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STATISTICS 1970
OF INCOME

**CORPORATION
INCOME TAX
RETURNS**

Donald C. Alexander, Commissioner
Edw. J. Fitzgerald, Jr., Acting Deputy Commissioner
Dean J. Barron, Assistant Commissioner (Planning and Research)

Statistics Division

Vito Natrella, Director

R. J. Tolliver, Assistant Director

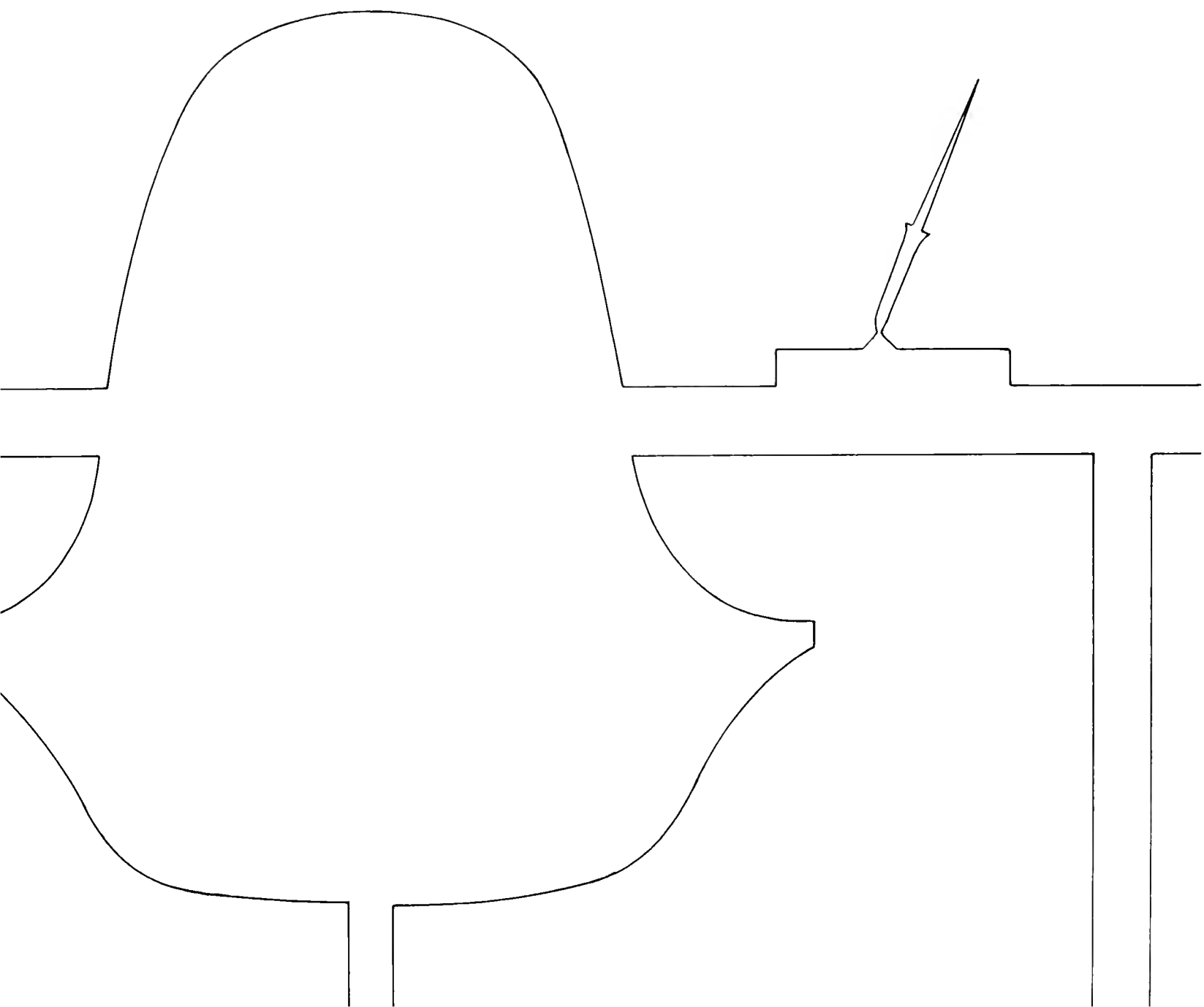
Robert A. Wilson, Chief, Income, Finance, and Wealth Branch

Daniel W. Burch, Chief, Statistical Techniques Branch

Peter L. Clarke, Acting Chief, Mathematical Statistics Branch

Thomas M. Durkin, Chief, Program Management Branch

This report was prepared in the Income, Finance, and Wealth Branch by the Corporation Statistics Staff under the direction of Joel R. Stubbs. The procedures for sampling, processing and reviewing the data were developed by other branches of the Statistics Division. The returns were sampled at the Service Centers at Andover, Massachusetts; Austin, Texas; Chamblee, Georgia; Covington, Kentucky; Kansas City, Missouri; Philadelphia, Pennsylvania and Ogden, Utah. The Data Center at Detroit, Michigan performed the statistical abstracting of the data and designed and conducted the computer processing.

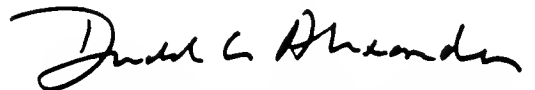


Treasury Department,
Office of Commissioner of Internal Revenue,
Washington, D. C., January 24, 1974.

Dear Mr. Secretary:

As required by section 6108 of the Internal Revenue Code, we are sending you the most recent of our reports, *Statistics of Income—1970, Corporation Income Tax Returns*. The data in this report are based on a sample of unaudited returns selected from the more than 1.7 million corporation income tax returns with accounting periods ended July 1970 through June 1971. In meeting the statutory requirement, this report presents information on receipts, deductions, net income, income tax liability, tax credits, and distributions to stockholders, as well as on assets and liabilities. Statistics are also presented on the corporate tax base and how tax was computed. Detailed statistics on the additional tax for tax preferences introduced under the Tax Reform Act of 1969, are presented for the first time.

Classifications used in presenting the data include industry, and size groupings based on total assets, business receipts, and income tax. Separate categories for which estimates are provided include returns with net income, consolidated returns, controlled group members and Small Business Corporations electing to be taxed through their shareholders.



Commissioner of Internal Revenue.

Hon. George P. Shultz,
Secretary of the Treasury.

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Return Coverage

The statistics in this report are estimates derived from a stratified sample of corporation income tax returns filed for the 1970 income year. The sample returns were selected before audit. The 1970 income year was defined to cover accounting periods which ended July 1970 through June 1971. Over 1,665,000 active corporations filed returns for this period including approximately 257,000 returns filed by Small Business Corporations electing to be taxed through their shareholders. Active corporation returns were the basis for the financial statistics presented in the report.

Specifically excluded from the estimates are financial data from returns of:

- (1) Inactive corporations, defined as those with no income or deductions,
- (2) Foreign corporations where such data were for income not effectively connected with a trade or business within the United States,
- (3) Farmers' cooperatives exempt from income tax under Code section 521, and
- (4) Non-profit organizations (educational, charitable, and similar organizations) exempt from income tax under Code section 501.

Corporations in existence at any time during the year were required to file a return regardless of the size of their income. This included all domestic corporations unless they were expressly exempt. With one exception, it also included foreign corporations with income subject to U.S. tax.

The Internal Revenue Code recognized as taxable corporations the following types of organizations:

- Joint-stock companies
- Insurance companies
- Unincorporated associations
 - Business trusts
 - Savings and loan associations
 - Certain partnerships
 - Mutual savings banks
 - Cooperative banks

Though not all were legally organized as corporations, they possessed characteristics typical of the corporate form. These characteristics are continuity of life, centralization of management apart from ownership, limited liability of owners, and transferability of the shares of capital ownership. Because of these similarities with corporations the organizations were required to file corporation income tax returns.

Activities Covered

The estimates in this report cover corporate business activities in the United States as reported on returns of domestic and certain foreign corporations. However, they also cover some foreign activities. Dividends remitted from foreign subsidiaries were included, and undistributed earnings of foreign subsidiaries were included to a limited extent. The statistics also include data on income earned by domestic corporations through a foreign branch.

The term "domestic" corporation means a company incorporated in the United States but does not necessarily imply domestic activity. For example, a business may have been incorporated in the United States, had its principal office here, and yet conducted all of its business abroad through foreign branches. The effect of this type of foreign income on the statistics may vary. Some industries may have higher incidences of foreign activity than others and foreign income would be reflected in their statistics to a greater extent. Also, foreign activity may occur more frequently among corporations of a given size than among others.

For foreign corporations organized abroad but engaged in trade or business in the United States, only income that was considered "effectively connected" with the conduct of the trade or business in the United States was included in the statistics. Other foreign corporations, organized abroad and not engaged in trade or business in the United States, were liable for tax only on investment income from U.S. sources. The returns for these foreign corporations, however, were not included in the estimates.

Time Period Covered

Corporation statistics for 1970 include data from calendar year returns as well as from returns with non-calendar year accounting periods ending as early as July 1970 and as late as June 1971. By defining the income year in this way a balance of non-calendar year accounting periods before and after the calendar year is obtained.

Chart 1 shows the 12 accounting periods covered by the 1970 report. This chart shows a span of 23 months between the first-included accounting period beginning in August 1969 (and ending in July 1970), and the last-included period beginning in July 1970 (and ending in June 1971). This report, therefore, shows income received or expenses incurred in any or all of the months August 1969 through June 1971. End-of-year balance sheet amounts

Chart 1

Number of returns and net income, by accounting periods ^{1/}

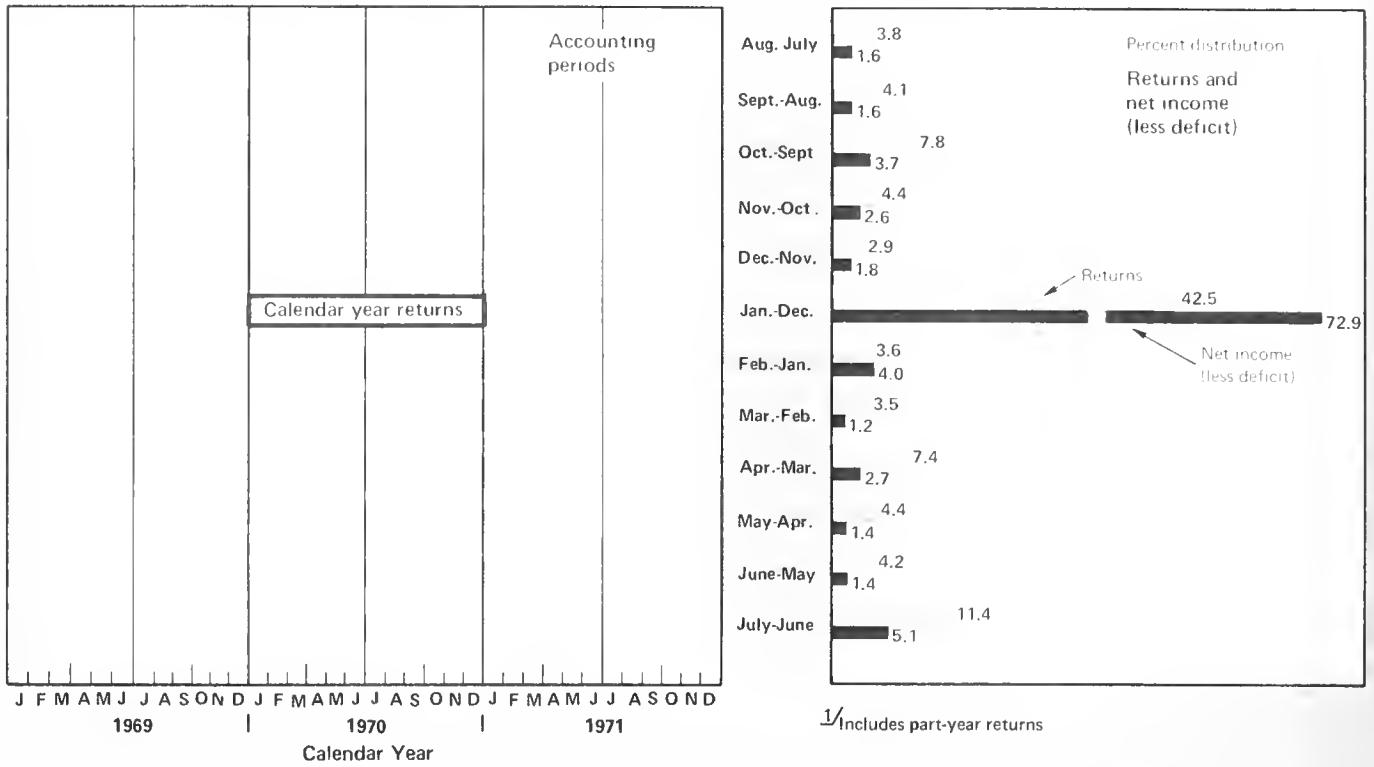


Chart 2

Returns with net income

Corporate net income before tax and income tax, ^{1/} 1966-1970

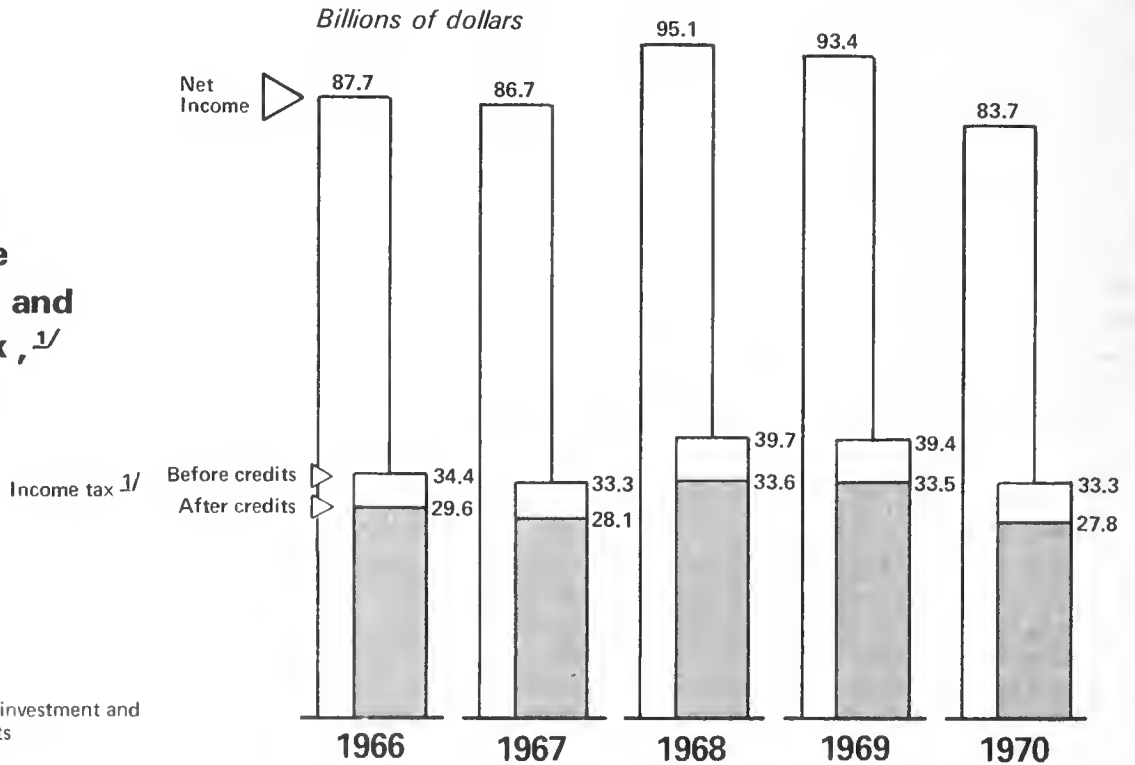


Table A.—ACTIVE CORPORATION RETURNS: NUMBER OF RETURNS, NET INCOME, AND TOTAL ASSETS, BY ACCOUNTING PERIOD, 1970

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

Accounting period ended ¹	Number of returns	Net income (less deficit)	Total assets
	(1)	(2)	(3)
Total.....	1,665	65,902	2,634,707
December 1970.....	708	48,014	2,109,984
Noncalendar year, total.....	958	17,888	524,723
July 1970.....	63	1,074	34,100
August 1970.....	49	1,053	31,826
September 1970.....	130	2,456	69,933
October 1970.....	73	1,717	56,345
November 1970.....	48	1,172	35,267
January 1971.....	60	2,618	56,685
February 1971.....	58	793	22,621
March 1971.....	123	1,793	53,421
April 1971.....	74	949	31,716
May 1971.....	70	896	28,246
June 1971.....	190	3,367	94,562

¹Includes part-year returns.

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

such as for total assets and inventories on the other hand, show the position of some corporations in December 1970 and of others as early as July 1970 or as late as June 1971. (Table A shows net income and total assets reported on returns for each of the 12 accounting periods.)

As required by law, corporations filed returns for the accounting period customarily used in keeping their books. Although less than half of the returns were filed for the calendar year these included returns of most of the larger corporations. Just over 80 percent of total assets and nearly 73 percent of net income (less deficit) were reported on calendar year returns. See table A and chart 1.

About 5 percent of the 1,665,000 returns filed for active corporations were for accounting periods of less than 12 months. These part-year returns were filed, for the most part, by continuing corporations changing their accounting periods, by new corporations in existence less than 12 months, by merging corporations, and by liquidating corporations.

Changes in law effective during the time span covered in this report (August 1969 through June 1971) affect the statistics in varying degrees. For some corporations a change may have been fully applicable. For others, it may have been only partially applicable or not applicable at all depending on the accounting periods used and the effective date of the change in law.

More current financial information, on a different basis and for manufacturing corporations only, is estimated quarterly by the Federal Trade Commission. This information is published in the *Quarterly Financial Report for Manufacturing Corporations*.

Summary of Corporate Activity

Summary statistics for the 1970 income year are shown in table A and chart 1. Comparisons between 1969 and 1970 are shown in tables B and C. Chart 2 shows a 5-year summary of net income, tax credits, and income tax after credits, from 1966 through 1970.

Table B.—CORPORATION RETURNS: NUMBER OF RETURNS, RECEIPTS, DEDUCTIONS, NET INCOME OR DEFICIT, INCOME SUBJECT TO TAX, INCOME TAX, AND TAX CREDITS, 1969 AND 1970

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

Item	1969	1970	Increase or decrease (-)	
			Number of returns	Percent
			(3)	(4)
Number of returns, total.....	1,738	1,665	10	0.6
Active corporations, total.....	1,659	1,665	6	0.4
With net income.....	1,066	1,008	38	3.6
Without net income.....	593	657	64	10.8
Inactive corporations.....	79	82	3	3.8
Number of returns with income tax, total.....	788	744	44	5.6
With surcharge.....	778	738	40	5.1
With additional tax for tax preferences.....	11	6	5	45.5
Total receipts.....	1,680,483	1,750,777	70,294	4.2
Business receipts.....	1,500,430	1,471,377	29,053	1.9
Other receipts.....	179,053	279,400	100,347	56.0
Total deductions.....	1,598,348	1,732,779	84,431	5.3
Cost of sales and operations.....	1,104,572	1,146,763	42,191	3.8
Other deductions.....	493,776	586,016	92,240	18.7
Net income (less deficit).....	80,219	65,902	-14,317	-17.8
Net income.....	33,425	34,711	1,286	3.9
Deficit.....	46,794	31,189	-15,605	-33.4
Income subject to tax.....	81,223	72,374	-8,849	-10.9
Income tax, total.....	39,374	31,293	-8,081	-20.5
Surcharge.....	3,465	784	-2,681	-77.4
Additional tax for tax preferences.....	13	5	-8	-61.5
Foreign tax credit.....	3,488	6,441	2,953	84.6
Investment credit.....	1,400	366	-1,034	-73.9
Tax after investment credit.....	37,466	24,472	-12,994	-34.7
Tax after foreign tax and investment credits.....	33,477	20,378	-13,099	-39.1
Net income (less deficit) less tax after investment credit.....	46,734	33,475	-13,259	-28.4

¹Since the additional tax for tax preferences was only applicable to corporations with accounting periods ended after December 31, 1969, amount and percent of increase were not computed. Tax preference items were not tabulated for 1969.

Table C.—ACTIVE CORPORATION RETURNS: NUMBER OF RETURNS, TOTAL ASSETS, TOTAL RECEIPTS, NET INCOME, AND TAX, BY SIZE OF TOTAL ASSETS, 1969 AND 1970

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

Year and size of total assets	Number of returns	Total assets	Total receipts	Net income (less deficit)	Income tax
	(1)	(2)	(3)	(4)	(5)
1969					
Total.....	1,658.8	2,445,628	1,680,483	80,219	39,374
Zero assets.....	44.1	-	10,331	270	235
\$1 under \$100,000.....	902.3	31,982	81,781	703	432
\$100,000 under \$250,000.....	333.8	53,497	103,980	2,681	899
\$250,000 under \$500,000.....	173.0	60,345	112,730	2,825	1,093
\$500,000 under \$1,000,000.....	96.2	66,565	119,916	2,915	1,436
\$1,000,000 under \$5,000,000.....	78.7	158,074	226,259	6,992	3,854
\$5,000,000 under \$10,000,000.....	13.2	92,535	80,572	2,949	1,674
\$10,000,000 under \$25,000,000.....	9.5	147,102	86,744	3,869	2,111
\$25,000,000 under \$50,000,000.....	3.7	129,921	67,372	3,098	1,644
\$50,000,000 under \$100,000,000.....	1.9	130,753	68,451	3,423	1,721
\$100,000,000 under \$250,000,000.....	1.4	210,933	111,193	6,666	3,218
\$250,000,000 or more.....	1.1	1,363,920	611,155	43,827	21,055
1970					
Total.....	1,665.5	2,634,707	1,750,777	65,902	33,293
Zero assets.....	46.4	-	13,748	216	223
\$1 under \$100,000.....	914.6	32,154	86,522	375	371
\$100,000 under \$250,000.....	335.7	53,758	108,518	2,059	756
\$250,000 under \$500,000.....	169.8	59,586	113,023	2,293	999
\$500,000 under \$1,000,000.....	93.5	64,947	117,785	2,294	1,189
\$1,000,000 under \$5,000,000.....	74.4	150,895	214,232	5,084	3,159
\$5,000,000 under \$10,000,000.....	12.6	88,837	77,755	2,182	1,383
\$10,000,000 under \$25,000,000.....	9.8	152,780	89,550	2,921	1,707
\$25,000,000 under \$50,000,000.....	3.9	135,006	69,048	2,658	1,473
\$50,000,000 under \$100,000,000.....	2.1	144,514	73,365	2,758	1,500
\$100,000,000 under \$250,000,000.....	1.4	222,371	121,437	5,264	2,723
\$250,000,000 or more.....	1.2	1,529,858	665,793	37,796	17,810

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

Changes in Law

Described below are some of the major law changes which were effective during the 1970 income year and which affected the comparability of the statistics with those in prior-year reports. Unless otherwise indicated, the changes resulted from the Tax Reform Act of 1969.

Capital Gains Tax Rate

Previously, net long-term capital gains reduced by net short-term capital losses were taxed at a maximum tax rate of only 25 percent if the resulting tax was less than the tax on total taxable income computed at the normal tax and surtax rates. The alternative tax rate on long-term capital gains was increased to 28 percent for taxable years beginning in 1970, and 30 percent for taxable years beginning in 1971. Corporations with accounting periods beginning in 1969 and ending in 1970, or beginning in 1970 and ending in 1971, were required to prorate their tax to reflect the rate change.

However, the 25 percent rate continued to apply to (1) amounts received under binding contracts and installment sales made before October 10, 1969, and (2) distributions from corporations made before October 10, 1970, as a result of complete liquidation plans adopted before October 10, 1969.

The change in capital gains rates also applied to corporations previously subject to a flat 25 percent rate. These were regulated investment companies and real estate investment trusts. The change also applied to Small Business Corporations electing to be taxed through shareholders, in those instances in which long-term capital gains were taxed at the company level.

Depletion Rates

The percentage depletion rate for both domestic and foreign oil wells was reduced from 27½ percent to 22 percent of the gross income from the property. This change and the following rate changes were effective for taxable years beginning after October 9, 1969. For sulphur, uranium, and an extended list of other minerals from domestic deposits, the rate was reduced from 23 to 22 percent. The depletion rate for molybdenum was increased from 15 percent to 22 percent while the 15 percent rate for other minerals (except for domestic gold, silver, copper, iron ore, and oil shale) was reduced to 14 percent.

Mineral Production Payments

Comparability of the industry statistics with prior years' statistics for corporations engaged primarily in producing oil and gas (and to a lesser extent, for those engaged in other mining operations) as well as for the financial institutions that helped finance these operations was substantially affected by provisions in the 1969 Act changing the tax treatment of "mineral production payments."

In general, the new provisions applied to mineral production payments created after August 6, 1969; however, if there was a binding contract on this date, payments created prior to 1971 were excluded from the new rules.

While the effect of these new rules was reflected to some extent in the 1969 statistics, the effect was increasingly reflected in the 1970 data. For the extractive industries, the effect was reflected in the income statement data for "business receipts" and "depletion" and resulted in an increase in net income over what it otherwise would have been. For the finance industries, it was reflected in the same two income statement items but because of offsetting factors, there was little effect on net income.

A production payment is a right to a specified share of the future production from a mineral property or of the proceeds from such production. Depending on how a production payment is created, it may be classified as a "carved-out production payment," or as a "retained production payment."

A carved-out production payment is typically created when the owner-operator of a "working interest" sells or "carves-out" a portion of future production for a period of time which is less than the life of the producing property. The sale is usually for cash, quite often to a financial institution.

The retained production payment is typically created when the owner sells the working interest, but reserves a portion of future production, the production payment, for himself.

Carved-Out Production Payments

Under prior law, the amount received by the seller of the carved-out production payment was included in the seller's gross income in the year of sale and as such was eligible for the percentage depletion allowance. Later, as production took place and the seller made payments, the purchaser of the production payment treated the payments received (except for that portion treated as interest) as income for which the purchaser could claim depletion. The production payment was typically made from proven, ascertainable properties, and this was reflected in a selling price which was high relative to the total amount expected to be recovered; therefore, it was usually more beneficial for the purchaser to write off his investment through cost depletion rather than through percentage depletion.

The seller, having already included the selling price of the production payment in gross income for the year of sale, in subsequent years excluded from gross income the payments made to the purchaser that were attributable to the production payment. While the seller was allowed the production costs attributable to the production payment, they were deducted as they were incurred without regard to the year of sale. This bunching of the seller's gross income into the year of sale while the production costs were deducted in later years resulted in a mismatch of income and expenses and created tax benefits. The benefit in the year of sale was due chiefly to an enlarged deduction for (percentage) depletion. The increase in percentage depletion resulted from the following: (1) gross income was increased—depletion was allowed as a fixed percentage of "gross income from the property", (2) the increase in gross income without corresponding expenses increased "taxable income from the property"—depletion was limited to 50 percent of this "taxable income". Later,

when payments were made to the purchaser under the production payment and excluded from the seller's gross income, the deductible production costs created net deficits which as "net operating losses" were also deductible, in other years. The purchaser, meanwhile, generally paid no tax on the amounts received (except for the portion of the payments which was in the nature of interest) since the amounts received were offset by allowable cost depletion, the means by which his cost was amortized. (The carved-out production could also have been used to forestall the expiration of a net operating loss carryover which would otherwise run out or expire.)

The 1969 law redefined this whole transaction by equating it with a mortgage loan (to the seller) on the mineral property. For the seller, this meant that the proceeds received upon sale of the carved-out interest were not taxable to him and consequently, would not result in "prepaid income" and an inflated depletion deduction in the year of sale. However, production proceeds subsequently derived each year from the carved-out interest were no longer excludable from the seller's annual income and, although now eligible for annual allowances for depletion, the depletion deductions could no longer be artificially increased. Thus, income would be matched with corresponding expenses. For the purchaser of the production payment, depletion no longer was applicable since as loan repayments, the amounts received (except for the interest portion) were nontaxable.

Retained Production Payments

In the case of the retained production payment, under prior law the owner of a retained payment received annual income from the purchaser of the working interest against which the owner could claim depletion. The purchaser of the working interest, in turn, excluded from gross income the amounts used to satisfy the production payment. In effect, the production payment, essentially a loan to the purchaser of the working interest, was paid off with nontaxable income. In addition, even though the purchaser of the working interest excluded amounts used to satisfy the production payments, the purchaser was nevertheless allowed to deduct annually the cost of producing the minerals subject to the production payment. (The so-called "A-B-C transaction" was a variation of the retained production payment case. Here, the owner of the mineral property sold it to a second person and reserved a production payment (bearing interest) for a major portion of the purchase price. The owner then sold the production payment to an unrelated third party. Gain attributable to the initial owner's sale of the retained production payment was treated as capital gain unless the owner was a dealer in mineral properties.)

Under the 1969 law, retained production payments were equated with a mortgage loan to the purchaser rather than as interest in the property. Therefore, income from the mineral property used to satisfy the production payment was taxable, currently, to the purchaser of the working interest (who was then allowed an annual depletion deduction with respect to it), and the production costs continued to be deducted, currently, by the same purchaser. In effect, the production payment was satisfied by

amounts that had already been taxed to the purchaser of the working interest and when the payment amounts were received by the seller they were treated as a recovery of an investment, the loan to the purchaser, and were, therefore, non-taxable (except for the portion paid as interest).

Mining Exploration Expenditures

Under prior law (section 615 of the Code), corporations could elect to deduct as "amortization" \$100,000 per year (not to exceed a total of \$400,000 for all years) for mining exploration expenditures paid prior to the beginning of the development stage of domestic or foreign mines. In addition, these corporations could receive the full amount of depletion when the mine reached the producing stage or receive capital gains treatment on the entire amount of gain upon the sale of the mining property. This election was an alternative to the deduction of unlimited amounts of mining exploration expenditures (for domestic mines only) and subsequent recapture of the amounts deducted (section 617). The recapture was accomplished during the production stage of the mine either through the disallowance of the depletion deduction up to the full amount of the deduction for exploration expenditures or alternatively, inclusion in income of the amounts previously deducted.

The 1969 Act extended to all mining exploration expenditures the concept that a corporation in the hard mineral industry should not be allowed to benefit from both a current deduction for exploration expenditures, and depletion on the property when it reached the producing stage or capital gains treatment if it was sold. In accomplishing this, all mining exploration expenditures made after December 31, 1969, were made subject to the general recapture rules. This provision in effect, disallowed the election under section 615 except for expenditures made prior to January 1, 1970, although the \$400,000 limitation and the deductions continued to apply in the case of foreign mining exploration expenditures.

The effect of these restrictions on the 1970 industry statistics was to increase the net income shown for corporations engaged in the mining of hard minerals.

Foreign Tax Credit for Taxes Paid on Mineral Income

Corporations extracting oil, gas, or minerals in foreign countries were allowed to use percentage depletion in computing the "taxable income from foreign sources" subject to the U.S. income tax. Because this income was typically less than the income subject to foreign tax, the U.S. tax attributable to these foreign operations was often less than the foreign taxes on the same operations. Under prior law, the full amount of foreign income tax was eligible for the foreign tax credit against U.S. income tax.

The Tax Reform Act of 1969 provided that, in the case of foreign taxes paid or accrued on "foreign mineral income," the allowable credit was to be limited. The limitation applied when the foreign tax considered on a country-by-country basis (a) exceeded the U.S. tax on the same income and (b) the difference was due to the reduced taxable income from foreign sources that resulted from percentage depletion (in excess of cost depletion). The foreign tax in excess of the U.S. tax was disallowed

for credit purposes and could not be carried over for use in other years as could other "excess" foreign taxes.

Because this credit reduction would have its major impact on corporations using the "overall limitation" method in computing the credit, taxpayers using this method were allowed a one-time changeover to the "per country" method. Normally, a change in limitation method was not permitted. Both of these methods are described under Foreign tax credit in the Explanation of Terms.

The new revision to the foreign tax credit was effective beginning with taxable years ended, in general, December 1970 and is reflected in the industry statistics for the foreign tax credit.

Casualty or Theft Gains and Losses

Code section 1231 provided special beneficial tax treatment for the gains and losses realized on transactions involving business assets. The transactions covered included "involuntary conversions" which, in turn, included those from casualty (fire, storm, shipwreck and the like) or theft. Under Code section 1231, the gains and losses first were netted. If the result was positive, the net gain was eligible to be treated as a long-term capital gain taxed at the lower capital gains rate. If the result was negative, the net loss was treated as an ordinary loss. As such it was fully deductible from any income and not just from capital gain income.

Under prior law, the gain or loss from casualty or theft that was included in the Code section 1231 computation was uniquely determined depending on whether the property was fully insured, partially insured, or uninsured. This was done to give a further benefit to taxpayers with partially insured or uninsured properties. The 1969 Act abolished this distinction and substituted a new approach summarized below:

	<i>Prior Law</i>	<i>Change in Law</i>
1. Fully insured property	Gain or loss was <i>included</i> in computation of net gain or loss under Code section 1231.	Gains and losses were first netted. (a) If a net gain, it was <i>included</i> in computation of net gain or loss under Code section 1231. (b) If a net loss, it was fully deductible (and <i>excluded</i> from computation of net gain or loss under Code section 1231).
2. Partially insured property	Loss was <i>included</i> in the computation of net gain or loss under Code section 1231.	
3. Uninsured property	Loss was fully deductible (and <i>excluded</i> from computation of net gain or loss under Code section 1231).	

The change in the law applied to casualty and theft gains and losses occurring during taxable years beginning after December 31, 1969 (for the most part, accounting periods ended December 1970 through June 1971, for purposes of the statistics in this report). The items in this report affected by the new definition are:

- (a) Net long-term capital gain reduced by net short-term capital loss,
- (b) Net short-term capital gain reduced by net long-term capital loss,
- (c) Net gain, noncapital assets,
- (d) Net loss, noncapital assets,
- (e) Other deductions.

The first four include net gains or losses under Code section 1231. The last, Other deductions, includes all casualty and theft net losses for the accounting periods mentioned above.

Net Gains on Sales of Bonds by Financial Institutions

Previously, under a special rule, commercial banks, mutual savings banks, and savings and loan associations were entitled to treat any excess of losses over gains from sales or exchange of bonds and other corporate and governmental evidences of indebtedness as ordinary losses, rather than as capital losses. The same treatment was allowed Small Business Investment Companies on certain convertible debentures. All of these institutions were, therefore, able to fully deduct the losses from any income, whereas if they were capital losses, they would have been deducted only from capital gains. On the other hand, net gains from such transactions were treated as long-term capital gains, the same as for other corporate taxpayers.

The effect of this rule was to allow financial institutions to maximize their tax advantage by arranging their transactions in light of market conditions so as to realize capital gains in some years and fully deductible losses in others. It was decided in the Tax Reform Act of 1969 that for financial institutions, in the case of gains, such transactions were more like ordinary sales of inventory or stock in trade than investment items, while in the case of losses, effective tax relief through ordinary loss treatment continued to be justified. As a result, the Act provided that the gain from sale or exchange of a bond, debenture, note, or certificate, or other evidence of indebtedness, by a financial institution (commercial bank, mutual savings bank, savings and loan association, cooperative bank, Small Business Investment Company, or business development corporation) would no longer be considered a sale or exchange of a capital asset; gains and losses would both be considered ordinary gains and losses.

The new provision was effective with accounting periods that began after July 11, 1969. A special transition rule was provided, however, for bonds held by banks as of July 11, 1969. The length of time between the date of acquisition prior to July 11, 1969, and the date of sale was used as the basis for prorating gains as capital gain or ordinary gain. Small Business Investment Companies and business development corporations were not subject to the new rules during a special 5-year transition period unless they so elected.

The effect of this major provision on the statistics was to reduce the amounts shown as net long-term capital gain and to increase the amount shown for net gain, noncapital assets, for financial institutions.

Bad Debt Deduction of Financial Institutions

Commercial banks, mutual savings banks, savings and loan associations, cooperative banks, Small Business Investment Companies, and other financial institutions were permitted under law or administrative ruling to take a deduction for a reasonable addition to their bad debt reserve balance. In most instances, this was far greater than deductions other businesses were allowed to take. Unlike other businesses which could deduct additions to their

reserves only to the extent justified by their actual loss experience (generally equal to the ratio of the average year's losses to accounts receivable computed on the basis of losses for the current- and 5-preceding years), financial institutions were allowed to elect to build up their bad debt reserves generally based on various percentages of their outstanding loans. This provided a cushion against possible catastrophic future losses.

For several years prior to the Tax Reform Act of 1969, commercial banks were allowed to build up bad debt reserves to 2.4 percent of uninsured "eligible loans," computed on an industry-wide basis. Small Business Investment Companies were allowed a reserve amounting to 10 percent of their outstanding loans (in the absence of enough industry-wide experience), although immediately prior to the 1969 Act, these investment companies (and business development corporations) were required to base additions to their bad debt reserves on their own experience in the current- and 5-preceding years. This requirement created problems for new companies, since they were unlikely to have much if any loss experience.

Mutual savings banks, savings and loan associations and cooperative banks that elected not to use the actual-loss experience method could compute additions to their bad debt reserves for "qualifying real property loans" using one of two alternative formulas, whichever produced the larger addition to the reserve, plus another amount sufficient to bring the balance of the reserves (for losses on "nonqualifying loans") to a reasonable amount. The two alternative formulas provided for deductions of (1) 60 percent of taxable income (before bad debt deduction), provided the deduction did not increase the reserve beyond 6 percent of the "qualifying" loans, and (2) 3 percent of the "qualifying" loans. With certain exceptions, "qualifying real property loans" were loans secured by an interest in the real property or secured by an interest in the real property to be improved with the loan. To qualify for these formulas, the types of investments made by savings and loan associations (but not the other institutions) were circumscribed to assure that their major business was home mortgage financing.

The 1969 Act reduced these allowable deductions for additions to bad debt reserves and affected the industry statistics in the following manner:

(1) For commercial banks, deductible additions to the reserves based on the percentage method were to be gradually reduced in three transitional steps. For taxable years beginning after July 11, 1969, and before 1976 (and thus including the accounting periods covered by this report), the percent of "eligible" loans outstanding used as the basis for the deduction was dropped from 2.4 to 1.8 percent. Thereafter, it was dropped to 1.2 percent until 1982; then 0.6 percent until 1988, at which time the deduction would have to be based on actual losses for the current- and 5-preceding years, the same as for corporations in general. Banks whose reserves exceeded the specified percentages of "eligible" loans at any of the times the allowable percentage figures were reduced were not required to reduce their reserves although they could not build the reserve above the allowable percentage. During the period in which reserves were excessive, the banks were allowed to deduct only actual bad debt losses. Banks whose reserves were below the

specified percentages were permitted to gradually increase the reserves by adjusting their bad debt deductions over a 5-year period. Also, at any time during the transition period (including 1970), banks were permitted under certain conditions to increase their reserves if justified on the basis of experience. Having restricted the size of the bad debt deduction, the law lengthened the period of time over which certain future-year net operating losses could be deducted in order to offset any unforeseen hardships.

(2) For Small Business Investment Companies (and business development corporations), the Act provided that new companies could, during the first 10-years of existence, claim deductions for additions to a bad debt reserve using an industry average as the norm for the reserve. Thereafter, they would have to base additions to reserves on their own individual experience. The new provisions applied to taxable years beginning after 1969 (and thus are reflected in the 1970 statistics for Small Business Investment Companies).

(3) For mutual savings banks, savings and loan associations, and cooperative banks, the Act eliminated the 3-percent method altogether and reduced the 60-percent method to 40 percent over a 10-year period starting with taxable years beginning after July 11, 1969. The Act also limited, somewhat, the taxable income to which the percent applied by excluding certain net capital gains, domestic dividends received, and distributions to shareholders. Since the percentage reduction was 3 points per year, the applicable percentage for 1970 was 57 percent. The law also liberalized the composition of qualifying assets for savings and loan associations to include, for example, loans for educational and health facilities. The law also extended the same standards to mutual savings banks for the first time. However, if qualifying assets were less than specified percentages of total assets for any year, then the applicable percentage used in computing the bad debt deduction was reduced for that year. In lieu of the revised percentage method, the new law also permitted alternative use of the formula prescribed for commercial banks, but with certain adjustments for the types of loans covered. The Act also extended the number of years over which certain future-year net operating losses could be deducted, in the same manner as for commercial banks.

Credit for the Additional Tax on Certain Aircraft Fuels

The Airport and Airway Revenue Act of 1970, in imposing an additional tax on noncommercial aviation fuels used after June 30, 1970, also provided for a credit against payment of income tax or a direct refund if the fuel was purchased for nontaxable (commercial) use. The credit for this tax is reflected in the statistics for "Tax due at time of filing," "Tax overpayment," and "Credit for tax paid on special fuels, nonhighway gasoline and lubricating oil." Previously, the credit item was entitled "Credit for U.S. tax paid on nonhighway gasoline and lubricating oil." The new heading reflects the change in law.

Controlled Groups

Under prior law, large business enterprises could benefit from certain provisions of tax law designed primarily to encourage small business by dividing themselves into a

number of smaller, related, corporations. These provisions could be additive (with a few exceptions) for the benefit of the entire group. The Tax Reform Act of 1969 limited the multiple use of these provisions to one each for controlled groups. The major limitations affecting the statistics are discussed below; others are mentioned only in the Explanation of Terms.

Surtax Exemptions

For the benefit of small corporations the first \$25,000 of taxable income was exempt from the 26 percent surtax and was subject only to the normal corporate tax of 22 percent. Before passage of the new Act, a "controlled group" of corporations was able to take advantage of a separate surtax exemption for each member corporation and thereby receive a tax benefit. In return, each member corporation was subject to a penalty tax equal to 6 percent of its exemption. If multiple surtax exemptions were not elected, the "controlled group" as a whole was limited to a single surtax exemption for the entire group, apportioned among the members as it saw fit. In the latter case, there was no penalty tax.

The new Act moved to eliminate altogether multiple surtax exemptions by limiting a controlled group of corporations to one \$25,000 surtax exemption for taxable years ended, in general, after December 31, 1974. The Act also provided a 6-year transition period (Code section 1564) during which surtax exemptions of the group in excess of the first such exemption were reduced by one-sixth (or \$4,167) for each of the 6 years. During the transition period the 6 percent additional tax continued to apply, but it amounted to less because it was imposed only on the gradually diminishing surtax exemptions. The first reduction of the surtax exemptions allowed corporations using multiple surtax exemptions applied to returns with taxable years beginning after December 31, 1969. For this report, this included accounting periods ended December 1970 through June 1971.

The Act further provided that if "parent-subsidiary" controlled groups previously electing multiple surtax exemptions shifted immediately to a single exemption for the group as a whole by filing a consolidated return, net operating losses of individual group members sustained in years during which the election of multiple surtax exemptions was in effect could be carried over and deducted from the consolidated net income. (Normally, such losses were carried over and deducted only against income of the corporation that sustained the loss.) To utilize this privilege, the controlled group had to waive multiple surtax exemptions for the loss year and any subsequent years. Further, the group had to file a consolidated return for the accounting

period that included December 31, 1970 (accounting periods ended December 1970 through June 1971, for purposes of this report). To the extent controlled groups availed themselves of this privilege, the number of consolidated returns and the amount shown for the net operating loss carryover both were increased.

Brother-Sister Controlled Group

In addition to "parent-subsidiary" controlled groups, the other major type of controlled group was the "brother-sister" group. Under prior law a "brother-sister" controlled group was defined as two or more corporations each owned 80 percent or more (by voting power or value of stock) by one individual, estate, or trust. An expanded definition under the 1969 Act (for taxable years ending on or after December 31, 1970) provided that a brother-sister controlled group was two or more corporations each owned 80 percent or more by five or fewer individuals, estates, or trusts. But the expanded definition also required these "persons" to own "identically" more than 50 percent of each corporation. Thus, if one individual owned 80 percent of corporation X's stock and 20 percent of corporation Y's, while a different individual owned 20 percent of corporation X's stock and 80 percent of corporation Y's stock, the two corporations were not members of a brother-sister group.

Because of the effective date of the law change, corporations that were part of a "brother-sister" controlled group under prior definition were included in the controlled group statistics when their accounting periods ended July through November 1970. Therefore, the statistics for 1970 are subject to limitations.

Dividends Received Deduction

Under the 1969 Act, a "parent-subsidiary" group electing multiple surtax exemptions could gradually increase the dividends received deductions allowed members of the group (for intragroup dividends) from 85 percent to 100 percent by a 6-year phase-in rate of 2.5 percentage points per year. The gradually increasing deduction was allowed while the group was claiming the additional, but gradually decreasing, surtax exemptions during the transition period. To avail itself of this provision, the group must have had in effect an election under Code section 1562 to claim multiple surtax exemptions on or before April 22, 1969, and under the transition rules, the dividends must have been paid out of earnings and profits of a taxable year which includes a December 31 after 1969 and before 1975. Therefore, the intragroup dividends received deduction for taxable years ending December 1970 through June 1971 and reflected in this report was 87.5 percent. The lower 85 percent deduction applied for the earlier accounting periods.

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ACTIVE CORPORATION RETURNS

Table 1.--NUMBER OF RETURNS, RECEIPTS, COST OF SALES AND OPERATIONS, NET INCOME, TAX AND CREDIT ITEMS, DISTRIBUTIONS TO STOCKHOLDERS, TOTAL ASSETS, NET WORTH, DEPRECIABLE ASSETS, AND DEPRECIATION DEDUCTION, BY MINOR INDUSTRY - Continued

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

Table with 10 columns: Minor industry, Total returns, With net income, All returns, Returns with net income, Bu. inc. receipts, Cost of sales and operations, Net income (less deficit), Tot. income, Income subject to tax. Rows include Manufacturing-Continued, Transportation, Communication, Wholesale and retail trade, and Retail trade.

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 1.--NUMBER OF RETURNS, RECEIPTS, COST OF SALES AND OPERATIONS, NET INCOME, TAX AND CREDIT ITEMS, DISTRIBUTIONS TO STOCKHOLDERS, TOTAL ASSETS, NET WORTH, DEPRECIABLE ASSETS, AND DEPRECIATION DEDUCTION, BY MINOR INDUSTRY--Continued

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

	Minor industry	Number of returns		Total receipts		Business receipts	Cost of sales and operations	Net income (less deficit)	Net income	Income subject to tax
		Total	With net income	All returns	Returns with net income					
		(1)	(2)	(3)	(4)					
	Wholesale and retail trade--Continued									
	Retail trade--Continued									
159	Apparel and accessory stores.....	39,131	27,312	14,949,471	12,318,830	14,607,641	9,053,469	431,668	587,309	494,384
160	Furniture, home furnishings, and equipment stores..	30,122	19,208	12,044,099	9,270,447	11,557,359	7,359,824	219,333	356,948	279,885
161	Eating and drinking places.....	71,398	35,868	17,172,287	11,887,147	16,690,863	7,446,906	206,666	559,370	423,238
162	Miscellaneous retail stores.....	79,606	52,689	29,897,082	24,465,744	29,273,259	20,257,512	617,799	870,830	686,354
163	Drug stores and proprietary stores.....	18,194	13,610	10,290,654	8,817,295	10,115,991	7,117,594	258,620	307,896	257,589
164	Liquor stores.....	8,831	5,599	2,981,558	2,294,287	2,964,346	2,386,118	34,233	57,891	34,604
165	Other retail stores.....	52,381	33,480	16,624,870	13,349,162	16,192,922	10,753,800	324,946	505,043	394,161
166	Wholesale and retail trade not allocable.....	1,714	1,023	1,666,294	1,374,581	1,623,825	1,109,087	13,300	32,486	30,473
167	Finance, insurance, and real estate.....	406,235	248,586	177,321,173	154,285,727	92,091,887	48,434,362	12,214,079	15,081,939	10,192,001
168	Banking.....	15,042	13,559	41,661,320	38,881,676	4,682,364	81,989	3,419,200	3,592,005	3,400,838
169	Mutual savings banks.....	488	455	4,593,030	4,048,500	128,091	423	157,965	187,137	71,763
170	Banks and trust companies, except mutual savings banks.....	14,554	13,104	37,068,290	34,833,176	4,554,273	81,566	3,261,235	3,404,868	3,329,075
171	Credit agencies other than banks.....	52,163	31,188	19,143,904	15,714,105	4,011,476	714,929	795,526	1,215,006	1,039,450
172	Savings and loan associations.....	5,420	4,767	10,753,830	9,389,780	516,451	35,642	360,059	439,237	382,249
173	Personal credit agencies.....	11,497	8,135	3,169,614	2,763,989	1,395,200	286,234	244,891	307,264	257,198
174	Business credit agencies.....	2,470	1,697	2,371,783	2,349,861	1,474,551	343,275	191,235	218,664	204,706
175	Other credit agencies, and finance not allocable....	32,776	16,589	2,848,677	1,310,475	626,174	49,778	-659	249,861	195,297
176	Security and commodity brokers, dealers, exchanges, and services.....	4,718	1,880	3,596,306	2,286,662	961,313	140,828	19,223	326,262	294,678
177	Security brokers, dealers, and flotation companies.....	3,169	1,215	3,137,623	1,939,887	721,430	27,763	7,428	273,462	256,604
178	Commodity brokers and dealers, security and commodity exchanges; and allied services.....	1,549	665	458,683	346,775	239,383	113,065	11,795	52,800	38,074
179	Holding and other investment companies.....	32,692	19,570	5,789,881	5,150,079	600,450	161,341	3,155,064	3,427,932	428,496
180	Regulated investment companies.....	660	518	2,551,225	2,493,673	49	-	2,187,001	2,201,740	478
181	Real estate investment trusts.....	242	91	394,839	286,813	8,067	(1)	126,996	136,650	56
182	Small business investment companies.....	554	268	44,558	27,764	811	-	-1,412	7,516	4,458
183	Other holding and investment companies.....	31,186	18,693	2,799,259	2,343,829	591,523	161,341	842,479	1,082,026	423,504
184	Insurance carriers.....	4,760	3,299	84,167,184	76,039,108	69,319,506	43,835,156	3,486,474	3,885,746	2,964,100
185	Life insurance.....	1,795	1,014	49,897,406	47,163,781	38,242,503	24,282,802	2,593,446	2,814,701	2,567,964
186	Mutual insurance, except life or marine and certain fire or flood insurance companies.....	985	794	10,209,346	7,875,656	9,504,318	6,044,192	192,964	271,067	90,753
187	Other insurance companies.....	1,980	1,491	24,060,432	20,999,671	21,582,685	13,508,162	700,064	799,978	305,383
188	Insurance agents, brokers, and service.....	28,675	20,175	4,551,817	3,644,953	4,321,404	1,167,070	326,594	418,359	316,170
189	Real estate.....	268,185	158,915	18,410,761	12,569,144	8,194,474	2,333,049	1,011,998	2,216,629	1,748,269
190	Real estate operators (except developers) and lessors of buildings.....	184,159	115,492	10,962,919	7,434,995	4,767,656	1,192,675	754,270	1,381,292	1,180,090
191	Lessors of mining, oil, and similar property.....	1,608	961	266,286	187,178	38,152	1,340	47,953	54,754	48,852
192	Lessors of railroad property, and of real property not elsewhere classified.....	7,009	3,499	176,026	134,829	46,606	8,693	25,503	44,340	39,684
193	Subdividers, developers, and operative builders.....	40,337	20,198	3,482,098	2,215,117	373,564	222,882	60,867	488,470	320,215
194	Other real estate and combinations of real estate, insurance, loan, and law offices.....	35,072	18,765	3,523,432	2,597,025	2,968,496	907,459	123,405	247,773	159,428
195	Services.....	281,218	150,525	69,572,626	50,450,385	66,459,515	37,733,747	1,198,703	3,384,869	2,653,724
196	Hotels and other lodging places.....	20,049	9,733	6,887,708	4,411,071	6,413,480	3,265,445	111,652	381,904	280,560
197	Personal services.....	35,715	19,307	6,283,947	4,570,237	6,119,126	3,371,005	175,501	282,142	220,987
198	Business services.....	93,863	47,413	24,892,833	18,643,969	23,883,930	15,132,068	264,407	1,186,529	975,616
199	Advertising.....	11,269	6,672	7,419,553	6,135,951	7,313,275	5,505,916	215,097	272,359	240,913
200	Business services, except advertising.....	82,594	40,741	17,473,280	12,508,018	16,570,655	9,626,152	49,310	914,170	734,703
201	Automobile services and miscellaneous repair services.....	35,283	20,604	6,790,826	5,041,664	6,521,189	3,249,129	131,192	256,014	198,235
202	Automobile parking, repair, and services.....	26,814	14,110	5,183,820	3,695,817	4,934,023	2,252,424	83,028	192,747	151,952
203	Repair services, except automobile.....	10,469	6,494	1,607,006	1,345,847	1,587,166	996,705	48,164	63,217	46,283
204	Amusement and recreation services.....	35,889	17,660	9,452,553	6,737,058	8,717,014	4,631,262	298,950	616,758	488,560
205	Motion picture production, distribution, and related services.....	5,513	2,485	3,541,089	2,398,228	3,304,111	1,746,497	58,053	168,947	153,106
206	Motion picture theaters.....	4,743	2,983	1,371,394	1,112,132	1,233,197	682,397	83,848	100,470	81,746
207	Other amusement and recreation services.....	25,633	12,192	4,540,070	3,226,698	4,179,706	2,202,368	157,049	347,341	253,708
208	Other services.....	60,419	35,808	15,264,759	11,046,386	14,804,776	8,084,838	217,001	661,522	489,766
209	Medical services.....	27,807	19,955	7,621,479	5,581,311	7,419,813	3,576,752	175,840	306,613	216,177
210	Educational services.....	7,687	3,213	866,953	500,986	828,888	414,992	-56,828	32,357	22,035
211	Services not elsewhere classified, including legal services.....	24,925	12,940	6,776,327	4,964,079	6,556,075	4,093,094	97,989	322,552	251,554
212	Nature of business not allocable.....	4,149	997	250,519	152,893	227,725	134,292	-10,036	10,701	6,709

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 1.--NUMBER OF RETURNS, RECEIPTS, COST OF SALES AND OPERATIONS, NET INCOME, TAX AND CREDIT ITEMS, DISTRIBUTIONS TO STOCKHOLDERS, TOTAL ASSETS, NET WORTH, DEPRECIABLE ASSETS, AND DEPRECIATION DEDUCTION, BY MINOR INDUSTRY-- Continued

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

Minor industry	Total income tax	Foreign tax credit	Investment credit	Distributions to stockholders except in own stock		Total assets	Net worth	Depreciable assets	Depreciation deduction for year
				Total	Returns with net income				
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Wholesale and retail trade--Continued									
Retail trade--Continued									
159 Apparel and accessory stores.....	184,454	0	935	81,679	80,412	6,963,858	3,438,109	1,634,303	140,955
160 Furniture, home furnishings, and equipment stores.....	192,193	41	119	28,819	27,372	6,257,320	2,596,649	1,198,510	110,413
161 Eating and drinking places.....	159,043	1,033	2,817	65,803	67,118	7,926,167	2,858,390	5,876,584	488,058
162 Miscellaneous retail stores.....	248,145	1,866	1,286	105,175	99,906	12,555,275	5,294,089	4,262,074	464,550
163 Drug stores and proprietary stores.....	102,178	617	548	42,176	39,763	3,451,787	1,545,415	1,012,300	85,760
164 Liquor stores.....	10,828	-	25	7,760	7,566	846,718	310,065	278,754	24,167
165 Other retail stores.....	135,139	1,249	510	55,439	52,147	8,257,270	3,547,610	2,971,025	254,683
166 Wholesale and retail trade not elsewhere classified.....	11,555	0	960	6,549	6,801	1,165,764	473,554	414,595	24,945
167 Finance, insurance, and real estate.....	4,442,711	246,702	46,122	7,157,211	6,453,907	1,401,151,520	196,560,448	81,014,148	4,305,785
168 Banks.....	575,839	130,829	16,233	1,787,776	1,709,974	688,018,781	49,846,471	11,105,450	984,666
169 Mutual savings banks.....	15,207	28	341	100	100	77,593,178	4,726,034	657,319	35,249
170 Banks and trust companies, except mutual savings banks.....	1,540,632	130,798	35,892	1,787,576	1,709,974	610,425,603	45,118,447	10,448,131	954,427
171 Credit agencies other than banks.....	457,608	17,992	3,349	42,200	40,611	235,587,766	5,717,121	5,100,639	336,607
172 Savings and loan associations.....	184,663	13	359	91,809	88,452	166,114,612	5,758,636	2,713,857	119,764
173 Personal credit agencies.....	10,892	10,221	429	148,744	141,056	20,467,440	4,285,211	412,132	37,674
174 Business credit agencies.....	96,017	3,571	2,528	59,746	58,435	16,061,187	2,184,282	1,081,757	147,280
175 Other credit agencies, and finance not elsewhere classified.....	74,686	3,900	33	124,708	72,288	12,622,227	3,490,192	892,894	31,884
176 Security and commodity brokers, dealers, etc. agents, and services.....	137,287	1,681	200	57,574	44,152	15,146,105	2,021,053	371,172	44,544
177 Security brokers, dealers, and flotation companies.....	120,513	1,294	154	43,643	30,446	17,846,793	1,564,793	256,402	34,497
178 Commodity brokers and dealers, security and commodity exchanges, and allied services.....	16,754	395	46	14,531	13,704	1,155,282	456,260	116,270	10,147
179 Holding and other investment companies.....	152,862	19,276	571	4,668,160	3,461,315	84,006,129	66,816,961	2,244,916	102,301
180 Regulated investment companies.....	114	-	-	2,565,749	2,524,229	52,380,791	15,717,121	71,896	86
181 Real estate investment trusts.....	262	-	-	145,808	110,376	4,159,460	1,894,590	791,591	24,482
182 Small business investment companies.....	1,664	-	-	1,746	862	595,168	271,572	6,733	449
183 Other holding and investment companies.....	150,817	14,276	574	794,617	725,858	26,672,970	15,465,685	1,476,696	77,284
184 Insurance carriers.....	1,417,901	74,131	2,465	1,041,619	973,118	245,917,021	39,805,026	4,678,112	539,882
185 Life insurance.....	1,250,774	66,211	1,267	544,728	527,615	209,103,074	17,789,044	1,942,352	274,400
186 Mutual insurance, except life or marine and certain fire or flood insurance companies.....	41,727	816	542	-	-	14,492,702	1,811,052	320,729	40,842
187 Other insurance companies.....	125,400	7,301	1,160	496,891	445,364	61,813,245	18,175,930	2,423,631	219,750
188 Insurance agents, brokers, and service.....	127,193	2,360	232	113,193	110,167	5,964,191	1,582,417	554,541	61,744
189 Real estate.....	574,043	236	2,469	494,589	394,650	87,163,327	20,841,109	56,960,116	2,224,051
190 Real estate operators (except developers) and lessors of buildings.....	371,894	124	1,430	350,791	263,496	59,415,085	14,966,910	50,565,481	1,939,736
191 Lessors of mining, oil, and similar property.....	19,821	1	50	4,200	31,865	1,258,077	247,541	221,560	5,094
192 Lessors of railroad property, and of real property not elsewhere classified.....	12,365	1	171	14,465	14,661	1,520,372	662,290	1,270,274	35,787
193 Subdividers, developers, and operative builders.....	117,125	71	765	58,908	42,171	19,403,649	3,379,263	3,681,601	167,471
194 Other real estate and combinations of real estate, insurance, loan, and law offices.....	53,816	35	53	46,222	41,437	5,565,494	1,385,145	1,321,750	75,464
195 Services.....	1,062,678	41,356	18,192	558,452	518,400	61,875,140	19,529,062	40,321,122	4,176,363
196 Hotels and other lodging places.....	117,681	6,863	3,237	105,219	88,679	11,074,739	3,060,150	9,081,721	516,890
197 Personal services.....	83,940	499	545	40,767	34,792	4,021,714	1,814,515	3,146,732	285,639
198 Business services.....	404,573	12,415	5,452	193,069	185,247	19,493,728	6,698,841	10,333,443	1,216,825
199 Advertising.....	106,096	6,266	383	47,891	45,888	2,851,508	1,002,951	710,049	72,284
200 Business services, except advertising.....	298,477	6,149	5,069	145,178	139,359	17,142,220	5,695,890	9,603,344	1,144,541
201 Automobile services and miscellaneous repair services.....	67,467	73	3,803	41,294	38,646	6,491,932	1,513,443	5,826,949	1,050,175
202 Automobile parking, repair, and services.....	52,834	73	3,748	32,884	30,194	5,717,175	1,211,324	5,439,162	499,849
203 Repair services, except automobile.....	14,633	-	55	8,410	8,252	714,757	302,117	387,837	50,326
204 Amusement and recreation services.....	207,251	15,564	3,573	91,653	87,341	11,437,833	3,658,996	7,265,834	785,348
205 Motion picture production, distribution, and related services.....	64,293	14,884	2,636	19,425	17,241	4,574,219	1,227,692	1,536,282	451,771
206 Motion picture theaters.....	31,250	16	187	10,998	10,802	1,295,167	481,358	461,825	58,628
207 Other amusement and recreation services.....	106,708	664	550	60,730	59,299	5,566,447	1,947,946	4,767,727	274,949
208 Other services.....	181,757	5,942	1,052	78,555	78,595	8,913,194	2,763,117	4,666,243	321,486
209 Medical services.....	75,026	1	738	12,644	28,448	5,025,224	1,476,219	3,253,401	189,674
210 Educational services.....	2,200	26	93	4,115	4,068	663,023	134,195	349,036	30,278
211 Services not elsewhere classified, including legal services.....	99,521	5,916	251	49,646	46,029	3,224,443	1,152,703	1,063,956	101,334
212 Nature of business not allowable.....	2,294	-	-	2,088	2,088	241,174	57,713	60,919	5,169

(*) Estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.
 † Less than \$500 per return.
 ‡ Excludes companies with gross income under \$150,000 which are tax-exempt under section 501.
 NOTE: See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

Corporation Returns/1970

ACTIVE CORPORATION RETURNS

Table 2. -- BALANCE SHEETS AND INCOME STATEMENTS, BY MAJOR INDUSTRY -- Continued

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

Table with columns for Item, Major industry--Continued (Manufacturing--Continued), and Transportation, communication, electric, gas, and sanitary services. Rows include assets, liabilities, income, and deductions.

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

Corporation Returns/1970

RETURNS WITH NET INCOME

Table 3.--BALANCE SHEETS AND INCOME STATEMENTS, BY MAJOR INDUSTRY--Continued

All figures are estimated based on samples--figures in amounts of dollars

Table with 13 columns: Item, Finance, insurance, and real estate-Continued, and Major Industry--Continued (Total services, Hotels and other lodging places, Personal services, Business services, Automobile services and miscellaneous repair services, Amusement and recreation services, Other services, Nature of business not allocable). Rows include assets, liabilities, receipts, and deductions.

Detail may not add to total because of rounding. Less than \$500 per return. NOTE: See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 4. --- BALANCE SHEETS AND INCOME STATEMENTS, BY SIZE OF TOTAL ASSETS --- Continued

All figures are estimates based on sample returns and are in thousands of dollars.

Item	Total active corporation returns	Size of total assets											
		Less than \$100,000	\$100,000 to \$250,000	\$250,000 to \$500,000	\$500,000 to \$1,000,000	\$1,000,000 to \$5,000,000	\$5,000,000 to \$10,000,000	10,000,000 to \$25,000,000	25,000,000 to \$50,000,000	50,000,000 to \$100,000,000	Over \$100,000,000		
67 Total deductions	1,982,778,847	13,523,969	67,154,876	106,433,751	110,717,713	115,408,299	209,071,948	55,441,557	86,289,007	98,137,774	-0,459,789	115,885,996	827,206,886
68 Cost of sales and operations	1,146,263,273	9,001,117	52,499,530	74,603,957	71,086,457	87,077,015	155,663,358	55,257,417	81,687,356	87,772,678	-26,959,752	77,312,467	696,973,911
69 Compensation of officers	45,606,381	195,214	8,691,709	5,699,291	4,258,216	4,258,216	1,192,915	1,192,915	1,216,296	564,915	-50,926	503,926	2,432,496
70 Repairs	1,086,219	80,747	577,776	600,294	632,432	632,432	1,084,082	601,299	419,299	893,311	500,533	1,110,516	312,515
71 Bad debts	6,279,815	90,135	3,131,214	96,413	174,819	174,819	907,707	101,299	419,299	152,259	369,619	538,157	2,157,642
72 Rent paid on business property	213,422,355	210,755	2,694,776	2,001,296	1,732,276	1,193,513	2,257,261	107,088	2,213,215	2,026,529	935,597	1,554,182	4,616,372
73 Taxes paid	69,523,293	296,147	2,429,282	2,385,196	2,385,196	2,385,196	1,349,696	2,111,696	2,111,696	1,809,072	2,165,222	3,047,011	29,320,137
74 Interest paid	62,055,010	816,225	6,065,563	1,113,666	1,364,061	1,698,959	4,909,192	2,137,579	4,056,529	1,850,190	3,755,227	5,582,543	30,580,543
75 Contributions to charity	767,075	3,472	11,340	24,152	40,222	46,624	101,452	40,222	25,222	40,831	-16,222	31,108	661,101
76 Amortization	755,095	3,891	17,465	15,153	12,181	10,624	54,251	15,211	24,251	12,471	2,275	34,251	254,161
77 Depreciation	32,941,269	406,322	1,477,791	2,224,152	2,096,913	2,693,426	4,656,015	1,350,211	3,054,196	1,694,014	1,745,206	3,583,661	27,392,136
78 Depletion	5,623,374	1,532	41,707	20,421	30,175	49,422	184,256	98,214	161,125	151,538	126,525	290,221	5,427,721
79 Charitable contributions	16,059,094	170,560	87,103	90,491	111,554	166,258	1,548,299	1,257,061	2,762,461	1,211,004	958,560	1,529,523	7,497,721
80 Pension, profit sharing, stock bonus, annuity, plans	12,425,912	36,479	425,119	195,155	384,425	449,411	996,971	492,956	485,063	876,119	515,085	427,311	2,022,639
81 Other employee benefit plans	7,499,283	24,960	169,691	194,662	234,623	257,447	523,729	290,176	256,765	222,451	268,134	482,056	4,547,600
82 Net loss on capital assets	1,269,305	46,769	108,955	53,770	55,613	69,692	116,699	42,425	84,403	90,065	96,594	106,460	637,029
83 Other deductions	226,722,716	2,195,842	15,153,461	13,952,199	13,985,139	13,279,279	25,656,790	9,478,257	12,059,415	10,755,805	11,000,751	14,755,522	97,561,233
84 Total receipts less total deductions	17,467,973	226,042	671,316	2,099,220	2,305,817	2,416,536	3,160,928	2,913,342	3,260,200	2,899,961	3,499,659	3,651,731	2,424,111
85 Constructive taxable income from related corporations	2,477,280	()	()	()	()	()	5,995	5,995	16,366	40,912	1,499	254,111	1,477,497
86 Net income (less deficit) (no plus or minus sign)	65,601,614	215,721	675,136	2,095,296	2,293,651	2,293,651	5,095,915	2,142,327	2,920,976	2,655,442	2,583,310	5,263,983	37,799,357
87 Ret income	93,110,924	674,757	2,711,944	3,711,466	3,875,792	3,716,274	7,975,723	3,242,862	4,762,440	5,043,364	3,663,736	6,106,087	40,437,721
88 Deficit	13,609,310	459,216	2,336,168	1,612,268	1,385,114	1,542,243	2,882,808	1,099,535	1,841,464	2,387,922	1,119,426	1,084,074	2,642,364
89 Income subject to tax	72,452,437	51,074	1,549,743	2,099,695	2,905,116	3,006,696	5,010,963	2,064,297	3,012,927	3,062,514	3,119,154	5,612,953	46,373,492
90 Income tax	33,293,011	223,426	370,949	55,640	905,092	1,188,217	3,184,362	1,485,364	1,706,619	1,473,191	1,500,125	2,723,403	17,409,440
91 Surcharge	864,647	4,055	1,065	3,976	12,017	26,611	78,786	39,439	40,729	47,439	37,606	66,867	429,535
92 Tax from recomputing prior year investment credit	77,632	2,894	1,692	2,256	2,413	2,115	5,966	2,202	3,426	3,693	2,367	5,099	43,223
93 Additional tax for preferences	265,249	722	()	()	1,165	427	3,274	5,924	5,924	7,754	2,801	15,058	220,796
94 Investment credit	695,954	1,892	1,960	3,968	5,009	6,279	20,541	11,138	16,924	17,128	26,742	75,834	697,796
95 Net income (less deficit) after tax (no minus sign plus sign)	33,472,550	1,993	6,157	1,307,227	1,300,444	1,111,413	1,815,734	810,191	1,241,245	1,202,479	1,245,077	2,509,414	20,884,113
96 Ret income	51,325,658	484,221	2,343,000	2,060,377	2,686,990	2,534,965	4,862,115	1,891,643	2,355,314	1,890,076	2,222,353	3,684,304	23,350,366
97 Cash and property, except own stock	32,012,677	98,054	522,154	490,409	443,092	495,006	956,421	522,173	681,029	924,956	1,265,225	2,721,132	22,492,396
98 Corporation's own stock	1,942,810	9,994	9,160	18,320	60,106	37,306	179,363	52,055	134,525	141,473	189,810	239,180	420,294

(*) Estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals. NOTE: See text for explanatory statements and for description of the sample and limitations of the data.

RETURNS WITH NET INCOME

Table 5.—BALANCE SHEETS AND INCOME STATEMENTS, BY SIZE OF TOTAL ASSETS—Continued

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

Item	Size of total assets												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Total returns with net income	\$1,000,000 under	\$1,000,000 to \$5,000,000	\$5,000,000 to \$10,000,000	\$10,000,000 to \$25,000,000	\$25,000,000 to \$50,000,000	\$50,000,000 to \$100,000,000	\$100,000,000 to \$250,000,000	\$250,000,000 to \$500,000,000	\$500,000,000 to \$1,000,000,000	\$1,000,000,000 to \$2,500,000,000	\$2,500,000,000 to \$5,000,000,000	\$5,000,000,000 to \$10,000,000,000	\$10,000,000,000 or more
46 Total deductions	1,167,656,816	8,706,425	56,363,864	80,115,766	88,838,470	93,684,684	198,781,000	67,799,627	11,056,793	58,269,685	97,276,309	36,569,489	
47 Cost of sales and operations	939,119,355	6,189,106	36,093,885	56,681,138	65,953,879	68,681,879	149,301,837	47,071,906	6,906,786	48,759,686	64,481,834	34,181,661	
48 Compensation of officers	15,790,169	11,836	5,093,851	4,975,806	5,516,548	5,516,548	10,304,500	917,116	68,218	1,006,500	1,315,000	1,131,119	
49 Repairs	1,361,107	1,878	13,827	4,075,423	4,666,369	4,666,369	8,139,848	111,389	688,111	189,000	917,987	5,156,451	
50 Bad debts	1,860,709	59,659	100,361	406,986	356,654	356,654	308,246	306,431	269,057	56,476	175,019	196,476	
51 Rent paid on business property	17,620,766	1,573,616	1,573,616	1,573,616	1,573,616	1,573,616	1,658,083	664,433	551,811	1,658,083	1,133,316	9,763,654	
52 Taxes paid	46,724,600	173,533	1,333,333	1,498,485	1,930,167	1,930,167	1,588,545	1,534,053	1,439,406	1,439,406	1,583,703	21,490,988	
53 Interest paid	48,754,867	171,561	1,339,492	609,676	875,889	875,889	1,408,667	1,515,800	1,415,908	1,408,667	1,408,667	4,186,400	
54 Contributions of gifts	79,729	3,778	9,724	21,683	29,285	29,285	90,111	30,316	30,316	30,316	14,007	100,076	
55 Amortization	632,938	3,814	5,814	4,019	4,019	4,019	8,935	8,935	9,975	15,615	16,963	280,933	
56 Depreciation	51,509,619	279,899	1,050,290	1,721,275	1,721,275	1,721,275	1,432,928	1,209,775	1,192,910	1,481,224	811,590	3,170,494	
57 Operation	5,126,902	2,835	28,775	18,854	26,575	26,575	108,628	165,901	98,271	101,035	101,035	1,188	
58 Advertising	15,132,859	92,072	657,896	606,719	624,720	624,720	1,211,591	583,377	681,118	776,906	1,549,110	7,221,561	
59 Pension, profit sharing, stock bonus, annuity plans	19,532,505	59,346	666,860	319,101	369,266	369,266	769,850	607,673	607,673	607,673	1,906,555	7,849,871	
60 Other employee benefit plans	6,001,608	18,985	119,861	131,009	131,009	131,009	417,040	191,375	239,084	218,114	411,488	3,766,799	
61 Net loss noncapital assets	6,024,217	2,605	10,109	13,426	13,426	13,426	24,000	19,375	19,375	3,406	6,467	159,075	
62 Other deductions	209,582,666	1,280,226	9,018,659	11,665,791	11,665,791	11,665,791	19,428,489	3,165,003	3,165,003	8,416,221	13,226,711	88,479,432	
63 Total receipts less total deductions	85,622,114	680,696	2,713,329	3,215,821	3,689,712	3,747,956	8,069,987	3,178,969	4,153,515	3,676,905	5,262,461	19,134,829	
64 Constructive taxable income from related foreign corporations	1,467,971	-	-	-	-	-	3,434	9,126	19,115	9,115	9,115	9,115	
65 Net income (63 plus 64 minus 66)	83,710,924	678,757	2,711,306	3,211,106	3,678,352	3,747,786	7,978,225	3,266,095	4,172,630	3,685,790	5,271,546	19,143,944	
66 Income subject to tax	72,372,705	517,074	1,369,743	2,660,443	3,905,774	3,606,606	7,009,440	2,944,293	3,613,173	3,119,189	3,613,993	9,173,041	
67 Income tax, total	33,251,216	231,937	170,364	256,737	497,809	1,188,098	3,157,140	1,392,157	1,706,943	1,430,418	1,498,275	2,349,582	
68 Surcharge	784,630	4,055	1,065	7,439	17,317	26,911	78,800	16,804	90,711	37,008	68,587	109,533	
69 Tax from recouping prior year investment credit	64,329	1,787	483	1,113	1,592	1,535	4,311	3,666	1,998	1,648	1,960	401,725	
70 Additional tax for tax preferences	237,829	96	(6)	(6)	(6)	690	786	1,827	1,898	1,647	1,647	209,136	
71 Investment credit	865,959	1,892	1,960	3,968	3,688	6,279	20,510	11,118	17,128	27,890	35,834	64,704	
72 Net income after tax (65 minus 67 plus 71)	51,325,658	454,722	2,343,000	2,900,177	3,086,190	3,144,965	4,866,115	1,881,693	2,455,116	1,991,074	3,694,309	23,150,196	
Distributions to stockholders:													
73 Cash and property except own stock	40,184,591	211,891	461,080	470,863	403,445	446,112	910,046	493,429	76,138	867,153	1,165,400	2,590,515	
74 Corporation's own stock	1,679,308	6,767	6,088	17,103	9,663	11,829	146,139	80,134	121,438	158,400	183,267	345,829	

(*) Estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.

NOTE: See text for explanatory statements and for description of the sample and limitations of the data.

ACTIVE CORPORATION RETURNS

Table 6. --SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, COST OF PROPERTY USED FOR INVESTMENT CREDIT, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF TOTAL ASSETS, BY MAJOR INDUSTRY -- Continued

M	TOTAL ASSETS		TOTAL LIABILITIES		TOTAL EQUITY		TOTAL INCOME		TOTAL TAX		TOTAL DISTRIBUTIONS		R
	1970	1969	1970	1969	1970	1969	1970	1969	1970	1969	1970	1969	
...	14,465	...	414	...	6,575	...	2,007	...	1,375	...	175	...	26
...	23,972,812	...	...	...	587,434	...	483,789	...	98,462	...	1,673,274	...	2,072,248
...	3,467,812	...	...	...	44,613	...	98,305	...	171,747	...	2,987,575	...	2,987,575
...	1,289,480	...	...	...	5,451	...	16,000	...	92,015	...	801,153	...	315,757
...	2,369,070	...	...	...	46,535	...	71,866	...	136,109	...	209,452	...	501,132
...	4,268,753	...	...	...	16,060	...	45,869	...	79,412	...	200,198	...	765,378
...	15,802,786	...	...	...	198,016	...	456,152	...	811,890	...	1,393,184	...	5,466,814
...	7,460,472	...	...	...	132,164	...	265,917	...	465,134	...	1,057,574	...	1,093,939
...	3,502,107	...	...	...	75,440	...	56,432	...	319,540	...	380,267	...	480,011
...	3,321,811	...	...	...	164,985	...	124,675	...	184,405	...	257,761	...	673,608
...	1,613,386	...	...	...	26,464	...	17,024	...	109,496	...	85,052	...	254,941
...	4,157,797	...	...	...	79,551	...	55,678	...	102,266	...	417,029	...	1,061,256
...	13,381,821	...	...	...	435,608	...	236,593	...	1,205,240	...	662,134	...	2,084,257
...	220,753	...	...	...	...	...	...	...	16,101	...	6,102	...	69,994
...	17,747,750	...	...	...	974,475	...	600,658	...	1,027,836	...	982,711	...	2,996,056
...	16,959,586	...	...	...	42,752	...	422,007	...	900,424	...	806,210	...	2,915,589
...	9,955,600	...	...	...	45,947	...	367,609	...	117,422	...	517,804	...	1,435,551
...	4,869,377	...	...	...	1,744	...	22,842	...	57,221	...	24,963	...	73,756
...	188,492	...	...	...	5,469	...	7,967	...	16,868	...	26,087	...	32,098
...	1,085,965	...	...	...	6,417	...	53,725	...	109,513	...	56,515	...	197,459
...	1,899,647	...	...	...	891	...	2,781	...	6,710	...	13,495	...	11,210
...	1,836,315	...	...	...	25,298	...	2,588	...	13,477	...	4,602	...	162,106
...	2,199,367	...	...	...	3,001	...	32,454	...	72,174	...	68,162	...	201,156
...	1,171,026	...	...	...	10,171	...	14,614	...	116,659	...	51,810	...	179,886
...	1,691,708	...	...	...	2,559	...	3,009	...	34,212	...	25,566	...	85,565
...	24,751	...	...	...	20	...	16	...	1,245	...	600	...	2,019
...	18,772	...	...	...	...	...	...	...	1,520	...	900	...	4,164
...	698,076	...	...	...	...	...	...	...	609	...	406	...	37,316
...	10,734	...	...	...	...	...	...	...	23,381	...	16,853	...	3,603
...	1,177,530	...	...	...	...	...	...	...	12,462	...	35,420	...	119,910
...	1,193	...	...	...	594	...	...	...	162	...	...	...	...
...	6,268,218	...	...	...	19,871	...	...	...	6,417	...	171,264	...	249,564
...	501,059	...	...	...	33	...	...	...	2,448	...	9,304	...	152,541
...	581,772	...	...	...	...	...	...	...	3,443	...	17,352	...	34,784
...	539,107	...	...	...	3,403	...	...	...	9,547	...	17,626	...	30,910
...	1,960,284	...	...	...	1,806	...	...	...	1,721	...	22,223	...	5,365
...	3,024,715	...	...	...	7,506	...	...	...	14,963	...	114,635	...	296,712
...	1,739,177	...	...	...	3,962	...	...	...	5,196	...	88,497	...	122,351
...	728,655	...	...	...	6,760	...	...	...	14,205	...	32,153	...	115,837
...	529,319	...	...	...	2,154	...	...	...	7,461	...	25,868	...	27,387
...	302,261	...	...	...	...	...	...	...	646	...	10,854	...	86,275
...	963,752	...	...	...	...	...	...	...	...	...	...	...	189,545
...	4,860,301	...	...	...	8,797	...	...	...	39,686	...	101,716	...	152,747
...	88,963	...	...	...	...	...	...	...	...	...	215	...	461,814
...	3,609,955	...	...	...	7,569	...	...	...	7,883	...	75,071	...	265,832
...	3,394,431	...	...	...	...	...	...	...	23,049	...	70,431	...	853,928
...	2,165,657	...	...	...	...	...	...	...	19,295	...	35,664	...	151,085
...	134,187	...	...	...	429	...	...	...	4,790	...	2,985	...	11,982
...	78,795	...	...	...	...	...	...	...	2,880	...	3,190	...	22,854
...	218,200	...	...	...	1,124	...	...	...	1,495	...	8,589	...	38,503
...	62,936	...	...	...	...	...	...	...	4,372	...	1,702	...	10,428
...	275,310	...	...	...	6,685	...	...	...	23,872	...	44,281	...	18,519
...	646,100	...	...	...	...	...	...	...	3,555	...	10,387	...	125,152
...	367,628	...	...	...	...	...	...	...	3,511	...	7,438	...	84,713
...	182,291	...	...	...	...	...	...	...	1,527	...	4,463	...	41,865
...	6,319	...	...	...	...	...	...	...	46	...	22	...	981
...	5,130	...	...	...	...	...	...	...	...	...	...	...	1,607
...	88,279	...	...	...	...	...	...	...	...	...	...	...	2,374
...	266,765	...	...	...	...	...	...	...	...	...	...	...	35,684
...	...	...	...	...	...	...	...	...	...	...	...	...	80
...	...	...	...	...	...	...	...	...	...	...	...	...	57,465

Footnote text describing the data and limitations of the sample.

ACTIVE CORPORATION RETURNS Table 6.—SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, COST OF PROPERTY USED FOR INVESTMENT CREDIT, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF TOTAL ASSETS, BY MAJOR INDUSTRY—Continued

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

Table with 13 columns: (1) Total active corporation returns, (2) Net assets, (3) \$1 under \$50,000, (4) \$50,000-\$100,000, (5) \$100,000-\$500,000, (6) \$500,000-\$1,000,000, (7) \$1,000,000-\$5,000,000, (8) \$5,000,000-\$10,000,000, (9) \$10,000,000-\$25,000,000, (10) \$25,000,000-\$50,000,000, (11) \$50,000,000-\$100,000,000, (12) \$100,000,000-\$500,000,000, (13) \$500,000,000-\$1,000,000,000. Rows include Mining: Coal Mining and Mining: Crude Petroleum and Natural Gas.

Source: Bureau of Economic Analysis, U.S. Department of Commerce, "Statistical Abstract of the United States, 1971" and "Monthly Labor Review, 1970."

ACTIVE CORPORATION RETURNS
Table 6.—SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, COST OF PROPERTY USED FOR INVESTMENT CREDIT, AND DISTRIBUTIONS TO STOCKHOLDERS,
BY SIZE OF TOTAL ASSETS, BY MAJOR INDUSTRY—Continued

(All figures are estimates based on supplies—money amounts are in thousands of dollars)

Major Industry, Item	Corp. Assets	Total active corporate equity	Depreciable fixed assets at 12/31	Total assets at 12/31	Total liabilities at 12/31	Capital expenditures for property, at 12/31	Cost of property used for investment credit, at 12/31	Dividend received, at 12/31	Dividend paid, at 12/31	Income taxes paid, at 12/31	Income taxes accrued, at 12/31	Capital gains, at 12/31	Net income, at 12/31	Retained earnings, at 12/31	Distribution per share, at 12/31	Number of shares outstanding at 12/31
MANUFACTURING: TOBACCO MANUFACTURES																
Number of returns		89														
Total assets		7,306,960														
Depreciable fixed assets at 12/31		521,399														
Total assets		2,625,571														
Total liabilities		2,521,891														
Total capital expenditures for property at 12/31		2,071,703														
Total cost of property used for investment credit at 12/31		1,734,225														
Total dividend received at 12/31		509,663														
Total dividend paid at 12/31		161,723														
Total income tax paid at 12/31		1,284,011														
Total income tax accrued at 12/31		379,278														
Total net income at 12/31		1,835,287														
Total retained earnings at 12/31		3,705,840														
Total distribution per share at 12/31		1.01														
Total number of shares outstanding at 12/31		3,671,000														
MANUFACTURING: TEXTILE MILLS PRODUCTS																
Number of returns		6,221														
Total assets		16,889,109														
Depreciable fixed assets at 12/31		3,760,842														
Total assets		3,717,562														
Total liabilities		1,102,050														
Total capital expenditures for property at 12/31		6,537,597														
Total cost of property used for investment credit at 12/31		4,871,126														
Total dividend received at 12/31		139,169														
Total dividend paid at 12/31		893,436														
Total income tax paid at 12/31		860,773														
Total income tax accrued at 12/31		433,205														
Total net income at 12/31		10,515														
Total retained earnings at 12/31		160														
Total distribution per share at 12/31		(.01)														
Total number of shares outstanding at 12/31		278,569														

Source: U.S. Bureau of Economic Analysis, U.S. Department of Commerce, and U.S. Department of Education, "The Economy and the Labor Force."

ACTIVE CORPORATION RETURNS
Table 6. --SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, COST OF PROPERTY USED FOR INVESTMENT CREDIT, AND DISTRIBUTIONS TO STOCKHOLDERS,
BY SIZE OF TOTAL ASSETS, BY MAJOR INDUSTRY -- Continued
[All figures are estimates based on samples--money amounts are in thousands of dollars]

Table with columns for Total active corporation returns, No. of industry firms, and various financial metrics such as Total assets, Current assets, Investments, etc. The table is divided into two main sections: MANUFACTURING: APPAREL AND OTHER FABRICATED TEXTILE PRODUCTS and MANUFACTURING: LUMBER AND WOOD PRODUCTS, EXCEPT FURNITURE. It contains multiple rows of data for each category, with sub-headers like 'Number of returns' and 'Total assets'.

Footnote at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS
Table 6. —SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, COST OF PROPERTY USED FOR INVESTMENT CREDIT, AND DISTRIBUTIONS TO STOCKHOLDERS,
BY SIZE OF TOTAL ASSETS, BY MAJOR INDUSTRY—Continued

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

Major industry, item	Size of total assets															
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
Total active-corporation returns	102	3,200	1,478	243,930	362,286	310,064	1,096,182	514,947	508,628	290,406	565,980	124,000				
	6,914	104,797	203,930	70,298	100,336	93,120	288,012	119,800	128,328	74,403	104,855	21,049				
MANUFACTURING: FURNITURE AND FIXTURES	102	3,200	1,478	243,930	362,286	310,064	1,096,182	514,947	508,628	290,406	565,980	124,000				
	4,062,200	23,753	70,298	66,445	108,685	85,225	367,455	131,258	143,740	71,309	97,375	26,695				
	1,146,987	23,600	34,010	46,898	34,953	35,631	96,890	61,858	57,584	27,163	65,365	6,639				
	427,265	17,857	3,387	12,786	14,799	38,022	63,399	57,584	57,584	15,983	73,291	33,336				
	328,659	3,287	98,926	121,116	165,882	120,241	468,882	200,287	200,287	133,446	205,387	62,840				
	1,740,409	61,419	45,123	8,248	8,444	120,241	226,102	100,217	100,217	46,237	44,970	21,146				
	870,463	3,518	4,248	9,744	7,444	23,181	7,494	23,181	7,494	6,919	7,494	23,550				
	79,831	39,871	81,537	108,685	108,685	86,655	284,656	84,682	68,463	51,484	32,998	32,998				
	862,581	11,970	19,868	51,408	51,408	26,162	92,316	33,041	29,638	19,749	22,954	8,056				
	308,062															
	467,857	9,725	29,552	29,552	168,355	138,052	117,233	46,684	302,753	392,345	392,345	73,757				
	2,243,686	22,768	92,939	674,201	927,816	724,407	2,246,444	808,310	720,374	398,034	569,177	172,803				
	10,170			668,153	919,903	719,863	2,213,830	707,961	708,210	352,110	534,392	171,333				
	7,683,197	377,300	44,107	488,433	231,953	1,114	1,638,853	576,679	495,108	270,598	376,134	113,689				
	7,586,607	257,061	11,253	16,133	5,375	6,484	20,383	16,103	18,608	9,676	16,103	4,884				
	5,485,385	1,652	6,697	4,133	13,672	8,743	13,497	13,497	13,078	3,930	3,930	2,168				
	185,629	811	5,622	9,069	13,672	8,743	13,497	13,497	13,078	3,930	3,930	2,168				
	67,697	417	2,159	3,770	9,139	5,202	9,360	7,205	8,000	7,220	13,158	3,802				
128,372	417	2,159	3,770	9,139	5,202	9,360	7,205	8,000	7,220	13,158	3,802					
80,432	417	2,159	3,770	9,139	5,202	9,360	7,205	8,000	7,220	13,158	3,802					
Net income (less deficit)	5,383	-2,069	13,626	13,626	13,940	7,937	94,444	42,689	30,959	14,550	48,331	10,545				
280,245	4,215	16,028	4,215	24,589	24,589	11,079	110,850	51,188	38,136	18,439	53,626	10,545				
Net income	381,630	4,215	16,028	4,215	24,589	24,589	11,079	110,850	51,188	38,136	53,626	10,545				
355,830	1,103	4,747	8,453	10,586	52,114	24,664	17,857	17,857	17,857	17,857	26,097	5,128				
Income subject to tax	162,575	51	1,000	332	665	665	665	665	665	665	664	125				
Income tax	3,851															
Additional tax for tax preferences	(*)															
Foreign tax credit	314															
Losses and credits	725															
Distributions to stockholders except in own stock	46,466															
MANUFACTURING: PAPER AND ALLIED PRODUCTS	102	3,200	1,478	243,930	362,286	310,064	1,096,182	514,947	508,628	290,406	565,980	124,000				
	21,150,382	49,468	117,689	42,588	215,306	301,301	995,595	560,811	874,220	883,239	1,664,793	2,766,059				
	2,875,250	16,285	20,869	20,869	38,596	65,253	218,420	121,314	136,922	136,922	223,964	150,870				
	1,994,668	11,192	14,796	6,953	21,974	54,375	117,689	110,949	146,664	120,086	119,267	363,877				
	1,323,848	6,953	3,749	11,942	11,942	27,341	82,104	41,268	76,094	66,631	119,810	130,488				
	3,121,421	2,965	3,749	70,285	145,645	184,040	676,453	454,668	709,809	795,270	1,283,498	2,251,175				
	16,703,030	22,196	37,701	70,285	70,852	74,451	354,452	237,056	334,826	307,197	598,560	1,180,199				
	7,454,340	10,951	37,701	70,285	70,852	74,451	354,452	237,056	334,826	307,197	598,560	1,180,199				
	Net income (less deficit)	5,383	-2,069	13,626	13,626	13,940	7,937	94,444	42,689	30,959	14,550	48,331	10,545			
	280,245	4,215	16,028	4,215	24,589	24,589	11,079	110,850	51,188	38,136	18,439	53,626	10,545			
	Net income	381,630	4,215	16,028	4,215	24,589	24,589	11,079	110,850	51,188	38,136	53,626	10,545			
	355,830	1,103	4,747	8,453	10,586	52,114	24,664	17,857	17,857	17,857	26,097	5,128				
	Income subject to tax	162,575	51	1,000	332	665	665	665	665	665	664	125				
	Income tax	3,851														
	Additional tax for tax preferences	(*)														
	Foreign tax credit	314														
	Losses and credits	725														
	Distributions to stockholders except in own stock	46,466														

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 6. —SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, COST OF PROPERTY USED FOR INVESTMENT CREDIT, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF TOTAL ASSETS, BY MAJOR INDUSTRY—Continued

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

Major Industry Item	Number of corporations	Net worth	Assets	Liabilities	Equity	Income	Expenses	Net income	Investment credit	Distributions	Dividends	Capital gains	Other
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
MANUFACTURING: PETROLEUM REFINING AND RELATED INDUSTRIES													
Number of corporations	841												
Total net worth	92,808,034	198	72,138	103	100	132,453	232,639	274,226	253,072	723,007	1,608,203	89,350,011	
Total assets	15,231,425	(3)	35,738	(3)	(3)	36,654	73,074	61,886	59,773	102,004	231,046	14,631,025	
Total liabilities	5,868,056	(3)	11,239	(3)	(3)	26,553	46,186	44,010	46,053	76,763	181,409	5,385,852	
Total equity	5,097,502	(3)	7,037	(3)	(3)	22,585	26,888	17,872	13,720	25,241	104,637	4,245,173	
Total income	20,424,375	(3)	2,887	(3)	(3)	14,774	14,116	14,116	15,137	124,043	219,054	20,005,779	
Total expenses	94,642,948	(3)	18,922	(3)	(3)	185,802	77,473	262,985	135,033	92,336	1,247,42	62,228,779	
Total net income	39,033,233	(3)	50,004	(3)	(3)	81,666	81,666	176,134	86,097	326,713	52,520	10,567,000	
Total investment credit	10,630,084	(3)	6,484	(3)	(3)	26,768	11,828	18,841	13,766	184,152	206,004	10,201,004	
Total distributions	10,533,122	(3)	3,315	(3)	(3)	59,116	62,968	57,586	70,004	136,964	206,004	9,576,100	
Total dividends	3,244,636	(3)	1,271	(3)	(3)	13,245	13,245	13,245	13,245	101,000	101,000	3,062,710	
Total capital gains	14,088,924	(3)	24,854	(3)	(3)	22,013	22,013	22,013	22,013	200,724	546,552	13,271,012	
Total other	56,959,380	(3)	2,000	(3)	(3)	57,728	196,724	196,724	126,527	676,024	876,024	55,201,164	
Total net worth	1,872,243	(3)	1,872	(3)	(3)	1,872	1,872	1,872	1,872	22,006	22,006	1,774,002	
Total assets	80,564,617	(3)	172,091	(3)	(3)	333,711	333,711	333,711	333,711	600,721	1,000,925	76,362	
Total liabilities	75,356,719	(3)	167,591	(3)	(3)	326,554	326,554	326,554	326,554	591,673	1,027,574	71,068	
Total equity	51,208,000	(3)	12,471	(3)	(3)	298,157	298,157	298,157	298,157	509,048	1,027,574	47,294,1	
Total income	4,268,593	(3)	1,471	(3)	(3)	6,984	6,984	6,984	6,984	10,215	31,165	4,212,127	
Total expenses	1,259,873	(3)	620	(3)	(3)	5,364	5,364	5,364	5,364	1,000	1,000	1,180,873	
Total net income	2,922,308	(3)	851	(3)	(3)	1,620	1,620	1,620	1,620	2,215	5,215	3,031,254	
Total investment credit	669,356	(3)	432	(3)	(3)	1,002	1,002	1,002	1,002	1,213	1,213	667,132	
Total distributions	4,508,869	(3)	8,011	(3)	(3)	17,495	17,495	17,495	16,131	26,105	61,206	4,555,586	
Total dividends	3,627,042	(3)	8,080	(3)	(3)	9,000	9,000	9,000	9,000	12,000	12,000	3,507,042	
Total capital gains	1,924,423	(3)	1,391	(3)	(3)	2,100	2,100	2,100	2,100	1,105	1,105	1,047,544	
Total other	436,433	(3)	1,391	(3)	(3)	1,391	1,391	1,391	1,391	1,105	1,105	1,047,544	
Total net worth	1,231,370	(3)	1,231	(3)	(3)	1,231	1,231	1,231	1,231	1,231	1,231	1,231	
Total assets	65,743	(3)	65	(3)	(3)	65	65	65	65	65	65	65	
Total liabilities	3,181,137	(3)	3,181	(3)	(3)	3,181	3,181	3,181	3,181	3,181	3,181	3,181	
MANUFACTURING: RUBBER AND MISCELLANEOUS PLASTICS PRODUCTS													
Number of corporations	5-43												
Total net worth	12,052,275	1,474	1,397	872	100	1,022,491	1,022,491	1,022,491	1,022,491	480,027	613,286	7,450,261	
Total assets	2,932,831	(3)	220,007	(3)	(3)	251,055	251,055	251,055	251,055	376,254	431,419	1,752,018	
Total liabilities	2,736,774	(3)	15,757	(3)	(3)	95,528	95,528	95,528	95,528	105,667	135,329	1,784,215	
Total equity	1,679,984	(3)	5,176	(3)	(3)	24,007	24,007	24,007	24,007	30,418	28,037	321,384	
Total income	1,267,165	(3)	5,425	(3)	(3)	14,000	14,000	14,000	14,000	31,200	71,600	860,511	
Total expenses	7,797,816	(3)	61,045	(3)	(3)	234,786	234,786	234,786	234,786	185,134	456,371	5,061,205	
Total net income	3,779,051	(3)	30,669	(3)	(3)	84,002	84,002	84,002	84,002	48,241	218,230	2,532,256	
Total investment credit	165,964	(3)	3,080	(3)	(3)	9,279	9,279	9,279	9,279	2,154	16,527	165,964	
Total distributions	2,354,672	(3)	31,276	(3)	(3)	79,578	79,578	79,578	79,578	83,027	83,027	2,271,645	
Total dividends	1,109,245	(3)	6,402	(3)	(3)	14,781	14,781	14,781	14,781	26,400	26,400	816,826	
Total capital gains	2,533,941	(3)	14,864	(3)	(3)	54,897	54,897	54,897	54,897	115,384	148,626	1,454,819	
Total other	5,688,672	(3)	42,687	(3)	(3)	199,381	199,381	199,381	199,381	205,158	157,208	3,586,340	
Total net worth	235,443	(3)	1,395	(3)	(3)	1,395	1,395	1,395	1,395	1,395	1,395	1,395	
Total assets	16,434,627	(3)	216,024	(3)	(3)	555,309	555,309	555,309	555,309	601,007	610,851	9,420,654	
Total liabilities	11,075,836	(3)	215,181	(3)	(3)	547,800	547,800	547,800	547,800	601,007	601,007	9,080,720	
Total equity	16,219,872	(3)	13,843	(3)	(3)	300,455	300,455	300,455	300,455	423,212	585,459	6,233,553	
Total income	530,200	(3)	7,306	(3)	(3)	11,229	11,229	11,229	11,229	12,400	18,892	312,030	
Total expenses	288,675	(3)	1,857	(3)	(3)	7,763	7,763	7,763	7,763	6,844	16,724	166,412	
Total net income	556,617	(3)	6,133	(3)	(3)	17,932	17,932	17,932	17,932	15,291	30,322	333,085	
Total investment credit	339,305	(3)	1,163	(3)	(3)	3,733	3,733	3,733	3,733	6,010	11,005	257,771	
Total distributions	491,734	(3)	5,317	(3)	(3)	76,782	76,782	76,782	76,782	24,965	39,727	305,732	
Total dividends	635,400	(3)	5,117	(3)	(3)	105,784	105,784	105,784	105,784	26,061	39,727	316,313	
Total capital gains	604,185	(3)	1,323	(3)	(3)	30,891	30,891	30,891	30,891	13,024	13,024	151,644	
Total other	286,606	(3)	305	(3)	(3)	45,276	45,276	45,276	45,276	11,466	6,260	151,590	
Total net worth	7,547	(3)	40	(3)	(3)	1,033	1,033	1,033	1,033	277	552	4,411	
Total assets	58,238	(3)	58	(3)	(3)	58	58	58	58	58	58	58	
Total liabilities	12,340	(3)	12	(3)	(3)	12	12	12	12	12	12	12	
Total equity	226,269	(3)	46	(3)	(3)	46	46	46	46	46	46	46	

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ACTIVE CORPORATION RETURNS Table 6. — SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, COST OF PROPERTY USED FOR INVESTMENT CREDIT, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF TOTAL ASSETS, BY MAJOR INDUSTRY — Continued

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

Table with columns for Total Taxable Corporate Return, Major Industry, and various asset/liability categories ranging from \$100,000 to \$1,000,000. Rows include Manufacturing: Leather and Leather Products, Manufacturing: Stone, Clay, and Glass Products, and Manufacturing: Paper and Allied Products.

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS Table 6. —SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, COST OF PROPERTY USED FOR INVESTMENT CREDIT, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF TOTAL ASSETS, BY MAJOR INDUSTRY —Continued

[All figures are estimates based on sample-company returns in thousands of dollars.]

Table with multiple columns (1-18) detailing financial metrics for manufacturing machinery, electrical, and electrical equipment/supplies. Rows include various industry sub-sectors like 'Manufacturing machinery, except electrical' and 'Manufacturing: electrical equipment and supplies'.

Footnote regarding descriptions of data: Footnote of Table 6. —Descriptions of the Sample and Limitations of the Data.

ACTIVE CORPORATION RETURNS Table 6. —SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, COST OF PROPERTY USED FOR INVESTMENT CREDIT, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF TOTAL ASSETS, BY MAJOR INDUSTRY — Continued

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

Table with multiple columns: Industry, Total Assets, Income Statement (Sales, Cost of Sales, Gross Profit, Operating Profit, etc.), Tax Items (Income Tax, Property Tax, etc.), and Distributions to Stockholders (Dividends, etc.). The table is organized into sections for TRANSPORTATION, COMMUNICATIONS, ELECTRIC, GAS, AND SAGHTARY SERVICES; and TRANSPORTATION, COMMUNICATIONS, ELECTRIC, GAS, AND SAGHTARY SERVICES.

ACTIVE CORPORATION RETURNS

Table 6. - SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, COST OF PROPERTY, CREDIT, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF TOTAL ASSETS, BY MAJOR INDUSTRY - Continued

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

Table with 15 columns: Total active returns, Major industry item, Cor. assets, Cor. profit, Cor. value added, Cor. output, Cor. payroll, Cor. capital, Depreciation, Total assets, Total liabilities, Total equity, Total income, Total taxes, Total distributions. The table is divided into sections for 'TOTAL WHOLESALE AND RETAIL TRADE' and 'WHOLESALE AND RETAIL TRADE: TOTAL WHOLESALE TRADE'.

U.S. GOVERNMENT PRINTING OFFICE: 1971

Table 6. --SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, COST OF PROPERTY USED FOR INVESTMENT CREDIT, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF TOTAL ASSETS, BY MAJOR INDUSTRY--Continued

Table with 14 columns: (1) Total after-tax returns, (2) Net assets, (3) \$1 under \$100,000, (4) \$100,000 under \$500,000, (5) \$500,000 under \$1,000,000, (6) \$1,000,000 under \$5,000,000, (7) \$5,000,000 under \$10,000,000, (8) \$10,000,000 under \$50,000,000, (9) \$50,000,000 under \$100,000,000, (10) \$100,000,000 under \$500,000,000, (11) \$500,000,000 and over, (12) Total, (13) Distribution per share, (14) Dividend yield. Rows include Wholesale and Retail Trade: Retail Trade: Building Materials, Hardware, and Farm Equipment, and Wholesale and Retail Trade: Retail Trade: General Merchandise Stores.

ACTIVE CORPORATION RETURNS

Table 6. - SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, COST OF PROPERTY USED FOR INVESTMENT CREDIT, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF TOTAL ASSETS, BY MAJOR INDUSTRY - Continued

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

Table with columns: Total new acquisitions, Total, and various financial metrics (Dividends, Earnings, Depreciation, etc.) categorized by industry (Wholesale and Retail Trade, Food Stores, etc.).

Footnote text: For the at end of month. See text for explanation of abbreviations and other details.

ACTIVE CORPORATION RETURNS

Table 6. — SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, COST OF PROPERTY USED FOR INVESTMENT CREDIT, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF TOTAL ASSETS, BY MAJOR INDUSTRY — Continued

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

Table with columns for Total Assets, Tax Assets, \$1 under \$100,000, \$100,000-\$250,000, \$250,000-\$500,000, \$500,000-\$1,000,000, \$1,000,000-\$2,000,000, \$2,000,000-\$5,000,000, \$5,000,000-\$10,000,000, \$10,000,000-\$25,000,000, \$25,000,000-\$50,000,000, \$50,000,000-\$100,000,000, \$100,000,000-\$250,000,000, \$250,000,000-\$500,000,000, \$500,000,000-\$1,000,000,000, \$1,000,000,000 and over, and Total Assets. Rows are categorized by industry: Wholesale and Retail Trade, Apparel and Accessory Stores, and Wholesale and Retail Trade, Furniture, Home Furnishings, and Equipment.

Footnote at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

Table 6. -SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, COST OF PROPERTY USED FOR INVESTMENT CREDIT, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF TOTAL ASSETS, BY MAJOR INDUSTRY - Continued

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

Main table with columns: Rank, Total Assets, Fixed Assets, Net Worth, Earnings, Tax, etc. Rows are categorized by industry: FINANCE, INSURANCE, AND REAL ESTATE; MANUFACTURING; and FINANCE, INSURANCE, AND REAL ESTATE - CREDIT AGENCIES OTHER THAN BANKS.

ACTIVE CORPORATION RETURNS
 Table 6. —SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, COST OF PROPERTY USED FOR INVESTMENT CREDIT, AND DISTRIBUTIONS TO STOCKHOLDERS,
 BY SIZE OF TOTAL ASSETS, BY MAJOR INDUSTRY—Continued

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

	Size of total assets												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
Total active corporation returns	\$ under \$100,000	\$50,000 under \$100,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 under \$500,000,000	\$500,000,000 under \$1,000,000,000	\$1,000,000,000 under \$2,500,000,000	\$2,500,000,000 under \$5,000,000,000
Number of returns	4,718	2,838	275	428	63	2	29	13	14				
Total assets	15,196,105	70,525	198,755	900,960	616,017	1,123,394	1,037,228	815,850	2,434,574	7,807,217			
Net income	5,671,356	13,192	37,110	304,014	297,449	493,934	360,941	264,645	1,067,898	2,599,807			
Current liabilities	6,512,600	29,006	91,676	420,808	168,830	307,158	350,716	279,434	888,560	3,788,838			
Other current assets	1,932,232	17,927	47,421	105,496	168,649	371,498	99,517	124,188	317,433	1,039,634			
Depreciable assets	126,286	4,104	12,977	30,413	23,944	59,682	32,677	56,712	46,780	62,664			
Less: Accumulated depreciation	52,077	723	8,616	4,513	8,768	24,780	11,074	13,391	13,991	6,996			
Net income less reserves*	8,728,622	15,413	45,803	449,473	374,682	614,896	591,869	315,404	1,480,267	4,724,229			
Other current liabilities	3,104,181	12,777	8,941	78,925	64,986	112,668	200,326	179,689	370,563	2,062,421			
Mortgages, notes, and bonds payable in the year if	619,434	3,067	69,087	50,960	26,354	61,422	39,850	82,343	176,587	152,421			
net a property used for investment credit	2,021,053	38,984	69,087	274,931	122,010	275,914	141,155	170,059	367,801	481,734			
Less: Accumulated depreciation	4,720	11	119,486	342,024	224,472	532,472	281,537	601,847	989,900	1,480,267			
Total receipts	3,596,308	65,891	119,486	342,024	224,472	532,472	281,537	601,847	989,900	1,480,267			
Less: Current liabilities	140,828	2,383	2,772	9,981	8,197	14,190	8,180	9,553	15,861	27,603			
Net income less reserves*	350,889	537	2,096	28,690	16,880	25,237	17,857	17,973	51,308	181,276			
Other current assets	49,564	1,621	1,292	5,419	2,727	5,650	4,569	5,653	10,017	10,630			
Depreciable assets	59,021	782	2,081	6,558	4,610	6,933	4,569	7,862	7,201	10,630			
Less: Accumulated depreciation	19,223	12,848	7,582	23,119	32,692	18,116	16,810	33,183	33,183	115,335			
Net income less reserves*	4,305	4,334	4,310	28,407	26,204	26,204	26,204	26,204	26,204	26,204			
Other current liabilities	294,678	1,941	7,005	22,335	19,173	38,204	24,731	10,251	10,251	10,251			
Income tax	137,287	378	2,006	9,883	9,049	17,522	11,944	17,522	16,888	16,888			
Surplus	2,995	32	2,006	206	205	389	210	118	288	288			
Additional tax for tax preferences	1,681	502	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681			
Investment credit	200	200	200	200	200	200	200	200	200	200			
Distributions to stockholders	57,574	1,903	1,903	1,903	1,903	1,903	1,903	1,903	1,903	1,903			
	32,692	15,516	2,259	2,358	407	326	168	120	83	57			
Total assets	84,006,329	562,570	1,604,896	4,902,986	2,850,058	5,086,170	5,901,925	8,615,644	12,380,170	40,034,840			
Net income	6,046,436	18,676	227,930	559,499	312,038	512,347	554,946	560,475	895,280	2,017,870			
Current liabilities	23,070	116,059	256,283	833,716	495,531	816,940	893,521	1,092,189	1,534,974	2,532,284			
Other current assets	65,197,560	229,721	849,431	2,966,230	1,749,866	3,295,898	3,903,409	6,538,304	9,452,569	35,187,015			
Depreciable assets	557,195	29,286	47,033	98,251	43,113	39,303	65,308	58,277	32,940	319,628			
Less: Accumulated depreciation	1,249,187	65,333	121,312	270,754	99,431	130,505	164,982	108,494	67,699	33,046			
Net income less reserves*	4,695,564	52,766	182,672	548,002	222,652	387,904	495,182	522,327	515,109	1,968,615			
Other current liabilities	5,136,214	19,174	20,020	89,260	108,067	159,146	369,135	286,635	698,167	1,137,083			
Income tax	2,991,583	63,022	1,522,655	3,406,338	2,037,176	3,694,471	597,268	755,594	806,838	589,600			
Surplus	66,816,961	352,258	749,673	1,604,896	1,152,655	2,037,176	3,694,471	6,538,092	9,364,106	34,735,819			
Additional tax for tax preferences	7,478	11	11	11	11	11	11	11	11	11			
Investment credit	5,789,881	107,871	186,820	494,843	249,600	395,349	459,349	626,843	651,202	2,275,620			
Distributions to stockholders	600,450	13,094	30,820	86,851	24,412	78,040	84,411	55,306	116,775	55,306			
Current liabilities	161,341	13,704	27,775	277,755	2,732	21,753	42,012	27,390	11,474	2,040			
Other current assets	118,427	4,791	8,265	63,331	9,212	10,836	14,346	14,710	7,669	20,260			
Depreciable assets	615,710	6,573	20,991	63,269	60,262	73,269	73,269	79,070	87,336	154,290			
Less: Accumulated depreciation	102,301	3,545	6,506	12,768	8,071	8,267	12,973	12,973	6,611	21,593			
Net income less reserves*	3,155,064	4,018	50,323	150,819	82,876	140,262	178,570	373,333	413,816	1,692,436			
Other current liabilities	3,427,932	29,355	8,632	213,574	106,326	174,731	188,771	373,333	430,869	1,692,436			
Income tax	428,496	16,121	34,601	92,431	39,312	38,606	40,477	27,298	30,056	30,056			
Surplus	132,862	3,708	9,360	32,368	15,004	13,508	15,944	13,007	14,176	11,831			
Additional tax for tax preferences	1,151	40	117	174	117	308	379	298	342	280			
Investment credit	19,274	11	11	11	11	11	11	11	11	11			
Distributions to stockholders	1,630	37	37	37	37	37	37	37	37	37			
	3,468,160	17,613	51,067	134,191	81,314	138,633	138,916	362,866	565,305	1,879,020			

*Footnote at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 6. —SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, COST OF PROPERTY USED FOR INVESTMENT CREDIT, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF TOTAL ASSETS, BY MAJOR INDUSTRY.—Continued

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

Table with 14 columns: Major Industry Item, Total in Return, Dep. assets, \$1.000,000 or more, \$500,000-999,999, \$100,000-499,999, \$25,000-99,999, \$10,000-24,999, \$1,000-9,999, \$500-999, \$100-499, \$50-99, \$10-49, \$1-49, and \$0. Rows include Finance, Insurance, and Real Estate; Insurance Carriers; and Finance, Insurance, and Real Estate: Insurance Agents, Brokers and Services.

Footnotes at end of table. See text for explanatory statement, and for description of the data.

ACTIVE CORPORATION RETURNS

Table 6. —SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, COST OF PROPERTY USED FOR INVESTMENT CREDIT, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF TOTAL ASSETS, BY MAJOR INDUSTRY—Continued

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

Table with columns: Total a tivo corp rat n returns, Major industry, item, and various financial metrics including assets, liabilities, income, and distributions. Rows are categorized by industry like FINANCE, INSURANCE, AND REAL ESTATE, and TOTAL SERVICES.

For more information, see text for explanatory statement, and for description of the sample and limitations of the data.

ACTIVE CORPORATION RETURNS

Table 6. — SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, COST OF PROPERTY USED FOR INVESTMENT CREDIT, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF TOTAL ASSETS, BY MAJOR INDUSTRY—Continued

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

Table with 15 columns: (1) Major Industry Item, (2) Corp. Assets, (3) \$1 Under \$100,000, (4) \$100,000 Under \$500,000, (5) \$500,000 Under \$1,000,000, (6) \$1,000,000 Under \$5,000,000, (7) \$5,000,000 Under \$10,000,000, (8) \$10,000,000 Under \$25,000,000, (9) \$25,000,000 Under \$50,000,000, (10) \$50,000,000 Under \$100,000,000, (11) \$100,000,000 Under \$500,000,000, (12) \$500,000,000 Under \$1,000,000,000, (13) \$1,000,000,000 Under \$5,000,000,000, (14) \$5,000,000,000 Under \$10,000,000,000, (15) \$10,000,000,000 Under \$50,000,000,000, (16) \$50,000,000,000 Under \$100,000,000,000, (17) \$100,000,000,000 Under \$500,000,000,000, (18) \$500,000,000,000 Under \$1,000,000,000,000, (19) Total assets, (20) Total returns.

SERVICES: BUSINESS SERVICES

Table containing data for Business Services: Number of returns, Total assets, Corp. Assets, and Total returns across various asset size brackets.

SERVICES: AUTOMOBILE SERVICES AND MISCELLANEOUS REPAIR SERVICES

Table containing data for Automobile and Miscellaneous Repair Services: Number of returns, Total assets, Corp. Assets, and Total returns across various asset size brackets.

For description of terms, see text for explanatory statements and for description of the data.

ACTIVE CORPORATION RETURNS
 Table 6. —SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, COST OF PROPERTY USED FOR INVESTMENT CREDIT, AND DISTRIBUTIONS TO STOCKHOLDERS,
 BY SIZE OF TOTAL ASSETS, BY MAJOR INDUSTRY.—Continued

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

Major industry, item	Total activ- corporation returns	Corp assets	\$1 under \$10,000	\$100,000 under \$500,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 under \$500,000,000	\$500,000,000 under \$1,000,000,000	Size of total assets	Number of returns	NATURE OF BUSINESS NOT ALLOCABLE
Number of returns	4,149	829	2,777	399													
Total assets	241,374		55,203	62,025													
Notes and accounts receivable, net	89,201		20,497	16,520													
Inventories	23,265		3,785	(*)													
Cash, Govt. obligations, and other current assets	45,282		7,245	13,269													
Other investments and loans	19,878		6,697	4,870													
Depreciable assets	60,919		14,586	23,542													
Accumulated depreciation	27,167		5,548	15,151													
Other capital assets less reserves ¹	24,692		6,715	9,794													
Accounts payable	101,983		21,864	24,076													
Other current liabilities	33,917		5,193	3,723													
Net worth	19,364		(*)	(*)													
Cost of property used for investment credit	57,713		8,231	24,754													
Total receipts	250,519	14,996	78,036	85,442													
Business expenses	227,725	(*)	62,617	84,627													
Cost of sales and freight	134,292	(*)	21,816	67,553													
Taxes paid	5,796	108	2,664	1,121													
Interest paid	3,841	(*)	1,521	(*)													
Depreciation	5,169	(*)	2,042	2,066													
Employee benefit plans	561	(*)	101	137													
Net income less cost of	-10,036	1,044	-8,659	-965													
Net income	10,701	(*)	2,811	(*)													
Income tax	6,709	(*)	629	(*)													
Income tax liability	2,294	(*)	(*)	(*)													
Carrying charges	b	(*)	(*)	(*)													
Additional tax for tax preference	-	-	-	-													
Foreign tax credit	-	-	-	-													
Investment credit	-	-	-	-													
Charitable contributions	-	-	-	-													

(*) Estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.
 1 Includes loans to stockholders, mortgage and real estate loans, and "other investments."
 2 Includes depreciable assets less accumulated depreciation, land, and intangible assets less accumulated amortization.
 3 Includes accounts payable and mortgages, notes and bonds payable in less than one year.
 4 Includes pension, profit sharing, stock bonus, annuity plans, and other employee benefit plans.
 5 Less than \$500 per return.
 NOTE: See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS
 Table 7. — SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF BUSINESS RECEIPTS, BY MAJOR INDUSTRY—Continued

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

Major Industry	Total Assets	Total Liabilities	Total Equity	Total Assets	Total Liabilities	Total Equity	Income Statement		Distributions to Stockholders		Dividend Payout Ratio (%)
							Operating Income	Income Before Tax	Dividend Payout	Retained Earnings	
MINING: NONMETALLIC MINERALS (EXCEPT FUELS)	3,163	176	2,987	1,321	333	988	46	21	101	111	11.7
	2,068	139	1,929	1,045	288	757	38	18	3	2	2.6
	3,403,406	45,797	3,357,609	377,583	564,472	2,793,137	354,721	465,449	42,323	1,173,283	28.0
	545,571	8,644	536,927	62,795	112,290	424,637	55,667	45,377	5,205	136,276	13.2
	267,165	1,357	265,808	22,021	36,606	229,202	29,990	33,017	688	121,997	45.3
	356,578	1,243	355,335	20,152	69,885	285,450	42,297	37,067	8,846	85,072	29.8
	2,927,345	19,963	2,907,382	370,207	558,552	2,348,830	346,412	355,512	39,992	851,837	31.6
	503,836	3,360	499,476	4,722	109,219	489,257	69,533	52,565	4,756	112,427	21.6
	174,134	946	173,188	12,317	18,425	154,763	15,284	30,691	674	74,230	4.9
	535,909	10,511	525,398	69,039	78,925	446,473	55,984	99,892	508	184,958	42.3
	1,994,532	9,349	1,985,183	205,806	198,135	1,787,048	201,363	264,171	36,006	717,281	34.7
	2,866,240	3,369	2,862,871	364,596	363,704	2,499,167	378,465	600,122	60,251	577,190	24.5
	2,751,833	3,027	2,748,806	353,723	353,036	2,395,770	372,421	380,305	35,408	553,491	23.1
	1,672,389	1,261	1,671,128	181,676	210,184	1,460,944	236,139	245,840	33,220	314,661	21.3
	93,288	380	92,908	282	13,107	92,526	11,037	16,206	3,466	18,662	19.6
50,634	916	49,718	7,107	4,644	45,074	6,103	8,544	46	12,143	27.1	
231,710	606	231,104	34,725	31,884	199,220	26,370	22,866	3,742	60,782	29.2	
30,973	4	30,969	1,692	4,065	26,864	5,415	2,167	1	6,621	24.8	
102,808	8,439	94,369	919	10,877	83,492	14,970	16,298	5,230	11,822	14.2	
160,602	992	159,610	20,914	21,623	137,987	42,043	21,375	5,230	32,296	14.8	
57,794	8,439	49,355	424	10,037	48,331	15,084	21,375	5,230	20,474	37.4	
13,450	411	13,039	1,992	6,653	6,386	2,023	5,076	902	7,197	110.0	
4,602	333	4,269	1,730	522	3,747	906	216	795	1	0.3	
133,989	597	133,392	16,718	17,289	116,103	14,171	17,905	5,228	25,009	19.1	
59,918	146	59,772	4,982	6,921	54,851	6,948	8,914	2,522	13,015	15.1	
1,216	4	1,212	50	126	1,086	180	200	61	299	27.9	
1,515	4	1,511	27	3	1,508	291	233	35	8,728	58.0	
8,935	4	8,931	64	13	8,918	283	112	133	1	1.1	
923	4	919	64	64	855	113	112	1	1	1.1	
78,826	460	78,366	6,530	5,746	73,120	12,594	4,995	1,357	40,005	53.4	
CONTRACT CONSTRUCTORS	138,905	21,182	117,723	54,505	14,428	63,077	1,451	759	37	15	10
	82,078	5,651	76,427	35,351	12,967	43,460	1,187	613	29	12	9
	42,719,792	1,129,305	41,590,487	6,177,197	4,665,370	37,925,117	3,542,127	6,922,179	1,561,137	1,399,959	22.0
	14,104,806	269,805	13,835,001	1,777,182	1,504,836	12,330,165	1,708,626	2,457,211	518,222	314,575	580.9
	5,304,682	138,530	5,166,152	451,876	716,956	4,449,196	532,819	839,517	79,142	51,510	83.0
	8,561,284	298,065	8,263,219	201,930	1,176,411	7,086,808	617,642	1,504,757	375,668	179,957	210.4
	16,181,606	243,741	15,937,865	405,810	1,875,225	15,062,640	1,871,105	2,524,981	578,375	497,864	886.8
	14,596,736	467,164	14,129,572	289,842	1,714,900	12,414,672	1,630,598	2,353,878	473,130	299,852	428.1
	5,101,811	96,812	5,005,000	501,969	529,493	4,475,507	681,485	892,450	306,823	103,338	165.5
	5,185,552	230,338	4,955,214	837,061	492,276	4,462,938	381,594	835,160	300,823	303,435	35.6
	11,819,604	175,294	11,644,310	2,35,115	1,927,021	9,717,289	3,239,956	4,323,436	383,126	1,068,113	88.7
	90,810,844	2,18,974	88,621,870	4,61,920	1,356,527	87,265,343	2,460,651	9,931,059	15,107,049	2,765,977	3,422.3
	88,945,185	1,40,728	87,534,457	13,257,697	11,657,128	75,877,329	9,745,159	15,402,509	2,664,644	2,042,273	3,271.4
	73,434,969	93,574	73,341,395	869,660	9,051,810	62,290,585	8,374,117	12,581,672	2,194,916	1,756,555	2,870.4
	1,671,115	12,790	1,658,325	69,914	256,110	1,402,215	162,818	208,552	33,666	34,995	21.5
711,496	14,767	696,729	7,440	87,492	689,237	64,987	107,382	9,951	31,967	46.0	
1,685,596	18,788	1,666,808	305,454	217,322	1,449,486	185,397	249,244	55,200	49,806	30.2	
687,153	1,639	685,514	4,291	99,363	676,153	80,554	84,941	15,264	38,931	56.6	
1,538,418	41,141	1,497,277	135,025	249,812	1,247,465	234,908	209,484	50,227	20,414	59.0	
2,548,013	34,476	2,513,537	401,567	559,595	1,953,942	327,654	324,218	62,782	57,855	75.8	
1,009,595	75,617	933,978	58,660	266,562	867,416	52,647	46,709	12,555	37,431	43.1	
248,013	18,710	229,303	5,614	39,252	215,051	17,634	16,319	2,420	15,713	7.1	
216,192	17,314	198,878	5,496	43,122	154,756	26,097	26,097	67	630	6.0	
1,954,024	14,411	1,939,613	253,153	263,599	1,676,014	246,400	285,975	60,187	70,801	44.2	
780,987	5,110	775,877	64,798	77,987	707,890	114,170	134,170	28,242	34,764	14.7	
15,865	501	15,364	455	1,052	14,312	5,506	3,006	1606	1,149	7.4	
19,915	32	19,883	536	5	19,878	1,680	1,210	3,703	677	34.6	
9,415	13	9,402	418	854	8,548	274	1,227	309	500	59.3	
299,206	6,064	293,142	55,195	29,427	263,717	20,329	31,658	4,191	34,877	13.2	

Table 7. — SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, AND DISTRIBUTIONS TO STOCKHOLDERS, BY MAJOR INDUSTRY—Continued

Table with multiple columns: Industry, Balance Sheet (Assets, Liabilities, Equity), Income Statement (Sales, Expenses, Income), and Distributions (Dividends, etc.). Rows include Manufacturing: Apparel and Other Fabricated Textile Products, and Manufacturing: Lumber and Wood Products, Except Furniture. Includes footnotes and a 'Total' row.

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

† The Sample and Summary for 'Manufacturing' and for 'Textiles' are of the 'Total'

ACTIVE CORPORATION RETURNS

ACTIVE CORPORATION RETURNS Table 7. — SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF BUSINESS RECEIPTS, BY MAJOR INDUSTRY — Continued

Table with multiple columns: Industry, Balance Sheet (Assets, Liabilities, Equity), Income Statement (Sales, Expenses, Income), Tax Items, and Distributions to Stockholders. Includes sub-sections for Manufacturing: Furniture and Fixtures, and Manufacturing: Paper and Allied Products.

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

ACTIVE CORPORATION RETURNS

Table 7. — SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF BUSINESS RECEIPTS, BY MAJOR INDUSTRY—Continued

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

Industry	Number of corporations	Assets	Liabilities	Equity	Sales	Cost of sales	Gross profit	Operating expenses	Operating income	Income tax	Net income	Distributions to stockholders	Dividends	Retained earnings
MANUFACTURING—LEATHER AND LEATHER PRODUCTS	2,299	1,494	1,020	474	2,299	1,494	805	694	111	584	513	271,921	654,517	1,172,426
	3,717	2,118	1,420	698	3,717	2,118	1,599	1,599	0	0	0	109,769	29,810	
	872	700	466	234	872	700	172	172	0	0	0	25,482	17,131	
	1,068	503	2,159	1,156	1,068	503	565	565	0	0	0	186,762	79,600	
	443	558	2,108	1,665	443	558	875	875	0	0	0	11,231	7,846	
	1,661	540	2,538	900	1,661	540	1,121	1,121	0	0	0	159,864	65,875	
	792	933	2,153	1,361	792	933	1,392	1,392	0	0	0	150,402	47,253	
	251	809	900	649	251	809	1,534	1,534	0	0	0	51,422	20,617	
	546	750	4,779	3,230	546	750	10,668	10,668	0	0	0	56,172	133,548	
	1,963	1,124	2,820	1,698	1,963	1,124	2,820	2,820	0	0	0	166,741	2,94,324	
	6,243	727	23,388	14,540	6,243	727	1,237	1,237	0	0	0	44,658	922,171	
	6,098	369	23,800	15,317	6,098	369	356	356	0	0	0	316,913	277,798	
	4,531	333	10,027	5,978	4,531	333	278	278	0	0	0	625,618	200,878	
163	821	1,087	4,967	163	821	29,103	29,103	0	0	0	8,186	6,698		
101	800	157	1,309	101	800	2,290	2,290	0	0	0	7,286	11,937		
78	566	343	2,418	78	566	4,176	4,176	0	0	0	2,193	7,403		
65	016	249	909	65	016	13,000	13,000	0	0	0	10,137	4,852		
201	652	2,166	1,193	201	652	1,454	1,454	0	0	0	26,271	11,682		
290	164	5,371	3,134	290	164	6,134	6,134	0	0	0	51,219	20,445		
46	512	2,166	1,096	46	512	14,062	14,062	0	0	0	11,717	10,136		
26	233	59	1,356	26	233	947	947	0	0	0	8,551	755		
12	159	39	1,034	12	159	866	866	0	0	0	744	4,903		
259	627	4,579	2,591	259	627	8,994	8,994	0	0	0	17,720	19,690		
116	972	1,373	2,261	116	972	13,868	13,868	0	0	0	8,709	9,898		
543	582	16	55	543	582	511	511	0	0	0	212	314		
1,582	312	4	14	1,582	312	—	—	0	0	0	—	—		
74	551	113	762	74	551	10,479	10,479	0	0	0	12,445	6,253		
MANUFACTURING—STONE, CLAY, AND GLASS PRODUCTS	8,427	5,347	25,221	14,874	8,427	5,347	30,883	30,883	0	0	0	248,707	287,551	
	15,082	2,571	62,545	34,028	15,082	2,571	948,428	948,428	0	0	0	1,237,029	2,981,888	
	2,569	450	2,880	1,428	2,569	450	379,902	379,902	0	0	0	181,984	448,160	
	1,037	307	3,240	1,428	1,037	307	91,794	91,794	0	0	0	180,522	468,897	
	13,460	449	36,657	13,310	13,460	449	1,360,278	1,360,278	0	0	0	68,855	201,231	
	2,062	247	2,015	152,298	2,062	247	397,882	397,882	0	0	0	1,126,349	2,626,349	
	843	758	944	34,659	843	758	97,072	97,072	0	0	0	113,036	323,837	
	2,829	662	14,614	122,154	2,829	662	102,819	102,819	0	0	0	61,448	169,392	
	8,592	460	49,558	292,132	8,592	460	1,215,549	1,215,549	0	0	0	729,596	2,073,843	
	16,419	632	5,891	22,557	16,419	632	880,945	880,945	0	0	0	1,882,230	2,842,949	
	15,991	683	3,977	12,465	15,991	683	864,393	864,393	0	0	0	1,156,638	2,724,294	
	10,800	423	3,037	22,950	10,800	423	738,100	738,100	0	0	0	770,227	1,955,088	
	489	327	359	319	489	327	97,370	97,370	0	0	0	83,219	83,219	
254	714	155	1,220	254	714	11,818	11,818	0	0	0	21,941	60,377		
835	624	1,041	4,123	835	624	43,987	43,987	0	0	0	107,602	150,466		
281	611	90	488	281	611	14,944	14,944	0	0	0	29,272	53,360		
754	148	3,611	7,909	754	148	19,648	19,648	0	0	0	53,624	114,347		
886	857	471	2,016	886	857	35,969	35,969	0	0	0	69,046	116,986		
132	709	1,798	9,825	132	709	16,321	16,321	0	0	0	6,798	2,639		
52	544	553	3,123	52	544	3,906	3,906	0	0	0	5,196	10,691		
25	329	243	1,123	25	329	3,424	3,424	0	0	0	3,706	5,056		
819	319	927	26,262	819	319	100,273	100,273	0	0	0	54,851	109,156		
378	937	372	7,522	378	937	44,151	44,151	0	0	0	26,676	51,785		
6,605	5,352	112	9,070	6,605	5,352	64,983	64,983	0	0	0	1,308	2,317		
44	217	—	—	44	217	266	266	0	0	0	869	850		
130	521	—	—	130	521	611	611	0	0	0	3,701	1,156		
335	252	58	1,319	335	252	5,603	5,603	0	0	0	18,081	67,086		

Footnotes at end of table. See text for explanation of terms and limitations.

ACTIVE CORPORATION RETURNS

Table 7. -- SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF BUSINESS RECEIPTS, BY MAJOR INDUSTRY -- Continued

Table with multiple columns including: Industry, Total assets, Total liabilities, Total equity, Total revenues, Income before tax, Income tax, Total income, Dividends, Earnings per share, Total assets per share, Total liabilities per share, Total equity per share, Total dividends per share, Total revenues per share, Income before tax per share, Income tax per share, Total income per share, and Total dividends per share.

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

ACTIVE CORPORATION RETURNS

Table 7. — SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF BUSINESS RECEIPTS, BY MAJOR INDUSTRY — Continued

Table with 12 columns: Industry, Number of returns, Total assets, Total liabilities, Total equity, Total income, Total tax, Total distributions, Total assets per share, etc. Rows are categorized by industry: MANUFACTURING: MOTOR VEHICLES AND EQUIPMENT and MANUFACTURING: TRANSPORTATION EQUIPMENT, EXCEPT MOTOR VEHICLES.

† Income at end of year, except total for each industry. ‡ The Sample and Limitation of the Data.

