Corporation Income Tax Returns, Income Year 1987

By Ellen Legel and Jonathan Shook*

The corporation income tax for 1987 grew to $87.0 billion. This was the net combined effect of a $7.3 billion increase in income tax before credits (including the new alternative minimum tax) and a $5.8 billion decrease in total tax credits. Continued economic expansion and the effects of the Tax Reform Act of 1986 (TRA) were two of the determining factors.

The TRA of 1986 reduced the former five-bracket tax rate system to a three-bracket system which lowered the maximum rate from 46 to 34 percent. However, other provisions in the Act were designed to more than offset the effect of the new lower rates. One of these provisions replaced the former minimum tax with a new alternative minimum tax (AMT), designed to assure that corporations would not escape income taxation through their use of exclusions, deductions, and credits. The new AMT amounted to $2.2 billion, over twice that reported under the former minimum tax for 1986.

For 1987, the transitional year under tax reform, the effective tax rate (based on "taxable income," the amount upon which the regular income tax was computed) was 34.6 percent, notably higher than the 32.9 percent recorded for 1985 before the law changed. This largely reflected the increase in total add-on taxes (caused primarily by the new alternative minimum tax) and the sharp decrease in total tax credits (caused mainly by the phaseout of the investment tax credit).

The impact of tax reform on the corporation statistics was especially evident in the number of Form 1120S returns recorded for 1987. Form 1120S returns were filed by qualifying "S Corporations" (certain companies that elected to be taxed through their shareholders); their number increased 36.5 percent to over 1.1 million for 1987. As a percentage of total corporation returns, S Corporations increased from 24 percent for 1986 to 31 percent for 1987.

The Tax Reform Act made it attractive for certain qualified regular corporations to convert to S Corporation status because the maximum corporate tax rate was higher than the highest individual tax rate. Additionally, the Act generally required S Corporations using a non-calendar-year accounting period to adopt a calendar-year accounting period, so two returns were filed to effect the changeover.

MAJOR TAX LAW CHANGES

Tax rates

Effective for tax years beginning on or after July 1, 1987, the Tax Reform Act of 1986 (TRA) replaced the existing five-step graduated rate structure with a three-step graduated system, and lowered the maximum corporation rate from 46 to 34 percent. For tax years that straddled July 1, 1987, income was taxed at a blended rate, obtained by computing tax using both the old and new rates. The result was then prorated, based on the number of days in the accounting period before and after July 1, 1987 [1]. If taxable income was over $100,000, an additional 5 percent tax was imposed to phase out the benefits of graduated rates. Under prior law, the phaseout began when taxable income was over $1 million.

Tax Rates for Tax Years Beginning on or after July 1,1987

Taxable income	Tax rate (%)
Not over $50,000	15%
Over $50,000 to $75,000	25
Over $75,000 [1]	34

[1] An additional 5 percent tax was imposed on corporate taxable income in excess of $100,000, not to exceed $11,750.

Tax Rates for Tax Years Beginning before July 1, 1987

Taxable income	Tax rate (%)
$25,000 or less	15%
Over $25,000 to $50,000	18
Over $50,000 to $75,000	30
Over $75,000 to $100,000	40
Over $100,000 [1]	46

[1] An additional 5 percent tax was imposed on corporate taxable income in excess of $1 million, not to exceed $20,250.

Depreciation

Depreciation under the Accelerated Cost Recovery System (ACRS) was modified by lengthening the periods

*Corporation Returns Analysis Section. Prepared under the direction of Ken Szeflinski, Chief over which some assets could be depreciated. Automobiles, light general purpose trucks, and property used in connection with research and experimentation, that were previously classified as 3-year property, were redesignated as 5-year property for 1987 and later years. The Act also provided for more accelerated depreciation for revised 3-year, 5-year, and 10-year property classes. The 200 percent declining balance method allowed more depreciation to be claimed for the early years following asset acquisition or construction. Under prior law only the 150 percent declining balance method was allowed. New personal property classes were created: 7-year and 20-year classes. There was also a differentiation of real property from 15-, 18-, and 19-year real property classes to a 27.5-year recovery period for residential rental property and a 31.5-year recovery period for nonresidential real property. Only the straight-line method could be used for such property under the new law. Also, the maximum deduction for section 179 property was increased from $5,000 to $10,000, with a dollar-for-dollar reduction in maximum for investments over $200,000. The net effect of these changes over the long-run was expected lower overall depreciation deductions with corresponding increases in net income [2].

Capital gains

The preferential alternative tax rate on net long-term capital gain (less net short-term capital loss) was repealed for tax years beginning on or after July 1, 1987, effectively taxing corporate capital gains at the regular corporate tax rates [3].

Alternative minimum tax

The TRA of 1986 repealed the former minimum tax for corporations effective for tax years beginning after December 31, 1986, replacing it with the new alternative minimum tax for 1987. Before TRA, the minimum tax was basically an add-on tax (15 percent of the excess of net tax preferences minus either regular tax or $10,000). Because the minimum tax did not sufficiently rectify the problem of tax avoidance, the new AMT was designed so that no corporation with substantial economic income could escape tax liability through its use of certain exclusions, deductions, and tax credits [4, 5].

The AMT was designed as a separate tax system (computed by applying an alternative rate to an alternative income base and applied only if it exceeded the regular tax). Technically, however, the alternative minimum tax was added after the corporation's regular tax was imposed [6].

The AMT base was equal to regular "taxable income" (before the net operating loss deduction) and adjusted by the acceleration effects that certain deductions are allowed, then augmented by specified "tax preferences" defined by the new law. The result was then compared to "book income" and 50 percent of the excess of "book income" over "taxable income" (after the net operating loss deduction) was added to the result to arrive at "alternative minimum taxable income" (AMTI). An exemption of $40,000 was provided for small businesses, but was phased out for businesses with taxable income in excess of $150,000. Finally, a 20 percent tax was computed on AMTI, in contrast to the 15 percent tax on preference income under the previous minimum tax system.

Bad debt deduction

For tax years beginning after 1986, TRA disallowed, for non-financial corporations, the reserve method for computing the deduction for bad debts. For 1987, these corporations were required to use the specific charge-off method to determine their deduction. This method allowed a deduction only when specific debts had become partially or totally worthless; the reserve method had allowed a deduction for additions to a bad debt reserve.

For financial institutions, beginning with 1987, the reserve method for purposes of computing the bad debts deduction could only be used by small commercial banks (total assets of $500 million or less) and, to a limited extent, by savings institutions. Large commercial banks (total assets exceeding $500 million) were required to employ the specific charge-off method. Also, large savings and loan associations and mutual savings banks (with total assets of $500 million or more) whose assets were below the minimum 60 percent of "qualified assets" were treated as large commercial banks for purposes of computing their bad debt deduction. Those thrift institutions meeting the asset test could continue to elect the reserve method [7].

Environmental tax

The total tax reported on the 1987 corporation income tax return included a new environmental tax. This tax was added by the Superfund Amendments and Reauthorization Act of 1986 rather than the 1986 Tax Reform Act. The new tax was equal to 0.12 percent of "modified alternative minimum taxable income" in excess of $2 million. A deduction for this tax was allowed in computing net income [8].

Statutory special deductions

Special limitation rules on the net operating loss deduction (NOLD) were prescribed by TRA in response to concerns about corporations' use of the NOLD for tax avoidance. Corporate acquisitions and disposals, motivated by net operating loss deduction considerations, were of particular concern. In general, under TRA, the net income of an acquiring corporation that could be offset by the net operating loss deduction of the acquired corporation ("loss corporation") was limited each year to a prescribed rate applied to the loss corporation's value before the merger or acquisition.

Additionally, the second largest component of statutory special deductions, the dividends received deduction, was reduced by TRA. The portion of the dividends received deduction that was due to dividends received from domestic corporations, subject to the 85 percent deduction, was reduced to 80 percent [9].

Tax credits

TRA repealed the regular investment credit component of the total investment tax credit effective December 31, 1985 (subject to certain transitional rules and exclusions). The allowable rehabilatation credit for certain structures was reduced for 1987, and the business energy credit, which had expired December 31, 1985, was reinstated.

The targeted jobs credit was reinstated through 1988, but the allowable credit was reduced to 40 percent of qualified first-year wages; no credit was allowed for second-year wages.

The research tax credit was extended through 1988, however, the credit was reduced from 25 to 20 percent of the excess of qualified research expenses over base period expenses. Effective January 1, 1987, TRA also provided a 20 percent credit for corporate contributions to, or contracts with, universities or non-profit organizations to conduct research and development.

The Act also provided a new low-income housing credit for 1987. The low-income housing credit generally applied to qualified low-income buildings placed in service after 1986.

Finally, TRA reduced the maximum amount of tax liability against which the general business credit could be applied. The general business credit was an "umbrella" credit that included the investment, targeted jobs, research, alcohol fuel, and low-income housing credits; previously, it had also included the employee stock ownership (ESOP) credit, repealed by TRA. After 1985, the maximum amount of tax that could be offset by the general business credit was $25,000, plus 75 percent of the tax over $25,000. Before the law change, the credit limitation for tax over $25,000 was 85 percent [10].

NUMBER OF RETURNS

For Income Year 1987, the number of active corporation income tax returns increased 5.4 percent to over 3.6 million. Returns with net income increased at a slightly lower rate, rising 4.6 percent to nearly 2 million (Figure A). After steadily increasing for many years, the number of consolidated returns (filed by affiliated corporations) appeared to be stabilizing. For 1987, the number of consolidated returns declined 2.3 percent to 80,070. This was the second decline recorded since 1984 and left the number of consolidated returns for 1987 below the 1986 record of 81,956.

Figure A.—Number and Growth Rate of Returns Filed, Income Years 1980–1987

Income year	Number of returns	Percentage increase	Number of returns with net income	Percentage increase
	(1)	(2)	(3)	(4)
1980	2,710,538	6.0%	1,596,632	0.6%
1981	2,812,420	3.8	1,597,298	(¹)
1982	2,925,933	4.0	1,608,363	0.6
1983	2,999,071	2.5	1,676,288	4.2
1984	3,170,743	5.7	1,777,770	6.0
1985	3,277,219	3.4	1,820,120	2.4
1986	3,428,515	4.6	1,907,738	4.8
1987	3,612,133	5.4	1,995,452	4.6

¹ Less than .05 percent.

By industrial division, sizable increases in the number of returns were recorded for all divisions except finance, insurance and real estate. Within finance, insurance and real estate, nearly all of the 3.0 percent decline was attributable to the real estate industry. Returns for the services and construction divisions rose by 10.6 and 8.6 percent respectively, continuing the strong growth recorded for 1986 (Figure B).

By return type, the number of Form 1120S returns filed by qualifying S Corporations jumped 36.5 percent to 1,127,905 (Figure C). Beyond the effects of a robust economy on business formation, the large increase reflects the impact of the Tax Reform Act of 1986 (TRA).

