment income is not considered to be income from the business and is reported on the proprietor's individual income tax return in combination with nonbusiness investment income. Sole proprietorship income also excludes deductions for salaries paid to owners and for

charitable contributions made through the business, neither of which is recognized as a sole proprietorship business expense. Salaries of owners are reported as personal income and, as such, are also part of the owner's taxable income; charitable contributions are deducted as a personal (nonbusiness) expense. Net income also reflects deductions for "additional first-year depreciation," depletion on oil and gas wells and for any foreign taxes paid (unless the owner elects to claim these taxes as a credit against U.S. income tax, instead of deducting them as a business expense).

- [3] Profits are represented by net income less deficit (net losses), before Federal income tax. Proprietors compute their tax on their total "taxable income," which includes their business profits plus any other income.
- [4] Money amounts are not adjusted for inflation.
- [5] Total disallowed passive losses reported by sole proprietors for Tax Year 1990 were \$80.3 million. They were \$102.0 million for 1989 and \$88.2 million for 1988; no estimate of these losses was made for 1987.
- [6] Passive activity losses were those losses generated by any business activity in which the taxpayer did not materially participate (i.e., was not involved regularly and substantially in the operations of the activity). The Tax Reform Act of 1986 eliminated the use of passive losses to offset nonpassive income, such as wages or dividends. A 5-year phase in of the restrictions was allowed for pre-enactment investments. Exceptions up to \$25,000 were made for certain real estate loss activities. Under prior law, all losses were fully deductible.
- [7] Statistics for finance, insurance and real estate reflect changes to the data that appeared in the Summer 1992 issue of the *Statistics of Income Bulletin*.

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

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

Industrial group	Businesses with and without net income								Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction	Rent on machinery and equipment	Rent on business property	Total interest paid deduction ¹	Payroll ²	Net income less deficit	Number of returns	Business receipts	Depreciation deduction	Rent on machinery and equipment	Rent on business property	Total interest paid deduction ¹	Payroll ²	Net income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Services--Continued																
Medical and health services.....	755,389	64,871,534	1,818,894	346,017	3,017,540	1,085,413	8,656,099	28,500,062	655,802	61,199,134	1,616,291	269,245	2,712,097	913,092	7,828,887	29,138,101
Offices of physicians.....	191,492	27,038,193	645,471	134,223	1,115,693	263,941	2,881,556	14,884,279	167,576	26,415,561	588,771	134,048	1,092,867	255,537	2,795,922	15,013,130
Offices of dentists.....	100,526	15,663,139	538,346	43,668	665,750	322,398	2,996,206	5,704,545	92,616	15,426,591	491,368	38,828	636,763	312,461	2,950,515	5,808,685
Offices of osteopathic physicians.....	4,681	816,241	19,929	1,823	8,370	12,735	82,932	495,567	4,158	814,486	19,929	1,823	8,370	12,735	82,932	496,027
Offices of chiropractors.....	31,572	4,608,220	153,230	88,021	246,870	121,582	720,510	1,658,185	26,573	4,042,340	142,593	21,736	234,205	91,804	467,637	1,734,087
Offices of optometrists.....	16,238	2,279,550	65,874	14,595	146,706	54,018	243,713	486,658	14,268	2,120,176	64,416	14,045	134,667	53,552	221,388	515,235
Offices of podiatrists.....	6,712	920,375	34,954	9,046	45,694	27,274	92,171	390,274	6,451	881,851	34,954	9,046	45,694	27,274	92,171	390,798
Registered and practical nurses.....	73,164	665,278	4,862	17	7,875	6,352	5,957	428,069	68,224	655,996	4,862	1	7,806	6,343	2,296	444,002
Nursing and personal care facilities.....	44,399	3,120,695	93,368	1,175	82,115	149,675	748,454	267,535	36,692	2,087,110	64,196	626	63,221	65,814	608,862	383,449
Medical and dental laboratories.....	29,532	1,778,322	41,632	13,364	173,881	43,347	149,198	527,927	24,818	1,584,491	40,891	13,364	141,464	43,007	77,361	530,354
Other medical and health services.....	257,073	7,981,520	221,226	40,085	524,585	84,089	735,402	3,657,021	214,424	7,170,531	164,309	35,730	347,040	44,563	529,803	3,822,333
Legal services.....	259,991	21,123,383	546,063	178,661	940,963	316,709	2,394,910	9,289,592	218,352	19,497,322	453,198	61,155	859,086	268,634	2,022,690	9,562,283
Educational services.....	192,544	1,799,454	92,060	8,741	113,534	37,697	244,469	388,092	145,863	1,273,358	45,972	1,545	43,520	18,556	100,253	579,993
Child day care.....	460,735	3,786,912	165,740	6,453	47,648	235,254	364,764	1,249,534	413,022	3,397,805	125,881	5,350	35,654	170,256	266,563	1,346,232
Ministers and chaplains.....	250,695	3,253,005	42,384	1,254	52,578	53,075	4,162	2,056,260	220,559	3,170,890	39,751	2	51,923	45,971	4,162	2,125,211
Engineering services.....	108,843	4,673,999	193,650	61,763	94,850	80,730	759,234	1,672,353	93,431	4,398,253	171,822	61,140	74,062	65,143	668,967	1,837,051
Architectural services.....	82,614	2,137,198	68,982	4,257	60,825	12,022	210,131	793,336	63,817	2,079,473	57,758	470	57,866	11,174	193,943	888,581
Surveying services.....	17,045	292,677	9,780	4,206	1,512	1,697	55,035	121,886	*12,290	*285,175	*8,443	*4,206	*1,512	*1,004	*55,035	*133,174
Accounting, auditing and bookkeeping services.....	271,475	6,594,380	348,877	37,504	438,813	169,290	655,926	2,790,061	242,813	6,467,290	308,109	24,530	423,366	155,718	649,185	2,885,365
Management services.....	65,633	1,837,932	54,009	8,595	39,598	52,837	63,528	971,341	61,474	1,783,895	48,220	8,204	34,319	44,464	50,122	1,042,555
Consulting services.....	601,298	15,218,156	430,712	48,213	300,276	215,468	333,708	8,506,779	476,714	14,032,916	301,810	36,125	200,820	141,530	243,727	9,168,317
Public relations.....	26,197	481,317	15,728	5,276	9,160	1,578	34,243	186,052	20,549	467,362	15,071	5,276	9,157	1,562	34,229	190,945
Counseling, except health practitioners.....	67,009	1,560,867	58,830	28,939	70,445	13,899	14,539	782,303	55,209	1,542,309	52,698	28,753	66,559	12,128	14,539	801,168
Nature of business not allocable.....	195,361	2,456,006	57,125	11,457	28,903	39,400	104,591	846,224	155,104	1,698,688	38,084	6,836	4,945	16,825	59,892	1,069,791

¹ Interest paid is the sum of mortgage interest and other interest on indebtedness (see Table 2).

² Payroll is the sum of net salaries and wages paid plus the cost of labor reported as part of cost of sales and operations (see Table 2).

* Less than \$500.

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

Where data for an industrial group are not shown in order to avoid disclosure of information about specific taxpayers, the data deleted have been combined with those shown for a related industrial group, also indicated by a double asterisk.

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

Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued
(All figures are estimates based on samples -- money amounts are in thousands of dollars)

Table with 15 columns: Net income status, item; Wholesale and retail trade--Cont'd; Retail trade--Continued; Finance; Finance, insurance and real estate; Services. Rows include various income items like Business receipts, total; Cost of sales and operations; Depreciation; Net income.

Footnotes at end of table.

Sole Proprietorships, 1990

Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued
 (All figures are estimates based on samples -- money amounts are in thousands of dollars)

Net income status, item	Services--Continued					Nature of business not allocable
	Legal services	Educational services	Accounting, auditing and bookkeeping services	Counseling, except health practitioners	All other services	
	(96)	(97)	(98)	(99)	(100)	(101)
BUSINESSES WITH AND WITHOUT NET INCOME						
Number of returns	259,991	192,544	271,475	67,009	1,613,060	195,361
Business receipts, total	21,123,383	1,799,454	6,594,380	1,560,847	1,481,196	2,456,006
Income from sales and operations	20,750,510	1,784,516	6,497,982	1,551,085	30,550,953	2,383,287
Other business income	372,873	14,938	96,398	*9,762	1,130,243	72,719
Business deductions, total	11,833,822	1,411,517	3,804,346	778,544	16,125,149	1,610,402
Cost of sales and operations	734,988	61,028	157,273	10,931	2,092,211	655,670
Inventory, beginning of year	24,673	*2,434	*2,428	*16	201,279	56,439
Cost of labor	24,277	*4,241	*68,136	*146	751,467	18,466
Purchases	55,285	*13,204	*7,486	*7,486	520,809	567,009
Materials and supplies	6,897	19,822	32,485	*1,114	305,116	33,130
Other costs	645,717	*31,325	43,445	*2,272	587,153	64,944
Inventory, end of year	21,961	9,015	*2,265	*104	273,612	84,325
Advertising expenses	189,255	28,322	67,613	16,945	150,065	16,546
Bad debts from sales or services	22,545	*3,490	*2,064	"(1)	74,564	6,108
Car and truck expenses	394,671	120,504	249,575	32,012	1,453,573	68,906
Commissions	52,793	1,451	89,132	*20,801	359,139	9,823
Depreciation	1,680	*103	1,685	*6,355	9,303	*89
Employee benefit programs	546,063	92,060	348,877	58,830	980,985	57,125
Insurance	57,024	*1,154	27,184	*1,878	40,008	557
Legal and professional services	481,837	30,966	94,983	18,604	286,444	28,559
Meals and entertainment deducted	580,175	28,859	82,866	15,030	637,332	16,283
Total meals and entertainment expenses	275,958	29,208	100,382	17,165	397,399	28,630
Mortgage interest	344,974	36,519	125,497	21,459	496,836	35,801
Other interest on business indebtedness	146,584	26,538	70,214	6,514	416,122	24,225
Office expenses	170,125	11,159	99,076	7,385	236,529	15,175
Pension and profit-sharing plans	585,743	29,810	185,998	37,029	618,281	20,855
Rent on machinery and equipment	50,026	*566	9,070	*102	42,582	*173
Rent on business property	178,661	8,741	37,504	*28,939	140,018	11,457
Repairs	940,963	113,534	438,813	70,445	606,448	28,903
Net salaries and wages	170,691	64,843	50,995	9,995	161,025	19,002
Taxes paid	2,370,533	240,228	587,790	14,393	1,063,338	86,126
Travel	314,875	28,242	72,287	16,619	294,653	13,927
Utilities	195,146	45,637	82,003	34,000	853,981	40,975
Other business deductions	423,183	75,266	147,655	45,752	556,497	21,468
Net income less deficit ¹	2,930,502	369,701	796,340	315,176	4,657,944	429,703
Net income ²	9,289,892	388,093	2,790,061	783,393	18,857,541	846,224
Deficit ³	9,562,283	579,993	2,885,365	801,168	16,732,066	1,049,791
	272,691	191,901	95,304	10,865	1,174,525	223,567
BUSINESSES WITH NET INCOME						
Number of returns	218,352	145,843	242,813	55,209	1,361,856	155,104
Business receipts, total	19,497,322	1,273,258	4,467,390	1,542,309	29,615,749	1,698,688
Income from sales and operations	19,157,539	1,263,246	4,371,113	1,532,528	28,528,609	1,633,682
Other business income	339,783	*10,112	96,278	*9,781	1,087,140	65,006
Business deductions, total	9,935,045	693,522	3,581,953	741,142	12,885,216	628,897
Cost of sales and operations	727,740	41,141	153,063	*10,917	1,976,092	136,784
Inventory, beginning of year	18,754	*1,896	*2,428	*16	139,211	*10,624
Cost of labor	24,029	*4,241	*68,136	*146	744,240	*648
Purchases	55,173	*4,261	*10,352	*7,486	449,220	85,596
Materials and supplies	6,427	17,804	*31,718	*1,114	278,228	26,983
Other costs	640,882	*16,580	42,694	*2,257	571,143	31,645
Inventory, end of year	17,525	*3,641	*2,265	*104	205,950	18,712
Advertising expenses	134,573	9,183	63,350	16,876	94,409	8,823
Bad debts from sales or services	9,016	*2,418	..	"(1)	26,752	*18
Car and truck expenses	353,180	65,131	229,725	26,290	1,222,704	44,702
Commissions	43,186	1,413	86,987	*20,801	173,856	3,649
Depreciation	1,318	*103	*6,352	..	5,728	*75
Employee benefit programs	453,198	45,972	308,109	52,898	768,756	36,084
Insurance	48,832	*21	27,153	*1,878	28,711	*510
Legal and professional services	356,787	13,903	91,137	18,228	326,077	24,213
Meals and entertainment deducted	405,473	12,746	82,261	13,571	503,874	8,843
Total meals and entertainment expenses	233,547	15,859	97,284	16,765	337,683	19,649
Mortgage interest	291,956	19,829	121,621	20,958	421,272	24,562
Other interest on business indebtedness	122,237	10,119	58,789	6,514	304,585	8,788
Office expenses	146,297	8,437	96,930	5,614	176,519	8,037
Pension and profit-sharing plans	503,128	16,150	178,591	33,472	469,947	10,275
Rent on machinery and equipment	60,018	*565	9,044	*102	42,219	*173
Rent on business property	61,155	1,545	24,530	*28,753	120,774	4,836
Repairs	859,086	43,520	423,366	66,559	665,313	4,945
Net salaries and wages	140,409	20,487	47,826	9,268	127,713	13,025
Taxes paid	1,998,661	96,012	581,049	14,393	772,509	59,244
Travel	276,894	16,646	69,134	15,910	327,016	5,870
Utilities	152,241	32,013	80,209	33,440	702,552	110,727
Other business deductions	353,242	38,056	134,810	46,148	425,970	13,010
Net income ²	2,494,747	202,082	730,056	304,945	3,675,457	203,870
Deficit ³	9,562,283	579,993	2,885,365	801,168	16,732,066	1,049,791

¹ Total deductions are before subtraction of nonallowable passive losses and any passive loss carryover from the prior year. However, these losses and any carryover are reflected in net income or deficit. Therefore, business receipts minus total deductions may not always equal net income or deficit.

² Less than \$500.

³ 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.

Corporation Income Tax Returns, 1989

by Paula Karvounis and Nina Shumofsky

Although the Nation's gross domestic product continued to grow for 1989, the rate of growth was only moderate and corporate pre-tax profits as reported on income tax returns actually declined for the first time since 1982. The decline in net income (less deficit) to \$389.0 billion represented a 5.8 percent drop from 1988, as deductions claimed by corporations increased at a faster rate than receipts. Interest deductions alone increased from \$672.4 billion to \$831.5 billion. Net losses of companies without net income were up sharply, from \$142.9 billion for 1988 to \$167.3 billion for 1989, while the net income reported by companies reporting a profit hardly increased at all, \$556.3 billion compared to \$555.9 billion.

To compute the corporation income tax, net income first had to be reduced by the "net operating loss deduction," the deduction for dividends paid by regulated investment companies (and real estate investment trusts) and by certain other nonbusiness special deductions. Chiefly because of an increase in the dividends paid deduction, the result of this subtraction was less than 1988, so that the total corporation income tax (before credits) declined from \$131.4 billion to \$127.8 billion. However, total credits against this tax declined only from \$35.5 billion to \$31.6 billion (reflecting, in large part, a dropoff in the foreign tax credit, for taxes paid to foreign governments). This enabled total tax after credits, the amount actually payable to the U.S. Government, to show a slight increase for 1989, from \$95.9 billion to \$96.1 billion. Despite the changing economy, the corporation income tax for both 1988 and 1989, before and after credits, was at a record high level, exceeding the amounts recorded for any previous year.

Number of Returns

For Tax Year 1989, the number of active corporation income tax returns increased by 1.8 percent to over 3.6 million, resuming the upward trend interrupted for Tax Year 1988 [1]. Returns with net income, after declining for 1988, rose by 0.7 percent. This was the smallest increase since that recorded for Tax Year 1982 (Figure A). Returns without net income, which tend to fluctuate from year to year, increased by a larger 3.1 percent. There was a moderate increase in the number of returns filed for each industrial division, except services (Figure B). The largest increase, 4.5 percent, occurred in the transportation and public utilities division. The number

Pre-tax profits dropped for the first time since 1982, from \$413 billion (1988) to \$389 billion (1989).

of returns filed for the services division declined slightly to 989,850. Overall, the number of returns filed for Tax Year 1989 remained fairly consistent with the numbers filed for other recent years.

By return type, the largest increases in the number of returns filed were for Forms 1120-A and 1120S. The num-

ber of Forms 1120-A filed increased 17.2 percent to 268,149, due mostly to a change in the filing requirements. The Form 1120-A, *U.S. Short-Form Corporation Tax Return*, was introduced for Tax Year 1984 for certain small U.S. corporations. Prior to 1989, the most important of these requirements included the following: (1) gross receipts under \$250,000; (2) "total income" under \$250,000; and (3) total assets under \$250,000 [2]. During Tax Year 1989, the criteria for receipts, total income and total assets were raised to \$500,000. (For Tax Year 1989, the net income (less deficit) reported on Forms 1120-A was -\$284.7 million; for Tax Year 1988, it was -\$125.0 million.)

The number of Forms 1120S increased 13.2 percent to 1,422,967. After Tax Year 1986, the number of companies filing Form 1120S increased at a particularly high rate (Figure C). Since S Corporations are taxed through their shareholders, most of whom are individuals, this increase is related to the fact that individual income tax rates became more favorable than the corporate tax rates as a result of the Tax Reform Act of 1986 (TRA). (The net income taxed through shareholders was \$63.3 billion, compared to \$58.1 billion for 1988. Losses allocable to shareholders totaled \$30.9 billion for 1989, compared to \$24.7 billion for 1988.)

Income Statements

Net Income

Reflecting the relatively flat economy of 1989, pre-tax profits reported on corporate income tax returns decreased 5.8 percent to \$389.0 billion. Tax Year 1989 was the first year to show a decrease in pre-tax profits (net income less deficit) since 1982 (Figure D). The largest decline, percentage-wise, occurred in the construction division (Figure E). Almost half of the drop in profits for this division was attributable to general building contractors [3]. Private nonresidential construction decreased in 1989, reflecting the downturn in the real estate boom which began in 1983 [4]. Additionally, TRA instituted a

Paula Karvounis and Nina Shumofsky are economists with the Corporation Returns Analysis Section. This article was prepared under the direction of Ken Szefflinski, Chief.

Corporation Income Tax Returns, 1989

Figure A

Number and Growth Rate of Active Corporation Returns Filed, Tax Years 1981-1989

Tax year	Total active corporation returns	Percentage increase	Number of returns with net income	Percentage increase	Number of returns without net income	Percentage increase
	(1)	(2)	(3)	(4)	(5)	(6)
1981.....	2,812,420	3.8	1,597,298	(¹)	1,215,122	9.1
1982.....	2,925,933	4.0	1,608,357	0.6	1,317,576	8.4
1983.....	2,999,071	2.5	1,676,288	4.2	1,322,783	0.4
1984.....	3,170,743	5.7	1,777,770	6.0	1,392,973	5.3
1985.....	3,277,219	3.4	1,820,120	2.4	1,457,099	4.8
1986.....	3,428,515	4.6	1,907,738	4.8	1,520,777	4.4
1987.....	3,612,133	5.4	1,995,452	4.6	1,616,681	6.3
1988 ²	3,562,789	-1.4	1,908,799	-4.3	1,653,990	2.3
1989 ²	3,627,863	1.8	1,921,805	0.7	1,706,058	3.1

¹ Less than 0.05 percent.

² Excludes Foreign Sales Corporations and Interest-Charge Domestic International Sales Corporations.

more restrictive depreciation of buildings and provided disincentives for investments in real estate when used for "tax shelters".

All of the industrial divisions showed a decrease in pre-tax profits except for the finance, insurance and real estate and services division (Figure E). The 18.5 percent increase in pre-tax profits for finance, insurance and real estate was primarily the result of a \$14.3 billion increase in the profits reported by regulated investment companies, as the mutual fund industry continued to prosper [5]. Total profits reported by regulated investment companies amounted to \$65.8 billion.

Pre-tax profits for the services division increased 18.8 percent to \$11.0 billion. Approximately 90 percent of the rise in net income for services was due to corporations whose principal business activity was motion picture production, distribution and services. Net income (less

deficit) for this industrial group tripled to \$2.4 billion.

The largest dollar decrease in net income (less deficit) was in manufacturing. This decrease was division-wide, as pre-tax profits dropped across the board for all industrial groups. Pre-tax profits for the manufacturing division, which comprises the largest dollar portion of total pre-tax profits, decreased from \$205.1 billion to \$180.5 billion. The largest portion of the decrease was reported for office, computing, and accounting machinery manufacturers, whose profits dropped 25 percent to \$10.3 billion. For the 10 years preceding 1989, pre-tax profits for manufacturers showed a fluctuating pattern (Figure F). Profits of non-manufacturers, on the other hand, steadily increased after 1982.

By asset size, 79.1 percent of all corporate profits for 1989 was attributable to the 5,450 returns with assets of \$250 million or more. This percentage continued to rise, reflecting the growing number of returns with assets of this size and the increasing proportion of corporate profits they accounted for (Figure G).

Pre-tax profits reported for foreign corporations engaged in a U.S. trade or business decreased from \$2.6 million to -\$130.7 million [6]. All of the industrial

Figure B

Number of Active Corporation Returns by Industrial Division, Tax Years 1988 and 1989

Industrial division	1988		1989	
	Number of returns	Percentage increase	Number of returns	Percentage increase
	(1)	(2)	(3)	(4)
All industries ¹	3,562,789	-1.4	3,627,863	1.8
Agriculture, forestry and fishing.....	119,902	2.8	123,195	2.7
Mining.....	41,080	-2.3	41,631	1.3
Construction.....	381,499	2.9	393,103	3.0
Manufacturing.....	299,538	1.8	301,346	0.6
Transportation and public utilities.....	149,248	0.9	156,037	4.5
Wholesale and retail trade.....	984,553	1.3	1,012,980	2.9
Finance, insurance and real estate.....	572,418	9.8	592,832	3.6
Services.....	995,425	-11.1	989,850	-0.6

¹ Includes returns not allocable by industrial division.

NOTE: Excludes Foreign Sales Corporations and Interest-Charge Domestic International Sales Corporations.

Figure C

Form 1120S Returns and All Other Active Corporation Returns, Tax Years 1986-1989

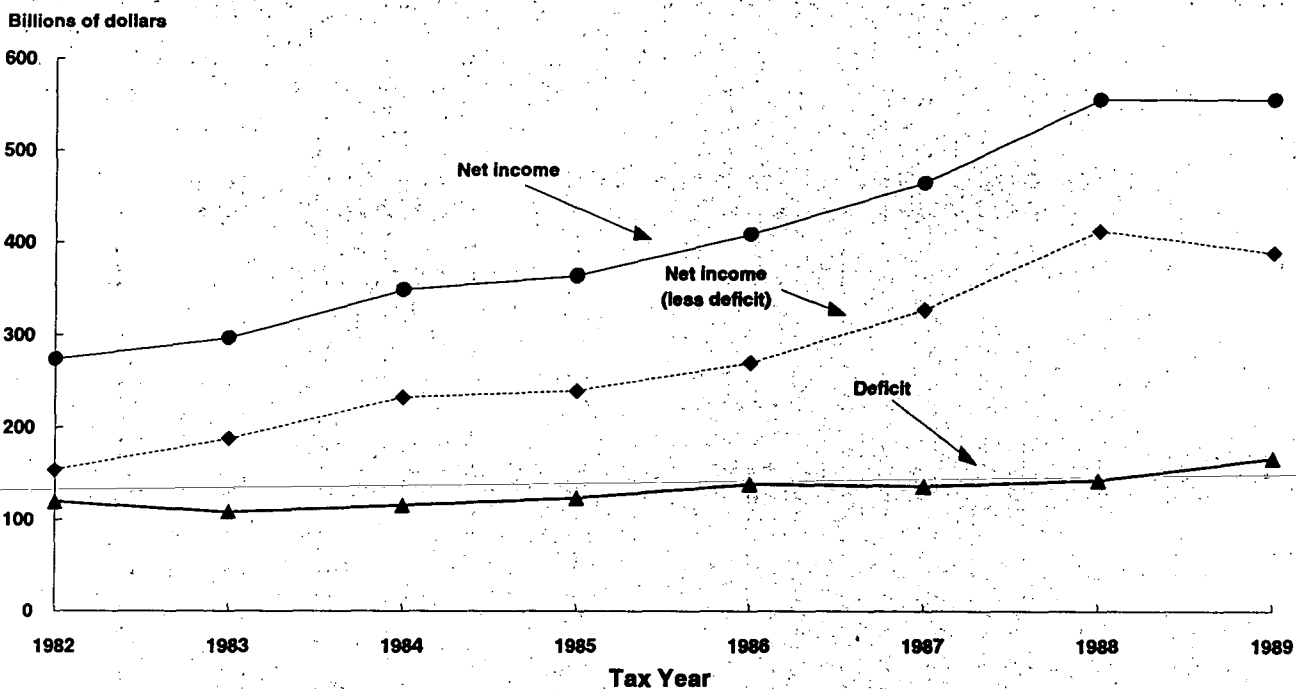
Tax year	Number of Form 1120S returns	Percentage increase	Number of all other returns	Percentage increase
	(1)	(2)	(3)	(4)
1986.....	826,214	14.0	3,428,515	4.6
1987.....	1,127,905	36.5	3,612,133	5.4
1988.....	1,257,191	11.5	3,562,789 ¹	-1.4 ¹
1989.....	1,422,967	13.2	3,627,863 ¹	1.8 ¹

¹ Excludes Foreign Sales Corporations and Interest-Charge Domestic International Sales Corporations.

Corporation Income Tax Returns, 1989

Figure D

Net Income (Less Deficit), Tax Years 1982-1989



divisions reported declines in net income (less deficit), except for transportation and public utilities. Although there was a large decline in net income (less deficit) reported by foreign companies, the size of their overall net losses was similar to the losses reported for years prior to 1988.

Positive income for all corporations rose only 0.1 percent to \$556.3 billion for 1989. Net income would have shown a decline for 1989 were it not for the major increases reported by regulated investment companies and S Corporations, which together accounted for nearly one-fourth of net income for 1989. For 1988, these corporations accounted for only one-fifth of the total.

Corresponding to the 3.1 percent increase in the number of deficit returns, total deficit rose from \$142.9 billion to \$167.3 billion, an increase of 17.1 percent. Although all industrial divisions shared in the increase in total deficit for 1989, the largest contributors were, in particular, transportation and public utilities (34.9 percent), manufacturing (32.4 percent) and wholesale and retail trade (23.8 percent) (Figure E). Increases were reported across the board for the transportation and public utilities and wholesale and retail trade divisions. However, the \$8.8 billion rise in the manufacturing division was most prominent in the following industrial groups: office, computing, and

accounting machines (\$1.7 billion); tobacco manufacturers (\$1.4 billion); and soap, cleaners, and toilet goods (\$1.1 billion).

By asset size, the largest total deficit was recorded for giant corporations, with assets of \$250 million or more. These giant corporations were responsible for \$56.0 billion, or 33.5 percent, of the total deficit. They were also responsible for 42.9 percent or \$11.6 of the \$24.4 billion increase in the deficit reported for 1989.

Receipts

Total receipts reported on corporate income tax returns for 1989 increased \$0.7 trillion to \$10.9 trillion [Table 1]. Despite the expansionary economy of the 1980's, the increase in receipts for Tax Year 1989 was smaller than 1988, reflecting the more moderate overall economic growth that occurred that year. Business receipts (in general, gross operating receipts) rose 5.3 percent to \$9.4 trillion. Similar to Tax Year 1988, the largest dollar gains occurred in wholesale and retail trade and in manufacturing.

In addition to business receipts, total receipts includes investment income (some of which comprised the gross operating receipts of financial institutions). For Tax Year 1989, taxable interest income showed a substantial gain,

Corporation Income Tax Returns, 1989

Figure E

Net Income and Deficit, by Industrial Division, Tax Years 1988 and 1989

[Money amounts are in thousands of dollars]

Industrial division	1988		1989	
	Net income or deficit	Percentage increase	Net income or deficit	Percentage increase
	(1)	(2)	(3)	(4)
NET INCOME (LESS DEFICIT)				
All industries ¹	412,982,753	25.8	389,010,675	-5.8
Agriculture, forestry and fishing.....	1,615,921	-0.7	1,550,580	-4.0
Mining.....	4,111,855	1,395.0 ²	3,144,686	-2.4
Construction.....	11,343,920	30.4	8,736,930	-23.0
Manufacturing.....	205,083,651	41.0	180,476,024	-12.0
Transportation and public utilities.....	46,943,801	25.3	39,073,953	-16.8
Wholesale and retail trade.....	42,844,883	12.6	36,155,437	-15.6
Finance, insurance and real estate.....	91,892,954	5.1	108,907,351	18.5
Services.....	9,276,631	0.3	11,020,194	18.8
NET INCOME				
All industries ¹	555,850,912	19.5	556,332,401	0.1
Agriculture, forestry and fishing.....	4,184,927	4.3	4,347,165	3.9
Mining.....	8,581,355	42.1	8,217,568	-4.2
Construction.....	17,946,717	16.8	16,312,212	-9.1
Manufacturing.....	232,182,692	34.7	216,357,256	-6.8
Transportation and public utilities.....	59,870,499	19.6	56,518,343	-5.6
Wholesale and retail trade.....	66,594,873	10.5	65,409,500	-1.8
Finance, insurance and real estate.....	136,443,479	5.6	155,238,423	13.8
Services.....	29,951,299	8.0	33,839,910	13.0
DEFICIT				
All industries ¹	142,868,159	4.3	167,321,725	17.1
Agriculture, forestry and fishing.....	2,569,006	7.7	2,796,586	8.9
Mining.....	4,469,500	-22.5	5,072,882	13.5
Construction.....	6,602,797	-0.9	7,575,282	14.7
Manufacturing.....	27,099,041	1.0	35,881,232	32.4
Transportation and public utilities.....	12,926,698	2.6	17,444,390	34.9
Wholesale and retail trade.....	23,749,990	6.8	29,254,062	23.2
Finance, insurance and real estate.....	44,550,525	6.6	46,331,072	4.0
Services.....	20,674,668	11.9	22,819,716	10.4

¹ Includes net income or deficit not allocable by industrial division.

² This increase was due mostly to several large corporations whose principal business activity for 1988 (but not 1987) was in mining.

NOTES: Excludes net income or deficit of Foreign Sales Corporations and Interest-Charge Domestic International Sales Corporations. Detail may not add to totals because of rounding.

increasing 20.5 percent to \$930.9 billion. The finance, insurance and real estate division accounted for 90 percent of this increase, rising from \$659.4 billion to \$793.7 billion. As would be expected, banks and bank holding companies accounted for most of this increase, with gains of 32.7 percent and 16.9 percent, respectively. Gains were also reported for savings and loan associations and other credit agencies [7]. Tax-exempt interest on State and local Government obligations also rose, from \$32.3 billion to \$36.3 billion, an increase of 12.3 percent.

Percentage-wise, the largest gains in total receipts for 1989 were from net short-term capital gains (less net long-term capital losses). Short-term capital gains increased 93 percent from \$5.6 billion to \$10.8 billion. Regulated investment companies accounted for a large portion of these gains.

Net long-term capital gains (less net short-term capital losses) increased 10 percent to \$62.5 billion. This was the first increase reported in long-term capital gains since 1986. Net long-term capital gains had declined for 1987 and 1988, probably a result of the less beneficial tax treatment of capital gains allowed under TRA [8].

Deductions

Total deductions increased 7.0 percent to \$10.5 trillion for 1989. This rate of increase was 0.5 percent larger than the rate of increase reported for total receipts. For 1989, this differential was sufficient to cause a decrease in overall net income (as net income is the difference between total receipts and total deductions).

Interest paid, the largest identifiable deduction item aside from cost of sales and operations, rose \$159.1 billion to \$831.5 billion for 1989. Interest paid had increased only modestly for previous years (Figure H). The 1989 increase of 23.7 percent was similar in magnitude to the 20.5 percent increase in interest income on the receipts side. As with previous years, the finance, insurance and real estate division accounted for \$105.9 billion, or two-thirds, of the increase. Within that division, bank holding companies were responsible for \$45.5 billion of the increase, while banks and savings and loan associations accounted for \$24.9 billion and \$14.8 billion of the increase, respectively.

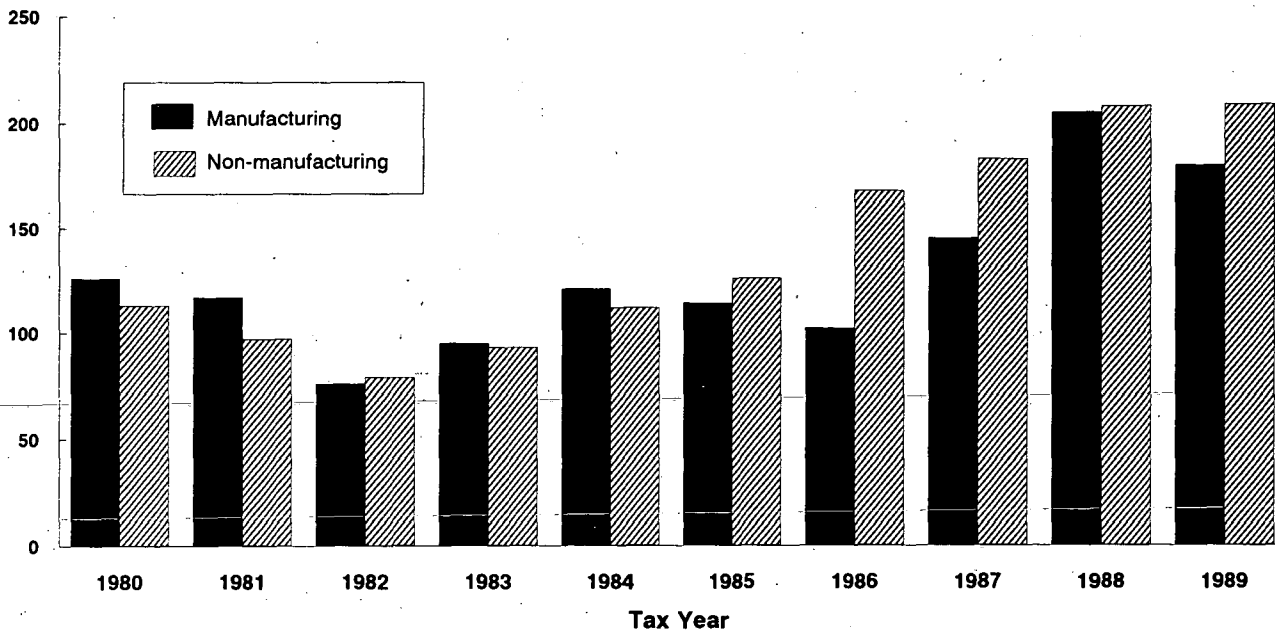
While most of the interest paid deduction was concentrated in the financial industries, interest paid also in-

Corporation Income Tax Returns, 1989

Figure F

Net Income (Less Deficit), Manufacturing and Non-manufacturing Industries, Tax Years 1980-1989

Billions of dollars



creased for the non-financial industries -- by 20.7 percent, to \$309.7 billion. Unlike finance, insurance and real estate, where interest paid typically takes the form of amounts paid on bank and savings deposits and withdrawable shares, interest paid for other industries represents amounts paid on other kinds of corporate debt, especially on long-term bonds. For 1989, the non-financial industries comprised 70.9 percent of total long-term mortgages, notes and bonds payable in 1 year or more, and 37.2 percent of the total interest paid deduction (Figure I).

Net loss from sales of property other than capital assets (treated as a deduction for the statistics) rose 50 percent or \$7.0 billion. Bank holding companies were responsible for over half of the increase. The net loss was the result of several large bank holding companies that had either liquidated their assets or merged with another company.

The depreciation deduction rose a modest 3.0 percent to \$337.3 billion, continuing the slow rate of growth experienced in the latter half of the 1980's [9]. From 1980 through 1985, the depreciation deduction rose at an average annual rate of 14.1 percent. Then, between Tax Years 1985 and 1989, the average annual rate of increase dropped to 2.4 percent (Figure J). The lower depreciation deductions for recent years may be related to the changes mandated by TRA. TRA instituted a modified Accelerated Cost Recovery System (ACRS) that lengthened the periods over which assets could be depreciated and changed the depreciation methods for business property placed in service after 1986.

The amortization deduction increased 25.8 percent to \$25.6 billion. Although the amount of amortization rose for all industrial divisions, the largest dollar increases were found in the manufacturing and services divisions, respectively. Within manufacturing, the largest increase was recorded by tobacco companies, followed by book

Figure G

Returns with Total Assets of \$250 Million or More Compared with All Returns, Tax Years 1985-1989

[Money amounts are in millions of dollars]

Tax year	Returns		Net income (less deficit)	
	Number	Percentage of total	Amount	Percentage of total
	(1)	(2)	(3)	(4)
1985.....	4,052	0.12	177.2	73.8
1986.....	4,471	0.13	197.5	73.4
1987.....	4,794	0.13	247.6	75.4
1988.....	5,120	0.14 ¹	320.7	78.0 ¹
1989.....	5,450	0.15 ¹	307.6	79.1 ¹

¹Excludes Foreign Sales Corporations and Interest-Charge Domestic International Sales Corporations.

Corporation Income Tax Returns, 1989

Figure H

Interest Paid Deduction, Tax Years 1985-1989

[Money amounts are in millions of dollars]

Tax year	Finance, insurance and real estate		All other industries	
	Interest paid deduction	Percentage increase	Interest paid deduction	Percentage increase
	(1)	(2)	(3)	(4)
1985.....	363.0	4.6	205.6	9.0
1986.....	351.9	-3.1	221.0	7.5
1987.....	364.5	3.6	225.4	2.0
1988.....	416.0	14.1	256.5 ¹	13.8 ¹
1989.....	521.9	25.5	309.7 ¹	20.7 ¹

¹ Excludes Foreign Sales Corporations and Interest-Charge Domestic International Sales Corporations.

publishers. The services division reported an increase of \$1.6 billion. Over half of the total increase was attributable to corporations engaged primarily in motion picture production, distribution or services.

Balance Sheets

Assets

For Tax Year 1989, year-end net growth in total assets was relatively stagnant compared to other recent years. The 7.0 percent increase for 1989 raised total assets from \$16.6 trillion for 1988 to \$17.6 trillion. The \$1.0 trillion increase was the smallest since 1984. The increases in total assets for Tax Years 1988 and 1987 were 8.1 and 8.2 percent, respectively.

The largest increase in total assets occurred in manufacturing; however, even here, assets increased only 9.8 percent, from \$3.4 billion to \$3.7 billion (Figure K). Motor vehicles and equipment made up the largest increase, recording a gain of \$0.03 billion. This industrial group also showed large increases in "other assets" and "other investments." These increases may be related to investments made in international companies' acquisitions by U.S. manufacturers during 1989 [10]. Overall, manufacturing continued to be the second largest industrial division with 21.1 percent of total assets. Finance, insurance and real estate remained the largest, representing 56.6 percent of the whole.

The largest individual asset accounts on the balance sheet were for notes and accounts receivable (\$4.2 trillion) and gross depreciable assets (\$4.1 trillion). After a \$334.4 billion increase in 1988, receivables increased only \$96.9 billion in 1989. Declines in the mining and service divisions contributed to the slower growth. The increase in gross depreciable assets of \$248.8 billion can be compared to the \$218.0 billion increase in 1988.

Similar to the non-financial industries, finance, insur-

ance and real estate, the largest industrial division in terms of total assets, showed notes and receivables as the largest asset account, followed by "other investments" (Figures L and M). "Other investments" increased 8.3 percent to \$2.5 trillion, while notes and receivables were more stable, increasing only 1.1 percent to \$2.8 trillion. Some examples of "other investments" for the finance division include land and buildings owned by real estate operators and real estate holdings of insurance carriers (other than home offices and branch office buildings and equipment), bank certificates, and common stock. The largest asset category within non-financial industries was net depreciable assets which increased 5.7 percent to \$2.1 trillion dollars.

Intangible assets increased 33 percent or \$108.6 billion for 1989. The majority of this increase (68.7 percent) was reported by manufacturers, specifically those classified as tobacco manufacturers. Intangible assets, which include the acquisition costs of goodwill, trademarks, copyrights and like assets, tend to increase during periods when high levels of mergers and acquisitions occur [11].

Liabilities

Mortgages, notes and bonds payable in less than 1 year showed the largest relative increase for 1989. The 12 percent gain brought the total for the short-term mortgage, notes and bonds account to \$1.6 trillion. The largest portion of the gain (11.7 percent) was reported by motor vehicle and equipment manufacturers.

"Other current liabilities" was the largest account on the liabilities side of the balance sheet (Figure N) and includes most of the deposits and withdrawable shares of banking and savings institutions. This account remained relatively stable, with only a slight increase to \$5.1 billion. Almost all of this increase was due to manufacturers,

Figure I

Comparison of Interest Paid Deduction and Mortgages, Notes and Bonds Payable in 1 Year or More for Nonfinancial Industries, Tax Years 1985-1989

[Money amounts are in millions of dollars]

Tax year	Interest paid deduction		Mortgages, notes and bonds payable in 1 year or more	
	Amount	Percentage of total	Amount	Percentage of total
	(1)	(2)	(3)	(4)
1985.....	205.6	36.2	1,196.2	70.4
1986.....	221.0	38.6	1,387.9	70.9
1987.....	225.4	38.2	1,520.2	71.0
1988 ¹	256.5	38.1	1,673.2	71.1
1989 ¹	309.7	37.2	1,764.7	70.9

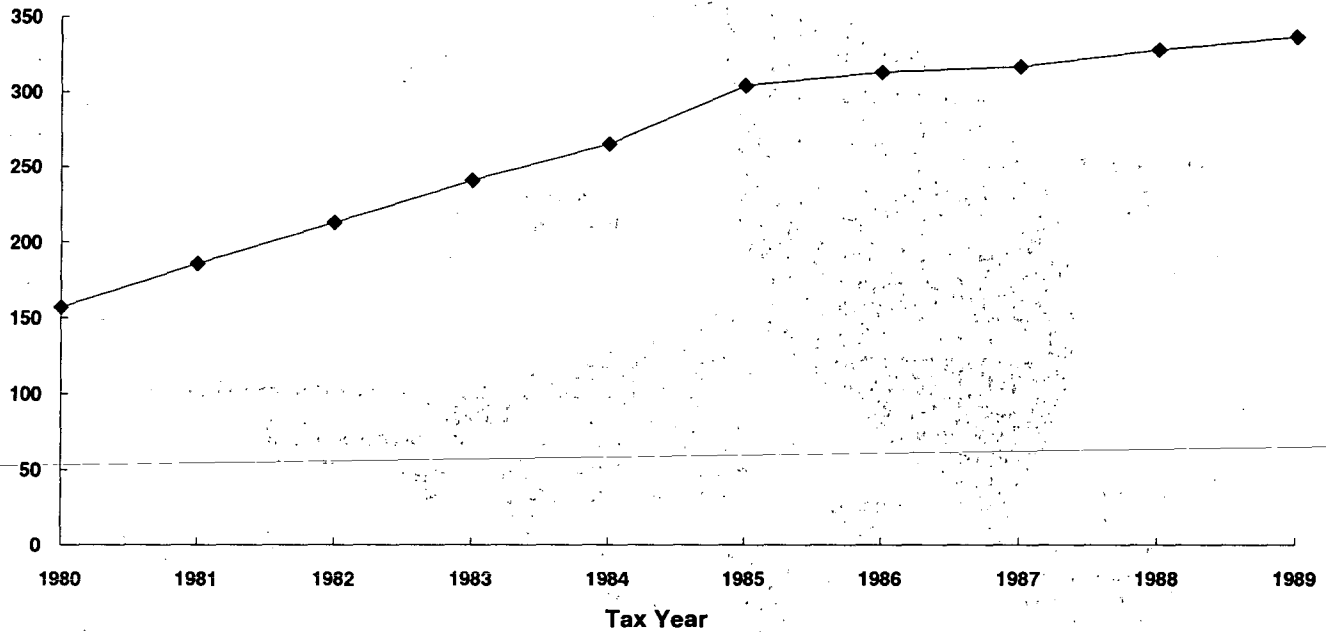
¹ Excludes Foreign Sales Corporations and Interest-Charge Domestic International Sales Corporations.

Corporation Income Tax Returns, 1989

Figure J

Depreciation Deduction, Tax Years 1980-1989

Billions of dollars



rather than financial institutions.

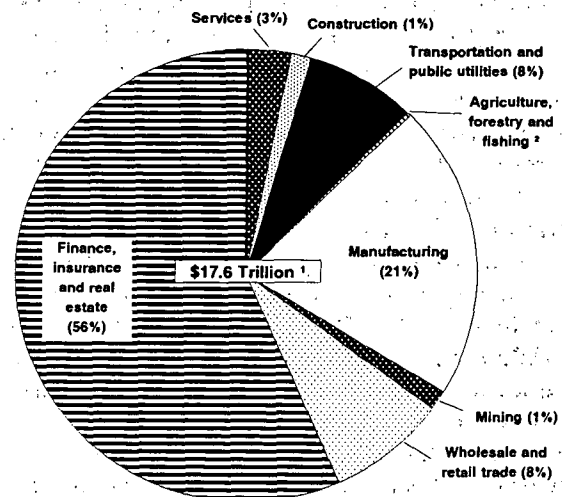
Large increases were also reported for the "other liabilities" account, which contains not-allocable long-term liabilities on the tax return balance sheet. Some examples of these liabilities include provisions for certain deferred taxes, profit sharing plans and unearned interest. If "other liabilities" were included along with bonds, notes and mortgages payable in 1 year or more and loans from stockholders, then long-term debt as a whole, increased \$395 billion to \$5,211 billion.

Income Tax and Credits

In contrast to the slight increase in positive net income, income subject to tax (the term used for the statistics to describe the corporate tax base) declined \$12.1 billion to \$371.0 billion for 1989 (Figure O). For most corporations, income subject to tax is equal to net income less certain statutory special deductions. The latter include the dividends paid deductions unique to regulated investment companies and real estate investment trusts. As a result of these deductions, these two groups of companies (as well as S Corporations) are in effect income conduits. Nearly all their net income is taxed through the shareholders. The increases in positive net income for these companies are therefore not reflected in the statistics for income subject

Figure K

Total Assets by Industrial Division, Tax Year 1989



¹ Includes "Nature of business not allocable," not shown separately.

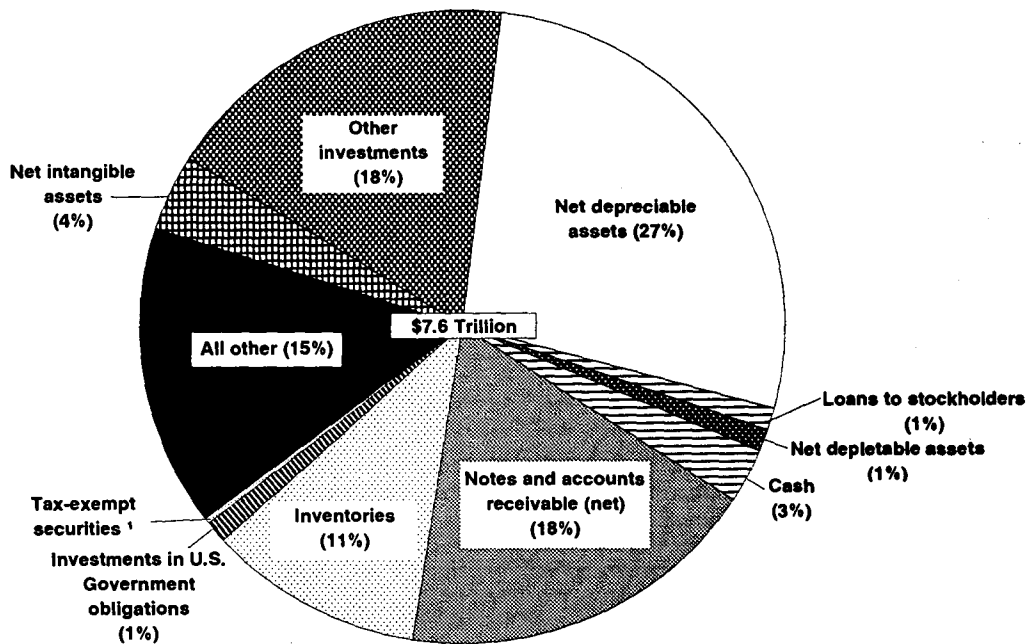
² Less than 0.5 percent.

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

Corporation Income Tax Returns, 1989

Figure L

Total Assets by Type of Account, Non-financial Industries, Tax Year 1989



¹ Less than 0.5 percent.

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

to (the corporation income) tax. Also contributing to the discrepancy between net income and income subject to tax for 1989 was the change in the overall total for statutory special deductions, which increased at a more rapid rate than net income. For Tax Year 1989, the total for these deductions increased 5.7 percent or \$6.7 billion.

The sharp increase in the deductions for dividends paid by regulated investment companies (and, to a lesser extent real estate investment trusts) was the principal reason for the increase in total statutory deductions for 1989. The size of these, as well as other special deductions, was sufficient to reduce income subject to tax for these companies to \$2.6 million even though their combined net income before statutory special deductions amounted to \$67.1 billion. For Tax Year 1988, their net income was \$52.6 billion and income subject to tax was \$7.7 million.

The second largest statutory special deduction after the dividends paid deduction was the net operating loss deduction, or NOLD [12]. The NOLD, for purposes of the statistics, reflects certain prior-year losses carried forward and applied against current-year net income [13]. While total special statutory deductions increased overall, the part attributable to NOLD decreased 16 percent from \$51.4 billion to \$43.0 billion. The decrease in NOLD was

widespread, particularly in the manufacturing division.

The deduction for intercorporate dividends received was the third largest component of the statistics for statutory special deductions. This deduction increased only 5.9 percent compared to the 13.8 percent increase for Income Year 1988. The largest increases occurred in transportation and public utilities, followed by finance, insurance and real estate.

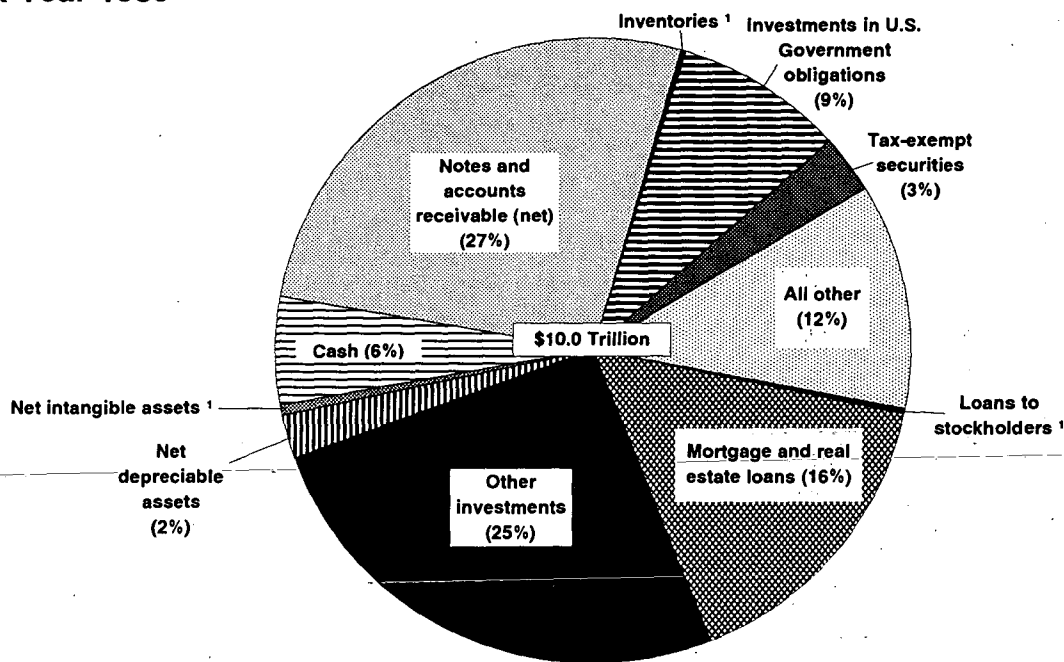
Reflecting the decline in income subject to tax, income tax before credits (which, for Statistics of Income, includes the alternative minimum tax) decreased from \$131.4 billion to \$127.8 billion. Forty percent of this decrease was due to the manufacturing division, mostly to the manufacturers of aircraft, guided missiles and parts. Regular income tax, the main component, decreased 2.9 percent from \$126.9 billion to \$123.2 billion [14].

The alternative minimum tax (AMT), a separate tax related to regular taxable income, increased only \$0.2 billion to \$3.5 billion. For comparison, the tax for 1988 was \$3.3 billion and \$2.2 billion for 1987. The number of returns reporting AMT for 1989 was 25,237, about the same as for 1988. For 1988, AMT for the manufacturing division alone increased \$0.7 billion, but then decreased by \$0.3 billion for 1989.

Corporation Income Tax Returns, 1989

Figure M

Total Assets by Type of Account, Finance, Insurance and Real Estate Industries, Tax Year 1989



¹ Less than 0.5 percent.
NOTE: Detail may not add to total because of rounding.

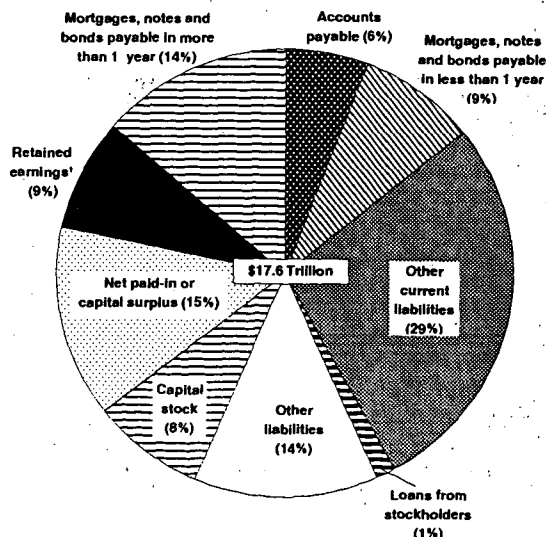
In determining the tax due to the U.S. Government, regular tax first was reduced by credits. The foreign tax credit continued to be the largest credit. After a \$6.3 billion dollar increase for 1988, the foreign tax credit dropped by \$3.1 billion to \$24.0 billion for 1989. This decrease reversed the upward trend evidenced since 1982. One-quarter of the decrease was due to corporations classified as tobacco manufacturers.

The general business credit continued to decline, reflecting the changes instituted by TRA. This credit decreased by 30.2 percent to \$3.8 billion. With exceptions, the investment tax credit, the largest component of the general business credit, was rescinded by TRA on January 1, 1986. TRA also reduced the maximum amount of tax against which the general business credit could be applied. Two credits of lesser size showed sharp increases, the orphan drug credit and the nonconventional source fuel credit.

The prior year minimum tax credit rose 78.5 percent to \$836.6 million. The largest part of the increase was due to the petroleum refining industry which increased from \$5.5 million to \$92.5 million. In general, this tax credit is taken by companies who have paid alternative minimum tax for the prior tax year but are not paying it for the

Figure N

Total Liabilities by Type of Account, Tax Year 1989



¹Includes appropriated and unappropriated retail earnings.
NOTES: Cost of treasury stock, reported as an adjustment to total liabilities, is not shown.
Detail may not add to total because of rounding.

Corporation Income Tax Returns, 1989

Figure O

Selected Tax and Tax Credit Items, Tax Years 1988 and 1989

[Money amounts are in thousands of dollars]

Item	1988	1989	Percentage increase
	(1)	(2)		(3)
Income subject to tax.....	383,201,978	371,054,512	-3.2
Income tax, total ¹	131,367,397	127,754,021	-2.8
Regular tax.....	126,899,211	123,236,461	-2.9
Personal Holding Company tax ²	17,729	25,618	44.5
Tax from recapture of investment and low-income housing credits ²	552,398	354,889	-35.8
Alternative minimum tax ²	3,352,845	3,540,918	5.6
Environmental tax ²	487,926	471,779	-3.3
Tax credits, total.....	35,567,532	31,702,962	-10.9
Foreign tax credit.....	27,068,104	23,996,821	-11.3
U.S. possessions credit.....	2,318,021	2,793,603	20.5
Orphan drug credit.....	8,053	14,190	76.2
Nonconventional fuel source credit.....	49,517	82,792	67.2
General business credit.....	5,559,174	3,882,728	-30.2
Prior-year minimum tax credit.....	468,767	836,681	78.5
Total income tax after credits.....	95,896	96,147	0.3

¹ Includes certain other taxes, not shown below.

² For purposes of the statistics, this tax is included in both income tax before and after credits. By law, tax credits can only offset regular tax.

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

current year. Since, for purposes of the statistics, the first full-year that the alternative minimum tax was in effect was 1988, the first full year for which the prior year minimum tax credit applied was 1989 [15].

Despite the decline in total tax before credits, total tax after credits, the amount actually owed the Federal Government, showed a slight increase, from \$95.9 billion to \$96.1 billion. This outcome was the result of total tax credits declining by less than the decline in tax before credits (Figure P).

Figure P

Total Income Tax Before and After Credits, Tax Years 1988 and 1989

[Money amounts are in thousands of dollars]

Item	1988	1989	Increase
	(1)	(2)	(3)
Total income tax before credits.....	131,367,397	127,754,021	-3,613,376
Total tax credits.....	35,471,636	31,606,815	-3,864,821
Total income tax after credits.....	95,895,762	96,147,206	253,535

NOTE: For purposes of the statistics, Personal Holding Company tax, tax from recapture of investment and low-income housing credits, alternative minimum tax, environmental tax and certain other taxes are included in both tax before and after credits. By law, tax credits can only offset regular tax (see Figure O).

Summary

The number of returns filed for Tax Year 1989 increased 1.8 percent, offsetting the one-time decrease that occurred

for 1988. By industrial division, there were moderate increases in the total number of returns filed across the board.

Corporate pre-tax profits decreased for the first time since Tax Year 1982, dropping by 5.8 percent, from \$413 billion to \$389 billion. All of the industrial divisions reported decreases except for the finance, insurance and real estate and the services divisions. The 18.5 percent increase for the finance, insurance and real estate division was attributable to regulated investment companies.

Interest income and interest paid both showed significant increases for 1989. Taxable interest income rose 20.5 percent to \$930.9 billion, while interest paid increased \$159.1 billion to \$831.5 billion. As expected, the finance, insurance and real estate division accounted for most of the gains.

As overall net income reported by corporations (other than those that were income conduits, i.e., S Corporations and certain investment companies) declined, so did income subject to tax, the tax base tabulated for Statistics of Income. For 1989, income subject to tax decreased 3.2 percent to \$371.1 billion. Statutory special deductions from net income used to determine the corporate tax base, however, increased. This rise countered the slight increase in positive net income and led to a correspondingly slight decrease in the corporation income tax before credits. This amount decreased from \$131.4 billion to \$127.8 billion. Tax after credits, however, increased because total tax credits increased by a lesser amount. For 1989, total income tax after credits, the amount due the U.S. Government, was \$96.1 billion compared to \$95.9 billion for 1988.

Foreign tax credit continued to be the largest credit, even though it declined for the first time since 1982. The decline in the general business credit, continuing to reflect the rescinding of the investment credit instituted by TRA, dropped by 30.2 percent to \$3.9 billion.

Data Sources and Limitations

The data for Income Year 1989 cited in this article are based on a sample of corporation income tax returns with accounting periods ending July 1989 through June 1990. The returns represented domestic corporations filing Form 1120 or Form 1120-A (short form); foreign corporations with income "effectively connected" with a U.S. business filing Form 1120F; life insurance companies filing Form 1120L; mutual or stock property and casualty insurance companies filing Form 1120PC; S Corporations filing Form 1120S; regulated investment companies filing Form 1120RIC; and real estate investment trusts filing Form 1120REIT. Forms IC-DISC filed by certain Domestic

Corporation Income Tax Returns, 1989

International Sales Corporations and 1120-FSC filed by Foreign Sales Corporations were not included for 1989. The revisions to the Standard Industrial Classification (SIC) for 1987 are not reflected in the statistics.

The statistics were estimated based on a stratified probability sample of approximately 82,400 active corporation income tax returns selected after administrative processing but before audit examination. The returns were stratified based on combinations of net income and total assets at rates ranging from 0.25 to 100 percent.

Because the data are based on a sample, they are subject to sampling error. In order to use these statistics properly, the magnitude of the sampling error, measured by the coefficient of variation (CV), should be taken into account (Figure Q). The CV's for frequency estimates are intended only as a general indication of the reliability of the data. For numbers of returns other than those shown, the corresponding CV's can be estimated by interpolation.

Figure Q

Coefficients of Variation (CV) for Frequency Estimates, Tax Year 1989

Estimated number of returns	Approximate coefficient of variation (CV)
2,000,000.....	1.42
500,000.....	2.84
250,000.....	4.02
50,000.....	8.99
25,000.....	12.71
10,000.....	20.10
5,000.....	28.42

NOTES AND REFERENCES

[1] For 1988, the number of returns declined for the first time since the end of World War II. This decline was prompted by the Tax Reform Act of 1986, which caused some companies to be included in the 1987 statistics twice, both by a part-year return and a full-year return, each with an accounting period that ended during the span of months July 1987 through June 1988 (the accounting periods represented in the 1987 statistics). The unusually large number of part year returns filed, in turn, led to an unusually large increase in the total number of returns for the year. The increase in part-year returns was due to many S Corporations (and Personal Service Corporations) having to change their accounting periods from a non-calendar year to a calendar year as required by the 1986 Act. In addition, other corporations changed to S Corporation status in order to take advantage of the lower individual income tax rates on corporate profits allowed under the Act; some of these compa-

nies also had to file part-year returns if they were not already using the required calendar year accounting period. Thus, since the increase in returns for Tax Year 1987 was followed by a decline for 1988, the escalation was an anomaly. The increase recorded for 1989 is only significant in that it reflects a return to the more gradual upward trend in filings that previously existed.

- [2] For a more detailed description of all the requirements for filing Form 1120-A, see U.S. Department of the Treasury, Internal Revenue Service, 1989 *Instructions for Form 1120-A*.
- [3] General building contractors include contractors primarily engaged in construction (including new work, additions, alterations, remodeling and repair) of single-family houses, other residential buildings, industrial buildings and warehouses, and other nonresidential buildings. Apartment building construction and motel/hotel construction are also included in this industrial group.
- [4] "Construction," *U.S. Industrial Outlook*, U.S. Department of Commerce, International Trade Commission, 1990.
- [5] "Mutual Funds," *U.S. Industrial Outlook*, U.S. Department of Commerce, International Trade Commission, 1990.
- [6] This will be the subject of a future *Bulletin* article, on foreign controlled U.S. corporations.
- [7] Other credit agencies include one or more of the following: mortgage banks and brokers; rediscount and financing institutions for credit agencies other than banks; Federal Home Loan banks; agricultural credit institutions; and credit agencies and finance companies not elsewhere classified.
- [8] The preferential alternative tax rate on net long-term capital gain (less net short-term capital loss) was repealed for tax years beginning on or after July 1, 1987, effectively taxing corporate capital gains at the regular corporate tax rates.
- [9] The depreciation deduction includes identifiable amounts of depreciation reported in the "Cost of Goods Sold and/or Operations" or "Other Deductions" schedules.
- [10] *Mergers & Acquisitions*, 1990 Almanac and Index, May/June 1990, Volume 24, Number 6.
- [11] *Ibid.*

Corporation Income Tax Returns, 1989

[12] The other components of statutory special deductions include the several dividends received deductions and the deductions for dividends paid by regulated investment companies and real estate investment trusts and on certain preferred stock of public utilities.

[13] The net operating loss deduction must first be carried back for a period of 3 years; only the remainder is carried forward to subsequent years. Carryback adjustments from future years could not be shown on the tax returns used for these statistics and no attempt was made to obtain them.

[14] Regular tax is the tax based on the regular corporate tax rates applied to "income subject to tax." It is

therefore before all credits. This amount is reduced by tax credits for the following: foreign taxes, U.S. possessions tax, orphan drug research, the production or sale of fuels from nonconventional sources, general business incentives, and the prior year minimum tax.

[15] The corporate statistics include returns with accounting periods ending from July 1989 through June 1990. The first tax year the alternative minimum tax was in effect was 1987. Thus, the 1987 corporate statistics only partly reflect the effects of the tax change. Since the prior year minimum tax credit can only be taken in the year following the payment of AMT, the first full year it was in effect was Tax Year 1989.

Corporation Income Tax Returns, 1989

Table 1.—Selected Balance Sheet, Income Statement and Tax Items, by Industrial Division and Asset Size

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

Item, industrial division	Total ¹	Zero assets ²	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
	(1)	(2)	(3)	(4)	(5)	(6)
ALL INDUSTRIES ³						
Number of returns.....	3,627,863	209,208	1,833,773	617,139	364,017	249,674
Total assets.....	17,647,120,286	—	58,373,473	99,794,216	128,716,039	176,219,089
Total receipts.....	10,934,973,405	217,765,745	314,115,871	306,033,231	318,668,631	390,035,804
Business receipts.....	9,427,277,533	119,658,265	306,814,460	298,539,600	309,844,175	377,212,890
Interest paid.....	831,521,305	74,123,238	2,800,632	3,830,483	4,539,238	5,978,550
Net income (less deficit).....	389,010,675	3,309,326	1,470,913	1,704,326	1,834,238	3,741,666
Total income tax ⁴	127,754,021	3,127,585	403,434	685,181	867,233	1,291,371
Total income tax after credits ⁴	96,147,206	2,145,436	385,782	660,429	832,021	1,240,609
Net worth.....	4,602,704,974	—	-4,749,460	23,805,863	36,744,341	57,358,884
AGRICULTURE, FORESTRY AND FISHING						
Number of returns.....	123,195	7,166	48,769	23,770	19,333	14,152
Total assets.....	63,413,253	—	1,657,774	3,845,494	6,959,467	10,060,419
Total receipts.....	86,627,044	809,903	6,484,730	7,260,859	12,985,250	10,370,555
Business receipts.....	81,159,501	684,183	6,068,061	6,738,719	12,407,758	9,561,679
Interest paid.....	2,788,784	65,573	141,200	189,560	260,564	417,825
Net income (less deficit).....	1,550,580	13,784	53,947	114,858	90,366	288,709
Total income tax ⁴	605,650	7,790	11,141	27,874	31,737	61,102
Total income tax after credits ⁴	557,583	6,969	9,609	26,894	29,129	57,382
Net worth.....	21,097,130	—	-280,930	658,253	2,428,117	4,532,520
MINING						
Number of returns.....	41,631	3,160	19,594	7,119	4,132	3,095
Total assets.....	236,339,172	—	573,298	1,086,323	1,473,669	2,121,571
Total receipts.....	102,378,796	1,626,952	1,220,577	1,616,330	2,623,318	2,772,248
Business receipts.....	87,977,574	1,452,504	1,076,738	1,461,520	2,491,351	2,532,409
Interest paid.....	6,529,206	76,760	28,040	31,054	42,633	60,705
Net income (less deficit).....	3,144,686	-109,708	-71,448	-13,674	-77,312	-58,570
Total income tax ⁴	1,771,670	9,619	6,292	5,973	3,121	18,938
Total income tax after credits ⁴	1,060,476	8,287	6,253	5,649	2,775	18,031
Net worth.....	126,413,627	—	-541,444	285,492	-1,796,634	790,733
CONSTRUCTION						
Number of returns.....	393,103	16,283	206,748	62,853	44,244	28,114
Total assets.....	249,711,210	—	6,266,876	10,397,585	15,793,726	20,315,897
Total receipts.....	517,477,336	6,804,751	46,246,628	40,049,160	46,720,512	49,264,081
Business receipts.....	504,906,544	6,506,984	45,763,028	39,696,621	46,130,591	48,512,243
Interest paid.....	7,369,122	98,432	361,303	377,561	521,482	492,018
Net income (less deficit).....	8,736,930	-10,111	469,100	517,224	360,491	469,861
Total income tax ⁴	2,327,882	36,101	50,695	99,468	120,449	167,508
Total income tax after credits ⁴	2,106,624	33,865	50,112	97,497	118,876	160,839
Net worth.....	66,723,453	—	-608,857	3,457,237	5,125,181	6,598,451
MANUFACTURING						
Number of returns.....	301,346	12,458	112,543	50,625	35,499	29,709
Total assets.....	3,721,219,914	—	3,793,707	8,422,156	12,821,066	21,198,804
Total receipts.....	3,531,219,028	38,579,237	17,288,937	27,478,894	32,628,240	52,208,594
Business receipts.....	3,276,012,925	34,487,774	16,980,488	27,114,470	32,192,798	51,284,170
Interest paid.....	147,452,397	1,186,366	179,114	320,252	463,821	769,616
Net income (less deficit).....	180,476,024	2,755,321	-207,191	154,861	-164,122	664,681
Total income tax ⁴	63,780,169	1,158,239	27,311	70,195	111,414	223,020
Total income tax after credits ⁴	38,969,929	526,580	24,972	61,792	100,683	210,956
Net worth.....	1,373,491,815	—	-965,121	2,318,734	3,662,676	7,486,133

Footnotes at end of table.

Corporation Income Tax Returns, 1989

Table 1.--Selected Balance Sheet, Income Statement and Tax Items, by Industrial Division and Asset Size
--Continued

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

Item, industrial division	Total ¹	Zero assets ²	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
	(1)	(2)	(3)	(4)	(5)	(6)
TRANSPORTATION AND PUBLIC UTILITIES						
Number of returns.....	156,037	10,978	75,037	27,349	15,116	11,902
Total assets.....	1,474,412,864	--	2,554,399	4,487,228	5,441,390	8,334,345
Total receipts.....	906,501,335	15,382,331	14,739,962	15,757,753	15,702,427	19,912,609
Business receipts.....	844,076,080	13,057,585	14,491,849	15,328,203	15,401,001	19,228,706
Interest paid.....	56,900,550	613,328	137,094	222,113	261,079	378,331
Net income (less deficit).....	39,073,953	496,144	-141,897	144,134	-11,579	188,017
Total income tax..f.....	17,176,596	204,892	17,692	26,943	42,981	72,814
Total income tax after credits..f.....	15,664,580	171,353	14,688	26,173	37,964	67,915
Net worth.....	511,303,115	--	-48,896	802,225	785,574	1,899,891
WHOLESALE AND RETAIL TRADE						
Number of returns.....	1,012,980	54,578	438,915	206,341	119,141	83,772
Total assets.....	1,390,555,774	--	17,032,582	33,399,347	41,915,760	58,677,262
Total receipts.....	3,184,946,370	45,886,139	89,771,887	128,344,540	138,769,253	187,203,578
Business receipts.....	3,094,814,670	44,261,659	88,507,333	126,694,851	136,593,127	184,108,808
Interest paid.....	61,697,168	746,693	713,605	1,242,405	1,476,298	2,054,238
Net income (less deficit).....	36,155,437	-91,081	-841,875	159,235	925,023	1,246,899
Total income tax..f.....	13,595,625	230,512	93,505	186,242	283,209	405,162
Total income tax after credits..f.....	12,673,766	169,264	92,026	181,178	276,338	395,222
Net worth.....	342,748,950	--	-2,301,252	6,983,019	13,384,612	19,932,136
FINANCE, INSURANCE AND REAL ESTATE						
Number of returns.....	592,832	44,686	266,308	93,168	63,486	44,202
Total assets.....	9,957,481,118	--	8,100,784	15,089,401	22,532,841	30,950,252
Total receipts.....	1,868,003,359	96,987,259	27,206,314	12,648,276	14,822,158	15,353,316
Business receipts.....	855,752,870	8,807,634	24,933,381	10,824,776	11,805,838	12,367,470
Interest paid.....	521,868,248	70,818,623	461,594	496,404	726,804	885,924
Net income (less deficit).....	108,907,351	161,229	384,112	107,483	51,194	455,642
Total income tax..f.....	22,693,200	1,311,771	73,939	99,752	121,539	180,953
Total income tax after credits..f.....	20,146,630	1,154,787	72,357	97,847	121,144	158,987
Net worth.....	2,028,200,908	--	-382,925	3,950,499	6,985,499	9,971,973
SERVICES						
Number of returns.....	989,850	55,821	656,761	143,725	61,861	34,680
Total assets.....	552,132,138	--	18,158,965	22,713,534	21,370,885	24,526,726
Total receipts.....	735,497,193	11,620,422	110,653,074	72,017,079	54,141,274	52,932,644
Business receipts.....	680,350,095	10,360,712	108,479,061	69,828,264	52,552,018	49,599,276
Interest paid.....	26,858,974	517,419	775,191	938,250	772,836	919,877
Net income (less deficit).....	11,020,194	68,816	1,855,878	513,401	657,672	523,229
Total income tax..f.....	5,785,655	158,793	122,215	166,696	148,782	181,875
Total income tax after credits..f.....	4,930,443	64,464	115,122	161,360	141,113	171,278
Net worth.....	132,375,217	--	281,575	5,280,658	6,085,277	6,152,540

Footnotes at end of table.

Corporation Income Tax Returns, 1989

Table 1.--Selected Balance Sheet, Income Statement and Tax Items, by Industrial Division and Asset Size
--Continued

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

Item, industrial division	\$1,000,000 under	\$5,000,000 under	\$10,000,000 under	\$25,000,000 under	\$50,000,000 under	\$100,000,000 under	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
ALL INDUSTRIES ¹							
Number of returns.....	261,895	38,236	24,810	10,781	7,276	5,604	5,450
Total assets.....	548,078,126	265,542,278	386,563,232	379,638,611	515,157,094	883,741,291	14,205,296,834
Total receipts.....	1,169,509,547	505,641,183	558,213,868	385,450,722	368,918,334	567,476,613	5,833,146,057
Business receipts.....	1,136,097,227	487,998,253	532,518,636	357,251,897	328,755,631	497,836,861	4,674,749,638
Interest paid.....	19,928,178	9,839,418	14,323,081	15,318,546	21,846,315	38,195,183	620,798,443
Net income (less deficit).....	12,877,814	7,229,251	9,910,703	8,717,560	11,318,118	19,269,427	307,627,364
Total income tax ²	4,433,038	2,452,937	3,402,799	3,243,646	4,002,108	6,725,906	97,118,783
Total income tax after credits ²	4,247,668	2,313,921	3,130,176	2,880,190	3,429,556	5,801,878	69,079,540
Net worth.....	155,166,056	76,708,485	112,698,597	100,388,919	138,826,605	253,870,170	3,851,886,540
AGRICULTURE, FORESTRY AND FISHING							
Number of returns.....	8,841	695	272	101	52	35	7
Total assets.....	16,067,836	4,781,626	4,024,387	3,553,453	3,612,621	5,710,858	3,139,317
Total receipts.....	18,412,545	5,413,534	5,715,845	4,526,997	4,975,205	5,605,014	4,086,606
Business receipts.....	17,134,135	5,065,482	5,427,071	4,316,259	4,614,551	5,311,948	3,829,673
Interest paid.....	735,281	205,928	195,057	138,299	152,732	223,717	63,047
Net income (less deficit).....	195,485	26,948	-25,679	122,651	155,779	124,879	390,852
Total income tax ²	103,155	46,923	17,205	41,467	57,475	66,319	133,661
Total income tax after credits ²	95,117	46,506	16,482	37,924	51,805	64,878	114,887
Net worth.....	5,412,489	1,175,621	1,049,684	1,180,213	1,096,182	2,128,885	1,716,098
MINING							
Number of returns.....	2,878	751	441	177	123	74	87
Total assets.....	6,293,741	5,304,656	6,760,619	6,487,609	10,332,965	12,496,700	183,408,023
Total receipts.....	6,972,274	3,918,222	5,252,689	4,041,987	6,941,417	9,027,997	56,364,786
Business receipts.....	6,413,464	3,392,549	4,690,380	3,500,799	6,024,770	8,177,016	46,764,074
Interest paid.....	187,840	150,386	203,325	173,723	265,817	366,904	4,942,018
Net income (less deficit).....	40,838	-77,035	77,228	63,070	350,663	425,990	2,594,644
Total income tax ²	47,996	47,610	59,932	47,001	172,972	153,273	1,198,942
Total income tax after credits ²	45,128	40,048	54,475	44,570	107,240	125,351	622,670
Net worth.....	1,683,200	1,796,637	2,439,842	2,826,775	4,414,324	6,333,425	108,181,276
CONSTRUCTION							
Number of returns.....	29,299	3,381	1,522	367	163	86	43
Total assets.....	60,198,802	23,574,640	22,378,699	12,381,829	11,030,572	15,204,873	52,167,712
Total receipts.....	130,659,156	44,750,638	44,835,991	22,038,672	17,760,517	23,396,322	44,950,907
Business receipts.....	128,349,043	43,744,529	43,770,296	21,418,895	17,217,471	22,565,796	41,231,048
Interest paid.....	1,419,656	394,797	450,439	247,621	254,405	422,584	2,328,823
Net income (less deficit).....	2,366,449	1,173,328	1,211,840	508,032	491,744	438,784	740,188
Total income tax ²	609,915	258,860	276,042	141,357	124,964	106,631	335,892
Total income tax after credits ²	573,720	245,869	261,337	135,005	121,561	103,149	204,793
Net worth.....	16,577,644	6,606,851	5,968,642	3,113,542	2,908,725	3,515,343	13,460,694
MANUFACTURING							
Number of returns.....	41,337	8,092	5,785	2,138	1,172	932	1,056
Total assets.....	91,182,187	56,979,354	90,151,423	74,583,175	82,846,065	146,197,469	3,133,044,487
Total receipts.....	206,296,271	113,257,954	165,191,225	116,516,950	116,501,537	185,132,193	2,460,139,005
Business receipts.....	202,513,699	110,907,142	161,991,643	113,321,531	112,757,181	177,886,709	2,234,575,320
Interest paid.....	3,263,136	2,085,843	3,101,712	2,693,445	3,052,856	5,847,347	124,488,887
Net income (less deficit).....	3,679,817	2,790,020	4,716,967	4,045,718	4,787,279	7,429,181	149,823,492
Total income tax ²	1,080,449	798,455	1,326,134	1,302,087	1,597,151	2,921,940	53,183,774
Total income tax after credits ²	1,022,176	726,197	1,153,283	1,021,663	1,198,196	2,234,306	30,689,123
Net worth.....	34,096,456	22,046,340	36,201,101	29,364,013	33,480,134	56,124,564	1,149,676,786

Footnotes at end of table.