ACTIVE CORPORATION RETURNS
 Table 7. — SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, AND DISTRIBUTIONS TO STOCKHOLDERS, BY MAJOR INDUSTRY — Continued
 (All figures are estimates based on sample; money amount are in thousands of dollars)

Major Industry	Balance Sheet		Income Statement		Distributions to Stockholders		Tax Items		Other	
	Assets	Liabilities	Net Income	Net Loss	Dividends	Other	Income Tax	Capital Gains	Other	Other
TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS, AND SANITARY SERVICES: COMMUNICATION	7,442	1,413	1,075	2,710	320	51	367	51	3	3
...	4,598	1,157	2,116	2,116	459	32	263	24	5	3
...	76,402,565	102,287	192,821	1,005,410	515,847	954,094	1,384,541	869,051	1,991,089	1,858,506
...	2,445,162	4,135	10,861	96,854	32,055	42,531	60,171	24,881	1,182,511	5,075,777
...	2,247,108	1,000	1,264	31,711	14,659	14,659	33,984	25,112	41,127	41,127
...	5,423,474	6,686	21,510	40,776	12,603	79,954	58,947	161,406	109,427	238,777
...	75,741,458	43,401	93,686	191,318	47,252	79,196	674,253	631,897	5,114,767	4,506,160
...	3,132,212	13,839	23,970	164,584	50,924	114,952	108,171	68,248	243,197	498,115
...	6,134,236	1,394	5,053	36,952	1,942	34,772	67,523	98,598	141,466	3,611,271
...	27,760,503	24,621	51,274	477,743	274,180	465,955	586,894	458,964	609,186	1,899,698
...	37,111,476	5,371	24,513	224,831	133,866	151,116	464,198	364,198	2,102,154	2,414,086
...	33,645,626	13,454	37,102	565,231	234,954	527,116	418,915	418,915	1,036,574	2,181,781
...	17,554,093	6,612	18,276	256,923	11,315	16,087	277,929	203,710	3,915,251	2,113,436
...	2,189,437	872	2,069	6,333	26,050	36,788	18,087	23,416	32,795	1,907,128
...	1,776,656	2,394	3,864	26,224	14,146	32,166	29,009	46,421	76,969	1,350,263
...	3,755,611	2,328	13,865	56,931	29,311	47,218	118,972	172,466	2,897,680	2,897,680
...	1,547,741	10	237	5,014	162	3,378	7,940	16,055	59,177	93,653
...	4,183,728	7,765	10,833	2,397	26,879	58,772	78,772	69,927	106,414	4,609,345
...	4,132,318	1,461	10,943	47,518	33,812	39,812	50,164	79,327	78,706	1,698,533
...	136,590	9,246	11,836	47,521	6,893	8,497	706	10,117	10,117	56,287
...	86,836	535	1,136	5,417	3,469	4,038	84	4,142	515	225
...	20,985	157	1,091	5,417	4,218	4,701	11	4,234	225	117
...	9,226,026	415	5,444	89,371	30,798	38,510	84,453	50,219	78,195	166,086
...	2,097,162	115	1,564	12,769	18,544	41,117	24,678	17,053	16,463	92,071
...	50,126	6	16	145	300	391	1,076	598	904	2,244
...	16,826	-	98	25	385	481	1,420	1,659	1,436	14,936
...	95,074	559	809	4,825	9,520	13,849	14,139	1,535	3,174	84,796
...	1,945,415	559	809	4,825	9,520	13,849	14,139	1,535	3,174	84,796
TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS, AND SANITARY SERVICES: ELECTRIC, GAS, AND SANITARY SERVICES	6,823	2,156	882	3,256	791	571	1,091	70	25	18
...	4,121	746	617	1,773	218	167	167	42	23	3
...	123,912,993	300,946	91,603	628,451	298,472	5,256,079	10,016,596	22,420,268	30,942,632	38,598,417
...	4,619,026	9,064	7,181	54,909	48,013	48,292	808,256	888,037	1,426,264	657,227
...	2,906,618	7,569	8,871	17,113	3,884	16,501	164,442	154,532	952,684	504,395
...	3,152,110	32,539	6,597	40,771	19,717	84,452	220,322	278,207	609,370	1,076,266
...	139,819,132	261,993	76,306	618,545	281,798	964,914	11,711,262	34,639,441	44,411,909	14,866,047
...	8,616,343	60,902	23,541	96,580	54,788	111,132	715,932	1,583,734	1,869,213	2,771,346
...	4,316,530	7,676	2,316	25,400	10,564	35,427	369,586	1,539,620	1,352,952	385,547
...	57,479,155	108,254	33,858	117,970	90,746	2,433,453	4,588,792	14,170,360	18,497,229	6,206,565
...	47,863,014	102,723	33,034	296,682	376,498	1,974,226	3,776,427	12,713,854	14,513,190	5,438,847
...	40,626,797	18,706	39,494	501,361	234,756	2,157,651	8,966,159	8,966,159	13,202,256	4,754,032
...	40,035,673	15,894	28,650	499,421	385,560	2,136,139	3,186,947	6,565,452	12,985,711	1,686,036
...	20,736,462	7,163	13,362	253,683	70,287	1,575,621	4,272,753	4,272,753	7,127,081	2,360,231
...	3,586,092	3,254	1,495	21,032	3,045	16,787	406,197	868,159	1,981,555	466,119
...	3,414,934	4,234	1,495	21,032	3,045	16,787	406,197	868,159	1,981,555	466,119
...	4,944,268	4,502	3,115	5,132	18,732	21,856	609,218	801,439	1,145,871	369,156
...	646,724	27	36	3,354	1,442	22,932	461,553	1,187,567	1,539,620	535,966
...	3,470,500	9,340	4,548	26,767	12,130	37,511	204,336	609,925	1,128,100	67,340
...	3,605,342	1,607	6,267	35,556	16,999	38,111	384,882	680,925	1,153,108	910,665
...	134,842	10,852	2,862	8,789	4,860	6,009	520	25,008	30,150	17,490
...	59,414	245	128	2,461	3,947	1,991	5,081	8,931	12,129	4,761
...	11,792	200	862	2,361	2,379	3,251	3,971	6,637	13,206	20
...	3,560,212	1,041	1,206	5,194	13,551	36,417	201,959	390,189	1,151,865	998,558
...	1,726,445	248	3,549	8,635	5,678	17,306	192,086	330,138	581,136	56,550
...	44,421	4	4	111	202	488	5,161	13,672	1,364	1,364
...	3,126	16	3	35	7	16	24	24	24	24
...	163,628	46	3	126	160	629	2	49	49	49
...	3,064,147	133	395	5,740	821	14,457	273,141	596,561	803,848	905,325

Figures are rounded. Total figures are subject to rounding. The sample used in this table is not representative of the population.

ACTIVE CORPORATION RETURNS Table 7. - SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF BUSINESS RECEIPTS, BY MAJOR INDUSTRY - Continued

Table with multiple columns representing financial metrics: Total Assets, Total Liabilities, Total Equity, Total Income, Total Expenses, Total Tax, Total Dividends, etc. Rows are categorized by industry (e.g., Wholesale and Retail Trade) and size of business receipts.

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

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Corporation Returns, 1970

ACTIVE CORPORATION RETURNS
Table 7. — SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF BUSINESS RECEIPTS, BY MAJOR INDUSTRY — Continued

Table with multiple columns: Industry, Assets, Liabilities, Income, Tax, and Distributions. Rows are categorized by industry such as Wholesale and Retail Trade, and Total Retail Trade. Each row contains numerical data for various financial metrics.

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

ACTIVE CORPORATION RETURNS

Table 7. - SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF BUSINESS RECEIPTS, BY MAJOR INDUSTRY - Continued

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

Industry	Assets		Liabilities		Income		Distributions		Tax		Retained Earnings
	Total	Equity	Total	Equity	Total	After Tax	Total	After Tax	Total	After Tax	
WHOLESALE AND RETAIL TRADE - RETAIL TRADE	1	2,117	1,441	2,684	11,938	5,111	2,810	2,810	84	55	1
	2	19,282	708	1,149	10,952	4,240	2,524	2,524	86	50	1
	3	7,533,144	33,518	151,909	2,006,603	1,765,699	2,228,778	2,228,778	296,272	448,907	120,949
	4	1,864,860	4,447	27,932	467,763	534,344	600,171	600,171	92,215	107,463	31,180
	5	3,954,012	10,193	57,532	822,730	839,924	914,095	914,095	98,869	175,752	64,747
	6	6,909,957	4,664	21,834	236,306	148,465	184,802	184,802	23,000	40,777	6,454
	7	2,045,408	16,023	12,128	97,389	535,499	423,370	423,370	86,743	110,927	71,918
	8	2,548,429	22,013	7,844	41,016	610,046	663,624	663,624	84,521	134,923	52,473
	9	376,391	527	4,413	67,862	74,862	108,514	108,514	19,658	37,623	14,076
	10	775,849	13,047	4,795	20,133	186,610	162,116	162,116	20,161	48,205	55,788
	11	3,120,244	11,746	8,956	70,804	974,897	764,766	764,766	151,396	214,319	18,247
	12	15,010,497	25,171	50,034	224,171	4,680,044	3,664,165	5,026,747	603,558	985,293	384,881
	13	14,065,902	16,586	53,451	215,332	3,593,956	3,507,170	4,015,266	587,048	941,116	384,020
	14	10,973,206	12,172	32,533	137,469	2,564,944	2,731,373	4,779,353	443,730	694,255	297,816
	15	345,742	1,097	1,723	3,802	73,154	35,590	61,603	12,078	4,488	4,801
	16	132,245	846	665	2,496	50,157	30,158	41,068	4,513	4,365	4,565
	17	169,572	822	1,145	4,805	64,663	36,527	31,817	6,850	4,778	4,703
	18	54,872	17	190	605	8,438	10,726	14,800	3,194	6,301	4,51
	19	411,227	3,492	11,258	5,332	46,278	69,174	126,464	24,024	69,432	6,239
	20	418,808	1,417	1,922	5,434	95,207	86,182	104,182	24,112	34,432	8,239
21	197,584	4,909	3,180	10,771	48,926	19,408	14,184	108	6,981	4,524	
22	18,005	223	1,271	1,854	5,519	1,261	4,021	2,507	742	65	
23	13,865	190	1,271	1,818	4,884	1,163	3,403	23	655	458	
24	322,079	593	584	2,850	66,325	59,640	114,503	20,144	45,889	6,238	
25	117,104	2,122	47	62	17,243	17,213	45,061	9,128	20,356	4,384	
26	114	14	-	-	20	31	1,031	213	602	81	
27	343	19	-	-	46	16	95	67	19	39	
28	73,434	6,407	-	1,444	20,054	11,703	16,455	1,918	4,047	4,967	
WHOLESALE AND RETAIL TRADE - GENERAL MERCHANDISE STORES	1	14,351	2,531	1,233	2,266	7,957	2,430	4,472	210	171	11
	2	13,262	601	553	1,284	6,208	2,145	2,041	160	142	20
	3	36,156,254	71,576	4,918	92,732	941,058	861,133	2,103,023	731,400	1,707,124	1,982,979
	4	11,716,377	17,599	1,581	12,232	430,406	387,177	561,373	153,280	368,258	544,724
	5	5,463,811	5,264	13,874	32,456	135,903	284,862	784,186	234,359	542,345	781,740
	6	5,312,803	19,649	32,655	55,574	433,527	398,571	531,988	135,023	324,094	455,579
	7	1,867,209	2,075	15,275	28,711	242,927	343,185	771,987	172,892	350,577	424,534
	8	2,658,825	2,294	650	2,782	51,516	53,431	150,444	46,620	102,181	509,359
	9	6,540,435	39,895	1,950	13,560	97,585	70,678	191,261	118,107	354,665	144,144
	10	14,016,155	11,687	2,936	32,298	484,900	419,806	1,061,541	327,226	836,835	1,138,028
	11	52,537,828	27,712	50,365	170,378	1,930,105	1,709,653	5,086,562	1,502,816	3,569,113	4,347,835
	12	58,835,396	19,207	47,775	190,881	1,901,881	1,696,868	5,066,506	1,435,102	3,435,910	4,138,199
	13	36,967,126	12,771	29,808	98,068	1,219,419	1,056,385	3,316,483	924,606	2,255,312	2,869,815
	14	1,410,645	922	1,199	3,610	37,936	32,114	91,783	32,528	64,086	116,973
	15	1,093,726	260	567	1,698	10,926	9,694	29,614	12,999	32,509	42,656
	16	865,133	1,901	1,775	7,017	32,591	29,828	67,834	21,529	39,912	58,956
	17	335,852	6,556	-	441	5,129	7,410	16,993	6,421	11,674	15,627
	18	2,072,379	1,371	4,402	-2,182	60,567	62,132	169,748	49,416	100,057	97,254
	19	2,246,846	1,711	1,410	5,284	80,619	68,145	197,726	53,769	120,326	130,750
	20	164,687	7,827	4,812	7,606	20,052	6,213	27,978	14,715	5,306	22,319
21	164,478	173	183	704	3,912	843	8,574	1,588	3,640	2,554	
22	123,603	173	183	704	3,912	735	4,954	1,283	1,301	2,043	
23	2,062,818	896	652	3,621	65,363	61,340	176,000	50,073	111,644	128,240	
24	973,570	318	153	789	19,289	21,819	76,763	23,915	53,572	63,257	
25	21,581	4	1	4	152	445	1,731	661	1,121	1,676	
26	40,094	351	-	-	-	-	16	14	14	9	
27	40,094	351	-	-	-	-	159	10	209	62	
28	2,036	12	1	745	11,573	110	506	92	347	1,656	
29	663,090	165	278	745	11,573	26,886	8,774	14,252	14,024	30,280	

Footnotes at end of table. See text for explanation of symbols and abbreviations. Sample and population figures in this table.

ACTIVE CORPORATION RETURNS
 Table 7.—SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF BUSINESS RECEIPTS, BY MAJOR INDUSTRY—Continued

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

Major industry	Number of returns	Balance sheet		Income statement		Distributions to stockholders		Dividend yield (%)	Dividend yield (cents)
		Assets	Liabilities	Net income	Net loss	Dividends	Other		
WHOLESALE AND RETAIL TRADE—RETAIL TRADE—APPAREL AND ACCESSORY STORES									
Woolworth	39,131	2,692	1,865	21,475	3,898	1,728	66	4	1
Woolworth (cont.)	27,312	6,05	3,193	16,906	3,531	1,562	48	8	1
Woolworth (cont.)	6,945,858	50,433	29,751	2,266,643	1,084,694	1,304,414	789,736	403,725	54,268
Woolworth (cont.)	1,461,336	11,858	4,531	4,531,291	205,970	317,199	234,534	36,608	5,800
Woolworth (cont.)	2,701,233	13,699	13,953	1,044,007	488,150	467,181	236,784	98,060	36,330
Woolworth (cont.)	1,034,393	10,416	46,372	364,655	189,771	202,454	42,372	20,922	10,263
Woolworth (cont.)	1,634,393	10,505	18,489	509,702	270,365	345,266	207,266	84,118	46,747
Woolworth (cont.)	1,985,494	64,345	22,628	89,374	298,829	385,286	223,836	63,837	46,776
Woolworth (cont.)	513,859	2,803	2,799	135,931	94,200	118,945	54,172	23,488	3,634
Woolworth (cont.)	603,568	982	8,818	164,011	99,417	88,396	101,180	20,942	782
Woolworth (cont.)	3,438,030	32,545	26,739	1,128,297	517,146	655,365	374,215	117,610	1,520
Woolworth (cont.)	14,949,471	26,069	108,954	4,059,842	3,109,347	5,870,746	1,423,093	609,586	265,846
Woolworth (cont.)	14,607,641	25,007	663,880	4,993,101	3,030,674	4,159,385	1,459,385	581,897	264,127
Woolworth (cont.)	9,053,469	17,688	69,197	3,097,355	1,606,558	1,862,768	781,913	406,496	210,158
Woolworth (cont.)	274,784	844	2,294	11,345	45,318	59,243	28,416	11,578	1,097
Woolworth (cont.)	79,277	302	3,979	21,749	11,240	13,127	10,442	7,301	4,224
Woolworth (cont.)	140,955	1,458	2,372	5,763	23,658	27,876	16,416	3,474	989
Woolworth (cont.)	54,727	48	507	12,674	11,540	14,287	7,404	1,588	466
Woolworth (cont.)	431,608	8,954	8,587	163,474	88,841	121,126	28,474	5,780	1,194
Woolworth (cont.)	587,309	1,204	1,945	13,716	222,291	137,368	31,318	25,987	1,199
Woolworth (cont.)	155,641	10,158	10,538	22,303	58,817	18,539	15,844	1,768	563
Woolworth (cont.)	30,451	523	1,215	5,980	1,928	2,491	3,612	2,071	312
Woolworth (cont.)	15,768	523	1,198	5,465	1,042	1,349	924	1,375	375
Woolworth (cont.)	494,384	827	8,809	387,012	95,027	119,905	47,412	14,676	3,199
Woolworth (cont.)	184,684	147	1,211	55,249	34,337	50,498	18,555	9,586	2,156
Woolworth (cont.)	3,509	2	14	166	596	1,403	484	182	12
Woolworth (cont.)	403	-	-	107	284	349	278	45	25
Woolworth (cont.)	935	-	-	47,077	12,463	13,973	8,553	6,452	1,488
Woolworth (cont.)	81,679	2,041	1,868	47,077	12,463	13,973	8,553	6,452	1,488
WHOLESALE AND RETAIL TRADE—RETAIL TRADE—FURNITURE, HOME FURNISHINGS, AND EQUIPMENT STORES									
Woolworth	30,122	2,084	1,727	19,184	3,722	1,771	29	3	-
Woolworth (cont.)	19,208	526	489	11,467	2,879	1,482	23	2	-
Woolworth (cont.)	6,253,720	51,213	31,244	208,056	1,601,513	1,939,499	569,640	209,345	38,490
Woolworth (cont.)	2,156,262	12,756	62,842	575,873	478,050	616,285	224,063	38,490	32,083
Woolworth (cont.)	2,092,064	8,627	13,044	74,052	409,149	140,910	135,150	42,083	25,330
Woolworth (cont.)	658,447	8,436	4,251	43,801	226,087	99,884	80,998	25,330	16,899
Woolworth (cont.)	1,198,510	7,462	8,348	462,841	226,864	265,951	102,512	16,899	52,185
Woolworth (cont.)	1,951,658	15,874	11,850	601,995	398,271	515,800	150,734	52,185	8,495
Woolworth (cont.)	417,501	5,521	1,216	123,387	89,183	112,721	62,989	8,495	-
Woolworth (cont.)	619,990	9,006	4,578	184,187	122,520	134,244	61,619	50,536	-
Woolworth (cont.)	2,596,649	15,228	10,367	864,000	553,564	621,803	229,378	85,947	-
Woolworth (cont.)	12,044,099	27,559	68,807	350,726	2,708,293	3,193,242	718,494	181,317	-
Woolworth (cont.)	11,557,359	20,115	67,540	335,446	4,015,946	4,040,017	676,145	636,472	-
Woolworth (cont.)	7,359,824	11,084	20,126	1,665,364	1,968,734	3,341,355	385,498	108,246	-
Woolworth (cont.)	222,100	708	2,152	74,810	44,216	50,832	11,005	5,964	-
Woolworth (cont.)	115,294	616	3,347	33,007	23,501	31,375	4,009	7,207	-
Woolworth (cont.)	110,413	868	957	46,804	21,688	21,918	7,138	1,518	-
Woolworth (cont.)	41,749	131	424	8,531	11,407	12,905	3,838	958	-
Woolworth (cont.)	219,333	1,307	3,473	3,800	55,562	44,779	21,152	1,620	-
Woolworth (cont.)	356,948	4,225	2,477	131,437	72,298	104,802	24,126	26,891	-
Woolworth (cont.)	137,615	5,532	9,950	55,875	27,519	16,946	6,707	3,001	-
Woolworth (cont.)	24,380	137	98	11,373	2,159	1,630	2,073	23	-
Woolworth (cont.)	22,504	137	98	11,373	4,797	1,331	1,410	4	-
Woolworth (cont.)	279,885	3,881	473	71,541	53,200	96,743	25,190	1,378	-
Woolworth (cont.)	102,193	1,591	33	17,955	17,314	40,636	12,092	667	-
Woolworth (cont.)	1,787	36	16	100	259	817	273	12	-
Woolworth (cont.)	41	-	-	-	-	-	-	-	-
Woolworth (cont.)	119	-	-	-	-	-	-	-	-
Woolworth (cont.)	28,819	333	729	10,594	6,636	3,898	3,717	1,177	-

For text at end of table, see text for explanatory statements and for description of the sample and limitations of the data.

ACTIVE CORPORATION RETURNS
Table 7. — SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF BUSINESS RECEIPTS, BY MAJOR INDUSTRY — Continued

Main data table with multiple columns and rows, including sub-headers like 'WHOLESALE AND RETAIL TRADE NOT ALLOCABLE' and 'TOTAL FINANCE, INSURANCE, AND REAL ESTATE'. Includes numerical values and some text notes.

(All figures are estimates based on sample—money amounts are in thousands of dollars)

(*) Indefinite; (b) Less than \$100,000; (c) Less than \$1,000,000; (d) Less than \$10,000,000.

ACTIVE CORPORATION RETURNS Table 7. — SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF BUSINESS RECEIPTS, BY MAJOR INDUSTRY—Continued

(All figures are estimates, based on samples—may not add, etc. in thousands of dollars)

Main data table with multiple columns for financial metrics, categorized by industry and company size. Includes sub-sections for Finance, Insurance, and Real Estate; and Finance, Insurance, and Real Estate Holding and Other Investment Companies.

Footnote: P - For use at end of full-year summary; S - For use at end of fiscal year; N - For use at end of fiscal year; B - For use at end of fiscal year.

ACTIVE CORPORATION RETURNS Table 7.—SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF BUSINESS RECEIPTS, BY MAJOR INDUSTRY—Continued

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

Table with multiple columns representing financial metrics: Total Assets, Liabilities, Equity, Income Statement (Revenue, Expenses, Income), Tax Items, and Distributions to Stockholders. Rows are categorized by major industry (Finance, Insurance, and Real Estate; Wholesale Trade) and then by size of business receipts (\$500,000 to \$4,000,000).

Source: Bureau of Economic Analysis, U.S. Department of Commerce, and Bureau of Economic Analysis, U.S. Department of Commerce.

ACTIVE CORPORATION RETURNS

Table 7. — SELECTED BALANCE SHEET, INCOME STATEMENT, AND TAX ITEMS, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF BUSINESS RECEIPTS, BY MAJOR INDUSTRY — Continued

NATURE OF BUSINESS NOT ALLOCABLE	BALANCE SHEET		INCOME STATEMENT		DISTRIBUTIONS TO STOCKHOLDERS		NUMBER OF RETURNS
	ASSETS	LIABILITIES	REVENUE	EXPENSES	DIVIDENDS	SHARES	
.....	4,149	3,002	276	(*)	274	(*)	61
.....	997	581	(*)	(*)	181	(*)	43
.....	251,374	102,173	43,005	(*)	31,771	(*)	48,807
.....	89,201	34,025	14,280	(*)	9,393	(*)	22,643
.....	23,265	6,167	2,402	(*)	5,403	(*)	4,084
.....	45,282	21,771	10,512	(*)	3,921	(*)	6,445
.....	60,914	22,007	11,346	(*)	6,986	(*)	11,074
.....	101,982	36,211	7,891	(*)	15,423	(*)	30,574
.....	33,917	8,190	13,035	(*)	3,774	(*)	4,242
.....	19,369	9,981	43	(*)	824	(*)	2,928
.....	57,713	31,519	7,761	(*)	1,944	(*)	6,806
.....	250,519	27,424	10,736	(*)	59,650	(*)	110,752
.....	227,725	7,989	9,727	(*)	57,164	(*)	109,397
.....	134,282	2,052	2,112	(*)	45,042	(*)	51,254
.....	5,796	1,355	773	(*)	664	(*)	2,138
.....	3,841	1,137	812	(*)	488	(*)	834
.....	5,164	1,723	1,384	(*)	820	(*)	1,228
.....	561	146	22	(*)	179	(*)	155
.....	-10,046	-4,606	-60	(*)	49	(*)	-4,452
.....	10,701	4,621	(*)	(*)	2,827	(*)	1,835
.....	20,737	9,247	385	(*)	2,778	(*)	6,187
.....	1,889	97	(*)	(*)	51	(*)	1,152
.....	1,881	362	(*)	(*)	51	(*)	1,149
.....	6,704	3,475	(*)	(*)	1,369	(*)	211
.....	2,284	1,577	(*)	(*)	31	(*)	89
.....	6	2	(*)	(*)	4	(*)	1
.....	2,985				1,829		265

(*) Estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.
 (1) Size of total receipts was used in lieu of business receipts (losses, receipts, gross receipts, net receipts, and real estate industries).
 (2) Includes accounts payable and mortgages, notes, and bonds payable in less than one year.
 (3) Includes pension, profit sharing, stock bonus, annuity plans, and other employee benefit plans.
 (4) Less than \$500 per return.
 NOTE: Number of returns may not add to totals because of rounding. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 8.-- TAX ITEMS: NUMBER OF RETURNS, NET INCOME OR DEFICIT, STATUTORY SPECIAL DEDUCTIONS, INCOME SUBJECT TO TAX, INCOME TAX, CREDIT, AND PAYMENT ITEMS, SELECTED CONTROLLED GROUP AND DIVIDEND RECEIPT ITEMS, CONSTRUCTIVE FOREIGN INCOME, SMALL BUSINESS CORPORATION (FORM 1120S) INCOME, AND NUMBER OF RETURNS BY SELECTED TYPES OF TAXES, BY MAJOR INDUSTRY

Item	Total active corporation returns		Major industry						
	Number of returns	Amount	Agriculture, forestry, and fishery	Mining					Contract construction
				Total mining	Metal mining	Coal mining	Crude petroleum and natural gas	Nonmetallic minerals (except fuels) mining	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
RETURNS WITH AND WITHOUT NET INCOME									
Number of returns	1,665,477	-	37,238	14,465	1,193	2,226	7,883	3,163	138,905
Net income (less deficit)	-	65,901,614	65,295	1,834,315	275,310	277,360	1,178,837	102,908	1,538,418
Statutory special deductions, total	244,718	6,451,685	91,225	140,585	79,188	36,317	61,300	13,450	248,013
Dividends received deduction	84,805	3,279,973	13,316	65,869	33,821	13,446	16,989	1,613	28,552
Deduction for dividends paid on certain public utility stock	125	21,185	-	-	-	-	-	-	-
Income subject to tax	735,762	72,374,437	306,748	2,171,026	367,628	271,087	1,398,312	133,999	1,954,024
Income tax, total	743,663	33,293,018	113,926	1,051,738	182,291	125,847	683,682	59,918	780,987
Normal tax, surtax, and surcharge (including alternative tax)	735,767	32,949,937	113,115	1,031,550	177,082	121,251	674,993	58,224	776,979
Tax from recomputing prior year investment credit	32,602	77,832	262	1,416	79	440	718	179	3,507
Additional tax for tax preferences	4,914	265,249	549	18,772	5,130	4,156	7,971	1,515	501
Foreign tax credit	5,745	4,548,986	5,180	698,076	88,279	12,098	588,764	8,935	19,935
Investment credit	50,978	865,954	1,723	10,734	4,119	3,620	2,072	923	4,415
Income tax after--									
Foreign tax credit only	743,184	28,744,032	108,746	353,662	94,012	113,749	94,918	50,983	761,052
Investment credit only	735,276	32,427,064	112,203	1,041,004	178,172	122,227	681,610	58,995	776,572
Foreign tax and investment credits	734,792	27,878,078	107,023	342,928	89,893	110,129	92,846	50,060	756,637
Personal holding company tax	590	1,879	-	48	-	-	48	-	39
Total net estimated tax payments	194,702	20,037,291	44,177	198,902	83,301	25,727	60,530	29,344	324,781
1969 overpayments claimed as a credit	19,075	679,649	965	5,863	1,342	1,197	1,526	1,798	11,893
1970 estimated tax payments	185,858	20,188,432	44,383	199,567	85,767	24,530	61,629	27,641	323,161
Less: Refunds of estimated tax payments	3,007	830,722	1,168	6,513	3,808	-	2,610	95	10,273
Credit for U.S. tax paid on special fuels, nonhighway gasoline, and lubricating oil	32,503	27,770	2,341	1,854	442	394	608	410	2,954
Credit for tax paid by regulated investment companies	346	1,823	3	35	-	3	35	-	33
Payments with applications for extension of filing time	116,977	4,331,127	12,972	82,314	9,520	47,707	16,267	8,820	99,569
Members of controlled groups--									
Total number of returns	289,999	-	3,452	2,761	170	464	1,139	987	15,744
Additional tax under controlled group provisions for members of groups--									
Allocating one surtax exemption under section 1561	7,232	15,531	128	302	19	61	39	180	563
Electing to use multiple surtax exemptions under sections 1562 and 1564	109,929	143,449	819	1,147	1	291	236	617	6,094
Intragroup domestic dividends subject to 100 percent deduction:									
Number of returns	693	-	(*)	2	-	1	1	-	45
Amount	-	506,811	(*)	448	-	158	290	-	5,996
Transitional 87-1/2 percent deduction:									
Number of returns	619	-	(*)	(*)	-	-	(*)	(*)	(*)
Amount	-	89,199	(*)	(*)	-	-	(*)	(*)	(*)
Dividends received from foreign corporations paid from income earned within the U.S.--									
Qualifying for 100 percent deduction by U.S. corporate sole stockholder	39	5,519	-	30	-	-	-	30	359
Qualifying for 85 percent deduction	863	1,201	3	36	-	-	20	16	6
Constructive taxable income from related foreign corporations:									
Includable income of controlled foreign corporations	28,820	76,077	-	216	-	-	216	-	255
Foreign dividend income resulting from foreign taxes deemed paid	94,893	1,581,208	782	21,419	13,603	5,224	2,592	-	10,328
RETURNS, OTHER THAN FORM 1120S, WITH NET INCOME									
Number of returns, other than Form 1120S, with net income	850,590	-	13,949	6,251	299	1,155	3,016	1,781	65,639
Net income	-	80,681,343	392,195	2,350,942	445,916	306,657	1,451,192	147,177	2,175,611
Statutory special deductions, total	232,514	6,214,113	88,700	187,201	78,739	35,876	59,263	13,323	233,147
Net operating loss carryover	165,987	2,861,568	76,661	76,299	6,114	22,871	42,712	4,002	216,392
Dividends received deduction	72,602	3,042,671	10,791	62,485	33,372	13,005	14,622	1,486	13,686
Deduction for dividends paid on certain public utility stock	122	20,915	-	-	-	-	-	-	-
Western Hemisphere Trade Corporation deduction	624	288,959	1,248	48,417	39,253	-	1,929	7,235	3,069
Income subject to tax, total	735,536	72,363,719	306,745	2,170,995	367,628	271,087	1,398,312	133,968	1,953,203
Income taxed at normal tax and surtax rates	736,442	69,352,239	266,443	2,081,440	352,837	233,152	1,367,366	128,086	1,905,277
Total net long-term capital gain taxed at alternative rates	32,201	3,011,480	40,302	89,555	14,791	37,935	30,950	5,879	47,926
Amount taxed at 25 percent rate	3,505	361,667	5,244	11,577	531	2,011	6,938	2,097	4,768
Income tax, total	736,429	33,248,224	113,859	1,049,461	181,527	125,652	682,491	59,791	779,932
Normal tax, surtax, and surcharge (including alternative tax)	735,540	32,946,208	113,114	1,031,542	177,082	121,251	674,993	58,216	776,754
Tax from recomputing prior year investment credit	20,032	64,229	206	1,005	75	322	473	135	2,813
Additional tax for tax preferences	4,303	237,787	539	16,914	4,370	4,079	7,025	1,440	365
Total net estimated tax payments	183,581	19,943,411	42,068	195,470	81,996	25,665	58,801	29,008	318,453
1969 overpayments claimed as a credit	16,444	662,462	801	5,821	1,341	1,183	1,522	1,775	11,021
1970 estimated tax payments	175,755	20,027,252	41,869	194,626	82,912	24,482	59,904	27,328	314,146
Less: Refunds of estimated tax payments	1,779	746,241	599	4,962	2,257	-	2,610	95	6,714
RETURNS, OTHER THAN FORM 1120S, WITHOUT NET INCOME									
Number of returns, other than Form 1120S, without net income	557,412	-	11,655	6,357	778	711	3,958	910	47,200
Deficit	546,299	16,631,237	300,890	542,682	169,642	51,142	265,870	56,028	888,614

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 8.-- TAX ITEMS: NUMBER OF RETURNS, NET INCOME OR DEFICIT, STATUTORY SPECIAL DEDUCTIONS, INCOME SUBJECT TO TAX, INCOME TAX, CREDIT, AND PAYMENT ITEMS, SELECTED CONTROLLED GROUP AND DIVIDEND RECEIPT ITEMS, CONSTRUCTIVE FOREIGN INCOME, SMALL BUSINESS CORPORATION (FORM 1120S) INCOME, AND NUMBER OF RETURNS BY SELECTED TYPES OF TAXES, BY MAJOR INDUSTRY--Continued

Item	Total active corporation returns		Major industry						Contract construction
	Number of returns	Amount	Agriculture, forestry, and fishery	Mining					
				Total mining	Metal mining	Coal mining	Crude petroleum and natural gas	Nonmetallic minerals (except fuels) mining	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
RETURNS, OTHER THAN FORM 1120S, WITHOUT NET INCOME--Continued									
Income tax, total.....	7,033	-1,802	66	2,269	764	195	1,191	119	827
Tax from recomputing prior year investment credit.....	6,569	13,603	56	411	4	118	245	44	694
Additional tax for tax preferences.....	566	27,420	10	1,858	760	77	946	75	133
Total net estimated tax payments.....	11,121	93,880	2,109	3,432	1,305	62	1,729	336	6,328
1969 overpayments claimed as a credit.....	2,631	17,157	164	42	1	14	4	23	872
1970 estimated tax payments.....	10,102	161,150	2,514	4,941	2,855	48	1,725	313	9,015
Less: Refunds of estimated tax payments.....	1,227	84,481	569	1,551	1,551	-	-	-	3,559
RETURNS OF SMALL BUSINESS CORPORATIONS, FORM 1120S, WITH AND WITHOUT NET INCOME									
Number of returns, Form 1120S, with and without net income.....	257,475	-	11,634	1,857	(*)	360	909	472	26,066
Net income:									
Number of returns.....	157,247	-	5,944	1,052	(*)	288	475	287	16,439
Amount.....	-	3,024,591	101,205	48,565	(*)	23,171	11,785	13,425	372,402
Deficit.....	96,437	1,178,073	127,215	22,510	(*)	1,326	18,270	1,766	120,981
NUMBER OF RETURNS WITH INCOME TAX (OTHER THAN FORM 1120S)									
Number of returns with--									
Income tax, total.....	743,462	-	11,214	5,291	160	1,043	2,502	1,585	57,791
Normal tax and surtax (including alternative tax), total.....	735,566	-	10,944	4,991	153	993	2,300	1,543	57,015
Additional tax for tax preferences, total.....	4,870	-	36	557	34	188	223	111	56
Returns with net income.....	4,303	-	33	468	28	181	163	94	33
Returns with normal tax and surtax.....	4,026	-	30	409	27	158	132	91	29

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 8.--TAX ITEMS: NUMBER OF RETURNS, NET INCOME OR DEFICIT, STATUTORY SPECIAL DEDUCTIONS, INCOME SUBJECT TO TAX, INCOME TAX, CREDIT, AND PAYMENT ITEMS, SELECTED CONTROLLED GROUP AND DIVIDEND RECEIPT ITEMS, CONSTRUCTIVE FOREIGN INCOME, SMALL BUSINESS CORPORATION (FORM 1120S) INCOME, AND NUMBER OF RETURNS BY SELECTED TYPES OF TAXES, BY MAJOR INDUSTRY--Continued

[All figures are estimated based on complete money amounts are in thousand of dollars.]

Item	Major Industry--Continued								
	Manufacturing								
	Total manufacturing	Food and kindred products	Tobacco manufactures	Textile mill products	Apparel and other fabricated textile products	Lumber and wood products, except furniture	Furniture and fixtures	Paper and allied products	Printing and publishing
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
RETURNS WITH AND WITHOUT NET INCOME									
Number of returns.....	197,807	16,285	89	6,221	18,136	10,145	6,914	3,565	26,613
Net income (less deficit).....	11,846,078	3,541,173	887,434	780,426	624,685	330,986	280,345	1,079,952	1,537,392
Statutory special deductions, total.....	2,069,204	107,538	17,776	31,883	35,914	14,462	11,824	44,732	88,579
Dividends received deduction.....	1,264,893	29,078	17,761	11,666	8,637	2,234	2,051	20,031	36,192
Deduction for dividends paid on certain public utility stock.....	-	-	-	-	-	-	-	-	-
Income subject to tax.....	35,412,291	3,781,512	880,773	916,457	748,985	498,554	355,830	1,144,270	1,651,490
Income tax, total.....	16,981,466	1,818,140	433,205	435,669	340,058	179,883	162,575	502,659	768,878
Normal tax, surtax, and surcharge (including alternative tax).....	16,744,905	1,814,574	432,787	434,722	339,745	175,063	162,381	496,922	767,211
Tax from recomputing prior year investment credit.....	49,441	3,148	278	801	297	922	187	813	1,528
Additional tax for tax preferences.....	187,120	418	140	146	16	3,898	7	4,924	139
Foreign tax credit.....	3,288,009	178,257	10,089	8,051	5,559	5,730	314	55,293	14,426
Investment credit.....	451,231	31,270	3,404	10,036	1,440	7,637	725	32,132	11,150
Income tax after--									
Foreign tax credit only.....	13,693,457	1,639,883	423,116	427,618	334,499	174,153	162,261	447,366	754,452
Investment credit only.....	16,530,235	1,786,870	429,801	425,633	338,618	172,246	161,850	470,527	757,728
Foreign tax and investment credits.....	13,242,226	1,608,613	419,712	417,582	333,059	166,516	161,536	415,234	743,302
Personal holding company tax.....	1	-	-	-	-	-	-	-	-
Total net estimated tax payments.....	10,507,117	1,217,876	331,431	284,488	213,741	115,913	112,354	359,346	572,203
1969 overpayments claimed as a credit.....	409,442	45,042	2,240	10,248	10,043	11,578	2,646	17,787	37,043
1970 estimated tax payments.....	10,783,963	1,194,014	329,191	278,803	206,603	112,899	111,277	365,126	542,515
Less: Refunds of estimated tax payments.....	686,778	21,179	-	8,563	2,905	8,564	1,569	23,565	7,352
Credit for U.S. tax paid on special fuels, nonhighway gasoline, and lubricating oil.....	12,520	875	28	157	11	752	18	637	66
Credit for tax paid by regulated investment companies.....	538	16	-	-	-	-	-	-	-
Payments with applications for extension of filing time.....	2,077,072	249,849	72,735	59,690	48,414	28,488	14,252	32,557	100,079
Members of controlled groups:									
Total number of returns.....	39,061	3,417	80	1,763	3,717	1,751	1,323	1,080	4,306
Additional tax under controlled group provisions for members of groups--									
Allocating one surtax exemption under section 1561.....	3,065	431	-	126	427	162	46	88	378
Electing to use multiple surtax exemptions under sections 1562 and 1564.....	23,433	2,214	45	1,288	2,954	669	866	689	2,172
Intragroup domestic dividends subject to 100 percent deduction:									
Number of returns.....	162	(*)	1	3	2	1	1	4	42
Amount.....	100,629	(*)	11,099	4,249	600	51	167	5,761	3,035
Transitional 87-1/2 percent deduction:									
Number of returns.....	158	(*)	1	1	1	2	(*)	(*)	50
Amount.....	18,520	(*)	160	40	449	102	(*)	(*)	2,287
Dividends received from foreign corporations paid from income earned within the U.S.--									
Qualifying for 100 percent deduction by U.S. corporate sole stockholder.....	2,290	-	-	-	375	-	-	-	477
Qualifying for 85 percent deduction.....	245	5	23	-	(1)	12	(1)	39	(1)
Constructive taxable income from related foreign corporations:									
Includable income of controlled foreign corporations.....	78,093	12,003	451	414	89	1,077	-	3,280	1,038
Foreign dividend income resulting from foreign taxes deemed paid.....	1,411,857	105,892	2,064	1,772	2,267	3,114	228	33,768	8,169
RETURNS, OTHER THAN FORM 1120S, WITH NET INCOME									
Number of returns, other than Form 1120S, with net income.....	102,563	9,388	59	4,045	9,850	4,360	3,526	2,366	12,842
Net income.....	37,370,627	3,880,516	892,295	945,314	779,646	508,193	367,309	1,182,489	1,736,730
Statutory special deductions, total.....	1,989,179	100,192	11,529	31,114	32,485	14,115	11,661	44,432	87,041
Net operating loss carryover.....	588,762	75,556	15	20,217	26,976	12,192	9,773	23,435	52,004
Dividends received deduction.....	1,184,868	21,732	11,514	10,897	5,208	1,887	1,888	19,731	34,654
Deduction for dividends paid on certain public utility stock.....	-	-	-	-	-	-	-	-	-
Western Hemisphere Trade Corporation deduction.....	215,549	2,904	-	-	301	36	-	1,266	383
Income subject to tax, total.....	35,410,557	3,781,501	880,773	915,102	748,985	498,189	355,830	1,144,270	1,651,490
Income taxed at normal tax and surtax rates.....	33,740,668	3,724,831	879,254	898,633	745,481	229,385	353,296	860,282	1,602,014
Total net long-term capital gain taxed at alternative rates.....	1,669,889	56,670	1,519	16,469	3,504	268,804	2,534	283,988	49,476
Amount taxed at 25 percent rate.....	196,606	8,354	13	4,457	17	9,559	55	1,940	3,909
Income tax, total.....	16,956,730	1,817,908	433,052	435,041	339,972	179,175	162,546	502,506	768,655
Normal tax, surtax, and surcharge (including alternative tax).....	16,744,404	1,814,571	432,787	434,331	339,745	174,957	162,381	496,922	767,211
Tax from recomputing prior year investment credit.....	41,270	2,982	265	687	218	389	163	693	1,318
Additional tax for tax preferences.....	171,056	355	-	23	9	3,829	2	4,891	126
Total net estimated tax payments.....	10,468,803	1,215,485	331,260	282,771	211,853	114,020	111,802	358,801	570,095
1969 overpayments claimed as a credit.....	402,823	44,507	2,240	14,065	9,469	11,046	2,646	17,718	36,257
1970 estimated tax payments.....	10,700,453	1,187,324	329,020	273,307	204,937	110,500	110,247	362,825	540,113
Less: Refunds of estimated tax payments.....	634,469	16,346	-	4,601	2,553	7,526	1,091	21,741	6,272
RETURNS, OTHER THAN FORM 1120S, WITHOUT NET INCOME									
Number of returns, other than Form 1120S, without net income.....	65,264	4,613	28	1,595	4,715	3,980	2,214	809	8,731
Deficit.....	5,896,292	405,911	5,850	184,738	204,384	197,810	97,329	104,444	231,533

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 8.--TAX ITEMS: NUMBER OF RETURNS, NET INCOME OR DEFICIT, STATUTORY SPECIAL DEDUCTIONS, INCOME SUBJECT TO TAX, INCOME TAX, CREDIT, AND PAYMENT ITEMS. SELECTED CONTROLLED GROUP AND DIVIDEND RECEIPT ITEMS, CONSTRUCTIVE FOREIGN INCOME, SMALL BUSINESS CORPORATION (FORM 1120S) INCOME, AND NUMBER OF RETURNS BY SELECTED TYPES OF TAXES, BY MAJOR INDUSTRY--Continued

(All figures are in thousands of dollars)

Item	Major industry--Continued								
	Manufacturing								
	Total manufac- turing	Food and kindred products	Tobacco manufac- tures	Textile mill products	Apparel and other fabricated textile products	Lumber and wood products, except furniture	Furniture and fixtures	Paper and allied products	Printing and publishing
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
RETURNS, OTHER THAN FORM 1120S, WITHOUT NET INCOME--Continued									
Income tax, total.....	24,235	229	153	237	86	602	29	153	223
Tax from recomputing prior year investment credit.....	8,171	166	13	114	79	533	24	120	210
Additional tax for tax preferences.....	16,064	63	140	123	7	69	5	33	13
Total net estimated tax payments.....	38,314	2,391	171	1,717	1,888	1,893	552	545	2,108
1969 overpayments claimed as a credit.....	7,119	535	-	183	574	532	-	69	786
1970 estimated tax payments.....	83,510	6,690	171	5,496	1,666	2,399	1,030	2,301	2,402
Less: Refunds of estimated tax payments.....	52,309	4,833	-	3,962	352	1,038	478	1,824	1,080
RETURNS OF SMALL BUSINESS CORPORATIONS, FORM 1120S, WITH AND WITHOUT NET INCOME									
Number of returns, Form 1120S, with and without net income.....	29,980	2,284	2	581	3,571	1,805	1,174	390	5,040
Net income:									
Number of returns.....	18,251	1,712	2	400	2,205	1,050	703	249	3,003
Amount.....	554,862	75,598	989	27,399	65,423	32,644	14,321	8,715	65,012
Deficit.....	183,119	9,030	-	7,549	16,000	12,041	3,956	6,808	32,817
NUMBER OF RETURNS WITH INCOME TAX (OTHER THAN FORM 1120S)									
Number of returns with--									
Income tax, total.....	93,709	8,742	39	3,766	8,745	4,123	3,278	2,044	11,518
Normal tax and surtax (including alternative tax), total.....	91,721	8,624	37	3,671	8,674	3,882	3,260	2,025	11,207
Additional tax for tax preferences, total.....	459	20	1	17	4	49	(*)	24	8
Returns with net income.....	288	9	-	4	1	40	(*)	14	4
Returns with normal tax and surtax.....	255	8	-	4	1	40	(*)	14	4

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 8.--TAX ITEMS: NUMBER OF RETURNS, NET INCOME OR DEFICIT, STATUTORY SPECIAL DEDUCTIONS, INCOME SUBJECT TO TAX, INCOME TAX, CREDIT, AND PAYMENT ITEMS, SELECTED CONTROLLED GROUP AND DIVIDEND RECEIPT ITEMS, CONSTRUCTIVE FOREIGN INCOME, SMALL BUSINESS CORPORATION (FORM 1120S) INCOME, AND NUMBER OF RETURNS BY SELECTED TYPES OF TAXES, BY MAJOR INDUSTRY--Continued

(All figures are estimates based on samples--none; amounts are in thousands of dollars)

Item	Major Industry--Continued								
	Manufacturing--Continued								
	Chemicals and allied products	Petroleum refining and related industries	Rubber and miscellaneous plastics products	Leather and leather products	Stone, clay, and glass products	Primary metal industries	Fabricated metal products, except machinery and transportation equipment	Machinery, except electrical	Electrical equipment and supplies
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)
RETURNS WITH AND WITHOUT NET INCOME									
Number of returns.....	10,236	841	5,433	2,299	8,427	4,052	22,637	23,553	10,385
Net income (less deficit).....	4,891,627	4,598,869	491,734	201,652	754,148	803,308	1,468,006	3,961,161	1,664,443
Statutory special deductions, total.....	157,293	954,786	25,387	26,233	52,544	148,745	63,882	85,095	90,291
Dividends received deduction.....	79,755	822,956	7,223	13,981	25,217	84,112	14,435	37,255	25,512
Deduction for dividends paid on certain public utility stock.....	-	-	-	-	-	-	-	-	-
Income subject to tax ¹	4,981,699	3,677,042	604,185	259,627	819,319	1,150,776	1,806,596	4,664,639	2,390,132
Income tax total ²	2,390,265	1,924,423	286,606	116,972	378,937	560,700	833,601	2,247,095	1,145,119
Normal tax, surtax, and surcharge (including alternative tax) ³	2,375,547	1,776,327	284,240	115,875	375,151	540,947	828,147	2,241,889	1,139,811
Tax from recomputing prior year investment credit.....	10,443	1,671	1,677	554	1,194	3,270	3,823	4,256	3,703
Additional tax for tax preferences.....	4,275	146,425	689	543	2,592	16,483	1,631	950	1,605
Foreign tax credit.....	385,525	1,231,379	58,238	1,582	44,917	120,913	53,330	556,989	169,177
Investment credit ⁴	83,377	94,743	12,340	312	10,271	25,579	11,329	19,209	25,622
Income tax after--									
Foreign tax credit only.....	2,004,740	693,044	228,368	115,390	334,020	439,787	780,271	1,690,106	975,542
Investment credit only.....	2,306,888	1,829,680	274,266	116,660	368,666	535,121	822,272	2,227,886	1,119,947
Foreign tax and investment credits.....	1,921,363	598,301	216,028	115,078	323,749	414,208	768,942	1,670,897	950,320
Personal holding company tax.....	-	-	-	1	-	-	-	-	-
Total net estimated tax payments.....	1,635,458	364,609	180,305	72,709	252,752	343,844	576,492	1,402,085	804,058
1969 overpayments claimed as a credit.....	49,898	26,604	26,824	3,319	9,430	18,006	19,948	37,836	37,043
1970 estimated tax payments.....	1,624,577	341,056	180,476	69,547	256,748	349,675	565,323	1,410,430	790,211
Less: Refunds of estimated tax payments.....	39,013	3,051	26,995	157	13,428	23,838	8,779	46,230	23,196
Credit for U.S. tax paid on special fuels, nonhighway gasoline, and lubricating oil.....	966	1,771	251	5	857	2,230	527	1,167	662
Credit for tax paid by regulated investment companies.....	-	-	39	-	-	-	-	-	155
Payments with applications for extension of filing time.....	246,607	258,508	23,153	25,296	46,610	61,214	93,312	245,345	157,725
Members of controlled groups:									
Total number of returns.....	2,197	229	1,232	577	1,797	984	4,570	3,664	2,254
Additional tax under controlled group provisions for members of groups--									
Allocating one surtax exemption under section 1561.....	282	13	74	8	130	43	183	361	52
Electing to use multiple surtax exemptions under sections 1562 and 1564.....	1,293	173	839	457	1,023	688	3,096	1,663	1,062
Intragroup domestic dividends subject to 100 percent deduction:									
Number of returns.....	11	-	(*)	-	(*)	(*)	22	22	(*)
Amount.....	31,890	-	(*)	-	(*)	(*)	2,312	18,595	(*)
Transitional 87-1/2 percent deduction:									
Number of returns.....	4	-	(*)	4	(*)	(*)	20	(*)	3
Amount.....	460	-	(*)	7,908	(*)	(*)	1,806	(*)	257
Dividends received from foreign corporations paid from income earned within the U.S.--									
Qualifying for 100 percent deduction by U.S. corporate sole stockholder.....	-	-	-	-	-	33	245	1,159	-
Qualifying for 85 percent deduction.....	74	-	-	-	-	-	-	92	-
Constructive taxable income from related foreign corporations:									
Includable income of controlled foreign corporations.....	18,110	118	88	391	2,870	7,927	2,526	1,727	8,603
Foreign dividend income resulting from foreign taxes deemed paid.....	216,715	104,566	17,519	205	33,518	32,522	36,524	418,523	101,119
RETURNS, OTHER THAN FORM 1120S, WITH NET INCOME									
Number of returns, other than Form 1120S, with net income.....	5,510	623	2,784	1,266	4,761	2,360	12,285	11,318	4,567
Net income.....	5,133,807	4,631,020	626,824	285,668	867,681	1,270,867	1,864,042	4,731,607	2,478,143
Statutory special deductions, total.....	156,228	953,942	22,611	26,175	51,077	121,136	58,599	68,657	89,060
Net operating loss carryover.....	48,667	10,909	18,030	12,159	25,329	33,898	46,108	34,311	57,274
Dividends received deduction.....	78,690	822,112	4,447	13,923	23,750	56,503	9,152	20,817	24,281
Deduction for dividends paid on certain public utility stock.....	-	-	-	-	-	-	-	-	-
Western Hemisphere Trade Corporation deduction.....	28,871	120,921	134	93	1,998	30,735	3,339	13,529	7,505
Income subject to tax, total.....	4,981,699	3,677,042	604,185	259,627	819,316	1,150,776	1,806,596	4,664,639	2,390,132
Income taxed at normal tax and surtax rates.....	4,735,959	3,535,953	586,186	221,271	761,599	1,070,771	1,724,221	4,572,840	2,276,586
Total net long-term capital gain taxed at alternative rates.....	245,740	141,089	17,999	38,356	57,717	80,005	82,375	91,799	113,546
Amount taxed at 25 percent rate.....	45,593	42,347	1,968	52	2,759	3,169	30,587	13,242	10,835
Income tax, total.....	2,389,830	1,922,973	286,270	116,726	378,363	547,428	831,996	2,245,986	1,144,427
Normal tax, surtax, and surcharge (including alternative tax) ³	2,375,547	1,776,327	284,240	115,875	375,150	540,947	828,147	2,241,889	1,139,811
Tax from recomputing prior year investment credit.....	10,104	1,619	1,475	308	945	1,358	2,669	3,417	3,130
Additional tax for tax preferences.....	4,179	145,027	555	543	2,268	5,123	1,180	680	1,486
Total net estimated tax payments.....	1,633,681	363,722	179,049	72,002	251,541	341,555	572,255	1,397,334	798,102
1969 overpayments claimed as a credit.....	49,547	26,530	26,811	3,319	9,254	17,599	19,386	36,722	36,534
1970 estimated tax payments.....	1,621,888	340,243	173,048	68,709	254,410	338,537	558,287	1,396,596	780,423
Less: Refunds of estimated tax payments.....	37,754	3,051	20,810	26	12,123	14,581	5,418	35,984	18,855
RETURNS, OTHER THAN FORM 1120S, WITHOUT NET INCOME									
Number of returns, other than Form 1120S, without net income.....	3,367	158	1,776	747	2,726	1,395	7,407	8,622	4,414
Deficit.....	260,669	37,182	134,597	87,251	128,715	482,102	427,755	819,214	823,495

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 8.--TAX ITEMS: NUMBER OF RETURNS, NET INCOME OR DEFICIT, STATUTORY SPECIAL DEDUCTIONS, INCOME SUBJECT TO TAX, INCOME TAX, CREDIT, AND PAYMENT ITEMS, SELECTED CONTROLLED GROUP AND DIVIDEND RECEIPT ITEMS, CONSTRUCTIVE FOREIGN INCOME, SMALL BUSINESS CORPORATION (FORM 1120S) INCOME, AND NUMBER OF RETURNS BY SELECTED TYPES OF TAXES, BY MAJOR INDUSTRY--Continued

Item	Major Industry--Continued								
	Manufacturing--Continued								
	Chemicals and allied products	Petroleum refining and related industries	Rubber and miscellaneous plastics products	Leather and leather products	Stone, clay, and glass products	Primary metal industries	Fabricated metal products, except machinery and transportation equipment	Machinery, except electrical	Electrical equipment and supplies
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)
RETURNS, OTHER THAN FORM 1120S, WITHOUT NET INCOME--Continued									
Income tax, total.....	435	1,450	336	246	573	13,272	1,605	1,109	692
Tax from recomputing prior year investment credit.....	339	52	202	246	249	1,912	1,154	839	573
Additional tax for tax preferences.....	96	1,398	134	-	324	11,360	451	270	119
Total net estimated tax payments.....	1,777	887	1,256	707	1,211	2,289	4,237	4,751	5,956
1969 overpayments claimed as a credit.....	351	74	13	-	176	407	562	1,114	509
1970 estimated tax payments.....	2,689	813	7,428	838	2,338	11,138	7,036	13,884	9,788
Less: Refunds of estimated tax payments.....	1,259	-	6,185	131	1,305	9,257	3,361	10,246	4,341
RETURNS OF SMALL BUSINESS CORPORATIONS, FORM 1120S, WITH AND WITHOUT NET INCOME									
Number of returns, Form 1120S, with and without net income.....	1,359	(*)	873	286	940	297	2,945	3,613	1,404
Net income:									
Number of returns.....	956	(*)	370	217	586	138	1,729	2,428	719
Amount.....	26,657	(*)	8,666	4,496	19,176	18,314	48,920	66,911	24,922
Deficit.....	7,868	(*)	9,159	1,261	3,994	3,771	17,201	18,143	15,127
NUMBER OF RETURNS WITH INCOME TAX (OTHER THAN FORM 1120S)									
Number of returns with--									
Income tax, total.....	4,817	562	2,534	1,157	4,420	2,275	11,373	10,619	3,983
Normal tax and surtax (including alternative tax), total.....	4,750	548	2,518	1,138	4,290	2,226	11,133	10,387	3,876
Additional tax for tax preferences, total.....	32	37	4	(*)	56	33	33	53	23
Returns with net income.....	25	30	2	(*)	36	16	22	31	15
Returns with normal tax and surtax.....	25	26	2	(*)	34	14	7	28	13

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 8.--TAX ITEMS: NUMBER OF RETURNS, NET INCOME OR DEFICIT, STATUTORY SPECIAL DEDUCTIONS, INCOME SUBJECT TO TAX, INCOME TAX, CREDIT, AND PAYMENT ITEMS, SELECTED CONTROLLED GROUP AND DIVIDEND RECEIPT ITEMS, CONSTRUCTIVE FOREIGN INCOME, SMALL BUSINESS CORPORATION (FORM 1120S) INCOME, AND NUMBER OF RETURNS BY SELECTED TYPES OF TAXES, BY MAJOR INDUSTRY--Continued

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

Item	Major industry--Continued							
	Manufacturing--Continued				Transportation, communication, electric, gas, and sanitary services			
	Motor vehicles and equipment	Transportation equipment, except motor vehicles	Scientific instruments, photographic equipment, watches and clocks	Miscellaneous manufactured products, and manufacturing not allocable	Total transportation, communication, electric, gas, and sanitary services	Transportation	Communication	Electric, gas, and sanitary services
(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	
RETURNS WITH AND WITHOUT NET INCOME								
Number of returns.....	2,761	3,022	4,095	12,098	67,398	53,113	7,462	6,823
Net income (less deficit).....	1,980,220	350,774	1,281,488	336,255	7,543,718	-110,510	4,183,728	3,470,500
Statutory special deductions, total.....	30,793	24,584	17,711	39,152	343,276	197,026	86,836	59,414
Dividends received deduction.....	17,248	3,979	1,465	4,105	175,341	85,003	63,642	26,696
Deduction for dividends paid on certain public utility stock.....	-	-	-	-	21,185	-	813	20,372
Income subject to tax ¹	2,251,269	961,006	1,400,442	467,688	9,043,604	1,277,366	4,226,026	3,540,212
Income tax, total ¹	1,100,391	465,707	677,306	213,277	4,372,068	570,471	2,067,162	1,734,435
Normal tax, surtax, and surcharge (including alternative tax) ²	1,094,811	459,930	676,154	212,671	4,342,334	549,568	2,063,274	1,729,492
Tax from recomputing prior year investment credit.....	4,167	5,175	1,099	435	9,262	4,151	3,882	1,229
Additional tax for tax preferences.....	1,413	602	53	171	20,472	16,752	6	3,714
Foreign tax credit.....	269,971	22,701	85,968	9,600	42,524	22,574	16,826	3,424
Investment credit ¹	39,631	22,101	5,741	3,182	292,594	54,092	95,074	143,428
Income tax after--								
Foreign tax credit only.....	830,420	443,006	591,338	203,677	4,329,244	547,897	2,050,336	1,731,011
Investment credit only.....	1,060,760	443,606	671,565	210,095	4,079,474	516,379	1,972,088	1,591,077
Foreign tax and investment credits.....	790,789	420,905	585,597	200,495	4,036,650	493,805	1,955,262	1,587,583
Personal holding company tax.....	-	-	-	(³)	-	-	-	-
Total net estimated tax payments.....	675,069	332,821	512,591	146,972	3,313,481	302,991	1,611,711	1,398,779
1969 overpayments claimed as a credit.....	11,697	13,259	8,845	6,606	70,785	14,092	11,887	44,806
1970 estimated tax payments.....	1,069,635	331,773	507,691	146,343	3,275,268	298,060	1,602,509	1,374,699
Less: Refunds of estimated tax payments.....	406,263	12,210	3,945	5,976	32,562	9,151	2,685	20,726
Credit for U.S. tax paid on special fuels, nonhighway gasoline, and lubricating oil.....	713	676	101	50	5,712	4,329	69	1,314
Credit for tax paid by regulated investment companies.....	33	-	(³)	295	21	2	-	19
Payments with applications for extension of filing time.....	127,089	85,155	68,133	32,861	628,680	87,283	327,918	213,479
Members of controlled groups:								
Total number of returns.....	536	622	920	2,031	14,106	11,029	1,482	1,594
Additional tax under controlled group provisions for members of groups--								
Allocating one surtax exemption under section 1561.....	35	55	27	133	805	597	105	102
Electing to use multiple surtax exemptions under sections 1562 and 1564.....	361	252	391	1,228	5,658	4,367	507	784
Intragroup domestic dividends subject to 100 percent deduction:								
Number of returns.....	3	(*)	1	-	30	(*)	1	8
Amount.....	2,741	(*)	300	-	11,839	(*)	5,955	5,213
Transitional 87-1/2 percent deduction:								
Number of returns.....	-	-	2	(*)	19	17	-	2
Amount.....	-	-	154	(*)	4,935	2,714	-	2,221
Dividends received from foreign corporations paid from income earned within the U.S.--								
Qualifying for 100 percent deduction by U.S. corporate sole stockholder.....	(³)	-	-	-	1,492	1,492	-	-
Qualifying for 85 percent deduction.....	(³)	-	-	-	(³)	(³)	(³)	(³)
Constructive taxable income from related foreign corporations:								
Includable income of controlled foreign corporations.....	585	380	4,229	1,155	1,420	2,028	373	19
Foreign dividend income resulting from foreign taxes deemed paid.....	208,246	10,100	69,809	3,717	16,870	9,344	5,717	1,809
RETURNS, OTHER THAN FORM 1120S, WITH NET INCOME								
Number of returns, other than Form 1120S, with net income.....	1,427	1,259	2,308	5,659	32,507	24,798	4,105	3,604
Net income.....	2,279,993	984,793	1,418,031	505,659	9,352,344	1,443,528	4,312,156	3,596,660
Statutory special deductions, total.....	29,632	23,935	17,530	38,028	319,363	175,890	86,590	56,883
Net operating loss carryover.....	12,626	19,602	15,410	34,271	141,130	108,353	20,985	11,792
Dividends received deduction.....	16,087	3,330	1,284	2,981	151,698	63,867	63,396	24,435
Deduction for dividends paid on certain public utility stock.....	-	-	-	-	20,915	-	813	20,102
Western Hemisphere Trade Corporation deduction.....	919	1,003	836	776	5,620	3,670	1,396	554
Income subject to tax, total.....	2,251,269	961,006	1,400,442	467,688	9,043,043	1,276,805	4,226,026	3,540,212
Income taxed at normal tax and surtax rates.....	2,219,687	906,336	1,375,688	460,395	8,902,532	1,182,534	4,203,718	3,516,280
Total net long-term capital gain taxed at alternative rates.....	31,582	54,670	24,754	7,293	140,511	94,271	22,308	23,932
Amount taxed at 25 percent rate.....	9,003	4,790	1,349	2,608	14,248	7,676	2,677	3,895
Income tax, total.....	1,098,671	465,033	677,051	213,121	4,364,059	564,869	2,067,101	1,732,089
Normal tax, surtax, and surcharge (including alternative tax).....	1,094,811	459,930	676,154	212,671	4,342,155	549,389	2,063,274	1,729,492
Tax from recomputing prior year investment credit.....	3,849	4,524	863	294	8,371	3,409	3,822	1,140
Additional tax for tax preferences.....	11	579	36	156	13,533	12,071	5	1,457
Total net estimated tax payments.....	674,136	332,288	512,208	144,843	4,405,560	297,195	1,611,111	1,397,254
1969 overpayments claimed as a credit.....	11,694	13,099	8,758	5,622	68,244	13,353	11,789	43,092
1970 estimated tax payments.....	1,068,696	330,591	506,804	143,948	3,286,007	290,204	1,601,997	1,371,806
Less: Refunds of estimated tax payments.....	406,254	11,402	3,354	4,727	26,682	6,353	2,685	17,644
RETURNS, OTHER THAN FORM 1120S, WITHOUT NET INCOME								
Number of returns, other than Form 1120S, without net income.....	939	1,414	1,322	4,292	24,619	19,729	2,504	2,386
Deficit.....	309,949	636,063	139,837	177,164	1,848,096	1,589,545	126,174	132,377

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 8.--TAX ITEMS: NUMBER OF RETURNS, NET INCOME OR DEFICIT, STATUTORY SPECIAL DEDUCTIONS, INCOME SUBJECT TO TAX, INCOME TAX, CREDIT, AND PAYMENT ITEMS, SELECTED CONTROLLED GROUP AND DIVIDEND RECEIPT ITEMS, CONSTRUCTIVE FOREIGN INCOME, SMALL BUSINESS CORPORATION (FORM 1120S) INCOME, AND NUMBER OF RETURNS BY SELECTED TYPES OF TAXES, BY MAJOR INDUSTRY--Continued

Item	Major industry--Continued							
	Manufacturing--Continued				Transportation, communication, electric, gas, and sanitary services			
	Motor vehicles and equipment	Transportation equipment, except motor vehicles	Scientific instruments, photographic equipment, watches and clocks	Miscellaneous manufactured products, and manufacturing not allocable	Total transportation, communication, electric, gas, and sanitary services	Transportation	Communication	Electric, gas, and sanitary services
(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	
RETURNS, OTHER THAN FORM 1120S, WITHOUT NET INCOME--Continued								
Income tax, total.....	1,720	674	255	156	7,830	5,423	61	2,346
Tax from recomputing prior year investment credit.....	318	651	236	141	891	742	60	89
Additional tax for tax preferences.....	1,402	23	19	15	6,939	4,681	1	2,257
Total net estimated tax payments.....	933	533	383	2,129	7,921	5,796	600	1,525
1969 overpayments claimed as a credit.....	3	160	87	984	2,541	739	88	1,714
1970 estimated tax payments.....	939	1,182	887	2,395	11,261	7,856	512	2,893
Less: Refunds of estimated tax payments.....	9	808	591	1,249	5,880	2,798	-	3,082
RETURNS OF SMALL BUSINESS CORPORATIONS, FORM 1120S, WITH AND WITHOUT NET INCOME								
Number of returns, Form 1120S, with and without net income.....	395	349	465	2,147	10,272	8,586	853	833
Net income:								
Number of returns.....	251	147	284	1,008	5,697	4,687	493	517
Amount.....	10,423	7,107	3,984	19,036	119,251	100,407	10,162	8,682
Deficit.....	247	5,063	690	11,276	79,781	64,900	12,416	2,465
NUMBER OF RETURNS WITH INCOME TAX (OTHER THAN FORM 1120S)								
Number of returns with--								
Income tax, total.....	1,284	1,177	2,117	5,071	28,219	21,428	3,539	3,251
Normal tax and surtax (including alternative tax), total.....	1,252	1,084	2,101	5,029	27,677	21,019	3,470	3,187
Additional tax for tax preferences, total.....	2	19	4	(*)	73	59	2	12
Returns with net income.....	1	(*)	1	(*)	47	38	1	(*)
Returns with normal tax and surtax.....	-	(*)	1	(*)	40	31	1	(*)

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 8.--TAX ITEMS: NUMBER OF RETURNS, NET INCOME OR DEFICIT, STATUTORY SPECIAL DEDUCTIONS, INCOME SUBJECT TO TAX, INCOME TAX, CREDIT, AND PAYMENT ITEMS, SELECTED CONTROLLED GROUP AND DIVIDEND RECEIPT ITEMS, CONSTRUCTIVE FOREIGN INCOME, SMALL BUSINESS CORPORATION (FORM 1120S) INCOME, AND NUMBER OF RETURNS BY SELECTED TYPES OF TAXES, BY MAJOR INDUSTRY--Continued

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

Item	Major industry--Continued							
	Wholesale and retail trade							
	Total wholesale and retail trade	Wholesale trade			Retail trade			
Total wholesale trade		Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade	Total retail trade	Building materials, hardware, and farm equipment	General merchandise stores	
	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)
RETURNS WITH AND WITHOUT NET INCOME								
Number of returns.....	518,062	165,575	17,928	26,808	120,839	350,773	28,397	19,351
Net income (less deficit).....	9,671,044	4,440,717	485,016	503,882	3,451,819	5,217,027	311,227	2,072,379
Statutory special deductions, total.....	663,771	269,480	35,931	33,598	199,951	392,341	18,005	144,478
Dividends received deduction.....	128,802	64,446	12,448	3,913	48,085	66,109	4,140	20,145
Deduction for dividends paid on certain public utility stock.....	-	-	-	-	-	-	-	-
Income subject to tax ¹	10,634,310	4,734,350	520,509	630,277	3,583,564	5,869,487	322,079	2,062,818
Income tax, total.....	4,485,128	2,018,557	220,525	263,862	1,534,170	2,454,996	117,109	973,570
Normal tax, surtax, and surcharge (including alternative tax) ²	4,476,047	2,014,163	219,648	263,117	1,531,398	2,450,594	116,792	972,204
Tax from recomputing prior year investment credit.....	6,403	2,579	747	650	1,132	3,789	203	1,015
Additional tax for tax preferences.....	2,678	1,815	80	95	1,640	613	114	351
Foreign tax credit.....	206,904	161,793	5,134	711	155,948	45,111	19	40,094
Investment credit ³	41,043	6,830	1,861	1,021	3,948	33,250	343	20,636
Income tax after--								
Foreign tax credit only.....	4,278,224	1,856,764	215,391	263,151	1,378,222	2,409,885	117,090	933,476
Investment credit only.....	4,444,085	2,011,727	218,664	262,861	1,530,232	2,421,746	116,766	952,934
Foreign tax and investment credits.....	4,237,181	1,849,934	213,530	262,130	1,374,274	2,376,635	116,747	912,860
Personal holding company tax.....	(⁴)	(⁴)	-	(⁴)	(⁴)	(⁴)	-	(⁴)
Total net estimated tax payments.....	2,443,483	1,045,844	117,217	148,051	780,576	1,391,644	50,191	627,692
1969 overpayments claimed as a credit.....	80,635	31,748	5,595	3,633	22,520	48,349	1,588	23,466
1970 estimated tax payments.....	2,394,756	1,030,998	115,262	146,398	769,338	1,355,201	49,030	608,036
Less: Refunds of estimated tax payments.....	31,910	16,904	3,640	1,978	11,286	11,906	427	3,810
Credit for U.S. tax paid on special fuels, nonhighway gasoline, and lubricating oil.....	1,403	476	54	75	347	883	88	56
Credit for tax paid by regulated investment companies.....	323	42	-	-	42	281	-	281
Payments with applications for extension of filing time.....	650,535	226,225	27,178	30,182	168,865	422,589	13,496	202,315
Members of controlled groups:								
Total number of returns.....	90,999	30,124	2,814	5,056	22,253	60,679	3,795	5,617
Additional tax under controlled group provisions for members of groups--								
Allocating one surtax exemption under section 1561.....	3,044	1,517	159	280	1,077	1,523	115	89
Electing to use multiple surtax exemptions under sections 1562 and 1564.....	60,706	19,140	1,870	2,497	14,773	41,485	2,202	5,521
Intragroup domestic dividends subject to 100 percent deduction:								
Number of returns.....	73	58	(*)	28	26	(*)	(*)	(*)
Amount.....	13,574	10,730	(*)	1,015	6,021	(*)	(*)	(*)
Transitional 87-1/2 percent deduction:								
Number of returns.....	147	66	(*)	(*)	50	78	(*)	20
Amount.....	28,669	8,340	(*)	(*)	4,934	20,281	(*)	6,705
Dividends received from foreign corporations paid from income earned within the U.S.--								
Qualifying for 100 percent deduction by U.S. corporate sole stockholder.....	1,152	9	-	-	9	1,143	-	1,120
Qualifying for 85 percent deduction.....	62	52	26	2	24	10	(⁵)	-
Constructive taxable income from related foreign corporations:								
includable income of controlled foreign corporations.....	1,774	1,325	-	23	1,302	407	-	-
Foreign dividend income resulting from foreign taxes deemed paid.....	60,056	22,778	3,607	41	19,130	37,278	-	34,902
RETURNS, OTHER THAN FORM 1120S, WITH NET INCOME								
Number of returns, other than Form 1120S, with net income.....	276,231	97,509	10,039	16,181	71,289	177,773	15,182	11,321
Net income.....	11,253,015	4,990,405	555,124	661,069	3,774,192	6,230,817	337,940	2,201,822
Statutory special deductions, total.....	653,309	265,168	35,621	33,049	196,498	386,750	17,537	141,126
Net operating loss carryover.....	520,844	191,982	22,606	26,954	142,422	327,659	13,865	123,663
Dividends received deduction.....	118,340	60,134	12,138	3,364	44,632	58,018	3,672	16,793
Deduction for dividends paid on certain public utility stock.....	-	-	-	-	-	-	-	-
Western Hemisphere Trade Corporation deduction.....	14,125	13,052	877	2,731	9,444	1,073	-	670
Income subject to tax, total.....	10,633,221	4,734,368	520,507	630,277	3,583,564	5,868,400	321,582	2,062,818
Income taxed at normal tax and surtax rates.....	10,462,616	4,657,697	506,609	619,771	3,531,317	5,781,463	309,781	2,026,787
Total net long-term capital gain taxed at alternative rates.....	170,605	76,651	13,898	10,506	52,247	86,937	11,801	36,031
Amount taxed at 25 percent rate.....	26,155	8,663	867	840	6,956	14,634	1,929	3,732
Income tax, total.....	4,482,122	2,017,587	220,216	263,612	1,533,759	2,452,961	116,873	972,860
Normal tax, surtax, and surcharge (including alternative tax) ²	4,475,376	2,014,162	219,647	263,117	1,531,398	2,446,924	116,649	972,204
Tax from recomputing prior year investment credit.....	4,693	1,833	489	438	906	2,826	164	580
Additional tax for tax preferences.....	2,053	1,592	80	57	1,455	211	60	76
Total net estimated tax payments.....	2,425,107	1,036,852	116,049	146,816	773,987	1,382,292	49,523	625,945
1969 overpayments claimed as a credit.....	76,185	29,355	5,423	3,277	20,655	46,292	1,484	23,352
1970 estimated tax payments.....	2,371,386	1,020,106	114,223	145,221	760,662	1,342,755	48,440	605,532
Less: Refunds of estimated tax payments.....	22,464	12,609	3,547	1,682	7,330	6,755	401	2,939
RETURNS, OTHER THAN FORM 1120S, WITHOUT NET INCOME								
Number of returns, other than Form 1120S, without net income.....	147,807	39,702	4,587	7,199	27,916	107,414	7,296	5,181
Deficit.....	2,434,638	972,710	125,769	188,747	658,194	1,442,742	95,050	153,432

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 8.--TAX ITEMS: NUMBER OF RETURNS, NET INCOME OR DEFICIT, STATUTORY SPECIAL DEDUCTIONS, INCOME SUBJECT TO TAX, INCOME TAX, CREDIT, AND PAYMENT ITEMS, SELECTED CONTROLLED GROUP AND DIVIDEND RECEIPT ITEMS, CONSTRUCTIVE FOREIGN INCOME, SMALL BUSINESS CORPORATION (FORM 1120S) INCOME, AND NUMBER OF RETURNS BY SELECTED TYPES OF TAXES, BY MAJOR INDUSTRY--Continued

(All figures are estimates unless otherwise noted; amounts are in thousands of dollars)

Item	Major industry--Continued							
	Wholesale and retail trade							
	Total wholesale and retail trade	Wholesale trade				Retail trade		
		Total wholesale trade	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade	Total retail trade	Building materials, hardware, and farm equipment	General merchandise stores
(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	
RETURNS, OTHER THAN FORM 1120S, WITHOUT NET INCOME--Continued								
Income tax, total.....	2,324	969	308	250	411	1,354	93	710
Tax from recomputing prior year investment credit.....	1,710	746	308	212	226	963	39	435
Additional tax for tax preferences.....	614	223	-	38	185	391	54	275
Total net estimated tax payments.....	18,376	8,992	1,168	1,235	6,589	9,352	668	1,747
1969 overpayments claimed as a credit.....	4,450	2,343	172	356	1,865	2,057	104	114
1970 estimated tax payments.....	23,370	10,892	1,039	1,177	8,676	12,446	590	2,504
Less: Refunds of estimated tax payments.....	9,446	4,245	41	296	3,956	5,151	26	871
RETURNS OF SMALL BUSINESS CORPORATIONS, FORM 1120S, WITH AND WITHOUT NET INCOME								
Number of returns, Form 1120S, with and without net income.....	94,024	28,364	3,302	3,428	21,634	65,586	5,919	2,849
Net income:								
Number of returns.....	63,756	20,905	2,413	2,097	16,395	42,777	4,100	1,941
Amount.....	1,142,396	447,937	64,390	49,980	383,567	643,766	80,868	35,044
Deficit.....	289,729	74,915	8,729	18,440	47,746	214,814	12,531	11,055
NUMBER OF RETURNS WITH INCOME TAX (OTHER THAN FORM 1120S)								
Number of returns with--								
Income tax, total.....	247,738	88,628	9,165	14,816	64,647	158,382	13,945	10,524
Normal tax and surtax (including alternative tax), total.....	245,692	87,830	9,090	14,517	64,222	157,139	13,865	10,437
Additional tax for tax preferences, total.....	124	52	(*)	(*)	24	70	(*)	18
Returns with net income.....	83	33	(*)	(*)	8	48	(*)	(*)
Returns with normal tax and surtax.....	80	30	(*)	(*)	6	48	(*)	(*)

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 8.--TAX ITEMS: NUMBER OF RETURNS, NET INCOME OR DEFICIT, STATUTORY SPECIAL DEDUCTIONS, INCOME SUBJECT TO TAX, INCOME TAX, CREDIT, AND PAYMENT ITEMS, SELECTED CONTROLLED GROUP AND DIVIDEND RECEIPT ITEMS, CONSTRUCTIVE FOREIGN INCOME, SMALL BUSINESS CORPORATION (FORM 1120S) INCOME, AND NUMBER OF RETURNS BY SELECTED TYPES OF TAXES, BY MAJOR INDUSTRY--Continued

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

Item	Major industry--Continued						
	Wholesale and retail trade--Continued						
	Retail trade--Continued						Wholesale and retail trade not allocable
	Food stores	Automotive dealers and service stations	Apparel and accessory stores	Furniture, home furnishings, and equipment stores	Eating and drinking places	Miscellaneous retail stores	
(44)	(45)	(46)	(47)	(48)	(49)	(50)	
RETURNS WITH AND WITHOUT NET INCOME							
Number of returns.....	25,479	57,289	39,131	30,122	71,398	79,606	1,714
Net income (less deficit).....	894,678	463,277	431,668	219,333	206,666	617,794	13,300
Statutory special deductions, total.....	32,201	42,205	30,451	24,380	41,333	59,788	1,450
Dividends received deduction.....	6,135	4,455	14,683	1,876	4,832	7,843	247
Deduction for dividends paid on certain public utility stock.....	-	-	-	-	-	-	-
Income subject to tax ¹	942,736	657,993	494,384	279,885	423,238	686,354	30,473
Income tax, total ¹	430,302	240,150	184,484	102,193	159,043	248,145	11,575
Normal tax, surtax, and surcharge (including alternative tax) ²	429,620	239,534	184,446	102,096	158,145	247,757	11,290
Tax from recomputing prior year investment credit.....	644	616	36	97	876	302	35
Additional tax for tax preferences.....	38	-	2	-	22	86	250
Foreign tax credit.....	1,751	4	303	41	1,033	1,866	(³)
Investment credit ¹	6,556	438	935	119	2,837	1,386	963
Income tax after--							
Foreign tax credit only.....	428,551	240,146	184,191	102,152	158,010	246,279	11,575
Investment credit only.....	423,746	239,712	183,549	102,074	156,206	246,759	10,612
Foreign tax and investment credits.....	421,995	239,708	183,246	102,033	155,173	244,893	10,612
Personal holding company tax.....	-	-	-	-	-	-	-
Total net estimated tax payments.....	296,187	113,597	77,714	45,913	72,727	107,623	5,995
1969 overpayments claimed as a credit.....	9,790	4,745	3,094	1,884	1,164	2,618	538
1970 estimated tax payments.....	288,869	110,238	75,380	44,568	72,862	106,220	8,557
Less: Refunds of estimated tax payments.....	2,472	1,384	760	539	1,299	1,215	3,100
Credit for U.S. tax paid on special fuels, nonhighway gasoline, and lubricating oil.....	360	257	(³)	(³)	7	115	44
Credit for tax paid by regulated investment companies.....	(³)	-	-	-	-	-	-
Payments with applications for extension of filing time.....	64,750	26,303	40,845	12,983	30,496	31,401	1,721
Members of controlled groups:							
Total number of returns.....	3,916	9,100	13,141	4,070	9,148	11,890	195
Additional tax under controlled group provisions for members of groups--							
Allocating one surtax exemption under section 1561.....	24	491	129	63	108	501	3
Electing to use multiple surtax exemptions under sections 1562 and 1564.....	2,933	5,315	10,235	2,185	5,292	7,798	80
Intragroup domestic dividends subject to 100 percent deduction:							
Number of returns.....	(*)	(*)	(*)	-	-	(*)	-
Amount.....	(*)	(*)	(*)	-	-	(*)	-
Transitional 87-1/2 percent deduction:							
Number of returns.....	(*)	23	(*)	(*)	(*)	1	(*)
Amount.....	(*)	877	(*)	(*)	(*)	306	(*)
Dividends received from foreign corporations paid from income earned within the U.S.--							
Qualifying for 100 percent deduction by U.S. corporate sole stockholder.....	-	-	-	-	-	23	-
Qualifying for 85 percent deduction.....	7	3	-	(³)	-	-	-
Constructive taxable income from related foreign corporations--							
Includable income of controlled foreign corporations.....	84	-	-	-	130	193	-
Foreign dividend income resulting from foreign taxes deemed paid.....	1,034	-	-	-	1,304	33	-
RETURNS, OTHER THAN FORM 1120S, WITH NET INCOME							
Number of returns, other than Form 1120S, with net income.....	13,042	29,620	22,675	15,047	28,254	42,632	949
Net income.....	973,128	692,072	522,763	299,087	461,794	742,211	31,793
Statutory special deductions, total.....	32,082	41,452	30,309	23,961	40,900	59,383	1,391
Net operating loss carryover.....	26,066	37,549	15,768	22,504	36,501	51,693	1,203
Dividends received deduction.....	6,016	3,702	14,541	1,457	4,399	7,438	188
Deduction for dividends paid on certain public utility stock.....	-	-	-	-	-	-	-
Western Hemisphere Trade Corporation deduction.....	-	151	-	-	-	252	-
Income subject to tax, total.....	942,736	657,993	494,384	279,885	423,152	685,850	30,473
Income taxed at normal tax and surtax rates.....	929,917	653,532	491,012	278,739	416,729	674,966	23,456
Total net long-term capital gain taxed at alternative rates.....	12,819	4,461	3,372	1,146	6,423	10,884	7,017
Amount taxed at 25 percent rate.....	759	272	1,455	-	1,974	4,513	2,858
Income tax, total.....	430,236	240,037	184,473	102,179	158,827	247,476	11,574
Normal tax, surtax, and surcharge (including alternative tax).....	429,620	239,534	184,446	102,096	158,122	247,253	11,290
Tax from recomputing prior year investment credit.....	586	503	25	83	700	185	34
Additional tax for tax preferences.....	30	-	2	-	5	38	250
Total net estimated tax payments.....	295,464	111,481	75,981	45,580	71,850	106,468	5,963
1969 overpayments claimed as a credit.....	4,128	4,280	2,982	1,751	1,115	2,200	538
1970 estimated tax payments.....	287,713	107,897	73,463	44,158	71,284	104,268	8,525
Less: Refunds of estimated tax payments.....	1,377	696	464	329	549	26	3,100
RETURNS, OTHER THAN FORM 1120S, WITHOUT NET INCOME							
Number of returns, other than Form 1120S, without net income.....	7,618	16,968	4,433	8,752	30,012	22,154	691
Deficit.....	135,526	292,272	126,316	117,285	244,535	223,326	19,186

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data"

ACTIVE CORPORATION RETURNS

Table 8.--TAX ITEMS: NUMBER OF RETURNS, NET INCOME OR DEFICIT, STATUTORY SPECIAL DEDUCTIONS, INCOME SUBJECT TO TAX, INCOME TAX, CREDIT, AND PAYMENT ITEMS, SELECTED CONTROLLED GROUP AND DIVIDEND RECEIPT ITEMS, CONSTRUCTIVE FOREIGN INCOME, SMALL BUSINESS CORPORATION (FORM 1120S) INCOME, AND NUMBER OF RETURNS BY SELECTED TYPES OF TAXES, BY MAJOR INDUSTRY--Continued

All figures are in dollars unless otherwise indicated.

Item	Major industry--Continued						
	Wholesale and retail trade--Continued						
	Retail trade--Continued						Wholesale and retail trade not allocable
	Food stores	Automotive dealers and service stations	Apparel and accessory stores	Furniture, home furnishings, and equipment stores	Eating and drinking places	Miscellaneous retail stores	
(44)	(45)	(46)	(47)	(48)	(49)	(50)	
RETURNS, OTHER THAN FORM 1120S, WITHOUT NET INCOME--Continued							
Income tax, total	66	113	11	14	193	154	1
Tax from recomputing prior year investment credit	58	113	11	14	176	117	1
Additional tax for tax preferences	0	-	-	-	17	37	-
Total net estimated tax payments	723	2,116	1,733	333	877	1,155	32
1969 overpayments claimed as a credit	662	265	112	133	49	418	-
1970 estimated tax payments	1,156	2,339	1,917	410	1,578	1,952	32
Less: Refunds of estimated tax payments	1,095	653	296	210	750	1,215	-
RETURNS OF SMALL BUSINESS CORPORATIONS, FORM 1120S, WITH AND WITHOUT NET INCOME							
Number of returns, Form 1120S, with and without net income	4,519	10,701	7,023	6,323	13,132	14,820	(*)
Net income:							
Number of returns	3,426	6,961	4,637	4,161	7,594	10,057	(*)
Amount	70,806	108,446	64,546	57,861	97,576	128,619	(*)
Deficit	13,730	44,969	29,325	20,330	53,169	29,705	-
NUMBER OF RETURNS WITH INCOME TAX (OTHER THAN FORM 1120S)							
Number of returns with--							
Income tax, total	11,147	26,968	21,032	13,418	23,730	37,614	726
Normal tax and surtax (including alternative tax), total	11,031	26,562	21,007	13,365	23,516	37,353	722
Additional tax for tax preferences, total	(8)	-	1	-	2	(8)	1
Returns with net income	(8)	-	1	-	1	(8)	1
Returns with normal tax and surtax	(8)	-	1	-	1	(8)	1

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 8. -- TAX ITEMS: NUMBER OF RETURNS, NET INCOME OR DEFICIT, STATUTORY SPECIAL DEDUCTIONS, INCOME SUBJECT TO TAX, INCOME TAX, CREDIT, AND PAYMENT ITEMS, SELECTED CONTROLLED GROUP AND DIVIDEND RECEIPT ITEMS, CONSTRUCTIVE FOREIGN INCOME, SMALL BUSINESS CORPORATION (FORM 1120S) INCOME, AND NUMBER OF RETURNS BY SELECTED TYPES OF TAXES, BY MAJOR INDUSTRY--Continued

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

Item	Major industry--Continued							
	Finance, insurance, and real estate							
	Total finance, insurance, and real estate	Banking	Credit agencies other than banks	Security and commodity brokers, dealers, exchanges, and services	Holding and other investment companies	Insurance carriers	Insurance agents, brokers, and service	Real estate
(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	
RETURNS WITH AND WITHOUT NET INCOME								
Number of returns.....	406,235	15,042	52,163	4,718	32,692	4,760	28,675	265,185
Net income (less deficit).....	12,214,074	3,419,200	795,526	19,223	3,155,064	3,486,474	326,594	1,011,998
Statutory special deductions, total.....	2,532,754	205,772	167,949	31,918	684,949	1,033,821	25,963	382,382
Dividends received deduction.....	1,547,930	102,743	34,161	20,611	632,193	682,245	12,983	62,994
Deduction for dividends paid on certain public utility stock.....	-	-	-	-	-	-	-	-
Income subject to tax ¹	10,192,001	3,400,838	1,039,450	294,678	428,496	2,964,100	316,170	1,748,269
Income tax, total ¹	4,442,733	1,575,839	457,608	137,287	152,862	1,417,901	127,193	574,043
Normal tax, surtax, and surcharge (including alternative tax) ²	4,404,449	1,569,419	434,543	137,065	151,361	1,415,222	127,089	569,750
Tax from recomputing prior year investment credit.....	4,452	1,218	1,017	232	50	1,071	57	817
Additional tax for tax preferences.....	33,832	5,202	22,048	1,769	1,451	1,608	47	3,476
Foreign tax credit.....	246,702	130,826	17,992	1,681	14,276	74,331	2,360	236
Investment credit ³	46,022	36,233	3,349	200	574	2,995	232	2,469
Income tax after--								
Foreign tax credit only.....	4,196,031	1,445,013	439,616	135,606	133,586	1,343,570	124,833	573,807
Investment credit only.....	4,396,711	1,539,606	454,259	137,087	152,288	1,414,936	126,961	571,574
Foreign tax and investment credits.....	4,150,004	1,408,780	436,267	135,406	153,012	1,340,605	124,601	573,338
Personal holding company tax.....	1,791	1,791	3	-	1,769	-	-	19
Total net estimated tax payments.....	2,662,189	905,828	263,475	74,722	64,867	1,097,915	73,170	182,212
1969 overpayments claimed as a credit.....	80,083	36,355	11,062	3,894	2,686	2,077	712	4,595
1970 estimated tax payments.....	2,632,301	881,272	264,509	72,494	63,650	1,097,928	72,842	179,606
Less: Refunds of estimated tax payments.....	50,165	11,799	12,092	1,671	1,469	20,787	364	1,983
Credit for U.S. tax paid on special fuels, nonhighway gasoline, and lubricating oil.....	461	114	87	11	27	43	3	176
Credit for tax paid by regulated investment companies.....	847	207	17	77	466	41	-	39
Payments with applications for extension of filing time.....	620,162	225,803	64,969	28,618	22,266	187,341	17,058	74,107
Members of controlled groups:								
Total number of returns.....	83,327	2,034	14,205	927	7,350	993	4,602	53,213
Additional tax under controlled group provisions for members of groups--								
Allocating one surtax exemption under section 1561.....	5,346	922	882	10	563	415	261	2,290
Electing to use multiple surtax exemptions under sections 1562 and 1564.....	29,433	955	7,451	85	1,197	322	1,413	18,007
Intragroup domestic dividends subject to 100 percent deduction:								
Number of returns.....	327	25	(*)	3	184	35	23	46
Amount.....	363,996	2,487	(*)	8,780	205,294	135,315	2,889	1,725
Transitional 87-1/2 percent deduction:								
Number of returns.....	209	22	26	(*)	43	(*)	(*)	78
Amount.....	28,516	414	15,698	(*)	7,810	(*)	(*)	2,390
Dividends received from foreign corporations paid from income earned within the U.S.--								
Qualifying for 100 percent deduction by U.S. corporate sole stockholder.....	183	7	72	-	104	-	-	-
Qualifying for 85 percent deduction.....	806	15	5	30	545	192	1	18
Constructive taxable income from related foreign corporations:								
Includable income of controlled foreign corporations.....	11,447	672	660	5,169	2,999	751	118	78
Foreign dividend income resulting from foreign taxes deemed paid.....	36,726	7,869	8,977	1,186	15,517	1,508	1,598	71
RETURNS, OTHER THAN FORM 1120S, WITH NET INCOME								
Number of returns, other than Form 1120S, with net income.....	242,470	13,254	29,854	1,732	18,820	2,979	15,134	150,697
Net income.....	14,841,697	3,590,522	1,193,291	322,998	3,412,914	3,881,659	340,510	2,099,803
Statutory special deductions, total.....	2,435,724	194,267	166,079	28,778	672,696	974,349	24,880	374,675
Net operating loss carryover.....	984,085	103,029	133,427	11,307	52,756	351,553	12,844	319,169
Dividends received deduction.....	1,450,900	91,238	32,291	17,471	619,940	622,773	11,400	55,287
Deduction for dividends paid on certain public utility stock.....	-	-	-	-	-	-	-	-
Western Hemisphere Trade Corporation deduction.....	739	-	361	-	-	23	136	219
Income subject to tax, total.....	10,187,340	3,400,477	1,037,085	294,678	428,496	2,962,724	316,170	1,747,705
Income taxed at normal tax and surtax rates.....	9,434,457	3,259,275	985,456	277,808	364,571	2,798,344	306,961	1,542,042
Total net long-term capital gain taxed at alternative rates.....	752,883	141,202	51,629	16,870	163,925	164,385	9,209	205,663
Amount taxed at 25 percent rate.....	85,184	4,911	13,862	835	26,504	2,214	388	36,465
Income tax, total.....	4,438,808	1,574,996	456,788	137,072	152,837	1,417,100	127,193	572,822
Normal tax, surtax, and surcharge (including alternative tax).....	4,402,829	1,569,270	433,865	137,065	151,346	1,414,607	127,089	569,587
Tax from recomputing prior year investment credit.....	3,764	1,161	939	7	49	895	57	656
Additional tax for tax preferences.....	32,215	4,565	21,984	1,769	1,442	1,598	47	2,579
Total net estimated tax payments.....	2,650,397	901,142	261,892	74,262	64,632	1,095,433	73,104	179,927
1969 overpayments claimed as a credit.....	78,604	36,145	10,834	3,656	2,655	20,190	712	4,407
1970 estimated tax payments.....	2,613,680	875,850	262,261	70,661	63,265	1,091,971	72,686	177,006
Less: Refunds of estimated tax payments.....	41,856	10,853	11,203	55	1,288	16,728	249	1,480
RETURNS, OTHER THAN FORM 1120S, WITHOUT NET INCOME								
Number of returns, other than Form 1120S, without net income.....	144,448	1,448	20,158	2,369	12,207	1,392	6,806	100,068
Deficit.....	2,771,833	172,571	404,654	303,983	268,153	398,817	85,073	1,133,582

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 8.--TAX ITEMS: NUMBER OF RETURNS, NET INCOME OR DEFICIT, STATUTORY SPECIAL DEDUCTIONS, INCOME SUBJECT TO TAX, INCOME TAX, CREDIT, AND PAYMENT ITEMS, SELECTED CONTROLLED GROUP AND DIVIDEND RECEIPT ITEMS, CONSTRUCTIVE FOREIGN INCOME, SMALL BUSINESS CORPORATION (FORM 1120S) INCOME, AND NUMBER OF RETURNS BY SELECTED TYPES OF TAXES, BY MAJOR INDUSTRY--Continued

All figures are in millions of dollars, unless otherwise indicated. All figures are in thousands of dollars.

Item	Major industry--Continued							
	Finance, insurance, and real estate							
	Total finance, insurance, and real estate	Banking	Credit agencies other than banks	Security and commodity brokers, dealers, exchanges, and services	Holding and other investment companies	Insurance carriers	Insurance agents, brokers, and service	Real estate
(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	
RETURNS, OTHER THAN FORM 1120S, WITHOUT NET INCOME--Continued								
Income tax, total.....	3,062	843	120	215	25	801	(*)	1,058
Tax from recomputing prior year investment credit.....	668	57	78	215	1	176	(*)	161
Additional tax for tax preferences.....	1,595	637	42	(*)	9	10	-	897
Total net estimated tax payments.....	11,792	4,956	1,783	460	235	2,482	61	2,285
1969 overpayments claimed as a credit.....	1,479	210	225	243	31	584	-	188
1970 estimated tax payments.....	18,621	5,422	2,248	1,533	355	5,957	176	2,600
Less: Refunds of estimated tax payments.....	8,309	466	889	1,616	181	4,059	115	503
RETURNS OF SMALL BUSINESS CORPORATIONS, FORM 1120S, WITH AND WITHOUT NET INCOME								
Number of returns, Form 1120S, with and without net income.....	29,317	340	2,151	617	1,665	389	6,735	17,420
Net income--								
Number of returns.....	16,116	305	1,334	148	750	320	5,041	8,218
Amount.....	240,242	1,483	21,715	3,264	15,018	4,087	77,849	116,826
Deficit.....	96,027	234	9,826	3,056	4,715	455	6,692	71,049
NUMBER OF RETURNS WITH INCOME TAX (OTHER THAN FORM 1120S)								
Number of returns with--								
Income tax, total.....	199,411	12,801	25,809	1,491	14,822	2,233	13,815	125,636
Normal tax and surtax (including alternative tax), total.....	195,481	12,709	25,449	1,461	14,775	2,204	13,703	125,176
Additional tax for tax preferences, total.....	3,443	834	2,086	(*)	141	19	(*)	868
Returns with net income.....	1,246	308	2,080	(*)	134	17	(*)	693
Returns with normal tax and surtax.....	3,093	299	2,085	(*)	125	11	(*)	569

Footnotes at end of table. See text for explanatory statement and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 8.--TAX ITEMS: NUMBER OF RETURNS, NET INCOME OR DEFICIT, STATUTORY SPECIAL DEDUCTIONS, INCOME SUBJECT TO TAX, INCOME TAX, CREDIT, AND PAYMENT ITEMS, SELECTED CONTROLLED GROUP AND DIVIDEND RECEIPT ITEMS, CONSTRUCTIVE FOREIGN INCOME, SMALL BUSINESS CORPORATION (FORM 1120S) INCOME, AND NUMBER OF RETURNS BY SELECTED TYPES OF TAXES, BY MAJOR INDUSTRY--Continued

(All figures are in thousands unless otherwise indicated)

Item	Major Industry--Continued							Nature of business not allocable
	Services							
	Total services	Hotels and other lodging places	Personal services	Business services	Automobile services, and miscellaneous repair services	Amusement and recreation services	Other services	
	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(66)
RETURNS WITH AND WITHOUT NET INCOME								
Number of returns.....	281,218	20,049	35,715	93,863	35,283	35,889	60,419	4,149
Net income (less deficit).....	1,198,703	111,652	175,501	264,407	131,192	298,450	217,001	-10,036
Statutory special deductions, total.....	310,968	47,089	21,128	115,192	16,087	57,587	53,885	1,889
Dividends received deduction.....	55,262	9,318	2,255	26,547	1,155	10,049	5,938	8
Deduction for dividends paid on certain public utility stock.....	-	-	-	-	-	-	-	-
Income subject to tax ¹	2,653,724	280,560	220,987	475,616	198,235	488,560	489,766	6,709
Income tax, total.....	1,062,678	117,681	83,949	404,573	67,467	207,251	181,757	2,294
Normal tax, surtax, and surcharge (including alternative tax) ²	1,058,264	116,692	83,610	403,285	66,963	206,369	181,345	2,294
Tax from recomputing prior year investment credit.....	3,089	513	313	1,166	504	317	276	-
Additional tax for tax preferences.....	1,325	476	26	122	-	565	136	-
Foreign tax credit.....	41,356	6,863	499	12,415	73	15,564	5,942	-
Investment credit ³	18,192	3,237	545	5,952	3,803	3,573	1,082	-
Income tax after--								
Foreign tax credit only.....	1,021,322	110,818	83,450	392,158	67,394	191,687	175,815	2,294
Investment credit only.....	1,044,486	114,444	83,404	398,621	63,664	203,678	180,675	2,294
Foreign tax and investment credits.....	1,003,130	107,581	82,905	386,206	63,591	188,114	174,733	2,294
Personal holding company tax.....	-	-	-	-	-	-	-	-
Total net estimated tax payments.....	542,124	73,958	37,866	227,316	19,995	110,489	72,500	1,037
1969 overpayments claimed as a credit.....	19,475	5,351	927	6,758	2,011	2,012	2,416	8
1970 estimated tax payments.....	534,004	70,059	37,513	225,124	20,260	109,328	71,720	1,029
Less: Refunds of estimated tax payments.....	11,353	1,449	574	4,566	2,276	852	1,636	-
Credit for U.S. tax paid on special fuels, nonhighway gasoline, and lubricating oil.....	525	20	25	118	211	75	76	-
Credit for tax paid by regulated investment companies.....	26	-	-	26	-	-	-	-
Payments with applications for extension of filing time.....	159,414	14,752	11,215	56,751	12,128	29,331	35,237	409
Members of controlled groups:								
Total number of returns.....	39,912	2,242	4,932	15,293	5,650	5,623	6,170	635
Additional tax under controlled group provisions for members of groups--								
Allocating one surtax exemption under section 1561.....	2,275	185	88	943	488	369	199	-
Electing to use multiple surtax exemptions under sections 1562 and 1564.....	16,076	793	1,503	6,336	2,669	2,441	2,331	79
Intragroup domestic dividends subject to 100 percent deduction:								
Number of returns.....	36	-	-	(*)	-	(*)	2	-
Amount.....	9,039	-	-	(*)	-	(*)	1,058	-
Transitional 97-1/2 percent deduction:								
Number of returns.....	68	-	(*)	54	1	(*)	(*)	-
Amount.....	7,063	-	(*)	4,391	641	(*)	(*)	-
Dividends received from foreign corporations paid from income earned within the U.S.--								
Qualifying for 100 percent deduction by U.S. corporate sole stockholder.....	13	-	-	13	-	-	-	-
Qualifying for 85 percent deduction.....	46	13	-	17	-	-	16	-
Constructive taxable income from related foreign corporations:								
Includable income of controlled foreign corporations.....	5,404	-	-	5,771	-	283	510	-
Foreign dividend income resulting from foreign taxes deemed paid.....	25,230	3,829	229	9,597	73	7,911	3,591	-
RETURNS, OTHER THAN FORM 1120S, WITH NET INCOME								
Number of returns, other than Form 1120S, with net income.....	120,167	7,668	15,230	39,293	16,405	13,762	27,809	813
Net income.....	2,936,287	319,996	240,788	1,082,508	213,291	543,008	536,696	8,625
Statutory special deductions, total.....	305,601	45,709	20,546	113,437	15,936	56,458	53,515	1,889
Net operating loss carryover.....	255,514	37,771	18,873	88,585	14,932	47,522	47,831	1,881
Dividends received deduction.....	49,895	7,938	1,673	24,792	1,004	8,920	5,568	8
Deduction for dividends paid on certain public utility stock.....	-	-	-	-	-	-	-	-
Western Hemisphere Trade Corporation deduction.....	192	-	-	60	-	16	116	-
Income subject to tax, total.....	2,651,906	278,742	220,987	475,616	196,235	488,560	489,766	6,709
Income taxed at normal tax and surtax rates.....	2,552,113	260,073	212,377	458,997	195,043	455,053	470,570	6,693
Total net long-term capital gain taxed at alternative rates.....	99,793	18,669	8,610	16,619	3,192	33,507	19,196	16
Amount taxed at 25 percent rate.....	17,671	2,631	1,408	2,623	384	10,208	617	14
Income tax, total.....	1,060,959	116,794	83,889	404,131	67,370	207,170	181,605	2,294
Normal tax, surtax, and surcharge (including alternative tax) ²	1,057,740	116,168	83,610	403,285	66,963	206,369	181,345	2,294
Tax from recomputing prior year investment credit.....	2,107	322	253	734	407	262	129	-
Additional tax for tax preferences.....	1,112	304	26	112	-	539	131	-
Total net estimated tax payments.....	536,516	72,866	37,645	225,540	19,618	109,474	71,373	1,037
1969 overpayments claimed as a credit.....	18,955	5,367	767	6,737	1,955	1,958	2,191	8
1970 estimated tax payments.....	526,056	68,138	37,385	222,559	19,906	107,516	70,552	1,029
Less: Refunds of estimated tax payments.....	8,495	619	507	3,756	2,243	-	1,370	-
RETURNS, OTHER THAN FORM 1120S, WITHOUT NET INCOME								
Number of returns, other than Form 1120S, without net income.....	107,560	7,773	12,582	40,284	11,936	15,216	19,769	2,502
Deficit.....	1,932,194	186,874	89,287	872,135	112,877	270,027	400,994	15,998

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 8.--TAX ITEMS: NUMBER OF RETURNS, NET INCOME OR DEFICIT, STATUTORY SPECIAL DEDUCTIONS, INCOME SUBJECT TO TAX, INCOME TAX, CREDIT, AND PAYMENT ITEMS, SELECTED CONTROLLED GROUP AND DIVIDEND RECEIPT ITEMS, CONSTRUCTIVE FOREIGN INCOME, SMALL BUSINESS CORPORATION (FORM 1120S) INCOME, AND NUMBER OF RETURNS BY SELECTED TYPES OF TAXES, BY MAJOR INDUSTRY--Continued

Additional information on this table is available in the report on the industry of 3-1-1971

Item	Major industry--Continued							Nature of business not allocable
	Services							
	Total services	Hotels and other lodging places	Personal services	Business services	Automobile services, and miscellaneous repair services	Amusement and recreation services	Other services	
	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(66)
RETURNS, OTHER THAN FORM 1120S, WITHOUT NET INCOME--Continued								
Income tax, total.....	1,189	357	60	442	97	81	152	(3)
Tax from recomputing prior year investment credit.....	982	191	60	432	97	55	147	(3)
Additional tax for tax preferences.....	207	166	-	10	-	26	5	-
Total net estimated tax payments.....	5,608	1,092	221	1,776	377	1,015	1,127	(3)
1969 overpayments claimed as a credit.....	520	4	160	21	56	54	225	-
1970 estimated tax payments.....	7,948	1,921	128	2,565	354	1,812	1,168	(3)
Less: Refunds of estimated tax payments.....	2,858	830	67	810	33	852	266	-
RETURNS OF SMALL BUSINESS CORPORATIONS, FORM 1120S, WITH AND WITHOUT NET INCOME								
Number of returns, Form 1120S, with and without net income.....	53,491	4,604	7,903	14,286	6,942	6,911	12,841	834
Net income:								
Number of returns.....	30,358	2,065	4,077	8,120	4,199	3,898	7,994	184
Amount.....	448,582	61,908	41,354	104,021	42,723	73,750	124,826	2,076
Deficit.....	253,972	83,378	17,354	49,987	11,945	47,781	43,527	4,734
NUMBER OF RETURNS WITH INCOME TAX (OTHER THAN FORM 1120S)								
Number of returns with--								
Income tax, total.....	102,476	6,420	12,982	33,680	14,204	10,891	24,294	611
Normal tax and surtax (including alternative tax), total.....	101,446	6,399	12,692	33,256	14,120	10,815	24,159	595
Additional tax for tax preferences, total.....	119	65	15	(*)	-	13	(*)	-
Returns with net income.....	102	55	15	(*)	-	(*)	(*)	-
Returns with normal tax and surtax.....	96	51	15	(*)	-	(*)	(*)	-

(*) Estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.

¹The following amounts were reported on returns without net income by 27 life insurance companies and banks with life insurance departments taxable under special provisions of the Internal Revenue Code: income subject to tax, \$1,732,000; total income tax, \$779,000; investment credit, \$4,000.

²Includes income tax reported on returns of a few mutual savings banks, regulated investment companies or real estate investment trusts not eligible for alternative tax but with capital gains taxed at 25 percent under special provisions of the Internal Revenue Code. Such capital gains were not available from the return form and therefore were not included in income subject to tax.

³Less than \$500 per return.

NOTE: See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS OTHER THAN FORM 1120S

Table 9.--INCOME, SPECIAL DEDUCTION, TAX AND TAXPAYMENT ITEMS, BY TAX STATUS, BY ACCOUNTING PERIOD

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

Table with 11 columns: Accounting period ended, Total number of active corporation returns other than Form 1120S, Number of returns, Total receipts, Net long-term capital gain reduced by net short-term capital loss, Dividends received from domestic corporations, Dividends received from foreign corporations subject to an 85 or 100 percent deduction, Constructive taxable income from related foreign corporations, Total receipts less total deductions, Total, Net income, Deficit. Rows include Total, Annual returns, total, and monthly breakdowns for 1970 and 1971.

Returns with normal tax, surtax, and surcharge (including alternative tax) before foreign tax and investment credits--Continued

Table with 11 columns: Accounting period ended, Total, Net operating loss carryover, Dividends received deduction (Total, 100 percent deduction, Transitional provision), Deduction for dividends paid on certain public utility stock, Western Hemisphere Trade Corporation deduction, Total, Net long-term capital gain taxed at alternative rates (Total, Amount taxed at 25 percent rate), Income taxed at normal tax and surtax rates. Rows include Total, Annual returns, total, and monthly breakdowns for 1970 and 1971.

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS OTHER THAN FORM 1120S

Table 9.--INCOME, SPECIAL DEDUCTION, TAX AND TAXPAYMENT ITEMS, BY TAX STATUS, BY ACCOUNTING PERIOD--Continued

[All figures are estimates. Basis is sampled--money amounts are in thousands of dollars]

Accounting period ended	Returns with normal tax, surtax, and surcharge (including alternative tax) before foreign tax and investment credits--Continued												
	Income tax								Foreign tax credit	Investment credit	Income tax after foreign tax and investment credits		
	Total	Normal tax, surtax, and surcharge (including alternative tax)		Additional tax under controlled group provisions for members of groups--		Tax from recomputing prior year investment credit	Additional tax for tax preferences	Total			Normal tax, surtax, and surcharge (including alternative tax)		
		Total	Surcharge	Allocating one surtax exemption under section 1561	Electing to use multiple surtax exemptions under sections 1562 and 1564						Number of returns	Amount	
(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)		
Total.....	31,243,110	32,646,967	784,403	15,531	143,449	63,228	232,895	4,548,986	865,954	27,828,170	726,052	27,532,047	
Annual returns, total.....	32,640,375	32,346,417	771,341	14,276	137,272	61,527	232,431	4,535,415	859,243	27,245,717	692,974	26,951,759	
December 1970.....	23,445,691	23,177,183	550,547	7,353	54,206	45,632	222,876	4,218,710	725,831	18,501,150	245,663	18,232,642	
Noncalendar year, total.....	9,194,684	9,169,234	220,794	6,923	83,066	15,845	9,555	316,705	133,412	8,744,567	397,311	8,719,117	
July 1970.....	610,062	608,689	35,071	284	4,917	909	464	15,619	11,728	582,715	26,431	581,342	
August 1970.....	586,643	582,428	29,653	906	4,117	1,116	1,094	15,247	9,505	559,891	27,941	557,676	
September 1970.....	1,317,221	1,313,129	58,088	519	7,887	3,156	936	43,673	30,439	1,243,109	55,877	1,239,017	
October 1970.....	778,571	774,589	28,869	512	4,840	2,636	1,355	55,210	17,071	706,290	30,435	702,299	
November 1970.....	511,624	509,130	15,347	261	3,162	2,035	459	13,762	6,913	490,949	18,517	488,455	
January 1971.....	1,242,544	1,240,852	23,849	409	11,169	1,227	465	14,910	24,619	1,203,015	26,099	1,201,323	
February 1971.....	428,742	427,807	6,069	137	5,248	609	266	7,591	3,771	417,380	22,621	416,505	
March 1971.....	999,289	997,191	11,679	1,088	12,191	1,156	952	50,752	9,544	938,494	51,166	936,896	
April 1971.....	515,253	513,813	3,924	434	6,802	702	738	11,557	3,170	500,526	28,630	499,086	
May 1971.....	652,145	651,170	1,616	466	5,203	502	473	4,846	2,485	444,814	27,585	443,839	
June 1971.....	1,750,590	1,750,385	6,629	1,703	17,725	1,857	2,348	83,538	14,168	1,656,884	82,009	1,652,679	
Part year returns, total.....	602,735	600,570	13,062	1,255	6,176	1,701	464	13,571	6,711	582,453	33,078	580,288	
July 1970.....	39,019	38,934	1,638	29	252	30	55	129	685	38,205	1,910	38,120	
August 1970.....	28,117	28,057	920	170	278	(*)	1	4,883	120	23,314	1,715	23,254	
September 1970.....	48,531	47,961	1,255	75	502	532	(*)	1,083	553	46,895	3,871	46,125	
October 1970.....	29,406	29,361	697	123	223	9	36	332	(*)	29,062	1,984	29,017	
November 1970.....	17,091	16,990	289	13	336	101	(1)	447	179	16,465	2,021	16,364	
December 1970.....	266,740	266,753	5,218	206	1,511	(*)	143	6,201	4,016	256,523	6,834	255,836	
January 1971.....	24,355	24,284	224	97	396	164	8	2	102	24,351	1,465	24,179	
February 1971.....	14,970	14,960	125	4	417	1	4	15	100	14,855	1,336	14,845	
March 1971.....	30,153	30,003	610	66	491	(*)	10	(*)	(*)	30,033	2,519	29,883	
April 1971.....	30,322	30,225	319	63	353	(*)	60	396	(*)	29,834	1,194	29,737	
May 1971.....	28,853	28,796	1,054	295	280	(*)	7	231	470	28,152	2,356	28,095	
June 1971.....	45,078	44,947	713	109	1,130	(*)	97	(*)	274	44,764	5,872	44,633	

Accounting period ended	Returns with normal tax, surtax, and surcharge (including alternative tax) before foreign tax and investment credits--Continued											
	Personal holding company tax	Tax payments						Credit for U.S. tax paid on special fuels, non-highway gasoline, and lubricating oil	Credit for tax paid by regulated investment companies	Payments with applications for extension of filing time	Tax overpayment	
		Total net estimated tax payments	1969 over-payments claimed as a credit	1970 estimated tax payments	Less: Refunds of estimated tax payments	Total	To be credited					
											(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)
Total.....	1,614	19,933,564	659,884	20,001,190	727,448	18,957	1,746	4,294,482	4,682,240	1,104,951	562,209	
Annual returns, total.....	1,031	19,578,031	641,066	19,663,259	726,212	18,785	1,746	4,163,778	4,544,484	1,063,920	542,599	
December 1970.....	856	14,285,497	435,878	14,496,130	649,497	13,001	1,086	2,835,170	2,095,173	735,852	376,016	
Noncalendar year, total.....	175	5,242,534	205,168	5,167,129	79,715	5,784	660	1,328,608	2,449,311	328,068	166,583	
July 1970.....	(1)	359,710	4,320	356,046	(*)	(*)	-	77,060	167,247	21,528	13,491	
August 1970.....	-	325,702	2,867	325,278	2,443	302	(1)	75,695	181,719	23,310	7,536	
September 1970.....	-	755,471	11,122	748,192	3,439	668	60	186,010	342,784	41,948	21,868	
October 1970.....	-	441,773	14,098	454,320	26,625	781	75	93,374	203,601	32,847	12,218	
November 1970.....	(1)	315,388	25,514	290,148	324	299	26	64,250	129,605	18,656	7,716	
January 1971.....	-	814,527	34,313	790,104	9,690	328	-	247,699	182,154	41,536	19,767	
February 1971.....	(1)	252,011	6,082	246,672	2,743	265	281	59,268	123,092	17,230	8,242	
March 1971.....	22	549,448	28,468	541,691	20,705	736	2	131,418	298,386	40,325	25,236	
April 1971.....	(1)	267,426	9,813	259,444	1,828	411	-	64,852	185,937	17,751	8,641	
May 1971.....	-	258,411	8,709	252,009	2,307	256	133	55,394	151,389	20,497	12,927	
June 1971.....	153	952,267	59,862	901,175	8,755	1,119	83	273,588	483,397	52,440	28,941	
Part year returns, total.....	583	355,533	18,838	337,931	1,236	172	(1)	130,704	137,756	41,031	19,610	
July 1970.....	-	24,524	1,498	23,026	-	(*)	-	6,948	7,490	731	415	
August 1970.....	(1)	16,175	399	15,894	(*)	(1)	-	4,485	6,423	3,734	3,239	
September 1970.....	-	15,080	391	14,778	89	13	-	14,857	20,314	(*)	2,341	
October 1970.....	-	14,612	833	14,102	(*)	(*)	(1)	4,112	11,518	1,080	272	
November 1970.....	-	5,563	484	5,079	2,307	23	-	3,557	7,815	482	246	
December 1970.....	(1)	188,135	8,662	179,625	152	68	-	59,542	23,687	14,787	6,281	
January 1971.....	-	12,941	(*)	12,653	-	2	-	4,019	8,161	788	338	
February 1971.....	-	4,563	2,680	7,239	(*)	(*)	-	2,464	5,333	2,551	2,044	
March 1971.....	583	12,285	(*)	10,995	-	10	-	8,909	11,614	2,174	1,544	
April 1971.....	-	19,686	(*)	(*)	(*)	7	-	7,343	8,977	(*)	10	
May 1971.....	-	18,293	921	17,549	(*)	22	-	5,465	6,465	2,253	1,470	
June 1971.....	-	18,676	(*)	18,155	(1)	(*)	-	9,023	10,959	2,895	1,360	

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS OTHER THAN FORM 1120S

Table 9.--INCOME, SPECIAL DEDUCTION, TAX AND TAXPAYMENT ITEMS, BY TAX STATUS, BY ACCOUNTING PERIOD--Continued

[All figures are estimates based on samples--rounded about one thousand dollars.]

Accounting period ended	Returns with normal tax, surtax, and surcharge (including alternative tax) before foreign tax and investment credits--Continued					Returns without normal tax, surtax, and surcharge (including alternative tax) before foreign tax and investment credits					
	Tax overpayment--Continued		Investment credit carryover	Unused investment credit	Unused tentative investment credit	Number of returns	Total receipts	Selected income items			
	To be refunded	To be partially credited and partially refunded, or not stated						Net long-term capital gain reduced by net short-term capital loss	Dividends received from domestic corporations	Dividends received from foreign corporations subject to an 85 or 100 percent deduction	Constructive taxable income from related foreign corporations
	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)
Total.....	333,154	209,588	454,708	526,858	189,994	672,459	42,134,022	1,748,505	2,020,986	809	37,394
Annual returns, total.....	317,329	203,992	450,173	524,436	189,968	619,613	37,285,441	1,712,577	2,008,653	809	37,111
December 1970.....	243,254	116,582	397,016	481,269	171,040	273,582	195,814,077	1,172,211	1,326,443	476	24,658
Noncalendar year, total.....	74,075	87,410	53,157	43,167	18,928	346,031	14,779,644	540,366	682,210	333	1,508
July 1970.....	6,188	1,849	5,152	3,378	1,001	21,916	11,788,340	15,329	31,717	(1)	356
August 1970.....	4,159	11,615	3,043	3,233	1,600	26,472	9,232,972	21,109	36,118	15	193
September 1970.....	9,333	10,747	11,760	10,861	3,855	45,981	17,620,080	52,422	103,922	7	140
October 1970.....	6,013	14,616	3,948	6,563	4,240	25,872	12,089,031	100,413	237,850	72	206
November 1970.....	6,543	4,397	(*)	7,535	5,296	17,083	6,305,108	70,306	131,932	-	8
January 1971.....	9,518	12,251	4,785	1,981	732	18,815	12,771,284	21,893	25,150	1	448
February 1971.....	4,132	4,856	1,854	(*)	116	21,914	7,331,336	27,809	9,059	23	-
March 1971.....	7,947	7,142	4,964	2,572	776	44,382	17,597,195	72,183	23,208	16	7,491
April 1971.....	5,332	3,778	2,285	(*)	330	29,215	10,011,266	48,856	39,682	(1)	475
May 1971.....	2,649	4,921	2,428	1,702	469	27,475	8,675,142	36,931	15,342	3	1,440
June 1971.....	12,261	11,238	9,956	3,569	513	66,907	28,739,233	76,117	28,430	196	1,231
Part year returns, total.....	15,825	5,596	4,535	2,422	26	52,846	10,251,047	35,928	12,333	(1)	228
July 1970.....	277	39	(*)	-	-	2,790	363,739	2,935	42	-	-
August 1970.....	446	49	46	-	-	2,841	579,707	165	1,532	-	-
September 1970.....	1,007	69	162	(*)	-	5,800	974,073	4,626	3,271	-	-
October 1970.....	791	17	(*)	-	-	3,583	1,012,091	3,649	445	-	-
November 1970.....	236	-	55	-	-	2,333	404,400	1,046	1,856	-	-
December 1970.....	3,267	5,239	2,427	1,350	10	11,976	2,990,776	14,294	2,651	(1)	52
January 1971.....	427	23	(*)	-	-	2,506	317,683	275	250	-	176
February 1971.....	457	94	94	8	-	2,620	856,933	1,412	76	-	-
March 1971.....	522	108	(*)	(*)	-	5,395	843,127	2,335	372	-	-
April 1971.....	6,077	52	(*)	(*)	-	3,128	619,374	1,922	401	-	-
May 1971.....	783	-	592	314	-	2,921	406,645	2,100	882	-	-
June 1971.....	1,535	(1)	(*)	(*)	16	6,951	882,499	1,169	755	-	-

Accounting period ended	Returns without normal tax, surtax, and surcharge (including alternative tax) before foreign tax and investment credits--Continued									
	Total receipts less total deductions	Net income or deficit			Total statutory special deductions	Net operating loss carryover	Returns with net income			Net income of regulated investment companies and of real estate investment trusts
		Total	Net income	Deficit			Total	For intragroup domestic dividends of members of controlled groups under the elective...	Transitional provision (groups electing multiple surtax exemptions)	
	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(66)
Total.....	-11,564,097	-12,158,345	4,439,878	16,598,223	2,592,606	1,849,001	513,217	129,633	11,008	2,305,102
Annual returns, total.....	-10,620,702	-11,204,301	4,371,306	15,575,607	2,517,164	1,781,100	510,552	129,633	10,741	2,298,024
December 1970.....	-5,179,959	-5,756,756	2,447,644	8,204,400	1,573,436	943,543	448,412	118,071	7,203	1,221,213
Noncalendar year, total.....	-5,440,743	-5,447,545	1,923,662	7,371,207	943,728	837,557	62,140	11,562	3,538	1,076,811
July 1970.....	-450,949	-451,893	111,150	563,043	59,665	55,888	1,783	220	-	54,763
August 1970.....	-399,062	-399,583	94,069	493,652	72,974	62,966	2,843	778	-	29,680
September 1970.....	-694,907	-697,250	286,246	983,496	98,719	87,404	6,934	1,328	-	196,922
October 1970.....	-216,174	-218,245	425,448	643,693	77,070	65,862	8,104	262	-	356,635
November 1970.....	-50,674	-53,998	279,140	333,138	52,036	41,260	8,293	6,249	-	234,826
January 1971.....	-402,210	-402,868	77,088	479,936	60,417	47,389	5,024	-	744	30,657
February 1971.....	-337,836	-338,477	60,944	399,421	62,518	56,457	2,731	170	-	2,583
March 1971.....	-838,480	-832,344	155,802	988,166	127,363	116,706	5,696	85	-	41,930
April 1971.....	-434,885	-436,984	122,500	557,484	74,567	66,369	6,656	-	205	54,902
May 1971.....	-385,015	-385,057	89,188	474,245	66,423	61,666	2,024	-	-	28,359
June 1971.....	-1,230,551	-1,232,866	222,087	1,454,953	191,976	175,610	12,052	2,470	2,589	45,554
Part year returns, total.....	-943,395	-954,044	68,572	1,022,616	75,444	67,901	2,665	-	267	7,078
July 1970.....	-40,889	-41,217	3,536	44,753	3,562	3,536	(1)	-	-	-
August 1970.....	-47,320	-47,465	(*)	49,484	5,738	(*)	9	-	-	-
September 1970.....	-138,347	-143,354	8,785	152,139	7,125	6,273	615	-	-	1,897
October 1970.....	-67,031	-67,946	3,859	71,805	4,069	3,699	157	-	-	-
November 1970.....	-38,612	-38,659	(*)	39,475	2,447	1,041	5	-	-	-
December 1970.....	-242,054	-244,595	11,057	255,652	16,437	14,385	871	-	267	606
January 1971.....	-31,442	-32,369	(*)	33,206	946	(*)	-	-	-	2
February 1971.....	-52,083	-52,133	(*)	53,091	1,017	(*)	-	-	-	-
March 1971.....	-92,973	-93,137	14,378	107,515	14,215	14,154	6	-	-	1,570
April 1971.....	-52,946	-53,078	(*)	57,654	4,329	(*)	-	-	-	308
May 1971.....	-30,958	-31,073	5,442	36,515	5,440	4,762	680	-	-	-
June 1971.....	-108,740	-109,018	12,309	121,327	10,069	9,524	308	-	-	2,695

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS OTHER THAN FORM 1120S

Table 9.--INCOME, SPECIAL DEDUCTION, TAX AND TAXPAYMENT ITEMS, BY TAX STATUS, BY ACCOUNTING PERIOD--Continued

Accounting period ended	Returns without normal tax, surtax, and surcharge (including alternative tax) before foreign tax and investment credits--Continued										
	Tax from recomputing prior year investment credit	Additional tax for tax preferences	Personal holding company tax	Tax payments				Credit for U. S. tax paid on special fuels, nonhighway gasoline, and lubricating oil	Credit for tax paid by regulated investment companies	Payments with applications for extension of filing time	Tax due at time of filing
				Estimated tax payments			Less: Refunds of estimated tax payments				
				Total net estimated tax payments	1964 overpayments claimed as a credit	1970 estimated tax payments					
(67)	(68)	(69)	(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)	
Total.....	14,604	32,312	265	103,727	19,765	187,242	103,274	7,608	77	35,332	16,322
Annual returns, total.....	13,227	31,750	265	99,188	19,335	182,467	102,609	7,411	77	33,613	15,010
December 1970.....	8,701	28,188	252	53,652	11,415	117,342	75,066	5,144	50	24,164	10,609
Noncalendar year, total.....	4,526	3,562	13	45,505	7,920	65,125	27,543	2,267	27	9,449	4,401
July 1970.....	45	220	1	2,729	12	4,109	392	(*)	-	370	333
August 1970.....	198	242	(1)	2,665	(1)	2,556	14	165	20	816	132
September 1970.....	493	354	-	5,606	119	6,000	573	-	-	1,216	630
October 1970.....	(*)	497	-	5,455	(*)	6,254	(*)	132	-	938	661
November 1970.....	115	209	12	1,505	-	1,935	-	157	7	510	218
January 1971.....	227	240	-	2,592	(*)	5,351	4,018	76	(1)	1,244	230
February 1971.....	152	178	-	1,859	654	3,289	2,084	133	(1)	150	(*)
March 1971.....	691	485	-	8,682	2,072	13,271	6,861	422	-	1,185	801
April 1971.....	(*)	301	-	1,028	623	7,579	4,575	(*)	-	840	(*)
May 1971.....	266	227	(1)	3,528	948	4,484	1,904	131	-	272	221
June 1971.....	729	609	(1)	7,256	1,752	11,207	5,735	498	-	1,908	593
Part year returns, total.....	1,377	562	-	4,539	430	4,775	665	197	-	1,719	1,312
July 1970.....	29	-	-	384	-	(*)	(*)	4	-	24	4
August 1970.....	(*)	(*)	-	155	1	(*)	(*)	4	-	-	(*)
September 1970.....	165	28	-	293	-	293	-	(*)	-	-	172
October 1970.....	(1)	155	-	274	17	(1)	-	12	-	(*)	157
November 1970.....	(*)	(*)	-	133	-	(*)	-	28	-	(*)	205
December 1970.....	1	4	-	574	(*)	515	220	118	-	434	5
January 1971.....	(*)	-	-	-	-	-	-	(1)	-	(*)	(*)
February 1971.....	313	76	-	1,915	-	2,117	(*)	2	-	215	8
March 1971.....	38	-	-	259	(*)	(*)	-	(1)	-	(1)	38
April 1971.....	(1)	55	-	39	-	(1)	-	1	-	(*)	158
May 1971.....	(1)	171	-	424	(1)	(1)	-	3	-	(*)	210
June 1971.....	(1)	(1)	-	84	16	(*)	(*)	11	-	(*)	(*)

Accounting period ended	Returns without normal tax, surtax, and surcharge (including alternative tax) before foreign tax and investment credits--Continued							Returns without net income but with normal tax, surtax, and surcharge (including alternative tax) before foreign tax and investment credits			
	Tax overpayment							Number of returns	Total receipts	Total receipts less total deductions	Normal tax, surtax, and surcharge (including alternative tax)
	Total	To be credited	To be refunded	To be partially credited and partially refunded, or not stated	Investment credit carryover	Unused investment credit	Unused tentative investment credit				
(78)	(79)	(80)	(81)	(82)	(83)	(84)	(85)	(86)	(87)	(88)	
Total.....	121,240	12,961	101,155	7,174	811,100	1,110,692	299,592	27	391,698	-32,276	779
Annual returns, total.....	115,430	11,160	97,109	7,161	788,569	1,082,767	294,198	27	391,698	-32,276	779
December 1970.....	61,402	5,934	52,204	3,764	653,245	901,809	248,564	25	373,338	-28,895	764
Noncalendar year, total.....	53,528	5,226	44,905	3,397	135,324	180,958	45,634	2	18,360	-3,381	15
July 1970.....	2,872	149	2,488	237	14,501	23,935	9,434	-	-	-	-
August 1970.....	3,330	102	2,856	372	6,751	8,573	1,822	-	-	-	-
September 1970.....	6,886	1,165	5,590	131	17,387	26,308	8,921	-	-	-	-
October 1970.....	5,886	60	5,601	225	13,876	16,449	2,573	-	-	-	-
November 1970.....	2,036	259	1,418	359	3,722	4,613	891	-	-	-	-
January 1971.....	3,675	176	3,373	126	7,722	11,042	3,320	-	-	-	-
February 1971.....	1,966	76	1,637	253	9,198	10,195	997	-	-	-	-
March 1971.....	9,915	1,104	8,084	725	11,421	13,173	1,752	1	12,956	-3,344	15
April 1971.....	4,332	642	3,351	339	7,838	9,295	1,457	-	-	-	-
May 1971.....	3,663	375	3,229	59	12,522	12,633	111	-	-	-	-
June 1971.....	8,964	1,118	7,275	571	30,366	44,742	14,356	1	5,404	-37	(1)
Part year returns, total.....	5,860	1,801	4,046	13	22,531	27,925	5,394	-	-	-	-
July 1970.....	(*)	-	392	-	1,485	1,492	7	-	-	-	-
August 1970.....	(*)	-	157	-	91	93	2	-	-	-	-
September 1970.....	308	-	308	-	1,922	2,099	177	-	-	-	-
October 1970.....	(*)	56	401	-	1,166	1,507	338	-	-	-	-
November 1970.....	(*)	-	339	-	71	195	124	-	-	-	-
December 1970.....	1,131	627	504	(1)	14,606	18,447	3,891	-	-	-	-
January 1971.....	(*)	26	(1)	-	(*)	(*)	6	-	-	-	-
February 1971.....	(*)	869	885	-	380	381	1	-	-	-	-
March 1971.....	(*)	74	175	-	(*)	1,760	308	-	-	-	-
April 1971.....	(*)	-	60	-	(*)	(*)	4	-	-	-	-
May 1971.....	(*)	-	655	-	447	458	11	-	-	-	-
June 1971.....	(*)	149	170	13	(*)	(*)	525	-	-	-	-

(*) Estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.

¹ Less than \$500 per return.

NOTE: Detail may not add to totals because of rounding. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS WITH ESTIMATED TAX PAYMENTS

Table 10.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO TAX, TAX CREDITS, PAYMENTS, TAX DUE, AND OVERPAYMENT BY TAX STATUS, BY ACCOUNTING PERIOD

Accounting period ended	Returns with net income		Returns with income subject to tax		Returns with tax credits		Returns with tax payments		Returns with tax due		Returns with overpayment	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
Total.....	182,367	19,915,369	182,246	65,496,2	174,221	20,001,130	12,710	727,448	18,006	1,444	27,276	1,000,000
Annual returns, total.....	177,703	19,578,001	177,748	64,109,6	170,106	19,667,259	1,670	707,212	16,711	1,444	26,607	1,022,000
July 1970.....	8,062	3,125,272	192	4,420	3,920	156,166	47	2,900	1	0	6,411	1,117
August 1970.....	6,574	1,051,275	252	2,897	6,059	125,278	36	6,538	2	0	30,134	1,868
September 1970.....	12,374	2,345,114	282	11,122	12,100	798,192	0	0	0	0	7,772	23,628
October 1970.....	7,450	1,173,752	155	14,081	7,355	454,132	0	26,825	77	79,212	12,177	11,467
November 1970.....	4,772	869,727	21	25,514	4,242	2,119,8	0	0	2	26	48,777	11,000
December 1970.....	9,117	1,458,227	199	15,577	7,801	1,296,117	1,027	69,247	1,027	1,027	21,714	1,227
January 1971.....	4,511	814,277	91	24,211	4,009	7,000,2	71	4,114	1	0	222,007	10,000
February 1971.....	5,774	252,001	172	64,862	1,114	24,672	56	2,744	72	24	10,000	1,000
March 1971.....	12,506	54,444	112	24,468	11,467	542,691	10	20,765	557	2	10,000	10,000
April 1971.....	6,026	267,226	795	9,915	6,201	254,351	0	0	0	0	10,000	10,000
May 1971.....	6,114	258,311	665	8,709	1,726	332,000	0	2,307	98	0	10,000	10,000
June 1971.....	20,174	1,448,654	1,064	54,962	19,286	901,175	142	8,755	876	24	20,100	10,000
Part year returns, Total.....	5,449	1,050,001	1,194	1,000,001	11,270	8,000,000	1,000	1,000	1,000	1,000	1,000	1,000
July 1970.....	220	75,016	0	0	21	1,000	0	129	0	0	0	0
August 1970.....	296	40,264	0	0	22	1,000	0	1	0	0	0	
September 1970.....	467	60,144	0	0	58,701	1,000	0	0	0	0	0	
October 1970.....	26	41,204	0	0	21	1,000	0	24	0	0	22,000	
November 1970.....	127	26,226	0	0	23,000	1,000	0	0	0	0	10,000	
December 1970.....	998	168,020	0	0	702,000	1,000	0	0	0	0	2,000	
January 1971.....	456	45,000	0	0	40,000	1,000	0	0	0	0	1,000	
February 1971.....	144	20,000	0	0	2,000	1,000	0	15	0	0	0	
March 1971.....	611	46,108	0	0	43,000	1,000	0	0	0	0	0	
April 1971.....	379	51,000	0	0	51,000	1,000	0	0	0	0	22,000	
May 1971.....	488	49,000	0	0	49,000	1,000	0	0	0	0	0	
June 1971.....	845	64,000	0	0	64,000	1,000	0	0	0	0	0	

Footnotes at end of table.

ACTIVE CORPORATION RETURNS WITH ESTIMATED TAX PAYMENTS

Table 1.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO TAX, TAX CREDITS, PAYMENTS, TAX DUE, AND OVERPAYMENT, BY TAX STATUS, BY ACCOUNTING PERIOD—Continued

Accounting period	Number of returns	Net income	Income subject to tax	Credits	Payments	Tax due and overpayment			
						Total		Estimated tax payments	
						Number of returns	Amount	Number of returns	Amount
						(32)	(33)	(34)	(35)
Total	22,377	10,777	6,427	1,274	91,297	2,814	19,765		
By tax status:									
Sole proprietorships	13,795	5,795	3,279	679	47,777	1,277	19,135		
Partnerships	1,104	419	261	51	2,329	1	12		
Corporations	7,478	4,563	2,887	544	41,191	17	124		
Sole proprietorships and partnerships	14,899	6,214	3,540	730	49,897	26	119		
Corporations	7,478	4,563	2,887	544	41,191	22	358		
By accounting period:									
1967	2,275	1,053	628	121	11,510	4	4		
1968	3,428	1,549	953	172	17,887	1,367	11,415		
1969	6,098	2,757	1,666	302	23,540	117	1,229		
1970	10,576	5,417	3,180	680	58,360	125	654		
1971	2,000	955	593	103	5,000	24	2,072		
1972	1,091	510	310	63	2,357	13	629		
1973	788	366	226	44	1,729	71	948		
1974	1,098	512	310	63	2,357	454	1,782		
1975	1,000	475	290	52	2,519	62	430		
1976	1,000	475	290	52	2,519	62	430		

Estimated tax payments are based on the 1969 tax returns, and generally include allocations for future income tax and prior period adjustments.

