

SOI BULLETIN

Department of the Treasury
Internal Revenue Service

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SOI BULLETIN

Department of the Treasury
Internal Revenue Service

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

Information on the availability of additional unpublished data concerning the topics in this issue may be obtained by writing to the Statistics of Income Division, R:S Internal Revenue Service, Washington, DC 20224.

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

Robert A. Wilson and Bettye Jamerson of the Statistics of Income Division were the technical editors and were assisted by Wendy Alvey and Beth Kilss, who wrote the SOI Bulletin Board column, and Clementine Brittain who provided editorial support and prepared the copy. Any views expressed in the articles are those of the authors and do not necessarily represent the views of the Treasury Department.

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SOI STATISTICAL SERVICES (available from Statistics of Income Division)

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

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

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

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

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

Individual Income Tax Returns, Publication 1304 — Price \$32.00

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

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

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

Partnership Returns, Publication 369 — Price \$22.00

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

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

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

Other Services — Price dependent on the request

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

BUSINESS SOURCE BOOKS

(Available from Statistics of Income Division)

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

Corporation Source Book, 1984, Publication 1053 — Price \$175.00

This is a 480-page document that presents detailed income statement, balance sheet, tax and investment credit items by major and minor industries and size of total assets. This report is part of an annual series and can be purchased for \$175 (issues prior to 1982 are for sale at \$150). A magnetic tape containing the tabular statistics for 1984 can be purchased for \$1,500.

Partnership Source Book, Publication 1289 — Price \$30.00

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

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

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

Sole Proprietorship Source Book, Publication 1323 — Price \$95.00

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

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

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

OTHER PUBLICATIONS

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

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

Subscription price \$20.00; Single copy price \$7.50

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

Statistics of Income—1986, Corporation Income Tax Returns, Publication No. 16

Presents information on—

- Receipts
- Deductions
- Net income
- Taxable income
- Income tax
- Tax credits
- Distribution to stockholders
- Assets
- Liabilities
- Data classified by—
 - industry
 - accounting period
 - size of total assets
 - size of business receipts

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**Individual Income Tax Returns for 1988: Selected Characteristics from the
Taxpayer Usage Study.....11**

By Michael E. Weber and Laura Y. Prizzi

Early data for Tax Year 1988, from returns filed through April 1989, show that the average tax per return increased to \$3,628 from \$3,190 for Tax Year 1987. Tax as a percentage of adjusted gross income (AGI) increased slightly to 12.8 percent from 12.7 percent for 1987. AGI increased by nearly 16 percent. The percentage of returns with itemized deductions continued to decline, from 50.7 to 46.1 percent. Statistics for 1988 cover the first year for which most provisions of the Tax Reform Act of 1986 that affected individuals were fully implemented.

Controlled Foreign Corporations, 1984: An Industry Focus.....31
By Margaret P. Lewis

For 1984, more than 1,100 U.S. "giant" multinational corporations controlled over 28,500 foreign corporations, and financial information was reported for 27,000 of them. These 27,000 Controlled Foreign Corporations held \$595 billion of assets and generated \$625 billion of receipts. The pre-tax earnings and profits of these corporations totalled \$49 billion, on which almost \$20 billion in taxes were paid to foreign countries.

Nonprofit Charitable Organizations, 1985.....53
By Cecelia Hilgert and Susan J. Mahler

For 1985, nonprofit charitable organizations reported total revenues of \$268.4 billion, of which nearly two-thirds (\$167.9 billion) was derived from the organizations' program activities. Total expenses were \$244.2 billion, of which \$206.6 billion was for the programs conducted. Asset holdings were \$423.5 billion, of which land, buildings, and equipment accounted for 34 percent of the total. Although a total of 106,449 returns were filed, the 1,489 organizations with assets of \$50 million or more accounted for 64 percent of the total assets of all charitable organizations.

Environmental Excise Taxes, 1987.....67
By John A. Kozielec

Environmental excise tax liabilities of \$800.8 million before adjustments were reported by 681 taxpayers for Tax Year 1987, the first year of the Superfund Amendments and Reauthorization Act of 1986, or SARA. After adjustments, the tax was \$760.1 million. The petroleum tax accounted for 65.9 percent of the 1987 tax compared to 15.0 percent of the tax reported for the entire period, 1981-1985, under the prior law. Corresponding percentages for the petrochemical tax, in contrast, were 28.1 percent and 66.1 percent.

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SOME OBSERVATIONS AND INSIGHTS

Last year we wrote extensively about the history of the Statistics of Income (SOI) program, as we celebrated 75 years of producing statistics from tax returns. In fact, the Fall 1988 volume was a commemorative issue honoring our past.

From our early beginnings, we have understood the necessity of looking to and working with other Federal statistical agencies and academic, as well as private sector, researchers. This year's involvement in the American Statistical Association (ASA) meetings was especially noteworthy, as about 35-40 SOI staff members were able to participate in what was, coincidentally, ASA's 150th anniversary (double our own!). (So many were able to attend because the meetings were here in Washington.) In addition to wide attendance, we were also well represented by those presenting papers -- all of which will be published in the next issue in our IRS Methodology Reports series, *Statistics of Income and Related Administrative Record Research*.

The papers we presented at the meetings were as follows:

- MARY BATCHER and I wrote about the statistical estimation techniques we have developed to improve the IRS program to test the adequacy of responses to public requests for telephone assistance;
- ALLISON CLARK spoke about alternative meth-

ods of SOI industry coding for corporation income tax returns;

- BOBBY CLARK, DODIE RILEY and PETER SAILER described methods used to develop an occupation-coded mortality (year and cause of death) file of individual income tax filers, under a reimbursable project for the National Cancer Institute;
- SUSAN HINKINS and I collaborated on a paper on methodological improvements to the design of the SOI corporation sample;
- DAN HOLIK, SUSAN HOSTETTER and JOHN LABATE presented a paper on the methodology used for an SOI study on 1985 sales of capital assets;
- BARRY JOHNSON and LOUISE WOODBURN discussed weighting strategies explored to adjust the 1987 SOI estate tax return data;
- SUSAN MAHLER and DAN SKELLY looked at the changes in nonprofit charitable organizations over the past decade;
- TOM PETSKA and SUSAN NELSON (from the Treasury Department's Office of Tax Analysis) presented some analytical work on the impact of tax reform on partnerships and individual partners;

- LOUISE WOODBURN co-authored a paper with STEVE HEERINGA (of the University of Michigan) on the effect of high-income nonrespondents on the results of the 1983 Survey of Consumer Finances;
- JOHN CZAJKA (of Mathematica Policy Research, Inc.) and our own BONNYE WALKER reported on methodological improvements in the design of SOI's sample of individual income tax returns; and
- H. LOCK OH, JANET MCCUBBIN and I described enhancements to recent efforts to look at changes in individual income tax shares and average tax rates over the years -- a follow-up to the work published in the Winter 1988-1989 and Spring 1989 issues of the *Bulletin*.

To gain more systematic input from key outside researchers and academics, we have, as mentioned in earlier issues, formed an SOI Advisory or Consultants' Panel. The Panel usually meets every April and October at The Brookings Institution. The focus of the agenda for our eighth meeting was on SOI computer modernization efforts; hence, we decided to hold the meeting at the IRS Cincinnati Service Center in Covington, Kentucky, to see these efforts first-hand.

Cincinnati was chosen because it is one of two service centers

(the other being in Ogden, Utah) where we are in the process of converting our computer operations for all SOI programs. We are moving from a centralized system utilizing a mainframe computer, now located in Detroit, Michigan, to a distributed processing system at the several locations where returns are processed for SOI, and also at the SOI Division itself.

In attendance were 27 people -- nearly all of the Panel members, representatives from the Treasury Department's Office of Tax Analysis, the Office of Management and Budget, and Revenue Canada Taxation, along with a contingent from the SOI Division. The trip was beneficial not only because it showed the participants what we are doing to improve the SOI program, but also because it was very much a "hands-on" experience. The agenda included a tour of the "pipeline" for administrative processing of tax returns and demonstrations on statistical editing of the tax return data for three SOI programs -- the basic Individual Program, the Sales of Capital Assets Study, and the mainline Corporation Project -- each of which is at a different stage in the modernization effort.

As always, the interactions stemming from this experience were very useful and stimulated much discussion which will, no doubt, lead to further follow-ups with the Panel as our modernization efforts mature.

Fritz Scheuren
Director
Statistics of Income
Division

THIS ISSUE AT A GLANCE

The Fall 1989 issue of the *Bulletin* presents statistics in the following areas: individual income tax returns, controlled foreign corporations, charitable organizations and environmental excise taxes. A brief abstract of each article is provided below.

Individual Income Tax Returns for 1988: Selected Characteristics from the Taxpayer Usage Study.-- The Taxpayer Usage Study is an annual one which presents statistics on how individual income tax returns (Forms 1040, 1040A and 1040EZ) were used for the most recent filing season. Statistics shown in the Study for 1988 cover the first year for which most provisions of the Tax Reform Act of 1986, affecting individual taxpayers, were fully implemented. More complete (preliminary) statistics for the entire filing year, January through December, will be published in the Spring 1990 *Bulletin*.

Controlled Foreign Corporations by Industry, 1984.-- This periodic study, planned for every 2 years, provides data on activities of foreign corporations that are controlled by U.S. corporations. Data are classified by industry and country.

Nonprofit Charitable Organizations, 1985.-- This study includes information on the balance sheets and income statements for organizations classified as tax-exempt under subsection 501(c)(3) of the Internal Revenue Code.

Environmental Excise Taxes, 1987.-- This study provides detailed tabulations of taxes on

petroleum and chemicals. These are the first statistics under the Superfund Amendments and Reauthorization Act of 1986, or SARA.

Selected Historical Data.-- These tables contain historical and current financial statistics from the various tax returns and supporting schedules filed with IRS, as well as the most recent information about tax collections and refunds.

BEHIND THE SCENES

In this section of the Bulletin Board, we would like to pay special tribute to our friend, JOSEPH A. PECHMAN, the distinguished economist at The Brookings Institution, who died suddenly in August. To honor him, this column will highlight a few of his many contributions to the SOI Division.

At the time of his death, Joe was a member of the SOI Consultants' Panel. A co-founder of the group and its chairman for the first 2 years, Joe played a major role in planning the sessions and always brought a lot of energy and enthusiasm to the meetings. His presence and direction will be sorely missed.

Joe's interest in SOI, however, goes back to the 1950's. A recognized leader in tax policy research, he often drew on SOI data for his prolific writings and analyses. Moreover, Joe was instrumental in sponsoring the first SOI Individual Tax Model for 1960 and in getting it released to

Brookings. (See, for example, Pechman's book, *Who Paid the Taxes, 1966-85?*, Brookings, 1985.)

Another of his contributions can be found at the back of each issue of the *Bulletin*. A large number of the historical tables shown there are reprinted from the latest edition of Joe's well-known book, *Federal Tax Policy* (Brookings, 1987). At his request, we also plan to republish some of the other tables from his book, and to update all of them, as more current data become available.

Finally, we would like to express our appreciation for Joe's long-term support for the Division, which often went beyond his own professional interests. This was most evident in his efforts to help arrange outside funding for a number of special studies. At the time of his death, we were in the process of discussing plans for future research in the area of personal income and wealth. We will surely miss having such a respected advocate as Joe Pechman to lend support for SOI.

YOUR CALL

In the spring issue of the *Bulletin*, we reported to you on our newly-formed Statistical Information Services office. About 6 months have passed since then and about 9 months have passed since that Office first began handling the phone and written requests for SOI data and publications.

The transition from our previously decentralized system in which data requests were spread throughout the Division, to the current centralized office, has been a relatively smooth one. Our information desk has made a lot of progress during this short time and is becoming more widely known. This is reflected by both the increased number of inquiries we're handling and by the addition of JOHN KOZIELEC to the staff, bringing the total number of SOI staffers available to serve you up to four.

Since we're in the business of statistics, we thought you might be interested in a few numbers, not only about the volume of calls and letters we've been receiving since February 1989, but also about who our customers are. During the 8-month period, February through October 1989, our information desk handled a total of 2,492 outside inquiries -- 2,099 telephone calls and 393 letters. A closer look at the numbers showed that:

- the most calls -- or nearly one-fifth of the telephone inquiries -- were received from consultants;
- the most written requests were received either from corporations or consultants, which were about equally represented, at 16 percent each of the total written inquiries received;
- a little over half of the telephone calls came from four groups: consultants, other private businesses, the Internal Revenue Service itself, and other

Federal Government organizations;

- different mix of groups accounted for just over half of the written requests: accounting firms, other private businesses, consultants, and private citizens; and
- the inquiries received in October, alone, comprised 15.0 percent of the total telephone calls and 13.5 percent of the written requests for the 8-month period.

The following table summarizes the cumulative inquiry count, from February through October 1989, by type of inquirer and type of request:

Inquirer	Telephone	Letter
Total	100.0%	100.0%
Consultant/		
Researcher	18.9	15.5
Accounting Firm	3.2	10.7
Association	4.5	2.8
Law Firm	4.2	4.6
Other Private Business	9.4	16.0
College	5.8	8.9
Public Library	0.8	1.8
Private Citizen	6.4	12.5
State/Local Government	8.1	8.7
IRS	11.9	2.0
Congressional	5.5	2.5
Other Federal Government	12.5	5.6
Foreign	0.4	2.0
Media	4.6	2.3
Student	1.6	0.5
Other	2.4	3.6

We are pleased with the progress that has been made during these past 8 months, and encourage you to give our information desk a call. Questions about the availability of our SOI data or when our next publications are due to be released can usually be handled directly by the Information team. Inquiries concerning technical details about a project will be referred to a subject-matter specialist in one of the program branches. As an extra resource for our subscribers, however, we have provided a current list of the names and telephone numbers of

these specialists, along with a description of their projects, in the exhibit that follows this column. Updates of this list are an annual feature of the *SOI Bulletin*.

Our main objectives, since we began the Information Desk, are to answer your questions accurately and to do so in a timely manner, but we are still learning. Your input, therefore, on how we may improve this service is always welcome. We invite you to give us a call Monday-Friday from 8:00 am to 5:00 pm on (202) 376-3900.

UPCOMING FEATURES

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

- Marginal Tax Rates, 1987;
- Foreign Recipients of U.S. Income, 1987;
- Estates, 1987;
- Personal Wealth, 1986;
- Intergenerational Wealth, 1916-1951; and
- Partnerships, 1987. (Note: We previously reported that the article on partnerships for 1987 was included in the Summer 1989 issue. However, it will appear in the Winter 1989-1990 issue, instead.)

General Statistical Information
 Contact: David Jordan (202) 376-3900

PROJECT	PRIMARY ANALYST	FREQUENCY & PROGRAM CONTENT
Americans Living Abroad: 1987 Program	Clay Christian 376-0083	This periodic study, to be done every four years, covers foreign income and taxes paid, and foreign tax credit shown on individual income tax returns. Data are classified by adjusted gross (AGI) and country.
Corporation Foreign Tax Credit: 1986 Program 1988 Program 1989 Program	DeWitt Long Karla Daronco Maggie Lewis (376-0177)	This periodic study, generally done every two years, provides data on foreign income and taxes paid, and on foreign tax credit shown on corporation income tax returns. Data are classified by industry and country.
Corporation Income Tax Returns: 1987 Program 1988 Program 1989 Program	Janice Washington Tim Wheeler Victor Rehula (376-0102)	Basic SOI program data are produced annually and cover complete income statement, balance sheet, tax and tax credits, distributions to stockholders, stockholders, and detail from supporting schedules.
Environmental Excise Taxes (Superfund) Study: 1988 Program 1989 Program	Susan Mahler (376-0199)	The Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) authorized 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. CERCLA has been replaced by the Superfund Amendments and Reauthorization Act of 1986 (SARA).
Estate Collation	Janet McCubbin Marvin Schwartz Barry Johnson (376-0199)	This periodic study links estate data for decedents and beneficiaries. Income information for beneficiaries is available both for years preceding and following the decedent's death. Information on gift tax returns is available for the last two years of the decedent's life. The most recent study is based on decedents who died in 1982. The next study is planned for decedents who died in 1989.
Estate Tax Returns: 1986 Program 1987 Program 1988 Program	Barry Johnson Marvin Schwartz Janet McCubbin 376-0199	This annual study includes information on gross estate and its composition, deductions, and tax. Also included is information on the age, sex, and marital status of the decedents. Basic estate tax return data by year in which returns are filed are produced every year. Other statistics are available on a year-of-death basis (approximately every three years).
Exempt Organizations Business Income Tax Returns: 1987 Program 1988 Program	Sara Perry 376-0199	This study is to be conducted annually. The first study, for Tax Year 1987, is to be published in 1990 and will include tabulations of "unrelated business" income and deductions. The data file will also be linked with the Form 990 data files of the tax-exempt organizations.
Farmers' Cooperatives	Mike Alexander (376-0199)	This periodic study is to be done every three years. The next study is planned for 1990. Results from the last complete study, for Tax Year 1977, will be published in the Tax-Exempt Organization Compendium to be published in 1990.

Statistics of Income Projects and Contacts

PROJECT	PRIMARY ANALYST	FREQUENCY & PROGRAM CONTENT
Foreign Corporations: 1986 Program 1988 Program 1989 Program	Maggie Lewis Maggie Lewis Bill States	This periodic study, generally done every two years, provides data on activities of foreign corporations which are controlled by U.S. corporations. Data are classified by industry and country.
Foreign Recipients of U.S. Income: 1988 Program 1989 Program	Lynn Flaherty (376-0177)	This annual study provides data on income paid to nonresident aliens and the amount of tax withheld for the U.S. Government.
Foreign Sales Corporations (FSC) Returns: 1986 Program 1987 Program	Chris Carson (376-0177)	These corporations replaced the Domestic International Sales Corporation, or DISC, as of January 1, 1985. Balance sheet, income statement, and export-related data will be tabulated annually through 1987, and then on a four-year cycle.
Foreign Trusts: 1986 Program	Chris Carson (376-0177)	This periodic study, conducted every four years, provides data on foreign trusts that have U.S. persons as grantors, transferors, or beneficiaries. Data include country where trust was created, the value of transfer to the trusts, and when trust was created.
Individual Income Tax Returns: 1987 Program 1988 Program	Michael Strudler (376-0083)	Basic SOI program data are produced annually and cover income, deductions, tax, and credits reported on individual income tax returns and associated schedules.
Individual Income Tax Return Public Use File	Mario Fernandez (376-0081)	Microdata magnetic tape files, produced annually, contain detailed information obtained from the individual SOI program, with identifiable taxpayer information omitted to make the file available for public dissemination. (In addition to microdata files, specific tabulations from them are produced on a reimbursable basis.)
Interest Charge Domestic International Sales Corporations (IC-DISC): 1985 Program 1986 Program 1987 Program	Bill States Chris Carson Mary Barlow (376-0177)	These corporations replaced the Domestic International Sales Corporation, or DISC, as of January 1, 1985. Balance sheet, income statement, and export-related data will be tabulated annually, through 1987, and then on a four-year cycle.
Intergenerational Wealth	Marvin Schwartz Janet McCubbin Barry Johnson (376-0199)	This one-time study involves estate returns filed since the inception of the estate tax (1916), and focuses on the changes in the concentration of wealth and the intergenerational transfer of wealth, as well as the history of the estate tax system. The asset composition, available demographic information, and an analysis of beneficiaries of estates will be emphasized.
International Boycott Participation: 1986 Program	Melissa Redmiles (376-0177)	This study, planned for every four years, provides data on business operations of U.S. persons in boycotting countries, as well as the requests and agreements to participate in, or cooperate with, international boycotts not sanctioned by the U.S. Government.

Statistics of Income Projects and Contacts

PROJECT	PRIMARY ANALYST	FREQUENCY & PROGRAM CONTENT
Non-exempt charitable trusts: 1989 Program	Peggy Riley Alicia Meckstroth	This periodic study is planned for every three years. The next study is planned for Tax Year 1989 and will include primarily balance sheet and income statement information.
Nonprofit Charitable Organizations: 1986 Program 1987 Program 1988 Program	Cecelia Hilgert Susan Mahler (376-0199)	This annual study includes information on net worth and various data from the balance sheet and income statement for organizations classified as tax-exempt under subsection 501(c)(3) of the Internal Revenue Code. The groups covered are religious, educational, scientific, and literary (excluding private foundations). However, for Tax Year 1988, the study will be expanded to also include section 501(c)(4)-(9) organizations.
Nonresident Alien Estates: 1986 Program	DeWitt Long (376-0177)	This periodic study, planned for every four years, provides data on estates of nonresident aliens who had more than \$60,000 of assets in the United States. The estates are subject to U.S. estate taxation on the U.S. property.
Occupation Studies	Bobby Clark (376-0104)	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: 1988 Program 1989 Program	Joseph Middough Gail Moglen (376-0761)	Basic SOI program data, produced annually, cover income statement, balance sheet, and detail from supporting schedules.
Personal Wealth Study: 1986 Program	Marvin Schwartz Janet McCubbin Barry Johnson (376-0199)	This periodic study provides data 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 (1982) are based on returns filed from 1982 to 1984. The next study is planned for returns filed from 1986 to 1988 and will be available in 1990. A compendium of previously published SOI articles on wealth and wealth-related studies will be published in 1991. Other research papers and previously unpublished articles and tables will also be included.
Private Foundations: 1986 Program 1987 Program 1988 Program	Peggy Riley Alicia Meckstroth (376-0199)	This annual study includes information on net worth and various data from the balance sheet and income statement. A compendium of previously published SOI articles on tax-exempt organizations will be published in 1990. Other research papers and previously unpublished articles and tables will also be included.
Private Foundation Grant Administrative Expenses	Sara Perry Ed Chung (376-0199)	This one-time study was mandated by Congress in the Tax Reform Act of 1984 to assess the impact of current rules governing the treatment of grant administrative expenses.

Statistics of Income Projects and Contacts

PROJECT	PRIMARY ANALYST	FREQUENCY & PROGRAM CONTENT
Sales of Capital Assets: 1985 Program 1985-89 Panel Study	Jeff Hartzok (376-0083)	This periodic study, to be done every four years, provides detailed data on the sales of capital assets reported on Schedule D, plus sales of residences, and sales of personal or business depreciable property. The panel study provides the same data on capital asset transactions for a subsample of the returns in the Sales of Capital Assets basic study; however, data for these taxpayers are obtained over a five-year period.
Sales of U.S. Real Property Interests by Foreign Persons: 1988 Program	Chris Carson (376-0177)	This annual study provides data on transfers of U.S. real property interests, when these interests are acquired from foreign persons. Data will include amount realized on transfers, the amount of U.S. tax withheld, and country of foreign persons.
Secretary's Percentage Study	Joseph Middough (376-0761)	This annual study includes data for computation of the percentage used in determining income tax liability of foreign life insurance companies with operations in the United States.
Small-Area Data: 1984 Program 1985 Program	Bob O'Keefe Bobby Clark (376-0104)	Special tabulations are produced. All data are from the IRS Individual Master File system.
Sole Proprietorships: 1988 Program 1989 Program	Michael Strudler (376-0083)	Basic SOI program data, produced annually, cover the business receipts, ceipts, deductions, and net income reported on Schedule C (for nonfarm proprietors). Similar data from Schedule F (for farmers) are available on an occasional basis.
Sole Proprietorship Historical Source Book	Dodie Riley (376-0104)	A tape file of basic SOI program data is produced annually and covers the same data provided in the Sole Proprietorship SOI program, including business receipts, depreciation deduction, taxes paid deduction, interest paid deduction, payroll, and net income since 1957, by year and by industry. A printed copy is published every five years.
State Data: 1985 Program 1987 Program	Mario Fernandez (376-0081)	Special tabulations of selected individual income, deduction, and tax data by State are produced on a reimbursable basis. (Data file for 1987 is now in preparation.)
Statistical Subscription Services: Corporation Source Book Partnership Source Book	Sandy Byberg (376-3900)	Annual detailed industry data and other information is compiled. Corporation data, by industry, are more detailed than those included in regular SOI reports.
Migration Flow Data		Migration flow data (based on changes in individual income tax return addresses) and income data, by county or State are available annually on a reimbursable basis.
Tax-Exempt Private Activity Bonds: 1987 Program 1988 Program	Ed Chung (376-0199)	This annual study provides information on industrial development bonds, student loan bonds, and qualified mortgage bonds, by industry, type of property financed, size of face amount, of bond, and State. Beginning in 1987, information on public purpose bonds will be included.

Statistics of Income Projects and Contacts

PROJECT	PRIMARY ANALYST	FREQUENCY & PROGRAM CONTENT
Taxpayer Usage Study: 1989 Program	Pete Sailer (376-0081)	Basic SOI program data are produced annually and provide frequencies of specific line entries made by taxpayers, the use of various return schedules and associated forms, as well as general characteristics of the individual taxpayer population. Weekly reports are produced during the primary filing season (January through April).
U.S. Possessions Corporations: 1987 Program	Mary Barlow (376-0177)	This periodic study, planned for every two years, provides data on income statement, balance sheet, tax and "possessions tax credit" data for "qualifying" U.S. possessions corporations. (Most of these corporations are located in Puerto Rico.)

Individual Income Tax Returns for 1988: Selected Characteristics from the Taxpayer Usage Study

By Michael E. Weber and Laura Y. Prizzi*

Tax Year 1988 was the first year for which most provisions of the Tax Reform Act of 1986 affecting individual taxpayers were fully implemented. Most notable among the changes which became effective for 1988 were a significant increase in the standard deduction, a small increase in the size of personal exemptions, and the restructuring of the tax rate schedules. For Tax Year 1986 (the last year before tax reform), there had been 14 or 15 different tax brackets, ranging from 11 to 50 percent. For 1987, these were reduced to five rates, ranging from 11 to 38.5 percent. For 1988, there were only two basic tax rates, 15 percent and 28 percent. In addition, certain high-income taxpayers could also be subject to a 33 percent marginal rate resulting from the phasing out of the benefits of the 15 percent tax rate bracket and of personal exemptions.

Data from the 1988 Taxpayer Usage Study (TPUS) show that the number of returns filed by the April 17, 1989, filing deadline increased by 3.7 percent, from 98.6 million for 1987 to 102.2 million for 1988. This

was the largest annual percentage increase in number of returns since TPUS started showing frequencies (for Tax Year 1979), and took place in spite of a liberalization of the filing requirements, based on the increased standard deduction and exemption amounts.

For Tax Year 1988, the average tax per return increased to \$3,628 from \$3,190 for Tax Year 1987 [1]. Tax as a percentage of adjusted gross income (AGI) increased slightly to 12.8 percent, from 12.7 percent for 1987. (AGI is the sum of all sources of income less losses, reduced by statutory adjustments.) As shown in Figure A, tax as a percentage of AGI dropped for all except two income classes. The effective rate increased by 0.2 percent point for the \$30,000 to \$50,000 income class and remained unchanged for the \$5,000 to \$10,000 class.

For those taxpayers with incomes \$100,000 and more, the average fell by 3.5 percentage points from

Figure A.—All Returns: Adjusted Gross Income and Total Income Tax, by Size of Adjusted Gross Income, Tax Years 1987 and 1988

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

Tax year, income and tax items	Total	Number of returns or amounts by size of adjusted gross income								
		Less than \$1	\$1 under \$5,000	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Tax Year 1988:										
All returns, total	102,228	488	15,170	14,125	13,038	11,093	15,840	18,676	11,524	2,273
Amount of adjusted gross income...	\$2,866,615	\$ - 8,817	\$38,491	\$105,524	\$163,156	\$192,858	\$392,095	\$725,355	\$752,177	\$505,776
Amount of total income tax ¹	370,834	—	588	3,647	8,757	14,279	36,821	81,762	110,809	114,169
Tax as a percentage of adjusted gross income.....	12.8%	N/A	1.5%	3.4%	5.4%	7.4%	9.4%	11.3%	14.7%	22.6%
Tax Year 1987:										
All returns, total	98,569	606	14,834	14,953	12,829	10,737	15,807	17,948	9,398	1,457
Amount of adjusted gross income...	\$2,474,879	\$ - 15,807	\$37,939	\$111,865	\$159,296	\$186,876	\$391,848	\$693,939	\$607,511	\$301,412
Amount of total income tax ¹	314,410	59	731	3,853	9,078	14,483	37,310	76,805	93,485	78,605
Tax as a percentage of adjusted gross income.....	12.7%	N/A	1.9%	3.4%	5.7%	7.7%	9.5%	11.1%	15.4%	26.1%

¹ Total income tax is computed as the sum of income tax after credits and alternative minimum tax, less earned income credit.

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

N/A—Not applicable.

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

Individual Income Tax Returns, 1988 Taxpayer Usage Study

26.1 percent for 1987 to 22.6 percent for 1988. Effective tax rates for selected adjusted gross income classes are plotted in Figure B.

Figure C presents three years of effective tax rates by size of total income (total income was used in this comparison instead of adjusted gross income because of extensive definitional changes to the concept of adjusted gross income from 1986 to 1987) [2]. Figure B shows that, for taxpayers with total incomes between \$50,000 and \$100,000, the decline in effective tax rate from 1987 to 1988 was actually a return to the 1986 level, before the Tax Reform Act of 1986 took effect. For the \$100,000 and over class, the drop in the effective tax rate from 1986 to 1988 was only 0.6 percentage points. Figure D plots the effective tax rates for selected total income classes for 1986, 1987 and 1988.

FILING PATTERNS

Data presented in this article are estimates based on random samples drawn from returns received by the end of April in each of the ten Internal Revenue service centers. (Basically, these are returns filed by the April 17-filing deadline [3].) Returns filed by the filing deadline have, in recent years, represented between 92.6 and 94.6 percent of all returns filed during the processing year (see Figure E). Based

on Internal Revenue Service (IRS) projections of the number of returns to be filed for 1988, it appears that 93.1 percent of all taxpayers filed returns by April 17 this year, as compared to 92.6 percent for Tax Year 1987 [4]. Prior experience suggests that returns filed after April 17 will, on the average, have more income and be more complex than the returns tabulated for this article [5].

CHARACTERISTICS OF RETURNS

As shown in Figure F, the percentage of taxpayers using Form 1040 (the "long form") for 1988 declined slightly to 63.4 percent of all returns from 64.4 percent for 1987, even though the number of Forms 1040 filed increased by more than 1.3 million. This was the second decline (in percentage terms) in Form 1040 usage in as many years, which reverses the upward trend that began with 1981. The number of Forms 1040A and 1040EZ filed - (the "short forms") increased by 6.9 and 6.4 percent, respectively. The increase in the number of Forms 1040A is the first since the introduction of Form 1040EZ in 1982. It is probably related to the increase in the standard deduction, which caused some taxpayers to switch from itemized deductions to the standard deduction, making it unnecessary for them to file Form 1040. The increase in 1040EZ usage is related to the 772,000 additional returns filed by dependents [6].

Figure B
Effective Tax Rates, Tax Years 1987-1988

Tax Rates(%)

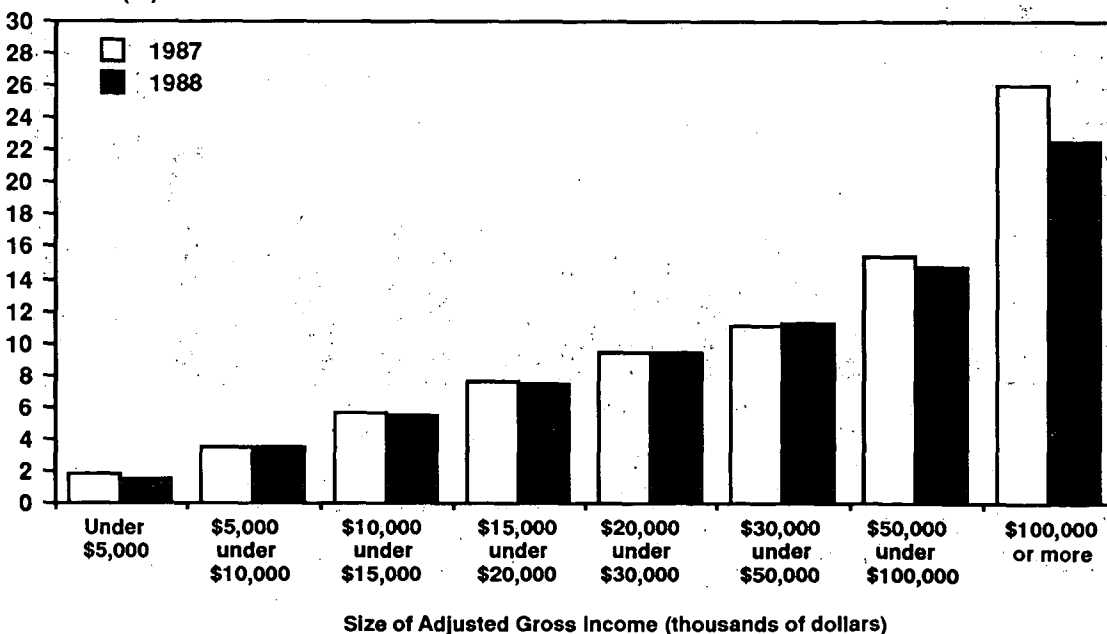


Figure C.—All Returns: Total Income and Total Income Tax, by Size of Total Income, Tax Years 1986, 1987, and 1988

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

Tax year, income and tax items	Total	Number of returns or amounts by size of total income								
		Less than \$1	\$1 under \$5,000	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Tax Year 1988:										
All returns, total	102,228	503	15,122	14,071	12,848	11,006	15,745	18,958	11,622	2,352
Amount of total income ¹	\$2,891,075	\$ - 9,174	\$38,404	\$105,087	\$160,588	\$191,246	\$388,883	\$736,789	\$759,254	\$519,998
Amount of total income tax ²	370,834	*31	588	3,613	8,564	13,933	36,101	81,939	110,591	115,474
Tax as a percentage of total income ..	12.8%	N/A	1.5%	3.4%	5.3%	7.3%	9.3%	11.1%	14.6%	22.2%
Tax Year 1987:										
All returns, total	98,569	551	14,783	14,835	12,764	10,660	15,699	18,229	9,536	1,513
Amount of total income ¹	\$2,501,484	\$ - 15,629	\$37,847	\$110,774	\$158,443	\$185,394	\$389,283	\$705,746	\$618,217	\$311,409
Amount of total income tax ²	314,410	*1	592	3,784	8,901	14,243	36,477	77,094	93,851	79,467
Tax as a percentage of total income ..	12.6%	N/A	1.6%	3.4%	5.6%	7.7%	9.4%	10.9%	15.2%	25.5%
Tax Year 1986:										
All returns, total	96,737	764	14,396	14,817	12,670	10,147	15,617	17,974	8,816	1,535
Amount of total income ¹	\$2,522,389	\$ - 13,090	\$39,682	\$113,646	\$160,917	\$180,099	\$391,186	\$706,243	\$584,220	\$359,490
Amount of total income tax ²	316,304	*368	368	4,114	10,295	14,729	38,017	81,441	85,002	81,970
Tax as a percentage of total income ..	12.5%	N/A	0.9%	3.5%	6.4%	8.2%	9.7%	11.5%	14.5%	22.8%

¹ Total income is computed as the sum of all the sources of income before subtracting statutory adjustments. For Tax Year 1986, excluded amounts of capital gains dividends and unemployment compensation were also added back.

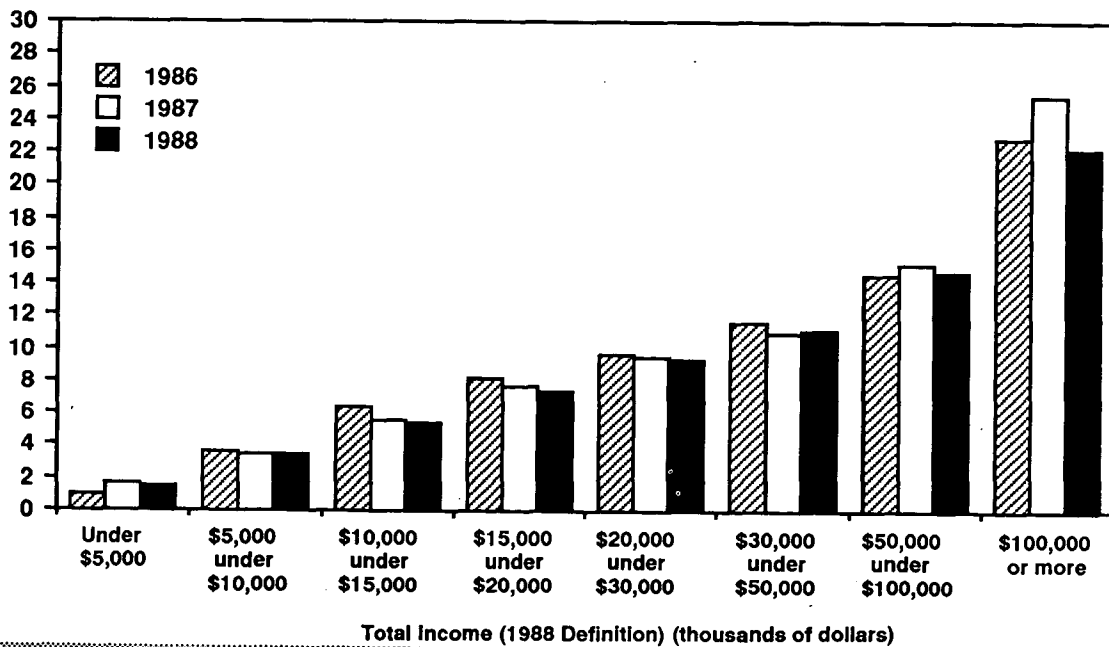
² Total income tax is computed as the sum of income tax after credits and alternative minimum tax, less earned income credit.

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

N/A—Not applicable.

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

Figure D
Effective Tax Rates, Tax Years 1986-1988
Tax Rates(%)



Individual Income Tax Returns, 1988 Taxpayer Usage Study

Figure E.—Number of Returns Filed, Tax Years 1983–1988

[Number of returns in thousands]

Returns filed	Tax year					
	1983	1984	1985	1986	1987	1988
	(1)	(2)	(3)	(4)	(5)	(6)
Returns filed through April of the filing year	90,407	92,611	95,307	96,737	98,569	102,228
Returns filed through December of the filing year	95,564	99,579	102,800	103,424	107,173	109,519 ¹
Returns filed through April as a percentage of returns filed through December	94.6%	93.0%	92.7%	93.5%	92.6%	93.3 ²

¹ The figure for Tax Year 1988 is a projected total by the IRS Research Division of Forms 1040, 1040A, and 1040EZ.

² Estimated on the basis of projections for Tax Year 1988.

Figure F.—Number of Returns Filed, by Form Used, Tax Years 1984–1988

[Number of returns in thousands]

Form used	Tax Year				
	1984	1985	1986	1987	1988
	(1)	(2)	(3)	(4)	(5)
All returns	92,611	95,307	96,737	98,569	102,228
Long form, 1040	57,862	60,677	62,619	63,521	64,847
Short forms, total	34,749	34,629	34,118	35,048	37,381
1040A	18,422	17,926	17,495	17,104	18,284
1040EZ	16,327	16,703	16,623	17,944	19,097
	Percentage of returns				
All returns	100.0%	100.0%	100.0%	100.0%	100.0%
Long form, 1040	62.5	63.7	64.7	64.4	63.4
Short forms, total	37.5	36.3	35.3	35.6	36.6
1040A	19.9	18.8	18.1	17.4	17.9
1040EZ	17.6	17.5	17.2	18.2	18.7

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

As mentioned previously, the total number of returns received by the end of April increased by 3.7 percent for Tax Year 1988. Returns of married taxpayers filing separately and returns of heads of households showed increases that were significantly greater than 3.7 percent (10.3 and 8.8 percent, respectively). In the case of married taxpayers filing separately, this increase may be related to provisions of the Tax Reform Act of 1986. That Act limited deductible medical and dental expenses to the amounts exceeding 7.5 percent of adjusted gross income (AGI), up from 5 percent for 1986, and instituted a floor on deductible business expenses equal to 2 percent of AGI. These provisions may have made it advantageous for some taxpayers eligible for one of these deductions to file separately, thus reducing the amount of AGI used in computing the allowable deductions. The Tax Reform Act also abolished the two-earner deduction, which provided an additional incentive for married couples to file joint returns. For some, the widening of the tax brackets for 1988 removed an additional incentive to file jointly.

TWO-EARNER COUPLES

For Tax Year 1988, about 60 percent of married couples who filed jointly and also had salaries and

wages were two-earner couples, as evidenced by the presence of at least one Form W-2 (Wage and Tax Statement) for each taxpayer. This percentage has declined by 0.5 percentage points for 1987 and 1.2 percentage points since 1986.

The percentage of joint returns with two earners varies widely by income class, ranging from approximately 13 percent for joint returns with no AGI to 74 percent for joint returns with AGI of \$50,000 to \$100,000. For joint returns with AGI \$100,000 and over, two-earner couples as a proportion of all joint returns with Forms W-2 attached drop back to 53 percent.

ADJUSTED GROSS INCOME, SOURCES OF INCOME

Details on the sources of income and adjustments used in the computation of adjusted gross income (AGI) are shown in tables 4 and 5, respectively. AGI increased by \$392 billion, or 15.8 percent, for 1988. Salaries and wages went up by \$233 billion (11.8 percent). Large percentage increases were shown by taxable social security benefits (24.9 percent), dividends (23.6 percent), interest (23.3 percent), and net capital gains less losses (22.4 percent). It should be noted that returns with substantial amounts of

capital gains and losses tend to be filed well after the April filing deadline; thus, it is too early to draw conclusions about capital gains for the year as a whole. For Tax Year 1988, the number of returns showing salaries and wages as a source of income increased by 3.8 percent to 87,464,000. This increase, as well as the decrease in the number of returns showing unemployment compensation (which fell by 15.9 percent to 5,928,000 returns) are both reflections of the economic expansion which took place during 1988.

INDIVIDUAL RETIREMENT ARRANGEMENTS

The Tax Reform Act of 1986 placed substantial limitations on the amount taxpayers could deduct from total income for contributions made to an Individual Retirement Arrangement (IRA). For example, starting with Tax Year 1987, a single taxpayer who made \$35,000 or more and was covered by a private pension plan was no longer able to deduct any of the contributions he or she made to an IRA (although non-deductible contributions were still allowed). For Tax Year 1987, there was a significant decline in the number and amount of IRA deductions claimed. This decline continued for 1988, as returns claiming a deductible IRA fell from 7.2 percent for 1987 to 5.9 percent. The average deduction also declined, from \$1,910 for 1987 to \$1,066 for 1988.

ITEMIZED DEDUCTIONS

The percentage of Forms 1040 showing itemized deductions for 1988 declined to 46.1 percent from 50.7 percent for 1987 (see Figure G). This decline was primarily the result of a significant increase in the size of the standard deduction and a further limitation on the amount of personal interest that could be deducted as an itemized deduction (40 percent). Both of these changes, stemming from the Tax Reform Act of 1986, made it advantageous for some taxpayers to switch from itemized deductions to the standard deduction.

ELECTRONIC RETURNS, PAPER RETURNS WITH OFFICIAL LABELS AND ENVELOPES

For 1988, electronically-filed returns increased to 1.2 million, from 0.6 million for Tax Year 1987. These returns are hard to classify in terms of label usage. Although an electronically filed return cannot have a label "affixed," the taxpayer may have used his or her label on the required Form 8453 (U.S. Individual Income Tax Declaration for Electronic Filing). This information is not available at the time of TPUS processing. Since the preparer of the electronic returns submits Forms 8453 (along with any other non-electronic schedules) in batches, it is unlikely that the official IRS envelope is ever used in connection with electronic returns [7]. Thus, electronic

Figure G.—Percentage of Returns With Itemized Deductions, Tax Years 1979–1988

Tax year	All returns	Form 1040 returns
1979.....	28.9%	49.6%
1980.....	30.6	51.7
1981.....	31.1	52.7
1982.....	34.9	57.4
1983.....	36.0	58.3
1984.....	40.7	65.1
1985.....	37.8	59.4
1986.....	38.4	59.3
1987.....	32.6	50.7
1988.....	29.2	46.1

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

returns have been omitted from the following discussion of label and envelope usage.

For Tax Year 1988, 54.3 percent of all taxpayers who filed non-electronic (i.e., paper) returns used the IRS-provided name and address labels, a slight decrease from 54.9 percent for Tax Year 1987. Of the 54,905,000 labels used, 93.4 percent were unaltered. Only 43.4 percent of returns filed by dependents had an IRS label attached. This was, however, a substantial increase over the 38.8 percent for 1987.

When the official label is used, the IRS transcription operator need not enter the taxpayer's name or address, provided no changes were made to the label, since the information is already on file. Thus, taxpayers who use their official labels help the IRS decrease its processing costs and time and enable it to mail taxpayers their refunds sooner.

Official bar-coded envelope usage for paper returns decreased for 1988 to 64.8 percent, from 65.6 percent for Tax Year 1987 (see Figure H). Use of the official envelope speeds the sorting of returns on route to and after receipt by the IRS service centers.

Figure H.—All Non-Electronic (Paper) Returns: Number With Selected Characteristics, Tax Years 1986–1988

[Number of returns in thousands]

Item	Tax year		
	1986	1987	1988
	(1)	(2)	(3)
All returns, total	96,737	98,569	102,228
Form 1040	62,619	63,521	64,847
Form 1040A	17,495	17,104	18,284
Form 1040EZ	16,623	17,944	19,097
Returns with official IRS label, total	52,651	53,848	54,905
Form 1040	35,140	36,016	35,397
Form 1040A	8,891	8,998	9,762
Form 1040EZ	8,619	8,834	9,746
Returns with official bar-coded envelope, total	54,521	64,317	65,521
Form 1040	31,403	39,992	38,897
Form 1040A	11,844	12,126	13,159
Form 1040EZ	11,275	12,199	13,485

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

The bar codes on the envelopes, representing ZIP Codes and IRS information, allow the Postal Service and the IRS to machine-sort the envelopes, which is faster and less costly than manual mail-sorting procedures.

PAID PREPARERS

For Tax Year 1988, the use of paid tax return preparers increased marginally by 0.3 percentage points to 47.6 percent for 1988 (see Figure 1) [8]. After a 1.7 percentage point increase in the use of paid preparers for 1987 (the first year of tax reform), the use of paid preparers seems to have stabilized. The only form type with an increase in paid preparer usage was Form 1040, which increased by 2.0 percentage points to 67.5 percent. The number of Forms 1040A with a paid preparer signature actually decreased by 2.3 percentage points to 22.2 percent. The 1040EZ returns with paid preparers declined by 0.4 percentage points to 4.3 percent.

Figure 1.—All Returns and Returns with Paid Preparer Signature, Tax Years 1986–1988

(Number of returns in thousands)

Item	Tax year		
	1986	1987	1988
	(1)	(2)	(3)
All returns, total	96,737	98,569	102,228
Form 1040	62,619	63,521	64,847
Form 1040A	17,495	17,104	18,284
Form 1040EZ	16,623	17,944	19,097
Returns with paid-preparer signature, total	44,082	46,635	48,673
Form 1040	39,687	41,595	43,792
Form 1040A	3,794	4,199	4,056
Form 1040EZ	601	841	825

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

DATA SOURCES AND LIMITATIONS

Data for the Taxpayer Usage Study were derived from a daily random sampling of returns as they were received in the ten IRS service center mailrooms from January 3 to April 28, 1989 [9]. Sampling was conducted for each service center at designated rates ranging from 1-in-800 to 1-in-1,300. From January 3, 1989 to February 3, 1989, all returns selected at these rates were included in the sample. Beginning February 4, 1989, all returns with AGI of less than \$100,000 were subsampled at rates ranging from 16-in-100 to 26-in-100. Thus, for returns with incomes under \$100,000 received in February and March, the effective sampling rate was approximately 1-in-5,000 [10]. Beginning April 1, 1989, the subsampling rates were changed again. The new subsampling rates ranged from 8-in-100 to 18-in-100, with an effective sampling rate of approximately 1-in-10,000 for returns with incomes under \$100,000.

The sample size for the entire sampling period from January 3, 1989, to April 28, 1989, was 21,947. The total number of returns selected with incomes \$100,000 and above was 2,219. Examined by sampling period, 6,209 returns were selected during January; 8,316 were selected during February and March; and 7,422 were selected during April. Of the high income returns, 11 were selected for the first period, 189 for the second, and 2,019 for the third period.

"Theoretical" weights (i.e., the inverse of the sampling rates) were used for the high income returns. The 1040 low income weights were then computed by subtracting the weighted 1040 high income population from the total 1040 population, and dividing the result by the low income sample size. The 1040A and 1040EZ weights were computed by dividing the sample size into the population. These computations were made separately for each type of return for each service center for each sampling period. The result was weights ranging from a low of 789 to a high of 2,070 for returns sampled during the first sampling period. (High income returns were selected at the same rate as low income returns during this period and thus received the same weight.) For the second sampling period, the weights for low income returns ranged from a low of 4,204 to a high of 8,263. The weights for high income returns ranged from a low of 800 to a high of 1,300. For the final sampling period, the weights for low income returns ranged from a low of 5,387 to a high of 15,182. The weights for high income returns ranged from a low of 800 to a high of 1,300. The weights for electronically filed returns ranged from a low of 1,200 to a high of 1,506 for returns sampled during the first sampling period. (As done with paper returns, high income returns were selected at the same rate as low income returns during this period and thus received the same weight.) For the second sampling period, the weights for low income returns ranged from a low of 3,773 to a high of 8,098. The weights for high income returns for this sampling period and the last period ranged from a low of 1,200 to a high of 1,300. For the final sampling period, the weights for low income returns ranged from a low of 20,967 to a high of 31,467. Since the data presented in this article are estimates based on a sample, they are subject to sampling, as well as nonsampling, error. Nonsampling error may be higher for TPUS than for other Statistics of Income (SOI) data because the sampled returns had not yet been subjected to any of the regular IRS or SOI processing steps which would have corrected many taxpayer errors. After the returns were added to the TPUS database, they were computer-tested for internal consistency, and some of the more obvious taxpayer omissions were corrected (such as when the taxpayer failed to fill in an amount for total income, but

carried the correct figure forward to AGI, without any of the reductions for statutory adjustments). However, no attempt was made to force-balance a return when the taxpayer had made mathematical errors.

Comparisons of TPUS data for 1988 with those for 1987 are also affected by a change in the presentation of data on "IRS compute" returns. Taxpayers have the option of requesting the Internal Revenue Service (IRS) to compute their tax and refund or balance due. These computations were not reflected in the 1987 TPUS. Such returns were therefore counted as returns with no tax, refund, or balance due. However, in the 1988 TPUS, tax, refund, and balance due computations for returns of this nature are included in the statistics.

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

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

Figure K.—Coefficients of Variation for Frequency Estimates, Tax Year 1988¹

Estimated number of returns	Approximate coefficient of variation
38,000,000	0.02
6,100,000	0.05
1,500,000	0.10
380,000	0.20
170,000	0.30
120,000	0.35
61,000	0.50

¹ Not to be used with money amount estimates.

NOTES AND REFERENCES

- [1] Average tax was computed by dividing total income tax by total number of returns, whether or not the returns had any total income tax. If only "taxable" returns had been used in this computation, the average would be higher (\$4,472).
- [2] For purposes of this comparison, total income for 1986 was recomputed to approximate the concept in effect for 1987 and 1988, by adding back excluded amounts of capital gains, dividends, and unemployment compensation. It should be noted that the use of an income concept from which Keogh and IRA contributions have not been deducted results in some double counting, since amounts withdrawn from these accounts at a later date are again included in gross income. However, because of the vast changes in the rules governing IRA deductions from 1986 to 1987, it was deemed appropriate to abstract from these definitional changes.