Corporation Income Tax Returns, 1989

Table 1.--Selected Balance Sheet, Income Statement and Tax Items, by Industrial Division and Asset Size
--Continued

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

Item, industrial division	\$1,000,000 under	\$5,000,000 under	\$10,000,000 under	\$25,000,000 under	\$50,000,000 under	\$100,000,000 under	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
TRANSPORTATION AND PUBLIC UTILITIES							
Number of returns.....	11,515	1,939	1,065	381	210	188	358
Total assets.....	23,852,598	13,365,007	16,276,698	13,722,808	15,573,350	30,189,841	1,340,815,201
Total receipts.....	47,341,600	20,235,300	19,972,746	15,843,492	13,822,735	26,946,118	680,844,264
Business receipts.....	45,988,473	19,460,010	19,107,237	14,757,776	13,040,861	24,854,605	629,359,774
Interest paid.....	1,056,065	624,733	738,085	661,200	767,503	1,814,698	49,626,322
Net income (less deficit).....	142,684	-15,673	-97,372	248,471	-101,637	266,995	37,955,665
Total income tax ⁴	230,344	139,066	159,425	206,739	145,076	411,364	15,519,260
Total income tax after credits ⁴	218,932	134,496	154,175	199,642	132,437	393,149	14,113,456
Net worth.....	4,170,931	2,688,469	3,281,961	3,266,028	3,211,193	5,142,330	486,103,412
WHOLESALE AND RETAIL TRADE							
Number of returns.....	89,771	11,477	5,742	1,627	727	483	407
Total assets.....	187,938,980	78,433,216	86,366,390	55,753,748	50,763,071	76,122,344	704,153,075
Total receipts.....	617,631,683	260,178,181	247,425,432	155,371,889	127,439,515	181,338,236	1,005,596,038
Business receipts.....	607,469,351	255,566,367	242,127,083	151,914,897	124,294,500	176,735,904	956,540,690
Interest paid.....	7,421,551	3,143,427	3,411,677	2,136,222	2,052,688	3,259,881	34,038,482
Net income (less deficit).....	5,338,366	2,550,160	3,231,742	1,667,842	1,792,071	2,566,275	17,610,779
Total income tax ⁴	1,434,054	624,768	801,484	560,374	607,070	1,080,736	7,288,511
Total income tax after credits ⁴	1,402,124	614,129	781,417	535,274	591,389	1,029,237	6,606,167
Net worth.....	54,725,898	21,290,191	24,035,733	15,086,367	14,312,070	22,520,587	152,779,593
FINANCE, INSURANCE AND REAL ESTATE							
Number of returns.....	48,421	8,170	7,886	5,235	4,460	3,521	3,290
Total assets.....	102,324,914	57,271,704	126,213,506	187,198,460	315,048,494	547,678,919	8,543,071,863
Total receipts.....	37,579,890	20,706,965	33,150,167	38,035,379	55,613,887	92,410,573	1,423,489,174
Business receipts.....	28,961,102	15,083,968	22,080,540	21,011,066	27,544,282	42,838,327	629,494,488
Interest paid.....	3,339,250	2,128,463	4,829,338	8,116,551	14,011,415	23,881,421	392,172,461
Net income (less deficit).....	509,138	462,758	728,434	1,487,061	3,595,164	7,939,473	93,025,662
Total income tax ⁴	450,459	298,435	493,094	646,807	1,033,687	1,561,325	16,441,437
Total income tax after credits ⁴	442,616	293,348	470,745	631,239	986,914	1,485,386	14,231,263
Net worth.....	26,271,148	15,165,732	32,424,771	39,355,163	73,647,856	148,406,306	1,672,404,887
SERVICES							
Number of returns.....	29,589	3,723	2,078	754	370	287	202
Total assets.....	59,934,141	25,759,292	32,123,666	25,957,529	25,949,956	50,140,287	245,497,156
Total receipts.....	104,225,381	37,179,025	36,493,981	29,075,355	25,863,522	43,620,160	157,675,277
Business receipts.....	98,882,298	34,776,841	33,177,810	27,010,674	23,262,017	39,466,557	132,954,569
Interest paid.....	2,485,718	1,105,843	1,386,425	1,151,484	1,288,898	2,378,631	13,138,402
Net income (less deficit).....	639,729	318,744	57,025	574,715	247,055	77,849	5,486,080
Total income tax ⁴	476,412	238,820	268,913	297,814	263,713	424,318	3,037,305
Total income tax after credits ⁴	447,599	213,328	237,891	274,672	240,014	366,421	2,497,180
Net worth.....	12,142,356	5,938,640	7,278,708	6,196,818	5,756,119	9,698,730	67,563,797

¹ Excludes Foreign Sales Corporations (Form 1120-FSC) and Interest-Charge Domestic International Sales Corporations (Form 1120 IC-DISC).

² For the definition of zero assets, see Table 2, footnote 2.

³ Includes "Nature of business not allocable," which is not shown separately.

⁴ For purposes of the statistics, includes not only regular tax, but alternative minimum tax, tax from recapture of investment and low-income housing credits and certain other taxes. By law, only regular tax could be reduced by tax credits.

NOTE: Detail may not add to totals because of rounding (see also footnote 3).

Corporation Income Tax Returns, 1989

Table 2.—Balance Sheets, Income Statements and Tax Items, by Asset Size

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

Item	Total ¹	Zero assets ²	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns.....	3,627,863	209,208	1,833,773	617,139	364,017	249,674
Total assets.....	17,847,120,286	-	58,373,473	99,794,218	128,716,039	176,219,089
Cash.....	823,705,622	-	12,828,058	16,913,348	18,122,585	21,772,315
Notes and accounts receivable.....	4,195,999,662	-	6,621,823	15,581,364	22,134,915	35,090,931
Less: Allowance for bad debts.....	104,026,839	-	73,680	184,106	208,927	424,998
Inventories.....	879,318,508	-	7,147,587	15,376,542	21,164,493	32,028,309
Investments in U.S. Government obligations.....	927,940,976	-	35,762	149,354	300,695	460,233
Other current assets.....	333,792,629	-	11,865	82,148	235,119	345,379
Tax-exempt securities.....	1,025,760,249	-	2,487,683	4,580,821	6,126,496	8,393,617
Loans to stockholders.....	81,223,634	-	4,012,398	4,940,242	4,990,207	4,058,787
Mortgage and real estate loans.....	1,610,211,866	-	331,449	1,150,714	1,970,490	2,035,403
Other investments.....	3,970,942,298	-	1,561,822	4,313,424	6,628,204	9,592,578
Depreciable assets.....	4,069,775,039	-	56,038,544	68,418,651	83,557,733	99,530,497
Less: Accumulated depreciation.....	1,718,268,625	-	38,495,273	42,307,255	50,542,847	57,320,522
Depletable assets.....	134,392,549	-	248,680	392,373	256,496	408,352
Less: Accumulated depletion.....	56,491,222	-	161,848	152,958	98,980	174,834
Land.....	191,299,047	-	1,629,139	4,385,973	7,898,411	12,424,825
Intangible assets.....	438,136,945	-	2,223,685	3,027,241	2,870,342	3,552,871
Less: Accumulated amortization.....	82,406,932	-	1,109,758	1,283,541	1,250,150	1,286,112
Other assets.....	925,814,680	-	3,035,536	4,409,882	4,760,755	5,731,257
Total liabilities.....	17,647,120,286	-	58,373,473	99,794,218	128,716,039	176,219,089
Accounts payable.....	1,090,421,687	-	8,687,857	13,560,035	17,495,925	25,226,202
Mortgages, notes and bonds payable in less than 1 year.....	1,601,540,823	-	7,784,843	10,582,863	16,614,713	20,223,500
Other current liabilities.....	5,141,333,387	-	7,019,486	8,017,701	9,351,234	13,081,422
Loans from stockholders.....	247,166,196	-	22,640,204	18,488,253	16,523,324	16,605,918
Mortgages, notes and bonds payable in 1 year or more.....	2,490,067,919	-	13,356,882	21,899,370	28,344,410	38,496,788
Other liabilities.....	2,473,885,302	-	3,633,662	3,440,134	3,642,092	5,226,395
Capital stock.....	1,477,273,520	-	13,951,478	12,112,094	12,960,955	15,884,475
Paid-in or capital surplus.....	2,595,241,587	-	10,498,363	9,287,024	10,786,158	15,248,042
Retained earnings, appropriated.....	75,039,921	-	128,318	161,272	364,015	546,767
Retained earnings, unappropriated.....	1,335,773,741	-	-11,332,582	9,283,819	14,182,106	25,383,575
Other retained earnings (Form 1120S).....	111,613,230	-	-15,434,757	-3,461,170	2,183,453	5,634,753
Less: Cost of treasury stock.....	992,237,024	-	2,560,280	3,577,176	3,732,346	5,338,748
Total receipts.....	10,934,973,405	217,765,745	314,115,671	306,033,231	318,666,631	390,035,804
Business receipts.....	9,427,277,533	119,658,265	306,814,460	298,539,600	309,844,175	377,212,890
Interest on State and local Government obligations.....	36,278,852	181,137	1,852	12,134	13,662	29,443
Other interest.....	930,912,502	79,814,279	618,402	1,124,464	1,339,407	1,882,457
Rents.....	102,685,563	1,361,433	637,454	985,635	1,433,036	1,779,623
Royalties.....	26,810,742	393,178	105,922	35,283	62,535	86,486
Net short-term capital gain reduced by net long-term capital loss.....	10,759,508	112,300	38,172	52,663	42,772	63,035
Net long-term capital gain reduced by net short-term capital loss.....	62,471,314	3,378,569	894,910	369,368	588,828	684,695
Net gain, noncapital assets.....	34,997,062	1,465,802	688,712	633,931	578,995	777,319
Dividends, domestic corporations.....	15,480,200	667,171	17,122	52,495	91,425	111,789
Dividends, foreign corporations.....	33,503,834	781,104	*27	*213	*1,304	*6,426
Other receipts.....	253,796,196	9,952,507	4,298,636	4,227,444	4,670,491	7,401,641

Footnotes at end of table.

Corporation Income Tax Returns, 1989

Table 2.--Balance Sheets, Income Statements and Tax Items, by Asset Size--Continued

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

Item	Total ¹	Zero assets ²	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
	(1)	(2)	(3)	(4)	(5)	(6)
Total deductions	10,544,705,529	215,647,581	312,606,948	304,316,771	316,818,895	386,255,146
Cost of sales and operations.....	8,317,467,181	74,569,670	140,283,144	167,650,150	189,940,828	244,265,145
Compensation of officers.....	197,766,376	2,749,986	32,051,772	23,488,638	19,369,331	19,680,854
Repairs.....	90,044,130	1,724,683	2,741,842	2,536,471	2,696,538	2,867,781
Bad debts.....	68,805,675	3,187,880	778,560	761,405	1,034,192	1,223,276
Rent on business property.....	173,079,979	3,888,103	14,381,914	10,071,184	8,700,055	8,838,906
Taxes paid.....	236,145,632	3,939,392	9,375,887	8,813,618	8,510,966	10,031,549
Interest paid.....	831,521,305	74,123,238	2,800,632	3,830,483	4,539,238	5,978,550
Contributions or gifts.....	4,892,920	48,884	41,582	59,569	64,862	94,577
Amortization.....	25,569,134	521,715	337,921	406,093	409,661	417,587
Depreciation.....	337,302,354	3,926,034	6,069,432	7,039,908	7,562,300	8,681,259
Depletion.....	9,251,107	55,395	36,342	13,744	21,694	30,814
Advertising.....	124,432,075	2,408,531	5,074,400	2,969,926	2,866,898	3,587,757
Pension, profit sharing, stock bonus and annuity plans.....	44,159,248	357,011	1,488,243	1,352,200	1,222,935	1,593,676
Employee benefit programs.....	109,561,360	1,417,072	1,703,701	1,751,669	1,782,684	2,524,330
Net loss, noncapital assets.....	21,121,222	6,183,434	401,508	177,041	179,449	230,578
Other deductions.....	1,953,585,833	36,546,553	95,040,065	73,394,673	67,917,246	76,208,507
Total receipts less total deductions	390,267,875	2,118,163	1,508,725	1,716,460	1,847,736	3,780,658
Constructive taxable income from related foreign corporations.....	35,100,199	1,372,300	--	--	*482	*3
Net income (less deficit)	389,010,675	3,309,326	1,470,913	1,704,326	1,834,208	3,741,666
Net income (less deficit), Form 1120-A.....	-284,700	-36,598	-287,949	36,439	3,404	*3
Net income (less deficit), Form 1120-S ³	32,469,877	37,778	3,088,456	908,333	1,162,593	1,505,018
Net income (less deficit), Form 1120-F.....	-130,658	-226,975	*59	*43	--	--
Net income.....	556,333,401	13,704,199	13,295,911	10,124,776	9,729,492	11,959,073
Deficit.....	167,321,725	10,394,873	11,824,998	8,420,450	7,895,285	8,217,408
Statutory special deductions, total⁴	124,182,714	3,476,044	2,158,940	1,642,015	1,297,733	1,612,928
Net operating loss deduction.....	43,188,453	2,496,696	2,131,737	1,604,242	1,204,711	1,503,498
Dividends received deduction.....	13,647,756	528,322	12,138	37,773	65,151	87,584
Public utility dividends paid deduction.....	53,367	--	--	--	--	--
Income subject to tax⁵	371,054,512	9,002,168	2,450,519	4,024,342	4,476,413	5,569,072
Income tax before credits, total⁶	127,754,021	3,127,585	403,434	685,181	867,233	1,291,371
Regular tax.....	123,236,461	3,006,033	400,466	678,687	854,695	1,265,997
Personal Holding Company tax.....	25,618	--	*873	*499	*4,134	*357
Tax from recapture of investment and low-income housing credits.....	354,889	3,445	1,409	632	770	2,026
Alternative minimum tax.....	3,540,918	76,188	*743	4,152	6,123	22,175
Environmental tax.....	471,779	8,763	*33	*77	*50	*73
Adjustments to total tax.....	28,063	-5,852	*96	*6	*101	*39
Foreign tax credit.....	23,996,821	846,445	(e)	*3,123	*794	4,915
U.S. possessions tax credit.....	2,793,603	77,112	102	121	104	723
Orphan drug credit.....	14,190	--	--	--	--	--
Nonconventional source fuel credit.....	82,792	*20	--	--	--	*29
General business credit.....	3,882,728	43,033	17,539	19,866	33,565	41,998
Prior year minimum tax credit.....	836,681	15,539	*11	*1,643	*748	3,097
Total income tax after credits	96,147,206	2,145,436	385,782	660,429	832,021	1,240,609

Footnotes at end of table.

Corporation Income Tax Returns, 1989

Table 2.--Balance Sheets, Income Statements and Tax Items, by Asset Size--Continued

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

Item	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Number of returns.....	261,895	38,238	24,810	10,781	7,276	5,604	5,450
Total assets.....	548,078,126	265,542,278	388,563,232	379,638,611	515,157,094	883,741,291	14,205,296,834
Cash.....	51,205,608	20,826,497	27,867,520	23,806,748	29,367,887	41,696,333	559,298,723
Notes and accounts receivable.....	117,139,037	59,826,810	94,249,443	104,565,218	143,458,644	213,022,139	3,384,309,339
Less: Allowance for bad debts.....	1,803,425	1,095,276	2,068,103	2,349,702	3,617,362	6,031,305	86,169,956
Inventories.....	121,028,446	53,786,899	61,100,815	39,733,865	38,920,683	57,087,612	431,943,258
Investments in U.S. Government obligations.....	2,888,591	3,318,341	16,211,553	28,146,638	44,537,281	67,777,286	764,115,243
Other current assets.....	1,153,714	1,087,506	2,900,423	5,595,282	12,501,721	19,248,757	291,630,935
Tax-exempt securities.....	29,014,079	15,072,958	21,330,273	20,304,546	22,793,495	41,485,022	854,171,059
Loans to stockholders.....	7,867,155	2,600,532	2,197,120	1,914,696	1,939,030	3,779,772	43,123,695
Mortgage and real estate loans.....	6,091,025	2,884,475	6,593,380	16,650,390	43,087,736	101,969,731	1,427,467,074
Other Investments.....	33,895,966	22,332,537	43,504,493	48,347,392	78,470,951	166,374,027	3,555,920,902
Depreciable assets.....	258,714,112	114,622,588	143,463,767	107,607,191	111,721,547	171,829,115	2,854,271,293
Less: Accumulated depreciation.....	134,182,071	54,259,296	64,402,888	45,469,922	45,667,121	65,289,123	1,120,332,307
Depletable assets.....	1,654,817	1,797,603	2,883,227	2,849,036	3,263,133	4,608,638	116,030,194
Less: Accumulated depletion.....	579,498	858,751	1,359,155	1,256,285	1,188,725	1,641,663	49,018,528
Land.....	31,194,838	11,878,037	13,530,447	9,889,178	8,778,893	12,532,112	77,557,193
Intangible assets.....	9,888,585	6,214,308	8,495,991	9,706,181	14,329,273	28,139,959	349,688,510
Less: Accumulated amortization.....	3,568,401	2,116,664	2,352,944	2,131,839	3,063,988	4,771,139	59,472,395
Other assets.....	16,675,546	7,643,175	12,417,871	11,930,019	15,524,018	32,924,017	810,762,603
Total liabilities.....	548,078,126	265,542,278	388,563,232	379,638,611	515,157,094	883,741,291	14,205,296,834
Accounts payable.....	83,557,271	37,140,194	44,205,902	31,453,258	31,784,197	48,300,878	749,009,969
Mortgages, notes and bonds payable in less than 1 year.....	92,512,137	46,043,894	54,095,478	35,093,861	38,399,530	55,508,671	1,224,681,333
Other current liabilities.....	47,840,703	28,169,231	73,208,412	121,864,960	203,445,831	331,376,250	4,297,958,156
Loans from stockholders.....	34,791,759	10,401,347	9,790,551	5,855,840	5,496,930	8,407,002	98,165,269
Mortgages, notes and bonds payable in 1 year or more.....	114,687,888	55,914,498	74,066,467	65,079,106	71,485,805	130,419,606	1,876,317,098
Other liabilities.....	19,522,314	11,164,630	18,497,824	19,902,868	25,718,198	55,858,716	2,307,278,469
Capital stock.....	37,056,350	17,509,610	23,503,602	20,884,373	27,206,420	62,969,883	1,203,232,280
Paid-in or capital surplus.....	48,969,054	26,748,972	47,009,337	51,781,625	81,151,329	150,242,841	2,143,518,843
Retained earnings, appropriated.....	1,145,057	450,134	678,003	823,163	1,552,873	2,911,312	66,279,007
Retained earnings, unappropriated.....	45,802,517	14,712,730	19,526,630	16,999,925	24,524,109	45,586,787	1,131,104,128
Other retained earnings (Form 1120S).....	36,940,093	21,599,240	27,222,193	13,756,754	10,674,766	7,747,425	4,750,482
Less: Cost of treasury stock.....	14,747,015	4,312,201	5,241,168	3,856,921	6,284,892	15,588,078	926,998,200
Total receipts.....	1,169,509,547	505,641,183	558,213,868	385,450,722	368,918,334	567,476,613	5,833,146,057
Business receipts.....	1,136,097,227	487,998,253	532,518,636	357,251,897	328,755,631	497,836,861	4,674,749,638
Interest on State and local Government obligations.....	129,607	124,689	360,263	679,346	1,368,959	2,612,934	30,764,827
Other interest.....	5,090,175	3,182,969	8,142,784	13,512,758	23,762,164	42,428,678	750,013,985
Rents.....	5,186,669	2,564,540	3,185,838	2,237,324	2,197,230	4,241,180	76,875,601
Royalties.....	503,621	132,809	379,687	364,618	641,187	981,981	23,123,434
Net short-term capital gain reduced by net long-term capital loss.....	155,266	89,295	196,760	296,379	421,095	947,326	8,344,444
Net long-term capital gain reduced by net short-term capital loss.....	2,012,958	1,124,956	1,463,407	1,543,398	1,595,394	2,866,516	45,948,315
Net gain, noncapital assets.....	2,329,063	1,064,573	1,387,818	822,864	1,131,386	1,322,011	22,794,886
Dividends, domestic corporations.....	355,811	218,449	279,912	339,719	364,277	564,836	12,417,194
Dividends, foreign corporations.....	38,215	44,660	124,415	165,379	351,252	846,201	31,144,638
Other receipts.....	17,610,935	9,095,990	10,174,568	8,237,041	8,329,760	12,828,088	156,969,095

Footnotes at end of table.

Corporation Income Tax Returns, 1989

Table 2.--Balance Sheets, Income Statements and Tax Items, by Asset Size--Continued

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

Item	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Total deductions	1,156,548,054	498,338,377	547,987,660	376,148,783	356,462,480	546,269,326	5,527,305,510
Cost of sales and operations.....	826,178,674	369,617,082	395,389,948	264,892,929	234,412,257	354,269,542	3,055,997,811
Compensation of officers.....	37,354,850	11,028,237	9,894,825	5,471,671	4,503,839	5,405,540	26,766,834
Repairs.....	5,918,845	2,124,237	2,316,936	1,716,132	1,712,161	2,781,019	60,907,485
Bad debts.....	3,701,506	1,584,996	2,015,609	1,942,108	2,052,918	3,004,665	47,518,558
Rent on business property.....	17,285,146	5,850,511	6,662,009	4,653,052	5,259,064	7,676,433	79,813,603
Taxes paid.....	22,690,694	8,837,803	10,270,152	6,506,784	6,737,642	10,253,966	130,177,180
Interest paid.....	19,928,178	9,839,418	14,323,081	15,318,546	21,846,315	38,195,183	620,798,443
Contributions or gifts.....	224,905	94,709	152,041	137,712	143,383	274,799	3,555,898
Amortization.....	1,223,827	806,273	1,071,140	1,088,498	1,159,657	2,350,566	15,776,176
Depreciation.....	22,026,047	9,749,574	12,345,823	8,756,567	9,343,398	14,780,191	227,021,822
Depletion.....	189,351	134,655	213,863	247,517	342,145	408,284	7,557,304
Advertising.....	10,470,126	4,170,032	4,963,950	3,628,113	3,915,690	6,414,491	73,962,761
Pension, profit sharing, stock bonus and annuity plans.....	3,728,769	1,304,909	1,643,698	1,046,597	1,105,805	1,859,945	27,455,461
Employee benefit programs.....	7,231,913	3,365,501	4,164,898	2,949,017	3,459,573	5,997,412	73,213,588
Net loss, noncapital assets.....	607,300	322,535	484,713	376,419	451,938	703,021	11,003,286
Other deductions.....	177,787,923	69,507,905	82,075,573	57,417,121	60,016,695	91,894,270	1,065,779,302
Total receipts less total deductions	12,961,493	7,302,806	10,226,208	9,301,940	12,455,854	21,207,287	305,840,547
Constructive taxable income from related foreign corporations.....	*50,935	51,152	69,936	95,206	231,785	676,756	32,551,644
Net income (less deficit)	12,877,814	7,229,251	9,910,703	8,717,560	11,318,118	19,269,427	307,627,364
Net income (less deficit), Form 1120-A.....	--	--	--	--	--	--	--
Net income (less deficit), Form 1120-S ²	7,833,992	4,244,311	5,371,665	3,180,800	2,562,633	1,609,296	965,002
Net income (less deficit), Form 1120-F.....	*5,466	*3,321	*49,536	--	2,533	37,625	2,799
Net income.....	33,053,966	15,684,833	20,228,045	16,295,152	18,655,095	29,939,161	363,663,698
Deficit.....	20,176,152	8,455,582	10,317,341	7,577,591	7,336,977	10,669,734	56,035,334
Statutory special deductions, total	3,574,840	1,729,158	2,839,367	3,017,652	4,195,602	8,944,757	89,693,878
Net operating loss deduction.....	3,163,336	1,341,079	1,936,397	1,824,845	1,890,738	2,919,569	21,171,605
Dividends received deduction.....	250,659	166,968	256,857	273,159	363,367	552,286	11,053,494
Public utility dividends paid deduction.....	--	--	*34	*8	510	107	52,708
Income subject to tax ³	14,494,429	7,099,013	9,718,570	9,212,350	11,333,669	19,045,354	274,628,612
Income tax before credits, total ⁴	4,433,038	2,452,937	3,402,799	3,243,646	4,002,108	6,725,906	97,118,783
Regular tax.....	4,298,192	2,371,570	3,283,377	3,126,843	3,854,662	6,482,194	93,613,746
Personal Holding Company tax.....	5,992	*535	*348	*170	2,316	353	10,040
Tax from recapture of investment and low-income housing credits.....	7,433	6,260	6,272	6,079	4,930	8,286	307,348
Alternative minimum tax.....	111,029	69,373	104,474	97,086	114,456	194,169	2,740,950
Environmental tax.....	456	967	3,780	7,423	10,742	22,271	417,145
Adjustments to total tax.....	3,114	2,988	744	3,731	2,528	7,504	14,743
Foreign tax credit.....	24,414	31,670	62,599	67,829	194,479	406,474	22,354,079
U.S. possessions tax credit.....	20,340	40,658	123,101	212,170	274,890	331,159	1,713,123
Orphan drug credit.....	--	--	--	--	--	--	14,190
Nonconventional source fuel credit.....	--	*209	*611	*1,420	722	506	79,275
General business credit.....	106,463	50,315	66,437	60,995	81,899	144,735	3,216,082
Prior year minimum tax credit.....	34,153	16,163	19,875	21,042	20,762	41,154	662,493
Total income tax after credits	4,247,668	2,313,921	3,130,176	2,880,190	3,429,556	5,801,678	69,079,540

¹ Excludes Foreign Sales Corporations (Form 1120-FSC) and Interest-Charge Domestic International Sales Corporations (Form 1120-IC-DISC).

² Zero assets class includes returns of liquidating or dissolving corporations which had disposed of all assets, final returns of merging corporations whose assets were included in the returns of the acquiring corporations, part-year returns (except those of newly incorporated businesses), returns of foreign corporations with income "effectively connected" with a U.S. trade or business (except foreign insurance companies providing separate data for U.S. branches, assets for which are included in the appropriate size class).

³ Net income of S Corporations was taxed (with few exceptions) through their shareholders. Therefore, the net income of these corporations is excluded from the statistics on income subject to tax. (In general, income subject to tax equals net income minus statutory special deductions on returns with both net income and income tax.)

⁴ Also includes deductions for dividends paid allowed regulated investment companies and real estate investment trusts. These deductions are not shown separately.

⁵ See footnote 3.

⁶ For purposes of the statistics, all of the taxes shown below plus certain others not shown, are included in both income tax before and after credits. By law, tax credits could only offset regular tax.

⁷ There were no sample returns showing tax from recapture of low-income housing credit; the amount of this tax is considered to be minor as a result.

⁸ Less than \$500.

* 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.

Controlled Foreign Corporations, 1988

by John Latzy and Randy Miller

For 1988, the 7,500 largest foreign corporations controlled by large multinational firms held \$958 billion in assets and generated business receipts of \$823 billion. These amounts increased from 1986 (the last previous year for which statistics are available) by 29 percent and 40 percent, respectively. Increases were also shown in foreign income taxes, subpart F income, and earnings and profits after taxes.

Almost 41 percent of the Controlled Foreign Corporations (CFC's) were primarily engaged in manufacturing activities, a slight decline from 1986. Another 27 percent were primarily engaged in finance, insurance or real estate activities. These latter CFC's held 43 percent of all assets and generated 21 percent of positive earnings and profits after taxes. Although manufacturing CFC's held only 36 percent of all assets, they generated 59 percent of business receipts and 56 percent of positive earnings and profits after taxes.

CFC's were incorporated in over 100 different countries. However, twenty countries accounted for 83 percent of the largest CFC's (see Figure A). Over half of the 7,500 largest CFC's were incorporated in Europe, a slight increase from 1986. Only 10 and 12 percent were incorporated in Asia and Latin America, respectively.

This article is based on the information returns filed for the 7,500 largest CFC's (as determined by asset size) owned by U.S. multinational corporations having \$500 million or more in assets. Therefore, CFC's that are categorized as one of the largest 7,500 for 1988 may not have been included in the 1986 data. These 7,500 CFC's accounted for 95 percent of the assets and 92 percent of the business receipts of all CFC's "controlled" by large U.S. multinational corporations.

Background

U.S. direct investment in foreign countries may take several forms, including foreign branches, partnerships, and "noncontrolled" and "controlled" corporations. This article deals with foreign corporations controlled by U.S. corporations. Under the Internal Revenue Code, a foreign corporation is controlled if U.S. shareholders own more than 50 percent of the outstanding voting stock, or more than 50 percent of the value of all outstanding stock. A "noncontrolled" foreign corporation is any foreign corporation which fails to meet either of the above tests. For purposes of determining control, a U.S. shareholder is any U.S. person who owns 10 percent or more of the outstanding voting stock of a foreign corporation. Herein,

John Latzy and Randy Miller are economists with the Foreign Returns Analysis Section. This article was prepared under the direction of Chris Carson, Chief.

Figure A

Distribution of the 7,500 Largest CFC's, by Selected Country of Incorporation, 1986 and 1988

(Money amounts are in billions of dollars)

Selected country	Number of largest CFC's		Business receipts	
	1986	1988	1986	1988
	(1)	(2)	(3)	(4)
All countries.....	7,500	7,500	590	823
United Kingdom.....	1,058	1,159	97	136
Canada.....	840	870	103	142
West Germany.....	512	496	69	92
France.....	447	439	41	54
Netherlands.....	338	365	24	36
Australia.....	321	347	18	25
Italy.....	332	337	27	35
Brazil.....	279	292	21	30
Bermuda.....	311	279	10	11
Japan.....	195	259	28	55
Switzerland.....	225	220	22	32
Belgium.....	205	210	15	21
Spain.....	177	210	11	19
Netherlands Antilles.....	250	182	7	3
Hong Kong.....	145	154	6	10
Mexico.....	150	118	7	9
Panama.....	156	107	7	8
Singapore.....	80	86	5	6
Cayman Islands.....	69	75	1	2
Ireland.....	81	74	3	4
Puerto Rico.....	70	69	1	1

CFC's are defined more narrowly: a foreign corporation is controlled only if one U.S. corporation satisfies either of the above 50 percent ownership requirements.

Distinguishing between controlled and noncontrolled foreign corporations is vital for U.S. tax purposes. Shareholders of controlled foreign corporations face different tax provisions than do those of noncontrolled foreign corporations.

U.S. shareholders of foreign corporations generally are not taxed on their foreign source income until such income is repatriated to the United States. Thus, these shareholders can conduct their foreign operations in a low tax country, and by retaining their overseas earnings, defer U.S. taxation. As U.S. direct investment abroad has grown, so has concern over the potential use of tax deferral privileges available to U.S. persons earning foreign source income.

The first attempt to restrict tax deferral came in 1937 with the passage of the "foreign personal holding company" provisions. These provisions attempted to curtail efforts by U.S. persons to defer U.S. taxation of their foreign source earnings by setting up foreign companies in low tax countries to hold "passive" income. Until 1962, no further attempts were made to prevent international tax avoidance strategies. In fact, the tax deferral privileges were viewed as a means to entice U.S. persons to increase their investments in foreign countries [1]. In 1962, Con-

Controlled Foreign Corporations, 1988

gress, concerned about the revenue losses and balance of trade effects resulting from the increased use of tax deferral strategies, enacted the subpart F provisions of the Internal Revenue Code [2,3]. These provisions required that certain income, called "subpart F" income, be included in U.S. persons' gross income, subject to U.S. taxation, even if it had not been repatriated.

The 1962 legislation included more widespread provisions to reduce tax deferral of overseas income, since it was believed that the main reason for certain investment abroad was the avoidance of U.S. taxation. Congress believed that favorable foreign tax structures were increasingly skewing the investment decisions of U.S. persons in favor of overseas investment. Thus, resources which might have otherwise been invested in the United States were being invested abroad, instead.

Originally, subpart F income included certain passive income, certain sales and services income, and income from the insurance of U.S. risks. Since 1962, the definition of subpart F income has been expanded to include many more types of income (see the Subpart F Income section of this article). Additionally, many exceptions to the original subpart F provisions have been eliminated or more strictly defined. The result has been a large increase in the amount of subpart F income reported, and possibly a significant reduction in the tax deferral benefits of conducting business abroad.

Controlled Foreign Corporation Activity by Industry

For 1988, about 3,060 of the largest 7,500 CFC's listed manufacturing as their principal business activity, down from 3,341 for 1986. These CFC's reported \$484 billion in business receipts on assets of \$343 billion. While the number of top 7,500 manufacturing CFC's declined from 1986, manufacturing activity increased substantially. Assets rose 27 percent, while business receipts increased by 35 percent. Almost 84 percent of manufacturing CFC's reported positive pre-tax earnings and profits (E&P), totalling nearly \$52 billion. Over \$16 billion of foreign taxes were paid on these earnings [4]. The remaining 16 percent of manufacturing CFC's recorded E&P deficits of over \$2 billion.

CFC's which mainly produced chemicals, non-electrical machinery, petroleum and coal products, or motor vehicles accounted for most of the financial activity of all manufacturing CFC's. CFC's in these industrial groups generated 64 percent of business receipts and 63 percent of pre-tax E&P, while holding 65 percent of all manufacturing assets. These CFC's, however, represented only 44 percent of all manufacturing CFC's. Figure B compares

financial information for 1986 and 1988 by selected industrial groups.

For 1988, over 27 percent of the largest 7,500 CFC's were classified mainly in finance, insurance or real estate activities. These CFC's held 43 percent of all top 7,500

assets, more than companies in any other industrial division (Figure C). Their assets increased 29 percent from 1986 to nearly \$415 billion. Finance subsidiaries alone held more than \$354 billion in assets, more than half of which were held by banks and credit agencies. Subsidiaries classified in finance, insurance and real

estate activities reported nearly \$15 billion of positive pre-tax E&P, while paying almost \$2 billion in foreign income taxes.

CFC's in every industrial division except construction and mining recorded increases in economic activity, as indicated by pre-tax E&P. CFC's classified in construction and mining were the only ones whose pre-tax E&P decreased from 1986 levels. The assets of CFC's in the construction industry rose by only 3 percent. This was the smallest growth in total assets for any of the industrial divisions. While the business receipts of construction CFC's increased by 40 percent from 1986, their pre-tax E&P actually declined by more than 6 percent. Mining CFC's showed the largest increase in total assets, at 47 percent, but were the only ones to report an aggregate decrease in business receipts, 5 percent. This decrease is wholly attributable to a decline in the business receipts of CFC's classified in the oil and gas extraction group. In fact, CFC's in every other industrial division recorded double-digit percentage increases in business receipts. The positive pre-tax E&P for total mining fell by 24 percent from 1986.

Controlled Foreign Corporation Activity by Country of Incorporation

For 1988, over 63 percent of these large CFC's were incorporated in Europe and Canada, a 3-percentage point increase from 1986. The United Kingdom, West Germany and Canada were "homes" to one-third of the largest 7,500 CFC's [5]. Compared to all of the largest 7,500, CFC's in these three countries generated 45 percent of all business receipts, held 47 percent of total assets, and paid 43 percent of the foreign income taxes (a 7-percentage point decline from 1986).

Manufacturers represented 47 percent of all large

**Manufacturing
CFC's accounted
for over 40
percent of the
largest CFC's.**

Controlled Foreign Corporations, 1988

Figure B

Industrial Distribution of the 7,500 Largest CFC's, 1986 and 1988

[Money amounts are in millions of dollars]

Selected industrial group	Number of largest CFC's			Total assets			Business receipts		
	1986	1988	Percentage increase	1986	1988	Percentage increase	1986	1988	Percentage increase
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All industrial groups.....	7,500	7,500	N/A	740,396	958,113	29	589,885	822,975	40
Agriculture, forestry and fishing.....	25	31	24	597	808	35	560	1,236	121
Mining.....	217	218	(1)	27,005	39,623	47	14,791	14,070	-5
Construction.....	95	86	-9	3,903	4,022	3	4,398	6,164	40
Manufacturing.....	3,341	3,060	-8	270,182	343,318	27	357,503	484,236	35
Chemicals and allied products.....	882	803	-9	51,073	66,898	31	55,666	83,021	49
Petroleum (including integrated) and coal products.....	65	63	-3	29,356	41,973	43	47,130	55,940	19
Machinery, except electrical.....	376	305	-19	45,550	64,398	41	39,879	65,726	65
Electrical and electronic equipment.....	472	379	-20	32,481	27,669	-15	45,116	42,151	-7
Motor vehicles and equipment.....	183	179	-2	42,380	49,081	16	76,687	106,803	39
Transportation and public utilities.....	226	194	-14	17,155	18,459	8	7,098	11,681	65
Transportation.....	190	150	-21	10,140	10,424	3	4,471	7,061	58
Wholesale and retail trade.....	1,156	1,271	10	76,134	106,225	40	151,984	224,169	47
Wholesale trade.....	980	1,125	15	64,226	92,174	44	128,391	196,882	53
Finance, insurance and real estate.....	1,911	2,061	8	322,820	414,856	29	41,288	62,053	50
Banking.....	253	229	-9	90,773	94,749	4	8,526	10,580	24
Credit agencies other than banks.....	460	479	4	88,245	113,861	29	10,592	14,293	35
Insurance.....	332	319	-4	39,003	44,388	14	9,738	13,674	40
Holding and other investment companies, except bank holding companies.....	629	713	13	75,477	92,306	22	8,417	13,306	58
Services.....	519	568	9	22,386	30,103	34	12,218	18,759	54
Nature of business not allocable.....	10	13	30	233	700	200	48	606	1,217

¹ Less than 0.5 percent.

N/A - Not applicable.

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

Canadian CFC's, held 42 percent of Canadian CFC assets, and generated 68 percent of business receipts and 69 percent of net earnings and profits before taxes. More than one-half of the West German CFC's were manufacturers. These CFC's held 50 percent of West German CFC assets, generated 71 percent of receipts, and accounted for 77 percent of net earnings and profits before taxes.

Other Western European countries with over half of their CFC's engaged primarily in manufacturing included France (59 percent), Spain (56 percent), Denmark (54 percent) and Italy (53 percent). Western European countries in which a significant portion of CFC's were engaged in finance, insurance or real estate activities included Luxembourg (55 percent), United Kingdom (39 percent), Switzerland (36 percent) and the Netherlands (34 percent).

There was a 5-percent decline from 1986 to 1988 in the number of large manufacturing CFC's that reported the United Kingdom as the country of incorporation. However, the number of finance, insurance and real estate CFC's incorporated in the United Kingdom jumped 24 percent from 1986. This increase in finance-related CFC's can be attributed to the 38-percent rise in holding and other investment companies that call the United Kingdom their home. This helped account for a 50-percent increase

in assets, a 57-percent increase in business receipts, and a 40-percent increase in pre-tax net earnings and profits for the finance-related industry.

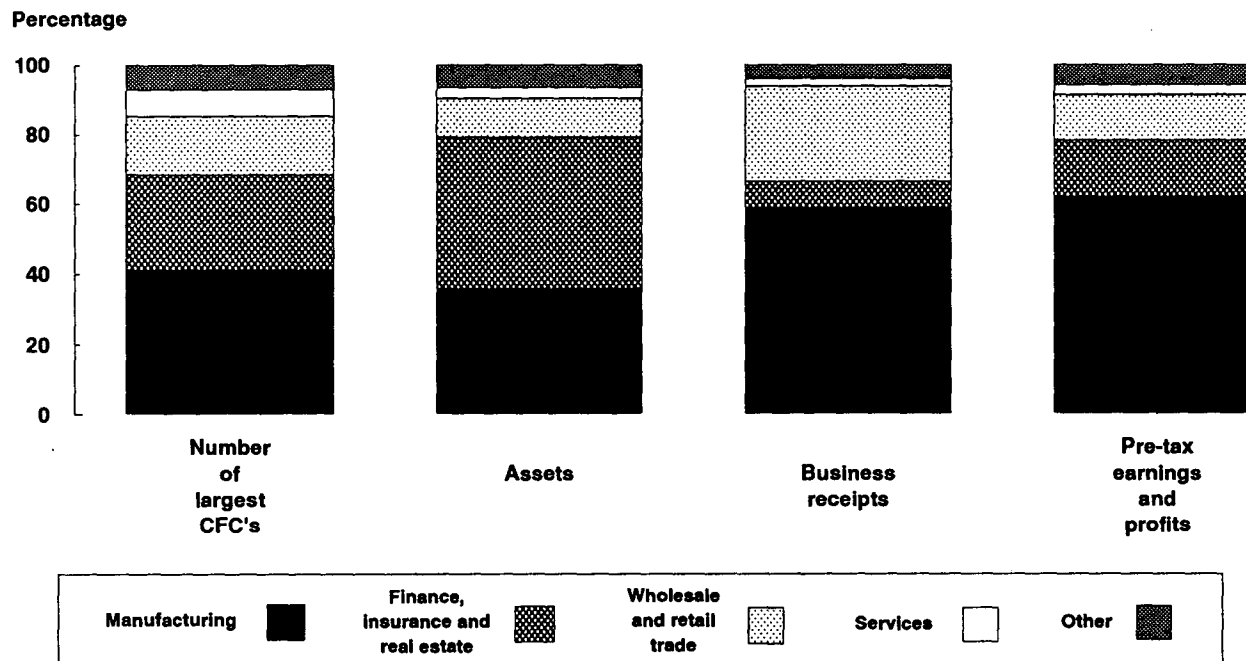
Western Hemisphere countries outside of Canada and Latin America, where finance-related CFC's have been common due to the favorable tax climate, lost over 16 percent of large CFC's between 1986 and 1988. This can be attributed to tax-law changes in 1984 enabling U.S. corporations to borrow foreign money elsewhere at less cost [6]. The effects of these changes are seen in countries such as Bermuda and the Netherlands Antilles, which saw 10 and 26 percent declines, respectively, in the number of finance-related CFC's between 1986 and 1988.

Other geographic areas where the number of large CFC's declined were Africa and Latin America. For Africa, CFC's declined by 35 percent, and their assets and business receipts fell by 22 and 12 percent, respectively. Two countries where the loss was most dramatic were South Africa, where the number of large CFC's fell 50 percent, and Liberia, where the number dropped by 30 percent. For South Africa, manufacturing industrial groups showed a decrease in total assets of 36 percent, in business receipts of 32 percent and in pre-tax net earnings and profits of 10 percent. This could be due in part to: (1) changes in U.S. tax law that forbid the crediting of foreign taxes paid to South Africa, (2) the uncertain political

Controlled Foreign Corporations, 1988

Figure C

Selected Data for the 7,500 Largest CFC's, by Industrial Division, 1988



situation, and (3) limited foreign divestment that occurred in the latter part of the 1980's [7]. In Liberia, transportation and public utilities CFC's declined 27 percent, with assets falling 34 percent. However, business receipts, and earnings and profits before taxes increased 46 percent and 97 percent, respectively.

The 5,978 CFC's reporting profits paid \$24 billion of foreign income tax on \$87 billion of pre-tax earnings and profits, resulting in an effective tax rate of 28 percent. This was 3 percent lower than the 1986 rate. Effective tax rates varied by country. In addition, the rate for a given country may have varied from the statutory tax rate because: (1) certain earnings and profits, and the associated foreign taxes paid, were applicable to income from operations in countries other than the country in which the CFC was incorporated; (2) earnings and profits were computed according to U.S. tax law and do not necessarily equal the tax base upon which the foreign tax was imposed; and (3) many countries taxed various types of income at different rates.

The overall effective tax rate for profitable CFC's decreased for CFC's reporting positive earnings and profits from 31 percent to 28 percent. This was due, in part, to a lower effective tax rate in three major "homes"

to CFC's: the United Kingdom, Canada and West Germany. The United Kingdom tax rate dropped from 33 to 28 percent; Canada, from 37 to 30 percent; and West Germany, from 45 to 32 percent. Of all the geographic areas shown in Figure D, "Other Western Hemisphere" countries had the lowest effective tax rate (9 percent), primarily due to Bermuda and the Netherlands Antilles. Other regions or countries with low effective tax rates were Liberia (0.05 percent), Saudi Arabia (1 percent), Cayman Islands (2 percent), Ireland (2 percent), Singapore (6 percent), Panama (7 percent), and Switzerland (9 percent).

Subpart F Income

U.S. shareholders of CFC's must include in their gross income their share of certain undistributed CFC earnings. These earnings consist primarily of subpart F income and increases in earnings invested in U.S. property. Subpart F income tends to be "income which is easily movable from a high tax region to a low tax region" [8]. Passive income, therefore, is more likely to fall under the subpart F provisions than is the income from certain manufacturing operations. The amount of subpart F income generally cannot be greater than the CFC's current E&P.

Controlled Foreign Corporations, 1988

Figure D

Effective Tax Rates of the 7,500 Largest CFC's With Positive Earnings and Profits, by Selected Area and Country of Incorporation, 1988

[Money amounts are in millions of dollars]

Selected country or geographic area	Earnings and profits before taxes	Foreign income taxes	Effective tax rate
	(1)	(2)	(3)
All geographic areas.....	86,885	24,064	28
Canada.....	13,412	4,083	30
Latin America.....	9,721	2,099	22
Brazil.....	4,734	1,180	25
Panama.....	1,035	70	7
All other Latin America.....	3,952	841	21
Other Western Hemisphere.....	4,129	373	9
Bahamas.....	381	82	21
Bermuda.....	2,356	208	8
Netherlands Antilles.....	1,261	76	6
All other Western Hemisphere...	130	6	5
Europe.....	44,685	11,948	27
Austria.....	320	127	40
Belgium.....	1,843	454	25
Denmark.....	276	112	41
France.....	3,743	1,349	36
Italy.....	3,400	1,278	38
Netherlands.....	4,691	996	21
Spain.....	2,409	568	24
Sweden.....	402	204	51
Switzerland.....	4,554	400	9
United Kingdom.....	13,878	3,862	28
West Germany.....	7,221	2,306	32
Africa.....	1,084	384	35
Liberia.....	157	(¹)	(²)
South Africa.....	308	138	45
Asia.....	10,548	4,202	40
Hong Kong.....	1,450	195	13
Japan.....	6,476	3,622	56
Singapore.....	774	48	6
Oceania.....	2,786	885	32
Australia.....	2,594	830	32

¹ Less than \$0.5 million.

² Less than 0.5 percent.

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

Specifically, subpart F income consists of "foreign base company income," certain insurance income, "international boycott income," bribes and other illegal payments to foreign government officials, and the income from any country whose government the United States does not recognize or with which the United States has severed relations [9]. Foreign base company income is the most significant category of subpart F income [10]. It refers to certain income which is held by a foreign subsidiary or base company, normally incorporated in a low tax country. Subpart F provisions generally apply when the income of the foreign base company is generated from activities outside the CFC's country of incorporation [11].

Because a large number of CFC's will generate some foreign base company income, the Internal Revenue Code provides an exception to the subpart F provisions. If the foreign base company income is below the lesser of \$1

million or 5 percent of a CFC's gross income, then the subpart F provisions will not apply. However, if foreign base company income and certain insurance income amount to more than 70 percent of gross income, then all of the CFC's gross income will be considered foreign base company income, and thus subpart F income. Additionally, if the foreign base company income and insurance income is subject to a foreign tax rate equal to or greater than 90 percent of the highest applicable U.S. tax rate, the income will escape classification under the subpart F provisions [12].

Also includable in the taxable income of U.S. shareholders are previously excluded subpart F income withdrawn from qualified investments in less developed countries and foreign base company shipping operations, factoring income and any increases in investments in U.S. property. In this article, all these amounts are regarded as subpart F income [13].

The subpart F changes in the Tax Reform Act of 1986 resulted in a significant reduction in the tax deferral

benefits of certain overseas activities (measured by the amount of subpart F income reported and the ratio of this subpart F income to after-tax E&P). This means that an increasing amount of the undistributed earnings of CFC's are now subject to current U.S. taxation. The largest 7,500 CFC's reported over \$12 billion in subpart F income for 1988. This represents an increase of almost \$8 billion, or nearly triple the amount from 1986. The number of large CFC's with subpart F income nearly doubled from 826 for 1986 to 1,635 for 1988. Thus, almost 22 percent of the largest 7,500 CFC's generated subpart F income, compared to 11 percent for 1986. Subpart F income as a percentage of after-tax E&P rose to over 19 percent, up 10 percentage points from 1986. Figure E displays subpart F information by selected country of incorporation.

The Tax Reform Act of 1986 significantly decreased the ability of U.S. shareholders to defer U.S. taxation of their foreign earnings by isolating income in "tax haven" countries. For 1986, CFC's incorporated in tax haven countries reported over \$3 billion in subpart F income on after-tax E&P of \$12 billion. For 1988, subpart F income increased to \$7 billion on \$16 billion of positive after-tax E&P. For these same CFC's, subpart F income as a percentage of E&P increased to 40 percent, up 14 percentage points from 1986.

For 1988, five countries (Switzerland, Bermuda, Netherlands Antilles, Netherlands and Panama) accounted for over \$5 billion, or 81 percent, of the nearly \$7 billion of tax haven subpart F income. CFC's incorporated in Switzerland reported more subpart F income (almost \$2 billion) than CFC's in any other country. For 1988, CFC's in the Netherlands Antilles, which alone accounted for 29

Controlled Foreign Corporations, 1988

Figure E

Subpart F Income of the 7,500 Largest CFC's, by Selected Country of Incorporation, 1986 and 1988

[Money amounts are in millions of dollars]

Selected country	Number of largest CFC's generating subpart F income			Subpart F income			Subpart F income as a percentage of positive earnings and profits after tax	
	1986	1988	Percentage increase	1986	1988	Percentage increase	1986	1988
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All countries.....	826	1,635	98	4,223	12,101	187	10	19
Total, selected countries.....	554	833	50	3,223	7,586	135	14	24
Switzerland.....	76	96	26	624	1,942	211	30	47
United Kingdom.....	53	192	262	238	1,322	455	3	13
Bermuda.....	142	179	26	510	1,155	126	30	54
Canada.....	32	102	219	171	982	474	3	10
Netherlands Antilles.....	168	135	-20	1,214	838	-31	76	71
Netherlands.....	34	77	126	71	789	1,011	3	21
Panama.....	49	52	6	402	558	39	28	58

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

percent of all subpart F income for 1986, reported the highest ratio of subpart F income to after-tax E&P (71 percent).

For 1988, almost half of the largest 7,500 CFC's earning subpart F income were incorporated in tax haven countries. Over 46 percent of all top 7,500 CFC's incorporated in tax haven countries reported subpart F income, an increase of 15 percentage points from 1986. More than 74 percent of the CFC's incorporated in the Netherlands Antilles earned subpart F income. Also, 64 percent of the CFC's in Bermuda and almost 59 percent of those in the Cayman Islands earned subpart F income. While the number of tax haven CFC's reporting subpart F income increased, the number of top 7,500 tax haven CFC's actually decreased.

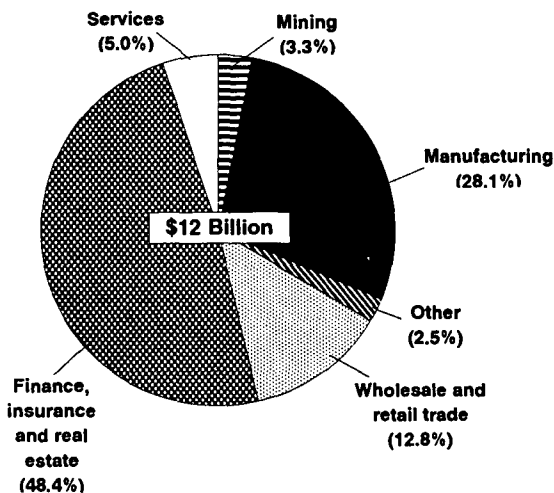
The subpart F changes in the 1986 Act also significantly affected U.S. shareholders of non-tax haven CFC's. This is in part due to the more objective test used after 1986 to exempt certain CFC's from the subpart F provisions [14]. For 1988, CFC's incorporated in non-tax haven countries earned nearly \$6 billion in subpart F income, an increase of 461 percent from 1986. For 1988, CFC's in the United Kingdom earned more than \$1 billion of subpart F income, and CFC's in Canada earned nearly this amount. CFC's in the United Kingdom and Canada accounted for 41 percent of all non-tax haven subpart F income. However, the ratio of subpart F income to after-tax E&P for these two countries was rather low (13 percent for the United Kingdom and 10 percent for Canada).

Of the \$12 billion in subpart F income reported for 1988, nearly \$11 billion, or 89 percent, was accounted for by CFC's in three industrial divisions: finance, insurance and real estate; wholesale and retail trade; and manufac-

turing (Figure F). CFC's engaged in finance, insurance and real estate activities accounted for almost \$6 billion in subpart F income, or 48 percent of the total. At 45 percent, these CFC's reported the highest ratio of subpart F income to after-tax E&P. This ratio was also quite high (30 percent) for CFC's engaged primarily in services. Construction and manufacturing CFC's had the lowest ratios of subpart F income to after-tax E&P, at 7 and 10 percent, respectively.

Figure F

Subpart F Income for the 7,500 Largest CFC's, by Industrial Division, 1988



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

Controlled Foreign Corporations, 1988

CFC's in every industrial division except agriculture, forestry and fishing generated significant increases in subpart F income from 1986 to 1988. Subpart F income for CFC's classified in services more than tripled. CFC's primarily involved in trade and manufacturing experienced similarly large increases, nearly three times and two-and-one half times their 1986 levels, respectively. In the aggregate, subpart F income as a percentage of after-tax E&P increased by 10 percentage points for the 7,500 largest CFC's. This ratio increased for every industrial division except agriculture and construction. The ratio of subpart F income to after-tax E&P fell 16 percentage points for CFC's in agriculture and 12 percentage points for those in construction.

Controlled Foreign Corporations and the Merchandise Trade Balance

The merchandise trade balance transactions between the 7,500 CFC's and their "U.S. parent groups" (the U.S. corporations and their domestic affiliates) resulted in a net surplus (exports in excess of imports) of \$18 billion for 1988, a \$4 billion increase from 1986. CFC purchases of

stock in trade (i.e., purchases of merchandise in the ordinary course of business) totaled \$81 billion, while sales of stock in trade to the U.S. parent groups were \$62 billion. In contrast, the U.S. merchandise trade deficit (imports in excess of exports) was \$121 billion, down from \$153 billion in 1986 [15]. This was the first reduction of the merchandise trade deficit since 1980.

Even though the United States was faced with a trade deficit with Japan of \$52 billion, U.S. corporations reported an increase in the trade surplus with their 195 largest Japanese CFC's. The Japanese surplus almost tripled from \$1.2 billion for 1986 to \$3.2 billion for 1988.

Large trade surpluses were reported by U.S. parent groups and their major CFC's in Europe and Asia (see Figure G). Deficits between U.S. parent groups and their CFC's were reported with Latin America, where a 1986 surplus of \$1.9 billion turned into a \$0.8 billion deficit for 1988. This was due in part to huge deficits between U.S. corporations and their largest Mexican subsidiaries in the motor vehicles and equipment industrial group [16]. A large deficit (\$1.5 billion) was also present with Bermuda. This deficit can be partly attributed to large sales of stock

Figure G

Purchases and Sales of Stock In Trade Between the 7,500 Largest CFC's and Their U.S. Parent, Groups, and the U.S. Merchandise Trade Balance, by Selected Area and Country of Incorporation, 1988

(Money amounts are in millions of dollars)

Selected country or geographic area	U.S. parent group merchandise trade balance			U.S. merchandise trade balance ¹		
	CFC purchases from U.S. parent group (exports)	CFC sales to U.S. parent group (imports)	Surplus or deficit (-)	Exports	Imports	Surplus or deficit (-)
	(1)	(2)	(3)	(4)	(5)	(6)
All geographic areas.....	80,537	62,435	18,102	320,385	441,282	-120,897
Canada.....	28,715	29,244	-529	69,233	80,921	-11,688
Latin America.....	4,682	5,528	-846	40,077	48,914	-8,837
Brazil.....	790	1,250	-460	4,289	9,324	-5,035
Mexico.....	2,559	3,077	-518	20,643	23,277	-2,634
Panama.....	300	760	-460	633	266	367
Other Western Hemisphere.....	2,428	2,712	-284	3,845	2,358	1,487
Bahamas.....	663	36	627	741	411	330
Bermuda.....	473	2,008	-1,535	286	7	279
Netherlands Antilles.....	(*)	19	-19	432	411	21
Europe.....	28,832	12,323	16,509	91,645	102,873	-11,028
France.....	3,106	1,345	1,761	10,133	12,228	-2,095
Italy.....	3,103	662	2,441	6,785	11,611	-4,826
Netherlands.....	3,837	1,193	2,644	10,095	4,587	5,508
Switzerland.....	3,194	1,114	2,080	4,221	4,657	-436
United Kingdom.....	6,396	5,357	1,039	18,404	18,042	362
West Germany.....	5,804	1,360	4,444	14,331	26,503	-12,172
Africa.....	269	613	-344	7,431	10,863	-3,432
Liberia.....	(*)	241	-241	68	108	-40
South Africa.....	129	2	127	1,690	1,530	160
Asia.....	12,543	9,781	2,762	99,705	190,729	-91,024
Hong Kong.....	2,099	1,396	703	5,691	10,243	-4,552
Japan.....	4,956	1,789	3,167	37,732	89,802	-52,070
South Korea.....	273	502	-229	11,290	20,189	-8,899
Taiwan.....	680	943	-263	12,130	24,804	-12,674
Oceania.....	2,549	304	2,245	8,242	4,824	3,418
Australia.....	2,333	263	2,070	6,981	3,511	3,470

¹ U.S. Department of Commerce, Bureau of the Census, *Highlights of U.S. Export and Import Trade*, FT 990, monthly.

* Less than \$0.5 million.

NOTE: Selected detail may not add to totals because of rounding.

Controlled Foreign Corporations, 1988

in trade to related U.S. corporations by Bermudan subsidiaries engaged in wholesale trade activities relating to petroleum and petroleum products.

Conceptual differences in the statistics should be recognized. The U.S. Bureau of the Census data credit U.S. imports to the country of origin, while CFC sales are based on the CFC's country of incorporation. Another difference is that CFC data may include goods that were not necessarily imported for consumption purposes but were re-exported. This could explain why Panamanian CFC's, for example, reported \$760 million in sales to U.S. parent groups, but only \$266 million are reflected in Census data for imports from Panama. Also, Census data are for Calendar Year 1988. CFC data, on the other hand, reflect business activities for parent corporations whose accounting periods ended between July 1988 and June 1989 and those CFC's which had accounting periods ending therein. However, 90 percent of CFC's had accounting periods ending between July and December 1988.

Recent Incorporations

Thirty percent of the top 7,500 CFC's were incorporated during the 1980's (see Figure H). These "newest" CFC's held 28 percent of total assets. Of these CFC's, 41 percent were in finance, insurance and real estate activities; holding 67 percent of the total assets of CFC's incorporated in the 1980's [17]. Forty-five percent of all financial CFC's were incorporated in the 1980's, reflecting a more global economy where worldwide financing is sought.

In the past, it was common for U.S. companies to set up financial subsidiaries in tax haven countries in order to facilitate borrowing from foreign countries. These companies were set up to take advantage of a favorable tax climate in the haven country. Tax haven benefits may include banking and financial secrecy, low or zero corporate tax rates, and no withholding tax on payments to foreigners. In an effort to remove the advantage of borrowing through tax haven countries, the United States exempted from withholding tax all interest payments on obligations issued after July 1984. This enabled U.S. corporations to more cheaply borrow foreign money from anywhere in the world.

The effects of this change are seen in the slowdown of incorporations in Panama and the Netherlands Antilles. Only 3.7 and 7.1 percent of their respective CFC's were incorporated after 1984, compared to the 15.0 percent total for all CFC's worldwide (see Figure D). The number of Netherlands Antilles CFC's may also have been affected by the cancellation of the United States-Nether-

Figure H

Number and Total Assets of the 7,500 Largest CFC's, by Year of Incorporation, 1988

[Money amounts are in millions of dollars]

Year of Incorporation	Number of largest CFC's	1988 total assets
All years ¹	7,500	958,113
1985-1989, total ²	1,126	134,657
1988-1989 ²	180	30,632
1985-1987.....	946	104,025
1980-1984.....	1,128	135,330
1975-1979.....	811	79,221
1970-1974.....	907	113,709
1965-1969.....	725	74,512
1960-1964.....	716	84,234
1955-1959.....	489	48,385
1950-1954.....	320	55,240
1945-1949.....	214	16,725
Prior to 1945.....	911	205,011

¹ Includes CFC's whose year of incorporation is unknown or not stated.

² For 1989, includes only CFC's incorporated between January and June.

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

lands Antilles tax treaty in 1988 which eliminated the exemption of withholding for dividends and royalties [18].

Summary

For 1988, the 7,500 largest CFC's generated \$823 billion in business receipts on assets of \$958 billion. Business receipts increased nearly 40 percent from 1986, while assets increased by almost 30 percent.

More than 40 percent of the largest 7,500 CFC's were primarily engaged in manufacturing. These CFC's held 36 percent of total assets and accounted for 59 percent of business receipts. Over 27 percent of the largest 7,500 CFC's were involved primarily in finance, insurance and real estate activities. These CFC's held 43 percent of total assets.

For 1988, about 63 percent of the large CFC's were incorporated in Canada and Europe. More specifically, one-third were incorporated in the United Kingdom, West Germany and Canada.

The largest 7,500 CFC's generated over \$12 billion in subpart F income, nearly tripling from 1986. More than half of this subpart F income was earned in tax haven countries.

Merchandise trade balance transactions between the 7,500 largest CFC's and their U.S. parent groups resulted in a net surplus of \$18 billion, up \$4 billion from 1986.

Almost 30 percent of the 7,500 CFC's were incorporated during the 1980's. Over 40 percent of the newly incorporated CFC's were primarily engaged in finance, insurance or real estate activities.

Controlled Foreign Corporations, 1988

Data Sources and Limitations

The statistics in this article were derived from all U.S. corporation income tax returns with total assets of \$500 million or more and with accounting periods ending July 1988 through June 1989, and from attached Form(s) 5471, *Information Return with Respect to a Foreign Corporation*.

The 7,500 largest CFC's were chosen based on size of total assets. Historical data show that these largest CFC's represent over 90 percent of all financial information for all CFC's. However, caution should be used in comparing these statistics to pre-1986 statistics since small and inactive CFC's were included in these earlier statistics.

Also, large CFC's tend to be engaged primarily in manufacturing or finance, insurance and real estate. Therefore, the 7,500 largest CFC's show a bias towards these industrial divisions. The statistics, based on the largest 7,500 CFC's, are therefore not altogether representative of the entire population of CFC's and should be used with caution when making comparisons with, or estimates of, the larger group.

When noting the rise or decline in the number of (or percentage of) CFC's in a particular group, it is very possible that certain foreign corporations that were among the top 7,500 companies for 1986, may still exist. However, these corporations may no longer be among the top 7,500. Therefore, changes in CFC activity from 1986 to 1988 may reflect differences in the mix of top 7,500

CFC's for a particular country or industry, but may not be reflective of the entire population of controlled foreign corporations.

Not all of the information regarding CFC transactions (e.g., transactions with unrelated parties) is available from Statistics of Income data. Total business receipts, earnings and profits, foreign taxes and transactions between CFC's and related parties (U.S. parent corporations and their domestic and foreign subsidiaries) are reported as part of the parent corporation's U.S. income tax return and are included in this article.

U.S. parent corporations were classified by the principal business activity reported on the corporation income tax return. Many returns were filed by corporations with diversified activities, and therefore included significant receipts, profits, and other items related to activities other than the principal business activity.

Controlled Foreign Corporations were also classified by their principal business activity as reported on Form 5471. As such, certain receipts, profits and transaction items may have been related to secondary business activities. It is not possible to measure the extent of these secondary operations.

When U.S. corporations filed consolidated Forms 5471 with aggregated data for several foreign companies, follow-up requests were made in cases where large money amounts were reported, in an attempt to obtain the CFC information on a disaggregated basis. Almost 100 percent

Figure 1

All 7,500 Largest CFC's Compared With the Largest CFC's Incorporated After 1984, by Selected Country of Incorporation, 1988

[Money amounts are in millions of dollars]

Selected country	Total, largest CFC's		Largest CFC's incorporated after 1984			
	Number	Total assets	Number	Total assets	Percentage of largest CFC's	
					Number	Total assets
(1)	(2)	(3)	(4)	(5)	(6)	
All countries.....	7,500	958,113	1,126	134,657	15.0	14.1
United Kingdom.....	1,159	205,412	195	34,779	16.8	16.9
Canada.....	870	160,350	147	15,496	9.7	9.7
West Germany.....	496	82,478	72	8,514	14.5	10.3
France.....	439	42,330	69	4,542	15.7	10.7
Netherlands.....	365	41,033	58	6,667	15.9	16.2
Australia.....	347	37,770	52	7,166	15.0	19.0
Italy.....	337	31,976	54	2,177	16.0	6.8
Brazil.....	292	23,650	51	2,905	17.5	12.3
Bermuda.....	279	27,195	34	4,679	12.2	17.2
Japan.....	259	44,845	57	4,017	22.0	9.0
Switzerland.....	220	37,899	18	10,777	8.2	28.4
Belgium.....	210	23,689	34	2,914	16.2	12.3
Spain.....	210	17,566	29	1,716	13.8	9.8
Netherlands Antilles.....	182	35,266	13	3,198	7.1	9.1
Hong Kong.....	154	16,876	21	965	13.6	5.7
Mexico.....	118	7,550	8	392	6.8	5.2
Panama.....	107	12,931	4	129	3.7	1.0
Singapore.....	86	6,148	15	1,245	17.4	20.3
Cayman Islands.....	75	10,683	20	5,960	26.7	55.8
Ireland.....	74	9,144	8	4,728	10.8	51.7

Controlled Foreign Corporations, 1988

of these requests were successful. Where no information was received, the data were left consolidated under the industry and country in which they were originally reported. Less than 2 percent of the CFC's included in these statistics contain financial information for a consolidated group of CFC's.

The 1988 data are based on returns filed by U.S. corporations with \$500 million or more in assets and with full-year accounting periods; generally, part-year returns were deleted from the sample to avoid double counting of financial data. According to Internal Revenue Service regulations, a U.S. corporation had to submit a Form 5471 for any Controlled Foreign Corporation with an accounting period ending with or within the U.S. parent's accounting period. Therefore, CFC accounting periods may have ended as early as August 1987 (and, thus, began in September 1986) or as late as June 1989. However, most CFC activity did occur in Calendar Year 1988.

Increases in monetary amounts can be partially attributed to the declining value of the U.S. dollar. Between 1986 and 1988, the dollar depreciated 23 percent against the Japanese yen, 20 percent against the British pound, and 14 percent against the Canadian dollar. For example, 1 million pounds in business receipts reported by a British company in 1986 would be worth \$1.428 million. But, in 1988, if the British company again had 1 million pounds in business receipts, it would be worth \$1.790 million [19].

Explanation of Selected Terms

Business Receipts of Controlled Foreign Corporations. — Business receipts were, in general, gross receipts or gross sales less returns and allowances reported for CFC's on Forms 5471. In the finance, insurance and real estate industries, business receipts were generally the total income or receipts of the CFC and may have included other types of income such as interest, rents, royalties and other investment income. This definition differs from that used for the business receipts statistics for domestic parent corporations, which generally excludes investment income.

Earnings Invested in U.S. Property. — Generally, these are earnings repatriated back to the United States in non-dividend form. "U.S. property" includes most types of tangible and intangible property located in the United States, such as stocks of U.S. corporations and patents.

Factoring Income. — Factoring income is income derived from the acquisition of a trade or service receivable from a related person.

Foreign Income Taxes Paid by Controlled Foreign

Corporations. — These were foreign income, war profits and excess profits taxes paid or accrued by CFC's to foreign countries or U.S. possessions (including Puerto Rico). Also included were taxes imposed by other countries (including the United States) in cases in which the CFC had business operations in countries other than the one in which it was incorporated.

Net Earnings and Profits (E&P). — Positive current earnings and profits less deficits.

Tax Haven. — A tax haven is a country which imposes income taxes at a lower rate than the countries whose taxpayers utilize it. In addition, financial and commercial information is frequently kept confidential. Tax haven countries include the following:

Antigua and Barbuda	Leeward Islands
Aruba	Liberia
Austria	Liechtenstein
Bahamas	Luxembourg
Bahrain	Monaco
Barbados	Netherlands
Belize	Netherlands Antilles
Bermuda	Panama
Cayman Islands	Singapore
Costa Rica	Switzerland
Gibraltar	Turks and Caicos Islands
Hong Kong	Windward Islands

U.S. Person. — A U.S. person is a domestic corporation, partnership, estate or trust, or any citizen or resident of the United States.

Notes and References

- [1] Mulroney, Michael, *Subpart F - Background, Basic Concepts, and Terminology*, Tax Management Inc., Bureau of National Affairs, 1990, p. A-2.
- [2] Mulroney, *op. cit.*, p. A-6.
- [3] The subpart F provisions apply to shareholders of Controlled Foreign Corporations. Shareholders of noncontrolled foreign corporations face a different set of anti-deferral provisions, called the PFIC (passive foreign investment company) rules. These rules are contained in sections 1291-1297 of the Internal Revenue Code.
- [4] U.S. persons may be eligible to claim foreign tax credits for foreign taxes which they have paid or are deemed to have paid, to reduce their U.S. tax liability on their foreign source earnings (see Daronco, Karla M. and Veleto, Kimberly A., "Corporate Foreign Tax Credit, 1988: An Industry Focus," *Statistics of*

Controlled Foreign Corporations, 1988

Income Bulletin, Summer 1992, Volume 12, Number 1).

- [5] The term "homes" refers to the CFC's country of incorporation, not necessarily the principal place where business is conducted. Almost 5 percent of the largest 7,500 CFC's conducted business in places other than the country of incorporation.
- [6] For a more detailed explanation of this tax law change and its effects, see Lewis, Margaret P., "Foreign Recipients of U.S. Income, and Tax Withheld, 1986," *Statistics of Income Bulletin*, Winter 1988-1989, Volume 8, Number 3.
- [7] For a more detailed explanation of tax law changes pertaining to South Africa, see sections 402 and 403 of the Comprehensive Anti-Apartheid Act of 1986.
- [8] Doernberg, Richard, *International Taxation*, West Publishing Company, 1988, p. 175.
- [9] These countries include Afghanistan, Albania, Angola, Cambodia, Cuba, Iran, Libya, North Korea, People's Republic of Yemen, Syria, and Vietnam.
- [10] Doernberg, *op. cit.*, p. 175.
- [11] Doernberg, *op. cit.*, p. 179.
- [12] Prior to the Tax Reform Act of 1986, CFC's which passed a "significant purpose" test were exempt from the subpart F provisions. This was a subjective test exempting U.S. shareholders of CFC's who

were viewed as not attempting to avoid or defer U.S. taxation. The more stringent 90 percent rule was effected by the 1986 Act.

- [13] For 1988, the top 7,500 CFC's recorded \$1.3 billion of increases in earnings invested in U.S. property. Previously excluded subpart F income amounted to \$2.8 million, while factoring income totaled \$20.2 million.
- [14] See footnote 12.
- [15] U.S. Department of Commerce, Bureau of the Census, *Highlights of U.S. Export and Import Trade*, FT 990, monthly.
- [16] For a more detailed account of the auto industry in Mexico, see Karmokolias, Ioannis, "Prospects for the Automotive Industry in Lesser Developed Countries," *Finance & Development*, September 1990, Volume 27, Issue 3, pp. 47-49.
- [17] Some corporations incorporated during the 1980's may just be reorganizations of older corporations.
- [18] Casna, Richard (editor), *International Tax Report*, October 1987.
- [19] U.S. Department of the Treasury, General Ledger Branch. Reporting rates of exchange for December, 1986, and December 31, 1988, were used for comparison.

