SOI BULLETIN

WINTER 1995-1996

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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 CP:R:S, Internal Revenue Service, P.O. Box 2608, Washington, D.C. 20013-2608.

Beth Kilss, Tom Petska, and Robert Wilson of the Statistics of Income Division are the editors of the *Bulletin*. Wendy Alvey, Clementine Brittain, Bettye Jamerson, Ruth Schwartz, and Lisa Smith made major contributions in the production of this 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.

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This Issue at a Glance

Environmental Excise Taxes, Focusing on Ozone-Depleting Chemicals, 1993

By Sara P. Boroshok

Environmental excise taxes were reported by about 2,500 businesses for Calendar Year 1993, and amounted to $1.7 billion (after credits and refunds), including $0.76 billion with respect to taxes on ozone-depleting chemicals (ODC's), data for which are presented here for the first time. In comparison, environmental excise tax liability for 1992, exclusive of taxes on ODC's, was $1.09 billion (after credits and refunds). For 1993, 48 percent of the tax reported was credited to the Hazardous Substance Trust Fund (Superfund); ozone-depleting chemical taxes generated another 44 percent, while the remaining 8 percent was associated with the Oil Spill Liability Trust Fund. Almost two-thirds of all environmental excise tax filers (over 1,600 businesses) reported tax on ozone-depleting chemicals. Twenty companies accounted for nearly two-thirds of the total environmental excise tax for 1993.

Corporate Business Activity Before and After the Tax Reform Act of 1986

By Patrick J. Wilkie, James C. Young, and Sarah E. Nutter

The Tax Reform Act of 1986 (TRA 86) sought to create a more neutral tax system that lessened the impact of the Federal income tax on business decisions by broadening the tax base and lowering tax rates. However, after TRA 86, investors in S-corporations earned higher after-tax returns than investors in taxable corporations, all other things being equal. These higher returns undoubtedly led to the large increases in the number of non-corporate businesses that occurred after passage of TRA 86. The data show a dramatic decline in the number and profitability of smaller taxable corporations which mirror the increase in the number and profitability of S-corporations after TRA 86. In addition, these smaller corporations that did not convert to S-corporation status reduced the amount of their income that was subject to the corporate level tax by paying out various types of potentially deductible dividends. Finally, the data show that these corporations increased the amount of loans received from their shareholders, which is also consistent with the notion that such corporations increased the level of their deductible distributions or potentially deductible dividends.

High-Income Tax Returns for 1992

The Tax Reform Act of 1976 called for the annual publication of data on individual income tax returns reporting income of $200,000 or more, including the number that show no income tax liability and the various tax provisions that make these returns nontaxable. Two income concepts are used to classify tax returns as high-income: the statutory concept of "adjusted gross income," or AGI, and a somewhat broader concept, "expanded income." For 1992, there were 954,747 individual income tax returns reporting AGI of $200,000 or more (0.840 percent of all returns), and 989,522 income tax returns (0.871 percent) with expanded income of $200,000 or more. Under both concepts, the number of high-income returns rose since 1977 at a rate higher than that for the total number of returns. Due to a combination of factors, about 0.095 percent of those whose AGI placed them in the high-income category for 1992, reported no "U.S. income tax liability" and 0.086 percent had no "worldwide income tax liability." However, compared to the same figures for 1991, the number of high-AGI returns with no U.S. income tax liability, as well as those without any worldwide tax liability, both declined by 27 percent. Reasons for this are provided based on information reported on the tax returns; however, all data are from returns selected before Internal Revenue Service audit examination.

Projections of Returns to be Filed in Calendar Years 1996-2002

By Philip Cormany

For Calendar Year 1996, it is estimated that the total number of tax returns filed with the Internal Revenue Service will reach 209.8 million. With an estimated annual growth rate of 1.4 percent, 228.0 million returns are expected by 2002. "TeleFile" (a technology which gives certain taxpayers who file Form 1040EZ the option to file their returns using a touch-tone telephone) is projected to reach 2.5 million returns in CY 1996, up 267 percent from the 0.7 million TeleFile returns received in CY 1995. For CY 1996, the individual income tax return, Form 1040 series, is projected to reach 118.7 million, up from the estimated 116.8 million filed in 1995. This article presents projections for returns of individuals, corporations, partnerships, estate and gift taxes, and employment and excise taxes.

Controlled Foreign Corporations, 1992

Data Release

Corporate Foreign Tax Credit, 1992: An Industry and Geographic Focus

Data Release

Private Foundations and Charitable Trusts, 1992

Data Release

Some Observations and Insights

SOI Gets a New Look

Last year at this time we officially welcomed **Daniel F. Skelly** as the seventh Director of SOI. Now, we are pleased to announce that SOI has undergone a structural reorganization. The new arrangement -- consisting of a four-Branch alignment and a Coordination Staff -- should provide greater efficiency and flexibility in our efforts to serve your needs.

The change, actually, is not very dramatic and should not result in added difficulty in reaching SOI staff whom you deal with on a regular basis. For the most part, phone numbers and addresses will remain the same. Each Branch has received its own fax machine, however, in order to improve service, so check the box below for the new fax numbers.

Under our new reorganization, the Division consists of three subject-matter Branches -- Individual Statistics, headed by **David Paris**, Corporation Statistics, headed by **Karen Cys**, and Special Studies and Publications, headed by **Tom Petska**; and a Statistical Computing Branch, headed by **Mike Leszcz**. **Ron Hamilton** is Chief of the Coordination Staff and oversees two support teams -- Service-wide Coordination and Quality Coordination.

Each Branch is further subdivided into four Sections. The Individual and Corporation Branches each have Sections for Operations, Research, Returns Analysis, and Special Projects. The main change here is the new Corporation Research Section, which will focus on corporate panel issues. The Special Studies and Publications Branch combines the Operations, Returns Analysis, and Special Projects Sections of the former Foreign Statistics Branch with the Publications Team -- which is responsible for the Statistical Information Services Office and the publication of the ***SOI Bulletin***. The new Statistical Computing Branch draws together the statistical and technical support in the Division, with Sections for Distributed Processing, Mathematical Statistics, Statistical Support, and Technical Support.

It is our hope that this re-alignment will lead to smoother operations and more timely service to our customers.

1992 Corporation Report Available

After a printing delay caused by budgetary constraints, SOI is pleased to announce the release of ***Statistics of Income -- 1992, Corporation Income Tax Returns***. Publication 16 is an annual report, which provides aggregate corporate statistics on the following:

- receipts
- deductions
- net income
- taxable income
- tax credits
- income tax
- assets, and
- liabilities.

These items are formatted in tables and categorized by industry, size of total assets, size of business receipts, size of income tax after credits, by accounting period ended, and by other selected variables. The data are based on a stratified random sample of approximately 81,000 unaudited returns in the Forms 1120 series, selected from nearly 4 million active corporate returns filed for the 1992 Income Year -- defined to include accounting periods which ended between July 1992 and June 1993. They provide unique information on corporation income and taxes for economic research and analysis.

Summary data for 1992 corporation returns appeared in the Summer 1995 ***Bulletin***. The complement to this volume -- ***Source Book of Statistics of Income -- 1992, Corpora-***

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Director	Dan Skelly	(202) 874-0700	(202) 874-0983
Chief, Coordination	Ron Hamilton	(202) 874-0264	(202) 874-0983
Chief, Statistical Computing	Mike Leszcz	(202) 874-0266	(202) 874-0922
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Statistical Information Services		(202) 874-0410	(202) 874-0964
SOI Electronic Bulletin Board		(202) 874-9574	

tion Income Tax Returns -- was released last summer. It contains the most detailed information available, by major and minor industry by size of total assets, for balance sheet, income statement, tax and selected other items. (See the Fall 1995 ***Bulletin*** for a brief description.)

The 301-page report is available for sale ($20) through the Government Printing Office -- Publication 16, stock number 048-004-02337-7. If this (or any other) SOI report is out of print, contact SOI's Statistical Information Services Office -- at (202) 874-0410 -- for assistance.

Behind the Scenes

On the Road

SOI staff were recently invited to speak at two different occasions -- the annual meeting of the North Eastern State Tax Officials Association and the annual meetings of the American Economic Association. Both events offered new and different venues for SOI to introduce some of our latest data.

North Eastern State Tax Officials Association. -- John Kozielec, of the Statistical Information Services Office, spoke before 200 tax administrators at their annual conference in Burlington, VT, last October. His presentation focused on migration data based on individual tax returns. Using the North Eastern States as an example, he demonstrated some of the uses of the migration data to track population movement in and out of the region, from State to State, and from county to county.

The migration data are prepared by the Census Bureau for IRS, using limited individual income tax return information, which Census is authorized to receive under the tax code. Census matches the names and addresses on the data file provided to them for two adjacent years and produces information on address change. Using those data and the number of personal exemptions claimed on the tax records (as a proxy to estimate the U.S. population), we are able to produce summary migration flow information for small areas.

The latest migration data available are for Filing Years 1992 and 1993. In addition to movement in and out of each State and each county, the data contain aggregate information on number of individual income tax returns, number of personal exemptions, and -- new this year -- total money income (a Census concept, which is less inclusive than the IRS adjusted gross income concept) and median total money income by county and State.

These data are available for sale in hard copy and on diskette by contacting the Statistical Information Services Office -- call (202) 874-0410 or write:

Statistics of Income CP:R:S:S
Internal Revenue Service
P.O. Box 2608
Washington, DC 20013-2608.

The State-to-State migration data and county income data are also available on the SOI electronic bulletin board or EBB. Most callers can access the EBB by calling (202) 874-9574; for assistance, contact **Jim Willis** at (202) 874-0277.

American Economic Association.-- This January, for the first time, six SOI-related papers were presented at the annual meetings of the American Economic Association in San Francisco, CA. Three of the papers comprised a session on the impact of tax law changes on the organizational structure of businesses:

- Tax Legislation and Business Form Choice: C Corporation Behavior Before and After TRA 86, by **Sarah Nutter** and JimYoung and Patrick Wilkie, of George Mason University;
- S Corporations Elections After TRA86, by **Susan Wittman** and **Amy Gill**; and
- Do Taxes Affect Business Legal Structure? An Analysis of IRS Data, by **Tom Petska**.

Three other papers were presented by current or former SOI employees:

- Tracing Intergenerational Wealth Flows Using Estate Tax Returns, by **Barry Johnson** and Jenny Wahl, of St. Olaf College;
- Analysis of Tax Year 1992 Transactions of Foreign Controlled Corporations, by **Dan Holik**; and
- Effective Tax Rates and Rates of Return, Pre- and Post-Tax Reform, by George Plesko, Northeastern University, and **Allison Clark**, who recently left SOI to join the Montgomery County Department of the Environment.

Both Wahl and Plesko are current members of the SOI Consultants' Panel.

Plans are to publish these papers (or the data from them) either in an upcoming issue of the ***Bulletin*** or in the next report in the IRS methodology reports series ***Statistics of Income: Turning Administrative Systems Into Information Systems,*** which is due to be published in the spring.

Statistical Collaboration Project

In an exciting new effort to bridge the gap between the applied work of government and industry statisticians and the more theoretical work of academics, the National Science Foundation recently awarded a grant to increase collaboration between statisticians in universities and their counterparts in business and government. The goal is to find better ways to prepare statistics students to work in the "real world." SOI is pleased to report that our own **Mary Batcher** -- Chief of the Statistical Support Team -- has been selected to participate in this project.

Batcher attended a three-day workshop at California Polytechnic State University in San Luis Obispo last July. There, she was paired with an academic partner -- Dennis Lin, from the Management Science and Statistics Departments at Pennsylvania State University -- with whom she will work over the next year on an analysis and presentation of a case study using real data from SOI. The case study will be presented at the 1996 Joint Statistical Meetings in Chicago next August and will eventually be published for use in teaching undergraduate statistics. In the meantime, the "partners" will visit each other's sites and speak to the staff or students about the kinds of work that they do. So far, the visits have proven very successful!

Recent Retirements

At year end, SOI bid farewell to two long-time employees -- **Bob Wilson** and **Bill Lefbom**. We wish them both much health and happiness in their "retirement." Robert A. Wilson leaves IRS after more than 40 years of government service -- 38 of them in SOI! During that time, the Division moved to at least five different sites and Bob served under four different Directors. Most recently his role has been Technical Advisor to the Director, where he functioned as the heart and soul behind the ***Bulletin*** and as "spiritual" leader of the Statistical Information Services team. His institutional knowledge, developed over the years through his involvement in many of SOI's key programs -- especially corporations, individuals, and personal wealth -- will be impossible to replace. Furthermore, Bob was the in-house expert on tax law changes and their impact on SOI data and the ultimate editorial authority. (Bob's exploits with his "red pen" were legendary.) Hopefully, we will be able to continue the tradition of excellence that Bob established during his long tenure here in SOI. Luckily, he has agreed to help us through the transition by continuing to assist us on a part-time contractual basis. We look forward to working with him in that capacity in the year ahead!

William Lefbom also leaves SOI after a long and successful career with IRS. Bill began his career as a Revenue Officer in Detroit, and worked his way up through the ranks of the Service. Twenty years ago, he joined the Research Division in Washington, DC, where he began to do the kind of work he would continue once he came to SOI. Bill joined SOI in 1991, as manager of the Compliance Research Team, which worked on the Taxpayer Usage Study and looked at statistical trends in the data to develop profiles of noncompliance. His broad institutional knowledge also led to many interactions with other areas of the IRS, as well as other Federal and State government agencies, foreign countries, private organizations, and the academic community. An extremely able leader and intuitive researcher, Bill's expertise -- and colorful anecdotes -- will surely be missed. Bill also intends to do consulting part-time in the near future. We wish him many more years of success in those endeavors!

Your Call

Each year we seem to report that demands for tax and income data are growing. This year is no exception! With Congress still debating new algorithms for allocation of health, welfare, and education funds and Presidential candidates proposing alternative tax rate structures, the Statistical Information Services (SIS) Office has had their hands full!

The volume of requests for information has risen from 9,380 during 1994 to 10,031 inquiries in 1995, a 6.9 percent increase. Luckily for the SIS staff, 56 percent of those requests have been handled electronically -- through the electronic bulletin board (EBB). Still, that leaves 4,396 telephone and written requests for data that we have received during the 12-month period ending December 31, 1995.

What kinds of questions do we receive and how are they answered? Well, as the chart below indicates, just over half of those inquiries involve individual income tax returns, 18 percent deal with business data from the Corporation Statistics Branch, and 5 percent concern data from the Foreign Statistics area. Of course, many requests

also ask for information from more than one program, involve data from other sources, or relate to other types of publications or services offered. Questions about the availability of SOI data, other statistical services, or release dates for new publications can usually be handled directly by the SIS staff. When necessary, inquiries concerning technical details about a project are referred to a subject matter specialist in one of the SOI program areas. The most recent list of these specialists, along with a description of their projects, appears in the back of each issue of the ***SOI Bulletin*** in the **Projects and Contacts** list. In addition, our staff advises or directs customers to other Government statistical offices in those instances where IRS does not have the data being sought.

Clearly, however, the SIS staff would not be able to handle the heavy workload without the help of the IRS SOI electronic bulletin board. The EBB has been up and running for three years, now, and has been widely successful. We have fielded calls from such places as Japan, South Korea, Russia, China, South Africa, and a half dozen European countries. We have also had calls from many well-known newspapers, magazines, State and Federal legislators, major corporations, universities, and even IRS District Offices. Our users have downloaded almost 10,000 files and called over 13,000 times.

SOI is now working to open up a Homepage on the World Wide Web. We will keep you informed of that and let you know how to find us in cyberspace, as soon as that becomes a reality. In the meantime, keep those calls coming to the EBB -- most callers using analog telephone lines can reach us by calling (202) 874-9574. The EBB is also accessible through FedWorld, IRS-IS BBS, and IRS Forms BBS. For assistance, contact the SOI systems operator, **Jim Willis** at (202) 874-0277.

Upcoming Features

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

- Individual Income Tax Returns, 1994 Preliminary Data;
- S Corporations, 1993;
- Do Taxes Affect Business Legal Structure?; and
- Taxes and Organizational Choice: An Analysis of Trends in the Post-Reform Period

Future "data releases" include:

- Foreign Recipients of U.S. Income, 1993.

Environmental Excise Taxes, Focusing on Ozone-Depleting Chemicals, 1993

by Sara P. Boroshok

Environmental excise taxes are imposed on petroleum and certain chemicals that threaten the environment (Chapter 38 of the Internal Revenue Code of 1986). Most of the revenues collected are dedicated to help fund efforts to prevent leakages and spills or to neutralize, through clean-up, the risks posed by hazardous waste sites. Businesses that are responsible for a contaminated site are held duly responsible for clean-up. However, in the event they are unable to cover the costs, funds are allocated from environmental excise tax revenues.

For Calendar Year 1993, about 2,500 businesses filed over 5,300 quarterly Forms 6627, *Environmental Taxes*, with the Internal Revenue Service, reporting a total tax liability of $1.72 billion (after credits and refunds), including $0.76 billion with respect to taxes on ozone-depleting chemicals (ODC's), reported here for the first time [1]. Environmental excise tax liability for 1992, exclusive of taxes on ODC's, was $1.09 billion (after credits and refunds) [2,3]. Almost two-thirds of all environmental excise tax filers (over 1,600 businesses) reported tax on ozone-depleting chemicals (Figure A).

Transfer of Funds

Most environmental excise taxes, initially deposited into the U.S. Treasury General Fund, are subsequently transferred to one of two Federal trust funds (Figure B) [4]. Petroleum taxes are transferred to both the Hazardous Substance Superfund (Superfund) and to the Oil Spill Liability Trust Fund. Amounts collected from the manufacturers, producers or importers of 42 different chemicals and from importers of certain chemical substances are also transferred to the Superfund. In general, the trust funds provide direct financing for administrative and operational costs of specific Federal programs, e.g., for hazardous site clean-up, funded by the Superfund; or for oil spill clean-up, funded by the Oil Spill Liability Trust Fund. Unlike the aforementioned tax revenues, ODC tax receipts are not devoted to a specific Federal trust fund. Instead, they remain in the U.S. Treasury General Fund and are available, along with other sources of revenue, to support Federal spending.

Environmental Excise Taxation

For 1993, total environmental excise taxes, of $1.7 billion (before credits and refunds), consisted mostly of ozone-depleting chemical taxes (43.8 percent) and petroleum taxes (38.9 percent) (Figure C). About 56 percent were assigned to trust funds (48.4 percent to the Superfund and 7.7 percent to the Oil Spill Liability Trust Fund) and another 43.8 percent, associated with ozone-depleting chemicals, remained in the General Fund (Figure D).

Previous *Statistics of Income Bulletin* articles on environmental excise taxes focused only on Superfund and Oil Spill Liability Trust Fund taxes, which finance, in large part, the U.S. Environmental Protection Agency's (EPA) clean-up directives. They did not include the relatively new ozone-depleting chemical taxes, which are included here for the first time, for 1993 [5]. Consequently, this article only briefly covers Superfund and Oil Spill Liability Trust Fund taxes, and, instead, concentrates on reported ODC tax liabilities.

The Background section of this article presents legislative histories of categories of environmental excise taxes and trust funds (Superfund and the Oil Spill Liability Trust Fund), along with detailed explanations of all three types of ODC taxes. Empirical data follows in the Taxes Reported for 1993 section, with emphasis on ODC tax revenues.

Background

Superfund

In order to cleanup hazardous waste sites, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) imposed an excise tax on current owners and operators of such sites, owners and operators at the time of a chemical or substance release, and generators and transporters of hazardous substances. CERCLA also established the aforementioned Hazardous Substance Superfund, administered by the EPA in cooperation with State Governments. The Superfund was to be used for locating, investigating, and cleaning-up hazardous waste sites throughout the United States in situations where either (1) no financially viable responsible party could be identified, or (2) it was necessary to expedite site clean-ups (where costs could ultimately be recovered from identifiable responsible parties).

The rates for chemicals taxed for the Superfund were based, proportionately, on the concentration of contaminating chemicals present at hazardous waste sites, with higher rates assigned to those chemicals with the highest concentration levels.

Almost from the beginning, Superfund's resources have proven insufficient to meet the growing needs of hazardous waste site clean-ups, prompting Congress to revise CERCLA's original provisions through a series of amendments and extensions. CERCLA was replaced by

Sara P. Boroshok is an economist in the Special Studies and Publications Branch. This article was prepared under the direction of Michael Alexander, Chief, Special Projects Section.

Figure A

Environmental Excise Taxes, Before and After Credits and Refunds, 1992 and 1993

[Money amounts are in thousands of dollars]

Type of substance	1993 Number of filers [1]	1993 Tax before credits and refunds	1993 Number of returns claiming credits and refunds	1993 Credits and refunds [2]	1993 Tax after credits and refunds
	(1)	(2)	(3)	(4)	(5)
Total	**2,539**	**1,730,336**	**77**	**8,833**	**1,721,503**
Total other than ozone-depleting chemicals	**N/A**	**971,686**	**N/A**	**7,297**	**964,389**
Petroleum	326	672,763	n.a.	67	672,696
Chemical	452	285,524	33	2,734	282,790
Petrochemicals	n.a.	n.a.	n.a.	n.a.	233,102
Inorganic chemicals	n.a.	n.a.	n.a.	n.a.	49,688
Imported chemical substances	107	13,399	29	4,496	8,903
Total ozone-depleting chemicals	**1,605**	**758,649**	**15**	**1,536**	**757,113**
Ozone-depleting chemicals (sold or used)	197	629,712	**	489	629,223
Imported products containing or manufactured using ozone-depleting chemicals	533	81,159	10	1,040	80,119
Floor stocks of ozone-depleting chemicals	1,032	47,778	**	7	47,771

Type of substance	1992 Number of filers [1,3]	1992 Tax before credits and refunds	1992 Number of returns claiming credits and refunds	1992 Credits and refunds [2]	1992 Tax after credits and refunds
	(1)	(2)	(3)	(4)	(5)
Total	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Total other than ozone-depleting chemicals	**764**	**1,122,550**	**n.a.**	**33,116**	**1,089,434**
Petroleum	517	832,311	n.a.	n.a.	n.a.
Chemical	449	278,233	n.a.	n.a.	n.a.
Petrochemicals	n.a.	225,861	n.a.	n.a.	n.a.
Inorganic chemicals	n.a.	52,373	n.a.	n.a.	n.a.
Imported chemical substances	102	12,019	n.a.	n.a.	n.a.
Total ozone-depleting chemicals	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**580,200[4]**

** Not shown to avoid disclosure of information about specific businesses. However, the data are included in the appropriate totals.
N/A - Not applicable.
n.a. Not available.
[1] Number of filers does not add to totals because some businesses report tax on more than one substance.
[2] Credits and refunds may be understated because of different taxpayer reporting methods (see text).
[3] Number of filers is understated for 1992, because it does not account for those taxpayers who reported ozone-depleting chemical taxes.
[4] Internal Revenue Report of Excise Taxes, Summary of Quarters ended March 1992 through December 1992.
NOTE: Detail may not add to totals because of rounding.

the Superfund Amendments and Reauthorization Act of 1986 (SARA), which re-established the Superfund, effective January 1, 1987, through December 31, 1991. In addition, SARA imposed new taxes on certain imported chemical substances and an environmental income tax of 0.12 percent on corporations whose "modified alternative minimum taxable income" exceeded $2 million [6]. Concomitant with these changes, a new ceiling on Superfund revenue was set at $6.7 billion, an increase of $5.3 billion over CERCLA's original Superfund cap of $1.4 billion.

Then, in order to meet actual and projected obligations, the Superfund and its supporting taxes were again extended, by another 4 years, through December 31, 1995, by the Revenue Reconciliation Act of 1990. This Act again raised the ceiling on Superfund tax collections, from $6.7 billion to $12.0 billion.

Oil Spill Liability Trust Fund

A $.05 per barrel tax is imposed on both domestically produced and imported crude oil and on imported petroleum products. The Oil Spill Liability Trust Fund, into

Figure B

Transfer of Environmental Excise Tax Revenues

which these taxes are transferred, allocates money for the prevention and clean-up of oil spills (whenever a responsible party is unable to pay for the cost of containment and clean-up), as well as to compensate injured parties for damages caused by these spills. The Trust Fund, administered by the U.S. Coast Guard, was originally established by the Omnibus Budget Reconciliation Act of 1989, and later amended by the Oil Pollution Act of 1990.

This Fund also provides money for research into, and development of, oil spill clean-up technologies. Starting with 1990, annual appropriations from the Fund, ranging from $25 million to $30 million, have been distributed to: (1) the U.S. Coast Guard, for its operating expenses in connection with oil spill clean-up efforts; (2) the National Response System, a network of individuals and teams from local, State, and Federal agencies, which (until 1993) shared the expertise and resources to assure that oil spill control and clean-up activities were timely an efficient, and that threats to human health and the environment were minimized; and (3) research and development programs.

There was a one-year suspension of this tax from July 1, 1993, to June 30, 1994, because the unobligated balance in the Fund exceeded the statutory limit of $1 billion. The tax expired effective January 1, 1995.

Environmental Excise Taxes, Focusing on Ozone-Depleting Chemicals, 1993

Figure C

Sources of Environmental Excise Taxes (Before Credits and Refunds), 1992 and 1993

(Money amounts are in millions of dollars)

[1] Internal Revenue Report of Excise Taxes, Summary for Quarters ended March 1992 through December 1992.
NOTES: In general, Figure C presents tax amounts before credits and refunds for comparability of data for 1992 and 1993. However, Ozone-depleting chemicals, total[1] (1992) represents tax after credits and refunds. (See Date Sources and Limitations section of this article.) All other figures (except Figure D) present tax amounts after credits and refunds. Detail may not add to totals because of rounding.

Figure D

Environmental Excise Taxes (Before Credits and Refunds), by Federal Fund, 1992 and 1993

(Money amounts are in millions of dollars)

[1] Internal Revenue Report of Excise Taxes, Summary for Quarters ended March 1992 through December 1992.
NOTES: In general, Figure D presents tax amounts before credits and refunds for comparability of data for 1992 and 1993. However, Ozone-depleting chemicals, total - General Fund[1] (1992) represents tax after credits and refunds. (See Data Sources and Limitations section of this article.) All other figures (except Figure C) present tax amounts after credits and refunds. Detail may not add to totals because of rounding.

Protecting the Ozone Layer

Because there was, and continues to be, strong evidence indicating that certain emissions of chlorofluorocarbons (CFC's), halons, and certain other chemicals deplete the ozone layer, international treaties were entered into by the United States in order to phase-out these harmful substances. The Montreal Protocol on Substances that Deplete the Ozone Layer, signed on September 16, 1987, established a timetable for reducing production of specific ODC's, worldwide. As a signatory to the agreement, the United States adheres to the Protocol through Title VI of the Clean Air Act of 1990, which authorizes EPA to monitor levels of ODC's produced, imported, or exported through quarterly reporting requirements.

The Montreal Protocol, renegotiated on June 29, 1990, in London, England, and on November 25, 1992, in Copenhagen, Denmark, specified separate classes of "controlled substances" which deplete the ozone layer and which are subject to the agreements. Figure E shows the most common "Class I" substances, as initially covered by the Protocol, with their primary uses, while Figure F presents a complete list of ODC's specified under the Protocol and its Amendments and summarizes their tax treatment as incorporated into U.S. law, initially through the Revenue Reconciliation Act of 1990 [7]. "Class I" substances, regulated under both the Montreal Protocol and the Clean Air Act of 1990, have phase-out schedules before the year 2000, while "Class II" substances, regulated under both the 1992 Copenhagen Amendment to the Protocol and the Clean Air Act of 1990, are to be phased-out after 2000.

Figure E

Selected Ozone-Depleting Chemicals (ODC's) and Primary Uses [1]

Ozone-depleting chemical	Primary uses
Class I, Groups I & II substances[2]:	
CFC-11	Blowing agent for closed-cell plastic insulating foams; refrigerant for low-pressure industrial air conditioners or chillers.
CFC-12	Auto air conditioning; industrial chiller, packaging or cushioning foam blowing agent; refrigerant in home appliances (refrigerators and freezers); medical aerosol for asthma patients; medical sterilant.
CFC-113	Cleaning solvent, usually electronic circuit boards; medical applications, include cleaning pacemakers and other implants to reduce body tissue rejection.
CFC-114	Refrigerant for industry (large chillers and air conditioners) or military (submarines and surface ships).
CFC-115	Seldom used alone; when combined with HCFC-22, becomes a refrigerant blend for low-temperature refrigeration typically found in supermarket frozen food cases.
Halon-1211	Streaming agent used mostly in hand-held or portable fire extinguishers.
Halon-1301	Highly reliable flooding agent, used primarily to extinguish fire in military vehicles, aircraft, and offshore drilling platforms.
Halon-2402	Streaming agent with no significant commercial use in the United States because of unfavorable toxicology properties. However, it is used in military installations in the former Soviet Union.
Carbon tetrachloride	Feedstock for making CFC-11 and CFC-12 (known as a human carcinogen); applications in the United States are minimal; used significantly in former Eastern Bloc countries as a grain fumigant and fire-fighting agent; limited solvent applications.
Methyl chloroform	Vapor degreasing and cold cleaning of fabricated metal parts; solvent in adhesive and aerosols, (coatings and inks); dry cleaning leather and suede garments; all-purpose solvent; powerful cleansing properties, low flammability, and low relative toxicity.

[1] Reprinted with permission from Air Pollution Control, pp. 100:608. Copyright 1993 by The Bureau of National Affairs, Inc. (800-372-1033).

[2] Class I, Groups I and II substances are to be phased-out by the year 2000.

NOTE: Abbreviations are as follows: CFC - Chlorofluorocarbon, HFC - Hydrofluorocarbon and HCFC - Hydrochlorofluorocarbon.

Environmental Excise Taxes, Focusing on Ozone-Depleting Chemicals, 1993

Figure F

Ozone-Depleting Chemicals, Chemical Nomenclature, Ozone-Depletion Factor, and Tax Rates

Ozone-depleting chemical	Chemical nomenclature	Base tax rate (dollars per pound)		Ozone-depletion factor	1993 Tax rate (dollars per pound) [1]	
		1992	1993		ODC's, other than floor stocks	Floor stocks
	(1)	(2)	(3)	(4)	(5)	(6)
CLASS I						
Group I						
CFC-11	trichlorofluoromethane; freon 11, R-11	1.67	3.35	1.00	3.35	1.68
CFC-12	dichlorodifluoromethane; freon 12, R-12 (CFC-12 is also a component of R-500)	1.67	3.35	1.00	3.35	1.68
CFC-113	trichlorotrifluoroethane; 1,1,2 trichloro-1,2,2 trifluoroethane, freon 113, freon TF, freon PCA, genetron 113	1.336	3.35	0.80	2.68	1.344
CFC-114	1,2-dichloro-1,1,2,2-tetrafluorothane, R-114, freon 114	1.67	3.35	1.00	3.35	1.68
CFC-115	chloropentafluoroethane, R-115 (CFC-115 is also a component of R-502)	1.002	3.35	0.60	2.01	1.008
ODC used in rigid foam insulation	N/A	N/A	N/A	N/A	N/A	0.2499
ODC used to sterilize medical instruments	N/A	N/A	N/A	N/A	N/A	1.6700
ODC used as propellant in metered-dose inhaler	N/A	N/A	N/A	N/A	N/A	1.6700
Group II						
Halon-1211	bromochlorodifluoromethane	0.2505	3.35	3.00	0.2502	--
Halon-1301	bromotrifluoromethane	0.2505	3.35	10.00	0.2512	--
Halon-2402	dibromotetrafluoroethane	0.2505	3.35	6.00	0.2492	--
Group III						
CFC-13	chlorotrifluoroethane, R-13 (CFC-13 is also a component of R-503); CF3C1	1.37	3.35	1.00	3.35	1.98
CFC-111	pentachlorofluoroethane; C2FC15	1.37	3.35	1.00	3.35	1.98
CFC-112	tetrachlorodifluoroethane; C2F2C14	1.37	3.35	1.00	3.35	1.98
CFC-211	heptachlorofluoropropane; C3FC17	1.37	3.35	1.00	3.35	1.98
CFC-212	hexachlorodifluoropropane; C3F2C16	1.37	3.35	1.00	3.35	1.98
CFC-213	pentachlorotrifluoropropane; C3F3C15	1.37	3.35	1.00	3.35	1.98
CFC-214	tetrachlorotetrafluoropropane; C3F4C14	1.37	3.35	1.00	3.35	1.98
CFC-215	trichloropentafluoropropane; C3F5C13	1.37	3.35	1.00	3.35	1.98
CFC-216	dichlorohexafluoropropane; C3F6C12	1.37	3.35	1.00	3.35	1.98
CFC-217	chloroheptafluoropropane; C3F7C1	1.37	3.35	1.00	3.35	1.98
Group IV						
Carbon tetrachloride	tetrachloromethane	1.37	3.35	1.10	3.6850	2.178
Group V						
Methyl chloroform	1,1,1-trichloroethane, TCA	1.37	3.35	0.10	0.2111	0.0741

Figure F

Ozone-Depleting Chemicals, Chemical Nomenclature, Ozone-Depletion Factor, and Tax Rates–Continued

Ozone-depleting chemical	Chemical nomenclature	Base tax rate (dollars per pound)		Ozone-depletion factor	1993 Tax rate (dollars per pound) [1]	
		1992	1993		ODC's, other than floor stocks	Floor stocks
	(1)	(2)	(3)	(4)	(5)	(6)
CLASS II						
HCFC-21	dichlorofluoromethane	N/A	N/A	N/A	N/A	N/A
HCFC-22	chlorodifluoromethane	N/A	N/A	0.05	N/A	N/A
HCFC-31	chlorofluoromethane	N/A	N/A	N/A	N/A	N/A
HCFC-121	C2HFCl4	N/A	N/A	N/A	N/A	N/A
HCFC-122	C2HF2Cl3	N/A	N/A	N/A	N/A	N/A
HCFC-123	C2HF3Cl2	N/A	N/A	0.02	N/A	N/A
HCFC-124	C2HF4Cl	N/A	N/A	0.02	N/A	N/A
HCFC-131	C2H2FCl3	N/A	N/A	N/A	N/A	N/A
HCFC-132b	C2H2F2Cl2	N/A	N/A	N/A	N/A	N/A
HCFC-133a	C2H2F2Cl	N/A	N/A	N/A	N/A	N/A
HCFC-141b	C2H3FCl2	N/A	N/A	0.12	N/A	N/A
HCFC-142b	C2H3F2Cl	N/A	N/A	0.06	N/A	N/A
HCFC-221	C3HFCl6	N/A	N/A	N/A	N/A	N/A
HCFC-222	C3HF2Cl5	N/A	N/A	N/A	N/A	N/A
HCFC-223	C3HF3Cl4	N/A	N/A	N/A	N/A	N/A
HCFC-224	C3HF4Cl3	N/A	N/A	N/A	N/A	N/A
HCFC-225ca	C2HF5Cl2	N/A	N/A	N/A	N/A	N/A
HCFC-225cb	C3HF6Cl	N/A	N/A	N/A	N/A	N/A
HCFC-226	C3H2FCl5	N/A	N/A	N/A	N/A	N/A
HCFC-231	C3H2F2Cl5	N/A	N/A	N/A	N/A	N/A
HCFC-232	C3H2F2Cl4	N/A	N/A	N/A	N/A	N/A
HCFC-233	C3H2F2Cl3	N/A	N/A	N/A	N/A	N/A
HCFC-234	C3H2F4Cl2	N/A	N/A	N/A	N/A	N/A
HCFC-235	C3H2F5Cl	N/A	N/A	N/A	N/A	N/A
HCFC-241	C3H3FCl4	N/A	N/A	N/A	N/A	N/A
HCFC-242	C3H3F2Cl3	N/A	N/A	N/A	N/A	N/A
HCFC-243	C3H3F3Cl2	N/A	N/A	N/A	N/A	N/A
HCFC-251	C3H4FCl3	N/A	N/A	N/A	N/A	N/A
HCFC-252	C3H4F2Cl2	N/A	N/A	N/A	N/A	N/A
HCFC-253	C3H4F3Cl	N/A	N/A	N/A	N/A	N/A
HCFC-261	C3H5FCl2	N/A	N/A	N/A	N/A	N/A
HCFC-262	C3H5F2Cl	N/A	N/A	N/A	N/A	N/A
HCFC-271	C3H6FCl	N/A	N/A	N/A	N/A	N/A

N/A - Not applicable.

[1] In general, the ozone-depleting chemical tax rate is figured by multiplying the (annual) base-tax amount by the ozone-depletion factor, except as explained in footnote [9] at the end of the article.

NOTE: CFC represents chlorofluorocarbon(s) while HCFC represents hydrochlorofluorocarbon(s). Only Class I substances are taxable.

In February 1992, President George Bush announced that the United States would unilaterally accelerate the phase-outs set forth in the Montreal Protocol and its Amendments to further encourage the development of substitutes for ODC's, as well as to reduce their production and importation.

In addition to establishing a list of ODC's to be "controlled", these treaties identified an "ozone-depleting potential" (ODP), which is the relative rate at which each chemical depletes the ozone layer. The ODP is equivalent to the "ozone-depletion factor" used in calculating applicable tax rates. A "base tax rate" is multiplied by the "ozone-depletion factor" in specifying tax rates. Liabilities are determined by multiplying these rates by the weight (expressed in pounds) of the ODC (used, sold, or contained in imported products) for most "Class I" substances (Figure F) [8,9]. The determination of tax rates for floor stocks of ODC's is explained in The Floor Stocks Tax section of this article.

Ozone-Depleting Chemical Taxation

There are three separate types of taxes relating to ODC's: (1) taxes on the sale or use of ODC's manufactured in, produced in, or imported into the United States; (2) taxes on any imported product if any ODC was used in its manufacture or production; and (3) taxes on floor stocks (inventories held on January 1 of each year) of taxable ODC's held for sale or use in further manufacturing. These three taxes were initially enacted as part of the Budget Reconciliation Act of 1989 and applied to the CFC's and halons categorized in groups I and II of the Class I chemicals listed in the Protocol, effective January 1, 1990. See Figure F and Appendix. As part of the Budget Reconciliation Act of 1990, these taxes were extended to the ODC's added to the coverage of the Protocol by the London Amendments: the 10 forms of CFC's categorized in Group III of Class I as well as carbon tetrachloride and methyl chloroform that make up groups IV and V, respectively. The 33 forms of hydrochlorofluorocarbons (Class II ODC's) to be phased out after 2000 are not subject to tax.

These ODC-related taxes were designed to complement the regulatory regime used to implement the Protocol. One view of the taxes is that they effectively reduced ODC use beyond the reductions called for by the Protocol by significantly increasing their prices [10]. Another view is that they are in the nature of windfall profit taxes that capture, as public revenues, amounts which would otherwise inure to producers. Since quantities produced were to be drastically reduced by regulation, prices would be expected to rise to clear the markets for ODC's, thus creating windfall profits for producers in the absence of the tax [11].

The Tax on ODC's Sold or Used. The tax rates on ODC's sold or used by their manufacturer, producer, or importer are generally determined each year by a statutory formula that multiplies base tax rates by the ozone-depletion factors identified in the Protocol (Figure F). The initial base tax rate was set at $1.37 per pound for 1990 (or for 1991 with respect to those chemicals added to the list of taxable ODC's by the Omnibus Budget Reconciliation Act of 1990) with increases in the base tax rate scheduled for subsequent years. The base tax rate was increased to $3.35 per pound for 1993, as part of the Comprehensive National Energy Policy Act of 1992, with increases of $1.00 per pound scheduled for the next two years, and of $.45 per pound for each year after 1995 [12]. These increased rates complemented the speed-up in the regulatory phase-out of ODC's announced by President Bush in 1992 [13]. In general, this tax is imposed upon initial use or sale of the ODC. However, an ODC contained in a mixture can be taxed either upon creation of the mixture (its first "use"), or at the seller's option, upon the sale of the mixture.

Some exceptions to this general rule for setting the tax rates were legislated. No tax is imposed on ODC's diverted or recovered in the United States as a part of a recycling process, to avoid taxing the same ODC's over and over again. Use in further manufacturing is not taxed if the ODC is completely consumed in the process, and thus cannot damage the ozone layer. Limited amounts of exports are not subject to tax, in part, to induce non-signatories to the Protocol to join the agreement, by continuing to supply those countries with relatively low-cost ODC's. Otherwise it was thought that such countries might be induced to establish their own ODC-producing capacity [14]. In addition, ODC's sold or used as feedstock were exempt from the ODC tax. Tax rates were phased in for halons, methyl chloroform, and for ODC's used: (1) in the manufacture of rigid foam insulation; and (2) to sterilize medical instruments. ODC's used as propellants in metered-dose inhalers are permanently taxed at a rate of $1.67 per pound [15].

The Tax on Imported Products. The tax on imported products containing or manufactured using ODC's is the most complicated of the ODC-related taxes. It is based on the per unit weight of ODC's contained in the imported product (such as freon in the air conditioning unit of an imported automobile) or used in its production. The "Imported Products Reference Table" indicates weight and type of ODC, based on the "predominant method of production in the United States," for each taxable im-

ported product (Appendix) [16]. Imported taxable products not specifically listed in the IRS table are subject to a 1 percent of value tax, unless the importer can establish a lower rate based on actual ODC use by the foreign supplier.

The taxable event is the use or sale of the imported product by the importer; however, the importer can elect to treat importation as the taxable event [17]. The regulations also permit the importer to elect to have the sale of a finished product treated as the taxable event with respect to imported, taxable component parts [18]. The regulations permit an importer to assert (so long as the importer can "support this determination") that the foreign supplier does not use ODC's, or uses lesser amounts than reflected in the IRS table and, thus, avoid or minimize the tax. Under the regulations, "use" excludes the loss or destruction of imported products containing or manufactured using ODC's, as well as packaging, warehousing, and repair [19].

In addition, a de minimis rule permits a product to be imported tax-free so long as the otherwise applicable tax on the ODC's contained in the product or used in manufacturing the product does not account for more than 0.1 percent of the cost of the product to the importer [20]. By statute, this de minimis rules does not apply, however, to any product with respect to which any ODC (other than the less damaging methyl chloroform) is used for purposes of refrigeration or air conditioning, creating an aerosol or foam, or manufacturing electronic components.

The Floor Stocks Tax. The tax on floor stocks of ozone-depleting chemicals is imposed on those (other than the manufacturer, producer, or importer), who, as of January 1 of a given year, hold inventories of ODC's for either: (1) future sale or (2) use in further manufacture. Floor stocks taxes are typically used when excise taxes are first imposed or when rates are increased. This tax policy prevents tax avoidance through the artificial accumulation of inventories just before the new tax goes into effect.

Inventories held on January 1 are taxed at a rate equal to the difference between the current and previous year rates. For 1993, the base tax rate for floor stocks of most ODC's was $1.68 per pound -- the difference between the 1993 ($3.35) and 1992 ($1.67) base tax rates. (Refer back to Figure F for rates applicable to all ozone-depleting chemicals.)

Each year's floor stocks tax is due on June 30th. In 1993, inventories of less than 400 pounds were exempt from the tax. The floor stocks tax did not apply in 1993 to inventories held for use in the manufacture of rigid foam insulation, medical sterilants or metered-dose inhalers, or to halons, because there was little or no increase in these tax rates between 1992 and 1993 [21].

Taxes Reported for 1993

While there are several different types of environmental excise taxes, all are reported on Form 6627; in practice, many of the taxes are often referred to by their association with either the Superfund or the Oil Spill Liability Trust Fund. Therefore, discussions of environmental excise taxes presented here include references to both the tax and the associated fund. Figure G categorizes aggregate environmental excise taxes by fund. The taxes on ozone-depleting chemicals sold or used, on imported products containing or manufactured using ODC's, and on floor stocks of ODC's are grouped under the U.S. Treasury General Fund. Table 1 presents detailed information on taxes and number of filers by type of tax with respect to each substance.

Superfund Taxes

A petroleum excise tax at $.097 cents per barrel, and the taxes on chemicals (petrochemicals and inorganic chemicals), and imported chemical substances comprise the excise taxes "transferred" to the Superfund [22]. The Superfund petroleum tax is incurred by operators of U.S. refineries which receive crude oil; businesses importing petroleum products for consumption, use, or warehousing; and businesses using or exporting crude oil on which tax has not already been paid. For 1993, petroleum taxes of $538.7 million represented the majority of the total Superfund excise taxes (64 percent).

Inorganic chemical, petrochemical, and imported chemical substance taxes are paid by those manufacturers or importers that sell or use the specified chemicals or substances. Petrochemical taxes, alone, comprised 28 percent ($233.1 million) of the total excise Superfund taxes; inorganic chemical taxes totaled 6 percent ($49.7 million), while imported chemical substances accounted for less than 1 percent ($8.9 million).

Oil Spill Liability Trust Fund Taxes

The oil spill tax on petroleum is imposed on the same businesses liable for the Superfund petroleum tax. The oil spill tax rate is $.05 per barrel. For 1993, Oil Spill Liability Trust Fund taxes totaled $134.0 million, 53 percent less than 1992, reflecting the suspension of this tax from July 1, 1993, to June 30, 1994. Tax revenues were almost equally divided between imports and domestic production.

Ozone-Depleting Chemical Taxes

Total tax reported for all ODC's was $757.1 million for 1993. Figure H presents the total amount of tax for each category of ozone-depleting chemical, highlighting the fact that the highest concentration of tax was associated

Figure G

Environmental Excise Taxes After Credits and Refunds, by Federal (Trust) Fund and Substance, 1993

[Money amounts are in thousands of dollars]

Fund and substance	Total tax after credits and refunds	Percentage of-- Fund	Percentage of-- Total environmental excise tax
	(1)	(2)	(3)
Total	**1,721,503**	**N/A**	**100**
Superfund			
Total	**830,375**	**100**	**48**
Petroleum, total	**538,682**	**64**	**31**
Domestic	264,560	32	15
Imported	274,122	33	16
Chemicals, total	**282,790**	**34**	**16**
Petrochemicals	233,102	28	14
Inorganic	49,688	6	3
Imported chemical substances	**8,903**	**1**	**1**
Oil Spill Liability Trust Fund			
Petroleum, total	**134,014**	**100**	**8**
Domestic	66,249	49	4
Imported	67,765	51	4
General Fund			
Ozone-Depleting Chemicals (ODC's), total	**757,113**	**100**	**44**
Ozone-depleting chemicals (sold or used)	629,223	83	37
Imported products containing or manufactured using ozone-depleting chemicals	80,119	11	5
Floor stocks of ozone-depleting chemicals	47,771	6	3

N/A - Not applicable.

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

with a single chemical, CFC-12 (dichlorodifluoromethane), which accounted for almost two thirds ($493.4 million) of the total tax reported for all ODC's exchanged or held in inventories. Ozone-depleting chemical taxes apply to 20 different substances.

Tax on Ozone-Depleting Chemicals Sold or Used in Production

Of the total tax on ODC's ($757.1 million), the majority (83 percent) of the revenues were generated by the sale or use of ODC's, almost 75 percent of which was associated with the production or use of CFC-12.

CFC-12 is used primarily for auto air conditioners, although it has other applications (e.g., as an industrial chiller; as a packaging or cushioning foam-blowing agent; and as a refrigerant in home appliances, such as refrigerators and freezers). This chemical also has a limited use as a medical aerosol for asthma patients and as a carrier of ethylene oxide, used to sterilize medical equipment [23].

Tax on Imported Products Containing or Manufactured Using Ozone-Depleting Chemicals

Of the total tax on ODC's ($757.1 million), only 11 percent of the revenues ($80.1 million) were generated through taxes on the importation of products. Almost 50 percent ($39.5 million) of the tax on imported products containing or manufactured using ozone-depleting chemicals was attributed to electronic goods manufactured using CFC-113 (trichlorotrifluoromethane).

CFC-113 is a solvent used primarily to clean electronic equipment. Products which use CFC-113 in their manufacturing process include: typewriters, calculators, microwave ovens, and computers (along with all associated components, i.e., keyboards, displays, printers, and storage units, as well as disk drives). Virtually all electronic goods appear on the "Imported Products Reference Table" because ODC's have commonly been used as cleaning agents in their manufacture.

Tax on Floor Stocks of Ozone-Depleting Chemicals

Total tax on floor stocks of ODC's for 1993 was $47.8 million. Nearly three-fourths ($33.7 million) of this tax was associated with CFC-12, a refrigerant (discussed above), with another $5.7 million (12 percent) of the total tax attributed to CFC-11 (trichlorofluoromethane). CFC-11 is used as a blowing agent for closed-cell plastic insulating foams. Its secondary use is as a refrigerant for low-pressure industrial air conditioners or chillers.

Figure H

Taxes on Ozone-Depleting Chemicals (ODC's), by Category, 1993
[Money amounts are in millions of dollars]

[1] CFCs are grouped together, based on tax rate, rather than by type of substance, for imported products containing ODC's only.
[2] In this figure, 'Other' includes: (1) Halon-1211; (2) Halon-1301; (3) Halon-2402; (4) CFC-13; (5) CFC-111; and (6) CFC-112, as well as unidentified substances.

Refrigerants CFC-11 and CFC-12 represented 82 percent of the reported floor stocks tax, while ODC's that are related to electrical products (non-refrigerants) represented only 9 percent of the total tax on floor stocks of ODC's for 1993.

Top Filers

For 1993, the 20 companies reporting the largest amounts of environmental excise tax were responsible for $1.0 billion in tax (after credits and refunds), or 61 percent of the total. These companies reported 81 percent of total ozone-depleting chemical taxes ($514.1 million) and 46 percent of total (Superfund and Oil Spill Liability Trust Fund, combined) petroleum taxes ($311.9 million), the two largest categories of environmental excise taxes. The top five companies, alone, reported $593.0 million, over one-third of the total environmental excise tax.

Credits and Refunds

Under a variety of circumstances, taxpayers may be eligible for credits or refunds with respect to environmental excise taxes previously paid, or against current liability. A business could claim a credit on either its quarterly Form 720, *Federal Excise Taxes* (Schedule C), or on its attached Form 6627, *Environmental Taxes*. Refunds could be claimed on Form 843, *Claim for Refund* [24]. In general, taxpayers usually claim credits to offset their current tax liability [25].

For all chemicals (inorganic, petrochemical, imported, and ODC's), when one (taxable) chemical is used to produce another (taxable) chemical, credits or refunds are allowed to prevent double taxation, but are limited to the tax that the newly-produced chemical would have generated (if the source and "new" chemical are taxed at different rates). Furthermore, if environmental excise taxes

were paid in a previous quarter on a qualifying substance, and the terms of any of the following exceptions are met, then a credit or refund is allowed (without interest) [16].

Petroleum

Credits are allowed against (1) petroleum taxes for taxes previously paid on crude oil removed from a pipeline and subsequently returned to the same pipeline; (2) Oil Spill Liability Trust Fund taxes for amounts previously paid to the Deepwater Port Liability Trust Fund and to the Offshore Oil Pollution Compensation Fund prior to 1987; and (3) Oil Spill Liability Trust Fund taxes for amounts previously paid into the Trans-Alaska Pipeline Fund when balances from that fund were "transferred" to the Oil Spill Liability Trust Fund.

Chemicals

There is no environmental excise tax liability imposed on chemicals used in the following capacity: (1) nitric acid, sulfuric acid, ammonia, or methane used to produce ammonia sold or used as a fertilizer; (2) sulfuric acid produced solely as a by-product of, and on the same site as, air pollution control equipment; (3) any otherwise taxable chemical derived from coal; (4) acetylene, benzene, butylene, butadiene, ethylene, naphthalene, propylene, toluene, and xylene used, sold for use, or for resale for ultimate use, as any motor fuel, diesel fuel, aviation fuel or jet fuel, or in the manufacture or production of such a fuel; (5) barium sulfide, cupric sulfate, cupric oxide, cuprous oxide, lead oxide, zinc chloride, zinc sulfate, and any mixture or solution containing these chemicals because of their transitory presence during any process of smelting, refining, or other-wise extracting any substance not subject to the tax; (6) chromium, cobalt, or nickel diverted or recovered in the United States from any solid waste as part of a recycling process; (7) taxable chemicals sold for export or sold for resale to a second purchaser for export; (8) inventory exchanges of taxable chemicals, provided that certain registration requirements are met; and (9) any organic taxable chemical while the chemical is part of an intermediate hydrocarbon stream containing one or more organic taxable chemical(s), provided certain registration requirements are met.

For *Imported Chemicals*, credits are allowed for cases (1) and (4) above. In addition, any taxable chemical (substance) that was exported qualifies for an environmental excise tax credit.

ODC's

If a previously taxed ODC is consumed entirely when used to manufacture or produce another chemical, a credit or refund may be claimed by the producer of the new chemical. Also, if an ODC is produced domestically, and subsequently exported, a credit may be allowed.

Total credits for 1993 were $8.8 million, over half of which (52 percent) was claimed primarily with respect to exports of substances on the list of imported chemical substances. Another 31 percent was attributed to chemical (non-ODC) taxes. Realizing credits, total environmental excise tax liability for 1993 was reduced by less than 1 percent, from $1.73 billion to $1.72 billion.

Summary

Environmental excise tax liabilities of $1.7 billion (after credits and refunds) were reported by 2,539 businesses for the Calendar Year 1993. Forty-eight percent of the tax was reported as Superfund tax ($830.4 million), made up of petroleum taxes ($538.7 million), chemical taxes ($282.8 million), and imported chemical substances taxes ($8.9 million). Ozone-depleting chemical (ODC) taxes generated another 44 percent ($757.1 million), while the remaining 8 percent ($134.0 million) was associated with the Oil Spill Liability Trust Fund. For 1993, twenty companies accounted for nearly two-thirds of the total environmental excise tax, including ODC taxes.

Data Sources and Limitations

The *Quarterly Federal Excise Tax Return*, Form 720, is the form on which environmental excise taxes are reported. Form 6627, *Environmental Taxes*, is the supporting schedule to Form 720 on which taxes on petroleum and chemicals are computed. The entire population of unaudited Form 6627 returns are the source of data used for these statistics. When pertinent data were available during statistical processing, on either Form 720 or Form 843, *Claim for Refund*, these data were also included in the statistics. However, not all Forms 720 and Forms 843 are represented in these statistics. As a result, credits amd refunds presented in this article may be understated.

Excise tax returns are generally due to be filed with the Internal Revenue Service within one month after the end of the quarter for which the business is liable for the tax. Data in this article reflect information reported on returns filed for the four quarters ending March 31, 1993, through December 31, 1993.

Since the data were compiled from the entire population of Forms 6627, the statistics presented are not subject to sampling error, but they may be subject to nonsampling error. For example, even though efforts were made to secure all returns, because of time and resource constraints, if the actual quarterly return for a business was unavailable for statistical processing, then information

from prior quarterly returns for that same business was used as the basis for estimating 1993 quarterly data. Data for quarterly returns of five companies were estimated for 1993 using this method.

Another type of nonsampling error is taxpayer error. Every effort was made to correct such errors during statistical processing. For example, if a taxpayer reported tax on an ozone-depleting chemical for 1993, but based the tax on a 1992 tax rate, the tax was corrected to reflect the true liability. Most corrections were made to returns reporting one or more of the three ODC taxes, although the largest dollar corrections to tax were to the tax on chemicals. These corrections amounted to $23.3 million (89 percent), but affected only 64 returns. On the other hand, corrections to the tax on imported products containing ODC's affected 391 returns, about one-sixth of all returns filed, but, in comparison, these corrections totaled only $1.9 million.

The Internal Revenue Service also releases quarterly environmental excise tax statistics in a separate report (*Internal Revenue Report of Excise Taxes*) [5]. Data for that report are taken from the Form 720, rather than the attached Form 6627, and show tax liabilities after credits and refunds, for returns as recorded in the Internal Revenue Service Business Master File (BMF) as part of routine processing for tax administration. The data, however, are not classified by type of chemical, and, as explained below, are not directly comparable to the data presented in this article. Notwithstanding these limitations, this report was used as the source of data for 1992 on ozone-depleting chemical taxes, inasmuch as Statistics of Income data on this tax were not compiled before Tax Year 1993.

The aforementioned report represents tax amounts reported on Form 720 returns processed *in* a given quarter, regardless of when the tax liability was incurred. Conversely, for this article, taxes for a given quarter represent the amount reported on Form 6627 *for* the quarter in which the tax liability was incurred, regardless of when the return was processed. Tax amounts presented in this paper also include liabilities reported on returns filed after the original due date because of routine filing extensions and for other reasons.

Notes and References

[1] The number of filers (2,539) represents distinct organizations that filed Form 6627 to report tax liabilities incurred during one or more quarters of 1993 and therefore differs from the total number of quarterly returns filed for the year (5,305 returns). Although some businesses file Form 6627 for all four quarters, many filed only for the second quarter, reporting the floor stocks tax on ozone-depleting chemicals held as inventories. Other businesses may not have had environmental excise tax liabilities for all four quarters of the year.

[2] For Calendar Year 1993, the statistics focus on the tax *after* credits and refunds. Previous articles emphasized the tax *before* credits and refunds. This shift in emphasis is the result of systemic changes to statistical procedures affecting the capture of tax data and the reports produced from the statistical database. For comparison, Figures C and D of this article present comparable data "before credits and refunds" for 1992 and 1993 [25].

For 1990 through 1992, total environmental excise taxes (*before credits and refunds)* hovered around $1.12 billion, while *credits and refunds* reduced the tax liability to approximately $1.08 billion for each of the 3 years. (See the Credits and Refunds section of this article for more detail.)

[3] There have been annual Statistics of Income studies on environmental excise taxes starting with Tax Year 1981, except for 1986. The 1993 study is the first year for which ozone-depleting chemical taxes have been compiled. For the most recent prior years, see Mahler, Susan J., "Environmental Excise Taxes, 1988," *Statistics of Income Bulletin,* Fall 1990, Volume 10, Number 2; "Environmental Excise Taxes, 1989," *Statistics of Income Bulletin*, Winter 1991-1992, Volume 11, Number 3;"Environmental Excise Taxes, 1990," *Statistics of Income Bulletin*, Winter 1992-1993, Volume 12, Number 3; and Boroshok, Sara P., "Environmental Excise Taxes, 1991," *Statistics of Income Bulletin,* Summer 1993, Volume 13, Number 1; and "Environmental Excise Taxes, 1992," *Statistics of Income Bulletin,* Winter 1994-1995, Volume 14, Number 3. For a discussion of Federal excise taxes generally, see Davie, Bruce F., "Excise Taxes, Fiscal Year 1992," *Statistics of Income Bulletin,* Fall 1993, Volume 13, Number 2.

[4] In addition to the Hazardous Substance Superfund and the Oil Spill Liability Trust Fund, the other Federal (excise tax) trust funds are: Airport and Airway Trust Fund (AATF); Aquatic Resources Trust Fund (ARTF); Black Lung Disability Trust Fund (BLDTF); Harbor Maintenance Trust Fund (HMTF); Highway Trust Fund (HTF); Inland Waterways Trust

Fund (IWTF); Leaking Underground Storage Tank Trust Fund (LUST); National Recreational Trails Trust Fund (NRTTF); and Vaccine Injury Compensation Trust Fund (VICTF). Credits can be claimed against obsolete trust funds: (1) Deepwater Port Liability Trust Fund; (2) Offshore Oil Pollution Compensation Fund; and the (3) Trans-Alaska Pipeline Fund.

[5] U.S. Department of the Treasury, Internal Revenue Service, *Internal Revenue Report of Excise Taxes*, issued quarterly, includes total ozone-depleting taxes, from the inception of the tax (1990).

[6] For tax years beginning after December 31, 1986, and before January 1, 1996, in addition to the environmental excise taxes, corporations were also liable for an environmental income tax equal to 0.12 percent of the amount in excess of $2 million of "modified alternative minimum taxable income" for the year. Members of a controlled group of corporations were entitled to one $2 million exemption. This tax, which is deposited in the Superfund, is reported on a corporate income tax return in the Form 1120 series, and is not included in these statistics. The corporate environmental income tax averaged approximately $0.5 billion for each year between 1990 and1993 (see "Selected Historical and Other Data," Table 13, *Statistics of Income Bulletin,* Winter 1995 - 1996, Volume 15, Number 3).

[7] The Montreal Protocol on Substances that Deplete the Ozone Layer was an extension of the agreements by the original parties to the Vienna Convention for the Protection of the Ozone Layer, 1985. Sponsored by the United Nations Environmental Program, the Protocol, obligated under the Convention to protect human health and the environment against adverse effects resulting from human activities which modify the ozone layer, recognized that emissions of certain substances, worldwide, could significantly deplete and otherwise modify the ozone layer. The ultimate objective of parties to the Protocol was to eliminate emissions of substances that deplete the ozone layer. The treaty established consumption levels of substances to be "controlled," with 1986 consumption levels serving as a benchmark.

The specifics of the Montreal Protocol, and the Clean Air Act of 1990 established reduced production and consumption levels of CFC's and halons annually, with their phase-out, called for under the Protocol, by January 1, 2000. In 1993, this phase-out was accelerated by the U.S. Environmental Protection Agency to January 1, 1996.

In 1990, the London Amendment to the Montreal Protocol increased the number of controlled substances from 8 to 20. In addition, it accelerated the timetable to curb CFC production and consumption with total phase-out of CFC's and halons required by the year 2000. A freeze was placed on the production and consumption of halons at 1986 levels. For 5 years, beginning with 1996, the sale, use, or manufacture of halons was to be further reduced to 50 percent of the 1986 levels, with a total phase-out by the year 2000. For carbon tetrachloride, the timetable was identical to that of halons, except that reductions to 15 percent, rather than 50 percent, were set after the fifth year.

The 1992 Copenhagen Amendment to the Montreal Protocol added "Class II" ODC's, i.e., hydrochlorfluorocarbons, to the phase-out list and further accelerated the overall phase-out timetable. "Class I" halons were to be phased-out by the end of 1994, followed by CFC's by the end of 1995. Carbon tetrachloride production and consumption was to be reduced to 85 percent by 1995, with complete phase-out by January 1, 1996.

[8] In determining tax liability on imported products containing or manufactured using ozone-depleting chemicals, the weight of the product can be calculated in two different ways. The *exact method* allows the importer to determine the weight of each ODC used as a material in the manufacture of the product. Appropriate records must support this determination. With the *table method*, the importer must employ the "Imported Products Reference Table" (Appendix) to determine ODC weight.

[9] For 1993, there were four exceptions to the general rule that the ODC tax rate is figured by multiplying the annual "base tax rate" by the "ozone-depletion factor". As amended by Public Law 102-486, these include the ODC tax on: (1) halon-1211, (2) halon-1301, (3) halon-2402, taxed at 2.49 percent, 0.75 percent, and 1.24 percent, respectively, of the "base tax rate" multiplied by the "ozone-depletion factor". In addition, methyl chloroform is taxed at 63.02 percent of the "base tax rate" multiplied by the "ozone-depletion factor".

[10] See Thomas A. Barthold, "Issues in the Design of Environmental Excise Taxes," *Journal of Economic Perspectives,* Vol. 8, No. 1, Winter 1994, pp. 133-151.

[11] See Peter R. Merrill and Ada S. Rousso, "Environmental Taxation," *Proceedings of the Eighty-Third Annual Conference* - 1990, National Tax Association -- Tax Institute of America, pp. 191-198.

[12] See Barthold, op. cit.

[13] Comprehensive National Energy Policy Act of 1992, 102D Congress, 2d Session, House of Representatives, p. 45.

[14] Barthold, pp. 141-142.

[15] For 1993, the following reduced tax rates were assigned: (1) halon-1211, $.2502; (2) halon-1301, $.2512; (3) halon-2402, $.2492; (4) methyl-chloroform, $.2111; and (5) ODC's used in rigid foam insulation, $.2499. ODC's used as medical sterilants and propellants for metered-dose inhalers were both assigned the reduced tax rate of $1.67 per pound.

[16] See Internal Revenue Service regulations, section 52.4682-3(f)(6).

[17] See Internal Revenue Service regulations, section 52.4682-3(c)(2). This election would be advantageous to the importer with a large inventory of imported taxable products on the initial effective date of the tax, because sale or use of imported products after the effective date would otherwise have been taxable. If the importer opts for this election, it applies to all products brought into the United States by the importer after the effective date of the election. The election may not be revoked without the consent of the Internal Revenue Service.

[18] See Internal Revenue Service regulations, section 52.4682-3(c)(3).

[19] See Internal Revenue Service regulations, section 52.4681-1(c)(7)(ii).

[20] The de minimis amount of tax is calculated using an artificial tax rate of $1.00 per pound of ODC contained in or used in the manufacture of the product. By comparison, the 1993 tax rate for the most common ODC's was $3.35 per pound.

[21] See Bruce F. Davie, "Border Adjustments for Environmental Excise Taxes: The U.S. Experience," a paper prepared for the Allied Social Science Associations, January 8, 1995, Washington, D.C., for an analysis of the practical aspects of taxes on imported chemical substances and imported products containing or manufactured using ozone-depleting chemicals.

[22] Chemical taxes devoted to the Superfund include taxes on 42 chemicals: 11 petrochemicals and 31 inorganic chemicals. The Internal Revenue Service provides reports to the U.S. Environmental Protection Agency (EPA) on Superfund tax information, and classifies chemical amounts into these two categories, for EPA's use.

[23] Reprinted with permission from Air Pollution Control, Bureau of National Affairs, Inc., 1993, pp. 100:609-610.

[24] Credits presented here reflect credits claimed by Form 6627 filers. When pertinent data were available during statistical processing on either: Form 720, *Quarterly Federal Excise Tax Return;* or Form 843, *Claim for Refund*, these data were also included. However, not all Forms 720 and Forms 843 are represented in these statistics.

[25] The line item for reporting credits on Form 720 reads "Adjustments and Claims," and has been referred to in this article as "Credits and Refunds" whereas in previous articles it was referred to as "Adjustments and Credits."

Appendix

Imported Products Reference Table (Both Taxable and Non-taxable), Including: Mixtures Containing Ozone-Depleting Chemicals, and Imported Products Used for Refrigeration and Electronics, by Imported Product [1]

Product names	Harmonized tariff schedule heading [2]	Ozone-depleting chemical(s)	ODC weight (pounds per product)
	(1)	(2)	(3)
Part I - Products that are mixtures containing ODC's [3]			
Anti-static sprays	N/A	CFC11, CFC12, CFC113	N/A
Automotive products: (carburetor cleaner, 'Stop leak' and oil charge)	N/A	CFC11, CFC12, CFC113	N/A
Cleaning solvents	N/A	CFC113, CFC11, Methyl Chloroform, CFC12	N/A
Contact cleaners	N/A	CFC11, CFC12, CFC113	N/A
Degreasers	N/A	CFC113	N/A
Dusting sprays	N/A	CFC11, CFC12, CFC113	N/A
Electronic circuit board coolants	N/A	CFC113	N/A
Electronic solvents	N/A	CFC11, CFC12, CFC113	N/A
Ethylene oxide	N/A	CFC12	N/A
Fire extinguisher preparations and charges	N/A	Halon 1211, Halon 1301	N/A
Flux removers for electronics	N/A	CFC11, CFC12, CFC113	N/A
Insect and wasp sprays	N/A	CFC11, CFC12, CFC113	N/A
Mixtures of ODC's	N/A	N/A	N/A
Propellants	N/A	CFC11, CFC12, CFC113	N/A
Refrigerants	N/A	CFC114, CFC11, CFC12	N/A
Part II–Products in which ODC's are used for purposes of refrigeration or air conditioning, creating an aerosol or foam, or manufacturing electronic components			
Rigid foam insulation defined in 52.4682-1(c)(3)	N/A	Varies	N/A
Foams made with ODC's (other than above)	N/A	Varies	N/A
Scrap flexible foam with ODC's	N/A	Varies	N/A
Surgical staplers	N/A	Varies	N/A
Cryogenic medical instruments	N/A	Varies	N/A
Drug delivery systems	N/A	Varies	N/A
Inhalants	N/A	Varies	N/A
Dehumidifiers (household)	8415.82.00.50	CFC12	0.3440
Chillers charged with CFC12	8415.82.00.65	CFC12	1,600.0000
Chillers charged with CFC114	8415.82.00.65	CFC114	1,250.0000
Chillers charged with R-500	8415.82.00.65	CFC12	1,920.0000
Refrigerator-freezers (household) not greater than 184 liters	8418.10.00.10	CFC11	1.0800
Refrigerator-freezers (household) not greater than 184 liters	8418.10.00.10	CFC12	0.1300
Refrigerator-freezers (household) greater than 184 liters less than or equal to 269 liters	8418.10.00.20	CFC11	1.3200
Refrigerator-freezers (household) greater than 184 liters less than or equal to 269 liters	8418.10.00.20	CFC12	0.2600
Refrigerator- freezers (household) greater than 269 liters less than 382 liters	8418.10.00.30	CFC11	1.5400
Refrigerator- freezers (household) greater than 269 liters less than 382 liters	8418.10.00.30	CFC12	0.3500
Refrigerator-freezers (household) greater than 382 liters	8418.10.00.40	CFC11	1.8700
Refrigerator-freezers (household) greater than 382 liters	8418.10.00.40	CFC12	0.3500
Refrigerators (household) not greater than 184 liters	8418.10.00.10	CFC11	1.0800
Refrigerators (household) not greater than 184 liters	8418.10.00.10	CFC12	0.1300
Refrigerators (household) greater than 184 liters less than or equal to 269 liters	8418.10.00.20	CFC11	1.3200
Refrigerators (household) greater than 184 liters less than or equal to 269 liters	8418.10.00.20	CFC12	0.2600

Footnotes at end of Appendix.

Appendix

Imported Products Reference Table (Both Taxable and Non-taxable), Including: Mixtures Containing Ozone-Depleting Chemicals, and Imported Products Used for Refrigeration and Electronics, by Imported Product [1]--Continued

Product names	Harmonized tariff schedule heading [2]	Ozone-depleting chemical(s)	ODC weight (pounds per product)
	(1)	(2)	(3)
Part II–Products in which ODC's are used for purposes of refrigeration or air conditioning, creating an aerosol or foam, or manufacturing electronic components--continued			
Refrigerators (household) greater than 269 liters less than 382 liters	8418.10.00.40	CFC11	1.5400
Refrigerators (household) greater than 269 liters less than 382 liters	8418.10.00.40	CFC12	0.3500
Refrigerators (household) greater than 382 liters	8418.10.00.40	CFC11	1.8700
Refrigerators (household) greater than 382 liters	8418.10.00.40	CFC12	0.3500
Freezers (household)	8418.30;8418.40	CFC11	2.0000
Freezers (household)	8418.30;8418.40	CFC12	0.4000
Refrigerating display counters not greater than 227	8418.50	CFC11, CFC12	260.0000
Icemaking machines charged with CFC12	8418.69	CFC12	1.4000
Icemaking machines charged with R-502	8418.69	CFC115	3.3900
Drinking water coolers charged with CFC12	8418.69	CFC12	0.2100
Drinking water coolers charged with R-500	8418.69	CFC12	0.2200
Centrifugal chiller, hermetic charged with CFC12	8418.69	CFC12	1,250.0000
Centrifugal chiller, hermetic charged with CFC114	8418.69	CFC114	1,920.0000
Centrifugal chiller, hermetic charged with R-500	8418.69	CFC12, CFC114	1,600.0000
Reciprocating chiller charged with CFC12	8418.69	CFC12	1,250.0000
Mobil refrigeration containers	8418.99	CFC12	15.0000
Mobile refrigeration trucks	8418.99	CFC12	11.0000
Mobile refrigeration trailers	8418.99	CFC12	20.0000
Refrigeration condensing units not greater than 746w	8418.99.00.05	CFC12	0.3000
Refrigeration condensing units greater than 746w and less than or equal to 2.2 kilowatts	8418.99.00.10	CFC12	1.0000
Refrigeration condensing units greater than 2.2 kilowatts less than or equal to 7.5 kilowatts	8418.99.00.15	CFC12	3.0000
Refrigeration condensing units greater than 7.5 kilowatts less than or equal to 22.3 kilowatts	8418.99.00.20	CFC12	8.5000
Refrigeration condensing units greater than 22.3 kilowatts	8418.99.00.25	CFC12	17.0000
Fire extinguishers, charged with ODC's	8424.00	N/A	N/A
Electronic typewriters and word processors	8469.00	CFC113	0.2049
Electronic calculators	8470.10	CFC113	0.0035
Electronic calculators with printing device	8470.21	CFC113	0.0057
Electronic calculators	8470.10	CFC113	0.0035
Account machines	8470.40	CFC113	0.1913
Cash registers	8470.50	CFC113	0.1913
Digital automatic data processing machine with cathode ray tube, not included in subheading 8471.70.00.90	8471.20	CFC113	0.3663
Laptops, notebooks and pocket computers	8471.20.00.90	CFC113	0.0357
Digital processing unit with entry value not greater than 100k	8471.91	CFC113	0.4980
Digital processing unit with entry value greater than 100k	8471.91	CFC113	27.6670
Combined input/output units (terminal)	8471.92	CFC113	0.3600
Keyboards	8471.92	CFC113	0.0742
Display units	8471.92	CFC113	0.0386
Printer units	8471.92	CFC113	0.1558
Input or output units	8471.92	CFC113	0.1370

Footnotes at end of Appendix.

Appendix

Imported Products Reference Table (Both Taxable and Non-taxable), Including: Mixtures Containing Ozone-Depleting Chemicals, and Imported Products Used for Refrigeration and Electronics, by Imported Product [1]--Continued

Product names	Harmonized tariff schedule heading [2]	Ozone-depleting chemical(s)	ODC weight (pounds per product)
	(1)	(2)	(3)
Part II--Products in which ODC's are used for purposes of refrigeration or air conditioning, creating an aerosol or foam, or manufacturing electronic components--continued			
Hard magnetic disk drive units for a disk of a diameter greater than 9cm but not greater than 21 cm (not included in subheading 8471.93.10)	8471.93	CFC113	0.2829
Hard magnetic disk drive units for a disk of a diameter not greater than 9cm (not included in subheading 8471.93.10)	8471.93	CFC113	1.1671
Nonmagnetic storage unit with entry value greater than $1,000	8471.93	CFC113	2.7758
Magnetic disk drive units for a disk of a diameter over 21 cm (8.1/4 inches)	8471.93.10	CFC113	4.0067
Power supplies	8471.99.30	CFC113	0.0655
Electronic office machines	8472.00	CFC113	0.0010
Populated card for digital processing unit in subheading 8471.91 valued $100k and under	8473.30	CFC113	0.1408
Populated card for digital processing unit in subheading 8471.91 valued over $100k	8473.30	CFC113	4.8200
Automatic goods-vending machines with refrigerating device	8476.11	CFC112	0.4500
Microwave ovens with electronic controls capacity: .99 cubic feet or less	8516.50	CFC113	0.0300
Microwave ovens with electronic controls capacity: 1.0 -1.3 cubic feet	8516.50	CFC113	0.0441
Microwave ovens with electronic controls capacity: 1.3 cubic feet or greater	8516.50	CFC113	0.0485
Microwave oven consumption with electronic controls	8516.80.40.80	CFC113	0.0595
Telephone sets with entry value not greater than $11.00	8517.10	CFC113	0.0225
Telephone sets with entry value greater than $11.00	8517.10	CFC113	0.1000
Teleprinters and teletypewriters	8517.20	CFC113	0.1000
Switching equipment not included in subheading 8517.30.20	8517.30	CFC113	0.1267
Private branch exchange switching equipment	8517.30.20	CFC113	0.0753
Modems	8517.40	CFC113	0.0225
Intercoms	8517.81	CFC113	0.0225
Facsimile machines	8517.82	CFC113	0.0225
Loudspeakers, microphones, headphones, & electric sound amplifier sets, not included in subheading 8518.30.10	8518.00	CFC113	0.0022
Telephone handsets	8518.30.10	CFC113	0.0420
Turntables, record players, cassette players, and other sound reproducing apparatus	8519.00	CFC113	0.0022
Magnetic tape recorders & other sound recording apparatus, not included in subheading 8520.20	8520.00	CFC113	0.0022
Telephone answering machines	8520.20	CFC113	0.1000
Color video recording/reproducing apparatus	8510.00.20	CFC113	0.0586
Videodisc players	8521.90	CFC113	0.1060
Cordless handset telephones	8525.20.50	CFC113	0.1000
Cellular communication equipment	8525.20.60	CFC113	0.4446
TV cameras	8525.30	CFC113	1.4230
Camcorders	8525.30	CFC113	0.0586
Radio combinations	8527.11	CFC113	0.0022
Radios	8527.19	CFC113	0.0014
Motor vehicle radios with or without tape player	8527.21	CFC113	0.0021
Radio combinations	8527.31	CFC113	0.0022
Radios	8527.32	CFC113	0.0014

Footnotes at end of Appendix.

Appendix

Imported Products Reference Table (Both Taxable and Non-taxable), Including: Mixtures Containing Ozone-Depleting Chemicals, and Imported Products Used for Refrigeration and Electronics, by Imported Product [1]--Continued

Product names	Harmonized tariff schedule heading [2]	Ozone-depleting chemical(s)	ODC weight (pounds per product)
	(1)	(2)	(3)
Part II--Products in which ODC's are used for purposes of refrigeration or air conditioning, creating an aerosol or foam, or manufacturing electronic components--continued			
Tuner without speaker	8527.39.00.20	CFC113	0.0022
Television receivers	8528.00	CFC113	0.0386
VCRs	8528.10.40	CFC113	0.0586
Home satellite earth stations	8528.10.80.55	CFC113	0.0106
Electronic assemblies for HTS headings 8525, 8527, & 8528	8529.90	CFC113	0.0816
Indicator panels incorporating liquid crystal devices or light emitting diodes	8531.20	CFC113	0.0146
Printed circuits	8534.00	CFC113	0.0010
Computerized numerical controls	8537.10.00.30	CFC113	0.1306
Electronic integrated circuits and microassemblies	8542.00	CFC113	0.0002
Signal generators	8543.20	CFC113	0.6518
Diodes, crystals, transistors and other similar discrete semiconductor devices	8541.00	CFC113	0.0001
Avionics	8543.90.40	CFC113	0.9150
Signal generators subassemblies	8543.90.80	CFC113	0.1265
Insulated or refrigerated railway freight cars	9606.00	CFC11	100.0000
Passenger automobiles: foams (interior)	8703.00	CFC11	0.8000
Passenger automobiles: foams (exterior)	8703.00	CFC11	0.7000
Passenger automobiles with charged a/c	8703.00	CFC12	2.0000
Passenger automobiles without charged a/c	8703.00	CFC12	0.2000
Passenger automobiles: electronics	8703.00	CFC113	0.5000
Light trucks: foams (interior)	8704.00	CFC11	0.6000
Light trucks: foams (exterior)	8704.00	CFC11	0.1000
Light trucks with charged a/c	8740.00	CFC12	2.0000
Light trucks without charged a/c	8740.00	CFC12	0.2000
Light trucks: electronics	8740.00	CFC13	0.4000
Heavy trucks or heavy trucks and tractors with GVW 33,001 lbs. or more foams (interior)	8704.00	CFC11	0.6000
Heavy trucks or heavy trucks and tractors with GVW 33,001 lbs. or more foams (exterior)	8704.00	CFC11	0.1000
Heavy trucks or heavy trucks and tractors with GVW 33,001 lbs. or more with fully charged a/c	8704.00	CFC12	2.0000
Heavy trucks or heavy trucks and tractors with GVW 33,001 lbs. or greater than without fully charged a/c	8704.00	CFC12	0.2000
Motorcycles with seat foamed with ODC's	8711.00	CFC11	0.0400
Bicycles with seat foamed with ODC's	8712.00	CFC11	0.0400
Seats foamed with ODC's	8714.95	CFC11	0.0400
Aircraft	8802.00	CFC12	0.25 lb/1K lbs.
Aircraft	8802.00	CFC113	30.0 lbs/1K lbs.
Optical fibers	9001.00	CFC12	0.005 lb/1K feet
Electronic cameras	9006.00	CFC113	0.0100
Photocopiers	9009.00	CFC113	0.0426
Avionics	9014.20	CFC113	0.9150
Electronic drafting machines	9017.00	CFC113	0.1200

Footnotes at end of Appendix.

Appendix

Imported Products Reference Table (Both Taxable and Non-taxable), Including: Mixtures Containing Ozone-Depleting Chemicals, and Imported Products Used for Refrigeration and Electronics, by Imported Product [1]--Continued

Product names	Harmonized tariff schedule heading [2]	Ozone-depleting chemical(s)	ODC weight (pounds per product)
	(1)	(2)	(3)
Part II–Products in which ODC's are used for purposes of refrigeration or air conditioning, creating an aerosol or foam, or manufacturing electronic components--continued			
Complete patient monitoring systems	9018.19.80	CFC12	0.9400
Complete patient monitoring systems	9018.19.80	CFC113	3.4163
Complete patient monitoring systems; subassemblies thereof	9018.19.80.60	CFC113	1.9320
Physical or chemical analysis instruments	9027.00	CFC12	0.0003
Physical or chemical analysis instruments	9027.00	CFC113	0.0271
Oscilloscopes	9030.00	CFC11	0.4900
Oscilloscopes	9030.00	CFC12	0.5943
Oscilloscopes	9030.00	CFC113	0.2613
Foam chairs	9401.00	CFC11	0.3000
Foam sofas	9401.00	CFC11	0.7500
Foam mattresses	9404.21	CFC11	1.6000
Electronic games and electronic component thereof	9504.00	CFC113	0.004 lb./$1 of entry value
Electronic items not otherwise listed	9504.00	CFC113	0.004 lb./$1 of entry value
Part III - Products that are not Imported Taxable Products			
Room air conditioners	8415.10.00.60	N/A	N/A
Dishwashers	8422.11	N/A	N/A
Clothes washers	8450.11	N/A	N/A
Clothes dryers	8451.21	N/A	N/A
Floppy disk drive units	8471.93	N/A	N/A
Transformers and inductors	8504.00	N/A	N/A
Toasters	8516.72	N/A	N/A
Unrecorded media	8523.00	N/A	N/A
Recorded media	8524.00	N/A	N/A
Capacitors	8532.00	N/A	N/A
Resistors	8533.00	N/A	N/A
Switching apparatus	8536.00	N/A	N/A
Cathode tubes	8540.00	N/A	N/A

N/A - not applicable.

[1] Reprinted from Publication 510, Excise Taxes for 1993, by the Internal Revenue Service, catalogue number 150141, pp. 34-38.

[2] The Harmonized Tariff Schedule Heading is a numeric assignment used by the International Trade Commission to identify imported goods.

[3] Imported mixtures containing ODC's are treated as imported ODC's sold or used rather than imported products.

Table 1.--Environmental Excise Taxes After Credits and Refunds, by Type of Substance, 1993

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

Type of substance	Number of filers [1]	Number of quarterly returns filed	Number of barrels, tons, or pounds (thousands)	Tax rate per barrel, ton, or pound (dollars)	Tax before credits and refunds	Tax after credits and refunds: Yearly total	1993 quarter ended- March	June	September	December	Yearly average per filer
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total	**2,539**	**5,305**	**N/A**	**N/A**	**1,730,336**	**1,721,503**	**470,667**	**536,245**	**366,615**	**348,009**	**678**
			Barrels								
Petroleum, total	**326**	**943**	**9,870,269**	**N/A**	**672,763**	**672,696**	**200,313**	**194,336**	**138,954**	**139,094**	**2,063**
Domestic petroleum, Superfund	127	437	2,727,424	0.097	n.a.	264,560	66,356	62,167	68,728	67,309	2,083
Domestic petroleum, Oil Spill Liability Trust Fund*	125	303	2,961,537	0.050	n.a.	66,249	34,204	32,045	--	--	529
Imported crude oil and petroleum products, Superfund	227	468	2,825,999	0.097	n.a.	274,122	66,042	66,069	70,226	71,785	1,207
Imported crude oil and petroleum products, Oil Spill Liability Trust Fund*	221	305	1,355,309	0.050	n.a.	67,765	33,710	34,055	--	--	306
			Tons								
Petrochemicals and inorganic chemicals, total	**452**	**3,032**	**82,330**	**N/A**	**262,193**	**282,790**	**68,912**	**69,379**	**73,899**	**70,604**	**625**
Petrochemicals, total	**203**	**607**	**48,545**	**N/A**	**n.a.**	**233,102**	**57,371**	**56,275**	**61,495**	**57,961**	**1,148**
Acetylene	54	149	156	4.870	n.a.	760	201	163	185	210	14
Benzene	49	139	6,810	4.870	n.a.	33,163	8,384	7,881	8,538	8,360	676
Butadiene	24	74	1,845	4.870	n.a.	8,983	2,325	2,099	2,209	2,349	374
Butane	35	107	523	4.870	n.a.	2,549	645	644	632	628	72
Butylene	5	17	711	4.870	n.a.	3,464	1,028	611	642	1,183	692
Ethylene	34	122	20,744	4.870	n.a.	101,022	24,723	25,405	25,671	25,224	2,971
Methane	32	105	2,318	3.440	n.a.	7,973	2,205	1,823	1,986	1,960	249
Naphthalene	5	13	12	4.870	n.a.	58	30	16	6	5	11
Propylene	48	167	10,658	4.870	n.a.	51,907	12,132	11,993	15,554	12,229	1,081
Toluene	56	156	1,494	4.870	n.a.	7,275	1,917	1,705	1,726	1,927	129
Xylene	57	163	3,275	10.130	n.a.	15,949	3,782	3,934	4,347	3,886	279
Inorganic chemicals, total	**312**	**922**	**33,785**	**N/A**	**n.a.**	**49,688**	**11,595**	**13,104**	**12,404**	**12,636**	**159**
Ammonia	78	217	3,387	2.640	n.a.	8,942	2,281	2,247	2,185	2,230	114
Antimony	10	23	1	4.450	n.a.	3	1	1	-1	2	--
Antimony trioxide	13	28	270	3.750	n.a.	101	28	19	27	27	7
Arsenic	3	10	(2)	4.450	n.a.	(2)	(2)	(2)	(2)	(2)	--
Arsenic trioxide	7	25	22	3.410	n.a.	74	22	22	18	13	10
Barium sulfide	**	6	(2)	2.300	n.a.	(2)	(2)	(2)	(2)	(2)	--
Bromine	6	24	186	4.450	n.a.	828	195	208	204	221	73
Cadmium	14	35	2	4.450	n.a.	7	2	2	1	1	--
Chlorine	42	122	11,222	2.700	n.a.	30,300	7,468	8,004	7,581	7,248	721
Chromite	3	11	179	1.520	n.a.	273	75	72	44	81	91
Chromium	15	36	18	4.450	n.a.	78	1	30	28	19	5
Cobalt	10	32	4	4.450	n.a.	19	5	5	5	4	1
Cupric oxide	310	34	15	3.590	n.a.	53	13	13	16	12	--

Footnotes at end of table.

Table 1.--Environmental Excise Taxes After Credits and Refunds, by Type of Substance, 1993--Continued

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

Type of substance	Number of filers [1]	Number of quarterly returns filed	Number of barrels, tons, or pounds (thousands)	Tax rate per barrel, ton, or pound (dollars)	Tax before credits and refunds	Tax after credits and refunds					
						Yearly total	1993 quarter ended- March	June	September	December	Yearly average per filer
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Inorganic chemicals--continued											
Cupric sulfate	16	36	35	1.870	n.a.	66	19	6	22	18	4
Cuprous oxide	4	13	7	3.970	n.a.	27	7	9	5	5	6
Hydrochloric acid	59	178	843	0.290	n.a.	244	51	72	63	58	4
Hydrogen fluoride	15	43	236	4.230	n.a.	998	261	288	246	203	66
Lead oxide	25	78	444	4.140	n.a.	1,840	464	486	414	477	73
Mercury	5	9	(2)	4.450	n.a.	(2)	(2)	(2)	(2)	(2)	--
Nickel	20	56	99	4.450	n.a.	439	113	111	96	118	21
Nitric acid	36	105	1,495	0.240	n.a.	359	79	137	76	66	9
Phosphorus	8	21	231	4.450	n.a.	1,026	267	263	253	244	128
Potassium dichromate	3	4	(2)	1.690	n.a.	(2)	--	(2)	(2)	(2)	--
Potassium hydroxide	30	80	627	0.220	n.a.	138	25	45	24	44	4
Sodium dichromate	7	13	5	1.870	n.a.	10	1	1	5	3	1
Sodium hydroxide	78	222	9,182	0.280	n.a.	2,571	641	675	625	630	32
Stannic chloride	5	13	12	2.120	n.a.	26	6	6	7	7	5
Stannous chloride	4	8	1	2.850	n.a.	3	1	1	1	1	--
Sulfuric acid	82	233	5,476	0.260	n.a.	1,424	391	331	355	347	17
Zinc chloride	15	40	18	2.220	n.a.	39	11	12	9	7	2
Zinc sulfate	14	34	12	1.900	n.a.	23	4	10	5	4	1
Other	17	19	N/A	N/A	n.a.	-224	-893	31	90	549	-13
			Tons								
Imported chemical substances, total	**107**	**303**	**5,011**	(3)	**13,339**	**8,903**	**2,529**	**1,750**	**2,259**	**2,364**	**83**
2-ethyl hexanol	**	4	-17	(3)	n.a.	-65	2	2	2	-70	(2)
2-ethylhexyl acrylate	**	**	168	(3)	n.a.	(2)	(2)	--	--	(2)	(2)
Acetone	**	5	6	4.58	n.a.	25	31	--	20	-26	(2)
Acrylic and methacrylic acid resins	--	--	--	6.11	n.a.	--	--	--	--	--	--
Acrylonitrile	4	7	(2)	7.05	n.a.	(2)	(2)	(2)	(2)	(2)	--
Alpha-methylstyrene	--	--	--	(3)	n.a.	--	--	--	--	--	--
Ammonium nitrate	5	14	152	1.66	n.a.	225	93	10	108	14	45
Bisphenol	--	--	--	(3)	n.a.	--	--	--	--	--	--
Butyl acrylate	**	5	1,290	(3)	n.a.	13	3	4	4	2	(2)
Carbon tetrachloride	3	6	32	3.00	n.a.	74	29	7	15	23	24
Chloroform	**	5	22	3.95	n.a.	44	11	22	6	5	(2)
Chromic acid	4	9	2	2.72	n.a.	9	(2)	(2)	(2)	9	2
Cumene	4	6	148	5.26	n.a.	865	332	--	292	241	216
Cyclohexane	**	3	12	5.01	n.a.	27	--	33	-1	-5	(2)
Decabromodiphenyl oxide	--	--	--	(3)	n.a.	--	--	--	--	--	--
Ethyl acrylate	**	**	(2)	(3)	n.a.	(2)	--	(2)	(2)	--	(2)
Ethyl alcohol for nonbeverage use	5	12	532	3.07	n.a.	1,634	470	472	319	373	326
Ethyl dibromide	--	--	--	(3)	n.a.	--	--	--	--	--	--

Footnotes at end of table.

Table 1.--Environmental Excise Taxes After Credits and Refunds, by Type of Substance, 1993--Continued

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

Type of substance	Number of filers [1]	Number of quarterly returns filed	Number of barrels, tons, or pounds (thousands)	Tax rate per barrel, ton, or pound (dollars)	Tax before credits and refunds	Tax after credits and refunds					
						Yearly total	1993 quarter ended- March	June	September	December	Yearly average per filer
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Imported chemical substances-continued											
Ethyl methyl ketone	4	5	-14	5.11	n.a.	-60	6	--	--	-65	-15
Ethylbenzene	**	3	24	5.01	n.a.	117	3	--	112	2	(2)
Ethylene dichloride	3	5	85	3.51	n.a.	214	32	--	90	93	71
Ethylene glycol	7	17	91	3.26	n.a.	292	7	103	119	63	41
Ethylene oxide	3	8	34	4.33	n.a.	141	42	22	61	16	47
Ferrochrome ov 3 pct. carbon	3	4	25	0.71	n.a.	18	8	--	1	9	6
Ferrochromium nov 3 pct	**	3	2	3.65	n.a.	6	2	--	2	3	(2)
Ferronickel	3	7	7	(3)	n.a.	31	10	9	1	10	10
Formaldehyde	--	--	--	2.27	n.a.	--	--	--	--	--	--
Hydrogen peroxide	3	7	69	0.45	n.a.	231	5	3	111	112	77
Isobutyl acetate	--	--	--	(3)	n.a.	--	--	--	--	--	--
Isophthalic acid	**	4	9	7.19	n.a.	37	8	7	8	14	(2)
Isopropyl acetate	**	**	(2)	(3)	n.a.	(2)	--	(2)	(2)	-	(2)
Isopropyl alcohol	4	8	-6	4.14	n.a.	-39	14	17	8	-78	-9
Linear alpha olefins	3	10	-13	(3)	n.a.	-65	38	-14	-25	-64	-21
Maleic anhydride	**	5	1	5.84	n.a.	9	1	3	3	2	(2)
Melamine	--	--	--	2.30	n.a.	--	--	--	--	--	--
Methanol	9	23	848	1.86	n.a.	1,713	301	434	462	516	190
Methyl acrylate	**	**	48	(3)	n.a.	83	83	--	--	--	--
Methyl chloroform	**	**	N/A	(3)	n.a.	(2)	(2)	--	--	(2)	(2)
Methyl isobutyl ketone	**	**	-1	(3)	n.a.	-4	--	1	--	-6	(2)
Methylene chloride	--	--	--	3.16	n.a.	--	--	--	--	--	--
Nickel oxide	**	8	(2)	(3)	n.a.	1	(2)	(2)	(2)	(2)	(2)
Nickel powders	**	**	(2)	(3)	n.a.	(2)	(2)	(2)	--	--	--
Nickel waste and scrap	**	**	(2)	(3)	n.a.	(2)	(2)	--	--	--	--
Normal butyl acetate	--	--	--	(3)	n.a.	--	--	--	--	--	--
Normal propyl acetate	--	--	--	(3)	n.a.	--	--	--	--	--	--
Perchloroethylene	**	3	9	(3)	n.a.	29	3	--	22	3	(2)
Phenolic resins	5	16	29	7.27	n.a.	34	7	15	9	3	6
Phthalic anhydride	4	10	11	9.83	n.a.	50	16	22	4	7	12
Polyalphaolefins	3	8	-13	(3)	n.a.	-65	--	-27	-13	-24	-21
Polybutadiene	7	15	14	5.36	n.a.	68	23	16	9	19	9
Polyethylene resins (total)	11	32	262	5.06	n.a.	1,298	438	217	306	337	118
Polyethylene terephthalate pellets	3	9	5	(3)	n.a.	8	5	5	4	-6	2
Polypropylene	6	12	-3	5.11	n.a.	-13	(2)	3	-13	-3	-2
Polypropylene resins	6	12	76	5.11	n.a.	375	38	103	136	98	62
Polystyrene homopolymer resins	6	13	19	5.94	n.a.	103	38	5	24	36	17
Polystyrene resins and copolymers	5	11	9	(3)	n.a.	65	35	21	24	-16	13
Polyvinylchloride resins	8	18	36	5.99	n.a.	69	10	44	6	9	8

Footnotes at end of table.