Figure J.—Comparison of Taxpayer Usage Study (TPUS) Data and Statistics of Income (SOI) Data, Tax Year 1987

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

Items	1987 TPUS	1987 SOI	Difference	Percentage difference
	(1)	(2)	(3)	(4)
All returns	98,569	106,996	8,427	8.5%
Adjusted gross income	\$2,474,879	\$2,773,824	\$298,945	12.1
Individual retirement arrangement adjustment:				
Number of returns.....	7,087	7,319	232	3.3
Amount	\$13,539	\$14,066	\$527	3.9
Itemized deductions:				
Number of returns.....	32,179	35,628	3,449	10.7
Amount	\$328,426	\$392,020	\$63,594	19.4
Total tax:				
Number of returns.....	84,257	90,770	6,513	7.7
Amount	\$326,000	\$385,540	\$59,540	18.3

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

Individual Income Tax Returns, 1988 Taxpayer Usage Study

- [3] For Tax Year 1988, the usual filing deadline of April 15 fell on a Saturday; thus, the filing deadline was automatically extended to the following business day--April 17.
- [4] As of September 1989, the IRS projected that 109.8 million individual income tax returns for Tax Year 1988 will be filed by the end of 1989. Because of year-to-year changes in the percentage of returns that are filed by April 15, it may be difficult to project total frequencies and amounts for the year from the data presented. However, based on previous experience ratios and averages from the 1987 and 1988 TPUS reports are expected to be very close to final data for those 2 years.
- [5] Taxpayers could legitimately file after April 17 if:
- they lived outside of the United States and Puerto Rico and their main place of business or military post of duty was outside the United States and Puerto Rico (permitted an automatic extension to June 15th);
 - they filed a Form 4868 for an automatic extension of the filing deadline, paying the estimated balance due with the Form 4868 (permitted an automatic extension to August 15th); or
 - they filed a Form 2688 for an additional extension of filing deadline (a Form 2688 is generally filed if the automatic extensions are not sufficient).
- [6] The increase in returns filed by dependents may be the result of provisions in the 1986 Act that required dependents to file a return if their income was more than \$500 and they had any unearned income, or if their earned income alone was more than \$3,000. Prior to 1987, dependents generally had to file only if they had \$1,080 or more of unearned income, or \$3,560 or more of total income.
- [7] U.S. Department of Treasury, Internal Revenue Service, Publication 1345 (Rev. 10-88), *Revenue Procedure for Electronic Filing of Individual Income Tax Returns (Tax Year 1988)*.
- [8] Electronically filed returns are often processed through paid preparers, but it is not necessary for a taxpayer to have his or her return prepared by a paid preparer. There is a form which accompanies an electronically filed return entitled "Summary of Preparer Info." If the return was professionally prepared, the name of the paid preparer will be listed there, and the return will be classified as having a paid preparer signature.
- [9] In addition to the sample drawn from the mail room receipts, a separate sample was drawn from the electronically-transmitted returns which were filed in the IRS Cincinnati and Ogden Service Centers. These returns were sampled at the corresponding rates for those service centers.
- [10] Example of calculation of the effective sampling rate:
- $$\begin{aligned} \text{Sampling rate} &= 1/800 \\ \text{Subsampling rate} &= 16/100 \\ \text{Effective sampling rate: } &(1/800) \times (16/100) = \\ &1/5,000 \end{aligned}$$

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

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

Type of return, marital status	Total	Number of returns by size of adjusted gross income								
		No adjusted gross income ¹	\$1 under \$5,000	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns, total	102,228	488	15,170	14,125	13,038	11,093	15,840	18,676	11,524	2,273
Returns of single persons.....	44,824	189	12,729	9,089	6,664	5,225	5,891	3,862	928	249
Joint returns of husbands and wives.....	45,266	256	1,104	2,526	3,838	3,852	7,914	13,498	10,308	1,970
Separate returns of husbands and wives.....	1,616	*16	165	292	339	196	337	194	*57	20
Returns of heads of households.....	10,456	*27	1,165	2,206	2,184	1,809	1,697	1,109	231	29
Returns of surviving spouses.....	*66	—	*8	*12	*13	*11	*1	*14	—	*6
Form 1040 returns, total	64,847	444	4,932	6,466	6,508	5,953	10,639	16,279	11,355	2,273
Returns of single persons.....	20,586	164	3,733	3,794	2,833	2,268	3,440	3,198	908	249
Joint returns of husbands and wives.....	38,167	248	748	1,798	2,731	2,711	5,858	11,947	10,158	1,970
Separate returns of husbands and wives.....	1,100	*16	*97	*94	196	*143	290	187	*57	20
Returns of heads of households.....	4,943	*16	354	774	735	821	1,050	933	231	29
Returns of surviving spouses.....	*52	—	—	*6	*13	*11	*1	*14	—	*8
Form 1040A returns, total	18,284	*29	2,939	3,312	3,497	2,871	3,452	2,014	170	—
Returns of single persons.....	5,142	*10	1,697	948	798	688	702	280	*19	—
Joint returns of husbands and wives.....	7,098	*9	356	727	1,107	1,141	2,055	1,552	150	—
Separate returns of husbands and wives.....	516	—	*67	198	*143	*53	*47	*7	—	—
Returns of heads of households.....	5,514	*10	811	1,432	1,449	989	647	175	—	—
Returns of surviving spouses.....	*14	—	*8	*6	—	—	—	—	—	—
Form 1040EZ returns, total ²	19,097	*16	7,299	4,348	3,034	2,269	1,748	384	—	—
Returns of single persons.....	19,097	*16	7,299	4,348	3,034	2,269	1,748	384	—	—

¹ Includes returns with negative adjusted gross income.
² Form 1040EZ returns could be filed by single persons only.
 * Estimate should be used with caution because of the small number of sample returns on which it is based.
 NOTE: Detail may not add to totals because of rounding.

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

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

Type of return, total income tax ¹	Total	Number of returns by size of adjusted gross income								
		No adjusted gross income ²	\$1 under \$5,000	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns, total	102,228	488	15,170	14,125	13,038	11,093	15,840	18,676	11,524	2,273
Number with total income tax.....	82,921	—	5,221	9,162	9,996	10,504	15,632	18,619	11,515	2,272
Number with no total income tax.....	19,307	488	9,949	4,963	3,042	589	208	*57	*9	*1
Form 1040 returns, total	64,847	444	4,932	6,466	6,508	5,953	10,639	16,279	11,355	2,273
Number with total income tax.....	56,184	—	1,715	3,679	5,031	5,487	10,433	16,222	11,346	2,272
Number with no total income tax.....	8,664	444	3,217	2,787	1,477	466	207	*57	*9	*1
Form 1040A returns, total	18,284	*29	2,939	3,312	3,497	2,871	3,452	2,014	170	—
Number with total income tax.....	12,368	—	916	1,138	1,931	2,748	3,451	2,014	170	—
Number with no total income tax.....	5,916	*29	2,023	2,174	1,565	*123	*1	—	—	—
Form 1040EZ returns, total ²	19,097	*16	7,299	4,348	3,034	2,269	1,748	384	—	—
Number with total income tax.....	14,370	—	2,590	4,346	3,034	2,269	1,748	384	—	—
Number with no total income tax.....	4,727	*16	4,709	*2	—	—	—	—	—	—

¹ Total income tax is computed as the sum of income tax after credits and alternative minimum tax, less earned income credit (which was treated as a payment on the income tax return).
² Includes returns with negative adjusted gross income.
 * Estimate should be used with caution because of the small number of sample returns on which it is based.
 NOTE: Detail may not add to totals because of rounding.

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

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

Type of return, total income tax status ¹	Total	Number of returns by size of total income ²								
		No total income ³	\$1 under \$5,000	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns, total	102,228	503	15,122	14,071	12,848	11,006	15,745	18,958	11,622	2,352
Number with total income tax	82,921	*20	5,221	9,083	9,830	10,384	15,526	18,894	11,613	2,351
Number with no total income tax	19,307	483	9,902	4,989	3,018	622	219	*64	*9	*1
Form 1040 returns, total	64,847	459	4,891	6,410	6,365	5,876	10,510	16,532	11,452	2,352
Number with total income tax	56,184	*20	1,715	3,600	4,912	5,382	10,293	16,468	11,443	2,351
Number with no total income tax	8,664	439	3,176	2,810	1,453	495	217	*64	*9	*1
Form 1040A returns, total	18,284	*29	2,933	3,314	3,449	2,861	3,486	2,042	170	—
Number with total income tax	12,368	—	916	1,138	1,884	2,733	3,485	2,042	170	—
Number with no total income tax	5,916	*29	2,016	2,176	1,565	*127	*1	—	—	—
Form 1040EZ returns, total	19,097	*16	7,299	4,348	3,034	2,269	1,748	384	—	—
Number with total income tax	14,370	—	2,590	4,346	3,034	2,269	1,748	384	—	—
Number with no total income tax	4,727	*16	4,709	*2	—	—	—	—	—	—

¹ Total income tax is computed as the sum of income tax after credits and alternative minimum tax, less earned income credit (which was treated as a payment on the income tax return).² The sum of all sources of income less loss, before reduction by statutory adjustments.³ Includes returns with negative total income.

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

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

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

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

Size of adjusted gross income	Total income ¹		Salaries and wages		Taxable interest		Tax-exempt interest ²	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total.....	102,228	2,891,075	87,464	2,206,950	65,477	168,066	3,451	26,607
No adjusted gross income ³	488	* -8,787	118	1,363	254	854	*5	*10
\$1 under \$5,000.....	15,170	38,768	12,406	31,411	6,327	4,251	77	123
\$5,000 under \$10,000.....	14,125	105,905	11,078	76,304	6,301	11,775	91	234
\$10,000 under \$15,000.....	13,038	163,949	10,560	122,140	6,778	16,027	91	160
\$15,000 under \$20,000.....	11,093	194,457	9,526	154,723	6,504	12,188	144	282
\$20,000 under \$30,000.....	15,840	395,377	14,183	327,594	10,648	18,662	467	1,747
\$30,000 under \$50,000.....	18,676	731,292	17,162	611,962	15,499	35,105	926	4,708
\$50,000 under \$100,000.....	11,524	758,318	10,576	608,936	10,930	35,855	1,021	7,448
\$100,000 or more.....	2,273	511,796	1,855	272,518	2,235	33,350	628	11,895

Size of adjusted gross income	Dividends		Taxable refunds of State and local income taxes		Alimony received		Business net income	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All returns, total.....	21,282	63,015	18,612	10,595	400	2,593	11,935	110,628
No adjusted gross income ³	*78	*161	*26	*42	—	—	*69	*437
\$1 under \$5,000.....	1,534	1,180	*131	*34	*19	*25	705	1,387
\$5,000 under \$10,000.....	1,392	2,124	348	68	*44	*197	1,007	4,608
\$10,000 under \$15,000.....	1,525	2,257	673	221	*71	*306	936	5,953
\$15,000 under \$20,000.....	1,489	3,215	1,122	259	*92	*424	1,014	8,103
\$20,000 under \$30,000.....	2,895	4,809	2,844	798	*64	*399	1,532	13,853
\$30,000 under \$50,000.....	5,355	11,278	6,615	2,425	*77	*315	1,871	21,165
\$50,000 under \$100,000.....	5,415	16,293	5,713	3,233	*23	*141	1,510	26,349
\$100,000 or more.....	1,598	21,898	1,141	3,514	*9	*786	501	39,869

Size of adjusted gross income	Business net loss		Sales of capital assets from Schedule D				Capital gain distributions	
	Number of returns	Amount	Net capital gain		Net capital loss		Number of returns	Amount
			Number of returns	Amount	Number of returns	Amount		
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	
All returns, total.....	2,791	11,096	7,863	96,294	4,006	6,981	1,581	1,103
No adjusted gross income ³	164	2,253	*80	777	*68	*122	—	—
\$1 under \$5,000.....	*92	*648	304	204	269	335	*93	*15
\$5,000 under \$10,000.....	244	681	461	1,626	255	425	*110	*66
\$10,000 under \$15,000.....	267	595	481	1,207	271	470	108	85
\$15,000 under \$20,000.....	207	1,225	602	2,164	175	292	*85	*16
\$20,000 under \$30,000.....	440	1,130	1,071	3,326	563	951	212	*49
\$30,000 under \$50,000.....	691	2,011	1,744	6,989	975	1,762	460	258
\$50,000 under \$100,000.....	562	1,590	2,131	22,010	1,027	1,798	448	247
\$100,000 or more.....	124	964	989	57,992	402	826	*65	367

Size of adjusted gross income	Other gain less loss		Schedule E income less loss ⁴		Taxable IRA distributions ⁵		
	Number of returns	Amount	Number of returns	Amount	Number of returns	Total distributions	Taxable Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)
All returns, total.....	1,625	1,705	12,979	60,182	2,572	15,681	11,185
No adjusted gross income ³	*46	*-917	*140	*-1,398	—	—	—
\$1 under \$5,000.....	*34	*-137	481	-152	*29	*12	*55
\$5,000 under \$10,000.....	*113	*-686	897	843	238	771	626
\$10,000 under \$15,000.....	*137	*165	952	865	309	1,828	790
\$15,000 under \$20,000.....	*127	*150	859	576	239	1,568	668
\$20,000 under \$30,000.....	198	452	1,704	-407	541	2,787	2,165
\$30,000 under \$50,000.....	330	217	3,032	1,719	583	2,544	2,300
\$50,000 under \$100,000.....	389	804	3,468	2,687	527	3,837	3,156
\$100,000 or more.....	251	1,655	1,446	55,451	105	2,334	1,426

Footnote(s) at end of table.

Individual Income Tax Returns, 1988 Taxpayer Usage Study

Table 4. (Continued)—All Returns: Adjusted Gross Income and Sources of Income, by Size of Adjusted Gross Income

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

Size of adjusted gross income	Taxable pensions and annuities			Farm net income		Farm net loss	
	Number of returns	Total pensions	Taxable pensions	Number of returns	Amount	Number of returns	Amount
	(32)	(33)	(34)	(35)	(36)	(37)	(38)
All returns, total	14,867	264,049	125,350	1,072	10,817	1,197	8,396
No adjusted gross income ³	*29	*327	*318	*23	*178	*93	*1,311
\$1 under \$5,000.....	596	1,318	1,363	*129	*157	*43	*420
\$5,000 under \$10,000.....	1,856	8,066	8,117	*98	*246	153	629
\$10,000 under \$15,000.....	2,198	11,998	13,629	*130	*571	*145	*1,202
\$15,000 under \$20,000.....	1,580	11,736	11,135	*125	*725	*115	*633
\$20,000 under \$30,000.....	2,476	22,888	21,637	*136	*1,205	247	974
\$30,000 under \$50,000.....	3,244	37,782	27,694	289	3,438	229	1,104
\$50,000 under \$100,000.....	2,394	139,774	29,674	*112	*2,148	*130	*1,371
\$100,000 or more.....	493	30,162	11,784	30	2,147	42	753

Size of adjusted gross income	Other income less loss		Unemployment compensation		Taxable social security benefits		
	Number of returns	Amount	Number of returns	Amount	Number of returns	Total benefits	Taxable benefits
	(44)	(45)	(39)	(40)	(41)	(42)	(43)
All returns, total	6,868	13,256	5,928	10,656	3,881	35,824	14,616
No adjusted gross income ³	*129	*-6,945	—	—	*17	*89	*43
\$1 under \$5,000.....	381	123	251	274	*9	*43	*1
\$5,000 under \$10,000.....	329	204	854	1,382	*6	*75	*34
\$10,000 under \$15,000.....	540	798	812	1,394	*15	*268	*15
\$15,000 under \$20,000.....	524	829	792	1,428	*18	*170	*18
\$20,000 under \$30,000.....	984	1,432	1,267	2,296	558	5,237	884
\$30,000 under \$50,000.....	1,705	2,841	1,278	2,216	1,776	15,035	6,147
\$50,000 under \$100,000.....	1,649	4,503	649	1,591	1,140	10,910	5,475
\$100,000 or more.....	626	9,472	24	75	341	3,996	2,000

¹ The sum of all sources of income less loss, before reduction by statutory adjustments.
² Not included in total income (columns 1 and 2).
³ Includes returns with negative adjusted gross income.
⁴ Rent, royalty, partnership, S Corporation, and estate or trust net income less loss.
⁵ IRA—individual retirement arrangement.
* Estimate should be used with caution because of the small number of sample returns on which it is based.
NOTE: Detail may not add to totals because of rounding.

Table 5.—All Returns: Total Income, Statutory Adjustments, and Adjusted Gross Income, by Size of Adjusted Gross Income

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

Size of adjusted gross income	Total income ¹		Statutory adjustments, total		Reimbursed employee business expenses		Payments to an individual retirement arrangement	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	102,228	2,891,075	10,235	25,208	1,347	3,276	5,993	6,389
No adjusted gross income ²	488	-8,787	*23	*30	—	—	*10	*20
\$1 under \$5,000.....	15,170	38,768	173	277	—	—	*54	*20
\$5,000 under \$10,000.....	14,125	105,905	393	326	*8	*22	*152	*16
\$10,000 under \$15,000.....	13,038	163,949	784	1,015	*70	*94	377	231
\$15,000 under \$20,000.....	11,093	194,457	1,170	1,598	*104	*197	719	286
\$20,000 under \$30,000.....	15,840	395,377	2,076	3,840	205	440	1,418	1,088
\$30,000 under \$50,000.....	18,676	731,292	3,056	5,936	342	834	2,194	2,601
\$50,000 under \$100,000.....	11,524	758,318	1,878	6,165	521	1,262	791	1,418
\$100,000 or more.....	2,273	511,796	683	6,020	96	427	277	709

Size of adjusted gross income	Self-employed health insurance deduction		Keogh retirement plan and self-employed deduction		Penalty on early withdrawal of savings		Alimony paid		Adjusted gross income or deficit	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Total	1,745	790	721	5,613	912	221	545	3,246	102,228	2,866,615
No adjusted gross income ²	*18	*10	—	—	*7	(³)	—	—	488	-8,817
\$1 under \$5,000.....	*57	*35	—	—	*45	*22	*20	*74	15,170	38,491
\$5,000 under \$10,000.....	*150	*37	*6	*3	*67	*9	*17	*27	14,125	105,524
\$10,000 under \$15,000.....	191	77	*18	*2	*147	*36	*31	*152	13,038	163,156
\$15,000 under \$20,000.....	285	120	*17	*41	*89	*11	*37	*107	11,093	192,858
\$20,000 under \$30,000.....	332	144	*77	*153	*146	*28	*85	*434	15,840	392,095
\$30,000 under \$50,000.....	380	181	*94	*226	231	40	*99	*373	18,676	725,355
\$50,000 under \$100,000.....	185	88	294	1,534	158	56	187	1,152	11,524	752,177
\$100,000 or more.....	148	99	214	3,655	24	19	69	929	2,273	505,776

¹ The sum of all sources of income less loss, before reduction by statutory adjustments.
² Includes returns with negative adjusted gross income.
³ Less than \$500,000.
* Estimate should be used with caution because of the small number of sample returns on which it is based.
NOTE: Detail may not add to total because of rounding.

Table 6.—All Returns: Selected Deduction, Tax, and Payment Items by Size of Adjusted Gross Income

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

Size of adjusted gross income	Adjusted gross less deficit		Itemized deductions		Standard deductions		Exemptions	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total.....	102,228	286,615	29,878	358,596	71,533	272,616	92,798	204,635
No adjusted gross income ¹	488	-8,817	*53	*589	427	1,731	456	884
\$1 under \$5,000.....	15,170	38,491	208	1,598	14,817	39,153	7,504	11,216
\$5,000 under \$10,000.....	14,125	105,524	622	4,119	13,308	49,400	12,777	20,676
\$10,000 under \$15,000.....	13,038	163,156	1,085	9,163	11,783	46,548	12,764	23,302
\$15,000 under \$20,000.....	11,093	192,858	1,646	12,732	9,356	37,444	11,037	22,106
\$20,000 under \$30,000.....	15,840	392,095	4,199	32,892	11,541	49,120	15,803	35,473
\$30,000 under \$50,000.....	18,676	725,355	10,122	92,152	8,474	39,634	18,676	50,158
\$50,000 under \$100,000.....	11,524	752,177	9,764	129,576	1,734	8,914	11,512	34,173
\$100,000 or more.....	2,273	505,776	2,179	75,777	93	672	2,268	6,646

Size of adjusted gross income	Taxable income		Income tax before credits		Child care credits		Total tax credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All returns, total.....	85,823	1,898,083	85,864	376,439	7,095	3,604	9,180	5,690
No adjusted gross income ¹	—	—	*34	*86	—	—	*34	*86
\$1 under \$5,000.....	5,242	3,844	5,259	599	*64	*13	*109	*24
\$5,000 under \$10,000.....	9,914	25,242	9,925	3,827	410	112	319	112
\$10,000 under \$15,000.....	11,748	65,918	11,748	9,900	402	261	929	482
\$15,000 under \$20,000.....	10,774	101,061	10,772	15,106	626	451	1,109	510
\$20,000 under \$30,000.....	15,719	241,944	15,706	37,702	1,226	782	1,615	873
\$30,000 under \$50,000.....	18,649	496,048	18,643	83,160	2,693	1,234	2,794	1,546
\$50,000 under \$100,000.....	11,506	547,613	11,506	111,613	1,587	659	1,816	1,198
\$100,000 or more.....	2,271	416,414	2,271	114,447	178	92	364	805

Size of adjusted gross income	Income tax after credits ²		Alternative minimum tax		Total tax ³		Income tax withheld	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All Returns, total.....	85,420	371,769	*57	*539	87,453	387,620	87,806	324,660
No adjusted gross income ¹	—	—	—	—	158	269	*95	*186
\$1 under \$5,000.....	5,265	595	—	—	5,989	860	11,296	2,456
\$5,000 under \$10,000.....	9,787	3,762	*7	*8	10,430	4,489	10,961	6,793
\$10,000 under \$15,000.....	11,621	9,639	—	—	11,894	10,556	10,930	12,754
\$15,000 under \$20,000.....	10,697	14,655	—	—	10,822	15,996	9,794	17,875
\$20,000 under \$30,000.....	15,646	36,829	—	—	15,736	39,094	14,555	42,065
\$30,000 under \$50,000.....	18,626	81,747	—	—	18,637	85,257	17,491	86,574
\$50,000 under \$100,000.....	11,506	110,832	*20	*72	11,515	114,847	10,811	97,271
\$100,000 or more.....	2,271	113,710	29	459	2,272	116,252	1,873	58,687

Size of adjusted gross income	Earned income credit ⁴		Total income tax ⁵		Amount overpaid		Tax due at time of filing	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
All returns, total.....	10,266	5,587	82,921	370,834	74,689	69,757	24,832	55,172
No adjusted gross income ¹	*22	*15	—	—	*142	*161	*95	*143
\$1 under \$5,000.....	1,494	601	5,221	588	11,157	2,855	2,565	381
\$5,000 under \$10,000.....	2,855	2,372	9,162	3,647	10,778	6,322	2,525	889
\$10,000 under \$15,000.....	3,460	2,055	9,996	8,757	10,215	7,200	2,706	1,275
\$15,000 under \$20,000.....	2,415	439	10,504	14,279	8,816	6,183	2,243	1,546
\$20,000 under \$30,000.....	*12	*9	15,632	36,821	12,103	10,465	3,725	3,069
\$30,000 under \$50,000.....	—	—	18,619	81,762	13,931	17,744	4,736	6,604
\$50,000 under \$100,000.....	*8	*95	11,515	110,809	6,741	12,719	4,775	12,365
\$100,000 or more.....	—	—	2,272	114,169	805	6,107	1,464	28,898

¹ Includes returns with negative adjusted gross income.
² Income tax before credits less child and dependent care, elderly or disabled, foreign tax, general business and prior year minimum tax credits. Earned income credit has not been subtracted.
³ Total tax is the sum of income tax after credits, self-employment tax, alternative minimum tax, tax from recapture of investment credit, social security tax on tip income not reported to employer and tax on an IRA. (Income tax after credits was computed without regard to the earned income credit).
⁴ Includes returns with amounts used to reduce "total" tax to zero and returns with refundable amounts (where the credit exceeded "total tax").
⁵ Income tax after credits plus alternative minimum tax, less earned income credit (which was treated as a payment on the income).
 NOTE: Detail may not add to total because of rounding.
^{*} Estimate should be used with caution because of the small number of sample returns on which it is based.

Individual Income Tax Returns, 1988 Taxpayer Usage Study

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

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

Number by size of itemized deductions	Total	Number of returns by size of adjusted gross income								
		No adjusted gross income ¹	\$1 under \$5,000	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Form 1040 returns, total	64,847	444	4,932	6,466	6,508	5,953	10,639	16,279	11,355	2,273
With itemized deductions:										
Number of returns.....	29,878	*53	208	622	1,085	1,646	4,199	10,122	9,764	2,179
Total amount.....	358,596	589	1,598	4,119	9,163	12,732	32,892	92,152	129,576	75,777
Number of returns by size of itemized deductions:										
\$1 under \$500.....	*18	—	*8	—	—	*10	—	—	—	—
\$500 under \$1,000.....	1,196	*38 ²	1,025	*70	*47	—	*6	—	—	*2
\$1,000 under \$1,500.....	195	—	177	*10	—	—	*8	—	—	—
\$1,500 under \$2,000.....	277	—	243	*27	—	*7	—	—	—	—
\$2,000 under \$3,500.....	9,764	*92 ²	1,684	2,035	1,596	1,459	1,817	981	*86	15
\$3,500 under \$5,000.....	8,705	*49 ²	912	2,195	1,590	1,252	1,451	1,049	189	18
\$5,000 under \$7,500.....	25,350	238 ²	733	1,877	2,805	2,608	5,709	8,439	2,805	136
\$7,500 under \$10,000.....	6,218	*8 ²	*32	*98	197	344	819	2,681	1,937	102
\$10,000 under \$15,000.....	6,847	*6 ²	*27	*59	*115	*146	528	2,296	3,385	283
\$15,000 under \$25,000.....	4,269	*14 ²	—	*22	*86	*96	258	721	2,438	633
\$25,000 under \$50,000.....	1,329	—	*11	*1	*24	*17	*14	*74	450	739
\$50,000 or more.....	382	—	—	—	—	—	—	*8	*30	344
Without itemized deductions.....	34,970	391	4,723	5,844	5,423	4,306	6,441	6,156	1,591	94

¹ Includes returns with negative adjusted gross income.² Some taxpayers filed a Schedule A (Itemized Deductions) for use in computing their alternative minimum tax, even though their adjusted gross income and, therefore, their taxable income was equal to zero.

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

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

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

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

Number of returns with Form W-2, type of return	Total	Number of returns by size of adjusted gross income								
		No adjusted gross income ¹	\$1 under \$5,000	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns, total	102,228	488	15,170	14,125	13,038	11,093	15,840	18,676	11,524	2,273
Forms W-2 attached, total.....	166,737	186	22,414	21,242	18,765	16,297	25,771	35,133	23,399	3,531
Number of returns with a W-2 attached.....	86,172	*136	12,089	10,767	10,339	9,414	14,038	17,047	10,502	1,840
Number of returns by number of forms W-2 attached:										
One.....	39,810	*97	5,917	5,125	5,721	5,588	7,528	6,534	2,560	742
Two or more for same taxpayer.....	23,396	*28	6,083	5,231	3,786	2,575	2,640	2,052	780	220
Two or more for different taxpayers ²	22,967	*89	411	833	1,251	3,871	8,461	7,162	879	—
Form W-2 not attached.....	16,056	352	3,081	3,358	2,699	1,679	1,802	1,629	1,023	433
Married filing jointly	45,266	256	1,104	2,526	3,838	3,852	7,914	13,498	10,308	1,970
Forms W-2 attached, total.....	86,067	*116	1,164	3,103	5,507	6,244	15,561	28,823	22,240	3,310
Number of returns with a W-2 attached.....	38,201	*83	552	1,452	2,618	2,870	6,753	12,561	9,639	1,673
Number of returns by number of forms W-2 attached:										
One.....	11,520	*61	289	685	1,241	1,217	2,228	3,258	1,928	613
Two or more for same taxpayer.....	3,714	*11	174	357	544	402	654	842	549	181
Two or more for different taxpayers ²	22,911	*89	411	833	1,251	3,871	8,461	7,162	879	—
Form W-2 not attached.....	7,064	173	552	1,073	1,220	982	1,161	937	669	296

¹ Includes returns with negative adjusted gross income.² Even if each spouse on a joint return had two or more Forms W-2, the return was counted only once in the statistics for "two or more different taxpayers."

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

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

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

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

Form or schedule	Total	Number of returns by size of adjusted gross income								
		No adjusted gross income ¹	\$1 under \$5,000	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Forms 1040, total	64,847	444	4,932	6,466	6,508	5,953	10,639	16,279	11,355	2,273
A Itemized Deductions.....	30,616	*53	272	695	1,185	1,733	4,405	10,309	9,780	2,183
B Interest and Dividends Income.....	32,907	185	2,141	3,006	3,107	2,560	4,523	7,605	7,663	2,118
C Profit (or loss) from Business.....	11,989	240	790	1,242	1,211	1,202	1,983	2,606	2,083	631
D Capital Gains or Loss.....	12,236	*148	584	757	794	823	1,643	2,828	3,222	1,437
E Supplemental Income Schedule.....	13,204	*146	490	911	988	848	1,694	3,118	3,517	1,491
F Farm Income and Expenses.....	2,283	*122	178	256	282	232	389	499	257	70
R/RP Credit for the Elderly or the Disabled.....	392	*17	*32	208	*71	*34	*18	—	*13	—
SE Social Security Self-Employment Tax.....	10,383	*131	748	1,157	1,073	1,162	1,663	2,171	1,688	592
1116 Computation of Foreign Tax Credit.....	498	—	*15	*9	*16	*35	*74	*73	150	126
2106 Employee Business Expenses.....	4,615	*10	*14	*39	*129	243	595	1,463	1,757	365
2119 Sale of Your Home.....	1,908	—	*76	*50	183	*90	210	529	606	164
2120 Multiple Support										
2210 Declaration/Underpayment of Tax by Individuals and Fiduciaries.....	4,208	—	*99	225	286	386	636	819	1,180	578
2439 Notice to Shareholders of Undistributed Long-Term Capital Gains.....	*22	—	—	*11	—	*6	—	—	—	*5
2441 Credit for Child Care and Dependent Care Expenses.....	6,010	—	*13	*74	242	502	997	2,400	1,601	181
2555 Foreign Earned Income.....	*19	*11	—	—	—	—	—	*7	—	*1
3468 Computation of Investment Credit.....	*92	—	—	—	*18	—	*6	*21	*27	20
3800 General Business Credit.....	423	*42	*21	*74	*63	*51	*77	*52	*26	17
3903 Moving Expenses.....	835	—	*9	*20	—	*24	*106	220	375	79
3903F Foreign Moving Expenses.....	*33	—	—	—	*7	—	*11	—	*10	*5
4136 Computation of Credit for Federal Tax on Fuels.....	1,117	*82	*105	*92	160	*122	173	258	*100	25
4137 Computation of Social Security Tax on Unreported Tip Income.....	167	—	*22	*25	*25	*26	*36	*25	*6	*1
4255 Recapture of Investment Credit.....	287	—	*17	*10	*24	*19	*30	*42	*73	72
4562 Depreciation and Amortization.....	12,523	207	549	899	1,055	1,067	1,823	3,064	2,807	1,052
4684 Casualties and Theft.....	156	—	*6	*11	*10	*7	*38	*47	*23	13
4797 Sales of Business Property.....	3,210	*88	*45	218	201	217	351	610	977	502
4835 Farm Rental Income and Expenses.....	546	*6	*24	*81	*49	*63	*46	154	*94	29
4868 Application for Automatic Extension of Time to File.....	*57	—	—	—	*7	—	—	*29	—	12
4952 Investment Interest Expense Deduction.....	1,502	—	*18	*52	*32	*117	229	563	474	174
4970 Tax on Accumulation Distribution of Trusts..	*19	—	—	—	—	*8	—	—	*11	—
4972 Tax on Lump Sum Distributions.....	183	—	*1	*30	*19	—	*16	*69	*34	13
5329 Return for Individual Retirement Arrangement and Qualified Retirement Taxes.....	2,091	—	*6	*69	*94	*111	429	685	598	99
5695 Residential Energy Credit.....	*6	—	—	—	—	—	—	*6	—	—
5884 Jobs Credit.....	*13	—	—	—	—	—	*1	—	—	12
6249 Windfall Profit Tax Credit.....	*6	—	—	—	—	—	—	*6	—	*1
6251 Alternative Minimum Tax—Individuals.....	3,224	*15	*37	*73	*68	*53	151	582	1,351	895
6252 Installment Sales Income.....	1,620	*11	*6	*93	*120	*132	207	382	457	213
6478 Credit for Alcohol Used As Fuel.....	*8	—	—	—	*7	—	—	—	—	*1
6765 Credit for Increasing Research Activities.....	*24	—	—	—	—	—	—	*9	—	15
8271 Investor Reporting of Tax Shelter Registration Number.....	939	—	*17	*34	*28	*15	*68	176	331	270
8275 Disclosure Statement Under IRC Section 6661.....	—	—	—	—	—	—	—	—	—	—
8283 Noncash Charitable Contributions.....	980	—	—	—	*14	*9	*71	178	428	280
8332 Release of Claim to Exemption for Child of Divorced or Separated Parents.....	204	—	—	*15	*12	*1	*37	*107	*27	*5
8396 Mortgage Interest Credit.....	*42	*6	*9	*6	—	—	—	*14	*6	—
8582 Passive Activity Loss Limitations.....	4,317	*28	*133	167	156	211	394	867	1,431	929
8586 Low Income Housing Credit.....	*33	—	—	*6	—	—	*6	—	*17	*3
8598 Home Mortgage Interest	—	—	—	—	—	—	—	—	—	—
8606 Nondeductible IRA Contributions, IRA Basis and Nontaxable Distributions.....	876	—	—	*1	*8	*6	*42	270	416	133
8611 Recapture of Low Income Housing Credit..	—	—	—	—	—	—	—	—	—	—
8615 Computation of Tax for Children Under Age 14 Who Have Investment Income More Than \$1000.00.....	274	—	248	*16	—	—	—	—	—	*2
8801 Credit for Prior Year Minimum Tax.....	*29	—	—	—	—	—	*7	—	—	22
8832 Release of Claim to Exemption for Child of Divorced or Separated Parents.....	—	—	—	—	—	—	—	—	—	—

¹ Includes returns with negative adjusted gross income.

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

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

Individual Income Tax Returns, 1988 Taxpayer Usage Study

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

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

Payments to an IRA, type of return	Total	Number of returns by size of adjusted gross income								
		No adjusted gross income ¹	\$1 under \$5,000	\$5,000 under \$10,000	\$10,000 [*] under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Form 1040 and Form 1040A returns, total ..	83,131	473	7,871	9,778	10,004	8,824	14,092	18,293	11,524	2,273
Returns with payments to an IRA, total	5,993	*10	*54	152	377	719	1,418	2,194	791	277
Size of payment:										
\$1 under \$2,000	2,085	*6	*17	*72	137	308	597	859	*84	*4
\$2,000	2,006	—	*29	*72	160	317	488	574	291	74
\$2,001 under \$2,250	*39	—	—	—	—	—	*10	*16	*12	—
\$2,250	694	—	*9	*7	*53	*52	*126	290	*111	45
\$2,251 under \$4,000	222	—	—	—	*7	*8	*19	*142	*34	12
\$4,000	941	*5	—	—	*20	*33	178	306	259	141
More than \$4,000	*8	—	—	—	—	—	—	*7	—	*1
Returns without payments to an IRA	77,138	462	7,816	9,626	9,627	8,105	12,673	16,098	10,734	1,996
Form 1040 returns, total	64,847	444	4,932	6,466	6,508	5,953	10,639	16,279	11,355	2,273
Returns with payments to an IRA, total	5,312	*10	*48	*134	268	531	1,221	2,047	776	277
Size of payment:										
\$1 under \$2,000	1,664	*6	*17	*58	*85	193	458	760	*84	*4
\$2,000	1,787	—	*22	*69	*104	244	446	552	276	74
\$2,001 under \$2,250	*39	—	—	—	—	—	*10	*16	*12	—
\$2,250	673	—	*9	*7	*53	*52	*117	279	*111	45
\$2,251 under \$4,000	215	—	—	—	*7	*8	*19	*135	*34	12
\$4,000	926	*5	—	—	*20	*33	171	298	259	141
More than \$4,000	*8	—	—	—	—	—	—	*7	—	*1
Returns without payments to an IRA	59,535	433	4,884	6,332	6,239	5,422	9,418	14,232	10,579	1,996
Form 1040A returns, total	18,284	*29	2,939	3,312	3,497	2,871	3,452	2,014	170	—
Returns with payments to an IRA, total	681	—	*6	*18	*109	188	197	*147	*15	—
Size of payment:										
\$1 under \$2,000	421	—	—	*15	*53	*115	*139	99	—	—
\$2,000	219	—	*6	*3	*56	*73	*42	*22	*15	—
\$2,250	*20	—	—	—	—	—	*9	*11	—	—
\$2,251 under \$4,000	*7	—	—	—	—	—	—	*7	—	—
\$4,000	*14	—	—	—	—	—	*7	*8	—	—
Returns without payments to an IRA	17,603	*29	2,933	3,294	3,388	2,683	3,255	1,867	155	—

¹ Includes returns with negative adjusted gross income.

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

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

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

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

Size of adjusted gross income	Total number of returns	Returns claiming exemptions ¹		Taxpayer exemptions ¹		Exemptions for dependents, total	
		Number of returns	Number of exemptions	Number of returns	Number of exemptions	Number of returns	Number of exemptions
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All returns, total.....	102,228	92,660	204,410	92,660	137,930	36,139	66,493
No adjusted gross income ¹	488	450	878	450	706	*94	*192
\$1 under \$5,000.....	15,170	7,355	11,026	7,355	8,462	1,589	2,594
\$5,000 under \$10,000.....	14,125	12,773	20,670	12,773	15,322	3,134	5,355
\$10,000 under \$15,000.....	13,038	12,763	23,290	12,763	16,589	3,995	6,736
\$15,000 under \$20,000.....	11,093	11,048	22,106	11,048	14,875	3,975	7,202
\$20,000 under \$30,000.....	15,840	15,825	35,473	15,825	23,736	6,152	11,706
\$30,000 under \$50,000.....	18,676	18,668	50,150	18,668	32,177	9,593	17,993
\$50,000 under \$100,000.....	11,524	11,512	34,173	11,512	21,826	6,412	12,314
\$100,000 or more.....	2,273	2,266	6,644	2,266	4,236	1,195	2,400

Size of adjusted gross income	Exemptions for children under age 5		Exemptions for dependents		Exemptions for children at home	
	Number of returns	Number of exemptions	Number of returns	Number of exemptions	Number of returns	Number of exemptions
	(8)	(9)	(10)	(11)	(12)	(13)
All returns, total.....	11,709	15,109	28,932	51,453	34,049	61,498
No adjusted gross income ¹	*10	*10	*84	*171	*84	*171
\$1 under \$5,000.....	710	881	996	1,718	1,532	2,446
\$5,000 under \$10,000.....	1,120	1,338	2,313	4,017	2,873	4,866
\$10,000 under \$15,000.....	1,404	1,796	3,024	4,889	3,681	5,967
\$15,000 under \$20,000.....	1,318	1,724	3,148	5,507	3,644	6,375
\$20,000 under \$30,000.....	2,169	2,896	4,892	8,841	5,769	10,741
\$30,000 under \$50,000.....	3,132	4,042	7,856	13,974	9,130	16,892
\$50,000 under \$100,000.....	1,585	2,085	5,548	10,263	6,188	11,767
\$100,000 or more.....	259	336	1,071	2,073	1,149	2,273

Size of adjusted gross income	Exemptions for children not at home		Exemptions for other dependents	
	Number of returns	Number of exemptions	Number of returns	Number of exemptions
	(14)	(15)	(16)	(17)
All returns, total.....	979	1,467	2,281	3,554
No adjusted gross income ¹	—	—	—	—
\$1 under \$5,000.....	*9	*9	*79	*139
\$5,000 under \$10,000.....	*45	*69	298	420
\$10,000 under \$15,000.....	*77	*149	340	568
\$15,000 under \$20,000.....	*107	*164	408	692
\$20,000 under \$30,000.....	214	330	406	666
\$30,000 under \$50,000.....	293	385	466	714
\$50,000 under \$100,000.....	185	289	227	292
\$100,000 or more.....	*48	71	56	64

¹ Includes returns with negative adjusted gross income.

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

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

Individual Income Tax Returns, 1988 Taxpayer Usage Study

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

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

Size of adjusted gross income	Adjusted gross income or deficit		Salaries and wages		Dividends		Taxable interest	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total	9,568	33,986	8,205	25,880	1,240	1,118	4,958	3,295
No adjusted gross income ¹	*38	*12	—	—	*24	*9	*21	*16
\$1 under \$5,000.....	7,815	17,059	6,603	14,311	935	655	3,878	1,717
\$5,000 under \$10,000.....	1,352	9,097	1,279	7,856	181	179	791	807
\$10,000 under \$15,000.....	275	3,193	247	2,381	*54	*45	204	532
\$15,000 under \$20,000.....	*45	*787	*45	*632	*13	*65	*29	*51
\$20,000 under \$30,000.....	*15	*383	*15	*149	*6	*2	*15	*12
\$30,000 under \$50,000.....	*8	*391	*8	*388	*8	—	*8	*2
\$50,000 under \$100,000.....	*13	*918	*4	*111	*13	*111	*4	*78
\$100,000 or more.....	*7	*2,169	*4	*50	*7	*52	*7	*80

Size of adjusted gross income	Total income or loss		Itemized deductions		Standard deductions		Taxable income, total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All returns, total	9,560	33,804	97	491	9,471	18,313	6,647	15,364
No adjusted gross income ¹	*30	*12	—	—	*38	*19	—	—
\$1 under \$5,000.....	7,815	17,059	*26	*43	7,789	13,685	4,942	3,551
\$5,000 under \$10,000.....	1,352	9,127	*43	*130	1,309	3,715	1,341	5,209
\$10,000 under \$15,000.....	275	2,966	—	—	275	719	275	2,470
\$15,000 under \$20,000.....	*45	*793	*6	*28	*39	*117	*45	*622
\$20,000 under \$30,000.....	*15	*383	—	—	*15	*44	*15	*340
\$30,000 under \$50,000.....	*8	*391	*8	*47	—	—	*8	*343
\$50,000 under \$100,000.....	*13	*918	*8	*6	*4	*13	*13	*899
\$100,000 or more.....	*7	*2,178	*5	*238	*2	*1	*7	*1,930

Size of adjusted gross income	Taxable income taxed in part at parents rates ²		Total income tax ³		Total tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)
All returns, total	224	1,259	6,598	2,724	6,668	2,752
No adjusted gross income ¹	—	—	—	—	*10	*1
\$1 under \$5,000.....	199	276	4,894	548	4,953	563
\$5,000 under \$10,000.....	*16	*115	1,341	793	1,341	798
\$10,000 under \$15,000.....	—	—	275	370	275	371
\$15,000 under \$20,000.....	—	—	*45	*93	*45	*100
\$20,000 under \$30,000.....	—	—	*15	*61	*15	*61
\$30,000 under \$50,000.....	—	—	*8	*78	*8	*78
\$50,000 under \$100,000.....	*8	*645	*13	*243	*13	*243
\$100,000 or more.....	*1	*222	*7	*537	*7	*537

¹ Includes returns with negative adjusted gross income.² The sum of all sources of income less loss, before reduction by statutory adjustments.³ Includes returns with no total income.

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

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

Table 13.—Returns with Itemized Deductions: Selected Income and Deduction Items, by Size of Adjusted Gross Income

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

Size of adjusted gross income	Adjusted gross income less deficit		Itemized deductions, total	Medical and dental expense deduction		Taxes paid deduction	
	Number of returns	Amount	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All returns, total.....	29,878	1,688,259	358,596	4,578	17,211	29,148	111,884
No adjusted gross income ¹	*53	* -3,294	589	*28	*74	*34	*105
\$1 under \$5,000	208	687	1,598	*135	*962	*120	*168
\$5,000 under \$10,000	622	4,803	4,119	396	1,276	554	618
\$10,000 under \$15,000	1,085	13,818	9,163	675	2,953	992	1,359
\$15,000 under \$20,000	1,646	29,077	12,732	623	2,769	1,534	2,055
\$20,000 under \$30,000	4,199	107,002	32,892	1,021	2,858	4,106	7,497
\$30,000 under \$50,000	10,122	404,288	92,152	1,171	3,802	9,993	25,610
\$50,000 under \$100,000	9,764	642,974	129,576	478	1,671	9,653	42,343
\$100,000 or more	2,179	488,904	75,777	52	845	2,161	32,130

Size of adjusted gross income	Total interest deduction		Deductible home mortgage interest			
	Number of returns	Amount	Paid to financial institutions		Paid to individuals	
			Number of returns	Amount	Number of returns	Amount
	(8)	(9)	(10)	(11)	(12)	(13)
All returns, total.....	27,455	161,301	23,957	133,879	1,392	4,275
No adjusted gross income ¹	*42	*312	*53	*333	—	—
\$1 under \$5,000	*123	*387	*76	*312	*4	*20
\$5,000 under \$10,000	451	1,688	356	1,350	*37	*123
\$10,000 under \$15,000	833	3,204	637	2,720	*51	*81
\$15,000 under \$20,000	1,424	5,543	1,139	4,613	*95	*273
\$20,000 under \$30,000	3,801	15,956	3,311	13,467	188	453
\$30,000 under \$50,000	9,575	45,905	8,421	39,272	406	916
\$50,000 under \$100,000	9,235	60,901	8,260	51,294	448	1,423
\$100,000 or more	1,972	27,407	1,704	20,517	162	986

Size of adjusted gross income	Total contributions deduction		Casualty or theft loss deduction		Moving expense deduction	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(14)	(15)	(16)	(17)	(18)	(19)
All returns, total.....	26,900	43,515	133	594	847	3,606
No adjusted gross income ¹	*17	*13	—	—	—	—
\$1 under \$5,000	*84	*40	*6	*8	—	—
\$5,000 under \$10,000	419	353	*11	*18	*11	*2
\$10,000 under \$15,000	871	970	*9	*113	*7	*16
\$15,000 under \$20,000	1,349	1,512	*7	*31	*24	*50
\$20,000 under \$30,000	3,663	3,999	*25	*45	*111	*302
\$30,000 under \$50,000	9,267	10,669	*51	*314	215	594
\$50,000 under \$100,000	9,141	14,364	*21	*26	391	1,934
\$100,000 or more	2,088	11,595	*4	*39	87	710

Size of adjusted gross income	Miscellaneous deductions subject to reduction by 2 percent of adjusted gross income				Other miscellaneous deductions	
	After reduction		Before reduction		Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount		
	(20)	(21)	(22)	(23)	(24)	(25)
All returns, total.....	7,364	17,912	14,481	27,255	676	1,795
No adjusted gross income ¹	*14	*6	*14	*6	—	—
\$1 under \$5,000	*47	*8	*51	*13	*4	(²)
\$5,000 under \$10,000	*121	*126	238	153	—	—
\$10,000 under \$15,000	236	408	410	485	*25	46
\$15,000 under \$20,000	403	508	681	633	*49	254
\$20,000 under \$30,000	1,100	2,151	1,896	2,776	91	67
\$30,000 under \$50,000	2,598	4,827	4,863	7,108	221	277
\$50,000 under \$100,000	2,449	7,269	5,070	11,419	234	804
\$100,000 or more	395	2,609	1,257	4,662	52	347

¹ Includes returns with negative adjusted gross income.

² Less than \$500,000.

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

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

Controlled Foreign Corporations, 1984: An Industry Focus

By Margaret P. Lewis*

The number of foreign subsidiaries of large U.S. multinational corporations increased modestly (6 percent) from 1982 to 1984. In 1984, more than 1,100 U.S. multinational corporations controlled over 28,500 foreign corporations, 27,000 of which reported financial information [1,2]. These 27,000 Controlled Foreign Corporations (CFC's) generated receipts of \$625 billion on \$595 billion of assets. Earnings and profits of these same CFC's were \$49 billion, on which almost \$20 billion in taxes were paid to foreign countries. The U.S. parent corporations received \$12 billion in dividends from their CFC's, nearly 70 percent of all distributions made by the CFC's.

Total assets and receipts of CFC's changed only slightly from 1982 levels. Assets increased 7 percent while receipts decreased less than 4 percent. The most dramatic change from 1982 was in the profit level of these foreign corporations. Pre-tax earnings and profits of CFC's increased 32 percent from 1982 while taxes paid by these same companies rose almost 40 percent. These increases resulted in a 28 percent rise in after-tax earnings and profits from 1982 to 1984.

More than one-half of active CFC's were involved mainly in manufacturing or trade activities in 1984. Another 30 percent of CFC's reported their principal activity as either finance, insurance, real estate or services. These percentages remained virtually unchanged from 1982. Almost 6,300 CFC's, 23 percent of the 27,000 total companies, were inactive during 1984.

BACKGROUND

Prior to World War II, relatively few U.S. corporations had operations outside of the United States [3]. Those corporations that did look to other countries for expansion turned mostly to Europe and Canada as stable areas in which to operate. After World War II, U.S. corporations were encouraged politically, through programs like the Marshall Plan, and economically, through various concessions by

foreign countries, to expand their operations overseas. The Marshall Plan provided economic aid to countries recovering from the impact of World War II. The Plan also encouraged U.S. businesses to participate in the economic recovery of Europe. Many foreign countries, in an attempt to attract U.S. operations and dollars, offered very favorable investment climates including low taxes, ease of incorporation, and various other concessions [4].

U.S. corporations began their move overseas, usually by establishing a foreign market for exported goods and through foreign investment. Once these were established, the U.S. corporation might form a branch operation by establishing a place of business in the foreign country or by creating or purchasing a subsidiary, incorporated in the foreign country.

Public Law 86-780 was enacted in 1960 to obtain information on the foreign subsidiaries of U.S. corporations. This law required a U.S. corporation to furnish, as part of its income tax return, information on any foreign corporations it directly controlled (i.e., "tier-one" subsidiaries) and on any foreign corporations controlled by these directly controlled foreign corporations (i.e., "tier-two" subsidiaries). Control was defined as direct or indirect ownership of more than 50 percent of the combined voting power of all classes of stock, or more than 50 percent of the total value of all shares of stock by a single shareholder during the foreign corporation's taxable year.

These foreign activities by U.S. corporations were precipitated by many factors. Some companies went overseas to move their operations closer to resources, others looked for cheaper labor and other costs, and many were attracted by favorable tax considerations and investment incentives. Still others moved to be closer to their market. U.S. tax laws made it economically beneficial for U.S. corporations to operate overseas by exempting from U.S. income tax the unrepatriated earnings and profits of a foreign subsidiary. To the extent the

*Foreign Returns Analysis Section. Prepared under the direction of Chris R. Carson, Chief.

foreign taxes were lower than U.S. taxes, this exemption was an impelling reason for U.S. corporations to form overseas subsidiaries. These subsidiaries enjoyed legal status as a resident corporation in the foreign country, with the benefits of its laws and regulations, which were often less stringent than the U.S. laws. The earnings and profits of the CFC were protected from U.S. taxation until they were repatriated in the form of dividends to the U.S. parent. U.S. taxes could be delayed by deferring a distribution until such a time as it could be offset by a parent corporation's losses or excess foreign tax credits. U.S. taxes could also be lowered on repatriated earnings, for example, through an ordinary taxable liquidation, sale, or exchange of assets of the CFC. In this case, the U.S. parent company would pay tax at the lower capital gains rate that was applicable before 1987.

The Revenue Act of 1962 reduced this tax deferral by requiring the taxation of certain unrepatriated profits of a foreign subsidiary through the addition of Subpart F to the Internal Revenue Code [5]. The types of income that were then taxable by the United States were referred to as "Subpart F income" and included income from the insurance of U.S. risks, "passive" types of income in general, and income derived from certain types of sales and services [6]. In addition, the 1962 legislation restricted the conversion of tax-deferred accumulated earnings and profits into capital gains, thus preventing regular income from being taxed at the lower capital gains rate.

The 1962 Act also redefined the term Controlled Foreign Corporation. In general, a foreign corporation was considered controlled if more than 50 percent of the voting stock of the foreign corporation was owned by U.S. shareholders for 30 days or more of the foreign corporation's taxable year, but only if they had at least a 10 percent interest. All such foreign corporations' undistributed earnings and profits, to the extent such earnings and profits represented Subpart F income (see the "Explanation of Selected Terms" section at the end of this article), were subject to taxation through their U.S. shareholders. The 1962 legislation also expanded the filing requirements for CFC's to include all lower-tier foreign corporations controlled, through other foreign subsidiaries, by a U.S. corporation [7].

The Tax Reduction Act of 1975 expanded the definition of Subpart F income. An exception permitting tax deferral of a portion of Subpart F income reinvested in tax-defined "less-developed countries" was repealed for CFC's with accounting periods beginning in 1976 and thereafter. Also, before the 1975 Act, income was not treated as Subpart F if it

accounted for 30 percent or less of a CFC's gross income. This percentage was reduced to 10 percent, limiting the amount of income that could avoid treatment under Subpart F. Finally, some types of shipping income received by foreign subsidiaries of U.S. corporations, which were previously excluded from Subpart F income, were now included. As a result of these and other actions, the tax deferral privileges of CFC's were reduced, but not entirely eliminated.