Controlled Foreign Corporations, 1988

Table 1.—U.S. Corporation Returns with Total Assets of \$500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income and Total Transactions, by Selected Industrial Group of Controlled Foreign Corporation

[Money amounts are in thousands of dollars]

Selected industrial group of 7,500 largest Controlled Foreign Corporations	Number of U.S. corporation returns ¹	7,500 largest Controlled Foreign Corporations					
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes	
						Number of foreign corporations	Current earnings and profits (+) before taxes
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
All Industries.....	744	7,500	958,113,019	822,975,169	79,811,427	5,978	86,885,973
Agriculture, forestry and fishing.....	13	31	807,867	1,235,993	78,031	23	110,394
Mining.....	72	216	39,622,679	14,070,239	2,824,664	125	3,228,144
Construction.....	21	86	4,021,876	6,164,121	304,964	61	396,280
Manufacturing.....	418	3,060	343,317,903	484,236,296	49,370,100	2,560	51,602,241
Food and kindred products.....	51	302	21,810,681	39,130,257	3,274,616	246	3,545,348
Chemicals and allied products.....	103	803	66,897,662	83,020,854	11,038,332	685	11,468,720
Petroleum (including integrated) and coal products.....	18	63	41,972,843	55,939,805	3,500,814	54	3,627,779
Fabricated metal products.....	67	186	7,307,196	9,387,094	946,381	162	987,617
Machinery, except electrical.....	74	305	64,398,388	65,726,099	10,171,060	245	10,540,724
Electrical and electronic equipment.....	85	379	27,668,873	42,150,919	3,414,244	314	3,708,935
Motor vehicles and equipment.....	30	179	49,080,891	106,802,626	6,847,965	145	7,016,715
Transportation and public utilities.....	72	194	18,458,833	11,680,656	1,322,159	148	1,502,800
Transportation.....	55	150	10,423,924	7,061,425	347,097	109	519,995
Communication.....	7	13	3,452,679	1,761,562	497,996	11	501,086
Electric, gas and sanitary services.....	13	31	4,582,231	2,857,670	477,066	26	481,719
Wholesale and retail trade.....	265	1,271	106,224,942	224,169,456	10,384,105	1,023	12,221,129
Wholesale trade.....	235	1,125	92,173,682	196,882,270	9,311,681	916	11,008,098
Finance, insurance and real estate.....	461	2,061	414,855,910	62,052,583	13,010,572	1,587	14,964,351
Banking.....	42	229	94,748,709	10,580,241	980,468	180	1,288,827
Credit agencies other than banks.....	145	479	113,860,645	14,292,986	2,773,273	400	3,076,357
Security, commodity brokers and services.....	34	140	53,286,950	5,788,057	283,346	96	539,937
Real estate.....	48	84	9,545,085	1,935,643	352,798	62	363,770
Holding and other investment companies, except bank holding companies.....	290	713	92,306,133	13,306,470	6,702,910	514	7,458,364
Services.....	198	568	30,103,216	18,759,361	2,304,892	443	2,647,405
Nature of business not allocable.....	13	13	699,792	606,465	211,940	10	213,229

Selected industrial group of 7,500 largest Controlled Foreign Corporations	7,500 largest Controlled Foreign Corporations--Continued						
	Foreign corporations with current earnings and profits (+) before taxes --Continued	Current earnings and profits deficit (-) before taxes	Foreign income taxes on current earnings and profits (less deficit)		Current earnings and profits (+) after taxes	Actual distributions in current year	Subpart F income
			Net taxes	Taxes (+)			
(8)	(9)	(10)	(11)	(12)	(13)	(14)	
All Industries.....	24,064,632	7,074,546	23,929,652	24,454,944	63,122,159	45,524,746	12,101,074
Agriculture, forestry and fishing.....	21,068	32,363	21,385	21,385	89,499	60,051	17,693
Mining.....	1,169,581	403,480	1,120,944	1,217,866	2,234,704	2,146,376	396,584
Construction.....	147,744	91,317	145,626	151,689	251,521	175,126	17,607
Manufacturing.....	16,034,750	2,232,140	16,008,560	16,202,390	35,630,186	25,600,603	3,402,003
Food and kindred products.....	1,028,298	270,732	1,021,721	1,041,825	2,520,799	2,219,182	109,942
Chemicals and allied products.....	3,650,451	430,387	3,654,847	3,682,771	7,831,238	4,617,443	502,653
Petroleum (including integrated) and coal products.....	937,151	126,965	941,812	944,484	2,690,658	1,814,052	319,784
Fabricated metal products.....	300,919	41,236	301,355	305,129	691,829	305,307	7,274
Machinery, except electrical.....	4,020,298	369,665	4,010,231	4,101,204	6,534,521	6,248,891	530,995
Electrical and electronic equipment.....	889,056	294,691	879,757	894,157	2,826,644	2,165,400	322,207
Motor vehicles and equipment.....	1,907,893	168,749	1,903,709	1,916,623	5,115,750	3,155,430	736,197
Transportation and public utilities.....	391,366	180,641	393,398	396,576	1,111,455	528,920	264,533
Transportation.....	75,257	172,897	76,591	78,001	444,759	90,540	235,709
Communication.....	178,752	3,090	178,743	178,752	322,334	119,500	3,320
Electric, gas and sanitary services.....	137,357	4,653	138,064	139,823	344,362	318,880	25,504
Wholesale and retail trade.....	3,836,940	1,837,024	3,811,147	3,877,486	8,401,854	6,196,010	1,544,415
Wholesale trade.....	3,394,810	1,696,417	3,378,617	3,429,889	7,628,408	5,675,125	1,519,625
Finance, insurance and real estate.....	1,852,144	1,953,779	1,816,449	1,957,503	13,145,525	10,214,487	5,853,288
Banking.....	256,377	308,359	256,529	267,945	1,033,212	245,651	545,753
Credit agencies other than banks.....	565,134	303,084	550,661	573,390	2,523,141	1,183,753	1,688,070
Security, commodity brokers and services.....	128,328	276,591	122,131	133,035	412,559	43,231	111,085
Real estate.....	79,988	10,972	79,610	80,976	288,727	66,688	113,718
Holding and other investment companies, except bank holding companies.....	458,451	755,454	456,052	534,657	7,010,617	7,713,223	2,336,789
Services.....	604,249	342,513	605,350	623,256	2,050,678	602,213	604,952
Nature of business not allocable.....	6,792	1,290	6,792	6,792	206,737	961	-

Footnotes at end of table.

Controlled Foreign Corporations, 1988

Table 1.—U.S. Corporation Returns with Total Assets of \$500 Million or More and their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income and Total Transactions, by Selected Industrial Group of Controlled Foreign Corporation—Continued

[Money amounts are in thousands of dollars]

Selected industrial group of 7,500 largest Controlled Foreign Corporations	7,500 largest Controlled Foreign Corporations—Continued							
	Receipts by foreign corporations from--				Payments by foreign corporations to--			
	All related persons, total	U.S. corporation filing return and its domestic subsidiaries	Any foreign corporation controlled by U.S. corporation filing return	All other related persons	All related persons, total	U.S. corporation filing return and its domestic subsidiaries	Any foreign corporation controlled by U.S. corporation filing return	All other related persons
(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	
All industries.....	199,617,859	75,534,182	123,815,388	268,289	247,684,297	135,676,987	111,841,708	165,602
Agriculture, forestry and fishing.....	332,184	9,044	323,140	-	208,088	115,773	92,315	-
Mining.....	2,418,720	1,484,795	925,910	8,014	3,323,836	2,464,123	859,713	-
Construction.....	568,271	160,645	407,626	-	776,451	361,847	414,604	-
Manufacturing.....	135,642,784	55,423,537	80,009,372	209,875	156,297,407	91,630,689	64,637,473	29,245
Food and kindred products.....	6,134,399	608,895	5,525,231	273	7,407,630	2,935,212	4,472,418	-
Chemicals and allied products.....	18,933,364	3,649,124	15,284,240	-	24,121,839	11,364,825	12,756,677	337
Petroleum (including integrated) and coal products.....	7,729,775	2,849,788	4,879,987	-	9,793,087	6,834,038	2,959,049	-
Fabricated metal products.....	1,267,431	289,903	977,500	29	1,506,208	704,291	801,665	252
Machinery, except electrical.....	31,354,976	9,258,524	22,091,625	4,827	38,014,328	19,015,825	18,997,319	1,184
Electrical and electronic equipment.....	15,299,177	6,455,418	8,843,702	57	17,207,179	10,899,876	6,305,148	2,157
Motor vehicles and equipment.....	37,546,416	26,300,859	11,245,557	-	38,720,982	29,234,042	9,486,940	-
Transportation and public utilities.....	1,258,234	843,152	415,081	(¹)	1,084,025	373,337	703,475	7,214
Transportation.....	1,136,093	778,778	357,314	(²)	510,556	207,825	297,918	4,813
Communication.....	38,870	33,624	5,247	-	302,635	75,733	224,501	2,401
Electric, gas and sanitary services.....	83,270	30,750	52,520	-	270,835	89,779	181,055	-
Wholesale and retail trade.....	38,025,829	10,476,888	27,504,329	44,414	64,065,887	28,319,224	35,632,447	114,196
Wholesale trade.....	36,415,467	10,045,559	26,368,666	1,242	59,813,837	26,980,704	32,718,937	114,196
Finance, insurance and real estate.....	17,352,668	6,073,881	11,272,799	5,986	18,364,623	10,737,125	7,612,551	14,947
Banking.....	1,337,576	865,663	471,910	3	1,700,665	1,020,698	679,966	-
Credit agencies other than banks.....	4,109,740	2,222,552	1,887,189	-	4,278,933	1,846,250	2,432,683	-
Security, commodity brokers and services.....	1,514,016	986,511	525,728	1,776	1,002,581	341,584	658,249	2,748
Real estate.....	213,936	79,465	134,471	-	280,811	115,866	164,945	-
Holding and other investment companies, except bank holding companies.....	8,427,157	986,610	7,436,774	3,773	9,609,455	6,653,910	2,943,347	12,199
Services.....	3,983,172	1,057,465	2,925,707	-	3,456,275	1,643,699	1,812,576	-
Nature of business not allocable.....	36,199	4,777	31,422	-	107,725	31,171	76,554	-

¹ Number of returns are not additive since some U.S. corporations have Controlled Foreign Corporations in more than one industrial group.

² Less than \$500.

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

Controlled Foreign Corporations, 1988

Table 2.—U.S. Corporation Returns with Total Assets of \$500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income and Total Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation

[Money amounts are in thousands of dollars]

Selected country of incorporation of 7,500 largest Controlled Foreign Corporations	Number of U.S. corporation returns ¹	7,500 largest Controlled Foreign Corporations					
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes	
						Number of foreign corporations	Current earnings and profits (+) before taxes
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
All geographic areas.....	744	7,500	958,113,019	822,975,169	79,811,427	5,978	86,885,973
Canada.....	460	870	160,349,675	142,278,931	12,821,136	708	13,412,942
Latin America, total.....	278	871	67,791,225	63,592,127	8,502,464	680	9,721,089
Mexico.....	81	118	7,549,625	9,428,139	1,223,219	86	1,347,689
Central America, total.....	71	132	13,601,105	9,589,600	987,204	104	1,134,345
Belize.....	--	--	--	--	--	--	--
Costa Rica.....	5	8	181,205	294,683	-7,663	6	7,771
El Salvador.....	--	--	--	--	--	--	--
Guatemala.....	4	4	80,774	123,307	-7,659	3	7,077
Honduras.....	5	8	291,488	471,101	40,544	7	40,646
Nicaragua.....	--	--	--	--	--	--	--
Panama.....	65	107	12,931,180	8,422,601	918,236	83	1,035,105
Caribbean countries, total.....	75	95	11,962,326	3,528,601	1,032,758	77	1,214,169
Cayman Islands (British).....	58	75	10,683,328	2,364,132	763,442	60	880,232
Dominican Republic.....	--	--	--	--	--	--	--
Haiti.....	--	--	--	--	--	--	--
Jamaica.....	3	3	300,500	216,126	187,109	3	187,109
Trinidad and Tobago.....	--	--	--	--	--	--	--
Other Caribbean countries.....	12	13	521,983	761,209	-3,681	10	60,940
South America, total.....	197	526	34,678,168	41,045,788	5,259,283	413	6,024,887
Argentina.....	53	61	3,454,110	3,304,597	42,182	36	172,129
Bolivia.....	--	--	--	--	--	--	--
Brazil.....	158	292	23,649,760	29,707,456	4,148,887	222	4,734,357
Chile.....	26	52	2,537,341	1,603,207	259,305	47	270,990
Colombia.....	30	33	1,149,221	2,381,653	229,782	29	256,117
Ecuador.....	--	--	--	--	--	--	--
Paraguay.....	--	--	--	--	--	--	--
Peru.....	7	7	259,670	284,217	16,417	5	16,776
Uruguay.....	7	8	285,390	113,202	16,586	7	17,546
Venezuela.....	49	67	3,246,629	3,545,661	543,303	63	547,442
Other South American countries.....	--	--	--	--	--	--	--
Other Western Hemisphere, total.....	287	520	70,826,154	28,839,412	3,800,307	440	4,129,649
Bahamas.....	33	51	7,216,918	5,105,804	255,669	39	381,090
Bermuda.....	187	279	27,194,960	11,201,506	2,208,736	227	2,356,004
Netherlands Antilles.....	136	182	35,265,866	3,648,369	1,208,818	167	1,261,714
Other British West Indies.....	6	8	1,148,411	8,883,732	127,085	7	130,841
All other Western Hemisphere.....	--	--	--	--	--	--	--
Europe, total.....	510	3,830	517,229,914	452,905,964	40,741,074	2,996	44,685,677
European Economic Community, total.....	500	3,427	465,708,398	404,738,731	35,162,397	2,684	38,879,110
Belgium.....	130	210	23,689,202	20,831,428	1,735,111	180	1,843,478
Denmark.....	35	46	2,803,728	2,737,016	228,694	30	276,964
France (including Andorra).....	232	439	42,329,635	54,149,744	3,360,754	335	3,743,833
Greece.....	19	20	495,332	1,204,668	41,812	16	50,104
Ireland.....	51	74	9,143,757	3,589,958	783,181	61	828,838
Italy (including San Marino).....	196	337	31,975,821	34,926,624	2,372,433	269	3,400,807
Luxembourg.....	21	33	6,845,366	1,851,947	237,212	28	281,913
Netherlands.....	188	365	41,032,710	35,838,811	4,473,699	294	4,691,383
Portugal.....	32	38	1,936,335	2,483,132	244,001	32	252,431
Spain.....	136	210	17,565,699	18,995,888	2,316,063	185	2,409,304
United Kingdom.....	399	1,159	205,412,482	135,953,877	12,601,876	877	13,878,068
West Germany.....	258	496	82,478,332	92,175,639	6,766,559	377	7,221,987

Footnotes at end of table.

Controlled Foreign Corporations, 1988

Table 2.—U.S. Corporation Returns with Total Assets of \$500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income and Total Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation—Continued

[Money amounts are in thousands of dollars]

Selected country of incorporation of 7,500 largest Controlled Foreign Corporations	Number of U.S. corporation returns ¹	7,500 largest Controlled Foreign Corporations					
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes	
						Number of foreign corporations	Current earnings and profits (+) before taxes
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Other West European countries, total.....	170	402	51,223,880	48,122,548	5,561,070	311	5,788,960
Austria.....	36	48	4,130,108	4,094,415	297,822	37	320,904
Finland.....	20	21	1,421,673	2,186,383	175,832	16	185,875
Liechtenstein.....	5	8	278,042	231,941	30,272	5	31,664
Monaco.....	**	**	**	**	**	**	**
Norway.....	32	36	2,753,565	3,177,344	173,917	22	221,923
Sweden.....	51	55	3,957,487	6,027,776	355,464	40	402,235
Switzerland.....	127	220	37,898,892	31,584,268	4,477,469	180	4,554,214
Turkey.....	9	9	354,834	677,523	23,309	7	44,236
All other West European countries.....	**	**	**	**	**	**	**
East European countries, total.....	**	**	**	**	**	**	**
East Germany.....	--	--	--	--	--	--	--
Rumania.....	--	--	--	--	--	--	--
Union of Soviet Socialist Republics.....	--	--	--	--	--	--	--
Other East European countries.....	**	**	**	**	**	**	**
Africa, total.....	78	164	10,025,716	9,354,837	946,646	130	1,084,108
North Africa, total.....	11	15	342,625	668,063	38,953	13	42,797
Algeria.....	**	**	**	**	**	**	**
Egypt.....	7	7	139,541	274,479	19,237	5	23,081
Libya.....	--	--	--	--	--	--	--
Morocco.....	4	4	103,476	120,582	11,631	4	11,631
Other North African countries.....	**	**	**	**	**	**	**
East Africa, total.....	6	7	273,619	329,402	41,434	5	45,691
Ethiopia.....	--	--	--	--	--	--	--
Kenya.....	--	--	--	--	--	--	--
Tanzania.....	--	--	--	--	--	--	--
Uganda.....	--	--	--	--	--	--	--
Other East African countries.....	**	**	**	**	**	**	**
West and Central Africa, total.....	40	88	7,091,825	3,986,415	494,397	63	581,143
Gabon.....	**	**	**	**	**	**	**
Ghana.....	**	**	**	**	**	**	**
Liberia.....	30	62	5,230,427	1,972,648	90,932	44	157,223
Nigeria.....	9	9	1,177,665	1,007,387	249,186	6	263,955
Zaire.....	3	4	117,676	113,582	14,170	4	14,170
Other West and Central African countries.....	6	10	300,875	533,360	8,356	6	14,041
Southern Africa, total.....	42	54	2,317,647	4,370,956	371,862	49	414,478
Malawi.....	**	**	**	**	**	**	**
Zimbabwe.....	6	8	325,720	520,392	93,563	8	93,563
South Africa (including Namibia).....	39	44	1,922,000	3,752,771	265,427	39	308,043
Zambia.....	**	**	**	**	**	**	**
Other Southern African countries.....	--	--	--	--	--	--	--
Asia, total.....	256	749	82,384,554	92,511,270	10,030,986	622	10,548,704
Middle East, total.....	25	40	2,119,365	1,651,218	247,789	31	272,520
Bahrain.....	3	3	154,757	98,396	33,057	3	33,057
Iran.....	--	--	--	--	--	--	--
Iraq.....	--	--	--	--	--	--	--
Israel.....	8	17	592,479	527,913	72,187	14	74,993
Kuwait.....	**	**	**	**	**	**	**
Lebanon.....	**	**	**	**	**	**	**
Qatar.....	--	--	--	--	--	--	--
Saudi Arabia.....	9	13	1,020,021	509,767	121,861	9	143,367
United Arab Emirates.....	**	**	**	**	**	**	**
Other Areas of Arabian Peninsula.....	--	--	--	--	--	--	--
Other Middle East countries.....	**	**	**	**	**	**	**

Footnotes at end of table.

Controlled Foreign Corporations, 1988

Table 2.—U.S. Corporation Returns with Total Assets of \$500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income and Total Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation—Continued

[Money amounts are in thousands of dollars]

Selected country of incorporation of 7,500 largest Controlled Foreign Corporations	Number of U.S. corporation returns ¹	7,500 largest Controlled Foreign Corporations					
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes	
						Number of foreign corporations	Current earnings and profits (+) before taxes
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Southern and Southeastern Asia, total.....	97	197	11,858,965	15,404,957	1,153,213	173	1,432,558
Bangladesh.....	--	--	--	--	--	--	--
India.....	8	8	344,123	485,638	56,692	8	56,692
Indonesia.....	8	9	394,293	166,028	25,612	5	29,526
Malaysia.....	20	32	1,577,814	3,700,117	274,915	31	277,336
Pakistan.....	**	**	**	**	**	**	**
Philippines.....	24	25	1,613,616	1,941,837	121,444	23	129,185
Singapore.....	65	86	6,147,659	6,452,025	508,512	69	773,782
Sri Lanka.....	--	--	--	--	--	--	--
Thailand.....	27	32	1,569,343	2,558,151	149,747	32	149,747
Vietnam.....	--	--	--	--	--	--	--
Other Southern and Southeastern Asian countries.....	**	**	**	**	**	**	**
East Asia, total.....	226	512	68,406,223	75,455,095	8,629,984	418	8,843,626
China.....	7	8	155,065	60,967	-1,022	3	1,915
Taiwan.....	42	50	3,177,774	5,618,883	642,125	48	643,811
Hong Kong.....	110	154	16,875,530	9,795,690	1,387,688	126	1,450,530
Japan.....	160	259	44,845,347	55,446,061	6,355,070	214	6,476,919
South Korea, Republic of.....	32	41	3,352,507	4,533,494	246,123	27	270,452
Other Eastern Asian countries.....	--	--	--	--	--	--	--
Oceania, total.....	204	412	41,660,798	28,467,370	2,467,117	325	2,766,107
Australia.....	200	347	37,769,546	25,434,709	2,329,597	278	2,594,987
New Zealand.....	38	62	3,807,131	2,924,763	126,533	44	180,133
Other countries of Oceania.....	**	**	**	**	**	**	**
Puerto Rico and U.S. Possessions, total.....	50	84	7,844,982	5,025,259	501,697	77	517,697
Puerto Rico.....	38	69	6,481,722	1,457,509	236,589	62	252,589
U.S. Possessions, total.....	12	15	1,363,261	3,567,750	265,108	15	265,108
American Samoa.....	--	--	--	--	--	--	--
Guam.....	5	5	144,963	397,575	37,490	5	37,490
U.S. Virgin Islands.....	7	10	1,218,298	3,170,175	227,618	10	227,618
Other U.S. Possessions.....	--	--	--	--	--	--	--
OPEC countries (included above).....	64	107	6,001,047	5,380,131	961,652	91	1,007,261
Tax haven countries (included above).....	465	1,706	214,122,391	132,736,116	17,027,006	1,388	18,428,965

Footnotes at end of table.

Controlled Foreign Corporations, 1988

Table 2.--U.S. Corporation Returns with Total Assets of \$500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income and Total Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation--Continued
 [Money amounts are in thousands of dollars]

Selected country of incorporation of 7,500 largest Controlled Foreign Corporations	7,500 largest Controlled Foreign Corporations--Continued						
	Foreign corporations with current earnings and profits (+) before taxes --Continued	Current earnings and profits deficit (-) before taxes	Foreign income taxes on current earnings and profits (less deficit)		Current earnings and profits (+) after taxes	Actual distributions in current year	Subpart F income
			Net taxes	Taxes (+)			
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
All geographic areas.....	24,064,632	7,074,546	23,929,652	24,454,944	63,122,159	45,524,746	12,101,074
Canada.....	4,083,768	591,807	3,999,207	4,108,810	9,362,980	6,750,034	982,015
Latin America, total.....	2,099,866	1,218,626	2,125,600	2,144,797	7,652,313	3,112,610	1,632,221
Mexico.....	411,187	124,470	419,855	421,719	948,575	297,183	96,900
Central America, total.....	122,946	147,141	126,377	129,725	1,017,664	404,635	560,972
Belize.....	--	--	--	--	--	--	--
Costa Rica.....	2,708	15,434	2,708	2,799	5,164	1,658	--
El Salvador.....	--	--	--	--	--	--	--
Guatemala.....	2,295	14,736	344	2,295	4,783	3,309	1,386
Honduras.....	18,015	--	18,015	18,015	22,631	11,694	1,283
Nicaragua.....	--	--	--	--	--	--	--
Panama.....	70,357	116,869	75,739	77,045	964,769	375,258	557,918
Caribbean countries, total.....	40,707	181,411	46,099	46,105	1,173,462	920,741	360,434
Cayman Islands (British).....	20,688	116,790	25,080	25,086	859,545	848,269	314,973
Dominican Republic.....	--	--	--	--	--	--	--
Haiti.....	--	--	--	--	--	--	--
Jamaica.....	1,312	--	1,312	1,312	185,797	648	574
Trinidad and Tobago.....	--	--	--	--	--	--	--
Other Caribbean countries.....	8,047	64,621	9,047	9,047	52,892	48,504	44,543
South America, total.....	1,525,025	765,603	1,533,269	1,547,248	4,512,613	1,490,052	613,915
Argentina.....	42,554	129,947	43,995	45,153	130,360	125,044	28,261
Bolivia.....	--	--	--	--	--	--	--
Brazil.....	1,180,249	585,469	1,189,886	1,191,831	3,559,652	1,040,497	513,761
Chile.....	13,425	11,685	13,566	13,566	257,565	61,929	42,846
Colombia.....	67,483	26,335	62,905	67,570	190,257	85,727	6,892
Ecuador.....	--	--	--	--	--	--	--
Paraguay.....	--	--	--	--	--	--	--
Peru.....	16,195	359	17,661	206,688	5,365	4,537	--
Uruguay.....	2,709	960	2,709	2,709	14,837	4,578	8,510
Venezuela.....	200,565	4,139	200,478	206,688	346,891	162,972	13,645
Other South American countries.....	--	--	--	--	--	--	--
Other Western Hemisphere, total.....	373,392	329,341	372,194	376,138	3,756,694	3,333,649	2,170,387
Bahamas.....	82,348	125,421	82,623	82,623	298,742	218,335	96,007
Bermuda.....	208,451	147,268	206,032	209,814	21,477,948	1,661,114	1,154,631
Netherlands Antilles.....	76,178	52,896	77,124	77,286	1,185,577	1,003,069	837,696
Other British West Indies.....	6,415	3,757	6,415	6,415	124,426	451,131	82,053
All other Western Hemisphere.....	--	--	--	--	--	--	--
Europe, total.....	11,948,260	3,944,603	11,875,496	12,233,787	32,953,714	26,979,203	5,756,405
European Economic Community, total.....	11,103,139	3,716,713	11,038,884	11,369,563	27,985,876	22,185,571	3,734,502
Belgium.....	454,823	107,367	457,266	462,266	1,392,858	853,589	352,823
Denmark.....	112,126	48,270	111,957	115,800	165,616	146,002	9,272
France (including Andorra).....	1,349,942	383,079	1,344,497	1,362,864	2,398,908	1,494,267	186,950
Greece.....	15,584	8,291	15,800	15,812	34,977	4,670	5,643
Ireland.....	18,616	45,657	18,278	18,883	810,274	565,492	106,893
Italy (including San Marino).....	1,278,697	1,028,373	1,268,774	1,289,802	2,130,436	1,406,853	246,491
Luxembourg.....	70,696	44,701	70,704	70,730	211,217	108,615	22,705
Netherlands.....	996,448	217,684	975,831	101,587	3,705,609	2,501,120	788,834
Portugal.....	68,235	8,430	68,120	68,549	184,215	128,730	23,466
Spain.....	568,540	93,241	568,866	569,112	1,842,374	973,982	154,316
United Kingdom.....	3,862,904	1,276,192	3,824,438	3,965,856	10,183,188	9,451,604	1,321,853
West Germany.....	2,306,528	455,428	2,314,351	2,419,303	4,926,205	4,550,647	515,256

Footnotes at end of table.

Controlled Foreign Corporations, 1988

Table 2.—U.S. Corporation Returns with Total Assets of \$500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income and Total Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation—Continued

[Money amounts are in thousands of dollars]

Selected country of incorporation of 7,500 largest Controlled Foreign Corporations	7,500 largest Controlled Foreign Corporations—Continued						
	Foreign corporations with current earnings and profits (+) before taxes —Continued Foreign income taxes (net)	Current earnings and profits deficit (-) before taxes	Foreign income taxes on current earnings and profits (less deficit)		Current earnings and profits (+) after taxes	Actual distributions in current year	Subpart F income
			Net taxes	Taxes (+)			
			(8)	(9)				(10)	(11)	(12)	(13)	(14)
Other West European countries, total.....	843,262	227,890	834,753	862,366	4,952,089	4,785,002	2,009,667
Austria.....	127,284	23,081	125,020	128,106	194,251	300,172	16,689
Finland.....	50,251	10,043	50,915	51,083	135,936	118,258	4,160
Liechtenstein.....	2,376	1,392	2,494	2,494	29,288	15,312	19,353
Monaco.....	**	**	**	**	**	**	**
Norway.....	40,796	48,006	39,815	45,491	181,127	87,134	6,568
Sweden.....	204,454	46,772	199,292	205,959	199,385	123,815	4,349
Switzerland.....	400,494	76,745	399,611	411,624	4,157,563	4,109,934	1,942,244
Turkey.....	16,760	20,926	16,760	16,760	27,476	8,735	2,727
All other West European countries.....	**	**	**	**	**	**	**
East European countries, total.....	**	**	**	**	**	**	**
East Germany.....	--	--	--	--	--	--	--
Rumania.....	--	--	--	--	--	--	--
Union of Soviet Socialist Republics.....	--	--	--	--	--	--	--
Other East European countries.....	**	**	**	**	**	**	**
Africa, total.....	384,379	137,461	390,703	392,070	699,735	538,900	176,882
North Africa, total.....	13,206	3,843	13,651	13,651	29,597	18,492	3,947
Algeria.....	**	**	**	**	**	**	**
Egypt.....	4,854	3,843	5,299	5,299	18,227	13,790	3,947
Libya.....	--	--	--	--	--	--	--
Morocco.....	5,210	--	5,210	5,210	6,429	3,685	--
Other North African countries.....	**	**	**	**	**	**	**
East Africa, total.....	21,034	4,256	20,339	21,034	24,656	10,086	2,969
Ethiopia.....	--	--	--	--	--	--	--
Kenya.....	**	**	**	**	**	**	**
Tanzania.....	--	--	--	--	--	--	--
Uganda.....	--	--	--	--	--	--	--
Other East African countries.....	**	**	**	**	**	**	**
West and Central Africa, total.....	166,339	86,746	173,585	173,585	414,803	360,244	76,474
Gabon.....	**	**	**	**	**	**	**
Ghana.....	**	**	**	**	**	**	**
Liberia.....	93	66,292	93	93	157,130	39,874	73,734
Nigeria.....	95,262	14,769	102,504	102,504	168,694	254,608	--
Zaire.....	5,583	--	5,583	5,583	8,587	4,980	2,741
Other West and Central African countries.....	4,279	5,685	4,282	4,282	9,762	6,726	--
Southern Africa, total.....	183,800	42,616	183,129	183,800	230,678	150,078	93,492
Malawi.....	**	**	**	**	**	**	**
Zimbabwe.....	39,706	--	39,706	39,706	53,857	20,891	--
South Africa (including Namibia).....	138,921	42,616	138,250	138,921	169,122	125,969	90,197
Zambia.....	**	**	**	**	**	**	**
Other Southern African countries.....	--	--	--	--	--	--	--
Asia, total.....	4,202,511	517,718	45,208,069	4,216,075	6,357,625	4,097,972	983,865
Middle East, total.....	26,371	24,730	26,592	26,592	249,592	340,066	77,210
Bahrain.....	3	--	3	3	33,054	--	1,847
Iran.....	--	--	--	--	--	--	--
Iraq.....	--	--	--	--	--	--	--
Israel.....	19,331	2,805	19,424	19,424	59,088	8,656	--
Kuwait.....	**	**	**	**	**	**	**
Lebanon.....	**	**	**	**	**	**	**
Qatar.....	--	--	--	--	--	--	--
Saudi Arabia.....	866	21,506	970	970	142,518	328,808	75,363
United Arab Emirates.....	**	**	**	**	**	**	**
Other Areas of Arabian Peninsula.....	**	**	**	**	**	**	**
Other Middle East countries.....	**	**	**	**	**	**	**

Footnotes at end of table.

Controlled Foreign Corporations, 1988

Table 2.--U.S. Corporation Returns with Total Assets of \$500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income and Total Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation--Continued

[Money amounts are in thousands of dollars]

Selected country of incorporation of 7,500 largest Controlled Foreign Corporations	7,500 largest Controlled Foreign Corporations--Continued						
	Foreign corporations with current earnings and profits (+) before taxes --Continued Foreign income taxes (net)	Current earnings and profits deficit (-) before taxes	Foreign income taxes on current earnings and profits (less deficit)		Current earnings and profits (+) after taxes	Actual distributions in current year	Subpart F income
			Net taxes	Taxes (+)			
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Southern and Southeastern Asia, total.....	204,533	279,345	206,420	209,761	1,232,541	865,382	158,191
Bangladesh.....	--	--	--	--	--	--	--
India.....	23,533	--	23,533	23,533	33,159	9,792	1,765
Indonesia.....	7,442	3,914	7,524	7,524	22,084	13,803	--
Malaysia.....	30,481	2,421	30,481	30,841	247,107	150,032	17,842
Pakistan.....	--	--	--	--	--	--	--
Philippines.....	45,417	7,740	43,397	45,417	87,872	50,862	9,408
Singapore.....	47,656	265,270	51,482	52,444	726,126	608,241	122,256
Sri Lanka.....	--	--	--	--	--	--	--
Thailand.....	43,134	--	43,134	43,134	106,772	28,671	4,685
Vietnam.....	--	--	--	--	--	--	--
Other Southern and Southeastern Asian countries.....	--	--	--	--	--	--	--
East Asia, total.....	3,971,608	213,842	3,975,057	3,979,722	4,875,492	2,892,525	748,484
China.....	477	2,936	477	477	1,438	--	--
Taiwan.....	72,921	1,686	72,914	73,696	570,889	107,322	39,799
Hong Kong.....	195,287	62,842	194,558	197,556	1,255,285	873,584	434,105
Japan.....	3,622,841	121,848	3,626,960	3,627,844	2,857,169	1,850,972	261,270
South Korea, Republic of.....	80,081	24,330	80,148	80,148	190,711	60,646	13,290
Other Eastern Asian countries.....	--	--	--	--	--	--	--
Oceania, total.....	885,930	318,990	871,855	896,739	1,907,928	611,983	385,101
Australia.....	830,639	265,390	815,555	838,008	1,765,358	548,448	371,270
New Zealand.....	53,034	53,600	54,043	56,474	1,333,639	50,511	13,830
Other countries of Oceania.....	--	--	--	--	--	--	--
Puerto Rico and U.S. Possessions, total.....	86,527	16,000	86,527	86,527	431,169	100,394	14,198
Puerto Rico.....	63,153	16,000	63,153	63,153	189,435	47,537	14,198
U.S. Possessions, total.....	23,374	--	23,374	23,374	241,734	52,857	--
American Samoa.....	--	--	--	--	--	--	--
Guam.....	6,090	--	6,090	6,090	31,400	31,604	--
U.S. Virgin Islands.....	17,284	--	17,284	17,284	210,333	21,253	--
Other U.S. Possessions.....	--	--	--	--	--	--	--
OPEC countries (included above).....	310,741	45,610	318,269	324,480	696,552	767,366	89,007
Tax haven countries (included above).....	2,314,669	1,401,989	2,303,703	2,362,892	16,130,076	13,181,029	6,521,116

Footnotes at end of table.

Controlled Foreign Corporations, 1988

Table 2.—U.S. Corporation Returns with Total Assets of \$500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income and Total Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation—Continued

[Money amounts are in thousands of dollars]

Selected country of incorporation of 7,500 largest Controlled Foreign Corporations	7,500 largest Controlled Foreign Corporations—Continued							
	Receipts by foreign corporations from—				Payments by foreign corporations to—			
	All related persons, total	U.S. corporation filing return and its domestic subsidiaries	Any foreign corporation controlled by U.S. corporation filing return	All other related persons	All related persons, total	U.S. corporation filing return and its domestic subsidiaries	Any foreign corporation controlled by U.S. corporation filing return	All other related persons
(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	
All geographic areas.....	199,617,859	75,534,182	123,815,388	268,289	247,684,297	135,676,987	111,841,708	165,602
Canada.....	37,206,929	30,066,847	7,092,202	47,880	42,222,392	36,986,642	5,225,493	10,257
Latin America, total.....	12,210,198	6,792,967	5,374,060	43,172	12,372,477	8,506,412	3,863,550	2,514
Mexico.....	3,587,378	3,130,159	457,219	--	3,724,733	3,080,324	644,394	15
Central America, total.....	2,081,106	1,013,208	1,024,726	43,172	1,181,717	863,877	297,840	--
Belize.....	--	--	--	--	--	--	--	--
Costa Rica.....	154,878	3,573	151,306	--	39,831	28,239	11,592	--
El Salvador.....	--	--	--	--	--	--	--	--
Guatemala.....	65,064	2,262	62,801	--	11,864	9,356	2,508	--
Honduras.....	104,992	73,615	31,377	--	91,915	62,046	29,868	--
Nicaragua.....	--	--	--	--	--	--	--	--
Panama.....	1,647,790	931,676	672,942	43,172	1,004,475	757,404	247,071	--
Caribbean countries, total.....	874,719	280,392	594,326	--	1,344,055	1,127,551	214,103	2,401
Cayman Islands (British).....	746,334	202,025	544,310	--	1,232,859	1,055,550	177,309	--
Dominican Republic.....	--	--	--	--	--	--	--	--
Haiti.....	--	--	--	--	--	--	--	--
Jamaica.....	826	87	739	--	6,351	6,351	--	--
Trinidad and Tobago.....	--	--	--	--	--	--	--	--
Other Caribbean countries.....	127,242	77,964	49,278	--	69,358	84,485	2,472	2,401
South America, total.....	5,666,995	2,369,207	3,297,788	--	6,141,972	3,434,660	2,707,214	98
Argentina.....	725,153	167,940	557,213	--	617,275	467,869	149,308	98
Bolivia.....	--	--	--	--	--	--	--	--
Brazil.....	4,514,012	2,030,212	2,483,801	--	4,016,489	1,971,778	2,044,711	--
Chile.....	96,967	46,641	50,326	--	269,938	185,908	84,031	--
Colombia.....	167,324	87,485	79,839	--	354,589	232,790	121,799	--
Ecuador.....	--	--	--	--	--	--	--	--
Paraguay.....	--	--	--	--	--	--	--	--
Peru.....	8,200	5,685	2,515	--	42,794	23,899	18,895	--
Uruguay.....	837	616	222	--	19,427	18,145	1,282	--
Venezuela.....	137,948	29,515	108,432	--	803,680	516,764	286,916	--
Other South American countries.....	--	--	--	--	--	--	--	--
Other Western Hemisphere, total.....	8,395,548	5,660,320	2,734,765	463	8,797,072	5,866,398	2,836,974	93,699
Bahamas.....	262,967	91,717	171,251	--	1,351,406	962,698	387,867	841
Bermuda.....	4,283,380	2,640,320	1,642,626	434	3,371,125	2,250,059	1,121,066	--
Netherlands Antilles.....	2,607,464	2,256,450	351,014	--	1,298,610	1,046,618	251,992	--
Other British West Indies.....	1,241,736	671,833	569,874	29	2,775,931	1,607,024	1,076,049	92,858
All other Western Hemisphere.....	--	--	--	--	--	--	--	--
Europe, total.....	115,519,992	18,346,084	97,156,844	17,064	150,146,833	60,832,511	89,293,946	20,376
European Economic Community, total.....	102,287,692	16,061,725	86,209,579	16,388	129,950,744	51,975,350	77,955,532	19,862
Belgium.....	7,185,327	516,694	6,668,634	--	5,746,972	2,115,804	3,631,168	--
Denmark.....	535,401	74,959	460,442	--	1,015,537	355,023	658,893	1,621
France (including Andorra).....	12,862,361	1,763,916	11,098,445	--	17,076,045	5,737,571	11,338,475	--
Greece.....	47,178	2,462	44,716	--	143,430	38,175	105,255	--
Ireland.....	1,899,524	178,346	1,721,178	--	1,540,968	859,854	681,113	--
Italy (including San Marino).....	5,095,169	840,368	4,253,299	1,502	12,057,926	4,934,022	7,123,107	796
Luxembourg.....	1,088,698	248,337	840,361	--	612,027	198,168	413,859	--
Netherlands.....	13,911,044	1,654,206	12,256,564	273	17,985,787	6,956,638	11,028,897	252
Portugal.....	492,022	17,587	474,436	--	805,256	293,524	511,732	--
Spain.....	3,428,709	242,870	3,185,839	--	5,768,113	1,866,500	3,901,613	--
United Kingdom.....	32,717,094	7,819,377	24,883,108	14,610	40,400,313	17,339,217	23,043,903	17,193
West Germany.....	23,025,163	2,702,603	20,322,557	3	26,798,368	11,280,852	15,517,516	--

Footnotes at end of table.

Controlled Foreign Corporations, 1988

Table 2.—U.S. Corporation Returns with Total Assets of \$500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income and Total Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation—Continued

[Money amounts are in thousands of dollars]

Selected country of incorporation of 7,500 largest Controlled Foreign Corporations	7,500 largest Controlled Foreign Corporations—Continued							
	Receipts by foreign corporations from—				Payments by foreign corporations to—			
	All related persons, total	U.S. corporation filing return and its domestic subsidiaries	Any foreign corporation controlled by U.S. corporation filing return	All other related persons	All related persons, total	U.S. corporation filing return and its domestic subsidiaries	Any foreign corporation controlled by U.S. corporation filing return	All other related persons
	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Other West European countries, total.....	13,232,290	2,284,349	10,947,265	676	20,188,790	8,850,249	11,338,028	514
Austria.....	870,889	92,160	778,729	--	1,562,288	493,873	1,068,415	--
Finland.....	42,804	7,599	35,205	--	613,150	217,905	395,244	--
Liechtenstein.....	149,917	52,169	97,748	--	40,427	22,110	18,317	--
Monaco.....	..	..	..	..	..	..	..	..
Norway.....	450,184	208,997	241,187	--	982,769	550,058	432,711	--
Sweden.....	1,834,669	284,392	1,549,601	676	1,984,169	484,445	1,499,210	514
Switzerland.....	9,839,938	1,601,647	8,238,291	--	14,821,991	7,044,486	7,777,505	--
Turkey.....	40,932	37,060	3,873	--	158,635	19,977	138,658	--
All other West European countries.....	..	..	..	..	..	..	..	..
East European countries, total.....	..	..	..	..	..	..	..	..
East Germany.....	..	..	..	..	..	..	..	..
Rumania.....	..	..	..	..	..	..	..	..
Union of Soviet Socialist Republics.....	..	..	..	..	..	..	..	..
Other East European countries.....	..	..	..	..	..	..	..	..
Africa, total.....	1,763,252	1,002,311	735,789	25,152	1,589,416	791,518	792,757	5,143
North Africa, total.....	10,166	2,627	7,539	--	40,755	21,659	19,096	--
Algeria.....	..	..	..	..	..	..	..	..
Egypt.....	924	126	799	--	22,573	15,751	6,822	--
Libya.....	..	..	..	..	..	..	..	..
Morocco.....	7,025	357	6,668	--	13,790	3,711	10,080	--
Other North African countries.....	..	..	..	..	..	..	..	..
East Africa, total.....	61,023	16,560	44,463	--	69,092	64,966	4,126	--
Ethiopia.....	..	..	..	..	..	..	..	..
Kenya.....	..	..	..	..	..	..	..	..
Tanzania.....	..	..	..	..	..	..	..	..
Uganda.....	..	..	..	..	..	..	..	..
Other East African countries.....	..	..	..	..	..	..	..	..
West and Central Africa, total.....	1,147,867	980,394	142,320	25,152	600,350	441,125	154,082	5,143
Gabon.....	..	..	..	..	..	..	..	..
Ghana.....	..	..	..	..	..	..	..	..
Liberia.....	757,960	625,517	132,443	--	143,527	41,851	101,676	--
Nigeria.....	132,485	1,248,862	7,622	--	278,059	271,208	6,850	--
Zaire.....	1,032	969	63	--	8,541	7,277	2,264	--
Other West and Central African countries.....	2,468	316	2,153	--	51,366	10,941	40,425	--
Southern Africa, total.....	544,197	2,729	541,467	--	879,219	263,765	615,454	--
Malawi.....	..	..	..	..	..	..	..	..
Zimbabwe.....	7,728	--	7,728	--	34,396	7,888	26,508	--
South Africa (including Namibia).....	536,371	2,631	533,740	--	841,536	255,539	585,997	--
Zambia.....	..	..	..	..	..	..	..	..
Other Southern African countries.....	..	..	..	..	..	..	..	..
Asia, total.....	19,757,608	11,173,491	8,581,730	2,387	25,634,785	18,476,870	7,134,217	23,698
Middle East, total.....	524,458	274,555	249,903	--	538,348	379,280	159,069	--
Bahrain.....	68,054	62,903	5,151	--	15,370	1,646	13,724	--
Iran.....	..	..	..	..	..	..	..	..
Iraq.....	..	..	..	..	..	..	..	..
Israel.....	318,196	207,897	110,299	--	134,145	48,555	87,591	--
Kuwait.....	..	..	..	..	..	..	..	..
Lebanon.....	..	..	..	..	..	..	..	..
Qatar.....	..	..	..	..	..	..	..	..
Saudi Arabia.....	131,492	2,799	128,693	--	364,304	312,852	51,452	--
United Arab Emirates.....	..	..	..	..	..	..	..	..
Other Areas of Arabian Peninsula.....	..	..	..	..	..	..	..	..
Other Middle East countries.....	..	..	..	..	..	..	..	..

Footnotes at end of table.

Controlled Foreign Corporations, 1988

Table 2.—U.S. Corporation Returns with Total Assets of \$500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income and Total Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation—Continued

[Money amounts are in thousands of dollars]

Selected country of incorporation of 7,500 largest Controlled Foreign Corporations	7,500 largest Controlled Foreign Corporations—Continued							
	Receipts by foreign corporations from—				Payments by foreign corporations to—			
	All related persons, total	U.S. corporation filing return and its domestic subsidiaries	Any foreign corporation controlled by U.S. corporation filing return	All other related persons	All related persons, total	U.S. corporation filing return and its domestic subsidiaries	Any foreign corporation controlled by U.S. corporation filing return	All other related persons
	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Southern and Southeastern Asia, total.....	7,705,654	5,189,069	2,516,528	57	8,033,617	5,613,580	2,419,978	60
Bangladesh.....	--	--	--	--	--	--	--	--
India.....	18,932	12,900	6,032	--	14,417	11,053	3,364	--
Indonesia.....	11,713	3,106	8,607	--	56,009	21,889	34,120	--
Malaysia.....	2,576,257	1,747,278	828,979	--	2,261,009	1,629,544	631,466	--
Pakistan.....	**	**	**	**	**	**	**	**
Philippines.....	425,129	196,853	228,276	--	648,491	245,723	402,769	--
Singapore.....	3,826,448	2,750,466	1,075,981	--	3,427,307	2,581,932	845,375	--
Sri Lanka.....	--	--	--	--	--	--	--	--
Thailand.....	842,858	478,463	364,338	57	1,620,230	1,120,369	499,801	60
Vietnam.....	--	--	--	--	--	--	--	--
Other Southern and Southeastern Asian countries.....	**	**	**	**	**	**	**	**
East Asia, total.....	11,527,495	5,709,867	5,815,298	2,330	17,062,819	12,484,011	4,555,171	23,638
China.....	11,082	578	10,504	--	12,449	6,161	6,288	--
Taiwan.....	1,287,722	972,515	315,207	--	1,058,521	803,533	254,987	--
Hong Kong.....	2,766,680	1,603,820	1,161,065	1,795	4,515,588	2,896,495	1,617,128	1,965
Japan.....	6,776,132	2,618,341	4,157,255	536	10,893,184	8,396,178	2,475,332	21,673
South Korea, Republic of.....	685,880	514,613	171,267	--	583,077	381,643	201,435	--
Other Eastern Asian countries.....	--	--	--	--	--	--	--	--
Oceania, total.....	2,244,173	480,375	1,631,627	132,172	5,884,437	3,498,119	2,376,404	9,914
Australia.....	2,042,147	425,282	1,484,693	132,172	5,077,509	3,142,999	1,924,595	9,914
New Zealand.....	200,649	55,092	145,557	--	767,420	352,674	414,746	--
Other countries of Oceania.....	**	**	**	**	**	**	**	**
Puerto Rico and U.S. Possessions, total.....	2,520,160	2,011,787	508,372	--	1,036,885	718,519	318,366	--
Puerto Rico.....	155,562	151,274	4,288	--	356,217	344,996	11,221	--
U.S. Possessions, total.....	2,364,598	1,860,513	504,084	--	680,667	373,522	307,145	--
American Samoa.....	--	--	--	--	--	--	--	--
Guam.....	68,642	47,196	21,446	--	339,367	319,161	20,206	--
U.S. Virgin Islands.....	2,295,955	1,813,317	482,638	--	341,300	54,361	286,939	--
Other U.S. Possessions.....	--	--	--	--	--	--	--	--
OPEC countries (Included above).....	416,985	163,540	253,445	--	1,522,429	1,142,395	380,034	--
Tax haven countries (Included above).....	44,354,378	15,567,110	28,741,566	45,702	54,287,945	28,023,747	26,168,282	95,916

¹ Number of returns are not additive since some U.S. corporations have Controlled Foreign Corporations in more than one country.

** Data deleted to avoid disclosure of information on specific corporations.

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

Controlled Foreign Corporations, 1988

Table 3.—U.S. Corporation Returns with Total Assets of \$500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F Income, by Selected Country of Incorporation and Industrial Division of Controlled Foreign Corporation

(Money amounts are in thousands of dollars)

Selected country of incorporation and industrial division of 7,500 largest Controlled Foreign Corporations	Number of U.S. corporation returns ¹	7,500 largest Controlled Foreign Corporations								
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net) on current earnings and profits (less deficit)	Actual distributions in current year	Subpart F income
						Current earnings and profits (+) before taxes	Foreign income taxes (net)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
ALL GEOGRAPHIC AREAS										
All Industries ²	744	7,500	958,113,019	822,975,169	79,811,427	86,885,973	24,064,632	23,929,652	46,524,746	12,101,074
Agriculture, forestry and fishing.....	13	31	807,867	1,235,993	78,031	110,394	21,068	21,385	60,051	17,693
Mining.....	72	218	39,622,679	14,070,239	2,824,664	3,228,144	1,169,581	1,120,944	2,146,376	396,584
Construction.....	21	86	4,021,876	6,164,121	304,964	396,280	147,744	145,626	175,126	17,607
Manufacturing.....	418	3,060	343,317,903	484,236,296	49,370,100	51,602,241	16,034,750	16,008,560	25,600,603	3,402,003
Transportation and public utilities.....	72	194	18,458,833	11,680,656	1,322,159	1,502,800	391,366	393,368	528,920	264,533
Wholesale and retail trade.....	265	1,271	106,224,942	224,169,456	10,384,105	12,221,129	3,836,940	3,811,147	6,196,010	1,544,415
Finance, insurance and real estate.....	461	2,061	414,855,910	62,052,583	13,010,572	14,964,351	1,852,144	1,816,449	10,214,487	5,853,288
Services.....	198	568	30,103,216	18,759,361	2,304,892	2,647,405	604,249	605,350	602,213	604,852
CANADA										
All Industries ²	460	870	160,349,676	142,278,931	12,821,136	13,412,942	4,083,768	3,999,207	6,760,034	982,016
Agriculture, forestry and fishing.....	..	..	..	..	..	..	..	..	..	..
Mining.....	41	60	22,754,157	5,508,732	532,606	687,557	241,137	175,930	305,572	19,028
Construction.....	..	..	..	..	..	..	..	..	..	..
Manufacturing.....	280	408	67,782,373	96,624,689	8,860,798	8,997,108	2,758,205	2,757,032	4,252,907	618,711
Transportation and public utilities.....	27	37	8,099,899	3,914,072	566,026	570,167	223,896	225,271	123,506	14,867
Wholesale and retail trade.....	96	110	11,904,423	25,005,973	982,393	1,049,482	408,920	406,489	406,489	24,294
Finance, insurance and real estate.....	101	177	47,826,383	8,068,003	1,649,763	1,783,941	316,218	299,994	1,599,659	286,222
Services.....	54	66	3,573,992	2,257,177	177,222	267,435	109,852	106,716	18,399	18,892
BRAZIL										
All Industries ²	168	292	23,849,760	29,707,456	4,148,887	4,734,357	1,180,249	1,169,886	1,040,497	513,761
Agriculture, forestry and fishing.....	3	4	119,073	146,882	17,847	17,847	1,074	1,074	14,442	12,453
Mining.....	4	5	121,397	85,388	11,182	12,566	526	1,013	2,500	..
Construction.....	..	..	..	..	..	..	..	..	..	..
Manufacturing.....	118	164	13,425,823	16,054,589	2,700,716	3,139,721	930,835	936,862	722,575	339,337
Transportation and public utilities.....	..	..	..	..	..	..	..	..	..	..
Wholesale and retail trade.....	28	37	2,407,715	7,128,619	523,733	559,946	95,892	96,011	142,065	4,999
Finance, insurance and real estate.....	36	51	5,000,214	3,953,813	424,750	528,578	62,259	64,375	113,292	117,894
Services.....	21	25	1,889,261	1,733,070	327,990	333,029	30,934	31,037	4,080	39,078
MEXICO										
All Industries ²	81	118	7,549,625	9,428,139	1,223,219	1,347,689	411,187	419,856	297,183	96,900
Agriculture, forestry and fishing.....	..	..	..	..	..	..	..	..	..	..
Mining.....	..	..	..	..	..	..	..	..	..	..
Construction.....	..	..	..	..	..	..	..	..	..	..
Manufacturing.....	62	80	5,830,026	8,131,730	1,079,977	1,157,552	364,992	370,145	212,702	58,952
Transportation and public utilities.....	..	..	..	..	..	..	..	..	..	..
Wholesale and retail trade.....	17	19	679,420	747,698	75,688	87,542	20,326	21,297	24,526	2,851
Finance, insurance and real estate.....	10	13	936,840	449,602	63,816	92,073	24,956	27,499	54,016	35,083
Services.....	..	..	..	..	..	..	..	..	..	..
PANAMA										
All Industries ²	65	107	12,931,180	8,422,601	918,236	1,035,105	70,367	75,739	375,268	657,918
Agriculture, forestry and fishing.....	..	..	..	..	..	..	..	..	..	..
Mining.....	7	12	451,067	121,740	658	14,950	4,709	6,205	4,214	55,013
Construction.....	..	..	..	..	..	..	..	..	..	..
Manufacturing.....	15	19	2,702,974	1,398,302	388,272	391,483	24,144	25,815	59,949	170,891
Transportation and public utilities.....	8	20	1,961,760	1,099,836	139,433	142,176	17,625	18,238	7,847	107,914
Wholesale and retail trade.....	16	18	2,072,990	5,068,817	226,017	251,180	11,484	11,534	164,951	148,898
Finance, insurance and real estate.....	21	27	5,211,624	525,976	150,887	211,577	5,387	6,164	135,581	66,722
Services.....	..	..	..	..	..	..	..	..	..	..

Footnotes at end of table.

Controlled Foreign Corporations, 1988

Table 3.—U.S. Corporation Returns with Total Assets of \$500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F Income, by Selected Country of Incorporation and Industrial Division of Controlled Foreign Corporation—Continued

(Money amounts are in thousands of dollars)

Selected country of incorporation and industrial division of 7,500 largest Controlled Foreign Corporations	Number of U.S. corporation returns ¹	7,500 largest Controlled Foreign Corporations								
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net) on current earnings and profits (less deficit)	Actual distributions in current year	Subpart F income
						Current earnings and profits (+) before taxes	Foreign income taxes (net)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
BAHAMAS										
All Industries ²	33	51	7,216,918	5,105,804	255,869	381,090	82,348	82,623	218,335	96,007
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--	--	--	--
Mining.....	5	7	756,513	273,101	144,205	121,213	40,979	40,979	95,325	28,471
Construction.....	--	--	--	--	--	--	--	--	--	--
Manufacturing.....	--	--	--	--	--	--	--	--	--	--
Transportation and public utilities.....	--	--	--	--	--	--	--	--	--	--
Wholesale and retail trade.....	6	10	639,996	2,397,795	87,306	87,306	10,591	10,591	20,921	12,271
Finance, insurance and real estate.....	17	19	3,385,012	285,675	32,994	50,078	181	181	43,197	22,344
Services.....	4	7	782,000	456,975	41,547	53,070	17,225	17,225	14,902	17,930
BERMUDA										
All Industries ²	187	279	27,194,960	11,201,506	2,208,738	2,356,004	208,451	206,032	1,861,114	1,154,631
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--	--	--	--
Mining.....	7	13	1,218,439	1,036,189	515,743	550,766	130,032	130,275	581,027	91,278
Construction.....	--	--	--	--	--	--	--	--	--	--
Manufacturing.....	9	10	1,888,994	825,537	323,505	324,838	2,880	2,939	108,262	27,854
Transportation and public utilities.....	9	12	512,279	478,799	5,531	12,403	1,237	1,237	40,934	6,259
Wholesale and retail trade.....	13	15	2,297,495	3,799,754	160,781	163,975	12,212	12,212	48,521	84,207
Finance, insurance and real estate.....	167	221	20,968,778	4,955,837	1,183,084	1,283,930	57,227	54,506	868,047	941,310
Services.....	8	8	308,973	105,390	20,092	20,092	4,864	4,864	18,322	3,725
NETHERLANDS ANTILLES										
All Industries ²	136	182	35,265,866	3,848,369	1,208,818	1,281,714	76,178	77,124	1,003,069	837,696
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--	--	--	--
Mining.....	--	--	--	--	--	--	--	--	--	--
Construction.....	--	--	--	--	--	--	--	--	--	--
Manufacturing.....	--	--	--	--	--	--	--	--	--	--
Transportation and public utilities.....	--	--	--	--	--	--	--	--	--	--
Wholesale and retail trade.....	--	--	--	--	--	--	--	--	--	--
Finance, insurance and real estate.....	128	172	34,419,842	3,347,785	1,132,398	1,185,155	74,606	75,247	1,003,069	819,960
Services.....	5	5	845,087	162,240	58,101	58,101	1,356	1,356	--	16,173
FRANCE (INCLUDING ANDORRA)										
All Industries ²	232	439	42,329,835	54,149,744	3,360,754	3,743,833	1,349,942	1,344,497	1,484,267	188,950
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--	--	--	--
Mining.....	--	--	--	--	--	--	--	--	--	--
Construction.....	--	--	--	--	--	--	--	--	--	--
Manufacturing.....	156	261	25,173,888	38,957,767	2,570,888	2,759,401	1,020,187	1,017,847	1,241,827	43,750
Transportation and public utilities.....	--	--	--	--	--	--	--	--	--	--
Wholesale and retail trade.....	69	88	6,860,894	11,134,941	438,897	540,594	217,559	214,729	114,712	4,971
Finance, insurance and real estate.....	33	48	8,551,011	1,505,006	233,843	294,763	48,983	49,046	82,776	136,830
Services.....	26	33	1,216,568	1,137,418	64,539	92,643	35,705	35,377	38,221	1,327
ITALY (INCLUDING SAN MARINO)										
All Industries ²	196	337	31,975,821	34,926,624	2,372,433	3,400,807	1,278,697	1,268,774	1,406,853	246,491
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--	--	--	--
Mining.....	--	--	--	--	--	--	--	--	--	--
Construction.....	--	--	--	--	--	--	--	--	--	--
Manufacturing.....	117	180	18,135,265	25,123,926	2,587,980	2,673,611	1,053,365	1,042,757	1,105,057	172,780
Transportation and public utilities.....	--	--	--	--	--	--	--	--	--	--
Wholesale and retail trade.....	63	75	4,833,303	7,379,348	-541,441	383,621	155,754	155,734	87,422	3,450
Finance, insurance and real estate.....	37	48	7,606,337	1,190,985	227,103	239,456	31,254	31,687	199,947	65,749
Services.....	19	24	712,309	677,594	74,931	79,240	30,601	30,874	12,489	4,512

Footnotes at end of table.

Controlled Foreign Corporations, 1988

Table 3.—U.S. Corporation Returns with Total Assets of \$500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F Income, by Selected Country of Incorporation and Industrial Division of Controlled Foreign Corporation—Continued

(Money amounts are in thousands of dollars)

Selected country of incorporation and industrial division of 7,500 largest Controlled Foreign Corporations	Number of U.S. corporation returns ¹	7,500 largest Controlled Foreign Corporations								
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net) on current earnings and profits (less deficit)	Actual distributions in current year	Subpart F income
						Current earnings and profits (+) before taxes	Foreign income taxes (net)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
NETHERLANDS										
All Industries ²	188	365	41,032,710	35,838,811	4,473,899	4,691,383	996,448	975,831	2,501,120	788,834
Agriculture, forestry and fishing.....	..	..	..	..	..	..	..	..	..	..
Mining.....	4	5	276,178	97,560	18,067	18,067	5,789	5,789	..	..
Construction.....	..	..	..	..	..	..	..	..	..	..
Manufacturing.....	87	126	16,014,733	23,140,146	2,914,566	3,039,920	733,754	733,934	1,441,789	90,282
Transportation and public utilities.....	7	8	317,859	111,728	49,059	49,059	18,238	18,238	..	13,747
Wholesale and retail trade.....	50	65	5,310,985	8,961,253	552,350	577,449	127,819	129,353	492,772	162,565
Finance, insurance and real estate.....	82	123	14,879,115	2,135,701	585,899	635,099	70,378	49,424	447,717	253,628
Services.....	24	33	4,089,337	1,191,827	332,440	350,471	31,806	30,429	109,174	268,612
SWITZERLAND										
All Industries ²	127	220	37,898,892	31,584,268	4,477,469	4,554,214	400,494	399,611	4,109,934	1,942,244
Agriculture, forestry and fishing.....	..	..	..	..	..	..	..	..	..	..
Mining.....	..	..	..	..	..	..	..	..	..	..
Construction.....	3	10	282,077	259,226	6,586	15,531	1,705	1,831	2,820	..
Manufacturing.....	37	46	5,322,538	5,405,276	1,084,145	1,087,637	116,397	116,399	1,474,875	308,540
Transportation and public utilities.....	3	3	198,811	67,113	831	1,284	39	2,505	35,000	12,108
Wholesale and retail trade.....	50	63	8,053,397	21,516,575	958,860	988,981	185,163	161,049	766,857	445,675
Finance, insurance and real estate.....	53	80	23,091,129	3,950,222	2,363,901	2,393,396	105,902	106,424	1,821,083	1,156,099
Services.....	14	18	950,938	385,856	63,146	67,385	11,289	11,401	9,299	19,821
UNITED KINGDOM										
All Industries ²	399	1,169	205,412,482	135,953,877	12,801,876	13,878,068	3,882,904	3,824,438	9,461,604	1,321,853
Agriculture, forestry and fishing.....	..	..	..	..	..	..	..	..	..	..
Mining.....	25	43	8,254,297	4,111,937	970,533	1,047,325	553,393	565,907	628,449	141,864
Construction.....	10	16	532,969	915,086	7,428	37,903	18,557	14,417	7,856	2,364
Manufacturing.....	219	386	48,140,128	76,857,996	6,812,697	7,129,945	1,935,617	1,908,465	4,976,198	342,992
Transportation and public utilities.....	..	..	..	..	..	..	..	..	..	..
Wholesale and retail trade.....	87	121	17,826,118	34,267,804	2,055,060	2,195,564	736,554	733,247	1,119,980	101,650
Finance, insurance and real estate.....	177	452	124,089,989	14,062,313	2,305,318	2,898,248	492,349	478,191	2,548,666	682,854
Services.....	79	123	5,604,720	5,010,045	396,603	499,698	115,502	115,315	142,116	38,220
WEST GERMANY										
All Industries ²	258	496	82,478,332	92,175,839	6,766,559	7,221,987	2,306,528	2,314,351	4,550,647	515,256
Agriculture, forestry and fishing.....	..	..	..	..	..	..	..	..	..	..
Mining.....	..	..	..	..	..	..	..	..	..	..
Construction.....	5	6	316,530	549,129	18,960	25,208	10,258	10,258	15,427	..
Manufacturing.....	158	264	41,557,779	65,118,557	5,186,131	5,417,293	1,804,368	1,801,668	3,338,038	210,461
Transportation and public utilities.....	..	..	..	..	..	..	..	..	..	..
Wholesale and retail trade.....	83	101	8,834,067	20,800,381	747,733	830,919	247,197	245,414	746,184	82,984
Finance, insurance and real estate.....	53	75	28,880,129	3,238,575	634,763	724,354	138,598	145,957	316,594	211,106
Services.....	33	41	1,895,698	1,488,326	97,686	137,105	60,035	64,655	35,186	1,848
LIBERIA										
All Industries ²	30	62	5,230,427	1,972,848	90,932	167,223	93	93	39,874	73,734
Agriculture, forestry and fishing.....	..	..	..	..	..	..	..	..	..	..
Mining.....	..	..	..	..	..	..	..	..	..	..
Construction.....	..	..	..	..	..	..	..	..	..	..
Manufacturing.....	..	..	..	..	..	..	..	..	..	..
Transportation and public utilities.....	21	40	2,493,168	1,470,881	75,984	86,183	77	77	28,838	66,329
Wholesale and retail trade.....	..	..	..	..	..	..	..	..	..	..
Finance, insurance and real estate.....	10	15	2,011,652	61,259	-29,790	18,145	3	3	10,286	4,966
Services.....	..	..	..	..	..	..	..	..	..	..

Footnotes at end of table.

Controlled Foreign Corporations, 1988

Table 3.—U.S. Corporation Returns with Total Assets of \$500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F Income, by Selected Country of Incorporation and Industrial Division of Controlled Foreign Corporation—Continued

(Money amounts are in thousands of dollars)

Selected country of incorporation and industrial division of 7,500 largest Controlled Foreign Corporations	Number of U.S. corporation returns ¹	7,500 largest Controlled Foreign Corporations								
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net) on current earnings and profits (less deficit)	Actual distributions in current year	Subpart F income
						Current earnings and profits (+) before taxes	Foreign income taxes (net)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
SOUTH AFRICA (INCLUDING NAMIBIA)										
All industries ²	39	44	1,922,000	3,752,771	265,427	308,043	138,921	138,250	125,969	90,197
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--	--	--	--
Mining.....	--	--	--	--	--	--	--	--	--	--
Construction.....	--	--	--	--	--	--	--	--	--	--
Manufacturing.....	28	29	934,275	1,473,030	173,235	176,669	75,794	75,483	89,188	38,699
Transportation and public utilities.....	--	--	--	--	--	--	--	--	--	--
Wholesale and retail trade.....	9	10	913,841	2,152,684	79,881	118,655	57,422	57,062	54,904	51,061
Finance, insurance and real estate.....	--	--	--	--	--	--	--	--	--	--
Services.....	--	--	--	--	--	--	--	--	--	--
HONG KONG										
All industries ²	110	154	16,875,530	9,795,690	1,387,688	1,450,530	195,287	194,558	873,584	434,105
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--	--	--	--
Mining.....	--	--	--	--	--	--	--	--	--	--
Construction.....	--	--	--	--	--	--	--	--	--	--
Manufacturing.....	34	39	1,574,042	2,750,962	177,046	201,919	26,650	26,444	137,963	38,378
Transportation and public utilities.....	--	--	--	--	--	--	--	--	--	--
Wholesale and retail trade.....	37	41	2,006,422	4,153,431	420,424	433,459	40,234	39,595	244,436	210,465
Finance, insurance and real estate.....	32	51	10,093,512	1,773,474	454,319	463,829	73,389	73,506	241,385	146,440
Services.....	13	14	567,977	242,284	89,335	72,024	7,124	7,124	27,162	38,972
JAPAN										
All industries ²	160	259	44,845,347	55,446,061	6,355,070	6,476,919	3,622,841	3,626,960	1,850,972	261,270
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--	--	--	--
Mining.....	--	--	--	--	--	--	--	--	--	--
Construction.....	--	--	--	--	--	--	--	--	--	--
Manufacturing.....	92	126	29,698,242	32,462,800	4,584,718	4,629,432	2,611,650	2,612,772	1,444,768	214,998
Transportation and public utilities.....	--	--	--	--	--	--	--	--	--	--
Wholesale and retail trade.....	60	86	10,311,196	20,131,251	1,533,236	1,584,891	885,273	887,384	351,366	11,722
Finance, insurance and real estate.....	12	20	3,466,819	1,002,451	106,673	125,517	60,021	60,907	34,605	22,873
Services.....	14	20	1,013,092	1,077,292	107,808	108,452	47,207	47,207	13,886	11,677
AUSTRALIA										
All industries ²	200	347	37,769,546	25,434,709	2,329,597	2,594,987	830,639	815,555	548,448	371,270
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--	--	--	--
Mining.....	9	9	1,196,005	329,298	29,406	54,694	2,070	13	24,867	1,177
Construction.....	--	--	--	--	--	--	--	--	--	--
Manufacturing.....	110	131	10,229,941	12,767,839	1,519,430	1,552,869	554,003	552,574	314,156	53,691
Transportation and public utilities.....	4	6	227,281	309,819	-16,138	2,492	--	-1,326	--	--
Wholesale and retail trade.....	47	54	4,493,822	8,101,734	300,646	384,105	114,446	102,910	67,120	45,398
Finance, insurance and real estate.....	61	114	20,469,027	3,189,420	456,427	547,892	143,866	145,756	123,265	270,914
Services.....	20	29	995,918	573,245	44,908	48,468	16,254	16,225	19,039	90

¹ Number of returns are not additive since some U.S. corporations have Controlled Foreign Corporations in different countries and in different industrial divisions. Moreover, data for only selected countries are shown.

² Includes "Nature of business not allocable," not shown separately.

-- Data deleted to avoid disclosure of information on specific corporations.

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

Controlled Foreign Corporations, 1988

Table 4.—U.S. Corporation Returns with Total Assets of \$500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F Income, by Industrial Division and Year of Incorporation of Controlled Foreign Corporation

(Money amounts are in thousands of dollars)

Industrial division and year of incorporation of 7,500 largest Controlled Foreign Corporations	Number of U.S. corporation returns ¹	7,500 largest Controlled Foreign Corporations								
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net) on current earnings and profits (less deficit)	Actual distributions in current year	Subpart F income
						Current earnings and profits (+) before taxes	Foreign income taxes (net)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All industries *	744	7,500	958,113,019	822,975,169	79,811,427	86,885,973	24,064,632	23,929,652	45,524,746	12,101,074
1988-1989 *	113	180	30,632,293	12,447,188	636,850	767,554	130,300	123,232	225,558	227,216
1985-1987	301	946	104,024,573	44,550,143	4,642,124	5,733,433	1,178,566	1,155,220	1,931,586	1,474,279
1980-1984	405	1,128	135,329,761	69,841,156	8,774,080	9,987,585	1,869,737	1,844,871	5,721,664	1,681,294
1975-1979	351	811	79,220,800	48,782,649	5,808,243	6,348,808	1,222,978	1,177,268	4,445,716	1,000,805
1970-1974	349	907	113,709,262	87,079,425	6,711,290	8,989,749	2,070,267	2,060,854	4,073,485	1,340,039
1965-1969	314	725	74,512,362	76,159,799	8,815,495	7,166,643	1,666,784	1,663,064	3,084,852	1,148,932
1960-1964	285	716	84,234,293	88,062,400	7,777,593	9,331,947	3,206,521	3,218,136	4,921,490	1,318,838
1955-1959	226	489	48,384,875	65,727,521	4,055,588	4,195,903	2,220,514	1,436,799	5,296,586	1,472,828
1950-1954	172	320	55,240,428	52,744,642	1,652,126	1,805,124	515,122	507,859	1,727,302	689,595
1945-1949	128	214	16,725,303	17,351,973	22,232,471	23,906,933	8,407,295	8,377,293	13,293,161	1,554,377
Prior to 1945	265	911	205,010,965	253,243,313	430,000	583,763	141,478	144,873	192,001	58,054
Year not reported	84	153	11,088,085	6,984,959						
Agriculture, forestry and fishing	13	31	807,867	1,235,993	78,031	110,394	21,068	21,385	60,051	17,693
1988-1989 *										
1985-1987										
1980-1984										
1975-1979	4	4	141,297	173,648	1,994	16,771				
1970-1974	4	6	149,132	129,447	19,424	19,435	11	45	16,726	16,139
1965-1969	4	4	117,876	219,149	3,012	5,983	1,517	1,800	393	118
1960-1964										
1955-1959										
1950-1954										
1945-1949										
Prior to 1945										
Year not reported										
Mining	72	216	39,622,679	14,070,239	2,824,664	3,228,144	1,169,581	1,120,944	2,146,376	396,584
1988-1989 *										
1985-1987	24	32	2,193,082	1,389,911	491,892	550,393	143,564	142,690	562,495	92,435
1980-1984	27	40	3,084,270	1,258,559	353,836	412,717	130,016	119,418	147,034	585
1975-1979	22	30	6,024,059	1,488,277	277,743	399,833	113,037	71,284	393,582	47,813
1970-1974	16	24	2,091,144	1,927,410	157,020	202,003	205,328	202,028	283,247	21,986
1965-1969	15	20	2,275,019	1,041,949	265,226	294,566	101,522	92,082	246,880	7,547
1960-1964	16	25	8,954,080	2,484,700	413,569	448,813	146,913	168,255	278,732	171,616
1955-1959	8	12	1,550,597	985,666	173,388	173,654	46,603	43,167	104,071	34,759
1950-1954	9	11	7,144,055	1,542,243	273,515	283,172	144,213	144,720	34,893	7,735
1945-1949										
Prior to 1945	13	14	5,458,302	1,568,861	346,906	377,694	91,632	90,547	39,756	3,251
Year not reported										
Construction	21	86	4,021,876	6,164,121	304,964	396,280	147,744	145,826	175,126	17,607
1988-1989 *										
1985-1987										
1980-1984	8	10	354,476	559,049	9,712	22,125	1,732	-1,174		2,364
1975-1979	6	8	172,558	267,001	6,546	12,145	942	974	2,311	713
1970-1974	8	9	254,820	845,232	18,730	25,358	9,595	10,102	10,259	1,204
1965-1969	6	9	747,829	1,021,209	71,840	89,012	23,742	22,743	37,067	11,391
1960-1964	6	9	364,227	612,025	28,635	42,799	20,559	20,123	17,725	8,057
1955-1959	5	9	308,618	598,470	28,196	35,480	17,786	17,725	38,382	
1950-1954	6	9	489,269	681,709	35,538	44,422	21,461	22,238	38,382	
1945-1949										
Prior to 1945	6	14	1,065,869	1,214,603	55,896	69,336	33,514	33,454	43,374	1,862
Year not reported										
Manufacturing	418	3,060	343,317,903	484,236,296	49,370,100	51,602,241	16,024,750	16,008,560	25,600,603	3,402,003
1988-1989 *	40	46	4,154,025	7,389,187	238,606	272,767	55,958	54,272	18,558	18,462
1985-1987	136	294	17,626,118	21,949,525	1,931,675	2,244,528	645,752	651,679	625,299	230,797
1980-1984	163	293	27,926,183	33,546,517	3,803,548	4,139,834	904,649	905,545	2,046,515	156,424
1975-1979	143	233	22,937,994	26,056,143	3,040,990	3,132,417	530,946	530,153	2,572,478	287,060
1970-1974	174	298	30,419,476	49,918,159	4,495,981	4,626,067	1,219,471	1,220,471	1,949,709	342,754
1965-1969	181	319	27,936,210	44,444,644	3,958,076	4,148,411	1,012,055	915,567	1,684,677	514,942
1960-1964	189	368	31,812,956	43,953,270	4,822,506	5,086,403	1,913,873	1,908,466	3,136,306	417,377
1955-1959	150	274	23,789,915	36,603,426	5,081,481	5,265,189	1,783,525	1,784,274	2,590,890	187,922
1950-1954	113	175	19,082,837	26,790,801	2,314,161	2,412,304	856,269	847,370	704,245	191,577
1945-1949	83	126	7,711,168	10,716,186	1,250,750	1,289,665	384,246	385,495	444,275	90,587
Prior to 1945	183	567	125,286,380	178,224,201	18,157,966	18,823,075	6,733,212	6,708,343	9,785,979	951,889
Year not reported	44	67	4,634,639	4,594,436	274,359	361,583	94,793	95,906	61,671	12,234

Footnotes at end of table.