Table 1.--Environmental Excise Taxes After Credits and Refunds, by Type of Substance, 1993--Continued

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

Type of substance	Number of filers [1]	Number of quarterly returns filed	Number of barrels, tons, or pounds (thousands)	Tax rate per barrel, ton, or pound (dollars)	Tax before credits and refunds	Tax after credits and refunds					
							1993 quarter ended-				
						Yearly total	March	June	September	December	Yearly average per filer
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Imported chemical substances-continued											
Propylene glycol	4	8	17	7.35	n.a.	76	2	13	60	1	19
Propylene oxide	**	**	14	7.74	n.a.	108	60	--	--	48	(2)
Styrene	8	18	250	5.75	n.a.	794	415	-152	141	390	99
Styrene-butadiene (latex)	6	15	14	5.80	n.a.	37	10	6	12	9	6
Styrene-butadiene (nspf)	4	4	-183	(3)	n.a.	-487	1	--	--	-488	-121
Synthetic rubber	8	23	55	5.06	n.a.	214	44	110	51	8	26
Tetrabromobisphenol-A	--	--	--	(3)	n.a.	--	--	--	--	--	--
Trichloroethylene	**	4	2	(3)	n.a.	3	(2)	2	1	(2)	(2)
Unwrought nickel	--	--	--	(3)	n.a.	--	--	--	--	--	--
Urea	7	19	15	1.53	n.a.	21	8	10	2	2	3
Vinyl acetate	**	4	143	(3)	n.a.	24	--	--	7	17	(2)
Vinyl chloride	3	6	295	5.82	n.a.	260	137	13	13	98	86
Vinyl resins	**	4	-40	3.47	n.a.	-232	(2)	-232	(2)	(2)	(2)
Vinyl resins (nspf)	--	--	--	(3)	n.a.	--	--	--	--	--	--
Wrought nickel rods and wire	--	--	--	(3)	n.a.	--	--	--	--	--	--
Other chemical substances	47	97	417	(3)	n.a.	488	-290	422	-268	624	(2)
			Pounds								
Ozone-depleting chemical (ODC) taxes, total	**1,605**	**2,780**	**467,109**	**(3)**	**758,649**	**757,113**	**198,858**	**270,781**	**151,502**	**135,954**	**472**
ODC's (sold or used), total	**197**	**378**	**374,954**	**N/A**	**629,712**	**629,223**	**168,248**	**208,339**	**135,458**	**117,178**	**3,194**
CFC-11	21	39	12,961	3.35	n.a.	43,418	10,578	14,399	15,177	3,264	2,067
CFC-12	65	122	137,209	3.35	n.a.	459,651	120,777	160,962	94,155	83,757	7,071
CFC-113	106	205	17,373	2.68	n.a.	46,561	17,653	11,402	10,154	7,353	439
CFC-114	6	13	853	3.3500	n.a.	2,858	800	1,138	825	95	476
CFC-115	15	28	8,614	2.0100	n.a.	17,314	1,993	5,876	5,506	3,939	1,154
Halon-1211	10	19	1,267	0.2502	n.a.	317	--	132	69	116	31
Halon-1301	9	16	3,878	0.2512	n.a.	974	93	145	193	544	108
Halon-2402	**	4	166	0.2492	n.a.	4	--	1	--	3	2
Carbon tetrachloride	13	29	1,305	3.6850	n.a.	4,808	1,750	1,158	260	1,640	369
Methyl chloroform	39	80	156,618	0.2111	n.a.	33,062	10,912	9,687	4,910	7,554	847
CFC-13	2	6	69	3.3500	n.a.	231	53	84	83	10	115
CFC-111	--	--	--	3.3500	n.a.	--	--	--	--	--	--
CFC-112	7	12	17	3.3500	n.a.	56	52	3	--	1	8
CFC-213	--	--	--	3.3500	n.a.	--	--	--	--	--	--
CFC-214	--	--	--	3.3500	n.a.	--	--	--	--	--	--
CFC-215	--	--	--	3.3500	n.a.	--	--	--	--	--	--
CFC-216	--	--	--	3.3500	n.a.	--	--	--	--	--	--
CFC-217	--	--	--	3.3000	n.a.	--	--	--	--	--	--
ODC used in rigid foam insulation	**	7	19,940	0.2499	n.a.	4,983	1,570	1,226	773	1,414	2,491
ODC used to sterilize medical instruments	**	5	7,555	1.6700	n.a.	12,616	1,981	2,102	2,148	6,383	6,308
ODC used as propellant in metered-dose inhaler	--	--	--	1.6700	n.a.	--	--	--	--	--	--
Other	24	37	7,278	N/A	n.a.	2,368	36	25	1,206	1,101	98

Footnotes at end of table.

Table 1.--Environmental Excise Taxes After Credits and Refunds, by Type of Substance, 1993--Continued

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

Type of substance	Number of filers [1]	Number of quarterly returns filed	Number of barrels, tons, or pounds (thousands)	Tax rate per barrel, ton, or pound (dollars)	Tax before credits and refunds	Tax after credits and refunds					
						Yearly total	1993 quarter ended- March	June	September	December	Yearly average per filer
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
ODC's contained in or used to manufacture taxable imported products, total	**533**	**1,420**	**49,145**	**N/A**	**81,159**	**80,119**	**18,143**	**27,837**	**15,955**	**18,187**	**150**
CFC: 11-13; 111-112; 114; & 211-217 [4]	139	308	8,245	3.3500	n.a.	27,619	7,214	13,820	4,048	2,538	198
CFC-113	468	1,209	14,724	2.6800	n.a.	39,460	10,434	10,097	10,212	8,733	84
CFC-115	16	32	831	2.0100	n.a.	1,670	104	1,492	41	34	104
Halon-1211	**	4	121	0.2502	n.a.	30	--	30	--	--	--
Halon-1301	**	--	7	0.2512	n.a.	2	--	--	--	--	2
Halon-2402	--	--	--	0.2492	n.a.	--	--	--	--	--	--
Carbon tetrachloride	9	13	--	3.6850	n.a.	--	--	--	--	--	--
Methyl chloroform	32	57	582	0.2111	n.a.	123	--	36	39	47	3
ODC used in rigid foam insulation	8	17	590	0.2499	n.a.	148	35	69	11	32	18
ODC used to sterilize medical instruments											
ODC's used as propellant in metered-dose inhaler [4]	--	3	212	1.6700	n.a.	355	--	10	162	183	--
Other [5]	128	169	23,833	N/A	n.a.	11,713	355	2,292	1,443	6,620	91
Floor stock of ODC, total [6]	**1,032**	**1,066**	**43,010**	**N/A**	**47,778**	**47,771**	**12,467**	**34,605**	**89**	**589**	**46**
CFC-11	277	284	3,376	1.6800	n.a.	5,672	2,095	24,059	--	--	20
CFC-12	655	669	20,088	1.6800	n.a.	33,748	9,220	3,531	50	417	51
CFC-113	364	374	3,260	1.3440	n.a.	4,382	747	1,405	24	68	12
CFC-114	62	62	928	1.6800	n.a.	1,559	154	114	24	-2	25
CFC-115	85	86	156	1.0080	n.a.	157	15	788	-2	29	1
Carbon tetrachloride	45	45	363	2.1780	n.a.	790	2	897	--	-2	17
Methyl chloroform	356	367	14,289	0.0740	n.a.	1,059	136	195	--	16	2
CFC-13	86	86	117	1.9800	n.a.	233	35	-2	8	2	2
CFC-111	4	4	13	1.9800	n.a.	26	25	-2	--	--	6
CFC-112	4	4	7	1.9800	n.a.	13	13	--	--	--	3
CFC-113	--	--	--	1.9800	n.a.	--	--	--	--	--	--
CFC-114	--	--	--	1.9800	n.a.	--	--	--	--	--	--
CFC-115	--	--	--	1.9800	n.a.	--	--	--	--	--	--
CFC-116	--	--	--	1.9800	n.a.	--	--	--	--	--	--
CFC-117	--	--	--	1.9800	n.a.	--	--	--	--	--	--
Other	39	39	412	N/A	n.a.	133	24	94	3	2	3

* Oil Spill Liability Tax suspended effective July 1, 1993 - June 30, 1994.

** Not shown to avoid disclosure of information about specific businesses. However, the data are included in the appropriate totals.

N/A-Not applicable; n.a.-Not available.

[1] Number of filers does not add to totals because some businesses report a tax on more than one substance.

[2] Less than $500; or less than 500 barrels, tons or pounds.

[3] No single tax rate was used. Instead, taxpayers had several methods of reporting tax on imported chemical substances: (1) conversion factor -- calculated by determining the number of tons of each taxable chemical used in the manufacture of 1 ton of the substance, (2) percentage of metal -- calculated by determining the percentage of metal contained in the chemical substance; or (3) percentage of the entry value of the chemical substance. However, these reporting methods do not apply to those chemicals added through petition, allowed under Notice 89-61, 1989-1 CB 717.

[4] ODC's are grouped together, based on ODC tax rate, because taxpayers report tax on imported products, rather than individual ODC's.

[5] In cases where reported tax rates do not correspond with any (IRS) established rates, and imported product descriptions are unrecognizable, amounts are categorized as 'Other'.

[6] Floor stock tax is due by June 30th, the end of the second quarter.

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

Corporate Business Activity Before and After the Tax Reform Act of 1986

by Patrick J. Wilkie, James C. Young, and Sarah E. Nutter

The Tax Reform Act of 1986 (TRA 86) marked an important shift in Federal income tax policy. While previous tax acts provided incentives or disincentives for various business activities and industries, TRA 86 attempted to create a more "level playing field" by broadening the tax base and lowering tax rates. However, while TRA 86 reduced the direct effect of the Federal income tax on alternative economic activities, the repeal of the 50 percent net capital gains exclusion and the *General Utilities* doctrine, which had allowed corporations to distribute assets tax-free in liquidation in certain circumstances, increased the impact of the "double tax" on corporate earnings. These changes, coupled with the reduction of the maximum tax rate on individual taxpayers below the maximum tax rate on corporations, provided an incentive for taxable corporations to elect S-corporation status or to alter their financing decisions to limit the amount of income subject to the corporate-level tax.

Previous research indicates that the transition to the new tax regime under TRA 86 substantially affected business taxpayers, with an increase in the number, investments, and profits of S-corporations [1]. However, many corporations did not switch to S-corporation status. One likely explanation for companies retaining their taxable status is that the eligibility requirements to elect S-corporation status (such as having only 35 shareholders and one class of stock) prohibited them from qualifying for the election. Another explanation, however, may be that some corporations were able to achieve "homemade" S-corporation status (and avoid double taxation of earnings) by distributing income to shareholders in tax deductible form. The payment of such potential "deductible dividends" to shareholders, which we define to include interest, rent, and personal-service compensation, eliminates corporate income from the double tax. However, these payments may not be allowed as deductions under the Federal income tax. For example, the reasonableness restrictions on compensation in Section 162 of the Internal Revenue Code prohibit excessive payments to shareholder-employees. Further, if these distributions are made, how does the corporation maintain its investment base?

Data were collected from corporate income tax returns for tax years 1984 through 1990 to provide information on four related taxable-corporation issues: (1) number of taxpayers and economic resources, (2) profits, (3) payment of potential deductible dividends, and (4) debt capital provided to the corporation from its shareholders. These data are presented on an annual basis, and in terms of multi-year arithmetic means, for the pre- and post-TRA 86 periods.

Smaller corporations that did not convert to S-Corporation status reduced their income subject to corporate taxation by paying larger percentages of interest, rent, and officer's compensation.

Reflecting previous research, which documents the growth and profitability of S-corporations subsequent to TRA 86, our data show a decline in the number and profitability of the remaining smaller taxable corporations. In addition, we find that smaller corporations that did not convert to S-corporation status reduced the amount of their income subject to corporate taxation by paying larger percentages of interest expense, rent expense, and officer compensation payments. Given the limitations of the data, we cannot trace these deductible dividend payments directly to the owners of these taxable corporations. However, the corporations most likely to create "homemade" S-corporation status (via the payment of deductible dividends) are smaller in size, which is consistent with the notion that closely-held corporations are better able to consummate the necessary contractual arrangements that allow these payments to occur.

The Tax Reform Act of 1986

TRA 86 was a major event in the history of the U.S. Federal income tax, and sought to create a more neutral tax system that lessened the impact of the Federal income tax on business decisions. To achieve this goal, statutory tax rates generally were lowered and flattened, while taxable income was broadened so that business activities were treated more equally. Specific changes in the law that are important here are described in Figure A.

Interestingly, however, while TRA 86 strove to equalize the tax treatment of different business activities, it created a further disincentive to conduct profitable businesses in traditional, taxable corporate form. As discussed in the next section, the combined effect of changes in corporate and individual tax rates, along with the repeal of the 50 percent net capital gains exclusion for individuals and the *General Utilities* doctrine, placed investors in taxable-corporations at a distinct tax disadvantage relative to owners of S-corporations.

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Figure A

Major Changes in Investment Taxation Associated with TRA 86

Corporate Taxation

- The top marginal rate declined from 46 percent to 34 percent, though rates of 15 percent and 25 percent existed for taxable income less than $100,000.
- The definition of business taxable income was broadened, with provisions that postponed the recognition of expenses (e.g., bad debt charge-off, uniform capitalization for inventories, lengthened depreciable lives for business assets, repeal of investment tax credit).
- The corporate alternative minimum tax was expanded by subjecting to immediate taxation a portion of economic income that was not otherwise included in the regular taxable income.
- The repeal of the General Utilities doctrine, which had allowed, in certain circumstances, a tax-free distribution of corporate assets in a liquidation.

Individual Taxation

- The top marginal tax rate declined from 50 percent to 28 percent (33 percent for some intermediate taxable income levels). This decline lowered the top individual rate below the top corporate tax rate.
- The long-term capital gains deduction (exclusion) was eliminated.
- Passive loss limitations, which gradually disallowed individual taxpayers' deductions from taxable income of business losses originating in "passive activities," were introduced.

The Taxation of Alternative Business Forms

There are two basic types of business entities for Federal income tax purposes: (1) "taxable" corporations (often referred to as C-corporations due to their taxation under Subchapter C of the Internal Revenue Code), and (2) flow-through entities, which include sole proprietorships, partnerships, and S-corporations. Income derived by a flow-through entity is reported by its owners for tax purposes and, thus, the income is taxed only once. Income earned by a taxable corporation, however, is subject to "double taxation," once at the corporate level and a second time when the after-corporate-tax amount is distributed to shareholders as dividends, or as gain when shareholders sell their shares.

Figure B illustrates the hypothetical tax effects associated with the corporate and non-corporate business forms before and after TRA 86. These effects are shown for varying time horizons with the maximum tax rates in existence for the pre-TRA 86, post-TRA 86, and post-RRA 93 (Revenue Reconciliation Act of 1993) tax environments, assuming taxable corporations pay no dividends [2]. The hypothetical returns in Figure B illustrate

Figure B

Hypothetical After-Tax Percentage Rates of Return for Investors in S-Corporations and Taxable Corporations for Various Time Horizons

Type of corporation	Number of years					
	1	5	10	20	30	40
	Pre-TRA 86 [1]					
S-Corporation	1.10	1.61	2.59	6.73	17.45	45.26
Taxable Corporation	1.09	1.54	2.43	6.42	17.55	48.58
	Post-TRA 86 [2]					
S-Corporation	1.14	1.96	3.84	14.74	56.60	217.29
Taxable Corporation	1.10	1.62	2.77	8.88	29.98	102.89
	Post-RRA 93 [3]					
S-Corporation	1.12	1.77	3.13	9.79	30.61	95.75
Taxable Corporation	1.09	1.61	2.72	8.58	28.44	95.88

Note: TRA 86 is the Tax Reform Act of 1986; RRA 93 is the Revenue Reconciliation Act of 1993.

that under the pre-TRA 86 rules, after-tax returns for investors were similar for S-corporations and taxable corporations, with taxable corporation investors achieving superior results in the long-term. Under the post-TRA 86 rules, however, the after-tax returns to investors in S-corporations dominate their corporation counterparts for all time horizons, and the difference grows over time. These results suggest that TRA 86 further encouraged investors to conduct business in such a way as to avoid the double taxation of taxable corporations.

Avoiding the "Double Taxation" of Taxable Corporations

To avoid the corporate tax and achieve superior after-tax returns, investors could have chosen to: (1) elect S-corporation status, or (2) use the taxable corporate business form, but distribute corporate earnings to shareholders in tax deductible form. The option to elect S-corporation status is generally limited, however, to non-financial companies that do not own a controlling interest in another corporation and who have 35 or fewer U.S. citizens (or residents) as shareholders. Thus, larger corporations or those in the financial industries, are not likely to convert to S-corporation status.

Nonetheless, taxable corporations could effectively achieve "homemade" S-corporation status by distributing corporate earnings to their shareholders in tax deductible form. Such distributions include: (1) compensation (to shareholder-employees), (2) interest (to shareholder-creditors), or (3) rent (to shareholder-lessors). These distributions of what arguably should be profit are likely to be restricted to smaller companies whose management and ownership groups are substantially identical. This observation is well known to the Internal Revenue Service, which closely reviews the validity of employee, creditor, and lessor relationships between shareholders and their corporations. To successfully avoid the corporate level tax, deductible payments must be ordinary, necessary, and reasonable (Section 162 of the Internal Revenue Code). For example, with regard to compensation, the U.S. Tax Court has established 12 factors to distinguish reasonable compensation from dividends [3]. Similarly, with respect to interest payments, the courts look to determine if the loans are *bona fide*. In this regard, Section 385 of the Internal Revenue Code provides guidance by listing the characteristics that distinguish between equity and debt investments [4].

As noted above, the factors involved in determining the deductibility of these payments to shareholders is complex and subject to interpretation. Thus, it is conceivable that many corporations that could not, or chose not to, convert to S-corporation status may have achieved the same tax benefits by altering their financial structure (renting assets and borrowing money from shareholders) to achieve similar tax savings.

Descriptive Analysis

Number of Taxpayers and Volume of Economic Activity

The share of economic activity conducted in S-corporation form increased substantially after TRA 86 [5]. Data on the number of returns, total assets, and business receipts in the taxable corporation sector of the economy are presented in Figures C, D, and E. The data in Figure C show an 11.6 percent decline in the total number of taxable

Figure C

U.S. Corporations: Number of Returns by Size of Total Assets, Tax Years 1984-1990

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

Tax year	All returns	Size of total assets						
		$1 under $100,000	$100,000 under $250,000	$250,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $5,000,000	$5,000,000 under $10,000,000	$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1984	2,274	1,162	454	265	179	170	22	23
1985	2,365	1,203	474	279	185	178	23	24
1986	2,370	1,204	476	278	184	180	24	25
1987	2,237	1,140	450	262	173	166	22	24
1988	2,080	1,043	411	247	169	164	21	24
1989	1,997	1,002	388	239	163	161	22	25
1990	1,946	974	373	234	161	156	21	26
1984-1986 average	2,336	1,190	468	274	183	176	23	24
1987-1990 average	2,065	1,040	406	246	167	162	22	25
Percentage increase	-11.60	-12.61	-13.25	-10.22	-8.74	-7.95	-4.35	4.17

NOTE: The data include all corporations with assets greater than zero, except those filing Forms 1120S (U.S. Income Tax Return for an S-Corporation), 1120F (U.S. Income Tax Return of a Foreign Corporation), and returns of corporations classified in finance, insurance, and real estate (excluding insurance agents, brokers, or service).

SOURCE: Data are based on a sample of corporation income tax returns for the selected tax years. For information about the sample, see Statistics of Income--Corporation Income Tax Returns, for the years concerned.

Figure D

U.S. Corporations: Total Assets by Size, Tax Years 1984-1990

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

Tax year	All returns	Size of total assets: $1 under $100,000	$100,000 under $250,000	$250,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $5,000,000	$5,000,000 under $10,000,000	$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1984	5,202,620	41,438	73,372	93,844	124,788	347,805	152,042	4,369,331
1985	5,821,929	43,183	76,548	98,694	129,548	364,423	159,450	4,950,083
1986	6,268,494	42,193	76,938	98,736	128,925	367,359	162,779	5,391,564
1987	6,454,395	40,376	72,518	92,851	121,699	336,637	151,907	5,638,406
1988	6,941,633	36,548	66,908	87,493	119,188	335,021	147,849	6,148,626
1989	7,412,645	33,333	62,919	83,789	114,576	330,337	150,242	6,637,450
1990	7,677,948	32,065	60,948	83,405	114,333	319,906	149,113	6,918,177
1984-1986 average	5,764,348	42,271	75,619	97,091	127,754	359,862	158,090	4,903,659
1987-1990 average	7,121,655	35,581	65,823	86,885	117,449	330,475	149,778	6,335,665
Percentage increase	23.55	-15.83	-12.95	-10.51	-8.07	-8.17	-5.26	29.20

NOTE: The data include all corporations with assets greater than zero, except those filing Forms 1120S (U.S. Income Tax Return for an S-Corporation), 1120F (U.S. Income Tax Return of a Foreign Corporation), and returns of corporations classified in finance, insurance, and real estate (excluding insurance agents, brokers, or service).
SOURCE: Data are based on a sample of corporation income tax returns for the selected tax years. For information about the sample, see Statistics of Income--Corporation Income Tax Returns, for the years concerned.

corporations between 1984-86 (an average of 2.3 million) and 1987-90 (an average of 2.1 million). They also indicate that this decline is concentrated in the small-company categories, with the number of very-large taxable corporations increasing slightly. This finding is consistent with previous research, since small corporations are most likely to be able to elect S-corporation status.

The data in Figures D and E show that the total assets and business receipts in the taxable corporation sector as a whole rose substantially after TRA 86, with increases of 23.55 percent and 11.16 percent, respectively. However, the small-corporation categories showed consistent declines along both dimensions, a result that agrees with the findings of previous research that companies converting to S-corporation status were small in size [6]. Figure F shows the percentage change in returns, total assets, and receipts for the periods before and after TRA 86.

Profits

Figure B showed the hypothetical after-tax returns to investors in S-corporations and taxable corporations when those businesses and investors experienced the highest

Figure E

U.S. Corporations: Business Receipts by Size of Total Assets, Tax Years 1984-1990

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

Tax year	All returns	Size of total assets: $1 under $100,000	$100,000 under $250,000	$250,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $5,000,000	$5,000,000 under $10,000,000	$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1984	6,121,638	191,681	208,604	227,345	287,643	776,400	301,124	4,128,840
1985	6,447,749	206,390	226,196	238,879	297,646	811,578	313,504	4,353,557
1986	6,419,944	210,052	233,145	252,337	296,267	815,696	322,630	4,289,817
1987	6,658,858	205,179	229,518	234,876	285,812	732,211	289,358	4,681,903
1988	6,890,206	198,953	209,840	224,434	269,093	730,280	282,406	4,975,200
1989	7,173,210	178,868	204,647	217,541	265,917	711,274	285,317	5,309,647
1990	7,422,151	179,097	194,615	215,055	272,099	679,725	283,285	5,598,274
1984-1986 average	6,329,777	202,708	222,648	239,520	293,852	801,225	312,419	4,257,405
1987-1990 average	7,036,106	190,524	209,655	222,977	273,230	713,373	285,092	5,141,256
Percentage increase	11.16	-6.01	-5.84	-6.91	-7.02	-10.96	-8.75	20.76

NOTE: The data include all corporations with assets greater than zero, except those filing Forms 1120S (U.S. Income Tax Return for an S-Corporation), 1120F (U.S. Income Tax Return of a Foreign Corporation), and returns of corporations classified in finance, insurance, and real estate (excluding insurance agents, brokers, or service).
SOURCE: Data are based on a sample of corporation income tax returns for the selected tax years. For information about the sample, see Statistics of Income--Corporation Income Tax Returns, for the years concerned.

Figure F

Taxable Corporations: Percentage Changes in the Average Number of Returns, Total Assets, and Receipts by Size of Total Assets, Tax Years 1984-1986 to 1987-1990

Notes: The graph depicts the percentage change in the average number of returns, total assets, and business receipts shown in Figures C, D, and E. The data include all corporations with assets greater than zero, except those filing Forms 1120S (U.S. Income Tax Return for an S-Corporation), 1120F (U.S. Income Tax Return of a Foreign Corporation), and returns of corporations classified in finance, insurance, and real estate (excluding insurance agents, brokers, or service).

marginal tax rates. These equations showed that TRA 86 provided a strong tax incentive for *profitable* corporations to elect S-corporation status or to create "homemade" S-corporation status by distributing corporate earnings in tax deductible form. The data in Figures G and H show the taxable income of corporations in the pre- and post-TRA 86 periods. In presenting these data, differences in company size are controlled by scaling taxable income by total assets (Figure G) and business receipts (Figure H). Finally, these figures include the annual values for taxable income, their annual mean values during the pre- and post-TRA 86 periods, and the amount of change between the two periods.

The data presented in Figures G and H reveal three consistent trends, which are shown graphically in Figures I and J. First, profitability generally increases with asset size. Second, all taxable corporations, except the very largest, showed strong decreases in taxable income after TRA 86. Third, the amount of decrease in taxable income is inversely related to asset size. These results can be explained in three ways. First, some evidence indicating that profitable corporations elected S-corporation status subsequent to TRA 86 exists [7]. Second, the corporations that were unable to elect S-corporation status, may have reduced the amount of corporate earnings subject to the corporate tax by distributing deductible dividends. Third, the ability to elect S-corporation status or pay deductible dividends appears to be inversely related to asset size, perhaps because the owners' and managers' interests are closely connected in small companies.

Deductible Dividends

For a variety of reasons, many corporations did not convert to S-corporation status. For example, as discussed earlier, corporations with more than one class of stock are prohibited from making this election.

Figure G

U.S. Corporations: Net Income (less Deficit) as a Percentage of Total Assets, by Size of Total Assets, Tax Years 1984-1990

[All figures are estimates based on samples]

Tax year	All returns	Size of total assets						
		$1 under $100,000	$100,000 under $250,000	$250,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $5,000,000	$5,000,000 under $10,000,000	$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Percentages							
1984	3.11	-5.17	2.02	2.16	2.19	2.12	2.20	3.37
1985	2.59	-5.76	1.67	1.80	1.49	1.63	1.43	2.83
1986	2.19	-5.66	1.74	1.93	1.49	1.72	1.54	2.33
1987	2.91	-7.60	1.23	1.88	1.28	1.48	1.47	3.19
1988	3.62	-10.96	-0.43	0.55	1.12	1.21	1.39	4.02
1989	2.88	-10.68	-1.32	-0.78	0.84	0.50	0.95	3.24
1990	2.60	-14.10	-1.99	-0.42	0.05	-0.07	0.27	2.97
1984-1986 average	2.63	-5.53	1.81	1.96	1.72	1.82	1.72	2.84
1987-1990 average	3.00	-10.84	-0.63	0.31	0.82	0.78	1.02	3.36
Increase	0.37	-5.31	-2.44	-1.65	-0.90	-1.04	-0.70	0.52

NOTE: The data include all corporations with assets greater than zero, except those filing Forms 1120S (U.S. Income Tax Return for an S-Corporation), 1120F (U.S. Income Tax Return of a Foreign Corporation), and returns of corporations classified in finance, insurance, and real estate (excluding insurance agents, brokers, or service).
SOURCE: Data are based on a sample of corporation income tax returns for the selected tax years. For information about the sample, see Statistics of Income--Corporation Income Tax Returns, for the years concerned.

Figure H

U.S. Corporations: Net Income (less Deficit) as a Percentage of Business Receipts, by Size of Total Assets, Tax Years 1984-1990

[All figures are estimates based on samples]

Tax year	All returns	Size of total assets						
		$1 under $100,000	$100,000 under $250,000	$250,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $5,000,000	$5,000,000 under $10,000,000	$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Percentages							
1984	2.65	-1.12	0.71	0.89	0.95	0.95	1.11	3.57
1985	2.34	-1.21	0.56	0.74	0.65	0.73	0.73	3.22
1986	2.14	-1.14	0.58	0.75	0.65	0.77	0.77	2.93
1987	2.82	-1.50	0.39	0.74	0.54	0.68	0.77	3.84
1988	3.64	-2.01	-0.14	0.21	0.50	0.55	0.73	4.97
1989	2.98	-1.99	-0.40	-0.30	0.28	0.23	0.50	4.05
1990	2.69	-2.52	-0.62	-0.16	0.02	-0.03	0.14	3.67
1984-1986 average	2.38	-1.16	0.62	0.79	0.75	0.82	0.87	3.24
1987-1990 average	3.03	-2.00	-0.19	0.12	0.34	0.36	0.54	4.13
Increase	0.65	-0.84	-0.81	-0.67	-0.41	-0.46	-0.33	0.89

NOTE: The data include all corporations with assets greater than zero, except those filing Forms 1120S (U.S. Income Tax Return for an S-Corporation), 1120F (U.S. Income Tax Return of a Foreign Corporation), and returns of corporations classified in finance, insurance, and real estate (excluding insurance agents, brokers, or service).
SOURCE: Data are based on a sample of corporation income tax returns for the selected tax years. For information about the sample, see Statistics of Income--Corporation Income Tax Returns, for the years concerned.

Figure I

Taxable Corporations: Net Income (less Deficit) as a Percentage of Total Assets, by Size of Total Assets, Tax Years 1984-1986 and 1987-1990

Note: The data include all corporations with assets greater than zero, except those filing Forms 1120S (U.S. Income Tax Return for an S-Corporation), 1120F (U.S. Income Tax Return of a Foreign Corporation), and returns of corporations classified in finance, insurance, and real estate (excluding insurance agents, brokers, or service).

Nonetheless, these taxable corporations could achieve homemade S-corporation status by distributing corporate earnings to shareholders in tax deductible form. Such payments, whether in the form of interest, rents, or employee compensation, are deductible by the corporation (and thus, they avoid the corporate tax), assuming the contractual relationships are bona fide and the amounts are ordinary, necessary, and reasonable (Section 162 of the Internal Revenue Code).

Data on the amount of potential deductible dividends are shown in Figure K, where "distributable income" is used to control for differences in company size. Distributable income is the sum of four items: (1) net income (less deficit), (2) rental expense, (3) interest expense, and (4) officer's compensation. The ratio of these potential deductible dividends (rental expense, interest expense, and officer's compensation) to distributable income shows the portion of distributable income that escapes corporate taxation. The amounts included in Figure K include annual data and the annual means for the pre- and post-TRA 86 periods.

Three trends appear in the data presented in Figure K and shown graphically in Figure L. First, the payment of deductible dividends is inversely related to company size. This is consistent with the idea that smaller and more closely-held corporations are better able to create the necessary contractual arrangements that allow these payments to occur. Second, the amount of potential deductible dividends increased substantially for each company-size category, with the exception of the largest corporations. This too is consistent with the notion that taxable corporations achieved homemade S-corporation status by distributing corporate earnings to shareholders in tax deductible forms (i.e., interest, rent, and compensation payments to shareholders). Third, the amount of potential deductible dividends approaches 100 percent of distributable income for all but the largest corporations (and exceeds 100 percent for the smallest corporations, which indicates that the payment of these potential deductible dividends created a net operating loss). Thus, for all but

Figure J

Taxable Corporations: Net Income (less Deficit) as a Percentage of Business Receipts, by Size of Total Assets, Tax Years 1984-1986 and 1987-1990

Note: The data include all corporations with assets greater than zero, except those filing Forms 1120S (U.S. Income Tax Return for an S-Corporation), 1120F (U.S. Income Tax Return of a Foreign Corporation), and returns of corporations classified in finance, insurance, and real estate (excluding insurance agents, brokers, or service).

Figure K

U.S. Corporations: "Deductible Dividends" as a Percentage of "Distributable Income," by Size of Total Assets, Tax Years 1984-1990

[All figures are estimates based on samples]

Tax year	All returns	Size of total assets						
		$1 under $100,000	$100,000 under $250,000	$250,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $5,000,000	$5,000,000 under $10,000,000	$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Percentages							
1984	72.11	105.47	85.39	92.01	89.69	85.96	81.81	61.95
1985	75.20	106.21	86.33	93.53	92.85	88.81	87.38	65.61
1986	77.98	105.76	86.39	93.16	93.09	88.74	86.52	69.58
1987	71.93	107.60	87.30	93.99	94.19	90.10	86.60	61.95
1988	66.70	112.52	101.00	98.18	94.69	91.88	87.83	56.97
1989	71.78	113.68	103.29	103.01	96.96	96.58	91.56	63.89
1990	73.77	118.87	105.21	101.59	99.75	100.48	97.45	66.10
1984-1986 average	75.04	106.52	86.67	93.56	93.38	89.22	86.83	65.71
1987-1990 average	70.75	115.02	103.17	100.93	97.13	96.31	92.28	62.32
Percentage increase	-5.72	7.98	19.04	7.88	4.02	7.95	6.28	-5.16

NOTE: The data include all corporations with assets greater than zero, except those filing Forms 1120S (U.S. Income Tax Return for an S-Corporation), 1120F (U.S. Income Tax Return of a Foreign Corporation), and returns of corporations classified in finance, insurance, and real estate (excluding insurance agents, brokers, or service).
SOURCE: Data are based on a sample of corporation income tax returns for the selected tax years. For information about the sample, see Statistics of Income--Corporation Income Tax Returns, for the years concerned.

Figure L

Taxable Corporations: "Deductible Dividends" as a Percentage of "Distributable Income," by Size of Total Assets, Tax Years 1984-1986 and 1987-1990

Note: The data include all corporations with assets greater than zero, except those filing Forms 1120S (U.S. Income Tax Return for an S-Corporation), 1120F (U.S. Income Tax Return of a Foreign Corporation), and returns of corporations classified in finance, insurance, and real estate (excluding insurance agents, brokers, or service).

the largest corporations, the double taxation of corporate earnings was reduced via these payments of interest, rent, and officer's compensation.

Debt Capital Provided by Shareholders

To the extent that corporations responded to TRA 86 by increasing their payments of deductible dividends, smaller amounts of earnings were subject to the corporate tax, but less income remained within the corporation for reinvestment. To offset this reduction in retained earnings and maintain its investment capital, corporations might be expected to obtain additional debt capital, especially from shareholders. Loans to and from shareholders are reported as part of the corporation's income tax return. The data in Figures M and N show the amount of loans received by corporations from their shareholders and the loans made to shareholders by their corporations, respectively. The data are shown as a percentage of total assets to control for company size, and are shown both annually and by annual means during the pre- and post-TRA 86 periods. The data are also shown graphically in Figures O and P. For larger corporations, these loans include loans to and from corporate affiliates.

The data in Figure M indicate that loans received by corporations from their shareholders are inversely related to asset size. However, these data also show that loans from shareholders increased substantially following the enactment of TRA 86, especially for corporations in the smallest size categories. No similar effect appears for loans to shareholders (Figure N). This finding is further evidence in support of the notion that taxable corporations attempted to achieve homemade S-corporation status by obtaining loans from their shareholders (and ,thus, making deductible interest payments).

Figure M

U.S. Corporations: Loans from Shareholders as a Percentage of Total Assets, by Size of Total Assets, Tax Years 1984-1990

[All figures are estimates based on samples]

Tax year	All returns	Size of total assets						
		$1 under $100,000	$100,000 under $250,000	$250,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $5,000,000	$5,000,000 under $10,000,000	$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Percentages							
1984	1.72	21.12	11.01	7.47	5.29	3.36	1.91	1.02
1985	1.84	21.38	10.12	7.39	5.27	3.38	2.15	1.22
1986	1.93	22.76	11.06	7.65	5.78	3.72	2.12	1.31
1987	2.12	23.12	11.46	7.89	6.26	4.15	2.61	1.54
1988	2.22	25.03	12.51	8.56	6.59	4.58	2.87	1.66
1989	1.96	26.60	13.28	8.74	7.33	5.23	2.85	1.37
1990	1.98	32.58	13.39	8.97	7.18	5.59	3.32	1.37
1984-1986 average	1.83	21.75	10.73	7.50	5.45	3.49	2.06	1.18
1987-1990 average	2.07	26.83	12.66	8.54	6.84	4.89	2.91	1.49
Percentage increase	13.11	23.36	17.99	13.87	25.50	40.11	41.26	26.27

NOTE: The data include all corporations with assets greater than zero, except those filing Forms 1120S (U.S. Income Tax Return for an S-Corporation), 1120F (U.S. Income Tax Return of a Foreign Corporation), and returns of corporations classified in finance, insurance, and real estate (excluding insurance agents, brokers, or service).
SOURCE: Data are based on a sample of corporation income tax returns for the selected tax years. For information about the sample, see Statistics of Income--Corporation Income Tax Returns, for the years concerned.

Figure N

U.S. Corporations: Loans to Shareholders as a Percentage of Total Assets, by Size of Total Assets, Tax Years 1984-1990

[All figures are estimates based on samples]

Tax year	All returns	Size of total assets						
		$1 under $100,000	$100,000 under $250,000	$250,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $5,000,000	$5,000,000 under $10,000,000	$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Percentages							
1984	0.81	7.83	5.56	3.44	2.14	1.31	0.78	0.53
1985	0.74	8.52	5.76	3.71	2.30	1.39	0.86	0.44
1986	0.77	8.71	5.89	3.84	2.35	1.40	0.93	0.50
1987	0.76	8.74	6.56	3.92	2.43	1.38	0.98	0.49
1988	0.82	8.83	5.50	3.97	2.32	1.32	0.92	0.82
1989	0.63	7.95	5.58	3.95	2.14	1.29	0.80	0.44
1990	0.66	7.62	5.56	3.69	2.40	1.30	0.84	0.49
1984-1986 average	0.77	8.35	5.74	3.66	2.26	1.37	0.86	0.49
1987-1990 average	0.72	8.29	5.80	3.88	2.32	1.32	0.89	0.56
Percentage increase	-6.49	-0.72	1.05	6.01	2.65	-3.65	3.49	14.29

NOTE: The data include all corporations with assets greater than zero, except those filing Forms 1120S (U.S. Income Tax Return for an S-Corporation), 1120F (U.S. Income Tax Return of a Foreign Corporation), and returns of corporations classified in finance, insurance, and real estate (excluding insurance agents, brokers, or service).
SOURCE: Data are based on a sample of corporation income tax returns for the selected tax years. For information about the sample, see Statistics of Income--Corporation Income Tax Returns, for the years concerned.

Figure 0

Taxable Corporations: Loans from Shareholders as a Percentage of Total Assets, by Size of Total Assets, Tax Years 1984-1986 and 1987-1990

Note: The data include all corporations with assets greater than zero, except those filing Forms 1120S (U.S. Income Tax Return for an S-Corporation), 1120F (U.S. Income Tax Return of a Foreign Corporation), and returns of corporations classified in finance, insurance, and real estate (excluding insurance agents, brokers, or service).

Summary and Conclusion

In this paper we reviewed some of the major tax changes associated with the Tax Reform Act of 1986 and calculated that under some assumptions, after TRA 86, investors in S-corporations earned higher after-tax returns than investors in taxable corporations, all other things being equal. These higher returns undoubtedly led to the large increases in the number of non-corporate businesses that occurred after passage of TRA 86.

Corporations that did not convert to S-corporations nonetheless could effectively achieve homemade S-corporation status by distributing corporate earnings in tax deductible form. These distributions, whether described as interest payments, rental fees, or compensation, reduced the amount of distributable income subject to the corporate tax, as long as the contractual arrangements were bona fide and the amounts paid were ordinary, necessary, and reasonable, as specified in Section 162 of the Internal Revenue Code.

The data presented here show a dramatic decline in the number and profitability of smaller taxable corporations, which mirrors the increase in the number and profitability of S-corporations after TRA 86. In addition, corporations that did not convert to S-corporation status reduced the amount of their distributable income that was subject to the corporate level tax by paying-out various types of potential deductible dividends. Finally, the data show that these corporations increased the amount of loans received from their shareholders, which is also consistent with the notion of that such corporations increased the level of their deductible distributions or potential deductible dividends.

Figure P

Taxable Corporations: Loans to Shareholders as a Percentage of Total Assets, by Size of Total Assets, Tax Years 1984-1986 and 1987-1990

Note: The data include all corporations with assets greater than zero, except those filing Forms 1120S (U.S. Income Tax Return for an S-Corporation), 1120F (U.S. Income Tax Return of a Foreign Corporation), and returns of corporations classified in finance, insurance, and real estate (excluding insurance agents, brokers, or service).

Explanation of Selected Terms

Business receipts.--Business receipts were, in general, the gross operating receipts of the corporation reduced by the cost of returned goods and allowances. For additional information on business receipts, see *Statistics of Income -- Corporation Income Tax Returns* for the selected Tax Year.

Deductible dividends.--For purposes of this article, deductible dividends are defined as the sum of the deductions for compensation to officers, interest, and rent. The definition of deductible dividends is subject to measurement error. The measure is limited in that, due to data limitations, the payments cannot be traced directly to the shareholders nor can their deductibility under Internal Revenue Code section 162 be assessed.

Taxable corporation.--For purposes of this article, a taxable corporation is subject to taxation under Subchapter C of the Internal Revenue Code. These taxable corporations are treated as a separate taxpaying entity for Federal income tax purposes. S-corporations generally are not directly subject to Federal income taxation. S-corporations do, however, pay Federal income taxes directly in limited circumstances for items such as the "built-in gains" tax on the disposal of net appreciated property.

Data Sources and Limitations

The data used in this analysis were collected from Statistics of Income annual samples of corporate income tax returns. The analysis used data from all corporate income tax returns for Tax Years 1984 through 1990 with the exception of corporations filing Form 1120S, Form 1120F, those corporations in the finance and insurance industries (except insurance agents) and returns with zero assets. These excluded returns were filed by corporations that are uniquely taxed, subject to special provisions of the

Internal Revenue Code, or report gross income in a way that makes inclusion in our analysis difficult. The corporations are then partitioned into seven size categories, based on their reported total assets.

Notes and References

[1] See, for example, Gordon, R. G. and MacKie-Mason, J., "Effects of the Tax Reform Act of 1986 on Corporate Financial Policy and Organizational Form," in J. B. Slemrod, ed., *Do Taxes Matter? The Impact of the Tax Reform Act of 1986*, Cambridge: MIT Press. (1991): 91-131; Nelson, S., "S Corporations Since the Tax Reform Act of 1986," *Proceedings of the National Tax Association Meetings* (November 1991): 18-24; Nelson, S., " S Corporations: The Record of Growth After Tax Reform," *Journal of S Corporation Taxation* 5 (Fall 1993): 138-161; Petska, T. B. and Wilson, R. A., " Trends in Business Structure and Activity, 1980-1990," *SOI Bulletin* 13 (Spring 1994): 27-72; and Plesko, G. A., "Entity Choice: Financial Characteristics of S and C Corporations," *Public Finance Quarterly* 22 (July 1994): 311-334.

[2] The data in Figure B are derived from the assumptions and equations herein. First, assume that a business earns a pre-tax rate of return of 20 percent regardless of business form. Second, the Internal Revenue Code specifies corporate and individual tax rates and the amount of capital gain income that must be included in gross income. In the pre-TRA 86 period (1984-1986), the maximum corporate tax rate was 46 percent, the maximum individual tax rate was 50 percent, and the capital gains income inclusion was 50 percent. In the post-TRA 86 period, the maximum corporate tax rate was 34 percent, the maximum individual tax rate was 28 percent (ignoring the 5 percent surtax to phase-out exemptions), and the capital gains income inclusion was 100 percent. Third, assume that the C-corporation does not distribute dividends, but is liquidated at some future point in time (and any funds retained in the C-corporation are distributed to owners and capital gains recognized). Fourth, assume that the S-corporation makes annual cash distributions that are sufficient to enable its owners to pay the tax that pertains to the business income. The equations below do not take into account inflation.

An investor in an S-corporation earns an after-tax rate of return for n periods as described below in equation (1):

$$[1 + R(1 - t_i)]^n.$$

In words, the S-corporation earns a pre-tax rate of return, R, on an investment of $1.00 that is subject to tax at the individual investor's tax rate of t_i. This after-tax amount is then reinvested for n periods. For the corporate investor, however, the after-tax rate of return over n periods is described below by equation (2),

$$[1 + R(1 - t_c)]^n - gt_i\,([1 + R(1 - t_c)]^n - 1).$$

The first term in equation (2), $[1+ R(1 - t_c)]^n$, states that the C-corporation earns a pre-tax return, R, on a $1.00 investment, which is then subject to the corporate tax rate of t_c. The after-corporate-tax amount is then reinvested for n periods. The second term in equation (2), $gt_i\,([1 + R(1 - t_c)]^n - 1)$, states that upon liquidation of the C-corporation (or the sale of shares by the shareholders), the after-corporate-tax assets in the corporation, less the initial investment of $1.00, $([1 + R(1 - t_c)]^n - 1)$, are subject to tax at the shareholder level. The amount of tax paid by the shareholder, gt_i, depends upon t_i, the tax on ordinary income, and g, the portion of the gain subject to taxation. Equation (2) assumes that the corporation does not distribute dividends to its shareholders. If such dividends are paid, the after-tax return to investors falls because such dividends do not benefit from the capital gains deduction and fewer assets are available for reinvestment within the corporation. For additional information, see Scholes, M. S., and Wolfson, M. K., *Taxes and Business Strategy: A Planning Approach*, New Jersey: Prentice-Hall (1991).

[3] The twelve factors identified by the U. S. Tax Court are as follows: (1) the employee's qualifications; (2) the nature, extent, and scope of the employee's work; (3) the size and complexity of the business; (4) a comparison of salaries paid with sales, gross income, and capital value; (5) general economic conditions; (6) a comparison of salaries to distributions to shareholders and retained earnings; (7) employer's salary policy for all employees; (8) employer's financial condition; (9) the prevailing rates of compensation for comparable positions and companies; (10) the compensation paid in prior years; (11) whether the employee and employer dealt with each other at arm's length; and (12) whether the employee guaranteed the employer's debt. For additional information see, *Acme Construction Co., Inc.* (69 TCM 1596), BOCA Construction Inc. (69 TCM 1589), and *Comtec Systems, Inc.* (69 TCM 1581).

[4] These characteristics include: (1) whether there is a written unconditional promise to pay on demand or on a specified date a sum certain in money in return for an adequate consideration in money or money's worth and to pay a fixed rate of interest; (2) whether there is subordination to or preference over any indebtedness of the corporation; (3) the ratio of debt to equity of the corporation; (4) whether there is convertibility into the stock of the corporation; and (5) the relationship between holdings of stock in the corporation and holdings of the interest in question.

[5] See note 1 above.

[6] See, for example, Gill, A.M. "S Corporation Returns, 1992," *SOI Bulletin* 14 (Spring 1995): 73-100; Nelson, S., "S Corporations Since the Tax Reform Act of 1986," *Proceedings of the National Tax Association Meetings* (November 1991): 18-24; Nelson, S., "S Corporations: The Record of Growth After Tax Reform," *Journal of S Corporation Taxation* 5 (Fall 1993): 138-161; Petska, T. B. and Wilson, R. A., "Trends in Business Structure and Activity, 1980-1990," *SOI Bulletin* 13 (Spring 1994): 27-72; Plesko, G. A., "Entity Choice: Financial Characteristics of S and C Corporations," *Public Finance Quarterly* 22 (July 1994): 311-334; and Plesko, G. A., "The Role of Taxes in Organizational Choice: S Conversions After the Tax Reform Act of 1986," working paper (1995).

[7] See Carroll, R., and Joulfaian, D., "Taxes and Corporate Choice of Organizational Form," working paper (1995), and Plesko, G. A., "The Role of Taxes in Organizational Choice: S Conversions After the Tax Reform Act of 1986," working paper (1995).

High-Income Tax Returns for 1992

The Tax Reform Act of 1976 required annual publication of data on individual income tax returns reporting income of $200,000 or more, including the number of such returns reporting no income tax liability and the importance of various tax provisions in making these returns nontaxable [1]. This article presents detailed data for the nearly 1 million high-income returns for 1992, as well as summary data for the period 1977 to 1992. Data for the years 1974 through 1991 have been published previously [2].

Two income concepts are used in this article to classify tax returns as high-income: the statutory concept of adjusted gross income (AGI), and the expanded income concept [3]. Expanded income uses items reported on tax returns to obtain a more comprehensive measure of income than AGI. Specifically, expanded income is AGI *plus* tax-exempt interest, nontaxable social security benefits, the foreign-earned income exclusion, and items of "tax preference" for "alternative minimum tax" purposes; *less* unreimbursed employee business expenses, moving expenses, investment interest to the extent it does not exceed investment income, and miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor [4, A4]. Note that although expanded income is a more comprehensive measure of income than AGI, for some taxpayers the subtractions from AGI to arrive at expanded income exceed the additions, with the result that expanded income is less than AGI.

Number of High-Income Returns

For 1992, there were 954,747 individual income tax returns reporting AGI of $200,000 or more, and 989,522 with expanded income of $200,000 or more. These returns represented, respectively, 0.840 and 0.871 percent of all returns for 1992 (the top panel of Figure A).

Since 1977, the number of returns reporting income of $200,000 or more increased at a much more rapid rate than the total number of returns filed. This pattern is true under both income concepts. Between 1991 and 1992, while the total number of tax returns fell by one percent, the number of high AGI returns increased by 12.8 percent, and the number of high expanded income returns rose by 10.9 percent. As a result, each year these high-income returns have comprised a larger share of all returns than for the preceding year (Figure A). The difference in the number of high-income returns between the two income concepts significantly decreased beginning with 1987, when AGI began to include 100 percent of long-term capital gains. This change in the definition of AGI makes the income concepts of AGI and expanded income more comparable. In addition, as a result of the inclusion of tax-exempt interest in expanded income starting with 1987, expanded income for years after 1986 is not strictly comparable to expanded income for years before 1987.

In the top panel of Figure A, the $200,000 threshold for high-income returns is measured in current-year (nominal) dollars. As a result of inflation, the real (constant) dollar level of the threshold has fallen over time, and some returns are classified as high-income that would not have been classified as high-income for earlier years. To maintain the comparability of the real threshold over time, the nominal $200,000 threshold has been adjusted for inflation to 1976 constant dollars for all years, and the number of high-income tax returns has been recomputed [5].

The results using the 1976 constant dollar threshold are shown in the lower panel of Figure A. Using the expanded income concept, the number of high-income returns for 1992 measured in current-year dollars was 14.6 times as large as for 1977. Measured in 1976 constant dollars, the number of returns for 1992 was 3.9 times the number for 1977. Note that since 1977, the number of returns with income of $200,000 or more in 1976 constant dollars increased at a more rapid rate than the total number of returns filed. Between 1977 and 1992, the share of such returns rose from 0.067 percent to 0.200 percent of all returns.

Based on AGI, the number of high-income returns for 1992 measured in current-year dollars was 17.9 times as large as for 1977. Measured in 1976 constant dollars, the number of returns for 1992 was only 4.7 times the number for 1977. Between 1977 and 1992, the share of such returns rose from 0.052 percent to 0.188 percent of all returns.

Nontaxable High-Income Returns

Two tax concepts are used in this article to classify tax returns as taxable or nontaxable. The first concept, "U.S. income tax," is total Federal income tax liability (including the "alternative minimum tax"), less all credits against income tax. Since the U.S. income tax applies to worldwide income and since a credit (subject to certain limits) is allowed against U.S. income tax for income taxes paid to foreign governments, a return could be classified as nontaxable under this first concept, even though income taxes had been paid to a foreign government. The second tax concept, "Worldwide income tax," addresses this circumstance by adding back to U.S. income tax the allowed foreign tax credit and foreign taxes paid on excluded foreign-earned income [6, 7].

This article was prepared under the direction of Cathy Katz, Chief, Individual Operations Section.

Figure A

All Returns and Returns with Income of $200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Income Concept, Tax Years 1977-1992

Tax year	All returns	$200,000 income threshold measured in current dollars			
		Number of returns by income concept		Percentage of all returns by income concept	
		Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(1)	(2)	(3)	(4)	(5)
1977	88,634,640	53,403	67,580	0.060	0.076
1978	89,771,551	68,506	85,137	0.076	0.095
1979	92,694,302	93,731	122,231	0.101	0.132
1980	93,902,459	117,250	149,826	0.125	0.160
1981	96,396,123	138,136	175,092	0.143	0.182
1982	95,337,432	169,367	207,291	0.178	0.217
1983	96,321,310	198,608	249,319	0.206	0.259
1984	99,438,708	243,760	310,042	0.245	0.312
1985	101,660,287	296,507	370,340	0.292	0.364
1986	103,045,170	374,363	529,460	0.363	0.514
1987	106,996,270	539,967	557,848	0.505	0.521
1988	109,708,280	725,345	737,659	0.661	0.672
1989	112,135,673	786,063	814,152	0.701	0.726
1990	113,717,138	834,957	860,940	0.734	0.757
1991	114,730,123	846,407	892,178	0.738	0.778
1992	113,604,503	954,747	989,522	0.840	0.871

Tax year	All returns	$200,000 income threshold measured in 1976 constant dollars				
		Number of returns by income concept		Percentage of all returns by income concept		Current dollar income threshold equal to $200,000 in 1976 constant dollars (whole dollars)
		Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	
	(6)	(7)	(8)	(9)	(10)	(11)
1977	88,634,640	45,931	58,991	0.052	0.067	213,005
1978	89,771,551	49,388	62,556	0.055	0.070	229,174
1979	92,694,302	55,542	76,479	0.060	0.083	255,184
1980	93,902,459	52,512	71,704	0.056	0.076	289,631
1981	96,396,123	50,880	71,146	0.053	0.074	319,508
1982	95,337,432	59,411	81,297	0.062	0.085	339,192
1983	96,321,310	67,310	93,977	0.070	0.098	350,088
1984	99,438,708	80,800	116,389	0.081	0.117	365,202
1985	101,660,287	95,740	134,715	0.094	0.133	378,207
1986	103,045,170	119,550	191,596	0.116	0.186	385,237
1987	106,996,270	161,408	169,942	0.151	0.159	399,297
1988	109,708,280	235,051	241,201	0.214	0.220	415,817
1989	112,135,673	217,685	228,530	0.194	0.204	435,852
1990	113,717,138	216,716	228,659	0.191	0.201	459,400
1991	114,730,123	183,442	195,743	0.160	0.171	478,735
1992	113,604,503	213,783	227,354	0.188	0.200	493,146

For 1992, of the 954,747 income tax returns with AGI of $200,000 or more, 909, or 0.095 percent, showed no U.S. income tax liability; and 823, or 0.086 percent, showed no worldwide income tax liability (the top panel of Figure B). For 1991, there were 1,253 returns (0.148 percent) with AGI of $200,000 or more with no U.S. income tax liability; and 1,131 returns (0.134 percent) with no worldwide income tax liability. Thus, the number of returns with AGI of $200,000 or more and no U.S. income tax liability declined by 27 percent, and the number of high AGI returns without any worldwide tax liability also fell by 27 percent.

Figure B

Nontaxable Returns with Income of $200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Tax and Income Concept, Tax Years 1977-1992

Tax year	$200,000 income threshold measured in current dollars							
	Number of nontaxable returns with income of $200,000 or more				Percentage of all returns with income of $200,000 or more			
	Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept		Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept	
	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1977	60	85	37	64	0.112	0.126	0.069	0.095
1978	98	105	60	67	0.143	0.123	0.088	0.079
1979	70	114	28	64	0.075	0.093	0.030	0.052
1980	143	198	56	114	0.122	0.132	0.048	0.076
1981	226	304	79	114	0.164	0.174	0.057	0.065
1982	262	299	109	153	0.155	0.144	0.064	0.074
1983	447	579	321	437	0.225	0.232	0.162	0.175
1984	532	325	471	271	0.218	0.105	0.193	0.087
1985	612	613	442	454	0.206	0.166	0.149	0.123
1986	659	595	437	379	0.176	0.112	0.117	0.072
1987	857	472	740	364	0.159	0.085	0.137	0.065
1988	822	397	731	309	0.113	0.054	0.101	0.042
1989	1,081	779	987	691	0.138	0.096	0.126	0.085
1990	1,219	1,183	1,114	1,087	0.146	0.137	0.133	0.126
1991	1,253	1,933	1,131	1,740	0.148	0.217	0.086	0.195
1992	909	1,896	823	1,799	0.095	0.192	0.086	0.182

Tax year	$200,000 income threshold measured in 1976 constant dollars							
	Number of nontaxable returns with income of $200,000 or more				Percentage of all returns with income of $200,000 or more			
	Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept		Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept	
	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1977	54	75	32	56	0.118	0.127	0.070	0.095
1978	62	70	31	39	0.126	0.112	0.063	0.062
1979	38	71	15	39	0.068	0.093	0.027	0.051
1980	56	71	22	39	0.107	0.099	0.042	0.054
1981	53	87	21	55	0.104	0.122	0.041	0.077
1982	58	68	27	36	0.098	0.084	0.045	0.044
1983	138	135	113	108	0.205	0.144	0.168	0.115
1984	170	78	160	66	0.210	0.067	0.198	0.057
1985	190	155	137	99	0.198	0.115	0.143	0.073
1986	201	189	138	120	0.168	0.099	0.115	0.063
1987	312	126	271	85	0.193	0.074	0.168	0.050
1988	277	141	251	116	0.118	0.058	0.107	0.048
1989	293	128	269	106	0.135	0.056	0.124	0.046
1990	339	169	307	137	0.156	0.074	0.142	0.060
1991	301	305	273	277	0.164	0.156	0.149	0.142
1992	171	288	148	264	0.080	0.127	0.069	0.116

Of the 989,522 tax returns with expanded income of $200,000 or more, 1,896, or 0.192 percent, had no U.S. income tax liability; and 1,799, or 0.182 percent, had no worldwide income tax liability. Of the 892,178 returns with expanded income of $200,000 or more for 1991, there were 1,933 (0.217 percent) with no U.S. income tax liability; and 1,740 (0.195 percent) with no worldwide income tax liability. Thus, the percentage of nontaxable returns declined between 1991 and 1992. Although the number of nontaxable returns has increased since 1977, most of that increase has been attributable to the growth in the overall number of all returns -- taxable and nontaxable --

with income of $200,000 or more. The percentage of nontaxable returns increased only modestly. As mentioned previously, because of the inclusion of tax-exempt interest in expanded income starting with 1987, the concept of expanded income is no longer strictly comparable to expanded income calculated for years before 1987.

Using the 1976 constant dollar threshold, the number of nontaxable returns was significantly less than the number of such returns in current dollars. Yet the percentages of returns which were nontaxable are not substantially different when measured by AGI and are much less when measured by expanded income. Of returns with AGI of $200,000 or more in current dollars, 0.095 percent reported no U.S. income tax for 1992, and 0.086 percent had no worldwide income tax. For returns in 1976 constant dollars, the percentage without U.S. income tax liability was 0.080; the percentage without worldwide income tax liability was 0.069 (see the lower panel of Figure B).

Of the returns with expanded income of $200,000 or more in current dollars, 0.192 percent reported no U.S. income tax, and 0.182 percent reported no worldwide income tax. When looking at these same returns using 1976 constant dollars, the percentage without U.S. tax liability was 0.127; the percentage without worldwide income tax liability was 0.116. Beginning with 1987, the number of high-income returns whose nontaxability may be attributed to foreign tax credits declined substantially. The reduction appears to be due to changes in the foreign tax credit provisions of the alternative minimum tax (AMT) [8].

Note that the number of nontaxable returns with income of $200,000 or more is based on samples. Thus, year-to-year differences in the numbers and percentages of nontaxable returns with expanded income of $200,000 or more may represent sampling variability in addition to actual changes in the numbers of such returns [9].

Figures C and D show the number of nontaxable, high-income returns in both current-year and 1976 constant dollars, and their proportion of all high-income

Figure C

Number and Percentage of Returns with No U.S. Income Tax and with Expanded Income of $200,000 or More, Tax Years 1977-1992

Figure D

Number and Percentage of Returns with No Worldwide Income Tax and with Expanded Income of $200,000 or More, Tax Years 1977-1992

returns, between 1977 and 1992. Figure C is for returns with expanded income of $200,000 or more and no U.S. income tax liability measured in both current-year and 1976 constant dollars. Figure D is for returns with expanded income of $200,000 or more and no worldwide income tax liability. In both figures, the spread between the two percentage lines is small for the late 1970's, shows an increase for the early 1980's, then narrows before widening again for 1989 through 1992.

Detailed Data for 1992

Tables 1 through 12 present data based on 1992 income tax returns, mainly those with income of $200,000 or more (measured in current-year dollars) of AGI or expanded income. Most of the data are shown for taxable and nontaxable returns, both separately and combined. In summary, the tables show:

- The numbers of returns under the two tax concepts, cross-classified by broad AGI and expanded income size classes (Tables 1 and 2);
- The distributions of taxable income as a percentage of AGI and expanded income (Tables 3 and 4);
- The frequencies and amounts of various sources of income, exclusions, deductions, taxes, and tax credits, as well as the relationship between the two income concepts (Tables 5 and 6);
- The frequencies with which various deductions and tax credits are the most important and the second most important items in reducing (or eliminating) income tax (Tables 7 and 8);
- The frequencies with which various itemized deductions, tax credits, and tax preference items occur as certain percentages of income (Tables 9 and 10); and
- The distributions of effective tax rates, i.e., income tax under each definition as a percentage of income, by broad income size classes (Tables 11 and 12).

Tables 1, 3, 5, 7, 9, and 11 use the U.S. income tax concept to classify returns as taxable or nontaxable, whereas Tables 2, 4, 6, 8, 10, and 12 use the worldwide income tax concept.

Size of Income

Tables 1 and 2 show the number of all returns, taxable returns, and nontaxable returns, cross-classified by broad AGI and expanded income size classes. The tables show that most returns fall in the same broad income size class under both income concepts, but that expanded income tends to be a broader measure of income and therefore classifies more total and taxable returns in each of the $50,000-and-over income size classes. Table 1 shows that 909 returns with no U.S. income tax had an AGI of $200,000 or more, and 1,896 returns with no U.S. income tax had an expanded income of $200,000 or more.

Distribution of Tax Levels

Tables 3 and 4 show the distributions of high-income returns by the ratios of "adjusted" taxable income (adjusted to reflect tax credits and special tax computations) to AGI or expanded income. Taxable income has been adjusted for these tables by subtracting from taxable income the deduction equivalents of tax credits and other items [10]. The tables illustrate three important facts about high-income tax returns. (The examples in the paragraphs below are drawn from the "expanded income" columns in Table 4.)

- As already described, only a small proportion of high-income taxpayers were able to escape all income taxes (0.182 percent, which is rounded to 0.2 percent in Table 4).

- Another group of high-income taxpayers -- small, but larger than the nontaxable group -- was able to offset a very substantial fraction of its income before being subject to tax. This type of high-income taxpayer pays income tax equal to only a small share of his or her income. Such taxpayers may be called "nearly nontaxables." (About 1 percent of high expanded-income taxpayers reported some tax liability but were able to reduce their taxable income to less than 25 percent of their expanded income.)

- Overall, a large portion of high-income taxpayers were subject to tax on a large share of their income and reported very substantial amounts of tax. (Over 71 percent had adjusted taxable income equal to 80 percent or more of expanded income. Over 96 percent had taxable income of 50 percent or more of expanded income.)

Tables 11 and 12 show the distributions of tax returns in another way: by tax burden. These two tables classify all tax returns by both the size of income and the effective tax rate, i.e., income tax as a percentage of income. These tables show that, on average, high-income taxpayers do have higher effective tax rates. The tables also illustrate the wide dispersion of effective tax rates for high-income returns. For example, Table 12 shows that while 2.5 percent of returns with expanded income of $200,000 or more had either no worldwide income tax or worldwide income tax of less than 10 percent of expanded income, almost 42 percent had effective tax rates exceeding 25 percent. About 93 percent of high-income taxpayers had effective tax rates ranging from 15 percent to 30 percent, while 43 percent had effective tax rates between 20 and 25 percent.

Characteristics of Tax Returns

Tables 5 and 6 show, in the aggregate, the frequencies and amounts of the types of income, the items of tax preference, and the various deductions, credits, and income taxes shown on high-income returns. By comparing the columns for nontaxable returns with those for taxable returns, some of the different characteristics of nontaxable returns can be deduced. For example, nontaxable returns, under both income concepts, are much more likely to have sizable partnership and S Corporation losses than are taxable returns, but they are much less likely to have any income from wages and salaries [11].

Reasons for Nontaxability

It is possible for certain itemized deductions and certain exclusions from income to cause nontaxability by themselves, but high-income returns are more often nontaxable as a result of a combination of reasons, no one of which, by itself, would result in nontaxability. Moreover, some items which singly or in combination may eliminate "regular tax" liability, i.e., income tax excluding AMT, cannot eliminate an AMT liability since these items give rise to offsetting adjustments or preferences for AMT purposes.

Because they do not generate AMT adjustments or preferences, tax-exempt bond interest, itemized deductions for interest expense, miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor, moving expenses, casualty or theft losses, and medical expenses (exceeding 10 percent of AGI) can, by themselves, produce nontaxability [12].

Due to the AMT exclusion of $40,000 on joint returns

($30,000 on single and head-of-household returns and $20,000 on returns of married taxpayers filing separately), a return can be nontaxable even though it includes some items which produce AMT adjustments or preferences [13]. Further, since the starting point for "alternative minimum taxable income" is taxable income for regular tax purposes, a taxpayer can have adjustments and preferences exceeding the AMT exclusion without incurring AMT liability. This situation occurs if taxable income for regular tax purposes is sufficiently negative, as a result of itemized deductions and personal exemptions exceeding AGI, that the taxpayer's AMT adjustments and preferences are less than the sum of the AMT exclusion and the amount by which regular taxable income is below zero. Note that because of the AMT, taxpayers may find it beneficial to report additional deduction items on their tax returns, even if the items do not produce a benefit for regular tax purposes.

Tables 7 and 8 classify tax returns by the items that had the largest and second largest effects in reducing or eliminating income tax. For returns on which each of the largest effects have been identified, the tables show each of the second largest effects. For example, on taxable returns with some worldwide tax and expanded income of $200,000 or more, the most important item in reducing the tax reported on 59 percent of the returns was the itemized deduction of State and local income taxes; for these returns, the itemized deduction for interest payments was the second most important reason 51 percent of the time, and the deduction for charitable contributions was the second most important reason 39 percent of the time (Table 8). Conversely, on nontaxable high expanded-income returns (with no worldwide income tax), the itemized deduction for medical and dental expenses was the most important item 32 percent of the time. Where this was the primary item, the taxes paid deduction was the second most important item 39 percent of the time, and total miscellaneous deductions and the deduction for charitable contributions were each the second most important item 28 percent of the time. The four categories which most frequently had the largest effect in reducing taxes for nontaxable, high expanded-income returns were: the itemized deduction for medical and dental expenses (546 returns, or 31.7 percent of the 1,724 tabulated returns with expanded income of $200,000 or more and with no worldwide tax liability); net losses from partnerships or S Corporations (367 returns, or 21.3 percent); the taxes paid deduction (276 returns, or 16.0 percent); and the deduction for interest paid (178 returns, or 10.3 percent). Note that the net losses from partnerships and S Corporations reduce AGI; the other three items reduce "taxable income." The two items which most frequently had the second largest effect in reducing regular tax liability were the deduction for taxes paid and the deduction for charitable contributions.

Tables 9 and 10 represent another way of illustrating the importance of various tax provisions in reducing or eliminating income tax. Unlike Tables 7 and 8, these tables cover only nontaxable returns, i.e., returns showing no income tax liability, including AMT. Tables 9 and 10 show the number of times that various items reduced income by different fractions of income. The items shown are the various categories of itemized deductions, the deduction equivalents of two different types of tax credits, and total tax preferences excluded from income. For example, for high expanded-income returns with no worldwide income tax (Table 10), the itemized deduction for casualty or theft losses exceeded 100 percent of expanded income on 50 of the 1,799 returns, but there was no casualty or theft loss deduction on 1,699 returns. The medical expense deduction exceeded total expanded income on 25 returns and amounted to between 50 percent and 100 percent of expanded income on an additional 159 returns.

Notes and References

[1] The statutory requirement is contained in section 2123 of the Tax Reform Act of 1976 (90 Stat. at 1915).

[2] Lerman, Allen H., "High-Income Tax Returns: 1974 and 1975, A Report on High-Income Taxpayers Emphasizing Tax Returns with Little or No Tax Liability," U.S. Department of Treasury, Office of Tax Analysis, March 1977, and "High-Income Tax Returns: 1975 and 1976, A Report Emphasizing Nontaxable and Nearly Nontaxable Income Tax Returns," U.S. Department of Treasury, Office of Tax Analysis, August 1978.

U.S. Department of Treasury, Internal Revenue Service, *Statistics of Income--Individual Income Tax Returns* for 1977 through 1982 and 1985 through 1988. (For 1977 and 1978, only the number of nontaxable, high-AGI returns were published.)

Lerman, Allen H., "High-Income Tax Returns, 1983," *Statistics of Income Bulletin*, Spring 1986, Volume 5, Number 4, pp. 31-61, and "High-Income Tax Returns, 1984," *Statistics of Income Bulletin*, Spring 1987, Volume 6, Number 4, pp. 1-29; "High-Income Tax Returns for 1989," *Statistics of Income Bulletin*, Spring 1993, Volume 12, Number 4, pp. 23-50;

"High-Income Tax Returns for 1990," *Statistics of Income Bulletin,* Winter 1993-1994, Volume 13, Number 3, pp. 104-132; "High-Income Tax Returns for 1991," *Statistics of Income Bulletin,* Winter 1994-1995, Volume 14, Number 3, pp. 96-130.

[3] The 1976 Act specified four income concepts for classifying tax returns: adjusted gross income (AGI), expanded income, AGI plus excluded tax preference items, and AGI less investment interest not in excess of investment income. Section 441 of the Deficit Reduction Act of 1984 (90 Stat. at 815) eliminated the requirement to use the last two income concepts.

[4] The definition of adjustments to AGI to obtain the expanded income given in the text is for 1992. See Appendix A for a discussion of AGI and expanded income, and a list of adjustments covering all years since 1977.

[5] The price deflator used was the consumer price index (CPI) for all items as reported in Table B-59, page 341 of the 1995 *Economic Report of the President.*

[6] See Appendix B for a discussion of the tax concepts. In data published for years prior to 1989, either in articles presented in the *Statistics of Income Bulletin* or in chapters in *Statistics of Income - Individual Income Tax Returns* (see footnote 2), the "U.S. Income Tax" concept was described as "total income tax," and the "Worldwide Income Tax" concept was described as "modified total income tax."

[7] The inclusion of foreign taxes paid on excluded foreign-earned income, beginning with Tax Year 1990, represents an improvement in the worldwide income tax concept. It does, however, represent a slight break in the year-to-year comparability of data for worldwide income tax. (The number of returns with foreign taxes paid on excluded foreign-earned income is extremely small compared to the number of returns with the foreign tax credit.)

[8] See the Tax Reform Act of 1986, page 714, *Section 723 - Foreign Tax Credit*, for an explanation of the changes that affect the alternative minimum tax.

[9] Beginning with Tax Year 1991, nontaxable returns with expanded income of $200,000 or more are sampled at higher rates for *Statistics of Income*, which reduces the sampling variability of these returns and thus provides improved estimates.

[10] See Appendix B for a description of how the deduction equivalent of credits was computed.

[11] S Corporations are certain small corporations having no more than 35 shareholders. These companies elect to have their income taxed at the shareholder level, whether or not it is actually distributed to the shareholder.

[12] The deduction for charitable contributions could also fall into this class if it were not limited to 50 percent of AGI.

[13] The AMT exclusion phases out above a certain level of "alternative minimum taxable income," but since taxpayers will have some AMT liability in the phaseout range, the phaseout income is not relevant for nontaxable returns.

Appendix A: Income Concepts

Congress wanted data on high-income taxpayers classified by an income concept that was more comprehensive than adjusted gross income (AGI), but that was based entirely on items already reported on income tax returns. In order to derive such an income concept, it is necessary to begin with a broad, inclusive concept of income. AGI must then be compared to this broad income concept, and the differences (both additions and subtractions) that can be determined from items reported on tax returns identified.

This Appendix begins by defining "Haig-Simons income," a very broad concept of income used by economists and others as a standard. AGI is then compared to Haig-Simons income, and the major differences between the two income concepts listed. The final section defines "expanded income," the more comprehensive income measure than AGI, based entirely on tax return data.

Haig-Simons Income

The broadest measure of annual income generally used by economists and others is defined as the value of a household's consumption plus the change, if any, in its net worth. This income concept is referred to as Haig-Simons income, or H-S income, after the two economists who wrote extensively about it [A1]. The H-S income of a household that consumed $25,000 and saved $2,000 in a year would be $27,000. Alternatively, the H-S income of a household that consumed $25,000 and had no additions to savings, but had assets that declined in value by $1,000 in a year, would be $24,000.

H-S income consists of three broad components: labor income, capital income (income from assets), and income from transfer payments. The major elements of each of these three components are as follows:

- *Labor income.* -- This includes all forms of employee compensation (including wages and salaries), employee fringe benefits (such as employer-provided health insurance and accrued pension benefits or contributions), and the employer share of payroll taxes (such as social security taxes). Labor income also includes the labor share of self-employment income. Expenses of earning labor income would be deducted in arriving at H-S income. Deferred labor income (such as pension benefits) would be counted in the year it was earned, rather than in the year it was received.

- *Capital income.* -- This includes all income from assets, including interest, dividends, rents, royalties, accrued capital gains (whether or not realized), the capital income share of self-employment income, and the rental value of consumer durables (most importantly, the rental value of owner-occupied housing). Capital income is measured in real (inflation-adjusted) terms, and is net of real, economic depreciation and all other expenses (which could exceed capital income).

- *Transfer payments.* -- These include payments in cash (such as social security benefits; workers' compensation; unemployment benefits; aid for dependent children, or AFDC); and noncash benefits (such as Medicare, Medicaid, and food stamps).

For purposes of tax analysis, H-S income should be measured on a pre-tax basis, the amount that would be earned if there were no Federal income tax in place. Most items of income are unaffected, or little affected, by the income tax, and so are reported on a pre-tax basis. However, certain income items from tax-preferred sources may be reduced because of their preferential treatment. An example is interest from tax-exempt State and local Government bonds. The interest rate on tax-exempt bonds is generally lower than the interest rate on taxable bonds of the same maturity and risk, with the difference approximately equal to the tax rate of the typical investor in tax-exempt bonds. Thus, investors in tax-exempt bonds are effectively paying a tax, referred to as an "implicit tax," and tax-exempt interest as reported is measured on an after-tax, rather than a pre-tax, basis. Income from all tax-preferred sources should be "grossed up" by implicit taxes to properly measure H-S income.

Adjusted Gross Income

AGI is the statutory definition of income for Federal income tax purposes. AGI differs from H-S income by excluding some components of H-S income and by allowing accelerated business deductions and deductions unrelated to income, but also by disallowing or limiting certain expenses of earning income and certain losses. In addition, AGI is not "grossed up" for implicit taxes.

The components of H-S income excluded from AGI include most employee fringe benefits, the employer share of payroll taxes, accrued but deferred employee compensation, accrued but unrealized real capital gains, the rental value of consumer durables, most social security benefits, and most other cash transfers, all noncash transfers, and the real income of borrowers due to inflation [A2].

Depreciation and certain other expenses allowed in determining AGI may be accelerated (relative to economic depreciation and other costs) in the early years of an investment, thus understating investment income. In later years, however, investment income in AGI will be overstated because depreciation and other accelerated expenses will then be understated. AGI also excludes contributions to Individual Retirement Arrangements (IRA's) and self-employed retirement (Keogh) plans, which are not expenses related to earning income.

AGI generally *exceeds* H-S income to the extent expenses of earning income and losses are limited or disallowed. Most of the expenses of earning income are deductible *from* AGI in calculating taxable income, but only if the taxpayer "itemizes" deductions and then in some cases only to the extent that the sum of all such items exceeds 2 percent of AGI. Expenses incurred in the production of income that are itemized deductions include certain expenses of employees (such as union dues; expenditures for items used on-the-job but not reimbursed by the employer; and the employees' travel, meal, and entertainment expenses); job-related moving expenses; and expenses attributable to a taxpayer's (passive) investments (as opposed to active participation in a trade or business, for example), including, but not limited to, interest expense incurred in connection with investments in securities. Note that there are limits on certain types of deductible expenses. In particular, deductible meals and entertainment expenses are limited to 80 percent of total meal and entertainment expenses. Job-related moving expenses, such as for temporary quarters, and expenses of selling the former residence are also limited.

Although net capital losses reduce economic income, only the first $3,000 of net realized capital losses may be

deducted in computing AGI. Any additional realized losses must be carried forward to future years. In a somewhat similar manner, "passive" losses (from investments in a trade or business in which the taxpayer does not materially participate) can also reduce economic income, but in computing AGI they can only be deducted from "passive" income from other, similar investments (although a larger amount may be deducted when the losses are from rental real estate activities).

AGI can also exceed H-S income because of differences in the timing of income between the two concepts. For example, a taxpayer may realize more capital gains in a year than he or she accrues in capital gains. Since AGI includes only realizations of capital gains whereas H-S income includes only accruals, AGI in this circumstance would exceed H-S income.

Finally, just as AGI understates the income of borrowers due to inflation, it overstates the income of lenders, which include bond owners and owners of bank deposits.

Expanded Income

Expanded income is meant to be a measure of income that is conceptually closer to H-S income than AGI, but which is derived entirely from items already reported on income tax returns. Figure E shows the adjustments made to AGI to arrive at expanded income. Since the definition of AGI has been changed by legislation several times since 1977, and certain reporting requirements have also changed, the adjustments have differed over the years, as indicated for each item [A3]. Most of these adjustments are relatively straightforward, but the adjustment for investment requires some explanation.

Investment Interest

In measuring H-S income, it generally would be appropriate to deduct all expenses incurred in the production of income, including those related to any income-producing investments, without limit. Investment expenses in excess of investment income would then represent net economic losses. However, such a liberal deduction for investment-related expenses is not necessarily correct when not all income items have been included currently. (Investment income includes interest, dividends, and capital gains.)

If all income has not been included currently, full deduction of investment expenses might represent a mismatching of receipts and expenses and might result in *understating* income. For example, if a taxpayer borrowed funds to purchase securities, net income would be understated if the taxpayer deducted all interest payments on the loan, but did not include as income any accrued gains on the securities. A similar mismatching of income and expenses would occur if investment expenses that should properly be capitalized were deducted when paid. In these instances, a more accurate measure of income might be obtained by postponing the deduction of the expense until such time as the income were recognized for tax purposes.

Figure E

Derivation of Expanded Income from Adjusted Gross Income, Tax Years 1977 - 1992

Adjusted gross income (AGI)

PLUS:
- Excluded capital gains (tax years prior to 1987)
- Tax-exempt interest (1987 and later tax years)
- Nontaxable social security benefits (1987 and later tax years)
- Tax preferences for alternative minimum tax purposes [A4]
- Foreign-earned income exclusion (Tax Year 1990 and later tax years)

MINUS:
- Unreimbursed employee business expenses [A5]
- Nondeductible rental losses (Tax Year 1987)
- Moving expense deduction (1987 and later tax years) [A6]
- Investment interest expense to the extent it does not exceed investment income
- Miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor (1989 and later tax years)

EQUALS:
- Expanded income

NOTE: Footnotes to Figure E are included with the footnotes to Appendix A.

Additional problems are created when a person with a loan has both income-producing assets, such as securities, and non-income-producing assets, such as a vacation home or yacht. It is not possible to determine what portion of the interest expense should be attributed to taxable income-producing assets and, therefore, ought to be deductible against the gross receipts from such taxable assets. As a result of these problems, it has been necessary to set arbitrary limits on the amount of investment expenses which are deductible in calculating expanded income.

Investment expenses that have not been deducted in determining AGI generally can appear on a Federal individual income tax return in two places. Investment interest is taken into account in the calculation of the itemized deduction for interest paid. Deductible investment interest is a separate part of the total interest deduction. Other investment expenses, such as management fees, are included in the miscellaneous category of itemized deductions [A7]. Beginning with 1987, most of the types of income-producing expenses included as

miscellaneous itemized deductions are only deductible to the extent that their total exceeds 2 percent of AGI. To determine expenses that should be deductible in calculating an approximation of H-S income, investment expenses have been defined as deductible investment interest. Other investment expenses could not be separated from the remainder of miscellaneous deductions. Hence, they have not been used in the adjustment for investment expenses.

To the extent that interest expenses do *not* exceed investment income, they are generally allowed as a deduction in the computation of deductible investment interest and thus expanded income. Investment interest expenses which do *exceed* investment income are *not* deductible in calculating expanded income. One consequence of this definition is that investment expenses can never turn positive investment income into investment losses. Generally, allowing investment expenses to offset all investment income is generous and tends to understate broadly-measured income. However, in some instances, limiting investment expenses to investment income may *overstate* income by disallowing genuine investment losses.

Notes to Appendix A

[A1] Haig, Robert M. (ed.), *The Federal Income Tax*, Columbia University Press, 1921, and Simons, Henry C., *Personal Income Taxation*, University of Chicago Press, 1938.

[A2] Borrowers receive income due to inflation because the real value of debt is reduced by inflation. Even though inflation may be anticipated and reflected in interest rates, tax deductions for nominal interest payments overstate interest costs because part of these payments represents a return of principal to the lender, rather than interest.

[A3] For 1977, 50 percent of net long-term capital gains were included in AGI. During 1978, the inclusion ratio was changed to 40 percent. This inclusion ratio remained unchanged through 1986. Beginning with 1987, there was no exclusion allowed for capital gains in computing AGI, and thus this adjustment was not made in computing expanded income for returns for years after 1986.

From this time forward, taxpayers were required to report on their Federal income tax returns the amount of their tax-exempt interest income from State and local Government bonds. Since 1987, tax-exempt interest has been included in expanded income.

Taxpayers are also required to report social security benefits. Since 1988, nontaxable social security benefits have been included in expanded income.

The subtraction of unreimbursed employee business expense and the moving expense deduction is to make the concept of expanded income comparable to years prior to 1987.

Due to subtracting non-limited miscellaneous deductions and not subtracting the nondeductible rental loss for 1989, the expanded income concept for 1989 is not strictly comparable to expanded income for 1988. The expanded income concept for 1990 is not strictly comparable to expanded income for 1989 because of the addition of the foreign-earned income exclusion. Specific details on the definition of expanded income for any given year are available in the reports and publications enumerated in footnote 2, under Notes and References.

[A4] The "tax preferences" (obtained from Form 6251, *Alternative Minimum Tax Computation*) excluded from adjusted gross income and tabulated in Tables 5 and 6 include the following items: the excess of accelerated depreciation over straight-line depreciation on certain real property and property subject to a lease (for property placed in service before 1987); the excess of rapid amortization allowable on certain capital expenditures (such as pollution control facilities) over depreciation otherwise allowable; the appreciated portion of the value of certain property contributed to charitable organizations; the excess of percentage depletion over the "adjusted basis" of the property; unrealized gain on the exercise of stock options; and certain intangible drilling costs to the extent that they exceed the otherwise allowable amortization deductions. Preferences obtained through itemized deductions do not represent omitted income; hence, they have not been counted as preference items in calculating a broader measure of income. The preference from tax-exempt interest on certain private activity bonds was not included since the interest for all tax-exempt State and local Government bonds is considered to be omitted income. Specific details on the tax preference items obtained from Form 6251 for earlier years are available in the reports and publications enumerated in footnote 2, under Notes and References.

[A5] Includes deductible meal and entertainment expenses. Deductible expenses are limited to 80 percent of total meal and entertainment expenses, beginning with Tax Year 1987.

[A6] Certain moving expenses, such as expenses for temporary quarters and expenses of selling the former residence, are limited.

[A7] Some income deferrals and accelerated expense deductions may also be involved in income or losses from rental property, from royalties, from partnerships, and from S Corporations, only the net amounts of which are included in adjusted gross income.

Appendix B: Tax Concepts

This Appendix provides a brief summary of the U.S. taxation of worldwide income and the foreign tax credit. The two tax concepts used in the article are then defined. The following section explains the computation of the deduction equivalent of credits and other items. A final section discusses the possible implications of the use of unaudited tax return data for this article.

U.S. Taxation of Worldwide Income and the Foreign Tax Credit

Citizens and residents of the United States, regardless of where they reside, must generally include in income for Federal income tax purposes income from all geographic sources. Thus, for example, dividends and interest received from a foreign corporation or income earned working abroad is subject to Federal income tax in the same manner as income received from sources inside the United States [B1]. Income from sources outside the United States may also be subject to tax by foreign governments.

To reduce, if not eliminate, the possibility of double taxation of the foreign-source income of U.S. citizens and residents, the Federal income tax allows a credit for income taxes paid to foreign governments. This foreign tax credit is generally limited to the amount of (pre-credit) U.S. tax liability attributable to foreign-source income. This limit prevents the foreign tax credit from offsetting the U.S. tax on U.S.-source income.

As a result of taxing citizens and residents on a worldwide basis but allowing a foreign tax credit, some Federal income tax returns may report substantial income but little or no U.S. tax liability after credits. This may occur, for example, if a taxpayer has income only from foreign sources (the taxpayer may live abroad the entire year and have no income-producing assets in the United States), or if a taxpayer has foreign-source income that exceeds a net loss from U.S. sources, and pays income taxes to a foreign government that are comparable to the U.S. tax [B2].

For taxpayers with income from foreign sources, these procedures understate the taxpayers' true worldwide income tax liabilities and effective income tax rates. For such taxpayers, it does not seem appropriate to classify U.S. income tax credits for foreign tax payments as reducing tax liabilities. That is particularly true for tax filers who appear to be nontaxable because they do not have any U.S. tax liability, but who have paid foreign income taxes. A more accurate measure of overall income tax burden, as well as the numbers of nontaxable returns, can be obtained by considering all income taxes -- U.S. as well as foreign. Thus, a second tax concept, worldwide income tax, has been used in addition to the traditional U.S. income tax.

Two Tax Concepts

Two tax concepts are used in this article to classify tax returns as taxable (i.e., they show an income tax liability) or nontaxable (i.e., they do not show an income tax liability) and to measure the tax burdens on taxable returns: U.S. income tax and worldwide income tax. Worldwide income tax is defined for purposes of this article as U.S. income tax plus the foreign tax credits reported on the U.S. income tax return and foreign taxes paid on excluded foreign-earned income (obtained from Form 1116, *Foreign Tax Credit*). The amount of the foreign tax credits and foreign taxes paid on excluded foreign-earned income is used as a proxy for foreign tax liabilities [B3]. The relationship of U.S. income tax to tax items reported on individual income tax returns, and to worldwide income tax, is shown in Figure F.

Figure F

Derivation of "U.S. Income Tax" and "Worldwide Income Tax," Tax Year 1992

	Tax at regular rates (tax generated)
PLUS:	Additional taxes (such as tax on accumulation distributions from qualified retirement plans, Form 4972)
EQUALS:	Income tax before credits
PLUS:	Alternative minimum tax (Form 6251)
MINUS:	Tax credits
EQUALS:	U.S. income tax
PLUS:	Foreign tax credit
PLUS:	Foreign taxes paid on excluded foreign earned income (Form 1116)
EQUALS:	Worldwide income tax

Comparing Exclusions, Deductions, Tax Credits and Special Tax Computations

In order to compare the importance of various exclusions, deductions, tax credits, and special tax computations (such as the alternative minimum tax on tax preferences), the different types of items must be placed on the same basis. One way of doing so is to calculate the size of the deduction that would reduce (or increase) income tax by the same amount as a tax credit or special computation. This amount is called the "deduction equivalent" of the tax credit or special computation.

The deduction equivalent of a tax credit or a special tax computation is the difference between the taxable income that, using the ordinary tax rate schedules, would yield the actual tax before the provision in question is considered and the actual tax after the provision. For example, the "deduction equivalent of all tax credits" is equal to the difference between "taxable income which would yield income tax before credits" and "taxable income which would yield income tax after credits."

Using this method of equating the value of deductions, exclusions, credits, and special tax computations, the order in which the various credits and special tax computations are calculated may affect the value of their deduction equivalents. Because the tax rate schedules are progressive with successive increments to income taxed at successively higher tax rates, the deduction equivalent of the credit converted last to a deduction equivalent will be larger (for the same amount of a credit) than the item converted first, unless all relevant taxable income amounts are within a single tax rate bracket.

The deduction equivalents of tax credits shown in Tables 9 and 10 were computed by assuming that deductions and exclusions reduce taxes before credits. As a result, the deduction equivalent of tax credits may be overstated.

Unaudited Data

Tax return data used for *Statistics of Income* have been tabulated as they were reported on tax returns filed with the Internal Revenue Service (IRS). Certain obvious arithmetic errors have been corrected, and certain adjustments have been made to achieve consistent statistical definitions. Otherwise, the data have not been altered. In particular, the data do not reflect any changes that may have been made or that may be made in the future as a result of IRS audits. While this is true of data throughout the entire Statistics of Income program, it is of particular relevance for high-income tax returns. Because of the greater complexity of these returns, there is a higher probability of error and more scope for disagreement about the proper interpretation of tax laws.

The fact that the data have been drawn from unaudited returns is of even greater importance for those high-income returns that are nontaxable. Almost any audit changes would make such returns taxable. Even where the tax consequences are minor, such returns would be reclassified from nontaxable to taxable, thereby changing the counts of nontaxable returns.

Notes to Appendix B

[B1] An exception is that certain income earned abroad may be excluded from AGI. Any foreign taxes paid on such income are not creditable against U.S. income tax. The tables in this article include such excluded income in expanded income. Foreign taxes paid on such income are reflected in worldwide income tax, as discussed later.

[B2] Although the foreign tax credit is an item of tax preference for AMT purposes, taxpayers below the AMT exclusion thresholds, or with preferences or deductions not subject to AMT, may completely offset their pre-credit U.S. income tax liability with their foreign tax credit.

[B3] Where foreign tax rates exceed U.S. rates, foreign tax credits will be less than foreign tax liabilities. In such cases, using foreign tax credits as a proxy for foreign tax liabilities understates worldwide income tax liability. In other cases, when foreign tax credits are for taxes paid on income from previous years, use of foreign tax credits as a proxy may overstate *or* understate worldwide taxes on current-year income.

Table 1.--Returns With and Without U.S. Income Tax: Number of Returns, by Size of Income Under Alternative Concepts and Tax Status

[All figures are estimates based on samples]

Size of expanded income	Size of adjusted gross income				
	Total	Under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All returns					
Total	**113,604,503**	**94,054,627**	**15,784,550**	**2,810,579**	**954,747**
Under $50,000[1]	93,490,300	93,135,884	353,061	898	456
$50,000 under $100,000	16,206,606	879,696	15,214,661	111,611	639
$100,000 under $200,000	2,918,075	37,659	209,152	2,647,591	23,674
$200,000 or more	989,522	1,388	7,676	50,479	929,979
Returns with U.S. income tax[2]					
Total	**90,098,821**	**70,583,945**	**15,753,427**	**2,807,611**	**953,838**
Under $50,000[1]	70,091,954	69,741,313	350,149	385	108
$50,000 under $100,000	16,113,476	813,370	15,188,198	111,351	558
$100,000 under $200,000	2,905,764	28,784	207,719	2,645,697	23,564
$200,000 or more	987,626	479	7,360	50,178	929,609
Returns without U.S. income tax					
Total	**23,505,682**	**23,470,682**	**31,123**	**2,969**	**909**
Under $50,000[1]	23,398,345	23,394,572	2,912	514	348
$50,000 under $100,000	93,130	66,326	26,463	260	81
$100,000 under $200,000	12,311	8,875	1,433	1,894	110
$200,000 or more	1,896	909	316	301	370

[1]Includes returns with adjusted gross deficit or with negative expanded income.

[2]Includes returns on which income tax was entirely offset by the earned income credit.

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

Table 2.--Returns With and Without Worldwide Income Tax: Number of Returns, by Size of Income Under Alternative Concepts and Tax Status

[All figures are estimates based on samples]

Size of expanded income	Size of adjusted gross income				
	Total	Under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All returns					
Total	**113,604,503**	**94,054,627**	**15,784,550**	**2,810,579**	**954,747**
Under $50,000[1]	93,490,300	93,135,884	353,061	898	456
$50,000 under $100,000	16,206,606	879,696	15,214,661	111,611	639
$100,000 under $200,000	2,918,075	37,659	209,152	2,647,591	23,674
$200,000 or more	989,522	1,388	7,676	50,479	929,979
Returns with worldwide income tax[2]					
Total	**90,126,029**	**70,609,607**	**15,754,831**	**2,807,667**	**953,924**
Under $50,000[1]	70,111,052	69,760,410	350,149	385	109
$50,000 under $100,000	16,119,741	819,091	15,188,741	111,351	559
$100,000 under $200,000	2,907,513	29,623	208,575	2,645,748	23,567
$200,000 or more	987,723	484	7,366	50,183	929,690
Returns without worldwide income tax					
Total	**23,478,474**	**23,445,020**	**29,719**	**2,913**	**823**
Under $50,000[1]	23,379,247	23,375,475	2,912	514	347
$50,000 under $100,000	86,865	60,605	25,920	260	80
$100,000 under $200,000	10,563	8,036	577	1,843	107
$200,000 or more	1,799	904	310	296	289

[1]Includes returns with adjusted gross deficit or with negative expanded income.

[2]Includes returns on which income tax was entirely offset by the earned income credit.

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

Table 3.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept

[All figures are estimates based on samples]

Tax status, ratio of adjusted taxable income to income per concept	Adjusted gross income			Expanded income		
	Number of returns	Percentage of total	Cumulative percentage of total	Number of returns	Percentage of total	Cumulative percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total	**954,747**	**100.0**	**-**	**989,522**	**100**	**-**
Returns without U.S. income tax	**909**	**0.1**	**-**	**1,896**	**0**	**-**
Returns with U.S. income tax:						
Total	**953,838**	**99.9**	**100.0**	**987,626**	**99.8**	**100.0**
Ratio of adjusted taxable income to income per concept:						
Under 5 percent	142	([1])	([1])	2,151	0.2	0.2
5 under 10 percent	494	0.1	0.1	4,516	0.5	0.7
10 under 15 percent	2,717	0.3	0.4	4,043	0.4	1.1
15 under 20 percent	1,774	0.2	0.5	4,819	0.5	1.6
20 under 25 percent	1,619	0.2	0.7	4,157	0.4	2.0
25 under 30 percent	1,165	0.1	0.8	5,985	0.6	2.6
30 under 35 percent	1,309	0.1	1.0	4,442	0.4	3.0
35 under 40 percent	1,956	0.2	1.2	7,709	0.8	3.8
40 under 45 percent	2,942	0.3	1.5	7,593	0.8	4.6
45 under 50 percent	3,971	0.4	1.9	6,508	0.7	5.3
50 under 60 percent	12,105	1.3	3.2	26,199	2.7	7.9
60 under 70 percent	43,840	4.6	7.8	54,340	5.5	13.4
70 under 80 percent	155,444	16.3	24.1	164,365	16.6	30.1
80 percent or more	724,359	75.9	100.0	690,798	69.9	100.0

[1]Less than 0.05 percent.