Continued

Accounting period	Number of returns	Net income	Income subject to tax	Credits	Payments	Tax due at time of filing	Tax overpayment							
								1970 estimated tax payments		Credits for tax on production of oil and gas	Credits for tax on production of other minerals	Payments with application of filing tax	Tax due at time of filing	Tax overpayment
								Number of returns	Amount					
(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)			
Total	22,377	10,777	6,427	1,274	91,297	2,814	109,757							
By tax status:														
Sole proprietorships	13,795	5,795	3,279	679	47,777	1,277	47,699							
Partnerships	1,104	419	261	51	2,329	1	2,701							
Corporations	7,478	4,563	2,887	544	41,191	17	2,566							
Sole proprietorships and partnerships	14,899	6,214	3,540	730	49,897	26	6,284							
Corporations	7,478	4,563	2,887	544	41,191	75	5,012							
By accounting period:														
1967	2,275	1,053	628	121	11,510	4	1,582							
1968	3,428	1,549	953	172	17,887	1,367	51,248							
1969	6,098	2,757	1,666	302	23,540	117	2,842							
1970	10,576	5,417	3,180	680	58,360	125	1,815							
1971	2,000	955	593	103	5,000	24	8,481							
1972	1,091	510	310	63	2,357	13	3,740							
1973	788	366	226	44	1,729	71	3,442							
1974	1,098	512	310	63	2,357	19	7,516							
1975	1,000	475	290	52	2,519	62	5,058							
1976	1,000	475	290	52	2,519	62	5,058							

* Sole proprietorships and partnerships are based on high sampling variability. However, the totals included in the appropriate total.

** Includes Federal profits tax.

*** For definition of terms, see "Description of the Sample and Illustration of the Data" in the text.

ACTIVE CORPORATION RETURNS

Table 11. - TAX PAYMENTS, INCOME, SPECIAL DEDUCTIONS, INCOME TAX, CREDITS, PAYMENTS, TAX DUE OR OVERPAYMENT, AND REQUESTS FOR CREDIT OR REFUND OF OVERPAYMENTS, BY TAX PAYMENT STATUS, BY SIZE OF NORMAL TAX, SURTAX, AND SURCHARGE AFTER FOREIGN TAX AND INVESTMENT CREDITS. - Continued

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

Type of return, size of normal tax, surtax, and surcharge (including alternative tax) after foreign tax and investment credits	Investment credit	Foreign tax credit	Income tax after investment credit		Total tax payments	1969 corporate income tax credit			1969 corporate income tax credit		1969 corporate income tax credit		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
			Total	Foreign tax credit		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount							
												Number of returns						
Total active corporation returns	4,125,976	267,654	4,125,976	267,654	1,231,111	1,231,111	1,231,111	1,231,111	1,231,111	1,231,111	1,231,111	1,231,111	1,231,111	1,231,111	1,231,111	1,231,111	1,231,111	1,231,111
Returns with tax due from 1969, total, including payments for 1969, total	3,506,986	277,759	3,506,986	277,759	1,879,491	1,879,491	1,879,491	1,879,491	1,879,491	1,879,491	1,879,491	1,879,491	1,879,491	1,879,491	1,879,491	1,879,491	1,879,491	1,879,491
Returns with tax due at time of filing, total	808,412	28,262	808,412	28,262	1,142,309	1,142,309	1,142,309	1,142,309	1,142,309	1,142,309	1,142,309	1,142,309	1,142,309	1,142,309	1,142,309	1,142,309	1,142,309	1,142,309
Returns with tax due after credits, total	115,599	27,996	115,599	27,996	1,114,313	1,114,313	1,114,313	1,114,313	1,114,313	1,114,313	1,114,313	1,114,313	1,114,313	1,114,313	1,114,313	1,114,313	1,114,313	1,114,313
Without normal tax, surtax, and surcharge	2,419,399	9,406	2,419,399	9,406	1,052,384	1,052,384	1,052,384	1,052,384	1,052,384	1,052,384	1,052,384	1,052,384	1,052,384	1,052,384	1,052,384	1,052,384	1,052,384	1,052,384
With normal tax, surtax, and surcharge	1,098,993	19,590	1,098,993	19,590	60,612	60,612	60,612	60,612	60,612	60,612	60,612	60,612	60,612	60,612	60,612	60,612	60,612	60,612
Without normal tax, surtax, and surcharge	814,999	1,748	814,999	1,748	3,706	3,706	3,706	3,706	3,706	3,706	3,706	3,706	3,706	3,706	3,706	3,706	3,706	3,706
With normal tax, surtax, and surcharge	283,994	17,842	283,994	17,842	57,906	57,906	57,906	57,906	57,906	57,906	57,906	57,906	57,906	57,906	57,906	57,906	57,906	57,906
Without normal tax, surtax, and surcharge	1,095,000	5,296	1,095,000	5,296	2,930	2,930	2,930	2,930	2,930	2,930	2,930	2,930	2,930	2,930	2,930	2,930	2,930	2,930
With normal tax, surtax, and surcharge	1,000,000	10,000	1,000,000	10,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Without normal tax, surtax, and surcharge	800,000	8,000	800,000	8,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
With normal tax, surtax, and surcharge	200,000	2,000	200,000	2,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Without normal tax, surtax, and surcharge	1,000,000	10,000	1,000,000	10,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
With normal tax, surtax, and surcharge	500,000	5,000	500,000	5,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Without normal tax, surtax, and surcharge	500,000	5,000	500,000	5,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
With normal tax, surtax, and surcharge	1,000,000	10,000	1,000,000	10,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Without normal tax, surtax, and surcharge	500,000	5,000	500,000	5,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
With normal tax, surtax, and surcharge	500,000	5,000	500,000	5,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Without normal tax, surtax, and surcharge	500,000	5,000	500,000	5,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
With normal tax, surtax, and surcharge	1,000,000	10,000	1,000,000	10,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Without normal tax, surtax, and surcharge	500,000	5,000	500,000	5,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
With normal tax, surtax, and surcharge	500,000	5,000	500,000	5,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Without normal tax, surtax, and surcharge	500,000	5,000	500,000	5,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
With normal tax, surtax, and surcharge	1,000,000	10,000	1,000,000	10,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Without normal tax, surtax, and surcharge	500,000	5,000	500,000	5,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
With normal tax, surtax, and surcharge	500,000	5,000	500,000	5,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Without normal tax, surtax, and surcharge	500,000	5,000	500,000	5,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS
 Table 11.—TAX PAYMENTS: NUMBER OF RETURNS, INCOME, SPECIAL DEDUCTIONS, INCOME TAX, CREDITS, PAYMENTS, TAX DUE OR OVERPAYMENT, AND REQUESTS FOR CREDIT OR REFUND OF OVERPAYMENTS, BY TAX PAYMENT STATUS, BY SIZE OF NORMAL TAX, SURTAX, AND SURCHARGE AFTER FOREIGN TAX AND INVESTMENT CREDITS—Continued

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

Type of return, size of normal tax, surtax, and surcharge (including alternative tax) after foreign tax and investment credits	Credit for tax paid by regulated investment companies			Tax payments—Continued			Tax due at time of filing	Total			Tax overpayment			Returns showing equal tax and payments				
	Number of returns	Amount	(33)	Number of returns	Amount	(35)		Number of returns	Amount	(36)	Number of returns	Amount	(40)	Number of returns	Amount	(44)	Number of returns	Total payments
Total active corporation returns	446	1,823	119,977	4,331,127	4,703,421		79,189	1,228,234	28,190	575,170	40,025	4,431,309	10,473	219,235	18,134	49,736		
Returns other than Form 1120S, total	346	1,323	119,854	4,339,814	4,698,562		74,080	1,226,341	28,190	575,170	40,025	4,431,309	10,473	219,235	18,134	49,736		
Returns with normal tax, surtax, and surcharge (including alternative tax) after foreign tax and investment credits	180	569	84,690	1,910,224	4,998,262		-	-	-	-	-	-	-	-	-	-		
Under \$9,000	179	564	84,006	1,899,787	4,979,897		-	-	-	-	-	-	-	-	-	-		
\$9,000 under \$10,000	1	401	43,599	55,426	959,742		-	-	-	-	-	-	-	-	-	-		
\$10,000 under \$15,000	50	401	4,098	20,788	271,425		-	-	-	-	-	-	-	-	-	-		
\$15,000 under \$20,000	35	35	5,496	26,624	194,050		-	-	-	-	-	-	-	-	-	-		
\$20,000 under \$25,000	25	18	7,545	22,547	170,800		-	-	-	-	-	-	-	-	-	-		
\$25,000 under \$50,000	23	131	1,837	98,584	518,690		-	-	-	-	-	-	-	-	-	-		
\$50,000 under \$75,000	9	73	1,837	74,549	344,412		-	-	-	-	-	-	-	-	-	-		
\$75,000 under \$100,000	3	8	3,614	55,518	258,994		-	-	-	-	-	-	-	-	-	-		
\$100,000 under \$250,000	3	8	1,345	179,706	699,090		-	-	-	-	-	-	-	-	-	-		
\$250,000 under \$500,000	3	8	737	130,242	363,447		-	-	-	-	-	-	-	-	-	-		
\$500,000 under \$1,000,000	3	98	775	127,137	463,116		-	-	-	-	-	-	-	-	-	-		
\$1,000,000 under \$10,000,000	1	1	80	436,362	532,785		-	-	-	-	-	-	-	-	-	-		
\$10,000,000 under \$50,000,000	1	1	10	227,848	145,267		-	-	-	-	-	-	-	-	-	-		
\$50,000,000 under \$100,000,000	1	1	10	100,130	54,179		-	-	-	-	-	-	-	-	-	-		
\$100,000,000 or more	1	4	4	397,244	56,953		-	-	-	-	-	-	-	-	-	-		
Returns with overpayment or with equal tax and payments, total	165	1,257	32,194	2,449,590	18,675		-	-	-	-	-	-	-	-	-	-		
With normal tax, surtax, and surcharge (including alternative tax) after credits, total	111	1,182	25,538	2,365,092			74,080	1,226,341	26,190	575,170	40,025	4,431,309	5,894	119,762	18,134	49,736		
Under \$9,000	81	81	13,879	32,423			28,088	1,092,977	33,799	561,048	30,105	3,431,317	4,651	68,612	17,891	49,620		
\$9,000 under \$10,000	1	1	4,068	14,471			1,842	35,315	1,919	25,417	15,788	36,569	2,145	13,601	11,468	8,576		
\$10,000 under \$15,000	1	1	1,358	13,706			3,029	18,821	1,800	8,779	1,211	9,985	910	9,181	1,306	6,586		
\$15,000 under \$20,000	1	1	709	10,433			1,822	16,821	1,135	7,355	364	3,054	174	7,023	709	8,922		
\$20,000 under \$25,000	1	1	506	8,843			1,187	10,702	1,125	3,346	351	2,899	112	2,809	282	6,418		
\$25,000 under \$50,000	1	1	1,496	20,960			3,024	40,895	1,723	18,166	697	12,882	441	12,962	680	4,444		
\$50,000 under \$75,000	1	1	734	29,090			1,131	31,247	584	18,152	404	5,699	121	16,723	17	20,800		
\$75,000 under \$100,000	1	1	901	13,493			1,827	18,578	380	8,576	50	1,192	50	1,253	71	1,900		
\$100,000 under \$250,000	3	34	880	22,447			1,867	89,422	1,166	46,614	502	26,211	157	18,569	242	46,717		
\$250,000 under \$500,000	3	34	434	64,099			635	59,508	414	36,016	46	7,344	53	13,844	104	33,214		
\$500,000 under \$1,000,000	3	22	245	54,099			843	41,034	548	12,789	177	21,156	45	5,551	22	32,841		
\$1,000,000 under \$10,000,000	6	40	308	92,049			184	27,740	133	13,206	26	1,104	42	49,438	27	129,323		
\$10,000,000 under \$50,000,000	1	1	181	884,924			11	31,816	111	31,253	41	50,841	10	22,813	7	1,247,722		
\$50,000,000 under \$100,000,000	1	1	10	188,425			11	31,816	111	31,253	41	50,841	10	22,813	7	1,247,722		
\$100,000,000 or more	1	10	118,269	45,506			11	98,269	9	62,964	1	236	1	5,004	1	19,000		
Without normal tax, surtax, and surcharge (including alternative tax) after credits, total	34	81	1,055	7,286			25,533	143,264	4,391	15,122	19,970	110,992	1,212	4,130	272	1,194		
Without net income	30	21	1,066	7,286			21,778	26,722	5,735	10,772	17,065	88,936	976	1,874	183	1,194		
Returns with neither tax after credits nor payments	-	-	-	-	-		1,100	118,182	359	51,797	711	50,910	87	25,387	619	19,101		
Total	-	-	124	46,979			194	420	5	42	198	104	17	17	17	17		
With net income	-	-	47	508			43	111	26	36	36	36	36	36	36	36		
Without net income	-	-	77	495			147	109	3	16	160	92	92	92	92	92		
Returns showing refunds of estimated tax, total	-	-	3	13			-	-	-	-	-	-	-	-	-	-		
With refunds equal to 1969 overpayments claimed as a credit plus 1970 estimated tax payments, total	-	-	47	508			-	-	-	-	-	-	-	-	-	-		
With tax after foreign tax and investment credits	-	-	44	495			-	-	-	-	-	-	-	-	-	-		
Without tax after foreign tax and investment credits	-	-	3	13			-	-	-	-	-	-	-	-	-	-		
With other tax payments	-	-	3	13			-	-	-	-	-	-	-	-	-	-		
Without other tax payments	-	-	-	-			-	-	-	-	-	-	-	-	-	-		
With refund in lieu of 1969 overpayments claimed as a credit plus 1970 estimated tax payments, total	-	-	76	46,471			-	-	-	-	-	-	-	-	-	-		
With tax after foreign tax and investment credits	-	-	74	46,471			-	-	-	-	-	-	-	-	-	-		
Without tax after foreign tax and investment credits	-	-	2	46,471			-	-	-	-	-	-	-	-	-	-		
Small Business Corporation Returns, Form 1120S	-	-	143	1,113			-	-	-	-	-	-	-	-	-	-		

(*) Estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.
 † Excludes returns with only income tax from recomputing prior year investment credit and additional tax for tax preferences.
 ‡ Includes returns with only income tax from recomputing prior year investment credit and additional tax for tax preferences.
 § Less than \$590 per return.
 * Note: Detail may not add to totals because of rounding. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS OTHER THAN FORM 1120S

Table 13.—NUMBER OF RETURNS, SELECTED RECEIPTS, NET INCOME, STATUTORY SPECIAL DEDUCTIONS, INCOME SUBJECT TO TAX, INCOME TAX, FOREIGN TAX AND INVESTMENT CREDITS, PAYMENTS, AND INVESTMENT CREDIT ITEMS, BY SIZE OF NORMAL TAX AND SURTAX BEFORE CREDITS

All figures are estimates based on sample returns; all units are in thousands, if dollar.

Size of normal tax and surtax (including alternative tax) before surcharge, and before foreign tax and investment credits	Number of returns other than Form 1120S	Total receipts	Net long-term capital gain reduced by net short-term capital loss	Dividends received from domestic corporations	Intra-corporate dividends subject to--			Statutory special deductions		
					100 percent (foreign and domestic)	Transitional 87-1/2 percent (deduction)	Net income or deficit	Total	Net operating loss carryover	Tax credits received deduction
Total	1,408,002	127,134,197	5,260,991	5,227,371	512,430	89,199	66,050,106	6,351,695	2,261,566	1,279,973
Returns with net income, total.....	850,590	101,255,111	4,528,196	4,919,685	568,878	87,881	50,681,363	6,214,114	2,261,566	1,042,671
With normal tax and surtax (including alternative tax), total.....	735,539	101,157,111	4,512,144	4,198,230	339,066	75,214	76,241,505	3,591,867	1,012,567	2,529,454
Under \$6,000.....	555,526	165,945,681	232,151	166,940	19,546	3,264	4,270,978	512,282	2,942,999	128,377
\$6,000 under \$10,000.....	50,991	40,666,026	55,420	37,507	2,572	1,564	1,337,701	75,246	52,526	32,351
\$10,000 under \$15,000.....	27,851	30,092,323	60,549	36,767	1,278	1,182	1,095,133	66,822	35,821	30,755
\$15,000 under \$20,000.....	17,857	24,798,438	54,802	34,712	4,221	1,275	909,591	54,754	25,273	23,870
\$20,000 under \$25,000.....	12,872	20,056,862	35,363	26,036	83	1,642	788,197	38,478	17,350	21,128
\$25,000 under \$50,000.....	30,071	62,737,596	125,476	101,392	12,242	10,130	2,708,067	138,315	52,006	84,575
\$50,000 under \$75,000.....	12,171	37,715,128	84,454	70,209	18,193	462	1,791,264	84,724	24,575	59,689
\$75,000 under \$100,000.....	6,679	25,919,030	58,165	56,341	14,154	1,886	1,471,583	79,099	29,884	47,332
\$100,000 under \$250,000.....	12,475	83,201,181	180,816	128,318	1,948	9,027	4,403,800	187,788	76,936	102,721
\$250,000 under \$500,000.....	4,321	61,140,769	226,964	127,626	8,175	9,925	3,406,818	153,685	46,999	101,847
\$500,000 under \$1,000,000.....	2,157	65,239,497	167,162	157,597	32,891	5,138	1,405,289	189,497	50,688	131,746
\$1,000,000 under \$10,000,000.....	2,177	44,144,111	938,683	669,525	157,524	28,128	14,022,402	768,543	174,287	545,911
\$10,000,000 under \$50,000,000.....	327	11,527,434	1,059,714	352,614	26,073	921	15,278,426	487,468	140,278	250,730
\$50,000,000 under \$100,000,000.....	35	66,312,427	171,724	136,488	11,564	-	4,821,015	99,409	2,822	74,573
\$100,000,000 or more.....	24	160,299,980	60,752	1,103,156	28,653	-	16,471,125	1,009,194	421	858,519
Without normal tax and surtax (including alternative tax) ²	115,046	66,712,082	1,016,053	1,721,455	129,792	12,667	4,439,878	2,362,246	1,849,001	513,217
Returns without net income, total.....	557,412	101,211,942	732,793	308,086	53,452	1,316	16,631,217	237,512	-	237,302
With normal tax and surtax (including alternative tax).....	27	391,698	161	8,585	-	-	32,044	7,210	-	7,210

Size of normal tax and surtax (including alternative tax) before surcharge, and before foreign tax and investment credits	Income subject to tax			Income tax							
	Net long-term capital gain taxed at alternative rates		Income-taxed at normal tax and surtax rates	Total	Normal tax, surtax, and surcharge			Additional tax under controlled group provisions for members of groups--		Tax from recomputing prior year investment credit	Additional tax for tax preferences
	Total	Amount taxed at 25 percent rate			Normal tax and surtax	Surcharge	All-inclusive one surtax exemption under section 1561	Electing to use multiple surtax exemptions under sections 1562 and 1564			
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)		
Total	3,011,480	361,667	69,353,971	33,290,026	32,123,282	784,403	15,531	143,449	77,832	265,207	
Returns with net income, total.....	3,011,480	361,667	69,352,239	33,248,224	32,122,521	784,386	15,525	143,448	62,229	237,787	
With normal tax and surtax (including alternative tax) ²	3,011,480	361,667	69,352,239	33,242,331	32,122,521	784,486	15,525	143,448	63,228	232,895	
Under \$6,000.....	5,309	1,058	1,817,763	875,903	844,751	62	2,270	26,948	3,111	664	
\$6,000 under \$10,000.....	26,279	5,783	1,333,040	374,857	364,843	1,567	2,789	30,467	1,069	576	
\$10,000 under \$15,000.....	44,005	6,828	982,573	338,142	328,060	4,657	1,562	19,038	632	458	
\$15,000 under \$20,000.....	43,442	5,729	811,986	310,484	301,536	3,964	1,072	12,309	673	647	
\$20,000 under \$25,000.....	30,812	4,129	719,070	289,460	280,902	8,355	425	8,992	736	695	
\$25,000 under \$50,000.....	105,490	16,112	2,467,210	1,076,101	1,043,509	27,425	2,132	20,532	2,000	3,609	
\$50,000 under \$75,000.....	65,605	9,169	1,641,389	759,166	736,700	19,198	592	8,202	553	2,924	
\$75,000 under \$100,000.....	54,251	13,591	1,239,005	589,506	571,642	15,007	554	4,559	354	2,477	
\$100,000 under \$250,000.....	158,470	30,294	4,058,180	1,988,678	1,920,658	51,270	1,530	8,420	1,146	10,212	
\$250,000 under \$500,000.....	159,696	31,837	3,062,537	1,550,890	1,503,652	37,812	855	2,747	2,012	7,209	
\$500,000 under \$1,000,000.....	150,727	19,044	3,062,043	1,548,680	1,499,301	38,292	566	1,361	2,759	8,319	
\$1,000,000 under \$10,000,000.....	677,005	98,606	12,366,841	6,377,771	6,166,110	160,615	666	1,147	12,274	38,777	
\$10,000,000 under \$50,000,000.....	1,059,713	83,052	13,730,817	7,153,371	6,883,045	180,206	66	85	16,915	73,187	
\$50,000,000 under \$100,000,000.....	171,724	25,838	4,609,481	2,339,148	2,259,648	56,819	4	5,816	17,062	17,062	
\$100,000,000 or more.....	60,752	8,597	15,420,304	7,673,976	7,418,742	178,878	6	-	10,875	65,875	
Without normal tax and surtax (including alternative tax) ²	-	-	-	5,893	-	-	-	-	1,001	4,892	
Returns without net income, total.....	-	-	1,732	41,802	761	17	6	1	13,603	27,420	
With normal tax and surtax (including alternative tax).....	-	-	1,732	779	761	17	6	1	-	-	

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS OTHER THAN FORM 1120S

Table 13.—NUMBER OF RETURNS, SELECTED RECEIPTS, NET INCOME, STATUTORY SPECIAL DEDUCTIONS, INCOME SUBJECT TO TAX, INCOME TAX, FOREIGN TAX AND INVESTMENT CREDITS, PAYMENTS, AND INVESTMENT CREDIT ITEMS, BY SIZE OF NORMAL TAX AND SURTAX BEFORE CREDITS—Continued
(All figures are in thousands unless otherwise indicated; amounts are in thousands of dollars)

Description of returns	Foreign tax credit		Investment credit		Normal tax, surtax, and inclusion items ¹				Estimated tax payment	
	Number of returns	Amount	Number of returns	Amount	Foreign tax credit		Foreign tax investment credit		Total net estimated tax payment	1969 over-payments claimed as a credit
					Number of returns	Amount	Number of returns	Amount		
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Total	5,745	1,546,986	50,978	867,994	7,5198	26,962,000	726,051	27,512,067	20,037,291	679,659
Returns with net income, total	5,745	1,546,986	50,978	867,994	5,745	26,970,111	726,027	27,531,272	19,943,411	662,462
With normal tax and surtax (including alternative tax), total	5,745	1,546,986	50,978	867,994	735,131	28,417,222	26,027	27,511,272	19,912,669	659,584
Under \$6,000	1,095	5,114	9,256	11,605	555,177	671,066	5,06,172	659,478	155,761	11,744
\$6,000 under \$10,000	178	179	1,035	1,776	50,087	371,013	50,590	369,257	100,059	5,923
\$10,000 under \$15,000	175	371	1,652	2,778	27,455	136,681	27,788	134,133	116,242	5,009
\$15,000 under \$20,000	167	529	1,287	2,142	17,849	108,675	17,836	106,443	115,688	7,193
\$20,000 under \$25,000	83	209	763	2,591	12,969	287,922	12,439	285,421	112,801	4,035
\$25,000 under \$50,000	415	2,273	2,368	5,167	11,124	1,096,219	50,023	1,160,012	426,869	17,452
\$50,000 under \$75,000	215	2,291	361	4,518	12,139	733,598	12,159	748,880	335,298	12,520
\$75,000 under \$100,000	174	1,457	559	4,276	6,627	585,219	6,672	591,980	269,850	8,692
\$100,000 under \$250,000	711	15,834	1,084	15,141	12,451	1,955,486	12,450	1,943,035	1,085,406	37,435
\$250,000 under \$500,000	434	20,859	684	13,902	4,906	1,520,619	4,906	1,508,908	1,015,484	34,089
\$500,000 under \$1,000,000	427	8,165	565	21,574	2,137	1,498,067	2,117	1,478,113	1,069,901	39,949
\$1,000,000 under \$5,000,000	904	22,113	1,112	196,924	2,136	5,994,260	2,106	5,707,312	4,562,851	201,434
\$5,000,000 under \$10,000,000	249	1,001,189	283	67,116	321	6,060,077	321	5,752,731	4,649,212	205,224
\$10,000,000 or more	21	4,114	24	67,918	15	1,873,143	15	1,805,191	1,561,561	33,066
\$10,000,000 or more (including alternative tax)	24	2,591,569	22	2,645,117	25	7,000,655	24	6,796,118	4,115,672	34,789
Returns without net income, total	-	-	-	-	-	-	-	-	10,762	2,578
With normal tax and surtax (including alternative tax)	-	-	-	-	27	779	24	775	93,880	17,187
Returns with normal tax and surtax (including alternative tax)	-	-	-	-	27	779	24	775	915	3

Size of normal tax and surtax (including alternative tax) before surcharges and before foreign tax and investment credit	Foreign tax payment ²		Percent with applications for extensions of filing time	Cost of property used for investment credit	Total tax investment credit	Investment credit carryover	Unused investment credit		
	1970 estimated tax payment	1969 Refunds of estimated tax payments					Number of returns	Total amount	Unused tentative investment credit
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
Total	20,188,442	870,722	4,429,813	22,155,400	1,236,578	1,264,808	31,774	1,617,550	489,586
Returns with net income, total	20,027,252	746,251	4,299,941	17,760,995	949,603	974,758	12,766	654,529	202,612
With normal tax and surtax (including alternative tax), total	20,099,275	727,115	4,294,271	17,571,599	936,456	954,591	4,785	526,737	189,985
Under \$6,000	154,188	10,119	92,712	112,851	6,313	24,811	5,959	17,661	3,890
\$6,000 under \$10,000	96,240	2,114	4,475	25,620	1,611	4,621	164	2,421	567
\$10,000 under \$15,000	114,892	4,538	41,506	21,917	1,324	2,444	144	1,670	464
\$15,000 under \$20,000	109,864	1,969	15,669	12,929	709	2,337	58	859	196
\$20,000 under \$25,000	109,597	836	15,139	15,036	1,111	2,334	25	1,103	347
\$25,000 under \$50,000	417,274	7,751	136,087	85,443	5,448	7,951	81	5,276	1,062
\$50,000 under \$75,000	328,082	5,104	94,354	59,418	4,581	2,915	54	1,994	810
\$75,000 under \$100,000	268,502	7,154	69,989	65,581	4,902	4,133	34	3,805	1,364
\$100,000 under \$250,000	1,070,662	22,691	262,767	227,630	15,212	12,173	85	12,122	4,590
\$250,000 under \$500,000	1,005,675	24,280	206,940	135,640	22,177	8,899	43	17,169	12,303
\$500,000 under \$1,000,000	1,060,491	9,579	216,961	656,050	19,055	15,435	26	34,164	23,902
\$1,000,000 under \$10,000,000	4,468,000	107,081	450,447	4,005,414	228,243	165,764	64	178,519	69,467
\$10,000,000 under \$50,000,000	4,735,077	94,089	1,096,252	6,035,331	325,033	125,091	14	143,048	36,839
\$50,000,000 under \$100,000,000	1,512,848	4,473	252,000	1,458,224	87,189	16,874	3	37,477	20,940
\$100,000,000 or more	4,505,983	405,000	756,002	4,347,415	195,741	78,301	3	69,504	13,244
Returns without net income, total	26,977	18,793	5,671	190,306	12,627	120,165	7,981	132,742	12,627
Returns with normal tax and surtax (including alternative tax)	915	-	212	337	10	115	2	121	9

¹ Excludes returns with only income tax from recomputing prior year investment credit and additional tax for tax preferences.

² Includes returns with only income tax from recomputing prior year investment credit and additional tax for tax preferences.

³ Less than \$500 per return.

NOTE: Detail may not add to totals because of rounding. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS OTHER THAN FORM 1120S
Table 14.--INCOME SUBJECT TO TAX, NUMBER OF RETURNS, NET LONG-TERM CAPITAL GAIN, NET INCOME, INCOME SUBJECT TO TAX, INCOME TAX, INVESTMENT AND FOREIGN TAX CREDITS, ESTIMATED TAX PAYMENTS, AND STATUTORY SPECIAL DEDUCTIONS, BY SIZE OF INCOME TAXED AT NORMAL TAX AND SURTAX RATES OR SIZE OF INCOME

Table with columns: Income and tax status and size of income taxed at normal tax and surtax rates or size of income, Number of returns other than Form 1120S, Net long-term capital gain, Net income, Total income, Income taxed at normal tax and surtax rates, Total, Surcharge, Normal tax, surtax, and surcharge, After foreign tax and investment credits, After foreign tax and investment credits, Tax from recomputing prior year investment credit preferences, Additional tax for tax preferences. Rows include 'Total', 'Returns with net income, total', and various income brackets from \$24,000 to \$10,000,000 or more.

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS OTHER THAN FORM 1120S
 Table 14.-INCOME SUBJECT TO TAX: NUMBER OF RETURNS, NET LONG-TERM CAPITAL GAIN, NET INCOME, INCOME SUBJECT TO TAX, INCOME
 TAX, INVESTMENT AND FOREIGN TAX CREDITS, ESTIMATED TAX PAYMENTS, AND STATUTORY SPECIAL DEDUCTIONS, BY SIZE OF INCOME
 TAXED AT NORMAL TAX AND SURTAX RATES OR SIZE OF DEFICIT--Continued

Income and tax status and size of income taxed at normal tax and surtax rates or size of deficit	Foreign tax credit			Investment credit			Normal tax, surtax, and surcharge			Tax from competing private investment portfolio	Additional tax for tax preference provisions	Foreign tax credit	Investment credit
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Total	Surcharge	AIR-T foreign investment credit				
	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)					(27)	(28)	(29)
Total.....	5,746	4,548,986	50,979	865,952	703,332	15,693,487	14,645,014	331,474	12,968,982	21,112	6,053	1,609,272	21,082
Returns with net income, total.....	5,746	4,548,986	50,979	865,952	703,332	15,693,487	14,645,014	331,474	12,968,982	21,112	6,053	1,609,272	21,082
With normal tax, surtax, and surcharge (including alternative tax), total.....	412	4,538,111	18,267	848,237	703,332	15,683,222	14,645,014	331,474	12,968,982	21,112	6,053	1,609,272	21,082
With income taxed at normal tax and surtax rates, total.....	420	440	7,143	2,495	104,346	801,203	161,052	16	156,982	50	142	27	138
\$5,000 under \$10,000.....	119	474	4,882	5,923	691,591	851,212	164,102	1	156,982	220	81	1,089	2,689
\$10,000 under \$15,000.....	157	243	3,104	2,160	49,343	810,283	174,132	26	156,982	434	115	1,522	2,419
\$15,000 under \$20,000.....	186	86	2,887	5,407	90,433	1,113,183	267,273	406	264,031	166	166	1,616	2,419
\$20,000 under \$25,000.....	110	292	1,094	1,214	17,424	442,427	111,951	258	111,961	148	31	4	4
\$25,000 under \$30,000.....	65	389	963	1,217	16,968	428,078	130,805	340	109,815	133	113	1,021	1,021
\$30,000 under \$35,000.....	148	206	1,032	1,512	15,859	505,213	154,726	1,418	152,294	154	202	1,281	1,281
\$35,000 under \$40,000.....	88	293	74	1,976	11,077	442,110	155,462	2,052	154,410	107	138	1,091	1,091
\$40,000 under \$45,000.....	81	297	425	1,543	8,745	384,020	126,102	1,290	126,887	150	153	1,156	1,156
\$45,000 under \$50,000.....	59	298	298	912	7,410	365,168	127,273	1,245	126,189	263	107	1,153	1,153
\$50,000 under \$60,000.....	124	506	936	2,103	11,577	652,455	212,390	5,416	215,825	632	282	1,587	1,587
\$60,000 under \$70,000.....	76	297	336	2,111	7,976	526,837	205,155	6,111	201,041	68	99	2,244	2,244
\$70,000 under \$80,000.....	123	1,105	545	2,485	4,264	489,898	190,802	9,012	182,950	189	165	1,610	1,610
\$80,000 under \$90,000.....	70	1,105	546	1,525	1,566	311,826	132,228	9,463	176,040	341	294	1,994	1,994
\$90,000 under \$100,000.....	54	142	411	1,867	1,769	469,698	153,951	11,119	152,577	46	50	1,4	1,4
\$100,000 under \$150,000.....	292	1,782	1,168	5,024	19,472	1,512,211	652,354	13,975	627,370	627	1,149	1,092	1,092
\$150,000 under \$200,000.....	213	1,932	621	9,313	9,310	1,093,726	487,676	13,095	479,571	221	1,152	2,244	2,244
\$200,000 under \$250,000.....	179	2,998	435	3,462	7,462	786,111	376,045	8,283	348,762	304	1,096	1,096	1,096
\$250,000 under \$300,000.....	564	12,881	1,090	11,958	7,296	2,589,465	1,117,270	90,868	1,178,628	1,012	1,072	2,244	2,244
\$300,000 under \$400,000.....	555	28,953	502	12,108	11,113	2,290,878	1,040,555	2,160	1,040,555	1,216	2,160	11,544	11,544
\$400,000 under \$500,000.....	851	125,201	1,122	68,401	2,192	3,569,784	2,088,654	59,827	2,088,654	1,923	6,841	6,841	6,841
\$500,000 under \$750,000.....	294	152,762	454	31,293	2,209	1,851,241	1,312,290	9,504	1,312,290	51	194	47,989	47,989
\$750,000 under \$1,000,000.....	254	257,288	470	109,146	121	1,864,241	1,278,825	11,462	1,278,825	1,462	65,000	65,000	65,000
\$1,000,000 under \$500,000.....	123	466,915	147	194,016	41	2,146,105	1,063,525	26,043	1,063,525	1,574	1,574	11,544	11,544
\$500,000 under \$100,000,000.....	62	681,354	72	297,520	21	3,588,177	2,066,492	17,810	2,066,492	1,574	1,574	11,544	11,544
\$100,000,000 or more.....	60	1,068,746	62	266,045	15	5,197,588	3,094,942	69,345	3,094,942	1,574	1,574	11,544	11,544
Without income taxed at normal tax and surtax rates, but with alternative tax on long-term gain.....	67	10,355	46	17,674	-	8,265	166	-	166	-	26	-	-
Without normal tax, surtax, and surcharge (including alternative tax), total.....	-	-	-	-	-	-	-	-	-	-	-	-	-
With additional tax for tax preferences.....	-	-	-	-	-	-	-	-	-	-	-	-	-
With only tax from competing prior year investment credit.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonrefundable.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Returns without net income, total.....	-	-	-	-	-	-	-	-	-	-	-	-	-
With normal tax, surtax, and surcharge (including alternative tax), total.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Without normal tax, surtax, and surcharge (including alternative tax).....	-	-	-	-	-	-	-	-	-	-	-	-	-
With additional tax for tax preferences.....	-	-	-	-	-	-	-	-	-	-	-	-	-
With only tax from competing prior year investment credit.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonrefundable.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Size of deficit.....	-	-	-	-	-	-	-	-	-	-	-	-	-
\$5,000 under \$15,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-
\$15,000 under \$50,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-
\$50,000 under \$100,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-
\$100,000 under \$500,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-
\$500,000 under \$1,000,000.....	-	-	-	-	-	-	-	-	-	-	-	-	-
\$1,000,000 or more.....	-	-	-	-	-	-	-	-	-	-	-	-	-

Footnote at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS OTHER THAN FORM 1120S

Table 14 --INCOME SUBJECT TO TAX: NUMBER OF RETURNS, NET LONG-TERM CAPITAL GAIN, NET INCOME, INCOME SUBJECT TO TAX, INCOME TAX, INVESTMENT AND FOREIGN TAX CREDITS, ESTIMATED TAX PAYMENTS, AND STATUTORY SPECIAL DEDUCTIONS, BY SIZE OF INCOME TAXED AT NORMAL TAX RATES OR SIZE OF DEFICIT

Income and tax status and size of income taxed at normal tax rates or size of deficit	Number of returns	Net income or deficit	Income subject to tax		Alternative tax and surcharge			Tax from recomputing prior year investment credit	Additional tax for tax preferences	Foreign credit	Investment credit	Long-term capital gain from certain pooling contracts, distributions, and installment sales
			Net long-term capital gain taxed at alternative rates		Total	Surcharge	After foreign tax and investment credits					
			Amount taxed at 25 percent rate	Amount taxed at normal tax rates								
Total.....	32,202	40,549,978	361,667	35,694,958	18,251,194	552,968	14,663,190	42,116	193,836	2,919,712	648,272	367,266
Returns with net income, total.....	32,202	-40,549,978	361,667	35,694,958	18,251,194	552,968	14,663,190	42,116	193,836	2,919,712	648,272	367,266
With normal tax, surtax, and surcharge (including alternative tax), total.....	31,106	39,778,071	318,785	35,694,958	18,143,056	547,778	14,483,280	40,847	183,292	2,927,177	614,509	367,266
Under \$5,000.....	729	98,709	9,678	17,750	10,361	252	12,035	17	240	20	106	1,664
\$5,000 under \$10,000.....	1,450	44,546	7,501	16,513	12,282	185	12,037	110	45	43	202	7,111
\$10,000 under \$15,000.....	1,092	60,643	1,697	13,136	13,064	172	12,585	23	237	3,1	136	1,697
\$15,000 under \$20,000.....	1,211	62,835	7,353	20,784	14,846	147	14,500	123	375	126	114	7,111
\$20,000 under \$25,000.....	1,567	84,198	4,270	34,621	19,356	300	18,144	802	17	51	154	4,611
\$25,000 under \$30,000.....	1,160	50,093	2,097	24,517	12,117	200	11,599	283	374	241	227	2,107
\$30,000 under \$35,000.....	1,341	60,036	1,760	37,503	14,398	148	13,872	72	52	338	185	2,000
\$35,000 under \$40,000.....	1,924	82,275	15,117	61,415	22,466	334	22,301	131	132	34	111	2,284
\$40,000 under \$45,000.....	1,419	71,885	2,240	52,195	21,016	252	20,575	-9	241	155	286	2,284
\$45,000 under \$50,000.....	1,320	79,008	4,461	55,471	23,711	284	23,100	89	188	144	177	2,472
\$45,000 under \$50,000.....	886	61,031	3,960	41,506	18,657	324	18,373	50	212	135	179	2,084
\$50,000 under \$60,000.....	1,981	144,972	7,458	106,714	46,972	1,249	46,247	194	291	219	516	2,519
\$60,000 under \$70,000.....	1,483	132,184	2,704	95,496	44,000	1,387	43,248	362	471	102	431	2,136
\$70,000 under \$80,000.....	1,077	102,876	2,377	79,614	46,650	1,001	36,133	81	305	14	373	2,184
\$80,000 under \$90,000.....	1,051	122,837	14,954	88,805	41,520	1,091	40,910	78	637	227	341	1,294
\$90,000 under \$100,000.....	851	104,115	773	80,604	38,590	557	38,035	206	51	49	26	1,114
\$100,000 under \$150,000.....	2,503	196,858	9,855	305,965	150,265	3,560	147,925	141	524	690	1,670	3,111
\$150,000 under \$200,000.....	1,467	323,244	6,333	252,193	129,274	3,175	127,119	453	1,541	648	1,962	6,661
\$200,000 under \$250,000.....	1,026	245,423	9,924	228,474	118,661	4,091	114,882	-12	1,152	1,332	1,976	9,9
\$250,000 under \$300,000.....	1,970	312,690	74,115	134,470	151,464	9,151	34,927	765	3,109	3,645	3,859	15,206
\$300,000 under \$1,000,000.....	1,117	1,211,369	156,727	34,800	524,194	13,093	497,365	44	9,520	17,647	1,102	14,558
\$1,000,000 under \$5,000,000.....	1,161	3,477,694	338,590	2,450,758	1,457,106	39,477	1,427,409	3,606	13,142	69,126	49,571	32,832
\$5,000,000 under \$10,000,000.....	162	2,222,400	262,768	2,342,178	1,226,022	10,314	1,093,661	2,889	6,755	194,528	27,756	12,196
\$10,000,000 under \$50,000,000.....	244	4,344,222	40,484	3,865,813	1,995,357	51,198	1,661,557	3,865	34,210	202,584	111,736	49,114
\$25,000,000 under \$50,000,000.....	107	4,294,697	201,075	3,874,269	1,964,234	47,716	1,574,962	4,888	30,776	299,076	99,201	28,742
\$50,000,000 under \$100,000,000.....	61	4,264,681	27,386	4,323,105	2,192,860	56,164	1,733,564	5,005	7,010	968,684	49,712	26,894
\$100,000,000 under \$10,000,000,000.....	30	15,777,575	38,280	15,039,062	7,462,701	174,821	5,168,730	1,404	68,422	1,538,422	2,553	38,494
Without income taxed at normal tax and surtax rate, but with alternative tax on long-term gain.....	1,094	771,607	42,882	-	208,138	5,190	179,910	1,269	10,542	10,555	1,671	42,882
Without normal tax, surtax, and surcharge (including alternative tax), total.....	-	-	-	-	-	-	-	-	-	-	-	-
With additional tax for tax preferences, total.....	-	-	-	-	-	-	-	-	-	-	-	-
With only tax from recomputing prior year investment credit.....	-	-	-	-	-	-	-	-	-	-	-	-
Without net income, total.....	-	-	-	-	-	-	-	-	-	-	-	-
With normal tax, surtax, and surcharge (including alternative tax), total.....	-	-	-	-	-	-	-	-	-	-	-	-
With alternative tax.....	-	-	-	-	-	-	-	-	-	-	-	-
With additional tax for tax preferences.....	-	-	-	-	-	-	-	-	-	-	-	-
With only tax from recomputing prior year investment credit.....	-	-	-	-	-	-	-	-	-	-	-	-
Without net income, total.....	-	-	-	-	-	-	-	-	-	-	-	-
Under \$5,000.....	-	-	-	-	-	-	-	-	-	-	-	-
\$5,000 under \$15,000.....	-	-	-	-	-	-	-	-	-	-	-	-
\$15,000 under \$25,000.....	-	-	-	-	-	-	-	-	-	-	-	-
\$25,000 under \$50,000.....	-	-	-	-	-	-	-	-	-	-	-	-
\$50,000 under \$100,000.....	-	-	-	-	-	-	-	-	-	-	-	-
\$100,000 under \$1,000,000.....	-	-	-	-	-	-	-	-	-	-	-	-
\$1,000,000 under \$10,000,000.....	-	-	-	-	-	-	-	-	-	-	-	-
\$10,000,000 under \$50,000,000.....	-	-	-	-	-	-	-	-	-	-	-	-
\$50,000,000 under \$100,000,000.....	-	-	-	-	-	-	-	-	-	-	-	-
\$100,000,000 under \$10,000,000,000.....	-	-	-	-	-	-	-	-	-	-	-	-

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 15.--INVESTMENT CREDIT ITEMS: NUMBER OF RETURNS, COST OF PROPERTY, INVESTMENT QUALIFIED FOR CREDIT, TENTATIVE CREDIT, CARRYOVER, INCOME TAX, INVESTMENT CREDIT, UNUSED CREDIT, DEPRECIABLE ASSETS, DEPRECIATION DEDUCTION, RETURNS WITH CARRYOVER, AND RETURNS WITH CARRYOVER USED, BY MAJOR INDUSTRY

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

Major industry	Total number of active corporation returns	Returns, other than Form 1120C, with investment credit items							Income tax	
		Number of returns	Cost of property used for investment credit	Investment qualified for credit	Tentative investment credit		Investment credit carryover	Total	Available for use of investment credit ¹	
					Number of returns	Amount				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
All industries:										
Number of returns.....	1,065,477	76,353	15,188	15,188	15,188	-	86,947	52,374	51,318	
Amount.....	-	-	22,155,400	21,468,305	-	1,236,576	1,265,808	21,049,234	17,121,703	
Agriculture, forestry, and fishing.....	37,238	2,130	20,249	18,645	114	1,303	6,552	20,637	20,153	
Mining.....	14,465	1,303	220,377	214,967	166	14,836	36,664	238,466	183,079	
Metal mining.....	1,193	(⁽¹⁾)	(⁽²⁾)	(⁽³⁾)	(⁽⁴⁾)	(⁽⁵⁾)	(⁽⁶⁾)	(⁽⁷⁾)	(⁽⁸⁾)	
Coal mining.....	2,226	239	51,716	49,011	44	3,341	5,734	63,392	54,367	
Crude petroleum and natural gas.....	7,883	556	65,053	63,606	39	4,324	13,766	64,524	53,149	
Non-metallic minerals (except fuels) mining.....	3,163	427	14,645	14,369	47	1,006	8,180	21,106	11,422	
Contract construction.....	138,905	5,290	71,500	68,075	596	4,750	13,662	107,667	97,131	
Manufacturing.....	197,807	16,732	9,866,292	9,604,124	4,775	670,974	441,633	13,096,193	9,683,655	
Food and kindred products.....	16,285	2,246	525,258	517,098	573	36,160	1,647	1,277,221	1,102,458	
Tobacco manufactures.....	89	(⁽¹⁾)	(⁽²⁾)	(⁽³⁾)	(⁽⁴⁾)	(⁽⁵⁾)	(⁽⁶⁾)	(⁽⁷⁾)	(⁽⁸⁾)	
Textile mill products.....	6,221	797	179,200	172,438	330	12,060	5,356	262,596	254,505	
Apparel and other fabricated textile products.....	18,136	770	23,068	21,712	182	1,500	1,282	84,294	79,533	
Lumber and wood products, except furniture.....	10,145	852	226,595	225,915	101	15,809	4,628	102,217	92,630	
Furniture and fixtures.....	6,914	336	10,170	9,640	119	659	322	35,263	34,991	
Paper and allied products.....	3,565	500	519,406	516,685	206	36,154	15,531	418,802	361,326	
Printing and publishing.....	26,613	1,966	159,443	153,163	360	10,396	6,945	604,790	394,303	
Chemicals and allied products.....	10,236	886	1,223,673	1,204,780	402	84,686	37,087	2,090,847	1,717,877	
Petroleum refining and related industries.....	841	145	1,871,888	1,854,764	68	129,922	200,192	1,890,262	513,534	
Rubber and miscellaneous plastics products.....	5,433	556	254,431	246,678	167	17,212	2,895	212,606	152,700	
Leather and leather products.....	2,299	168	10,068	7,053	29	495	1,077	39,146	38,305	
Stone, clay, and glass products.....	8,427	1,061	200,377	194,239	240	13,584	12,564	267,954	221,409	
Primary metal industries.....	4,052	627	2,003,597	1,997,435	279	139,112	81,660	446,547	306,179	
Fabricated metal products, except machinery and transportation equipment.....	22,637	1,649	262,272	256,710	506	17,965	10,298	418,298	366,480	
Machinery, except electrical.....	24,553	2,120	385,782	307,420	643	21,481	14,330	1,292,554	1,267,710	
Electrical equipment and supplies.....	10,385	766	525,610	498,447	250	34,882	14,028	636,476	771,827	
Motor vehicles and equipment.....	5,761	164	647,577	618,240	64	43,278	2,936	1,004,259	731,536	
Transportation equipment, except motor vehicles.....	4,022	257	655,917	620,241	125	43,404	8,979	367,669	340,409	
Scientific instruments, photographic equipment, watches and clocks.....	4,095	296	86,680	82,066	65	5,742	1,059	549,730	474,241	
Miscellaneous manufactured products, and manufacturing not allocable.....	12,098	428	46,627	45,782	50	3,206	1,673	72,157	67,624	
Transportation, communication, electric, gas, and sanitary services.....	67,398	6,365	9,888,810	9,579,254	1,577	406,680	586,185	3,952,867	3,888,770	
Transportation.....	53,113	4,494	2,209,929	2,169,111	800	151,325	558,029	301,502	265,496	
Communication.....	7,462	1,018	3,070,205	2,969,676	314	95,731	8,231	1,950,896	1,960,432	
Electric, gas, and sanitary services.....	6,823	851	4,608,676	4,440,465	462	159,624	19,925	1,670,667	1,662,842	
Wholesale and retail trade.....	518,062	22,168	630,844	600,967	3,649	41,845	46,655	1,610,360	1,443,139	
Wholesale trade.....	165,575	5,777	143,116	132,716	1,041	9,167	24,014	429,118	279,039	
Groceries and related products.....	17,928	571	24,072	26,607	135	1,857	1,304	56,610	52,791	
Machinery, equipment, and supplies.....	26,808	876	16,500	14,540	177	1,016	1,420	46,466	45,992	
Miscellaneous wholesale trade.....	120,839	4,329	97,544	91,569	728	6,274	21,290	326,042	180,286	
Retail trade.....	350,773	16,319	473,630	454,521	2,578	31,739	22,586	1,178,146	1,161,285	
Building materials, hardware, and farm equipment.....	28,397	1,211	4,015	3,323	155	196	565	14,500	14,396	
General merchandise stores.....	19,351	1,257	294,018	284,120	379	19,800	7,663	731,120	719,536	
Food stores.....	25,479	2,126	89,826	86,527	225	6,062	4,024	283,328	281,503	
Automotive dealers and service stations.....	57,289	1,603	5,370	5,064	165	361	1,004	13,624	13,596	
Apparel and accessory stores.....	39,131	1,344	18,075	17,395	296	1,230	618	15,045	14,928	
Furniture, home furnishings, and equipment stores.....	30,122	563	2,122	1,544	141	96	161	7,046	7,039	
Eating and drinking places.....	71,348	4,674	41,351	39,614	402	2,804	6,085	48,877	47,666	
Miscellaneous retail stores.....	79,606	3,339	18,853	17,944	820	1,240	2,486	16,606	12,602	
Wholesale and retail trade not allocable.....	1,714	71	14,096	13,730	(⁽¹⁾)	(⁽²⁾)	55	3,096	2,812	
Finance, insurance, and real estate.....	404,235	9,748	1,012,148	964,956	2,163	67,057	36,761	1,720,711	1,518,872	
Banking.....	15,042	1,292	719,460	695,574	475	48,669	10,580	694,243	568,850	
Credit agencies other than banks.....	52,163	1,779	124,673	121,113	570	8,171	4,267	72,553	56,793	
Security and commodity brokers, dealers, exchanges, and services.....	4,716	219	4,720	3,439	103	234	759	30,414	30,319	
Holding and other investment companies.....	32,692	431	7,478	6,494	120	454	796	13,527	12,806	
Insurance carriers.....	4,769	366	98,432	82,069	99	5,740	11,750	33,184	776,795	
Insurance agents, brokers, and service.....	28,675	719	3,754	3,262	54	229	182	40,305	38,127	
Real estate.....	268,185	4,948	54,631	53,005	739	3,590	6,427	36,250	35,152	
Services.....	281,218	14,613	445,180	417,118	2,145	29,133	97,673	302,313	286,904	
Hotels and other lodging places.....	20,059	1,404	53,429	48,991	182	3,434	4,473	51,247	50,694	
Personal services.....	35,715	2,100	9,543	8,805	252	598	2,285	23,864	21,390	
Business services.....	93,863	4,574	108,594	93,568	825	6,524	37,965	134,773	129,267	
Automobile services and miscellaneous repair services.....	35,283	2,399	103,995	99,436	345	6,955	8,525	13,402	13,206	
Amusement and recreation services.....	35,889	2,383	153,068	152,613	230	10,693	41,468	48,921	41,332	
Other services.....	60,419	1,951	16,751	13,425	310	929	2,957	30,206	29,215	
Nature of business not allocable.....	4,149	1	-	-	-	-	3	-	-	

Footnotes at end of table. See text for explanation, statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 15.--INVESTMENT CREDIT ITEMS: NUMBER OF RETURNS, COST OF PROPERTY, INVESTMENT QUALIFIED FOR CREDIT, TENTATIVE CREDIT, CARRYOVER, INCOME TAX, INVESTMENT CREDIT, UNUSED CREDIT, DEPRECIABLE ASSETS, DEPRECIATION DEDUCTION, RETURNS WITH CARRYOVER, AND RETURNS WITH CARRYOVER USED, BY MAJOR INDUSTRY--Continued

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

Major industry	Returns, other than Form 1120, with investment credit items--Continued							
	Investment credit		Unused investment credit				Depreciable assets	Depreciation deduction
	Number of returns	Amount	Total		Unused tentative investment credit			
			Number of returns	Amount	Number of returns	Amount		
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
All industries:								
Number of returns.....	50,978	-	31,774	-	5,568	-	76,042	77,250
Amount.....	-	865,954	-	1,637,550	-	489,566	634,215,365	35,715,030
Agriculture, forestry, and fisheries.....	1,204	1,723	1,109	6,031	74	630	998,363	77,834
Mining.....	666	10,734	740	40,746	105	8,419	7,952,335	534,950
Metal mining.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Coal mining.....	179	3,620	84	6,456	33	2,078	1,626,361	100,773
Crude petroleum and natural gas.....	257	2,072	344	16,019	22	3,697	2,715,476	197,542
Nonmetallic minerals (except fuels) mining.....	207	923	249	6,241	20	451	1,390,575	103,452
Contract construction.....	3,891	4,415	1,661	13,842	279	3,176	3,681,249	350,420
Manufacturing.....	11,032	451,231	6,676	662,697	1,451	275,365	294,774,017	18,353,305
Food and kindred products.....	1,659	31,270	822	23,176	127	7,620	19,860,839	1,298,835
Tobacco manufactures.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Textile mill products.....	653	10,036	191	7,401	63	2,941	6,217,717	428,466
Apparel and other fabricated textile products.....	484	1,440	285	1,340	49	325	601,651	62,679
Lumber and wood products, except furniture.....	442	7,637	441	12,801	34	8,781	5,048,161	304,196
Furniture and fixtures.....	250	725	42	236	28	39	385,472	26,901
Paper and allied products.....	356	32,132	158	19,556	36	7,897	14,863,441	831,164
Printing and publishing.....	1,518	11,150	657	6,085	121	619	4,936,858	329,316
Chemicals and allied products.....	526	63,377	431	38,540	161	6,880	35,043,891	2,293,272
Petroleum refining and related industries.....	85	94,763	71	235,410	27	64,263	64,005,971	2,884,826
Rubber and miscellaneous plastics products.....	378	12,340	202	8,939	51	6,374	6,311,927	431,435
Leather and leather products.....	82	412	92	1,240	(*)	(*)	540,220	34,449
Stone, clay, and glass products.....	666	10,271	545	15,841	103	4,309	9,426,766	563,580
Primary metal industries.....	426	25,579	247	195,201	102	116,550	42,218,598	2,107,453
Fabricated metal products, except machinery and transportation equipment.....	1,111	11,329	595	16,973	123	7,581	7,604,638	594,308
Machinery, except electrical.....	1,223	19,204	987	16,604	248	3,267	20,444,313	1,935,310
Electrical equipment and supplies.....	413	25,622	347	23,287	73	10,137	15,427,999	1,406,339
Motor vehicles and equipment.....	99	34,631	66	6,540	(*)	(*)	21,783,914	1,263,975
Transportation equipment, except motor vehicles.....	135	22,101	159	10,282	51	23,125	11,517,090	1,031,406
Scientific instruments, photographic equipment, watches and clocks.....	166	5,761	133	1,060	(*)	(*)	3,692,312	260,618
Miscellaneous manufactured products, and manufacturing not allocable.....	333	3,182	95	1,715	16	438	1,510,606	126,231
Transportation, communication, electric, gas, and sanitary services.....	4,539	292,594	2,509	701,499	587	150,129	274,102,378	11,930,222
Transportation.....	3,145	54,092	1,825	656,367	364	123,076	65,525,309	3,634,046
Communication.....	806	95,074	247	8,884	117	2,223	72,362,357	3,511,038
Electric, gas, and sanitary services.....	587	143,428	286	36,248	105	24,830	136,214,712	4,783,138
Wholesale and retail trade.....	14,377	41,043	8,742	46,723	1,209	9,379	23,835,250	1,753,483
Wholesale trade.....	3,670	6,830	2,309	26,214	322	4,265	6,119,260	401,805
Groceries and related products.....	394	1,861	199	1,306	30	642	911,551	75,965
Machinery, equipment, and supplies.....	520	1,021	388	1,385	38	148	541,560	46,362
Miscellaneous wholesale trade.....	2,755	3,948	1,721	23,525	253	3,475	4,666,149	279,475
Retail trade.....	10,667	33,253	6,454	20,357	882	5,109	17,439,352	1,335,300
Building materials, hardware, and farm equipment.....	860	343	436	355	39	20	262,574	21,566
General merchandise stores.....	868	20,636	470	6,782	160	2,160	9,585,365	645,402
Food stores.....	1,342	6,556	854	3,478	81	559	4,618,490	400,447
Automotive dealers and service stations.....	1,123	435	803	815	39	70	406,477	44,111
Apparel and accessory stores.....	740	935	668	879	114	493	272,871	21,600
Furniture, home furnishings, and equipment stores.....	378	114	185	118	17	8	100,266	6,273
Eating and drinking places.....	3,091	2,637	1,816	5,788	212	1,385	1,245,885	117,231
Miscellaneous retail stores.....	2,224	1,366	1,216	2,242	213	414	927,419	81,470
Wholesale and retail trade not allocable.....	(*)	(*)	(*)	(*)	(*)	(*)	276,635	13,378
Finance, insurance, and real estate.....	5,486	46,022	4,489	57,758	886	25,465	16,382,603	1,410,054
Banking.....	1,052	36,233	296	23,020	59	14,507	5,837,263	603,017
Credit agencies other than banks.....	1,013	3,349	779	9,083	223	5,082	1,876,059	158,905
Security and commodity brokers, dealers, exchanges, and services.....	165	290	54	613	4	89	104,826	11,234
Holding and other investment companies.....	279	574	155	677	36	30	422,800	27,168
Insurance carriers.....	159	2,965	219	16,524	35	3,658	2,497,738	360,104
Insurance agents, brokers, and service.....	431	232	287	182	(*)	(*)	54,974	6,300
Real estate.....	2,384	2,469	2,497	7,459	479	2,099	5,088,943	213,326
Services.....	9,778	18,192	5,894	108,251	976	17,023	12,459,091	1,304,757
Hotels and other lodging places.....	944	3,237	535	4,586	73	1,126	2,872,208	167,573
Personal services.....	1,513	545	639	2,124	64	308	501,172	42,906
Business services.....	3,027	5,952	2,059	38,468	412	3,340	4,612,405	549,240
Automobile services and miscellaneous repair services.....	1,582	3,803	735	11,661	105	4,183	1,740,867	286,593
Amusement and recreation services.....	1,476	3,573	1,008	48,588	128	7,639	1,957,283	209,749
Other services.....	1,234	1,082	717	2,822	190	377	805,126	48,696
Nature of business not allocable.....	-	-	1	3	-	-	79	5

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 15.--INVESTMENT CREDIT ITEMS: NUMBER OF RETURNS, COST OF PROPERTY, INVESTMENT QUALIFIED FOR CREDIT, TENTATIVE CREDIT, CARRYOVER, INCOME TAX, INVESTMENT CREDIT, UNUSED CREDIT, DEPRECIABLE ASSETS, DEPRECIATION DEDUCTION, RETURNS WITH CARRYOVER, AND RETURNS WITH CARRYOVER USED, BY MAJOR INDUSTRY--Continued

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

Major industry	Returns, other than Form 1120S, with investment credit items--Continued										
	Returns with investment credit carryover										
	Number of returns	Tentative investment credit		Investment credit carryover	Income tax available for use of investment credit	Investment credit		Unused investment credit		Unused tentative investment credit	
		Number of returns	Amount			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	
All industries:											
Number of returns.....	66,967	3,801	-	66,957	42,557	42,294	-	24,442	-	2,237	-
Amount.....	-	-	445,305	1,265,808	4,063,167	-	266,983	-	1,622,315	-	274,371
Agriculture, forestry, and fishery.....	2,081	64	643	6,552	6,512	1,169	1,258	1,085	5,656	50	465
Mining.....	1,236	98	10,291	36,664	114,938	619	8,729	697	68,205	63	5,478
Metal mining.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Coal mining.....	208	16	2,036	6,734	50,345	159	3,167	58	5,606	(*)	(*)
Crude petroleum and natural gas.....	541	23	3,659	13,766	14,143	266	1,493	339	15,933	17	3,611
Nonmetallic minerals (except fuels) mining.....	410	31	332	8,180	6,426	194	573	241	7,917	13	157
Contract construction.....	4,773	80	2,375	13,682	56,653	3,564	3,459	1,431	12,554	49	1,682
Manufacturing.....	12,954	1,009	268,474	441,633	2,696,924	8,024	156,197	5,764	533,631	535	146,299
Food and kindred products.....	1,647	124	8,010	18,647	299,102	1,254	9,560	757	17,136	62	1,250
Tobacco manufactures.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Textile mill products.....	557	90	2,742	5,356	47,817	344	2,426	156	5,693	25	1,233
Apparel and other fabricated textile products.....	634	46	268	1,252	11,029	362	336	475	1,212	39	197
Lumber and wood products, except furniture.....	773	(*)	(*)	4,628	22,721	382	3,890	427	12,176	(*)	(*)
Furniture and fixtures.....	223	(*)	(*)	322	3,061	160	220	67	197	(*)	(*)
Paper and allied products.....	343	49	3,851	15,531	46,273	209	6,575	141	12,610	19	951
Printing and publishing.....	1,648	23	990	6,945	69,094	1,278	2,240	542	5,564	(*)	(*)
Chemicals and allied products.....	538	56	12,683	37,087	287,039	315	13,894	291	35,552	21	4,192
Petroleum refining and related industries.....	114	39	71,896	200,192	222,676	67	56,854	56	215,240	12	44,083
Rubber and miscellaneous plastics products.....	405	14	6,153	2,895	38,036	268	6,601	158	2,667	6	82
Leather and leather products.....	149	(*)	(*)	1,077	18,209	67	67	87	1,047	(*)	(*)
Stone, clay, and glass products.....	886	46	5,544	12,564	88,435	495	3,793	462	14,271	20	2,739
Primary metal industries.....	398	51	69,152	81,660	128,962	259	7,249	176	153,593	31	64,942
Fabricated metal products, except machinery and transportation equipment.....	1,212	69	5,704	10,296	63,763	733	3,069	531	12,916	59	3,524
Machinery, except electrical.....	1,662	186	4,340	14,330	116,478	886	4,311	865	14,336	126	699
Electrical equipment and supplies.....	626	84	14,127	14,028	176,310	283	6,569	54	21,555	29	4,435
Motor vehicles and equipment.....	109	10	4,871	2,936	376,227	52	5,760	58	3,045	4	196
Transportation equipment, except motor vehicles.....	188	57	19,539	8,979	119,164	87	16,275	138	12,263	30	5,086
Scientific instruments, photographic equipment, watches and clocks.....	237	6	3,537	1,059	341,331	119	3,670	127	926	-	-
Miscellaneous manufactured products, and manufacturing not allocable.....	394	16	1,051	1,673	21,298	305	1,348	85	1,378	(*)	(*)
Transportation, communication, electric, gas, and sanitary services.....	5,306	520	119,004	586,185	362,793	3,738	69,253	2,119	635,794	297	84,424
Transportation.....	6,016	323	102,384	558,029	153,969	2,838	43,993	1,637	616,270	176	82,979
Communication.....	830	145	7,837	8,231	95,127	636	8,327	272	7,737	92	1,076
Electric, gas, and sanitary services.....	659	71	8,783	19,925	113,697	263	16,923	209	11,787	28	369
Wholesale and retail trade.....	19,345	826	12,252	46,655	276,147	12,089	16,735	8,036	41,478	453	4,134
Wholesale trade.....	4,970	234	4,039	24,014	113,258	2,973	3,034	2,143	24,922	155	2,473
Groceries and related products.....	446	(*)	(*)	1,304	38,392	275	4,940	171	720	2	58
Machinery, equipment, and supplies.....	750	50	161	1,420	2,805	415	185	367	1,366	(*)	(*)
Miscellaneous wholesale trade.....	3,774	173	3,536	12,290	72,056	2,262	1,919	1,406	22,836	136	2,786
Retail trade.....	14,328	587	7,289	22,586	160,474	9,095	12,771	5,893	16,556	294	1,158
Building materials, hardware, and farm equipment.....	1,060	(*)	(*)	565	9,167	749	266	413	335	(*)	(*)
General merchandise stores.....	962	106	4,340	7,663	56,679	662	6,966	391	4,972	82	350
Food stores.....	1,440	40	1,010	4,024	28,618	1,220	2,015	275	2,967	(*)	(*)
Automotive dealers and service stations.....	1,440	(*)	(*)	1,004	7,284	690	167	768	788	(*)	(*)
Apparel and accessory stores.....	1,081	23	139	618	8,176	579	207	571	516	21	130
Furniture, home furnishings, and equipment stores.....	447	25	121	141	2,252	279	31	166	117	-	-
Eating and drinking places.....	4,426	155	1,556	5,085	32,639	2,903	2,458	1,708	4,949	102	546
Miscellaneous retail stores.....	2,728	210	1,022	2,486	15,689	1,720	641	1,066	1,579	63	51
Wholesale and retail trade not allocable.....	46	(*)	(*)	55	2,425	(*)	(*)	(*)	(*)	(*)	(*)
Finance, insurance, and real estate.....	8,038	455	31,796	36,761	416,608	4,269	18,372	3,950	50,151	447	17,858
Banking.....	864	48	25,720	10,580	125,427	652	14,421	256	21,975	19	13,462
Credit agencies other than banks.....	1,296	86	435	4,267	25,411	692	501	612	4,195	56	194
Security and commodity brokers, dealers, exchanges, and services.....	136	20	24	759	3,152	86	79	50	724	-	-
Holding and other investment companies.....	320	(*)	(*)	796	11,378	198	400	123	668	(*)	(*)
Insurance carriers.....	301	35	4,482	14,750	230,857	103	1,730	219	16,497	26	3,631
Insurance agents, brokers, and service.....	663	-	-	182	283	424	21	239	182	-	-
Real estate.....	4,453	254	864	6,427	20,100	2,110	1,461	2,557	5,910	239	550
Services.....	13,211	744	20,470	97,673	132,672	8,825	13,100	5,356	104,679	437	13,451
Hotels and other lodging places.....	1,230	(*)	(*)	4,473	32,621	821	2,587	469	3,606	(*)	(*)
Personal services.....	1,937	89	72	2,285	17,863	1,405	317	780	1,828	(*)	(*)
Business services.....	4,181	432	3,259	37,965	38,418	2,772	3,765	1,898	47,390	251	2,312
Automobile services and miscellaneous repair services.....	1,935	78	5,135	8,525	8,963	1,319	2,547	704	11,094	75	3,619
Amusement and recreation services.....	2,226	92	9,916	41,468	14,745	1,376	3,200	953	38,200	73	2,251
Other services.....	1,680	40	286	2,957	20,062	1,140	684	559	2,560	(*)	(*)
Nature of business not allocable.....	1	-	-	1	-	-	-	(*)	(*)	-	-

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS

Table 15.--INVESTMENT CREDIT ITEMS. NUMBER OF RETURNS. COST OF PROPERTY. INVESTMENT QUALIFIED FOR CREDIT. TENTATIVE CREDIT. CARRYOVER. INCOME TAX. INVESTMENT CREDIT. UNUSED CREDIT. DEPRECIABLE ASSETS. DEPRECIATION DEDUCTION. RETURNS WITH CARRYOVER. AND RETURNS WITH CARRYOVER USED. BY MAJOR INDUSTRY.--Continued

All figures are approximate and subject to change.--*Figures are in thousands of dollars

Major industry	Returns, other than for 1970S, with investment credit items--Continued							
	Returns with investment credit greater than tentative investment credit							
	Number of Returns	Tentative investment credit		Investment credit carryover	Income tax available for use of investment credit ¹	Investment credit	Unused investment credit	
		(29)	Number of Returns				Amount	Number of Returns	Amount
	(30)	(31)	(32)	(33)	(34)	(35)	(36)	
All industries.....	41,193	982	-	41,193	41,193	41,193	3,231	-
Number of returns.....	-	-	118,846	228,736	3,332,640	244,839	-	111,016
Amount.....								
Agriculture, forestry, and fisheries.....	1,152	(*)	(*)	2,074	6,333	1,112	157	923
Mining.....	607	31	4,110	6,775	112,814	8,426	71	2,440
Metal mining.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Coal mining.....	173	7	653	3,578	49,064	3,010	(*)	(*)
Iron, petroleum, and natural gas.....	245	5	84	2,447	14,440	1,440	44	1,003
Nonmetallic minerals (except fuels) mining.....	189	(*)	(*)	457	5,386	430	22	39
Contract construction.....	3,531	(*)	(*)	4,068	56,125	3,297	202	1,052
Manufacturing.....	7,256	370	79,149	101,295	2,232,149	133,174	762	47,002
Food and kindred products.....	1,249	57	6,022	3,705	269,340	8,752	162	915
Tobacco manufactures.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Textile mill products.....	942	60	1,450	1,372	45,841	2,367	43	476
Apparel and other fabricated textile products.....	362	(*)	(*)	267	11,029	336	(*)	(*)
Lumber and wood products, except furniture.....	380	2	2,089	794	20,386	2,698	33	186
Furniture and fixtures.....	156	(*)	(*)	125	1,061	220	-	-
Paper and allied products.....	206	27	2,690	6,060	46,175	6,565	(*)	(*)
Printing and publishing.....	1,275	(*)	(*)	2,689	65,080	6,228	171	1,210
Chemicals and allied products.....	305	27	7,414	10,137	267,061	13,024	64	4,931
Petroleum refining and related industries.....	61	25	20,734	61,170	196,947	49,279	5	32,125
Rubber and miscellaneous plastics products.....	269	4	552	891	22,928	882	18	562
Leather and leather products.....	62	-	-	171	9,854	63	(*)	(*)
Stone, clay, and glass products.....	486	18	2,313	1,465	87,241	3,301	69	433
Primary metal industries.....	242	16	3,943	3,555	114,688	6,952	32	546
Fabricated metal products, except machinery and transportation equipment.....	712	9	2,177	961	62,734	3,066	33	55
Machinery, except electrical.....	820	15	3,340	1,128	113,611	4,310	68	135
Electrical equipment and supplies.....	265	40	5,351	1,170	174,674	6,228	(*)	(*)
Motor vehicles and equipment.....	50	-	1,334	609	57,954	1,419	(*)	(*)
Transportation equipment, except motor vehicles.....	83	(*)	(*)	4,136	100,431	13,692	(*)	(*)
Scientific instruments, photographic equipment, watches and clocks.....	109	5	3,527	133	339,035	3,660	-	-
Miscellaneous manufactured products, and manufacturing not allocable.....	395	7	955	393	21,248	1,348	-	-
Transportation, communication, electric, gas, and sanitary services.....	3,549	140	22,053	83,910	329,527	56,683	419	49,173
Transportation.....	2,724	97	7,294	68,855	129,636	31,849	368	44,195
Communication.....	579	17	6,623	3,272	95,966	8,189	37	1,702
Electric, gas, and sanitary services.....	245	25	8,136	11,783	104,925	16,645	(*)	(*)
Wholesale and retail trade.....	11,827	168	7,747	12,204	260,270	16,337	717	2,929
Wholesale trade.....	2,890	17	924	3,670	103,467	2,892	121	1,605
Groceries and related products.....	274	(*)	(*)	645	37,776	904	(*)	(*)
Machinery, equipment, and supplies.....	365	-	-	193	2,773	153	(*)	(*)
Miscellaneous wholesale trade.....	2,250	10	666	2,832	62,818	1,835	104	1,592
Retail trade.....	8,916	150	5,302	8,536	156,478	12,515	596	1,324
Building materials, hardware, and farm equipment.....	732	(*)	(*)	292	5,010	214	72	62
General merchandise stores.....	661	21	3,967	3,257	56,469	6,963	70	216
Food stores.....	1,199	14	899	1,350	27,505	1,452	57	261
Automotive dealers and service stations.....	990	-	-	412	7,284	167	117	153
Apparel and accessory stores.....	563	2	9	305	8,176	207	53	73
Furniture, home furnishings, and equipment stores.....	253	-	-	31	2,191	31	-	-
Eating and drinking places.....	2,884	32	942	1,904	32,541	2,360	185	242
Miscellaneous retail stores.....	1,631	77	31	975	15,302	621	39	317
Wholesale and retail trade not allocable.....	(*)	(*)	(*)	(*)	(*)	(*)	-	-
Finance, insurance, and real estate.....	4,293	71	2,660	6,334	212,551	7,094	152	1,866
Banking.....	649	24	1,170	2,573	103,079	3,233	36	506
Credit agencies other than banks.....	965	4	150	302	25,186	410	(*)	(*)
Security and commodity brokers, dealers, exchanges, and services.....	85	(*)	(*)	35	2,719	55	-	-
Holding and other investment companies.....	197	4	249	161	11,052	399	(*)	(*)
Insurance carriers.....	101	8	777	451	50,152	1,656	11	67
Insurance agents, brokers, and service.....	424	-	-	(*)	283	21	-	-
Real estate.....	2,087	(*)	(*)	2,312	20,080	1,341	95	1,245
Services.....	8,466	172	2,634	12,076	122,871	8,716	745	5,631
Hotels and other lodging places.....	821	3	1,658	1,189	32,621	2,587	59	176
Personal services.....	1,371	49	62	60	17,830	417	248	173
Business services.....	2,523	79	642	5,493	37,296	3,461	340	2,606
Automobile services and miscellaneous repair services.....	1,266	(*)	(*)	1,137	6,164	1,137	35	2,090
Amusement and recreation services.....	1,353	(*)	(*)	1,105	9,460	545	60	586
Other services.....	1,129	(*)	(*)	512	19,500	679	-	-
Nature of business not allocable.....	-	-	-	-	-	-	-	-

(*) Estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.

¹Income tax excludes tax from recomputing prior year investment credit and additional tax for tax preferences and is after foreign tax credit.

²Less than \$500 per return.

NOTE: Number of returns may not add to totals because of rounding. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

Table 16.—INVESTMENT CREDIT AND RELATED ITEMS, FOR TOTAL RETURNS, RETURNS WITH CARRYOVER, AND RETURNS WITH CARRYOVER USED, BY SIZE OF INVESTMENT CREDIT

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

Item	Returns with investment credit, by size of credit															
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total active corporation returns other than Form 1120S																
Number of returns	1,408,002	50,978	32,915	11,497	2,895	1,007	568	287	226	554	323	290	157	93	150	12
Business receipts	64,959,692	21,575,394	27,944,212	19,113,191	13,860,691	14,708,466	13,860,691	8,040,315	4,407,509	22,895,728	43,230,827	80,258,926	53,364,614	59,535,826	170,087,562	90,736,502
Net income (less deficit)	4,050,106	1,011,874	1,237,904	1,631,841	1,237,904	1,166,167	777,179	553,106	658,565	2,223,221	2,437,904	5,042,682	3,466,561	2,924,908	12,623,061	8,423,494
Income subject to tax	72,365,451	22,339,527	27,944,212	19,113,191	13,860,691	14,708,466	13,860,691	8,040,315	4,407,509	22,895,728	43,230,827	80,258,926	53,364,614	59,535,826	170,087,562	90,736,502
Normal tax, surtax, and surcharge (including alternative tax)	32,926,987	8,423,494	10,118,822	14,547,414	10,118,822	10,060,829	730,846	531,764	642,948	2,105,307	2,423,473	4,920,760	3,309,098	2,859,794	12,150,008	7,675,799
Surcharge available for use of investment credit	784,403	508,753	8,423,494	16,106	14,347	12,744	9,451	6,374	7,107	25,950	33,223	63,862	42,000	34,706	163,601	91,871
Total	28,398,001	17,121,698	351,738	637,972	535,848	486,356	319,164	241,026	288,720	897,131	1,223,076	2,130,543	1,371,626	1,121,476	4,802,503	2,716,317
Investment credit	865,954	865,954	(?)	13,868	10,406	7,424	6,835	4,933	4,991	19,118	23,113	46,207	54,734	64,526	379,631	230,368
Tax from recomputing prior year investment credit	4,548,986	3,167,781	5,722	23,954	14,253	26,714	32,911	14,643	22,924	125,088	137,046	251,992	201,751	241,469	1,014,724	1,052,540
Additional tax for tax preferences	265,107	47,842	943	1,002	824	792	593	714	609	1,405	1,658	2,806	5,263	4,150	14,467	12,489
Total assets	1,183,920,466	37,362,214	52,131,068	30,043,132	17,970,038	16,887,719	16,887,719	10,473,487	6,887,719	65,413,609	104,734,487	128,533,618	75,958,182	115,956,682	273,981,586	157,455,149
Depreciable assets	853,179,787	498,431,072	6,596,109	10,664,693	8,070,113	7,381,323	5,171,295	4,140,495	3,725,929	15,541,512	19,842,833	45,131,778	31,523,635	34,790,168	107,445,537	108,405,653
Accumulated depreciation	3,724,472	182,429,319	2,933,956	4,536,172	3,435,674	3,035,674	1,984,623	1,691,219	1,453,944	6,150,741	7,550,525	16,675,979	11,963,726	12,763,486	70,050,351	38,206,382
Depreciation deduction	51,504,347	27,851,330	546,489	822,201	559,840	532,975	361,584	265,884	251,242	1,000,857	1,344,288	2,640,042	1,849,885	2,264,438	9,980,114	5,430,438
Cost of property used for investment credit	22,155,400	16,936,635	20,236	94,091	103,944	69,909	83,816	59,132	70,442	344,373	380,085	1,102,546	1,032,987	1,244,505	7,508,974	4,971,595
Investment qualified for credit	21,448,305	16,396,905	15,494	78,398	93,159	62,908	74,640	54,006	63,236	322,686	359,117	1,083,913	1,003,550	1,213,238	7,230,237	4,742,123
Tentative investment credit	15,188	10,748	4,143	2,539	1,324	555	377	211	169	444	263	270	153	90	148	12
Amount	1,226,578	896,405	666	4,898	6,237	4,234	4,950	3,452	4,162	21,373	23,000	70,688	60,100	74,597	388,575	229,413
Investment credit carryover	1,265,908	361,764	4,504	18,233	9,411	5,187	3,798	2,054	2,287	9,206	12,286	12,859	17,292	21,430	191,405	30,612
Unused investment credit	31,774	4,399	3,779	1,167	634	102	44	(?)	(?)	11,505	12,302	35	18	14	27	4
Amount	1,637,550	373,333	3,779	8,993	5,640	2,019	2,092	(?)	(?)	11,505	12,302	37,708	22,963	32,001	202,964	29,657
Unused tentative investment credit	5,568	1,128	377	350	175	(?)	(?)	(?)	(?)	6,435	4,425	31,065	12,307	18,681	67,955	22,435
Amount	489,586	149,413	477	1,984	1,646	(?)	(?)	(?)	(?)	6,435	4,425	31,065	12,307	18,681	67,955	22,435
Returns with investment credit carryover	66,947	44,294	29,327	9,596	1,803	542	270	120	80	399	110	56	58	38	49	4
Number of returns	3,801	2,083	558	1,514	340	93	79	45	24	104	72	79	54	35	48	4
Tentative investment credit	445,405	244,576	390	1,514	1,569	552	1,054	577	661	3,126	6,413	20,638	18,429	25,043	124,735	39,305
Amount	1,265,908	361,764	4,504	18,233	9,911	5,187	3,798	2,054	2,287	9,206	12,286	12,859	17,292	21,430	191,405	30,612
Income tax available for use of investment credit	4,063,147	4,063,142	176,377	258,024	91,792	115,982	77,994	46,662	55,269	156,163	330,156	418,603	325,495	363,748	1,533,137	123,740
Investment credit	286,983	286,983	(?)	11,378	6,426	3,943	3,126	2,045	1,792	6,599	7,852	15,359	20,365	26,878	130,701	50,544
Unused investment credit	28,442	3,740	2,177	1,032	325	58	35	(?)	15	43	34	18	12	9	15	3
Amount	1,422,335	297,562	3,639	7,978	4,941	1,782	1,705	(?)	1,156	5,786	10,857	18,134	15,881	20,145	185,644	19,368
Unused tentative investment credit	2,237	519	177	215	66	(?)	(?)	(?)	(?)	(?)	6	7	5	3	9	1
Amount	274,371	73,642	337	1,064	627	(?)	(?)	(?)	268	(?)	2,980	11,494	5,525	6,815	30,665	12,146
Returns with investment credit greater than tentative investment credit	41,193	41,193	28,768	9,280	1,679	528	254	114	74	176	100	86	51	34	37	3
Number of returns	982	982	582	333	116	79	63	46	16	86	62	69	47	31	36	3
Amount	118,866	118,866	56	390	157	300	352	267	178	1,752	2,773	7,469	11,038	15,069	62,327	16,731
Investment credit carryover	238,736	238,736	4,305	15,986	9,667	5,049	3,503	2,053	2,189	8,715	9,866	10,080	10,136	20,594	100,661	26,109
Income tax available for use of investment credit	3,332,640	3,332,640	171,952	246,130	89,112	100,310	70,465	36,549	53,854	144,194	146,902	395,920	314,202	336,827	1,125,925	102,909
Investment credit	236,839	236,839	(?)	10,945	5,961	3,846	2,941	2,030	1,667	5,809	7,192	13,711	17,979	23,659	98,956	40,121
Unused investment credit	3,231	3,231	1,999	784	257	52	25	(?)	(?)	28	26	11	7	5	6	2
Amount	111,016	111,016	3,103	4,666	3,773	1,485	803	(?)	(?)	4,658	5,277	3,805	3,200	11,984	64,036	2,719

(?) Estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.
 - Excludes tax from recomputing prior year investment credit and additional tax for tax preferences.
 - Less than \$500 per return.
 NOTE: Number of returns may not add to totals because of rounding. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE SMALL BUSINESS CORPORATION RETURNS, FORM 1120S

Table 17.—SELECTED BALANCE SHEET AND INCOME STATEMENT ITEMS, INCOME SUBJECT TO TAX, TAX, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION

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

Industrial Division, Item	Total active Small Business Corporation returns	Size of Total Assets									
		700-49,999	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$2,500,000	\$2,500,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$50,000,000	\$50,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
ALL INDUSTRIAL DIVISIONS¹											
Number of returns:											
With and without net income	297,476	1,097	168,115	71,586	20,450	4,403	1,003	1	10	3	1
With net income	197,747	2,197	96,434	35,830	15,422	5,576	2,123	1	15	3	
Total assets	31,397,824	-	8,794,154	4,214,008	7,151,720	7,460,803	5,020,084	1,111,562	411,288	126,868	578,065
Notes and accounts receivable, net	7,006,286	-	1,068,686	1,688,526	1,576,376	1,222,033	1,087,348	151,507	92,979	4,427	53,698
Inventories	6,134,014	-	1,031,685	1,621,257	1,613,468	1,094,372	907,025	42,597	108,711	22,036	53,171
Cash, Government obligations, and other current assets	5,265,250	-	1,069,557	1,307,491	1,017,837	751,061	804,760	136,533	68,173	19,892	99,526
Other investments and loans ²	2,932,824	-	355,843	512,635	690,991	861,419	630,605	90,039	31,660	11,298	77,634
Depreciable assets	15,728,239	-	3,419,774	4,092,718	4,001,685	2,489,193	2,097,593	232,436	102,132	17,091	209,610
Less: Accumulated depreciation	7,406,622	-	1,811,951	1,672,906	1,668,267	1,084,606	848,102	71,197	35,949	9,225	102,219
Other capital assets less reserves ³	2,162,997	-	354,748	628,833	635,754	435,842	466,703	58,265	36,435	19,291	110,317
Accounts and notes payable ⁴	10,098,155	-	1,567,963	2,362,539	2,212,119	1,806,195	1,695,883	222,878	148,629	66,112	19,135
Other current liabilities	1,897,107	-	401,345	407,301	371,420	351,217	285,275	95,060	33,318	1,810	8,261
Mortgages, notes, and bonds payable in one year or more	5,350,268	-	683,327	1,216,914	1,131,105	621,756	1,075,461	159,714	98,434	13,626	28,428
Net worth	11,629,910	-	1,470,624	3,195,364	2,559,773	1,776,418	1,241,808	126,041	75,888	39,858	311,559
Total receipts	77,631,396	288,616	19,143,548	20,043,313	19,282,769	11,113,869	8,918,277	753,369	577,378	215,673	311,059
Business receipts	50,997,159	259,171	18,856,894	19,724,705	13,944,182	10,888,287	8,665,620	702,477	562,210	209,608	283,905
Net long-term capital gain reduced by net short-term capital loss	220,589	16,968	43,259	35,035	44,761	30,951	45,991	7,127	1,831	566	-
Cost of sales and operations	56,362,553	184,118	11,933,337	13,932,358	12,094,734	8,212,011	6,831,345	559,870	406,822	184,691	197,853
Taxes paid	1,549,661	7,067	462,017	464,350	2,246,666	215,810	166,257	12,133	4,692	4,054	12,594
Interest paid	748,919	5,793	109,774	170,132	162,761	137,847	140,785	16,487	4,103	3,002	1,565
Depreciation	1,436,919	3,403	370,253	371,395	267,441	212,523	171,166	16,564	6,665	1,027	14,009
Employee benefit plans	487,253	557	148,154	113,608	81,505	76,579	50,254	3,029	2,562	343	9,932
Net income (less deficit)	1,851,508	58,924	378,055	515,959	401,168	295,413	259,127	24,826	6,087	10,746	-11,976
Net income	3,029,581	94,157	706,433	766,948	567,417	535,442	360,592	39,342	16,629	10,754	-
Deficit	1,178,073	48,311	-32,378	-251,026	-166,222	-239,929	-101,465	-13,516	-7,742	8	11,976
Credit for U.S. tax paid on special fuels, nonhighway gasoline, and lubricating oil	1,205	-	150	279	460	183	195	13	15	3	7
Distributions to stockholders except in own stock	1,145,180	7,058	315,491	261,256	197,045	167,152	143,527	23,799	7,252	2,000	9,000
AGRICULTURE, FORESTRY, AND FISHERY											
Number of returns:											
With and without net income	11,634	(1)	5,944	2,757	1,856	1	234	3	2	-	-
With net income	5,894	(6)	2,928	1,528	1,016	297	125	-	-	-	-
Total assets	2,270,173	-	247,154	450,158	665,441	653,135	311,260	17,742	25,242	-	-
Notes and accounts receivable, net	145,329	-	20,025	17,567	44,716	19,085	17,477	2,873	3,555	-	-
Inventories	261,345	-	15,303	46,580	78,153	64,294	48,256	292	9,577	-	-
Cash, Government obligations, and other current assets	147,513	-	32,042	40,231	30,597	20,260	23,670	429	264	-	-
Other investments and loans ²	183,731	-	16,689	30,301	49,941	48,437	34,407	133	3,023	-	-
Depreciable assets	1,920,951	-	238,308	278,694	351,109	255,712	126,606	3,374	7,150	-	-
Less: Accumulated depreciation	560,273	-	124,160	121,919	137,182	96,034	72,401	32	2,849	-	-
Other capital assets less reserves ³	697,547	-	47,612	138,358	227,546	156,764	111,796	10,404	4,277	-	-
Accounts and notes payable ⁴	519,714	-	57,057	96,666	150,899	99,429	100,432	2,037	13,214	-	-
Other current liabilities	39,663	-	4,064	7,170	15,938	4,958	7,141	221	1-1	-	-
Mortgages, notes, and bonds payable in one year or more	651,043	-	54,355	96,497	173,272	169,524	132,542	15,017	9,836	-	-
Net worth	655,780	-	66,003	168,333	193,350	124,300	85,102	-3,328	2,030	-	-
Total receipts	1,915,731	(1)	356,057	503,246	437,683	232,479	335,906	1,899	45,636	-	-
Business receipts	1,788,321	(1)	337,547	474,250	402,336	210,851	313,604	1,702	45,055	-	-
Net long-term capital gain reduced by net short-term capital loss	41,577	-	4,994	7,089	11,837	9,463	6,173	-	1	-	-
Cost of sales and operations	1,316,948	(1)	215,992	350,771	299,592	152,450	255,705	636	41,875	-	-
Taxes paid	96,620	(6)	10,929	10,264	11,962	7,319	5,679	68	60	-	-
Interest paid	72,359	(6)	7,411	11,779	20,354	17,317	13,262	976	1,250	-	-
Depreciation	113,442	(1)	22,541	21,929	31,517	20,428	15,671	190	591	-	-
Employee benefit plans	2,565	(1)	730	594	260	189	730	-	90	-	-
Net income (less deficit)	-26,010	(1)	5,074	1,995	-14,347	-12,840	-4,363	-1,059	-135	-	-
Net income	101,205	(1)	30,119	28,108	20,701	8,413	12,401	-	-	-	-
Deficit	127,215	(1)	25,045	26,113	35,048	22,253	16,864	1,059	135	-	-
Credit for U.S. tax paid on special fuels, nonhighway gasoline, and lubricating oil	660	-	81	198	198	87	89	1	6	-	-
Distributions to stockholders except in own stock	25,894	(1)	12,104	5,117	2,372	2,830	3,370	-	-	-	-

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE SMALL BUSINESS CORPORATION RETURNS, FORM 1120S

Table 17. --SELECTED BALANCE SHEET AND INCOME STATEMENT ITEMS, INCOME SUBJECT TO TAX, TAX, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION--Continued

17. Total receipts are estimated based on capital-gain-type returns and are in thousands of dollars.

Industrial division, item	Total active Small Business Corporation returns	Size of Total Assets									
		Zero assets	<1,000 under 1,000,000	1,000,000 under 2,500,000	2,500,000 under 5,000,000	5,000,000 under 10,000,000	10,000,000 under 25,000,000	25,000,000 under 50,000,000	50,000,000 under 100,000,000	100,000,000 under 250,000,000	250,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
MIRING											
Number of returns ^a											
With and without net income	1,557	(C)	876	577	(C)	152	0	-	-	1	-
With net income	1,052	-	499	441	(C)	114	75	-	-	1	-
Total assets	410,457	-	23,341	94,035	(C)	98,549	126,136	6,153	-	42,107	-
Notes and accounts receivable, net	80,491	-	5,334	19,274	(C)	18,665	25,769	16	-	9,155	-
Inventories	10,540	-	90	2,002	(C)	3,624	3,851	-	-	439	-
Cash, Government obligations, and other current assets	72,158	-	6,721	19,211	(C)	49,879	18,84	24	-	2,182	-
Other investments and loans ^b	34,467	-	1,910	8,765	(C)	5,750	12,699	-	-	5,253	-
Depreciable assets	197,723	-	29,890	93,016	(C)	111,972	105,107	2,620	-	11,977	-
Less: Accumulated depreciation	245,498	-	20,723	59,906	(C)	65,711	69,066	97	-	7,246	-
Other capital assets less reserves ³	40,714	-	2,206	6,001	(C)	2,089	15,710	1,850	-	9,788	-
Accounts and notes payable ⁴	109,212	-	14,882	24,401	(C)	16,765	29,256	1,022	-	6,005	-
Other current liabilities	28,995	-	5,659	2,658	(C)	14,522	5,613	-	-	42	-
Mortgages, notes, and bonds payable in one year or more	46,685	-	250	12,147	(C)	8,643	18,150	-	-	7,173	-
Net worth	178,064	-	14,028	46,353	(C)	49,016	65,043	1,521	-	1,209	-
Total receipts	593,637	(C)	59,783	160,152	(C)	138,715	141,380	4,125	-	28,099	-
Business receipts	577,278	(C)	58,548	156,588	(C)	135,416	147,071	3,993	-	23,784	-
Net long-term capital gain reduced by net short-term capital loss	2,118	-	-	227	(C)	1,976	291	5	-	47	-
Cost of sales and operations	328,321	(C)	47,243	76,987	(C)	75,821	75,727	606	-	19,423	-
Taxes paid	21,209	(C)	2,581	4,947	(C)	5,478	4,627	397	-	98	-
Interest paid	8,364	(C)	1,154	1,872	(C)	1,896	2,075	45	-	427	-
Depreciation	40,209	(C)	2,488	9,470	(C)	10,427	10,386	225	-	656	-
Employee benefit plans	3,131	-	240	392	(C)	1,088	1,366	-	-	156	-
Net income (less deficit)	26,055	(C)	4579	6,260	(C)	5,734	12,543	4,429	-	2,511	-
Net income	48,565	-	3,065	14,384	(C)	8,930	14,219	-	-	2,511	-
Deficit	24,510	(C)	3,647	8,124	(C)	3,197	1,956	1,626	-	-	-
Credit for U.S. tax paid on special fuels, nonhighway gasoline, and lubricating oil	47	-	6	11	(C)	4	21	-	-	3	-
Distributions to stockholders except in own stock	20,024	-	1,222	8,016	(C)	5,274	4,554	-	-	-	-
CONTRACT CONSTRUCTION											
Number of returns ^a											
With and without net income	26,060	599	16,906	5,009	2,065	1,023	426	21	10	-	-
With net income	16,439	(C)	10,082	3,413	1,646	802	330	21	6	-	-
Total assets	4,871,537	-	589,236	791,561	707,311	700,741	766,125	181,422	186,161	-	-
Notes and accounts receivable, net	1,153,807	-	173,602	230,741	240,144	232,547	239,921	43,627	12,926	-	-
Inventories	562,500	-	59,786	110,441	64,085	103,006	132,569	28,746	43,499	-	-
Cash, Government obligations, and other current assets	856,584	-	124,221	157,523	140,624	146,755	181,560	67,471	36,430	-	-
Other investments and loans ^b	290,850	-	37,644	79,571	48,436	58,594	52,066	6,966	7,594	-	-
Depreciable assets	1,480,954	-	322,130	363,939	291,247	267,948	211,147	25,458	18,595	-	-
Less: Accumulated depreciation	776,369	-	171,612	193,095	156,851	132,402	109,969	7,362	6,075	-	-
Other capital assets less reserves ³	171,188	-	27,971	32,929	36,863	16,560	40,276	9,880	16,419	-	-
Accounts and notes payable ⁴	1,421,435	-	179,902	244,863	262,435	295,394	292,984	66,824	39,036	-	-
Other current liabilities	353,876	-	46,340	52,406	65,069	58,201	93,482	17,116	20,662	-	-
Mortgages, notes, and bonds payable in one year or more	660,276	-	53,928	87,012	97,473	66,861	88,950	38,665	27,197	-	-
Net worth	1,089,756	-	221,899	268,911	200,959	212,191	161,501	16,613	7,682	-	-
Total receipts	9,661,472	68,154	2,558,712	2,068,426	1,741,838	1,541,022	1,426,958	217,254	69,078	-	-
Business receipts	9,568,215	37,835	2,548,515	2,062,422	1,721,601	1,518,546	1,398,170	213,381	67,545	-	-
Net long-term capital gain reduced by net short-term capital loss	8,008	-	648	1,202	1,351	2,162	2,294	21	430	-	-
Cost of sales and operations	7,648,747	35,666	1,863,693	1,587,997	1,360,107	1,226,022	1,177,279	188,992	58,671	-	-
Taxes paid	195,378	524	61,467	43,715	36,113	28,057	22,510	1,939	1,034	-	-
Interest paid	72,756	1,110	11,566	13,230	14,202	17,295	11,590	1,755	1,975	-	-
Depreciation	176,644	179	44,514	41,969	35,516	28,856	22,866	1,911	1,047	-	-
Employee benefit plans	71,542	-	13,011	15,690	15,695	13,301	12,556	815	485	-	-
Net income (less deficit)	251,521	47,402	47,435	59,903	46,731	49,133	49,522	5,906	83	-	-
Net income	372,402	(C)	90,244	84,515	65,132	66,414	66,092	6,728	2,027	-	-
Deficit	120,981	8,645	42,806	24,632	16,401	17,481	6,570	432	1,934	-	-
Credit for U.S. tax paid on special fuels, nonhighway gasoline, and lubricating oil	186	-	9	36	43	51	42	4	1	-	-
Distributions to stockholders except in own stock	129,480	82	31,065	40,174	11,841	20,515	22,058	3,742	113	-	-

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE SMALL BUSINESS CORPORATION RETURNS, FORM 1120S

Table 17.—SELECTED BALANCE SHEET AND INCOME STATEMENT ITEMS, INCOME SUBJECT TO TAX, TAX, AND DISTRIBUTION TO STOCKHOLDERS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION—Continued

Description of item	Number of returns	Under \$100,000				\$100,000 and over							
		(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)				
TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS, AND SANITARY SERVICES													
Number of returns	10,272	(7)	6,841	2,245	698	108	41	5	1	-	-	-	-
With and without net income	10,272	(7)	6,841	2,245	698	108	41	5	1	-	-	-	-
With net income	5,697	(5)	3,551	1,491	362	185	56	3	1	-	-	-	-
Total assets	1,206,546	-	234,241	63,169	20,618	21,731	160,501	12,484	12,779	-	-	-	-
Notes and accounts receivable, net	181,426	-	28,220	60,279	29,251	43,949	29,018	5,094	622	-	-	-	-
Inventories	14,907	-	2,707	345	7,867	1,057	4,321	126	380	-	-	-	-
Cash, Government obligations, and other current assets	150,951	-	46,164	4,117	26,201	16,188	22,659	2,606	1,945	-	-	-	-
Other investments and loans receivable	61,154	-	17,663	26,591	11,551	6,724	10,268	5,357	-	-	-	-	-
Depreciable assets	1,209,741	-	272,271	35,561	149,600	2,7427	136,427	14,367	17,586	-	-	-	-
Less—Accumulated depreciation	376,602	-	152,552	157,406	98,261	50,497	60,457	4,962	7,774	-	-	-	-
Other capital assets less depreciation	42,941	-	5,015	15,145	5,966	7,841	7,803	2,600	4	-	-	-	-
Accounts and notes payable	111,139	-	49,804	103,842	45,747	68,610	18,700	5,296	1,090	-	-	-	-
Other current liabilities	67,099	-	14,463	16,966	11,442	10,262	7,920	1,212	634	-	-	-	-
Mortgages, notes, and bonds payable (one year or more)	255,142	-	16,454	81,644	54,165	26,506	41,036	4,481	5,637	-	-	-	-
Net worth	41,168	-	74,716	99,747	66,901	78,140	50,439	15,962	4,569	-	-	-	-
Total receipts	2,444,077	(1)	727,010	755,125	669,527	699,245	242,318	41,137	7,466	-	-	-	-
Business receipts	2,443,997	(1)	718,988	748,185	661,547	693,012	227,497	38,409	7,445	-	-	-	-
Net long-term capital gain reduced by net short-term capital loss	14,696	(8)	1,769	2,947	2,516	3,994	740	2,152	-	-	-	-	-
Cost of sales and operations	1,559,255	(7)	448,327	459,545	242,714	217,225	159,417	29,689	1,450	-	-	-	-
Taxes paid	97,759	(9)	25,429	29,831	14,585	14,701	10,136	2,103	207	-	-	-	-
Interest paid	33,637	(5)	5,628	10,783	6,213	5,578	4,128	634	510	-	-	-	-
Depreciation	144,178	(5)	55,654	39,574	20,931	21,425	12,747	1,407	1,697	-	-	-	-
Employee benefit plan	25,374	-	5,115	9,529	4,944	3,126	583	-	-	-	-	-	-
Net income (less deficits)	19,470	(7)	19,312	12,676	3,665	6,143	2,654	3,301	-	-	-	-	-
Net income (less deficits) subject to tax	119,251	(5)	38,652	32,384	18,271	10,191	12,122	3,134	3,301	-	-	-	-
Deficit	79,781	(1)	14,540	19,708	14,608	16,514	485	-	-	-	-	-	-
Credit for U.S. tax paid on special fuels, nonhighway gasoline, and lubricating oil	140	(1)	47	11	1	21	17	2	1	-	-	-	-
Distributions to stockholders except in own stock	59,321	(7)	16,092	6,012	5,394	3,358	5,852	1,554	502	-	-	-	-

Footnotes at end of table. See text for explanatory materials and for "Description of the Sample and Limitation of the Data."

ACTIVE SMALL BUSINESS CORPORATION RETURNS, FORM 1120S

Table 17.-SELECTED BALANCE SHEET AND INCOME STATEMENT ITEMS, INCOME SUBJECT TO TAX, TAX, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION--Continued

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

Industrial division, (1)	Total assets Small Business Corporation returns	Per asset	Size of total assets								
			\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
WHOLESALE AND RETAIL TRADE											
Number of returns											
With and without net income	94,024	1,740	57,520	22,005	9,244	2,655	837	15	6	2	-
With net income	64,756	794	35,669	16,568	7,842	2,135	728	13	5	2	-
Total assets	12,441,744	-	2,466,265	4,516,649	3,230,318	1,781,896	1,310,030	97,937	84,372	66,917	-
Notes and accounts receivable, net	2,795,954	-	443,472	746,316	757,999	442,150	360,990	23,562	29,016	31,349	-
Inventories	4,451,852	-	785,668	1,224,070	1,197,143	656,784	486,433	34,851	45,406	21,599	-
Cash, Government obligations, and other current assets	1,677,284	-	966,045	507,964	425,473	224,587	135,357	10,511	2,345	4,562	-
Other investments and loans	601,997	-	98,661	167,749	178,703	81,089	66,404	5,880	2,402	1,199	-
Depreciable assets	4,245,751	-	1,072,206	1,291,901	990,452	510,797	340,068	29,548	5,923	4,854	-
Less: Accumulated depreciation	2,044,248	-	558,492	622,897	486,487	254,433	152,833	11,426	2,471	1,909	-
Other capital assets less reserves	384,454	-	58,084	103,897	95,477	70,166	48,792	3,163	9	2,366	-
Accounts and notes payable	4,305,648	-	658,785	1,080,713	1,147,147	700,754	560,446	55,434	55,293	46,876	-
Other current liabilities	654,275	-	158,165	182,642	157,778	93,659	67,568	2,255	1,317	991	-
Mortgages, notes, and bonds payable in one year or more	1,176,390	-	236,422	366,506	269,424	156,488	133,338	10,218	420	2,074	-
Net worth	5,045,709	-	887,703	1,530,363	1,173,160	721,408	470,395	28,741	23,213	14,726	-
Total receipts	41,489,458	146,735	8,495,613	11,807,525	10,177,415	5,448,637	4,225,073	188,562	313,178	186,820	-
Business receipts	40,948,795	137,014	8,889,414	11,687,262	10,013,161	5,369,993	4,166,734	186,653	312,743	185,822	-
Net long-term capital gain reduced by net short-term capital loss	44,567	6,049	6,341	6,341	10,428	6,577	4,166	42	-	9	-
Cost of sales and operations	30,801,710	108,095	5,881,918	8,697,540	7,807,660	4,270,166	3,428,483	144,780	297,820	165,268	-
Taxes paid	599,694	2,283	171,387	178,476	112,250	76,294	52,516	1,811	651	1,526	-
Interest paid	244,810	880	40,128	64,846	64,254	37,453	31,198	3,685	1,253	1,124	-
Depreciation	394,597	1,314	111,337	116,163	86,499	44,853	29,919	3,640	618	354	-
Employee benefit plans	120,843	409	24,758	35,469	28,464	18,036	12,759	824	255	187	-
Net income (less deficit)	852,667	-1,656	124,572	242,376	229,304	145,582	97,441	4,679	2,126	8,243	-
Net income	1,142,096	15,565	268,707	309,327	263,007	165,168	104,874	4,952	2,953	8,243	-
Deficit	289,729	16,221	144,135	66,951	41,003	19,586	7,433	273	827	-	-
Credit for U. S. tax paid on special fuels, nonhighway gasoline, and lubricating oil	28	5	1	5	13	4	4	1	-	-	-
Distributions to stockholders except in own stock	378,711	4,417	94,136	92,891	87,001	57,222	36,006	2,813	2,425	2,000	-
FINANCE, INSURANCE, AND REAL ESTATE											
Number of returns											
With and without net income	29,317	963	19,646	5,602	2,049	640	393	19	4	1	-
With net income	16,116	458	10,489	3,352	1,221	370	211	13	2	-	-
Total assets	3,571,183	-	629,758	887,501	717,862	439,608	679,039	130,971	60,800	27,844	-
Notes and accounts receivable, net	788,157	-	136,665	178,696	164,725	96,224	131,622	48,921	28,881	2,423	-
Inventories	13,007	-	4,814	5,017	2,205	-	1,971	-	-	-	-
Cash, Government obligations, and other current assets	1,015,168	-	148,024	230,446	191,454	151,608	243,357	32,090	4,541	13,248	-
Other investments and loans	440,113	-	79,495	88,435	106,427	67,642	72,122	5,092	15,854	4,846	-
Depreciable assets	586,721	-	124,497	195,725	96,550	42,459	83,210	33,078	10,942	260	-
Less: Accumulated depreciation	174,174	-	52,999	62,697	24,546	9,380	16,412	4,101	4,569	70	-
Other capital assets less reserves	724,643	-	150,841	184,168	141,061	84,250	136,726	10,782	3,758	7,137	-
Accounts and notes payable	1,204,623	-	175,281	285,494	237,563	143,797	272,803	58,454	20,000	13,231	-
Other current liabilities	185,229	-	33,005	37,910	65,176	45,250	29,123	3,492	415	357	-
Mortgages, notes, and bonds payable in one year or more	809,501	-	79,747	207,594	178,869	110,497	197,209	27,450	13,256	4,379	-
Net worth	700,244	-	191,438	228,243	125,426	64,213	71,913	6,752	3,325	8,923	-
Total receipts	1,725,317	16,602	649,755	482,150	272,784	120,265	145,758	35,122	11,108	2,754	-
Business receipts	1,324,212	6,550	559,764	411,444	206,145	56,453	62,604	19,465	3,787	-	-
Net long-term capital gain reduced by net short-term capital loss	46,899	6,097	14,796	7,402	9,465	2,042	6,469	1,648	-	-	-
Cost of sales and operations	249,324	2,474	85,199	116,952	49,664	12,979	17,394	12,066	657	-	-
Taxes paid	62,458	792	21,468	15,425	10,027	5,763	6,628	872	611	572	-
Interest paid	91,477	745	10,603	21,946	19,098	11,298	20,328	1,711	1,907	1,451	-
Depreciation	40,146	228	11,916	14,617	5,284	3,052	4,175	1,121	726	17	-
Employee benefit plans	20,394	92	3,976	4,957	5,624	3,796	1,759	144	46	-	-
Net income (less deficit)	155,215	6,423	55,919	35,706	24,418	11,096	9,983	2,689	-813	-8	-
Net income	250,242	7,561	85,795	63,917	34,743	17,493	25,278	1,507	2,158	-	-
Deficit	96,027	1,138	29,876	28,209	11,415	6,297	15,295	818	2,971	8	-
Credit for U. S. tax paid on special fuels, nonhighway gasoline, and lubricating oil	5	-	-	-	1	2	2	-	-	-	-
Distributions to stockholders except in own stock	111,675	1,096	41,602	29,445	19,520	9,245	7,161	1,128	1,048	-	-

Footnotes at end of table. See text for explanation of statement and for "Description of the Sample and Limitations of the Data."

ACTIVE SMALL BUSINESS CORPORATION RETURNS, FORM 1120S

Table 17. - REFLECTED BALANCE SHEET AND INCOME STATEMENT ITEMS, INCOME SUBJECT TO TAX, TAX, AND DISTRIBUTIONS TO STOCKHOLDERS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION-Continued

All figures are in dollars, less than \$500 are rounded to the nearest \$500.

Industrial division, type	Total assets \$100,000 or more	Size of total assets									
		\$25,000 to \$50,000	\$50,000 to \$75,000	\$75,000 to \$100,000	\$100,000 to \$125,000	\$125,000 to \$150,000	\$150,000 to \$200,000	\$200,000 to \$250,000	\$250,000 to \$300,000	\$300,000 to \$500,000	\$500,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
SERVICES											
Number of returns:											
With and without net income	53,241	2,706	42,026	6,655	2,757	2,499	2,171	1,022	2	-	1
With net income	9,452	347	23,724	4,721	1,177	675	522	222	-	-	-
Total assets:	2,760,713	-	7,052,119	1,055,018	69,281	1,121,751	1,121,751	1,121,751	26,054	-	274,063
Notes and accounts receivable, net	152,833	-	151,113	50,200	6,100	62,400	62,400	62,400	6,473	-	51,695
Inventories	171,36	-	26,939	20,012	26,240	11,261	13,059	169	110	-	53,171
Cash, Government obligations, and other current assets	639,131	-	24,145	146,925	55,989	1,242	48,776	6,575	2,808	-	99,536
Other investments and loans	53,192	-	76,245	71,224	45,139	51,515	31,001	3,925	-	-	77,634
Depreciable assets:	1,729,614	-	86,781	855,836	790,510	12,065	600,213	81,022	20,622	-	209,610
Less: Accumulated depreciation	1,426,431	-	436,369	330,922	253,029	145,809	148,739	15,654	1,079	-	102,219
Other capital assets less reserves	321,080	-	47,926	111,566	74,333	62,530	54,052	9,562	1,057	-	110,117
Accounts and notes payable ⁴	812,127	-	231,591	192,177	1,003	105,253	153,791	20,160	1,125	-	19,135
Other current liabilities	231,805	-	96,942	34,349	28,438	21,302	27,893	3,023	630	-	8,261
Mortgages, notes, and bonds payable in one year or more	1,566,531	-	14,433	266,100	267,475	1,512	19,126	50,952	15,755	-	24,378
Net worth	1,311,503	-	543,348	340,900	152,209	67,117	41,021	4,707	8,420	-	511,559
Total receipts	7,622,194	62,366	5,675,222	1,697,717	632,033	562,118	75,826	63,522	9,194	-	311,086
Business receipts	7,136,823	54,812	5,193,142	1,655,045	673,139	532,336	75,531	57,532	8,767	-	283,905
Net long-term capital gain reduced by net short-term capital loss	99,162	4,212	1,464	6,612	3,209	235	851	95	-	-	-
Cost of sales and operations	1,015,633	2,178	1,660,594	487,757	17,887	13,126	1,251	96,557	7,431	-	197,443
Taxes paid	261,935	2,581	106,149	72,433	2,633	25,806	2,144	2,591	566	-	12,544
Interest paid	179,056	2,211	2,421	27,627	21,2	26,461	1,177	4,235	515	-	1,525
Depreciation	934,969	3,176	95,808	69,583	18,677	96,677	42,671	5,634	585	-	15,009
Employee benefit plans	1,7,092	21	9,835	1,117	7,757	1,687	1,739	769	16	-	9,032
Net income (less deficit)	194,610	2,169	96,782	74,171	27,233	6,917	3,296	42,654	4,607	-	11,976
Net income	448,852	12,472	147,310	115,131	4,201	2,217	66,296	5,104	-	-	-
Deficit	254,242	10,303	199,528	41,331	21,932	2,235	1,499	7,985	1,605	-	11,976
Credit for U. S. tax paid on special fuel, nonhighway gasoline, and lubricating oil	2	-	-	-	-	-	-	-	-	-	7
Distributions to stockholders except in own stock	208,592	1,805	86,491	44,577	21,664	20,728	22,212	1,649	-	-	9,000

(*) Estimate is not shown separately because of high variance in liability. However, the data are included in the appropriate total.

¹Includes "Nature of business not allocable" which is not shown separately.

²Includes loans to stockholders, mortgage and real estate loans, and "Other investments."

³Includes depletable assets less accumulated depletion, land, and intangible assets less accumulated amortization.

⁴Includes accounts payable, and mortgages, notes, and bonds payable in less than one year.

⁵Less than \$500 per return.

NOTE: Active Small Business Corporation filing Form 1120S returns reported 1969 net income of \$1,096,000 and 1970 net income of \$2,092,000. Bookkeeper returns are not added to totals because of rounding. See text for explanatory statements and for "Description of the sample and limitations of the data."

CONSOLIDATED RETURNS

Table 18. —BALANCE SHEETS AND INCOME STATEMENTS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION

Industrial division and item	Total consolidated returns	By size of total assets					
		under \$50,000	\$50,000 to under \$100,000	\$100,000 to under \$250,000	\$250,000 to under \$500,000	\$500,000 to under \$1,000,000	\$1,000,000 or over
ALL INDUSTRIAL DIVISIONS ¹	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1 Number of consolidated returns, total.....	19,871	251	857	1,757	2,967	4,297	5,958
2 With net income.....	12,426	96	389	1,640	1,253	2,054	3,583
3 Number of subsidiaries.....	97,566	1,653	1,154	2,247	3,407	4,235	15,412
4 Total assets.....	1,175,793,656	-	52,512	401,864	748,960	2,146,175	14,053,535
5 Cash.....	85,358,073	-	8,830	29,434	72,471	183,957	890,277
6 Notes and accounts receivable.....	307,814,337	-	7,050	77,904	178,670	551,068	3,142,901
7 Debt: Allowance for bad debt.....	7,541,832	-	-	2,021	4,165	24,293	89,546
8 Inventories.....	88,812,790	-	3,954	38,754	99,961	317,327	2,170,609
9 Investments in Government obligations:							
10 United States.....	34,634,651	-	997	2,197	9,291	3,981	120,657
11 State and local.....	37,448,278	-	-	171	51	4,784	43,455
12 Other current assets.....	37,565,953	-	5,878	13,786	26,407	103,111	608,967
13 Loans to stockholders.....	456,774	-	1,416	4,757	13,125	11,415	50,823
14 Mortgage and real estate loans.....	44,512,052	-	1,097	2,234	6,743	15,481	142,851
15 Other investments.....	152,642,805	-	2,435	18,973	70,747	225,743	1,290,574
16 Depreciable assets.....	520,268,565	-	29,507	187,635	663,824	1,010,449	7,109,791
17 Less: Accumulated depreciation.....	195,423,350	-	12,045	107,845	182,701	491,259	3,134,628
18 Depreciable assets.....	324,845,215	-	17,462	79,790	481,123	519,190	3,975,163
19 Less: Accumulated depletion.....	13,842,923	-	-	-	1,772	456	157,638
20 Depreciable assets.....	311,002,292	-	17,462	79,790	479,351	518,734	3,817,525
21 Intangible assets, amortizable.....	15,586,942	-	1,096	13,141	41,967	106,831	788,667
22 Less: Accumulated amortization.....	10,418,056	-	124	22,511	20,365	28,247	153,243
23 Other assets.....	5,073,175	-	66	18,749	1,691	4,994	79,131
24 Total liabilities.....	38,996,456	-	2,439	19,502	39,875	103,270	684,892
25 Total liabilities.....	1,175,793,656	-	52,512	401,864	748,960	2,146,175	14,053,535
26 Accounts payable.....	67,432,210	-	13,152	66,884	135,122	403,025	1,996,861
27 Mortgages, notes, and bonds payable in less than one year.....	78,525,611	-	5,600	95,924	94,619	352,913	2,214,276
28 Other current liabilities.....	356,402,670	-	8,607	26,692	51,292	136,447	1,145,221
29 Loans from stockholders.....	5,886,821	-	10,457	15,716	27,780	41,185	222,246
30 Mortgages, notes, and bonds payable in one year or more.....	212,719,451	-	12,323	53,518	174,582	416,876	3,376,342
31 Other liabilities.....	64,325,592	-	2,428	10,595	26,685	59,799	638,931
32 Capital stock.....	98,302,438	-	9,541	60,925	102,934	319,662	1,704,985
33 Paid-in capital surplus.....	98,852,206	-	1,133	46,374	63,914	316,612	1,506,837
34 Retained earnings, unappropriated.....	6,347,485	-	-	7,517	-	3,321	32,015
35 Retained earnings, appropriated.....	1,016,826,220	-	-10,960	-33,183	91,168	133,996	1,401,277
36 Less: Cost of treasury stock.....	4,230,068	-	469	9,876	22,936	41,761	185,456
37 Total receipts.....	764,455,754	4,999,298	201,384	832,605	1,582,047	3,816,648	22,154,106
38 Business receipts.....	654,055,941	3,809,537	194,143	811,809	1,508,424	3,668,834	21,257,184
39 Interest on Government obligations:							
40 United States.....	1,804,770	1,734	-	197	871	615	8,812
41 State and local.....	1,584,371	416	-	118	51	379	3,526
42 Other interest.....	21,159,287	36,493	330	1,487	5,136	20,178	118,234
43 Bonds.....	5,146,223	1,029	3,743	4,249	20,195	30,606	194,314
44 Dividends.....	1,670,097	4,072	99	-	83	9,803	19,731
45 Net short-term capital gain reduced by net long-term capital loss.....	78,827	107	98	-	45	234	13,071
46 Net long-term capital gain reduced by net short-term capital loss.....	2,731,101	28,863	266	3,574	8,478	14,170	69,812
47 Net gain on capital assets.....	1,972,109	16,114	4,026	6,382	5,671	22,716	96,834
48 Dividends, foreign corporations.....	2,090,155	3,974	32	40	166	1,532	14,149
49 Dividends, foreign corporations.....	9,647,777	3,063	-	-	-	49	2,838
50 Other receipts.....	9,196,330	63,182	1,459	5,552	32,978	45,512	355,599
51 Total deductions.....	672,473,590	3,937,162	203,498	842,825	1,588,758	3,812,724	22,144,039
52 Cost of sales and operations.....	445,471,237	3,011,329	128,636	502,093	1,046,465	2,599,282	15,812,502
53 Compensation of officers.....	4,423,753	20,896	10,352	48,992	67,463	145,892	510,994
54 Repairs.....	7,857,272	28,479	1,896	4,578	12,491	18,941	133,854
55 Bad debts.....	2,889,133	13,440	472	5,658	7,831	20,942	119,810
56 Rent paid on business property.....	10,090,169	40,691	6,459	23,667	37,833	70,691	311,052
57 Taxes paid on business property.....	24,474,363	66,292	5,196	20,745	35,458	85,963	488,139
58 Interest paid.....	28,670,114	87,581	2,802	7,929	19,132	58,443	433,270
59 Contributions in profits.....	372,058	787	51	100	504	1,516	7,236
60 Amortization.....	542,120	742	51	1,880	326	3,673	10,987
61 Depreciation.....	29,102,552	73,146	3,229	16,159	28,590	82,898	566,389
62 Depletion.....	4,879,560	2,060	51	39	39	1,793	15,392
63 Advertising.....	8,498,212	52,128	1,794	12,786	16,859	43,089	199,350
64 Pension, profit sharing, stock bonus, annuity plans.....	6,762,370	13,473	398	1,628	3,162	18,986	78,672
65 Other compensation and profit plans.....	4,653,708	10,194	274	2,994	3,486	9,215	68,105
66 Net loss on capital assets.....	541,626	4,178	265	2,706	23,170	48,203	48,203
67 Other deductions.....	93,447,343	491,446	41,435	193,121	304,115	628,238	3,350,084
68 Total receipts, less total deductions.....	92,982,164	62,136	-2,114	-10,220	-6,711	3,924	10,067
69 Nonrefractive taxable net income from consolidated foreign corporations.....	1,925,191	1,665	-	-	-	-	1,470
70 Net income (less deficit) (65 plus or minus 3%).....	31,281,919	63,385	-2,114	-10,338	-6,711	3,945	7,999
71 Net income (less deficit) (65 plus or minus 3%).....	37,153,705	104,554	5,945	20,884	41,923	109,799	606,660
72 Deficit.....	5,872,686	41,169	8,059	31,222	48,634	106,254	398,661
73 Statutory special deductions, total.....	2,928,711	12,964	3,956	6,876	7,975	24,669	93,448
74 Net operating loss carryover.....	876,298	4,828	1,925	6,836	6,958	21,729	81,216
75 Dividends received on stock.....	1,796,978	3,111	32	40	117	2,940	12,000
76 Deductions for dividends paid on certain public utility stock.....	13,802	-	-	-	-	-	-
77 Westco Homeplace Trade Corporation deduction.....	241,633	25	-	-	-	-	226
78 Income subject to tax.....	36,486,477	91,929	1,990	13,026	34,815	80,224	519,044
79 Income tax, total.....	16,807,546	50,542	496	3,125	12,167	31,163	244,050
80 Charitable.....	410,761	1,229	51	20	266	861	5,972
81 Additional tax on tax preference.....	228,473	142	-	-	-	84	287
82 Investment credit.....	658,952	1,149	33	26	126	493	3,432
83 Net income (less deficit) after tax and minus 20 plus 3%.....	15,131,535	23,992	-2,577	-13,943	-18,952	29,225	-222,849
84 Net income after tax.....	21,034,174	65,607	3,482	17,279	29,682	77,041	376,327
85 Distributions to stockholders:							
86 Cash and property (except annuities).....	18,935,420	22,707	-	2,061	2,505	14,180	84,911
87 Corporation stock.....	800,373	-	-	-	645	2,706	29,952

¹ Includes consolidated returns of subsidiaries of the reporting corporation.

CONSOLIDATED RETURNS

Table 18 - BALANCE SHEETS AND INCOME STATEMENTS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION - Continued

Table with 7 columns: Industrial Division, <100,000,000, 100,000,000-249,999,999, 250,000,000-499,999,999, 500,000,000-999,999,999, 1,000,000,000-2,499,999,999, 2,500,000,000 or more. Rows include categories like Total assets, Total liabilities, Total equity, and various income components.

Source: Internal Revenue Service, Statistics of Income for 1970, Part 1, Table 18, Example 1. Data are from the 1970 returns.

CONSOLIDATED RETURNS

Table 18. —BALANCE SHEETS AND INCOME STATEMENTS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION—Continued

For the year ended 12/31/70. All figures are in thousands of dollars.

Industrial division and item	Total consolidated returns	Size of total assets					
		Under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	Over \$5,000,000
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
AGRICULTURE, FORESTRY, AND FISHERY							
Number of consolidated returns, total.....	256	1	10	43	58	28	78
With net income.....	158	1	16	20	32	26	36
Number of subsidiaries.....	742	1	48	43	80	26	180
Total assets.....	4,110,729	-	177	8,866	18,566	16,603	189,843
Cash.....	62,505	-	-	23	1,290	1,041	5,965
Notes and accounts receivable.....	229,911	-	-	1,491	2,371	1,759	30,026
Less: Allowance for bad debts.....	4,109	-	-	-	113	-	917
Inventories.....	154,633	-	-	-	2,984	-	23,821
Investments in Government obligations:							
United States.....	3,287	-	-	-	-	-	251
State and local.....	4,994	-	-	33	-	-	1,021
Other current assets.....	77,523	-	-	19	210	450	4,986
Loans to stockholders.....	17,656	-	-	108	500	366	262
Mortgage and real estate loans.....	3,134	-	-	196	-	422	-
Other investments.....	509,624	-	(1)	1,109	-	337	15,617
Depreciable assets.....	939,141	-	1,596	9,768	14,388	17,939	100,133
Less: Accumulated depreciation.....	436,014	-	1,419	4,195	5,870	7,133	38,556
Depletable assets.....	34,021	-	-	-	-	-	-
Less: Accumulated depletion.....	6,200	-	-	-	-	-	-
Land.....	135,752	-	-	298	113	1,351	38,218
Intangible assets (amortizable).....	19,162	-	-	(1)	(1)	14	176
Less: Accumulated amortization.....	4,527	-	-	(3)	(2)	14	102
Other assets.....	572,236	-	-	18	2,693	71	9,342
Total liabilities.....	2,110,729	-	177	8,868	18,566	16,603	189,843
Accounts payable.....	119,837	-	-	20	1,435	-	25,707
Mortgages, notes, and bonds payable—maturity less than one year.....	186,472	-	-	4,415	3,581	4,862	42,308
Other current liabilities.....	124,980	-	-	40	1,403	14	8,070
Loans to stockholders.....	28,620	-	3,371	-	-	-	6,373
Mortgages, notes, and bonds payable—maturity more than one year.....	649,128	-	194	4,336	1,500	6,528	47,066
Other liabilities.....	400,076	-	15	119	4,921	185	9,559
Capital stock.....	211,446	-	161	1,322	1,097	154	44,186
Paid-in or capital surplus.....	262,830	-	565	513	3,887	-	45,026
Retained earnings, appropriated.....	114	-	-	-	-	-	114
Retained earnings, unappropriated.....	142,597	-	-4,129	497	742	4,840	-36,276
Less: Cost of treasury stock.....	15,371	-	-	2,394	-	-	2,290
Total receipts.....	2,976,269	5,630	16,146	21,213	38,793	58,996	313,164
Business receipts.....	2,885,076	3,605	12,888	21,124	37,260	58,784	304,324
Interest on Government obligations:							
United States.....	280	-	-	-	-	14	16
State and local.....	1,763	-	-	-	-	-	38
Other interest.....	16,413	195	16	3	(1)	70	728
Rents.....	9,842	-	(1)	16	32	98	1,275
Regulations.....	5,358	-	-	-	-	-	(1)
Ret on long-term capital gain reduced by net long-term capital loss.....	21	-	-	-	-	-	-
Ret on long-term capital gain reduced by net short-term capital loss.....	20,141	-	-	42	452	-	484
Net gain, noncapital assets.....	5,332	1	3,065	27	48	-	788
Dividend receipts, corporations.....	2,160	-	32	-	-	-	10
Dividend receipts, noncorporations.....	3,657	-	-	-	-	-	111
Other receipts.....	26,226	1,569	145	1	1,001	30	5,390
Total deductions.....	2,946,342	5,083	13,985	21,403	38,696	58,278	320,713
Cost of sales and operations.....	2,118,682	2,019	7,920	17,913	28,888	47,191	250,542
Compensation of officers.....	16,125	72	210	465	1,323	1,140	4,370
Repairs.....	34,021	186	48	425	952	28	2,331
Redeemable preferred stock.....	5,392	3	48	353	81	-	1,698
Rent paid on business property.....	62,826	224	-	26	774	478	2,957
Taxes paid.....	44,265	101	452	284	419	1,317	4,178
Interest paid.....	58,956	1,065	790	(1)	198	(1)	1,280
Contractual obligations.....	283	-	-	(1)	291	14	34
Amortization.....	220	15	-	(1)	(1)	-	27
Depreciation.....	54,802	275	367	84	1,419	2,026	7,967
Expenses.....	1,858	-	-	-	-	-	-
Advertising.....	16,883	71	16	3	113	211	1,864
Payroll, profit sharing, profit bonus, profit sharing plan.....	8,767	-	-	-	-	577	695
Other employee benefit plans.....	12,589	-	16	39	-	211	381
Ret on noncapital assets.....	6,183	-	-	-	-	-	5,574
Other deductions.....	504,490	1,052	4,098	901	4,436	3,785	30,275
Total receipts less total deductions.....	29,927	547	2,161	-190	97	716	-7,549
Net income taxable to the firm (before foreign corporations).....	700	-	-	-	-	-	59
Net income less deductions on plan or profit sharing.....	28,864	547	2,161	-190	97	718	-7,528
Net income.....	61,489	547	2,161	78	887	718	8,373
Excess.....	32,625	-	-	268	790	-	15,901
Stock repurchase.....	10,107	547	2,161	-	-	-	1,632
Ret on plan or profit sharing.....	7,020	547	2,129	-	-	-	1,625
Dividend received on certain public utility stocks.....	1,839	-	32	-	-	-	7
Dividend received on certain public utility stocks.....	-	-	-	-	-	-	-
Western Hemisphere Trade Corporation deduction.....	1,248	-	-	-	-	-	-
Income subject to tax.....	51,800	-	-	78	872	718	6,743
Income tax, total.....	22,897	-	-	20	225	197	3,239
Change.....	751	-	-	(1)	(1)	(1)	153
Additional tax on tax preference.....	277	-	-	-	-	-	-
Investment credit.....	294	-	-	-	48	-	(1)
Net income less total tax.....	6,261	547	2,161	-210	521	521	-10,767
Ret on noncapital assets.....	8,897	547	2,161	58	710	521	5,134
Dividend received on certain public utility stocks.....	15,892	-	-	-	-	-	113
Corporation's share.....	607	(1)	-	-	-	-	-

For the net amount of taxes, see text for explanation. Information on (1) is a portion of the sample and limitations of the data.

CONSOLIDATED RETURNS

Table 18 - BALANCE SHEETS AND INCOME STATEMENTS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION-Continued

(All dollar amounts shown, unless otherwise specified, are in thousands of dollars.)

Industrial Division	Total assets--Continued					
	under \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 or more
	(8)	(9)	(10)	(11)	(12)	(13)
AGRICULTURE, FORESTRY, AND FISHERY						
Number of consolidated returns, total	17	14	8	1	5	1
With net operating losses	4	6	3	1	3	1
Number of subsidiaries	75	74	23	7	56	29
Total assets	109,947	236,472	211,497	98,451	669,497	851,208
Cash	2,411	4,577	8,110	1,278	28,187	4,221
Notes and accounts receivable	19,879	35,361	36,994	8,850	38,371	37,113
Less: Allowance for bad debts	267	609	4,233	300	708	-
Inventory	11,765	29,245	18,404	5,523	26,465	45,526
Investments in Government obligations:						
United States	-	2,930	106	-	-	-
State and local	3,815	120	-	-	-	-
Other current assets	2,412	6,958	29,581	6,356	24,415	3,006
Loans to shareholders	375	1,700	-	946	14,343	-
Mortgage and real estate loans	12	2,299	-	205	-	-
Other investments	23,996	44,045	46,233	43,066	75,802	59,449
Depreciable assets	59,668	87,376	57,906	37,724	204,881	349,860
Less: Accumulated depreciation	27,970	35,130	23,118	24,613	97,206	172,201
Impairable assets	-	6,401	17,303	-	9,817	-
Less: Accumulated depletion	-	404	1,983	-	3,113	-
Land	12,985	91,455	17,929	18,555	11,248	-
Intangible assets amortizable	141	2,815	147	220	14,651	-
Less: Accumulated amortization	24	2,109	58	75	2,220	-
Other assets	6,160	22,161	3,117	541	4,774	524,209
Total liabilities	109,947	236,472	211,497	98,451	669,497	851,208
Accounts payable	6,866	29,199	18,971	2,321	21,170	16,771
Mortgage notes and bank payable on real estate	32,138	43,846	21,738	4,221	29,479	24,479
Other current liabilities	4,483	18,100	6,977	6,411	17,769	14,723
Loans from shareholders	2	6,480	-	6,455	5,420	-
Mortgage notes and bank payable on real estate	4,223	63,898	24,719	5,193	80,269	39,102
Other liabilities	3,613	11,100	2,752	1,303	18,244	147,905
Capital stock	21,776	21,273	32,770	7,742	44,695	37,310
Paid-in or capital surplus	621	90,312	23,780	131	28,912	129,018
Retained earnings, appropriated	-	-	-	-	-	-
Retained earnings, unappropriated	412	16,779	27,218	64,034	132,111	-61,621
Losses not in excess of retained earnings	1,155	782	598	75	8,152	-
Total receipts	83,110	239,324	246,950	47,782	406,066	1,501,095
Business receipts	78,260	220,984	235,471	42,078	388,130	1,681,922
Interest on Government obligations:						
United States	8	133	106	-	3	-
State and local	117	-	-	3	1,530	73
Other interest	699	2,280	2,350	1,275	3,859	4,938
Rents	888	1,663	1,400	82	2,206	2,196
Repayments	274	798	34	-	-2,237	15
Net short-term capital gain realized on net long-term capital	2	5	14	-	-	-
Net long-term capital gain realized on net long-term capital	1,144	5,157	2,697	2,842	1,560	5,654
Net gain on capital assets	183	185	132	104	51	748
Dividends, foreign corporation	49	72	930	1,016	5	26
Dividends, foreign corporation	-	-	5	-	246	3,301
Other receipts	1,610	7,627	1,723	362	4,336	2,222
Total deductions	84,347	243,923	240,497	37,236	393,366	1,488,825
Cost of sales and purchases	29,287	199,460	168,937	22,312	313,691	498,224
Compensation of officers	2,230	1,761	1,241	490	1,163	1,143
Repairs	1,265	2,194	1,979	-	2,004	2,609
Bad debts	76	304	1,235	330	504	800
Rent paid on leased property	333	2,426	2,316	154	2,287	50,649
Taxes paid	1,721	3,239	2,149	1,777	8,944	19,194
Interest paid	4,339	7,932	5,087	746	7,602	22,436
Contributions and gifts	48	4	118	-	58	2
Amortization	25	79	37	75	37	-
Depreciation	3,674	7,086	4,937	2,620	11,424	17,143
Depletion	-	398	576	-	864	-
Advertising	-	-	-	-	-	-
Pension, profit sharing, stock bonus, annuity plans	321	663	1,193	-	3,887	8,543
Other employer benefit plans	152	611	399	551	2,225	3,857
Net loss, noncapital assets	14	206	48	-	841	10,783
Other deductions	187	69	370	-	-	-
Total deductions less total deductions	13,409	18,607	29,393	1,354	36,673	363,447
Total receipts less total deductions	-1,237	-4,599	-4,547	10,546	12,682	12,267
Constructive taxable income from related foreign corporation	-	-	-	-	134	-
Net income (less deficit) (or plus or minus deficit)	-1,237	-4,599	-4,547	10,546	11,266	12,791
Net income	4,761	2,737	6,673	19,543	11,266	12,791
Deficit	6,139	7,336	2,191	-	-	-
Statutory special deductions, total	1,289	1,167	655	864	322	1,270
Net operating loss carryover	1,228	1,107	47	-	317	-
Dividends received deduction	41	60	606	864	5	22
Deduction for dividends paid on certain public utility stock	-	-	-	-	-	-
Western Hemisphere Trade Corporation deduction	-	-	-	-	-	1,248
Income subject to tax	3,496	1,627	6,191	9,680	10,965	11,430
Income tax, total	1,713	513	3,041	4,063	5,143	4,693
Surcharge	-	-	-	-	250	109
Additional tax for tax preferences	65	12	162	-	13	229
Investment credit	174	-	22	-	50	-
Net income (less deficit) after tax (or minus tax plus)	-2,893	-5,112	-1,463	6,480	6,143	8,098
Net income after tax	3,248	2,225	3,662	6,480	6,143	8,006
Distributions to stockholders:						
Cash and property except own stock	914	692	1,048	2,303	6,619	4,203
Corporation's own stock	-	607	-	-	-	-

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

CONSOLIDATED RETURNS

Table 18 —BALANCE SHEETS AND INCOME STATEMENTS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION—Continued

(All amounts are in thousands of dollars unless otherwise indicated.)