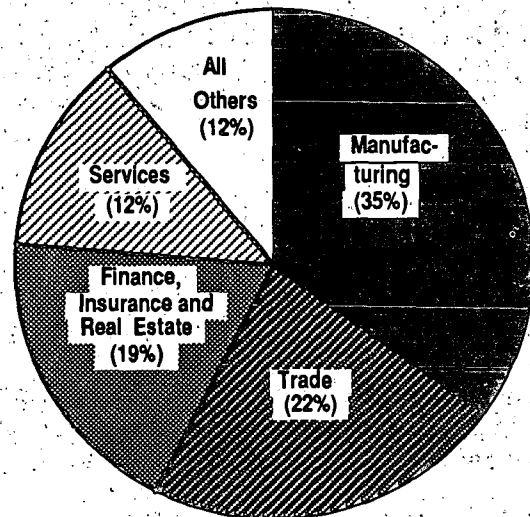
Several amendments, after 1975, to the Internal Revenue Code redefined Subpart F income [8]. For a full explanation of Subpart F, see "Explanation of Selected Terms."

INDUSTRIAL ACTIVITY OF CONTROLLED FOREIGN CORPORATIONS

In 1984, there were 20,736 foreign corporations actively involved in business operations that were controlled either directly or indirectly by large U.S. multinational or U.S. "giant" corporations. As Figure A shows, 35 percent (or 7,259) of these CFC's were primarily engaged in manufacturing activities. These manufacturing CFC's generated more business receipts (\$341 billion) and pre-tax earnings and

Figure A

Active Controlled Foreign Corporations, by Industrial Division, 1984¹



¹ Includes only those foreign corporations controlled by U.S. corporations with \$250 million or more in total assets.

profits (\$23 billion) than any other industrial division, while finance, insurance, and real estate CFC's had the largest assets (\$228 billion). Manufacturing; trade; finance, insurance and real estate; and service subsidiaries accounted for almost 90 percent of all active CFC's in 1984. CFC's in these four industrial divisions also held 92 percent of the assets, received 94 percent of the receipts, generated 84 percent of the pre-tax earnings and profits and reported 93 percent of the Subpart F income for all active CFC's.

As in 1982, manufacturing CFC's were primarily involved in producing chemicals, machinery, and electrical and electronic equipment, with these industries accounting for 47 percent of all manufacturing CFC's, 43 percent of manufacturing assets, and 53 percent of the pre-tax earnings and profits of manufacturing CFC's. Integrated petroleum companies and motor vehicle manufacturers, however, garnered over 40 percent of manufacturing CFC business receipts.

Wholesale trade CFC's outnumbered retail trade CFC's by more than four to one. Wholesale trade generated more receipts and earnings than retail trade and reported assets five times greater than retail trade CFC's. Of those in wholesaling, CFC's classified under integrated petroleum and petroleum products accounted for 50 percent of the assets, 64 percent of the receipts and 72 percent of the pre-tax earnings and profits.

No one specific industry dominated the finance, insurance and real estate, or service CFC's. However, CFC's in the finance, insurance and real estate industries held more assets (\$228 billion) than any other industrial division. These same CFC's also accounted for 54 percent of the total reported Subpart F income.

PROFITABILITY OF CFC'S AND THEIR U.S. PARENT CORPORATIONS

CFC profitability rose 1.6 percent from 1982 to 1984 while the profitability of their U.S. parent companies rose only 0.3 percent in this same time period. Profitability (as measured by the return on assets) was determined by the ratio of earnings and profits or net income (both before taxes) to total assets [9].

Figure B shows the relative return on assets for U.S. multinationals and their CFC's by selected industry. Based on this measure, the most profitable CFC's were in the mining industry which may, in part, be due to the expensing of many costs, thus biasing downward the asset measure for this industry. Oil and gas extraction companies in particular were very profitable with a margin of nearly 30 percent. This

Figure B.—Relative Return on Assets of Large U.S. Multinational Corporations and Their CFC's, by Selected Industry, 1984¹

Selected industry	Return on Assets ²	
	U.S. corporations	CFC's
All industries ²	2.3%	8.2%
Agriculture, forestry and fishing.....	10.5	3.9
Mining.....	1.8	25.3
Metal mining.....	1.1	3.1
Oil and gas extraction.....	1.7	29.8
Construction.....	0.1	9.0
Manufacturing.....	4.9	10.5
Food and kindred products.....	4.6	12.8
Apparel and other textile products.....	7.5	8.7
Paper and allied products.....	6.2	9.9
Printing and publishing.....	11.7	10.6
Chemicals and allied products.....	6.0	11.1
Petroleum (including integrated) and coal products.....	5.1	7.7
Rubber and miscellaneous plastic products.....	6.2	10.7
Stone, clay and glass products.....	5.1	9.3
Primary metal industries.....	-0.6	5.0
Fabricated metal products.....	4.4	10.1
Machinery, except electrical.....	5.8	18.8
Electrical and electronic equipment.....	4.0	9.5
Motor vehicles and equipment.....	5.7	5.8
Instruments and related products.....	7.7	10.7
Transportation and public utilities.....	2.3	4.0
Water transportation.....	-0.4	-0.9
Wholesale and retail trade.....	3.1	12.2
Finance, insurance and real estate.....	0.2	3.0
Banking.....	0.3	1.2
Credit agencies other than banks.....	-0.3	2.9
Insurance.....	0.1	4.5
Real estate.....	1.2	3.3
Holding and other investment companies, except bank holding companies.....	-0.2	4.6
Services.....	2.7	8.5

¹ U.S. parent corporations and CFC's were separately classified by the industry that generated the greatest portion of their total receipts.

² Includes CFC's the nature of whose business was not allocable by industry.

³ The CFC return on assets is the ratio of pre-tax earnings and profits to total assets. The U.S. return on assets is the ratio of net income before tax to total assets. See also footnote 8 at the end of this article.

industry also was the leader in 1982 with a 22 percent return on assets. The least profitable group was the finance, insurance and real estate division with a 3.0 percent return on assets for the CFC's, but this measure is also somewhat misleading for this industry.

The only industry to post a negative CFC return was water transportation, although the transportation and public utility division as a whole had a positive return on assets of 4.0 percent. Water transportation also had a negative return on assets for 1982. The loss to asset ratio however shrank from -3.2 percent to -0.9 percent. The number of CFC's reporting their principal business activity as water transportation fell nearly 25 percent from 1982 to 1984. This was partly in response to the losses incurred in the early 1980's due to ship overbuilding during a period of world recession, and partly due to the reduction in shipping revenues due to discoveries of oil in the North Sea and Mexico which shortened the distance between source and destination [10].

The return on assets for U.S. corporations involved primarily in agriculture, forestry and fishing

exceeded that for CFC's in the same industrial division. The returns were 10.5 percent and 3.9 percent, respectively. This movement continued from 1982 when large losses were incurred by Liberian CFC's operating rubber plantations to supply the motor vehicle industry. However, these Liberian subsidiaries reported modest profits for 1984, reflecting the beginnings of economic recovery from the recession of the early 1980's [11].

TRANSACTIONS OF CONTROLLED FOREIGN CORPORATIONS

Transactions between the U.S. affiliated groups (that included the parent corporation and its U.S. subsidiaries) and their CFC's resulted in net payments to the U.S. affiliates of \$27.8 billion in 1984 as shown in Figure C [12]. Therefore, these transactions (e.g., purchases or sales of stock in trade; and dividends, interest, and rents paid or received) did not contribute to the U.S. current account deficit of \$106.5 billion in 1984 [13].

While the U.S. current account deficit grew over 1,100 percent from 1982 to 1984, the net payments surplus between the U.S. affiliated groups and their related CFC's fell by only 14 percent from 1982 to 1984 [14,15].

The greatest net payments surplus was realized by U.S. affiliated groups involved in the manufacturing of petroleum (including integrated) and coal products. This industry showed a surplus of \$7.6 billion in 1984. Other large surpluses were realized by U.S. affiliated groups involved in manufacturing of non-electrical machinery and chemicals and allied products. Together, these top three industries accounted for 72 percent of the \$27.8 billion surplus.

Net payments deficits showed up in the transportation and public utilities and finance, insurance and real estate industrial divisions. These deficits were \$1.7 billion and \$568 million, respectively. In 1982, the U.S. groups in the transportation and public utilities industries had a deficit of over \$400 million while finance, insurance and real estate companies had a small surplus of \$50 million.

Purchases of stock in trade (i.e., purchases of merchandise in the ordinary course of trade or business) by CFC's from their U.S. affiliates and related foreign companies (\$71.9 billion) was greater than all other CFC payments combined, as is shown in Figure D. Most purchases of stock in trade were made from the U.S. parent corporation and its domestic affiliates, \$71.1 billion, rather than from related foreign corporations. Payments to related

Figure C.—Receipts, Payments and Transaction Balance Surplus Between Controlled Foreign Corporations and Their U.S. Parent Affiliated Groups, by Selected Industry of U.S. Parent Corporation, 1984

[Money amounts are in millions of dollars]

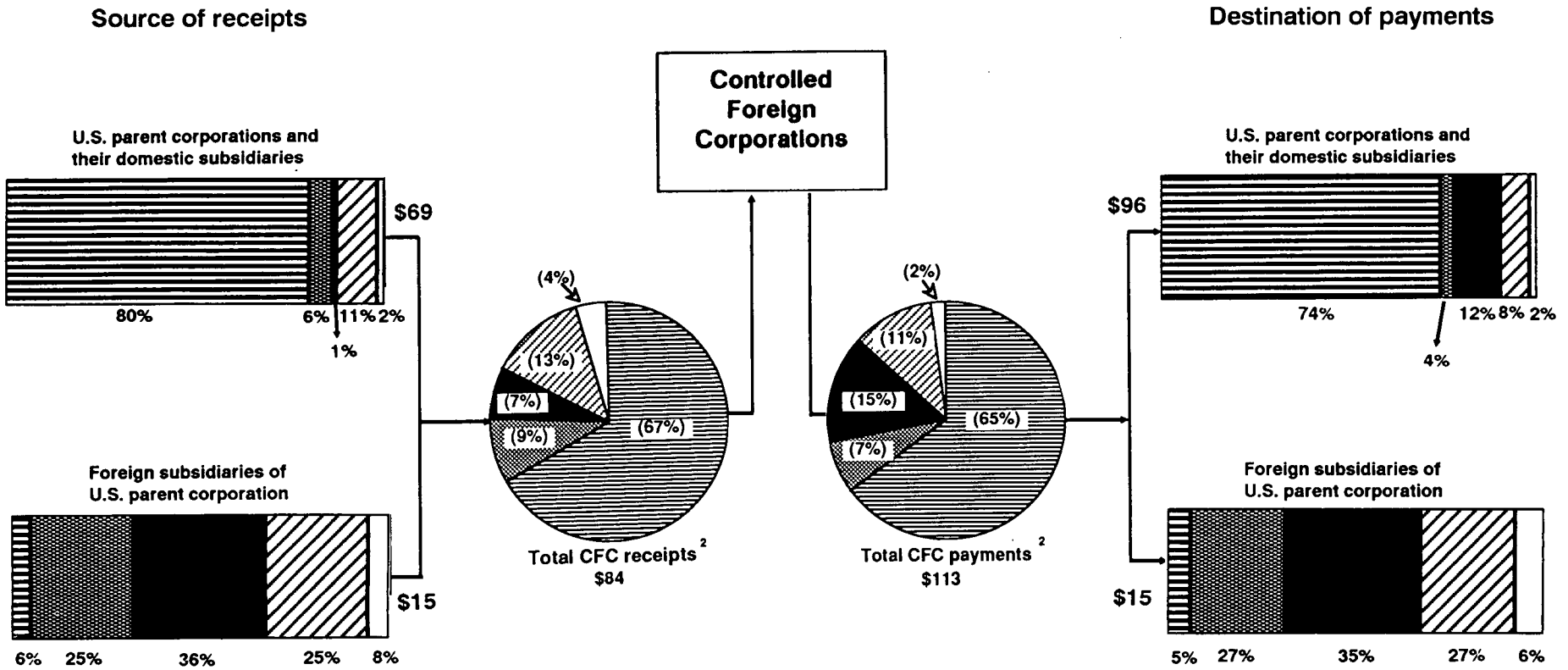
Selected U.S. industry	CFC receipts (1)	CFC payments (2)	Surplus (3)
All industries ¹	\$68,590	\$96,425	\$27,835
Agriculture, forestry and fishing	33	40	7
Mining	378	792	414
Metal mining	15	17	2
Oil and gas extraction	359	772	413
Construction	107	250	143
Manufacturing	58,361	86,309	27,948
Food and kindred products	952	1,842	890
Apparel and other textile products	22	57	35
Paper and allied products	552	1,069	517
Printing and publishing	234	172	62
Chemicals and allied products	3,150	9,245	6,095
Petroleum (including integrated) and coal products	18,874	26,509	7,635
Rubber and miscellaneous plastic products	808	891	83
Stone, clay and glass products	207	469	262
Primary metal industries	579	1,914	1,335
Fabricated metal products	130	1,245	1,115
Machinery, except electrical	5,555	11,973	6,418
Electrical and electronic equipment	5,714	7,205	1,491
Motor vehicles and equipment	18,907	17,750	-1,157
Instruments and related products	911	4,317	3,406
Transportation and public utilities	2,369	636	-1,733
Water transportation	144	20	-124
Wholesale and retail trade	4,132	5,483	1,351
Finance, insurance and real estate	2,996	2,428	-568
Banking	2,021	2,009	-12
Credit agencies other than banks	247	169	-78
Insurance	504	128	-376
Real estate	1	6	5
Holding and other investment companies, except bank holding companies	73	62	-11
Services	214	488	274

¹ Includes CFC's the nature of whose business was not allocable by industry.

Figure D

Flow of Receipts and Payments Between Controlled Foreign Corporations and Related Corporations, 1984¹

(Percentage of total and billions of dollars)



¹Data are limited to U.S. parent corporations with \$250 million or more in total assets and their CFC's.

²Total includes receipts and payments of other noncontrolling shareholders. (See "Related Persons of Controlled Foreign Corporations" under "Explanation of Selected Terms" section.)

Controlled Foreign Corporations, 1984

CFC's were more likely to be in the form of compensation for services, dividends, or interest, rents and royalties.

More than 80 percent of CFC payments to related corporations were made to their U.S. parent corporations or their domestic subsidiaries. As Figure D shows, the U.S. affiliates received \$96.4 billion from CFC's in 1984, while paying them \$68.6 billion in return. CFC receipts from related foreign corporations were only \$14.6 billion and payments to these foreign corporations were \$15 billion.

Sales of stock in trade were the largest source of receipts for CFC's. Receipts from the sale of stock in trade to the U.S. parent corporation and its domestic subsidiaries totaled \$54.9 billion in 1984. This was 66 percent of all CFC receipts from related persons. CFC receipts from related foreign corporations were more often dividends (\$5.2 billion); interest, rents and royalties (\$3.7 billion); and compensation for services (\$3.7 billion), rather than sales of stock in trade (\$0.9 billion).

CFC transactions with related persons are very significant when they are compared with U.S. exports and imports. U.S. exports in 1984 totaled \$217.9 billion of which almost one-third (\$71.1 billion) was due to CFC purchases of stock in trade from U.S. parent corporations and their domestic subsidiaries. Sales of stock in trade by CFC's to the U.S. affiliated group (\$54.9 billion) accounted for almost 17 percent of U.S. imports for 1984 (\$325.7 billion). These percentages decreased only slightly compared to 1982; therefore CFC transactions with U.S. parents and affiliates did not quite keep pace with the growth in both U.S. exports and imports [16].

RECENT CFC INCORPORATIONS

Figure E shows the number of incorporations of CFC's for 1975 to 1984 and the total amount of 1984 CFC assets. New incorporations of CFC's appear to have peaked about 1980 and then began a gradual decline. There was, however, a slight rise from 1983 to 1984, possibly an effect of the recovery from the recession of the early 1980's and an eagerness for expansion by large U.S. multinationals. The number of incorporations for 1984 may actually have been larger than 1,086 since the data include only CFC's whose accounting periods ended within the parent corporation's accounting period. Those CFC's incorporated later in the year may have had accounting periods ending later than their parent's and, therefore, would not be included in the statistics.

In 1984, 1,086 CFC's were incorporated by large U.S. multinational corporations. These CFC's had

Figure E.—Number and Total Assets of CFC's Incorporated After 1974, by Year of Incorporation

[Money amounts are in millions of dollars]

Year of incorporation	Number of CFC's	1984 total assets
All years, total.....	27,008	\$595,406
1984.....	1,086	11,098
1983.....	1,004	15,131
1982.....	1,129	22,844
1981.....	1,130	25,691
1980.....	1,179	19,688
1979.....	1,037	20,457
1978.....	973	18,974
1977.....	807	15,744
1976.....	755	8,893
1975.....	749	7,890
Pre-1975.....	17,159	428,996

just over \$11 billion in assets and generated \$32 million in earnings and profits before taxes as shown in Figure F. The new CFC's in mining, construction, and wholesale and retail trade generated large losses, possibly reflecting high start-up costs.

Figure F.—Number, Total Assets and Earnings and Profits of CFC's Incorporated in 1984, by Selected Industry

[Money amounts are in millions of dollars]

Selected industrial divisions	Number of CFC incorporations	Total assets	Pre-tax earnings and profits
	(1)	(2)	(3)
All industries ¹	1,086	\$11,098	\$32
Mining.....	45	981	-46
Construction.....	11	37	-2
Manufacturing.....	189	1,381	2
Transportation and public utilities.....	25	310	3
Wholesale and retail trade.....	132	1,261	-6
Finance, insurance and real estate.....	149	6,308	78
Services.....	94	388	30
Inactive.....	421	211	—

¹ Includes CFC's the nature of whose business was not allocable by industry.

More than one-half of all assets held by newly incorporated CFC's were held by those in the finance, insurance and real estate division, with 25 percent of these assets held specifically by holding and other investment companies. These CFC's also generated the largest amount of pre-tax earnings and profits, \$78 million. Greater than one-third of newly incorporated CFC's were inactive for 1984. This reflects the practice of incorporating to establish a presence abroad in anticipation of future operations. Many large U.S. corporations establish CFC's at the end of one tax year but do not begin operations until the next year.

Figure G shows all CFC's and their assets by selected industry compared to CFC's incorporated after 1974 and their assets. While 36 percent of all CFC's were incorporated after 1974, these CFC's held only 28 percent of all assets indicating that newer CFC's tend to be smaller. Many are nameholder corporations with few assets. More than one-half of all CFC's in the mining industry were incorporated in the 10-year period, 1975-1984, par-

Figure G.—Total Controlled Foreign Corporations Compared to Controlled Foreign Corporations Incorporated After 1974, by Selected Industry¹

[Money amounts are in millions of dollars]

Selected CFC industry	Total number ² of CFC's	Total CFC assets	CFC's incorporated after 1974			
			Number	Total assets	Percentage of	
					Total number	Total assets
(1)	(2)	(3)	(4)	(5)	(6)	
All industries ²	27,008	\$595,406	9,849	\$166,410	36%	28%
Agriculture, forestry and fishing	161	979	50	190	31	19
Mining	821	25,901	455	9,845	55	38
Metal mining	172	3,643	76	811	44	22
Oil and gas extraction	602	21,604	359	8,611	60	40
Construction	396	4,779	171	965	43	20
Manufacturing	7,259	219,484	2,153	31,842	30	15
Food and kindred products	650	16,138	158	2,276	24	14
Apparel and other textile products	126	1,408	41	287	33	20
Paper and allied products	167	5,107	36	347	22	7
Printing and publishing	242	1,815	64	389	26	21
Chemicals and allied products	1,698	39,610	380	4,766	22	12
Petroleum (including integrated) and coal products	125	31,596	27	3,936	22	12
Rubber and miscellaneous plastic products	213	4,108	61	310	29	8
Stone, clay and glass products	133	2,765	39	990	29	36
Primary metal industries	149	4,265	40	309	27	7
Fabricated metal products	581	6,179	183	1,334	31	22
Machinery, except electrical	782	29,499	242	2,802	31	9
Electrical and electronic equipment	934	24,239	379	6,078	41	25
Motor vehicles and equipment	249	29,757	82	2,127	33	7
Instruments and related products	342	6,668	132	1,599	39	24
Transportation and public utilities	626	16,223	258	4,315	41	27
Water transportation	261	6,960	101	1,115	39	16
Wholesale and retail trade	4,646	74,983	1,879	13,493	40	18
Finance, insurance and real estate	3,915	228,186	1,912	96,601	49	42
Banking	322	66,304	150	16,345	47	25
Credit agencies other than banks	710	59,365	370	31,005	52	52
Insurance	531	23,623	308	5,677	58	24
Real estate	385	3,237	128	1,703	33	53
Holding and other investment companies, except bank holding companies	1,291	61,088	632	32,155	49	53
Services	2,571	19,437	1,159	8,939	45	46

¹ Includes only those foreign corporations controlled by U.S. corporations with \$250 million or more in total assets.

² Includes CFC's the nature of whose business was not allocable by industry, and inactive CFC's which are not shown separately.

ticularly oil and gas extracting corporations of which 60 percent were incorporated since 1974. Almost one-half of finance, insurance and real estate CFC's were incorporated in the same period. These industries are in sharp contrast to manufacturing companies, of which only 30 percent were incorporated since 1974.

SUMMARY

U.S. multinational corporations continued to have a strong presence abroad, controlling over 27,000 foreign corporations in 1984. These CFC's held \$595 billion in assets and generated \$625 billion of receipts. Pre-tax earnings and profits of all CFC's for 1984 rose 32 percent from 1982 while assets rose only seven percent. More than one-half of all active CFC's were involved in manufacturing or trade industries. Due to the much larger rise in pre-tax earnings and profits than in assets, profitability levels rose 1.6 percent from 1982, a 24 percent change. Mining (because of oil and gas extraction) was the most profitable industrial division in 1984 and finance, insurance and real estate the least profitable.

CFC payments to their U.S. parent corporations and affiliated groups exceeded receipts from these companies by \$27.8 billion in 1984. In contrast, the U.S. current account deficit was \$106.5 billion. CFC purchases of stock in trade from U.S. parent corporations and their domestic affiliates amounted to almost one-third of the total \$218 billion of U.S. exports in 1984.

Almost 40 percent of all CFC's were incorporated in the 10-year period from 1975 through 1984. These CFC's were, however, smaller in asset size than the older CFC's. The number of new incorporations in 1984 rose slightly from 1983, possibly reversing the downward movement that took place after 1980.

DATA SOURCES AND LIMITATIONS

The statistics in this article were derived from all U.S. corporation income tax returns with total assets of \$250 million or more and with accounting periods ended July 1984 through June 1985, and from attached Form(s) 5471 (Information Return with Respect to a Foreign Corporation). This form replaced Form 2952, (Information Return with Respect to Controlled Foreign Corporations), in

1983. Only a handful of Forms 2952 were filed for Income Year 1984 and are included in the data.

Sampling variability was not originally a factor in this study, since returns were selected at a rate of 100 percent and thus equaled the complete population. However, certain taxpayers did not provide the necessary information or provided only partial information for some CFC's. These CFC's (approximately 1,500 corporations) are not included in the data presented here and no attempt was made to weight the sample to adjust for them. For purposes of this article, the sample was considered to be the population (see footnote 1.)

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

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

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

When U.S. corporations filed consolidated Forms 5471 with aggregated data for several foreign companies, follow-up requests were made in cases where large money amounts were reported in an attempt to obtain the CFC information on a disaggregated basis. More than 75 percent of these requests were successful. Where no information was received, the data were left consolidated under the industry in which it was originally reported. Less than one percent of the CFC's included in the file contain financial information for a consolidated group of CFC's.

In some cases, sufficient detail was not provided to indicate by whom the CFC was directly controlled (i.e., by a domestic or a foreign parent). Data for these CFC's were corrected by using the transactions they reported with related corporations to determine the recipient of any dividends. If this

information was not conclusive, a previous-year record of the CFC or other reference material was used to determine the ownership.

The 1984 data are based on returns filed by U.S. corporations with full-year accounting periods ending between July 1984 and June 1985. Generally, part-year returns were deleted from the sample to avoid double counting of financial data. According to IRS regulations, a U.S. corporation had to submit a Form 5471 for any Controlled Foreign Corporation with an accounting period ending with or within the U.S. parent's accounting period. Therefore, CFC accounting periods may have ended as early as August 1983 (and, thus, began in September 1982) or as late as June 1985. However, most CFC activity did occur in Calendar Year 1984.

EXPLANATION OF SELECTED TERMS

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

Current Earnings and Profits of Controlled Foreign Corporations.--This item represents the difference between the accumulated beginning and ending year balances of earnings and profits available for distribution to the stockholders. In this report, pre-tax current earnings and profits are shown. For Form 5471 purposes, the earnings and profits reported for a foreign corporation had to be calculated under U.S. accounting standards, as required by Internal Revenue regulations.

Distributions of Controlled Foreign Corporations.--The distributions of CFC's consisted mostly of dividends. Capital gain distributions, and distributions paid out of capital (including capital stock, paid-in capital, and capital surplus) were generally not included. Liquidating dividends may have also been included.

Foreign Income Taxes Paid by Controlled Foreign Corporations.--These were foreign income, war profits, and excess profits taxes paid or accrued by CFC's to foreign countries or U.S. possessions (including Puerto Rico). Also included were taxes imposed by other countries (including the United

States) in cases in which the CFC had business operations in countries other than the one in which it was incorporated.

Inactive Controlled Foreign Corporations.--Inactive Controlled Foreign Corporations were those that reported no income, deductions, or foreign income taxes paid, but which may have reported dividends paid out of prior-year earnings and profits. These dividends, plus the total assets of these CFC's, are included in the statistics.

Related Persons of Controlled Foreign Corporations.--Five categories of related persons of CFC's were shown on Forms 5471 for the purpose of reporting transactions. They were the U.S. corporation filing the return, a domestic corporation controlled by the U.S. corporation filing the return, a foreign corporation controlled by the U.S. corporation filing the return, a 10-percent-or-more U.S. shareholder of the CFC (other than the controlling shareholder), and a 10-percent-or-more U.S. shareholder of the U.S. corporation filing the return.

Sales (and Purchases) of Stock in Trade.--These were sales (and purchases) of merchandise in the ordinary course of trade or business.

Subpart F Income.--Subpart F provisions of the Internal Revenue Service Code (section 952) allowed the United States to tax U.S. shareholders on certain types of CFC income that, although undistributed to them, were deemed to have been distributed and were thereby taxable currently, generally at the same rate(s) as dividends. Subpart F income included the following for 1984: income derived from the insurance of U.S. risks; international boycott participation income; illegal bribes, kickbacks, or other payments to a government official; and "foreign base company income" (i.e., income from a foreign personal holding company and certain types of sales, service, shipping and oil-related income from a foreign base company). Also includible as income from CFC's were amounts of previously excluded Subpart F income meeting certain criteria and increases in foreign corporations' earnings invested in U.S. property.

Transactions of Controlled Foreign Corporations.--Controlled Foreign Corporation transactions were reported on Forms 5471 for five categories of related persons (described previously under "Related Persons of Controlled Foreign Corporations") which dealt with the CFC's. The transactions shown include receipts and payments for such items as stock in trade, dividends, rents and royalties, commissions, services rendered, interest, insurance premiums, and property rights.

U.S. Affiliated Groups.--The U.S. parent corporation and all of its wholly-owned domestic subsidiaries included in the filing of a consolidated U.S. income tax return (Form 1120).

NOTES AND REFERENCES

- [1] Due to incomplete reporting of financial information on Forms 5471, approximately 1,500 Controlled Foreign Corporations (CFC's) are not included in the data. However, it is estimated that the 27,008 CFC's for which data are presented in this article represent 95 percent or more of all the financial data for the population and therefore, are comparable to 1982 data. Throughout the rest of this article, all references to the CFC population will include only the data for the 27,008 CFC's. (See also "Data Sources and Limitations" at the end of this article.)
- [2] For purposes of this article, data are included only for foreign corporations controlled by U.S. corporations with \$250 million or more in total assets. Subsequent use of the terms "large U.S. multinationals" or "U.S. giant corporations" refers to this group of corporations. Historically, more than two-thirds of all U.S.-controlled foreign corporations have been controlled by U.S. giant corporations. More significantly, both the assets and business receipts of CFC's controlled by these large U.S. corporations have accounted for more than 90 percent of the total assets and business receipts of all CFC's. See statistics on Controlled Foreign Corporations for 1980 in the *Statistics of Income Bulletin*, Summer 1984, Volume 3, Number 4.
- [3] Heller, Kenneth, *The Impact of U.S. Taxation on the Financing and Earnings Remittance Decisions of U.S.-based Multinational Firms with Controlled Foreign Corporations*, Arno Press, 1980, pp. 2-3.
- [4] Heller, *Op. cit.*, pp. 3-4.
- [5] Heller, *Op. cit.*, p. 87.
- [6] Passive types of income include such receipts as interest, dividends and certain types of rents and royalties.
- [7] Control by a U.S. corporation was extended to lower-tier foreign corporations through a chain of control. Thus, a U.S. corporation could own

more than 50 percent of a foreign corporation (first-tier) which, in turn, could own more than 50 percent of a second-tier foreign corporation, which, in turn, could own more than 50 percent of a third-tier foreign corporation, and so forth. A Form 5471 had to be filed for each of these foreign corporations.

[8] More recently, the Tax Reform Act of 1986 expanded further the definition of Subpart F income. Generally, these changes apply to taxable years of foreign corporations beginning after December 31, 1986.

[9] For purposes of this analysis, a CFC's return on assets is defined as the ratio of earnings and profits before taxes to total assets. Net income (before taxes), i.e., net income computed under provisions of the Internal Revenue Code, is used in place of earnings and profits for purposes of computing the U.S. parent corporations' return on assets because earnings and profits, as such, is not reported by the parent. To the extent that the concept of earnings and profits differs from that of net income, the comparison of a CFC's return on assets to the U.S. parent corporation's return on assets is limited.

[10] Willoughby, Jack, "Shipwreck," *Forbes*, July 29, 1985, p. 116.

[11] Simenauer, Ronald, "Controlled Foreign Corporations, 1982: An Industry Focus," *Statistics of Income Bulletin*, Summer 1986, Volume 6, Number 1.

[12] The balance of payments surplus may be somewhat misleading due to the inclusion of dividends paid and received. If dividends received and paid are excluded from the totals the balance of payments surplus would fall from \$27.8 billion to \$16.4 billion.

[13] U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, June 1986. The current account is defined as the exports of goods and services (including receipt of income on U.S. assets abroad) minus both imports of goods and services (including payment of income on foreign assets in the U.S.) and net unrelated transfers (excluding military grants of goods and services).

[14] U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, June 1985.

[15] Amounts loaned to or borrowed from U.S. affiliated groups were subtracted from 1982 transaction amounts for comparability with 1984 data. These data were not tabulated for 1984 since they were no longer required to be reported as part of the foreign corporation transaction schedule for 1984.

[16] U.S. Department of Commerce, Bureau of the Census, *Highlights of U.S. Export and Import Trade*, FT 990, monthly. Data from this source are based on the 1984 calendar year, while CFC data are based on accounting periods of U.S. parent corporations ended July 1984 through June 1985 and accounting periods of CFC's ending with, or within, the U.S. parent corporation's accounting period.

Table 1.—U.S. Corporation Returns with Total Assets of \$250 Million or More: Controlled Foreign Corporation Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F Income, by Selected Industry of U.S. Corporation and Size of Total Assets of Controlled Foreign Corporation

[Money amounts are in thousands of dollars]

Selected industry of U.S. corporation filing return and size of total assets of Controlled Foreign Corporation	Number of U.S. corporation returns	Controlled Foreign Corporations								
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net)	Actual distributions in current year	Subpart F income
						Current earnings and profits before taxes	Foreign income taxes (net)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
All industries, total	1,103	27,008	595,406,489	624,529,988	48,591,785	57,469,606	19,888,594	19,663,431	17,429,494	4,420,024
Assets zero or not reported	564	3,924	—	2,784,107	71,277	295,574	63,452	66,868	83,405	42,401
\$1 under \$1,000,000	871	9,028	2,238,541	4,091,467	157,472	587,854	90,796	98,987	128,832	27,277
\$1,000,000 under \$10,000,000	817	8,129	31,613,767	44,893,839	2,636,065	4,133,612	1,252,865	1,273,754	1,139,365	247,645
\$10,000,000 under \$100,000,000	723	4,834	151,354,099	169,786,907	12,278,867	15,129,589	4,520,648	4,506,718	4,634,444	1,386,889
\$100,000,000 or more	295	1,093	410,200,083	402,973,669	33,448,105	37,322,978	13,960,832	13,717,103	11,443,448	2,715,812
Agriculture, forestry and fishing	4	116	936,515	1,102,708	39,232	59,882	20,042	21,768	17,851	1,173
Assets zero or not reported	—	—	—	—	—	—	—	—	—	—
\$1 under \$1,000,000	4	36	9,432	20,689	-354	157	26	-55	32	—
\$1,000,000 under \$10,000,000	—	—	—	—	—	—	—	—	—	—
\$10,000,000 under \$100,000,000	4	24	591,670	536,075	23,591	35,093	12,284	14,079	17,403	—
\$100,000,000 or more	—	—	—	—	—	—	—	—	—	—
Mining	46	602	9,885,843	5,930,863	1,494,624	1,697,589	956,810	953,598	630,151	135,543
Assets zero or not reported	25	100	—	29,077	-13,918	5,285	1,319	1,374	277	2,305
\$1 under \$1,000,000	35	225	43,121	26,655	-11,098	10,380	988	1,017	1,927	602
\$1,000,000 under \$10,000,000	31	137	606,375	394,591	38,336	75,873	15,129	14,962	41,074	19,223
\$10,000,000 under \$100,000,000	29	120	3,807,044	1,648,561	267,012	387,301	122,382	119,253	156,242	47,974
\$100,000,000 or more	9	20	5,429,302	3,831,980	1,214,292	1,218,750	816,992	816,992	430,630	65,438
Metal mining	6	54	1,100,961	121,500	39,570	43,168	19,542	18,245	20,325	1,078
Assets zero or not reported	5	7	—	—	-1	—	—	—	—	—
\$1 under \$1,000,000	5	25	3,561	4,089	-45	95	1	1	32	16
\$1,000,000 under \$10,000,000	5	11	50,457	6,018	3,202	3,672	923	923	965	1,062
\$10,000,000 under \$100,000,000	—	—	—	—	—	—	—	—	—	—
\$100,000,000 or more	—	—	—	—	—	—	—	—	—	—
Oil and gas extraction	33	512	8,517,348	5,686,333	1,423,295	1,619,670	935,442	933,527	609,711	130,750
Assets zero or not reported	15	83	—	6,222	-16,423	2,779	477	532	277	2,305
\$1 under \$1,000,000	27	185	35,614	19,317	-12,558	8,418	987	1,016	1,849	525
\$1,000,000 under \$10,000,000	21	119	512,608	350,475	30,091	66,986	13,222	13,054	40,040	17,773
\$10,000,000 under \$100,000,000	22	107	3,311,377	1,478,340	205,436	322,738	103,763	101,932	136,914	44,709
\$100,000,000 or more	7	18	4,657,748	3,831,980	1,216,749	1,218,750	816,992	816,992	430,630	65,438
Construction	19	384	3,826,697	2,917,905	416,794	461,479	122,388	121,488	194,572	44,664
Assets zero or not reported	11	62	—	34	-79	—	—	—	—	—
\$1 under \$1,000,000	13	159	28,682	42,368	-3,544	8,203	536	555	1,586	47
\$1,000,000 under \$10,000,000	16	101	373,070	400,769	13,043	36,917	10,000	9,328	6,662	337
\$10,000,000 under \$100,000,000	14	54	1,760,669	1,432,796	196,449	205,463	62,551	62,303	115,156	20,876
\$100,000,000 or more	4	8	1,664,277	1,041,938	210,896	210,896	49,301	49,301	71,167	23,404
Manufacturing	581	18,805	390,581,396	500,334,516	40,379,971	47,969,980	17,109,507	16,839,916	14,904,646	3,374,696
Assets zero or not reported	301	2,621	—	2,306,163	36,189	214,111	49,252	52,612	77,314	4,880
\$1 under \$1,000,000	533	5,753	1,525,040	3,050,847	173,614	455,601	62,383	60,909	95,646	18,285
\$1,000,000 under \$10,000,000	497	6,100	23,984,990	37,527,926	2,065,487	3,265,639	1,033,060	1,051,195	921,673	183,235
\$10,000,000 under \$100,000,000	438	3,617	112,023,550	138,172,141	10,262,581	12,472,787	3,796,071	3,760,837	3,866,654	1,082,154
\$100,000,000 or more	175	714	253,047,816	319,277,438	27,842,100	31,561,842	12,168,739	11,914,364	9,943,360	2,086,141
Food and kindred products	43	1,831	22,565,728	31,414,654	2,714,895	3,050,716	791,131	776,935	960,637	270,378
Assets zero or not reported	26	285	—	113,891	14,409	16,308	1,111	1,160	7,604	4
\$1 under \$1,000,000	39	651	146,535	585,478	199,297	212,694	8,901	9,060	27,043	1,852
\$1,000,000 under \$10,000,000	34	502	1,974,696	3,148,578	210,353	302,510	71,148	70,992	96,839	26,842
\$10,000,000 under \$100,000,000	29	344	11,010,960	15,548,690	1,290,749	1,466,166	419,755	405,191	530,862	107,312
\$100,000,000 or more	20	49	9,433,536	12,018,016	1,000,086	1,053,038	290,216	290,532	298,290	134,368
Chemicals and allied products	72	3,940	58,528,756	60,877,842	6,539,859	7,382,393	2,473,937	2,453,161	2,100,613	813,540
Assets zero or not reported	55	617	—	218,943	13,861	23,885	4,503	5,295	12,608	1,732
\$1 under \$1,000,000	65	1,182	302,072	506,548	22,874	68,769	15,231	14,374	24,868	7,920
\$1,000,000 under \$10,000,000	69	1,300	5,117,631	7,705,200	484,711	740,675	237,275	243,582	258,236	45,631
\$10,000,000 under \$100,000,000	61	730	21,995,940	24,752,002	2,252,740	2,689,183	895,578	878,910	862,636	259,243
\$100,000,000 or more	36	111	31,113,113	27,695,150	3,765,674	3,859,880	1,321,350	1,310,999	942,264	499,015
Petroleum (including integrated) and coal products	35	1,932	99,994,391	173,001,490	12,612,098	15,588,956	6,708,937	6,507,866	6,134,363	707,290
Assets zero or not reported	27	299	—	365,140	-10,655	84,160	37,137	36,840	7,507	13
\$1 under \$1,000,000	33	654	129,726	340,701	-57,236	21,790	2,866	2,548	12,372	5,288
\$1,000,000 under \$10,000,000	26	472	1,907,876	4,631,655	150,542	362,922	153,596	157,601	88,949	4,580
\$10,000,000 under \$100,000,000	28	333	10,729,362	19,822,944	793,845	1,129,150	313,252	310,249	397,629	101,092
\$100,000,000 or more	20	174	87,227,428	147,841,049	11,735,602	13,990,935	6,202,086	6,000,627	5,627,906	596,318
Primary metal industries	40	1,033	14,034,236	10,486,406	332,153	771,022	168,394	134,945	193,123	126,111
Assets zero or not reported	20	152	—	1,553	706	1,373	10	10	—	100
\$1 under \$1,000,000	31	352	77,154	89,038	-3,605	10,439	2,612	2,420	2,313	133
\$1,000,000 under \$10,000,000	36	310	1,246,683	1,339,859	63,589	121,638	27,027	29,333	30,780	8,763
\$10,000,000 under \$100,000,000	27	189	5,974,371	5,763,013	145,597	360,611	74,983	69,248	120,423	81,374
\$100,000,000 or more	10	30	6,736,029	3,292,942	125,865	276,961	63,762	34,093	39,607	35,742
Machinery, except electrical	68	1,950	51,882,026	50,103,336	7,430,539	7,989,513	3,045,754	3,020,664	1,883,219	481,385
Assets zero or not reported	36	244	—	91,482	14,096	15,756	945	615	21	74
\$1 under \$1,000,000	62	497	152,225	227,601	-6,316	21,202	4,860	2,626	3,947	599
\$1,000,000 under \$10,000,000	62	633	2,556,437	3,030,453	194,827	314,724	96,140	97,333	57,392	21,708
\$10,000,000 under \$100,000,000	60	474	15,080,755	15,001,742	1,116,877	1,395,288	532,085	518,446	281,150	150,748
\$100,000,000 or more	22	102	34,092,609	31,752,058	6,111,056	6,242,543	2,411,724	2,401,642	1,540,710	308,256

Footnote at end of table.

Controlled Foreign Corporations, 1984

Table 1.—U.S. Corporation Returns with Total Assets of \$250 Million or More: Controlled Foreign Corporation Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F Income, by Selected Industry of U.S. Corporation and Size of Total Assets of Controlled Foreign Corporation—Continued

[Money amounts are in thousands of dollars]

Selected industry of U.S. corporation filing return and size of total assets of Controlled Foreign Corporation	Number of U.S. corporation returns	Controlled Foreign Corporations								
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net)	Actual distributions in current year	Subpart F income
						Current earnings and profits before taxes	Foreign income taxes (net)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Manufacturing—Continued										
Electrical and electronic equipment	70	2,270	37,641,993	39,205,015	2,701,272	3,255,924	733,755	721,578	838,293	223,498
Assets zero or not reported	31	229	—	72,207	-17,411	2,496	211	3,391	8,937	194
\$1 under \$1,000,000	59	685	196,988	291,645	-11,872	26,985	7,327	9,237	6,966	153
\$1,000,000 under \$10,000,000	63	813	3,259,962	4,969,089	246,535	394,985	130,598	132,575	104,107	19,797
\$10,000,000 under \$100,000,000	52	479	14,709,565	18,211,915	1,359,948	1,635,950	347,413	352,285	539,167	94,061
\$100,000,000 or more	13	64	19,475,477	15,660,159	1,124,073	1,195,509	248,206	224,090	179,115	109,292
Motor vehicles and equipment	20	925	47,132,506	70,477,798	2,430,468	3,550,208	1,223,562	1,252,124	993,079	269,493
Assets zero or not reported	15	118	—	1,178,127	-30,452	13,649	1,476	1,970	19,356	—
\$1 under \$1,000,000	18	235	83,825	100,533	4,971	13,585	1,336	1,325	2,370	18
\$1,000,000 under \$10,000,000	18	359	1,227,809	2,626,281	20,662	98,238	29,010	28,962	23,401	3,299
\$10,000,000 under \$100,000,000	17	137	4,690,006	7,203,992	286,911	392,849	140,435	143,287	101,549	56,050
\$100,000,000 or more	10	76	41,130,866	59,288,865	2,148,376	3,031,886	1,051,305	1,076,579	846,404	210,127
Transportation equipment, except motor vehicles	20	580	5,907,382	6,873,398	578,972	696,550	231,942	233,006	216,134	53,226
Assets zero or not reported	10	61	—	13,289	26,507	26,507	-145	-145	2,453	4
\$1 under \$1,000,000	17	203	56,467	83,081	-441	10,325	1,733	1,724	513	572
\$1,000,000 under \$10,000,000	14	194	797,750	1,255,238	53,787	86,661	31,830	33,572	26,014	3,546
\$10,000,000 under \$100,000,000	13	115	3,630,012	4,166,019	319,817	391,681	132,742	132,073	118,008	24,332
\$100,000,000 or more	5	7	1,423,152	1,355,771	179,302	181,375	65,782	65,782	69,147	24,771
Instruments and related products	23	807	11,513,591	15,490,503	1,270,096	1,437,020	466,927	476,545	344,585	155,856
Assets zero or not reported	18	77	—	643	2,920	3,236	-1	-1	2,259	—
\$1 under \$1,000,000	22	232	80,383	160,138	-1,031	12,554	4,418	4,297	1,262	145
\$1,000,000 under \$10,000,000	22	311	1,227,569	1,998,735	143,586	192,640	53,233	53,660	49,500	6,711
\$10,000,000 under \$100,000,000	21	167	4,619,363	6,380,418	597,038	684,240	212,671	221,983	207,502	73,557
\$100,000,000 or more	5	20	5,586,276	6,950,569	527,583	544,350	196,606	196,606	84,061	75,443
Transportation and public utilities	106	1,508	25,021,612	14,153,603	1,299,298	1,572,265	357,612	360,756	297,736	334,528
Assets zero or not reported	47	218	—	45,887	-1,952	7,265	1,665	1,666	2,937	302
\$1 under \$1,000,000	69	577	131,211	184,577	-915	24,307	4,541	5,120	10,282	1,737
\$1,000,000 under \$10,000,000	56	423	1,645,036	1,625,251	121,640	180,892	39,425	41,115	54,824	16,309
\$10,000,000 under \$100,000,000	54	242	7,603,191	4,427,694	418,414	568,007	142,791	142,686	114,857	88,971
\$100,000,000 or more	27	48	15,642,174	7,870,194	762,111	791,794	169,190	170,168	114,836	227,209
Water transportation	10	142	760,470	112,346	18,811	39,466	1,290	3,534	13,405	6,368
Assets zero or not reported	7	24	—	6,901	-351	1	—	—	—	1
\$1 under \$1,000,000	8	63	12,385	10,689	-251	1,206	63	77	—	622
\$1,000,000 under \$10,000,000	9	34	168,985	41,923	1,398	9,952	986	1,894	—	1,430
\$10,000,000 under \$100,000,000	•	•	•	•	•	•	•	•	•	•
\$100,000,000 or more	•	•	•	•	•	•	•	•	•	•
Wholesale and retail trade	116	1,404	32,358,191	72,992,450	1,831,937	2,120,430	487,710	518,299	559,330	215,031
Assets zero or not reported	50	233	—	67,870	15,813	16,972	2,335	2,335	982	12,433
\$1 under \$1,000,000	81	536	112,341	244,826	-9,840	14,867	4,516	12,779	6,575	2,666
\$1,000,000 under \$10,000,000	76	360	1,370,838	2,232,022	106,374	178,162	47,219	45,748	33,369	13,957
\$10,000,000 under \$100,000,000	63	214	6,882,664	16,519,399	398,746	524,998	118,409	142,184	150,469	70,530
\$100,000,000 or more	15	61	23,992,348	53,928,333	1,320,844	1,385,431	315,232	315,253	367,935	115,444
Wholesale trade	63	821	18,094,843	56,901,635	1,016,206	1,217,718	255,192	287,324	345,663	72,583
Assets zero or not reported	23	92	—	33,114	802	1,932	957	957	982	—
\$1 under \$1,000,000	41	334	72,179	171,974	-14,382	7,703	2,483	10,643	5,394	2,144
\$1,000,000 under \$10,000,000	43	227	878,805	1,516,124	80,427	119,905	28,766	28,762	27,842	8,200
\$10,000,000 under \$100,000,000	38	136	4,212,707	14,400,686	235,048	324,780	84,504	109,089	58,511	28,988
\$100,000,000 or more	6	32	12,931,152	40,779,737	714,312	763,398	138,483	138,504	252,933	33,251
Petroleum and petroleum products	8	107	4,297,072	14,932,001	292,660	319,103	110,508	112,028	203,395	33,937
Assets zero or not reported	7	34	—	2,288	-1,279	876	7	8	100	793
\$1 under \$1,000,000	7	34	6,848	134,607	8,124	13,531	4,300	4,300	2,262	1,792
\$1,000,000 under \$10,000,000	5	22	150,136	5,514,897	53,203	63,320	27,937	29,435	11,368	3,746
\$10,000,000 under \$100,000,000	•	•	•	•	•	•	•	•	•	•
\$100,000,000 or more	•	•	•	•	•	•	•	•	•	•
Retail trade	53	583	14,263,348	16,090,815	815,731	902,712	232,518	230,975	213,667	142,448
Assets zero or not reported	27	141	—	34,756	15,011	15,039	1,378	1,378	—	12,433
\$1 under \$1,000,000	40	202	40,162	72,852	4,542	7,164	2,033	2,137	1,181	522
\$1,000,000 under \$10,000,000	33	133	492,033	715,898	25,947	58,257	18,452	17,616	5,527	5,757
\$10,000,000 under \$100,000,000	25	78	2,669,957	2,118,713	163,698	200,218	33,906	33,095	91,958	41,542
\$100,000,000 or more	9	29	11,061,197	13,148,596	606,532	622,034	176,749	176,749	115,001	82,193
Finance, insurance and real estate	169	2,934	126,591,844	23,001,761	2,730,451	3,030,724	675,064	682,550	660,896	242,087
Assets zero or not reported	68	422	—	248,703	14,571	26,477	6,577	6,582	1,549	7,482
\$1 under \$1,000,000	117	1,234	244,620	289,050	10,724	45,248	9,903	10,568	4,865	2,384
\$1,000,000 under \$10,000,000	93	615	2,223,239	1,386,476	174,789	242,050	59,964	63,561	41,538	7,445
\$10,000,000 under \$100,000,000	83	427	15,092,855	4,546,032	499,692	631,585	169,317	162,888	167,424	43,146
\$100,000,000 or more	59	236	109,031,129	16,531,501	2,030,674	2,085,363	429,303	438,951	445,520	181,631
Banking	59	1,066	86,236,101	10,870,837	1,510,715	1,605,013	395,072	396,038	335,258	122,483
Assets zero or not reported	24	133	—	51,628	6,401	10,832	1,114	1,120	4	7,232
\$1 under \$1,000,000	39	369	72,086	83,412	-200	15,741	3,954	4,110	1,071	67
\$1,000,000 under \$10,000,000	30	211	768,996	197,966	57,672	72,712	23,221	25,211	18,635	986
\$10,000,000 under \$100,000,000	34	198	7,470,368	1,224,873	251,180	275,052	69,201	68,659	60,761	11,707
\$100,000,000 or more	25	155	77,924,650	9,312,958	1,195,662	1,230,676	297,582	296,938	254,787	102,491

Footnote at end of table.

Controlled Foreign Corporations, 1984

Table 1.—U.S. Corporation Returns with Total Assets of \$250 Million or More: Controlled Foreign Corporation Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F Income, by Selected Industry of U.S. Corporation and Size of Total Assets of Controlled Foreign Corporation—Continued

[Money amounts are in thousands of dollars]

Selected industry of U.S. corporation filing return and size of total assets of Controlled Foreign Corporation	Number of U.S. corporation returns	Controlled Foreign Corporations								
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net)	Actual distributions in current year	Subpart F income
						Current earnings and profits before taxes	Foreign income taxes (net)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Finance, insurance and real estate—Continued										
Insurance	43	508	12,794,273	4,220,417	389,670	446,435	65,898	66,692	78,604	52,359
Assets zero or not reported	17	70	—	187,998	7,971	11,925	4,494	4,494	1,300	—
\$1 under \$1,000,000	30	210	46,275	54,792	2,861	6,795	1,743	1,771	1,270	1,827
\$1,000,000 under \$10,000,000	25	110	448,217	315,176	27,745	35,937	10,164	9,800	2,211	3,199
\$10,000,000 under \$100,000,000	25	93	2,983,523	1,201,339	79,152	118,063	27,362	25,227	50,821	7,523
\$100,000,000 or more	12	25	9,316,257	2,461,113	271,940	273,715	22,136	25,400	23,002	39,810
Holding and other investment companies, except bank holding companies	13	382	4,366,132	4,263,824	209,824	241,206	55,487	52,913	87,498	21,625
Assets zero or not reported	6	37	—	793	— 308	—	—	—	—	—
\$1 under \$1,000,000	11	213	34,902	38,527	— 2,215	2,267	520	1,066	651	79
\$1,000,000 under \$10,000,000	9	84	261,290	464,038	9,946	22,517	7,682	6,421	4,558	325
\$10,000,000 under \$100,000,000	7	42	1,392,470	1,403,300	101,736	113,366	24,340	20,309	32,351	20,806
\$100,000,000 or more	5	6	2,677,470	2,357,167	100,664	103,056	22,945	25,116	49,938	416
Services	62	1,255	6,204,392	4,096,183	399,478	557,259	159,460	165,056	164,313	72,302
Assets zero or not reported	30	256	—	86,374	20,541	25,381	2,304	2,299	346	14,997
\$1 under \$1,000,000	49	508	144,093	232,455	— 1,115	29,091	7,903	8,094	7,919	1,556
\$1,000,000 under \$10,000,000	45	350	1,246,974	1,024,315	98,769	129,528	40,335	40,100	39,809	5,966
\$10,000,000 under \$100,000,000	38	136	3,592,456	2,504,208	212,381	304,356	96,843	102,489	46,239	33,238
\$100,000,000 or more	5	5	1,220,870	248,830	68,902	68,902	12,075	12,075	70,000	16,544
Business services	22	625	1,882,986	1,431,781	152,352	173,463	64,646	63,057	33,553	10,307
Assets zero or not reported	13	119	—	5,947	572	716	270	267	346	—
\$1 under \$1,000,000	18	255	82,579	103,102	4,535	11,201	2,583	2,516	1,605	1,261
\$1,000,000 under \$10,000,000	15	205	713,185	564,442	51,617	61,490	22,564	21,225	20,290	2,439
\$10,000,000 under \$100,000,000	16	46	1,087,223	758,290	95,628	100,056	39,229	39,048	11,313	6,607
\$100,000,000 or more	—	—	—	—	—	—	—	—	—	—

* Data deleted to avoid disclosure of information for specific corporations.
Note: Detail may not add to total because of rounding.