The TRA of 1986 contributed to the increased number of 1120S returns for 1987 by changing individual and corporation income tax rates and by requiring most S corporations to adopt a calendar-year accounting period. For 1987, the "blended" tax rates allowed while phasing in the new rates prescribed under TRA, meant that for In-

Figure B.—Number of Returns by Industrial Division, Income Years 1986-1987

Industrial division	1986 Number of returns	1986 Percentage increase	1987 Number of returns	1987 Percentage increase
	(1)	(2)	(3)	(4)
All industries [1]	3,428,515	4.6%	3,612,133	5.4%
Agriculture, forestry and fishing	106,634	3.4	116,544	9.3
Mining	40,354	-2.6	42,050	4.2
Construction	341,816	7.4	371,169	8.6
Manufacturing	285,119	3.1	294,211	3.2
Transportation and public utilities	138,428	0.1	147,893	6.8
Wholesale and retail trade	939,159	2.4	971,758	3.5
Finance, insurance and real estate	537,384	3.7	521,136	-3.0
Services	1,012,178	7.7	1,119,604	10.6

[1] Includes returns not allocable by industrial division.

Figure C.—Number and Growth Rate of 1120S Returns Filed, Income Years 1980-1987

Income year	Number of returns	Percentage increase	Number of returns with net income	Percentage increase
	(1)	(2)	(3)	(4)
1980	545,389	5.9%	281,592	-0.4%
1981	541,489	-0.7	265,466	-5.7
1982	564,219	4.2	260,558	-1.8
1983	648,267	14.9	305,039	17.1
1984	701,339	8.2	332,367	9.0
1985	724,749	3.3	342,338	3.0
1986	826,214	14.0	396,377	15.8
1987	1,127,905	36.5	573,583	44.7

come Year 1987 the top rate for calendar-year corporations, 40.0 percent, exceeded the top individual income tax rate, 38.5 percent [11]. Furthermore, effective for 1988, the top individual tax rate, 28.0 percent, would be considerably less than the top rate for corporations, 34.0 percent.

Consequently, many qualifying corporations converted to S corporation status either to benefit from the lower 1987 individual top rate vis-a-vis the corporate rate, or in anticipation of the even greater tax advantages for 1988. Of the 301,691 increase in the number of 1120S returns for 1987, nearly 43 percent was attributable to regular corporations that converted to S Corporation status [12].

Additionally, S Corporations were generally required by TRA to use a calendar-year accounting period (for years beginning after December 31, 1986). To comply, many S Corporations filed two income tax returns for the period covered by the 1987 statistics; one for a full non-calendar year, and another for a part year ending December 31. (Statistics for 1987 are based on returns with accounting periods that ended July 1987 through June 1988) [13]. With both returns counted separately, this tended to inflate the number of S Corporation returns for 1987, beyond the increase attributable to conversions. At least 16 percent of the increase in the number of S Corporation returns for 1987 resulted from this double count [14].

INCOME STATEMENT

Net Income

Primarily reflecting the strong growth of the U.S. economy in 1987, pre-tax profits reported on corporate income tax returns for Income Year 1987 increased 21.8 percent to a record $328.2 billion. As the longest U.S. peacetime expansion continued through its fifth year, net income (less deficit) rose substantially for all industrial divisions, except finance, insurance and real estate (Figure D).

By asset size, 75.4 percent of all corporate profits were attributable to the 4,794 returns with assets of $250 million or more, although these returns represented only 0.13 percent of the total (Table 1). By contrast, for 1986 the largest asset class was also 0.13 percent of all returns, but accounted for 73.3 percent of total corporate profits.

Of the $58.7 billion increase recorded for all industries, manufacturing reported the largest dollar gain, rising $43.6 billion to $145.5 billion for 1987. This gain reversed the previous 3-year decline in manufacturing profits. Within the manufacturing division, the largest increases in net income (less deficit) were recorded for the following industry groups: industrial chemicals, plastics materials, and synthetics; petroleum refining (including integrated); office, computing, and accounting machines; and aircraft, guided missiles and parts (Figure E). In general, manufacturing benefited from export growth, fueled by the lower value of the dollar and by the moderate increase in business fixed investment [15]. Transportation and public utility profits increased 71.8 percent to $37.5 billion,

Figure D.—Net Income (less deficit) by Industrial Division, Income Years 1986-1987
[Money amounts are in thousands of dollars]

Industrial division	1986 Amount	1986 Percentage increase	1987 Amount	1987 Percentage increase
	(1)	(2)	(3)	(4)
All industries [1]	$269,530,240	12.2%	$328,223,710	21.8%
Agriculture, forestry and fishing	1,148,686	1646.0	1,626,501	41.6
Mining	-3,122,565	-22.8	275,048	108.8
Construction	5,781,722	33.3	8,700,642	50.5
Manufacturing	101,827,271	-10.5	145,493,891	42.9
Transportation and public utilities	21,803,663	-13.1	37,466,726	71.8
Wholesale and retail trade	34,919,948	5.4	38,040,057	8.9
Finance, insurance and real estate	99,808,908	64.5	87,403,218	-12.4
Services	7,448,023	26.6	9,251,928	24.2

[1] Includes net income (less deficit) not allocable by industrial division.

Figure E.—Net Income (less deficit) by Selected Minor Industry, Income Years 1986-1987
[Money amounts are in thousands of dollars]

Item	1986	1987	Percentage increase
	(1)	(2)	(3)
Manufacturing	**101,827,271**	**145,493,891**	**42.9%**
Industrial chemicals, plastics material and synthetics	7,963,882	12,765,121	60.3
Petroleum refining (including integrated)	12,311,420	20,050,275	62.9
Office, computing and accounting machines	5,943,530	9,053,586	52.3
Aircraft, guided missiles and parts	3,215,645	6,636,948	106.4
Transportation and public utilities	**21,803,663**	**37,466,726**	**71.8**
Railroad transportation	-2,682,203	1,782,098	166.4
Transportation by air	-708,829	2,231,164	414.8

with the largest increases recorded for railroad and air transportation.

Despite the vigorous U.S economy in 1987, finance, insurance and real estate profits declined 12.4 percent to $87.4 billion. Much of this decline reflects the one-time impact of the 1986 Act on net long-term capital gain (reduced by net short-term capital loss). The elimination of the 28 percent alternative tax rate on capital gains, effective January 1, 1987, prompted many large corporations in the finance, insurance and real estate division (in particular, insurance and regulated investment companies) to accelerate capital gain realizations into 1986. For 1986, the net long-term capital gain (less short-term capital loss) reported for the finance division as a whole nearly doubled to $49.7 billion, contributing to an increase in profits of $39.1 billion. For 1987, absent the lower capital gains rate, the net long-term capital gain declined by $20.6 billion for the finance division, contributing to the $12.4 billion decline in net income (Figure F).

Like the number of returns, net income (less deficit) reported by S Corporations increased sharply for 1987, rising $15.9 billion to $24.1 billion. Since the tax advantages of filing as an S Corporation accrued to only those entities with sufficient profits to benefit from the tax rate changes, much of the increase in net income for 1987 resulted from regular corporations with sizable net income converting to S Corporation status. Of the $15.9 billion increase in net income (less deficit), $9.1 billion was attributable to corporations newly converted to S Corporation status [16].

Figure F.—Net Income (less deficit) and Net Long-Term Capital Gain by Selected Minor Industry, Income Years 1986-1987
[Money amounts are in thousands of dollars]

	Net income (less deficit) 1986	Net income (less deficit) 1987	Net income (less deficit) Percentage change	Net long-term capital gain 1986	Net long-term capital gain 1987	Net long-term capital gain Percentage change
	(1)	(2)	(3)	(4)	(5)	(6)
Finance, insurance and real estate	**99,808,908**	**87,403,218**	**-12.4%**	**49,739,250**	**29,135,689**	**-41.4%**
Regulated investment companies	57,523,915	52,499,253	-8.7	19,057,451	9,270,435	-51.4
Insurance companies	16,877,679	12,047,341	-28.6	15,262,465	8,874,404	-41.9

As a result of the changed filing requirement, the multiple filings of many S Corporations also tended to overstate their profits for Income Year 1987 [17]. Approximately $850 million of the S Corporation net income (less deficit) recorded for 1987 resulted from the double filings prompted by the tax law change [18].

However, a change in the Statistics of Income definition of net income for S Corporations, a by-product of TRA resulting from the exclusion of receipts and deductions not directly related to the trade or business a company was engaged in, had an indeterminate effect on the 1987 statistics [19].

Receipts

Total receipts as reported on corporation income tax returns for 1987 increased $911.3 billion to a record $9.6 trillion. The 10.5 percent increase for 1987 was the largest recorded for the current 5-year expansion period and far exceeded the 5.5 percent average annual increase of the preceding 4 years. Business receipts (generally gross operating receipts less the cost of returns and allowances) rose 11.7 percent to $8.4 trillion with the largest gains recorded in the finance, insurance and real estate; services, and manufacturing divisions.

Among receipts, the largest percentage gains were recorded for interest on State and local Government obligations and for royalties. Interest on State and local Government obligations, generally the interest on tax-exempt obligations issued by States, municipalities, and other local Governments, increased 30.5 percent to $30.7 billion for 1987. The finance, insurance and real estate division, which accounted for nearly 90.0 percent of all reported tax-exempt interest for 1987, recorded the largest gain, increasing $6.8 billion to $27.4 billion. In particular, insurance companies reported the largest increases.

Royalties (generally the income received for the use of property rights), rose 26.4 percent to $20.7 billion for 1987. The increase was primarily attributable to manufacturing; with the office, computing and accounting machines industry reporting the largest increase.

Net long-term capital gain (less net short-term capital loss) dropped $29.5 billion to $63.7 billion for 1987. For 1986, the net long-term capital gain (less net short-term capital loss) jumped 73.5 percent to $93.2 billion. Without the lower tax rate, net long-term capital gains declined 31.6 percent for 1987, returning to about $10.0 billion above the 1985 level of $53.8 billion.

Deductions

Total deductions increased 10.1 percent to $9.2 trillion for 1987; this was somewhat less than the 10.5 percent gain recorded for total receipts. Cost of sales and operations, the largest deduction item, increased $0.7 trillion to $5.6 trillion.

The depreciation deduction rose only 1.3 percent to $316.7 billion for 1987 after rising only 2.7 percent for 1986. These growth rates were a notable departure from the increases recorded for preceding years [Figure G]. From 1980 through 1985, the depreciation deduction claimed for tax purposes rose at an average annual rate of 14.1 percent. The moderate growth in business fixed investment for 1987 may have contributed to the rather slight increase in depreciation recorded for 1987 [20]. The lengthening of certain class lives for some depreciable assets, as provided by the modified Accelerated Cost Recovery System (ACRS) under TRA, may also have slowed the increase in the deduction.