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

Table 4.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept

[All figures are estimates based on samples]

Tax status, ratio of adjusted taxable income to income per concept	Adjusted gross income			Expanded income		
	Number of returns	Percentage of total	Cumulative percentage of total	Number of returns	Percentage of total	Cumulative percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total	**954,747**	**100.0**	**-**	**989,522**	**100.0**	**-**
Returns without worldwide income tax	**823**	**0.1**	**-**	**1,799**	**0.2**	**-**
Returns with worldwide income tax:						
Total	**953,924**	**99.9**	**100.0**	**987,723**	**99.8**	**100.0**
Ratio of adjusted taxable income to income per concept:						
Under 5 percent	150	([1])	([1])	833	0.1	0.1
5 under 10 percent	54	([1])	([1])	1,097	0.1	0.2
10 under 15 percent	310	([1])	0.1	1,468	0.1	0.3
15 under 20 percent	609	0.1	0.1	2,988	0.3	0.6
20 under 25 percent	855	0.1	0.2	3,223	0.3	1.0
25 under 30 percent	898	0.1	0.3	4,681	0.5	1.4
30 under 35 percent	1,250	0.1	0.4	4,225	0.4	1.9
35 under 40 percent	1,043	0.1	0.5	6,572	0.7	2.5
40 under 45 percent	2,358	0.2	0.8	6,736	0.7	3.2
45 under 50 percent	3,534	0.4	1.2	6,278	0.6	3.9
50 under 60 percent	11,050	1.2	2.3	25,057	2.5	6.4
60 under 70 percent	42,398	4.4	6.8	54,924	5.6	12.0
70 under 80 percent	151,858	15.9	22.7	165,431	16.7	28.7
80 percent or more	737,557	77.3	100.0	704,209	71.3	100.0

[1]Less than 0.05 percent.

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

Table 5.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status

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

Item	Returns with adjusted gross income of $200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Salaries and wages	812,927	243,539,555	812,410	243,459,872	518	79,683
Business or profession:						
Net income	215,671	30,220,111	215,483	30,198,807	188	21,304
Net loss	60,330	1,551,984	60,195	1,537,311	135	14,673
Farm:						
Net income	11,626	818,013	11,615	817,544	11	469
Net loss	29,416	1,211,630	29,365	1,202,713	51	8,917
Partnership and S Corporation net income after section 179 property deduction [3]:						
Net income	387,993	82,627,771	387,783	82,605,014	210	22,757
Net loss	166,185	9,238,504	165,729	9,014,241	456	224,263
Sales of capital assets:						
Net gain	528,241	67,366,276	527,695	67,137,595	546	228,681
Net loss	212,890	510,649	212,642	509,976	248	674
Sales of property other than capital assets:						
Net gain	49,471	1,369,371	49,381	1,364,361	90	5,010
Net loss	97,023	1,200,970	96,856	1,185,783	167	15,186
Taxable interest received	935,352	30,670,868	934,472	30,433,051	880	237,817
Tax-exempt interest	380,803	15,231,363	380,482	15,194,649	321	36,715
Dividends	777,842	23,969,182	777,122	23,898,210	720	70,972
Pensions and annuities in adjusted gross income	158,958	5,951,501	158,801	5,942,895	157	8,606
Rent:						
Net income	188,325	8,001,594	188,127	7,983,842	198	17,752
Net loss (deductions and nondeductible)	188,773	2,616,524	188,498	2,595,498	275	21,026
Total nondeductible rental loss	138,128	1,738,718	137,919	1,727,359	209	11,360
Royalty:						
Net income	87,095	2,162,234	86,989	2,159,680	106	2,554
Net loss	3,481	25,446	**	**	**	**
Estate or trust:						
Net income	39,214	2,587,119	39,141	2,581,333	73	5,786
Net loss	5,591	177,404	5,567	164,680	24	12,725
State income tax refunds	446,901	1,969,075	446,550	1,962,728	351	6,347
Windfall profit tax refunds	-	-	-	-	-	-
Windfall profit tax withheld	-	-	-	-	-	-
Alimony received	2,689	147,709	**	**	**	**
Social security benefits in adjusted gross income	117,857	944,337	117,627	942,741	230	1,595
Social security benefits (nontaxable)	117,857	944,341	117,627	942,745	230	1,595
Unemployment compensation	9,813	41,949	9,809	41,929	4	20
Other income	191,426	8,589,136	191,167	8,565,899	259	23,237
Other loss	9,794	349,272	9,768	343,448	26	5,824
Foreign earned income exclusion	8,142	696,108	8,114	693,882	28	2,226
Total income	954,747	495,872,818	953,838	495,479,782	909	393,036
Statutory adjustments, total	413,982	4,963,177	413,619	4,958,431	363	4,746
Payments to Individual Retirement Arrangements	84,387	253,210	84,344	253,095	43	114
Payments to self employed retirement (Keogh) plans	126,149	2,651,086	126,126	2,650,545	23	540
Adjusted gross income	**954,747**	**490,909,641**	**953,838**	**490,521,351**	**909**	**388,290**
Investment interest	277,817	5,710,064	277,173	5,431,825	644	278,239
Total tax preferences excluded from adusted gross income	405,499	17,608,937	405,135	17,570,152	364	38,784
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	64,077	2,363,282	64,008	2,361,621	69	1,660
Passive activity loss (alternative minimum tax adjustment)	170,244	712,709	169,997	717,368	247	-4,659
Expanded income	**954,738**	**502,168,410**	**953,838**	**502,044,187**	**900**	**124,224**

Footnotes at end of table.

Table 5.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status--Continued

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

Item	Returns with adjusted gross income of $200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Exemption amount	376,857	1,036,200	376,463	1,035,063	394	1,137
Itemized deductions:						
Total per adjusted gross income concept	894,830	59,694,558	893,964	59,207,712	866	486,846
Total per income concept	894,830	59,694,558	893,964	59,207,712	866	486,846
Contributions deduction	863,186	12,766,773	862,421	12,734,638	765	32,135
Interest paid deduction:						
Total per adjusted gross income concept	757,753	20,436,129	756,981	20,117,817	772	318,311
Total per income concept	757,753	20,436,129	756,981	20,117,817	772	318,311
Total home mortgage interest deduction	697,756	14,496,068	697,143	14,456,352	613	39,715
Medical and dental expense deduction	8,523	303,833	8,400	282,102	123	21,731
Net casualty or theft loss deduction	858	100,198	775	52,931	83	47,267
Taxes paid deduction	890,610	33,234,284	889,780	33,206,009	830	28,275
Net limited miscellaneous deductions per adjusted gross income concept	137,911	2,574,936	137,553	2,555,707	358	19,229
Non-limited miscellaneous deductions	26,734	539,057	26,637	512,311	97	26,746
Moving expense deduction	24,979	297,802	24,973	297,274	6	528
Excess of exemptions and deductions over adjusted gross income	1,207	253,458	463	106,359	744	147,099
Taxable income	953,530	430,091,196	953,374	430,044,005	156	47,190
Tax at regular rates	953,538	125,173,237	953,381	125,159,744	157	13,494
Income tax before credits:	953,540	125,350,872	953,382	125,337,377	158	13,495
Tax credits:						
Total	251,889	1,798,316	251,731	1,784,820	158	13,495
Child care credit	43,621	24,727	43,618	24,725	3	2
Minimum tax credit	25,942	230,969	25,871	226,941	71	4,028
Foreign tax credit	168,458	1,299,984	168,372	1,290,856	86	9,128
General business credit	32,414	197,507	32,393	197,222	21	285
Alternative minimum tax (Form 6251)	58,574	769,848	58,574	769,848	-	-
Income tax:						
U.S. total income tax	953,838	124,322,404	953,838	124,322,404	-	-
Foreign taxes paid	(1)	(1)	(1)	(1)	(1)	(1)
Foreign taxes paid on excluded foreign earned income (Form 1116)	(1)	(1)	(1)	(1)	(1)	(1)
Taxable income which would yield:						
Income tax before credits	953,540	425,457,127	953,382	425,410,312	158	46,815
Income tax after credits	953,013	419,614,139	953,013	419,614,139	-	-
U.S. total income tax	953,838	422,131,776	953,838	422,131,776	-	-
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	954,747	490,909,641	953,838	490,521,351	909	388,290
plus: Total tax preferences excluded from adjusted gross income [2]	405,499	17,608,937	405,135	17,570,152	364	38,784
Social security benefits (nontaxable)	117,857	944,341	117,627	942,745	230	1,595
Foreign-earned income exclusion	8,142	696,108	8,114	693,882	28	2,226
minus: Investment interest	277,817	5,710,064	277,173	5,431,825	644	278,239
Nonlimited miscellaneous deductions	26,734	539,057	26,637	512,311	97	26,746
Moving expense deduction	24,979	297,802	24,973	297,274	6	528
Unreimbursed employee business expense	162,383	1,443,693	162,316	1,442,534	67	1,160
Equals: Expanded income	954,738	502,168,410	953,838	502,044,187	900	124,224

Footnotes at end of table.

Table 5.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status--Continued

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

Item	Returns with expanded income of $200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
Salaries and wages	819,604	242,898,410	819,122	242,841,417	482	56,993
Business or profession:						
Net income	222,645	30,649,613	222,472	30,634,155	173	15,458
Net loss	63,597	1,576,429	63,402	1,562,798	195	13,631
Farm:						
Net income	12,550	876,060	12,535	875,565	15	495
Net loss	30,529	1,283,735	30,453	1,276,120	76	7,615
Partnership and S Corporation net income after section 179 property deduction [3]:						
Net income	400,474	82,989,755	400,173	82,973,904	301	15,851
Net loss	177,905	9,278,164	177,229	9,030,730	676	247,435
Sales of capital assets:						
Net gain	556,159	67,951,386	555,236	67,806,725	923	144,661
Net loss	220,152	528,169	219,338	525,944	814	2,225
Sales of property other than capital assets:						
Net gain	54,053	1,404,959	53,943	1,402,735	110	2,224
Net loss	100,847	1,206,141	100,601	1,194,825	246	11,316
Taxable interest received	970,661	31,686,513	968,797	31,535,445	1,864	151,068
Tax-exempt interest	425,307	20,108,047	423,606	19,551,677	1,701	556,370
Dividends	815,066	25,256,400	813,403	25,185,752	1,663	70,647
Pensions and annuities in adjusted gross income	174,706	6,365,194	174,301	6,355,162	405	10,031
Rent:						
Net income	198,122	8,257,660	197,816	8,243,457	306	14,203
Net loss (deductions and nondeductible)	191,747	2,646,700	191,411	2,635,649	336	11,052
Total nondeductible rental loss	140,444	1,757,790	140,285	1,751,878	159	5,912
Royalty:						
Net income	92,968	2,332,409	92,728	2,330,213	240	2,196
Net loss	4,052	27,962	4,040	27,820	12	142
Estate or trust:						
Net income	45,418	2,653,155	45,259	2,650,069	159	3,086
Net loss	6,378	162,817	6,342	162,441	36	376
State income tax refunds	458,304	2,033,077	457,599	2,025,526	705	7,551
Windfall profit tax refunds	-	-	-	-	-	-
Windfall profit tax withheld	-	-	-	-	-	-
Alimony received	2,984	164,512	**	**	**	**
Social security benefits in adjusted gross income	149,070	1,220,200	147,983	1,212,514	1,087	7,686
Social security benefits (nontaxable)	149,070	1,220,204	147,983	1,212,518	1,087	7,686
Unemployment compensation	10,120	47,321	10,112	47,280	8	41
Other income	197,082	8,375,127	196,785	8,368,922	297	6,205
Other loss	11,650	391,382	11,625	388,498	25	2,884
Foreign earned income exclusion	18,016	1,653,117	17,987	1,650,686	29	2,431
Total income	989,521	499,277,080	987,626	499,089,850	1,895	187,230
Statutory adjustments, total	428,690	5,065,899	428,287	5,061,911	403	3,987
Payments to Individual Retirement Arrangements	86,270	258,330	86,222	258,211	48	119
Payments to self employed retirement (Keogh) plans	129,403	2,697,008	129,380	2,696,412	23	597
Adjusted gross income	**989,521**	**494,211,181**	**987,626**	**494,027,939**	**1,895**	**183,242**
Investment interest	278,042	5,021,380	277,532	4,991,981	510	29,400
Total tax preferences excluded from adusted gross income	450,269	22,657,758	448,557	22,096,286	1,712	561,471
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	71,288	2,532,143	71,189	2,531,021	99	1,122
Passive activity loss (alternative minimum tax adjustment)	180,542	726,299	180,195	732,752	347	-6,453
Expanded income	**989,522**	**512,965,427**	**987,626**	**512,240,988**	**1,896**	**724,440**

Footnotes at end of table.

Table 5.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status--Continued

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

Item	Returns with expanded income of $200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
Exemption amount	411,727	1,220,299	410,046	1,213,361	1,681	6,938
Itemized deductions:						
Total per adjusted gross income concept	921,991	59,315,783	920,380	59,056,327	1,611	259,456
Total per income concept	921,410	63,515,414	919,799	63,283,546	1,611	231,868
Contributions deduction	889,911	13,166,712	888,452	13,136,371	1,459	30,341
Interest paid deduction:						
Total per adjusted gross income concept	411,727	1,220,299	410,046	1,213,361	1,681	6,938
Total per income concept	921,991	59,315,783	920,380	59,056,327	1,611	259,456
Total home mortgage interest deduction	921,410	63,515,414	919,799	63,283,546	1,611	231,868
Medical and dental expense deduction	889,911	13,166,712	888,452	13,136,371	1,459	30,341
Net casualty or theft loss deduction	1,024	100,537	924	53,265	100	47,272
Taxes paid deduction	917,278	33,638,862	915,707	33,605,165	1,571	33,697
Net limited miscellaneous deductions per adjusted gross income concept	139,659	2,457,902	138,542	2,437,635	1,117	20,267
Non-limited miscellaneous deductions	27,642	342,794	27,597	342,479	45	316
Moving expense deduction	24,221	277,676	24,218	277,659	3	17
Excess of exemptions and deductions over adjusted gross income	2,292	208,660	568	76,273	1,724	132,387
Taxable income	987,228	433,496,901	987,057	433,449,234	171	47,666
Tax at regular rates	987,236	126,008,468	987,064	125,994,845	172	13,623
Income tax before credits	987,239	126,186,740	987,065	126,173,115	174	13,625
Tax credits:						
Total	275,671	1,963,017	275,497	1,949,393	174	13,625
Child care credit	43,890	25,190	43,887	25,188	3	2
Minimum tax credit	27,823	233,480	27,743	229,416	80	4,064
Foreign tax credit	188,846	1,455,261	188,749	1,446,049	97	9,212
General business credit	34,304	201,140	34,278	200,847	26	293
Alternative minimum tax (Form 6251)	66,431	799,221	66,431	799,221	-	-
Income tax:						
U.S. total income tax	987,626	125,022,943	987,626	125,022,943	-	-
Foreign taxes paid	(1)	(1)	(1)	(1)	(1)	(1)
Foreign taxes paid on excluded foreign earned income (Form 1116)	(1)	(1)	(1)	(1)	(1)	(1)
Taxable income which would yield:						
Income tax before credits	987,239	428,814,804	987,065	428,767,511	174	47,293
Income tax after credits	986,201	422,371,820	986,201	422,371,820	-	-
U.S. total income tax	987,626	425,005,174	987,626	425,005,174	-	-
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	989,521	494,211,181	987,626	494,027,939	1,895	183,242
plus: Total tax preferences excluded from adjusted gross income [2]	450,269	22,657,758	448,557	22,096,286	1,712	561,471
Social security benefits (nontaxable)	149,070	1,220,204	147,983	1,212,518	1,087	7,686
Foreign-earned income exclusion	18,016	1,653,117	17,987	1,650,686	29	2,431
minus: Investment interest	278,042	5,021,380	277,532	4,991,981	510	29,400
Nonlimited miscellaneous deductions	27,642	342,794	27,597	342,479	45	316
Moving expense deduction	24,221	277,676	24,218	277,659	3	17
Unreimbursed employee business expense	150,741	1,134,982	150,637	1,134,324	104	658
Equals: Expanded income	989,522	512,965,427	987,626	512,240,988	1,896	724,440

**Data deleted to avoid disclosure of information for specific taxpayers. However, deleted data are included in the appropriate totals.

[1] Not shown because "U.S. income tax" is after reduction by foreign tax credit, which is shown above. See the text for a discussion of the relationships among foreign taxes paid, foreign tax credit and U.S. income tax.

[2] Includes tax-exempt interest and tax preference items subject to alternative minimum tax.

[3] Section 179 of the Internal Revenue Code permits certain taxpayers to elect to deduct all or part of the cost of certain qualifying property in the year they place it in service, instead of taking depreciation deductions over a specified recovery period.

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

Table 6.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status

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

Item	Returns with adjusted gross income of $200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Salaries and wages	812,927	243,539,555	812,474	243,479,184	454	60,372
Business or profession:						
Net income	215,671	30,220,111	215,495	30,204,561	176	15,549
Net loss	60,330	1,551,984	60,198	1,537,361	132	14,622
Farm:						
Net income	11,626	818,013	11,617	817,559	9	454
Net loss	29,416	1,211,630	29,365	1,202,713	51	8,917
Partnership and S Corporation net income after section 179 property deduction [3]:						
Net income	387,993	82,627,771	387,796	82,607,363	197	20,409
Net loss	166,185	9,238,504	165,745	9,025,996	440	212,509
Sales of capital assets:						
Net gain	528,241	67,366,276	527,727	67,155,715	514	210,561
Net loss	212,890	510,649	212,659	510,017	231	633
Sales of property other than capital assets:						
Net gain	49,471	1,369,371	49,382	1,364,370	89	5,001
Net loss	97,023	1,200,970	96,863	1,186,098	160	14,872
Taxable interest received	935,352	30,670,868	934,549	30,438,772	803	232,097
Tax-exempt interest	380,803	15,231,363	380,495	15,195,710	308	35,653
Dividends	777,842	23,969,182	777,178	23,903,786	664	65,395
Pensions and annuities in adjusted gross income	158,958	5,951,501	158,811	5,943,185	147	8,316
Rent:						
Net income	188,325	8,001,594	188,142	7,985,618	183	15,976
Net loss (deductions and nondeductible)	188,773	2,616,524	188,519	2,595,906	254	20,618
Total nondeductible rental loss	138,128	1,738,718	137,933	1,727,655	195	11,063
Royalty:						
Net income	87,095	2,162,234	86,995	2,159,758	100	2,477
Net loss	3,481	25,446	**	**	**	**
Estate or trust:						
Net income	39,214	2,587,119	39,144	2,581,356	70	5,763
Net loss	5,591	177,404	5,567	164,680	24	12,725
State income tax refunds	446,901	1,969,075	446,561	1,962,987	340	6,088
Windfall profit tax refunds	-	-	-	-	-	-
Windfall profit tax withheld	-	-	-	-	-	-
Alimony received	2,689	147,709	**	**	**	**
Social security benefits in adjusted gross income	117,857	944,337	117,636	942,802	221	1,534
Social security benefits (nontaxable)	117,857	944,341	117,636	942,807	221	1,534
Unemployment compensation	9,813	41,949	9,809	41,929	4	20
Other income	191,426	8,589,136	191,181	8,567,406	245	21,730
Other loss	9,794	349,272	9,775	343,647	19	5,625
Foreign earned income exclusion	8,142	696,108	**	**	**	**
Total income	954,747	495,872,818	953,924	495,523,263	823	349,555
Statutory adjustments, total	413,982	4,963,177	413,643	4,958,851	339	4,326
Payments to Individual Retirement Arrangements	84,387	253,210	84,345	253,097	42	112
Payments to self employed retirement (Keogh) plans	126,149	2,651,086	126,132	2,650,654	17	431
Adjusted gross income	**954,747**	**490,909,641**	**953,924**	**490,564,412**	**823**	**345,229**
Investment interest	277,817	5,710,064	277,189	5,435,819	628	274,245
Total tax preferences excluded from adusted gross income	405,499	17,608,937	405,149	17,571,215	350	37,722
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	64,077	2,363,282	64,009	2,361,623	68	1,659
Passive activity loss (alternative minimum tax adjustment)	170,244	712,709	170,008	715,189	236	-2,480
Expanded income	**954,738**	**502,168,410**	**953,924**	**502,086,418**	**814**	**81,993**

Footnotes at end of table.

Table 6.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status--Continued

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

Item	Returns with adjusted gross income of $200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Exemption amount	376,857	1,036,200	376,500	1,035,210	357	990
Itemized deductions:						
Total per adjusted gross income concept	894,830	59,694,558	894,007	59,214,289	823	480,269
Total per income concept	894,830	59,694,558	894,007	59,214,289	823	480,269
Contributions deduction	863,186	12,766,773	862,457	12,735,397	729	31,377
Interest paid deduction:						
Total per adjusted gross income concept	757,753	20,436,129	757,017	20,122,777	736	313,352
Total per income concept	757,753	20,436,129	757,017	20,122,777	736	313,352
Total home mortgage interest deduction	697,756	14,496,068	697,174	14,457,316	582	38,752
Medical and dental expense deduction	8,523	303,833	8,402	282,331	121	21,502
Net casualty or theft loss deduction	858	100,198	775	52,931	83	47,267
Taxes paid deduction	890,610	33,234,284	889,816	33,206,768	794	27,516
Net limited miscellaneous deductions per adjusted gross income concept	137,911	2,574,936	137,564	2,555,964	347	18,971
Non-limited miscellaneous deductions	26,734	539,057	26,640	512,316	94	26,742
Moving expense deduction	24,979	297,802	24,974	297,283	5	519
Excess of exemptions and deductions over adjusted gross income	1,207	253,458	463	106,359	744	147,099
Taxable income	953,530	430,091,196	953,460	430,080,126	70	11,070
Tax at regular rates	953,538	125,173,237	953,467	125,170,175	71	3,063
Income tax before credits	953,540	125,350,872	953,468	125,347,808	72	3,064
Tax credits:						
Total	106,821	498,332	106,749	495,268	72	3,064
Child care credit	43,621	24,727	43,618	24,725	3	2
Minimum tax credit	25,942	230,969	25,881	228,073	61	2,896
Foreign tax credit	(1)	(1)	(1)	(1)	(1)	(1)
General business credit	32,414	197,507	32,396	197,341	18	166
Alternative minimum tax (Form 6251)	58,574	769,848	58,574	769,848	-	-
Income tax:						
U.S. total income tax	953,924	125,832,101	953,924	125,832,101	-	-
Foreign taxes paid	168,458	1,509,697	168,458	1,509,697	-	-
Foreign taxes paid on excluded foreign earned income (Form 1116)	6,248	209,713	6,248	209,713	-	-
Taxable income which would yield:						
Income tax before credits	953,540	425,457,127	953,468	425,446,197	72	10,930
Income tax after credits	953,468	424,523,650	953,468	424,523,650	-	-
U.S. total income tax	953,924	427,019,173	953,924	427,019,173	-	-
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	954,747	490,909,641	953,924	490,564,412	823	345,229
plus: Total tax preferences excluded from adjusted gross income [2]	405,499	17,608,937	405,149	17,571,215	350	37,722
Social security benefits (nontaxable)	117,857	944,341	117,636	942,807	221	1,534
Foreign-earned income exclusion	8,142	696,108	**	**	**	**
minus: Investment interest	277,817	5,710,064	277,189	5,435,819	628	274,245
Nonlimited miscellaneous deductions	26,734	539,057	26,640	512,316	94	26,742
Moving expense deduction	24,979	297,802	24,974	297,283	5	519
Unreimbursed employee business expense	162,383	1,443,693	162,319	1,442,566	64	1,127
Equals: Expanded income	954,738	502,168,410	953,924	502,086,418	814	81,993

Footnotes at end of table.

Table 6.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status--Continued

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

Item	Returns with expanded income of $200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
Salaries and wages	819,604	242,898,410	819,187	242,861,451	417	36,959
Business or profession:						
Net income	222,645	30,649,613	222,482	30,639,820	163	9,793
Net loss	63,597	1,576,429	63,407	1,562,870	190	13,559
Farm:						
Net income	12,550	876,060	12,537	875,580	13	480
Net loss	30,529	1,283,735	30,453	1,276,120	76	7,615
Partnership and S Corporation net income after section 179 property deduction [3]:						
Net income	400,474	82,989,755	400,190	82,976,350	284	13,404
Net loss	177,905	9,278,164	177,249	9,041,582	656	236,582
Sales of capital assets:						
Net gain	556,159	67,951,386	555,271	67,823,217	888	128,170
Net loss	220,152	528,169	219,362	526,005	790	2,164
Sales of property other than capital assets:						
Net gain	54,053	1,404,959	53,945	1,402,754	108	2,205
Net loss	100,847	1,206,141	100,611	1,195,187	236	10,954
Taxable interest received	970,661	31,686,513	968,885	31,539,789	1,776	146,724
Tax-exempt interest	425,307	20,108,047	423,634	19,555,922	1,673	552,125
Dividends	815,066	25,256,400	813,469	25,191,576	1,597	64,824
Pensions and annuities in adjusted gross income	174,706	6,365,194	174,314	6,355,667	392	9,527
Rent:						
Net income	198,122	8,257,660	197,834	8,244,540	288	13,120
Net loss (deductions and nondeductible)	191,747	2,646,700	191,433	2,636,038	314	10,663
Total nondeductible rental loss	140,444	1,757,790	140,299	1,752,177	145	5,613
Royalty:						
Net income	92,968	2,332,409	92,735	2,330,291	233	2,118
Net loss	4,052	27,962	4,040	27,820	12	142
Estate or trust:						
Net income	45,418	2,653,155	45,262	2,650,092	156	3,063
Net loss	6,378	162,817	6,344	162,451	34	366
State income tax refunds	458,304	2,033,077	457,615	2,025,804	689	7,273
Windfall profit tax refunds	-	-	-	-	-	-
Windfall profit tax withheld	-	-	-	-	-	-
Alimony received	2,984	164,512	**	**	**	**
Social security benefits in adjusted gross income	149,070	1,220,200	147,997	1,212,616	1,073	7,584
Social security benefits (nontaxable)	149,070	1,220,204	147,997	1,212,621	1,073	7,584
Unemployment compensation	10,120	47,321	10,112	47,280	8	41
Other income	197,082	8,375,127	196,802	8,370,462	280	4,665
Other loss	11,650	391,382	11,633	388,697	17	2,685
Foreign earned income exclusion	18,016	1,653,117	**	**	**	**
Total income	989,521	499,277,080	987,723	499,131,348	1,798	145,732
Statutory adjustments, total	428,690	5,065,899	428,313	5,062,335	377	3,564
Payments to Individual Retirement Arrangements	86,270	258,330	86,224	258,215	46	115
Payments to self employed retirement (Keogh) plans	129,403	2,697,008	129,385	2,696,518	18	490
Adjusted gross income	**989,521**	**494,211,181**	**987,723**	**494,069,013**	**1,798**	**142,168**
Investment interest	278,042	5,021,380	277,550	4,993,003	492	28,377
Total tax preferences excluded from adusted gross income	450,269	22,657,758	448,586	22,100,533	1,683	557,225
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	71,288	2,532,143	71,190	2,531,022	98	1,121
Passive activity loss (alternative minimum tax adjustment)	180,542	726,299	180,209	730,361	333	-4,062
Expanded income	**989,522**	**512,965,427**	**987,723**	**512,287,633**	**1,799**	**677,794**

Footnotes at end of table.

Table 6.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status--Continued

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

Item	Returns with expanded income of $200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
Exemption amount	411,727	1,220,299	410,097	1,213,577	1,630	6,723
Itemized deductions:						
Total per adjusted gross income concept	921,991	59,315,783	920,433	59,060,471	1,558	255,311
Total per income concept	921,410	63,515,414	919,852	63,286,945	1,558	228,469
Contributions deduction	889,911	13,166,712	888,498	13,137,191	1,413	29,521
Interest paid deduction:						
Total per adjusted gross income concept	760,241	19,498,953	759,374	19,439,650	867	59,303
Total per income concept	696,480	14,477,573	695,823	14,446,647	657	30,926
Total home mortgage interest deduction	695,717	14,267,013	695,062	14,236,438	655	30,575
Medical and dental expense deduction	12,708	395,735	11,749	327,137	959	68,599
Net casualty or theft loss deduction	1,024	100,537	924	53,265	100	47,272
Taxes paid deduction	917,278	33,638,862	915,754	33,606,076	1,524	32,786
Net limited miscellaneous deductions per adjusted gross income concept	139,659	2,457,902	138,564	2,437,956	1,095	19,946
Non-limited miscellaneous deductions	27,642	342,794	27,600	342,483	42	311
Moving expense deduction	24,221	277,676	**	**	**	**
Excess of exemptions and deductions over adjusted gross income	2,292	208,660	568	76,273	1,724	132,387
Taxable income	987,228	433,496,901	987,154	433,485,727	74	11,173
Tax at regular rates	987,236	126,008,468	987,161	126,005,370	75	3,098
Income tax before credits:	987,239	126,186,740	987,162	126,183,640	77	3,100
Tax credits:						
Total	111,358	507,757	111,281	504,657	77	3,100
Child care credit	43,890	25,190	43,887	25,188	3	2
Minimum tax credit	27,823	233,480	27,758	230,550	65	2,930
Foreign tax credit	(1)	(1)	(1)	(1)	(1)	(1)
General business credit	34,304	201,140	34,285	200,973	19	167
Alternative minimum tax (Form 6251)	66,431	799,221	66,431	799,221	-	-
Income tax:						
U.S. total income tax	987,723	126,860,346	987,723	126,860,346	-	-
Foreign taxes paid	188,846	1,837,403	188,846	1,837,403	-	-
Foreign taxes paid on excluded foreign earned income (Form 1116)	13,087	382,142	13,087	382,142	-	-
Taxable income which would yield:						
Income tax before credits	987,239	428,814,804	987,162	428,803,768	77	11,036
Income tax after credits	987,162	428,405,535	987,162	428,405,535	-	-
U.S. total income tax	987,723	431,008,539	987,723	431,008,539	-	-
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	989,521	494,211,181	987,723	494,069,013	1,798	142,168
plus: Total tax preferences excluded from adjusted gross income [2]	450,269	22,657,758	448,586	22,100,533	1,683	557,225
Social security benefits (nontaxable)	149,070	1,220,204	147,997	1,212,621	1,073	7,584
Foreign-earned income exclusion	18,016	1,653,117	**	**	**	**
minus: Investment interest	278,042	5,021,380	277,550	4,993,003	492	28,377
Nonlimited miscellaneous deductions	27,642	342,794	27,600	342,483	42	311
Moving expense deduction	24,221	277,676	**	**	**	**
Unreimbursed employee business expense	150,741	1,134,982	150,641	1,134,356	100	625
Equals: Expanded income	989,522	512,965,427	987,723	512,287,633	1,799	677,794

**Data deleted to avoid disclosure of information for specific taxpayers. However, deleted data are included in the appropriate totals.

[1] Not shown because "U.S. income tax" is after reduction by foreign tax credit, which is shown above. See the text for a discussion of the relationships among foreign taxes paid, foreign tax credit and U.S. income tax.

[2] Includes tax-exempt interest and tax preference items subject to alternative minimum tax.

[3] Section 179 of the Internal Revenue Code permits certain taxpayers to elect to deduct all or part of the cost of certain qualifying property in the year they place it in service, instead of taking depreciation deductions over a specified recovery period.

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

Table 7.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect--Continued

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

Item with the second largest tax effect	Total		Item with the largest tax effect: Interest paid deduction		Investment interest deduction		Taxes paid deduction		Contributions deduction		Medical and dental expenses deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Returns with U.S. income tax												
Returns with adjusted gross income of $200,000 or more												
Total	**911,911**	**100.0**	**224,263**	**24.6**	**27,711**	**3.0**	**494,656**	**54.2**	**64,143**	**7.0**	**3,457**	**0.4**
Interest paid deduction	283,847	31.1	-	-	6,145	22.2	248,996	50.3	10,055	15.7	164	4.7
Investment interest deduction	32,324	3.5	4,604	2.1	-	-	19,315	3.9	2,952	4.6	7	0.2
Taxes paid deduction	289,877	31.8	186,156	83.0	13,650	49.3	-	-	44,247	69.0	1,548	44.8
Contributions deduction	201,672	22.1	23,550	10.5	3,857	13.9	167,293	33.8	-	-	1,001	29.0
Medical and dental expense deduction	2,011	0.2	**	**	83	0.3	870	0.2	764	1.2	-	-
Net casualty or theft loss deduction	225	(1)	10	(1)	3	(1)	200	(1)	12	(1)	-	-
Total miscellaneous deductions	33,237	3.6	6,108	2.7	972	3.5	22,113	4.5	2,381	3.7	658	19.0
Foreign tax credit	8,424	0.9	335	0.1	213	0.8	5,368	1.1	300	0.5	40	1.2
General business credit	4,861	0.5	228	0.1	299	1.1	3,185	0.6	234	0.4	-	-
All other tax credits	6,467	0.7	460	0.2	411	1.5	3,708	0.7	657	1.0	-	-
Partnership and S Corporation net losses	27,311	3.0	2,801	1.2	2,023	7.3	18,963	3.8	2,120	3.3	41	1.2
No second largest item	21,655	2.4	3	(1)	55	0.2	4,645	0.9	421	0.7	-	-
Returns with expanded income of $200,000 or more												
Total	**937,711**	**100.0**	**222,402**	**23.7**	**-**	**-**	**535,972**	**57.2**	**72,664**	**7.7**	**4,543**	**0.5**
Interest paid deduction	301,073	32.1	-	-	-	-	271,771	50.7	11,002	15.1	164	3.6
Investment interest deduction	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction	286,969	30.6	189,611	85.3	-	-	-	-	53,275	73.3	1,871	41.2
Contributions deduction	242,038	25.8	26,859	12.1	-	-	205,551	38.4	-	-	1,306	28.7
Medical and dental expense deduction	2,388	0.3	**	**	-	-	1,225	0.2	805	1.1	-	-
Net casualty or theft loss deduction	371	(1)	10	(1)	-	-	348	0.1	13	(1)	-	-
Total miscellaneous deductions	21,578	2.3	1,306	0.6	-	-	14,751	2.8	3,020	4.2	1,119	24.6
Foreign tax credit	10,020	1.1	349	0.2	-	-	6,591	1.2	332	0.5	40	0.9
General business credit	5,932	0.6	240	0.1	-	-	4,322	0.8	250	0.3	-	-
All other tax credits	7,428	0.8	534	0.2	-	-	4,125	0.8	711	1.0	-	-
Partnership and S Corporation net losses	28,825	3.1	3,474	1.6	-	-	20,846	3.9	2,543	3.5	44	1.0
No second largest item	31,088	3.3	7	(1)	-	-	6,443	1.2	713	1.0	-	-

Footnotes at end of table.

Table 7.–Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect–Continued

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

Item with the second largest tax effect	Total		Item with the largest tax effect: Interest paid deduction		Investment interest deduction		Taxes paid deduction		Contributions deduction		Medical and dental expenses deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Returns without U.S. income tax												
Returns with adjusted gross income of $200,000 or more												
Total	**909**	**100.0**	**51**	**5.6**	**383**	**42.1**	**	**	**	**	**80**	**8.8**
Interest paid deduction	187	20.6	-	-	100	26.1	-	-	**	**	**	**
Investment interest deduction	149	16.4	9	17.6	-	-	-	-	**	**	**	**
Taxes paid deduction	132	14.5	18	35.3	48	12.5	-	-	-	-	21	26.3
Contributions deduction	113	12.4	13	25.5	58	15.1	**	**	-	-	23	28.8
Medical and dental expense deduction	12	1.3	-	-	**	**	-	-	**	**	-	-
Net casualty or theft loss deduction	**	**	-	-	-	-	-	-	-	-	-	-
Total miscellaneous deductions	71	7.8	**	**	30	7.8	-	-	**	**	25	31.3
Foreign tax credit	**	**	**	**	-	-	-	-	**	**	-	-
General business credit	**	**	-	-	**	**	-	-	-	-	-	-
All other tax credits	**	**	**	**	**	**	-	-	-	-	-	-
Partnership and S Corporation net losses	170	18.7	**	**	139	36.3	**	**	-	-	**	**
No second largest item	52	5.7	-	-	**	**	-	-	-	-	**	**
Returns with expanded income of $200,000 or more												
Total	**1,821**	**100.0**	**183**	**10.0**	-	-	**278**	**15.3**	**169**	**9.3**	**549**	**30.1**
Interest paid deduction	179	9.8	-	-	-	-	42	15.1	27	16.0	10	1.8
Investment interest deduction	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction	569	31.2	110	60.1	-	-	-	-	73	43.2	215	39.2
Contributions deduction	347	19.1	30	16.4	-	-	100	36.0	-	-	151	27.5
Medical and dental expense deduction	115	6.3	**	**	-	-	60	21.6	32	18.9	-	-
Net casualty or theft loss deduction	**	**	-	-	-	-	-	-	-	-	-	-
Total miscellaneous deductions	274	15.0	12	6.6	-	-	56	20.1	22	13.0	152	27.7
Foreign tax credit	**	**	**	**	-	-	**	**	**	**	-	-
General business credit	**	**	**	**	-	-	-	-	**	**	-	-
All other tax credits	14	0.8	**	**	-	-	-	-	**	**	**	**
Partnership and S Corporation net losses	83	4.6	18	9.8	-	-	**	**	**	**	14	2.6
No second largest item	223	12.2	-	-	-	-	**	**	-	-	**	**

Footnotes at end of table.

Table 7.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect --Continued

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

Item with the second largest tax effect	Item with the largest tax effect											
	Net casualty or theft loss deduction		Total miscellaneous deductions		Foreign tax credit		General business credit		All other tax credits		Partnerships and S Corporation net losses	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Returns with U.S. income tax												
Returns with adjusted gross income of $200,000 or more												
Total	**360**	(1)	**19,747**	**2.2**	**17,997**	**2.0**	**6,128**	**0.7**	**6,694**	**0.7**	**46,756**	**5.1**
Interest paid deduction	342	95.0	4,662	23.6	3,272	18.2	902	14.7	1,225	18.3	8,085	17.3
Investment interest deduction	3	0.8	477	2.4	439	2.4	129	2.1	477	7.1	3,920	8.4
Taxes paid deduction	12	3.3	12,449	63.0	4,030	22.4	2,973	48.5	2,742	41.0	22,071	47.2
Contributions deduction	-	-	1,506	7.6	580	3.2	113	1.8	299	4.5	3,474	7.4
Medical and dental expense deduction	-	-	-	-	152	0.8	**	**	-	-	129	0.3
Net casualty or theft loss deduction	-	-	-	-	-	-	-	-	-	-	-	-
Total miscellaneous deductions	-	-	-	-	213	1.2	**	**	**	**	743	1.6
Foreign tax credit	-	-	265	1.3	-	-	178	2.9	236	3.5	1,491	3.2
General business credit	-	-	9	(1)	175	1.0	-	-	259	3.9	473	1.0
All other tax credits	3	0.8	15	0.1	240	1.3	134	2.2	-	-	839	1.8
Partnership and S Corporation net losses	-	-	215	1.1	603	3.4	400	6.5	144	2.2	-	-
No second largest item	-	-	149	0.8	8,292	46.1	1,296	21.1	1,263	18.9	5,531	11.8
Returns with expanded income of $200,000 or more												
Total	**363**	(1)	**8,863**	**0.9**	**27,017**	**2.9**	**6,529**	**0.7**	**7,585**	**0.8**	**51,775**	**5.5**
Interest paid deduction	342	94.2	1,066	12.0	5,262	19.5	804	12.3	1,526	20.1	9,135	17.6
Investment interest deduction	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction	12	3.3	5,723	64.6	4,303	15.9	3,088	47.3	3,213	42.4	25,874	50.0
Contributions deduction	6	1.7	1,719	19.4	1,107	4.1	135	2.1	392	5.2	4,964	9.6
Medical and dental expense deduction	-	-	50	0.6	152	0.6	**	**	-	-	140	0.3
Net casualty or theft loss deduction	-	-	-	-	-	-	-	-	-	-	-	-
Total miscellaneous deductions	-	-	-	-	380	1.4	**	**	**	**	973	1.9
Foreign tax credit	-	-	104	1.2	-	-	356	5.5	424	5.6	1,826	3.5
General business credit	-	-	6	0.1	181	0.7	-	-	378	5.0	554	1.1
All other tax credits	3	0.8	15	0.2	640	2.4	165	2.5	-	-	1,236	2.4
Partnership and S Corporation net losses	-	-	178	2.0	1,049	3.9	488	7.5	203	2.7	-	-
No second largest item	-	-	-	-	13,942	51.6	1,488	22.8	1,422	18.7	7,074	13.7

Footnotes at end of table.

Table 7.--Returns With and Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect --Continued

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

Item with the second largest tax effect	Item with the largest tax effect: Net casualty or theft loss deduction		Total miscellaneous deductions		Foreign tax credit		General business credit		All other tax credits		Partnerships and S Corporation net losses	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Returns without U.S. income tax												
Returns with adjusted gross income of $200,000 or more												
Total	**81**	**8.9**	**54**	**5.9**	**63**	**6.9**	**	**	**31**	**3.4**	**143**	**15.7**
Interest paid deduction	33	40.7	17	31.5	10	15.9	-	-	9	29.0	11	7.7
Investment interest deduction	8	9.9	8	14.8	**	**	-	-	4	12.9	104	72.7
Taxes paid deduction	25	30.9	**	**	**	**	-	-	6	19.4	7	4.9
Contributions deduction	**	**	**	**	3	4.8	-	-	5	16.1	5	3.5
Medical and dental expense deduction	-	-	5	9.3	-	-	-	-	-	-	**	**
Net casualty or theft loss deduction	-	-	-	-	-	-	-	-	-	-	**	**
Total miscellaneous deductions	5	6.2	-	-	**	**	-	-	**	**	**	**
Foreign tax credit	-	-	-	-	-	-	-	-	-	-	3	2.1
General business credit	-	-	-	-	-	-	-	-	**	**	-	-
All other tax credits	-	-	-	-	-	-	**	**	-	-	**	**
Partnership and S Corporation net losses	7	8.6	9	16.7	3	4.8	**	**	**	**	-	-
No second largest item	-	-	**	**	40	63.5	-	-	-	-	-	-
Returns with expanded income of $200,000 or more												
Total	**94**	**5.2**	**61**	**3.3**	**65**	**3.6**	**	**	**	**	**380**	**20.9**
Interest paid deduction	32	34.0	*	**	9	13.8	-	-	11	31.4	44	11.6
Investment interest deduction	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction	43	45.7	30	49.2	**	**	**	**	**	**	86	22.6
Contributions deduction	**	**	15	24.6	4	6.2	**	**	**	**	35	9.2
Medical and dental expense deduction	-	-	5	8.2	-	-	-	-	**	**	9	2.4
Net casualty or theft loss deduction	-	-	-	-	-	-	-	-	-	-	**	**
Total miscellaneous deductions	**	**	-	-	**	**	**	**	**	**	23	6.1
Foreign tax credit	-	-	-	-	-	-	-	-	-	-	**	**
General business credit	-	-	-	-	-	-	-	-	**	**	-	-
All other tax credits	-	-	-	-	-	-	**	**	-	-	**	**
Partnership and S Corporation net losses	9	9.6	6	9.8	3	4.6	**	**	**	**	-	-
No second largest item	-	-	**	**	46	70.8	-	-	**	**	168	44.2

**Data deleted to avoid disclosure of information for specific taxpayers. However, deleted data are included in the appropriate totals.

[1] Less than 0.05 percent.

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

Table 8.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect

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

Item with the second largest tax effect	Total		Item with the largest tax effect: Interest paid deduction		Investment interest deduction		Taxes paid deduction		Contributions deduction		Medical and dental expenses deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Returns with worldwide U.S. income tax												
Returns with adjusted gross income of $200,000 or more												
Total	**903,665**	**100.0**	**227,548**	**25.2**	**28,157**	**3.1**	**498,689**	**55.2**	**64,727**	**7.2**	**3,610**	**0.4**
Interest paid deduction	283,984	31.4	-	-	6,323	22.5	251,948	50.5	10,113	15.6	164	4.5
Investment interest deduction	32,699	3.6	4,792	2.1	-	-	19,828	4.0	2,987	4.6	7	0.2
Taxes paid deduction	290,492	32.1	188,894	83.0	13,874	49.3	-	-	44,997	69.5	1,588	44.0
Contributions deduction	206,148	22.8	24,032	10.6	3,980	14.1	171,630	34.4	-	-	1,001	27.7
Medical and dental expense deduction	1,860	0.2	10	(1)	83	0.3	870	0.2	764	1.2	-	-
Net casualty or theft loss deduction	225	(1)	10	(1)	3	(1)	200	(1)	12	(1)	-	-
Total miscellaneous deductions	33,646	3.7	6,187	2.7	1,010	3.6	22,545	4.5	2,391	3.7	658	18.2
Foreign tax credit	-	-	-	-	-	-	-	-	-	-	-	-
General business credit	4,799	0.5	228	0.1	301	1.1	3,284	0.7	234	0.4	-	-
All other tax credits	6,474	0.7	476	0.2	451	1.6	3,871	0.8	667	1.0	-	-
Partnership and S Corporation net losses	27,180	3.0	2,821	1.2	2,053	7.3	19,319	3.9	2,134	3.3	41	1.1
No second largest item	16,158	1.8	99	(1)	79	0.3	5,193	1.0	429	0.7	152	4.2
Returns with expanded income of $200,000 or more												
Total	**923,820**	**100.0**	**227,678**	**24.6**	**-**	**-**	**540,278**	**58.5**	**73,778**	**8.0**	**4,698**	**0.5**
Interest paid deduction	299,393	32.4	-	-	-	-	275,037	50.9	11,087	15.0	164	3.5
Investment interest deduction	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction	289,466	31.3	194,198	85.3	-	-	-	-	54,418	73.8	1,912	40.7
Contributions deduction	247,376	26.8	27,504	12.1	-	-	211,201	39.1	-	-	1,306	27.8
Medical and dental expense deduction	2,238	0.2	14	(1)	-	-	1,226	0.2	805	1.1	-	-
Net casualty or theft loss deduction	371	(1)	10	(1)	-	-	348	0.1	13	(1)	-	-
Total miscellaneous deductions	21,852	2.4	1,385	0.6	-	-	15,220	2.8	3,034	4.1	1,119	23.8
Foreign tax credit	-	-	-	-	-	-	-	-	-	-	-	-
General business credit	5,871	0.6	241	0.1	-	-	4,424	0.8	251	0.3	-	-
All other tax credits	7,017	0.8	550	0.2	-	-	4,301	0.8	721	1.0	**	**
Partnership and S Corporation net losses	28,285	3.1	3,505	1.5	-	-	21,240	3.9	2,565	3.5	**	**
No second largest item	21,951	2.4	272	0.1	-	-	7,281	1.3	884	1.2	152	3.2

Footnotes at end of table.

Table 8.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect--Continued

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

Item with the second largest tax effect	Total		Item with the largest tax effect: Interest paid deduction		Investment interest deduction		Taxes paid deduction		Contributions deduction		Medical and dental expenses deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Returns without worldwide U.S. income tax												
Returns with adjusted gross income of $200,000 or more												
Total	**823**	**100.0**	**48**	**5.8**	**378**	**45.9**	**	**	**	**	**79**	**9.6**
Interest paid deduction	176	21.4	-	-	99	26.2	-	-	**	**	**	**
Investment interest deduction	144	17.5	9	18.8	-	-	-	-	9	50.0	**	**
Taxes paid deduction	126	15.3	**	**	48	12.7	-	-	-	-	20	25.3
Contributions deduction	108	13.1	13	27.1	57	15.1	**	**	-	-	23	29.1
Medical and dental expense deduction	12	1.5	-	-	**	**	-	-	**	**	-	-
Net casualty or theft loss deduction	**	**	-	-	-	-	-	-	-	-	-	-
Total miscellaneous deductions	68	8.3	**	**	30	7.9	-	-	**	**	25	31.6
Foreign tax credit	-	-	-	-	-	-	-	-	-	-	-	-
General business credit	**	**	-	-	**	**	-	-	-	-	-	-
All other tax credits	8	1.0	**	**	**	**	-	-	-	-	-	-
Partnership and S Corporation net losses	164	19.9	**	**	137	36.2	**	**	-	-	**	**
No second largest item	12	1.5	-	-	**	**	-	-	-	-	**	**
Returns with expanded income of $200,000 or more												
Total	**1,724**	**100.0**	**178**	**10.3**	**-**	**-**	**276**	**16.0**	**166**	**9.6**	**546**	**31.7**
Interest paid deduction	168	9.7	-	-	-	-	42	15.2	27	16.3	10	1.8
Investment interest deduction	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction	558	32.4	109	61.2	-	-	-	-	72	43.4	213	39.0
Contributions deduction	341	19.8	30	16.9	-	-	100	36.2	-	-	151	27.7
Medical and dental expense deduction	115	6.7	**	**	-	-	60	21.7	32	19.3	-	-
Net casualty or theft loss deduction	**	**	-	-	-	-	-	-	-	-	-	-
Total miscellaneous deductions	269	15.6	12	6.7	-	-	55	19.9	22	13.3	152	27.8
Foreign tax credit	-	-	-	-	-	-	-	-	-	-	-	-
General business credit	**	**	-	-	-	-	-	-	**	**	-	-
All other tax credits	11	0.6	**	**	-	-	-	-	**	**	-	-
Partnership and S Corporation net losses	79	4.6	17	9.6	-	-	**	**	**	**	14	2.6
No second largest item	177	10.3	-	-	-	-	**	**	-	-	**	**

Footnotes at end of table.

Table 8.--Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect--Continued

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

Item with the second largest tax effect	Item with the largest tax effect: Net casualty or theft loss deduction		Total miscellaneous deductions		Foreign tax credit		General business credit		All other tax credits		Partnerships and S Corporation net losses	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Returns with worldwide U.S. income tax												
Returns with adjusted gross income of $200,000 or more												
Total	**360**	(1)	**19,962**	**2.2**	-	-	**6,304**	**0.7**	**6,937**	**0.8**	**47,371**	**5.2**
Interest paid deduction	342	95.0	4,833	24.2	-	-	910	14.4	1,235	17.8	8,117	17.1
Investment interest deduction	3	0.8	477	2.4	-	-	131	2.1	480	6.9	3,993	8.4
Taxes paid deduction	12	3.3	12,707	63.7	-	-	3,143	49.9	2,770	39.9	22,507	47.5
Contributions deduction	-	-	1,552	7.8	-	-	114	1.8	307	4.4	3,532	7.5
Medical and dental expense deduction	-	-	-	-	-	-	**	**	-	-	**	**
Net casualty or theft loss deduction	-	-	-	-	-	-	-	-	-	-	-	-
Total miscellaneous deductions	-	-	-	-	-	-	**	**	57	0.8	**	**
Foreign tax credit	-	-	-	-	-	-	-	-	-	-	-	-
General business credit	-	-	9	(1)	-	-	-	-	271	3.9	473	1.0
All other tax credits	3	0.8	15	0.1	-	-	137	2.2	-	-	854	1.8
Partnership and S Corporation net losses	-	-	220	1.1	-	-	400	6.3	192	2.8	-	-
No second largest item	-	-	149	0.7	-	-	1,464	23.2	1,625	23.4	6,969	14.7
Returns with expanded income of $200,000 or more												
Total	**363**	(1)	**9,244**	**1.0**	-	-	**6,712**	**0.7**	**8,229**	**0.9**	**52,840**	**5.7**
Interest paid deduction	342	94.2	1,229	13.3	-	-	812	12.1	1,536	18.7	9,186	17.4
Investment interest deduction	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction	12	3.3	5,991	64.8	-	-	3,278	48.8	3,251	39.5	26,406	50.0
Contributions deduction	6	1.7	1,768	19.1	-	-	137	2.0	397	4.8	5,057	9.6
Medical and dental expense deduction	-	-	50	0.5	-	-	3	(1)	-	-	140	0.3
Net casualty or theft loss deduction	-	-	-	-	-	-	-	-	-	-	-	-
Total miscellaneous deductions	-	-	-	-	-	-	4	0.1	68	0.8	1,022	1.9
Foreign tax credit	-	-	-	-	-	-	-	-	-	-	-	-
General business credit	-	-	6	0.1	-	-	-	-	394	4.8	555	1.1
All other tax credits	3	0.8	**	**	-	-	168	2.5	-	-	1,259	2.4
Partnership and S Corporation net losses	-	-	**	**	-	-	488	7.3	259	3.1	-	-
No second largest item	-	-	-	-	-	-	1,822	27.1	2,325	28.3	9,216	17.4

Footnotes at end of table.

Table 8.–Returns With and Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect–Continued

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

Item with the second largest tax effect	Item with the largest tax effect											
	Net casualty or theft loss deduction		Total miscellaneous deductions		Foreign tax credit		General business credit		All other tax credits		Partnerships and S Corporation net losses	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Returns without worldwide U.S. income tax												
Returns with adjusted gross income of $200,000 or more												
Total	**81**	**9.8**	**54**	**6.6**	-	-	**	**	**27**	**3.3**	**134**	**16.3**
Interest paid deduction	33	40.7	17	31.5	-	-	-	-	9	33.3	11	8.2
Investment interest deduction	8	9.9	8	14.8	-	-	-	-	**	**	101	75.4
Taxes paid deduction	25	30.9	**	**	-	-	-	-	5	18.5	6	4.5
Contributions deduction	3	3.7	**	**	-	-	-	-	**	**	5	3.7
Medical and dental expense deduction	-	-	5	9.3	-	-	-	-	-	-	**	**
Net casualty or theft loss deduction	-	-	-	-	-	-	-	-	-	-	**	**
Total miscellaneous deductions	5	6.2	-	-	-	-	-	-	**	**	**	**
Foreign tax credit	-	-	-	-	-	-	-	-	-	-	-	-
General business credit	-	-	-	-	-	-	-	-	**	**	-	-
All other tax credits	-	-	-	-	-	-	**	**	-	-	**	**
Partnership and S Corporation net losses	7	8.6	9	16.7	-	-	**	**	**	**	-	-
No second largest item	-	-	**	**	-	-	-	-	-	-	-	-
Returns with expanded income of $200,000 or more												
Total	**94**	**5.5**	**61**	**3.5**	-	-	**	**	**	**	**367**	**21.3**
Interest paid deduction	32	34.0	**	**	-	-	-	-	**	**	42	11.4
Investment interest deduction	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction	43	45.7	30	49.2	-	-	**	**	**	**	82	22.3
Contributions deduction	6	6.4	15	24.6	-	-	**	**	**	**	34	9.3
Medical and dental expense deduction	-	-	5	8.2	-	-	-	-	**	**	9	2.5
Net casualty or theft loss deduction	-	-	-	-	-	-	-	-	-	-	**	**
Total miscellaneous deductions	**	**	-	-	-	-	-	-	**	**	23	6.3
Foreign tax credit	-	-	-	-	-	-	-	-	-	-	-	-
General business credit	-	-	-	-	-	-	-	-	**	**	-	-
All other tax credits	-	-	-	-	-	-	**	**	-	-	**	**
Partnership and S Corporation net losses	9	9.6	6	9.8	-	-	**	**	**	**	-	-
No second largest item	-	-	**	**	-	-	-	-	**	**	168	45.8

**Data deleted to avoid disclosure of information for specific taxpayers. However, deleted data are included in the appropriate totals.

[1] Less than 0.05 percent.

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

Table 9.--Returns Without U.S. Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income

[All figures are estimates based on samples]

Income concept and type of deduction or credit	Total	No deduction or credit	Number of returns on which income was reduced by percentages of income: Under 10 percent	10 percent under 20 percent	20 percent under 30 percent	30 percent under 40 percent	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Adjusted gross income concept											
Total itemized deductions	909	43	22	25	8	**	5	**	4	64	734
Interest paid deduction:											
Total	909	137	116	29	27	24	20	29	23	193	311
Investment interest per income concept	909	265	76	25	20	25	24	35	36	189	214
Taxes paid deduction	909	79	567	175	49	18	8	**	**	**	5
Contributions deduction	909	144	568	56	37	28	22	54	-	-	-
Medical and dental expense deduction	909	786	23	7	5	3	6	4	8	39	28
Net casualty or theft loss deduction	909	826	-	-	-	-	3	**	**	25	51
Net limited miscellaneous deductions per income concept	909	551	224	69	28	11	8	6	**	6	**
Non-limited miscellaneous deductions	909	812	38	5	**	4	**	**	**	18	25
Deduction equivalent of:											
Total credits	909	751	38	8	**	**	**	5	5	94	**
Foreign tax credit	909	823	**	**	**	**	-	-	**	63	**
General business credit	909	888	13	**	3	-	**	-	**	-	-
Tax preferences excluded from adjusted gross income	909	545	200	40	28	21	20	5	8	15	27
Expanded income concept											
Total itemized deductions	1,896	290	297	348	195	160	110	91	62	147	196
Interest paid deduction:											
Total	1,896	1,204	434	100	64	34	24	9	4	8	15
Investment interest per income concept	1,896	1,389	352	51	31	19	10	11	4	11	18
Taxes paid deduction	1,896	328	1,293	212	38	10	5	3	**	**	5
Contributions deduction	1,896	438	1,221	133	44	17	20	7	-	10	6
Medical and dental expense deduction	1,896	931	473	102	78	61	66	54	38	68	25
Net casualty or theft loss deduction	1,896	1,796	6	**	**	3	**	6	**	30	50
Net limited miscellaneous deductions per income concept	1,896	793	959	94	22	14	3	**	**	4	4
Non-limited miscellaneous deductions	1,896	1,851	43	**	-	-	-	-	-	-	-
Deduction equivalent of:											
Total credits	1,896	1,722	51	8	**	4	**	8	9	90	**
Foreign tax credit	1,896	1,799	25	**	**	**	**	3	3	60	**
General business credit	1,896	1,870	16	5	3	-	**	-	**	-	-
Tax preferences excluded from adjusted gross income	1,896	184	87	33	46	58	69	83	133	970	233

** Data deleted to avoid disclosure of information for specific taxpayers. However, deleted data are included in the appropriate totals.
NOTE: Detail may not add to totals because of rounding.

Table 10.--Returns Without Worldwide Income Tax and With Income of $200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income

[All figures are estimates based on samples]

Income concept and type of deduction or credit	Total	No deduction or credit	Number of returns on which income was reduced by percentages of income: Under 10 percent	10 percent under 20 percent	20 percent under 30 percent	30 percent under 40 percent	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Adjusted gross income concept											
Total itemized deductions	823	-	**	18	7	-	5	**	**	53	734
Interest paid deduction:											
Total	823	87	99	25	25	21	20	28	20	187	311
Investment interest per income concept	823	195	73	23	18	24	23	33	35	185	214
Taxes paid deduction	823	29	536	171	49	18	7	**	**	**	5
Contributions deduction	823	94	535	55	37	28	21	53	-	-	-
Medical and dental expense deduction	823	702	22	7	5	3	6	4	8	38	28
Net casualty or theft loss deduction	823	740	-	-	-	-	3	**	**	25	51
Net limited miscellaneous deductions per income concept	823	476	216	66	28	11	8	6	**	6	**
Non-limited miscellaneous deductions	823	729	35	5	**	4	**	**	**	18	25
Deduction equivalent of:											
Total credits	823	751	30	6	-	**	**	4	**	26	-
Foreign tax credit	823	823	-	-	-	-	-	-	-	-	-
General business credit	823	805	12	**	**	-	**	-	**	-	-
Tax preferences excluded from adjusted gross income	823	473	190	40	27	20	20	5	8	14	26
Expanded income concept											
Total itemized deductions	1,799	243	275	336	190	158	109	89	60	143	196
Interest paid deduction:											
Total	1,799	1,142	409	96	64	31	23	9	3	7	15
Investment interest per income concept	1,799	1,308	344	50	28	17	10	10	3	11	18
Taxes paid deduction	1,799	277	1,254	207	37	10	4	**	**	**	5
Contributions deduction	1,799	386	1,181	130	43	17	20	6	-	10	6
Medical and dental expense deduction	1,799	840	468	102	78	61	66	54	38	67	25
Net casualty or theft loss deduction	1,799	1,699	6	**	**	**	**	6	**	30	50
Net limited miscellaneous deductions per income concept	1,799	718	939	93	21	14	**	**	**	4	4
Non-limited miscellaneous deductions	1,799	1,757	**	**	-	-	-	-	-	-	-
Deduction equivalent of:											
Total credits	1,799	1,722	36	**	**	**	-	5	5	25	-
Foreign tax credit	1,799	1,799	-	-	-	-	-	-	-	-	-
General business credit	1,799	1,780	12	**	**	-	**	-	**	-	-
Tax preferences excluded from adjusted gross income	1,799	116	77	31	46	56	68	83	131	958	233

** Data deleted to avoid disclosure of information for specific taxpayers. However, deleted data are included in the appropriate totals.

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

Table 11.--Returns With and Without U.S. Income Tax: Number of Returns and Percentages of Returns, by Effective Tax Rate and by Size of Income Under Alternative Concepts

[All figures are estimates based on samples]

Tax status, effective tax rate	Total		Size of adjusted gross income							
			Under $50,000		$50,000 under $100,000		$100,000 under $200,000		$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	**113,604,503**	**100.0**	**94,054,627**	**100.0**	**15,784,550**	**100.0**	**2,810,579**	**100.0**	**954,747**	**100.0**
Returns without U.S. income tax	**23,505,682**	**20.7**	**23,470,682**	**25.0**	**31,123**	**0.2**	**2,969**	**0.1**	**909**	**0.1**
Returns with U.S. income tax [2]	**90,098,821**	**79.3**	**70,583,945**	**75.0**	**15,753,427**	**99.8**	**2,807,611**	**99.9**	**953,838**	**99.9**
Effective tax rate:										
Under 5 percent	17,676,901	15.6	17,486,487	18.6	156,784	1.0	28,032	1.0	5,598	0.6
5 under 10 percent	36,074,626	31.8	32,957,655	35.0	3,061,779	19.4	49,864	1.8	5,329	0.6
10 under 15 percent	25,880,405	22.8	17,381,498	18.5	8,050,421	51.0	433,909	15.4	14,576	1.5
15 under 20 percent	8,179,736	7.2	2,656,927	2.8	4,016,087	25.4	1,426,836	50.8	79,886	8.4
20 under 25 percent	1,727,230	1.5	49,202	0.1	456,774	2.9	806,962	28.7	414,292	43.4
25 under 30 percent	508,039	0.4	26,283	(1)	2,496	(1)	59,057	2.1	420,203	44.0
30 under 35 percent	22,877	(1)	6,848	(1)	3,436	(1)	718	(1)	11,875	1.2
35 under 40 percent	8,727	(1)	4,714	(1)	2,772	(1)	528	(1)	712	0.1
40 under 45 percent	3,331	(1)	2,646	(1)	43	(1)	464	(1)	179	(1)
45 under 50 percent	309	(1)	40	(1)	4	(1)	22	(1)	243	(1)
50 under 60 percent	686	(1)	89	(1)	72	(1)	182	(1)	343	(1)
60 under 70 percent	5,594	(1)	1,834	(1)	2,651	(1)	685	(1)	424	(1)
70 under 80 percent	977	(1)	907	(1)	43	(1)	12	(1)	15	(1)
80 percent or more	9,384	(1)	8,816	(1)	66	(1)	340	(1)	162	(1)

Tax status, effective tax rate	Total		Size of expanded income							
			Under $50,000		$50,000 under $100,000		$100,000 under $200,000		$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns	**113,604,503**	**100.0**	**93,490,300**	**100.0**	**16,206,606**	**100.0**	**2,918,075**	**100.0**	**989,522**	**100.0**
Returns without U.S. income tax	**23,505,682**	**20.7**	**23,398,345**	**25.0**	**93,130**	**0.6**	**12,311**	**0.4**	**1,896**	**0.2**
Returns with U.S. income tax [2]	**90,098,821**	**79.3**	**70,091,954**	**75.0**	**16,113,476**	**99.4**	**2,905,764**	**99.6**	**987,626**	**99.8**
Effective tax rate:										
Under 5 percent	18,850,807	16.6	18,520,661	19.8	248,595	1.5	64,044	2.2	17,507	1.8
5 under 10 percent	35,698,981	31.4	32,237,544	34.5	3,339,534	20.6	103,671	3.6	18,232	1.8
10 under 15 percent	25,283,842	22.3	16,643,171	17.8	8,200,335	50.6	410,301	14.1	30,034	3.0
15 under 20 percent	8,084,193	7.1	2,599,579	2.8	3,883,484	24.0	1,504,649	51.6	96,480	9.8
20 under 25 percent	1,672,461	1.5	47,449	0.1	431,402	2.7	768,709	26.3	424,901	42.9
25 under 30 percent	465,187	0.4	20,871	(1)	4,593	(1)	50,885	1.7	388,838	39.3
30 under 35 percent	19,958	(1)	7,512	(1)	1,180	(1)	1,333	(1)	9,934	1.0
35 under 40 percent	5,807	(1)	3,348	(1)	1,484	(1)	542	(1)	433	(1)
40 under 45 percent	972	(1)	430	(1)	41	(1)	337	(1)	165	(1)
45 under 50 percent	323	(1)	-	-	18	(1)	54	(1)	250	(1)
50 under 60 percent	1,863	(1)	1,213	(1)	163	(1)	175	(1)	313	(1)
60 under 70 percent	4,300	(1)	723	(1)	2,535	(1)	678	(1)	364	(1)
70 under 80 percent	276	(1)	6	(1)	56	(1)	50	(1)	165	(1)
80 percent or more	9,851	(1)	9,448	(1)	57	(1)	335	(1)	11	(1)

[1] Less than 0.05 percent.
[2] Returns with U.S. income tax include returns on which income tax was entirely offset by the earned income credit.
NOTE: Detail may not add to totals because of rounding.

Table 12.--Returns With and Without Worldwide Income Tax: Number of Returns and Percentages of Returns, by Effective Tax Rate and by Size of Income Under Alternative Concepts

[All figures are estimates based on samples]

Tax status, effective tax rate	Total		Size of adjusted gross income							
			Under $50,000		$50,000 under $100,000		$100,000 under $200,000		$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	**113,604,503**	**100.0**	**94,054,627**	**100.0**	**15,784,550**	**100.0**	**2,810,579**	**100.0**	**954,747**	**100.0**
Returns without worldwide income tax	**23,478,474**	**20.7**	**23,445,020**	**24.9**	**29,719**	**0.2**	**2,913**	**0.1**	**823**	**0.1**
Returns with worldwide income tax	**90,126,029**	**79.3**	**70,609,607**	**75.1**	**15,754,831**	**99.8**	**2,807,667**	**99.9**	**953,924**	**99.9**
Effective tax rate:										
Under 5 percent	17,625,303	15.5	17,454,488	18.6	150,687	1	18,737	0.7	1,392	0.1
5 under 10 percent	36,082,673	31.8	32,979,752	35	3,055,134	19.4	44,092	1.6	3,695	0.4
10 under 15 percent	25,891,077	22.8	17,404,553	18.5	8,043,480	51.0	430,149	15.3	12,895	1.4
15 under 20 percent	8,189,250	7.2	2,658,059	2.8	4,024,707	25.5	1,428,525	50.8	77,959	8.2
20 under 25 percent	1,740,126	1.5	48,070	0.1	462,859	2.9	815,808	29	413,390	43.3
25 under 30 percent	519,310	0.5	27,757	(1)	3,577	(1)	62,480	2.2	425,496	45
30 under 35 percent	27,457	(1)	7,000	(1)	5,011	(1)	1,790	0.1	13,656	1.4
35 under 40 percent	13,162	(1)	7,593	(1)	2,772	(1)	1,482	0.1	1,315	0.1
40 under 45 percent	7,109	(1)	2,988	(1)	916	(1)	1,102	(1)	2,101	0.2
45 under 50 percent	2,299	(1)	40	(1)	498	(1)	1,237	(1)	524	0.1
50 under 60 percent	4,149	(1)	1,322	(1)	1,251	(1)	677	(1)	899	0.1
60 under 70 percent	6,621	(1)	1,834	(1)	3,335	(1)	1,028	(1)	424	(1)
70 under 80 percent	2,398	(1)	2,176	(1)	195	(1)	12	(1)	15	(1)
80 percent or more	15,095	(1)	13,975	(1)	409	(1)	549	(1)	162	(1)

Tax status, effective tax rate	Total		Size of expanded income							
			Under $50,000		$50,000 under $100,000		$100,000 under $200,000		$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns	**113,604,503**	**100.0**	**93,490,300**	**100.0**	**16,206,606**	**100.0**	**2,918,075**	**100.0**	**989,522**	**100.0**
Returns without worldwide income tax	**23,478,474**	**20.7**	**23,379,247**	**25.0**	**86,865**	**0.5**	**10,563**	**0.4**	**1,799**	**0.2**
Returns with worldwide income tax	**90,126,029**	**79.3**	**70,111,052**	**75.0**	**16,119,741**	**99.5**	**2,907,513**	**99.6**	**987,723**	**99.8**
Effective tax rate:										
Under 5 percent	18,796,151	16.5	18,494,932	19.8	246,385	1.5	46,592	1.6	8,241	0.8
5 under 10 percent	35,710,705	31.4	32,260,422	34.5	3,335,347	20.6	99,821	3.4	15,115	1.5
10 under 15 percent	25,305,926	22.3	16,663,585	17.8	8,201,388	50.6	413,082	14.2	27,871	2.8
15 under 20 percent	8,094,770	7.1	2,599,579	2.8	3,885,828	24.0	1,512,071	51.8	97,291	9.8
20 under 25 percent	1,692,273	1.5	48,581	0.1	439,089	2.7	776,436	26.6	428,167	43.3
25 under 30 percent	475,852	0.4	20,871	(1)	5,277	(1)	54,333	1.9	395,371	40.0
30 under 35 percent	23,555	(1)	7,512	(1)	1,180	(1)	2,170	0.1	12,694	1.3
35 under 40 percent	8,358	(1)	3,743	(1)	2,376	(1)	1,226	(1)	1,013	0.1
40 under 45 percent	1,359	(1)	430	(1)	41	(1)	489	(1)	399	(1)
45 under 50 percent	568	(1)	-	-	15	(1)	54	(1)	499	0.1
50 under 60 percent	2,075	(1)	1,213	(1)	166	(1)	175	(1)	522	0.1
60 under 70 percent	4,300	(1)	723	(1)	2,535	(1)	678	(1)	364	(1)
70 under 80 percent	276	(1)	6	(1)	56	(1)	50	(1)	165	(1)
80 percent or more	9,859	(1)	9,454	(1)	58	(1)	335	(1)	11	(1)

[1] Less than 0.05 percent.
[2] Returns with U.S. income tax include returns on which income tax was entirely offset by the earned income credit.
NOTE: Detail may not add to totals because of rounding.

Projections of Returns to be Filed in Calendar Years 1996-2002

by Philip Cormany

Total U. S. tax returns filed with the Internal Revenue Service (IRS) are projected to reach 209.8 million in Calendar Year (CY) 1996. The annual growth in total return volume from CY 1996 through CY 2002 is expected to be about 1.4 percent, increasing to 228.0 million returns by CY 2002. Projections of tax returns to be filed by major form type are prepared by IRS Research Division. These return projections provide the foundation for IRS' budget submissions, IRS service center resource allocation decisions, and other Service plans and analyses. Calendar year projections reflect the year in which the returns are processed, rather than the tax year covered by the information reported on the return. The following article looks at some of the trends, methodology, and accuracy embedded in these return forecasts.

Individual Form 1040 Return Series

The U.S. projection for the individual income tax return, Form 1040 series (i.e., the sum of paper and electronic Forms 1040, 1040A, 1040EZ, and 1040PC) in CY 1996 is 118.7 million, up from the estimated 116.8 million filed in 1995 [1]. This is an increase of over 1.6 percent, as shown in Figure A. The annual projected growth rate for the individual income tax return series is expected to continue at nearly 1.6 percent through CY 2002.

Nationwide Implementation of TeleFile

TeleFile is a technology which gives certain taxpayers who file Form 1040EZ the option to file their returns using touch-tone telephones. In CY 1995 TeleFile was only available to taxpayers residing in the following IRS district office areas: Cleveland (Ohio), Detroit (Michigan), Indianapolis (Indiana), Cincinnati (Ohio), Louisville (Kentucky), Parkersburg (West Virginia), Columbia (South Carolina), Jacksonville (Florida), Fort Lauderdale (Florida), Austin (Texas), Denver (Colorado), and Sacramento (California). Starting in CY 1996, however, TeleFile will be available nationwide. The system will accommodate most Form 1040EZ filers (i.e., in general, taxpayers who do not claim any dependents, have taxable income of less than $50,000, and have no unearned income -- such as interest -- in excess of $400). Those who claim the "earned income tax credit," (EIC) can use TeleFile beginning this year. Form 1040EZ filers whose filing status is "married filing jointly" or who receive income from unemployment compensation, will not be able to use TeleFile yet. TeleFile is projected to reach 2.5 million returns in CY 1996, up 267 percent from the 0.7 million TeleFile returns received in CY 1995.

Figure A

Projections for Calendar Year 1996

(Number of returns is in thousands)

Type of return	1996 Projections	Percentage change from 1995[1] (estimated)
Grand total	**209,845**	**1.34**
Primary returns, total	**197,180**	**1.30**
Individual income tax, total	119,123	1.64
Total paper and electronic returns	118,692	1.63
Paper returns, total	102,547	-2.28
Paper Form 1040	61,932	-2.30
Paper Form 1040A	18,451	-10.18
Paper Form 1040EZ	17,546	-3.24
Paper Form 1040PC	4,618	60.37
Electronic returns, total	16,146	36.24
Standard electronic filing	13,648	22.18
TeleFile	2,497	267.15
Forms 1040NR, 1040-PR, 1040-SS	431	6.36
Individual estimated tax, Form 1040-ES	35,991	0.48
Fiduciary income tax, Form 1041	3,251	3.31
Fiduciary estimated tax, Form 1041-ES	703	3.31
Partnership, Form 1065	1,577	0.77
Corporation income tax, total	4,821	2.95
Estate tax, Forms 706 and 706NA	92	8.01
Gift tax, Form 709	225	4.40
Employment tax, total	28,682	0.41
Form 1042	26	4.03
Tax-exempt organization	538	0.33
Employee plans	1,294	1.39
Excise tax	813	1.58
Form 8752	45	-4.36
Supplemental documents, total	**12,665**	**1.86**
Form 1040X	2,227	3.11
Form 4868	6,081	1.33
Form 2688	2,025	2.70
Form 1120X	16	-10.27
Form 7004	2,316	1.45

[1]Percentage changes for 1995 were based on estimated final counts of returns becau complete information was unavailable at the time this table was compiled.

NOTES: For an explaination of form numbers, see footnotes to Table 1, at the end of article. Detail may not add to totals because of rounding.

Other Electronic Filing Initiatives

In pursuit of its goal of increased "electronic filings" (ELF), the IRS plans several other new initiatives and program changes for CY 1996 in the individual return area. One of those initiatives is the added emphasis of "on-line" electronic filing via a personal computer-modem link. Another change in CY 1996 is that the IRS will be able to honor requests (Form 8888) from taxpayers who want their refunds directly deposited into their bank accounts. The IRS can even offer this service on both parts of a split refund situation, something which it could not do in CY1995. (An example of when it may be necessary to split a refund is when part of the refund is generated from the EIC. Since it is not necessary to delay the entire refund while eligibility for the EIC is ascer-

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tained, that part of the refund from overwithholding tax withheld can be released to the taxpayer immediately.) Also in CY 1996, the IRS will be able to accommodate requests to pay tax in installments (Form 9465) from taxpayers submitting electronically-filed returns. In addition, the period for electronic filing is being extended from August 15 to October 15, the same filing deadline as that for taxpayers granted second extensions of time in which to file their individual income tax returns.

Revenue Protection Strategy

Based on 1995 filing season results through July (compared with those through July 1994), the IRS estimates that the CY 1995 volume of "standard" electronically-filed individual returns (i.e., those submitted by IRS-authorized third party transmitters called "electronic return originators") will decrease by approximately 17 percent to 11.2 million filings (see Table 1). This decline is attributed to the residual effects of the IRS Revenue Protection Strategy. This strategy instituted a series of measures to combat refund fraud, including several that had the effect of extending the number of weeks certain taxpayers had to wait to receive all, or part, of the refund amounts they were claiming. Unfortunately, extending the length of time for issuing refunds for certain cases also served to negate the incentive for some taxpayers to file electronically, since the primary motivation for electronic filing is to obtain a quick refund. The Revenue Protection Strategy is estimated to have saved to date over $1 billion in erroneous or fraudulent claims. However, implementation of this strategy has had the side effect of reducing the volume of standard ELF returns. This basic fraud prevention strategy is expected to continue in the future. Consequently, the revised projections of standard electronically-filed individual returns are considerably lower than those published a year ago. Figure B depicts the long-term change in the mix between the paper and electronically-filed individual Form 1040 return series, as currently forecast.

Alternative for Electronically-Filed Returns

It is important to note that projections of returns filed electronically (ELF) reflect only extrapolations of existing trends in electronic filing, plus the effects of confirmed

Figure B

Number of Individual Income Tax Returns by Method of Filing, Calendar Years 1991-2002

legislative and administrative changes. The latter change includes the expansion of TeleFile nationwide in CY 1996. In general, ELF forecasts assume that the past relationships between electronic filing initiatives and taxpayer behavior will hold true in the future. While this is a common practice in statistical forecasting, it should not be interpreted as precluding a future change in the direction of electronic filing.

The IRS envisions more efficient methods of return filing, ones which involve significantly more returns being filed electronically. To help bring about that result, the IRS has established various electronic filing goals and has introduced programs which are new and innovative, such as "on-line" electronic filing. The IRS also continues to support creative thinking about, and exploration of, other strategies which could increase electronic filing levels beyond those currently projected. Below are a few statistics that provide the IRS with the potential to shape an alternative future, a future with even higher volumes of electronically-filed returns than those which are presently projected. Available IRS data along with research by the Software Publishers Association both indicate that more than 45 million individual income tax returns will be prepared on a computer, but filed on paper in CY 1995. More than 57 million individual income tax returns will be completed by a paid preparer in CY 1995. More than 23 million individual returns will be filed in CY 1995 with the 1040EZ characteristics of the target group for the TeleFile alternative. Nearly 33 million U.S. households in 1995 have a personal computer in their homes, with about 22 million of these equipped with a modem. The "information superhighway" is still being paved, and its impact on tax return filing is not yet fully known.

Household Employment Taxes

The Social Security Domestic Employment Reform Act of 1994 resulted in the replacement of the *Employer's Quarterly Tax Return for Household Employees* (Form 942) with Schedule H, *Household Employment Taxes*, to be filed with an individual's annual Form 1040. As a result of this legislation, the estimated volume of final Form 942 filings in CY 1995 is down to 388,600, the number actually filed during the last quarterly tax period in CY 1994.

New Withholding on Non-Payroll Income

Beginning with the 1995 filing season, the new Form 945, *Annual Return of Withheld Federal Income Tax,* is being used to report non-payroll tax withholding, including "backup" withholding on interest and dividends, as well as withholding on pensions, annuities, Individual Retirement Accounts (IRA's), gambling winnings, and military retirement pay. ("Backup" withholding is required in certain situations, for instance, when the IRS notifies the payer to start withholding on interest or dividends because the corrected amount has been under-reported on the taxpayer's previous return.) Partial data from CY 1995 filings suggest that roughly 188,000 Form 945 returns will be filed for CY 1995. This is substantially lower than earlier estimates made before the initial filings.

Projection Methodology

Regression techniques, time series models, and growth rates were the basic methods used to project tax return filings through CY 2002. These projections reflect initiatives, assumptions, and strategies as of their date of calculation, and on that account are unable to reflect any later adjustments which result from shifts in IRS resources.

Regression Analysis

Regression techniques were selected when statistically-sound relationships existed between tax return filings and economic or demographic independent indicators. Return filings are significantly affected by the following key economic and demographic variables: personal income, Gross Domestic Product (GDP), civilian employment, and total population [2]. These variables were used selectively in regression models to project individual, employment, fiduciary, and various corporation returns. In most instances, these economic or demographic variables were lagged by 1 year to correspond more directly with the "tax year" in question. Also, "dummy variables," which are specially-constructed variables with values of "zero" or "1," were occasionally used to account for the effects of legislative changes, return count aberrations, and other unusual conditions not reflected by the economic or demographic variables.

The regression models incorporated the CY1994 actual return counts into the base period. Some also included CY1995 estimates (actual data for CY1995 were incomplete). In such instances, 6-month return counts were typically used to estimate the CY 1995 total, based on the proportion of returns filed to date in CY 1995 relative to the same period in the prior year.

Time Series Analysis

Some return counts were projected using time series analysis techniques when no statistically sound relationship existed between the economic or demographic variables, and the number of returns filed. These techniques include finite moving averages, exponential smoothing, and autoregressive integrated moving averages (ARIMA).

Growth Rates
Simple growth rates were used for forecasting where the return series had a very short or even no historical base period. This method generally assumes that for a given return form and for a limited set of years, a prior growth pattern will continue in the near future, or that a new return type will grow at a rate similar to a related return with an established pattern.

Off-Model Adjustments
"Off-model" adjustments, which are adjustments to the initial forecasts based on the above techniques, are sometimes necessary when return filings are directly impacted by legislative or administrative changes, which the techniques described above cannot take into account. The IRS projections typically reflect the impact of legislative and administrative changes to the extent that laws or administrative initiatives have been enacted or IRS programs officially approved.

Projections Highlights

Grand Total Returns, Primary Returns, and Supplemental Documents
The "grand total" is the sum of the "primary returns, total" and the "supplemental documents, total" [3]. "Primary returns," particularly individual and employment tax returns, account for most of the total filings and generate the major portion of the IRS document processing workload [4]. "Supplemental documents" are mainly amended returns and requests for filing extensions by both individuals and corporations [5].

In CY 1996 through CY 2002, primary returns and supplemental documents filed with the IRS are projected to increase each year by 1.3 percent and 3.2 percent, respectively (Figure C). In CY 1996, about 197.2 million primary returns and 12.7 million supplemental documents are projected to be filed. The complete set of projections for CY 1996 through CY 2002 by form type is presented in Table 1.

Individual Income Tax Returns
Nearly 119.1 million individual income tax returns are expected to be filed in CY 1996, with an annual growth rate of 1.6 percent anticipated through CY 2002. Total individual returns include the individual return series of electronically-filed and paper Forms 1040, 1040A, 1040EZ, and 1040PC, plus Form 1040NR, *U.S. Nonresident Alien Income Tax Return;* Form 1040-PR, *Planilla Para La Declaracion De La Contribucion Federal Sobre el Trabajo Por Cuenta Propia--Puerto Rico;* and Form 1040-SS, *U.S. Self-Employment Tax Return - U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands [CNMI], or Puerto Rico.*

- **Total Paper and Electronic Returns**
  In CY1996, a total of 118.7 million Forms 1040, 1040A, 1040EZ, and 1040PC returns are projected to be filed with the IRS, a 1.6 percent increase over the estimated CY 1995 volume (Figure A). The individual return series includes both returns on paper and electronically-filed returns. The volumes are expected to grow annually at a rate of 1.6 percent and to reach 130.5 million in CY 2002 (Table 1).

- **Total Paper Returns**
  A total of 102.5 million paper returns, Forms 1040, 1040A, 1040EZ, and 1040PC, are projected to be filed in CY1996. This decrease of 2.3 percent from the estimated CY1995 volume (Figure A) is offset by the increase in electronic filings. The volume of paper returns is only expected to grow at an annual rate of 0.2 percent (Figure C) and to reach 106.3 million in CY 2002 (Table 1).

  Based upon current projections under existing trends, individual paper return volumes as a percentage of the total Form 1040 series, will decrease from 87.8 percent in 1994 to 86.4 percent in CY1996 and to 81.5 percent in CY 2002. This long-term decrease in the percentage of paper returns follows the basic IRS strategy of increasing the level of electronic filing.

- **Paper Form 1040**
  Historically, the "long" Form 1040 represents the lion's share of total paper returns and this is expected to continue. While the paper Form 1040 is still expected to dominate total paper return volumes, its proportion is projected to drop by another 2.28 percent in CY 1996, and then to increase slightly at an annual rate of 0.24 percent through CY 2002, based on the recent historic trend. This projected stabilization stems from the growth in the volume of electronically filed returns along with the expected increase in the use of Form 1040PC (defined below).

- **Paper Form 1040A**
  Form 1040A returns are projected to decline 10.2 percent to 18.4 million in CY 1996. This drop is in response to a change in the Form 1040EZ filing requirements, allowing certain married taxpayers to use this simpler form instead of Form 1040A, as well as in the projected growth in both Form 1040PC and "standard" electronic filings. These effects are

Figure C

Projected Annual Percentage Change in the Number of Returns Filed, by Type of Return, Calendar Years 1996-2002

reflected in the continued subsequent slow decline in paper Forms 1040A, of 0.7 percent annually over the projection period CY 1996 through CY 2002.

- **Form 1040EZ**
  Beginning with CY 1996, qualified taxpayers will be able to report income from unemployment compensation on paper Form 1040EZ for the first time. It is estimated that this will increase Form 1040EZ volumes by approximately 1.5 million returns in CY 1996, above what otherwise would be expected. Nevertheless, the volume of paper Form 1040EZ is predicted to continue to decline in CY 1996 due to the nationwide expansion of TeleFile and the continued growth in standard electronic filing.

- **Form 1040PC**
  "Form 1040PC" is somewhat of a misnomer in that it really represents paper tax returns filed by taxpayers using an IRS-approved computer software-generated format, rather than a specific type of tax form. It allows taxpayers to file a computer-generated return on one or two sheets of paper, regardless of the number of schedules normally attached. Based on volumes experienced to date, CY 1995 filings of the computer-generated Form 1040PC have dropped dramatically. The IRS estimates that 2.9 million returns will be filed in CY 1995, down from 4.2 million in CY 1994. This 31-percent decline is due to a noticeable drop in the use of Form 1040PC by certain professional tax-preparation offices which

experienced difficulties in readying their Form 1040PC software in time for the filing season. However, the volume of Form 1040PC filings is expected to increase to 4.6 million returns in CY 1996, comparable to the levels in CY 1993 and CY 1994. Form 1040PC has been available nationwide since 1992, as an alternative to taxpayers filing the traditonal paper returns, Forms 1040, 1040A, or 1040EZ .

- **Forms 1040NR, 1040-PR, and 1040-SS**
The volumes of Form 1040NR, *U.S. Nonresident Alien Income Tax Return;* Form 1040-PR, *Planilla Para La Declaracion De La Contribucion Federal Sobre El Trabajo Por Cuenta Propia--Puerto Rico;* and Form 1040-SS, *U.S. Self-Employment Tax Return - U.S. Virgin Islands,Guam, American Samoa, the Commonwealth of the Northern Mariana Islands [CNMI], or Puerto Rico,* returns are projected to increase at an annual rate of 6.7 percent from CY1996 through CY 2002. Approximately 86 percent of this total reflects Form 1040NR. Typically, but not exclusively, Form 1040NR is filed by nonresident aliens who have invested in U.S. limited partnerships.

- **Total Individual Electronic Returns**
The most recent projections of electronically-filed (ELF) individual income tax returns call for 16.1 million to be transmitted in CY1996 and 17.8 million in CY 1997. These figures include 2.5 million TeleFile returns in CY1996 and 2.8 million in CY 1997, reflecting nationwide TeleFile implementation in CY 1996. A total of 24.2 million returns is projected to be filed electronically in CY 2002, with 84.2 percent, or 20.4 million expected to be standard electronic filings, i.e., non-Telefile returns. As the volume of electronically-filed returns increases, the volume of the traditional paper returns filed will necessarily decrease. Figure D presents insights into the return characteristics of electronic filings. Of the 16.1 million returns projected to be filed electronically in CY 1996, about 21.0 percent or 3.4 million would otherwise have been filed on paper Form 1040, about 48.9 percent or 7.9 million would have been filed on paper Form 1040A, and the remaining 30.1 percent or 4.9 million would have been filed on paper Form 1040EZ [6].

- **Standard Electronic Returns**
Standard electronic returns are non-TeleFile returns typically transmitted through an authorized third party, termed an "electronic return originator." In CY 1996, about 13.6 million of these tax returns are expected. In general, these projections were based on time-series techniques that extrapolated the growth in participation rates (i.e., the proportion of standard ELF returns to the individual series return total) geographically, at the IRS district office level.

Figure D

Electronically-Filed Individual Income Tax Returns by Type of Form, Calendar Year 1996

- **TeleFile**
TeleFile gives certain taxpayers who file Form 1040EZ the option of filing their returns using touch-tone telephones. During the CY 1995 filing season, more than 0.7 million taxpayers in selected areas of the country participated in the fourth year of TeleFile testing. Nearly 2.5 million TeleFile income tax returns are expected to be filed during CY 1996, the first year of nationwide availability. In CY 1997, a projected 2.8 million TeleFile returns are expected to be filed, growing to 3.8 million by CY 2002. In general, these projections were based on anticipated participation rates drawn from the test experience through CY 1995 and the total number of taxpayers eligible to use Form 1040EZ.

Partnership Returns

U.S. Partnership Return of Income (Form 1065) is used to report income, deductions, tax credits, and losses from the

operation of a partnership. A major purpose of this form is to show each partner's distributive share, to be reported on the individual (or some other) income tax return. Partnership projections are expected to increase by 0.8 percent overall through CY 2002, resuming a slow growth pattern after years of decline, which reflected a residual effect of the Tax Reform Act of 1986. The Act curbed the use of limited partnerships as "tax shelters." These forecasts are generally based on time trend models.

Corporation Income Tax Returns

Corporation income tax returns are the aggregate of the *U.S. Corporation Income Tax Return* (Form 1120), *U.S. Short-Form Corporation Income Tax Return* (Form 1120A), *U.S. Income Tax Return for an S-Corporation* (Form 1120S), and various other forms filed by such entities as investment and insurance companies, homeowners' associations, and real estate investment trusts. Approximately 4.8 million corporation returns are projected to be filed in CY 1996. The projected annual percentage change in the number of returns filed through CY 2002 is 2.6 percent, reflecting the results of a combination of econometric regression models using GDP and time series techniques. In CY 1996, Forms 1120, 1120S, and 1120A are projected to be 45.4 percent, 45.2 percent, and 8.1 percent, respectively, of total corporation returns filed.

Estate Tax Returns

U.S. Estate Tax Return (Form 706) is filed to report transfers of property at death. Presently, those estates whose gross assets exceed $600,000 are required to file Form 706. Between CY 1996 and CY 2002, estate tax returns filed are expected to grow at an annual rate of 5.8 percent. Total estate forecasts are based on the summation of forecasts for three gross asset size classes: less than $1 million, $1 million to $5 million, and more than $5 million. Forecasting models were based on regression, stepwise autoregression, and exponential smoothing techniques.

Gift Tax Returns

United States Gift Tax Return (Form 709) is required for the gratuitous transfer of real or personal property which exceeds a certain dollar amount. Generally, the individual making the gift (i.e., the donor) must file Form 709 in order to pay the tax. The projected annual growth rate in gift tax return filing between CY 1996 and CY 2002 is 3.5 percent. These projections are based on regression techniques.

Employment Tax Returns

Total employment tax return forecasts are based on a summation of seven forms: *Employer's Annual Federal Unemployment (FUTA) Tax Return* (Forms 940 and 940EZ); *Employer's Quarterly Federal Tax Return* (Form 941; plus Form 941PR for employees in Puerto Rico; and Form 941SS for employees in the U.S. Virgin Islands, Guam, American Samoa, or the Commonwealth of the Northern Mariana Islands [CNMI]; and Form 941E for State and Local Government employees); *Employer's Quarterly Tax Return for Household Employees* (Forms 942 and 942PR); *Employer's Annual Tax Return for Agricultural Employees* (Forms 943 and 943PR); *Annual Return of Federal Withheld Income Tax* (Form 945); and *Employer's Annual Railroad Tax Return* (Form CT-1). Form 945 was introduced in CY 1995, and is discussed above, under New Withholding on Non-payroll Income. Form 942 was eliminated in CY 1995 to reflect provisions in the Social Security Domestic Employment Reform Act of 1994.

Current projections for total employment returns to be filed in CY 1996 and CY 1997 are 28.7 million and 28.9 million, respectively, with an annual growth rate of 0.7 percent from CY 1996 through CY 2002. Form 941 makes up more than 78 percent of the employment return totals each year, with 22.5 million Forms 941 expected in CY 1996. Projections for the various employment tax forms used regression, weighted moving average, exponential smoothing, and subjective techniques.

Excise Tax Returns

Total excise tax returns are the sum of the following four categories of returns: *Special Tax Return and Application for Registry-Wagering* (Form 11C); *Quarterly Federal Excise Tax Return* (Form 720); *Tax on Wagering* (Form 730); and *Heavy Vehicle Use Tax Return* (Form 2290). Form 720 and Form 2290 represent almost 90 percent of the excise tax return total.

The overall average annual growth rate is 1.7 percent from CY 1996 through CY 2002.

Supplemental Documents

The total number of supplemental documents filed is comprised primarily of amended returns and requests for filing extensions. In CY 1996 and CY 1997 about 12.7 million and 13.1 million supplemental documents, respectively, are expected to be filed.

Projection Accuracy

It is often helpful to consider the historical accuracy of past projections when evaluating future forecasts. Using the actual return counts from CY 1992 through CY 1994, and past forecasts, two key measures of accuracy have been calculated: the "mean absolute error" (MAE) and the "mean absolute percentage error" (MAPE). MAE is the

average of the relevant "projection errors," regardless of whether the forecasts were overprojected or underprojected. The projection error is simply the actual result minus the projected volume. MAPE is a similar measure, but is based on percentages. The MAE and MAPE values are grouped by time horizons. The time horizon is determined by when the forecast was made and for what future year it was made. For example, a forecast for CY 1992 made in CY 1989 would be part of the "3-years ahead" time horizon. The number of observations at each time horizon is held constant at three (i.e., forecasts made for CY 1992, CY 1993, and CY 1994) [7].

As shown in Figure E, for the grand total and the primary total return categories, the MAPE's are generally in the 2 to 3 percent range for the shorter-term forecasts and in the 3 to 6 percent range for longer term projections. Regardless of the time horizon, the MAPE for the total individual income tax return series is generally around 2 percent. On the whole, forecast error increases with the time horizon, (i.e., 1-year MAPE's are lower than 4-year MAPE's). Also, forecast errors arise from both statistical modeling reasons and from unforeseen program or law changes.