Controlled Foreign Corporations, 1984

Table 2.—U.S. Corporation Returns with Total Assets of \$250 Million or More: Controlled Foreign Corporation Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F Income, by Selected Industries of U.S. Corporation and Controlled Foreign Corporation

[Money amounts are in thousands of dollars]

Selected industry of U.S. corporation filing the return and selected industry of Controlled Foreign Corporation	Number of U.S. corporation returns	Controlled Foreign Corporations								
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net)	Actual distributions in current year	Subpart F income
						Current earnings and profits before taxes	Foreign income taxes (net)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All industries (U.S. parent)	1,103	27,008	595,406,489	624,529,988	48,591,785	57,469,606	19,888,594	19,663,431	17,429,494	4,420,024
Industry of Controlled Foreign Corporation										
Agriculture, forestry and fishing	46	161	978,638	1,006,480	38,633	88,809	31,682	33,787	19,072	—
Mining	123	821	25,901,284	19,534,830	6,564,057	7,263,299	4,016,773	4,021,775	2,088,531	151,361
Construction	51	396	4,778,866	5,840,113	431,745	561,290	164,504	165,775	171,063	14,108
Manufacturing	571	7,259	219,484,327	341,427,774	23,123,025	27,510,932	9,923,041	9,686,985	7,396,511	845,682
Transportation and public utilities	156	626	16,223,121	10,011,858	641,795	1,330,717	232,909	226,388	537,151	158,425
Wholesale and retail trade	467	4,646	74,983,155	199,002,412	9,143,205	10,579,211	3,971,057	3,977,831	4,430,170	682,542
Finance, insurance and real estate	671	3,915	228,186,477	34,113,467	6,917,561	8,143,221	1,116,328	1,100,551	2,379,836	2,391,587
Services	399	2,571	19,436,781	12,937,029	1,658,857	1,900,428	414,495	432,473	395,550	175,611
Nature of business not allocable	133	341	758,852	656,025	72,907	91,700	17,805	17,866	11,610	709
Inactive	671	6,272	4,674,988	—	—	—	—	—	—	—
Mining (U.S. parent)	46	602	9,885,843	5,930,863	1,494,624	1,697,589	956,810	953,598	630,151	135,543
Industry of Controlled Foreign Corporation										
Agriculture, forestry and fishing .....	.	.	.	.	.	.	.	.	.	.
Mining	32	213	5,019,834	4,741,426	1,312,456	1,427,143	905,800	902,551	514,474	65,840
Construction	3	41	726,467	142,477	43,704	80,326	30,369	31,563	7,584	—
Manufacturing	13	33	290,937	306,793	11,761	32,934	8,934	8,526	19,041	729
Transportation and public utilities	10	22	201,502	121,237	20,974	26,203	303	-994	45	1,048
Wholesale and retail trade	6	16	141,179	218,327	6,962	7,654	1,106	1,106	11,152	2,637
Finance, insurance and real estate	25	58	2,152,116	204,659	73,416	78,552	5,421	5,561	76,456	43,846
Services	9	55	588,416	187,215	25,140	43,836	4,877	5,285	1,399	21,442
Nature of business not allocable .....	.	.	.	.	.	.	.	.	.	.
Inactive	32	159	750,809	—	—	—	—	—	—	—
Oil and gas extraction (U.S. parent)	33	512	8,517,348	5,686,333	1,423,295	1,619,670	935,442	933,527	609,711	130,750
Industry of Controlled Foreign Corporation										
Agriculture, forestry and fishing .....	.	.	.	.	.	.	.	.	.	.
Mining	24	190	4,654,419	4,613,684	1,279,699	1,391,379	886,673	883,424	496,804	65,668
Construction	10	30	280,808	289,196	9,901	31,066	8,152	7,744	18,971	729
Transportation and public utilities	5	8	111,935	46,988	-311	1,847	303	303	—	964
Wholesale and retail trade	5	15	133,964	217,668	6,290	6,981	1,106	1,106	11,152	2,068
Finance, insurance and real estate	17	44	1,972,296	181,352	58,596	63,304	3,962	4,103	73,801	39,878
Services	8	54	587,614	186,240	25,130	43,826	4,877	5,285	1,399	21,442
Nature of business not allocable .....	.	.	.	.	.	.	.	.	.	.
Inactive	21	126	35,381	—	—	—	—	—	—	—
Construction (U.S. parent)	19	384	3,826,697	2,917,905	416,794	461,479	122,388	121,488	194,572	44,664
Industry of Controlled Foreign Corporation										
Agriculture, forestry and fishing .....	.	.	.	.	.	.	.	.	.	.
Mining	5	54	784,681	259,945	109,694	128,317	24,346	23,214	46,608	11,959
Construction	14	95	919,228	1,311,029	113,364	128,958	25,073	25,104	49,439	770
Manufacturing	4	26	363,845	553,183	29,527	31,579	11,535	11,579	19,219	—
Transportation and public utilities .....	.	.	.	.	.	.	.	.	.	.
Wholesale and retail trade .....	.	.	.	.	.	.	.	.	.	.
Finance, insurance and real estate	8	27	958,824	115,307	37,750	44,036	5,320	5,387	20,350	21,970
Services	8	49	439,054	230,400	100,873	101,693	40,481	40,582	50,091	9,965
Nature of business not allocable .....	.	.	.	.	.	.	.	.	.	.
Inactive	12	110	36,915	—	—	—	—	—	—	—
Manufacturing (U.S. parent)	581	18,805	390,581,396	500,334,516	40,379,971	47,969,980	17,109,507	16,839,916	14,904,646	3,374,696
Industry of Controlled Foreign Corporation										
Agriculture, forestry and fishing	32	111	635,223	616,541	32,594	62,070	22,428	23,036	14,002	—
Mining	64	448	17,279,446	12,222,001	4,937,904	5,456,110	3,027,421	3,034,513	1,478,575	33,418
Construction	28	198	2,795,010	4,040,002	279,970	340,439	106,438	106,361	113,987	13,338
Manufacturing	496	6,686	210,635,491	327,901,939	22,592,038	26,749,926	9,691,368	9,453,536	7,169,747	838,372
Transportation and public utilities	72	260	9,347,807	4,962,562	164,113	779,909	80,797	72,545	485,642	125,081
Wholesale and retail trade	344	3,767	56,265,475	129,396,250	7,684,709	8,931,367	3,604,990	3,593,148	3,932,747	612,042
Finance, insurance and real estate	339	1,826	81,658,613	13,202,523	3,656,892	4,468,976	394,693	368,552	1,470,747	1,664,213
Services	230	1,223	9,827,041	7,803,206	982,706	1,116,275	178,070	184,862	236,810	87,522
Nature of business not allocable	91	255	408,844	189,493	49,044	64,908	3,300	3,363	2,389	709
Inactive	388	4,031	1,728,447	—	—	—	—	—	—	—

Footnotes at end of table.

Controlled Foreign Corporations, 1984

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Table 2.—U.S. Corporation Returns with Total Assets of \$250 Million or More: Controlled Foreign Corporation Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F Income, by Selected Industries of U.S. Corporation and Controlled Foreign Corporation—Continued

[Money amounts are in thousands of dollars]

Selected industry of U.S. corporation filing the return and selected industry of Controlled Foreign Corporation	Number of U.S. corporation returns	Controlled Foreign Corporations								
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net)	Actual distributions in current year	Subpart F income
						Current earnings and profits before taxes	Foreign income taxes (net)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Manufacturing—Continued										
Food and kindred products (U.S. parent)	43	1,831	22,565,728	31,414,654	2,714,895	3,050,716	791,131	776,935	960,637	270,378
Industry of Controlled Foreign Corporation										
Agriculture, forestry and fishing	9	54	298,194	289,924	- 8,293	15,462	5,147	5,195	1,967	-
Mining .....	.	.	.	.	.	.	.	.	.	.
Construction .....	.	.	.	.	.	.	.	.	.	.
Manufacturing	38	673	14,607,295	25,572,986	1,918,394	2,129,938	688,523	685,487	600,486	76,653
Transportation and public utilities	10	23	171,440	165,689	15,490	17,743	1,995	1,990	7,532	3,781
Wholesale and retail trade	28	288	1,871,291	4,248,725	188,932	223,263	70,252	68,212	47,049	29,206
Finance, insurance and real estate	33	175	4,811,333	757,287	366,278	426,341	21,150	11,054	257,043	145,720
Services	20	103	392,905	364,688	205,032	207,821	3,680	4,593	46,501	15,019
Nature of business not allocable .....	.	.	.	.	.	.	.	.	.	.
Inactive	31	465	340,738	-	-	-	-	-	-	-
Chemicals and allied products (U.S. parent)	72	3,940	58,528,756	60,877,842	6,539,859	7,382,393	2,473,937	2,453,161	2,100,613	813,540
Industry of Controlled Foreign Corporation										
Agriculture, forestry and fishing	6	27	100,488	76,367	15,949	18,477	9,209	9,752	4,014	-
Mining	8	53	2,559,384	1,777,493	1,170,623	1,202,367	737,557	737,731	509,229	3,748
Construction .....	.	.	.	.	.	.	.	.	.	.
Manufacturing	68	1,632	37,611,807	45,133,605	4,211,951	4,733,368	1,449,549	1,442,198	1,254,218	276,979
Transportation and public utilities	8	27	975,860	629,112	- 99,953	9,358	- 2,951	- 13,638	8,031	550
Wholesale and retail trade	56	770	5,464,570	11,301,447	523,864	628,783	206,822	203,322	119,558	130,406
Finance, insurance and real estate	53	353	10,815,699	1,495,504	678,039	734,691	59,262	60,777	191,633	394,348
Services	36	161	594,210	153,519	30,429	44,633	10,598	9,712	13,928	7,510
Nature of business not allocable .....	.	.	.	.	.	.	.	.	.	.
Inactive	60	863	249,888	-	-	-	-	-	-	-
Petroleum (including integrated) and coal products (U.S. parent)	35	1,932	99,994,391	173,001,490	12,612,098	15,588,956	6,708,937	6,507,866	6,134,363	707,290
Industry of Controlled Foreign Corporation										
Agriculture, forestry and fishing	3	4	17,717	3,281	- 581	939	145	163	30	-
Mining	22	271	12,578,869	9,697,332	3,784,806	4,201,311	2,272,745	2,276,963	956,948	25,851
Construction	4	13	435,657	1,083,196	26,913	27,142	9,012	9,012	22,134	7,763
Manufacturing	20	326	32,613,502	76,818,658	2,634,506	3,708,924	1,569,086	1,363,453	1,026,901	93,578
Transportation and public utilities	17	112	6,723,851	2,927,767	130,029	603,786	58,697	60,229	442,906	60,168
Wholesale and retail trade	29	475	26,465,364	79,961,314	5,439,453	6,051,965	2,742,609	2,740,439	3,370,711	217,341
Finance, insurance and real estate	27	204	19,875,856	2,271,174	586,917	981,180	54,598	55,083	313,659	301,720
Services	17	72	866,403	227,087	10,648	13,589	2,031	2,512	1,074	861
Nature of business not allocable	12	24	24,716	11,679	- 592	119	14	12	-	10
Inactive	27	431	392,457	-	-	-	-	-	-	-
Primary metal industries (U.S. parent)	40	1,033	14,034,236	10,486,406	332,153	771,022	168,394	134,945	193,123	126,111
Industry of Controlled Foreign Corporation										
Agriculture, forestry and fishing .....	.	.	.	.	.	.	.	.	.	.
Mining	12	48	1,100,155	332,467	- 9,149	13,133	2,717	1,777	7,300	-
Construction .....	.	.	.	.	.	.	.	.	.	.
Manufacturing	34	330	6,609,777	7,454,065	193,252	466,904	137,711	106,306	115,621	500
Transportation and public utilities	10	20	316,365	218,534	9,080	26,149	2,207	2,316	2,191	39,440
Wholesale and retail trade	18	114	725,969	1,199,414	29,663	47,303	12,004	13,766	40,590	10,398
Finance, insurance and real estate	29	164	4,597,138	934,333	103,061	196,750	11,853	8,562	26,730	75,554
Services	11	55	520,519	315,050	6,691	18,502	1,190	1,506	691	211
Nature of business not allocable	6	22	63,286	30,459	1,350	2,256	712	712	-	8
Inactive	23	274	93,477	-	-	-	-	-	-	-
Machinery, except electrical (U.S. parent)	68	1,950	51,882,026	50,103,336	7,430,539	7,989,513	3,045,754	3,020,664	1,883,219	481,385
Industry of Controlled Foreign Corporation										
Agriculture, forestry and fishing .....	.	.	.	.	.	.	.	.	.	.
Mining	5	42	333,092	313,087	748	19,665	8,325	8,260	4,509	50
Construction	4	8	82,492	64,204	23,039	23,059	1,995	1,995	1,451	3,272
Manufacturing	61	702	33,636,239	36,833,682	6,165,443	6,445,916	2,773,899	2,764,014	1,559,862	172,912
Transportation and public utilities .....	.	.	.	.	.	.	.	.	.	.
Wholesale and retail trade	43	469	8,250,227	9,845,001	490,672	683,638	160,496	150,929	66,328	100,568
Finance, insurance and real estate	43	168	7,143,442	1,207,273	500,854	519,993	76,074	72,784	227,389	183,852
Services	32	156	2,288,405	1,795,401	250,437	296,950	24,915	22,628	23,679	20,709
Nature of business not allocable .....	.	.	.	.	.	.	.	.	.	.
Inactive	45	390	107,628	-	-	-	-	-	-	-

Footnotes at end of table.

Controlled Foreign Corporations, 1984

Table 2.—U.S. Corporation Returns with Total Assets of \$250 Million or More: Controlled Foreign Corporation Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F Income, by Selected Industries of U.S. Corporation and Controlled Foreign Corporation—Continued

[Money amounts are in thousands of dollars]

Selected industry of U.S. corporation filing the return and selected industry of Controlled Foreign Corporation	Number of U.S. corporation returns	Controlled Foreign Corporations								
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net)	Actual distributions in current year	Subpart F income
						Current earnings and profits before taxes	Foreign income taxes (net)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Manufacturing—Continued										
Electrical and electronic equipment (U.S. parent)	70	2,270	37,641,993	39,205,015	2,701,272	3,255,924	733,755	721,578	838,293	223,498
Industry of Controlled Foreign Corporation										
Agriculture, forestry and fishing	.	.	.	.	.	.	.	.	.	.
Mining	4	17	303,224	30,498	- 5,363	11,160	3,323	6,503	205	3,007
Construction	4	22	1,024,842	636,785	10,435	38,165	7,273	7,418	15,145	231
Manufacturing	55	786	18,896,896	28,301,544	1,658,208	2,021,208	514,847	503,048	540,274	51,867
Transportation and public utilities	4	27	747,080	740,031	78,907	80,275	17,655	17,655	22,245	5,904
Wholesale and retail trade	45	459	3,065,908	5,188,376	301,292	361,192	111,577	111,256	53,634	13,988
Finance, insurance and real estate	29	270	11,565,042	2,088,276	502,378	565,542	35,924	33,151	178,948	137,405
Services	22	222	1,585,688	2,117,793	165,952	177,011	42,945	42,330	26,129	10,537
Nature of business not allocable	.	.	.	.	.	.	.	.	.	.
Inactive	44	428	325,924	—	—	—	—	—	—	—
Motor vehicles and equipment (U.S. parent)	20	925	47,132,506	70,477,798	2,430,468	3,550,208	1,223,562	1,252,124	993,079	269,493
Industry of Controlled Foreign Corporation										
Agriculture, forestry and fishing	.	.	.	.	.	.	.	.	.	.
Mining	.	.	.	.	.	.	.	.	.	.
Construction	.	.	.	.	.	.	.	.	.	.
Manufacturing	19	247	29,606,718	61,223,157	1,868,236	2,847,322	1,100,282	1,134,063	882,288	20,883
Transportation and public utilities	3	14	72,640	25,757	- 540	1,105	273	1,101	—	—
Wholesale and retail trade	10	313	2,437,901	6,066,726	118,139	173,080	44,298	45,852	35,304	27,415
Finance, insurance and real estate	13	137	14,511,017	3,007,099	406,362	488,108	74,103	66,219	71,538	216,891
Services	10	38	424,247	148,287	35,859	38,181	3,818	4,101	3,949	3,656
Nature of business not allocable	.	.	.	.	.	.	.	.	.	.
Inactive	15	170	45,419	—	—	—	—	—	—	—
Instruments and related products (U.S. parent)	23	807	11,513,591	15,490,503	1,270,096	1,437,020	466,927	476,545	344,585	155,856
Industry of Controlled Foreign Corporation										
Agriculture, forestry and fishing	.	.	.	.	.	.	.	.	.	.
Mining	.	.	.	.	.	.	.	.	.	.
Construction	.	.	.	.	.	.	.	.	.	.
Manufacturing	21	321	6,803,466	9,254,057	977,049	1,056,061	343,651	342,134	263,613	81,443
Transportation and public utilities	.	.	.	.	.	.	.	.	.	.
Wholesale and retail trade	15	253	3,831,795	5,728,459	240,216	314,392	110,999	113,063	66,564	54,931
Finance, insurance and real estate	15	33	550,832	69,912	42,435	44,474	1,401	1,201	12,350	19,471
Services	7	38	170,094	298,073	1,278	10,731	5,127	14,376	1,048	10
Nature of business not allocable	.	.	.	.	.	.	.	.	.	.
Inactive	19	127	24,185	—	—	—	—	—	—	—
Transportation and public utilities (U.S. parent)	106	1,508	25,021,612	14,153,603	1,299,298	1,572,265	357,612	360,756	297,736	334,528
Industry of Controlled Foreign Corporation										
Agriculture, forestry and fishing	.	.	.	.	.	.	.	.	.	.
Mining	15	63	2,337,056	2,199,681	219,499	245,508	53,450	55,995	48,875	39,797
Construction	3	52	309,069	331,942	1,422	8,254	2,617	2,709	53	—
Manufacturing	19	249	3,417,558	4,123,061	220,193	293,695	86,964	85,996	66,037	5,112
Transportation and public utilities	46	230	5,605,599	4,495,787	396,215	435,948	130,387	133,217	50,843	9,421
Wholesale and retail trade	13	146	792,255	994,733	12,308	61,618	13,638	12,326	22,718	2,855
Finance, insurance and real estate	67	199	10,835,990	1,278,569	376,172	429,626	46,296	46,496	92,180	276,303
Services	35	162	1,398,574	728,479	79,576	97,440	24,216	23,968	16,337	1,041
Nature of business not allocable	.	.	.	.	.	.	.	.	.	.
Inactive	54	379	278,115	—	—	—	—	—	—	—
Wholesale and retail trade (U.S. parent)	116	1,404	32,358,191	72,992,450	1,831,937	2,120,430	487,710	518,299	559,330	215,031
Industry of Controlled Foreign Corporation										
Agriculture, forestry and fishing	4	11	55,647	249,110	- 4,837	233	—	1,474	108	—
Mining	4	16	210,977	90,395	- 5,660	3,313	4,571	4,091	—	347
Construction	.	.	.	.	.	.	.	.	.	.
Manufacturing	20	76	2,117,538	4,244,541	141,488	167,938	61,356	63,050	24,231	1,468
Transportation and public utilities	13	34	165,832	13,616	- 7,810	12,676	654	616	161	1,354
Wholesale and retail trade	76	585	17,104,187	66,413,414	1,362,059	1,482,147	324,146	346,212	376,123	65,008
Finance, insurance and real estate	53	186	12,033,030	1,583,399	313,850	411,036	87,133	87,883	154,155	145,662
Services	26	124	507,065	393,145	32,768	42,905	9,887	15,011	4,554	1,193
Nature of business not allocable	.	.	.	.	.	.	.	.	.	.
Inactive	65	358	150,649	—	—	—	—	—	—	—

Footnotes at end of table.

Controlled Foreign Corporations, 1984

Table 2.—U.S. Corporation Returns with Total Assets of \$250 Million or More: Controlled Foreign Corporation Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F Income, by Selected Industries of U.S. Corporation and Controlled Foreign Corporation—Continued

[Money amounts are in thousands of dollars]

Selected industry of U.S. corporation filing the return and selected industry of Controlled Foreign Corporation	Number of U.S. corporation returns	Controlled Foreign Corporations								
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net)	Actual distributions in current year	Subpart F income
						Current earnings and profits before taxes	Foreign income taxes (net)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Finance, insurance and real estate (U.S. parent)	169	2,934	126,591,844	23,001,761	2,730,451	3,030,724	675,064	682,550	660,896	242,087
Industry of Controlled Foreign Corporation										
Agriculture, forestry and fishing	*	*	*	*	*	*	*	*	*	*
Mining	—	—	—	—	—	—	—	—	—	—
Construction	—	—	—	—	—	—	—	—	—	—
Manufacturing	13	104	1,940,558	3,301,29	189,477	204,484	52,381	50,738	86,353	(1)
Transportation and public utilities	7	18	280,382	93,133	23,183	23,832	1,020	932	—	20,820
Wholesale and retail trade	17	86	396,148	1,278,719	29,803	39,370	11,578	8,250	14,096	—
Finance, insurance and real estate	143	1,553	118,814,266	17,513,831	2,385,410	2,630,649	571,102	581,428	540,812	206,688
Services	44	254	3,297,343	764,696	113,158	128,553	38,239	40,233	19,613	14,579
Nature of business not allocable	10	18	25,821	25,462	-523	597	269	268	21	—
Inactive	77	872	1,581,626	—	—	—	—	—	—	—
Banking (U.S. parent)	59	1,066	86,236,101	10,870,837	1,510,715	1,605,013	395,072	396,038	335,258	122,483
Industry of Controlled Foreign Corporation										
Agriculture, forestry and fishing	*	*	*	*	*	*	*	*	*	*
Mining	—	—	—	—	—	—	—	—	—	—
Construction	—	—	—	—	—	—	—	—	—	—
Manufacturing	—	—	—	—	—	—	—	—	—	—
Transportation and public utilities	3	8	10,803	15	-169	403	185	98	—	—
Wholesale and retail trade	*	*	*	*	*	*	*	*	*	*
Finance, insurance and real estate	54	632	83,490,053	10,795,206	1,480,689	1,570,536	385,338	385,365	334,633	116,614
Services	23	107	1,436,249	61,996	28,642	31,277	8,997	10,043	625	5,869
Nature of business not allocable	*	*	*	*	*	*	*	*	*	*
Inactive	28	298	1,214,232	—	—	—	—	—	—	—
Insurance (U.S. parent)	43	508	12,794,273	4,220,417	389,670	446,435	65,898	66,692	78,604	52,359
Industry of Controlled Foreign Corporation										
Agriculture, forestry and fishing	*	*	*	*	*	*	*	*	*	*
Mining	—	—	—	—	—	—	—	—	—	—
Construction	—	—	—	—	—	—	—	—	—	—
Manufacturing	3	37	467,618	567,886	45,841	53,070	19,002	18,851	29,552	*
Transportation and public utilities	*	*	*	*	*	*	*	*	*	*
Wholesale and retail trade	4	16	36,627	67,668	3,254	3,997	1,701	1,701	1,047	—
Finance, insurance and real estate	36	293	12,181,432	3,456,765	337,611	377,619	42,799	43,750	41,604	52,359
Services	9	44	67,312	102,348	3,519	11,149	2,123	2,123	6,401	—
Nature of business not allocable	3	8	15,817	25,401	-496	582	266	260	—	—
Inactive	18	106	24,763	—	—	—	—	—	—	—
Services (U.S. parent)	62	1,255	6,204,392	4,096,183	399,478	557,259	159,460	165,056	164,313	72,302
Industry of Controlled Foreign Corporation										
Agriculture, forestry and fishing	—	—	—	—	—	—	—	—	—	—
Mining	*	*	*	*	*	*	*	*	*	*
Construction	*	*	*	*	*	*	*	*	*	*
Manufacturing	5	49	316,232	451,253	-71,926	15,638	4,518	7,652	3,696	—
Transportation and public utilities	6	51	488,333	306,119	44,924	46,958	18,187	18,025	460	700
Wholesale and retail trade	8	30	195,020	284,902	38,053	45,010	11,276	11,180	72,975	—
Finance, insurance and real estate	34	61	1,708,273	210,716	70,087	76,116	6,329	5,210	20,435	31,733
Services	46	702	3,307,075	2,829,539	323,648	368,738	118,441	122,248	66,746	39,869
Nature of business not allocable	7	13	399	—	325	404	—	—	—	—
Inactive	39	339	144,893	—	—	—	—	—	—	—

¹ Less than \$500.

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

Note: Detail may not add to total because of rounding and because agriculture, forestry and fishing is not shown for U.S. parent corporations.

Controlled Foreign Corporations, 1984

Table 3.—U.S. Corporation Returns with Total Assets of \$250 Million or More: Controlled Foreign Corporation Total Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income and Selected Transactions, by Selected Industry of Controlled Foreign Corporation

[Money amounts are in thousands of dollars]

Selected industry of Controlled Foreign Corporation	Controlled Foreign Corporations								
	Number of U.S. corporation returns	Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign income taxes (net)	Actual distributions in current year	Subpart F income	Selected receipts by foreign corporations from:
									All related persons
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
All Industries, total	1,103	27,008	595,406,489	624,529,988	48,591,785	19,663,431	17,429,494	4,420,024	83,528,175
Agriculture, forestry and fishing	46	161	978,638	1,006,480	38,633	33,787	19,072	—	67,846
Mining	123	821	25,901,284	19,534,830	6,564,057	4,021,775	2,088,531	151,361	2,407,935
Oil and gas extraction	90	602	21,603,663	17,782,883	6,438,111	3,928,638	1,902,075	150,624	2,210,309
Construction	51	396	4,778,866	5,840,113	431,745	165,775	171,063	14,108	499,875
Manufacturing	571	7,259	219,484,327	341,427,774	23,123,025	9,686,985	7,396,511	845,682	46,928,489
Food and kindred products	68	650	16,138,241	29,134,928	2,063,139	738,296	653,107	72,399	732,391
Chemicals and allied products	128	1,698	39,610,381	47,627,012	4,385,608	1,546,204	1,276,286	335,335	2,927,515
Petroleum (including integrated) and coal products	24	125	31,595,723	76,285,946	2,440,693	1,274,757	962,208	60,719	8,976,008
Fabricated metal products	122	581	6,178,961	8,082,133	625,777	270,682	338,710	25,534	308,853
Machinery, except electrical	131	782	29,499,003	32,196,493	5,546,221	2,575,740	1,504,647	106,379	4,366,548
Electrical and electronic equipment	127	934	24,238,530	34,057,306	2,291,562	686,518	555,832	69,518	6,516,443
Motor vehicles and equipment	39	249	29,756,928	61,429,201	1,737,388	1,059,071	878,329	20,489	18,954,001
Transportation and public utilities	156	626	16,223,121	10,011,858	641,795	226,388	537,151	158,425	1,880,031
Water transportation	75	261	6,959,562	3,021,868	—65,842	17,905	334,716	147,880	1,493,333
Wholesale and retail trade	467	4,646	74,983,155	199,002,412	9,143,205	3,977,831	4,430,170	682,542	18,363,614
Wholesale trade	410	3,750	62,607,143	176,186,770	8,320,183	3,715,665	4,247,344	636,362	17,942,644
Finance, insurance and real estate	671	3,915	228,186,477	34,113,467	6,917,581	1,100,551	2,379,836	2,391,587	10,931,629
Banking	68	322	66,304,143	8,068,427	807,198	203,329	224,415	59,202	1,181,654
Credit agencies other than banks	185	710	59,364,705	8,907,948	1,720,824	371,598	860,046	2,874,767	—
Insurance	277	531	23,623,480	6,049,618	1,059,011	65,850	304,532	329,057	1,364,624
Holding and other investment companies, except bank holding companies	402	1,291	61,087,974	8,204,989	2,787,916	309,936	1,370,437	1,072,009	4,845,629
Services	399	2,571	19,436,781	12,937,029	1,658,857	432,473	395,550	175,611	2,369,132
Business services	270	1,374	6,944,018	5,196,663	743,787	204,742	161,286	61,584	1,498,767
Nature of business not allocable	133	341	758,852	656,025	72,907	17,866	11,610	709	79,626
Inactive	671	6,272	4,674,988	—	—	—	—	—	—

Selected industry of Controlled Foreign Corporation	Controlled Foreign Corporations—Continued								Selected payments by foreign corporations to: All related persons
	U.S. corporation filing return and its domestic subsidiaries				Any foreign corporation controlled by U.S. corporation filing return				
	Total	Sales of stock in trade	Compensation received for certain services	Interest, rents, and royalties received	Total	Sales of stock in trade	Compensation received for certain services	Interest, rents, and royalties received	
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
All Industries, total	68,589,582	54,859,629	4,208,307	7,207,392	14,648,044	873,549	3,718,226	3,734,962	112,600,816
Agriculture, forestry and fishing	62,050	57,319	4,531	—	5,796	—	963	3,796	74,764
Mining	1,807,587	1,699,925	38,696	50,585	599,010	—	42,287	249,179	3,367,636
Oil and gas extraction	1,643,619	1,538,824	38,637	48,172	565,544	—	41,643	240,863	3,075,328
Construction	270,356	106,679	143,459	14,907	228,250	—	159,412	16,691	727,907
Manufacturing	41,792,135	38,408,864	2,312,009	593,054	5,018,859	591,252	1,641,738	1,070,006	66,199,030
Food and kindred products	502,265	447,446	14,630	8,236	230,126	21,479	27,637	83,217	1,742,708
Chemicals and allied products	1,955,638	1,569,053	113,574	202,580	967,478	281,503	225,337	218,868	7,427,508
Petroleum (including integrated) and coal products	7,605,285	7,459,569	77,339	66,381	1,347,249	6,741	187,818	233,747	14,016,938
Fabricated metal products	160,261	136,185	4,443	9,137	146,742	12,446	33,141	70,746	982,914
Machinery, except electrical	3,842,365	2,786,077	909,681	41,614	520,125	5,513	408,093	46,523	9,039,184
Electrical and electronic equipment	5,880,047	5,222,107	572,113	48,684	596,374	163,395	136,050	183,113	7,057,579
Motor vehicles and equipment	18,144,222	17,570,658	292,440	128,822	809,436	96,137	515,131	135,535	18,760,225
Transportation and public utilities	1,292,696	393,718	411,812	425,900	587,304	20,830	121,444	153,944	1,587,084
Water transportation	988,210	328,369	326,552	330,352	505,092	19,533	68,159	139,593	1,192,496
Wholesale and retail trade	14,680,981	13,934,269	334,975	140,832	3,665,761	252,074	960,403	514,970	29,854,152
Wholesale trade	14,400,876	13,708,695	324,649	134,317	3,526,722	251,979	948,493	425,289	28,424,067
Finance, insurance and real estate	7,256,595	53,258	153,119	5,756,321	3,525,626	9,392	234,002	1,535,029	8,279,917
Banking	847,444	11,503	23,527	754,081	327,193	100	8,515	264,369	1,879,587
Credit agencies other than banks	2,125,639	910	8,316	2,074,841	711,142	—	95,429	476,156	2,377,659
Insurance	886,977	118	5,528	10,318	473,821	—	19,416	63,111	586,445
Holding and other investment companies, except bank holding companies	2,977,006	35,501	43,053	2,641,751	1,769,166	9,292	54,583	615,153	3,003,269
Services	1,415,479	195,507	808,706	225,215	949,515	1	530,923	181,319	2,471,087
Business services	921,156	160,293	590,200	53,670	573,703	1	386,836	61,134	916,528
Nature of business not allocable	11,703	10,069	1,000	578	67,923	—	27,054	10,028	39,240
Inactive	—	—	—	—	—	—	—	—	—

Footnote at end of table.

Controlled Foreign Corporations, 1984

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Table 3.—U.S. Corporation Returns with Total Assets of \$250 Million or More: Controlled Foreign Corporation Total Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income and Selected Transactions, by Selected Industry of Controlled Foreign Corporation—Continued

[Money amounts are in thousands of dollars]

Selected industry of Controlled Foreign Corporation	Controlled Foreign Corporations—Continued									
	Selected payments by foreign corporations to—Continued									
	U.S. corporation filing return and its domestic subsidiaries					Any foreign corporation controlled by U.S. corporation filing return				
	Total	Purchases of stock in trade	Compensation paid for certain services	Dividends paid: First 60 days of accounting period	Dividends paid: Remainder of accounting period	Total	Purchases of stock in trade	Compensation paid for certain services	Dividends paid: First 60 days of accounting period	Dividends paid: remainder of accounting period
(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	
All industries, total	96,424,708	71,095,809	4,137,396	1,512,881	10,270,943	14,966,599	757,373	4,013,396	275,864	4,927,884
Agriculture, forestry and fishing	61,388	41,493	1,149	659	8,854	13,376	—	556	185	8,947
Mining	2,041,998	566,837	150,860	59,496	1,005,969	1,320,354	—	58,407	1,130	985,459
Oil and gas extraction	1,809,758	514,292	145,350	50,046	860,349	1,262,552	—	55,941	1,130	974,271
Construction	520,703	312,704	92,013	8,752	87,308	190,865	—	96,409	6,912	60,396
Manufacturing	58,814,552	45,934,962	2,496,662	1,039,757	4,404,269	6,341,687	483,543	2,413,631	165,344	1,534,043
Food and kindred products	1,256,221	557,385	75,664	48,235	393,598	483,163	53,444	66,389	45,983	146,964
Chemicals and allied products	6,085,268	4,007,850	307,361	222,442	679,450	1,338,071	195,737	371,413	29,491	305,891
Petroleum (including integrated) and coal products	12,058,965	11,499,677	106,071	95,069	286,835	1,006,499	50,508	259,681	3,784	457,986
Fabricated metal products	839,809	444,928	30,671	127,676	147,306	123,429	8,248	11,617	11,794	48,186
Machinery, except electrical	8,179,417	4,462,781	380,950	294,372	985,577	847,472	4,821	501,040	7,777	208,235
Electrical and electronic equipment	6,634,434	5,217,806	576,122	37,617	377,161	420,238	17,079	146,868	35,562	97,669
Motor vehicles and equipment	17,247,385	15,426,963	775,876	43,506	756,066	1,512,841	131,956	926,825	1,874	69,281
Transportation and public utilities	929,211	68,465	377,074	8,420	363,168	645,297	7,313	123,831	286	109,148
Water transportation	765,875	1,015	339,988	5,396	326,361	417,393	—	58,626	133	2,674
Wholesale and retail trade	27,001,490	23,213,838	304,317	178,724	2,738,661	2,757,920	264,529	408,488	30,854	1,446,131
Wholesale trade	25,724,360	22,255,197	281,100	174,910	2,596,048	2,605,870	263,060	394,483	28,091	1,419,239
Finance, insurance and real estate	5,189,417	387,609	252,384	175,049	1,397,756	3,054,488	1,411	576,299	60,200	720,285
Banking	1,553,610	15,790	28,258	23,115	167,425	291,818	—	5,647	2,115	29,717
Credit agencies other than banks	1,025,149	667	168,969	18,656	96,220	1,352,511	—	470,059	24,105	229,373
Insurance	308,830	7,042	16,171	38,307	193,960	277,004	—	28,438	10,654	54,754
Holding and other investment companies, except bank holding companies	2,064,520	345,010	11,223	93,007	902,459	937,506	1,411	29,327	14,479	350,757
Services	1,843,926	553,273	461,437	42,017	264,341	625,397	577	333,427	10,954	52,492
Business services	606,552	369,489	67,768	13,080	96,838	308,959	(¹)	207,347	10,326	38,836
Nature of business not allocable	22,024	18,629	1,501	6	617	17,216	—	2,347	—	10,984
Inactive	—	—	—	—	—	—	—	—	—	—

(¹) Less than \$500.

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

Controlled Foreign Corporations, 1984

Table 4.—Foreign Corporations Controlled by U.S. Corporations with Total Assets of \$250 Million or More: Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F Income, by Selected Industry and Percentage of Direct or Indirect Ownership by U.S. Corporation

[Money amounts are in thousands of dollars]

Selected industry of U.S. corporation filing the return and percent of Controlled Foreign Corporation owned directly or indirectly by U.S. corporation filing the return	Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net)	Actual distributions in current year	Subpart F income
					Current earnings and profits before taxes	Foreign income taxes (net)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
All Industries, total	27,008	595,406,489	624,529,988	48,591,785	57,469,606	19,888,594	19,863,431	17,429,494	4,420,024
100 percent	21,971	468,103,734	481,906,031	38,357,917	45,887,016	15,770,195	15,621,911	13,701,465	4,258,906
95 under 100 percent	1,121	31,750,910	31,350,054	2,007,159	2,370,801	971,546	952,203	465,259	99,759
90 under 95 percent	399	11,617,003	19,505,611	773,077	846,108	224,042	206,600	236,651	2,120
80 under 90 percent	514	13,690,656	20,826,698	2,284,739	2,449,973	687,167	686,612	1,184,472	23,947
70 under 80 percent	748	15,370,338	24,146,271	959,537	1,240,765	489,353	470,025	312,724	14,314
60 under 70 percent	602	25,007,013	24,770,627	2,255,429	2,385,122	934,255	936,086	927,318	8,021
More than 50 under 60 percent	652	13,240,506	11,824,361	655,137	834,654	224,318	200,884	240,886	2,480
50 percent	472	9,148,135	4,857,401	575,948	640,293	258,024	258,935	79,865	5,576
Less than 50 percent	116	1,707,153	1,587,202	41,144	75,389	16,290	16,613	5,626	126
Percentage not determinable	413	5,771,041	3,755,733	681,698	739,488	313,404	313,561	275,229	4,774
Agriculture, forestry and fishing	116	936,515	1,102,708	39,232	59,882	20,042	21,768	17,851	1,173
100 percent	98	791,099	857,024	30,389	46,360	13,681	15,407	17,049	1,173
95 under 100 percent	.	.	.	.	.	.	.	.	.
90 under 95 percent	.	.	.	.	.	.	.	.	.
80 under 90 percent	.	.	.	.	.	.	.	.	.
70 under 80 percent	.	.	.	.	.	.	.	.	.
60 under 70 percent	.	.	.	.	.	.	.	.	.
More than 50 under 60 percent	.	.	.	.	.	.	.	.	.
50 percent	4	17,030	2,745	-3,948	501	—	—	—	—
Less than 50 percent	.	.	.	.	.	.	.	.	.
Percentage not determinable	.	.	.	.	.	.	.	.	.
Mining	602	9,885,843	5,930,863	1,494,624	1,697,589	956,810	953,598	630,151	135,543
100 percent	511	9,011,878	5,617,389	1,450,873	1,618,688	936,027	934,144	610,452	133,450
95 under 100 percent	20	88,494	25,633	-2,302	4,932	1,207	1,207	35	—
90 under 95 percent	11	54,469	3,179	1,001	1,728	—	—	—	1,477
80 under 90 percent	4	26,932	284	-75	7	7	7	—	—
70 under 80 percent	16	122,758	39,859	1,062	12,279	2,444	2,444	6,694	—
60 under 70 percent	17	147,361	55,736	12,484	17,458	1,584	1,682	1,475	279
More than 50 under 60 percent	8	381,598	170,565	40,775	40,793	15,541	15,541	11,462	—
50 percent	8	45,299	9,127	-1,937	1,023	—	-1,297	32	16
Less than 50 percent	.	.	.	.	.	.	.	.	.
Percentage not determinable	.	.	.	.	.	.	.	.	.
Oil and gas extraction	512	8,517,348	5,686,333	1,423,295	1,619,670	935,442	933,527	609,711	130,750
100 percent	438	7,819,852	5,452,299	1,398,319	1,562,777	923,620	921,738	601,552	129,129
95 under 100 percent	19	72,940	20,727	-6,967	268	—	—	35	—
90 under 95 percent	6	32,051	3,179	1,153	1,517	—	—	—	1,342
80 under 90 percent	4	26,932	284	-75	7	7	7	—	—
70 under 80 percent	12	119,226	29,745	-652	10,558	2,444	2,444	6,649	—
60 under 70 percent	17	147,361	55,736	12,484	17,458	1,584	1,682	1,475	279
More than 50 under 60 percent	7	284,127	113,970	26,075	26,094	7,786	7,786	—	—
50 percent	4	10,514	2,029	892	991	—	—	—	—
Less than 50 percent	.	.	.	.	.	.	.	.	.
Percentage not determinable	.	.	.	.	.	.	.	.	.
Construction	384	3,826,697	2,917,905	416,794	461,479	122,388	121,488	119,572	44,664
100 percent	307	2,737,410	1,414,316	279,241	317,033	88,195	88,404	133,692	42,250
95 under 100 percent	18	85,313	42,029	5,800	6,468	-108	-135	7,421	2,046
90 under 95 percent	.	.	.	.	.	.	.	.	.
80 under 90 percent	4	280,739	158,596	71,012	75,337	10,826	9,854	29,635	—
70 under 80 percent	11	83,565	201,763	2,170	3,015	1,112	956	5,031	6
60 under 70 percent	15	68,183	122,107	8,146	8,759	1,951	1,992	3,097	—
More than 50 under 60 percent	14	333,448	552,928	33,530	33,846	15,692	15,696	8,677	362
50 percent	7	58,343	78,969	2,344	2,344	297	297	—	—
Less than 50 percent	.	.	.	.	.	.	.	.	.
Percentage not determinable	4	35,536	90,359	4,651	4,651	-31	-31	—	—
Manufacturing	18,805	390,581,396	500,334,516	40,379,971	47,969,980	17,109,507	16,839,916	14,904,646	3,374,696
100 percent	15,319	308,371,769	387,370,043	31,501,370	37,991,299	13,414,224	13,220,824	11,499,549	3,248,950
95 under 100 percent	775	15,555,741	27,296,524	1,840,711	2,150,773	908,710	886,562	431,425	89,830
90 under 95 percent	267	5,685,708	14,167,780	475,219	536,952	136,230	118,771	162,659	91
80 under 90 percent	399	11,619,328	18,791,926	2,045,178	2,199,697	650,281	648,417	1,199,259	12,000
70 under 80 percent	460	8,596,925	11,062,394	766,867	1,001,453	437,351	418,763	249,457	8,808
60 under 70 percent	427	20,448,806	22,863,088	2,117,545	2,220,615	892,821	894,852	863,922	7,568
More than 50 under 60 percent	515	10,023,361	10,199,329	542,123	683,748	170,927	149,101	211,786	1,929
50 percent	299	4,175,986	3,632,875	388,711	415,975	178,298	181,405	47,100	1,189
Less than 50 percent	78	1,610,901	1,526,486	41,721	66,801	15,530	15,857	4,298	126
Percentage not determinable	266	4,492,872	3,424,071	660,527	702,664	305,136	305,366	275,192	4,203
Food and kindred products	1,831	22,565,728	31,414,654	2,714,895	3,050,716	791,131	776,935	960,637	270,378
100 percent	1,441	18,415,976	25,204,141	2,400,455	2,661,163	663,856	652,796	805,158	266,258
95 under 100 percent	88	1,138,923	1,434,693	56,004	70,174	20,355	19,877	8,438	576
90 under 95 percent	8	101,184	218,106	9,460	11,030	3,716	3,717	1,419	—
80 under 90 percent	64	785,818	1,399,762	71,616	98,025	33,140	29,802	14,878	655
70 under 80 percent	73	429,395	904,728	47,191	48,362	22,513	22,430	18,670	—
60 under 70 percent	60	860,748	1,822,859	93,993	103,096	35,552	35,381	60,278	990
More than 50 under 60 percent	28	268,412	165,507	1,840	22,621	8,986	8,986	24,188	—
50 percent	22	144,708	93,449	9,801	10,545	3,331	3,338	3,124	335
Less than 50 percent	10	19,242	19,546	2,702	2,947	468	468	30	—
Percentage not determinable	37	401,321	151,863	21,832	22,752	-785	140	24,455	1,564
Chemicals and allied products	3,940	58,528,756	60,877,842	6,539,859	7,382,393	2,473,937	2,453,161	2,100,613	813,540
100 percent	3,330	49,559,998	53,668,886	5,960,826	6,663,667	2,206,954	2,198,993	1,878,337	802,799
95 under 100 percent	95	1,052,296	1,112,413	119,778	146,144	65,236	64,957	48,533	7,461
90 under 95 percent	29	382,836	491,528	59,631	64,102	20,448	21,304	10,088	—
80 under 90 percent	47	1,509,782	500,113	22,207	41,007	5,322	6,380	9,377	—
70 under 80 percent	70	1,586,186	1,919,987	39,870	83,931	40,660	29,196	22,382	60
60 under 70 percent	71	760,625	959,937	138,657	143,803	53,303	54,237	62,640	3,162
More than 50 under 60 percent	207	2,033,298	1,126,220	88,852	110,367	17,342	16,401	56,186	58
50 percent	47	1,523,842	990,108	105,216	116,244	58,978	58,984	8,438	—
Less than 50 percent	7	16,192	18,645	6,383	6,387	2,373	2,384	246	—
Percentage not determinable	37	103,701	89,005	-1,561	6,741	3,322	325	4,386	—

Controlled Foreign Corporations, 1984

Table 4.—Foreign Corporations Controlled by U.S. Corporations with Total Assets of \$250 Million or More: Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F income, by Selected Industry and Percentage of Direct or Indirect Ownership by U.S. Corporation—Continued

[Money amounts are in thousands of dollars]

Selected industry of U.S. corporation filing the return and percent of Controlled Foreign Corporation owned directly or indirectly by U.S. corporation filing the return	Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net)	Actual distributions in current year	Subpart F income
					Current earnings and profits before taxes	Foreign income taxes (net)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Petroleum (including integrated) and coal products	1,932	99,994,391	173,001,490	12,612,098	15,588,956	6,708,937	6,507,866	6,134,363	707,299
100 percent	1,497	71,141,988	121,156,048	8,400,725	11,170,670	4,960,771	4,783,323	4,271,200	636,306
95 under 100 percent	129	4,634,901	16,000,224	234,690	374,050	287,413	268,217	38,139	63,483
90 under 95 percent	19	479,393	2,534,292	64,597	66,985	26,736	27,058	31,610	—
80 under 90 percent	31	4,685,003	12,094,467	1,641,916	1,655,281	469,053	467,138	1,003,623	4,509
70 under 80 percent	52	1,525,943	2,467,163	367,298	373,884	162,427	159,221	82,314	—
60 under 70 percent	92	16,569,631	17,764,858	1,754,825	1,784,561	738,495	738,220	697,899	2,949
More than 50 under 60 percent	44	667,808	517,052	52,887	55,958	15,669	16,316	8,711	31
50 percent	49	251,648	438,955	95,103	98,629	46,572	46,572	127	13
Less than 50 percent	5	23,551	6,515	416	1,259	505	505	—	—
Percentage not determinable	14	14,524	21,917	-359	7,680	1,296	1,296	741	—
Primary metal industries	1,033	14,034,236	10,486,406	332,153	771,022	168,394	134,945	183,123	128,111
100 percent	830	9,877,768	7,697,335	203,720	498,337	79,259	64,523	123,788	124,928
95 under 100 percent	20	291,145	116,247	48,891	53,676	15,034	15,034	10,586	—
90 under 95 percent	—	—	—	—	—	—	—	—	—
80 under 90 percent	24	448,653	275,735	-26,588	9,239	651	1,350	710	—
70 under 80 percent	31	549,419	492,823	-28,682	16,115	2,730	2,389	1,405	—
60 under 70 percent	24	531,981	452,620	35,490	43,184	15,186	13,716	9,175	—
More than 50 under 60 percent	33	1,685,452	1,110,131	115,336	127,546	49,922	48,399	30,857	1,075
50 percent	18	319,726	116,528	7,112	9,752	2,742	2,853	8,564	—
Less than 50 percent	23	115,434	163,595	1,338	12,452	2,870	2,870	2,538	100
Percentage not determinable	—	—	—	—	—	—	—	—	—
Machinery, except electrical	1,950	51,882,028	50,103,338	7,430,539	7,989,513	3,045,754	3,020,664	1,883,219	481,385
100 percent	1,614	40,398,914	37,786,085	5,572,093	5,999,287	2,222,245	2,215,072	1,454,783	470,679
95 under 100 percent	100	3,997,481	3,952,783	1,032,751	1,054,558	398,644	398,674	207,185	696
90 under 95 percent	14	453,600	395,590	48,281	49,359	30,169	30,170	33,910	14
80 under 90 percent	27	616,846	661,300	83,071	92,481	44,148	44,192	30,040	200
70 under 80 percent	38	669,842	560,691	66,393	83,511	49,407	49,801	11,989	8,655
60 under 70 percent	27	231,593	234,407	10,632	17,206	8,009	7,924	181	—
More than 50 under 60 percent	79	2,685,051	4,213,527	32,873	98,696	-3,647	-2,145	1,998	761
50 percent	25	100,315	59,568	5,912	6,029	880	949	565	370
Less than 50 percent	11	216,019	94,994	3,423	13,137	3,964	4,134	—	—
Percentage not determinable	15	2,512,664	2,144,391	575,113	576,247	291,945	293,893	142,567	—
Electrical and electronic equipment	2,270	37,641,993	39,205,015	2,701,272	3,255,924	733,755	721,578	838,293	223,498
100 percent	1,920	31,709,330	33,262,920	2,436,161	2,862,992	627,132	611,198	742,071	222,755
95 under 100 percent	91	1,271,643	1,662,088	94,438	125,355	28,153	28,473	38,454	192
90 under 95 percent	38	1,119,752	1,222,360	35,980	41,070	9,626	9,807	24,168	—
80 under 90 percent	32	403,772	538,439	39,350	49,258	18,971	18,080	7,727	—
70 under 80 percent	33	935,158	779,814	-21,422	36,683	10,612	10,647	4,100	80
60 under 70 percent	58	420,015	479,420	32,822	35,996	9,050	9,575	11,804	—
More than 50 under 60 percent	14	472,770	531,089	40,319	46,252	19,434	19,434	3,328	—
50 percent	37	320,808	509,368	14,032	15,565	4,298	4,298	2,646	471
Less than 50 percent	7	180,334	173,300	3,203	5,464	3,231	3,377	1,427	—
Percentage not determinable	40	808,411	642,043	26,837	37,291	3,248	3,577	2,566	—
Motor vehicles and equipment	925	47,132,506	70,477,788	2,430,468	3,550,208	1,223,562	1,252,124	993,079	269,493
100 percent	594	40,551,644	57,487,857	1,956,632	3,001,301	1,097,406	1,127,605	880,829	269,493
95 under 100 percent	106	1,261,012	1,020,469	33,091	65,602	19,846	19,842	15,270	—
90 under 95 percent	91	2,511,456	8,746,742	250,986	260,155	29,504	27,435	60,307	—
80 under 90 percent	47	1,204,012	1,067,596	66,279	67,316	16,489	16,605	12,245	—
70 under 80 percent	34	693,624	1,234,892	46,309	78,065	29,673	29,976	12,078	—
60 under 70 percent	13	97,033	185,359	14,813	14,813	6,261	6,261	2,407	—
More than 50 under 60 percent	20	773,855	609,770	49,591	50,085	22,173	22,266	9,328	—
50 percent	9	11,105	26,736	38	135	3	-74	45	—
Less than 50 percent	3	12,704	27,157	4,160	4,160	2,119	2,119	58	—
Percentage not determinable	8	16,060	70,590	8,569	8,577	88	88	511	—
Transportation equipment, except motor vehicles	580	5,907,382	6,873,398	578,972	696,560	231,942	233,006	216,134	53,226
100 percent	451	4,156,428	4,797,299	347,258	438,152	149,273	150,784	139,113	52,686
95 under 100 percent	28	603,932	633,703	99,172	104,066	26,131	25,236	23,700	—
90 under 95 percent	4	5,618	9,153	703	703	293	293	137	77
80 under 90 percent	18	309,382	486,646	48,493	53,651	15,324	15,632	29,827	—
70 under 80 percent	19	156,442	221,136	18,744	24,114	9,794	9,803	8,385	—
60 under 70 percent	21	312,126	243,334	10,996	20,590	6,443	6,572	5,685	463
More than 50 under 60 percent	27	284,048	417,327	49,664	51,039	21,083	21,085	7,599	—
50 percent	8	74,754	64,031	3,902	4,128	3,513	3,513	1,600	—
Less than 50 percent	—	—	—	—	—	—	—	—	—
Percentage not determinable	4	4,652	769	—	107	87	87	89	—
Instruments and related products	807	11,513,591	15,490,503	1,270,096	1,437,020	466,927	476,545	344,585	155,856
100 percent	746	10,085,865	13,522,477	1,162,258	1,314,229	404,808	414,185	306,789	155,843
95 under 100 percent	5	47,907	75,732	14,014	14,113	3,593	3,580	10,101	—
90 under 95 percent	4	108,237	154,355	20,311	20,311	9,620	9,620	8,131	3
80 under 90 percent	9	351,342	543,684	64,834	65,695	40,158	40,158	18,068	3
70 under 80 percent	—	—	—	—	—	—	—	—	—
60 under 70 percent	—	—	—	—	—	—	—	—	—
More than 50 under 60 percent	10	14,519	15,633	179	1,631	1,190	1,205	192	(1)
50 percent	9	50,501	62,944	6,582	8,050	4,404	4,404	557	—
Less than 50 percent	3	744,249	985,777	-10,418	311	—	—	—	—
Percentage not determinable	16	63,312	78,511	8,243	8,275	1,071	1,071	382	3
Transportation and public utilities	1,508	25,021,612	14,153,603	1,299,298	1,572,265	357,612	360,756	297,736	334,528
100 percent	1,233	19,941,471	12,530,028	937,231	1,165,796	245,889	249,032	228,331	318,849
95 under 100 percent	48	239,915	200,242	17,020	20,410	3,492	3,492	15,323	4,689
90 under 95 percent	34	104,090	77,065	8,845	10,046	4,375	4,393	1,438	—
80 under 90 percent	17	542,371	170,737	115,779	115,864	10,937	10,937	1,948	10,652
70 under 80 percent	55	393,530	258,262	5,504	12,555	4,501	4,593	1,703	164
60 under 70 percent	28	121,856	238,591	23,039	34,718	12,542	12,415	13,932	174
More than 50 under 60 percent	22	236,428	383,763	32,302	32,969	7,857	7,857	4,187	—
50 percent	43	2,998,659	382,327	154,798	173,528	65,919	65,919	30,462	—
Less than 50 percent	6	7,743	4,303	388	1,377	73	73	412	—
Percentage not determinable	22	344,538	8,286	4,390	5,001	2,027	2,045	—	—
Water transportation	142	760,470	112,346	18,811	39,468	1,290	3,534	13,405	6,368
100 percent	123	679,544	98,504	11,427	30,914	1,290	3,534	—	5,524
95 under 100 percent	—	—	—	—	—	—	—	—	—
90 under 95 percent	—	—	—	—	—	—	—	—	—
80 under 90 percent	—	—	—	—	—	—	—	—	—
70 under 80 percent	—	—	—	—	—	—	—	—	—
60 under 70 percent	—	—	—	—	—	—	—	—	—
More than 50 under 60 percent	—	—	—	—	—	—	—	—	—
50 percent	9	48,393	1,323	3,356	3,356	—	—	—	—
Less than 50 percent	—	—	—	—					