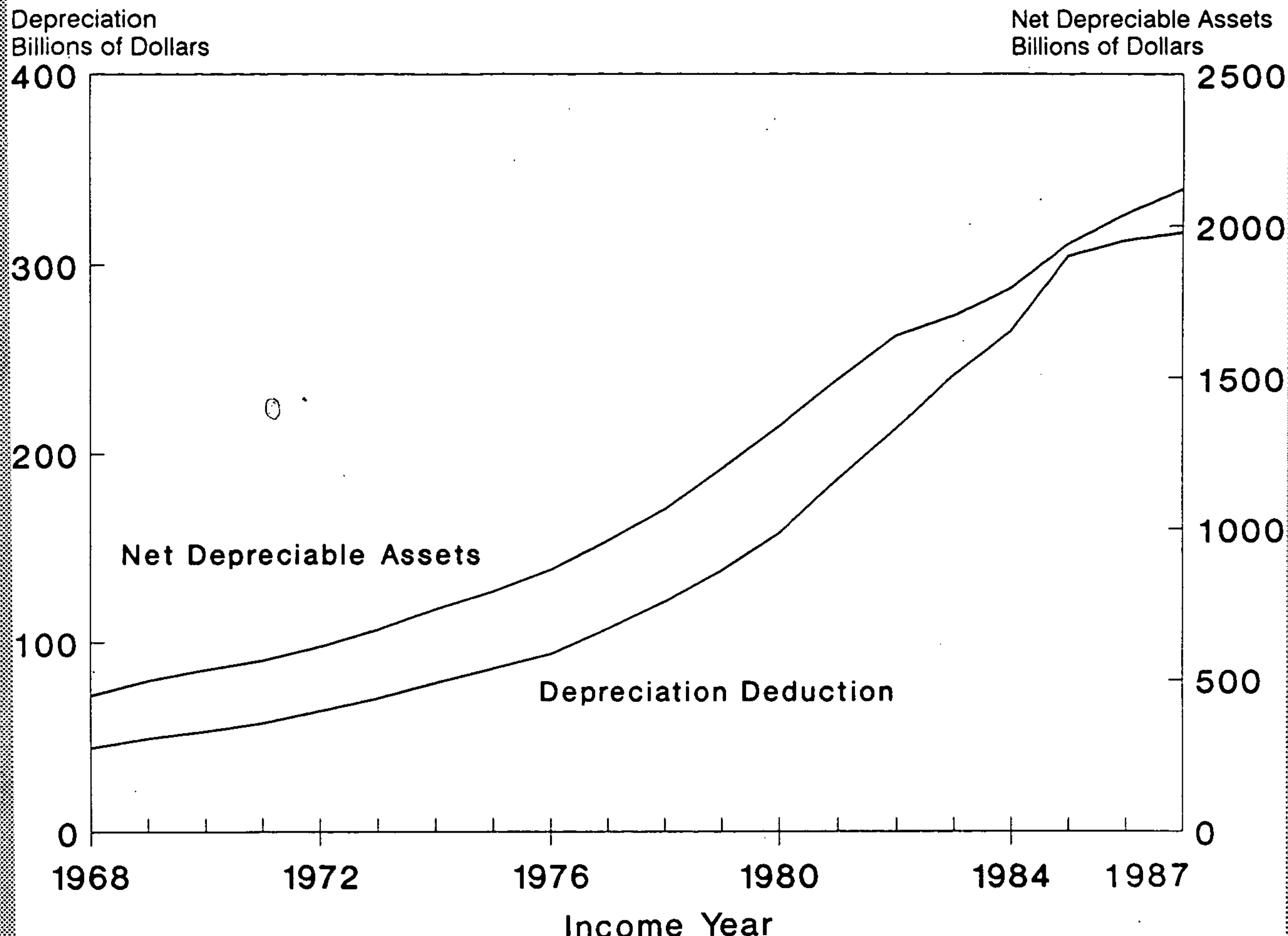
Net depreciable assets, also depicted in Figure G, may not be entirely comparable with the depreciation deduction. The former is a balance sheet item computed on a book basis, whereas the latter is an income statement item based on a tax basis.

The bad debt deduction rose only $1.2 billion to $54.6 billion for 1987. This 2.2 percent increase was down sharply from the 23.3 and 28.2 percentage gains recorded for 1986 and 1985 respectively. The slower growth in the bad debt deduction was likely reflective of the changed tax law concerning bad debt deductions for financial institutions, in particular, large commercial banks. For 1987, the bad debt deduction for the banking industry declined $1.2 billion to $19.1 billion, primarily attributable to bank holding companies.

The total interest paid deduction rose 3.0 percent to $590.0 billion for 1987. The largest increase, $12.6 billion, occurred in finance, insurance and real estate. Within this industrial division, interest paid reported by commercial banks increased $16.1 billion; credit agencies other than banks, which include savings and loan associations, reported a $7.8 billion decline. For banks and other savings institutions, the deduction for interest paid includes amounts paid on deposits and is typically the largest deduction item.

For corporations other than those in finance, insurance and real estate, the interest paid deduction increased only $4.4 billion to $225.4 billion for 1987. This 2.0 percent

Figure G
Depreciation Deduction and Net Depreciable Assets, 1968-1987



increase was down sharply from the 10.3 percent average increase of the preceding 3 years.

As a percentage of business receipts, the deduction for interest paid by corporations in other than finance, insurance and real estate, declined from its 1986 high of 3.2 percent to 3.0 percent for 1987. From 1968 through 1979, interest paid by non-financial corporations trended below 2.0 percent of business receipts. After 1979, the percentage rose to nearly 3.0 percent of business receipts (Figure H).

BALANCE SHEET

For 1987, total assets reported on corporation income tax returns increased $1.1 trillion to a new high of $15.3 trillion (Table 2). This increase was less than the all-time highs of $1.7 trillion for 1985 and $1.4 trillion for 1986, and the percentage increase, 8.1 percent, was the lowest in over 10 years. Total assets grew 150 percent over the 10-year period from 1978 through 1987. "Other investments" (generally long-term non-government obligations) increased from 14 percent to over 21 percent of total corporate assets, while investment in depreciable assets decreased from 18 percent to 14 percent.

The manufacturing, transportation and public utility divisions, decreased their share of total corporate assets by their investments in depreciable assets, which accounted for 3.2 percent of the decline in net depreciable assets. The finance division, comprising 54 percent of total corporate assets for 1978, increased its share of total assets by 3 percent by 1987, while investing in non-government obligations (which increased over the 10-

Figure H
Non-Financial Corporation: Interest Paid Deduction As A Percentage Of Business Receipt, Income Years 1968-1987

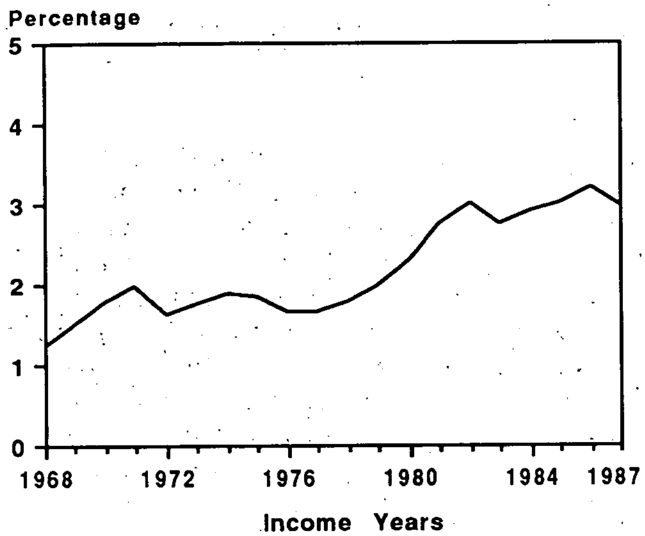
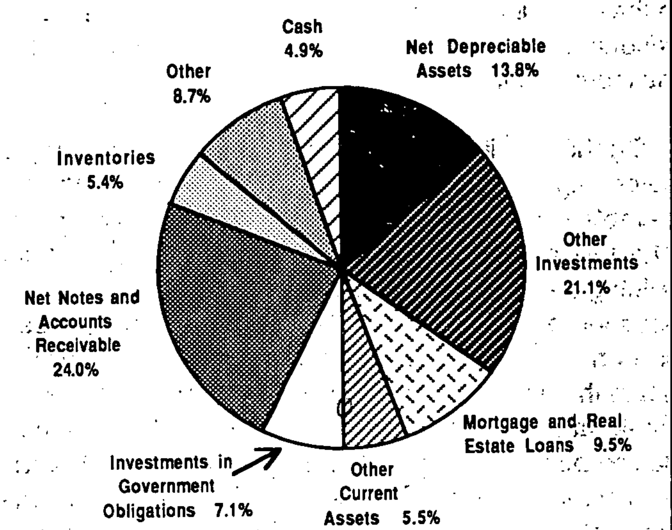
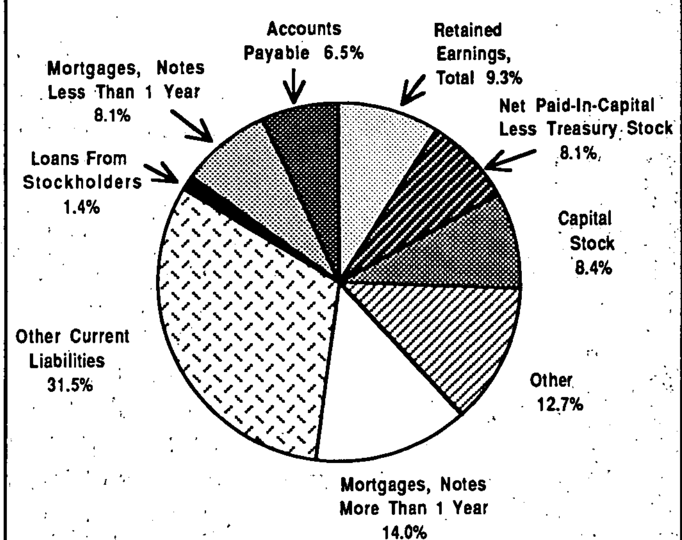


Figure I
Total Assets by Account, 1987



Total Liabilities by Account, 1987



year period from 8.8 to 13.6 percent of total corporate assets). There was no appreciable gain in trade notes (16 percent of total corporate assets) over the 10-year period.

For 1987, the services division was responsible for the largest percentage gain in total assets: 14.1 percent. Although the total for this division was only a small part of the total corporate picture. For 1987, the finance, insurance and real estate division alone comprised 57 percent of total corporate assets, increasing $0.7 billion to $8.7 trillion. Insurance companies (26 percent) and regulated investment companies (15 percent) represented the largest part of this increase. The increase for commercial banking and savings and loan associations was only 5 and 7 percent, respectively.