Industrial division and item	Total consolidated returns	Size of total assets					
		Less than \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	Over \$5,000,000
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
MINING							
1 Number of consolidated returns, total.....	425	-	53	-	23	29	123
2 With net income.....	295	-	-	-	-	28	67
3 Number of subsidiaries.....	1,064	-	86	-	45	40	261
4 Total assets.....	15,432,105	-	2,645	-	10,350	20,359	289,727
5 Cash.....	826,731	-	132	-	358	3,762	19,672
6 Notes and accounts receivable.....	2,049,206	-	20	-	2,155	6,773	68,684
7 Less: Allowance for bad debts.....	16,842	-	-	-	16	(2)	677
8 Inventories.....	866,975	-	(5)	-	3	30	10,615
9 Investments in Government obligations:							
10 United States.....	101,333	-	-	-	-	-	16
11 State and local.....	40,806	-	-	-	-	-	-
12 Other current assets.....	486,698	-	-	-	-	871	7,360
13 Loans to stockholders.....	26,679	-	-	-	173	14	1,239
14 Mortgage and real estate loans.....	103,621	-	698	-	-	-	121
15 Other investments.....	3,224,464	-	997	-	3,075	1,507	38,122
16 Depreciable assets.....	4,235,562	-	199	-	4,425	21,068	183,350
17 Less: Accumulated depreciation.....	4,103,589	-	66	-	1,785	14,449	99,892
18 Depletable assets.....	2,732,259	-	-	-	713	194	98,830
19 Less: Accumulated depletion.....	1,161,527	-	-	-	-	87	61,001
20 Land.....	291,429	-	665	-	988	29	9,425
21 Intangible assets (amortizable).....	448,059	-	-	-	-	-	656
22 Less: Accumulated amortization.....	147,632	-	-	-	-	-	155
23 Other assets.....	628,722	-	(5)	-	281	613	13,362
24 Total liabilities.....	15,432,105	-	2,645	-	10,350	20,359	289,727
25 Accounts payable.....	983,840	-	4,167	-	2,599	2,437	39,849
26 Mortgage, notes, and bonds payable in less than one year.....	857,192	-	(5)	-	4,343	4,531	49,095
27 Other current liabilities.....	1,232,717	-	399	-	161	965	15,820
28 Loans from stockholders.....	102,986	-	(5)	-	16	263	2,268
29 Mortgage, notes, and bonds payable in one year or more.....	2,640,842	-	-	-	5,409	5,853	40,637
30 Other liabilities.....	779,627	-	20	-	1,185	1,260	9,970
31 Capital stock.....	1,124,346	-	332	-	130	354	68,290
32 Paid-in or capital surplus.....	2,627,235	-	(5)	-	1,462	90	101,725
33 Retained earnings, appropriated.....	73,823	-	-	-	-	-	2,289
34 Retained earnings, unappropriated.....	5,162,729	-	-2,293	-	-4,955	4,675	-38,810
35 Less: Cost of treasury stock.....	153,232	-	-	-	-	-	1,406
36 Total receipts.....	10,598,446	-	2,279	-	7,292	34,989	260,382
37 Business receipts.....	9,929,690	-	1,748	-	5,907	28,127	225,063
38 Interest in Government obligations:							
39 United States.....	9,811	-	-	-	-	-	36
40 State and local.....	4,125	-	-	-	-	-	419
41 Other interest.....	102,661	-	33	-	3	1,694	1,960
42 Rents.....	57,973	-	160	-	3	4,418	887
43 Royalties.....	134,892	-	66	-	3	-	893
44 Net short-term capital gain reduced by net long-term capital loss.....	2,089	-	-	-	-	-	2
45 Net long-term capital gain reduced by net short-term capital loss.....	95,245	-	216	-	-	-	1,792
46 Net gain, noncapital assets.....	25,811	-	-	-	-	130	407
47 Dividends, domestic corporations.....	50,387	-	-	-	-	-	64
48 Dividends, foreign corporations.....	78,527	-	-	-	-	-	-
49 Other receipts.....	107,235	-	-	-	1,376	620	8,859
50 Total deductions.....	9,013,631	-	4,965	-	10,988	33,830	251,800
51 Cost of sales and operations.....	5,852,747	-	2,825	-	3,659	19,784	149,917
52 Compensation of officers.....	68,491	-	-	-	97	267	7,262
53 Repairs.....	89,857	-	-	-	774	1,351	3,567
54 Bad debts.....	21,921	-	-	-	19	-	1,389
55 Rent paid on business property.....	74,500	-	137	-	377	42	2,715
56 Taxes paid.....	270,949	-	199	-	355	605	6,870
57 Interest paid.....	237,798	-	153	-	402	1,090	7,246
58 Contributions of gifts.....	3,765	-	-	-	-	-	50
59 Amortization.....	2,596	-	(5)	-	-	-	118
60 Depreciation.....	548,480	-	33	-	475	1,868	16,394
61 Depletion.....	791,918	-	-	-	7	1,355	9,213
62 Advertising.....	15,363	-	(5)	-	-	14	281
63 Pension, profit sharing, stock bonus, annuity, plans.....	62,777	-	-	-	-	-	1,381
64 Other employee benefit plans.....	60,175	-	-	-	-	(5)	263
65 Net loss, noncapital assets.....	21,654	-	-	-	-	-	222
66 Other deductions.....	891,649	-	1,618	-	3,973	7,459	54,912
67 Total receipts less total deductions.....	1,584,815	-	-2,686	-	-3,696	1,159	-11,418
68 Control the taxable income from related foreign corporations.....	19,043	-	-	-	-	-	-
69 Net income (less deficit) (or plus or minus 3%).....	1,594,753	-	-2,686	-	-3,696	1,159	-11,837
70 Net income.....	1,784,397	-	-	-	-	1,165	8,306
71 Deficit.....	184,665	-	2,686	-	3,696	2,006	20,143
72 Statutory special deductions, total.....	102,451	-	-	-	-	2,265	1,252
73 But paring loss carry-over.....	39,164	-	-	-	-	2,265	1,197
74 Dividends received from other corporations.....	42,840	-	-	-	-	-	55
75 Deductions for dividends paid on certain publicly traded stock.....	-	-	-	-	-	-	-
76 Western Hemisphere Trade Corporation deduction.....	20,508	-	-	-	-	-	-
77 Net net income.....	1,689,584	-	-	-	-	886	7,062
78 Income tax, total.....	841,585	-	-	-	-	664	3,224
79 Charitable contributions.....	19,986	-	-	-	-	14	57
80 Adjusted net tax preference.....	13,965	-	-	-	-	84	110
81 Investment credit.....	7,556	-	-	-	-	-	46
82 Net income (less deficit) after tax (or minus 3% plus 3%).....	775,766	-	-2,686	-	-3,696	695	-15,015
83 But net income after tax.....	961,684	-	-	-	-	2,791	5,128
84 Distributions to stockholders:							
85 Cash and property (except stock).....	990,677	-	-	-	-	-	746
86 Corporation's own stock.....	29,255	-	(5)	-	-	-	1,194

Footnotes on page 147. See text on page 147 for information on the sample and limitations of the data.

CONSOLIDATED RETURNS

Table 18 - BALANCE SHEETS AND INCOME STATEMENTS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION-Continued

... (1) ... (2) ... (3) ... (4) ... (5) ... (6) ... (7) ... (8) ... (9) ... (10) ... (11) ... (12) ... (13)

Industrial Division and Item	Size of total assets-Continued					
	\$5,000,000 under	\$10,000,000 under	\$25,000,000 under	\$50,000,000 under	\$100,000,000 under	\$250,000,000 or more
	(8)	(9)	(10)	(11)	(12)	(13)
MERG						
Number of consolidated returns included	61	51	36	14	23	12
Number of companies	32	25	20	6	16	11
Number of subsidiaries	180	207	184	124	289	248
Total assets	436,001	854,545	1,224,853	944,411	3,743,553	7,905,761
Debt	26,454	53,467	61,772	31,181	149,381	277,503
Equity	56,460	106,707	178,555	160,833	564,787	904,992
Paid-in capital	1,033	1,403	1,970	3,514	4,443	3,726
Retained earnings	4,841	28,953	64,842	38,330	232,023	481,339
Investment in Government obligations						
United States	3,070	11,573	21,223	859	14,150	50,442
State and local	3,513	1,979	11,392	11,543	21	12,458
Other investments	12,784	43,140	20,157	29,280	298,016	73,110
Loans	39	1,661	2,100	-	19,626	1,327
Mortgage and real estate	62	1,037	47	-	94,340	7,312
Mortgage investments	60,371	97,112	178,124	138,137	568,339	2,148,700
Depreciable assets	231,116	456,782	806,820	570,618	1,820,830	5,140,354
Lease: Accumulated depreciation	88,194	194,018	382,544	232,048	821,293	2,263,291
Depreciable assets	117,999	222,066	290,106	141,239	795,406	1,065,697
Lease: Accumulated depreciation	27,670	75,618	125,231	62,176	271,555	538,089
Lease: Assets	11,350	42,500	33,430	10,329	67,794	95,919
Intangible assets: Amortizable	7,013	4,286	23,349	13,738	118,293	261,715
Lease: Accumulated amortization	2,425	842	10,825	8,862	56,373	67,670
Other intangibles	15,253	54,583	57,006	109,044	114,011	268,569
Total liabilities	436,001	854,545	1,224,853	944,411	3,743,553	7,905,761
Accounts payable	48,364	65,627	71,486	50,674	300,208	398,409
Mortgages, notes, and bonds payable on long-term contracts	42,061	59,473	95,427	73,642	318,376	201,244
Trade accounts payable	18,357	58,596	92,334	54,786	227,347	764,013
Loans from banks and other financial institutions	4,490	3,950	6,168	-	21,354	64,477
Mortgages, notes, and bonds payable on long-term contracts	117,209	175,966	229,216	224,412	847,099	995,041
Other liabilities	17,385	24,588	55,583	70,210	160,047	439,579
Capital stock	50,765	95,548	144,104	74,354	240,399	450,080
Paid-in capital	114,701	174,892	194,460	189,123	582,188	1,267,094
Retained earnings: Appropriated	541	68	1,294	927	433	1,662,269
Retained earnings: Unappropriated	21,214	202,403	328,841	221,832	1,127,552	3,302,240
Lease: Cost of financing	5,086	11,366	2,560	6,539	81,590	44,685
Total receipts	107,123	499,423	647,392	386,303	2,521,561	5,851,782
Business receipts	272,483	459,970	782,873	352,310	2,201,085	5,599,624
Interest in Government obligations						
United States	148	786	1,530	132	3,451	3,728
State and local	169	260	289	440	1,187	1,311
Other interest	1,912	4,276	10,436	10,599	36,565	35,283
Rents	1,362	4,225	9,425	2,327	17,105	18,055
Royalties	4,544	8,295	22,225	1,753	87,503	9,610
Net short-term capital gain reduced by net long-term capital loss	2	94	310	1,472	116	84
Net long-term capital gain reduced by net short-term capital loss	1,870	5,206	7,432	3,565	35,068	40,146
Net gain on noncapital assets	4,417	3,498	3,469	5,880	6,264	1,746
Dividends, interest, and other income	625	1,735	1,735	2,734	5,451	38,333
Dividends, interest, and other income	2	124	464	376	1,033	76,528
Other receipts	19,089	10,854	7,485	4,865	26,753	27,334
Total deductions	108,564	493,488	824,840	394,610	2,362,202	4,328,324
Cost of sales and operations	199,473	283,642	546,494	223,317	1,630,694	2,792,437
Compensation of officers	6,048	10,220	8,090	4,854	18,271	12,532
Repairs	1,931	5,114	18,113	3,148	25,144	30,715
Bad debts	1,602	1,202	1,224	889	12,666	2,730
Rent paid on real estate property	1,482	5,344	6,696	3,582	21,544	32,481
Taxes paid	6,960	16,739	24,086	14,745	63,217	140,264
Interest paid	12,229	14,085	22,488	22,833	84,330	72,442
Contributions for gifts	38	233	291	56	829	2,268
Amortization	10	932	836	124	410	166
Depreciation	17,865	33,665	50,268	26,980	129,727	271,205
Depletion	15,487	28,701	56,580	19,870	48,512	562,193
Advertising	349	1,528	1,603	3,767	5,970	1,851
Benefits, profit sharing, stock bonus, annuity plans	481	2,645	5,294	2,146	18,976	31,854
Other employee benefit plans	1,514	4,344	7,012	618	7,271	39,148
Net long-term capital assets	594	248	506	1,039	1,435	17,610
Other deductions	42,021	84,841	74,559	70,642	243,206	318,428
Total receipts less total deductions	-1,461	5,835	22,552	-8,307	59,379	1,523,458
Constructive taxable income from related foreign corporation	216	-	-	-	-	18,827
Net income (less deficit) (5 plus 6 minus 3)	-1,444	5,575	22,263	-8,797	58,192	1,540,974
Net income	15,778	28,371	39,111	14,437	113,781	1,561,448
Deficit	17,192	22,796	16,848	23,234	55,589	20,474
Statutory special deduction on total						
Net operating loss carryover	8,616	8,782	6,227	5,912	15,148	54,249
Dividends received deduction	8,067	7,227	4,478	3,585	10,227	1,987
Deduction for dividends paid on certain public utility stocks	529	1,483	1,227	2,327	4,635	32,584
Western Hemisphere Trade Corporation deduction	-	-	-	-	-	-
Income subject to tax	7,187	20,012	33,204	9,616	99,140	1,519,678
Income tax liability	3,702	9,902	16,528	5,769	49,770	742,226
Carriage	117	274	325	153	1,050	17,996
Additional tax for tax preferences	236	856	1,201	1,097	4,092	6,288
Investment credit	19	376	635	167	1,166	5,147
Net income (less deficit) after tax (10 minus 7) plus 7(d)	-5,097	-3,951	6,370	-14,399	9,588	801,895
Net income after tax	12,128	18,924	23,550	9,324	65,560	824,369
Distributions to stockholders						
Cash and property, except when stated	807	16,696	14,179	7,834	70,110	880,406
Corporate stock	-	86	5,494	591	12,210	9,680

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

CONSOLIDATED RETURNS

Table 18. --BALANCE SHEETS AND INCOME STATEMENTS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION--Continued

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

Industrial division and item	Total consolidated returns	Size of total assets					
		Zero assets	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
CONTRACT CONSTRUCTION							
1 Number of consolidated returns, total.....	1,110	18	-	137	196	152	353
2 With net income.....	679	2	-	59	132	98	215
3 Number of subsidiaries.....	3,016	21	-	159	196	205	760
4 Total assets.....	8,972,305	-	-	26,507	67,749	92,309	891,107
5 Cash.....	495,084	-	-	2,216	4,356	8,470	72,726
6 Notes and accounts receivable.....	2,624,060	-	-	12,498	25,427	46,422	295,632
7 Less: Allowance for bad debts.....	30,245	-	-	137	64	872	2,367
8 Inventories.....	671,086	-	-	5,494	12,353	8,651	100,633
9 Investments in Government obligations:							
10 United States.....	60,636	-	-	-	-	-	2,217
11 State and local.....	41,309	-	-	118	-	-	320
12 Other current assets.....	806,322	-	-	726	1,307	4,942	67,507
13 Loans to stockholders.....	26,953	-	-	510	2,339	715	1,990
14 Mortgage and real estate loans.....	37,896	-	-	-	145	-	9,400
15 Other investments.....	1,335,758	-	-	313	4,772	3,012	80,291
16 Depreciable assets.....	3,091,556	-	-	8,417	23,029	29,518	396,416
17 Less: Accumulated depreciation.....	1,207,154	-	-	4,670	12,276	14,193	214,946
18 Depletable assets.....	80,845	-	-	-	-	12	2,011
19 Less: Accumulated depletion.....	12,598	-	-	-	-	12	678
20 Land.....	434,061	-	-	903	2,446	2,820	33,171
21 Intangible assets (amortizable).....	13,917	-	-	20	32	28	2,420
22 Less: Accumulated amortization.....	4,052	-	-	(2)	16	14	680
23 Other assets.....	506,871	-	-	99	3,899	2,607	45,024
24 Total liabilities.....	8,972,305	-	-	26,507	67,749	92,309	891,107
25 Accounts payable.....	1,513,285	-	-	5,628	20,914	32,301	191,379
26 Mortgages, notes, and bonds payable in less than one year.....	980,887	-	-	9,986	17,446	17,220	147,770
27 Other current liabilities.....	1,059,000	-	-	1,845	3,959	7,361	86,376
28 Loans from stockholders.....	111,350	-	-	3,767	1,613	6,114	17,041
29 Mortgages, notes, and bonds payable in one year or more.....	1,889,538	-	-	1,334	16,803	9,416	169,576
30 Other liabilities.....	1,018,338	-	-	22	4,670	2,406	91,551
31 Capital stock.....	597,661	-	-	1,373	6,295	18,365	69,512
32 Paid-in or capital surplus.....	676,371	-	-	138	1,162	3,025	28,024
33 Retained earnings, appropriated.....	25,413	-	-	118	-	-	15,385
34 Retained earnings, unappropriated.....	1,170,255	-	-	2,590	5,564	-2,140	93,796
35 Less: Cost of treasury stock.....	69,793	-	-	294	677	1,759	19,303
36 Total receipts.....	12,929,248	27,134	-	76,168	191,996	209,252	2,028,391
37 Business receipts.....	12,451,769	26,479	-	75,772	188,959	204,520	1,979,287
38 Interest on Government obligations:							
39 United States.....	3,162	-	-	-	-	(2)	382
40 State and local.....	3,739	-	-	-	-	-	(2)
41 Other interest.....	62,195	16	-	59	307	178	4,064
42 Rents.....	126,344	(2)	-	118	97	498	11,825
43 Royalties.....	7,227	-	-	-	-	-	101
44 Net short-term capital gain reduced by net long-term capital loss.....	991	-	-	-	32	-	293
45 Net long-term capital gain reduced by net short-term capital loss.....	52,407	332	-	-	-	520	3,695
46 Net gain, noncapital assets.....	37,164	155	-	(2)	225	365	4,926
47 Dividends, domestic corporations.....	16,807	-	-	-	32	(2)	185
48 Dividends, foreign corporations.....	19,214	-	-	-	-	-	159
49 Other receipts.....	148,229	152	-	219	2,344	3,171	23,474
50 Total deductions.....	12,817,611	28,165	-	77,935	192,613	207,777	2,014,726
51 Cost of sales and operations.....	10,795,670	20,996	-	61,902	152,950	167,609	1,691,871
52 Compensation of officers.....	147,938	652	-	4,081	8,480	7,822	34,613
53 Depreciation.....	65,114	1,104	-	609	1,107	368	10,657
54 Bad debts.....	22,141	31	-	177	532	1,604	4,508
55 Rent paid on business property.....	71,042	206	-	629	1,499	2,637	9,108
56 Taxes paid.....	174,669	904	-	1,492	3,865	3,809	34,903
57 Interest paid.....	193,627	600	-	628	1,588	2,177	20,793
58 Contributions or gifts.....	3,725	10	-	-	16	126	558
59 Amortization.....	1,709	-	-	(2)	(2)	(2)	211
60 Depreciation.....	256,215	664	-	1,295	2,379	3,034	35,817
61 Depletion.....	5,721	-	-	(2)	-	-	380
62 Advertising.....	20,506	58	-	237	361	761	3,687
63 Pension, profit sharing, stock bonus, annuity, plans.....	58,598	57	-	78	420	-	8,057
64 Other employee benefit plans.....	41,068	-	-	157	307	492	7,106
65 Net loss, noncapital assets.....	7,053	-	-	275	20	-	444
66 Other deductions.....	952,815	2,883	-	6,375	19,289	17,338	152,013
67 Total receipts less total deductions.....	111,637	-1,031	-	-1,767	-617	1,475	13,665
68 Constitutive taxable income from related foreign corporations.....	9,242	-	-	-	-	-	19
69 Net income (less deficit) (65 plus 66 minus 68).....	117,140	-1,031	-	-1,767	-617	1,475	13,684
70 Net income.....	293,348	1,292	-	1,157	2,206	3,883	46,102
71 Deficit.....	176,108	2,323	-	2,924	2,823	2,408	32,418
72 State or special deductions, total.....	41,247	602	-	(2)	306	717	6,440
73 Net operating loss carry-over.....	24,977	602	-	(2)	290	717	6,134
74 Dividends received deduction.....	14,625	-	-	-	16	(2)	306
75 Deduction for dividends paid on certain public utility stock.....	-	-	-	-	-	-	-
76 Western Hemisphere Trade Corporation deduction.....	1,645	-	-	-	-	-	-
77 Income subject to tax.....	265,347	691	-	1,157	1,916	3,166	39,721
78 Income tax, total.....	124,806	307	-	274	474	1,127	18,025
79 Surcharge.....	3,267	24	-	(2)	(2)	14	420
80 Additional tax for tax preferences.....	301	-	-	-	-	-	-
81 Investment credit.....	1,797	60	-	-	16	56	159
82 Net income (less deficit) after tax (77 minus 78 plus 79).....	-5,869	-1,278	-	-2,041	-1,075	404	-4,182
83 Net income after tax.....	170,339	1,045	-	883	1,748	2,812	28,242
84 Distributions to stockholders:							
85 Cash and property (except own stock).....	78,043	-	-	-	-	(2)	657
86 Corporation's own stock.....	38,021	-	-	(2)	-	-	18,606

Footnote (1) and (2) table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

CONSOLIDATED RETURNS

Table 18. — BALANCE SHEETS AND INCOME STATEMENTS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION—Continued

All figures are in thousands, unless otherwise indicated.

Industrial division item	Size of total assets—Continued					
	\$5,000,000 under \$10,000,000	10,000,000 under 25,000,000	25,000,000 under 50,000,000	50,000,000 under 100,000,000	100,000,000 under 250,000,000	250,000,000 or more
CONTRACT CONSTRUCTION	(8)	(9)	(10)	(11)	(12)	(13)
1 Number of consolidated returns filed	102	90	29	13	16	4
2 with net income	72	60	18	10	11	2
3 Number of subsidiaries	332	419	237	236	314	146
4 Total assets	738,858	1,319,070	969,609	859,532	2,427,616	1,579,948
5 Cash	53,174	96,725	51,429	57,976	119,268	28,745
6 Notes and accounts receivable	239,274	413,035	286,434	290,830	716,783	295,525
7 Less: Allowance for bad debts	1,689	3,426	3,299	5,150	12,917	1,334
8 Investments	14,253	121,206	90,596	60,655	106,302	54,963
9 Investments in Government obligations						
10 United States	6,484	10,784	1,147	1,943	38,071	-
11 State and local	3,350	4,972	1,530	8,798	22,241	-
12 Other current assets	29,599	146,332	132,325	132,135	241,447	50,002
13 Loans to stockholders	11,896	3,336	2,447	273	3,344	100
14 Mortgage and real estate loans	1,817	14,585	8,499	3,010	420	-
15 Other investments	73,444	70,086	87,160	61,829	306,192	648,669
16 Depreciable assets	291,506	411,470	410,512	219,143	744,075	556,870
17 Less: Accumulated depreciation	141,598	211,979	111,929	62,696	263,286	179,579
18 Depletable assets	606	426	5,660	690	38,914	32,600
19 Less: Accumulated depletion	156	162	847	114	534	10,115
20 Land	27,113	69,689	46,177	36,688	171,197	43,857
21 Intangible assets (amortizable)	1,177	2,970	137	229	4,948	1,956
22 Less: Accumulated amortization	317	585	30	49	1,823	538
23 Other assets	26,956	67,706	59,535	47,342	191,476	58,227
24 Total liabilities	748,858	1,319,070	969,609	859,532	2,427,616	1,579,948
25 Accounts payable	168,029	267,521	180,130	159,324	358,773	129,186
26 Mortgages, notes, and bonds payable in less than one year	74,376	172,106	125,501	73,680	311,267	36,535
27 Other current liabilities	115,093	190,812	78,593	66,251	405,258	103,542
28 Loans from stockholders	2,143	23,319	1,886	1,584	28,383	3,480
29 Mortgage, notes, and bonds payable in one year or more	193,976	306,207	189,929	208,170	423,521	411,306
30 Other liabilities	44,257	136,241	190,691	157,094	287,917	103,484
31 Capital stock	47,932	79,433	71,765	37,818	91,731	173,437
32 Paid-in or capital surplus	22,439	47,660	63,816	42,216	189,514	278,377
33 Retained earnings, appropriated	2,114	2,466	310	762	4,259	-
34 Retained earnings, unappropriated	88,121	105,617	72,422	121,815	339,992	442,278
35 Less: Cost of treasury stock	6,249	12,534	5,134	9,287	12,909	1,587
36 Total receipts	1,426,049	1,957,452	1,246,855	1,217,044	3,161,812	1,387,095
37 Business receipts	1,378,242	1,904,032	1,194,448	1,154,281	3,022,723	1,323,026
38 Interest on Government obligations						
39 United States	374	450	216	87	1,743	10
40 State and local	258	832	237	1,027	1,382	3
41 Other interest	2,990	4,783	6,166	10,403	21,125	12,104
42 Rents	14,221	15,697	20,452	15,571	28,826	19,039
43 Royalties	605	949	444	11	5,182	135
44 Net short-term capital gain reduced by net long-term capital loss	308	86	169	-	55	48
45 Net long-term capital gain reduced by net short-term capital loss	6,704	9,782	3,290	12,555	13,373	2,206
46 Net gain, noncapital assets	3,029	2,308	6,247	5,093	8,979	5,147
47 Dividends, domestic corporations	309	702	236	436	773	14,234
48 Dividends, foreign corporations	-	284	107	1,736	14,194	2,734
49 Other receipts	19,009	16,347	14,203	15,944	43,457	8,209
50 Total deductions	1,414,474	1,935,913	1,236,917	1,186,983	3,123,057	1,399,451
51 Compensation of officers	1,234,980	1,664,724	1,065,552	1,022,923	2,657,933	1,074,230
52 Repairs	17,181	24,580	10,381	11,606	18,882	9,660
53 Bad debts	6,829	14,358	8,263	3,274	9,577	8,477
54 Rent paid on business property	2,314	3,509	3,951	900	3,774	941
55 Taxes paid	4,411	7,221	4,279	11,718	13,769	10,565
56 Interest paid	20,251	29,993	20,412	11,798	26,119	21,323
57 Contributions or gifts	16,181	29,555	20,100	21,711	53,614	26,680
58 Amortization	354	924	230	278	539	690
59 Depreciation	139	117	219	80	103	840
60 Depletion	22,729	41,558	22,963	16,038	65,083	44,555
61 Advertising	1,010	835	741	34	1,583	1,138
62 Pension, profit sharing, stock bonus, and profit plans	1,998	4,032	2,104	3,142	2,672	1,454
63 Other employee benefit plans	5,937	8,566	3,848	5,708	13,466	12,461
64 Net loss, noncapital assets	4,052	5,669	2,733	1,461	5,063	14,028
65 Other deductions	239	2,564	186	104	3,201	309
66 Total receipts less total deductions	11,575	21,539	4,938	30,061	38,755	-11,956
67 Constructive taxable income from related foreign corporations	64	53	39	580	7,508	974
68 Net income (less deficit) (67 plus or minus 66)	11,386	20,760	4,749	29,614	44,881	-10,985
69 Net income	30,653	51,227	19,173	34,302	71,431	31,820
70 Deficit	19,267	30,467	4,433	4,688	26,552	42,805
71 Statutory special deductions, total	4,024	9,149	2,750	2,252	2,371	12,636
72 Net operating loss carryover	3,761	8,294	2,550	1,881	662	86
73 Dividends received deduction	263	800	200	284	656	12,100
74 Deduction for dividends paid on certain public utility stock	-	-	-	-	-	-
75 Western Hemisphere Trade Corporation deduction	-	55	-	87	1,053	450
76 Income subject to tax	26,716	43,007	16,663	32,091	69,092	31,127
77 Income tax, total	12,355	20,280	8,052	15,878	32,975	15,059
78 Surcharges	267	520	201	498	791	532
79 Additional tax for tax preferences	5	64	91	7	141	-
80 Investment credit	107	107	356	77	321	538
81 Net income (less deficit) after tax (80 minus 76 plus 74)	-862	587	2,044	13,813	12,227	-25,506
82 Net income after tax	18,406	31,070	11,532	18,501	38,781	17,319
83 Distributions to stockholders:						
84 Cash and property except tax stock	3,018	3,943	3,396	4,479	42,608	19,992
85 Corporation's own stock	666	886	1,715	5,750	1,695	8,703

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

CONSOLIDATED RETURNS

Table 18. — BALANCE SHEETS AND INCOME STATEMENTS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION—Continued

[All figures are estimates based on company money amounts in thousands of dollars.]

Industrial division and item	Total consolidated returns	By size of total assets					
		Less than \$100,000	\$100,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 and over	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
MANUFACTURING							
1 Number of consolidated returns, total	5,470	111	82	241	303	681	1,899
2 With net income	3,549	43	49	130	241	460	1,171
3 Number of subsidiaries	31,366	253	82	252	388	1,379	4,147
4 Total assets	435,331,449	-	5,637	37,994	109,699	316,598	4,630,682
5 Cash	12,028,403	-	534	4,800	16,026	23,457	275,473
6 Net and accounts receivable	96,177,326	-	233	12,164	37,784	148,344	1,107,377
7 Less: Allowance for bad debts	1,879,808	-	-	1,382	1,984	3,786	3,527
8 Inventories	69,641,514	-	-	5,863	21,541	114,952	1,070,743
9 Investments in Government obligations:							
10 United States	3,172,025	-	-	-	484	167	21,254
11 State and local	1,132,052	-	-	-	-	-	3,198
12 Other current assets	16,956,211	-	-	840	1,806	25,064	166,737
13 Loans to stockholders	419,546	-	49	314	1,500	2,606	6,630
14 Mortgage and real estate loans	1,610,710	-	-	471	-	492	7,619
15 Other investments	68,849,806	-	312	1,726	2,549	47,206	313,577
16 Depreciable assets	259,577,248	-	6,863	25,164	47,240	258,543	2,628,336
17 Less: Accumulated depreciation	121,842,567	-	2,802	15,220	25,972	134,417	1,304,806
18 Depreciable assets	10,280,563	-	-	-	-	180	16,458
19 Less: Accumulated depletion	3,773,308	-	-	-	-	-	6,042
20 Land	7,934,320	-	299	787	3,299	7,365	137,715
21 Intangible assets (amortizable)	8,910,836	-	61	314	-	1,615	47,287
22 Less: Accumulated amortization	4,600,764	-	33	138	-	534	21,465
23 Other assets	20,737,336	-	116	2,293	5,250	21,319	196,978
24 Total liabilities	435,331,449	-	5,637	37,994	109,699	316,598	4,630,682
25 Accounts payable	41,589,373	-	2,408	12,736	25,437	111,518	693,999
26 Mortgages, notes, and bonds payable in less than one year	38,013,673	-	486	3,837	11,309	95,064	603,217
27 Other current liabilities	29,112,844	-	4,287	4,275	6,583	40,218	387,074
28 Loans from stockholders	3,684,561	-	-	1,007	1,660	6,626	67,604
29 Mortgages, notes, and bonds payable in one year or more	84,024,846	-	4,187	6,980	24,092	59,437	531,952
30 Other liabilities	25,514,160	-	242	2,824	1,840	6,193	113,439
31 Capital stock	42,709,393	-	913	9,056	16,715	95,070	611,970
32 Paid-in or capital surplus	49,064,117	-	-	2,534	9,620	114,200	541,095
33 Retained earnings, appropriated	2,968,306	-	-	-	-	3,319	5,396
34 Retained earnings, unappropriated	121,488,734	-	6,886	4,040	26,186	7,590	844,815
35 Less: Cost of treasury stock	2,598,468	-	-	1,255	13,743	9,457	69,879
36 Total receipts	411,724,414	2,761,761	14,919	91,400	257,908	1,149,660	8,541,127
37 Business receipts	420,283,738	2,673,845	13,211	90,870	246,777	1,129,786	8,373,766
38 Interest on Government obligations:							
39 United States	299,388	312	-	59	129	20	1,412
40 State and local	93,132	-	-	-	-	-	472
41 Other interest	3,476,566	14,674	61	130	559	1,910	20,347
42 Rents	1,869,424	18,791	332	4,772	2,371	25,972	25,972
43 Royalties	1,306,804	2,541	-	-	-	445	8,207
44 Net short-term capital gain reduced by net long-term capital loss	34,701	6	-	-	-	141	1,746
45 Net long-term capital gain reduced by net short-term capital loss	1,642,536	24,099	-	20	2,000	1,539	25,558
46 Net gain, noncapital assets	300,731	1,940	777	59	48	1,017	8,489
47 Dividends, domestic corporations	1,242,512	119	-	-	6	170	2,941
48 Dividends, foreign corporations	1,000,000	2,684	-	-	-	61	1,164
49 Other receipts	5,416,470	22,790	599	246	3,617	12,291	71,053
50 Total deductions	419,814,083	2,697,856	15,926	96,574	255,409	1,161,762	8,514,530
51 Cost of sales and operations	293,637,073	2,209,711	8,924	63,012	178,830	816,466	6,247,725
52 Compensation of officers	1,731,594	6,912	755	4,700	9,000	41,694	202,062
53 Repairs	6,827,111	10,285	49	397	1,306	4,678	34,326
54 Bad debts	1,238,407	3,161	100	1,036	904	6,014	41,713
55 Rent paid on business property	4,594,925	11,339	644	2,182	5,584	14,878	84,115
56 Taxes paid	14,336,204	28,344	958	2,549	7,618	27,305	189,844
57 Interest paid	9,406,460	32,577	429	1,253	2,134	14,029	122,751
58 Contributions or gifts	234,950	499	61	66	66	446	3,444
59 Amortization	245,558	327	61	44	44	161	2,578
60 Depreciation	15,468,526	37,146	503	1,727	4,844	24,882	205,307
61 Depletion	3,781,301	1,277	-	-	-	-	211
62 Advertising	6,155,072	25,355	61	317	1,125	10,910	75,984
63 Pension, profit sharing, stock bonus, annuity plans	4,269,553	10,489	-	-	1,823	7,978	38,298
64 Other employee benefit plans	4,335,888	9,135	-	315	1,499	4,434	41,313
65 Net loss, noncapital assets	215,742	1,809	199	20	1,908	13,197	9,904
66 Other deductions	54,137,719	239,690	3,365	19,076	98,644	174,479	1,198,220
67 Total receipts less total deductions	18,910,331	63,905	-1,007	-5,174	2,499	-12,102	21,597
68 Constructive taxable income from related foreign corporations	1,383,868	1,598	-	-	-	-	596
69 Net income (less deficit) (65 plus or minus 68)	20,004,053	65,503	-1,007	-5,174	2,499	-12,102	21,721
70 Net income	22,886,437	72,321	389	2,211	11,097	27,642	265,638
71 Deficit	2,882,384	6,818	1,396	7,390	8,598	39,744	244,917
72 Statutory special deductions, total	1,593,797	4,905	-	98	1,618	3,180	31,036
73 Net operating loss carry-over	230,437	4,729	-	98	1,614	3,036	28,477
74 Dividends received (61 plus or minus 72)	1,061,806	101	-	-	5	144	2,484
75 Deduction for dividends paid on certain public utility stocks	-	-	-	-	-	-	-
76 Western Hemisphere Trade Corporation deduction	211,554	25	-	-	-	-	75
77 Income subject to tax	21,454,092	68,410	389	2,118	9,479	24,472	236,606
78 Income tax, total	10,495,744	29,146	97	726	3,825	9,876	108,564
79 Surcharge	555,107	1,162	61	61	122	222	2,858
80 Additional tax for tax preferences	182,691	82	-	-	-	-	26
81 Investment credit	344,887	774	-	-	-	-	1,298
82 Net income (less deficit) after tax (69 minus 78 plus 79)	9,853,196	37,140	-1,104	-8,900	-1,329	-21,922	85,845
83 Net income after tax	12,754,564	41,963	292	1,490	7,272	17,822	158,470
84 Distributions to stockholders:							
85 Cash and property (except own stock)	11,041,102	21,825	-	981	809	357	19,567
86 Corporation's 80% stock	481,017	-	-	-	61	2,706	2,656

Footnote at end of table. See text for explanatory material and instructions for the use of this simplified statistical table.

CONSOLIDATED RETURNS

Table 18.—BALANCE SHEETS AND INCOME STATEMENTS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION—Continued

Ind. Div.	Size of total assets--Continued					
	Under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(8)	(9)	(10)	(11)	(12)	(13)
DURING						
Net change in receivables	652	324	298	220	196	243
Net change in payables	499	341	192	150	141	207
Change in other assets	2,320	2,664	2,694	2,851	2,922	11,699
Net change in total assets	4,471,372	8,417,798	10,476,529	15,697,510	40,433,320	360,097,310
Net change in liabilities	268,941	388,829	503,133	686,491	1,144,296	8,716,357
Net change in equity	4,202,431	8,028,969	9,973,396	15,011,019	39,289,024	351,380,953
Net change in total equity	1,166,751	2,041,285	2,275,539	3,431,717	6,388,600	53,119,497
Net change in total assets	19,575	36,202	94,681	73,846	87,099	2,636,715
Net change in total liabilities	6,350	38,222	26,305	26,251	54,223	977,503
Net change in total equity	13,225	293,773	479,073	620,076	927,536	14,236,404
Net change in total assets	6,899	7,209	20,973	13,464	19,886	338,016
Net change in total liabilities	12,473	28,909	27,428	8,794	40,616	1,483,658
Net change in total equity	196,745	816,445	1,111,771	2,063,072	3,727,380	60,371,033
Net change in total assets	2,491,578	4,104,259	5,205,414	7,865,362	16,156,379	210,783,108
Net change in total liabilities	1,174,471	1,827,967	2,359,271	3,546,490	7,331,606	104,119,585
Net change in total equity	42,103	58,166	79,867	115,603	563,448	9,304,738
Net change in total assets	14,078	15,070	36,516	80,448	143,507	3,498,647
Net change in total liabilities	142,681	182,448	249,880	333,640	569,780	6,315,356
Net change in total equity	47,061	61,439	72,102	152,105	263,407	8,265,501
Net change in total assets	14,942	20,674	25,136	31,322	70,622	4,416,181
Net change in total liabilities	241,942	448,334	709,508	807,374	1,934,821	16,369,431
Total liabilities	4,908,372	8,417,798	10,476,529	15,697,510	40,433,320	360,097,310
Accounts payable	597,284	899,174	964,675	1,363,304	2,601,573	36,317,255
Notes payable	176,401	990,947	1,054,218	1,461,607	2,490,263	30,726,324
Other short-term liabilities	303,685	595,286	805,596	1,083,257	2,153,693	23,871,920
Long-term liabilities	33,652	61,492	81,603	86,173	285,618	3,055,163
Other liabilities	827,128	1,546,885	2,111,135	3,220,220	7,147,481	68,195,549
Total liabilities	186,091	276,037	426,569	811,875	1,339,960	22,351,090
Equity	656,291	923,737	1,071,079	1,686,775	1,121,007	34,576,780
Preferred stock	690,750	1,080,272	1,631,132	2,174,186	3,434,052	39,380,296
Retained earnings	13,166	27,668	39,614	67,022	87,955	2,226,626
Other equity	1,013,314	2,098,084	2,398,172	3,888,334	8,004,663	103,231,677
Total equity	47,288	86,484	107,264	147,243	282,435	1,833,370
Total assets	7,279,243	12,177,149	14,011,749	19,255,083	35,438,665	319,540,189
Accounts receivable	7,107,724	11,908,092	13,660,171	19,242,849	35,596,268	320,190,379
Other assets	1,498	2,512	4,565	1,326	5,691	279,954
State and local taxes	4,054	2,589	2,768	3,373	6,494	74,391
Other receivables	19,391	48,093	56,278	82,501	216,048	3,016,635
Prepaid expenses	23,549	42,354	45,103	48,384	113,346	1,544,474
Other assets	29,424	15,529	25,691	41,144	107,754	1,075,599
Other receivables	157	165	256	796	680	30,754
Other receivables	21,467	34,616	42,467	94,264	136,459	1,254,527
Other receivables	4,698	10,411	15,601	24,659	22,232	210,610
Other receivables	4,604	5,324	4,518	17,470	33,060	1,169,300
Other receivables	2,021	5,836	10,248	38,944	11,155	2,490,896
Other receivables	60,526	96,638	139,083	172,358	449,080	4,388,184
Total assets	7,156,410	11,952,928	13,723,751	19,255,083	35,438,665	319,540,189
Other receivables	5,166,110	8,814,763	9,781,343	13,599,236	24,659,693	222,031,260
Other receivables	121,561	144,591	140,236	140,236	233,261	692,802
Other receivables	35,036	84,495	121,385	191,884	440,099	5,856,181
Other receivables	34,098	50,774	62,420	79,557	115,506	844,134
Other receivables	67,534	105,429	147,234	194,628	365,092	3,595,766
Other receivables	172,287	299,466	456,269	714,293	965,407	11,471,864
Other receivables	108,174	203,535	247,475	355,150	771,350	7,545,602
Other receivables	3,680	7,302	8,504	8,667	27,534	174,786
Other receivables	4,526	4,909	3,807	8,773	32,290	188,143
Other receivables	188,480	311,153	378,872	543,212	1,039,271	12,733,129
Other receivables	2,844	14,944	12,109	27,739	90,618	3,629,607
Other receivables	100,520	132,176	239,559	307,072	790,857	4,470,997
Other receivables	37,073	66,227	86,699	151,198	291,055	3,578,513
Other receivables	31,627	48,674	66,474	109,959	190,910	3,031,548
Other receivables	12,273	5,545	30,080	25,344	16,234	99,229
Other receivables	1,051,568	1,659,245	1,941,285	2,786,011	5,429,488	39,596,648
Other receivables	122,833	224,212	287,998	376,347	475,901	16,185,514
Other receivables	1,890	3,715	7,699	26,212	64,112	1,167,045
Other receivables	121,669	225,347	292,929	597,880	1,416,620	17,278,168
Other receivables	283,374	471,871	565,259	934,958	1,811,700	18,439,472
Other receivables	161,705	246,524	272,330	337,078	395,080	1,161,804
Other receivables	30,028	36,914	38,257	46,504	57,985	1,254,272
Other receivables	25,337	31,982	29,269	30,850	22,816	53,180
Other receivables	3,911	4,527	8,001	14,860	28,164	999,589
Other receivables	780	405	987	774	7,005	201,503
Other receivables	254,752	435,727	527,569	894,061	1,764,750	17,235,441
Other receivables	122,475	209,190	257,132	427,816	851,811	8,475,096
Other receivables	3,428	5,207	6,287	10,633	20,945	204,243
Other receivables	80	226	466	1,079	3,142	177,620
Other receivables	1,507	2,272	3,323	7,428	19,437	308,793
Other receivables	701	18,429	39,120	177,492	584,246	9,111,865
Other receivables	162,730	265,347	313,288	514,891	981,875	10,287,124
Other receivables	31,175	75,166	114,390	232,639	594,959	4,950,944
Other receivables	5,516	15,430	15,352	50,804	38,570	344,983

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

CONSOLIDATED RETURNS

Table 18. —BALANCE SHEETS AND INCOME STATEMENTS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION—Continued

[All figures are in thousands of dollars unless otherwise indicated. All amounts are in thousands of dollars]

Industrial division and item	Total consolidated returns	Size of total assets					
		Zero assets	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS, AND SANITARY SERVICES							
1 Number of consolidated returns, total.....	1,259	10	-	140	112	115	382
2 With net income.....	791	5	-	80	32	114	222
3 Number of subsidiaries.....	7,577	214	-	198	271	171	996
4 Total assets.....	214,908,813	-	-	23,367	43,180	91,986	860,283
5 Cash.....	3,197,324	-	-	510	1,400	9,902	64,262
6 Notes and accounts receivable.....	10,074,130	-	-	7,123	8,259	26,526	156,689
7 Less: Allowance for bad debts.....	120,957	-	-	59	48	140	3,087
8 Inventories.....	5,562,466	-	-	39	1,258	2,561	15,439
9 Investments in Government obligations:							
10 United States.....	2,495,492	-	-	-	-	352	6,612
11 State and local.....	135,521	-	-	-	-	-	2,910
12 Other current assets.....	6,155,351	-	-	2,904	1,290	1,013	44,562
13 Loans to stockholders.....	37,572	-	-	726	(1)	47	5,581
14 Mortgage and real estate loans.....	61,782	-	-	-	-	-	218
15 Other investments.....	21,303,853	-	-	2,197	11,501	5,769	85,579
16 Depreciable assets.....	214,690,748	-	-	19,307	36,744	71,424	704,616
17 Less: Accumulated depreciation.....	54,605,247	-	-	11,576	20,533	42,076	317,994
18 Depreciable assets.....	247,368	-	-	-	-	-	1,262
19 Less: Accumulated depletion.....	84,794	-	-	-	-	-	268
20 Loans.....	1,243,514	-	-	1,118	662	4,531	28,126
21 Intangible assets (amortizable).....	348,531	-	-	138	839	10,911	10,895
22 Less: Accumulated amortization.....	91,967	-	-	98	548	1,550	4,008
23 Other assets.....	4,256,316	-	-	1,038	2,356	2,716	58,889
24 Total liabilities.....	214,908,813	-	-	23,367	43,180	91,986	860,283
25 Accounts payable.....	5,901,611	-	-	4,101	7,402	26,444	109,496
26 Mortgages, notes, and bonds payable in less than one year.....	8,191,457	-	-	6,455	6,614	14,873	115,886
27 Other current liabilities.....	14,697,960	-	-	3,296	2,841	7,775	65,063
28 Loans from stockholders.....	299,768	-	-	-	-	1,498	7,672
29 Mortgages, notes, and bonds payable in one year or more.....	83,765,884	-	-	12,674	12,856	15,281	274,755
30 Other liabilities.....	9,294,139	-	-	1,333	805	576	40,680
31 Capital stock.....	37,697,976	-	-	1,334	10,453	17,908	97,968
32 Paid-in or capital surplus.....	19,096,372	-	-	3,355	3,742	5,995	72,512
33 Retained earnings, appropriated.....	1,213,723	-	-	-	-	-	3,552
34 Retained earnings, appropriated.....	36,022,108	-	-	-8,887	-1,532	5,922	80,786
35 Less: Cost of treasury stock.....	270,287	-	-	294	-	2,786	8,087
36 Total receipts.....	11,431,411	48,790	-	59,234	51,891	131,558	995,057
37 Business receipts.....	88,400,727	41,125	-	58,037	51,084	126,430	952,037
38 Interest on Government obligations:							
39 United States.....	63,691	-	-	-	-	20	370
40 State and local.....	35,347	2	-	-	-	-	187
41 Other interest.....	672,185	1,507	-	137	48	1,111	4,254
42 Rents.....	1,107,475	922	-	314	306	1,971	10,551
43 Dividends.....	74,498	-	-	-	-	-	225
44 Net short-term capital gain reduced by net long-term capital loss.....	11,449	-	-	-	-	-	26
45 Net long-term capital gain reduced by net short-term capital loss.....	255,296	-	-	-	(1)	802	5,981
46 Net gain on capital assets.....	98,694	14	-	137	194	563	2,546
47 Dividends, domestic corporation.....	159,815	263	-	-	32	(1)	1,018
48 Dividends, foreign corporation.....	25,076	296	-	-	-	-	56
49 Other receipts.....	576,261	4,661	-	609	227	661	17,806
50 Total deductions.....	85,748,373	47,451	-	59,884	53,827	125,672	989,436
51 Cost of sales and operations.....	52,236,132	29,314	-	29,368	31,309	74,162	627,397
52 Compensation of officers.....	335,129	942	-	4,591	2,483	3,883	27,119
53 Repairs.....	126,196	15	-	-	-	98	2,407
54 Bad debts.....	306,622	88	-	196	209	689	7,454
55 Rent paid on business property.....	2,342,053	212	-	1,844	1,242	2,200	24,004
56 Taxes paid.....	6,065,901	1,590	-	2,864	2,823	4,738	43,110
57 Interest paid.....	5,438,158	2,916	-	1,098	1,146	1,533	26,865
58 Contributions for public purposes.....	51,133	6	-	(1)	16	(1)	396
59 Depreciation.....	251,334	2	-	20	194	2	396
60 Depreciation.....	9,253,538	4,500	-	2,354	3,033	6,467	61,452
61 Depreciation.....	159,440	-	-	-	-	-	101
62 Advertising.....	371,416	321	-	20	531	1,758	3,441
63 Pension and profit sharing, life and health, accident, plan.....	1,628,214	691	-	-	97	1,561	6,239
64 Other compensation and benefits plan.....	690,823	332	-	59	467	225	4,951
65 Depreciation on capital assets.....	42,481	478	-	(1)	113	7,535	2,381
66 Other deductions.....	6,450,104	5,994	-	17,270	10,164	15,821	151,723
67 Total receipts less total deductions.....	1,742,113	1,339	-	-649	-1,936	5,886	5,621
68 Minority tax (exclusive of minority interest of foreign corporation).....	11,437	-	-	-	-	-	-
69 Net income less deductions (total plan earnings).....	5,724,028	1,337	-	-649	-1,936	5,886	5,434
70 Net income.....	6,714,917	3,180	-	1,157	967	14,627	38,113
71 Depreciation.....	990,889	1,843	-	1,800	2,903	8,741	32,679
72 Minority interest in subsidiaries, total.....	216,145	1,952	-	294	16	999	4,458
73 Net operating loss carryover.....	60,414	1,729	-	294	-	999	3,585
74 Dividends received from stockholders.....	138,212	223	-	-	16	(1)	873
75 Dividends received from stockholders (public utility).....	13,800	-	-	-	-	-	-
76 Minority interest in subsidiaries.....	3,718	-	-	-	-	-	-
77 Income less total deductions.....	6,523,511	1,451	-	863	951	13,628	33,766
78 Income tax liability.....	1,209,474	797	-	246	275	6,093	14,898
79 Less: Credits.....	79,172	22	-	20	(1)	261	378
80 Amount paid for tax purposes.....	19,584	-	-	-	-	-	20
81 Investment credit.....	238,507	296	-	-	32	33	401
82 Net income less total deductions less income tax liability.....	2,752,761	926	-	-865	-2,179	-17	-9,063
83 Net income after tax.....	1,750,368	2,769	-	941	724	8,567	23,623
84 Dividends to stockholders:							
85 Cash and property, except minority interest.....	4,377,692	400	-	-	(1)	113	4,146
86 Property, other than cash.....	58,998	-	-	-	-	(1)	-

(1) Includes minority interest in subsidiaries. (2) Includes minority interest in subsidiaries. (3) Includes minority interest in subsidiaries. (4) Includes minority interest in subsidiaries. (5) Includes minority interest in subsidiaries. (6) Includes minority interest in subsidiaries. (7) Includes minority interest in subsidiaries.

CONSOLIDATED RETURNS

Table 18.—BALANCE SHEETS AND INCOME STATEMENTS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION—Continued

All figures are in thousands of dollars unless otherwise indicated.

Industrial Division and Item	Size of Total Assets—Continued					
	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(8)	(9)	(10)	(11)	(12)	(13)
TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS, AND SANITARY SERVICES						
1 Number of consolidated returns, total.....	134	107	43	62	46	108
2 With net income.....	69	81	24	38	37	89
3 Number of subsidiaries.....	553	497	481	845	463	2,836
4 Total assets.....	1,037,785	1,739,449	1,459,591	4,471,696	7,896,035	197,285,441
5 Cash.....	59,084	79,545	63,008	229,600	204,825	2,585,028
6 Notes and accounts receivable.....	149,734	261,891	138,395	559,173	654,102	8,132,328
7 Less: Allowance for bad debts.....	4,240	8,044	2,878	18,086	6,786	77,589
8 Inventories.....	20,084	41,704	31,656	93,501	129,249	5,226,475
9 Investments in Government obligations:						
10 United States.....	9,871	13,997	3,287	37,278	18,855	2,505,150
11 State and local.....	3,309	2,149	162	4,246	2,467	120,278
12 Other current assets.....	53,800	75,051	63,667	214,612	218,653	5,479,799
13 Loans to stockholders.....	9,714	3,175	7,644	1,504	1,950	7,233
14 Mortgage and real estate loans.....	5,656	3,841	53	646	15,069	36,249
15 Other investments.....	135,136	174,161	178,070	627,736	676,777	19,506,927
16 Depreciable assets.....	780,619	1,305,450	1,175,059	3,311,856	7,379,068	199,846,573
17 Less: Accumulated depreciation.....	321,944	533,143	481,636	1,066,675	2,003,441	49,960,227
18 Depreciable assets.....	1,090	4,569	4,637	7,577	75,432	151,901
19 Less: Accumulated depletion.....	235	894	1,280	537	15,010	66,600
20 Land.....	42,184	54,672	25,064	113,618	145,433	830,106
21 Intangible assets, amortizable.....	23,928	29,518	51,272	45,442	80,809	94,779
22 Less: Accumulated amortization.....	4,655	5,780	10,639	11,618	34,479	12,592
23 Other assets.....	83,702	177,647	120,052	321,761	353,082	3,135,073
24 Total liabilities.....	1,037,785	1,739,449	1,459,591	4,471,696	7,896,035	197,285,441
25 Accounts payable.....	110,034	163,022	141,035	284,711	368,100	4,729,244
26 Mortgages, notes, and bonds payable in less than one year.....	136,796	190,699	130,786	360,955	501,893	6,726,501
27 Other current liabilities.....	92,264	148,160	95,892	365,680	370,823	12,546,131
28 Loans from stockholders.....	21,806	9,318	26,405	6,713	13,156	212,600
29 Mortgages, notes, and bonds payable in one year or more.....	329,574	585,706	696,328	1,477,998	3,009,193	77,440,221
30 Other liabilities.....	47,932	108,384	57,359	275,441	621,407	7,910,222
31 Capital stock.....	75,558	203,615	193,555	506,776	1,116,917	35,562,994
32 Paid-in or capital surplus.....	80,980	139,710	161,788	550,663	619,062	17,258,365
33 Retained earnings, appropriated.....	9,804	6,491	1,848	12,441	63,231	1,116,306
34 Retained earnings, unappropriated.....	138,761	192,771	150,267	668,053	627,060	33,968,587
35 Less: Cost of treasury stock.....	6,054	8,425	5,817	37,785	14,807	186,232
36 Total receipts.....	1,227,560	2,034,311	1,046,918	3,174,891	3,739,823	7,073,300
37 Business receipts.....	1,197,499	1,962,366	999,802	4,051,017	3,582,025	76,479,267
38 Interest on Government obligations:						
39 United States.....	269	1,177	174	2,470	1,651	27,560
40 State and local.....	568	1,094	139	2,339	54	40,964
41 Other interest.....	5,788	7,403	8,589	18,120	34,573	590,653
42 Rents.....	3,977	10,944	6,459	22,056	36,791	1,013,184
43 Royalties.....	1,980	274	53	2,475	1,157	68,334
44 Net short-term capital gain reduced by net long-term capital loss.....	-	167	84	7	12	11,148
45 Net long-term capital gain reduced by net short-term capital loss.....	3,216	8,591	12,830	6,254	5,315	212,307
46 Net gain, noncapital assets.....	1,445	5,001	6,146	10,722	15,914	56,011
47 Dividends, domestic corporations.....	2,537	2,547	333	6,537	19,645	126,851
48 Dividends, foreign corporations.....	7	286	1	1,966	1,123	13,123
49 Other receipts.....	10,214	34,311	12,301	50,908	42,686	402,177
50 Total deductions.....	1,230,851	1,972,048	1,346,747	3,114,573	3,579,647	73,526,238
51 Cost of sales and operations.....	858,188	1,409,810	682,721	1,982,482	2,243,218	44,232,943
52 Compensation of officers.....	16,100	21,406	11,177	26,753	24,951	195,674
53 Repairs.....	1,582	1,185	507	3,125	8,555	108,722
54 Bad debts.....	5,935	11,050	3,266	18,364	7,506	251,915
55 Rent paid on business property.....	27,147	36,879	14,324	81,651	104,067	2,048,483
56 Taxes paid.....	55,424	80,324	57,758	189,998	217,146	5,410,217
57 Interest paid.....	32,795	51,302	50,462	110,322	216,406	4,445,313
58 Contributions or gifts.....	308	720	184	765	2,766	45,972
59 Amortization.....	654	325	847	1,728	705	246,461
60 Depreciation.....	62,330	99,691	83,055	203,105	343,759	8,383,793
61 Depletion.....	127	626	213	1,563	12,566	144,144
62 Advertising.....	3,392	7,275	5,248	12,592	14,855	321,883
63 Pension, profit sharing, stock bonus, annuity plans.....	6,931	16,237	9,021	22,131	32,170	1,533,135
64 Other employee benefit plans.....	6,522	8,303	2,138	14,288	11,566	641,972
65 Net loss, noncapital assets.....	446	2,479	1,240	8,984	5,700	13,025
66 Other deductions.....	122,951	224,426	124,586	436,872	335,711	5,004,586
67 Total receipts less total deductions.....	-3,291	62,263	171	60,318	160,176	3,547,062
68 Constructive taxable income from related foreign corporations.....	-	-	-	597	-	17,740
69 Net income (less deficit) (e5 plus e6 minus e8).....	-3,859	61,169	32	58,576	160,122	5,437,916
70 Net income.....	24,835	88,953	34,806	130,720	241,949	6,135,698
71 Deficit.....	28,694	27,784	34,776	72,144	81,827	697,672
72 Statutory special deductions, total.....	4,802	13,128	4,714	17,269	25,440	143,068
73 Net operating loss carry-over.....	2,650	10,889	4,424	10,064	7,717	18,057
74 Dividends received deduction.....	2,152	2,309	282	7,048	17,593	107,816
75 Deduction for dividends paid on certain public utility stock.....	-	30	8	117	130	13,517
76 Western Hemisphere Trade Corporation deduction.....	-	-	-	40	-	3,678
77 Income subject to tax.....	21,536	75,829	30,189	116,340	218,042	6,010,886
78 Income tax, total.....	9,309	36,814	14,685	56,972	107,346	2,961,859
79 Surcharge.....	268	950	362	1,559	2,631	72,721
80 Additional tax for tax preferences.....	44	18	31	83	440	16,946
81 Investment credit.....	586	695	755	3,500	4,847	227,262
82 Net income (less deficit) after tax (e7 minus 78 plus 79).....	-13,082	25,050	-13,898	5,104	57,623	2,703,313
83 Net income after tax.....	15,614	52,843	20,892	77,488	139,454	3,407,554
84 Distributions to stockholders:						
85 Cash and property except own stock.....	10,891	11,715	13,023	41,211	130,727	4,165,466
86 Corporation's own stock.....	758	637	1,051	6,864	9,859	39,829

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

CONSOLIDATED RETURNS

Table 18.—BALANCE SHEETS AND INCOME STATEMENTS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION—Continued

All items reported are based on unpledged-money amounts, are in thousands of dollars.

Industrial division and item	Total consolidated returns	Size of total assets					
		Zero assets	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
WHOLESALE AND RETAIL TRADE							
Number of consolidated returns, total	4,598	22	317	585	722	893	1,330
With net income	2,859	17	99	165	442	562	889
Number of subsidiaries	19,860	407	451	822	1,080	1,554	3,574
Total assets	43,931,365	-	18,885	108,013	255,035	636,645	2,929,197
Cash	2,172,481	-	2,016	9,989	26,785	82,785	170,653
Notes and accounts receivable	11,493,245	-	2,917	22,054	64,751	136,815	748,860
Less: Allowance for bad debts	112,914	-	-	761	546	4,580	25,904
Inventories	9,684,342	-	2,924	20,506	57,425	168,166	867,925
Investments in Government obligations:							
United States	162,119	-	132	1,334	2,258	1,365	9,663
State and local	307,803	-	-	-	-	1,821	3,870
Other current assets	1,236,893	-	2,896	6,728	13,889	13,059	108,636
Loans to stockholders	138,284	-	409	1,765	5,661	2,725	14,124
Mortgage and real estate loans	123,965	-	-	334	5,420	-	13,056
Other investments	5,585,607	-	96	5,593	16,755	56,549	150,374
Depreciable assets	15,106,926	-	9,197	71,915	83,289	294,366	1,052,755
Less: Accumulated depreciation	5,752,976	-	2,240	45,510	34,632	89,356	424,904
Depletable assets	240,698	-	-	-	10	70	3,441
Less: Accumulated depletion	63,926	-	-	-	3	-	1,998
Land	1,331,327	-	132	882	10,303	20,963	102,286
Intangible assets (amortizable)	214,792	-	58	2,649	1,990	4,318	16,179
Less: Accumulated amortization	59,487	-	33	726	132	487	5,338
Other assets	2,122,434	-	181	4,266	8,712	33,662	120,519
Total liabilities	43,931,365	-	18,885	108,013	255,035	636,645	2,929,197
Accounts payable	6,994,174	-	2,275	24,969	61,454	141,676	620,675
Mortgages, notes, and bonds payable in less than one year	6,165,447	-	3,285	18,928	30,724	104,859	553,199
Other current liabilities	3,153,188	-	2,382	8,768	16,661	38,132	210,699
Loans from stockholders	113,289	-	-	6,475	6,661	10,292	38,390
Mortgages, notes, and bonds payable in one year or more	9,169,716	-	4,253	15,871	40,636	98,022	507,783
Other liabilities	1,950,341	-	1,617	3,517	9,438	19,466	122,292
Capital stock	3,556,687	-	3,876	18,101	39,434	72,471	331,792
Paid-in or capital surplus	4,131,197	-	33	1,647	9,981	69,192	204,782
Retained earnings, appropriated	238,119	-	-	6,887	-	-	1,578
Retained earnings, unappropriated	8,643,227	-	654	6,538	37,324	69,396	377,555
Less: Cost of treasury stock	384,025	-	303	3,688	1,000	13,901	39,548
Total receipts	81,494,720	882,605	95,606	406,468	736,127	1,653,137	7,471,431
Business receipts	78,785,592	846,006	94,822	401,785	717,297	1,620,710	7,256,584
Interest on Government obligations:							
United States	17,232	12	-	118	177	254	968
State and local	6,520	15	-	118	-	-	338
Other interest	444,562	8,712	-	333	1,189	4,927	15,645
Rents	469,398	3,384	465	196	2,116	4,481	44,548
Royalties	28,266	969	-	-	-	4,198	3,026
Net short-term capital gain reduced by net long-term capital loss	5,899	97	-	39	13	37	3,469
Net long-term capital gain reduced by net short-term capital loss	107,043	755	-	1,550	960	2,645	10,330
Net gain, noncapital assets	40,093	76	84	79	1,355	371	5,891
Dividends, domestic corporations	20,612	237	-	40	-	886	2,257
Dividends, foreign corporations	101,585	83	-	-	-	35	139
Other receipts	1,309,527	22,259	35	2,210	13,020	14,692	128,236
Total deductions	79,917,217	870,751	96,244	403,330	738,880	1,655,292	7,442,168
Cost of sales and operations	58,893,663	581,100	66,874	236,777	527,132	1,246,423	5,607,042
Compensation of officers	457,356	3,912	2,742	16,185	22,188	40,665	109,238
Repairs	341,250	3,755	803	2,236	2,921	6,022	28,644
Bad debts	286,874	7,985	58	2,668	2,722	5,115	35,377
Rent paid on business property	1,492,091	17,778	1,656	13,619	14,016	30,585	106,773
Taxes paid	1,504,349	23,538	1,180	7,392	9,324	22,808	102,793
Interest paid	1,329,777	16,223	534	2,534	5,482	16,871	91,192
Contributions or gifts	21,574	264	-	40	113	66	1,721
Amortization	9,256	39	-	40	-	112	1,404
Depreciation	1,054,660	13,066	1,009	6,105	7,425	17,835	101,959
Depletion	117,455	1	-	-	-	183	1,310
Advertising	1,186,797	21,858	652	8,853	10,278	19,014	73,489
Pension, profit sharing, stock bonus, annuity plans	181,802	1,714	-	510	1,096	4,754	13,056
Other employee benefit plans	125,269	343	25	1,875	587	1,599	7,678
Net loss, noncapital assets	25,540	922	33	-	310	539	7,022
Other deductions	12,989,594	179,443	19,508	104,996	135,286	242,401	1,153,470
Total receipts less total deductions	1,577,503	11,854	-838	2,638	-2,753	-2,155	29,263
Constructive taxable income from related foreign corporations	4,334,397	11,906	-838	2,520	-2,753	-2,155	28,935
Net income (less deficit) (65 plus 66 minus 33)	1,893,678	18,399	432	8,583	10,413	22,866	122,326
Deficit	460,281	6,543	1,270	6,063	13,166	25,019	93,401
Statutory special deductions, total	145,266	286	-	3,758	2,281	4,547	14,561
Net operating loss carryover	175,569	84	-	3,718	2,291	3,777	12,575
Dividends received deduction	17,457	202	-	40	-	760	1,815
Deduction for dividends paid in certain public utility cases	-	-	-	-	-	-	-
Western Hemisphere Trade Corporation deduction	2,240	-	-	-	-	-	151
Income subject to tax	1,704,951	18,202	432	4,865	8,104	19,074	109,234
Income tax, total	817,180	8,879	99	1,174	2,472	6,614	48,955
Surcharges	19,600	-	-	-	48	140	1,239
Additional tax for tax preference	2,265	65	-	-	-	-	32
Investment credit	20,594	19	-	-	-	15	492
Net income (less deficit) after tax (65 minus 76 plus 33)	636,711	1,047	-937	1,546	-5,225	-8,755	-19,538
Distributions to stockholders:							
Cash and property except marketable securities	489,591	145	-	393	258	2,242	10,972
Corporations' own stocks	52,926	-	-	-	-	-	2,068

Footnote at end of table. See text for explanatory statement and for description of the sample and limitations of the data.

CONSOLIDATED RETURNS

Table 18.—BALANCE SHEETS AND INCOME STATEMENTS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION—Continued

INDUSTRY	BY SIZE OF TOTAL ASSETS—Continued						
	\$10,000,000 or under		\$25,000,000 or under		\$50,000,000 or more		
	(8)	(9)	(10)	(11)	(12)	(13)	
1000	294	212	10	53	53	22	
1001	193	124	67	35	30	18	
1002	1,715	2,497	1,933	1,464	3,187	1,171	
1003	2,177,957	3,567,003	3,508,836	6,670,410	6,821,748	20,447,499	
1004	19,747	252,184	184,843	194,003	432,278	921,100	
1005	594,503	798,621	781,395	744,428	1,104,091	6,436,006	
1006	18,036	22,748	26,552	19,474	32,734	161,516	
1007	643,970	811,684	1,021,934	875,419	1,538,750	3,589,480	
1008	4,329	21,322	4,223	7,687	20,053	65,353	
1009	529	11,538	13,245	22,112	1	255,084	
1010	84,314	124,888	182,107	225,584	185,995	288,602	
1011	4,522	12,527	4,034	12,441	7,842	68,129	
1012	2,521	7,973	39,268	3,946	50,443	964	
1013	175,137	295,347	396,833	452,413	1,087,338	2,969,132	
1014	741,967	1,037,154	1,068,866	1,254,755	2,937,665	6,571,894	
1015	412,075	401,598	471,307	544,823	1,168,477	2,263,854	
1016	1,637	14,229	22,568	41,316	79,169	89,258	
1017	609	2,074	8,355	14,674	19,887	16,331	
1018	74,414	117,432	45,337	45,052	227,947	568,479	
1019	4,444	6,771	15,434	11,766	15,253	132,327	
1020	1,308	4,787	4,233	3,561	6,947	32,439	
1021	78,327	129,202	168,929	255,017	337,988	925,631	
1022	2,177,957	3,567,003	3,508,836	6,670,410	6,821,748	20,447,499	
1023	17,721	610,296	581,756	627,546	845,234	3,030,375	
1024	37,143	551,465	564,818	420,272	793,919	2,749,740	
1025	18,745	274,061	256,836	283,457	424,611	1,481,266	
1026	9,677	44,542	11,839	39,439	24,211	92,902	
1027	663,395	523,069	580,589	675,476	1,784,362	4,526,258	
1028	76,771	126,960	145,150	174,019	276,638	996,493	
1029	166,544	312,426	276,341	355,696	616,237	1,363,979	
1030	47,097	285,942	173,452	517,691	852,859	1,675,941	
1031	5,764	2,403	12,954	780	168,193	59,561	
1032	419,056	634,592	717,420	616,285	1,130,508	4,612,207	
1033	18,120	58,768	14,259	40,251	54,964	139,223	
1034	3,922,630	7,504,043	8,197,991	6,609,240	14,654,508	71,000,000	
1035	1,284,840	7,287,406	5,000,238	6,502,413	14,296,816	25,936,625	
1036	301	1,791	2,452	985	1,308	8,867	
1037	69	750	1,411	1,036	545	2,238	
1038	18,339	26,871	28,213	28,438	71,956	242,439	
1039	20,434	45,277	24,449	44,407	90,351	185,390	
1040	1,534	2,776	5,384	2,030	4,325	4,014	
1041	77	675	1,161	174	103	34	
1042	6,680	15,736	6,034	18,840	16,870	26,943	
1043	3,001	7,121	2,840	3,778	7,125	6,372	
1044	468	2,828	1,154	3,876	2,467	4,397	
1045	1,030	1,510	6,184	857	2,491	8,429	
1046	84,102	121,302	111,468	91,906	160,151	556,146	
1047	3,422,865	7,427,795	5,087,661	6,649,786	14,449,100	26,152,845	
1048	4,708,107	3,776,162	6,427,367	4,420,178	10,759,377	18,037,124	
1049	46,432	56,562	38,464	27,134	45,798	47,536	
1050	19,584	27,814	22,640	27,660	71,111	128,010	
1051	19,750	22,047	19,632	19,442	29,760	122,318	
1052	97,129	109,100	127,691	134,898	280,217	558,540	
1053	84,169	109,913	94,441	115,006	202,899	630,886	
1054	55,751	89,038	86,746	85,904	197,994	681,460	
1055	1,304	2,230	2,053	1,648	2,781	9,074	
1056	364	513	1,617	895	2,261	2,021	
1057	62,674	75,604	79,443	91,137	213,858	384,565	
1058	91	1,485	10,010	1,834	11,080	91,460	
1059	50,318	72,205	76,752	90,121	214,446	568,791	
1060	9,159	17,563	11,611	14,078	31,665	74,546	
1061	6,352	11,606	10,867	13,801	31,065	39,449	
1062	2,567	3,088	2,521	3,979	4,434	120	
1063	758,610	1,052,867	1,073,708	1,102,081	2,370,329	4,796,895	
1064	49,765	76,248	110,332	49,454	185,408	67,726	
1065	918	121	3,708	24	955	15,721	
1066	50,614	75,619	112,629	58,442	185,818	922,670	
1067	40,136	144,313	161,064	97,825	280,569	927,754	
1068	48,522	68,694	48,435	49,383	94,751	5,084	
1069	3,199	15,242	10,645	8,544	17,461	108,762	
1070	5,605	12,791	7,027	5,063	14,494	104,444	
1071	392	2,415	2,682	3,317	2,095	3,739	
1072	2	37	—	—	—	—	
1073	90,289	129,774	151,350	89,573	263,540	820,514	
1074	43,093	61,916	73,541	42,725	128,012	399,700	
1075	1,241	1,459	1,879	1,419	2,859	9,316	
1076	68	109	96	41	273	1,581	
1077	396	740	1,002	1,098	2,274	14,459	
1078	7,917	14,443	40,090	6,815	60,080	537,429	
1079	56,474	83,294	88,611	56,280	155,004	542,565	
1080	3,671	31,179	30,493	29,551	93,143	285,544	
1081	1,627	2,391	5,733	3,392	21,125	16,590	

1000-1081 are in table 1000-1081, supplementary data, in the report. The sample is limited to the data.

CONSOLIDATED RETURNS

Table 18.—BALANCE SHEETS AND INCOME STATEMENTS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION—Continued

[All items are in thousands of dollars, except for the number of returns and the number of shareholders which are in thousands of shares.]

	Industrial division and item	Total consolidated returns	Size of total assets					
			Zero assets	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
FINANCE, INSURANCE, AND REAL ESTATE								
1	Number of consolidated returns, total	4,253	46	150	489	377	599	1,131
2	With net income	2,693	17	82	176	229	416	653
3	Number of shareholders	20,725	316	173	429	649	900	2,643
4	Total assets	434,586,581	-	8,281	43,712	136,180	424,624	2,704,301
5	Cash	65,465,645	-	841	4,966	10,885	27,770	162,291
6	Notes and accounts receivable	181,687,892	-	163	11,233	21,205	106,850	552,174
7	Less: Allowance for bad debts	5,054,566	-	-	157	247	13,058	13,572
8	Inventories	1,062,196	-	-	59	355	746	17,007
9	Investments in Government obligations:							
10	United States	28,500,383	-	665	-	645	2,097	69,079
11	State and local	35,566,262	-	-	-	-	2,659	21,701
12	Other current	10,727,461	-	2,484	1,853	3,502	51,005	218,560
13	Loans to stockholders	199,896	-	859	-	564	3,969	11,656
14	Mortgage and real estate loans	42,090,080	-	399	1,236	2,178	6,004	105,737
15	Other investments	58,586,032	-	33	4,829	21,265	81,260	418,944
16	Depreciable assets:							
17	Less: Accumulated depreciation	17,484,362	-	1,463	21,126	69,226	168,050	1,098,822
18	Less: Accumulated depreciation	3,878,945	-	399	10,767	25,028	80,418	390,626
19	Depletable assets:							
20	Less: Accumulated depletion	219,585	-	-	-	194	-	35,515
21	Less: Accumulated depletion	122,626	-	-	-	161	-	28,769
22	Intangible assets (amortizable)	3,220,481	-	-	6,808	14,815	50,057	311,992
23	Less: Accumulated amortization	225,652	-	-	17,396	1,016	1,293	8,186
24	Less: Accumulated amortization	59,464	-	-	17,362	80	394	1,958
25	Other assets	8,655,295	-	1,773	2,492	10,846	7,734	107,562
26	Total liabilities	434,586,581	-	8,281	43,712	136,180	424,624	2,704,301
27	Accounts payable	8,530,778	-	621	10,326	6,790	53,659	157,033
28	Mortgages, notes, and bonds payable in less than one year	22,056,444	-	33	5,043	17,284	72,140	458,244
29	Other current liabilities	305,605,132	-	592	4,963	3,794	29,185	261,800
30	Loans from stockholders	914,399	-	3,921	1,059	3,525	6,343	43,805
31	Mortgages, notes, and bonds payable in one year or more	24,242,295	-	698	4,375	48,605	106,883	991,986
32	Other liabilities	23,755,972	-	364	1,835	5,246	15,173	183,411
33	Capital stock:							
34	Paid-in or capital surplus	10,820,951	-	1,903	16,770	14,940	74,279	303,003
35	Retained earnings, appropriated	20,093,590	-	502	35,711	13,055	41,187	247,860
36	Retained earnings, unappropriated	2,296,529	-	-	510	-	-	1,152
37	Total	16,816,262	-	353	35,512	26,005	32,795	82,967
38	Less: Cost of treasury stock	565,771	-	-	1,368	3,064	7,020	26,960
39	Total receipts	49,893,989	76,825	1,712	39,333	79,226	135,480	819,665
40	Dividends	25,832,406	35,082	1,214	28,684	55,632	86,280	516,199
41	Interest on Government obligations:							
42	United States	1,402,676	1,410	-	-	47	308	4,589
43	State and local	1,411,486	399	-	-	-	84	1,469
44	Other interests	16,189,603	6,250	215	510	2,591	7,080	61,010
45	Rents	1,219,833	7,283	66	2,059	10,291	13,728	71,219
46	Royalties	41,164	523	-	-	48	1,371	5,238
47	Net short-term capital gain, reduced by net long-term capital loss	21,394	4	-	59	-	-	5,928
48	Net long-term capital gain, reduced by net short-term capital loss	465,710	2,419	-	1,177	759	2,011	13,889
49	Net gain on disposal of assets	1,420,428	11,907	100	6,180	3,559	14,839	70,312
50	Dividends, interest, and other receipts	580,862	3,355	-	-	64	2,362	6,524
51	Dividends, interest, and other receipts	30,264	-	-	-	-	14	1,142
52	Other receipts	1,257,641	8,193	117	664	6,165	5,403	62,146
53	Total deductions	46,337,336	76,377	2,486	41,461	78,915	131,372	830,709
54	Federal income tax expense	12,551,443	16,454	-	9,870	1,662	10,536	170,438
55	Depreciation and depletion	1,338,280	1,824	795	5,515	12,726	18,713	59,296
56	Bad debts	179,461	1,197	-	138	872	3,129	10,253
57	Bad debt on depreciable property	881,469	516	-	216	807	4,036	14,266
58	Taxes paid on income, property	930,954	2,405	84	1,392	3,564	3,223	22,171
59	Taxes paid on dividends, interest	1,446,404	2,872	58	1,710	4,432	10,674	52,424
60	Interest on Government obligations	11,360,186	13,001	299	936	4,572	11,143	102,450
61	Amortization of intangibles	46,702	5	-	-	193	182	397
62	Amortization of intangibles	14,146	79	-	1,793	32	74	552
63	Depreciation	1,254,407	5,140	166	1,219	3,252	7,944	46,388
64	Depletion	21,226	782	-	-	32	44	2,378
65	Advertising	460,701	1,916	33	373	576	1,317	10,960
66	Pension, profit sharing, stock bonus, annuity plan	448,350	291	-	137	1,871	774	4,291
67	Other employee benefit plans	128,779	107	-	79	97	576	2,780
68	Net loss on disposal of assets	198,961	611	-	-	355	1,612	6,725
69	Other deductions	15,075,867	29,177	1,051	18,083	43,872	57,390	324,935
70	Total receipts less total deductions	3,556,653	448	-774	-2,128	311	4,108	-11,044
71	Cumulative tax credit on income related foreign corporation	16,540	-	-	-	-	84	616
72	Net income (less deduction) (no plan to carry forward)	2,141,697	49	-774	-2,128	311	4,024	-11,897
73	Net income	2,773,355	6,872	33	2,767	7,055	12,871	59,676
74	Deductions	631,658	6,823	807	4,895	6,744	8,847	71,573
75	Federal income tax	794,750	4,740	-	706	1,715	3,310	24,251
76	State and local	288,635	2,155	-	706	1,667	1,372	18,759
77	Deduction for tax on dividends, interest, and other receipts	505,587	2,565	-	-	48	1,936	5,482
78	Deduction for tax on dividends, interest, and other receipts	-	-	-	-	-	-	-
79	Deduction for tax on dividends, interest, and other receipts	528	-	-	-	-	-	-
80	Income tax on dividends, interest, and other receipts	2,110,874	2,164	33	2,061	5,339	9,899	37,164
81	Income tax, total	983,716	997	-	-10	1,952	3,285	14,814
82	Change	24,492	18	-	-	16	70	362
83	Adjusted for tax paid	8,489	-	-	-	-	-	87
84	Income tax	35,229	1	-	-	-	-	60
85	Net income (less deduction) after tax (no plan to carry forward)	1,193,210	-947	-774	-2,638	-1,641	740	-26,651
86	Net income (less deduction) after tax	1,825,922	5,876	33	2,257	5,103	9,587	44,922
87	Change in property, equipment, and other assets	1,787,662	337	-	314	1,129	10,475	42,954
88	Change in property, equipment, and other assets	85,914	-	-	-	645	-	374

CONSOLIDATED RETURNS

Table 18.—BALANCE SHEETS AND INCOME STATEMENTS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION--Continued

All figures shown unless stated otherwise are in thousands of dollars

Industrial Division and Item		Size Total Assets--Continued					
		\$5,000,000 under \$10,000,000	\$10,000,000 to \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
FINANCE, INSURANCE, AND REAL ESTATE		(8)	(9)	(10)	(11)	(12)	(13)
1	Number of consolidated returns, total	467	402	249	158	154	231
2	With net income	272	257	163	110	117	201
3	Number of subsidiaries	1,672	1,894	1,477	1,716	1,867	6,991
4	Total assets	3,743,069	6,356,388	8,740,559	10,859,244	24,447,106	377,481,117
5	Cash	196,584	408,138	601,896	788,517	2,272,845	60,990,862
6	Notes and accounts receivable	511,401	1,686,796	2,681,523	3,501,493	9,085,688	16,187,366
7	Less: Allowance for bad debts	18,669	44,950	71,247	93,763	250,614	4,537,289
8	Investments	42,021	48,566	105,601	76,334	126,756	644,751
9	Investments in Government securities						
10	United States	185,422	372,144	538,446	842,839	1,871,090	24,617,456
11	State and local	113,960	258,189	489,537	650,452	2,000,798	32,026,966
12	Other current assets	265,596	555,859	480,632	582,499	717,460	7,867,492
13	Loans to individuals	8,321	17,151	15,263	8,545	6,899	126,629
14	Mortgage and real-estate loans	72,744	403,352	415,441	1,060,624	2,938,915	36,676,490
15	Other investments	463,366	908,824	1,128,094	1,790,855	2,885,496	40,883,056
16	Depreciable assets	1,126,153	1,567,597	1,575,068	1,161,740	1,604,470	9,190,278
17	Less: Accumulated depreciation	347,795	430,531	351,410	269,208	321,111	1,682,652
18	Depletable assets	13,312	6,611	38,353	51,471	69,882	3,747
19	Less: Accumulated depletion	4,701	4,171	16,386	33,063	20,060	1,315
20	Land	275,575	427,304	501,068	277,463	347,344	902,550
21	Intangible assets (amortizable)	11,305	8,377	17,308	17,457	50,362	96,952
22	Less: Accumulated amortization	3,465	1,002	3,330	2,926	7,224	19,714
23	Other assets	131,059	252,134	194,811	435,917	976,665	6,525,002
24	Total liabilities	3,385,069	6,156,388	8,740,559	10,859,244	24,447,106	377,481,117
25	Accounts payable	168,416	342,132	501,579	425,455	1,190,306	5,774,662
26	Mortgages, notes, and bonds payable (one year or more)	429,552	811,785	1,068,122	1,068,122	1,796,260	16,316,150
27	Other current liabilities	72,424	2,013,635	1,422,492	4,419,006	13,914,753	280,281,455
28	Loans from individuals	43,639	43,639	52,417	22,251	12,357	680,564
29	Mortgages, notes, and bonds payable (one year or less)	1,176,052	1,808,131	1,794,333	1,326,844	2,118,373	15,066,015
30	Other liabilities	187,286	432,214	594,247	1,106,304	1,756,054	19,473,860
31	Capital stock	248,152	425,579	363,467	521,306	822,182	8,129,370
32	Paid-in or capital surplus	273,144	556,688	648,442	850,440	1,452,047	15,962,464
33	Retained earnings, appropriate	11,214	21,110	18,709	85,052	130,326	2,027,856
34	Retained earnings, appropriate	47,066	245,243	376,716	572,651	1,305,003	14,113,681
35	Less: Cost of treasury stock	22,775	44,350	14,024	47,186	53,585	325,440
36	Total receipts	681,038	1,417,428	1,610,691	2,040,434	3,847,241	34,095,716
37	Business receipts	357,441	680,731	864,278	1,200,162	2,263,801	19,722,896
38	Interest and dividend receipts						
39	United States	12,106	21,614	27,609	45,550	86,080	1,295,313
40	State and local	4,995	10,659	21,430	25,850	77,604	1,288,996
41	Other interest	82,610	151,144	249,164	462,547	865,475	14,400,507
42	Dividends from subsidiaries	59,051	116,556	90,946	63,308	91,323	693,003
43	Royalties	1,306	1,640	3,678	10,407	4,667	7,266
44	Net long-term capital gain (related to long-term capital assets)	435	941	1,009	1,963	2,041	9,014
45	Net long-term capital gain (related to short-term capital assets)	21,967	50,205	60,156	21,300	46,408	245,110
46	Net gain, noncapital assets	75,245	144,761	182,411	129,487	226,498	585,259
47	Dividends, foreign corporate	6,576	11,098	18,844	35,408	40,223	456,626
48	Dividends, foreign corporate	113	331	1,536	258	1,584	25,286
49	Other receipts	55,191	227,940	99,430	143,715	192,537	456,118
50	Total deductions	664,661	1,385,349	1,548,104	2,034,475	3,613,045	35,930,382
51	Cost of sales and general and administrative expenses	113,965	226,274	301,779	534,606	940,893	10,134,986
52	Compensation of officers and directors	41,480	69,182	61,298	79,588	154,499	933,364
53	Repairs	10,443	14,442	12,790	8,394	11,252	103,149
54	Bad debts	14,732	11,015	22,401	27,632	64,546	11,002
55	Rent paid on leased premises	15,692	36,326	43,266	50,274	100,072	660,485
56	Taxes paid	50,274	72,914	80,103	72,279	125,730	622,929
57	Interest paid	123,897	204,045	269,440	279,524	606,573	9,143,306
58	Contributions or gifts	733	1,057	1,255	1,243	4,441	37,066
59	Amortization	494	1,232	967	2,157	1,934	4,827
60	Depreciation	46,309	64,144	72,846	55,686	84,192	867,116
61	Depletion	1,504	918	1,312	9,656	3,301	1,299
62	Advertising	10,310	23,845	16,352	25,772	49,582	319,365
63	Pension, profit sharing, stock bonus, annuity plans	6,190	6,911	10,415	13,714	32,316	371,440
64	Other employee benefit plans	2,218	2,412	3,523	5,709	11,038	99,735
65	Net loss, noncapital assets	1,900	4,041	3,548	3,563	12,804	163,402
66	Other deductions	224,550	636,680	566,374	464,325	1,405,916	10,903,511
67	Total receipts less total deductions	15,477	32,279	62,587	5,959	284,196	3,165,334
68	Constructive taxable income from related foreign corporations	-	-	275	42	1,882	13,725
69	Net income (less deficit) (67 plus 68 minus 69)	10,382	21,620	41,432	-19,859	208,474	1,840,063
70	Net income	60,368	107,969	131,610	114,752	271,524	1,997,858
71	Deficit	49,986	86,349	90,178	134,611	63,050	107,795
72	Statutory special deductions, 1 tax	17,128	24,731	38,957	51,387	62,100	565,735
73	Net operating loss carryover	11,434	15,465	23,159	18,647	25,417	169,854
74	Dividends received deduction	5,558	9,266	15,798	32,740	36,675	395,447
75	Deduction for dividends paid on certain public utility stock	-	-	-	-	-	-
76	Western Hemisphere Trade Corporation deduction	136	-	-	-	8	384
77	Income subject to tax	44,901	68,806	49,275	66,697	211,907	1,542,628
78	Income tax, total	14,302	35,865	43,642	31,357	100,100	731,623
79	Surcharge	470	934	1,152	687	3,147	17,636
80	Additional tax for tax preferences	97	521	371	336	686	6,391
81	Investment credit	45	258	254	416	1,223	32,972
82	Net income (less deficit) after tax (77 plus 78 minus 79)	-8,375	-14,007	-2,006	-50,800	109,597	1,191,212
83	Net income after tax	41,169	72,473	88,358	83,437	172,715	1,299,492
84	Distributions to stockholders:						
85	Cash and property except when stock	12,898	18,918	32,835	46,011	153,795	1,468,097
86	Corporation's own stock	1,663	4,486	5,330	7,559	19,605	56,252

Footnotes at end of table. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

CONSOLIDATED RETURNS

Table 18. — BALANCE SHEETS AND INCOME STATEMENTS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION—Continued

Assets and liabilities are stated at year-end. All amounts are in thousands of dollars.

Industrial division and item	Total consolidated returns	Size of total assets					
		Zero assets	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000
SERVICES	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1 Number of consolidated returns, total.....	2,507	23	249	332	286	477	659
2 With net income.....	1,492	13	134	237	171	348	331
3 Number of subsidiaries.....	12,616	411	314	364	299	1,255	2,824
4 Total assets.....	20,515,545	-	16,887	53,403	108,201	347,051	1,553,631
5 Cash.....	1,104,817	-	5,307	6,924	11,311	26,840	118,954
6 Notes and accounts receivable.....	3,477,611	-	3,717	11,406	19,712	77,575	222,563
7 Less: Allowance for bad debts.....	133,244	-	-	120	1,087	1,767	6,366
8 Inventories.....	1,170,428	-	1,030	771	4,042	17,221	64,426
9 Investments in Government obligations:							
10 United States.....	139,466	-	-	863	3,904	-	11,565
11 State and local.....	219,531	-	-	20	-	704	10,635
12 Other current assets.....	1,114,104	-	498	716	4,403	7,707	50,214
13 Loans to stockholders.....	90,188	-	99	1,334	3,388	1,470	4,341
14 Mortgage and real estate loans.....	480,864	-	-	2	-	8,564	6,500
15 Other investments.....	3,447,570	-	797	3,206	10,250	30,103	187,779
16 Depreciable assets.....	10,136,930	-	10,184	31,938	88,463	236,439	934,161
17 Less: Accumulated depreciation.....	3,380,204	-	5,114	16,847	51,705	109,017	337,781
18 Depletable assets.....	6,643	-	-	-	855	-	321
19 Less: Accumulated depletion.....	663	-	-	-	597	-	59
20 Land.....	993,643	-	-	2,345	4,241	19,695	127,319
21 Intangible assets (amortizable).....	237,116	-	-	1,994	6,472	9,465	67,444
22 Less: Accumulated amortization.....	105,282	-	-	425	2,001	2,001	45,425
23 Other assets.....	1,515,972	-	364	9,326	5,838	25,548	132,042
24 Total liabilities.....	20,515,545	-	16,887	53,403	108,201	347,051	1,553,631
25 Accounts payable.....	1,798,418	-	3,661	4,104	4,041	36,990	157,834
26 Mortgages, notes, and bonds payable in less than one year.....	2,073,480	-	1,996	6,360	13,319	41,404	243,998
27 Other current liabilities.....	2,215,868	-	947	5,481	17,640	14,858	104,338
28 Loans from stockholders.....	231,848	-	1,544	3,350	8,565	7,549	39,093
29 Mortgages, notes, and bonds payable in one year or more.....	6,128,342	-	2,991	7,948	26,674	115,456	511,727
30 Other liabilities.....	1,612,861	-	170	945	600	14,540	67,951
31 Capital stock.....	1,524,822	-	2,356	12,669	13,870	41,071	178,120
32 Paid-in or capital surplus.....	2,894,307	-	33	2,496	21,005	82,423	264,626
33 Retained earnings, appropriated.....	31,458	-	-	2	-	-	2,549
34 Retained earnings, unappropriated.....	2,192,043	-	3,355	5,631	1,834	-402	-3,821
35 Less: Cost of treasury stock.....	192,902	-	-	583	4,452	6,838	17,784
36 Total receipts.....	16,587,711	196,553	70,422	138,784	218,814	443,576	1,732,913
37 Business receipts.....	15,475,964	183,135	70,260	135,517	205,508	414,197	1,638,947
38 Interest on Government obligations:							
39 United States.....	8,530	-	-	20	468	-	1,039
40 State and local.....	8,259	-	-	-	-	295	605
41 Other interest.....	195,086	5,139	66	314	439	3,208	10,210
42 Rents.....	285,293	1,403	530	2,578	-	3,141	27,396
43 Royalties.....	71,888	39	33	-	32	1,819	2,041
44 Net short-term capital gain reduced by net long-term capital loss.....	2,283	-	-	-	-	56	1,607
45 Net long-term capital gain reduced by net short-term capital loss.....	42,458	1,258	-	785	4,307	6,653	7,818
46 Net gain, noncapital assets.....	43,357	2,021	-	-	242	5,431	3,475
47 Dividends, domestic corporations.....	16,980	-	-	-	32	112	1,150
48 Dividends, foreign corporations.....	21,457	-	-	-	-	-	67
49 Other receipts.....	354,664	3,558	563	1,603	5,208	8,664	38,558
50 Total deductions.....	16,366,920	211,474	69,892	141,739	214,430	-38,741	1,762,889
51 Cost of sales and operations.....	9,386,180	111,735	42,093	83,051	122,035	212,106	1,062,923
52 Compensation of officers.....	326,480	6,202	4,680	13,455	10,256	31,708	66,674
53 Repairs.....	194,223	3,937	994	803	4,559	3,267	21,630
54 Bad debts.....	126,183	1,656	166	942	2,557	3,485	13,241
55 Rent paid on business property.....	520,971	8,727	5,328	4,175	10,775	16,648	58,212
56 Taxes paid.....	531,991	8,943	2,344	4,454	6,822	14,687	53,472
57 Interest paid.....	647,093	21,194	547	1,332	3,517	10,310	54,092
58 Contributions or gifts.....	9,926	3	-	60	80	402	634
59 Amortization.....	17,301	280	-	27	56	3,319	5,701
60 Depreciation.....	1,206,391	12,375	1,131	2,614	5,763	18,842	90,572
61 Depletion.....	741	-	-	-	-	-	58
62 Advertising.....	271,482	2,549	1,043	2,963	3,875	4,084	29,552
63 Pension, profit sharing, stock bonus, annuity plans.....	104,310	31	398	403	855	3,344	6,855
64 Other employee benefit plans.....	54,117	277	233	470	429	1,678	3,633
65 Net loss, noncapital assets.....	24,112	358	33	-	-	287	5,931
66 Other deductions.....	2,440,419	33,207	11,745	26,520	47,851	109,575	289,850
67 Total receipts less total deductions.....	22,120,791	-14,926	1,030	-2,950	-616	4,835	-24,967
68 Donative taxable income from related foreign corporations.....	19,111	-	-	-	-	-	170
69 Net income (less deficit) (plus or minus 30).....	232,208	-14,926	1,030	-2,950	-616	4,540	-30,402
70 Net income.....	746,184	1,943	2,930	4,926	4,298	24,024	58,126
71 Deficits.....	513,976	16,869	1,900	7,876	4,914	19,489	88,528
72 Statutory special dividends, total.....	64,948	932	1,745	2,020	1,129	4,661	9,848
73 Dividend received from subsidiaries.....	50,144	932	1,745	2,020	1,097	4,563	8,864
74 Dividend received from other corporations.....	14,612	-	-	-	32	98	984
75 Deduction for dividends paid in certain public utility situations.....	-	-	-	-	-	-	-
76 Western Hemisphere Trade Corporation deduction.....	142	-	-	-	-	-	-
77 Income subject to tax.....	686,316	1,011	1,136	2,884	8,136	14,361	48,749
78 Income tax, total.....	321,934	516	400	705	3,144	5,308	22,361
79 Charitable.....	8,386	3	-	-	80	140	505
80 Additional tax for tax preference.....	902	25	-	-	-	-	12
81 Investment credit.....	4,388	-	33	20	30	234	776
82 Net income (less deficit) after tax (plus or minus 30).....	-80,438	-15,442	763	-3,835	-5,730	-734	-51,987
83 Net income after tax.....	434,113	1,490	2,663	4,241	6,184	18,755	36,765
84 Distributions to stockholders:							
85 Cash and property (except with respect to tax-exempt securities).....	152,711	-	-	373	254	794	5,756
86 Corporate stock repurchases.....	93,635	-	-	-	-	-	1,054

1. Other than cash, all figures are text for explanatory statements and for "supplies" in the sample and limitations of the data.

CONSOLIDATED RETURNS

Table 18.—BALANCE SHEETS AND INCOME STATEMENTS, BY SIZE OF TOTAL ASSETS, BY INDUSTRIAL DIVISION—Continued

1. All amounts are in thousands of dollars unless otherwise indicated.

Industrial division and item	Size of total assets--Continued					
	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(8)	(9)	(10)	(11)	(12)	(13)
SERVICE:						
Number of consolidated returns, total	212	137	59	34	27	12
With net income	104	73	32	19	18	9
Number of subsidiaries	2,193	1,168	707	776	1,000	1,003
Total assets	1,472,162	2,156,113	2,181,160	2,226,432	4,244,234	6,156,271
Cash and cash equivalents	-0,116	116,369	148,274	104,228	182,168	309,346
Notes and accounts receivable	271,846	429,644	340,107	467,077	659,483	977,475
Loans	16,569	10,036	9,209	43,775	20,394	23,919
Investments	-3,224	58,933	62,402	57,896	85,504	774,979
Investments in Government obligations						
United States	16,108	25,980	11,799	18,451	11,144	37,652
State and local	3,863	6,497	7,270	2,291	20,182	168,069
Other current assets	98,516	114,939	94,391	80,559	248,002	419,164
Loans to other firms	12,443	9,472	2,194	5,161	47,211	2,885
Mortgage and real estate loans	6,406	35,889	27,430	5,672	15,568	354,628
Other investments	131,906	292,910	322,577	503,035	926,100	1,038,307
Depreciable and amortizable assets	924,771	1,102,110	1,294,403	922,844	2,370,923	2,217,669
Less: Accumulated depreciation	346,359	338,824	402,700	249,895	855,494	676,613
Less: Accumulated depreciation	1,535	502	-	-	3,480	-
Land	118,948	154,893	105,566	145,668	154,380	160,588
Intangible assets (amortizable)	45,811	28,657	15,629	11,315	19,798	29,831
Less: Accumulated amortization	23,297	9,124	2,087	2,285	7,508	12,215
Other assets	102,910	137,123	162,714	197,990	363,687	378,425
Total liabilities	1,472,162	2,156,113	2,181,160	2,226,432	4,244,234	6,156,271
Accounts payable and other payables	114,266	258,314	169,512	237,817	309,795	493,032
Mortgages, notes, and other payables in excess of cash	206,465	299,085	247,112	319,781	278,830	415,130
Other current liabilities	92,647	133,371	173,158	102,822	439,603	1,125,953
Loans from other firms	25,322	30,633	18,438	25,200	68,238	1,916
Mortgages, notes, and other payables in the year from	475,277	637,682	747,874	798,224	1,396,077	1,409,905
Other liabilities	68,561	121,087	114,904	159,127	447,357	617,319
Capital stock	171,176	135,063	147,992	97,626	241,846	483,033
Paid-in or capital surplus	243,673	345,279	431,427	365,583	537,125	715,137
Retained earnings, appropriated	7,095	7,969	1,454	3,016	1,400	7,973
Retained earnings, unappropriated	90,325	200,276	263,574	149,412	552,117	930,242
Less: Part of treasury stock	12,645	12,645	34,287	32,178	26,154	45,369
Total receipts	1,336,647	2,153,188	1,838,703	1,632,438	3,839,757	3,839,757
Business receipts	1,260,694	2,060,802	1,755,753	1,488,429	2,746,990	3,535,712
Interest on Government obligations						
United States	192	773	764	838	935	3,461
State and local	866	413	856	1,416	983	2,805
Other interest	10,250	15,279	19,245	25,918	36,808	70,210
Rents	13,450	18,567	16,021	36,711	110,566	54,930
Repayments	2,680	11,589	3,606	2,244	5,208	42,595
Net short-term capital gain reduced by net long-term capital loss	283	88	70	102	5	72
Net long-term capital gain reduced by net short-term capital loss	8,372	5,477	11,210	9,071	17,445	20,019
Net gain, noncapital accounts	6,616	6,074	3,544	3,075	3,063	9,816
Dividends, domestic corporations	1,463	1,496	2,125	1,643	4,640	4,319
Dividends, foreign corporations	728	1,844	899	4,461	1,342	18,468
Other receipts	31,053	50,786	24,590	58,508	54,243	77,330
Total deductions	1,355,433	2,146,420	1,797,754	1,608,446	2,938,812	3,675,894
Cost of sales and permits	747,607	1,429,108	1,130,557	960,543	1,631,155	1,853,267
Compensation of officers	33,154	47,203	27,730	36,169	26,003	23,216
Repairs	16,474	14,354	16,006	13,878	46,053	52,176
Bad debts	15,554	13,266	5,466	16,367	39,019	14,365
Rent paid on business property	55,578	65,348	62,743	59,270	98,012	77,157
Taxes paid	51,436	69,043	57,666	49,371	113,247	103,501
Interest paid	45,337	68,190	70,073	73,084	140,682	158,671
Contributions or gifts	578	784	767	590	2,040	3,988
Amortization	773	2,359	427	997	2,482	880
Depreciation	76,138	101,383	110,650	76,379	229,926	480,618
Depletion	125	61	24	47	361	65
Advertising	35,714	17,626	15,235	21,843	22,702	109,226
Pension, profit sharing, stock bonus, annuity plans	11,870	13,008	9,640	9,707	34,288	13,611
Other employee benefit plans	3,644	4,587	5,688	4,580	28,097	5,801
Net loss, noncapital assets	2,674	1,618	1,991	273	9,345	1,602
Other deductions	258,777	301,475	283,001	285,318	515,400	777,750
Total receipts less total deductions	-18,786	6,768	40,949	23,992	41,709	163,863
Constitutive taxable income from related foreign corporations	351	220	343	3,767	1,706	8,049
Net income (less deficit) (6) plus or minus (38)	-19,301	6,575	40,436	26,323	52,392	169,107
Net income	49,541	56,861	85,491	68,490	173,574	210,975
Deficit	68,842	50,286	45,055	42,167	121,182	41,868
Statutory special deductions, total	10,279	6,674	7,969	2,584	5,108	6,949
Net operating loss carry over	9,050	5,404	6,155	960	1,042	3,262
Dividends received deduction	1,206	1,270	1,812	1,591	3,948	3,671
Deduction for dividends paid on certain public utility stocks	-	-	-	-	-	-
Western Hemisphere Trade Corporation deduction	23	-	2	33	118	16
Income subject to tax	39,925	50,701	78,757	67,090	169,179	204,367
Income tax, total	18,387	23,982	37,745	31,560	79,902	97,824
Surcharge	395	568	943	876	1,817	3,059
Additional tax for tax preferences	45	41	89	53	133	504
Investment credit	522	415	438	392	2,004	4,524
Net income (less deficit) after tax (6) minus (7) plus (7)	-37,166	-16,992	3,129	-4,845	-25,506	75,807
Net income after tax	31,714	33,378	48,232	37,331	95,685	117,675
Distributions to stockholders:						
Tax and property except own stock	5,497	11,767	17,467	12,596	51,817	46,385
Corporation's own stock	382	2,352	1,612	2,721	17,738	13,776

1. Includes "Nature of business not allowable" which is not shown separately.
 2. Less than \$500 per ret.
 NOTE: See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

ACTIVE CORPORATION RETURNS OTHER THAN FORM 1120S

Table 20.—NUMBER OF RETURNS, TOTAL ITEMS OF TAX PREFERENCE, AND ADDITIONAL TAX FOR TAX PREFERENCES, BY MAJOR INDUSTRY

Major industry	Number of returns	Total items of tax preference		Additional tax for tax preferences	Number of returns with tax preference	Percentage of returns with tax preference
		Number of items	Value			
All industries	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	100.0
Manufacturing	100,000	100,000	100,000	100,000	100,000	100.0
Food and kindred products	10,000	10,000	10,000	10,000	10,000	100.0
Textile mill products	10,000	10,000	10,000	10,000	10,000	100.0
Apparel and other fabricated textile products	10,000	10,000	10,000	10,000	10,000	100.0
Lumber and wood products, except furniture	10,000	10,000	10,000	10,000	10,000	100.0
Furniture and fixtures	10,000	10,000	10,000	10,000	10,000	100.0
Paper and allied products	10,000	10,000	10,000	10,000	10,000	100.0
Printing and publishing	10,000	10,000	10,000	10,000	10,000	100.0
Chemicals and allied products	10,000	10,000	10,000	10,000	10,000	100.0
Petroleum and petroleum products	10,000	10,000	10,000	10,000	10,000	100.0
Rubber and miscellaneous plastics	10,000	10,000	10,000	10,000	10,000	100.0
Leather and leather products	10,000	10,000	10,000	10,000	10,000	100.0
Stone, clay, and glass products	10,000	10,000	10,000	10,000	10,000	100.0
Primary metal industries	10,000	10,000	10,000	10,000	10,000	100.0
Fabricated metal products, except machinery and equipment	10,000	10,000	10,000	10,000	10,000	100.0
Machinery, except electrical	10,000	10,000	10,000	10,000	10,000	100.0
Electrical equipment, apparatus, and supplies	10,000	10,000	10,000	10,000	10,000	100.0
Motor vehicles and equipment	10,000	10,000	10,000	10,000	10,000	100.0
Transportation equipment, except motor vehicles	10,000	10,000	10,000	10,000	10,000	100.0
Scientific instruments, photographic equipment, and motion picture equipment	10,000	10,000	10,000	10,000	10,000	100.0
Miscellaneous manufactured products and miscellaneous	10,000	10,000	10,000	10,000	10,000	100.0
Transportation, communication, and utility	100,000	100,000	100,000	100,000	100,000	100.0
Transportation	100,000	100,000	100,000	100,000	100,000	100.0
Communication	100,000	100,000	100,000	100,000	100,000	100.0
Electric, gas, and sanitary service	100,000	100,000	100,000	100,000	100,000	100.0
Wholesale and retail trade	100,000	100,000	100,000	100,000	100,000	100.0
Wholesale trade	100,000	100,000	100,000	100,000	100,000	100.0
Groceries and related products	100,000	100,000	100,000	100,000	100,000	100.0
Machinery, equipment, and supplies	100,000	100,000	100,000	100,000	100,000	100.0
Miscellaneous wholesale trade	100,000	100,000	100,000	100,000	100,000	100.0
Retail trade	100,000	100,000	100,000	100,000	100,000	100.0
Building materials, hardware, and farm equipment	100,000	100,000	100,000	100,000	100,000	100.0
General merchandise stores	100,000	100,000	100,000	100,000	100,000	100.0
Food stores	100,000	100,000	100,000	100,000	100,000	100.0
Automotive dealers and service stations	100,000	100,000	100,000	100,000	100,000	100.0
Apparel and accessories	100,000	100,000	100,000	100,000	100,000	100.0
Furniture, home furnishings, and equipment stores	100,000	100,000	100,000	100,000	100,000	100.0
Eating and drinking places	100,000	100,000	100,000	100,000	100,000	100.0
Miscellaneous retail trade	100,000	100,000	100,000	100,000	100,000	100.0
Finance, insurance, and real estate	100,000	100,000	100,000	100,000	100,000	100.0
Banking	100,000	100,000	100,000	100,000	100,000	100.0
Credit agencies other than banks	100,000	100,000	100,000	100,000	100,000	100.0
Security and commodity brokers, dealers, exchanges, and related activities	100,000	100,000	100,000	100,000	100,000	100.0
Holding and other investment companies	100,000	100,000	100,000	100,000	100,000	100.0
Insurance carriers	100,000	100,000	100,000	100,000	100,000	100.0
Insurance agents, brokers, and service organizations	100,000	100,000	100,000	100,000	100,000	100.0
Real estate	100,000	100,000	100,000	100,000	100,000	100.0
Services	100,000	100,000	100,000	100,000	100,000	100.0
Hotels and other lodging places	100,000	100,000	100,000	100,000	100,000	100.0
Personal services	100,000	100,000	100,000	100,000	100,000	100.0
Business services	100,000	100,000	100,000	100,000	100,000	100.0
Automobile services and miscellaneous repair services	100,000	100,000	100,000	100,000	100,000	100.0
Amusement and recreation services	100,000	100,000	100,000	100,000	100,000	100.0
Other services	100,000	100,000	100,000	100,000	100,000	100.0
Nature of business not all rated	100,000	100,000	100,000	100,000	100,000	100.0

(*) Estimate is not shown separately because of small sample variability. However, the data are included in the appropriate total.
 NOTE: Number of returns may not add to total because of rounding. See text for explanatory statement, and "Description of Sample Limitations" in the notes.

ACTIVE CORPORATION RETURNS WITH TAX PREFERENCE ITEMS (OTHER THAN FORM 1120S)

Table 21.—NUMBER OF RETURNS, TAX PREFERENCE AND RELATED ITEMS, BY INDUSTRIAL DIVISION

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

Item	All Industries	Industrial division								
		Agriculture, forestry, and fishery	Mining	Contract construction	Manufacturing	Transportation, communication, electric, gas, and sanitary services	Wholesale and retail trade	Finance, insurance, and real estate	Services	Nature of business not allocable
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total returns, other than Form 1120S, with tax preference items shown.....	79,964	1,967	2,758	4,223	12,016	2,385	12,513	37,766	6,298	(*)
Items of tax preference--										
Excess investment interest:										
Number of returns.....	2,882	(*)	(*)	134	118	(*)	460	1,694	274	-
Amount.....	23,385	(*)	(*)	409	2,784	(*)	2,702	14,242	1,579	-
Accelerated depreciation on--										
Low-income rental housing:										
Number of returns.....	544	(*)	(*)	(*)	88	(*)	92	258	(*)	-
Amount.....	11,091	(*)	(*)	(*)	3,429	(*)	816	4,299	(*)	-
Other real property:										
Number of returns.....	46,905	899	384	2,249	8,588	1,314	7,537	21,796	4,113	(*)
Amount.....	908,156	3,148	4,952	17,120	470,601	49,448	87,648	214,675	55,531	(*)
Personal property subject to a net lease:										
Number of returns.....	992	(*)	(*)	(*)	135	(*)	263	303	159	-
Amount.....	11,104	(*)	(*)	(*)	3,562	(*)	1,340	4,011	713	-
Amortization of--										
Certified pollution control facilities:										
Number of returns.....	247	(*)	4	(*)	168	10	(*)	(*)	-	-
Amount.....	5,029	(*)	50	(*)	3,113	1,360	(*)	(*)	-	-
Railroad rolling stock.....										
Number of returns.....	61	-	-	-	11	35	(*)	11	(*)	-
Amount.....	177,846	-	-	-	6,285	164,077	(*)	7,456	(*)	-
Stock options:										
Number of returns.....	45	-	-	-	30	(*)	2	(*)	(*)	-
Amount.....	1,117	-	-	-	595	(*)	98	(*)	(*)	-
Reserves for losses on bad debts of financial institutions:										
Number of returns.....	7,741	1	-	-	(*)	1	(*)	7,703	2	(*)
Amount.....	629,997	20	-	-	(*)	737	(*)	625,641	54	(*)
Depletion:										
Number of returns.....	5,718	232	2,508	237	657	153	459	1,377	91	-
Amount.....	2,799,221	6,464	489,176	9,868	2,166,383	83,784	20,710	22,214	622	-
Capital gains:										
Number of returns.....	30,906	1,036	483	2,213	4,945	1,206	4,882	13,924	2,197	(*)
Amount.....	1,210,170	20,269	38,140	18,456	646,649	57,723	69,563	316,987	42,368	(*)
Type of tax preference not stated:										
Number of returns.....	50	-	(*)	-	(*)	-	(*)	(*)	-	-
Amount.....	6,363	-	(*)	-	(*)	-	(*)	(*)	-	-
Total items of tax preference.....	5,783,690	30,925	533,261	46,573	3,312,115	358,972	183,703	1,215,148	102,934	(*)
Statutory exclusion:										
Number of returns.....	77,013	1,958	2,687	4,147	11,463	2,244	11,655	36,690	6,130	(*)
Amount.....	615,511	13,996	47,040	19,414	97,452	17,494	51,267	328,943	39,846	(*)
Total items of tax preference less statutory exclusion:										
Number of returns.....	17,347	185	1,171	562	3,258	600	2,341	8,096	1,130	-
Amount.....	5,168,048	16,924	486,202	27,151	3,214,651	341,473	132,428	886,143	63,076	-
Total items of tax preference less statutory exclusion and tax used as an offset:										
Number of returns.....	5,806	47	740	81	579	91	270	3,800	194	-
Amount.....	2,819,525	6,213	240,833	9,105	1,929,419	202,663	30,798	377,459	23,035	-
Tentative additional tax for tax preferences:										
Number of returns.....	5,806	47	740	81	579	91	270	3,800	194	-
Amount.....	279,483	607	23,614	903	192,192	20,202	2,889	37,113	1,963	-
1970 net operating loss eligible for carry-over:										
Number of returns.....	1,122	(*)	227	30	137	20	149	462	81	-
Amount.....	1,429,879	(*)	184,737	42,495	551,463	403,906	17,088	162,485	63,931	-
Deferred additional tax for tax preferences:										
Number of returns.....	1,122	(*)	227	30	137	20	149	462	81	-
Amount.....	15,672	(*)	4,848	445	5,043	905	224	3,500	649	-
Tentative additional tax for tax preferences less deferral:										
Number of returns.....	4,855	36	557	53	457	72	123	3,435	119	-
Amount.....	263,781	549	18,769	458	187,102	19,296	2,664	33,627	1,316	-
Additional tax for tax preferences deferred from prior years:										
Number of returns.....	41	-	(*)	(*)	4	-	(*)	20	(*)	-
Amount.....	135	-	(*)	(*)	8	-	(*)	105	(*)	-
Additional tax for tax preferences:										
Number of returns.....	4,870	36	557	56	459	73	124	3,443	119	-
Amount.....	265,207	549	18,772	498	187,120	20,472	2,667	33,810	1,310	-

(*) Estimate is not shown separately because of high sampling variability. However, the data are included in the appropriate totals.

NOTE: Number of returns may not add to totals because of rounding. See text for explanatory statements and for "Description of the Sample and Limitations of the Data."

The following explanations include definitions and limitations of classifications used, and adjustments made in preparing the statistics. These explanations are designed to aid the user in interpreting the statistical content of this report and should not be construed as interpretations of the Internal Revenue Code, or related regulations, procedures, or policies. Code sections cited were those in effect for 1970.

Accounting periods

These are discussed under "Time Period Covered" in section 1.

Accounts payable

Accounts payable were liability amounts of relatively short duration not secured by notes of indebtedness. Generally, only liabilities which arose during the normal course of conducting the trade or business were included. Nontrade payables were includable in the statistics for "other current liabilities."

Deposits and withdrawable shares may have been reported in accounts payable by banks and savings institutions. When identified, such amounts were transferred to "other current liabilities."

Accumulated amortization

See "Intangible assets."

Accumulated depletion

See "Depletable assets."

Accumulated depreciation

See "Depreciable assets."

Active corporation returns

Active corporation returns were those with any items of income or deduction. They comprised the vast majority of the returns filed and were the basis for all financial statistics presented.

Additional tax for tax preferences

This was a special tax ("minimum tax") on excessive amounts of "economic income" resulting from certain kinds

of investments and deductions considered as "tax preferences." For the most part, the 10 percent tax was levied on the sum of a corporation's (a) "tax preferences" which exceeded a \$30,000 exclusion plus (b) the regular income tax (reduced by foreign tax credit and investment credit). A discussion of each of the "tax preferences" is included under "Tax preference items" in this section.

In general, all corporations were liable for the additional tax. However, regulated investment companies were subject to the tax only on amounts attributable to tax preferences not passed through to their shareholders. Small Business Corporations electing to be taxed through their shareholders (Form 1120S) were taxable only on certain of their capital gains, and for this reason they were subject to the additional tax only on these capital gains (the amounts so taxed are not shown in the statistics). In addition, members of a controlled group of corporations filing separate returns, were required to apportion a single \$30,000 exclusion among the members of the group. For taxable years beginning in 1969 and ending in 1970, a proration of the tax based on a ratio of the number of days in 1970 to the total number of days in the taxable year was required.

The computation of the tax for returns other than Form 1120S is shown in detail on a facsimile of Form 4626 in section 6. In brief, the computation went as follows:

- (1) All tax preference items were totaled.
- (2) From this total, the \$30,000 "statutory exclusion" was subtracted.
- (3) "Income tax available as an offset" (including normal tax, surtax, and capital gains tax after foreign tax credit and investment credit and tax from recomputing prior year investment credit) was deducted from (2) but only to the extent that the tax did not exceed the result from (2). The amount remaining was "Total items of tax preference less statutory exclusion and tax used as an offset."
- (4) "Tentative additional tax for tax preferences" was computed by multiplying "Total tax preferences less statutory exclusion and tax used as an offset" by 10 percent.

(5) The tentative additional tax was reduced by 10 percent of the "1970 net operating loss remaining as a carryover to a succeeding year." If the corporation was unable to offset the 1970 "net operating loss" by carrying it back as a deduction from the net income of the 3 preceding years, it was allowed to carry it over to future years. Therefore, while a 1970 net operating loss could be used to reduce 1970 "additional tax", this reduction was merely a deferral of tax until the loss was applied to reduce net

income in future years. For the future year(s) in which the net operating loss was deducted, the additional tax was imposed on the amount by which net income was reduced by the portion of the deduction equal to the preference items in excess of \$30,000. (See "Statutory special deductions" for a definition of "net operating loss").

(6) The amount by which the tentative tax was reduced by deferred net operating loss deductions described in (5) is shown as the "Deferred additional tax for tax preferences" and represents amounts includable in the "additional tax for tax preferences" for future years.

(7) Finally, "Additional tax for tax preferences" was the sum of "tentative additional tax for tax preferences" reduced by 10 percent of the "1970 net operating loss remaining as a carryover to a succeeding year," plus the "Additional tax for tax preferences deferred from prior years." The latter was of limited significance for the 1970 statistics and represented only the tax deferred from 1969 net operating losses for accounting periods ended January through June 1970.

Additional tax under controlled group provisions

Included in this item were (1) the increase in tax for members of controlled groups which allocated a single surtax exemption among the members of the group under the provisions of section 1561 of the Internal Revenue Code, and (2) the 6 percent penalty tax imposed by the provisions of section 1562 and 1564 on members of those controlled groups which elected to claim multiple surtax exemptions.

For those corporations which allocated a single surtax exemption under section 1561, the additional tax was derived for the statistics to represent the extra tax, computed at the surtax rate, which resulted from the difference between the exemption normally allowed each corporation and the corporation's share of the group exemption.

Under section 1562 each group member was allowed a full surtax exemption. The 6 percent penalty tax was required for each member of the group reporting taxable income and was in addition to regular normal tax and surtax (or alternative tax) on taxable income. However, if only one member of the group reported taxable income, no penalty tax was required of that member. Additional tax was computed at 6 percent of the surtax exemption. The maximum additional tax was \$1,500 (6 percent of \$25,000) for tax years ending before December 31, 1970 and \$1,250 for tax years including December 31, 1970. (See the Changes in Law section for a discussion of the effect of the gradual elimination under section 1561 of the multiple surtax exemption allowed controlled groups.)

In order to provide more representative statistics of the additional tax under section 1562 (and 1564) special treatment was required in the course of data processing. The additional tax was a derived amount rather than the amount reported on the tax return line. This was because data were processed in thousands of dollars. Therefore, in order to avoid distortion caused by rounding the penalty tax to either \$1,000 or \$2,000, the tax was derived instead by taking 6 percent of the exemption and prorating the results according to the number of months in the accounting period for which the corporation was subject to the

"controlled group" provisions. Results in full dollars were later processed in thousands of dollars.

Income tax shown throughout this report includes the additional tax under controlled group provisions. For additional information on controlled groups, see the discussion of "Members of controlled groups."

Advertising

Advertising expenses were allowable as a deduction under Code section 162 if they were ordinary and necessary and bore a reasonable relation to the trade or business of the corporation. The amount shown in the statistics includes advertising identified as a cost of sales or operations as well as advertising separately identified as a business deduction.

The amounts shown are understated because (1) types of expenditures covered by the deduction varied somewhat from company to company, (2) a few companies did not separately identify advertising when it was included in the cost of sales and operations, and (3) certain kinds of advertising expenditures, such as for billboards, were capitalized and recovered only as part of depreciation.

Allowance for bad debts

Allowance for bad debts, as reported on the balance sheet, was the reserve or allowance set aside to cover uncollectible or doubtful notes, accounts, and loans. See also, "Notes and accounts receivable."

Alternative tax

Alternative tax is discussed under "Income tax" in this section.

Amortization

Amortization was the sum of:

- (1) Mineral exploration and development expenditures (Code sections 615 and 616),
- (2) Organizational expenditures (section 248),
- (3) Trademark and trade name expenditures (section 177),
- (4) Research and experimental expenditures (section 174).

Amortization also included accelerated writeoffs in lieu of depreciation for:

- (5) Certified pollution control facilities (section 169),
- (6) Coal mining safety equipment (section 187),
- (7) Railroad rolling stock (section 184),
- (8) Railroad grading and tunnel bores (for tax years beginning after December 31, 1969) (section 185),

(9) Any remaining deductions for emergency facilities for the national defense, certified by the Federal Government before 1960. Actual amortization over the 60-month period provided by Code section 168 may have been delayed by (a) the time required to complete the facility and by (b) the election to begin amortization with the next full taxable year after acquisition or completion of the facility.

Amounts shown include amortization reported as a manufacturing or operating cost.

Annual returns

These were returns filed for the twelve-month accounting period ended December 1970.

Assets and liabilities

See "Total assets and total liabilities" in this section.

Assets, zero

See, "Zero assets" in this section.

Bad debts

Bad debts occurring during the year, or a reasonable addition to an allowance or reserve for bad debts, were allowable as a deduction under Code section 166.

When bad debts which were not recovered during a year were deducted using the reserve method the amount recovered was regarded as an income item and included in "other receipts." Sections 585, 586, and 593 defined the acceptable reserve methods of accounting for bad debts for financial institutions. See the discussion of bad debt deduction of financial institutions in the Changes in Law section.

For banks and other financial institutions, corporate or government debts evidenced by certain bonds which became worthless during the year were chargeable as bad debts under Code section 582. For other corporations, such losses were subject to the special capital gain or loss provisions of the law.

Business receipts

Business receipts were, in general, the gross operating receipts of the corporation reduced by the cost of returned goods and allowances.

Business receipts included rents reported as a principal business income by real estate operators and by certain types of manufacturing, public utility, and service corporations. The latter corporations included manufacturers that frequently rented products rather than sold them, such as automatic data processing equipment; lessors of public utility facilities such as docks, warehouses, and pipelines; and companies engaged in rental services, such as the rental of automobiles or clothing.

Some corporations treated excise and related taxes which were included in the sales price of their products as part of their gross receipts from sales; others reported their receipts after adjustment for these taxes. When treated as receipts, excise and related taxes were deducted on the tax return as part of the cost of goods sold or were included in the separately itemized deduction for taxes paid. In any case, the receipts as reported by the taxpayer were included in the statistics. See also, "Cost of sales and operations."

In the finance division, business receipts included such banking items as fees, commissions, trust department earnings, exchange collections, discounts, and service charges, when identified in schedules attached to the return. In some instances, such income included interest which was not separately identified. (Interest, the principal operating income of banking and savings institutions, is shown separately in the statistics and is therefore excluded from business receipts.) Premium income of most insurance compa-

nies was also included in business receipts. However, certain mutual insurance companies with total receipts of less than \$500,000 were not required to report premium income. Therefore, total business receipts for insurance carriers are slightly understated.

Generally, in the finance division, income from investments, when identified in schedules attached to the return, was allocated to one of the specific types of investment income for which statistics are shown separately. Rent or cooperative apartment assessments reported by real estate operators, however, were accepted as business receipts.

Business receipts reported by stock and commodity brokers, dealers, and exchanges, and by real estate subdividers, developers, and operative builders, required special statistical treatment. For these operations, net profit or loss from sales of stock or real estate, when identifiable, was allocated to the statistics for net gain or loss from noncapital assets. If the corporation reported both business receipts and cost of sales without identifying the source, and the cost of sales was 50 percent or more of the business receipts, the items were considered to include stock or real estate transactions and only the net gain or loss was used for the statistics. Otherwise, business receipts for these companies were used as reported and included commissions and service fees.

Capital stock

Capital stock represented amounts of outstanding shares, both common and preferred, of ownership in the corporation as shown in the balance sheet.

Cash

Cash, as reported in the balance sheet, was the amount of currency or instruments and claims generally used and accepted as money.

Compensation of officers

Compensation of officers of the corporation included amounts reported in the income statement of the return (or in supporting schedules) as salaries, wages, stock bonuses, bonds, or other benefits, if the item was identified as having been paid to officers for personal services rendered. It was sometimes not possible to identify officer compensation on returns when the amount was included in another deduction item such as in an overall employee compensation figure.

Consolidated returns

Consolidated returns were income tax returns which contained the combined financial data of two or more corporations meeting the following requirements: (1) a common parent corporation owned at least 80 percent of the voting power of all classes of stock and at least 80 percent of each class of nonvoting stock (except stock which was limited and preferred as to dividends) of at least one member of the group, and (2) these same proportions of stock of each other member of the group were owned within the group.

The filing of a consolidated return for a parent corporation and its subsidiaries constituted an election of group reporting, which, with certain exceptions, had to be followed

in subsequent years. The consolidated filing privilege could be granted to all affiliated domestic corporations connected through stock ownership with a common parent corporation except: (1) regulated investment companies, (2) real estate investment trusts, (3) corporations deriving a large percentage of their gross income from sources within a U.S. possession, (4) corporations designated tax-exempt under Code section 501, and (5) China Trade Act corporations. Affiliated insurance companies were allowed to file a consolidated return if they were taxable under the same provisions of the Code; however, noninsurance companies with which they also may have been affiliated could not be included in the same return.

A consolidated return, filed by the common parent company, was treated as a unit, each statistical classification being determined on the basis of the combined data of the affiliated group. Therefore, filing changes to or from a consolidated return basis affect year-to-year comparability of the statistics.

Constructive taxable income from related foreign corporations

This represented the sum of (1) includable income of Controlled Foreign Corporations, and (2) foreign dividend income resulting from foreign taxes deemed paid. Each of these items is discussed under separate headings.

Contributions or gifts

Contributions or gifts to charitable, religious, educational, and similar organizations were deductible under Code sections 170, 809, and 882. In general, the deduction was limited to 5 percent of net income computed without regard to this deduction; certain additional adjustments were required in the case of life insurance companies. Amounts contributed in excess of this limitation during the 5 preceding years could be carried forward and included in the current year's deduction so long as the sum of the current-year contributions and the amounts carried forward did not exceed the limitation based on current-year income. The excess was again carried forward until the 5-year carryover period expired. The amounts shown for 1970 therefore, include some contributions actually made in previous years.

Controlled groups

See "Members of controlled groups."

Cost of property used for investment credit

Cost of property used for investment credit was the total amount invested in certain depreciable assets, principally machinery and equipment with a useful life of 4 years or more, that was reported in connection with the computation of the investment credit. Included were amounts reported for which the credit could not be claimed for 1970 either wholly or in part, because of the absence of income tax against which the credit was applied, or because of the limitations on the size of the allowable credit in any one year. Also included were amounts allocated by Small Business Corporations filing under Code section 1372, for use by their shareholders in computing their investment credit.

The cost of used property eligible for investment credit was limited to \$50,000. Additional information about the depreciable property eligible for investment credit may be found under the heading, "Investment credit."

Although corporations generally reported their investments at cost, most corporations claiming the investment credit for leased property used the fair market value instead.

The cost of property used for investment credit was reported for the year the property was placed in service. Therefore, the amount shown for 1970 represents, for the most part, the cost of property contracted for prior to the April 18, 1969, repeal date of the investment credit. See "Investment credit" in this section. However, it also includes any cost of property subject to the temporary suspension of the credit from October 10, 1966, through March 9, 1967. The total cost of such properties was not required to be reported separately.

Cost of sales and operations

Cost of sales and operations generally comprised the *direct* costs incurred by the corporation in producing goods or providing services. Included were cost of materials used in manufacturing, cost of goods purchased for resale, direct labor, and operating expenses.

Operating expenses, considered part of the cost of goods sold, included excise and related taxes only if the corporation treated these taxes as part of the sales price of the product. When these taxes were identified in cost of goods sold schedules, they were added to the statistics shown for the separate deduction for taxes paid. Similarly, operating expenses for depreciation, depletion, amortization, rent of buildings or real estate, advertising, contributions to pension plans, and contributions to other employee benefit plans, were transferred to their respective deduction categories when identified in cost of sales and operations schedules.

The income or loss from sales of securities or real estate by certain financial institutions was transferred from business receipts, and the net profit or loss from these transactions included in net gain or loss from sales or exchanges of noncapital assets. Therefore, the cost of such sales was excluded from cost of sales and operations. (See "Business receipts.")

Cost of treasury stock

Cost of treasury stock was the total value of issued common or preferred stock, which had been reacquired, was held at the end of the year by the issuing corporation, and was available for resale or cancellation. The issuing corporation may have reacquired the capital stock by purchase, by donation to the corporation, or in settlement of a debt due the corporation. Treasury stock was not part of capital stock outstanding and did not include unissued capital stock.

The amounts shown may be somewhat understated. Treasury stock intended for resale may have been reported as an asset on some tax returns and if not clearly identified would have been included in the statistics for "other investments."

Credit for tax paid by regulated investment companies

Regulated investment companies were required to pay a tax (at capital gains rates) on amounts of undistributed net long-term capital gain less net short-term capital loss. Shareholder corporations, for their part, were required to include in the computation of their long-term capital gains any such gains designated by the parent as undistributed dividends. The shareholder corporations were then deemed to have paid the tax on the undistributed long-term capital gain dividends and were allowed a credit (or a refund) for the tax deemed paid. It is this credit which comprises this item.

Credit for U.S. tax paid on special fuels, nonhighway gasoline and lubricating oil

This was a credit allowed in full or in stated amounts by section 39 of the Code for excise taxes on: (1) gasoline used on farms for farming purposes, (2) gasoline used for off-highway purposes or by local transit systems and, (3) fuels for nontaxable purposes or resold during the taxable year. Number (3) was added by the Airport and Airway Revenue Act of 1970 for certain commercial aviation fuel used or sold after June 30, 1970 (see the Changes in Law section).

These taxes could be applied as a credit against income tax liability as an alternative to having the taxes refunded directly.

Deduction for dividends paid on certain public utility stock

See "Statutory special deductions."

Deficit

See "Net income or deficit."

Depletable assets

Depletable assets represented, in general, the gross end-of-year value of mineral property, oil and gas wells, other natural deposits, standing timber, intangible development and drilling costs capitalized, and leases and leaseholds, each subject to depletion. Accumulated depletion represented the cumulative adjustment to these assets shown on the corporation's books of account. In some instances, depletable assets may have been reported as land, or as "other investments," and could not be identified for this report.

The value of depletable assets and accumulated depletion may not be closely related to the current-year depletion deduction. The balance sheet accounts reflected book values; the depletion deduction reflected the amount claimed for tax purposes.

Depletion

Depletion was a deduction allowable for the exhaustion of natural deposits or timber. The depletion was computed on the basis of cost for standing timber. In the case of natural deposits the depletion could be computed either on the basis of cost or upon a fixed percentage of the gross income, less rents and royalties, from the depletable property. Generally, for gas and oil wells the gross in-

come was the actual sales price, or representative market or field price if the oil or gas was later converted or manufactured prior to sale. For other minerals, gross income was the gross income from mining, defined to include not only the extractive processes, but also certain treatment processes. Also included as gross income were exploration expenditures, previously deducted, that were required under certain provisions of Code section 617 to be recaptured when the mine reached the production stage.

Percentage depletion, though based on percentages of gross income from their depletable property, was limited. It could not exceed 50 percent of the taxable income from the property, computed without the depletion deduction. Revised percentage rates for each type of deposit were listed in Code section 613 and ranged from 5 to 22 percent. See the discussion of depletion rates in the Changes in Law section.

Under elective provisions of the Code, exploration and development expenditures connected with certain domestic natural deposits (except oil and gas), generally, could be deducted currently, treated as deferred expenses, or capitalized. The amounts deferred or capitalized were not to be reported as depletion.

The amounts shown in the statistics also include any identifiable depletion reported as a cost of sales or operations.

Depreciable assets

Depreciable assets, reported on the corporation's end-of-year balance sheet, consisted of tangible property (such as buildings and equipment) which was used in the trade or business or held for the production of income and which had a useful life of one year or more. The statistics for depreciable assets exclude those intangible assets which were depreciable or amortizable for tax purposes. Such assets, patents and copyrights for example, were includable in intangible assets. The amounts shown as accumulated depreciation represent the portion of the assets that were written off in the current year as well as in prior years.

The statistics for this item include Government-certified emergency facilities which were eligible for 5-year amortization in lieu of regular depreciation. Also included, when the corporation reported them in its balance sheet as depreciable, were fully depreciated assets and partially completed assets for which no deduction was allowable.

The amounts shown are, in general, the gross amounts before adjustments for depreciation or amortization charged in current and prior years. Some corporations, however, reported only the net amount of depreciable assets after adjusting for these depreciation or amortization charges.

Among the corporations reporting only a net amount of depreciable assets were many insurance carriers reporting balance sheet information in the format required by state insurance regulations. This format usually provided for the reporting of only net depreciable assets and only the home and branch office buildings and equipment were included. Other real estate holdings of these corporations were reported as "other investments."

The value of depreciable assets and accumulated depreciation may not be closely related to the current-year depreciation deduction. The balance sheet accounts reflected book values; the depreciation deduction reflected the amount claimed for tax purposes.

Depreciation

Depreciation deducted as a reasonable allowance for the exhaustion, wear and tear, and obsolescence of business property was allowable under Code section 167. A deduction for depreciation was not allowable on inventories, or land apart from the physical improvements or developments added to it.

Several methods of computation could have been used in determining the deduction for the year. The most common method was straight line, whereby an equal amount is deducted in each year of the useful life of the asset. The declining balance and the sum of the years-digits methods, whereby a larger portion of the asset's cost is written off during the earlier years of its life than during its later years, were also commonly used. Accelerated methods of depreciation were restricted for public utilities and certain kinds of real property beginning in 1969. Property lives could be based on Internal Revenue standards for specific asset types, or "guideline lives" based on average industry practices for broad classes of assets. Corporations could use other computation methods and property lives only if they could be justified.

Amounts shown as depreciation include any identifiable depreciation reported as an operating or manufacturing cost. Also included in the statistics are amounts deducted on lease hold improvements, patents, and copyrights, as well as small amounts of additional first-year (section 179) depreciation (limited by law in the case of controlled group members beginning with taxable years ended December 1970). To comply with the definition of depreciation under the Internal Revenue Code, so-called amortization on station connections in the communications industry and of capitalized film production costs in the motion picture industry reported elsewhere in the return were also included in the statistics.

Distributions to stockholders

Distributions to stockholders consisted of the corporation's own stock, and of cash and other property, generally reported as part of the analysis of unappropriated retained earnings. Liquidating dividends, when identified, were excluded.