Controlled Foreign Corporations, 1984

Table 4.—Foreign Corporations Controlled by U.S. Corporations with Total Assets of \$250 Million or More: Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F Income, by Selected Industry and Percentage of Direct or Indirect Ownership by U.S. Corporation—Continued

(Money amounts are in thousands of dollars)

Selected industry of U.S. corporation filing the return and percent of Controlled Foreign Corporation owned directly or indirectly by U.S. corporation filing the return	Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net)	Actual distributions in current year	Subpart F income
					Current earnings and profits (less deficit) before taxes	Foreign income taxes (net)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Wholesale and retail trade	1,404	32,992,191	72,992,450	1,831,937	2,120,430	487,710	518,299	559,330	215,031
100 percent	1,034	22,969,502	52,823,400	1,408,162	1,620,685	421,837	449,403	427,871	207,679
95 under 100 percent	59	630,044	1,429,299	19,293	19,293	1,907	1,907	435	2,030
90 under 95 percent	38	1,142,204	3,993,167	170,884	178,741	11,154	11,154	36,154	—
80 under 90 percent	19	371,609	1,511,484	30,206	34,282	7,482	10,129	8,386	—
70 under 80 percent	129	4,790,250	12,272,803	152,963	174,753	27,511	27,576	42,121	5,322
60 under 70 percent	37	2,102,577	998,872	56,281	63,260	10,377	10,377	39,624	—
More than 50 under 60 percent	34	174,700	302,706	-6,676	15,777	5,826	5,831	2,810	—
50 percent	21	333,118	430,835	-3,385	4,424	825	1,131	1,187	—
Less than 50 percent	14	64,668	16,117	4,569	4,753	78	78	763	—
Percentage not determinable	19	36,520	12,899	4,004	4,462	714	714	—	—
Wholesale trade	821	18,094,843	56,901,635	1,016,206	1,217,718	-255,192	287,324	345,663	72,583
100 percent	546	12,175,464	39,094,731	699,933	849,309	-219,349	248,763	257,820	66,629
95 under 100 percent	37	102,038	152,227	3,164	6,732	1,532	1,532	435	632
90 under 95 percent	34	1,118,095	3,990,679	170,044	177,901	11,047	11,047	36,154	—
80 under 90 percent	13	164,632	533,912	9,661	13,709	957	3,604	1,743	—
70 under 80 percent	118	3,967,626	12,099,486	111,456	133,246	11,866	11,930	35,632	5,322
60 under 70 percent	18	169,070	348,234	-9,781	16,759	-5,514	5,514	9,401	—
More than 50 under 60 percent	18	155,980	263,569	9,741	12,692	4,182	4,187	2,547	—
50 percent	9	176,631	395,508	-2,248	2,051	-436	437	1,167	—
Less than 50 percent	13	64,658	16,117	4,566	4,750	78	78	763	—
Percentage not determinable	15	647	7,173	109	568	232	232	—	—
Retail trade	583	14,263,348	16,090,815	815,731	902,712	232,518	230,975	213,667	142,448
100 percent	488	10,794,038	13,728,669	708,230	771,376	202,488	200,640	170,051	141,050
95 under 100 percent	22	271,005	478,140	11,766	12,561	374	374	1,398	—
90 under 95 percent	4	24,108	2,488	840	840	107	107	—	—
80 under 90 percent	6	206,977	977,573	20,545	20,573	6,525	6,525	6,643	—
70 under 80 percent	11	822,623	173,318	41,507	41,507	15,645	15,645	8,489	—
60 under 70 percent	19	1,933,507	650,638	46,501	46,501	4,863	4,863	30,222	—
More than 50 under 60 percent	12	18,719	39,137	-16,417	3,085	1,644	1,644	262	—
50 percent	12	156,487	35,327	-1,137	2,372	390	694	—	—
Less than 50 percent	—	—	—	—	—	—	—	—	—
Percentage not determinable	—	—	—	—	—	—	—	—	—
Finance, insurance and real estate	2,934	126,591,844	23,001,761	2,730,451	3,030,724	675,064	682,550	660,896	242,087
100 percent	2,369	98,500,075	17,781,322	2,400,498	2,629,395	512,776	522,048	629,134	238,702
95 under 100 percent	167	15,239,392	2,903,242	123,818	158,514	51,676	54,002	10,568	1,163
90 under 95 percent	35	4,464,504	898,438	94,572	95,322	64,105	64,103	7,534	551
80 under 90 percent	54	764,676	171,272	18,621	20,214	5,441	5,074	4,624	674
70 under 80 percent	55	1,313,484	265,476	22,388	27,840	10,900	10,137	2,535	13
60 under 70 percent	48	1,939,176	299,010	28,348	29,989	11,273	11,077	4,503	—
More than 50 under 60 percent	39	2,001,650	195,276	4,473	18,741	2,127	507	778	(1)
50 percent	73	1,513,134	296,444	25,793	28,793	10,607	9,404	1,105	732
Less than 50 percent	10	19,883	39,020	2,135	2,314	608	608	115	—
Percentage not determinable	84	835,870	152,261	9,805	19,603	5,552	5,591	—	250
Banking	1,066	86,236,101	10,870,837	1,510,715	1,605,013	395,072	396,038	335,258	122,483
100 percent	845	65,127,958	7,908,133	1,292,849	1,363,615	274,507	276,354	322,799	122,483
95 under 100 percent	96	12,335,118	1,901,863	90,330	108,554	38,652	40,233	3,935	—
90 under 95 percent	9	2,826,420	354,964	75,137	75,137	62,187	62,187	3,645	—
80 under 90 percent	5	111,623	21,394	1,965	2,549	83	85	—	—
70 under 80 percent	22	1,066,950	117,846	6,713	7,237	2,791	2,078	1,253	—
60 under 70 percent	20	1,851,817	230,980	18,967	20,100	8,725	8,529	3,238	—
More than 50 under 60 percent	8	1,295,337	61,274	6,591	6,781	82	134	—	—
50 percent	41	1,414,335	223,172	14,017	16,375	6,866	5,659	388	—
Less than 50 percent	—	—	—	—	—	—	—	—	—
Percentage not determinable	—	—	—	—	—	—	—	—	—
Insurance	508	12,794,273	4,220,417	389,670	446,435	65,898	66,692	78,604	52,359
100 percent	345	8,380,584	2,612,360	344,615	376,377	53,338	54,481	66,846	51,047
95 under 100 percent	44	2,204,588	886,030	16,558	32,829	6,258	6,160	5,607	1,163
90 under 95 percent	12	1,482,773	431,489	15,691	16,191	942	943	3,875	136
80 under 90 percent	17	395,967	68,169	2,909	3,090	319	319	—	—
70 under 80 percent	13	122,140	70,926	6,924	6,951	1,538	1,538	749	13
60 under 70 percent	18	52,908	54,400	6,120	6,314	2,136	2,136	1,255	—
More than 50 under 60 percent	9	66,301	44,300	-3,008	1,649	112	112	83	—
50 percent	12	55,914	38,072	2,049	2,303	985	985	156	—
Less than 50 percent	4	1,035	1,528	95	95	22	22	23	—
Percentage not determinable	34	21,042	13,144	-2,284	636	249	254	—	—
Holding and other investment companies, except bank holding companies	382	4,366,132	4,263,824	209,824	241,206	55,487	52,913	87,498	21,625
100 percent	348	3,912,980	4,073,632	199,739	228,960	50,899	47,259	83,799	20,535
95 under 100 percent	—	—	—	—	—	—	—	—	—
90 under 95 percent	9	138,230	110,813	3,383	3,543	793	793	14	416
80 under 90 percent	15	194,495	50,797	7,911	8,543	3,791	3,681	3,667	674
70 under 80 percent	—	—	—	—	—	—	—	—	—
60 under 70 percent	—	—	—	—	—	—	—	—	—
More than 50 under 60 percent	—	—	—	—	—	—	—	—	—
50 percent	—	—	—	—	—	—	—	—	—
Less than 50 percent	—	—	—	—	—	—	—	—	—
Percentage not determinable	—	—	—	—	—	—	—	—	—
Services	1,255	6,204,392	4,096,183	399,478	557,259	159,460	165,056	164,313	72,302
100 percent	1,100	5,780,530	3,512,509	350,152	497,760	137,567	142,649	155,387	67,854
95 under 100 percent	31	98,763	132,629	5,046	8,273	3,469	3,975	51	—
90 under 95 percent	9	17,181	17,868	3,798	4,534	860	860	1,848	—
80 under 90 percent	16	54,708	19,273	3,695	4,252	2,194	2,194	621	—
70 under 80 percent	21	59,292	26,127	8,461	8,747	3,969	3,992	4,380	—
60 under 70 percent	27	81,201	18,095	7,911	8,640	2,967	2,953	764	—
More than 50 under 60 percent	19	89,320	119,795	8,610	8,778	6,348	6,350	1,186	188
50 percent	17	6,557	24,081	13,573	13,705	2,078	2,078	(1)	3,639
Less than 50 percent	4	728	1,275	131	145	1	3	38	—
Percentage not determinable	11	16,111	55,530	-1,900	2,427	6	6	37	—
Business services	625	1,882,886	1,431,781	152,352	173,463	64,846	63,057	33,553	10,307
100 percent	524	1,606,131	1,132,684	123,514	143,092	51,178	49,595	27,468	10,307
95 under 100 percent	7	33,864	15,930	2,602	2,643	1,239	1,239	51	—
90 under 95 percent	6	12,143	12,697	3,277	3,277	339	339	43	—
80 under 90 percent	13	46,085	17,879	2,891	3,448	2,184	2,184	621	—
70 under 80 percent	16	43,185	15,982	7,325	7,612	3,658	3,681	4,200	—
60 under 70 percent	26	77,779	185,835	8,304	8,640	2,967	2,953	764	—
More than 50 under 60 percent	17	52,123	43,392	4,121	4,289	2,968	2,970	330	—
50 percent	5	4,690	5,192	73	205	105	105	—	—
Less than 50 percent	4	728	1,275	131	145	1	3	38	—
Percentage not determinable	7	6,257	914	113	113	6	6	37	—

1 Less than \$500.

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

Note: Detail may not add to total due to rounding.

Nonprofit Charitable Organizations, 1985

By Cecelia Hilgert and Susan J. Mahler*

Nonprofit charitable organizations, those exempt under Internal Revenue Code section 501(c)(3), that filed returns for 1985 reported revenues of \$268.4 billion, of which nearly two-thirds (\$167.9 billion) was derived from the organizations' program activities. Contributions, gifts, and grants represented another 21 percent of total revenues (\$55.8 billion [See Figure A]). Total expenses were \$244.2 billion, of which \$206.6 billion was for the programs conducted. Data were obtained from the Form 990, Return of Organization Exempt from Income Tax [1]. A total of 106,449 organizations, of the 310,000 recognized by the Internal Revenue Service (IRS), were required to file returns [2].

Figure A.—Selected Data for Nonprofit Charitable Organizations, Reporting Years 1982, 1983, and 1985

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

Item	1982	1983	1985
	(1)	(2)	(3)
Number of returns	75,738	89,052	106,449
Total assets	\$279.6	\$331.2	\$423.5
Total revenue	196.3	224.0	268.4
Contributions, gifts and grants	41.3	46.4	55.8
Dues and assessments	2.5	3.1	3.8
Program service revenue	124.4	147.5	167.9
Total expenses	181.3	207.5	244.2
Program service expenses	151.7	173.6	206.6
Fundraising services	1.7	1.8	2.2
Management and general expenses	27.4	31.8	34.6

Organizations that are tax-exempt under the Internal Revenue Code section 501(c)(3) include those with purposes that are religious, charitable, educational, health-related, or scientific, or are for the purpose of testing for public safety. Their activities are restricted only in that they must be substantially related to the exempt purpose of the organization, and they must serve the public (as opposed to private) interest. Examples of the types of organizations that meet this criteria are universities and schools, hospitals, youth organizations, United Way campaigns, community performing-arts associa-

tions, and environmental support groups. There is the stipulation that net earnings cannot flow to a private shareholder or individual, and there are restrictions on activities to influence legislation. In addition, these organizations cannot participate in any political campaign on behalf of any candidate for political office.

The Internal Revenue Code classified tax-exempt, nonprofit organizations into 25 groups, certain of which could receive tax-deductible donations. Those exempt under Code section 501(c)(3) receive the largest part of tax-deductible donations, and they are the largest providers of philanthropic goods and services. Data in this article refer only to those section 501(c)(3) organizations that are not private foundations [3]. Churches, including also a convention of churches or an association of churches, were not required to file Form 990 and are not included in these data. Asset holdings for nonprofit charitable organizations totaled \$423.5 billion for 1985. When using inflation-adjusted figures, assets increased by 20 percent over the 1983 level, the last year for which data are available [4]. Most of the assets (84 percent) were controlled by organizations with holdings of \$10,000,000 or more, representing only 5 percent of the organizations filing returns (See Figure B). These same organizations also received three-quarters of the total revenue (\$206.8 billion). Figures C and D present the top 10 501(c)(3) organizations in terms of revenues and assets, respectively, for 1985.

Nearly one-half of the returns filed were by organizations with assets of less than \$100,000; this asset-size class had 46,056 returns, an increase of 64 percent from 1983. By comparison, the 5,266 returns of organizations with assets \$10,000,000 or more were 10 percent higher than for 1983. California and New York were the leading states in terms of the number of returns filed, with 12,214 and 11,436, respectively. (Table 2 presents complete data by state.)

*Foreign Special Projects Section. Prepared under the direction of Michael Alexander, Chief.

Nonprofit Organizations, 1985

Figure B.—Nonprofit Charitable Organizations by Asset Size, Reporting Year 1985

[Money amounts are in millions of dollars]

Asset size	Number of returns	Percent	Total assets	Percent
Total	106,449	100.0	\$423,544	100.0
Under \$100,000 ^{1,2}	46,056	43.3	1,480	0.4
\$100,000 under \$500,000 ¹	29,088	27.3	6,075	1.4
\$500,000 under \$1,000,000	9,450	8.9	6,704	1.6
\$1,000,000 under \$10,000,000	16,589	15.6	53,191	12.6
\$10,000,000 under \$50,000,000	3,777	3.6	85,813	20.3
\$50,000,000 or more	1,489	1.4	270,281	63.8

¹ Estimates should be used with caution because of the small number of sample returns on which they are based.² Includes also returns with zero assets or assets not reported.

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

Figure C

Top Ten Section 501(c)(3)
Organizations Ranked by Total
Revenue, 1985

[Money amounts are in millions of dollars]

Name	Total Revenue
College Retirement Equities Fund	\$7,983
Teachers Insurance and Annuity Association of America	6,034
Kaiser Foundation Health Plan	3,495
New York City Health and Hospitals Corporation	2,016
Harvard College	1,706
Kaiser Foundation Hospitals	1,624
Stanford University	1,098
California Institute of Technology	1,085
University of Pennsylvania	1,009
American National Red Cross	972

Figure D

Top Ten Section 501(c)(3)
Organizations Ranked by Total
Assets, 1985

[Money amounts are in millions of dollars]

Name	Total Assets
College Retirement Equities Fund	\$24,146
Teachers Insurance and Annuity Association of America	23,159
Harvard College	5,345
Yale University	2,934
Stanford University	2,866
Columbia University	2,139
Princeton University	2,131
Kaiser Foundation Hospitals	2,051
Cornell University	1,967
Common Fund for Nonprofit Organizations	1,888

1985 FINANCIAL CHARACTERISTICS

Revenue

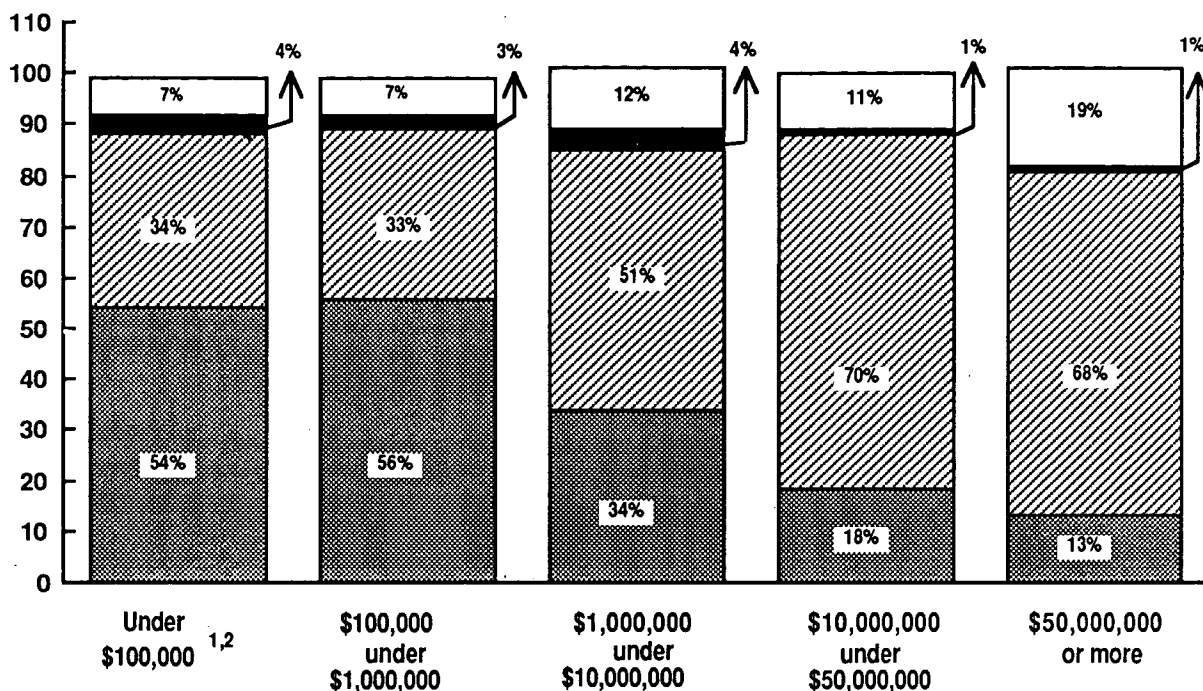
The programs operated by nonprofit charitable organizations in support of their exempt purposes generated \$167.9 billion for 1985. This source of revenue—"program service revenue"—included tuition and fees at educational institutions, hospital patient care charges (whether paid by patients or through third-party reimbursements), admission fees

collected by museums or community performing-arts events, YMCA/YWCA activity fees, and payments received for insurance and retirement coverage by selected pension and annuity funds. Program service revenue represented 63 percent of total revenue, slightly less than the 66 percent reported for 1983.

As shown in Figure E, the smaller organizations relied on program service revenue, i.e., fees, less

Figure E
Components of Revenue, by Asset Size, 1985

Percentage



- Other
- Dues and Assessments
- ▨ Program Service Revenue
- Contributions

¹Estimates should be used with caution because of the small number of returns on which they are based.
²Includes also returns with zero assets or assets not reported.

than the larger organizations did. This source accounted for one-third of total revenue of the organizations with assets of less than \$1,000,000, as compared to one-half of the revenue of the organizations with holdings of between \$1,000,000 and \$10,000,000, and over two-thirds for organizations with holdings \$10,000,000 or more.

Contributions comprised the same proportion, 21 percent, of total revenue as for 1983. This was the most frequently reported type of support, shown on four-fifths of the returns. This type of support was most important to the smaller organizations, accounting for more than one-half of the total revenue of organizations with assets of less than \$1,000,000, but decreasing to just 18 percent of the revenue of organizations with assets between \$10,000,000 and \$50,000,000, and 13 percent of the revenue for organizations with assets \$50,000,000 or more.

Figure F shows that "direct" contributions were evenly divided between \$25.3 billion in Government grants and \$24.8 billion in direct public contributions. (Indirect public support totalled \$5.7 billion.) Government grants represented a greater proportion of the total revenue of the smaller organizations. For organizations with assets of less than \$1,000,000, these grants were 35 percent of total revenue and 62 percent of total contributions received. For organizations with assets of \$10,000,000 or more, however, Government grants represented just 5 percent of total revenue. (This low percentage was because of the predominant effect of the program service revenue received by these organizations.)

Direct public support was 44 percent of the total contributions. Generally, the organizations with larger asset holdings benefited more from this type of support. Organizations with asset holdings of

Figure F.—Contributions Received by Nonprofit Charitable Organizations, by Asset Size, Reporting Year 1985

[Money amounts are in millions of dollars]

Asset size	Total contributions	Contributions received through direct support ¹	Contributions received through indirect support ²	Contributions received through Government grants
	(1)	(2)	(3)	(4)
Total	\$55,771	\$24,750	\$5,699	\$25,321
Under \$100,000 ^{3,4}	3,392	1,524	192	1,677
\$100,000 under \$500,000 ³	5,638	1,492	628	3,518
\$500,000 under \$1,000,000	6,080	1,518	325	4,237
\$1,000,000 under \$10,000,000	11,678	5,471	1,465	4,743
\$10,000,000 under \$50,000,000	10,348	6,061	1,355	2,933
\$50,000,000 or more	18,633	8,686	1,734	8,213

¹ Includes contributions, gifts, grants and bequests received directly from the public.² Includes contributions received indirectly from the public through solicitation campaigns conducted by fundraising agencies.³ Estimates should be used with caution because of the small number of sample returns on which they are based.⁴ Includes also returns with zero assets or assets not reported.

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

between \$10,000,000 and \$50,000,000 reported direct public support equalling 59 percent of total contributions, while those organizations with holdings greater than \$50,000,000 had this type of support amounting to 47 percent of total contributions. In contrast, the organizations with assets less than \$1,000,000 reported direct public support comprising 30 percent of their contributions total.

Indirect public support, the revenue received through solicitation campaigns conducted by federated fundraising agencies, was 10 percent of total contributions. The percentage of total contributions that this support comprised did not vary substantially between different size organizations.

Expenses

Expenses of nonprofit charitable organizations, including such classifications as salaries and wages, pension plan contributions, other employee benefits, interest, and rent, supplies and travel, totaled \$244.2 billion for 1985. The expenses that were attributable to the specific program activities for which the organization was created and which were the basis of the tax exemption represented 85 percent of the total. This was one percentage point greater than program service expenses had represented of total expenses in 1983. Salaries and wages were \$73.2 billion, one-quarter of total program expenses.

Management and general expenses, which pertained to the overall direction of the organization rather than to specific programs, were \$34.6 billion, representing 14 percent of total expenses. Fundraising expenses and payments to affiliates together comprised only 1 percent of total expenses. Payments to affiliates were payments to organizations closely related to the reporting agency, such as support and dues payments by local agencies to their State and national agencies.

Organizations with assets of \$10,000,000 or more accounted for three-fourths of all expenses, even

though organizations with assets of less than \$500,000 filed 71 percent of the returns with expenses reported. Table 3 presents detailed data on expenses.

Assets and Liabilities

Land, buildings, and equipment represented the major asset holdings of nonprofit charitable organizations, \$143.3 billion, accounting for one-third of total assets. For organizations with assets of \$10,000,000 or more, land, buildings, and equipment represented one-third of their total holdings. For organizations with assets of between \$1,000,000 and \$10,000,000, they accounted for 43 percent. However, for organizations with assets \$50,000,000 or more, investments in securities was the largest single component of assets (\$90.6 billion). For smaller organizations—those with assets of less than \$500,000—cash and savings represented 43 percent of their total holdings (\$3.2 billion).

Mortgages and other notes payable were the largest single liability item, \$78.2 billion for 1985. Organizations with assets \$50,000,000 or more represented 59 percent (\$46.2 billion) of that total, and organizations with asset holdings between \$10,000,000 and \$50,000,000 accounted for an additional 23 percent (\$18 billion).

The balance sheet of a tax-exempt section 501(c)(3) organization does not have an owner's equity section; instead earnings accrue to the net worth/fund balance section. The net worth/fund balance total for these organizations was \$237.2 billion, 56 percent of total assets, for 1985. In exchange for tax exemption, these organizations forfeit the privilege of paying dividends on invested capital. This is an important difference between the nonprofit charitable organizations and for-profit commercial entities [5].

TYPES OF ORGANIZATIONS

Figures G, H, and I display information available on the types of nonprofit charitable organizations

Figure G

Selected Financial Data by Major Type of Nonprofit Charitable Organization, 1985

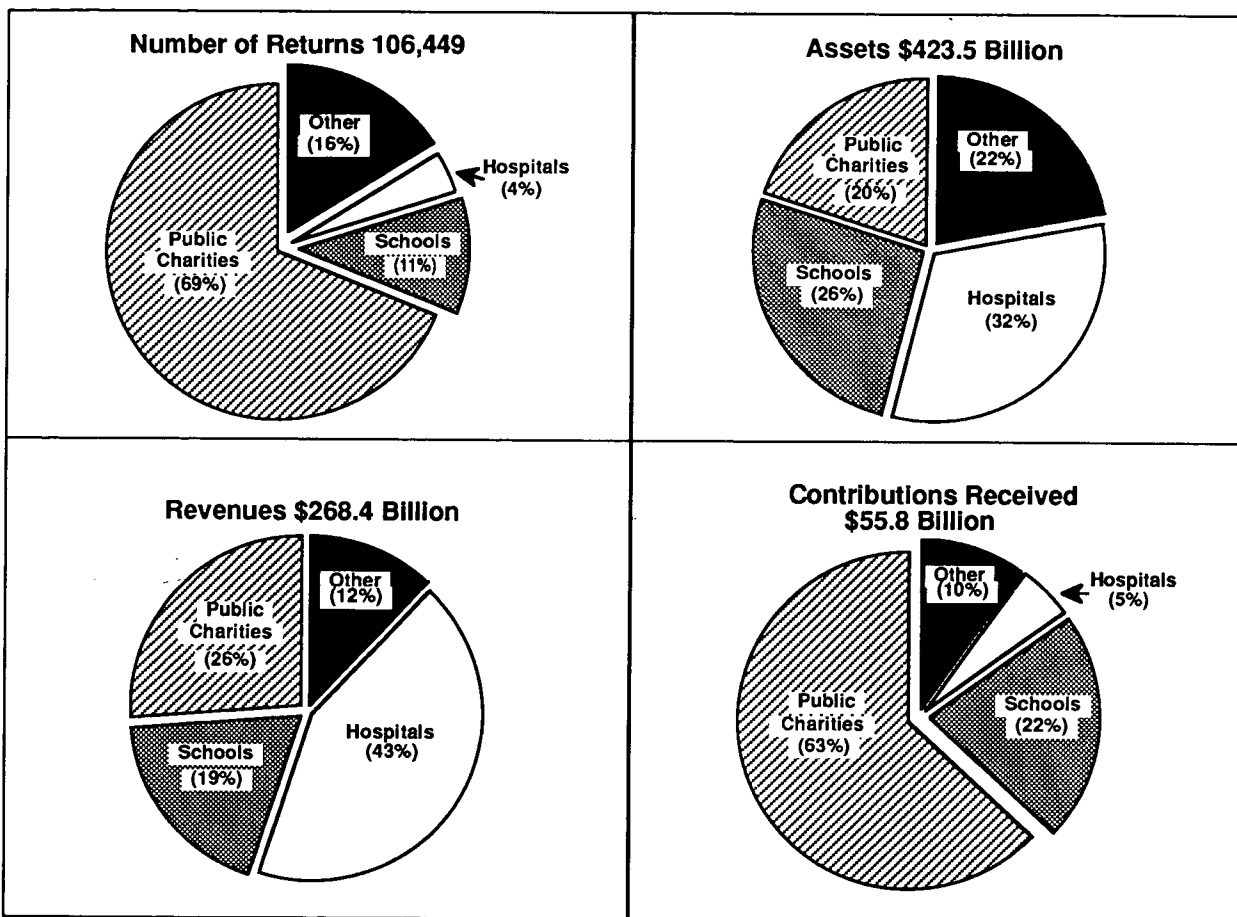


Figure H.—Selected Balance Sheet and Income Statement Items, by Type of Charitable Organization, Reporting Year 1985

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

Type of organization	Total assets	Total liabilities	Total revenue	Program service revenue	Total expenses
	(1)	(2)	(3)	(4)	(5)
Total, all charitable organizations	\$423,544	\$186,390	\$268,390	\$167,893	\$244,214
Church or religious-affiliated organization ¹	3,201	1,227	2,999	1,650	2,941
Educational institution	109,820	21,725	51,184	28,809	42,350
Hospital	135,877	67,530	115,239	102,398	107,914
Governmental unit	2,052	737	1,961	1,027	1,866
Hospital research organization	1,587	361	803	267	718
Organization supporting a public college	4,894	799	2,095	361	1,519
Publicly-supported organization	88,015	37,829	70,789	25,626	66,174
Organization supporting charitable organizations	76,924	55,686	22,703	7,460	30,203
Organization testing for public safety	189	24	141	134	123
Type not reported	985	472	471	161	406

¹ Churches are not required to file a Form 990. Most of the organizations in this category either filed voluntarily or misreported their type of organization. The estimate is, therefore, not inclusive of the majority of religious organizations.

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

Nonprofit Organizations, 1985

that filed Form 990 for 1985. This information was based on the section of the return that asked an organization to supply a reason for its not being classified in the "less-favored" tax category of private foundation. (A private foundation is subject to an excise tax on investment income and to certain types of taxes for activities that are not allowed by the Internal Revenue Code because it has private sources of funding.)

Hospitals, educational institutions, and "publicly-supported organizations" were the major categories of nonprofit charitable organizations in terms of returns, assets, revenue, and contributions received (See Figure G). This latter group is comprised of other qualified organizations that are operated for purposes that are beneficial to the public interest and that receive support from a broad cross-section of the public. (Examples of this type of organization included United Way campaigns, American Cancer Society, community foundations, Corporation for Public Broadcasting, and the Humane Society of America.) Together, the assets of these three types of organizations totaled \$333.7 billion, their revenue, \$237.2 billion. They represented 79 percent and 88 percent, respectively, of the totals for all the nonprofit charitable organizations

Hospitals accounted for 43 percent of total revenue and 32 percent of total assets but only 4 percent of the number of returns. While publicly-supported organizations comprised 69 percent of the total returns filed, they accounted for only 26 percent of total revenue and 20 percent of asset holdings. Educational institutions accounted for 11 percent of returns but ranked second in terms of assets with 26 percent [6].

The largest asset holdings for these three major types of organizations were land, buildings, and equipment, representing 46 percent of hospital assets, 40 percent of the assets of educational institutions, and 34 percent of the assets of publicly-supported organizations. In contrast, organizations that supported public charities, of which examples included College Retirement Equities Fund, Teachers

Insurance and Annuity Association, YMCA Retirement Fund, and Julliard Musical Foundation, had nearly two-thirds of their total assets in investment securities and only 5 percent in land, buildings, and equipment.

As would be expected, program service revenue was the principal source of revenue for hospitals (89 percent of total revenue) and also for educational institutions (56 percent), but it was only 36 percent for publicly-supported organizations. These latter organizations derived one-half of their total revenue from contributions. Figure I details the types of contributions received by the major types of charitable organizations. Nearly two-thirds of all contributions was received by the publicly-supported organizations, with Government grants and direct public support comprising 88 percent of their contributions total. For these organizations, the ones with assets of less than \$10,000,000 accounted for two-thirds of the contributions received, although they accounted for 98 percent of the returns filed. Educational institutions received one-fourth of their total revenue through contributions. Hospitals, on the other hand, depended on contributions for just 2 percent of total revenue.

SUMMARY

For 1985, nonprofit charitable organizations reported total revenues of \$268.4 billion. Of that, the fees collected for program services—those activities conducted in support of the purpose for which tax exemption was granted—accounted for 63 percent. Asset holdings were \$423.5 billion, of which land, buildings, and equipment accounted for 34 percent of the total.

Contributions were \$55.8 billion. This source of revenue was particularly important to organizations with smaller asset holdings; those with holdings of less than \$1,000,000 depended on contributions for one-half of their support. Expenses totaled \$244.2 billion, of which 85 percent was in support of the program services that formed the basis of the organizations' tax exemption.

Figure I.—Contributions Received, by Major Type of Recipient Nonprofit Charitable Organization, Reporting Year 1985

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

Type of organization	Total contributions received		Direct support		Indirect support		Government grants	
	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total, all charitable organizations	\$55,771	100.0	\$24,750	100.0	\$5,699	100.0	\$25,321	100.0
Educational institution	12,310	22.1	5,580	22.6	462	8.1	6,268	24.8
Hospital	2,641	4.7	1,712	6.9	179	3.1	751	3.0
Publicly-supported organization	34,833	62.5	13,960	72.8	4,148	72.8	16,725	66.1
Organization supporting public charities	2,290	4.1	1,728	5.3	299	5.3	263	1.0

A total of 106,449 returns were filed, with publicly-supported charities accounting for 69 percent of the total. Hospitals, as a group, led in both revenues and assets.

DATA SOURCES AND LIMITATIONS

The statistics in this article are based on a sample of Tax Year 1985 Form 990, Return of Organization Exempt from Income Tax, filed by organizations classified under Internal Revenue Code section 501 (c)(3) and having accounting periods ending December 1985 through November 1986. Forms 990-PF filed by private foundations under section 501 (c)(3) were excluded. Calendar-year filers represented 44 percent of the population, while 56 percent of the non-calendar-year filers had accounting periods ending in June. The sample included 48 "group returns" [7].

The estimates of nonprofit charitable organizations were based on a random probability sample of 1985 unaudited information returns stratified by asset level. The sample was drawn from a multi-year sample frame of 123,501 organizations based on the latest return filed by each. Consequently, the sampling frame of 123,501 organizations included some whose most recent return filed was for a year prior to 1985. The rates in the sample design ranged from .0021 for returns with assets of less than \$500,000 to 1.00 for returns of organizations with assets of \$10,000,000 or more. A sample of 6,526 returns was drawn from the frame, and either a 1985 return was secured or a determination was made that there was no 1985 return. For the final study sample, to compensate for the fact that not all 1985 returns were secured, the sample weight was increased for the asset classes under \$10,000,000. For returns of organizations with assets of \$10,000,000 or more, all of which were to be selected, prior-year returns of the same organization were substituted in some cases and, in other instances, a weight of slightly more than one applied to compensate for other cases in which neither the current or prior year returns was located.

Because the data in this article are estimates based on a sample, they are subject to sampling and nonsampling error. To use the statistical data properly, the magnitude of the sampling error should be known. The size of the sampling error is estimated by the approximate coefficients of variation (CV's) as shown in Figure J. The approximate CV's shown here are intended only as a general indication of the reliability of the data. For a number other than those

Figure J.—Coefficient of Variation for Number of Returns Determined for Specified Asset-Size Classes

Coefficient of variation	Under \$500,000 or blank	\$500,000 under \$2,500,000	\$2,500,000 under \$10,000,000
	(1)	(2)	(3)
0.025	80,800	17,600	5,300
0.050	61,600	13,700	2,600
0.075	44,100	10,000	1,400
0.100	31,600	7,200	800
0.150	17,400	4,000	400
0.200	10,700	2,500	200

shown below, the corresponding CV's can be estimated by interpolation.

NOTES AND REFERENCES

- [1] See Hilgert, Cecelia, "Nonprofit Charitable Organizations, 1983," *Statistics of Income Bulletin*, Winter 1985-86, Volume 5, Number 3.
- [2] The total number of tax-exempt organizations, including those not required to file Form 990, was obtained from the Internal Revenue Service Exempt Organizations Business Master File, Monthly Exempt Organizations Statistical Summary, unpublished tables.
- [3] See Riley, Margaret, "Private Foundation Returns, 1985," *Statistics of Income Bulletin*, Summer 1989, Volume 9, Number 1.
- [4] All inflation-adjusted figures cited in this article were derived using the Gross National Product Implicit Price Deflator, 1982 = 100, calculated by the U.S. Department of Commerce, Bureau of Economic Analysis, and published in the Economic Report of the President, 1989.
- [5] For additional information, see Gross, Malvern J., Jr., and Warshauer, William J., Jr., *Financial and Accounting Guide for Nonprofit Organizations*, 3rd ed., John Wiley & Sons, 1983.
- [6] See Mahler, Susan, and Skelly, Daniel F., "Non-profit Charitable Organizations: A Decade of Change (1975-1985)," *Statistics of Income and Related Administrative Research: 1989*, U.S. Department of the Treasury, Internal Revenue Service.
- [7] A parent organization could file a return for affiliated organizations that were subject to the parent's control and were tax-exempt under a current group exemption letter. All the organizations on a group return had to have the same accounting period.

Nonprofit Charitable Organizations, 1985

Table 1.—Returns of Tax-Exempt Section 501(C)(3) Organizations: Selected Income and Balance Sheet Items, by Size of Total Assets, 1985

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

Items	Total	Size of total assets					
		Under \$100,000 ^{2,3}	\$100,000 under \$500,000 ³	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$50,000,000	\$50,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Returns of section 501(C)(3) organizations¹	106,449	46,056	29,088	9,450	16,589	3,777	1,489
Total assets	423,544,289	1,479,862	6,074,793	6,704,112	53,191,111	85,813,060	270,281,351
Cash (non-interest bearing):							
Number of returns.....	88,948	37,330	25,210	8,297	13,960	3,016	1,136
Amount.....	9,529,486	306,172	701,668	565,843	1,314,080	1,597,145	5,044,579
Savings and temporary cash investments:							
Number of returns.....	75,559	30,058	21,331	7,260	12,730	3,020	1,161
Amount.....	37,321,380	587,926	1,632,274	1,135,129	7,219,825	8,069,952	18,676,275
Accounts receivable (net):							
Number of returns.....	51,682	18,422	11,150	5,992	11,431	3,298	1,388
Amount.....	28,582,382	125,397	631,081	630,987	2,762,441	7,464,554	16,967,921
Pledges receivable (net):							
Number of returns.....	5,093	485	485	346	2,714	727	337
Amount.....	4,308,883	11,209	41,765	40,565	1,387,535	1,457,532	1,370,277
Grants receivable:							
Number of returns.....	6,701	1,939	970	1,383	1,653	468	288
Amount.....	2,310,367	42,222	48,753	171,868	745,022	521,043	781,458
Receivables due from officers, directors, trustees and key employees:							
Number of returns.....	2,734	485	1,454	115	373	191	115
Amount.....	517,512	4,152	11,619	3,174	14,375	72,685	411,508
Other notes and loans receivable (net):							
Number of returns.....	16,068	2,424	4,363	2,535	4,291	1,654	800
Amount.....	9,471,027	28,697	264,783	111,280	1,355,338	2,027,800	5,683,128
Inventories for sale or use:							
Number of returns.....	21,677	4,363	4,848	2,766	5,922	2,575	1,203
Amount.....	3,136,456	19,685	106,212	82,368	450,018	888,273	1,589,901
Prepaid expenses and deferred charges:							
Number of returns.....	33,588	6,302	9,696	4,264	9,364	2,768	1,194
Amount.....	3,161,384	7,181	72,949	60,972	324,963	768,443	1,926,876
Investments—securities:							
Number of returns.....	15,416	485	1,939	2,074	7,432	2,460	1,025
Amount.....	116,915,993	251	324,657	613,396	8,946,655	16,408,667	90,622,367
Investments—land, buildings and equipment (minus accumulated depreciation):							
Number of returns.....	8,904	1,939	2,909	1,037	1,964	722	332
Amount.....	7,425,487	9,775	218,964	276,654	1,442,655	1,761,064	3,716,375
Investments—other:							
Number of returns.....	7,320	485	1,454	807	2,669	1,235	670
Amount.....	30,406,604	5,202	254,493	151,795	1,889,039	3,571,225	24,534,851
Land, buildings, and equipment (minus accumulated depreciation):							
Number of returns.....	62,929	19,392	17,938	7,030	13,798	3,395	1,377
Amount.....	143,335,753	324,358	1,661,489	2,643,248	22,857,699	35,594,465	80,254,494
Other assets:							
Number of returns.....	37,370	10,666	7,272	5,301	9,861	2,988	1,282
Amount.....	27,121,562	7,631	104,080	216,831	2,481,465	5,610,212	18,701,343
Total liabilities	186,389,508	998,657	1,978,533	2,357,913	20,259,930	32,497,825	128,296,449
Accounts payable:							
Number of returns.....	64,574	21,331	16,968	7,606	13,691	3,534	1,443
Amount.....	24,317,829	491,371	588,219	606,693	3,310,028	5,295,500	14,026,017
Grants payable:							
Number of returns.....	3,482	485	970	461	1,113	324	129
Amount.....	2,901,022	211	76,066	34,297	446,937	812,140	1,531,371
Support and revenue designated for future periods:							
Number of returns.....	12,919	2,424	4,363	1,613	3,497	754	268
Amount.....	5,247,044	20,709	158,541	281,037	1,517,398	1,674,225	1,595,134
Loans from officers, directors, trustees and key employees:							
Number of returns.....	3,216	1,454	1,454	115	124	51	17
Amount.....	357,210	4,928	28,799	576	68,788	84,582	169,537
Mortgages and other notes payable:							
Number of returns.....	31,975	6,302	8,242	4,725	8,939	2,601	1,166
Amount.....	78,196,369	276,701	893,018	1,000,659	11,769,482	18,044,597	46,211,912
Other liabilities:							
Number of returns.....	40,179	13,574	8,726	4,840	9,049	2,764	1,226
Amount.....	75,370,032	204,938	233,889	434,650	3,147,297	6,586,781	64,762,477
Total fund balance/net worth (EOY):							
Number of returns.....	105,841	45,571	29,088	9,450	16,474	3,773	1,485
Amount.....	237,154,778	481,004	4,096,259	4,346,199	32,931,180	53,315,235	141,984,901
Total liabilities and fund balances/net worth:							
Number of returns.....	105,479	45,086	29,088	9,450	16,589	3,777	1,489
Amount.....	423,544,288	1,479,862	6,074,793	6,704,113	53,191,110	85,813,060	270,281,351
Total revenue:							
Number of returns.....	106,449	46,056	29,088	9,450	16,589	3,777	1,489
Amount.....	268,389,632	6,246,775	10,664,649	10,116,752	34,596,728	58,463,873	148,300,855
Total contributions received:							
Number of returns.....	84,057	35,875	22,301	8,067	13,222	3,275	1,318
Amount.....	55,770,719	3,392,202	5,637,893	6,080,384	11,678,417	10,348,427	18,633,395
Contributions received from direct public support:							
Number of returns.....	76,266	31,512	20,846	7,260	12,360	3,077	1,211
Amount.....	24,750,168	1,523,549	1,491,669	1,517,764	5,470,695	6,060,907	8,685,583
Contributions received from indirect public support:							
Number of returns.....	22,134	7,757	6,787	2,190	4,400	668	333
Amount.....	5,699,416	191,778	628,348	325,335	1,464,547	1,354,896	1,734,512

Footnotes at end of table.

Table 1.—Returns of Tax-Exempt Section 501(C)(3) Organizations: Selected Income and Balance Sheet Items, by Size of Total Assets, 1985—Continued

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

Items	Total	Size of total assets					
		Under \$100,000 ^{2,3}	\$100,000 under \$500,000 ³	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$50,000,000	\$50,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total revenue (continued):							
Government grants:							
Number of returns	30,308	13,090	7,757	3,688	3,856	1,265	652
Amount	25,321,134	1,676,875	3,517,875	4,237,285	4,743,175	2,932,625	8,213,300
Program service revenue:							
Number of returns	65,732	26,664	17,453	6,223	10,974	3,102	1,317
Amount	167,893,094	2,129,924	3,681,371	3,277,562	17,653,495	40,926,963	100,223,779
Membership dues and assessments:							
Number of returns	27,517	15,029	6,302	2,305	3,385	391	105
Amount	3,751,104	252,552	516,196	158,988	1,188,322	633,777	1,001,269
Interest on savings and temporary cash investments:							
Number of returns	81,248	33,451	22,786	7,952	12,926	2,978	1,156
Amount	4,502,911	62,671	147,596	143,012	762,328	1,037,807	2,349,497
Dividends and interest from securities:							
Number of returns	15,979	970	3,878	2,074	6,290	1,944	823
Amount	7,689,457	641	41,013	46,110	740,192	1,193,753	5,667,748
Net rental income (loss):							
Number of returns	12,555	1,454	3,394	1,729	4,125	1,250	604
Amount	612,747	45,464	-10,842	12,190	246,898	100,952	218,086
Gross rents:							
Number of returns	12,547	1,454	3,394	1,729	4,114	1,254	602
Amount	1,485,258	141,979	18,371	38,182	519,963	244,317	522,446
Rental expenses:							
Number of returns	6,291	1,454	1,454	461	1,923	646	353
Amount	872,510	96,515	29,212	25,992	273,065	143,365	304,360
Other investment income (loss):							
Number of returns	3,452	485	970	230	1,037	469	261
Amount	1,739,031	439	1,646	3,394	122,131	182,879	1,428,543
Total gain (loss) from sale of assets:							
Number of returns	16,460	1,939	3,878	1,959	5,652	2,059	972
Amount	7,233,460	6,531	27,505	17,410	401,736	949,722	5,830,556
Gains (loss), sales of securities:							
Number of returns	11,636	1,454	2,909	1,152	4,085	1,428	607
Amount	6,458,279	6,251	22,491	22,453	336,266	805,472	5,265,346
Gross amount from sales:							
Number of returns	11,598	1,454	2,909	1,152	4,075	1,409	599
Amount	53,884,912	16,325	179,164	172,553	2,465,057	7,313,099	43,738,715
Cost or other basis and sales expenses:							
Number of returns	9,559	970	2,424	922	3,566	1,191	487
Amount	47,426,633	10,074	156,673	150,099	2,128,791	6,507,627	38,473,369
Gain (loss), sales of other assets:							
Number of returns	6,678	485	970	1,152	2,461	1,027	583
Amount	775,181	280	5,014	-5,044	65,471	144,250	565,210
Gross amount from sale of other assets:							
Number of returns	6,398	485	970	1,037	2,473	908	525
Amount	1,790,483	720	7,714	15,698	357,152	328,112	1,081,088
Cost of other basis and sales expenses:							
Number of returns	4,410	485	485	807	1,390	787	456
Amount	1,015,302	440	2,699	20,742	291,681	183,861	515,878
Net income (loss), fundraising:							
Number of returns	22,342	13,090	5,333	1,268	2,239	313	100
Amount	1,027,831	170,912	265,535	83,224	371,440	85,693	51,028
Gross revenue:							
Number of returns	22,489	13,090	5,333	1,383	2,250	325	108
Amount	1,701,940	346,148	383,695	130,048	614,531	139,369	88,149
Direct expenses:							
Number of returns	16,278	8,726	4,363	1,037	1,770	282	99
Amount	674,108	175,236	118,159	46,824	243,091	53,677	37,122
Gross profit (loss), sales of inventory:							
Number of returns	14,216	3,878	5,333	1,498	2,436	742	329
Amount	3,953,446	39,433	160,048	40,454	492,969	1,315,995	1,904,548
Gross sales minus returns and allowances:							
Number of returns	14,214	3,878	5,333	1,498	2,436	741	328
Amount	7,218,473	148,001	471,834	214,457	1,006,136	2,205,312	3,172,733
Cost of goods sold:							
Number of returns	13,293	3,878	4,848	1,498	2,092	669	308
Amount	3,265,027	108,569	311,786	174,003	513,167	889,317	1,268,185
Other revenue:							
Number of returns	45,826	14,544	14,059	4,379	9,070	2,653	1,121
Amount	14,215,793	145,998	196,682	254,024	938,799	1,687,905	10,992,385
Total expenses:							
Number of returns	105,215	45,571	28,603	9,334	16,455	3,764	1,487
Amount	244,214,146	6,206,511	10,495,551	9,700,828	31,917,324	53,480,945	132,412,987
Program services:							
Number of returns	100,497	42,662	28,118	8,989	15,654	3,621	1,452
Amount	206,594,040	5,013,830	8,807,915	8,229,789	26,372,398	43,496,534	114,673,575
Fundraising:							
Number of returns	27,531	9,696	7,272	3,111	5,329	1,482	641
Amount	2,226,224	219,270	109,548	117,704	418,656	580,784	780,262
Payments to affiliates:							
Number of returns	3,697	1,454	970	230	845	128	70
Amount	810,768	33,158	35,275	18,701	152,146	297,768	273,720

¹ Excluding Private Foundations.

² Includes zero assets or not reported.

³ Money amounts in this column should be used with caution because of the small number of sample returns on which they are based.