Notes and accounts receivable, the largest asset account, comprising 24 percent of total assets (Figure I), increased in 1987 by $0.1 trillion to $3.7 trillion. This was attributable to finance, insurance and real estate; with the majority of the gain due to commercial bank holding companies and their subsidiaries and to savings institutions. "Other investments," the next largest asset item, increased 13.3 percent to $3.2 trillion, the majority attributable to insurance industry investment in non-government obligations. For the 3 previous years, investments in Government obligations had increased steadily with only a 3.2 percent increase for 1987.

The largest percentage increase occurred in allowances for bad debts (an offset to notes and accounts receivable), which rose 28.3 percent to $95.2 billion in 1987. Finance, insurance and real estate comprised 73 percent of the total and nearly all of the increase for 1987. Eighty-four percent of the gain was attributable to bank holding companies and their subsidiaries.

The intangible assets account increased 23.6 percent to $262.3 trillion for 1987. Between 1983 and 1987, this account nearly tripled; probably reflecting the increased merger and acquisition activity of the period, since goodwill generated from such activity is usually accounted for in the intangible assets account. In 1987, manufacturing accounted for over half of the total, and for nearly half of the increase since 1983.

On the liability side of the balance sheet, the largest percentage gain occurred in mortgages, notes and bonds payable in less than 1 year, increasing 15.1 percent to $1.2 trillion. This was due mainly to activities of bank holding companies and their subsidiaries. However, this account comprised only a small part (9 percent) of all debt and only 14 percent of current debt, i.e., debt payable within the next year. "Other current liabilities" accounted for about 40 percent of all debt and 68 percent of the debt due to be paid off within the coming year. Most of this debt was reported by banks which usually used this account on the tax return balance sheet to report customer demand and time deposits.

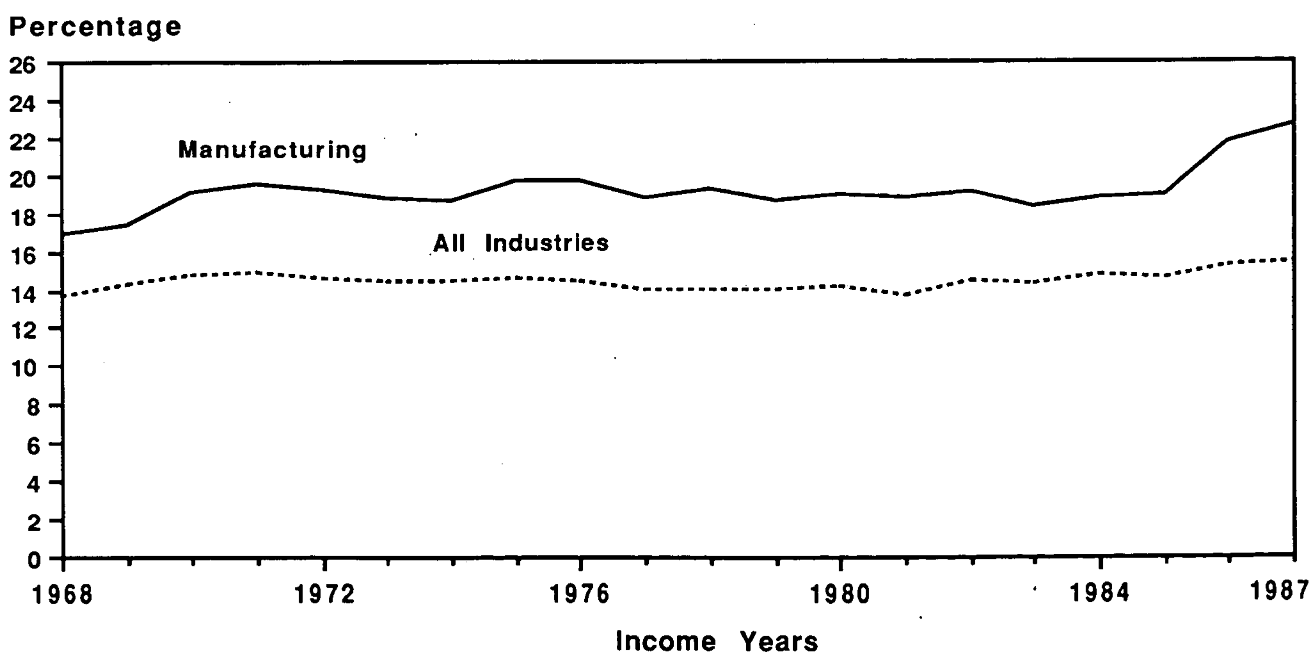
Because corporations can deduct interest payments on debt to reduce taxable income, they have increasingly elected to use funds provided by bondholders rather than shareholders. Accordingly, mortgages, notes and bonds payable in 1 year or more increased 9.3 percent to $2.1 trillion. While this long-term debt item continued to grow, compared to recent years; the rate of growth was less than the 14 and 15 percent increases recorded for 1985 and 1986, respectively. The manufacturing and finance divisions each contributed 30 percent of the total for this debt account.

Long-term debt (loans from stockholders; and mortgages, notes, and bonds payable in 1 year or more) are shown as a percentage of total assets for all industries and for manufacturing over the 20-year period, 1968-1987 (Figure J). During this period for manufacturing, long-term debt increased from 16.9 percent in 1968 to 22.6 percent in 1987. Across all industrial divisions, long-term debt as a percentage of total assets was relatively stable in the 14 to 15 percent range from 1969-1980. After 1980, long-term debt steadily increased to over 15.4 percent for 1987.

Total corporate debt as a percentage of total assets was at its lowest point (69.9 percent) in 1968; reaching a high point of 75.1 percent in 1978, and then remaining at about this same level in the years that followed. As debt

Figure J

Long-Term Debt As A Percentage Of Total Assets, All Industries And Manufacturing, Income Years 1968-1987



increased from 1968 to 1978, equity conversely decreased from 30.1 percent in 1968 to 24.9 percent in 1978, leveling out at around 25 to 26 percent thereafter.

Unlike the merger activity of the 1960's for which financing was characterized mainly by the exchange of securities, the accelerated merger and acquisition activity throughout the 1980's depended heavily on borrowed funds to pay cash to the selling shareholders. The resulting increase in long-term debt was accompanied by an unprecedented retirement of outstanding equity shares [21].

Among the capital accounts, both appropriated retained earnings and paid-in or capital surplus, recorded gains exceeding 28 and 15 percent, respectively. Cost of treasury stock rose $136.6 billion to $749.2 billion for 1987, continuing the upward trend of recent years as corporations continued to buy back their own stock. For 1985 and 1986, increases of 22 percent and 52 percent, respectively, were recorded. Most of the gain for 1987 occurred in regulated investment companies. In total, corporate debt (total assets minus net worth) increased by 8.5 percent, while stockholders' equity increased by only 6.7 percent.

Over the 10-year period from 1978-1987, the two equity accounts that demonstrated the largest changes were paid-in or capital surplus (increasing 200 percent to 13 percent of total assets) and cost of treasury stock (increasing tenfold to 4.9 percent of total assets).

Over the 20-year period from 1968-1987, for the manufacturing industry, equity as a percentage of total assets reached its zenith, 54.5 percent, at the close of 1968. Thereafter, this percentage gradually declined to 46.3 percent in 1977, then to 38.3 percent in 1987. As would be expected, total debt to total assets was the reverse, with its low point in 1968 at 45.5 percent. Thereafter, it gradually increased to 53.7 percent in 1977 and finally 61.7 percent in 1987. In terms of debt to equity, for every dollar contributed by owners and stockholders in 1968, only 83 cents was supplied by creditors. In contrast, by 1987, owners and stockholders contributed a dollar for every $1.61 provided by creditors.

INCOME TAX AND TAX CREDITS

Reflecting the $56.4 billion increase in net income (recorded by profit-reporting corporations for 1987), "income subject to tax", generally the base amount (computed for Statistics of Income) upon which the regular income tax was computed, rose $35.7 billion to $311.8 billion (Figure K). The gain in income subject to tax for 1987 was the second largest increase during the current 5-year expansion, trailing only the increase for 1984.

Income subject to tax, for most profit-reporting corporations, consisted of net income less certain amounts called "statutory special deductions" in the statistics. The net operating loss deduction (NOLD), the principal statutory special deduction, (representing certain prior-year losses applied against current-year income), increased only $7.6 billion to $49.0 billion for 1987. This increase was considerably less than the $14.3 billion increase in the NOLD recorded for 1986.

Also contributing to the increase in income subject to tax was the slight decline in the dividends received deduction, the second largest component of statutory special deductions. For 1987, the dividends received deduction declined from $12.1 billion to $11.3 billion.

Total income tax (regular tax before credits, plus the other taxes) rose 6.6 percent to $118.5 billion for 1987 (Figure K). Of the $7.3 billion increase in total income tax, fully $7.1 billion was attributable to manufacturing. Within manufacturing, chemicals and allied products; and

Figure K.—Selected Tax and Tax Credit Items, Income Years 1986–1987

[Money amounts are in thousands of dollars]

Item	1986	1987	Percentage increase
	(1)	(2)	(3)
Income subject to tax, total	276,172,502	311,840,615	12.9%
Income tax, total	111,140,137	118,484,975	6.6
Regular tax	108,773,260	115,073,572	5.8
Tax from recomputing prior-year investment credit	1,319,525	783,953	-40.6
Alternative minimum tax	1,026,194	2,229,107	117.2
Environmental tax	NA	351,253	NA
Foreign tax credit	21,480,508	20,812,861	-3.1
U.S. possessions tax credit	2,907,256	2,666,634	-8.3
Orphan drug credit	6,530	5,154	-21.1
Nonconventional fuel source credit	63,544	52,439	-17.5
General business credit	12,805,999	7,959,117	-37.8

NA - Not applicable

transportation equipment, except motor vehicles, each recorded sizable increases.

Among the components of total income tax (before credits), regular tax rose 5.8 percent to $115.1 billion for 1987. The new alternative minimum tax (AMT) for 1987 increased $1.2 billion to $2.2 billion compared to the 1986 minimum tax under previous law. The new environmental tax, mandated by the Superfund Amendments and Reauthorization Act of 1986 rather than TRA, contributed $351 million to the total income tax for 1987.

Like the decline in total tax credits for 1986, the decline recorded for 1987 was primarily attributable to the general business credit, a combination of the investment, jobs, alcohol fuel, research, and low-income housing credits plus any carryovers from prior years. TRA repealed the regular investment tax credit, the principal component of the general business credit, effective January 1, 1986 (subject to certain transitional rules and exclusions). The Act also reduced the maximum amount of tax liability against which the general business credit could be applied. As a result, the general business credit declined $4.8 billion to $8.0 billion for 1987.

Corporation income tax (after credits), the income tax owed to the U.S. Government, increased $13.1 billion to $87.0 billion for 1987. The combined effects of the $7.3 billion increase in total income tax (before credits) and the $5.8 billion decline in total tax credits for 1987 prompted the 17.7 percent increase in income tax (after credits).