In those instances where a corporation reported one total for distributions to stockholders and did not identify this distribution as cash or stock, the total was treated as a distribution to stockholders in cash and property other than in the company's own stock.

For Small Business Corporations electing to be taxed through shareholders, distributions of money made within 2½ months after the close of the tax year were considered to be distributions of the corporation's undistributed taxable income of the preceding taxable year. Otherwise, the statistics do not include amounts taxed but not actually distributed to stockholders in 1970. Conversely, the statistics do include amounts taxed through stockholders in

previous years but not distributed until 1970.

Dividends received deduction

See "Statutory special deductions." See also, "Dividends received from domestic corporations."

Dividends received from domestic corporations

Dividends received from domestic corporations represented most distributions from current as well as accumulated earnings and profits of companies incorporated in the United States. For the most part, dividends received from domestic corporations included those recognized in computing the special deduction from net income for domestic intercorporate dividends received. (See "Statutory special deductions" in this section).

Certain domestic dividends, although not deductible, were nevertheless included in dividends received from domestic corporations. They were dividends received by regulated investment companies, real estate investment trusts, and Small Business Corporations electing to be taxed through shareholders. Certain other dividends not deductible were treated for the statistics as "other receipts."

For most of the domestic dividends received, the deductible portion was equal to 85 percent (about 62 percent for dividends received on certain public utility stock). However, a 100 percent deduction was allowed for dividends received by members of a controlled group from other members of the same controlled group. This deduction was allowed when the group did not elect to file a consolidated return and agreed instead to apportion a single \$25,000 surtax exemption among the group members. For members of controlled groups electing multiple surtax exemptions under section 1562 of the Code, the deductible portion was, in general, equal to 87.5 percent for 1970. The old rate of 85 percent was to increase to 100 percent by 2.5 percent annual increments over a 6-year period. This increase corresponded to the gradual elimination of the multiple surtax exemptions for these groups. See the Changes in Law section.

Dividend distributions among member corporations electing to file a consolidated return were eliminated as part of the consolidated reporting of tax accounts. For tax purposes, dividends, reported on these returns represented amounts received from corporations that were outside the tax-defined affiliated group.

Dividends received from foreign corporations

These dividends were paid from current as well as accumulated earnings and profits of companies incorporated in foreign countries.

Dividends from foreign corporations included:

(1) dividends subject to the 85 percent deduction, received by U.S. corporations from those foreign corporations at least 50 percent or more of whose gross income was effectively connected with business conducted in the United States,

(2) dividends, subject to the 100 percent deduction, received by U.S. corporations from wholly-owned foreign subsidiaries all of whose gross income was effectively connected with the conduct of United States trade or business, and

(3) any other foreign dividends including—

(a) minimum distributions of Controlled Foreign Corporation profits under subpart F of the Internal Revenue Code,

(b) certain gains from the sale, exchange, or redemption of Controlled Foreign Corporation stock, and

(c) foreign dividends received by Small Business Corporations electing to be taxed through shareholders.

Excluded from the dividend statistics was the “gross-up” of foreign taxes paid or deemed paid from the earnings and profits from which the dividends of subsidiaries incorporated in “developed” countries were distributed. This was done even though gross-up was considered by law to be part of the dividends received. Dividends only constructively received from foreign subsidiaries reported on the tax returns as “includable income of Controlled Foreign Corporations” were also excluded. If these amounts were actually distributed at a later date, they were neither retaxed nor reported. For the statistics, both items were combined and shown under “Constructive taxable income from related foreign corporations.” Table 8, however, shows them separately.

Foreign dividend statistics presented in this report are somewhat understated because of variations in taxpayer reporting. Some corporations reported certain foreign dividends as “includable income from Controlled Foreign Corporations,” since both were reported in the schedule for dividends received. Where identified, the amounts were treated as foreign dividends for the statistics.

Estimated tax payments

Estimated tax payments were quarterly installments required if a corporation's income tax (including tax from recomputing prior year investment credit) after foreign tax and investment credits was reasonably expected to exceed the sum of the exemption provided by section 6154 of the Code and any payment credits such as for Federal excise tax paid on special fuels, nonhighway gasoline and lubricating oil. The exemption, which was gradually reduced from \$100,000 in 1967 to \$40 beginning in 1977, was \$62,200 for taxable years beginning in 1969 and \$43,300 for those beginning in 1970. The last two amounts were based on the sum of the temporary estimated tax exemption (\$5,500) and the transitional exemption (\$56,700 for 1969 and \$37,800 for 1970). Estimated tax was the excess of the expected tax over the exemption.

Because of a change in the 1970 return form, it was possible to present separate statistics for “gross” estimated tax payments, quick refunds of estimated tax payments, credit for overpayment of prior year tax, and “net” payments after refunds. Prior to this, the statistics for estimated tax payments included the credit and (for 1968 and 1969) were “net” after refunds. The 1970 statistics for “total net estimated tax payments” (which include the credit and are after the refund) are comparable to the statistics for “estimated tax payments” in prior years. However, because corporations with accounting periods ended July through November 1970 filed using 1969 return forms, the statistics for estimated tax payments, credit for overpayment of prior year tax, and refunds of estimated tax payments, are slightly understated.

Also estimated tax payments shown in this report may be somewhat less than the legal maximum percentages of tax due because, under the provisions of Code section 6655, certain tolerances were allowed in the relationship of the installment payments to the tax. Besides the limitations based on law, payments shown in the statistics may be slightly understated because of taxpayer reporting variations and the inability to identify all of the amounts from the tax returns.

Foreign dividend income resulting from foreign taxes deemed paid

Foreign dividend income resulting from foreign taxes deemed paid related to certain foreign taxes on foreign profits of subsidiary companies incorporated in “developed countries” (defined in Code section 955). If dividends were distributed to a domestic corporation (from these foreign profits), the domestic corporation was required to increase (or “gross-up”) such dividends by a proportionate amount of the foreign taxes deemed paid on the foreign profits for which the domestic corporation claimed a foreign tax credit. See also, “Foreign tax credit.”

For all tables except table 8, foreign dividend income resulting from foreign taxes deemed paid is reflected in the statistics for “Constructive taxable income from related foreign corporations.” Table 8 shows the amounts separately.

Foreign tax credit

Foreign tax credit, based on Code section 901, was the reduction from the gross amount of income tax liability (including the surcharge, but excluding tax from recomputing prior year investment credit and additional tax for tax preferences) claimed for income, war profits, excess profits, and like taxes, paid or accrued, or under certain conditions, deemed to have been paid under sections 902 and 960, to foreign countries or U.S. possessions. Foreign corporations engaged in trade or business in the United States were also allowed the credit for foreign taxes paid on income effectively connected with the conduct of U.S. trade or business.

Taxes deemed to have been paid included amounts paid by a domestic corporation through a foreign corporation in which the domestic corporation held at least a 10 percent voting stock interest and from which the domestic corporation received dividends during the year, or through a foreign subsidiary, 50 percent of whose voting stock interest was held by the foreign corporation, in which the domestic corporation held at least a 10 percent voting stock interest. In the latter situation, the foreign subsidiary had to have paid dividends to the foreign corporation, which in turn had to have paid dividends to the domestic corporation during the tax year. The amount of foreign tax deemed paid by the domestic corporation in either case was equal to a proportion of the taxes paid by the foreign corporation or its subsidiary based on the ratio of dividends paid out of accumulated profits by the foreign company to its total accumulated profits. The foreign tax deemed paid also included amounts paid on certain income only constructively received from foreign sources. See the explanations of “Divi-

dividends received from foreign corporations" and "Includable income of Controlled Foreign Corporations."

In the case of taxes paid on foreign mineral income, the foreign tax credit was limited to the extent that (a) the foreign tax was in excess of the U.S. income tax payable on such income, and (b) the excess was due to the lower profits recognized for U.S. tax purposes because of the percentage depletion allowance.

The credit was limited by law. Either an "overall" limitation or a "per country" limitation could be used. Under the "overall" limitation the total credit allowable for all foreign taxes could not exceed that proportion of the U.S. tax which the total taxable income from outside the United States bore to the corporation's total taxable income. In contrast, under the "per country" limitation the credit allowable for taxes imposed by any one foreign country could not exceed that proportion of the United States tax which taxable income from that country bore to the corporation's total taxable income. However, Code section 904 provided for the carryback and carryforward of foreign taxes which were in excess of the limitation. Generally, such amounts could be carried back first to the 2 preceding taxable years and then forward to the 5 succeeding years. But, for the foreign corporations described above, no amount could be carried to or from a taxable year beginning before January 1, 1967. The amount of excess foreign taxes carried back for inclusion in the recomputed prior-year foreign tax credit is not available in *Statistics of Income*. Amounts remaining after carryback were carried forward and, to the extent they were within the limitation for 1970 were reflected in the foreign tax credit statistics for 1970.

As a result of the *carryback* provisions of the law, the foreign tax credit statistics for 1969 cannot represent the final amounts credited against tax. Such an amount would have to reflect, in addition to the results of subsequent audit, the *carryback* of some foreign taxes from 1971 and 1972.

The special capital gains tax imposed on Small Business Corporations electing to be taxed through shareholders could not be reduced by foreign tax credit since these companies were not eligible to claim the credit.

Income tax as shown in this report is before foreign tax credit.

For additional information, see the *Supplemental Report, Statistics of Income—1968 and 1969, Foreign Tax Credit Claimed on Corporation Income Tax Returns*.

Form 1120S

See "Small Business Corporation returns."

Inactive corporation returns

Inactive corporation returns were those showing no item of income or deduction. Returns could be filed by an inactive corporation in accordance with the regulation that a corporation in existence during any portion of the taxable year must file a return. The number of inactive corporation returns is presented in tables B and 22. Financial data from the returns of inactive corporations are excluded from this report.

Includable income of Controlled Foreign Corporations

Under Code section 951, this income represented constructive distributions of certain undistributed earnings of foreign corporations controlled by U.S. corporations. A corporation was considered controlled if more than 50 percent of its voting stock was controlled by U.S. persons (including corporations), each of which owned at least 10 percent of such voting stock.

The includable undistributed earnings comprised:

(1) Code subpart F income consisting of—

(a) "foreign base company income," which included foreign personal holding company income (income derived from specified types of investments), foreign base company sales income (generally, income from the sale of property produced in the United States or a foreign country by one corporation and sold by a related corporation organized in another country for use outside that country), and foreign base company service income;

(b) income attributable to premiums received on U.S. risks by foreign insurance companies that were Controlled Foreign Corporations.

(2) Any previously excluded subpart F income (subpart F income was not taxed if it was invested in qualified assets in less developed countries until withdrawn or remitted to the U.S. parent).

(3) Any increase in Controlled Foreign Corporation earnings due to investments in U.S. property.

Income from qualified investments in less developed countries, or from sales of U.S. exports, was specifically excluded from foreign base company income.

No constructive distribution of undistributed earnings was required if a certain minimum distribution of the earnings and profits of the Controlled Foreign Corporation was made. (See "Dividends received from foreign corporations.")

An analysis of some large corporation returns revealed instances of amounts reported as includable income of Controlled Foreign Corporations that were in fact dividends received from foreign corporations (both were reported in the schedule for dividends received). Where identified, they were transferred to the statistics for foreign dividends. Because the full extent of such variations in taxpayer reporting is not known, the amount shown in the statistics may be somewhat overstated.

Table 8 shows this income separately. In other tables it is combined with "Foreign dividend income resulting from foreign taxes deemed paid" under the heading "Constructive taxable income from related foreign corporations."

Income subject to normal tax, surtax, and alternative tax

The 1954 Code provided several tax bases for different types of corporations. These included the "taxable income" base defined by Code section 63, used by the majority of corporations, and to which the regular normal tax and surtax rates applied; a variation of this base in combination with long-term capital gain when the lower capital gain rate was applicable; the special capital gains tax base of Small Business Corporations electing to be taxed through their shareholders (see "Small Business Corporation re-

turns"); the several tax bases applicable to insurance companies; and the amounts taxable to regulated investment companies and real estate investment trusts. All of these tax bases are included under this heading (even though, strictly speaking, not all of the capital gains tax was based on the alternative tax computation). However, small amounts of regulated investment company undistributed long-term capital gains were excluded.

For most corporations, the income subject to tax consisted of net income minus certain additional deductions summarized in this report as statutory special deductions, (described under separate heading).

However, there were certain exceptions where total net income minus statutory special deductions did not equal income subject to tax. In some cases, the statutory special deductions for dividends received and for dividends paid on certain preferred stock of public utilities exceeded net income. For these returns, income subject to tax was reduced to zero and the excess of the two special deductions became the statutory loss for the year available for deduction purposes over the prescribed carryback and carryover period.

Also, the tax base applicable to life insurance companies, and to regulated investment companies, and real estate investment trusts was not defined as net income less statutory special deductions.

For life insurance company statistics, net income was derived from gain or loss from operations (which included the "company's share" of investment income) to which statutory special deductions were added back. Income subject to tax was the smaller of gain from operations and the "company's share" of investment income minus the deductions applicable, plus, when this investment income was the smaller, half the difference between income and gain from operations. To this total was added any amount subtracted from the policyholders' surplus account (which contained income nontaxable in the year earned, but taxable later on when withdrawn from this reserve account, even if the company had no current year net income).

In addition, the life insurance company provisions applied to mutual savings banks with life insurance departments; the banking and insurance departments were each separately taxed although data for the two departments were combined for the statistics. In the case of regulated investment companies and real estate investment trusts, any net long-term capital gain (reduced by net short-term capital loss) which was not distributed to shareholders was taxed to the companies, and always at the capital gains rate, even though the alternative tax was not allowed. The balance of undistributed income was taxed at the normal tax and surtax rates. Undistributed net long-term capital gain taxed at the capital gains rate was not available in the tax return form itself and no attempt was made to obtain it from attached schedules for the statistics.

See also, "Income tax."

Income tax

Income tax, as shown in this report, was the gross amount of income tax liability before deducting the investment and foreign tax credits. It included the normal tax and surtax, surcharge, additional tax for tax prefer-

ences, and tax from recomputing prior year investment credit, each of which is explained under separate headings.

In general, income tax before surcharge, additional tax for tax preferences, and tax from recomputing prior year investment credit consisted of:

(1) a normal tax of 22 percent on total taxable income plus a surtax of 26 percent of total taxable income in excess of an exemption of \$25,000 or,

(2) an alternative tax, comprising a capital gains tax on the excess of net long-term capital gain over net short-term capital loss, and a normal tax and surtax on the balance of taxable income.

The alternative tax was used only if it was less than the normal tax and surtax on total taxable income, but was not allowed to regulated investment companies and real estate investment trusts. The alternative tax on capital gains increased from 25 percent in 1969, to 28 percent in 1970, and to 30 percent in 1971 and thereafter. Corporations with accounting periods overlapping either 1969 or 1971 were required to prorate their capital gains tax at the different rates. (Refer to the Changes in Law section for a brief description of the change in the alternative capital gains rate.)

The Changes in Law section also provides a short discussion of the gradual elimination beginning in 1970, of the multiple \$25,000 surtax exemption allowed members of controlled groups filing a single return.

Income tax also included:

(3) special tax (at the capital gains rates) on certain long-term capital gains of Small Business Corporations electing to be taxed through their shareholders, and,

(4) capital gains tax (at the capital gains rates) on net long-term capital gains applicable to regulated investment companies and real estate investment trusts.

The income tax shown in this report for returns without net income was attributable to the small number of returns showing: (1) income tax under special provisions of the Internal Revenue Code applicable to insurance businesses, (2) tax from recomputing prior year investment credit, and (3) additional tax for tax preferences.

Statistics for income tax do not reflect the Personal Holding Company tax (see the description in this section) nor do they reflect any adjustments to the tax liability such as those resulting from (1) recomputation of 1970 taxable income to reflect the carryback of the net operating losses of certain future years, (2) reduction of income tax by investment and foreign tax credits recomputed to take account of the carryback of unused investment credit and foreign taxes of certain future years, (3) audit examinations and other enforcement activities, and (4) uncollectible taxes. The statistics presented therefore differ somewhat from the actual income tax collections and the final income tax liability of corporations for tax year 1970.

Income taxed at normal tax and surtax rates

See "Income subject to normal tax, surtax, and alternative tax."

Industrial divisions and groups

Industrial divisions and groups were used as a basis for classifying tax return data according to the *principal* busi-

ness activity of the corporation. Returns were classified in that industry which accounted for the largest portion of total receipts even though the return may have been for a company engaged in many business activities or may have been a consolidated return filed for the members of an affiliated group of corporations.

Year-to-year changes in the classification of specific corporations could have resulted from mergers and other changes in organization or from filing consolidated returns as well as from a change in the principal source of total receipts.

The industry groupings conform with the Enterprise Standard Industrial Classification issued by the Statistical Policy Division in the Office of Management and Budget, Executive Office of the President. The structure of the classification follows closely along the lines of the Standard Industrial Classification, which was designed as a means of classifying separate establishments rather than the companies of which establishments were part. As in prior years, some departures from the classification system were made for *Statistics of Income* for the finance industries in order to reflect particular provisions of the Internal Revenue Code.

Intangible assets

Intangible assets were separately reported on the balance sheet if they were amortizable. Other intangible assets, not amortizable, were included with "other assets." Intangible assets could be amortized for income tax purposes only if they had a definite life and value. Since definition, valuation, and life of intangible assets subject to amortization varied from business to business, no definitive description of this item can be given. Accumulated amortization represented the cumulative adjustment to intangible assets shown on the corporation's books of account.

Interest on State and local obligations

Interest on State and local obligations was exempt from the income tax. Such obligations were issued by States, municipalities and other local governments, the District of Columbia, and U.S. possessions. Amounts shown are less amortizable bond premium.

On most corporation returns, wholly tax-exempt interest was reported in schedule M-1, Reconciliation of income per books with income per return, rather than in the tax return income statement. In this report it is shown as part of the income statement and is included in total receipts.

Interest on United States obligations

Interest on U.S. obligations consisted of taxable interest received from obligations issued by the United States, its agencies, or its instrumentalities.

Interest paid

Interest paid in connection with business indebtedness was deductible as an ordinary and necessary business expense. Included in the statistics was interest paid on de-

posits and withdrawable shares by banking and savings institutions. For installment purchases, interest paid included amounts stated in the contract and certain unstated amounts of interest, as provided in Code section 483.

Intragroup dividends qualifying for 100 percent deduction

See "Dividends received from domestic corporations" and "Dividends received from foreign corporations."

Intragroup dividends subject to transitional 87.5 percent deduction

See "Dividends received from domestic corporations."

Inventories

Inventories, as shown in the corporation return balance sheet, included such items as raw materials, finished and partially finished goods, merchandise on hand or in transit, and growing crops reported as assets by agricultural concerns. Amounts reported on nonconsolidated returns by investment and holding companies (other than operating holding companies,) security and commodity brokers, dealers and exchanges, and real estate developers and operative builders, were excluded (and included in "other investments").

Investment credit

Investment credit, before its termination in 1969, was the reduction, after limitations, of income tax (including the surcharge, but excluding tax from recomputing prior year investment credit and additional tax for tax preferences) allowed corporations based on their investments in certain depreciable property with a useful life of 4 years or more. If property was disposed of prior to the life used when computing the credit, the credit taken had to be paid back as an additional tax for the year in which the disposition occurred. (See "Tax from recomputing prior year investment credit.")

In general, the investment credit before limitations was equal to 7 percent of "investment qualified for credit," an amount derived from the cost of property and designed to give weight to investments in longer-lived assets. (See "Investment qualified for credit.") The credit claimed could equal the income tax available for investment credit—income tax (including surcharge but excluding tax from recomputing prior year investment credit) less foreign tax credit—unless the tax available for the credit was in excess of \$25,000. Then, the investment credit was limited to \$25,000 plus 50 percent of the excess over \$25,000.

Generally, the investment credit that could not be claimed became the unused investment credit for the current taxable year and could be used to reduce the income tax liability in other years. See "Unused investment credit."

Certain limitations were applicable to affiliated corporations, cooperatives, certain banking and savings institutions, and investment companies, as well as to investments in public utility property. (The definition of affiliated corpo-

rations was broadened to include all "controlled groups" beginning with taxable years ended December 1970.)

The special capital gains tax imposed on Small Business Corporations electing to be taxed through shareholders could not be reduced by investment credit since these companies were not eligible to claim the credit (their investment was allocated among the shareholders who then claimed the credit).

Property purchased and eligible for the credit was: (1) tangible personal property; (2) real property (except buildings and their structural components), if the real property was used as an integral part of manufacturing or production, or was used in furnishing transportation, communications, electrical energy, gas, water, or sewage disposal services, or constituted a research or storage facility used in connection with any of these activities; and (3) elevators and escalators. However, property with a useful life of less than 4 years was not eligible for the investment credit, and used property was further limited in that it could not exceed \$50,000. Also ineligible for investment credit was (1) property used for lodging, (2) property used by certain tax-exempt corporations, (3) property leased to or owned by government units, (4) property consisting of livestock, and (5) property (except certain transportation equipment) used predominantly outside the United States.

Investment credit was terminated for property acquired or whose construction, reconstruction, or erection began after April 18, 1969. An exception to this was "pre-termination" property which continued to be eligible for the credit. "Pre-termination" property was defined as:

1. Property which was constructed, reconstructed, erected, or acquired under a binding contract which was entered into prior to the repeal date;
2. Equipped buildings including the machinery and equipment necessary to their planned use, which were constructed or acquired under an essentially unmodified plan in existence on the repeal date, if more than 50 percent of their aggregate adjusted cost basis was attributable to work or acquisition completed prior to that date;
3. Plant facilities, which (a) did not include buildings, or of which buildings constituted an insignificant portion, (b) were self contained, single-operating units or processing operations located on single sites and recognized as single projects, and (c) were 50 percent or more completed prior to the repeal date;
4. Any piece of machinery or equipment, if more than 50 percent of the cost of parts and components were held by the taxpayer on the repeal date, or were acquired under a binding contract which was in effect on that date;
5. Certain lease-back transactions and lease and contract obligations.

Investment credit carryover

Investment credit carryover represented that part of the tentative or earned credit brought forward from previous years (1) because it exceeded the limitations based on the amount of income tax, or (2) because there was no income tax against which it could be applied. The Tax Reform Act of 1969 limited the amount of unused credit that could be carried over to 1970 and subsequent years. Generally, the limitation restricted the unused amount which could be carried back or carried over to any taxable year begin-

ning after December 31, 1968 (and ending after April 18, 1969) to 20 percent of the aggregate amount of unused credit otherwise available.

Unused credit could be carried back and applied against income tax of the 3 preceding taxable years (but only to taxable years ended after December 31, 1961, though not during the suspension period from October 10, 1966 through March 9, 1967) and any unused balance could then be carried forward and applied against income tax in each of the 7 succeeding years. To mitigate the effect of limiting the amount of unused credit which could be taken as a credit to 20 percent, corporations were granted an additional 3-year carryover period to use up any amount remaining solely because of this limitation.

The amounts shown in the statistics are as reported by the corporation and are, in general, after the limitation.

Investment qualified for credit

The amount shown approximates the base upon which the tentative investment credit was computed. By law, qualified investment was a prescribed proportion of the cost of property having a useful life of 4 years or more and otherwise eligible for the investment credit. Purchases of new property and, to a limited extent, purchases of used property were taken into account, however, the total investment in used property could not exceed \$50,000 for a taxable year. For corporations in general, total investment qualified for credit equaled the sum of the full amount invested in property with a useful life of at least 8 years, two-thirds of the amount invested in property with a useful life of at least 6 years but less than 8 years, and one-third of the amount invested in property with a useful life of at least 4 years but less than 6 years.

For public utility property, qualified investment was equal to three-sevenths of the sum determined above. However, in completing Form 3168, Computation of Investment Credit, corporations with investment in public utility property were asked to report the full amount of qualified investment, but to use a reduced percentage in computing the tentative investment credit. (See "Tentative investment credit.") Therefore, qualified investment as defined in the law is somewhat overstated in the statistics. This should be taken into consideration in relating qualified investment to tentative investment credit. Other limitations applied to certain banking and savings institutions, investment companies, and cooperatives.

For 1970, investment qualified for credit includes small amounts that actually were not eligible for the credit. These amounts were attributable to certain property acquired during the temporary suspension of the credit (October 10, 1966 through March 9, 1967) (see "Cost of property used for investment credit"). Such suspension period property had to be included in the computation of the 1970 investment credit if the property was not placed in service until that year. The investment qualified for credit based on the life-year proportions previously described first had to be reduced by investment, based on the same life-year proportions, disqualified by reason of the suspension period. The net amount (the actual credit base) was not tabulated.

The statistics for Investment qualified for credit also reflect the termination of the credit for property (except

for so-called pre-termination property) acquired after April 18, 1969. For more detail on the termination see the discussion under "Investment credit" in this section.

Investments in Government obligations

This balance sheet asset item comprised bonds or other obligations of a State, or U.S. possession, including obligations of political subdivisions and of the District of Columbia. U.S. obligations included those of instrumentalities of the Federal Government. In those instances where a corporation reported only one total for investments in Government obligations and did not indicate whether the obligations represented those of the United States or of State and local Governments, the total was treated as investments in U.S. obligations.

Land

Land was reported as a separate capital asset on the balance sheet. Although not ordinarily subject to depreciation, land certified as an emergency facility for the national defense was amortizable. If such land was still being amortized in 1969 on the books of account, the corporation could report in the balance sheet only the net land value, after reduction by this amortization.

Loans from stockholders

Loans from stockholders were regarded as long-term in duration and may have included loans from individuals and corporations as well as from other stockholders.

Loans to stockholders

Loans to stockholders were regarded as long-term in duration and included loans to individuals and corporations as well as to other stockholders.

Long-term capital gains from certain binding contracts, distributions, and installment sales

These gains were received under certain binding contracts and installment sales made before October 10, 1969, and distributions made before October 10, 1970, as a result of complete liquidation plans adopted before October 10, 1969. If the alternative tax method was used these gains were taxed at a 25 percent rate rather than the newer 28 percent and 30 percent rates (see the discussion of the increase in the alternative capital gains tax rate in the Changes in Law section).

The amount for this item presented in table 14 for returns showing the alternative method of tax computation is the gross amount reported on the return form prior to its use in the computation of alternative tax. It differs from the amount taxed at the 25 percent alternative rate shown in table 14. These latter gains have been reduced by capital losses and were actually used in the computation of alternative tax.

The statistics for this item may be slightly understated since the amount was not required to be reported separately on returns of corporations not having any income subject to tax.

See the explanations for net long-term capital gain taxed at alternative rates, and income tax in this section.

Major industry

See "Industrial divisions and groups."

Members of controlled groups

Members of controlled groups were those corporations which were related to one another generally through 80 percent or more common stock ownership and which filed separate tax returns under the provisions of Code section 1561-1563. These provisions also effectively covered the filing prerequisites for most consolidated returns since the stock ownership requirement used to define an affiliated group eligible to file a consolidated return was similar to the controlled group ownership requirements. (See "Consolidated returns.")

The controlled group provisions applied when a common parent corporation had 80 percent or more control of one or more chains of subsidiaries (parent-subsidiary group), and beginning with taxable years ending after December 30, 1970, when five or fewer persons (individuals, estates, or trusts) had 80 percent or more control of two or more corporations (brother-sister group). In addition, each owner was required to own "identically" more than 50 percent of each corporation (see the discussion under "Controlled Groups" in the Changes in Law section). Previously, the definition of a brother-sister controlled group was confined to 80 percent or more ownership of two or more corporations by a single individual, estate, or trust. Combination groups were possible when a person(s) controlled two or more corporations, one of which was the parent of one or more subsidiary corporations. Also, two or more related life insurance companies were required to be treated as a controlled group separate from any other corporation to which they may have been related.

In all cases control was based, in general, on the total combined voting power or total value of all classes of outstanding shares. Certain stock was disregarded altogether and special constructive stock ownership rules applied depending on the type of controlled group involved. Certain corporations were not considered as members of "controlled groups." Included in this category were franchised corporations, tax-exempt organizations, foreign corporations with income not effectively connected with a U.S. trade or business, and corporations which were members of the controlled group for less than one-half the days in their taxable year that preceded December 31.

Code section 1561 limited the \$25,000 surtax exemption to one per group. Under Code section 1562 (repealed with respect to taxable years beginning after December 31, 1974, by the Tax Reform Act of 1969), members of a group could elect to claim separate exemptions on their income tax returns; however, each member had to pay an additional tax equal to 6 percent of its surtax exemption. See "Additional tax under controlled group provisions." See also, the discussion of the repeal under "Surtax Exemptions" in the "Controlled Group" segment of the Changes in Law section.

Members of groups allocating one surtax exemption under section 1561

See "Members of controlled groups."

Members of groups electing to use multiple surtax exemptions under sections 1562 and 1564

See the discussion under "Surtax Exemption for Controlled Groups" in the Changes in Law section.

Minor industry

See "Industrial divisions and groups."

Mortgage and real estate loans

Mortgage and real estate loans were, in general, the total amount which a corporation loaned on a long-term basis, accepting mortgages, deeds of trust, land contracts, or other liens on real estate as security. This was the largest asset item reported for mutual savings banks and savings and loan associations. Because the return form did not provide a separate place for reporting any reserve for uncollectible mortgage and real estate loan accounts, such reserves were often included in the allowance for bad debts, shown in this report as an adjustment to notes and accounts receivable. If a separate reserve was indicated in supporting schedules, it was therefore added to the allowance for bad debts.

Mortgages, notes, and bonds payable

Mortgages, notes, and bonds payable were separated on the balance sheet according to the length of time from maturity of the obligations. Length of time from maturity was based on date of balance sheet rather than date of issue. Accordingly, long-term obligations maturing within the coming year were reportable together with short-term obligations, as having maturity of less than 1 year. Deposits and withdrawable shares may have been reported in mortgages, notes, and bonds payable by banks and savings institutions. When identified, such amounts were transferred to "other current liabilities."

Net capital gains

Net capital gains represented the excess of gains over losses, principally from the sales or exchanges of capital assets. Gains and losses were short-term (if the asset was held for 6 months or less) or long-term (if the asset was held for more than 6 months). For tax purposes, corporations were required to reduce net short-term gains by any net long-term losses, and net long-term gains by any net short-term losses. The resulting net gains are shown in the statistics.

A net short-term gain was taxed as ordinary income. But a net long-term gain was taxed at a maximum tax rate of only 25 percent for 1969, and (except for certain transactions occurring before October 10, 1969), 28 percent for 1970, and 30 percent for 1971. Corporations with accounting periods overlapping 1969, 1970, and 1971, were required to prorate their tax for the different rates. See the Changes in Law section.

Net losses could be offset against net gains but not against any other type of income. Excess net losses could be carried forward as short-term losses to be applied against the net capital gain of the 5 succeeding years. If the unused capital loss carryover was not eliminated within this span of years, it could not be taken.

Code section 1221 defined the "capital assets" (or transactions) to which this special treatment applied as all property held by the corporation except:

- (1) stock in trade, or property of a kind includable in inventories,
- (2) property held for sale to customers in the ordinary course of business,
- (3) notes and accounts receivable acquired in the ordinary course of business,
- (4) certain short-term Government obligations sold at a discount,
- (5) depreciable property used in the trade or business,
- (6) real property used in the trade or business,
- (7) certain copyrights, literary and musical compositions or similar property,
- (8) certain gains on the sale or exchange of patents, inventions or designs, secret formulas or processes, or similar property rights when sold by a domestic corporation if made to one of its more than 50 percent owned Controlled Foreign Corporations, and
- (9) certain sales, exchanges, or redemptions of Controlled Foreign Corporation stock. (See "Dividends received from foreign corporations.")

But net gains from dispositions of some of the property types specifically excluded from the definition of capital assets under section 1221, could receive capital gains treatment under special conditions set forth in Code section 1231. Gains and losses from these transactions had to be aggregated first. If the overall result was a net gain, it was included in the computation of net long-term capital gain. But if the overall result was a net loss, it was included in the computation of net gain or loss from sales of property other than capital assets. Thus, a net gain under section 1231 could receive the more beneficial treatment of a long-term capital gain taxable at the alternative rates, while a net loss under section 1231 received the more beneficial treatment as an ordinary loss fully deductible against all types of income and not just against capital gain income.

The types of property (or transactions) to which section 1231 applied were:

- (1) real and depreciable property used in the trade or business, held for more than 6 months, and not includable in inventory or not held for sale in the ordinary course of business;
- (2) timber cut by the taxpayer during the year if owned, or held under contract to cut, for more than 6 months before the beginning of the taxable year, and if an election was made under section 631 to treat the cutting as a sale or exchange of property used in trade or business;
- (3) domestic iron ore, timber, or coal, held for more than 6 months, if disposed of under a royalty contract whereby the owner retained all economic interest in the property, so that under section 631, the net gain or loss on the royalty income was treated as a net gain or loss on a sale or exchange of property used in trade or business;
- (4) unharvested crops disposed of with the land and used in the business of farming if the land was held for more than 6 months; and
- (5) livestock, except poultry, held for drafting, breed-

ing, dairying, or sporting purposes, and, except for horses and cattle held for 12 months or more. The holding period for cattle and horses acquired after December 31, 1969, was 24 months or more.

The amount of gain eligible for capital gains treatment under section 1231 in the case of dispositions of depreciable property was limited. Code section 1245 provided that eligible gain for most depreciable property other than certain realty be based on the amount of depreciation allowed prior to January 1, 1962. Code section 1250 provided that eligible gain for certain depreciable realty be based on the amount of depreciation allowed prior to January 1, 1963, as well as on the method used to compute depreciation after this date and the length of time the property was held from the time it was acquired until the time it was disposed of. Neither of these provisions had any effect on the treatment under section 1231 of losses resulting from disposition of such depreciable property. For a description of the depreciable property to which sections 1245 and 1250 applied, see the explanation of "Net gain or loss, noncapital assets."

Net gain or loss under section 1231 was also defined (using a special computation) to include gains and losses from involuntary conversions not only of the property type or transactions otherwise covered by section 1231, but also of the capital assets defined in section 1221, if they were held for more than 6 months. If losses resulting from involuntary conversions by theft, or from fire, storm, shipwreck or other casualty were uninsured, they were consolidated with gains and losses from involuntary conversions of insured property. If the result was a net loss it was treated as a fully deductible loss (without regard to section 1231) and included in the statistics for "other deductions." If, on the other hand, the result was a net gain, then it was consolidated with other gains and losses under section 1231. See the Changes in Law section for a brief discussion of the treatment of uninsured losses in 1969 and prior years.

Also, net gains (though not losses) from transactions of bonds and other corporate and governmental evidences of indebtedness held by financial institutions were treated as capital gains under prior law. Code section 582 was amended for accounting periods beginning after July 11, 1969, so that these transactions were to be considered sales or exchanges of noncapital assets. See the discussion under "Net Gains on Sales of Bonds by Financial Institutions" in the Changes in Law section.

Finally, with respect to the statistics shown for net capital gains, if the corporation made no distinction in its income statement between gain or loss from sale or exchange of capital assets and gain or loss from sale or exchange of other property, and no Schedule D was filed in support of these transactions, the entire amount was treated as a net gain or loss from noncapital assets.

Net gain or loss, noncapital assets

Net gain or loss, noncapital assets was the net gain or loss from sale or exchange of: (1) certain depreciable and real property used in trade or business; (2) accounts and notes receivable acquired in the ordinary course of business for services rendered or from sale of property in-

cludable in inventory or ordinarily held for sale; (3) Government obligations issued on or after March 1, 1941, on a discount basis and payable without interest at a fixed maturity date not exceeding 1 year from date of issue; (4) certain copyrights, literary, musical, or artistic compositions or similar properties; (5) securities by dealers; and (6) certain patents, inventions or designs, secret formulas or processes, and similar property rights by a domestic corporation and its more than 50 percent owned Controlled Foreign Corporation.

As explained under the definition of "Net capital gains" (see also "Casualty or Theft Gains and Losses" in the Changes in Law section), a net gain from dispositions of (or certain transactions involving) specified types of business assets that were considered noncapital assets based on Code section 1221, could receive capital gains treatment under section 1231. Gains and losses from these dispositions or transactions first had to be aggregated. If the overall result was a net gain, it was included in the computation of net long-term capital gain. But if the overall result was a net loss, it was included in the computation of (and reflected in the statistics for) net gain or loss, noncapital assets.

For accounting periods beginning after July 11, 1969, net gains of financial institutions from transactions of bonds and other corporate and governmental evidences of indebtedness were no longer considered as capital gains but were instead, treated as gains of non-capital assets. Losses from these transactions continued to be noncapital losses. See the Changes in Law section.

The amount of gains (though not losses) on dispositions of most depreciable property includable in the computation of net gain or loss under section 1231, was reduced as a result of sections 1245 and 1250. To the extent the amount eligible for capital gains treatment was thereby reduced, the amount included in the statistics for net gain or loss, noncapital assets was increased.

The depreciable property to which section 1245 applied was (1) personal property other than livestock, whether tangible (such as machinery and equipment), or intangible (such as patents or copyrights); and (2) other tangible property including certain realty other than buildings and their structural components, if it was an integral part of certain specified business activities, or which constituted research or storage facilities used in connection with such activities. The business activities qualifying were manufacturing, production, or extraction, or the providing of transportation, communications, electrical energy, gas, water, or sewage disposal services.

The depreciable property to which section 1250 applied was real property not already covered by section 1245. In general, this property consisted of buildings or their structural components in the case of tangible property, or represented leaseholds of land, in the case of intangible property.

The amount of gain on dispositions of depreciable property under sections 1245 and 1250, treated as ordinary income and included in the statistics for net gain or loss, noncapital assets, generally depended upon the amount of depreciation claimed on the asset after a certain date, prior to its disposition, although other factors were also considered in the case of section 1250 dispositions.

Under section 1245, the amount of gain treated as ordinary income was based on the depreciation (or amortization in the case of emergency facilities) allowed or allowable after December 31, 1961. This "depreciation recapture" applied to dispositions of property made during taxable years beginning after December 31, 1962.

Under section 1250, the amount of gain treated as ordinary gain was based, in general, on the depreciation allowed or allowable after December 31, 1963. But this "depreciation recapture" was further qualified so that if the property was held for more than 1 year before it was disposed of, ordinary gain was reduced to the difference between the depreciation computed under some accelerated method, and the depreciation computed assuming the straight line method. If the property was held for more than 20 months, the "recapture" was further reduced to a proportion of this difference until, when the property was held for 10 years, the "recapture" as ordinary gain was not applicable at all.

Finally, with respect to the statistics for net gain or loss, noncapital assets, two assumptions were made. The first assumption had to do with sales of stock by stock and commodity brokers, dealers, and exchanges, or sales of real estate by real estate subdividers, developers, and operative builders. If these transactions were reflected in business receipts and cost of goods sold in the tax return, instead of in net gain or loss, noncapital assets, the resulting profit or loss on the transactions, representing the difference between the receipts and the cost of sales, was transferred to the statistics for net gain or loss, noncapital assets, but only if the cost of sales was more than 50 percent of the receipts. (See "Business receipts.") The statistics for business receipts and cost of sales were then adjusted accordingly. The second assumption had to do with returns where no distinction was made or could be made between sales or exchanges of capital assets and sales or exchanges of other property. In such cases the reported amount was included in the statistics for net gain or loss, noncapital assets.

Net income after tax

This amount was derived by subtracting income tax (including surcharge, tax from recomputing prior year investment credit, and additional tax for tax preferences) after investment credit from net income. It does not take into account (1) the additional credit for foreign taxes paid or accrued, or (2) the income tax liability of shareholders of Small Business Corporations electing to have their profits taxed at the shareholder level at the individual income tax rates.

Net income or deficit

Net income or deficit was the difference between gross taxable receipts and the ordinary and necessary business deductions, as defined by the Internal Revenue Code. Net income reflects not only actual receipts by a corporation, but also certain income from related foreign corporations only constructively received. For additional information about foreign income, see "Includable income of Controlled Foreign Corporations" and "Foreign dividend income resulting from foreign taxes deemed paid."

Net income is generally larger than income subject to tax because the net income of Small Business Corporations electing to be taxed through shareholders is, with the exception of certain long-term capital gains, excluded from income subject to tax. Net income is also larger because certain statutory special deductions from net income were allowed most corporations in computing their income subject to tax.

For mutual insurance companies other than life or marine, and other than certain fire or flood insurance companies, the net income used for *Statistics of Income* was the sum of the net investment income or loss, the statutory underwriting income or loss, the subtractions from the Protection Against Loss (PAL) account and the statutory special deductions allowed corporations generally. Net income, therefore, reflects not only the ordinary business deductions but the statutory deductions from underwriting income allowed only to these mutual insurance companies. It also reflects the additions (if any) to taxable income of amounts previously deferred from taxation in the PAL account. Statutory deductions from underwriting income and subtractions from the PAL account are described in the return form and instructions at the end of the report, and in Code sections 823 and 824.

Net income for some small mutual insurance companies reporting under Code section 821(c) was net investment income only. The provisions of the section were applicable only to companies with income from investments (other than capital gains) and premiums of less than \$500,000, and with no reserve in the PAL account. The provisions were elective. Electing companies were not required to report underwriting income.

For life insurance companies, net income or deficit comprised gross taxable receipts reduced by the ordinary and necessary business deductions and reduced by additions to required reserves and certain other statutory deductions pertinent only to these companies. To arrive at net income or deficit for these companies the gain or loss from operations (which included both underwriting and investment income) was adjusted by adding back the statutory special deductions for intercorporate dividends received and for operations losses.

Net long-term capital gain reduced by net short-term capital loss

See "Net capital gains."

Net long-term capital gain taxed at alternative rates

This was the part of the tax base (income subject to tax) allowed under section 1201 if the use of the alternative rate resulted in a lower tax liability than did the normal tax and surtax rates on the entire tax base.

Income subject to tax for most returns with alternative tax was the equivalent of that shown for returns with normal tax and surtax computation. That is, it included amounts for capital gain. However, the net gain was designated separately as well, for the special treatment under the alternative rates.

However, in cases where net long-term capital gain was larger than income subject to normal tax and surtax, and

the use of the alternative tax computation was beneficial to the taxpayer, giving a lower tax liability, then net capital gain alone rather than the combination of net capital gain and income subject to normal tax and surtax became the tax base (income subject to tax).

The alternative rate for 1969 was 25 percent, and except for certain transactions occurring before October 10, 1969, was 28 percent for 1970 and 30 percent for 1971 and thereafter. See the discussion of the increase in the alternative capital gains tax rate in the Changes in Law in section 1.

See also, the explanation for long-term capital gains from certain binding contracts, distributions, and installment sales.

Net operating loss carryover

See "Statutory special deductions."

Net short-term capital gain reduced by net long-term capital loss

See "Net capital gains."

Net worth

Net worth represented the stockholders' equity in the assets of the corporation in contrast to the claims of creditors. In the statistics it comprises the net sum of the items:

- (1) Capital stock,
- (2) Paid-in or capital surplus,
- (3) Retained earnings, appropriated,
- (4) Retained earnings, unappropriated,
- (5) less: Cost of treasury stock.

Each of these items is explained under its own heading in this section.

Noncalendar year returns

Returns filed for a twelve-month accounting period ended during July through November 1970 or during January through June 1971 were included in this classification.

Normal tax and surtax (including alternative tax)

See "Income tax" in this section.

Notes and accounts receivable

Notes and accounts receivable were, in general, the gross amounts of current trade items, that is, amounts receivable arising from sales or services to customers on credit during the ordinary course of trade or business which would normally be converted to cash within one year. Nontrade receivables were generally included in "other current assets."

Loans and mortgages may have been reported in notes and accounts receivable by savings and loan associations. When identified, such mortgage loans were transferred to "other investments."

The allowance for bad debts, shown as an adjustment to notes and accounts receivable, may include the reserves for the separate account, mortgage and real estate loans.

As a result, it was possible for the reserve to exceed the amount of notes and accounts receivable.

Number of returns

Returns of inactive corporations were excluded except in tables B and 22 where inactive corporation returns are included in the total number and are also shown separately. (See "Inactive corporation returns.") The number of Form 1120S returns filed by Small Business Corporations for which an election was made to be taxed through shareholders is included in each total and is also shown separately in some of the tables.

Other assets

Other assets comprised, in general, noncurrent assets which were not allocable to a specific account on the return form balance sheet, and certain accounts for which no distinction could be made between current and non-current status.

Includable were such items as deferred charges reported as noncurrent by the corporation, interest discounts, guaranty deposits, and intangible assets not subject to amortization. Other assets of banks included property held in trust if included in the banks' assets, while other assets of life insurance companies included market value of real estate, and that portion of stock and bond holdings in excess of book value.

Other current assets

Assets not allocable to a specific current account in the return form balance sheet, and assets specifically reported as short-term by the corporation, as well as marketable securities other than Government obligations comprised this classification.

Included were prepaid expenses, nontrade receivables, coupons and dividends receivable, claims and judgments, and similar items. For construction corporations, amounts reported as a current item for contract work in progress in excess of billings were also included.

Also included in other current assets were amounts reported as inventories on nonconsolidated returns of investment and holding companies (other than operating holding companies); security and commodity brokers, dealers, and exchanges; and real estate subdividers, developers, and operative builders.

Other current liabilities

Other current liabilities included for the most part certain amounts due and payable within the coming year. The account comprised accrued expenses, as well as current payables not arising from the purchase of goods and services and not evidenced by bonds, notes, or mortgages. Examples of other current liabilities were taxes accrued or payable, accrued employee accounts such as for payrolls and contributions to benefit plans, dividends payable, overdrafts, accrued interest or rent, and deposits and withdrawable shares of banking and savings institutions.

For construction corporations, amounts of advances or deposits on uncompleted contracts or jobs in progress were included in this item if reported as current.

Other deductions

Other deductions comprised (1) business expenses which were not allocable to a specific deduction item on the return form, and (2) certain amounts which were given special treatment in the course of statistical processing.

The first category included such items as administrative, general, and selling expenses; bonuses and commissions; delivery, freight, and shipping expenses; sales discounts; travel and entertainment expenses; and similar items.

The second category included salaries and wages not reported as a cost of sales and operations and not reported as a part of another deduction item; unrealized profit on current-year installment sales; reported amounts of negative income; and, as described in the Changes in Law section, certain losses by fire, storm, shipwreck or other casualty, or from theft. Also included were itemized business deductions and other deductions unique to life and most mutual insurance companies. The latter included the "small business deduction" used by life insurance company controlled group members. The use of the "small business deduction" was gradually curtailed beginning with 1970, so that by 1975, only one deduction per group was to be allowed. See the Changes in Law section.

Other employee benefit plans

Contributions made by employers to such plans as death plans, health or accident and sickness plans, and other welfare plans, were deductible under Code section 162. The statistics for this item include amounts identified in the cost of sales or operations schedules.

Excluded were deductions claimed for employer contributions to pension plans and certain other deferred compensation plans within the purview of Code section 404. (See "Pension, profit-sharing, stock bonus, annuity plans.")

Other interest

Other interest consisted of amounts received on loans, notes, mortgages, bonds, bank deposits, and corporate bonds less amortizable bond premium. For installment sales, interest received included amounts stated in the contract and certain unstated amounts of interest, as provided in Code section 483.

Other investments

This category generally included long-term non-Government investments and certain investments for which no distinction could be made as to their current or long-term nature. Non-Government investments generally not held for conversion to another form within the coming year included stocks, bonds, loans on notes or bonds, loans to subsidiaries, and other types of financial securities.

Real estate not reported as a capital asset could also be included. In certain instances, land and buildings owned by real estate operators (except lessors of real property other than buildings), and real holdings of insurance carriers, other than their home office and branch office buildings and equipment, were reported as "other investments."

Other liabilities

Other liabilities were obligations which were not allocable to a specific account on the return form balance sheet and were either noncurrent accounts, in general not due within one year, or accounts which could not be identified as either current or long-term.

Examples of "other liabilities" were deferred or unearned income not reported as part of a current account, provisions for future taxes based on the effects of either accelerated depreciation or possible income tax adjustments such as for the investment credit, and principal amounts of employee and similar funds.

Other receipts

Other receipts included amounts not elsewhere reported on the return, such as: profits from sales of commodities other than the principal commodity in which the corporation dealt; income from minor operations; cash discounts; income from claims, license rights, judgments, and joint ventures; net amount earned under operating agreements; profit from commissaries; profit on prior-years' collections (installment basis); profit on purchase of corporation's own bonds; recoveries of losses and bad debts previously claimed for tax purposes; refunds for cancellation of contracts; and income from sales of scrap, salvage, or waste.

Overpayments claimed as a credit

This was the amount of overpayment the corporation specifically requested to be credited to 1970 estimated tax, in lieu of requesting a refund. The credit was reflected in the amount shown as estimated tax payments.

Because corporations with accounting periods ended July through November 1970 filed using 1969 forms which did not require the separate reporting of this credit, the statistics are slightly understated.

Paid-in or capital surplus

This comprised additions to the corporation's capital from sources other than earnings. The amount shown is after deducting any negative amounts.

Includable were amounts of surplus occasioned by donation, appreciation of assets, receipts from sale of capital stock in excess of stated value, stock redemptions or conversions, and similar transactions.

Part-year returns

Part-year returns were those filed for accounting periods of less than 12 months which ended in the period July 1970 through June 1971. Such returns were filed as a result of business liquidations, reorganizations, mergers, and changes to new accounting periods.

Payments with applications for extension of filing time

Data for this item were derived from the income tax returns rather than from the applications for extension of time in which to file, Form 7004, or its equivalent. Corporations which filed the form on time and paid the re-

quired amount of tax liability (tentatively determined) were granted an automatic extension of 3 months in which to file returns. A second extension of 3 months could be granted under certain conditions.

Requesting the extension of time to file the return did not postpone the payment of tax. When an extension was requested, at least half of the unpaid balance of the tax liability tentatively determined (taking into account any credits against tax, as well as any estimated tax payments) was due. If the option of paying the tentatively determined tax liability on an installment basis (with the balance due on or before 3 months after the regular filing date) was not used, the entire amount was due with the application.

The statistics may be slightly understated because of taxpayer reporting variations and because of the inability to identify the total amount from the tax returns.

Pension, profit-sharing, stock bonus, annuity plans

Contributions made by employers to these plans were deductible under Code section 404. The Code imposed limitations on the amounts deductible for the taxable year and provided a carryover feature for certain amounts paid in excess of the limitation. Deductions were also allowed for employer contributions made to benefit plans established for certain United States citizens employed by foreign subsidiaries and branches of domestic corporations. The statistics for this item include such amounts identified in the cost of sales or operation schedules. (See also, "Other employee benefit plans.")

Personal Holding Company tax

In addition to being subject to regular income tax and additional tax for tax preferences, corporations classified as Personal Holding Companies were subject to another tax equal to 70 percent of their "undistributed Personal Holding Company income."

Briefly, the term Personal Holding Company was applied to certain closely-held corporations whose income was from passive sources (generally investments and personal service contracts) rather than from the actual conduct of trade or business. The 70 percent tax was imposed on the taxable income (especially defined) from passive sources reduced by amounts distributed to owners.

Since most Personal Holding Companies distributed all of their Personal Holding Company income, only a small number were actually subject to the tax. In addition, the tax is slightly understated because the Personal Holding Company tax was not always reported separately from the regular income tax.

The tax appears in the statistics for industries other than "Holding and other investment companies." This is because a Personal Holding Company could be a subsidiary included in a consolidated return classified in some other industry.

Refunds of estimated tax payments

A corporation which had determined that it had overpaid its estimated tax could have filed for a quick refund

(adjustment) of the overpayment even before it had filed its return. To have done so, the estimated tax overpayment had to be at least \$500 and be at least 10 percent of the expected "final" income tax liability reported on the tax return.

The application for refund had to be made within 2½ months after the close of the taxable year and before the corporation had filed its income tax return. If the refund (or credit against any other tax owed, in lieu of a refund) was subsequently determined to be excessive, an additional charge was imposed on the excessive amount.

Because corporations with accounting periods ended July through November filed using the 1969 return forms which did not require the separate reporting of the refund, the statistics are slightly understated.

Rent paid on business property

These deductions for ordinary and necessary expenses consisted of rents paid for the use of land or structures; delay rentals for oil and gas companies; and rents paid for leased roads, rolling stock, and work equipment for railroad companies. Identifiable amounts of taxes and other expenses paid by lessees in connection with rent paid were included in their respective deduction headings.

Rents

Rents received for the use or occupancy of property consisted of the gross amounts. Depreciation, repairs, interest, taxes, and other expenses which were related to rents were not deducted directly from the rental income, but were reported among the various business deductions from total receipts. For manufacturing, public utility, and service corporations which frequently leased, rather than sold, their products, the rental income so derived was included in business receipts.

Repairs

Repairs reported as an ordinary and necessary business expense were the costs of maintenance and incidental repairs and could include the cost of labor, supplies, and other items which did not add to the value or appreciably prolong the life of the property. Expenditures for new buildings, machinery or equipment, or for permanent improvements which increased the cost or basis of the property were not deductible currently and were charged to capital expenditures, which were generally depreciable.

Retained earnings, appropriated

Earnings set aside for specific purposes and not available for distribution to stockholders were included under this heading. Included were guaranty funds and reserves such as those for plant expansion, bond retirements, and contingencies for extraordinary losses. Specifically excluded were the reserves for bad debts, depreciation, depletion, and amortization, which were shown separately; and, reserves for taxes, and unrealized profits or unearned income, which were included in "other liabilities" or "other current liabilities."

Retained earnings, unappropriated

Retained earnings, unappropriated consisted of the retained earnings and profits of the corporation less any reserves. The statistics shown are net figures after deduction of any negative amounts.

Returns other than Form 1120S

Returns other than Form 1120S was the term used in the statistics to distinguish the returns filed for corporations subject to the regular income tax from those returns filed for Small Business Corporations electing to be taxed through shareholders.

Returns with net income

Returns with net income were those showing gross taxable receipts exceeding the ordinary and necessary business deductions allowed by the Code.

Returns without net income

Returns without net income were those for which ordinary and necessary business deductions exceeded gross taxable receipts. In addition to deficit returns, this classification also included returns where gross taxable receipts and business deductions were equal. (See "Net income or deficit" in this section.)

Royalties

Royalties were payments received, generally on an agreed percentage basis, for the use of property. Included were amounts received from such properties as copyrights, patents, and trademarks; and from natural resources such as timber, mineral mines, and oil wells. The amount reported was the gross amount. Expenses relating to royalties, depletion or taxes, for example, were not deducted directly from the income, but were reported among the various business deductions from total gross income.

Excluded were certain royalties received under a lease agreement on timber, coal deposits, and domestic iron ore deposits, which were allowed special tax treatment. Under elective provisions of Code section 631, the net gain or loss on such royalties were included in the computation of net gain or loss on sales or exchanges of certain business property under section 1231. If the overall result of this computation was a net gain, it was eligible for treatment as a long-term capital gain, taxable at the capital gains rates. If the overall result was a net loss, it was fully deductible in the current year as an ordinary noncapital loss.

Size of business receipts

Size of business receipts was based on the gross amounts from sales and operations for industries except those in the Finance, insurance, and real estate division. For the finance industries, total receipts, which is the sum of business receipts and investment income, was used as the basis for classification.

Size of total assets

Size of total assets was based on the amount reported in the end-of-year balance sheet. Returns with zero assets were used as a classification for returns of (1) liquidating or dissolving corporations which had disposed of all assets and whose income tax returns were final returns, (2) merging corporations whose assets and liabilities were included in the returns of the acquiring corporations, and (3) foreign corporations with income effectively connected with the conduct of trade or business within the United States (except foreign insurance companies providing balance sheet information for United States branches). (See also, "Total assets and total liabilities.")

Small Business Corporation returns

Form 1120S, U.S. Small Business Corporation Income Tax Return, was filed by corporations electing to be taxed through shareholders under section 1372 of the Code.

To qualify as a Small Business Corporation, a firm had to be a domestic corporation with no more than ten shareholders, each of which was an individual (or an estate) and no one of which was a nonresident alien. The corporation could have only one class of stock and could not be a member of an affiliated group eligible to file a consolidated return. It could not receive more than 80 percent of its gross receipts from sources outside the United States. It also could not receive more than 20 percent of its gross receipts from passive investments (interest, rents, royalties, annuities, and gains from sale or exchange of stock and securities), except if during the first 2 years of business the passive investment income for the year was less than \$3,000.

Net income of Small Business Corporations was computed in the same manner as for most corporations. The net operating loss deduction and other statutory special deductions allowed most corporations, such as for dividends received, could not be taken. The electing corporation was generally not taxed. However, it could be subject to a special capital gains tax on net long-term capital gain (reduced by net short-term capital loss) if (1) the net long-term capital gain exceeded net short-term capital loss by more than \$25,000, and was more than 50 percent of net income, and (2) net income exceeded \$25,000. (If the corporation was taxed on long-term capital gain, it was also subject to the additional tax for tax preferences.) Foreign tax credit and investment credit were not available to the corporation to reduce this tax (although the cost of investment credit property was allocated to shareholders for their use in computing the credit).

Generally, the income of the Small Business Corporation was taxable to its shareholders as ordinary income. But net long-term capital gains (reduced by any tax paid on them by the corporation) retained their character in the hands of the shareholder. Also, shareholders were allowed to deduct their share of the corporations' deficit from other forms of individual (or fiduciary) income as part of their net operating loss deduction. Undistributed income earned in previous years was taxable to shareholders.

ers in the year it was earned, and could be distributed during the current year without any further tax.

Statutory special deductions

Statutory special deductions is the term used for the statistics to describe the four deductions for (1) net operating losses of prior years, (2) intercorporate dividends received, (3) dividend paid on certain preferred stock of public utilities, and (4) Western Hemisphere Trade Corporations. Since these deductions were allowed by law, in addition to ordinary and necessary business deductions, they are shown as deductions from net income.

Two of the four deductions and part of the intercorporate dividends received deduction (dividends received on certain preferred stock of public utilities) were based on a formula tied to the combined normal tax and surtax rates. Since the combined normal tax and surtax rates were affected by the surcharge, the percentages used for the deductions were also affected. For additional detail see "Surcharge" in this section.

In general, net income less the statutory special deductions equaled income subject to tax. However, the two dividend deductions were not restricted to returns with net income, nor, in general, to the amount of net income, and thus became part of the statutory loss for some corporations. Statutory special deductions were not allowed to Small Business Corporations for which an election was made to be taxed through shareholders, nor to regulated investment companies and real estate investment trusts.

Statistics for statutory special deductions are subject to certain limitations inherent in the method of reporting these amounts. For example, where there was no net income to reduce (and consequently no income subject to tax), the special deduction for dividends received may not have been reported even though the deduction was allowable as part of the statutory net operating loss. Also, where both a net operating loss deduction and a dividends received deduction were available, the corporation may have used only the net operating loss deduction to offset net income instead of using the net operating loss deduction to offset only that portion of net income remaining after subtracting the dividend deduction. This would result in an overstatement of amounts shown in the statistics for the net operating loss carryover and an understatement in amounts shown for the dividends received deduction.

Definitions for the four statutory special deductions shown in the statistics are as follows.

(1) Net operating loss carryover.—The total net operating loss deduction was based on statutory losses of prior or subsequent years which could be used to reduce taxable income for a specified number of years. The amount shown in this report, however, consists only of losses from *prior* years actually used to reduce taxable income for 1970. Losses incurred after 1970 and carried back to that year at a later date could not be reported on the returns used for this report. In general, losses were carried back over a 3 year period and any amount not offset against income during that time could then be carried forward against income for a period not exceeding 5 years. Longer carryover periods were allowed for certain

foreign expropriation losses, and for corporations applying for tax assistance under the Trade Expansion Act of 1962, for regulated transportation corporations, and for new life insurance companies.

Net operating losses upon which the current-year deduction was based included (a) the excess of ordinary and necessary business expenses over income in the loss year, and (b) statutory deductions claimed in the loss year for dividends received and for dividends paid on certain preferred stock of public utilities (or any excess of such deductions over net income).

The net operating loss deducted for the current year was limited to net income reduced first by the deductions for dividends received and for dividends paid on certain preferred stock of public utilities.

(2) Dividends received deduction.—The dividends received deduction, under Code sections 243–246, presented in this report was the sum of the following components:

(a) A deduction equal to 85 percent of dividends received from domestic corporations which were themselves subject to the income tax. This particular deduction accounted for the major portion of the dividends received deduction.

(b) A deduction equal to 85 percent of certain dividends received from foreign corporations (1) which had been engaged in a trade or business within the United States for at least 3 years, and (2) which also had at least 50 percent of their gross income effectively connected with the United States trade or business.

(c) A deduction equal to 87.5 percent (for 1970) of certain intragroup dividends allowed members of controlled groups claiming multiple surtax exemptions under Code section 1562. For a discussion of the 6-year transition from the 85 percent deduction allowed prior to 1970 to the 100 percent deduction (described under (d) below) allowable after 1974 see "Dividends received from domestic corporations" in this section. See also, "Surtax Exemption" under "Controlled Groups" in the Changes in Law section.

(d) A deduction equal to 100 percent of certain intragroup dividends allowed members of controlled groups not electing to file consolidated returns but instead sharing a single surtax exemption under Code section 1561. (This part of the dividends received is shown separately in table 14.)

(e) A deduction equal to 100 percent of dividends received from wholly owned foreign subsidiaries whose entire gross income was effectively connected with the conduct of a trade or business within the United States.

(f) A deduction equal to about 61 percent of dividends received on certain preferred stock of public utilities (shown separately in tables 14, 23, and 24) for which a dividends paid deduction, described below, was also allowed the distributing corporation. The applicable percentage was based on the income tax rate, as described earlier, and because of the income tax surcharge, varied from 61.8 percent (for corporations with accounting periods ended July 1970) to 60.2 percent (for corporations with accounting periods ended June 1971).

(g) A deduction equal to 100 percent of dividends received by small business investment companies.

For returns with net income for the taxable year, there was a limitation on the deduction, based on net income for dividends received not subject to the 100 percent deduction (Code section 246). For these returns the deduction could not exceed 85 percent of net income less any Western Hemisphere Trade Corporation deduction (described below) and less any 100 percent deduction for domestic intragroup dividends. This limitation was not applicable if the corporation had no net income for the year. In this case, the deduction became part of the statutory net operating loss previously described.

(3) Deduction for dividends paid on certain preferred stock of public utilities.—For public utility companies, as defined by law, a special deduction was allowable under Code section 247 for dividends paid on certain preferred cumulative stock deemed issued prior to October 1, 1942. This deduction, based on the income tax rate as described earlier, varied because of the income tax surcharge, from 27.3 percent of the dividends paid on such stock (for corporations with accounting periods ended July 1970), to a deduction of 29.2 percent (for corporations with accounting periods ended June 1971).

If the dividends paid were greater than net income reduced (in general) by all other statutory special deductions for the year, the deduction could not exceed the above-described percentage of net income after this adjustment.

(4) Western Hemisphere Trade Corporation deduction.—This deduction was allowed certain domestic companies which qualified under section 921 of the Code. These companies conducted almost all of their business outside the United States, but within the Western Hemisphere. This special deduction was computed at the same percentage rates as those described for the deduction for dividends paid on certain preferred stock of public utilities. It ranged from 27.3 percent of net income after all other statutory special deductions (for corporations with accounting periods ended July 1970), to 29.2 percent (for corporations with accounting periods ended June 1971).

Surcharge

The surcharge was imposed on the regular income tax at a 10 percent annual rate from January 1, 1968 to December 31, 1969. The Tax Reform Act of 1969 extended the surcharge at a 5 percent annual rate from January 1, 1970 until June 30, 1970. For the accounting periods in this report, surcharge was prorated based on these dates.

The income tax surcharge was based on tax before foreign tax and investment credits, the addition of tax from recomputing prior year investment credit, and the additional tax for tax preferences. Although the surcharge was imposed on income tax computed at the alternative tax rates, it was not used in the determination of whether alternative tax (when the tax computed at alternative rates was less than the tax computed at the regular rates), or the regular tax was more advantageous. In the case of controlled groups of corporations electing to take multiple surtax exemptions, where each member corporation had to pay an additional tax equal to 6 percent of its exemption, the additional tax was part of the tax upon which the surcharge was computed.

In this report the statistics for income tax include surcharge.

Tax due at time of filing

Tax due was the amount of income tax liability reported as due at the time the return was filed. To show a tax due the return had to have income tax after foreign tax and investment credits. For this purpose, the income tax included tax from recomputing prior year investment credit, additional tax for tax preferences, and tax on undistributed Personal Holding Company income. Tax due, then, was the amount payable after taking into account (a) credit from regulated investment companies; (b) payments with applications for extension of time in which to file; (c) payments on estimated tax; and (d) credit for U.S. taxes paid on special fuels, nonhighway gasoline and lubricating oil.

The entire tax due could be paid with the return at the time of filing; or the corporation could elect to pay the tax due in two equal installments. One installment had to be paid at the prescribed time of filing. The balance was due on or before 3 months after that date.

The amounts shown do not reflect adjustments made after the return was filed. The results of tax audit, carryback of net operating losses, carryback of foreign taxes paid or accrued in future years, or the carryback of unused investment credit, may affect the final tax liability and the tax due.

Tax from recomputing prior year investment credit

This tax, a recapture of investment credit, resulted when certain depreciable property used in computing the investment credit was disposed of prior to the useful life assumed at the time the investment credit was originally computed. The tax was payable for the year in which the property was disposed of and amounted to the difference between the credit previously taken on such property and the credit which would have been allowed had the actual life been used.

Unless otherwise indicated, tax from recomputing prior year investment credit is included in the statistics for income tax for this report.

Tax overpayment

This was the amount reported as the excess of payments and credits over total income tax liability at the time the return was filed. For this purpose, the income tax liability included surcharge, tax from recomputing prior year investment credit, additional tax for tax preferences, and tax on undistributed Personal Holding Company income and was after reduction by the foreign tax and investment credits. Overpayment, then, was the excess of payments and credits after taking into account (a) credit from regulated investment companies; (b) payments with applications for extension of time in which to file; (c) payments on estimated tax; and (d) credit for U.S. taxes paid on special fuels, nonhighway gasoline and lubricating oil.

The overpayment could be credited toward the following year's estimated tax, refunded, or partially refunded and partially credited. Some taxpayers, however, failed to indicate the way in which the overpayment was to be treated.

The amounts shown do not reflect adjustments made after the return was filed. The results of audit, the carryback of net operating losses incurred in future years, the carryback of certain foreign taxes paid or accrued in future years used to increase the current-year foreign tax credit, or the carryback of unused investment credit, may affect the final tax liability and the tax overpayment.

Taxes paid

Taxes paid included the amounts reported as an ordinary and necessary business deduction as well as identifiable amounts reported as part of the cost of sales and operations. Included among the deductible taxes were ordinary State and local taxes paid or accrued during the year; social security and payroll taxes; unemployment insurance taxes; import and tariff duties; and business, license and privilege taxes. Income and profits taxes paid to foreign countries or United States possessions were also deductible unless claimed as a credit against income tax. Not deductible were such taxes as Federal income and excess profits taxes, gift taxes, taxes assessed against local benefits, and Federal taxes paid on interest from tax-free covenant bonds.

Some corporations reported excise and stamp taxes, which were part of the sales price of their products, as receipts. When this occurred, an equal and offsetting amount was usually included in the cost of sales and operations or as part of the separate deduction for taxes paid. When included in the cost of sales and operations, these taxes often were not identifiable and therefore could not be added to the statistics for taxes paid.

Tax preference items

These items constituted the basis (after adjustments described under "Additional Tax for Tax Preferences") upon which the 10 percent additional tax for tax preferences (or "minimum tax") was levied. The items which comprised various kinds of tax-favored income and deductions, in effect, provided corporations with nontaxable "economic" income. In general, the tax preference items were attributable to U. S. sources. However, the capital gain preference (described below) included amounts from foreign sources if they were not subject to foreign taxation, or if the foreign tax was a preferential one. Other items attributable to foreign sources were treated as preferences only to the extent they reduced U. S. taxable income.

Items included as tax preferences were:

(1) Excess investment interest. This was the excess of investment interest over net investment income, not related to trade or business. "Investment income" consisted of gross income from interest, dividends (except from foreign subsidiaries), rents, royalties, net short-term capital gains from property held for investment purposes, and ordinary gains on sales of depreciable property held for

investment purposes or for rent. Interest with respect to property which was subject to a "net lease" entered into after October 9, 1969, was also included. "Investment expenses" for purposes of determining net investment income included State and local property taxes, bad debts, depreciation under the straight-line method (even if an accelerated method had actually been used), the dividends received deductions, amortizable bond premium, cost depletion (even if the higher percentage depletion had been used) and, certain other deductions, if they were directly connected with the production of investment income.

For corporations, this item was applicable only for Personal Holding Companies and Small Business Corporations electing to be taxed through their shareholders. For Small Business Corporations, this amount was not tabulated, however, since the tax preference was passed on to their shareholders.

(2) Accelerated depreciation on (a) low-income rental housing; (b) other real property (defined in Code section 1250); (c) personal property (defined by section 1245) subject to a net lease. This was the excess depreciation over the amount computed under the straightline method. The tax preference (c) above applied only to Personal Holding Companies, and Small Business Corporations electing to be taxed through their shareholders. For Small Business Corporations, the tax preference was passed on to their shareholders, therefore, this amount was not tabulated.

(3) Amortization of (a) certified pollution control facilities; (b) railroad rolling stock. The tax preference was the excess of these special rapid writeoffs over what otherwise would have been a depreciation deduction.

(4) Stock options. In the case of qualified stock options or restricted stock options, this was the excess of the fair market value of the stock (only when the option was exercised) over the option price of the stock. Since this preference was not available for corporations, the amounts shown in the statistics may reflect reporting errors.

(5) Reserve for losses on bad debts of financial institutions. Financial institutions (mostly banks and savings and loan associations) were allowed deductions for additions to a reserve for bad debts under prescribed rules. When these deductions exceeded amounts based on the actual bad debt loss experience of the institution (or in the case of a new company, industry experience) the excess was considered a tax preference. (The appearance of this preference for other than finance division corporation was caused chiefly by the filing of consolidated returns that included finance subsidiaries.)

(6) Depletion. The excess of depletion over the adjusted basis of the property (reduced by depletion taken in prior years) was a tax preference. Thus, when the corporation had written off its investment, it realized a tax preference.

(7) Capital gains. This tax preference was based on the excess of net long-term capital gain over the net short-term capital loss, when these net gains were taxed at the special lower capital gain rate. The amount treated as a preference was this amount multiplied by a ratio of

the regular tax rate of 48 percent less the rate applicable to capital gains (28 percent for 1970) to the regular corporate rate of 48 percent.

This was the only tax preference for which Small Business Corporations electing to be taxed through their shareholders (Form 1120S) were directly taxed. Tax preferences applicable to these corporations, including capital gains, were passed on to their shareholders for taxation. Similarly, regulated investment companies and real estate investment trusts included capital gains as a tax preference only to the extent that such gains were not passed on to their shareholders.

Tentative investment credit

Tentative investment credit represented the earned credit before taking into account the statutory limitations based on the size or presence of income tax. For most corporations, the tentative credit was equal to 7 percent of investment qualified for credit, an amount based on the cost of certain depreciable purchases and designed to give weight to longer-lived assets. (See "Investment qualified for credit".) An exception was made for investment in certain public utility property. The law specified that for such property the otherwise qualified investment should be reduced to three-sevenths of the total amount. As a matter of practical computation, however, the full qualified investment was usually reported, and a 3 percent rate substituted for the 7 percent rate in order to obtain the legal tentative credit. See the facsimile of Form 3468 in section 6.

Total assets and total liabilities

Total assets and total liabilities were those reported in the end-of-year balance sheet in the corporations' books of account. Total assets were net after reduction by accumulated depreciation, amortization, and depletion, and by the reserve for bad debts. When these reserves were reported as liabilities, they were treated as reductions from the asset accounts to which they related and the totals of assets and liabilities were adjusted accordingly.

Asset and liability estimates for returns of corporations that failed to provide complete balance sheet information were obtained from other schedules on the return form and from relationships between income statement and balance sheet items on similar returns in the same industrial group.

Because Forms 1120L and 1120M used by life and certain mutual insurance companies did not provide for the complete reporting of balance sheet information, asset and liability data for these companies were obtained from balance sheets filed with the returns (or from reference books) in the form required by State law. These sources were also used for any other insurance companies, not filing returns on Forms 1120L or 1120M, which filed balance sheets in the form required by State law in lieu of the income tax return schedule.

Total deductions

As derived for the statistics, total deductions comprised

(1) the ordinary and necessary business deductions from gross income, (2) the cost of sales and operations, and (3) net loss from sales of noncapital assets. Components of total deductions are shown in the income statement segment of tables 2, 3, 4, and 5.

For certain mutual insurance companies, with total receipts under \$500,000, total deductions represented only investment expenses; business expenses were excluded by law.

Total liabilities

See "Total assets and total liabilities."

Total receipts

The components of total receipts are shown in the income statement segment of tables 2, 3, 4, and 5. This computed amount was derived for the statistics as follows:

Included items—(1) Gross taxable receipts (before deduction of cost of sales and operations and net losses from sales of noncapital assets); (2) Nontaxable interest received from State and local Government obligations.

Excluded items—(1) Other nontaxable income recognized by the corporation; (2) Certain taxable income from related foreign corporations only constructively received.

For certain mutual insurance companies, with total receipts under \$500,000, the gross taxable receipts included in the statistics represented only the receipts from investments; operating income was excluded by law.

Total receipts less total deductions

This item differed from net income for tax purposes in that it included nontaxable interest received from State and local Government obligations and excluded certain income from related foreign corporations only constructively received.

Unused investment credit

Unused investment credit was the portion of the tentative investment credit plus investment credit carryover (from prior years) which exceeded the amount used to reduce the tax liability for the current year. The unused credit could be carried over to other years (see "Investment credit carryover" in this section). The estimates shown for 1970 were derived by subtracting the actual investment credit from the sum of the tentative credit and investment credit carryover on a return-by-return basis.

Unused tentative investment credit

The tentative investment credit was the amount "earned" on current year's qualifying investments before taking account of the limitations on the amount of the actual credit allowed against the income tax. In general, the unused tentative investment credit was the amount of credit generated in the current year that was in excess of the limitations. This amount was eligible to be carried back or carried over for inclusion in the credit claimed for other taxable

years. See also, "Unused investment credit" and "Investment credit carryover."

The amounts shown were derived for the statistics by subtracting, on a return-by-return basis, the credit claimed from the tentative credit. Since corporations without income tax before investment credit did not have to report information relating to the unused investment credit, the statistics may be somewhat understated.

Western Hemisphere Trade Corporation deduction

See "Statutory special deductions."

Zero assets

This category was used in classifying returns by size of total assets. Included were: (1) final returns of liquidating or dissolving corporations which had disposed of all assets, (2) final returns of merging corporations whose assets and liabilities were reported in the returns of the acquiring corporations, and (3) returns of foreign corporations with income "effectively connected" with the conduct of a trade or business in the United States other than foreign insurance company returns with balance sheet information for U.S. branches.

Sample Criteria and Selection of Returns

The data presented in this report are estimates based on stratified probability samples of corporation income tax returns selected before audit. The corporation population from which the samples were drawn contained the following types of returns:

- (1) Form 1120—U.S. Corporation Income Tax Return
- (2) Form 1120L—U.S. Life Insurance Company Income Tax Return
- (3) Form 1120M—U.S. Mutual Insurance Company Income Tax Return
- (4) Form 1120S—U.S. Small Business Corporation Income Tax Return
- (5) Form 1120-F—Income Tax Return of a Foreign Corporation

Sample rates ranged from 2 percent to 100 percent depending on the type of return, size of total assets, and size of net income (or deficit). Returns not included in the corporate population were, for the most part, those in the

Form 990 series filed by nonprofit, and therefore, tax-exempt corporations.

The selection of the returns in the samples was based on the classification shown in table D. Table E shows the number of returns filed, the number in the sample, and the sampling rate for each of the sampling classes described in table D. Nearly all returns were selected for the samples by computer on the basis of a systematic sample design of randomly designated digits of Employer Identification Numbers. These numbers are used in the Internal Revenue Service Business Master File system for revenue processing.

Returns were sampled when they were received without regard to their accounting periods. Separation of the returns into the appropriate income year based on accounting periods was accomplished during statistical processing. Sampling rates were generally set for the calendar year without regard to the accounting period. Therefore, if the rate was changed from one calendar year to the next for a particular sample class, that class would have more than one sampling rate. This can be seen in tables D and E.

Table D.—CORPORATION RETURN SAMPLE SELECTION CLASSES, 1970

Type of return and sample class number, by year of sampling				Sample Class Description ¹	
Sampled—				Size of total assets	Size of net income or deficit
before Jan. 1972	After Dec. 1971	before Jan. 1972 ²	After Dec. 1971		
Form 1120	Form 1120S				
-	-	10	-	Under \$1,000,000	Any amount
1	1	11	11	Under \$50,000	Under \$25,000
2a	2b	12	12	\$50,000 under \$100,000	\$25,000 under \$50,000
3	3	13a	13b	\$100,000 under \$250,000	\$50,000 under \$100,000
4	4	14a	14b	\$250,000 under \$500,000	\$100,000 under \$250,000
5a	5b	15a	15b	\$500,000 under \$1,000,000	\$250,000 under \$500,000
6a	6b	-	-	\$1,000,000 under \$5,000,000	\$500,000 under \$750,000
-	-	16a	16b	\$1,000,000 or more and controlled by name	\$500,000 or more and controlled by name
-	-	16b	16b	\$1,000,000 or more	\$500,000 or more
7a	7b	-	-	\$5,000,000 under \$10,000,000	\$750,000 under \$1,000,000
8a	8a	-	-	\$10,000,000 or more and controlled by name	\$1,000,000 or more and controlled by name
8b	8b	-	-	\$10,000,000 or more and not controlled by name	\$1,000,000 or more and not controlled by name
Forms 1120L, -M, and -F					
9a	9a	-	-	Any amount and controlled by name	Any amount and controlled by name
9b	9b	-	-	Any amount and not controlled by name	Any amount and not controlled by name

¹Returns are classified according to either the size of total assets or the size of net income, whichever placed them in the sample class having the higher class number. For example, a Form 1120 return with total assets of \$750,000 and net income of \$75,000 was placed in sample class 5 (5a if sampled before January 1972, or 5b if sampled after December 1971) instead of sample class 3.

²Form 1120S returns sampled before January 1971, were not sampled by size of net income or deficit. Two asset size criteria were used: Under \$1 million (sample class 10), and \$1 million or more (sample class 16).

Table E.—CORPORATION RETURNS: NUMBER FILED, NUMBER IN SAMPLE, PRESCRIBED AND ACHIEVED SAMPLING RATES, BY SAMPLE CLASS, 1970

Sample class	Number of returns		Sampling rate	
	Filed (1)	In sample (2)	Prescribed (3)	Achieved (4)
Total.....	1,767,321	113,150	-	-
Forms 1120, 1120L, 1120M, and 1120-F, total.....	1,488,684	100,452	-	-
1.....	630,720	12,495	.02	.0206
2a.....	216,511	6,515	.03	.0301
2b.....	11,914	470	.04	.0394
3.....	233,475	14,477	.05	.0513
4.....	152,211	4,435	.06	.0623
5a.....	82,178	2,351	.07	.0711
5b.....	4,617	394	.10	.0853
6a.....	65,191	19,459	.30	.3062
6b.....	4,309	636	.15	.1592
7a.....	11,397	4,672	.40	.4210
7b.....	792	379	.50	.4785
8a.....	9,204	9,204	1.00	1.0000
8b.....	11,259	11,259	1.00	1.0000
9a.....	582	582	1.00	1.0000
9b.....	4,124	4,124	1.00	1.0000
Form 1120S, total.....	267,696	12,168	-	-
10.....	17,706	348	.02	.0197
11.....	129,351	2,594	.02	.0216
12.....	47,445	1,431	.03	.0289
13a.....	47,377	2,202	.05	.0465
13b.....	2,047	78	.04	.0372
14a.....	14,468	1,473	.16	.1551
14b.....	332	47	.17	.161
15a.....	2,264	521	.27	.2717
15b.....	343	67	.20	.1953
16a.....	34	34	1.00	1.0000
16b.....	3,773	3,773	1.00	1.0000

Table F.—COEFFICIENT OF VARIATION OF ESTIMATED NUMBER OF RETURNS, 1970

Estimated number of returns	Tables showing classification by size of total assets								Tables not classified by size of total assets
	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$50,000	\$50,000 under \$100,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 or more	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
	(Percent)								(9)
200.....	(1)	(1)	31.0	29.3	25.6	16.2	7.3	(2)	(1)
300.....	(1)	33.5	26.2	23.9	20.9	13.3	6.7	(2)	(1)
400.....	(1)	29.0	22.7	20.7	18.1	11.5	5.9	(2)	(1)
500.....	31.6	25.4	20.3	18.7	16.4	10.3	5.3	(2)	31.6
600.....	28.8	23.6	18.5	16.9	14.8	9.4	4.8	(2)	28.8
700.....	26.7	21.9	17.1	15.6	13.7	8.7	4.4	(2)	26.7
800.....	25.0	20.7	15.0	14.6	12.8	8.1	4.2	(2)	25.0
1,000.....	22.3	18.2	14.3	13.1	11.4	7.3	3.7	(2)	22.3
1,200.....	20.4	16.7	13.1	12.0	10.4	6.6	3.4	(2)	20.4
1,400.....	18.9	15.3	12.1	11.1	9.7	6.1	3.1	(2)	18.9
1,600.....	17.7	14.2	11.3	10.4	9.0	5.7	2.9	(2)	17.7
1,800.....	16.6	13.1	10.7	9.8	8.5	5.4	2.7	(2)	16.6
2,000.....	15.8	13.0	10.1	9.3	8.1	5.1	2.6	(2)	15.8
2,500.....	14.1	11.6	9.1	8.3	7.2	4.6	2.3	(2)	14.1
3,000.....	12.9	10.6	8.3	7.6	6.6	4.2	2.1	(2)	12.9
4,000.....	11.2	9.2	7.2	6.5	5.7	3.6	1.9	(2)	11.2
5,000.....	10.0	8.2	6.4	5.9	5.1	3.2	1.7	(2)	10.0
7,000.....	8.4	6.9	5.4	4.9	4.3	2.7	1.4	(2)	8.4
10,000.....	7.1	5.8	4.5	4.1	3.6	2.3	1.2	(2)	7.1
15,000.....	5.8	4.7	3.7	3.4	3.0	1.9	1.0	(2)	5.8
25,000.....	4.5	3.7	2.9	2.6	2.3	1.5	0.7	(2)	4.5
35,000.....	3.8	3.1	2.4	2.2	1.9	1.2	0.6	(2)	3.8
50,000.....	3.2	2.6	2.0	1.9	1.6	1.0	0.5	(2)	3.2
75,000.....	2.6	2.1	1.7	1.5	1.3	0.8	0.4	(2)	2.6
100,000.....	2.2	1.8	1.4	1.3	1.1	0.7	0.4	(2)	2.2
150,000.....	1.8	1.5	1.1	1.1	0.9	0.6	0.3	(2)	1.8
250,000.....	1.4	1.2	0.9	0.8	0.7	0.5	0.2	(2)	1.4
500,000.....	1.0	0.8	0.6	0.6	0.5	0.3	0.2	(2)	1.0

¹Coefficient of Variation has too high a coefficient of variation to warrant showing separately.

²Coefficient of Variation is normally zero. These cells contain returns sampled at a 100 percent rate.

Sampling Variability

The coefficient of variation is the sampling variability (standard deviation) of the estimate expressed as a percent of the estimated value. The sampling variability, when added to and subtracted from the value, provides (for normally distributed estimates) the computed upper and lower limits within which approximately two out of three estimates derived from similarly selected samples would be expected to fall. Coefficients of variation of selected estimates are shown in table G.

Table F provides coefficients of variation for determining conservative estimates of the variability based upon an "upper limit" formula for frequency estimates in general. The coefficient of variation estimates are classified by size of total assets. However, column (9) gives coefficients of variation for other classifications.

Numbers of returns (frequencies) and money amounts considered to exceed acceptable sampling variability limits were treated in either one of two ways. They were either (1) combined with other groups of returns so that the combined coefficient of variation was within acceptable limits or, (2) deleted and noted by an asterisk in the body of the table but included in the appropriate totals.

Column (1) of table E shows the number of returns which were subject to sampling. A comparison of the total number of returns (1,665,477) in column I of table I with the total number of returns filed (1,757,380) in column I of table E shows a difference of 91,903. This difference occurred for the following reasons: About 82,000 returns with neither income nor deductions were classified as returns of inactive corporations. (Although inactive corporations are excluded from most tables they are shown separately in tables B and 22.) The remaining 10,000 were chiefly amended returns not associated with the original

return (the original return was already subject to sampling) or tentative returns not associated with a revised return (the revised return was subject to sampling). Other returns were excluded for conceptual reasons. Examples were returns of foreign corporations whose income was not effectively connected with a U.S. business, returns of mutual insurance companies exempt from tax, certain foreign corporations exempt from U.S. tax under reciprocal treaty arrangements, as well as domestic corporations operating in U.S. possessions and thereby tax exempt.

A small difference was attributable to the fact, that in order to simplify processing, frequencies in the tables were based on weighting factors rounded only to two decimal places. In addition, in the 100 percent sample classes, returns of large corporations received after weighting factors were computed, as well as estimates for returns of certain large corporations which were not available in time for statistical processing, were added to the sample counts, in effect increasing the statistical population.

A dash in place of a frequency or amount indicates that: (1) if returns were sampled at a rate of 100 percent, no returns had the particular characteristic; or (2) if returns were sampled at a rate less than 100 percent, either no returns in the population had the characteristic or the characteristic was so rare that it did not appear on any sample returns.

Method of Estimation

The totals for the numbers of returns filed are the result of computer tabulation of all the returns processed in each of the seven Internal Revenue Service Centers and in the Office of International Operations in Washington, D.C. To make sure the sample plan was working, a comparison was

made between the expected and realized number of sample returns in each of the Service Centers and in the Office of International Operations.

Sample data were weighted to the sample class totals by multiplying them by the quotient (or weighting factor):

$$\frac{\text{Number of returns filed per sample class}}{\text{Number of sample returns per sample class}}$$

For example, the data in table E gives a weighting factor for Sample Class 4 of 16.13 ($152,211 \div 9,435$).

Sample Management and Processing Controls

Sample and population counts of corporation returns were made by computer and were normally free from error. Sample counts were verified during statistical processing to minimize loss of data. Because of their impact on the statistics, inclusion of returns of the largest corporations was verified by controlling these companies on a name basis.

Although the returns were not audited prior to statistical sampling, corrections were made to the taxpayers' figures through mathematical verification. Inconsistencies on sampled returns were corrected as part of the statistical editing

process. Returns that showed data in accompanying schedules but not on the appropriate lines of the return forms were edited and adjusted. Returns with obvious errors were also adjusted. The quality of the statistical editing was controlled by means of a continuous subsampling verification system. In addition, subsamples were later reprocessed and the results compared with earlier results.

Mechanical transcription of all edited data to computer punch cards was verified by repeat keypunching. Prior to tabulation, numerous tests for internal consistency were applied to the data by computer. Finally, prior to publication, all statistics were reviewed for accuracy and reasonableness. This review took into consideration provisions of tax law, accounting practices, taxpayer reporting variations and limitations, economic conditions, and comparability with other statistical series.

However, the controls maintained over the selection of the sample, the processing of the source data, and the review of the statistics did not completely eliminate the possibility of error. In addition, practical operating considerations necessitated the allowance of some error in the statistical processing of the data.

Table G.--ACTIVE CORPORATION RETURNS: COEFFICIENT OF VARIATION OF SELECTED ITEMS, BY MAJOR INDUSTRY

Major industry	Total number of active corporation returns	Total assets	Other current assets	Other current liabilities	Net worth	Total receipts	Net long-term capital gain reduced by net short-term capital loss	Compensation of officers	Net income	Net deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	(Percent)									
All industries.....	0.11	0.04	0.28	0.07	0.10	0.20	0.62	0.45	0.15	0.56
Agriculture, forestry, and fishery.....	2.75	2.09	5.16	6.92	3.36	3.58	6.64	4.16	3.72	4.98
Mining.....	4.38	0.85	2.49	1.41	1.09	1.35	3.07	4.19	0.75	3.12
Metal mining.....	16.16	0.99	3.17	1.84	1.26	0.76	1.66	8.74	0.79	4.29
Coal mining.....	10.87	2.11	3.33	6.86	3.61	3.14	-7.73	10.25	3.99	9.21
Crude petroleum and natural gas.....	6.25	1.42	5.16	1.42	1.87	2.10	5.20	6.42	0.57	4.92
Nonmetallic minerals (except fuels) mining.....	8.03	3.01	9.87	3.88	3.52	4.68	13.03	7.71	5.10	10.83
Contract construction.....	1.46	1.37	2.29	1.97	1.69	2.00	4.85	1.69	1.73	3.13
Manufacturing.....	1.10	0.11	0.24	0.19	0.13	0.23	0.65	0.83	0.21	0.97
Food and kindred products.....	3.72	0.50	1.35	0.67	0.55	1.02	1.88	2.45	0.73	4.33
Tobacco manufactures.....	31.82	0.38	3.93	0.63	0.41	0.62	1.22	3.63	0.32	27.44
Textile mill products.....	5.74	1.19	5.00	2.05	1.30	1.73	10.52	4.29	2.27	5.44
Apparel and other fabricated textile products.....	3.99	1.82	3.66	2.84	2.94	2.40	18.97	3.71	3.01	6.38
Lumber and wood products, except furniture.....	5.06	1.32	3.07	2.60	1.45	2.28	1.42	4.93	2.52	6.23
Furniture and fixtures.....	6.42	3.04	7.43	4.69	3.18	3.75	19.58	6.20	3.70	11.09
Paper and allied products.....	7.68	0.60	1.45	0.71	0.66	1.11	0.37	4.84	1.01	6.80
Printing and publishing.....	3.45	1.05	2.04	1.84	1.21	1.59	3.35	2.99	1.36	6.16
Chemicals and allied products.....	5.10	0.31	0.85	0.48	0.31	0.52	1.08	2.96	0.46	3.79
Petroleum refining and related industries.....	13.44	0.06	0.19	0.13	0.05	0.20	0.29	3.75	0.15	6.31
Rubber and miscellaneous plastics products.....	6.61	1.00	5.52	1.10	1.09	1.45	6.10	5.33	2.03	8.76
Leather and leather products.....	9.75	5.60	2.95	5.98	5.99	4.20	2.13	8.50	3.80	5.86
Stone, clay, and glass products.....	5.31	0.99	2.50	1.64	0.99	1.47	2.33	4.31	1.56	8.70
Primary metal industries.....	6.93	0.26	0.70	0.40	0.34	0.65	0.90	3.20	1.15	1.57
Fabricated metal products, except machinery and transportation equipment.....	3.32	0.93	3.64	1.10	1.10	1.36	4.95	2.72	1.49	3.84
Machinery, except electrical.....	3.35	0.39	0.29	0.70	0.47	0.67	2.27	2.71	0.53	2.67
Electrical equipment and supplies.....	5.06	0.34	0.34	0.45	0.50	0.54	2.57	2.76	0.66	2.80
Motor vehicles and equipment.....	9.31	0.18	0.35	0.27	0.23	0.34	2.43	4.82	0.44	2.51
Transportation equipment, except motor vehicles.....	8.66	0.32	0.35	0.43	0.55	0.62	11.27	4.15	1.18	2.06
Scientific instruments, photographic equipment, watches and clocks.....	8.01	0.93	1.70	1.07	0.97	1.35	8.67	5.47	0.85	6.97
Miscellaneous manufactured products, and manufacturing not allocable.....	5.05	1.57	3.14	1.33	1.83	2.19	15.26	4.38	2.80	5.66
Transportation, communication, electric, gas, and sanitary services.....	2.15	0.14	0.52	0.20	0.23	0.44	1.77	2.05	0.35	1.17
Transportation.....	2.47	0.40	1.30	0.51	0.72	0.95	2.13	2.56	1.93	1.16
Communication.....	6.13	0.18	0.21	0.13	0.17	0.27	2.43	5.57	0.27	8.11
Electric, gas, and sanitary services.....	6.48	0.09	0.45	0.20	0.11	0.29	1.95	3.60	0.23	2.81
Wholesale and retail trade.....	0.64	0.38	1.15	0.65	0.49	0.56	3.61	0.80	0.61	1.67
Wholesale trade.....	1.22	0.05	1.76	1.17	0.80	0.98	4.71	1.31	1.00	2.80
Groceries and related products.....	3.89	2.06	5.88	3.04	2.43	2.67	10.83	4.10	3.12	8.23
Machinery, equipment, and supplies.....	3.21	2.08	4.80	3.48	2.38	2.47	10.93	3.26	2.90	6.40
Miscellaneous wholesale trade.....	1.45	0.74	2.00	1.37	0.93	1.14	5.80	1.55	1.15	3.38
Retail trade.....	0.85	0.53	1.55	0.80	0.66	0.70	5.53	1.09	0.82	2.11
Building materials, hardware, and farm equipment.....	3.04	2.56	7.84	4.31	2.96	2.82	16.23	3.46	4.00	7.64
General merchandise stores.....	3.86	0.49	2.25	0.63	0.73	0.72	4.68	3.58	0.95	4.95
Food stores.....	3.56	1.27	3.89	1.63	1.41	1.55	5.31	4.03	1.80	8.30
Automotive dealers and service stations.....	2.11	1.78	3.90	2.82	2.20	2.17	14.05	2.34	2.91	5.05
Apparel and accessory stores.....	2.83	2.34	6.37	3.36	2.98	2.57	(*)	3.73	3.74	7.75
Furniture, home furnishings, and equipment stores.....	3.14	2.75	5.04	4.27	3.27	3.13	21.11	3.54	4.72	7.23
Eating and drinking places.....	2.26	3.43	5.04	4.48	3.87	2.51	19.53	3.36	3.65	4.46
Miscellaneous retail stores.....	1.99	1.77	4.62	3.08	2.30	1.97	19.88	2.62	2.65	5.17
Wholesale and retail trade not allocable.....	12.35	4.33	13.90	7.42	5.35	7.87	9.04	13.38	11.02	23.29
Finance, insurance, and real estate.....	0.74	0.07	0.51	0.08	0.20	0.20	1.09	0.82	0.30	1.22
Banking.....	1.74	0.09	0.34	0.10	0.13	0.11	0.55	0.32	0.18	1.59
Credit agencies other than banks.....	2.29	0.18	1.50	0.18	1.02	0.42	6.56	1.56	1.21	3.54
Security and commodity brokers, dealers, exchanges, and services.....	8.10	0.76	1.01	0.72	2.35	1.69	15.77	3.39	2.23	4.16
Holding and other investment companies.....	2.96	0.36	1.48	2.71	0.35	1.01	1.36	5.54	0.59	5.18
Insurance carriers.....	4.45	0.64	0.25	0.09	0.14	0.11	0.39	1.38	0.14	0.77
Insurance agents, brokers, and service.....	3.48	2.92	5.82	3.96	3.30	5.58	16.47	4.32	3.57	8.22
Real estate.....	0.97	0.72	2.12	1.79	1.22	1.13	3.27	2.66	1.52	2.00
Services.....	1.03	1.02	2.16	1.83	1.74	1.18	5.29	2.21	1.43	2.02
Hotels and other lodging places.....	3.70	1.90	5.59	3.88	3.08	2.44	12.02	5.57	3.47	5.05
Personal services.....	3.25	3.31	8.36	4.61	4.22	3.60	26.84	4.32	4.86	7.33
Business services.....	1.95	1.38	3.63	1.95	1.95	2.30	10.80	2.88	2.41	3.39
Automobile services, and miscellaneous repair services.....	3.18	2.46	6.66	4.81	3.98	3.21	11.76	4.82	4.76	7.30
Amusement and recreation services.....	3.12	4.02	4.98	6.14	7.14	2.50	6.43	8.04	3.39	4.75
Other services.....	2.47	2.14	5.19	3.13	4.01	2.80	16.01	4.31	1.77	4.70
Nature of business not allocable.....	4.46	15.52	27.99	17.70	31.65	20.45	(*)	30.88	31.29	25.68

Footnotes at end of table.

Table G -- ACTIVE CORPORATION RETURNS. COEFFICIENT OF VARIATION OF SELECTED ITEMS BY MAJOR INDUSTRY--Continued

Major industry	Income tax	Foreign tax credit	Investment credit	Payments with applications for extension of filing time	1969 over-payments claimed as a credit	1970 estimated tax payments	Refund of 1970 estimated tax payments	Credit for U. S. tax paid on special fuels, non-highway gas and lubricating oil	Tax due at time of filing	Tax over-payment
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
	(Percent)									
All industries.....	0.14	0.05	0.17	0.31	0.67	0.15	0.40	1.84	0.56	0.73
Agriculture, forestry, and fishery.....	4.79	3.52	15.73	7.64	21.76	5.98	28.34	7.26	6.63	10.69
Mining.....	0.68	0.13	2.12	2.66	7.61	1.69	2.50	10.30	6.01	4.14
Metal mining.....	0.83		0.34	2.30	23.10	0.94	3.15	3.17	28.56	0.56
Coal mining.....	4.32		3.15	3.89	2.09	7.48	-	(*)	9.62	4.23
Crude petroleum and natural gas.....	0.41	0.11	5.22	3.37	6.62	2.05	3.64	12.50	8.43	7.45
Nonmetallic minerals (except fuels) mining.....	5.75	1.61	17.95	11.27	16.91	8.68	(*)	10.98	12.78	18.41
Contract construction.....	1.99	3.72	7.43	3.46	7.70	2.41	12.80	5.72	2.80	5.08
Manufacturing.....	0.19	0.05	0.21	0.38	0.73	0.19	0.34	0.50	1.16	0.64
Food and kindred products.....	1.64	0.21	1.12	0.96	2.24	0.60	3.96	2.51	3.10	2.48
Tobacco manufactures.....	0.32	0.03	0.15	0.23	32.86	0.20	-	(1)	2.35	1.35
Textile mill products.....	2.19	0.63	4.17	3.63	3.80	2.14	7.03	8.92	4.86	5.51
Apparel and other fabricated textile products.....	3.06	0.47	10.21	5.49	15.37	2.74	9.88	18.18	5.99	7.46
Lumber and wood products, except furniture.....	2.78	2.53	1.85	3.75	2.63	2.60	3.11	3.59	8.35	5.69
Furniture and fixtures.....	3.76	0.64	8.97	7.58	21.39	3.79	15.55	16.67	6.89	9.68
Paper and allied products.....	1.02	0.09	1.02	3.71	3.26	0.92	0.85	0.94	4.45	3.58
Printing and publishing.....	1.18	0.30	2.74	2.09	1.46	1.09	8.05	(1)	3.74	2.64
Chemicals and allied products.....	0.33	0.08	0.29	0.80	0.94	0.31	0.70	0.62	3.25	1.37
Petroleum refining and related industries.....	0.13	0.04	0.07	0.17	0.53	0.39	(1)	0.23	10.40	0.71
Rubber and miscellaneous plastics products.....	1.90	0.08	1.18	5.25	1.73	2.20	1.70	2.79	7.91	4.64
Leather and leather products.....	4.29	0.51	11.22	3.33	5.12	4.98	(*)	(1)	9.49	11.06
Stone, clay, and glass products.....	1.44	0.03	2.04	3.80	3.88	1.23	3.14	4.08	6.80	3.69
Primary metal industries.....	1.09	0.04	1.04	2.02	3.97	1.31	2.69	0.40	4.56	1.82
Fabricated metal products, except machinery and transportation equipment.....	1.47	0.94	2.10	3.37	5.26	1.44	9.85	2.47	4.22	3.89
Machinery, except electrical.....	0.45	0.13	0.89	1.21	2.22	0.51	2.27	1.46	3.79	1.96
Electrical equipment and supplies.....	0.58	0.02	0.65	1.11	0.82	0.56	1.52	0.15	4.64	1.22
Motor vehicles and equipment.....	0.37	0.01	0.10	0.57	2.26	0.27	0.12	2.24	7.80	1.68
Transportation equipment, except motor vehicles.....	0.95	0.07	0.63	1.02	1.46	0.84	5.40	1.18	10.16	1.90
Scientific instruments, photographic equipment, watches and clocks.....	0.76	0.01	2.02	1.60	6.51	0.61	6.51	13.86	9.53	2.04
Miscellaneous manufactured products, and manufacturing not allocable.....	2.74	10.39	1.60	4.58	6.34	2.43	4.20	(1)	6.46	5.18
Transportation, communication, electric, gas, and sanitary services.....	0.28	0.19	0.21	0.50	1.16	0.23	1.08	4.69	2.95	1.42
Transportation.....	1.67	0.31	1.05	3.27	4.67	2.10	3.85	6.17	4.19	4.39
Communication.....	0.24	0.14	0.24	0.24	3.84	0.22	-	(1)	6.53	4.07
Electric, gas, and sanitary services.....	0.19	0.88	0.09	0.47	0.36	0.15	(1)	1.52	3.82	0.67
Wholesale and retail trade.....	0.65	0.32	1.35	1.20	3.53	0.69	4.29	19.17	1.18	2.45
Wholesale trade.....	1.05	0.41	4.90	2.21	7.81	1.19	6.05	6.72	1.75	3.90
Groceries and related products.....	3.41	1.31	12.14	4.98	33.62	3.04	4.89	24.07	6.03	9.80
Machinery, equipment, and supplies.....	3.06	10.47	6.86	5.12	19.43	3.15	10.36	17.33	4.86	11.26
Miscellaneous wholesale trade.....	1.19	0.42	6.03	2.71	6.46	1.41	8.75	7.49	1.98	4.50
Retail trade.....	0.85	0.01	1.33	1.43	2.91	0.84	7.66	30.24	1.66	3.16
Building materials, hardware, and farm equipment.....	4.99	(1)	20.41	9.24	12.78	5.43	(*)	26.14	5.88	10.87
General merchandise stores.....	0.84	(1)	0.69	1.07	2.70	0.79	13.15	(1)	3.76	4.38
Food stores.....	1.52	(1)	2.12	3.00	7.08	1.25	7.28	(*)	4.90	9.42
Automotive dealers and service stations.....	3.72	-	25.57	7.79	16.10	4.65	19.58	33.07	3.81	8.32
Apparel and accessory stores.....	4.44	(1)	23.42	7.65	14.06	5.70	25.13	(1)	5.54	11.57
Furniture, home furnishings, and equipment stores.....	6.36	-	7.56	11.36	11.78	8.65	20.41	(1)	7.38	12.23
Eating and drinking places.....	4.53	(1)	9.73	8.05	25.17	5.09	(*)	(*)	5.71	8.96
Miscellaneous retail stores.....	3.11	(1)	8.87	6.49	14.94	3.68	15.88	(*)	3.92	15.25
Wholesale and retail trade not allocable.....	12.32	-	0.83	30.56	(1)	8.33	(1)	6.82	17.76	19.86
Finance, insurance, and real estate.....	0.30	0.23	0.48	0.57	0.94	0.35	1.03	10.85	0.87	3.30
Banking.....	0.16	0.01	0.14	0.15	0.37	0.14	0.42	22.81	0.48	0.29
Credit agencies other than banks.....	1.13	1.18	0.54	1.76	1.60	2.76	1.26	(*)	2.50	16.43
Security and commodity brokers, dealers, exchanges, and services.....	1.84	0.36	12.50	1.74	3.54	1.71	3.71	(*)	5.38	6.47
Holding and other investment companies.....	2.47	2.67	5.23	4.80	17.94	2.32	11.41	29.63	4.97	6.65
Insurance carriers.....	0.14	-	0.10	0.25	0.27	0.11	1.83	(1)	1.31	0.32
Insurance agents, brokers, and service.....	3.55	3.90	(1)	5.38	20.93	3.56	26.37	(1)	6.37	17.92
Real estate.....	1.83	24.58	8.63	3.94	10.75	2.53	11.55	10.23	2.10	5.57
Services.....	1.64	1.79	3.51	3.21	6.19	1.84	11.33	25.52	2.80	5.73
Hotels and other lodging places.....	3.27	0.23	4.88	5.71	3.27	2.92	6.49	15.00	7.84	7.14
Personal services.....	5.64	9.02	16.88	9.17	17.48	6.26	24.56	(*)	8.11	20.93
Business services.....	2.61	3.63	6.47	5.16	14.84	2.74	27.31	(*)	4.85	6.77
Automobile services, and miscellaneous repair services.....	6.25	(1)	11.33	10.31	17.16	9.74	4.83	(*)	7.34	15.25
Amusement and recreation services.....	3.67	2.93	4.51	9.54	12.33	4.23	4.81	33.33	7.55	18.63
Other services.....	4.98	6.24	11.09	7.30	18.92	6.79	14.61	(*)	6.73	15.20
Nature of business not allocable.....	(*)	-	-	(*)	(1)	(*)	-	-	31.15	(*)

(*) Coefficient of variation is not shown separately because of high sampling variability.
 (1) Estimate is based on returns sampled at a 100 percent rate.

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Corporation Income Tax Returns, Historical Summary, 1961 through 1970

Statistics on corporation income and tax first became available when an excise tax, based on corporation income, was imposed by the Tariff Act of 1909. A so-called direct tax on income was imposed in 1913 following adoption of the Sixteenth Amendment to the Constitution. Three years later the Revenue Act of 1916 directed that statistics concerning the operation of the income tax laws be published annually.

From 1909 through 1915, some corporation statistics were published in the *Annual Report of the Commissioner of Internal Revenue*. The first volume of *Statistics of Income* was published for 1916. The fiftieth anniversary report, *Statistics of Income 1965*, presented historical background and summary statistics for 1916 through 1965.

The historical information in tables 24 through 26 was selected from tables published in the *Statistics of Income* for 1961 through 1970 and includes balance sheet and income statement information for the 10-year period.

The following notes explain changes in the definition of terms over the 10-year period covered by the historical tables. The explanations cover items that are either unique to the historical tables or for which comparability was affected substantially enough to require additional information. Changes in comparability resulted from changes in law, in the format and types of tax returns, and in statistical treatment. When making detailed comparisons of historical statistics, the text of the annual *Statistics of Income* reports should be referred to for descriptions of changes in law that are pertinent to the statistics. In general though, the statistics shown in the historical tables are comparable from year to year.

Historical statistics by industry in greater detail than those shown throughout the published *Statistics of Income* reports are presented in the Corporation Source Book of Statistics of Income. They are available as unpublished worksheets and contain, for 1970, all balance sheet and income statement items shown in table 2, cross-classified by total assets size classes, for the industries listed in table 1. In using data for these industries, it should be noted that the limitations described in the Explanation of Terms under "Industrial divisions and groups" are increasingly important for the more detailed industry groupings. Information about the specific content and cost of Source Book data for 1970 or prior years may be obtained by writing the Director, Statistics Division, Internal Revenue Service, Washington, D.C. 20224.

Historical Comparability of Terms

Accounts payable

Beginning with 1963, any deposits and withdrawable shares (a separate balance sheet item in prior years) reported in accounts payable by banks and savings institutions, were included in "other current liabilities." Also, beginning with 1966, if accounts payable for banks and savings institutions was the largest liability item, it was included in "other current liabilities."

Amortization

For 1961, amortization included amounts deducted for the 60 month rapid writeoff of grain-storage facilities completed before January 1, 1957. For all years, it included increasingly small amounts attributable to the rapid writeoff of defense emergency facilities certified by the Federal Government before 1960, nearly all of which were fully amortized by 1961. Beginning with 1969, amortization of certified pollution control facilities, certain railroad rolling stock, and coal mining safety equipment, all eligible for rapid writeoffs, were included. Railroad grading and tunnel bores were added for 1970.

Bad debts

Bad debts deducted were affected by the more restrictive provisions applicable to mutual savings banks and savings and loan associations beginning with 1963. Beginning with 1970, bad debt deductions were further affected by the gradually increasing restrictions placed on these same financial institutions. See the Changes in Law section.

Business receipts

Business receipts included underwriting income of most mutual fire and casualty insurance companies beginning with 1963. These amounts were previously not reported for tax purposes.

Cost of property used for investment credit

The cost or basis of property used for investment credit was limited to \$20,000 (with certain exceptions) if the property was constructed during the suspension period of the credit (October 10, 1966 through March 9, 1967). This limitation affected the statistics beginning in 1966 and continued to have an effect depending on when the credit for this "suspension period property" was taken (generally at the time the property was completed or placed in service).

Statistics for 1969 and 1970 were affected by the repeal of the investment credit.

Cost of sales and operations

Cost of sales and operations includes underwriting losses of mutual fire and casualty insurance companies beginning with 1963. Previously these amounts were non-deductible inasmuch as the business income to which they were related was nontaxable.

Depletion

Beginning in 1970, this item was affected by the change in percentage depletion rates for specified minerals under the Tax Reform Act of 1969. See the discussion in the Changes in Law section.

Depreciation

Depreciation beginning with 1962 reflects the liberalized standards set forth in Revenue Procedure 62-21 which could be used to establish reasonableness of the

deduction claimed for tax purposes and to determine the useful lives of depreciable assets. These standards were further liberalized in 1965. In addition, beginning with 1963 the statistics include so-called amortization on station connections in the communications industry and amortization of capitalized film production costs in the motion picture industry. Previously these items were reflected in "other deductions." Restrictions imposed in 1966 on the use of accelerated depreciation methods for certain real property not eligible for the investment credit were terminated in 1967.

Beginning in 1969, the estimates reflect the more restrictive provisions of the Revenue Act of 1969 governing the use of accelerated depreciation in the public utility industries and for real estate.

In 1969 and prior years, controlled groups were permitted the additional first-year allowance for each member corporation. However, beginning in 1970, the multiple use of this allowance was prohibited. Only a single allowance was permitted for each controlled group.

Dividends received deduction

Dividends received deduction was affected by the controlled group provisions of the Revenue Act of 1964. Beginning with 1964, the deduction included the elective 100 percent deduction allowed for certain intragroup dividends. These dividends were received by controlled group members filing nonconsolidated returns and sharing a single surtax exemption for the group under section 1561.

Previously such dividends were eligible for the 85 percent deduction allowed for most intercorporate dividends. The 1964 provision permitted affiliated groups filing nonconsolidated returns to elect treatment with respect to dividends similar to that obtained by filing consolidated returns. However, affiliated groups electing the 100 percent deduction were subject to special limitations imposed by the law.

Beginning with 1967, a 100 percent deduction for dividends received from certain wholly owned foreign subsidiaries was included. Beginning with 1970, the deduction for intragroup dividends for controlled groups electing multiple surtax exemptions under section 1562 was increased from 85 percent to 100 percent at a rate of 2.5 percentage points per year. In general, the deduction for 1970 amounted to 87.5 percent of the intragroup dividends received. See the Changes in Law section.

Dividends received, domestic corporations

Dividends received, domestic corporations, prior to 1966 included any foreign dividends received by Small Business Corporations electing to be taxed through shareholders. Beginning with 1966 it was possible to identify separately these foreign dividends and to exclude them from the statistics.

Dividends received, foreign corporations

Dividends received, foreign corporations, beginning in 1963 were "grossed-up" by the foreign taxes paid on the income from which the dividends were paid. The "gross-up" applied only to the dividends paid by foreign compa-

nies incorporated in "developed countries" and only if the U.S. corporation claimed a foreign tax credit for such taxes.

Beginning with 1965, identifiable amounts of "gross-up" were excluded from foreign dividends received and included in "Constructive taxable income from related foreign corporations." A separate line for the "gross-up" first appeared on the 1966 return form.

Certain "minimum distributions" of Controlled Foreign Corporation profits, as well as certain gains from the sale, exchange, or redemption of Controlled Foreign Corporation stock, were also included in the statistics for 1963 and later years.

Dividends subject to the 100 percent deduction, received by U.S. corporations from wholly owned foreign subsidiaries all of whose gross income was effectively connected with the conduct of a U.S. trade or business, were included beginning with 1967.

Prior to 1966 any foreign dividends received by Small Business Corporations electing to be taxed through shareholders were excluded. Beginning with 1966 it was possible to identify separately these foreign dividends and to include them with the statistics.

Estimated tax payments

Prior to 1964 this item was entitled "Payments on declarations of estimated tax." It included two equal installments made during the corporation's taxable year totaling 50 percent of the estimated tax less a \$100,000 exemption (corporations with estimated income tax liabilities of less than \$100,000 did not have to make payments). The remaining 50 percent was paid in one or two installments after the close of the corporation's taxable year.

Beginning in 1964, the amount of estimated tax required to be paid during the taxable year was gradually increased so that by 1970, all of the estimated tax less the \$100,000 exclusion was payable during the taxable year.

In 1966 the transition period was speeded up so that by 1967 (instead of 1970), all of the estimated tax less the exclusion was payable during the taxable year. In 1968, a gradual elimination of the \$100,000 exemption over a 10-year period was begun.

The overall effect of these changes on the estimates was to increase the amounts shown as Estimated tax payments over what they otherwise would have been.

Foreign tax credit

Foreign tax credit statistics shown in the historical tables reflect different methods of computing the statutory limitation on the amount allowable. For 1961, instead of the required "per country" limitation, corporations could elect an "overall" limitation. Beginning with 1963, the "overall" limitation was mandatory with respect to the taxes paid on certain interest income.

Also beginning with 1963, new rules applied in computing foreign taxes deemed paid on dividend income from foreign subsidiaries operating in "developed countries." In addition, credit was allowed for taxes paid on income only constructively remitted from such subsidiaries.

The Foreign Investors Tax Act of 1966 added new Code section 906 entitling certain foreign corporations to the foreign tax credit for taxes paid or accrued on income "effectively connected" with a United States trade or business.

Beginning in 1970, foreign tax credit for foreign taxes paid on foreign mineral income was limited to the extent foreign taxes exceeded U. S. taxes on that income, but only if the excess was due to the percentage depletion allowance. Prior to 1970 this excess of foreign tax over U. S. tax on mineral income was available as a credit against U. S. tax otherwise payable on foreign income from sources other than the production of minerals.

Income subject to normal tax, surtax, and alternative tax

This item, entitled Income subject to tax in 1969 and prior years, included life insurance company net long-term capital gain taxed at the capital gains rate throughout the 10-year period, even though it was not until 1962 that these companies were allowed to use the alternative tax computation privilege.

The tax base for mutual fire and casualty insurance companies was revised to include underwriting profits in 1963, and excluded the gross income base used in prior years.

Income subject to tax statistics for the years 1964, 1965, 1967, and 1968, were affected by adjustments in the computation of percentages used for certain statutory special deductions made necessary by the change in income tax rates for 1964 and 1965 and the surcharge for 1967 through 1969.

Beginning with 1966, income subject to tax also included the special capital gain tax base of Small Business Corporations electing to be taxed through shareholders.

Income tax

Income tax statistics, besides being affected by changes in law applicable to income and deduction items, were affected by changes in tax rates and inclusion (or exclusion) of income tax components applicable to certain years.

Also, beginning with 1962, the alternative tax privilege was granted to life insurance companies. Prior to this the tax on capital gains was imposed separately regardless of other income.

Starting with 1963, the statistics for total income tax included the tax from recomputing prior year investment credit. Also, beginning with 1963, there was a change in the method of taxing mutual fire and casualty insurance companies. As a result, these companies were effectively taxed at the regular tax rates on all of their taxable income including underwriting income; previously a special 1 percent tax on total gross income was required whenever it exceeded the regular tax on investment income only.

Income tax statistics were affected by the reduction in corporate income tax rates applicable, in general, beginning in 1964. Fundamental changes applicable to affiliated groups (beginning in 1964) reduced the tax for corporations electing to file consolidated returns and increased the tax for members of controlled groups filing separate returns

and electing to be taxed under Code sections 1561 and 1562. Further restrictions were gradually imposed, beginning in 1970, on controlled groups filing separate returns. See the discussion in the Changes in Law section.

A 10 percent surcharge on income tax is included in the 1968 and 1969 statistics and to some extent (based on a prorated formula) in the 1967 and 1970 statistics.

Beginning in 1969, the income tax statistics included the additional tax for tax preference items (effective for accounting periods which ended after December 31, 1969).

The 1969 and 1970 statistics also reflect the increase in the alternative tax on the net long-term capital gains. With certain exceptions, the rate was 28 percent for 1970 and 30 percent for 1971 and thereafter. For 1969, corporations whose accounting periods extended into 1970 were required to prorate the old 25 percent rate and the newer transitional 28 percent rate. For 1970, corporations with accounting periods extending into 1971 had to prorate the 28 percent rate and the 30 percent rate.

Investment credit

For taxable years ending before March 10, 1967, investment credit could not exceed the first \$25,000 of tax liability plus 25 percent of the tax liability in excess of \$25,000. For taxable years ending on or after that date, the limitation was 50 percent of tax liability over \$25,000.

Investment credit for 1966 through 1968 was affected by the suspension of the credit (except for a \$20,000 exemption for certain "suspension period" property) from October 1966 through March 1967. The statistics for 1969 and 1970 were affected by the repeal of the credit for property (except for certain property contracted for prior to the termination date) acquired, constructed, or reconstructed after April 18, 1969.

Investment credit carryover

The Tax Reform Act of 1969 limited the amount of unused credit that could be carried over to 1969 and 1970. Generally, the Act limited the carryover to 20 percent of the aggregate amount of unused credit otherwise available. An additional 3-year carryover period was allowed for credits already earned but unusable during the normal 7-year carryover period because of the limitation.

Long-term debt

Long-term debt is the abbreviated title given mortgages, notes, and bonds payable and maturing in 1 year or more from date of the balance sheet. Mortgages, notes and bonds payable are discussed in the Explanation of Terms section.

Mortgage and real estate loans

Mortgage and real estate loans were included in "other investments" from 1963 through 1965. For 1961 and beginning again in 1966 a separate balance sheet account on the tax return permitted this item to be included in the statistics. (The item was available on the return for 1962 but was not tabulated.)

Net capital assets, except land

Net capital assets, except land, consisted of depreciable, depletable, and intangible assets less accumulated depreciation, depletion, and amortization.

Net capital gains

The year-to-year comparability of net capital gains was affected by law changes which occurred in 1962 and 1964. Gains on the dispositions of certain depreciable assets such as machinery and equipment (starting with 1962) and certain buildings (starting with 1964) were no longer eligible for treatment as long-term capital gains.

Beginning in 1970, losses from casualty or theft of uninsured property could be netted only against gains from casualty or theft of insured property to determine the amount includable in computing net long-term capital gain or ordinary net gain or loss. Prior to 1970 these losses were treated as ordinary losses and deducted in full from total receipts. For discussions of these changes see "Net capital gains" in the Explanation of Terms section. See also the Changes in Law section.

Also for 1970, net gains from the sale or exchange of bonds and other corporate and governmental evidences of indebtedness held by financial institutions (with certain exceptions) were no longer considered as capital gains. See the discussion of Net Gains on Sales of Bonds by Financial Institutions in the Changes in Law section.

Net gain or loss, noncapital assets

Net gain or loss, noncapital assets reflected additional amounts beginning with 1962 and 1964 caused by the denial of capital gains treatment to gains realized on dispositions of certain depreciable assets. See "Net capital gains," above.

Beginning in 1970, gains and losses from casualty or theft of uninsured property were required to be netted against gains and losses of insured property. If the result was a gain, then it was consolidated with other gains and losses of noncapital assets. However, if the results was a loss then the loss was deductible from total receipts. Prior to 1970, only gains resulting from casualty or theft of uninsured property were reflected in the computation of net gain or loss. Losses, in fact, were fully deductible and included in "other deductions." See "Net capital gains" in the Explanation of Terms. Also see Changes in Law section.

Also beginning in 1970, this item included net gains from sales of bonds and other corporate and governmental evidences of indebtedness by financial institutions. Previously, these gains were included in Net capital gains. See the Changes in Law section.

Net income or deficit

Net income or deficit was affected by law changes applicable to income and deduction items. Beginning with 1963, underwriting profits of most mutual fire and casualty insurance companies were included in net income. Previously these amounts were not reported for tax purposes. Also,

beginning with 1963, certain income from related foreign corporations constructively received was reflected in net income.

Net long-term capital gain taxed at alternative rates

See the Changes in Law section for a discussion of the change in rates (with certain exceptions) from 25 percent to 28 percent in 1970 and 30 percent in 1971 and thereafter. These rates were prorated for 1969 and 1970 for corporations with accounting periods overlapping 1969, 1970, and 1971.

Net operating loss carryover

Net operating loss carryover statistics were affected by the modifications in the carryover periods during which certain losses could be offset against net income. New or revised carryover periods were introduced for regulated transportation corporations (1963) and for foreign expropriation losses (1964). Beginning in 1964, mutual fire and casualty insurance companies were allowed the deduction.

Notes and accounts receivable

For 1963-1965, the item may include some unidentifiable amounts of mortgage and real estate loans included by savings and loan associations because the return form for these years did not have separate lines for those accounts. (Where identified, mortgage and real estate loans were included with "other investments.")

Other deductions

Other deductions included special business deductions unique to most mutual fire and casualty insurance companies beginning with 1963. Previously these amounts were not deductible for tax purposes inasmuch as the underwriting income to which they were related was nontaxable.

The 1970 statistics reflect the different treatment of casualty or theft gains and losses under the Tax Reform Act of 1969. See the discussion in the Changes in Law section.

Also beginning in 1970, the use of the life insurance small business deduction by members of controlled groups was curtailed.

Other employee benefit plans

With respect to mutual fire and casualty insurance companies, employee benefit plan contributions and all other business expenses became deductible for tax purposes for the first time for 1963. (Previously, only investment expenses could be deducted.)

Other investments

Other investments included mortgage and real estate loans for 1963 through 1965. From 1961 through 1962, and beginning again in 1966, mortgage and real estate loans was a separate balance sheet account on the return form and

was shown as a separate item in the statistics. For additional information see "Mortgage and real estate loans."

Other specified current assets

Other specified current assets consisted of cash, notes and accounts receivable (less reserves for bad debts), "other current assets," and for 1961, mortgage and real estate loans of banks and trust companies.

Pension, profit sharing, stock bonus, annuity plans

Pension, profit sharing, stock bonus, and annuity plans included contributions deducted by life insurance companies.

For mutual fire and casualty insurance companies, employee benefit plan contributions and all other business expenses became deductible for tax purposes for the first time in 1963. (Previously, only investment expenses could be deducted.)

Retained earnings, appropriated

Retained earnings, appropriated, was entitled "Surplus reserves" in years prior to 1966. Except for the more current heading, the statistics are comparable.

Retained earnings, unappropriated

Retained earnings, unappropriated, was entitled "Earned surplus and undivided profits" in years prior to 1966. Except for the more current heading, the statistics are comparable.

Short-term debt

Short-term debt is the abbreviated title given mortgages, notes, and bonds payable and maturing in less than 1 year from date of the balance sheet. Mortgages, notes, and bonds payable are discussed in the Explanation of Terms section.

Specified current liabilities

Specified current liabilities included accounts payable, mortgages, notes, and bonds payable, with maturity less than 1 year from date of balance sheet and "other current liabilities."

Statutory special deductions

Except for the net operating loss carryover, these deductions were affected by variations in tax rates. See the discussion in the Explanation of Terms for a complete list of the deductions and examples of their dependence upon tax rates. Also beginning in 1970, the amounts for the dividends received deduction were affected by the gradual increase in the deduction for certain intragroup dividends allowed members of controlled groups claiming multiple surtax exemptions under Code section 1562. The deduction was increased from 85 percent in 1969 to 100 percent over a 6-year period.

CORPORATION RETURNS

Table 22.—NUMBER OF RETURNS, 1961 THROUGH 1970

Year	Number of returns					Consolidated returns (parent corporations)	Number of subsidiary corporations included in consolidated returns
	Total corporations ¹	Inactive corporations	Active corporations ²				
			Total	With net income	Without net income		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1961.....	1,260,759	50,473	1,190,286	717,599	472,687	4,553	19,501
1962.....	1,418,757	59,715	1,358,042	783,190	484,867	4,394	21,182
1963.....	1,381,677	58,490	1,323,187	808,045	515,142	5,822	26,981
1964.....	1,447,309	63,492	1,373,817	859,510	515,002	7,470	36,211
1965.....	1,490,103	66,123	1,423,980	915,011	508,669	8,957	39,670
1966.....	1,537,957	69,132	1,468,825	939,856	528,879	9,759	41,280
1967.....	1,609,900	75,540	1,534,360	988,406	565,454	10,765	47,691
1968.....	1,614,678	73,008	1,541,670	999,028	542,362	14,330	62,673
1969.....	1,737,877	79,057	1,658,820	1,045,520	613,300	17,155	83,436
1970.....	1,747,629	82,152	1,665,477	1,008,337	657,140	19,871	97,586

¹Includes consolidated returns which are shown separately in column (6).

NOTE: For definitions and limitations of classifications used, see Explanation of Terms and Historical Comparability of Terms sections of this report. Description of the Sample and Limitations of the Data for each of the years 1961 through 1970 appears in the annual volumes for these years.

ACTIVE CORPORATION RETURNS

Table 23.--BALANCE SHEETS AND INCOMP. STATEMENTS, 1961 THROUGH 1970

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

Table with columns for years 1961-1970 and rows for various financial items like 'Number of returns, total', 'Total assets', 'Cash', 'Notes and accounts receivable', etc.

Footnotes at end of table. For definitions and limitations of classifications used, see Explanation of Terms and Historical Comparability of Terms sections of this report. Description of the Sample and Limitations of the Data for each of the years 1961 through 1970 appears in the annual volumes for these years.

ACTIVE CORPORATION RETURNS

Table 23.--BALANCE SHEETS AND INCOME STATEMENTS, 1961 THROUGH 1970--Continued
[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
65 Total receipts less total deductions (35 less 48).....	47,034,136	50,842,268	55,736,821	63,079,388	74,740,654	81,293,294	79,250,304	87,476,960	92,134,772	100,306,777
66 Constructive taxable income from related foreign corporations ¹	-	-	4,297	74,774	899,479	1,160,163	1,126,728	1,077,663	1,157,755	1,173,387
67 Net income (less deficit) 165 plus 66 minus 36).....	45,893,900	49,606,038	54,284,760	61,575,194	73,889,821	80,557,706	78,181,224	85,961,988	80,218,685	65,901,614
68 Net income.....	52,401,331	56,248,301	61,315,228	68,734,651	80,796,811	87,720,224	86,651,224	95,102,002	93,432,590	83,710,925
69 Deficit.....	6,507,431	6,642,263	7,030,468	7,159,457	6,906,980	7,212,518	8,472,017	9,140,014	13,213,905	17,809,310
Returns other than Form 1120S										
70 Net income (less deficit).....	45,329,453	48,898,921	53,485,287	60,574,997	72,341,964	78,872,622	76,328,542	84,014,558	77,971,511	64,050,106
71 Net income.....	51,496,954	55,196,975	60,078,119	67,254,259	79,827,401	85,507,256	84,168,289	90,429,456	90,400,185	80,683,373
72 Deficit.....	6,167,501	6,298,054	6,592,831	6,709,262	6,385,437	6,634,634	7,839,747	8,465,038	12,430,683	16,631,267
73 Statutory special deductions, total.....	3,973,974	4,558,082	4,484,102	5,245,833	5,714,336	5,684,391	5,711,788	6,084,902	5,988,436	6,451,500
74 Net operating loss carryover.....	1,406,729	1,837,473	2,229,777	2,229,777	2,348,712	2,422,288	2,453,631	2,610,174	2,680,679	2,861,568
75 Dividends received deduction.....	2,231,352	2,545,998	2,374,037	2,730,460	2,993,917	2,834,458	2,806,310	3,061,455	3,155,817	3,279,873
76 Deduction for dividends paid on certain public utility stock.....	21,557	23,402	23,231	24,060	25,854	25,814	25,357	22,501	20,490	21,185
77 Western Hemisphere Trade Corporation deduction.....	222,336	236,102	244,591	281,556	343,853	401,811	428,790	390,710	331,030	288,495
78 Income subject to tax ²	47,037,691	51,722,346	54,331,310	60,398,857	70,839,773	77,300,586	74,801,020	81,409,671	81,222,807	72,374,437
79 Net long-term capital gain taxed at alternative rates ³	2,611,929	2,156,660	2,223,745	2,262,746	2,486,871	3,192,793	3,526,204	3,951,069	4,566,077	1,019,495
80 Income tax, total ⁴	22,188,057	23,930,297	26,298,372	27,896,983	31,661,573	34,449,174	33,301,013	39,694,253	43,474,125	43,293,018
81 Surcharge.....	-	-	-	-	-	-	127,685	3,428,775	1,443,184	784,417
82 Tax from recomputing prior year investment credit.....	-	-	-	29,211	53,206	73,504	-	126,509	-	77,832
83 Additional tax for tax preferences.....	-	-	16,155	-	-	-	-	-	93,053	265,249
84 Investment credit.....	-	-	-	-	-	-	-	-	-	-
85 Foreign tax credit.....	1,489,950	833,687	1,105,559	1,318,502	1,716,290	2,006,195	2,075,004	2,384,000	1,908,788	865,954
86 Form 1120S net income (less deficit).....	564,447	767,097	794,453	1,060,197	1,447,957	1,655,084	1,853,187	1,947,530	2,247,184	1,851,508
87 Net income.....	904,377	1,051,326	1,237,119	1,490,392	1,966,450	2,232,968	2,485,457	2,622,506	3,030,406	3,024,581
88 Deficit.....	339,930	344,229	437,657	450,195	521,543	577,884	632,270	674,976	783,222	1,178,073
89 Net income (less deficit) after tax (67 minus 80 plus 84).....	21,705,843	26,509,428	29,091,920	35,036,713	43,944,538	48,084,917	46,955,757	48,651,836	42,751,328	31,472,550
90 Net income after tax.....	30,213,274	33,151,691	36,122,408	42,198,356	50,854,838	55,301,204	53,335,675	57,861,008	55,981,284	51,325,656
Distributions to stockholders										
91 Cash and property except own stock.....	18,037,780	19,564,780	21,105,281	23,304,863	25,497,453	27,033,180	28,239,017	31,562,054	32,450,477	32,012,467
92 Corporation's own stock.....	2,176,709	2,148,994	2,118,090	3,092,238	2,239,629	2,677,450	3,233,481	3,303,905	2,715,063	1,922,230
93 Cost of property used for investment credit.....	104	22,477,291	27,752,307	32,660,793	38,377,921	46,213,450	50,294,996	54,236,804	46,148,011	22,167,470
94 Investment qualified for credit.....	104	19,508,386	24,295,863	28,886,194	34,479,510	40,588,887	41,857,117	48,354,792	42,410,265	21,477,868
95 Tentative investment credit.....	104	1,132,674	1,411,604	1,698,491	2,057,639	2,460,521	2,510,390	2,917,309	2,516,134	1,236,574
96 Investment credit carryover.....	104	107,090	13,079,990	576,081	842,577	1,094,090	1,415,169	1,630,666	1,306,726	1,265,508
97 Unused investment credit.....	104	303,741	625,535	657,256	1,184,748	1,534,275	1,859,389	2,163,685	1,911,272	1,637,550
98 Estimated tax payments, total.....	6,438,361	6,861,869	7,205,609	8,179,421	9,567,214	13,326,509	16,523,343	14,213,064,76	14,223,339,459	14,200,037,291

n.a. = Not available.
 1 Reclassified.
 2 For years 1961 through 1965, cost of treasury stock was included in "other investments."
 3 For 1961 and 1962, includes interest on government obligations subject to surtax only amounting to \$47,170,000 and \$45,491,000 respectively. Most of the obligations for which the interest was subject to surtax only were matured by 1963. The small amounts reported in subsequent years were also included in wholly taxable interest.
 4 For 1963 and 1964, represents includable income of Controlled Foreign Corporations. For 1965 through 1970, also includes foreign dividend income resulting from foreign shareholders.
 5 Beginning with 1969, includes amounts reported on Form 1120S returns for tax preferences.
 6 The tax surcharge was applicable to corporations with accounting periods ended after December 31, 1967.
 7 There was no separate line on the 1967 return forms for reporting tax from recomputing prior year investment credit for returns with accounting periods ended after December 31, 1967.
 8 Additional tax for tax preferences was only applicable to corporations with accounting periods ended after December 31, 1969.
 9 Investment credit and items related to the credit, allowed under provisions of the Revenue Act of 1962, were not tabulated for returns with accounting periods ended January through June 1962.
 10 Investment credit carryover was not tabulated for returns for 1962 with accounting periods ended January through June 1963, nor for returns for 1963 with accounting periods ended July through November 1963 that were included in the 1963 statistics. The investment credit carryover was not applicable to accounting periods ended before January 1963.
 11 Amounts shown after any quick returns of overpayment of estimated tax, which were first available to corporations with taxable years beginning in 1968. There was no separate line on the 1968 and 1969 return forms for reporting quick returns and limitations of estimated tax. For 1970, the quick returns amounted to \$830,722,000.
 NOTE: For definitions and limitations of classifications used, see Explanation of Terms and Historical Comparability of the Sample and Limitations of the Data for each of the years 1961 through 1970 appears in the annual volumes for these years.

Table 24. — BALANCE SHEETS AND INCOME STATEMENTS, 1961 THROUGH 1970
 [All figures are estimates based on samples—money amounts are in thousands of dollars.]