Notes and References

[1] All statistics are for the year in which the tax return was processed by the Internal Revenue Service and are stated on a calendar year basis unless otherwise noted. The main calendar year projections discussed in this article are presented in Table 1 and are based on figures produced by the IRS Research Division; see *Calendar Year Return Projections for the United States and Service Centers: 1995-2002*, Document 6186 (Revision 10-95). Final counts for all of Calendar Year 1995 were incomplete at the time this article was written. Final CY 1994 counts, unavailable for projections published in the *Statistics of Income Bulletin, Winter 1994-1995*, Volume 14, Number 3, are reflected in all statistics. (For complete fiscal year counts, see U.S. Department of Treasury, Internal Revenue Service, *Internal Revenue Service Data Book, Fiscal Year 1995*, in preparation when this article was written.)

[2] Economic and demographic variables were estimated by Data Resources, Incorporated, June 1995.

[3] As used in this article, the number of returns filed represents returns processed at IRS service centers and recorded in the IRS Master File system during the calendar year. The Master File system includes the Individual Master File (IMF), the Business Master File (BMF), and the Employee Plans Master File (EPMF). These figures do not include the 1.1 billion information and withholding documents processed by the IRS, such as dividend and interest statements on Form 1099 and wage and tax statements on Form W-2. Information and withholding documents provide data for use in the IRS "information matching" programs, which compare amounts reported on information returns from payers with the amounts actually reported by taxpayers on their individual income tax returns. These documents are not considered to be tax returns. Most information documents are received on magnetic tape and processed at the IRS Computing Center in Martinsburg, West Virginia. For additional information, see Internal Revenue Service, Compliance Research, *Calendar Year Projections of Information and Withholding Documents for the United States and Service Centers: 1995-2002*, Document 6961 (Revision 5-95).

[4] See U.S. Department of the Treasury, Internal Revenue Service, Compliance Research, *Calendar Year Return Projections for the United States and*

Figure E

Mean Absolute Error (MAE) and Mean Absolute Percentage Error (MAPE) Accuracy of U.S. Level Projections Based on Actual Return Counts for Calendar Years 1992 through 1994

Type of return	Mean absolute error (number of returns)				Mean absolute percentage error			
	1 year ahead	2 years ahead	3 years ahead	4 years ahead	1 year ahead	2 years ahead	3 years ahead	4 years ahead
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Grand total	**5,312,793**	**3,267,786**	**6,056,060**	**11,333,493**	**2.59**	**1.59**	**2.96**	**5.55**
Selected primary returns, total	**5,717,229**	**5,215,696**	**5,274,729**	**11,460,029**	**2.96**	**2.70**	**2.73**	**5.92**
Individual income tax	2,040,343	1,969,076	2,047,909	2,505,487	1.78	1.72	1.78	2.19
Partnership, Form 1065	92,574	70,108	437,808	485,841	5.85	4.45	27.68	30.70
Corporation income tax	63,412	166,812	366,679	407,679	1.38	3.67	8.12	8.95
Employment tax	269,636	698,774	356,769	1,196,969	0.93	2.42	1.24	4.15
Supplemental documents	**1,573,082**	**5,094,203**	**3,850,930**	**6,377,264**	**14.44**	**47.84**	**34.57**	**56.84**

NOTE: Number of returns is based on three observations at each horizon and is not additive.

Service Centers: 1995-2002, Document 6186 (Revision 10-95) for further explanation of return types.

[5] Supplemental documents are the forms found in footnotes 12 -16 of Table 1.

[6] U.S. Department of the Treasury, Internal Revenue Service, Compliance Research, *Calendar Year Projections of Individual Returns by Major Processing Categories*, Document 6187 (Revision 9-95).

[7] For further discussion of the issue of projection accuracy, see U.S. Department of the Treasury, Internal Revenue Service, Compliance Research, *Calendar Year Projections of Individual Returns by Major Processing Categories*, Document 6187 (Revision 09-95) and see Geiman, Russell R.; Nichols, Bonnie L.; and De Wilde, Carolyn D. "How Are We Doing? An Analysis of Projection Accuracy," *The IRS Research Bulletin* (Revision 09-91), Internal Revenue Service, U.S. Department of the Treasury.

Projections of Returns to be Filed in Calendar Years 1996-2002

Table 1.--Number of Returns Filed, or to be Filed, with the Internal Revenue Service, Calendar Years 1994-2002

[Numbers of returns are in thousands]

Type of return	Actual 1994	Estimated 1995[1]	Projected 1996	1997	1998	1999	2000	2001	2002
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Grand total [2]	**205,781**	**207,075**	**209,845**	**212,812**	**215,778**	**218,811**	**221,825**	**224,855**	**227,960**
Primary returns, total	**193,571**	**194,642**	**197,180**	**199,675**	**202,176**	**204,744**	**207,283**	**209,838**	**212,460**
Individual income tax, total	115,062	117,199	119,123	121,105	123,074	125,052	127,049	129,067	131,107
Total paper and electronic individual returns	114,683	116,794	118,692	120,645	122,583	124,529	126,490	128,470	130,470
Paper returns, total	100,663	104,942	102,547	102,861	103,303	103,882	104,581	105,405	106,286
Paper Form 1040	60,420	63,388	61,932	62,173	62,489	62,876	63,333	63,858	64,435
Paper Form 1040A	18,902	20,542	18,451	18,579	18,737	18,905	19,085	19,272	19,463
Paper Form 1040EZ	17,162	18,133	17,546	17,346	17,195	17,123	17,104	17,145	17,196
Paper Form 1040PC	4,178	2,879	4,618	4,764	4,881	4,978	5,060	5,130	5,191
Electronic returns, total	14,021	11,851	16,146	17,784	19,280	20,647	21,908	23,065	24,184
Standard electronic filing	13,502	11,171	13,648	14,935	16,121	17,252	18,327	19,354	20,352
TeleFile	519	680	2,497	2,849	3,160	3,395	3,581	3,711	3,833
Forms 1040NR, 1040-PR, and 1040-SS [3]	379	405	431	460	490	524	559	598	638
Individual estimated tax, Form 1040-ES	36,295	35,818	35,991	36,024	36,040	36,051	36,060	36,068	36,075
Fiduciary income tax, Form 1041 [4]	3,088	3,147	3,251	3,328	3,419	3,514	3,609	3,704	3,798
Fiduciary estimated tax, Form 1041-ES	668	680	703	720	739	760	780	801	821
Partnership, Form 1065	1,558	1,565	1,577	1,590	1,603	1,617	1,631	1,645	1,660
Corporation income tax, total [5]	4,666	4,683	4,821	4,963	5,091	5,221	5,352	5,480	5,609
Estate tax, Forms 706 and 706A	81	85	92	97	103	108	115	120	126
Gift tax, Form 709	216	215	225	233	242	250	258	266	273
Employment tax, total [6]	29,274	28,565	28,682	28,874	29,090	29,364	29,592	29,816	30,084
Form 1042 [7]	24	25	26	26	27	28	29	29	30
Tax-exempt organization [8]	534	536	538	537	541	544	547	551	556
Employee plans [9]	1,219	1,277	1,294	1,311	1,327	1,343	1,358	1,373	1,387
Excise tax [10]	823	800	813	824	838	852	866	881	898
Form 8752 [11]	65	47	45	43	41	39	38	36	35
Supplemental documents, total	**12,209**	**12,433**	**12,665**	**13,136**	**13,602**	**14,067**	**14,542**	**15,017**	**15,501**
Form 1040X [12]	2,141	2,159	2,227	2,280	2,341	2,397	2,457	2,514	2,573
Form 4868 [13]	5,959	6,001	6,081	6,295	6,509	6,725	6,943	7,164	7,388
Form 2688 [14]	1,925	1,972	2,025	2,127	2,224	2,323	2,425	2,529	2,635
Form 1120X [15]	23	18	16	15	13	12	10	9	8
Form 7004 [16]	2,161	2,283	2,316	2,420	2,514	2,611	2,707	2,802	2,896

[1] Estimate, including that for some corporations, is based on returns processed through part of 1995. The actual number filed in CY 1995 was unavailable when this table was compiled.

[2] Excluded from all totals are the following "Non-Master File" returns: Form CT-2, 941M, 990BL, and 1120-IC-DISC. Also excluded are withholding and information documents, including Forms such as W-2 and the 1099 series and related forms.

[3] Form 1040X is included under "Supplemental documents, total."

[4] Includes Forms 1041 and 1041S.

[5] Includes Forms 1120, 1120A, 1120F, 1120H, 1120L, 1120POL, 1120S, 1120DF, 1120FSC, 1120PC, 1120REIT, and 1120RIC; Form 1120X is included under "Supplemental documents, total."

[6] Includes Forms 940, 940EZ, 940PR, 941, 941E, 941PR, 941SS, 942, 942PR, 943, 943PR, 945 and CT-1.

[7] Annual Withholding Tax Return for U.S. Source Income of Foreign Persons.

[8] Includes Forms 990, 990EZ, 990C, 990PF, 990T, 4720, and 5227.

[9] Includes Forms 5500, 5500C, 5500EZ, and 5500R.

[10] Includes Forms 11C, 720, 730, and 2290.

[11] Form 8752 is filed by all Partnerships and S-Corporations electing either to maintain or establish any taxable year other than the required calendar year.

[12] Individual Amended Return.

[13] Individual Request for Automatic Filing.

[14] Individual Request for Additional Filing Extension.

[15] Corporation Amended Return.

[16] Application for Automatic Extension of Time to File Corporation IncomeTax Return.

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

Controlled Foreign Corporations, 1992

Data Release

The Form 5471, *Information Return of U.S. Persons with Respect to Certain Foreign Corporations*, is filed by U.S. corporations and other "persons" who are shareholders in certain foreign corporations. The following statistics obtained from Form 5471 focus on the 7,500 largest of such foreign corporations as ranked by size of assets [1]. However, foreign corporations were included in this study only if the "controlling" person was a U.S. corporation reporting $500 million or more in total assets [2]. There were 749 of these U.S. corporations for 1992. Data show that these largest Controlled Foreign Corporations (CFC's) represent over 90 percent of the total dollar amounts reported by the CFC's of U.S. multinational corporations with $500 million or more in total assets (see *Data Sources and Limitations*).

For 1992, these 7,500 largest CFC's held $1.6 trillion in total assets and reported receipts of over $1.2 trillion (Table 1). These amounts reflect increases from 1990 (the last tax year for which statistics are available) of over 20 percent in reported assets and 10 percent in reported receipts. However, pretax earnings decreased nearly 21.5 percent from $88.7 billion to $70 billion and total distributions decreased nearly 7 percent from $46 billion to $43 billion [3].

CFC's by Industrial Division

Two industrial divisions accounted for more than two-thirds of the 7,500 largest CFC's for 1992: manufacturing; and finance, insurance, and real estate (Figure A) [4]. Although these data are not altogether comparable for reasons discussed later, this proportion is consistent with statistics from the last three study years (Tax Years 1986, 1988, and 1990) [5].

The distribution of the 7,500 largest CFC's, as classified by industrial division, changed during the 1986-1992 period. The total number of returns filed by CFC's with principal business activities classified in mining, construction, or manufacturing steadily declined. Manufacturing, although still the predominant industrial division for the 7,500 largest CFC's in terms of their number, decreased over 14 percent, falling from 3,341 for 1986 to 2,862 for 1992. Mining and construction declined nearly 22 percent and 16 percent, respectively.

In contrast, the second largest industrial division, finance, insurance, and real estate, increased 19 percent from 1,911 CFC's for 1986 to 2,277 for 1992. The services division grew 42 percent, from 519 for 1986 to 737 for 1992.

Despite the overall general decrease, significant growth was shown by corporations in finance, insurance, and real estate between 1990 and 1992.

Over one-third (2,619) of the 7,500 largest CFC's were principally classified in five business activities for 1992: holding and other investment companies, credit agencies, business services, electrical and electronic equipment manufacturing, and food and kindred products manufacturing. These corporations accounted for 30 percent of the total assets, 18 percent of the total receipts, and 34 percent of the total distributions.

CFC's by Country of Incorporation

Over two-thirds of the 7,500 largest CFC's were incorporated in Europe and Asia, 4,231 in Europe and 845 in Asia (Table 2). These CFC's accounted for 72 percent of the total assets, 70 percent of the total receipts, and 74 percent of the total distributions from current and accumulated earnings and profits. Four countries accounted for over 40 percent (3,051) of the 7,500: the United Kingdom, Canada, Germany, and France. These corporations accounted for 55 percent of the total assets, 52 percent of the total receipts, and 43 percent of the total distributions.

Profitability

Profitability can be measured in several ways. Comparing the positive current earnings and profits after income taxes for the 7,500 largest CFC's from 1990 to 1992 yields a 7 percent decrease [6]. Manufacturing, which accounted for most of the assets for both years, shows a 13 percent decrease in positive current earnings and profits after taxes. The largest decrease in positive current earnings and profits after taxes was reported for the wholesale and retail trade division, 27 percent, from $12 million to $9 million. Despite the overall general decrease, significant growth was shown by corporations in finance, insurance, and real estate, and in services between 1990 and 1992, 20 percent and 26 percent, respectively.

Profitability of the 7,500 largest CFC's, as measured by rate of return on assets (see the *Explanation of Selected Terms*), averaged nearly 7.0 percent. The most profitable CFC's were engaged in mining activities and had a return on assets of nearly 12.7 percent. Construction and manufacturing followed with rates of return of 10.0 percent and 9.2 percent, respectively. The least profitable CFC's were in finance, insurance, and real estate, with only a 4.0 percent return on assets.

This data release was written by Kathryn A. Green, a mathematical statistician with the Returns Analysis Section of the Special Studies and Publications Branch, under the direction of Chris Carson.

Figure A

U.S. Corporations with Total Assets of $500 Million or More: Distribution of the 7,500 Largest CFC's Based on Size of CFC Total Assets, by Ranked Industrial Divisions, 1986-1992

[Money amounts are in millions of dollars]

Ranked industrial division [1]	Number of largest CFC's					Business receipts				
	1986	1988	1990	1992	Percentage increase, 1986 to 1992	1986	1988	1990	1992	Percentage increase, 1986 to 1992
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All industries	**7,500**	**7,500**	**7,500**	**7,500**	**N.A.**	**589,885**	**822,975**	**1,080,135**	**970,937**	**64.6**
Manufacturing	3,341	3,060	2,962	2,862	-14.3	357,503	484,236	609,644	523,169	46.3
Finance, insurance, and real estate	1,911	2,061	2,234	2,277	19.2	41,286	62,053	90,775	116,434	182.0
Wholesale and retail trade	1,156	1,271	1,164	1,131	-2.2	151,984	224,169	292,797	254,656	67.6
Services	519	568	655	737	42.0	12,218	18,759	28,882	35,125	187.5
Transportation and public utilities	226	194	180	213	-5.8	7,098	11,681	14,877	15,142	113.3
Mining	217	216	169	170	-21.7	14,791	14,070	32,743	16,858	14.0
Construction	95	86	82	80	-15.8	4,398	6,164	8,488	8,068	83.4
Agriculture, forestry, and fishing	25	31	24	26	4.0	560	1,236	1,206	1,404	150.7
Nature of business not allocable	10	13	30	4	-60.0	46	606	725	81	76.1

N.A. - Not applicable.

[1] Industrial division of the Controlled Foreign Corporations, not of the U.S. parent corporations.

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

Distributions

Distributions are made from both current and accumulated earnings and profits after foreign income taxes (see the *Explanation of Selected Terms*). For 1992, the 7,500 largest CFC's distributed nearly $43 billion to U.S. parent corporations and other shareholders. Of this total, $25 billion was from current earnings and profits after income taxes and $18 billion was from accumulated earnings and profits. Manufacturing, and finance, insurance, and real estate accounted for over 70 percent of the distributions. Manufacturers distributed approximately $20 billion, nearly $11 billion from current earnings and profits after taxes, and $9 billion from accumulated earnings and profits. CFC's whose principal business activity was in finance, insurance, and real estate distributed over $11 billion. Nearly 62 percent, $7 billion, of this distribution was from current earnings and profits after taxes, and over $4 billion was from accumulated earnings and profits after taxes. Over 80 percent of the $2 billion in distributions made by mining CFC's was from current earnings and profits after taxes.

For 1992, about 34 percent of the $73 billion of positive current earnings and profits after taxes for the 7,500 largest CFC's was distributed to their shareholders. This percentage represents a decrease from 40 percent for 1990. Manufacturing, and finance, insurance, and real estate accounted for 74 percent of the positive current earnings and profits after taxes. Manufacturers distributed 32 percent of their $33 billion of positive current earnings and profits after income taxes; and CFC's classified in finance, insurance, and real estate distributed 34 percent of their $21 billion of positive current earnings. Nearly 47 percent of the $4 billion of positive current earnings and profits after income taxes for CFC's classified in mining activities was distributed.

Less than 9 percent of the $210 billion of accumulated earnings and profits was distributed by the 7,500 largest CFC's. Manufacturers, which reported $120 billion of accumulated earnings and profits, distributed 7 percent. For services, distributions were 17 percent of $5 billion of accumulated earnings and profits. Wholesalers and retailers distributed nearly 12 percent of $27 billion of accumulated earnings and profits.

Data Sources and Limitations

These statistics are based on data for active CFC's collected from Forms 5471 attached to U.S. corporation income tax returns with total assets of $500 million or more. (See definition for *Active vs. Inactive Controlled Foreign Corporations* in *Explanation of Selected Terms.*) The tax returns included in these statistics had accounting periods ending July 1992 through June 1993. Internal Revenue Service regulations require a U.S. corporation to submit a Form 5471 for any CFC with an accounting period ending with or within the U.S. parent's accounting period. Therefore, the CFC's accounting period may have ended as early as July 1991 or as late as June 1993. However, most CFC activity occurred in Calendar Year 1992.

The 7,500 largest CFC's accounted for approximately

94 percent of the total assets, 90 percent of the total receipts, and 91 percent of the current earnings and profits before taxes reported by all active CFC's of the 749 U.S. corporations with total assets of $500 million or more. Total assets for these 7,500 CFC's ranged from approximately $23 million to over $10 billion [7].

Since the 749 parent corporations were selected for the Statistics of Income sample of corporation income tax returns at a 100-percent rate, the data are not subject to sampling variability, although they may be subject to nonsampling error. It is difficult to determine the exact population of CFC's controlled by U.S. corporations having $500 million or more in assets. For example, a related party to the U.S. corporation, such as a partnership controlled by the corporation, can include Forms 5471 with the partnership return and satisfy the filing requirement. Every effort is made to identify these rare situations. However, because the study focuses on those Forms 5471 attached to U.S. corporation income tax returns, omissions such as this could result.

Several limitations apply when making comparisons to prior-year statistics for the 7,500 largest CFC's. First, changes in the composition of the 7,500 may have occurred. For example, only 73 percent of the 7,500 largest CFC's for 1992 were also included in the 7,500 largest CFC's for 1990. Many of the 1990 7,500 largest CFC's not included among the 1992 7,500 were still controlled by large U.S. corporations, but the size of their assets for 1992 excluded them from this group. Also, some of the 1990 7,500 were not included in the 1992 study because they were no longer "controlled" by U.S. corporations, or because the size of the U.S. parent's total assets had dropped to less than $500 million.

Second, the industrial mix of the 7,500 largest CFC's is not representative of the industrial mix of all CFC's controlled by U.S. corporations reporting $500 million or more in total assets. Since the 7,500 largest CFC's are defined based on the CFC's asset size, it is reasonable to conclude that most of these CFC's are involved in business activities that historically require larger assets. Large CFC's engage primarily in manufacturing, or in activities in finance, insurance, and real estate. While manufacturing and finance, insurance, and real estate accounted for nearly 70 percent of the 7,500 largest CFC's, these two industrial divisions accounted for only 51 percent of the 28,231 active CFC's of U.S. corporations with $500 million or more in total assets [8]. In contrast, the services division accounted for over 17 percent of all active CFC's and fewer than 10 percent of the 7,500 largest CFC's (see Figure B).

Finally, statistics previously published by Statistics of Income for tax years before 1986 were for all CFC's controlled by U.S. parent corporations, not just the largest CFC's. Therefore, the statistics for these years include small and inactive CFC's. Comparisons of statistics on the 7,500 largest CFC's to statistics for years before 1986 should, therefore, be made with caution.

In addition to comparison to prior year studies, caution should be used when comparing industrial groups. CFC's were classified by industrial group based on their principal business activity as reported on Form 5471. However, certain assets, receipts, profits, and transaction items may have been related to secondary business activities. It is not possible to measure the extent of these secondary business activities.

Explanation of Selected Terms

Active vs. Inactive Controlled Foreign Corporations.--In general, a CFC was considered "active" if earnings and profits, taxes, receipts, expenses, or transactions between the CFC and its majority shareholder, were reported on Form 5471. The filing of Form 5471 may have been required even if a CFC was dormant or inactive for 1992. For example, this information return was required with respect to a U.S. person's acquisition of, or change of interest in, a CFC; cases of liquidation or dissolution of the CFC; and organization of a new, or reorganization of an old, CFC. The 7,500 largest CFC's used for this study were all active for 1992.

Business receipts.--In tabulations of data prior to 1990, business receipts was used to describe the larger of gross receipts from sales and operations and "total income." The latter is a tax return concept used to describe business receipts less cost of sales and operations, i.e., "gross profit," plus income from investments. Since 1990, total receipts, consistent with other Statistics of Income data on corporations, has been reported. Total receipts equals business receipts (gross receipts from sales and operations), plus income from investments.

Controlled Foreign Corporation.--A foreign corporation was "controlled" if more than 50 percent of the value of its outstanding voting stock, or the value of all its outstanding stock, was owned (directly, indirectly or constructively) by U.S. shareholders on any day during the foreign corporation's tax year. A U.S. shareholder was a "U.S. person" who owned 10 percent or more of the voting stock. A "U.S. person" could be a U.S. citizen or resident, a domestic partnership, a domestic corporation, or an estate or trust (other than a foreign estate or trust whose income from sources outside the United States is not includible in the beneficiaries' gross income). For purposes of these statistics, a foreign corporation was "controlled" only if a single U.S. corporation satisfied the ownership requirements.

Figure B

U.S. Corporations with Total Assets of $500 Million or More: Industrial Activity of the Largest 7,500 and All Active CFC's

Percentage of the Largest 7,500 CFC's

Percentage of All Active CFC's

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

Country of incorporation.--The country of incorporation for a CFC was not necessarily the principal place of business. For 1992, there were 259 (less than 4 percent) of the 7,500 largest CFC's, whose principal places of business were in countries other than their respective countries of incorporation. Table 2 provides data by country of incorporation; data by country of principal place of business are not included in the statistics.

Current earnings and profits.--Current earnings and profits represented the difference between the total earnings and profits of the foreign corporation at the end of the current year (before reduction by any dividends paid during the year) and the accumulated earnings and profits of the corporation as of the beginning of the year. Although current earnings and profits are an after-tax measure of profit, they are shown in this report both before and after taxes. In those instances where current earnings and profits were not available for the foreign corporation, net income per books was used in place of the missing earnings and profits data.

Distributions from earnings and profits.--A distribution comes first from current earnings and profits and then from accumulated earnings and profits.

Income taxes.--Income, war profits, and excess profits taxes paid or accrued to the United States and to any foreign country or U.S. possession, following U.S. generally-accepted accounting principles (GAAP), for the annual accounting period were reported as income tax by the CFC.

OPEC countries.--The members of the Organization of Petroleum Exporting Countries (OPEC) for 1992 were: Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela.

Return on assets.--For purposes of this analysis, a CFC's return on assets is the ratio of current earnings and profits (less deficit) after taxes to total average assets for corporations with positive current earnings and profits (see the definition of *Total assets*).

Subpart F income.--Under the Internal Revenue Code, U.S. stockholders of foreign corporations were generally not taxed on the profits of the foreign corporation until those profits were repatriated. The major exception to this general rule was provided in "Subpart F--Controlled Foreign Corporations" (Internal Revenue Code sections 951-964). Code section 951 provided that U.S. stockholders include in their gross income certain undistributed profits of foreign corporations controlled by U.S. stockholders. Subpart F income from a CFC includes certain insurance income, "foreign base company" income, international boycott participation income, bribes and other illegal payments to foreign government officials, and income from any country which the United States does not recognize or with which it has severed relations. U.S. shareholders of CFC's are required to include in gross income the shareholder's ratable share of the CFC's Subpart F income, plus any increase in earnings invested in U.S. property, previously excluded Subpart F income withdrawn from "qualified investments" in less-developed countries and in "foreign base company" shipping operations, and "factoring income." Tables 1 and 2 report the shareholder's total pro rata share of includible income under the Subpart F rules as $13.2 billion. This amount includes $11 billion of Subpart F income (as defined above), $2 billion of increases in earnings invested in U.S. property, $.004 billion of previously excluded Subpart F income withdrawn from qualified investments, and $.007 billion of factoring income.

Tax haven.--Tax havens are jurisdictions that allow transactions to take place in conditions of extreme secrecy and that may allow taxpayers to avoid taxation. They are generally characterized by income tax rates that are lower than U.S. rates. For purposes of these statistics, tax havens for 1992 include the following countries: Anguilla, Antigua and Barbuda, Aruba, Austria, Bahamas, Bahrain, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Costa Rica, Dominica, Gibraltar, Grenada, Hong Kong, Liberia, Liechtenstein, Luxembourg, Monaco, Montserrat, Netherland Antilles, Panama, Singapore, St. Christopher - Nevis, St. Lucia, St. Vincent and the Grenadines, Switzerland, and the Turks and Caicos Islands.

Total assets.--Three types of total assets are reported in Tables 1 and 2: beginning of year, end-of-year, and average. For comparison purposes, end-of-year total assets are used. For ratio calculations, total average assets are used. The total average assets are calculated by using the sum of beginning and end-of-year assets divided by two. However, not all of the 7,500 largest CFC's reported beginning and end-of-year total assets; 57 CFC's reported beginning of year assets only and 247 CFC's reported end-of-year assets only. For these cases, average assets equals the single reported amount.

Notes and References

[1] Data are collected from Form 5471 for all CFC's of U.S. corporations reporting $500 million or more in total assets. To determine the 7,500 largest CFC's, all active CFC's are ranked using the larger of beginning or end-of-year total assets. See the definition of *Active vs. Inactive Controlled Foreign Corporations* in Explanation of Selected Terms.

[2] Under Internal Revenue Code section 957, U.S. shareholders control a foreign corporation if the shareholders own, directly or indirectly, more than 50 percent of the outstanding voting stock, or more than 50 percent of the value of all outstanding stock.

[3] See Nutter, Sarah E., "Controlled Foreign Corporations, 1990," *Statistics of Income Bulletin*, Summer 1994, Volume 14, Number 1.

[4] Corporations in different industries have different characteristics. For example, wholesale and retail trade companies tend to have larger receipts and smaller assets as compared to finance, insurance, and real estate companies. Because this study selected "large" CFC's based on size of total assets, rather than size of total receipts, by comparison there were many finance, insurance, and real estate CFC's and few wholesale and retail trade CFC's included in the statistics.

[5] Statistics of Income studies on Controlled Foreign Corporations are historically conducted for even-numbered tax years. Comparisons are made to 1990 data (see Nutter, Sarah E., "Controlled Foreign Corporations, 1990," *Statistics of Income Bulletin*, Summer 1994, Volume 14, Number 1), 1988 data (see Latzy, John and Miller, Randy, "Controlled Foreign Corporations, 1988," *Statistics of Income Bulletin*, Fall 1992, Volume 12, Number 2), and 1986 data (see Lewis, Margaret P., "Controlled Foreign Corporations, 1986," *Statistics of Income Bulletin*, Summer 1991, Volume 11, Number 1).

[6] Generally, profitability is calculated using pretax income. In this article, however, the focus is on the income available to the U.S. shareholder and therefore current earnings and profits after taxes is compared. Comparing the pretax positive current earnings and profits for the 7,500 largest CFC's from 1990 to 1992 would yield nearly an 11 percent decrease.

[7] Based on unpublished data.

[8] Based on unpublished data.

Table 1.–U.S. Corporations with Total Assets of $500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Dividends, and Subpart F Income, 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			Total receipts
			Beginning of year	End of year	Average	
	(1)	(2)	(3)	(4)	(5)	(6)
All industries	**749**	**7,500**	**1,386,474,619**	**1,581,631,511**	**1,510,577,314**	**1,222,861,469**
Agriculture, forestry, and fishing	**13**	**26**	**1,021,418**	**1,389,344**	**1,221,757**	**1,590,461**
Mining	**56**	**170**	**46,029,511**	**47,553,582**	**47,134,205**	**25,470,461**
Metal mining	13	27	3,180,945	4,017,195	3,779,184	1,582,384
Oil and gas extraction	41	138	42,318,310	43,008,607	42,826,003	23,607,597
Construction	**16**	**80**	**6,415,263**	**6,393,734**	**6,404,498**	**10,369,512**
General building contractors and operative builders	3	9	620,061	588,915	604,488	842,338
Heavy construction contractors	4	16	897,963	846,756	872,359	1,249,774
Special trade contractors	9	55	4,897,239	4,958,063	4,927,651	8,277,399
Manufacturing	**421**	**2,862**	**481,855,788**	**532,099,956**	**512,287,738**	**687,708,591**
Food and kindred products	47	339	40,095,680	47,563,632	44,659,561	69,904,921
Tobacco manufacturers	5	25	9,374,379	9,540,941	9,457,660	23,250,314
Textile mill products	11	22	1,115,219	1,271,764	1,236,074	981,252
Apparel and other textile products	12	40	2,621,736	3,460,205	3,215,015	4,026,135
Lumber and wood products	7	8	1,270,677	1,284,227	1,277,452	885,435
Furniture and fixtures	5	7	999,462	1,001,489	1,000,475	774,812
Paper and allied products	29	127	19,344,135	22,205,751	20,919,553	17,840,790
Printing and publishing	20	61	3,780,659	3,587,155	3,683,907	4,470,377
Industrial, plastics and synthetic materials	66	310	41,025,857	43,274,213	42,656,901	44,947,700
Drugs	25	253	31,335,476	37,090,793	34,590,379	37,882,955
Other chemicals	43	189	19,745,469	21,904,436	20,975,134	30,453,520
Petroleum (including integrated) and coal products	14	61	55,636,697	57,346,339	56,946,652	73,148,957
Rubber and miscellaneous plastics products	22	78	7,805,693	8,488,176	8,167,440	11,634,977
Leather and leather products	3	3	100,132	98,383	99,258	177,082
Stone, clay, and glass products	17	55	6,638,717	6,827,265	6,790,887	5,905,480
Primary metals industries	12	29	6,052,109	5,831,619	5,970,977	4,727,323
Fabricated metal products	53	150	8,839,337	9,977,567	9,574,568	12,006,660
Office, computing and accounting machinery	11	103	60,639,760	70,658,767	65,734,843	57,821,870
Other machinery, except electrical	49	138	17,503,241	16,533,061	17,051,675	20,551,324
Electrical and electronic equipment	86	343	41,296,620	45,280,961	43,698,844	69,516,670
Motor vehicles and equipment	26	186	70,957,330	78,686,182	76,146,791	146,574,469
Transportation equipment, except motor vehicles	13	21	3,677,804	3,709,820	3,793,952	4,096,037
Instruments and related products	35	116	15,717,924	18,634,311	17,353,333	24,449,834
Miscellaneous manufacturing products and manufacturing not allocable	62	198	16,281,674	17,842,900	17,286,406	21,679,698
Transportation and public utilities	**63**	**213**	**23,369,723**	**26,427,164**	**25,671,315**	**19,368,419**
Transportation	42	129	11,128,568	11,571,461	11,498,532	10,438,513
Water transportation	22	82	7,775,156	8,381,561	8,209,722	5,865,760
Other transportation	25	47	3,353,411	3,189,900	3,288,810	4,572,753
Communication	8	27	4,780,316	6,061,006	5,623,999	3,264,671
Electric, gas, and sanitary services	16	57	7,460,839	8,794,697	8,548,785	5,665,234

Footnotes at end of table.

Table 1.--U.S. Corporations with Total Assets of $500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Dividends, and Subpart F Income, 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	Number of U.S. corporation returns[1]	7,500 largest Controlled Foreign Corporations--Continued				
		Number of foreign corporations	Total assets			Total receipts
			Beginning of year	End of year	Average	
	(1)	(2)	(3)	(4)	(5)	(6)
Wholesale and retail trade	**244**	**1,131**	**135,929,961**	**144,769,931**	**142,814,983**	**314,596,279**
Wholesale trade	222	1,005	116,443,861	123,205,339	122,086,375	275,400,856
Groceries and related products	10	14	1,460,586	1,489,723	1,520,228	2,910,747
Machinery, equipment, and related supplies	34	118	13,217,791	13,426,410	13,322,100	26,407,269
Miscellaneous wholesale trade	199	873	101,765,484	108,289,207	107,244,047	246,082,840
Drugs, chemicals, and allied products	48	153	15,658,309	18,855,876	17,839,704	24,177,842
Petroleum and petroleum products	15	139	40,807,423	40,770,308	41,344,933	98,419,916
Other miscellaneous wholesale trade	156	581	45,299,752	48,663,022	48,059,410	123,485,082
Retail trade	41	120	19,272,445	21,328,980	20,477,626	38,762,576
General merchandise stores	4	12	4,333,634	5,260,034	4,870,717	8,373,306
Food stores	5	5	1,975,312	1,988,773	2,001,151	7,008,435
Automotive dealers and service stations	7	16	2,389,695	2,761,849	2,597,959	9,244,718
Apparel and accessory stores	4	6	472,743	470,380	471,562	947,198
Eating and drinking places	5	30	4,958,785	5,512,642	5,235,714	5,521,529
Wholesale and retail trade not allocable	3	6	213,654	235,612	250,982	432,846
Finance, insurance, and real estate	**487**	**2,277**	**626,724,409**	**749,795,027**	**704,244,201**	**121,986,830**
Banking	41	193	105,398,892	127,793,494	117,885,176	17,038,255
Credit agencies other than banks	167	531	164,368,362	169,341,911	168,036,591	27,325,993
Security, commodity brokers and services	43	156	122,196,084	190,087,131	163,833,892	19,952,645
Insurance	121	231	49,328,046	56,963,245	53,570,462	19,778,513
Insurance agents, brokers, and services	19	77	7,984,426	9,570,084	9,093,031	2,852,159
Real estate	58	112	14,523,220	14,525,842	14,697,848	3,194,548
Holding and other investment companies, except bank holding companies	363	977	162,925,378	181,513,320	177,127,203	31,844,716
Services	**203**	**737**	**65,036,658**	**73,056,188**	**70,679,379**	**41,673,953**
Hotels and other lodging places	13	30	2,187,934	2,725,343	2,558,687	1,500,037
Business services	113	429	32,926,107	36,620,854	35,720,461	19,718,393
Auto repair, miscellaneous repair services	4	4	152,173	170,193	161,183	171,735
Amusement and recreational services	13	72	10,668,865	11,082,045	11,014,110	7,407,145
Nature of business not allocable	4	4	91,890	146,584	119,237	96,963

Footnotes at end of table.

Table 1.--U.S. Corporations with Total Assets of $500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Dividends, and Subpart F Income, 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					
	Current earnings and profits (less deficit) before income taxes	Income taxes	Current earnings and profits (less deficit) after income taxes	Foreign corporations with current earnings and profits (+) before income taxes		
				Earnings and profits before income taxes	Income taxes	Earnings and profits after income taxes
	(7)	(8)	(9)	(10)	(11)	(12)
All industries	**69,613,140**	**18,471,643**	**51,141,497**	**91,611,947**	**18,587,095**	**73,024,852**
Agriculture, forestry, and fishing	**42,228**	**21,024**	**21,204**	**72,741**	**20,627**	**52,114**
Mining	**4,857,250**	**1,349,512**	**3,507,738**	**5,749,241**	**1,411,436**	**4,337,805**
Metal mining	79,874	61,480	18,393	249,351	60,468	188,883
Oil and gas extraction	4,734,443	1,279,781	3,454,662	5,450,933	1,348,258	4,102,675
Construction	**579,284**	**164,139**	**415,145**	**684,113**	**164,333**	**519,780**
General building contractors and operative builders	10,791	-3,163	13,954	25,636	-326	25,962
Heavy construction contractors	42,945	13,496	29,449	72,721	12,368	60,353
Special trade contractors	525,548	153,806	371,742	585,756	152,291	433,466
Manufacturing	**32,457,407**	**10,128,418**	**22,328,989**	**43,453,807**	**10,061,117**	**33,392,690**
Food and kindred products	5,960,797	1,729,814	4,230,984	6,253,183	1,726,240	4,526,943
Tobacco manufacturers	1,720,245	350,513	1,369,731	1,729,717	350,037	1,379,680
Textile mill products	28,930	18,076	10,854	63,215	17,563	45,652
Apparel and other textile products	130,249	57,072	73,177	242,306	55,280	187,026
Lumber and wood products	29,810	7,495	22,315	55,666	3,999	51,667
Furniture and fixtures	27,436	10,625	16,811	34,875	10,625	24,251
Paper and allied products	43,951	131,002	-87,052	818,515	128,970	689,546
Printing and publishing	337,894	137,925	199,969	431,748	132,332	299,415
Industrial, plastics and synthetic materials	2,178,923	757,679	1,421,244	3,094,933	789,973	2,304,960
Drugs	4,995,185	1,172,170	3,823,015	5,175,725	1,197,517	3,978,208
Other chemicals	2,109,539	666,859	1,442,680	2,428,928	668,529	1,760,399
Petroleum (including integrated) and coal products	1,446,207	549,090	897,117	2,033,424	434,308	1,599,116
Rubber and miscellaneous plastics products	665,767	231,508	434,259	730,983	228,525	502,459
Leather and leather products	16,721	5,845	10,876	16,721	5,845	10,876
Stone, clay, and glass products	80,068	72,081	7,987	354,900	92,823	262,078
Primary metals industries	239,350	109,031	130,319	306,184	112,510	193,675
Fabricated metal products	546,234	192,508	353,726	785,245	201,871	583,374
Office, computing and accounting machinery	1,504,272	790,560	713,711	3,203,674	774,805	2,428,869
Other machinery, except electrical	-64,044	125,340	-189,384	525,054	126,253	398,801
Electrical and electronic equipment	3,351,743	652,362	2,699,381	4,558,403	669,111	3,889,292
Motor vehicles and equipment	3,739,316	1,363,838	2,375,478	6,685,574	1,351,369	5,334,206
Transportation equipment, except motor vehicles	167,149	75,154	91,995	283,508	66,602	216,906
Instruments and related products	1,650,447	407,840	1,242,608	1,793,675	405,004	1,388,670
Miscellaneous manufacturing products and manufacturing not allocable	1,551,217	514,029	1,037,188	1,847,652	511,029	1,336,623
Transportation and public utilities	**1,760,531**	**409,458**	**1,351,074**	**2,086,980**	**407,736**	**1,679,243**
Transportation	470,823	93,628	377,195	615,204	91,812	523,393
Water transportation	289,133	49,501	239,632	367,247	48,726	318,521
Other transportation	181,690	44,128	137,562	247,958	43,086	204,872
Communication	491,279	175,585	315,694	655,561	175,523	480,038
Electric, gas, and sanitary services	798,429	140,244	658,185	816,215	140,402	675,813

Footnotes at end of table.

Table 1.--U.S. Corporations with Total Assets of $500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Dividends, and Subpart F Income, 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					
	Current earnings and profits (less deficit) before income taxes	Income taxes	Current earnings and profits (less deficit) after income taxes	Foreign corporations with current earnings and profits (+) before income taxes		
				Earnings and profits before income taxes	Income taxes	Earnings and profits after income taxes
	(7)	(8)	(9)	(10)	(11)	(12)
Wholesale and retail trade	**8,629,342**	**2,891,632**	**5,737,710**	**11,968,711**	**3,053,641**	**8,915,070**
Wholesale trade	8,072,215	2,738,225	5,333,990	10,852,272	2,802,601	8,049,671
Groceries and related products	330,261	54,506	275,755	330,804	54,807	275,997
Machinery, equipment, and related supplies	192,390	4,632	187,758	973,924	82,591	891,333
Miscellaneous wholesale trade	7,549,565	2,679,087	4,870,477	9,547,543	2,665,203	6,882,340
Drugs, chemicals, and allied products	1,807,772	487,738	1,320,034	2,096,020	488,093	1,607,928
Petroleum and petroleum products	2,460,914	973,027	1,487,887	2,911,865	974,796	1,937,070
Other miscellaneous wholesale trade	3,280,878	1,218,322	2,062,556	4,539,657	1,202,315	3,337,342
Retail trade	531,471	136,768	394,703	1,087,781	234,401	853,380
General merchandise stores	-61,432	-69,822	8,390	166,225	-687	166,912
Food stores	-56,639	-24,348	-32,291	10,056	2,194	7,861
Automotive dealers and service stations	224,017	95,724	128,292	350,137	95,674	254,464
Apparel and accessory stores	25,815	12,248	13,566	35,840	15,576	20,264
Eating and drinking places	329,553	90,377	239,177	357,553	90,377	267,176
Wholesale and retail trade not allocable	25,655	16,639	9,016	28,658	16,639	12,019
Finance, insurance, and real estate	**18,857,284**	**2,638,274**	**16,219,011**	**23,457,974**	**2,603,268**	**20,854,706**
Banking	2,292,499	355,774	1,936,725	2,666,499	351,332	2,315,167
Credit agencies other than banks	3,509,487	547,790	2,961,698	4,367,138	557,808	3,809,331
Security, commodity brokers and services	2,126,478	678,494	1,447,984	2,745,832	667,931	2,077,901
Insurance	1,258,596	218,902	1,039,695	2,066,452	222,597	1,843,855
Insurance agents, brokers, and services	249,175	112,783	136,392	365,016	104,441	260,575
Real estate	437,566	85,792	351,774	549,351	83,705	465,646
Holding and other investment companies, except bank holding companies	8,983,483	638,739	8,344,744	10,697,686	615,455	10,082,231
Services	**2,427,826**	**867,829**	**1,559,997**	**4,132,638**	**863,506**	**3,269,132**
Hotels and other lodging places	-1,156	23,826	-24,982	99,488	24,281	75,207
Business services	1,723,885	427,070	1,296,816	2,310,397	423,299	1,887,099
Auto repair, miscellaneous repair services	23,874	6,550	17,324	25,645	6,550	19,095
Amusement and recreational services	-178,975	157,316	-336,291	588,466	153,792	434,674
Nature of business not allocable	**1,988**	**1,357**	**631**	**5,741**	**1,429**	**4,312**

Footnotes at end of table.

Table 1.--U.S. Corporations with Total Assets of $500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Dividends, and Subpart F Income, 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						
	Distributions out of earnings and profits			Total distributions as a percentage of--		Dividends paid to U.S. parent corporations	Total Subpart F income
	Total	Out of current year earnings and profits after taxes	Out of accumulated earnings and profits after taxes	Total average assets	Total receipts		
	(13)	(14)	(15)	(16)	(17)	(18)	(19)
All industries	**42,971,551**	**24,863,916**	**18,107,636**	**2.84**	**3.51**	**41,314,902**	**13,217,040**
Agriculture, forestry, and fishing	**21,800**	**16,286**	**5,514**	**1.78**	**1.37**	**20,674**	**50,833**
Mining	**2,458,872**	**2,037,843**	**421,029**	**5.22**	**9.65**	**1,839,103**	**381,327**
Metal mining	37,357	31,300	6,056	0.99	2.36	30,394	28,870
Oil and gas extraction	2,418,349	2,003,460	414,889	5.65	10.24	1,806,232	352,457
Construction	**195,139**	**113,838**	**81,301**	**3.05**	**1.88**	**169,752**	**35,957**
General building contractors and operative builders	63	--	63	0.01	0.01	63	--
Heavy construction contractors	30,820	17,894	12,926	3.53	2.47	30,820	23,490
Special trade contractors	164,257	95,945	68,312	3.33	1.98	138,869	12,468
Manufacturing	**19,582,526**	**10,645,462**	**8,937,063**	**3.82**	**2.85**	**18,922,847**	**2,720,002**
Food and kindred products	2,630,195	1,952,762	677,433	5.89	3.76	2,578,371	267,888
Tobacco manufacturers	684,573	517,292	167,281	7.24	2.94	641,000	106,741
Textile mill products	20,178	12,951	7,228	1.63	2.06	20,178	608
Apparel and other textile products	86,765	70,567	16,198	2.70	2.16	85,031	27,540
Lumber and wood products	1,068	--	1,068	0.08	0.12	717	2,665
Furniture and fixtures	--	--	--	--	--	--	--
Paper and allied products	436,143	240,757	195,386	2.08	2.44	419,539	31,214
Printing and publishing	198,755	134,187	64,567	5.40	4.45	198,755	1,107
Industrial, plastics and synthetic materials	1,616,953	768,462	848,491	3.79	3.60	1,536,954	144,690
Drugs	1,772,879	1,049,193	723,686	5.13	4.68	1,746,573	607,459
Other chemicals	770,297	528,909	241,388	3.67	2.53	734,654	97,396
Petroleum (including integrated) and coal products	1,267,368	536,085	731,283	2.23	1.73	1,102,043	176,393
Rubber and miscellaneous plastics products	249,339	153,072	96,267	3.05	2.14	248,037	24,998
Leather and leather products	--	--	--	--	--	--	--
Stone, clay, and glass products	183,072	49,364	133,708	2.70	3.10	180,721	22,789
Primary metals industries	261,869	137,556	124,314	4.39	5.54	169,255	4,210
Fabricated metal products	344,034	217,143	126,890	3.59	2.87	328,748	34,540
Office, computing and accounting machinery	3,177,981	1,335,324	1,842,657	4.83	5.50	3,174,722	193,691
Other machinery, except electrical	216,494	106,535	109,959	1.27	1.05	214,261	49,095
Electrical and electronic equipment	1,191,552	802,072	389,480	2.73	1.71	1,160,170	407,098
Motor vehicles and equipment	2,376,701	873,560	1,503,141	3.12	1.62	2,317,995	263,919
Transportation equipment, except motor vehicles	81,753	19,677	62,077	2.15	2.00	81,753	10,719
Instruments and related products	1,112,409	601,187	511,222	6.41	4.55	1,094,286	64,763
Miscellaneous manufacturing products and manufacturing not allocable	902,147	538,808	363,339	5.22	4.16	889,085	180,478
Transportation and public utilities	**975,352**	**665,073**	**310,279**	**3.80**	**5.04**	**794,174**	**230,451**
Transportation	367,894	178,591	189,302	3.20	3.52	341,763	196,335
Water transportation	182,341	89,109	93,232	2.22	3.11	180,328	187,396
Other transportation	185,552	89,482	96,070	5.64	4.06	161,435	8,940
Communication	129,547	129,547	--	2.30	3.97	123,958	2,860

Footnotes at end of table.

Table 1.--U.S. Corporations with Total Assets of $500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Dividends, and Subpart F Income, 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						
	Distributions out of earnings and profits			Total distributions as a percentage of--		Dividends paid to U.S. parent corporations	Total Subpart F income
	Total	Out of current year earnings and profits after taxes	Out of accumulated earnings and profits after taxes	Total average assets	Total receipts		
	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Wholesale and retail trade	**6,362,945**	**3,235,947**	**3,126,998**	**4.46**	**2.02**	**6,297,364**	**1,768,254**
Wholesale trade	5,988,818	3,012,787	2,976,031	4.91	2.17	5,924,136	1,734,801
Groceries and related products	286,002	247,285	38,717	18.81	9.83	286,002	37,539
Machinery, equipment, and related supplies	193,622	72,754	120,867	1.45	0.73	184,723	73,616
Miscellaneous wholesale trade	5,509,194	2,692,747	2,816,447	5.14	2.24	5,453,411	1,623,646
Drugs, chemicals, and allied products	633,055	434,868	198,186	3.55	2.62	632,356	402,125
Petroleum and petroleum products	2,318,038	1,113,750	1,204,288	5.61	2.36	2,303,215	630,705
Other miscellaneous wholesale trade	2,558,102	1,144,129	1,413,973	5.32	2.07	2,517,840	590,815
Retail trade	364,493	215,630	148,864	1.78	0.94	363,595	33,453
General merchandise stores	99,727	40,937	58,790	2.05	1.19	99,727	21,677
Food stores	5,704	5,704	--	0.29	0.08	5,704	--
Automotive dealers and service stations	84,779	59,557	25,222	3.26	0.92	84,779	5,074
Apparel and accessory stores	19,347	13,494	5,853	4.10	2.04	19,347	--
Eating and drinking places	111,630	70,985	40,645	2.13	2.02	111,630	--
Wholesale and retail trade not allocable	9,634	7,531	2,103	3.84	2.23	9,634	--
Finance, insurance, and real estate	**11,445,339**	**7,090,850**	**4,354,489**	**1.63**	**9.38**	**11,351,829**	**7,253,227**
Banking	271,387	182,682	88,705	0.23	1.59	263,308	875,309
Credit agencies other than banks	1,730,024	1,081,038	648,986	1.03	6.33	1,724,115	2,216,094
Security, commodity brokers and service	695,080	641,763	53,317	0.42	3.48	695,080	704,964
Insurance	658,765	375,713	283,051	1.23	3.33	654,198	1,030,604
Insurance agents, brokers, and services	206,547	101,209	105,337	2.27	7.24	206,348	113,779
Real estate	115,104	92,527	22,577	0.78	3.60	115,072	42,504
Holding and other investment companies, except bank holding companies	7,768,433	4,615,917	3,152,515	4.39	24.39	7,693,707	2,269,973
Services	**1,926,884**	**1,058,617**	**868,267**	**2.73**	**4.62**	**1,916,464**	**776,364**
Hotels and other lodging places	89,638	40,998	48,640	3.50	5.98	89,638	8,847
Business services	1,183,320	630,000	553,320	3.31	6.00	1,176,698	482,122
Auto repair, miscellaneous repair services	29,915	16,535	13,380	18.56	17.42	29,915	--
Amusement and recreational services	259,033	184,195	74,838	2.35	3.50	258,856	29,771
Nature of business not allocable	**2,695**	--	**2,695**	**2.26**	**2.78**	**2,695**	**623**

[1] Number of returns is not additive because some U.S. corporations had CFC's in more than one industrial group.
Note: Detail may not add to totals because of rounding.

Table 2.-- U.S. Corporations with Total Assets of $500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Dividends, and Subpart F Income, 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			Total receipts
			Beginning of year	End of year	Average	
	(1)	(2)	(3)	(4)	(5)	(6)
All geographic areas	**749**	**7,500**	**1,386,474,619**	**1,581,631,511**	**1,510,577,314**	**1,222,861,469**
Canada	**408**	**710**	**181,318,859**	**187,851,819**	**188,086,207**	**168,549,432**
Latin America, total	**247**	**770**	**94,168,676**	**112,892,599**	**108,117,548**	**105,101,089**
Mexico	93	153	14,259,206	18,893,809	17,048,835	25,432,287
Central America, total	37	60	8,131,080	8,264,058	8,252,177	4,975,492
Honduras	3	5	159,466	247,150	203,308	378,747
Panama	35	49	7,704,095	7,715,690	7,764,500	4,192,619
Caribbean countries, total	73	100	24,610,770	25,462,061	26,546,608	6,862,753
Cayman Islands (British)	56	76	22,518,392	22,751,761	23,941,932	5,956,455
Dominican Republic	3	5	468,730	1,168,833	1,022,119	716,487
Trinidad and Tobago	3	4	400,210	398,646	399,428	112,881
Other Caribbean countries	14	15	1,223,438	1,142,820	1,183,129	76,930
South America, total	156	457	47,167,620	60,272,671	56,269,928	67,830,557
Argentina	49	68	5,021,127	7,276,660	6,359,605	8,574,415
Brazil	121	242	31,286,183	40,251,345	37,963,315	50,019,988
Chile	31	60	4,590,275	5,736,989	5,279,338	3,036,394
Colombia	21	26	1,366,603	1,609,822	1,488,212	2,346,961
Uruguay	9	10	561,812	581,037	571,425	244,047
Venezuela	33	47	4,160,246	4,569,677	4,393,775	3,444,688
Other Western Hemisphere, total	**209**	**390**	**69,442,777**	**69,546,323**	**71,023,944**	**41,500,080**
Bahamas	26	42	7,549,923	8,698,783	8,374,561	3,313,983
Bermuda	140	221	33,679,227	36,784,176	36,026,753	20,566,892
Netherlands Antilles	75	110	25,483,546	20,540,880	23,475,884	1,928,423
Other British West Indies	12	14	1,846,723	1,877,857	1,882,752	12,745,108
Europe, total	**527**	**4,231**	**846,416,669**	**991,862,892**	**934,695,563**	**734,303,624**
European Economic Community, total	512	3,807	780,005,309	921,324,361	865,529,359	663,013,000
Belgium	130	227	37,943,225	44,640,286	41,599,267	28,660,614
Denmark	34	45	4,451,611	4,475,262	4,478,106	3,529,969
France (including Andorra)	235	521	78,361,914	95,578,194	90,948,679	95,418,126
Germany	260	570	143,737,442	156,476,129	150,956,491	161,800,384
Greece	19	23	1,042,487	1,215,608	1,142,968	2,528,333
Ireland	58	82	8,764,559	11,017,038	10,003,748	8,543,600
Italy (including San Marino)	189	340	44,938,317	46,109,746	45,890,027	53,537,434
Luxembourg	23	34	5,990,793	7,172,913	6,604,701	2,752,280
Netherlands	207	436	82,556,333	95,349,012	90,303,264	63,095,952
Portugal	31	50	3,189,494	4,196,786	3,911,689	4,686,534
Spain	142	229	29,300,825	32,297,336	31,120,231	31,094,896
United Kingdom	406	1,250	339,728,309	422,796,050	388,570,187	207,364,878
Other West European countries, total	168	391	63,093,594	67,153,745	65,708,783	69,087,004
Austria	32	50	5,163,655	5,483,009	5,422,879	7,370,196
Finland	19	21	1,490,899	1,494,345	1,523,450	1,716,290
Liechtenstein	3	3	194,872	236,091	215,481	183,010
Norway	30	33	3,490,063	3,827,514	3,805,922	3,890,317
Sweden	50	72	9,615,884	10,086,025	9,947,393	9,925,957
Switzerland	114	184	41,557,611	44,146,413	43,027,071	44,096,059
Turkey	20	24	1,458,079	1,751,327	1,640,811	1,764,057
East European countries, total	19	33	3,317,766	3,384,787	3,457,421	2,203,620

Footnotes at end of table.

Table 2.– U.S. Corporations with Total Assets of $500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Dividends, and Subpart F Income, 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--Continued				
		Number of foreign corporations	Total assets			Total receipts
			Beginning of year	End of year	Average	
	(1)	(2)	(3)	(4)	(5)	(6)
Africa, total	**55**	**112**	**10,275,729**	**10,595,664**	**10,435,697**	**8,019,625**
North Africa, total	8	11	397,984	521,789	459,886	978,485
Egypt	4	4	161,553	255,589	208,571	439,081
Morocco	4	4	127,246	170,689	148,968	182,922
East Africa, total	4	5	424,526	167,910	296,218	264,684
West and Central Africa, total	31	72	8,009,506	8,247,536	8,128,521	5,261,516
Liberia	24	53	6,209,029	6,415,379	6,312,204	2,910,140
Nigeria	8	9	1,136,789	1,183,791	1,160,275	1,607,451
Zaire	3	3	79,441	74,100	76,770	87,585
Southern Africa, total	20	24	1,443,713	1,658,429	1,551,071	1,514,939
South Africa (including Namibia)	16	18	1,109,902	1,254,118	1,182,010	1,075,003
Asia, total	**255**	**845**	**119,576,718**	**141,208,858**	**131,152,336**	**127,299,110**
Middle East, total	21	29	1,866,536	1,959,868	2,082,407	2,324,865
Israel	12	18	981,043	1,311,761	1,282,562	1,249,906
Saudi Arabia	5	7	355,579	416,178	403,822	936,639
Southern and Southeastern Asia, total	104	234	23,092,392	30,347,644	26,930,544	28,963,278
India	11	13	477,391	596,416	550,927	699,479
Indonesia	10	11	464,707	515,506	490,106	424,028
Malaysia	26	41	3,873,163	4,323,922	4,116,634	6,399,348
Philippines	19	22	1,766,167	2,220,431	1,993,299	1,949,204
Singapore	68	95	11,824,764	16,560,972	14,279,476	14,212,424
Thailand	35	49	3,972,487	5,160,889	4,658,491	5,145,520
Eastern Asia, total	218	582	94,617,790	108,901,346	102,139,385	96,010,967
Taiwan	46	55	5,472,890	6,664,143	6,105,005	7,504,461
Hong Kong	92	149	24,085,589	30,277,059	27,194,688	16,928,377
Japan	157	315	57,852,159	63,397,151	60,846,179	66,910,185
South Korea	33	45	6,497,845	7,668,714	7,172,680	3,798,129
Oceania, total	**180**	**388**	**57,130,110**	**58,877,754**	**58,527,632**	**33,521,953**
Australia	172	333	50,859,373	51,951,151	51,606,775	30,925,251
New Zealand	28	49	5,795,534	6,274,478	6,357,193	2,234,559
Other countries of Oceania	5	6	475,203	652,124	563,664	362,143
Puerto Rico and U.S. Possessions, total	**39**	**54**	**8,145,081**	**8,795,601**	**8,539,397**	**4,566,557**
Puerto Rico	28	34	4,783,533	5,023,633	4,971,629	1,504,722
U.S. Possessions, total	11	20	3,361,548	3,771,968	3,566,758	3,061,835
Virgin Islands	6	14	3,018,851	3,381,932	3,200,392	2,867,299
OPEC countries, total (included above)	**50**	**77**	**6,445,686**	**6,995,600**	**6,767,400**	**6,603,266**
Tax haven countries, total (included above)	**428**	**1,543**	**279,109,391**	**307,189,374**	**297,803,359**	**203,611,432**

Footnotes at end of table.

Table 2.– U.S. Corporations with Total Assets of $500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Dividends, and Subpart F Income, 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					
	Current earnings and profits (less deficit) before income taxes	Income taxes	Current earnings and profits (less deficit) after income taxes	Foreign corporations with current earnings and profits (+) before income taxes		
				Earnings and profits before income taxes	Income taxes	Earnings and profits after income taxes
	(7)	(8)	(9)	(10)	(11)	(12)
All geographic areas	**69,613,140**	**18,471,643**	**51,141,497**	**91,611,947**	**18,587,095**	**73,024,852**
Canada	**4,704,679**	**2,135,318**	**2,569,361**	**7,713,327**	**2,186,944**	**5,526,383**
Latin America, total	**9,172,637**	**1,990,236**	**7,182,401**	**11,885,290**	**1,963,332**	**9,921,958**
Mexico	3,099,690	850,383	2,249,307	3,168,578	841,109	2,327,470
Central America, total	864,911	112,794	752,117	916,923	112,730	804,193
Honduras	32,808	13,733	19,075	32,844	13,733	19,110
Panama	807,543	94,063	713,480	858,548	93,998	764,549
Caribbean countries, total	1,212,636	111,971	1,100,665	1,371,496	110,764	1,260,732
Cayman Islands (British)	1,052,142	92,718	959,424	1,115,280	91,543	1,023,737
Dominican Republic	71,598	17,351	54,246	166,656	17,351	149,304
Trinidad and Tobago	26,202	934	25,268	26,202	934	25,268
Other Caribbean countries	62,694	967	61,727	63,358	935	62,423
South America, total	3,995,399	915,088	3,080,311	6,428,293	898,730	5,529,563
Argentina	664,342	134,351	529,991	741,054	133,588	607,466
Brazil	2,494,176	584,841	1,909,335	4,527,058	575,571	3,951,487
Chile	353,875	48,495	305,380	480,874	48,415	432,458
Colombia	268,723	79,123	189,600	275,725	78,102	197,624
Uruguay	31,373	2,099	29,274	33,897	2,099	31,798
Venezuela	183,704	61,878	121,825	351,133	57,689	293,444
Other Western Hemisphere, total	**3,617,995**	**485,684**	**3,132,311**	**4,132,034**	**479,079**	**3,652,955**
Bahamas	711,889	144,061	567,828	740,488	144,061	596,428
Bermuda	2,179,167	301,228	1,877,939	2,528,404	297,185	2,231,218
Netherlands Antilles	720,907	31,123	689,783	774,569	28,561	746,008
Other British West Indies	61,647	9,272	52,375	76,651	9,272	67,379
Europe, total	**39,219,697**	**10,155,671**	**29,064,026**	**52,916,994**	**10,247,517**	**42,669,477**
European Economic Community, total	36,079,675	9,382,404	26,697,270	48,079,568	9,482,065	38,597,503
Belgium	2,090,908	358,761	1,732,147	2,399,918	351,567	2,048,351
Denmark	275,223	81,365	193,859	311,607	83,734	227,873
France (including Andorra)	2,885,434	961,314	1,924,120	4,716,468	1,040,415	3,676,054
Germany	6,277,854	2,222,967	4,054,888	8,404,759	2,210,230	6,194,529
Greece	133,141	37,671	95,470	138,872	37,516	101,356
Ireland	2,208,857	109,019	2,099,835	2,306,581	107,901	2,198,680
Italy (including San Marino)	2,950,831	1,145,275	1,805,556	3,424,851	1,126,661	2,298,189
Luxembourg	258,525	45,843	212,683	274,214	45,402	228,811
Netherlands	6,651,267	1,384,014	5,267,253	7,559,459	1,398,549	6,160,910
Portugal	358,459	101,832	256,628	390,961	101,795	289,166
Spain	1,358,047	483,991	874,056	2,016,652	484,340	1,532,311
United Kingdom	10,631,130	2,450,353	8,180,778	16,135,226	2,493,953	13,641,273
Other West European countries, total	3,163,810	729,656	2,434,154	4,705,391	722,225	3,983,166
Austria	429,986	117,264	312,722	499,549	116,309	383,240
Finland	12,860	13,712	-852	59,609	13,040	46,570
Liechtenstein	41,736	3,035	38,701	41,736	3,035	38,701
Norway	139,726	81,292	58,435	242,893	81,407	161,486
Sweden	-568,885	42,848	-611,733	315,151	42,665	272,486
Switzerland	3,147,281	423,100	2,724,182	3,388,433	425,685	2,962,749
Turkey	-61,395	46,988	-108,383	135,519	38,668	96,851
East European countries, total	-23,788	43,611	-67,399	132,035	43,228	88,808

Footnotes at end of table.

Table 2.– U.S. Corporations with Total Assets of $500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Dividends, and Subpart F Income, 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					
	Current earnings and profits (less deficit) before income taxes	Income taxes	Current earnings and profits (less deficit) after income taxes	Foreign corporations with current earnings and profits (+) before income taxes		
				Earnings and profits before income taxes	Income taxes	Earnings and profits after income taxes
	(7)	(8)	(9)	(10)	(11)	(12)
Africa, total	**943,003**	**259,961**	**683,042**	**1,073,752**	**258,796**	**814,956**
North Africa, total	44,566	16,652	27,914	46,558	16,557	30,001
Egypt	20,097	5,477	14,620	22,055	5,477	16,578
Morocco	17,963	7,781	10,181	17,997	7,686	10,310
East Africa, total	16,952	7,549	9,402	19,233	7,023	12,210
West and Central Africa, total	730,304	170,467	559,838	837,664	170,335	667,329
Liberia	131,207	19,029	112,178	237,678	18,897	218,781
Nigeria	491,066	136,009	355,057	491,066	136,009	355,057
Zaire	53,837	6,895	46,942	53,837	6,895	46,942
Southern Africa, total	151,181	65,293	85,888	170,298	64,881	105,416
South Africa (including Namibia)	112,350	57,255	55,095	128,720	58,182	70,538
Asia, total	**9,711,265**	**2,800,958**	**6,910,307**	**10,749,534**	**2,780,846**	**7,968,687**
Middle East, total	289,509	65,933	223,576	325,813	63,768	262,045
Israel	184,610	44,666	139,944	216,870	42,698	174,172
Saudi Arabia	85,411	19,768	65,644	85,411	19,768	65,644
Southern and Southeastern Asia, total	2,581,833	349,007	2,232,826	2,711,516	347,904	2,363,611
India	46,071	20,293	25,777	46,601	20,293	26,307
Indonesia	48,429	20,065	28,365	61,234	20,956	40,278
Malaysia	601,242	37,559	563,683	616,022	37,135	578,887
Philippines	325,953	97,931	228,022	332,824	97,536	235,287
Singapore	1,226,428	84,535	1,141,893	1,291,911	81,868	1,210,043
Thailand	321,105	84,000	237,105	350,319	85,491	264,828
Eastern Asia, total	6,839,922	2,386,018	4,453,905	7,712,205	2,369,174	5,343,031
Taiwan	744,371	163,483	580,887	957,441	157,542	799,899
Hong Kong	2,310,400	285,283	2,025,116	2,363,685	283,625	2,080,061
Japan	3,363,021	1,804,603	15,558,418	3,851,648	1,796,802	2,054,846
South Korea	364,579	121,628	242,951	440,709	120,336	320,373
Oceania, total	**2,062,075**	**573,484**	**1,488,591**	**2,778,494**	**600,210**	**2,178,284**
Australia	1,811,957	5,207,931	1,291,226	2,481,359	546,759	1,934,600
New Zealand	192,462	33,051	159,411	234,514	33,367	201,148
Other countries of Oceania	57,656	19,702	37,954	62,620	20,084	42,537
Puerto Rico and U.S. Possessions, total	**181,789**	**70,331**	**111,458**	**362,522**	**70,370**	**292,152**
Puerto Rico	149,242	45,794	103,448	157,514	45,794	111,720
U.S. Possessions, total	32,547	24,537	8,010	205,008	24,576	180,432
Virgin Islands	25,528	22,495	3,033	197,896	22,494	175,402
OPEC countries, total (included above)	**846,192**	**241,039**	**605,152**	**1,026,426**	**237,742**	**788,684**
Tax haven countries, total (included above)	**19,789,770**	**3,037,947**	**16,751,824**	**21,878,763**	**3,041,369**	**18,837,394**

Footnotes at end of table.

Table 2.-- U.S. Corporations with Total Assets of $500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Dividends, and Subpart F Income, 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						
	Distributions out of earnings and profits			Total distributions as a percentage of--		Dividends paid to U.S. parent corporation	Subpart F income
	Total	Out of current year earnings and profits after taxes	Out of accumulated earnings and profits after taxes	Total average assets	Total receipts		
	(13)	(14)	(15)	(16)	(17)	(18)	(19)
All geographic areas	**42,971,551**	**24,863,916**	**18,107,636**	**2.84**	**3.51**	**41,314,902**	**13,217,040**
Canada	**2,787,072**	**1,248,625**	**1,538,448**	**1.48**	**1.65**	**2,638,311**	**399,529**
Latin America, total	**3,766,430**	**2,220,966**	**1,545,464**	**3.48**	**3.58**	**3,651,934**	**1,434,368**
Mexico	714,199	491,727	222,472	4.19	2.81	694,215	209,532
Central America, total	375,417	247,887	127,530	4.55	7.55	366,690	199,693
Honduras	7,567	6,672	895	3.72	2.00	6,157	1,490
Panama	354,119	228,381	125,738	4.56	8.45	352,124	197,841
Caribbean countries, total	1,400,524	552,223	848,301	5.28	20.41	1,388,547	358,481
Cayman Islands (British)	1,264,613	431,069	833,544	5.28	21.23	1,261,486	303,554
Dominican Republic	65,834	65,834	--	6.44	9.19	65,834	--
Trinidad and Tobago	17,670	17,670	--	4.42	15.65	8,820	1,989
Other Caribbean countries	52,406	37,649	14,757	4.43	68.12	52,406	52,938
South America, total	1,276,291	929,129	347,161	2.27	1.88	1,202,482	666,662
Argentina	126,079	71,980	54,099	1.98	1.47	125,929	33,837
Brazil	767,827	559,045	208,782	2.02	1.54	705,425	346,213
Chile	92,552	90,909	1,643	1.75	3.05	90,589	235,368
Colombia	94,078	85,850	8,228	6.32	4.01	86,524	23,979
Uruguay	18,544	17,729	815	3.25	7.60	18,544	11,613
Venezuela	158,562	94,603	63,959	3.61	4.60	156,820	15,613
Other Western Hemisphere, total	**2,633,870**	**1,387,899**	**1,245,970**	**3.71**	**6.35**	**2,632,101**	**2,260,544**
Bahamas	362,999	182,959	180,040	4.33	10.95	362,999	355,437
Bermuda	1,318,123	688,125	629,998	3.66	6.41	1,316,354	1,364,768
Netherlands Antilles	830,706	484,937	345,769	3.54	43.08	830,706	485,187
Other British West Indies	122,042	31,878	90,164	6.48	0.96	122,042	55,033
Europe, total	**27,497,712**	**16,066,877**	**11,430,836**	**2.94**	**3.74**	**26,601,092**	**7,003,092**
European Economic Community, total	24,862,699	14,933,285	9,929,415	2.87	3.75	23,995,295	5,391,036
Belgium	1,082,452	859,591	222,861	2.60	3.78	1,077,387	803,164
Denmark	364,078	100,611	263,467	8.13	10.31	364,078	42,338
France (including Andorra)	1,540,818	1,078,819	461,999	1.69	1.61	1,497,562	297,529
Germany	7,096,710	2,841,632	4,255,078	4.70	4.39	7,072,374	885,243
Greece	88,856	43,723	45,133	7.77	3.51	87,797	9,026
Ireland	988,736	676,064	312,672	9.88	11.57	988,736	396,475
Italy (including San Marino)	1,527,168	973,866	553,302	3.33	2.85	1,498,526	317,638
Luxembourg	71,618	46,646	24,972	1.08	2.60	69,089	37,068
Netherlands	4,124,170	2,931,701	1,192,469	4.57	6.54	3,520,802	1,040,391
Portugal	75,796	60,794	15,002	1.94	1.62	75,075	46,614
Spain	796,757	359,188	437,569	2.56	2.56	711,048	163,536
United Kingdom	7,105,540	4,960,650	2,144,891	1.83	3.43	7,032,821	1,352,014
Other West European countries, total	2,617,224	1,118,100	1,499,124	3.98	3.79	2,592,992	1,584,145
Austria	265,203	141,226	123,977	4.89	3.60	241,041	15,173
Finland	26,253	17,977	8,276	1.72	1.53	26,253	10,397
Liechtenstein	68,600	30,468	38,132	31.84	37.48	68,600	20,782
Norway	126,621	94,119	32,502	3.33	3.25	126,621	29,173
Sweden	189,599	66,715	122,885	1.91	1.91	189,529	69,588
Switzerland	1,924,960	766,963	1,157,997	4.47	4.37	1,924,960	1,420,673
Turkey	3,565	633	2,932	0.22	0.20	3,565	18,103

Footnotes at end of table.

Table 2.-- U.S. Corporations with Total Assets of $500 Million or More and Their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Dividends, and Subpart F Income, 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						
	Distributions out of earnings and profits			Total distributions as a percentage of--		Dividends paid to U.S. parent corporation	Subpart F income
	Total	Out of current year earnings and profits after taxes	Out of accumulated earnings and profits after taxes	Total average assets	Total receipts		
	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Africa, total	**575,066**	**457,741**	**117,325**	**5.51**	**7.17**	**571,425**	**112,060**
North Africa, total	25,510	19,284	6,226	5.55	2.61	24,611	2,921
Egypt	13,311	11,105	2,206	6.38	3.03	12,412	2,105
Morocco	6,279	6,095	184	4.21	3.43	6,279	816
East Africa, total	641	641	--	0.22	0.24	641	--
West and Central Africa, total	475,225	3,669,664	105,561	5.85	9.03	472,833	107,776
Liberia	141,431	51,602	89,829	2.24	4.86	140,698	104,644
Nigeria	299,228	283,905	15,323	25.79	18.62	297,614	2,980
Zaire	1,131	722	409	1.47	1.29	1,086	151
Southern Africa, total	73,690	68,152	5,538	4.75	4.86	73,339	1,364
South Africa (including Namibia)	56,360	51,089	5,271	4.77	5.24	56,009	1,364
Asia, total	**4,121,904**	**2,716,151**	**1,405,753**	**3.14**	**3.24**	**3,764,532**	**1,622,652**
Middle East, total	57,546	54,868	2,678	2.76	2.48	50,522	21,551
Israel	8,379	5,701	2,678	0.65	0.67	6,645	976
Saudi Arabia	28,080	28,080	--	6.95	3.00	22,791	--
Southern and Southeastern Asia, total	801,202	545,896	255,306	2.98	2.77	775,932	267,523
India	15,947	11,324	4,623	2.89	2.28	12,891	1,359
Indonesia	12,240	12,080	160	2.50	2.89	12,240	2,722
Malaysia	118,827	89,749	29,077	2.89	1.86	111,031	14,954
Philippines	116,664	107,573	9,090	5.85	5.99	113,170	31,964
Singapore	404,570	277,947	126,623	2.83	2.85	404,570	164,223
Thailand	129,086	43,456	85,630	2.77	2.51	118,645	48,503
Eastern Asia, total	3,263,156	2,115,387	1,147,769	3.19	3.40	2,938,078	1,333,579
Taiwan	443,425	322,554	120,871	7.26	5.91	392,724	28,571
Hong Kong	1,078,391	808,286	270,106	3.97	6.37	939,562	743,855
Japan	1,639,558	888,969	750,589	2.69	2.45	1,518,299	543,281
South Korea	86,113	80,121	5,992	1.20	2.27	74,685	14,595
Oceania, total	**1,271,096**	**726,817**	**544,280**	**2.17**	**3.79**	**1,137,107**	**308,577**
Australia	1,127,186	589,335	537,851	2.18	3.64	1,004,020	184,895
New Zealand	132,147	125,719	6,429	2.08	5.91	121,324	122,030
Other countries of Oceania	11,763	11,763	--	2.09	3.25	11,763	1,652
Puerto Rico and U.S. Possessions, total	**318,401**	**38,840**	**279,561**	**3.73**	**6.97**	**318,401**	**76,217**
Puerto Rico	85,736	17,265	68,471	1.72	5.70	85,736	64,285
U.S. Possessions, total	232,664	21,575	211,089	6.52	7.60	232,664	11,932
Virgin Islands	226,364	20,832	205,532	7.07	7.89	226,364	11,932
OPEC countries, total (included above)	**530,059**	**450,617**	**79,442**	**7.83**	**8.03**	**521,414**	**21,355**
Tax haven countries, total (included above)	**12,418,838**	**7,161,566**	**5,257,272**	**4.17**	**6.10**	**11,641,118**	**6,382,880**

[1] Number of returns is not additive because some U.S. corporations had CFC's in more than one country of incorporation.

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

Corporate Foreign Tax Credit, 1992: An Industry and Geographic Focus

Data Release

For 1992, U.S. corporations claiming a foreign tax credit paid nearly $22.6 billion in current-year taxes to foreign governments on $86.9 billion in foreign-source taxable income. After limitations, a total foreign tax credit of $21.5 billion was reported by these 5,147 corporations. The foreign tax credit reduced their U.S. tax liability from $65.5 billion (U.S. tax liability after all credits, except the foreign tax credit) to $44.0 billion, a decrease of nearly 33 percent compared to 1991. Overall, these U.S. corporations reported a "worldwide taxable income" of $194.2 billion ($107.3 billion in U.S. taxable income and $86.9 billion in foreign-source taxable income) and worldwide income taxes of $66.6 billion ($44.0 billion in U.S. income taxes and $22.6 billion in foreign taxes). In sum, these corporations derived approximately 45 percent of their "worldwide taxable income" (i.e., "Income subject to U.S. tax" in the statistics, the base on which the U.S. tax was calculated) from foreign sources.

Although the foreign tax credit claimed by U.S. corporations climbed only slightly from $21.1 billion for 1991 to $22.6 billion for 1992, there were shifts in the distribution of the credit across industry classifications. The largest shifts were concentrated in the manufacturing and finance, insurance, and real estate industrial divisions. In addition, U.S. manufacturers claimed $15.4 billion in foreign tax credits for 1992, a decline of more than $1.5 billion. Manufacturers in the petroleum and non-electrical machinery industrial groups accounted for nearly two-thirds of this decline. U.S. banks accounted for most of the $1.6 billion increase (from $1.6 billion to $3.2 billion) in foreign tax credits claimed by U.S. corporations classified in finance, insurance, and real estate. Foreign tax credits claimed by U.S. banks increased dramatically for 1992, climbing to $1.3 billion from $0.4 billion for 1991 [1].

Beginning with the passage of the Revenue Act of 1962, limitations based on type of income have been included in the foreign tax credit provisions. For 1992, in addition to an "overall limitation," which restricts the foreign tax credit to an amount equivalent to the U.S. tax on foreign-source taxable income, taxpayers had to compute a separate foreign tax credit limitation for the eight categories of foreign-source income for which statistics are shown (described in the *Explanation of Selected Terms* section): passive income, high withholding tax interest, "financial services income," "shipping income," dividends from "noncontrolled" section 902 foreign corporations, dividends from Interest Charge-Domestic International Sales Corporations (IC-DISC's) or former DISC's, certain distributions from Foreign Sales Corporations (FSC's) or former FSC's, and "all other income from outside the United States" (often referred to as "general limitation income," due to its description on Form 1118, *Computation of Foreign Tax Credit— Corporations*) [2]. As shown in Table 2, taxes related to "financial services income" and "all other income from outside the United States" accounted for approximately 97 percent of the 1992 foreign tax credit. Foreign tax credits related to financial services income doubled, increasing from $1.5 billion to $3.1 billion. Nearly all of this increase was reported by U.S. banks [3].

The United Kingdom, Germany, Japan, and Canada were the leading sources of foreign-source taxable income for U.S. corporations claiming the foreign tax credit. Together, these four countries accounted for approximately 35 percent of the $86.9 billion in foreign-source taxable income and 41 percent of the $22.6 billion in current-year foreign taxes (current-year foreign taxes do not include any carryback or carryforward of foreign taxes from future or prior tax years). Approximately 46 percent of the total foreign-source taxable income and current-year foreign taxes were from European countries; the United Kingdom, alone, was the source of about 12 percent of the totals.

Data Sources and Limitations

The 1992 statistics were derived from returns with a foreign tax credit that were included in the corporation income tax returns sampled for *Statistics of Income— Corporation Income Tax Returns.* To be included in the sample, returns had to be for accounting periods ending between July 1992 and June 1993. The corporate sample included approximately 81,000 corporation income tax returns chosen from the 3,869,000 returns filed for Tax Year 1992. These returns were selected after administrative processing was complete, but before any audit examination. Because some of the returns with foreign tax credit that were sampled at the 100-percent rate were received too late to be included in the regular corporate statistics, there are slight differences between the more complete statistics on the foreign tax credit presented in this article and those published in *Statistics of Income— 1992, Corporation Income Tax Returns* (although estimates for these returns were included in the regular corporate statistics).

The foreign tax credit is claimed under section 901 of

This data release was written by Sarah E. Nutter, an economist with the Special Studies and Publications Branch, under the direction of Chris Carson, Chief, Returns Analysis Section.

the Internal Revenue Code. Corporations report the foreign income and taxes related to the credit on Form 1118, *Computation of Foreign Tax Credit—Corporations*, filed with corporate income tax returns. The statistics in this article were based on information reported on Forms 1118 and the related corporate return. Corporations with "alternative minimum tax" (AMT) had to compute a separate "alternative minimum tax foreign tax credit." Data on this computation are not reflected in the statistics presented in this article, even if the corporation reported both the regular and AMT computations, and even if the corporation reported only the AMT computation (because it had AMT but no regular tax). The statistics do not reflect adjustments made during audit examination, which determines the acceptability of the foreign income and taxes reported. Some corporations reported preliminary data on their tax returns because complete information on their overseas operations was often not available on their returns as originally filed and amended returns were not used for these statistics. However, when necessary, additional information was obtained directly from the taxpayer.

Foreign income and taxes are understated in this article to the extent that they either were not or did not have to be reported on Form 1118. Some corporations did not file this form because they had no U.S. income tax to report and consequently were unable to claim the foreign tax credit for 1992 (any "unused credits" could, however, be carried over for use in other years). Others chose to deduct their foreign taxes from their gross income instead of taking the credit; still others simply failed to file the Form 1118 to support the foreign tax credit on their returns as originally filed.

The estimates are calculated from a stratified probability sample. Strata are jointly determined by the size of total assets and a measure of income. Sample rates range from 0.25 percent to 100 percent. Because the estimates are calculated from a sample, they are subject to sampling error. To properly use the data, the magnitude of the potential sampling error needs to be known. Coefficients of variation (CVs) are used to measure this magnitude. Figure A contains estimated coefficients of variation for the estimated number of active corporations with a foreign tax credit and for various money amount estimates by selected industrial groupings. The smaller the coefficient of variation, the more reliable the estimate is judged to be. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of estimates based on samples are discussed in the appendix to this issue of the *Bulletin*.

Figure A

Coefficients of Variation for Selected Items, Tax Year 1992

Selected major and minor industrial group	Estimated coefficients of variation for --		
	Number of returns	Dividends received from foreign corporations	Includable income of Controlled Foreign Corporations
	(1)	(2)	(3)
All industries	**9.62**	**2.43**	**2.12**
Manufacturing	4.84	2.86	2.34
Petroleum (including integrated) and coal products	14.00	8.05	7.94
Wholesale and retail trade	21.18	6.55	7.19
Finance, insurance, and real estate	12.11	4.71	5.29
Services	34.98	4.32	6.14

Explanation of Selected Terms

Adjustments to Taxable Income.—Includes allocations of current-year U.S.-source losses and recapture of foreign losses, as well as other adjustments.

Carryover of Foreign Taxes.—Under Internal Revenue Code section 904, U.S. persons are allowed a 2-year carryback and 5-year carryforward of "excess" foreign taxes for purposes of computing the foreign tax credit for those years. Such taxes were included in the current-year credit to the extent that they did not exceed the credit limitations for the current year.

Current-Year Foreign Taxes.—The current-year foreign taxes include foreign taxes paid, accrued, or deemed paid (defined below) and are reported in column 43 of Tables 1 and 2, and in column 15 of Table 3. Current-year foreign taxes do not include any carryback or carryforward of foreign taxes from future or prior tax years.

Export Financing Interest.—Such interest is related to financing the sale or disposition of property that is manufactured, produced, grown, or extracted in the United States by the taxpayer (or a "related" person), with components primarily of U.S. origin (50 percent or more of the fair market value attributable to U.S. components).

Financial Services Income.—Financial services income includes income (including "passive income," defined below) produced in the active conduct of a banking, insurance, financing, or similar business, and certain types of insurance investment income. Financial services income does not include "high withholding tax interest" or dividends from a "noncontrolled" foreign corporation. The classification of "export financing interest" for corporations with financial services income is subject to special rules under section 904(d) of the Internal Revenue Code.

Foreign Dividend Gross-Up.—U.S. corporations may take an "indirect" foreign tax credit for taxes paid by a related foreign corporation (generally owned 10 percent or more by the U.S. corporation). Under Internal Revenue Code section 78, these taxes are "deemed paid" by the U.S. corporation under sections 902 and 960(a) with respect to distributions by a foreign corporation and must be included in income as a "dividend gross-up."

Foreign Sales Corporation.—A Foreign Sales Corporation (FSC) is a company incorporated abroad, created to promote U.S. exports, and usually controlled by a U.S. person (defined below). A portion of the FSC's "foreign trade income" is exempt from U.S. taxation. The latter is income attributable to the sale or lease of "export property" outside of the United States and to the performance of various types of export services outside the United States.

Foreign-Source Taxable Income.—Foreign-source taxable income is equal to foreign gross income (less loss) less deductions and is reported on Schedule A, *Separate Limitation Income or (Loss) Before Adjustments,* of the Form 1118. Adjustments to foreign-source taxable income include allocations of current-year U.S.-source losses and recapture of foreign losses as well as other adjustments. Foreign-source taxable income is reported as "foreign taxable income (less loss) before adjustments" in Tables 1 and 2, column 37, and Table 3, column 14, at the end of this article.

High Withholding Tax Interest.—High withholding tax interest is interest subject to a foreign withholding tax of at least 5 percent. "Export financing interest" cannot be classified as high withholding tax interest.

Includable Income from Controlled Foreign Corporations.—This is the U.S. parent's total pro rata share of income constructively received under Subpart F rules. As such, it consists of "Subpart F income" (defined below), increases in earnings invested in U.S. property, previously excluded Subpart F income, and factoring income.

Income Subject to U.S. Tax.—Income subject to U.S. tax, the corporate tax base (worldwide "taxable income"), is generally equal to net income minus certain statutory nonbusiness deductions.

Interest Charge-Domestic International Sales Corporation.—Interest Charge-Domestic International Sales Corporations are certain small domestic corporations formed to export U.S. products. To elect IC-DISC status, at least 95 percent of a domestic corporation's gross receipts must be "qualified export receipts" and at least 95 percent of its assets must be "qualified export assets."

Noncontrolled Section 902 Foreign Corporation Dividends.—A foreign corporation is classified as a noncontrolled foreign corporation if at least 10 percent of its stock was owned by one U.S. taxpayer and, collectively, U.S. taxpayers owned 50 percent or less of its stock.

OPEC Countries.—The members of the Organization of Petroleum Exporting Countries (OPEC) for 1992 were: Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela.

Passive Income.—Passive income generally includes income such as dividends, interest, rents, and royalties not connected with the active conduct of a trade or business. The passive income category does not include any "export financing interest," any passive income taxed at a rate higher than the highest U.S. tax rate, any foreign "oil and gas extraction income," or any income that could be classified into any other category (except the "all other" income category).

Shipping Income.— Shipping income is generally income obtained from the use (or leasing for use) of a vessel or aircraft in foreign commerce, income from directly-related services, gains on the sale or exchange of a vessel or aircraft used in the performance of such services, and income generated from other space and oceanic activities. Income which would be "foreign base company shipping income" for purposes of determining the income constructively received from Controlled Foreign Corporations for U.S. taxation purposes (under Internal Revenue Code section 954(f)) is also classified as shipping income.

Specifically Allocable Income.—Internal Revenue Code section 863(b) provides special rules for determining taxable income from sources outside the United States with respect to gross income derived partly within and partly outside the United States. The income apportioned to sources outside the United States under these special rules is shown in column 25 of Table 1, and column 11 of Table 2 and 3.

Subpart F Income.—For 1992, Subpart F of the Internal Revenue Code required certain U.S. shareholders of Controlled Foreign Corporations (CFC's) to include in their gross income the shareholder's ratable share of the CFC's: (1) Subpart F income, (2) increase in earnings invested in U.S. property, (3) previously excluded Subpart F income withdrawn from "qualified investments" in less developed countries and in "foreign base company" shipping operations, and (4) factoring income. The Subpart F income of a CFC included: (1) certain insurance income, (2) "foreign base company" income, (3) international boycott participation income, (4) the sum of illegal bribes and other payments made to government officials that would be unlawful under the Foreign Corrupt Practices Act

of 1977, and (5) income derived from a country which is not recognized by the United States, with which the United States does not conduct or has severed diplomatic relations, which repeatedly provides support for acts of international terrorism, or for tax years beginning after January 1, 1988, the Republic of South Africa.

Tax Haven.—Tax haven countries are characterized by income tax rates that are lower than U.S. rates. In addition, they frequently require that financial and commercial information be kept confidential. The following countries were classified as tax havens for 1992: Belize, Costa Rica, Panama, Barbados, Cayman Islands, Turks and Caicos Islands, Leeward Islands, Netherlands Antilles, Windward Islands, Antigua and Barbuda, Aruba, Bahamas, Bermuda, Luxembourg, Netherlands, Austria, Gibraltar, Liechtenstein, Monaco, Switzerland, Liberia, Bahrain, Singapore, and Hong Kong.

Taxes Deemed Paid.—A U.S. corporation, which received actual or constructive dividends from a related foreign subsidiary, is allowed to include a portion of the foreign taxes paid by the subsidiary for purposes of determining the foreign tax credit. The foreign taxes paid by the foreign subsidiary are considered to be indirectly, or deemed, paid by the related U.S. corporation.

U.S. Person.—A U.S. person is any citizen or resident of the United States; a domestic partnership, corporation, association, or company; or any estate or trust that is not considered "foreign." See Internal Revenue Code section 7701 for more information on the definition of a U.S. person.

Notes and References

[1] Based on unpublished data.

[2] Because tax returns for FSC's were not included in the sample used for the statistics, an income category related to the foreign trade income of a Foreign Sales Corporation (FSC) is not shown in the statistics for 1992.

[3] Based on unpublished data.

Table 1.--Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Credit Reported on Form 1118, by Selected Industrial Group

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

Major and selected minor industrial group	Number of returns	Total assets	Total receipts	Dividends received from foreign corporations	Dividends received from IC-DISC's or former DISC's	Includable income of Controlled Foreign Corporations	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All industries	**5,147**	**7,298,405,101**	**3,229,804,649**	**21,227,174**	***221,369**	**12,573,276**	**13,232,939**
Agriculture, forestry, and fishing	***109**	***2,426,135**	***2,637,300**	***30,693**	***86**	***51,595**	***33,890**
Mining	**110**	**30,046,065**	**15,466,131**	**143,936**	**--**	**28,267**	**114,241**
Metal mining	*6	*6,249,610	*3,028,168	*10,404	--	*1,004	*31
Coal mining	5	6,074,973	3,330,817	721	--	--	28
Oil and gas extraction	91	14,954,196	6,482,025	130,772	--	27,262	113,757
Nonmetallic minerals, except fuels	*8	*2,767,285	*2,625,122	*2,040	--	--	*425
Construction	**407**	**25,669,729**	**28,877,201**	**115,622**	**451**	**80,654**	**58,579**
General building contractors	328	6,249,247	11,492,146	19,889	--	9,822	11,755
Heavy construction contractors	18	18,519,958	16,008,142	95,733	258	70,833	46,824
Special trade contractors	*61	*900,524	*1,376,914	--	*193	--	--
Manufacturing	**1,356**	**2,038,986,154**	**1,633,323,302**	**17,702,135**	**183,475**	**7,030,657**	**10,012,995**
Food and kindred products	92	145,802,817	135,548,515	2,020,311	1,662	459,359	1,106,002
Tobacco manufactures	3	121,703,007	56,428,047	587,522	5,456	216,616	360,931
Textile mill products	64	11,940,544	11,491,541	46,421	387	9,128	25,542
Apparel and other textile products	32	17,199,067	18,275,165	162,593	130	59,678	86,818
Lumber and wood products	13	37,957,793	25,286,194	5,046	1,608	9,149	4,047
Furniture and fixtures	*13	*5,896,583	*7,301,085	*107,423	*191	*305	*59,930
Paper and allied products	28	60,822,634	51,924,268	381,258	11,955	254,609	331,692
Printing and publishing	85	78,455,226	53,958,362	317,993	2,835	35,759	188,724
Chemicals and allied products	168	351,933,832	284,586,273	3,806,393	67,744	1,867,218	2,466,646
Petroleum (including integrated) and coal products	21	394,319,938	347,608,969	3,205,587	5,041	1,489,139	1,888,106
Rubber and miscellaneous plastics products	72	14,724,836	20,774,820	258,860	4,000	88,123	142,287
Leather and leather products	13	13,843,832	12,016,973	3,910	563	10,995	985
Stone, clay, and glass products	36	14,411,595	11,987,247	116,494	1,867	37,439	77,449
Primary metal industries	25	17,677,750	18,378,682	195,167	1,792	46,004	139,085
Fabricated metal products	101	39,414,552	34,688,073	341,997	2,757	119,213	236,814
Machinery, except electrical	184	114,164,101	115,213,899	3,554,194	18,129	792,658	1,383,894
Electrical and electronic equipment	174	298,078,827	176,834,334	918,469	14,150	738,221	570,983
Motor vehicles and equipment	28	146,822,510	91,511,064	254,903	20,366	416,946	217,546
Transportation equipment, except motor vehicles	42	57,419,566	71,406,749	106,263	15,552	110,963	77,748
Instruments and related products	87	62,733,122	63,232,975	1,099,049	6,453	207,748	516,092
Miscellaneous manufacturing and manufacturing not allocable	75	33,664,023	24,870,067	212,282	838	61,386	131,674
Transportation and public utilities	**132**	**338,230,756**	**205,413,442**	**344,775**	**2,819**	**394,736**	**336,826**
Transportation	91	37,135,790	31,668,509	37,838	43	8,647	29,564
Water transportation	28	5,082,073	5,950,843	4,440	43	6,655	2,030
All other transportation	63	32,053,717	25,717,666	33,398	--	1,992	27,534
Communication	24	220,310,803	138,496,551	239,531	2,761	283,509	264,993
Electric, gas, and sanitary services	16	80,784,163	35,248,383	67,406	15	102,580	42,269

Footnotes at end of table.

Table 1.--Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Credit Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Number of returns	Total assets	Total receipts	Dividends received from foreign corporations	Dividends received from IC-DISC's or former DISC's	Includable income of Controlled Foreign Corporations	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Wholesale and retail trade	**695**	**350,819,015**	**419,994,684**	**1,232,185**	**3,723**	**1,172,067**	**999,685**
Wholesale trade	**518**	**218,703,954**	**205,875,684**	**994,525**	**3,193**	**1,080,604**	**881,683**
Groceries and related products	*6	*4,638,719	*19,453,768	*802	--	--	*760
Machinery, equipment, and supplies	144	2,839,628	3,877,171	32,313	1,616	3,687	14,338
Miscellaneous wholesale trade	369	211,225,607	182,544,745	961,410	1,577	1,076,917	866,585
Drugs, chemicals, and allied products	23	4,741,646	13,744,506	5,685	753	481	1,609
Petroleum and petroleum products	*6	*136,312,656	*20,818,316	*257,201	--	*664,964	*318,123
Other miscellaneous wholesale trade	340	70,171,305	147,981,923	698,524	824	411,472	546,853
Retail trade	**176**	**132,115,060**	**214,119,001**	**237,660**	**530**	**91,462**	**118,003**
Building materials, garden supplies, and mobile home dealers	*23	*934,603	*656,613	*387	--	--	--
General merchandise stores	6	64,497,786	126,625,188	36,945	--	41,396	28,051
Food stores	6	3,611,799	9,769,886	--	--	--	--
Apparel and accessory stores	14	20,160,939	35,596,930	71,433	--	13,208	15,236
Eating and drinking places	21	27,407,461	22,664,733	110,145	313	12,740	65,440
All other retail stores	106	15,502,472	18,805,651	18,750	217	24,117	9,276
Finance, insurance, and real estate	**1,278**	**4,410,469,680**	**843,641,595**	**1,238,639**	**5,299**	**3,601,310**	**1,359,183**
Banking	80	1,926,537,474	248,686,217	278,190	--	1,873,715	478,762
Credit agencies other than banks	72	341,853,213	55,095,693	42,175	--	250,943	53,711
Security, commodity brokers, and services	64	335,577,244	34,795,082	83,622	--	292,071	331,742
Insurance	186	1,710,532,157	488,104,440	476,880	5,013	974,611	271,288
Insurance agents, brokers, and service	*8	*8,694,618	*4,210,586	*134,290	--	*111,074	*111,040
Real estate	269	3,578,651	2,190,258	5,032	28	687	2,636
Holding and other investment companies, except bank holding companies	598	83,696,324	10,559,320	218,450	258	98,208	110,004
Services	**1,061**	**101,757,567**	**80,450,994**	**419,188**	**25,517**	**213,991**	**317,539**
Hotels and other lodging places	*4	*1,912,539	*458,905	*60,077	--	*4,513	*17,058
Personal services	25	3,332,356	5,351,729	17,128	--	--	15,482
Business services	443	52,774,140	35,181,462	240,219	24,443	151,137	227,937
Auto repair; miscellaneous repair services	*12	*2,991,840	*2,483,867	*232	--	--	--
Amusement and recreation services	44	28,055,518	16,511,872	96,674	--	51,987	52,598
All other services	533	12,691,175	20,463,158	4,858	1,073	6,354	4,464

Footnotes at end of table.