Controlled Foreign Corporations, 1988

Table 4.—U.S. Corporation Returns with Total Assets of \$500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F Income, by Industrial Division and Year of Incorporation of Controlled Foreign Corporation—Continued

[Money amounts are in thousands of dollars]

Industrial division and year of incorporation of 7,500 largest Controlled Foreign Corporations	Number of U.S. corporation returns ¹	7,500 largest Controlled Foreign Corporations								
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net) on current earnings and profits (less deficit)	Actual distributions in current year	Subpart F income
						Current earnings and profits (+) before taxes	Foreign income taxes (net)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Transportation and public utilities..	72	194	18,458,833	11,680,656	1,322,159	1,502,800	391,366	393,398	528,920	264,533
1988-1989 *	..	..	..	..	..	51,512	14,702	14,705	1,351	11,838
1985-1987 ..	17	23	644,298	318,580	35,052	309,487	73,321	73,596	182,890	46,778
1980-1984 ..	20	43	3,610,469	1,588,594	211,707	174,058	24,659	23,929	148,836	22,884
1975-1979 ..	20	32	2,033,284	1,017,899	185,121	178,978	10,103	8,373	11,959	17,150
1970-1974 ..	21	29	1,714,369	989,975	62,067	62,067	2,945	4,306	10,087	23,819
1965-1969 ..	8	8	577,455	622,204	28,586	42,984	8,890	8,859	23,338	117,998
1960-1964 ..	10	11	1,591,313	1,074,233	163,580	170,348	34,997	11,070	43,239	16,345
1955-1959 ..	7	7	1,382,703	1,645,821	34,544	129,451	53,665	53,787	32,126	1,119
1950-1954 ..	9	9	1,075,660	1,437,358	127,822	..	..	..	..	..
1945-1949 ..	..	..	..	..	..	..	..	..	..	..
Prior to 1945 ..	17	24	5,481,207	2,470,341	501,403	507,458	192,878	193,184	95,095	6,601
Year not reported ..	..	..	..	..	..	..	..	..	..	..
Wholesale and retail trade.....	265	1,271	106,224,942	224,169,456	10,384,105	12,221,129	3,836,940	3,811,147	6,196,010	1,544,415
1988-1989 *	17	20	1,321,474	2,741,233	49,528	56,168	11,293	13,071	1,268	3,879
1985-1987 ..	76	132	7,180,009	11,358,739	607,888	740,313	180,534	158,588	182,200	255,529
1980-1984 ..	99	168	8,391,288	18,603,023	1,387,614	1,481,682	332,982	332,712	870,884	59,634
1975-1979 ..	83	138	8,060,533	11,757,980	799,821	872,781	288,494	289,319	314,581	60,970
1970-1974 ..	101	165	9,130,940	19,576,700	931,120	1,101,433	299,034	296,316	399,467	83,200
1965-1969 ..	88	171	11,396,930	20,504,418	1,125,365	1,223,629	370,263	370,718	571,143	152,924
1960-1964 ..	74	146	14,384,448	33,102,207	2,207,515	2,270,574	855,483	846,905	869,121	95,987
1955-1959 ..	62	89	7,357,921	22,432,127	986,788	1,002,709	229,561	230,294	935,565	397,135
1950-1954 ..	36	49	6,314,358	18,657,994	559,752	572,910	167,875	167,875	628,793	181,497
1945-1949 ..	33	48	3,557,829	5,467,005	231,240	284,328	85,832	77,042	107,635	22,874
Prior to 1945 ..	54	131	28,745,786	59,377,838	1,461,020	2,574,369	1,013,797	1,006,956	1,307,822	229,070
Year not reported ..	13	14	403,829	590,194	56,875	60,253	21,991	21,552	7,529	1,917
Finance, insurance and real estate.	481	2,061	414,855,910	62,052,583	13,010,572	14,964,351	1,852,144	1,816,449	10,214,487	5,853,288
1988-1989 *	55	87	23,422,384	1,720,480	279,248	333,002	15,832	10,811	150,446	196,217
1985-1987 ..	139	376	71,846,107	7,495,837	1,282,637	1,790,791	156,171	127,706	543,767	747,546
1980-1984 ..	226	472	85,956,128	10,994,772	2,373,399	2,962,851	303,713	291,455	2,368,732	1,189,175
1975-1979 ..	178	294	35,957,372	5,221,398	2,143,495	2,129,905	167,280	163,853	912,020	550,801
1970-1974 ..	149	290	65,772,298	9,447,986	2,143,021	2,460,062	246,217	241,697	1,241,669	856,935
1965-1969 ..	86	138	27,358,276	6,340,493	990,496	1,071,200	171,910	174,337	549,792	463,313
1960-1964 ..	89	110	24,887,483	5,191,055	1,053,378	1,089,000	189,792	193,546	1,576,452	823,632
1955-1959 ..	69	110	11,879,504	2,155,008	1,378,212	1,420,501	87,218	87,565	264,461	297,162
1950-1954 ..	43	55	20,505,444	3,103,244	704,314	712,849	172,162	181,137	35,421	21,377
1945-1949 ..	38	50	5,031,717	715,333	112,382	144,908	21,485	21,763	35,421	361,705
Prior to 1945 ..	73	121	37,325,615	8,878,052	1,630,565	1,657,750	312,864	315,242	2,018,089	43,904
Year not reported ..	27	40	4,913,583	788,925	69,426	101,532	7,518	7,338	117,144	..
Services.....	198	568	30,103,216	18,759,361	2,304,892	2,647,405	604,249	605,350	602,213	604,952
1988-1989 *	10	12	578,742	150,410	9,320	20,885	4,501	1,585	..	..
1985-1987 ..	50	76	4,228,253	1,647,823	282,632	318,998	42,019	43,786	11,179	135,563
1980-1984 ..	60	97	5,915,621	2,951,891	644,327	668,208	119,614	119,409	124,781	245,469
1975-1979 ..	51	70	3,602,712	2,578,040	319,172	337,541	97,067	97,048	85,181	14,424
1970-1974 ..	60	86	4,177,103	4,244,517	448,201	476,413	79,002	80,066	176,781	16,692
1965-1969 ..	39	56	4,102,787	1,965,736	268,690	291,059	83,099	82,063	117,819	116,789
1960-1964 ..	30	43	2,140,895	1,501,468	126,970	211,963	66,047	68,019	24,240	52,474
1955-1959 ..	32	42	2,116,149	1,306,227	94,989	136,383	46,798	46,230	28,080	13,035
1950-1954 ..	12	16	608,952	453,848	39,477	39,787	19,878	19,873	4,401	10,504
1945-1949 ..	6	8	144,246	156,938	-10,896	16,901	5,624	5,624	1,956	..
Prior to 1945 ..	25	39	1,622,729	1,465,092	67,213	85,750	28,156	28,296	22,137	..
Year not reported ..	11	25	865,047	337,572	14,797	43,517	12,448	15,350	5,657	..

¹ Number of returns are not additive since some U.S. corporations have Controlled Foreign Corporations incorporated in different years.

* Includes "Nature of business not allocable," not shown separately.

² For 1989, includes only Controlled Foreign Corporations incorporated between January and June.

** Data deleted to avoid disclosure of information on specific corporations.

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

International Boycott Participation, 1990

Data Release

For tax year 1990, 1,210 corporations, 65 partnerships and 6 individuals reported operations in countries known to participate in unsanctioned international boycotts. Roughly one-fifth of these persons, 256, were requested to participate in boycotts, but only 71, less than 6 percent, actually agreed to participate. Forty-one persons, mostly corporations, lost tax benefits as a result of their boycott participation.

Since the Tax Reform Act of 1976, U.S. persons with business operations in countries known to participate in unsanctioned international boycotts must report these operations to the Internal Revenue Service. Those persons who agree to participate, or cooperate with, an international boycott can be penalized, having their U.S. tax benefits reduced by the extent to which benefits relate to boycott income. The benefits which can be reduced are the foreign tax credit, deferral of taxation on the earnings of Controlled Foreign Corporations, deferral of income from an Interest-Charge Domestic International Sales Corporation (IC-DISC), and tax exemption of foreign trade income of a Foreign Sales Corporation (FSC). (The Department of Commerce can also fine the participating person.)

A person is considered to have participated in an international boycott if:

- (1) as a condition of business with the boycotting country, the person agrees to refrain from:
 - (a) doing business in the boycotted country (Type 1 request, as shown in Table 1);
 - (b) doing business with any U.S. person in the boycotted country (Type 2);
 - (c) doing business with any company owned or managed by a particular nationality of the boycotted country (Type 3); and
 - (d) employing any person of a certain nationality, race or religion (Type 4), and
- (2) as a condition of the sale of a product to a boycotting country, the person refrains from using a shipper or insurer that does not participate in an international boycott

as defined above (Type 5).

For purposes of this determination, "country" includes governments, nationals or companies of the boycotting or boycotted country. A "person" could be a corporation, a partnership, an individual, an estate, a trust or other entity. A person refraining from importing or exporting products to the boycotted country, however, is not penalized.

The Treasury Department maintains a list of countries known to participate in an international boycott. All of the countries on the current list are Arab nations which boycott Israel. There are others that participated in unsanctioned boycotts in 1990, most notably Bangladesh, Iran and Pakistan. While all three boycotted Israel, Pakistan also maintained a boycott of India and Iran boycotted Iraq. (See Table 2.)

The participating person computes the loss of tax benefits with either the "international boycott factor method" or the "specifically attributable income and taxes method". (See Table 3.) With the former, the taxpayer computes the ratio of purchases, sales and payroll attributable to boycotting countries to the overall foreign purchases, sales, and payroll and reduces each tax benefit by this ratio. With the specifically attributable method, income and taxes attributable to operations related to boycott participation are disallowed as a portion of the tax benefits. For example, the taxpayer would have to lower the foreign taxes available for the foreign tax credit by the amount of foreign taxes paid to boycotting countries. Likewise, foreign trade income of a FSC from these countries would lose its tax exempt status.

With either method, the taxpayer converts a portion of its undistributed income from its controlled foreign corporations to subpart F income, thereby increasing the income subject to U.S. tax. IC-DISC boycott income is made taxable to its shareholders.

The statistics reported in the following tables were derived from all Forms 5713, *International Boycott Report*, filed during 1991 with an accounting period ending in 1990.

This data release was written by Lissa Redmiles, an economist with the Foreign Returns Analysis Section, under the direction of Chris Carson, Chief.

International Boycott Participation, 1990

Table 1.--Boycott Requests and Agreements, by Type

Requests and agreements	Number of persons or requests	Number of persons or agreements	Percentage
	(1)	(2)	(3)
Number of persons receiving requests and agreeing to participate.....	256	71	28
Total requests and agreements.....	9,932	3,122	31
Type 1.....	3,786	952	25
Type 2.....	1,545	746	48
Type 3.....	581	43	7
Type 4.....	343	23	7
Type 5.....	3,677	1,358	37

NOTE: Types of requests and agreements are described in the text.

Table 2.--Operations, Requests and Agreements, by Boycotting Country

Country	Number of persons with operations in countries boycotting--		Number of requests	Number of agreements
	Israel	Others		
	(1)	(2)	(3)	(4)
All countries.....	1,449	220	9,932	3,122
Treasury listed countries, total.....	1,269	67	9,527	3,082
Bahrain.....	631	--	517	264
Iraq.....	444	5	829	182
Jordan.....	588	--	318	160
Kuwait.....	782	28	1,618	751
Lebanon.....	455	--	217	115
Libya.....	230	--	244	48
Oman.....	532	4	748	267
Qatar.....	504	--	587	198
Saudi Arabia.....	1,077	14	1,934	373
Syria.....	393	--	424	32
United Arab Emirates.....	811	11	1,960	682
Yemen, Republic of.....	329	--	131	10
Middle East, not allocable.....	11	5	--	--
Nonlisted countries, total.....	180	174	405	40
Bangladesh.....	27	15	35	14
Iran.....	49	(1)	48	8
Pakistan.....	64	41	103	5
Other countries.....	214	(1)	219	13

¹ Data deleted to avoid disclosure of information about specific taxpayers.

Table 3.--Loss of Income and Tax Benefits, by Method

[Money amounts are in thousands of dollars]

Method	Number of returns	Foreign tax credit reduction ¹	Subpart F boycott income	FSC boycott income ²
	(1)	(2)	(3)	(4)
Boycott factor method.....	15	960	6,111	3
Specifically attributable method.....	26	1,371	4,553	66

¹ For the boycott factor method, this amount is the reduction of foreign taxes available for credit.

² Foreign Sales Corporation foreign trade income.

NOTE: No returns reported loss of benefits related to income from Interest-Charge Domestic International Sales Corporations for 1990.

Foreign Recipients of U.S. Partnership Income, 1990

Data Release

Under the Tax Reform Act of 1986, U.S. partnerships are required to withhold income tax on "effectively connected taxable income" deemed allocable to foreign partners. The U.S. partnership must file a Form 8805, *Foreign Partner's Information Statement of Section 1446 Withholding Tax*, for each foreign partner. This form identifies the partner by name, address and type of partner (individual, corporation, partnership, or other), as well as the income attributable to that partner, and the tax withheld on that income by the partnership. The 1990 withholding rate for income allocable to foreign corporate partners was 34 percent. The 1990 withholding rate for income allocable to all other foreign partners was 28 percent. The U.S. partnership must file a Form 8804, *Annual Return for Partnership Withholding Tax (Section 1446)*, for itself. This form lists the income attributable to foreign partners as a whole, and the tax withheld from that income. Data from Form 8804 are not included in this data release.

Table 1 shows the number of Forms 8805 filed for Calendar Year 1990, as well as the taxable income attribut-

able to the partners, tax withheld, Internal Revenue Code section 1445 credit taken, and net tax withheld under Internal Revenue Code section 1446. The table shows totals for all types of foreign partners, with separate totals for individual partners and corporate partners.

The Internal Revenue Code section 1445 credit refers to the withholding on amounts realized on the disposition of a U.S. real property interest. When a U.S. partnership disposes of a U.S. real property interest, a withholding tax is imposed on any gain from that disposition that is allocable to a foreign person. The partnership, when computing the amount to be withheld from the foreign partner's allocable income for the particular year, may deduct any amount already withheld on the allocable gain from the distribution of the U.S. real property interest.

The term "effectively connected taxable income" refers to the taxable income of the partnership which is effectively connected with the conduct of a trade or business in the United States (see Internal Revenue Code section 1446(c) for further explanation).

This data release was written by Kimberly Veletto, an economist with the Foreign Returns Analysis Section, under the direction of Chris Carson, Chief.

Foreign Recipients of U.S. Partnership Income, 1990

Table 1.--Foreign Recipients of U.S. Partnership Income: U.S. Income and Tax Withheld as Reported on Form 8805, by Selected Type of Recipient and Country of Residence

[Money amounts are in whole dollars]

Country	Number of Forms 8805 filed	Taxable income	U.S. tax withheld		
			Total	Code section 1445 credit	Net tax withheld
	(1)	(2)	(3)	(4)	(5)
ALL RECIPIENTS ¹					
All countries.....	30,645	429,255,092	140,701,926	3,436,031	137,265,895
Bermuda.....	23	9,984,330	3,206,285	--	3,206,285
British Virgin Islands.....	32	5,749,318	1,965,049	--	1,965,049
Canada.....	2,883	64,362,602	22,453,072	348,529	22,104,543
France.....	144	30,489,949	10,562,827	195,433	10,367,394
Japan.....	1,354	61,756,886	22,037,939	634	22,037,305
Mexico.....	381	3,448,891	1,110,383	426	1,109,957
Netherlands.....	795	16,407,809	5,272,436	1,725,348	3,547,088
Switzerland.....	623	5,751,713	1,967,227	35,531	1,931,696
United Kingdom.....	434	36,559,963	12,397,892	255,480	12,142,411
West Germany.....	21,683	96,386,860	33,050,108	557,363	32,492,745
Other countries.....	2,293	98,356,771	26,678,708	317,286	26,361,422
INDIVIDUALS					
All countries.....	27,848	159,038,702	45,843,312	1,966,585	43,876,727
Bermuda.....	3	70,962	19,888	--	19,888
British Virgin Islands.....	10	4,137	1,460	--	1,460
Canada.....	2,198	10,115,556	2,998,163	172,385	2,825,778
France.....	104	12,753,852	3,599,730	195,433	3,404,297
Japan.....	990	3,782,654	1,112,840	192	1,112,648
Mexico.....	326	3,114,803	996,794	426	996,368
Netherlands.....	536	6,527,792	1,930,439	914,182	1,016,258
Switzerland.....	444	4,337,072	1,382,218	35,531	1,346,687
United Kingdom.....	322	9,673,419	2,958,403	10,892	2,947,511
West Germany.....	21,271	71,535,598	23,188,409	402,416	22,785,993
Other countries.....	1,644	37,122,858	7,654,967	235,127	7,419,840
CORPORATIONS					
All countries.....	2,286	217,399,834	76,243,155	536,392	75,706,763
Bermuda.....	14	144,132	50,041	--	50,041
British Virgin Islands.....	17	5,458,477	1,866,110	--	1,866,110
Canada.....	542	40,548,376	13,891,454	128,714	13,762,740
France.....	39	17,734,559	6,962,666	--	6,962,666
Japan.....	344	51,819,557	19,201,790	442	19,201,348
Mexico.....	11	119,063	59,194	--	59,194
Netherlands.....	240	7,000,876	2,533,304	80,488	2,452,816
Switzerland.....	164	1,329,392	553,193	--	553,193
United Kingdom.....	98	26,826,287	9,401,117	244,588	9,156,529
West Germany.....	257	18,749,658	6,762,421	--	6,762,421
Other countries.....	560	47,669,458	14,961,865	82,160	14,879,706

¹ Includes "persons" other than individuals and corporations, not shown separately.

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

Private Foundation and Charitable Trust Statistics, 1989

Data Release

Pivate foundations experienced a strong year for 1989 as both total revenues and total assets increased markedly from 1988. Total foundation revenues increased by 22 percent, to \$19.9 billion, thereby reversing the trend of declining revenues from 1986 to 1988. Increasing revenues resulted largely from significant increases in the amount of contributions received, 32 percent, and net gains from sales of assets, 30 percent. Decreases in these two items contributed to the declining revenues for the 2 previous years. Total foundation assets increased from 1988 to 1989 at the highest annual rate of the past decade, 18 percent, to \$151.7 billion. Assisted by a relatively strong stock market in 1989, the value of investments in securities, which represented 80 percent of total assets, increased by 22 percent. Likewise, foundations realized rates of total return on assets that increased from the 1988 rates of return [1]. The very largest foundations, those holding \$100 million or more in assets, realized a rate of return of 12.7 percent.

Foundations maintained relatively consistent levels of charitable giving for 1989, with the amount of their contributions and grants increasing by 10 percent over 1988, to \$8.1 billion. Likewise, foundation payout rates remained relatively constant as well, ranging from 10.9 percent for the very smallest to 5.0 percent for the very largest foundations. (The term, "payout rate," refers to the amount of a foundation's charitable distributions, plus or minus certain allowable adjustments, divided by its net investment assets. Since 1982, the required annual payout requirement has been set at 5.0 percent.)

Charitable Trusts

For the first time since 1979, Statistics of Income has collected and published data on charitable trusts included under Internal Revenue Code section 4947(a)(1). These trusts have exclusively charitable interests. They currently file the Form 990-PF, *Return of Private Foundation*.

Other charitable trusts, which receive the majority of their support from public, rather than private sources, file the Form 990, *Return of Organization Exempt from Income Tax*. And, split-interest trusts, which have both charitable and noncharitable beneficiaries, file the Form 5227, *Split-Interest Trust Information Return*. The trusts examined here, like private foundations, are considered tax-exempt organizations and are subject to the same charitable distribution and excise tax requirements as foundations. However, they are not required to formally apply for tax-exemption with the Internal Revenue Service.

For 1989, there were over 2,600 charitable trusts filing Form 990-PF. They held \$2.9 billion in total assets and realized \$404.6 million in total revenues. The trusts, which paid out charitable dollars at a slightly lower rate than the foundations, distributed a total of \$143.7 million in contributions and grants for 1989. From 1979 to 1989 the number of charitable trusts filing Form 990-PF increased by over 25 percent. On a book value basis, total assets increased by over 50 percent in constant dollars from 1979 to 1989, approximately half the rate of increase in private foundation assets over the same time period.

Summary Statistics

Tables 1 and 2 provide summary statistics for 1989 for both private foundations and charitable trusts. The data are separated to show the different sizes of foundations (and trusts), grouped by fair market value of assets. More extensive data and analyses will be included in the upcoming article, "Private Foundations and Charitable Trusts, 1989," by Alicia Meckstroth. The article will be included in a later issue of the *Statistics of Income Bulletin*.

Notes and References

[1] Rates of total return take into account both realized and unrealized gains on investments.

This data release was written by Alicia Meckstroth, an economist with the Foreign Special Projects Section, under the direction of Michael Alexander, Chief.

Private Foundation and Charitable Trust Statistics, 1989

Table 1.—All Private Foundations: Balance Sheets and Income Statements, by Size of Fair Market Value of Total Assets

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

Item	Total	Size of fair market value of total assets			
		Assets zero or unreported	\$1 under \$100,000	\$100,000 under \$1,000,000	\$1,000,000 under \$10,000,000
	(1)	(2)	(3)	(4)	(5)
Number of returns.....	38,773	946	14,352	14,799	7,049
Total assets (book value).....	118,202,994	*62,466	476,009	4,982,084	18,081,031
Cash, total.....	13,496,423	*48,822	249,857	1,525,192	3,379,093
Non-interest bearing accounts.....	1,230,791	*35	64,128	287,955	438,837
Savings and temporary cash investments.....	12,265,632	*48,787	185,729	1,257,237	2,940,256
Accounts receivable, net.....	618,639	--	4,026	23,786	89,578
Pledges receivable, net.....	130,630	--	--	*27,194	26,272
Grants receivable.....	47,059	--	--	*5,516	*15,028
Receivables due from disqualified persons.....	118,490	--	*3,023	*5,909	45,763
Other notes and loans receivable.....	891,024	*38	5,070	96,497	230,948
Inventories.....	83,416	--	*1,247	*12,909	4,715
Prepaid expenses and deferred charges.....	111,387	*6,000	945	6,728	14,980
Investments (non-cash), total.....	96,814,483	*5,655	194,997	3,060,828	13,389,373
Securities.....	89,777,246	*5,655	181,817	2,767,526	12,398,927
Land, buildings and equipment (less accumulated depreciation).....	2,410,339	--	*2,739	101,776	369,134
Mortgage loans.....	449,201	--	*3,799	60,093	155,064
Other investments.....	4,177,697	--	6,643	131,433	466,247
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	2,212,993	--	8,711	161,778	609,068
Other assets.....	1,678,447	*1,950	8,132	55,745	276,212
Total liabilities.....	4,360,399	105,924	41,906	102,469	561,353
Net worth.....	111,842,594	-43,458	434,103	4,879,614	17,519,678
Total revenue.....	19,916,920	136,027	330,392	1,272,296	4,165,432
Contributions, gifts and grants received.....	6,936,870	135,100	276,419	763,946	2,125,079
Interest on savings and temporary cash investments.....	1,455,676	843	17,079	124,108	321,298
Dividends and interest from securities.....	5,969,519	*272	13,855	220,056	884,010
Gross rents.....	203,827	--	*1,044	13,018	54,004
Net gain (less loss) from sale of assets.....	4,738,242	*419	10,765	128,612	662,770
Gross profit (less loss) from business activities.....	64,602	--	2,340	4,009	12,369
Other income.....	548,179	*230	8,889	18,545	125,899
Total expenses.....	10,734,604	159,420	343,434	885,351	2,141,205
Contributions, gifts and grants paid.....	8,481,867	158,866	285,936	701,678	1,688,000
Compensation of officers.....	217,404	*455	4,099	16,213	51,349
Other salaries and wages.....	420,678	*53	9,023	46,828	78,374
Pension plans and employee benefits.....	110,998	--	714	4,060	11,586
Legal fees.....	67,323	528	1,907	9,415	18,448
Accounting fees.....	53,484	375	3,499	10,297	17,619
Other professional fees.....	304,809	*117	5,564	11,253	48,250
Interest.....	52,659	*1	298	4,216	19,761
Taxes.....	221,145	83	1,600	13,538	42,083
Depreciation and depletion.....	103,465	--	849	6,732	22,994
Occupancy.....	121,679	*192	3,778	14,163	22,237
Travel, conferences and meetings.....	58,529	*50	4,669	3,452	8,140
Printing and publications.....	32,780	28	3,170	1,928	5,419
Other expenses.....	487,779	670	18,327	41,575	106,944
Excess of revenue (less loss) over expenses.....	9,182,315	-23,392	-13,043	386,945	2,024,226
Excess of revenue.....	10,344,434	*46	66,407	567,730	2,300,422
Loss.....	1,162,120	23,438	79,450	180,785	276,196
Total assets (fair market value).....	151,694,261	--	455,836	5,500,624	21,242,400
Cash, total.....	13,464,610	--	249,685	1,528,516	3,383,919
Non-interest bearing accounts.....	1,239,869	--	63,947	274,118	441,780
Savings and temporary cash investments.....	12,224,741	--	185,738	1,254,398	2,942,139
Accounts receivable, net.....	635,050	--	4,026	23,623	99,955
Pledges receivable, net.....	130,151	--	--	*27,194	*25,344
Grants receivable.....	47,059	--	--	*5,516	*15,028
Receivables due from disqualified persons.....	128,348	--	*2,672	*5,909	54,941
Other notes and loans receivable.....	952,477	--	5,070	95,910	229,007
Inventories.....	84,253	--	*881	*13,867	4,720
Prepaid expenses and deferred charges.....	152,162	--	937	7,261	14,949
Investments (non-cash), total.....	130,420,912	--	173,772	3,547,169	16,255,286
Securities.....	121,393,974	--	160,407	3,207,334	15,067,879
Land, buildings and equipment (less accumulated depreciation).....	3,296,273	--	*2,456	123,002	510,337
Mortgage loans.....	458,691	--	*3,157	60,093	169,339
Other investments.....	5,271,974	--	7,752	156,740	507,731
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	2,856,022	--	9,254	178,049	800,900
Other assets.....	2,823,217	--	9,539	67,609	357,991
Total beginning-of-year assets (book value).....	105,953,876	29,031	496,440	4,605,854	16,112,783
Investments in securities, beginning of year (book value).....	81,164,570	*14,285	202,409	2,515,179	10,971,214

Footnotes at end of table.

Private Foundation and Charitable Trust Statistics, 1989

Table 1.—All Private Foundations: Balance Sheets and Income Statements, by Size of Fair Market Value of Total Assets—Continued

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

Item	Size of fair market value of total assets—Continued			
	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 or more
	(6)	(7)	(8)	(9)
Number of returns.....	912	329	196	189
Total assets (book value).....	11,650,413	9,668,966	11,275,587	60,006,437
Cash, total.....	1,461,366	1,127,027	1,176,664	4,528,402
Non-interest bearing accounts.....	129,802	113,559	43,606	172,869
Savings and temporary cash investments.....	1,331,564	1,013,468	1,133,058	4,355,533
Accounts receivable, net.....	38,638	42,985	30,707	388,919
Pledges receivable, net.....	11,955	53,323	11,366	520
Grants receivable.....	17,392	6,466	—	2,658
Receivables due from disqualified persons.....	3,624	39,041	20,559	570
Other notes and loans receivable.....	106,714	124,825	71,327	255,605
Inventories.....	9,505	43,647	8,080	3,312
Prepaid expenses and deferred charges.....	28,260	5,497	4,918	44,058
Investments (non-cash), total.....	9,524,751	7,849,777	9,482,807	53,306,294
Securities.....	8,855,268	7,425,401	8,909,752	49,232,899
Land, buildings and equipment (less accumulated depreciation).....	146,495	187,538	163,394	1,439,262
Mortgage loans.....	59,990	44,061	50,311	75,883
Other investments.....	462,997	192,777	359,351	2,558,250
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	326,499	253,117	309,378	544,442
Other assets.....	121,708	123,260	159,781	931,658
Total liabilities.....	258,224	481,660	224,159	2,584,703
Net worth.....	11,392,189	9,187,306	11,051,427	57,421,734
Total revenue.....	2,240,661	1,876,996	1,821,957	8,273,159
Contributions, gifts and grants received.....	927,043	612,788	434,364	1,662,130
Interest on savings and temporary cash investments.....	183,638	138,579	138,758	531,373
Dividends and interest from securities.....	601,816	479,026	600,991	3,189,493
Gross rents.....	21,912	25,792	8,302	79,755
Net gain (less loss) from sale of assets.....	418,521	343,714	571,892	2,602,386
Gross profit (less loss) from business activities.....	18,368	11,088	14,352	2,075
Other income.....	69,361	66,010	53,298	205,948
Total expenses.....	1,182,517	934,125	879,903	4,208,649
Contributions, gifts and grants paid.....	928,758	712,869	659,642	3,348,118
Compensation of officers.....	29,105	23,751	22,521	69,909
Other salaries and wages.....	46,038	42,671	41,597	156,093
Pension plans and employee benefits.....	9,156	9,252	10,238	65,991
Legal fees.....	5,914	5,443	6,388	19,279
Accounting fees.....	6,414	4,650	4,288	6,343
Other professional fees.....	33,610	27,272	31,700	147,043
Interest.....	2,996	14,522	1,859	9,006
Taxes.....	27,093	18,801	21,925	96,022
Depreciation and depletion.....	17,863	14,657	12,992	27,377
Occupancy.....	12,290	10,914	9,736	48,369
Travel, conferences and meetings.....	4,830	2,721	4,503	30,163
Printing and publications.....	3,195	1,300	3,939	13,800
Other expenses.....	55,253	45,300	48,575	171,134
Excess of revenue (less loss) over expenses.....	1,058,143	742,871	942,054	4,064,510
Excess of revenue.....	1,168,050	847,613	989,107	4,405,059
Loss.....	109,906	104,742	47,053	340,549
Total assets (fair market value).....	14,086,317	11,554,315	13,615,696	85,239,432
Cash, total.....	1,464,713	1,128,820	1,174,736	4,534,221
Non-interest bearing accounts.....	127,744	113,058	42,953	176,269
Savings and temporary cash investments.....	1,336,968	1,015,762	1,131,783	4,357,952
Accounts receivable, net.....	42,213	43,425	32,892	388,915
Pledges receivable, net.....	11,955	53,323	11,814	520
Grants receivable.....	17,392	6,466	—	2,658
Receivables due from disqualified persons.....	4,654	39,041	20,559	570
Other notes and loans receivable.....	107,365	120,352	71,295	323,478
Inventories.....	9,504	43,647	8,080	3,553
Prepaid expenses and deferred charges.....	14,524	5,542	4,702	104,248
Investments (non-cash), total.....	11,818,869	9,626,317	11,785,351	77,214,149
Securities.....	11,029,294	8,997,526	10,931,558	71,999,978
Land, buildings and equipment (less accumulated depreciation).....	211,280	333,132	318,579	1,797,487
Mortgage loans.....	54,512	44,076	50,280	77,233
Other investments.....	523,783	251,583	484,935	3,339,450
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	457,306	354,461	333,533	722,519
Other assets.....	137,822	132,919	172,735	1,944,602
Total beginning-of-year assets (book value).....	10,506,034	8,840,285	10,204,143	55,159,307
Investments in securities, beginning of year (book value).....	7,860,378	6,506,320	8,108,914	44,985,871

*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.

Private Foundation and Charitable Trust Statistics, 1989

Table 2.--All Internal Revenue Code Section 4947(a)(1) Charitable Trusts Treated as Foundations: Balance Sheets and Income Statements, by Size of Fair Market Value of Total Assets

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

Item	Total	Size of fair market value of total assets			
		Assets zero or unreported	\$1 under \$100,000	\$100,000 under \$1,000,000	\$1,000,000 under \$10,000,000
	(1)	(2)	(3)	(4)	(5)
Number of returns.....	2,634	*21	942	1,155	478
Total assets (book value).....	2,267,350	--	30,869	374,843	1,090,623
Cash, total.....	270,200	--	4,977	46,071	128,106
Non-interest bearing accounts.....	31,106	--	1,451	7,294	18,360
Savings and temporary cash investments.....	239,095	--	3,526	38,778	109,726
Accounts receivable, net.....	6,607	--	--	*5,630	949
Pledges receivable, net.....	*58	--	--	--	58
Grants receivable.....	--	--	--	--	--
Receivables due from disqualified persons.....	*575	--	*69	*428	78
Other notes and loans receivable.....	5,672	--	*383	1,597	3,179
Inventories.....	*11,668	--	--	*128	--
Prepaid expenses and deferred charges.....	240	--	*23	*34	45
Investments (non-cash), total.....	1,905,618	--	23,763	309,788	937,905
Securities.....	1,722,125	--	23,337	291,791	885,374
Land, buildings and equipment (less accumulated depreciation).....	19,675	--	--	6,105	7,067
Mortgage loans.....	16,517	--	*16	1,884	6,639
Other investments.....	147,301	--	*410	10,008	38,824
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	31,467	--	--	5,318	12,261
Other assets.....	35,244	--	1,652	5,848	8,041
Total liabilities.....	13,754	--	45	5,493	3,857
Net worth.....	2,253,596	--	30,823	369,350	1,086,766
Total revenue.....	404,571	*3,783	4,299	56,682	204,232
Contributions, gifts and grants received.....	86,254	*3,633	1,071	8,443	49,800
Interest on savings and temporary cash investments.....	29,589	12	643	4,393	12,462
Dividends and interest from securities.....	127,828	112	1,733	22,584	64,215
Gross rents.....	6,464	--	*55	1,510	2,628
Net gain (less loss) from sale of assets.....	132,869	27	361	12,915	70,321
Gross profit (less loss) from business activities.....	*48	--	*30	--	44
Other income.....	21,518	--	407	6,836	4,762
Total expenses.....	184,191	3,910	5,627	39,247	75,633
Contributions, gifts and grants paid.....	143,547	3,885	4,859	27,113	60,654
Compensation of officers.....	13,894	*21	396	3,350	6,565
Other salaries and wages.....	3,328	--	--	*2,705	440
Pension plans and employee benefits.....	876	--	--	*799	52
Legal fees.....	1,483	*3	19	312	826
Accounting fees.....	1,423	*1	128	423	614
Other professional fees.....	3,078	--	53	1,004	714
Interest.....	427	--	*30	89	166
Taxes.....	4,885	--	45	924	2,113
Depreciation and depletion.....	847	--	*1	262	463
Occupancy.....	668	--	*39	*136	337
Travel, conferences and meetings.....	264	--	--	*90	43
Printing and publications.....	153	--	11	122	15
Other expenses.....	9,317	--	47	1,917	2,632
Excess of revenue (less loss) over expenses.....	220,380	*-127	-1,328	17,435	128,598
Excess of revenue.....	235,295	*4	1,052	21,656	133,115
Loss.....	14,915	*131	2,381	4,221	4,517
Total assets (fair market value).....	2,888,063	--	34,229	440,615	1,338,228
Cash, total.....	270,264	--	5,047	46,094	128,077
Non-interest bearing accounts.....	31,124	--	1,520	7,253	18,370
Savings and temporary cash investments.....	239,140	--	3,527	38,841	109,707
Accounts receivable, net.....	6,629	--	--	*5,802	800
Pledges receivable, net.....	*58	--	--	--	58
Grants receivable.....	--	--	--	--	--
Receivables due from disqualified persons.....	*598	--	*97	*423	78
Other notes and loans receivable.....	5,670	--	*383	1,597	3,177
Inventories.....	*18,172	--	--	*128	--
Prepaid expenses and deferred charges.....	1,588	--	*23	*34	1,387
Investments (non-cash), total.....	2,455,900	--	26,806	372,472	1,179,753
Securities.....	2,233,339	--	26,397	351,295	1,110,143
Land, buildings and equipment (less accumulated depreciation).....	47,881	--	--	8,319	18,493
Mortgage loans.....	16,214	--	*16	1,861	6,681
Other investments.....	158,466	--	*393	10,997	44,435
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	47,108	--	--	7,681	15,679
Other assets.....	82,075	--	1,872	6,384	9,219
Total beginning-of-year assets (book value).....	2,021,071	*175	31,133	355,124	949,484
Investments in securities, beginning of year (book value).....	1,537,629	*168	22,932	273,680	749,053

Footnotes at end of table.

Private Foundation and Charitable Trust Statistics, 1989

Table 2.—All Internal Revenue Code Section 4947(a)(1) Charitable Trusts Treated as Foundations: Balance Sheets and Income Statements, by Size of Fair Market Value of Total Assets—Continued

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

Item	Size of fair market value of total assets—Continued			
	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 or more
	(6)	(7)	(8)	(9)
Number of returns	26	5	6	1
Total assets (book value)	313,297	108,614	239,400	109,704
Cash, total.....	38,877	10,248	19,533	22,389
Non-interest bearing accounts.....	2,923	2	1,056	--
Savings and temporary cash investments.....	35,954	10,244	18,477	22,389
Accounts receivable, net.....	27	--	--	--
Pledges receivable, net.....	--	--	--	--
Grants receivable.....	--	--	--	--
Receivables due from disqualified persons.....	--	--	--	--
Other notes and loans receivable.....	487	--	25	--
Inventories.....	11,540	--	--	--
Prepaid expenses and deferred charges.....	133	--	4	--
Investments (non-cash), total.....	247,996	98,365	200,486	87,315
Securities.....	218,545	95,744	122,937	84,395
Land, buildings and equipment (less accumulated depreciation).....	3,558	2,621	--	324
Mortgage loans.....	5,383	--	--	2,596
Other investments.....	20,510	--	77,549	--
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	13,853	3	32	--
Other assets.....	383	--	19,319	--
Total liabilities	2,757	74	308	1,219
Net worth	310,540	108,540	239,092	108,485
Total revenue	57,874	15,098	28,085	34,520
Contributions, gifts and grants received.....	21,813	1,460	--	35
Interest on savings and temporary cash investments.....	3,474	336	6,166	2,104
Dividends and interest from securities.....	17,143	8,262	8,892	4,888
Gross rents.....	1,311	920	--	40
Net gain (less loss) from sale of assets.....	8,907	4,112	8,773	27,454
Gross profit (less loss) from business activities.....	--	--	-26	--
Other income.....	5,226	8	4,280	--
Total expenses	27,546	10,847	13,637	7,743
Contributions, gifts and grants paid.....	19,334	9,215	11,540	6,946
Compensation of officers.....	2,192	728	334	310
Other salaries and wages.....	91	37	54	--
Pension plans and employee benefits.....	14	2	9	--
Legal fees.....	249	11	64	--
Accounting fees.....	185	19	53	--
Other professional fees.....	458	128	700	22
Interest.....	21	--	--	122
Taxes.....	836	123	532	313
Depreciation and depletion.....	77	24	6	14
Occupancy.....	90	1	66	--
Travel, conferences and meetings.....	58	3	70	--
Printing and publications.....	2	3	--	--
Other expenses.....	3,940	554	209	18
Excess of revenue (less loss) over expenses	30,328	4,251	14,447	26,777
Excess of revenue.....	32,018	6,227	14,447	26,777
Loss.....	1,690	1,976	--	--
Total assets (fair market value)	404,982	148,399	401,111	120,499
Cash, total.....	38,877	10,248	19,533	22,389
Non-interest bearing accounts.....	2,923	2	1,056	--
Savings and temporary cash investments.....	35,954	10,244	18,477	22,389
Accounts receivable, net.....	27	--	--	--
Pledges receivable, net.....	--	--	--	--
Grants receivable.....	--	--	--	--
Receivables due from disqualified persons.....	--	--	--	--
Other notes and loans receivable.....	487	--	25	--
Inventories.....	18,044	--	--	--
Prepaid expenses and deferred charges.....	139	--	4	--
Investments (non-cash), total.....	323,250	138,150	317,359	98,110
Securities.....	284,386	130,135	236,195	94,787
Land, buildings and equipment (less accumulated depreciation).....	12,327	8,015	--	727
Mortgage loans.....	5,061	--	--	2,596
Other investments.....	21,477	--	81,163	--
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	23,714	3	32	--
Other assets.....	443	--	64,158	--
Total beginning-of-year assets (book value)	281,515	99,462	224,608	79,571
Investments in securities, beginning of year (book value)	215,272	89,736	115,525	71,263

*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.

U.S. Possessions Corporation Returns, 1989

Data Release

Since 1921, the United States has utilized the tax laws to encourage employment-producing companies to locate in U.S. possessions [1]. This has been accomplished primarily through the possessions tax credit. Under section 936 of the Internal Revenue Code, a domestic corporation may elect to be treated as a U.S. possessions corporation to claim a tax benefit. In general, the term "possessions corporation" refers to all active corporations which have filed the election (Form 5712, *Election to be Treated as a Possessions Corporation Under Section 936*). Once the election has been made, the possessions corporation may take a tax credit equal to that portion of its U.S. tax attributable to activity in the U.S. possessions. To qualify for this benefit, a corporation must receive 80 percent or more of its gross income from sources within a possession and 75 percent from the active conduct of a trade or business within the U.S. possession. If these requirements are met, the corporation may credit the portion of its U.S. tax attributable to the active conduct of a trade or business within a U.S. possession and to "qualified possessions source investment income" (QPSII) received [2].

Usage of the possessions tax credit provisions for 1989 was similar to that for 1987, the most recent year for which detailed statistics were compiled. The amount of the credit increased roughly 1 percent from 1987, while the number of corporations claiming the possessions tax credit declined slightly. The trend throughout the 1980's was toward a larger credit utilized by fewer corporations. For 1989, approximately \$2.8 billion was claimed as possessions tax credit on U.S. corporation income tax returns. This amount represented nearly 99 percent of the income taxes before credits of the possessions corporations. After a larger decrease from 1985 to 1987, the total number of possessions corporations remained relatively stable, falling from 516 to 513. The continued decline in the number of possessions corporations may be a result of recent proposals to scale back the benefits provided under section 936, or to replace them with a wage-based tax credit.

The vast majority of possessions corporations conducted business in Puerto Rico, which has offered incentives of its own to companies which locate there. Other eligible possessions include the U.S. Virgin Islands, American Samoa and Guam. For 1989, nearly 95 percent of all U.S. possessions corporations operated in Puerto Rico and virtually all of the total possessions tax credit was claimed by these companies.

This data release was written by John Bradford, an economist with the Foreign Returns Analysis Section, under the direction of Chris Carson, Chief.

The estimated reduction in the U.S. tax liability due to the possessions tax credit was almost \$2.5 billion [3]. This amount was less than the total possessions tax credit because possessions corporations could not claim certain other benefits that would have otherwise been available to them in the absence of section 936. For example, taxes paid to possessions governments would have been eligible for credit under the foreign tax credit provisions.

Table 1 includes balance sheet and income statement information for all active possessions corporations. Approximately 85 percent of these corporations claimed a possessions tax credit. As with past years, manufacturing companies claimed the bulk of the credit. These corporations represented 403 of the 513 possessions corporations and claimed nearly 97 percent of the total credit. Corporations primarily engaged in chemical and allied products manufacturing claimed the largest share of the credit, more than 54 percent, while representing fewer than 17 percent of all possessions corporations. These companies were primarily drug manufacturers. Electrical and electronic equipment manufacturers remained the second largest industrial classification, with 17 percent of the companies. These corporations claimed approximately 17 percent of the total possessions credit.

Table 2 presents tax benefit, employment, and compensation information classified by industrial group for manufacturing corporations located in Puerto Rico for which Federal unemployment tax data (Form 940) were available [4]. For the first time, the tax benefits which companies received as a result of the possessions tax credit were higher than the compensation the companies paid their employees. On a per worker basis, companies received \$22,375 in tax benefits, while paying \$20,540 in compensation. Chemical manufacturers claimed the largest amount of benefits per worker, receiving more than \$64,000 in tax benefits for each of their employees and paying less than \$30,000 in compensation per employee.

Notes and References

- [1] For more information on the background of the possessions tax credit, see Bradford, John J., "U.S. Possessions Corporation Returns, 1987," *Statistics of Income Bulletin*, Summer 1991, Volume 11, Number 1.
- [2] QPSII amounts include income attributable to the investment of funds derived from the active conduct of business in the same possession.
- [3] The estimated reduction in U.S. tax liability was calculated by obtaining the "qualified taxable

U.S. Possessions Corporation Returns, 1989

income" of each possessions corporation. This amount was found on the Form 5735, *Computation of Possessions Corporation Tax Credit Allowed under Section 936*. If the corporation did not file a Form 5735 then "taxable income" from the Form 1120, *U.S. Corporation Income Tax Return*, was used as a proxy. These figures were then multiplied by the applicable tax rate. Credits for taxes paid to possessions governments (such as Puerto Rican income

taxes and the "tollgate" tax on dividends paid to foreign shareholders) were estimated and subtracted from the tax liability.

[4] Form 940, *Employer's Annual Federal Unemployment (FUTA) Tax Return*, contains information on the total payments for services of employees, a figure used as an estimate of compensation of employees.

U.S. Possessions Corporation Returns, 1989

Table 1.—Returns of Active U.S. Possessions Corporations: Balance Sheets, Income Statements, Tax, and Distributions to Stockholders, by Selected Industrial Group

[Money amounts are in thousands of dollars]

Item	Number of returns	All industries	Agriculture, forestry and fishing	Construction	Manufacturing			
					Total	Food and kindred products	Textile mill products	Apparel and other textile products
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Number of returns.....	—	513	4	6	403	26	5	60
Total assets	502	34,676,835	49,168	31,458	27,165,225	3,602,276	13,618	739,461
Cash.....	449	6,493,481	135	355	6,187,115	1,946,685	3,009	22,810
Notes and accounts receivable.....	460	7,977,231	477	7,961	5,429,056	572,066	7,663	385,219
Less: Allowance for bad debts.....	150	63,266	21	—	24,568	13,073	100	442
Ending inventories.....	427	2,829,190	22,319	1,346	2,439,102	253,015	2,227	113,639
Investment in U.S. Government obligations.....	27	340,820	—	—	153,085	30,320	—	1,190
Tax-exempt securities.....	26	241,875	—	—	207,159	—	14	902
Other current assets.....	308	1,095,679	12,178	2,108	996,255	70,751	63	32,205
Loans to stockholders.....	26	326,064	—	19	323,753	2,730	—	3,420
Mortgage and real estate loans.....	15	1,895,477	—	—	622,867	—	—	1,062
Other investments.....	167	7,029,177	3,980	11,528	6,066,001	215,982	—	100,029
Depreciable assets.....	464	7,749,900	14,203	5,258	5,606,598	506,920	1,223	140,518
Less: Accumulated depreciation.....	455	2,761,508	4,116	2,383	2,081,912	181,112	607	61,184
Depletable assets.....	7	18,549	—	—	8,595	1,049	—	—
Less: Accumulated depletion.....	6	4,088	—	—	2,704	780	—	—
Land.....	166	146,675	—	—	96,331	14,441	—	849
Intangible assets (amortizable).....	56	263,924	—	—	249,531	30,658	105	14,637
Less: Accumulated amortization.....	38	104,257	—	—	101,546	7,610	54	2,206
Other assets.....	354	1,402,111	13	5,267	988,509	160,235	75	6,812
Total liabilities	502	34,676,835	49,168	31,458	27,165,225	3,602,276	13,618	739,461
Accounts payable.....	466	3,042,621	2,026	3,714	2,740,368	406,142	270	140,804
Mortgages, notes and bonds payable								
in less than 1 year.....	143	1,107,528	16,104	704	562,311	31,939	—	47,753
Other current liabilities.....	432	4,703,319	1,866	1,574	724,278	104,204	261	15,248
Loans from stockholders.....	32	114,468	716	—	96,635	76	219	6,584
Mortgages, notes and bonds payable								
in 1 year or more.....	95	885,524	134	425	376,539	40,072	—	8,544
Other liabilities.....	145	793,619	156	1,546	396,273	49,848	475	5,404
Capital stock.....	487	483,939	13,051	113	380,272	68,995	96	30,288
Paid-in or capital surplus.....	274	2,656,563	—	211	1,297,690	186,130	—	18,048
Retained earnings, appropriated.....	6	753	—	—	413	405	—	—
Retained earnings, unappropriated.....	495	20,950,066	15,115	23,171	20,637,430	2,735,272	12,296	470,867
Less: Cost of treasury stock.....	25	61,613	—	—	46,963	609	—	4,078
Total receipts ²	507	23,480,564	64,270	73,389	20,551,029	2,740,668	11,489	670,234
Business receipts.....	434	18,663,675	61,889	64,346	17,192,235	2,223,614	11,369	662,650
Interest on State and local Government obligations.....	40	26,117	—	—	22,909	—	116	608
Other interest.....	337	1,429,037	123	524	963,683	161,554	(7)	3,105
Rents.....	38	631,616	—	37	5,561	675	—	—
Royalties.....	4	6,375	—	—	6,375	—	—	—
Net short-term capital gain reduced by net long-term capital loss.....	7	11,536	—	8,275	2,725	—	—	—
Net long-term capital gain reduced by net short-term capital loss.....	22	31,866	500	—	4,823	52	—	13
Net gain, noncapital assets.....	45	25,580	—	8	17,193	18	4	22
Dividends.....	23	64,168	—	—	62,475	8,742	—	81
Other receipts.....	310	2,390,193	1,758	199	2,273,059	346,013	—	3,756
Total deductions ³	474	15,048,617	76,035	59,940	12,380,684	1,793,647	9,520	732,661
Cost of sales and operations.....	415	10,581,221	66,745	50,096	9,320,083	1,514,283	7,702	667,696
Compensation of officers.....	80	21,294	—	193	11,492	2,758	100	1,908
Salaries and wages not deducted elsewhere.....	312	606,029	507	1,629	264,634	45,202	386	6,782
Repairs.....	219	104,232	17	161	39,264	11,012	33	89
Bad debts.....	117	46,791	76	264	4,113	1,160	46	375
Rents paid.....	240	68,602	276	296	32,732	3,215	—	1,787
Taxes paid.....	377	271,378	3,251	956	224,700	22,590	451	18,504
Interest paid.....	227	444,456	1,472	179	63,745	8,327	44	3,380
Contributions.....	153	3,103	3	8	2,923	482	1	103
Amortization.....	72	20,750	3	4	14,598	197	21	65
Depreciation.....	365	367,883	500	1,756	204,863	29,662	119	8,197
Advertising.....	143	71,447	4	30	36,216	18,531	—	242
Pension, profit-sharing, stock bonus and annuity plans.....	113	27,843	—	267	12,617	1,584	5	603
Employee benefit programs.....	218	111,767	151	407	73,220	14,662	118	2,752
Net loss, noncapital assets.....	55	6,877	—	—	6,033	329	—	160
Other deductions.....	442	2,316,092	3,031	3,699	2,084,029	120,050	515	22,083
Total receipts less total deductions	513	8,431,747	8,235	13,449	6,170,345	946,822	1,969	137,573
Net income (less deficit)	513	8,405,630	8,235	13,449	6,147,435	946,822	1,853	136,965
Net income.....	451	8,463,043	8,235	13,886	8,177,292	948,645	1,853	137,959
Deficit.....	62	57,413	—	436	29,857	1,823	—	994
Income subject to tax	440	6,388,670	7,731	13,666	6,109,975	942,414	1,790	134,655
U.S. taxes before credits, total ⁴	443	2,855,757	2,632	4,721	2,760,944	320,600	610	45,752
Income tax.....	440	2,851,992	2,628	4,721	2,757,274	320,420	610	45,748
U.S. possessions tax credit.....	434	2,820,257	2,619	4,716	2,726,546	318,323	610	45,662
Foreign tax credit.....	12	524	—	—	524	—	—	1
Other credits.....	4	288	9	14	975	61	12	140
U.S. taxes after credits ⁵	119	34,689	13	5	33,841	2,277	—	88
Reduction in U.S. tax liability due to U.S. possessions tax credit.....	437	2,454,919	2,352	4,234	2,373,438	273,536	546	39,720
Distributions to stockholders ⁶	187	5,292,786	—	—	5,118,344	546,357	—	60,150

Footnotes at end of table.

U.S. Possessions Corporation Returns, 1989

Table 1.—Returns of Active U.S. Possessions Corporations: Balance Sheets, Income Statements, Tax, and Distributions to Stockholders, by Selected Industrial Group—Continued

(Money amounts are in thousands of dollars)

Item	Manufacturing—Continued							
	Paper and allied products	Printing and publishing	Chemicals and allied products		Petroleum (including integrated) and coal products	Rubber and miscellaneous plastics products	Leather and leather products	Stone, clay and glass products
			Total	Drugs				
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Number of returns.....	7	7	88	57	5	17	14	3
Total assets.....	34,948	89,208	13,423,387	12,325,646	865,256	302,626	225,044	32,735
Cash.....	1,538	33,880	2,092,979	2,027,263	16,983	44,884	31,764	604
Notes and accounts receivable.....	15,527	22,200	2,705,277	2,438,417	134,939	82,077	68,671	3,320
Less: Allowance for bad debts.....	169	106	4,399	3,478	—	159	292	323
Ending inventories.....	4,470	1,700	828,715	682,501	373,202	24,024	65,540	3,003
Investment in U.S. Government obligations.....	593	—	89,535	85,339	240	616	11,404	—
Tax-exempt securities.....	22	15,500	107,819	107,319	15,000	172	12,885	—
Other current assets.....	1,109	65	182,970	137,856	50,945	604	4,070	648
Loans to stockholders.....	—	1,051	256,986	84,089	—	—	58	—
Mortgage and real estate loans.....	—	—	314,178	312,828	—	—	—	—
Other investments.....	28	3,052	4,495,778	4,243,367	32,023	34,028	19,950	15,924
Depreciable assets.....	14,473	14,647	2,922,527	2,725,885	481,790	146,629	20,794	17,223
Less: Accumulated depreciation.....	3,926	6,200	945,084	877,510	256,833	46,551	10,819	9,921
Depletable assets.....	324	—	2,009	—	5,214	—	—	—
Less: Accumulated depletion.....	23	—	853	—	1,048	—	—	—
Land.....	476	707	39,472	37,129	413	7,170	106	1,502
Intangible assets (amortizable).....	—	3,385	90,520	90,155	26,837	390	3	—
Less: Accumulated amortization.....	—	1,011	48,106	47,891	22,605	123	1	—
Other assets.....	506	338	293,064	262,378	8,290	8,865	912	755
Total liabilities.....	34,948	89,208	13,423,387	12,325,646	865,256	302,626	225,044	32,735
Accounts payable.....	1,922	1,542	1,531,161	1,450,550	144,388	13,283	30,415	794
Mortgages, notes and bonds payable								
in less than 1 year.....	4,525	—	231,107	225,231	35,747	7,269	6,284	2,253
Other current liabilities.....	1,835	1,905	241,295	209,768	3,878	6,936	2,746	5,597
Loans from stockholders.....	—	8,273	3,843	3,428	55,352	6,997	—	—
Mortgages, notes and bonds payable								
in 1 year or more.....	1,591	—	40,184	39,949	162,425	17,208	—	555
Other liabilities.....	—	267	242,449	211,878	267	5,201	622	291
Capital stock.....	242	692	185,426	181,729	33,693	2,568	1,256	234
Paid-in or capital surplus.....	5,433	5,977	427,872	416,332	165,195	34,919	39,136	13,281
Retained earnings, appropriated.....	—	—	—	—	—	—	2	—
Retained earnings, unappropriated.....	19,401	71,145	10,520,063	9,606,784	264,310	214,064	179,033	9,730
Less: Cost of treasury stock.....	—	594	13	—	—	5,818	34,448	—
Total receipts *	37,813	52,007	7,598,153	6,867,466	2,238,099	202,619	293,678	42,806
Business receipts.....	37,497	47,898	5,538,127	4,923,574	2,177,145	185,611	281,855	40,155
Interest on State and local Government obligations.....	—	200	14,092	14,061	38	—	1,056	—
Other interest.....	57	3,742	481,331	450,089	12,713	6,041	7,101	311
Rents.....	—	5	163	151	33	3,858	12	—
Royalties.....	—	—	5,834	5,834	—	—	—	—
Net short-term capital gain reduced by net long-term capital loss.....	—	—	2,630	2,630	16	—	—	—
Net long-term capital gain reduced by net short-term capital loss.....	—	—	4,275	4,260	—	—	—	—
Net gain, noncapital assets.....	6	(1)	440	296	—	3	—	—
Dividends.....	—	—	2,877	2,877	48,000	—	—	18
Other receipts.....	253	161	1,548,383	1,453,713	154	7,106	3,554	2,322
Total deductions *	33,326	32,038	2,994,765	2,703,015	2,063,133	140,930	248,849	35,551
Cost of sales and operations.....	29,336	19,079	1,660,631	1,437,444	1,977,775	116,219	227,520	25,555
Compensation of officers.....	51	407	2,405	1,805	195	—	377	263
Salaries and wages not deducted elsewhere.....	873	2,739	57,964	49,095	2,578	4,189	4,266	1,797
Repairs.....	26	143	12,797	12,276	87	703	376	143
Bad debts.....	—	144	424	217	19	177	—	10
Rents paid.....	71	263	9,669	8,769	6,773	198	365	428
Taxes paid.....	915	771	31,309	26,569	10,659	2,915	3,339	1,591
Interest paid.....	99	447	14,001	13,616	23,290	1,908	1,188	737
Contributions.....	1	28	993	923	—	15	89	20
Amortization.....	—	282	1,594	1,545	1,288	94	1	—
Depreciation.....	928	820	81,175	77,297	11,672	3,951	775	2,932
Advertising.....	2	185	5,509	344	156	222	15	48
Pension, profit-sharing, stock bonus and annuity plans.....	71	210	2,952	2,780	—	42	10	3
Employee benefit programs.....	236	590	21,644	20,747	1,058	553	2,617	487
Net loss, noncapital assets.....	—	592	196	120	—	22	(1)	10
Other deductions.....	718	5,609	1,093,097	1,051,012	28,870	9,817	7,712	1,528
Total receipts less total deductions.....	4,487	19,969	4,603,387	4,154,451	174,967	61,689	44,929	7,255
Net income (less deficit).....	4,487	19,769	4,589,295	4,140,390	174,928	61,689	43,874	7,255
Net income.....	4,591	20,131	4,589,490	4,140,533	174,928	62,752	44,397	7,255
Deficit.....	104	362	194	143	—	1,063	523	—
Income subject to tax.....	4,591	20,131	4,586,845	4,137,888	126,928	62,491	44,069	7,255
U.S. taxes before credits, total *.....	1,561	6,837	1,559,993	1,407,361	43,160	21,247	14,999	2,467
Income tax.....	1,561	6,837	1,559,514	1,406,882	43,156	21,247	14,995	2,467
U.S. possessions tax credit.....	—	6,260	1,536,633	1,385,081	43,008	21,238	14,393	2,411
Foreign tax credit.....	—	80	399	235	(1)	3	—	—
Other credits.....	16	—	225	157	12	40	33	7
U.S. taxes after credits *.....	—	496	22,937	22,021	151	5	606	56
Reduction in U.S. tax liability due to U.S. possessions tax credit.....	1,390	5,805	1,326,824	1,191,259	33,193	17,645	12,809	2,046
Distributions to stockholders.....	635	1,076	2,427,428	2,356,007	241,024	68,380	13,320	5,300

Footnotes at end of table.

U.S. Possessions Corporation Returns, 1989

Table 1.—Returns of Active U.S. Possessions Corporations: Balance Sheets, Income Statements, Tax, and Distributions to Stockholders, by Selected Industrial Group—Continued

[Money amounts are in thousands of dollars]

Item	Manufacturing—Continued						Transportation and public utilities (23)
	Fabricated metal products (17)	Machinery, except electrical (18)	Electrical and electronic equipment (19)	Transportation equipment (20)	Instruments and related products (21)	Miscellaneous manufacturing and manufacturing not allocable (22)	
Number of returns.....	22	7	69	5	43	22	3
Total assets.....	366,609	820,349	3,969,009	70,723	2,141,176	303,933	1,515,658
Cash.....	23,777	529,192	840,689	958	749,947	41,140	28,770
Notes and accounts receivable.....	63,915	13,389	932,307	23,288	294,753	90,162	122,386
Less: Allowance for bad debts.....	264	247	3,209	115	590	334	10,528
Ending inventories.....	50,541	73,385	417,228	10,288	142,677	50,233	50,888
Investment in U.S. Government obligations.....	—	2,447	—	—	—	15,380	—
Tax-exempt securities.....	—	—	2,750	—	52,094	—	—
Other current assets.....	116,217	108,676	314,755	1,882	73,436	9,664	6,866
Loans to stockholders.....	—	—	20,109	4,150	33,446	1,805	—
Mortgage and real estate loans.....	—	—	307,053	—	573	—	—
Other investments.....	27,173	1,801	746,725	23,000	335,875	14,634	7
Depreciable assets.....	140,304	133,488	573,354	11,205	327,330	84,946	1,722,807
Less: Accumulated depreciation.....	62,506	74,544	279,049	4,050	90,436	33,623	584,486
Depletable assets.....	—	—	—	—	—	—	9,024
Less: Accumulated depletion.....	—	—	—	—	—	—	1,215
Land.....	2,478	1,508	11,159	11	8,478	5,233	18,934
Intangible assets (amortizable).....	4,905	—	49,114	—	19,806	611	—
Less: Accumulated amortization.....	624	—	3,375	—	15,548	189	—
Other assets.....	691	31,275	239,401	106	209,334	24,269	154,604
Total liabilities.....	366,609	820,349	3,969,009	70,723	2,141,176	303,933	1,515,658
Accounts payable.....	33,091	20,124	255,489	1,427	119,308	11,567	75,571
Mortgages, notes and bonds payable							
in less than 1 year.....	2,576	581	63,062	485	120,092	1,066	9,163
Other current liabilities.....	7,256	1,234	96,458	1,604	215,792	17,076	79,735
Loans from stockholders.....	87	—	10,718	—	—	572	—
Mortgages, notes and bonds payable							
in 1 year or more.....	561	3,045	21,746	—	22,873	9,769	165,824
Other liabilities.....	218	1,874	66,423	299	14,048	4,498	8,203
Capital stock.....	9,780	3,193	4,600	61	38,898	1,967	5
Paid-in or capital surplus.....	24,081	4,189	269,925	752	52,678	36,105	1,209,262
Retained earnings, appropriated.....	—	—	7	—	—	—	—
Retained earnings, unappropriated.....	289,192	786,108	3,180,925	66,096	1,560,151	221,313	32,105
Less: Cost of treasury stock.....	234	—	325	—	664	—	—
Total receipts ¹.....	272,141	820,812	3,440,034	74,665	1,310,594	274,003	655,924
Business receipts.....	262,295	781,574	3,067,114	73,890	1,070,976	242,525	32,689
Interest on State and local Government obligations.....	—	—	1,163	—	3,654	1,976	—
Other interest.....	7,898	38,424	172,339	522	61,115	4,826	3,892
Rents.....	21	—	40	—	692	—	583,081
Royalties.....	—	—	400	—	141	—	—
Net short-term capital gain reduced by net long-term capital loss.....	—	—	79	—	—	—	—
Net long-term capital gain reduced by net short-term capital loss.....	141	—	209	—	133	—	—
Net gain, noncapital assets.....	64	192	16,379	—	1	—	—
Dividends.....	—	—	1,581	—	1,193	—	—
Other receipts.....	1,723	623	160,729	253	172,687	24,630	36,262
Total deductions ².....	214,351	589,303	2,295,356	56,671	737,743	182,453	505,461
Cost of sales and operations.....	181,717	433,026	1,726,960	49,372	428,802	156,151	—
Compensation of officers.....	235	—	1,468	—	760	384	—
Salaries and wages not deducted elsewhere.....	4,593	32,356	69,820	1,000	17,660	4,310	178,704
Repairs.....	1,299	4,426	6,223	88	1,646	39	54,629
Bad debts.....	83	163	185	122	59	933	13,592
Rents paid.....	862	1,403	5,248	120	1,396	795	8,204
Taxes paid.....	5,276	7,277	26,677	933	8,276	1,462	12,904
Interest paid.....	331	429	3,371	—	416	413	17,150
Contributions.....	12	764	90	16	220	10	—
Amortization.....	5	—	2,283	—	8,418	331	5,078
Depreciation.....	8,477	13,151	25,346	873	11,707	1,817	131,909
Advertising.....	29	28	767	(1)	212	2,385	5,199
Pension, profit-sharing, stock bonus and annuity plans.....	89	2,554	2,903	234	1,180	104	12,148
Employee benefit programs.....	1,823	556	17,182	2,048	3,356	1,002	28,515
Net loss, noncapital assets.....	15	—	9	—	649	7	239
Other deductions.....	9,508	93,169	405,192	1,864	261,406	12,661	42,269
Total receipts less total deductions.....	57,790	231,509	1,144,678	17,994	572,850	91,549	150,463
Net income (less deficit).....	57,790	231,509	1,143,515	17,994	569,196	89,574	150,463
Net income.....	57,790	231,613	1,159,653	17,994	569,451	97,870	161,622
Deficit.....	—	104	16,137	—	255	8,296	11,159
Income subject to tax.....	57,785	229,781	1,156,873	17,994	568,446	97,870	161,622
U.S. taxes before credits, total ³	21,749	78,129	393,748	6,118	193,696	33,267	54,951
Income tax.....	19,590	78,129	393,338	6,118	193,270	33,267	54,951
U.S. possessions tax credit.....	19,573	78,113	390,600	6,003	192,562	32,987	54,951
Foreign tax credit.....	4	—	—	—	34	3	7
Other credits.....	51	16	161	12	108	51	—
U.S. taxes after credits ³	2,173	16	3,149	115	1,093	277	—
Reduction in U.S. tax liability due to U.S. possessions tax credit.....	17,538	103,256	321,355	5,077	171,354	27,524	45,778
Distributions to stockholders ⁴.....	3,779	105,206	1,362,058	13,900	140,341	94,392	158,278

Footnotes at end of table.

U.S. Possessions Corporation Returns, 1989

Table 1.—Returns of Active U.S. Possessions Corporations: Balance Sheets, Income Statements, Tax, and Distributions to Stockholders, by Selected Industrial Group—Continued

(Money amounts are in thousands of dollars)

Item	Wholesale and retail trade			Finance, insurance and real estate				Services
	Total	Wholesale trade	Retail trade	Total	Credit agencies other than banks	Holding and other investment companies, except bank holding companies	Other finance, insurance and real estate	
	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)
Number of returns.....	32	24	7	30	14	4	12	33
Total assets	640,037	306,731	232,193	5,066,623	3,069,890	17,716	1,989,018	287,406
Cash.....	64,831	32,376	32,246	169,353	119,854	10,027	39,472	42,413
Notes and accounts receivable.....	99,847	94,853	2,936	2,248,247	918,755	220	1,327,272	71,120
Less: Allowance for bad debts.....	3,017	3,005	12	22,698	15,704	--	6,984	2,434
Ending inventories.....	102,878	61,486	41,412	--	--	--	--	7,764
Investment in U.S. Government obligations.....	--	--	--	187,535	50,858	--	--	--
Tax-exempt securities.....	505	505	--	34,211	34,177	--	136,677	--
Other current assets.....	9,812	4,820	4,873	54,199	46,527	7,401	34	--
Loans to stockholders.....	2,208	2,195	--	--	--	--	270	12,144
Mortgage and real estate loans.....	--	--	--	1,272,610	1,263,848	--	--	85
Other investments.....	26,478	947	25,525	860,958	511,721	--	8,763	--
Depreciable assets.....	205,698	103,347	102,318	85,453	44,969	20	369,237	26,007
Less: Accumulated depreciation.....	27,488	11,567	15,894	31,407	16,024	--	40,464	104,630
Depletable assets.....	--	--	--	618	618	--	15,383	26,920
Less: Accumulated depletion.....	--	--	--	167	167	--	--	--
Land.....	12,590	899	11,691	7,659	1,695	--	5,964	13,160
Intangible assets (amortizable).....	3	3	--	--	--	--	--	14,390
Less: Accumulated amortization.....	--	--	--	--	--	--	--	2,711
Other assets.....	45,892	18,793	27,098	182,051	98,762	46	83,244	25,758
Total liabilities	540,037	306,731	232,193	5,066,623	3,069,890	17,716	1,989,018	287,406
Accounts payable.....	108,242	66,439	40,921	68,053	2,744	10	65,300	44,637
Mortgages, notes and bonds payable								
in less than 1 year.....	48,648	42,659	5,303	454,597	444,985	436	9,178	15,952
Other current liabilities.....	102,127	80,124	21,931	3,788,644	2,180,008	19	1,588,616	24,013
Loans from stockholders.....	2,354	1,726	627	13,692	--	--	13,692	95
Mortgages, notes and bonds payable								
in 1 year or more.....	151,521	29,337	122,184	123,065	118,721	--	4,344	68,016
Other liabilities.....	23,052	992	22,060	358,800	144,152	3,773	210,875	5,588
Capital stock.....	19,442	19,301	77	70,004	27,782	54	42,188	1,042
Paid-in or capital surplus.....	31,855	14,365	17,490	80,731	32,857	999	46,875	35,615
Retained earnings, appropriated.....	--	--	--	340	206	--	132	--
Retained earnings, unappropriated.....	55,821	50,922	4,493	139,321	113,143	12,423	13,755	92,229
Less: Cost of treasury stock.....	3,026	134	2,892	10,824	4,689	--	6,135	781
Total receipts ¹	1,323,563	657,614	654,817	513,055	302,166	3,590	207,300	263,718
Business receipts.....	1,306,038	644,055	650,926	40,411	27,412	--	12,999	131,481
Interest on State and local Government obligations.....	--	--	--	3,208	2,600	607	1	--
Other interest.....	3,736	3,196	476	450,439	261,086	629	188,724	5,799
Rents.....	3,591	2,126	1,465	376	255	--	121	39,181
Royalties.....	--	--	--	--	--	--	--	--
Net short-term capital gain reduced by net long-term capital loss.....	--	--	--	--	--	--	--	536
Net long-term capital gain reduced by net short-term capital loss.....	4,869	4,851	18	762	--	20	742	20,913
Net gain, noncapital assets.....	7	2	5	8,327	4,317	--	4,010	46
Dividends.....	1	--	(¹)	1,692	1,689	3	--	--
Other receipts.....	5,312	3,385	1,927	7,841	4,807	2,331	703	65,762
Total deductions ²	1,305,890	649,980	644,836	484,647	290,306	483	193,759	227,158
Cost of sales and operations.....	1,061,048	538,213	512,162	4,116	--	--	4,116	70,758
Compensation of officers.....	2,757	759	1,751	5,896	5,714	--	182	957
Salaries and wages not deducted elsewhere.....	78,974	29,094	49,879	37,214	18,591	276	18,347	44,276
Repairs.....	4,588	2,057	2,531	2,758	1,767	9	982	2,768
Bad debts.....	1,573	880	647	21,503	10,867	--	10,635	5,671
Rents paid.....	11,255	2,734	8,509	5,668	2,693	45	2,929	10,166
Taxes paid.....	18,286	6,341	11,921	6,978	4,901	32	2,046	4,189
Interest paid.....	23,532	9,066	14,454	328,531	196,971	(¹)	131,561	9,847
Contributions.....	73	55	18	37	37	--	--	58
Amortization.....	144	131	13	139	55	--	83	784
Depreciation.....	15,015	7,601	7,413	8,100	4,945	25	3,131	5,636
Advertising.....	19,212	13,609	5,803	5,433	2,610	--	2,823	5,349
Pension, profit-sharing, stock bonus and annuity plans.....	769	209	560	1,138	1,052	17	69	867
Employee benefit programs.....	3,570	642	2,922	4,564	1,978	13	2,573	1,332
Net loss, noncapital assets.....	9	6	2	396	395	(¹)	--	(¹)
Other deductions.....	65,229	38,711	26,462	52,216	37,784	65	14,366	65,294
Total receipts less total deductions	17,663	7,636	9,982	28,508	11,860	3,107	13,541	36,560
Net income (less deficit)	17,663	7,636	9,982	25,300	9,261	2,501	13,539	36,560
Net income.....	26,302	16,115	10,140	31,045	12,957	2,504	15,584	38,117
Deficit.....	8,639	8,480	158	5,745	3,696	-3	2,045	1,557
Income subject to tax	26,234	16,048	10,140	27,068	12,762	2,501	11,604	35,611
U.S. taxes before credits, total ³	8,883	5,423	3,452	9,256	4,332	893	4,032	12,146
Income tax.....	8,882	5,423	3,452	9,166	4,329	844	3,992	12,145
U.S. possessions tax credit.....	8,780	5,422	3,351	8,698	3,952	838	3,908	11,721
Foreign tax credit.....	--	--	--	--	--	--	--	--
Other credits.....	75	56	18	70	33	9	28	77
U.S. taxes after credits ⁴	103	1	101	559	379	55	125	424
Reduction in U.S. tax liability due to U.S. possessions tax credit	7,746	4,759	2,973	8,666	4,274	762	3,629	10,512
Distributions to stockholders ⁵	7,624	6,195	1,429	6,807	1,764	--	5,043	1,733

¹ Less than \$500.

² Receipt and deduction items were not required to be reported separately for 104 corporations that elected the profit-split method to allocate income and expenses between the possessions corporation and its U.S. parent. For these companies, the individual line items were included on the "other receipts" line.

³ U.S. taxes include income tax, Personal Holding Company tax, taxes from recapture of certain credits, alternative minimum tax and environmental tax.

⁴ Includes stock distributions.

U.S. Possessions Corporation Returns, 1989

Table 2.—Returns of Active Manufacturing U.S. Possessions Corporations Conducting Business in Puerto Rico: Tax Benefits, Employment and Compensation of Employees, by Selected Industrial Group

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

Selected manufacturing industries	Number of returns	Gross number of workers	Gross compensation ¹	Compensation per worker (whole dollars)	Benefits per worker (whole dollars)	Ratio of benefits per worker to compensation per worker
	(1)	(2)	(3)	(4)	(5)	(6)
All manufacturing industries.....	380	105,511	2,167,244	20,540	22,375	108.9
Food and kindred products.....	24	11,828	222,883	18,843	22,673	120.3
Textile mill products.....	5	329	3,689	11,203	1,659	14.8
Apparel and other textile products.....	54	19,611	223,420	11,393	1,995	17.5
Men's and boys' clothing.....	12	5,653	68,103	12,047	2,731	22.7
Women's and children's clothing.....	22	6,722	72,795	10,829	1,773	16.4
Hats, caps and other accessories.....	10	3,814	44,621	11,698	1,825	15.6
All other textile products.....	10	3,421	37,901	11,078	1,405	12.7
Paper and allied products.....	6	185	3,761	20,364	7,528	37.0
Chemicals and allied products.....	84	20,599	610,151	29,620	64,349	217.2
Industrial chemicals, plastics materials and synthetics.....	11	1,151	30,774	26,732	86,679	324.2
Drugs.....	55	18,011	548,381	30,447	68,081	217.0
Soap, cleaners and toilet goods.....	10	881	18,674	21,197	26,978	127.3
All other chemical and allied products.....	8	556	12,322	22,155	21,242	95.9
Petroleum (including integrated) and coal products.....	5	939	37,921	40,369	35,336	87.5
Rubber and miscellaneous plastics products.....	17	6,475	209,289	32,321	2,725	8.4
Leather and leather products.....	14	4,466	51,463	11,522	2,868	24.9
Footwear, except rubber.....	11	3,829	43,591	11,384	2,269	19.9
All other leather products.....	3	637	7,872	12,353	6,466	52.3
Fabricated metal products.....	22	2,333	40,511	17,364	7,517	43.3
Machinery, except electrical.....	7	3,303	85,695	25,943	31,260	120.5
Electrical and electronic equipment.....	64	21,256	389,000	18,301	15,018	82.1
Radio, television and communication equipment.....	12	3,821	69,007	18,059	15,296	84.7
Electronic components.....	27	5,575	106,015	19,017	8,623	45.3
All other electrical and electronic equipment.....	25	11,860	213,977	18,042	17,934	99.4
Transportation equipment.....	4	989	16,716	16,900	4,998	29.6
Instruments and related products.....	42	8,483	175,823	20,727	20,200	97.5
Scientific equipment.....	11	1,338	33,571	25,087	51,711	206.1
All other instruments and related products.....	31	7,145	142,252	19,910	14,298	71.8
Miscellaneous manufacturing and manufacturing not allocable.....	21	3,263	54,557	16,717	8,434	50.5

¹ Gross compensation of employees is computed by multiplying total wages (from Form 940) by 1.235. The additional 23.5 percent represents employer-paid non-payroll costs such as social security payments.

An Economic Perspective on the Government's Statistical Efforts

An Invited Paper by Gene Steuerle

The following article originally appeared as a three-part series in *Tax Notes*:

The Need for Gathering Better Statistics

For a variety of reasons, many experts believe the nation's system of delivering economic statistics has deteriorated in recent years. The reasons offered are many, diffuse, and sometimes contradictory. Sometimes the failures are emphasized while the successes are ignored, and no one

really knows how to "prove" that certain types of data must be developed and analyzed.

Even with all the caveats, however, it almost goes without saying that the government's statistical efforts should be improved over time. No private firm is going to rely upon 20-year old data or 10-year old techniques, and neither should a nation if it wishes to understand its own economic and

social conditions. Policymakers make billion and hundred-billion dollar decisions based upon data. Monetary policy responds to the way in which conditions in the economy are measured, even when those measures are incomplete or inaccurate. Legislators enact new welfare, unemployment, and health laws based upon measures of the needs of citizens, while the tax laws are changed regularly to respond to data on the activities of taxpayers and the distribution of tax burdens. Private firms use public data to determine how changes in the economy are likely to affect demand for their products. That better knowledge brings about better ideas — if not immediately, then eventually — is one of the fundamental tenets of belief in the possibility of progress itself.

Dr. Martin Fleming, serving in the role of chairman of the Statistics Committee of the National Association of Business Economists (NABE), in March 1991 decided not to mince words in putting forward the case for improving government statistics. "This diminished ability [of the statistical system to measure economic activity]," he stated, "has put at risk effective economic decision making in both the public and private sector." A 1989 Office of Technology Assessment Report, which he cites, concluded that "the price paid for public policy mistakes that

stem from defects in national statistics can be many times higher than the entire national statistical budget."

According to NABE, core economic programs have not kept pace with the growth in the economy. Over the 15 years from 1977 to 1991, spending by major statistical agencies has grown at one percentage point less than the rate of growth in nominal GNP. During the 1980's alone, their share in total federal budget authority declined by nearly 10 percent.

Michael Boskin, chairman of the Council of Economic Advisers, has been concerned with these problems since the beginning of his appointment in the Bush administration. On Valentine's Day, February 14, 1991, he set forth an initiative to improve the quality of economic statistics. This initiative called for a modest increase in funding of statistical data collection by the Bureau of Labor Statistics, the Bureau of Economic Analysis, the Census Bureau, and the National Agricultural Statistics Service. It also called for a new Center for Survey Methods. Initially, the total cost of the initiative would have been \$230 million over the five years from 1992 to 1996.

Congress approved about 60 percent of the request last year. Budget authority for programs other than the 1990 Decennial Census was raised from \$863 million (actual) in 1991 to \$975 million for fiscal 1992. The president's latest budget requests a further increase in budget authority to \$1,170 million for fiscal 1993 — partly to provide fuller funding for the Boskin initiative and partly to enhance other statistical efforts in the fields of education and health.

Given recent declines in funding for the gathering of statistics, at least relative to the size of our economy, I applaud the Boskin initiative and related efforts. Still, more money is only a part of the answer to how government statistics can be improved. The 1990 Census provides examples, not only of creativity, but of how additional money can be wasted. By the time it is finished,

some have estimated that this effort alone involves costs in excess of \$3 billion. Large sums were devoted simply to attempts to obtain a better count of individuals living within each jurisdiction, even when gains in knowledge were quite marginal.