Item	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
1 Number of returns with net income, total	718,580	781,345	808,645	870,213	915,811	979,846	988,946	999,128	1,048,559	1,097,314	1,147,814
2 Form 1120S	67,811	78,919	88,084	1,02,551	111,473	118,717	120,745	121,559	124,488	127,314	130,149
3 Total assets	1,086,79,445	1,143,909,119	1,134,091,073	1,147,680,859	1,177,311,182	1,185,571,918	1,206,903,211	1,219,170,911	1,241,113,540	1,258,896,000	1,276,526,000
4 Cash	92,735,094	101,078,993	109,809,208	117,217,738	124,810,538	132,410,989	140,010,590	147,610,141	155,210,691	162,811,240	170,411,790
5 Notes and accounts receivable	979,745,886	1,014,084,413	1,049,421,413	1,084,421,185	1,119,421,989	1,154,421,989	1,189,421,989	1,224,421,989	1,259,421,989	1,294,421,989	1,329,421,989
6 Less: Allowance for bad debts	4,524,455	3,747,961	3,747,961	3,747,961	3,747,961	3,747,961	3,747,961	3,747,961	3,747,961	3,747,961	3,747,961
7 Inventories	21,103,464	8,752,000	9,741,294	10,949,689	11,477,918	12,247,885	13,017,852	13,787,819	14,557,786	15,327,753	16,097,720
8 State and local	42,805,668										
9 United States obligations	94,696,176										
10 Not stated	1,706,702										
11 Other current assets	11,399,280										
12 Loans to stockholders	684,139										
13 Receivable and real estate loans	86,188,109										
14 Other investments	196,081,114										
15 Depreciable assets	176,009,911										
16 Less: Accumulated depreciation	149,821,890										
17 Depletable assets	10,825,095										
18 Less: Accumulated depletion	4,576,011										
19 Land	1,905,841										
20 Intangible assets (amortizable)	2,952,612										
21 Less: Accumulated amortization	1,557,114										
22 Other assets	5,156,772										
23 Total liabilities	1,086,943,945										
24 Accounts payable	57,023,903										
25 Short-term debt	39,797,513										
26 Other current liabilities	317,309,430										
27 Loans from stockholders	3,419,817										
28 Long-term debt	133,826,984										
29 Other liabilities	159,909,661										
30 Capital stock	123,525,403										
31 Paid-in or capital surplus	65,062,679										
32 Retained earnings, appropriated	34,532,648										
33 Retained earnings, unappropriated	189,100,100										
34 Less: Cost of treasury stock	n.a.										
35 Total receipts	750,998,865										
36 Business receipts	709,591,061										
37 Interest on government obligations	2,803,028										
38 Wholly taxable (United States)	1,077,659										
39 Wholly tax-exempt (State and local)	1,725,369										
40 Other interest	10,587,000										
41 Rent	3,359,912										
42 Royalties	963,922										
43 Net short-term capital gain reduced by net long-term capital losses	757,279										
44 Net long-term capital gain reduced by net short-term capital losses	4,078,776										
45 Net gain, noncapital assets	1,436,307										
46 Dividends, domestic corporations	3,159,520										
47 Dividends, foreign corporations	1,500,000										
48 Other receipts	6,133,064										
49 Total deductions	697,119,905										
50 Cost of sales and operations	500,062,660										
51 Compensation of officers	12,185,054										
52 Compensation of directors	1,876,886										
53 Bad debts	1,929,721										
54 Rent paid on business property	7,453,386										
55 Taxes paid	19,386,082										
56 Interest paid	10,845,828										
57 Contributions or gifts	503,409										
58 Amortization	721,464										
59 Depreciation	19,769,298										
60 Depletion	3,118,091										
61 Advertising	8,170,272										
62 Pension, profit sharing, stock bonus, annuity plans	5,191,601										
63 Other employee benefit plans	2,875,491										
64 Net loss, noncapital assets	2,616,106										
65 Other deductions	211,744										
66 Total deductions	99,415,966										

Footnotes at end of table. For definitions and limitations of classifications used, see Explanation of Terms and Limitations of the Data for each of the years 1961 through 1970 appears in the annual volumes for these years.

Table 24.—BALANCE SHEETS AND INCOME STATEMENTS, 1961 THROUGH 1970.—Continued

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

Item	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
65 Total receipts less total deductions (35 less 48).....	53,478,980	57,445,625	62,408,298	70,020,772	81,493,382	88,354,741	87,548,277	96,342,115	94,917,157	85,522,114
66 Constructive taxable income from related foreign corporations ⁶⁶	-	-	4,220	73,190	896,579	1,157,091	1,123,146	1,008,785	1,149,202	1,446,831
67 Net income (65 plus 66 minus 38).....	52,401,331	56,248,301	61,315,228	68,734,651	80,796,801	87,740,224	86,653,746	95,102,002	93,432,590	83,710,024
68 Returns other than Form 1120S:										
Net income.....	51,496,954	55,196,975	60,078,118	67,244,259	78,827,401	85,507,254	84,168,289	92,479,496	90,402,184	80,681,343
69 Statutory special deductions, total.....	3,887,878	4,445,865	4,375,672	5,139,716	5,586,507	5,611,129	5,563,652	5,965,704	5,789,921	6,214,113
70 Net operating loss carryover.....	1,496,729	1,724,580	1,837,672	2,239,777	2,348,712	2,422,282	2,453,631	2,610,194	2,480,699	2,861,568
71 Dividends received deduction.....	2,147,467	2,433,862	2,663,252	2,864,363	2,866,088	2,761,196	2,656,184	2,923,297	2,957,274	3,062,671
72 Deduction for dividends paid on certain public utility stock.....	221,346	234,301	233,154	304,460	25,854	25,816	25,357	33,903	30,468	30,915
73 Western Hemisphere Trade Corporation deduction.....	11,346	236,162	249,591	281,556	345,853	401,831	428,490	390,710	331,030	288,959
74 Income subject to tax ⁷⁴	47,937,691	51,722,846	54,331,310	60,366,969	70,838,182	77,099,900	74,799,442	81,408,539	81,223,098	72,372,705
75 Sec long-term capital gain taxed at alternative rates ⁷⁵	2,609,664	2,156,266	1,222,764	2,263,666	1,486,871	3,103,703	3,536,201	3,951,049	4,534,006	3,010,405
76 Income tax, total ⁷⁶	22,188,057	23,930,297	26,297,454	27,854,752	31,658,246	34,445,349	33,293,935	39,685,085	39,360,035	43,351,216
77 Surcharge ⁷⁷	-	-	-	-	-	69,941	712,685	3,428,728	3,445,170	784,230
78 Tax from recomputing prior year investment credit.....	-	-	-	-	-	-	86,703	117,862	101,736	237,830
79 Additional tax for tax preferences.....	-	(8)	15,441	27,781	50,589	69,941	-	-	-	-
80 Investment credit.....	(10)	833,687	1,105,552	1,318,457	1,716,383	2,006,329	2,074,864	2,386,091	1,908,719	865,950
81 Foreign tax credit.....	1,489,950	1,564,064	1,915,490	2,269,649	2,615,965	2,861,270	3,160,294	3,663,819	3,987,889	4,568,986
82 Form 1120S net income.....	904,377	1,051,326	1,237,110	1,490,392	1,969,400	2,232,968	2,485,457	2,822,506	3,030,406	3,039,581
83 Net income after tax (82 minus 76 plus 80).....	30,213,274	33,151,691	36,123,326	42,198,356	50,854,838	55,301,204	55,434,675	57,801,008	55,981,284	51,435,638
Distributions to stockholders:										
84 Cash and property except on stock.....	17,353,730	18,802,125	20,535,853	22,763,593	25,475,659	26,597,799	27,440,850	30,595,387	31,876,587	30,164,581
85 Corporation's own stock.....	2,092,400	2,026,498	2,068,090	3,029,011	2,154,005	2,581,276	3,095,337	3,194,340	2,570,607	1,679,408
86 Cost of property used for investment credit.....	(11)	19,772,907	24,928,172	29,470,288	35,827,504	42,917,455	45,522,380	48,398,044	40,780,675	17,764,956
87 Investment qualified for credit.....	(12)	17,242,887	22,002,076	26,234,825	32,473,519	37,962,365	37,978,848	43,363,466	37,580,638	17,164,407
88 Tentative investment credit.....	(13)	980,250	1,250,643	1,519,894	1,918,215	2,385,830	2,282,945	2,577,255	2,185,967	949,403
89 Investment credit carryover.....	-	(14)	112,90,556	112,90,556	1,688,711	857,389	937,615	1,100,298	754,130	574,728
90 Invested tax payments, total.....	(15)	151,317	395,980	629,433	891,465	1,142,939	1,125,568	1,293,271	1,026,569	659,529
91 Estimated tax payments, total.....	6,426,385	6,892,218	7,193,623	8,167,221	9,564,401	13,305,365	16,407,856	14,211,909	14,232,217	14,945,411

66. For year 1961 through 1967, cost of treasury stock was included in "net investments" measured by 104. The small amounts reported in subsequent years were also included in net taxable interest.

67. For 1961 and 1962, represents includable income of Controlled Foreign Corporations. For 1963 through 1970, also includes foreign dividend income resulting from foreign investments in foreign corporations.

68. For 1961 through 1967, includes amounts reported on Form 1120S returns of small business corporations taxed through shareholders.

69. For 1961 through 1967, includes amounts reported on Form 1120S returns of small business corporations taxed through shareholders.

70. For 1961 through 1967, includes amounts reported on Form 1120S returns of small business corporations taxed through shareholders.

71. For 1961 through 1967, includes amounts reported on Form 1120S returns of small business corporations taxed through shareholders.

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77. For 1961 through 1967, includes amounts reported on Form 1120S returns of small business corporations taxed through shareholders.

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89. For 1961 through 1967, includes amounts reported on Form 1120S returns of small business corporations taxed through shareholders.

90. For 1961 through 1967, includes amounts reported on Form 1120S returns of small business corporations taxed through shareholders.

91. For 1961 through 1967, includes amounts reported on Form 1120S returns of small business corporations taxed through shareholders.

ACTIVE CORPORATION RETURNS

Table 26.--SELECTED BALANCE SHEET AND INCOME STATEMENT ITEMS, BY SIZE OF TOTAL ASSETS, 1961 THROUGH 1970

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

Item, size of total assets	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
NUMBER OF ACTIVE CORPORATION RETURNS										
Total.....	1,190,286	1,264,042	1,323,177	1,373,517	1,423,980	1,468,725	1,534,360	1,541,870	1,658,820	1,695,427
Returns with total assets--										
Under \$50,000.....	506,738	571,310	612,186	609,956	609,956	619,597	626,377	625,859	673,173	681,021
\$50,000 under \$100,000.....	206,034	231,807	231,807	231,807	231,807	231,807	231,807	231,807	231,807	231,807
\$100,000 under \$250,000.....	249,057	264,716	264,716	264,716	264,716	264,716	264,716	264,716	264,716	264,716
\$250,000 under \$500,000.....	111,593	124,958	124,958	131,188	137,681	144,994	151,624	153,647	172,965	184,547
\$500,000 under \$1,000,000.....	54,065	64,950	64,950	64,950	64,950	64,950	64,950	64,950	64,950	64,950
\$1,000,000 under \$5,000,000.....	4,282	5,271	5,271	5,271	5,271	5,271	5,271	5,271	5,271	5,271
\$5,000,000 under \$10,000,000.....	8,364	9,711	9,711	9,711	9,711	9,711	9,711	9,711	9,711	9,711
\$10,000,000 under \$25,000,000.....	6,105	7,171	7,171	7,171	7,171	7,171	7,171	7,171	7,171	7,171
\$25,000,000 under \$50,000,000.....	2,231	2,490	2,490	2,490	2,490	2,490	2,490	2,490	2,490	2,490
\$50,000,000 under \$100,000,000.....	1,504	1,269	1,269	1,269	1,269	1,269	1,269	1,269	1,269	1,269
\$100,000,000 under \$250,000,000.....	628	667	667	667	667	667	667	667	667	667
\$250,000,000 or more.....	600	638	692	732	822	892	958	1,041	1,112	1,200
TOTAL ASSETS										
Total.....	1,289,516,071	1,389,126,547	1,481,215,845	1,585,619,574	1,723,524,362	1,864,775,652	2,010,443,291	2,215,624,729	2,445,627,954	2,634,709,564
Returns with total assets--										
Under \$50,000.....	9,696,722	10,612,881	10,612,881	10,612,881	10,612,881	10,612,881	10,612,881	10,612,881	10,612,881	10,612,881
\$50,000 under \$100,000.....	16,756,377	15,936,829	15,936,829	16,615,296	17,070,882	17,526,983	18,174,924	18,736,133	19,685,407	20,532,922
\$100,000 under \$250,000.....	38,022,669	41,628,216	41,628,216	42,988,583	44,697,741	46,875,462	48,229,108	49,589,523	53,446,992	53,758,408
\$250,000 under \$500,000.....	36,925,387	43,527,880	43,527,880	45,825,922	48,007,215	50,615,904	53,216,106	56,527,910	60,344,641	64,464,270
\$500,000 under \$1,000,000.....	40,246,513	44,955,291	44,955,291	46,305,073	48,384,071	50,384,071	52,384,071	54,384,071	56,384,071	58,384,071
\$1,000,000 under \$5,000,000.....	103,911,467	116,768,243	116,768,243	122,868,237	130,154,152	138,524,548	147,176,440	156,076,340	165,176,440	174,464,793
\$5,000,000 under \$10,000,000.....	59,294,509	68,144,023	68,144,023	70,873,033	74,073,033	77,825,040	81,260,911	85,426,925	90,464,938	96,404,951
\$10,000,000 under \$25,000,000.....	94,329,766	103,422,064	103,422,064	111,381,131	114,893,696	118,973,696	125,997,201	134,238,646	147,102,263	152,280,373
\$25,000,000 under \$50,000,000.....	77,659,375	82,917,627	82,917,627	89,181,587	94,139,306	102,671,732	109,598,080	120,611,323	129,621,690	138,606,391
\$50,000,000 under \$100,000,000.....	66,155,342	69,585,972	69,585,972	75,603,554	80,138,717	85,554,621	90,970,786	97,486,915	104,003,044	110,519,173
\$100,000,000 under \$250,000,000.....	128,928,016	139,575,416	139,575,416	158,088,229	165,586,887	176,849,569	186,609,915	197,609,915	210,973,126	222,310,694
\$250,000,000 or more.....	594,332,748	648,812,525	705,727,995	789,236,602	862,253,653	945,269,908	1,070,313,724	1,218,372,692	1,463,920,274	1,556,957,532
INVENTORIES										
Total.....	94,418,310	100,326,982	106,339,515	112,990,430	126,340,612	141,019,086	151,580,694	164,432,576	184,582,896	190,401,642
Returns with total assets--										
Under \$50,000.....	1,413,725	1,558,791	1,558,791	1,567,900	1,621,850	1,613,955	1,615,505	1,539,091	1,663,610	1,784,706
\$50,000 under \$100,000.....	2,625,019	3,981,905	2,627,080	2,716,086	2,716,086	2,918,302	2,982,694	2,907,927	3,139,134	3,464,969
\$100,000 under \$250,000.....	6,330,370	6,820,761	6,820,761	6,930,015	7,210,549	7,710,927	8,033,815	8,202,506	8,408,408	8,465,469
\$250,000 under \$500,000.....	6,336,032	7,110,333	7,110,333	7,376,373	8,238,595	8,618,883	9,246,560	4,396,042	10,528,510	11,531,373
\$500,000 under \$1,000,000.....	6,331,020	20,826,646	7,165,209	7,316,892	8,439,563	9,299,757	9,611,184	10,596,054	12,304,054	11,531,373
\$1,000,000 under \$5,000,000.....	13,162,918	15,170,838	15,170,838	15,788,790	17,869,406	19,513,214	20,125,044	22,608,142	25,008,142	22,608,142
\$5,000,000 under \$10,000,000.....	4,869,564	5,245,680	5,245,680	5,704,272	6,264,536	7,389,443	7,607,752	7,394,167	9,616,958	9,064,040
\$10,000,000 under \$25,000,000.....	6,717,756	6,402,897	6,402,897	7,221,337	7,850,345	8,916,077	8,896,868	9,724,748	10,175,406	10,284,709
\$25,000,000 under \$50,000,000.....	5,259,176	6,098,228	6,098,228	6,320,462	6,758,299	7,212,406	7,098,966	7,632,060	8,016,017	7,664,530
\$50,000,000 under \$100,000,000.....	5,761,154	5,727,438	6,148,170	6,353,632	7,138,953	7,850,915	7,681,664	8,025,751	8,970,747	9,131,693
\$100,000,000 under \$250,000,000.....	8,866,027	9,639,855	9,726,937	10,289,430	10,681,746	11,966,450	12,625,827	16,169,827	16,617,615	15,210,694
\$250,000,000 or more.....	27,315,164	28,886,764	31,787,691	35,389,271	41,057,953	48,031,058	55,694,795	62,474,169	71,939,437	79,639,225
INVESTMENTS IN GOVERNMENT OBLIGATIONS										
Total.....	144,759,556	150,552,565	155,335,021	156,916,102	157,573,498	157,573,498	173,180,511	185,393,774	178,235,006	196,625,390
Returns with total assets--										
Under \$50,000.....	46,944	41,259	41,259	29,122	27,365	34,509	33,655	64,896	41,053	125,653
\$50,000 under \$100,000.....	85,020	86,378	86,378	75,189	61,805	101,786	101,786	96,184	128,662	125,653
\$100,000 under \$250,000.....	329,648	374,173	374,173	319,285	334,392	331,723	322,057	328,661	270,567	304,256
\$250,000 under \$500,000.....	637,473	592,573	592,573	434,599	474,572	455,940	459,886	525,662	663,122	527,186
\$500,000 under \$1,000,000.....	920,916	894,973	894,973	745,927	736,286	797,741	698,340	712,599	860,654	577,876
\$1,000,000 under \$5,000,000.....	9,235,296	9,286,212	9,286,212	9,162,887	8,430,296	8,592,513	7,879,245	7,476,298	7,476,298	6,494,622
\$5,000,000 under \$10,000,000.....	9,041,246	8,979,303	8,979,303	8,958,559	9,471,456	10,376,408	10,208,603	9,390,420	9,073,632	9,073,632
\$10,000,000 under \$25,000,000.....	14,746,649	14,651,159	14,651,159	15,350,596	15,629,493	16,391,068	20,292,070	19,418,164	20,856,174	20,856,174
\$25,000,000 under \$50,000,000.....	11,461,336	11,209,337	11,209,337	11,745,285	12,023,666	12,582,927	14,008,731	15,671,381	15,660,696	16,595,696
\$50,000,000 under \$100,000,000.....	11,758,866	11,914,343	11,914,343	11,694,043	11,789,763	12,164,043	13,007,667	14,389,070	13,169,102	16,929,915
\$100,000,000 under \$250,000,000.....	16,616,339	16,548,169	16,548,169	16,439,234	17,244,604	17,826,904	19,229,217	20,101,295	19,277,550	21,394,218
\$250,000,000 or more.....	70,079,803	75,974,266	75,974,266	80,379,735	79,760,053	77,963,673	88,667,029	97,235,801	89,187,945	104,763,724

Footnote at end of table. For definitions and limitations of classifications used, see Explanation of Terms and Historical Comparability of Terms sections of this report. Description of the Sample and Limitations of the Data for each of the years 1961 through 1970 appears in the annual volumes for these years.

Table 26.---SELECTED BALANCE SHEET AND INCOME STATEMENT ITEMS, BY SIZE OF TOTAL ASSETS, 1961 THROUGH 1970.---Continued
 [All figures are estimates based on samples--money amounts are in thousands of dollars]

Item, size of total assets	1961 (1)	1962 (2)	1963 (3)	1964 (4)	1965 (5)	1966 (6)	1967 (7)	1968 (8)	1969 (9)	1970 (10)
OTHER SPECIFIED CURRENT ASSETS										
Total.....	409,646,064		461,688,339	461,793,438	541,674,124	577,499,165	633,830,659	700,856,664	786,204,098	844,620,095
Returns with total assets--										
Under \$50,000.....	3,531,630		3,884,760	4,014,973	4,177,922	4,171,707	4,348,896	4,333,628	4,471,050	4,711,883,810
\$50,000 under \$100,000.....	5,182,844		5,598,350	5,832,668	6,217,385	6,211,478	6,451,976	6,560,538	6,864,869	7,184,000
\$100,000 under \$250,000.....	13,259,662		14,627,637	15,384,238	16,408,252	16,994,974	17,644,350	17,903,115	18,909,235	19,746,692
\$250,000 under \$500,000.....	13,986,727		15,618,529	16,786,530	17,978,912	18,896,346	19,868,093	20,028,661	21,121,545	21,102,556
\$500,000 under \$1,000,000.....	16,556,963		16,456,139	16,658,419	18,710,164	20,694,283	20,552,280	22,841,736	24,304,429	23,102,556
\$1,000,000 under \$5,000,000.....	39,255,655	Not tabulated	43,863,308	45,688,840	49,755,340	49,041,630	50,071,727	53,869,268	57,623,229	54,807,176
\$5,000,000 under \$10,000,000.....	21,343,301		25,793,272	26,312,313	29,806,183	30,472,882	32,239,842	36,354,369	34,305,220	34,305,220
\$10,000,000 under \$25,000,000.....	32,768,424		38,320,189	38,221,868	40,976,917	43,144,817	46,062,852	52,057,014	55,567,178	56,048,353
\$25,000,000 under \$50,000,000.....	29,355,625		28,865,557	26,428,031	29,347,127	31,040,733	35,212,793	39,270,273	43,092,133	45,493,265
\$50,000,000 under \$100,000,000.....	25,580,786		28,898,291	26,569,109	28,052,329	28,828,625	31,677,371	37,647,362	41,500,448	41,500,448
\$100,000,000 under \$250,000,000.....	40,576,343		43,112,219	41,662,558	45,804,433	44,257,799	51,164,414	54,017,956	60,879,538	66,036,275
\$250,000,000 or more.....	172,267,104		196,650,088	218,213,891	254,178,570	278,753,883	318,336,065	365,321,785	418,715,463	471,009,507
Total.....	288,871,991		316,142,025	337,347,804	364,189,700	397,964,540	440,799,230	465,802,645	516,948,976	554,836,384
NET CAPITAL ASSETS, EXCEPT LAND										
Total.....	288,871,991		316,142,025	337,347,804	364,189,700	397,964,540	440,799,230	465,802,645	516,948,976	554,836,384
Returns with total assets--										
Under \$50,000.....	2,813,491		3,069,316	3,176,989	3,243,192	3,365,622	3,595,694	3,476,606	3,711,778	4,000,832
\$50,000 under \$100,000.....	4,197,357		4,559,571	4,805,482	4,893,868	5,068,370	5,340,222	5,251,571	5,767,445	6,100,832
\$100,000 under \$250,000.....	10,887,323		11,735,360	12,068,843	12,675,682	13,292,431	13,886,721	13,823,491	14,798,162	15,002,136
\$250,000 under \$500,000.....	10,455,915		11,866,408	12,418,864	12,982,754	13,803,000	14,351,989	14,897,701	16,308,637	16,137,545
\$500,000 under \$1,000,000.....	10,438,909	Not tabulated	11,878,624	12,350,946	13,720,248	14,700,327	15,728,439	15,610,261	17,446,610	17,890,780
\$1,000,000 under \$5,000,000.....	21,514,754		25,283,480	27,282,419	28,943,484	30,720,847	32,023,868	34,065,786	36,353,225	36,170,054
\$5,000,000 under \$10,000,000.....	9,008,553		9,526,386	10,132,040	11,201,751	12,291,606	12,422,518	13,115,393	15,105,944	15,940,813
\$10,000,000 under \$25,000,000.....	13,956,018		14,181,683	14,993,725	15,234,835	16,597,184	16,686,274	18,081,801	18,645,125	19,278,021
\$25,000,000 under \$50,000,000.....	11,364,324		12,496,298	12,760,166	13,640,506	14,805,984	14,395,971	15,251,707	16,398,168	17,157,794
\$50,000,000 under \$100,000,000.....	15,663,733		16,178,539	16,302,184	16,318,497	17,233,811	17,264,255	18,128,636	19,287,073	19,863,690
\$100,000,000 under \$250,000,000.....	26,436,193		28,908,168	29,997,665	29,446,352	31,507,600	32,967,895	34,451,521	37,739,745	36,881,535
\$250,000,000 or more.....	153,034,521		166,462,192	181,058,493	201,888,723	225,597,748	252,071,384	281,648,221	316,404,064	347,165,011
Total.....	514,549,664		617,745,965	682,242,422	757,678,180	815,833,638	894,961,578	1,000,550,076	1,102,695,611	1,211,915,255
Returns with total assets--										
Under \$50,000.....	4,864,183		4,019,779	4,081,245	4,128,990	4,303,534	4,249,010	4,473,633	4,562,178	4,731,753
\$50,000 under \$100,000.....	4,855,492		5,037,541	5,240,835	5,485,971	5,476,558	5,992,947	5,731,535	6,408,156	6,408,156
\$100,000 under \$250,000.....	12,038,542		12,917,873	13,436,177	14,025,617	14,541,551	15,011,707	15,392,133	17,070,016	17,496,208
\$250,000 under \$500,000.....	12,610,965		14,094,461	14,884,534	15,495,040	16,629,973	17,627,886	18,364,931	20,370,854	20,004,703
\$500,000 under \$1,000,000.....	13,159,070	Not tabulated	15,091,527	15,672,007	17,762,991	19,371,526	19,753,000	21,718,221	24,543,422	23,260,700
\$1,000,000 under \$5,000,000.....	44,334,117		48,537,214	51,945,642	55,798,804	55,933,807	55,574,809	61,011,150	65,040,640	61,053,765
\$5,000,000 under \$10,000,000.....	33,284,222		35,637,124	38,332,087	43,302,043	44,159,476	44,981,018	48,512,936	51,277,717	47,034,229
\$10,000,000 under \$25,000,000.....	53,351,125		59,672,377	66,684,078	70,149,194	73,807,308	77,088,636	87,711,731	91,477,604	95,804,133
\$25,000,000 under \$50,000,000.....	41,816,324		48,486,263	54,384,001	59,042,034	61,805,457	66,041,765	74,755,967	80,068,201	83,548,723
\$50,000,000 under \$100,000,000.....	39,693,228		47,090,538	53,914,530	57,446,381	60,639,198	65,027,964	72,424,205	73,115,126	82,434,005
\$100,000,000 under \$250,000,000.....	54,662,552		67,425,206	75,168,365	81,835,282	87,804,761	94,452,534	97,739,300	107,171,908	116,150,554
\$250,000,000 or more.....	201,716,243		259,734,057	288,513,891	332,796,716	371,360,289	429,160,562	500,774,334	561,890,432	653,926,432
Total.....	165,520,929		180,952,324	192,877,610	210,274,079	232,505,779	252,423,388	285,612,415	326,038,750	362,700,403
Returns with total assets--										
Under \$50,000.....	1,644,099		1,765,492	1,745,964	1,812,646	1,828,384	1,784,206	1,783,920	1,897,004	5,256,564
\$50,000 under \$100,000.....	2,683,282		2,849,474	2,990,394	2,960,583	2,979,603	3,257,422	3,171,087	3,478,662	4,445,986
\$100,000 under \$250,000.....	7,142,150		7,867,144	8,246,379	8,246,379	8,500,795	8,997,494	8,942,839	9,450,674	9,450,674
\$250,000 under \$500,000.....	7,617,873		8,511,989	8,858,210	9,405,974	9,461,003	10,182,107	10,223,832	11,069,342	11,184,438
\$500,000 under \$1,000,000.....	7,800,756	Not tabulated	9,140,203	9,401,856	10,071,800	10,808,144	11,311,859	11,584,282	12,985,468	12,985,468
\$1,000,000 under \$5,000,000.....	15,596,170		19,144,414	20,242,799	21,241,475	22,789,134	23,359,783	25,207,876	27,941,456	28,177,456
\$5,000,000 under \$10,000,000.....	6,246,960		6,692,183	7,177,500	7,881,745	8,164,197	8,971,629	9,944,314	11,363,832	11,674,506
\$10,000,000 under \$25,000,000.....	8,486,468		9,752,703	10,706,724	11,230,144	12,265,983	12,466,229	13,324,064	14,253,012	15,215,595
\$25,000,000 under \$50,000,000.....	7,042,993		8,397,646	8,512,306	8,955,480	9,379,108	9,746,547	11,051,123	12,712,965	13,446,145
\$50,000,000 under \$100,000,000.....	4,527,382		10,232,658	10,406,869	10,557,040	11,863,574	12,313,126	13,616,536	14,293,400	15,306,537
\$100,000,000 under \$250,000,000.....	15,679,533		17,716,569	18,888,739	18,888,739	20,073,272	20,073,272	24,561,341	25,911,812	26,914,762
\$250,000,000 or more.....	75,989,283		78,431,239	86,581,641	99,025,238	113,467,402	129,818,941	155,800,601	180,718,105	211,104,551

Footnote at end of table. For definitions and limitations of classifications used, see Explanation of Terms and Historical Comparability of Terms sections of this report. Description of the Sample and Limitations of the Data for each of the years 1961 through 1970 appears in the annual volumes for these years.

ACTIVE CORPORATION RETURNS

Table 26.-SELECTED BALANCE SHEET AND INCOME STATEMENT ITEMS, BY SIZE OF TOTAL ASSETS, 1961 THROUGH 1970--Continued

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

Item, Size of total assets	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
RETURNS										
Total.....	1,107,523	1,107,523	1,107,523	1,107,523	1,107,523	1,107,523	1,107,523	1,107,523	1,107,523	1,107,523
RETURNS WITH TOTAL ASSETS--										
Under \$50,000.....	543,913,270	543,913,270	543,913,270	543,913,270	543,913,270	543,913,270	543,913,270	543,913,270	543,913,270	543,913,270
Under \$100,000.....	3,070,481	3,070,481	3,070,481	3,070,481	3,070,481	3,070,481	3,070,481	3,070,481	3,070,481	3,070,481
\$100,000 under \$250,000.....	6,870,482	6,870,482	6,870,482	6,870,482	6,870,482	6,870,482	6,870,482	6,870,482	6,870,482	6,870,482
\$250,000 under \$500,000.....	10,509,376	10,509,376	10,509,376	10,509,376	10,509,376	10,509,376	10,509,376	10,509,376	10,509,376	10,509,376
\$500,000 under \$1,000,000.....	10,007,896	10,007,896	10,007,896	10,007,896	10,007,896	10,007,896	10,007,896	10,007,896	10,007,896	10,007,896
\$1,000,000 under \$10,000,000.....	18,350,252	18,350,252	18,350,252	18,350,252	18,350,252	18,350,252	18,350,252	18,350,252	18,350,252	18,350,252
\$10,000,000 under \$25,000,000.....	27,431,619	27,431,619	27,431,619	27,431,619	27,431,619	27,431,619	27,431,619	27,431,619	27,431,619	27,431,619
\$25,000,000 under \$50,000,000.....	47,672,317	47,672,317	47,672,317	47,672,317	47,672,317	47,672,317	47,672,317	47,672,317	47,672,317	47,672,317
\$50,000,000 under \$100,000,000.....	71,353,355	71,353,355	71,353,355	71,353,355	71,353,355	71,353,355	71,353,355	71,353,355	71,353,355	71,353,355
\$100,000,000 under \$250,000,000.....	41,910,294	41,910,294	41,910,294	41,910,294	41,910,294	41,910,294	41,910,294	41,910,294	41,910,294	41,910,294
\$250,000,000 or more.....	194,190,246	194,190,246	194,190,246	194,190,246	194,190,246	194,190,246	194,190,246	194,190,246	194,190,246	194,190,246
TOTAL RETURNS.....	873,127,464	873,127,464	873,127,464	873,127,464	873,127,464	873,127,464	873,127,464	873,127,464	873,127,464	873,127,464
RETURNS WITH TOTAL ASSETS--										
Under \$50,000.....	32,734,317	32,734,317	32,734,317	32,734,317	32,734,317	32,734,317	32,734,317	32,734,317	32,734,317	32,734,317
\$50,000 under \$100,000.....	91,336,472	91,336,472	91,336,472	91,336,472	91,336,472	91,336,472	91,336,472	91,336,472	91,336,472	91,336,472
\$100,000 under \$250,000.....	71,057,681	71,057,681	71,057,681	71,057,681	71,057,681	71,057,681	71,057,681	71,057,681	71,057,681	71,057,681
\$250,000 under \$500,000.....	65,812,810	65,812,810	65,812,810	65,812,810	65,812,810	65,812,810	65,812,810	65,812,810	65,812,810	65,812,810
\$500,000 under \$1,000,000.....	65,795,260	65,795,260	65,795,260	65,795,260	65,795,260	65,795,260	65,795,260	65,795,260	65,795,260	65,795,260
\$1,000,000 under \$5,000,000.....	117,746,262	117,746,262	117,746,262	117,746,262	117,746,262	117,746,262	117,746,262	117,746,262	117,746,262	117,746,262
\$5,000,000 under \$10,000,000.....	41,909,139	41,909,139	41,909,139	41,909,139	41,909,139	41,909,139	41,909,139	41,909,139	41,909,139	41,909,139
\$10,000,000 under \$25,000,000.....	52,890,339	52,890,339	52,890,339	52,890,339	52,890,339	52,890,339	52,890,339	52,890,339	52,890,339	52,890,339
\$25,000,000 under \$50,000,000.....	44,071,000	44,071,000	44,071,000	44,071,000	44,071,000	44,071,000	44,071,000	44,071,000	44,071,000	44,071,000
\$50,000,000 under \$100,000,000.....	46,079,810	46,079,810	46,079,810	46,079,810	46,079,810	46,079,810	46,079,810	46,079,810	46,079,810	46,079,810
\$100,000,000 under \$250,000,000.....	72,047,805	72,047,805	72,047,805	72,047,805	72,047,805	72,047,805	72,047,805	72,047,805	72,047,805	72,047,805
\$250,000,000 or more.....	240,839,705	240,839,705	240,839,705	240,839,705	240,839,705	240,839,705	240,839,705	240,839,705	240,839,705	240,839,705
TOTAL RETURNS.....	873,127,464	873,127,464	873,127,464	873,127,464	873,127,464	873,127,464	873,127,464	873,127,464	873,127,464	873,127,464
RETURNS WITH TOTAL ASSETS--										
Under \$50,000.....	41,027,875	41,027,875	41,027,875	41,027,875	41,027,875	41,027,875	41,027,875	41,027,875	41,027,875	41,027,875
\$50,000 under \$100,000.....	113,024,261	113,024,261	113,024,261	113,024,261	113,024,261	113,024,261	113,024,261	113,024,261	113,024,261	113,024,261
\$100,000 under \$250,000.....	99,309,225	99,309,225	99,309,225	99,309,225	99,309,225	99,309,225	99,309,225	99,309,225	99,309,225	99,309,225
\$250,000 under \$500,000.....	49,135,077	49,135,077	49,135,077	49,135,077	49,135,077	49,135,077	49,135,077	49,135,077	49,135,077	49,135,077
\$500,000 under \$1,000,000.....	31,092,078	31,092,078	31,092,078	31,092,078	31,092,078	31,092,078	31,092,078	31,092,078	31,092,078	31,092,078
\$1,000,000 under \$5,000,000.....	66,339,857	66,339,857	66,339,857	66,339,857	66,339,857	66,339,857	66,339,857	66,339,857	66,339,857	66,339,857
\$5,000,000 under \$10,000,000.....	62,244,279	62,244,279	62,244,279	62,244,279	62,244,279	62,244,279	62,244,279	62,244,279	62,244,279	62,244,279
\$10,000,000 under \$25,000,000.....	221,506,334	221,506,334	221,506,334	221,506,334	221,506,334	221,506,334	221,506,334	221,506,334	221,506,334	221,506,334
TOTAL RETURNS.....	673,063,265	673,063,265	673,063,265	673,063,265	673,063,265	673,063,265	673,063,265	673,063,265	673,063,265	673,063,265
DEPRECIATION										
Total.....	23,687,284	23,687,284	23,687,284	23,687,284	23,687,284	23,687,284	23,687,284	23,687,284	23,687,284	23,687,284
RETURNS WITH TOTAL ASSETS--										
Under \$50,000.....	718,461	718,461	718,461	718,461	718,461	718,461	718,461	718,461	718,461	718,461
\$50,000 under \$100,000.....	6,904,072	6,904,072	6,904,072	6,904,072	6,904,072	6,904,072	6,904,072	6,904,072	6,904,072	6,904,072
\$100,000 under \$250,000.....	1,886,073	1,886,073	1,886,073	1,886,073	1,886,073	1,886,073	1,886,073	1,886,073	1,886,073	1,886,073
\$250,000 under \$500,000.....	4,462,705	4,462,705	4,462,705	4,462,705	4,462,705	4,462,705	4,462,705	4,462,705	4,462,705	4,462,705
\$500,000 under \$1,000,000.....	1,251,860	1,251,860	1,251,860	1,251,860	1,251,860	1,251,860	1,251,860	1,251,860	1,251,860	1,251,860
\$1,000,000 under \$5,000,000.....	2,390,866	2,390,866	2,390,866	2,390,866	2,390,866	2,390,866	2,390,866	2,390,866	2,390,866	2,390,866
\$5,000,000 under \$10,000,000.....	1,019,906	1,019,906	1,019,906	1,019,906	1,019,906	1,019,906	1,019,906	1,019,906	1,019,906	1,019,906
\$10,000,000 under \$25,000,000.....	1,259,506	1,259,506	1,259,506	1,259,506	1,259,506	1,259,506	1,259,506	1,259,506	1,259,506	1,259,506
\$25,000,000 under \$50,000,000.....	1,027,280	1,027,280	1,027,280	1,027,280	1,027,280	1,027,280	1,027,280	1,027,280	1,027,280	1,027,280
\$50,000,000 under \$100,000,000.....	1,247,108	1,247,108	1,247,108	1,247,108	1,247,108	1,247,108	1,247,108	1,247,108	1,247,108	1,247,108
\$100,000,000 under \$250,000,000.....	2,021,662	2,021,662	2,021,662	2,021,662	2,021,662	2,021,662	2,021,662	2,021,662	2,021,662	2,021,662
\$250,000,000 or more.....	9,409,100	9,409,100	9,409,100	9,409,100	9,409,100	9,409,100	9,409,100	9,409,100	9,409,100	9,409,100
TOTAL DEPRECIATION.....	23,687,284	23,687,284	23,687,284	23,687,284	23,687,284	23,687,284	23,687,284	23,687,284	23,687,284	23,687,284

Footnote at end of table. For definitions and limitations of classifications used, see Explanation of Terms and Historical Comparability of Terms sections of this report. Description of the Sample and Limitations of the Data for each of the years 1961 through 1970 appears in the annual volumes for these years.

ACTIVE CORPORATION RETURNS
 Table 26.--SELECTED BALANCE SHEET AND INCOME STATEMENT ITEMS, BY SIZE OF TOTAL ASSETS, 1961 THROUGH 1970...Continued

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

Item, size of total assets	1961 (1)	1962 (2)	1963 (3)	1964 (4)	1965 (5)	1966 (6)	1967 (7)	1968 (8)	1969 (9)	1970 (10)
NET INCOME (LESS DEFICIT)										
Total	45,893,900	49,606,036	54,284,750	61,575,194	73,689,621	80,527,706	78,181,724	85,961,988	80,218,685	65,401,614
Returns with total assets--										
Under \$50,000	37,705	509,237	1,116,960	21,429	439,264	683,491	666,614	759,617	155,097	599,677
\$50,000 under \$100,000	306,400	1,650,673	1,650,673	685,586	789,688	872,611	892,611	802,202	838,110	838,110
\$100,000 under \$250,000	1,467,157	1,639,282	1,639,282	2,093,209	2,434,832	2,458,482	2,567,827	2,915,364	2,681,092	2,058,898
\$250,000 under \$500,000	1,356,577	5,172,779	1,639,282	2,074,874	2,380,320	2,670,586	2,721,863	2,923,333	2,625,038	2,293,638
\$500,000 under \$1,000,000	1,603,499	4,861,602	1,603,499	1,967,140	2,704,104	2,884,622	2,744,684	3,335,538	2,615,239	2,293,651
\$1,000,000 under \$5,000,000	3,860,266	4,954,824	4,954,824	5,126,110	6,435,926	6,796,040	6,756,748	7,349,242	6,691,662	5,084,365
\$5,000,000 under \$10,000,000	1,906,091	1,964,832	1,964,832	2,264,326	2,924,795	3,159,168	2,860,545	2,719,002	2,940,229	2,182,227
\$10,000,000 under \$25,000,000	2,901,031	2,919,436	2,919,436	3,362,928	4,641,604	4,196,436	3,780,127	4,314,283	3,666,717	2,920,976
\$25,000,000 under \$50,000,000	2,848,003	2,519,163	2,786,307	2,943,397	4,560,934	3,711,053	3,662,220	3,606,482	3,098,332	2,658,442
\$50,000,000 under \$100,000,000	2,107,883	2,917,269	3,198,333	3,426,215	3,889,681	3,761,765	3,761,765	3,809,182	3,422,329	2,758,090
\$100,000,000 under \$250,000,000	4,944,793	3,264,251	5,126,641	6,610,588	7,878,536	7,526,366	6,786,078	7,317,212	6,406,258	4,263,983
\$250,000,000 or more	21,974,310	24,181,033	26,144,407	30,912,442	37,014,734	41,381,314	41,377,905	46,344,821	43,826,842	37,796,347
INCOME TAX										
Total	22,188,057	23,930,297	26,282,217	27,656,985	34,661,573	34,449,174	33,301,013	39,684,253	39,374,125	33,293,018
Returns with total assets--										
Under \$50,000	284,981	472,219	226,728	246,295	320,709	477,750	466,862	608,077	182,570	594,165
\$50,000 under \$100,000	205,647	1,627,720	1,627,720	225,876	228,337	241,402	252,730	276,858	382,957	382,957
\$100,000 under \$250,000	587,768	624,586	624,586	606,022	669,344	713,984	706,991	820,266	899,373	755,640
\$250,000 under \$500,000	624,586	2,289,563	624,586	761,459	806,208	862,916	923,372	1,039,836	1,092,892	948,692
\$500,000 under \$1,000,000	787,201	2,075,262	2,075,262	2,607,688	3,298,724	3,202,257	3,231,542	3,854,350	3,854,350	3,159,462
\$1,000,000 under \$5,000,000	969,873	1,018,469	1,018,469	1,133,688	1,360,395	1,486,044	1,383,838	1,410,115	1,674,170	1,383,364
\$5,000,000 under \$10,000,000	1,431,986	1,519,294	1,519,294	1,667,633	1,751,030	1,928,202	1,791,445	2,200,869	2,110,523	1,706,619
\$10,000,000 under \$25,000,000	1,161,887	1,223,231	1,361,724	1,398,355	1,564,464	1,641,202	1,516,242	1,736,953	1,644,320	1,274,191
\$25,000,000 under \$50,000,000	1,451,503	1,414,459	1,519,863	1,567,394	1,709,443	1,827,437	1,643,354	1,784,883	1,721,085	1,500,125
\$50,000,000 under \$100,000,000	2,216,902	2,294,108	2,446,636	2,714,640	2,863,113	3,144,122	2,848,454	3,130,331	3,418,931	2,723,403
\$100,000,000 under \$250,000,000	10,381,561	11,511,984	13,333,168	14,050,867	16,309,564	17,750,580	17,441,831	21,171,096	21,055,287	17,809,560
\$250,000,000 or more	18,037,780	19,564,780	21,105,281	23,304,863	25,497,453	27,033,180	28,239,017	31,562,924	32,450,977	32,012,677
DISTRIBUTIONS TO STOCKHOLDERS EXCEPT IN OWN STOCK										
Total	431,406	569,030	679,521	503,530	507,149	513,529	752,034	1,055,364	616,356	836,238
Returns with total assets--										
Under \$50,000	154,406	317,653	172,184	180,662	248,447	217,889	244,300	259,069	259,069	259,069
\$50,000 under \$100,000	317,653	278,468	406,943	385,329	499,074	500,943	567,439	608,526	540,531	490,409
\$100,000 under \$250,000	278,468	1,017,313	289,401	377,854	418,815	493,498	526,457	565,789	652,931	433,692
\$250,000 under \$500,000	343,126	2,153,040	287,009	384,777	432,222	475,094	505,787	606,988	606,988	469,006
\$500,000 under \$1,000,000	826,199	1,084,150	852,351	952,431	1,043,148	1,063,341	1,052,983	1,105,262	1,104,780	956,621
\$1,000,000 under \$5,000,000	441,366	2,153,040	435,616	484,448	604,720	557,439	536,810	434,707	567,394	532,173
\$5,000,000 under \$10,000,000	847,163	799,722	826,014	932,053	1,654,251	475,251	475,251	928,701	469,510	881,029
\$10,000,000 under \$25,000,000	726,700	1,084,150	808,348	912,560	1,024,192	947,563	959,577	954,584	456,336	924,956
\$25,000,000 under \$50,000,000	1,266,531	1,084,150	1,267,460	1,219,084	1,225,963	1,240,958	1,189,106	1,322,673	1,272,249	1,265,225
\$50,000,000 under \$100,000,000	2,109,341	2,265,265	2,064,330	2,565,243	2,726,444	2,711,472	2,642,064	2,837,532	2,807,021	2,741,132
\$100,000,000 under \$250,000,000	10,295,203	11,670,640	13,017,004	14,406,887	15,613,011	17,236,203	18,393,067	20,893,179	22,734,934	22,492,396
\$250,000,000 or more	18,037,780	19,564,780	21,105,281	23,304,863	25,497,453	27,033,180	28,239,017	31,562,924	32,450,977	32,012,677

Includes zero assets.
 NOTE: For definitions and limitations of classifications used, see Explanation of Terms and Limitations of Terms sections of this report. Description of the Sample and Limitations of the Data for each of the years 1961 through 1970 appears in the annual volumes for these years.

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Form **1120**
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return
For calendar year 1970 or other taxable year beginning
....., 1970, ending 19

1970

(PLEASE TYPE OR PRINT)

Check if —
A Consolidated return
B Personal Holding Co.
C Business Code No. (See page 7 of instructions.)

Name
Number and street
City or town, State, and ZIP code

D Employer Identification No.
E County in which located
F Enter total assets from line 14, column (D), Schedule L (See instruction R)

IMPORTANT—Fill in all applicable lines and schedules. If the lines on the schedules are not sufficient, see instruction N.

GROSS INCOME
1 Gross receipts or gross sales Less: Returns and allowances
2 Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)
3 Gross profit
4 Dividends (Schedule C)
5 Interest on obligations of the United States and U.S. instrumentalities
6 Other interest
7 Gross rents
8 Gross royalties
9 Net gains (losses)—(separate Schedule D)
10 Other income (attach schedule)
11 **TOTAL income—Add lines 3 through 10**

DEDUCTIONS
12 Compensation of officers (Schedule E)
13 Salaries and wages (not deducted elsewhere)
14 Repairs (do not include capital expenditures)
15 Bad debts (Schedule F if reserve method is used)
16 Rents
17 Taxes (attach schedule)
18 Interest
19 Contributions (not over 5% of line 28 adjusted per instructions—attach schedule)
20 Amortization (attach schedule)
21 Depreciation (Schedule G)
22 Depletion
23 Advertising
24 Profit sharing, stock bonus, pension and annuity plans (see instructions)
25 Other employee benefit plans (see instructions)
26 Other deductions (attach schedule)
27 **TOTAL deductions on lines 12 through 26**
28 Taxable income before net operating loss deduction and special deductions (line 11 less line 27)
29 Less: (a) Net operating loss deduction (see instructions—attach schedule)
(b) Special deductions (Schedule I)
30 **Taxable income (line 28 less line 29)**

TAX
31 **TOTAL TAX (Schedule J)**
32 Credits: (a) Tax paid (deposited) with Form 7004 application for extension (attach copy)
(b) Estimated tax—Overpayment from 1969 allowed as a credit
1970 estimated tax payments (deposits)
Less refund of 1970 estimated tax applied for on Form 4466
(c) Credit from regulated investment companies (attach Form 2439)
(d) U.S. tax on special fuels, nonhighway gas and lubricating oil (attach Form 4136)
33 **TAX DUE (line 31 less line 32)**. See instruction G for depository method of payment
34 **OVERPAYMENT (line 32 less line 31)**
35 Enter amount of line 34 you want: Credited to 1971 estimated tax ▶ Refunded ▶

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than the taxpayer, his declaration is based on all information of which he has any knowledge.

CORPORATE SEAL _____ Date _____ Signature of officer _____ Title _____
Date _____ Individual or firm signature of preparer _____ Address _____

Form 1120 (1970)

Page 2

Schedule A—COST OF GOODS SOLD (See instruction 2)

- 1 Inventory at beginning of year
- 2 Merchandise bought for manufacture or sale
- 3 Salaries and wages
- 4 Other costs (attach schedule)
- 5 Total
- 6 Less inventory at end of year
- 7 Cost of goods sold—Enter on line 2, page 1

Method of inventory valuation

Was there any substantial change in the manner of determining quantities, costs, or valuations between opening and closing inventory?

Yes No . If "Yes," attach an explanation.

Schedule C—DIVIDENDS (See instruction 4)

- 1 Domestic corporations subject to 85% deduction
- 2 Certain preferred stock of public utilities
- 3 Foreign corporations subject to 85% deduction
- 4 Dividends from wholly-owned foreign subsidiaries subject to 100% deduction (section 245(b))
- 5 Other dividends from foreign corporations
- 6 Includable income from controlled foreign corporations (Subpart F; attach Forms 3646)
- 7 Foreign dividend gross-up (section 78)
- 8 Qualifying dividends received from affiliated groups and subject to the 100% deduction (section 243(a)(3))
- 9 Qualifying dividends received from affiliated groups and subject to the provisions of section 1564(b)
- 10 Other dividends
- 11 Total—Enter here and on line 4, page 1

Schedule E—COMPENSATION OF OFFICERS (See instruction 12)

1. Name of officer	2. Social security number	3. Title	4. Time devoted to business	Percent of corporation stock owned		7. Amount of compensation	8. Expense account allowances
				5. Common	6. Preferred		
Total compensation of officers—Enter here and on line 12, page 1							

Schedule F—BAD DEBTS—RESERVE METHOD (See instruction 15)

1. Year	2. Trade notes and accounts receivable outstanding at end of year	3. Sales on account	Amount added to reserve		6. Amount charged against reserve	7. Reserve for bad debts at end of year
			4. Current year's provision	5. Recoveries		
1965						
1966						
1967						
1968						
1969						
1970						

Schedule G—DEPRECIATION (See instructions for Schedule G)

Taxpayers using Revenue Procedures 62-21 and 65-13: Make no entry in column 2, enter the cost or other basis of assets held at end of year in column 3, and enter the accumulated depreciation at end of year in column 4.

1. Group and guideline class or description of property	2. Date acquired	3. Cost or other basis	4. Depreciation allowed or allowable in prior years		5. Method of computing depreciation	6. Life or rate	7. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below) →							
Buildings							
Furniture and fixtures							
Transportation equipment							
Machinery and other equipment							
Other (specify)							
2 Totals							
3 Less amount of depreciation claimed in Schedule A and elsewhere on return							
4 Balance—Enter here and on line 21, page 1							

Schedule H—SUMMARY OF DEPRECIATION

	Straight line	Declining balance	Sum of the years'-digits	Units of production	Additional first-year (section 179)	Other (specify)	Total
1 Under Rev. Procs. 62-21 and 65-13							
2 Other							

Schedule I—SPECIAL DEDUCTIONS

1 (a) 85% of line 1, Schedule C

(b) 60.813% of line 2, Schedule C (Fiscal year corporations, see page 6 of instructions)

(c) 85% of line 3, Schedule C

(d) 100% of line 4, Schedule C

2 Total—See page 5 of instructions for limitation

3 100% of line 8, Schedule C

4 Enter dividends-received deduction allowed for dividends reported on line 9, Schedule C. See section 1564(b) for computation

5 Dividends paid on certain preferred stock of public utilities (see instructions)

6 Western Hemisphere trade corporations (see instructions)

7 Total special deductions—Add lines 2 through 6. Enter here and on line 29(b), page 1

Schedule J—TAX COMPUTATION

1 Taxable income (line 30, page 1)

2 Surtax exemption—Enter line 1 or \$25,000, whichever is lesser. (Component members of a controlled group see page 6 of instructions and enter your surtax exemption or line 1, whichever is lesser)

3 Line 1 less line 2

4 (a) 22% of line 1

(b) 26% of line 3

(c) If multiple surtax exemption is elected under section 1562, enter 6% of line 2

5 (a) Income tax (line 4, or alternative tax from separate Schedule D, whichever is lesser)

(b) Tax Surcharge—2½% of line 5(a) (Fiscal and short year corporations, see page 6 of instr.)

6 Foreign tax credit (attach Form 1118)

7 Line 5 less line 6

8 Investment credit (attach Form 3468)

9 Line 7 less line 8

10 (a) Personal holding company tax (attach Schedule 1120 PH)

(b) Tax Surcharge—2½% of line 10(a) (Fiscal and short year corporations, see page 6 of instr.)

11 Tax from recomputing a prior year investment credit (attach Form 4255)

12 Minimum tax on tax preference items (See page 6 of instructions). Check here if Form 4626 is attached

13 Total tax—Add lines 9 through 12. Enter here and on line 31, page 1

Schedule K—RECORD OF FORM 503 FEDERAL TAX DEPOSITS (List deposits in order of date made—See instruction G)

Serial number of Form 503	Date of deposit	Amount	Serial number of Form 503	Date of deposit	Amount	Serial number of Form 503	Date of deposit	Amount

G Date incorporated

H (1) Did you at the end of the taxable year own directly or indirectly 50% or more of the voting stock of a domestic corporation? Yes No

(2) Did any corporation, individual, partnership, trust, or association at the end of the taxable year own directly or indirectly 50% or more of your voting stock? Yes No

(For rules of attribution, see section 267(c).)

If the answer to (1) or (2) is "Yes," attach a schedule showing:

(a) name, address, and identifying number; and

(b) percentage owned.

If the answer to (1) above is "Yes," show the taxable income (or loss) from line 30, page 1, Form 1120 of such corporation for the taxable year ending with or within your taxable year.

If the answer to (2) above is "Yes," was the owner of such voting stock an alien individual or a foreign corporation, partnership, trust or association? Yes No

I Did you have any contracts or subcontracts subject to the Renegotiation Act of 1951? Yes No . If "Yes," enter the aggregate gross dollar amount billed during the year.

J Did you ever declare a stock dividend? Yes No

K Did you claim a deduction for expenses connected with: Yes No

(1) Entertainment facility (beach, resort, ranch, etc.)?

(2) Living accommodations (except employees on business)?

(3) Employees' families at conventions or meetings?

(4) Employee or family vacations not reported on Form W-2?

L Taxable income (or loss) from line 30, page 1, Form 1120 for: 1967, 1968, 1969

M Refer to page 7 of instructions and state the principal:

Business activity

Product or service

N Were you a member of a controlled group subject to the provisions of:

(1) Section 1561? Yes No (2) Section 1562? Yes No

If answer to (1) or (2) is "Yes," check type of relationship:

(a) parent-subsidiary (b) brother-sister

(c) combination of (a) and (b) (See section 1563.)

If answer to (2) is "Yes," does section 1562(b)(1)(A) apply (nonapplication of 6% additional tax under section 1562)? . Yes No

O Did the corporation, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country? Yes No . If "Yes" attach Form 4683. (For definitions, see Form 4683.)

P Were you a U.S. shareholder of any controlled foreign corporation? Yes No . (See sections 951 and 957.) If "Yes," attach Form 3646 for each such corporation.

Q During this taxable year, did you pay dividends (other than stock dividends and distributions in exchange for stock) in excess of your earnings and profits? Yes No . (See sections 301 and 316.) If "Yes," file Schedule A, Form 1096. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.

R Did you file all required Forms 1099, 1096 and 1087? Yes No

Form 1120 (1970)

Schedule L—BALANCE SHEETS

Page 4

	Beginning of taxable year		End of taxable year	
	(A) Amount	(B) Total	(C) Amount	(D) Total
ASSETS				
1 Cash				
2 Trade notes and accounts receivable				
(a) Less allowance for bad debts				
3 Inventories				
4 Gov't obligations: (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				
5 Other current assets (attach schedule)				
6 Loans to stockholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9 Buildings and other fixed depreciable assets				
(a) Less accumulated depreciation				
10 Depletable assets				
(a) Less accumulated depletion				
11 Land (net of any amortization)				
12 Intangible assets (amortizable only)				
(a) Less accumulated amortization				
13 Other assets (attach schedule)				
14 Total assets				
LIABILITIES AND STOCKHOLDERS' EQUITY				
15 Accounts payable				
16 Mtges., notes, bonds payable in less than 1 yr.				
17 Other current liabilities (attach schedule)				
18 Loans from stockholders				
19 Mtges., notes, bonds payable in 1 yr. or more				
20 Other liabilities (attach schedule)				
21 Capital stock: (a) Preferred stock				
(b) Common stock				
22 Paid in or capital surplus (attach reconciliation)				
23 Returned earnings—Appropriated (attach sch.)				
24 Retained earnings—Unappropriated				
25 Less cost of treasury stock		()		()
26 Total liabilities and stockholders' equity				

Schedule M-1—RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN

1 Net income per books		7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax		(a) Tax exempt interest \$	
3 Excess of capital losses over capital gains			
4 Taxable income not recorded on books this year (itemize)		8 Deductions in this tax return not charged against book income this year (itemize)	
5 Expenses recorded on books this year not deducted in this return (itemize)		(a) Depreciation . . . \$	
(a) Depreciation . . . \$		(b) Depletion . . . \$	
(b) Depletion . . . \$			
6 Total of lines 1 through 5		9 Total of lines 7 and 8	
		10 Income (line 23, page 1)—line 6 less 9	

Schedule M-2—ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS PER BOOKS (line 24 above)

1 Balance at beginning of year		5 Distributions: (a) Cash	
2 Net income per books		(b) Stock	
3 Other increases (itemize)		(c) Property	
		6 Other decreases (itemize)	
4 Total of lines 1, 2, and 3		7 Total of lines 5 and 6	
		8 Balance at end of year (line 4 less 7)	



1970

Department of the Treasury
Internal Revenue Service

Instructions for Form 1120 U.S. Corporation Income Tax Return

(References are to the Internal Revenue Code.)

General Instructions

A. Taxpayers required to file Form 1120.—

1. Domestic corporations, whether or not having any taxable income, unless exempt under section 501.
2. Real estate investment trusts defined in section 856.
3. Regulated investment companies defined in section 851.
4. Insurance companies described in section 831.

B. Returns required of certain organizations.—

1. Foreign corporations other than life and mutual insurance companies filing Forms 1120-L and 1120-M—file Form 1120-F.
2. Life insurance companies (section 802)—Form 1120-L.
3. Mutual insurance companies (section 821)—Form 1120-M.
4. Exempt farmers' cooperatives (section 1381)—Form 990-C.
5. Exempt organizations with unrelated trade or business income—Form 990-T.
6. Small business corporations (section 1372(a))—Form 1120-S.

C. Where to file.—

If the corporation's principal business, office, or agency in the U.S. is located in

Use this address

Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania, Virginia	Internal Revenue Service Center 11601 Roosevelt Boulevard Philadelphia, Pa. 19155
Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee	Internal Revenue Service Center 4800 Buford Highway Chamblee, Georgia 30006
Indiana, Kentucky, Michigan, Ohio, West Virginia	Internal Revenue Service Center Cincinnati, Ohio 45298
Arkansas, Colorado, Kansas, Louisiana, New Mexico, Oklahoma, Texas, Wyoming	Internal Revenue Service Center 3651 S. Interregional Highway Austin, Texas 78740
Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington	Internal Revenue Service Center 1160 West 1200 South Street Ogden, Utah 84405
Illinois, Iowa, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Wisconsin	Internal Revenue Service Center 2306 E. Bannister Road Kansas City, Missouri 64170
Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont	Internal Revenue Service Center 310 Lowell Street Andover, Mass. 01812

D. When to file.—In general, Form 1120 must be filed on or before the

15th day of the 3d month following the close of the taxable year.

Request for an automatic 3-month extension of time to file Form 1120 must be made on Form 7004.

E. Other information returns and forms that may be required.—

1. Forms W-2 and W-3.—Statement of wages, other compensation, and tax withheld; and reconciliation of tax withheld.
2. Forms 966, 1099-L, and 1099-M.—Information returns regarding dissolution or liquidation, distributions in liquidation, and distributions by regulated investment companies.
3. Forms 1096 and 1099.—Information returns concerning certain dividends, earnings, interest, patronage dividends, rents, royalties, annuities, pensions, foreign items, and prizes, awards, etc., to nonemployees.
4. Form 1118.—Computation of foreign tax credit.
5. Form 2950.—Statement in support of deduction for payments to an employee's pension, profit-sharing, stock bonus, trust or annuity plan and compensation under a deferred-payment plan.
6. Forms 2952 and 3646.—Returns relating to controlled foreign corporations.

7. Form 3468.—Computation of investment credit.

8. Forms 3921, 3922, and 4067.—Information returns concerning exercise of certain stock options and the transfer of stock acquired by certain options.

9. Form 4136.—Computation of credit for Federal tax on special fuels, nonhighway gasoline and lubricating oil.

10. Form 4255.—Tax from recomputing a prior year investment credit.

11. Form 4626.—Computation of minimum tax on tax preference items.

12. Schedule PH (Form 1120).—Computation of U.S. personal holding company tax.

13. Form 4683.—U.S. information return on foreign bank, securities, and other financial account(s).

F. Period to be covered by 1970 return.—The 1970 return is to be filed for calendar year 1970 and fiscal years

beginning in 1970 and ending in 1971. If the return is for a fiscal year, fill in the taxable year space on the form.

FINAL RETURNS.—If the corporation ceases to exist, write "FINAL RETURN" at the top of the form. If the corporation liquidates within one calendar month pursuant to section 333, attach a computation (following the format in Revenue Procedure 65-10, C.B. 1965-1, 738) of accumulated earnings and profits including all items of income and expense accrued up to the date on which the transfer of all property is completed.

G. Depositary method of payment of tax.—The balance of tax due (line 33) must be paid in full when the return is filed or in two installments, 50% by the 15th day of the 3d month and 50% by the 15th day of the 6th month following the close of the taxable year.

Corporations must deposit all income tax payments with an authorized commercial bank depository or Federal Reserve bank, and all deposits must be accompanied by a Federal Tax Deposit Form 503. Please enter the serial number of Form 503 on your remittance. Do not remit directly to Internal Revenue.

In Schedule K, list all Form 503 deposits that relate to the taxable year for which this return is filed and which were made before or simultaneously with the filing of this return.

Timeliness of deposits will be determined by the date the deposit was received by the commercial bank depository or Federal Reserve bank.

A supply of Forms 503 will be mailed to corporations on a cyclical basis depending on the taxable year of the corporation. Corporations needing Forms 503 may obtain them only by applying to the Director of a service center (or District Director). The application should include the corporation's name, identification number, address, and the taxable year to which the deposits relate.

Corporations that surrender Treasury bills to Federal Reserve banks in payment of corporation income or estimated income taxes must submit with the securities a Form 503 on which the face amount of the bills has been entered in the space provided for the amount of the deposit. The Federal Reserve bank will acknowledge receipt of the bills and will effect the deposit on the date the tax becomes due. Corporations should not submit with their tax returns the receipts for Treasury bills surrendered to Federal Reserve banks.

Penalty for failure to pay tax.—Section 6651 imposes a penalty for failure to pay tax (other than estimated income tax) when due. The penalty is a

half percent a month or fraction of a month, up to 25%, on the net amount due and is in addition to the 6 percent per year interest charge imposed on unpaid tax. The penalty does not apply if the failure is due to reasonable cause. An authorized extension of time to file a return will be considered reasonable cause for failure to pay on time.

H. Accounting period.—To change your accounting period, see section 1.442-1 of the regulations and Form 1128, Application for Change in Accounting Period.

I. Accounting methods.—Taxable income must be computed using the method of accounting regularly used in maintaining the corporation's books and records. In all cases the method adopted must clearly reflect taxable income. (See section 446.)

Unless the law specifically permits, you may not change the method of accounting used to report income in prior years (for income as a whole or for any material item) without first securing consent on Form 3115, Application for Change in Accounting Method.

Rounding off to whole-dollar amounts.—The money items on your return and accompanying schedules may be shown as whole-dollar amounts by eliminating any amount less than 50 cents and increasing any amount from 50 cents through 99 cents to the next higher dollar.

J. Estimated tax.—Corporations that expect their "estimated tax" to be \$40 or more must make estimated tax payments. "Estimated tax" is the amount of the corporation's expected income tax (after credits) less an exemption from estimated tax. After taking the exemption into account, a tax liability of \$5,550 or more for taxable years beginning in 1971 will result in estimated tax of \$40 or more. This amount (\$5,550) will be less for members of a controlled group of corporations that do not receive a full \$25,000 surtax exemption.

For taxable years beginning in 1971, the exemption is the sum of \$5,500 and an amount that is 20% of the difference between the tax liability (not to exceed \$100,000) and \$5,500. (For taxable years beginning in 1972 the total exemption will be 22% of the corporation's surtax exemption.)

Members of a controlled group of corporations that do not receive a full \$25,000 surtax exemption must substitute 22% of their surtax exemption for the \$5,500 mentioned above.

Form 1120-W may be used as a worksheet to compute your estimated tax.

If you underpaid your estimated tax and believe a penalty charge should not be asserted, attach Form 2220 to your return.

A corporation that has overpaid its estimated tax may apply for a "quick refund" if the overpayment is (1) at least 10% of the corporation's expected income tax liability AND (2) at least \$500.

Application must be made on Form 4466 within 2½ months after the end of the taxable year and before the corporation files its tax return.

K. Consolidated returns.—The parent corporation must attach Form 851, Affiliations Schedule, to the consolidated return. For the first year a consolidated return is filed, each subsidiary must attach a Form 1122.

Supporting schedules in columnar form must be filed for each corporation included in the consolidated return showing, both before and after adjustments, the items of gross income and deductions, a computation of taxable income, balance sheets as of the beginning and end of the taxable year, and a reconciliation of retained earnings. In addition, attach consolidated balance sheets and a reconciliation of consolidated retained earnings.

L. Stock ownership in foreign corporations.—If you owned 5% or more in value of the outstanding stock of a foreign personal holding company, attach statement required by section 551(d).

If you control a foreign corporation or were a 10% or more shareholder of a controlled foreign corporation, you may be required to file Forms 2952 and 3646.

M. Financial statements.—The balance sheets must agree with your books and records. Any differences must be reconciled. Copies of balance sheets required by Federal, State, etc., authorities may be used in place of Schedule L. Certificates of deposit should be included as cash on line 1 of the balance sheet.

Banks, insurance companies, and other corporations required to submit substantially similar statements of income and expense to any Federal, State, etc., authority may submit copies of such statements in place of the information required on lines 1 through 30, page 1. Railroads may substitute Form 1090. In such cases taxable income must be reconciled in Schedule M-1 with the net profit shown on the statement and entered as line 30, page 1.

N. Attachments.—Attachments may be used if the lines on the form schedules are not sufficient. They must con-

tain all the required information and follow the format of the schedules on the return. If an attachment is used in place of a schedule having a summary line on page 1, the total need not be entered on the schedule but must be entered on page 1.

Enter your name and identifying number on all attachments exactly as shown on your preaddressed form.

O. Amended return.—An error in a previously filed income tax return may be corrected by filing a Form 1120X, Form 843, or an amended Form 1120. Although the use of Form 1120X is not mandatory, IRS prefers it be used rather than a claim Form 843, or an amended Form 1120, since Form 1120X is designed to expedite processing.

P. Tax on improperly accumulated earnings.—In order to prevent accumulation of earnings and profits for the purpose of enabling shareholders to avoid the tax on individuals, section 531 provides an additional tax upon the accumulated taxable income of corporations formed or availed of for the purpose of such tax avoidance.

Q. Signature.—The return must be signed either by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or by any other corporate officer (such as tax officer) who is authorized to sign.

A receiver, trustee, or assignee must sign any return that he is required to file on behalf of a corporation.

R. Total assets.—If there are no assets at the end of the taxable year, show the total assets as of the beginning of the taxable year.

S. Transfers to corporation controlled by transferor.—If a person acquires stock or securities of a corporation in exchange for property, and any gain or loss is not recognized under section 351, the transferor and transferee must file with their return for the taxable year in which the exchange is consummated, the information required by Section 1.351-3 of the regulations.

Specific Instructions

(Numbered to correspond with the line numbers on page 1 of the return.)

1. Gross receipts.—Enter gross receipts or sales from all business operations except those required to be reported in lines 4 through 10.

If you use the installment method of reporting, enter on line 1 the gross profit on collections from installment sales and carry the same amount to line 3. Attach a schedule showing for the current and 3 preceding years: (a) Gross sales, (b) cost of goods sold, (c) gross profits, (d) percentage of gross

profits to gross sales, (e) amount collected, and (f) gross profit on amount collected.

2. Cost of goods sold.—The method of valuing inventories may not be changed without permission. Application for permission to change must be made on Form 3115 within 90 days after the beginning of the taxable year in which it is desired to make the change.

A corporation electing to use the last-in, first-out (LIFO) method of valuing inventory provided in section 472 must attach Form 970 to its return for the first year that method is to be used.

Cost of operations (where inventories are not an income-determining factor).—If the amount entered on line 2 includes an amount applicable to cost of operations, attach a schedule showing (1) salaries and wages and (2) other costs in detail.

4. Dividends.—(Numbered to correspond with line numbers in Schedule C.)

[1.] Enter dividends received from domestic corporations subject to income tax and which are subject to the 85% deduction under section 243(a)(1).

Small business investment companies enter dividends received from domestic corporations subject to income tax even though a deduction is allowed for the entire amount of such dividends in line 1 of Schedule I. For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction.

So-called dividends or earnings received from mutual savings banks, etc., are in fact interest and should not be treated as dividends.

[2.] Enter dividends received on the preferred stock of a public utility that is subject to income tax and is allowed the deduction provided in section 247 for dividends paid.

[3.] Enter dividends received from foreign corporations and which qualify for the 85% deduction provided in section 245(a).

[4.] Enter dividends received from wholly-owned foreign subsidiaries and which are eligible for the 100% deduction provided in section 245(b).

In general, this deduction applies to dividends paid out of the earnings and profits of a foreign corporation for a taxable year during which (1) all of its outstanding stock is owned (directly or indirectly) by the domestic corporation receiving the dividends and (2) all of its gross income from all sources is effectively connected with the conduct of a trade or business within the United States.

This 100% deduction does not apply if an election under section 1562 (election of multiple surtax exemptions by a controlled group of corporations) is effective for either (1) the taxable year of the domestic corporation in which the dividends are received, or (2) the taxable year of the foreign corporation out of the earnings and profits of which the dividends are paid.

[5.] Enter foreign dividends (including minimum distributions under subpart F) that are not reportable on lines 3 and 4. Exclude distributions of amounts constructively taxed in the current year or in prior years under subpart F.

[6.] Include income constructively received from controlled foreign corporations under subpart F. This amount should equal the total of amounts reported in Schedule A, line 5 of Form(s) 3646.

[7.] Include gross-up for taxes deemed paid under sections 902 and 960.

[8.] Enter only those dividends that are subject to the elective provisions of section 243(b) and are entitled to the 100% dividends-received deduction under section 243(a)(3). Corporations making this election are subject to the provisions of section 1561.

[9.] Enter only those dividends that are subject to the elective provisions of section 243(b) and are entitled to the dividends-received deduction as computed under the provisions of section 1564(b). Corporations making this election are subject to the provisions of section 1562 as modified by section 1564.

[10.] Include dividends (other than capital gain dividends) received from regulated investment companies and which are not subject to the 85% deduction; dividends from tax-exempt organizations; dividends (other than capital gain dividends) received from a real estate investment trust which, for the taxable year of the trust in which the dividends are paid, qualifies under sections 856-858; dividends not eligible for a dividends-received deduction because of the holding period of the stock or an obligation to make corresponding payments with respect to similar stock; and any other taxable dividend income not properly reported above.

6. Other interest.—Enter interest on loans, notes, mortgages, bonds, bank deposits, corporate bonds, tax refunds, etc.

Do not offset interest income against interest expense.

7. Gross rents.—Enter the gross amount received for the rent of property. Deduct expenses such as repairs,

interest, taxes, and depreciation in the proper lines for deductions.

9. Gains and losses from sales or exchanges of capital assets and other property.—Every sale or exchange of property must be reported in detail in Schedule D even though no gain or loss is indicated.

If the net long-term capital gain exceeds the net short-term capital loss, or in case of only a net long-term capital gain, compute the alternative tax on separate Schedule D to see if it produces a lesser tax.

10. Other income.—Include recoveries of bad debts deducted in prior years under the specific charge-off method. Refunds of taxes deducted in prior years should be reported here and not offset against current year's taxes.

If "other income" consists of only one item you may identify it by showing the account caption in parentheses on line 10.

12. Compensation of officers.—Complete column 8 of Schedule E for your 25 highest paid officers. To determine the highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. Column 8 does not have to be completed for any officer for whom the combined amount is less than \$10,000.

This information is to be submitted by each member of an affiliated group included in a consolidated return.

For this purpose an officer is a person who is elected or appointed to office or who is designated as such in the corporation's charter or bylaws such as regular officer, chairman of the board, etc.

14. Repairs.—Enter the cost of incidental repairs, including labor, supplies, and other items, that do not add to the value or appreciably prolong the life of the property.

15. Bad debts.—Bad debts may be treated in either of two ways—(1) as a deduction for debts that become worthless in whole or in part, or (2) as a deduction for a reasonable addition to a reserve for bad debts. (Section 166.)

Application to change the method of computing bad debts must be made on Form 3115 within 90 days after the beginning of the taxable year for which it is desired to make the change.

17. Taxes.—Enter taxes paid or accrued during the taxable year and attach a schedule showing the type and amount of tax.

Do not include Federal income taxes; estate, inheritance, legacy, succession, or gift taxes; foreign or United States possession income taxes if a foreign tax credit is claimed; Federal taxes paid on bonds containing a tax-free covenant, or taxes not imposed upon

the taxpayer. See section 164(d) for apportionment of taxes on real property between seller and purchaser.

18. Interest.—Enter business interest but do not include interest on indebtedness incurred or continued to purchase or carry obligations the interest on which is wholly exempt from income tax. (Section 265.)

Mutual savings banks, building and loan associations, and cooperative banks, enter amounts paid or credited to the accounts of depositors as dividends, interest, or earnings.

See section 267 for limitation on deductions for unpaid expenses and interest in transactions between related taxpayers.

19. Contributions.—Enter contributions or gifts actually paid within the taxable year to or for the use of charitable and governmental organizations described in section 170(c).

The amount claimed may not exceed 5% of taxable income computed without regard to (1) this deduction, (2) the "special deductions" in line 29(b), (3) any net operating loss carryback to the taxable year under section 172, and (4) any capital loss carryback to the taxable year under section 1212(a)(1).

Charitable contributions in excess of the 5% limitation may not be deducted for the taxable year but may be carried over to the 5 succeeding taxable years.

Corporations on the accrual basis may elect to deduct contributions paid on or before the 15th day of the 3d month following the close of the taxable year if the contributions are authorized by the board of directors during the taxable year. A declaration, signed by an officer, must be attached to the return stating that the resolution authorizing the contributions was adopted by the board of directors.

Attach a schedule showing the name of each organization and the amount paid. If a contribution is made in property other than money, state the kind of property contributed and the method used in determining its fair market value. If a contribution carryover is included, show the amount and how the carryover was determined.

Special rule for contributions of certain property.—In the case of a charitable contribution of property, the contribution must be reduced by the sum of

- (1) the ordinary income and
- (2) in the case of certain contributions, 62½% of the long-term capital gain,

that would have resulted if the property were sold at its fair market value. The reduction for 62½% of the long-term capital gain applies to (1) contributions of tangible personal property for use by an exempt organization for a purpose

or function unrelated to the basis for its exemption, and (2) contributions of any property to or for the use of certain private foundations. (Section 170(e).)

Bargain sale to a charitable organization.—If a charitable contribution deduction is allowed by reason of a sale of property to a charitable organization, the adjusted basis for determining gain from the sale is an amount which is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property.

20. Amortization.—If a deduction is claimed for amortization, attach a schedule showing: (1) A description of the expenditures being amortized; (2) date acquired, completed, or expended; (3) amount being amortized; (4) amortization deducted in prior years; (5) amortization period (number of months); (6) amortization for this year; and (7) the total amount of amortization less the amount claimed in Schedule A and elsewhere on the return.

See section 169 for conditions under which the cost of certified pollution control facilities may be amortized over a period of 60 months.

21. Depreciation.—See instructions for Schedule G.

22. Depletion.—The percentage depletion rate for oil and gas wells is 22%. Refer to section 613(b) for rates applicable to other natural deposits.

Attach Form T if a deduction is claimed for depletion of timber.

24. A Form 2950 should be attached for each profit-sharing, stock bonus, pension and annuity plan. This form must be filed whether the deduction is under a qualified or nonqualified plan.

25. Other employee benefit plans.—Enter deductions for contributions to employee benefit plans other than those claimed on line 24, such as insurance, health, or welfare plans. Attach a schedule for each plan showing: (1) nature of benefits, i.e., group-term life insurance, group permanent life insurance, non-insured death benefit, hospitalization, surgical, medical, sickness, accident, major medical expense, unemployment benefit, or other welfare benefits; (2) method of financing, i.e., insured, industry or areawide fund, self-insured fund, or direct benefit payments; (3) amount of deduction; (4) amount of employee contributions; (5) number of employees covered; and (6) if a self-insured plan, the amount of benefits paid during the taxable year. Also show the number of employees employed by the corporation.

26. Other deductions.—No deduction is allowable for any amount allocable to a class of exempt income other than exempt interest income. Items di-

rectly attributable to wholly exempt income shall be allocated thereto, and items directly attributable to any class of taxable income shall be allocated to such taxable income.

If an item is indirectly attributable both to taxable income and exempt income, a reasonable proportion thereof, determined in the light of all the facts and circumstances in each case, shall be allocated to each.

Attach a statement showing (1) the amount of each class of exempt income and (2) the amount of expense items allocated to each such class. Show the amount allocated by apportionment separately.

29(a). Net operating loss deduction.—The "net operating loss deduction" is the sum of the net operating loss carryovers and carrybacks to the taxable year. (Section 172(a).)

Generally, a net operating loss may be carried back 3 years and carried over 5 years. The net operating loss must first be carried to the earliest of the 8 taxable years to which it may be carried, then to the next earliest year, etc. The portion of the loss that may be carried to each of the other 7 taxable years is the excess, if any, of the loss over the sum of the taxable income for each of the prior taxable years to which the loss may be carried. (Section 172(b).)

The term "net operating loss" means the excess of allowable deductions over gross income, computed with the following modifications under section 172(d):

(1) No net operating loss deduction is allowed.

(2) The special deduction provided in section 922 (Western Hemisphere trade corporations) is not allowed.

(3) The special deductions in line 1 of Schedule I are computed without regard to the 85% limitation provided in section 246(b). See section 1.172-2 of the regulations.

(4) The special deduction allowed by section 247 (dividends paid on certain preferred stock of public utilities) is computed without regard to section 247(a)(1)(B).

As stated, the net operating loss deduction is the sum of the carryovers and carrybacks. However, the following modifications must be taken into account in determining the taxable income that must be subtracted from a net operating loss to determine the portion of such loss that will still be available to carry to a subsequent year:

(a) The special deduction provided in section 922 (Western Hemisphere trade corporations) is not allowed.

(b) The net operating loss deduction is determined without regard to the net operating loss for the loss year or any taxable year thereafter, and under certain circumstances, without regard to any portion of a net operating loss attributable to a foreign expropriation loss.

If you have a net operating loss carryback and desire a "quick refund" of taxes, file Form 1139 within 12 months after the close of the taxable year in which the net operating loss was sustained. (Section 6411.)

If a net operating loss carryback creates an unused investment credit in

a preceding year, the unused credit may be carried back to the 3 preceding years, and, under the provisions of section 6411, a quick refund of the taxes affected may be obtained by filing Form 1139.

29(b). Special deductions.—See instructions for Schedule I.

Schedule G—Depreciation

Fill in schedule G if a deduction is claimed for depreciation of property, leasehold improvements, patents, or copyrights. Form 4562, Depreciation, may be used as a supplement to Schedule G.

Salvage value must be taken into account in determining the depreciation deduction (except under the declining balance method) for real property; and for personal property to the extent it exceeds 10% of the cost or other basis of the property.

Alternative depreciation guidelines and rules.—Revenue Procedure 62-21 (supplemented by Revenue Procedure 65-13) sets forth alternative standards and procedures for determining depreciation. Taxpayers who wish to use these provisions must use them for all assets in a particular guideline class.

Tangible property other than real property.—Tangible personal property, whether new or used, may be depreciated under the straight line method or the 150% declining balance method.

New tangible personal property with a useful life of 3 years or more may also be depreciated under (1) the double declining balance method, (2) the sum of the years-digits method, and (3) any other method that does not result in accumulated allowances at the end of

any year (during the first two-thirds useful life of the property) greater than the total that could have been deducted if the double declining balance method had been used.

New section 1250 property.—The double declining balance and sum of the years-digits methods may not be used except for (1) new residential rental property (from which at least 80% of the gross rental income is derived from rental of residential units), (2) other new real property acquired before July 25, 1969, and (3) new real property placed in service after July 24, 1969, if construction, acquisition, or permanent financing arrangements were entered into before July 25, 1969. Other new real property acquired after July 24, 1969, may be depreciated under the straight line or 150% declining balance methods.

Used section 1250 property.—Used residential rental property acquired after July 24, 1969, with a useful life of 20 years or more may be depreciated under the 125% declining balance method. In the case of used real property acquired before July 25, 1969, or used real property acquired after July 24, 1969, pursuant to a written contract entered into before July 25, 1969, for the acquisition of such property or for the permanent financing thereof, depreciation is limited to the 150% declining balance method. Other used

real property acquired after July 24, 1969, may be depreciated under the straight line method.

Rehabilitation expenditures for low-income rental housing.—An election may be made to depreciate property attributable to rehabilitation expenditures for low-income rental housing incurred after July 24, 1969. Such depreciation may be claimed under the straight line method using a useful life of 60 months. For details see section 167(k).

Section 179—Additional first-year depreciation allowance.—For the first year a depreciation deduction is allowable, corporations may elect to write off 20% of the cost (before adjustment for salvage value) of tangible personal property (whether new or used) with a useful life of 6 years or more, up to an aggregate cost of \$10,000.

Controlled corporate groups must apportion this \$10,000 amount among members of the group. For this purpose, section 179(d)(7) provides a special definition of controlled groups.

Total additional first-year depreciation must be shown on line 1 of the depreciation schedule.

If the additional first-year allowance is elected, the basis of the property must be reduced by the amount of the deduction and salvage value when computing ordinary depreciation.

Schedule I—Special Deductions

(Numbered to correspond with line numbers in Schedule I.)

1. A small business investment company operating under the Small Business Investment Act of 1958 may deduct 100% of dividends received from domestic corporations subject to income tax. (Section 243(a)(2).)

In general, no dividends-received deduction will be allowed on any share of stock (a) that is disposed of if the corporation held it for 15 days or less, or (b) to the extent the corporation is under an obligation to make corresponding payments with respect to substantially identical stock or securities.

2. **Limitation on dividends-received deduction.**—Line 2 may not exceed 85% of (line 28, page 1, less the sum of lines 3, 4, and 6 of Schedule I). For this purpose, line 28, page 1, is to be

computed without regard to any capital loss carryback to the taxable year under section 1212(a)(1).

In a year in which a net operating loss occurs, sections 172(d) and 246(b) provide that this 85% limitation does not apply even if the loss is created by the dividends-received deduction. In the case of a small business investment company, the dividends-received deduction of 100% included in line 2 is not subject to the overall 85% limitation.

Financial institutions, see section 596 for special limitation on dividends-received deduction.

5. **Deduction for dividends paid on certain preferred stock of public utilities.**—Section 247 allows public utilities a deduction of a certain percentage of the lesser of (1) dividends paid on their preferred stock during the taxable year, or (2) taxable income computed

without regard to this deduction. For calendar year 1970, this percentage is 28.455 percent. For fiscal years, see instruction 7 for applicable percentage. In a year in which a net operating loss occurs, section 172(d) provides that the deduction is to be computed without regard to section 247(a)(1)(B).

6. **Deduction for Western Hemisphere trade corporations.**—Section 922 allows Western Hemisphere trade corporations a deduction of a certain percentage of taxable income computed without regard to this deduction. For calendar year 1970, this percentage is 28.455 percent. For fiscal years, see instruction 7 for applicable percentage.

7. **Fiscal years beginning in 1970.**—The deductions on line 1(b)—dividends received on certain preferred stock of public utilities, line 5—dividends paid on certain preferred stock of public utilities, and line 6—

deduction for Western Hemisphere trade corporations, are computed using a formula which includes a fraction, the numerator of which is 14 and the denominator of which is the sum of the normal tax and surtax rates. The denominator must be increased to reflect the applicable surcharge rate. For example, the denominator for calendar year 1970 corporations is 49.2 (48, the sum of the normal tax and surtax rates, plus 2½% of 48).

Corporations with fiscal years beginning before July 1, 1970, must increase the denominator to reflect the applicable surcharge rate shown in the instructions for Schedule J.

Corporations with fiscal years beginning after June 30, 1970, will not have to increase the denominator since they will have no surcharge. Such corporations are to use the following rates in Schedule I:

- (a) Line 1(b), dividends received on certain preferred stock of public utilities—60.209.
- (b) Line 5, dividends paid on certain preferred stock of public utilities—29.167.
- (c) Line 6, deduction for Western Hemisphere trade corporations—29.167.

Schedule J—Tax Computation

1. Tax surcharge.—The tax surcharge is 5% for the period beginning January 1, 1970, and ending June 30, 1970.

The rate for the calendar year 1970, therefore, is 2½%.

Since the surcharge expired June 30, 1970, corporations with taxable years beginning after that date will have no surcharge.

Corporations with fiscal years beginning before July 1, 1970, may compute their surcharge by multiplying lines 5(a) and 10(a) by the applicable rate in the following table:

Taxable year		Applicable Rate
Beginning in 1970	Ending in 1971	
Feb. 1	Jan. 31	.02054795
Mar. 1	Feb. 28	.01671233
Apr. 1	Mar. 31	.01246575
May 1	Apr. 30	.00835616
June 1	May 31	.00410959
July 1 and after	June 30 and after	—0—

If the corporation prefers, the surcharge may be computed using the following formula:

$$\text{Amount on lines 5(a) and 10(a)} \times 5\% \times \frac{\text{No. days in taxable year before 7-1-70}}{\text{No. days in taxable year}}$$

Fiscal year corporations having a 52–53 week taxable year and corporations with a short taxable year must use the formula to compute their surcharge.

2. Surtax exemption.—In general, corporations are entitled to a \$25,000 surtax exemption. Certain controlled corporations, however, are limited to a

smaller amount under the provisions of sections 1561 and 1562. (See section 1563 for definition of controlled group.)

Under the provisions of section 1561, a controlled group of corporations, with respect to a specified December 31, must divide one \$25,000 surtax exemption equally among all component members of the group unless the group specifically consents to split up the \$25,000 amount among all component members in accordance with an apportionment plan. See section 1561 and the regulations thereunder for the time and manner of making the consent.

Under the provisions of section 1562, a controlled group may elect, with respect to a specified December 31, to have each component member take a separate surtax exemption without having to divide equally or apportion one \$25,000 surtax exemption among all component members.

For taxable years beginning in 1970, however, section 1564 provides that only one member of a group that has made an election under section 1562 may claim a full \$25,000 surtax exemption with the others being limited to \$20,833. (This \$20,833 is further reduced in years 1971 through 1974 and becomes zero in 1975.) Section 1564(a)(2) provides that the component members of the controlled group must elect which member is to receive the full \$25,000 and which members are to be limited to \$20,833. This election may be made by attaching a statement to the return of the corporation claiming the full \$25,000 surtax exemption stating that it is the corporation that the controlled group has selected to claim the \$25,000 amount under the provisions of section 1564(a)(2). The statement must be signed by each member of the controlled group and must show the name, address, employer identification number and taxable year of each member of the group subject to the reduced \$20,833 exemption. Such other members must attach a copy of the statement to their return.

If the group elects to have each component member claim a separate surtax exemption under section 1562, each component member must pay an additional tax of 6% of the amount of income equal to its surtax exemption. If only one member of the group has any taxable income, the 6% tax does not

apply. (Section 1562(b)(1)(A).)

3. Mutual savings banks conducting life insurance business.—The tax under section 594 consists of the sum of (1) a partial tax computed on Form 1120 on the taxable income of the bank determined without regard to income or deductions allocable to the life insurance department; and (2) a partial tax on the taxable income computed on Form 1120–L of the life insurance department. Enter the combined tax on line 5(a) of Schedule J, Form 1120. Attach Form 1120–L as a schedule and identify as such.

4. Tax from recomputing a prior year investment credit.—If property is disposed of prior to the life-years category used in computing the investment credit, the tax for the year of disposition must be increased by the difference between the credit taken (including carrybacks and carryovers) on the property and the credit that would have been allowed had the actual life been used. (See section 47(a)(4) and (5) for exceptions.) Form 4255 may be used to compute the tax.

The tax from recomputing a prior year investment credit may not be offset against the current year's investment credit.

5. Minimum tax on tax preference items.—Under the provisions of section 56, certain items of tax preference are subject to a minimum income tax. These tax preference items, after deducting a \$30,000 exemption and the amount of taxes imposed for the year, are taxed at a 10% rate.

Items of tax preference include:

- (1) Excess investment interest,*
- (2) Accelerated depreciation on real property,
- (3) Accelerated depreciation on personal property subject to a net lease,*
- (4) Amortization of pollution control facilities,
- (5) Amortization of railroad rolling stock,
- (6) Reserves for losses on bad debts of financial institutions,
- (7) Excess percentage depletion, and
- (8) Capital gains.

* Applies to personal holding companies

Corporations having any such tax preference items must attach Form 4626, Computation of Minimum Tax, to their return whether or not the minimum tax applies.

Tax Guide for Small Business (Publication 334) contains answers to most questions that arise if you start, operate, or dispose of a business. Explanations and examples illustrate the application of Federal income, excise, social security, and withholding taxes to sole proprietorships, partnerships, and corporations. This booklet may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or from your District Director, for 75 cents.

Codes for Principal Business Activity and Principal Product or Service

These industry titles and definitions are based on the Standard Enterprise Classification system developed by the Office of Management and Budget, Executive Office of the President, to classify enterprises by type of activity in which engaged. The system follows closely the Standard Industrial Classification used to classify establishments.

Using the list below, enter on page 1, under C, the code for the specific industry group from which the largest percentage of "total

receipts" is derived. "Total receipts" means gross receipts (line 1, page 1) plus all other income (lines 4 through 10, page 1). On page 3, under M, state the principal business activity and principal product or service that account for the largest percentage of total receipts. For example, if the principal business activity is "Grain mill products," the principal product or service may be "Cereal preparations."

AGRICULTURE, FORESTRY, and FISHERIES
Code
0110 Farms.
0120 Agricultural services and hunting and trapping.
0130 Forestry and forestry services.
0140 Fisheries.

MINING

Metal mining:
1010 Iron ores.
1020 Copper, lead and zinc, gold and silver ores.
1098 Other metal mining.
1100 Anthracite and bituminous coal and lignite mining.
Crude petroleum and natural gas:
1310 Crude petroleum, natural gas, and natural gas liquids.
1380 Oil and gas field services.
Nonmetallic minerals (except fuels) mining:
1410 Stone, sand, and gravel.
1498 Other nonmetallic minerals, except fuels.

CONTRACT CONSTRUCTION

General contractors:
1510 Building construction.
1520 Highway and street construction, and other heavy construction.
Special trade contractors:
1531 Plumbing, heating, and air conditioning.
1532 Electrical work.
1538 Other special trade contractors.

MANUFACTURING

Food and kindred products:
2010 Meat products.
2020 Dairy products.
2030 Canning and preserving fruits, vegetables, and sea foods.
2040 Grain mill products.
2050 Bakery products.
2060 Sugar.
2070 Confectionery and related products.
2082 Malt liquors and malt.
2084 Wines, brandy, and brandy spirits.
2085 Distilled, rectified, and blended liquors.
2086 Soft drinks, flavoring extracts, and sirups.
2091 Vegetable oil mills, and animal, marine, and edible fats and oils.
2098 Other food and kindred products.
2100 Tobacco manufactures.
Textile mill products:
2211 Broad woven fabric mills, cotton.
2212 Broad woven fabric mills, man-made fiber and silk.
2213 Dyeing and finishing, except wool and knit goods.
2220 Broad woven fabric mills, wool: including dyeing and finishing.
2250 Knitting mills.
2270 Carpets and rugs.
2280 Yarn and thread mills.
2291 Narrow fabrics.
2298 Other textile mill products.
Apparel and other fabricated textile products:
2310 Men's and boys' clothing.
2330 Women's, children's, and infants' clothing.
2380 Hats, caps, millinery, fur goods, and other apparel and accessories.
Lumber and wood products, except furniture:
2398 Other fabricated textile products.
2410 Logging camps and logging contractors, sawmills, and planing mills.
2430 Millwork, veneers, plywood, and prefabricated structural wood products.
2498 Wooden containers and other wood products.
Furniture and fixtures:
2510 Household furniture.
2590 Furniture and fixtures, except household furniture.
Paper and allied products:
2611 Pulp mills.
2614 Paper, paperboard, building paper, and building board mills.
2640 Converted paper and paperboard products, except containers.
2650 Paperboard boxes and containers.
Printing, publishing, and allied industries:
2711 Newspapers: publishing, publishing and printing.
2712 Periodicals: publishing, publishing and printing.

Code
2715 Books: publishing and printing; greeting cards; miscellaneous publishing.
2720 Commercial printing, including manifold business forms.
2780 Bookbinding, related industries, and printing trade services.
Chemicals and allied products:
2811 Industrial inorganic and organic chemicals.
2812 Plastics materials, synthetic resins, synthetic rubber, and man-made fibers, except glass.
2830 Drugs.
2841 Soap, detergents, and cleaning preparations.
2842 Perfumes, cosmetics, and other toilet preparations.
2850 Paints and allied products.
2870 Fertilizers and other agricultural chemicals.
2898 Other chemical products, including gum and wood products.
Petroleum refining and related industries:
2911 Petroleum refining without extraction.
2912 Integrated petroleum refining and extraction.
2998 Paving and roofing materials, and other products of petroleum and coal.

Rubber and miscellaneous plastics products:
3010 Tires and inner tubes.
3020 Rubber footwear, reclaimed rubber, and other fabricated rubber products.
3098 Miscellaneous plastics products.
Leather and leather products:
3140 Footwear, except rubber.
3198 Leather tanning and finishing, and other leather products.

Stone, clay, and glass products:
3210 Glass and glass products.
3240 Cement, hydraulic.
3250 Structural clay products.
3260 Pottery and related products.
3270 Concrete, gypsum, and plaster products.
3298 Cut stone and stone products, and abrasive, asbestos, and other non-metallic mineral products.

Primary metal industries:
3310 Blast furnaces, steel works, and iron and steel foundries and forgings.
3330 Nonferrous metals: smelting, refining, rolling, drawing, and alloying, including foundries and forgings.
3398 Other primary metal industries.

Fabricated metal products, except machinery and transportation equipment:
3410 Metal cans.
3420 Cutlery, hand tools, and general hardware.
3430 Heating apparatus (except electric) and plumbing fixtures.
3440 Fabricated structural metal products.
3450 Screw machine products, and bolts, nuts, screws, rivets, and washers.
3461 Metal stampings.
3462 Metal coating and engraving.
3498 Fabricated wire products and other fabricated metal products.

Machinery, except electrical:
3510 Engines and turbines.
3520 Farm machinery and equipment.
3530 Construction, mining, and materials handling machinery and equipment.
3540 Metalworking machinery and equipment.
3550 Special industry machinery and equipment, except metalworking.
3560 General industrial machinery and equipment.
3570 Office, computing, and accounting machines.

3580 Service industry machines.
3598 Other machinery, except electrical.
Electrical machinery, equipment, and supplies:
3611 Electrical transmission and distribution equipment.
3612 Electrical industrial apparatus.
3630 Household appliances.
3650 Radio and television receiving sets, except communication types.
3661 Communication equipment.
3662 Electronic components and accessories.
3691 Electric lighting and wiring equipment, except insulated wire.

Code
3698 Other electrical machinery, equipment, and supplies.
Transportation equipment:
3711 Motor vehicles: passenger car, truck, and bus bodies; and truck trailers.
3714 Motor vehicle parts and accessories.
3721 Aircraft, and complete guided missiles and space vehicles.
3722 Aircraft parts, and guided missile and space vehicle subassemblies.
3730 Ship and boat building and repair.
3791 Railroad equipment, including street cars.
3798 Motorcycles, bicycles, and parts, and other transportation equipment.

Scientific instruments; photographic equipment; watches and clocks:
3810 Scientific and mechanical measuring instruments.
3830 Optical, medical, and ophthalmic goods.
3860 Photographic equipment and supplies.
3870 Watches and clocks.

Miscellaneous manufacturing industries, including ordnance and accessories:
3910 Jewelry, silverware, and plated ware.
3920 Toys and sporting goods.
3930 Ordnance, except guided missiles.
3991 Costume jewelry.
3998 Musical instruments, office and artists' materials, and other manufacturing industries.

TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS, and SANITARY SERVICES

Transportation:
4011 Railroad transportation, terminals, and related services.
4020 Local, suburban, and intercity passenger transportation, including taxicabs and school buses.
4030 Motor freight transportation and warehousing.
4040 Water transportation.
4050 Air transportation.
4060 Pipe line transportation.
4098 Other transportation services.
Communication services:
4810 Telephone communications (wire or radio).
4820 Telegraph communications (wire or radio).
4830 Radio and television broadcasting.
4898 Other communication services.
Electric, gas, and sanitary services:
4910 Electric companies and system (95 percent or more).
4920 Gas companies and systems (95 percent or more).
4930 Combination companies and systems—gas, electric, or other services.
4940 Water supply and other sanitary services.

WHOLESALE TRADE
5010 Motor vehicles and automotive equipment.
5020 Drugs, chemicals, and paints.
5030 Dry goods and apparel.
5047 Meat and meat products.
5048 Poultry and poultry products, fish and sea foods, and other groceries and related products.
5050 Farm products—raw materials.
5060 Electrical goods.
5070 Hardware, and plumbing and heating equipment and supplies.
5080 Machinery, equipment, and supplies.
5091 Metals and minerals, except petroleum products and scrap.
5092 Petroleum and petroleum products.
5095 Beer, wine, and distilled alcoholic beverages.
5096 Paper and its products.
5097 Lumber and construction materials.
5098 Other wholesale trade.

RETAIL TRADE
Building materials, hardware, and farm equipment:
5211 Building materials.
5215 Hardware stores.
5216 Farm equipment dealers.
General merchandise stores:
5221 Department stores.
5222 Variety stores.
5223 Mail order houses.
5228 Other general merchandise stores.
5230 Food stores.

Code
Automotive dealers and gasoline service stations:
5241 Automobile and truck dealers.
5243 Gasoline service stations.
5248 Tire, battery, and accessory dealers, and miscellaneous aircraft, marine, and automotive dealers.

Other retail stores:
5250 Apparel and accessories.
5260 Furniture, home furnishings, and equipment stores.
5270 Eating and drinking places.
5291 Drug stores and proprietary stores.
5292 Liquor stores.
5293 Jewelry stores.
5298 Sporting goods and secondhand stores, farm and garden supply, fuel and ice dealers, and other retail stores.

FINANCE, INSURANCE, and REAL ESTATE

Banks and trust companies:
6011 Mutual savings banks.
6012 Banks and trust companies, except mutual savings banks.

Credit agencies other than banks:
6021 Savings and loan, building and loan associations.
6022 Personal credit agencies.
6025 Business credit agencies.
6028 Loan correspondents and brokers, and other credit agencies.

Security and commodity brokers, dealers, exchanges and services:
6033 Security brokers, dealers, and flotation companies.
6038 Commodity brokers and dealers; security and commodity exchanges; and allied services.

Holding and other investment companies:
6042 Regulated investment companies.
6043 Real estate investment trusts, 1960 Act.

6044 Small business investment companies, 1958 Act.
6048 Other holding and investment companies.
6055 Life insurance.
6056 Mutual insurance, except life or marine, and certain fire or flood insurance companies.
6058 Other insurance companies.
6060 Insurance agents, brokers, and service.

Real estate:
6510 Real estate operators (except developers) and lessors of buildings.
6521 Lessors of mining, oil, and similar property.
6522 Lessors of railroad property.
6528 Lessors of real property other than buildings not elsewhere classified.
6550 Subdividers, developers, and operative builders.
6591 Agents, brokers, and managers.
6592 Title abstract companies.
6593 Combinations of real estate, insurance, loans, and law offices.

SERVICES
Hotels, camps, and other lodging places:
7013 Tourist courts and motels.
7018 Hotels and other lodging places, except tourist courts and motels.

Personal services:
7210 Laundries laundry services, cleaning and dyeing plants.
7270 Photographic studios, including commercial photography.
7298 Beauty, barber, shoe repair, and pressing shops, funeral, and other personal services.

Business services:
7310 Advertising.
7398 Credit reporting and employment agencies, news syndicates, duplicating, mailing, stenographic, building, and other business services.

Automobile and other repair services:
7510 Automobile parking, repair, and services.
7550 Repair services, except automobile.
Motion pictures:
7810 Motion picture production, distribution, and related services.
7830 Motion picture theaters.
7900 Amusement and recreational services, except motion pictures.
8011 Offices of physicians and surgeons.
8019 Other medical services.
8020 Educational services.
8030 Legal services.
8098 Services not elsewhere classified.

SCHEDULE D
(Form 1120)
Department of the Treasury
Internal Revenue Service

Sales or Exchanges of Property

For calendar year 1970 or other taxable year beginning
....., 1970, and ending, 19.....

1970

Name

Employer Identification No.

Part I Capital Assets—Short-term Capital Gains and Losses—Assets Held Not More Than 6 Months

a	b	c	d	e	f	g
Kind of property. If necessary, attach description	Date acquired (mo., day, yr.)	Date sold (mo., day, yr.)	Gross sales price	Depreciation allowed (or allowable)	Cost or other basis and expense of sale	Gain or loss (d plus e less f)
1						
2 Unused capital loss carryover (attach computation)						
3 Net short-term capital gain (or loss)						

Long-term Capital Gains and Losses—Assets Held More Than 6 Months

4						
5 Net long-term capital gain (or loss)						

Part II Ordinary Gains and Losses

6						
7 Net ordinary gain (or loss). Enter here and on line 10						

Part III Summary of Schedule D Gains and Losses

8	Enter excess of net short-term capital gain (line 3) over net long-term capital loss (line 5)
9	Enter excess of net long-term capital gain (line 5) over net short-term capital loss (line 3)
10	Net ordinary gain (or loss) (line 7)
11	Total of lines 8, 9, and 10. Enter here and on Form 1120, page 1, line 9

Part IV Alternative Tax Computation (See instructions)

12	Taxable income (line 30, page 1, Form 1120)
13	Excess of net long-term capital gain over net short-term capital loss (line 9)
14	Line 12 less line 13
15	Surtax exemption—Enter line 14 or \$25,000, whichever is lesser. (Component members of a controlled group enter your surtax exemption or line 14, whichever is lesser)
16	Line 14 less line 15
17	22% of line 14
18	26% of line 16
19	If multiple surtax exemption is elected under section 1562, enter 6% of line 15
20	Total of lines 17, 18, and 19
21	Enter amount from line 13
22	Enter long-term gains from certain binding contracts, distributions, and installment sales (referred to as "subsection d gains"—see instructions)
23	Line 21 less line 22 (If less than zero, enter zero)
24	25% of the lesser of line 21 or line 22
25	28% of line 23
26	Total of lines 24 and 25
27	Total of lines 20 and 26
28	Enter line 27 above or line 4 of Schedule J, Form 1120, whichever is lesser (Calendar year corporations enter here and on line 34 and omit the intervening lines. Fiscal year corporations continue on)
29	Multiply line 28 by the number of days in the taxable year before 1-1-71 and divide by the total number of days in the taxable year; i.e., $\left(\frac{\text{Line 28} \times \text{No. days before 1-1-71}}{365} \right)$
30	30% of line 23
31	Total of lines 20, 24, and 30
32	Enter line 31 above or line 4 of Schedule J, Form 1120, whichever is lesser
33	Multiply line 32 by number of days in the taxable year after 12-31-70 and divide by the total number of days in the taxable year; i.e., $\left(\frac{\text{Line 32} \times \text{No. days after 12-31-70}}{365} \right)$
34	Alternative tax—total of lines 29 and 33. If applicable, enter here and on line 5(a), Schedule J, Form 1120, and write "ALT." in the margin to the right of the entry

Part V Gain from Disposition of Depreciable Property and Certain Real Property Held More than 6 Months. (Section 1245) (Report gain from disposition of other depreciable real property in Part VI.)

a. Kind of property (if necessary, attach description)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Cost or other basis and expense of sale
35				

f. Total depreciation allowed (or allowable)	g. Adjusted basis (e less f)	h. Total gain (d less g)	i. Depreciation allowed (or allowable) after applicable date (see instructions)	j. Ordinary gain (lesser of h or i)	k. Other gain (h less j)

36 Total ordinary gain. Enter here and on line 6, and identify as gain from line 36.

37 Total other gain. Enter here and on line 41, and identify as gain from Part V (if this amount includes any gain from casualty or theft or section 1251 gain, see instructions).

Part VI Gain from Disposition of Depreciable Real Property Held More than 6 Months. (Section 1250) (If held 1 year or less, see instructions for columns i and j.)

a. Kind of property (if necessary, attach description)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Cost or other basis and expense of sale
38				

f. Total depreciation allowed (or allowable)	g. Adjusted basis (e less f)	h. Total gain (d less g)	Additional depreciation (See instructions)		k. Enter column h or column j, whichever is lesser
			i. After 12/31/63 and before 1/1/70	j. After 12/31/69	

l. Column k times applicable percentage (see instr.)	m. Enter excess, if any, of h over j	n. Enter i or m, whichever is lesser	o. Column n times applicable percentage (see instr.)	p. Ordinary gain (l plus o)	q. Other gain (h less p)

39 Total ordinary gain. Enter here and on line 6, and identify as gain from line 39.

40 Total other gain. Enter here and on line 41, and identify as gain from Part VI (if this amount includes any gain from casualty or theft, see instructions).

Part VII Sale or Exchange of Property Used in Trade or Business and Involuntary Conversions (Section 1231)

a. Kind of property (if necessary, attach description)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Depreciation allowed (or allowable)	f. Cost or other basis and expense of sale	g. Gain or loss (d plus e less f)
41						

42 Total (If gain, enter on line 4, if loss, enter on line 6. Identify as gain or loss from Part VII).

Department of the Treasury



Internal Revenue Service

Instructions for Schedule D (Form 1120)—1970

(References are to the Internal Revenue Code)

Every sale or exchange of property must be reported in detail even though no gain or loss is indicated.

In general, all or part of the gain on a disposition of property may be required to be reported as ordinary income under the provisions of sections 1245, 1250 (see Parts V and VI), 1251 and 1252. The remainder of the gain may or may not be subject to capital gain treatment depending on the circumstances.

New Rules

for Dispositions of Farm Property and Certain Involuntary Conversions

(1) **Farm Property.**—Refer to sections 1251 and 1252 for the treatment of gains on disposition of certain farm property.

(a) Gain from disposition of farm property which is both section 1251 and section 1245 property must be entered in Part V. Before any of the remaining gain from such property from Part V can be considered for purposes of section 1231 (Part VII), the gain must first be subject to the ordinary income rules applicable to farm recapture property under section 1251.

(b) Gain from disposition of farm land must first be subject to the ordinary income rules under sections 1251 and 1252 before being considered for purposes of section 1231.

Attach a statement showing the computation of gains on dispositions of farm property subject to the provisions of sections 1251 and 1252. Enter in Part II the ordinary income resulting from such dispositions and in Part VII the other gain.

(2) Involuntary Conversions.—

(a) If gains from involuntary conversions arising from casualty or theft of property used in a trade or business or of any capital asset held more than six months exceed the losses, the gains and losses are to be entered in Part VII and treated as section 1231 gains and losses along with gains and losses on dispositions of other section 1231 property. If the losses from such involuntary conversions exceed the gains, the gains and losses are to be entered in Part II and treated as ordinary gains and losses. This applies to both insured and uninsured property.

(b) Gains from such involuntary conversions of property which is also section 1245 or 1250 property must first be reported in Part V or Part VI to determine how much gain is ordinary income. Any remaining gain (line 37, Part V or line 40, Part VI) is included in the separate

computation described in the above paragraph. However, if the section 1245 property is also farm property that is subject to the provisions of section 1251, such remaining gain (line 37, Part V) is subject to the rules in paragraph (1)(a) above before the application of the rule for involuntary conversions.

PART I

Capital assets.—Each item of property held by the corporation (whether or not connected with its trade or business) is a capital asset except: (1) inventoriable assets or property held primarily for sale to customers; (2) depreciable or real property used in the trade or business; (3) certain copyrights, literary, musical, or artistic compositions, letters or memorandums, or similar property; (4) accounts or notes receivable acquired in the ordinary course of trade or business for services rendered or from the sale of property described in (1) above; and (5) certain short-term Federal, State, and municipal obligations issued on or after March 1, 1941, on a discount basis.

Capital losses.—Capital losses are allowed only to the extent of capital gains. A net capital loss, however, may be carried back three years and forward five as a short-term capital loss. The capital loss may be carried back only to the extent it does not increase or produce a net operating loss in the taxable year to which it is being carried back. Foreign expropriation capital losses may not be carried back but may be carried forward ten years instead of five.

Under the provisions of section 6411, a quick refund of the taxes affected by the capital loss carryback may be obtained by filing Form 1139. If a net capital loss carryback creates an unused investment credit in a preceding year, the unused credit may be carried back to the three preceding years, and, under the provisions of section 6411, a quick refund of the taxes affected may likewise be obtained by filing Form 1139.

Short sales of capital assets.—For rules relating to certain short sales of stock or other securities and transactions in commodity futures, see section 1233.

Worthless securities.—Except for banks, if securities which are capital assets become wholly worthless during the taxable year, the loss is to be treated as a capital loss as of the last day of the taxable year.

Losses not allowable.—No loss is allowed for wash sales of stock or securities. (See section 1091.) No loss is allowed (distributions in liquidation excepted) on transactions between related persons. (See section 267.)

Basis.—In determining gain or loss, the basis of property will generally be its cost. If property was acquired by bequest, gift, tax-free exchange, involuntary conversion, or wash sale of stock, see sections 1014, 1015, 1031, 1033, and 1091, respectively. Attach an explanation if the

basis used is other than actual cash cost of the property.

If a charitable contribution deduction is allowed by reason of a sale of property to a charitable organization, the adjusted basis for determining gain from the sale is an amount which is in the same ratio to the adjusted basis as the amount realized is to the fair market value.

Insurance companies.—Companies taxable under section 831 having losses from capital assets sold or exchanged to obtain funds to meet abnormal insurance losses, etc., shall attach a schedule corresponding to Schedule A-3 of Form 1120M. For companies taxable under section 821, all references to line numbers on Form 1120 are to be considered as references to the appropriate line on Form 1120M.

PART II

Ordinary gains and losses.—Include gains and losses from disposition or involuntary conversion of land and depreciable property held six months or less and gains and losses from compulsory or involuntary conversion of capital assets held six months or less. For livestock—see section 1231 for longer holding period.

If after grouping all section 1231 transactions the losses exceed the gains, report the net loss in Part II as an ordinary loss.

If losses from involuntary conversions arising from casualty or theft of property used in a trade or business (as defined in section 1231) or of any capital asset held more than six months exceed the gains, enter such gains and losses in Part II as ordinary gains and losses.

PART IV

Alternative tax computation.—If the net long-term capital gain exceeds the net short-term capital loss, or if there is only a net long-term capital gain, compute the tax using the alternative method (section 1201) to determine if the resulting tax is less than the tax computed using the regular method.

The alternative tax is the sum of (1) a partial tax computed at the normal tax and surtax rates on the taxable income decreased by the excess of net long-term capital gain over any net short-term capital loss and (2) in the case of calendar year corporations, 28% of such excess.

The alternative tax rate is 28% for taxable years beginning in 1970 and 30% for taxable years beginning in 1971. Corporations with fiscal years beginning in 1970 and ending in 1971 must prorate their tax to reflect the rate change, that is, they must compute a tax for the two periods for which a different tax rate is effective. This applies regardless of the date the assets were sold.

An alternative tax rate of 25%, however, is to apply to the lesser of (1) the amount of "subsection (d) gain" or (2) the excess of net long-term capital gain over any net short-term capital loss.

Subsection (d) gain consists of:

(1) long-term capital gains (except sections 631 and 1235 gains) received before 1975 from sales or other dispositions under binding contracts that were entered into on or before October 9, 1969;

(2) long-term capital gains in respect of distributions made by a corporation before October 10, 1970, under a plan of complete liquidation adopted on or before October 9, 1969; and

(3) installment proceeds consisting of long-term capital gains (except gains under sections 631 and 1235) received before 1975 from sales made pursuant to a binding contract that was entered into on or before October 9, 1969.

In computing the alternative tax, deductions subject to a limitation based upon taxable income (such as contributions and the special deductions in Schedule I) do not have to be recomputed.

Minimum tax on tax preference items.—If the net long-term capital gain exceeds the net short-term capital loss, you may be liable for minimum tax. See Form 4626.

PART V

Gain from disposition of depreciable property and certain real property held more than six months. (Section 1245).—(Report any gain from such property held six months or less in Part II. For livestock—see section 1231 for longer holding period.)

In general, when section 1245 property (as defined below) is disposed of, gain will be treated as ordinary income to the extent of depreciation allowed (or allowable) after 1961. Except for certain involuntary conversions referred to in section 1231 and dispositions of certain farm property described in section 1251, the balance of gain, if any, is to be combined in Part VII with gains and losses from section 1231 property.

Section 1245 property is property which is depreciable (or subject to amortization under section 169 or section 185) and is either—

- (a) personal property,
- (b) elevators and escalators,
- (c) real property (other than property described in (d)) subject to amortization under section 169 or 185, or
- (d) tangible real property (except buildings and their structural components) if used as an integral part of certain business activities or as a research or storage facility in connection with such activities. These business activities are manufacturing, production, extraction, or furnishing transportation, communications or certain other public utility services.

See section 1245(b) for exceptions and limitations involving: (a) disposition by gift, (b) certain tax-free transactions, (c) like kind exchanges; involuntary conversions, and (d) sales or exchanges to effectuate FCC policies and exchanges to comply with SEC orders.

Column i.—Enter depreciation allowed (or allowable) after December 31, 1961. However, use June 30, 1963, for elevators and escalators and December 31, 1969, for livestock.

See section 1245(a)(2)(D) in the case of disposition of pollution control facilities or railroad grading and tunnel bores.

PART VI

Gain from disposition of depreciable real property held more than six months. (Section 1250).—(Report any gain from such property held six months or less in Part II.)

In general, when section 1250 property (as defined below) is disposed of, all or a portion of the "additional depreciation" will be treated as ordinary income. Except for certain involuntary conversions referred to in section 1231, the balance of gain, if any, is to be combined in Part VII with gains and losses from section 1231 property.

Section 1250 property is depreciable real property other than section 1245 property.

See section 1250(d) for exceptions and limitations involving: (a) disposition by gift, (b) certain tax-free transactions, (c) like kind exchanges; involuntary conversions, (d) sales or exchanges to effectuate FCC policies and exchanges to comply with SEC orders, and (e) disposition of qualified low-income housing.

Columns i and j, additional depreciation.—In the case of section 1250 property held one year or less, additional depreciation is the total amount of depreciation claimed. In such case, omit columns i thru o and enter in column p the lesser of the amount of gain (column h) or the total amount of depreciation claimed (column i).

For property held more than one year, additional depreciation is the excess of actual depreciation attributable to periods after December 31, 1963, over depreciation computed for the same period using the straight line method. Enter in column i the additional depreciation for the period after December 31, 1963, and before January 1, 1970, and in column j the additional depreciation for the period after December 31, 1969.

For additional depreciation attributable to rehabilitation expenditures, see section 1250(b)(4).

Column l, applicable percentage.—Enter 100% of column k in column l except as follows:

(1) In the case of section 1250 property disposed of pursuant to a written contract that was, on July 24, 1969, and at all times thereafter, binding on the owner of the property, the applicable percentage is 100% minus 1 percentage point for each full month the property was held after the date it was held 20 full months;

(2) In the case of section 1250 property constructed, reconstructed, or acquired by the taxpayer before January 1, 1975, with respect to which a mortgage is insured under section 221(d)(3) or 236 of the National Housing Act, or housing is financed or assisted by direct loan or tax abatement under similar provisions of the State or local laws, and with respect to which the owner is subject to the restrictions described in section 1039(b)(1)(B), the applicable percentage is 100% minus 1 percentage point for each full month the property was held after the date it was held 20 full months;

(3) In the case of residential rental property (as defined in section 167(j)(2)(B)) other than that covered by (1) and (2) above, the applicable percentage is 100% minus 1 percentage point for each full month the property was held

after the date it was held 100 full months; and

(4) In the case of section 1250 property for which a depreciation deduction for rehabilitation expenditures was allowed under section 167(k) the applicable percentage is 100% minus 1 percentage point for each full month in excess of 100 full months after the date on which the property was placed in service.

Column o, applicable percentage.—The applicable percentage is 100% minus 1 percentage point for each full month the property was held after the date it was held 20 full months.

PART VII

Sale or exchange of property used in trade or business and involuntary conversion. (Section 1231).—Section 1231 provides special treatment for the gains and losses upon the sale or exchange of "property used in the trade or business" and upon the compulsory or involuntary conversion of (1) such property and (2) capital assets held more than six months. (Note: Refer to page 1 for new rules for involuntary conversions resulting from casualty or theft.)

After determining in Parts V and VI how much of the total gain from disposition of depreciable property is ordinary gain, combine the total other gain with other gains and losses from section 1231 property to determine if there is a net gain or net loss. The total shown on line 42 determines whether the items reflected therein represent a long-term capital gain or an ordinary loss. The total must be entered on line 4 or line 6, whichever is applicable.

In determining whether gains exceed losses, include the gains and losses to the extent they would be included if they were all ordinary gains and losses. The limitation of section 1211 on the deductibility of capital losses does not apply.

The term "property used in the trade or business" means property that has been held more than six months, which is used in the trade or business and which is either real property or depreciable property. It also includes (1) certain livestock, (2) timber, coal and domestic iron ore to which section 631 applies, and (3) unharvested crops referred to in section 1231(b)(4). The term does not include (1) inventoriable property, (2) property held primarily for sale to customers, or (3) certain copyrights, literary, musical, or artistic compositions, letters or memorandums, or similar property.

Installment Sales

If you sold personal property for more than \$1,000 or real property regardless of amount, you may be eligible to report any gain under the installment method if (1) there are no payments in the year of sale or (2) the payments in the year of sale do not exceed 30% of the selling price. (See section 453.) Such sales must provide for two or more payments, such payments resulting in at least one payment being made in each of two taxable years.

For treatment of a portion of payments as "unstated interest" on deferred payment sales, see section 483.

Form **1120-F**
Department of the Treasury
Internal Revenue Service

United States Income Tax Return of Foreign Corporation

For calendar year 1970 or other taxable year beginning

1970

Please Type or Print

Name _____ Employer Identification Number _____

Number and street _____

City or town, State and ZIP code, or country _____

NOTE: Complete Section I to compute tax on income from United States sources which is NOT effectively connected with the conduct of a trade or business within the United States.

Complete Section II to compute tax on income effectively connected with the conduct of a trade or business within the United States.

Corporations having both income effectively connected and income not effectively connected must complete both Sections I and II.

Corporations having only income which is NOT effectively connected need file only pages 1 and 2.

- A** Country of incorporation
- B** Foreign country under laws of which income reported on this return is subject to tax
- C** Date incorporated
- D** The corporation's books are in care of
located at
- E** Were you at any time during the taxable year engaged in a trade or business within the U.S.? Yes No
- F** Did you have a permanent establishment in the United States at any time during the taxable year within the meaning of section 894(b) and any applicable tax convention between the United States and a foreign country? Yes No
If "Yes," name the foreign country
- G** (1) Did you at the end of the taxable year own directly or indirectly 50% or more of the voting stock of a U.S. corporation?
Yes No
(2) Did any corporation, individual, partnership, trust, or association at the end of the taxable year own directly or indirectly 50% or more of your voting stock? Yes No
(For rules of attribution, see section 267(c).)
If the answer to (1) or (2) is "Yes," attach a schedule showing: (a) name, address, and identifying number, and (b) percentage owned.
- H** If the answer to (1) is "Yes," also show the taxable income (or loss) from line 30, page 1, Form 1120 of such corporation for the taxable year ending with or within your taxable year.
- H** Have you filed a United States income tax return for the preceding taxable year? Yes No
- I** Did you at any time during the year have an agent in the U.S.?
Yes No If "Yes," complete the following:
Kind of agent
Name
Address
- J** Are you a foreign personal holding company under section 552? Yes No
If "Yes," have Forms 957 and 958 been filed? Yes No
(See section 6035.)
- K** Are you a personal holding company? Yes No
(See instruction M.)
- L** Are you a controlled foreign corporation as defined in section 957? Yes No
- M** Have you excluded from gross income any amount other than foreign source income not effectively connected with the conduct of a trade or business within the U.S.? Yes No
If "Yes," attach a statement showing the amount, nature, and source of each such item of income and the reason it has been excluded.

1 Tax from Section I (line 11, page 2)

2 Tax from section II (line 11, Tax Computation Schedule, page 5)

3 (a) Personal holding company tax (attach Schedule 1120 PH)

(b) Tax Surcharge—2½% of line 3(a) (Fiscal year taxpayers see page 6 of instructions)

4 Minimum tax (see page 3 of instructions). Check here if Form 4626 is attached

5 Total tax—Add lines 1, 2, 3 and 4

6 Credits:

(a) Tax paid (deposited) with Form 7004 application for extension (attach copy)

(b) Estimated tax—Overpayment from 1969 allowed as a credit

1970 estimated tax payments (deposits)

Less refund of 1970 estimated tax applied for on Form 4466 ()

(c) United States income tax paid or withheld at the source

(d) Credit from regulated investment companies (attach Form 2439)

(e) U.S. tax on special fuels, nonhighway gas and lube oil (attach Form 4136)

7 TAX DUE (line 5 less line 6). See instruction D for depository method of payment

8 OVERPAYMENT (line 6 less line 5)

9 Enter amount of line 8 you want. Credited on 1971 estimated tax Refunded

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than the taxpayer, his declaration is based on all information of which he has any knowledge.

CORPORATE SEAL _____ Date _____ Signature of officer _____ Title _____

16-1 _____ Date _____ Individual or firm signature of preparer _____ Address _____

SECTION I—TO BE COMPLETED FOR INCOME FROM UNITED STATES SOURCES WHICH IS NOT EFFECTIVELY CONNECTED WITH THE CONDUCT OF A TRADE OR BUSINESS WITHIN THE UNITED STATES

If the corporation is required to complete Section II, or the form is being used as a claim for refund of tax withheld at the source, then include in this section ALL income from United States sources which is not effectively connected with the conduct of a trade or business in the United States. Otherwise, you may include only those items of income on which the United States income tax was not fully paid at the source. The rate of tax on each item of income listed below is 30% unless limited by tax treaty. Fill in treaty rates where applicable.

Name of treaty country, if any:

Table with 4 columns: Nature of income, Amount, Rate of tax, Amount of tax. Rows include Interest, Dividends, Rents, Royalties, Annuities, Gains from disposal of timber, coal, or domestic iron ore, Gains from certain evidences of indebtedness, Gains from sale or exchange, Fiduciary distributions, and Other fixed or determinable annual or periodical income.

Schedule A—EXPLANATION OF LINES 1 THROUGH 10 (Enter each individual item of income)

Table with 5 columns: 1. Payer of income and, if known, withholding agent (name and address), 2. Nature of income (such as interest, dividends, etc.), 3. Gross amount of income, 4. Date of payment, 5. Amount of United States income tax paid or withheld at source.

SECTION II—TO BE COMPLETED FOR INCOME EFFECTIVELY CONNECTED WITH THE CONDUCT OF A TRADE OR BUSINESS WITHIN THE UNITED STATES

IMPORTANT—Fill in all applicable lines and schedules. If the lines on the schedules are not sufficient, see instruction W

GROSS INCOME table with lines 1-11 including Gross receipts or gross sales, Less: Returns and allowances, Cost of goods sold, Gross profit, Dividends, Interest on obligations, Other interest, Gross rents, Gross royalties, Net gains (losses), Other income, and TOTAL income.

DEDUCTIONS table with lines 12-30 including Compensation of officers, Salaries and wages, Repairs, Bad debts, Rents, Taxes, Interest, Contributions, Amortization, Depreciation, Depletion, Advertising, Pension, profit-sharing, stock bonus, annuity plans, Other employee benefit plans, Other deductions, TOTAL deductions on lines 12 through 26, Taxable income before net operating loss deduction and special deductions, Less: (a) Net operating loss deduction, (b) Special deductions, and Taxable income (line 28 less line 29).

A Business description (see page 8 of instructions)
1. Business Code No.
2. Principal business activity
3. Principal product or service

B Were you a member of a controlled group subject to the provisions of:
(1) Section 1561? Yes No
(2) Section 1562? Yes No
If answer to (1) or (2) is "Yes," check type of relationship:
(a) parent-subsidiary
(b) brother-sister
(c) combination of (a) and (b) (See section 1563)
If answer to (2) is "Yes," does section 1562(b) (1)(A) apply (nonapplication of 6% additional tax under section 1562)? Yes No

C Did you have any contracts or subcontracts subject to the Renegotiation Act of 1951? Yes No
If "Yes," enter the aggregate gross dollar amount billed during the year

D Amount of taxable income (or loss) from line 30, page 3 for:
1967
1968
1969

E Did you claim a deduction for expenses connected with:
(1) Entertainment facility (boat, resort, ranch, etc.)? Yes No
(2) Living accommodations (except employees on business)? Yes No
(3) Employees' families at conventions or meetings? Yes No
(4) Employee or family vacations not reported on Form W-2? Yes No

F Did you file all required Forms 1099, 1096 and 1087? Yes No

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Schedule H—SUMMARY OF DEPRECIATION

Table with columns: Straight line, Declining balance, Sum of the years-digits, Units of production, Additional first year (section 179), Other (specify), Total. Rows: 1 Under Rev. Procs. 62-21 and 65-13, 2 Other

Schedule I—SPECIAL DEDUCTIONS

- 1 Dividends received: (a) 85% of line 1, Schedule C, (b) 60.813% of line 2, Schedule C, (c) 85% of line 3, Schedule C
2 Total—May not exceed 85% of line 28, page 3. The 85% limitation does not apply to a year in which a net operating loss occurs
3 Dividends paid on certain preferred stock of public utilities (see instructions)
4 Total special deductions—Add lines 2 and 3. Enter here and on line 29(b), page 3

Schedule J—OTHER DEDUCTIONS

Table with columns: Explanation, Amount, Explanation, Amount. Includes a TOTAL line at the bottom.

TAX COMPUTATION SCHEDULE

- 1 Taxable income (line 30, page 3)
2 Surtax exemption—Enter line 1 or \$25,000, whichever is lesser. (Component members of a controlled group see page 7 of instructions and enter your surtax exemption or line 1, whichever is lesser)
3 Line 1 less line 2
4 (a) 22% of line 1, (b) 26% of line 3, (c) If multiple surtax exemption is elected under section 1562, enter 6% of line 2
5 (a) Income tax (line 4, or alternative tax from separate Schedule D (Form 1120), whichever is lesser), (b) Tax Surcharge—2 1/2% of line 5(a) (Fiscal and short year corporations, see page 6 of instr.)
6 Foreign tax credit (attach Form 1118)
7 Line 5 less line 6
8 Investment credit (attach Form 3468)
9 Line 7 less line 8
10 Tax from recomputing a prior year investment credit (attach Form 4255)
11 Total of lines 9 and 10. Enter here and on line 2, page 1

ASSETS	Beginning of taxable year		End of taxable year	
	(A) Amount	(B) Total	(C) Amount	(D) Total
	1 Cash			
2 Trade notes and accounts receivable				
(a) Less allowance for bad debts				
3 Inventories				
4 Gov't. obligations: (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				
5 Other current assets (attach schedule)				
6 Loans to stockholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9 Buildings and other fixed depreciable assets				
(a) Less accumulated depreciation				
10 Depletable assets				
(a) Less accumulated depletion				
11 Land (net of any amortization)				
12 Intangible assets (amortizable only)				
(a) Less accumulated amortization				
13 Other assets (attach schedule)				
14 Total assets				
LIABILITIES AND STOCKHOLDERS' EQUITY				
15 Accounts payable				
16 Mtges., notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)				
18 Loans from stockholders				
19 Mtges., notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Capital stock: (a) Preferred stock				
(b) Common stock				
22 Paid-in or capital surplus (attach reconciliation)				
23 Retained earnings—Appropriated (attach sch.)				
24 Retained earnings—Unappropriated				
25 Less cost of treasury stock		()		()
26 Total liabilities and stockholders' equity				

Schedule M-1—RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN

1 Net income per books		7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax		(a) Tax-exempt interest . . . \$	
3 Excess of capital losses over capital gains			
4 Taxable income not recorded on books this year (itemize)		8 Deductions in this tax return not charged against book income this year (itemize)	
5 Expenses recorded on books this year not deducted in this return (itemize)		(a) Depreciation \$	
(a) Depreciation \$		(b) Depletion \$	
(b) Depletion \$			
6 Total of lines 1 through 5		9 Total of lines 7 and 8	
		10 Income (line 28, page 3)—line 6 less line 9	

Schedule M-2—ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS PER BOOKS (line 24 above)

1 Balance at beginning of year		5 Distributions: (a) Cash	
2 Net income per books		(b) Stock	
3 Other increases (itemize)		(c) Property	
		6 Other decreases (itemize)	
4 Total of lines 1, 2, and 3		7 Total of lines 5 and 6	
		8 Balance at end of year (line 4 less line 7)	

1970


 Department of the Treasury
 Internal Revenue Service

Instructions for Form 1120-F

Income Tax Return of Foreign Corporation

(References are to the Internal Revenue Code)

General Instructions

A. Who must file.—Form 1120-F must be filed by foreign corporations (except certain insurance companies required to file Form 1120-L or 1120-M) having (1) income from United States sources which is not effectively connected with the conduct of a trade or business within the United States (section 881), and or (2) income which is effectively connected with the conduct of a trade or business within the United States (section 882).

If a corporation not engaged in a trade or business within the United States has only income referred to in (1) above, no return is required if the tax liability is fully satisfied at the source. For exception, see instruction P.

If a receiver, trustee in dissolution, trustee in bankruptcy, or assignee has possession of or holds title to all or substantially all the property or business of a corporation, whether or not the property or business is being operated, he must make a return of income for the corporation in the same manner and form required of other corporations. (Section 6012.)

If a foreign corporation has no office or place of business in the United States at the time a return is filed, but has an agent in the United States, the required return shall be filed by the agent. (Section 882(f).)

B. Where to file.—All foreign corporations (whether or not engaged in a trade or business within the United States) must file their return with the Director of International Operations, Internal Revenue Service, Washington, D.C. 20225.

C. When to file.—Foreign corporations having an office or place of business within the United States must file on or before the 15th day of the 3d month following the close of the taxable year.

Foreign corporations NOT having an office or place of business within the United States must file on or before the 15th day of the 6th month following the close of the taxable year.

Request for an automatic 3-month extension of time to file Form 1120-F must be made on Form 7004.

D. Payment of tax

(1) *Foreign corporations having an office or place of business within the United States.*—The balance of tax due must be paid in full when the return is filed or in two installments, 50% by the 15th day of the 3d month and 50% by the 15th day of the 6th month following the close of the taxable year.

All payments, including payments of estimated tax, must be deposited with an authorized commercial bank depository or Federal Reserve bank. Do not remit directly to Internal Revenue Service. All deposits must be accompanied by a Federal Tax Deposit Form 503.

Please enter the serial number of form 503 on your remittance.

Timeliness of deposits will be determined by the date the deposit was received by the commercial bank depository or Federal Reserve bank.

Corporations needing Forms 503 may obtain them only by applying to the Director of an Internal Revenue Service Center. The application should include the corporation's name, identification number, address, taxable year to which the deposits relate, and a statement identifying the corporation as a foreign corporation filing Form 1120-F.

(2) *Foreign corporations not having an office or place of business within the United States.*—The balance of tax due must be paid in full when the return is filed or in two installments—50% on or before the 15th day of the 6th month and 50% on or before the 15th day of the 9th month following the close of the taxable year.

The tax may be paid by check or money order drawn to the order of "Internal Revenue Service" and remitted to the Director of International Operations, Internal Revenue Service, Washington, D.C. 20225.

Please enter your employer identification number on all remittances.

(3) *Penalty for failure to pay tax.*—Section 6651 imposes a penalty for failure to pay tax (other than estimated income tax) when due. The penalty is a half percent a month or fraction of a month, up to 25%, on the net amount due and is in addition to the 6% per year interest charge imposed on unpaid tax. The penalty does not apply if the failure is due to reasonable cause. An authorized extension of time to file a return will be considered reasonable cause for failure to pay on time.

E. Taxation of foreign corporations.—Foreign corporations are taxed at regular corporate tax rates on income which is effectively connected with the conduct of a trade or business within the United States (see instruction F), and at a 30% or lower treaty rate on income from United States sources which is not effectively connected with the conduct of a trade or business within the United States. (See instruction G.)

F. Income effectively connected with the conduct of a trade or business within the United States.—Foreign corporations engaged in a trade or business within the United States are taxed at regular corporate tax rates on such income which includes the following:

1. All income, gain, or loss from United States sources except as provided in the next paragraph.

2. Certain fixed or determinable annual or periodical income from United States sources and gain or loss from United States sources from the sale or exchange of capital assets will generally be treated as effectively connected income if (a) the income, gain, or loss is derived from assets used in or held for use in the conduct of the corporation's trade or business, or (b) the activities of the corporation's trade or business were a material factor in the realization of the income, gain, or loss.