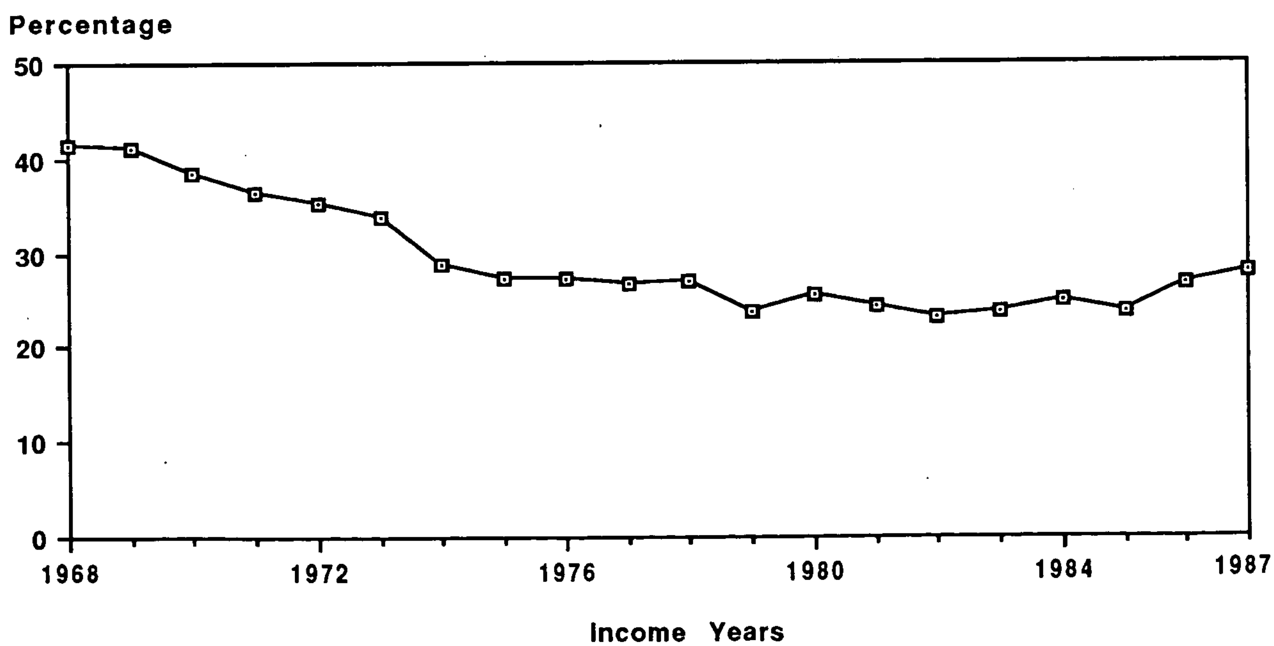
By asset size, total income tax (after credits) for corporations with total assets of $250 million or more increased $16.9 billion to $56.7 billion for 1987. In percentage terms, returns in this largest asset size class accounted for 65 percent of total income tax (after credits) for 1987, significantly more than the 54 percent for 1986.

The 20-year trend in the effective corporation tax rates (income tax after credits, except the foreign tax credit, as a percentage of income subject to tax) trended down from 45.8 percent for 1968 to a low of 32.3 percent for 1982 (Figure L) [22]. However, consistent with the intent of TRA, the effective tax rate for corporations rose to 34.6 percent, up from 32.9 percent for 1985 before the effects of TRA were reflected in the statistics.

SUMMARY

Both the strong growth of the U.S. economy in 1987 and the Tax Reform Act of 1986 (TRA) are among the

Figure L
Corporation Effective Tax Rates, Income Years 1968-1987



major contributing factors reflected in corporation income tax return statistics for Income Year 1987. Corporate profits rose substantially for 1987 with manufacturing recording the largest gain, while profits for the finance, insurance and real estate division declined.

The impact of TRA was especially evident in the number of S Corporation returns and in the net income they reported for 1987. The new calendar-year reporting requirement and the revised corporate tax rates vis-a-vis individual tax rates contributed to the jump in the number of 1120S returns and in S Corporation profits.

Income subject to tax rose substantially for 1987 in comparison to 1986, reflecting the sharp increase in corporate profits and the slower growth of the net operating loss deduction. However, regular income tax increased much less in percentage terms, largely reflecting the lower corporate tax rates provided by TRA.

Total income tax credits continued to decline, reflecting the large decrease in the general business credit reported for 1987. TRA generally repealed the regular investment tax credit, the principal component of the general business credit, effective January 1, 1986.

Total income tax (after other taxes and tax credits) increased $13.1 billion for 1987, partially reflecting the continued decline in tax credits and the growth in other taxes (namely the AMT which yielded an additional $1.2 billion in taxes over the 1986 minimum tax). The new environmental tax also contributed an additional $351 million to total income tax.

DATA SOURCES AND LIMITATIONS

The data for Income Year 1987 cited in this article are based on a sample of corporation income tax returns with accounting periods ending July 1987 through June 1988. The returns represented domestic corporations filing Form 1120 or Form 1120-A (short form); foreign corporations with income "effectively connected" with a U.S. business filing Form 1120F; life insurance companies filing Form 1120L; mutual or stock property and casualty insurance companies filing new Form 1120PC; S Corporations filing Form 1120S; regulated investment companies filing new Form 1120RIC; real estate investment trusts filing new Form 1120REIT; Interest-Charge Domestic International Sales Corporations filing Form 1120 IC-DISC; and Foreign Sales Corporations filing Form 1120-FSC.

The statistics were estimated based on a stratified probability sample of approximately 83,700 active corporation income tax returns selected after administrative processing and before audit examination. The returns were stratified based on combinations of net income and total assets at rates ranging from 0.3 to 100 percent.

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

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

Estimated number of returns	Approximate coefficient of variation
1,800,000	1.37
620,000	2.33
350,000	3.21
250,000	3.64
35,500	9.72
25,500	11.50
10,500	18.19
5,000	25.72

NOTES AND REFERENCES

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

[2] Ibid.

[3] Ibid.

[4] Ibid.

[5] For more detailed information on the new alternative minimum tax (AMT) for 1987 see "The Alternative Minimum Tax: An Analysis of its Effects on Corporations in 1987," Truebert, Patrice and Pavelko, Amy, *1990 American Statistical Association Proceedings, Section on Survey Research Methods.*

[6] U.S. Congress, Joint Committee on Taxation, *General Explanation of the Tax Reform Act of 1986*, op. cit.

[7] Ibid.

[8] Department of the Treasury, Internal Revenue Service, *Explanation of the Tax Reform Act of 1986 for Business*, Publication 921, August 1987.

[9] U.S. Congress, Joint Committee on Taxation, *General Explanation of the Tax Reform Act of 1986*, op. cit.

[10] Department of the Treasury, Internal Revenue Service, *General Business Credit, Business Tax Credits*, Publication 572, (Revised December 1987).

[11] For a more complete discussion of corporation tax rates see, *Statistics of Income--1987, Corporation Income Tax Returns.*

[12] The percentage shown was based on a match of 1987 S Corporation returns with 1986 non-S Corporation returns in the Statistics of Income (SOI) samples for the two years.

[13] The statistics for 1987 are estimates based on corporation income tax returns with accounting periods ending July 1987 through June 1988. This span, in effect, defines the income year such that noncalendar-year accounting periods are centered on the calendar-year ending December.

[14] The percentage shown was based on a count of 1987 S Corporations in the SOI sample which filed two returns for Income Year 1987.

[15] U.S. Office of Management and Budget, *Economic Report of the President,* February 1988.

[16] The net income (less deficit) figure shown for regular corporations that converted to S Corporations was obtained in conjunction with the number of returns, see Footnote 12.

[17] For example, an S Corporation with an accounting period ending August 1987 would have filed a tax return reporting income and deductions for the full year, September 1986 through August 1987. Had the filing requirement for S Corporations remained unchanged, the income and deductions from September through December 1987 would have been reported for the next year's annual accounting period, ended August 1988. Because of the manner in which the income year is defined for the statistics, these latter amounts would then have been included in the Income Year 1988 statistics. However, given the changed filing requirement, the taxpayer was obliged to file a full year return for the accounting period ended August 1987, then a part-year return for September through December 1987. Data for this part-year return were, by definition, included in the Income Year 1987 statistics, thus contributing to the sharp increase in both the number of S Corporations and in the net income they reported.

[18] The net income (less deficit) amount shown was obtained in conjunction with calculating the number of S Corporations filing two returns for Income Year 1987, see Footnote 14.

[19] Net income or deficit for S Corporations was redefined for 1987 to reflect the changes in the way it was reported on Form 1120S. In general, net income as redefined reflects only the income and expenses related to a trade or business. Rental activities and "portfolio income" such as interest and dividends are excluded, reported instead in the distributions to shareholder schedule (Schedule K). These changes were made to identify for shareholders the income that was subject to the new "passive activity" restrictions imposed by the Tax Reform Act of 1986. The restrictions, implemented to curb "tax shelter" benefits, limited the amount of losses, deductions and tax credits shareholders could claim if such amounts were from a passive activity. (A passive activity generally is any business activity in which the shareholder does not materially participate, or any rental activity. Certain portfolio or investment income is excluded from passive activity income or loss). Generally, a shareholder could only apply the losses and credits from a passive activity against the income and tax from other passive activities or from portfolio income reported on his or her individual income tax return.

[20] U.S. Office of Management and Budget, *Economic Report of the President,* op. cit.

[21] Board of Governors, Federal Reserve System, "Recent Developments in Corporate Finance," *Federal Reserve Bulletin*, August 1990.

[22] For purposes of this article, the effective corporation tax rate was computed by dividing total income tax (after credits, except the foreign tax credit) by total income subject to tax. This permits comparison to be made between "worldwide" income tax, rather than only the amount due to the U.S. Government, and the worldwide income reported on the tax return.