The impossible and wasteful goal of obtaining perfect counts is driven by congressional desires to make marginal improvements in how to allocate federal funds by formula. Even

Gene Steuerle is a senior fellow at the Urban Institute and an economic consultant to *Tax Notes*. This article is reprinted with the special permission of *Tax Analysts*, copyright 1992. It originally appeared in *Tax Notes*, May 11, 1992, pp. 847-848; May 18, 1992, pp. 995-996; and May 25, 1992, pp. 1139-1140.

I applaud the Boskin initiative and related efforts. Still, more money is only a part of the answer to how government statistics can be improved.

An Economic Perspective on the Government's Statistical Efforts

if these counts could be done for free, this is already a zero-sum game. One jurisdiction's gain is another's loss. With money being fungible, moreover, it is not even clear that a jurisdiction even "wins" when it does obtain a better count. Other jurisdictions, failing to get as much as they want, might respond by having their representatives vote against continuing programs at current expenditure levels.

Even if increases in funding for statistical programs are approved for the future, therefore, the "more is better" approach to improvement of statistics must be supplemented and complemented by the "better is more" method.

No one is really in charge of allocating the statistical dollar more efficiently.

The "better is more" method argues for more efficiency in the way that the statistical dollar is allocated. It is here, however, that progress is even harder to obtain. It is not that we don't know what to do or that good suggestions are scarce. Jack

Triplett, Chief Economist of the Bureau of Economic Analysis, for instance, argues that emerging data needs can be met better by merging data sets across agencies and the development of professional advisory groups. The Boskin initiative made clear the importance of other efforts, including the training of those in government agencies.

The major hurdle to further quality improvement, however, is organizational. Each statistical agency builds up a clientele or constituency that both uses and services the data of that agency. Each of these clienteles is often quite aware of the conditions and needs of its favorite statistical agency, but not necessarily of other agencies. Within the Executive Branch, the Office of Management and Budget (OMB) has some oversight over diverse statistical efforts, but there is little staff to back up this effort. To make matters worse, the Office of the Chief Statistician within OMB is made part of the Office of Information and Regulatory Affairs — an arrangement that the National Association of Business Economists criticizes because the job of setting standards for data collection and publication should not be considered part of the regulatory process. Within Congress, in turn, the funding of statistics comes about through separate authorization of departments and agencies. A statistical agency often competes less with other statistical agencies for funds and more with other parts of its own department.

What this implies is that no one is really in charge of allocating the statistical dollar more efficiently. Return to our example of the 1990 Census. If some of the money

spent on trying to count the homeless (or many other subgroups) would have been spent better on determining their characteristics, we might better know how to deal with their problems.

Even if moneys are distributed wisely within an agency such as Census, there are few ways currently in which choices can be made across agencies. Some Census dollars, for instance, might have been spent better on improving the quality of data on foreign capital flows. Or on measuring productivity in the service sector. Or on measuring employment changes in new service industries. These alternatives were goals of the Boskin initiative, whose costs were modest relative to the cost of the Census. That such rechanneling is so difficult merely reflects the larger expenditure problem — the limited ability of government to do anything that cuts across traditional budgetary lines of authority.

Tax and Other Administrative Data

Seldom does government make tradeoffs properly among different agencies of government. In its effort to develop statistics on economic conditions, the government separates functions and finances agencies in ways that deter the efficient use of tax and other administrative data.

When a ranking of the government's top statistical agencies is made, it is usually on the basis of amount of direct funding received. According to the Council of Professional Associations on Federal Statistics, in the Fiscal Year 1993 budget Census sits at the top with \$138 million for current programs and about \$200 million for periodic programs, while the Bureau of Labor Statistics is ranked next at \$334 million. Far down at the bottom of the list falls the Statistics of Income Division of the Internal Revenue Service, with \$24.2 million.

Think about it. Every time a taxpayer fills out a federal tax form, he or she provides data to the government...The amount of administrative data is almost mind-boggling.

There is, however, another way of performing this arithmetic. Which agencies have the most data? Here, the Statistics of Income Division in the Internal Revenue Service (IRS) would probably rank right at the top of the list, while Social Security and many social welfare programs would also rank much higher. Think about it. Every time a taxpayer fills out a federal tax form, he or she provides data to the government. Multiply these efforts by millions of taxpayers and participants in other government programs, by

An Economic Perspective on the Government's Statistical Efforts

hundreds of forms, and by dozen of lines per form. The amount of administrative data is almost mind-boggling.

A principal distinction here is between survey data and "administrative" data. Survey data involve contact with individuals and firms primarily for information gathering itself — not regulating, taxing, or making government expenditures. Administrative data are those generated in the process of administering some program. Even though

Quality in government statistical agencies comes not simply from the data, but from becoming 'customer driven' in how the data are assembled, analyzed, and released.

developed primarily to assess tax on income, pay out unemployment compensation, or other purpose, administrative data are enormously helpful in assessing the state of the economy, the distribution of income, the rate at which individuals are becoming unemployed, and so forth. Administrative data, moreover, are a cost-effective means of examining many economic issues, because much of the cost — the cost of supplying the information — has already been "paid" by the taxpayer or citizen in complying with the tax or other

program. With survey data, new questionnaires must be developed, and survey officials must make additional efforts to interview individuals.

Neither administrative nor survey data can be considered automatically superior to the other. Each has distinct advantages. In some cases, administrative data are more accurate. Interest, dividends, and other property income, for instance, are reported more accurately on tax returns than on most surveys. One reason for this greater accuracy is that there are penalties applied for false tax information, but not for answering a survey incorrectly. Administrative data are also at times backed up by organizational information. For financial information, for instance, the taxpayer usually turns to data provided by a payor — an employer or bank — rather than his or her own memory. As an example, tax return data on interest received by taxpayers depend upon special forms (1099's) issued by financial institutions.

The advantage of survey data, on the other hand, is that items to be measured can often be chosen without regard to the needs of administrators of some particular program. The IRS, for instance, will collect almost no information if it is unrelated to what is required to collect taxes. Census, on the other hand, may ask personal information about the activities and habits of the household. In addition,

surveys can take advantage of administrative data if respondents are asked to consult tax returns and other program data before answering questions.

In practice, of course, one cannot define which data are "best" or most relevant without knowledge of the questions that are to be asked. For many analyses, sources of information must be combined. Analysts at the Bureau of Economic Analysis will use a variety of both administrative and survey data sources to try to measure income and product in the economy, as will revenue estimators at Treasury and the Congressional Budget Office in trying to predict future receipts of the government. In assessing changes in unemployment levels in the economy, the Bureau of Labor Statistics found that administrative data on unemployment compensation were insufficient because dates of filing or processing for claims often did not represent the dates at which unemployment occurred. Survey efforts were necessary to complement the claims data.

For analyzing tax changes, the Treasury Department for years has used a data file in which tax records are merged statistically — that is, approximate matches are made — with Census records. The Transfer Income Maintenance Model (TRIM) maintained by the Urban Institute starts out in the opposite direction — Census files are augmented by estimates of various items reported on tax returns. Both these files are supplemented further by imputations of health insurance benefits and a variety of other factors that may be important for particular studies.

Fritz Scheuren, director of the Statistics of Income Division at the Internal Revenue Service, argues that quality in government statistical agencies comes not simply from the data, but from becoming "customer driven" in how the data are assembled, analyzed, and released. I believe he is right.

An agency cannot produce just for itself, but needs some conception of ultimate objectives — why it should feel compelled to perform certain functions. Customers help define those objectives.

No agency can be "customer driven," however, without customers. The success of some agencies in attracting funding and releasing studies comes partly from having the support of private research organizations, corporations, and other users of their data. The difficulty

The IRS is usually so busy with immediate tax concerns...that it is unaware of -- and often pays too little attention to -- the vital national purposes served through tax statistics.

An Economic Perspective on the Government's Statistical Efforts

for those agencies generating administrative data, on the other hand, is that doorways to potential customers are more likely to be closed.

The reason is fairly straight-forward. Administrative data are even more likely than survey data to be confidential. Our tax records are not open to the public, nor are our Social Security records. In reality, however, there are difficult but viable ways of protecting confidentiality and still allowing useful economic and social research to be performed on administrative data for which taxpayers have already paid most of the cost of collection. Some data can be masked by removing identification numbers, combining records, and so forth. When this fails, researchers can be given access in a number of other ways. Some census data, for instance, are also confidential, but individuals are brought into Census as temporary employees. Government researchers can also join in collaborative efforts with outside researchers. Researchers are not interested in knowing or reporting data on particular individuals; instead, they usually want to examine aggregate or summary relationships among different pieces of information — relationships that impose no threat of loss of confidentiality.

Perhaps a more serious problem for the developers of administrative data is that their few customers with access have limited roles and objectives. At the Internal Revenue Service, for instance, the Statistics of Income Division must provide information to the IRS itself and to the Treasury Department. This information is useful for internal tax administration and policy issues. Making the information available to outsiders, on the other hand, often does little to help the internal processes — and, indeed, may even assist opponents of the policy and administrative practices of a given administration.

The IRS, in turn, is usually so busy with immediate tax concerns such as audits, taxpayer service, and tax forms, that it is unaware of — and often pays too little attention to — the vital national purposes served through tax statistics. IRS data, for instance, are used constantly to measure changes in GNP and in the distribution of income. Often the agency comes to regret its negligence only when it comes time to testify on issues such as activities of tax-exempt organizations or pension plans and finds that further work on data development and analysis would have allowed it to be much more informed.

Throwing Away All That Data

One of the difficulties of large, modern government is its inability to make tradeoffs among different functions and agencies. This incapacity carries over to the government's

One cannot imagine many private businesses generating data that they did not use, or developing forms without first having a plan on how those forms would be used.

statistical efforts and to the use it makes of the data it generates.

While government imposes numerous reporting requirements on individuals and firms, it literally throws away much of the data generated without ever examining them. Those who perform audits to enforce tax, labor, environmental, or other governmental policy sometimes want this data to be reported just in case they get around to auditing any of the filers. Researchers usually disagree. Janet

Norwood, a former Commissioner of Labor Statistics and now a senior fellow at the Urban Institute, contends that no regulatory authority for the filing of information by citizens or business establishments should be approved unless there is a plan for processing and use of the data.

One cannot imagine many private businesses generating data that they did not use, or developing forms without first having a plan on how information from those forms would be pulled together and analyzed. The lack of a statistical plan of action usually indicates a certain level of incompetence — an incompetence that may be due less to the agency than to governmentwide lack of coordination. The purpose of a Norwood-type rule is to force the government to recognize and overcome the sources of failure.

If ranked by the amount of data collected on the economic and social conditions of individuals and firms, the Internal Revenue Service might be recognized as the premier data collection agency in the U.S. government — far ahead of Census and other agencies with budgets that are many times larger.

One difficulty with large amounts of data and limited funding, however, is that the IRS does its share of throwing away or neglecting many vital pieces of information. Some of the fault is internal: those involved in administering the law or writing regulations sometimes have insufficient understanding of the importance of research and statistics to their mission. Much of the fault is external: the data are needed to gain an understanding of important economic and social conditions, or even to develop better tax policy. Other agencies, therefore, should be providing the funding necessary to insure these analyses are performed. The issue is complicated by the need to protect confidentiality, which often requires restricted access.

Whatever the reasons for failure, following are some of the issues and analyses that could be researched easily

An Economic Perspective on the Government's Statistical Efforts

with taxpayer data, but are not. Remember that most of the costs of these studies has already been paid by taxpayers by filing the information in the first place.

Pension Data

Most large pension plans report information on net worth, assets, liabilities, portfolio allocations, participants, and other measures of activity to the IRS and the Labor Department. For one year only, the IRS attempted to pull this information together. It found that pension wealth was several hundred billion dollars greater than had previously been estimated through such sources as a survey conducted by the Securities and Exchange Commission.

Employers and pension plans file these data, but then the information is not assembled properly for further study. The Labor Department for years has also "intended" to develop the same information. For awhile it was going to pay IRS to perform the basic statistical work.

Dividend and Portfolio Behavior

Many studies of portfolio behavior could be performed using data filed with the IRS. Among the issues that could be analyzed include: whether higher-income individuals tend to own low-dividend paying stock because of a preference for capital gains; the rates at which individuals are liable to realize capital gains out of one type of stock versus another; the types of interest-bearing assets held by individuals of different characteristics; and the portfolio shifts of taxpayers during periods of significant changes in tax rates.

Medical Payments

Individuals with high out-of-pocket expenses for medical care usually file for deductions on their individual income tax returns. What are the characteristics of these individuals? Some preliminary analysis that I performed years ago indicated that the expenses were associated with fees for many, many health providers. The data, however, have not been developed systematically.

Charitable Giving

Tax returns are a rich source of information on charitable giving and on the charitable sector. IRS could devote a modest amount of resources to distinguishing individual income and estate tax deductions by type of donee organization — museums, hospitals, educational institutions, and so forth. These types of breakdowns would be especially valuable if performed over time.

The activities of charitable organizations could also be better understood if IRS would devote some compliance resources to requiring filers to complete information

better. That is, many organizations fail to file properly, but there is no consistent pattern of following up on returns in a way that would allow information to be fed into statistical programs — or into the audit function, for that matter. One source of confusion is that the forms themselves are enormously complex, so that a broad statistical plan would need to be coordinated both with forms simplification and more open admission that parts of the law might need to be changed to achieve simplification.

Mergers and Divestitures

The reorganization of the business world can be followed partly through corporate, partnership, and other business tax returns. While business "demographics" are not easy to trace, the gains from such analyses could be enormously helpful in understanding how the business sector is becoming reorganized over time.

Administrative Data as Input Into Survey Files

Fritz Scheuren, director of the IRS Statistics of Income Division, has been one of the leaders of the statistical community in attempting to find ways to use administrative data to help determine samples for surveys and to cross-check on the accuracy of survey data. If the opportunities for use of administrative data were to be applied to the next decennial Census, as he suggests, it might be possible to generate future files that on average are more accurate, yet cost taxpayers hundreds of millions of dollars less to develop.

Wealth and Income Data

Partly under my direction while at the Treasury Department, the IRS has put together two matches of estate and income tax returns. A third match is now being completed. These unique matches provide information simultaneously on the wealth of individuals at death, and on their income and certain activities in the years before death. Some of these matches have further followed heirs in the years before and after inheritance.

Although a couple of studies have been produced with these data, for the most part they lay unattended. Not even the basic data have been published. Such files, however, provide an enormous opportunity for examining such behavioral questions as the relationship of charitable giving and capital gains activity to wealth and income, labor and savings behavior in response to inheritances, and changes in the distribution of income and wealth among top wealthholders.

Further matches of decedents with heirs — both for income and estate tax purposes — could also give us a better understanding of the intergenerational transmission of wealth.

An Economic Perspective on the Government's Statistical Efforts

Panel Files

Here is another case where not only have the data been submitted by taxpayers, but actual panel files have been developed within IRS. The capital gains behavior of individuals is analyzed, on occasion, internally to Treasury, but these panel files are rich in information on charitable giving over time, the relationship between borrowing and other portfolio behavior, changes in activities that accompany changes in the tax laws, such as the Tax Reform Act of 1986, and so forth.

Capital Gains Files

Capital gains files are panel files that place special emphasis on the higher-income individuals who are likely to recognize capital gains. For at least one year, there is a breakdown of the distribution of gains by type of asset.

Here is merely one of the issues that could be analyzed with these files, except that resources have never been provided:

Purchases and sales of commodities futures are listed on these files. Excluding commissions, such sales are zero-sum games. That is, for every dollar of "winnings" there is a dollar of "loss," and a purchaser should gain what the seller loses, or vice versa. If the market were "efficient," the probability of obtaining a loss could not be predicted by knowing the characteristics of the taxpayer. Even a random investor would be protected and receive a rate of return about equal to the average (which is zero in this market). Preliminary data, however, imply that while individuals show about as many losses as gains, the losses

are concentrated at the bottom of the income distribution and the gains at the top. (Income here excludes income from capital transactions.) This implies further that low-income individuals may be disadvantaged in this market, and that some upper-income individuals do have special knowledge on how to manipulate this market.

Conclusion

Anyone who sees these data being thrown away — or being partially developed, then neglected — cannot help but be saddened at the waste involved. The organizational problem for the government does not derive from a lack of goodwill, but from an inability to make choices and to reallocate across departments and agencies. Many of the economic and social questions that could be answered with administrative data, for instance, are not of interest to the IRS in its efforts to collect taxes, so it suffers few consequences from the waste. The Securities and Exchange Commission should be interested in the portfolio data, the Commodities Futures Trading Commission in information about commodity futures, and Census in using administrative records to improve the decennial Census. Cross-funding, however, is difficult to achieve — although it is beginning to grow a bit due to heroic efforts of a few individuals. For policy makers, finally, there are few political gains: much of the data won't even be available until the next administration, and new information may even make current policy decisions appear unwise in retrospect.

Selected Historical and Other Data

Table 1 Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1970-1990
Page 112

Table 2 Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 1990
Page 114

Table 3 Number of Individual Income Tax Returns, Income, Tax and Average Tax by Size of Adjusted Gross Income, Tax Years 1987-1990
Page 141

Table 4 Reconciliation of Adjusted Gross Income (AGI) and Personal Income Used in the National Income and Product Accounts (NIPA) for Specified Tax Years, 1970-1990
Page 143

Table 5 Personal Income and Total Adjusted Gross Income per National Income and Product Accounts (NIPA), Tax Years 1947-1991
Page 144

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 1947-1990
Page 145

Table 7 Standard, Itemized and Total Deductions Reported on Individual Income Tax Returns, Tax Years 1944-1990
Page 146

Table 8 Personal Income per National Income and Product Accounts (NIPA), and Taxable Income and Individual Income Tax per SOI, Tax Years 1947-1991
Page 147

Table 9 Number of Individual Income Tax Returns, by Type of Tax Settlement, Tax Years 1944-1990
Page 148

Table 10 Nonfarm Sole Proprietorship Returns: Selected Income Statement Items for Specified Income Years, 1970-1990
Page 149

Table 11 Partnership Returns: Selected Balance Sheet and Income Statement Items for Specified Income Years, 1970-1990
Page 150

Table 12 Number of Business Income Tax Returns, by Size of Business for Specified Income Years, 1970-1990
Page 151

Table 13 Corporation Income Tax Returns: Balance Sheet, Income Statement and Tax Items for Specified Income Years, 1970-1989
Page 152

Table 14 Corporation Income Tax Returns: Selected Balance Sheet, Income Statement and Tax Items by Industrial Division for Specified Income Years, 1970-1989
Page 154

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 1960-1991
Page 156

Table 16 Gross Tax Collections: Amount Collected by Quarter and Fiscal Year, 1986-1992
Page 157

Table 17 Tax Refunds: Amount Refunded by Quarter and Fiscal Year, 1986-1992
Page 158

Table 18 Classes of Excise Taxes by Specified Fiscal Year, 1970-1991
Page 159

Table 19 Selected Returns and Forms Filed or to be Filed by Type During Specified Calendar Years, 1970-1992
Page 160

Table 20 Taxpayers Receiving Assistance, Paid and Unpaid, Tax Years 1986-1990
Page 160

Notes to Selected Historical and Other Data Tables
Page 161

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.

Selected Historical and Other Data

Table 1.—Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1970-1990
 [All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	1970	1975	1980	1985	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All returns	74,279,831	82,229,332	93,902,469	101,660,287	109,708,280	112,135,673	113,717,138
Form 1040 returns	74,279,831	54,527,726	57,122,592	67,006,425	71,359,242	71,563,456	69,270,236
Form 1040A returns	N/A	27,701,606	36,779,877	18,124,702	19,066,165	20,478,063	25,917,288
Form 1040EZ returns	N/A	N/A	N/A	16,529,160	19,282,873	20,094,154	18,529,614
Adjusted gross income (AGI):¹	631,692,540	947,784,873	1,613,731,497	2,305,951,483	3,083,019,783	3,256,358,156	3,405,427,348
Salaries and wages:							
Number of returns							
Amount	66,965,659	73,520,046	83,802,109	87,198,001	93,257,370	95,487,922	96,729,912
Amount	531,883,892	795,399,462	1,349,842,802	1,928,200,978	2,337,984,129	2,449,530,553	2,599,401,271
Taxable interest received:							
Number of returns	32,630,355	40,378,240	49,019,575	64,526,434	69,421,338	69,881,648	70,369,662
Amount	22,021,267	43,433,554	102,009,444	182,109,194	186,981,636	220,015,823	227,083,888
Tax-exempt interest: ²							
Number of returns	n.a.	n.a.	n.a.	n.a.	3,514,401	3,730,291	3,916,925
Amount	n.a.	n.a.	n.a.	n.a.	32,811,274	37,589,693	40,228,405
Dividends in AGI: ³							
Number of returns	7,729,839	8,853,491	10,738,982	15,527,579	22,803,155	23,079,592	22,904,441
Amount	15,806,924	21,892,126	38,761,253	55,046,351	77,329,507	81,309,036	80,168,536
Business or profession net income:							
Number of returns	4,827,064	5,434,857	6,305,794	8,640,701	10,491,980	11,017,545	11,221,925
Amount	33,542,837	44,861,623	66,995,010	98,775,563	145,517,755	152,416,377	161,657,252
Business or profession net loss:							
Number of returns	1,332,921	1,807,685	2,575,325	3,259,640	3,079,460 ⁴	3,143,151 ⁴	3,415,666 ⁴
Amount	2,988,636	5,440,145	11,865,856	20,002,986	19,194,505 ⁴	19,678,697 ⁴	20,227,059 ⁴
Net capital gain in AGI: ⁵							
Number of returns	5,488,224	5,798,724	6,973,930	9,991,808	9,678,528	10,722,512	9,217,141
Amount	10,655,553	16,034,430	32,723,298	72,183,321	161,874,539	153,513,725	123,783,047
Net capital loss in AGI:							
Number of returns	2,474,439	2,513,399	1,955,544	2,667,409	4,630,707	4,337,150	5,070,741
Amount	1,648,870	1,727,272	3,063,698	3,905,541	8,106,330	7,882,795	9,551,854
Pensions and annuities in AGI: ⁶							
Number of returns	3,249,558	5,088,937	7,373,704	13,133,295	16,481,248	16,816,830	17,041,091
Amount	7,878,808	20,886,871	43,339,736	95,096,003	138,785,886	147,358,442	159,294,448
Unemployment compensation in AGI: ⁷							
Number of returns	N/A	N/A	1,798,210	4,771,546	6,974,262	7,175,322	8,014,136
Amount	N/A	N/A	2,028,456	6,355,539	11,626,600	12,095,062	15,453,147
Social security benefits in AGI:							
Number of returns	N/A	N/A	N/A	2,956,073	4,024,093	4,675,100	5,082,575
Amount	N/A	N/A	N/A	9,594,182	14,361,470	17,347,058	19,686,539
Rent net income: ⁸							
Number of returns	3,595,041	3,737,264	3,653,996	3,541,964	3,722,828	3,766,547	3,933,823
Amount	4,884,370	8,053,918	13,664,671	16,340,908	21,139,837	23,912,182	25,886,388
Rent net loss: ⁸							
Number of returns	2,456,606	2,834,547	3,809,821	5,390,750	5,157,554	5,245,122	5,163,186
Amount	2,457,918	4,621,220	13,464,274	36,163,023	33,004,254	33,301,182	33,450,215
Royalty net income: ⁹							
Number of returns	473,160	547,192	707,018	960,701	1,066,348	1,104,224	1,170,627
Amount	877,106	1,867,085	4,213,345	7,243,748	3,804,387	4,047,260	4,534,436
Royalty net loss: ⁹							
Number of returns	32,691	24,809	37,297	77,189	83,318	61,368	49,133
Amount	70,741	97,700	308,361	385,360	91,684	99,096	125,855
Partnership and S Corporation net income:							
Number of returns	2,200,000 ¹⁰	2,500,000 ¹⁰	3,200,000 ¹⁰	2,477,459	2,902,129	3,098,635	3,210,384
Amount	12,637,912 ¹⁰	12,811,091 ¹⁰	10,099,346 ¹⁰	48,477,552	100,918,463	107,373,738	112,029,507
Partnership and S Corporation net loss:							
Number of returns	(10)	(10)	(10)	3,010,212	2,997,094	2,829,653	2,767,074
Amount	(10)	(10)	(10)	51,004,143	43,838,237 ¹¹	44,281,682 ¹¹	45,007,276 ¹¹
Estate or trust net income:							
Number of returns	573,700	676,691	865,381	1,075,119	529,013	470,841	444,953
Amount	1,533,321	2,740,733	4,974,127	10,328,599	4,559,070	4,502,464	4,633,163
Estate or trust net loss:							
Number of returns	41,473	56,990	40,916	73,534	67,540	81,656	74,127
Amount	84,521	186,410	414,096	652,621	464,811	543,568	467,976
Farm net income:							
Number of returns	1,792,438	1,340,485	1,123,085	891,562	992,432	1,029,336	996,360
Amount	5,688,226	10,112,147	9,938,950	6,493,117	11,241,087	11,498,065	11,395,305
Farm net loss:							
Number of returns	1,234,092	1,414,556	1,485,345	1,729,299	1,375,095	1,330,382	1,324,793
Amount	2,899,513	6,548,822	11,731,416	18,498,600	12,417,624 ¹¹	11,712,004 ¹¹	11,829,067 ¹¹
Total statutory adjustments:							
Number of returns: ¹²	6,370,552	9,024,255	13,148,919	37,763,418	10,747,370	9,926,729	16,648,032
Amount: ¹²	7,665,251	15,101,999	28,614,061	95,082,299	28,201,888	24,572,969	33,974,231
Individual Retirement Arrangements: ¹³							
Number of returns	N/A	1,211,794	2,564,421	16,205,846	6,361,421	5,824,914	5,223,737
Amount	N/A	1,436,443	3,430,894	38,211,574	11,881,754	10,828,694	9,858,219
Self-employed retirement plans:							
Number of returns	591,655	595,892	568,936	675,822	814,586	822,353	824,327
Amount	847,692	1,603,788	2,007,666	5,181,993	6,626,908	6,326,156	6,777,645
Married couples who both work:							
Number of returns	N/A	N/A	N/A	24,835,278	N/A	N/A	N/A
Amount	N/A	N/A	N/A	24,614,983	N/A	N/A	N/A

Selected Historical and Other Data

Table 1.—Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1970-1990—Continued
 [All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	1970 (1)	1975 (2)	1980 (3)	1985 (4)	1988 (5)	1989 (6)	1990 (7)
Exemptions:							
Number of exemptions, total.....	204,126,402 ¹⁴	212,202,596 ¹⁴	227,925,098 ¹⁴	244,180,202 ¹⁴	221,884,006	223,756,252	227,549,246
Number, age 65 or over.....	8,904,331	9,937,208	11,847,168	16,748,810	N/A	N/A	N/A
Amount.....	127,531,202 ¹⁴	159,140,845 ¹⁴	227,569,280 ¹⁴	253,720,447 ¹⁴	430,771,177	447,129,806	465,985,366
Total deductions:							
Number of returns: ¹⁵	73,862,448	81,585,541	88,491,251	96,848,626	108,819,935	111,311,212	112,795,712
Amount: ¹⁵	120,549,755	233,161,778	346,000,155	554,733,523	685,954,065	740,409,033	789,941,575
Standard deductions:¹⁶							
Number of returns, total.....	38,432,401	55,511,480	59,540,969	57,000,442	76,471,827	79,338,895	80,620,774
Amount.....	32,371,271	100,921,181	127,972,016	149,709,998	289,564,223	309,431,034	331,456,520
Returns with additional standard deductions for age 65 or blindness:							
Number of returns.....	N/A	N/A	N/A	N/A	10,292,748	10,551,521	10,954,167
Amount.....	N/A	N/A	N/A	N/A	9,222,833	9,452,043	10,615,715
Itemized deductions:¹⁷							
Number of returns: ¹⁷	35,430,047	26,074,061	28,950,282	39,848,184	31,902,985	31,972,317	32,174,938
Amount: ¹⁷	88,178,487	122,260,601	218,028,139	405,023,525	395,216,456	430,977,999	458,485,055
Medical and dental expense:¹⁸							
Number of returns.....	27,437,549	19,483,273	19,458,318	10,777,296	4,810,032	5,128,338	5,090,958
Amount.....	10,585,749	11,422,312	14,972,082	22,926,214	17,993,829	20,920,881	21,456,587
Taxes paid:							
Number of returns.....	35,160,636	25,929,082	28,749,278	39,548,023	31,327,781 ¹⁹	31,392,533 ¹⁹	31,594,114 ¹⁹
Amount.....	32,014,673	44,141,289	69,404,275	128,084,618	120,628,182 ¹⁹	131,299,652 ¹⁹	140,011,461 ¹⁹
Interest paid:							
Number of returns.....	29,205,679	23,385,461	26,676,836	36,286,822	29,631,009 ²⁰	29,437,522 ²⁰	29,394,600 ²⁰
Amount.....	23,929,477	38,885,262	91,187,006	180,094,576	179,737,720 ²⁰	193,186,034 ²⁰	208,354,360 ²⁰
Contributions:							
Number of returns.....	33,633,601	24,642,672	26,601,428	36,162,178	29,110,570	29,132,486	29,230,265
Amount.....	12,892,732	15,393,331	25,809,608	47,962,848	50,949,273	55,459,205	57,242,757
Taxable income:²¹							
Number of returns.....	59,593,598	65,852,602	88,104,696	96,124,046	90,281,729	92,313,789	93,148,332
Amount.....	401,154,285	595,492,866	1,279,985,360	1,820,740,833	2,069,966,980	2,173,345,881	2,263,661,230
Income tax before credits:²²							
Number of returns.....	59,596,755	65,854,734	76,135,819	85,994,216	90,218,979	92,246,065	93,089,368
Amount.....	84,156,695 ²³	132,452,044	256,294,315	332,165,333	418,889,165	438,240,138	453,127,579
Total tax credits:							
Number of returns: ²⁴	n.a.	n.a.	19,674,483	20,995,285	14,099,023	12,034,697	12,483,535
Amount: ²⁴	396,610	8,069,846	7,215,839	10,248,044	7,047,140	6,131,134	6,831,187
Child care credit:							
Number of returns.....	n.a.	n.a.	4,230,757	8,417,522	9,023,458	6,028,094	6,143,590
Amount.....	n.a.	n.a.	956,439	3,127,702	3,812,849	2,439,471	2,549,004
Credit for the elderly and disabled:							
Number of returns.....	1,357,266	784,808	561,918	462,548	356,973	319,758	339,818
Amount.....	167,656	128,968	134,993	108,642	68,904	64,490	61,896
Residential energy credit:							
Number of returns.....	N/A	N/A	n.a.	n.a.	N/A	N/A	N/A
Amount.....	N/A	N/A	562,141	811,675	N/A	N/A	N/A
Foreign tax credit:							
Number of returns.....	200,397	n.a.	393,074	453,863	559,217	641,557	772,143
Amount.....	169,623	381,985	1,341,675	782,561	1,087,203	1,311,742	1,682,307
Investment credit:²⁵							
Number of returns.....	n.a.	n.a.	n.a.	(25)	(25)	(25)	N/A
Amount.....	30,554	1,593,150	3,288,415	(25)	(25)	(25)	N/A
General business credit:²⁵							
Number of returns.....	N/A	N/A	N/A	4,614,307	364,169	332,419	262,573
Amount.....	N/A	N/A	N/A	4,791,132	718,209	593,192	616,288
Income tax after credits:							
Number of returns.....	59,314,011	61,483,928	73,840,395	82,762,130	87,120,969	89,162,747	89,844,225
Amount.....	83,787,323	124,382,197	249,078,475	321,917,289	411,842,025	432,109,004	446,296,392
Total income tax:²⁶							
Number of returns.....	59,317,371	61,490,737	73,906,244	82,846,420	87,135,332	89,178,355	89,862,434
Amount.....	83,909,311	124,526,297	250,341,440	325,710,254	412,869,909	432,939,998	447,126,703
Overpayments, total:²⁷							
Number of returns.....	55,273,385	63,825,188	69,868,451	77,424,003	79,143,548	80,908,202	83,507,580
Amount.....	15,727,692	29,363,945	49,458,344	76,220,146	78,837,972	81,252,232	88,479,352
Overpayment refunds:							
Number of returns.....	53,126,294	62,660,424	68,232,903	74,914,665	76,414,800	78,271,544	80,514,484
Amount.....	14,043,494	27,252,870	46,680,072	68,933,993	68,990,260	71,735,083	78,103,385
Tax due at time of filing:²⁸							
Number of returns.....	16,478,813	15,842,400	21,755,516	21,210,194	27,185,438	28,044,448	28,986,948
Amount.....	8,725,671	14,208,747	32,843,576	39,091,228	61,507,880	60,156,928	56,561,150

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990

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

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
UNITED STATES²								
Number of returns.....	114,788,071	47,164,910	29,031,054	21,318,600	10,798,871	3,318,953	2,314,843	840,840
Number of exemptions.....	248,768,074	71,394,046	65,755,975	58,252,266	33,060,287	10,323,232	7,292,090	2,690,178
Adjusted gross income (less deficit).....	3,398,138,737	273,881,513	630,562,337	829,121,728	649,007,632	282,754,644	304,191,423	428,619,460
Salaries and wages:								
Number of returns.....	96,578,514	36,577,024	25,018,261	19,384,275	9,932,142	3,001,186	1,982,524	683,102
Amount.....	2,593,337,270	251,940,428	504,125,217	690,255,811	538,753,160	220,678,605	201,477,582	188,106,468
Interest income:								
Number of returns.....	70,658,526	20,104,937	17,405,950	16,970,083	9,897,267	3,187,268	2,259,996	833,025
Amount.....	228,422,837	36,497,157	41,061,813	40,618,580	31,297,765	15,619,763	21,484,213	41,843,546
Dividends:								
Number of returns.....	22,867,142	4,780,673	4,507,709	5,418,332	4,226,973	1,754,339	1,511,015	668,101
Amount.....	80,422,372	7,101,794	9,054,726	11,344,086	10,710,948	6,580,380	10,840,363	24,790,076
Net capital gain (less loss):								
Number of returns.....	12,216,411	2,293,441	2,272,957	2,666,630	2,180,808	1,062,158	1,135,442	604,675
Amount.....	111,751,611	6,838,869	3,292,789	5,910,694	7,781,243	6,512,860	15,087,130	66,328,028
Taxable pensions and annuities:								
Number of returns.....	16,970,993	5,105,261	4,879,637	3,653,573	2,074,479	662,780	450,260	145,003
Amount.....	158,385,225	26,099,841	42,865,358	38,802,763	26,091,824	10,235,878	8,751,087	5,538,474
Unemployment compensation:								
Number of returns.....	8,031,121	2,735,550	2,544,729	1,906,094	670,492	119,857	48,021	6,378
Amount.....	15,283,765	4,633,984	5,176,211	3,707,878	1,363,776	268,961	121,849	21,104
Total itemized deductions:								
Number of returns.....	33,418,580	2,308,281	5,798,520	10,726,687	8,532,193	3,025,871	2,204,840	822,188
Amount.....	474,043,752	26,219,593	51,234,301	107,626,910	111,711,953	54,358,282	58,974,218	63,918,495
Taxable income:								
Number of returns.....	93,350,753	26,459,915	28,406,718	21,240,588	10,780,813	3,313,642	2,310,123	838,954
Amount.....	2,261,460,396	89,111,183	357,191,808	556,292,135	460,709,196	206,840,178	230,821,484	360,494,413
Total tax liability:								
Number of returns.....	94,988,578	28,034,229	28,449,489	21,252,555	10,785,127	3,315,238	2,311,990	839,950
Amount.....	471,051,057	16,384,050	57,871,599	96,062,067	90,203,979	46,751,014	60,631,355	103,146,993
Average (whole dollars):	4,960	585	2,035	4,521	8,364	14,102	26,225	122,802
Earned income credit:								
Number of returns.....	12,856,425	9,280,630	3,575,795	—	—	—	—	—
Amount.....	7,627,513	6,672,322	955,191	—	—	—	—	—
Excess earned income credit: ³								
Number of returns.....	8,789,468	8,117,979	671,489	—	—	—	—	—
Amount.....	5,347,107	5,188,688	160,419	—	—	—	—	—

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
ALABAMA								
Number of returns.....	1,711,765	797,757	425,224	290,950	134,611	34,488	20,858	7,877
Number of exemptions.....	3,880,293	1,341,253	1,065,202	848,986	423,103	109,025	66,818	26,098
Adjusted gross income (less deficit).....	43,145,901	5,247,737	9,172,223	11,275,353	8,045,444	2,925,512	2,732,130	3,747,501
Salaries and wages:								
Number of returns.....	1,489,365	659,844	378,158	270,316	125,686	31,422	17,602	6,537
Amount.....	34,088,681	4,547,488	7,594,984	9,661,340	6,762,249	2,250,619	1,664,185	1,607,856
Interest income:								
Number of returns.....	843,486	240,855	211,181	211,402	119,449	32,595	20,206	7,798
Amount.....	2,327,541	421,572	452,829	426,359	325,090	156,725	204,967	339,999
Dividends:								
Number of returns.....	241,217	45,897	46,506	60,030	50,008	18,411	13,997	6,368
Amount.....	689,370	59,445	72,159	97,967	101,581	62,865	101,487	193,847
Net capital gain (less loss):								
Number of returns.....	125,383	22,458	23,171	28,372	24,207	10,901	10,579	5,695
Amount.....	919,346	87,800	39,310	63,392	82,160	61,515	140,030	445,139
Taxable pensions and annuities:								
Number of returns.....	242,612	75,448	70,109	52,707	29,674	8,512	4,824	1,338
Amount.....	2,309,911	413,301	648,129	579,978	389,048	144,417	100,278	34,759
Unemployment compensation:								
Number of returns.....	163,072	66,567	51,208	33,859	8,278	920	215	25
Amount.....	172,246	74,743	53,433	33,604	6,774	1,110	344	38
Total itemized deductions:								
Number of returns.....	413,820	28,892	84,298	139,259	103,237	30,688	19,660	7,786
Amount.....	4,656,177	243,469	665,139	1,256,468	1,162,667	460,990	427,999	439,446
Taxable income:								
Number of returns.....	1,310,501	404,004	418,344	290,491	134,506	34,482	20,829	7,865
Amount.....	27,268,896	1,302,923	4,882,498	7,567,356	5,874,945	2,230,049	2,170,928	3,260,196
Total tax liability:								
Number of returns.....	1,335,549	429,335	417,944	290,550	134,535	34,475	20,838	7,872
Amount.....	5,432,772	236,384	781,418	1,253,762	1,136,323	505,452	578,783	940,650
Average (whole dollars).....	4,068	551	1,870	4,316	8,447	14,662	27,776	119,494
Earned income credit:								
Number of returns.....	319,441	244,800	74,641	--	--	--	--	--
Amount.....	199,942	179,307	20,636	--	--	--	--	--
Excess earned income credit: ³								
Number of returns.....	235,104	221,635	13,469	--	--	--	--	--
Amount.....	147,867	144,670	3,197	--	--	--	--	--

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
ALASKA								
Number of returns.....	313,610	146,094	57,272	50,484	35,047	14,927	8,181	1,605
Number of exemptions.....	539,741	104,448	121,262	129,607	106,118	47,012	26,191	5,103
Adjusted gross income (less deficit).....	9,008,782	421,628	1,257,035	1,978,198	2,136,701	1,274,184	1,038,516	902,539
Salaries and wages:								
Number of returns.....	223,597	70,800	51,040	46,174	32,895	14,081	7,322	1,285
Amount.....	6,872,072	445,361	997,801	1,613,985	1,781,402	1,051,234	721,196	261,092
Interest income:								
Number of returns.....	170,341	52,921	29,810	35,323	29,228	13,664	7,816	1,579
Amount.....	309,702	33,454	34,588	52,196	55,649	36,492	43,419	53,903
Dividends:								
Number of returns.....	66,798	19,083	10,895	12,778	11,316	6,622	4,866	1,238
Amount.....	130,027	16,117	13,985	18,410	19,066	13,686	17,436	31,327
Net capital gain (less loss):								
Number of returns.....	28,556	4,136	3,612	5,723	6,331	4,011	3,588	1,145
Amount.....	350,369	5,937	4,684	9,776	17,334	17,497	43,829	251,311
Taxable pensions and annuities:								
Number of returns.....	29,742	4,139	6,419	7,477	6,405	3,178	1,842	282
Amount.....	402,802	23,390	64,101	104,901	102,731	55,957	41,078	10,645
Unemployment compensation:								
Number of returns.....	31,683	8,456	9,062	7,959	4,686	1,244	263	13
Amount.....	71,337	16,055	20,828	19,821	11,257	2,760	581	34
Total itemized deductions:								
Number of returns.....	73,427	3,786	8,324	18,793	22,021	11,889	7,168	1,446
Amount.....	914,093	39,118	68,257	180,683	259,438	171,500	137,592	57,505
Taxable income:								
Number of returns.....	282,541	116,166	56,249	50,393	35,024	14,925	8,179	1,605
Amount.....	6,649,210	239,723	748,949	1,393,237	1,568,152	991,897	843,065	834,167
Total tax liability:								
Number of returns.....	287,757	120,958	56,630	50,423	35,035	14,926	8,180	1,605
Amount.....	1,448,055	44,110	127,398	256,879	328,795	227,997	224,004	238,871
Average (whole dollars).....	5,033	365	2,250	5,095	9,385	15,276	27,385	148,830
Earned income credit:								
Number of returns.....	16,908	10,787	6,121	--	--	--	--	--
Amount.....	8,586	7,028	1,558	--	--	--	--	--
Excess earned income credit: ³								
Number of returns.....	9,569	8,704	865	--	--	--	--	--
Amount.....	4,888	4,687	200	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
ARIZONA								
Number of returns.....	1,602,781	691,808	412,815	283,929	138,609	39,814	26,542	9,264
Number of exemptions.....	3,697,698	1,196,703	1,008,596	816,565	435,330	125,356	84,700	30,448
Adjusted gross income (less deficit).....	43,208,903	3,870,636	8,916,174	11,013,437	8,317,629	3,388,739	3,485,808	4,218,479
Salaries and wages:								
Number of returns.....	1,324,277	546,080	343,333	248,664	122,923	34,565	21,511	7,201
Amount.....	32,595,515	3,849,627	6,858,632	8,774,968	6,586,954	2,509,169	2,147,579	1,868,587
Interest income:								
Number of returns.....	922,762	263,781	243,080	219,104	124,164	37,757	25,724	9,152
Amount.....	3,241,184	541,427	644,514	613,394	457,388	226,354	313,121	444,987
Dividends:								
Number of returns.....	310,953	69,639	70,580	74,275	53,005	20,385	16,325	6,744
Amount.....	1,157,834	129,936	174,137	200,091	167,607	93,670	137,080	255,312
Net capital gain (less loss):								
Number of returns.....	208,304	43,844	45,549	46,893	34,811	15,386	14,852	6,969
Amount.....	1,468,802	170,775	41,872	88,447	128,310	101,480	242,051	695,865
Taxable pensions and annuities:								
Number of returns.....	272,191	78,817	82,483	60,688	32,665	9,728	6,050	1,760
Amount.....	2,848,807	426,120	789,648	752,860	492,328	173,829	137,040	76,981
Unemployment compensation:								
Number of returns.....	82,388	35,858	24,845	15,110	5,085	1,037	414	39
Amount.....	137,892	57,863	42,963	25,449	8,767	1,899	849	103
Total itemized deductions:								
Number of returns.....	527,655	51,942	115,638	171,363	116,900	36,956	25,698	9,158
Amount.....	6,881,442	512,095	1,001,222	1,744,132	1,549,002	665,561	700,112	709,319
Taxable income:								
Number of returns.....	1,255,461	359,248	399,736	282,789	138,314	39,706	26,457	9,211
Amount.....	27,484,544	1,237,761	4,748,188	7,139,549	5,810,325	2,466,319	2,624,721	3,457,682
Total tax liability:								
Number of returns.....	1,280,791	382,967	400,939	283,032	138,384	39,739	26,497	9,233
Amount.....	5,559,170	225,101	765,159	1,212,146	1,121,561	554,889	687,547	992,767
Average (whole dollars).....	4,341	588	1,909	4,283	8,105	13,964	25,949	107,524
Earned income credit:								
Number of returns.....	216,122	160,141	55,981	--	--	--	--	--
Amount.....	130,285	115,237	15,047	--	--	--	--	--
Excess earned income credit: ³								
Number of returns.....	158,238	144,503	13,735	--	--	--	--	--
Amount.....	98,128	94,705	3,422	--	--	--	--	--
ARKANSAS								
Number of returns.....	965,282	469,518	257,602	154,473	57,055	13,298	9,655	3,681
Number of exemptions.....	2,234,717	833,241	674,855	462,645	179,316	41,879	30,791	11,990
Adjusted gross income (less deficit).....	22,011,751	2,952,773	5,540,903	5,938,751	3,387,061	1,130,424	1,280,390	1,781,450
Salaries and wages:								
Number of returns.....	805,456	373,038	221,220	138,613	50,550	11,260	7,721	3,054
Amount.....	16,581,270	2,574,443	4,381,639	4,830,239	2,610,727	747,280	689,089	747,852
Interest income:								
Number of returns.....	489,668	160,824	137,168	114,908	51,083	12,639	9,401	3,645
Amount.....	1,546,128	308,581	353,395	301,240	203,955	87,362	113,873	177,723
Dividends:								
Number of returns.....	140,234	31,892	33,722	35,669	22,050	7,440	6,495	2,966
Amount.....	466,172	41,665	52,011	59,423	49,732	26,734	42,876	193,730
Net capital gain (less loss):								
Number of returns.....	94,863	22,351	23,392	22,097	13,596	5,321	5,424	2,682
Amount.....	549,421	38,435	43,468	59,566	61,876	41,784	83,800	220,492
Taxable pensions and annuities:								
Number of returns.....	134,118	45,745	42,941	28,129	12,007	2,859	1,853	584
Amount.....	1,186,738	234,494	380,062	310,672	162,229	47,199	34,511	17,571
Unemployment compensation:								
Number of returns.....	79,697	34,597	28,238	14,237	2,293	246	77	9
Amount.....	118,653	47,834	42,851	22,908	4,299	554	178	29
Total itemized deductions:								
Number of returns.....	194,221	17,135	41,269	67,124	43,844	12,020	9,188	3,641
Amount.....	2,291,353	138,034	399,139	601,730	494,830	185,041	210,421	262,058
Taxable income:								
Number of returns.....	724,578	233,373	253,351	154,238	57,013	13,283	9,642	3,678
Amount.....	13,463,217	754,759	2,897,237	3,974,160	2,471,068	858,200	1,008,847	1,497,946
Total tax liability:								
Number of returns.....	750,835	259,432	253,528	154,250	57,017	13,284	9,646	3,678
Amount.....	2,679,929	148,585	476,758	664,907	487,332	200,316	272,124	429,907
Average (whole dollars).....	3,570	573	1,881	4,311	8,548	15,080	28,212	116,887
Earned income credit:								
Number of returns.....	175,524	131,183	44,341	--	--	--	--	--
Amount.....	107,267	95,146	12,121	--	--	--	--	--
Excess earned income credit: ³								
Number of returns.....	122,773	114,978	7,795	--	--	--	--	--
Amount.....	75,788	73,954	1,834	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
CALIFORNIA								
Number of returns.....	13,734,942	5,428,291	3,338,905	2,496,794	1,426,014	525,610	384,310	135,018
Number of exemptions.....	30,892,464	9,421,893	7,661,808	6,436,658	4,203,914	1,586,075	1,164,769	417,347
Adjusted gross income (less deficit).....	452,648,452	29,110,134	72,747,801	97,248,843	86,328,234	44,881,908	50,425,211	71,906,322
Salaries and wages:								
Number of returns.....	11,503,665	4,248,884	2,848,734	2,220,286	1,288,672	470,540	322,147	104,402
Amount.....	339,033,306	30,867,536	58,444,294	79,741,704	70,493,175	35,239,002	33,166,695	31,080,901
Interest income:								
Number of returns.....	8,189,333	2,030,004	1,912,345	1,944,452	1,291,745	502,880	374,237	133,870
Amount.....	30,876,758	3,973,550	4,510,060	5,022,591	4,328,709	2,437,634	3,608,883	6,995,351
Dividends:								
Number of returns.....	2,541,631	456,417	456,556	573,138	490,708	243,130	224,328	97,354
Amount.....	9,806,526	1,855,441	1,069,018	1,358,420	1,281,232	820,319	1,358,031	3,104,064
Net capital gain (less loss):								
Number of returns.....	1,514,960	239,302	244,923	312,543	284,518	159,204	180,809	93,661
Amount.....	21,515,451	1,286,628	384,524	855,719	1,313,644	1,242,986	3,171,273	13,260,677
Taxable pensions and annuities:								
Number of returns.....	1,785,230	437,453	487,453	405,041	265,382	98,399	69,893	21,809
Amount.....	19,162,271	2,406,890	4,633,605	4,796,212	3,581,898	1,514,062	1,341,072	888,734
Unemployment compensation:								
Number of returns.....	1,026,496	431,194	287,276	187,104	86,469	22,097	10,870	1,438
Amount.....	1,746,675	682,304	530,518	321,224	147,991	39,822	21,416	3,400
Total itemized deductions:								
Number of returns.....	4,670,161	364,444	765,931	1,355,820	1,176,094	496,976	376,942	133,954
Amount.....	88,875,102	5,479,381	8,667,337	17,285,454	19,695,221	11,179,088	12,721,169	13,647,452
Taxable income:								
Number of returns.....	10,832,525	2,718,450	3,183,759	2,469,357	1,419,733	523,770	382,889	134,567
Amount.....	292,785,110	9,596,696	39,802,377	62,430,461	57,303,063	30,491,776	35,501,889	57,658,849
Total tax liability:								
Number of returns.....	11,078,906	2,933,917	3,201,146	2,478,716	1,422,237	524,528	383,539	134,823
Amount.....	63,366,834	1,844,856	6,517,566	11,159,909	11,300,898	6,828,197	9,263,862	16,451,546
Average (whole dollars).....	5,720	629	2,037	4,503	7,946	13,018	24,154	122,024
Earned income credit:								
Number of returns.....	1,755,297	1,347,347	407,950	--	--	--	--	--
Amount.....	1,090,602	980,986	109,616	--	--	--	--	--
Excess earned income credit: ²								
Number of returns.....	1,330,510	1,207,378	123,132	--	--	--	--	--
Amount.....	845,754	814,657	31,097	--	--	--	--	--
COLORADO								
Number of returns.....	1,564,022	631,326	393,013	297,667	154,568	46,371	31,342	9,735
Number of exemptions.....	3,311,856	881,667	871,070	811,202	472,913	144,431	99,572	31,001
Adjusted gross income (less deficit).....	45,371,583	3,140,961	8,556,181	11,591,846	9,289,398	3,946,175	4,101,365	4,745,655
Salaries and wages:								
Number of returns.....	1,326,909	497,800	339,204	270,848	142,325	42,054	26,927	7,751
Amount.....	34,907,915	3,405,036	6,812,998	9,583,284	7,638,219	3,046,880	2,655,276	1,766,221
Interest income:								
Number of returns.....	1,011,693	288,620	249,518	245,430	143,178	44,635	30,650	9,662
Amount.....	2,765,412	453,135	479,854	493,260	391,283	193,041	271,119	483,721
Dividends:								
Number of returns.....	358,884	75,722	70,878	88,188	68,305	26,841	21,214	7,736
Amount.....	1,047,245	113,903	128,144	160,755	151,490	89,474	142,798	260,681
Net capital gain (less loss):								
Number of returns.....	221,077	43,985	42,039	50,206	40,839	18,680	17,861	7,487
Amount.....	1,729,459	121,611	46,249	81,412	114,482	97,616	223,326	1,044,763
Taxable pensions and annuities:								
Number of returns.....	225,693	58,993	64,955	53,620	30,851	9,684	6,016	1,574
Amount.....	2,366,917	327,806	634,576	641,247	435,263	159,710	122,221	46,095
Unemployment compensation:								
Number of returns.....	69,745	22,825	23,970	16,281	5,344	913	377	35
Amount.....	132,163	39,526	47,124	31,407	10,534	1,952	832	788
Total itemized deductions:								
Number of returns.....	550,316	42,513	107,545	184,420	132,456	43,448	30,344	9,590
Amount.....	7,131,708	406,028	915,681	1,845,804	1,733,467	755,731	745,635	729,362
Taxable income:								
Number of returns.....	1,293,077	369,741	384,664	296,936	154,408	46,325	31,297	9,706
Amount.....	30,226,480	1,240,890	4,791,460	7,595,813	6,510,899	2,893,051	3,157,842	4,036,524
Total tax liability:								
Number of returns.....	1,319,449	394,683	385,876	297,051	154,452	46,342	31,318	9,727
Amount.....	6,245,217	233,932	788,599	1,311,518	1,267,267	654,727	834,141	1,155,033
Average (whole dollars).....	4,734	593	2,044	4,416	8,205	14,129	26,635	118,746
Earned income credit:								
Number of returns.....	147,929	103,195	44,734	--	--	--	--	--
Amount.....	85,418	73,593	11,825	--	--	--	--	--
Excess earned income credit: ²								
Number of returns.....	96,515	87,986	8,529	--	--	--	--	--
Amount.....	57,221	55,225	1,996	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
CONNECTICUT								
Number of returns.....	1,658,349	542,177	403,772	341,467	215,651	75,686	56,848	22,748
Number of exemptions.....	3,292,004	621,702	752,876	812,004	623,918	229,641	178,468	73,395
Adjusted gross income (less deficit).....	63,964,603	2,885,404	8,911,592	13,382,937	13,028,754	6,460,318	7,538,499	11,757,097
Salaries and wages:								
Number of returns.....	1,387,362	390,273	346,294	308,857	200,426	70,660	51,246	19,606
Amount.....	49,684,718	2,548,404	7,052,191	11,004,889	10,990,449	5,405,106	5,660,129	7,023,550
Interest income:								
Number of returns.....	1,257,743	319,697	280,409	298,250	206,352	74,265	56,152	22,618
Amount.....	4,364,685	615,471	729,816	860,353	678,856	289,167	382,751	808,271
Dividends:								
Number of returns.....	460,938	93,966	79,406	101,640	88,575	40,254	38,156	18,941
Amount.....	1,754,989	137,279	178,308	266,704	257,090	141,171	246,212	528,226
Net capital gain (less loss):								
Number of returns.....	207,898	33,254	30,414	42,305	39,253	20,945	25,847	15,880
Amount.....	1,703,065	82,803	21,793	58,706	94,202	89,306	239,819	1,116,436
Taxable pensions and annuities:								
Number of returns.....	266,752	70,868	70,468	59,674	39,117	13,069	9,660	3,896
Amount.....	2,989,331	325,552	538,804	562,352	420,510	173,004	178,061	191,047
Unemployment compensation:								
Number of returns.....	132,019	30,530	42,054	35,988	18,503	3,258	1,441	245
Amount.....	340,217	76,702	113,891	91,915	43,466	8,164	4,199	1,881
Total itemized deductions:								
Number of returns.....	560,153	32,567	74,269	154,370	155,044	66,879	54,524	22,500
Amount.....	9,303,813	436,508	749,271	1,696,483	2,081,547	1,169,933	1,497,950	1,672,121
Taxable income:								
Number of returns.....	1,461,960	357,720	394,839	339,362	215,077	75,539	56,704	22,719
Amount.....	45,880,980	1,206,774	5,538,861	9,299,347	9,414,861	4,792,022	5,684,540	9,944,577
Total tax liability:								
Number of returns.....	1,476,724	369,103	397,333	339,963	215,226	75,597	56,768	22,734
Amount.....	10,080,457	214,960	900,242	1,678,225	1,875,501	1,084,328	1,491,795	2,835,406
Average (whole dollars).....	6,827	583	2,266	4,937	8,715	14,344	26,279	124,721
Earned income credit:								
Number of returns.....	77,810	48,395	29,415	--	--	--	--	--
Amount.....	40,889	33,382	7,507	--	--	--	--	--
Excess earned income credit:³								
Number of returns.....	43,590	39,520	4,070	--	--	--	--	--
Amount.....	24,080	23,162	918	--	--	--	--	--
DELAWARE								
Number of returns.....	328,496	121,479	82,801	64,930	37,296	12,042	7,761	2,187
Number of exemptions.....	686,087	162,333	172,442	168,834	113,524	37,682	24,382	6,890
Adjusted gross income (less deficit).....	10,416,903	814,206	1,791,316	2,538,216	2,249,174	1,025,165	1,009,491	969,335
Salaries and wages:								
Number of returns.....	282,037	96,746	71,720	59,263	34,603	11,119	6,853	1,739
Amount.....	8,066,393	667,844	1,494,294	2,109,355	1,888,406	831,527	697,750	437,216
Interest income:								
Number of returns.....	204,459	51,125	47,009	50,724	34,255	11,589	7,587	2,170
Amount.....	570,586	83,998	106,121	108,703	87,818	45,177	56,530	82,239
Dividends:								
Number of returns.....	85,027	14,600	15,245	20,828	18,412	7,977	6,070	1,895
Amount.....	362,698	20,496	29,097	41,192	43,972	29,915	50,718	167,307
Net capital gain (less loss):								
Number of returns.....	31,930	4,701	4,987	6,725	6,423	3,599	3,870	1,625
Amount.....	242,106	8,241	6,322	14,446	21,404	18,848	45,756	127,089
Taxable pensions and annuities:								
Number of returns.....	55,148	14,199	15,330	12,529	8,071	2,743	1,827	449
Amount.....	563,132	75,371	141,375	141,342	105,219	43,126	38,283	18,415
Unemployment compensation:								
Number of returns.....	20,192	4,514	5,548	6,766	2,830	434	94	6
Amount.....	34,947	7,222	10,894	11,287	4,615	722	193	15
Total itemized deductions:								
Number of returns.....	107,792	4,750	15,412	34,971	31,352	11,510	7,624	2,173
Amount.....	1,461,955	44,546	120,785	332,267	388,377	199,900	193,712	182,368
Taxable income:								
Number of returns.....	282,121	76,358	81,739	64,798	37,272	12,029	7,746	2,179
Amount.....	6,992,746	269,358	1,065,301	1,733,172	1,605,007	756,014	768,758	795,136
Total tax liability:								
Number of returns.....	283,152	77,422	81,677	64,807	37,280	12,032	7,750	2,184
Amount.....	1,416,779	45,123	169,350	297,031	308,608	168,063	199,518	229,086
Average (whole dollars).....	5,004	583	2,074	4,584	8,279	13,969	25,745	104,893
Earned income credit:								
Number of returns.....	29,624	20,323	9,301	--	--	--	--	--
Amount.....	17,297	14,766	2,531	--	--	--	--	--
Excess earned income credit:³								
Number of returns.....	19,411	17,971	1,440	--	--	--	--	--
Amount.....	11,769	11,428	341	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued

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

State and Item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
DISTRICT OF COLUMBIA								
Number of returns.....	318,038	116,372	103,372	53,408	23,145	9,147	8,872	3,720
Number of exemptions.....	588,035	178,028	200,043	103,049	50,729	21,982	23,335	10,869
Adjusted gross income (less deficit).....	10,201,548	692,695	2,235,184	2,043,768	1,399,543	782,999	1,185,549	1,861,810
Salaries and wages:								
Number of returns.....	268,034	90,811	92,148	47,264	19,922	7,880	7,348	2,661
Amount.....	7,364,341	700,394	1,911,463	1,679,113	1,082,646	589,649	772,843	628,234
Interest income:								
Number of returns.....	159,776	34,518	45,851	38,313	20,247	8,591	8,582	3,674
Amount.....	610,736	61,705	60,491	79,355	75,251	46,585	79,508	207,842
Dividends:								
Number of returns.....	51,483	7,963	8,816	11,519	9,023	4,872	6,116	3,174
Amount.....	350,344	14,307	17,697	30,046	36,081	28,190	64,088	159,936
Net capital gain (less loss):								
Number of returns.....	25,919	3,125	3,224	4,873	4,677	2,879	4,310	2,831
Amount.....	502,057	70,540	2,090	6,143	14,235	13,850	46,984	348,215
Taxable pensions and annuities:								
Number of returns.....	47,545	12,185	14,358	10,353	5,591	2,218	2,063	777
Amount.....	780,050	92,631	194,829	189,188	136,000	61,841	68,028	37,533
Unemployment compensation:								
Number of returns.....	11,473	5,494	4,046	1,256	482	111	76	8
Amount.....	31,002	13,441	11,944	3,612	1,416	308	253	29
Total itemized deductions:								
Number of returns.....	97,871	6,450	20,701	29,477	20,105	8,739	8,702	3,697
Amount.....	1,698,604	71,782	176,253	305,968	288,252	176,221	279,276	400,851
Taxable income:								
Number of returns.....	265,593	65,968	101,803	53,124	23,039	9,117	8,839	3,703
Amount.....	6,936,794	256,972	1,352,827	1,446,510	1,003,481	564,973	862,843	1,449,188
Total tax liability:								
Number of returns.....	264,157	65,680	100,593	53,146	23,062	9,124	8,858	3,714
Amount.....	1,512,356	42,077	206,569	285,452	212,758	133,331	230,892	421,277
Average (whole dollars).....	5,726	641	2,054	4,995	9,226	14,614	26,066	113,430
Earned income credit:								
Number of returns.....	44,782	29,312	15,470	--	--	--	--	--
Amount.....	25,383	21,284	4,099	--	--	--	--	--
Excess earned income credit: ³								
Number of returns.....	29,878	26,665	3,213	--	--	--	--	--
Amount.....	17,824	17,065	760	--	--	--	--	--
FLORIDA								
Number of returns.....	6,141,001	2,700,305	1,636,730	1,021,587	473,476	144,369	111,887	52,647
Number of exemptions.....	13,390,165	4,457,984	3,787,915	2,774,487	1,419,064	441,163	345,529	164,023
Adjusted gross income (less deficit).....	176,297,385	16,366,149	35,128,543	39,533,613	28,405,488	12,311,453	14,902,518	29,649,621
Salaries and wages:								
Number of returns.....	4,874,663	2,059,453	1,324,106	856,587	396,597	116,793	83,360	37,767
Amount.....	117,421,098	14,772,760	25,959,239	29,689,553	20,789,240	8,231,332	8,079,066	9,899,908
Interest income:								
Number of returns.....	3,560,235	1,079,694	969,542	788,976	424,474	138,862	108,549	52,138
Amount.....	17,984,646	2,605,831	3,198,444	3,040,937	2,265,530	1,156,282	1,728,532	3,989,091
Dividends:								
Number of returns.....	1,325,931	316,491	317,516	297,503	198,999	78,920	74,556	41,946
Amount.....	7,321,260	677,007	949,654	1,092,290	944,810	557,095	919,972	2,180,433
Net capital gain (less loss):								
Number of returns.....	828,323	176,771	180,902	178,371	128,307	58,726	64,738	40,508
Amount.....	9,542,014	369,230	143,985	381,777	575,373	491,341	1,129,702	6,450,605
Taxable pensions and annuities:								
Number of returns.....	1,089,114	316,141	336,731	235,369	124,145	37,783	27,397	11,548
Amount.....	11,918,502	1,649,602	3,197,404	3,053,089	2,020,886	738,919	670,017	589,584
Unemployment compensation:								
Number of returns.....	246,450	100,589	78,779	47,055	15,212	3,164	1,421	230
Amount.....	463,174	168,865	155,704	94,374	32,326	7,422	3,622	862
Total itemized deductions:								
Number of returns.....	1,588,273	171,363	357,559	469,843	326,251	116,689	97,277	49,291
Amount.....	21,568,597	1,993,898	3,168,894	4,637,547	4,033,380	1,918,283	2,344,769	3,471,824
Taxable income:								
Number of returns.....	4,876,675	1,477,784	1,601,314	1,017,416	472,263	143,947	111,510	52,441
Amount.....	120,077,338	5,252,459	19,527,893	26,952,566	20,933,083	9,433,144	11,872,889	26,105,503
Total tax liability:								
Number of returns.....	4,982,173	1,579,994	1,603,429	1,018,019	472,480	144,051	111,651	52,549
Amount.....	25,642,979	969,104	3,148,250	4,616,512	4,144,751	2,159,765	3,161,025	7,443,574
Average (whole dollars).....	5,147	614	1,964	4,535	8,773	14,994	28,312	141,651
Earned income credit:								
Number of returns.....	762,327	562,259	200,068	--	--	--	--	--
Amount.....	465,636	411,039	54,597	--	--	--	--	--
Excess earned income credit: ³								
Number of returns.....	527,683	490,008	37,675	--	--	--	--	--
Amount.....	324,750	315,746	9,003	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income ^a						
		Under \$15,000 ^b	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
GEORGIA								
Number of returns.....	2,881,979	1,222,355	741,245	508,239	259,127	79,099	53,638	18,276
Number of exemptions.....	6,248,052	1,891,849	1,688,816	1,398,070	791,714	247,145	170,864	59,484
Adjusted gross income (less deficit).....	81,446,750	7,522,797	15,990,222	19,743,141	15,583,032	6,737,267	7,036,856	8,833,434
Salaries and wages:								
Number of returns.....	2,549,389	1,027,529	669,352	473,235	243,331	73,305	47,364	15,273
Amount.....	65,205,837	7,277,029	13,561,503	16,906,600	13,223,970	5,437,521	4,873,608	3,925,606
Interest income:								
Number of returns.....	1,432,845	361,323	342,090	357,929	226,620	74,724	52,063	18,096
Amount.....	4,093,943	610,050	687,857	727,275	590,907	309,255	423,856	744,744
Dividends:								
Number of returns.....	454,439	75,837	77,624	110,276	98,268	42,493	35,327	14,614
Amount.....	1,432,951	104,018	126,070	182,391	191,657	127,164	216,241	485,411
Net capital gain (less loss):								
Number of returns.....	237,978	37,780	39,125	51,165	46,847	23,978	25,868	13,215
Amount.....	2,516,163	210,209	74,154	122,691	172,491	141,660	325,044	1,469,914
Taxable pensions and annuities:								
Number of returns.....	357,102	85,596	99,941	87,867	53,788	16,743	10,169	2,998
Amount.....	3,455,995	452,507	892,117	918,830	657,014	257,189	189,683	88,655
Unemployment compensation:								
Number of returns.....	214,241	78,838	69,808	48,048	14,327	2,305	809	106
Amount.....	264,258	89,064	83,241	62,948	22,997	4,092	1,667	248
Total itemized deductions:								
Number of returns.....	858,341	51,028	154,734	283,345	222,722	75,706	52,634	18,172
Amount.....	11,727,341	497,932	1,315,231	2,829,398	2,920,820	1,386,132	1,439,336	1,338,494
Taxable income:								
Number of returns.....	2,303,007	658,706	727,893	506,805	258,809	79,007	53,551	18,236
Amount.....	52,542,145	2,245,279	8,868,170	13,033,179	10,897,728	4,850,917	5,260,298	7,386,575
Total tax liability:								
Number of returns.....	2,338,144	693,384	727,864	507,103	258,898	79,047	53,586	18,262
Amount.....	10,682,714	405,103	1,423,276	2,203,253	2,094,478	1,061,485	1,379,555	2,111,565
Average (whole dollars).....	4,574	585	1,956	4,345	8,090	13,682	25,633	115,827
Earned income credit:								
Number of returns.....	451,038	333,018	118,020	--	--	--	--	--
Amount.....	274,952	242,672	32,280	--	--	--	--	--
Excess earned income credit: ^c								
Number of returns.....	318,618	298,003	20,615	--	--	--	--	--
Amount.....	196,913	192,063	4,849	--	--	--	--	--
HAWAII								
Number of returns.....	555,488	206,399	152,346	101,995	58,877	19,035	12,340	4,496
Number of exemptions.....	1,145,166	262,986	315,620	271,480	183,660	59,597	37,986	13,837
Adjusted gross income (less deficit).....	17,462,616	1,080,887	3,299,330	3,974,169	3,560,820	1,617,371	1,628,512	2,301,526
Salaries and wages:								
Number of returns.....	472,901	160,771	134,600	92,198	54,211	17,268	10,433	3,420
Amount.....	12,771,514	1,143,904	2,707,945	3,199,491	2,835,143	1,202,410	929,731	752,890
Interest income:								
Number of returns.....	407,671	112,239	113,273	90,377	56,472	18,677	12,165	4,468
Amount.....	968,460	128,302	159,127	177,330	154,368	77,042	99,127	173,164
Dividends:								
Number of returns.....	115,057	21,159	23,155	26,635	22,795	10,070	7,827	3,416
Amount.....	345,781	27,181	36,720	52,025	52,480	32,721	53,068	91,585
Net capital gain (less loss):								
Number of returns.....	57,317	8,454	9,450	12,241	11,595	6,038	6,302	3,237
Amount.....	1,199,686	57,581	16,987	33,777	61,419	63,736	181,083	785,104
Taxable pensions and annuities:								
Number of returns.....	85,913	20,041	23,927	20,139	13,228	4,426	3,068	1,084
Amount.....	1,028,353	107,145	239,912	276,517	214,828	86,504	68,370	35,076
Unemployment compensation:								
Number of returns.....	20,490	4,411	6,919	6,045	2,536	396	163	20
Amount.....	36,371	8,081	12,950	10,055	4,121	734	376	55
Total itemized deductions:								
Number of returns.....	166,851	8,687	26,918	50,057	47,014	17,846	11,906	4,423
Amount.....	2,710,869	169,142	238,081	546,335	685,198	336,612	367,086	368,414
Taxable income:								
Number of returns.....	475,489	129,840	149,552	101,517	58,768	19,011	12,311	4,490
Amount.....	11,824,875	486,517	1,947,012	2,649,511	2,452,904	1,158,657	1,221,530	1,908,744
Total tax liability:								
Number of returns.....	481,830	135,384	150,127	101,682	58,797	19,022	12,324	4,494
Amount.....	2,463,848	85,447	313,734	463,498	477,233	260,882	324,667	538,867
Average (whole dollars).....	5,114	632	2,090	4,559	8,117	13,715	26,296	119,935
Earned income credit:								
Number of returns.....	36,291	22,071	14,220	--	--	--	--	--
Amount.....	18,805	15,117	3,688	--	--	--	--	--
Excess earned income credit: ^c								
Number of returns.....	19,984	17,742	2,242	--	--	--	--	--
Amount.....	10,869	10,360	509	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
IDAHO								
Number of returns.....	427,628	188,465	113,674	79,936	31,030	7,339	5,304	1,880
Number of exemptions.....	1,039,872	309,928	313,151	262,192	104,908	24,908	18,449	6,336
Adjusted gross income (less deficit).....	10,634,431	1,016,109	2,475,637	3,084,794	1,843,584	624,970	702,175	887,162
Salaries and wages:								
Number of returns.....	355,941	148,268	96,349	72,016	27,696	6,156	4,042	1,414
Amount.....	7,820,953	982,657	1,897,266	2,489,025	1,404,507	397,184	338,169	312,126
Interest income:								
Number of returns.....	257,003	83,391	68,564	62,609	28,357	7,023	5,186	1,873
Amount.....	719,115	148,858	160,477	139,473	93,366	42,482	58,749	75,709
Dividends:								
Number of returns.....	78,629	18,393	18,212	20,186	12,822	4,134	3,432	1,450
Amount.....	218,181	25,637	31,921	35,939	28,095	15,465	23,286	57,838
Net capital gain (less loss):								
Number of returns.....	61,005	14,357	14,533	14,357	9,473	3,552	3,289	1,444
Amount.....	451,074	35,496	37,814	49,862	54,885	34,416	67,219	171,384
Taxable pensions and annuities:								
Number of returns.....	61,950	20,302	19,382	13,455	6,089	1,501	924	297
Amount.....	541,815	102,911	171,132	140,500	75,018	22,303	17,239	12,512
Unemployment compensation:								
Number of returns.....	40,327	13,524	15,977	8,966	1,593	188	70	9
Amount.....	62,940	18,173	26,531	14,865	2,832	369	157	13
Total itemized deductions:								
Number of returns.....	120,453	9,997	25,812	45,005	26,061	6,710	5,027	1,841
Amount.....	1,397,058	85,637	204,884	418,166	319,927	110,348	123,985	134,111
Taxable income:								
Number of returns.....	338,908	103,244	110,376	79,783	31,004	7,333	5,291	1,877
Amount.....	6,581,566	318,976	1,261,972	1,964,922	1,289,985	463,017	541,627	741,067
Total tax liability:								
Number of returns.....	349,265	113,029	110,965	79,756	31,001	7,335	5,300	1,879
Amount.....	1,328,668	63,159	212,099	333,353	254,351	108,688	146,296	211,721
Average (whole dollars).....	3,808	559	1,912	4,180	8,205	14,818	27,604	112,678
Earned income credit:								
Number of returns.....	52,881	36,077	16,804	--	--	--	--	--
Amount.....	30,776	26,390	4,386	--	--	--	--	--
Excess earned income credit: ²								
Number of returns.....	33,995	30,463	3,532	--	--	--	--	--
Amount.....	20,559	19,704	855	--	--	--	--	--
ILLINOIS								
Number of returns.....	5,357,997	2,086,804	1,322,530	1,045,649	565,756	169,747	120,574	46,937
Number of exemptions.....	11,538,370	2,981,326	2,883,219	2,845,570	1,756,478	533,651	384,548	153,578
Adjusted gross income (less deficit).....	170,173,371	12,311,484	28,840,488	40,814,281	34,005,890	14,447,444	15,889,535	23,864,248
Salaries and wages:								
Number of returns.....	4,514,438	1,589,837	1,139,535	958,124	527,026	155,081	105,532	39,303
Amount.....	129,848,342	10,342,959	23,049,068	34,307,471	28,594,773	11,415,273	10,884,451	11,054,347
Interest income:								
Number of returns.....	3,520,121	1,002,627	822,155	846,703	521,748	162,929	117,415	46,544
Amount.....	11,705,240	1,904,911	2,075,807	2,071,863	1,617,948	780,042	1,044,973	2,209,696
Dividends:								
Number of returns.....	1,225,499	259,326	232,075	282,687	232,807	95,703	83,973	38,928
Amount.....	4,352,429	372,375	474,419	611,908	596,585	366,775	597,150	1,333,218
Net capital gain (less loss):								
Number of returns.....	570,579	96,829	96,108	123,872	108,388	52,714	58,505	34,163
Amount.....	5,749,946	319,128	110,496	235,144	339,267	312,917	760,503	3,672,491
Taxable pensions and annuities:								
Number of returns.....	834,542	269,134	233,253	171,618	99,635	31,548	21,521	7,833
Amount.....	6,621,009	1,238,963	1,799,585	1,538,663	1,010,099	396,789	357,820	279,089
Unemployment compensation:								
Number of returns.....	323,840	96,220	101,189	85,114	33,105	5,480	2,378	354
Amount.....	740,918	200,530	254,276	193,660	72,432	12,738	6,329	952
Total itemized deductions:								
Number of returns.....	1,489,328	85,452	222,299	463,070	411,335	147,710	113,155	46,307
Amount.....	19,898,758	933,265	1,880,761	4,400,707	4,916,956	2,358,909	2,622,065	2,786,096
Taxable income:								
Number of returns.....	4,461,085	1,214,980	1,300,454	1,043,450	565,295	169,595	120,434	46,877
Amount.....	118,005,091	3,970,272	16,950,122	28,058,427	24,815,583	10,929,726	12,489,886	20,791,076
Total tax liability:								
Number of returns.....	4,503,014	1,257,444	1,299,305	1,043,820	565,401	169,650	120,483	46,911
Amount.....	24,983,861	703,346	2,725,963	4,883,032	4,893,439	2,494,507	3,309,083	5,974,492
Average (whole dollars).....	5,549	560	2,099	4,679	8,655	14,704	27,466	127,359
Earned income credit:								
Number of returns.....	516,879	364,326	152,353	--	--	--	--	--
Amount.....	298,717	258,406	40,311	--	--	--	--	--
Excess earned income credit: ²								
Number of returns.....	348,882	321,062	27,820	--	--	--	--	--
Amount.....	208,596	201,962	6,634	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
INDIANA								
Number of returns.....	2,525,554	1,049,967	622,751	511,193	238,017	58,006	33,227	12,393
Number of exemptions.....	5,562,421	1,518,322	1,458,657	1,488,333	759,263	186,873	109,518	41,455
Adjusted gross income (less deficit).....	68,950,703	6,238,219	13,526,432	19,946,183	14,207,445	4,910,480	4,353,455	5,768,489
Salaries and wages:								
Number of returns.....	2,150,182	818,847	539,222	476,252	224,074	53,017	28,336	10,434
Amount.....	54,334,429	5,274,902	10,868,397	17,251,553	12,153,524	3,797,382	2,598,933	2,389,739
Interest income:								
Number of returns.....	1,548,536	464,746	365,960	398,135	217,294	55,654	32,457	12,290
Amount.....	4,040,453	792,434	886,493	810,206	563,745	247,533	290,621	449,421
Dividends:								
Number of returns.....	450,854	98,476	90,231	113,754	86,073	30,289	22,097	9,934
Amount.....	1,255,765	119,071	156,947	187,411	169,390	100,012	156,511	366,423
Net capital gain (less loss):								
Number of returns.....	223,251	43,747	44,269	52,527	40,476	17,362	16,112	8,758
Amount.....	1,434,839	93,847	73,021	120,958	138,776	99,579	195,561	713,297
Taxable pensions and annuities:								
Number of returns.....	403,249	150,366	115,286	78,813	40,021	10,640	6,066	2,057
Amount.....	2,967,856	734,129	918,177	655,248	372,636	134,257	98,414	54,995
Unemployment compensation:								
Number of returns.....	140,371	41,158	43,482	40,898	12,832	1,839	329	33
Amount.....	156,179	50,238	52,405	40,272	11,298	1,436	470	61
Total itemized deductions:								
Number of returns.....	607,413	33,817	93,096	214,605	171,246	51,025	31,417	12,207
Amount.....	6,824,796	418,661	717,842	1,832,023	1,831,521	722,955	651,919	649,877
Taxable income:								
Number of returns.....	2,066,434	599,926	614,436	510,628	237,889	57,978	33,194	12,383
Amount.....	46,122,310	1,959,891	7,694,757	13,657,349	10,506,539	3,781,458	3,481,474	5,040,841
Total tax liability:								
Number of returns.....	2,091,665	624,580	614,971	510,615	237,908	57,991	33,211	12,389
Amount.....	9,177,675	345,304	1,242,528	2,298,820	2,046,779	863,114	934,292	1,446,838
Average (whole dollars).....	4,388	553	2,021	4,503	8,604	14,884	28,133	116,765
Earned income credit:								
Number of returns.....	251,523	174,324	77,199	--	--	--	--	--
Amount.....	145,582	125,093	20,489	--	--	--	--	--
Excess earned income credit: ²								
Number of returns.....	162,902	151,722	11,180	--	--	--	--	--
Amount.....	97,810	95,225	2,585	--	--	--	--	--
IOWA								
Number of returns.....	1,268,962	547,395	325,431	247,118	104,617	23,741	15,557	5,103
Number of exemptions.....	2,823,834	775,214	801,081	757,008	343,475	78,009	51,847	17,200
Adjusted gross income (less deficit).....	32,207,334	2,970,788	7,105,671	9,575,798	6,215,964	2,016,383	2,042,106	2,280,624
Salaries and wages:								
Number of returns.....	1,017,086	403,171	264,660	219,171	93,221	20,001	12,533	4,329
Amount.....	23,384,381	2,463,685	5,144,691	7,524,159	4,781,652	1,329,852	1,121,025	1,018,317
Interest income:								
Number of returns.....	905,860	313,954	233,354	215,003	99,913	23,214	15,349	5,073
Amount.....	2,702,111	550,658	652,645	575,867	378,105	155,389	176,556	212,891
Dividends:								
Number of returns.....	292,484	73,052	68,730	74,283	47,020	14,266	10,926	4,207
Amount.....	658,146	80,185	104,738	117,843	100,008	54,845	76,849	123,678
Net capital gain (less loss):								
Number of returns.....	184,902	43,421	46,540	45,281	27,363	9,867	8,704	3,726
Amount.....	866,795	77,772	114,826	150,652	118,428	64,304	102,102	238,711
Taxable pensions and annuities:								
Number of returns.....	186,294	67,712	57,104	37,194	16,358	4,286	2,758	882
Amount.....	1,251,350	293,018	406,301	287,793	148,219	52,702	41,751	21,566
Unemployment compensation:								
Number of returns.....	82,552	23,860	30,164	21,847	6,028	510	130	13
Amount.....	129,603	39,015	50,613	31,821	7,102	720	283	47
Total itemized deductions:								
Number of returns.....	329,020	30,366	62,496	113,769	81,130	21,355	14,853	5,051
Amount.....	3,503,731	246,348	463,856	947,210	865,360	315,750	328,245	336,962
Taxable income:								
Number of returns.....	1,047,084	330,877	320,367	246,881	104,581	23,733	15,547	5,098
Amount.....	21,025,224	1,010,347	3,953,567	6,451,537	4,549,341	1,537,499	1,611,830	1,911,103
Total tax liability:								
Number of returns.....	1,070,369	353,883	320,755	246,779	104,585	23,736	15,553	5,098
Amount.....	4,231,251	192,742	670,891	1,114,282	908,722	362,018	434,799	547,797
Average (whole dollars).....	3,954	545	2,092	4,516	8,689	15,252	27,956	107,454
Earned income credit:								
Number of returns.....	103,092	68,841	34,251	--	--	--	--	--
Amount.....	57,106	48,313	8,793	--	--	--	--	--
Excess earned income credit: ³								
Number of returns.....	60,877	55,982	4,895	--	--	--	--	--
Amount.....	34,902	33,781	1,121	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued