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

Nonprofit Charitable Organizations, 1985

Table 2.—Returns of Tax-Exempt Section 501(C)(3) Organizations: Selected Income and Balance Sheet Items, by State, 1985¹

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

State	Number of returns	Total revenue	Selected receipts							
			Total contributions received		Direct public support		Indirect public support		Government grants	
			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)	(10)	
United States, total	106,449	268,389,632	84,057	55,770,719	76,268	24,750,168	22,134	5,699,416	30,308	25,321,134
Alabama.....	888	2,257,332	710	378,384	592	137,744	33	28,301	638	212,338
Alaska.....	525	156,354	40	48,774	27	29,314	1	1,023	29	18,436
Arizona.....	263	1,790,502	221	390,085	207	154,861	19	7,987	144	227,237
Arkansas.....	953	1,289,630	443	196,407	430	115,605	140	35,685	38	45,117
California.....	12,214	28,865,873	8,582	5,454,065	7,276	2,926,144	1,631	538,575	2,824	1,989,347
Colorado.....	1,350	3,033,472	1,315	512,103	1,303	314,004	256	89,095	28	109,005
Connecticut.....	1,893	4,599,438	1,393	768,025	1,390	539,957	41	12,892	558	215,177
Delaware.....	32	777,761	29	42,470	28	37,816	5	1,054	10	3,600
District of Columbia.....	2,393	6,363,245	2,256	2,083,363	1,271	591,946	1,106	274,900	79	1,216,517
Florida.....	4,073	9,948,046	3,486	3,083,541	3,444	949,740	1,007	389,912	1,444	1,743,890
Georgia.....	1,335	4,143,138	1,163	1,073,932	1,151	498,900	293	68,404	297	506,628
Hawaii.....	402	987,165	274	344,226	273	68,676	14	5,666	135	269,884
Idaho.....	146	604,021	135	319,985	134	81,532	12	1,531	119	236,923
Illinois.....	4,595	15,348,396	3,729	3,657,150	3,694	1,147,993	1,437	319,859	1,983	2,189,297
Indiana.....	4,023	5,732,313	3,344	1,165,854	2,346	553,759	1,037	36,089	2,076	576,007
Iowa.....	1,270	1,867,324	1,223	219,374	1,220	150,851	32	10,958	43	57,565
Kansas.....	732	1,463,715	726	182,902	715	108,177	58	19,778	165	54,947
Kentucky.....	928	2,048,871	755	305,466	265	247,420	33	10,454	533	47,592
Louisiana.....	714	2,284,838	688	567,202	570	106,236	18	12,258	620	448,708
Maine.....	1,080	981,726	1,059	54,316	1,058	29,795	491	11,528	499	122,993
Maryland.....	2,967	3,501,952	1,354	289,160	1,342	202,944	28	14,884	107	71,332
Massachusetts.....	5,056	15,299,534	3,871	4,335,445	3,854	1,315,526	655	22,994	1,430	2,996,924
Michigan.....	4,444	9,397,848	2,898	1,311,891	2,889	601,331	1,297	302,452	1,546	408,108
Minnesota.....	1,516	3,714,138	1,476	1,024,208	1,462	510,461	267	163,190	295	350,558
Mississippi.....	698	1,135,430	692	175,336	664	97,614	487	32,515	178	45,207
Missouri.....	2,289	6,121,352	1,163	1,049,796	1,145	413,756	212	193,966	228	442,075
Montana.....	45	398,977	34	12,860	34	8,799	3	618	6	3,443
Nebraska.....	80	936,109	73	174,296	71	156,112	18	5,079	28	13,105
Nevada.....	25	181,058	25	60,372	14	58,258	10	726	10	1,388
New Hampshire.....	298	1,023,478	285	175,771	283	149,900	119	1,986	135	23,886
New Jersey.....	2,790	7,261,965	2,584	1,085,094	2,554	463,191	910	215,969	959	405,934
New Mexico.....	81	568,337	66	45,865	62	26,212	5	3,433	18	16,219
New York.....	11,436	45,226,470	9,520	8,841,350	9,210	4,077,369	1,727	1,580,402	4,214	3,183,579
North Carolina.....	3,069	5,072,947	2,536	1,443,704	2,406	756,701	642	152,346	1,281	534,658
North Dakota.....	170	779,656	157	67,166	157	64,589	2	2,039	3	538
Ohio.....	6,181	11,405,661	4,982	2,421,894	3,971	920,820	2,436	310,495	2,239	1,190,579
Oklahoma.....	1,708	2,042,101	1,438	505,347	1,436	233,673	22	9,836	624	261,837
Oregon.....	2,286	1,929,316	1,653	355,239	1,647	280,412	619	5,514	509	69,313
Pennsylvania.....	6,049	20,395,716	4,783	3,042,207	4,735	1,867,552	1,239	186,255	978	988,399
Puerto Rico.....	11	124,613	10	61,539	10	12	0	(²)	10	61,526
Rhode Island.....	702	1,437,007	700	271,897	687	84,564	48	75,726	171	111,607
South Carolina.....	93	1,086,741	82	103,064	77	67,364	28	5,192	42	30,507
South Dakota.....	412	871,671	399	42,518	399	31,871	116	1,675	25	8,971
Tennessee.....	2,079	3,908,037	1,938	632,748	1,935	419,196	616	92,456	30	121,096
Texas.....	4,776	10,247,272	3,768	2,290,987	3,145	1,303,396	1,545	246,110	849	741,482
Utah.....	132	1,102,016	130	189,401	14	18,264	0	(²)	126	171,137
Vermont.....	635	302,632	625	24,761	623	16,442	2	121	493	8,198
Virginia.....	1,683	5,541,774	1,637	1,834,386	1,125	963,669	46	66,537	695	804,180
Washington.....	2,688	3,959,111	1,683	561,117	1,175	200,114	628	12,046	531	348,956
West Virginia.....	691	1,358,452	663	163,667	533	36,358	19	3,170	139	124,140
Wisconsin.....	1,381	3,545,083	1,131	283,877	1,104	189,029	681	62,988	74	31,859
Wyoming.....	26	56,943	15	8,669	15	8,638	0	(²)	1	31
Foreign ³	143	3,913,076	119	2,037,461	92	415,560	45	52,749	69	1,569,152

Footnote(s) at end of table.

Table 2.—Returns of Tax-Exempt Section 501(C)(3) Organizations: Selected Income and Balance Sheet Items, by State, 1985¹—Continued

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

State	Selected receipts—continued				Total expenses	Selected expenses			
	Program service revenue		Membership dues and assessments			Program service		Fundraising	
	Number of returns	Amount	Number of returns	Amount		Number of returns	Amount	Number of returns	Amount
	(11)	(12)	(13)	(14)		(15)	(16)	(17)	(18)	(19)
United States, total	65,732	167,893,094	27,517	3,751,104	244,214,146	100,497	206,594,040	27,531	2,226,224
Alabama.....	858	1,645,597	25	14,123	2,156,153	887	1,853,397	40	7,763
Alaska.....	28	62,938	488	18,738	140,829	524	118,218	11	1,181
Arizona.....	215	1,226,425	22	8,769	1,694,798	240	1,405,707	30	19,411
Arkansas.....	940	928,415	252	16,414	1,177,137	952	942,994	133	7,395
California.....	6,305	20,448,731	3,500	552,456	26,277,709	11,320	22,788,085	2,286	307,829
Colorado.....	349	2,074,896	120	14,517	2,753,214	863	2,275,130	288	30,119
Connecticut.....	1,629	3,076,495	527	79,225	4,057,889	1,889	3,471,008	833	62,266
Delaware.....	28	506,581	14	14,435	645,325	32	516,774	6	2,488
District of Columbia.....	1,815	3,126,818	283	518,971	5,892,757	2,378	5,169,873	1,154	69,287
Florida.....	2,703	5,826,814	1,015	47,984	9,180,362	4,036	7,616,089	603	54,349
Georgia.....	415	2,427,391	193	123,769	3,643,292	1,322	3,098,063	226	31,078
Hawaii.....	283	461,444	2	504	894,628	401	657,531	140	10,261
Idaho.....	30	223,433	0	(²)	564,895	146	511,395	6	892
Illinois.....	2,868	9,933,704	225	124,716	14,025,030	4,569	12,148,814	1,884	109,957
Indiana.....	2,785	3,887,918	538	56,221	5,124,701	4,009	4,187,385	1,103	40,554
Iowa.....	747	1,407,290	129	51,741	1,691,843	1,268	1,298,216	555	14,165
Kansas.....	232	1,112,566	24	15,147	1,309,693	732	1,132,590	519	6,869
Kentucky.....	293	1,561,129	499	7,175	1,842,637	418	1,608,023	35	11,495
Louisiana.....	94	1,418,540	23	29,874	2,176,073	712	1,716,987	18	5,362
Maine.....	583	782,080	486	2,290	886,454	595	697,848	20	3,649
Maryland.....	1,846	2,533,350	2,094	337,807	3,180,581	2,466	2,496,598	88	16,031
Massachusetts.....	3,176	8,201,630	1,208	83,340	13,139,972	4,932	11,211,256	873	97,733
Michigan.....	2,770	7,208,901	393	221,290	8,653,522	4,437	6,814,113	1,360	47,114
Minnesota.....	1,371	2,279,031	126	20,392	3,320,131	1,514	2,991,035	308	31,117
Mississippi.....	90	782,210	115	2,263	1,049,344	698	943,114	25	3,019
Missouri.....	1,522	4,355,578	649	88,390	5,383,045	1,781	4,536,585	229	25,596
Montana.....	35	365,874	1	37	387,355	35	337,958	4	2,116
Nebraska.....	41	617,180	5	4,834	797,182	80	671,254	47	13,569
Nevada.....	25	104,736	1	39	132,124	25	103,480	3	129
New Hampshire.....	159	662,896	128	18,731	871,711	297	649,003	133	16,188
New Jersey.....	2,119	4,960,180	1,021	58,452	6,582,313	2,741	5,134,391	977	55,455
New Mexico.....	56	394,491	1	48	498,887	68	368,508	23	790
New York.....	7,752	20,368,577	3,841	445,045	42,682,613	10,288	38,098,696	3,930	452,207
North Carolina.....	1,914	3,117,146	16	11,904	4,560,708	3,068	4,110,922	324	26,021
North Dakota.....	44	672,027	116	226	688,785	55	592,130	14	1,635
Ohio.....	2,484	7,686,305	2,048	125,888	10,016,446	5,668	8,002,108	1,861	45,566
Oklahoma.....	822	1,156,668	617	21,254	1,823,080	1,689	1,441,416	1,005	11,632
Oregon.....	1,306	1,437,691	15	3,762	1,799,892	2,285	1,561,378	521	17,042
Pennsylvania.....	4,675	15,370,967	2,026	94,999	18,786,919	5,961	15,821,697	2,096	265,947
Puerto Rico.....	11	62,247	0	(²)	116,003	11	102,826	0	(²)
Rhode Island.....	563	854,584	657	54,486	1,171,878	692	1,007,434	159	8,808
South Carolina.....	75	827,578	23	12,246	963,417	90	712,092	26	5,244
South Dakota.....	401	729,995	230	22,648	815,521	412	698,333	128	3,952
Tennessee.....	2,044	2,751,962	972	16,227	3,519,204	2,065	2,944,403	306	38,355
Texas.....	2,265	6,264,475	1,373	182,433	9,073,236	4,616	7,442,057	1,036	96,505
Utah.....	130	689,331	0	(²)	1,002,875	131	937,949	1	674
Vermont.....	624	239,013	1	29	288,803	633	224,155	501	1,551
Virginia.....	1,470	2,924,180	51	93,807	4,939,332	1,667	3,924,411	294	70,018
Washington.....	1,711	3,151,480	618	7,311	3,740,152	2,685	3,034,789	524	15,755
West Virginia.....	190	997,696	496	9,923	1,263,182	689	1,132,878	506	5,954
Wisconsin.....	732	2,782,192	289	29,822	3,253,821	1,261	2,648,373	286	23,876
Wyoming.....	13	27,145	0	(²)	42,287	26	38,857	2	183
Foreign ³	98	1,176,573	23	86,394	3,534,409	134	2,645,710	50	30,271

Footnote(s) at end of table.

Nonprofit Charitable Organizations, 1985

Table 2.—Returns of Tax-Exempt Section 501(C)(3) Organizations: Selected Income and Balance Sheet Items, by State, 1985¹—Continued

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

State	Information items				
	Total assets		Total liabilities	Total liabilities and fund balance/net worth	
	Number of returns	Amount		Number of returns	Amount
	(20)	(21)	(22)	(23)	(24)
United States, total	105,479	423,544,289	186,389,508	106,449	423,544,288
Alabama	888	3,219,111	1,567,559	888	3,219,112
Alaska	525	450,788	266,253	525	450,788
Arizona	263	2,647,535	1,681,747	263	2,647,535
Arkansas	953	2,133,676	753,164	953	2,133,676
California	11,729	35,338,635	15,212,838	12,214	35,338,635
Colorado	1,350	4,266,629	1,763,264	1,350	4,266,629
Connecticut	1,893	10,200,195	2,103,289	1,893	10,200,195
Delaware	32	1,876,497	488,110	32	1,876,497
District of Columbia	2,393	7,847,750	2,841,734	2,393	7,847,750
Florida	4,073	13,176,175	5,283,928	4,073	13,176,175
Georgia	1,335	6,380,303	1,624,167	1,335	6,380,303
Hawaii	402	2,073,588	555,326	402	2,073,588
Idaho	146	634,545	237,464	146	634,545
Illinois	4,595	20,864,363	7,805,152	4,595	20,864,363
Indiana	4,023	8,414,805	3,277,851	4,023	8,414,805
Iowa	1,270	3,330,494	1,311,897	1,270	3,330,494
Kansas	732	2,350,782	786,630	732	2,350,782
Kentucky	928	3,485,375	1,424,019	928	3,485,375
Louisiana	714	3,728,639	1,575,802	714	3,728,639
Maine	1,080	1,425,314	525,302	1,080	1,425,314
Maryland	2,967	5,266,257	1,919,638	2,967	5,266,257
Massachusetts	5,056	25,188,329	8,170,043	5,056	25,188,329
Michigan	4,444	11,710,275	4,691,734	4,444	11,710,275
Minnesota	1,516	5,762,684	2,476,046	1,516	5,762,684
Mississippi	698	1,872,503	659,622	698	1,872,503
Missouri	2,289	9,712,560	3,369,242	2,289	9,712,560
Montana	45	724,254	393,391	45	724,254
Nebraska	80	2,317,547	753,232	80	2,317,547
Nevada	25	316,788	114,435	25	316,788
New Hampshire	298	2,485,996	777,197	298	2,485,996
New Jersey	2,790	11,383,838	4,586,450	2,790	11,383,838
New Mexico	81	1,205,533	531,764	81	1,205,533
New York	10,951	90,535,565	63,074,754	11,436	90,535,564
North Carolina	3,069	7,509,212	1,988,192	3,069	7,509,212
North Dakota	170	1,033,933	559,480	170	1,033,933
Ohio	6,181	16,810,864	6,095,243	6,181	16,810,863
Oklahoma	1,708	4,474,764	1,483,278	1,708	4,474,764
Oregon	2,286	2,576,707	1,112,531	2,286	2,576,707
Pennsylvania	6,049	27,097,883	10,984,867	6,049	27,097,882
Puerto Rico	11	122,252	57,987	11	122,252
Rhode Island	702	2,203,616	690,962	702	2,203,616
South Carolina	93	1,983,566	667,512	93	1,983,566
South Dakota	412	1,786,264	1,032,664	412	1,786,264
Tennessee	2,079	6,079,557	2,100,859	2,079	6,079,557
Texas	4,776	18,849,815	7,186,945	4,776	18,849,815
Utah	132	1,703,748	588,994	132	1,703,748
Vermont	635	839,483	237,295	635	839,483
Virginia	1,683	7,704,461	2,547,371	1,683	7,704,461
Washington	2,688	4,759,433	2,089,615	2,688	4,759,433
West Virginia	691	1,924,704	738,602	691	1,924,704
Wisconsin	1,381	6,541,375	2,190,585	1,381	6,541,375
Wyoming	26	210,418	63,022	26	210,418
Foreign ³	143	7,004,908	1,370,458	143	7,004,908

¹ Excluding Private Foundations.² Less than \$500.³ Includes entities organized outside the United States that have received tax-exempt recognition under Internal Revenue Code section 501(c)(3) and that conduct part of their activities in the United States.

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

Table 3.—Returns of Tax-Exempt Section 501(C)(3) Organizations: Functional Expenditures, By Size of Total Contributions Received, 1985¹

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

Item	Total	Size of total contributions received						
		Contributions zero or unreported	\$1 under \$25,000	\$25,000 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)	(8)
Number of 501(c)(3) returns	106,449	22,392	26,074	22,181	19,618	7,525	8,124	536
Total functional expenditures:								
Number of returns.....	105,213	22,301	25,083	22,066	19,598	7,523	8,108	535
Amount.....	243,403,359	39,126,035	20,108,051	19,513,655	38,937,740	24,903,426	56,382,960	44,431,491
Total grants and allocations:								
Number of returns.....	25,102	3,344	8,446	4,730	3,500	2,442	2,325	314
Amount.....	19,494,803	8,599,437	276,302	210,295	589,438	595,302	3,326,136	5,897,893
Total specific assistance to individuals:								
Number of returns.....	7,286	501	500	262	4,361	856	763	43
Amount.....	7,533,215	7,851	5,862,203	11,529	396,650	273,962	514,611	466,408
Total benefits paid to or for members:								
Number of returns.....	2,633	677	511	512	859	38	28	8
Amount.....	562,058	278,568	25,076	18,753	170,751	12,208	11,147	45,555
Total compensation of officers, directors:								
Number of returns.....	31,372	7,336	5,070	5,899	7,213	2,665	2,860	330
Amount.....	2,695,128	409,500	211,043	264,960	445,741	284,695	508,030	571,160
Total other salaries and wages:								
Number of returns.....	73,934	14,229	13,010	14,889	16,503	7,039	7,787	477
Amount.....	86,382,609	8,289,211	5,393,254	7,621,721	15,952,663	10,451,278	22,681,531	15,992,951
Total pension plan contributions:								
Number of returns.....	18,439	2,503	1,850	3,067	5,317	1,434	3,933	335
Amount.....	2,941,426	264,475	123,848	212,680	428,442	244,742	721,940	945,300
Total other employee benefits:								
Number of returns.....	45,746	6,171	5,498	9,787	12,652	5,318	5,894	425
Amount.....	7,737,631	782,137	422,778	674,261	1,359,533	949,057	1,974,915	1,574,950
Total payroll taxes:								
Number of returns.....	62,288	12,238	10,723	12,049	15,248	5,942	5,699	389
Amount.....	5,511,726	549,033	334,146	502,387	1,073,999	693,933	1,437,107	921,122
Total professional fundraising fees:								
Number of returns.....	4,180	119	17	1,011	894	824	1,255	60
Amount.....	97,076	4,621	417	9,808	6,535	14,290	46,218	15,188
Total accounting fees:								
Number of returns.....	57,103	14,290	11,548	10,217	9,971	4,934	5,778	364
Amount.....	512,698	71,085	41,405	46,384	105,067	76,953	113,396	58,408
Total legal fees:								
Number of returns.....	24,828	5,082	4,825	4,689	4,019	2,333	3,554	325
Amount.....	696,243	118,711	49,085	70,500	119,529	54,325	198,597	85,496
Total supplies:								
Number of returns.....	82,461	15,686	19,291	16,627	16,352	6,854	7,206	445
Amount.....	18,781,066	1,941,049	1,444,339	2,010,089	3,908,694	2,187,438	4,340,727	2,948,730
Total telephone:								
Number of returns.....	74,435	14,484	16,403	14,919	15,818	5,915	6,474	421
Amount.....	1,602,020	178,959	80,471	117,593	247,111	176,583	443,456	357,847
Total postage and shipping:								
Number of returns.....	64,370	9,610	14,083	14,501	14,866	5,429	5,481	399
Amount.....	1,097,083	80,464	53,553	43,940	137,957	76,201	443,017	261,951
Total occupancy:								
Number of returns.....	61,710	10,462	12,596	10,525	15,423	5,403	6,884	416
Amount.....	6,559,516	691,032	379,545	452,300	1,067,299	798,227	1,899,008	1,272,105
Total equipment rental and maintenance:								
Number of returns.....	53,066	8,779	10,047	9,819	13,166	5,483	5,369	403
Amount.....	2,989,994	281,883	213,402	266,051	559,646	318,543	807,275	543,194
Total printing and publications:								
Number of returns.....	62,200	6,861	16,378	14,365	14,115	5,321	4,754	406
Amount.....	1,804,480	134,290	121,010	112,152	326,271	154,687	556,131	399,938
Total travel:								
Number of returns.....	62,314	8,357	13,881	14,300	11,760	6,433	7,154	428
Amount.....	1,974,568	163,560	81,131	88,339	162,447	198,311	729,108	551,672
Total conferences, conventions and meetings:								
Number of returns.....	46,442	8,416	7,425	11,272	12,365	3,605	3,090	270
Amount.....	899,582	252,558	160,915	49,184	97,862	57,647	176,664	104,751
Total interest:								
Number of returns.....	34,757	8,093	6,883	6,576	6,179	3,656	3,094	275
Amount.....	5,456,250	1,259,554	529,221	559,607	1,033,328	635,317	869,180	570,043
Total depreciation, depletion:								
Number of returns.....	51,078	9,249	9,082	9,236	13,110	4,807	5,257	337
Amount.....	7,599,491	1,068,524	675,741	925,684	1,777,438	1,075,007	1,462,417	614,680
Total other expenses:								
Number of returns.....	100,149	21,104	24,090	20,584	18,395	7,383	8,063	530
Amount.....	60,481,762	13,699,524	3,629,140	5,245,412	8,978,468	5,574,718	13,122,353	10,232,148

¹ Excluding Private Foundations.

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

Environmental Taxes, 1987

By John A. Kozielec*

Environmental excise tax liabilities of \$800.8 million before adjustments were reported by 681 taxpayers during the first year of the Superfund Amendments and Reauthorization Act of 1986, or SARA. After adjustments, the tax was \$760.1 million. SARA reinstated and amended the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), which had expired on September 30, 1985, and re-established the Hazardous Substance Trust Fund, more commonly referred to as the "Superfund." Under SARA, Congress planned to amass \$6.6 billion for the Superfund during the 5-year period beginning January 1, 1987.

BACKGROUND

To deal with the problems of hazardous substances or wastes, Congress created a major Federal program to clean up the worst abandoned hazardous substance and waste sites in the country by enacting the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA). Congress intended to amass \$1.4 billion in the Fund through a special environmental tax on petroleum, petrochemicals, and inorganic chemicals. The tax rates for each were formulated so that the tax liability would reflect the respective percentages in which these substances were found in hazardous waste sites [1]. By the time CERCLA expired on September 30, 1985, only about \$1.2 billion in environmental taxes had been reported for the period from April 1981 through September 1985 [2].

When it became clear that the goal of cleaning up the worst abandoned hazardous waste sites would not be met, Congress decided to extend and amend CERCLA by enacting the Superfund Amendments and Reauthorization Act of 1986 (SARA) and re-establishing the Hazardous Substance Trust Fund or Superfund, effective January 1, 1987 through December 31, 1991. However, to encourage dumping at qualified waste disposal facilities and to avoid penalizing those who were already doing so, SARA repealed the hazardous waste tax, a tax on waste received at qualified waste sites.

The Superfund is used to clean up chemical spills and abandoned hazardous waste sites. It relies on an excise tax levied on crude oil used in or exported from the United States, imported crude oil and petroleum products, 11 petrochemicals and 31 inor-

ganic chemicals from which other hazardous substances and wastes are generated. The hazardous chemical substances and wastes which the Fund was designed to deal with were those generated during production of plastics, paints, adhesives, herbicides, fertilizers, and pesticides, or in the production of metals, petroleum products and glass. The Environmental Protection Agency (EPA) estimated that 57 million metric tons of hazardous wastes were being produced annually and that more than 90 percent of this waste was believed to be disposed of in environmentally unsound ways [3].

Under SARA, Congress increased the appropriations for the Superfund to \$8.5 billion. Approximately \$6.6 billion was to be raised through the renewal of the environmental excise taxes on petroleum, petrochemicals, and inorganic chemicals. Another \$1.25 billion was to be appropriated from general tax revenues at the rate of \$250 million per year for 5 years. The remainder was to come from penalties for clean-up costs, punitive damages in responding to an environmental emergency involving a release of hazardous substances, interest earned on the Superfund, amounts recovered in behalf of the Superfund, and moneys recovered or collected under the Clean Water Act.

Expenditures of the \$8.5 billion appropriated or collected were to include but were not limited to the following: 1) costs of responding to the presence of hazardous substances on land or in the water or air, including clean-up and renewal of such substances and remedial action; 2) payment of claims for injury to, or destruction or loss of, natural resources belonging to or controlled by the Federal or State Governments; 3) any costs incurred by the Agency for Toxic Substance and Disease Registry of the U.S. Public Health Service, including costs of epidemiological studies, health assessments, and preparation of toxicological profiles, and 4) certain costs relating to response, including damage assessment and maintenance of emergency response forces.

TAXES REPORTED FOR 1987

The percentage distribution of environmental taxes attributable to petroleum, petrochemicals, and inorganic chemicals changed considerably in 1987

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in response to SARA, compared to the distribution for the combined quarters ended June 1981 through September 1985 under CERCLA. Figure A shows that the petrochemical tax was 28.1 percent of total environmental taxes for 1987, a significant decrease from the 66.1 percent for the entire period 1981 through 1985.

In contrast, the percentage of the total that was due to petroleum environmental taxes increased from 15.0 percent to 65.9 percent. This reflected the new, higher, petroleum tax rates under SARA. For 1987, taxes on domestic petroleum, imported crude oil and petroleum products, and petrochemicals were nearly equal, as shown in Figure B.

Figure B shows that under SARA the average tax (for 1987, before adjustments) was \$1.2 million per taxpayer, an increase of over \$85,000 compared to the overall average for the period April 1981 through September 1985 under CERCLA. The resultant total of environmental excise taxes generated for the Superfund amounted to \$800.8 million. This amount is distributed in Figure C by the types of hazardous substances that were taxed and by the quarter of 1987 in which tax was incurred.

The top five companies in 1987, each reporting more than \$35 million in tax, reported more than \$243 million in tax before adjustments. This was over 30 percent of the total tax for 1987. The top 14 companies, those that reported over \$15 million in tax, were responsible for more than half the total tax.

PETROLEUM

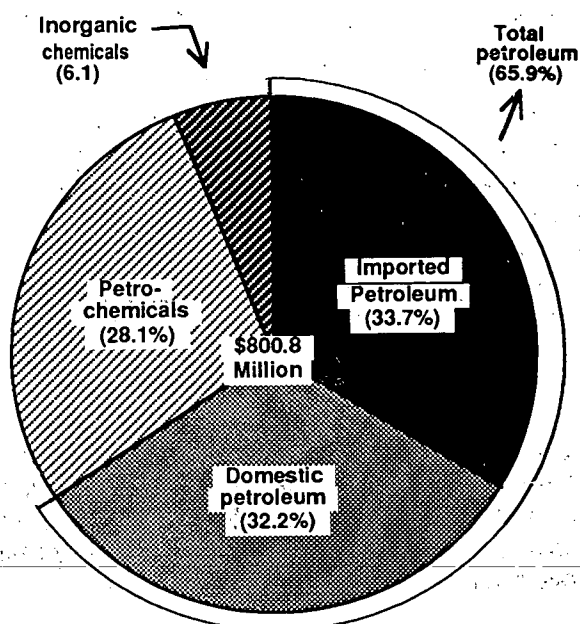
Specifically, the following petroleum and petroleum-related businesses were subject to the environmental excise tax:

- (1) operators of U.S. refineries receiving domestic crude oil;
- (2) importers of crude oil and petroleum products for consumption, or warehousing; and
- (3) users or exporters of crude oil on which the environmental tax had not already been paid.

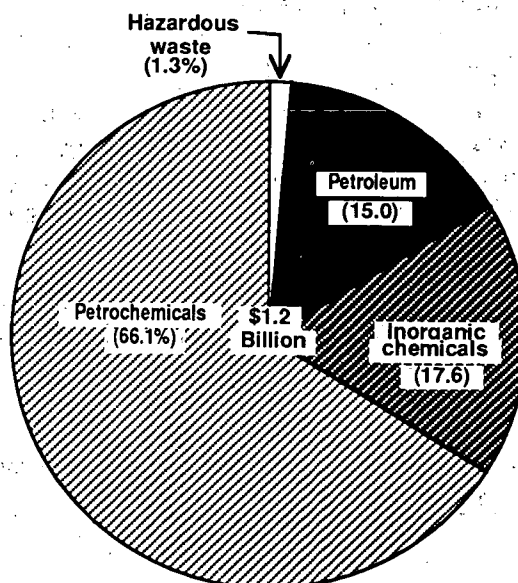
SARA increased the excise tax imposed by CERCLA on crude oil received at a U.S. refinery or exported from the United States, from \$.0079 to \$.0820 per barrel and on crude oil and petroleum products imported into the United States for consumption or warehousing from \$.0079 to \$.1170 per barrel.

As Figure B shows, petroleum environmental taxes reported for 1987 by the companies subject to the tax totalled \$527.4 million, an average tax of \$1.4 million per company, compared to \$176.9 million or

Figure A
Sources of Environmental Taxes



Quarters Ended March 31, 1987
Through December 31, 1987



Quarters Ended June 30, 1981
Through September 30, 1985

Figure B.—Number of Businesses and Environmental Excise Taxes Before Adjustments and Credits, Quarters Ended March 1987 through December 1987

[Money amounts are in thousands of dollars]

Type of tax	Number of businesses reporting environmental excise taxes ¹	Tax before adjustments	
		Total tax ²	Average tax
	(1)	(2)	(3)
Total environmental taxes	681	\$800,8330	\$1,176
Taxes on:			
Total petroleum	382	527,431	1,381
Domestic petroleum produced.....	174	257,912	1,482
Imported crude oil and petroleum products	208	269,519	1,296
Petrochemicals	162	224,923	1,388
Inorganic chemicals	296	48,479	164

¹ Number of businesses do not add to total because businesses could report a tax on more than one type of substance.

² Detail may not add to total due to rounding.

an average of under \$0.4 million per company for the 1981-85 period. The 1987 petroleum tax liability alone was thus almost three times greater than the amount for the entire 5-years of the previous petroleum tax under CERCLA.

The 208 companies with imported petroleum had an average tax for 1987 of \$1.3 million, while the average tax for the 174 companies with domestic petroleum was \$1.5 million. Data for domestic and imported petroleum businesses were not separately tabulated for 1981 through 1985 because the tax rate per barrel was the same for each.

CHEMICALS

The requirements for filing and reporting the tax on chemicals applied to any manufacturer, producer, or importer that sold or used the taxable chemicals listed in Table 1. The following petrochemicals and inorganic chemicals were exempted from tax:

- (1) methane or butane used as a fuel, unless a business used the chemical in the manufacture of another taxable chemical;

- (2) nitric acid, sulfuric acid, ammonia, and also methane if used in the production of ammonia that was used for fertilizer or animal feed substances;
- (3) sulfuric acid produced solely as a by-product of, and on the same site as, air pollution control equipment;
- (4) any substance to the extent it was derived from coal;
- (5) chemicals used in the manufacture or production of any motor, diesel, or aviation fuel;
- (6) chemicals because of their transitory presence during smelting, refining, or extracting any substance not subject to the tax;
- (7) chromium, cobalt, or nickel that was recycled; and
- (8) taxable chemicals sold for export.

PETROCHEMICALS

The tax rate of \$4.87 per ton for nine of the 10 petrochemicals taxed at this rate under CERCLA was not changed by SARA; however, SARA increased the rate on xylene from \$4.87 to \$10.13 per ton. The tax on the eleventh petrochemical, methane, remained unchanged at \$3.44 per ton; this was the lowest rate applicable to any petrochemical (see Table 2). For 1987, petrochemicals were reported by one-fourth of the companies reporting an environmental tax. They accounted for only 28 percent of the total tax, an average tax of nearly \$1.4 million per taxpayer, compared to the period 1981-1985 when petrochemicals accounted for 66 percent of the total tax and nearly \$3 million per taxpayer. For 1987, ethylene, the highest revenue-producing petrochemical, was reported by 31 businesses for a total of over \$87 million in tax. This was approximately 40 percent of the total tax on petrochemicals. For the period 1981 through 1985, ethylene was also the highest revenue-producing petrochemical. It was reported by 47 businesses and accounted for a total of \$311 million in tax during this period. This was the same proportion of total petrochemical taxes (40 percent)

Figure C.—Environmental Taxes Before Adjustments by Quarter, Quarters Ended March 1987 through December 1987

[Money amounts are in millions of dollars]

Quarter ended	Total	Domestic petroleum	Imported crude oil and petroleum products	Petrochemicals	Inorganic chemicals
	(1)	(2)	(3)	(4)	(5)
All quarters	\$800.8	\$257.9	\$269.5	\$224.9	\$48.5
March	186.3	63.3	57.3	53.8	12.0
June	197.4	66.0	62.5	56.7	12.1
September	208.0	64.7	75.6	56.9	10.8
December	209.1	64.0	74.1	57.5	13.6

NOTE: Detail may not add to the total due to rounding.

as in 1987. The combined tax on benzene, propylene, xylene, plus ethylene amounted to almost \$193 million. This was nearly 86 percent of the total tax for petrochemicals. During 1981 through 1985, the tax reported for these same four chemicals totalled \$627 million. This total was not that much different, percentage-wise, from 1987-80 percent.

INORGANIC CHEMICALS

SARA did not change the tax imposed by CERCLA on 31 inorganic chemicals. The rates continued to vary from \$0.22 to \$4.45 per ton. A total of \$48.5 million in tax was reported in 1987 by 296 taxpayers, for an average of \$164,000 per taxpayer. Although more than 40 percent of the businesses with an environmental tax reported a tax on inorganic chemicals, the total amount of tax incurred was only slightly over 6 percent of the total environmental tax for the tax year. For the period 1981-85, the percentage of businesses with inorganic chemical taxes was about the same as 1987; although the total number was greater at 439. This was 48 percent more than for 1987. However, the amount of inorganic taxes for the period 1981-1985 comprised a larger part of the total, 18 percent. The average tax for inorganic chemicals during the earlier period (1981-1985) was \$475,000 per business or almost three times greater than that in 1987.

Sulfuric acid was the most frequently reported inorganic chemical in 1987, with 77 businesses accounting for \$1.5 million in tax liability, which represented only 3 percent of the tax reported for all inorganic chemicals. Chlorine, reported by 48 businesses, accounted for more than half of the inorganic chemical tax and over 3 percent of the total environmental tax. For 1981 through 1985, sulfuric acid was also the most frequently reported inorganic chemical tax. The 114 businesses with sulfuric acid tax liabilities reported \$10.5 million or 5 percent of the total inorganic tax.

HAZARDOUS WASTE

CERCLA had established the Post-closure Liability Trust Fund financed by a tax levied on hazardous waste received at a qualified hazardous waste disposal facility. This Fund was to pay for the costs of managing closed hazardous waste disposal facilities. The tax of \$2.13 per dry weight ton of hazardous waste was repealed under SARA. The tax on waste received at these sites totalled \$15.6 million over the 1981-1985 period.

ADJUSTMENTS

A business could adjust, i.e., reduce, its total tax if a chemical on which tax was previously paid was

later used to manufacture or produce another substance subject to the environmental excise tax. The taxpayer could reduce current tax by either claiming a credit for taxes previously paid, paying the total but filing a claim for a refund of these taxes, or applying the previously paid amount toward the next quarter's tax if no tax was due currently. A credit or refund was also allowed if a tax were later paid on a chemical such as nitric acid; sulfuric acid; or ammonia which was used to produce fertilizer; methane used to produce ammonia; or a chemical used to produce animal feed. Each of these was considered to be a nontaxable use. Credits or refunds could also be claimed for taxes paid on crude oil removed from a pipeline and later returned to the same pipeline.

SARA retroactively repealed the tax on xylene for the quarters ending before October 1, 1985. Thus, taxpayers could also claim a credit for the tax previously paid (including interest, and additions to tax, such as from IRS examination activities) on xylene, or file a claim for a refund. Many, but not all, taxpayers claimed the adjustment to their xylene tax for 1981-1985 on their returns for the first quarter under SARA, which ended March 1987. For 1981-1985, there were 92 businesses that reported \$72.7 million of excise taxes on xylene.

Total adjustments reported for 1987 were \$40.8 million. Almost 60 percent was claimed in the quarter ending March 1987. Although xylene was the most obvious chemical that could give rise to tax adjustments, it was not the only one. However, the adjustments for other types of chemicals were not tabulated separately.

DATA SOURCES AND LIMITATIONS

Form 6627, Environmental Taxes, is used to compute the tax liability for petroleum and chemicals. The data shown in this study are taken from the Form 6627. Since products could only be taxed once, if an environmental tax was already paid on an item, tax could not be reimposed on a subsequent person who would otherwise be liable for the tax. As a result, taxpayers are not double counted in the statistics. Returns are due to be filed with the Internal Revenue Service (IRS) within 1 month after the end of the quarter in which the business is liable for an environmental tax. Data in this article reflect information reported on unaudited returns filed for the quarters ending March 31, 1987 through December 31, 1987.

IRS also releases environmental tax statistics in a separate quarterly report on excise taxes [4]. The figures, taken from the Form 720, the Quarterly Excise Tax Return, rather than Form 6627, show the total tax collected, after adjustments, based on

returns recorded on the IRS Business Master File as part of routine tax administrative processing. The data, however, are not classified by type of chemical. Because returns are due 1 month after the end of the calendar quarter in which tax was incurred, the tax reflected in the collection statistics is for the quarter in which the returns were filed and processed. In contrast, for this article, taxes represent the amounts reported on the return rather than the amounts actually collected. Moreover, the statistics are shown for the quarter in which the tax liability was actually incurred. The tax collection statistics also include amounts paid with returns filed after the 1-month period because of routine filing extensions and other reasons. For *Statistics of Income*, the tax for these returns was included in the quarter representing the quarter for which the tax was due. In summary, the collection statistics cover whatever tax was recorded during a quarter, regardless of when it was incurred. Consequently, the two series of data are not directly comparable.

Since no statistical sampling was involved, the data presented here are not subject to sampling error, but may be subject to nonsampling error. For example, although efforts were made to secure all returns, because of time and resource constraints, information from returns for prior quarters for the same businesses were used as the basis for estimating data for returns unavailable for the statistics.

NOTES AND REFERENCES

- [1] U.S. Senate, *Report of the Committee on Finance on S.51*, Report 99-73, May 23, 1985.
- [2] For prior years, see Barnhardt, Janet, "Superfund for Environmental Taxes," *Statistics of Income Bulletin*, Fall 1982, Volume 2, Number 2; Belal, Rashida, "Superfund for Environmental Taxes, 1981 and 1982," *Statistics of Income Bulletin*, Fall 1983, Volume 3, Number 2; "Environmental Taxes 1981-83," *Statistics of Income Bulletin*, Spring 1985 Volume 4, Number 4; "Environmental Taxes, 1981-84," *Statistics of Income Bulletin*, Spring 1986, Volume 5, Number 4; "Superfund for Environmental Taxes, 1981-85," *Statistics of Income Bulletin*, Spring 1987, Volume 6, Number 4.
- [3] Environment and Natural Resources Policy Division, Congressional Research Service, Library of Congress, *A Legislative History of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (Superfund)*, Public Law 96-510, 1983.
- [4] U.S. Department of the Treasury, Internal Revenue Service, *Internal Revenue Report of Excise Taxes*, issued quarterly.

Environmental Taxes, 1987

Table 1.—Environmental Excise Taxes by Type of Substance and Quarters Ended March 1987 to December 1987

[Money amounts are in thousands of dollars]

Type of substance	Total	Quarter ended			
		March 1987	June 1987	September 1987	December 1987
	(1)	(2)	(3)	(4)	(5)
Total	800,833	186,356	197,389	207,957	209,131
Petroleum, total	527,431	120,574	128,526	140,230	138,102
Imported crude oil and petroleum products	269,519	57,313	62,523	75,556	74,128
Domestic petroleum	257,912	63,261	66,003	64,674	63,974
Petrochemicals, total	224,923	53,836	56,739	56,902	57,457
Acetylene	726	162	175	197	192
Benzene	29,676	6,862	7,793	7,648	7,732
Butane	3,622	650	1,131	1,228	613
Butylene	4,457	1,448	929	1,111	970
Butadiene	6,296	1,170	1,624	1,501	2,001
Ethylene	87,161	20,512	21,239	22,572	22,839
Methane	7,462	1,998	1,941	1,705	1,818
Naphthalene	125	25	24	55	21
Propylene	41,566	9,813	10,186	10,547	11,021
Toluene	9,352	2,807	2,534	1,986	2,025
Xylene	34,479	8,380	9,163	8,353	8,584
Inorganic chemicals, total	48,479	11,957	12,125	10,826	13,572
Ammonia	9,451	2,121	2,286	2,394	2,650
Antimony	23	3	4	10	6
Antimony trioxide	99	25	25	22	28
Arsenic	3	(¹)	2	(¹)	(¹)
Arsenic trioxide	68	13	23	16	17
Barium sulfide	2	(¹)	(¹)	(¹)	(¹)
Bromine	732	144	161	214	213
Cadmium	9	2	3	3	1
Chlorine	27,836	7,195	7,096	5,615	7,930
Chromium	35	9	9	8	10
Chromite	480	120	107	95	158
Potassium dichromate	1	(¹)	(¹)	(¹)	(¹)
Sodium dichromate	82	1	77	2	2
Cobalt	20	3	4	5	8
Cupric sulphate	72	17	22	18	16
Cupric oxide	52	13	15	14	10
Cuprous oxide	19	6	5	4	4
Hydrochloric acid	232	57	63	59	53
Hydrogen fluoride	1,281	308	327	355	291
Lead oxide	1,433	374	361	329	368
Mercury	91	25	23	41	1
Nickel	402	91	95	93	124
Phosphorus	1,592	375	406	358	453
Stannous chloride	4	1	1	1	1
Stannic chloride	23	5	5	6	6
Zinc chloride	35	8	9	9	9
Zinc sulfate	38	11	11	6	10
Potassium hydroxide	56	13	14	13	16
Sodium hydroxide	2,502	608	556	681	657
Sulfuric acid	1,454	335	331	354	434
Nitric acid	356	74	84	100	98

¹ Less than \$500, however, the data are included in the totals.

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

Environmental Taxes, 1987

Table 2.—Environmental Excise Taxes, by Type of Substance, Aggregate for the Quarters Ended March 1987 to December 1987

[Money amounts are in thousands of dollars]

Type of substance	Number of businesses reporting environmental excise taxes ¹	Number of tons (000's)	Tax rate per barrel or ton (dollars)	Average tax per business (dollars)
	(1)	(2)	(3)	(4)
		Barrels		
Petroleum, total	382	5,448,854	N/A	1,380,711
Domestic petroleum	174	3,145,268	.082	1,482,253
Imported crude oil and petroleum products	208	2,303,585	.117	1,295,767
		Tons		
Petrochemicals, total	162	43,147	N/A	1,388,411
Acetylene	33	149	4.87	22,014
Benzene	47	6,094	4.87	631,398
Butane	16	744	4.87	226,364
Butylene	14	915	4.87	318,379
Butadiene *	24	1,293	4.87	262,335
Ethylene	31	17,898	4.87	2,811,656
Methane	24	2,169	3.44	310,913
Naphthalene	5	26	4.87	24,915
Propylene	48	8,535	4.87	865,965
Toluene	54	1,920	4.87	173,184
Xylene	49	3,404	10.13	703,659
Inorganic chemicals, total	296	32,768	N/A	163,781
Ammonia	73	3,580	2.64	129,461
Antimony	9	5	4.45	2,506
Antimony trioxide	19	26	3.75	5,222
Arsenic	7	1	4.45	358
Arsenic trioxide	10	20	3.41	6,790
Barium sulfide	(*)	(*)	2.30	(*)
Bromine	6	164	4.45	121,985
Cadmium	13	2	4.45	678
Chlorine	48	10,310	2.70	579,926
Chromium	12	8	4.45	2,956
Chromite	9	316	1.52	53,306
Potassium dichromate	(*)	(*)	1.69	(*)
Sodium dichromate	9	44	1.87	9,060
Cobalt	12	4	4.45	1,627
Cupric sulfate	22	39	1.87	3,284
Cupric oxide	12	14	3.59	4,315
Cuprous oxide	5	5	3.97	3,797
Hydrochloric acid	45	800	.29	5,154
Hydrogen fluoride	15	303	4.23	85,380
Lead oxide	28	346	4.14	51,161
Mercury	9	20	4.45	10,066
Nickel	14	90	4.45	28,727
Phosphorus	6	358	4.45	265,362
Stannous chloride	4	1	2.85	936
Stannic chloride	6	11	2.12	3,899
Zinc chloride	18	16	2.22	1,930
Zinc sulfate	19	20	1.90	1,991
Potassium hydroxide	26	256	0.22	2,167
Sodium hydroxide	66	8,935	0.28	37,905
Sulfuric acid	77	5,592	0.26	18,881
Nitric acid	26	1,482	0.24	13,676

¹ Number of businesses do not add to total because businesses could report a tax on more than one type of substance.

* This figure is not shown to avoid disclosure of information for specific businesses. However, the data are included in the appropriate tables.

N/A — Not applicable.

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

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NOTICE

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

Selected Historical Data

Table 1.—Individual Income Tax Returns: Selected Income and Tax Items for Selected Tax Years, 1970–1987

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

Item	1970	1975	1980	1985	1986	1987
	(1)	(2)	(3)	(4)	(5)	(6)
All returns	74,279,831	82,229,332	93,902,469	101,660,287	103,045,170	106,996,270
Form 1040 returns.....	74,279,831	54,527,726	57,122,592	67,006,425	68,909,828	71,032,103
Form 1040A returns.....	N/A	27,701,606	36,779,877	18,124,702	17,584,689	17,446,685
Form 1040EZ returns.....	N/A	N/A	N/A	16,529,160	16,550,653	18,517,482
Adjusted gross income (AGI)	631,692,540	947,784,873	1,613,731,497	2,305,951,483	2,481,681,046	2,773,824,198
Salaries and wages:						
Number of returns.....	66,965,659	73,520,046	83,802,109	87,198,001	88,217,638	90,984,304
Amount.....	531,883,892	795,399,462	1,349,842,802	1,928,200,978	2,031,025,984	2,163,905,509
Taxable interest received:						
Number of returns.....	32,630,355	40,378,240	49,019,575	64,526,434	65,236,518	67,933,810
Amount.....	22,021,267	43,433,554	102,009,444	182,109,194	168,966,067	168,966,067
Dividends in AGI:¹						
Number of returns.....	7,729,939	8,853,491	10,738,982	15,527,579	16,753,537	22,324,321
Amount.....	15,806,924	21,892,126	38,761,253	55,046,351	61,623,348	66,791,158
Business or profession net income less loss:						
Number of returns.....	6,159,985	7,242,542	8,881,119	11,900,341	12,360,345	13,002,055
Amount.....	30,554,201	39,421,478	55,129,154	78,772,577	90,423,763	105,460,627
Net capital gain less loss in AGI:²						
Number of returns.....	7,962,663	7,574,823	9,970,921	11,125,595	15,560,453	15,450,141
Amount.....	9,006,683	14,071,893	30,029,074	67,694,001	132,841,678	137,398,726
Pensions and annuities in AGI:						
Number of returns.....	3,249,558	5,088,937	7,373,704	13,133,295	14,771,235	16,497,586
Amount.....	7,878,808	20,886,871	43,339,736	95,096,003	107,696,794	124,754,833
Unemployment compensation in AGI:						
Number of returns.....	N/A	N/A	1,798,210	4,771,546	5,106,015	7,370,742
Amount.....	N/A	N/A	2,028,456	6,355,539	6,975,196	12,286,674
Social security benefits in AGI:						
Number of returns.....	N/A	N/A	N/A	2,956,073	3,174,904	3,637,211
Amount.....	N/A	N/A	N/A	9,594,182	10,648,112	12,524,112
Rents and royalties net income less loss:						
Number of returns.....	6,557,498	7,143,812	8,208,132	9,970,604	9,394,506	9,492,112
Amount.....	3,232,817	5,202,078	4,105,381	-12,963,727	-15,292,084	-9,254,758
Partnership and S Corporation net income less loss:						
Number of returns.....	n.a.	n.a.	n.a.	5,487,671	5,817,455	5,574,532
Amount.....	12,637,912	12,811,091	10,099,346	-2,526,591	-5,859,500	24,314,070
Farm net income less loss:						
Number of returns.....	3,026,530	2,755,041	2,608,430	2,620,861	2,524,331	2,420,186
Amount.....	2,788,713	3,563,325	-1,792,466	-12,005,483	-7,284,231	-1,323,464
Total statutory adjustments:						
Number of returns.....	6,370,552	9,024,255	13,148,919	37,763,418	38,034,061	11,620,127
Amount.....	7,665,251	15,101,999	28,614,061	95,082,299	99,008,229	30,116,329
Individual Retirement Arrangements:						
Number of returns.....	N/A	1,211,794	2,564,421	16,205,846	15,535,531	7,318,727
Amount.....	N/A	1,436,443	3,430,894	38,211,574	37,758,393	14,065,722
Self-employed retirement plans:						
Number of returns.....	591,655	595,892	568,936	675,822	773,296	759,083
Amount.....	847,692	1,603,788	2,007,666	5,181,993	6,194,617	6,183,441
Married couples who both work:						
Number of returns.....	N/A	N/A	N/A	24,835,278	25,647,221	N/A
Amount.....	N/A	N/A	N/A	24,614,983	26,672,241	N/A
Exemptions:						
Number of exemptions.....	204,126,402	212,202,596	227,925,098	244,180,202	245,752,978	217,495,163
Number, age 65 or over.....	8,904,331	9,937,208	11,847,168	16,748,810	17,395,776	N/A
Total deductions:						
Number of returns.....	73,862,448	81,585,541	88,491,251	96,848,626	98,180,981	106,005,861
Amount.....	120,549,755	233,181,778	346,000,155	554,733,523 ³	611,293,162 ³	607,223,513 ⁴
Itemized deductions:						
Number of returns.....	35,430,047	26,074,061	28,950,282	39,848,184	40,667,008	35,627,790
Total amount ⁵	88,178,487	122,260,601	218,028,139	405,023,525	447,057,972	392,020,128
Medical and dental expense.....	10,585,749	11,422,312	14,972,082	22,926,214	25,112,007	17,151,819
Taxes paid.....	32,014,673	44,141,289	69,404,275	128,084,618	143,446,005	119,388,068
Interest paid.....	23,929,477	38,885,282	91,187,006	180,094,578	196,566,331	179,942,422
Contributions.....	12,892,732	15,393,331	25,809,608	47,962,848	53,815,979	49,623,907
Taxable income:						
Number of returns.....	59,593,598	65,852,602	88,104,696	96,124,046	97,358,296	90,079,102
Amount.....	401,154,285	595,492,866	1,279,985,360	1,820,740,833	1,947,024,584	1,850,597,119
Income tax before credits:						
Number of returns.....	59,596,755	65,854,734	76,135,819	85,994,216	86,600,724	89,717,924
Amount.....	84,156,695 ⁶	132,452,044	256,294,315	332,165,333	367,591,995	373,857,125
Total tax credits⁷	369,610	8,069,846	7,215,839	10,248,044	7,020,731	6,329,438
Child care credit.....	N/A	N/A	956,439	3,127,702	3,397,090	3,438,314
Credit for the elderly and disabled.....	167,656	128,968	134,993	108,642	85,764	66,633
Residential energy credit.....	N/A	N/A	562,141	811,675	N/A	N/A
Foreign tax credit.....	169,623	381,985	1,341,675	782,561	773,939	1,099,484
Investment credit.....	30,554	1,593,150	3,288,415	(⁸)	(⁸)	(⁸)
General business credit.....	N/A	N/A	N/A	4,791,132 ⁸	1,115,836 ⁸	1,018,624 ⁸
Income tax after credits	83,787,323	124,382,197	249,078,475	321,917,289	360,571,264	367,527,687
Total income tax:⁹						
Number of returns.....	59,317,371	61,490,737	73,906,244	82,846,420	83,967,413	86,723,796
Amount.....	83,909,311	124,526,297	250,341,440	325,710,254	367,287,213	369,202,757

See notes following Table 20.