3. Under certain circumstances, limited categories of income from foreign sources will be treated as effectively connected income.

A foreign corporation not engaged in a trade or business within the United States will not have any effectively connected income unless (1) it elects under section 882(d) to treat real property income as effectively connected income (see instruction H), or (2) it is a corporation created or organized in a U.S. possession and carrying on the banking business in a U.S. possession and which receives interest on U.S. obligations—in such case the interest will be treated as effectively connected income.

For further details relating to effectively connected income see section 364(c).

Complete Section II of the form to compute the tax on such income.

G. Income from United States sources not effectively connected with the conduct of a trade or business within the United States.—In general, whether or not a foreign corporation is engaged in a trade or business, the gross amount of such income is subject to tax at a 30% or lower treaty rate. In general, such income consists of the following types of income described in section 881 (to the extent not effectively connected with the

conduct of a trade or business within the United States):

1. Interest, dividends, rents and royalties, salaries, wages, premiums, annuities, compensation, remunerations, emoluments, and other fixed or determinable annual or periodical gains, profits, and income.

2. Gains described in section 631(b) or (c) from disposal of timber, coal, or domestic iron ore with a retained economic interest.

3. Amounts received on the retirement, sale or exchange of bonds or other evidences of indebtedness issued after September 28, 1965, which are treated under section 1232 as gains from the sale or exchange of property which is not a capital asset.

4. Certain gains from the sale or exchange after October 4, 1966, of patents, copyrights, and other intangible property, as described in section 881(a)(4).

No deductions are allowable against such income since the tax is imposed upon the gross amount received.

Complete Section I of the form to compute the tax on such income.

H. Election to treat real property income as effectively connected income.—A foreign corporation having income from real property located in the United States, or from any interest in such real property, including (1) gains from the sale or exchange of such real property or interest therein, (2) rents or royalties from mines, wells, or other natural deposits, and (3) gains described in section 631(b) or (c), may elect to treat such income as being effectively connected with the conduct of a trade or business within the United States. See section 882(d).

The election may be made by attaching to the return for the year to which the election is to apply (1) a statement to the effect that the election is being made, (2) a complete schedule of all real property, or any interest in real property, of which the taxpayer is titular or beneficial owner, which is located in the United States, (3) a statement indicating the extent to which the taxpayer has direct or beneficial ownership in each such item of real property, or interest in real property, (4) the legal identification and location of the real property or interest therein, (5) a description of any substantial improvements on any such property, and (6) any other information as may be required by regulations.

If this election is made, complete Section II to compute the tax on such income.

I. Deductions and credits.—No deductions are allowed against income

which is not effectively connected with the conduct of a trade or business within the United States since the 30% or lower treaty rate is imposed upon the gross amount of such income.

Deductions and credits are allowed against income which is effectively connected with the conduct of a trade or business within the United States only if a return is filed, and only to the extent that they are connected with such income. Charitable contributions, however, may be deducted whether or not they are so connected.

For further details see section 882(c).

J. Source of income.—Gross income of a foreign corporation includes only (1) gross income which is derived from sources within the United States and which is not effectively connected with the conduct of a trade or business within the United States, and (2) gross income (regardless of source) which is effectively connected with the conduct of a trade or business within the United States.

Except as may otherwise be provided by tax convention, the source of income is determined in accordance with the provisions of sections 861 through 864 and the regulations thereunder.

K. Trade or business within the United States.—A foreign corporation which is a member of a partnership or is a beneficiary of an estate or trust will be considered to be engaged in a trade or business within the United States if the partnership, estate, or trust is so engaged.

Under certain circumstances the term "trade or business within the United States" does not include the trading of stocks, securities or commodities through a resident broker, commission agent, custodian, or other independent agent. Special rules apply when the corporation is trading for its own account.

For details concerning trading in stocks, securities, or commodities, see section 864(b)(2).

L. Accounting period.—To change your accounting period, see section 1.442-1 of the regulations and Form 1128, Application for Change in Accounting Period. If the corporation ceases to exist, write "FINAL RETURN" at the top of the form.

M. Personal holding companies.—A foreign corporation which is a personal holding company as defined in section 542, but not a foreign personal holding company as defined in section 552, is subject to the tax imposed by section 541 on undistributed personal holding company income. Section 541 imposes a tax upon the undistributed personal holding company income (as

defined in section 545) of the personal holding companies. Every foreign corporation which is a personal holding company under section 542 must file a Schedule PH (Form 1120) with its Form 1120-F.

Under the provisions of section 542, a corporation is a personal holding company if 60% or more of its adjusted ordinary gross income for the taxable year is personal holding company income, and if at any time during the last half of the taxable year more than 50% in value of its outstanding stock is owned, directly or indirectly, by or for not more than five individuals. Certain foreign corporations owned directly or indirectly, entirely by nonresident alien individuals, are not personal holding companies. (Sections 541-547.)

N. Foreign personal holding companies.—Section 551(a) requires that the undistributed foreign personal holding company income of a foreign personal holding company, as defined in section 552, shall be included as a dividend in gross income of U.S. shareholders in the amount provided by section 551(b). Schedule PH (Form 1120) is not required, but Forms 957 and 958 must be filed by the officers, directors, and certain U.S. shareholders. (Section 6035 and regulations thereunder.)

O. Signature.—The return must be signed either by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or by any other corporate officer (such as tax officer) who is authorized to sign. A receiver, trustee, or assignee must sign any return that he is required to file on behalf of a corporation.

Foreign Corporations Having Income from United States Sources Which is Not Effectively Connected with the Conduct of a Trade or Business Within the United States

P. Claim for refund.—Where a foreign corporation has only income which is not effectively connected with the conduct of a trade or business within the United States and this form is being used as a claim for refund, include all income from sources within the United States even though the tax thereon has been fully satisfied at the source except where the refund results solely from the credit for the tax paid by a regulated investment company on undistributed capital gains or from the tax deemed to have been paid under section 337(d) (relating to gain or loss on sales or exchanges in connection with certain liquidations).

Where the refund results solely from such credits, enter the amount claimed on lines 6(d) and 8, page 1, and attach Copy B of Form 2439; no entries are required to be made on page 2.

Where the refund is reduced by any additional tax due on items of income upon which the tax has not been fully satisfied at the source, the items creating the reduction must also be shown on the appropriate lines on pages 1 and 2.

Q. Tax treaties.—Section 881 imposes a tax of 30% on United States source income described in that section. However, if you are a resident of, or a corporation created under the laws of, any country that has a treaty to which the United States is a party, refer to the applicable income tax convention to ascertain the exemption from, and reduced rates of, United States income tax to which you may be entitled.

For purposes of applying any exemption from, or a reduction of, any United States tax provided by any treaty with respect to income not effectively connected with the conduct of a trade or business within the United States, a foreign corporation shall be deemed not to have a permanent establishment in the United States at any time during the taxable year. (See section 894(b).)

For additional information regarding such tax convention, consult the Director of International Operations, Internal Revenue Service, Washington, D.C. 20225.

Foreign Corporations Engaged in a Trade or Business Within the United States

R. Accounting methods.—Taxable income must be computed using the method of accounting regularly used in maintaining the corporation's books and records. In all cases the method adopted must clearly reflect taxable income. (See section 446.)

Unless the law specifically permits, a taxpayer may not change the method of accounting used to report income in prior years (for income as a whole or for any material item) without first securing consent on Form 3115, Application for Change in Accounting Method.

Rounding off to whole-dollar amounts.—The money items on your return may be shown as whole-dollar amounts by eliminating any amount less than 50 cents and increasing any amount from 50 cents through 99 cents to the next higher dollar.

S. Estimated tax.—Corporations that can expect their "estimated tax" to be \$40 or more must make estimated tax payments. "Estimated tax" is the

amount of the corporation's expected income tax (after credits) less an exemption from estimated tax. After taking the exemption into account, a tax liability of \$5,550 or more for taxable years beginning in 1971 will result in estimated tax of \$40 or more. This amount (\$5,550) will be less for members of a controlled group of corporations that do not receive a full \$25,000 surtax exemption.

For taxable years beginning in 1971, the exemption is the sum of \$5,500 and an amount that is 20% of the difference between the tax liability (not to exceed \$100,000) and \$5,500. (For taxable years beginning in 1972 the total exemption will be 22% of the corporation's surtax exemption.)

Members of a controlled group of corporations that do not receive a full \$25,000 surtax exemption must substitute 22% of their share of the surtax exemption for the \$5,500 mentioned above.

Form 1120-W may be used as a worksheet to compute corporate estimated tax.

If you have underpaid your estimated tax and believe a penalty charge should not be asserted, attach Form 2220 to your return.

A corporation that has overpaid its estimated tax may apply for a "quick refund" if the overpayment is (1) at least 10% of the corporation's expected income tax liability AND (2) at least \$500. Use Form 4466.

T. Information at the source.—Forms 1096 and 1099 must be filed concerning certain dividends, earnings, interest, rents, royalties, annuities, pensions, foreign items; and prizes, awards, and commissions to nonemployees.

U. Consolidated returns.—Except for certain subsidiary corporations organized under the laws of Canada or Mexico and maintained solely for the purpose of complying with the laws of such country as to title and operation of property, a foreign corporation may not be included as a member of an affiliated group of corporations for purposes of filing a consolidated return.

V. Balance sheets.—The balance sheets must agree with your books and records or any differences must be reconciled. Copies of balance sheets required by Federal, State, etc., authorities may be used in place of Schedule L.

Certificates of deposit should be included as cash in line 1 of the balance sheet.

W. Attachments.—Attachments may be used if the lines on the form schedules are not sufficient. They must contain all required information and follow the format of the schedules on the return.

If an attachment is used in place of a schedule having a summary line on page 3, the total need not be entered on the schedule but must be entered on page 3.

Enter your name and identifying number on all attachments.

X. Minimum tax on tax preference items.—Under the provisions of section 56, certain items of tax preference are subject to a minimum income tax. These tax preference items, after deducting a \$30,000 exemption and the amount of taxes imposed for the year, are taxed at a 10% rate.

Items of tax preference include:

- (1) Excess investment interest,
- (2) Accelerated depreciation on real property,
- (3) Accelerated depreciation on personal property subject to a net lease,
- (4) Amortization of pollution control facilities,
- (5) Amortization of railroad rolling stock,
- (6) Reserves for losses on bad debts of financial institutions,
- (7) Excess percentage depletion, and
- (8) Capital gains.

Corporations having any such tax preference items must attach Form 4626, Computation of Minimum Tax, to their return whether or not the minimum tax applies.

Specific Instructions for Section II

INCOME.—Enter in lines 1 through 10 gross income (regardless of source) which is effectively connected with the conduct of a trade or business within the United States.

1. Gross receipts.—Enter gross receipts or sales from all business operations except those required to be reported in lines 4 through 10.

If you use the installment method of reporting, enter on line 1 the gross profit on collections from installment sales and carry the same amount to line 3. Attach a schedule showing for the current and 3 preceding years: (a) gross sales, (b) cost of goods sold, (c) gross profits, (d) percentage of gross profits to gross sales, (e) amount collected, and (f) gross profits on amount collected.

2. Cost of goods sold.—The method of valuing inventories may not be changed without permission. Application for permission to change must be made on Form 3115 within 90 days after the beginning of the taxable year

in which it is desired to make the change.

A corporation electing to use the last-in, first-out (LIFO) method of valuing inventory provided in section 472 must attach Form 970 to its income tax return for the first year that method is used.

Cost of operations (where inventories are not an income-determining factor).—If the amount entered on line 2 includes an amount applicable to cost of operations, attach a schedule showing (1) salaries and wages and (2) other costs in detail.

4. Dividends.—(Numbered to correspond with line numbers in Schedule C.)

(1) Enter dividends received from domestic corporations subject to income tax if subject to the 85% deduction under section 243(a)(1). For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction.

So-called dividends or earnings received from mutual savings banks, etc., are in fact interest and should not be treated as dividends.

(2) Enter dividends received on the preferred stock of a public utility which is subject to income tax and allowed the deduction provided in section 247 for dividends paid.

(3) Enter dividends received from foreign corporations and which qualify for the 85% deduction provided in section 245(a).

(5) If the corporation claims the foreign tax credit, the amount of taxes deemed paid under section 902(a)(1) (relating to credit for corporate stockholder in foreign corporation) shall be treated as a dividend received from the foreign corporation. (See section 906(b)(4).)

(6) Include dividends (other than capital gain dividends) received from regulated investment companies that do not qualify for the 85% deduction; dividends from tax-exempt organizations; dividends (other than capital gain dividends) received from a real estate investment trust which, for the taxable year of the trust in which the dividends are paid, qualifies under sections 856–858; dividends not eligible for a dividends-received deduction because of the holding period of the stock or an obligation to make corresponding payments with respect to similar stock; and any other taxable dividend income not properly reported above.

6. Other interest.—Enter interest on loans, notes, mortgages, bonds, bank

deposits, corporate bonds, tax refunds, etc.

The term "corporate bonds" includes bonds, debentures, notes, certificates of indebtedness, or other evidences of indebtedness issued by any corporation and bearing interest with interest coupons or in registered form.

Do not offset interest income against interest expense.

7. Gross rents.—Enter the gross amount received for the rent of property. Deduct expenses such as repairs, interest, taxes and depreciation on the proper lines for deductions.

9. Gains and losses from sales or exchanges of capital assets and other property.—The computation of gains and losses from sales or exchanges of capital assets and property other than capital assets must be made on separate Schedule D (Form 1120) and filed with Form 1120–F.

Every sale or exchange of property must be reported in detail, even though no gain or loss is realized.

If the net long-term capital gain exceeds the net short-term capital loss, or in case of only a net long-term capital gain, compute the alternative tax on separate Schedule D (Form 1120) to see if it produces a lesser tax.

10. Other income.—Include recoveries of bad debts deducted in prior years under the specific charge-off method.

Refunds of taxes deducted in prior years should be reported here and not offset against current year's taxes.

If "other income" consists of only one item you may identify it by showing the account caption in parentheses on line 10.

Deductions

In computing the taxable income of a foreign corporation engaged in a trade or business within the United States, deductions are allowed only to the extent that they are connected with income which is effectively connected with the conduct of a trade or business within the United States. Charitable contributions, however, may be deducted whether or not they are so connected. See section 882(c)(1) for allocation of deductions.

12. Compensation of officers.—Complete column 8 of Schedule E for your 25 highest paid officers. To determine the highest paid officers, add all allowances including expense account allowances to each officer's compensation. Column 8 does not have to be completed for any officer for whom the combined amount is less than \$10,000.

For this purpose an officer is a person who is elected or appointed to office or who is designated as such in the cor-

poration's charter or bylaws, such as regular officer, chairman of the board, etc.

14. Repairs.—Enter the cost of incidental repairs, including labor, supplies, and other items, that do not add to the value or appreciably prolong the life of the property.

15. Bad debts.—Bad debts may be treated in either of two ways—(1) as a deduction for debts that become worthless in whole or in part, or (2) as a deduction for a reasonable addition to a reserve for bad debts. (Section 166.)

Application for permission to change the method of computing bad debts must be made on Form 3115 within 90 days after the beginning of the taxable year for which it is desired to make the change.

17. Taxes.—Enter taxes paid or accrued during the taxable year and attach a schedule showing the type and amount of tax. Do not include Federal income taxes; estate, inheritance, legacy, succession, or gift taxes; foreign or U.S. possession income taxes if a foreign tax credit is claimed; Federal taxes paid on bonds containing a tax-free covenant; or taxes not imposed upon the taxpayer.

See section 164(d) for apportionment of taxes on real property between seller and purchaser.

Section 906(b)(1) provides that certain foreign taxes imposed on income from U.S. sources may not be taken as a deduction.

18. Interest.—Enter business interest but do not include interest on indebtedness incurred or continued to purchase or carry obligations the interest on which is wholly exempt from income tax. (Section 265.)

See section 267 for limitation on deductions for unpaid expenses and interest in transactions between related taxpayers.

19. Contributions.—Enter contributions or gifts actually paid within the taxable year to or for the use of charitable and governmental organizations described in section 170(c).

The amount claimed may not exceed 5 percent of taxable income computed without regard to (1) this deduction, (2) the "special deductions" in line 29(b), (3) any net operating loss carryback to the taxable year under section 172, and (4) any capital loss carryback to the taxable year under section 1212(a)(1).

Charitable contributions in excess of the 5% limitation may not be deducted for the taxable year but may be carried over to the 5 succeeding taxable years.

Corporations on the accrual basis may elect to deduct contributions paid

on or before the 15th day of the 3d month following the close of the taxable year if the contributions are authorized by the board of directors during the taxable year. A declaration, signed by an officer, must be attached to the return stating that the resolution authorizing the contributions was adopted by the board of directors.

Attach a schedule showing the name of each organization and the amount paid. If a contribution is made in property other than money, state the kind of property contributed and the method used in determining its fair market value. If a contribution carryover is included, show the amount and how the carryover was determined.

Special rule for contributions of certain property.—In the case of a charitable contribution of property the contribution must be reduced by the sum of

- (1) the ordinary income and
- (2) in the case of certain contributions, 62½% of the long-term capital gain,

that would have resulted if the property were sold at its fair market value. The reduction for 62½% of the long-term capital gain applies to (1) contributions of tangible personal property for use by an exempt organization for a purpose or function unrelated to the basis for its exemption, and (2) the contributions of any property to or for the use of certain private foundations. (Section 170(e).)

Bargain sale to a charitable organization.—If a charitable contribution deduction is allowed by reason of a sale after December 19, 1969, of property to a charitable organization, the adjusted basis for determining gain from the sale is an amount which is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property.

20. Amortization.—If a deduction is claimed for amortization, attach a schedule showing: (1) a description of the expenditures being amortized; (2) date acquired, completed, or expended; (3) amount being amortized; (4) amortization deducted in prior years; (5) amortization period (number of months); (6) amortization for this year; and (7) the total amount of amortization less the amount claimed in Schedule A and elsewhere on the return.

See section 169 for conditions under which the cost of certified pollution control facilities may be amortized over a period of 60 months.

21. Depreciation.—Fill in Schedule G if a deduction is claimed for depreciation of property, leasehold improvements, patents, or copyrights. Form 4562, Depreciation, may be used as a supplement to Schedule G.

Salvage value must be taken into account in determining the depreciation deduction (except under the declining balance method) for real property, and for personal property to the extent it exceeds 10% of the cost or other basis of the property.

Alternative depreciation guidelines and rules.—Revenue Procedure 62-21 (supplemented by Revenue Procedure 65-13) sets forth alternative standards and procedures for determining depreciation. Taxpayers who wish to use these provisions must use them for all assets in a particular guideline class.

Tangible property other than real property.—Tangible personal property, whether new or used, may be depreciated under the straight line method or the 150% declining balance method.

New tangible personal property with a useful life of 3 years or more may also be depreciated under (1) the double declining balance method, (2) the sum of the years-digits method, and (3) any other method that does not result in accumulated allowances at the end of any year (during the first two-thirds useful life of the property) greater than the total that could have been deducted if the double declining balance method had been used.

New section 1250 property.—The double declining balance and sum of the years-digits methods may not be used except for (1) new residential rental property (from which at least 80% of the gross rental income is derived from rental of residential units), (2) other new real property acquired before July 25, 1969, and (3) new real property placed in service after July 24, 1969, if construction, acquisition, or permanent financing arrangements were entered into before July 25, 1969. Other new real property acquired after July 24, 1969, may be depreciated under the straight line or 150% declining balance methods.

Used section 1250 property.—Used residential rental property acquired after July 24, 1969, with a useful life of 20 years or more may be depreciated under the 125% declining balance method. In the case of used real property acquired before July 25, 1969, or used real property acquired after July 24, 1969, pursuant to a written contract entered into before July 25, 1969, for the acquisition of such property or for the permanent financing thereof, depreciation is limited to the 150% declining balance method. Other used real property acquired after July 24, 1969, may be depreciated only under the straight line method.

Rehabilitation expenditures for low-income rental housing.—An election may be made to depreciate property attributable to rehabilitation expenditures

for low-income rental housing incurred after July 24, 1969. Such depreciation may be claimed under the straight line method using a useful life of 60 months. For details see section 167(k).

Section 179—Additional first-year depreciation.—For the first year a depreciation deduction is allowable, corporations may elect to write off 20 percent of the cost (before adjustment for salvage value) of tangible personal property (whether new or used) with a useful life of 6 years or more, up to an aggregate cost of \$10,000. Controlled corporate groups must apportion this \$10,000 amount among members of the group. For this purpose, section 179(d)(7) provides a special definition of controlled groups.

Total additional first-year depreciation must be shown on line 1 of the depreciation schedule.

If the additional first-year depreciation is elected, the basis of the property must be reduced by the amount of the deduction and salvage value when computing ordinary depreciation.

22. Depletion.—The percentage depletion rate for oil and gas wells is 22%. Refer to section 613(b) for rates applicable to other natural deposits. Attach Form T if a deduction is claimed for depletion of timber.

24. Pension, profit-sharing, stock bonus and annuity plans.—A Form 2950 should be attached for each profit-sharing, stock bonus, pension and annuity plan. This form must be filed whether the deduction is under a qualified or nonqualified plan.

25. Other employee benefit plans.—Enter deductions for contributions to employee benefit plans other than those claimed on line 24, such as insurance, health, or welfare plans. Attach a schedule for each plan showing (1) the nature of benefits, i.e., group-term life insurance, group permanent life insurance, noninsured death benefit, hospitalization, surgical, medical, sickness, accident, major medical expense, unemployment benefit, or other welfare benefits; (2) method of financing, i.e., insured, industry or areawide fund, self-insured fund, or direct benefit payments; (3) the amount of deduction; (4) the amount of employee contributions; (5) the number of employees covered; and (6) if a self-insured plan, the amount of benefits paid during the taxable year. Also show the number of employees employed by the corporation.

26. Other deductions.—No deduction is allowable for any amount allocable to a class of exempt income other than exempt interest income, including income exempt by tax convention. Items directly attributable to wholly exempt

income shall be allocated thereto, and items directly attributable to any class of taxable income shall be allocated to such taxable income.

If an item is indirectly attributable both to taxable income and exempt income, a reasonable proportion thereof, determined in the light of all the facts and circumstances in each case, shall be allocated to each.

Attach a statement showing (1) the amount of each class of exempt income and (2) the amount of expense items allocated to each such class. Show separately the amount allocated by apportionment.

29(a). Net operating loss deduction.—The "net operating loss deduction" is the sum of the net operating loss carryovers and carrybacks to the taxable year. (Section 172(a).) Generally, a net operating loss may be carried back 3 years and carried over 5 years. The net operating loss must first be carried to the earliest of the 8 taxable years to which it may be carried, then to the next earliest year, etc. The portion of the loss to be carried to each of the other 7 taxable years is the excess, if any, of the amount of the loss over the sum of the taxable income for each of the prior taxable years to which the loss may be carried. (Section 172(b).)

The term "net operating loss" means the excess of allowable deductions over gross income, computed with the following modifications under section 172(d):

(1) No net operating loss deduction is allowed.

(2) The special deductions in line 1 of Schedule I are computed without regard to the 85% limitation provided in section 246(b). See section 1.172-2 of the regulations.

(3) The special deduction allowed by section 247 (dividends paid on certain preferred stock of public utilities) is computed without regard to section 247(a)(1)(B).

As stated, the net operating loss deduction is the sum of the carryovers and carrybacks. However, in determining the taxable income that must be subtracted from a net operating loss to determine the portion of such loss that will still be available to carry to a subsequent year, the net operating loss deduction is determined without regard to the net operating loss for the loss year or any taxable year thereafter, and under certain circumstances, without regard to any portion of a net operating loss attributable to a foreign expropriation loss.

If you have a net operating loss carry-

back and desire a "quick refund" of taxes, file Form 1139 within 12 months after the close of the taxable year of the net operating loss. (Section 6411.)

If a net operating loss carryback creates an unused investment credit in a preceding year, the unused credit may be carried back to the 3 preceding years, and, under the provisions of section 6411, a quick refund of the taxes affected may be obtained by filing Form 1139.

29(b). Special deductions.—See instructions for Schedule I below.

Schedule I—Special Deductions

(Numbered to correspond with line numbers in Schedule I)

1. Exclusion of certain dividends.—In general, no dividends-received deduction will be allowed on any share of stock (a) which is disposed of if the corporation has held such share for 15 days or less, or (b) to the extent the corporation is under an obligation to make corresponding payments with respect to substantially identical stock or other securities.

2. Limitation on dividends-received deduction.—Line 2 may not exceed 85% of line 28, page 3. For this purpose, line 28, page 3, is to be computed without regard to any capital loss carryback to the taxable year under section 1212(a)(1). In a year in which a net operating loss occurs, sections 172(d) and 246(b) provide that the 85% limitation on the amount of these special deductions does not apply even if the loss is created by the dividends-received deduction.

3. Deduction for dividends paid on certain preferred stock of public utilities.—Section 247 allows public utilities a deduction of a certain percentage of the lesser of (1) dividends paid on their preferred stock during the taxable year, or (2) taxable income computed without regard to this deduction. For calendar year 1970, this percentage is 28.455 percent. For fiscal years, see instruction 4 for applicable rate. In a year in which a net operating loss occurs, section 172(d) provides that this deduction shall be computed without regard to section 247(a)(1)(B).

4. Fiscal years beginning in 1970.—The deductions on line 1(b)—dividends received on certain preferred stock of public utilities, and line 3—dividends paid on certain preferred stock of public utilities, are computed using a formula which includes a fraction, the numerator of which is 14 and the denominator of which is the sum of the normal tax and surtax rates. The denominator must be increased to reflect the applicable surcharge rate. For

example, the denominator for calendar year 1970 corporations is 49.2 (48, the sum of the normal tax and surtax rates, plus 2½% of 48).

Corporations with fiscal years beginning before July 1, 1970, must increase the denominator to reflect the applicable surcharge rate shown in the tax computation instructions below.

Corporations with fiscal years beginning after June 30, 1970, will not have to increase the denominator since they will have no surcharge. Such corporations are to use the following rates in Schedule I:

(a) Line 1(b), dividends received on certain preferred stock of public utilities—60.209.

(b) Line 3, dividends paid on certain preferred stock of public utilities—29.167.

Tax Computation Instructions

1. Tax surcharge.—The tax surcharge is 5% for the period beginning January 1, 1970, and ending June 30, 1970.

The rate for the calendar year 1970, therefore, is 2½%.

Since the surcharge expired June 30, 1970, corporations with taxable years beginning after that date will have no surcharge.

Corporations with fiscal years beginning before July 1, 1970, may compute their surcharge by multiplying line 5(a), page 5, and line 3(a), page 1, by the applicable rate in the following table:

Taxable year		Applicable Rate
Beginning in 1970	Ending in 1971	
Feb. 1	Jan. 31	02054795
Mar. 1	Feb. 28	01671233
Apr. 1	Mar. 31	01246575
May 1	Apr. 30	00835616
June 1	May 31	00410959
July 1 and after	June 30 and after	—0—

If the corporation prefers, the surcharge may be computed using the following formula:

$$\text{Amount on line 5(a), page 5, and line 3(a), page 1} \times 5\% \times \frac{\text{No. days in taxable year before 7-1-70}}{\text{No. days in taxable year}}$$

Fiscal year corporations having a 52-53 week taxable year and corporations with a short taxable year must use the formula to compute their surcharge.

2. Surtax exemption.—In general, corporations are entitled to a \$25,000 surtax exemption. Certain controlled corporations, however, are limited to a smaller amount under the provisions of sections 1561 and 1562. (See section 1563 for definition of controlled group.)

Under the provisions of section 1561, a controlled group of corporations, with respect to a specified December 31, must divide one \$25,000 surtax exemp-

tion equally among all component members of the group unless the group specifically consents to split up the \$25,000 amount among all component members in accordance with an apportionment plan. See section 1561 and the regulations thereunder for time and manner of making the consent.

Under the provisions of section 1562, a controlled group may elect, with respect to a specified December 31, to have each component member take a separate surtax exemption without having to divide equally or apportion one \$25,000 surtax exemption among all component members.

For taxable years beginning in 1970, however, section 1564 provides that only one member of a group that has made an election under section 1562 may claim a full \$25,000 surtax exemption with the others being limited to \$20,833. (This \$20,833 is further reduced in years 1971 through 1974 and becomes zero in 1975.) Section 1564 (a)(2) provides that the component members of the controlled group must

elect which member is to receive the full \$25,000 and which members are to be limited to \$20,833. This election may be made by attaching a statement to the return of the corporation claiming the full \$25,000 surtax exemption stating that it is the corporation that the controlled group has selected to claim the \$25,000 amount under the provisions of section 1564(a)(2). The statement must be signed by each member of the controlled group and must show the name, address, employer identification number and taxable year of each member of the group subject to the reduced \$20,833 exemption. Such other members must attach a copy of the statement to their return.

If the group elects to have each component member claim a separate surtax exemption under section 1562, each component member must pay an additional tax of 6% of the amount of income equal to its surtax exemption. If only one member of the group has any taxable income, the 6% does not apply. (Section 1562(b)(1)(A).)

3. Foreign tax credit.—A foreign corporation engaged in a trade or business within the United States is allowed a credit under section 901 for income, war profits, and excess profits taxes paid (or deemed paid under section 902) or accrued during the taxable year to any foreign country or U.S. possession with respect to income effectively connected with the conduct of a trade or business within the United States. For further details and exceptions, see section 906 and Form 1118.

4. Tax from recomputing a prior year investment credit.—If property is disposed of prior to the life used in computing the investment credit, the tax for the year of disposition must be increased by the difference between the credit taken (including carrybacks and carryovers) on the property and the credit which would have been allowed had the actual life been used. (See section 47(a)(4) and (5) for exceptions.) Form 4255 may be used to compute the tax.

The tax from recomputing a prior year investment credit may not be offset against the current year's investment credit.

5. Change in accounting period.—If a corporation changes its accounting period, it must file an income tax return for the short period (the period between the close of the old period and the beginning of the new). See section 443(b) for computation of tax.

Tax Guide for Small Business (Publication 334) contains answers to most questions that arise if you start, operate, or dispose of a business. Explanations and examples are provided to illustrate the application of Federal income, excise, social security, and withholding taxes to sole proprietorships, partnerships, and corporations. This booklet may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or from your District Director, for 75 cents.

Codes for Principal Business Activity and Principal Product or Service

These industry titles and definitions are based on the Standard Enterprise Classification system developed by the Office of Management and Budget, Executive Office of the President, to classify enterprises by type of activity in which engaged. This system follows closely the Standard Industrial Classification used to classify establishments.

Using the list below, enter on page 3, under A, the code for the specific industry group from which the largest percentage of "total

receipts" is derived. "Total receipts" means gross receipts (line 1, page 3) plus all other income (lines 4 through 10, page 3). On page 3, under A, state the principal business activity and principal product or service which account for the largest percentage of total receipts. For example, if the principal business activity is "Grain mill products," the principal product or service may be "Cereal preparations."

AGRICULTURE, FORESTRY, and FISHERIES

Code
0110 Farms
0120 Agricultural services and hunting and trapping.
0130 Forestry and forestry services.
0140 Fisheries.

MINING

Metal mining:
1010 Iron ores
1020 Copper, lead and zinc, gold and silver ores
1098 Other metal mining.
1100 Anthracite and bituminous coal and lignite mining.
Crude petroleum and natural gas:
1310 Crude petroleum, natural gas, and natural gas liquids.
1380 Oil and gas field services.
Nonmetallic minerals (except fuels) mining:
1410 Stone, sand, and gravel.
1498 Other nonmetallic minerals, except fuels.

CONTRACT CONSTRUCTION

General contractors:
1510 Building construction.
1520 Highway and street construction, and other heavy construction.
Special trade contractors:
1531 Plumbing, heating, and air conditioning.
1532 Electrical work.
1538 Other special trade contractors.

MANUFACTURING

Food and kindred products:
2010 Meat products.
2020 Dairy products.
2030 Canning and preserving fruits, vegetables, and sea foods.
2040 Grain mill products.
2050 Bakery products.
2060 Sugar.
2070 Confectionery and related products.
2082 Malt liquors and malt.
2084 Wines, brandy, and brandy spirits.
2085 Distilled, rectified, and blended liquors.
2086 Soft drinks, flavoring extracts, and syrups.
2091 Vegetable oil mills, and animal, marine, and edible fats and oils
2098 Other food and kindred products.
2100 Tobacco manufactures.

Textile mill products:
2211 Broad woven fabric mills, cotton.
2212 Broad woven fabric mills, man made fiber and silk.
2213 Dyeing and finishing, except wool and knit goods.
2220 Broad woven fabric mills, wool including dyeing and finishing.
2250 Knitting mills.
2270 Carpets and rugs.
2280 Yarn and thread mills.
2291 Narrow fabrics.
2298 Other textile mill products.

Apparel and other fabricated textile products:
2310 Men's and boys' clothing.
2330 Women's, children's, and infants' clothing.
2180 Hats, caps, millinery, fur goods, and other apparel and accessories
2398 Other fabricated textile products

Lumber and wood products, except furniture:
2410 Logging camps and logging contractors, sawmills, and planing mills.
2430 Millwork, veneers, plywood, and pre-laminated structural wood products.
2498 Wooden containers and other wood products

Furniture and fixtures:
2510 Household furniture
2590 Furniture and fixtures, except household furniture

Paper and allied products:
2611 Pulp mills
2614 Paper, paperboard, building paper, and building board mills
2640 Converted paper and paperboard products, except containers
2650 Paperboard boxes and containers

Printing, publishing, and allied industries:
2711 Newspapers publishing, publishing and printing
2712 Periodicals publishing, publishing and printing

Code
2715 Books: publishing and printing; greeting cards; miscellaneous publishing.
2720 Commercial printing, including manifold business forms.
2780 Bookbinding, related industries, and printing trade services.

Chemicals and allied products:
2811 Industrial inorganic and organic chemicals.
2812 Plastics materials, synthetic resins, synthetic rubber, and man-made fibers, except glass.
2830 Drugs.
2841 Soap, detergent, and cleaning preparations.
2842 Perfumes, cosmetics, and other toilet preparations.
2850 Paints and allied products.
2870 Fertilizers and other agricultural chemicals.
2998 Other chemical products including gum and wood products.

Petroleum refining and related industries:
2911 Petroleum refining without extraction.
2912 Integrated petroleum refining and extraction.
2998 Paving and roofing materials, and other products of petroleum and coal.

Rubber and miscellaneous plastics products:
3010 Tires and inner tubes.
3020 Rubber footwear, reclaimed rubber, and other fabricated rubber products.
3098 Miscellaneous plastics products.

Leather and leather products:
3140 Footwear, except rubber.
3198 Leather tanning and finishing, and other leather products.

Stone, clay, and glass products:
3210 Glass and glass products.
3240 Cement, hydraulic.
3250 Structural clay products.
3260 Pottery and related products.
3270 Concrete, gypsum, and plaster products.
3298 Cut stone and stone products, and abrasive, asbestos, and other non-metallic mineral products.

Primary metal industries:
3310 Blast furnaces, steelworks, and iron and steel foundries and forgings.
3330 Nonferrous metals: smelting, refining, rolling, drawing, and alloying, including foundries and forgings.
3398 Other primary metal industries.

Fabricated metal products, except machinery and transportation equipment:
3410 Metal cans.
3420 Cutlery, hand tools, and general hardware.
3430 Heating apparatus (except electric) and plumbing fixtures.
3440 Fabricated structural metal products.
3450 Screw machine products, and bolts, nuts, screws, rivets, and washers.
3461 Metal stampings
3462 Metal coating and engraving.
3498 Fabricated wire products and other fabricated metal products.

Machinery, except electrical:
3510 Engines and turbines.
3520 Farm machinery and equipment.
3530 Construction, mining, and materials handling machinery and equipment.
3540 Metalworking machinery and equipment.
3550 Special industry machinery and equipment, except metalworking.
3560 General industrial machinery and equipment.
3570 Office, computing, and accounting machines.
3580 Service industry machines.
3598 Other machinery, except electrical

Electrical machinery, equipment, and supplies:
3611 Electrical transmission and distribution equipment.
3612 Electrical industrial apparatus.
3630 Household appliances.
3650 Radio and television receiving sets, except communication types.
3661 Communication equipment.
3662 Electronic components and accessories.

Code
3691 Electric lighting and wiring equipment, except insulated wire.
3698 Other electrical machinery, equipment, and supplies.

Transportation equipment:
3711 Motor vehicles: passenger car, truck, and bus bodies; and truck trailers.
3714 Motor vehicle parts and accessories.
3721 Aircraft, and complete guided missiles and space vehicles.
3722 Aircraft parts, and guided missile and space vehicle subassemblies.
3730 Ship and boat building and repair.
3791 Railroad equipment, including street cars.
3798 Motorcycles, bicycles, and parts, and other transportation equipment.

Scientific instruments; photographic equipment; watches and clocks:
3810 Scientific and mechanical measuring instruments.
3830 Optical, medical, and ophthalmic goods.
3860 Photographic equipment and supplies.
3870 Watches and clocks.
Miscellaneous manufacturing industries, including ordnance and accessories:
3910 Jewelry, silverware, and platedware.
3920 Toys and sporting goods
3930 Ordnance, except guided missiles.
3991 Costume jewelry.
3998 Musical instruments, office and artists' materials, and other manufacturing industries.

TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS, and SANITARY SERVICES

Transportation:
4011 Railroad transportation, terminals, and related services.
4020 Local, suburban, and intercity passenger transportation, including taxicabs and school buses.
4030 Motor freight transportation and warehousing.
4040 Water transportation.
4050 Air transportation.
4060 Pipeline transportation.
4098 Other transportation services.

Communication services:
4810 Telephone communications (wire or radio).
4820 Telegraph communications (wire or radio).
4830 Radio and television broadcasting.
4898 Other communication services.
Electric, gas, and sanitary services:
4910 Electric companies and systems (95 percent or more).
4920 Gas companies and systems (95 percent or more).
4930 Combination companies and systems—gas, electric, or other services.
4940 Water supply and other sanitary services.

WHOLESALE TRADE

5010 Motor vehicles and automotive equipment.
5020 Drugs, chemicals, and paints.
5030 Dry goods and apparel.
5047 Meat and meat products.
5048 Poultry and poultry products, fish and sea foods, and other groceries and related products.
5050 Farm products—raw materials
5060 Electrical goods.
5070 Hardware, and plumbing and heating equipment and supplies.
5080 Machinery, equipment, and supplies.
5091 Metals and minerals, except petroleum products and scrap.
5092 Petroleum and petroleum products.
5095 Beer, wine, and distilled alcoholic beverages.
5096 Paper and its products.
5097 Lumber and construction materials.
5098 Other wholesale trade.

RETAIL TRADE

Building materials, hardware, and farm equipment:
5211 Building materials
5215 Hardware stores.
5216 Farm equipment dealers.
General merchandise stores:
5221 Department stores
5222 Variety stores
5223 Mail order houses
5228 Other general merchandise stores
5230 Food stores.

Code
Automotive dealers and gasoline service stations:
5241 Automobiles and truck dealers.
5243 Gasoline service stations.
5248 Tire, battery, and accessory dealers, and miscellaneous aircraft, marine, and automotive dealers.

Other retail stores:
5250 Apparel and accessories.
5260 Furniture, home furnishings, and equipment stores.
5270 Eating and drinking places.
5291 Drug stores and proprietary stores.
5292 Liquor stores.
5293 Jewelry stores.
5298 Sporting goods and secondhand stores, farm and garden supply, fuel and ice dealers, and other retail stores.

FINANCE, INSURANCE, and REAL ESTATE

Banks and trust companies:
6011 Mutual savings banks.
6012 Banks and trust companies, except mutual savings banks.
Credit agencies other than banks:
6021 Savings and loan, building and loan associations.
6022 Personal credit agencies.
6025 Business credit agencies.
6028 Loan correspondents and brokers, and other credit agencies.

Security and commodity brokers, dealers, exchanges and services:
6033 Security brokers, dealers, and flotation companies.
6038 Commodity brokers and dealers: security and commodity exchanges, and allied services.

Holding and other investment companies:
6042 Regulated investment companies.
6043 Real estate investment trusts, 1960 Act.
6044 Small business investment companies, 1958 Act.
6048 Other holding and investment companies.

Insurance:
6055 Life insurance.
6056 Mutual insurance, except life or marine, and certain fire or flood insurance companies.
6058 Other insurance companies.
6060 Insurance agents, brokers, and service.

Real estate:
6510 Real estate operators (except developers) and lessors of buildings.
6521 Lessors of mining, oil, and similar property.
6522 Lessors of railroad property.
6528 Lessors of real property other than buildings, not elsewhere classified.
6550 Subdividers, developers, and operative builders.
6591 Agents, brokers, and managers.
6592 Title abstract companies.
6593 Combinations of real estate, insurance, loans, and law offices.

SERVICES

Hotels, camps and other lodging places:
7013 Tourist courts and motels.
7018 Hotels and other lodging places, except tourist courts and motels.

Personal services:
7210 Laundries, laundry services, cleaning and dyeing plants.
7220 Photographic studios, including commercial photography.
7298 Beauty, barber, shoe repair, and pressing shops, funeral, and other personal services.

Business services:
7310 Advertising.
7398 Credit reporting and employment agencies, news syndicates, duplicating, mailing, stenographic, building, and other business services.

Automobile and other repair services:
7510 Automobile parking, repair, and services.
7550 Repair services, except automobile

Motion pictures:
7810 Motion picture production, distribution, and related services.
7830 Motion picture theaters
7900 Amusement and recreational services, except motion pictures.
8011 Offices of physicians and surgeons.
8019 Other medical services.
8020 Educational services.
8030 Legal services.
8098 Services not elsewhere classified.

Form **1120L**
Department of the Treasury
Internal Revenue Service

**U.S. Life Insurance Company
Income Tax Return**

FOR CALENDAR YEAR
1970

PLEASE TYPE OR PRINT

Name _____ a Employer identification number _____

Number and street _____ b Date and place incorporated _____

City or town, State, and ZIP code _____

c Check if a—
 Legal reserve company—If so, check
 Type of company— Stock
 Mutual
 Principal business— Life insurance
 Health and accident insurance
 Fraternal or assessment association
 Burial or other insurance company (See instruction A)

d Do you have any variable annuity contracts outstanding?
 Yes No

e Do you have any segregated asset accounts?
 Yes No

f Were you a member of a controlled group subject to the provisions of section 1561? Yes No or section 1562? Yes No If "Yes," check type of relationship (1) parent subsidiary , (2) brother sister , (3) combination of (1) and (2) . (see section 1563)

g Amount of total insurance liabilities (See instruction O) _____ %

h State the percentage that the total of your life insurance reserves (Sec 801(b)), plus unearned premiums and unpaid losses (whether or not ascertained), on noncancellable life, health, or accident policies not included in life insurance reserves, is to your total reserves (Sec 801(c)). Attach schedule _____ %

TAXABLE INCOME

1 (a) Taxable investment income (Schedule C) _____
 (b) Gain from operations (Schedule E) (If a loss, enter zero) _____
 (c) The smaller of (a) or (b) _____
 2 50 percent of the excess, if any, of 1(b) over 1(a) _____
 3 Amount subtracted from policyholders' surplus account (line 5, Schedule G) _____
 4 Life insurance company taxable income (total of lines 1(c), 2, and 3) _____

TAX COMPUTATION

5 Surtax exemption—Enter line 4 or \$25,000, whichever is lesser. (Component members of a controlled group see page 7 of instructions and enter your surtax exemption or line 4, whichever is lesser) _____
 6 Line 4 less line 5 _____
 7 (a) 22 percent of line 4 _____
 (b) 26 percent of line 6 _____
 (c) If multiple surtax exemption is elected under section 1562, enter 6 percent of line 5 _____

TAX

8 Income tax (a) The lesser of line 7 (above) or line 29 of separate Schedule D _____
 (b) Surcharge—enter 2½% of line 8(a) _____
 9 Foreign tax credit (attach Form 1118) _____
 10 Balance (line 8 less line 9) _____
 11 Investment credit (attach Form 3468) _____
 12 Balance of tax (line 10 less line 11) _____
 13 Foreign Corporations—tax on income not connected with U.S. business (see Tax Computation instructions) _____
 14 Tax from recomputing prior year investment credit (attach Form 4255) _____
 15 Minimum tax on tax preference items (see instructions). Check here if Form 4626 is attached _____
 16 Total tax (add lines 12, 13, 14, and 15) _____
 17 Credits: (a) Tax paid (deposited) with Form 7004 application for extension (attach copy) _____
 (b) Estimated tax—Overpayment from 1969 allowed as a credit _____
 1970 estimated tax payments (deposits) _____
 Less refund of 1970 estimated tax applied for on Form 4466 _____
 (c) Credit from regulated investment companies (attach Form 2439) _____
 (d) Other tax credits (see Tax Computation instructions) _____
 18 TAX DUE (line 16 less line 17). See instr. F for depository method of payment _____
 19 OVERPAYMENT (line 17 less line 16) _____
 20 Enter amount of line 19 you want Credited on 1971 estimated tax _____ Refunded _____

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than the taxpayer, his declaration is based on all information of which he has any knowledge

CORPORATE SEAL _____
 Date _____ Signature of officer _____ Title _____
 Date _____ Individual or firm signature of preparer _____ Address _____

SCHEDULE A.—INVESTMENT YIELD (See instructions)

	1. Interest	2. Accrual of discount	3. Amortization of premium	4. Total (For line 1 column 1 plus column 2 less column 3)
GROSS INVESTMENT INCOME	1 Interest:			
	(a) Wholly exempt obligations (attach schedule)			
	(b) U.S. obligations and U.S. instrumentalities			
	(c) Loans, notes, mortgages, bank deposits, bonds, debentures, etc.			
	Totals			
	2 Dividends (see instructions):			
	(a) Domestic corporations subject to 85% deduction			
	(b) Certain preferred stock of public utilities			
	(c) Foreign corporations subject to 85% deduction			
	(d) Qualifying dividends received from affiliated groups and subject to the 100% deduction (section 243(a)(3))			
(e) Qualifying dividends received from affiliated groups and subject to the provisions of section 1564(b)				
(f) Other (attach schedule)				
3 Gross rents (attach schedule)				
4 Gross royalties (attach schedule)				
5 Leases, terminations, etc.				
6 Net short term capital gain reduced by any net long-term capital loss (line 9, separate Schedule D)				
7 Gross income from trade or business other than insurance business (attach schedule)				
8 GROSS INVESTMENT INCOME (total lines 1-7)				
DEDUCTIONS	9 Investment expenses (attach schedule) (see Schedule H)			
	10 Real estate expenses (attach schedule)			
	11 Depreciation (Schedule K)			
	12 Depletion (attach schedule)			
	13 Trade or business deductions as provided in section 804(c)(5) (attach schedule)			
	14 Total deductions (lines 9-13)			
	15 INVESTMENT YIELD (line 8 less line 14)			

SCHEDULE B.—PART I—POLICY AND OTHER CONTRACT LIABILITY REQUIREMENTS (Sec. 805(a)) (See instructions)

1	Adjusted life insurance reserves (from Part VI)		
2	Multiplied by the adjusted reserves rate (lesser of lines 1 or 7, Part III)		%
3	Pension plan reserves (line 5, col. 7, Part V)		
4	Multiplied by the current earnings rate (line 1, Part III)		%
5	Interest paid (from Part VII)		
6	Policy and other contract liability requirements (total of lines 2, 4, and 5)		

PART II—ASSETS (Sec. 805(b)(4))

	1. Beginning of taxable year	2. End of taxable year	3. Mean of column 1 and column 2*
1	Real estate		
2	Mortgages: (a) Without service fees		
	(b) With service fees		
3	Collateral loans		
4	Policy loans, including premium notes		
5	Corporate bonds		
6	Stocks		
7	Government obligations, etc. (Submit detailed schedule)		
8	Bank deposits, cash, etc.		
9	Other assets (attach schedule)		
10	Totals		

* Adjusted under section 806(a)—see instructions (attach schedule)

PART III—EARNINGS RATES (Sec. 805(b))

1	Current earnings rate (line 15, Schedule A, divided by line 10, column 3, Part II)	0/0
2	Earnings rate for first preceding year (attach schedule)	0/0
3	Earnings rate for second preceding year (attach schedule)	0/0
4	Earnings rate for third preceding year (attach schedule)	0/0
5	Earnings rate for fourth preceding year (attach schedule)	0/0
6	Total (lines 1-5)	0/0
7	Average earnings rate (see instructions)	0/0

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PART IV—AVERAGE INTEREST RATE ASSUMED (Sec. 805(c)(2))

1	2	3	4	5	6	7	8	
Nature of reserve (life, annuity, etc.)	Assumed morbidity or mortality table	Assumed interest rate	Method of computation (Illinois Standard, etc.)	Amount of reserve at beginning of taxable year*	Amount of reserve at end of taxable year*	Mean of columns 5 and 6**	Column 3 times column 7	
1								
2								
3								
4								
5	Totals							
6	Average rate of interest assumed in computing life insurance reserves (total of column 8 divided by total of column 7)							%

PART V—PENSION PLAN RESERVES (Sec. 805(d))

1	Section 805(d)(1)(A) reserves	
2	Section 805(d)(1)(B) reserves	
3	Section 805(d)(1)(C) reserves	
4	Section 805(d)(1)(D) reserves	
5	Totals	***

* See instructions for secs. 806(b) and 818(c) adjustments. ** Adjusted under sec. 806(a) (attach schedule). *** Also enter on line 3, Schedule B, Part I.

PART VI—ADJUSTED LIFE INSURANCE RESERVES (Sec. 805(c)(1))

1	Mean of the reserves (col. 7, line 5, Part IV)	
2	(a)	100%
	(b) Plus 10 times the average rate of interest assumed (line 6, Part IV)	
	(c) Total	
	(d) 10 times the adjusted reserves rate (line 2, Part I)	
	(e) Line (c) less line (d)	%
3	Adjusted life insurance reserves (line 1 multiplied by line 2(e)) Enter here and on line 1, Schedule B, Part I	

PART VII—INTEREST PAID (Sec. 805(e))

1	Interest on indebtedness	
2	Amounts in the nature of interest	
3	Discount on prepaid premiums	
4	Interest on certain special contingency reserves	
5	Total interest paid (lines 1-4). Enter here and on line 5, Schedule B, Part I	

SCHEDULE C.—TAXABLE INVESTMENT INCOME (See instructions)

1	Policyholders' share (sec. 804) (line 6, Part I, Schedule B, divided by line 15, Schedule A) but not to exceed 100%	%
2	Company's share	%
3	Total	100%
4	Interest wholly tax-exempt (line 1(a), col. 4, Schedule A, see inst.)	
5	(a) Dividends from line 2(a), Schedule A	
	(b) Dividends from line 2(b), Schedule A	
	(c) Dividends from line 2(c), Schedule A	
	(d) Dividends from line 2(d), Schedule A	
	(e) Dividends from line 2(e), Schedule A	
	(f) Dividends from line 2(f), Schedule A	
6	Other items of investment yield (line 15, Schedule A, less 4-5 above)	
7	Net long-term capital gain (line 10, separate Schedule D)	
8	Total (lines 4-7)	
REDUCTIONS		
9	Interest wholly tax-exempt (line 4, column 3)	
10	Dividends-received deduction (affiliated groups—see instructions)	
	(a) 85% of line 5(a), column 3	
	(b) 60.813% of line 5(b), column 3	
	(c) 85% of line 5(c), column 3	
	(d) Total, but not to exceed 85% of taxable investment income (line 13) computed without regard to this deduction	
11	Small business deduction (10% of line 15, Schedule A, not to exceed \$25,000; members of a controlled group, see instructions)	
12	Total (lines 9, 10(d), and 11)	
13	Taxable investment income (line 8 less line 12, but not less than zero). Enter here and on line 1(a), page 1	

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SCHEDULE E.—GAIN AND LOSS FROM OPERATIONS (See instructions)

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1	Policyholder's share (sec. 809) (line 6, Schedule E-1, divided by line 15, Schedule A), but not to exceed 100%			%
2	Company's share			%
3	Total			100%
		1. Total	2. Exclusion—policyholders' share (line 1 times col. 1)	3. Company's share (col. 1 less col. 2)
4	Interest wholly tax-exempt (line 1(a), col. 4, Schedule A, see inst.)			
5	(a) Dividends from line 2(a), Schedule A			
	(b) Dividends from line 2(b), Schedule A			
	(c) Dividends from line 2(c), Schedule A			
	(d) Dividends from line 2(d), Schedule A			
	(e) Dividends from line 2(e), Schedule A			
	(f) Dividends from line 2(f), Schedule A			
6	Other items of investment yield (line 15, Schedule A, less 4-5 above)			
7	Total (lines 4-6)			
8	Net long term capital gain (line 10, separate Schedule D)			
9	Gross premiums less return premiums, etc.			
10	(a) Decrease in reserves (after adjustment under sec. 810(a)) (attach schedule)			
	(b) Decrease in sec. 811(b)(2) reserves (see line 3, Part II, Schedule E-2)			
11	Other amounts (attach schedule)			
12	Total (lines 7-11)			
DEDUCTIONS				
13	Death benefits, etc.			
14	Increase in reserves (after reduction for investment yield under sec. 810(b)) (attach schedule)			
15	Assumption by another person of liabilities under insurance, etc., contracts			
16	Interest wholly tax-exempt (line 4, column 3)			
17	Investment expenses, etc., not deducted on Schedule A (attach schedule)			
18	Small business deduction (line 11, Schedule C)			
19	Other deductions not deducted on Schedule A (attach schedule)			
20	Total (lines 13-19)			
21	Dividends received deduction (affiliated groups, see instr.). (a) 85% of line 5(a), column 3			
	(b) 60.813% of line 5(b), column 3			
	(c) 85% of line 5(c), column 3			
	(d) Total, but not to exceed 85% of the excess, if any, of line 12 over line 20			
22	Operations loss deduction (attach schedule)			
23	Tentative deduction (lines 20-22)			
24	Plus: (a) Dividends to policyholders (line 7, Part I, Schedule E-2)			
	(b) Accident and health, and group life insurance (line 9, Part I, Schedule E-2)			
	(c) Certain nonparticipating contracts (line 11, Part I, Schedule E-2)			
25	Total deductions (line 23 plus line 24)			
26	Gain (loss) from operations (line 12 less line 25) Enter here and on line 1(b), page 1			

SCHEDULE E-1.—REQUIRED INTEREST (Sec. 809(a)(2))

	1 Rate	2 Beginning of taxable year	3 End of taxable year	4 Mean of columns 2 and 3	5 Column 1 times column 4
1	Sec. 810(c)(1) reserves (from line 5, column 8, Parts IV and V, Schedule B)				
2	Sec. 810(c)(3) reserves				
3	Sec. 810(c)(4) reserves				
4	Sec. 810(c)(5) reserves				
5	Sec. 810(c)(6) reserves				
6	Required interest (total lines 1-5)				

SCHEDULE E-2.—PART I—LIMITATION ON DEDUCTION (LINE 24, SCHEDULE E) (Sec. 809(f))

1	Statutory amount		250,000
2	(a) Line 12, Schedule E		
	(b) Less: tentative deduction (line 23, Schedule E)		
3	Gain from operations without regard to line 24, Schedule E		
4	Less: taxable investment income (line 13, Schedule C)		
5	Excess of line 3 over line 4 (but not less than zero)		
6	Maximum possible deduction for line 24, Schedule E (line 1 plus line 5)		
7	Deduction for dividends to policyholders (Part II) (not in excess of line 6)		
8	Maximum deduction for accident and health, and group life insurance (line 6 less line 7)		
9	Deduction for accident and health, and group life insurance (Part III) (not in excess of line 8)		
10	Maximum deduction for certain nonparticipating contracts (line 8 less line 9)		
11	Deduction for certain nonparticipating contracts (line 3, Part IV, Schedule E-2) (not in excess of line 10)		

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PART II—DIVIDENDS TO POLICYHOLDERS (Sec. 809(d)(3))

- 1 Dividends paid to policyholders
- 2 (a) Increased by the excess of (1) over (2):
 - (1) Reserve as of the end of the taxable year
 - (2) Reserve as of the end of the preceding taxable year
- OR**
- (b) Decreased by the excess of (1) over (2):
 - (1) Reserve as of the end of the preceding taxable year
 - (2) Reserve as of the end of the taxable year
- 3 If positive, enter on line 7, Schedule E-2, if negative, enter on line 10(b), Schedule E

PART III—CERTAIN ACCIDENT AND HEALTH INSURANCE AND GROUP LIFE INSURANCE (Sec. 809(d)(6))

- 1 Amount of deductions allowed or allowable in prior years under section 809(d)(6)
- 2 Net premiums
- 3 Line 2 multiplied by 2%
- 4 Tentative deduction—the lesser of line 3 or (50% of line 2, less the total amount on line 1)

PART IV—CERTAIN NONPARTICIPATING CONTRACTS (Sec. 809(d)(5))

- 1 (a) Reserve at the end of the taxable year
- (b) Reserve at the beginning of the taxable year
- (c) Increase (if the difference is negative, enter "0")
- (d) Multiplied by 10%
- 2 (a) Net premiums
- (b) Multiplied by 3%
- 3 Tentative deduction—the greater of line 1 or line 2

SCHEDULE F.—SHAREHOLDERS' SURPLUS ACCOUNT (Sec. 815(b))

- 1 (a) Balance as of the end of the preceding year
- (b) Transfers under sec. 815(d)(1) and (4) for preceding year
- (c) Balance as of the beginning of the taxable year (line 1(a) plus line 1(b))
- 2 Life insurance company taxable income computed without regard to section 802(b)(3) (line 4 less line 3, page 1)
- 3 Net long-term capital gain in excess of net short-term capital loss, reduced by income, if any, on line 2
- 4 Dividends received deduction (affiliated groups—see instructions).
 - (a) 85% of line 2(a), Schedule A
 - (b) 60.813% of line 2(b), Schedule A
 - (c) 85% of line 2(c), Schedule A
 - (d) Total, but not to exceed 85% of line 12 less line 20, Schedule E
- 5 Interest wholly exempt from tax (line 1(a), column 4, Schedule A)
- 6 Small business deduction (line 11, Schedule C)
- 7 Total (lines 1-6)
- 8 Less: tax liability for 1970 under sec. 802(a) (computed without regard to sec. 802(b)(3))
- 9 Excess of line 7 over line 8
- 10 Less: distributions in 1970 (not to exceed line 9)
- 11 Balance as of the end of the taxable year (line 9 less line 10)

SCHEDULE G.—POLICYHOLDERS' SURPLUS ACCOUNT (Sec. 815(c))

- 1 Balance as of the beginning of the taxable year
- 2 Add: (a) 50 percent of the excess, if any, of the gain from operations over the taxable investment income (line 2, page 1)
- (b) The deduction for certain nonparticipating contracts (line 24(c), Schedule E)
- (c) The deduction for accident and health, and group life insurance (line 24(b), Schedule E)
- 3 Total (line 1 plus line 2)
- 4 (a) Actual distributions only in excess of line 9, Schedule F
- (b) Tax increase on 4(a) by reason of sec. 802(b)(3)
- (c) Subtractions under sec. 815(d)(1) and (4) (see instructions)
- (d) Tax increase on 4(c) by reason of sec. 802(b)(3)
- (e) Subtraction required under sec. 815(d)(2) due to termination
- 5 Total of lines 4(a)–(e) (not to exceed line 3) Enter here and on line 3, page 1
- 6 Balance as of the end of the year (line 3 less line 5)

SCHEDULE H.—LIMITATION OF INVESTMENT EXPENSE DEDUCTION

(Schedule H need not be filled in if no deduction is claimed for any general expenses that are allocated to investment income.)

1 Mean of the assets for the taxable year (line 10, column 3, Part II, Schedule B)
2 One-fourth of 1% of the mean of the assets (line 1)
3 Mortgage service fees
4 (a) (i) Investment yield computed without regard to investment expenses
(ii) Three and three fourths percent of line 1
(iii) Line (i) less line (ii)
(iv) One-fourth of line (iii)
(v) Mortgage service fees (line 3)
(vi) Line (iv) less line (v)
(b) One-fourth of 1% of the amount on line 2(a), column 3, Part II, Schedule B
(c) The greater of (a) or (b)
5 Limit on deduction for investment expenses (total lines 2-4)

SCHEDULE J.—COMPENSATION OF OFFICERS (See instructions, page 7)

Table with 8 columns: 1. Name of officer, 2. Social security number, 3. Title, 4. Time devoted to business, 5. Common, 6. Preferred, 7. Amount of compensation, 8. Expense account allowances.

SCHEDULE K.—DEPRECIATION (See instruction 11, page 3)

Taxpayers using Revenue Procedures 62-21 and 65-13: Make no entry in column 2. Enter the cost or other basis of assets held at the end of the year in column 3, and enter the accumulated depreciation at the end of the year in column 4.

Table with 7 columns: 1. Group and guideline class or description of property, 2. Date acquired, 3. Cost or other basis, 4. Depreciation allowed or allowable in prior years, 5. Method of computing depreciation, 6. Life or rate, 7. Depreciation for this year.

- i (1) Did you at the end of the taxable year own directly or indirectly 50 percent or more of the voting stock of a domestic corporation?
(2) Did any corporation, individual, partnership, trust, or association at the end of the taxable year own directly or indirectly 50 percent or more of your voting stock?
k Does a copy of the annual statement accompany this return?
l Did you claim a deduction for expenses connected with any: (1) Entertainment facility (boat, resort, ranch, etc.)? (2) Living accommodations (except employees on business)? (3) Employees' families at conventions or meetings? (4) Employee or family vacations not reported on Form W-2?
m Did you file all required Forms 1099, 1096 and 1087?
n Were you a U.S. shareholder of any controlled foreign corporation?
o Did the company, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country?

1970


 Department of the Treasury
 Internal Revenue Service

Instructions for Form 1120L

U.S. Life Insurance Company Income Tax Return

General Instructions

(References are to the Internal Revenue Code.)

A. Companies required to file a return.—Every domestic life insurance company and every foreign corporation carrying on an insurance business within the United States (if with respect to its United States business it would qualify as a life insurance company), which is engaged in the business of issuing life insurance and annuity contracts (either separately or combined with health and accident insurance) or noncancellable contracts of health and accident insurance and of which the life insurance reserves, plus unearned premiums and unpaid losses (whether or not ascertained), on noncancellable life, health, or accident policies not included in life insurance reserves, comprise more than 50 percent of its total reserves, adjusted in each case for policy loans as required by section 801(d), shall file a return on this form. For this purpose the term "noncancellable" includes guaranteed renewable life, health, and accident insurance which is not cancellable by the company but under which the company reserves the right to adjust premium rates by classes, in accordance with experience under the type of policy involved. The terms "life insurance reserves" and "total reserves" do not include deficiency reserves.

A burial or funeral benefit insurance company engaged directly in the manufacture of funeral supplies or the performance of funeral services shall be taxable under section 821 or section 831 and should file Form 1120M, Mutual Insurance Company, or Form 1120, U.S. Corporation Return (Section 801(f)).

If a receiver, trustee in bankruptcy, or assignee has possession of or holds title to all or substantially all the property or business of a corporation, whether or not the property or business is being operated, he must make a return of income for the corporation in the same manner and form as would be required were such corporation required to make its own return. See sec. 6012. If a life insurance company disposes of its life insurance business and life insurance reserves under a reinsurance agreement with another company, but continues its corporate existence for the purpose of winding up and liquidating its affairs, it will not be taxable as a life insurance company after the effective date of such agreement.

B. Period covered.—The return shall be for the calendar year. (Section 843.) If the corporation liquidates or otherwise ceases to exist and this is the last return the taxpayer is required to file, write "FINAL RETURN" at the top of the form.

C. Accounting methods.—A return on this form shall be filed using the accrual method of accounting, or to the extent permitted under regulations, under a combination of an accrual method with any other method under chapter

1, other than the cash receipts and disbursements method.

Accrual method.—Under this method, income is reported in the year when the taxpayer first has a definite right to that income; while deductions are taken in the year in which there is first established a specific liability. Where the right to income or the liability for expense is uncertain, accrual is generally postponed until a determination is possible.

Rounding off to whole-dollar amounts.—The money items on your return and accompanying schedules may be shown as whole-dollar amounts by eliminating any amount less than 50 cents, and increasing any amount from 50 cents through 99 cents to the next higher dollar.

D. Where to file.—

If the corporation's principal business, office, or agency is located in

Use this address

Delaware District of Columbia, Maryland, New Jersey, Pennsylvania, Virginia	Internal Revenue Service Center 11601 Roosevelt Boulevard Philadelphia, Pa. 19155
Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee	Internal Revenue Service Center 4200 Buford Highway Chamblee, Georgia 30006
Indiana, Kentucky, Michigan, Ohio, West Virginia	Internal Revenue Service Center Cincinnati, Ohio 45298
Arkansas, Colorado, Kansas, Louisiana, New Mexico, Oklahoma, Texas, Wyoming	Internal Revenue Service Center 3651 S. Interregional Highway Austin, Texas 78740
Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington	Internal Revenue Service Center 1160 West 1200 South Street Ogden, Utah 84405
Illinois, Iowa, Nebraska, North Dakota, South Dakota, Missouri, Minnesota, Wisconsin	Internal Revenue Service Center 2306 E. Bannister Road Kansas City, Missouri 64170
Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont	Internal Revenue Service Center 310 Lowell Street Andover, Mass. 01812

Foreign corporations carrying on an insurance business within the United States must file their return with Internal Revenue Service Center, 11601 Roosevelt Boulevard, Philadelphia, Pa. 19155.

E. When to file.—The return must be filed on or before March 15, 1971. Request for automatic extension of 3 months for filing the return must be made on Form 7004. (Sec. 6081(b).)

F. Depository method of payment of tax.—The balance of tax due must be deposited in full when the return is filed or in two installments: 50 percent on or before the 15th day of the 3d month and 50 percent on or before the 15th day of the 6th month following the close of the taxable year.

All insurance companies must deposit their income tax payments with an authorized commercial bank depository or Federal Reserve bank. All deposits must be accompanied by Form 503 (Federal Tax Deposit, Corporation Income Taxes). Please enter the serial number of Form 503 on your remittance. Do not remit directly to Internal Revenue Service

Timeliness of deposits will be determined by the date the deposit was received by the commercial bank depository or Federal Reserve bank. However, a deposit received after the due date will be considered timely if the corporation establishes that it was mailed on or before the second day before the prescribed due date.

A supply of Forms 503 will be mailed to insurance companies. Companies needing Forms 503 may obtain them by making application to the Service Center Director (or District Director). The application should include the company's name, identification number, address, and the taxable year to which the deposits relate.

Penalty for failure to pay tax.—Section 6651 imposes a penalty for failure to pay tax (other than estimated income tax) when due. The penalty is a half percent a month or fraction of a month, up to 25%, on the net amount due and is in addition to the 6 percent per year interest charge imposed on unpaid tax. The penalty does not apply if the failure is due to reasonable cause. An authorized extension of time to file a return will be considered reasonable cause for failure to pay on time.

Estimated tax.—A corporation subject to income tax under subchapter L of chapter 1 (relating to insurance companies) must make estimated tax payments if its income tax liability, after credits and an estimated tax exemption, can be expected to be \$40 or more. For 1971, the total estimated tax exemption is the sum of a temporary exemption of \$5,500 and a transitional exemption. The transitional exemption is 20% of the difference between the corporation's expected tax liability (but not more than \$100,000) and the \$5,500 temporary exemption.

Members of a controlled group of corporations that do not receive a full \$25,000 surtax exemption must substitute 22% of their surtax exemption for the \$5,500 mentioned above.

Lines 14 through 20 of Form 1120-W (Worksheet) may be used by insurance companies to compute their estimated tax installment payments. Foreign corporations must include as part of their tax liability on line 14 any tax imposed by section 881.

If you have an underpayment of estimated tax and believe an additional charge should not be asserted, attach Form 2220 to your return.

If you overpay your estimated tax, you may apply on Form 4466 for a "quick refund" on or before March 15, 1971, but before you file your return. The overpayment must be (1) at least 10% of your expected income tax liability AND (2) \$500 or more.

G. Signature.—The return must be signed either by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or by any other corporate officer (such as the tax officer) who is authorized to sign. A receiver, trustee, or assignee must sign any return which he is required to file on behalf of a corporation.

H. Information returns and other forms which may be required in addition to Form 1120L include the following.—

- Forms W-2 and W-3.—Statement of wages, other compensation, and tax withheld; and reconciliation of tax withheld;
- Forms 966 and 1099-L.—Information returns regarding dissolution or liquidation, and distributions in liquidation;
- Forms 1096 and 1099.—Information returns concerning certain dividends, earnings, interest, rents, royalties, annuities, pensions,

foreign items; and prizes, awards, and commissions to nonemployees.

4. *Form 1118*.—Computation of foreign tax credit.

5. *Forms 2952 and 3646*.—Returns relating to controlled foreign corporations.

6. *Form 3468*.—Computation of investment credit.

7. *Form 4136*.—Computation of credit for Federal tax on special fuels, nonhighway gasoline and lubricating oil.

8. *Form 4255*.—Tax from recomputing a prior year investment credit.

9. *Form 4626*.—Computation of minimum tax on tax preference items; and

10. *Form 4683*.—U.S. information return on foreign bank, securities, and other financial account(s).

I. **Pension deductions.**—If amounts contributed under an employee's pension, profit-sharing, stock bonus, trust or annuity plan, or compensation paid or otherwise includible in the employee's income under any other deferred compensation plan are included in deductions, attach a Form 2950 for each plan and a statement listing the items on the return in which such contribution and compensation are included and the amount included in each item.

J. **Stock ownership in foreign corporations.**—If you owned 5 percent or more in value of the outstanding stock of a foreign personal holding company, attach the statement required by section 551(d).

If you controlled a foreign corporation or were a 10 percent or more shareholder of a controlled foreign corporation, you may be required to file Forms 2952 and 3646.

K. **Annual statement.**—A copy of the annual statement for life insurance companies adopted by the National Association of Insurance Commissioners for the year 1970, as filed with the Insurance Department of the State, or District of Columbia, which shows the reserves used in computing the taxable income reported on the return, together with copies of Schedule A (real estate) and Schedule D (bonds and stocks), must accompany the return (see section 1.6012-2(c) of the regulations). Similar copies for the 4 preceding years must also be furnished, if not already filed for such years. In the case of a foreign life insurance company carrying on a life insurance business within the United States, the copies submitted shall be those relating to the United States business of the company. Where companies use miniature statements, such statements may be filed in lieu of the larger statements.

L. **Attachments.**—Attachments may be used in the preparation of your return if the lines on the form schedules are not sufficient. The attachments must contain all required information; must follow the format of the official schedules; and must be attached to the return in the same sequence as the schedules appear on the official forms.

Enter your name and identifying number on all attachments.

M. **Consolidated returns.**—Subject to the provisions of sections 1501 through 1504, section 1552 and the regulations applicable thereto, an affiliated group of corporations, each qualifying as a life insurance company, may make a consolidated income tax return in lieu of separate returns. The common parent corporation, when filing a consolidated return, shall attach Form 851, Affiliations Schedule. Each subsidiary must prepare Form 1122 and attach it to the consolidated return for the first taxable year the return is made by the affiliated group.

N. **Percentage computations.**—In computing earning rates, assumed rates, and policyholders' and company's share of investment

yield, the computation should be carried out to a sufficient number of decimal places to insure substantial accuracy and to eliminate any significant error in the resulting tax liability.

O. **Insurance liabilities.—Domestic company.**—The term "total insurance liabilities" means the sum of the total reserves (as defined in section 801(c)) as of the end of the taxable year plus (to the extent not included in total reserves) the items referred to in paragraphs (3), (4), (5) and (6) of section 810(c) as of the end of the taxable year. See section 819(a)(2) and instruction P below.

Foreign company.—The term "total insurance liabilities" relates only to United States business.

P. **Segregated asset accounts.**—All companies with segregated asset accounts must submit a schedule showing separately, for the regular accounts and for the segregated asset accounts, section 819(a)(2) total insurance liabilities and section 805(b)(4) assets. See section 1.801-8(h) of the regulations.

Q. **Transfers to corporation controlled by transferor.**—If a person acquires stock or securities of a corporation in exchange for property, and any gain or loss is not recognized under section 351, the transferor and transferee must file with their return for the taxable year in which the exchange is consummated, the information required by section 1.351-3 of the regulations.

Specific Instructions

(Numbered to correspond with the line numbers on the return.)

SCHEDULE A.—Investment Yield

The term "investment yield" means gross investment income, as defined in section 804(b), less the deductions allowed in section 804(c). The entire amount of the items of income and allowable deductions are to be reported in Schedule A. The purpose of including the entire amount of these items is to provide the basis for the exclusion of the policyholders' share of the investment yield from the life insurance company's taxable income.

1. **Interest.**—Enter interest from all sources during the taxable year. The gross amount of interest reported as gross income shall be decreased by the amortization of premium and increased by the accrual of discount (except market discount) attributable to the taxable year on bonds, notes, debentures, or other evidences of indebtedness, determined in accordance with: (1) the method regularly employed, if reasonable, or (2) regulations prescribed by the Secretary or his delegate. See section 818(l). (Attach a statement showing method and computation.)

2. Dividends.—

(a) Enter dividends received from a domestic corporation subject to income tax and which are subject to the 85-percent deduction under section 243(a)(1). So-called dividends or earnings received from mutual savings banks, etc., are in fact interest and should not be treated as dividends. In the case of dividends received from a regulated investment company, see section 854 regarding the amount subject to the 85-percent deduction.

(b) Enter dividends received on the preferred stock of a public utility which is subject to income tax and which is allowed the deduction provided in section 247 for dividends paid.

(c) Enter dividends received from foreign corporations and which qualify for the

85-percent deduction provided in section 245(n).

Also include in line 2(c), dividends received from wholly-owned foreign subsidiaries that are eligible for the 100-percent deduction provided in section 245(b). In general, this deduction applies to dividends paid out of the earnings and profits of a foreign corporation for a taxable year during which (1) all of its outstanding stock is owned (directly or indirectly) by the domestic corporation receiving such dividends and (2) all of its gross income from all sources is effectively connected with the conduct of a trade or business within the United States.

The 100-percent deduction does not apply to any dividend if an election under section 1562 (relating to multiple surtax exemptions by a controlled group of corporations) is effective for either (1) the taxable year of the domestic corporation in which such dividends are received, or (2) the taxable year of the foreign corporation out of the earnings and profits of which such dividends are paid.

If dividends received from wholly-owned foreign subsidiaries are included in line 2(c), attach a schedule showing the amount of these dividends included.

(d) Enter only those dividends entitled to the 100% dividends-received deduction under section 243(a)(3) and which are subject to the elective provisions of section 243(b). Corporations making this election are subject to the provisions of section 1561.

(e) Enter only those dividends that are subject to the elective provisions of section 243(b) and are entitled to the dividends received deduction as computed under the provisions of section 1564(b). Corporations making this election are subject to the provisions of section 1562 as modified by section 1564.

(f) Attach a schedule showing separately:

(1) Foreign dividends (including minimum distributions under subpart F) which are not reportable on line 2(c). Distributions of amounts constructively taxed in the current year or in prior years under subpart F should be excluded.

(2) Include income constructively received from controlled foreign corporations under subpart F. This amount should equal the total of amounts reported in Schedule A, line 5 of Form(s) 3646.

(3) Foreign dividend gross-up under section 78, including amount attributable to controlled foreign corporations on line 2(f)(2) above.

(4) Dividends (other than capital gain dividends) received from regulated investment companies and which are not subject to the 85-percent deduction; dividends from tax exempt corporations; dividends (other than capital gain dividends) received from a real estate investment trust which, for the taxable year of the trust in which the dividend is paid, qualifies under sections 856-858; dividends not eligible for the dividends-received deduction because of the holding period of the stock or an obligation to make corresponding payments with respect to similar stock; and any other taxable dividend income not properly reported above.

3. **Gross rents.**—Enter gross amount of rents. Any expenses, including repairs, interest,

taxes, and depreciation, should be included in the proper lines under Deductions.

4. Gross royalties.—Enter the gross amount of royalties. If a deduction is claimed for depletion, it must be reported on line 12.

5. Leases, terminations, etc.—Enter the gross amount of income from the entering into (or the alteration or termination) of any lease, mortgage, or other instrument or agreement from which the life insurance company derives interest, rents, or royalties.

6. Net short-term capital gain.—Enter the amount (if any) by which the net short-term capital gain exceeds the net long-term capital loss. See separate Schedule D, Form 1120L.

7. Gross income from trade or business other than insurance business.—Enter the gross income from any trade or business (other than an insurance business) carried on by the life insurance company, or by a partnership of which the life insurance company is a member.

Deductions

9. Investment expenses.—Enter expenses which are properly chargeable to investment expenses, the total amount of which (if there be any allocation of general expenses to investment expenses) should not exceed line 5, Schedule H. Submit a schedule showing the nature and amount of items included and group the minor items into one amount.

10. Real estate expenses.—Enter the amount of taxes (sec. 164); all ordinary and necessary building expenses, such as fire insurance, heat, light, labor, etc.; and the cost of incidental repairs which neither materially add to the value of the property nor appreciably prolong its life, but keep it in an ordinary efficient operating condition, exclusively on or with respect to the real estate owned by the company. Do not include any amount paid for new buildings or for permanent improvements or betterments made to increase the value of any property or any amount expended on foreclosed property before such property is held forth for rental purposes. These taxes and other expenses should be itemized in an attached schedule. (For limitation on deduction, see instruction 11(g).)

11. Depreciation.—Enter the depreciation on property used for producing gross investment income. The amount determined under section 167 and the regulations thereunder is an amount reasonably measuring a portion of the investment in depreciable property which due to exhaustion, wear and tear, or obsolescence, is properly chargeable against the operation for the year. The deduction is limited to the depreciation on the property that is used, and to the extent used, for the purpose of producing the gross investment income specified in section 804(b). (For limitation on deduction, see instruction 11(g).)

If a deduction is claimed for depreciation on property used for producing gross investment income, fill in Schedule K. For reporting purposes, you may (1) group depreciable assets in accordance with the categories specified in Schedule K, or (2) continue to list your assets in the same manner as in prior years. Form 4562, Depreciation, may be used as a supplement to Schedule K.

For real property, salvage value must be taken into account in determining the depreciation deduction (except under the declining balance method), and for personal property, to the extent it exceeds 10 percent of the cost or other basis of the property.

(a) Alternative depreciation guidelines and rules.—Revenue Procedure 62-21, supplemented by Revenue Procedure 65-13, sets

forth alternative standards and procedures for determining depreciation. Taxpayers who wish to use these provisions must use them for all assets in a particular guideline class.

(b) Tangible property other than real property.—Tangible personal property, whether new or used, may be depreciated under the straight line method or the 150% declining balance method.

New tangible property with a useful life of 3 years or more may also be depreciated under (1) the double declining balance method, (2) the sum of the years digits method, and (3) any other method which does not result in accumulated allowances at the end of any year (during the first two-thirds useful life of the property) greater than the total which could have been deducted if the double declining balance method had been used.

(c) New section 1250 property.—The double declining balance and sum of the years digits methods may not be used except for (1) new residential rental property (from which at least 80% of the gross rental income is derived from rental of residential units), (2) other new real property acquired before July 25, 1969, and (3) new real property placed in service after July 24, 1969, if construction, acquisition, or permanent financing arrangements were entered into before July 25, 1969. Other new real property acquired after July 24, 1969, may be depreciated under the straight line or 150% declining balance methods.

(d) Used section 1250 property.—Used residential rental property acquired after July 24, 1969, with a useful life of 20 years or more may be depreciated under the 125% declining balance method. In the case of used real property acquired before July 25, 1969, or used real property acquired after July 24, 1969, pursuant to a written contract entered into before July 25, 1969, for the acquisition of such property or for the permanent financing thereof, depreciation is limited to the 150% declining balance method. Other used real property acquired after July 24, 1969, may be depreciated under the straight line method.

(e) Rehabilitation expenditures for low-income rental housing.—An election may be made to depreciate property attributable to rehabilitation expenditures for low-income rental housing incurred after July 24, 1969. Such depreciation may be claimed under the straight line method using a useful life of 60 months. For details, see section 179(k).

(f) Section 179—Additional first-year depreciation allowance.—For the first year a depreciation deduction is allowable, companies may elect to write off 20 percent of the cost (before adjustment for salvage value) of tangible personal property (whether new or used) with a useful life of 6 years or more, up to an aggregate cost of \$10,000.

Controlled corporate groups must apportion this \$10,000 amount among members of the group. For this purpose, section 179(d)(7) provides a special definition of controlled groups.

Total additional first-year depreciation must be shown on line 1 of the depreciation schedule.

If the additional first-year allowance is elected, the basis of the property must be reduced by the amount of the deduction and salvage value when computing ordinary depreciation.

(g) Limitation on deductions relating to real estate owned and occupied.—The deductions included on lines 10 and 11 on account of real estate owned and occupied for insurance purposes in whole or in part by the company shall be limited to an amount which bears the same ratio to such deductions

(computed without regard to the second sentence of section 804(c)(3)) as the rental value of the space not so occupied bears to the rental value of the entire property. Submit a detailed schedule.

12. Depletion.—The percentage depletion rate for oil and gas wells is 22%. Refer to section 613(b) for rates applicable to other natural deposits.

Enter the total depletion deduction allowed by section 611 on property used for the purpose of producing investment income. Submit Form T if a deduction for timber depletion is claimed.

13. Trade or business deductions.—Enter the total of deductions attributable to any trade or business (other than an insurance business), the income from which is included in the life insurance company's gross investment income under section 804(b)(3). Do not include losses from (a) (or considered as from) sales or exchanges of capital assets, (b) sales or exchanges of property used in the trade or business (as defined in section 1231(b)), and (c) the compulsory or involuntary conversion of property used in the trade or business. The deductions to be entered on line 13 will be disallowed to the extent attributable to carrying on the insurance business. The deduction for net operating losses (sec. 172) and the special deductions (secs. 241-248) shall not be allowed.

SCHEDULE B.—

Part I—Policy and Other Contract Liability Requirements (Sec. 805(a))

Purpose.—The next step, after determining investment yield (Schedule A) is to determine the policy and other contract liability requirements. This computation furnishes the numerator, with the total of the investment yield as the denominator, to determine the policyholders' share of investment yield which is not included in computing taxable investment income (Schedule C).

Definition.—The term "policy and other contract liability requirements" means the sum of (1) the adjusted life insurance reserves (from Part VI), multiplied by the adjusted reserves rate (from Part III); (2) the mean of the pension plan reserves at the beginning and end of the taxable year (from Part V), multiplied by the current earnings rate (from Part III), and (3) the interest paid (from Part VII).

Part II—Assets (Sec. 805(b)(4))

Purpose.—This computation is necessary in order to determine the earnings rates in Part III.

Definition.—The term "assets" for this purpose means all assets of the company (including nonadmitted assets) and includes all moneys but does not include real and personal property (other than money) used by the company in carrying on an insurance trade or business.

Valuation.—The amount attributable to real property and to stocks is their fair market value. The amount attributable to other assets is the adjusted basis of such assets for purposes of determining gain on sale or other disposition. This adjusted basis is determined under section 1011 and other related provisions of Subtitle A of the Code, without regard to section 817(b).

Section 806(a) adjustment.—If, during the taxable year, there is a change in life insurance reserves (either increases or decreases) attributable to the transfer between the taxpayer and another person of liabilities under

contracts taken into account in computing such reserves, the mean of the assets is to be appropriately adjusted, on a daily basis, to reflect the amounts involved in such transfer. See the regulations applicable to sec. 806(a). This adjustment should be reflected in an attached schedule.

Part III—Earnings Rates (Sec. 805(b))

The term "current earnings rate" means the percentage determined by dividing the investment yield for the taxable year (Schedule A), by the mean of the assets at the beginning and end of the taxable year (Part II—Assets). The term "average earnings rate" means the sum of the current earnings rate for the taxable year and the earnings rate for each of the 4 taxable years immediately preceding the taxable year, divided by 5. If, in computing the 5-year average earnings rate for any taxable year, the company was an insurance company (but not a life insurance company) in any of the 4 years preceding the taxable year, the computation shall be made as if the company were a life insurance company for such year. Where the company was not in existence for one or more of the 4 preceding years or was not an insurance company for one or more of such years, no entry shall be made for such year or years. The average earnings rate (line 7) is determined by adding the percentages entered, and dividing this sum by the number of years applicable. For example, if entries are made on three lines, divide the sum by 3. See General Instruction N.

Part IV—Average Interest Rate Assumed (Sec. 805(c)(2))

The purpose of this schedule is to determine a rate which is used in the computation of adjusted life insurance reserves (Part VI). See General Instruction N. Exclude pension plan reserves from life insurance reserves for the purpose of determining the taxpayer's assumed rate under this part. See Part V.

Columns 5 and 6.—Adjustment under section 806(b)—If the basis for determining the amount of any item referred to in section 810(c) (life insurance reserves, etc.) as of the close of the taxable year differs from the basis for such determination as of the beginning of the taxable year, then the amount of the item as of the close of the taxable year shall be the amount computed on the old basis, and the amount of the item as of the beginning of the next taxable year shall be the amount computed on the new basis.

Adjustment under section 818(c)—This adjustment is required where the company actually computes its life insurance reserves on one of the recognized preliminary term bases but elects to convert them to a net level premium basis in the computation of the reserves for tax purposes.

Where so elected, the conversion may be made by one of two methods:

Method 1. Exact revaluation: Under this method, the company must compute the reserves for all contracts (with respect to which reserves are computed on a preliminary term basis) on a net level premium basis, using the same mortality assumptions and interest rates for both the preliminary term basis and the net level premium basis or

Method 2. Approximate revaluation: Under this method, with respect to contracts for which reserves are computed under the preliminary term basis, the reserves are increased by the sum of (A) \$21 per \$1,000 of insurance in force (other than term insurance), less 2.1 percent of reserves under such contracts, and (B) \$5 per \$1,000 of term insurance in

force under contracts which at the time of issuance cover a period of more than 15 years, less 0.5 percent of reserves under such contracts.

A life insurance company may elect, under section 313(c) the approximate revaluation method for all its life insurance reserves, other than noncancellable accident and health reserves, and use the exact revaluation method for all its noncancellable accident and health reserves. (Rev. Rul. 60-61, C.B. 1960-1, 268.)

Column 7.—Adjustment under section 806(a)—If, during the taxable year, there is a change in life insurance reserves attributable to the transfer between the company and another person of liabilities under contracts taken into account in computing such reserves, then the means of such reserves shall be appropriately adjusted on a daily basis to reflect the amounts involved in such transfer. See the regulations. This adjustment is applicable whether or not the transferor of the liabilities was the original insurer. However, this adjustment is not applicable to reinsurance ceded by another person to the taxpayer or by the taxpayer to another person. For the definition of "Life Insurance Reserves," see section 801(b).

Part V—Pension Plan Reserves (Sec. 805(d))

See section 805(d).

These reserves shall be adjusted under sections 805 and 818(c) as described in Part IV above.

Part VI—Adjusted Life Insurance Reserves (Sec. 805(c)(1))

This term constitutes the mean of the life insurance reserves (as defined in section 801(b)), computed under Part IV (excluding pension plan reserves taken into account under Part V), adjusted as set forth in Part VI, Schedule B.

Part VII—Interest Paid (Sec. 805(e))

1.—Enter all interest for the taxable year on indebtedness, except on indebtedness incurred or continued to purchase or carry obligations the interest on which is wholly exempt from taxation.

2.—Enter all amounts in the nature of interest, whether or not guaranteed, for the taxable year on insurance or annuity contracts (including contracts supplementary thereto) which do not involve, at the time of accrual, life, health, or accident contingencies.

3.—Enter all amounts accrued for the taxable year for discounts in the nature of interest, whether or not guaranteed, on premiums or other consideration paid in advance on insurance or annuity contracts.

4.—Enter all interest for the taxable year on special contingency reserves under contracts of group term life insurance or group health and accident insurance which are established and maintained for the provision of insurance on retired lives, for premium stabilization, or for a combination thereof.

SCHEDULE C.—Taxable Investment Income

General.—The policyholders' share of each and every item of investment yield (including tax-exempt interest, and dividends received) of any life insurance company shall not be included in taxable investment income.

1.—Enter the percentage which represents the policyholders' share of each and every item of investment yield. This percentage is determined by dividing the policy and other contract liability requirements (Schedule

B) by the investment yield (Schedule A), except that if the amount of the policy and other contract liability requirements exceeds the investment yield, then the policyholders' share of any items shall be 100 percent. See General Instruction N.

2.—Enter the percentage which represents the life insurance company's share of any item of investment yield. This percentage is equal to the difference between 100 percent and the percentage on line 1.

4-7.—Enter on line 4, column 1, the amount of interest which is wholly exempt from taxation under the provisions of section 103. (Where securities of a municipality are originally issued at a price not less than par value and are subsequently acquired by a purchaser at a discount, such discount is not in the nature of tax-exempt interest within the meaning of section 103.) Multiply the amount on each line in column 1 by the percentage from line 1 and enter the product for each line in column 2. The amounts entered in column 2 represent the policyholders' share of these items which is not included in taxable investment income. Enter in column 3 the difference obtained by subtracting column 2 from column 1. The amounts entered in column 3 represent the company's share of these items of investment yield.

Reductions

9. **Interest wholly tax-exempt.**—Enter the amount from line 4, column 3. This amount is the company's share of wholly tax-exempt interest which, like the policyholders' share of such interest (from line 4, col. 2), is not included in taxable investment income.

10. **Dividends-received deduction.**—(a) **Dividends received from domestic corporations.**—Enter 85 percent of the company's share (line 5(a), col. 3) of the amount received as dividends (except dividends on certain preferred stock of public utilities) from domestic corporations subject to income tax. Members of certain affiliated groups may elect to deduct 100 percent of the qualifying dividends received from other members of the same group if an election under section 1562 is not effective for the taxable year. Include the company's share of the 100-percent deduction on line 10(a). See section 243. If an election under section 1562 was in effect on April 22, 1969, section 1564 provides a dividends-received deduction of 87.5% (instead of the 100% deduction provided by section 243(b)) of qualifying dividends. Include the company's share (87.5% of line 5(e), col. 3) of the deduction on line 10(a). See section 1564.

(b) **Dividends received on certain preferred stock of public utilities.**—Enter 60.813 percent of the company's share (line 5(b), col. 3) of the amount received as dividends on the preferred stock of a public utility which is subject to income tax and which is allowed a deduction for dividends paid under section 247. See section 244.

(c) **Dividends received from foreign corporations subject to the 85 percent deduction.**—Enter 85 percent of the company's share (line 5(c), col. 3) of dividends received from foreign corporations subject to the 85-percent deduction.

Also enter on this line 100 percent of the company's share of dividends received from wholly owned foreign subsidiaries that are eligible for the 100-percent deduction provided in section 245(b).

See section 245 for qualifications and limitations on the amount of these deductions.

(d) **Total dividends-received deductions.**—The total of the dividends-received deductions shall not exceed 85 percent of taxable invest

ment income computed without regard to this deduction.

The limitation for a member of an electing affiliated group is 85 percent of (taxable investment income computed without regard to this deduction less the deduction for 100 percent or 87.5 percent (as described in 10(a) above) of the qualifying dividends received from the same group).

In general, no dividends-received deduction will be allowed on any share of stock, (A) which is sold or otherwise disposed of in any case in which the corporation has held such share for 15 days or less, or (B) to the extent the corporation is under an obligation to make corresponding payments with respect to substantially identical stock or securities. Where the stock has preference in dividends, the holding period is 90 days instead of 15 if the corporation receives dividends with respect to such stock which are attributable to a period or periods aggregating in excess of 366 days.

11. Small business deduction.—Enter 10 percent of the investment yield (Schedule A) but not to exceed \$25,000. Members of certain affiliated groups are limited to one \$25,000 limitation. (Section 243.)

For taxable years beginning in 1970, section 1564 provides that only one member of a controlled group may claim a full \$25,000 small business deduction with the others being limited to \$20,833. (This \$20,833 is further reduced in years 1971 through 1974 and becomes zero in 1975.) See section 1564.

SCHEDULE E.—Gain and Loss From Operations

General.—The share of each and every item of investment yield (including tax-exempt interest and dividends received) of any life insurance company set aside for policyholders shall not be included in gain and loss from operations.

1.—Enter the percentage which represents the share of any item of investment yield which is set aside for policyholders. This percentage is determined by dividing the required interest (Schedule E-1) by the investment yield (Schedule A), except that if the amount of the required interest exceeds the investment yield, then the share of any item set aside for policyholders shall be 100 percent. See General Instruction N.

2.—Enter the percentage which represents the life insurance company's share of any item of investment yield. This percentage is equal to the difference between 100 percent and the percentage on line 1.

4-6.—Enter on line 4, column 1, the amount of interest which is wholly exempt from taxation under the provisions of section 103. (Where securities of a municipality are originally issued at a price not less than par value and are subsequently acquired by a purchaser at a discount, such discount is not in the nature of tax-exempt interest within the meaning of section 103.) Multiply the amount on each line in column 1 by the percentage from line 1 and enter the product for each line in column 2. The amounts entered in column 2 represent the policyholders' share of these items which is not included in gain and loss from operations. Enter in column 3 the difference obtained by subtracting column 2 from column 1. The amounts entered in column 3 represent the company's share of these items of investment yield.

9.—Enter the gross amount of premiums and other consideration (including advance premiums, deposits, fees, assessments, and consideration in respect of assuming lia-

bilities under contracts not issued by the company) on insurance and annuity contracts (including contracts supplementary thereto); less return premiums, and premiums and other consideration arising out of reinsurance ceded. Except in the case of amounts of premiums or other consideration returned to another life insurance company in respect of reinsurance ceded, amounts returned where the amount is not fixed in the contract but depends on the experience of the company or the discretion of the management shall not be included. However, amounts rebated or refunded due to policy cancellations or to erroneously computed premiums are to be treated as return premiums.

10(a). **Decrease in reserves.**—Enter the excess of the sum of the items described in section 810(c) as of the beginning of the taxable year over the sum of such items as of the close of the taxable year (reduced by the policyholders' share of investment yield not included in gain and loss from operations— from line 7, col. 2).

10(b). **Decrease in section 811(b)(2) reserves.**—Enter the amount (from line 3, Part II, Schedule E-2) by which the decrease for the taxable year in the reserves for policyholder dividends exceeds the amount of dividends paid to policyholders during such year. Enter also one-tenth of any net decrease in reserves attributable to the operation of section 810(d).

11. **Other amounts.**—Enter total amount of other income not included in computing investment yield and not otherwise included above, to the extent that such items are includable in gross income; but exclude all gains from the sale or exchange of a capital asset or gains considered as gains from the sale or exchange of a capital asset.

Deductions

13. **Death benefits, etc.**—Enter the amount of all claims and benefits accrued (including matured endowments and amounts allowed on surrender) and losses incurred (whether or not ascertained) during the year on insurance, annuity, and supplementary contracts. The term "losses incurred (whether or not ascertained)" refers to a reasonable estimate of the amount of the losses incurred but not reported, as well as losses reported but where the amount cannot be ascertained by the end of the year.

14. **Increase in reserves.**—Enter the excess of the sum of the items described in section 810(c) as of the close of the taxable year (reduced by the policyholders' share of investment yield not included in gain and loss from operations (line 7, col. 2)) over the sum of such items as of the beginning of the taxable year. Enter also one-tenth of any net increase in reserves attributable to the operation of section 810(d).

15. **Assumption by another person of liabilities under insurance, etc., contracts.**—Enter the amount of the consideration (other than consideration arising out of reinsurance ceded) in respect of the assumption by another person of liabilities under insurance and annuity contracts (including contracts supplementary thereto).

16. **Interest wholly tax-exempt.**—Enter the amount from line 4, column 3. This amount is the company's share of wholly tax-exempt interest which, like the policyholders' share of such interest (from line 4, col. 2), is not included in gain and loss from operations.

17. **Investment expenses.**—Enter the excess of the total investment expenses over the amount allowed in computing investment yield (Schedule A), and the amount (if any) by which the sum of the deductions allowable

(line 14, Schedule A) exceeds the gross investment income (line 8, Schedule A). Attach a schedule showing computations.

18. **Small business deduction.**—Enter 10 percent of the investment yield (Schedule A) but not to exceed \$25,000. Members of certain affiliated groups are limited to one \$25,000 limitation. (Section 243.)

For taxable years beginning in 1970, section 1564 provides that only one member of a controlled group may claim a full \$25,000 small business deduction with the others being limited to \$20,833. (This \$20,833 is further reduced in years 1971 through 1974 and becomes zero in 1975.) See section 1564.

19. **Other deductions.**—Enter total amount of all other deductions not included in computing investment yield and not included in lines 21-24 to the extent allowable as deductions in computing taxable income under Subtitle A of the Code except as modified below.

(a) **Interest.**—No deduction is allowed under section 163 for interest in respect of the items described in section 810(c).

(b) **Bad debts.**—No deduction is allowed for an addition to reserves for bad debts under section 166(c), but a deduction for specific bad debts is permitted to the extent that the other provisions of that section are applicable.

(c) **Contributions.**—Attach a schedule showing the name of each organization and the amount paid. If a contribution is made in property other than money, state the kind of property contributed and the method used in determining its fair market value.

If a contribution carryover is included, show the amount and how the carryover was determined. For limitation and the application of charitable contribution carryover, see the regulations.

In applying section 170, the 5 percent limitation on the total deductions under such section shall be as provided in section 809(e)(3). See section 1.809-6(c) of the regulations.

Charitable contributions in excess of the 5% limitation may not be deducted for the taxable year but may be carried over to the 5 succeeding taxable years.

Companies on the accrual basis may elect to deduct contributions paid on or before the 15th day of the 3d month following the close of the taxable year if the contributions are authorized by the board of directors during the taxable year. A declaration, signed by an officer, must be attached to the return stating that the resolution authorizing the contribution was adopted by the board of directors.

Special rule for contributions of certain property.—In the case of a charitable contribution of property, the contribution must be reduced by the sum of

(1) The ordinary income and

(2) in the case of certain contributions, 62½% of the long-term capital gain,

that would have resulted if the property were sold at its fair market value. The reduction for 62½% of the long-term capital gain applies to (1) contributions of tangible personal property for use by an exempt organization for a purpose or function unrelated to the basis for its exemption, and (2) contributions of any property to or for the use of certain private foundations. (Section 170(e).)

Bargain sale to a charitable organization.—If a charitable contribution deduction is allowed by reason of a sale of prop-

erty to a charitable organization the adjusted basis for determining gain from the sale is an amount which is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property.

(d) **Amortizable bond premiums.**—No deduction is allowed under section 171 since a deduction for such premiums has already been taken into account in Schedule A.

(e) **Net operating loss deduction.**—The deduction under section 172 is not allowed in lieu thereof an "operations loss deduction" is allowed. See line 22.

(f) **Dividends received.**—No deduction is allowed under sections 243, 244, and 245 in view of the deduction allowed under section 809(d)(8). See line 21.

Submit a schedule showing the nature and amount of items included and group the minor items into one amount. If a deduction is claimed for depreciation, attach a schedule similar to Schedule K. You may use Form 4562, Depreciation, as a supplement to this schedule.

21. Dividends-received deduction.—(a) *Dividends received from domestic corporations.*—Enter 85 percent of the company's share (line 5(a), col. 3) of the amount received as dividends (except dividends on certain preferred stock of public utilities) from domestic corporations subject to income tax. Members of certain affiliated groups may elect to deduct 100 percent of the qualifying dividends received from other members of the same group if an election under section 1562 is not effective for the taxable year. Include the company's share of the 100 percent deduction on line 21(a). See section 243. If an election under section 1562 was in effect on April 22, 1969, section 1564 provides a dividends-received deduction of 87.5 percent (instead of the 100 percent deduction provided by section 243(b)) of qualifying dividends. Include the company's share (87.5 percent of line 5(e), column 3) of the deduction on line 21(a). See section 1564.

(b) *Dividends received on certain preferred stock of public utilities.*—Enter 60.813 percent of the company's share (line 5(b), col. 3) of the amount received as dividends on the preferred stock of a public utility which is subject to income tax and which is allowed a deduction for dividends paid under section 247. See section 244.

(c) *Dividends received from foreign corporations subject to the 85 percent deduction.*—Enter 85 percent of the company's share (line 5(c), col. 3) of dividends received from foreign corporations subject to the 85 percent deduction.

Also enter on this line 100 percent of the company's share of dividends received from wholly-owned foreign subsidiaries that are eligible for the 100-percent deduction provided in section 245(b).

See section 245 for qualifications and limitations on the amount of these deductions.

(d) *Section 246(b) limitation.*—In applying this 85-percent limitation to the total dividends-received deduction, the gain from operations is computed without regard to the deductions for certain nonparticipating contracts (line 24(c)); accident and health insurance, and group life insurance (line 24(b)); dividends to policyholders (line 24(a)); the operations loss deduction (line 22); and the dividends-received deduction. Since these items have not as yet been deducted, the 85-percent limitation is applicable to the excess, if any, of line 12 over line 20.

For a member of an electing affiliated group, the 85 percent limitation is applicable to the excess, if any, of line 12 over (line 20 plus the deduction for 100 percent or 87.5 percent (as described in 21(a) above) of qualifying dividends received from the same group).

Exception.—The 85-percent limitation does not apply to any year for which there is a loss from operations.

22. Operations loss deduction.—This deduction allowed under section 809(d)(4) and determined under section 812 is, in substance, the same as the net operating loss deduction provided by section 172.

The "operations loss deduction" is the sum of the operations loss carryovers and carrybacks to the taxable year (sec. 812(a)). A loss from operations may be carried back 3 years and carried over 5 years. If the company is a new company for the loss year, the carryover is for 8 years. For the definition of a new company and for the limitations on the 8-year carryover, see section 812(e) and the regulations applicable thereto. The loss from operations must first be carried to the earliest of the taxable years to which it may be carried, then to the next earliest year, etc. The portion of such loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of such loss over the sum of the offsets for each of the prior taxable years to which such loss may be carried.

See section 844 for special loss carryover rules that pertain to an insurance company which has changed its form of organization or has had a change in the nature of its insurance business.

For tax treatment of recoveries of foreign expropriation losses, see section 1351.

The term "offset" (with respect to any taxable year), means an amount equal to that increase in the operations loss deduction for the taxable year which reduces the life insurance company taxable income (computed without regard to sec. 802(b)(3)) for such year to zero.

The term "loss from operations" means the excess of allowable deductions (computed with the modifications in (a) and (b) below) over the amount on line 12.

(a) No operations loss deduction is allowed.

(b) The deductions allowed by section 243 (dividends received by corporations), section 244 (dividends received on certain preferred stock of public utilities), and section 245 (dividends received from certain foreign corporations) shall be computed without regard to section 246(b), as modified by section 809(d)(8)(B).

24.—The amount of the deductions for certain nonparticipating contracts, accident and health insurance and group life insurance and dividends to policyholders shall not exceed \$250,000 plus the amount, if any, by which (a) the gain from operations for the taxable year, computed without regard to these deductions, exceeds (b) the taxable investment income for the taxable year. The limitation provided in the foregoing sentence shall apply to the amount of the deduction for: first, dividends to policyholders; then, accident and health insurance and group life insurance; and finally, certain nonparticipating contracts. See Schedule E-2, Part I.

SCHEDULE E-1.—Required Interest (Sec. 809(a)(2))

The term "required interest" for any taxable year means the sum of the products obtained by multiplying (A) each rate of interest required, or assumed by the taxpayer, in

calculating the reserves described in section 810(c), by (B) the means of the amount of such reserves computed at such rate at the beginning and end of the taxable year. See General Instruction I.

SCHEDULE E-2.—Part I—Limitation on Deduction (Line 24, Schedule E) (Sec. 809(f))

Parts II, III, and IV should be completed before making entries in this schedule. Upon the proper completion of this schedule, the limitation provided in section 809(f) and explained in connection with line 24, Schedule E, automatically applies.

Part II—Dividends to Policyholders (Sec. 809(d)(3))

The term "dividends to policyholders" means dividends and similar distributions made to policyholders in their capacity as such. In general, amounts returned where the amount is not fixed in the contract but depends on the experience of the company or the discretion of the management are to be treated as dividends to policyholders. The term does not include interest paid (as defined in sec. 805(e)), or, for example, so-called excess interest payments made with respect to supplementary contracts not involving life, accident, or health contingencies merely because such interest payments exceed the amounts guaranteed under such contracts.

The deduction shall be an amount equal to the dividends paid to policyholders during the taxable year plus (or minus) any increase (or decrease) in the reserves for policyholder dividends payable during the following taxable year. For this purpose, reserves for policyholder dividends at the end of any taxable year shall include all amounts set aside before the 16th day of the third month of the year following such taxable year for payment of policyholder dividends during the year following such taxable year.

If the amount of the decrease for the taxable year in the reserves for policyholder dividends exceeds the amount of dividends paid to policyholders during such year, the amount of the excess shall be taken into account as an income item (line 10(b), Schedule E).

Part III—Certain Accident and Health Insurance and Group Life Insurance (Sec. 809(d)(5))

This deduction is an amount equal to 2 percent of the premiums for the taxable year attributable to accident and health insurance contracts (other than those to which Schedule E-2, Part IV applies) and group life insurance contracts. The term "premiums" means the net amount of the premiums and other consideration taken into account in Schedule E. However, the deduction allowed for the taxable year and all preceding taxable years shall not exceed an amount equal to 50 percent of the premiums for the taxable year attributable to such contracts.

Part IV—Certain Nonparticipating Contracts (Sec. 809(d)(5))

This deduction is an amount equal to 10 percent of the increase for the taxable year in the reserves for nonparticipating contracts (excluding group contracts) or if greater, an amount equal to 3 percent of the premiums for the taxable year (excluding that portion of the premiums which is allocable to annuity features) attributable to nonparticipating contracts (other than group contracts) which are issued or renewed for periods of 5 years or more. The term "reserves for nonparticipating contracts" means such part of the life insurance reserves (excluding that portion of the reserves which is allocable to annuity features) as relates to nonparticipating contracts (other than group contracts). The term "pre-

premiums" means the net amount of the premiums and other consideration taken into account in Schedule F.

The premiums referred to include only premiums attributable to nonparticipating contracts (other than group contracts) which are issued or renewed for periods of 5 years or more, but do not include that portion of the premiums which is allocable to annuity features. The determination of whether a contract meets the 5 year requirement will be made as of the date it was issued or renewed, whichever is applicable. Thus, a 20 year nonparticipating endowment policy will qualify under section 809(d)(5), even though the individual insured subsequently dies at the end of the second year, since the policy was issued for a period of 5 years or more. However, a 1 year renewable term contract will not qualify, in that, as of the date it was issued (or any renewal date), it was not for a period of 5 years or more. In like manner, a policy originally issued for a 3 year period and subsequently renewed for an additional 3 year period will not qualify. However, if this policy were renewed for a period of 5 years or more, the policy would qualify under section 809(d)(5) from the date it was renewed.

SCHEDULE F.—Shareholders' Surplus Account (Sec. 815(b))

Section 815(b)(1) provides that every stock life insurance company (both domestic and foreign) shall establish and maintain a shareholders' surplus account for its first taxable year beginning after December 31, 1957. The balance remaining in this account as of January 1, 1970, shall be increased by the net additions thereto as provided in section 815(b)(2) (lines 2-8 of the schedule). In determining the amount to be entered on line 3, the amount, if any, by which the net long-term capital gain exceeds the net short-term capital loss shall be reduced by the taxable income (computed without regard to section 802(b)(3)). For instructions relative to the limitation of the dividends received deduction on line 4 when the 100 percent dividends received deduction under section 243(b) or the 87.5 percent dividends received deduction under section 1564 is applicable, see instructions for line 21(d), Schedule E. There shall be subtracted from this account any amount which is treated under section 815 as a distribution to shareholders. Any distribution to shareholders shall be treated as made first out of this account, to the extent thereof.

SCHEDULE G.—Policyholders' Surplus Account (Sec. 815(c))

Section 815(c)(1) provides that every stock life insurance company (both domestic and foreign) shall establish and maintain a policyholders' surplus account for its first taxable year beginning after December 31, 1958. The balance remaining in this account as of January 1, 1970, shall be increased by the additions as provided by section 815(c)(2), (line 2 of the schedule), and shall be decreased by the subtractions as provided by section 815(c)(3), (line 4 of the schedule).

Enter on line 4(a) the actual distributions to shareholders in excess of the amount reported on line 9, Schedule F. The amount to be entered on line 4(b) is the tax attributable to the amount (which is treated as a subtraction from this account) which after deducting the tax is the amount reflected on line 4(a). This amount can be determined by applying to the amount on line 4(a), a ratio, the numerator of which is 100 percent and the denominator of which is 100 percent minus 102.5 percent of the taxpayer's tax rate (the sum of the normal tax rate plus, if applicable, the

surtax rate, excluding the surcharge) (see the regulations). The subtractions to be entered on line 4(c) shall be treated as made only after the subtractions have been made on lines 4(a) and (b).

Section 815(d)(5) provides that if any amount added to the policyholders' surplus account increases or creates a loss from operations and part or all of the loss cannot be used in any other year to reduce the company's taxable income, then such loss shall reduce (as of the time the addition to the policyholders' surplus account was made) the policyholders' surplus account. The reduction from the account shall be made after any addition and before any amounts are subtracted from the account. If the policyholders' surplus account has been adjusted under section 815(d)(5) and the balance as of the end of the preceding year is different than the balance as of the beginning of the current year, attach a schedule setting forth the adjustments to reconcile the preceding balance and current balance.

SCHEDULE J, COLUMN 8.—Expense Account Allowances

Expense account allowances mean: (1) amounts, other than compensation, received as advances or reimbursements, and (2) amounts paid by or for the corporation, for expenses incurred by or on behalf of an officer.

Column 8 of Schedule J is to be completed for the 25 highest paid officers. To determine the highest paid officers, all allowances including expense account allowances must be added to each officer's compensation. Column 8 need not be completed for any officer if the combined amount is less than \$10,000.

The information is to be submitted by each member of an affiliated group included in a consolidated return.

For this purpose an officer is a person who is elected or appointed to office or who is designated as such in the corporation's charter or bylaws such as regular officer, director, chairman of the board, etc.

Tax Computation Instructions

General.—Section 802(a)(1) provides a normal tax and surtax on the life insurance company taxable income computed at the rates provided in section 11.

1. Normal tax.—Section 11 provides a normal tax equal to 22 percent of taxable income.

2. Surtax.—Section 11 provides a surtax equal to 26 percent of the amount by which the taxable income exceeds the surtax exemption.

3. Surtax exemption.—In general, corporations are entitled to a \$25,000 surtax exemption. Certain controlled corporations (defined in sec. 1563), however, are limited to a smaller amount under the provisions of sections 1561 and 1562.

Under the provisions of section 1561, a controlled group of corporations, with respect to a specified December 31, must divide one \$25,000 surtax exemption equally among all component members of the group unless the group specifically consents to split up the \$25,000 amount among all component members in accordance with an apportionment plan. See section 1561 and the regulations thereunder for the time and manner of making the consent.

Under the provisions of section 1562, a controlled group may elect, with respect to a specified December 31, to have each component member take a separate surtax exemption without having to divide equally or appor-

tion one \$25,000 surtax exemption among all component members.

For taxable years beginning in 1970, however, section 1564 provides that only one member of a group that has made an election under section 1562 may claim a full \$25,000 surtax exemption with the others being limited to \$20,833. (This \$20,833 is further reduced in years 1971 through 1974 and becomes zero in 1975.) Section 1564(a)(2) provides that the component members of the controlled group must elect which member is to receive the full \$25,000 and which members are to be limited to \$20,833. This election may be made by attaching a statement to the return of the corporation claiming the full \$25,000 surtax exemption stating that it is the corporation that the controlled group has selected to claim the \$25,000 amount under the provisions of section 1564(a)(2). The statement must be signed by each member of the controlled group and must show the name, address, employer identification number and taxable year of each member of the group subject to the reduced \$20,833 exemption. Such other members must attach a copy of the statement to their return.

If the group elects to have each component member claim a separate surtax exemption under section 1562, each component member must pay an additional tax of 6% of the amount of income equal to its surtax exemption. If only one member of the group has any taxable income, the 6% tax does not apply. (Section 1562(b)(1)(A).)

4. Tax from recomputing a prior year investment credit.—If property is disposed of prior to the life years category used in computing the investment credit, the tax for the year of disposition must be increased by the difference between the credit taken (including carrybacks and carryovers) on such property and the credit which would have been allowed had the actual life been used. (See section 47(a)(4) and (5) for exceptions.) The tax from recomputing a prior year investment credit must not be offset against the current year's investment credit. Form 4255 may be used to compute the tax.

5. Foreign Corporations.—A foreign corporation carrying on an insurance business within the United States is taxable in the same manner as a domestic insurance company with respect to its income effectively connected with its conduct of any trade or business within the United States. See section 842. Income from sources without the United States which is attributable to United States business shall be treated as effectively connected with the conduct of a trade or business within the United States. For further definition of effectively connected income, see section 864(c).

Any other United States source income received by a foreign corporation not effectively connected with its conduct of a trade or business in the United States is taxed at a 30 percent (or lower treaty) rate. See section 881. If you have any such income, attach a schedule showing: the nature of income, amount of income, rate of tax (30 percent or lower treaty rate), and amount of tax.

Where the surplus of a foreign life insurance company held in the United States is less than a specified minimum, an adjustment is required under section 819. When this minimum surplus adjustment is applicable, a reduction of tax imposed by section 881 is provided in section 819(a)(3). Attach a statement showing the computation of reduction of section 881 tax and enter the net amount of the tax imposed by section 881 on line 13, page 1.

6. Overpayment credited to estimated tax.—If the taxpayer elects to have all or part

of the overpayment shown by his return applied to his estimated tax for his succeeding taxable year, no interest shall be allowed on such portion of the overpayment credited.

7. Tax credits.—Section 39 provides a credit for Federal excise tax on: (1) gasoline used (a) on a farm for farming purposes, (b) other than as fuel in a highway vehicle, and (c) in vehicles while engaged in furnishing certain public passenger land transportation service; (2) lubricating oil used other than in a highway motor vehicle; and (3) special fuels used after June 30, 1970 (a) on a farm for farming purposes, (b) in vehicles while engaged in furnishing certain public passenger land transportation service, and (c) for non-taxable uses. Include the credit for U.S. tax on such special fuels, gasoline and lubricating oil on line 17(d), page 1, and attach Form 4136.

Also include on line 17(d), any of the tax included on line 13, page 1, which was withheld at the United States source.

8. Tax surcharge.—The tax surcharge, which is reflected on line 8(b), page 1, is 5% for the period beginning January 1, 1970, and ending June 30, 1970.

The rate for the calendar year 1970, therefore, is 2½%.

The surcharge must also be reflected in (a) the tax liability deduction on line 8, Schedule F, Shareholders' Surplus Account and (b) the deductions for tax increases on lines 4(b) and 4(d) of Schedule G, Policyholders' Surplus Account.

9. Minimum tax on tax preference items.—Under the provisions of section 56 certain items of tax preference are subject to a minimum income tax. These tax preference

items, after deducting a \$30,000 exemption and the amount of taxes imposed for the year, are taxed at a 10% rate.

Items of tax preference include:

- (1) Accelerated depreciation on real property.
- (2) Amortization of pollution control facilities.
- (3) Amortization of railroad rolling stock.
- (4) Reserves for losses on bad debts of financial institutions.
- (5) Excess percentage depletion, and
- (6) Capital gains.

Corporations having any such tax preference items must attach Form 4626, Computation of Minimum Tax, to their return whether or not the minimum tax applies.

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SCHEDULE D
(Form 1120L)
Department of the Treasury
Internal Revenue Service

**U.S. Life Insurance Company
Sales or Exchanges of Property**

1970

Name

Employer identification number

PART I—CAPITAL ASSETS—Short-Term Capital Gains and Losses—Assets Held Not More Than 6 Months

a	b	c	d	e	f	g
Kind of property (if necessary, attach description)	Date acquired (mo., day, yr.)	Date sold (mo., day, yr.)	Gross sales price	Depreciation allowed (or allowable)	Cost or other basis and expense of sale	Gain or loss (d plus e less f)
1						
2 Net short-term capital gain or loss (total of column g). Enter here and on line 7						

Long-Term Capital Gains and Losses—Assets Held More Than 6 Months (cols. a-g). For gains on assets whose F.M.V. on 12/31/58 exceeded the adjusted basis on that date, use cols. a-k.

3						
4 Total of column g (where columns h-k are not required)						
h	i	j	k			
F.M.V. as of 12/31/58	Adjusted basis as of 12/31/58	Excess of column h over column i, if any	Gain (excess of column g over column j, but not less than zero)			
5 Total of column k						
6 Net long-term capital gain or loss (total of lines 4 and 5). Enter here and on line 8						

PART II—Summary of Capital Gains and Losses

	a	b
	Loss	Gain
7 Net short-term capital gain or loss from line 2		
8 Net long-term capital gain or loss from line 6		
9 Net short-term capital gain (line 7, column b) reduced by any net long-term capital loss (line 8, column a). Enter here and on line 6, Schedule A, Form 1120L		
10 Net long-term capital gain (line 8, column b) reduced by any net short-term capital loss (line 7, column a). Enter here and on line 7, Schedule C, and on line 8, Schedule E, Form 1120L		

PART III—Alternative Tax Computation

11 (a) Taxable investment income (line 1(a), page 1, Form 1120L)	
(b) Less line 10 above	
12 (a) Gain from operations (line 1(b), page 1, Form 1120L)	
(b) Less line 10 above	
13 The smaller of line 11 or line 12, but not less than zero	
14 50 percent of the excess, if any, of line 12 over line 11	
15 Amount subtracted from policyholders' surplus account (line 3, page 1, Form 1120L)	
16 Total of lines 13, 14, and 15	
17 Surtax exemption—Enter line 16 or \$25,000, whichever is lesser. (Component members of a controlled group: see page 7 of Form 1120L instructions and enter your surtax exemption or line 16, whichever is lesser.)	
18 Line 16 less line 17	
19 22 percent of line 16	
20 26 percent of line 18	
21 If multiple surtax exemption is elected under section 1562, enter 6 percent of line 17	
22 Total of lines 19, 20, and 21	
23 Enter amount from line 10	
24 Enter long-term gain from certain binding contracts, distributions, and installment sales (referred to as "subsection d gains"—see instructions)	
25 Line 23 less line 24 (if less than zero, enter zero)	
26 25% of the lesser of line 23 or line 24	
27 28% of line 25	
28 Total of lines 26 and 27	
29 Alternative tax—Add lines 22 and 28. If applicable, enter here and on line 8(a), page 1, Form 1120L and write "Alt" on the line to the left of the entry	

PART IV—Ordinary Gains and Losses (cols. a–g). For gains on assets whose F.M.V. on 12/31/58 exceeded the adjusted basis on that date, use cols. a–k. Exclude any ordinary gain resulting from the sale of investment assets reported in column j, Part V and column p, Part VI. Investment assets—see instructions for Part I.

a	b	c	d	e	f	g
Kind of property (if necessary, attach description)	Date acquired (mo., day, yr.)	Date sold (mo., day, yr.)	Gross sales price	Depreciation allowed (or allowable)	Cost or other basis and expense of sale	Gain or loss (d plus e less f)
30						

31 Total of column g (where cols. h–k are not required)

h	i	j	k
F.M.V. as of 12/31/58	Adjusted basis as of 12/31/58	Excess of column h over column i, if any	Gain (excess of column g over column j, but not less than zero)

32 Total of column k

33 Net ordinary gain or loss (total of lines 31 and 32). Enter here and include in total of line 11, Schedule E.

PART V—Gain from Disposition of Depreciable Property and Certain Real Property Held More Than 6 Months. (Section 1245) (Report gain from disposition of other depreciable real property in Part VI.) Investment Assets—see instructions for Part I.

a	b	c	d	e
Kind of property (if necessary, attach description)	Date acquired (mo., day, yr.)	Date sold (mo., day, yr.)	Gross sales price	Cost or other basis and expense of sale
34				

f	g	h	i	j	k
Total depreciation allowed (or allowable)	Adjusted basis (e less f)	Total gain (d less g)	Depreciation allowed (or allowable) after applicable date (see instructions)	Ordinary gain (lesser of h or i)	Other gain (h less j)

35 Total ordinary gain. Enter here and on line 30, and identify as gain from line 35

36 Total other gain. Enter here and on line 40, and identify as gain from Part V. (If this amount includes any gain from casualty or theft, see instructions.)

PART VI—Gain from Disposition of Depreciable Real Property Held More Than 6 Months. (Section 1250) (If held 1 year or less, see instructions for columns i and j.) Investment Assets—see instructions for Part I.

a	b	c	d	e
Kind of property (if necessary, attach description)	Date acquired (mo., day, yr.)	Date sold (mo., day, yr.)	Gross sales price	Cost or other basis and expense of sale
37				

f	g	h	Additional depreciation (see instructions)		k
Total depreciation allowed (or allowable)	Adjusted basis (e less f)	Total gain (d less g)	After 12/31/63 and before 1/1/70	After 12/31/69	Enter column h or column j whichever is lesser

l	m	n	o	p	q
Column k times applicable percentage (see instr.)	Enter excess, if any, of h over j	Enter i or m, whichever is lesser	Column n times applicable percentage (see instr.)	Ordinary gain (l plus o)	Other gain (h less p)

38 Total ordinary gain. Enter here and on line 30, and identify as gain from line 38

39 Total other gain. Enter here and on line 40, and identify as gain from Part VI. (If this amount includes any gain from casualty or theft, see instructions.)

PART VII—Sale or Exchange of Property Used in Trade or Business and Involuntary Conversions (Section 1231)

a	b	c	d	e	f	g
Kind of property (if necessary, attach description)	Date acquired (mo., day, yr.)	Date sold (mo., day, yr.)	Gross sales price	Depreciation allowed (or allowable)	Cost or other basis and expense of sale	Gain or loss (d plus e less f)
40						

41 Total (if gain, enter on line 3; if loss, enter on line 30. Identify as gain or loss from Part VII.)

▲ Detach at perforations before filing ▲

Instructions

(References are to the Internal Revenue Code.)

Every sale or exchange of property must be reported in detail even though no gain or loss results.

In general, all or part of the gain on a disposition of property may be required to be reported as ordinary income under the provisions of sections 1245, 1250 (see Parts V and VI), 1251 and 1252. The remainder of the gain may or may not be subject to capital gain treatment depending on the circumstances.

New Rules

for Dispositions of Farm Property and Certain Involuntary Conversions

(1) **Farm property.**—Refer to sections 1251 and 1252 for the treatment of gains on disposition of certain farm property.

(2) **Involuntary conversions.**—

(a) If gains from involuntary conversions arising from casualty or theft of property used in a trade or business or of any capital asset held more than six months equal or exceed the losses, the gains and losses are to be entered in Part VII and treated as section 1231 gains and losses along with gains and losses on dispositions of other section 1231 property. If the losses from such involuntary conversions exceed the gains, the gains and losses are to be entered in Part IV and treated as ordinary gains and losses. This applies to both insured and uninsured property.

(b) Gains from such involuntary conversions of property which is also section 1245 or 1250 property must first be reported in Part V or Part VI to determine how much gain is ordinary income. Any remaining gain (line 36, Part V, or line 39, Part VI) is included in the separate computation described in the above paragraph.

PART I

Capital assets.—A capital asset is property held by the corporation (whether or not connected with its trade or business) except: (1) inventoriable assets or property held primarily for sale to customers; (2) depreciable or real property used in the trade or business; (for life insurance companies, this relates only to property used in carrying on an insurance business, e.g., home office building; branch offices; office equipment, etc. Excluded are investment assets that produce interest, rents, dividends or royalties. See section 817 (a)(2)); (3) certain copyrights, literary, musical, or artistic compositions, letters or memorandums, or similar property; (4) accounts or notes receivable acquired in the ordinary course of trade or business for services rendered or from the sale of property described in (1) above; or (5) certain short-term Federal, State, and municipal obligations issued on or after March 1, 1941, on a discount basis.

Thus, the gains or losses from the sale or exchange of depreciable assets attributable to any trade or business (other than an insurance business) carried on by the life insurance company, such as renting various pieces of real estate, or operating a radio station, a housing development, or a farm, will be treated as gains or losses from the sale or exchange of capital assets.

Investment assets.—Gains or losses from the sale or exchange of investment assets are treated as gains or losses from the sale or exchange of capital assets. (See above.) All sales of investment assets subject to sections 1245 and 1250 should be reported in Parts V and VI respectively, regardless of the length of time

held. If held 6 months or less, the other gain reported in column k, Part V and column q, Part VI, should be entered on line 1, Part I and identified as gain from Part V or Part VI. If held more than 6 months, the other gain reported in column k, Part V and column q, Part VI, should be entered on line 3, Part I, and identified as gain from Part V or Part VI. Any amount included in column j, Part V and column p, Part VI as ordinary income from the sale of investment assets, should be included in line 7, Schedule A.

Column g.—Except where section 817 is applicable, the gain or loss is the result of column d plus column e, less column f. Where section 817 is applicable, complete columns a through f and attach a schedule showing the method of computing the gain reported in column g. See instructions for "Basis."

Columns h-k.—These columns are to be used only in the event of gains on disposition of property and the fair market value of such property held on December 31, 1958, exceeded the adjusted basis for determining gain as of such date.

Line 1.—Enter each short-term capital gain (loss).

Line 2.—Enter your net short-term capital gain or loss. This total should also be entered on line 7.

Line 3.—(A) Cols. a-g: Enter the total of applicable items from Part VII and other long-term capital gains and losses (excluding the gains from those assets whose F.M.V. on 12-31-58 exceeded the adjusted basis on that date).

(B) Cols. a-k: Enter only the long-term capital gains of those assets whose F.M.V. on 12-31-58 exceeded the adjusted basis on that date.

Line 4.—Enter the total of the long-term capital gains (losses) described in line 3 (cols. a-g).

Line 5.—Enter the total of the gains that are shown in column k.

Line 6.—Enter your net long-term capital gain or loss. This total should also be entered on line 8.

Losses.—Capital losses are allowed only to the extent of capital gains. A net capital loss may be carried back three years and forward five as a short term capital loss. However, the amount allowable as a capital loss carryback is subject to the limitations of section 1212(a)(1).

Under the provisions of section 6411, a quick refund of the taxes affected by the capital loss carryback may be obtained by filing Form 1139. If a net capital loss carryback creates an unused investment credit in a preceding year, the unused credit may be carried back to the three preceding years, and, under the provisions of section 6411, a quick refund of the taxes affected may likewise be obtained by filing Form 1139.

Worthless securities.—Except for banks, if securities which are capital assets become wholly worthless during the taxable year, the loss is to be treated as a capital loss as of the last day of the taxable year.

Losses not allowable.—No loss is allowed for wash sales of stock or securities. (See section 1091.) No loss is allowed (distributions in liquidation excepted) on transactions between related persons. (See section 267.)

Gain on transactions occurring prior to January 1, 1959.—Section 817(d) provides that the gain described in such section shall be excluded.

Long-term capital gains from regulated investment companies.—Include in income as a long-term capital gain the amount the corporation has been notified constitutes its share of the undistributed capital gains of a regulated investment company.

Short sales of capital assets.—See section 1233 for rules relating to certain short sales of stock or other securities and transactions in commodity futures.

Basis.—The "basis" for certain property is not subject to the same rule for reporting gains as for losses.

(a) **Gain on property held on December 31, 1958.**—Section 817(b)(1), in effect, limits the amount of gain that is to be recognized on the sale or other disposition of certain property held by the company on December 31, 1958. This is accomplished by treating the gain on the sale or other disposition of such property as an amount (but not less than zero) equal to the amount by which the gain (determined without regard to section 817(b)(1)) exceeds the difference between the fair market value on December 31, 1958, and the adjusted basis (as provided in sec. 1016(a)) for determining gain as of such date. This limitation on the amount of gain recognized applies only if (1) the property was held by a life insurance company on December 31, 1958; (2) the fair market value of the property on December 31, 1958, is greater than the adjusted basis for determining gain as of that date; and (3) the taxpayer has been a life insurance company at all times on and after December 31, 1958, until the date of sale or other disposition of the property.

(b) **Certain substituted property acquired after December 31, 1958.**—See subparagraphs A-E of section 817(b)(2) which provides certain rules for such property.

Section 817(b)(3) provides that the term "property" (for purposes of (a) and (b), above) does not include insurance and annuity contracts (and contracts supplementary thereto) and property described in paragraph (1) of section 1221 (relating to stock in trade or inventory-type property).

(c) **Property held on December 31, 1958, and certain substituted property acquired after December 31, 1958.**—In determining loss for such property (described in (a) and (b), above) the basis is cost, adjusted as provided by section 1016.

(d) **Other property acquired after December 31, 1958.**—Where property, other than property described in (b) above, was purchased after December 31, 1958, the basis is cost, adjusted as provided in section 1016. Where property was acquired by bequest, gift, involuntary conversion, or wash sale of stock, see sections 1014, 1015, 1033, and 1091, respectively.

(e) If a charitable contribution deduction is allowed by reason of a sale of property to a charitable organization, the adjusted basis for determining gain from the sale is an amount which is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property.

PART III

Alternative tax.—If the net long-term capital gain exceeds the net short-term capital loss, then, in lieu of the normal tax and surtax imposed upon taxable income, there is imposed an alternative tax (if such tax is less than the normal tax and surtax). The alternative tax is the sum of (1) a partial tax, computed at the normal tax and surtax rates on the taxable income determined by reducing the taxable investment income, and the gain from operations, by the amount of the excess of the net long-term capital gain over the net short-term capital loss, and (2) 28 percent of such excess.

The alternative tax rate is 28% for taxable years beginning in 1970 and 30% for taxable years beginning in 1971.

An alternative tax rate of 25%, however, is to apply to the lesser of (1) the amount of "subsection (d) gain" or (2) the excess of net long-term capital gain over any net short-term capital loss.

Subsection (d) gain consists of:

(1) long-term capital gains (except gains under sections 631 and 1235) received before 1975 from sales or other dispositions under binding contracts that were entered into on or before October 9, 1969;

(2) long-term capital gains in respect of distributions made by a corporation before October 10, 1970, under a plan of complete liquidation adopted on or before October 9, 1969; and

(3) installment proceeds consisting of long-term capital gains (except gains under sections 631 and 1235) received before 1975 from sales made pursuant to a binding contract that was entered into on or before October 9, 1969.

PART IV

Ordinary gains and losses.—(For investment assets—see instructions in Part I.) Include gains and losses from disposition or involuntary conversion of land and depreciable property held six months or less and gains and losses from compulsory or involuntary conversion of capital assets held six months or less.

If after grouping all section 1231 transactions the losses exceed the gains, report the net loss in Part IV as an ordinary loss.

If losses from involuntary conversions arising from casualty or theft of property used in a trade or business (as defined in section 1231) or of any capital asset held more than six months exceed the gains, enter such gains and losses in Part IV as ordinary gains and losses.

PART V

Gain from disposition of depreciable property and certain real property held more than six months. (Section 1245).—(Report any gain from such property held not more than six months in Part IV. For investment assets, see instructions in Part I.)

In general, when section 1245 property (as defined below) is disposed of, gain will be treated as ordinary income to the extent of depreciation allowed (or allowable) after 1961. Except for certain involuntary conversions referred to in section 1231, the balance of the gain, if any, is to be combined in Part VII with gains and losses from section 1231 property.

Section 1245 property is property which is depreciable (or subject to amortization under section 169 or section 185) and is either—

- (a) personal property,
- (b) elevators and escalators,
- (c) real property (other than property described in (d)) subject to amortization under section 169 or 185, or
- (d) tangible real property (except buildings and their structural components) if used as an integral part of certain business activities or as a research or storage facility in connection with such activities. These business activities are manufacturing, production, extraction, or furnishing transportation, communications or certain other public utility services.

See section 1245(b) for exceptions and limitations involving: (a) disposition by gift, (b) certain tax-free transactions, (c) like kind exchanges; involuntary conversions, and (d) sales or exchanges to effectuate FCC policies and exchanges to comply with SEC orders.

Column i.—Enter depreciation allowed (or allowable) after December 31, 1961. However, use June 30, 1963, for elevators and escalators and December 31, 1969, for livestock.

PART VI

Gain from disposition of depreciable real property held more than six months. (Section 1250).—(Report any gain from such property held not more than six months in Part IV. For investment assets, see instructions in Part I.)

In general, when section 1250 property (as defined below) is disposed of, all or a portion of the "additional depreciation" will be treated as ordinary income. Except for certain involuntary conversions referred to in section 1231, the balance of gain, if any, is to be combined in Part VII with gains and losses from section 1231 property.

Section 1250 property is depreciable real property other than section 1245 property.

See section 1250(d) for exceptions and limitations involving (a) disposition by gift, (b) certain tax-free transactions, (c) like kind exchanges; involuntary conversions, (d) sales or exchanges to effectuate FCC policies and exchanges to comply with SEC orders, and (e) disposition of qualified low-income housing.

Columns i and j, additional depreciation.—In the case of section 1250 property held one year or less, additional depreciation is the total amount of depreciation claimed. In such case, omit columns i thru o and enter in column p the lesser of the amount of gain (column h) or the total amount of depreciation claimed (column f).

For property held more than one year, additional depreciation is the excess of actual depreciation attributable to periods after December 31, 1963, over depreciation computed for the same period using the straight line method. Enter in column i the additional depreciation for the period after December 31, 1963, and before January 1, 1970, and in column j the additional depreciation for the period after December 31, 1969.

For additional depreciation attributable to rehabilitation expenditures, see section 1250 (b)(4).