Table 1.--Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Credit Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Net income (less deficit)	Income subject to U.S. tax	U.S. income tax before credits		Foreign tax credit claimed	U.S. possessions tax credit	General business credit	U.S. income tax after credits
			Total	Regular and alternative minimum tax				
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
All industries	**200,708,807**	**194,203,639**	**67,942,322**	**67,610,507**	**21,532,736**	**140,782**	**2,908,994**	**44,010,095**
Agriculture, forestry, and fishing	***406,613**	***391,764**	***133,886**	***133,399**	***42,801**	**--**	***2,324**	***88,369**
Mining	**2,670,479**	**2,578,150**	**921,039**	**917,285**	**599,641**	**--**	**15,107**	**294,371**
Metal mining	*427,061	*424,862	*159,855	*159,081	*132,853	--	--	*27,002
Coal mining	381,588	365,662	133,577	132,953	3,686	--	8	121,735
Oil and gas extraction	1,669,374	1,601,654	561,519	559,478	456,830	--	15,051	86,585
Nonmetallic minerals, except fuels	*192,456	*185,972	*66,088	*65,772	*6,272	--	*49	*59,048
Construction	**726,057**	**691,550**	**250,928**	**248,946**	**88,527**	**1,221**	**13,119**	**150,421**
General building contractors	247,711	236,491	82,615	81,658	32,782	--	2,862	43,512
Heavy construction contractors	420,846	404,908	151,427	150,481	52,753	1,221	9,276	93,355
Special trade contractors	*57,500	*50,151	*16,887	*16,807	*2,993	--	*981	*13,553
Manufacturing	**114,723,875**	**109,096,615**	**38,298,125**	**38,122,980**	**15,369,574**	**139,561**	**1,963,869**	**21,838,374**
Food and kindred products	11,152,838	10,529,020	3,670,551	3,655,570	1,283,265	26,214	31,731	2,323,729
Tobacco manufactures	6,695,996	6,455,388	2,204,005	2,194,832	377,791	--	2,351	1,823,863
Textile mill products	822,498	776,915	267,521	266,418	31,006	--	10,450	228,285
Apparel and other textile products	1,902,435	1,892,274	646,703	644,342	158,179	224	4,583	483,463
Lumber and wood products	531,003	495,370	239,213	237,925	5,566	--	1,714	222,429
Furniture and fixtures	*687,457	*678,693	*235,118	*234,244	*56,727	--	*1,058	*173,879
Paper and allied products	3,711,363	3,619,511	1,351,459	1,345,670	400,325	1,956	17,359	932,137
Printing and publishing	4,499,926	4,354,442	1,490,878	1,484,918	322,993	--	298,596	1,155,491
Chemicals and allied products	25,541,630	23,871,840	8,332,472	8,294,673	3,378,333	106,696	433,918	4,617,685
Petroleum (including integrated) and coal products	18,120,218	17,767,793	6,195,231	6,169,474	4,377,392	--	189,101	1,678,764
Rubber and miscellaneous plastics products	1,463,420	1,431,539	494,075	492,242	221,362	--	25,651	251,406
Leather and leather products	249,722	221,023	101,078	99,292	3,973	--	15,194	90,408
Stone, clay, and glass products	1,099,443	1,040,226	355,621	354,146	93,587	--	4,735	256,383
Primary metal industries	1,148,774	1,117,080	415,589	413,692	137,689	--	5,892	268,617
Fabricated metal products	3,144,962	2,990,130	1,025,625	1,022,075	303,744	--	10,937	706,204
Machinery, except electrical	9,545,321	9,261,791	3,267,813	3,254,945	2,097,945	--	440,856	1,100,784
Electrical and electronic equipment	11,096,240	10,290,557	3,670,236	3,644,585	891,446	85	246,087	2,605,213
Motor vehicles and equipment	2,470,858	2,378,411	934,653	930,090	265,105	--	141,644	624,454
Transportation equipment, except motor vehicles	3,514,903	3,333,393	1,149,095	1,142,101	87,167	--	8,672	1,033,546
Instruments and related products	5,279,866	4,863,059	1,652,100	1,645,106	704,461	--	52,693	853,137
Miscellaneous manufacturing and manufacturing not allocable	2,045,003	1,728,162	599,089	596,642	171,518	4,385	20,646	408,496
Transportation and public utilities	**13,819,850**	**13,529,203**	**4,717,387**	**4,682,657**	**478,709**	**--**	**245,950**	**4,094,824**
Transportation	1,835,614	1,736,367	622,533	619,769	41,534	--	24,507	527,071
Water transportation	266,884	254,157	90,526	90,177	10,456	--	13,897	57,197
All other transportation	1,568,730	1,482,210	532,007	529,592	31,078	--	10,610	469,873
Communication	8,670,995	8,551,509	2,972,978	2,945,836	362,923	--	213,841	2,539,317
Electric, gas, and sanitary services	3,313,241	3,241,327	1,121,877	1,117,051	74,253	--	7,602	1,028,437

Footnotes at end of table.

Table 1.--Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Credit Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Net income (less deficit)	Income subject to U.S. tax	U.S. income tax before credits		Foreign tax credit claimed	U.S. possessions tax credit	General business credit	U.S. income tax after credits
			Total	Regular and alternative minimum tax				
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Wholesale and retail trade	**16,931,012**	**16,500,153**	**5,672,091**	**5,649,108**	**1,242,782**	**--**	**162,797**	**4,306,790**
Wholesale trade	**7,231,769**	**6,997,284**	**2,397,189**	**2,387,831**	**950,735**	**--**	**20,150**	**1,412,910**
Groceries and related products	*203,462	*197,960	*67,813	*67,564	*2,215	--	*238	*65,277
Machinery, equipment, and supplies	256,689	251,281	85,081	84,813	17,708	--	1,245	64,368
Miscellaneous wholesale trade	6,771,619	6,548,043	2,244,295	2,235,454	930,812	--	18,667	1,283,264
Drugs, chemicals, and allied products	322,108	317,778	108,894	108,470	6,712	--	6,166	95,602
Petroleum and petroleum products	*1,283,030	*1,260,924	*430,428	*428,920	*344,766	--	*328	*85,334
Other miscellaneous wholesale trade	5,166,481	4,969,340	1,704,972	1,698,064	579,334	--	12,174	1,102,328
Retail trade	**9,699,244**	**9,502,869**	**3,274,902**	**3,261,278**	**292,047**	**--**	**142,647**	**2,893,880**
Building materials, garden supplies, and mobile home dealers	*70,288	*69,122	*23,711	*23,629	*59	--	--	*23,625
General merchandise stores	5,414,394	5,356,020	1,833,250	1,825,441	52,305	--	42,316	1,727,420
Food stores	156,264	154,240	53,075	52,884	10,957	--	20,073	38,063
Apparel and accessory stores	1,600,627	1,534,169	524,421	522,141	42,369	--	10,517	472,170
Eating and drinking places	1,659,585	1,506,778	539,121	536,961	171,488	--	63,315	351,300
All other retail stores	798,086	882,538	301,324	300,221	14,869	--	6,427	281,302
Finance, insurance, and real estate	**44,672,021**	**44,998,815**	**15,737,108**	**15,654,169**	**3,155,885**		**310,078**	**11,632,094**
Banking	16,173,384	14,354,011	5,151,221	5,128,672	1,753,366	--	216,117	2,842,603
Credit agencies other than banks	2,895,788	2,546,375	872,592	868,418	130,673	--	13,538	697,482
Security, commodity brokers, and services	3,661,291	3,557,450	1,229,094	1,224,761	273,653	--	1,974	839,852
Insurance	19,633,667	22,375,792	7,735,667	7,688,188	756,653		75,712	6,748,301
Insurance agents, brokers, and service	*578,548	*569,181	*196,359	*195,655	*121,303	--	*736	*73,932
Real estate	189,290	168,757	58,019	56,703	1,442	--	1,980	55,394
Holding and other investment companies, except bank holding companies	1,540,052	1,427,249	494,157	491,773	118,793	--	22	374,530
Services	**6,758,901**	**6,417,390**	**2,211,758**	**2,201,963**	**554,817**	**--**	**195,749**	**1,604,852**
Hotels and other lodging places	*167,493	*167,493	*57,403	*57,209	*38,345	--	*5	*19,053
Personal services	519,426	499,525	174,247	171,556	13,653	--	1,961	158,923
Business services	3,290,179	3,115,798	1,078,668	1,075,533	345,867	--	168,558	696,102
Auto repair; miscellaneous repair services	*84,842	*80,704	*27,543	*27,456	*626	--	*11,669	*21,341
Amusement and recreation services	1,548,786	1,441,429	492,914	490,814	129,628	--	3,895	358,695
All other services	1,148,174	1,112,441	380,983	379,396	26,697	--	9,662	350,739

Footnotes at end of table.

Table 1.--Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Credit Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Foreign income and taxes reported on Form 1118						
	Gross income (less loss)						
	Total	Dividends	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees	Service income	Other income
	(16)	(17)	(18)	(19)	(20)	(21)	(22)
All industries	**223,279,222**	**34,167,370**	**13,222,500**	**34,443,734**	**23,251,907**	**12,951,728**	**105,241,983**
Agriculture, forestry, and fishing	***248,336**	***88,937**	***33,890**	***3,804**	***13,561**	***281**	***107,864**
Mining	**5,471,309**	**173,446**	**114,241**	**159,506**	**7,274**	**1,017,371**	**3,999,470**
Metal mining	*1,505,016	*10,199	*31	*62,967	*1,661	*234,117	*1,196,041
Coal mining	23,360	721	28	801	--	--	21,810
Oil and gas extraction	3,876,094	160,486	113,757	94,583	4,641	782,812	2,719,815
Nonmetallic minerals, except fuels	*66,839	*2,040	*425	*1,155	*972	*441	*61,804
Construction	**1,940,808**	**192,926**	**58,416**	**14,660**	**11,139**	**927,241**	**736,426**
General building contractors	627,903	30,298	11,857	2,258	4,055	552,300	27,135
Heavy construction contractors	1,268,676	162,627	46,560	12,387	4,155	356,735	686,211
Special trade contractors	*44,230	--	--	*14	*2,929	*18,207	*23,080
Manufacturing	**106,158,490**	**25,234,799**	**10,014,133**	**4,745,941**	**18,215,969**	**3,643,502**	**44,304,147**
Food and kindred products	6,469,139	2,487,579	1,109,202	256,642	900,260	117,508	1,597,948
Tobacco manufactures	2,649,615	799,895	360,931	113,340	447,381	5,341	922,727
Textile mill products	144,573	56,983	25,542	7,861	29,284	2,348	22,555
Apparel and other textile products	745,887	222,271	86,818	12,081	240,557	5,825	178,335
Lumber and wood products	179,008	14,194	4,047	11,152	6,113	664	142,838
Furniture and fixtures	*206,526	*107,741	*59,930	*7,075	*15,674	*232	*15,874
Paper and allied products	2,231,473	695,994	331,691	63,751	531,563	22,733	585,741
Printing and publishing	2,382,736	365,377	188,723	66,211	974,115	55,124	733,185
Chemicals and allied products	20,057,120	5,590,738	2,466,267	805,251	3,409,125	324,026	7,461,713
Petroleum (including integrated) and coal products	25,498,391	4,694,193	1,888,106	1,573,229	357,383	1,051,277	15,934,202
Rubber and miscellaneous plastics products	1,191,827	351,000	142,287	33,861	295,448	739	368,492
Leather and leather products	63,542	15,578	985	1,622	15,516	256	29,587
Stone, clay, and glass products	488,985	162,609	77,450	10,648	121,957	41,151	75,171
Primary metal industries	639,784	244,852	139,319	15,939	115,678	9,096	114,899
Fabricated metal products	1,584,738	475,335	236,105	65,754	234,012	72,761	500,772
Machinery, except electrical	16,333,222	4,303,738	1,383,894	201,806	6,934,132	372,003	3,137,649
Electrical and electronic equipment	10,100,059	1,840,048	570,530	1,168,783	2,250,339	736,237	3,534,122
Motor vehicles and equipment	7,425,533	662,364	217,428	147,796	50,326	418,075	5,929,543
Transportation equipment, except motor vehicles	1,164,733	290,032	77,748	45,443	125,575	329,105	296,829
Instruments and related products	5,411,202	1,580,870	515,460	124,847	884,294	36,579	2,269,151
Miscellaneous manufacturing and manufacturing not allocable	1,190,398	273,406	131,670	12,847	277,236	42,424	452,814
Transportation and public utilities	**7,694,922**	**715,041**	**330,719**	**122,552**	**777,399**	**1,232,929**	**4,516,282**
Transportation	704,017	42,246	29,564	13,087	9,797	591,095	18,228
Water transportation	244,499	8,804	2,030	545	7,365	219,763	5,992
All other transportation	459,517	33,442	27,534	12,542	2,432	371,331	12,236
Communication	6,485,279	510,003	258,886	76,440	750,877	463,596	4,425,477
Electric, gas, and sanitary services	505,626	162,792	42,269	33,025	16,724	178,238	72,577

Footnotes at end of table.

Table 1.--Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Credit Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Foreign income and taxes reported on Form 1118						
	Gross income (less loss)						
	Total	Dividends	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees	Service income	Other income
	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Wholesale and retail trade	**24,759,876**	**2,393,102**	**996,213**	**690,582**	**686,992**	**234,076**	**19,758,911**
Wholesale trade	**22,533,257**	**2,073,057**	**881,682**	**468,943**	**277,694**	**115,942**	**18,715,938**
Groceries and related products	*34,960	*802	*760	*23	*686	*739	*31,951
Machinery, equipment, and supplies	95,302	36,017	14,338	1,679	6,617	12,030	24,620
Miscellaneous wholesale trade	22,402,995	2,036,238	866,584	467,242	270,390	103,174	18,659,367
Drugs, chemicals, and allied products	111,418	5,789	1,638	2,340	59,466	18,585	23,601
Petroleum and petroleum products	*1,690,647	*922,555	*318,123	*360,286	*1,228	*361	*88,092
Other miscellaneous wholesale trade	20,600,930	1,107,893	546,823	104,615	209,696	84,228	18,547,674
Retail trade	**2,226,619**	**320,045**	**114,531**	**221,639**	**409,298**	**118,134**	**1,042,973**
Building materials, garden supplies, and mobile home dealers	*391	*387	--	--	--	--	*4
General merchandise stores	307,818	70,441	24,570	8,160	16,454	91,640	96,552
Food stores	76,357	4	--	671	49,071	--	26,611
Apparel and accessory stores	262,819	84,691	15,245	42,109	9,954	13,039	97,781
Eating and drinking places	1,408,173	121,640	65,440	160,611	284,877	12,824	762,781
All other retail stores	171,062	42,882	9,276	10,087	48,943	630	59,243
Finance, insurance, and real estate	**70,558,778**	**4,719,786**	**1,358,733**	**28,552,746**	**757,970**	**4,626,652**	**30,542,891**
Banking	46,532,651	2,149,566	475,508	23,445,571	315,637	3,505,482	16,640,888
Credit agencies other than banks	5,394,656	272,952	53,711	1,705,996	96,781	11,024	3,254,191
Security, commodity brokers, and services	2,671,933	374,771	331,456	1,010,711	1,224	327,224	626,547
Insurance	14,437,090	1,354,068	274,422	2,133,865	315,190	578,419	9,781,126
Insurance agents, brokers, and service	*525,949	*242,607	*111,040	*28,382	*4,366	*114,988	*24,567
Real estate	228,424	5,796	2,636	5,466	6,766	82,597	125,163
Holding and other investment companies, except bank holding companies	768,075	320,027	109,961	222,754	18,006	6,918	90,409
Services	**6,446,703**	**649,333**	**316,155**	**153,944**	**2,781,604**	**1,269,676**	**1,275,991**
Hotels and other lodging places	*194,142	*57,778	*17,058	*2,452	*57,073	*1,274	*58,505
Personal services	94,841	17,128	15,483	3,442	14,643	41,004	3,141
Business services	3,733,578	385,258	226,648	94,389	1,296,840	725,463	1,004,980
Auto repair; miscellaneous repair services	*5,547	*232	--	*905	*2,176	*2,234	--
Amusement and recreation services	1,689,885	177,730	52,494	49,235	1,310,233	32,807	67,385
All other services	728,710	11,205	4,472	3,521	100,639	466,894	141,979

Footnotes at end of table.

Table 1.--Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Credit Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Foreign income and taxes reported on Form 1118--Continued							
				Deductions				
					Deductions allocable to specific types of income			
						Rental, royalty, and licensing expenses		
	Oil and gas extraction income (less loss) [2]	Foreign branch income [2]	Specifically allocable income [section 863 (b)] [2]	Total	Total	Depreciation, depletion, and amortization	Other	Service expenses
	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
All industries	**16,089,821**	**59,200,637**	**19,458,263**	**136,354,449**	**90,279,853**	**907,066**	**2,497,042**	**5,440,996**
Agriculture, forestry, and fishing	--	*4,722	*34,240	*108,882	*32,386	--	*261	*248
Mining	**2,467,268**	**2,483,439**	**8,939**	**3,417,225**	**3,100,343**	**88,540**	**350,505**	**506,739**
Metal mining	--	*835,749	--	*1,103,814	*1,015,405	--	--	--
Coal mining	--	18,727	--	10,707	9,926	--	--	--
Oil and gas extraction	2,426,267	1,569,157	8,939	2,255,814	2,028,172	88,540	350,505	506,259
Nonmetallic minerals, except fuels	*41,001	*59,806	--	*46,891	*46,839	--	--	*480
Construction	--	**929,056**	**565,168**	**1,542,630**	**1,472,143**	--	**5,115**	**806,669**
General building contractors	--	56,983	447,431	528,146	508,075	--	--	488,833
Heavy construction contractors	--	854,082	117,723	988,520	947,500	--	5,109	304,687
Special trade contractors	--	*17,992	*14	*25,964	*16,568	--	*5	*13,149
Manufacturing	**13,594,635**	**22,270,791**	**13,144,779**	**49,103,303**	**32,842,060**	**542,162**	**773,766**	**1,581,087**
Food and kindred products	--	924,291	206,194	1,877,176	779,007	6	2,430	5,707
Tobacco manufactures	--	640,533	3,737	1,326,641	896,819	--	532	--
Textile mill products	--	--	--	29,963	10,245	--	16	1,773
Apparel and other textile products	--	99,523	--	228,570	80,732	8	4,360	--
Lumber and wood products	--	4,060	55,272	145,567	25,980	822	1,755	347
Furniture and fixtures	--	*183	*8,937	*31,215	*23,834	*1,744	--	--
Paper and allied products	--	51,529	452,369	847,740	321,117	1,239	47,207	19,010
Printing and publishing	--	355,876	19,648	1,008,374	517,731	1,067	46,595	19,334
Chemicals and allied products	733,328	3,640,627	2,361,995	8,545,599	5,062,212	3,509	109,394	87,390
Petroleum (including integrated) and coal products	12,858,180	12,760,097	41,823	12,175,844	9,865,473	36,713	367,103	195,422
Rubber and miscellaneous plastics products	1,818	67,333	52,025	460,834	289,637	--	4,288	--
Leather and leather products	--	583	19,726	37,259	11,482	--	--	245
Stone, clay, and glass products	--	33,397	61,006	184,297	74,560	223	2	31,043
Primary metal industries	--	56,097	37,543	186,977	39,603	45	6,617	428
Fabricated metal products	--	123,988	105,521	584,345	305,654	6,960	7,570	41,629
Machinery, except electrical	1,308	1,676,014	693,392	5,014,510	2,891,285	193	2,280	14,269
Electrical and electronic equipment	--	666,228	1,514,813	6,027,654	3,602,292	474,920	93,586	539,279
Motor vehicles and equipment	--	398,404	5,849,057	6,540,124	6,015,972	--	295	410,094
Transportation equipment, except motor vehicles	--	203,242	91,842	703,290	581,490	12,761	1,716	209,924
Instruments and related products	--	455,989	1,421,361	2,678,636	1,157,231	837	17,948	4,544
Miscellaneous manufacturing and manufacturing not allocable	--	112,798	148,518	468,688	289,704	1,115	60,073	650
Transportation and public utilities	**27,889**	**541,276**	**241,068**	**5,296,026**	**3,137,154**	**4,018**	**13,481**	**776,845**
Transportation	--	253,292	43,476	390,844	376,099	444	8,942	361,505
Water transportation	--	--	7,232	66,895	65,242	372	--	61,773
All other transportation	--	253,292	36,244	323,950	310,857	72	8,942	299,731
Communication	--	50,855	196,570	4,656,137	2,544,461	--	4,539	263,736
Electric, gas, and sanitary services	27,889	237,129	1,022	249,045	216,594	3,574	--	151,605

Footnotes at end of table.

Table 1.–Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Credit Reported on Form 1118, by Selected Industrial Group–Continued

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

Major and selected minor industrial group	Foreign income and taxes reported on Form 1118--Continued							
				Deductions				
					Deductions allocable to specific types of income			
						Rental, royalty, and licensing expenses		
	Oil and gas extraction income (less loss) [2]	Foreign branch income [2]	Specifically allocable income [section 863 (b)] [2]	Total	Total	Depreciation, depletion, and amortization	Other	Service expenses
	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Wholesale and retail trade	--	**1,091,271**	**161,136**	**20,467,636**	**19,546,733**	**20,636**	**168,419**	**67,516**
Wholesale trade	--	**239,152**	**67,293**	**19,285,684**	**18,664,500**	**18,979**	**158,917**	**57,882**
Groceries and related products	--	--	--	*28,383	*25,686	*25	--	*416
Machinery, equipment, and supplies	--	--	2,575	32,285	28,761	33	8,815	13,147
Miscellaneous wholesale trade	--	239,152	64,718	19,225,016	18,610,053	18,922	150,102	44,318
Drugs, chemicals, and allied products	--	985	50,250	49,238	39,623	21	792	11,815
Petroleum and petroleum products	--	*60,985	--	*473,620	*100,063	*6	*54	*314
Other miscellaneous wholesale trade	--	177,182	14,468	18,702,159	18,470,367	18,896	149,255	32,189
Retail trade	--	**852,119**	**93,842**	**1,181,952**	**882,233**	**1,656**	**9,502**	**9,634**
Building materials, garden supplies, and mobile home dealers	--	--	--	--	--	--	--	--
General merchandise stores	--	81,742	--	97,859	76,027	--	--	7,205
Food stores	--	26,611	--	27,840	27,752	3	3,900	--
Apparel and accessory stores	--	76,599	--	100,570	76,764	--	--	--
Eating and drinking places	--	646,945	65,577	864,970	656,587	1,441	2,068	2,237
All other retail stores	--	20,222	28,265	90,712	45,102	212	3,534	191
Finance, insurance, and real estate	**29**	**31,028,785**	**5,062,219**	**52,740,141**	**27,536,272**	**112,690**	**267,494**	**774,035**
Banking	--	24,658,283	899,188	35,665,443	17,039,088	34,990	213,982	82,708
Credit agencies other than banks	--	1,553,658	12,613	4,802,741	2,894,062	1,175	1,680	41,721
Security, commodity brokers, and services	--	202,940	391	1,369,620	530,966	173	27,581	243,411
Insurance	29	4,546,961	3,822,922	10,220,805	6,645,892	75,207	20,857	226,216
Insurance agents, brokers, and service	--	*20,245	*214,140	*150,858	*118,912	*490	*71	*90,754
Real estate	--	8,711	112,453	210,033	202,216	655	3,207	83,869
Holding and other investment companies, except bank holding companies	--	37,988	513	320,642	105,136	--	116	5,357
Services	--	**851,296**	**240,714**	**3,678,607**	**2,612,762**	**139,020**	**918,001**	**927,857**
Hotels and other lodging places	--	*6,896	--	*34,846	*15,319	*1,297	*9,480	*669
Personal services	--	--	--	41,331	39,351	--	--	34,832
Business services	--	585,101	38,381	1,908,931	1,173,178	759	192,468	507,116
Auto repair; miscellaneous repair services	--	--	*1,593	*2,438	*2,386	*233	--	*2,153
Amusement and recreation services	--	2,759	48,808	1,104,411	909,932	130,389	680,762	32,023
All other services	--	256,540	151,932	586,650	472,596	6,341	35,291	351,065

Footnotes at end of table.

Table 1.--Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Credit Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Foreign income and taxes reported on Form 1118--Continued							
	Deductions--Continued					Deductions from oil and gas extraction income [3]	Taxable income (less loss) before adjustments	Adjustments to taxable income
	Other deductions allocable to specific types of income	Deductions not allocable to specific types of income						
		Total	Research and development	Interest	Other			
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)
All industries	**81,434,748**	**46,074,597**	**3,322,556**	**22,125,537**	**17,546,722**	**8,173,364**	**86,924,737**	**9,602,516**
Agriculture, forestry, and fishing	***31,877**	***76,496**	***13,356**	***7,112**	***55,835**	**--**	***139,454**	**1,574**
Mining	**2,154,558**	**316,883**	**18,719**	**196,116**	**96,666**	**1,380,071**	**2,054,084**	**159,625**
Metal mining	*1,015,405	*88,408	--	*88,408	--	--	*401,202	*6,398
Coal mining	9,926	780	--	20	--	--	12,653	--
Oil and gas extraction	1,082,868	227,642	18,719	107,686	96,666	1,351,415	1,620,280	153,227
Nonmetallic minerals, except fuels	*46,358	*52	--	*2	--	*28,656	*19,948	--
Construction	**660,359**	**70,488**	**3,250**	**16,672**	**49,274**	**--**	**398,178**	**94,806**
General building contractors	19,242	20,071	383	7,440	12,248	--	99,756	--
Heavy construction contractors	637,704	41,020	2,853	8,967	28,930	--	280,155	94,806
Special trade contractors	*3,413	*9,396	*15	*264	*8,096	--	*18,266	--
Manufacturing	**29,945,044**	**16,261,244**	**2,786,440**	**6,479,006**	**5,990,937**	**6,777,559**	**57,055,153**	**5,393,948**
Food and kindred products	770,864	1,098,170	15,802	334,546	654,593	--	4,591,963	517,025
Tobacco manufactures	896,287	429,822	--	--	--	--	1,322,974	--
Textile mill products	8,456	19,718	764	10,006	4,369	--	114,609	16,003
Apparel and other textile products	76,363	147,838	2,870	43,178	99,849	--	517,318	7,491
Lumber and wood products	23,056	119,587	583	24,821	94,183	--	33,441	710
Furniture and fixtures	*22,090	*7,382	*200	*1,686	*4,520	--	*175,311	*2,420
Paper and allied products	253,660	526,623	122,392	149,481	254,336	--	1,383,734	46,011
Printing and publishing	450,735	490,642	5,606	143,238	276,987	--	1,374,362	165,611
Chemicals and allied products	4,861,920	3,483,386	789,441	1,251,447	1,370,137	433,603	11,511,521	147,230
Petroleum (including integrated) and coal products	9,266,235	2,310,371	136,807	1,747,090	426,452	6,343,694	13,322,513	117,965
Rubber and miscellaneous plastics products	285,349	171,197	7,386	16,503	138,360	--	730,993	46,824
Leather and leather products	11,237	25,777	79	12,032	12,538	--	26,283	--
Stone, clay, and glass products	43,292	109,738	8,080	75,282	26,375	--	304,687	718
Primary metal industries	32,513	147,374	2,278	52,761	91,790	--	452,807	182
Fabricated metal products	249,495	278,691	14,321	134,084	112,701	--	1,000,393	19,377
Machinery, except electrical	2,874,543	2,123,225	802,276	656,174	492,508	263	11,318,712	3,936,194
Electrical and electronic equipment	2,494,507	2,425,362	457,186	869,784	1,024,238	--	4,072,405	40,433
Motor vehicles and equipment	5,605,583	524,152	3,001	457,283	63,652	--	885,409	10,623
Transportation equipment, except motor vehicles	357,088	121,800	7,313	86,818	25,961	--	461,443	4,958
Instruments and related products	1,133,903	1,521,405	387,829	360,510	733,386	--	2,732,566	216,750
Miscellaneous manufacturing and manufacturing not allocable	227,866	178,984	22,225	52,282	84,001	--	721,710	97,421
Transportation and public utilities	**2,342,811**	**2,158,871**	**297,350**	**530,311**	**1,287,999**	**15,734**	**2,398,896**	**13,035**
Transportation	5,209	14,745	20	11,390	2,045	--	313,172	12,951
Water transportation	3,097	1,653	--	1,534	77	--	177,604	--
All other transportation	2,112	13,092	20	9,856	1,968	--	135,568	12,951
Communication	2,276,186	2,111,676	294,965	489,220	1,284,848	--	1,829,143	85
Electric, gas, and sanitary services	61,415	32,450	2,365	29,701	1,106	15,734	256,581	--

Footnotes at end of table.

Table 1.--Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Credit Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Foreign income and taxes reported on Form 1118--Continued							
	Deductions--Continued					Deductions from oil and gas extraction income [3]	Taxable income (less loss) before adjustments	Adjustments to taxable income
	Other deductions allocable to specific types of income	Deductions not allocable to specific types of income						
		Total	Research and development	Interest	Other			
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)
Wholesale and retail trade	**19,290,163**	**920,902**	**14,913**	**485,721**	**344,607**	--	**4,292,238**	**85,641**
Wholesale trade	**18,428,722**	**621,184**	**13,146**	**331,667**	**208,944**	--	**3,247,572**	**82,828**
Groceries and related products	*25,245	*2,696	*11	*133	*2,553	--	*6,577	--
Machinery, equipment, and supplies	6,766	3,524	--	1,795	479	--	63,017	--
Miscellaneous wholesale trade	18,396,711	614,963	13,135	329,739	205,912	--	3,177,977	82,828
Drugs, chemicals, and allied products	26,994	9,615	2,163	158	6,850	--	62,181	1,191
Petroleum and petroleum products	*99,689	*373,556	--	*270,554	*103,002	--	*1,217,027	*60,676
Other miscellaneous wholesale trade	18,270,027	231,792	10,972	59,027	96,060	--	1,898,769	20,962
Retail trade	**861,441**	**299,719**	**1,767**	**154,055**	**135,664**	--	**1,044,667**	**2,813**
Building materials, garden supplies, and mobile home dealers	--	--	--	--	--	--	*391	--
General merchandise stores	68,822	21,832	--	19,020	2,813	--	209,959	973
Food stores	23,849	89	--	63	7	--	48,516	--
Apparel and accessory stores	76,764	23,806	--	13,994	9,587	--	162,249	--
Eating and drinking places	650,841	208,382	52	111,892	89,595	--	543,203	497
All other retail stores	41,165	45,610	1,715	9,087	33,662	--	80,349	2,338
Finance, insurance, and real estate	**26,382,054**	**25,203,868**	**5,524**	**14,296,203**	**9,103,666**	**1**	**17,818,637**	**3,584,185**
Banking	16,707,410	18,626,354	3,441	11,694,018	6,178,641	--	10,867,209	3,183,204
Credit agencies other than banks	2,849,487	1,908,678	2,082	1,196,956	709,640	--	591,915	72,485
Security, commodity brokers, and services	259,800	838,654	--	666,317	95,033	--	1,302,313	181
Insurance	6,323,611	3,574,913	--	525,172	2,084,410	1	4,216,285	284,164
Insurance agents, brokers, and service	*27,598	*31,946	--	*18,306	*11,748	--	*375,092	*11,735
Real estate	114,485	7,817	--	7,796	21	--	18,390	11,937
Holding and other investment companies, except bank holding companies	99,663	215,505	--	187,637	24,172	--	447,434	20,478
Services	**627,883**	**1,065,845**	**183,004**	**114,395**	**617,738**	--	**2,768,097**	**269,702**
Hotels and other lodging places	*3,873	*19,527	--	*9,882	*9,645	--	*159,297	*5,252
Personal services	4,519	1,980	--	1,097	407	--	53,510	35
Business services	472,835	735,754	176,477	59,710	431,033	--	1,824,647	261,240
Auto repair; miscellaneous repair services	--	*52	--	*28	*24	--	*3,109	--
Amusement and recreation services	66,757	194,479	2,605	37,609	104,239	--	585,474	1,599
All other services	79,899	114,054	3,921	6,069	72,391	--	142,060	1,576

Footnotes at end of table.

Table 1.--Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Credit Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Foreign income and taxes reported on Form 1118--Continued						
		Foreign taxes available for credit					
						Paid or accrued	
	Taxable income (less loss) after adjustments	Total	Reduction for certain foreign taxes	Carryover	Total paid, accrued, and deemed paid	Total	Taxes withheld at source on dividends
	(39)	(40)	(41)	(42)	(43)	(44)	(45)
All industries	**77,322,617**	**28,468,175**	**1,263,602**	**7,157,415**	**22,574,362**	**9,335,680**	**1,595,575**
Agriculture, forestry, and fishing	***137,894**	***43,238**	**--**	***4,063**	***39,175**	***5,286**	***2,625**
Mining	**1,894,459**	**1,144,602**	**199,990**	**495,800**	**848,793**	**734,552**	**22,648**
Metal mining	*394,804	*262,788	--	*89,267	*173,521	*173,490	*3,325
Coal mining	12,653	4,398	--	--	4,398	4,370	77
Oil and gas extraction	1,467,054	869,766	196,980	404,608	662,138	548,380	19,139
Nonmetallic minerals, except fuels	*19,948	*7,649	*3,011	*1,924	*8,736	*8,311	*107
Construction	**303,371**	**120,054**	**3,836**	**15,618**	**108,271**	**49,595**	**3,202**
General building contractors	99,756	38,979	--	14,786	24,193	12,340	2,103
Heavy construction contractors	185,349	76,806	3,836	675	79,968	33,143	1,099
Special trade contractors	*18,266	*4,268	--	*157	*4,111	*4,111	--
Manufacturing	**51,661,587**	**20,469,244**	**1,058,106**	**5,408,150**	**16,119,200**	**6,102,841**	**1,245,776**
Food and kindred products	4,074,948	1,490,466	2,716	46,806	1,446,375	337,189	131,600
Tobacco manufactures	1,322,974	446,015	--	--	446,015	84,188	47,618
Textile mill products	98,606	33,079	--	1,870	31,209	5,667	2,589
Apparel and other textile products	509,827	200,458	--	83,183	117,275	30,457	8,239
Lumber and wood products	32,731	6,146	--	3	6,142	2,095	144
Furniture and fixtures	*172,891	*95,555	--	*26,909	*68,646	*8,716	*5,840
Paper and allied products	1,337,722	427,889	--	19,443	408,446	76,754	29,269
Printing and publishing	1,208,752	340,276	--	58,936	281,340	92,617	14,251
Chemicals and allied products	11,364,299	3,850,820	28,671	567,627	3,311,864	845,259	299,248
Petroleum (including integrated) and coal products	13,204,547	7,661,889	1,025,886	3,535,288	5,152,487	3,264,500	247,232
Rubber and miscellaneous plastics products	684,169	308,494	351	102,502	206,343	63,705	23,269
Leather and leather products	26,283	10,332	--	7,415	2,917	1,932	5
Stone, clay, and glass products	303,969	123,417	47	24,041	99,423	21,973	11,378
Primary metal industries	452,624	232,346	248	73,657	158,936	19,618	11,080
Fabricated metal products	981,016	345,254	--	54,013	291,241	54,903	20,384
Machinery, except electrical	7,382,518	2,246,423	152	260,187	1,986,387	602,494	191,069
Electrical and electronic equipment	4,031,972	1,040,349	--	149,278	891,071	320,541	67,572
Motor vehicles and equipment	875,132	413,633	--	148,813	264,820	47,274	16,753
Transportation equipment, except motor vehicles	456,485	164,336	--	66,957	97,379	19,630	6,326
Instruments and related products	2,515,833	814,879	--	136,081	678,797	162,913	96,342
Miscellaneous manufacturing and manufacturing not allocable	624,289	217,190	34	45,139	172,085	40,415	15,568
Transportation and public utilities	**2,385,861**	**595,075**	**1,496**	**84,226**	**512,344**	**175,518**	**25,289**
Transportation	300,221	62,526	--	9,992	52,534	22,970	2,831
Water transportation	177,604	11,288	--	518	10,771	8,740	263
All other transportation	122,617	51,238	--	9,475	41,763	14,229	2,568
Communication	1,829,058	447,920	--	63,341	384,579	119,586	14,617
Electric, gas, and sanitary services	256,581	84,629	1,496	10,894	75,231	32,963	7,840

Footnotes at end of table.

Table 1.--Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Credit Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Foreign income and taxes reported on Form 1118--Continued						
		Foreign taxes available for credit					
						Paid or accrued	
	Taxable income (less loss) after adjustments	Total	Reduction for certain foreign taxes	Carryover	Total paid, accrued, and deemed paid	Total	Taxes withheld at source on dividends
	(39)	(40)	(41)	(42)	(43)	(44)	(45)
Wholesale and retail trade	**4,206,597**	**1,466,518**	**3**	**138,967**	**1,327,554**	**327,722**	**87,866**
Wholesale trade	**3,164,743**	**1,128,164**	**3**	**70,621**	**1,057,546**	**175,737**	**54,446**
Groceries and related products	*6,577	*4,588	--	*2,144	*2,444	*1,684	*83
Machinery, equipment, and supplies	63,017	21,003	--	5,011	15,991	1,653	512
Miscellaneous wholesale trade	3,095,149	1,102,574	3	63,465	1,039,111	172,399	53,852
Drugs, chemicals, and allied products	60,990	7,387	--	1,259	6,128	4,490	376
Petroleum and petroleum products	*1,156,352	*358,071	--	--	*358,071	*39,947	*30,118
Other miscellaneous wholesale trade	1,877,808	737,116	3	62,206	674,912	127,962	23,358
Retail trade	**1,041,854**	**338,353**	**--**	**68,346**	**270,008**	**151,985**	**33,419**
Building materials, garden supplies, and mobile home dealers	*391	*59	--	--	*59	*59	*59
General merchandise stores	208,986	52,955	--	11,327	41,628	13,566	248
Food stores	48,516	11,318	--	5,028	6,290	6,290	1
Apparel and accessory stores	162,249	43,154	--	3,886	39,268	24,023	5,555
Eating and drinking places	543,700	210,155	--	43,238	166,917	101,477	25,366
All other retail stores	78,012	20,712	--	4,866	15,846	6,571	2,190
Finance, insurance, and real estate	**14,234,453**	**3,851,205**	**172**	**831,854**	**3,019,522**	**1,658,110**	**170,167**
Banking	7,684,005	2,035,422	1	614,825	1,420,598	945,528	44,479
Credit agencies other than banks	519,430	167,070	--	20,954	146,116	92,405	10,962
Security, commodity brokers, and services	1,302,131	415,009	--	7,573	407,436	75,695	31,370
Insurance	3,932,121	905,673	171	115,193	790,651	513,396	59,411
Insurance agents, brokers, and service	*363,357	*124,521	--	*4,683	*119,838	*8,798	*6,957
Real estate	6,453	4,328	--	797	3,531	895	288
Holding and other investment companies, except bank holding companies	426,956	199,181	--	67,829	131,352	21,393	16,700
Services	**2,498,395**	**778,238**	**--**	**178,738**	**599,500**	**282,057**	**38,002**
Hotels and other lodging places	*154,044	*55,873	--	*13,458	*42,415	*25,356	*2,628
Personal services	53,476	46,078	--	23,299	22,779	7,296	1,823
Business services	1,563,408	428,798	--	66,601	362,197	134,261	20,399
Auto repair; miscellaneous repair services	*3,109	*801	--	*295	*506	*506	*35
Amusement and recreation services	583,875	142,243	--	7,751	134,492	81,998	11,363
All other services	140,484	104,446	--	67,334	37,112	32,640	1,754

Footnotes at end of table.

Table 1.--Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Credit Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Foreign income and taxes reported on Form 1118--Continued						
	Foreign taxes available for credit--Continued						
	Paid or accrued--Continued						
	Taxes withheld at source on--		Other taxes paid or accrued on--				Taxes deemed paid
	Interest	Rents, royalties, and license fees	Branch income	Specifically allocable income [section 863 (b)]	Service income	Other income	
	(46)	(47)	(48)	(49)	(50)	(51)	(52)
All industries	**274,284**	**1,172,577**	**3,989,790**	**31,216**	**171,029**	**2,101,209**	**13,238,682**
Agriculture, forestry, and fishing	***88**	***1,128**	***110**	**--**	**--**	***1,334**	***33,890**
Mining	**12,548**	**229**	**113,643**	**--**	**23,433**	**562,051**	**114,241**
Metal mining	*12,449	--	*49,615	--	*22,734	*85,367	*31
Coal mining	--	--	3,872	--	--	422	28
Oil and gas extraction	20	194	52,160	--	660	476,209	113,757
Nonmetallic minerals, except fuels	*79	*35	*7,997	--	*39	*54	*425
Construction	**56**	**1,117**	**28,267**	**141**	**11,706**	**5,105**	**58,677**
General building contractors	--	367	593	141	7,073	2,064	11,852
Heavy construction contractors	54	488	27,674	--	3,085	742	46,824
Special trade contractors	*2	*263	--	--	*1,548	*2,299	--
Manufacturing	**116,993**	**964,299**	**2,505,592**	**2,932**	**58,813**	**1,208,437**	**10,016,360**
Food and kindred products	7,091	56,305	122,967	--	4,807	14,419	1,109,186
Tobacco manufactures	1,091	28,128	6,535	--	4	813	361,827
Textile mill products	1,060	1,744	--	--	64	209	25,542
Apparel and other textile products	153	13,142	8,015	--	218	690	86,818
Lumber and wood products	1,008	199	25	--	--	718	4,047
Furniture and fixtures	*1,087	*1,774	--	--	--	*16	*59,930
Paper and allied products	1,275	33,891	10,241	18	1,165	894	331,692
Printing and publishing	5,633	67,317	595	33	301	4,488	188,723
Chemicals and allied products	18,492	183,663	278,833	1	8,040	56,981	2,466,606
Petroleum (including integrated) and coal products	39,737	10,140	1,878,228	--	6,951	1,082,212	1,887,987
Rubber and miscellaneous plastics products	1,218	21,613	15,133	--	142	2,329	142,639
Leather and leather products	47	1,772	68	--	--	41	985
Stone, clay, and glass products	640	6,606	1,114	--	2,238	3	77,450
Primary metal industries	599	6,613	379	--	233	714	139,319
Fabricated metal products	2,001	12,100	9,919	--	4,028	6,470	236,338
Machinery, except electrical	2,262	319,158	64,582	--	8,923	16,499	1,383,894
Electrical and electronic equipment	14,886	146,001	68,962	2,672	8,126	12,322	570,530
Motor vehicles and equipment	13,072	6,020	1,094	--	10,281	53	217,546
Transportation equipment, except motor vehicles	660	6,810	3,453	--	1,684	698	77,748
Instruments and related products	3,938	26,497	31,545	208	1,465	2,919	515,884
Miscellaneous manufacturing and manufacturing not allocable	1,043	14,805	3,903	--	142	4,954	131,670
Transportation and public utilities	**3,351**	**12,011**	**6,054**	**787**	**18,747**	**109,279**	**336,826**
Transportation	817	308	1,902	787	15,392	932	29,564
Water transportation	105	20	--	787	7,398	167	2,030
All other transportation	712	288	1,902	--	7,994	765	27,534
Communication	126	9,571	295	--	1,850	93,127	264,993
Electric, gas, and sanitary services	2,408	2,133	3,857	--	1,506	15,219	42,269

Footnotes at end of table.

Table 1.--Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Credit Reported on Form 1118, by Selected Industrial Group--Continued

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

Major and selected minor industrial group	Foreign income and taxes reported on Form 1118--Continued						
	Foreign taxes available for credit--Continued						
	Paid or accrued--Continued						
	Taxes withheld at source on--		Other taxes paid or accrued on--				Taxes deemed paid
	Interest	Rents, royalties, and license fees	Branch income	Specifically allocable income [section 863 (b)]	Service income	Other income	
	(46)	(47)	(48)	(49)	(50)	(51)	(52)
Wholesale and retail trade	**12,951**	**46,618**	**144,831**	**23**	**5,392**	**30,041**	**999,832**
Wholesale trade	**5,605**	**18,855**	**82,494**	**23**	**4,383**	**9,929**	**881,809**
Groceries and related products	--	*71	--	--	*1,530	--	*760
Machinery, equipment, and supplies	158	531	--	--	435	18	14,338
Miscellaneous wholesale trade	5,448	18,254	82,494	23	2,418	9,911	866,712
Drugs, chemicals, and allied products	244	1,919	300	--	1,511	139	1,638
Petroleum and petroleum products	*694	--	*4,995	--	--	*4,140	*318,123
Other miscellaneous wholesale trade	4,510	16,334	77,199	23	907	5,631	546,950
Retail trade	**7,346**	**27,763**	**62,336**	**--**	**1,008**	**20,112**	**118,022**
Building materials, garden supplies, and mobile home dealers	--	--	--	--	--	--	--
General merchandise stores	581	669	11,864	--	202	1	28,062
Food stores	101	5,081	372	--	--	735	--
Apparel and accessory stores	4,417	1,246	10,337	--	64	2,404	15,245
Eating and drinking places	1,792	18,790	38,028	--	721	16,781	65,440
All other retail stores	456	1,977	1,735	--	21	191	9,276
Finance, insurance, and real estate	**122,720**	**13,100**	**1,168,201**	**23,224**	**21,477**	**139,219**	**1,361,413**
Banking	86,155	797	757,391	21,955	292	34,459	475,070
Credit agencies other than banks	1,463	6,284	72,623	--	542	531	53,711
Security, commodity brokers, and services	3,121	86	9,219	--	4,839	27,060	331,742
Insurance	30,518	5,617	327,740	1,270	15,777	73,063	277,256
Insurance agents, brokers, and service	*100	*13	*705	--	*28	*996	*111,040
Real estate	36	140	--	--	--	430	2,636
Holding and other investment companies, except bank holding companies	1,329	162	523	--	--	2,679	109,958
Services	**5,576**	**134,074**	**23,091**	**4,108**	**31,462**	**45,743**	**317,443**
Hotels and other lodging places	--	*10,695	*1,508	--	*66	*10,459	*17,058
Personal services	271	824	759	--	3,185	434	15,483
Business services	1,510	53,196	16,730	606	8,288	33,532	227,936
Auto repair; miscellaneous repair services	*136	*262	--	--	*73	--	--
Amusement and recreation services	3,429	62,713	381	3,503	243	366	52,494
All other services	231	6,383	3,713	--	19,606	952	4,472

Footnotes at end of table.

Footnotes and Notes to Table 1:

*** Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals

*Data should be used with caution because of the small number of returns on which they were based.

[1] Less than $500.

[2] Included in gross income (less loss), columns 16-22. See note below.

[3] Included in deductions, columns 26-35. See note below.

[4] Interest Charge - Domestic International Sales Corporation (IC-DISC) and Domestic International Sales Corporation (DISC).

[5] Foreign Sales Corporation (FSC).

NOTES: Columns 2 through 15 present statistics on assets, receipts, income, and taxes reported on the Form 1120 (corporation income tax return) series for corporations claiming a foreign tax credit. Columns 16 through 52 present statistics from Form 1118, Foreign Tax Credit--Corporations. Schedule references indicate the schedule of Form 1118 from which the data were obtained. Columns 16 through 36 present statistics on foreign income (i.e., income from sources outside the United States) and deductions reported primarily on Schedule A, Form 1118. Although the amounts of oil and gas income and deductions (columns 23 and 36) are contained in the summary columns (i.e., columns 16 through 22 and 26 through 35), these amounts are also reported separately (on Schedule I) because oil and gas income is subject to special rules under Internal Revenue Code section 907, which may result in a reduction of foreign taxes available for credit. Section 863(b) income (income partly within and partly without the United States) and foreign branch income are also included in the summary amounts reported in columns 16 through 22 and are also reported separately (on Schedule F) in columns 24 and 25. Total deductions not allocable to specific types of income (column 32) is equal to the sum of columns 33 through 35 (any differences are due to taxpayer reporting practices). Total foreign-source income (column 16) less total foreign deductions (column 26) is equal to foreign-source taxable income before adjustments (column 37).

Adjustments to foreign source-taxable income (reported in column 38) include allocations of current-year U.S.-source losses and recapture of foreign losses, as well as other adjustments. These adjustments (reported on Schedule J) affect the numerator of the limitation fraction used to compute the foreign tax credit. The foreign-source taxable income after adjustments (the numerator of the limitation fraction) is reported in column 39. The limitation fraction, which represents the ratio of foreign-source taxable income after adjustments to total (U.S. and foreign) taxable income after adjustments, is applied to the total U.S. tax against which the credit is allowed to determine any limitation on the foreign tax credit.

Statistics on foreign taxes are reported in columns 40 through 52. Data on foreign taxes paid, accrued, and deemed paid (through related foreign corporations or their subsidiaries), from Schedule B, Form 1118, are reported in columns 43 through 52. Total foreign taxes paid or accrued (column 44) is the sum of columns 45 through 51 (any differences are due to taxpayer reporting practices). Total foreign taxes paid, accrued, and deemed paid (column 43) is equal to the sum of total taxes paid or accrued (column 44) and taxes deemed paid (column 52). Total foreign taxes paid, accrued, and deemed paid are then adjusted for certain items (e.g., reductions of foreign taxes under Code section 907 related to oil and gas income), which are reported in column 41, as well as carryovers of foreign taxes not credited in prior years, which are reported in column 42. Thus, total foreign taxes available for credit (column 40) is equal to total foreign taxes paid, accrued, and deemed paid (column 43) less certain foreign taxes (column 41), plus any carryover of prior-year foreign taxes (column 42).

Table 2.–Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Foreign Tax Credit Reported on Form 1118, by Industrial Division and Income Type

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

Income type and industrial division	Number of returns	Foreign income and taxes reported on Form 1118						
		Gross income (less loss)						
		Total	Dividends	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees	Service income	Other income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
ALL INDUSTRIES								
All income types	**5,147**	**223,279,222**	**34,167,370**	**13,222,500**	**34,443,734**	**23,251,907**	**12,951,728**	**105,241,983**
Passive income	1,556	3,439,394	1,392,759	111,532	1,470,906	239,779	1,739	222,679
High withholding tax interest	330	1,112,029	18,395	5,519	1,076,749	11,180	–	186
Financial services income	251	87,034,276	4,964,333	1,391,334	27,850,953	736,135	4,433,681	47,657,840
Shipping income	51	1,155,494	123,497	26,104	17,803	306,635	458,587	222,868
Dividends from noncontrolled section 902 corporations	544	1,536,993	1,082,864	420,489	10,946	218	369	22,107
Dividends from an IC-DISC or former DISC [4]	75	51,941	51,922	19	–	–	–	–
Certain distributions from a FSC or former FSC [5]	54	968,715	968,194	–	–	521	–	–
All other income from outside the United States	3,518	127,826,132	25,488,163	11,253,844	4,016,316	21,951,077	8,056,726	57,060,007
AGRICULTURE, FORESTRY, AND FISHING								
All income types	***109**	***248,336**	***88,937**	***33,890**	***3,804**	***13,561**	***281**	***107,864**
Passive income	90	1,634	982	280	372	–	–	–
High withholding tax interest	***	***	***	***	***	***	***	***
Financial services income	–	–	–	–	–	–	–	–
Shipping income	–	–	–	–	–	–	–	–
Dividends from noncontrolled section 902 corporations	***	512	444	68	–	–	–	–
Dividends from an IC-DISC or former DISC [4]	–	–	–	–	–	–	–	–
Certain distributions from a FSC or former FSC [5]	***	6,600	6,600	–	–	–	–	–
All other income from outside the United States	21	239,590	80,910	33,542	3,432	13,561	281	107,864
MINING								
All income types	**110**	**5,471,309**	**173,446**	**114,241**	**159,506**	**7,274**	**1,017,371**	**3,999,470**
Passive income	19	38,286	1,712	35	36,499	40	–	1
High withholding tax interest	***	***	***	***	***	***	***	***
Financial services income	–	–	–	–	–	–	–	–
Shipping income	–	–	–	–	–	–	–	–
Dividends from noncontrolled section 902 corporations	8	26,198	16,753	9,445	–	–	–	–
Dividends from an IC-DISC or former DISC [4]	–	–	–	–	–	–	–	–
Certain distributions from a FSC or former FSC [5]	–	–	–	–	–	–	–	–
All other income from outside the United States	103	5,398,852	154,453	104,552	115,773	7,235	1,017,371	3,999,469
CONSTRUCTION								
All income types	**407**	**1,940,808**	**192,926**	**58,416**	**14,660**	**11,139**	**927,241**	**736,426**
Passive income	24	26,759	12,998	1,415	3,103	2,440	–	6,803
High withholding tax interest	4	207	–	–	207	–	–	–
Financial services income	–	–	–	–	–	–	–	–
Shipping income	–	–	–	–	–	–	–	–
Dividends from noncontrolled section 902 corporations	97	5,621	4,162	1,416	–	–	–	44
Dividends from an IC-DISC or former DISC [4]	–	–	–	–	–	–	–	–
Certain distributions from a FSC or former FSC [5]	–	–	–	–	–	–	–	–
All other income from outside the United States	293	1,886,602	160,886	51,750	11,350	8,699	926,884	727,034
MANUFACTURING								
All income types	**1,356**	**106,158,490**	**25,234,799**	**10,014,133**	**4,745,941**	**18,215,969**	**3,643,502**	**44,304,147**
Passive income	460	2,628,260	1,090,767	74,404	1,170,003	172,197	–	120,889
High withholding tax interest	115	72,723	6,699	2,616	63,279	–	–	130
Financial services income	80	1,534,495	483,152	83,653	471,497	77,419	52,347	366,427
Shipping income	20	620,407	110,862	23,539	15,021	217,704	40,695	212,586
Dividends from noncontrolled section 902 corporations	210	1,034,083	710,802	291,988	9,161	218	325	21,589
Dividends from an IC-DISC or former DISC [4]	46	49,410	49,391	19	–	–	–	–
Certain distributions from a FSC or former FSC [5]	48	903,692	903,692	–	–	–	–	–
All other income from outside the United States	1,146	99,266,276	21,849,074	9,536,544	3,016,975	17,742,069	3,549,866	43,571,748

Footnotes at end of table.

Table 2.--Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Foreign Tax Credit Reported on Form 1118, by Industrial Division and Income Type--Continued

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

Income type and industrial division	Number of returns	Foreign income and taxes reported on Form 1118						
		Gross income (less loss)						
		Total	Dividends	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees	Service income	Other income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
TRANSPORTATION AND PUBLIC UTILITIES								
All income types	**132**	**7,694,922**	**715,041**	**330,719**	**122,552**	**777,399**	**1,232,929**	**4,516,282**
Passive income	25	134,241	50,872	6,316	11,002	1,147	--	64,905
High withholding tax interest	38	3,771	197	71	3,502	--	--	--
Financial services income	4	3,018	1,128	--	1,673	217	--	--
Shipping income	24	493,373	6,555	1,805	1,967	59,215	417,892	5,939
Dividends from noncontrolled section 902 corporations	12	21,087	15,216	5,195	676	--	--	--
Dividends from an IC-DISC or former DISC [4]	***	2,407	2,407	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	--	--
All other income from outside the United States	64	6,994,058	638,625	317,331	103,682	716,820	815,037	4,402,563
WHOLESALE AND RETAIL TRADE								
All income types	**695**	**24,759,876**	**2,393,102**	**996,213**	**690,582**	**686,992**	**234,076**	**19,758,911**
Passive income	381	157,126	57,264	11,003	63,963	23,443	--	1,453
High withholding tax interest	37	62,466	2,534	856	59,021	--	--	55
Financial services income	8	18,758,005	579,115	210,497	308,759	--	255	17,659,379
Shipping income	3	3,561	2,765	760	49	--	--	14
Dividends from noncontrolled section 902 corporations	52	78,757	57,202	20,943	205		--	407
Dividends from an IC-DISC or former DISC [4]	4	88	88	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	3	2,436	2,436	--	--	--	--	--
All other income from outside the United States	321	5,659,301	1,661,444	744,272	258,584	663,549	233,822	2,097,631
FINANCE, INSURANCE, AND REAL ESTATE								
All income types	**1,278**	**70,558,778**	**4,719,786**	**1,358,733**	**28,552,746**	**757,970**	**4,626,652**	**30,542,891**
Passive income	446	298,713	113,122	16,535	159,064	1,854	1,739	6,399
High withholding tax interest	123	933,238	8,966	1,976	911,115	11,180	--	2
Financial services income	154	66,731,200	3,896,963	1,097,184	27,063,569	658,499	4,381,079	29,633,907
Shipping income	3	37,237	3,315	--	4	29,561	--	4,357
Dividends from noncontrolled section 902 corporations	136	353,350	268,097	84,907	275	--	--	72
Dividends from an IC-DISC or former DISC [4]	23	35	35	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	***	17,637	17,116	--	--	521	--	--
All other income from outside the United States	598	2,186,174	411,438	157,770	418,718	56,355	243,834	898,059
SERVICES								
All income types	**1,061**	**6,446,703**	**649,333**	**316,155**	**153,944**	**2,781,604**	**1,269,676**	**1,275,991**
Passive income	111	154,375	65,040	1,544	26,901	38,659	--	22,230
High withholding tax interest	9	32,389	--	--	32,389	--	--	--
Financial services income	5	7,557	3,975	--	5,455	--	--	1,873
Shipping income	***	917	--	--	761	155	--	--
Dividends from noncontrolled section 902 corporations	28	17,384	10,188	6,528	630	--	44	5
Dividends from an IC-DISC or former DISC [4]	***	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	***	38,350	38,350	--	--	--	--	--
All other income from outside the United States	974	6,195,280	531,333	308,083	87,802	2,742,790	1,269,632	1,255,639

Footnotes at end of table.

Table 2.--Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Foreign Tax Credit Reported on Form 1118, by Industrial Division and Income Type--Continued

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

Income type and industrial division	Foreign income and taxes reported on Form 1118--Continued							
				Deductions				
					Deductions allocable to specific types of income			
						Rental, royalty and licensing expenses		
	Oil and gas extraction income (less loss) [2]	Foreign branch income [2]	Specifically allocable income [Section 863 (b)] [2]	Total	Total	Depreciation, depletion, and amortization	Other	Service expenses
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
ALL INDUSTRIES								
All income types	**16,089,821**	**59,200,637**	**19,458,263**	**136,354,449**	**90,279,853**	**907,066**	**2,497,042**	**5,440,996**
Passive income	--	56,236	2,343	1,469,184	704,756	2,577	21,830	662
High withholding tax interest	--	69,420	28,461	611,193	139,675	4,065	4,167	--
Financial services income	--	31,023,050	4,691,800	69,560,296	44,626,315	132,469	260,503	685,617
Shipping income	--	298,713	7,232	1,058,214	675,878	169,276	20,415	256,554
Dividends from noncontrolled section 902 corporations	--	7,530	48,929	463,593	31,419	346	1	44
Dividends from an IC-DISC or former DISC [4]	--	303	--	1,021	4	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	813,512	798,256	--	--	--
All other income from outside the United States	16,089,821	27,739,119	14,679,403	62,337,730	43,282,660	598,332	2,190,126	4,498,120
AGRICULTURE, FORESTRY, AND FISHING								
All income types	--	***4,722**	***34,240**	***108,882**	***32,386**	--	***261**	***248**
Passive income	--	--	--	590	--	--	--	--
High withholding tax interest	***	***	***	***	***	***	***	***
Financial services income	--	--	--	--	--	--	--	--
Shipping income	--	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations	--	--	--	207	--	--	--	--
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	6,600	--	--	--	--
All other income from outside the United States	--	4,722	34,240	101,485	32,386	--	261	248
MINING								
All income types	**2,467,268**	**2,483,439**	**8,939**	**3,417,225**	**3,100,343**	**88,540**	**350,505**	**506,739**
Passive income	--	1,761	--	14,454	885		1	--
High withholding tax interest	***	***	***	***	***	***	***	***
Financial services income	--	--	--	--	--	--	--	--
Shipping income	--	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations	--	--	--	594	200	--	--	--
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	--	--
All other income from outside the United States	2,467,268	2,481,678	8,939	3,397,713	3,098,026	88,540	350,504	506,739
CONSTRUCTION								
All income types	--	**929,056**	**565,168**	**1,542,630**	**1,472,143**	--	**5,115**	**806,669**
Passive income	--	--	--	10,034	3,835	--	--	--
High withholding tax interest	--	--	14	11	--	--	--	--
Financial services income	--	--	--	--	--	--	--	--
Shipping income	--	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations	--	--	--	770	47	--	--	--
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	--	--
All other income from outside the United States	--	923,516	565,154	1,520,910	1,459,924	--	5,115	806,669
MANUFACTURING								
All income types	**13,594,635**	**22,270,791**	**13,144,779**	**49,103,303**	**32,842,060**	**542,162**	**773,766**	**1,581,087**
Passive income	--	50,954	1,301	1,236,892	635,774	1,961	15,992	
High withholding tax interest	--	1,316	167	34,565	1,403	--	--	--
Financial services income	--	233,358	--	840,446	448,889	25,575	1,355	34,624
Shipping income	--	79,223	--	514,958	328,352	111,569	20,415	10,247
Dividends from noncontrolled section 902 corporations	--	7,530	--	284,608	21,871	346	--	--
Dividends from an IC-DISC or former DISC [4]	--	303	--	711	4	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	744,198	743,323	--	--	--
All other income from outside the United States	13,594,635	21,897,382	13,143,310	45,428,264	30,650,043	402,711	736,004	1,536,216

Footnotes at end of table.

Table 2.--Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Foreign Tax Credit Reported on Form 1118, by Industrial Division and Income Type--Continued

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

Income type and industrial division	Foreign income and taxes reported on Form 1118--Continued							
				Deductions				
					Deductions allocable to specific types of income			
						Rental, royalty and licensing expenses		
	Oil and gas extraction income (less loss) [2]	Foreign branch income [2]	Specifically allocable income [Section 863 (b)] [2]	Total	Total	Depreciation, depletion, and amortization	Other	Service expenses
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
TRANSPORTATION AND PUBLIC UTILITIES								
All income types	**27,889**	**541,276**	**241,068**	**5,296,026**	**3,137,154**	**4,018**	**13,481**	**776,845**
Passive income	--	435	--	70,393	52,116	--	--	8
High withholding tax interest	--	--	--	695	99	--	--	--
Financial services income	--	--	217	611	62	--	--	--
Shipping income	--	219,490	7,232	407,877	246,307	--	--	246,307
Dividends from noncontrolled section 902 corporations	--	--	--	47,925	61	--	--	--
Dividends from an IC-DISC or former DISC [4]	--	--	--	310	--	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	--	--
All other income from outside the United States	27,889	321,352	233,619	4,760,612	2,838,510	4,018	13,481	530,531
WHOLESALE AND RETAIL TRADE								
All income types	**--**	**1,091,271**	**161,136**	**20,467,636**	**19,546,733**	**20,636**	**168,419**	**67,516**
Passive income	--	1,355	--	61,815	7,508	505	5,672	594
High withholding tax interest	--	--	--	27,704	8,305	--	--	--
Financial services income	--	--	--	17,954,860	17,714,501	--	--	--
Shipping income	--	--	--	1,017	--	--	--	--
Dividends from noncontrolled section 902 corporations	--	--	--	13,114	733	--	--	--
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	5	--	--	--	--
All other income from outside the United States	--	1,089,916	161,136	2,406,791	1,815,685	20,130	162,747	66,922
FINANCE, INSURANCE, AND REAL ESTATE								
All income types	**29**	**31,028,785**	**5,062,219**	**52,740,141**	**27,536,272**	**112,690**	**267,494**	**774,035**
Passive income	--	--	891	55,099	2,826	110	165	42
High withholding tax interest	--	68,104	28,279	536,280	128,327	4,065	4,167	--
Financial services income	--	30,791,565	4,691,582	50,758,098	26,459,669	106,894	259,148	650,993
Shipping income	--	--	--	71,168	39,175	--	--	--
Dividends from noncontrolled section 902 corporations	--	--	48,929	110,854	7,892	--	1	--
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	21,752	16,583	--	--	--
All other income from outside the United States	29	169,116	292,442	1,186,839	881,801	1,621	4,013	122,999
SERVICES								
All income types	**--**	**851,296**	**240,714**	**3,678,607**	**2,612,762**	**139,020**	**918,001**	**927,857**
Passive income	--	1,731	151	19,909	1,813	--	--	18
High withholding tax interest	--	--	--	7,530	364	--	--	--
Financial services income	--	1,873	--	6,281	3,194	--	--	--
Shipping income	--	--	--	63,194	62,045	57,708	--	--
Dividends from noncontrolled section 902 corporations	--	--	--	5,522	710	--	--	44
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	40,957	38,350	--	--	--
All other income from outside the United States	--	851,438	240,563	3,535,116	2,506,285	81,313	918,001	927,796

Footnotes at end of table.

Table 2.--Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Foreign Tax Credit Reported on Form 1118, by Industrial Division and Income Type--Continued

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

Income type and industrial division	Foreign income and taxes reported on Form 1118--Continued							
	Deductions--Continued							
	Other deductions allocable to specific types of income	Deductions not allocable to specific types of income				Deductions from oil and gas extraction income [3]	Taxable income (less loss) before adjustments	Adjustments to taxable income
		Total	Research and development	Interest	Other			
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
ALL INDUSTRIES								
All income types	**81,434,748**	**46,074,597**	**3,322,556**	**22,125,537**	**17,546,722**	**8,173,364**	**86,924,737**	**9,602,516**
Passive income	679,688	764,427	40,476	575,167	106,782	--	1,970,210	53,643
High withholding tax interest	131,443	471,518	746	301,112	92,003	--	500,836	61,945
Financial services income	43,547,727	24,933,981	19,096	14,243,888	8,996,931	--	17,473,980	3,562,311
Shipping income	229,633	382,336	3,414	120,987	259,838	--	97,280	210,050
Dividends from noncontrolled section 902 corporations	31,028	432,174	21,897	330,594	62,131	--	1,073,399	72,660
Dividends from an IC-DISC or former DISC [4]	4	1,017	--	--	1,017	--	50,920	3,365
Certain distributions from a FSC or former FSC [5]	798,256	15,256	--	--	16,596	--	155,168	8,487
All other income from outside the United States	35,996,082	19,055,070	3,235,687	6,550,961	7,995,000	8,173,364	65,488,401	6,194,451
AGRICULTURE, FORESTRY, AND FISHING								
All income types	***31,877**	***76,496**	***13,356**	***7,112**	***55,835**	**--**	***139,454**	***1,574**
Passive income	--	590	17	261	312	--	1,044	8
High withholding tax interest	***	***	***	***	***	***	***	***
Financial services income	--	--	--	--	--	--	--	--
Shipping income	--	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations	--	207	139	26	42	--	305	305
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	--	6,600	--	--	6,600	--	--	--
All other income from outside the United States	31,877	69,099	13,200	6,825	48,882	--	138,105	1,276
MINING								
All income types	**2,154,558**	**316,883**	**18,719**	**196,116**	**96,666**	**1,380,071**	**2,054,084**	**159,625**
Passive income	884	13,569		12,230	1,081	--	23,833	3,066
High withholding tax interest	***	***	***	***	***	***	***	***
Financial services income	--	--	--	--	--	--	--	--
Shipping income	--	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations	200	394	--	384	10	--	25,604	2,664
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	--	--
All other income from outside the United States	2,152,243	299,687	18,719	180,270	95,575	1,380,071	2,001,138	159,895
CONSTRUCTION								
All income types	**660,359**	**70,488**	**3,250**	**16,672**	**49,274**	**--**	**398,178**	**94,806**
Passive income	3,835	6,199	79	3,637	1,424	--	16,725	1,956
High withholding tax interest	--	11		4	7	--	196	--
Financial services income	--	--	--	--	--	--	--	--
Shipping income	--	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations	47	817	47	149	434	--	4,852	1,415
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	--	--
All other income from outside the United States	648,140	60,985	3,124	12,882	44,933	--	365,692	85,430
MANUFACTURING								
All income types	**29,945,044**	**16,261,244**	**2,786,440**	**6,479,006**	**5,990,937**	**6,777,559**	**57,055,153**	**5,393,948**
Passive income	617,821	601,119	40,331	464,190	73,774	--	1,391,368	55,185
High withholding tax interest	1,403	33,162	524	27,932	4,851	--	38,158	45,421
Financial services income	387,335	391,557	13,600	319,045	43,332	--	694,049	21,560
Shipping income	186,121	186,606	3,405	77,754	107,349	--	105,449	7,575
Dividends from noncontrolled section 902 corporations	21,524	262,737	21,706	189,135	41,273	--	749,475	25,557
Dividends from an IC-DISC or former DISC [4]	4	707	--	--	707	--	48,699	3,065
Certain distributions from a FSC or former FSC [5]	743,323	874	--	--	2,215	--	159,460	1,296
All other income from outside the United States	27,975,112	14,778,221	2,705,685	5,398,336	5,713,208	6,777,559	53,838,012	5,391,204

Footnotes at end of table.

Table 2.–Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Foreign Tax Credit Reported on Form 1118, by Industrial Division and Income Type–Continued

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

Income type and industrial division	Foreign income and taxes reported on Form 1118--Continued							
	Deductions--Continued							
	Other deductions allocable to specific types of income	Deductions not allocable to specific types of income				Deductions from oil and gas extraction income [3]	Taxable income (less loss) before adjustments	Adjustments to taxable income
		Total	Research and development	Interest	Other			
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
TRANSPORTATION AND PUBLIC UTILITIES								
All income types	**2,342,811**	**2,158,871**	**297,350**	**530,311**	**1,287,999**	**15,734**	**2,398,896**	**13,035**
Passive income	52,108	18,277	12	17,805	415	--	63,849	12,333
High withholding tax interest	99	597	--	384	16	--	3,075	32
Financial services income	62	549		268	281	--	2,408	311
Shipping income	--	161,570	9	21,285	140,277	--	85,496	102,771
Dividends from noncontrolled section 902 corporations	61	47,864	--	47,137	45	--	26,838	35,142
Dividends from an IC-DISC or former DISC [4]	--	310	--	--	310	--	2,097	251
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	--	--
All other income from outside the United States	2,290,481	1,922,101	297,329	443,432	1,139,050	15,734	2,233,446	153,476
WHOLESALE AND RETAIL TRADE								
All income types	**19,290,163**	**920,902**	**14,913**	**485,721**	**344,607**	**--**	**4,292,238**	**85,641**
Passive income	737	54,306	14	23,357	15,213	--	95,311	3,966
High withholding tax interest	8,305	19,398	--	13,450	1,532	--	34,762	1,360
Financial services income	17,714,501	240,359		230,265	10,093	--	803,145	44,066
Shipping income	--	1,017		751	266	--	2,543	326
Dividends from noncontrolled section 902 corporations	733	12,382	1	8,614	3,177	--	65,643	1,792
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	88	49
Certain distributions from a FSC or former FSC [5]	--	5	--	--	5	--	2,431	468
All other income from outside the United States	1,565,887	591,106	14,847	209,097	312,229	--	3,252,509	38,786
FINANCE, INSURANCE, AND REAL ESTATE								
All income types	**26,382,054**	**25,203,868**	**5,524**	**14,296,203**	**9,103,666**	**1**	**17,818,637**	**3,584,185**
Passive income	2,508	52,273	9	40,442	10,837	--	243,615	1,985
High withholding tax interest	120,095	407,952	19	251,201	83,543	--	396,959	102,194
Financial services income	25,442,635	24,298,429	5,496	13,691,386	8,943,062	--	15,973,102	3,498,977
Shipping income	39,175	31,993	--	20,109	11,884	--	33,931	37,102
Dividends from noncontrolled section 902 corporations	7,891	102,962	--	82,084	16,247	--	242,497	12,852
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	35	
Certain distributions from a FSC or former FSC [5]	16,583	5,170	--	--	5,170	--	4,116	4,116
All other income from outside the United States	753,167	305,039	--	210,953	32,899	1	999,335	35,098
SERVICES								
All income types	**627,883**	**1,065,845**	**183,004**	**114,395**	**617,738**	**--**	**2,768,097**	**269,702**
Passive income	1,796	18,095	14	13,246	3,726	--	134,466	5,957
High withholding tax interest	364	7,166	202	4,909	2,054	--	24,859	3,649
Financial services income	3,194	3,087	--	2,924	163	--	1,276	2,604
Shipping income	4,337	1,149	--	1,088	62	--	62,277	62,277
Dividends from noncontrolled section 902 corporations	666	4,812	3	3,064	903	--	11,861	1,700
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	38,350	2,607	--	--	2,607	--	2,607	2,607
All other income from outside the United States	579,175	1,028,831	182,785	89,164	608,223	--	2,660,163	329,285

Footnotes at end of table.

Table 2.--Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Foreign Tax Credit Reported on Form 1118, by Industrial Division and Income Type--Continued

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

Income type and industrial division	Foreign income and taxes reported on Form 1118--Continued						
	Foreign taxes available for credit						
				Paid or accrued			
						Taxes withheld at source on--	
	Reduction for certain foreign taxes	Carryover	Total paid, accrued, and deemed paid	Total	Taxes withheld at source on dividends	Interest	Rents, royalties, and license fees
	(25)	(26)	(27)	(28)	(29)	(30)	(31)
ALL INDUSTRIES							
All income types	**1,263,602**	**7,157,415**	**22,574,362**	**9,335,680**	**1,595,575**	**274,284**	**1,172,577**
Passive income	--	22,174	217,265	117,455	69,472	7,727	14,687
High withholding tax interest	--	106,419	104,551	99,152	997	98,155	--
Financial services income	172	596,984	2,939,814	1,547,708	141,408	40,722	7,581
Shipping income	--	5,141	37,755	11,651	1,998	--	2,810
Dividends from noncontrolled section 902 corporations	3,714	448,612	489,682	69,139	67,564	105	178
Dividends from an IC-DISC or former DISC [4]	--	--	24	5	5	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	--
All other income from outside the United States	1,255,414	5,976,927	18,769,772	7,488,731	1,312,353	127,575	1,147,275
AGRICULTURE, FORESTRY, AND FISHING							
All income types	**--**	***4,063**	***39,175**	***5,286**	***2,625**	***88**	***1,128**
Passive income	--	--	310	30	29	1	--
High withholding tax interest	***	***	***	***	***	***	***
Financial services income	--	--	--	--	--	--	--
Shipping income	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations	--	--	68	--	--	--	--
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	--
All other income from outside the United States	--	4,058	38,798	5,256	2,596	87	1,128
MINING							
All income types	**199,990**	**495,800**	**848,793**	**734,552**	**22,648**	**12,548**	**229**
Passive income	--	--	130	95	81	14	
High withholding tax interest	***	***	***	***	***	***	***
Financial services income	--	--	--	--	--	--	--
Shipping income	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations	3,712	6,560	12,779	3,335	3,335	--	--
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	--
All other income from outside the United States	196,278	489,239	834,951	730,400	19,233	11,812	228
CONSTRUCTION							
All income types	**3,836**	**15,618**	**108,271**	**49,595**	**3,202**	**56**	**1,117**
Passive income	--	117	3,693	2,279	1	--	115
High withholding tax interest	--	1	34	34	--	34	--
Financial services income	--	--	--	--	--	--	--
Shipping income	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations	--	184	1,416	--	--	--	--
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	--
All other income from outside the United States	--	14,844	99,292	47,282	3,201	23	1,002
MANUFACTURING							
All income types	**1,058,106**	**5,408,150**	**16,119,200**	**6,102,841**	**1,245,776**	**116,993**	**964,299**
Passive income	--	6,422	146,856	72,452	46,716	5,875	7,994
High withholding tax interest	--	4,014	16,202	13,706	369	13,337	--
Financial services income	--	6,398	135,325	50,780	23,730	4,825	358
Shipping income	--	4,925	27,952	4,413	1,624	--	2,810
Dividends from noncontrolled section 902 corporations	--	344,469	337,520	45,528	44,662	89	144
Dividends from an IC-DISC or former DISC [4]	--	--	19	--	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	--
All other income from outside the United States	1,057,639	5,041,236	15,453,697	5,915,702	1,128,462	92,867	952,946

Footnotes at end of table.

Table 2.--Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Foreign Tax Credit Reported on Form 1118, by Industrial Division and Income Type--Continued

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

Income type and industrial division	Foreign income and taxes reported on Form 1118--Continued						
	Foreign taxes available for credit						
				Paid or accrued			
						Taxes withheld at source on--	
	Reduction for certain foreign taxes	Carryover	Total paid, accrued, and deemed paid	Total	Taxes withheld at source on dividends	Interest	Rents, royalties, and license fees
	(25)	(26)	(27)	(28)	(29)	(30)	(31)
TRANSPORTATION AND PUBLIC UTILITIES							
All income types	**1,496**	**84,226**	**512,344**	**175,518**	**25,289**	**3,351**	**12,011**
Passive income	--	2,283	16,191	9,875	257	159	95
High withholding tax interest	--	--	632	560	39	521	--
Financial services income	--	4	269	269	250	--	19
Shipping income	--	216	8,669	6,864	--	--	--
Dividends from noncontrolled section 902 corporations	--	10,471	6,276	1,081	426	--	--
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	--
All other income from outside the United States	1,496	71,253	480,308	156,869	24,317	2,671	11,898
WHOLESALE AND RETAIL TRADE							
All income types	**3**	**138,967**	**1,327,554**	**327,722**	**87,866**	**12,951**	**46,618**
Passive income	--	3,418	14,766	3,755	575	224	2,522
High withholding tax interest	--	133	3,539	2,683	--	2,683	--
Financial services income	--	--	220,978	10,481	6,295	180	--
Shipping income	--	--	1,134	374	374	--	--
Dividends from noncontrolled section 902 corporations	2	4,621	22,324	1,382	1,366	16	--
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	--
All other income from outside the United States	--	130,794	1,055,373	307,491	77,700	9,848	44,097
FINANCE, INSURANCE, AND REAL ESTATE							
All income types	**172**	**831,854**	**3,019,522**	**1,658,110**	**170,167**	**122,720**	**13,100**
Passive income	--	7,013	21,033	16,228	14,565	719	220
High withholding tax interest	--	102,267	79,657	77,681	590	77,092	--
Financial services income	172	590,582	2,583,156	1,486,093	111,133	35,717	7,204
Shipping income	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations	--	77,177	102,158	17,200	17,163	--	33
Dividends from an IC-DISC or former DISC [4]	--	--	5	5	5	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	--
All other income from outside the United States	--	54,815	233,137	60,887	26,713	9,192	5,642
SERVICES							
All income types	**--**	**178,738**	**599,500**	**282,057**	**38,002**	**5,576**	**134,074**
Passive income	--	2,921	14,285	12,741	7,249	736	3,740
High withholding tax interest	--	--	3,765	3,765	--	3,765	--
Financial services income	--	--	86	86	--	--	--
Shipping income	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations	--	5,130	7,141	613	613	--	--
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	--
All other income from outside the United States	--	170,687	574,216	264,844	30,133	1,075	130,334

Footnotes at end of table.

Table 2.--Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Foreign Tax Credit Reported on Form 1118, by Industrial Division and Income Type--Continued

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

Income type and industrial division	Foreign income and taxes reported on Form 1118--Continued						
	Foreign taxes available for credit--Continued						
	Paid or accrued--Continued						
	Other taxes paid or accrued on--						
	Branch income	Specifically allocable income [Section 863 (b)]	Service income	Other income	Taxes deemed paid	Foreign tax credit limitation	Foreign tax credit before reduction for international boycott operations
	(32)	(33)	(34)	(35)	(36)	(37)	(38)
ALL INDUSTRIES							
All income types	**3,989,790**	**31,216**	**171,029**	**2,101,209**	**13,238,682**	**21,540,276**	**25,941,045**
Passive income	1,514	--	30	24,025	99,809	198,576	638,643
High withholding tax interest	--	--	--	--	5,399	103,798	150,061
Financial services income	1,185,656	22,977	14,249	135,115	1,392,106	3,134,122	4,614,025
Shipping income	559	--	6,141	143	26,104	32,859	103,508
Dividends from noncontrolled section 902 corporations	398	--	8	886	420,543	339,846	392,497
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	19	24	16,286
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	55,909
All other income from outside the United States	2,801,663	8,239	150,601	1,941,025	11,281,041	17,720,254	19,937,202
AGRICULTURE, FORESTRY, AND FISHING							
All income types	***110**	**--**	**--**	***1,334**	***33,890**	***42,801**	***46,316**
Passive income	--	--	--	--	280	310	320
High withholding tax interest	***	***	***	***	***	***	***
Financial services income	--	--	--	--	--	--	--
Shipping income	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations	--	--	--	--	68	--	--
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	--
All other income from outside the United States	110	--	--	1,334	33,542	42,486	45,991
MINING							
All income types	**113,643**	**--**	**23,433**	**562,051**	**114,241**	**599,641**	**626,139**
Passive income	--	--	--	--	35	121	9,145
High withholding tax interest	***	***	***	***	***	***	***
Financial services income	--	--	--	--	--	--	--
Shipping income	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations	--	--	--	--	9,445	7,744	7,829
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	--
All other income from outside the United States	113,643	--	23,433	562,050	104,552	590,843	608,005
CONSTRUCTION							
All income types	**28,267**	**141**	**11,706**	**5,105**	**58,677**	**88,527**	**102,769**
Passive income	--	--	--	2,162	1,415	2,920	5,021
High withholding tax interest	--	--	--	--	--	33	67
Financial services income	--	--	--	--	--	--	--
Shipping income	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations	--	--	--	--	1,416	1,038	1,045
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	--
All other income from outside the United States	28,267	141	11,706	2,943	52,010	84,537	95,036
MANUFACTURING							
All income types	**2,505,592**	**2,932**	**58,813**	**1,208,437**	**10,016,360**	**15,370,836**	**17,449,189**
Passive income	1,055	--	--	10,812	74,404	134,223	455,400
High withholding tax interest	--	--	--	--	2,496	16,337	28,319
Financial services income	21,490	--	--	377	84,545	139,687	228,629
Shipping income	3	--	--	24	23,539	22,999	38,464
Dividends from noncontrolled section 902 corporations	398	--	8	227	291,992	228,835	266,679
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	19	19	15,639
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	54,920
All other income from outside the United States	2,482,647	2,932	58,805	1,197,044	9,537,995	14,827,967	16,351,660

Footnotes at end of table.

Table 2.--Corporation Returns with a Foreign Tax Credit: Total Assets, Income, Tax, and Credits, and Foreign Income, Tax, and Foreign Tax Credit Reported on Form 1118, by Industrial Division and Income Type--Continued

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

Income type and industrial division	Foreign income and taxes reported on Form 1118--Continued						
	Foreign taxes available for credit--Continued						
	Paid or accrued--Continued						
	Other taxes paid or accrued on--						
	Branch income	Specifically allocable income [Section 863 (b)]	Service income	Other income	Taxes deemed paid	Foreign tax credit limitation	Foreign tax credit before reduction for international boycott operations
	(32)	(33)	(34)	(35)	(36)	(37)	(38)
TRANSPORTATION AND PUBLIC UTILITIES							
All income types	**6,054**	**787**	**18,747**	**109,279**	**336,826**	**478,788**	**810,307**
Passive income	13	--	--	9,351	6,316	17,438	25,913
High withholding tax interest	--	--	--	--	71	585	1,027
Financial services income	--	--	--	--	--	92	670
Shipping income	556	--	6,141	167	1,805	8,885	62,991
Dividends from noncontrolled section 902 corporations	--	--	--	655	5,195	2,251	2,824
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	628
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	--
All other income from outside the United States	5,484	787	12,606	99,106	323,438	449,538	707,334
WHOLESALE AND RETAIL TRADE							
All income types	**144,831**	**23**	**5,392**	**30,041**	**999,832**	**1,242,794**	**1,421,147**
Passive income	184	--	--	251	11,011	12,468	30,953
High withholding tax interest	--	--	--	--	856	3,468	11,378
Financial services income	108	--	--	3,898	210,497	220,978	258,770
Shipping income	--	--	--	--	760	976	976
Dividends from noncontrolled section 902 corporations	--	--	--	--	20,943	17,411	22,916
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	13
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	989
All other income from outside the United States	144,539	23	5,392	25,892	747,883	978,053	1,082,979
FINANCE, INSURANCE, AND REAL ESTATE							
All income types	**1,168,201**	**23,224**	**21,477**	**139,219**	**1,361,413**	**3,162,072**	**4,721,827**
Passive income	--	--	--	725	4,804	19,445	81,901
High withholding tax interest	--	--	--	--	1,976	78,925	101,366
Financial services income	1,163,973	22,977	14,249	130,840	1,097,063	2,773,279	4,124,637
Shipping income	--	--	--	--	--	--	1,077
Dividends from noncontrolled section 902 corporations	--	--	--	4	84,958	78,488	86,590
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	5	7
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	--
All other income from outside the United States	4,229	247	7,228	7,636	172,250	211,561	325,861
SERVICES							
All income types	**23,091**	**4,108**	**31,462**	**45,743**	**317,443**	**554,817**	**763,350**
Passive income	262	--	30	724	1,544	11,651	29,990
High withholding tax interest	--	--	--	--	--	3,725	6,972
Financial services income	86	--	--	--	--	86	1,319
Shipping income	--	--	--	--	--	--	--
Dividends from noncontrolled section 902 corporations	--	--	--	--	6,528	4,078	4,613
Dividends from an IC-DISC or former DISC [4]	--	--	--	--	--	--	--
Certain distributions from a FSC or former FSC [5]	--	--	--	--	--	--	--
All other income from outside the United States	22,743	4,108	31,431	45,019	309,371	535,269	720,335

*** Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals

*Data should be used with caution because of the small number of returns on which they were based.

[1] Less than $500.

[2] Included in gross income (less loss), columns 2-8.

[3] Included in deductions, columns 12-21.

[4] Interest Charge - Domestic International Sales Corporation (IC-DISC) and Domestic International Sales Corporation (DISC).

[5] Foreign Sales Corporation (FSC).

Note: Totals for income types include small amounts for categories not listed separately.

Table 3.--Corporation Returns with a Foreign Tax Credit: Foreign Income, Deductions, and Tax Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid

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

Selected country	Number of returns	Gross income (less loss)				
		Total	Dividends	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
	(1)	(2)	(3)	(4)	(5)	(6)
All countries	**5,147**	**223,279,222**	**34,167,370**	**13,222,500**	**34,443,734**	**23,251,907**
Canada	**1,725**	**16,295,929**	**2,017,002**	**1,175,572**	**1,710,410**	**1,558,976**
Latin America, total	**1,214**	**26,032,564**	**3,621,992**	**984,129**	**7,311,025**	**1,366,577**
Mexico	668	5,788,126	815,717	391,710	714,483	608,797
Central America, total	242	1,049,207	324,204	87,794	46,396	106,297
Belize	29	8,427	891	69	4	35
Costa Rica	106	80,280	11,541	1,556	1,059	12,838
El Salvador	83	100,626	5,600	1,822	6,682	7,994
Guatemala	129	130,499	11,524	5,201	5,303	11,053
Honduras	75	53,021	3,487	2,299	814	1,973
Nicaragua	38	20,093	2	--	3,524	199
Panama	170	649,747	291,158	76,846	27,519	71,647
Central America not allocable	7	6,514	--	--	1,491	559
Caribbean countries, total	254	2,229,330	802,645	90,002	383,693	43,394
Cayman Islands (British)	113	1,220,099	732,438	77,408	350,856	10,476
Dominican Republic	91	177,849	12,541	7,343	11,987	4,479
Haiti	28	54,404	37	6	516	754
Jamaica	80	86,680	1,691	873	8,363	6,203
Trinidad and Tobago	86	570,364	8,854	847	7,138	7,145
Other Caribbean countries	89	119,934	47,084	3,525	4,834	14,338
South America, total	888	16,904,249	1,679,261	414,622	6,160,651	600,987
Argentina	302	2,362,464	181,782	28,959	1,014,393	151,034
Bolivia	93	42,116	84	--	1,398	9,717
Brazil	342	10,234,146	846,496	238,460	4,488,490	223,940
Chile	222	1,555,804	309,084	27,152	471,659	52,462
Colombia	489	1,448,541	115,392	52,645	34,142	27,024
Ecuador	123	173,071	16,374	4,526	15,202	12,011
Paraguay	45	32,386	1,148	535	13,115	527
Peru	132	126,818	19,997	6,959	6,545	9,217
Uruguay	98	96,430	29,352	2,764	738	8,061
Venezuela	276	793,350	159,521	52,600	113,573	106,608
Other South America	40	39,122	32	22	1,395	385
Latin America not allocable	8	61,652	166	--	5,802	7,102
Other Western Hemisphere, total	**281**	**4,045,527**	**1,441,410**	**97,494**	**674,469**	**79,505**
Bahamas	97	2,351,097	186,445	24,213	582,837	21,052
Bermuda	185	1,212,115	1,014,339	46,714	25,723	48,867
Netherlands Antilles	99	337,675	177,672	18,192	55,650	2,479
Other British West Indies	65	109,266	55,624	7,941	10,248	5,505
All other Western Hemisphere	43	35,374	7,330	433	12	1,602
Europe, total	**2,224**	**96,380,537**	**19,124,051**	**7,413,562**	**11,851,079**	**12,274,470**
European Economic Community, total	2,178	85,258,507	16,647,573	6,641,097	11,111,582	11,003,357
Belgium	350	4,568,677	915,205	206,568	607,795	577,380
Denmark	194	1,018,432	251,039	154,904	61,225	242,889
France (including Andorra)	556	6,386,238	1,152,219	453,101	987,504	1,955,755
Greece	140	764,222	26,594	8,076	251,646	39,211
Ireland	182	1,917,972	735,134	51,438	103,653	497,570
Italy (including San Marino)	479	5,207,636	1,373,378	819,406	591,978	1,390,180
Luxembourg	64	211,541	89,506	36,898	36,001	30,672
Netherlands	641	6,352,361	2,528,039	812,320	388,748	1,047,071
Portugal	148	334,529	83,672	34,515	12,486	115,578
Spain	472	2,818,320	702,973	229,666	337,326	576,636
United Kingdom	1,648	44,549,585	4,804,375	1,857,962	7,135,889	2,213,463
West Germany	564	11,127,878	3,985,440	1,976,242	596,591	2,316,950

Footnotes at end of table.

Table 3.--Corporation Returns with a Foreign Tax Credit: Foreign Income, Deductions, and Tax Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid--Continued

[Money amounts are in thousands of dollars]

Selected country	Number of returns	Gross income (less loss)				
		Total	Dividends	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
	(1)	(2)	(3)	(4)	(5)	(6)
Other West European countries, total	533	9,933,276	2,426,259	754,139	530,020	1,169,087
Austria	199	594,166	139,588	51,554	42,082	161,344
Finland	154	240,150	31,297	16,459	16,064	114,042
Liechtenstein	11	111,649	56,114	12,128	64	3,458
Monaco	17	86,109	12,898	150	32,674	127
Norway	194	4,039,268	191,462	174,974	125,299	104,947
Sweden	270	711,795	103,117	42,608	42,826	255,616
Switzerland	363	3,648,061	1,855,481	445,005	149,925	485,384
Turkey	129	362,677	32,786	9,545	52,676	40,964
Other West European countries	62	122,957	3,515	1,715	68,410	1,623
West European countries not allocable	3	16,444	--	--	--	1,583
East European countries, total	168	715,456	50,219	18,326	206,167	91,352
East Germany	--	--	--	--	--	--
Romania	29	38,440	--	--	35	1,379
Union of Soviet Socialist Republics	78	340,578	8,207	4,228	194,979	19,266
Other East Europe	142	336,438	42,012	14,098	11,153	70,707
Europe not allocable	22	473,297	--	--	3,309	10,674
Africa, total	**432**	**4,311,625**	**623,489**	**218,832**	**156,582**	**155,354**
North Africa, total	136	1,272,532	46,985	21,605	34,219	20,492
Algeria	35	91,944	--	--	763	2,989
Egypt	116	1,067,014	24,284	9,615	7,843	12,129
Libya	11	14,529	12,017	3,232	1,237	--
Morocco	47	40,851	4,230	3,269	5,846	5,090
Other North Africa	44	58,193	6,453	5,488	18,531	284
East Africa, total	87	131,691	10,929	8,081	16,584	12,913
Ethiopia	19	27,109	--	--	5,074	4,161
Kenya	58	54,899	5,311	6,787	11,188	5,773
Tanzania	12	16,175	36	41	--	--
Uganda	8	1,447	--	--	--	218
Other East Africa	51	32,061	5,582	1,253	322	2,761
West and Central Africa, total	128	2,399,252	449,348	129,812	61,669	6,914
Gabon	41	176,726	32,064	2,217	12,557	265
Ghana	18	13,089	1,181	601	79	295
Liberia	30	119,662	90,658	2,002	14,183	-1
Nigeria	70	1,375,102	294,560	119,823	2,058	1,253
Zaire	15	39,700	881	1,049	700	24
Other West and Central Africa	73	674,973	30,004	4,119	32,090	5,077
Southern Africa, total	329	502,693	116,227	59,333	42,738	114,941
Malawi	9	2,787	355	267	--	-78
Zimbabwe	69	63,268	13,362	15,159	716	1,036
South Africa (including Namibia)	296	338,343	44,423	22,233	40,970	101,519
Zambia	18	6,837	1,048	1,145	1,041	2,145
Other Southern Africa	19	91,458	57,038	20,529	11	10,319
Africa not allocable	15	5,457	--	--	1,372	94

Footnotes at end of table.