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

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

Item	Total	Zero assets	$1 under $100,000	$100,000 under $250,000	$250,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $5,000,000	$5,000,000 under $10,000,000	$10,000,000 under $25,000,000	$25,000,000 under $50,000,000	$50,000,000 under $100,000,000	$100,000,000 under $250,000,000	$250,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Number of returns	**3,612,133**	**280,022**	**1,809,278**	**620,593**	**353,031**	**233,352**	**231,945**	**33,929**	**23,532**	**10,234**	**6,498**	**4,926**	**4,794**
Total assets	15,310,615,602	—	60,422,391	99,974,588	124,777,375	164,135,875	480,177,708	234,362,652	368,288,492	363,874,824	458,310,051	788,733,117	12,167,558,530
Cash	754,042,297	—	13,855,488	17,435,825	19,094,804	20,355,930	46,829,646	19,199,243	28,131,284	24,841,023	28,160,782	41,990,068	494,148,204
Notes and accounts receivable	3,763,230,257	—	6,649,545	15,254,184	21,846,569	32,886,547	106,640,044	53,068,362	93,037,727	103,187,035	129,250,797	186,415,496	3,014,993,951
Less: Allowance for bad debts	95,203,843	—	131,128	189,135	269,981	450,800	1,921,205	1,129,990	2,430,298	2,414,366	3,369,863	5,482,410	77,414,668
Inventories	829,272,682	—	7,171,685	15,250,790	20,809,068	31,084,296	107,518,745	49,388,441	55,433,543	35,006,864	33,929,719	49,389,126	424,290,404
Investment in government obligations	1,092,370,975	—	94,412	92,642	353,051	859,034	3,063,534	4,359,119	21,623,082	37,637,729	53,206,542	75,153,488	895,928,343
Other current assets	836,599,341	—	2,855,225	4,648,803	6,438,481	8,632,946	26,479,301	14,501,688	21,867,309	18,936,185	22,676,263	36,706,767	672,856,373
Loans to stockholders	71,237,313	—	4,320,465	5,804,756	4,682,764	4,124,617	7,174,801	2,430,828	2,321,926	1,483,577	1,453,464	5,169,377	32,270,737
Mortgage and real estate loans	1,455,222,233	—	363,642	1,122,824	1,727,147	2,095,096	5,180,573	3,178,345	9,899,419	21,255,237	43,513,188	109,188,241	1,257,698,523
Other investments	3,227,237,568	—	1,747,149	4,477,653	6,402,874	8,514,467	28,178,611	17,821,534	37,405,997	41,837,748	61,343,964	131,980,080	2,887,527,492
Depreciable assets	3,602,960,891	—	53,418,197	65,710,004	74,845,357	89,455,874	220,667,460	96,608,827	127,898,271	92,942,638	95,257,662	153,727,487	2,532,429,114
Less: Accumulated depreciation	1,483,312,181	—	35,752,747	40,420,017	44,424,416	51,498,527	115,665,068	46,283,936	57,555,546	38,881,742	38,988,731	60,111,683	953,729,768
Depletable assets	123,104,144	—	237,945	358,875	354,579	863,059	1,978,996	1,575,324	2,686,889	2,979,025	3,396,944	5,029,871	103,642,636
Less: Accumulated depletion	49,686,832	—	134,510	145,547	134,567	467,610	895,435	845,547	1,408,584	1,354,133	1,685,145	1,790,606	40,825,149
Land	158,817,879	—	1,706,394	4,332,386	6,850,190	10,332,004	24,622,717	9,429,357	12,251,605	7,484,791	7,163,633	10,557,801	64,087,001
Intangible assets	262,309,525	—	1,958,751	2,457,484	2,458,762	2,718,625	6,580,828	4,183,239	6,188,300	6,667,385	8,067,821	19,072,853	201,955,476
Less: Accumulated amortization	55,540,169	—	1,007,145	980,851	965,862	1,011,896	2,130,686	1,277,215	1,546,680	1,490,466	1,401,714	3,300,524	40,427,129
Other assets	817,953,526	—	3,069,024	4,763,914	4,708,555	5,642,211	15,874,847	8,155,035	12,484,249	13,756,292	16,334,725	35,037,686	698,126,990
Total liabilities	15,310,615,602	—	60,422,391	99,974,588	124,777,375	164,135,875	480,177,708	234,362,652	368,288,492	363,874,824	458,310,051	788,733,117	12,167,558,530
Accounts payable	997,768,767	—	8,363,809	13,408,227	17,105,870	24,836,746	75,598,919	32,964,587	40,411,215	27,864,773	27,888,464	41,892,728	687,433,429
Mortgages, notes and bonds payable, less than one year	1,247,450,987	—	7,096,546	10,389,102	13,795,795	20,622,577	82,276,432	40,501,724	47,948,331	30,706,223	28,530,225	42,544,022	923,040,010
Other current liabilities	4,822,312,874	—	7,409,311	8,839,698	10,072,658	13,133,547	45,993,645	29,053,026	83,813,076	137,496,370	204,083,322	328,169,352	3,954,248,869
Loans from stockholders	211,854,134	—	19,606,138	15,649,122	13,561,119	13,220,891	24,167,853	7,229,925	7,637,387	4,331,524	3,861,359	8,663,092	93,925,725
Mortgages, notes and bonds payable in one year or more	2,141,169,042	—	14,937,207	21,385,057	25,614,747	33,355,135	92,409,915	44,322,778	66,391,292	54,530,752	57,711,019	106,621,375	1,623,889,767
Other liabilities	1,942,679,565	—	2,899,550	3,975,388	4,083,438	5,767,147	18,040,815	12,246,876	20,780,293	21,640,950	24,886,849	56,930,000	1,771,428,260
Capital stock	1,291,674,344	—	13,525,104	12,580,844	12,694,401	14,271,483	32,539,157	15,150,095	21,035,320	16,385,868	25,769,203	47,036,320	1,080,686,550
Paid-in or capital surplus	1,988,355,017	—	7,300,350	7,969,405	8,150,812	11,921,886	36,595,046	21,360,572	38,452,697	39,662,777	54,428,378	116,137,588	1,646,375,506
Retained earnings, appropriated	83,651,846	—	122,291	158,353	388,738	630,860	1,253,007	476,865	798,226	975,136	1,233,326	3,056,530	74,558,514
Retained earnings, unappropriated	1,257,000,416	—	−8,351,299	12,278,987	22,565,964	27,695,404	57,157,623	19,438,906	26,543,007	23,841,435	31,247,159	48,313,769	996,269,461
Other retained earnings (1120S)	75,873,478	—	−9,675,369	−3,101,365	507,316	3,791,847	25,840,717	15,827,764	19,441,213	9,863,070	−6,302,100	4,930,814	2,145,371
Less: Cost of treasury stock	749,174,866	—	2,811,244	3,558,229	3,763,483	5,111,647	11,695,421	4,210,465	4,963,565	3,424,052	7,631,353	15,562,474	686,442,931
Total receipts	9,580,720,701	185,727,143	305,081,024	312,429,485	306,062,084	373,088,504	1,034,506,681	449,526,357	503,481,914	321,464,157	320,294,069	492,645,294	4,976,413,989
Business receipts	8,414,537,647	126,793,559	296,832,570	302,598,006	297,179,431	362,691,557	1,004,439,972	433,772,170	478,551,355	294,071,799	285,236,856	432,463,237	4,099,907,134
Interest	674,891,063	45,636,108	703,218	1,119,551	1,377,301	1,724,289	4,639,848	2,742,960	8,326,747	13,450,216	20,143,008	35,137,034	539,890,782
Interest on government obligations	30,764,430	157,175	3,499	11,974	17,277	25,551	115,724	108,897	385,666	699,672	1,132,776	1,911,175	26,195,043
Nonqualifying interest & dividends forms 1120S	3,431,878	134,210	195,163	196,820	228,922	219,340	830,488	384,713	454,412	282,402	181,037	226,219	98,151
Rents	92,105,433	827,866	848,383	1,083,633	1,745,714	2,149,685	5,157,246	2,448,777	2,943,570	2,374,673	2,461,034	4,516,400	65,548,451
Royalties	20,743,856	106,684	142,986	109,873	123,306	168,523	388,687	223,162	334,977	316,414	473,964	676,961	17,678,319
Net short-term capital gain less net long-term capital loss	8,453,030	103,635	131,028	32,565	36,776	43,050	163,378	103,576	111,906	110,294	208,886	576,032	6,831,903
Net long-term capital gain less net short-term capital loss	63,754,106	1,111,188	416,304	409,200	628,213	719,193	2,049,022	1,231,634	1,486,034	1,753,545	1,679,559	3,418,818	48,851,395
Net gain, noncapital assets	29,568,649	1,156,988	583,543	489,112	491,201	670,940	1,561,265	721,108	979,941	572,519	1,180,089	1,323,938	19,838,006
Dividends, domestic corporations	13,864,647	107,227	43,142	79,923	121,595	117,240	402,251	225,006	378,799	481,592	350,944	604,202	10,952,724
Dividends, foreign corporations	25,180,395	305,461	*259	*76	*390	9,137	22,612	32,330	109,369	116,656	194,349	472,552	23,917,204
Other receipts	206,857,448	9,421,251	5,376,091	6,495,570	4,340,879	4,769,340	15,566,675	7,916,736	9,873,550	7,516,777	7,232,604	11,544,946	116,803,028
Total deductions	9,243,903,854	183,174,246	305,384,260	309,759,050	302,403,332	368,566,235	1,019,173,779	441,877,004	493,238,625	312,680,306	308,616,498	475,084,823	4,723,945,696
Cost of sales and operations	5,596,218,574	82,832,022	130,207,194	163,009,189	174,395,207	238,095,403	728,625,798	327,851,329	353,936,559	211,825,927	205,361,852	302,076,097	2,678,001,996
Compensation of officers	200,048,676	4,942,939	39,961,587	29,185,182	21,621,486	18,504,449	32,520,937	9,188,602	8,559,914	4,683,663	3,736,561	4,646,742	22,496,614
Repairs	86,425,629	825,234	2,467,623	2,496,004	2,435,909	2,671,561	5,345,544	1,814,929	2,244,127	1,432,258	1,585,999	2,635,073	60,471,369
Bad debts	54,578,189	1,839,477	723,987	765,310	1,012,145	1,374,651	3,302,579	1,651,393	2,203,175	1,905,445	2,166,895	3,223,011	34,410,121
Rent paid on business property	153,781,416	3,081,765	13,060,124	9,770,275	8,038,381	8,133,983	14,845,315	5,220,274	6,161,831	3,896,780	4,243,146	6,808,903	70,520,640
Taxes paid	211,346,315	3,207,379	9,171,326	8,599,293	8,091,737	9,225,672	20,109,929	7,664,599	9,004,323	5,705,087	5,840,845	9,254,925	115,471,200
Interest paid	589,989,252	44,807,334	2,630,187	3,382,427	3,971,813	5,347,416	15,116,839	7,157,312	12,208,592	13,095,757	17,242,069	30,024,464	435,005,041
Contributions or gifts	4,980,027	36,432	61,439	72,547	81,611	93,113	236,215	106,477	150,433	135,963	168,202	237,467	3,600,127
Amortization	17,407,143	377,618	338,340	323,392	274,661	279,600	870,644	483,978	719,738	736,187	725,552	1,281,557	10,995,875
Depreciation	316,710,668	3,853,550	6,766,184	7,466,702	7,943,381	8,802,821	20,810,417	8,931,519	11,719,198	8,194,893	8,468,630	14,048,982	209,704,393
Depletion	8,460,962	97,343	21,952	25,789	35,259	49,140	180,627	112,028	186,094	227,683	229,806	517,871	6,777,369
Advertising	106,556,098	1,517,071	3,207,658	3,079,847	2,710,483	3,238,302	8,299,032	4,030,156	4,616,915	3,480,177	3,487,863	5,936,141	62,952,455
Pension, profit sharing, stock bonus, and annuity plans	46,533,727	688,270	3,206,630	2,647,376	2,094,495	1,941,051	4,327,263	1,511,552	1,577,632	1,051,540	1,044,619	1,823,047	24,620,252
Employee benefit programs	84,603,727	991,546	1,439,730	1,795,926	1,605,627	1,901,423	5,487,591	2,792,875	3,187,178	2,497,936	2,574,482	4,456,638	55,872,775