Column k, applicable percentage.—Enter 100% of column k in column l except as follows:

(1) In the case of section 1250 property disposed of pursuant to a written contract that was, on July 24, 1969, and at all times thereafter, binding on the owner of the property, the applicable percentage is 100% minus 1 percentage point for each full month the property was held after the date it was held 20 full months;

(2) In the case of section 1250 property constructed, reconstructed, or acquired by the taxpayer before January 1, 1975, with respect to which a mortgage is insured under section 221(d)(3) or 236 of the National Housing Act, or housing is financed or assisted by direct loan or tax abatement under similar provisions of the State or local laws, and with respect to which the owner is subject to the restrictions described in section 1039(b)(1)(B), the applicable percentage is 100% minus 1 percentage point for each full month the property was held after the date it was held 20 full months;

(3) In the case of residential rental property (as defined in section 167(j)(2)(B)) other than that covered by (1) and (2) above, the applicable percentage is 100% minus 1 percentage point for each full month the property was held after the date it was held 100 full months; and

(4) In the case of section 1250 property for which a depreciation deduction for rehabilitation

expenditures was allowed under section 167(k), the applicable percentage is 100% minus 1 percentage point for each full month in excess of 100 full months after the date on which the property was placed in service.

Column o, applicable percentage.—The applicable percentage is 100% minus 1 percentage point for each full month the property was held after the date it was held 20 full months.

PART VII

Sale or exchange of property used in trade or business and involuntary conversion. (Section 1231).—Section 1231 provides special treatment for the recognized gains and losses upon the sale or exchange of "property used in the trade or business" and upon the compulsory or involuntary conversion of (1) such property and (2) capital assets held more than six months.

Note: Refer to page 3 for new rules for involuntary conversions resulting from casualty or theft.

After determining in Parts V and VI how much of the total gain from disposition of depreciable property is ordinary gain, combine the total other gain with other gains and losses from section 1231 property to determine if there is a net gain or net loss. The total shown on line 41 determines whether the items reflected therein represent a long-term capital gain or an ordinary loss. This total must be entered on line 3 or line 30, whichever is applicable.

In determining whether gains exceed losses, include the gains and losses to the extent they would be included if they were all ordinary gains and losses. The limitation of section 1211 on the deductibility of capital losses does not apply.

Section 817(a) provides that in applying section 1231(a), the term "property used in the trade or business" shall be treated as including only (1) property used in carrying on an insurance business, which is subject to depreciation provided in section 167 and held for more than 6 months (including real property but excluding (a) inventoriable property or property held primarily for sale to customers and (b) certain copyrights; literary, musical or artistic compositions; letters or memorandums; or similar property); and (2) timber, coal, and domestic iron ore to which section 631 applies.

The total shown on line 41, page 2, determines whether the items reflected therein represent a long-term capital gain or an ordinary loss. In either case, after the initial determination, the items must be segregated into (1) assets held on December 31, 1958, where the F.M.V. exceeded the adjusted basis on that date, and (2) other. Enter the totals into the appropriate schedules of Part I or Part IV.

Line 40.—Enter each section 1231 item not carried over from line 34.

Line 41.—Enter the net gain or loss of the section 1231 items described in Part VII.

Minimum tax on tax preference items.—If the net long-term capital gain exceeds the net short-term capital loss, you may be liable for minimum tax. See Form 4626.

Controlled corporations.—Controlled corporations: see Tax Computation Instructions of Form 1120L.

Form **1120M**
Department of the Treasury
Internal Revenue Service

U.S. Mutual Insurance Company Income Tax Return

(For Mutual Companies Other Than Life and Certain Marine Insurance Companies and Other Than Fire or Flood Insurance Companies Which Operate on a Basis of Perpetual Policies or Premium Deposits)

FOR CALENDAR
YEAR
1970

Phase type or print

Name _____
Number and street _____
City or town, State, and ZIP Code _____

A Employer identification number _____
B Date incorporated _____
C Place incorporated _____

- D** Did you submit a copy of the annual statement for the preceding year as required by General Instruction I? Yes No If "Yes," state IRS office where filed. _____
- E** Does a copy of the annual statement accompany this return? Yes No If not, explain why the statement is not attached. _____
- F** Did the company at the end of the taxable year own directly or indirectly 50 percent or more of the voting stock of a domestic corporation? Yes No (For rules of attribution, see section 267(c).) If the answer is "Yes," attach a schedule showing (a) name, address, and employer identification number; and (b) percentage owned. _____
- G** Were you a U.S. shareholder of any controlled foreign corporation? Yes No (See sections 951 and 957.) If "Yes," attach Form 3646 for each such corporation. _____
- H** Did the company, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country? Yes No If "Yes," attach Form 4683. (For definitions, see Form 4683.) _____
- I** Did you claim a deduction for expenses connected with any:
 - (1) Entertainment facility (boat, resort, ranch, etc.)? Yes No
 - (2) Living accommodations (except employees on business)? Yes No
 - (3) Employees' families at conventions or meetings? Yes No
 - (4) Employee or family vacations not reported on Form W-2? Yes No
- J** Are you required to prorate your surtax exemption under section 1561 because of an election under section 243(b)? Yes No
- K** Did you file all required Forms 1099, 1096 and 1087? Yes No

TAXABLE INCOME

1 Taxable investment income (loss) (Schedule A)	_____
2 Statutory underwriting income (loss) (Schedule B)	_____
3 Amounts subtracted from the Protection Against Loss Account (line 9(d), Schedule C)	_____
4 Total (lines 1 through 3)	_____
5 Less: unused loss deduction (attach schedule)	_____
6 Mutual insurance company taxable income	_____

TAX COMPUTATION

7 Normal tax: the lesser of (a) or (b)—(a) 22 percent of line 6	_____
(b) 44 percent of (line 6 less \$6,000)	_____
8 Surtax: 26 percent of [(amount by which line 6 exceeds \$25,000) and amount \$, to be included by reciprocal—see instructions]	_____
9 Total (line 7 plus line 8)	_____
10 Alternative tax for certain small companies (Schedule A-2)	_____

TAX

11 Income tax: (a) Line 9 or 10 above, or line 34 of separate Sch. D, Form 1120, whichever applies	_____
(b) Surcharge—enter 2½% of line 11(a)	_____
12 Foreign tax credit (attach Form 1118)	_____
13 Balance (line 11 less line 12)	_____
14 Investment credit (attach Form 3468)	_____
15 Balance of tax (line 13 less line 14)	_____
16 Foreign Corporations—tax on income not connected with United States business (see instructions)	_____
17 Tax from recomputing prior year investment credit (attach Form 4255)	_____
18 Minimum tax (see instructions). Check here <input type="checkbox"/> if Form 4626 is attached	_____
19 Total income tax (add lines 15, 16, 17, and 18)	_____
20 Credits: (a) Tax paid (deposited) with Form 7004 application for extension (attach copy)	_____
(b) Estimated tax—Overpayment from 1969 allowed as a credit	_____
1970 estimated tax payments (deposits)	_____
Less refund of 1970 estimated tax applied for on Form 4466	_____
(c) Credit from regulated investment companies (attach Form 2439)	_____
(d) By reciprocal for tax paid by attorney-in-fact under section 826(e)	_____
(e) Other tax credits (see instructions)	_____
21 TAX DUE (line 19 less line 20). See instr. G for depository method of payment	_____
22 OVERPAYMENT (line 20 less line 19)	_____
23 Enter amount of line 22 you want Credited on 1971 estimated tax ▶ Refunded ▶	_____

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than the taxpayer, his declaration is based on all information of which he has any knowledge.

CORPORATE SEAL

Date _____ Signature of officer _____ Title _____
Date _____ Individual or firm signature of preparer _____ Address _____

Schedule A.—COMPUTATION OF TAXABLE INVESTMENT INCOME—Section 822

		1. Interest received	2. Amortization of premium	3. Total (Column 1 less column 2)
GROSS INVESTMENT INCOME	1 Interest on:			
	(a) Wholly exempt obligations (attach schedule)			
	(b) U.S. obligations			
	(c) Loans, notes, mortgages, bank deposits, bonds, debentures, etc.			
	Totals			
	2 Dividends (Schedule E, Part I)			
	3 Gross rents (attach schedule)			
	4 Gross royalties (attach schedule)			
	5 Gross income from trade or business other than insurance business			
6 Leases, etc.				
7 Total (lines 1 through 6)				
8 Net gain from sale or exchange of capital assets from separate Schedule D, Form 1120				
9 Gross investment income (total of lines 7 and 8)				
DEDUCTIONS	10 Interest wholly exempt from tax (line 1(a), column 3)			
	11 Investment expenses (attach schedule)			
	12 Taxes			
	13 Real estate expenses			
	14 Depreciation (line 1, Schedule F—see instructions)			
	15 Depletion (attach schedule)			
	16 Trade or business deductions as provided in section 822(c)(8) (attach schedule)			
	17 Interest paid or accrued			
	18 Other capital losses (from Schedule A-3)			
	19 Total deductions on lines 10 through 18			
	20 Line 9 less line 19			
	21 Less: dividends-received deduction (Schedule E, Part II, line 6—see instructions for 85% limitation)			
	22 Taxable investment income (loss)			

Schedule A-1.—INVESTED ASSETS BOOK VALUES

(Schedule need not be filled in if no deduction is claimed for any general expenses that are allocated to investment income.)

	1. Beginning of taxable year	2. End of taxable year
1 Real estate		
2 Mortgage loans		
3 Collateral loans		
4 Policy loans, including premium notes		
5 Bonds of domestic corporations		
6 Stocks of domestic corporations		
7 Government obligations, etc. (attach schedule)		
8 Bank deposits bearing interest		
9 Other interest-bearing assets (attach schedule)		
10 Totals of lines 1 through 9		
11 Total of columns 1 and 2, line 10		
12 Mean of the invested assets for the taxable year (one-half of line 11)		
13 One-fourth of 1 percent of line 12		
14 Income base (line 9, Schedule A, less the sum of lines 12 through 18, Schedule A)		
15 3¾ percent of line 12		
16 Excess (if any) of line 14 over line 15		
17 One-fourth of line 16		
18 Limit on deduction for investment expenses (line 13 plus line 17)		

Schedule A-2.—ALTERNATIVE TAX FOR CERTAIN SMALL COMPANIES—Section 821(c)

1 Taxable investment income (Schedule A)	5 (a) Amount from line 7, Schedule A	
2 Normal tax: the lesser of (a) or (b)	(b) Premiums (see instructions)	
(a) 22 percent of line 1	(c) Total of (a) plus (b) (if \$150,000 or less, enter zero. If \$250,000 or more, enter \$250,000)	
(b) 44 percent of (line 1 less \$3,000)	(d)	150,000.00
3 Surtax: 26 percent of (line 1 minus the lesser of \$25,000 or amount apportioned under section 1561)	(e) Excess of line (c) over (d)	
4 Total (lines 2 and 3)	6 Amount on line 4 multiplied by line 5(e) divided by \$100,000	

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Schedule A-3.—OTHER CAPITAL LOSSES—see instructions (Capital assets sold or exchanged to meet abnormal insurance losses and to provide for the payment of dividends and similar distributions to policyholders)

1	Dividends and similar distributions paid to policyholders						
2	Losses paid						
3	Expenses paid						
4	Total of lines 1 through 3						
5	Interest received (line 1, col. 3, Sch. A, adjusted to cash method if on accrual method)						
6	Dividends received (Schedule E, Part I, adjusted to cash method if on accrual method)						
7	Lines 3 through 6 of Schedule A (adjusted to cash method if on accrual method)						
8	Net premiums received (adjusted to cash method if on accrual method)						
9	Excess (if any) of line 4 over the sum of lines 5, 6, 7, and 8						

1	Description of capital asset	2	Date acquired	3	Gross sales price	4	Cost or other basis	5	Expense of sale	6	Depreciation allowed (or allowable)	7	Loss (col. 4 plus col. 5 less the sum of cols. 3 and 6)
10	Total												

Schedule B.—STATUTORY UNDERWRITING INCOME OR LOSS—Section 823

1	Gross income (Schedule B-1, line 6)	
2	Less: Gross investment income (Schedule A, line 9)	
3	Deductions (Schedule B-1, line 26)	
4	Less the sum of (a) Schedule A, line 19 (b) Schedule A, line 21	
5	Line 2 less line 4	
6	Special deduction (Schedule B-2) (not to exceed line 5)	
7	Line 5 less line 6	
8	Protection against loss deduction (Schedule B-3)	
9	Statutory underwriting income (loss) (line 7 less line 8)	

Schedule B-1.—INCOME AND DEDUCTIONS

GROSS INCOME	1	Investment income—Section 832(b)(2): (a) Interest
		(b) Dividends (Schedule E, Part I)
		(c) Rents (attach schedule)
2	Premiums earned—Section 832(b)(4)	
3	Gain from sale or other disposition of property—Section 832(b)(1)(B) (from separate Sch. D, Form 1120)	
4	Other income—Section 832(b)(1)(C) (attach schedule)	
5	Decrease in subscriber accounts—Section 823(b)(2)(B)	
6	Gross income (total lines 1 through 5)	
DEDUCTIONS	7	Salaries and wages—Section 832(c)(1)
	8	Rents—Section 832(c)(1)
	9	Interest—Section 832(c)(2)
	10	Taxes—Section 832(c)(3) (attach schedule)
	11	Losses incurred on insurance contracts—Section 832(c)(4)
	12	Capital losses—Section 832(c)(5) (from separate Schedule D, Form 1120)
	13	Other capital losses—Section 832(c)(5) (Schedule A-3)
	14	Worthless agency balances and bills receivable—Section 832(c)(6)
	15	Interest (excluded under section 103)—Section 832(c)(7)
	16	Depreciation—Section 832(c)(8) (line 2, Schedule F)
17	Depletion—Section 832(c)(8) (attach schedule)	
18	Contributions—Section 832(c)(9) (not over 5% of line 24 adjusted per instructions—attach schedule)	
19	Dividends paid or declared to policyholders—Section 832(c)(11)	
20	Increase in subscriber accounts—Section 823(b)(2)(A)	
21	(a) Pension, profit-sharing, stock bonus, annuity plans—Section 832(c)(10) (see instructions)	
	(b) Other employee benefit plans—Section 832(c)(10) (see instructions)	
22	Other deductions—Section 832(c)(10) (attach schedule)	
23	Total deductions on lines 7 through 22	
24	Line 6 less line 23	
25	Dividends received deduction—Section 832(c)(12) (Schedule E, Part II, line 6—see instr. for 85% limitation)	
26	Total deductions (line 23 plus line 25)	

Schedule B-2.—SPECIAL DEDUCTION—Section 823(c)

1	Amount from line 7, Schedule A	_____
2	Premiums (see instructions)	_____
3	Total (line 1 and line 2)	_____
4	If line 3 is not more than \$500,000, enter \$6,000. If line 3 is less than \$1,100,000, but in excess of \$500,000, enter 1 percent of the difference between \$1,100,000 and amount on line 3	_____

Schedule B-3.—PROTECTION AGAINST LOSS DEDUCTION—Section 824(a)

1	Losses incurred on insurance contracts (line 11, Schedule B-1)	_____
2	1 percent of line 1	_____
3	25 percent of underwriting gain on line 7, Schedule B	_____
4	Concentrated risks: (a) Amount of line 2, Schedule B-1. _____	
	(b) Amount of line 4(a) attributable to insuring against losses arising, either in any one State or within 200 miles of any fixed point selected by the taxpayer, from windstorm, hail, flood, earthquake, or similar hazards	_____
	(c) Divide (b) by (a)	_____ %
	(d) Less	40 %
	(e) Premium percentage which exceeds 40 percent	_____ %
	(f) Line 7, Schedule B, multiplied by (e)	_____
5	Total (lines 2 through 4)	_____

Schedule C.—PROTECTION AGAINST LOSS ACCOUNT

	(a) 1% of losses incurred	(b) 25% of underwriting gain	(c) Concentrated risks	(d) Total (sum of cols. (a), (b) and (c))
1	Balance at the beginning of the year	_____	_____	_____
2	Additions (Schedule B-3)	_____	_____	_____
3	Total (lines 1 and 2)	_____	_____	_____
SUBTRACTIONS:				
4	Section 824(d)(1)(A)	_____	_____	_____
5	Section 824(d)(1)(B)	_____	_____	_____
6	Section 824(d)(1)(C)	_____	_____	_____
7	Section 824(d)(1)(D)	_____	_____	_____
8	Section 824(d)(1)(E)	_____	_____	_____
9	Total (lines 4 through 8)	_____	_____	_____
10	Balance at end of year (line 3 less line 9)	_____	_____	_____

Schedule E.—DIVIDENDS (See instructions)

PART I.—INCOME		PART II.—DEDUCTIONS	
1	Certain domestic corporations	1	85 percent of line 1, Part I
2	Certain public utility corporations	2	60.813 percent of line 2, Part I
3	Certain foreign corporations	3	85 percent of line 3, Part I
4	Certain affiliated groups	4	Total (see instr. for 85% limitation)
5	Other corporations (attach schedule)	5	100 percent of line 4, Part I
6	Total	6	Total (line 4 plus line 5)

Schedule F.—DEPRECIATION (See instructions)

Taxpayers using Revenue Procedures 62-21 and 65-13: Make no entry in column 2. Enter the cost or other basis of assets held at the end of the year in column 3, and enter the accumulated depreciation at the end of the year in column 4.

1	2	3	4	5	6	7
Group and guideline class or description of property	Date acquired	Cost or other basis	Depreciation allowed or allowable in prior years	Method of computing depreciation	Life or rate	Depreciation for this year
1	Total to be entered on line 14, Schedule A, page 2					
2	Total—enter on line 16, Schedule B-1, page 3					

Schedule G.—COMPENSATION OF OFFICERS (See instructions)

1	2	3	4	5	6
Name of officer	Social security number	Title	Time devoted to business	Amount of compensation	Expense account allowances
Total compensation of officers					

1970



Department of the Treasury
Internal Revenue Service

Instructions for Form 1120M

U.S. Mutual Insurance Company Income Tax Return

General Instructions

(References are to the Internal Revenue Code.)

A. Companies required to file a return.—Every domestic mutual insurance company (other than a life insurance company subject to the tax imposed by section 802 and other than a fire, flood, or marine insurance company subject to the tax imposed by section 831) and every foreign corporation carrying on an insurance business within the United States (if with respect to its United States business it would qualify as a mutual insurance company subject to taxation under section 821) shall file a return on this form.

Exceptions.—(a) Certain mutual insurance companies exempt under section 501(c)(15).

(b) A mutual insurance company subject to taxation under section 821 which disposes of its insurance business and reserves or otherwise ceases to be entitled to be taxed under section 821, but continues its corporate existence for the purpose of winding up and liquidating its affairs, see Form 1120.

B. Information returns and other forms which may be required in addition to Form 1120M include the following.—

1. *Forms W-2 and W-3.*—Statement of wages, other compensation, and tax withheld; and reconciliation of tax withheld;

2. *Forms 966 and 1099L.*—Information returns regarding dissolution or liquidation, and distributions in liquidation;

3. *Forms 1096 and 1099.*—Information returns concerning certain dividends, earnings, interest, rents, royalties, annuities, pensions, foreign items; and prizes, awards, and commissions to nonemployees;

4. *Form 1118.*—Computation of foreign tax credit;

5. *Forms 2952 and 3646.*—Returns relating to controlled foreign corporations;

6. *Form 3468.*—Computation of investment credit;

7. *Form 4136.*—Computation of credit for Federal tax on special fuels, nonhighway gasoline and lubricating oil;

8. *Form 4255.*—Tax from recomputing a prior year investment credit;

9. *Form 4626.*—Computation of minimum tax on tax preference items; and

10. *Form 4683.*—U.S. information return on foreign bank, securities, and other financial account(s).

C. Period covered.—The return shall be for the calendar year. (Section 843.) If the company ceases to exist and this is the last return the taxpayer is required to file, write "FINAL RETURN" at the top of the form.

D. Accounting methods.—Taxable income shall be computed in accordance with the method of accounting regularly used by the taxpayer in maintaining its books and records. In all cases the method adopted should clearly reflect taxable income. See section 446. Except in those cases where the law specifically permits it, a taxpayer may not change the method of accounting upon the basis of which it has reported its income in prior years (for its income as a whole or with respect to any material item) without first securing consent on Form 3115, Application for Change in Accounting Method.

Rounding off to whole-dollar amounts.—The money items on your return and accompanying schedules may be shown as whole-dollar amounts. Eliminate any amount less than 50 cents and increase any amount from 50 cents through 99 cents to the next higher dollar.

E. Where to file.—

If the corporation's principal business, office, or agency is located in

Use this address

Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania, Virginia	Internal Revenue Service Center 11601 Roosevelt Boulevard Philadelphia, Pa. 19155
Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee	Internal Revenue Service Center 4800 Buford Highway Chamblee, Georgia 30006
Indiana, Kentucky, Michigan, Ohio, West Virginia	Internal Revenue Service Center Cincinnati, Ohio 45298
Arkansas, Colorado, Kansas, Louisiana, New Mexico, Oklahoma, Texas, Wyoming	Internal Revenue Service Center 3651 S. Interregional Highway Austin, Texas 78740
Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington	Internal Revenue Service Center 1160 West 1200 South Street Ogden, Utah 84405
Illinois, Iowa, Nebraska, North Dakota, South Dakota, Missouri, Minnesota, Wisconsin	Internal Revenue Service Center 2306 E. Bannister Road Kansas City, Mo. 64170
Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont	Internal Revenue Service Center 310 Lowell Street Andover, Mass. 01812

Foreign corporations carrying on an insurance business within the United States must file their return with Internal Revenue Service Center, 11601 Roosevelt Boulevard, Philadelphia, Pa. 19155.

F. When to file.—The return must be filed on or before March 15, 1971. Request for automatic extension of 3 months for the filing of the return must be made on Form 7004. (Section 6081(b).)

G. Depository method of payment of tax.—The balance of tax due must be deposited in full when the return is filed or in two installments: 50% on or before the 15th day of the 3d month and 50% on or before the 15th day of the 6th month following the close of the taxable year.

All insurance companies must deposit their income tax payments with an authorized commercial bank depository or Federal Reserve bank. All deposits must be accompanied by Form 503 (Federal Tax Deposit, Corporation Income Taxes). Please enter the serial number of Form 503 on your remittance. Do not remit directly to Internal Revenue Service.

Timeliness of deposits will be determined by the date the deposit was received by the commercial bank depository or Federal Reserve bank. However, a deposit received after the due date will be considered timely if the corporation establishes that it was mailed on or before the second day before the prescribed due date.

A supply of Forms 503 will be mailed to insurance companies. Companies needing Forms 503 may obtain them by making application to the Service Center Director (or District Director). The application should include the company's name, identification number, address, and the taxable year to which the deposits relate.

Penalty for failure to pay tax.—Section 6651 imposes a penalty for failure to pay tax (other than estimated income tax) when due. The penalty is a half percent a month or fraction of a month, up to 25%, on the net amount due and is in addition to the 6% per year interest charge imposed on unpaid tax. The penalty does not apply if the failure is due to reasonable cause. An authorized extension of time to file a return will be considered reasonable cause for failure to pay on time.

Estimated tax.—A corporation subject to income tax under subchapter L of chapter 1 (relating to insurance companies) must make estimated tax payments if its income tax liability, after credits and an estimated tax exemption, can be expected to be \$40 or more. For 1971, the total estimated tax exemption is the sum of a temporary exemption of \$5,500 and a transitional exemption. The transitional exemption is 20% of the difference between the corporation's expected tax liability (but not more than \$100,000) and the \$5,500 temporary exemption.

In the case of a member of a controlled group which must share one \$25,000 surtax exemption among all members, the temporary exemption is limited to 22% of the corporation's surtax exemption.

Lines 14 through 20 of Form 1120-W (Worksheet) may be used by insurance companies to compute their estimated tax installment payments. Foreign corporations must include as part of their tax liability on line 14 any tax imposed by section 881.

If you have an underpayment of estimated tax and believe an additional charge should not be asserted, attach Form 2220 to your return.

If you overpay your estimated tax, you may apply on Form 4466 for a "quick refund" on or before March 15, 1971, but before you file your return. The overpayment must be (1) at least 10% of your expected income tax liability AND (2) \$500 or more.

H. Stock ownership in foreign corporations.—If the corporation owned

5% or more in value of the outstanding stock of a foreign personal holding company, attach the statement required by section 551(d).

If you controlled a foreign corporation or were a 10% or more shareholder of a controlled foreign corporation, you may be required to file Forms 2952 and 3646.

I. Annual statement.—A copy of the annual statement for mutual insurance companies adopted by the National Association of Insurance Commissioners for the year 1970, as filed with the Insurance Department of the State or District of Columbia, together with copies of Schedule A (real estate) and Schedule D (bonds and stocks) must accompany the return (see section 1.6012-2(c) of the regulations). Similar copies for the preceding year must also be furnished, if not already filed for such year. Where companies use miniature statements, such statements may be filed in lieu of the larger statements.

J. Signature.—The return must be signed either by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or by any other corporate officer (such as the tax officer) who is authorized to sign. A receiver, trustee, or assignee must sign any return which he is required to file on behalf of a corporation.

K. Attachments.—Attachments may be used in the preparation of your return if the lines on the form schedules are not sufficient. The attachment must contain all required information; must follow the format of the official schedules; and must be attached to the return in the same sequence as the schedules appear on the official forms.

Enter your name and identifying number on all attachments.

Specific Instructions

(Numbered to correspond with the line numbers on the return.)

For Page 1 of Return

5. Unused loss deduction.—The amount of the deduction is the total of the unused loss carryovers and carrybacks to the taxable year.

Unused Loss.—The term "unused loss" for any taxable year means the amount by which—

(1) the sum of the statutory underwriting loss and the investment loss, exceeds

(2) the sum of—

(a) the taxable investment income,

(b) the statutory underwriting income, and

(c) the amount required by section 824(d) to be subtracted from the protection against loss account.

The unused loss for any loss year shall be (1) an unused loss carryback to each of the 3 taxable years preceding the loss year, and (2) an unused loss carryover to each of the 5 taxable years following the loss year. The entire amount of unused loss for any loss year shall be carried to the earliest of the taxable years to which such loss may be carried. The portion of such loss which shall be carried to each of the other taxable years shall be the excess (if any) of the amount of such loss over the sum of the offsets (as defined in section 825(f)) for each of the prior taxable years to which such loss may be carried.

Limitations.—An unused loss shall not be carried—

(1) to or from any taxable year beginning before January 1, 1963,

(2) to or from any taxable year for which the insurance company is not subject to the tax imposed by section 821(a), nor

(3) to any taxable year if, between the loss year and such taxable year, there is an intervening taxable year for which the insurance company was not subject to the tax imposed by section 821(a).

See section 844 for special carryover loss rules regarding an insurance company that has changed its form of organization or has changed the nature of its insurance business.

8. Surtax.—For election and attachment required of a reciprocal to be subject to the limitation in section 826(b), see section 826(a) and the regulations thereunder.

Amount to be included by reciprocal.—If the mutual insurance company taxable income before giving effect to the election under section 826(a) is not less than \$25,000, then make no entry.

If the taxable income before giving effect to the election is not more than \$25,000, then:

(1) Where taxable income after the election is \$25,000 or less, the excess of such taxable income over taxable income before giving effect to the election must be entered as the amount required on line 8.

(2) Where taxable income after the election is over \$25,000, the excess of \$25,000 over taxable income before the election must be entered as the amount required on line 8.

Where the amount subtracted from the protection against loss account was added because of the election under section 826(a), then to the extent such amount increases mutual insurance company taxable income for the taxable year, such amount is not entitled to the \$25,000 surtax exemption. See section 1.826-2(b), of the regulations.

Where the surtax exemption is pro-rated under section 1561 because of an election under section 243(b), such pro-rated amount shall be used in place of the \$25,000 referred to in the preceding paragraphs and line 8, page 1.

10. Alternative tax for certain small companies.—See instructions for Schedule A-2.

16. Foreign corporations.—A foreign corporation carrying on an insurance business within the United States is taxable in the same manner as a domestic insurance company with respect to its income effectively connected with its conduct of any trade or business carried on within the United States. See section 842.

Any other United States source income received by a foreign corporation not effectively connected with its conduct of a trade or business in the United States is taxed at a 30% (or lower treaty) rate. See section 881. If you have any such income, attach a schedule showing: the nature of income, amount of income, rate of tax (30% or lower treaty rate), and amount of tax. Enter the amount of tax imposed by section 881 on line 16, page 1.

17. Tax from recomputing prior year investment credit.—If property is disposed of prior to the life years category used in computing the investment credit, the tax for the year of disposition must be increased by the difference between the credit taken on such property and the credit which would have been allowed had the actual life been used. (See section 47(a)(4) and (5) for exceptions.) Form 4255 may be used to compute the tax. The tax from recomputing a prior year investment credit must not be offset against the current year's investment credit.

18. Minimum tax on tax preference items.—Under the provisions of section 56, certain items of tax preference are subject to a minimum income tax. These tax preference items, after de-

ducting a \$30,000 exemption and the amount of taxes imposed for the year are taxed at a 10% rate.

Items of tax preference include:

- (1) Accelerated depreciation on real property,
- (2) Amortization of pollution control facilities,
- (3) Amortization of railroad rolling stock,
- (4) Reserves for losses on bad debts of financial institutions,
- (5) Excess percentage depletion, and
- (6) Capital gains.

Companies having any such tax preference items must attach Form 4626, Computation of Minimum Tax, to their return whether or not the minimum tax applies.

20(d). Credit by reciprocal for tax paid by attorney-in-fact.—See section 826(e) and the regulations thereunder.

20(e). Other tax credits.—Section 39 provides a credit for Federal excise tax on: (1) gasoline used (a) on a farm for farming purposes, (b) other than as fuel in a highway vehicle, and (c) in vehicles while engaged in furnishing certain public passenger land transportation service; (2) lubricating oil used other than in a highway motor vehicle; and (3) special fuels used after June 30, 1970 as follows: (a) on a farm for farming purposes, (b) in vehicles while engaged in furnishing certain public passenger land transportation service, and (c) for nontaxable uses. Include the credit for U.S. tax on such special fuels, gasoline and lubricating oil on line 20(e) and attach Form 4136.

Also include on line 20(e) any of the tax included on line 16, page 1, which was withheld at the United States source.

SCHEDULE A.—Computation of Taxable Investment Income

1. Interest.—Enter interest received or accrued from all sources during the taxable year. The gross amount of interest reported as gross income shall be decreased by the amortization of premiums attributable to the taxable year on bonds, notes, debentures or other evidences of indebtedness, determined (1) in accordance with the method regularly employed, if reasonable, or (2) in accordance with regulations prescribed by the Secretary or his delegate. (Attach a statement showing method and computation.)

3. Gross rents.—Enter gross amount of rents. Any expenses, including repairs, interest, taxes, and depreciation, should be included in the proper lines under Deductions.

4. Gross royalties.—Enter the gross amount of royalties. If a deduction is claimed for depletion, it must be reported on line 15.

5. Gross income from trade or business other than insurance business.—Enter the gross income from any trade or business (other than an insurance business) carried on by the mutual insurance company, or by a partnership of which the mutual insurance company is a member.

6. Leases, etc.—Enter the gross amount of income received from the entering into (or the alteration or termination) of any lease, mortgage or other instrument or agreement from which the mutual insurance company derives interest, dividends, rents or royalties.

8. Net gain from sale or exchange of capital assets.—Report sales or exchanges of capital assets in separate Schedule D (Form 1120) (but see Schedule A-3, page 3). Every sale or exchange of a capital asset, even though no gain or loss results, must be reported in detail.

Losses from sales or exchanges of capital assets (except losses from capital assets sold or exchanged in order to obtain funds to meet abnormal insurance losses and to provide for the payment of dividends and similar distributions to policyholders) shall be allowed to the extent of gains from such sales or exchanges, with respect to companies taxable under section 821. The net capital loss for such companies shall be the amount by which losses for such year from sales or exchanges of capital assets exceed the sum of the gains from such sales or exchanges and the lesser of (1) the taxable investment income (computed without regard to gains or losses from sales or exchanges of capital assets) or (2) losses from the sale or exchange of capital assets sold or exchanged to obtain funds to meet abnormal insurance losses and to provide for the payment of dividends and similar distributions to policyholders. However, the amount of a net capital loss sustained in any taxable year may be carried back three years and forward five as a short-term capital loss. The amount allowable as a capital loss carryback is subject to the limitations of section 1212(a)(1).

For further information relating to gains and losses from sales or exchanges of property, see instructions for separate Schedule D (Form 1120).

Deductions

10. Interest wholly exempt from tax.—Enter the amount of interest which is wholly exempt from taxation under the provisions of section 103.

11. Investment expenses.—Enter expenses paid or accrued which are properly chargeable to investment expenses, the total amount of which, if there be any allocation of general expenses to investment expenses, should not exceed the limitation on line 18, Schedule A-1. Submit a schedule showing the nature and amount of the items and group the minor items into one amount. See section 822(c)(2).

12. Taxes.—Enter taxes paid or accrued exclusively upon real estate owned by the company as provided in section 164. For limitation on deduction, see instruction 19(a).

13. Real estate expenses.—Enter all ordinary and necessary building expenses, paid or accrued, such as fire insurance, heat, light, labor, etc.; and the cost of incidental repairs which neither materially add to the value of the property nor appreciably prolong its life, but keep it in an ordinary efficient operating condition. Do not include any amount paid out for new buildings or for permanent improvements or betterments made to increase the value of any property or any amount expended on foreclosed property before such property is held forth for rental purposes. For limitation on deduction, see instruction 19(a).

14. Depreciation.—The amount deductible for depreciation is an amount reasonably measuring a portion of the investment in depreciable property which, by reason of exhaustion, wear and tear, or obsolescence, is properly chargeable against the operations of the year. In any event the deduction is limited to the depreciation on the property that is used, and to the extent used, for the purpose of producing the income specified in section 822(b). For limitation on deduction, see instruction 19(a). For a more detailed explanation of

depreciation, see instructions for Schedule F.

15. Depletion.—The percentage depletion rate for oil and gas wells is 22%. Refer to section 613(b) for rates applicable to other natural deposits.

Enter the total depletion deduction allowed by section 611 on property used for the purpose of producing investment income. Submit Form T if a deduction for timber depletion is claimed.

16. Trade or business deductions.—Enter total deductions attributable to any trade or business (other than an insurance business), the income from which is included in the mutual insurance company's gross investment income by reason of section 822(b)(2). Do not include (a) losses from sales or exchanges of capital assets, (b) sales or exchanges of property used in the trade or business, and (c) losses from the compulsory or involuntary conversion of property used in the trade or business.

17. Interest paid or accrued.—Enter the amount of interest paid or accrued during the taxable year on the company's indebtedness, except on indebtedness incurred or continued to purchase or carry obligations, the interest upon which is wholly exempt from taxation.

18. Other capital losses.—Enter losses from capital assets sold or exchanged to provide funds to meet abnormal insurance losses and to provide for the payment of dividends and similar distributions to policyholders. Capital assets shall be considered as sold or exchanged to provide for such funds or payments to the extent that the gross receipts from their sale or exchange are not greater than the excess, if any, for the taxable year of the sum of: (a) dividends and similar distributions paid to policyholders; (b) losses paid, and (c) expenses paid, over: (1) amount on line 7, and (2) net premiums received. (See Schedule A-3.)

19. Total deductions:

(a) *Limitation on deductions relating to real estate owned and occupied.*—The deductions included on lines 12 to 14 for real estate owned and occupied in whole or in part by the company shall be limited to an amount which bears the same ratio to such deductions (computed without regard to section 822(d)(1)) as the rental value of the space not so occupied bears to the rental value of the entire property. (Submit schedule.)

(b) *Items not deductible.*—No deduction is allowable for any amount allocable to a class of exempt income other than exempt interest income. Items directly attributable to wholly exempt income shall be allocated thereto, and items directly attributable to any class of taxable income shall be allocated to such taxable income. If an item is indirectly attributable both to taxable income and exempt income, a reasonable proportion thereof, determined in the light of all the facts and circumstances in each case, shall be allocated to each. A taxpayer receiving any such exempt income or holding any property or engaging in any activity, the income from which is exempt, must attach a statement showing (1) the amount of each class of exempt income, and (2) the amount of expense items allocated to each such class (the amount allocated by apportionment being shown separately).

21. Dividends-received deduction.—See instructions for Schedule E, Part II.

The 85% limitation on the dividends-received deduction shall not apply for any year in which there is a loss from taxable investment income.

SCHEDULE A-2.—Alternative Tax for Certain Small Companies

Section 821(c) provides an alternative tax for companies where the gross amount reported on line 7, Schedule A, plus premiums, is over \$150,000 but not over \$500,000.

The term "premiums" means the total amount of the premiums and other consideration provided in the insurance contract without any deduction for commissions, return premiums, reinsurance, dividends to policyholders, dividends left on deposit with the company, discounts on premiums paid in advance, interest applied in reduction of premiums (whether or not required to be credited in reduction of premiums under the terms of the contract), or any other item of similar nature. Such term includes advance premiums, premiums deferred and uncollected, and premiums due and unpaid, deposits, fees, assessments, and consideration in respect of assuming liabilities under contracts not issued by the taxpayer (such as a payment or transfer of property in an assumption reinsurance transaction), but does not include amounts received from other insurance companies for losses paid under reinsurance contracts. (See section 1.821-4(a)(1)(ii) of the regulations.)

Any mutual insurance company which is subject to the tax imposed by section 821(c) may elect to be subject to the tax imposed by section 821(a). See section 821(d) and the regulations thereunder for election to include statutory underwriting income or loss.

The alternative tax is not available to a company which has a balance in its protection against loss account at the beginning of the taxable year, or to a company which has an election in effect under section 821(d) to be taxed under section 821(a).

SCHEDULE A-3.—Other Capital Losses

Total gross receipts from sales of capital assets, line 10, column 3, should not exceed the amount shown on line 9. If necessary, gross receipts from a particular sale of a capital asset should be apportioned in the above schedule and the excess reported in separate Schedule D, Form 1120.

Except for the apportionment, sales reported in this schedule should not be reported in separate Schedule D, Form 1120.

Enter total other capital losses (line 10, column 7) as line 18, Schedule A and line 13, Schedule B-1.

SCHEDULE B-1.—Income and Deductions

1. Investment income.—To all interest, dividends, and rents received during the taxable year, add interest, dividends, and rents due and accrued at the end of the taxable year and deduct all interest, dividends, and rents due and accrued at the end of the preceding taxable year.

2. Premiums earned.—From the amount of gross premiums written on insurance contracts during the taxable year, deduct return premiums and premiums paid for reinsurance. To the result so obtained, add unearned premiums on outstanding business at the end of the preceding taxable year and deduct unearned premiums on outstanding business at the end of the taxable year.

3. Gain from sale or other disposition of property.—Enter the amount of gain (only) from the sale or other disposition of property from Schedule D, Form 1120. Losses should be entered on line 12 or 13.

5. Decrease in subscriber accounts.—Enter the amount of the de-

crease for the taxable year in savings credited to subscriber accounts of an interinsurer or reciprocal underwriter. See instruction 20 of Schedule B-1 for savings credited to subscriber accounts.

Deductions

7. Salaries and wages.—Enter the amount of accrued salaries and wages for the taxable year.

8. Rents.—Enter the amount of accrued rent for business property in which the company has no equity.

9. Interest.—Enter business interest but do not include interest on indebtedness incurred or continued to purchase or carry obligations the interest on which is wholly exempt from income tax. (Section 265.)

See section 267 for limitation on deductions for unpaid expenses and interest in the case of transactions between related taxpayers.

10. Taxes.—Enter taxes accrued during the taxable year and attach a schedule showing the type and amount of tax. Do not include Federal income, war-profits, and excess-profits taxes; estate, inheritance, legacy, succession, and gift taxes; foreign or United States possession income taxes if any credit is claimed in line 12, page 1; Federal taxes paid on bonds containing a tax-free covenant, nor taxes not imposed upon the taxpayer. See section 164(d) regarding apportionment of taxes on real property between seller and purchaser.

11. Losses incurred on insurance contracts.—To losses paid during the taxable year, add salvage and reinsurance recoverable outstanding at the end of the preceding taxable year and deduct salvage and reinsurance recoverable outstanding at the end of the taxable year. To this result, add all unpaid losses outstanding at the end of the taxable year and deduct unpaid losses outstanding at the end of the preceding taxable year.

12. Capital losses.—Enter only capital losses to the extent of capital gains from separate Schedule D, Form 1120. Capital gains should be entered on line 3. Also see instruction 8 for Schedule A.

13. Other capital losses.—Enter the amount of losses from capital assets sold or exchanged to provide funds to meet abnormal insurance losses and to

provide for the payment of dividends and similar distributions to policyholders. Also see instruction 18 for Schedule A.

14. Worthless agency balances and bills receivable.—Enter the amount of debts in the nature of agency balances and bills receivable which became worthless during the taxable year.

15. Interest.—Enter the amount of interest earned during the taxable year which under section 103 is excluded from gross income.

16. Depreciation.—See instructions for Schedule F.

17. Depletion.—See instruction 15 for Schedule A.

18. Contributions.—Enter contributions or gifts actually paid within the taxable year to or for the use of charitable organizations described in section 170(c).

Companies on the accrual basis may elect to deduct contributions paid on or before the 15th day of the 3d month following the close of the taxable year if the contributions are authorized by the board of directors during the taxable year. A declaration signed by an officer must be attached to the return stating that the resolution authorizing the contribution was adopted by the board of directors.

Limitation.—The deduction may not exceed 5% of line 24, Schedule B-1, without taking into account the amount of this deduction.

Charitable contributions in excess of the 5% limitation may not be deducted for the taxable year but may be carried over to the 5 succeeding taxable years.

Attach a schedule showing the name of each organization and the amount paid. If a contribution is made in property other than money, state the kind of property contributed and the method used in determining its fair market value. If a contribution carryover is included, show the amount and how the carryover was determined.

Special rule for contributions of certain property.—In the case of a charitable contribution of property, the contribution must be reduced by the sum of

- (1) the ordinary income and
- (2) in the case of certain contributions, 62½% of the long-term capital gain,

that would have resulted if the property were sold at its fair market value. The reduction for 62½% of the long-term capital gain applies to (1) contributions of tangible personal property for use by an exempt organization for a purpose or function unrelated to the basis for its exemption, and (2) contributions of any property to or for the use of certain private foundations. (Section 170(e).)

Bargain sale to a charitable organization.—If a charitable contribution deduction is allowed by reason of a sale of property to a charitable organization, the adjusted basis for determining gain from the sale is an amount which is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property.

19. Dividends paid or declared to policyholders.—Enter the amount of dividends and similar distributions paid or declared to policyholders.

20. Increase in subscriber accounts.—In the case of a mutual insurance company which is an interinsurer or reciprocal underwriter, a deduction is allowed for the increase in savings credited to subscriber accounts for the taxable year.

The term "savings credited to subscriber accounts" means such portion of the surplus credited to the individual accounts of subscribers before the 16th day of the third month following the close of the taxable year. This applies only if the company would be obligated to pay such amount promptly to such subscriber if he terminated his contract at the close of the company's taxable year and only if the subscriber has been notified as required by section 1.823-6(c)(2)(v) of the regulations. For the purposes of determining his taxable income, the subscriber shall treat any such savings credited to his account as a dividend paid or declared.

21(a). Pension, profit-sharing, stock bonus, and annuity plans.—A Form 2950 should be attached for each profit-sharing, stock bonus, pension and annuity plan. This form must be filed whether the deduction is under a qualified or nonqualified plan.

21(b). Other employee benefit plans.—Enter deductions for contributions to employee benefit plans other than those claimed on line 21(a), such as insurance, health, or welfare plans. Submit with the return a schedule for each plan showing: (1) the nature of

benefits, i.e., group-term life insurance, group permanent life insurance, noninsured death benefit, hospitalization, surgical, medical, sickness, accident, major medical expense, unemployment benefit, or other welfare benefits; (2) method of financing, i.e., insured, industry or areawide fund, self-insured fund, or direct benefit payments; (3) the amount of deduction; (4) the amount of employee contributions; (5) the number of employees covered; and (6) if a self-insured plan, the amount of benefits paid during the taxable year. Also show the number of employees employed by the company.

25. Dividends-received deduction.—See instructions for Schedule E, Part II.

The 85% limitation on the dividends-received deduction shall not apply for any year in which there is a loss from statutory underwriting income.

SCHEDULE B-2.—Special Deduction

In the case of a taxpayer subject to the tax imposed by section 821(a), section 823(c) provides that if the gross amount received during the taxable year from the items described in section 822(b) (other than paragraph (1) (D) thereof) and premiums (including deposits and assessments) is less than \$1,100,000, then there shall be allowed an additional deduction for the purposes of determining statutory underwriting income or loss under section 823(a) for the taxable year.

For definition of "premiums" see instructions for Schedule A-2.

SCHEDULE E.—Dividends

Part I—Dividend income

1. Certain domestic corporations.—Enter dividends received from a domestic corporation subject to income tax and which are subject to the 85% deduction under section 243(a)(1). So-called dividends or earnings from savings and loan associations, etc., are interest and should not be treated as dividends. In the case of dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction.

2. Certain public utility corporations.—Enter dividends received on the preferred stock of a public utility which is subject to income tax and which is allowed the deduction provided in section 247 for dividends paid.

3. Certain foreign corporations.—Enter dividends received from foreign corporations and which qualify for the 85% deduction provided in section 245(a).

Also include in this line dividends received from wholly-owned foreign subsidiaries and which are eligible for the 100% deduction provided in section 245(b). In general, this deduction applies to dividends paid out of the earnings and profits of a foreign corporation for a taxable year during which (1) all of its outstanding stock is owned (directly or indirectly) by the domestic corporation receiving such dividends and (2) all of its gross income from all sources is effectively connected with the conduct of a trade or business within the United States.

If dividends received from wholly-owned foreign subsidiaries are included in line 3, attach a schedule showing the amount of these dividends included.

4. Certain affiliated groups.—Enter only those dividends which are subject to the elective provisions of section 243(b).

5. Other corporations.—Attach a schedule showing separately:

(a) Foreign dividends (including minimum distributions under subpart F) which are not reportable on line 3. Distributions of amounts constructively taxed in the current year or in prior years under subpart F should be excluded.

(b) Income constructively received from controlled foreign corporations under subpart F. This amount should equal the total of amounts reported in Schedule A, line 5 of Form(s) 3646.

(c) Foreign dividend gross-up under section 78, including amount attributable to controlled foreign corporations on line 5(b) above.

(d) Dividends (other than capital gain dividends) received from regulated investment companies and which are not subject to the 85% deduction; dividends from corporations not subject to tax under Chapter 1 of the Code; dividends (other than capital gain dividends) received from a real estate investment trust which, for the taxable year of the trust in which the dividend is paid, qualifies under sections 856-858; dividends not eligible for the 85% deduction because of the holding period of the stock or an obligation to make corresponding payments with respect to similar stock; and any other taxable dividend income not properly reported above.

Part II—Dividends-received deduction

1. **Dividends received from a domestic corporation.**—Enter an amount equal to 85% of the amount received as dividends (except dividends on certain preferred stock of public utilities) from a domestic corporation subject to income tax.

2. **Dividends received on certain preferred stock of public utilities.**—Enter 60.813% of the amount received as dividends on the preferred stock of a public utility which is subject to income tax and is allowed a deduction, as provided in section 247, for dividends paid. See section 244.

3. **Dividends received from certain foreign corporations.**—Enter 85% of dividends received from certain foreign corporations.

Also enter on this line 100% of the company's share of dividends received from wholly-owned foreign subsidiaries and which are eligible for the 100% deduction provided in section 245(b).

See section 245 for qualifications and limitations on the amount of these deductions.

4. **Total.**—This total is subject to the 85% limitation provided by section 246(b) as follows:

(a) **Schedule A**—The line 4 total shall not exceed 85% of (line 20, Schedule A, less line 5, Schedule E, Part II).

(b) **Schedule B-1**—The line 4 total shall not exceed 85% of (line 24, Schedule B-1, less line 5, Schedule E, Part II).

5. **Dividends received from certain members of affiliated groups.**—Members of affiliated groups may elect under section 243(b) to deduct 100% of the qualifying dividends received from other members of the same group. Qualifying corporations which elect to take the 100% deduction are limited to one \$25,000 surtax exemption which must be apportioned under section 1561 among the members of the controlled group. See section 243(b) for qualifications and restrictions applicable to this deduction.

SCHEDULE F.—Depreciation

Fill in Schedule F if a deduction is claimed for depreciation of property,

leasehold improvements, patents, or copyrights. Form 4562, Depreciation, may be used as a supplement to Schedule F.

For real property, salvage value must be taken into account in determining the depreciation deduction (except under the declining balance method); and for personal property, to the extent it exceeds 10% of the cost or other basis of the property.

(a) **Alternative depreciation guidelines and rules.**—Revenue Procedure 62-21 (supplemented by Revenue Procedure 65-13) sets forth alternative standards and procedures for determining depreciation. Taxpayers who wish to use these provisions must use them for all assets in a particular guideline class

(b) **Tangible property other than real property.**—Tangible personal property, whether new or used, may be depreciated under the straight line method or the 150% declining balance method.

New tangible property with a useful life of 3 years or more, may also be depreciated under (1) the double declining balance method, (2) the sum of the years-digits method, and (3) any other method which does not result in accumulated allowances at the end of any year (during the first two-thirds useful life of the property) greater than the total which could have been deducted if the double declining balance method had been used.

(c) **New section 1250 property.**—The double declining balance and sum of the years-digits methods may not be used except for (1) new residential rental property (from which at least 80% of the gross rental income is derived from rental of residential units), (2) other new real property acquired before July 25, 1969, and (3) new real property placed in service after July 24, 1969, if construction, acquisition, or permanent financing arrangements were entered into before July 25, 1969. Other new real property acquired after July 24, 1969, may be depreciated under the straight line or 150% declining balance methods.

(d) **Used section 1250 property.**—Used residential rental property acquired after July 24, 1969, with a useful life of 20 years or more may be depreciated under the 125% declining balance method. In the case of used real property acquired before July 25, 1969, or used real property acquired after July

24, 1969, pursuant to a written contract entered into before July 25, 1969, for the acquisition of such property or for the permanent financing thereof, depreciation is limited to the 150% declining balance method. Other used real property acquired after July 24, 1969, may be depreciated under the straight line method.

(e) **Rehabilitation expenditures for low-income rental housing.**—An election may be made to depreciate property attributable to rehabilitation expenditures for low-income rental housing incurred after July 24, 1969. Such depreciation may be claimed under the straight line method using a useful life of 60 months. For details, see section 167(k).

(f) **Section 179—Additional first-year depreciation allowance.**—For the first year a depreciation deduction is allowable, companies may elect to write off 20% of the cost (before adjustment for salvage value) of tangible personal property (whether new or used) with a useful life of 6 years or more, up to an aggregate cost of \$10,000.

Total additional first-year depreciation must be shown on a separate line of the depreciation schedule.

If the additional first-year allowance is elected, the basis of the property must be reduced by the amount of the deduction and salvage value when computing ordinary depreciation.

SCHEDULE G.—Compensation of Officers (Column 6)**Expense account allowances**

Expense account allowances means: (1) amounts, other than compensation, received as advances or reimbursements, and (2) amounts paid by or for the corporation, for expenses incurred by or on behalf of an officer.

Column 6 of Schedule G must be completed for the 25 highest paid officers. To determine the highest paid officers, all allowances including expense account allowances must be added to each officer's compensation. Column 6 need not be completed for any officer when the combined amount is less than \$10,000.

For this purpose, an officer is a person who is elected or appointed to office, or who is designated as such in the corporation's charter or bylaws; such as: regular officer, director, chairman of the board, etc.

Form **1120S**

Department of the Treasury
Internal Revenue Service

**U.S. Small Business Corporation
Income Tax Return** for the calendar year 1970 or

other taxable year beginning _____, 1970, ending _____, 19.....

1970

A Date of election as small business corporation

Name

C Employer Identification No.

B Business Code No. (see page 4 of instructions)

Number and street

D County in which located

City or town, State, and ZIP code

E Enter total assets from line 14, column D, Schedule L

IMPORTANT—All applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, see instruction M.

GROSS INCOME

1 Gross receipts or gross sales **Less:** returns and allowances
 2 Less: cost of goods sold (Schedule A) and/or operations (attach schedule) . . .
 3 Gross profit
 4 (a) Domestic dividends
 (b) Foreign dividends
 5 Interest on obligations of the United States and U.S. instrumentalities
 6 Other interest
 7 Gross rents
 8 Gross royalties
 9 Gains and losses (separate Schedule D, Form 1120S)—
 (a) Net short-term capital gain reduced by any net long-term capital loss
 (b) Net long-term capital gain reduced by any net short-term capital loss (if more than \$25,000, see instructions)
 (c) Net ordinary gain (loss)
 10 Other income (attach schedule)
 11 Total income, lines 3 through 10

DEDUCTIONS

12 Compensation of officers (Schedule E)
 13 Salaries and wages (not deducted elsewhere)
 14 Repairs (do not include capital expenditures)
 15 Bad debts (Schedule F if reserve method is used)
 16 Rents
 17 Taxes (attach schedule)
 18 Interest
 19 Contributions (not over 5% of line 28 adjusted per instructions—attach schedule)
 20 Amortization (attach schedule)
 21 Depreciation (Schedule G)
 22 Depletion (attach schedule)
 23 Advertising
 24 Pension, profit-sharing, stock bonus, annuity plans (attach Form(s) 2950)
 25 Other employee benefit plans (see instructions)
 26 Other deductions (attach schedule)
 27 Total deductions on lines 12 through 26
 28 Taxable income, line 11 less line 27

TAX

29 Income tax: (a) On capital gains (Schedule J)
 (b) Surcharge—enter 2½% of line 29(a) (Fiscal year corporations: see instructions for Schedule J)
 30 Minimum tax (see instrs). Check here if Form 4626 is attached
 31 Total tax (add lines 29 and 30)
 32 Credits: (a) Tax deposited—Form 7004 application for extension (attach copy)
 (b) Credit for U.S. tax on special fuels, nonhighway gas, and lubricating oil (attach Form 4136)
 33 TAX DUE (line 31 less line 32). See instruction G for depositary method of payment →
 34 OVERPAYMENT (line 32 less line 31) →

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than the taxpayer, his declaration is based on all information of which he has any knowledge.

CORPORATE SEAL

Date _____ Signature of officer _____ Title _____

Date _____ Individual or firm signature of preparer _____ Address _____

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Page 2

Schedule A—COST OF GOODS SOLD (See instruction 2)

Method of inventory valuation (specify) Was there any substantial change in the manner of determining quantities, costs, or valuations between opening and closing inventory? Yes No . If "Yes," attach explanation.

1 Inventory at beginning of year	5 Total of lines 1 through 4
2 Merchandise bought for manufacture or sale	6 Less inventory at end of year
3 Salaries and wages	7 Cost of goods sold (enter here and on line 2, page 1)
4 Other costs (attach schedule)	

Schedule E—COMPENSATION OF OFFICERS (See instruction 12)

1. Name of officer	2. Social security number	3. Title	4. Time devoted to business	5. Percent age of corporation stock owned	6. Amount of compensation	7. Expense account allowances
Total compensation of officers (enter here and on line 12, page 1)						

Schedule F—BAD DEBTS—RESERVE METHOD (See instruction 15)

1. Year	2. Trade notes and accounts receivable outstanding at end of year	3. Sales on account	Amount added to reserve		6. Amount charged against reserve	7. Reserve for bad debts at end of year
			4. Current year's provision	5. Recoveries		
1965						
1966						
1967						
1968						
1969						
1970						

Schedule G—DEPRECIATION (See instruction 21)

Taxpayers using Revenue Procedures 62-21 and 65-13: Make no entry in column 2. Enter the cost or other basis of assets held at the end of the year in column 3, and enter the accumulated depreciation at the end of the year in column 4.

1. Group and guideline class or description of property	2. Date acquired	3. Cost or other basis	4. Depreciation allowed or allowable in prior years	5. Method of computing depreciation	6. Life or rate	7. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below)						
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment						
Other (specify)						
2 Totals						
3 Less amount of depreciation claimed in Schedule A and elsewhere on return						
4 Balance—enter here and on line 21, page 1						

Schedule H—SUMMARY OF DEPRECIATION

	Straight line	Declining balance	Sum of the years' digits	Units of production	Additional first-year (section 179)	Other (specify)	Total
1 Under Rev. Procs. 62-21 and 65-13							
2 Other							

Schedule J—TAX COMPUTATION (See instructions)

1 Taxable income (line 28, page 1)	
2 (a) Enter 48 percent of line 1 (members of controlled groups, see instructions)	
(b) Subtract \$6,500 and enter difference	6,500.00
3 Net long-term capital gain reduced by net short-term capital loss (from line 9(b), page 1)	
4 Subtract \$25,000. (Statutory minimum.)	25,000.00
5 Balance (line 3 less line 4) (see instructions)	
6 Enter 28 percent of line 5 (fiscal year corporations, see instructions)	
7 Income tax (line 2 or line 6, whichever is lesser). Enter here and on line 29(a), page 1	

Schedule K—SHAREHOLDERS' SHARES OF INCOME (See instructions)
Computation of Corporation's Undistributed Taxable Income

Table with 2 columns: Description (1 Taxable income, 2 Less: (a) Money distributed as dividends, (b) Tax imposed on certain capital gains), and Amount.

Schedule of Distribution and Income (attach additional sheets, if necessary)

Table with 4 columns: 1. Name of each shareholder, 2. Stock ownership (Social security number, Number of shares, Period held), 3. Percentage of time devoted to business.

Main distribution table with columns: Shareholder's Share of, Shareholder A, Shareholder B, Shareholder C, Shareholder D, Total. Rows include Compensation, Dividends paid, Undistributed taxable income, etc.

F Date incorporated

G Did the corporation at the end of the taxable year own directly or indirectly 50 percent or more of the voting stock of a domestic corporation?

If the answer is "Yes," attach a schedule showing:

- (a) name, address, and employer identification number; and
(b) percentage owned.

H Did the corporation during the taxable year have any contracts or subcontracts subject to the Renegotiation Act of 1951?

I Amount of taxable income (or loss) for: 1967; 1968; 1969

J Refer to instructions for business activity codes and state the: Principal business activity; Principal product or service

K Were you a member of a controlled group subject to the provisions of sections 1561 or 1562? Yes No

L Did you claim a deduction for expenses connected with any:

- (1) Entertainment facility (boat, resort, ranch, etc.)?
(2) Living accommodations (except employees on business)?
(3) Employees' families at conventions or meetings?
(4) Employee or family vacations not reported on Form W-2?

M Did you file all required Forms 1099, 1096 and 1087?

N Did the corporation, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country?

O Answer only if (1) this is the first 1120S return filed since your election to be treated as a small business corporation and (2) the corporation was in existence for the taxable year prior to the election and had investment credit property:

Was an agreement filed under Section 1.47-4(b) of the Regulations? Yes No

Form 1120S (1970)

Page 4

Schedule L—BALANCE SHEETS (See instructions)

	Beginning of taxable year		End of taxable year	
	(A) Amount	(B) Total	(C) Amount	(D) Total
ASSETS				
1 Cash				
2 Trade notes and accounts receivable				
(a) Less allowance for bad debts				
3 Inventories				
4 Gov't obligations: (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				
5 Other current assets (attach schedule)				
6 Loans to shareholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9 Buildings and other fixed depreciable assets				
(a) Less accumulated depreciation				
10 Depletable assets				
(a) Less accumulated depletion				
11 Land (net of any amortization)				
12 Intangible assets (amortizable only)				
(a) Less accumulated amortization				
13 Other assets (attach schedule)				
14 Total assets				
LIABILITIES AND SHAREHOLDERS' EQUITY				
15 Accounts payable				
16 Mtgs., notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)				
18 Loans from shareholders				
19 Mtgs., notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Capital stock				
22 Paid-in or capital surplus (attach reconciliation)				
23 Retained earnings—appropriated (attach schedule)				
24 Retained earnings—unappropriated				
25 Shareholders' undistributed taxable income				
26 Less cost of treasury stock		()		()
27 Total liabilities and shareholders' equity				

Schedule M-1—RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN

1 Net income per books		7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax		(a) Tax-exempt interest	
3 Excess of capital losses over capital gains			
4 Taxable income not recorded on books this year (itemize)		8 Deductions in this tax return not charged against book income this year (itemize)	
5 Expenses recorded on books this year not deducted in this return (itemize)		9 Total of lines 7 and 8	
6 Total of lines 1 through 5		10 Income (line 28, page 1)—line 6 less line 9	

Schedule M-2—ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS PER BOOKS (line 24 above)

1 Balance at beginning of year		5 Distributions out of current or accumulated earnings and profits: (a) Cash	
2 Net income per books		(b) Stock	
3 Other increases (itemize)		(c) Property	
		6 Current year's undistributed taxable income or net operating loss (total of line 6, Schedule K)	
		7 Other decreases (itemize)	
		8 Total of lines 5, 6, and 7	
4 Total of lines 1, 2, and 3		9 Balance at end of year (line 4 less line 8)	

1970



Department of the Treasury
Internal Revenue Service

Instructions for Form 1120S

U.S. Small Business Corporation Income Tax Return

General Instructions

(References are to the Internal Revenue Code.)

A. Corporations required to file Form 1120S.—Every small business corporation (as defined in section 1371(a)) that has filed a proper and timely election under section 1372(a) not to be subject to the income tax imposed by chapter 1 (other than by section 1378) must file Form 1120S. See Form 2553.

B. Consents of shareholders.—Consents of all shareholders must be included on the election form notifying the Service Center Director (or District Director) of the election, or included as attachments to the election. However, where the election was made before the first day of the taxable year, the consents of the persons, who became shareholders after the date of election and on or before such first day, must be filed with the Service Center Director (or District Director) with whom the election was filed as soon as practicable after such first day and in no event later than the last day prescribed for making the election. Copies of such latter consents must be attached to the Form 1120S at the time the return is filed.

New shareholders (any person who was not a shareholder on the first day of the first taxable year for which the election is effective, or on the day on which the election is made, whichever is later) must consent to the election and such statement of consent must be filed with the Service Center Director (or District Director) with whom the election was filed within a period of 30 days after they become shareholders or the election is automatically terminated. Copies of such consents must also be attached to the return.

C. Termination.—The election by the corporation is automatically terminated: (1) by the failure of a new shareholder to consent to such election as explained in B above; (2) where it ceases to be a small business corporation as defined in section 1371(a); (3) where it derives more than 80 percent of its gross receipts from sources outside the U.S.; or (4) where it has gross receipts more than 20 percent of which is passive investment income (defined in section 1372(e)(5)(C)), except during the first 2 taxable years of active conduct of any trade or business if passive investment income is less than \$3,000. Such termination is effective for the taxable year in which any one of the foregoing occurs and for all succeeding taxable years of the corporation (section 1372(e)).

The election may be revoked for any taxable year after the first taxable year for which the election is effective. An election to revoke may be made only if all persons who are shareholders on the day on which the revocation is made consent to the revocation. The revocation is effective (1) for the taxable year in which made, if made before the close of the first month of the taxable year, or (2) for the taxable year following the taxable year in which made, if made after the close of the first month; and for all succeeding taxable years. The revocation is to be made in the manner prescribed by the regulations (1.1372-4).

Where the small business corporation has elected under section 1372(a) and the election has been terminated or revoked, the corporation is not eligible to again elect under section 1372(a) for 5 years unless the Commissioner consents to such an election.

D. Period to be covered by return.—The return shall be filed for the calendar year 1970 or other taxable year beginning in 1970. If

the return is for other than a calendar year, fill in the taxable year space at the top of the form. If the corporation liquidates or otherwise ceases to exist and this is the last return it is required to file, write "FINAL RETURN" at the top of the form.

E. When to file.—The return must be filed on or before the 15th day of the third month following the close of the taxable year. Request for automatic extension of 3 months for filing the return must be made on Form 7004. (Section 6081(b).)

F. Where to file.—

If the corporation's principal business, office, or agency is located in	Use this address
Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania, Virginia	Internal Revenue Service Center 11601 Roosevelt Boulevard Philadelphia, Pa. 19155
Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee	Internal Revenue Service Center 4800 Buford Highway Chamblee, Georgia 30006
Indiana, Kentucky, Michigan, Ohio, West Virginia	Internal Revenue Service Center Cincinnati, Ohio 45298
Arkansas, Colorado, Kansas, Louisiana, New Mexico, Oklahoma, Texas, Wyoming	Internal Revenue Service Center 3651 S. Interregional Highway Austin, Texas 78740
Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington	Internal Revenue Service Center 1160 West 1200 South Street Ogden, Utah 84405
Illinois, Iowa, Nebraska, North Dakota, South Dakota, Missouri, Minnesota, Wisconsin	Internal Revenue Service Center 2306 E. Bannister Road Kansas City, Mo. 64170
Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont	Internal Revenue Service Center 310 Lowell Street Andover, Mass. 01812

G. Depository method of payment of tax.—The balance of tax due must be paid in full when the return is filed or in two installments: 50 percent on or before the 15th day of the third month and 50 percent on or before the 15th day of the sixth month following the close of the taxable year.

All corporations must deposit their income tax payments with an authorized commercial bank depository or Federal Reserve bank. All deposits must be accompanied by Form 503 (Federal Tax Deposit, Corporation Income Taxes). Do not remit directly to Internal Revenue Service. Timeliness of deposits will be determined by the date the deposit is received by the commercial bank depository or Federal Reserve bank. However, a deposit received after the due date will be considered timely if the corporation establishes that it was mailed on or before the second day before the prescribed due date.

Corporations needing Forms 503 may obtain them by making application to the Service Center Director (or District Director). The application should include the corporation's name, identification number, address, and the taxable year to which the deposits relate.

H. Accounting methods.—Taxable income must be computed in accordance with the method of accounting regularly used in maintaining the corporation's books and records. In all cases the method adopted should clearly reflect taxable income. (See section 446.)

Unless the law specifically permits, you may not change the method of accounting used to report income in prior years (for income as a whole or for any material item) without first securing consent on Form 3115, Application for Change in Accounting Method

Rounding off to whole-dollar amounts.—

The money items on your return and accompanying schedules may be shown as whole-dollar amounts by eliminating any amount less than 50 cents and increasing any amount from 50 cents through 99 cents to the next higher dollar.

I. Certain information returns that may be required.—

Forms 1096 and 1099.—Information returns to be filed concerning certain dividends (the term "dividend" does not include any amount that is treated under section 1373 (relating to undistributed taxable income of electing small business corporations) as an amount distributed as a constructive dividend), earnings, interest, rents, royalties, annuities, pensions, foreign items; and prizes, awards, and commissions to nonemployees.

Forms 966 and 1099L.—Information returns regarding dissolution or liquidation, and distributions in liquidation.

J. Stock ownership in foreign corporations.—If you owned 5 percent or more in value of the outstanding stock of a foreign personal holding company, attach the statement required by section 551(d).

If you controlled a foreign corporation or were a 10 percent or more shareholder of a controlled foreign corporation, you may be required to file Forms 2952 and 3646.

K. Balance sheets.—The balance sheets, Schedule L, should agree with the books of account or any differences should be reconciled. All corporations reporting to the Interstate Commerce Commission or to any national, State, municipal, or other public officer, may submit, in lieu of Schedule L, copies of their balance sheets prescribed by such authorities as of the beginning and end of the taxable year.

Certificates of deposit should be included as cash on line 1 of the balance sheets.

L. Net operating loss and other deductions.—The deduction for net operating losses provided by section 172 and the Special Deductions provided in Part VIII (except section 248) of subchapter B, shall not be allowed to an electing small business corporation. (Section 1373(d).)

M. Attachments.—Attachments may be used in the preparation of your return if the lines on the form schedules are not sufficient for your needs. The attachment must contain all required information; must follow the format of the official schedules; and must be attached to the return in the same sequence as the schedules appear on the official form. If an attachment is used in place of a schedule having a summary line on page 1 of the form, the total need not be entered on the schedule, but must be entered on page 1.

Enter your name and identifying number on all attachments.

N. Signature.—The return must be signed either by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or by any other corporate officer (such as the tax officer) who is authorized to sign. A receiver, trustee, or assignee must sign any return that he is required to file on behalf of a corporation.

O. Transfers to corporation controlled by transferor.—If a person acquires stock or securities of a corporation in exchange for property, and any gain or loss is not recognized under section 351, the transferor and transferee must file with their return for the taxable year in which the exchange is consummated, the information required by section 1.351-3 of the regulations.

Specific Instructions

(Numbered to correspond with line numbers on page 1 of the return.)

1. Gross receipts.—Enter gross receipts or sales from all business operations except those required to be reported on lines 4 through 10.

If you use the installment method of reporting, enter on line 1 the gross profit on collections from installment sales and carry the same amount to line 3. Attach a schedule showing for the current and 3 preceding years: (a) Gross sales, (b) cost of goods sold, (c) gross profits, (d) percentage of gross profits to gross sales, (e) amount collected, and (f) gross profit on amount collected.

2. Cost of goods sold.—If the production, manufacture, purchase, or sale of merchandise is an income-determining factor in the trade or business, inventories of merchandise on hand should be taken at the beginning and end of the taxable year, and may be valued at cost, lower of cost or market, or by any other permissible method.

Once an inventory method is adopted, it may not be changed without permission. Application for permission to change must be made on Form 3115 within 90 days after the beginning of the taxable year in which it is desired to make the change.

A corporation electing to use the last-in, first-out method of valuing inventory provided in section 472 must file Form 970 with the return for the first year of the election. Thereafter, attach a separate schedule showing (1) a summary of all inventories, and (2) with respect to any inventories computed under section 472, the computation of the quantities and cost by acquisition levels.

6. Other interest.—Enter interest on loans, notes, mortgages, bonds, bank deposits, corporate bonds, etc. See section 171 for amortizable bond premiums.

7. Gross rents.—Enter the gross amount received for the rent of property. Any expenses, including repairs, interest, taxes, and depreciation should be included in the proper lines for deductions.

9. Sales or exchanges of capital assets and other property.—See separate Schedule D and Instructions.

If line 9(b) exceeds \$25,000, see instructions for Schedule J—Tax Computation.

10. Other income.—Enter the total amount of other income not reported elsewhere in the return and attach a schedule showing details if spaces provided are not sufficient. Include recoveries of bad debts deducted in prior years under the specific charge-off method.

12. Compensation of officers.—Expense account allowance (column 7) means: (1) amounts, other than compensation, received as advances or reimbursements, and (2) amounts paid by or for the corporation, for expenses incurred by or on behalf of an officer.

Column 7 of Schedule E is to be completed for your 25 highest paid officers. To determine the highest paid, all allowances (including expense account) must be added to each officer's compensation. It need not be completed for any officer where the combined amount is less than \$10,000. An officer is one who is elected or appointed to office, or designated as such in the charter or bylaws such as regular officer, chairman of the board, etc.

14. Repairs.—Enter the cost of incidental repairs, including labor, supplies, and other items, that do not add to the value, or appreciably prolong the life, of the property.

15. Bad debts.—Bad debts may be treated in either of two ways—(1) as a deduction for debts which become worthless in whole or in part, or (2) as a deduction for a reasonable addition to a reserve for bad debts. (Section 166.)

Application for permission to change the method of computing bad debts must be made on Form 3115 within 90 days after the beginning of the taxable year for which it is desired to make the change.

17. Taxes.—Enter taxes paid or accrued during the taxable year and attach a schedule showing the type and amount of tax.

18. Interest.—Enter interest paid or accrued on business indebtedness. Do not include interest on indebtedness incurred or continued to purchase or carry obligations, the interest on which is wholly exempt from income tax. (Section 265.)

See section 267 for limitation on deductions for unpaid expenses and interest in the case of transactions between related taxpayers.

19. Contributions.—Enter contributions or gifts actually paid within the taxable year to or for the use of organizations and governmental bodies as set forth in section 170(c).

The amount claimed shall not exceed 5 percent of taxable income computed without regard to this deduction. Charitable contributions in excess of the 5% limitation may not be deducted for the taxable year but may be carried over to the 5 succeeding taxable years.

Corporations on the accrual basis may elect to deduct contributions paid on or before the 15th day of the 3d month following the close of the taxable year if the contributions are authorized by the board of directors during the taxable year. A declaration, signed by an officer, must be attached to the return stating that the resolution authorizing the contribution was adopted by the board of directors.

Attach a schedule showing the name of each organization and the amount paid. If a contribution is made in property other than money, state the kind of property contributed and the method used in determining its fair market value. If a contribution carryover is included, show the amount and how the carryover was determined.

Special rule for contributions of certain property.—In the case of a charitable contribution of property, the contribution must be reduced by the sum of

- (1) the ordinary income and
- (2) in the case of certain contributions, 62½% of the long-term capital gain, that would have resulted if the property were sold at its fair market value. The reduction for 62½% of the long-term capital gain applies to (1) contributions of tangible personal property for use by an exempt organization for a purpose or function unrelated to the basis for its exemption, and (2) contributions of any property to or for the use of certain private foundations. (Section 170(e).)

Bargain sale to a charitable organization.—If a charitable contribution deduction is allowed by reason of a sale of property to a charitable organization, the adjusted basis for determining gain from the sale is an amount which is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property.

20. Amortization.—If a deduction is claimed for amortization, attach a detailed statement. The law makes special provisions for amortization of the following kinds of expenditures:

- (a) Pollution control facilities—section 169;
- (b) research and experimental—section 174;
- (c) trademark and trade name—section 177;
- (d) organizational—section 248; (e) exploration—section 615; and (f) development—section 616.

21. Depreciation.—If a deduction is claimed for depreciation of property, leasehold improvements, patents, or copyrights, fill in Schedule G. If additional space is required, Form 4562, Depreciation, may be used as a supplement to Schedule G.

For real property, salvage value must be taken into account in determining the depreciation deduction (except under the declining balance method); and for personal property, to the extent it exceeds 10 percent of the cost or other basis of the property.

Alternative depreciation guidelines and rules.—Revenue Procedure 62-21, supplemented by Revenue Procedure 65-13, sets forth alternative standards and procedures for determining depreciation. Taxpayers who wish to use these provisions must use them for all assets in a particular guideline class.

Tangible property other than real property.—Tangible personal property, whether new or used, may be depreciated under the straight line method or the 150% declining balance method.

New tangible property with a useful life of 3 years or more may also be depreciated under (1) the double declining balance method, (2) the sum of the years-digits method, and (3) any other method that does not result in accumulated allowances at the end of any year (during the first two-thirds useful life of the property) greater than the total that could have been deducted if the double declining balance method had been used.

New section 1250 property.—The double declining balance and sum of the years-digits methods may not be used except for (1) new residential rental property (from which at least 80% of the gross rental income is derived from rental of residential units), (2) other new real property acquired before July 25, 1969, and (3) new real property placed in service after July 24, 1969, if construction, acquisition, or permanent financing arrangements were entered into before July 25, 1969. Other new real property acquired after July 24, 1969, may be depre-

ciated under the straight line or 150% declining balance methods.

Used section 1250 property.—Used residential rental property acquired after July 24, 1969, with a useful life of 20 years or more may be depreciated under the 125% declining balance method. In the case of used real property acquired before July 25, 1969, or used real property acquired after July 24, 1969, pursuant to a written contract entered into before July 25, 1969, for the acquisition of such property or for the permanent financing thereof, depreciation is limited to the 150% declining balance method. Other used real property acquired after July 24, 1969, may be depreciated under the straight line method.

Rehabilitation expenditures for low-income rental housing.—An election may be made to depreciate property attributable to rehabilitation expenditures for low-income rental housing incurred after July 24, 1969. Such depreciation may be claimed under the straight line method using a useful life of 60 months. For details, see section 167(k).

Section 179—Additional first-year depreciation allowance.—For the first year a depreciation deduction is allowable, corporations may elect to write off 20 percent of the cost (before adjustment for salvage value) of tangible personal property (whether new or used) with a useful life of 5 years or more, up to an aggregate cost of \$10,000.

Controlled corporate groups must apportion this \$10,000 amount among members of the groups. For this purpose, section 179 (d)(7) provides a special definition of controlled groups.

Total additional first-year depreciation must be shown on line 1 of the depreciation schedule.

If a taxpayer elects to claim the additional first-year allowance under section 179, the basis of the property must be reduced by the amount of the deduction and salvage value when computing ordinary depreciation.

22. Depletion.—The percentage depletion rate for oil and gas wells is 22%. See section 613(b) for rates applicable to other natural deposits.

Submit Form T with your return if a deduction for timber depletion is claimed.

25. Other employee benefit plans.—Enter deductions for contributions to employee benefit plans (other than those claimed on line 24), such as insurance, health, or welfare plans. Submit with the return a schedule for each plan showing: (1) the nature of benefits, i.e., group-term life insurance, group permanent life insurance, noninsured death benefit, hospitalization, surgical, medical, sickness, accident, major medical expense, unemployment benefit, or other welfare benefits; (2) method of financing, i.e., insured, industry or areawide fund, self-insured fund, or direct benefit payments; (3) the amount of deductions; (4) the amount of employee contributions; (5) the number of employees covered; and (6) if a self-insured plan, the amount of benefits paid during the taxable year. Also show the number of employees employed by the corporation.

26. Other deductions.—Enter any other authorized deductions for which no space is provided on the return and attach a schedule.

No deduction is allowable for any amount allocable to a class of exempt income other than exempt interest income. A taxpayer receiving any such exempt income or holding any property or engaging in any activity the income from which is exempt, shall submit with its return a statement showing (1) the amount of each class of exempt income, and (2) the amount of expense items allocated to each such class (show separately the amount allocated by apportionment).

30. Minimum Tax on tax preference items.—Electing small business corporations are subject to the minimum tax only with respect to the capital gains item of tax preference and only to the extent of such gains that are subject to the tax imposed by section 1378. All other items of tax preference, excluding capital gains, shall be apportioned among the shareholders in a manner consistent with section 1374(c)(1). The capital gains are excluded from the apportionment since such gains are actually passed through to the shareholders and includable in their income to the extent

provided under the rules in section 1375(a) and will thus enter into the computation of the shareholders' capital gains tax preference (See item 11 of Schedule K, Form 1120S.)

The tax preference items of each shareholder, after deducting a \$30,000 exemption and the amount of taxes imposed for the year, are taxed at a 10% rate.

If the electing small business corporation has the tax preference item of capital gains, it must attach Form 4626, Computation of Minimum Tax, to its return whether or not the minimum tax applies.

32. Credits.—Section 39 provides a credit for Federal excise tax on: (1) gasoline used (a) on a farm for farming purposes, (b) other than as fuel in a highway vehicle, and (c) in vehicles while engaged in furnishing certain public passenger land transportation service; (2) lubricating oil used other than in a highway motor vehicle; and (3) special fuels used after June 30, 1970 (a) on a farm for farming purposes, (b) in vehicles while engaged in furnishing certain public passenger land transportation service, and (c) for nontaxable uses.

Enter the credit for U.S. tax on such special fuels, gasoline and lubricating oil on line 32(b) and attach Form 4136. If there is no tax due on line 31, the entire credit will be refunded to the corporation.

SCHEDULE J—Tax Computation

Section 1378 imposes a tax on certain capital gains of an electing small business corporation. This tax does not apply to sales or exchanges occurring before February 24, 1966. By answering the following questions, you can determine if you are liable for the tax. If net long-term capital gain reduced by any net short-term capital loss (line 9(b), page 1) exceeds \$25,000 and you are not liable for the tax, attach an explanation as to the reason this tax does not apply. (This page may be used for purposes of the attached explanation.)

If the answers to the following Questions A, B, and C or Questions A, B, and D are "Yes," the tax on certain capital gains imposed by section 1378 is applicable and you must complete Schedule J—Tax Computation on page 2. Otherwise, you are not liable for the tax.

A. Does taxable income, line 28, page 1, exceed \$25,000? Yes No

B. Does net long-term capital gain reduced by any net short-term capital loss (line 9(b), page 1) exceed \$25,000, and exceed 50 percent of taxable income (line 28, page 1)? Yes No

C. Have you been other than an 1120S corporation at any time during the 3 immediately preceding taxable years or since existence if less than 4 years? Yes No

D. If answer to Question C is "No," does any long-term capital gain (line 4, Schedule D) represent gain from property described in items 1, 2, and 3 below? Yes No

1. Property acquired during the taxable year or within 36 months preceding the taxable year;

2. Property acquired, directly or indirectly, from a corporation which was not in existence as an 1120S corporation during the taxable year or within 36 months preceding the taxable year up to the time of the acquisition; and

3. Property having a substituted basis to you?

If the answer to Question D is "Yes," and the tax is applicable, compute 28 percent of the excess of the net long-term capital gain over the net short-term capital loss attributable to property described in Question D. If this amount is less than the tax on line 2 or line 6, Schedule J, attach this computation to the return. Enter this amount on line 7 and note to the left of the amount, "Sub. Basis." (Section 1378(c)(3).)

In applying the provisions of section 1201 (a) to line 5, Schedule J, the \$25,000 limitation on line 4 shall first be deducted from the amount subject to tax in accordance with section 1201(a)(1)(B) to the extent thereof; and then from the amount subject to tax in accordance with section 1201(a)(1)(A). (Section 1378(b).)

Capital gains tax.—The capital gains tax rate for electing small business corporations has been increased from 25% to 30% over a two-year period. For taxable years beginning in

1970, the rate is 28%; for taxable years beginning after 1970, the rate is 30%. (However, the 25% rate still applies in certain situations—see section 1201(d).)

Because of the effective date of the change in rate to 30%, electing small business corporations with fiscal years that end in 1971 must prorate the capital gains tax for their taxable year based on the number of days in the taxable year during which each rate is in effect. For example, if an electing small business corporation's fiscal year begins on August 1, 1970 and ends on July 31, 1971, the capital gains tax would be computed as follows:

$$\left(\text{line 5} \times 28\% \times \frac{153}{365} \right) + \left(\text{line 5} \times 30\% \times \frac{212}{365} \right)$$

For purposes of Questions C and D above, a corporation shall not be considered to be in existence for any taxable year that precedes the first taxable year in which the corporation has shareholders, acquires assets, or begins business, whichever is first to occur.

If a corporation is a component member of a controlled group of corporations, see sections 1561–1562 and the regulations thereunder to determine the surtax exemption and tax computation for line 2, Schedule J. Show the computation in an attachment and enter the amount of such tax on line 2, Schedule J.

Tax Surcharge.—The tax surcharge is 5% for the period beginning January 1, 1970, and ending June 30, 1970.

The rate for the calendar year 1970, therefore, is 2½%.

Since the surcharge expired June 30, 1970, corporations with taxable years beginning after that date will have no surcharge.

Fiscal year corporations with taxable years beginning before July 1, 1970, enter the amount of tax surcharge on line 29(b), page 1, determined as follows:

$$\frac{\text{Amount on line 29(a)} \times 5\% \times \text{Number of days in taxable year before 7/1/70}}{\text{Number of days in taxable year}}$$

SCHEDULE K—Shareholders' Shares of Income

The Schedule of Distribution and Income should show complete information with respect to all the persons who were shareholders of the corporation during any portion of the taxable year. Under the tax treatment provided by Subchapter S, shareholders generally are taxable upon their distributive shares of the current taxable income of the corporation, whether or not actually distributed. Since each shareholder is required to include his share in his individual return, he should be furnished the information applicable to him.

Column 2.—If the number of shares owned by a shareholder changed during the year, show separately the number of shares held for each period.

Line 6.—A shareholder's portion of the undistributed taxable income is the amount which he would have received as a dividend if such income had been distributed pro rata to the shareholders on the last day of the corporation's taxable year. A dividend distribution of property other than money may cause the corporation's undistributed taxable income (line 3) to exceed the total of line 6.

In the case of a net operating loss for the taxable year, enter on line 6 for each shareholder who was a shareholder at any time during the corporation's taxable year, his pro rata share of the loss.

Shareholders claiming a deduction for a net operating loss must attach to their return a computation of the adjusted basis of their stock in the corporation and the adjusted basis of any indebtedness of the corporation to the shareholders. See sections 1374 and 1376 and the regulations thereunder for limitation on deduction and required adjustments.

Line 7.—Enter for each shareholder his net pro rata share of the corporation's excess of net long-term capital gain over net short-term capital loss (line 9(b), page 1) reduced by capital gains tax (line 31, page 1). Each shareholder is entitled to treat as long-term capital gain a portion of the sum of the dividends he received plus his share of the constructive dividends derived from the undistributed taxable income. A shareholder's portion is determined by applying to such excess the same ratio that the amount of his divi-

dends (actual and constructive), which are out of earnings and profits of the current year, bears to the total dividends (actual and constructive) includable by all shareholders from the same source. In making the allocation, the excess of net long-term capital gain over net short-term capital loss (line 9(b), page 1) cannot exceed taxable income (line 28, page 1). The amount entered here should be reported on Schedule D of his individual income tax return as a long-term capital gain from an "electing small business corporation."

Line 8.—Of the amounts includable in the gross income of a shareholder as dividends from an electing small business corporation, only those that are not considered to be out of the earnings and profits of the taxable year are entitled to the dividends-received exclusion. For purposes of this rule the earnings and profits of the taxable year are deemed not to exceed the taxable income for the year. The dividends entitled to the exclusion would include, for example, dividends paid out of accumulated earnings and profits. The amounts shown on this line should be included by the shareholders in line 13(a) of their individual income tax returns, Forms 1040.

Line 9.—Enter for each shareholder the sum of the dividends actually distributed (line 5) and the constructive dividends derived from undistributed taxable income (line 6), less the sum of the amount treated as long-term capital gain (line 7) and the amount of dividends entitled to the dividends-received exclusion (line 8). The amounts shown on this line should be entered by the shareholders as ordinary income in Schedule E (Forms 1040).

Line 10.—Enter for each shareholder the amount of each distribution of money and property not out of earnings and profits. For taxable years after the first taxable year to which the election applies, include any distribution of accumulated undistributed taxable income. See section 1375(d).

Distributions of money made within 2 months and 15 days after the close of the taxable year shall be treated as nondividend distributions of such year's undistributed taxable income to the extent they do not exceed the shareholders' shares of undistributed taxable income for such year (section 1375(f)).

Line 11.—Enter the amount of each shareholder's distributive share of tax preference items. (See instruction 30.) These amounts are to be taken into account by the shareholder along with similar items of tax preference from all other sources in preparing Form 4625, computation of minimum tax. Whether or not a tax preference item of excess investment interest exists at the corporate level, the three elements taken into account in computing excess investment interest shall be distributed to the shareholders and taken into account in their computation of excess investment interest.

Investment credit.—The corporation shall attach to its return a statement showing the allocation of investment to the shareholders by the type of property (new or used), life years, and the cost or basis of the property. For additional information and limitations, see instructions for Form 3468.

Shareholders are allowed a tax credit on their individual returns for their allocated portion of the investment in certain depreciable property by the small business corporation and must attach Form 3468 to their individual returns.

See sec. 1.47–4 of the regs. for provisions relating to the tax from recomputing a prior year investment credit. See Form 4255.

Tax Guide for Small Business (Publication 334) contains answers to most questions which arise if you start, operate, or dispose of a business. Explanations and examples are provided to illustrate the application of Federal income, excise, social security, and withholding taxes to sole proprietorships, partnerships, and corporations. This booklet may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or from your District Director, for 75 cents.

Codes for Principal Business Activity and Principal Product or Service

These industry titles and definitions are based on the Standard Enterprise Classification system developed by the Office of Management and Budget, Executive Office of the President, to classify enterprises by type of activity in which engaged. The system follows closely the Standard Industrial Classification used to classify establishments.

Using the list below, enter on page 1, under B, the code for the specific industry group from which the largest percentage of "total

receipts" is derived. "Total receipts" means gross receipts (line 1, page 1) plus all other income (lines 4 through 10, page 1). On page 3, under J, state the principal business activity and principal product or service which account for the largest percentage of total receipts. For example, if the principal business activity is "Grain mill products," the principal product or service may be "Cereal preparations."

AGRICULTURE, FORESTRY, and FISHERIES

Code
0110 Farms.
0120 Agricultural services and hunting and trapping.
0130 Forestry and forestry services.
0140 Fisheries.

MINING

Metal mining:
1010 Iron ores.
1020 Copper, lead and zinc, gold and silver ores.
1098 Other metal mining.
1100 Anthracite and bituminous coal and lignite mining.
Crude petroleum and natural gas:
1310 Crude petroleum, natural gas, and natural gas liquids.
1380 Oil and gas field services.
Nonmetallic minerals (except fuels) mining:
1410 Stone, sand, and gravel.
1498 Other nonmetallic minerals, except fuels.

CONTRACT CONSTRUCTION

General contractors:
1510 Building construction.
1520 Highway and street construction, and other heavy construction.
Special trade contractors:
1531 Plumbing, heating, and air conditioning.
1532 Electrical work.
1538 Other special trade contractors.

MANUFACTURING

Food and kindred products:
2010 Meat products.
2020 Dairy products.
2030 Canning and preserving fruits, vegetables, and sea foods.
2040 Grain mill products.
2050 Bakery products.
2060 Sugar.
2070 Confectionery and related products.
2082 Malt liquors and malt.
2084 Wines, brandy, and brandy spirits.
2085 Distilled, rectified, and blended liquors.
2086 Soft drinks, flavoring extracts, and syrups.
2091 Vegetable oil mills, and animal, marine, and edible fats and oils.
2098 Other food and kindred products.
2100 Tobacco manufactures.
Textile mill products:
2211 Broad woven fabric mills, cotton.
2212 Broad woven fabric mills, man made fiber and silk.
2213 Dyeing and finishing, except wool and knit goods.
2220 Broad woven fabric mills, wool including dyeing and finishing.
2250 Knitting mills.
2270 Carpets and rugs.
2280 Yarn and thread mills.
2291 Narrow fabrics.
2298 Other textile mill products.
Apparel and other fabricated textile products:
2310 Men's and boys' clothing.
2330 Women's, children's, and infants' clothing.
2380 Hats, caps, millinery, fur goods, and other apparel and accessories.
2398 Other fabricated textile products.
Lumber and wood products, except furniture:
2410 Logging camps and logging contractors, sawmills, and planing mills.
2430 Millwork, veneers, plywood, and pre-fabricated structural wood products.
2498 Wooden containers and other wood products.
Furniture and fixtures:
2510 Household furniture.
2590 Furniture and fixtures, except household furniture.
Paper and allied products:
2611 Pulp mills.
2614 Paper, paperboard, building paper, and building board mills.
2640 Converted paper and paperboard products except containers.
2650 Paperboard boxes and containers.
Printing, publishing, and allied industries:
2711 Newspapers publishing, publishing and printing.
2712 Periodicals publishing, publishing and printing.
2715 Books publishing and printing; greeting cards; miscellaneous publishing.

Code
2720 Commercial printing, including multi-colored business forms.
2780 Bookbinding, related industries, and printing trade services.
Chemicals and allied products:
2811 Industrial inorganic and organic chemicals.
2812 Plastics materials, synthetic resins, synthetic rubber, and man made fibers, except glass.
2830 Drugs.
2841 Soap, detergents, and cleaning preparations.
2842 Perfumes, cosmetics, and other toilet preparations.
2850 Paints and allied products.
2870 Fertilizers and other agricultural chemicals.
2898 Other chemical products, including gum and wood products.
Petroleum refining and related industries:
2911 Petroleum refining without extraction.
2912 Integrated petroleum refining and extraction.
2998 Paving and roofing materials, and other products of petroleum and coal.
Rubber and miscellaneous plastics products:
3010 Tires and inner tubes.
3020 Rubber footwear, reclaimed rubber, and other fabricated rubber products.
3098 Miscellaneous plastics products.
Leather and leather products:
3140 Footwear, except rubber.
3198 Leather tanning and finishing, and other leather products.
Stone, clay, and glass products:
3210 Glass and glass products.
3240 Cement, hydraulic.
3250 Structural clay products.
3260 Pottery and related products.
3270 Concrete, gypsum, and plaster products.
3298 Cut stone and stone products, and abrasive, asbestos, and other non-metallic mineral products.
Primary metal industries:
3310 Blast furnaces, steel works, and iron and steel foundries and forgings.
3330 Nonferrous metals smelting, refining, rolling, drawing, and alloying, including foundries and forgings.
3398 Other primary metal industries.
Fabricated metal products, except machinery and transportation equipment:
3410 Metal cans.
3420 Cutlery, hand tools, and general hand ware.
3430 Heating apparatus (except electric) and plumbing fixtures.
3440 Fabricated structural metal products.
3450 Screw machine products, and bolts, nuts, screws, rivets, and washers.
3461 Metal stampings.
3462 Metal coating and engraving.
3498 Fabricated wire products and other fabricated metal products.
Machinery, except electrical:
3510 Engines and turbines.
3520 Farm machinery and equipment.
3530 Construction, mining, and materials handling machinery and equipment.
3540 Metalworking machinery and equipment.
3550 Special industry machinery and equipment, except metalworking.
3560 General industrial machinery and equipment.
3570 Office, computing, and accounting machines.
3580 Service industry machines.
3598 Other machinery, except electrical.
Electrical machinery, equipment, and supplies:
3611 Electrical transmission and distribution equipment.
3612 Electrical industrial apparatus.
3630 Household appliances.
3650 Radio and television receiving sets, except communication types.
3661 Communication equipment.
3662 Electronic components and accessories.
3691 Electric lighting and wiring equipment, except insulated wire.
3698 Other electrical machinery, equipment, and supplies.

Code
Transportation equipment:
3711 Motor vehicles; passenger car, truck, and bus bodies, and truck trailers.
3714 Motor vehicle parts and accessories.
3721 Aircraft, and complete guided missiles and space vehicles.
3722 Aircraft parts, and guided missile and space vehicle subassemblies.
3730 Ship and boat building and repair.
3791 Railroad equipment, including street cars.
3798 Motorcycles, bicycles, and parts, and other transportation equipment.
Scientific instruments; photographic equipment; watches and clocks:
3810 Scientific and mechanical measuring instruments.
3830 Optical, medical, and ophthalmic goods.
3860 Photographic equipment and supplies.
3870 Watches and clocks.
Miscellaneous manufacturing industries, including ordnance and accessories:
3910 Jewelry, silverware, and plated ware.
3920 Toys and sporting goods.
3930 Ordnance, except guided missiles.
3991 Costume jewelry.
3998 Musical instruments, office and artists' materials, and other manufacturing industries.

TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS, and SANITARY SERVICES

Transportation:
4011 Railroad transportation, terminals, and related services.
4020 Local, suburban, and intercity passenger transportation, including taxicabs and school buses.
4030 Motor freight transportation and warehousing.
4040 Water transportation.
4050 Air transportation.
4060 Pipe line transportation.
4098 Other transportation services.
Communication services:
4810 Telephone communications (wire or radio).
4820 Telegraph communications (wire or radio).
4830 Radio and television broadcasting.
4898 Other communication services.
Electric, gas, and sanitary services:
4910 Electric companies and systems (95 percent or more).
4920 Gas companies and systems (95 percent or more).
4930 Combination companies and systems—gas, electric, or other services.
4940 Water supply and other sanitary services.

WHOLESALE TRADE

5010 Motor vehicles and automotive equipment.
5020 Drugs, chemicals, and paints.
5030 Dry goods and apparel.
5047 Meat and meat products.
5048 Poultry and poultry products, fish and sea foods, and other groceries and related products.
5050 Farm products—raw materials.
5060 Electrical goods.
5070 Hardware, and plumbing and heating equipment and supplies.
5080 Machinery, equipment, and supplies.
5091 Metals and minerals, except petroleum products and scrap.
5092 Petroleum and petroleum products.
5095 Beer, wine, and distilled alcoholic beverages.
5096 Paper and its products.
5097 Lumber and construction materials.
5098 Other wholesale trade.

RETAIL TRADE

Building materials, hardware, and farm equipment:
5211 Building materials.
5215 Hardware stores.
5216 Farm equipment dealers.
General merchandise stores:
5221 Department stores.
5222 Variety stores.
5223 Mail order houses.
5228 Other general merchandise stores.
5230 Food stores.
Automotive dealers and gasoline service stations:
5241 Automobile and truck dealers.
5243 Gasoline service stations.

Code
5248 Tire, battery, and accessory dealers, and miscellaneous aircraft, marine, and automotive dealers.

Other retail stores:

5250 Apparel and accessories.
5260 Furniture, home furnishings, and equipment stores.
5270 Eating and drinking places.
5291 Drug stores and proprietary stores.
5292 Liquor stores.
5293 Jewelry stores.
5298 Sporting goods and secondhand stores, farm and garden supply, fuel and ice dealers, and other retail stores.

FINANCE, INSURANCE, and REAL ESTATE

Banks and trust companies:
6011 Mutual savings banks.
6012 Banks and trust companies, except mutual savings banks.

Credit agencies other than banks:
6021 Savings and loan, building and loan associations.
6022 Personal credit agencies.
6025 Business credit agencies.
6028 Loan correspondents and brokers, and other credit agencies.

Security and commodity brokers, dealers, exchanges and services:

6033 Security brokers, dealers, and flotation companies.
6038 Commodity brokers and dealers, securities and commodity exchanges, and allied services.

Holding and other investment companies:

6042 Regulated investment companies.
6043 Real estate investment trusts, 1960 Act.
6044 Small business investment companies, 1958 Act.
6048 Other holding and investment companies.

Insurance:

6055 Life insurance.
6056 Mutual insurance, except life or marine, and certain fire or flood insurance companies.
6058 Other insurance companies.
6060 Insurance agents, brokers, and service.

Real estate:

6510 Real estate operators (except developers) and lessors of buildings.
6521 Lessors of mining, oil, and similar property.
6522 Lessors of railroad property.
6528 Lessors of real property other than buildings, not elsewhere classified.
6550 Subdividers, developers, and operative builders.
6591 Agents, brokers, and managers.
6592 Title abstract companies.
6593 Combinations of real estate, insurance, loans, and law offices.

SERVICES

Hotels, camps, and other lodging places:
7013 Tourist courts and motels.
7018 Hotels and other lodging places, except tourist courts and motels.

Personal services:

7210 Laundries, laundry services, cleaning and dyeing plants.
7220 Photographic studios, including commercial photography.
7298 Beauty, barber, shoe repair, and pressing shops, funeral, and other personal services.

Business services:

7310 Advertising.
7398 Credit reporting and employment agencies, news syndicates, duplicating, mailing, stenographic, building, and other business services.

Automobile and other repair services:

7510 Automobile parking, repair, and services.
7550 Repair services, except automobile.

Motion pictures:

7810 Motion picture production, distribution, and related services.
7830 Motion picture theaters.
7900 Amusement and recreational services, except motion pictures.
8011 Offices of physicians and surgeons.
8019 Other medical services.
8020 Educational services.
8030 Legal services.
8098 Services not elsewhere classified.

SCHEDULE D (Form 1120S) Department of the Treasury Internal Revenue Service

Sales or Exchanges of Property

For calendar year 1970 or other taxable year beginning ... 1970, and ending ... 19

1970

Name

Employer identification number

Part I Capital Assets—Short-term Capital Gains and Losses—Assets Held Not More Than 6 Months

Table with 7 columns: a. Kind of property (if necessary, attach description), b. Date acquired (mo., day, yr.), c. Date sold (mo., day, yr.), d. Gross sales price, e. Depreciation allowed (or allowable), f. Cost or other basis and expense of sale, g. Gain or loss (d plus e less f). Includes lines 1, 2, and 3.

Long-term Capital Gains and Losses—Assets Held More Than 6 Months

Table with 7 columns: a. Kind of property (if necessary, attach description), b. Date acquired (mo., day, yr.), c. Date sold (mo., day, yr.), d. Gross sales price, e. Depreciation allowed (or allowable), f. Cost or other basis and expense of sale, g. Gain or loss (d plus e less f). Includes line 4 and 5.

Part II Ordinary Gains and Losses

Table with 7 columns: a. Kind of property (if necessary, attach description), b. Date acquired (mo., day, yr.), c. Date sold (mo., day, yr.), d. Gross sales price, e. Depreciation allowed (or allowable), f. Cost or other basis and expense of sale, g. Gain or loss (d plus e less f). Includes line 6 and 7.

Part III Summary of Schedule D Gains and Losses

Summary table with 2 columns: 8 Excess net short-term capital gain (line 3) over net long-term capital loss (line 5). Enter here and on line 9(a), page 1, Form 1120S. 9 Excess net long-term capital gain (line 5) over net short-term capital loss (line 3). Enter here and on line 9(b), page 1, Form 1120S.

Part IV Gain from Disposition of Depreciable Property and Certain Real Property Held More Than 6 Months. (Section 1245) (Report gain from disposition of other depreciable real property in Part V.)

Table with 6 columns: a. Kind of property (if necessary, attach description), b. Date acquired (mo., day, yr.), c. Date sold (mo., day, yr.), d. Gross sales price, e. Cost or other basis and expense of sale, f. Total depreciation allowed (or allowable), g. Adjusted basis (e less f), h. Total gain (d less g), i. Depreciation allowed (or allowable) after applicable date (see instructions), j. Ordinary gain (lesser of h or i), k. Other gain (h less j). Includes lines 10, 11, and 12.

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Page 2

Part V Gain from Disposition of Depreciable Real Property Held More Than 6 Months. (Section 1250)
(If held 1 year or less, see instructions for columns i and j.)

Table with 5 columns: a. Kind of property (if necessary, attach description), b. Date acquired (mo., day, yr.), c. Date sold (mo., day, yr.), d. Gross sales price, e. Cost or other basis and expense of sale. Row 13 is pre-filled.

Table with 5 columns: f. Total depreciation allowed (or allowable), g. Adjusted basis (e less f), h. Total gain (d less g), Additional depreciation (See instructions) with sub-columns i. After 12/31/63 and before 1/1/70, j. After 12/31/69, k. Enter column h or column j, whichever is lesser.

Table with 6 columns: l. Column k times applicable percentage (see instr.), m. Enter excess, if any, of h over j, n. Enter i or m, whichever is lesser, o. Column n times applicable percentage (see instr.), p. Ordinary gain (l plus o), q. Other gain (h less p).

14 Total ordinary gain. Enter here and on line 6, and identify as gain from line 14.
15 Total other gain. Enter here and on line 16 and identify as gain from Part V. (If this amount includes any gain from casualty or theft, see instructions.)

Part VI Sale or Exchange of Property Used in Trade or Business and Involuntary Conversions (Section 1231)

Table with 7 columns: a. Kind of property (if necessary, attach description), b. Date acquired (mo., day, yr.), c. Date sold (mo., day, yr.), d. Gross sales price, e. Depreciation allowed (or allowable), f. Cost or other basis and expense of sale, g. Gain or loss (d plus e less f). Row 16 is pre-filled.

17 Total (If gain, enter on line 4; if loss, enter on line 6. Identify as gain or loss from Part VI.)

Department of the Treasury



Internal Revenue Service

Instructions for Schedule D (Form 1120S)—1970

(References are to the Internal Revenue Code)

Every sale or exchange of property must be reported in detail even though no gain or loss is indicated.

In general, all or part of the gain on a disposition of property may be required to be reported as ordinary income under the provisions of sections 1245, 1250 (see Parts IV and V), 1251 and 1252. The remainder of the gain may or may not be subject to capital gain treatment depending on the circumstances.

New Rules for Dispositions of Farm Property and Certain Involuntary Conversions

(1) Farm Property.—Refer to sections 1251 and 1252 for the treatment of gains on disposition of certain farm property.

(a) Gain from disposition of farm property which is both section 1251 and section 1245 property must first be entered in Part IV. Before any of the remaining gain from such property from Part IV can be considered for purposes of section 1231 (Part VI), the gain must first be subject to the ordinary income rules applicable to farm recapture property under section 1251.

(b) Gain from disposition of farm land must first be subject to the ordinary income rules under sections 1251 and 1252 before being considered for purposes of section 1231.

Attach a statement showing the computation of gains on dispositions of farm property subject to the provisions of sections 1251 and 1252. Enter in Part II the ordinary income resulting from such dispositions and in Part VI the other gain.

(2) Involuntary Conversions.—

(a) If gains from involuntary conversions arising from casualty or theft of property used in a trade or business or of any capital asset held more than six months equal or exceed the losses, the gains and losses are to be entered in Part VI and treated as section 1231 property. If the losses from such involuntary conversions exceed the gains, the gains and losses are to be entered in Part II and treated as ordi-

nary gains and losses. This applies to both insured and uninsured property.

(b) Gains from such involuntary conversions of property which is also section 1245 or 1250 property must first be reported in Part IV or Part V to determine how much gain is ordinary income. Any remaining gain (line 12, Part IV, or line 15, Part V) is included in the separate computation described in the above paragraph. However, if the section 1245 property is also farm property that is subject to the provisions of section 1251, such remaining gain (line 12, Part IV) is subject to the rules in paragraph (1)(a) above before the application of the rule for involuntary conversions.

PART I

Capital Assets.—Each item of property held by the corporation (whether or not connected with its trade or business) is a capital asset except: (1) inventoriable assets or property held primarily for sale to customers; (2) depreciable or real property used in the trade or business; (3) certain copyrights, literary, musical, or artistic compositions, letters or memorandums, or similar property; (4) accounts or notes receivable acquired in the ordinary course of trade or business for services rendered or from the sale of property described in (1) above; and (5) certain short-term Federal, State, and municipal obligations issued on or after March 1, 1941, on a discount basis.

For special rules applicable to capital gains of Small Business Corporations, see section 1.1375-1 of the regulations.

Capital Losses.—Capital losses are allowed only to the extent of capital gains. A net capital loss, however, may be carried forward as a short-term capital loss for 5 years (10 years to the extent the loss is attributable to a foreign expropriation loss) or until exhausted, whichever comes first.

Description of Property Sold or Exchanged.—Describe each property sold or exchanged and include:

(a) For real estate: location and description of land, description of improvements, and details explaining depreciation; (b) for bonds or other evidences of indebtedness: name of issuing corporation, description of the particular issue, denomination, and amount; and (c) for stocks: name of issuing corporation, class of stock, number of shares, and capital changes affecting basis.

Short Sales of Capital Assets.—For rules relating to certain short sales of stock or other securities and transactions in commodity futures, see section 1233.

Worthless Securities.—Except for banks, if securities which are capital as-

sets become wholly worthless during the taxable year, the loss is to be treated as a capital loss as of the last day of the taxable year.

Losses Not Allowable.—No loss is allowed for wash sales of stock or securities. (See section 1091.) No loss is allowed (distributions in liquidation excepted) on transactions between related persons. (See section 267.)

Basis.—In determining gain or loss, the basis of property will generally be its cost. If property was acquired by bequest, gift, tax free exchange, involuntary conversion, or wash sale of stock, see sections 1014, 1015, 1031, 1033, and 1091, respectively. Attach an explanation if the basis used is other than actual cash cost of the property.

If a charitable contribution deduction is allowed by reason of a sale of property to a charitable organization, the adjusted basis for determining gain from the sale is an amount which is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property.

PART II

Ordinary Gains and Losses.—Include gains and losses from disposition or involuntary conversion of land and depreciable property held six months or less and gains and losses from compulsory or involuntary conversion of capital assets held six months or less. For livestock—see section 1231 for longer holding period.

If after grouping all section 1231 transactions the losses exceed the gains, report the net loss in Part II as an ordinary loss.

If losses from involuntary conversions arising from casualty or theft of property used in a trade or business (as defined in section 1231) or of any capital asset held more than six months exceed the gains, enter such gains and losses in Part II as ordinary gains and losses.

Gain on Sale by a Controlled Corporation.—A gain on the sale of depreciable property between an individual and his controlled corporation is treated as ordinary income. Capital gain provisions do not apply. See section 1239.

For this purpose, a corporation is controlled if the individual, his spouse, and his minor children and minor grandchildren own more than 80% in value of the outstanding stock.

PART IV

Gain from Disposition of Depreciable Property and Certain Real Property Held More than Six Months. (Section 1245).—(Report any gain from such property held not more than six months in Part II. For livestock—see section 1231 for longer holding period.)

In general, when section 1245 property (as defined below) is disposed of, gain will be treated as ordinary income to the extent of depreciation allowed (or allowable) after 1961. Except for certain involuntary conversions referred to in section 1231 and dispositions of certain farm property described in section 1251, the balance of gain, if any, is to be combined in Part VI with gains and losses from section 1231 property.

Section 1245 property is property which is depreciable (or subject to amortization under section 169 or section 185) and is either—

- (a) personal property,
- (b) elevators and escalators,
- (c) real property (other than property described in (d)) subject to amortization under sections 169 or 185, or
- (d) tangible real property (except buildings and their structural components) if used as an integral part of certain business activities or as a research or storage facility in connection with such activities. These business activities are manufacturing, production, extraction, or furnishing transportation, communications or certain other public utility services.

See section 1245(b) for exceptions and limitations involving: (a) disposition by gift, (b) certain tax-free transactions, (c) like kind exchanges; involuntary conversions, and (d) sales or exchanges to effectuate FCC policies and exchanges to comply with SEC orders.

Column i.—Enter depreciation allowed (or allowable) after December 31, 1961. However, use June 30, 1963, for elevators and escalators and December 31, 1969, for livestock.

See section 1245(a)(2)(D) in the case of disposition of pollution control facilities or railroad grading and tunnel bores.

PART V

Gain from Disposition of Depreciable Real Property Held More than Six Months. (Section 1250).—(Report any gain from such property held not more than six months in Part II.)

In general, when section 1250 property (as defined below) is disposed of, all or a portion of the "additional depreciation" will be treated as ordinary income. Except for certain involuntary conversions referred to in section 1231, the balance of gain, if any, is to be combined in Part VI with gains and losses from section 1231 property.

Section 1250 property is depreciable real property other than section 1245 property.

See section 1250(d) for exceptions and limitations involving: (a) disposition by gift, (b) certain tax-free transactions, (c) like kind exchanges; involuntary conversions, (d) sales or exchanges to effectuate FCC policies and exchanges to comply with SEC orders, and (e) disposition of qualified low income housing.

Columns i and j, Additional Depreciation.—In the case of section 1250 property held one year or less, additional

depreciation is the total amount of depreciation claimed. In such case, omit columns i thru o and enter in column p the lesser of the amount of gain (column h) or the total amount of depreciation claimed (column f).

For property held more than one year, additional depreciation is the excess of actual depreciation attributable to periods after December 31, 1963, over depreciation computed for the same period using the straight line method. Enter in column i the additional depreciation for the period after December 31, 1963, and before January 1, 1970, and in column j the additional depreciation for the period after December 31, 1969.

For additional depreciation attributable to rehabilitation expenditures, see section 1250(b)(4).

Column k, Applicable Percentage.—Enter 100% of column k in column l except as follows:

(1) In the case of section 1250 property disposed of pursuant to a written contract that was, on July 24, 1969, and at all times thereafter, binding on the owner of the property, the applicable percentage is 100% minus 1 percentage point for each full month the property was held after the date it was held 20 full months.

(2) In the case of section 1250 property constructed, reconstructed, or acquired by the taxpayer before January 1, 1975, with respect to which a mortgage is insured under section 221(d)(3) or 236 of the National Housing Act, or housing is financed or assisted by direct loan or tax abatement under similar provisions of the State or local laws, and with respect to which the owner is subject to the restrictions described in section 1039(b)(1)(B), the applicable percentage is 100% minus 1 percentage point for each full month the property was held after the date it was held 20 full months;

(3) In the case of residential rental property (as defined in section 167(j)(2)(B)) other than that covered by (1) and (2) above, the applicable percentage is 100% minus 1 percentage point for each full month the property was held after the date it was held 100 full months; and

(4) In the case of section 1250 property for which a depreciation deduction for rehabilitation expenditures was allowed under section 167(k), the applicable percentage is 100% minus 1 percentage point for each full month in excess of 100 full months after the date on which the property was placed in service.

Column o, Applicable Percentage.—The applicable percentage is 100% minus 1 percentage point for each full month the property was held after the date it was held 20 full months.

PART VI

Sale or Exchange of Property Used in Trade or Business and Involuntary Conversion. (Section 1231).—Section 1231 provides special treatment for the recognized gains and losses upon the sale or exchange of "property used in the trade or business" and upon the compulsory or involuntary conversion of (1) such property and (2) capital assets held more than six months. Note: Refer to the first page for new rules for involuntary conversions resulting from casualty or theft.

After determining in Parts IV and V how much of the total gain from disposition of depreciable property is ordinary gain, combine the total other gain with other gains and losses from section 1231 property to determine if there is a net gain or net loss. The total shown on line 17 determines whether the items reflected therein represent a long-term capital gain or an ordinary loss. The total must be entered on line 4 or line 6, whichever is applicable.

In determining whether gains exceed losses, include the gains and losses to the extent they would be included if they were all ordinary gains and losses. The limitation of section 1211 on the deductibility of capital losses does not apply.

The term "property used in the trade or business" means property that has been held more than six months, which is used in the trade or business and which is either real property or depreciable property. It also includes (1) certain livestock, (2) timber, coal and domestic iron ore to which section 631 applies, and (3) unharvested crops referred to in section 1231(b)(4). The term does not include (1) inventoriable property, (2) property held primarily for sale to customers, or (3) certain copyrights, literary, musical, or artistic compositions, letters or memorandums, or similar property.

Minimum Tax on Tax Preference Items.—If the net long-term capital gain exceeds the net short-term capital loss, you may be liable for minimum tax. See Form 4626.

Installment Sales

If you sold personal property for more than \$1,000 or real property regardless of amount, you may be eligible to report any gain under the installment method if (1) there are no payments in the year of sale or (2) the payments in the year of sale do not exceed 30% of the selling price. (See section 453.) Such sales must provide for two or more payments, such payments resulting in at least one payment being made in each of two taxable years.

For treatment of a portion of payments as "unstated interest" on deferred payment sales, see section 483.

Form **3468**
Department of the Treasury
Internal Revenue Service

Computation of Investment Credit

Attach to your tax return
For the calendar year 1970 or other taxable year beginning
, 1970, and ending , 19

1970

The investment credit has been repealed for property acquired after 4-18-69, and property whose construction, reconstruction, or erection began after that date.
Exceptions are provided, however, for certain property built or acquired under a binding contract entered into before 4-19-69, or built or acquired in certain transitional situations de-

scribed in section 49 of the Internal Revenue Code. In any event, the credit will not be available for any property placed in service after 1975.
The amount of unused credits that may be carried over and claimed as a credit is subject to a special 20% limitation. See instruction for line 4.

Name _____ Identifying number as shown on page 1 of your tax return _____

I Qualified investment in new and used property (See instruction C for eligible property)

NOTE: Include your share of investment in property by a partnership, estate, trust, small business corporation, or lessor.

Type of property	Line	(1) Life years	(2) Cost or basis	(3) Applicable percentage	(4) Qualified investment (Column 2 x column 3)
New Property	(a)	4 or more but less than 6		33 1/3	
	(b)	6 or more but less than 8		66 2/3	
	(c)	8 or more		100	
Used Property (See instructions for dollar limitation)	(d)	4 or more but less than 6		33 1/3	
	(e)	6 or more but less than 8		66 2/3	
	(f)	8 or more		100	

- 2 Total qualified investment—Add lines 1(a) through 1(f).
- 3 Tentative investment credit—7% of line 2 (3% for public utility property)
- 4 Carryback and carryover of unused credit(s) (See instruction 4 for special limitation—attach computation)
- 5 Total—Add lines 3 and 4

Limitation

- 6 (a) Individuals—Enter amount from line 21, page 1, Form 1040
- (b) Estates and trusts—Enter amount from line 27, page 1, Form 1041
- (c) Corporations—Enter amount from line 7, Tax Computation Schedule, Form 1120
- 7 Individuals, estates, and trusts: (a) Foreign tax credit
- (b) Retirement income credit
- 8 Total—Add lines 7(a) and (b)
- 9 Line 6 less line 8
(Married persons filing separately, controlled corporate groups, estates and trusts, see instruction 10)
- 10 (a) Enter amount on line 9 or \$25,000, whichever is lesser
- (b) If line 9 exceeds \$25,000, enter 50% of the excess
- 11 Total—Add lines 10(a) and (b)
- 12 Investment credit—Enter amount on line 5 or line 11, whichever is lesser

Schedule A

If any part of your investment in I above was made by a partnership, estate, trust, small business corporation, or lessor, complete the following:

Name (Partnership, estate, trust, etc)	Address	Property		Life years
		New	Used	
		\$	\$	

General Instructions

A. Who Must File.—Any individual, estate, trust, or corporation claiming an investment credit must attach this form to its income tax return. Partnerships and small business corporations are not required to file this form because the credit is claimed by the partners and shareholders.

However, partnerships must complete the information required by Schedule K of Form 1065. Small business corporations must attach a statement to their returns showing the allocation of investment to the shareholders by amount, type and life of property as shown in item 1 of this form.

Estates and trusts that apportion the investment between the estate or trust and the beneficiaries should in addition to filing this form attach a statement showing the allocation of the investment among the beneficiaries.

B. When Allowed.—A credit against your tax is allowed for investment in certain depreciable property having an estimated useful life of 4 years or more. The credit is allowed for the first year such property is placed in service.

C. Property Defined.—Except as provided below, the investment credit is applicable to (a) tangible personal property, (b) elevators and escalators, and (c) real property (except for buildings and their structural components) if used as an integral part of manufacturing, production or extraction, etc., or used as a research or storage facility in connection with these activities.

The investment credit is not applicable to property whose construction, reconstruction or erection began after 4-18-69, or which was acquired by the taxpayer after that date. Exceptions are provided, however, for certain property constructed (reconstructed or erected) or acquired under a binding contract entered into before 4-19-69, and property constructed or acquired in certain transitional situations described in section 49 of the Code.

The investment credit is also not applicable to (1) certain property used predominantly outside the United States; (2) property used for lodging or in connection with furnishing lodging, except (a) property used in certain commercial facilities located therein (such as a restaurant) or (b) property used by a hotel or motel; (3) property used by a tax-exempt organization (except where the unrelated business income tax applies); (4) property used by governmental units; (5) livestock (including racehorses); and (6) that portion of a pollution

control facility that the taxpayer has elected under section 169 to amortize over a 5-year period.

D. Election for Leased Property.—A lessor may elect to treat an investment in new property as if made by the lessee instead of the lessor. See section 48(d) of the Code.

E. Recomputed Tax on Early Disposition of Property.—If property is disposed of prior to the life-years category used in computing the investment credit, the tax for the year of disposition must be increased by the difference between the credit taken (including carrybacks and carryovers) on such property and the credit that would have been allowed had the actual life been used. Form 4255 may be used to compute the increase in tax. This additional tax does not apply to property stolen or destroyed by casualty after 4-18-69. Moreover, it does not apply to any other disposition of property to the extent the taxpayer replaces the property within 6 months after the disposition with property that would be section 38 property but for section 49 of the Code.

F. Carryback and Carryover of Unused Credits.—Any part of an investment credit that may not be used because it exceeds the amount allowable (including an unused credit created by the carryback of a net capital loss sustained in taxable years beginning after 12-31-69 or by the carryback of a net operating loss) may be carried back 3 years and forward 7 and may be used to the extent permissible within the limitations applicable in those years. Unused credits that can't be used solely because of the special 20% limitation may be carried forward 10 years instead of 7.

A claim for refund based upon the carryback of an unused investment credit may be made on Form 843 or by filing Form 1040X (individuals), Form 1120X (corporations), or an amended return for the year to which the unused credit is carried. Taxpayers who desire a tentative (quick) refund may file Form 1045 (individuals) or Form 1139 (corporations).

G. Basis and Cost.—The credit for new property applies to the basis of the property. The credit for used property applies to the cost of the property. The cost of used property does not include the basis of any property traded in unless the trade in resulted in the recapture of all or any portion of an investment credit previously allowed or in a reduction of an investment credit carryback or carryover.

No adjustment for additional first-year depreciation or salvage value is required.

Specific Instructions

Line 1. New Property.—Enter the basis of property as described in instructions C and G placed in service during the taxable year.

Used Property.—Enter the cost (subject to dollar limitation below) of used property placed in service during the taxable year. Property inherited, received as a gift, or acquired from certain related parties does not qualify for the investment credit. See instruction G.

Dollar Limitation on Used Property.—In general, the amount of used property that may be taken into account may not exceed \$50,000 (determined without regard to the applicable percentages based on useful life).

If a husband and wife file separate returns, each may count only up to \$25,000 unless one of them has no qualifying used property, in which case the other may claim up to \$50,000.

The amount of used property placed in service by a partnership (or corporation electing not to be taxed) that may be taken into account by the partners (or shareholders) may not exceed \$50,000. The \$50,000 limitation also applies to each partner and shareholder.

A controlled group of corporations (see section 48(c)(3)(C) of the Code) must apportion the \$50,000 limitation among the component members of the group on the basis of the total cost of used property placed in service by each member. The apportionment is made without regard to both the \$50,000 limitation and the applicable percentages based on useful life.

Estates and Trusts.—In case of an estate or trust the amount of investment is apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each.

Line 4.—The amount of unused credits that may be carried over and claimed as a credit in the taxable year is subject to a special limitation. This limitation provides that the amount of available investment credit carrybacks and carryovers that may be claimed as a credit may not exceed 20% of the higher of (1) the aggregate amount of investment credit carrybacks and carryovers to the taxable year, or (2) the highest total amount of carrybacks and carryovers to any preceding taxable year (prior to the current taxable year) that

began after 1968. In no event may the amount claimed on line 4 exceed the available amount of investment credit carrybacks and carryovers to the taxable year.

For example, if a taxpayer has \$500 of unused credits from years prior to 1970 available as a carryover to 1970, the amount of the carryover that may be claimed as a credit in 1970 may not exceed \$100 (20% of \$500). If, in 1973, a \$300 unused credit arose from investment in 1973, the amount of unused credits that could be carried to 1970 would be increased to \$800 (\$500 carryforward plus \$300 carryback). Accordingly, the limitation for 1970 would be retroactively increased to \$160 (20% of \$800). This new \$160 limitation applies to each of the years after 1970 unless the aggregate amount of unused credit carryovers and carrybacks otherwise available to one of those years exceeded \$800 (the amount used in determining the \$160 limitation). In such a case, a new limitation based on the higher amount of carryovers and carrybacks would be determined which then would be applicable in that year and in subsequent years.

The special 20% limitation referred to above is in addition to the general limitation based on the amount of tax liability. Unused credit carryovers to a taxable year from 2 or more other years are to be used up in the order in which they occur.

Line 10. Limitation.—If the tax liability (line 9) is \$25,000 or less, the investment credit may not exceed the amount of the tax liability.

If the tax liability exceeds \$25,000, the credit may not exceed \$25,000 plus 50% of the excess.

If a husband and wife file separate returns and both are entitled to an investment credit, the limitation is computed by substituting \$12,500 for the \$25,000 shown in lines 10(a) and (b).

Controlled corporate groups (see section 46(a)(5) of the Code) must apportion the \$25,000 among all component members.

In the case of an estate or trust, the \$25,000 amount must be reduced to (a) \$25,000 multiplied by (b) the qualified investment apportioned to the estate or trust, divided by (c) the aggregate qualified investment apportioned among the estate or trust and its beneficiaries.

Form **4626**

Computation of Minimum Tax

For Corporations and Fiduciaries—To be attached to Forms 1120, 1120-F, 1120-L, 1120-M, 1120-S, 1041, 990-T for calendar year 1970 or other taxable year

1970

Department of the Treasury
Internal Revenue Service

beginning 1970, and ending 19

Name

Employer Identification Number

1 Tax Preferences:

- (a) Excess investment interest
- (b) Accelerated depreciation on real property: (1) low-income rental housing under sec. 167(k)
- (2) other real property
- (c) Accelerated depreciation on personal property subject to a net lease
- (d) Amortization of certified pollution control facilities
- (e) Amortization of railroad rolling stock
- (f) Stock options
- (g) Reserves for losses on bad debts of financial institutions
- (h) Depletion
- (i) Capital gains

- 2** Total items of tax preference—Add lines 1(a) through 1(i)
- 3** Less exclusion—Enter \$30,000 (Estates, Trusts and Controlled groups see instruction 3)
- 4** Line 2 less line 3
- 5** Taxes imposed under Chapter 1 for the taxable year (other than Personal Holding company, accumulated earnings and minimum tax)—See instructions
- 6** Line 4 less line 5
- 7** Minimum tax—10% of line 6
- 8** Amount of net operating loss for 1970 remaining as a CARRYOVER to a succeeding year (attach a statement showing computation of carryover)
- 9** Deferred minimum tax—Enter the lesser of line 8 multiplied by 10%, or line 7. (Enter zero if line 8 is zero)
- 10** Line 7 less line 9
- 11** Enter minimum tax deferred from prior year(s) until this year—See instructions
- 12** Total minimum tax—Add lines 10 and 11. Enter on appropriate line of tax return per instruction 12

General Instructions (References are to the Internal Revenue Code)

Who Must File.—All taxpayers (other than individuals) having any items of tax preference must complete Form 4626 and attach it to their return whether or not the minimum tax applies.

Tax preference items of excess investment interest (line 1(a)) and accelerated depreciation on personal property subject to a net lease (line 1(c)) do not apply to a corporation other than an electing small business corporation and a personal holding company. Stock options (line 1(f)) is not applicable to corporations.

Regulated Investment Companies and Real Estate Investment Trusts.—The amount of net long term capital gain in excess of the net short-term capital loss of a regulated investment company or a real estate investment trust is to be treated as an item of tax preference (line 1(i)) only to the extent that such item is not taken into account as income by shareholders. Accelerated depreciation on real property (line 1(b)) is taken into account in full as a tax preference item of real estate investment trusts and is not included in the apportionment of tax preferences to shareholders as described in the following paragraph.

The remaining items of tax preference of a regulated investment company and a real estate investment trust shall be used in computing the minimum tax, in the same proportion that the taxable income of such company or trust (section 852(b)(2) or 857(b)(2)) bears to taxable income computed without regard to the deduction for dividends paid. The remaining proportion of tax preferences shall be treated as items of tax preference of the shareholders of such company or trust on the basis of the dividends (other than capital gains dividends) paid to each shareholder. The company or trust must advise shareholders of their portion of each item of tax preference. Such item will then enter into the computation of each item of tax preference by shareholders.

Electing Small Business Corporations.—Electing small business corporations are subject to the minimum tax only with respect to the capital gains item of tax preference (line 1(i)) and only to the extent of

such gains which are subject to the tax imposed by section 1378. All other items of tax preference, except capital gains, shall be apportioned among the shareholders in a manner consistent with section 1374(c)(1). The capital gains are excluded from the apportionment since such gains are actually passed through to shareholders and includable in their income to the extent provided under the rules in section 1375(a) and will thus enter into the computation of the shareholders' capital gains tax preference. Each item will retain its character for purposes of the shareholders' computation of each item of tax preference.

Estates and Trusts.—Tax preference items of an estate or trust are to be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust that is allocable to each. The direct allocation of depreciation, depletion and capital gains under the existing estate or trust rules serves to effectively allocate these items of tax preference on the basis of income, and they are not included in the apportionment of other items of tax preference. No further allocation is needed. Each item will retain its character for purposes of the beneficiaries' computation of each item of tax preference.

Participants in Common Trust Funds.—Items of tax preference of a common trust fund (as defined in section 584(a)) for each taxable year of the fund shall be treated as items of tax preference of the participants of such fund. Each item of tax preference, except capital gains, shall be apportioned pro rata among the participants and shall enter into their own computation of each item of tax preference. Capital gains are passed through to participants under the rules in section 584(c) and enter into the participants' computation of capital gains tax preference.

Foreign Source Tax Preference Items.—Tax preferences attributable to foreign sources are to be included for purposes of computing the minimum tax, only to the extent they result in foreign losses which reduce the tax imposed on U.S. income. Stock options (line 1(f)) and

capital gains (line 1(i)) attributable to foreign sources are to be taken into account as tax preferences only if the tax laws of the foreign country or U.S. possession give them preferential treatment.

Consolidated Returns.—An affiliated group of corporations filing a consolidated return are required to compute their minimum tax on a consolidated basis.

Specific Instructions

(Numbered to correspond with line numbers on page 1)

1. Tax Preferences:

(a) Excess investment interest means the amount by which the investment interest expense for the taxable year exceeds the net investment income

Investment interest expense means interest paid or accrued on indebtedness incurred or continued to purchase or carry property held for investment.

Net investment income is the excess of

(1) Investment income (not derived from the conduct of a trade or business) consisting of (a) the gross income from interest, dividends, rents, and royalties, (b) the net short-term capital gain attributable to the disposition of property held for investment, and (c) amounts treated as ordinary income under sections 1245 and 1250 from the sale or exchange of property, over

(2) Investment expenses consisting of the deductions allowable under sections 164(a)(1) or (2), 166, 167, 171, 212, 243, 244, 245, or 611 directly connected with the production of investment income. For purposes of the deductions under sections 167 and 611, the straight line method of depreciation and cost depletion may be used.

Investment income includes income from property subject to a net lease (as defined in section 57(c)) only if the lease was entered into after Oct. 9, 1969.

(b) Accelerated depreciation on real property is depreciation allowable on each section 1250 property (as defined in section 1250(c)) to the extent it exceeds the depreciation deduction which would have been allowable for the year under the straight line method. A separate computation of the excess must be made for each property.

(1) Enter on this line the excess depreciation on low income rental housing (as defined in section 167(k)) The straight line method used in computing such excess is determined without regard to the useful life allowable by section 167(k)

(2) Enter on this line the excess depreciation on all other section 1250 property

(c) Accelerated depreciation on personal property subject to a net lease is depreciation allowable on each section 1245 property (as defined in section 1245(a)(3)) which is the subject of a net lease (as defined in section 57(c)), to the extent it exceeds the depreciation deduction which would have been allowable for the year under the straight line method. A separate computation of the excess must be made for each property.

(d) Amortization of certified pollution control facilities is the amount of deduction allowable with respect to each facility for which an election is in effect under section 169 for the taxable year which exceeds the depreciation deduction which would otherwise be allowable under section 167. A separate computation of the excess must be made for each facility

(e) Amortization of railroad rolling stock is the amount of deduction allowable with respect to each unit under section 184 for the taxable year which exceeds the depreciation deduction which would otherwise be allowable under section 167. A separate computation of the excess must be made for each unit.

(f) The tax preference amount with respect to stock options is the amount by which the fair market value of a share of stock at the time of exercise of a qualified stock option or a restricted stock option (as defined in sections 422(b) and 424(b)) exceeds the option price.

(g) The tax preference amount for reserves for losses on bad debts applies only with respect to financial institutions subject to section 585 or 593. It is the amount by which the deduction allowable for the taxable year for a reasonable addition to a reserve for bad debts exceeds the amount that would have been allowable had the institution maintained its bad debt reserve for all taxable years on the basis of actual experience.

(h) The tax preference amount for depletion applies to each property as defined in section 614. It is the excess of the deduction for depletion allowable under section 611 for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year).

(i) In the case of a taxpayer other than a corporation, the amount of capital gain tax preference is one-half of the net section 1201 gain (excess of net long-term capital gain over net short-term capital loss) for the taxable year

In the case of a corporation, the capital gains item of tax preference applies only if the alternative tax under section 1201 or other comparable section applies for the taxable year

If the alternative tax does apply, the capital gains tax preference may be determined as follows:

Tax on taxable income as computed under section 11 or other comparable section	MINUS	Alternative tax on taxable income as computed under section 1201 or other comparable section.
		.48

Foreign corporations shall take capital gains into account only to the extent such gains are effectively connected with the conduct of a trade or business in the United States.

3. The \$30,000 exclusion shall be divided equally among the component members of a controlled group of corporations (as defined in section 1563(a)) unless all component members consent to a plan providing for an unequal allocation.

The exclusion for estates or trusts shall be reduced to an amount which is that percent of \$30,000 that the sum of the tax preference items allocated to the Estate or Trust is of the total tax preference items.

If a return is made for a period of less than 12 months, refer to section 443(d) for computation of the exclusion.

5. Include income taxes from applicable forms as follows:

- Form 1120—Sum of lines 9 and 11, Sch. J
- Form 1120-F—Sum of lines 1 and 2, page 1
- 1120-L—Sum of lines 12, 13 and 14, page 1
- 1120-M—Sum of lines 15, 16 and 17, page 1
- Form 1120-S—Sum of lines 29(a) and 29(b), page 1
- Form 1041—Sum of lines 31 and 32, page 1
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11. If a net operating loss carryover from a 1969-70 fiscal year reduces taxable income for the 1970-71 fiscal year, and the carryover resulted in the deferral of minimum tax in the 1969-70 fiscal year, all or part of the deferred minimum tax may be includable on line 11 as a tax liability imposed for the 1970-71 fiscal year.

The deferred minimum tax is to be included on line 11 to the extent the portion of the net operating loss carryover attributable to the deferred minimum tax reduces taxable income. For purposes of computing the amount attributable, the portion of the net operating loss carryover which is not attributable to the deferred minimum tax shall have priority and shall be considered as being applied in reducing taxable income before such other portion

Example

A taxpayer sustained a net operating loss in fiscal year 1969-70, \$1,000 of which remained as a carryover to 1970-71. Minimum tax on \$300 of tax preferences (after the minimum tax exemption) was deferred in 1969-70 because of the NOL. Therefore, \$800 of the \$1000 1969-70 NOL carry forward is attributable to tax preferences and \$200 constitutes the remaining portion which is not attributable. The applicable minimum tax rate in 1969-70 was 5 percent. The 1970-71 taxable income (before adjustment under 172(b)(2)) is \$600

(a) Amount of NOL carryover from 1969-70 which reduced 1970-71 taxable income	\$600
(b) Amount of 1969-70 NOL carry forward not attributable to tax preferences	\$200
(c) Amount of 1969-70 NOL attributable to tax preferences which reduced taxable income in 1970-71 (line (a) less line (b))	\$400
(d) Amount of 1969-70 deferred minimum tax imposed as tax liability for 1970-71 (line (c) × applicable minimum tax rate of 5%)	\$ 20

Because of adjustments to taxable income required under section 172(b)(2) of the Code, the portion of the \$1,000 NOL carryover absorbed in 1970-71 may exceed the \$600 used to reduce taxable income. The actual amount of NOL carryover remaining would be used in the subsequent year's computation.

Taxpayers with deferred minimum tax from a fiscal year beginning in 1969 should use their applicable minimum tax rate instead of the 5% rate in line (d) above.

12. Taxpayers filing Forms 1120, 1120-F, 1120-L, 1120-M, 1120-S, 1041 and 990-T must include the total minimum tax from line 12 on the appropriate line of their 1970 return

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