Table 3.--Corporation Returns with a Foreign Tax Credit: Foreign Income, Deductions, and Tax Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid--Continued

[Money amounts are in thousands of dollars]

Selected country	Number of returns	Gross income (less loss)				
		Total	Dividends	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
	(1)	(2)	(3)	(4)	(5)	(6)
Asia, total	**1,591**	**43,236,911**	**4,722,738**	**2,724,646**	**5,180,276**	**5,907,863**
Middle East, total	308	4,232,922	101,748	34,250	452,481	157,538
Bahrain	53	660,596	21,384	--	259,500	4,011
Iran	43	292,097	735	334	26,219	6,272
Iraq	11	9,173	2	--	3,250	-5
Israel	207	247,745	32,887	19,454	26,075	64,868
Kuwait	62	102,826	--	--	1,092	37,323
Lebanon	45	24,774	199	28	6,671	893
Qatar	36	15,969	180	103	15	49
Saudi Arabia	141	879,574	33,653	12,241	27,348	-1,519
United Arab Emirates	84	1,110,954	7,593	--	31,680	2,345
Other areas of the Arabian Peninsula	47	686,379	161	--	7,468	37,497
Other Middle East	76	202,836	4,954	2,091	63,163	5,804
Southern and Southeast Asia, total	546	12,917,625	1,318,854	550,584	2,143,507	768,297
Bangladesh	27	34,985	104	--	15,913	160
India	221	1,330,110	15,442	12,461	410,010	39,717
Indonesia	185	4,144,659	369,657	267,441	188,275	65,616
Malaysia	211	1,744,505	73,633	25,743	231,563	112,291
Pakistan	80	414,305	3,135	1,080	117,680	2,069
Philippines	211	982,378	157,749	65,075	138,996	58,452
Singapore	330	2,510,720	435,825	64,514	513,705	396,326
Sri Lanka	40	480,452	1,397	1,343	319,752	637
Thailand	244	948,992	257,698	110,478	103,587	84,704
Vietnam	6	1,062	--	--	--	--
Other Southern and Southeast Asia	47	325,459	4,214	2,450	104,027	8,324
Eastern Asia, total	1,443	26,066,670	3,302,046	2,139,797	2,584,278	4,981,579
China	483	593,382	35,935	3,508	144,105	68,975
Taiwan	302	2,396,017	241,135	56,295	603,789	262,095
Hong Kong	370	3,994,123	949,613	147,751	606,899	293,672
Japan	983	17,051,971	1,959,814	1,888,950	793,589	3,954,566
South Korea	306	1,946,544	115,213	43,212	383,126	401,641
Other Eastern Asia	26	84,633	335	83	52,770	629
Asia not allocable	13	19,694	90	14	10	450
Oceania, total	**836**	**5,492,259**	**875,888**	**384,647**	**440,853**	**717,549**
Australia	760	4,761,641	699,718	333,432	361,896	602,771
New Zealand	350	467,995	123,511	49,528	59,459	109,844
Other Oceania	45	262,623	52,659	1,687	19,497	4,935
Puerto Rico and U.S. Possessions, total	**393**	**3,515,941**	**163,181**	**69,055**	**499,214**	**142,339**
Puerto Rico	333	2,989,373	130,658	59,979	380,685	147,133
U.S. Possessions, total	135	526,569	32,523	9,076	118,529	-4,794
American Samoa	14	7,731	--	--	4,285	
Guam	76	217,927	24,554	6,900	60,820	4,353
Virgin Islands	78	300,720	7,957	2,177	48,880	4,698
Other U.S. Possessions	17	190	12	--	4,543	-13,846
Country not stated	**1,628**	**22,947,272**	**557,503**	**154,545**	**6,619,827**	**1,048,753**
Interest Charge-Domestic International Sales Corporation dividends [2]	**69**	**51,941**	**51,922**	**19**	**--**	**--**
Foreign Sales Corporation dividends [2]	**49**	**968,715**	**968,194**	**--**	**--**	**521**
OPEC countries (included above)	**402**	**9,179,973**	**926,355**	**462,517**	**423,269**	**233,207**
Tax haven countries (included above)	**1,035**	**24,382,073**	**8,701,636**	**1,828,787**	**3,102,483**	**2,609,438**

Footnotes at end of table.

Table 3.--Corporation Returns with a Foreign Tax Credit: Foreign Income, Deductions, and Tax Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid--Continued

[Money amounts are in thousands of dollars]

Selected country	Gross income (less loss)--Continued		Oil and gas extraction income (less loss) [3]	Foreign branch income [3]	Specifically allocable income [Section 863(b)] [3]	Total deductions
	Service income	Other income				
	(7)	(8)	(9)	(10)	(11)	(12)
All countries	**12,951,728**	**105,241,983**	**16,089,821**	**59,200,637**	**19,458,263**	**136,354,449**
Canada	**559,835**	**9,274,133**	**527,130**	**1,662,468**	**5,887,729**	**10,978,458**
Latin America, total	**835,366**	**11,913,475**	**1,102,466**	**8,707,701**	**1,864,526**	**14,411,473**
Mexico	185,334	3,072,085	--	1,717,016	1,017,621	2,696,162
Central America, total	47,942	436,574	-5	294,813	23,528	492,103
Belize	760	6,668	-6	1,463	86	5,820
Costa Rica	5,686	47,599	--	30,881	4,963	44,554
El Salvador	13,545	64,982	--	15,534	2,824	77,417
Guatemala	6,048	91,369	--	50,045	6,700	84,988
Honduras	10,367	34,081	--	20,631	1,221	36,460
Nicaragua	6	16,361	--	5,026	5,009	18,321
Panama	11,528	171,049	--	166,769	2,725	224,495
Central America not allocable	--	4,465	--	4,464	--	47
Caribbean countries, total	38,615	870,980	463,667	297,013	30,337	966,911
Cayman Islands (British)	1,943	46,978	--	54,613	6,378	380,069
Dominican Republic	17,265	124,234	--	79,347	7,895	89,815
Haiti	296	52,796	--	5,949	88	45,813
Jamaica	9,710	59,840	--	33,313	5,102	55,698
Trinidad and Tobago	6,225	540,155	463,667	101,574	4,323	346,198
Other Caribbean countries	3,176	46,978	--	22,218	6,551	49,318
South America, total	563,475	7,485,254	638,804	6,393,297	793,040	10,200,956
Argentina	127,360	858,935	164,651	612,651	37,392	1,143,619
Bolivia	14,176	16,742	--	22,807	1,739	31,396
Brazil	78,324	4,358,436	--	4,691,252	547,656	6,411,045
Chile	47,528	647,919	--	219,703	55,382	908,147
Colombia	76,728	1,142,610	419,996	474,505	23,754	919,680
Ecuador	3,750	121,209	57,120	75,906	7,424	127,254
Paraguay	1,176	15,885	--	18,441	2,946	21,582
Peru	15,462	68,638	-2,962	38,269	7,412	127,673
Uruguay	4,937	50,578	--	54,529	2,024	45,458
Venezuela	180,958	180,090	--	171,750	106,580	413,524
Other South America	13,077	24,211	--	13,485	730	51,579
Latin America not allocable	--	48,582	--	5,563	--	55,342
Other Western Hemisphere, total	**1,243,823**	**508,825**	**69,877**	**1,627,509**	**57,221**	**2,064,972**
Bahamas	1,186,254	350,297	39	1,530,211	51,166	1,365,493
Bermuda	34,619	41,853	69,838	19,436	32,360	519,366
Netherlands Antilles	7,581	76,101	--	38,952	1,899	128,985
Other British West Indies	1,139	28,809	--	37,750	-33,434	29,269
All other Western Hemisphere	14,231	11,766	--	1,160	5,229	21,857
Europe, total	**4,147,679**	**41,569,697**	**6,319,233**	**20,871,911**	**2,433,770**	**55,989,449**
European Economic Community, total	3,681,603	36,173,296	3,489,358	17,809,283	1,778,504	50,900,864
Belgium	450,327	1,811,402	201	2,174,225	213,247	2,758,476
Denmark	14,672	293,704	192,778	248,692	11,738	396,175
France (including Andorra)	173,725	1,663,935	25,049	1,010,033	445,647	2,937,138
Greece	91,673	347,022	--	388,006	12,663	525,058
Ireland	36,980	493,197	--	250,536	42,682	841,707
Italy (including San Marino)	141,444	891,249	-44	748,031	299,772	1,912,733
Luxembourg	1,898	16,567	--	6,584	1,986	73,812
Netherlands	125,902	1,450,281	1,006,834	2,028,172	208,458	2,216,729
Portugal	13,360	74,917	--	28,599	14,322	133,681
Spain	416,411	555,308	-198	883,706	-75,473	1,557,555
United Kingdom	1,979,924	26,557,970	2,137,181	9,129,149	238,101	33,790,995
West Germany	235,288	2,017,368	127,557	913,550	364,986	3,756,354

Footnotes at end of table.

Table 3.--Corporation Returns with a Foreign Tax Credit: Foreign Income, Deductions, and Tax Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid--Continued

[Money amounts are in thousands of dollars]

Selected country	Gross income (less loss)--Continued		Oil and gas extraction income (less loss) [3]	Foreign branch income [3]	Specifically allocable income [Section 863(b)] [3]	Total deductions
	Service income	Other income				
	(7)	(8)	(9)	(10)	(11)	(12)
Other West European countries, total	303,312	4,750,459	2,827,402	2,884,511	294,843	4,298,070
Austria	6,578	193,020	10	116,083	14,839	252,896
Finland	1,479	60,808	--	11,845	8,988	110,971
Liechtenstein	--	39,885	--	--	39,926	39,063
Monaco	6,220	34,040	--	35,761	880	58,531
Norway	149,886	3,292,700	2,819,466	1,940,504	16,662	1,798,813
Sweden	12,128	255,500	--	97,622	36,453	339,175
Switzerland	58,152	654,113	--	507,090	75,261	1,362,399
Turkey	58,581	168,125	7,924	152,490	10,341	231,374
Other West European countries	10,288	37,407	3	10,508	91,493	95,738
West European countries not allocable	--	14,861	--	12,608	--	9,111
East European countries, total	113,416	235,976	2,473	177,740	30,592	471,983
East Germany	--	--	--	--	--	--
Romania	28,086	8,941	--	30,297	519	29,582
Union of Soviet Socialist Republics	29,545	84,353	2,471	42,010	14,184	189,122
Other East Europe	55,785	142,683	2	105,433	15,888	253,279
Europe not allocable	49,348	409,965	--	376	329,831	318,533
Africa, total	**650,522**	**2,506,846**	**1,982,343**	**1,449,178**	**220,872**	**2,395,583**
North Africa, total	184,111	965,120	649,230	291,423	101,229	758,955
Algeria	58,382	29,810	--	74,293	12,589	73,656
Egypt	118,728	894,415	648,373	174,425	75,183	617,490
Libya	8	-1,965	361	25	1,717	4,666
Morocco	3,161	19,254	46	11,349	780	22,916
Other North Africa	3,831	23,606	449	31,331	10,960	40,228
East Africa, total	23,782	59,402	482	54,339	3,420	139,807
Ethiopia	8,027	9,846	--	8,779	514	24,819
Kenya	3,613	22,228	267	26,943	562	39,509
Tanzania	23	16,075	--	15,627	100	16,251
Uganda	292	938	--		65	824
Other East Africa	11,828	10,315	215	2,989	2,178	58,405
West and Central Africa, total	427,900	1,323,609	1,332,628	1,089,306	37,594	1,262,470
Gabon	26,629	102,992	99,678	117,310	1,436	129,598
Ghana	5,836	5,095	-165	5,230	319	9,340
Liberia	11,050	1,770	--	106	31	49,131
Nigeria	127,870	829,538	930,229	777,489	14,944	367,772
Zaire	555	36,490	52,875	8,628	2	28,217
Other West and Central Africa	255,959	347,724	250,011	180,543	20,862	678,412
Southern Africa, total	11,044	158,411	3	12,792	78,551	230,490
Malawi	127	2,116	--	--	29	1,993
Zimbabwe	1,266	31,730	3	7,227	1,440	35,824
South Africa (including Namibia)	9,118	120,079	--	5,528	77,061	165,280
Zambia	244	1,214	--	3		4,766
Other Southern Africa	290	3,272	--	35	21	22,628
Africa not allocable	3,686	305	--	1,318	77	3,861

Footnotes at end of table.

Table 3.--Corporation Returns with a Foreign Tax Credit: Foreign Income, Deductions, and Tax Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid--Continued

[Money amounts are in thousands of dollars]

Selected country	Gross income (less loss)--Continued		Oil and gas extraction income (less loss) [3]	Foreign branch income [3]	Specifically allocable income [Section 863(b)] [3]	Total deductions
	Service income	Other income				
	(7)	(8)	(9)	(10)	(11)	(12)
Asia, total	**2,844,531**	**21,856,858**	**4,133,580**	**17,127,603**	**2,903,536**	**25,731,349**
Middle East, total	465,732	3,021,172	1,663,319	1,524,582	216,408	2,599,147
Bahrain	50,307	325,394	--	307,084	775	512,651
Iran	18,142	240,396	203,525	18,487	4,612	52,607
Iraq	4,577	1,349	--	3	4,513	3,952
Israel	20,774	83,687	--	15,753	14,475	117,055
Kuwait	2,390	62,020	--	6,158	16,359	84,352
Lebanon	103	16,880	--	7,767	2,241	14,715
Qatar	11,852	3,769	283	11,424	1,302	22,022
Saudi Arabia	230,380	577,472	92,902	194,043	62,846	615,699
United Arab Emirates	91,360	977,976	903,520	544,681	14,226	667,774
Other areas of the Arabian Peninsula	22,644	618,608	463,088	393,435	9,134	319,889
Other Middle East	13,203	113,621	2	25,746	85,927	188,430
Southern and Southeast Asia, total	813,986	7,322,397	2,458,902	7,024,959	708,970	6,723,674
Bangladesh	2,311	16,497	--	21,669	2,268	22,035
India	99,237	753,242	--	841,128	12,190	892,130
Indonesia	234,309	3,019,362	1,404,897	2,846,202	68,669	1,706,598
Malaysia	124,929	1,176,345	791,749	1,239,168	22,489	793,650
Pakistan	28,072	262,268	20,785	307,117	10,567	255,637
Philippines	72,569	489,537	35,946	429,794	78,910	507,189
Singapore	145,774	954,577	-163	893,196	39,809	1,521,149
Sri Lanka	25,371	131,952	--	33,526	433,714	308,853
Thailand	64,783	327,742	205,688	283,359	31,540	433,129
Vietnam	--	1,062	--	-17	--	1,367
Other Southern and Southeast Asia	16,631	189,813	--	129,817	8,813	281,937
Eastern Asia, total	1,559,909	11,499,062	11,359	8,577,769	1,964,536	16,391,235
China	70,022	270,837	26	92,061	244,254	440,004
Taiwan	241,666	991,038	--	761,112	96,771	1,629,638
Hong Kong	232,443	1,763,746	--	1,503,965	179,155	2,684,511
Japan	739,010	7,716,043	11,333	5,544,823	1,346,525	10,381,897
South Korea	273,502	729,849	--	658,403	85,043	1,199,413
Other Eastern Asia	3,266	27,550	--	17,404	12,787	55,771
Asia not allocable	4,903	14,227	--	294	13,622	17,294
Oceania, total	**197,412**	**2,875,910**	**1,587,068**	**1,993,815**	**170,547**	**2,726,306**
Australia	149,493	2,614,332	1,481,799	1,927,747	152,048	2,345,373
New Zealand	16,163	109,489	624	54,055	17,290	219,231
Other Oceania	31,756	152,089	104,645	12,013	1,209	161,703
Puerto Rico and U.S. Possessions, total	**282,773**	**2,359,379**	**--**	**1,163,834**	**592,681**	**3,027,107**
Puerto Rico	238,048	2,032,870	--	997,332	458,762	2,605,760
U.S. Possessions, total	44,725	326,509	--	166,503	133,919	421,346
American Samoa	--	3,446	--	4,285	6	6,834
Guam	36,894	84,406	--	86,238	23,614	194,002
Virgin Islands	6,614	230,395	--	70,811	103,026	221,968
Other U.S. Possessions	1,217	8,263	--	5,169	7,273	-1,457
Country not stated	**2,189,786**	**12,376,857**	**368,124**	**4,596,314**	**5,327,379**	**18,215,217**
Interest Charge-Domestic International Sales Corporation dividends [2]	**--**	**--**	**--**	**303**	**--**	**1,021**
Foreign Sales Corporation dividends [2]	**--**	**--**	**--**	**--**	**--**	**813,512**
OPEC countries (included above)	**990,607**	**6,144,018**	**3,692,515**	**4,837,772**	**317,217**	**4,269,474**
Tax haven countries (included above)	**1,895,815**	**6,243,914**	**1,076,552**	**7,297,343**	**638,713**	**11,522,395**

Footnotes at end of table.

Table 3.--Corporation Returns with a Foreign Tax Credit: Foreign Income, Deductions, and Tax Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid--Continued

[Money amounts are in thousands of dollars]

Selected country	Deductions from oil and gas extraction income[4]	Foreign taxable income (less loss) before adjustments	Foreign taxes paid, accrued, or deemed paid			
			Total	Foreign taxes paid or accrued		
				Total	Taxes withheld at source on--	
					Dividends	Interest
	(13)	(14)	(15)	(16)	(17)	(18)
All countries	**8,173,364**	**86,924,737**	**22,574,362**	**9,335,680**	**1,595,575**	**274,284**
Canada	**415,429**	**5,317,471**	**1,816,825**	**641,041**	**190,980**	**94,345**
Latin America, total	**756,560**	**11,621,091**	**2,079,347**	**1,095,534**	**176,386**	**59,628**
Mexico	469	3,091,965	657,963	266,252	2,495	32,404
Central America, total	1,671	557,103	118,661	30,867	4,736	33
Belize	1,639	2,606	428	358	--	--
Costa Rica	--	35,726	8,525	6,969	1,432	1
El Salvador	--	23,210	4,013	2,191	21	11
Guatemala	32	45,511	12,850	7,649	1,287	1
Honduras	--	16,561	5,534	3,235	253	1
Nicaragua	--	1,771	222	222	--	--
Panama	--	425,252	85,883	9,037	1,742	13
Central America not allocable	--	6,467	1,207	1,207	--	5
Caribbean countries, total	283,031	1,262,419	203,293	113,343	3,883	486
Cayman Islands (British)	--	840,030	77,782	426	1	412
Dominican Republic	--	88,034	22,405	15,063	2,842	--
Haiti	--	8,591	2,045	2,039	--	--
Jamaica	--	30,982	7,180	6,307	156	3
Trinidad and Tobago	283,031	224,166	89,452	88,604	884	70
Other Caribbean countries	--	70,616	4,428	904	--	1
South America, total	471,389	6,703,293	1,098,447	684,089	165,272	26,704
Argentina	94,226	1,218,845	130,786	101,827	17,388	8,212
Bolivia	3,011	10,720	256	256	9	
Brazil	59	3,823,101	392,482	154,022	95,756	16,482
Chile	1	647,657	183,968	157,077	21,590	1,046
Colombia	255,143	528,862	263,201	210,556	18,672	30
Ecuador	46,278	45,817	14,372	9,846	3,752	58
Paraguay	-122	10,804	2,792	2,257	55	--
Peru	72,047	-855	16,664	9,705	1,365	20
Uruguay	--	50,972	8,629	5,868	23	--
Venezuela	562	379,826	85,251	32,652	6,657	857
Other South America	184	-12,457	44	22	5	--
Latin America not allocable	--	6,311	983	983	--	--
Other Western Hemisphere, total	**10,473**	**1,980,555**	**109,243**	**7,539**	**860**	**2,665**
Bahamas	6	985,604	24,794	650	263	342
Bermuda	10,467	692,748	47,948	1,234	1	--
Netherlands Antilles	--	208,689	25,130	2,659	465	--
Other British West Indies	--	79,997	8,497	556	31	--
All other Western Hemisphere	--	13,516	2,874	2,441	100	2,323
Europe, total	**3,142,948**	**40,391,088**	**10,364,591**	**2,946,045**	**910,516**	**35,645**
European Economic Community, total	1,718,465	34,357,644	8,522,134	1,876,071	798,856	35,209
Belgium	270	1,810,202	319,454	112,468	25,728	2,360
Denmark	101,350	622,257	183,652	28,748	5,549	51
France (including Andorra)	2,601	3,449,101	573,774	120,649	45,269	173
Greece	--	239,164	28,187	20,111	7,478	79
Ireland	3,847	1,076,265	56,910	5,471	243	2,090
Italy (including San Marino)	36,271	3,294,903	1,009,263	189,845	38,006	15,990
Luxembourg	--	137,729	39,921	2,983	2,875	--
Netherlands	254,822	4,135,632	1,010,821	197,226	138,395	182
Portugal	17	200,848	59,740	25,225	9,557	480
Spain	8,515	1,260,765	355,025	125,360	48,921	3,375
United Kingdom	1,315,422	10,758,590	2,509,269	650,535	214,309	9,330
West Germany	-4,649	7,371,524	2,376,117	397,450	262,527	1,099

Footnotes at end of table.

Table 3.--Corporation Returns with a Foreign Tax Credit: Foreign Income, Deductions, and Tax Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid--Continued

[Money amounts are in thousands of dollars]

Selected country	Deductions from oil and gas extraction income[4]	Foreign taxable income (less loss) before adjustments	Foreign taxes paid, accrued, or deemed paid			
			Total	Foreign taxes paid or accrued		
				Total	Taxes withheld at source on--	
					Dividends	Interest
	(13)	(14)	(15)	(16)	(17)	(18)
Other West European countries, total	1,356,882	5,635,207	1,806,499	1,052,342	108,843	402
Austria	1,414	341,270	63,797	12,243	7,024	57
Finland	--	129,178	21,907	5,448	1,283	--
Liechtenstein	--	72,586	14,879	2,751	2,751	--
Monaco	--	27,579	981	830	--	--
Norway	1,343,772	2,240,456	1,092,618	917,644	26,936	--
Sweden	94	372,620	52,659	10,036	2,635	32
Switzerland	--	2,285,662	533,178	88,050	67,920	308
Turkey	-1,469	131,304	22,695	13,269	293	4
Other West European countries	13,072	27,218	3,484	1,769	--	--
West European countries not allocable	--	7,334	302	302	--	--
East European countries, total	67,600	243,473	35,350	17,024	2,817	--
East Germany	--	--	--	--	--	--
Romania	551	8,859	9,103	9,103	--	--
Union of Soviet Socialist Republics	66,101	151,456	7,789	3,560	2,817	--
Other East Europe	949	83,159	18,458	4,361	--	--
Europe not allocable	--	154,764	608	608	--	34
Africa, total	**882,517**	**1,916,042**	**791,627**	**572,795**	**19,393**	117
North Africa, total	338,478	513,576	236,608	215,002	3,004	1
Algeria	2,127	18,289	7,383	7,383	--	--
Egypt	332,134	449,524	210,891	201,276	2,658	1
Libya	1,121	9,863	3,232	--	--	--
Morocco	345	17,935	6,921	3,652	346	--
Other North Africa	2,751	17,965	8,180	2,692	--	--
East Africa, total	50,796	-8,116	16,307	8,226	880	41
Ethiopia	221	2,290	1,084	1,084	--	--
Kenya	10,020	15,390	12,412	5,625	710	41
Tanzania	38	-75	50	9	9	--
Uganda	--	623	41	41	--	--
Other East Africa	40,517	-26,344	2,720	1,467	161	1
West and Central Africa, total	493,022	1,136,782	450,168	320,356	3,712	17
Gabon	84,337	47,127	9,855	7,638	634	--
Ghana	91	3,750	1,309	707	--	--
Liberia	--	70,531	2,354	351	351	--
Nigeria	138,902	1,007,330	334,076	214,252	1,053	17
Zaire	37,429	11,483	17,563	16,514	190	--
Other West and Central Africa	232,263	-3,438	85,012	80,893	1,483	--
Southern Africa, total	221	272,203	88,545	29,212	11,797	58
Malawi	--	794	307	40	25	--
Zimbabwe	16	27,445	19,316	4,157	1,062	--
South Africa (including Namibia)	9	173,062	43,958	21,725	10,162	58
Zambia	196	2,072	1,296	150	150	--
Other Southern Africa	--	68,831	23,668	3,139	398	--
Africa not allocable	--	1,596	--	--	--	--

Footnotes at end of table.

Table 3.--Corporation Returns with a Foreign Tax Credit: Foreign Income, Deductions, and Tax Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid--Continued

[Money amounts are in thousands of dollars]

Selected country	Deductions from oil and gas extraction income[4]	Foreign taxable income (less loss) before adjustments	Foreign taxes paid, accrued, or deemed paid			
			Total	Foreign taxes paid or accrued		
				Total	Taxes withheld at source on--	
					Dividends	Interest
	(13)	(14)	(15)	(16)	(17)	(18)
Asia, total	**1,790,188**	**17,505,562**	**5,805,230**	**3,080,415**	**229,277**	**39,364**
Middle East, total	957,821	1,633,775	510,041	475,790	5,616	303
Bahrain	3	147,945	--	--	--	--
Iran	9,096	239,490	337	3	3	--
Iraq	16	5,221	--	--	--	--
Israel	--	130,690	59,714	40,260	5,567	188
Kuwait	--	18,474	1,435	1,435	--	--
Lebanon	--	10,059	627	599	--	105
Qatar	12,065	-6,053	1,077	975	--	--
Saudi Arabia	188,686	263,875	67,361	55,120	29	10
United Arab Emirates	488,573	443,180	284,139	284,139	--	--
Other areas of the Arabian Peninsula	215,974	366,490	90,577	90,577	--	--
Other Middle East	43,408	14,406	4,773	2,683	16	--
Southern and Southeast Asia, total	796,341	6,193,951	2,123,545	1,572,875	57,402	20,643
Bangladesh	26	12,949	6,322	6,322	--	--
India	649	437,980	114,210	101,713	2,488	332
Indonesia	449,484	2,438,061	1,167,927	900,456	20,231	12,707
Malaysia	238,549	950,854	261,777	236,031	276	88
Pakistan	5,037	158,668	64,309	63,228	132	--
Philippines	3,880	475,189	181,293	116,168	25,282	6,792
Singapore	-85	989,572	148,633	84,153	418	670
Sri Lanka	--	171,599	5,201	3,858	187	--
Thailand	66,429	515,863	164,281	53,803	8,389	56
Vietnam	354	-305	--	--	--	--
Other Southern and Southeast Asia	32,019	43,522	9,593	7,143	--	--
Eastern Asia, total	36,025	9,675,436	3,171,040	1,031,160	166,258	18,418
China	35,371	153,378	20,895	17,387	4,733	--
Taiwan	--	766,379	156,854	100,560	38,865	4,290
Hong Kong	--	1,309,611	174,254	26,510	169	335
Japan	552	6,670,074	2,626,463	737,424	110,901	11,593
South Korea	--	747,131	182,378	139,166	11,571	2,042
Other Eastern Asia	102	28,862	10,196	10,113	20	160
Asia not allocable	--	2,400	604	590	--	--
Oceania, total	**771,399**	**2,765,952**	**870,523**	**485,876**	**14,372**	**10,368**
Australia	714,671	2,416,269	763,507	430,076	5,803	9,582
New Zealand	7,791	248,764	70,764	21,236	8,521	776
Other Oceania	48,938	100,920	36,251	34,564	48	10
Puerto Rico and U.S. Possessions, total	**5**	**488,835**	**207,640**	**138,585**	**16,904**	**3,607**
Puerto Rico	--	383,612	174,663	114,684	16,270	1,007
U.S. Possessions, total	5	105,222	32,978	23,901	634	2,600
American Samoa	--	898	395	395	--	--
Guam	--	23,925	17,555	10,656	72	--
Virgin Islands	5	78,752	12,909	10,732	563	2,600
Other U.S. Possessions	--	1,647	2,119	2,119	--	--
Country not stated	**403,846**	**4,732,055**	**529,312**	**367,843**	**36,880**	**28,547**
Interest Charge-Domestic International Sales Corporation dividends [2]	**--**	**50,920**	**24**	**5**	**5**	**--**
Foreign Sales Corporation dividends [2]	**--**	**155,168**	**--**	**--**	**--**	**--**
OPEC countries (included above)	**1,421,247**	**4,910,499**	**1,976,446**	**1,513,899**	**32,360**	**13,648**
Tax haven countries (included above)	**268,265**	**12,859,678**	**2,273,817**	**439,472**	**223,840**	**4,643**

Footnotes at end of table.

Table 3.--Corporation Returns with a Foreign Tax Credit: Foreign Income, Deductions, and Tax Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid--Continued

[Money amounts are in thousands of dollars]

Selected country	Foreign taxes paid, accrued, or deemed paid--Continued					
	Foreign taxes paid or accrued--Continued					Taxes deemed paid
	Taxes withheld at source on --Continued	Other taxes paid or accrued on–				
	Rents, royalties, and license fees	Branch income	Specifically allocable income [Section 863(b)]	Service income	Other income	
	(19)	(20)	(21)	(22)	(23)	(24)
All countries	**1,172,577**	**3,989,790**	**31,216**	**171,029**	**2,101,209**	**13,238,682**
Canada	**109,803**	**163,957**	**1,265**	**20,999**	**59,692**	**1,175,784**
Latin America, total	**169,347**	**260,356**	**2,962**	**35,286**	**391,570**	**983,813**
Mexico	90,488	117,435	364	14,594	8,472	391,710
Central America, total	8,125	13,773	--	1,231	2,969	87,794
Belize	9	--	--	5	344	69
Costa Rica	3,021	1,381	--	570	563	1,556
El Salvador	1,003	537	--	431	189	1,822
Guatemala	2,061	3,029	--	119	1,151	5,201
Honduras	649	1,879	--	45	407	2,299
Nicaragua	20	197	--	--	4	--
Panama	1,361	5,548	--	61	312	76,846
Central America not allocable	--	1,202	--	--	--	--
Caribbean countries, total	2,226	24,285	1,344	151	80,967	89,950
Cayman Islands (British)	--	--	--	--	13	77,356
Dominican Republic	1,200	10,481	--	--	540	7,343
Haiti	3	783	--	--	1,253	6
Jamaica	445	4,117	1,344	56	185	873
Trinidad and Tobago	500	8,141	--	33	78,977	847
Other Caribbean countries	78	764	--	62	--	3,525
South America, total	68,314	104,095	1,253	19,311	299,140	414,359
Argentina	22,390	46,283	140	3,259	4,153	28,959
Bolivia	47	105	--	68	28	--
Brazil	11,709	10,039	217	5,912	13,907	238,460
Chile	11,482	4,323	1	1,089	117,546	26,891
Colombia	4,759	26,397	92	1,168	159,438	52,645
Ecuador	3,028	1,133	--	291	1,584	4,526
Paraguay	92	2,017	5	--	88	535
Peru	1,468	4,377	787	173	1,514	6,959
Uruguay	1,234	4,586	--	25	--	2,761
Venezuela	12,096	4,825	10	7,324	882	52,600
Other South America	9	8	--	--	--	22
Latin America not allocable	194	768	--	--	21	--
Other Western Hemisphere, total	**1,380**	**1,457**	**--**	**646**	**531**	**101,704**
Bahamas	--	46	--	--	--	24,143
Bermuda	1,233	--	--	--	--	46,714
Netherlands Antilles	--	1,173	--	509	511	22,472
Other British West Indies	129	238	--	137	20	7,941
All other Western Hemisphere	18	--	--	--	--	433
Europe, total	**244,899**	**1,477,493**	**493**	**17,929**	**259,070**	**7,418,546**
European Economic Community, total	231,495	693,107	281	14,709	102,414	6,646,063
Belgium	461	79,701	--	666	3,552	206,986
Denmark	79	23,064	--	--	4	154,904
France (including Andorra)	54,550	10,513	13	3,902	6,229	453,125
Greece	714	11,634	--	175	31	8,076
Ireland	156	1,186	--	1,767	28	51,438
Italy (including San Marino)	107,918	23,396	25	424	4,086	819,419
Luxembourg	--	--	--	109	--	36,938
Netherlands	1,015	35,892	--	207	21,536	813,595
Portugal	10,106	4,143	23	354	562	34,515
Spain	49,557	17,028	176	2,709	3,594	229,666
United Kingdom	4,628	374,401	41	4,409	43,416	1,858,734
West Germany	2,312	112,149	3	-14	19,375	1,978,667

Footnotes at end of table.

Table 3.--Corporation Returns with a Foreign Tax Credit: Foreign Income, Deductions, and Tax Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid--Continued

[Money amounts are in thousands of dollars]

Selected country	Foreign taxes paid, accrued, or deemed paid--Continued					
	Foreign taxes paid or accrued--Continued					Taxes deemed paid
	Taxes withheld at source on --Continued	Other taxes paid or accrued on--				
	Rents, royalties, and license fees	Branch income	Specifically allocable income [Section 863(b)]	Service income	Other income	
	(19)	(20)	(21)	(22)	(23)	(24)
Other West European countries, total	11,513	772,097	175	3,207	156,106	754,157
Austria	800	4,307	29	--	25	51,554
Finland	3,822	--	--	338	4	16,459
Liechtenstein	--	--	--	--	--	12,128
Monaco	1	739	--	90	--	150
Norway	25	742,531	--	8	148,143	174,974
Sweden	372	6,702	--	19	274	42,623
Switzerland	48	13,129	135	1,052	5,457	445,129
Turkey	6,382	4,387	10	1,698	495	9,425
Other West European countries	61	--	--	2	1,706	1,715
West European countries not allocable	--	302	--	--	--	--
East European countries, total	1,559	12,048	37	13	549	18,326
East Germany	--	--	--	--	--	--
Romania	47	9,030	--	--	25	--
Union of Soviet Socialist Republics	47	669	27	--	--	4,228
Other East Europe	1,465	2,349	10	13	524	14,098
Europe not allocable	333	241	--	--	--	--
Africa, total	**14,850**	**248,373**	**4,125**	**26,457**	**259,481**	**218,832**
North Africa, total	1,756	24,307	--	1,449	184,485	21,605
Algeria	599	5,645	--	1,124	14	--
Egypt	883	13,713	--	315	183,706	9,615
Libya	--	--	--	--	--	3,232
Morocco	224	2,670	--	10	403	3,269
Other North Africa	50	2,279	--	--	363	5,488
East Africa, total	321	4,412	--	338	2,234	8,081
Ethiopia	--	--	--	--	1,084	--
Kenya	191	3,332	--	338	1,014	6,787
Tanzania	--	--	--	--	--	41
Uganda	--	--	--	--	41	--
Other East Africa	130	1,080	--	--	95	1,253
West and Central Africa, total	1,001	216,841	4,125	24,452	70,208	129,812
Gabon	-2	6,730	--	262	13	2,217
Ghana	18	--	--	38	652	601
Liberia	--	--	--	--	--	2,002
Nigeria	162	202,478	--	1,321	9,221	119,823
Zaire	--	4,748	--	--	11,576	1,049
Other West and Central Africa	823	2,884	4,125	22,831	48,747	4,119
Southern Africa, total	11,773	2,813	--	217	2,554	59,333
Malawi	--	14	--	--	--	267
Zimbabwe	162	2,799	--	131	5	15,159
South Africa (including Namibia)	8,878	--	--	78	2,549	22,233
Zambia	--	--	--	--	--	1,145
Other Southern Africa	2,732	--	--	9	--	20,529
Africa not allocable	--	--	--	--	--	--

Footnotes at end of table.

Table 3.--Corporation Returns with a Foreign Tax Credit: Foreign Income, Deductions, and Tax Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid--Continued

[Money amounts are in thousands of dollars]

Selected country	Foreign taxes paid, accrued, or deemed paid--Continued					
	Foreign taxes paid or accrued--Continued					Taxes deemed paid
	Taxes withheld at source on --Continued	Other taxes paid or accrued on--				
	Rents, royalties, and license fees	Branch income	Specifically allocable income [Section 863(b)]	Service income	Other income	
	(19)	(20)	(21)	(22)	(23)	(24)
Asia, total	**523,479**	**1,620,588**	**19,169**	**49,373**	**599,165**	**2,724,815**
Middle East, total	17,341	235,013	16,504	15,656	185,357	34,250
Bahrain	--	--	--	--	--	--
Iran	--	--	--	--	--	334
Iraq	--	--	--	--	--	--
Israel	14,630	-660	16,504	577	3,455	19,454
Kuwait	25	--	--	110	1,299	--
Lebanon	36	458	--	--	--	28
Qatar	--	--	--	919	56	103
Saudi Arabia	2,507	14,384	--	13,829	24,361	12,241
United Arab Emirates	9	217,565	--	--	66,566	--
Other areas of the Arabian Peninsula	10	2,346	--	83	88,138	--
Other Middle East	124	921	--	139	1,483	2,091
Southern and Southeast Asia, total	79,209	1,043,716	75	17,240	354,589	550,671
Bangladesh	7	5,505	--	810	--	--
India	8,372	88,273	25	975	1,248	12,497
Indonesia	5,541	710,111	--	3,293	148,574	267,471
Malaysia	10,607	39,853	7	3,746	181,455	25,746
Pakistan	9	62,443	--	575	69	1,080
Philippines	7,662	56,022	7	1,891	18,512	65,125
Singapore	33,441	46,454	21	1,034	2,115	64,481
Sri Lanka	19	2,695	--	807	149	1,343
Thailand	13,550	25,245	15	4,111	2,437	110,478
Vietnam	--	--	--	--	--	--
Other Southern and Southeast Asia	--	7,114	--	--	29	2,450
Eastern Asia, total	426,930	341,858	2,001	16,476	59,219	2,139,880
China	4,937	929	21	5,476	1,292	3,508
Taiwan	21,145	20,907	117	6,683	8,553	56,295
Hong Kong	2,499	20,726	3	161	2,617	147,744
Japan	355,890	217,515	1,483	1,892	38,150	1,889,039
South Korea	42,402	74,545	377	2,251	5,979	43,212
Other Eastern Asia	56	7,236	--	14	2,628	83
Asia not allocable	--	--	590	--	--	14
Oceania, total	**62,750**	**21,338**	**306**	**4,077**	**372,665**	**384,646**
Australia	54,898	16,142	286	2,717	340,648	333,432
New Zealand	7,604	3,015	21	543	757	49,528
Other Oceania	248	2,181	--	817	31,260	1,687
Puerto Rico and U.S. Possessions, total	**9,998**	**77,413**	**2,565**	**11,156**	**16,942**	**69,055**
Puerto Rico	8,970	66,467	1,370	6,789	13,809	59,979
U.S. Possessions, total	1,027	10,945	1,195	4,367	3,133	9,076
American Samoa	--	394	--	--	--	--
Guam	40	5,758	1,195	2,669	922	6,900
Virgin Islands	208	3,454	--	1,698	2,211	2,177
Other U.S. Possessions	779	1,340	--	--	--	--
Country not stated	**36,071**	**118,816**	**330**	**5,106**	**142,091**	**161,469**
Interest Charge-Domestic International Sales Corporation dividends [2]	--	--	--	--	--	19
Foreign Sales Corporation dividends [2]	--	--	--	--	--	--
OPEC countries (included above)	**23,966**	**1,162,872**	**10**	**28,473**	**252,569**	**462,547**
Tax haven countries (included above)	**43,564**	**129,728**	**188**	**3,996**	**33,513**	**1,834,345**

**Data deleted to avoid disclosure of specific corporations.

[1] Less than $500.

[2] Dividends from an Interest Charge-Domestic International Sales Corporation or a Foreign Sales Corporation were not reported for specific foreign countries.

[3] Included in gross income (less loss), columns 1-8.
Included in total deductions, column 12.

NOTES: Detail may not add to totals due to rounding and processing tolerances.

Private Foundations and Charitable Trusts, 1992

Data Release

For 1992, private foundations and charitable trusts reported $23.9 billion in total revenues and $11.5 billion in contributions, gifts, and grants paid out. Private foundations are generally larger in terms of asset size and more numerous than charitable trusts. The 42,428 private foundations accounted for 98 percent of the combined total of $195.3 billion in assets (based on fair market value), while the 2,932 charitable trusts accounted for the remaining 2 percent.

A private foundation is a nonprofit, tax-exempt charitable organization that is narrowly supported and controlled, usually by an individual, family, or corporation. A charitable trust filing under Internal Revenue Code section 4947(a)(1) is also nonprofit, but is not tax-exempt and is typically supported and controlled by an individual or family. Both private foundations and charitable trusts are required to file and make public an annual information return, Form 990-PF, *Return of Private Foundation* (or *Section 4947(a)(1) Charitable Trust Treated as a Private Foundation*). The statistics contained in this data release are based on the data from these forms.

Private Foundations

Total private foundation revenues fell by 4 percent from $24.8 billion for 1991 to $23.6 billion for 1992 [1]. This decrease was largely due to one organization's sale of some of its assets in 1991 [2]. If this organization was excluded, total revenue for 1991 and 1992 would equal $20.6 billion and $23.0 billion, respectively. This would have represented a nearly 12-percent increase, instead of the actual 4-percent drop, from 1991 to 1992.

Because of the effect of this one organization's activities, one of the major sources of foundation revenue -- net gains (less losses) from sales of assets -- dropped 21 percent, from $8.5 billion to $6.7 billion. By excluding this organization from the data for 1991 and 1992, net gains (less losses) from sales of assets would have increased by 36 percent from $4.8 billion to $6.5 billion. This same foundation also accounted for net gains (less losses) from sales of assets more than doubling from 1990 to 1991 [3].

Total assets (based on fair market value) grew by 1 percent to $192.2 billion for 1992 compared to the previous year. The largest component of total assets, investments in securities, increased by nearly 4 percent to $144.4 billion. Nearly 66 percent of these investments were in corporate stock, which continued to dominate total investments in securities. The remaining 34 percent of investments in securities was in Government obligations and corporate bonds. Investments in Government obligations, alone, fell by 2 percent to $30.5 billion for 1992, while investments in corporate bonds increased by 7 percent to $18.7 billion. (Tables 1 and 3 present both fair market and book values for these asset accounts.)

Section 4947(a)(1) Charitable Trusts

Charitable trusts, as defined under Internal Revenue Code section 4947(a)(1), reported slightly more than $3.1 billion in total assets (fair market value) for 1992, an increase of 5 percent from 1991. Investments in securities, nearly 70 percent of total assets, grew from $2.0 billion to $2.2 billion. This increase was due to a 7-percent growth in corporate stock (fair market value), which increased to $1.4 billion. Charitable contributions, gifts, and grants paid, fell by 2 percent to $155 million (as reported on a cash basis in Table 2).

Total revenues grew significantly for 1992, to $346.8 million, nearly 24 percent. The largest increase was for net gains (less losses) from sales of assets, up by over 70 percent, to $126.1 million. Unlike private foundations, net gains (less losses) from sales of assets was the primary source of revenue for charitable trusts. Dividends and interest from securities accounted for $120.1 million of revenues for 1992, followed by contributions, gifts, and grants of $63.3 million (an increase of over 60 percent from the previous year).

Data Sources and Limitations

Tables 1 and 3 provide information for Reporting Year 1992 for private foundations, while Tables 2 and 4 provide similar data for charitable trusts. The statistics are based on a sample of Reporting Year 1992 Forms 990-PF that were filed with the Internal Revenue Service (IRS). These returns were filed by organizations with accounting periods beginning in 1992 (and therefore ending between December 1992 and November 1993). Some part-year returns were included in the sample for organizations that changed their accounting periods, or filed initial or final returns. Approximately 62 percent of the foundations and 57 percent of charitable trusts had full-year accounting periods covering Calendar Year 1992, or part-year accounting periods that ended in December 1992. Additionally, 60 percent of total foundation assets and 55 percent of total trust assets were for the calendar-year accounting period. Therefore, the majority of the financial activities reflected in the statistics can be associated with Calendar Year 1992.

The 1992 sample was stratified based on both the size of book value of total assets and the type of organization

This data release was written by Paul Arnsberger and Susan Eastep, economists with the Special Projects Section, Special Studies and Publications Branch, under the direction of Michael Alexander.

(either a private foundation or a charitable trust). Foundation returns were selected at rates that ranged from approximately 5 percent (for the more numerous but very small asset-size returns) to 100 percent (for the relatively few returns with large amounts of assets). Charitable trust returns were selected at rates that ranged from 31 to 100 percent. The 5,761 returns in the 1992 sample (4,929 foundations and 832 trusts) were drawn from the estimated population totals shown in Tables 1 through 4. The magnitude of sampling error, measured by the coefficient of variation, for selected financial data is shown in Figure A.

Figure A

Coefficients of Variation for Selected Items, by Type of Organization, Reporting Year 1992

Item	Private foundations	Charitable trusts
Total assets (fair market value)	0.39	0.57
Total revenue	1.87	1.24
Total expenses	2.06	2.06
Contributions, gifts, and grants paid	2.25	2.61

The population from which this sample was drawn consisted of 1992 Form 990-PF records posted to the IRS Business Master File during 1992 and 1993. Some of the records designated were for organizations deemed inactive or terminated. Inactive and terminated organizations are not reflected in the estimates. For the small number of active, large foundations and trusts whose returns for the 1992 Reporting Year were not yet filed or were otherwise unavailable for the statistics, data were estimated using prior-year returns.

The data presented were obtained from returns as originally filed. The data were subjected to comprehensive testing and correction procedures in order to ensure statistical reliability and validity. In most cases, changes made to the original return as a result of administrative processing, audit procedures, or a taxpayer amendment were not incorporated into the data base.

Explanation of Selected Terms

Charitable Trust -- This type of organization, also referred to as a "nonexempt" charitable trust, is defined in Internal Revenue Code section 4947(a)(1) as an organization (1) that is not considered tax-exempt under section 501(a); (2) that has exclusively charitable interests; and (3) for which donors are allowed to claim a tax deduction for charitable contributions. Nonexempt charitable trusts that are not publicly supported are subject to the same excise tax provisions that apply to private foundations and are required to file the same Form 990-PF. ("Publicly supported" nonexempt charitable trusts are required to file Form 990, *Return of Organization Exempt From Income Tax*, and are, therefore, not included in the statistics [4].) Nonexempt charitable trusts must pay an annual tax on income (usually from investments) that is not distributed for charitable purposes, and they must report such income and tax on Form 1041, *U.S. Income Tax Return for Estates and Trusts*.

Distributable Amount -- This was the minimum payout amount that was required to be distributed by the end of the year following the year for which the return was filed. Failure to distribute income within this time period resulted in a 15-percent excise tax on the undistributed portion. The distributable amount was computed as 5 percent of "net investment assets," called the "minimum investment return," minus taxes on both "net investment income" and "unrelated business income," plus or minus other adjustments, either allowed or required.

Excess Distributions Carryover -- The excess carryover equaled the excess of "qualifying distributions" for 1992 over the "distributable amount." "Excess" amounts from the current year could be carried forward to be applied to the distributable amount for the following 5 years.

Minimum Investment Return -- This was the aggregate fair market value of assets not used for charitable purposes, less both the indebtedness incurred to acquire them and cash held for charitable activities, multiplied by 5 percent. The minimum investment return was used as the base for calculating the "distributable amount."

Nonoperating Foundations (and Section 4947(a)(1) Charitable Trusts) -- Nonoperating foundations and trusts generally carried on their charitable activities in an indirect manner by making grants to other organizations directly engaged in charitable activities, in contrast to those (operating) foundations and trusts which engaged in charitable activities, themselves. However, some nonoperating foundations and trusts were actively involved in charitable programs of their own, in addition to making grants to other organizations. Nonoperating foundations and trusts were subject to an excise tax (and possible additional penalties) for failure to distribute an annual minimum amount for charitable purposes within a required time period.

Operating Foundations (and Section 4947(a)(1) Charitable Trusts) -- These organizations generally expended their income for direct, active involvement in a tax-exempt activity, such as operating a library or museum, or conducting scientific research. Operating foundations and

trusts were excepted from the income distribution requirement and related excise taxes that were applicable to their nonoperating counterparts. To qualify as an operating foundation or trust for a particular taxable year, the private foundation or trust had to meet both an "income test" and one of three other tests: an "assets test," an "endowment test," or a "support test." (The tests are described below with reference to private foundations, but apply in the same manner to charitable trusts.)

To meet the income test, a private foundation had to spend at least 85 percent of the lesser of its "adjusted net income" or "minimum investment return" on the direct, active conduct of tax-exempt, charitable activities (as opposed to the payout of grants in support of such programs). The assets test was met if 65 percent or more of the foundation's assets were directly used for the active conduct of charitable activities. The endowment test was met if the foundation normally made distributions for the active conduct of charitable activities in an amount not less than two-thirds of its "minimum investment return." The support test was met if the foundation normally received substantially all of its support (other than from "gross investment income") from the public or from five or more qualifying exempt organizations, *and* (a) no more than 25 percent of its support (other than from "gross investment income") was normally received from any one such qualifying exempt organization; and (b) no more than 50 percent of its support was normally received from gross investment income.

Private Foundation -- This type of organization is defined in Internal Revenue Code section 501(c)(3) as a nonprofit corporation, association, or trust with a narrow source of funds that operated or supported social, educational, scientific, charitable, religious, or other programs dedicated to improving the general welfare of society. A private foundation is *not*: (1) a church, school, hospital, or medical research organization; (2) an organization with broad public support in the form of contributions or income from tax-exempt activities; (3) an organization that was operated by, or in connection with, any of the above described organizations; and (4) an organization that conducts tests for public safety. The primary difference between a private foundation and a public charity is the sources of each type of organization's funding. A foundation usually receives its funds from an individual, a family, or a corporation, while a public charity receives its funds primarily from a large number of sources within the general public.

Qualifying Distributions -- Qualifying distributions include disbursements for charitable purposes; amounts paid to acquire assets used directly to accomplish tax-exempt functions; charitable program-related investments; and amounts set aside for future charitable projects. Qualifying distributions could be credited against the foundation's or trust's obligation to pay out its "distributable amount."

Undistributed Income -- Undistributed income was the portion of the required "distributable amount" still undistributed after applying against it the sum of current-year qualifying distributions and any excess distributions carried over from prior years.

Notes and References

[1] For more information on private foundations and charitable trusts for 1991, see "Private Foundations and Charitable Trusts, 1991," *Statistics of Income Bulletin*, Winter 1994-95, Volume 14, Number 3.

[2] This organization, the Wellcome Foundation, is a private foundation funded by a British pharmaceutical company. For 1991, the foundation began the year with $10.6 billion in total assets (fair market value) and later sold $3.6 billion of its stock holdings. For 1992, its assets dropped to $5.0 billion and its total revenue dropped to $574 million.

[3] For detailed information on private foundations and charitable trusts for 1990, see Meckstroth, Alicia, "Private Foundations and Charitable Trusts, 1990," *Statistics of Income Bulletin*, Winter 1993-94, Volume 13, Number 3.

[4] For more information on charities and other tax-exempt organizations, see Hilgert, Cecelia, "Charities and Other Tax-Exempt Organizations, 1991," *Statistics of Income Bulletin*, Summer 1995, Volume 15, Number 1.

Table 1.--All Private Foundations: Number and Selected Financial Data, by Type of Foundation and Size of Fair Market Value of Total Assets

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

Type of foundation, size of fair market value of total assets	Number of returns	Total revenue		Selected sources of revenue: Contributions, gifts, and grants received		Dividends and interest from securities		Net gain (less loss) from sales of assets	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
ALL FOUNDATIONS									
Total	**42,428**	**41,413**	**23,566,388**	**19,280**	**7,902,873**	**27,283**	**6,631,079**	**17,999**	**6,733,267**
Zero or unreported	1,137	932	91,606	548	87,286	333	2,971	206	-2,526
$1 under $100,000	14,733	13,990	386,638	7,718	342,929	5,396	10,190	2,269	13,960
$100,000 under $1,000,000	15,941	15,897	1,367,283	6,698	925,103	11,945	197,436	7,282	113,900
$1,000,000 under $10,000,000	8,531	8,511	4,036,788	3,450	1,851,583	7,619	925,386	6,384	758,618
$10,000,000 under $25,000,000	1,180	1,179	2,613,958	501	1,037,506	1,110	635,331	1,015	583,392
$25,000,000 under $50,000,000	428	428	2,236,590	172	908,538	412	533,788	395	494,953
$50,000,000 under $100,000,000	237	237	1,910,967	98	653,443	232	599,811	223	492,769
$100,000,000 or more	239	239	10,922,557	95	2,096,484	236	3,726,166	226	4,278,202
Nonoperating foundations									
Total	**38,620**	**37,735**	**21,354,907**	**16,734**	**7,153,118**	**25,848**	**6,197,344**	**17,149**	**6,248,271**
Zero or unreported	1,028	822	89,911	459	85,717	313	2,936	206	-2,526
$1 under $100,000	12,915	12,295	329,627	6,447	292,364	5,036	9,582	2,122	12,914
$100,000 under $1,000,000	14,909	14,865	1,266,801	6,153	844,694	11,491	191,479	7,102	111,341
$1,000,000 under $10,000,000	7,883	7,869	3,474,842	2,965	1,544,236	7,189	882,221	6,028	725,154
$10,000,000 under $25,000,000	1,053	1,052	2,326,864	403	947,873	1,003	588,923	911	554,331
$25,000,000 under $50,000,000	395	395	2,005,445	145	863,479	383	509,232	365	446,374
$50,000,000 under $100,000,000	218	218	1,784,815	84	638,064	215	555,832	207	457,276
$100,000,000 or more	220	220	10,076,603	79	1,936,690	218	3,457,139	208	3,943,407
Operating foundations									
Total	**3,808**	**3,678**	**2,211,481**	**2,546**	**749,755**	**1,435**	**433,736**	**850**	**484,996**
Zero or unreported	*109	*109	*1,695	*89	*1,569	*21	*35	–	–
$1 under $100,000	1,818	1,695	57,012	1,271	50,564	359	608	*147	*1,045
$100,000 under $1,000,000	1,033	1,033	100,482	545	80,409	454	5,957	180	2,559
$1,000,000 under $10,000,000	649	642	561,946	485	307,348	430	43,165	355	33,463
$10,000,000 under $25,000,000	128	128	287,094	99	89,633	108	46,408	104	29,061
$25,000,000 under $50,000,000	33	33	231,146	27	45,059	29	24,556	30	48,579
$50,000,000 unde $100,000,000	19	19	126,152	14	15,379	17	43,979	16	35,493
$100,000,000 or more	19	19	845,954	16	159,794	18	269,027	18	334,795
GRANTMAKING FOUNDATIONS									
Total	**35,197**	**35,067**	**21,956,869**	**14,963**	**7,114,121**	**25,282**	**6,430,457**	**16,987**	**6,506,152**
Zero or unreported	719	678	88,648	356	86,711	332	1,581	206	-2,526
$1 under $100,000	10,534	10,448	298,998	5,309	262,468	4,554	9,176	1,975	13,143
$100,000 under $1,000,000	14,149	14,146	1,174,991	5,559	781,747	11,284	191,370	6,942	98,141
$1,000,000 under $10,000,000	7,853	7,853	3,551,366	2,984	1,596,183	7,237	889,966	6,112	691,336
$10,000,000 under $25,000,000	1,087	1,087	2,288,089	428	872,952	1,038	603,647	948	562,302
$25,000,000 under $50,000,000	404	404	2,105,372	154	865,960	391	512,581	375	472,979
$50,000,000 under $100,000,000	225	225	1,816,787	89	640,998	222	568,286	215	468,871
$100,000,000 or more	226	226	10,632,617	84	2,007,103	224	3,653,852	215	4,201,907
Grantmaking-nonoperating foundations									
Total	**33,421**	**33,291**	**20,731,358**	**13,876**	**6,733,371**	**24,479**	**6,152,985**	**16,506**	**6,177,071**
Zero or unreported	654	613	87,150	291	85,256	312	1,546	206	-2,526
$1 under $100,000	9,668	9,583	275,351	4,720	241,585	4,338	8,706	1,889	12,240
$100,000 under $1,000,000	13,635	13,632	1,112,689	5,357	733,892	10,976	186,094	6,787	96,308
$1,000,000 under $10,000,000	7,608	7,608	3,274,404	2,816	1,431,734	7,056	874,374	5,950	675,538
$10,000,000 under $25,000,000	1,036	1,036	2,194,975	390	829,111	992	582,827	902	550,572
$25,000,000 under $50,000,000	387	387	1,951,346	142	837,489	377	501,090	359	446,307
$50,000,000 under $100,000,000	216	216	1,775,163	83	638,052	213	551,963	207	457,276
$100,000,000 or more	218	218	10,060,281	77	1,936,253	216	3,446,386	207	3,941,356
Grantmaking operating foundations									
Total	**1,776**	**1,776**	**1,225,511**	**1,087**	**380,750**	**802**	**277,472**	**481**	**329,080**
Zero or unreported	*65	*65	*1,499	*65	*1,455	*21	*35	–	–
$1 under $100,000	866	866	23,647	589	20,882	215	470	*85	*902
$100,000 under $1,000,000	514	514	62,302	203	47,855	308	5,276	*156	*1,832
$1,000,000 under $10,000,000	245	245	276,963	168	164,449	182	15,592	162	15,798
$10,000,000 under $25,000,000	52	52	93,114	38	43,842	46	20,820	46	11,729
$25,000,000 under $50,000,000	17	17	154,026	12	28,470	14	11,491	16	26,672
$50,000,000 unde $100,000,000	9	9	41,624	6	2,946	9	16,323	8	11,595
$100,000,000 or more	8	8	572,336	7	70,850	8	207,465	8	260,551

Footnotes at end of table.

Table 1.--All Private Foundations: Number and Selected Financial Data, by Type of Foundation and Size of Fair Market Value of Total Assets--Continued

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

Type of foundation, size of fair market value of total assets	Total expenses		Excess of revenue (less loss) over expenses		Net investment income		Disbursements for exempt purposes	
	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 FOUNDATIONS								
Total	**41,240**	**14,498,073**	**41,456**	**9,068,314**	**36,639**	**14,252,246**	**39,182**	**12,693,054**
Zero or unreported	1,055	150,822	826	-59,216	411	8,721	887	119,676
$1 under $100,000	13,866	433,092	14,172	-46,454	10,661	40,528	12,624	405,464
$100,000 under $1,000,000	15,741	1,001,959	15,854	365,324	15,125	423,146	15,223	941,064
$1,000,000 under $10,000,000	8,497	2,570,423	8,522	1,466,365	8,387	1,990,549	8,374	2,241,681
$10,000,000 under $25,000,000	1,177	1,757,848	1,179	856,110	1,162	1,494,124	1,173	1,406,462
$25,000,000 under $50,000,000	427	1,159,315	428	1,077,275	422	1,102,995	426	1,016,266
$50,000,000 under $100,000,000	237	1,148,059	236	762,908	233	1,275,898	236	998,052
$100,000,000 or more	239	6,276,556	239	4,646,001	237	7,916,285	238	5,564,388
Nonoperating foundations								
Total	**37,627**	**13,189,477**	**37,853**	**8,165,429**	**33,873**	**13,246,548**	**35,883**	**11,653,581**
Zero or unreported	946	147,233	781	-57,322	387	8,496	799	116,244
$1 under $100,000	12,192	379,102	12,477	-49,476	9,549	38,066	11,161	359,688
$100,000 under $1,000,000	14,759	921,039	14,838	345,762	14,299	398,665	14,275	869,969
$1,000,000 under $10,000,000	7,848	2,151,058	7,874	1,323,784	7,774	1,911,160	7,769	1,948,154
$10,000,000 under $25,000,000	1,050	1,539,158	1,052	787,706	1,040	1,402,178	1,050	1,217,543
$25,000,000 under $50,000,000	394	989,162	395	1,016,282	391	1,029,845	393	873,461
$50,000,000 under $100,000,000	218	1,064,336	217	720,478	214	1,169,999	217	934,994
$100,000,000 or more	220	5,998,389	220	4,078,214	219	7,288,140	219	5,333,529
Operating foundations								
Total	**3,613**	**1,308,596**	**3,603**	**902,885**	**2,766**	**1,005,698**	**3,299**	**1,039,473**
Zero or unreported	*109	*3,588	*44	*-1,894	*24	*225	*89	*3,432
$1 under $100,000	1,674	53,990	1,695	3,022	1,113	2,462	1,462	45,776
$100,000 under $1,000,000	982	80,921	1,016	19,561	826	24,482	948	71,095
$1,000,000 under $10,000,000	649	419,365	649	142,581	613	79,389	605	293,527
$10,000,000 under $25,000,000	128	218,690	128	68,404	123	91,946	124	188,920
$25,000,000 under $50,000,000	33	170,153	33	60,993	31	73,150	33	142,805
$50,000,000 unde $100,000,000	19	83,722	19	42,430	19	105,899	19	63,058
$100,000,000 or more	19	278,167	19	567,787	18	628,144	19	230,858
GRANTMAKING FOUNDATIONS								
Total	**35,194**	**13,719,663**	**34,873**	**8,237,205**	**32,625**	**13,776,197**	**35,197**	**12,127,592**
Zero or unreported	719	149,142	575	-60,493	345	8,651	719	118,391
$1 under $100,000	10,534	355,579	10,428	-56,581	8,693	37,618	10,534	348,890
$100,000 under $1,000,000	14,146	954,016	14,078	220,975	13,868	397,872	14,149	911,705
$1,000,000 under $10,000,000	7,853	2,347,134	7,851	1,204,233	7,797	1,882,086	7,853	2,086,961
$10,000,000 under $25,000,000	1,087	1,598,850	1,087	669,132	1,077	1,425,773	1,087	1,269,707
$25,000,000 under $50,000,000	404	1,084,326	404	1,021,045	399	1,065,526	404	967,628
$50,000,000 under $100,000,000	225	1,077,123	224	739,664	222	1,205,388	225	955,154
$100,000,000 or more	226	6,153,387	226	4,479,230	225	7,753,284	226	5,469,156
Grantmaking-nonoperating foundations								
Total	**33,418**	**13,010,162**	**33,159**	**7,721,196**	**31,168**	**13,133,777**	**33,421**	**11,564,025**
Zero or unreported	654	146,615	551	-59,465	321	8,425	654	116,045
$1 under $100,000	9,668	335,445	9,583	-60,094	8,059	35,835	9,668	330,134
$100,000 under $1,000,000	13,632	894,935	13,564	217,754	13,388	375,227	13,635	858,143
$1,000,000 under $10,000,000	7,608	2,103,748	7,606	1,170,655	7,558	1,846,912	7,608	1,924,193
$10,000,000 under $25,000,000	1,036	1,527,413	1,036	667,561	1,027	1,392,547	1,036	1,209,827
$25,000,000 under $50,000,000	387	968,444	387	982,902	384	1,022,961	387	864,193
$50,000,000 under $100,000,000	216	1,049,696	215	725,467	213	1,169,838	216	931,236
$100,000,000 or more	218	5,983,865	218	4,076,415	217	7,282,032	218	5,330,255
Grantmaking operating foundations								
Total	**1,776**	**709,501**	**1,714**	**516,010**	**1,458**	**642,420**	**1,776**	**563,567**
Zero or unreported	*65	*2,526	*24	*-1,028	*24	*225	*65	*2,347
$1 under $100,000	866	20,134	845	3,512	633	1,783	866	18,756
$100,000 under $1,000,000	514	59,081	514	3,221	480	22,644	514	53,562
$1,000,000 under $10,000,000	245	243,386	245	33,577	239	35,175	245	162,769
$10,000,000 under $25,000,000	52	71,543	52	21,571	50	33,226	52	59,880
$25,000,000 under $50,000,000	17	115,883	17	38,144	15	42,565	17	103,434
$50,000,000 unde $100,000,000	9	27,427	9	14,197	9	35,550	9	23,918
$100,000,000 or more	8	169,521	8	402,815	8	471,252	8	138,901

Footnotes at end of table.

Table 1.--All Private Foundations: Number and Selected Financial Data, by Type of Foundation and Size of Fair Market Value of Total Assets--Continued

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

Type of foundation, size of fair market value of total assets	Contributions, gifts, and grants paid [1]		Excise tax on net investment income				
			Total	Domestic organizations		Foreign organizations	
	Number of returns	Amount		Number of returns	Amount	Number of returns	Amount
	(18)	(19)	(20)	(21)	(22)	(23)	(24)
ALL FOUNDATIONS							
Total	**35,197**	**10,910,358**	**194,157**	**42,383**	**187,363**	**27**	**164**
Zero or unreported	719	117,712	139	1,136	137	*1	*3
$1 under $100,000	10,534	319,895	573	14,733	573	–	–
$100,000 under $1,000,000	14,149	842,996	6,635	15,941	6,635	–	–
$1,000,000 under $10,000,000	7,853	1,915,881	30,703	8,518	30,695	*14	*8
$10,000,000 under $25,000,000	1,087	1,156,907	21,643	1,174	21,609	3	(2)
$25,000,000 under $50,000,000	404	848,349	15,910	418	15,846	7	49
$50,000,000 under $100,000,000	225	855,669	19,100	231	19,093	1	(2)
$100,000,000 or more	226	4,852,948	99,455	231	92,775	1	105
Nonoperating foundations							
Total	**33,421**	**10,700,524**	**189,274**	**38,576**	**182,480**	**27**	**164**
Zero or unreported	654	115,398	137	1,027	134	*1	*3
$1 under $100,000	9,668	306,848	539	12,915	539	–	–
$100,000 under $1,000,000	13,635	815,373	6,315	14,909	6,315	–	–
$1,000,000 under $10,000,000	7,608	1,831,496	29,930	7,869	29,922	*14	*8
$10,000,000 under $25,000,000	1,036	1,139,731	20,597	1,047	20,563	3	(2)
$25,000,000 under $50,000,000	387	805,082	15,263	385	15,199	7	49
$50,000,000 under $100,000,000	216	850,441	17,659	212	17,652	1	(2)
$100,000,000 or more	218	4,836,155	98,836	213	92,156	1	105
Operating foundations							
Total	**1,776**	**209,834**	**4,883**	**3,807**	**4,883**	**–**	**–**
Zero or unreported	*65	*2,314	2	109	2	–	–
$1 under $100,000	866	13,046	34	1,818	34	–	–
$100,000 under $1,000,000	514	27,623	320	1,033	320	–	–
$1,000,000 under $10,000,000	245	84,386	773	649	773	–	–
$10,000,000 under $25,000,000	52	17,176	1,046	128	1,046	–	–
$25,000,000 under $50,000,000	17	43,267	647	33	647	–	–
$50,000,000 unde $100,000,000	9	5,229	1,441	19	1,441	–	–
$100,000,000 or more	8	16,793	619	18	619	–	–
GRANTMAKING FOUNDATIONS							
Total	**35,197**	**10,910,358**	**189,385**	**35,158**	**182,620**	**25**	**161**
Zero or unreported	719	117,712	136	719	136	–	–
$1 under $100,000	10,534	319,895	521	10,534	521	–	–
$100,000 under $1,000,000	14,149	842,996	6,157	14,149	6,157	–	–
$1,000,000 under $10,000,000	7,853	1,915,881	29,129	7,839	29,122	*14	*8
$10,000,000 under $25,000,000	1,087	1,156,907	20,810	1,082	20,777	2	(2)
$25,000,000 under $50,000,000	404	848,349	15,728	395	15,675	7	49
$50,000,000 under $100,000,000	225	855,669	18,046	220	18,039	1	(2)
$100,000,000 or more	226	4,852,948	98,857	220	92,192	1	105
Grantmaking-nonoperating foundations							
Total	**33,421**	**10,700,524**	**187,095**	**33,382**	**180,330**	**25**	**161**
Zero or unreported	654	115,398	134	654	134	–	–
$1 under $100,000	9,668	306,848	496	9,668	496	–	–
$100,000 under $1,000,000	13,635	815,373	5,865	13,635	5,865	–	–
$1,000,000 under $10,000,000	7,608	1,831,496	28,652	7,594	28,644	*14	*8
$10,000,000 under $25,000,000	1,036	1,139,731	20,437	1,031	20,404	2	(2)
$25,000,000 under $50,000,000	387	805,082	15,150	378	15,097	7	49
$50,000,000 under $100,000,000	216	850,441	17,656	211	17,649	1	(2)
$100,000,000 or more	218	4,836,155	98,706	212	92,041	1	105
Grantmaking operating foundations							
Total	**1,776**	**209,834**	**2,290**	**1,776**	**2,290**	**–**	**–**
Zero or unreported	*65	*2,314	*2	*65	*2	–	–
$1 under $100,000	866	13,046	25	866	25	–	–
$100,000 under $1,000,000	514	27,623	292	514	292	–	–
$1,000,000 under $10,000,000	245	84,386	477	245	477	–	–
$10,000,000 under $25,000,000	52	17,176	373	52	373	–	–
$25,000,000 under $50,000,000	17	43,267	578	17	578	–	–
$50,000,000 unde $100,000,000	9	5,229	391	9	391	–	–
$100,000,000 or more	8	16,793	151	8	151	–	–

Footnotes at end of table.

Table 1.--All Private Foundations: Number and Selected Financial Data, by Type of Foundation and Size of Fair Market Value of Total Assets--Continued

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

Type of foundation, size of fair market value of total assets	Total assets (book value)		Investments in securities (book value)							
			Total		Government obligations		Corporate stock		Corporate bonds	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)
ALL FOUNDATIONS										
Total	**41,418**	**154,007,992**	**24,406**	**111,429,857**	**12,374**	**29,267,210**	**20,048**	**64,308,074**	**11,021**	**17,854,573**
Zero or unreported	*128	*43,507	*22	*36,806	--	--	*22	*36,600	*21	*206
$1 under $100,000	14,733	428,532	3,966	116,570	1,301	30,568	2,657	63,378	881	22,624
$100,000 under $1,000,000	15,941	5,341,314	10,855	2,754,699	4,561	725,746	8,909	1,484,915	4,313	544,039
$1,000,000 under $10,000,000	8,531	21,831,258	7,579	14,937,794	4,938	4,666,794	6,623	7,411,145	4,334	2,859,855
$10,000,000 under $25,000,000	1,180	14,562,306	1,113	10,354,924	849	3,129,476	1,016	5,217,975	796	2,007,473
$25,000,000 under $50,000,000	428	11,772,796	409	8,756,762	338	2,714,080	377	4,388,891	313	1,653,791
$50,000,000 under $100,000,000	237	13,329,900	229	10,223,920	189	3,133,741	221	5,217,969	171	1,872,210
$100,000,000 or more	239	86,698,379	233	64,248,381	198	14,866,806	224	40,487,201	193	8,894,374
Nonoperating foundations										
Total	**37,720**	**139,098,844**	**23,141**	**102,923,373**	**11,727**	**26,556,748**	**19,018**	**59,693,669**	**10,479**	**16,672,956**
Zero or unreported	*128	*43,507	*22	*36,806	--	--	*22	*36,600	*21	*206
$1 under $100,000	12,915	377,324	3,712	110,707	1,195	28,572	2,510	59,662	858	22,474
$100,000 under $1,000,000	14,909	4,976,675	10,452	2,666,122	4,470	707,756	8,564	1,443,869	4,157	514,497
$1,000,000 under $10,000,000	7,883	20,124,530	7,142	14,224,011	4,634	4,438,590	6,237	7,059,412	4,096	2,726,009
$10,000,000 under $25,000,000	1,053	12,994,541	1,005	9,625,853	753	2,885,874	923	4,887,147	718	1,852,832
$25,000,000 under $50,000,000	395	10,879,839	381	8,300,754	316	2,583,900	353	4,146,348	293	1,570,506
$50,000,000 under $100,000,000	218	12,174,204	212	9,548,518	177	2,925,935	204	4,894,900	157	1,727,684
$100,000,000 or more	220	77,528,224	215	58,410,602	182	12,986,121	206	37,165,732	180	8,258,749
Operating foundations										
Total	**3,699**	**14,909,148**	**1,265**	**8,506,484**	**647**	**2,710,462**	**1,030**	**4,614,404**	**542**	**1,181,617**
Zero or unreported	--	--	--	--	--	--	--	--	--	--
$1 under $100,000	1,818	51,208	253	5,863	*106	*1,996	*147	*3,717	*24	*150
$100,000 under $1,000,000	1,033	364,638	403	88,578	*92	*17,989	345	41,046	*156	*29,542
$1,000,000 under $10,000,000	649	1,706,727	437	713,783	304	228,204	386	351,733	238	133,845
$10,000,000 under $25,000,000	128	1,567,766	109	729,071	96	243,602	93	330,828	78	154,641
$25,000,000 under $50,000,000	33	892,958	28	456,008	22	130,180	24	242,543	20	83,285
$50,000,000 unde $100,000,000	19	1,155,696	17	675,402	12	207,806	17	323,070	14	144,526
$100,000,000 or more	19	9,170,155	18	5,837,778	16	1,880,684	18	3,321,468	13	635,626
GRANTMAKING FOUNDATIONS										
Total	**34,499**	**146,021,079**	**22,577**	**107,610,735**	**11,623**	**28,269,288**	**18,652**	**62,088,764**	**10,230**	**17,252,683**
Zero or unreported	*21	*744	*21	*515	--	--	*21	*309	*21	*206
$1 under $100,000	10,534	348,223	3,384	99,480	1,198	28,164	2,301	55,137	676	16,178
$100,000 under $1,000,000	14,149	4,743,773	10,149	2,616,748	4,320	700,018	8,322	1,400,888	4,028	515,842
$1,000,000 under $10,000,000	7,853	20,012,780	7,157	14,290,291	4,624	4,430,070	6,278	7,107,657	4,120	2,752,564
$10,000,000 under $25,000,000	1,087	13,339,303	1,040	9,824,156	789	3,002,729	948	4,934,761	740	1,886,665
$25,000,000 under $50,000,000	404	11,104,826	387	8,418,581	321	2,604,843	359	4,244,577	296	1,569,161
$50,000,000 under $100,000,000	225	12,579,283	219	9,782,916	182	2,999,640	212	4,995,715	164	1,787,561
$100,000,000 or more	226	83,892,146	221	62,578,048	188	14,503,823	212	39,349,720	185	8,724,505
Grantmaking-nonoperating foundations										
Total	**32,788**	**136,933,564**	**21,903**	**102,003,587**	**11,364**	**26,396,770**	**18,076**	**59,043,408**	**9,961**	**16,563,410**
Zero or unreported	*21	*744	*21	*515	--	--	*21	*309	*21	*206
$1 under $100,000	9,668	319,595	3,213	95,973	1,133	27,313	2,195	52,633	652	16,028
$100,000 under $1,000,000	13,635	4,527,220	9,892	2,541,034	4,270	684,972	8,082	1,365,081	3,906	490,981
$1,000,000 under $10,000,000	7,608	19,446,692	6,989	14,039,668	4,548	4,396,078	6,112	6,931,959	4,046	2,711,631
$10,000,000 under $25,000,000	1,036	12,729,194	993	9,491,971	746	2,865,579	913	4,793,016	711	1,833,376
$25,000,000 under $50,000,000	387	10,625,400	373	8,174,855	310	2,531,448	347	4,105,948	288	1,537,459
$50,000,000 under $100,000,000	216	12,032,468	210	9,481,331	176	2,919,699	203	4,833,948	157	1,727,684
$100,000,000 or more	218	77,252,251	213	58,178,239	181	12,971,680	204	36,960,514	179	8,246,045
Grantmaking operating foundations										
Total	**1,711**	**9,087,515**	**674**	**5,607,147**	**259**	**1,872,518**	**576**	**3,045,357**	**269**	**689,273**
Zero or unreported	--	--	--	--	--	--	--	--	--	--
$1 under $100,000	866	28,628	171	3,507	*65	*852	*106	*2,505	*24	*150
$100,000 under $1,000,000	514	216,553	257	75,714	*51	*15,046	240	35,807	*122	*24,861
$1,000,000 under $10,000,000	245	566,088	168	250,623	77	33,992	166	175,698	74	40,933
$10,000,000 under $25,000,000	52	610,109	47	332,185	43	137,150	35	141,745	29	53,290
$25,000,000 under $50,000,000	17	479,426	14	243,726	11	73,395	12	138,629	8	31,702
$50,000,000 unde $100,000,000	9	546,815	9	301,585	6	79,941	9	161,767	7	59,877
$100,000,000 or more	8	6,639,895	8	4,399,808	7	1,532,143	8	2,389,206	6	478,460

Footnotes at end of table.

Table 1.--All Private Foundations: Number and Selected Financial Data, by Type of Foundation and Size of Fair Market Value of Total Assets--Continued

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

Type of foundation, size of fair market value of total assets	Total assets (fair market value)		Investments in securities (fair market value)							
			Total		Government obligations		Corporate stock		Corporate bonds	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)
ALL FOUNDATIONS										
Total	**41,291**	**192,207,531**	**24,344**	**144,378,998**	**12,377**	**30,519,768**	**20,009**	**95,190,351**	**10,949**	**18,668,879**
Zero or unreported	–	–	–	–	–	–	–	–	–	–
$1 under $100,000	14,733	443,117	3,925	130,585	1,301	32,150	2,636	77,476	861	20,959
$100,000 under $1,000,000	15,941	5,981,293	10,855	3,305,247	4,564	755,946	8,913	1,980,515	4,306	568,786
$1,000,000 under $10,000,000	8,531	25,921,651	7,579	18,537,424	4,938	4,942,721	6,623	10,545,703	4,310	3,049,001
$10,000,000 under $25,000,000	1,180	18,194,523	1,113	13,574,290	849	3,293,743	1,016	8,096,689	796	2,183,858
$25,000,000 under $50,000,000	428	14,771,809	410	11,312,084	338	2,890,707	377	6,653,592	313	1,767,786
$50,000,000 under $100,000,000	237	16,362,363	229	12,828,197	189	3,338,103	221	7,543,135	171	1,946,959
$100,000,000 or more	239	110,532,775	233	84,691,169	198	15,266,400	223	60,293,241	193	9,131,529
Nonoperating foundations										
Total	**37,592**	**174,433,681**	**23,117**	**134,916,247**	**11,730**	**27,756,754**	**18,996**	**89,708,076**	**10,428**	**17,451,417**
Zero or unreported	–	–	–	–	–	–	–	–	–	–
$1 under $100,000	12,915	391,471	3,692	124,360	1,195	30,069	2,489	73,481	858	20,810
$100,000 under $1,000,000	14,909	5,592,340	10,469	3,201,679	4,473	737,210	8,585	1,926,750	4,150	537,720
$1,000,000 under $10,000,000	7,883	23,811,681	7,142	17,629,024	4,634	4,702,720	6,237	10,019,162	4,072	2,907,142
$10,000,000 under $25,000,000	1,053	16,347,985	1,005	12,647,964	753	3,039,392	923	7,585,107	718	2,023,465
$25,000,000 under $50,000,000	395	13,586,149	382	10,740,345	316	2,754,186	353	6,310,108	293	1,676,052
$50,000,000 under $100,000,000	218	15,043,901	212	12,056,478	177	3,122,250	204	7,138,193	157	1,796,034
$100,000,000 or more	220	99,660,154	215	78,516,397	182	13,370,927	205	56,655,276	180	8,490,194
Operating foundations										
Total	**3,699**	**17,773,850**	**1,227**	**9,462,751**	**647**	**2,763,014**	**1,013**	**5,482,275**	**522**	**1,217,462**
Zero or unreported	–	–	–	–	–	–	–	–	–	–
$1 under $100,000	1,818	51,647	233	6,225	*106	*2,080	*147	*3,995	*3	*149
$100,000 under $1,000,000	1,033	388,954	386	103,569	*92	*18,736	328	53,766	*156	*31,066
$1,000,000 under $10,000,000	649	2,109,970	437	908,400	304	240,001	386	526,540	238	141,859
$10,000,000 under $25,000,000	128	1,846,538	109	926,326	96	254,351	93	511,582	78	160,393
$25,000,000 under $50,000,000	33	1,185,660	28	571,739	22	136,520	24	343,484	20	91,735
$50,000,000 unde $100,000,000	19	1,318,461	17	771,719	12	215,853	17	404,942	14	150,925
$100,000,000 or more	19	10,872,621	18	6,174,772	16	1,895,472	18	3,637,966	13	641,334
GRANTMAKING FOUNDATIONS										
Total	**34,479**	**182,455,683**	**22,533**	**139,956,826**	**11,626**	**29,480,875**	**18,630**	**92,429,741**	**10,158**	**18,046,210**
Zero or unreported	–	–	–	–	–	–	–	–	–	–
$1 under $100,000	10,534	364,036	3,343	114,466	1,198	29,713	2,280	68,530	656	16,224
$100,000 under $1,000,000	14,149	5,368,974	10,166	3,156,633	4,323	729,675	8,343	1,886,364	4,021	540,595
$1,000,000 under $10,000,000	7,853	23,693,194	7,157	17,729,029	4,624	4,694,322	6,278	10,099,114	4,096	2,935,593
$10,000,000 under $25,000,000	1,087	16,821,954	1,040	12,928,757	789	3,160,582	948	7,709,531	740	2,058,645
$25,000,000 under $50,000,000	404	13,943,935	388	10,914,183	321	2,776,187	359	6,458,899	296	1,679,097
$50,000,000 under $100,000,000	225	15,531,611	219	12,341,162	182	3,197,798	212	7,284,879	164	1,858,485
$100,000,000 or more	226	106,731,979	221	82,772,596	188	14,892,599	211	58,922,425	185	8,957,572
Grantmaking-nonoperating foundations										
Total	**32,767**	**172,121,174**	**21,880**	**133,916,633**	**11,367**	**27,590,092**	**18,054**	**88,986,214**	**9,909**	**17,340,327**
Zero or unreported	–	–	–	–	–	–	–	–	–	–
$1 under $100,000	9,668	335,147	3,192	110,671	1,133	28,810	2,174	65,786	652	16,075
$100,000 under $1,000,000	13,635	5,135,198	9,909	3,065,395	4,273	714,028	8,103	1,837,286	3,900	514,081
$1,000,000 under $10,000,000	7,608	23,013,268	6,989	17,394,415	4,548	4,658,428	6,112	9,843,637	4,022	2,892,350
$10,000,000 under $25,000,000	1,036	16,067,751	993	12,499,210	746	3,018,631	913	7,477,072	711	2,003,506
$25,000,000 under $50,000,000	387	13,324,457	374	10,607,199	310	2,698,761	347	6,266,856	288	1,641,582
$50,000,000 under $100,000,000	216	14,891,595	210	11,978,720	176	3,116,014	203	7,066,671	157	1,796,034
$100,000,000 or more	218	99,353,757	213	78,261,024	181	13,355,419	203	56,428,906	179	8,476,699
Grantmaking operating foundations										
Total	**1,711**	**10,334,509**	**653**	**6,040,193**	**259**	**1,890,783**	**576**	**3,443,527**	**249**	**705,883**
Zero or unreported	–	–	–	–	–	–	–	–	–	–
$1 under $100,000	866	28,889	*150	*3,795	*65	*902	*106	*2,744	*3	*149
$100,000 under $1,000,000	514	233,776	257	91,239	*51	*15,647	240	49,078	*122	*26,514
$1,000,000 under $10,000,000	245	679,926	168	334,614	77	35,894	166	255,476	74	43,243
$10,000,000 under $25,000,000	52	754,202	47	429,547	43	141,951	35	232,458	29	55,138
$25,000,000 under $50,000,000	17	619,478	14	306,984	11	77,426	12	192,043	8	37,515
$50,000,000 unde $100,000,000	9	640,015	9	362,442	6	81,784	9	218,208	7	62,450
$100,000,000 or more	8	7,378,222	8	4,511,572	7	1,537,180	8	2,493,520	6	480,873

Footnotes at end of table.

Table 1.--All Private Foundations: Number and Selected Financial Data, by Type of Foundation and Size of Fair Market Value of Total Assets--Continued

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

Type of foundation, size of fair market value of total assets	Net worth (book value)		Minimum investment return		Distributable amount	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(45)	(46)	(47)	(48)	(49)	(50)
ALL FOUNDATIONS						
Total	**41,388**	**147,232,004**	**40,261**	**8,223,186**	**36,699**	**7,590,639**
Zero or unreported	148	43,390	552	1,362	511	1,291
$1 under $100,000	14,707	399,344	13,449	21,631	11,733	20,099
$100,000 under $1,000,000	15,924	5,136,059	15,691	269,374	14,733	274,368
$1,000,000 under $10,000,000	8,524	21,164,376	8,504	1,157,276	7,855	1,079,371
$10,000,000 under $25,000,000	1,180	14,156,191	1,175	809,558	1,049	738,281
$25,000,000 under $50,000,000	428	11,402,994	426	668,604	392	619,103
$50,000,000 under $100,000,000	237	12,987,051	232	730,107	213	672,725
$100,000,000 or more	239	81,942,600	233	4,565,275	214	4,185,400
Nonoperating foundations						
Total	**37,710**	**133,611,418**	**36,796**	**7,683,200**	**36,699**	**7,590,639**
Zero or unreported	148	43,390	511	1,319	511	1,291
$1 under $100,000	12,909	352,911	11,795	19,483	11,733	20,099
$100,000 under $1,000,000	14,892	4,800,194	14,767	256,216	14,733	274,368
$1,000,000 under $10,000,000	7,876	19,639,150	7,855	1,093,233	7,855	1,079,371
$10,000,000 under $25,000,000	1,053	12,690,366	1,049	753,270	1,049	738,281
$25,000,000 under $50,000,000	395	10,570,653	393	629,753	392	619,103
$50,000,000 under $100,000,000	218	11,936,226	213	688,569	213	672,725
$100,000,000 or more	220	73,578,529	214	4,241,357	214	4,185,400
Operating foundations						
Total	**3,678**	**13,620,586**	**3,466**	**539,986**	**N/A**	**N/A**
Zero or unreported	--	--	*41	*44	N/A	N/A
$1 under $100,000	1,798	46,433	1,654	2,147	N/A	N/A
$100,000 under $1,000,000	1,033	335,865	924	13,157	N/A	N/A
$1,000,000 under $10,000,000	649	1,525,226	649	64,043	N/A	N/A
$10,000,000 under $25,000,000	128	1,465,825	127	56,288	N/A	N/A
$25,000,000 under $50,000,000	33	832,341	33	38,852	N/A	N/A
$50,000,000 unde $100,000,000	19	1,050,825	19	41,538	N/A	N/A
$100,000,000 or more	19	8,364,071	19	323,917	N/A	N/A
GRANTMAKING FOUNDATIONS						
Total	**34,468**	**140,670,939**	**34,470**	**7,969,495**	**32,741**	**7,534,679**
Zero or unreported	*21	*744	486	1,180	465	1,112
$1 under $100,000	10,510	324,370	10,092	18,969	9,247	18,242
$100,000 under $1,000,000	14,149	4,648,357	14,108	254,308	13,577	254,831
$1,000,000 under $10,000,000	7,846	19,719,124	7,853	1,098,457	7,608	1,061,979
$10,000,000 under $25,000,000	1,087	13,039,771	1,085	772,749	1,034	732,137
$25,000,000 under $50,000,000	404	10,842,764	403	642,606	385	612,893
$50,000,000 under $100,000,000	225	12,405,657	221	707,941	212	671,990
$100,000,000 or more	226	79,690,153	221	4,473,284	213	4,181,495
Grantmaking-nonoperating foundations						
Total	**32,778**	**131,990,060**	**32,797**	**7,633,567**	**32,741**	**7,534,679**
Zero or unreported	*21	*744	465	1,137	465	1,112
$1 under $100,000	9,665	299,364	9,268	17,690	9,247	18,242
$100,000 under $1,000,000	13,635	4,445,608	13,611	244,432	13,577	254,831
$1,000,000 under $10,000,000	7,601	19,209,989	7,608	1,074,734	7,608	1,061,979
$10,000,000 under $25,000,000	1,036	12,461,454	1,034	746,966	1,034	732,137
$25,000,000 under $50,000,000	387	10,389,638	386	623,441	385	612,893
$50,000,000 under $100,000,000	216	11,869,950	212	687,830	212	671,990
$100,000,000 or more	218	73,313,312	213	4,237,337	213	4,181,495
Grantmaking operating foundations						
Total	**1,691**	**8,680,878**	**1,674**	**335,928**	**N/A**	**N/A**
Zero or unreported	--	--	*21	*44	N/A	N/A
$1 under $100,000	845	25,005	825	1,279	N/A	N/A
$100,000 under $1,000,000	514	202,749	497	9,875	N/A	N/A
$1,000,000 under $10,000,000	245	509,134	245	23,723	N/A	N/A
$10,000,000 under $25,000,000	52	578,316	52	25,783	N/A	N/A
$25,000,000 under $50,000,000	17	453,126	17	19,165	N/A	N/A
$50,000,000 unde $100,000,000	9	535,707	9	20,111	N/A	N/A
$100,000,000 or more	8	6,376,841	8	235,947	N/A	N/A

Footnotes at end of table.

Table 1.--All Private Foundations: Number and Selected Financial Data, by Type of Foundation and Size of Fair Market Value of Total Assets--Continued

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

Type of foundation, size of fair market value of total assets	Qualifying distributions		Undistributed income for 1992		Excess distributions carryover to 1993	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(51)	(52)	(53)	(54)	(55)	(56)
ALL FOUNDATIONS						
Total	**39,306**	**12,592,243**	**8,980**	**2,034,620**	**28,703**	**14,700,506**
Zero or unreported	887	119,676	*25	*178	*777	*423,918
$1 under $100,000	12,644	407,260	2,235	2,206	10,059	1,536,105
$100,000 under $1,000,000	15,318	974,517	3,478	45,336	11,393	2,714,192
$1,000,000 under $10,000,000	8,389	2,289,096	2,521	229,187	5,339	4,266,424
$10,000,000 under $25,000,000	1,173	1,528,250	358	156,924	682	1,905,534
$25,000,000 under $50,000,000	426	1,047,102	165	170,294	224	1,217,947
$50,000,000 under $100,000,000	232	1,005,745	91	201,596	121	1,011,435
$100,000,000 or more	236	5,220,598	106	1,228,899	107	1,624,952
Nonoperating foundations						
Total	**35,981**	**11,292,616**	**8,980**	**2,034,620**	**28,703**	**14,700,506**
Zero or unreported	799	116,244	*25	*178	*777	*423,918
$1 under $100,000	11,182	360,806	2,235	2,206	10,059	1,536,105
$100,000 under $1,000,000	14,353	898,181	3,478	45,336	11,393	2,714,192
$1,000,000 under $10,000,000	7,776	1,968,175	2,521	229,187	5,339	4,266,424
$10,000,000 under $25,000,000	1,049	1,322,491	358	156,924	682	1,905,534
$25,000,000 under $50,000,000	393	882,244	165	170,294	224	1,217,947
$50,000,000 under $100,000,000	213	932,669	91	201,596	121	1,011,435
$100,000,000 or more	217	4,811,806	106	1,228,899	107	1,624,952
Operating foundations						
Total	**3,325**	**1,299,627**	**N/A**	**N/A**	**N/A**	**N/A**
Zero or unreported	*89	*3,432	N/A	N/A	N/A	N/A
$1 under $100,000	1,462	46,453	N/A	N/A	N/A	N/A
$100,000 under $1,000,000	965	76,336	N/A	N/A	N/A	N/A
$1,000,000 under $10,000,000	613	320,921	N/A	N/A	N/A	N/A
$10,000,000 under $25,000,000	125	205,759	N/A	N/A	N/A	N/A
$25,000,000 under $50,000,000	33	164,858	N/A	N/A	N/A	N/A
$50,000,000 unde $100,000,000	19	73,076	N/A	N/A	N/A	N/A
$100,000,000 or more	19	408,792	N/A	N/A	N/A	N/A
GRANTMAKING FOUNDATIONS						
Total	**35,190**	**11,932,043**	**7,028**	**2,017,448**	**26,230**	**14,262,269**
Zero or unreported	719	118,391	--	--	633	422,773
$1 under $100,000	10,534	349,111	1,078	1,494	8,504	1,429,594
$100,000 under $1,000,000	14,149	917,514	2,848	39,353	10,767	2,612,691
$1,000,000 under $10,000,000	7,853	2,115,609	2,390	222,061	5,209	4,101,843
$10,000,000 under $25,000,000	1,086	1,369,057	351	154,747	672	1,882,030
$25,000,000 under $50,000,000	404	988,065	164	169,298	218	1,182,497
$50,000,000 under $100,000,000	221	956,489	91	201,596	120	1,008,413
$100,000,000 or more	224	5,117,808	106	1,228,899	106	1,622,427
Grantmaking-nonoperating foundations						
Total	**33,414**	**11,164,973**	**7,028**	**2,017,448**	**26,230**	**14,262,269**
Zero or unreported	654	116,045	--	--	633	422,773
$1 under $100,000	9,668	330,272	1,078	1,494	8,504	1,429,594
$100,000 under $1,000,000	13,635	862,008	2,848	39,353	10,767	2,612,691
$1,000,000 under $10,000,000	7,608	1,942,137	2,390	222,061	5,209	4,101,843
$10,000,000 under $25,000,000	1,035	1,306,417	351	154,747	672	1,882,030
$25,000,000 under $50,000,000	387	870,651	164	169,298	218	1,182,497
$50,000,000 under $100,000,000	212	928,911	91	201,596	120	1,008,413
$100,000,000 or more	216	4,808,532	106	1,228,899	106	1,622,427
Grantmaking operating foundations						
Total	**1,776**	**767,070**	**N/A**	**N/A**	**N/A**	**N/A**
Zero or unreported	65	2,347	N/A	N/A	N/A	N/A
$1 under $100,000	866	18,839	N/A	N/A	N/A	N/A
$100,000 under $1,000,000	514	55,506	N/A	N/A	N/A	N/A
$1,000,000 under $10,000,000	245	173,472	N/A	N/A	N/A	N/A
$10,000,000 under $25,000,000	52	62,640	N/A	N/A	N/A	N/A
$25,000,000 under $50,000,000	17	117,413	N/A	N/A	N/A	N/A
$50,000,000 unde $100,000,000	9	27,578	N/A	N/A	N/A	N/A
$100,000,000 or more	8	309,276	N/A	N/A	N/A	N/A

N/A - not applicable.

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

[1] The data shown in columns 18 and 19 are based on the amount of contributions, gifts, and grants that foundations actually disbursed for charitable purposes for 1992 using the cash receipts and disbursements method of accounting. These amounts differ somewhat from those reported as contributions, gifts, and grants paid shown in the income statement (Table 3) because foundations may use either the cash receipts and disbursements or the accrual method of accounting.

[2] Less than $500.