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

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
KANSAS								
Number of returns.....	1,103,989	447,258	284,160	218,591	102,757	26,992	17,947	6,284
Number of exemptions.....	2,497,991	653,014	696,103	651,679	329,460	87,253	59,401	21,081
Adjusted gross income (less deficit).....	31,092,601	2,593,252	6,196,850	8,483,357	6,144,521	2,293,971	2,357,404	3,023,446
Salaries and wages:								
Number of returns.....	915,283	342,334	239,478	196,512	93,215	23,620	14,923	5,201
Amount.....	23,009,674	2,207,303	4,729,494	6,836,664	4,896,361	1,641,185	1,417,468	1,281,199
Interest income:								
Number of returns.....	719,785	219,270	178,551	176,934	95,095	26,093	17,602	6,240
Amount.....	2,414,922	422,976	500,019	472,883	339,483	153,770	191,391	334,399
Dividends:								
Number of returns.....	232,851	48,704	49,434	59,782	42,449	15,252	12,132	5,098
Amount.....	675,765	58,831	79,013	95,045	88,332	53,245	83,412	217,867
Net capital gain (less loss):								
Number of returns.....	141,930	28,935	30,436	33,810	24,110	10,212	9,706	4,721
Amount.....	758,184	61,255	47,626	70,821	71,469	50,810	99,202	357,003
Taxable pensions and annuities:								
Number of returns.....	167,847	50,072	49,952	38,010	19,626	5,573	3,546	1,068
Amount.....	1,298,792	225,924	376,867	329,511	205,810	74,044	55,741	30,894
Unemployment compensation:								
Number of returns.....	63,141	20,850	21,703	15,144	4,588	611	222	23
Amount.....	114,406	35,505	40,953	27,737	8,454	1,205	487	66
Total itemized deductions:								
Number of returns.....	304,855	21,433	52,796	103,050	80,104	24,195	17,058	6,219
Amount.....	3,764,935	252,470	445,220	931,550	931,128	386,792	400,552	417,222
Taxable income:								
Number of returns.....	913,803	262,675	278,967	218,317	102,679	26,966	17,923	6,276
Amount.....	20,529,230	832,935	3,422,783	5,688,201	4,446,395	1,723,703	1,841,209	2,574,005
Total tax liability:								
Number of returns.....	932,321	280,699	279,432	218,308	102,697	26,972	17,933	6,280
Amount.....	4,218,338	157,650	569,643	977,858	878,459	398,953	492,630	742,146
Average (whole dollars).....	4,525	562	2,039	4,480	8,554	14,792	27,527	118,177
Earned income credit:								
Number of returns.....	101,547	67,552	33,995	--	--	--	--	--
Amount.....	56,804	47,933	8,871	--	--	--	--	--
Excess earned income credit: ²								
Number of returns.....	62,761	57,032	5,729	--	--	--	--	--
Amount.....	36,684	35,343	1,341	--	--	--	--	--
KENTUCKY								
Number of returns.....	1,515,983	694,251	383,539	271,271	114,311	26,624	18,705	7,282
Number of exemptions.....	3,384,051	1,127,510	936,754	790,450	360,803	85,070	59,864	23,600
Adjusted gross income (less deficit).....	38,049,902	4,348,008	8,317,818	10,506,325	6,803,232	2,260,088	2,482,254	3,332,177
Salaries and wages:								
Number of returns.....	1,279,281	543,804	333,435	250,800	105,885	23,674	15,684	5,999
Amount.....	29,371,649	3,646,331	6,660,126	8,917,512	5,627,902	1,649,531	1,477,516	1,392,731
Interest income:								
Number of returns.....	820,986	252,338	211,578	203,935	102,402	25,322	18,199	7,212
Amount.....	2,373,213	480,323	517,521	455,611	315,419	138,118	179,836	286,386
Dividends:								
Number of returns.....	227,710	47,347	47,603	57,587	42,180	14,564	12,589	5,840
Amount.....	729,412	63,487	80,783	104,102	100,899	61,997	100,794	217,350
Net capital gain (less loss):								
Number of returns.....	125,980	26,391	26,405	29,106	21,187	8,719	9,095	5,077
Amount.....	954,088	64,189	51,534	78,779	84,875	60,190	124,943	489,578
Taxable pensions and annuities:								
Number of returns.....	216,557	77,356	64,398	43,737	20,871	5,445	3,582	1,168
Amount.....	1,763,968	391,229	546,559	415,275	231,380	75,070	57,705	46,751
Unemployment compensation:								
Number of returns.....	146,313	46,368	53,128	36,427	9,108	900	344	38
Amount.....	193,773	61,577	73,526	45,341	11,108	1,418	722	82
Total itemized deductions:								
Number of returns.....	378,762	24,803	72,799	138,529	92,952	24,518	17,970	7,191
Amount.....	4,353,915	280,740	542,601	1,222,424	1,070,251	391,420	411,158	435,321
Taxable income:								
Number of returns.....	1,182,960	366,792	378,453	270,927	114,228	26,600	18,686	7,274
Amount.....	24,178,379	1,213,486	4,528,817	7,034,378	4,904,221	1,692,360	1,952,497	2,852,619
Total tax liability:								
Number of returns.....	1,223,641	406,887	378,985	270,952	114,239	26,609	18,692	7,277
Amount.....	4,832,710	233,344	741,666	1,175,918	950,130	388,093	524,051	819,507
Average (whole dollars).....	3,950	574	1,957	4,340	8,318	14,586	28,037	112,617
Earned income credit:								
Number of returns.....	208,868	153,322	55,546	--	--	--	--	--
Amount.....	123,857	108,997	14,861	--	--	--	--	--
Excess earned income credit: ²								
Number of returns.....	138,731	130,644	8,087	--	--	--	--	--
Amount.....	83,471	81,642	1,829	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued
 (Money amounts are in thousands of dollars, except where indicated)

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
LOUISIANA								
Number of returns.....	1,688,430	813,288	408,854	277,359	126,100	32,389	21,607	8,853
Number of exemptions.....	3,932,507	1,413,222	1,060,993	838,549	412,598	106,041	71,428	29,878
Adjusted gross income (less deficit).....	41,387,991	4,687,207	8,824,665	10,759,871	7,538,827	2,747,878	2,861,008	3,968,735
Salaries and wages:								
Number of returns.....	1,436,979	656,033	357,844	254,614	116,019	28,517	17,181	6,771
Amount.....	32,354,031	4,494,325	7,212,059	9,092,271	6,218,065	2,026,607	1,600,463	1,710,240
Interest income:								
Number of returns.....	844,816	258,588	211,550	203,044	111,532	30,467	20,906	8,729
Amount.....	2,517,035	438,613	484,841	470,451	354,505	168,193	237,537	364,895
Dividends:								
Number of returns.....	245,198	49,568	50,114	61,391	46,242	16,818	14,076	6,989
Amount.....	695,266	63,129	79,902	103,052	100,951	62,587	105,560	180,088
Net capital gain (less loss):								
Number of returns.....	124,945	23,873	23,007	28,086	23,005	10,216	10,544	6,214
Amount.....	817,802	52,945	21,354	37,418	58,033	51,539	109,902	486,610
Taxable pensions and annuities:								
Number of returns.....	224,963	69,134	65,003	50,031	27,414	7,587	4,373	1,421
Amount.....	2,119,262	390,388	609,676	529,960	338,517	117,745	88,084	44,892
Unemployment compensation:								
Number of returns.....	85,934	35,053	27,862	17,666	4,579	597	153	24
Amount.....	121,553	44,529	41,855	26,400	7,393	1,048	286	42
Total itemized deductions:								
Number of returns.....	321,407	22,855	61,216	104,127	80,488	25,344	18,745	8,632
Amount.....	3,664,167	192,694	501,925	931,066	867,413	355,444	382,403	433,223
Taxable income:								
Number of returns.....	1,259,317	392,485	401,159	276,908	126,003	32,348	21,573	8,841
Amount.....	26,761,883	1,236,908	4,679,305	7,281,506	5,609,964	2,146,850	2,327,977	3,479,372
Total tax liability:								
Number of returns.....	1,287,459	420,713	400,989	276,945	126,026	32,354	21,585	8,847
Amount.....	5,452,046	232,396	754,827	1,222,937	1,104,189	496,433	635,568	1,005,696
Average (whole dollars).....	4,235	553	1,883	4,416	8,762	15,344	29,445	113,677
Earned income credit:								
Number of returns.....	333,570	260,874	72,696	--	--	--	--	--
Amount.....	207,418	187,462	19,955	--	--	--	--	--
Excess earned income credit: ³								
Number of returns.....	251,188	236,846	14,342	--	--	--	--	--
Amount.....	157,162	153,710	3,451	--	--	--	--	--
MAINE								
Number of returns.....	566,064	238,216	155,161	109,721	44,521	9,503	6,606	2,336
Number of exemptions.....	1,200,825	332,072	352,254	317,212	140,103	30,256	21,461	7,467
Adjusted gross income (less deficit).....	14,390,851	1,477,098	3,364,292	4,243,899	2,641,706	808,271	874,418	981,167
Salaries and wages:								
Number of returns.....	479,120	187,082	135,108	100,870	40,822	8,145	5,262	1,831
Amount.....	10,939,101	1,218,164	2,656,769	3,535,764	2,137,105	552,473	464,063	374,765
Interest income:								
Number of returns.....	378,767	119,448	104,774	93,672	42,615	9,365	6,561	2,332
Amount.....	954,036	181,856	212,617	198,766	132,843	59,065	77,111	91,778
Dividends:								
Number of returns.....	102,756	24,624	24,125	25,537	16,779	5,233	4,568	1,890
Amount.....	362,244	35,078	51,017	62,734	58,356	33,122	53,843	68,094
Net capital gain (less loss):								
Number of returns.....	53,046	11,239	11,637	12,538	8,798	3,548	3,585	1,701
Amount.....	402,629	24,949	28,166	42,621	49,449	36,046	66,952	154,447
Taxable pensions and annuities:								
Number of returns.....	83,136	26,170	26,144	18,325	8,609	2,092	1,371	425
Amount.....	717,189	130,309	230,775	187,562	102,203	31,010	25,193	10,136
Unemployment compensation:								
Number of returns.....	53,899	21,968	18,340	11,032	2,209	270	73	7
Amount.....	100,602	41,721	35,367	18,981	3,840	548	131	15
Total itemized deductions:								
Number of returns.....	148,866	10,453	28,491	54,956	37,156	9,051	6,449	2,310
Amount.....	1,817,872	101,964	240,755	528,150	457,805	158,639	172,359	158,200
Taxable income:								
Number of returns.....	466,703	141,696	152,720	109,412	44,457	9,494	6,592	2,332
Amount.....	9,118,748	482,018	1,900,624	2,808,499	1,868,222	588,889	661,637	808,858
Total tax liability:								
Number of returns.....	477,866	152,202	153,329	109,432	44,475	9,496	6,598	2,334
Amount.....	1,776,666	90,576	312,099	470,721	359,125	134,732	177,386	232,027
Average (whole dollars).....	3,718	596	2,036	4,302	8,075	14,189	26,885	99,412
Earned income credit:								
Number of returns.....	53,094	35,501	17,593	--	--	--	--	--
Amount.....	29,118	24,529	4,589	--	--	--	--	--
Excess earned income credit: ³								
Number of returns.....	30,896	28,523	2,373	--	--	--	--	--
Amount.....	17,132	16,609	523	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued
 [Money amounts are in thousands of dollars, except where indicated]

State and Item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
MARYLAND								
Number of returns.....	2,333,538	796,779	590,806	460,751	287,833	109,167	68,532	19,670
Number of exemptions.....	4,801,869	1,014,622	1,178,507	1,135,358	852,993	338,315	217,432	64,642
Adjusted gross income (less deficit).....	79,890,956	4,587,474	12,891,996	18,016,347	17,465,247	9,317,322	8,842,893	8,769,678
Salaries and wages:								
Number of returns.....	2,016,453	628,473	521,219	420,320	267,002	101,581	61,548	16,310
Amount.....	62,818,252	4,323,543	10,693,277	15,120,835	14,708,452	7,682,674	6,300,541	3,988,928
Interest income:								
Number of returns.....	1,516,136	350,791	338,304	369,329	265,207	105,488	67,440	19,577
Amount.....	4,380,773	574,202	609,806	728,893	676,779	390,684	520,058	880,352
Dividends:								
Number of returns.....	489,935	84,727	76,789	109,045	105,045	53,980	44,388	15,961
Amount.....	1,654,646	117,480	151,545	224,178	251,468	172,185	274,298	463,492
Net capital gain (less loss):								
Number of returns.....	231,262	31,566	30,994	45,936	48,091	29,426	31,123	14,126
Amount.....	2,069,923	145,486	38,873	81,145	130,604	133,629	336,902	1,203,284
Taxable pensions and annuities:								
Number of returns.....	354,017	80,378	90,966	82,255	58,550	23,122	15,077	3,669
Amount.....	4,499,440	464,318	934,993	1,118,071	976,929	458,219	377,844	169,066
Unemployment compensation:								
Number of returns.....	116,053	33,582	36,880	28,690	13,182	2,615	1,004	100
Amount.....	229,517	67,347	75,659	53,183	25,211	5,550	2,315	251
Total itemized deductions:								
Number of returns.....	916,530	41,752	136,961	285,056	258,387	106,837	67,955	19,582
Amount.....	14,105,345	513,151	1,221,056	3,100,310	3,724,441	2,066,972	1,920,315	1,559,100
Taxable income:								
Number of returns.....	2,022,868	498,976	580,125	459,016	287,450	109,059	68,432	19,610
Amount.....	53,333,888	1,714,488	7,627,496	11,890,308	11,911,601	6,574,261	6,501,619	7,114,115
Total tax liability:								
Number of returns.....	2,033,587	509,735	579,761	459,322	287,550	109,102	68,472	19,645
Amount.....	11,008,589	295,397	1,206,293	2,062,274	2,281,980	1,442,946	1,672,509	2,047,191
Average (whole dollars).....	5,414	580	2,081	4,490	7,936	13,226	24,427	104,210
Earned income credit:								
Number of returns.....	203,222	133,815	69,407	--	--	--	--	--
Amount.....	115,300	96,971	18,329	--	--	--	--	--
Excess earned income credit:²								
Number of returns.....	127,278	115,758	11,520	--	--	--	--	--
Amount.....	75,168	72,516	2,652	--	--	--	--	--
MASSACHUSETTS								
Number of returns.....	2,900,054	1,011,801	771,243	578,514	330,092	106,789	76,099	25,516
Number of exemptions.....	5,760,081	1,254,172	1,447,504	1,429,070	979,959	327,184	239,560	82,632
Adjusted gross income (less deficit).....	96,073,988	5,503,262	16,907,618	22,538,261	19,930,028	9,096,061	10,016,047	12,082,711
Salaries and wages:								
Number of returns.....	2,451,974	746,108	672,048	534,573	310,715	99,421	67,716	21,393
Amount.....	74,477,062	4,973,756	13,575,365	18,967,062	17,015,845	7,458,931	7,021,447	5,464,656
Interest income:								
Number of returns.....	2,170,088	587,648	552,540	508,905	315,612	104,693	75,261	25,429
Amount.....	6,643,906	1,004,002	1,180,965	1,218,190	962,955	472,322	666,384	1,139,098
Dividends:								
Number of returns.....	647,087	135,023	122,900	144,201	119,914	54,206	49,931	20,912
Amount.....	2,285,395	184,760	221,665	293,386	300,739	201,436	375,325	708,083
Net capital gain (less loss):								
Number of returns.....	300,731	50,027	47,083	61,241	57,087	31,104	35,986	18,203
Amount.....	2,893,628	176,210	43,446	100,644	166,441	166,092	418,473	1,822,322
Taxable pensions and annuities:								
Number of returns.....	444,583	133,429	129,729	92,641	54,475	17,414	12,732	4,163
Amount.....	3,763,099	658,589	1,078,121	881,984	565,622	225,071	216,489	137,224
Unemployment compensation:								
Number of returns.....	274,883	76,226	86,921	70,731	31,932	6,163	2,563	347
Amount.....	865,782	202,946	292,850	237,815	102,461	19,837	8,508	1,366
Total itemized deductions:								
Number of returns.....	976,512	62,517	147,881	291,866	272,038	101,691	75,102	25,417
Amount.....	15,147,421	744,612	1,503,537	3,189,541	3,782,546	1,895,418	2,098,258	1,933,509
Taxable income:								
Number of returns.....	2,518,775	650,577	755,054	575,703	329,429	106,600	75,953	25,459
Amount.....	65,901,018	2,283,861	10,435,875	15,263,111	13,916,528	6,531,681	7,451,315	9,998,645
Total tax liability:								
Number of returns.....	2,550,066	677,185	758,621	576,456	329,632	106,665	76,014	25,493
Amount.....	13,806,361	410,259	1,690,703	2,715,501	2,719,042	1,464,443	1,944,703	2,861,709
Average (whole dollars).....	5,415	606	2,229	4,711	8,249	13,730	25,584	112,255
Earned income credit:								
Number of returns.....	169,378	110,203	59,175	--	--	--	--	--
Amount.....	91,220	75,950	15,270	--	--	--	--	--
Excess earned income credit:²								
Number of returns.....	99,837	90,331	9,506	--	--	--	--	--
Amount.....	55,796	53,551	2,245	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
MICHIGAN								
Number of returns.....	4,168,074	1,681,129	950,757	842,314	458,711	134,132	76,065	24,966
Number of exemptions.....	8,863,303	2,272,665	2,086,810	2,308,530	1,437,925	429,726	246,478	81,169
Adjusted gross income (less deficit).....	124,821,091	10,354,983	20,727,678	33,006,866	27,600,324	11,389,165	9,891,372	11,850,702
Salaries and wages:								
Number of returns.....	3,526,886	1,286,711	804,251	783,630	435,404	126,361	68,566	21,963
Amount.....	98,854,779	7,834,900	15,965,871	28,251,910	23,920,698	9,513,765	7,128,028	6,239,607
Interest income:								
Number of returns.....	2,720,405	790,661	604,102	676,012	421,758	128,807	74,321	24,744
Amount.....	7,001,588	1,254,614	1,401,851	1,288,420	1,002,828	468,097	580,918	1,004,859
Dividends:								
Number of returns.....	950,272	204,405	181,664	229,442	189,177	73,465	51,552	20,567
Amount.....	2,744,188	292,938	358,920	415,522	388,332	219,662	326,235	742,579
Net capital gain (less loss):								
Number of returns.....	440,043	82,593	81,826	98,247	84,324	38,892	36,244	17,917
Amount.....	2,359,296	115,836	110,710	196,191	244,340	178,354	351,063	1,162,802
Taxable pensions and annuities:								
Number of returns.....	679,556	255,656	191,608	123,205	69,398	22,289	13,425	3,975
Amount.....	5,873,405	1,409,708	1,774,553	1,268,880	757,899	291,726	231,501	139,156
Unemployment compensation:								
Number of returns.....	469,455	100,129	128,973	162,580	65,064	10,653	1,897	159
Amount.....	1,018,916	205,541	330,375	332,544	124,098	21,153	4,672	532
Total itemized deductions:								
Number of returns.....	1,366,034	74,158	202,623	468,420	392,253	128,873	74,841	24,866
Amount.....	16,284,353	707,525	1,565,672	4,118,750	4,506,292	2,041,287	1,776,506	1,568,322
Taxable income:								
Number of returns.....	3,454,667	981,479	938,453	841,248	458,468	134,055	76,015	24,949
Amount.....	83,904,253	3,228,329	12,080,436	22,497,933	19,874,391	8,464,938	7,628,328	10,129,898
Total tax liability:								
Number of returns.....	3,491,781	1,017,121	939,751	841,313	458,514	134,071	76,032	24,959
Amount.....	16,974,133	582,098	1,943,937	3,845,264	3,837,554	1,882,395	1,982,147	2,920,738
Average (whole dollars).....	4,862	553	2,069	4,571	8,370	14,041	26,070	117,022
Earned income credit:								
Number of returns.....	330,746	231,279	99,487	--	--	--	--	--
Amount.....	184,316	158,493	25,823	--	--	--	--	--
Excess earned income credit: ²								
Number of returns.....	213,830	199,274	14,556	--	--	--	--	--
Amount.....	122,686	119,313	3,373	--	--	--	--	--
MINNESOTA								
Number of returns.....	2,024,807	788,801	509,729	414,279	205,406	54,557	39,111	12,924
Number of exemptions.....	4,326,901	1,001,225	1,115,375	1,200,896	661,235	176,783	129,079	42,308
Adjusted gross income (less deficit).....	60,095,076	4,584,759	11,141,275	16,158,867	12,280,892	4,643,363	5,153,247	6,132,674
Salaries and wages:								
Number of returns.....	1,708,651	603,130	433,821	381,804	193,168	50,305	35,058	11,365
Amount.....	46,283,009	3,816,285	8,540,449	13,409,844	10,359,126	3,650,297	3,623,010	2,883,999
Interest income:								
Number of returns.....	1,436,756	438,401	350,438	351,178	192,491	52,952	38,433	12,863
Amount.....	3,753,324	686,592	776,791	700,880	476,447	215,299	302,382	594,933
Dividends:								
Number of returns.....	480,502	104,578	99,934	118,987	87,486	31,760	27,152	10,605
Amount.....	1,258,814	128,948	159,679	183,223	156,701	92,785	155,731	381,747
Net capital gain (less loss):								
Number of returns.....	290,194	59,758	62,444	66,276	49,077	21,225	21,590	9,824
Amount.....	1,607,129	140,640	127,745	158,961	149,414	103,119	212,173	715,075
Taxable pensions and annuities:								
Number of returns.....	281,388	87,996	86,530	60,136	29,662	8,589	6,264	2,209
Amount.....	2,326,709	414,306	724,573	578,369	312,071	112,068	101,976	83,346
Unemployment compensation:								
Number of returns.....	131,998	32,281	45,740	38,409	12,715	1,864	864	125
Amount.....	313,494	63,046	114,459	96,451	31,576	5,054	2,496	411
Total itemized deductions:								
Number of returns.....	724,829	43,287	130,718	261,069	185,307	52,981	38,581	12,866
Amount.....	9,402,835	395,534	1,064,580	2,519,511	2,358,834	951,038	1,060,349	1,052,990
Taxable income:								
Number of returns.....	1,731,585	505,998	500,459	413,445	205,223	54,522	39,040	12,898
Amount.....	39,230,980	1,627,004	6,409,118	10,524,508	8,495,748	3,333,194	3,838,938	5,002,470
Total tax liability:								
Number of returns.....	1,762,260	534,911	502,089	413,459	205,280	54,533	39,072	12,916
Amount.....	7,980,521	301,422	1,065,721	1,808,756	1,627,502	749,929	999,373	1,427,817
Average (whole dollars).....	4,529	564	2,123	4,375	7,929	13,752	25,578	110,547
Earned income credit:								
Number of returns.....	131,470	85,420	46,050	--	--	--	--	--
Amount.....	71,507	59,696	11,811	--	--	--	--	--
Excess earned income credit: ³								
Number of returns.....	74,470	67,360	7,110	--	--	--	--	--
Amount.....	41,483	39,842	1,642	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued
 [Money amounts are in thousands of dollars, except where indicated]

State and Item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
MISSISSIPPI								
Number of returns.....	1,015,361	529,824	248,104	150,975	60,302	13,704	8,928	3,524
Number of exemptions.....	2,373,079	973,404	657,318	462,488	194,911	44,134	29,208	11,616
Adjusted gross income (less deficit).....	21,938,373	3,361,794	5,316,331	5,826,861	3,582,876	1,162,718	1,179,818	1,507,974
Salaries and wages:								
Number of returns.....	888,653	450,739	221,785	139,169	55,214	11,891	7,062	2,793
Amount.....	17,348,869	3,123,373	4,433,253	4,915,221	2,892,512	798,743	602,352	583,415
Interest income:								
Number of returns.....	426,324	130,810	113,116	104,900	52,462	12,928	8,628	3,480
Amount.....	1,246,513	234,197	268,387	247,962	178,472	79,868	104,607	133,020
Dividends:								
Number of returns.....	117,622	24,350	25,362	30,507	21,309	7,338	5,920	2,836
Amount.....	302,806	29,715	35,570	47,480	43,378	26,605	44,281	75,777
Net capital gain (less loss):								
Number of returns.....	64,477	12,773	13,127	15,291	11,293	4,810	4,651	2,532
Amount.....	507,752	33,707	29,688	43,001	47,081	37,548	72,357	244,369
Taxable pensions and annuities:								
Number of returns.....	119,152	37,390	35,944	27,177	13,054	3,243	1,784	560
Amount.....	1,039,561	194,146	305,843	275,315	162,364	52,093	32,219	17,581
Unemployment compensation:								
Number of returns.....	79,347	42,820	22,081	11,853	2,198	315	71	9
Amount.....	97,629	51,892	27,656	14,295	3,049	572	144	22
Total itemized deductions:								
Number of returns.....	193,277	13,518	40,417	68,577	46,514	12,308	8,465	3,478
Amount.....	2,141,161	152,361	318,535	610,112	513,805	181,283	182,263	182,801
Taxable income:								
Number of returns.....	723,059	242,432	243,491	150,740	60,264	13,692	8,917	3,523
Amount.....	13,100,041	747,564	2,743,464	3,868,359	2,609,226	888,328	939,920	1,303,179
Total tax liability:								
Number of returns.....	740,288	259,954	243,182	150,737	60,269	13,701	8,921	3,524
Amount.....	2,575,929	139,613	443,579	643,090	510,095	206,587	256,446	376,519
Average (whole dollars).....	3,480	538	1,825	4,267	8,464	15,079	28,747	106,845
Earned income credit:								
Number of returns.....	260,859	210,234	50,625	--	--	--	--	--
Amount.....	167,576	153,358	14,219	--	--	--	--	--
Excess earned income credit: ²								
Number of returns.....	203,477	193,716	9,761	--	--	--	--	--
Amount.....	130,122	127,789	2,333	--	--	--	--	--
MISSOURI								
Number of returns.....	2,287,618	979,399	581,546	428,967	199,018	52,395	33,957	12,336
Number of exemptions.....	5,011,731	1,469,956	1,371,596	1,226,192	625,614	167,034	110,558	40,781
Adjusted gross income (less deficit).....	62,059,021	5,996,634	12,610,478	16,650,382	11,904,445	4,449,684	4,462,381	5,985,016
Salaries and wages:								
Number of returns.....	1,908,733	758,055	491,770	389,971	183,069	46,888	28,721	10,259
Amount.....	47,237,472	4,966,986	9,783,436	13,836,228	9,835,868	3,378,742	2,824,553	2,609,660
Interest income:								
Number of returns.....	1,415,519	432,092	359,928	344,129	183,496	50,425	33,206	12,243
Amount.....	4,566,791	828,436	1,000,476	889,358	623,874	279,969	354,648	590,030
Dividends:								
Number of returns.....	478,423	98,867	102,173	122,656	68,891	31,501	24,097	10,238
Amount.....	1,569,807	137,653	187,872	224,465	210,768	130,531	216,084	482,434
Net capital gain (less loss):								
Number of returns.....	262,275	55,749	57,629	60,294	43,207	18,215	17,948	9,239
Amount.....	1,487,074	90,735	94,559	129,061	139,443	96,902	192,487	743,887
Taxable pensions and annuities:								
Number of returns.....	362,677	117,606	110,434	75,420	38,569	11,272	7,163	2,213
Amount.....	2,879,470	566,673	890,741	699,491	406,224	144,208	114,140	57,992
Unemployment compensation:								
Number of returns.....	183,244	68,779	56,896	43,400	12,134	1,530	457	48
Amount.....	278,196	103,280	90,495	63,350	17,753	2,332	870	116
Total itemized deductions:								
Number of returns.....	581,108	35,984	99,984	200,884	152,743	46,978	32,359	12,176
Amount.....	6,850,013	386,277	786,605	1,798,651	1,724,689	717,271	722,065	714,456
Taxable income:								
Number of returns.....	1,857,826	558,934	572,997	428,396	198,908	52,349	33,923	12,319
Amount.....	41,006,357	1,820,989	7,080,831	11,311,585	8,698,580	3,378,336	3,520,824	5,195,212
Total tax liability:								
Number of returns.....	1,896,468	596,676	573,778	428,458	198,928	52,364	33,937	12,327
Amount.....	8,312,871	335,034	1,156,921	1,924,206	1,701,695	770,551	936,132	1,488,132
Average (whole dollars).....	4,384	562	2,017	4,492	8,555	14,716	27,585	120,722
Earned income credit:								
Number of returns.....	258,600	183,704	74,896	--	--	--	--	--
Amount.....	150,789	130,887	19,902	--	--	--	--	--
Excess earned income credit: ²								
Number of returns.....	170,242	158,809	11,433	--	--	--	--	--
Amount.....	101,692	99,033	2,659	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued
 [Money amounts are in thousands of dollars, except where indicated]

State and Item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
MONTANA								
Number of returns.....	355,448	170,389	90,402	62,221	22,862	4,825	3,572	1,177
Number of exemptions.....	803,596	270,030	235,521	192,781	74,086	15,648	11,701	3,829
Adjusted gross income (less deficit).....	8,043,455	899,907	1,964,890	2,402,427	1,350,492	410,261	475,419	540,059
Salaries and wages:								
Number of returns.....	279,850	125,661	73,375	54,272	19,506	3,668	2,525	843
Amount.....	5,533,803	789,611	1,403,088	1,832,175	948,687	216,312	189,812	154,117
Interest income:								
Number of returns.....	237,561	88,803	64,547	53,355	21,506	4,669	3,512	1,169
Amount.....	703,055	142,799	162,333	145,287	95,499	40,269	50,674	66,193
Dividends:								
Number of returns.....	85,931	25,078	21,749	21,035	11,344	3,105	2,630	990
Amount.....	216,268	32,490	40,787	41,567	33,619	15,243	23,348	29,214
Net capital gain (less loss):								
Number of returns.....	60,560	17,871	15,312	13,742	7,733	2,544	2,416	942
Amount.....	345,856	39,867	38,885	50,706	46,721	30,917	50,974	87,785
Taxable pensions and annuities:								
Number of returns.....	54,107	19,660	17,127	10,936	4,487	1,034	669	194
Amount.....	477,407	100,990	156,705	122,948	60,400	17,664	13,612	5,090
Unemployment compensation:								
Number of returns.....	24,901	8,862	9,319	5,537	1,054	81	43	5
Amount.....	39,772	12,778	16,022	9,053	1,625	190	87	17
Total itemized deductions:								
Number of returns.....	96,492	11,824	23,561	34,426	18,013	4,200	3,327	1,141
Amount.....	996,043	88,858	178,050	304,044	204,307	65,627	74,371	80,785
Taxable income:								
Number of returns.....	274,167	91,219	88,410	62,135	22,839	4,821	3,569	1,174
Amount.....	5,006,407	279,320	1,029,905	1,574,615	975,974	311,533	377,872	457,189
Total tax liability:								
Number of returns.....	284,450	101,288	88,662	62,090	22,843	4,820	3,572	1,175
Amount.....	1,012,733	56,652	175,973	270,979	196,216	75,421	104,187	133,905
Average (whole dollars).....	3,581	560	1,985	4,365	8,590	15,648	29,168	113,452
Earned income credit:								
Number of returns.....	41,943	30,066	11,877	--	--	--	--	--
Amount.....	24,024	20,893	3,132	--	--	--	--	--
Excess earned income credit: ²								
Number of returns.....	27,105	24,944	2,161	--	--	--	--	--
Amount.....	15,509	14,997	512	--	--	--	--	--
NEBRASKA								
Number of returns.....	732,497	319,054	191,101	138,960	57,062	13,729	9,133	3,458
Number of exemptions.....	1,626,480	445,465	475,097	429,629	187,996	45,746	30,917	11,630
Adjusted gross income (less deficit).....	18,906,025	1,822,751	4,151,753	5,369,833	3,394,063	1,167,340	1,199,422	1,800,861
Salaries and wages:								
Number of returns.....	604,527	247,404	160,308	123,991	50,825	11,760	7,367	2,872
Amount.....	13,627,369	1,580,463	3,115,253	4,227,303	2,579,357	770,254	647,442	707,299
Interest income:								
Number of returns.....	498,010	170,051	130,276	117,874	54,010	13,353	9,005	3,441
Amount.....	1,513,149	290,859	350,694	314,693	204,552	84,992	100,764	166,595
Dividends:								
Number of returns.....	158,976	37,045	36,903	41,626	26,155	8,101	6,315	2,831
Amount.....	387,866	42,811	57,661	65,459	56,072	30,448	47,630	87,784
Net capital gain (less loss):								
Number of returns.....	103,690	24,185	25,413	24,909	15,535	5,735	5,257	2,656
Amount.....	616,573	47,099	59,582	77,485	66,748	42,244	73,615	249,798
Taxable pensions and annuities:								
Number of returns.....	93,847	29,066	28,549	20,977	10,142	2,810	1,679	622
Amount.....	718,333	119,226	207,557	187,049	115,263	39,845	27,341	22,052
Unemployment compensation:								
Number of returns.....	26,616	10,348	9,220	5,671	1,187	143	49	4
Amount.....	33,116	12,754	11,752	6,837	1,484	196	83	10
Total itemized deductions:								
Number of returns.....	178,873	13,464	33,765	64,471	43,424	11,931	8,429	3,389
Amount.....	2,084,815	117,811	290,863	568,163	494,177	186,856	191,777	235,168
Taxable income:								
Number of returns.....	604,527	194,694	187,681	138,817	57,030	13,723	9,127	3,455
Amount.....	12,294,509	615,249	2,278,536	3,571,196	2,457,868	882,400	945,277	1,543,982
Total tax liability:								
Number of returns.....	618,500	208,539	187,883	138,727	57,040	13,724	9,129	3,458
Amount.....	2,513,174	117,043	385,710	617,379	491,397	206,556	254,030	441,059
Average (whole dollars).....	4,064	562	2,053	4,451	8,615	15,051	27,827	127,548
Earned income credit:								
Number of returns.....	67,543	45,031	22,512	--	--	--	--	--
Amount.....	37,827	31,973	5,854	--	--	--	--	--
Excess earned income credit: ²								
Number of returns.....	40,932	37,162	3,770	--	--	--	--	--
Amount.....	23,742	22,857	885	--	--	--	--	--

¹ See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
NEVADA								
Number of returns.....	618,087	241,342	172,081	117,547	56,005	15,437	10,378	5,297
Number of exemptions.....	1,296,162	359,668	363,982	311,870	167,800	46,301	30,811	15,730
Adjusted gross income (less deficit).....	19,428,661	1,511,113	3,706,199	4,569,809	3,355,932	1,311,913	1,373,476	3,600,218
Salaries and wages:								
Number of returns.....	533,749	197,097	152,523	107,460	51,248	13,501	8,035	3,885
Amount.....	13,815,450	1,483,182	3,053,436	3,802,584	2,713,620	940,806	743,779	1,078,044
Interest income:								
Number of returns.....	320,784	79,772	83,815	80,403	47,358	14,287	9,952	5,197
Amount.....	1,339,846	149,143	182,661	191,135	154,086	85,283	132,040	445,498
Dividends:								
Number of returns.....	99,699	18,901	21,461	24,252	18,142	7,162	5,928	3,853
Amount.....	437,647	33,368	43,744	51,906	48,010	29,330	51,274	182,015
Net capital gain (less loss):								
Number of returns.....	67,432	11,742	13,238	15,146	11,916	5,609	5,798	3,983
Amount.....	1,162,451	38,299	21,030	42,755	66,631	62,068	147,982	783,685
Taxable pensions and annuities:								
Number of returns.....	89,808	22,371	26,442	21,374	12,558	3,751	2,420	892
Amount.....	972,257	126,101	253,847	257,781	175,189	64,465	52,736	42,138
Unemployment compensation:								
Number of returns.....	39,703	12,193	12,851	10,145	3,749	568	180	17
Amount.....	71,135	21,248	24,853	17,330	6,142	1,040	438	85
Total itemized deductions:								
Number of returns.....	171,463	14,069	35,262	55,340	40,364	12,710	8,891	4,827
Amount.....	2,283,462	146,590	307,331	559,274	509,110	208,274	209,904	342,979
Taxable income:								
Number of returns.....	514,990	142,029	168,838	117,180	55,904	15,412	10,351	5,276
Amount.....	13,558,805	544,334	2,139,528	3,102,411	2,441,297	999,334	1,098,297	3,233,604
Total tax liability:								
Number of returns.....	521,706	148,515	168,942	117,248	55,929	15,423	10,363	5,286
Amount.....	2,899,242	94,595	341,962	535,618	481,163	230,244	296,963	918,696
Average (whole dollars).....	5,558	637	2,025	4,569	8,604	14,929	28,657	173,798
Earned income credit:								
Number of returns.....	62,514	42,197	20,317	--	--	--	--	--
Amount.....	36,443	30,887	5,556	--	--	--	--	--
Excess earned income credit:³								
Number of returns.....	41,179	37,345	3,834	--	--	--	--	--
Amount.....	24,897	23,986	911	--	--	--	--	--
NEW HAMPSHIRE								
Number of returns.....	539,812	192,931	139,288	112,759	62,515	17,912	11,200	3,207
Number of exemptions.....	1,127,129	241,961	282,695	307,122	192,913	56,551	35,751	10,136
Adjusted gross income (less deficit).....	16,972,222	1,052,664	3,043,183	4,412,389	3,757,150	1,522,909	1,457,173	1,726,754
Salaries and wages:								
Number of returns.....	462,675	148,579	122,476	104,341	58,586	16,431	9,651	2,811
Amount.....	13,285,770	990,608	2,466,681	3,741,670	3,212,020	1,223,411	985,248	666,131
Interest income:								
Number of returns.....	390,002	105,090	95,401	97,661	59,894	17,634	11,123	3,199
Amount.....	1,122,438	178,452	201,519	213,049	167,924	82,891	111,187	167,416
Dividends:								
Number of returns.....	116,913	24,165	22,682	27,973	23,062	9,204	7,301	2,526
Amount.....	425,369	35,014	45,762	60,602	59,215	39,159	66,737	118,879
Net capital gain (less loss):								
Number of returns.....	57,528	10,328	9,848	12,660	11,350	5,532	5,492	2,318
Amount.....	708,740	38,731	15,216	29,052	40,208	37,812	78,134	469,588
Taxable pensions and annuities:								
Number of returns.....	77,892	21,008	21,594	18,178	10,896	3,346	2,200	670
Amount.....	687,261	97,435	170,935	169,327	120,184	50,834	44,917	33,629
Unemployment compensation:								
Number of returns.....	41,581	11,215	13,408	11,749	4,297	667	224	21
Amount.....	84,396	21,592	26,300	24,229	9,881	1,650	674	70
Total itemized deductions:								
Number of returns.....	178,674	13,202	29,203	57,558	48,904	16,177	10,528	3,102
Amount.....	2,480,186	156,992	277,891	626,774	666,461	288,459	261,228	202,382
Taxable income:								
Number of returns.....	462,538	119,511	136,076	112,250	62,428	17,895	11,175	3,201
Amount.....	11,492,725	409,310	1,791,522	2,913,731	2,635,588	1,113,681	1,123,835	1,505,058
Total tax liability:								
Number of returns.....	471,433	127,159	137,142	112,390	62,448	17,901	11,186	3,207
Amount.....	2,354,325	76,247	294,937	502,530	508,216	249,237	294,346	428,812
Average (whole dollars).....	4,994	600	2,151	4,472	8,139	13,924	26,314	133,712
Earned income credit:								
Number of returns.....	34,400	21,978	12,422	--	--	--	--	--
Amount.....	18,700	15,466	3,234	--	--	--	--	--
Excess earned income credit:³								
Number of returns.....	19,226	17,372	1,854	--	--	--	--	--
Amount.....	10,683	10,270	413	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued

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

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
NEW JERSEY								
Number of returns.....	3,864,727	1,339,790	948,960	748,925	471,686	180,156	130,584	44,626
Number of exemptions.....	7,990,458	1,746,513	1,896,444	1,826,847	1,395,701	559,764	418,449	148,740
Adjusted gross income (less deficit).....	141,250,073	8,020,184	20,793,697	29,265,954	28,621,663	15,389,510	17,116,628	22,040,436
Salaries and wages:								
Number of returns.....	3,240,929	970,503	816,773	683,469	442,455	169,465	119,267	38,997
Amount.....	110,255,413	6,522,114	16,626,092	24,454,698	24,432,173	12,961,961	12,953,768	12,304,606
Interest income:								
Number of returns.....	2,711,881	699,513	612,811	619,620	436,199	172,782	126,894	44,062
Amount.....	9,256,342	1,303,232	1,520,743	1,618,216	1,333,904	691,504	922,952	1,865,792
Dividends:								
Number of returns.....	998,873	202,854	169,434	212,714	194,601	96,321	86,622	36,327
Amount.....	3,526,853	303,243	388,690	510,688	502,942	312,768	498,725	1,009,796
Net capital gain (less loss):								
Number of returns.....	428,762	69,619	62,748	83,206	80,884	46,936	54,972	30,397
Amount.....	3,562,104	101,520	37,410	103,909	181,906	186,345	491,119	2,459,895
Taxable pensions and annuities:								
Number of returns.....	597,418	162,032	159,807	126,655	85,926	32,572	23,273	7,153
Amount.....	5,238,072	766,172	1,287,384	1,220,840	911,478	398,443	378,149	277,606
Unemployment compensation:								
Number of returns.....	304,169	87,334	89,267	72,003	40,214	10,062	4,651	618
Amount.....	850,194	216,143	270,207	206,174	112,802	28,600	14,198	2,071
Total itemized deductions:								
Number of returns.....	1,414,017	88,054	211,387	389,635	383,736	169,135	127,653	44,417
Amount.....	22,647,969	932,646	2,112,798	4,342,752	5,464,807	3,148,160	3,507,470	3,139,337
Taxable income:								
Number of returns.....	3,320,251	824,685	925,198	744,752	470,748	179,934	130,393	44,541
Amount.....	97,430,174	2,746,950	12,384,475	19,812,619	19,992,415	11,082,275	12,781,744	18,627,696
Total tax liability:								
Number of returns.....	3,350,195	849,234	928,840	745,981	471,064	180,023	130,473	44,580
Amount.....	21,099,584	485,063	1,989,559	3,536,092	3,925,103	2,470,371	3,313,019	5,380,376
Average (whole dollars).....	6,299	572	2,142	4,741	8,333	13,723	25,393	120,691
Earned income credit:								
Number of returns.....	304,558	207,039	97,519	--	--	--	--	--
Amount.....	173,854	147,880	25,974	--	--	--	--	--
Excess earned income credit: ²								
Number of returns.....	195,156	177,388	17,768	--	--	--	--	--
Amount.....	114,273	110,114	4,160	--	--	--	--	--
NEW MEXICO								
Number of returns.....	660,692	320,548	164,244	105,285	46,778	13,079	8,451	2,307
Number of exemptions.....	1,534,400	571,841	425,166	315,508	148,017	40,532	26,137	7,199
Adjusted gross income (less deficit).....	15,454,470	1,868,772	3,535,916	4,068,377	2,797,435	1,112,831	1,098,066	973,072
Salaries and wages:								
Number of returns.....	557,587	260,056	141,745	93,967	41,786	11,417	6,883	1,733
Amount.....	11,797,825	1,732,946	2,827,494	3,290,928	2,185,290	792,495	629,619	339,053
Interest income:								
Number of returns.....	347,168	109,071	92,063	80,327	42,526	12,603	8,290	2,288
Amount.....	978,761	169,827	196,304	192,337	147,018	75,369	93,750	104,156
Dividends:								
Number of returns.....	106,814	23,692	22,911	26,224	19,118	7,370	5,685	1,816
Amount.....	333,173	36,216	45,167	56,145	49,364	29,567	43,281	73,432
Net capital gain (less loss):								
Number of returns.....	68,332	14,476	14,144	15,613	12,001	5,327	4,971	1,800
Amount.....	389,414	23,263	19,281	34,491	44,954	34,173	73,204	160,048
Taxable pensions and annuities:								
Number of returns.....	97,688	29,459	28,911	21,933	11,477	3,338	2,132	438
Amount.....	1,079,671	166,776	294,794	289,817	190,871	69,604	51,784	16,024
Unemployment compensation:								
Number of returns.....	32,130	16,020	10,106	4,667	1,096	153	81	7
Amount.....	56,341	27,259	18,702	7,850	1,997	331	183	19
Total itemized deductions:								
Number of returns.....	150,799	12,528	31,033	49,890	35,405	11,682	8,004	2,257
Amount.....	1,814,193	112,443	263,523	472,245	432,059	191,203	191,241	151,480
Taxable income:								
Number of returns.....	486,941	151,088	160,251	105,085	46,722	13,053	8,438	2,304
Amount.....	9,562,828	498,335	1,854,434	2,694,563	2,016,004	836,159	855,058	808,274
Total tax liability:								
Number of returns.....	501,856	165,824	160,400	105,084	46,736	13,062	8,446	2,304
Amount.....	1,892,788	93,827	299,385	454,955	393,972	191,008	226,550	233,090
Average (whole dollars).....	3,772	566	1,867	4,330	8,430	14,824	26,824	101,168
Earned income credit:								
Number of returns.....	118,089	89,696	28,393	--	--	--	--	--
Amount.....	71,402	63,701	7,702	--	--	--	--	--
Excess earned income credit: ²								
Number of returns.....	86,366	80,081	6,285	--	--	--	--	--
Amount.....	53,250	51,694	1,556	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
NEW YORK								
Number of returns.....	8,211,711	3,075,930	2,135,554	1,546,497	844,053	298,186	221,340	90,151
Number of exemptions.....	16,996,114	4,346,894	4,494,908	3,844,670	2,466,154	901,038	666,969	275,481
Adjusted gross income (less deficit).....	282,468,429	17,778,944	46,695,198	60,179,583	50,960,227	25,468,589	29,167,921	52,217,966
Salaries and wages:								
Number of returns.....	6,845,414	2,234,354	1,854,058	1,419,159	789,037	277,219	197,074	74,513
Amount.....	211,201,062	15,304,558	37,730,798	50,501,722	42,838,637	20,703,285	20,547,054	23,575,008
Interest income:								
Number of returns.....	5,668,001	1,566,563	1,398,882	1,308,801	797,641	290,002	216,760	89,352
Amount.....	21,667,189	3,125,495	3,378,751	3,405,229	2,722,633	1,406,844	2,012,184	5,615,853
Dividends:								
Number of returns.....	1,832,640	392,627	340,398	404,993	329,260	150,645	141,370	73,347
Amount.....	8,075,823	612,268	720,228	905,336	875,807	558,819	1,011,053	3,392,312
Net capital gain (less loss):								
Number of returns.....	894,059	156,992	148,032	181,965	159,656	85,044	98,632	63,738
Amount.....	9,687,099	451,959	123,867	262,905	390,033	363,374	956,293	7,138,668
Taxable pensions and annuities:								
Number of returns.....	1,232,450	375,933	343,825	250,304	151,649	54,636	41,016	15,087
Amount.....	11,086,562	1,839,546	2,878,707	2,524,366	1,764,799	763,432	740,769	574,943
Unemployment compensation:								
Number of returns.....	587,671	196,904	178,985	130,029	59,844	13,986	6,770	1,153
Amount.....	1,441,479	422,643	481,269	327,085	149,640	37,235	19,902	3,705
Total itemized deductions:								
Number of returns.....	2,897,068	169,655	481,338	902,927	744,462	289,935	218,884	89,867
Amount.....	48,393,241	1,969,300	4,357,660	9,415,627	10,303,599	5,543,075	6,508,768	10,295,213
Taxable income:								
Number of returns.....	6,898,191	1,821,698	2,087,598	1,538,469	842,157	297,828	220,767	89,874
Amount.....	190,043,253	6,097,339	27,145,024	40,400,521	35,316,172	18,126,434	21,383,294	41,574,469
Total tax liability:								
Number of returns.....	6,992,062	1,911,083	2,089,065	1,540,310	842,695	297,827	221,034	90,048
Amount.....	41,214,554	1,111,083	4,323,783	7,104,509	6,933,206	4,071,245	5,595,965	12,074,763
Average (whole dollars).....	5,895	582	2,070	4,613	8,228	13,670	25,318	134,093
Earned income credit:								
Number of returns.....	800,752	548,219	252,533	--	--	--	--	--
Amount.....	460,277	394,603	65,673	--	--	--	--	--
Excess earned income credit: ³								
Number of returns.....	511,265	466,496	44,769	--	--	--	--	--
Amount.....	303,050	292,664	10,386	--	--	--	--	--
NORTH CAROLINA								
Number of returns.....	3,041,823	1,334,816	800,974	536,570	244,328	66,545	43,946	14,644
Number of exemptions.....	6,472,983	2,012,941	1,823,537	1,496,684	746,181	207,098	139,120	47,422
Adjusted gross income (less deficit).....	79,877,704	9,102,826	17,161,012	20,797,967	14,622,551	5,659,566	5,780,667	6,753,114
Salaries and wages:								
Number of returns.....	2,682,719	1,126,475	721,273	497,976	226,831	60,250	37,638	12,276
Amount.....	62,711,058	8,068,803	14,286,999	17,539,579	12,063,964	4,312,104	3,665,152	2,774,458
Interest income:								
Number of returns.....	1,635,794	448,546	429,065	411,924	224,030	64,399	43,254	14,576
Amount.....	4,301,910	706,065	800,917	800,917	625,122	306,265	419,164	636,808
Dividends:								
Number of returns.....	507,652	95,771	101,382	127,423	101,606	38,673	30,728	12,069
Amount.....	1,569,677	128,908	175,168	239,298	239,527	150,568	242,006	394,182
Net capital gain (less loss):								
Number of returns.....	262,596	45,173	49,150	60,081	50,816	23,268	23,180	10,928
Amount.....	2,081,410	107,981	87,060	148,792	187,416	144,759	312,454	1,092,947
Taxable pensions and annuities:								
Number of returns.....	423,162	112,007	124,687	103,805	55,526	14,752	9,495	2,890
Amount.....	3,622,476	518,634	988,107	988,034	649,921	222,982	173,430	81,167
Unemployment compensation:								
Number of returns.....	250,976	95,158	87,861	55,979	10,434	1,119	377	48
Amount.....	276,501	95,642	97,249	65,062	15,224	2,346	858	121
Total itemized deductions:								
Number of returns.....	845,719	55,517	163,523	293,030	211,594	64,211	43,286	14,558
Amount.....	10,541,390	563,368	1,312,111	2,736,366	2,628,996	1,114,903	1,125,063	1,060,583
Taxable income:								
Number of returns.....	2,463,666	788,788	790,214	535,623	244,085	66,465	43,873	14,618
Amount.....	50,505,051	2,670,364	9,523,017	13,848,354	10,344,226	4,128,064	4,386,856	5,604,170
Total tax liability:								
Number of returns.....	2,503,558	808,075	790,516	535,783	244,144	66,494	43,913	14,633
Amount.....	10,006,089	472,619	1,535,604	2,313,311	1,991,664	930,587	1,154,372	1,607,931
Average (whole dollars).....	3,997	585	1,943	4,318	8,158	13,996	26,288	109,884
Earned income credit:								
Number of returns.....	449,941	327,748	122,193	--	--	--	--	--
Amount.....	273,935	239,937	33,998	--	--	--	--	--
Excess earned income credit: ³								
Number of returns.....	305,499	287,681	17,818	--	--	--	--	--
Amount.....	186,754	182,656	4,099	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
NORTH DAKOTA								
Number of returns.....	281,005	128,363	73,872	51,818	18,936	4,116	3,112	988
Number of exemptions.....	638,296	187,865	193,627	165,025	64,178	13,701	10,485	3,415
Adjusted gross income (less deficit).....	6,583,709	717,301	1,602,414	1,996,100	1,117,623	349,832	410,833	389,607
Salaries and wages:								
Number of returns.....	220,259	95,175	58,380	44,190	16,098	3,216	2,380	820
Amount.....	4,507,321	597,409	1,092,086	1,465,550	781,760	192,096	203,979	174,442
Interest income:								
Number of returns.....	198,826	73,951	53,928	44,927	17,968	4,010	3,060	982
Amount.....	575,771	116,849	151,645	129,813	77,946	31,948	36,820	30,751
Dividends:								
Number of returns.....	54,169	14,075	13,457	13,782	7,722	2,306	2,070	757
Amount.....	103,187	15,470	19,527	20,615	16,045	8,316	11,888	11,325
Net capital gain (less loss):								
Number of returns.....	42,805	12,161	11,480	9,817	5,119	1,794	1,735	699
Amount.....	197,331	27,535	34,123	38,041	24,039	13,458	21,282	38,853
Taxable pensions and annuities:								
Number of returns.....	30,844	9,467	10,017	6,988	3,060	641	496	175
Amount.....	222,545	40,114	71,989	59,401	30,869	8,932	7,860	3,381
Unemployment compensation:								
Number of returns.....	15,815	4,686	6,335	4,001	702	60	25	6
Amount.....	26,204	6,407	11,059	7,213	1,351	115	49	10
Total itemized deductions:								
Number of returns.....	54,380	5,527	10,989	19,433	11,946	2,958	2,585	942
Amount.....	632,803	45,347	165,162	164,827	125,116	40,475	51,311	40,564
Taxable income:								
Number of returns.....	228,319	77,097	72,525	51,563	18,926	4,113	3,108	987
Amount.....	4,222,550	238,151	860,099	1,338,919	829,385	276,918	336,796	342,281
Total tax liability:								
Number of returns.....	236,556	85,344	72,574	51,499	18,926	4,114	3,111	988
Amount.....	866,295	48,754	151,481	236,821	170,419	67,553	92,682	98,605
Average (whole dollars).....	3,663	572	2,088	4,599	9,005	16,421	29,798	99,903
Earned income credit:								
Number of returns.....	26,523	17,857	8,666	--	--	--	--	--
Amount.....	14,530	12,283	2,247	--	--	--	--	--
Excess earned income credit: ²								
Number of returns.....	15,164	13,746	1,418	--	--	--	--	--
Amount.....	8,435	8,106	329	--	--	--	--	--
OHIO								
Number of returns.....	5,086,743	2,068,626	1,375,556	1,025,826	418,453	101,449	69,639	27,194
Number of exemptions.....	10,573,237	2,852,716	2,954,007	2,801,333	1,322,110	325,140	227,975	89,956
Adjusted gross income (less deficit).....	138,957,551	13,487,981	29,949,423	39,825,470	24,864,277	8,628,416	9,175,749	13,026,234
Salaries and wages:								
Number of returns.....	4,318,400	1,604,608	1,195,253	953,100	390,281	91,518	60,212	23,428
Amount.....	108,135,783	10,350,723	24,057,952	34,118,309	20,910,327	6,574,813	5,985,472	6,138,187
Interest income:								
Number of returns.....	3,210,752	960,659	851,696	821,849	383,573	97,693	68,301	26,981
Amount.....	8,314,908	1,554,465	1,854,433	1,684,500	1,088,105	480,506	583,056	1,069,844
Dividends:								
Number of returns.....	1,066,865	230,321	234,314	285,289	181,281	61,392	50,830	23,438
Amount.....	3,158,953	294,132	403,707	497,237	442,817	259,960	410,062	851,037
Net capital gain (less loss):								
Number of returns.....	455,258	83,675	93,008	111,184	78,857	34,231	34,719	19,584
Amount.....	2,646,391	111,068	115,999	213,661	254,735	190,055	376,727	1,384,146
Taxable pensions and annuities:								
Number of returns.....	830,923	298,039	256,089	164,486	74,089	20,200	13,336	4,684
Amount.....	6,764,278	1,548,683	2,167,625	1,547,689	818,375	291,800	233,885	156,221
Unemployment compensation:								
Number of returns.....	344,023	95,454	111,045	104,168	29,335	3,059	851	111
Amount.....	649,917	172,116	235,201	187,562	47,260	5,391	2,051	336
Total itemized deductions:								
Number of returns.....	1,394,048	70,506	288,530	518,231	328,636	93,494	67,637	27,014
Amount.....	15,894,371	764,369	1,882,983	4,376,076	3,758,675	1,515,173	1,649,382	1,947,714
Taxable income:								
Number of returns.....	4,259,997	1,258,209	1,360,909	1,024,588	418,192	101,369	69,567	27,163
Amount.....	92,010,361	4,272,286	17,883,277	27,405,673	18,005,635	6,447,825	7,079,686	10,915,979
Total tax liability:								
Number of returns.....	4,302,275	1,298,776	1,362,376	1,024,694	418,250	101,396	69,600	27,183
Amount.....	18,372,731	742,095	2,891,386	4,740,349	3,515,012	1,475,589	1,881,549	3,126,749
Average (whole dollars).....	4,271	572	2,123	4,627	8,405	14,553	27,034	115,028
Earned income credit:								
Number of returns.....	442,844	305,109	137,735	--	--	--	--	--
Amount.....	250,293	214,380	35,914	--	--	--	--	--
Excess earned income credit: ²								
Number of returns.....	282,639	264,106	18,533	--	--	--	--	--
Amount.....	165,658	161,435	4,223	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued

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

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
OKLAHOMA								
Number of returns.....	1,316,283	589,012	344,683	233,431	100,648	25,224	16,870	6,415
Number of exemptions.....	3,020,685	985,379	879,521	687,936	314,891	78,892	53,674	20,392
Adjusted gross income (less deficit).....	33,009,862	3,131,634	7,469,271	9,023,124	6,007,051	2,142,227	2,217,504	3,019,051
Salaries and wages:								
Number of returns.....	1,081,968	453,776	290,409	208,030	89,751	21,614	13,363	5,025
Amount.....	24,854,610	3,070,650	5,839,184	7,323,310	4,724,140	1,506,422	1,250,547	1,140,357
Interest income:								
Number of returns.....	712,155	213,708	187,806	174,140	89,845	23,940	16,375	6,341
Amount.....	2,324,368	411,360	471,367	441,424	324,699	150,914	199,570	324,835
Dividends:								
Number of returns.....	203,750	41,098	43,313	52,868	37,510	13,217	10,808	4,936
Amount.....	604,199	54,055	66,538	84,067	81,559	46,568	73,668	197,723
Net capital gain (less loss):								
Number of returns.....	127,697	28,826	27,313	28,960	20,878	8,676	6,673	4,571
Amount.....	681,390	46,447	39,960	52,761	62,385	41,713	82,301	358,823
Taxable pensions and annuities:								
Number of returns.....	204,113	59,028	62,520	47,425	24,015	6,251	3,718	1,156
Amount.....	2,026,313	335,108	608,820	539,140	325,249	102,108	75,374	40,514
Unemployment compensation:								
Number of returns.....	64,413	23,111	21,935	14,659	4,036	522	133	17
Amount.....	107,569	37,606	36,292	24,957	7,391	987	300	35
Total itemized deductions:								
Number of returns.....	352,765	28,503	73,342	123,484	81,741	23,195	16,154	6,346
Amount.....	4,017,480	252,086	608,556	1,091,166	933,916	358,219	368,763	406,774
Taxable income:								
Number of returns.....	1,019,853	299,367	338,417	233,052	100,564	25,203	16,843	6,407
Amount.....	21,274,844	974,800	3,978,203	6,021,764	4,357,711	1,623,456	1,744,598	2,574,312
Total tax liability:								
Number of returns.....	1,055,137	334,035	338,960	233,088	100,573	25,211	16,856	6,414
Amount.....	4,313,607	196,836	655,231	1,018,811	855,385	374,108	468,326	744,831
Average (whole dollars):	4,089	590	1,934	4,371	8,505	14,840	27,784	116,126
Earned income credit:								
Number of returns.....	187,640	135,730	51,910	--	--	--	--	--
Amount.....	110,755	96,932	13,823	--	--	--	--	--
Excess earned income credit: ²								
Number of returns.....	126,390	117,097	9,293	--	--	--	--	--
Amount.....	78,182	74,002	2,180	--	--	--	--	--
OREGON								
Number of returns.....	1,305,875	545,588	341,276	249,606	111,115	29,403	21,560	7,327
Number of exemptions.....	2,885,746	840,819	801,900	715,200	344,378	91,479	68,735	23,235
Adjusted gross income (less deficit).....	35,873,810	3,350,849	7,435,533	9,676,389	6,634,052	2,502,546	2,856,550	3,417,892
Salaries and wages:								
Number of returns.....	1,066,365	413,530	283,382	222,318	99,132	25,042	17,191	5,770
Amount.....	25,588,168	2,729,841	5,616,735	7,733,789	5,116,451	1,673,822	1,536,110	1,181,620
Interest income:								
Number of returns.....	838,007	255,642	216,922	204,650	103,785	28,535	21,189	7,284
Amount.....	2,511,147	475,587	533,375	485,608	343,324	161,059	216,024	296,170
Dividends:								
Number of returns.....	269,188	63,560	59,699	65,180	44,591	16,228	14,156	5,774
Amount.....	800,134	95,790	122,314	134,413	113,153	61,890	94,794	177,780
Net capital gain (less loss):								
Number of returns.....	194,405	42,104	42,854	45,466	32,179	13,198	12,949	5,655
Amount.....	1,509,545	85,962	83,024	146,363	180,141	135,351	271,030	607,673
Taxable pensions and annuities:								
Number of returns.....	206,849	70,843	63,522	41,716	20,143	5,664	3,810	1,151
Amount.....	1,901,870	355,548	581,811	488,778	281,796	92,095	68,038	33,804
Unemployment compensation:								
Number of returns.....	115,928	37,418	41,854	27,906	7,241	1,037	430	42
Amount.....	217,202	61,561	83,811	53,333	14,711	2,484	1,156	146
Total itemized deductions:								
Number of returns.....	457,298	44,504	96,115	160,017	99,896	28,387	21,109	7,270
Amount.....	5,577,356	360,000	810,541	1,527,839	1,286,222	506,910	557,184	528,660
Taxable income:								
Number of returns.....	1,059,901	307,248	334,332	249,086	111,007	29,371	21,537	7,320
Amount.....	22,864,733	1,021,273	4,103,659	6,298,862	4,614,132	1,813,882	2,166,893	2,846,032
Total tax liability:								
Number of returns.....	1,081,560	327,735	335,422	249,100	111,040	29,384	21,553	7,326
Amount.....	4,667,478	190,583	678,215	1,079,388	903,192	420,682	579,822	815,596
Average (whole dollars):	4,316	582	2,022	4,334	8,134	14,317	26,903	111,329
Earned income credit:								
Number of returns.....	124,271	86,482	37,789	--	--	--	--	--
Amount.....	71,963	62,143	9,820	--	--	--	--	--
Excess earned income credit: ²								
Number of returns.....	80,331	73,686	6,645	--	--	--	--	--
Amount.....	48,437	46,852	1,585	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued

(Money amounts are in thousands of dollars, except where indicated)

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
PENNSYLVANIA								
Number of returns.....	5,531,879	2,238,756	1,441,210	1,084,381	500,747	135,792	95,042	35,951
Number of exemptions.....	11,680,573	3,156,392	3,140,182	2,990,003	1,542,434	427,514	306,496	117,552
Adjusted gross income (less deficit).....	159,134,366	13,910,458	31,348,885	42,109,027	29,937,446	11,554,159	12,543,478	17,730,913
Salaries and wages:								
Number of returns.....	4,556,175	1,633,837	1,228,529	995,748	464,280	122,506	81,323	29,952
Amount.....	120,278,076	10,462,214	24,436,658	35,393,770	25,002,758	8,911,569	8,132,707	7,938,399
Interest income:								
Number of returns.....	3,797,807	1,181,235	969,663	915,461	470,717	131,661	93,341	35,729
Amount.....	10,425,997	2,029,482	2,208,580	1,969,745	1,336,775	604,589	795,643	1,481,183
Dividends:								
Number of returns.....	1,271,027	305,122	267,142	303,691	215,931	80,578	68,206	30,357
Amount.....	4,354,663	431,524	555,589	660,652	579,797	345,906	549,683	1,231,512
Net capital gain (less loss):								
Number of returns.....	519,557	103,772	99,434	114,783	88,964	41,531	45,645	25,428
Amount.....	3,670,448	145,405	123,153	233,552	300,938	238,840	535,101	2,093,459
Taxable pensions and annuities:								
Number of returns.....	996,003	377,707	285,260	187,362	92,613	27,313	19,080	6,668
Amount.....	7,999,521	1,864,587	2,382,366	1,738,344	1,016,002	384,884	349,058	264,281
Unemployment compensation:								
Number of returns.....	490,376	148,639	168,199	128,561	37,426	5,250	2,017	284
Amount.....	1,111,186	287,444	413,243	296,692	90,857	15,236	6,462	1,252
Total itemized deductions:								
Number of returns.....	1,420,100	76,547	233,143	488,188	375,289	121,414	90,108	35,411
Amount.....	17,507,458	771,268	1,872,248	4,465,414	4,385,204	1,954,726	2,050,293	2,008,306
Taxable income:								
Number of returns.....	4,626,485	1,354,635	1,422,672	1,082,338	500,332	135,658	94,936	35,914
Amount.....	107,713,557	4,525,700	18,435,840	28,810,733	21,836,204	8,713,359	9,876,493	15,515,229
Total tax liability:								
Number of returns.....	4,678,448	1,403,814	1,425,021	1,082,594	500,413	135,688	94,984	35,934
Amount.....	22,074,888	796,439	2,984,631	4,934,454	4,286,836	1,993,242	2,634,097	4,445,189
Average (whole dollars).....	4,719	568	2,095	4,558	8,567	14,690	27,733	123,705
Earned income credit:								
Number of returns.....	449,544	301,417	148,127	--	--	--	--	--
Amount.....	251,284	212,556	38,728	--	--	--	--	--
Excess earned income credit: ²								
Number of returns.....	273,904	253,736	20,168	--	--	--	--	--
Amount.....	158,845	154,226	4,619	--	--	--	--	--
RHODE ISLAND								
Number of returns.....	468,677	181,452	124,785	92,884	45,681	12,528	8,266	3,081
Number of exemptions.....	950,891	237,225	253,417	247,405	137,864	39,015	26,119	9,846
Adjusted gross income (less deficit).....	13,833,487	1,180,100	2,704,525	3,616,619	2,736,849	1,063,819	1,088,005	1,443,571
Salaries and wages:								
Number of returns.....	398,248	140,096	108,834	85,579	42,664	11,426	7,025	2,624
Amount.....	10,478,979	951,314	2,148,153	3,008,769	2,266,420	818,371	666,953	619,000
Interest income:								
Number of returns.....	323,466	92,846	84,571	79,376	43,261	12,200	8,146	3,066
Amount.....	977,931	166,534	200,865	198,429	138,837	63,068	83,590	126,607
Dividends:								
Number of returns.....	101,149	22,529	21,618	24,712	17,750	6,579	5,495	2,466
Amount.....	312,917	26,090	34,898	46,593	44,015	26,698	46,382	88,240
Net capital gain (less loss):								
Number of returns.....	41,573	7,296	7,436	9,227	7,769	3,653	3,989	2,203
Amount.....	367,671	25,336	8,503	19,870	30,189	27,432	60,681	195,661
Taxable pensions and annuities:								
Number of returns.....	72,915	21,701	21,641	16,137	8,774	2,499	1,623	540
Amount.....	631,534	98,700	174,302	162,173	108,525	40,634	30,633	16,566
Unemployment compensation:								
Number of returns.....	57,254	17,715	18,209	15,127	5,034	772	350	47
Amount.....	154,345	42,864	52,779	41,454	13,730	2,242	1,098	179
Total itemized deductions:								
Number of returns.....	141,923	8,748	23,576	48,580	37,881	11,952	8,116	3,070
Amount.....	1,998,772	129,286	215,013	505,894	495,731	209,534	218,550	224,764
Taxable income:								
Number of returns.....	399,918	115,360	122,530	92,583	45,623	12,506	8,246	3,070
Amount.....	9,155,134	409,853	1,806,872	2,412,832	1,928,914	775,664	819,639	1,201,362
Total tax liability:								
Number of returns.....	404,842	119,699	123,008	92,650	45,638	12,516	8,253	3,078
Amount.....	1,850,874	71,603	258,897	413,786	372,241	174,226	216,905	343,215
Average (whole dollars).....	4,572	599	2,105	4,467	8,157	13,921	26,282	111,506
Earned income credit:								
Number of returns.....	36,839	25,156	11,683	--	--	--	--	--
Amount.....	20,727	17,648	3,079	--	--	--	--	--
Excess earned income credit: ³								
Number of returns.....	23,148	21,501	1,647	--	--	--	--	--
Amount.....	13,199	12,832	367	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued
 [Money amounts are in thousands of dollars, except where indicated]

State and Item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SOUTH CAROLINA								
Number of returns.....	1,551,463	704,406	408,031	264,149	119,266	30,606	18,574	6,431
Number of exemptions.....	3,356,418	1,086,054	954,883	762,278	374,816	97,488	59,847	21,052
Adjusted gross income (less deficit).....	38,644,023	4,705,319	8,722,924	10,252,689	7,126,326	2,600,191	2,437,479	2,799,095
Salaries and wages:								
Number of returns.....	1,377,700	605,469	368,392	244,875	110,623	27,550	15,571	5,220
Amount.....	30,703,084	4,239,314	7,354,116	8,677,203	5,869,086	1,954,737	1,457,700	1,150,929
Interest income:								
Number of returns.....	766,505	205,926	203,469	195,528	107,632	29,374	18,189	6,387
Amount.....	1,913,120	313,781	370,698	371,190	281,757	140,926	180,838	253,930
Dividends:								
Number of returns.....	222,367	41,113	44,571	56,953	45,554	16,765	12,271	5,140
Amount.....	679,242	58,000	78,918	106,305	107,229	63,898	101,163	163,728
Net capital gain (less loss):								
Number of returns.....	119,659	20,118	22,364	28,011	23,801	10,574	9,926	4,865
Amount.....	928,742	53,213	38,692	66,830	89,897	72,242	150,155	459,714
Taxable pensions and annuities:								
Number of returns.....	213,255	54,831	62,277	53,076	29,783	7,725	4,340	1,223
Amount.....	2,044,950	272,023	546,964	567,532	389,298	131,766	97,946	39,421
Unemployment compensation:								
Number of returns.....	105,990	46,233	33,403	20,925	4,676	556	176	21
Amount.....	124,644	54,587	37,694	24,718	6,205	1,026	366	49
Total itemized deductions:								
Number of returns.....	414,977	25,098	84,932	147,235	103,687	29,407	18,231	6,387
Amount.....	5,003,767	233,588	665,810	1,389,704	1,285,577	508,850	477,869	442,369
Taxable income:								
Number of returns.....	1,218,935	378,837	401,872	263,591	119,124	30,567	18,528	6,416
Amount.....	23,922,843	1,302,351	4,778,439	6,761,082	5,017,905	1,895,678	1,845,568	2,321,820
Total tax liability:								
Number of returns.....	1,235,776	395,616	401,727	263,731	119,155	30,582	18,543	6,422
Amount.....	4,650,359	227,250	762,698	1,121,719	957,948	426,555	486,118	668,071
Average (whole dollars).....	3,764	575	1,899	4,254	8,040	13,948	26,216	104,029
Earned income credit:								
Number of returns.....	259,237	192,308	66,929	--	--	--	--	--
Amount.....	159,796	141,276	18,520	--	--	--	--	--
Excess earned income credit: ³								
Number of returns.....	184,612	173,519	11,093	--	--	--	--	--
Amount.....	115,442	112,871	2,571	--	--	--	--	--
SOUTH DAKOTA								
Number of returns.....	311,932	148,282	83,034	54,400	17,688	4,039	3,203	1,286
Number of exemptions.....	705,752	223,119	219,736	175,276	59,176	13,373	10,792	4,280
Adjusted gross income (less deficit).....	7,145,541	826,803	1,796,809	2,068,338	1,044,894	344,787	425,497	620,414
Salaries and wages:								
Number of returns.....	249,133	112,775	67,965	47,099	14,899	3,057	2,327	1,011
Amount.....	4,781,983	709,695	1,282,420	1,542,222	694,564	169,594	177,777	205,710
Interest income:								
Number of returns.....	206,469	79,075	56,830	45,641	16,573	3,921	3,150	1,279
Amount.....	614,166	130,813	154,424	131,284	76,053	33,245	41,105	47,232
Dividends:								
Number of returns.....	61,328	17,252	15,745	15,204	7,792	2,286	2,060	989
Amount.....	141,343	20,498	24,379	24,537	18,588	8,969	13,508	30,865
Net capital gain (less loss):								
Number of returns.....	54,529	15,678	14,920	12,593	6,203	2,126	2,013	996
Amount.....	334,476	35,748	50,729	60,786	41,931	22,709	30,107	92,465
Taxable pensions and annuities:								
Number of returns.....	38,072	12,826	12,465	8,359	3,082	666	484	190
Amount.....	274,067	53,410	90,302	74,976	34,177	9,669	7,251	4,283
Unemployment compensation:								
Number of returns.....	9,083	3,441	3,497	1,828	276	26	15	--
Amount.....	12,344	4,507	4,799	2,512	459	42	25	--
Total itemized deductions:								
Number of returns.....	46,150	4,758	10,192	16,359	9,308	2,419	2,103	1,011
Amount.....	475,103	43,940	81,461	139,322	101,100	31,556	37,568	40,736
Taxable income:								
Number of returns.....	247,450	85,430	81,460	54,351	17,883	4,039	3,202	1,285
Amount.....	4,626,977	265,393	961,157	1,402,932	788,895	278,999	361,434	570,227
Total tax liability:								
Number of returns.....	256,086	94,046	81,537	54,295	17,881	4,039	3,202	1,286
Amount.....	970,513	53,266	167,214	247,586	166,090	70,135	102,267	163,955
Average (whole dollars).....	3,790	567	2,051	4,561	9,394	17,365	31,939	127,493
Earned income credit:								
Number of returns.....	34,116	23,487	10,629	--	--	--	--	--
Amount.....	19,236	16,460	2,778	--	--	--	--	--
Excess earned income credit: ³								
Number of returns.....	20,885	18,989	1,896	--	--	--	--	--
Amount.....	11,882	11,444	438	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued