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

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

Item	Total	Zero assets	$1 under $100,000	$100,000 under $250,000	$250,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $5,000,000	$5,000,000 under $10,000,000	$10,000,000 under $25,000,000	$25,000,000 under $50,000,000	$50,000,000 under $100,000,000	$100,000,000 under $250,000,000	$250,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Net loss, noncapital assets	12,047,435	1,596,426	290,619	225,371	204,566	179,294	569,223	254,781	418,982	293,573	612,077	1,280,592	6,121,931
Other deductions	1,754,216,022	32,479,843	91,829,679	76,914,422	67,886,569	68,728,359	158,525,828	63,105,200	76,343,934	53,517,436	51,127,901	86,833,313	926,923,537
Total receipts less total deductions	336,816,848	2,552,897	-303,236	2,670,435	3,658,752	4,522,269	15,332,902	7,649,353	10,243,290	8,783,851	11,677,572	17,560,471	252,468,293
Constructive taxable income from related foreign corps	22,226,855	158,717	—	—	—	*2,536	8,441	*9,026	46,436	125,774	141,421	431,642	21,302,864
Net income (less deficit)	328,223,710	2,551,151	-306,735	2,648,011	3,639,574	4,496,858	15,197,324	7,545,022	9,899,285	8,209,952	10,686,216	16,080,938	247,576,114
Net income, total	465,234,737	10,478,896	11,051,602	10,237,964	10,024,876	11,382,532	30,342,209	14,366,377	19,224,930	14,626,092	16,644,631	25,773,709	291,080,919
Deficit, total	137,011,027	7,927,745	11,358,337	7,589,953	6,385,302	6,885,674	15,144,885	6,821,355	9,325,646	6,416,140	5,958,415	9,692,771	43,504,805
Net income (less def.) Form 1120-A	-159,252	17,486	-174,311	-3,929	*1,502	—	—	—	—	—	—	—	—
Net income (less def.) Form 1120S[1]	24,151,513	1,434,897	934,986	184,773	556,671	1,337,915	6,578,519	3,548,708	4,408,000	2,109,577	1,637,662	1,043,073	376,733
Net income (less def.), 1120-IC-DISC[1]	256,752	1,399	12,891	12,858	30,597	38,653	111,426	20,861	24,544	3,523	—	—	—
Net income (less def.), 1120-FSC[1]	1,294,109	4,828	67,892	34,126	27,299	49,195	221,122	129,665	182,365	121,329	143,997	213,660	98,632
Statutory special deductions, total	60,416,946	2,509,334	2,055,810	1,664,681	1,463,506	1,629,652	3,651,324	1,778,253	2,601,179	2,149,160	2,532,406	3,487,200	34,894,439
Net operating loss deduction	49,027,616	2,431,809	2,026,976	1,601,172	1,364,414	1,542,304	3,326,998	1,587,166	2,270,827	1,745,851	2,230,391	2,943,619	25,956,089
Dividends received deduction	11,325,934	77,525	28,834	63,509	99,092	87,348	324,326	191,086	330,331	403,300	301,959	543,403	8,875,219
Public utility dividend paid deduction	63,396	—	—	—	—	—	—	—	*21	10	56	178	63,131
Income subject to tax, total	311,840,615	4,829,468	3,647,320	5,577,765	5,864,504	6,295,490	16,077,038	7,595,905	10,848,793	9,399,396	11,122,216	17,311,652	213,271,066
Net long-term capital gain taxed at alternative rates	29,052,318	197,107	*9,540	24,446	80,168	151,613	486,421	389,520	519,660	602,609	570,842	859,376	25,161,016
Income tax before credits, total	118,484,975	1,780,734	600,667	1,005,710	1,215,439	1,527,662	5,300,206	2,901,048	4,260,983	3,692,679	4,398,503	6,930,193	84,871,153
Regular and alternative tax	115,073,572	1,719,673	595,094	996,421	1,197,870	1,494,758	5,189,481	2,839,642	4,170,995	3,598,923	4,293,025	6,746,008	82,231,681
Tax from recomputing prior year investment credit	783,953	10,748	4,990	7,401	7,954	12,616	32,204	16,607	20,512	15,937	19,246	31,097	604,643
Alternative minimum tax	2,229,107	30,149	252	655	8,381	18,668	73,613	42,602	59,762	71,090	76,169	127,793	1,719,971
Environmental tax	351,253	7,494	—	*15	—	*22	831	597	3,566	5,058	8,322	16,130	309,218
Foreign tax credit	20,812,861	195,564	*22	*25	*3,951	3,412	19,429	18,731	52,215	81,514	137,488	276,827	20,023,682
U.S. possessions tax credit	2,666,634	20,884	20	2	186	1,664	27,634	32,940	153,939	234,725	362,566	418,237	1,413,837
Orphan drug credit	5,154	—	—	—	—	—	—	—	—	—	—	—	5,154
Nonconventional source fuel credit	52,439	—	—	*376	*105	—	*112	*1,486	2,473	*1,008	278	4,242	42,359
General business credit	7,959,117	73,107	48,576	72,894	87,145	89,251	217,981	103,786	129,308	101,758	132,710	213,185	6,689,415

[1] Profits of Domestic International Sales Corporations were taxed through parent corporations; most net income of qualifying Foreign Sales Corporations was tax-exempt; and net income of S corporations was taxed (with few exceptions) through their shareholders. Therefore, the net income of these corporations were excluded from income subject to tax.

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

NOTE: Detail may not add to totals due to rounding.

Table 2.—Selected Balance Sheet, Income Statement, and Tax Items by Industrial Division and Asset Size