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

Table 2.--All 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Charitable Trust and Size of Fair Market Value of Total Assets

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

Type of trust, size of fair market value of total assets	Number of returns	Total revenue		Selected sources of revenue: Contributions, gifts, and grants received		Dividends and interest from securities		Net gain (less loss) from sales of assets	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
ALL CHARITABLE TRUSTS									
Total	**2,932**	**2,909**	**346,797**	**411**	**63,265**	**2,514**	**120,056**	**2,028**	**126,066**
Zero or unreported	36	36	280	*10	*(1)	*26	*87	*23	*183
$1 under $100,000	964	940	5,178	123	2,024	682	1,692	480	907
$100,000 under $500,000	1,078	1,078	24,988	148	3,078	977	10,582	807	8,481
$500,000 under $1,000,000	323	323	20,078	*32	*3,024	312	9,954	270	4,729
$1,000,000 under $10,000,000	486	486	162,664	90	51,333	471	51,980	407	44,756
$10,000,000 or more	47	47	133,609	9	3,806	46	45,760	41	67,010
Nonoperating trusts									
Total	**2,902**	**2,878**	**341,009**	**401**	**62,709**	**2,490**	**119,380**	**2,015**	**125,657**
Zero or unreported	36	36	280	*10	*(1)	*26	*87	*23	*183
$1 under $100,000	954	930	4,825	119	1,703	678	1,691	480	907
$100,000 under $500,000	1,070	1,070	24,930	148	3,078	970	10,517	800	8,489
$500,000 under $1,000,000	319	319	19,812	*32	*3,024	308	9,826	266	4,594
$1,000,000 under $10,000,000	477	477	158,174	83	51,098	462	51,707	406	44,678
$10,000,000 or more	46	46	132,989	9	3,806	45	45,551	40	66,806
Operating trusts									
Total	**30**	**30**	**5,787**	***10**	***556**	***24**	***676**	***13**	***409**
Zero or unreported	--	--	--	--	--	--	--	--	--
$1 under $100,000	*10	*10	*353	*3	*321	*3	*(1)	--	--
$100,000 under $500,000	*7	*7	*58	--	--	*7	*65	*7	*-8
$500,000 under $1,000,000	*4	*4	*266	--	--	*4	*128	*4	*134
$1,000,000 under $10,000,000	9	9	4,490	7	235	9	274	1	79
$10,000,000 or more	1	1	620	--	--	1	209	1	204
GRANTMAKING CHARITABLE TRUSTS									
Total	**2,706**	**2,706**	**317,132**	**351**	**58,656**	**2,385**	**115,865**	**1,931**	**111,992**
Zero or unreported	32	32	184	*10	*(1)	*22	*47	*19	*129
$1 under $100,000	825	825	4,195	83	1,203	633	1,612	444	863
$100,000 under $500,000	1,038	1,038	23,752	137	2,639	945	10,250	778	8,367
$500,000 under $1,000,000	316	316	19,755	*32	*3,024	305	9,769	266	4,594
$1,000,000 under $10,000,000	450	450	151,347	80	47,984	435	49,876	384	43,321
$10,000,000 or more	45	45	117,899	9	3,806	44	44,312	39	54,716
Grantmaking-nonoperating trusts									
Total	**2,691**	**2,691**	**316,118**	**347**	**58,335**	**2,377**	**115,616**	**1,926**	**111,787**
Zero or unreported	32	32	184	*10	*(1)	*22	*47	*19	*129
$1 under $100,000	815	815	3,842	80	882	630	1,612	444	863
$100,000 under $500,000	1,035	1,035	23,712	137	2,639	941	10,210	775	8,367
$500,000 under $1,000,000	316	316	19,755	*32	*3,024	305	9,769	266	4,594
$1,000,000 under $10,000,000	450	450	151,347	80	47,984	435	49,876	384	43,321
$10,000,000 or more	44	44	117,279	9	3,806	43	44,102	38	54,512
Grantmaking-operating trusts									
Total	***14**	***14**	***1,014**	***3**	***321**	***8**	***250**	***5**	***204**
Zero or unreported	--	--	--	--	--	--	--	--	--
$1 under $100,000	*10	*10	*353	*3	*321	*3	*(1)	--	--
$100,000 under $500,000	*4	*4	*41	--	--	*4	*40	*4	*(1)
$500,000 under $1,000,000	--	--	--	--	--	--	--	--	--
$1,000,000 under $10,000,000	--	--	--	--	--	--	--	--	--
$10,000,000 or more	1	1	620	--	--	1	209	1	204

Footnotes at end of table.

Table 2.--All 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Charitable Trust and Size of Fair Market Value of Total Assets--Continued

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

Type of trust, size of fair market value of total assets	Total expenses		Excess of revenue (less loss) over expenses		Net investment income		Disbursements for exempt purposes	
	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 CHARITABLE TRUSTS								
Total	**2,895**	**191,202**	**2,882**	**155,594**	**2,807**	**252,784**	**2,837**	**164,428**
Zero or unreported	36	1,741	36	-1,461	32	218	36	1,718
$1 under $100,000	927	5,115	917	64	852	3,098	908	4,653
$100,000 under $500,000	1,078	19,558	1,074	5,430	1,070	20,665	1,056	16,794
$500,000 under $1,000,000	323	14,083	323	5,994	323	16,741	316	11,526
$1,000,000 under $10,000,000	485	73,678	485	88,985	482	97,343	475	60,016
$10,000,000 or more	47	77,026	47	56,583	47	114,719	47	69,720
Nonoperating trusts								
Total	**2,864**	**185,552**	**2,851**	**155,458**	**2,777**	**251,370**	**2,822**	**161,904**
Zero or unreported	36	1,741	36	-1,461	32	218	36	1,718
$1 under $100,000	917	4,109	908	716	843	3,067	898	3,650
$100,000 under $500,000	1,070	19,509	1,067	5,421	1,063	20,613	1,052	16,759
$500,000 under $1,000,000	319	13,918	319	5,895	319	16,494	316	11,526
$1,000,000 under $10,000,000	476	70,459	476	87,714	473	96,594	474	59,457
$10,000,000 or more	46	75,815	46	57,174	46	114,384	46	68,794
Operating trusts								
Total	**30**	***5,651**	**30**	**137**	**30**	**1,414**	**15**	**2,524**
Zero or unreported	–	–	–	–	–	–	–	–
$1 under $100,000	*10	*1,006	*10	*-652	*10	*31	*10	*1,004
$100,000 under $500,000	*7	*49	*7	*9	*7	*52	*4	*34
$500,000 under $1,000,000	*4	*166	*4	*100	*4	*247	–	–
$1,000,000 under $10,000,000	9	3,219	9	1,271	9	749	1	559
$10,000,000 or more	1	1,211	1	-591	1	335	1	926
GRANTMAKING CHARITABLE TRUSTS								
Total	**2,706**	**184,454**	**2,679**	**132,678**	**2,648**	**232,067**	**2,706**	**162,303**
Zero or unreported	32	1,738	32	-1,553	*29	*125	32	1,717
$1 under $100,000	825	4,796	802	-601	777	2,954	825	4,368
$100,000 under $500,000	1,038	19,165	1,035	4,587	1,035	20,034	1,038	16,772
$500,000 under $1,000,000	316	13,894	316	5,860	316	16,460	316	11,526
$1,000,000 under $10,000,000	450	69,028	449	82,319	446	92,978	450	58,560
$10,000,000 or more	45	75,832	45	42,067	45	99,516	45	69,359
Grantmaking-nonoperating trusts								
Total	**2,691**	**182,196**	**2,664**	**133,922**	**2,633**	**231,668**	**2,691**	**160,338**
Zero or unreported	32	1,738	32	-1,553	*29	*125	32	1,717
$1 under $100,000	815	3,791	793	51	768	2,923	815	3,364
$100,000 under $500,000	1,035	19,124	1,031	4,588	1,031	20,000	1,035	16,738
$500,000 under $1,000,000	316	13,894	316	5,860	316	16,460	316	11,526
$1,000,000 under $10,000,000	450	69,028	449	82,319	446	92,978	450	58,560
$10,000,000 or more	44	74,621	44	42,657	44	99,181	44	68,433
Grantmaking-operating trusts								
Total	***14**	***2,258**	***14**	***-1,244**	***14**	***399**	***14**	***1,964**
Zero or unreported	–	–	–	–	–	–	–	–
$1 under $100,000	*10	*1,006	*10	*-652	*10	*31	*10	*1,004
$100,000 under $500,000	*4	*42	*4	*-1	*4	*33	*4	*34
$500,000 under $1,000,000	–	–	–	–	–	–	–	–
$1,000,000 under $10,000,000	–	–	–	–	–	–	–	–
$10,000,000 or more	1	1,211	1	-591	1	335	1	926

Footnotes at end of table.

Table 2.--All 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Charitable Trust and Size of Fair Market Value of Total Assets--Continued

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

Type of trust, size of fair market value of total assets	Contributions, gifts, and grants paid [2]		Excise tax on net investment income				
			Total	Domestic trusts		Foreign trusts	
	Number of returns	Amount		Number of returns	Amount	Number of returns	Amount
	(18)	(19)	(20)	(21)	(22)	(23)	(24)
ALL CHARITABLE TRUSTS							
Total	**2,706**	**154,636**	**4,340**	**2,929**	**4,334**	**4**	**5**
Zero or unreported	32	1,703	4	36	4	--	--
$1 under $100,000	825	4,101	56	964	56	--	--
$100,000 under $500,000	1,038	15,780	380	1,078	380	--	--
$500,000 under $1,000,000	316	11,020	308	323	308	--	--
$1,000,000 under $10,000,000	450	55,627	1,640	482	1,634	4	5
$10,000,000 or more	45	66,405	1,953	47	1,953	--	--
Nonoperating trusts							
Total	**2,691**	**153,011**	**4,315**	**2,898**	**4,310**	**4**	**5**
Zero or unreported	32	1,703	4	36	4	--	--
$1 under $100,000	815	3,098	55	954	55	--	--
$100,000 under $500,000	1,035	15,746	379	1,070	379	--	--
$500,000 under $1,000,000	316	11,020	303	319	303	--	--
$1,000,000 under $10,000,000	450	55,627	1,628	473	1,623	4	5
$10,000,000 or more	44	65,817	1,946	46	1,946	--	--
Operating trusts							
Total	***14**	***1,625**	**25**	**30**	**25**	**--**	**--**
Zero or unreported	--	--	--	--	--	--	--
$1 under $100,000	*10	*1,003	*1	*10	*1	--	--
$100,000 under $500,000	*4	*34	*1	*7	*1	--	--
$500,000 under $1,000,000	--	--	*5	*4	*5	--	--
$1,000,000 under $10,000,000	--	--	12	9	12	--	--
$10,000,000 or more	1	589	7	1	7	--	--
GRANTMAKING CHARITABLE TRUSTS							
Total	**2,706**	**154,636**	**3,943**	**2,702**	**3,938**	**4**	**5**
Zero or unreported	32	1,703	2	32	2	--	--
$1 under $100,000	825	4,101	53	825	53	--	--
$100,000 under $500,000	1,038	15,780	368	1,038	368	--	--
$500,000 under $1,000,000	316	11,020	303	316	303	--	--
$1,000,000 under $10,000,000	450	55,627	1,569	446	1,563	4	5
$10,000,000 or more	45	66,405	1,649	45	1,649	--	--
Grantmaking-nonoperating trusts							
Total	**2,691**	**153,011**	**3,935**	**2,688**	**3,930**	**4**	**5**
Zero or unreported	32	1,703	2	32	2	--	--
$1 under $100,000	815	3,098	52	815	52	--	--
$100,000 under $500,000	1,035	15,746	368	1,035	368	--	--
$500,000 under $1,000,000	316	11,020	303	316	303	--	--
$1,000,000 under $10,000,000	450	55,627	1,569	446	1,563	4	5
$10,000,000 or more	44	65,817	1,642	44	1,642	--	--
Grantmaking-operating trusts							
Total	***14**	***1,625**	***8**	***14**	***8**	**--**	**--**
Zero or unreported	--	--	--	--	--	--	--
$1 under $100,000	*10	*1,003	*1	*10	*1	--	--
$100,000 under $500,000	*4	*34	*1	*4	*1	--	--
$500,000 under $1,000,000	--	--	--	--	--	--	--
$1,000,000 under $10,000,000	--	--	--	--	--	--	--
$10,000,000 or more	1	589	7	1	7	--	--

Footnotes at end of table.

Table 2.--All 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Charitable Trust and Size of Fair Market Value of Total Assets--Continued

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

Type of trust, size of fair market value of total assets	Total assets (book value)		Investments in securities (book value)							
			Total		Government obligations		Corporate stock		Corporate bonds	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)
ALL CHARITABLE TRUSTS										
Total	**2,880**	**2,417,064**	**1,814**	**1,629,008**	**958**	**391,688**	**1,451**	**882,933**	**831**	**354,387**
Zero or unreported	*4	*824	*4	*757	--	--	*4	*374	*4	*383
$1 under $100,000	943	34,958	460	15,186	166	4,272	296	7,520	159	3,395
$100,000 under $500,000	1,078	219,222	668	102,071	342	23,797	523	53,547	301	24,728
$500,000 under $1,000,000	323	177,321	204	86,664	143	25,872	190	45,117	121	15,675
$1,000,000 under $10,000,000	486	978,108	434	672,848	273	166,034	396	402,694	215	104,120
$10,000,000 or more	47	1,006,632	46	751,482	33	171,713	43	373,682	32	206,087
Nonoperating trusts										
Total	**2,849**	**2,391,162**	**1,800**	**1,621,251**	**953**	**390,072**	**1,438**	**879,472**	**821**	**351,707**
Zero or unreported	*4	*824	*4	*757	--	--	*4	*374	*4	*383
$1 under $100,000	933	34,652	457	15,106	166	4,272	292	7,439	159	3,395
$100,000 under $500,000	1,070	218,142	662	101,576	342	23,797	520	53,319	297	24,459
$500,000 under $1,000,000	319	174,511	200	84,526	140	25,692	186	44,660	117	14,173
$1,000,000 under $10,000,000	477	963,103	432	670,104	271	164,597	394	402,225	213	103,282
$10,000,000 or more	46	999,930	45	749,182	33	171,713	42	371,454	31	206,015
Operating trusts										
Total	**30**	**25,902**	**13**	**7,757**	***6**	***1,616**	***13**	***3,461**	***10**	***26,80**
Zero or unreported	--	--	--	--	--	--	--	--	--	--
$1 under $100,000	*10	*305	3	*80	--	--	*3	*80	--	--
$100,000 under $500,000	*7	*1080	*4	*496	--	--	*4	*227	*4	*268
$500,000 under $1,000,000	*4	*2809	*4	*2,138	*4	*179	*4	*457	*4	*1502
$1,000,000 under $10,000,000	9	15,005	2	2,744	2	1,436	2	469	2	838
$10,000,000 or more	1	6,702	1	2,300	--	--	1	2,228	1	72
GRANTMAKING CHARITABLE TRUSTS										
Total	**2,674**	**2,266,776**	**1,712**	**1,514,421**	**905**	**359,585**	**1,373**	**841,611**	**779**	**313,226**
Zero or unreported	--	--	--	--	--	--	--	--	--	--
$1 under $100,000	825	31,792	412	14,007	150	3,861	267	6,917	146	3,229
$100,000 under $500,000	1,038	209,974	652	100,372	335	23,419	512	53,104	293	23,849
$500,000 under $1,000,000	316	171,314	197	81,450	136	24,346	183	42,931	117	14,173
$1,000,000 under $10,000,000	450	924,697	407	644,170	251	156,956	370	389,341	191	97,874
$10,000,000 or more	45	928,999	44	674,422	32	151,003	41	349,318	31	174,101
Grantmaking-nonoperating trusts										
Total	**2,659**	**2,259,228**	**1,707**	**1,512,041**	**905**	**359,585**	**1,369**	**839,302**	**778**	**313,154**
Zero or unreported	--	--	--	--	--	--	--	--	--	--
$1 under $100,000	815	31,487	409	13,927	150	3,861	263	6,837	146	3,229
$100,000 under $500,000	1,035	209,434	652	100,372	335	23,419	512	53,104	293	23,849
$500,000 under $1,000,000	316	171,314	197	81,450	136	24,346	183	42,931	117	14,173
$1,000,000 under $10,000,000	450	924,697	407	644,170	251	156,956	370	389,341	191	97,874
$10,000,000 or more	44	922,297	43	672,122	32	151,003	40	347,090	30	174,029
Grantmaking-operating trusts										
Total	***14**	***7548**	***4**	***2,380**	--	--	***4**	***2,308**	**1**	**72**
Zero or unreported	--	--	--	--	--	--	--	--	--	--
$1 under $100,000	*10	*305	*3	*80	--	--	*3	*80	--	--
$100,000 under $500,000	*4	*540	--	--	--	--	--	--	--	--
$500,000 under $1,000,000	--	--	--	--	--	--	--	--	--	--
$1,000,000 under $10,000,000	--	--	--	--	--	--	--	--	--	--
$10,000,000 or more	1	6,702	1	2,300	--	--	1	2,228	1	72

Footnotes at end of table.

Table 2.--All 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Charitable Trust and Size of Fair Market Value of Total Assets--Continued

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

Type of trust, size of fair market value of total assets	Total assets (fair market value)		Investments in securities (fair market value)							
			Total		Government obligations		Corporate stock		Corporate bonds	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)
ALL CHARITABLE TRUSTS										
Total	**2,897**	**3,130,730**	**1,810**	**2,174,484**	**965**	**413,858**	**1,451**	**1,379,155**	**820**	**381,472**
Zero or unreported	--	--	--	--	--	--	--	--	--	--
$1 under $100,000	964	38,899	460	17,132	166	4,482	296	8,920	159	3,730
$100,000 under $500,000	1,078	267,241	666	130,373	346	25,198	526	77,876	297	27,299
$500,000 under $1,000,000	323	232,048	204	114,464	143	27,176	190	70,799	121	16,488
$1,000,000 under $10,000,000	486	1,239,955	434	866,089	277	175,914	396	578,162	212	112,012
$10,000,000 or more	47	1,352,587	46	1,046,426	33	181,087	43	643,398	32	221,942
Nonoperating trusts										
Total	**2,866**	**3,093,173**	**1,797**	**2,163,905**	**959**	**412,197**	**1,437**	**1,372,909**	**810**	**378,800**
Zero or unreported	--	--	--	--	--	--	--	--	--	--
$1 under $100,000	954	38,591	457	17,052	166	4,482	292	8,840	159	3,730
$100,000 under $500,000	1,070	266,116	662	129,875	346	25,198	523	77,659	294	27,019
$500,000 under $1,000,000	319	229,175	200	112,262	140	26,985	186	70,302	117	14,975
$1,000,000 under $10,000,000	477	1,223,114	432	863,271	275	174,444	394	577,659	210	111,167
$10,000,000 or more	46	1,336,177	45	1,041,444	33	181,087	42	638,449	31	221,908
Operating trusts										
Total	**30**	**37,557**	***13**	***10,579**	***6**	***1,661**	***13**	***6,246**	***10**	***2,672**
Zero or unreported	--	--	--	--	--	--	--	--	--	--
$1 under $100,000	*10	*308	*3	*80	--	--	*3	*80	--	--
$100,000 under $500,000	*7	*1,125	*4	*497	--	--	*4	*217	*4	*280
$500,000 under $1,000,000	*4	*2872	*4	*2,201	*4	*191	*4	*497	*4	*1,513
$1,000,000 under $10,000,000	9	16,841	2	2,818	2	1,470	2	503	2	845
$10,000,000 or more	1	16,410	1	4,982	--	--	1	4,949	1	33
GRANTMAKING CHARITABLE TRUSTS										
Total	**2,674**	**2,951,247**	**1,712**	**2,038,953**	**912**	**380,463**	**1,376**	**1,319,459**	**772**	**339,032**
Zero or unreported	--	--	--	--	--	--	--	--	--	--
$1 under $100,000	825	35,543	412	15,818	150	4,072	267	8,202	146	3,544
$100,000 under $500,000	1,038	256,142	652	127,985	338	24,817	516	76,862	290	26,305
$500,000 under $1,000,000	316	225,638	197	108,847	136	25,615	183	68,256	117	14,975
$1,000,000 under $10,000,000	450	1,172,864	407	830,831	255	166,520	370	558,788	188	105,523
$10,000,000 or more	45	1,261,060	44	955,473	32	159,438	41	607,351	31	188,684
Grantmaking-nonoperating trusts										
Total	**2,659**	**2,933,946**	**1,707**	**2,033,891**	**912**	**380,463**	**1,372**	**1,314,430**	**771**	**338,999**
Zero or unreported	--	--	--	--	--	--	--	--	--	--
$1 under $100,000	815	35,236	409	15,737	150	4,072	263	8,121	146	3,544
$100,000 under $500,000	1,035	255,558	652	127,985	338	24,817	516	76,862	290	26,305
$500,000 under $1,000,000	316	225,638	197	108,847	136	25,615	183	68,256	117	14,975
$1,000,000 under $10,000,000	450	1,172,864	407	830,831	255	166,520	370	558,788	188	105,523
$10,000,000 or more	44	1,244,650	43	950,491	32	159,438	40	602,402	30	188,651
Grantmaking-operating trusts										
Total	***14**	***17,301**	***4**	***5,062**	**--**	**--**	***4**	***5,029**	**1**	**33**
Zero or unreported	--	--	--	--	--	--	--	--	--	--
$1 under $100,000	*10	*308	*3	*80	--	--	*3	*80	--	--
$100,000 under $500,000	*4	*584	--	--	--	--	--	--	--	--
$500,000 under $1,000,000	--	--	--	--	--	--	--	--	--	--
$1,000,000 under $10,000,000	--	--	--	--	--	--	--	--	--	--
$10,000,000 or more	1	16,410	1	4,982	--	--	1	4,949	1	33

Footnotes at end of table.

Table 2.--All 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Charitable Trust and Size of Fair Market Value of Total Assets--Continued

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

Type of trust, size of fair market value of total assets	Net worth (book value)		Minimum investment return		Distributable amount	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(45)	(46)	(47)	(48)	(49)	(50)
ALL CHARITABLE TRUSTS						
Total	**2,876**	**2,407,824**	**2,888**	**147,795**	**2,850**	**134,891**
Zero or unreported	*4	*824	36	107	36	103
$1 under $100,000	940	34,844	923	1,872	906	1,812
$100,000 under $500,000	1,078	218,947	1,074	12,908	1,067	12,497
$500,000 under $1,000,000	323	176,859	323	11,219	319	10,727
$1,000,000 under $10,000,000	486	972,318	486	58,528	477	55,738
$10,000,000 or more	47	1,004,033	47	63,162	45	54,014
Nonoperating trusts						
Total	**2,846**	**2,385,829**	**2,857**	**146,415**	**2,850**	**134,891**
Zero or unreported	*4	*824	36	107	36	103
$1 under $100,000	930	34,539	913	1,867	906	1,812
$100,000 under $500,000	1,070	217,867	1,067	12,853	1,067	12,497
$500,000 under $1,000,000	319	174,239	319	11,087	319	10,727
$1,000,000 under $10,000,000	477	959,157	477	58,019	477	55,738
$10,000,000 or more	46	999,204	46	62,483	45	54,014
Operating trusts						
Total	**30**	**21,995**	**30**	**1,380**	**N/A**	**N/A**
Zero or unreported	--	--	--	--	N/A	N/A
$1 under $100,000	*10	*305	*10	*5	N/A	N/A
$100,000 under $500,000	*7	*1,080	*7	*54	N/A	N/A
$500,000 under $1,000,000	*4	*2,619	*4	*132	N/A	N/A
$1,000,000 under $10,000,000	9	13,161	9	509	N/A	N/A
$10,000,000 or more	1	4,829	1	679	N/A	N/A
GRANTMAKING CHARITABLE TRUSTS						
Total	**2,670**	**2,259,864**	**2,685**	**139,620**	**2,668**	**131,006**
Zero or unreported	--	--	32	50	32	49
$1 under $100,000	822	31,678	804	1,722	791	1,666
$100,000 under $500,000	1,038	209,840	1,038	12,432	1,035	12,071
$500,000 under $1,000,000	316	171,043	316	10,904	316	10,510
$1,000,000 under $10,000,000	450	920,768	450	55,849	450	53,905
$10,000,000 or more	45	926,535	45	58,662	44	52,804
Grantmaking-nonoperating trusts						
Total	**2,656**	**2,254,189**	**2,671**	**138,907**	**2,668**	**131,006**
Zero or unreported	--	--	32	50	32	49
$1 under $100,000	812	31,373	795	1,717	791	1,666
$100,000 under $500,000	1,035	209,300	1,035	12,404	1,035	12,071
$500,000 under $1,000,000	316	171,043	316	10,904	316	10,510
$1,000,000 under $10,000,000	450	920,768	450	55,849	450	53,905
$10,000,000 or more	44	921,706	44	57,983	44	52,804
Grantmaking-operating trusts						
Total	***14**	***5,675**	***14**	***713**	**N/A**	**N/A**
Zero or unreported	--	--	--	--	N/A	N/A
$1 under $100,000	*10	*305	*10	*5	N/A	N/A
$100,000 under $500,000	*4	*540	*4	*29	N/A	N/A
$500,000 under $1,000,000	--	--	--	--	N/A	N/A
$1,000,000 under $10,000,000	--	--	--	--	N/A	N/A
$10,000,000 or more	1	4,829	1	679	N/A	N/A

Footnotes at end of table.

Table 2.--All 4947(a)(1) Charitable Trusts Treated as Foundations: Number and Selected Financial Data, by Type of Charitable Trust and Size of Fair Market Value of Total Assets--Continued

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

Type of trust, size of fair market value of total assets	Qualifying distributions		Undistributed income for 1992		Excess distributions carryover to 1993	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(51)	(52)	(53)	(54)	(55)	(56)
ALL CHARITABLE TRUSTS						
Total	**2,838**	**166,331**	**804**	**29,578**	**2,071**	**160,042**
Zero or unreported	36	1,718	*4	*35	32	1,812
$1 under $100,000	908	4,653	211	192	722	8,141
$100,000 under $500,000	1,056	16,794	300	2,183	767	18,133
$500,000 under $1,000,000	316	11,526	86	1,289	233	10,813
$1,000,000 under $10,000,000	476	61,918	188	14,011	287	47,431
$10,000,000 or more	47	69,722	15	11,867	30	73,712
Nonoperating trusts						
Total	**2,823**	**163,808**	**804**	**29,578**	**2,071**	**160,042**
Zero or unreported	36	1,718	*4	*35	32	1,812
$1 under $100,000	898	3,650	211	192	722	8,141
$100,000 under $500,000	1,052	16,759	300	2,183	767	18,133
$500,000 under $1,000,000	316	11,526	86	1,289	233	10,813
$1,000,000 under $10,000,000	475	61,358	188	14,011	287	47,431
$10,000,000 or more	46	68,796	15	11,867	30	73,712
Operating trusts						
Total	***15**	***2,524**	**N/A**	**N/A**	**N/A**	**N/A**
Zero or unreported	--	--	N/A	N/A	N/A	N/A
$1 under $100,000	*10	*1,004	N/A	N/A	N/A	N/A
$100,000 under $500,000	*4	*34	N/A	N/A	N/A	N/A
$500,000 under $1,000,000	--	--	N/A	N/A	N/A	N/A
$1,000,000 under $10,000,000	1	559	N/A	N/A	N/A	N/A
$10,000,000 or more	1	926	N/A	N/A	N/A	N/A
GRANTMAKING CHARITABLE TRUSTS						
Total	**2,706**	**163,976**	**683**	**26,958**	**1,986**	**159,269**
Zero or unreported	32	1,717	--	--	32	1,812
$1 under $100,000	825	4,368	157	134	638	7,419
$100,000 under $500,000	1,038	16,772	268	1,823	767	18,133
$500,000 under $1,000,000	316	11,526	82	1,073	233	10,813
$1,000,000 under $10,000,000	450	60,231	162	12,912	286	47,381
$10,000,000 or more	45	69,361	14	11,016	30	73,712
Grantmaking-nonoperating trusts						
Total	**2,691**	**162,012**	**683**	**26,958**	**1,986**	**159,269**
Zero or unreported	32	1,717	--	--	32	1,812
$1 under $100,000	815	3,364	157	134	638	7,419
$100,000 under $500,000	1,035	16,738	268	1,823	767	18,133
$500,000 under $1,000,000	316	11,526	82	1,073	233	10,813
$1,000,000 under $10,000,000	450	60,231	162	12,912	286	47,381
$10,000,000 or more	44	68,435	14	11,016	30	73,712
Grantmaking-operating trusts						
Total	***14**	***1,964**	**N/A**	**N/A**	**N/A**	**N/A**
Zero or unreported	--	--	N/A	N/A	N/A	N/A
$1 under $100,000	*10	*1,004	N/A	N/A	N/A	N/A
$100,000 under $500,000	*4	*34	N/A	N/A	N/A	N/A
$500,000 under $1,000,000	--	--	N/A	N/A	N/A	N/A
$1,000,000 under $10,000,000	--	--	N/A	N/A	N/A	N/A
$10,000,000 or more	1	926	N/A	N/A	N/A	N/A

N/A - not applicable.

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

[1] Less than $500.

[2] The data shown in columns 18 and 19 are based on the amount of contributions, gifts, and grants that foundations actually disbursed for charitable purposes for 1992 using the cash receipts and disbursements method of accounting. These amounts differ somewhat from those reported as contributions, gifts, and grants paid shown in the income statement (Table 4) because foundations may use either the cash receipts and disbursements or the accrual method of accounting.

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

Table 3.--All Private Foundations: Income Statements and Balance Sheets, 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	$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
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Number of returns	**42,428**	**1,137**	**14,733**	**15,941**	**8,531**	**1,180**	**428**	**237**	**239**
Total revenue	**23,566,388**	**91,606**	**386,638**	**1,367,283**	**4,036,788**	**2,613,958**	**2,236,590**	**1,910,967**	**10,922,557**
Contributions, gifts, and grants received	7,902,873	87,286	342,929	925,103	1,851,583	1,037,506	908,538	653,443	2,096,484
Interest on savings and temporary cash investments	989,956	3,762	8,843	63,848	195,178	118,141	85,124	96,756	418,304
Dividends and interest from securities	6,631,079	2,971	10,190	197,436	925,386	635,331	533,788	599,811	3,726,166
Gross rents	236,649	--	*1,059	14,966	49,758	18,395	30,480	19,694	102,296
Net gain (less loss) from sales of assets	6,733,267	-2,526	13,960	113,900	758,618	583,392	494,953	492,769	4,278,202
Gross profit (less loss) from business activities	47,956	*-17	1,576	*608	5,982	8,444	26,025	2,203	3,135
Other income	1,024,604	*130	8,082	51,420	250,282	212,749	157,682	46,290	297,969
Total expenses	**14,498,073**	**150,822**	**433,092**	**1,001,959**	**2,570,423**	**1,757,848**	**1,159,315**	**1,148,059**	**6,276,556**
Contributions, gifts, and grants paid[1]	11,382,837	118,002	322,888	841,262	1,920,316	1,345,255	849,552	904,961	5,080,600
Compensation of officers	293,045	*244	10,647	16,069	66,188	40,959	34,000	25,088	99,850
Other salaries and wages	600,713	*3	18,706	21,212	139,696	96,001	50,458	40,340	234,297
Pension plans and employee benefits	156,478	--	1,319	1,851	19,448	18,893	12,670	13,167	89,131
Legal fees	73,428	518	4,339	7,785	19,041	9,554	5,303	6,083	20,807
Accounting fees	64,657	425	4,392	11,078	22,062	8,800	5,027	5,029	7,844
Other professional fees	421,700	*153	6,048	15,195	67,629	46,908	35,967	38,610	211,190
Interest	56,627	*5	587	6,520	24,778	5,710	8,273	2,422	8,332
Taxes	269,350	82	3,173	11,028	46,307	34,037	30,893	24,647	119,184
Depreciation and depletion	142,617	*8	1,468	6,749	25,998	18,932	21,373	12,269	55,820
Occupancy	181,344	*11	17,853	12,567	35,931	18,660	14,143	12,906	69,274
Travel, conferences, and meetings	92,517	--	8,577	5,082	10,429	7,434	5,487	5,426	50,083
Printing and publications	43,812	47	2,974	4,723	3,055	3,013	1,493	2,464	26,044
Other expenses	718,943	31,325	30,122	40,835	169,544	103,694	84,674	54,648	204,101
Excess of revenue (less loss) over expenses	**9,068,314**	**-59,216**	**-46,454**	**365,324**	**1,466,365**	**856,110**	**1,077,275**	**762,908**	**4,646,001**
Excess of revenue	10,893,354	*4,396	47,116	604,875	1,867,130	1,169,023	1,198,939	956,799	5,045,078
Loss	1,825,041	63,611	93,570	239,551	400,765	312,913	121,663	193,890	399,077
Total assets (fair market value)	**192,207,531**	**--**	**443,117**	**5,981,293**	**25,921,651**	**18,194,523**	**14,771,809**	**16,362,363**	**110,532,775**
Cash, total	14,854,724	--	239,324	1,457,116	3,304,268	1,458,574	1,134,401	1,224,628	6,036,413
Non-interest bearing accounts	2,114,095	--	82,087	281,604	501,902	209,542	64,384	117,575	857,001
Savings and temporary cash investments	12,740,629	--	157,237	1,175,512	2,802,367	1,249,031	1,070,017	1,107,053	5,179,412
Accounts receivable, net	584,574	--	1,801	37,636	79,888	83,949	35,000	47,435	298,865
Pledges receivable, net	59,405	--	*290	*2,094	36,348	12,502	994	7,135	43
Grants receivable	114,706	--	--	*155	63,002	22,892	13,124	15,505	28
Receivables due from disqualified persons	25,062	--	*706	*5	*23,299	541	183	72	256
Other notes and loans receivable	1,592,711	--	2,677	150,632	273,194	138,004	51,301	64,531	912,372
Inventories	25,755	--	2,441	*1,494	7,144	3,430	1,957	854	8,435
Prepaid expenses and deferred charges	192,602	--	305	1,574	41,036	10,374	16,408	14,129	108,775
Investments, total	168,449,004	--	164,531	3,865,911	20,560,260	15,460,380	12,931,168	14,488,530	100,978,224
Securities, total	144,378,998	--	130,585	3,305,247	18,537,424	13,574,290	11,312,084	12,828,197	84,691,169
Government obligations	30,519,768	--	32,150	755,946	4,942,721	3,293,743	2,890,707	3,338,103	15,266,400
Corporate stock	95,190,351	--	77,476	1,980,515	10,545,703	8,096,689	6,653,592	7,543,135	60,293,241
Corporate bonds	18,668,879	--	20,959	568,786	3,049,001	2,183,858	1,767,786	1,946,959	9,131,529
Land, buildings, and equipment (less accumulated depreciation)	3,240,500	--	*3,369	84,156	529,254	290,684	423,031	277,667	1,632,340
Mortgage loans	875,162	--	3,503	47,756	147,460	107,250	100,162	105,252	363,780
Other investments	19,954,344	--	27,074	428,751	1,346,122	1,488,156	1,095,891	1,277,414	14,290,935
Charitable-purpose land, buildings, and equipment (less accumulated depreciation)	3,571,034	--	13,145	267,109	863,411	711,108	356,547	219,205	1,140,508
Other assets	2,737,951	--	17,897	197,565	669,799	292,768	230,725	280,340	1,048,857

Footnotes at end of table.

Table 3.--All Private Foundations: Income Statements and Balance Sheets, 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	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	$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
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Total assets (book value)	**154,007,992**	***43,507**	**428,532**	**5,341,314**	**21,831,258**	**14,562,306**	**11,772,796**	**13,329,900**	**88,698,379**
Cash, total	14,791,475	*4,714	239,377	1,460,279	3,303,660	1,453,241	1,115,138	1,194,724	6,020,343
Non-interest bearing accounts	2,097,628	*4,607	82,160	279,812	502,946	204,861	64,202	114,856	844,184
Savings and temporary cash investments	12,693,847	*107	157,217	1,180,467	2,800,714	1,248,380	1,050,936	1,079,868	5,176,159
Accounts receivable, net	570,992	–	1,801	37,892	77,765	76,562	35,000	47,435	294,538
Pledges receivable, net	58,959	–	*290	*2,094	35,876	12,502	1,020	7,135	43
Grants receivable	115,454	–	–	*864	63,002	22,892	13,124	15,505	67
Receivables due from disqualified persons	25,114	–	*706	*5	*23,361	531	183	72	256
Other notes and loans receivable	1,666,172	*1,702	2,677	150,789	285,679	137,591	50,192	67,821	969,721
Inventories	21,482	–	2,460	*1,465	7,137	3,197	1,949	854	4,421
Prepaid expenses and deferred charges	197,875	–	315	10,057	40,025	10,583	16,508	14,199	106,188
Investments, total	131,074,161	*37,002	150,506	3,266,814	16,665,575	12,014,320	10,053,923	11,517,351	77,368,670
Securities, total	111,429,857	*36,806	116,570	2,754,699	14,937,794	10,354,924	8,756,762	10,223,920	64,248,381
Government obligations	29,267,210	–	30,568	725,746	4,666,794	3,129,476	2,714,080	3,133,741	14,866,806
Corporate stock	64,308,074	*36,600	63,378	1,484,915	7,411,145	5,217,975	4,388,891	5,217,969	40,487,201
Corporate bonds	17,854,573	*206	22,624	544,039	2,859,855	2,007,473	1,653,791	1,872,210	8,894,374
Land, buildings, and equipment (less accumulated depreciation)	2,281,239	–	*2,968	54,816	375,800	234,437	249,480	160,922	1,202,816
Mortgage loans	854,440	–	3,493	52,010	135,993	112,132	99,413	105,253	346,146
Other investments	16,508,624	*195	27,476	405,288	1,215,988	1,312,826	948,267	1,027,255	11,571,328
Charitable-purpose land, buildings, and equipment (less accumulated depreciation)	3,053,079	*40	13,506	252,861	763,439	538,256	287,660	209,200	988,115
Other assets	2,433,223	*49	16,894	158,193	565,738	292,629	198,099	255,604	946,016
Total liabilities (book value)	**6,775,987**	***117**	**29,188**	**205,255**	**666,882**	**406,115**	**369,803**	**342,849**	**4,755,779**
Net worth (book value)	**147,232,004**	***43,390**	**399,344**	**5,136,059**	**21,164,376**	**14,156,191**	**11,402,994**	**12,987,051**	**81,942,600**
Total assets, beginning-of-year (book value)	**145,330,532**	**198,567**	**474,551**	**4,915,085**	**20,178,908**	**13,550,356**	**11,055,187**	**12,492,139**	**82,465,739**
Investments in securities, beginning-of-year (book value)	**104,256,705**	**108,939**	**132,260**	**2,518,345**	**13,544,391**	**9,415,865**	**8,203,345**	**9,607,615**	**60,725,945**
Government obligations	29,507,635	*14,819	34,143	738,926	4,600,953	3,126,666	2,715,204	3,137,448	15,139,476
Corporate stock	58,172,603	59,380	75,711	1,247,542	6,442,795	4,467,667	3,885,991	4,704,546	37,288,971
Corporate bonds	16,576,467	*34,741	22,406	531,877	2,500,643	1,821,532	1,602,149	1,765,620	8,297,498

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

[1] The data in this row are based on the amount of contributions, gifts, and grants paid as reported on the income statement portion of the return. These amounts differ somewhat from the contributions, gifts, and grants paid in columns 18 and 19 of Table 1, which are calculated using the cash receipts and disbursements method of accounting.

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

Table 4.--All 4947(a)(1) Charitable Trusts: Income Statements and Balance Sheets, 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 $500,000	$500,000 under $1,000,000	$1,000,000 under $10,000,000	$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns	**2,932**	**36**	**964**	**1,078**	**323**	**486**	**47**
Total revenue	**346,797**	**280**	**5,178**	**24,988**	**20,078**	**162,664**	**133,609**
Contributions, gifts, and grants received	63,265	*(1)	2,024	3,078	3,024	51,333	3,806
Interest on savings and temporary cash investments	15,466	10	332	1,865	1,030	4,980	7,248
Dividends and interest from securities	120,056	*87	1,692	10,582	9,954	51,980	45,760
Gross rents	5,440	--	*21	625	*308	2,533	1,953
Net gain (less loss) from sales of assets	126,066	*183	907	8,481	4,729	44,756	67,010
Gross profit (less loss) from business activities	*15	--	--	--	*9	6	--
Other income	16,487	*(1)	202	355	1,024	7,074	7,831
Total expenses	**191,202**	**1,741**	**5,115**	**19,558**	**14,083**	**73,678**	**77,026**
Contributions, gifts, and grants paid[2]	154,274	1,703	4,102	15,392	11,025	55,816	66,236
Compensation of officers	15,560	*16	364	2,381	1,789	7,135	3,875
Other salaries and wages	1,371	--	--	*2	--	1,100	269
Pension plans and employee benefits	*318	--	--	--	--	281	37
Legal fees	1,705	*11	34	233	49	609	768
Accounting fees	1,632	*2	165	428	203	619	216
Other professional fees	3,894	*1	42	269	326	1,654	1,603
Interest	190	--	*1	*35	*(1)	31	124
Taxes	5,877	*4	84	550	462	2,448	2,329
Depreciation and depletion	823	--	--	*26	*84	589	123
Occupancy	548	--	*55	--	--	357	136
Travel, conferences, and meetings	1,080	--	*(1)	*1	*(1)	899	180
Printing and publications	94	*(1)	10	10	6	62	6
Other expenses	3,837	*4	258	230	140	2,078	1,126
Excess of revenue (less loss) over expenses	**155,594**	***-1,461**	**64**	**5,430**	**5,994**	**88,985**	**56,583**
Excess of revenue	177,241	*135	1,908	10,624	7,117	95,228	62,229
Loss	21,647	*1,597	1,844	5,194	1,122	6,243	5,646
Total assets (fair market value)	**3,130,730**	**--**	**38,899**	**267,241**	**232,048**	**1,239,955**	**1,352,587**
Cash, total	225,511	--	5,955	32,758	13,417	96,663	76,719
Non-interest bearing accounts	31,842	--	1,538	4,185	1,107	19,012	6,000
Savings and temporary cash investments	193,669	--	4,418	28,573	12,310	77,650	70,718
Accounts receivable, net	3,029	--	*27	*153	*179	2,504	167
Pledges receivable, net	--	--	--	--	--	--	--
Grants receivable	--	--	--	--	--	--	--
Receivables due from disqualified persons	*35	--	--	--	35	--	--
Other notes and loans receivable	33,970	--	*450	*2,991	*69	5,531	24,928
Inventories	*335	--	--	--	--	335	--
Prepaid expenses and deferred charges	748	--	*1	*10	*14	579	144
Investments, total	2,637,584	--	27,633	174,942	174,183	1,057,344	1,203,482
Securities, total	2,174,484	--	17,132	130,373	114,464	866,089	1,046,426
Government obligations	413,858	--	4,482	25,198	27,176	175,914	181,087
Corporate stock	1,379,155	--	8,920	77,876	70,799	578,162	643,398
Corporate bonds	381,472	--	3,730	27,299	16,488	112,012	221,942
Land, buildings, and equipment (less accumulated depreciation)	36,908	--	--	*1,641	*400	21,418	13,449
Mortgage loans	10,427	--	*6	*564	*839	8,973	44
Other investments	415,765	--	10,494	42,365	58,479	160,865	143,562
Charitable-purpose land, buildings, and equipment (less accumulated depreciation)	42,625	--	*(1)	*3,019	*4,224	14,471	20,910
Other assets	186,893	--	4,833	53,368	39,927	62,528	26,237

Footnotes at end of table.

Table 4.--All 4947(a)(1) Charitable Trusts: Income Statements and Balance Sheets, 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						
	Total	Assets Zero or Unreported	$1 under $100,000	$100,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $10,000,000	$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total assets (book value)	**2,417,064**	**824**	**34,958**	**219,222**	**177,321**	**978,108**	**1,006,632**
Cash, total	222,828	66	6,057	31,432	13,326	95,226	76,720
Non-interest bearing accounts	29,742	--	1,645	4,169	1,099	16,829	6,000
Savings and temporary cash investments	193,086	66	4,412	27,263	12,227	78,397	70,720
Accounts receivable, net	3,022	--	*20	*153	*179	2,504	167
Pledges receivable, net	--	--	--	--	--	--	--
Grants receivable	--	--	--	--	--	--	--
Receivables due from disqualified persons	*35	--	--	--	*35	--	--
Other notes and loans receivable	34,252	--	450	2,991	69	5,813	24,928
Inventories	29	--	--	--	--	29	--
Prepaid expenses and deferred charges	748	--	*1	*10	*14	579	144
Investments, total	2,003,484	*757	24,558	138,808	134,808	817,085	887,468
Securities, total	1,629,008	*757	15,186	102,071	86,664	672,848	751,482
Government obligations	391,688	--	4,272	23,797	25,872	166,034	171,713
Corporate stock	882,933	*374	7,520	53,547	45,117	402,694	373,682
Corporate bonds	354,387	*383	3,395	24,728	15,675	104,120	206,087
Land, buildings, and equipment (less accumulated depreciation)	18,372	--	--	*953	*757	12,238	4,424
Mortgage loans	10,425	--	*6	*564	*839	8,971	44
Other investments	345,679	--	9,366	35,219	46,548	123,029	131,518
Charitable-purpose land, buildings, and equipment (less accumulated depreciation)	19,234	--	*(1)	*1,647	*1,649	9,137	6,801
Other assets	133,432	--	3,872	44,182	27,239	47,735	10,404
Total liabilities (book value)	9,240	--	*114	275	462	5,790	2,599
Net worth (book value)	**2,407,824**	*824	**34,844**	**218,947**	**176,859**	**972,318**	**1,004,033**
Total assets, beginning-of-year (book value)	**2,248,072**	**2,541**	**34,719**	**207,305**	**171,168**	**897,195**	**935,145**
Investments in securities, beginning-of-year (book value)	**1,480,379**	*1778	**15,002**	**94,354**	**89,370**	**594,191**	**685,685**
Government obligations	385,944	*192	4,206	24,042	28,941	161,071	167,491
Corporate stock	801,545	*888	7,496	47,106	42,918	343,394	359,743
Corporate bonds	292,891	*698	3,300	23,207	17,511	89,725	158,450

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

[1] Less than $500.

[2] The data in this row are based on the amount of contributions, gifts, and grants paid as reported on the income statement portion of the return. These amounts differ somewhat from the contributions, gifts, and grants paid in columns 18 and 19 of Table 2, which are calculated using the cash receipts and disbursements method of accounting.

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

SOI Abstracts

The abstracts which follow are reprinted here to inform readers about methodological, analytical, and descriptive papers written by Statistics of Income (SOI) personnel or researchers using SOI data, about SOI data or about their methodological research. These papers were presented at the 1995 Joint Statistical Meetings of the American Statistical Association (ASA) and will be printed in the ASA "Proceedings" as well as the next volume of the IRS Methodology Reports Series, *Turning Administrative Systems Into Information Systems -- 1995*. Copies of the papers may be obtained by writing to the Director, Statistics of Income Division, CP:R:S, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608, or by contacting the SOI Statistical Information Services office by phone on (202) 874-0410 or by fax on (202) 874-0964.

1995 Proceedings of the American Statistical Association, Section on Survey Research Methods

Weighting Panel Data for Longitudinal Analysis, *John L. Czajka and Larry M. Radbill*
Multi-year panel data constitute a rich resource for the analysis of change over time, but certain features of panel data only multiply the complexities that such analyses present. This paper addresses issues related to the use of panel data for longitudinal analysis, with a particular focus on the application or weights to develop population estimates. With illustrations developed from an Internal Revenue Service panel of taxpayers, the authors discuss problems related to defining the unit of analysis, dealing with changes in unit composition over time, and interpreting "representativeness;" they also demonstrate the application of two different methodologies to a research question in the area of tax policy.

Creation of Panel Data from Cross-Sectional Surveys, *Susan Hinkins and Stephanie Hughes*
The Internal Revenue Service's Statistics of Income Division (SOI) samples corporate tax returns in order to provide annual estimates of economic variables. These samples have been designed primarily to provide accurate cross-sectional estimates, which are crucial to many of the users. However, the principal user also needs to estimate behavior over time. Usually these analyses require following the same units over the years and recognizing when births or deaths occur. SOI employs a sample selection technique that results in a large overlap in the samples from year to year and in a small, randomly selected embedded panel, at no cost to the cross-sectional estimates. This paper describes the sampling technique and the strengths and weaknesses of the resulting data. The problem of missing data is considered, and methods to improve the longitudinal data are presented.

Using an Inverse Sampling Design Algorithm for Tests of Independence Based on Stratified Samples, *Susan Hinkins, H. Lock Oh, and Fritz Scheuren*
Many important statistical techniques, such as regression and contingency table analysis, were developed largely in an identical independently distributed (IID) world. To use these techniques in the setting of sample surveys, sampling is often disposed of by assuming that the sampling process makes the observed random variables IID. Further adjustments are needed in complex survey settings and much attention has been paid to the sample design's impact on linear and nonlinear statistics. This paper continues to investigate an alternative approach for analyses using complex survey data. By using an inverse sampling algorithm, complex survey data can be converted into a resampling setting, where each sample is a simple random sample. This approach is customer-driven; it makes complex databases more accessible. It maintains or may even exceed the power of alternative methods, and it can provide information on the distribution of sample estimators. This paper also considers the chi-square test of independence based on a stratified sample and compares the authors' method with the approach suggested by Fellegi (1980) and Scheuren (1972).

Evaluating Modeling Error of Imputed IRS Income Proportions Using Balanced Bootstraps on Simulated Variables, *Chih-Chin Ho and William Wong*
In the Internal Revenue Service, there is a sample of individual tax returns containing the differences between the examiner-determined value and the taxpayer-reported values for 15 income sources. Portions of these differences are detectable from information documents such as wage and interest statements. These information document portions are available for the timely-filed returns, but not for the delinquent returns. A previous study indicated that logistic regression model imputations would have smaller mean square errors (MSE's) than nearest-neighbor imputations. A second study presented a procedure to measure the mean square error of the regression model-based imputations as follows: First, create a pseudo-copy of the delinquent filers by finding a nearest neighbor matching timely-filed return for each

delinquent return; second, create 100 sets of imputations from 100 models based on 100 balanced bootstrap samples from the remaining timely-filed returns. The mean square error is then estimated by combining the bias estimate from the pseudo-copy with the variance estimate from the bootstrap samples. This paper evaluates this MSE estimation procedure on two simulated variables for which the true values for the delinquent filers are known.

Statistics of Income Partnership Studies: Evaluation of the Expanded Sampling Plan, *Paul B. McMahon*

Sample design changes for the Internal Revenue Service's annual Statistics of Income partnership studies arise from changes in the economy, tax laws and regulations, and processing environment. The most recent modification, implemented in 1994, attempts to offset regulatory changes, and takes advantage of improvements in the sampling frame. This paper examines the modified design's projections and compares the results with recent prior years.

When They Don't Remember -- A Multi-Method Approach to Estimating Taxpayer Usage of Proposed Mailing Procedures, *Karen O'Conor, Fonda Sackett, Deborah Stone, David Cantor, Kerry Levin, and Dwayne Norris*

A multi-method approach was used to estimate taxpayer usage of newly-proposed tax mailing procedures. Administrative records, a mixed mode (telephone and mail) survey of taxpayers, focus groups, one-on-one laboratory interviews, and a survey of envelopes were used to estimate and understand taxpayer usage of the proposed mailing procedures. Although each type of method offered distinct strengths and weaknesses, the composite picture was much more convincing than an estimate from any one source. For questions which are difficult to remember, a multi-method approach results in greater understanding of the issues, provides more information for decisions, and decreases the chance of drawing erroneous conclusions.

Imputation of Balance Sheets for the 1992 SOI Corporate Program, *Bertrand Uberall*

This paper discusses the methods used to impute missing balance sheet items (including "total assets") for corporation income tax returns processed as part of the Internal Revenue Service's Statistics of Income (SOI) program. If "total assets" is missing, it is now imputed using a ratio-based method based on prior-year assets and receipts for the same corporation, in combination with current-year receipts or deductions. Individual asset and liability amounts are also imputed using a ratio-based method based on prior-year amounts. The 1992 program is the first for which balance sheet amounts are imputed based on prior-year data for the same corporation. Formerly, imputations were based on general industry data which were two years old. This paper analyzes the extent of the missing balance sheet problem, and compares and evaluates the results of the new and old imputation methods.

1995 Proceedings of the American Statistical Association, Government Statistics Section

Measuring to Improve Quality and Productivity in a Processing Environment, *Jeri M. Mulrow and Fritz J. Scheuren*

The Statistics of Income Division (SOI) of the Internal Revenue Service (IRS) is charged with collecting data from tax returns for use by Government and private researchers in the analysis of tax policy and the economy. Currently, SOI transcribes and edits data, on an annual basis, from over 500,000 tax returns in five processing centers across the Nation. Managing and measuring quality and productivity in this type of processing environment has been a challenge and has been continually changing over the years. This paper attempts to link these challenges and changes to Deming's Fourteen Points of quality improvement.

The paper also provides a limited background of the SOI programs followed by a description of SOI's statistical processes. Each of Deming's Fourteen Points is reviewed along with the progress that SOI has or has not made in each of the areas. A method to display these results in a simple, yet overall way is provided and a scoring method using a couple of examples from SOI is presented.

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

Table 1.--Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1975-1993

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

Item	1975	1980	1985	1990	1991	1992	1993
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All returns	**82,229,332**	**93,902,469**	**101,660,287**	**113,717,138**	**114,730,123**	**113,604,503**	**114,601,819**
Form 1040 returns [1]	54,527,726	57,122,592	67,006,425	69,270,236	68,992,987	65,870,679	66,358,259
Form 1040A returns [1]	27,701,606	36,779,877	18,124,702	25,917,288	26,605,992	28,768,327	27,850,427
Form 1040EZ returns [1]	N/A	N/A	16,529,160	18,529,614	19,131,143	18,965,496	20,393,132
Adjusted gross income (AGI) [2]	**947,784,873**	**1,613,731,497**	**2,305,951,483**	**3,405,427,348**	**3,464,533,661**	**3,629,129,550**	**3,723,339,880**
Salaries and wages:							
Number of returns	73,520,046	83,802,109	87,198,001	96,729,912	97,066,245	96,263,895	98,003,356
Amount	795,399,462	1,349,842,802	1,928,200,978	2,599,401,271	2,674,260,752	2,805,703,266	2,892,120,390
Taxable interest received:							
Number of returns	40,378,240	49,019,575	64,526,434	70,369,662	70,161,547	67,280,674	65,233,312
Amount	43,433,554	102,009,444	182,109,194	227,083,888	209,411,465	162,343,280	131,140,527
Tax-exempt interest: [3]							
Number of returns	n.a.	n.a.	n.a.	3,916,925	4,128,715	4,453,458	4,691,129
Amount	n.a.	n.a.	n.a.	40,228,405	43,111,140	45,728,471	46,459,032
Dividends in AGI: [4]							
Number of returns	8,853,491	10,738,982	15,527,579	22,904,441	23,228,826	23,715,100	24,690,816
Amount	21,892,126	38,761,253	55,046,351	80,168,536	77,284,498	77,925,720	79,728,631
Business or profession net income:							
Number of returns	5,434,857	6,305,794	8,640,701	11,221,925	11,549,015	11,727,047	11,864,976
Amount	44,861,623	66,995,010	98,775,563	161,657,252	162,870,485	173,501,912	176,342,644
Business or profession net loss:							
Number of returns	1,807,685	2,575,325	3,259,640	3,415,666	3,480,310	3,593,419	3,768,073
Amount [5]	5,440,145	11,865,856	20,002,986	20,227,059	21,006,471	19,499,758	20,637,964
Net capital gain in AGI [6]							
Number of returns	5,798,724	6,973,930	9,991,808	9,217,141	10,394,928	12,054,502	14,201,679
Amount	16,034,430	32,723,298	72,183,321	123,783,047	111,442,947	126,677,169	152,257,494
Net capital loss in AGI:							
Number of returns	2,513,399	1,955,544	2,667,409	5,070,741	4,614,075	4,436,100	4,206,780
Amount	1,727,272	3,063,698	3,905,541	9,551,854	8,667,127	8,447,633	8,085,593
Pensions and annuities in AGI: [7]							
Number of returns	5,088,937	7,373,704	13,133,295	17,014,091	17,907,232	17,676,445	17,441,114
Amount	20,886,871	43,339,736	95,096,003	159,294,448	176,501,725	186,491,698	194,014,034
Unemployment compensation in AGI: [8]							
Number of returns	N/A	1,798,210	4,771,546	8,014,136	9,931,421	10,309,533	9,655,286
Amount	N/A	2,028,456	6,355,539	15,453,147	23,309,714	31,393,169	27,586,208
Social security benefits in AGI:							
Number of returns	N/A	N/A	2,956,073	5,082,575	5,333,413	5,535,811	5,688,191
Amount	N/A	N/A	9,594,182	19,686,539	21,359,312	23,139,399	24,649,668
Rent net income: [9]							
Number of returns	3,737,264	3,653,996	3,541,964	3,933,823	4,025,577	4,019,574	4,279,102
Amount	8,053,918	13,664,671	16,340,908	25,886,388	27,447,747	29,423,161	31,596,448
Rent net loss: [9]							
Number of returns	2,834,547	3,809,821	5,390,750	5,163,186	5,101,001	4,927,819	4,760,586
Amount	4,621,220	13,464,274	36,163,023	33,450,215	33,252,799	29,799,973	28,327,060
Royalty net income: [10]							
Number of returns	547,192	707,018	960,701	1,170,627	1,205,808	1,169,563	1,119,621
Amount	1,867,085	4,213,345	7,243,748	4,534,436	4,863,698	5,032,510	4,945,498
Royalty net loss: [10]							
Number of returns	24,809	37,297	77,189	49,133	43,097	37,850	56,272
Amount	97,700	308,361	385,360	125,855	111,869	96,511	105,695
Partnership and S Corporation net income: [11]							
Number of returns	2,500,000	3,200,000	2,477,459	3,210,384	3,164,227	3,240,270	3,385,545
Amount	12,811,091	10,099,346	48,477,552	112,029,507	109,117,232	128,704,285	133,437,568
Partnership and S Corporation net loss:							
Number of returns [12]	([13])	([13])	3,010,212	2,767,074	2,335,233	2,117,743	2,128,339
Amount [12]	([13])	([13])	51,004,143	45,007,276	45,926,843	41,052,774	40,569,503
Estate or trust net income:							
Number of returns	676,691	865,381	1,075,119	444,953	414,875	424,883	428,226
Amount	2,740,733	4,974,127	10,328,599	4,633,163	4,313,452	4,664,394	5,091,374
Estate or trust net loss:							
Number of returns	56,990	40,916	73,534	74,127	62,331	57,847	55,537
Amount	186,410	414,096	652,621	467,976	608,053	701,176	526,949
Farm net income:							
Number of returns	1,340,485	1,123,085	891,562	996,360	934,032	895,900	899,302
Amount	10,112,147	9,938,950	6,493,117	11,395,305	9,544,222	10,042,249	9,474,244
Farm net loss:							
Number of returns	1,414,556	1,485,345	1,729,299	1,324,793	1,356,876	1,392,318	1,373,105
Amount [14]	6,548,822	11,731,416	18,498,600	11,829,067	12,397,229	12,578,256	13,140,691
Total statutory adjustments:							
Number of returns [15]	9,024,255	13,148,919	37,763,418	16,648,032	16,990,443	17,170,925	17,179,519
Amount [15]	15,101,999	28,614,061	95,082,299	33,974,231	34,716,128	35,464,254	36,624,273
Individual Retirement Arrangements: [16]							
Number of returns	1,211,794	2,564,421	16,205,846	5,223,737	4,666,078	4,477,720	4,385,422
Amount	1,436,443	3,430,894	38,211,574	9,858,219	9,030,177	8,696,060	8,527,400
Self-employed retirement plans:							
Number of returns	595,892	568,936	675,822	824,327	840,087	919,187	947,949
Amount	1,603,788	2,007,666	5,181,993	6,777,645	6,912,855	7,592,136	8,160,190
Deduction for self-employment tax:							
Number of returns	N/A	N/A	N/A	11,006,093	11,751,761	12,206,670	12,486,990
Amount	N/A	N/A	N/A	9,921,387	10,712,138	11,540,330	11,867,147

Table 1.--Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1975-1993--Continued

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

Item	1975	1980	1985	1990	1991	1992	1993
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Self-employed health insurance:							
Number of returns[17]	N/A	N/A	N/A	2,754,040	3,047,949	2,825,883	2,944,725
Amount[17]	N/A	N/A	N/A	1,627,356	1,906,288	1,367,088	2,101,234
Exemptions:							
Number of exemptions, total[18]	212,202,596	227,925,098	244,180,202	227,549,246	231,296,627	230,547,002	232,920,023
Number, age 65 or over	9,937,208	11,847,168	16,748,810	N/A	N/A	N/A	N/A
Amount[18]	159,140,845	227,569,280	253,720,447	465,985,366	491,084,150	523,042,222	540,540,132
Total deductions:							
Number of returns[19]	81,585,541	88,491,251	96,848,626	112,795,712	113,794,693	112,612,850	113,662,380
Amount[19]	233,181,778	346,000,155	554,733,523	789,941,575	818,773,883	848,479,238	872,538,153
Standard deductions:[20]							
Number of returns, total	55,511,480	59,540,969	57,000,442	80,620,774	81,304,774	80,072,236	80,840,916
Amount	100,921,181	127,972,016	149,709,998	331,456,520	351,076,010	366,533,607	382,134,445
Returns with additional standard deductions for age 65 or blindness:							
Number of returns	N/A	N/A	N/A	10,954,167	11,038,416	10,643,118	10,547,983
Amount	N/A	N/A	N/A	10,615,715	10,979,059	11,310,862	11,229,050
Itemized deductions:[21]							
Number of returns	26,074,061	28,950,282	39,848,184	32,174,938	32,489,919	32,540,614	32,821,464
Amount[21]	122,260,601	218,028,139	405,023,525	458,485,055	467,697,873	481,945,631	490,403,708
Medical and dental expense:[22]							
Number of returns	19,483,273	19,458,318	10,777,296	5,090,958	5,338,966	5,507,781	5,489,587
Amount	11,422,312	14,972,082	22,926,214	21,456,587	23,726,112	25,747,466	26,509,957
Taxes paid:[23]							
Number of returns	25,929,082	28,749,278	39,548,023	31,594,114	31,968,878	31,958,848	32,263,880
Amount	44,141,289	69,404,275	128,084,618	140,011,461	147,858,422	160,452,525	169,850,372
Interest paid:[24]							
Number of returns	23,385,461	26,676,836	36,286,822	29,394,600	27,418,495	27,347,034	27,497,691
Amount	38,885,282	91,187,006	180,094,578	208,354,360	213,725,293	208,655,776	200,189,793
Contributions:							
Number of returns	24,642,672	26,601,428	36,162,178	29,230,265	29,551,349	29,603,408	29,799,001
Amount	15,393,331	25,809,608	47,962,848	57,242,757	60,575,848	63,843,281	68,354,293
Taxable income:[25]							
Number of returns	65,852,602	88,104,696	96,124,046	93,148,332	92,717,816	90,717,400	90,831,069
Amount	595,492,866	1,279,985,360	1,820,740,833	2,263,661,230	2,284,087,935	2,395,695,907	2,453,542,706
Income tax before credits:[26]							
Number of returns	65,854,734	76,135,819	85,994,216	93,089,368	92,635,791	90,633,192	90,754,509
Amount	132,452,044	256,294,315	332,165,333	453,127,579	454,502,664	482,630,873	508,893,963
Total tax credits:							
Number of returns[27, 28]	n.a.	19,674,483	20,995,285	12,483,535	12,736,913	12,733,252	13,221,602
Amount[27, 28]	8,069,846	7,215,839	10,248,044	6,831,187	7,286,497	7,749,139	8,158,947
Child care credit:							
Number of returns	n.a.	4,230,757	8,417,522	6,143,590	5,896,435	5,980,219	6,090,070
Amount	n.a.	956,439	3,127,702	2,549,004	2,520,549	2,527,188	2,559,319
Credit for the elderly and disabled:							
Number of returns	784,808	561,918	462,548	339,818	285,085	240,144	223,053
Amount	128,968	134,993	108,642	61,898	57,083	51,120	49,019
Foreign tax credit:							
Number of returns	n.a.	393,074	453,863	772,143	874,583	1,068,776	1,292,596
Amount	381,985	1,341,675	782,561	1,682,307	1,824,334	2,047,275	2,217,865
Investment credit:[29]							
Number of returns	n.a.	n.a.	(29)	(29)	(29)	(29)	(29)
Amount	1,593,150	3,288,415	(29)	(29)	(29)	(29)	(29)
General business credit:[29]							
Number of returns	N/A	N/A	4,614,307	262,573	259,625	252,151	255,132
Amount	N/A	N/A	4,791,132	616,288	522,507	574,633	578,304
Income tax after credits:							
Number of returns	61,483,928	73,840,395	82,762,130	89,844,225	88,717,148	86,708,399	86,420,482
Amount	124,382,197	249,078,475	321,917,289	446,296,392	447,216,167	474,881,734	500,735,016
Total income tax:[30]							
Number of returns	61,490,737	73,906,244	82,846,420	89,862,434	88,733,587	86,731,946	86,435,367
Amount	124,526,297	250,341,440	325,710,254	447,126,703	448,429,593	476,238,785	502,787,806
Minimum tax:[31]							
Number of returns	20,188	94,599	N/A	N/A	N/A	N/A	N/A
Amount	144,099	412,638	N/A	N/A	N/A	N/A	N/A
Alternative minimum tax:[31]							
Number of returns	N/A	122,670	427,688	132,103	243,672	287,183	334,615
Amount	N/A	850,326	3,791,672	830,313	1,213,426	1,357,063	2,052,790
Overpayments, total:[32]							
Number of returns	63,825,188	69,868,451	77,424,003	83,507,580	85,564,104	80,991,052	82,403,149
Amount	29,363,945	49,458,344	76,220,146	88,479,352	95,269,292	92,047,931	98,875,046
Overpayment refunds:							
Number of returns	62,660,424	68,232,903	74,914,665	80,514,484	82,402,017	77,840,969	79,275,446
Amount	27,252,870	46,680,072	68,933,993	78,103,385	84,043,194	78,879,540	84,776,869
Tax due at time of filing:[33]							
Number of returns	15,842,400	21,755,516	21,210,194	26,986,948	25,567,640	29,035,574	28,637,871
Amount	14,208,747	32,843,576	39,091,228	56,561,150	53,046,236	50,411,381	50,330,900

See notes following Table 21.

Table 2.–Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1993

[Money amounts are in thousands of dollars]

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 STATES [2]								
Number of returns	115,060,797	44,527,163	28,659,814	21,203,912	12,273,171	4,278,407	3,107,722	1,010,608
Number with paid preparer's signature	57,070,701	19,415,624	13,908,058	11,382,312	6,894,725	2,481,143	2,108,500	880,339
Number of exemptions	253,489,483	69,838,621	64,374,134	55,939,823	37,045,420	13,326,543	9,760,852	3,204,090
Adjusted gross income (less deficit)	3,720,610,776	261,339,962	622,373,528	828,312,156	741,079,510	365,231,400	407,328,660	494,945,560
Salaries and wages:								
Number of returns	97,606,968	34,713,542	24,696,469	19,285,586	11,373,561	3,946,595	2,747,437	843,778
Amount	2,880,337,902	245,154,068	496,844,426	690,222,075	621,807,883	297,635,967	289,600,901	239,072,582
Interest income:								
Number of returns	65,431,116	16,823,648	14,790,591	15,238,832	10,612,282	3,986,860	2,985,105	993,798
Amount	133,052,198	22,822,663	22,477,475	21,424,078	17,304,823	9,134,025	13,405,014	26,484,120
Dividends:								
Number of returns	24,819,456	5,277,264	4,567,327	5,307,469	4,620,547	2,188,861	2,033,698	824,290
Amount	81,239,203	7,821,074	9,542,157	11,329,348	10,924,861	6,804,237	11,591,239	23,226,286
Net capital gain (less loss):								
Number of returns	14,275,285	2,732,193	2,522,208	2,866,512	2,503,636	1,319,890	1,561,918	768,928
Amount	140,894,028	8,015,369	5,233,561	8,603,957	11,161,767	8,890,831	20,202,124	78,786,418
Taxable pensions and annuities:								
Number of returns	17,339,457	5,060,442	4,909,660	3,606,093	2,232,164	789,854	577,908	163,336
Amount	192,215,255	28,589,605	50,468,102	46,660,906	34,074,804	14,200,262	12,780,158	5,441,418
Unemployment compensation:								
Number of returns	9,613,641	3,250,925	2,885,762	2,127,080	1,004,590	231,889	102,057	11,338
Amount	28,367,400	8,647,876	9,009,486	6,413,808	3,089,984	768,964	388,746	48,536
Number of sole proprietorship returns	15,841,373	4,707,329	3,437,041	3,394,506	2,243,699	898,898	846,715	313,185
Number of farm returns (Schedule F)	1,927,995	583,686	478,712	442,076	250,388	78,119	64,669	30,345
Total itemized deductions:								
Number of returns	33,482,180	2,144,349	5,078,148	9,499,034	9,064,936	3,815,054	2,924,366	956,293
Amount	514,508,086	33,167,452	52,889,092	102,625,958	120,304,952	66,743,999	73,060,497	65,716,135
Medical and dental expense:								
Number of returns	5,859,168	1,270,742	1,898,002	1,664,041	741,042	182,650	91,361	11,330
Amount	38,184,323	14,416,794	10,799,204	7,001,216	3,299,501	1,257,806	1,024,576	385,226
Taxes paid deductions:								
Number of returns	32,896,322	1,910,783	4,920,454	9,390,322	9,013,193	3,798,734	2,911,102	951,734
Amount	175,377,096	5,848,638	11,516,913	28,945,733	39,861,151	23,829,454	29,257,555	36,117,652
Interest paid deductions:								
Number of returns	27,831,752	1,266,649	3,759,217	8,035,812	8,051,298	3,393,306	2,529,148	796,322
Amount	203,920,162	9,246,603	19,452,328	45,105,026	53,168,659	28,170,381	29,117,774	19,659,391
Contributions:								
Number of returns	29,972,765	1,337,713	4,229,949	8,508,386	8,500,720	3,661,090	2,811,512	923,395
Amount	68,304,562	1,427,679	5,591,418	12,312,948	14,901,461	8,393,540	9,840,530	15,836,985
Taxable income:								
Number of returns	91,337,398	21,968,683	27,619,855	21,110,242	12,253,146	4,272,971	3,103,319	1,009,182
Amount	2,455,262,093	68,648,476	321,871,153	538,064,851	518,718,318	266,070,022	312,863,425	429,025,849
Total tax liability:								
Number of returns	93,736,009	24,285,400	27,686,925	21,117,802	12,256,610	4,274,496	3,104,924	1,009,852
Amount	532,213,236	13,849,786	51,982,016	91,214,525	95,970,023	57,352,553	78,779,938	143,064,395
Earned income credit:								
Number of returns	15,300,754	10,172,551	5,128,203	--	--	--	--	--
Amount	15,675,410	12,398,698	3,276,712	--	--	--	--	--
Excess earned income credit [3]								
Number of returns	12,225,248	9,887,500	2,337,748	--	--	--	--	--
Amount	12,036,900	10,757,202	1,279,698	--	--	--	--	--
Overpayment:								
Number of returns	79,308,075	33,288,000	20,992,456	14,060,829	7,365,831	2,093,143	1,248,041	259,775
Amount	85,533,297	23,631,606	18,420,372	17,417,707	12,759,236	4,825,770	4,818,609	3,659,997
Tax due at time of filing:								
Number of returns	28,335,385	6,911,585	6,641,963	6,388,774	4,408,215	1,942,295	1,523,331	519,222
Amount	50,568,936	2,789,145	5,383,214	7,772,103	8,168,939	5,586,691	8,778,978	12,089,866

See notes following Table 21.

NOTE: Individual income and tax data by State and size of adjusted gross income will no longer appear in every issue of the SOI Bulletin as they have for the past six years. Instead, these data will only be included once a year at the time that they are updated (i.e., the Spring issue). The current data are available, however, in the Summer 1995 and Fall 1995 issues, and also from the SOI Electronic Bulletin Board, which may be accessed on (202) 874-9574.

Table 3.--Number of Individual Returns, Income, Tax and Average Tax by Size of Adjusted Gross Income, Tax Years 1990-1993

[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		Adjusted gross income (AGI)		Taxable income		Total income tax [1]
	1990	1991	1990	1991	1990	1991	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total	**113,717,138**	**114,730,123**	**3,405,427,348**	**3,464,524,369**	**2,263,661,230**	**2,284,087,935**	**447,126,703**
No adjusted gross income [2]	904,876	926,020	- 45,809,664	- 51,617,151	–	–	65,556
$1 under $1,000	2,782,846	2,849,361	1,712,429	1,683,768	147,900	116,682	22,287
$1,000 under $3,000	7,378,581	7,083,525	14,608,168	13,883,582	1,051,956	972,640	178,856
$3,000 under $5,000	6,316,845	6,136,013	25,176,442	24,519,899	2,187,015	1,738,887	348,603
$5,000 under $7,000	6,004,236	6,103,154	36,020,822	36,691,283	4,814,969	4,069,204	758,873
$7,000 under $9,000	6,025,538	6,100,223	48,176,536	48,748,999	10,116,781	9,716,366	1,509,507
$9,000 under $11,000	5,890,809	5,870,993	58,904,288	58,581,732	16,222,041	15,035,511	2,303,211
$11,000 under $13,000	5,572,651	5,572,994	66,925,640	66,796,371	23,356,241	20,520,281	3,180,191
$13,000 under $15,000	5,382,371	5,363,932	75,300,193	75,239,187	31,079,932	29,156,451	4,118,295
$15,000 under $17,000	4,686,440	5,104,491	74,942,191	81,613,352	35,853,156	36,318,492	4,841,520
$17,000 under $19,000	4,656,276	4,477,972	83,806,510	80,625,320	42,919,171	39,149,865	6,066,851
$19,000 under $22,000	6,307,571	6,106,224	129,109,902	125,067,606	71,719,685	66,638,998	10,600,417
$22,000 under $25,000	5,465,258	5,591,888	128,101,382	131,214,635	75,920,473	74,990,961	11,257,831
$25,000 under $30,000	7,838,226	7,873,619	215,207,576	216,086,077	133,528,020	131,461,525	20,557,462
$30,000 under $40,000	12,282,787	12,346,753	426,384,692	429,097,816	280,504,593	279,498,354	45,303,447
$40,000 under $50,000	8,837,067	8,816,813	394,730,512	393,548,840	270,449,536	266,283,650	44,851,709
$50,000 under $75,000	10,944,102	11,390,205	657,214,261	685,643,232	466,517,729	481,213,204	87,241,466
$75,000 under $100,000	3,276,142	3,571,629	279,524,997	305,015,139	205,237,566	221,951,125	44,375,252
$100,000 under $200,000	2,329,562	2,597,908	305,567,590	339,097,584	230,497,142	258,310,875	57,823,643
$200,000 under $500,000	644,027	676,038	188,004,834	196,264,221	152,657,211	165,216,471	43,437,775
$500,000 under $1,000,000	130,252	118,350	87,142,014	79,606,495	74,316,528	69,658,824	20,942,219
$1,000,000 or more	60,677	52,019	154,676,032	127,116,380	134,563,588	112,069,567	37,341,734

Size of adjusted gross income	Total income tax [1] –Continued	Percentage of returns showing no total income tax [1]		Returns showing total income tax			
				Average tax (whole dollars) [1]		Tax as percentage of AGI [1]	
	1991	1990	1991	1990	1991	1990	1991
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total	**448,429,593**	**21.0**	**22.7**	**4,976**	**5,034**	**13.6**	**13.4**
No adjusted gross income [2]	80,940	99.2	99.1	8,876	9,861	(3)	(3)
$1 under $1,000	17,637	74.0	77.2	31	27	4.0	3.4
$1,000 under $3,000	162,746	72.8	74.5	89	90	4.7	4.7
$3,000 under $5,000	275,433	65.7	69.0	161	145	4.0	3.6
$5,000 under $7,000	633,850	42.2	49.5	219	205	3.6	3.3
$7,000 under $9,000	1,474,313	40.2	38.6	419	394	5.3	4.9
$9,000 under $11,000	2,155,525	37.6	40.1	626	613	6.3	6.1
$11,000 under $13,000	2,804,309	30.3	34.6	818	769	6.8	6.4
$13,000 under $15,000	3,843,145	24.4	28.5	1,012	1,002	7.2	7.1
$15,000 under $17,000	4,686,613	11.5	21.3	1,167	1,167	7.3	7.3
$17,000 under $19,000	5,283,917	5.3	11.5	1,376	1,333	7.6	7.4
$19,000 under $22,000	9,608,292	2.3	3.2	1,720	1,626	8.4	7.9
$22,000 under $25,000	11,131,373	1.2	2.3	2,085	2,038	8.9	8.7
$25,000 under $30,000	19,978,743	1.1	1.2	2,653	2,568	9.7	9.4
$30,000 under $40,000	45,090,210	0.5	0.8	3,708	3,681	10.7	10.6
$40,000 under $50,000	43,457,571	0.3	0.3	5,090	4,943	11.4	11.1
$50,000 under $75,000	87,835,843	0.2	0.3	7,986	7,732	13.3	12.8
$75,000 under $100,000	47,012,249	0.1	0.1	13,563	13,172	15.9	15.4
$100,000 under $200,000	62,842,884	0.2	0.2	24,865	24,239	19.0	18.6
$200,000 under $500,000	46,262,078	0.1	0.1	67,544	68,530	23.1	23.6
$500,000 under $1,000,000	20,490,663	0.1	0.2	161,017	173,419	24.1	25.8
$1,000,000 or more	33,301,257	0.2	0.2	616,495	641,284	24.2	26.3

See notes following Table 21.

Table 3.--Number of Individual Returns, Income, Tax and Average Tax by Size of Adjusted Gross Income, Tax Years 1990-1993--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		Adjusted gross income (AGI)		Taxable income		Total income tax [1]
	1992	1993	1992	1993	1992	1993	1992
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
Total	**113,604,503**	**114,601,819**	**3,629,129,550**	**3,723,339,880**	**2,395,695,907**	**2,453,542,706**	**476,238,785**
No adjusted gross income [2]	951,744	920,431	-51,422,468	-52,237,725	--	--	76,028
$1 under $1,000	2,563,007	2,630,024	1,545,812	1,567,089	90,769	86,864	14,421
$1,000 under $3,000	6,568,092	6,472,017	13,012,521	12,823,698	916,764	693,865	147,896
$3,000 under $5,000	5,889,687	5,748,112	23,515,915	22,900,772	1,321,361	1,304,528	214,065
$5,000 under $7,000	5,962,134	5,825,575	35,835,937	34,974,936	3,614,665	2,939,347	552,261
$7,000 under $9,000	5,908,675	5,963,864	47,240,900	47,553,285	7,814,798	7,187,508	1,166,151
$9,000 under $11,000	5,693,569	5,701,001	56,810,810	56,889,964	12,876,325	12,500,988	1,879,954
$11,000 under $13,000	5,582,747	5,496,355	66,943,733	65,858,170	19,106,902	18,371,337	2,656,280
$13,000 under $15,000	4,967,703	5,210,087	69,477,071	72,724,962	24,702,714	24,372,769	3,303,921
$15,000 under $17,000	4,871,439	4,859,885	77,887,474	77,669,303	32,159,891	29,583,635	4,203,490
$17,000 under $19,000	4,506,152	4,306,292	80,973,334	77,466,232	36,829,811	34,250,619	4,877,504
$19,000 under $22,000	6,214,933	6,252,720	127,304,158	127,917,208	64,475,972	64,440,469	9,065,162
$22,000 under $25,000	5,450,958	5,426,552	128,013,327	127,397,223	70,888,046	70,403,670	10,471,162
$25,000 under $30,000	7,590,154	7,783,772	208,225,889	212,848,223	123,555,002	124,474,977	18,482,005
$30,000 under $40,000	12,324,990	12,358,342	428,478,262	429,243,404	274,011,013	272,828,793	43,730,622
$40,000 under $50,000	9,008,646	9,072,138	403,103,550	405,366,468	269,211,742	269,806,936	43,621,782
$50,000 under $75,000	11,796,348	12,248,446	712,270,449	741,486,274	495,922,686	516,912,048	88,455,492
$75,000 under $100,000	3,988,202	4,224,878	340,631,134	359,850,336	247,431,448	262,755,147	51,552,937
$100,000 under $200,000	2,810,579	3,107,998	368,372,099	408,039,318	280,674,802	313,409,048	67,445,248
$200,000 under $500,000	746,344	786,038	218,604,180	228,008,384	186,065,353	193,398,214	52,053,401
$500,000 under $1,000,000	141,159	140,803	95,365,741	94,353,593	84,322,055	82,915,033	24,779,821
$1,000,000 or more	67,243	66,485	176,939,720	170,638,763	159,703,788	150,906,911	47,489,182

Size of adjusted gross income	Total income tax [1] --Continued	Percentage of returns showing no total income tax [1]		Returns showing total income tax			
				Average tax (whole dollars) [1]		Tax as percentage of AGI [1]	
	1993	1992	1993	1992	1993	1992	1993
	(22)	(23)	(24)	(25)	(26)	(27)	(28)
Total	**502,787,806**	**23.7**	**24.6**	**5,491**	**5,817**	**13.7**	**14.1**
No adjusted gross income [2]	67,898	99.2	99.5	10,170	13,561	(3)	(3)
$1 under $1,000	19,270	78.3	81.0	26	39	3.2	4.6
$1,000 under $3,000	113,898	74.8	76.6	89	75	4.7	4.0
$3,000 under $5,000	226,441	72.5	73.9	132	151	3.2	3.7
$5,000 under $7,000	446,403	57.5	64.0	218	213	3.5	3.4
$7,000 under $9,000	1,136,969	40.9	42.8	334	333	4.2	4.2
$9,000 under $11,000	1,849,754	43.6	44.9	587	589	5.9	5.9
$11,000 under $13,000	2,601,250	37.9	37.3	766	755	6.4	6.3
$13,000 under $15,000	3,231,805	30.7	33.1	960	927	6.9	6.6
$15,000 under $17,000	3,795,510	26.8	32.0	1,180	1,148	7.4	7.2
$17,000 under $19,000	4,400,687	15.4	21.0	1,280	1,293	7.1	7.2
$19,000 under $22,000	8,940,293	6.1	7.4	1,553	1,543	7.6	7.5
$22,000 under $25,000	10,367,168	2.0	2.0	1,959	1,950	8.3	8.3
$25,000 under $30,000	18,548,862	1.8	1.6	2,479	2,422	9.0	8.9
$30,000 under $40,000	43,255,579	0.7	0.6	3,573	3,521	10.3	10.1
$40,000 under $50,000	43,495,959	0.3	0.4	4,857	4,813	10.9	10.8
$50,000 under $75,000	91,053,007	0.2	0.3	7,517	7,454	12.4	12.3
$75,000 under $100,000	54,080,534	0.1	0.1	12,936	12,812	15.1	15.0
$100,000 under $200,000	75,285,238	0.1	0.1	24,022	24,257	18.3	18.5
$200,000 under $500,000	58,279,965	0.1	0.1	69,814	74,223	23.8	25.6
$500,000 under $1,000,000	28,345,337	0.1	0.1	175,695	201,499	26.0	30.1
$1,000,000 or more	53,245,979	0.1	0.1	706,716	801,583	26.9	31.2

See notes following Table 21.

Table 4.--Reconciliation of Adjusted Gross Income (AGI) and Personal Income Used in the National Income and Product Accounts (NIPA), for Specified Years, 1975-1993

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

Income and adjustment items	1975	1980	1985	1990	1991	1992r	1993p
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Personal income (per NIPA)	**1,307.3**	**2,265.4**	**3,379.8**	**4,673.8**	**4,860.3**	**5,154.3**	**5,375.1**
2. Portion of personal income not included in AGI	**346.0**	**603.7**	**1,039.4**	**1,342.8**	**1,490.3**	**1,595.8**	**1,690.7**
Transfer payments (except taxable military pay and taxable Government pensions)	171.6	282.1	407.4	558.3	625.8	693.9	740.6
Other labor income (except fees)	65.0	138.0	188.5	269.8	294.4	323.9	350.2
Imputed income [1]	32.0	47.6	66.2	83.7	97.3	109.8	137.6
Investment income received by nonprofit institutions or retained by fiduciaries	11.1	19.9	32.6	50.5	52.4	49.1	44.6
Investment income retained by life insurance carriers and noninsured pension funds [2]	23.5	58.7	122.1	192.7	199.8	202.5	203.6
Net differences in accounting treatment (NIPA vs. IRS) [3]	17.8	15.3	89.9	94.3	88.9	80.1	68.8
Other excluded or tax exempt income	24.9	42.1	132.6	93.5	131.7	136.5	145.3
3. Portion of AGI not included in personal income	**85.9**	**157.0**	**303.1**	**521.6**	**530.4**	**571.9**	**610.9**
Personal contributions for social insurance	50.4	88.6	149.1	224.9	236.2	248.7	261.3
Net capital gain less loss from sales of property	13.9	27.1	60.9	107.6	94.3	109.1	114.9
Taxable private pensions	14.0	32.7	90.2	139.2	151.7	147.4	153.6
S Corporation income (taxed through shareholders) less loss	2.1	0.7	6.3	36.4	34.3	47.9	51.5
Other taxable income less loss	5.4	7.9	-3.4	13.6	13.9	18.9	29.6
4. Total net adjustment for conceptual differences (line 2 minus line 3)	**260.1**	**446.7**	**736.4**	**821.2**	**959.9**	**1,023.9**	**1,079.8**
5. Estimated total AGI (per NIPA) (line 1 minus line 4)	**1,047.1**	**1,818.7**	**2,643.5**	**3,852.6**	**3,900.4**	**4,130.4**	**4,295.3**
6. Adjusted gross income (AGI) (SOI)	**947.8**	**1,613.7**	**2,306.0**	**3,405.4**	**3,464.5**	**3,629.1**	**3,724.1**
7. Estimated difference in AGI (NIPA vs. SOI) (line 5 minus line 6) [4]	**99.4**	**205.0**	**337.5**	**447.1**	**435.8**	**501.3**	**571.2**

See notes following Table 21.

Table 5.–Personal Income and Total Adjusted Gross Income Based on Individual Income Tax Returns per National Income and Product Accounts (NIPA), Tax Years 1947-1994

[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) [1,3]	Difference	
			Amount [3]	Percentage of personal income [3]
	(1)	(2)	(3)	(4)
1947	190.1	170.0	20.1	10.6
1948	209.0	183.2	25.8	12.3
1949	206.1	180.9	25.2	12.2
1950	227.8	201.9	25.9	11.4
1951	256.5	228.7	27.8	10.8
1952	273.7	241.1	32.6	11.9
1953	290.4	255.5	34.9	12.0
1954	293.0	256.8	36.2	12.4
1955	314.5	278.5	36.0	11.4
1956	337.5	299.4	38.1	11.3
1957	356.5	312.8	43.7	12.3
1958	367.2	316.5	50.7	13.8
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	709.9	19.8
1987	3,802.0	3,165.5	636.5	16.7
1988	4,075.9	3,441.2	634.8	15.6
1989	4,380.3	3,690.6	689.7	15.8
1990	4,673.8	3,852.6	821.2	17.6
1991	4,860.3	3,900.4	959.9	19.7
1992r	5,154.3	4,130.4	1,023.9	19.9
p1993	5,375.1	4,295.3	1,079.8	20.1
p1994r	5,701.7	n.a.	n.a.	n.a.

See notes following Table 21.

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 1947-1993

[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	170.0	149.7	20.3	11.9
1948	183.2	163.5	19.6	10.7
1949	180.9	160.6	20.4	11.3
1950	201.9	179.1	22.7	11.2
1951	228.7	202.3	26.4	11.5
1952	241.1	215.3	25.8	10.7
1953	255.5	228.7	26.8	10.5
1954	256.8	229.2	27.5	10.7
1955	278.5	248.5	30.0	10.8
1956	299.4	267.7	31.7	10.6
1957	312.8	280.3	32.4	10.4
1958	316.5	281.2	35.3	11.2
1959	338.2	305.1	33.1	9.8
1960	350.9	315.5	35.4	10.1
1961	364.8	329.9	35.0	9.6
1962	386.7	348.7	38.0	9.8
1963	408.1	368.8	39.4	9.7
1964	441.5	396.7	44.8	10.1
1965	478.9	429.2	49.7	10.4
1966	520.3	468.5	51.9	10.0
1967	554.5	504.8	49.7	9.0
1968	607.9	554.4	53.5	8.8
1969	662.6	603.5	59.0	8.9
1970	698.4	631.7	66.7	9.6
1971	744.0	673.6	70.4	9.5
1972	824.3	746.0	78.3	9.5
1973	926.0	827.1	98.8	10.7
1974	1,004.1	905.5	98.6	9.8
1975	1,047.1	947.8	99.4	9.5
1976	1,166.8	1,053.9	112.9	9.7
1977	1,293.3	1,158.5	134.8	10.4
1978	1,465.6	1,302.4	163.1	11.1
1979	1,651.7	1,465.4	186.3	11.3
1980	1,818.7	1,613.7	205.0	11.3
1981	2,001.8	1,772.6	229.1	11.4
1982	2,007.5	1,852.1	225.4	11.2
1983	2,227.1	1,942.6	284.5	12.8
1984	2,454.7	2,139.9	314.8	12.8
1985	2,643.5	2,306.0	337.5	12.8
1986	2,880.6	2,481.7	398.9	13.8
1987	3,165.5	2,773.8	391.7	12.4
1988	3,456.3	3,083.0	373.3	10.8
1989	3,690.6	3,256.4	434.2	11.8
1990	3,852.6	3,405.4	447.1	11.6
1991	3,900.3	3,464.5	435.9	11.2
1992	4,130.4	3,629.1	501.3	12.1
p1993r	4,295.3	3,723.3	572.0	13.3

See notes following Table 21.

Table 7.--Standard, Itemized, and Total Deductions Reported on Individual Income Tax Returns, Tax Years 1944-1993
[All figures are estimates based on samples--number of returns is 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]	As a 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	16.5
1969	75.8	40.9	21.6	34.9	80.2	101.8	16.9
1970	74.3	38.8	32.4	35.4	88.2	120.5	19.1
1971	74.6	43.9	48.1	30.7	91.9	139.9	20.8
1972	77.6	50.6	69.8	27.0	96.7	166.4	22.3
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	24.6
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	21.4
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	23.0
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	24.1
1986	103.3	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	113.7	80.6	331.5	32.2	458.5	789.9	23.2
1991	114.7	81.3	351.1	32.5	467.7	818.8	23.6
1992	113.6	80.1	366.5	32.5	481.9	848.5	23.4
1993r	114.6	80.8	382.1	32.8	490.4	872.5	23.4

See notes following Table 21.

Table 8.--Personal Income per National Income and Product Accounts (NIPA), and Taxable Income and Individual Income Tax per SOI, Tax Years 1947-1994

[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]	As a percentage of..... Taxable income [2]
	(1)	(2)	(3)	(4)	(5)	(6)
1947	190.1	75.4	39.7	18.1	9.5	24.0
1948	209.0	74.8	35.8	15.4	7.4	20.6
1949	206.1	71.7	34.8	14.5	7.0	20.2
1950	227.8	84.3	37.0	18.4	8.1	21.8
1951	256.5	99.2	38.7	24.2	9.4	24.4
1952	273.7	107.2	39.2	27.8	10.2	25.9
1953	290.4	114.3	39.4	29.4	10.1	25.7
1954	293.0	115.3	39.4	26.7	9.1	23.2
1955	314.5	128.0	40.7	29.6	9.4	23.1
1956	337.5	141.5	41.9	32.7	9.7	23.1
1957	356.5	149.4	41.9	34.4	9.6	23.0
1958	367.2	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	11.0	23.0
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	22.5
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	19.9
1989	4,380.3	2,173.3	49.6	432.9	9.9	19.9
1990	4,673.8	2,263.7	48.4	447.1	9.6	19.8
1991	4,860.3	2,284.1	47.0	448.4	9.6	19.6
1992	5,154.3	2,395.7	46.5	476.2	9.2	19.9
1993r	5,375.1	2,453.5	45.7	502.8	9.4	20.5
p1994r	5,701.7	n.a.	n.a.	n.a.	n.a.	n.a.

See notes following Table 21.

Table 9.–Number of Individual Income Tax Returns by Type of Tax Settlement, Tax Years 1944-1993

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

Tax year	Total number of returns	Returns with--		
		Tax due at time of filing	Overpayments [1]	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	113.7	27.0	83.5	3.2
1991	114.7	25.6	85.6	3.5
1992	113.6	29.0	81.0	3.6
1993	114.6	28.6	82.4	3.6

See notes following Table 21.

Table 10.– Nonfarm Sole Proprietorship Returns: Selected Income Statement Items for Specified Income Years, 1980-1993

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

Item	1980	1985	1990	1991	1992	1993
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns with nonfarm business net income or deficit, total	**8,931,712**	**11,928,573**	**14,782,738**	**15,180,722**	**15,495,419**	**15,848,119**
Number with nonfarm business net income	n.a.	8,640,701	11,221,925	11,550,579	11,720,148	11,872,224
Number of nonfarm businesses	**9,730,019**	**n.a.**	**16,596,384**	**16,959,688**	**17,292,286**	**17,714,121**
Business receipts, total	**411,205,713**	**540,045,430**	**730,606,020**	712,567,989	**737,082,032**	**757,215,452**
Income from sales and operations	407,169,299	528,675,271	719,007,636	**700,681,216**	725,666,334	746,306,213
Total deductions[1]	**356,258,495**	**461,272,852**	**589,249,583**	571,153,515	**583,146,571**	**600,765,115**
Cost of sales and operations	209,889,809	232,294,132	291,010,060	272,626,595	274,219,623	289,577,573
Inventory, beginning-of-year	n.a.	21,435,438	29,024,992	29,516,926	28,860,062	30,585,415
Inventory, end-of-year	21,996,236	24,969,895	30,421,844	29,782,755	29,898,172	31,795,025
Purchases	168,301,517	n.a.	210,225,158	200,860,580	204,316,835	210,260,432
Cost of labor	10,922,221	14,504,201	22,679,507	21,917,899	18,838,120	20,685,004
Materials and supplies	12,909,222	n.a.	30,195,388	28,072,005	28,825,291	32,701,327
Advertising	n.a.	n.a.	6,574,743	6,712,252	7,344,070	7,599,257
Car and truck expenses	13,378,289	17,044,421	21,765,531	22,594,000	23,919,600	26,714,114
Commissions	3,333,345	n.a.	8,816,233	7,628,344	10,456,775	8,706,883
Depletion	n.a	n.a.	816,131	717,387	628,917	568,446
Depreciation	13,952,703	26,291,389	23,734,507	23,076,150	23,273,917	24,964,396
Pension and profit sharing plans	141,463	311,323	586,394	519,358	527,945	636,097
Employee benefit programs	n.a.	n.a.	1,056,604	1,016,368	1,186,031	1,252,242
Insurance	6,003,126	n.a.	13,357,568	13,064,988	13,259,715	13,172,614
Interest paid, total	7,190,257	11,913,982	13,311,670	12,077,268	10,406,164	9,430,614
Mortgage interest	n.a.	n.a.	6,256,506	5,527,499	4,626,346	4,181,330
Other interest	n.a.	n.a.	7,055,164	6,549,769	5,779,818	5,249,285
Legal and professional services	2,633,596	n.a.	5,880,163	5,376,814	5,698,841	5,649,951
Meals and entertainment expenses before limitation	n.a.	n.a.	5,329,281	5,646,857	5,715,169	5,748,559
Meals and entertainment deduction	n.a.	n.a.	4,262,870	4,516,821	4,571,529	4,598,258
Office expenses	n.a.	n.a.	6,896,758	7,086,395	7,395,168	7,642,163
Rent paid, total	9,636,290	15,258,690	23,391,608	23,643,282	25,148,446	25,008,071
On machinery	n.a.	n.a.	3,754,492	4,160,172	4,551,560	4,733,446
On other business property	n.a.	n.a.	19,637,116	19,483,110	20,596,886	20,274,625
Repairs	5,031,573	n.a.	8,940,657	9,158,697	9,705,814	9,847,207
Net salaries and wages (not deducted elsewhere)	26,560,821	38,265,691	46,998,029	48,889,989	52,316,452	52,045,887
Supplies	n.a.	n.a.	n.a.	n.a.	n.a.	15,401,709
Taxes paid	7,672,459	n.a.	10,341,654	10,629,067	12,618,367	13,062,473
Travel	n.a.	n.a.	5,605,961	5,475,477	5,860,143	5,865,812
Utilities (including telephone)	4,790,337	n.a.	13,538,612	13,259,743	14,546,685	16,068,808
Bad debts	n.a.	600,613	1,038,756	1,130,267	1,065,802	960,701
Business use of home	n.a.	n.a.	n.a.	2,897,903	2,966,899	3,042,538
Net income (less deficit)[1]	**54,947,219**	**78,772,578**	**141,430,193**	141,515,783	**153,960,246**	**156,458,803**
Net income[1]	68,010,051	98,775,563	161,657,252	**162,426,709**	173,472,549	176,983,281
Deficit[1]	13,062,832	20,002,986	20,227,059	20,910,927	19,512,304	20,524,477

See notes following Table 21.