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

State and Item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
TENNESSEE								
Number of returns.....	2,170,008	977,235	567,183	377,704	163,685	42,715	29,857	11,829
Number of exemptions.....	4,724,196	1,544,220	1,340,665	1,067,103	504,896	133,843	95,918	37,551
Adjusted gross income (less deficit).....	55,567,466	5,932,040	12,230,673	14,608,960	9,777,060	3,631,009	3,936,700	5,451,024
Salaries and wages:								
Number of returns.....	1,885,972	802,278	507,535	351,032	152,058	39,352	25,104	9,613
Amount.....	44,281,490	5,482,853	10,214,335	12,554,289	8,202,764	2,754,778	2,457,885	2,614,585
Interest income:								
Number of returns.....	1,125,978	327,443	292,703	278,663	145,912	40,609	29,105	11,543
Amount.....	3,374,189	595,271	668,905	622,595	451,986	217,422	292,897	525,113
Dividends:								
Number of returns.....	297,484	59,564	59,119	73,857	55,794	21,277	18,757	9,116
Amount.....	892,000	76,121	93,438	117,146	115,983	72,455	134,004	282,854
Net capital gain (less loss):								
Number of returns.....	167,134	31,707	32,831	37,150	28,980	13,416	14,618	8,432
Amount.....	1,360,246	94,727	59,340	89,688	107,110	82,103	188,315	738,964
Taxable pensions and annuities:								
Number of returns.....	286,256	90,794	85,709	62,077	31,159	8,741	5,812	1,964
Amount.....	2,384,493	446,042	683,275	593,339	368,667	131,682	104,744	56,744
Unemployment compensation:								
Number of returns.....	196,722	83,331	65,726	38,041	8,070	1,060	425	69
Amount.....	241,420	97,737	81,720	47,393	11,613	1,915	904	139
Total itemized deductions:								
Number of returns.....	419,805	28,882	79,206	137,183	104,760	33,583	25,446	10,745
Amount.....	4,838,026	267,017	633,712	1,226,490	1,153,413	487,257	528,419	541,719
Taxable income:								
Number of returns.....	1,707,502	522,715	559,884	377,193	163,580	42,686	29,825	11,619
Amount.....	36,732,759	1,742,615	6,785,554	10,029,469	7,307,065	2,832,644	3,200,881	4,834,531
Total tax liability:								
Number of returns.....	1,747,113	561,907	560,182	377,267	163,601	42,693	29,839	11,624
Amount.....	7,464,328	323,495	1,098,091	1,687,859	1,444,409	657,075	866,306	1,387,092
Average (whole dollars).....	4,273	576	1,961	4,474	8,829	15,391	29,033	119,331
Earned income credit:								
Number of returns.....	331,387	243,105	88,282	--	--	--	--	--
Amount.....	198,495	174,458	24,037	--	--	--	--	--
Excess earned income credit: ³								
Number of returns.....	226,649	213,477	13,172	--	--	--	--	--
Amount.....	137,563	134,519	3,045	--	--	--	--	--
TEXAS								
Number of returns.....	7,406,799	3,342,395	1,791,711	1,238,082	640,776	201,368	140,757	51,710
Number of exemptions.....	17,050,718	5,772,237	4,488,464	3,540,605	2,002,878	633,339	446,210	168,985
Adjusted gross income (less deficit).....	204,734,176	16,434,074	38,746,637	48,104,309	38,575,191	17,156,952	18,466,628	27,250,385
Salaries and wages:								
Number of returns.....	6,347,982	2,720,500	1,574,196	1,126,148	587,083	181,247	118,691	40,117
Amount.....	158,894,751	18,543,660	31,969,219	40,355,676	32,000,528	13,389,779	12,113,156	10,522,533
Interest income:								
Number of returns.....	3,754,900	1,042,593	886,505	889,308	559,568	189,562	136,247	51,117
Amount.....	13,806,068	2,096,490	2,107,513	2,235,771	1,860,521	997,119	1,439,963	3,068,690
Dividends:								
Number of returns.....	1,095,740	196,094	192,914	258,297	222,435	99,838	86,968	39,394
Amount.....	4,012,564	306,006	340,064	469,759	482,634	319,392	556,038	1,538,671
Net capital gain (less loss):								
Number of returns.....	691,676	122,874	118,447	148,261	129,484	65,182	69,728	37,700
Amount.....	6,552,483	764,820	132,094	232,452	310,559	260,050	692,363	4,160,146
Taxable pensions and annuities:								
Number of returns.....	930,604	236,606	257,083	221,582	135,226	43,228	28,161	8,718
Amount.....	9,125,019	1,266,075	2,282,178	2,327,827	1,679,697	660,670	558,638	351,934
Unemployment compensation:								
Number of returns.....	347,889	148,216	106,864	63,404	22,778	4,503	1,932	192
Amount.....	689,600	257,138	227,468	136,429	52,564	10,674	4,757	569
Total itemized deductions:								
Number of returns.....	1,528,651	104,461	241,173	448,770	408,726	158,301	120,001	47,219
Amount.....	20,466,318	1,679,081	2,078,927	4,243,475	4,679,897	2,366,581	2,596,056	2,822,302
Taxable income:								
Number of returns.....	5,639,724	1,620,150	1,750,589	1,235,555	640,157	201,147	140,511	51,615
Amount.....	140,520,134	5,292,350	21,127,189	33,037,428	28,725,427	13,321,510	14,910,571	24,105,660
Total tax liability:								
Number of returns.....	5,790,016	1,768,588	1,751,580	1,236,020	640,307	201,219	140,627	51,675
Amount.....	29,993,143	1,024,187	3,440,715	5,692,866	5,717,555	3,063,520	3,987,390	7,066,911
Average (whole dollars).....	5,181	580	1,965	4,606	8,930	15,225	28,355	136,757
Earned income credit:								
Number of returns.....	1,217,591	922,430	295,161	--	--	--	--	--
Amount.....	749,399	667,967	80,432	--	--	--	--	--
Excess earned income credit: ³								
Number of returns.....	886,748	821,683	65,065	--	--	--	--	--
Amount.....	554,167	538,000	16,166	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued
 (Money amounts are in thousands of dollars, except where indicated)

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
UTAH								
Number of returns.....	682,128	288,416	168,035	140,959	59,400	13,059	9,080	3,179
Number of exemptions.....	1,727,937	402,015	472,774	520,664	231,330	50,748	37,274	13,132
Adjusted gross income (less deficit).....	18,258,669	1,581,307	3,685,444	5,472,001	3,528,531	1,107,048	1,200,172	1,684,165
Salaries and wages:								
Number of returns.....	587,801	234,195	144,906	130,925	55,461	11,806	7,841	2,667
Amount.....	14,290,326	1,496,126	2,936,346	4,675,633	2,942,232	827,353	756,757	655,879
Interest income:								
Number of returns.....	430,129	131,192	107,168	112,977	54,265	12,512	8,859	3,156
Amount.....	884,953	166,382	182,452	170,450	121,182	52,604	74,009	117,873
Dividends:								
Number of returns.....	112,349	24,457	24,345	29,853	19,782	6,259	5,301	2,352
Amount.....	309,324	31,367	39,275	46,658	41,990	21,756	36,135	92,142
Net capital gain (less loss):								
Number of returns.....	74,919	15,714	15,665	18,559	13,188	4,793	4,746	2,254
Amount.....	511,937	56,333	21,626	33,130	42,873	30,280	67,742	259,954
Taxable pensions and annuities:								
Number of returns.....	100,373	27,834	31,449	24,229	11,940	2,795	1,644	482
Amount.....	1,045,979	163,870	331,502	290,470	164,279	48,148	32,646	15,065
Unemployment compensation:								
Number of returns.....	32,792	10,155	11,763	8,510	2,065	214	76	9
Amount.....	55,058	15,367	21,274	14,288	3,494	380	169	87
Total itemized deductions:								
Number of returns.....	241,388	15,954	50,514	97,010	53,353	12,498	8,911	3,148
Amount.....	2,990,149	136,766	449,567	964,969	708,635	231,014	243,918	255,281
Taxable income:								
Number of returns.....	552,090	165,434	161,517	140,515	59,333	13,048	9,067	3,176
Amount.....	10,976,452	503,994	1,846,455	3,243,900	2,326,046	772,570	882,089	1,403,398
Total tax liability:								
Number of returns.....	561,647	173,120	163,296	140,583	59,348	13,050	9,072	3,178
Amount.....	2,208,890	91,142	301,365	537,612	434,360	172,086	229,414	442,911
Average (whole dollars).....	3,933	527	1,846	3,825	7,319	13,187	25,289	139,368
Earned income credit:								
Number of returns.....	69,968	46,855	23,113	--	--	--	--	--
Amount.....	39,584	33,596	5,987	--	--	--	--	--
Excess earned income credit: ²								
Number of returns.....	45,165	39,922	5,243	--	--	--	--	--
Amount.....	26,464	25,224	1,241	--	--	--	--	--
VERMONT								
Number of returns.....	266,699	110,339	71,120	51,021	22,996	6,049	4,068	1,106
Number of exemptions.....	555,624	148,921	154,480	144,543	72,017	19,307	12,854	3,502
Adjusted gross income (less deficit).....	7,117,175	675,171	1,542,550	1,978,099	1,372,981	513,940	532,241	502,193
Salaries and wages:								
Number of returns.....	224,368	84,394	62,296	46,871	21,227	5,343	3,385	852
Amount.....	5,328,220	558,067	1,219,632	1,626,015	1,107,109	363,719	299,233	154,444
Interest income:								
Number of returns.....	184,950	58,897	48,917	44,037	22,034	5,926	4,037	1,102
Amount.....	496,586	94,583	103,915	98,867	70,336	34,619	43,602	50,664
Dividends:								
Number of returns.....	61,296	15,256	13,049	14,762	10,395	3,906	3,007	921
Amount.....	232,477	24,182	29,704	37,826	34,777	22,183	36,738	47,068
Net capital gain (less loss):								
Number of returns.....	32,811	7,272	6,813	7,435	5,585	2,528	2,349	829
Amount.....	234,953	14,159	17,569	26,557	29,541	21,746	44,771	80,611
Taxable pensions and annuities:								
Number of returns.....	34,814	11,345	10,287	7,405	3,642	1,088	807	240
Amount.....	278,181	50,207	78,416	68,370	41,478	16,531	16,016	7,163
Unemployment compensation:								
Number of returns.....	23,729	9,360	8,166	4,983	1,005	148	60	7
Amount.....	44,994	17,651	15,740	9,091	1,978	350	171	13
Total itemized deductions:								
Number of returns.....	76,764	5,916	14,578	26,472	19,016	5,716	3,969	1,097
Amount.....	959,936	66,634	122,541	256,831	232,789	97,806	102,241	81,294
Taxable income:								
Number of returns.....	222,077	67,248	69,845	50,822	22,961	6,038	4,059	1,104
Amount.....	4,608,316	235,234	886,809	1,313,485	976,436	377,035	405,069	414,248
Total tax liability:								
Number of returns.....	227,926	72,696	70,180	50,867	22,972	6,041	4,064	1,106
Amount.....	916,530	44,660	147,407	224,379	189,770	85,855	106,459	118,000
Average (whole dollars).....	4,022	615	2,101	4,412	8,261	14,213	26,196	106,691
Earned income credit:								
Number of returns.....	21,798	14,426	7,372	--	--	--	--	--
Amount.....	11,844	9,939	1,906	--	--	--	--	--
Excess earned income credit: ²								
Number of returns.....	12,137	11,145	992	--	--	--	--	--
Amount.....	6,677	6,455	222	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued
 (Money amounts are in thousands of dollars, except where indicated)

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
VIRGINIA								
Number of returns.....	2,894,601	1,078,382	726,310	558,491	315,180	114,155	75,490	18,593
Number of exemptions.....	8,045,246	1,450,432	1,549,947	1,457,813	938,851	352,226	235,856	60,321
Adjusted gross income (less deficit).....	90,930,750	6,471,183	15,842,897	21,760,051	19,058,909	9,749,349	9,700,976	8,346,386
Salaries and wages:								
Number of returns.....	2,512,716	877,468	645,212	511,580	290,317	105,381	67,443	15,315
Amount.....	71,862,378	6,178,381	13,218,393	18,355,602	15,835,741	7,854,225	6,825,282	3,594,753
Interest income:								
Number of returns.....	1,724,418	414,871	396,399	427,002	284,716	109,232	73,783	18,415
Amount.....	4,943,942	678,146	777,957	889,103	783,855	434,852	565,302	814,726
Dividends:								
Number of returns.....	608,267	101,443	100,417	145,407	132,436	63,148	50,360	15,056
Amount.....	1,937,299	131,851	172,190	265,526	306,011	207,954	327,553	526,214
Net capital gain (less loss):								
Number of returns.....	289,945	41,570	43,130	61,590	60,822	34,296	35,072	13,465
Amount.....	2,512,163	168,605	63,898	124,013	182,860	177,374	414,740	1,380,672
Taxable pensions and annuities:								
Number of returns.....	430,398	97,231	110,764	101,800	69,772	27,438	19,787	3,806
Amount.....	5,388,970	523,020	1,060,871	1,323,314	1,211,293	604,953	528,615	136,904
Unemployment compensation:								
Number of returns.....	157,374	53,700	54,900	36,243	9,870	1,788	816	57
Amount.....	177,239	55,354	61,984	41,038	13,915	3,233	1,577	139
Total itemized deductions:								
Number of returns.....	962,151	46,824	148,947	302,155	263,156	108,452	74,164	18,453
Amount.....	14,177,467	544,310	1,304,017	3,209,507	3,689,489	2,044,600	2,012,652	1,372,892
Taxable income:								
Number of returns.....	2,449,285	656,103	713,884	556,621	314,743	114,029	75,385	18,540
Amount.....	60,264,032	2,269,342	9,145,723	14,481,183	13,280,173	6,985,372	7,228,465	6,873,795
Total tax liability:								
Number of returns.....	2,474,707	679,597	715,166	557,019	314,854	114,066	75,436	18,567
Amount.....	12,257,383	393,344	1,462,483	2,475,809	2,563,686	1,545,462	1,858,984	1,957,617
Average (whole dollars).....	4,954	579	2,045	4,445	8,143	13,549	24,844	105,436
Earned income credit:								
Number of returns.....	275,837	192,685	83,252	--	--	--	--	--
Amount.....	163,394	141,155	22,239	--	--	--	--	--
Excess earned income credit: ²								
Number of returns.....	181,365	168,196	13,169	--	--	--	--	--
Amount.....	110,983	107,917	3,046	--	--	--	--	--
WASHINGTON								
Number of returns.....	2,302,696	855,022	588,121	480,574	247,247	69,474	46,539	15,719
Number of exemptions.....	4,960,283	1,192,482	1,279,193	1,321,034	759,075	213,326	145,708	49,465
Adjusted gross income (less deficit).....	71,409,016	4,890,061	12,846,937	18,741,815	14,837,875	5,907,313	6,112,112	8,072,903
Salaries and wages:								
Number of returns.....	1,834,788	671,283	494,586	432,107	225,098	61,235	38,177	12,302
Amount.....	52,708,399	4,549,320	9,999,461	15,371,200	11,982,134	4,308,108	3,586,093	2,910,084
Interest income:								
Number of returns.....	1,513,592	397,727	369,983	388,756	228,522	67,281	45,714	15,609
Amount.....	4,512,616	654,904	842,889	866,480	683,517	334,317	445,331	685,177
Dividends:								
Number of returns.....	492,374	96,092	99,413	121,636	94,763	37,495	30,664	12,311
Amount.....	1,586,362	140,017	196,629	246,357	223,102	129,810	193,431	457,016
Net capital gain (less loss):								
Number of returns.....	325,753	54,713	63,615	77,067	62,330	28,295	27,409	12,324
Amount.....	3,510,464	187,688	106,166	231,572	334,233	278,180	558,076	1,814,549
Taxable pensions and annuities:								
Number of returns.....	356,536	95,998	105,180	81,718	47,920	14,122	9,048	2,550
Amount.....	3,671,564	533,821	1,026,834	964,483	648,764	232,752	178,756	86,153
Unemployment compensation:								
Number of returns.....	177,273	54,921	58,549	45,144	15,286	2,367	922	84
Amount.....	355,704	94,687	126,535	93,040	32,947	5,795	2,437	264
Total itemized deductions:								
Number of returns.....	653,636	43,357	108,828	218,370	173,115	55,979	39,817	14,170
Amount.....	7,849,787	474,289	911,094	2,040,861	2,015,172	848,305	853,882	706,184
Taxable income:								
Number of returns.....	1,954,189	517,899	578,116	479,567	247,027	69,413	46,474	15,693
Amount.....	49,896,361	1,814,962	7,528,131	12,832,404	10,932,674	4,570,434	4,945,978	7,271,797
Total tax liability:								
Number of returns.....	1,978,616	538,749	579,475	479,679	247,078	69,431	46,498	15,706
Amount.....	10,408,034	325,362	1,228,245	2,230,378	2,170,711	1,056,544	1,327,991	2,068,803
Average (whole dollars).....	5,266	604	2,120	4,650	8,786	15,218	28,561	131,721
Earned income credit:								
Number of returns.....	181,984	125,097	56,887	--	--	--	--	--
Amount.....	102,276	87,556	14,721	--	--	--	--	--
Excess earned income credit: ³								
Number of returns.....	117,271	107,877	9,394	--	--	--	--	--
Amount.....	68,606	66,422	2,184	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued
 [Money amounts are in thousands of dollars, except where indicated]

State and Item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
WEST VIRGINIA								
Number of returns.....	697,090	316,641	175,981	130,471	54,283	10,478	6,756	2,480
Number of exemptions.....	1,595,214	529,319	445,637	384,698	172,074	32,967	22,002	8,517
Adjusted gross income (less deficit).....	17,083,423	2,092,080	3,810,189	5,077,318	3,211,151	887,987	889,054	1,115,645
Salaries and wages:								
Number of returns.....	578,957	240,957	149,833	121,058	50,553	9,231	5,362	1,963
Amount.....	13,101,442	1,551,777	2,963,441	4,345,926	2,704,990	642,983	472,415	419,909
Interest income:								
Number of returns.....	405,332	131,681	104,961	100,898	48,758	10,021	6,560	2,453
Amount.....	1,038,026	230,783	254,605	202,913	133,508	53,910	68,841	93,467
Dividends:								
Number of returns.....	121,122	26,889	25,933	33,090	22,143	6,173	4,824	2,070
Amount.....	343,556	35,118	48,060	60,766	53,434	29,276	49,637	67,266
Net capital gain (less loss):								
Number of returns.....	50,025	10,659	10,682	11,955	8,558	3,142	3,251	1,778
Amount.....	318,005	12,585	18,709	26,853	29,895	19,869	41,472	168,622
Taxable pensions and annuities:								
Number of returns.....	127,609	51,433	37,349	23,361	10,960	2,502	1,509	495
Amount.....	1,026,394	277,867	332,032	223,848	117,083	34,717	26,139	14,709
Unemployment compensation:								
Number of returns.....	60,796	21,315	21,594	14,458	3,136	210	79	4
Amount.....	105,113	31,593	41,145	25,967	5,758	430	207	14
Total itemized deductions:								
Number of returns.....	105,983	5,340	15,995	36,406	30,972	8,551	6,296	2,423
Amount.....	1,166,038	46,305	126,152	307,203	313,129	114,937	126,468	131,845
Taxable income:								
Number of returns.....	546,600	168,151	174,132	130,364	54,252	10,472	6,750	2,479
Amount.....	10,943,866	534,156	2,076,718	3,517,737	2,430,852	698,529	718,435	967,439
Total tax liability:								
Number of returns.....	560,039	181,475	174,244	130,356	54,258	10,474	6,752	2,480
Amount.....	2,130,541	98,295	335,429	582,600	475,037	162,708	196,308	280,164
Average (whole dollars).....	3,805	542	1,926	4,470	8,756	15,535	29,075	112,970
Earned income credit:								
Number of returns.....	92,549	66,469	26,080	--	--	--	--	--
Amount.....	53,895	46,943	6,952	--	--	--	--	--
Excess earned income credit:³								
Number of returns.....	61,891	58,065	3,826	--	--	--	--	--
Amount.....	37,366	36,521	866	--	--	--	--	--

State and Item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
WISCONSIN								
Number of returns.....	2,258,467	922,241	560,668	470,082	213,671	48,601	31,610	11,594
Number of exemptions.....	4,835,390	1,224,032	1,241,837	1,379,307	689,017	157,967	105,001	38,229
Adjusted gross income (less deficit).....	63,048,274	5,835,350	12,235,879	18,341,014	12,706,544	4,122,184	4,160,733	5,646,570
Salaries and wages:								
Number of returns.....	1,919,349	713,600	483,923	438,410	201,236	44,295	27,715	10,170
Amount.....	48,558,444	4,516,696	9,544,555	15,559,343	10,677,714	3,118,059	2,713,751	2,428,325
Interest income:								
Number of returns.....	1,659,046	539,380	408,504	415,899	204,948	47,540	31,226	11,549
Amount.....	3,941,532	801,221	872,389	756,736	515,252	222,393	275,571	497,969
Dividends:								
Number of returns.....	519,096	125,895	111,318	131,165	89,990	28,593	22,430	9,705
Amount.....	1,398,830	155,425	200,302	225,340	200,750	114,927	169,973	332,113
Net capital gain (less loss):								
Number of returns.....	286,141	64,592	64,468	67,667	46,157	17,810	17,017	8,430
Amount.....	1,720,852	106,134	162,405	220,059	204,248	128,770	227,013	672,225
Taxable pensions and annuities:								
Number of returns.....	336,834	120,566	100,684	67,511	32,010	8,321	5,595	2,147
Amount.....	2,507,351	551,157	790,890	590,136	321,813	109,635	86,264	57,456
Unemployment compensation:								
Number of returns.....	213,196	52,756	72,851	65,885	19,371	1,840	438	55
Amount.....	351,131	82,694	129,862	105,092	29,430	3,030	912	111
Total itemized deductions:								
Number of returns.....	712,329	42,125	118,525	274,840	187,652	46,661	31,002	11,524
Amount.....	8,380,650	539,885	907,784	2,451,902	2,195,454	765,192	755,413	765,021
Taxable income:								
Number of returns.....	1,917,652	589,875	552,957	469,504	213,569	48,573	31,587	11,587
Amount.....	41,293,621	1,886,354	7,102,403	12,163,743	8,997,368	3,036,402	3,198,768	4,908,582
Total tax liability:								
Number of returns.....	1,942,009	613,282	553,986	469,360	213,605	48,583	31,600	11,593
Amount.....	8,178,912	331,116	1,157,465	2,047,934	1,719,263	685,358	838,495	1,399,280
Average (whole dollars).....	4,212	540	2,090	4,364	8,049	14,107	26,535	120,701
Earned income credit:								
Number of returns.....	162,259	109,479	52,780	--	--	--	--	--
Amount.....	91,088	77,350	13,738	--	--	--	--	--
Excess earned income credit:³								
Number of returns.....	98,551	91,164	7,387	--	--	--	--	--
Amount.....	57,065	55,358	1,706	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 2.—Individual income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1990—Continued
 [Money amounts are in thousands of dollars, except where indicated]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
WYOMING								
Number of returns.....	205,492	87,901	48,746	42,310	19,253	3,895	2,427	960
Number of exemptions.....	468,343	125,730	123,784	131,122	64,219	12,749	7,795	2,944
Adjusted gross income (less deficit).....	5,591,838	433,036	1,064,890	1,654,742	1,140,777	330,142	320,214	648,038
Salaries and wages:								
Number of returns.....	173,769	69,922	41,692	38,707	17,684	3,321	1,824	619
Amount.....	4,046,722	438,999	825,257	1,381,069	928,340	215,185	139,195	120,678
Interest income:								
Number of returns.....	130,410	41,806	30,559	33,499	17,451	3,745	2,393	957
Amount.....	406,011	62,964	70,607	69,712	50,917	22,832	34,221	94,758
Dividends:								
Number of returns.....	44,376	10,319	9,129	11,996	8,106	2,325	1,716	785
Amount.....	167,370	20,547	18,773	23,754	20,410	10,975	18,619	54,291
Net capital gain (less loss):								
Number of returns.....	27,641	6,481	5,948	6,733	4,478	1,676	1,535	790
Amount.....	273,976	16,167	11,690	17,477	20,440	15,206	28,321	164,674
Taxable pensions and annuities:								
Number of returns.....	28,712	8,266	8,255	6,939	3,715	856	488	193
Amount.....	260,229	42,744	73,379	69,160	42,645	12,972	9,462	9,868
Unemployment compensation:								
Number of returns.....	11,671	3,842	4,524	2,687	544	52	17	5
Amount.....	19,503	5,879	8,031	4,507	943	102	28	12
Total itemized deductions:								
Number of returns.....	43,188	3,413	7,646	15,658	11,412	2,628	1,678	753
Amount.....	452,103	28,591	59,370	130,772	112,461	33,484	31,600	55,824
Taxable income:								
Number of returns.....	165,350	48,726	47,852	42,259	19,243	3,892	2,420	958
Amount.....	3,836,745	149,512	580,848	1,126,991	858,589	264,986	270,024	585,795
Total tax liability:								
Number of returns.....	169,268	52,515	47,978	42,256	19,244	3,894	2,422	959
Amount.....	790,708	28,927	96,820	192,485	170,285	62,986	74,374	164,832
Average (whole dollars).....	4,672	551	2,019	4,556	8,849	16,176	30,708	171,880
Earned income credit:								
Number of returns.....	20,796	14,512	6,284	--	--	--	--	--
Amount.....	11,816	10,161	1,655	--	--	--	--	--
Excess earned income credit: ³								
Number of returns.....	13,542	12,450	1,092	--	--	--	--	--
Amount.....	7,860	7,601	259	--	--	--	--	--
OTHER AREAS⁴								
Number of returns.....	1,075,627	661,795	224,746	101,286	42,610	17,182	18,936	9,072
Number of exemptions.....	2,123,090	989,037	584,644	288,896	124,207	51,255	57,462	27,599
Adjusted gross income (less deficit).....	21,863,698	2,032,524	4,681,075	3,856,960	2,573,319	1,472,732	2,573,767	4,673,321
Salaries and wages:								
Number of returns.....	778,799	408,611	199,973	91,732	38,752	15,730	17,152	7,849
Amount.....	26,236,679	6,572,131	4,970,950	4,125,237	2,805,383	1,648,198	2,881,509	3,233,271
Interest income:								
Number of returns.....	537,469	248,530	132,316	77,831	37,326	15,539	17,435	6,492
Amount.....	1,800,016	511,923	288,827	241,273	176,482	100,078	153,678	327,754
Dividends:								
Number of returns.....	185,283	69,355	35,048	31,826	20,052	9,669	12,405	6,928
Amount.....	767,215	95,201	72,222	79,489	75,298	49,266	93,665	302,073
Net capital gain (less loss):								
Number of returns.....	114,796	52,624	17,838	14,474	10,282	5,712	8,210	5,656
Amount.....	1,268,792	96,429	50,483	55,824	61,176	48,728	130,624	825,529
Taxable pensions and annuities:								
Number of returns.....	68,442	26,882	17,296	11,630	6,660	2,548	2,390	1,036
Amount.....	873,396	192,366	221,309	179,831	120,963	51,598	56,266	51,063
Unemployment compensation:								
Number of returns.....	9,797	4,532	3,189	1,319	454	154	117	32
Amount.....	25,214	11,699	7,859	3,454	1,205	424	382	191
Total itemized deductions:								
Number of returns.....	192,664	75,556	33,030	29,194	20,991	11,373	14,867	7,653
Amount.....	2,237,448	306,255	296,018	298,973	373,190	240,787	325,309	396,915
Taxable income:								
Number of returns.....	701,755	295,290	218,225	100,645	42,480	17,142	18,911	9,062
Amount.....	15,748,037	1,272,531	2,418,051	2,639,524	1,944,402	1,153,775	2,109,815	4,209,938
Total tax liability:								
Number of returns.....	755,300	368,280	208,328	94,790	41,377	16,835	18,704	8,986
Amount.....	2,741,826	332,343	351,725	402,752	342,298	209,838	356,728	746,142
Average (whole dollars).....	3,631	908	1,689	4,249	8,273	12,465	19,073	83,034
Earned income credit:								
Number of returns.....	32,780	17,749	15,031	--	--	--	--	--
Amount.....	16,524	12,147	4,377	--	--	--	--	--
Excess earned income credit: ³								
Number of returns.....	21,109	16,536	4,573	--	--	--	--	--
Amount.....	11,004	9,925	1,079	--	--	--	--	--

See notes following Table 20.

Selected Historical and Other Data

Table 3.—Number of Individual Returns, Income, Tax and Average Tax by Size of Adjusted Gross Income, Tax Years 1987-1990

[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 ¹		Adjusted gross income (AGI) ¹		Taxable income ¹		Total income tax ²
	1987	1988	1987	1988	1987	1988	1987
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total	106,996,270	109,708,280	2,773,824,198	3,083,019,783	1,850,597,119	2,069,966,980	369,202,757
Less than \$1,000 ^{3,4}	3,691,379	3,962,269	-38,160,729	-39,276,968	155,369	171,676	180,244
\$1,000 under \$3,000	7,433,802	7,456,433	14,894,572	14,705,001	1,360,813	1,044,277	183,643
\$3,000 under \$5,000	6,691,090	6,466,607	26,725,935	25,721,364	3,759,804	2,469,667	435,734
\$5,000 under \$7,000	6,422,132	6,217,629	38,413,878	37,397,442	8,264,832	6,409,823	998,787
\$7,000 under \$9,000	6,300,234	6,191,294	50,368,689	49,432,507	15,178,900	12,109,174	1,790,904
\$9,000 under \$11,000	5,928,842	5,849,931	59,187,847	58,404,122	21,801,837	18,399,630	2,581,645
\$11,000 under \$13,000	5,580,094	5,429,777	66,951,853	65,253,426	29,932,090	24,954,851	3,649,095
\$13,000 under \$15,000	5,292,576	5,428,329	73,989,299	75,824,890	36,864,357	33,820,451	4,701,766
\$15,000 under \$17,000	4,800,582	4,965,547	76,680,566	79,375,440	41,945,445	39,607,433	5,671,873
\$17,000 under \$19,000	4,487,621	4,652,964	80,697,963	83,613,482	46,210,802	44,192,736	6,288,383
\$19,000 under \$22,000	5,879,795	6,092,703	120,205,955	124,598,226	72,352,317	71,346,369	10,034,366
\$22,000 under \$25,000	5,297,494	5,327,778	124,251,696	125,008,547	78,121,158	76,183,987	11,357,271
\$25,000 under \$30,000	7,494,827	7,517,739	205,551,504	206,201,583	133,895,752	130,581,873	20,395,355
\$30,000 under \$40,000	11,604,644	11,956,600	402,500,618	415,310,640	270,913,902	274,610,362	42,609,754
\$40,000 under \$50,000	7,862,901	8,264,514	350,409,748	369,115,675	242,712,736	255,121,323	41,345,872
\$50,000 under \$75,000	8,110,447	8,904,085	484,023,071	532,715,520	347,978,968	383,088,855	69,872,423
\$75,000 under \$100,000	2,064,189	2,520,476	175,453,698	214,204,828	129,661,327	159,574,120	31,277,163
\$100,000 under \$200,000	1,513,654	1,778,258	200,973,127	236,074,161	153,927,488	183,252,229	43,415,426
\$200,000 under \$500,000	429,671	548,472	124,073,791	161,914,657	100,643,815	134,674,810	32,978,242
\$500,000 under \$1,000,000	75,352	114,808	50,898,244	77,893,798	42,794,638	67,559,945	14,745,147
\$1,000,000 or more	34,944	62,065	85,732,872	169,631,441	72,120,769	150,793,390	24,489,662

Size of adjusted gross income	Total income tax ²	Percentage of returns showing no total income tax ²		Returns showing total income tax			
	-Continued			Average tax (whole dollars) ²		Tax as percentage of AGI ^{1,2}	
	1988	1987	1988	1987	1988	1987	1988
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total	412,869,909	18.9	20.6	4,257	4,738	13.7	13.8
Less than \$1,000 ^{3,4}	139,877	79.6	77.0	240	154	-	-
\$1,000 under \$3,000	173,108	70.0	73.6	82	88	4.0	4.6
\$3,000 under \$5,000	396,062	55.4	64.6	146	173	3.6	4.4
\$5,000 under \$7,000	944,306	36.4	35.7	244	236	4.1	3.9
\$7,000 under \$9,000	1,803,321	34.3	37.7	433	468	5.4	5.8
\$9,000 under \$11,000	2,548,936	29.2	32.7	615	648	6.1	6.5
\$11,000 under \$13,000	3,351,471	18.8	26.4	806	839	6.7	7.0
\$13,000 under \$15,000	4,511	9.0	19.2	976	1,029	7.0	7.4
\$15,000 under \$17,000	5,453,776	3.5	8.2	1,225	1,197	7.7	7.5
\$17,000 under \$19,000	6,385,486	2.9	3.8	1,444	1,427	8.0	7.9
\$19,000 under \$22,000	10,425,520	2.0	2.1	1,742	1,748	8.5	8.5
\$22,000 under \$25,000	11,318,621	1.7	1.0	2,181	2,146	9.3	9.1
\$25,000 under \$30,000	20,361,642	0.7	0.7	2,741	2,729	10.0	9.9
\$30,000 under \$40,000	44,138,991	0.5	0.5	3,708	3,710	10.7	10.7
\$40,000 under \$50,000	42,768,361	0.3	0.2	5,274	5,184	11.8	11.6
\$50,000 under \$75,000	74,340,917	0.2	0.1	8,630	8,356	14.5	14.0
\$75,000 under \$100,000	35,685,329	0.1	0.1	15,171	14,169	17.8	16.7
\$100,000 under \$200,000	47,837,393	0.2	0.1	28,754	26,934	21.7	20.3
\$200,000 under \$500,000	38,699,740	0.1	0.1	76,866	70,637	26.6	23.9
\$500,000 under \$1,000,000	19,162,981	0.2	0.1	196,006	167,097	29.0	24.6
\$1,000,000 or more	42,422,678	0.3	0.1	702,777	684,546	28.7	25.0

See notes following Table 20.

Selected Historical and Other Data

Table 3.—Number of Individual Returns, Income, Tax and Average Tax by Size of Adjusted Gross Income, Tax Years 1987-1990—Continued

[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 ¹		Adjusted gross income (AGI) ¹		Taxable income ¹		Total income tax ²
	1989	1990	1989	1990	1989	1990	1989
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
Total	112,135,673	113,717,138	3,256,358,156	3,405,427,348	2,173,345,881	2,263,661,230	432,939,998
Less than \$1,000 ^{3,4}	3,865,946	3,687,722	-40,657,731	-44,097,235	158,497	147,900	128,846
\$1,000 under \$3,000	7,330,646	7,378,581	14,364,878	14,608,168	1,026,356	1,051,956	175,791
\$3,000 under \$5,000	6,395,856	6,316,845	25,381,428	25,176,442	2,250,491	2,187,015	361,934
\$5,000 under \$7,000	6,080,369	6,004,236	36,276,901	36,020,822	5,196,365	4,814,969	808,791
\$7,000 under \$9,000	6,037,574	6,025,538	48,189,579	48,176,536	11,392,055	10,116,781	1,700,016
\$9,000 under \$11,000	5,954,986	5,890,809	59,572,156	58,904,268	17,522,902	16,222,041	2,483,871
\$11,000 under \$13,000	5,846,086	5,572,651	70,223,349	68,925,640	26,350,589	23,356,241	3,572,710
\$13,000 under \$15,000	5,390,708	5,382,371	75,328,410	75,300,193	32,229,078	31,079,932	4,343,324
\$15,000 under \$17,000	4,913,743	4,686,440	78,583,188	74,942,191	38,538,699	35,853,156	5,325,208
\$17,000 under \$19,000	4,679,582	4,656,276	84,168,352	83,806,510	45,058,301	42,919,171	6,465,468
\$19,000 under \$22,000	6,118,287	6,307,571	125,149,987	129,109,902	70,675,174	71,719,685	10,516,360
\$22,000 under \$25,000	5,358,979	5,465,258	125,645,626	128,101,382	75,113,973	75,920,473	11,181,574
\$25,000 under \$30,000	7,615,123	7,838,226	209,191,554	215,207,576	131,904,440	133,528,020	20,726,836
\$30,000 under \$40,000	12,100,369	12,282,787	420,231,928	426,384,692	278,320,161	280,504,593	45,597,596
\$40,000 under \$50,000	8,590,273	8,837,067	383,689,075	394,730,512	263,107,712	270,449,536	44,034,240
\$50,000 under \$75,000	9,921,341	10,944,102	594,483,386	657,214,261	424,581,970	466,517,729	81,250,313
\$75,000 under \$100,000	3,059,386	3,276,142	261,107,136	279,524,997	193,047,596	205,237,566	42,671,702
\$100,000 under \$200,000	2,090,358	2,329,562	276,331,693	305,567,590	212,184,703	230,497,142	54,471,932
\$200,000 under \$500,000	612,814	644,027	179,115,618	188,004,834	146,390,252	152,657,211	41,631,082
\$500,000 under \$1,000,000	115,646	130,252	78,516,288	87,142,014	66,881,786	74,316,528	18,882,584
\$1,000,000 or more	57,603	60,677	151,645,353	154,676,032	131,414,782	134,563,588	36,609,819

Size of adjusted gross income	Total income tax ² —Continued	Percentage of returns showing no total income tax ²		Returns showing total income tax			
		1989	1990	Average tax (whole dollars) ²		Tax as percentage of AGI ^{1,2}	
	1990	1989	1990	1989	1990	1989	p1990
	(22)	(23)	(24)	(25)	(26)	(27)	(28)
Total	447,126,703	20.5	21.0	4,855	4,976	13.7	13.6
Less than \$1,000 ^{3,4}	87,843	80.0	80.2	166	120	--	--
\$1,000 under \$3,000	178,856	72.5	72.8	87	89	4.6	4.7
\$3,000 under \$5,000	348,603	65.5	65.7	164	161	4.2	4.0
\$5,000 under \$7,000	758,873	38.4	42.2	216	219	3.6	3.6
\$7,000 under \$9,000	1,509,507	37.8	40.2	453	419	5.7	5.3
\$9,000 under \$11,000	2,303,211	34.5	37.6	637	626	6.4	6.3
\$11,000 under \$13,000	3,180,191	27.2	30.3	839	818	7.0	6.8
\$13,000 under \$15,000	4,118,295	20.0	24.4	1,007	1,012	7.2	7.2
\$15,000 under \$17,000	4,841,520	8.7	11.5	1,187	1,167	7.4	7.3
\$17,000 under \$19,000	6,086,851	4.6	5.3	1,448	1,376	8.1	7.6
\$19,000 under \$22,000	10,600,417	1.8	2.3	1,750	1,720	8.0	8.4
\$22,000 under \$25,000	11,257,831	1.6	1.2	2,120	2,085	9.0	8.9
\$25,000 under \$30,000	20,557,462	1.0	1.1	2,748	2,653	10.0	9.7
\$30,000 under \$40,000	45,303,447	0.4	0.5	3,785	3,708	10.9	10.7
\$40,000 under \$50,000	44,851,709	0.4	0.3	5,144	5,090	11.5	11.4
\$50,000 under \$75,000	87,241,466	0.2	0.2	8,202	7,986	13.7	13.3
\$75,000 under \$100,000	44,375,252	0.2	0.1	13,973	13,563	16.4	15.9
\$100,000 under \$200,000	57,823,643	0.1	0.2	26,092	24,865	19.7	19.0
\$200,000 under \$500,000	43,437,775	0.1	0.1	68,027	67,544	23.3	23.1
\$500,000 under \$1,000,000	20,942,219	0.1	0.1	163,497	161,017	24.1	24.1
\$1,000,000 or more	37,341,734	0.2	0.2	636,582	616,495	24.2	24.2

See notes following Table 20.

Selected Historical and Other Data

Table 4.—Reconciliation of Adjusted Gross Income (AGI) and Personal Income Used in the National Income and Product Accounts (NIPA) for Specified Years, 1970-1990

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

Income and adjustment items	1970r	1975r	1980r	1985r	1988r	1989r	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Personal income (per NIPA)	831.0	1,307.3	2,265.4	3,379.8	4,075.9	4,380.2	4,679.8
2. Portion of personal income not included in AGI	179.7	346.0	603.7	1,039.4	1,138.7	1,219.4	1,305.5
Transfer payments (except taxable military pay and taxable Government pensions)	77.0	171.6	282.1	407.4	470.7	509.1	555.9
Other labor income (except fees)	31.9	65.0	138.0	188.5	226.3	249.3	269.3
Imputed income	25.2	32.0	47.6	66.2	87.3	73.0	76.7
Investment income received by nonprofit institutions or retained by fiduciaries	7.5	11.1	19.9	32.6	34.8	35.8	32.9
Investment income retained by life insurance carriers and noninsured pension funds ¹	12.5	23.5	58.7	122.1	160.4	180.1	187.3
Net differences in accounting treatment (NIPA vs. IRS)	10.0	17.8	15.3	89.9	80.3	91.5	91.2
Other excluded or tax exempt income	15.8	24.9	42.1	132.6	78.9	80.6	92.1
3. Portion of AGI not included in personal income	47.1	85.9	157.0	303.1	503.9	535.8	542.8
Personal contributions for social insurance	27.9	50.4	88.6	149.1	194.5	211.7	224.3
Net capital gain less loss from sales of property	7.8	13.9	27.1	60.9	149.9	143.0	109.8
Taxable private pensions	6.3	14.0	32.7	90.2	115.4	123.2	134.5
S Corporation income (taxed through shareholders) less loss	1.7	2.1	.7	6.3	34.4	49.0	48.6
Other taxable income less loss	3.4	5.4	7.9	-3.4	9.8	8.9	25.5
4. Total net adjustment for conceptual differences (line 2 minus line 3)	132.6	260.1	446.7	736.4	634.8	691.8	762.7
5. Estimated total AGI (per NIPA) (line 1 minus line 4)	698.4	1,047.1	1,818.7	2,643.5	3,441.2	3,675.7	3,917.2
6. Adjusted gross income (AGI) (SOI)	631.7	947.8	1,613.7	2,306.0	3,083.0	3,256.4	3,431.9
7. Estimated difference in AGI (NIPA vs. SOI) (line 5 minus line 6) ²	66.7	99.4	205.0	337.5	358.1	419.4	435.0

See notes following Table 20.

Selected Historical and Other Data

Table 5.—Personal Income and Total Adjusted Gross Income per National Income and Product Accounts (NIPA), Tax Years 1947-1991

[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.....	391.2	338.2	52.9	13.5
1960.....	409.2	350.9	58.3	14.3
1961.....	426.5	364.8	61.7	14.5
1962.....	453.4	386.7	66.7	14.7
1963.....	476.4	408.1	68.2	14.3
1964.....	510.7	441.5	69.2	13.5
1965.....	552.9	478.9	74.0	13.4
1966.....	601.7	520.3	81.4	13.5
1967.....	646.5	554.5	92.0	14.2
1968.....	709.9	607.9	102.0	14.4
1969.....	773.7	662.6	111.1	14.4
1970.....	831.0	698.4	132.6	16.0
1971.....	893.5	744.0	149.5	16.7
1972.....	980.5	824.3	156.2	15.9
1973.....	1,098.7	926.0	172.7	15.7
1974.....	1,205.7	1,004.1	201.5	16.7
1975.....	1,307.3	1,047.1	260.1	19.9
1976.....	1,446.3	1,166.8	279.5	19.3
1977.....	1,601.3	1,293.3	308.0	19.2
1978.....	1,807.9	1,465.6	342.3	18.9
1979.....	2,033.1	1,651.7	381.4	18.8
1980.....	2,265.4	1,818.7	446.7	19.7
1981.....	2,534.7	2,001.8	532.9	21.0
1982.....	2,690.9	2,077.5	613.4	22.8
1983.....	2,862.5	2,227.1	635.5	22.2
1984.....	3,154.6	2,454.7	699.9	22.2
1985.....	3,379.8	2,643.5	736.3	21.8
1986.....	3,590.4	2,880.6 ²	709.9 ²	19.8 ²
1987.....	3,802.0	3,165.5 ²	636.5 ²	16.7 ²
1988.....	4,075.9	3,441.2 ²	634.8 ²	15.6 ²
1989.....	4,380.3	3,675.7 ²	704.6 ²	16.1 ²
1990.....	4,664.2	3,866.9 ²	797.3 ²	17.1 ²
p1991.....	4,828.3	n.a.	n.a.	n.a.

See notes following Table 20.

Selected Historical and Other Data

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 1947-1990

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

Tax year	Adjusted gross income (AGI)		Difference	
	Total (per NIPA) ^{1,2}	Reported on tax returns (per SOI) ²	Amount ²	Percentage of total ²
	(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.....	338.2	305.1	33.1	8.5
1960.....	350.9	315.5	35.4	8.7
1961.....	364.8	329.9	35.0	8.2
1962.....	386.7	348.7	38.0	8.4
1963.....	408.1	368.8	39.4	8.3
1964.....	441.5	396.7	44.8	8.8
1965.....	478.9	429.2	49.7	9.0
1966.....	520.3	468.5	51.9	8.6
1967.....	554.5	504.8	49.7	7.7
1968.....	607.9	554.4	53.5	7.5
1969.....	662.6	603.5	59.0	7.6
1970.....	698.4	631.7	66.7	8.0
1971.....	744.0	673.6	70.4	7.9
1972.....	824.3	746.0	78.3	8.0
1973.....	926.0	827.1	98.8	9.0
1974.....	1,004.1	905.5	98.6	8.2
1975.....	1,047.1	947.8	99.4	7.6
1976.....	1,166.8	1,053.9	112.9	7.8
1977.....	1,293.3	1,158.5	134.8	8.4
1978.....	1,465.6	1,302.4	163.1	9.0
1979.....	1,651.7	1,465.4	186.3	9.2
1980.....	1,818.7	1,613.7	205.0	9.1
1981.....	2,001.8	1,772.6	229.1	9.0
1982.....	2,007.5	1,852.1	225.4	8.4
1983.....	2,227.1	1,942.6	284.5	9.9
1984.....	2,454.7	2,139.9	314.8	10.0
1985.....	2,643.5	2,306.0	337.5	10.0
1986.....	2,880.6	2,481.7	398.9	11.1
1987.....	3,165.5	2,773.8	391.7	10.3
1988.....	3,441.2	3,083.0	358.1	8.8
1989.....	3,675.7	3,256.4	419.4	11.4
1990.....	3,866.9	3,405.4	461.5	11.9

See notes following Table 20.

Selected Historical and Other Data

Table 7.—Standard, Itemized and Total Deductions Reported on Individual Income Tax Returns, Tax Years 1944-1990

[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		Itemized deductions		Total deductions	
		Number of returns ¹	Amount ²	Number of returns ¹	Amount ³	Amount ⁴	Percentage of adjusted gross income (AGI) ⁵
	(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	233.2	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	304.3	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	346.0	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	22.9
1983.....	96.3	61.1	138.5	35.2	309.6	448.7	23.1
1984.....	99.4	61.2	139.5	38.2	358.9	499.6	23.3
1985.....	101.7	61.8	145.0	39.8	405.0	554.7	23.9
1986.....	103.0	62.4	151.0	40.7	447.1	611.3	24.6
1987.....	107.0	71.4	215.2	35.6	392.0	607.2	21.9
1988.....	109.7	76.5	289.6	31.9	395.2	686.0	22.3
1989.....	112.1	79.3	309.4	32.0	431.0	740.4	22.7
1990.....	113.8	80.6	331.5	32.2	458.5	789.9	23.2

See notes following Table 20.

Selected Historical and Other Data

Table 8.--Personal Income per National Income and Product Accounts (NIPA), and Taxable Income and Individual Income Tax per SOI, Tax Years 1947-1991

[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 ¹	Taxable income ²
(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.....	391.2	166.5	42.6	38.6	9.9	23.2
1960.....	409.2	171.6	41.9	39.5	9.7	23.0
1961.....	426.5	181.8	42.6	42.2	9.9	23.2
1962.....	453.4	195.3	43.1	44.9	9.9	23.0
1963.....	476.4	209.1	43.9	48.2	10.1	23.1
1964.....	510.7	229.9	45.0	47.2	9.2	20.5
1965.....	552.9	255.1	46.1	49.6	9.0	19.4
1966.....	601.7	286.3	47.6	56.1	9.3	19.6
1967.....	646.5	315.1	48.7	63.0	9.7	20.0
1968.....	709.9	352.8	49.7	76.7	10.8	21.7
1969.....	773.7	388.8	50.3	86.6	11.2	22.3
1970.....	831.0	401.2	48.3	83.9	10.1	20.9
1971.....	893.5	414.0	46.3	85.4	9.6	20.6
1972.....	980.5	447.6	45.7	93.6	9.6	20.9
1973.....	1,098.7	511.9	46.6	108.1	9.8	21.1
1974.....	1,205.7	573.6	47.6	123.6	10.3	21.5
1975.....	1,307.3	595.5	45.6	124.5	9.5	20.9
1976.....	1,446.3	674.9	46.7	141.8	9.8	21.0
1977.....	1,601.3	733.8	45.8	159.8	10.0	21.8
1978.....	1,807.9	846.4	46.8	188.2	10.4	22.2
1979.....	2,033.1	926.6	45.6	214.5	10.6	23.2
1980.....	2,265.4	1,045.2	46.1	250.3	11.1	24.0
1981.....	2,534.7	1,170.1	46.2	284.1	11.2	24.3
1982.....	2,690.9	1,231.9	45.8	277.6	10.3	22.6
1983.....	2,862.5	1,300.2	45.4	274.2	9.6	21.1
1984.....	3,154.6	1,447.0	45.9	301.9	9.6	20.9
1985.....	3,379.8	1,550.5	45.9	325.7	9.6	21.0
1986.....	3,590.4	1,665.6	46.4	367.3	10.2	22.1
1987.....	3,802.0	1,850.6	48.7	369.2	9.7	20.0
1988.....	4,075.9	2,070.0	50.8	412.9	10.1	20.0
1989.....	4,380.3	2,173.3	49.6	432.9	9.9	19.0
1990.....	4,664.2	2,263.7	48.5	447.1	9.6	19.8
1991.....	4,828.3	n.a.	n.a.	n.a.	n.a.	n.a.

See notes following Table 20.

Selected Historical and Other Data

Table 9.—Number of Individual Income Tax Returns by Type of Tax Settlement, Tax Years 1944-1990

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

Tax year	Total number of returns	Returns with—		
		Tax due at time of filing	Overpayments	No overpayments or tax due at time of filing
	(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	5.8
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	2.9
1984.....	99.4	21.2	75.6	2.7
1985.....	101.7	21.2	77.4	3.0
1986.....	103.0	21.5	78.1	3.5
1987.....	107.0	23.8	79.8	3.4
1988.....	109.7	27.2	79.1	3.4
1989.....	112.1	28.0	80.9	3.2
1990.....	113.8	27.0	83.5	3.3

See notes following Table 20.

Selected Historical and Other Data

Table 10.—Nonfarm Sole Proprietorship Returns: Selected Income Statement Items for Specified Income Years, 1970-1990

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

Item	1975	1980	1985	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns, total ¹	7,221,346	8,931,712	11,928,573	13,679,302	14,297,558	14,782,738
Number with net income	n.a.	n.a.	8,640,701	10,491,980	11,017,545	11,221,925
Business receipts, total	273,954,741	411,205,713	540,045,430	671,969,931	692,810,938	730,606,020
Income from sales and operations	272,342,560	407,169,299	528,675,271	658,687,319	678,616,316	719,007,636
Total deductions	234,318,288	356,258,495	461,272,852	545,734,861 ²	560,175,242 ²	589,249,583 ²
Cost of sales and operations	146,261,435	209,889,809	232,294,132	277,880,196	283,709,263	291,010,060
Inventory, beginning-of-year	n.a.	n.a.	21,435,438	25,826,139	26,435,007	29,024,992
Inventory, end of year	15,578,040	21,996,236	24,969,895	27,312,780	30,060,378	30,421,844
Purchases	117,722,352	168,301,517	n.a.	197,219,846	204,681,257	210,225,158
Cost of labor	8,791,083	10,922,221	14,504,201	21,143,176	22,539,717	22,679,507
Materials and supplies	9,090,638	12,909,222	n.a.	27,800,391	29,870,475	30,195,388
Advertising	n.a.	n.a.	n.a.	6,151,675	6,360,282	6,574,743
Car and truck expenses	n.a.	13,378,289	17,044,421	19,640,064	20,789,123	21,765,531
Commissions	2,225,830	3,333,345	n.a.	6,539,971	6,843,131	8,816,233
Depletion	n.a.	n.a.	n.a.	658,821	697,527	816,131
Depreciation	7,958,143	13,952,703	26,291,389	26,078,240	24,479,083	23,734,507
Pension and profit sharing plans	125,296	141,463	311,323	450,388	539,006	586,394
Employee benefit programs	n.a.	n.a.	n.a.	563,019	791,918	1,056,604
Insurance	3,503,812	6,003,126	n.a.	12,527,976	12,879,020	13,357,568
Interest paid	3,390,845	7,190,257	11,913,982	12,070,600	13,279,935	13,311,670
Mortgage interest	n.a.	n.a.	n.a.	5,668,298	5,971,296	6,256,506
Other interest	n.a.	n.a.	n.a.	6,402,302	7,308,639	7,055,164
Meals and entertainment expenses, total	n.a.	n.a.	n.a.	4,589,832	5,152,504	5,329,281
Meals and entertainment deduction	n.a.	n.a.	n.a.	3,671,407	4,121,487	4,262,870
Office expenses	n.a.	n.a.	n.a.	5,315,870	6,224,723	6,896,758
Rent paid	6,676,314	9,636,290	15,258,690	19,470,237	20,951,632	23,391,608
On machinery	n.a.	n.a.	n.a.	n.a.	2,975,857	3,754,492
On other business property	n.a.	n.a.	n.a.	19,470,237	17,975,775	19,637,116
Repairs	3,044,175	5,031,573	n.a.	8,103,581	8,149,168	8,940,657
Net salaries and wages	20,227,859	26,560,821	38,265,691	43,007,261	45,469,088	46,998,029
Taxes paid	5,423,961	7,672,459	n.a.	9,494,998	9,947,661	10,341,654
Travel	n.a.	n.a.	n.a.	3,896,634	4,494,275	5,605,961
Utilities	n.a.	4,790,337	n.a.	14,618,337	13,600,896	13,538,612
Bad debts from sales or service	n.a.	n.a.	600,613	914,014	1,109,658	1,038,756
Net income (less deficit)	39,636,453 ^r	54,947,219	78,772,578	126,323,251 ²	132,737,680 ²	141,430,193 ²
Net income	45,624,890	68,010,051	98,775,563	145,517,755	152,416,377	161,657,252
Deficit	5,988,437	13,062,832	20,002,986	19,194,505	19,678,697	20,227,059

See notes following Table 20.

Selected Historical and Other Data

Table 11.—Partnership Returns: Selected Balance Sheet and Income Statement Items for Specified Income Years, 1970-1990

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

Item	1975	1980	1985	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)
Total number of active partnerships	1,073,084	1,378,654	1,713,603	1,654,245	1,635,164	1,553,529
Number with net income	661,134	774,173	875,846	901,297	897,950	853,676
Number with balance sheets	783,271	1,194,236	1,227,498	1,154,882	1,137,048	1,081,224
Number of partners	4,950,634	8,418,899	13,244,824	17,291,178	18,431,918	17,094,966
Total assets ¹	235,468,301	597,503,923	1,269,434,302	1,580,194,209	1,791,027,273	1,685,223,450
Depreciable assets (net)	113,124,969	239,139,823	695,878,822	933,428,499	1,002,296,389	1,032,723,957
Inventories, end of year	11,985,431	33,218,272	27,279,234	51,151,852	59,442,619	56,507,062
Land	36,731,958	70,241,248	152,179,314	200,268,647	213,854,531	214,757,035
Total liabilities ¹	193,875,629	488,734,023	1,069,221,649	1,313,087,261	1,435,245,691	1,389,435,559
Accounts payable	12,302,055	33,899,048	40,871,755	48,882,276	51,695,075	62,401,908
Short-term debt ²	22,709,476	48,001,839	102,760,363	86,552,615	86,933,328	87,570,916
Long-term debt ³	136,296,764	178,044,406	381,960,685	473,597,425	512,127,625	496,727,132
Nonrecourse loans	n.a.	118,910,380	327,558,208	436,916,024	461,008,315	470,139,911
Partners' capital accounts ¹	41,592,672	108,769,900	200,212,653	267,106,948	355,781,582	315,767,891
Total receipts ⁴	148,417,529	291,998,115	367,117,316	r 540,710,194	r 550,848,428	566,212,218
Business receipts ⁵	142,505,781	271,108,832	302,733,374	463,956,020	464,951,817	483,417,504
Interest received	2,477,173	10,869,323	20,558,966	19,776,489	20,941,861	20,799,631
Total deductions ⁴	140,679,959	283,749,460	376,000,991	526,217,080	536,749,152	549,602,678
Cost of sales and operations	64,672,843	113,885,668	146,315,315	252,590,549	232,797,570	242,448,195
Purchases	42,608,734	70,439,607	91,925,923	173,024,428	137,011,049	140,521,621
Cost of labor	4,585,836	7,015,547	8,845,106	11,535,738	13,378,307	13,924,993
Salaries and wages	12,489,039	22,336,337	33,884,204	47,098,641	54,051,875	56,025,118
Taxes paid	5,770,918	9,553,145	7,745,756	7,993,317	8,873,071	9,339,396
Interest paid	12,097,100	28,362,385	28,674,933	23,242,437	32,747,005	26,617,935
Depreciation ⁷	10,108,834	21,576,189	53,650,790	61,839,261	64,368,099	60,204,443
Net income (less deficit)	7,737,570	8,248,655	-8,883,674	14,493,114	14,099,275	16,609,540
Net income	22,431,931	45,061,756	77,044,693	111,384,545	113,885,966	116,317,801
Deficit	14,694,361	36,813,100	85,928,367	96,891,431	99,786,691	99,708,261

See notes following Table 20.

Selected Historical and Other Data

Table 12.—Number of Business Income Tax Returns by Size of Business for Specified Years, 1970-1990

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

Size of business	1970	1975	1980	1985	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)
CORPORATIONS						
Receipt size ¹						
Under \$25,000 ²	451.9	468.9	557.0	710.8	865.2	n.a.
\$25,000 under \$50,000.....	170.7	186.4	207.7	236.6	240.9	n.a.
\$50,000 under \$100,000.....	219.8	260.7	322.7	330.2	332.3	n.a.
\$100,000 under \$250,000.....	516.9	673.9	558.4	620.5	631.6	n.a.
\$250,000 under \$500,000.....	141.1	184.2	367.3	489.2	513.1	n.a.
\$500,000 under \$1,000,000.....	165.0	249.5	279.8	352.4	414.7	n.a.
\$1,000,000 or more.....			417.7	537.6	630.1	n.a.
Asset size						
Under \$100,000 ³	961.0	1,177.7	1,514.6	1,833.5	2,043.0	n.a.
\$100,000 under \$1,000,000.....	599.1	704.6	968.9	1,152.5	1,230.8	n.a.
\$1,000,000 under \$10,000,000.....	87.0	118.4	191.8	245.4	300.1	n.a.
\$10,000,000 under \$25,000,000.....	9.8	12.2	16.6	20.9	24.8	n.a.
\$25,000,000 under \$50,000,000.....	3.9	5.6	7.8	10.4	10.8	n.a.
\$50,000,000 under \$100,000,000.....	2.1	3.1	4.8	6.2	7.3	n.a.
\$100,000,000 under \$250,000,000.....	1.4	2.1	3.2	4.4	5.6	n.a.
\$250,000,000 and over.....	1.2	1.9	2.9	4.1	5.5	n.a.
PARTNERSHIPS						
Receipt size ^{1,4}						
Under \$25,000 ²	501.7	549.7	638.0	840.1	779.0	982.6
\$25,000 under \$50,000.....	125.2	141.0	181.8	195.5	155.6	128.0
\$50,000 under \$100,000.....	119.6	133.7	183.6	199.5	201.6	133.4
\$100,000 under \$250,000.....	97.2	114.0	155.2	190.1	219.2	139.9
\$250,000 under \$500,000.....	65.2	90.6	135.6	165.5	122.4	82.5
\$500,000 under \$1,000,000.....	17.0	25.5	48.1	66.9	77.9	52.1
\$1,000,000 or more.....	10.3	18.6	37.4	56.0	79.5	57.1
Asset size ⁵						
Under \$25,000 ³	635.7	611.0	541.9	794.1	757.8	713.1
\$25,000 under \$50,000.....	80.8	105.9	156.3	132.7	126.4	99.3
\$50,000 under \$100,000.....	73.5	106.8	180.2	165.8	122.1	99.5
\$100,000 under \$250,000.....	74.7	116.0	219.1	210.9	192.1	194.1
\$250,000 under \$500,000.....	33.8	56.9	117.9	142.8	133.9	128.6
\$500,000 under \$1,000,000.....	19.3	35.3	72.1	100.0	109.6	105.2
\$1,000,000 or more.....	18.3	41.2	92.2	167.2	193.3	213.7
NONFARM SOLE PROPRIETORSHIPS						
Receipt size ⁶						
Under \$2,500 ²	1,894.3	2,299.9	2,783.1	3,067.5	3,623.1	3,750.1
\$2,500 under \$5,000.....	815.1	959.4	1,158.6	1,444.6	1,621.5	1,714.5
\$5,000 under \$10,000.....	891.5	1,041.7	1,262.9	1,633.6	1,998.2	2,011.7
\$10,000 under \$25,000.....	1,137.4	1,325.7	1,711.8	2,104.6	2,612.7	2,719.8
\$25,000 under \$50,000.....	746.4	849.5	1,079.1	1,393.9	1,660.0	1,660.2
\$50,000 under \$100,000.....	562.0	644.5	835.6	1,094.1	1,259.0	1,282.1
\$100,000 under \$200,000.....	297.4	380.9	795.8	1,060.2	779.0	857.2
\$200,000 under \$500,000.....	122.3	209.2	73.9	89.3	554.9	587.0
\$500,000 under \$1,000,000.....	20.8	35.3	29.2	40.7	139.7	142.7
\$1,000,000 or more.....	6.6	13.5			49.5	57.3

See notes following Table 20.

Selected Historical and Other Data

Table 13.—Corporation Income Tax Returns: Balance Sheet, Income Statement and Tax Items for Specified Income Years, 1970-1989

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

Item	1970	1975	1980	1985	1988	1989
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns, total	1,665,477	2,023,647	2,710,538	3,277,219	3,562,789¹	3,627,863¹
Number with net income	1,008,337	1,226,208	1,596,632	1,820,120	1,908,799 ¹	1,921,805 ¹
Consolidated returns ^{2,3}	19,871	38,307	57,890	79,598	74,247	74,243
S Corporation returns ^{3,4}	257,475	358,413	545,389	724,749	1,257,191	1,422,967
DISC returns ^{3,5}	N/A	6,431	8,665	1,383	(¹)	(¹)
FSC returns ^{3,6}	N/A	N/A	N/A	2,341	(¹)	(¹)
Total assets	2,634,706,564	4,286,556,273	7,617,238,403	12,773,093,888	16,568,467,823¹	17,647,120,286
Cash	176,924,573	290,426,439	528,914,747	683,204,264	784,815,919	823,705,622
Notes and accounts receivable	614,667,367	1,051,542,806	1,984,601,790	3,317,635,191	4,099,147,501	4,195,999,662
Less: Allowance for bad debts	20,030,327	31,032,998	50,057,307	61,580,335	96,744,285	104,026,839
Inventories	190,401,642	317,718,545	534,806,547	714,722,928	845,783,686	879,318,508
Investments in U.S. Government obligations	106,222,911	176,955,397	265,542,521	916,550,098 ⁷	1,094,749,402 ⁷	927,940,976
Tax-exempt securities	90,402,479	139,176,302	206,517,216	(⁷)	(⁷)	332,792,829
Other current assets	73,058,482	145,101,716	310,177,160	629,136,396	912,145,245	1,025,760,249
Loans to stockholders	4,774,082	9,355,636	29,873,250	56,781,232	79,855,312	81,223,634
Mortgage and real estate loans	327,593,354	548,054,483	894,323,489	1,258,672,577	1,604,896,498	1,610,211,866
Other investments	401,389,022	626,266,074	1,213,986,210	2,413,551,474	3,614,438,470	3,970,942,298
Depreciable assets	868,908,018	1,276,564,500	2,107,027,914	3,174,193,649	3,820,961,787	4,069,775,039
Less: Accumulated depreciation	334,646,086	483,798,526	767,841,763	1,232,072,530	1,593,226,079	1,718,268,625
Depletable assets	18,517,264	38,511,396	71,901,490	112,339,389	124,421,968	134,392,549
Less: Accumulated depletion	6,774,796	14,501,561	19,569,556	37,203,920	50,921,656	56,491,222
Land	46,626,157	66,819,206	92,931,935	141,448,357	177,037,541	191,299,047
Intangible assets (amortizable)	12,818,168	12,823,183	45,480,694	145,290,625	329,484,622	438,136,945
Less: Accumulated amortization	5,984,184	4,491,990	18,393,037	42,505,240	67,703,687	82,406,932
Other assets	69,838,438	121,065,665	187,015,106	582,949,738	889,325,583	925,814,680
Total liabilities	2,634,706,564	4,286,556,273	7,617,238,403	12,773,093,888	16,568,467,823¹	17,647,120,286¹
Accounts payable	148,812,597	263,417,584	542,172,368	891,571,443	1,022,810,938	1,090,421,687
Mortgages, notes, and bonds payable in less than 1 year	170,884,261	272,123,551	504,802,288	1,001,337,795	1,431,308,911	1,601,540,823
Other current liabilities	892,218,397	1,577,425,991	2,706,796,360	4,234,983,432	5,092,190,043	5,141,333,387
Loans from stockholders	24,573,814	38,143,936	85,718,510	174,317,253	243,230,029	247,166,196
Mortgages, notes, and bonds payable in 1 year or more	362,700,303	586,703,526	986,663,932	1,699,272,481	2,352,107,056	2,490,067,919
Other liabilities	283,106,029	451,676,880	846,696,691	1,467,912,913	2,219,993,412	2,473,885,302
Capital stock	201,213,719	251,715,862	417,153,783	920,182,882	1,429,486,814	1,477,273,520
Paid-in or capital surplus	196,642,421	298,534,854	532,039,407	1,420,996,805	2,154,243,458	2,595,241,587
Retained earnings, appropriated	16,657,051	29,955,676	41,461,644	54,074,364	77,508,595	75,039,921
Retained earnings, unappropriated	349,225,750	537,631,026	1,027,902,049	1,311,512,589	1,313,070,807	1,447,386,971
Less: Cost of treasury stock	11,327,778	20,772,613	74,168,627	403,068,064	870,298,430	992,237,024
Total receipts	1,750,776,503	3,198,627,860	6,361,284,012	8,398,278,426	10,264,867,461^{8,9}	10,934,973,405^{8,9}
Business receipts	1,620,886,576	2,961,729,640	5,731,616,337	7,369,538,953	8,949,846,244 ^{8,9}	9,427,277,533 ^{8,9}
Interest on State and local Government obligations	3,775,917	6,711,606	12,620,876	20,164,514	32,308,213	36,278,852
Other interest	67,794,508	136,587,304	354,243,674	617,622,425 ¹⁰	772,316,565 ¹⁰	930,912,502 ¹⁰
Dividends received from domestic corporations	5,238,421	8,818,282	18,654,800	16,967,379	15,165,056	15,480,200
Dividends received from foreign corporations	3,466,515	5,467,726	14,563,353	20,770,361	42,281,099	33,503,834
Rents	13,938,502	21,765,130	41,371,141	89,700,937	92,309,807	102,685,563
Royalties	2,586,387	5,167,141	12,450,250	15,237,421	23,942,535	26,810,742
Net short-term capital gain reduced by net long-term capital loss	190,439	301,601	2,013,510	7,032,062	5,574,907	10,759,508
Net long-term capital gain reduced by net short-term capital loss	5,481,580	8,364,523	24,910,957	53,771,685	56,684,288	62,471,314
Net gain, noncapital assets	5,315,562	7,757,287	20,117,615	33,537,842	36,522,792 ⁹	34,997,162 ⁹
Other receipts	22,102,096	35,957,620	128,721,498	153,934,848	237,915,957	253,796,196

Selected Historical and Other Data

Table 13.—Corporation Income Tax Returns: Balance Sheet, Income Statement and Tax Items for Specified Income Years, 1970-1989—Continued

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

Item	1970	1975	1980	1985	1988	1989
	(1)	(2)	(3)	(4)	(5)	(6)
Total deductions	1,682,778,847	3,052,674,597	6,125,365,155	8,158,144,126	9,853,420,138^{1,8}	10,544,705,529^{1,8}
Cost of sales and operations	1,146,263,273	2,129,928,467	4,204,905,905	4,894,254,081	5,944,935,455	6,317,467,181
Compensation of officers	32,846,381	57,832,552	108,973,751	170,737,540	203,220,587	197,766,376
Repairs	13,986,819	23,422,171	42,407,967	81,495,784	86,236,216	90,044,129
Bad debts	6,479,814	13,781,147	18,769,771	43,333,588	58,644,690	68,805,675
Rent paid on business property	23,842,355	40,769,829	71,990,832	134,661,335	161,141,584	173,079,979
Taxes paid	49,523,243	81,530,302	163,003,622	200,977,161	222,323,028	236,145,632
Interest paid	62,055,010	129,307,921	344,612,542	568,645,475	672,447,709	831,521,305
Contributions or gifts	797,029	1,202,130	2,358,554	4,471,736	4,893,019	4,892,920
Amortization	745,005	717,398	1,374,658	6,133,737	20,325,799	25,569,136
Depreciation	52,941,266	86,295,664	157,345,828	304,380,703	327,516,917	337,302,354
Depletion	5,623,339	5,341,489	8,871,993	7,779,731 ¹¹	8,716,602	9,251,107
Advertising	18,089,097	26,605,786	52,266,004	91,922,667	114,408,994	124,432,075
Pension, profit-sharing, stock bonus, and annuity plans	12,225,912	26,526,129	51,529,310	49,588,712 ¹¹	45,183,078	44,159,248
Employee benefit programs	7,398,283	15,690,563	40,179,104	71,601,577 ¹¹	94,322,487	109,561,360
Net loss, noncapital assets	1,289,305	1,804,079	5,903,104	7,893,175	14,094,202 ⁹	21,121,221 ⁹
Other deductions	248,672,716	411,918,970	850,872,216	1,520,267,133 ¹¹	1,875,009,779	1,953,585,833
Total receipts less total deductions	67,997,656	145,953,263	235,918,858	240,134,300	411,447,323^{1,9}	390,267,875^{1,9}
Constructive taxable income from related foreign corporations	1,679,875	3,395,169	15,708,560	20,299,335	33,977,330	35,100,199
Net income (less deficit)	65,901,614	142,636,826	239,006,542	240,119,020	412,982,753 ^{1,9}	389,010,675 ^{1,9}
Net income	83,710,924	169,483,336	296,787,201	363,867,384	555,850,912 ^{1,9}	556,332,401 ^{1,9}
Deficit	17,809,310	26,846,510	57,780,659	123,748,365	142,868,159 ^{1,9}	167,321,725 ^{1,9}
Income subject to tax ¹²	72,374,437	146,589,287	246,598,486	266,060,609	383,201,978	371,054,512
Income tax, total	33,293,018¹³	66,144,308	105,142,436	111,340,839	131,367,397	127,754,021
Regular and alternative tax	32,949,937	65,769,822	103,831,172	109,106,358	126,899,211 ¹⁴	123,236,461 ¹⁴
Recapture of prior-year investment credit	77,832	217,138	867,571	1,497,597	552,398	354,889
Recapture of prior-year work incentive (WIN) credit	N/A	608	4,873	N/A	N/A	N/A
Additional tax for tax preferences and alternative minimum tax	265,249	156,740	438,820	725,878	3,352,845 ¹⁵	3,540,918 ¹⁵
Environmental tax	N/A	N/A	N/A	N/A	487,926	471,779
Foreign tax credit	4,548,986	19,987,724	24,879,737	24,263,487	27,068,104	23,998,821
U.S. possessions tax credit	N/A	N/A	1,572,734	2,450,583	2,318,021	2,793,603
Investment credit	865,954	6,459,746	15,102,812	(¹⁶)	(¹⁶)	(¹⁶)
Work incentive (WIN) credit	N/A	5,321	36,483	N/A	N/A	N/A
Jobs credit	N/A	N/A	601,444	(¹⁶)	(¹⁶)	(¹⁶)
Nonconventional source fuel credit	N/A	N/A	2	43,267	49,517	82,792
Alcohol fuel credit	N/A	N/A	4	(¹⁶)	(¹⁶)	(¹⁶)
Research activities credit	N/A	N/A	N/A	1,627,997	(¹⁶)	(¹⁶)
Employees stock ownership credit	N/A	N/A	N/A	(¹⁶)	N/A	N/A
Orphan drug credit	N/A	N/A	N/A	*204	8,053	14,190
General business credit	N/A	N/A	N/A	19,607,097 ¹⁶	5,559,174 ¹⁶	3,882,728
Prior year minimum tax credit	N/A	N/A	N/A	N/A	468,767	836,681
Distributions to stockholders:						
Cash and property except in own stock	32,012,677	45,224,392	97,378,617	n.a.	n.a.	n.a.
Corporation's own stock	1,922,810	2,066,559	3,525,549	n.a.	n.a.	n.a.

See notes following Table 20.