Table 2.—Individual Income and Tax by State, 1987

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

State	Number of returns	Number of exemptions	Adjusted gross income (AGI)	Salaries and wages		Dividends	
				Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
United States, total ¹	107,402,061	244,662,456	2,772,619,841	90,613,164	2,154,846,456	22,404,700	66,545,417
Alabama	1,583,884	3,809,129	35,491,432	1,381,989	28,700,539	230,948	568,006
Alaska	333,527	625,967	6,926,876	203,509	5,646,138	71,241	99,730
Arizona	1,465,753	3,477,019	36,151,357	1,215,946	27,500,754	307,138	1,003,815
Arkansas	908,300	2,224,952	18,302,823	755,593	14,154,175	128,597	309,201
California	12,448,529	28,696,978	355,446,757	10,508,253	273,920,966	2,410,045	8,059,556
Colorado	1,465,631	3,285,151	36,992,444	1,240,434	29,460,262	337,847	830,943
Connecticut	1,651,493	3,468,627	55,089,657	1,407,345	42,352,557	467,325	1,610,669
Delaware	305,617	671,265	8,240,864	263,011	6,429,741	83,059	287,514
District of Columbia	324,812	610,266	9,058,484	278,420	6,581,380	55,318	306,110
Florida	5,532,536	12,473,327	140,278,994	4,395,426	95,059,647	1,264,074	6,221,502
Georgia	2,661,216	6,035,071	66,241,101	2,371,142	54,591,414	423,527	1,092,511
Hawaii	506,302	1,112,189	12,670,065	432,930	9,624,144	107,219	264,787
Idaho	377,978	983,951	7,810,313	310,455	6,069,106	70,436	167,665
Illinois	5,078,296	11,594,154	139,481,851	4,274,352	107,447,312	1,204,258	3,508,406
Indiana	2,385,246	5,588,247	56,972,232	2,023,506	45,628,262	456,287	999,917
Iowa	1,199,831	2,878,951	26,435,242	945,566	19,277,649	271,531	558,577
Kansas	1,063,352	2,538,297	25,880,407	871,206	19,642,150	229,084	572,140
Kentucky	1,428,007	3,385,845	31,244,592	1,203,300	24,538,533	220,801	614,778
Louisiana	1,605,420	3,977,748	34,439,198	1,365,046	27,587,511	240,875	608,327
Maine	541,373	1,213,480	12,362,604	463,288	9,210,493	102,952	320,698
Maryland	2,220,814	4,774,347	65,237,577	1,932,042	51,686,586	477,146	1,352,497
Massachusetts	2,902,142	6,010,353	85,613,540	2,493,297	65,796,268	679,766	2,069,571
Michigan	3,992,334	9,016,565	106,118,816	3,391,165	85,594,999	1,025,989	2,293,474
Minnesota	1,949,801	4,376,218	49,166,071	1,642,838	38,605,042	461,010	1,050,299
Mississippi	942,307	2,350,924	18,120,118	824,969	14,642,955	114,649	253,739
Missouri	2,189,414	5,067,042	52,928,425	1,829,329	41,018,915	470,820	1,344,274
Montana	336,096	809,849	6,429,208	262,001	4,737,860	76,900	177,849
Nebraska	694,262	1,654,206	15,195,086	560,856	11,297,103	146,452	330,479
Nevada	502,353	1,084,532	13,020,220	434,267	9,857,596	82,329	286,051
New Hampshire	533,686	1,158,128	15,125,319	465,315	11,658,649	118,378	362,681
New Jersey	3,948,154	8,604,042	122,658,740	3,388,003	96,123,831	1,035,878	3,043,029
New Mexico	607,396	1,481,292	12,699,844	513,555	10,015,718	105,497	275,611
New York	7,914,981	17,240,878	235,394,545	6,668,788	177,302,435	1,903,963	6,790,516
North Carolina	2,839,506	6,328,165	65,454,953	2,512,895	51,983,669	489,499	1,311,756
North Dakota	280,232	680,640	5,613,528	217,680	4,024,805	51,507	90,179
Ohio	4,786,125	10,764,877	117,266,957	4,054,886	92,750,076	1,085,955	2,718,397
Oklahoma	1,242,275	3,025,197	27,519,432	1,015,542	21,483,432	202,260	492,474
Oregon	1,198,779	2,779,160	27,523,256	979,412	20,680,114	243,293	635,062
Pennsylvania	5,310,917	11,855,065	131,421,755	4,393,649	100,661,126	1,242,683	3,678,379
Rhode Island	462,777	981,068	11,856,788	399,017	9,011,614	103,010	280,375
South Carolina	1,411,244	3,234,999	31,120,046	1,259,930	25,097,342	212,231	555,829
South Dakota	294,131	717,164	5,536,434	229,583	3,925,121	56,115	117,689
Tennessee	2,046,978	4,691,470	46,293,009	1,782,235	37,522,294	295,970	733,276
Texas	6,772,813	16,412,759	164,815,221	5,797,575	132,952,793	1,088,303	3,044,004
Utah	619,398	1,691,626	14,379,025	530,532	11,636,368	106,730	257,056
Vermont	252,758	557,691	5,916,723	214,986	4,438,563	58,829	198,936
Virginia	2,709,670	5,949,939	74,654,147	2,374,318	59,309,635	585,172	1,550,076
Washington	2,051,168	4,662,277	52,165,381	1,712,267	40,240,262	434,758	1,162,212
West Virginia	671,358	1,627,616	14,483,000	557,248	11,352,901	119,406	289,495
Wisconsin	2,120,739	4,852,496	50,642,199	1,794,701	39,935,631	487,345	1,184,392
Wyoming	196,475	482,709	4,509,276	164,899	3,550,563	40,675	120,877
Other areas ²	533,875	1,088,548	8,223,909	304,667	12,529,458	119,620	490,029

Selected Historical Data

Table 2. (Continued)—Individual Income and Tax by State, 1987

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

State	Interest		Unemployment compensation in AGI		Itemized deductions		
	Number of returns	Amount	Number of returns	Amount	Number of returns	Total Deductions	Average amount (whole dollars)
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
United States, total ¹	67,754,641	167,478,801	7,308,358	12,228,525	36,976,374	404,019,811	10,926
Alabama.....	806,370	1,642,035	146,995	153,609	496,152	4,292,455	8,651
Alaska.....	169,934	252,110	35,457	82,760	84,496	978,652	11,582
Arizona.....	889,331	2,765,677	77,828	113,465	578,764	6,535,021	11,291
Arkansas.....	472,910	1,211,094	81,828	117,495	239,674	2,129,279	8,884
California.....	7,710,496	22,253,436	905,713	1,485,930	4,852,036	69,267,097	14,276
Colorado.....	981,431	2,234,855	93,045	176,172	612,745	6,861,712	11,198
Connecticut.....	1,237,452	3,002,819	85,948	128,887	573,075	7,292,581	12,725
Delaware.....	192,153	388,530	14,817	20,734	113,660	1,157,724	10,186
District of Columbia.....	165,675	461,445	11,346	26,001	113,979	1,511,949	13,265
Florida.....	3,294,153	12,629,542	166,473	267,112	1,661,888	17,860,274	10,747
Georgia.....	1,343,427	2,948,729	164,416	185,370	908,481	9,826,566	10,816
Hawaii.....	373,796	695,344	23,826	39,199	175,582	2,049,374	11,672
Idaho.....	235,355	559,997	43,864	71,068	135,496	1,325,508	9,783
Illinois.....	3,440,865	8,690,849	316,642	663,578	1,660,057	16,893,990	10,177
Indiana.....	1,500,612	3,127,463	151,529	174,891	720,103	6,094,294	8,463
Iowa.....	879,867	2,224,754	74,349	119,958	401,407	3,360,352	8,371
Kansas.....	710,828	1,890,283	68,624	123,009	381,216	3,505,374	9,195
Kentucky.....	781,799	1,737,236	124,612	151,260	441,403	3,749,994	8,496
Louisiana.....	849,949	2,039,543	171,979	332,397	429,722	4,066,856	9,464
Maine.....	358,126	680,117	38,548	50,440	158,350	1,515,092	9,568
Maryland.....	1,460,139	3,096,303	96,529	165,492	951,693	11,415,475	11,995
Massachusetts.....	2,163,886	4,703,360	165,495	333,391	1,043,160	12,126,648	11,625
Michigan.....	2,689,336	5,286,316	422,401	810,038	1,584,777	14,650,529	9,245
Minnesota.....	1,410,664	3,001,305	130,848	276,858	842,942	8,582,372	10,181
Mississippi.....	411,221	942,453	82,902	98,741	234,823	2,079,166	8,854
Missouri.....	1,380,530	3,504,831	166,845	223,979	677,851	6,011,633	8,869
Montana.....	229,260	580,664	28,635	44,811	116,991	946,284	8,089
Nebraska.....	484,498	1,183,118	36,947	45,366	208,368	1,911,001	9,171
Nevada.....	271,265	852,972	36,204	57,942	160,612	1,756,325	10,935
New Hampshire.....	383,894	790,316	19,828	23,726	177,605	1,936,713	10,905
New Jersey.....	2,745,125	6,469,449	220,925	444,334	1,440,551	17,653,364	12,255
New Mexico.....	334,405	802,968	40,304	67,634	179,114	1,674,406	9,348
New York.....	5,539,864	15,009,241	469,310	861,980	3,223,852	41,574,221	12,896
North Carolina.....	1,528,355	2,910,733	180,273	177,228	960,791	9,110,282	9,482
North Dakota.....	200,054	485,589	20,206	36,660	72,577	624,403	8,603
Ohio.....	3,095,393	6,239,989	333,314	597,153	1,557,372	14,237,232	9,142
Oklahoma.....	708,777	1,899,639	80,664	131,486	424,385	3,999,248	9,424
Oregon.....	782,619	1,873,079	114,301	194,203	476,404	4,821,905	10,121
Pennsylvania.....	3,670,097	7,474,324	466,444	868,234	1,626,298	14,898,308	9,161
Rhode Island.....	315,388	674,992	40,311	60,637	148,185	1,524,278	10,286
South Carolina.....	704,868	1,335,360	80,088	80,681	477,540	4,411,663	9,238
South Dakota.....	196,993	495,243	1,233	14,752	63,175	489,933	7,755
Tennessee.....	1,069,121	2,334,225	157,775	168,281	496,836	4,468,912	8,995
Texas.....	3,619,964	11,205,228	441,467	888,968	1,901,260	20,877,852	10,981
Utah.....	403,894	703,711	43,223	82,248	276,441	2,842,650	10,283
Vermont.....	172,426	335,283	15,841	21,563	79,914	750,091	9,386
Virginia.....	1,639,056	3,510,911	123,708	130,606	1,018,812	11,560,064	11,347
Washington.....	1,371,010	3,322,650	180,279	332,075	684,997	6,652,293	9,711
West Virginia.....	403,921	788,994	70,171	132,858	149,330	1,244,340	8,333
Wisconsin.....	1,578,185	3,004,061	206,973	318,547	784,824	7,165,344	9,130
Wyoming.....	130,058	310,437	19,130	38,746	61,055	511,104	8,371
Other areas ²	265,846	915,199	6,945	15,970	135,553	1,237,629	9,130

Table 2. (Continued)—Individual Income and Tax by State, 1987

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

State	Tax liability			Earned income credit	
	Total tax		Average tax (whole dollars)	Number of returns	Amount
	Number of returns	Amount			
(15)	(16)	(17)	(18)	(19)	
United States, total ¹	91,119,609	386,357,209	4,240	8,789,469	3,932,549
Alabama.....	1,281,165	4,426,484	3,455	229,278	109,238
Alaska.....	305,104	1,043,533	3,420	12,355	4,675
Arizona.....	1,222,666	4,615,277	3,775	134,021	59,376
Arkansas.....	726,249	2,185,528	3,009	129,919	59,953
California.....	10,512,603	50,216,312	4,777	1,047,495	477,197
Colorado.....	1,259,984	4,885,027	3,877	102,664	44,657
Connecticut.....	1,495,588	9,183,726	6,141	54,082	22,231
Delaware.....	266,355	1,124,878	4,223	21,798	9,683
District of Columbia.....	276,709	1,381,825	4,994	32,180	14,057
Florida.....	4,633,080	20,736,508	4,476	495,345	227,071
Georgia.....	2,229,724	8,759,810	3,929	306,941	141,351
Hawaii.....	439,394	1,640,755	3,734	29,665	11,876
Idaho.....	313,332	904,315	2,886	39,054	16,939
Illinois.....	4,355,429	20,912,962	4,802	349,982	153,256
Indiana.....	2,004,654	7,532,781	3,758	182,086	80,745
Iowa.....	1,021,053	3,359,015	3,290	74,834	31,756
Kansas.....	908,592	3,535,965	3,892	72,647	30,934
Kentucky.....	1,168,913	3,924,439	3,357	162,902	74,566
Louisiana.....	1,259,820	4,456,136	3,537	259,750	122,072
Maine.....	466,153	1,555,973	3,338	39,682	16,876
Maryland.....	1,960,048	9,070,694	4,628	137,383	59,534
Massachusetts.....	2,617,242	12,911,003	4,933	107,189	44,639
Michigan.....	3,421,729	14,632,718	4,276	222,843	95,840
Minnesota.....	1,718,690	6,368,518	3,705	95,772	40,024
Mississippi.....	712,645	2,094,264	2,939	197,072	96,353
Missouri.....	1,856,091	7,217,637	3,889	184,733	81,845
Montana.....	270,459	778,279	2,878	33,061	14,495
Nebraska.....	591,741	1,955,460	3,305	49,590	21,263
Nevada.....	430,511	1,908,668	4,433	36,578	15,606
New Hampshire.....	478,414	2,211,103	4,622	22,463	9,344
New Jersey.....	3,528,569	18,919,420	5,362	212,216	89,144
New Mexico.....	477,467	1,523,963	3,192	84,795	37,922
New York.....	6,908,152	34,943,260	5,058	556,373	246,399
North Carolina.....	2,374,741	8,182,060	3,445	307,190	139,237
North Dakota.....	237,805	706,667	2,972	22,087	9,242
Ohio.....	4,091,529	15,568,112	3,805	311,329	135,671
Oklahoma.....	1,016,186	3,515,864	3,460	138,088	62,755
Oregon.....	1,002,296	3,369,459	3,362	91,307	40,015
Pennsylvania.....	4,547,167	18,199,689	4,002	330,058	142,489
Rhode Island.....	407,961	1,624,975	3,983	24,436	10,451
South Carolina.....	1,157,729	3,677,911	3,177	176,074	81,784
South Dakota.....	242,398	709,049	2,925	27,469	11,771
Tennessee.....	1,684,986	6,202,822	3,681	242,203	111,225
Texas.....	5,516,129	23,936,483	4,339	818,317	373,886
Utah.....	517,880	1,583,725	3,058	48,707	20,753
Vermont.....	220,774	762,160	3,452	15,925	6,637
Virginia.....	2,363,623	10,170,891	4,303	188,517	83,382
Washington.....	1,765,588	7,214,494	4,086	126,579	54,063
West Virginia.....	549,736	1,746,777	3,177	72,723	32,137
Wisconsin.....	1,829,563	6,362,271	3,477	114,195	48,549
Wyoming.....	164,777	605,029	3,672	15,897	6,894
Other areas ²	310,416	1,302,535	4,196	1,620	694

See notes following Tables 20.

Selected Historical Data

Table 3.—Number of Individual Returns, Income, Tax, and Average Tax, By Size of Income, Tax Years 1984–1987

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

Size of adjusted gross income	Number of returns for—		Adjusted gross income (AGI) ¹		Taxable income	
	1984	1985	1984	1985	1984	1985
	(1)	(2)	(3)	(4)	(5)	(6)
Total	99,438,708	101,660,287	2,139,904,356	2,305,951,483	1,701,365,731	1,820,740,833
Less than \$1,000 ^{1,2}	3,329,148	3,292,007	-31,984,443	-36,740,956	63,799	6,856
\$1,000 under \$3,000.....	6,883,760	6,771,487	13,732,880	13,581,245	6,504,129	5,947,953
\$3,000 under \$5,000.....	7,030,537	6,685,481	28,151,199	26,769,868	17,251,761	16,049,013
\$5,000 under \$7,000.....	6,584,434	6,570,968	39,617,706	39,356,896	26,095,663	25,680,025
\$7,000 under \$9,000.....	6,792,931	6,664,279	54,388,545	53,477,888	38,888,493	37,544,431
\$9,000 under \$11,000.....	6,051,873	6,235,044	60,390,249	62,125,340	45,303,739	46,036,142
\$11,000 under \$13,000.....	5,877,979	5,582,921	70,439,379	66,863,381	54,708,664	51,016,092
\$13,000 under \$15,000.....	5,202,547	5,386,772	72,660,372	75,352,290	57,397,788	58,884,575
\$15,000 under \$17,000.....	4,893,833	4,895,393	78,195,614	78,225,269	62,489,602	61,708,177
\$17,000 under \$19,000.....	4,561,541	4,542,598	82,012,673	81,675,266	66,307,248	65,462,334
\$19,000 under \$22,000.....	5,645,759	6,089,064	115,466,828	124,506,145	93,889,175	100,462,536
\$22,000 under \$25,000.....	5,198,716	5,051,210	122,123,861	118,539,622	99,375,158	95,256,056
\$25,000 under \$30,000.....	7,635,404	7,457,947	209,274,643	204,399,150	168,006,165	164,077,078
\$30,000 under \$35,000.....	6,020,636	6,451,040	195,263,778	209,135,063	155,819,230	164,077,078
\$35,000 under \$40,000.....	5,054,470	5,184,620	188,944,011	193,807,899	149,423,027	320,091,716
\$40,000 under \$50,000.....	5,963,041	6,701,544	264,922,227	297,914,321	210,324,094	233,646,097
\$50,000 under \$75,000.....	4,657,702	5,628,639	275,046,849	333,710,362	214,921,141	259,467,072
\$75,000 under \$100,000.....	1,049,444	1,263,409	89,289,787	107,424,625	69,194,901	82,293,087
\$100,000 under \$150,000.....	581,498	706,248	69,273,546	84,315,947	53,604,014	90,834,865
\$150,000 under \$200,000.....	179,695	203,109	30,767,972	34,884,492	23,865,523	90,834,865
\$200,000 under \$300,000.....	132,306	152,523	31,729,787	36,457,244	24,405,339	52,919,889
\$300,000 under \$500,000.....	67,405	85,565	25,780,158	32,529,032	19,789,383	21,269,595
\$500,000 under \$1,000,000.....	29,215	41,107	19,729,296	27,541,427	15,798,723	21,269,595
\$1,000,000 or more.....	14,834	17,312	34,687,437	40,099,667	27,938,970	32,087,247

Size of adjusted gross income	Total income tax ³		Percentage of returns showing no total income tax		Returns showing total income tax			
					Average tax (whole dollars)		Tax as percentage of AGI	
	1984	1985	1984	1985	1984	1985	1984	1985
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total	301,923,057	325,710,254	17.9	18.5	3,698	3,931	14.4	14.4
Less than \$1,000 ^{1,2}	419,790	185,922	99.2	99.7	16,783 ³	16,964 ³	—	—
\$1,000 under \$3,000.....	44,652	41,698	93.8	94.4	104	111	5.4	5.4
\$3,000 under \$5,000.....	430,167	347,878	40.8	48.2	103	100	2.5	2.4
\$5,000 under \$7,000.....	1,233,034	1,193,043	33.7	33.9	282	275	4.7	4.6
\$7,000 under \$9,000.....	2,483,282	2,259,763	21.3	26.3	465	460	5.8	5.7
\$9,000 under \$11,000.....	3,617,920	3,480,779	8.2	11.8	651	633	6.5	6.3
\$11,000 under \$13,000.....	5,013,506	4,548,843	5.2	5.9	899	865	7.5	7.2
\$13,000 under \$15,000.....	5,831,903	5,789,495	3.6	3.9	1,163	1,119	8.3	8.0
\$15,000 under \$17,000.....	6,785,324	6,534,361	2.0	2.9	1,415	1,375	8.9	8.6
\$17,000 under \$19,000.....	7,775,189	7,482,062	1.8	2.3	1,736	1,686	9.7	9.4
\$19,000 under \$22,000.....	11,677,768	12,203,165	1.5	2.0	2,100	2,044	10.3	10.0
\$22,000 under \$25,000.....	13,237,769	12,275,305	1.0	1.6	2,573	2,469	11.0	10.5
\$25,000 under \$30,000.....	23,793,004	22,916,849	1.2	1.0	3,152	3,103	11.5	11.3
\$30,000 under \$35,000.....	23,926,881	25,080,332	.7	.8	4,004	3,919	12.3	12.1
\$35,000 under \$40,000.....	24,678,348	24,713,424	.5	.8	4,907	4,803	13.1	12.8
\$40,000 under \$50,000.....	38,675,241	41,501,665	.3	.4	6,504	6,215	14.6	14.0
\$50,000 under \$75,000.....	47,355,174	56,064,781	.4	.2	10,211	9,984	17.3	16.8
\$75,000 under \$100,000.....	18,759,377	21,794,656	.4	.3	17,944	17,297	21.1	20.3
\$100,000 under \$150,000.....	17,117,874	19,895,978	.2	.4	29,502	28,296	24.8	23.7
\$150,000 under \$200,000.....	8,644,645	9,760,959	.2	.1	48,205	48,128	28.2	28.0
\$200,000 under \$300,000.....	10,013,524	11,362,146	.2	.2	75,844	74,658	31.6	31.2
\$300,000 under \$500,000.....	8,761,557	10,670,832	.2	.2	130,272	124,947	34.1	32.2
\$500,000 under \$1,000,000.....	7,526,585	9,878,188	.2	.2	258,255	240,714	38.2	35.9
\$1,000,000 or more.....	14,120,545	15,728,128	.2	.3	954,091	910,931	40.8	39.3

See notes following Table 20.

Selected Historical Data

Table 3. (Continued)—Number of Individual Returns, Income, Tax, and Average Tax, By Size of Income, Tax Years 1984–1987

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

Size of adjusted gross income	Number of returns for		Adjusted gross income (AGI) ¹		Taxable income	
	1986	1987 ⁴	1986	1987 ⁴	1986	1987 ⁴
	(1)	(2)	(3)	(4)	(5)	(6)
Total	103,045,170	106,996,270	2,481,681,046	2,773,824,198	1,947,024,584	1,850,597,119
Less than \$1,000 ^{1,2}	3,082,866	3,691,379	-41,192,239	-38,160,729	2,988	155,369
\$1,000 under \$3,000	6,943,446	7,433,802	14,071,650	14,894,572	6,091,094	1,360,813
\$3,000 under \$5,000	6,918,848	6,691,090	27,868,449	26,725,935	16,360,716	3,759,804
\$5,000 under \$7,000	6,476,499	6,422,132	38,957,006	38,413,878	24,601,096	8,264,832
\$7,000 under \$9,000	6,193,124	6,300,234	49,544,545	50,368,689	33,689,430	15,178,900
\$9,000 under \$11,000	6,143,571	5,928,842	61,191,194	59,187,847	43,902,314	21,801,837
\$11,000 under \$13,000	5,555,106	5,580,094	66,594,415	66,951,853	49,577,787	29,932,090
\$13,000 under \$15,000	5,248,065	5,292,576	73,308,776	73,989,299	56,529,121	36,864,357
\$15,000 under \$17,000	4,744,416	4,800,582	75,841,890	76,680,566	59,389,086	41,945,445
\$17,000 under \$19,000	4,478,236	4,487,621	80,591,475	80,697,963	64,065,790	46,210,802
\$19,000 under \$22,000	6,070,710	5,879,795	124,453,078	120,205,955	98,830,208	72,352,317
\$22,000 under \$25,000	5,218,320	5,297,494	122,393,950	124,251,696	98,488,143	78,121,158
\$25,000 under \$30,000	7,559,001	7,494,827	207,876,371	205,551,504	165,356,830	133,895,752
\$30,000 under \$35,000	11,489,629	11,604,644	398,161,168	402,500,618	313,916,975	270,913,902
\$35,000 under \$40,000						
\$40,000 under \$50,000						
\$50,000 under \$75,000	7,458,776	7,862,901	332,210,863	350,409,748	259,365,436	242,712,736
\$75,000 under \$100,000	6,427,825	8,110,447	381,831,768	484,023,071	295,296,881	347,978,968
\$100,000 under \$150,000	1,546,776	2,064,189	131,926,730	175,453,698	100,211,601	129,661,327
\$150,000 under \$200,000	1,115,593	1,513,654	146,973,805	200,973,127	112,757,958	153,927,488
\$200,000 under \$300,000						
\$300,000 under \$500,000						
\$500,000 under \$1,000,000	290,946	429,671	82,840,607	124,073,791	64,277,685	100,643,815
\$1,000,000 or more	51,558	75,352	33,670,463	50,898,244	27,327,574	42,794,638
	31,859	34,944	72,565,082	85,732,872	56,985,871	72,120,769

Size of adjusted gross income	Total income tax ³		Percentage of returns showing no total income tax		Returns showing total income tax			
	1986	1987 ⁴	1986	1987 ⁴	Average tax (whole dollars)		Tax as percentage of AGI	
					1986	1987	1986	1987 ⁴
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total	367,287,213	369,202,757	18.5	18.9	4,374	4,257	15.1	13.7
Less than \$1,000 ^{1,2}	315,949	180,244	99.5	79.6	19,520	240	—	—
\$1,000 under \$3,000	58,848	183,643	94.1	70.0	143	82	7.1	4.0
\$3,000 under \$5,000	331,163	435,734	51.8	55.4	99	146	2.3	3.6
\$5,000 under \$7,000	1,047,045	998,787	35.1	36.4	249	244	4.1	4.1
\$7,000 under \$9,000	1,953,699	1,790,904	29.1	34.3	445	433	5.5	5.4
\$9,000 under \$11,000	3,203,202	2,581,645	13.3	29.2	601	615	6.0	6.1
\$11,000 under \$13,000	4,326,834	3,649,095	6.2	18.8	831	806	6.9	6.7
\$13,000 under \$15,000	5,409,582	4,701,766	3.9	9.0	1,073	976	7.7	7.0
\$15,000 under \$17,000	6,304,604	5,671,873	2.4	3.5	1,361	1,225	8.5	7.7
\$17,000 under \$19,000	7,243,966	6,288,383	1.6	2.9	1,644	1,444	9.1	8.0
\$19,000 under \$22,000	11,947,487	10,034,366	1.3	2.0	1,995	1,742	9.7	8.5
\$22,000 under \$25,000	12,727,389	11,357,271	0.8	1.7	2,459	2,181	10.5	9.3
\$25,000 under \$30,000	22,850,961	20,395,355	0.8	0.7	3,047	2,741	11.1	10.0
\$30,000 under \$35,000	48,628,502	42,809,754	0.5	0.5	4,253	3,708	12.3	10.7
\$35,000 under \$40,000								
\$40,000 under \$50,000								
\$50,000 under \$75,000	45,744,224	41,345,872	0.2	0.3	6,143	5,274	13.8	11.8
\$75,000 under \$100,000	62,459,834	69,872,423	0.2	0.2	9,737	8,630	16.4	14.5
\$100,000 under \$150,000	26,280,965	31,277,163	0.2	0.1	17,027	15,171	20.0	17.8
\$150,000 under \$200,000	37,289,197	43,415,426	0.2	0.2	33,498	28,754	25.4	21.7
\$200,000 under \$300,000								
\$300,000 under \$500,000								
\$500,000 under \$1,000,000	27,066,736	32,978,242	0.2	0.1	93,196	76,866	32.7	26.6
\$1,000,000 or more	12,928,118	14,745,147	0.2	0.2	251,192	196,006	38.5	29.0
	29,168,908	24,489,662	0.2	0.3	917,031	702,777	40.3	28.7

See notes following Table 20.

Selected Historical Data

Table 4.—Reconciliation of Adjusted Gross Income (AGI) and Personal Income Used in the National Income and Product Accounts (NIPA), Selected Years, 1970–1987

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

Income and adjustment items	1970	1975	1980	1985	1986	p1987
	(1)	(2)	(3)	(4)	(5)	(6)
1. Personal Income (per NIPA)	831.8	1,313.4	2,258.5	3,325.3	r3,526.2	3,777.6
2. Portion of personal income not included in AGI	181.2	350.5	608.5	1,021.4	r1,100.6	1,090.0
Transfer payments (except taxable military pay and taxable Government pensions).....	79.3	176.9	290.3	r416.8	r440.8	454.3
Other labor income (except fees).....	31.9	65.0	136.5	r184.3	r195.7	208.9
Imputed income.....	25.5	33.4	45.1	55.3	r71.1	91.9
Investment income received by nonprofit institutions or retained by fiduciaries.....	7.7	11.2	21.7	34.8	r33.0	33.1
Investment income retained by life insurance carriers and noninsured pension funds ¹	12.5	23.5	59.9	112.8	r119.0	129.1
Differences in accounting treatment (NIPA vs. IRS).....	8.5	16.0	14.1	87.3	r97.7	91.2
Other excluded or tax exempt income.....	15.8	24.4	41.0	130.2	r143.3	81.5
3. Portion of AGI not included in personal income	47.7	85.1	157.8	299.4	r397.8	452.2
Personal contributions for social insurance.....	27.9	50.4	88.6	149.3	r161.9	172.9
Net capital gain from sales of property.....	8.9	14.2	29.7	69.8	r133.6	134.2
Taxable private pensions.....	6.3	13.1	28.3	72.9	r94.1	110.0
S Corporation income (taxed through shareholders).....	1.7	2.1	.7	6.2	r7.5	23.6
Other taxable income.....	2.9	5.4	10.5	1.2	r6	11.4
4. Total net adjustment for conceptual differences (line 2 minus line 3)	133.5	265.4	450.7	722.0	r702.8	637.8
5. Estimated total AGI (per NIPA) (line 1 minus line 4)	698.3	1,048.0	1,807.9	2,603.4	r2,823.4	3,139.8
6. Adjusted gross income (AGI) (SOI)	631.7	947.8	1,613.7	2,306.0	2,481.7	2,788.0
7. Estimated difference in AGI (NIPA vs. SOI) (line 5 minus line 6)²	66.6	100.2	194.1	297.4	r341.7	351.8

See notes following Table 20.

Table 5.—Personal Income and Total Adjusted Gross Income Based on Individual Income Tax Returns per National Income and Product Accounts (NIPA), Tax Years 1947–1988

[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)	Difference	
			Amount	Percentage of personal income
	(1)	(2)	(3)	(4)
1947.....	190.2	170.6	19.6	10.3
1948.....	209.2	184.6	24.6	11.8
1949.....	206.4	181.7	24.7	12.0
1950.....	228.1	201.4	26.7	11.7
1951.....	256.5	228.8	27.7	10.8
1952.....	273.8	241.8	32.0	11.7
1953.....	290.5	257.1	33.4	11.5
1954.....	293.0	256.4	36.6	12.5
1955.....	314.2	277.1	37.1	11.8
1956.....	337.2	297.9	39.3	11.7
1957.....	356.3	310.7	45.6	12.8
1958.....	367.1	316.0	51.1	13.9
1959.....	390.7	338.7	52.0	13.3
1960.....	409.4	352.5	56.9	13.9
1961.....	426.0	365.8	60.2	14.1
1962.....	453.2	387.8	65.4	14.4
1963.....	476.3	408.7	67.6	14.2
1964.....	510.2	442.0	68.2	13.4
1965.....	552.0	479.4	72.6	13.2
1966.....	600.8	520.0	80.8	13.4
1967.....	644.5	555.4	89.1	13.8
1968.....	707.2	610.0	97.2	13.7
1969.....	772.9	663.4	109.5	14.2
1970.....	831.8	698.3	133.5	16.0
1971.....	894.0	745.6	148.4	16.6
1972.....	981.6	824.7	156.9	16.0
1973.....	1,101.7	926.0	175.7	15.9
1974.....	1,210.1	1,004.0	206.1	17.0
1975.....	1,313.4	1,048.0	265.4	20.2
1976.....	1,451.4	1,166.7	284.7	19.6
1977.....	1,607.5	1,297.0	310.5	19.3
1978.....	1,812.4	1,466.9	345.5	19.1
1979.....	2,034.0	1,647.3	386.7	19.0
1980.....	2,258.5	1,807.9	450.6	20.0
1981.....	2,520.9	1,990.0	530.9	21.1
1982.....	2,670.8	2,059.4	611.4	22.9
1983.....	2,838.6	2,176.3	662.3	23.3
1984.....	3,108.7	2,407.3	701.4	22.6
1985.....	3,325.3	2,603.4	713.7	21.5
1986.....	r3,526.2	r2,823.4	r702.8	r19.9
p1987.....	3,777.6	3,139.8 ²	637.8 ²	16.9 ²
p1988.....	4,064.5	n.a.	n.a.	n.a.

See notes following Table 20.

Table 6.—Total Adjusted Gross Income Estimated from National Income and Product Accounts (NIPA) and Adjusted Gross Income Reported on Individual Income Tax Returns per SOI, Tax Years 1947–1987

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

Tax year	Adjusted gross income (AGI)		Difference	
	Total (per NIPA) ¹	Reported on tax returns (per SOI)	Amount	Percentage of total
	(1)	(2)	(3)	(4)
1947.....	170.6	149.7	20.9	12.3
1948.....	184.6	163.6	21.0	11.4
1949.....	181.7	160.6	21.1	11.6
1950.....	201.4	179.1	22.3	11.1
1951.....	228.8	202.4	26.4	11.5
1952.....	241.8	215.3	26.5	11.0
1953.....	257.1	228.7	28.4	11.0
1954.....	256.4	229.2	27.2	10.6
1955.....	277.1	248.5	28.6	10.3
1956.....	279.9	267.8	30.1	10.1
1957.....	310.7	280.4	30.3	9.8
1958.....	316.0	281.2	34.8	11.0
1959.....	338.7	305.1	33.6	9.9
1960.....	352.5	315.5	37.0	10.5
1961.....	365.8	329.9	35.9	9.8
1962.....	387.8	348.7	39.1	10.1
1963.....	408.7	368.8	39.9	9.8
1964.....	442.0	396.7	45.3	10.2
1965.....	479.4	429.2	50.2	10.5
1966.....	520.0	468.5	51.5	9.9
1967.....	555.4	504.8	50.6	9.1
1968.....	610.0	554.4	55.6	9.1
1969.....	663.4	603.5	59.9	9.0
1970.....	698.3	631.7	66.6	9.5
1971.....	745.6	673.6	72.0	9.7
1972.....	824.7	746.0	78.7	9.5
1973.....	926.0	827.1	98.9	10.7
1974.....	1,004.0	905.5	98.5	9.8
1975.....	1,048.0	947.8	100.2	9.6
1976.....	1,166.7	1,053.9	112.8	9.7
1977.....	1,297.0	1,158.5	138.5	10.7
1978.....	1,466.9	1,302.4	164.5	11.2
1979.....	1,647.3	1,465.4	181.9	11.0
1980.....	1,807.9	1,613.7	194.2	10.7
1981.....	1,990.0	1,772.6	217.4	10.9
1982.....	2,059.4	1,852.1	207.3	10.1
1983.....	2,176.3	1,942.6	233.7	10.7
1984.....	2,407.3	2,139.9	267.4	11.1
1985.....	r2,603.4	2,306.0	r297.4	r11.4
1986.....	r2,823.4	2,481.7	r341.7	r12.1
p1987.....	3,139.8	2,773.8 ²	366.0 ²	11.7 ²

See notes following Table 20.

Selected Historical Data

Table 7.—Standard, Itemized, and Total Deductions Reported on Individual Income Tax Returns, Tax Years 1944–1987

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

Tax year	Total number of returns	Standard deduction ¹		Itemized deductions		Total deductions	
		Number of returns ²	Amount	Number of returns ²	Amount ³	Amount ⁴	Percentage of adjusted gross income (AGI)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1944.....	47.1	38.7	8.0	8.4	4.8	12.8	11.0
1945.....	49.9	41.5	8.1	8.5	5.5	13.6	11.3
1946.....	52.8	44.1	8.9	8.8	6.3	15.2	11.3
1947.....	55.1	44.7	9.8	10.4	7.8	17.6	11.8
1948.....	52.1	43.2	11.5	8.8	7.9	19.4	11.9
1949.....	51.8	42.1	11.1	9.7	8.8	19.9	12.4
1950.....	53.1	42.7	12.0	10.3	9.9	21.9	12.2
1951.....	55.4	43.9	13.3	11.6	11.9	25.2	12.5
1952.....	56.5	43.7	13.7	12.8	13.6	27.3	12.7
1953.....	57.8	43.4	14.2	14.4	15.6	29.8	13.0
1954.....	56.7	41.0	13.3	15.7	17.4	30.7	13.4
1955.....	58.3	41.4	13.6	16.9	20.0	33.6	13.5
1956.....	59.2	40.7	13.8	18.5	22.6	36.4	13.6
1957.....	59.8	39.7	13.8	20.2	25.7	39.5	14.1
1958.....	59.1	38.3	13.2	20.8	27.5	40.7	14.5
1959.....	60.3	37.8	13.4	22.5	32.0	45.4	14.9
1960.....	61.0	36.9	13.1	24.1	35.3	48.4	15.3
1961.....	61.5	36.2	12.9	25.3	38.4	51.3	15.6
1962.....	62.7	36.3	13.1	26.5	41.7	54.8	15.7
1963.....	63.9	35.8	13.1	28.2	46.1	59.2	16.1
1964.....	65.4	38.5	20.2	26.9	46.8	67.0	16.9
1965.....	67.6	39.7	20.6	27.9	50.7	71.4	16.6
1966.....	70.2	41.6	21.8	28.6	54.6	76.4	16.3
1967.....	71.7	41.9	22.1	29.8	59.6	81.7	16.2
1968.....	73.7	41.7	22.1	32.0	69.2	91.3	16.4
1969.....	75.8	40.9	21.6	34.9	80.2	101.8	16.8
1970.....	74.3	38.8	32.4	35.4	88.2	120.5	19.0
1971.....	74.6	43.9	48.1	30.7	91.9	139.9	20.7
1972.....	77.6	50.6	69.8	27.0	96.7	166.4	22.2
1973.....	80.7	52.6	73.6	28.0	107.0	180.6	21.8
1974.....	83.3	53.8	76.1	29.6	119.4	195.5	21.6
1975.....	82.2	56.1	100.9	26.1	122.3	233.2	23.5
1976.....	84.7	58.7	113.8	26.0	133.9	247.6	23.5
1977.....	86.6	63.7	137.7	22.9	138.5	276.2	23.8
1978.....	89.8	64.0	139.8	25.8	164.4	304.3	23.4
1979.....	92.7	66.2	148.8	26.5	184.2	333.0	22.7
1980.....	93.9	65.0	146.0	29.0	218.0	346.0	22.6
1981.....	95.4	63.8	144.7	31.6	256.4	401.2	22.6
1982.....	95.3	61.9	140.2	33.4	284.5	425.2	22.9
1983.....	96.3	61.1	138.5	35.2	309.6	448.7	23.1
1984.....	99.4	61.2	139.5	38.2	358.9	499.6	23.3
1985.....	101.7	61.8	145.0	39.8	405.0	554.7	23.9
1986.....	103.0	62.4	151.0	40.7	447.1	611.3	24.6
1987.....	107.0	71.4	215.2	35.6	392.0	607.2	21.9

See notes following Table 20.

Table 8.—Personal Income Per National Income and Product Accounts (NIPA) and Taxable Income, and Individual Income Tax Per SOI, Tax Years 1947–1987

[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	Taxable income
	(1)	(2)	(3)	(4)	(5)	(6)
1947.....	190.2	75.4	39.6	18.1	9.5	24.0
1948.....	209.2	74.8	35.8	15.4	7.4	20.6
1949.....	206.4	71.7	34.7	14.5	7.0	20.2
1950.....	228.1	84.3	37.0	18.4	8.1	21.8
1951.....	256.5	99.2	38.7	24.2	9.4	25.9
1952.....	273.8	107.2	39.2	27.8	10.2	25.9
1953.....	290.5	114.3	39.3	29.4	10.1	25.7
1954.....	293.0	115.3	39.4	26.7	9.1	23.2
1955.....	314.2	128.0	40.7	29.6	9.4	23.1
1956.....	337.2	141.5	42.0	32.7	9.7	23.1
1957.....	356.3	149.4	41.9	34.4	9.7	23.0
1958.....	367.1	149.3	40.7	34.3	9.3	23.0
1959.....	390.7	166.5	42.6	38.6	9.9	23.2
1960.....	409.4	171.6	41.9	39.5	9.6	23.0
1961.....	426.0	181.8	42.7	42.2	9.9	23.2
1962.....	453.2	195.3	43.1	44.9	9.9	23.0
1963.....	476.3	209.1	43.9	48.2	10.1	23.1
1964.....	510.2	229.9	45.1	47.2	9.3	20.5
1965.....	552.0	255.1	46.2	49.6	9.0	19.4
1966.....	600.8	286.3	47.7	56.1	9.3	19.6
1967.....	644.5	315.1	48.9	63.0	9.8	20.0
1968.....	707.2	352.8	49.9	76.7	10.8	21.7
1969.....	772.9	388.8	50.3	86.6	11.2	22.3
1970.....	831.8	401.2	48.2	83.9	10.1	20.9
1971.....	894.0	414.0	46.3	85.4	9.6	20.6
1972.....	981.6	447.6	45.6	93.6	9.5	20.9
1973.....	1,101.7	511.9	46.5	108.1	9.8	21.1
1974.....	1,210.1	573.6	47.4	123.6	10.2	21.5
1975.....	1,313.4	595.5	45.3	124.5	9.5	20.9
1976.....	1,451.4	674.9	46.5	141.8	9.8	21.0
1977.....	1,607.5	733.8	45.6	159.8	9.9	21.8
1978.....	1,812.4	846.4	46.7	188.2	10.4	22.2
1979.....	2,034.0	926.6	45.6	214.5	10.5	23.2
1980.....	2,258.5	1,045.2	46.3	250.3	11.1	24.0
1981.....	2,520.9	1,170.1	46.4	284.1	11.3	24.3
1982.....	2,670.8	1,231.9	46.1	277.6	10.4	22.6
1983.....	2,838.6	1,300.2	45.8	274.2	9.7	21.1
1984.....	3,108.7	1,447.0	46.5	301.9	9.7	20.9
1985.....	3,325.3	1,550.5	46.6	325.7	9.8	21.0
1986.....	3,526.2	1,665.6	47.2	367.3	10.4	22.1
1987.....	3,777.6	1,850.6	49.0	369.2	9.8	20.0

See notes following Table 20.

Selected Historical Data

Table 9.—Number of Individual Income Tax Returns, by Type of Tax Settlement, Tax Years 1944–1987

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

Tax year	Total number of returns	Returns with—		
		Tax due at time of filing ¹	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

See notes following Table 20.

Selected Historical Data

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Table 10.—Nonfarm Sole Proprietorship Returns: Selected Income and Deduction Items for Selected Income Years, 1970–1987

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

Item	1970	1975	1980	1985	1986	1987
(1)	(2)	(3)	(4)	(5)	(6)	(6)
Number of returns, total.....	5,769,741	7,221,346	8,931,712	11,928,573	12,393,700	13,091,132
Number with net income.....	n.a.	n.a.	n.a.	8,640,701	9,247,806	9,884,338
Inventory, end of year.....	11,060,775	15,578,040	21,996,236	24,969,895	24,476,892	26,332,702
Business receipts, total.....	198,582,172	273,954,741	411,205,713	540,045,430	559,384,259	610,822,732
Income from sales and operations.....	n.a.	272,342,560	407,169,299	528,675,271	548,273,173	598,315,189
Total deductions.....	168,044,746	234,318,288	356,258,495	461,272,852	468,960,496	505,362,105
Cost of sales and operations.....	109,148,811	146,261,435	209,889,809	232,294,132	232,134,760	255,045,271
Purchases.....	88,585,913	117,722,352	168,301,517	n.a.	n.a.	173,399,840
Cost of labor.....	7,704,285	8,791,083	10,922,221	14,504,201	17,317,871	19,631,015
Materials and supplies.....	6,216,057	9,090,638	12,909,222	n.a.	n.a.	23,841,762
Commissions.....	1,274,016	2,225,830	3,333,345	n.a.	5,461,118	6,261,859
Net salaries and wages.....	15,107,047	20,227,859	26,560,821	38,265,691	38,691,599	42,329,477
Car and truck expenses.....	n.a.	n.a.	13,378,289	17,044,421	16,380,826	17,469,744
Rent paid.....	4,636,528	6,676,314	9,636,290	15,258,690	15,653,599	16,358,248
Repairs.....	2,444,607	3,044,175	5,031,573	n.a.	n.a.	7,437,987
Taxes paid.....	3,775,502	5,423,961	7,672,459	n.a.	n.a.	8,449,142
Utilities.....	n.a.	n.a.	4,790,337	n.a.	12,644,624	13,361,789
Insurance.....	2,309,608	3,503,812	6,003,126	n.a.	10,783,481	11,718,559
Interest paid.....	1,784,276	3,390,845	7,190,257	11,913,982	11,504,437	11,615,902
Depreciation.....	5,451,525	7,958,143	13,952,703	26,291,369	26,418,043	25,557,350
Pension and profit sharing plans.....	72,741	125,296	141,463	311,323	638,262	547,886
Net income (less deficit).....	30,537,426	39,636,453^r	54,947,219	78,772,578	90,423,763	105,460,627
Net income.....	33,735,732	45,624,890	68,010,051	98,775,563	110,496,952	123,782,540
Deficit.....	3,198,306	5,988,437	13,062,832	20,002,986	20,073,189	18,321,913

See notes following Table 20.

Table 11.—Partnership Returns: Balance Sheet Items and Selected Income Statement for Selected Income Years, 1970–1987

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

Item	1970	1975	1980	1985	1986	1987
(1)	(2)	(3)	(4)	(5)	(6)	(6)
Total number of active partnerships.....	936,133	1,073,094	1,379,654	1,713,603	1,702,952	1,650,110
Number with net income.....	639,795	661,134	774,173	875,846	850,884	890,115
Number with balance sheets.....	555,741	783,271	1,194,236	1,227,498	1,202,737	1,131,397
Number of partners.....	3,697,818	4,950,634	8,419,899	13,244,824	15,301,345	17,201,434
Total assets ¹.....	116,752,751	235,468,301	597,503,923	1,269,434,302	1,403,750,213	1,416,047,890
Depreciable assets (net).....	n.a.	113,124,969	239,139,823	695,878,822	779,936,070	842,428,579
Inventories, end of year.....	n.a.	11,985,431	33,218,272	27,279,234	27,463,816	45,055,120
Land.....	n.a.	36,731,958	70,241,248	152,179,314	179,141,689	178,008,224
Total liabilities ¹.....	n.a.	193,875,629	488,734,023	1,269,434,367	1,403,750,220	1,416,047,890
Accounts payable.....	n.a.	12,302,055	33,899,048	40,871,755	43,621,862	41,467,838
Short-term debt ²	n.a.	22,709,476	48,001,839	102,760,363	92,456,724	81,673,718
Long-term debt ³	n.a.	136,296,764	178,044,406	93,319,855	429,195,599	429,991,794
Nonrecourse loans.....	n.a.	n.a.	118,910,380	327,558,208	365,044,180	388,536,651
Partners' capital accounts.....	n.a.	41,592,672	108,769,900	200,212,653	228,022,656	258,685,450
Total receipts ⁴.....	93,348,080	148,417,529	291,998,115	367,117,316	397,302,544	443,328,056 ⁶
Business receipts.....	90,208,834	142,505,781	271,108,832	302,733,374	327,428,647	441,457,126 ⁶
Interest received.....	942,304	2,477,173	10,869,323	20,558,966	21,715,994	13,574,143 ⁶
Total deductions ⁴.....	83,557,684	140,679,959	283,749,460	376,000,991	414,673,405	423,504,871 ⁶
Cost of sales and operations.....	46,040,874	64,672,843	113,885,668	146,315,315	164,167,707	237,156,859
Purchases.....	31,820,581	42,608,734	70,439,607	91,925,923	100,010,383	167,977,884 ⁶
Cost of labor.....	4,146,927	4,585,836	7,015,547	8,845,106	9,789,253	9,975,053 ⁶
Salaries and wages.....	8,129,233	12,489,039	22,336,337	33,884,204	36,304,654	40,676,362 ⁶
Taxes paid.....	3,159,258	5,770,918	9,553,145	7,745,756	7,866,233	6,867,461 ⁶
Interest paid.....	4,470,206	12,097,100	28,362,385	28,674,933	29,452,297	19,953,845 ⁶
Depreciation ⁵	4,578,820	10,108,834	21,576,189	53,650,790	59,847,381	55,909,217 ⁶
Net income (less deficit).....	9,790,396	7,737,570	8,248,655	-8,883,674	-17,370,860	-2,877,307
Net income.....	14,419,124	22,431,931	45,061,756	77,044,693	80,214,873	90,196,412
Deficit.....	4,628,728	14,694,361	36,813,100	85,928,367	97,585,733	93,073,719

See notes following Table 20.

Selected Historical Data

Table 12.—Number of Business Income Tax Returns, by Size of Business, for Selected Years 1970–1987

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

Size of business	Number of businesses for—					
	1970	1975	1980	1985	1986	1987
	(1)	(2)	(3)	(4)	(5)	(6)
CORPORATIONS						
Receipt size ¹						
Under \$25,000 ²	451.9	468.9	557.0	710.8	765.3	n.a.
\$25,000 under \$50,000	170.7	186.4	207.7	236.6	244.2	n.a.
\$50,000 under \$100,000	219.8	260.7	322.7	330.2	345.4	n.a.
\$100,000 under \$250,000	516.9	673.9	558.4	620.5	630.6	n.a.
\$250,000 under \$500,000			367.3	489.2	510.5	n.a.
\$500,000 under \$1,000,000			141.1	184.2	279.8	352.4	370.4	n.a.
\$1,000,000 or more	165.0	249.5	417.7	537.6	562.2	n.a.
Asset size						
Under \$100,000 ³	961.0	1,177.7	1,514.6	1,833.5	1,946.6	n.a.
\$100,000 under \$1 million	599.1	704.6	968.9	1,152.5	1,180.4	n.a.
\$1 million under \$10 million	87.0	116.4	191.8	245.4	254.6	n.a.
\$10 million under \$25 million	9.8	12.2	16.6	20.9	21.1	n.a.
\$25 million under \$50 million	3.9	5.6	7.8	10.4	9.9	n.a.
\$50 million under \$100 million	2.1	3.1	4.8	6.2	6.6	n.a.
\$100 million under \$250 million	1.4	2.1	3.2	4.4	4.8	n.a.
\$250 million and over	1.2	1.9	2.9	4.1	4.5	n.a.
PARTNERSHIPS						
Receipt size ¹						
Under \$25,000 ²	501.7	549.7	638.0	840.1 ⁴	836.6 ⁴	n.a.
\$25,000 under \$50,000	125.2	141.0	181.8	195.5	182.9	n.a.
\$50,000 under \$100,000	119.6	133.7	183.6	199.5	204.5	n.a.
\$100,000 under \$200,000	97.2	114.0	155.2	190.1	184.0	n.a.
\$200,000 under \$500,000	65.2	90.6	135.6	165.5	165.1	n.a.
\$500,000 under \$1,000,000	17.0	25.5	48.1	66.9	69.1	n.a.
\$1,000,000 or more	10.3	18.6	37.4	56.0	60.7	n.a.
Asset size ⁵						
Under \$25,000 ³	635.7	611.0	541.9	794.1	774.9	n.a.
\$25,000 under \$50,000	80.8	105.9	156.3	132.7	142.4	n.a.
\$50,000 under \$100,000	73.5	106.8	180.2	165.8	140.4	n.a.
\$100,000 under \$200,000	74.7	116.0	219.1	210.9	214.4	n.a.
\$200,000–\$500,000	33.8	56.9	117.9	142.8	147.4	n.a.
\$500,000–\$1,000,000	19.3	35.3	72.1	100.0	99.8	n.a.
\$1,000,000 or more	18.3	41.2	92.2	167.2	183.3	n.a.
NONFARM SOLE PROPRIETORSHIPS						
Receipt size						
Under \$2,500 ²	1,894.3	2,299.9	2,783.1	3,067.5	3,176.4	3,299.4
\$2,500 under \$5,000	815.1	959.4	1,158.6	1,444.6	1,495.1	1,553.5
\$5,000 under \$10,000	891.5	1,041.7	1,262.9	1,633.6	1,666.0	1,846.5
\$10,000 under \$25,000	1,137.4	1,325.7	1,711.8	2,104.6	2,175.3	2,284.2
\$25,000 under \$50,000	746.4	849.5	1,079.1	1,393.9	1,466.6	1,559.0
\$50,000 under \$100,000	562.0	644.5	835.6	1,094.1	1,138.3	1,172.0
\$100,000 under \$200,000	297.4	380.9	795.8	1,060.2	1,140.9	913.5
\$200,000 under \$500,000	122.3	209.2				318.6
\$500,000 under \$1,000,000	20.8	35.3	73.9	89.3	95.4	101.6
\$1,000,000 or more	6.6	13.5	29.2	40.7	37.7	42.8

See notes following Table 20.