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

Item, industrial division	Total	Zero Assets	$1 under $100,000	$100,000 under $250,000	$250,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $5,000,000	$5,000,000 under $10,000,000	$10,000,000 under $25,000,000	$25,000,000 under $50,000,000	$50,000,000 under $100,000,000	$100,000,000 under $250,000,000	$250,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
ALL INDUSTRIES													
Number of returns	3,612,133	280,022	1,809,278	620,593	353,031	233,352	231,945	33,929	23,532	10,234	6,498	4,926	4,794
Total assets	15,310,615,602	—	60,422,391	99,974,588	124,777,375	164,135,875	480,177,708	234,362,652	368,288,492	363,874,824	458,310,051	788,733,117	12,167,558,530
Total receipts	9,580,720,701	185,727,143	305,081,024	312,429,485	306,062,084	373,088,504	1,034,506,681	449,526,357	503,481,914	321,464,157	320,294,069	492,645,294	4,976,413,989
Business receipts	8,414,537,647	126,793,559	296,832,570	302,598,006	297,179,431	362,691,557	1,004,439,972	433,772,170	478,551,355	294,071,799	285,236,856	432,463,237	4,099,907,134
Interest paid	589,989,252	44,807,334	2,630,187	3,382,427	3,971,813	5,347,416	15,116,839	7,157,312	12,208,592	13,095,757	17,242,069	30,024,464	435,005,041
Net income (less deficit)	328,223,710	2,551,151	-306,735	2,648,011	3,639,574	4,496,858	15,197,324	7,545,022	9,899,285	8,209,952	10,686,216	16,080,938	247,576,114
Income tax, total	118,484,975	1,780,734	600,667	1,005,710	1,215,439	1,527,662	5,300,206	2,901,048	4,260,983	3,692,679	4,398,503	6,930,193	84,871,153
Income tax (after credits)	86,988,756	1,491,165	552,049	932,413	1,124,052	1,433,335	5,035,050	2,744,105	3,923,048	3,273,674	3,765,461	6,017,702	56,696,706
Net Worth	3,947,380,235	—	109,833	26,327,995	40,543,748	53,199,833	141,690,129	68,043,737	101,306,898	87,304,234	111,348,813	203,912,547	3,113,592,471
AGRICULTURE, FORESTRY, FISHING													
Number of returns	116,544	7,822	46,579	20,983	18,048	13,717	8,417	576	259	78	41	19	6
Total assets	55,374,698	—	1,528,935	3,457,194	6,389,233	9,679,909	15,151,201	3,863,197	4,077,306	2,666,805	2,897,692	3,022,765	2,640,461
Total receipts	77,057,114	1,185,944	5,494,266	11,078,871	7,353,878	12,198,779	16,654,540	3,802,875	5,492,440	3,134,483	4,033,869	3,969,851	2,657,319
Business receipts	71,809,603	1,063,424	5,138,509	10,642,119	6,623,402	11,216,357	15,553,361	3,498,347	5,220,323	2,866,669	3,778,274	3,843,383	2,365,436
Interest paid	2,272,546	67,319	102,159	191,907	232,159	420,783	602,930	130,954	173,230	92,909	118,359	87,481	52,356
Net income (less deficit)	1,626,501	-5,275	20,398	55,786	302,040	249,342	299,944	93,714	126,599	80,618	177,442	106,533	119,359
Income tax, total	508,012	8,826	11,396	25,347	37,838	61,188	108,211	49,823	49,995	19,831	31,752	52,645	51,158
Income tax (after credits)	453,171	7,254	10,534	21,461	32,440	48,388	98,277	46,960	47,194	14,400	28,339	50,843	47,082
Net Worth	18,201,394	—	-79,061	559,320	2,296,988	3,881,058	4,854,727	1,230,051	1,135,210	805,477	730,530	1,142,210	1,644,882
MINING													
Number of returns	42,050	3,756	19,113	7,532	4,437	2,955	2,789	582	433	192	111	80	71
Total assets	220,137,063	—	625,737	1,162,458	1,597,156	2,061,948	5,876,746	4,053,134	6,424,018	6,875,696	10,138,806	21,523,640	159,797,723
Total receipts	96,805,871	2,034,795	1,349,458	2,370,659	2,195,693	2,329,731	5,240,515	3,380,190	4,404,936	4,359,646	6,281,221	12,178,507	50,680,519
Business receipts	85,846,689	1,765,778	1,130,810	2,235,998	1,996,607	2,148,215	4,774,164	2,912,171	3,973,900	3,823,092	5,428,075	10,768,523	44,889,356
Interest paid	5,442,124	127,977	37,827	56,195	50,537	84,025	185,463	92,824	173,477	184,975	285,665	587,277	3,575,881
Net income (less deficit)	275,048	403,413	-71,312	-89,204	-67,477	-110,743	-164,918	35,881	-95,472	12,828	293,737	96,052	32,263
Income tax, total	1,256,089	2,529	3,427	6,055	7,931	16,856	47,449	40,586	62,401	59,585	139,378	134,331	735,562
Income tax (after credits)	810,619	2,529	2,988	6,039	5,428	16,673	46,638	37,256	60,196	52,136	98,295	97,421	385,021
Net Worth	109,553,353	—	-753,593	-302,300	33,580	442,938	1,369,098	1,417,620	2,215,517	2,547,889	4,169,207	6,333,383	92,080,015
CONSTRUCTION													
Number of returns	371,169	17,994	193,975	61,966	37,442	27,885	26,502	3,136	1,634	379	152	66	38
Total assets	222,064,937	—	6,483,574	10,070,206	13,314,953	19,767,384	53,373,857	21,811,161	24,145,024	12,787,015	10,625,857	10,728,468	38,957,439
Total receipts	454,831,094	4,881,525	45,152,881	37,798,806	37,642,494	49,512,167	116,224,990	42,117,042	40,401,425	19,109,955	13,920,679	17,135,412	30,933,717
Business receipts	442,491,245	4,556,804	44,642,505	37,407,952	37,049,950	48,743,692	113,910,847	41,157,143	39,261,651	18,295,154	13,335,861	16,577,226	27,552,461
Interest paid	6,319,837	132,662	315,378	336,491	388,849	495,535	1,091,809	363,292	431,603	232,609	201,612	249,270	2,080,728
Net income (less deficit)	8,700,642	88,630	326,745	432,760	782,520	728,945	2,708,918	1,168,134	1,244,746	524,649	355,907	-225,374	564,063
Income tax, total	2,459,657	33,468	67,898	117,866	190,972	216,291	676,926	303,140	314,017	150,404	129,987	94,068	164,620
Income tax (after credits)	2,337,107	32,838	62,771	106,336	183,536	206,625	649,441	285,774	302,869	145,825	126,251	92,367	142,475
Net Worth	53,926,258	—	600,433	2,939,102	4,292,198	5,878,108	13,720,953	5,118,746	5,302,331	3,041,475	2,269,033	2,733,703	8,030,174
MANUFACTURING													
Number of returns	294,211	13,730	108,006	46,469	36,057	31,194	41,167	7,590	5,401	1,883	1,006	787	922
Total assets	3,111,708,665	—	4,010,462	7,822,219	13,067,786	22,262,835	89,532,791	53,056,693	83,716,290	65,883,361	70,837,695	123,570,959	2,577,947,574
Total receipts	3,141,406,444	29,461,837	18,189,949	22,855,924	35,110,840	51,963,287	192,192,618	105,393,942	148,588,521	100,830,405	98,257,945	157,374,032	2,181,187,144
Business receipts	2,946,695,175	28,143,858	17,888,981	22,540,574	34,490,299	51,183,024	189,003,708	103,443,739	145,463,048	98,192,587	95,169,752	151,304,833	2,009,870,770
Interest paid	100,783,073	1,027,259	225,325	268,478	420,394	680,806	2,645,884	1,570,699	2,344,159	1,859,651	1,878,787	3,814,095	84,047,536
Net income (less deficit)	145,493,891	72,135	-375,412	101,510	121,244	690,349	3,902,493	2,731,284	4,850,134	3,936,911	5,086,485	7,342,923	117,033,835
Income tax, total	57,286,912	244,316	39,733	83,419	130,953	249,024	1,409,952	1,000,808	1,706,410	1,492,704	1,954,078	2,947,055	46,028,461
Income tax (after credits)	34,048,160	174,872	35,339	75,372	110,233	225,564	1,305,976	927,375	1,478,088	1,198,300	1,473,147	2,270,163	24,773,730
Net Worth	1,191,672,658	—	-717,289	1,725,665	4,662,136	7,521,237	33,593,403	21,163,467	34,470,942	27,663,557	32,303,859	51,310,205	977,975,478
TRANSPORTATION AND PUBLIC UTILITIES													
Number of returns	147,893	9,954	73,012	25,607	16,013	9,478	10,373	1,416	996	370	174	177	324
Total assets	1,352,512,937	—	2,537,655	4,043,674	5,711,441	6,613,391	21,691,322	9,720,256	14,795,606	13,287,477	12,174,705	35,791,833	1,226,145,578
Total receipts	786,179,466	8,006,940	13,484,293	14,145,685	16,047,978	15,727,521	41,093,003	13,862,934	18,101,138	10,813,728	10,883,832	26,008,579	598,003,834
Business receipts	736,633,389	7,621,234	13,224,306	13,765,908	15,658,125	15,265,088	39,676,753	13,215,215	17,089,726	9,958,105	9,993,983	23,592,516	557,572,430
Interest paid	47,132,799	474,937	150,480	201,036	258,936	264,239	817,914	381,834	583,661	536,267	557,308	1,654,432	41,251,756
Net income (less deficit)	37,466,726	-315,488	-42,705	-36,633	180,826	145,509	626,982	136,179	26,570	176,502	50,605	692,719	35,825,659
Income tax, total	17,696,185	58,139	18,252	28,507	48,790	64,108	271,757	122,280	189,401	179,588	143,268	500,569	16,071,525
Income tax (after credits)	14,769,150	51,080	17,279	23,341	38,484	56,870	246,695	114,953	173,110	165,840	124,065	467,112	13,290,322
Net Worth	510,064,080	—	25,599	676,071	1,462,254	-1,595,073	5,284,296	2,532,844	3,384,180	3,067,161	2,822,695	8,158,108	481,055,801

Table 2.—Selected Balance Sheet, Income Statement, and Tax Items by Industrial Division and Asset Size—Continued

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

Item, industrial division	Total	Zero Assets	$1 under $100,000	$100,000 under $250,000	$250,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $5,000,000	$5,000,000 under $10,000,000	$10,000,000 under $25,000,000	$25,000,000 under $50,000,000	$50,000,000 under $100,000,000	$100,000,000 under $250,000,000	$250,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
WHOLESALE AND RETAIL TRADE													
Number of returns	971,758	62,455	410,258	203,433	117,631	79,357	80,533	10,306	5,093	1,310	635	405	342
Total assets	1,177,668,920	—	16,062,366	32,848,540	41,922,061	55,462,631	166,033,923	70,019,301	76,520,849	45,685,599	44,071,524	64,305,387	564,736,739
Total receipts	2,766,717,240	55,315,631	81,026,931	120,523,995	135,684,419	173,340,617	538,863,000	228,150,049	217,856,482	117,668,463	108,773,497	154,476,082	835,038,073
Business receipts	2,691,275,402	53,784,231	79,823,266	118,812,305	133,763,508	170,874,444	529,812,094	223,647,361	213,148,789	114,915,120	106,128,281	150,393,250	796,172,754
Interest paid	43,641,104	656,368	610,749	1,119,453	1,277,926	1,672,004	5,001,722	2,171,120	2,353,448	1,405,337	1,303,560	2,216,438	23,852,979
Net income (less deficit)	38,040,057	149,067	-1,204,075	319,055	1,092,212	1,626,342	6,377,161	3,049,529	3,518,265	1,714,747	2,056,331	2,390,152	16,952,272
Income tax, total	14,956,044	194,931	111,323	246,628	340,961	490,713	1,779,431	838,134	1,024,869	656,020	765,357	1,172,149	7,335,528
Income tax (after credits)	13,994,767	188,906	104,109	234,501	322,442	471,954	1,735,023	813,816	992,502	629,933	747,609	1,117,305	6,636,667
Net Worth	316,458,705	—	-2,723,771	7,775,948	13,886,233	19,074,116	51,397,714	19,227,752	22,332,644	11,741,250	13,940,760	19,895,299	139,910,760
FINANCE, INSURANCE AND REAL ESTATE													
Number of returns	521,136	41,298	238,766	84,748	52,887	35,957	36,931	7,098	7,862	5,417	4,061	3,161	2,951
Total assets	8,732,320,235	—	7,662,379	13,902,858	18,604,664	25,477,406	78,083,367	49,864,312	128,372,349	195,487,418	285,234,537	493,141,141	7,436,489,804
Total receipts	1,589,218,435	66,472,881	20,967,512	15,141,485	14,387,965	16,547,265	39,781,173	22,716,458	36,397,969	42,094,633	54,098,309	89,638,073	1,170,974,712
Business receipts	818,286,705	13,260,155	19,108,711	12,944,487	11,958,564	13,369,645	31,536,157	17,906,551	25,190,276	25,054,392	29,950,288	47,641,420	570,366,060
Interest paid	364,541,038	41,847,128	377,357	371,510	570,916	879,482	2,792,171	1,611,619	4,900,826	7,977,711	12,019,137	19,892,777	271,300,406
Net income (less deficit)	87,403,218	1,609,288	-61,354	329,186	374,883	496,878	1,041,989	150,525	174,029	1,257,752	1,902,919	5,538,891	74,588,230
Income tax, total	19,264,979	1,007,108	61,645	104,765	126,516	202,648	535,920	316,361	622,051	802,312	929,560	1,611,760	12,944,333
Income tax (after credits)	16,342,976	838,026	59,693	100,955	124,055	198,258	526,625	310,587	614,742	784,482	908,508	1,559,086	10,317,959
Net Worth	1,634,925,235	—	588,518	4,231,278	6,840,960	8,814,071	20,590,568	12,507,351	25,619,670	33,097,187	49,591,989	105,081,418	1,367,962,226
SERVICES													
Number of returns	1,119,604	117,508	702,098	167,767	68,621	32,384	24,938	3,181	1,824	595	319	231	140
Total assets	435,561,919	—	21,159,126	26,328,916	23,566,201	22,529,029	49,901,025	21,640,498	29,758,453	20,857,301	22,329,234	36,648,925	160,843,212
Total receipts	663,133,101	18,060,101	118,497,885	88,083,884	56,805,833	51,125,979	83,195,790	29,945,011	31,431,707	23,138,764	24,044,718	31,864,757	106,938,671
Business receipts	616,469,154	16,321,463	115,053,216	83,840,952	54,860,594	49,564,905	78,930,277	27,858,934	28,461,375	20,665,143	21,452,342	28,342,086	91,117,867
Interest paid	19,750,647	468,816	793,495	823,046	756,856	842,505	1,961,917	829,230	1,232,198	798,850	877,642	1,522,693	8,843,399
Net income (less deficit)	9,251,928	569,938	1,156,157	1,563,761	825,449	662,966	389,227	166,587	56,735	497,845	763,789	139,041	2,460,432
Income tax, total	5,033,943	231,354	285,973	389,528	328,689	225,980	465,255	226,569	290,771	327,119	305,123	417,615	1,539,967
Income tax (after credits)	4,212,339	195,598	258,318	360,812	304,645	208,787	422,757	204,036	253,362	277,923	259,246	363,402	1,103,454
Net Worth	112,415,645	—	3,230,842	9,024,737	6,969,493	5,933,227	10,765,293	4,779,650	6,703,847	5,296,462	5,520,738	9,258,220	44,933,134

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