Selected Historical and Other Data

Table 14.—Corporation Income Tax Returns: Selected Balance Sheet, Income Statement and Tax Items by Industrial Division for Specified Income Years, 1970-1989

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

Industrial division and item	1970	1975	1980	1985	1988	1989
	(1)	(2)	(3)	(4)	(5)	(6)
AGRICULTURE, FORESTRY AND FISHING						
Number of returns, total	37,283	56,280	80,883	103,156	119,902 ¹	123,195 ¹
Number with net income	19,843	33,328	43,827	52,776	63,943 ¹	70,919 ¹
Total assets	11,909,403	21,177,941	40,738,977	52,651,197	60,491,780	63,413,253
Net worth	4,012,068	6,844,949	11,460,935	15,406,221	20,271,852	21,097,130
Total receipts	14,277,707	28,118,514	52,089,915	70,491,486	86,258,094 ²	86,627,044 ²
Business receipts	13,591,763	26,624,149	48,850,056	65,419,402	80,520,140	81,159,501
Interest received	69,742	171,732	476,654	775,383 ³	578,950 ³	668,099 ³
Total deductions	14,209,713	27,369,286	51,418,280	70,559,478	84,637,081 ²	85,065,088 ²
Cost of sales and operations	10,555,539	19,738,447	35,798,332	45,085,526	57,186,712	57,275,674
Interest paid	356,225	797,420	2,184,441	2,758,952	2,497,991	2,788,784
Net income (less deficit)	65,295	746,908	673,158	-74,270	1,615,921 ²	1,550,580 ²
Net income	493,400	1,493,168	2,464,381	2,930,905	4,184,927 ²	4,347,165 ²
Deficit	428,105	746,260	1,791,222	3,005,175	2,569,006 ²	2,796,586 ²
Regular and alternative tax	113,115 ⁴	351,059	533,768	531,787	538,994 ⁵	585,804 ⁵
Total income tax after credits ⁶	107,023 ⁴	294,584	422,356	344,626	500,206	557,583
Distributions to stockholders except in own stock	65,824	244,524	304,733	n.a.	n.a.	n.a.
MINING						
Number of returns, total	14,465	14,242	25,576	41,426	41,080 ¹	41,631 ¹
Number with net income	7,303	8,297	12,698	18,031	16,133 ¹	18,756 ¹
Total assets	23,972,812	64,505,341	126,947,880	240,815,996	225,639,336	236,339,172
Net worth	13,381,821	32,765,690	54,068,148	104,772,797	111,829,194	126,413,627
Total receipts	17,747,750	65,909,994	176,672,390	142,038,595	100,426,996 ²	102,378,796 ²
Business receipts	16,699,586	63,670,496	167,397,918	126,710,610	87,350,933	87,977,574
Interest received	176,728	522,757	1,301,266	3,584,890 ³	3,233,553 ³	3,706,174 ³
Total deductions	15,927,348	42,348,765	169,051,624	145,389,514	96,765,413 ²	99,496,661 ²
Cost of sales and operations	9,955,600	30,171,612	116,989,880	87,972,035	54,573,351	56,658,030
Interest paid	388,032	1,166,182	3,440,080	7,789,995	5,916,281	6,529,206
Net income (less deficit)	1,834,315	23,574,833	7,750,561	-2,543,487	4,111,855 ²	3,144,686 ²
Net income	2,399,507	24,347,893	10,133,685	6,166,623	8,581,355 ²	8,217,568 ²
Deficit	565,192	773,060	2,383,124	8,710,110	4,469,500 ²	5,072,882 ²
Regular and alternative tax	1,031,550 ⁴	11,361,037	3,947,569	1,736,952	1,577,438 ⁵	1,494,139 ⁵
Total income tax after credits ⁶	342,928 ⁴	1,051,138	1,674,566	557,519	1,072,854	1,080,476
Distributions to stockholders except in own stock	1,177,550	1,015,895	4,757,780	n.a.	n.a.	n.a.
CONSTRUCTION						
Number of returns, total	138,905	191,219	272,432	318,276	381,499 ¹	393,103 ¹
Number with net income	82,078	108,852	150,368	185,613	222,350 ¹	222,815 ¹
Total assets	42,719,792	76,691,947	132,939,026	215,297,771	241,395,405	249,711,210
Net worth	11,819,604	19,029,077	32,826,174	54,687,270	62,524,744	66,723,453
Total receipts	90,610,644	146,955,117	267,205,356	387,232,953	499,690,338 ²	517,477,336 ²
Business receipts	88,945,385	143,412,715	260,387,692	374,590,273	485,711,849	504,906,544
Interest received	219,698	614,583	2,073,650	3,851,628 ³	3,582,186 ³	3,513,280 ³
Total deductions	89,070,022	144,717,309	262,116,275	382,823,113	488,357,231 ²	508,788,731 ²
Cost of sales and operations	73,434,969	116,845,554	208,064,925	295,803,244	375,920,136	392,668,469
Interest paid	711,496	1,973,244	4,278,502	6,407,652	6,926,137	7,369,122
Net income (less deficit)	1,538,418	2,236,262	5,271,209	4,370,924	11,343,920 ²	8,736,930 ²
Net income	2,548,013	4,514,864	8,911,143	11,053,145	17,946,717 ²	16,312,212 ²
Deficit	1,009,595	2,278,602	3,639,934	6,682,220	6,602,797 ²	7,575,282 ²
Regular and alternative tax	776,979 ⁴	1,320,196	2,521,507	2,243,786	2,381,580 ⁵	2,221,113 ⁵
Total income tax after credits ⁶	756,637 ⁴	1,131,960	1,973,659	1,662,563	2,274,530	2,106,624
Distributions to stockholders except in own stock	299,204	464,553	793,764	n.a.	n.a.	n.a.
MANUFACTURING						
Number of returns, total	197,807	217,354	242,550	276,545	299,538 ¹	301,346 ¹
Number with net income	120,814	136,839	153,640	159,778	172,955 ¹	173,128 ¹
Total assets	612,912,516	944,581,970	1,709,471,700	2,644,393,424	3,390,433,557	3,721,219,914
Net worth	308,923,293	442,587,674	749,186,774	1,099,645,876	1,253,269,530	1,373,491,815
Total receipts	722,952,890	1,296,359,650	2,404,323,844	2,831,062,496	3,348,965,911 ²	3,531,219,028 ²
Business receipts	700,090,661	1,258,338,650	2,301,056,550	2,656,345,750	3,118,059,530	3,276,012,925
Interest received	4,748,499	8,691,092	28,315,784	47,753,628 ³	57,663,685 ³	80,088,295 ³
Total deductions	692,455,462	1,230,689,496	2,290,593,808	2,733,105,346	3,169,974,645 ²	3,377,145,270 ²
Cost of sales and operations	495,879,549	925,111,030	1,707,143,900	1,797,852,805	2,117,827,704	2,257,683,863
Interest paid	12,570,242	22,055,903	54,177,356	90,452,072	113,699,987	147,452,397
Net income (less deficit)	31,846,078	68,406,827	125,667,815	113,758,645	205,083,651 ²	180,476,024 ²
Net income	37,925,489	74,466,554	141,547,510	142,541,119	232,182,692 ²	216,357,256 ²
Deficit	6,079,411	6,059,927	15,879,695	28,782,474	27,099,041 ²	35,881,232 ²
Regular and alternative tax	16,744,905 ⁴	32,306,739	59,577,413	55,553,921	66,691,829 ⁵	62,133,672 ⁵
Total income tax after credits ⁶	13,242,226 ⁴	21,024,964	32,726,986	25,382,459	41,905,883	38,969,929
Distributions to stockholders except in own stock	14,616,282	19,973,061	37,306,509	n.a.	n.a.	n.a.

Selected Historical and Other Data

Table 14.—Corporation Income Tax Returns: Selected Balance Sheet, Income Statement and Tax Items by Industrial Division for Specified Income Years, 1970-1989—Continued

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

Industrial division and item	1970	1975	1980	1985	1988	1989
	(1)	(2)	(3)	(4)	(5)	(6)
TRANSPORTATION AND PUBLIC UTILITIES						
Number of returns, total	67,398	80,701	111,324	138,337	149,248 ¹	156,037 ¹
Number with net income	38,204	45,360	62,232	69,938	78,583 ¹	79,346 ¹
Total assets	287,740,207	443,236,797	758,364,400	1,246,426,899	1,411,201,395	1,474,412,864
Net worth	121,205,022	176,444,407	290,655,693	490,481,127	519,388,495	511,303,115
Total receipts	135,495,271	243,480,637	523,807,396	772,358,188	838,753,393 ²	906,501,335 ²
Business receipts	131,463,171	234,689,427	507,372,820	733,943,970	779,584,504	844,076,080
Interest received	930,266	1,520,913	5,760,072	12,310,594 ³	14,802,683 ³	16,938,425 ³
Total deductions	127,931,131	233,409,166	503,954,285	747,836,158	792,540,311 ²	867,556,417 ²
Cost of sales and operations	77,743,359	143,932,463	336,868,172	381,028,354	356,253,750	401,515,846
Interest paid	7,364,200	13,761,062	27,638,591	44,880,858	50,934,990	56,900,550
Net income (less deficit)	7,543,718	10,099,571	20,046,155	25,087,629	46,943,801 ²	39,073,953 ²
Net income	9,471,595	12,088,189	24,917,293	37,880,144	59,870,499 ²	56,518,343 ²
Deficit	1,927,877	1,988,618	4,871,138	12,792,516	12,926,698 ²	17,444,390 ²
Regular and alternative tax	4,342,334	5,107,158	10,532,722	14,881,470	17,089,778 ⁵	16,262,986 ⁵
Total income tax after credits ⁴	4,036,650 ⁴	4,836,470	5,322,655	8,432,924	15,429,292	15,664,580
Distributions to stockholders except in own stock	5,837,565 ⁴	8,900,353	17,329,807	n.a.	n.a.	n.a.
WHOLESALE AND RETAIL TRADE						
Number of returns, total	518,062	614,632	799,628	917,301	984,553 ¹	1,012,980 ¹
Number with net income	339,987	399,668	487,300	510,825	562,082 ¹	544,244 ¹
Total assets	192,181,800	323,496,726	646,901,005	1,009,965,739	1,295,819,375	1,390,555,774
Net worth	77,002,132	122,649,734	222,289,687	286,260,274	331,968,322	342,748,950
Total receipts	522,547,923	969,938,872	1,955,523,778	2,473,865,453	2,977,982,750 ²	3,184,946,370 ²
Business receipts	511,316,883	951,463,550	1,919,347,689	2,408,174,933	2,891,336,187	3,094,814,670 ²
Interest received	1,291,906	3,857,318	10,503,989	21,633,480 ³	24,914,583 ³	26,486,481 ³
Total deductions	512,910,193	947,511,780	1,919,454,218	2,440,403,373	2,935,533,099 ²	3,148,816,258 ²
Cost of sales and operations	392,391,856	745,299,204	1,538,128,634	1,869,766,621	2,230,936,367	2,388,963,994
Interest paid	4,309,663	8,587,173	25,645,855	38,217,998	53,360,602	61,697,168
Net income (less deficit)	9,671,044	22,489,430	38,309,671	33,126,702	42,844,883 ²	36,155,437 ²
Net income	12,395,411	27,881,721	49,426,500	51,434,500	66,594,873 ²	65,409,500 ²
Deficit	2,724,367	5,192,291	11,116,829	18,307,798	23,749,990 ²	29,254,062 ²
Regular and alternative tax	4,476,047 ⁴	8,103,316	13,515,653	16,130,885	13,843,495 ⁵	13,266,317 ⁵
Total income tax after credits ⁴	4,237,181 ⁴	7,348,619	10,564,358	13,396,555	12,733,094	12,673,766
Distributions to stockholders except in own stock	2,068,501	5,029,897	10,343,087	n.a.	n.a.	n.a.
FINANCE, INSURANCE, AND REAL ESTATE						
Number of returns, total	406,235	411,846	493,426	518,432	572,418	592,832
Number with net income	248,586	243,409	273,853	285,273	275,198	283,023
Total assets	1,401,153,520	2,321,965,956	4,022,206,073	7,029,452,681	9,411,547,140	9,957,481,118
Net worth	196,480,448	269,770,527	530,541,317	1,161,968,009	1,779,467,329	2,028,200,359
Total receipts	177,321,173	315,795,981	697,460,846	1,182,034,309	1,714,352,381 ^{4,7}	1,868,003,959 ^{4,7}
Business receipts	92,091,887	157,126,715	256,892,475	501,993,840	860,415,865 ⁷	855,752,870 ⁷
Interest received	63,694,046	127,040,303	315,146,115	541,268,193 ³	688,751,005 ³	826,126,038 ³
Total deductions	161,630,060	297,963,817	652,637,787	1,104,572,202	1,596,044,566 ²	1,730,536,970 ²
Cost of sales and operations	48,434,362	84,614,209	129,644,330	237,577,803	501,018,140	487,672,748
Interest paid	34,548,509	77,677,659	219,167,684	363,009,417	415,952,696	521,868,248
Net income (less deficit)	12,214,079	11,663,330	33,122,792	60,670,526	91,892,954 ²	108,907,351 ²
Net income	15,081,939	18,825,003	46,040,390	90,546,934	136,443,479 ²	155,238,423 ²
Deficit	2,867,860	7,161,673	12,917,599	29,876,408	44,550,525 ²	46,331,072 ²
Regular and alternative tax	4,404,449 ⁴	5,558,647	9,680,755	13,369,981	19,918,799 ⁵	21,692,353 ⁵
Total income tax after credits ⁴	4,150,009 ⁴	4,673,705	7,699,628	10,193,877	17,858,548	20,146,630
Distributions to stockholders except in own stock	7,387,211	8,729,977	24,692,146	n.a.	n.a.	n.a.
SERVICES						
Number of returns, total	281,218	435,672	671,338	939,390	995,425 ¹	989,850 ¹
Number with net income	150,525	249,641	408,718	529,337	512,464 ¹	525,229 ¹
Total assets	61,875,140	90,534,067	178,163,737	330,982,941	530,326,395	552,132,138
Net worth	19,529,062	26,855,374	52,865,513	89,852,365	128,119,335	132,375,217
Total receipts	69,572,626	131,377,364	279,883,187	534,587,609	695,265,170 ²	735,497,193 ²
Business receipts	66,459,515	125,747,462	266,088,619	497,980,990	643,748,105	680,350,095
Interest received	435,070	875,506	3,269,412	6,561,301 ³	11,078,904 ³	9,649,922 ³
Total deductions	68,384,452	127,996,443	271,792,974	528,685,613	686,267,928 ²	724,922,705 ²
Cost of sales and operations	37,733,747	63,724,869	129,352,692	176,070,808	249,228,959	273,531,298
Interest paid	1,802,802	3,279,438	8,033,612	15,027,259	23,077,104	26,858,974
Net income (less deficit)	1,198,703	3,396,744	8,193,903	5,883,782	9,276,631 ²	11,020,194 ²
Net income	3,384,869	6,025,592	13,246,601	21,124,460	29,951,299 ²	33,839,910 ²
Deficit	2,186,166	2,628,848	5,052,698	15,240,678	20,674,668 ²	22,819,716 ²
Regular and alternative tax	1,058,264	1,625,093	3,497,265	4,621,875	4,847,966 ⁵	5,563,239 ⁵
Total income tax after credits ⁴	1,003,130 ⁴	1,323,637	2,603,370	3,343,830	4,112,219	4,930,443
Distributions to stockholders except in own stock	558,452 ⁴	855,402	1,841,945	n.a.	n.a.	n.a.

See notes following Table 20.

Selected Historical and Other Data

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 1960-1991

[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)
	(1)	(2)	(3)
1960.....	51.1	43.5	47.2
1961.....	51.0	45.9	47.9
1962.....	56.4	49.6	51.7
1963.....	61.2	54.3	54.3
1964.....	68.0	61.6	60.4
1965.....	78.8	73.9	70.8
1966.....	85.1	80.5	77.1
1967.....	81.8	78.2	74.8
1968.....	90.6	86.0	81.4
1969.....	89.0	80.2	81.2
1970.....	78.4	65.9	72.4
1971.....	90.1	79.7	83.2
1972.....	104.5	96.8	95.1
1973.....	130.9	120.4	115.5
1974.....	142.8	148.2	144.0
1975.....	140.4	142.6	146.6
1976.....	173.7	185.4	183.5
1977.....	203.3	219.2	212.5
1978.....	237.9	246.9	239.6
1979.....	261.4	284.6	279.4
1980.....	240.9	239.0	246.6
1981.....	228.9	213.6	241.5
1982.....	176.3	154.3	205.2
1983.....	210.7	188.3	218.7
1984.....	240.5	232.9	257.1
1985.....	225.0	240.1	266.1
1986.....	217.8	269.5	276.2
1987.....	287.9	328.2	311.8
1988.....	347.5	413.0	383.2
1989.....	342.9 r	389.0	371.0
1990.....	355.4 r	n.a	n.a.
p1991.....	334.7 r	n.a	n.a.

See notes following Table 20.

Selected Historical and Other Data

Table 16.—Gross Tax Collections: Amount Collected by Quarter and Fiscal Year, 1986-1992
 [Money amounts are in millions of dollars]

Quarter and fiscal year	Amount collected by type of return					
	Total	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 1986, TOTAL	782,252	416,965	80,442	33,672	243,978	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	98,424	19,642	7,985	59,628	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, TOTAL	945,459	473,667	109,683	36,286	318,039	7,784
October 1987 - December 1987	200,033	97,479	24,828	9,413	66,500	1,813
January 1988 - March 1988	222,721	111,215	22,006	7,578	80,161	1,761
April 1988 - June 1988	298,865	160,018	35,991	9,240	91,426	2,190
July 1988 - September 1988	223,840	104,955	26,858	10,055	79,952	2,020
FISCAL YEAR 1989, TOTAL	1,023,421	515,732	117,015	36,076	345,625	8,973
October 1988 - December 1988	216,133	104,522	29,551	9,272	70,632	2,156
January 1989 - March 1989	238,290	114,475	20,760	8,504	92,587	1,964
April 1989 - June 1989	333,964	180,947	40,825	9,386	100,077	2,729
July 1989 - September 1989	235,034	115,788	25,879	8,914	82,329	2,124
FISCAL YEAR 1990, TOTAL	1,066,515	540,228	110,017	37,289	367,219	11,762
October 1989 - December 1989	222,859	110,077	26,390	8,966	74,982	2,444
January 1990 - March 1990	251,913	127,277	21,433	8,044	92,868	2,291
April 1990 - June 1990	343,951	181,180	37,398	10,808	110,281	4,284
July 1990 - September 1990	247,792	121,694	24,796	9,471	89,088	2,743
FISCAL YEAR 1991, TOTAL	1,099,124	546,877	113,598	42,725	384,451	11,473
October 1990 - December 1990	242,881	118,047	29,248	9,205	83,646	2,735
January 1991 - March 1991	256,949	119,891	22,974	9,897	101,569	2,618
April 1991 - June 1991	338,469	181,949	35,953	10,968	106,426	3,173
July 1991 - September 1991	260,825	126,990	25,423	12,655	92,810	2,947
FISCAL YEAR 1992						
October 1991 - December 1991	246,273	117,980	28,571	8,238	88,749	2,735
January 1992 - March 1992	264,161	136,220	19,751	8,159	97,425	2,606
April 1992 - June 1992	345,447	173,437	41,930	8,311	118,503	3,266

See notes following Table 20.

Selected Historical and Other Data

Table 17.—Tax Refunds: Amount Refunded by Quarter and Fiscal Year, 1986-1992
 [Money amounts are in millions of dollars]

Quarter and fiscal year	Amount refunded by type of return					
	Total	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 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	98,969	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	28,422	22,198	5,296	479	393	56
April 1987 - June 1987	50,063	42,858	5,948	332	869	57
July 1987 - September 1987	9,816	5,121	3,858	459	326	52
FISCAL YEAR 1988, TOTAL	94,480	74,389	16,477	1,114	2,263	227
October 1987 - December 1987.....	7,701	3,437	3,727	207	275	55
January 1988 - March 1988.....	27,798	21,744	5,248	198	553	55
April 1988 - June 1988.....	49,202	43,769	3,848	421	1,114	50
July 1988 - September 1988.....	9,776	5,449	3,654	288	321	67
FISCAL YEAR 1989, TOTAL	93,613	73,597	14,921	2,054	2,771	269
October 1988 - December 1988.....	8,380	3,362	4,461	118	359	80
January 1989 - March 1989.....	32,041	26,759	4,462	182	570	67
April 1989 - June 1989.....	43,538	38,895	3,849	350	381	63
July 1989 - September 1989.....	9,654	4,581	2,149	1,404	1,461	59
FISCAL YEAR 1990, TOTAL	99,656	76,065	18,324	2,261	2,677	329
October 1989 - December 1989.....	8,487	3,094	4,605	300	409	79
January 1990 - March 1990.....	37,121	31,367	4,922	342	423	67
April 1990 - June 1990.....	43,308	36,952	4,209	549	1,492	106
July 1990 - September 1990.....	10,740	4,652	4,588	1,070	353	77
FISCAL YEAR 1991, TOTAL	104,380	82,677	17,440	1,188	2,471	404
October 1990 - December 1990.....	8,284	3,387	4,148	344	323	102
January 1991 - March 1991.....	38,020	32,811	4,286	293	538	92
April 1991 - June 1991.....	47,962	41,638	4,748	226	1,249	101
July 1991 - September 1991.....	10,114	5,061	4,258	325	361	109
FISCAL YEAR 1992						
October 1991 - December 1991.....	10,072	3,607	5,639	379	346	101
January 1992 - March 1992.....	44,657	38,183	5,750	201	430	93
April 1992 - June 1992.....	47,817	42,231	4,596	476	399	115

See notes following Table 20.

Selected Historical and Other Data

Table 18.—Classes of Excise Taxes by Specified Fiscal Years, 1970-1991

[Money amounts are in thousands of dollars]

Selected class of tax	Taxes collected by fiscal year					
	1970	1975	1980	1985	1990	1991
	(1)	(2)	(3)	(4)	(5)	(6)
ALCOHOL AND TOBACCO TAXES, TOTAL ¹	6,840,594	7,665,948	8,151,184	9,881,293	10,149,541	12,125,900
Distilled spirits	3,469,508	3,851,837	3,927,235	3,501,559	3,774,461	3,763,058
Wine	180,353	172,440	211,493	305,339	267,665	499,037
Beer	1,076,148	1,305,034	1,545,441	1,569,726	1,710,322	2,964,591
Cigarettes and cigars	2,092,935	2,312,342	2,442,357	4,473,210	4,267,013	4,781,936
MANUFACTURERS EXCISE TAXES, TOTAL	6,683,061	5,516,811	6,487,421	10,020,574	11,024,753	14,223,212
Gasoline and gasohol	3,517,586 ²	4,071,465 ²	4,326,549 ²	9,062,630	9,694,512	13,001,336
Tires, tubes and tread rubber ³	614,795	697,660	682,624	242,923	296,042	248,360
Motor vehicles, bodies, parts ⁴	1,753,327	662,556	1,088,696	N/A	N/A	N/A
Recreational products	53,427	84,946	136,521	166,666	227,221	145,877
Black lung taxes	N/A	N/A	251,288	548,356	649,500	630,700
SPECIAL FUELS, AND RETAILERS TAXES, TOTAL ⁵	257,820	404,187	560,144	3,802,608	4,493,712	4,753,159
Diesel and special motor fuels	257,712	370,489	512,718	2,430,165	3,190,281	3,690,518
Truck and trailer chassis and bodies	N/A	N/A	N/A	1,289,750	1,169,312	926,381
MISCELLANEOUS EXCISE TAXES, TOTAL	2,084,730	3,306,077	6,359,198	11,044,833	8,889,559	9,903,242
Telephone and teletype	1,469,562	2,023,744	1,117,834	2,307,607	3,075,209	2,952,522
Air transportation	250,802	850,567	1,748,837	2,589,818	3,400,513	4,299,627
Highway use tax	135,086	207,663	263,272	456,143	583,621	593,123
Foreign insurance	8,614	19,458	74,630	73,494	77,089	69,800
Exempt organization net investment income	N/A	63,828	65,280	136,153	206,630	182,997
Crude oil windfall profit ⁶	N/A	N/A	3,051,719	5,073,159	-85,839	-425,106
Environmental taxes ⁷	N/A	N/A	N/A	272,957	1,237,368	1,729,459

Selected class of tax	Taxes collected by fiscal year quarter ending--					
	Sept. 1990	Dec. 1990	March 1991	June 1991	Sept 1991	Dec. 1991
	(7)	(8)	(9)	(10)	(11)	(12)
ALCOHOL AND TOBACCO TAXES, TOTAL ¹	2,527,895	2,772,418 r	2,712,790 r	3,421,783	3,218,909	3,583,681
Distilled spirits	715,539 r	1,133,439 r	800,340 r	922,982	906,297	1,140,621
Wine	62,674	86,671	118,915 r	144,131	149,320	178,434
Beer	511,351	451,291 r	685,704 r	935,229	892,367	816,852
Cigarettes and cigars	1,193,980	1,095,944	1,104,106	1,366,168	1,215,718	1,408,141
MANUFACTURERS EXCISE TAXES, TOTAL	2,928,444	3,243,338	3,030,665	3,583,486	4,095,723	4,163,568
Gasoline and gasohol	2,570,820	2,891,308	2,722,915	3,578,348	3,808,765	3,852,821
Tires, tubes and tread rubber ³	88,000	92,500	64,600	59,370	67,890	79,496
Recreational products	57,041	49,733	44,769	26,466	24,909	18,891
Black lung taxes	165,400	161,100	160,600	152,900	156,100	162,100
SPECIAL FUELS, AND RETAILERS TAXES, TOTAL ⁵	1,155,943	1,131,998	1,080,291	1,186,904	1,353,966	1,294,641
Diesel and special motor fuels	837,420	840,310	820,129	936,575	1,093,504	1,029,446
Truck and trailer chassis and bodies	285,000	262,500	226,100	212,821	224,960	218,661
MISCELLANEOUS EXCISE TAXES, TOTAL	2,769,138	2,913,761	1,789,468	2,447,276	2,752,737	2,565,390
Telephone and teletype	753,893	747,522	716,600	736,200	752,200	807,100
Air transportation	990,156	1,156,766	922,597	1,061,155	1,159,109	1,175,434
Highway use tax	304,848	47,668	132,168	100,593	312,694	41,417
Foreign insurance	24,893	23,000	15,700	4,400	26,700	28,293
Exempt organization net investment income	58,474	27,772	28,254	71,469	55,502	22,402
Crude oil windfall profit ⁶	169,878	314,318	-514,132	-38,710	-186,582	-67,267
Environmental taxes ⁷	333,285	524,246	376,871	363,531	484,811	399,051

See notes following Table 20.

Selected Historical and Other Data

Table 19.--Selected Returns and Forms Filed or to be Filed by Type During Specified Calendar Years, 1970-1992

Type of return or form	Number filed in calendar year--						
	1970 (1)	1975 (2)	1980 (3)	1985 (4)	1990 (5)	1991 (6)	1992 (Projected) (7)
Individual Income	77,281,384	84,026,785	93,196,076	99,704,246	112,596,000	114,133,835	115,037,200
Form 1040	77,143,251	61,450,279	55,360,030	64,010,068	74,488,600	74,685,853	76,044,400
Nonbusiness	68,129,351	51,377,153	43,957,141	49,873,300	58,318,300	58,067,480	58,788,200
Business	9,013,900	10,073,126	11,402,889	14,136,768	16,170,200	16,618,373	17,256,200
Schedule C	6,351,304	7,438,968	8,944,298	11,767,348	14,149,000	14,626,176	15,322,000
Schedule F	2,662,596	2,634,158	2,458,591	2,369,420	2,021,300	1,992,197	1,934,200
Form 1040A	N/A	22,462,776	37,692,282	18,779,084	18,380,000	21,784,926	21,408,500
Form 1040EZ	N/A	N/A	N/A	16,739,767	19,436,400	17,358,394	17,245,400
Other ¹	138,133	113,730	143,764	175,327	291,000	304,662	338,900
Corporation Income	1,772,600	2,132,758	2,875,704	3,437,249	4,319,500	4,374,238	4,401,000
Forms 1120, L, M and PC ²	1,523,664	1,762,920	2,115,542	2,432,265	2,334,600	2,257,779	2,130,400
Form 1120A	N/A	N/A	N/A	199,665	332,000	336,112	350,800
Form 1120S	248,936	367,219	528,070	736,945	1,536,100	1,663,777	1,801,900
Other ³	--	2,619	32,092	68,374	116,800	116,570	117,900
Partnership, Form 1065	991,904	1,132,839	1,401,567	1,755,339	1,750,900	1,652,276	1,618,000
Fiduciary, Forms 1041 and 1041S	1,149,445 ⁴	1,584,200^r	1,881,800^r	2,124,969	2,680,900	2,778,717	2,827,600
Estate Tax, Forms 706 and 706NA	141,156	225,827	147,303	80,768	60,810	64,632	69,000
Gift Tax, Form 709	146,338	273,184	214,789	97,720	147,700	156,784	161,400
Exempt Organization	387,469 ⁵	403,809	442,607	454,097	487,400	519,605	536,000
Forms 990 and 990EZ	377,030 ⁵	346,627	362,632	365,506	359,700	384,963	398,700
Form 990-PF	N/A	29,637	33,137	32,005	44,700	46,727	47,900
Form 990-T	5,046	19,683	23,455	26,181	39,100	41,153	42,100
Forms 990C, 4720, and 5227	5,393	7,862	23,383	30,405	43,900	46,762	47,300

See notes following Table 20.

Table 20.--Taxpayers Receiving Assistance, Paid and Unpaid, Tax Years 1986-1990

[Certain estimates are based on samples--numbers are in thousands]

Type of assistance	Tax year				
	1986 (1)	1987 (2)	1988 (3)	1989 (4)	1990 (5)
Returns with paid preparer signature: ¹					
All returns	48,049	50,991	51,507	52,808	54,499
1040EZ	655	836	887	725	648
1040A	4,135	3,922	4,290	3,885	4,801
1040, total	43,259	46,232	46,330	48,197	49,049
1040 Business, total	11,087	11,398	11,570	12,092	10,723
Nonfarm	9,385	9,824	9,981	10,371	9,025
Farm	1,702	1,575	1,590	1,721	1,697
1040 Nonbusiness, total	32,172	34,834	34,759	36,105	36,629
With itemized deductions	18,732	16,965	14,929	17,002	17,249
Without itemized deductions	12,627	17,868	19,831	19,103	19,380
Electronically filed ²	n.a.	n.a.	n.a.	n.a.	4,715
Assistance provided by IRS: ³					
Telephone inquiries	34,655	38,526	36,982	33,906	35,100
Recorded telephone information	10,892	13,405	27,812	22,178	28,880
Office walk-ins, information	7,090	7,408	7,008	7,104	7,173
Written inquiries	169	166	187	172	188
Special programs:					
Community classes and seminars (taxpayers assisted)	903	1,013	952	722	924
Volunteer Income Tax Assistance (VITA) (returns prepared)	337	387	404	466	401
Tax Counseling for the Elderly (returns prepared)	331	377	419	448	496

See notes on following page.

Notes to Selected Historical and Other Data Tables

General notations and statement

N/A - Not applicable

n.a. - Not available

p - Preliminary

r - Revised

* - See "Appendix--SOI Sampling Methodology and Data Limitations."

Detail may not add to totals because of rounding.

Table 1

- [1] Less deficit. Starting with 1987, data are not comparable with earlier years because of major changes in the law, many of which are referred to in other footnotes.
- [2] Not included in AGI.
- [3] Starting with 1987, represents total dividends; previously, represented total dividends after statutory exclusion.
- [4] Starting with 1987, losses are after "passive loss" limitation.
- [5] Starting with 1987, represents total capital gains; previously, represented total capital gains after statutory exclusion. For other changes affecting capital gains, see *Statistics of Income—Individual Income Tax Returns*, various years.
- [6] Before 1980 and starting again with 1988, excludes Individual Retirement Arrangement (IRA) distributions; for intervening years, pensions and IRA distributions in AGI were reported together. Effective during 1986, the more liberal of the two methods of computing the nontaxable portion of pensions and annuities (representing taxpayer contributions to certain pension plans) was repealed.
- [7] Starting with 1987, represents total unemployment compensation; previously, all or part was excludable under certain conditions.
- [8] Excludes sole proprietorship (including farm) rental income or loss. Starting with 1987, rental losses are before "passive loss" limitation and, therefore, exceed the amount included in AGI.
- [9] Excludes certain royalties included in computations of capital gain or loss and of ordinary gain or loss, sales of noncapital assets.
- [10] Amounts for net income are actually for net income (less loss). Net income and loss were not separately tabulated. Also, number of returns shown as with net income were rounded to millions during processing; the more exact number is not available. See also, footnote 4.
- [11] See footnote 4.
- [12] Includes adjustments not shown separately in Table 1. Starting with 1987, excludes employee moving and certain other business-related expenses, deduction for married two-earner couples and certain alimony payments, but includes self-employed health insurance deduction; see also footnote 13. For changes in adjustments for earlier years, see *Statistics of Income—Individual Income Tax Returns*.
- [13] Deductible Individual Retirement Arrangement (IRA) contributions, reflected in adjustment statistics starting 1980, were limited starting with 1987.
- [14] Includes exemptions for blindness repealed effective 1987.
- [15] In general, represents the sum of standard and itemized deductions. For 1980 and 1985 data, includes total itemized deductions before subtraction of "zero bracket amount," plus, for non-itemized deduction returns, the zero bracket amount and, for 1985 data only, charitable contributions deduction. Starting with 1987, includes revised itemized deductions (see also footnotes 15-18), "basic" standard deduction and "additional" standard deductions for age 65 and over or for blindness (for changes in the standard deduction and its relation to the zero bracket amount, see *Statistics of Income—Individual Income Tax Returns* for appropriate years). Statistics for 1987-1989 exclude zero bracket amount reported on the small number of prior-year returns filed in 1988-1990, respectively.
- [16] For 1980 and 1985 data, represents "zero bracket amount" used on returns of non-itemizers; see also footnote 21. Statistics for 1987-1989 exclude zero bracket amount reported on the small number of prior-year returns filed in 1988-1990, respectively.
- [17] Includes itemized deductions not shown separately in Table 1, including revised deductions, starting with 1987, for miscellaneous expenses after limitations and for employee moving expenses; see also footnotes 18-20. For changes in deductions for earlier years, see *Statistics of Income—Individual Income Tax Returns*.

Notes to Selected Historical and Other Data Tables

- [18] Deductible medical and dental expenses were limited, starting with 1987, based on a revised percentage of AGI. For changes in the deduction for 1987 and earlier years, see *Statistics of Income—Individual Income Tax Returns*.
- [19] Starting with 1987, State sales taxes were no longer deductible.
- [20] Starting with 1987, deductions for "personal" interest and mortgage real estate loan interest were limited.
- [21] For 1980 and 1985 data, taxable income *includes* the "zero bracket amount," repealed effective 1987 and partially replaced by standard deductions which were *subtracted* in computing taxable income. A standard deduction was similarly used prior to 1980.
- [22] Tax rate structure was revised effective 1981-1984 and 1987-1988. Indexing of tax rates for inflation was introduced starting with 1985. For other changes affecting tax computations, see *Statistics of Income—Individual Income Tax Returns* for the years concerned.
- [23] For 1970, includes surcharge of \$2,018,078,000.
- [24] Includes credits not shown separately in Table 1, such as the political contributions credit (repealed effective 1987), earned income credit (liberalized starting 1987) and low-income housing credit (introduced effective 1987); see also footnote 25. For changes in credits allowed for earlier years, see *Statistics of Income—Individual Income Tax Returns*.
- [25] Investment credit was included in the more-inclusive general business tax credit starting with 1984. With exceptions, investment credit was repealed effective 1986.
- [26] Includes income tax after credits, additional tax for tax preferences, i.e., "minimum tax" (applicable for 1970-1982) and "alternative minimum tax" (applicable after 1979 and revised effective 1987).
- [27] Includes refunds and credits to the following year's estimated tax and refundable portion of earned income credit. Reflects overpayments of income tax, tax recapture of certain prior-year tax credits, tax applicable to Individual Retirement Arrangements (IRA's), self-employment (social security) tax, social security tax on certain tip income and certain other income-related taxes (for the taxes applicable to the years shown, see *Statistics of Income—*

Individual Income Tax Returns).

- [28] Reflects taxes mentioned in footnote 27.

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 returns with adjusted gross deficit.
- [2] U.S. totals in Table 2 do not agree with Tables 1 and 3 because they were obtained from a different source. In addition, for purposes of Table 2:
- "Number of exemptions" also includes responses of taxpayers who checked the boxes on their tax return for age 65 or over or for blindness in order to claim the additional standard deductions for age or blindness. This treatment enables some comparability to be maintained between State data for 1987-1989 and data for years prior to 1987. Number of exemptions are still understated, however, because these boxes are not checked if taxpayers itemize deductions. (Prior to 1987, checking these boxes entitled taxpayers to additional personal exemptions.)
 - "Itemized deductions" includes any amounts reported by the taxpayer that were not used in computing taxable income.
 - "Total tax liability" includes income tax after credits, alternative minimum tax, tax recapture of prior-year investment or low-income housing credits, tax applicable to Individual Retirement Arrangements (IRA's), self-employment (social security) tax, social security tax on certain tip income and certain other income-related taxes. Total tax liability is before reduction by earned income credit (see footnotes 1(d) and 3, below).
 - "Earned income credit" includes both the refundable and nonrefundable portions. The nonrefundable portion could reduce income tax and certain related taxes to zero. See also footnote 3.
- [3] "Excess earned income credit" represents the refundable portion of the credit (see footnote 1(d)) and equals the amount in excess of total tax liability (defined in footnote 1(c)), including any advance earned income credit payments for those returns

Notes to Selected Historical and Other Data Tables

which had such an excess.

- [4] Includes, for example, returns filed from Army Post Office and Fleet Post Office addresses by members of the armed forces stationed overseas; returns filed by other U.S. citizens abroad; and returns filed by residents of Puerto Rico with income from sources outside of 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 1991. 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] There were major changes in filing requirements and conceptual changes in the definitions of adjusted gross income (AGI) and taxable income starting with 1987. Percentages based on AGI starting with 1987 are therefore not comparable with 1986 and earlier years. For explanations, see "Individual Income Tax Returns, Preliminary 1987," *Statistics of Income Bulletin*, Spring 1989, Volume 8, Number 4, and *Statistics of Income—1987, Individual Income Tax Returns*.
- [2] Includes income tax after credits and the "alternative minimum tax" (see footnote 4).
- [3] Includes returns with adjusted gross deficit.
- [4] In addition to low-income taxpayers, this size class (and others) includes taxpayers with "tax preferences," not reflected in adjusted gross income or taxable income, which are subject to the "alternative minimum tax" (included in "total income tax").

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] 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 and *The National Income and Product Accounts of the United States, Volume 2, 1959-88*; for years after 1988, *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.

Tables 5 and 6

- [1] See Table 4 for the differences between personal income and adjusted gross income.
- [2] Beginning with 1987, data are not comparable with earlier years because of major changes in the definition of adjusted gross 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 and *The National Income and Product Accounts of the United States, Volume 2, 1959-88*; for years after 1988, *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 7

- [1] Returns with standard deduction, 1955-1988, include a small number with no adjusted gross income and no deductions. (For 1977-1986, standard deduction is the "zero bracket amount," which was also reported on a small number of returns included in the 1987-89 statistics; see footnote 2.) For 1944-1954, returns with no adjusted gross income are included in the number of returns with itemized deductions.
- [2] Amount of standard deduction for 1944-1957 was 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 1958-1988 was obtained directly from Statistics of Income tabulations for these years.

Notes to Selected Historical and Other Data Tables

Represents "zero bracket amount" for 1977-1986. Starting with 1987, represents the sum of "basic" and "additional" standard deductions (for age 65 and over and for blindness); also includes zero bracket amount reported on the small number of prior-year returns filed in 1988-1990 that were included in the 1987-1989 statistics.

- [3] For 1977-1986, itemized deductions are before subtraction of "zero bracket amount."
- [4] Sum of standard and itemized deductions, plus charitable deduction reported on standard deduction returns for Tax Years 1982-1986. For 1987-1989, total deductions also include "zero bracket amount" reported on a small number of returns (see footnote 2).
- [5] See footnote 2, Tables 5 and 6.

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 the changes mentioned above.

Table 8

- [1] See Table 4 for the differences between personal income and adjusted gross income.
- [2] Taxable income excludes "zero bracket amount" for 1977-1986. Because of major changes in law, taxable income starting with 1987 is not comparable with earlier years.
- [3] For the definition of total income tax, see footnote 26, Table 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* and *The National Income and Product Accounts of the United States, Volume 2, 1959-88*; for years after 1988, *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 9

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

- [1] Number of businesses, rather than number of returns, for years prior to 1981.
- [2] Includes disallowed "passive losses." Therefore, business receipts minus total deductions does not equal net income (less deficit).

SOURCE: *Statistics of Income—Sole Proprietorship Returns*, appropriate years, and *Statistics of Income Bulletin*, Summer issues (for most 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 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] Prior to 1981, "total receipts" included *gross income* from farming, rents and royalties. Expenses related to this income were included under "total deductions." Starting with 1981, only the *net incomes or deficits* from farming, rents and royalties were tabulated; the positive amounts were included under "total receipts," and the negative amounts under "total deductions." The related expenses were not tabulated. In addition, starting with 1987, total receipts also includes certain "portfolio income" (interest, dividends and royalties) distributable to partners, not all of which was previously reported as receipts. Portfolio income from capital gains is excluded to improve comparability with earlier years.

Notes to Selected Historical and Other Data Tables

- [5] Starting with 1987, "business receipts" represents gross receipts from sales and operations and, for partnerships in finance, insurance and real estate, investment income, such as interest, dividends and rents (but not capital gains). Also, in finance, insurance and real estate prior to 1981, only gross rentals reported as investment income were treated as business receipts and only if they were the principal operating income.
- [6] For 1982-1986, also includes certain dividends reported in combination with interest.
- [7] After 1980, represents the more complete amounts reported in depreciation computation schedules rather than the amounts reported as the depreciation deduction (augmented by depreciation identified for the statistics in cost of sales and operations schedules).

SOURCE: *Statistics of Income—Partnership Returns*, appropriate years, and *Statistics of Income Bulletin*, Summer or Fall issues (for most 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 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, comparability of data by size of receipts is affected by revisions to the definition of receipts; see also footnotes 4 and 5, Table 11. To help minimize the break in comparability caused by the change in statistical treatment of partnership farm and rental income, an effort was made for 1981-1987 only, to include rental (though not farm) gross income in the receipts used for the size distribution in Table 12. Starting with 1988 though, only partnership net rentals are reflected in the size distribution.
- [2] Includes returns with no business receipts.
- [3] Includes corporations and partnerships with zero assets and liabilities. In addition, for partnerships, includes partnerships without balance sheet information (see also footnote 5, below).
- [4] See footnote 4, Table 11.

- [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 for liquidated partnerships were tabulated as reported and were included in the appropriate asset size classes.

- [6] See footnote 1, Table 10.

SOURCE: *Statistics of Income—Corporation Income Tax Returns*, *Statistics of Income—Partnership Returns*, *Statistics of Income—Sole Proprietorship Returns*, appropriate years, and *Statistics of Income Bulletin*, Summer or Fall issues (for most years). 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] Starting with 1988, number of returns excludes those filed by Foreign Sales Corporations (FSC's) and Interest Charge-Domestic International Sales Corporations (IC-DISC's); see also footnotes 5 and 6, below. Because of the omission of these returns, totals for all income and financial items shown in the statistics (except those not applicable to IC-DISC's and FSC's, such as "income subject to tax," "income tax" and tax credits) are slightly understated.
- [2] 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.
- [3] Included in "Number of returns, total" and "Number with net income."
- [4] Generally, small corporations electing to be taxed at the shareholder level, with no more than 35 shareholders (10 prior to 1983), most of them individuals.
- [5] 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

Notes to Selected Historical and Other Data Tables

- replaced after 1984 with a new system of Foreign Sales Corporations (FSC's); see footnote 6. Tax benefits of DISC's remaining after 1984 were limited and an interest charge for tax deferred amounts was imposed on the parent corporations.
- [6] Foreign Sales Corporations (FSC's) generally replaced DISC's as a means of promoting U.S. exports (see footnote 5). Under the FSC provisions, a portion of these subsidiaries' "foreign trade income" was exempt from U.S. income tax.
- [7] For 1980 and 1985 data, tax-exempt securities, representing investments in State and local Government obligations, were reported with investments in U.S. Government obligations as a combined total. Starting with 1989, tax-exempt securities were again reported separately, but were defined to include not only investments in State and local Government obligations, but also stock in investment companies that distributed dividends during the current year representing tax-exempt interest on such obligations.
- [8] Starting with 1987, receipts, deductions and net income (or deficit) of S Corporations are limited to those attributable to a trade or business. Therefore, investment or portfolio income (or loss), such as from interest, dividends, rents, royalties and gain (loss) from sales of investment property, and the deductions related to this income, are excluded from net income (and allocated directly to shareholders).
- [9] Starting with 1987, "business receipts" includes the full amount reported by stock and commodity brokers and exchanges, and by real estate subdividers, developers and operative builders, even when they bought and sold securities, commodities and real estate on their own account. Previously, such transactions were treated as "net gain (loss), noncapital assets."
- [10] 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 4). Based on prior years when Form 1120-S required each to be reported separately, nearly all of the combined amount represents interest.
- [11] For the 1985 statistics, "other deductions" includes depletion and employer contributions to pension, profit-sharing, stock bonus and annuity plans, and to employee benefit programs, reported on the Form 1120-A short form. Starting with 1988, identifiable amounts reported on Form 1120-A for any of these items are included in the statistics for the appropriate deduction.
- [12] 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); prior to 1989, a variation of this base in combination with net long-term capital gains in certain situations when the lower capital gains tax applied; and the special tax base applicable to S Corporations and insurance businesses, formerly, 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 these corporations is excluded from income subject to tax.
- [13] Includes surcharge of \$784,437,000.
- [14] In general, starting with tax years beginning in 1987, the "alternative tax" was repealed. This tax provided for a maximum rate on long-term capital gains that produced a tax that was less than the tax that would have resulted if the regular tax rates had been used.
- [15] Effective with tax years beginning in 1987, the "alternative minimum tax" replaced the "minimum tax" (formerly referred to in the statistics as the "additional tax for tax preferences").
- [16] General business credit includes alcohol fuel, investment, jobs and employee stock ownership plan (ESOP) credits which were reported separately for previous years. Also included are the research credit (starting 1986) and the low-income housing credit (starting 1987). With exceptions, investment credit was repealed effective 1986; employee stock ownership plan contributions credit was repealed effective 1987. For changes in definitions of component credits, see *Statistics of Income—Corporation Income Tax Returns* for the years concerned.

SOURCE: *Statistics of Income—Corporation Income Tax*

Notes to Selected Historical and Other Data Tables

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 1, Table 13.
- [2] See footnote 8, Table 13.
- [3] See footnote 10, Table 13.
- [4] See footnote 13, Table 13.
- [5] See footnote 14, Table 13.
- [6] In addition to regular and to alternative tax (for years prior to 1988), includes Personal Holding Company tax, tax from recapture of investment and work incentive (WIN) credits (for 1975 and 1980 data) and of low-income housing credit (starting with 1988), additional tax for tax preferences or "minimum tax" (for years prior to 1987), and "alternative minimum tax" and environmental tax (both starting with 1987). Also includes special taxes applicable to foreign corporations with income "effectively connected" with a U.S. business, S Corporations (defined in footnote 4, Table 13), and certain investment companies. Credits include those appropriate for the given tax year. See Table 13 and *Statistics of Income—Corporation Income Tax Returns* for the years concerned for more detailed explanations.

- [7] See footnote 9, Table 13.

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.

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 and *The National Income and Product Accounts of the United States, Volume 2, 1959-88*; for years after 1988, *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 fiduciary income tax collected (from estates and trusts). Fiduciary income tax collected was \$4.8 billion in 1991, \$5.9 billion in 1990, \$6.0 billion in 1989, \$6.5 billion in 1988, \$8.4 billion in 1987, and \$4.5 billion in 1986. Presidential election campaign designations amounted to \$32.3 million in 1991, \$32.5 million in 1990, \$32.3 million in 1989, \$33.2 million in 1988, \$33.2 million in 1987, and \$35.9 million in 1986.
- [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 \$155.6 million in 1991, \$127.9 million in 1990, \$115.6 million in 1989, \$137.5 million in 1988, \$119.9 million in 1987 and \$30.2 million in 1986.
- [3] Excise taxes are imposed on selected products, services and activities, such as on sales of alcohol and tobacco products and on the manufacture of gasoline. Statistics shown in Table 16 have been revised, starting with Fiscal Year 1988, to include alcohol and tobacco taxes, collection of which was transferred from the Internal Revenue Service to the Bureau of Alcohol, Tobacco and Firearms starting with that year.
- [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: Refunds in Table 17 are associated with the taxes (including alcohol and tobacco taxes) described in footnotes 1-4, Tables 16. Collections (or refunds) are those made during 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 tax return; prior to filing the return (as applicable, income tax withheld by

Notes to Selected Historical and Other Data Tables

employers and estimated tax payments); and subsequent to filing the return (chiefly the result of initial return processing or of examination and enforcement activities). Collections also include interest and penalties.

Refunds result chiefly from tax overpayments determined at time of filing a return. Also 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 IRS 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 (\$2.8 billion in 1991, \$2.4 billion in 1990, \$0.5 billion in 1989, \$0.4 billion in 1988, \$0.4 billion in 1987 and \$0.5 billion in 1986).

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

Table 18

- [1] Alcohol and tobacco taxes each include special (occupational) taxes prior to Fiscal Year 1988. Starting with Fiscal Year 1988, occupational taxes are excluded from the separate amounts shown for alcohol and for tobacco taxes, although they are reflected in the combined total for *all* alcohol and tobacco taxes.
- [2] Also includes lubricating oil taxes. Effective January 7, 1983, taxes on lubricating oil were repealed.
- [3] 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.
- [4] 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, taxes on motor vehicles are excluded.
- [5] Special fuels, total, includes taxes on diesel and special motor fuels which were classified as miscellaneous excise taxes in 1970. Also, beginning with the quarter ending December 1983, taxes on motor vehicles are included.
- [6] Repealed effective August 23, 1988. Amounts reported for more recent time periods result from amended filings, delinquent taxes, examination activities and refunds.

[7] Expired September 30, 1985; reimposed in January 1987.

NOTES: For 1970 and 1975, the fiscal year was defined as July of the previous calendar year through June of the year noted. Starting with 1980, the fiscal year was redefined as October of the previous calendar year through September of the year noted.

Starting with Fiscal Year 1988, additional detail on manufacturers' excise taxes, retailers' and special fuel taxes and miscellaneous excise taxes is available in the fourth quarter *Internal Revenue Report of Excise Taxes*; previously this information was published in the *Annual Report of the Commissioner and Chief Counsel, Internal Revenue Service*. For additional detail on alcohol and tobacco taxes, see the Statistical Release, *Alcohol and Tobacco Tax Collections*, Bureau of Alcohol, Tobacco and Firearms, U.S. Department of the Treasury.

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] Starting with Calendar Year 1988, includes Form 1120-PC and excludes Form 1120-M.
- [3] Includes Forms 1120F, 1120 POL, and 1120H; starting with Calendar Year 1986, Forms 1120-FSC; and, starting with Calendar Year 1988, Forms 1120-REIT and 1120-RIC; excludes Forms 1120-DISC and IC-DISC, and amended returns (Form 1120X).
- [4] Includes Form 1041A.
- [5] Includes Form 990A.

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

Table 20

- [1] Number of returns with a paid preparer signature is based on different sources, depending on the year. For 1986, it was obtained by converting the Taxpayer Usage Study (TPUS) sample of individual income tax returns to the equivalent of the Statistics of Income (SOI) sample. (For additional information about the TPUS sample, see, for example, "Individual Income Tax Returns for 1991: Taxpayer Usage Study," this issue of the *Bulletin*.)

Notes to Selected Historical and Other Data Tables

The adjustment for 1986 was made because the TPUS sample represented all returns filed only through April, while the SOI sample represented all returns filed during the entire calendar year. Except for counts of electronically-filed returns, data for 1990 covering the entire calendar year were obtained from the IRS Individual Master File (IMF) of all individual income taxpayers; for the counts of electronically-filed returns, see footnote 2. Data for 1989 were also based on the IMF, except for the number of returns with or without itemized deductions. For the latter returns, the data were estimated based on the 1989 TPUS sample. All data for 1987 and 1988 are estimated based on the SOI samples for those years.

- [2] Data on electronically-filed returns, shown separately for Tax Year 1990, are included in the counts for Form 1040 returns shown above in Table 20, for all years. Data for 1990 are based on the TPUS sample (see footnote 1) of returns filed during the first 8 months of 1991. No adjustment was made for returns

filed after the first 8 months on the assumption that few were likely to have been electronically filed during this time period.

- [3] 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. As a result, data in Table 20, which are presented on a tax year basis, are actually for a fiscal year. Therefore, data shown as for Tax Year 1990, for example, are actually for Fiscal Year 1991.

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.

SOI Sampling Methodology and Data Limitations

Appendix

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, R:S, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608.

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 (non-calendar) 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 Files 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 one 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 are 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

Sample returns are designated by computer from the IRS Master Files based on the taxpayer identification number.

Information for this appendix was compiled by Bettye Jamerson, Coordination and Publications Staff, under the direction of Robert Wilson, Technical Advisor. Major contributions were made by Paul McMahon, Mathematical Statistics Team.

SOI Sampling Methodology and Data Limitations

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 standard 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:

$$\begin{array}{ll} 150,000 & \text{(sample estimate)} \\ \times 0.02 & \text{(coefficient of variation)} \\ = 3,000 & \text{(standard error of estimate)} \\ \\ 150,000 & \text{(sample estimate)} \\ + \text{ or } - 3,000 & \text{(standard error)} \\ = 147,000\text{—}153,000 & \text{(68 percent confidence interval)} \end{array}$$

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 *Statistics of Income 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 sample design, sample selection, estimation method, and sampling variability for a particular SOI study, may be obtained on request by writing the Director, Statistics of Income Division, at the address given above.

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

In transcribing and tabulating data from tax returns, checks are imposed to improve the quality of the statistics.

SOI Sampling Methodology and Data Limitations

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 indicator. The presence of the indicator means 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. These combinations and deletions are indicated in the tables.

Notes

- [1] See, for example, Hinkins, Susan M., "Matrix Sampling and the Effects of Using Hot Deck Imputation," in *1984 Proceedings of the 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 are published in a series of occasional reports. These reports provide detailed information relating to quality in all phases of SOI processing.

References

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

Statistics of Income—1989, Individual Income Tax Returns (see especially pages 13-16).

Statistics of Income—1988, Corporation Income Tax Returns (see especially pages 7-15).

Statistics of Income—1974-1987, Compendium of Studies of Tax-Exempt Organizations (see information about the samples used at the end of each chapter).

Statistics of Income—1984-1988, 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).

Statistics of Income Bulletin (see each issue).

SOI Projects and Contacts

General Statistical Information: (202) 874-0410 Fax: (202) 874-0922

Project	Primary Analysts	Frequency and Program Content
Americans Living Abroad: 1991 Program	Melissa Redmiles	This periodic study is conducted every 4 years (every 5 years, after 1991). It covers foreign income and taxes paid, and foreign tax credit shown on individual income tax returns. Data are by size of adjusted gross income (AGI) and country.
Corporation Foreign Tax Credit: 1990 Program 1991 Program	Maggie Lewis Kimberly Veletto	This annual study provides data on foreign income and taxes paid and foreign tax credit reported on corporation income tax returns. Data are classified by industry (all years) and country (even numbered years).
Corporation Income Tax Returns: 1990 Program 1991 Program 1992 Program	Constance Carney Patrice Treubert Allison Clark Janice Washington Jonathan Shook	Basic SOI program data are produced annually and cover complete income statement, balance sheet, tax and tax credits, and details from supporting schedules. Data are classified chiefly by industry group or asset size. (For the 1992 program, S Corporations are a separate study.)
Environmental Excise Taxes (Superfund) Study: 1990 Program 1991 Program	Susan Mahler	The Superfund Amendments and Reauthorization Act of 1986 (SARA) replaced the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), authorizing the collection of environmental taxes, a type of excise tax. This study, published annually, is the only source of data that provides detailed tabulations by type of chemical. Beginning with 1990, this program will also include data on ozone depleting chemicals.
Estate Collation	Barry Johnson	This periodic study links estate tax return data for decedents and beneficiaries. Income information for beneficiaries is available both for years preceding and following the decedent's death. Information on gift tax returns is available for the last 2 years of the decedent's life. The most recent study is based on decedents who died in 1982. The next study will be for decedents who died in 1989.
Estate Tax Returns: 1989-1991 Program	Barry Johnson Marvin Schwartz Janet McCubbin	This annual study includes information on gross estate and its composition, deductions and tax; and information on the age, sex and marital status of the decedents. Basic estate tax return data by year in which returns are filed are produced every year. Other statistics are available on a year-of-death basis (approximately every 3 years).
Exempt Organizations Business Income Tax Returns: 1989 Program 1990 Program	Sara Boroshok Peggy Riley	This annual study includes tabulations of "unrelated business" income and deductions for organizations classified as tax-exempt under the Internal Revenue Code. The data file will also be linked with the Forms 990 and 990-P data files of the tax-exempt organizations and private foundations.
Foreign Corporations: 1990 Program	Bill States	This periodic study, planned for every 2 years, provides data on activities of foreign corporations that are controlled by U.S. corporations. Data are classified by industry and country.

SOI Projects and Contacts

General Statistical Information: (202) 874-0410 Fax: (202) 874-0922

Project	Primary Analysts	Frequency and Program Content
Foreign Controlled Corporations: 1989 Program	John Latzy	This annual study includes data on transactions between U.S. corporations and their foreign owners. Data are classified by country and industry.
Foreign Recipients of U.S. Income: 1990 Program	Randy Miller	This annual study provides data by country on income paid to nonresident aliens and the amount of tax withheld for the U.S. Government.
Foreign Sales Corporations (FSC): 1991 Program	John Bradford	These corporations replaced the Domestic International Sales Corporation, or DISC, as of January 1, 1985. Balance sheet, income statement and export-related data are tabulated annually through 1987, and then on a 4-year cycle.
Foreign Trusts: 1990 Program	Christine Ferguson	This periodic study, conducted every 4 years, provides data on foreign trusts that have U. S. persons as grantors, transferors or beneficiaries. Data include country where trust was created, value of transfers to the trusts and the year the trust was created.
Individual Income Tax Return Public Use File	Mario Fernandez	Microdata magnetic tape files, produced annually, contain detailed information obtained from the individual SOI program, with identifiable taxpayer information omitted to make the file available for public dissemination, on a reimbursable basis. (In addition to microdata files, specific tabulations from them are produced, also on a reimbursable basis.)
Individual Income Tax Returns: 1989 Program 1990 Program	Michael Strudler Marty Shiley	Basic SOI program data are produced annually and cover income, deductions, tax and credits reported on individual income tax returns and associated schedules, chiefly by size of adjusted gross income.
Interest-Charge Domestic International Sales Corporations (IC-DISC): 1991 Program	Kimberly Veletto	These corporations replaced the Domestic International Sales Corporation, or DISC, as of January 1, 1985. Balance sheet, income statement, and export-related data are tabulated annually through 1987, and then on a 4-year cycle.
Intergenerational Wealth	Martha Eller Barry Johnson Marvin Schwartz Janet McCubbin	This on-going study involves estate returns filed since the inception of the estate tax (1916), and focuses on changes in the concentration of wealth and the intergenerational transfer of wealth, as well as the history of the estate tax system. The asset composition, available demographic information, and an analysis of beneficiaries of estates will be emphasized.
International Boycott Participation: 1990 Program 1991 Program	Melissa Redmiles	This study, planned for every 4 years, provides data on business operations of U. S. persons in boycotting countries, as well as the requests and agreements to participate in, or cooperate with, international boycotts not sanctioned by the U.S. Government.
Migration Flow and County Income Data	Sandy Byberg	Migration flow data (based on changes in individual income tax return addresses) and county or State income data are available annually on a reimbursable basis.

SOI Projects and Contacts

General Statistical Information: (202) 874-0410 Fax: (202) 874-0922

Project	Primary Analysts	Frequency and Program Content
Nonprofit Charitable and Other Organizations: 1988 Program 1989 Program	Cecelia Hilgert Paul Arnsberger	This annual study includes balance sheet and income statement data for organizations classified as tax-exempt under subsections 501(c)(3)-(9) of the Internal Revenue Code. The 1989 study will include data from the new Form 990-EZ. A compendium of previously published SOI articles on tax-exempt organizations was published in July 1991.
Nonresident Alien Estates: 1990 Program	Christine Ferguson	This periodic study, planned for every 4 years, provides data on estates of nonresident aliens who had more than \$60,000 of assets in the United States. The estates are subject to U.S. estate taxation on U.S. property.
Occupation Studies	Bobby Clark Dodie Riley	This periodic study, based on availability of outside funding, is designed to classify individual income tax returns by occupation and to develop a dictionary of occupation titles that can be used to enhance the economic data of many other individual income tax return studies.
Partnership Returns of Income: 1991 Program 1992 Program	Tim Wheeler	Basic SOI program data, produced annually, cover income statement, balance sheet, and details from supporting schedules. Data are classified chiefly by industry group.
Partnership Withholding Study: 1990 Program	Kimberly Veletto	This annual study includes data on U.S. partnership payments to foreign partners. Data are classified by country and recipient type.
Personal Wealth Study: 1986 Program 1989 Program	Marvin Schwartz Barry Johnson	This periodic study provides data estimates of personal wealth of top wealth-holders that are generated from estate tax return data using the "estate multiplier" technique, in conjunction with both filing-year and year-of-death estate data bases. The most recent data (1986) are based on returns filed from 1986 to 1988. The next study will be 1989 data based on returns filed in 1989, 1990, and 1991.
Private Foundations: 1988 Program 1989 Program	Alicia Meckstroth Peggy Riley	This annual study includes balance sheets and income statements. The 1989 study will include data on non-exempt charitable trusts.
S Corporations: 1992 Program	Amy Gill	Annual study data are collected for the income statement, balance sheet and from supporting schedules. Data are classified by industry group or by asset size.
Sales of Capital Assets: 1985 Program 1985-90 Panel Study	Stephanie Alvord Janette Wilson	This periodic study provides detailed data on the sales of capital assets reported on Schedule D of the individual income tax return, sales of residences and personal or depreciable business property. A panel study provides the same data on capital asset transactions for a subsample of the returns in the Sales of Capital Assets basic study, over a period of years.

SOI Projects and Contacts

General Statistical Information: (202) 874-0410 Fax: (202) 874-0922

Project	Primary Analysts	Frequency and Program Content
Sales of U.S. Real Property Interests by Foreign Persons: 1991 Program	John Latzy	This annual study will provide data on transfers of U.S. real property interests, real property interests, when these interests are acquired from foreign persons. Data include the amount realized on transfers, U.S. tax withheld and the country of foreign persons.
Sole Proprietorships: 1989 Program 1990 Program 1991 Program	Michael Strudler Craig Ammon	Basic SOI program data, produced annually, cover the business receipts, deductions, and net income reported on Schedule C (for nonfarm proprietors), by industry group. Similar data from Schedule F (for farmers) are available on an occasional basis.
State Data: 1985 Program 1988 Program	Mario Fernandez	Special tabulations of selected individual income, deduction and tax data by State are produced on a reimbursable basis. (The data file for 1988 is now available.)
Statistical Subscription Services: Corporation Source Book	Sandy Byberg	Annual data by more detailed industry groups than are used for the regular corporation statistics are produced by asset size.
Tax-exempt Bond Issues: 1988 Program	Marvin Schwartz	This annual study provides information on private activity and governmental bond issues by type of property financed, size of face amount and State.
Taxpayer Usage Study: 1991 Program	Laura Prizzi Jeff Curry	Basic SOI program data, produced annually, provide weekly frequencies of specific line entries made by taxpayers, the use of various return schedules and associated forms, and general characteristics of the individual taxpayer population for returns received during the primary filing season (January through April).
U.S. Possessions Corporations: 1989 Program	John Bradford	This periodic study, planned for every 4 years, provides data on income statement, balance sheet, tax, and "possessions tax credit" data for "qualifying" U. S. possessions corporations. (Most of these corporations are located in Puerto Rico.)

Publications & Tapes

Statistical Information Services: (202) 874-0410 or FAX (202) 874-0922

The following *Statistics of Income* reports and tapes can be purchased from the Statistics of Income Division (unless otherwise indicated). Prepayment is required, with checks made payable to the IRS Accounting Section. For copies from the Statistics of Income Division, write:

Director, Statistics of Income Division (R:S)
Internal Revenue Service
P.O. Box 2608
Washington, DC 20013-2608.

Business Source Books

Corporation Source Book, 1989

Publication 1053 – Price \$175.00

This 481-page document presents detailed income statement, balance sheet, tax and selected items, by major and minor industries and size of total assets. The report, which underlies the *Statistics of Income—Corporation Income Tax Returns* publication, is part of an annual series and can be purchased for \$175 (issues prior to 1982 are for sale at \$150 per year). A magnetic tape containing the tabular statistics for 1989 can be purchased for \$1,500.

Partnership Source Book, 1957-1983

Publication 1289 – Price \$30.00

This 291-page document shows key partnership data, for 1957 through 1983, by major and minor industries. It includes a historical definition of terms section and a summary of legislative changes affecting the comparability of partnership data during that period. Tables show:

- number of partnerships;
- number of partners;
- business receipts;
- depreciation;
- taxes paid deductions;
- interest paid deductions;
- payroll deductions;
- payments to partners; and
- net income less deficit.

A magnetic tape containing the tabular statistics for partnerships can be purchased for \$300 from the National Technical Information Service, U.S. Department of Commerce, Springfield, VA 22161. More recent partnership data are published annually in the *SOI Bulletin*.

Sole Proprietorship Source Book, 1957-1984

Publication 1323 – Price \$95.00

This *Source Book* is a companion to that for partnerships, described above. It is a 251-page document showing key proprietorship data for 1957 through 1984; data for farm proprietorships are excluded after 1981. Each page presents statistics for a particular industry. Tables show:

- number of businesses;
- business receipts;
- depreciation;
- taxes paid deductions;
- interest paid deductions;
- payroll deductions; and
- net income less deficit.

A magnetic tape containing the tabular statistics can be purchased for \$245. As with partnerships, more recent (nonfarm) sole proprietorship data are published annually in the *SOI Bulletin*.

Compendiums

Studies of Tax-Exempt Organizations, 1974-1987

Publication 1416 – Price \$26.00

This publication presents 22 articles from *Statistics of Income* studies on tax-exempt organizations. The articles emphasize important issues within the nonprofit sector, and also include several other articles previously unpublished in the *SOI Bulletin*, as well as papers published in proceedings of the American Statistical Association and the Independent Sector Research Forum. Topics featured are:

- nonprofit charitable organizations (primarily charitable, educational and health organizations);
- private foundations and charitable trusts; and
- unrelated business income of exempt organizations.

Studies of International Income and Taxes, 1984-1988

Publication 1267 – Price \$26.00

This report presents information from 13 *Statistics of Income* studies in the international area (many of them previously published in the *SOI Bulletin*), including:

- foreign activity of U.S. corporations;
- activity of foreign corporations in the United States;
- foreign controlled U. S. corporations;

Publications & Tapes

- statistics related to individuals, trusts and estates; and
- data presented by geographical area or industrial activity, as well as other classifiers.

Reimbursable Services

(Prices are dependent on the request.)

Public Use Magnetic Tape Microdata Files

Included are individual income tax returns for 1978-1989. (Individual income tax returns for 1966-1977 are available from the Center for Electronic Records (NNX) of the National Archives and Records Administration, Washington, DC 20408.) Files containing more limited data for each State are also available for 1985. All of these files have been edited to protect the confidentiality of individual taxpayers. Files for private foundations for 1982-1983 and 1985-1988 and nonprofit charitable organizations for 1982-1983 and 1985-1988 are also available from the Statistics of Income Division. The individual, private foundation and charitable organization files are the only microdata files that can be released to the public.

Migration Data

Compilations are available showing migration patterns, from where to where, by State and county, based on year-to-year changes in the tax return address. Data are also available for selected time periods (according to the years in which returns were filed) between 1978 and 1990 and include counts of the number of individual income tax returns and personal exemptions. In addition, county income totals are available for Income Years 1982 and 1984 through 1989.

Other Unpublished Tabulations

Unpublished tabulations are also available, including detailed tables underlying those published in the *SOI Bulletin*. Special tabulations may also be produced, depending on the availability of SOI computer programming resources.

Other Publications

The following *Statistics of Income* publications are available from the Superintendent of Documents, U.S. Government Printing Office. For copies, please use the order form following this section or write:

Superintendent of Documents
P.O. Box 371954
Pittsburgh, PA 15250-7954

Statistics of Income (SOI) Bulletin

Quarterly, Publication 1136, Stock No. 748-005-00000-5
Subscription price, \$23.00; Single copy price, \$6.50

Provides the earliest published financial statistics from individual and corporation income tax returns. The *Bulletin* also includes annual data on nonfarm sole proprietorships and on partnerships, as well as from periodic or special studies of particular interest to tax analysts and administrators and to economists. Historical tables include data from SOI, as well as on tax collections and refunds by type of tax.

Statistics of Income - 1988, Corporation Income Tax Returns

Publication 16, Stock No. 048-004-02308-3
Price \$11.00

This report presents more comprehensive and complete data on corporation income tax returns with accounting periods ended July 1988 through June 1989, than those published earlier in the *SOI Bulletin*.

Presents information on:

- receipts;
- deductions;
- net income;
- taxable income;
- income tax;
- tax credits;
- assets; and
- liabilities.

Data are classified by:

- industry;
- accounting period;
- size of total assets; and
- size of business receipts.

Publications & Tapes

Statistics of Income – 1989, Individual Income Tax Returns

Publication 1304, Stock No. 048-004-02315-6

Price \$8.50

This report presents more comprehensive and complete data on individual income tax returns for 1989 than those published earlier in the *SOI Bulletin*.

Presents information on:	Data are presented by:
■ Sources of income;	■ size of adjusted gross income; and
■ Exemptions;	■ marital status.
■ Itemized deductions;	
■ Tax computations;	

Note: If you determine from the Government Printing Office that any of the Statistics of Income publications listed above are out-of-print, please telephone the Statistical Information Services office, on (202) 874-0410, for assistance.

Census Catalog and Guide: 1992

Helps you select from all the products

Every Census Bureau product issued mid-1988—1991:

Reports *Maps*
Microfiche *Floppy disks*
Computer tapes *Online access*
CD-ROM

Key statistical publications from other Federal agencies

Features facts about each product

Topics Dates
 Areas Prices

Makes finding the right product easy

Extensive overview chapter
 Title index
 Detailed subject index
 Guides to each statistical subject

Identifies sources of assistance

1,700 data center organizations
 200 Census Bureau specialists
 1,500 depository libraries
 Other Federal statistical agencies
 5 other directory lists



Contents

1990 Census Products
General and Reference
Agriculture
Business
Construction and Housing
Foreign Trade
Geography
Governments International
Manufacturing and Mineral Industries
Population
Transportation
Sources of Assistance

*6326 Superintendent of Documents Publication Order Form

Yes, please send me: _____ copies of Census Catalog and Guide: 1992 at \$17, S/N 003-024-08560-7.

Charge your order. It's easy!  
 To fax your orders 202-512-2250

The total cost of my order is \$ _____. International customers please add 25%. Prices include regular domestic postage and handling and are good through 3/93. After this date, please call Order and Information Desk at 202-783-3238 to verify prices.

_____ (Company or personal name) (Please type or print)
 _____ (Additional address/attention line)
 _____ (Street address)
 _____ (City, State, ZIP Code)
 _____ ()
 _____ (Daytime phone including area code)

Please Choose Method of Payment:

Check payable to the Superintendent of Documents
 GPO Deposit Account _____ - _____
 VISA or MasterCard Account

 _____ (Credit card expiration date)

Thank you for your order!

_____ (Authorizing Signature) 8/92

May we make your name/address available to other mailers? YES NO

Mail To: New Orders, Superintendent of Documents
 P.O. Box 371954, Pittsburgh, PA 15250-7954

Index

Previously Published Articles and Data Releases

PREVIOUSLY-PUBLISHED BULLETIN ARTICLES

(by issue, volume and number)

Corporations income tax returns: (See also, Foreign income and taxes)

1987, Fall 1990 (10-2)
1988, Fall 1991 (11-2)

U.S. Possessions Corporation returns: 1987, Summer 1991 (11-1)

Foreign corporations with U.S.
operations (see also, Foreign
corporate investment in the U.S.):
1987, Winter 1990-91(10-3)
1988, Spring 1992 (11-4)

Estate tax returns:

1916-45, basic data, Spring 1990
(9-4)
1986-88, Spring 1990 (9-4)

Nonresident alien estates:
1986, Spring 1992 (11-4)

Excise taxes:

Environmental:
1988, Fall 1990 (10-2)
1989, Winter 1991-92 (11-3)

Exempt organizations:

Nonprofit charitable organizations:
1986-87, Fall 1991 (11-2)
1988, Summer 1992 (12-1)

Other than private foundations:
1975-1978, Fall 1981 (1-2)
1988, Summer (12-1)

Private foundations:

1986, Spring 1991 (10-4)
1988, Winter 1991-92 (11-3)

Foreign income and taxes:

Controlled Foreign Corporations:
1984, Spring 1990 (9-4)
1986, Summer 1991 (11-1)

Corporation foreign tax credit:
1988, Summer 1992 (12-1)

Domestic corporations controlled by
foreign persons (see also, Foreign
corporate investment and activities in
the U.S.):

1988, Fall 1991 (11-2)

Foreign corporate investment and activity in the U.S.:

1983, Summer 1987 (7-1)
1984-1985, Spring 1989 (8-4)

Foreign Corporations with U.S. operations:

1988, Spring 1992 (11-4)

Foreign trusts:

1986, Spring 1988 (7-4)

Individual foreign income and taxes:

1987, Winter 1991-92 (11-3)

Foreign recipients of U.S. income:

1988, Winter 1989-91 (10-3)
1989, Spring 1992 (11-4)

Individual income tax returns:

(See also, Foreign income and taxes)

Historical summary of income and
taxes (see also, SOI statistical
services):

1913-1982, Winter 1983-84 (3-3)

Individual income tax shares and average tax rates:

1916-1950, Winter 1988-89 (8-3)
1951-1986, Spring 1989 (8-4)

Marginal and average tax rates:

1986, Spring 1989 (8-4)
1987, Summer 1991 (11-1)

Partnership returns:

Balance sheets by industry:
1988, Summer 1990 (10-1)
1989, Fall 1991 (11-2)

Income statements by industry:

1989, Fall 1991 (11-2)
1990, Summer 1992 (12-1)

Partnerships and passive losses:

1981-1987, Winter 1989-90 (9-3)

Partnership, Partners, and Tax Shelters after Tax Reform:

1987-1989, Summer 1992 (12-1)

Personal wealth:

1982 revised, Spring 1988 (7-4)
1986, Spring 1990 (9-4)

Private activity tax-exempt bonds:

1985, Spring 1987 (6-4)
1986, Summer 1988 (8-1)

Projections of returns to be filed: 1992-1999, Winter 1991-92 (11-3)

SOI statistical services:

1985-86, Spring 1986 (5-4)

Studies of international income and taxes:

Fall 1986 (6-2)

Domestic special studies:

Fall 1987 (7-2)

SOI: 75 years of service:

Winter 1987-88 (7-3)

75th anniversary:

1913-1988, Fall 1988 (8-2)

Studies of individual income tax returns:

Winter 1987-88 (7-3)

Studies of business income tax returns:

1985, Spring 1988 (7-4)

Sole proprietorship returns:

Income statements by industry:
1988, Summer 1990 (10-1)
1989, Summer 1991 (11-1)

PREVIOUSLY-PUBLISHED DATA RELEASES

(by issue, volume and number)

**Foreign Sales Corporations and
Interest-Charge Domestic Inter-
national Sales Corporations:**
1987, Spring 1992 (11-4)

Tax-exempt organization business income and tax:

1987, Winter 1991-92 (11-3)

Estate tax returns:

1989-90, Winter 1991-92 (11-3)

Transactions Between Foreign Controlled Corporations and Related Foreign Persons:

1988, Summer 1992 (12-1)



Department of the Treasury
Internal Revenue Service
Publication 1136 (Rev. 11-92)

Catalog Number 46996F