Selected Historical Data

Table 13.—Corporation Income Tax Returns: Balance Sheet, Income Statement, and Tax Items for Selected Years, 1970–1986

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

Items	1970	1975	1980	1984	1985	1986
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns, total.....	1,665,477	2,023,647	2,710,538	3,170,743	3,277,219	3,428,515
Number with net income.....	1,008,337	1,226,208	1,596,632	1,777,770	1,820,120	1,907,738
Consolidated returns ^{1,2}	19,871	38,307	57,890	80,256	79,598	81,956
S Corporation returns ^{2,3}	257,475	358,413	545,389	701,339	724,749	826,214
DISC returns ^{2,4}	N/A	6,431	8,665	12,840	1,383	1,443
FSC returns ^{2,5}	N/A	N/A	N/A	N/A	2,341	2,900
Total assets.....	2,634,706,564	4,286,556,273	7,617,238,403	11,106,701,948	12,773,093,888	14,163,209,894
Cash.....	176,924,573	290,426,439	528,914,747	595,773,262	683,204,264	762,946,878
Notes and accounts receivable.....	614,667,367	1,051,542,806	1,984,601,790	2,896,980,896	3,317,635,191	3,593,528,670
Less: Allowance for bad debts.....	20,030,327	31,032,998	50,057,307	54,341,671	61,580,335	74,228,426
Inventories.....	190,401,642	317,718,545	534,806,547	664,243,060	714,722,928	732,587,518
Investments in Government obligations.....	196,625,390	316,131,699	472,059,737	725,695,801	916,550,098	1,058,718,859
Other current assets.....	73,058,482	145,101,716	310,177,160	513,743,712	629,136,396	739,043,506
Loans to stockholders.....	4,774,082	9,355,636	29,873,250	58,430,009	56,761,232	63,653,862
Mortgage and real estate loans.....	327,593,354	548,054,483	894,323,489	1,126,962,114	1,258,672,577	1,377,441,452
Other investments.....	401,389,022	626,266,074	1,213,986,210	1,972,830,815	2,413,551,474	2,847,727,452
Depreciable assets.....	868,908,018	1,276,564,500	2,107,027,914	2,913,301,626	3,174,193,649	3,382,556,559
Less: Accumulated depreciation.....	334,646,086	483,798,526	767,841,763	1,116,171,771	1,232,072,530	1,342,114,626
Depletable assets.....	18,517,264	38,511,396	71,901,490	114,808,431	112,339,389	116,010,459
Less: Accumulated depletion.....	6,774,796	14,501,561	19,569,556	36,340,299	37,203,920	44,083,149
Land.....	46,626,157	66,819,206	92,931,935	128,269,064	141,448,357	149,522,450
Intangible assets (amortizable).....	12,818,168	12,823,183	45,480,694	117,467,829	145,290,625	212,265,625
Less: Accumulated amortization.....	5,984,184	4,491,990	18,393,037	36,190,604	46,505,240	46,696,699
Other assets.....	69,838,438	121,065,665	187,015,106	521,126,077	582,949,738	634,329,507
Total liabilities.....	2,634,706,564	4,286,556,273	7,617,238,403	11,106,701,948	12,773,093,888	14,163,209,894
Accounts payable.....	148,812,597	263,417,584	542,172,368	741,372,874	891,571,443	909,090,964
Mortgages, notes, and bonds payable in less than 1 year.....	170,884,261	272,123,551	504,802,288	866,546,604	1,001,337,795	1,083,947,776
Other current liabilities.....	892,218,397	1,577,425,991	2,706,796,360	3,760,174,725	4,234,983,432	4,599,886,537
Loans from stockholders.....	24,573,814	38,143,936	85,718,510	145,250,514	174,317,253	185,034,570
Mortgages, notes, and bonds payable in 1 year or more.....	362,700,303	586,703,526	986,663,932	1,494,350,573	1,699,272,481	1,958,477,161
Other liabilities.....	283,106,029	451,676,880	846,696,691	1,214,879,371	1,467,912,913	1,728,638,194
Capital stock.....	201,213,719	251,715,862	417,153,783	839,344,197	920,182,882	1,190,628,800
Paid-in or capital surplus.....	196,642,421	298,534,854	532,039,407	1,066,288,359	1,420,996,805	1,725,785,087
Retained earnings, appropriated.....	16,657,051	29,955,676	41,461,644	51,100,507	54,074,364	64,975,012
Retained earnings, unappropriated.....	349,225,750	537,631,026	1,027,902,049	1,256,771,201	1,311,512,589	1,313,686,600
Less: Cost of treasury stock.....	11,327,778	20,772,613	74,168,627	329,376,924	403,068,064	612,525,394
Total receipts.....	1,750,776,503	3,198,627,860	6,361,284,012	7,860,711,226⁶	8,398,278,426	8,669,378,501
Business receipts.....	1,620,886,576	2,961,729,640	5,731,616,337	6,948,481,893	7,369,538,953	7,535,482,221
Interest on State and local Government obligations.....	3,775,917	6,711,606	12,620,876	16,613,501	20,164,514	23,578,340
Other interest.....	67,794,508	136,587,304	354,243,674	566,537,974 ⁷	617,622,425 ⁷	638,524,951 ⁷
Dividends received from domestic corporations.....	5,238,421	8,818,282	18,654,800	21,185,391	16,967,379	15,156,098
Dividends received from foreign corporations.....	3,466,515	5,467,726	14,563,353	15,373,474	20,770,361	22,747,046
Rents.....	13,938,502	21,765,130	41,371,141	75,834,113	89,700,937	93,972,214
Royalties.....	2,586,387	5,167,141	12,450,250	14,535,929	15,237,421	16,411,642
Net short-term capital gain reduced by net long-term capital loss.....	190,439	301,601	2,013,510	3,233,999 ⁶	7,032,062	11,797,841
Net long-term capital gain reduced by net short-term capital loss.....	5,481,580	8,364,523	24,910,957	38,518,792	53,771,685	93,297,600
Net gain, noncapital assets.....	5,315,562	7,757,287	20,117,615	26,506,096	33,537,842	44,149,339
Other receipts.....	22,102,096	35,957,620	128,721,498	133,948,728	153,934,848	174,261,151

Selected Historical Data

Table 13. (Continued)—Corporation Income Tax Returns: Balance Sheet, Income Statement, and Tax Items for Selected Years, 1970-1986

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

Items	1970	1975	1980	1984	1985	1986
	(1)	(2)	(3)	(4)	(5)	(6)
Total deductions	1,682,778,847	3,052,674,597	6,125,365,155	7,628,772,066	8,158,144,126	8,394,932,819
Cost of sales and operations.....	1,146,263,273	2,129,928,467	4,204,905,905	4,692,505,746	4,894,254,081	4,922,763,967
Compensation of officers.....	32,846,381	57,832,552	108,973,751	157,028,565	170,737,540	185,395,342
Repairs.....	13,986,819	23,422,171	42,407,967	76,367,591	81,495,784	83,848,507
Bad debts.....	6,479,814	13,781,147	18,769,771	33,803,267	43,333,588	53,419,371
Rent paid on business property.....	23,842,355	40,769,829	71,990,832	119,476,469	134,661,335	145,188,558
Taxes paid.....	49,523,243	81,530,302	163,003,622	191,748,629	200,977,161	203,491,687
Interest paid.....	62,055,010	129,307,921	344,612,542	535,814,101	568,645,475	572,973,834
Contributions or gifts.....	797,029	1,202,130	2,358,554	4,057,112	4,471,736	5,178,918
Amortization.....	745,005	717,398	1,374,658	5,170,089	6,133,737	14,005,202
Depreciation.....	52,941,266	86,295,664	157,345,828	264,882,261	304,380,703	312,582,789
Depletion.....	5,623,339	5,341,489	8,871,993	8,351,260	7,779,731	9,035,885
Advertising.....	18,089,097	26,605,786	52,266,004	82,023,440	91,922,667	98,959,857
Pension, profit-sharing, stock bonus, and annuity plans.....	12,225,912	26,526,129	51,529,310	52,555,188	49,588,712	48,242,217
Employee benefit programs.....	7,398,283	15,690,563	40,179,104	64,547,638	71,601,577	73,633,515
Net loss, noncapital assets.....	1,289,305	1,804,079	5,903,104	9,647,008	7,893,175	12,859,566
Other deductions.....	248,672,716	411,918,970	850,872,216	1,331,088,812	1,520,267,133	1,653,353,611
Total receipts less total deductions	67,997,656	145,953,263	235,918,858	231,939,061	240,134,300	274,445,682
Constructive taxable income from related foreign corporations.....	1,679,875	3,395,169	15,708,560	17,575,037	20,299,335	19,038,861
Net income (less deficit)	65,901,614	142,636,826	239,006,542	232,900,596⁶	240,119,020	269,530,240
Net income.....	83,710,924	169,483,336	296,787,201	349,179,415 ⁶	363,867,384	408,860,760
Deficit.....	17,809,310	26,846,510	57,780,659	116,278,819 ⁶	123,748,365	139,330,520
Income subject to tax ⁸	72,374,437	146,589,287	246,598,486	257,054,060	266,060,609	276,172,502
Income tax, total	33,293,018⁹	66,144,308	105,142,436	107,968,407	111,340,839	111,140,137
Regular and alternative tax.....	32,949,937	65,769,822	103,831,172	106,013,217	109,106,358	108,773,260
Tax from recomputing prior- year investment credit.....	77,832	217,138	867,571	1,328,945	1,497,597	1,319,525
Tax from recomputing prior- year work incentive (WIN) credit.....	N/A	608	4,873	N/A	N/A	N/A
Additional tax for tax preferences.....	265,249	156,740	438,820	544,863	725,878	1,026,194
Foreign tax credit.....	4,548,986	19,987,724	24,879,737	21,075,296	24,263,487	21,480,508
U.S. possessions tax credit.....	N/A	N/A	1,572,734	1,978,578	2,450,583	2,907,256
Investment credit.....	865,954	6,459,746	15,102,812	(¹⁰)	(¹⁰)	(¹⁰)
Work incentive (WIN) credit.....	N/A	5,321	36,483	N/A	N/A	N/A
Jobs credit.....	N/A	N/A	601,444	(¹⁰)	(¹⁰)	(¹⁰)
Nonconventional source fuel credit.....	N/A	N/A	2	69,695	43,267	63,544
Alcohol fuel credit.....	N/A	N/A	4	(¹⁰)	(¹⁰)	(¹⁰)
Research activities credit.....	N/A	N/A	N/A	1,589,048	1,627,997	(¹⁰)
Employees stock ownership credit.....	N/A	N/A	N/A	(¹⁰)	(¹⁰)	(¹⁰)
Orphan drug credit.....	N/A	N/A	N/A	*105	*204	6,530
General business credit.....	N/A	N/A	N/A	19,265,475	19,607,097	12,805,999
Distributions to stockholders:						
Cash and property except in own stock.....	32,012,677	45,224,392	97,378,617	144,871,643	n.a.	n.a.
Corporation's own stock.....	1,922,810	2,066,559	3,525,549	5,889,191	n.a.	n.a.

See notes following Table 20.

Selected Historical Data

Table 14.—Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items by Industrial Division, for Selected Income Years, 1970–1986

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

Industrial division and items	1970	1975	1980	1984	1985	1986
	(1)	(2)	(3)	(4)	(5)	(6)
AGRICULTURE, FORESTRY AND FISHING						
Number of returns, total.....	37,283	56,280	80,883	98,361	103,156	106,634
Number with net income.....	19,843	33,328	43,827	50,037	52,776	57,810
Total assets.....	11,909,403	21,177,941	40,738,977	50,699,926	52,651,197	53,478,288
Net worth.....	4,012,068	6,844,949	11,460,935	14,310,555	15,406,221	17,062,622
Total receipts.....	14,277,707	28,118,514	52,089,915	66,645,119	70,491,486	77,502,215
Business receipts.....	13,591,763	26,624,149	48,850,056	62,093,338	65,419,402	71,787,552
Interest received.....	69,742	171,732	476,654	723,118 ¹	775,383 ¹	720,405 ¹
Total deductions.....	14,209,713	27,369,286	51,418,280	66,436,289	70,559,478	76,330,943
Cost of sales and operations.....	10,555,539	19,738,447	35,798,332	42,991,472	45,085,526	50,971,455
Interest paid.....	356,225	797,420	2,184,441	2,952,198	2,758,952	2,570,846
Net income (less deficit).....	65,295	746,908	673,158	202,522	-74,270	1,148,686
Net income.....	493,400	1,493,168	2,464,381	2,874,899	2,930,905	3,676,645
Deficit.....	428,105	746,260	1,791,222	2,672,377	3,005,175	2,527,960
Income tax before credits.....	113,115 ²	351,059	533,768	509,081	540,671	589,887
Total income tax after credits ³	107,023 ²	294,584	422,356	373,115	344,626	475,606
Distributions to stockholders except in own stock.....	65,824	244,524	304,733	417,177	n.a.	n.a.
MINING						
Number of returns, total.....	14,465	14,242	25,576	40,564	41,426	40,354
Number with net income.....	7,303	8,297	12,698	18,177	18,031	18,150
Total assets.....	23,972,812	64,505,341	126,947,880	209,036,474	240,815,996	206,122,125
Net worth.....	13,381,821	32,765,690	54,068,148	94,335,000	104,772,797	98,604,268
Total receipts.....	17,747,750	65,909,994	176,672,390	123,496,633	142,038,595	98,577,216
Business receipts.....	16,699,586	63,670,496	167,397,918	111,030,063	126,710,610	86,873,761
Interest received.....	176,728	522,757	1,301,266	3,089,562 ¹	3,584,890 ¹	3,154,332 ¹
Total deductions.....	15,927,348	42,348,765	169,051,624	124,627,966	145,389,514	102,093,971
Cost of sales and operations.....	9,955,600	30,171,612	116,989,880	74,213,000	87,972,035	58,115,191
Interest paid.....	388,032	1,166,182	3,440,080	7,077,300	7,789,995	6,395,032
Net income (less deficit).....	1,834,315	23,574,833	7,750,561	-353,185	-2,543,487	-3,122,565
Net income.....	2,399,507	24,347,893	10,133,685	6,991,815	6,166,623	5,352,717
Deficit.....	565,192	773,060	2,383,124	7,344,999	8,710,110	8,475,282
Income tax before credits.....	1,031,550 ²	11,361,037	3,947,569	2,381,154	1,810,559	1,453,090
Total income tax after credits ³	342,928 ²	1,051,138	1,674,566	1,014,361	557,519	694,690
Distributions to stockholders except in own stock.....	1,177,550	1,015,895	4,757,780	3,057,411	n.a.	n.a.
CONSTRUCTION						
Number of returns, total.....	138,905	191,219	272,432	306,906	318,276	341,816
Number with net income.....	82,078	108,852	150,368	173,351	185,613	194,446
Total assets.....	42,719,792	76,691,947	132,939,026	195,272,738	215,297,771	218,880,512
Net worth.....	11,819,604	19,029,077	32,826,174	50,338,974	54,687,270	52,781,280
Total receipts.....	90,610,644	146,955,117	267,205,356	338,575,635	387,232,953	412,477,214
Business receipts.....	88,945,385	143,412,715	260,387,692	326,752,784	374,590,273	399,436,063
Interest received.....	219,698	614,583	2,073,650	3,540,430 ¹	3,851,628 ¹	3,981,459 ¹
Total deductions.....	89,070,022	144,717,309	262,116,275	335,696,154	382,823,113	406,663,574
Cost of sales and operations.....	73,434,969	116,845,554	208,064,925	257,057,538	295,803,244	314,065,258
Interest paid.....	711,496	1,973,244	4,278,502	5,990,178	6,407,652	6,869,790
Net income (less deficit).....	1,538,418	2,236,262	5,271,209	2,906,704	4,370,924	5,781,722
Net income.....	2,548,013	4,514,864	8,911,143	9,147,150	11,053,145	12,443,085
Deficit.....	1,009,595	2,278,602	3,639,934	6,240,445	6,682,220	6,661,363
Income tax before credits.....	776,979 ²	1,320,196	2,521,507	1,767,756	2,312,846	2,525,994
Total income tax after credits ³	756,637 ²	1,131,960	1,973,659	1,296,301	1,662,563	2,183,820
Distributions to stockholders except in own stock.....	299,204	464,553	793,764	738,873	n.a.	n.a.
MANUFACTURING						
Number of returns, total.....	197,807	217,354	242,550	272,050	276,545	285,119
Number with net income.....	120,814	136,839	153,640	162,584	159,778	163,161
Total assets.....	612,912,516	944,581,970	1,709,471,700	2,417,631,605	2,644,393,424	2,931,610,462
Net worth.....	308,923,293	442,587,674	749,186,774	1,025,028,491	1,099,645,876	1,124,399,497
Total receipts.....	722,952,890	1,296,359,650	2,404,323,844	2,768,247,655	2,831,062,496	2,810,713,781
Business receipts.....	700,090,661	1,258,338,650	2,301,056,550	2,608,971,901	2,656,345,750	2,614,526,752
Interest received.....	4,748,499	8,691,092	28,315,784	42,749,996 ¹	47,753,626 ¹	50,749,530 ¹
Total deductions.....	692,455,462	1,230,689,496	2,290,593,808	2,661,153,853	2,733,105,346	2,723,698,904
Cost of sales and operations.....	495,879,549	925,111,030	1,707,143,900	1,796,313,155	1,797,852,805	1,746,954,429
Interest paid.....	12,570,242	22,055,903	54,177,356	85,039,616	90,452,072	102,372,701
Net income (less deficit).....	31,846,078	68,406,627	125,667,815	121,215,254	113,758,645	101,827,271
Net income.....	37,925,489	74,466,554	141,547,510	147,852,003	142,541,119	136,081,206
Deficit.....	6,079,411	6,059,927	15,879,695	26,636,749	28,782,474	34,253,935
Income tax before credits.....	16,744,905 ²	32,306,739	59,577,413	58,542,710	56,687,476	50,222,612
Total income tax after credits ³	13,242,226 ²	21,024,964	32,726,986	30,429,379	25,382,459	25,761,951
Distributions to stockholders except in own stock.....	14,616,282	19,973,061	37,306,509	45,630,537	n.a.	n.a.

Selected Historical Data

Table 14. (Continued)—Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items by Industrial Division, for Selected Income Years, 1970-1986

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

Industrial division and items	1970	1975	1980	1984	1985	1986
	(1)	(2)	(3)	(4)	(5)	(6)
TRANSPORTATION AND PUBLIC UTILITIES						
Number of returns, total	67,398	80,701	111,324	128,184	138,337	138,428
Number with net income	38,204	45,360	62,232	65,405	69,938	68,517
Total assets	287,740,207	443,236,797	758,364,400	1,084,873,718	1,246,426,899	1,310,227,440
Net worth	121,205,022	176,444,407	290,655,693	423,937,357	490,481,127	502,486,821
Total receipts	135,495,271	243,480,637	523,807,396	725,631,232	772,358,188	762,231,202
Business receipts	131,463,171	234,689,427	507,372,820	693,105,168	733,943,970	717,929,024
Interest received	930,266	1,520,913	5,760,072	11,250,353 ¹	12,310,594 ¹	12,050,844 ¹
Total deductions	127,931,131	233,409,166	503,954,285	697,240,089	747,836,158	740,781,131
Cost of sales and operations	77,743,359	143,932,463	336,868,172	373,236,459	381,028,354	338,754,789
Interest paid	7,364,200	13,761,062	27,638,591	40,178,514	44,880,858	47,070,426
Net income (less deficit)	7,543,718	10,099,571	20,046,155	28,851,644	25,087,629	21,803,663
Net income	9,471,595	12,088,189	24,917,293	37,897,899	37,880,144	41,098,014
Deficit	1,927,877	1,988,618	4,871,138	9,041,255	12,792,516	19,294,351
Income tax before credits	4,342,334 ²	5,107,158	10,532,722	15,579,597	15,214,929	16,156,499
Total income tax after credits ³	4,036,650 ²	2,836,470	5,322,655	8,532,848	8,432,924	71,005,034
Distributions to stockholders except in own stock	5,837,565	8,900,353	17,329,807	27,505,378	n.a.	n.a.
WHOLESALE AND RETAIL TRADE						
Number of returns, total	518,062	614,632	799,628	896,524	917,301	939,159
Number with net income	339,987	399,668	487,300	516,750	510,825	527,779
Total assets	192,181,800	323,496,726	646,901,005	899,032,645	1,009,965,739	1,073,523,697
Net worth	77,002,132	122,649,734	222,289,687	289,338,722	286,260,274	300,103,440
Total receipts	522,547,923	969,938,872	1,955,523,778	2,307,612,139	2,473,865,453	2,547,440,986
Business receipts	511,316,883	951,463,550	1,919,347,689	2,250,774,641	2,408,174,933	2,472,495,351
Interest received	1,291,906	3,857,318	10,503,989	18,406,334 ¹	21,633,480 ¹	23,264,441 ¹
Total deductions	512,910,193	947,511,780	1,919,454,218	2,265,843,128	2,440,403,373	2,512,081,940
Cost of sales and operations	392,391,856	745,299,204	1,538,128,634	1,759,718,001	1,869,766,621	1,895,237,380
Interest paid	4,309,663	8,587,173	25,645,855	33,204,502	38,217,998	39,961,980
Net income (less deficit)	9,671,044	22,489,430	38,309,671	42,010,706	33,126,702	34,919,948
Net income	12,395,411	27,681,721	49,426,500	58,584,558	51,434,500	55,246,479
Deficit	2,724,367	5,192,291	11,116,829	16,573,852	18,307,798	20,326,531
Income tax before credits	4,476,047 ²	8,103,316	13,515,653	15,082,817	16,392,896	17,097,449
Total income tax after credits ³	4,237,181 ²	7,348,619	10,564,358	12,414,978	13,396,555	15,166,086
Distributions to stockholders except in own stock	2,068,501	5,029,897	10,343,087	13,057,047	n.a.	n.a.
FINANCE, INSURANCE, AND REAL ESTATE						
Number of returns, total	406,235	411,846	493,426	497,366	518,432	537,384
Number with net income	248,586	243,409	273,853	274,171	285,273	296,921
Total assets	1,401,153,520	2,321,965,956	4,022,206,073	5,938,984,929	7,029,452,681	7,985,641,912
Net worth	196,480,448	269,770,527	530,541,317	901,658,317	1,161,968,009	1,502,198,831
Total receipts	177,321,173	315,795,981	697,460,846	1,033,146,416	1,182,034,309	1,365,095,368
Business receipts	92,091,887	157,126,715	256,892,475	431,157,290	501,993,840	618,646,549
Interest received	63,694,046	127,040,303	315,146,115	497,044,327 ¹	541,268,193 ¹	75,727,059 ¹
Total deductions	161,630,060	297,963,817	652,637,787	985,687,308	1,104,572,202	1,245,473,109
Cost of sales and operations	48,434,362	84,614,209	129,644,330	213,655,427	237,577,803	320,622,944
Interest paid	34,548,509	77,677,659	219,167,684	347,164,947	363,009,417	35,193,465
Net income (less deficit)	12,214,079	11,663,330	33,122,792	32,677,046	60,670,526	99,808,908
Net income	15,081,939	18,825,003	46,040,390	66,225,666	90,546,934	131,284,234
Deficit	2,867,860	7,161,673	12,917,599	33,548,620	29,876,408	31,475,326
Income tax before credits	4,404,449 ²	5,558,647	9,680,755	9,619,055	13,598,201	18,091,479
Total income tax after credits ³	4,150,009 ²	4,673,705	7,699,628	6,730,460	10,193,877	14,665,774
Distributions to stockholders except in own stock	7,387,211	8,729,977	24,692,146	51,315,346	n.a.	n.a.
SERVICES						
Number of returns, total	281,218	435,672	671,338	899,370	939,390	1,012,178
Number with net income	150,525	249,641	408,716	508,336	529,337	575,016
Total assets	61,875,140	90,534,067	178,163,737	307,895,160	330,982,941	381,609,099
Net worth	19,529,062	26,855,374	52,865,513	84,773,772	89,852,365	100,190,054
Total receipts	69,572,626	131,377,364	279,883,187	490,332,811	534,587,609	591,849,715
Business receipts	66,459,515	125,747,462	266,088,619	458,038,533	497,980,990	550,590,929
Interest received	435,070	875,506	3,269,412	6,277,591 ¹	6,561,301 ¹	6,871,344 ¹
Total deductions	68,384,452	127,996,443	271,792,974	484,990,160	528,685,613	584,295,930
Cost of sales and operations	37,733,747	63,724,869	129,352,692	176,889,613	176,070,808	196,127,453
Interest paid	1,802,802	3,279,438	8,033,612	14,068,343	15,027,259	15,718,343
Net income (less deficit)	1,198,703	3,396,744	8,193,903	5,464,130	5,883,782	7,448,023
Net income	3,384,869	6,025,592	13,246,601	19,373,912	21,124,460	8,116,081
Deficit	2,186,166	2,628,848	5,052,698	13,909,782	15,240,678	4,651,324
Income tax before credits	1,058,264 ²	1,625,093	3,497,265	4,458,267	4,742,347	4,942,317
Total income tax after credits ³	1,003,130 ²	1,323,637	2,603,370	3,175,178	3,343,830	3,863,565
Distributions to stockholders except in own stock	558,452	855,402	1,841,945	3,126,700	n.a.	n.a.

See notes following Table 20.

Table 15.—Corporation Profits Before Taxes Per National Income and Product Accounts (NIPA) and Per SOI, and Income Subject to Tax per SOI, Income Years, 1960–1988

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

Income Year	Profits before taxes (per NIPA)	Net income (less deficit) (per SOI)	Income subject to tax (per SOI)
	(1)	(2)	(3)
1960	49.9	43.5	47.2
1961	49.8	45.9	47.9
1962	55.1	49.6	51.7
1963	59.8	54.3	54.3
1964	66.7	61.6	60.4
1965	77.4	73.9	70.8
1966	83.3	80.5	77.1
1967	80.1	78.2	74.8
1968	89.1	86.0	81.4
1969	87.2	80.2	81.2
1970	76.0	65.9	72.4
1971	87.3	79.7	83.2
1972	101.5	96.8	95.1
1973	122.2	120.4	115.5
1974	138.9	148.2	144.0
1975	134.8	142.6	146.6
1976	170.3	185.4	183.5
1977	200.4	219.2	212.5
1978	233.5	246.9	239.6
1979	257.2	284.6	279.4
1980	237.1	239.0	246.6
1981	226.5	213.6	241.5
1982	169.6	154.3	205.2
1983	207.6	188.3	218.7
1984	240.0	232.9	257.1
1985	224.3	240.1	266.1
1986	221.6	269.5	276.2
1987	266.7	n.a.	n.a.
p1988	306.8	n.a.	n.a.

See notes following Table 20.

Selected Historical Data

Table 16.—Gross Internal Revenue Collections: Amount Collected by Quarter and Fiscal Year, 1985–1989

[Money amounts are in millions of dollars]

Quarter and fiscal year	Total	Amount collected by type of return				
		Individual income taxes ¹	Corporation income taxes ²	Excise taxes ³	Employment taxes ⁴	Estate and gift taxes
		(1)	(2)	(3)	(4)	(5)	(6)
FISCAL YEAR 1985, TOTAL	742,871	396,659	77,413	37,005	225,214	6,580
October 1984–December 1984	155,919	79,775	17,546	9,732	47,286	1,580
January 1985–March 1985	176,324	89,325	17,350	8,650	59,352	1,647
April 1985–June 1985	233,946	136,141	24,843	9,013	62,313	1,636
July 1985–September 1985	176,682	91,418	17,674	9,610	56,263	1,717
FISCAL YEAR 1986, TOTAL	782,252	416,965	80,442	33,672	243,978	7,195
October 1985–December 1985	167,836	86,608	18,854	9,321	51,354	1,699
January 1986–March 1986	186,178	97,804	16,243	8,175	62,309	1,647
April 1986–June 1986	240,680	134,129	25,703	8,191	70,687	1,970
July 1986–September 1986	187,558	98,424	19,642	7,985	59,628	1,879
FISCAL YEAR 1987, TOTAL	886,290	465,452	102,859	33,311	277,000	7,668
October 1986–December 1986	180,580	92,346	22,466	8,281	55,615	1,872
January 1987–March 1987	209,032	105,483	22,649	7,925	71,156	1,819
April 1987–June 1987	285,477	164,008	29,748	8,493	81,139	2,089
July 1987–September 1987	211,201	103,615	27,996	8,612	69,090	1,888
FISCAL YEAR 1988, TOTAL	935,107	473,667	109,683	25,934	318,039	7,784
October 1987–December 1987	197,095	97,479	24,828	6,475	66,500	1,813
January 1988–March 1988	220,447	111,215	22,006	5,304	80,161	1,761
April 1988–June 1988	296,175	160,018	35,991	6,550	91,426	2,190
July 1988–September 1988	221,390	104,955	26,858	7,605	79,952	2,020
FISCAL YEAR 1989						
October 1988–December 1988	213,518	104,522	29,551	6,657	70,632	2,156
January 1989–March 1989	235,883	114,475	20,760	6,097	92,587	1,964

See notes following Table 20.

Table 17.—Internal Revenue Refunds: Amount Refunded By Quarter and Fiscal Year, 1985–1989

[Money amounts are in millions of dollars]

Quarter and fiscal year	Total	Amount refunded by type of return				
		Individual income taxes ¹	Corporation income taxes ²	Excise taxes ³	Employment taxes ⁴	Estate and gift taxes
		(1)	(2)	(3)	(4)	(5)	(6)
FISCAL YEAR 1985, TOTAL	86,322	66,908	16,725	892	1,606	191
October 1984–December 1984	6,729	2,246	4,177	122	138	46
January 1985–March 1985	17,664	12,808	4,286	91	439	40
April 1985–June 1985	52,376	46,370	4,701	556	702	47
July 1985–September 1985	9,551	5,484	3,561	123	326	57
FISCAL YEAR 1986, TOTAL	94,424	73,078	18,297	962	1,800	287
October 1985–December 1985	7,948	3,003	4,268	128	488	61
January 1986–March 1986	25,895	19,950	4,997	320	577	51
April 1986–June 1986	50,200	44,375	5,058	232	435	100
July 1986–September 1986	10,381	5,750	3,974	282	300	75
FISCAL YEAR 1987, TOTAL	96,969	73,583	19,891	1,381	1,900	214
October 1986–December 1986	8,668	3,406	4,789	111	312	50
January 1987–March 1987	28,422	22,198	5,296	479	1,393	56
April 1987–June 1987	50,063	42,858	5,948	332	1,869	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						
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

See notes following Table 20.

Selected Historical Data

Table 18.—Classes of Excise Taxes by Selected Fiscal Years, 1970–1989

[Money amounts are in thousands of dollars]

Selected class of tax	Taxes collected by fiscal year					
	1970	1975	1980	1985	1987	1988
	(1)	(2)	(3)	(4)	(5)	(6)
ALCOHOL AND TOBACCO TAXES, TOTAL.....	6,840,594	7,665,948	8,151,184	9,881,293	10,364,367	10,352,709
Distilled spirits.....	3,501,538	3,865,162	3,945,377	3,520,697	3,799,226	3,813,516
Wine.....	163,337	177,113	211,538	305,966	316,457	322,613
Beer.....	1,081,507	1,308,583	1,547,853	1,571,436	1,675,669	1,693,747
Cigarettes and cigars.....	2,036,101	2,261,116	2,402,857	4,448,916	4,573,015	4,522,833
MANUFACTURERS EXCISE TAXES, TOTAL.....	6,683,061	5,516,611	6,487,421	10,020,574	10,221,574	10,643,379
Gasoline and gasohol.....	3,517,586 ¹	4,071,465 ¹	4,326,549 ¹	9,062,630	9,163,790	9,453,441
Tires, tubes and tread rubber.....	614,795	697,660	682,624	242,923 ²	296,408 ²	319,141 ²
Motor vehicles, bodies, parts ³	1,753,327	662,556	1,088,696	N/A	N/A	N/A
Recreational products.....	53,427	84,946	136,521	166,666	186,608	169,663
Black Lung taxes.....	N/A	N/A	251,288	548,356	574,769	601,279
SPECIAL FUELS, AND RETAILERS TAXES, TOTAL⁴.....	257,820	404,187	560,144	3,802,608	3,762,284	4,528,300
Diesel and special motor fuels.....	257,712	370,489	512,718	2,430,165	2,659,404	3,119,934
Trucks and buses.....	N/A	N/A	N/A	1,289,750	1,020,553	1,155,808
MISCELLANEOUS EXCISE TAXES, TOTAL.....	2,084,730	3,306,077	6,359,198	11,044,833	7,255,284	8,717,082
Telephone and teletype ⁵	1,469,562	2,023,744	1,117,834	2,307,607	2,522,062	2,555,082
Air transportation.....	250,802	850,567	1,748,837	2,589,818	2,913,249	3,145,422
Highway use tax.....	135,086	207,663	263,272	456,143	556,006	570,053
Foreign insurance.....	8,614	19,458	74,630	73,494	115,133	97,270
Exempt organization net investment income.....	N/A	63,928	65,260	136,153	218,102	229,379
Crude oil windfall profit ⁶	N/A	N/A	3,051,719	5,073,159	14,910	372,847
Environmental taxes ⁷	N/A	N/A	N/A	272,957	407,167	924,951

Selected class of tax	Fiscal year quarter ending					
	Dec. 1987	March 1988	June 1988	Sept. 1988	Dec. 1988	March 1989
	(7)	(8)	(9)	(10)	(11)	(12)
ALCOHOL AND TOBACCO TAXES, TOTAL.....	r2,622,865	r3,540,736	r1,267,603	r2,921,505	r2,615,149	2,407,574
Distilled spirits.....	983,161	2,024,011	-506,616	1,312,960	1,039,009	872,127
Wine.....	217,026	191,493	227,073	-312,979	204,300	165,077
Beer.....	299,866	322,992	428,821	642,068	301,664	316,510
Cigarettes and cigars.....	1,122,812	1,002,240	1,118,325	1,279,456	1,070,176	1,053,860
MANUFACTURERS EXCISE TAXES, TOTAL.....	2,695,686	2,602,434	2,635,847	2,709,412	3,030,722	2,836,045
Gasoline and gasohol.....	2,415,076	2,317,004	2,322,096	2,402,290	2,719,151	2,542,789
Tires, tubes and tread rubber ²	80,819	83,000	76,461	78,861	86,524	76,402
Recreational products.....	47,944	45,957	50,634	45,474	53,131	49,047
Black Lung taxes.....	151,849	156,473	146,735	146,222	148,700	143,200
SPECIAL FUELS AND RETAILERS TAXES, TOTAL⁴.....	981,117	1,021,290	963,679	1,562,215	1,698,279	1,657,015
Diesel and special motor fuels.....	682,194	703,431	661,684	1,101,412	1,228,702	1,136,524
Trucks and buses, chassis, bodies, etc.....	277,933	297,710	281,747	298,417	307,675	313,687
MISCELLANEOUS EXCISE TAXES, TOTAL.....	1,789,207	2,094,963	2,051,243	2,781,670	1,977,738	2,352,971
Telephone and teletype ⁵	741,777	379,100	740,637	693,568	603,896	916,426
Air transportation.....	783,855	719,181	830,224	812,162	865,813	833,030
Highway use tax.....	47,251	126,368	96,212	300,221	48,462	124,239
Foreign insurance.....	25,233	26,802	23,383	21,853	17,758	28,862
Exempt organization net investment income.....	19,385	32,558	19,011	158,425	26,584	28,128
Crude oil windfall profit ⁶	-122,710	501,123	17,108	22,674	-25,526	49,356
Environmental taxes ⁷	224,517	224,758	228,248	247,428	254,760	257,800

See notes following Table 20.

Selected Historical Data

Table 19.—Selected Returns and Forms Filed or to be Filed During Selected Calendar Years, 1970–1989

Type of return or form	Number Filed in Calendar Year—						
	1970	1975	1980	1985	1987	1988	1989 (Projected)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Individual income	77,281,384	84,026,785	93,196,076	99,704,246	103,462,011	107,258,962	110,031,900
Form 1040	77,143,251	61,450,279	55,360,030	64,010,068	68,545,023	71,055,220	71,562,200
Nonbusiness	68,129,351	51,377,153	43,957,141	49,873,300	53,736,837	55,817,370	55,581,900
Business	9,013,900	10,073,126	11,402,889	14,136,768	14,808,186	15,237,850	15,980,300
Schedule C	6,351,304	7,438,968	8,944,298	11,767,348	12,633,261	13,125,507	13,838,900
Schedule F	2,662,596	2,634,158	2,458,591	2,369,420	2,174,925	2,112,343	2,141,400
Form 1040A	N/A	22,462,776	37,692,282	18,779,084	17,870,312	17,645,149	18,729,900
Form 1040EZ	N/A	N/A	N/A	16,739,767	16,835,390	18,328,572	19,478,700
Other ¹	138,133	113,730	143,764	175,327	211,286	230,021	252,100
Corporation income	1,758,600	2,132,758	2,675,704	3,437,249	3,828,613	4,027,428	4,269,600
Forms 1120, L, and M	1,487,244	1,762,920	2,115,542	2,432,265	2,550,692	2,472,376	2,605,300
Form 1120A	N/A	N/A	N/A	199,665	300,760	285,777	296,700
Form 1120S	248,936	367,219	528,070	736,945	892,376	1,169,736	1,259,900
Other ²	1,414	2,619	32,092	68,374	84,785	99,539	107,700
Partnership, Form 1065	991,904	1,132,839	1,401,567	1,755,339	1,824,166	1,825,865	1,950,100
Fiduciary, Forms 1041 and 1041S	1,149,445 ³	1,558,570	1,876,392	2,124,969	2,335,805	2,669,014	2,484,600
Estate Tax, Forms 706 and 706NA	141,156	225,827	147,303	80,768	57,165	52,449	55,000
Gift Tax, Form 709	146,338	273,184	214,789	97,720	104,095	104,105	104,900
Exempt Organization	387,469	403,809	442,607	454,097	514,947	482,305	508,600
Form 990	377,030 ⁴	346,627	362,632	365,506	400,332	361,184	385,600
Form 990-PF	N/A	29,637	33,137	32,005	42,227	42,690	42,800
Form 990-T	5,046	19,683	23,455	26,181	33,156	35,635	37,300
Forms 990C, 4720, and 5227	5,393	7,862	23,383	30,405	39,232	42,796	42,900

See notes on following Table 20.

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

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

Type of assistance	Tax Year			
	1984	1985	1986	1987
	(1)	(2)	(3)	(4)
Returns with paid preparer signature: ¹				
All returns	45,220	46,685	48,049	50,695
1040EZ	728	740	655	842
1040A	4,470	4,389	4,135	3,947
1040, total	40,022	41,556	43,259	45,906
1040 Business, total	10,081	10,658	11,087	11,321
Nonfarm	8,288	8,924	9,385	9,747
Farm	1,793	1,734	1,702	1,574
1040 Nonbusiness, total	29,941	30,898	32,172	34,585
With itemized deductions	17,866	18,996	18,732	16,842
Without itemized deductions	12,075	11,902	12,627	17,743
Assistance provided by IRS: ²				
Telephone inquiries	41,904	37,863	34,655	38,526
Recorded telephone information	8,307	7,850	10,892	13,405
Office walk-ins, information	8,144	8,114	7,090	7,408
Written inquiries	160	241	1169	166
Special programs:				
Community classes and seminars (taxpayers assisted)	400	374	903	1,103
Volunteer Income Tax Assistance (VITA) (returns prepared)	295	302	337	385
Tax Counseling for the Elderly (returns prepared)	199	333	331	375

See notes on following page.

General notations

N/A - Not applicable

n.a. - Not available

p - Preliminary

r - Revised

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

Table 1

- [1] Starting with 1987, represents total dividends; previously it represented total dividends after statutory exclusion.
- [2] Starting with 1987, represents total capital gains; previously it represented total capital gains after statutory exclusion.
- [3] Includes total itemized deductions before subtraction of "zero bracket amount," and charitable contributions and zero bracket amount on non-itemized deduction returns.
- [4] Includes itemized deductions, "basic" standard deduction and "additional" standard deduction (for age 65 and over and for blindness). Also includes "zero bracket amount" reported on the small number of prior-year returns filed in 1988 that were included in the 1987 statistics.
- [5] Includes deductions not shown separately below.
- [6] Includes surcharge of \$2,018,078,000.
- [7] Includes credits not shown separately below.
- [8] Investment credit was included in the more-inclusive general business tax credit beginning with 1984. With exceptions, investment credit was repealed effective with 1986.
- [9] Includes income tax after credits and the additional tax for tax preferences, i.e., "minimum tax" (applicable for 1970-1982) and "alternative minimum tax" (applicable after 1979).

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

Table 2

- [1] Totals in Table 2 do not agree with Tables 1 and 3 because they were obtained from a different source. For purposes of Table 2:
- Number of returns by State include, in addition to Forms 1040, 1040A and 1040EZ filed by U.S. citizens and residents, Forms 1040NR filed by nonresident aliens, as well as self-employment tax returns used in Puerto Rico and certain U.S. territories and possessions.
 - "Total tax" liability includes total income tax plus tax from recomputing prior-year investment credit, tax applicable to Individual Retirement Arrangements (IRA's), self-employment tax, social security tax on tip income, and certain other income-related taxes. Total tax is before reduction by earned income credit (see also footnote 2(c), below).
 - Earned income credit, available to certain low-income workers, could result in a refund (1) if there was no "total tax" (as defined in footnote 2(b), above), in which case the full amount was refundable, or (2) if the credit exceeded "total tax," in which case the excess was refundable. The difference between columns 19 and 21 is the refundable portion.

Total tax (column 16) minus earned income credit (column 19) is the amount most comparable to total tax in Tables 1 and 3. The total tax which results from this subtraction differs from Tables 1 and 3 because it includes additional taxes (see footnote 2(b), above) and because earned income credit used to offset tax also includes both the refundable portion (see footnote 2(c)), as well as amounts offset against these additional taxes.

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

NOTE: This table presents aggregates of all returns filed and processed through the Individual Master File (IMF) system during Calendar Year 1988. Data have not been edited for Statistics of Income purposes.

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

Table 3

- [1] Includes returns with adjusted gross deficit.

Notes to Selected Historical Data Tables

[2] In addition to low income taxpayers, this size class (and others) includes taxpayers with "tax preferences," not reflected in adjusted gross income or taxable income, which are subject to the "alternative minimum tax" (included in "total income tax").

[3] Includes income tax after credits and the additional tax for tax preferences, i.e., the "alternative minimum tax" (see footnote 2).

[4] There were major changes in filing requirements and in the definitions of adjusted gross income (AGI) and taxable income starting with 1987. Percentages based on AGI for 1987 are therefore not comparable with 1986 and earlier years. See "Individual Income Tax Returns, Preliminary 1987," *Statistics of Income Bulletin*, Spring 1989, Volume 8, Number 4.

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

Table 4

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

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

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

Tables 5 and 6

[1] See Table 4 for the differences between personal income and adjusted gross income.

[2] Because of major changes in the definition of adjusted gross income, data for 1987 are not comparable with earlier years.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *The National Income and Product Accounts of the United States, 1929-82: Statistical Tables,*

1986; for years after 1982, *Survey of Current Business*, various issues. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific *Statistics of Income* reports for a description of sampling error and of the changes mentioned above.

Table 7

[1] Amount of standard deduction for 1944-1957 estimated by Joseph A. Pechman, The Brookings Institution, on the basis of the distribution of the number of tax returns by income classes and marital status in *Statistics of Income—Individual Income Tax Returns*, and for 1958-1987 obtained directly from *Statistics of Income* tabulations for these years. Represents "zero bracket amount" for 1977-1986. For 1987, represents the sum of "basic" and "additional" standard deductions (for age 65 and over and blindness); also includes zero bracket amount reported on the small number of prior-year returns filed in 1988 that were included in the 1987 statistics.

[2] Returns with standard deduction, 1955-1987, includes 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 statistics; see footnote 1.) For 1944-1954, includes a small number with no adjusted gross income and no deductions. For 1944-1954, returns with no adjusted gross income are included in the number of returns with itemized deductions.

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

[4] Sum of standard and itemized deductions, plus charitable deduction reported on standard deduction returns for Tax Years 1982-1986. For 1987, total deductions includes "zero bracket amount" reported on a small number of returns (see footnote 1).

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

Table 8

[1] See Table 4 for the differences between personal income and adjusted gross income.

[2] Taxable income excludes "zero bracket amount" for 1977-1986. Because of major changes in law, taxable income starting with 1987 is not comparable with earlier years.

[3] For the definition of total income tax, see footnote 9, Table 1.

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

Table 9

[1] Excludes returns with refundable earned income credit only, starting with 1975; and returns with refundable crude oil windfall profit tax overpayment only, starting with 1980.

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

Table 10

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

Table 11

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

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

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

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

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

SOURCE: *Statistics of Income—Partnership Returns*, appropriate years, and *SOI 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 12

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

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

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

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

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

Notes to Selected Historical Data Tables

nerships were tabulated as reported and were included in the appropriate asset size classes.

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

Table 13

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

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

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

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

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

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

[6] For 1984, net long-term capital gain reduced by net short-term capital loss from Forms 1120S, are not included in computed total receipts nor in net income. Therefore, the components of total receipts do not equal the computed total receipts for that year.

[7] Includes dividends reported in combination with interest on Form 1120-S by S Corporations, i.e., certain

corporations that elect to be taxed through shareholders (see footnote 3). Based on prior years, when Form 1120-S required each to be reported separately, nearly all of the combined amount represents interest.

[8] For most years, "income subject to tax" (the corporate tax base) exceeds "net income less deficit" chiefly because of the deficits reported on returns without net income. Moreover, it is the sum of the several tax bases applicable over time to different classes of corporations, not all of which were directly related to net income. Income subject to tax thus includes the "taxable income" base used by most companies (and defined as net income minus certain statutory special deductions); a variation of this base in combination with net long-term capital gains in certain situations when the lower capital gains tax applied; the special tax bases applicable to S Corporations and insurance businesses; and the amounts taxable to certain investment companies. Profits of Domestic International Sales Corporations were tax-deferred; most of those of qualifying Foreign Sales Corporations were tax-exempt and those of S Corporations were taxed (with few exceptions) through their individual shareholders, so that the net income of these corporations is excluded from income subject to tax.

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

[10] General business credit includes alcohol fuel, investment, jobs, and employee stock ownership plan (ESOP) credits which were reported separately for previous years. With exceptions, investment credit was repealed effective 1986. For 1986, research credit was also included in general business credit.

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

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

Table 14

[1] See footnote 7, Table 13.

[2] See footnote 9, Table 13.

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

SOURCE: *Statistics of Income—Corporation Income Tax Returns*, appropriate years. Data are subject to sampling

error. Tax law and tax form changes affect the year-to-year comparability of the data. See the appropriate Statistics of Income reports for a description of sampling error and of the changes mentioned above.

Table 15

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

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

Tables 16 and 17

[1] Individual income tax collected includes that portion which was designated for the presidential election campaign fund by taxpayers on their returns. Also included is the fiduciary income tax collected (from estates and trusts). Fiduciary income tax collected was \$6.5 billion in 1988, \$8.4 billion in 1987, \$4.5 billion in 1986, and \$4.1 billion in 1985. Presidential election campaign designations amounted to \$34.4 million in 1988, \$33.2 million in 1987, \$35.9 million in 1986, and \$34.8 million in 1985.

[2] Corporation income tax collected includes various taxes applicable to tax-exempt organizations, including the tax on "unrelated business income." Total taxes collected from tax-exempt organizations were \$137.5 million (1988), \$119.9 billion (1987), \$30.2 million (1986), and \$54.9 million (1985).

[3] Excise taxes are imposed on selected products, services, and activities, such as on sales of alcohol and tobacco products and on the manufacture of gasoline.

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

NOTES: Collections (or refunds) are those made during the time periods indicated, regardless of the year or other period during which the tax liability was incurred (or to which the refund applied).

Collections represent the gross amounts before refunds and include amounts paid with the return; prior to filing the return (as applicable, income tax withheld by employers and estimated tax payments); and subsequent to filing the return (chiefly the result of initial return processing or of 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 examination and other activities. Individual income tax refunds are net of offsets under laws which require IRS to act as collection agent for delinquent payments owed various U.S. agencies under specific programs. All refund data include interest paid by IRS.

Detail may not add to totals because of rounding.

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

Table 18

[1] Also includes lubricating oil taxes. Effective January 7, 1983, taxes on lubricating oil were repealed.

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

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

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

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

[6] Repealed effective August 23, 1988 (P.L. 100-418). Amounts reported for more recent quarters result from amended filings, delinquent taxes, examination activities, and refunds.

[7] Expired September 30, 1985; reimposed in January 1987.

Notes to Selected Historical Data Tables

NOTES: For 1970 and 1975, the fiscal year was defined as July of the previous calendar year through June of the year noted. For 1980-1986, the fiscal year was defined as October of the previous calendar year through September of the year noted.

Starting with Fiscal Year 1988, additional detail on manufacturers' excise taxes, retailers' and special fuel taxes, and miscellaneous excise taxes is available in the fourth quarter Internal Revenue Report of Excise Taxes; previously this information was published in the *Annual Report of the Commissioner and Chief Counsel, Internal Revenue Service*. For additional detail for alcohol and tobacco taxes, see the Statistical Release, "Alcohol and Tobacco Tax Collections," Bureau of Alcohol, Tobacco and Firearms, U.S. Department of the Treasury, 1989.

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

Table 19

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

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

[3] Includes Form 1041A.

[4] Includes Form 990A.

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

Table 20

[1] Estimates of returns with paid preparer assistance for 1985 and earlier years are based on the full-year sample of returns used for *Statistics of Income—Individual Income Tax Returns*. Data for 1987 are based on the sample used to produce preliminary Statistics of Income (SOI) data and are therefore subject to revision. Since data on paid preparers are not available from the 1986 SOI file, estimates were obtained by converting the 1986 Taxpayer Usage Study (TPUS) sample to the equivalent of the SOI sample. This was done because the TPUS sample represents returns filed through April, while the SOI sample represents all individual income tax returns filed in a calendar year. For additional information about the TPUS sample, see "Taxpayer Usage of Forms 1040, 1040A, and 1040EZ," *Statistics of Income Bulletin*, Summer 1989, Volume 9, Number 2.

[2] Data on IRS Taxpayer Service Programs are collected on a fiscal-year basis. In general, assistance rendered in a given fiscal year may be related to returns due on April 15th during that fiscal year and are for the tax year ending with the previous December. Therefore, data in Table 20, which are presented on a tax year basis, are actually for a fiscal year, so that data shown as for Tax Year 1987, for example, are actually for Fiscal Year 1988. However, data shown as for Tax Year 1986 in previous issues of the *SOI Bulletin* were actually for the first 7 months of Fiscal Year 1987; the revised data represent the entire Fiscal Year 1987.

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

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

Appendix *

General Description of Statistics of Income Sample Procedures and Data Limitations

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

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

SAMPLE CRITERIA AND SELECTION OF RETURNS

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

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

this is subject to constraints based on the estimated cost of the target size of the total sample for the program.

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

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

METHOD OF ESTIMATION

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

SAMPLING VARIABILITY

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

* Compiled by Bettye Jamerson, Coordination and Publications Staff, under the direction of Robert Wilson, Chief, Publications Team. Major contributions were made by Paul McMahon, Mathematical Statistical Team.

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

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

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

$$\begin{array}{r} 150,000 \quad \text{(sample estimate)} \\ \times 0.02 \quad \text{(coefficient of variation)} \\ = 3,000 \quad \text{(standard error of estimate)} \end{array}$$

$$\begin{array}{r} 150,000 \quad \text{(sample estimate)} \\ + \text{ or } - 3,000 \quad \text{(standard error)} \\ = 147,000\text{--}153,000 \quad \text{(68 percent confidence interval)} \end{array}$$

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

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

Further details concerning 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.

NONSAMPLING ERROR CONTROLS AND LIMITATIONS

Although the previous discussion focuses on sampling methods and the limitations of the data caused by sampling error, there are other sources of error that may be significant in

evaluating the usefulness of SOI data. These include taxpayer reporting errors, processing errors, and effects of an early cut-off of sampling. More extensive information on nonsampling error is presented in SOI reports, when appropriate.

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

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

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

TABULAR CONVENTIONS

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

A dash in place of a frequency or amount indicates that no sample return had that characteristic. In addition, a dash in place of a coefficient of variation for which there is an

estimate indicates that all returns contributing to the estimate were selected at the 100-percent rate.

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

NOTES

- [1] See, for example, Hinkins, Susan M., "Matrix Sampling and the Effects of Using Hot Deck Imputation," in *1984 Proceedings: American Statistical Association, Section on Survey Research Methods*. Other research efforts are included in *Statistical Uses of Administrative Records: Recent Research and Present Prospects*, Volume 1, Internal Revenue Service, March 1984.
- [2] Quality control activities for all SOI studies will be published in a series of forthcoming reports. These reports will provide detailed information relating to quality in all phases of SOI processing.

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

REFERENCES

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

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

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

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

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

SOI Bulletin (see each issue).

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