Table 11.--Partnership Returns: Selected Balance Sheet and Income Statement Items for Specified Income Years, 1980-1993

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

Item	1980	1985	1990	1991	1992	1993
	(1)	(2)	(3)	(4)	(5)	(6)
Total number of active partnerships	**1,379,654**	**1,713,603**	**1,553,529**	**1,515,345**	**1,484,752**	**1,467,567**
Number with net income	774,173	875,846	853,676	855,523	856,015 r	869,817
Number with balance sheets	1,194,236	1,227,498	1,081,224	1,047,704	975,330 r	976,967
Number of partners	**8,419,899**	**13,244,824**	**17,094,966**	**15,801,047**	**15,734,691**	**15,626,848**
Total assets [1]	**597,503,923**	**1,269,434,302**	**1,735,285,033**	**1,816,567,895**	**1,907,344,453**	**2,118,268,141**
Depreciable assets (net)	239,139,823	695,878,822	681,409,780	696,335,452	700,933,529	698,121,914
Inventories, end of year	33,218,272	27,279,234	56,507,062	56,845,071	61,865,690	71,278,725
Land	70,241,248	152,179,314	214,757,035	212,850,061	212,808,128	206,500,951
Total liabilities [1]	**488,734,023**	**1,069,221,649**	**1,415,247,893**	**1,460,065,895**	**1,508,212,931**	**1,619,630,794**
Accounts payable	33,899,048	40,871,755	66,747,965	63,086,121	79,336,897	79,764,998
Short-term debt [2]	48,001,839	102,760,363	88,092,149	116,756,131	114,638,421	131,148,176
Long-term debt [3]	178,044,406	381,960,685	497,560,607	490,848,692	486,374,218	488,793,170
Nonrecourse loans [3]	118,910,380	327,558,208	470,139,911	474,221,624	475,615,076	477,709,746
Partners' capital accounts [1]	**108,769,900**	**200,212,653**	**320,037,140**	**356,502,000**	**399,131,522**	**498,637,347**
Total receipts [4]	**291,998,115**	**367,117,316**	**566,212,218**	**562,779,428** r	**596,782,859** r	**656,111,439**
Business receipts [5]	271,108,832	302,733,374	483,417,504	483,164,395	514,827,003	560,999,120
Interest received [6]	10,869,323	20,558,966	20,799,631	19,872,179	15,570,376	16,327,321
Total deductions [4]	**283,749,460**	**376,000,991**	**549,602,678**	**541,372,821** r	**553,866,209** r	**589,459,150**
Cost of sales and operations	113,885,668	146,315,315	242,448,195	236,500,500	248,626,073	272,502,902
Purchases	70,439,607	91,925,923	140,521,621	134,086,152	150,034,393	163,167,689
Cost of labor	7,015,547	8,845,106	13,924,993	14,188,250	14,826,792	16,208,644
Salaries and wages	22,336,337	33,884,204	56,025,118	57,907,843	61,761,245	65,374,814
Taxes paid	9,553,145	7,745,756	9,339,396	9,863,080	10,307,970	10,877,982
Interest paid	28,362,385	28,674,933	29,617,935	27,973,593	25,091,279	27,006,200
Depreciation [7]	21,576,189	53,650,790	60,204,443	58,362,541	60,024,456	59,730,416
Net income (less deficit)	**8,248,655**	**-8,883,674**	**16,609,540**	**21,406,607**	**42,916,649**	**66,652,288**
Net income	45,061,756	77,044,693	116,317,801	113,408,221	121,834,358	137,440,684
Deficit	36,813,100	85,928,367	99,708,261	92,001,615	78,917,710	70,788,396

See notes following Table 21.

Table 12.–Number of Business Income Tax Returns by Size of Business for Specified Income Years, 1980-1993
[All figures are estimates based on samples--number of businesses is in thousands]

Size of business	1980	1985	1990	1991	1992	1993
	(1)	(2)	(3)	(4)	(5)	(6)
CORPORATIONS						
Receipt size[1]						
Under $25,000[2]	557.0	710.8	878.7	924.2	935.7	n.a.
$25,000 under $50,000	207.7	236.6	252.0	260.1	256.5	n.a.
$50,000 under $100,000	322.7	330.2	358.9	375.6	375.8	n.a.
$100,000 under $250,000	558.4	620.5	661.7	665.6	682.9	n.a.
$250,000 under $500,000	367.3	489.2	500.0	514.5	532.9	n.a.
$500,000 under $1,000,000	279.8	352.4	416.0	415.8	422.8	n.a.
$1,000,000 or more	417.7	537.6	649.4	647.1	662.3	n.a.
Asset size						
Under $100,000[3]	1,514.6	1,833.5	2,111.5	2,176.9	2,231.2	n.a.
$100,000 under $1,000,000	968.9	1,152.5	1,246.3	1,265.4	1,272.9	n.a.
$1,000,000 under $10,000,000	191.8	245.4	303.8	305.5	309.0	n.a.
$10,000,000 under $25,000,000	16.6	20.9	25.2	24.6	24.5	n.a.
$25,000,000 under $50,000,000	7.8	10.4	11.0	11.0	11.2	n.a.
$50,000,000 under $100,000,000	4.8	6.2	7.4	7.5	7.7	n.a.
$100,000,000 under $250,000,000	3.2	4.4	5.8	6.0	6.2	n.a.
$250,000,000 or more	2.9	4.1	5.6	5.9	6.3	n.a.
PARTNERSHIPS						
Receipt size[1]						
Under $25,000[2]	638.0	840.1	962.6	955.6	920.6	886.9
$25,000 under $50,000	181.8	195.5	126.0	113.5	113.0	121.2
$50,000 under $100,000	183.6	199.5	133.4	120.1	126.0	129.3
$100,000 under $250,000	155.2	190.1	139.9	143.7	144.7	144.0
$250,000 under $500,000	135.6	165.5	82.5	78.5	75.3	78.3
$500,000 under $1,000,000	48.1	66.9	52.1	49.4	49.6	49.0
$1,000,000 or more	37.4	56.0	57.1	54.6	55.6	59.0
Asset size						
Under $25,000[3]	541.9	794.1	737.9	700.1	690.8	683.6
$25,000 under $50,000	156.3	132.7	99.3	97.3	88.1	76.9
$50,000 under $100,000	180.2	165.8	99.5	110.2	104.4	102.8
$100,000 under $250,000	219.1	210.9	194.1	181.8	164.0	171.8
$250,000 under $500,000	117.9	142.8	128.6	125.4	125.8	126.8
$500,000 under $1,000,000	72.1	100.0	105.2	109.7	120.5	111.4
$1,000,000 or more	92.2	167.2	188.9	190.8	191.2	194.2
NONFARM SOLE PROPRIETORSHIPS						
Receipt size[4]						
Under $2,500[3]	2,783.1	3,067.5	3,750.1	3,985.0	3,775.9	3,808.5
$2,500 under $5,000	1,158.6	1,444.6	1,714.5	1,704.6	1,741.3	1,796.7
$5,000 under $10,000	1,262.9	1,633.6	2,011.7	2,058.8	2,005.4	2,136.6
$10,000 under $25,000	1,711.8	2,104.6	2,719.8	2,809.7	2,869.3	2,873.5
$25,000 under $50,000	1,079.1	1,393.9	1,660.2	1,724.8	1,817.0	1,838.3
$50,000 under $100,000	835.6	1,094.1	1,282.1	1,327.0	1,269.0	1,329.6
$100,000 under $200,000	} 795.8	1,060.2 {	857.2	843.2	869.2	900.6
$200,000 under $500,000			587.0	545.4	584.4	553.8
$500,000 under $1,000,000	73.9	89.3	142.7	122.7	133.1	138.6
$1,000,000 or more	29.2	40.7	57.3	59.5	58.4	66.4

See notes following Table 21.

Table 13.--Corporation Income Tax Returns: Balance Sheet, Income Statement and Tax Items for Specified Income Years, 1980-1993

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

Item	1980	1985[1]	1990[1]	1991[1]	1992[1]	1993p[1]
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns, total [1]	**2,710,538**	**3,277,219**	**3,716,650**	**3,802,788**	**3,869,023**	**3,963,865**
Number with net income [1]	1,596,632	1,820,120	1,910,670	1,942,450	2,063,593	2,143,765
Consolidated returns [1,2,3]	57,890	79,598	71,769	69,120	66,479	63,882
S Corporation returns [1,3,4]	545,389	724,749	1,575,092	1,698,271	1,785,371	1,902,624
DISC returns [1,3,5]	8,665	1,383	([1])	([1])	([1])	([1])
FSC returns [1,3,6]	N/A	2,341	([1])	([1])	([1])	([1])
Total assets	**7,617,238,403**	**12,773,093,888**	**18,190,057,609**	**19,029,508,839**	**20,002,093,972**	**21,795,482,116**
Cash	528,914,747	683,204,264	771,086,440	786,735,219	806,358,400	810,032,304
Notes and accounts receivable	1,984,601,790	3,317,635,191	4,198,016,230	4,191,331,906	4,168,985,629	4,528,232,826
Less: Allowance for bad debts	50,057,307	61,580,335	110,059,993	114,576,136	118,702,488	117,142,973
Inventories [7]	534,806,547	714,722,928	893,586,141	883,913,179	915,412,953	966,713,818
Investments in Government obligations [8]	265,542,521	916,550,098	921,193,216	1,068,564,351	1,248,403,852	1,279,168,419
Tax-exempt securities [8]	206,517,216	([6])	380,320,504	469,245,167	615,621,779	686,843,817
Other current assets	310,177,160	629,136,396	1,164,582,476	1,133,425,425	1,283,851,498	1,537,473,368
Loans to stockholders	29,873,250	56,761,232	94,866,044	84,545,262	87,204,098	83,981,391
Mortgage and real estate loans	894,323,489	1,258,672,577	1,537,899,636	1,529,474,897	1,566,888,344	1,631,407,404
Other investments	1,213,986,210	2,413,551,474	4,136,891,162	4,749,822,622	4,970,564,447	5,688,455,603
Depreciable assets	2,107,027,914	3,174,193,649	4,317,781,452	4,549,055,093	4,755,145,257	4,966,952,764
Less: Accumulated depreciation	767,841,763	1,232,072,530	1,848,022,862	1,999,540,977	2,131,890,499	2,268,595,143
Depletable assets	71,901,490	112,339,389	129,370,543	141,758,337	130,636,678	136,950,135
Less: Accumulated depletion	19,569,556	37,203,920	55,075,300	61,141,866	60,154,855	64,216,282
Land	92,931,935	141,448,357	209,579,296	215,498,441	221,387,129	230,247,351
Intangible assets (amortizable)	45,480,694	145,290,625	491,252,807	489,782,490	528,635,628	558,137,494
Less: Accumulated amortization	18,393,037	42,505,240	95,754,475	110,369,202	124,473,187	138,148,130
Other assets	187,015,106	582,949,738	1,052,544,294	1,021,984,633	1,138,219,310	1,277,106,233
Total liabilities	**7,617,238,403**	**12,773,093,888**	**18,190,057,609**	**19,029,508,839**	**20,002,093,972**	**21,795,482,116**
Accounts payable [9]	542,172,368	891,571,443	1,094,001,051	1,680,717,102	1,604,993,260	1,511,113,084
Mortgages, notes, and bonds payable in less than 1 year	504,802,288	1,001,337,795	1,802,732,358	1,500,043,192	1,559,836,081	1,538,018,502
Other current liabilities	2,706,796,360	4,234,983,432	5,197,682,027	4,856,874,743	5,215,873,641	5,534,593,263
Loans from stockholders	85,718,510	174,317,253	268,559,197	306,729,880	305,658,885	304,925,766
Mortgages, notes, and bonds payable in 1 year or more	986,663,932	1,699,272,481	2,665,098,250	2,697,909,300	2,742,496,304	2,851,896,188
Other liabilities	846,696,691	1,467,912,913	2,423,067,175	2,710,749,072	2,872,881,055	3,150,237,958
Capital stock	417,153,783	920,182,882	1,584,840,863	1,740,894,708	1,881,147,182	2,041,662,424
Paid-in or capital surplus	532,039,407	1,420,996,805	2,814,210,083	3,257,218,951	3,655,821,974	4,223,031,074
Retained earnings, appropriated	41,461,644	54,074,364	60,978,729	74,926,536	79,869,218	106,332,252
Retained earnings, unappropiated	1,027,902,049	1,311,512,589	1,349,027,584	1,365,865,627	1,351,565,703	1,549,403,290
Less: Cost of treasury stock [10]	74,168,627	403,068,064	1,070,139,706	1,162,420,270	1,268,049,328	1,465,510,489
Total receipts	**6,361,284,012**	**8,398,278,426**	**11,409,520,074**	**11,436,474,767**	**11,742,134,729**	**12,321,710,655**
Business receipts [11,12]	5,731,616,337	7,369,538,953	9,860,441,633	9,965,628,799	10,360,428,794	10,915,775,155
Interest on State and local Government obligations	12,620,876	20,164,514	35,164,734	36,339,860	38,331,700	43,274,293
Other interest	354,243,674	617,622,425	942,237,940	883,325,876	790,946,417	762,862,871
Dividends received from domestic corporations [10,12]	18,654,800	16,967,379	13,413,839	13,114,605	13,109,858	13,528,215
Dividends received from foreign corporations [10]	14,563,353	20,770,361	33,261,669	28,760,176	28,883,052	26,722,804
Rents [10]	41,371,141	89,700,937	100,642,848	101,958,702	98,901,418	70,493,781
Royalties [10]	12,450,250	15,237,421	32,142,258	34,822,123	41,426,926	43,930,126
Net short-term capital gain reduced by net long-term capital loss	2,013,510	7,032,062	4,110,745	13,742,293	14,586,137	26,061,768
Net long-term capital gain reduced by net short-term capital loss	24,910,957	53,771,685	50,935,859	41,111,234	45,124,296	53,201,527
Net gain, noncapital assets [13,14]	20,117,615	33,537,842	32,275,111	31,476,569	32,313,236	32,537,845
Other receipts	128,721,498	153,934,848	304,893,438	286,194,531	278,082,895	333,322,269

Table 13.--Corporation Income Tax Returns: Balance Sheet, Income Statement and Tax Items for Specified Income Years, 1980-1993--Continued

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

Item	1980	1985[1]	1990[1]	1991[1]	1992[1]	1993p[1]
	(1)	(2)	(3)	(4)	(5)	(6)
Total deductions[10]	**6,125,365,155**	**8,158,144,126**	**11,032,574,630**	**11,087,119,512**	**11,329,910,609**	**11,821,506,331**
Cost of sales and operations[10]	4,204,905,905	4,894,254,081	6,610,769,883	6,654,370,271	6,771,767,395	7,112,741,705
Compensation of officers	108,973,751	170,737,540	205,403,164	201,408,195	221,064,264	226,042,649
Repairs	42,407,967	81,495,784	95,887,821	94,643,427	93,926,324	104,054,942
Bad debts	18,769,771	43,333,588	83,690,549	100,875,268	89,579,547	80,504,472
Rent paid on business property	71,990,832	134,661,335	184,771,540	192,743,992	196,187,884	200,454,626
Taxes paid	163,003,622	200,977,161	250,928,813	257,796,399	273,955,753	288,946,268
Interest paid	344,612,542	568,645,475	825,372,164	735,721,055	597,033,444	546,150,715
Contributions or gifts	2,358,554	4,471,736	4,752,406	4,762,763	5,521,019	6,397,217
Amortization	1,374,658	6,133,737	31,503,958	35,923,984	36,582,360	37,890,522
Depreciation	157,345,828	304,380,703	332,781,754	333,952,832	346,214,939	362,839,174
Depletion[14]	8,871,993	7,779,731	9,646,712	8,417,411	9,023,229	8,474,951
Advertising	52,266,004	91,922,667	126,417,097	129,194,304	134,332,126	140,039,146
Pension, profit-sharing, stock bonus and annuity plans[14]	51,529,310	49,588,712	42,233,693	46,487,339	56,177,312	60,969,818
Employee benefit programs[14]	40,179,104	71,601,577	113,320,117	133,467,913	142,114,225	159,759,141
Net loss, noncapital assets[10,11]	5,903,104	7,893,175	22,330,746	18,859,047	18,678,786	26,227,740
Other deductions[14]	850,872,216	1,520,267,133	2,092,764,214	2,138,495,313	2,337,752,003	2,460,013,245
Total receipts less total deductions[10,15]	**235,918,858**	**240,134,300**	**376,945,444**	**349,355,256**	**412,224,119**	**500,204,323**
Constructive taxable income from related foreign corporations[10,15,16]	15,708,560	20,299,335	36,776,886	31,844,399	28,104,602	35,641,965
Net income (less deficit)	**239,006,542**	**240,119,020**	**370,632,632**	**344,859,794**	**401,997,022**	492,571,996
Net income[10,15,16]	296,787,201	363,867,384	552,526,789	535,816,622	570,431,380	656,679,807
Deficit[10,15,16]	57,780,659	123,748,365	181,894,157	190,956,827	168,434,358	164,107,811
Income subject to tax[17]	**246,598,486**	**266,060,609**	**366,352,857**	**350,009,712**	**377,899,601**	**435,691,947**
Income tax, total[18]	**105,142,436**	**111,340,839**	**128,185,666**	**121,121,231**	**131,284,690**	**154,037,016**
Regular and alternative tax[18,19]	103,831,172	109,106,358	119,434,430	116,275,308	125,770,915	148,624,853
Recapture of prior-year investment credit	867,571	1,497,597	126,600	72,693	25,103	22,858
Recapture of prior-year work incentive (WIN) credit	4,873	N/A	N/A	N/A	N/A	N/A
Minimum tax and alternative minimum tax[20]	438,820	725,878	8,104,269	5,320,587	4,856,262	4,858,428
Environmental tax	N/A	N/A	520,167	479,288	496,610	563,445
Foreign tax credit	24,879,737	24,263,487	24,989,922	21,096,940	21,520,683	22,885,746
U.S. possessions tax credit	1,572,734	2,450,583	3,194,481	3,472,330	3,748,561	4,729,569
Investment credit[21]	15,102,812	(21)	(21)	(21)	(21)	(21)
Work incentive (WIN) credit	36,483	N/A	N/A	N/A	N/A	N/A
Jobs credit[21]	601,444	(21)	(21)	(21)	(21)	(21)
Nonconventional source fuel credit	2	43,267	81,790	244,732	233,331	687,703
Alcohol fuel credit[21]	4	(21)	(21)	(21)	(21)	(21)
Research activities credit	N/A	1,627,997	(21)	(21)	(21)	(21)
Employees stock ownership credit[21]	N/A	(21)	N/A	N/A	N/A	N/A
Orphan drug credit	N/A	204	15,637	18,475	17,826	20,485
General business credit[21]	N/A	19,607,097	2,833,701	2,206,371	1,918,100	3,064,506
Prior year minimum tax credit	N/A	N/A	667,036	1,516,063	2,313,811	3,094,404
Distributions to stockholders:						
Cash and property except in own stock	97,378,617	n.a.	n.a.	n.a.	n.a.	n.a.
Corporation's own stock	3,525,549	n.a.	n.a.	n.a.	n.a.	n.a.

See notes following Table 21.

Table 14.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement and Tax Items by Industrial Division for Specified Income Years, 1980-1993

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

Industrial division and item	1980	1985[1]	1990[1]	1991[1]	1992[1]	1993p
	(1)	(2)	(3)	(4)	(5)	(6)
AGRICULTURE, FORESTRY AND FISHING						
Number of returns, total[1]	80,883	103,156	126,423	129,886	137,833	141,325
Number with net income[1]	43,827	52,776	70,965	69,543	79,399	81,456
Total assets	40,738,977	52,651,197	68,338,381	67,756,553	71,760,770	74,585,614
Net worth	11,460,935	15,406,221	23,360,455	22,769,981	25,079,476	27,679,402
Total receipts[2]	52,089,915	70,491,486	88,101,065	85,945,700	95,563,041	98,251,968
Business receipts[2]	48,850,056	65,419,402	82,114,836	80,981,260	89,556,975	92,054,678
Interest received[2,4]	476,654	775,383	681,127	553,203	513,231	501,691
Total deductions[2]	51,418,280	70,559,478	86,883,128	85,331,571	94,017,630	96,605,411
Cost of sales and operations[2]	35,798,332	45,085,526	52,758,720	51,674,544	53,057,740	53,226,579
Interest paid	2,184,441	2,758,952	2,852,242	2,634,724	2,453,897	2,229,992
Net income (less deficit)[2]	673,158	-74,270	1,156,269	625,656	1,607,297	1,649,836
Net income[2]	2,464,381	2,930,905	4,328,433	3,774,209	4,625,097	4,840,738
Deficit[2]	1,791,222	3,005,175	3,172,164	3,148,553	3,017,800	3,190,902
Regular and alternative tax[5]	533,768	531,787	569,812	498,545	541,516	590,162
Total income tax after credits[6]	422,356	344,626	554,818	473,493	496,946	568,394
Distributions to stockholders except in own stock	304,733	n.a.	n.a.	n.a.	n.a.	n.a.
MINING						
Number of returns, total[1]	25,576	41,426	39,674	39,199	36,660	35,427
Number with net income[1]	12,698	18,031	18,436	17,893	15,824	15,977
Total assets	126,947,880	240,815,996	219,197,640	212,962,835	218,211,769	223,943,375
Net worth	54,068,148	104,772,797	110,339,579	106,585,141	106,082,663	111,252,897
Total receipts[2]	176,672,390	142,038,595	111,444,457	103,286,287	112,830,722	112,044,753
Business receipts[2]	167,397,918	126,710,610	97,321,579	90,512,940	102,467,999	102,074,439
Interest received[2,4]	1,301,266	3,584,890	3,849,674	3,289,590	2,692,680	2,408,071
Total deductions[2]	169,051,624	145,389,514	106,466,509	99,537,632	110,301,522	109,581,655
Cost of sales and operations[2]	116,989,880	87,972,035	62,070,361	56,314,253	67,184,989	66,130,848
Interest paid	3,440,080	7,789,995	6,674,114	6,315,413	5,153,228	4,785,830
Net income (less deficit)[2]	7,750,561	-2,543,487	5,302,223	4,001,356	2,706,769	2,594,120
Net income[2]	10,133,685	6,166,623	9,071,733	7,721,788	6,688,820	6,509,772
Deficit[2]	2,383,124	8,710,110	3,769,511	3,720,432	3,982,051	3,915,651
Regular and alternative tax[5]	3,947,569	1,736,952	1,897,245	1,505,027	1,428,389	1,182,282
Total income tax after credits[6]	1,674,566	557,519	1,348,333	1,041,082	969,531	734,506
Distributions to stockholders except in own stock	4,757,780	n.a.	n.a.	n.a.	n.a.	n.a.
CONSTRUCTION						
Number of returns, total[1]	272,432	318,276	406,874	416,987	407,881	417,074
Number with net income[1]	150,368	185,613	223,434	233,866	224,509	250,730
Total assets	132,939,026	215,297,771	243,829,026	243,035,939	231,050,110	240,919,758
Net worth	32,826,174	54,687,270	63,865,550	70,666,636	71,556,252	75,943,667
Total receipts[2]	267,205,356	387,232,953	534,654,044	515,128,533	499,405,033	538,158,971
Business receipts[2]	260,387,692	374,590,273	522,586,199	502,691,224	488,401,977	528,776,521
Interest received[2,4]	2,073,650	3,851,628	3,621,561	3,415,774	2,636,172	2,248,297
Total deductions[2]	262,116,275	382,823,113	527,800,795	509,247,728	493,857,790	530,586,625
Cost of sales and operations[2]	208,064,925	295,803,244	407,448,745	389,883,167	376,299,025	408,799,017
Interest paid	4,278,502	6,407,652	7,368,430	6,984,942	5,413,320	5,059,365
Net income (less deficit)[2]	5,271,209	4,370,924	6,824,608	6,103,605	5,505,062	7,518,342
Net income[2]	8,911,143	11,053,145	15,859,977	14,965,305	13,812,392	14,817,317
Deficit[2]	3,639,934	6,682,220	9,035,370	8,861,700	8,307,330	7,298,974
Regular and alternative tax[5]	2,521,507	2,243,786	1,983,902	1,910,621	1,458,612	1,575,219
Total income tax after credits[6]	1,973,659	1,662,563	1,906,537	1,722,422	1,376,546	1,492,544
Distributions to stockholders except in own stock	793,764	n.a.	n.a.	n.a.	n.a.	n.a.
MANUFACTURING						
Number of returns, total[1]	242,550	276,545	301,669	300,122	300,071	306,927
Number with net income[1]	153,640	159,778	167,509	163,599	169,381	179,379
Total assets	1,709,471,700	2,644,393,424	3,921,323,756	4,028,360,038	4,113,123,804	4,221,828,674
Net worth	749,186,774	1,099,645,876	1,392,233,318	1,481,203,474	1,411,948,242	1,439,515,891
Total receipts[2]	2,404,323,844	2,831,062,496	3,688,693,895	3,658,501,307	3,760,265,837	3,883,126,157
Business receipts[2]	2,301,056,550	2,656,345,750	3,434,141,360	3,409,490,090	3,513,707,078	3,655,868,534
Interest received[2,4]	28,315,784	47,753,626	81,135,811	81,950,229	75,514,098	69,034,186
Total deductions[2]	2,290,593,808	2,733,105,346	3,545,121,842	3,548,746,793	3,633,844,572	3,737,025,356
Cost of sales and operations[2]	1,707,143,900	1,797,852,805	2,377,226,499	2,355,261,594	2,402,877,254	2,476,614,823
Interest paid	54,177,356	90,452,072	151,214,835	145,611,955	127,971,817	118,167,546
Net income (less deficit)[2]	125,667,815	113,758,645	171,373,726	132,269,225	143,627,403	169,350,846
Net income[2]	141,547,510	142,541,119	212,936,099	181,884,248	184,567,951	213,962,504
Deficit[2]	15,879,695	28,782,474	41,562,373	49,615,023	40,940,548	44,611,658
Regular and alternative tax[5]	59,577,413	55,553,921	60,664,655	51,769,226	51,315,542	60,232,545
Total income tax after credits[6]	32,726,986	25,382,459	38,971,197	32,104,071	32,851,672	37,999,990
Distributions to stockholders except in own stock	37,306,509	n.a.	n.a.	n.a.	n.a.	n.a.

Table 14.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement and Tax Items by Industrial Division for Specified Income Years, 1980-1993--Continued

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

Industrial division and item	1980	1985[1]	1990[1]	1991[1]	1992[1]	1993p
	(1)	(2)	(3)	(4)	(5)	(6)
TRANSPORTATION AND PUBLIC UTILITIES						
Number of returns, total[1]	111,324	138,337	160,353	164,980	178,284	175,814
Number with net income[1]	62,232	69,938	81,418	88,263	97,677	97,210
Total assets	758,364,400	1,246,426,899	1,522,045,738	1,573,824,265	1,641,997,827	1,768,101,819
Net worth	290,655,693	490,481,127	508,667,821	528,942,779	535,664,915	578,693,070
Total receipts[2]	523,807,396	772,358,188	936,277,062	954,944,592	997,640,581	1,035,690,462
Business receipts[2,4]	507,372,820	733,943,970	874,111,070	897,131,837	941,456,847	967,466,138
Interest received	5,760,072	12,310,594	18,194,729	17,919,573	16,938,590	16,071,547
Total deductions[2]	503,954,285	747,836,158	900,960,832	917,837,603	956,469,140	983,610,959
Cost of sales and operations[2]	336,868,172	381,028,354	405,924,209	413,508,684	381,368,495	392,539,917
Interest paid	27,638,591	44,880,858	59,190,735	59,686,545	56,073,874	53,351,530
Net income (less deficit)[2]	20,046,155	25,087,629	35,413,596	37,742,965	41,789,809	52,700,839
Net income[2]	24,917,293	37,880,144	51,490,850	53,590,652	58,195,820	65,527,437
Deficit[2]	4,871,138	12,792,516	16,077,254	15,847,686	16,406,010	12,826,598
Regular and alternative tax[5,6]	10,532,722	14,881,470	15,228,031	15,887,339	16,884,562	19,606,763
Total income tax after credits	5,322,655	8,432,924	15,882,038	15,793,417	16,627,618	18,842,528
Distributions to stockholders except in own stock	17,329,807	n.a.	n.a.	n.a.	n.a.	n.a.
WHOLESALE AND RETAIL TRADE						
Number of returns, total[1]	799,628	917,301	1,023,057	1,043,534	1,052,713	1,072,962
Number with net income[1]	487,300	510,825	527,128	536,277	567,784	582,244
Total assets	646,901,005	1,009,965,739	1,447,296,828	1,483,427,907	1,581,910,771	1,703,808,956
Net worth	222,289,687	286,260,274	354,827,439	374,844,301	404,190,513	449,232,944
Total receipts[2]	1,955,523,778	2,473,865,453	3,308,988,336	3,380,598,972	3,503,944,396	3,708,489,646
Business receipts[2,4]	1,919,347,689	2,408,174,933	3,216,861,660	3,291,367,866	3,416,387,593	3,622,265,418
Interest received	10,503,989	21,633,480	29,851,239	31,285,080	28,471,311	27,694,014
Total deductions[2]	1,919,454,218	2,440,403,373	3,279,066,687	3,350,908,857	3,463,379,154	3,659,420,189
Cost of sales and operations[2]	1,538,128,634	1,869,766,621	2,482,483,270	2,527,007,700	2,618,368,057	2,786,181,556
Interest paid	25,645,855	38,217,998	63,914,431	61,081,388	50,510,058	46,733,035
Net income (less deficit)[2]	38,309,671	33,126,702	30,094,078	29,951,221	41,343,782	49,052,185
Net income[2]	49,426,500	51,434,500	65,383,876	64,477,312	72,317,416	77,499,444
Deficit[2]	11,116,829	18,307,798	35,289,798	34,526,092	30,973,634	28,447,258
Regular and alternative tax[5,6]	13,515,653	16,130,885	13,324,360	12,789,106	14,357,322	15,686,382
Total income tax after credits	10,564,358	13,396,555	12,615,991	12,015,216	13,157,318	15,151,704
Distributions to stockholders except in own stock	10,343,087	n.a.	n.a.	n.a.	n.a.	n.a.
FINANCE, INSURANCE AND REAL ESTATE						
Number of returns, total[1]	493,426	518,432	609,138	617,557	635,268	641,597
Number with net income[1]	273,853	285,273	269,667	273,097	295,066	296,414
Total assets	4,022,206,073	7,029,452,681	10,193,295,357	10,780,681,276	11,480,469,997	12,816,831,833
Net worth	530,541,317	1,161,968,009	2,142,041,011	2,513,553,034	2,949,156,395	3,536,822,748
Total receipts[2,3]	697,460,846	1,182,034,309	1,954,709,651	1,924,317,623	1,900,428,224	2,003,909,291
Business receipts[2,4]	256,892,475	501,993,840	900,908,453	928,022,390	989,306,810	1,053,140,576
Interest received	315,146,115	541,268,193	830,451,126	771,288,512	693,208,002	678,407,030
Total deductions[2]	652,637,787	1,104,572,202	1,809,867,575	1,771,169,018	1,724,307,330	1,787,442,384
Cost of sales and operations[2]	129,644,330	237,577,803	526,244,728	556,461,819	575,172,643	608,569,382
Interest paid	219,167,684	363,009,417	506,921,011	r426,757,261	326,347,417	292,957,461
Net income (less deficit)	33,122,792	60,670,526	109,901,881	124,545,504	146,978,975	184,751,912
Net income[2]	46,040,390	90,546,934	158,458,842	174,249,613	188,715,713	225,922,679
Deficit[2]	12,917,599	29,876,408	48,556,962	49,704,109	41,736,737	41,170,767
Regular and alternative tax[5,6]	9,680,755	13,369,981	20,709,720	26,890,049	34,091,152	42,657,006
Total income tax after credits	7,699,628	10,193,877	20,511,294	24,850,137	30,902,544	38,532,747
Distributions to stockholders except in own stock	24,692,146	n.a.	n.a.	n.a.	n.a.	n.a.
SERVICES						
Number of returns, total[1]	671,338	939,390	1,029,447	1,061,657	1,100,449	1,157,440
Number with net income[1]	408,716	529,337	546,268	551,235	607,204	636,001
Total assets	178,163,737	330,982,941	572,842,266	636,751,574	661,597,099	743,754,821
Net worth	52,865,513	89,852,365	143,154,346	177,668,039	196,588,365	235,179,833
Total receipts[2]	279,883,187	534,587,609	779,329,609	809,724,469	869,533,422	940,363,230
Business receipts[2,4]	266,088,619	497,980,990	726,041,364	761,589,005	816,783,759	892,548,334
Interest received	3,269,412	6,561,301	9,526,124	9,941,775	9,283,407	9,754,386
Total deductions[2]	271,792,974	528,685,613	769,035,909	800,163,940	851,122,645	915,514,178
Cost of sales and operations[2]	129,352,692	176,070,808	290,965,307	301,802,690	296,026,593	319,786,192
Interest paid	8,033,612	15,027,259	27,188,190	26,544,428	23,050,166	22,840,518
Net income (less deficit)[2]	8,193,903	5,883,782	10,616,792	9,769,891	18,525,343	24,997,430
Net income[2]	13,246,601	21,124,460	34,850,560	34,963,661	41,370,718	47,496,632
Deficit[2]	5,052,698	15,240,678	24,233,768	25,193,769	22,845,375	22,499,202
Regular and alternative tax[5,6]	3,497,265	4,621,875	5,041,377	5,016,937	5,690,665	7,090,139
Total income tax after credits	2,603,370	3,343,830	4,597,561	4,561,377	5,147,294	6,227,598
Distributions to stockholders except in own stock	1,841,945	n.a.	n.a.	n.a.	n.a.	n.a.

See notes following Table 21.

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 1960-1994

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

Income year	Profits before taxes (per NIPA)[1]	Net income (less deficit) (per SOI)[2]	Income subject to tax (per SOI)[3]
	(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	389.0	371.1
1990	365.7	370.6	366.4
1991	365.2	344.9	350.0
1992	395.9	402.0	377.9
p1993	462.4	n.a.	n.a.
p1994	524.5	n.a.	n.a.

See notes following Table 21.

Table 16.--Estate Tax Returns as a Percentage of Adult Deaths, Selected Years of Death, 1934-1992
[Starting with 1965, number of returns are estimates based on samples]

Selected year of death[1]	Total adult deaths[1]	Taxable estate tax returns[2]	
		Number	Percentage of adult deaths
	(1)	(2)	(3)
1934	983,970	8,655	0.88
1935	1,172,245	9,137	0.78
1936	1,257,290	12,010	0.96
1937	1,237,585	13,220	1.07
1938	1,181,275	12,720	1.08
1939	1,205,072	12,907	1.07
1940	1,237,186	13,336	1.08
1941	1,216,855	13,493	1.11
1942	1,211,391	12,726	1.05
1943	1,277,009	12,154	0.95
1944	1,238,917	13,869	1.12
1946	1,239,713	18,232	1.47
1947	1,278,856	19,742	1.54
1948	1,283,601	17,469	1.36
1949	1,285,684	17,411	1.35
1950	1,304,343	18,941	1.45
1953	1,237,741	24,997	2.02
1954	1,332,412	25,143	1.89
1956	1,289,193	32,131	2.49
1958	1,358,375	38,515	2.84
1960	1,426,148	45,439	3.19
1962	1,483,846	55,207	3.72
1965	1,578,813	67,404	4.27
1969	1,796,055	93,424	5.20
1972	1,854,146	120,761	6.51
1976	1,819,107	139,115	7.65
1982r	1,897,820	34,446	1.82
1983r	1,945,913	34,883	1.79
1984r	1,968,128	30,447	1.55
1985r	2,015,070	22,324	1.11
1986r	2,033,978	21,939	1.08
1987r	2,053,084	18,059	0.88
1988r	2,096,704	20,751	0.99
1989r	2,079,035	23,002	1.11
1990r	2,079,034	24,456	1.18
p1991r	2,101,746	26,277	1.25
p1992	2,111,617	n.a.	n.a.

See notes following Table 21.

Table 17.--Gross Tax Collections: Amount Collected by Quarter and Fiscal Year, 1987-1995
[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 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**	**42,578**	**384,451**	**11,473**
October 1990 - December 1990	242,881	118,047	29,248	9,135	83,646	2,735
January 1991 - March 1991	256,949	119,891	22,974	9,820	101,569	2,618
April 1991 - June 1991	338,469	181,949	35,953	10,967	106,426	3,173
July 1991 - September 1991	260,825	126,990	25,423	12,656	92,810	2,947
FISCAL YEAR 1992, TOTAL	**1,120,799**	**557,723**	**117,951**	**46,919**	**400,081**	**11,479**
October 1991 - December 1991	246,273	117,980	28,571	11,822	88,749	2,735
January 1992 - March 1992	264,161	136,220	19,751	10,963	97,425	2,606
April 1992 - June 1992	345,447	173,437	41,930	11,757	118,503	3,266
July 1992 - September 1992	264,918	130,086	27,699	12,377	95,404	2,872
FISCAL YEAR 1993, TOTAL	**1,190,373**	**585,774**	**131,548**	**48,649**	**411,511**	**12,891**
October 1992 - December 1992	258,823	124,812	30,324	11,877	92,284	3,015
January 1993 - March 1993	282,851	154,596	21,124	11,388	96,042	2,772
April 1993 - June 1993	353,737	168,977	47,920	12,182	120,767	3,891
July 1993 - September 1993	294,962	137,389	32,180	13,202	102,418	3,213
FISCAL YEAR 1994, TOTAL	**1,289,920**	**619,819**	**154,205**	**56,458**	**443,831**	**15,607**
October 1993 - December 1993	282,602	132,790	36,088	13,143	97,012	3,569
January 1994 - March 1994	309,864	160,382	24,883	13,059	108,037	3,503
April 1994 - June 1994	386,364	182,996	55,652	14,182	128,665	4,869
July 1994 - September 1994	311,090	143,651	37,582	16,074	110,117	3,666
FISCAL YEAR 1995, TOTAL	**1,375,730**	**675,779**	**174,422**	**44,980**	**465,405**	**15,144**
October 1994 - December 1994	297,447	138,454	40,811	11,029	103,537	3,616
January 1995 - March 1995	326,641	169,977	26,137	10,790	116,503	3,234
April 1995 - June 1995	428,953	214,105	65,995	11,116	133,357	4,380
July 1995 - September 1995	322,689	153,243	41,479	12,045	112,008	3,914

See notes following Table 21.

Table 18.--Tax Refunds: Amount Refunded by Quarter and Fiscal Year, 1987-1995

[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 1987, TOTAL	**96,969**	**73,583**	**19,891**	**1,381**	**1,900**	**214**
October 1986 - December 1986	8,668	3,406	4,789	111	312	50
January 1987 - March 1987	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**	**74,399**	**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**	**82,877**	**17,440**	**1,188**	**2,471**	**404**
October 1990 - December 1990	8,284	3,367	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, TOTAL	**113,108**	**88,624**	**19,688**	**1,997**	**2,398**	**401**
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
July 1992 - September 1992	10,562	4,603	3,703	941	1,223	92
FISCAL YEAR 1993, TOTAL	**93,580**	**74,234**	**16,035**	**958**	**1,969**	**384**
October 1992 - December 1992	7,891	3,081	4,190	208	324	88
January 1993 - March 1993	37,213	31,503	4,971	239	396	104
April 1993 - June 1993	39,325	35,353	3,195	290	397	90
July 1993 - September 1993	9,151	4,297	3,679	221	852	102
FISCAL YEAR 1994, TOTAL	**96,980**	**75,935**	**16,251**	**1,877**	**2,477**	**441**
October 1993 - December 1993	7,329	2,322	4,176	394	324	113
January 1994 - March 1994	34,614	27,859	5,800	403	445	107
April 1994 - June 1994	43,804	40,876	2,109	333	393	93
July 1994 - September 1994	11,233	4,878	4,165	747	1,315	128
FISCAL YEAR 1995, TOTAL	**108,035**	**84,056**	**19,350**	**2,223**	**1,972**	**434**
October 1994 - December 1994	9,086	3,440	4,909	319	305	113
January 1995 - March 1995	35,791	27,642	6,369	926	753	102
April 1995 - June 1995	53,388	47,434	4,905	500	443	108
July 1995 - September 1995	9,768	5,541	3,167	478	471	111

See notes following Table 21.

Table 19.--Excise Taxes by Specified Fiscal Years, 1975-1993

[Money amounts are in thousands of dollars]

Selected class of tax	Taxes reported by fiscal year					
	1975	1980	1985	1991	1992	1993
	(1)	(2)	(3)	(4)	(5)	(6)
ALCOHOL AND TOBACCO TAXES, TOTAL [1]	**7,665,948**	**8,151,184**	**9,881,293**	**12,125,900**	**13,353,696**	**13,687,416**
Distilled spirits	3,851,837	3,927,235	3,501,559	3,763,058	3,889,720	3,797,200
Wine	172,440	211,493	305,339	499,037	615,696	578,013
Beer	1,305,034	1,545,441	1,569,726	2,964,591	3,402,057	3,329,424
Cigarettes and cigars	2,312,342	2,442,357	4,473,210	4,781,936	5,189,516	5,700,009
MANUFACTURERS EXCISE TAXES, TOTAL	**5,516,611**	**6,487,421**	**10,020,574**	**14,223,212**	**16,642,890**	**16,694,097**
Gasoline and gasohol [2]	4,071,465	4,326,549	9,062,630	13,001,336	15,465,988	15,582,172
Tires, tubes and tread rubber [3]	697,660	682,624	242,923	284,360	279,852	311,442
Motor vehicles, bodies, parts [4]	662,556	1,088,696	N/A	N/A	N/A	N/A
Recreational products	84,946	136,521	166,666	145,877	242,401	281,742
Coal	N/A	251,288	548,356	630,700	630,600	604,916
SPECIAL FUELS AND RETAIL TAXES, TOTAL [5]	**404,187**	**560,144**	**3,802,608**	**4,753,159**	**5,237,506**	**5,770,136**
Diesel and special motor fuels	370,489	512,718	2,430,165	3,690,518	4,198,979	4,377,536
Truck and trailer chassis and bodies	N/A	N/A	1,289,750	926,381	904,861	1,211,440
MISCELLANEOUS EXCISE TAXES, TOTAL	**3,306,077**	**6,359,198**	**11,044,833**	**9,903,242**	**10,871,808**	**11,584,928**
Telephone and teletype	2,023,744	1,117,834	2,307,607	2,952,522	3,173,000	3,351,600
Air transportation	850,567	1,748,837	2,589,818	4,299,627	4,661,757	4,623,948
Highway use	207,663	263,272	456,143	593,123	596,167	616,741
Policies issued by foreign insurers	19,458	74,630	73,494	69,800	116,822	109,200
Exempt organization net investment income	63,828	65,280	136,153	182,997	204,780	224,568
Crude oil windfall profit [6]	N/A	3,051,719	5,073,159	-425,106	-259,625	-365
Environmental taxes [7]	N/A	N/A	272,957	1,729,459	1,675,294	1,869,122

Selected class of tax	Taxes reported by fiscal year quarter ending--					
	June 1992	Sept. 1992	Dec. 1992	March 1993	June 1993	Sept. 1993
	(7)	(8)	(9)	(10)	(11)	(12)
ALCOHOL AND TOBACCO TAXES, TOTAL [1]	**3,410,142**	**3,478,119**	**3,452,635**	**r3,032,319**	**3,398,087**	**3,634,005**
Distilled spirits	971,647	966,989	1,096,035	846,323	894,098	960,744
Wine	156,222	150,011	178,641	130,390	112,171	156,811
Beer	928,830	924,777	766,438	757,887	842,145	962,954
Cigarettes and cigars	1,383,566	1,296,693	1,408,572	1,293,234	1,603,384	1,394,819
MANUFACTURERS EXCISE TAXES, TOTAL	**4,122,928**	**4,224,969**	**4,311,911**	**r4,145,183**	**3,910,024**	**4,326,979**
Gasoline and gasohol	3,820,232	3,925,767	4,000,154	3,858,731	3,655,945	4,067,343
Tires, tubes and tread rubber [3]	70,000	73,927	80,388	74,904	72,650	83,500
Recreational products [4]	69,279	69,442	58,601	60,275	78,873	82,023
Coal	159,600	154,400	156,972	155,663	147,132	145,149
SPECIAL FUELS AND RETAIL TAXES, TOTAL [5]	**1,242,427**	**r1,369,059**	**1,366,809**	**1,397,738**	**1,403,048**	**1,602,541**
Diesel and special motor fuels	989,722	1,108,926	1,056,174	1,064,456	1,067,172	1,189,734
Truck and trailer chassis and bodies	213,300	256,100	267,081	283,102	294,760	366,497
MISCELLANEOUS EXCISE TAXES, TOTAL	**2,584,633**	**r2,995,111**	**2,724,224**	**2,714,858**	**2,702,093**	**3,443,754**
Telephone and teletype	781,900	789,400	845,100	794,200	821,100	891,200
Air transportation	1,164,855	1,161,814	1,176,748	1,148,271	970,437	1,328,492
Highway use	103,085	301,732	59,000	136,535	109,000	312,206
Policies issued by foreign insurers	28,654	31,710	30,000	27,400	24,200	27,600
Exempt organization net investment income	76,946	63,508	41,619	29,481	94,032	59,244
Crude oil windfall profit [6]	-145,915	-44,891	-365	--	--	--
Environmental taxes [7]	406,606	474,591	400,902	400,440	481,260	588,520

See notes following Table 21.

Table 20.--Selected Returns and Forms Filed or to be Filed by Type During Specified Calendar Years, 1975-1995

Type of return or form	Number filed in calendar year--						
	1975	1980	1985	1990	1993	1994r	1995 (Projected)r
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Individual income [1]	**84,026,800**	**93,196,100**	**99,704,200**	**112,596,000**	**114,116,400**	**115,062,300**	**117,198,600**
Forms 1040, 1040A, 1040EZ, and 1040PC	83,913,100	93,052,300	99,528,900	112,305,000	113,754,400	114,683,400	116,793,500
Paper returns	83,913,100	93,052,300	99,528,900	108,100,900	101,272,100	100,662,600	104,942,400
Electronically-filed returns	N/A	N/A	N/A	4,204,200	12,482,300	14,020,700	11,851,100
Business returns	10,073,100	11,402,900	14,136,800	16,170,200	17,410,500	17,758,000	18,255,300
Schedule C	7,439,000	8,944,300	11,767,300	14,149,000	15,495,300	15,831,300	16,429,800
Schedule F	2,634,200	2,458,600	2,369,400	2,021,300	1,915,200	1,926,800	1,825,500
Nonbusiness returns	73,840,000	81,649,400	85,392,100	96,134,800	96,343,900	96,925,300	98,538,400
Forms 1040NR, 1040PR, and 1040SS	113,700	143,800	175,300	291,000	362,000	378,900	405,100
Corporation income [2]	**2,132,800**	**2,675,700**	**3,437,300**	**4,319,500**	**4,516,300**	**4,666,500**	**4,683,100**
Forms 1120	1,762,900	2,115,500	2,432,300	2,334,600	2,127,400	2,157,600	2,175,500
Form 1120A	N/A	N/A	199,700	332,000	354,400	335,700	307,600
Form 1120S	367,200	528,100	736,900	1,536,100	1,905,800	2,036,700	2,061,300
Other	2,600	32,100	68,400	116,800	128,700	136,500	138,700
Partnership, Form 1065	**1,132,800**	**1,401,600**	**1,755,300**	**1,750,900**	**1,567,200**	**1,558,400**	**1,564,800**
Fiduciary, Forms 1041 and 1041S [3]	**1,564,200**	**1,881,800**	**2,125,000**	**2,680,900**	**2,950,200**	**3,087,900**	**3,147,000**
Estate tax, Forms 706 and 706NA [4]	**225,800**	**147,300**	**80,800**	**60,800**	**72,900**	**80,500**	**85,100**
Gift tax, Form 709	**273,200**	**214,800**	**97,700**	**147,700**	**217,800**	**215,700**	**215,200**
Tax exempt organizations [5]	**403,800**	**442,600**	**454,100**	**487,400**	**537,500**	**533,600**	**536,000**
Forms 990 and 990EZ	346,600	362,600	365,500	359,700	391,600	378,300	375,600
Form 990-PF	29,600	33,100	32,000	44,700	48,000	49,800	51,100
Form 990-T	19,700	23,500	26,200	39,100	44,200	46,400	48,300
Forms 990C, 4720, and 5227	7,900	23,400	30,400	43,900	53,700	59,200	61,000

See notes following Table 21.

Table 21.--Taxpayers Receiving Assistance, Paid and Unpaid, Tax Years 1989-1993
[Some estimates based on samples--all data are in thousands]

Type of assistance	Tax year				
	1989	1990	1991	1992	1993
	(1)	(2)	(3)	(4)	(5)
Returns with paid preparer signature:[1]					
All returns	52,808	54,499	55,711	56,051	56,588
1040EZ	725	648	667	777	1,527
1040A	3,885	4,801	4,695	5,530	5,823
1040, total	48,197	49,049	50,348	49,744	49,239
1040 Business, total	12,092	10,723	12,657	12,864	12,834
Nonfarm	10,371	9,025	10,986	11,212	10,894
Farm	1,721	1,697	1,671	1,652	1,459
1040 Nonbusiness, total	36,105	36,629	37,691	36,880	36,405
With itemized deductions	17,002	17,249	17,749	17,367	14,793
Without itemized deductions	19,103	19,380	19,942	19,513	21,612
Electronically filed [2]	n.a.	4,715	7,448	8,696	9,477
Assistance provided by IRS:[3]					
Telephone inquiries (including recorded telephone information)	56,084	63,980	67,285	65,364	66,253
Office walk-ins, information	7,104	7,173	7,247	6,974	7,149
Written inquires	172	168	202	169	270
Special programs:					
Community classes and seminars (taxpayers assisted)	722	924	711	747	751
Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (taxpayers assisted)	2,848	3,112	919	3,264	3,170

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.

* - Estimate should be used with caution because of the small number of sample returns on which it is based. See "Appendix—SOI Sampling Methodology and Data Limitations."

** - Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

Detail may not add to totals because of rounding.

Table 1

[1] Includes "standard" electronically-filed (ELF) returns starting with 1985, returns filed electronically by telephone ("TeleFile") starting with 1991, and computer-generated "paper" returns (Form 1040PC) starting with 1992, reclassified as Form 1040, 1040A, and 1040EZ returns for Statistics of Income, depending on the filing characteristics of each return.

[2] 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.

[3] Not included in AGI.

[4] Starting with 1987, represents total dividends; previously, represented total dividends after statutory exclusion.

[5] Starting with 1987, losses are after "passive loss" limitation.

[6] 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.

[7] Before 1980 and starting again after 1987, excludes Individual Retirement Arrangement (IRA) distributions; for intervening years, pensions and IRA distributions in AGI were reported together on the tax return. 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.

[8] Starting with 1987, represents total unemployment compensation; previously, all or part was excludable under certain conditions.

[9] 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.

[10] Excludes certain royalties included in computations of capital gain or loss and of ordinary gain or loss, sales of noncapital assets.

[11] Prior to 1981, amounts for net income are actually for net income (less loss). Net income and loss were not separately tabulated. Also, for these years, the number of returns shown with net income was rounded to millions during processing; the more exact number was not tabulated.

[12] See footnote 5.

[13] See footnote 11.

[14] See footnote 5.

[15] Includes adjustments not shown separately in this table. 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 footnotes 16 and 17. Starting with 1990, adjustments include deduction for one-half of self-employment (social security) tax. For changes in adjustments for earlier years, see *Statistics of Income—Individual Income Tax Returns.*

[16] Deductible Individual Retirement Arrangement (IRA) contributions, reflected in adjustment statistics starting with 1980, were limited starting with 1987.

[17] Deduction expired July 1992, but was later reinstated retroactively. Data for 1992 are understated because they exclude amounts subsequently claimed on amended returns.

[18] Includes exemptions for blindness repealed effective 1987. Deduction for exemptions was limited for higher-income taxpayers starting with 1991. Exemption amounts were indexed for inflation starting with 1985 and were limited for certain high-income taxpayers starting with 1987.

[19] 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 21-24), "basic" standard deduction and "additional" standard deductions for age 65 or 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). Starting with 1991, total itemized deductions are after statutory limitation (see footnote 21).

[20] For 1980 and 1985 data, represents "zero bracket amount" used on returns of non-itemizers; see also footnote 25. Zero bracket amount for 1985 and standard deduction, starting with 1986, were indexed for inflation.

[21] Includes itemized deductions not shown separately in this table, including revised deductions, starting with 1987, for "miscellaneous expenses" after limitation and for employee moving expenses; see also footnotes 22-24. In general, total itemized deductions were limited for certain high-income taxpayers starting with 1991. For changes in deductions for earlier years, see *Statistics of Income—Individual Income Tax Returns.*

[22] 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.*

[23] Starting with 1987, State sales taxes were no longer deductible.

[24] Starting with 1987, deductions for "personal" interest and mortgage real estate loan interest were limited and, starting with 1991, personal interest was no longer deductible.

[25] 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. For the percentages of AGI used for the standard deduction and the limitation on the deduction, see *Statistics of Income—Individual Income Tax Returns.*

[26] Different tax rate structures applied to Tax Years 1970, 1971-1978, 1979-1981, 1982-1986, 1988-1990, 1991-1992, and 1993. Indexing of tax rate boundaries for inflation was introduced starting with 1985. The preferential maximum tax rate on net long-term capital gains under "alternative tax" was revised over the years. Alternative tax was abolished effective 1987, but a maximum capital gains tax rate less than the maximum regular tax rate continued to apply under certain conditions starting with 1991. For additional information on changes affecting tax computations, see *Statistics of Income—Individual Income Tax Returns.*

[27] Includes that portion of the earned income credit used to offset income tax before credits; see also footnote 32. Earned income credit is shown in Table 2.

[28] Includes credits not shown separately in this table, such as the political contributions credit (repealed effective 1987), earned income credit (liberalized starting with 1987 and 1991), and low-income housing credit (introduced effective 1987); see also footnote 29. For changes in credits allowed for earlier years, see *Statistics of Income—Individual Income Tax Returns.*

[29] Investment credit was included in the more-inclusive general business tax credit starting with 1984. With exceptions, investment credit was repealed effective 1986.

[30] Includes income tax after credits and additional tax for tax preferences, i.e, "minimum tax" or "alternative minimum tax" (see footnote 31).

[31] The add-on "minimum tax" on "tax preferences" (chief among which were net long-term capital gains) was introduced starting with 1970. (This tax was formerly described in Statistics of Income as the "additional tax for tax preferences.") The minimum tax computation, using a base related to taxable income, was revised and the tax rate increased effective 1976. The number of preferences subject to tax was revised effective 1976 and 1981. Starting with 1979, two major preferences formerly subject to minimum tax (including net long-term capital gains) were subjected, instead, to the new "alternative minimum tax," which required taxpayers to pay the larger of the regular income tax or the AMT. Computation of AMT was revised effective 1980 (to allow tax to be reduced by certain credits) and, again, effective 1981 (to modify the graduated rate structure). Minimum tax was abolished effective

1983 and many of the tax preferences subject to this tax were subjected, instead, to a revised AMT. AMT was increased starting with 1983 by introduction of a single, higher tax rate which replaced two, lower graduated rates. The single rate was increased effective 1987 and 1991; two, higher graduated rates were introduced effective 1993.

[32] 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*).

[33] Reflects taxes mentioned in footnote 32.

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 mostly because Table 2 also includes (a) "substitutes for returns," whereby the Internal Revenue Service constructs returns for certain known nonfilers on the basis of available information and imposes an income tax on the resulting estimate of "taxable income," and (b) returns of nonresident or departing aliens. In addition, for purposes of Table 2:

a. "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 starting with 1987 and data for years prior to 1987. Number of exemptions is 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.)

b. "Itemized deductions" includes any amounts reported by the taxpayer, even if they were not used in computing taxable income, e.g., amounts reported on returns with no adjusted gross income. See also footnote 21, Table 1.

c. "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 2(d) and 3, below).

d. "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 2(d)) and equals the amount in excess of total tax liability (defined in footnote 2(c)), including any advance earned income credit payments for those returns which had such an excess.

NOTE: This table presents aggregates of *all* returns filed and processed through the Individual Master File (IMF) system during Calendar Year 1994. In general, during administrative or Master File processing, taxpayer reporting discrepancies are corrected only to the extent necessary to verify the income tax liability reported. Most of the other corrections to the taxpayer records used for these statistics could not be made because of time and resource constraints. The statistics in Table 2 should therefore be used with the knowledge that some of the data have not been perfected or edited for statistical purposes and that U.S. totals in this table may not be altogether comparable to the U.S. totals in Tables 1 and 3, as a result.

SOURCE: Internal Revenue Service, Corporate Systems Division, Individual Systems Branch.

Table 3

[1] Tax includes income tax after credits and the alternative minimum tax (see footnote 2).

[2] In addition to low-income taxpayers, this size class (and others) includes taxpayers with "tax prefer-

ences," not reflected in adjusted gross income or taxable income, which are subject to the "alternative minimum tax" (included in "total income tax") defined in footnote 31, Table 1.

[3] Not computed.

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] Represents "income" from owner-occupied nonfarm housing (less actual rental income and subsidies); proprietors' income; services to individuals furnished without payment by financial intermediaries (except life insurance carriers and private non-insured pension plans); employment-related food to employees, including that related to military and domestic service; standard military clothing issued to military personnel; and employees' lodging. Excludes employer-paid health and life insurance premiums.

[2] Represents imputed interest received by persons from life insurance carriers and private non-insured pension plans.

[3] Starting with 1990, the procedure for estimating the difference between NIPA and IRS treatment of depreciation was revised. Therefore, the data for years before 1990 are not comparable to data for later years.

[4] Represents income of low-income individuals not required to file individual income tax returns, unreported income, and statistical errors or omissions and effects of errors in data for adjusted gross income or personal income.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *The National Income and Product Accounts of the United States, Volume 1, 1929-58,* 1993, and *Volume 2, 1959-88,* 1992; 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, 1929-58, Volume 1*, 1993, and *Volume 2, 1959-88,* 1992; 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, starting with 1955, 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 1987-1988 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 returns by income class and marital status in *Statistics of Income—Individual Income Tax Returns*, and, starting with 1958, was obtained directly from Statistics of Income tabulations for these years. Represents "zero bracket amount" for 1977-1986. Starting with 1987, represents the sum of "basic" and "additional" standard deductions (for age 65 or over and for blindness); also includes zero bracket amount reported on the small number of prior-year returns filed in 1988-1989 that were included in the 1987-1988 statistics.

[3] For 1977-1986, total itemized deductions are before subtraction of the "zero bracket amount." Starting with 1991, total itemized deductions are after statutory limitation (see footnote 21, Table 1).

[4] Sum of standard and itemized deductions, plus charitable deduction reported on standard deduction returns for Tax Years 1982-1986. For 1987-1988, 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] Excludes the "zero bracket amount" for 1977-1986. Because of major changes in law, taxable income starting with 1955 and 1987 is not comparable with earlier years. See also footnote 25, Table 1.

[3] For the definition of total income tax, see footnote 30, Table 1.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *The National Income and Product Accounts of the United States, Volume 1, 1929-58,* 1993, and *Volume 2, 1959-88,* 1992; 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

[1] Starting with 1975, includes refundable portion of the earned income credit.

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] Total deductions include amounts not shown separately in this table, as well as amounts not reported separately on Schedule C-EZ (short form) used by certain of the smaller businesses starting with 1992. Most deductions for which statistics are shown are slightly understated to the extent that only total deductions had to be reported on Schedule C-EZ. After 1986, total deductions exclude disallowed "passive losses"; but net income (less deficit), net income, and deficit reflect these losses. In addition, net income (less deficit), net income, and deficit are after adjustment for the passive loss carryover from prior years. Therefore, business receipts minus total deductions do 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] Includes assets and liabilities not shown separately. Totals are somewhat understated because not all partnership returns included a complete balance sheet. In addition, after 1990 certain small partnerships were not required to file balance sheets.

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

[3] Long-term debt is the abbreviated title for mortgages, notes, and bonds payable in 1 year or more.

[4] "Total receipts" and "total deductions" include amounts not shown separately. 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. Because of a redesign of the partnership return, starting with 1987, total receipts was computed as the sum of "total income from a trade or business"; "portfolio income" distributed directly to partners; from interest; dividends and royalties; other portfolio income (net), but not from net capital gains; rental real estate income (positive amounts only); plus income from other rental activities

(positive amounts only). Most, but not all, of these types of income were included in receipts data for 1986 and earlier years. Portfolio income from capital gains, starting with 1987, was intentionally omitted to improve the comparability of the data with earlier years.

[5] 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 1, Table 11).

[4] For the difference between the number of business returns and the number of businesses, see Table 10.

SOURCE: *Statistics of Income—Corporation Income Tax Returns; Statistics of Income—Partnership Returns, Sole Proprietorship Returns,* and *Business Income Tax Returns*, depending on the year; 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

[1] Starting with 1985, "number of returns" excludes taxable cooperatives; starting with 1987, Real Estate Mortgage Investment Conduits (REMIC's); and starting with 1988, 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. (There were 980 IC-DISC returns for 1991; see "Interest-Charge Domestic International Sales Corporations, 1991," *Statistics of Income Bulletin,* Summer 1995, Volume 15, Number 1.) A change in the definition of S Corporation net income starting with 1987 means that totals for receipts and deductions are slightly understated to the extent that they were not directly related to "trade or business income." Comparability of data for returns with net income is also affected by this same change, as well as by a change in the definition of regulated investment company net income for certain years; for additional information about these changes in the definition of net income, see footnote 16.

[2] Consolidated returns were filed on an elective basis for groups of affiliated 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] In general, certain small, closely-held corporations that elected to be taxed at the shareholder level, with no more than 35 shareholders (25 for 1982; 15 for 1979-1981; 10 or 15 for 1977-1978, depending on conditions contained in the law; and 10 for earlier years).

[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 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 shareholders, whose DISC subsidiaries were unable to meet the FSC requirements and that elected to continue as IC-DISC's.

[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] Starting with 1985, inventories includes amounts reported by real estate subdividers and developers previously included in "other investments."

[8] 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 on the tax return. 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.

[9] Starting with 1991, accounts payable of banking and savings and loan institutions includes deposits and withdrawable shares previously reported in "other current liabilities."

[10] In general, starting with 1983, statistics for receipts, deductions, and net income (or deficit) of S Corporations are limited to those attributable to a trade or business. Therefore, most investment income or loss, such as from taxable interest, dividends, rents, royalties, and gain (loss) from sales of investment property; the deductions related to this income; as well as deductions for charitable contributions, intangible drilling and development costs, oil and gas depletion, foreign taxes paid, and the limited expensing of the cost of depreciable assets (Code section 179), are not reflected in net income (because they were allocated directly to shareholders, instead). See also footnote 11.

Starting with 1992, "cost of sales and operations" exclude amounts previously estimated for the statistics from other information reported (often in "other deductions") on the tax returns of corporations reporting "business receipts," without a corresponding cost of sales and operations. Most of these corporations were classified either in transportation and public utilities or in services.

[11] 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), non-capital assets."

[12] See footnote 10.

[13] Starting with the 1985 statistics, includes any 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.

[14] 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. For the 1985 statistics, "other deductions" include depletion and employer contributions to pension, profit-sharing, stock bonus, and annuity plans, 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. Starting with 1992, "other deductions" include certain amounts previously treated as part of the cost of

sales and operations for Statistics of Income. See also footnote 10.

[15] In general, "total receipts less total deductions" includes nontaxable interest on State and local Government obligations, but excludes income from related foreign corporations only "constructively" received. As such, "total receipts less total deductions" represents all income, taxable and nontaxable, "actually" received by the corporation, as reported on the corporation income tax return, and excludes all income only "constructively" received. In contrast, "net income (less deficit)" represents all taxable income, actually or constructively received. Therefore, in the statistics, "total receipts less total deductions" minus "nontaxable interest on State and local Government obligations" and "constructive taxable income from related foreign corporations" equals "net income (less deficit)." For the exception, see footnote 16.

[16] "Net income (less deficit)," "net income," and "deficit" shown (a) for 1988 and 1990-1992 exclude net long-term capital gain reduced by net short-term capital loss reported by regulated investment companies (see also footnote 15), and (b) for 1990-1992 exclude amounts other than "from a trade or business" reported by S Corporations (see also footnote 4). For comparisons with earlier years, these amounts should therefore be added back in. Regulated investment company net long-term capital gain reduced by net short-term capital loss excluded from the statistics for net income (less deficit) for 1988 was less than $0.05 billion, and for 1990, $7.5 billion was excluded (for 1991, none of the returns in the Statistics of Income sample showed such gains). For the more exact estimates, see the Source Book of Statistics of Income, for the years concerned. S Corporation net income (less deficit) excluded from the 1992 statistics is estimated at $8.5 billion; data with which to estimate net income (less deficit) excluded from the statistics for 1988-1991 were not tabulated. (For additional information about S Corporation net income, see "S Corporations, 1992," *Statistics of Income Bulletin*, Spring 1995, Volume 14, Number 4.)

[17] For most years, "income subject to tax" (the corporate tax base) exceeds "net income (less deficit)" in the statistics, 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 for the statistics as net income minus certain statutory special nonbusiness deductions, such as for intercorporate dividends received and "net operating losses"): prior to 1988, a variation of this base in combination with net long-term capital gains in certain situations where the lower capital gains tax applied; and the special tax bases applicable to S Corporations (otherwise taxed through their shareholders), insurance businesses, and certain investment companies. Profits of Domestic International Sales Corporations or Interest-Charge Domestic International Sales Corporations (depending on the year) were tax-deferred until distributed, actually or constructively, to parent businesses, and those of S Corporations were mostly taxed through their individual shareholders. Therefore, the net income of all these corporations is excluded from income subject to tax for years for which data for these companies are included in the statistics (see also footnote 1).

[18] For 1980, includes tax from recapture of Work Incentive Program (WIN) credit; starting with 1985, includes Personal Holding Company tax; starting with 1988, includes tax on "branch profits" of foreign corporations with U.S. operations; and, starting with 1989, includes certain lesser taxes, including special taxes applicable to real estate investment trusts and foreign corporations with U.S.-source income.

[19] Different tax rate structures applied for Tax Years 1979-1981, 1982, 1983-1986, and 1987-1992. In general, starting with tax years beginning in 1987, "alternative tax" was repealed. This tax included a maximum rate on net long-term capital gains that produced a tax that was less than that produced by the regular tax rates.

[20] Effective during 1987, the "alternative minimum tax" replaced the "minimum tax" (formerly referred to in the statistics as the "additional tax for tax preferences"). The tax computation was modified effective with Tax Years 1983, 1984, and 1990. The alternative minimum tax rate exceeded that applicable under the former minimum tax.

[21] Starting with the 1985 statistics, 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 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 footnotes 10 and 16, Table 13.

[3] See footnote 11, Table 13.

[4] See footnote 13, Table 13.

[5] See footnotes 18 and 19, Table 13.

[6] In addition to regular (and alternative) tax, for years prior to 1988, includes certain other taxes either shown in Table 13 or specified in footnote 18, Table 13. See *Statistics of Income—Corporation Income Tax Returns,* for the years concerned for more detailed explanations.

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 adjustments.

[2] "Net income (less deficit)" and "income subject to tax" exclude taxable cooperatives starting with 1980, and Real Estate Mortgage Investment Conduits starting with 1987. Net income (less deficit) starting with 1985 excludes Foreign Sales Corporations (FSC's) and Interest-Charge Domestic International Sales Corporations (IC-DISC's); see also Table 13, footnote 1. For changes in the definition of regulated investment company and S Corporation net income, see Table 13, footnote 16.

[3] For the definition of "income subject to tax," see footnote 17, Table 13. See also footnote 2, above.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *The National Income and Product Accounts of the United States, Volume 1, 1929-58,* 1993, and *Volume 2, 1959-88,* 1992; 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.

Table 16

[1] Total adult deaths represent those of individuals age 20 and over, plus deaths for which age was unavailable.

[2] Prior to 1982, number of "taxable estate tax returns" by year of death is only approximate because, while the majority of returns filed in a given calendar year represent estates of decedents who died in the immediately preceding year, many represent estates of decedents who died in earlier years. Therefore, the number of taxable returns shown as for 1976 decedents is actually the number of taxable returns filed in 1977, regardless of year of death. Starting with 1982, statistics by year of death are more accurate because they are based on the year of death reported on return filings over a period of successive years.

Year-to-year comparability is affected by changes in the gross estate filing threshold which is based on date of death: 1934 ($50,000); 1935 ($50,000 changing to $40,000); 1942 ($40,000 changing to $60,000); 1943 ($60,000); 1977 ($120,000); 1978 ($134,000); 1979 ($147,000); 1980 ($161,000); 1981 ($175,000); 1982 ($225,000); 1983 ($275,000); 1984 ($325,000); 1985 ($400,000); 1986 ($500,000); and 1987 ($600,000).

SOURCE: For years after 1953, *Statistics of Income—Estate Tax Returns; Estate and Gift Tax Returns; Fiduciary, Estate and Gift Tax Returns*; and unpublished tabulations, depending on the year. For years prior to 1954, *Statistics of Income—Part 1.* Adult deaths are from the National Center for Health Statistics, Public Health Service, U.S. Department of Health and Human Services, *Vital Statistics of the United States*, unpublished tables.

Tables 17 and 18

[1] Collections include that portion designated for the Presidential election campaign fund by taxpayers on their income tax returns. Also included is the income tax collected from estates and trusts. Income tax from estates and trusts collected *in* 1994, was $6.2 billion; *in* 1993 was $6.0 billion; *in* 1992, $6.1 billion; *in* 1991, $4.8 billion; *in* 1990, $5.9 billion; *in* 1989, $6.0 billion; *in* 1988, $6.5 billion; and, *in* 1987, $8.4 billion. Presidential election campaign designations amounted to $69.7 million *in* 1994, $27.7 million *in* 1993; $29.6 million *in* 1992, $32.3 million *in* 1991; $32.5 million *in* 1990; $32.3 million *in* 1989; $33.2 million *in* 1988; and $33.2 million *in* 1987.

[2] Includes various taxes applicable to tax-exempt organizations, including the tax on "unrelated business income." Total taxes collected from tax-exempt organizations were $372.4 million *in* 1994, $173.6 million *in* 1993, $181.6 million *in* 1992, $155.6 million *in* 1991, $127.9 million *in* 1990, $115.6 million *in* 1989, $137.5 million *in* 1988, and $119.9 million *in* 1987.

Refunds include the refundable portion of the earned income credit; see footnote 3, Table 2. Individual income tax refunds are net of offsets under laws which require IRS to act as collecting agent for delinquent payments owed various U.S. Government agencies under specific programs.

[3] Excise taxes are imposed on selected products, services and activities, such as on alcohol and tobacco products and on gasoline. Statistics shown in Table 17 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. Collections and refunds of manufacturers tax on recreational products include taxes on firearms, responsibility for which was transferred from the Internal Revenue Service to the Bureau of Alcohol, Tobacco, and Firearms starting January 1991. Collections exclude taxes on cargoes paid to the U.S. Customs Service; however, refunds include these taxes.

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

NOTES: Refunds in Table 18 are associated with the taxes (including alcohol, tobacco, and firearms taxes) as described in footnotes 1-4, Table 17. 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 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.

All refund data include interest paid by IRS (*in* 1994, $3.1 billion, *in* 1993, $2.1 billion; *in* 1992, $3.2 billion; *in* 1991, $2.8 billion; *in* 1990, $2.4 billion; *in* 1989, $0.5 billion; *in* 1988, $0.4 billion; and, *in* 1987, $0.4 billion).

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. (For Fiscal Year 1976, data are not shown for the interim period, July-September 1976.)

Starting with Fiscal Year 1988, additional detail on manufacturers excise taxes, retail 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 *Internal Revenue Service Annual Report*. For additional detail on alcohol, tobacco, and firearms 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, Assistant Commissioner (Taxpayer Services), Customer Services Branch

Table 19

[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.

[4] Effective January 7, 1983, the manufacturers 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] Starting with the quarter ended December 1983, includes manufacturers excise taxes on motor vehicles and, starting with the quarter ended March 1990, Leaking Underground Storage Tank Trust Fund tax (except for the tax on fuel used in aviation, which is classified under environmental excise taxes). Also, starting with the quarter ended June 1991, includes the luxury taxes on automobiles, boats, aircraft, jewelry, and furs. Except for the tax on automobiles, these taxes were repealed effective January 1993.

[6] Repealed effective August 23, 1988. Amounts reported for more recent time periods result from amended filings, delinquent taxes, examination activities, and refunds of tax deposited in excess of tax liabilities.

[7] Environmental "Superfund" tax expired September 1985, but was reimposed January 1987. Data include Oil Spill Trust Fund and ozone-depleting chemical taxes, effective January 1990. Also includes Leaking Underground Storage Trust Fund tax for quarters ended March 1988 through December 1989; thereafter, except for the tax on aviation fuel use, this tax is classified under special fuels tax.

NOTE: Amounts reported for specific excise taxes are the total tax liabilities reported on returns processed during the period shown and thus differ from amounts collected during the same period through deposits and payments attached to returns, some of which were processed in other quarters. Gross excise tax collections are shown in Table 17.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, Assistant Commissioner (Taxpayer Services), Customer Services Branch; and Financial Management Service.

Table 20

[1] Form 1040 is the long form, and Form 1040A, one of the two short forms. Prior to 1994, Form 1040EZ, the other short form, was for single taxpayers with no dependents; starting with 1994, certain married taxpayers with no dependents could also file on this form. Schedule C is for reporting non-farm sole proprietorship business income and deductions, and Schedule F is for reporting farm sole proprietorship income and expenses. Totals for Forms 1040, 1040A, and 1040EZ, as well as totals for nonbusiness Form 1040 returns with Schedules C or F attached, include "paper" returns, plus "standard" electronically-filed (ELF) returns (usually filed by tax preparers) starting with 1986. Starting with 1992, these totals also include returns filed by telephone ("TeleFile"). Form 1040PC represents "paper" Form 1040, 1040A, or 1040EZ returns filed by taxpayers (or tax preparers) using an IRS-approved computer software-generated format, rather than a specific tax form. Calendar Year 1992 is the first for which this "form" applied. The last category under individual income includes Form 1040C (departing alien) in years before 1992; 1040NR (nonresident alien); 1040PR (self-employment tax, Puerto Rico); and 1040SS (self-employment tax, U.S. Virgin Islands, Guam, and American Samoa); but excludes Form 1040X (amended return).

[2] Form 1120 is the basic corporation income tax return; Form 1120A is the short form; and Form 1120S is for S Corporations (certain small companies electing to be taxed through their shareholders, no more than 35 shareholders starting with 1983, and no more than 10, for earlier years). "Other" includes Forms 1120F (most foreign companies with U.S. income); 1120L (life insurance companies) starting in 1992 (included in the statistics for Form 1120 in the earlier years); 1120 POL (certain political associations); 1120H (homeowners associations); 1120-FSC (Foreign Sales Corporations or FSC's) starting in 1986; starting in 1988, 1120-REIT for real estate investment trusts, 1120-RIC for regulated investment companies (both of which formerly filed on Form 1120), and 1120-PC for property and casualty insurance companies (which formerly filed on Form 1120 or 1120M, described below). "Other" also includes Form 1120 DF (for designated funds) starting in 1988; and for years before 1988, Form 1120M, now discontinued, for mutual non-life insurance companies which now file on Form 1120

or Form 1120-PC (and are included in the statistics for Form 1120 in the earlier years). "Other" excludes Forms 1120-DISC for Domestic International Sales Corporations or DISC's, discontinued after 1985 and mostly replaced by FSC's (see above); 1120 IC-DISC for Interest-Charge Domestic International Sales Corporations, which replaced certain DISC's after 1985; and 1120X, amended returns.

[3] Form 1041 is the regular income tax return filed for estates and trusts. For 1988-1990, includes Form 1041S (short form). For 1970, includes Form 1041A (trust accumulation of charitable trust) information return.

[4] Form 706 is the regular estate tax return; Form 706NA is for U.S. estates of nonresident aliens.

[5] Form 990 is for tax-exempt organizations, except private foundations (Form 990-PF). Form 990EZ is the short form. Form 990-T is the income tax return filed for businesses conducted by tax-exempt organizations. Form 990-C is for farmers' cooperatives. Form 4720 is for computing the special excise taxes applicable to certain private foundations and Form 5227 is for split-interest trusts treated as private foundations. The 1970 total on the line for Forms 990 and 990EZ also includes Forms 990A filed for tax-exempt charitable organizations.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, Compliance Research, Projections and Forecasting Group.

Table 21

[1] Number of returns with a paid preparer signature is based on different sources, depending on the year. Data for 1993 are based on the Statistics of Income sample. Data for 1989-1992 are from the Individual Master File of all individual income taxpayers, with the following exceptions: the number of returns with itemized deductions; and, starting with 1990, the number of returns filed electronically. These latter numbers were estimated from the Statistics of Income—Taxpayer Usage Study (TPUS) samples of returns filed during the first 4 months of the filing year, and, for 1992, from the full Statistics of Income sample of returns received throughout the entire filing year.

[2] Data on electronically-filed returns are included in the counts of Form 1040 returns shown above in Table 21, for all years. For Tax Years 1990 and 1991, data are based on the TPUS samples (see footnote 1) of returns filed, extended to cover the first 8 months of the filing years. No adjustment was made for the returns filed after the first 8 months on the assumption that few were likely to have been filed electronically during these months. For Tax Years 1992 and 1993, data are based on the full Statistics of Income samples of returns filed throughout the entire filing year.

[3] Data on IRS taxpayer assistance programs are actually for the fiscal year. In general, assistance rendered in a given fiscal year may be associated with returns due on April 15th of that fiscal year and is, therefore, for the tax year ending with the previous December. As a result, data in Table 21 on taxpayer assistance, shown as for Tax Year 1993, for example, are actually for Fiscal Year 1994.

NOTE: Data on IRS assistance represent taxpayers contacts, unless otherwise indicated. Some taxpayers are contacted more than once. The number of taxpayers assisted (in contrast to the number of taxpayers contacted) is not known.

SOURCE: Data on paid preparers were obtained from Statistics of Income; and from the Corporate Systems Division, Individual Systems Branch. Data on IRS assistance were obtained from the *Internal Revenue Service Annual Reports* for Fiscal Years 1990 through 1992; and *Internal Revenue Service Data Book 1993/1994.*

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 CP: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 designated 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 statistical totals.

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, Special Studies and Publications Branch, under the direction of Robert Wilson, Technical Advisor. Major contributions were made by Paul McMahon, Statistical Computing Branch.

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 transcribing and tabulating data from tax returns, checks are imposed to improve the quality of the statistics.

In SOI reports the standard error is not directly presented. Instead, the ratio of the standard error to the estimate itself is presented in percentage 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 2 percent, then the following arithmetic procedure would be followed to construct a 68 percent confidence interval estimate:

150,000 (sample estimate)
x 0.02 (coefficient of variation)
= 3,000 (standard error of estimate)

then:

150,000 (sample estimate)
+ or - 3,000 (standard error)
= {147,000, 153,000} (68 percent confidence interval).

Based on these data, the interval estimate is from 147 to 153 thousand returns. This means that the average estimate of the number of returns lies within an interval computed in this way. Such an estimate would be correct for approximately two-thirds of all possible samples similarly selected. 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.)

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 follow-up. More often, though, they are obtained through imputation methods. As examples, other information in the return or in accompanying schedules may be sufficient to enable an estimate to be made; prior-year data for the same taxpayer may be used for the same purpose; or data from another return for the same year that has similar characteristics may be substituted. Research to improve methods of imputing data that are missing from returns continues to be an ongoing process [1].

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

Finally, before publication, all statistics are reviewed

for accuracy and reasonableness in light of provisions of the tax laws, taxpayer reporting variations, as well as 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. The presence of the indicator means that the sampling 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 from time to time in a series of separate reports. These reports provide detailed information relating to quality in all phases of SOI processing.

References

Reports that contain additional information about the samples include:

Statistics of Income—1992, Individual Income Tax Returns, (see especially pages 17-21).

Statistics of Income—1992, Corporation Income Tax Returns (see especially pages 7-13).

Statistics of Income—1994, Compendium of Federal Estate Tax and Personal Wealth Studies (see descriptions for selected articles).

Statistics of Income—1974-1987, Compendium of Studies of Tax-Exempt Organizations (see descriptions at the end of each chapter).

Statistics of Income—1986-1992, Compendium of Studies of Tax-Exempt Organizations, Volume 2 (see descriptions for selected articles).

Statistics of Income—1984-1988, Compendium of Studies of International Income and Taxes, Foreign Income and Taxes Reported on U.S. Tax Returns (see descriptions 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) 874-0964

Project	Primary Analysts	Frequency and Program Content
Americans Living Abroad: 1991 Program	Sarah Nutter	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 and country.
Corporation Foreign Tax Credit: 1993 Program 1994 Program	Bill States Robin Robison	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 and country.
Corporation Income Tax Returns: 1993 Program 1994 Program 1995 Program	Ellen Legel Glenn Hentz Paula Miller Nina Shumofsky Patty Treubert John McGrath	Basic data are produced annually and cover complete income statement, balance sheet, tax, and tax credits, and detail from supporting schedules. Data are classified chiefly by industry group or asset size.
Environmental Excise Taxes (Superfund) Study: 1994 Program 1995 Program	Sara Boroshok	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.
Estate Tax Returns: 1992-1994 Program	Barry Johnson Martha Eller	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. Also included are data on nonresident aliens who had more than $60,000 of assets in the United States. Other statistics are available on a year-of-death basis (approximately every 3 years). The most recent study is based on decedents who died in 1989 with returns filed in 1989-91.
Exempt Organizations Business Income Tax Returns: 1992 Program 1993 Program	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 Form 990 data file of tax-exempt organizations.
Foreign Controlled Corporations: 1992 Program 1993 Program 1994 Progam	Dan Holik	This annual study includes data on transactions between U.S. corporations and their foreign owners. Data are classified by country and industry.

SOI Projects and Contacts

General Statistical Information: (202) 874-0410 Fax: (202) 874-0964

Project	Primary Analysts	Frequency and Program Content
Foreign Corporations: 1993 Program 1994 Program	Maggie Lewis Kathryn Green	This annual study (as of 1992) provides data on activities of foreign corporations that are controlled by U.S. corporations. Data are classified by industry and country.
Foreign Recipients of U.S. Income: 1993 Program 1994 Program	Denise Freites	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): 1992 Program	Dan Holik	These corporations replaced the Domestic International Sales Corporation, or DISC, as of 1985. Balance sheet, income statement, and export-related data are tabulated annually through 1987, and then on a 4-year cycle after 1992.
Foreign Trusts: 1994 Program	Robin Robison	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 transfer to the trust, 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 statistics 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: 1992 Program 1993 Program 1994 Program	Michael Strudler Marty Shiley	Basic 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	Dan Holik	These corporations replaced the Domestic International Sales Corporation, or DISC, as of 1985. Balance sheet, income statement, and export-related data are tabulated annually through 1987; thereafter, on a 4-year cycle.
Intergenerational Wealth	Barry Johnson Martha Eller	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.

SOI Projects and Contacts

General Statistical Information: (202) 874-0410 Fax: (202) 874-0964

Project	Primary Analysts	Frequency and Program Content
International Boycott Participation: 1994 Program	Denise Freites	This study 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	Emily Gross	Migration flow data (based on year-to-year changes in individual income tax return addresses) and county or State income data are available annually on a reimbursable basis. The most recent data are for 1992-93.
Nonprofit Charitable and Other Organizations: 1992 Program 1993 Program	Cecelia Hilgert	This annual study includes balance sheet and income statement data for organizations classfied as tax-exempt under subsections 501(c)(3)-(9) of the Internal Revenue Code.
Occupation Studies	Terry Nuriddin	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	Tim Wheeler	Basic data, produced annually, cover income statement, balance sheet, and details from supporting schedules. Data are classified chiefly by industry group.
Partnership Withholding Study: 1993 Program	Chris Carson	This annual study includes data on U.S. partnership payments to foreign partners. Data are classified by country and recipient type.
Personal Wealth Study: 1992 Program	Barry Johnson Martha Eller	This periodic study provides estimates of personal wealth of top wealthholders 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 (1989) are based on returns filed from1989 to 1991. The 1992 program will be based on returns filed from 1992-1994.
Private Foundations: 1992 Program 1993 Program	Susan Eastep Paul Arnsberger	This annual study includes balance sheet and income statement data for private foundations and charitable trusts filing a Form 990-PF.

SOI Projects and Contacts

General Statistical Information: (202) 874-0410 Fax: (202) 874-0964

Project	Primary Analysts	Frequency and Program Content
S Corporations	Amy Gill Susan Wittman	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 1985-1994 Panel Study	Barbara Livington Janette Wilson Laura Prizzi	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.
Sales of U.S. Real Property Interests by Foreign Persons: 1994 Program	Chris Carson	This annual study will provide data on transfers of U.S. 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: 1992 Program 1993 Program 1994 Program	Jeffrey A. Hartzok	Basic data, produced annually, cover 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 the most recent.)
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: 1992-1994 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: 1994 Program	Mike Weber	Basic 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: 1993 Program 1995 Program	Randy Miller	This periodic study, planned for every 2 years, provides data on income statements, balance sheets, tax, and "possessions tax credit" for "qualifying" U. S. possessions corporations. (Most of these corporations are located in Puerto Rico.)

Publications & Tapes

Statistical Information Services

For questions about the availability of SOI data, other statistical services, or release dates for new publications, please contact the Statistical Information Services Office on **(202) 874-0410 or FAX (202) 874-0964**. As its name implies, this office is best able to answer questions about data. It is not the place to call to obtain tax forms or information about the status of an individual's tax refund or audit examination. Also, all requests from the media should be directed to the IRS Media Relations Branch, Communications Division on (202) 622-4000.

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.** Please write:

Director, Statistics of Income Division (CP:R:S)
Internal Revenue Service
P. O. Box 2608
Washington, DC 20013-2608

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 Tax-Exempt Organizations, 1986-1992

Publication 1416 – Price $26.00

This is the second volume in a series of Statistics of Income (SOI) publications on tax-exempt, nonprofit organizations. The volume includes data covering 1986-1992 and contains 12 previously-published articles from SOI studies, including articles from the *SOI Bulletin*, as well as papers prepared for the *Journal of Nonprofit Management and Leadership, Trusts and Estates*, the Independent Sector Research Forum, the National Research Council's Committee on National Statistics, and the American Statistical Association.

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;
- statistics related to individuals, trusts, and estates; and
- data presented by geographical area or industrial activity, as well as other classifiers.

Compendium of Federal Estate Tax and Personal Wealth Studies

Publication 1773 – $26.00

Part I of this report focuses on data from estate tax returns, describing decedents, their beneficiaries, and the composition of their estates. It contains a methodological discussion of the strategy used in weighting the sample data for the estate studies and also statistics on selected components of decedents' estates, 1916-1990. Information on charitable giving is also included.

Part II presents a series of articles describing the estate-multiplier technique and its applications for personal wealth estimates, estimates of personal wealth for selected years, 1962-1989, as well as a discussion of the relationship among realized income, wealth, and well-being.

Reimbursable Services

Corporation Source Book, 1992

Publication 1053 – Price $175

This 495-page document presents detailed income state-

ment, balance sheet, tax, and selected other items, by major and minor industrial groups and size of total assets, for all returns and separately for returns with net income. The report, which underlies the *Statistics of Income--Corporation Income Tax Returns* publication, is part of an annual series and can be purchased in its entirety or by page. (The Source Book is also available on 35mm microfilm for $175. Issues prior to 1982 are for sale at $150 per year.) A magnetic tape or diskette containing the tabular statistics for 1992 can be purchased for $1,500.

Public-Use Magnetic Tape Microdata Files

(Price depends on the request.)

This includes individual income tax returns for 1979-1992. A limited number of files for 1989 are also available on CD-ROM. (Individual income tax returns for 1966-1978 are available for sale by writing to 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 and 1988. All of these files have been edited to protect the confidentiality of individual taxpayers. Files for private foundations for 1982-1983 and 1985-1991 and nonprofit charitable organizations for 1982-1983 and 1985-1990 are also available from Statistics of Income. The individual, private foundation, and charitable organization files are the only microdata files that can be released to the public.

Migration Data

(Price depends on the request.)

Compilations are available showing migration patterns, from where to where, by State and county, based on year-to-year changes in the individual income tax return address. Data are also available for selected time periods (according to the years in which the returns were filed) between 1978 and 1993 and include counts of the number of returns and the number of personal exemptions (which can be used to approximate population). Tabulations are available as hard copy for all years, on magnetic tape for all years except 1983, and diskette starting with 1989. (Compilations showing State-to-State migration flows only are also accessible through the SOI electronic bulletin board starting with 1988; see next page.)

County Income Data

(Price depends on the request.)

Tables present adjusted gross income by source and number of personal exemptions (which can be used to approximate population) reported on individual income tax returns for Income Years 1982 and 1984 through 1992. Data are available as hard copy or on magnetic tape for each year, or on diskette starting with 1988. (County income data starting with 1990 are available on the SOI electronic bulletin board; see next page.)

ZIP Code Area Data

(Price depends on the request.)

Recent statistics are available for Income Year 1991 only, either on computer tape or diskette, showing the number of individual income tax returns, the number of personal exemptions (which can be used to approximate population), adjusted gross income, and income tax, by 5-digit ZIP Code.

Other Unpublished Tabulations

(Price depends on the request.)

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 resources.

Other Publications

The following Statistics of Income publications are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC, by calling (202) 512-1800. The reports may also be obtained by using the order form following this section or write:

Superintendent of Documents
P. O. Box 371954
Pittsburgh, PA 15250-7954.

If you determine from the Government Printing Office that any of the next three items is out-of-print, please telephone the Statistical Information Services Office on (202) 874-0410, for assistance.

Statistics of Income (SOI) Bulletin

Quarterly Publication 1136, Stock No. 748-005-00000-5
Subscription price, $30.00; Single copy price, $15.00

This series 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 – 1992, Corporation Income Tax Returns

Publication 16, Stock No. 048-004-02337-7
Price $20.00

This report presents data on corporation income tax returns with accounting periods that ended July 1992 through June 1993, that are more comprehensive 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.

Statistics of Income – 1992, Individual Income Tax Returns

Publication 1304, Stock No. 048-004-02334-2
Price $14.00

This report presents more comprehensive and complete data on individual income tax returns for 1992 than those published earlier in the *SOI Bulletin.*

Presents information on:
- sources of income;
- exemptions;
- itemized deductions; and
- tax computations.

Data are presented by:
- size of adjusted gross income; and
- marital status.

The following Statistics of Income publication is available from the Statistics of Income Division by writing to the Director at the address shown at the beginning of this section.

Turning Administrative Systems Into Information Systems – 1994

Publication 1299 – Free of Charge

This report is the third edition of the IRS' methodology reports series, which documents technological and methodological changes in Statistics of Income programs and other related statistical uses of administrative records. Previous volumes in the series were called *Statistics of Income and Related Administrative Record Research.* Topics featured are:

- overview of SOI;
- some results from the use of administrative records;
- balancing privacy and efficiency;
- issues in sample design and estimation;
- record linkage;
- nonresponse trends in government surveys;
- innovations in imputation methodology;
- quality improvement efforts; and
- data preparation techniques.

SOI Electronic Bulletin Board

Since June 1992, over 1,100 files have been added to the SOI electronic bulletin board system (BBS) and are available for access. They include data from recent *SOI Bulletin* publications for returns covering individuals, corporations, partnerships, sole proprietorships and estates. The BBS also contains files on personal wealth and international topics, such as foreign tax credits and Controlled Foreign Corporations, as well as tax collections and refunds from the IRS administrative system.

Electronic Bulletin Board Numbers:
(202) 874-9574 (Analog – Most Users)

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Announcing Latest IRS Report of Corporation Income Tax Statistics

Statistics of Income — 1992, Corporation Income Tax Returns, Publication 16, is an annual report which provides aggregate corporate statistics on the following:

- receipts
- deductions
- net income
- taxable income
- tax credits
- income tax
- assets, and
- liabilities.

These items are formatted in tables and categorized by industry, size of total assets, size of business receipts, size of income tax after credits, by accounting period ended, and by other selected variables. The data are based on a stratified random sample of approximately 81,000 unaudited returns in the Forms 1120 series, selected from nearly 4 million active corporate returns filed for the 1992 Income Year — defined to include accounting periods which ended between July 1992 and June 1993. They provide unique information on corporation income and taxes for economic research and analysis.

The 301-page report is available for sale ($20) through the Government Printing Office — Publication 16, stock number 048-004-02337-7. If this (or any other) SOI report is out of print, contact SOI's Statistical Information Services Office — at (202) 874-0410 — for assistance.

*U.S. Government Printing Office: 1996 - 405-518/54155

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