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STATISTICS OF INCOME 1974

CORPORATION INCOME TAX RETURNS

Internal Revenue Service

1974 56

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STATISTICS 1974
OF INCOME

CORPORATION
INCOME TAX
RETURNS

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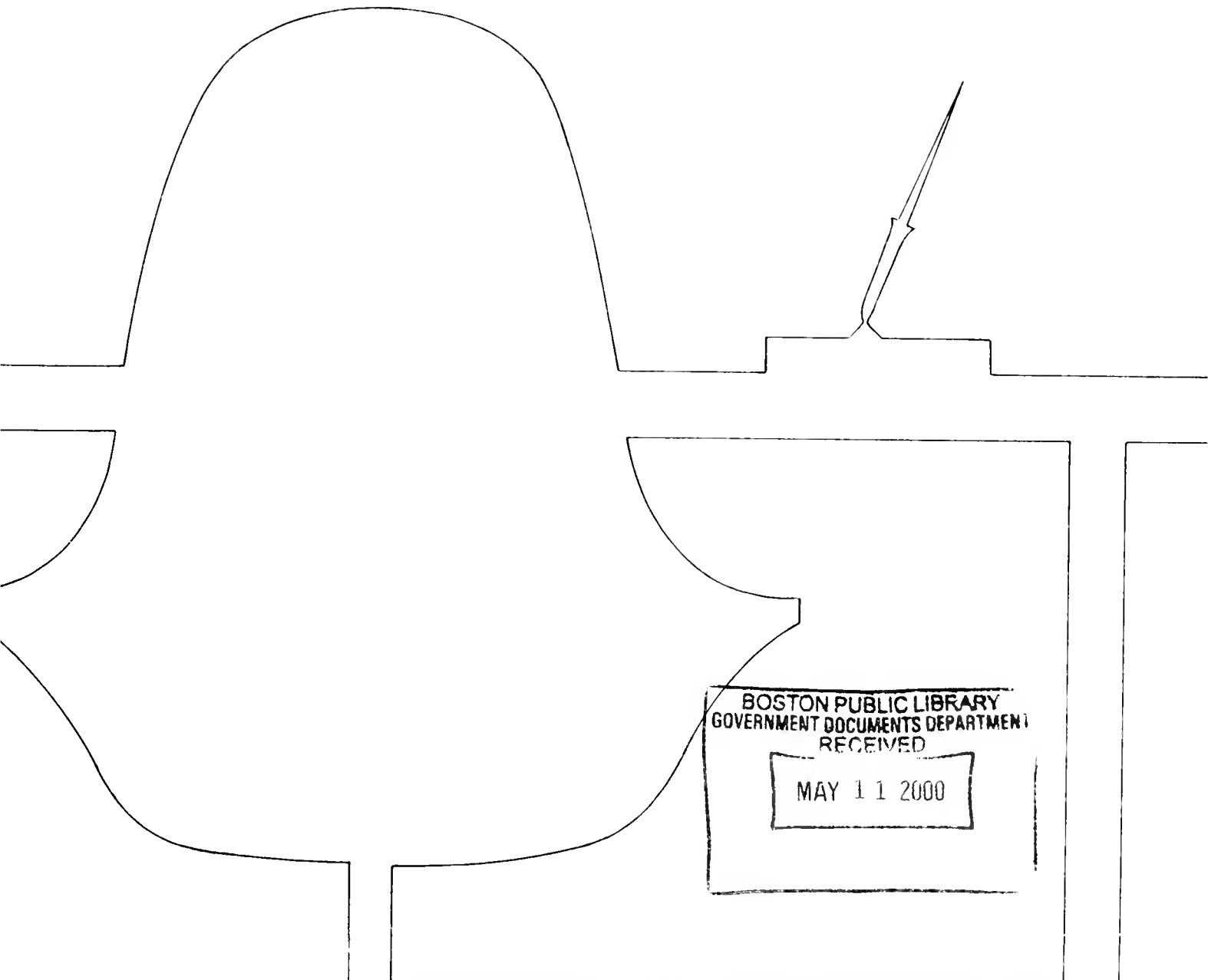
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This report was prepared in the Statistics of Income Branch by the Corporation Statistics Section under the direction of Joe R. Stubbs.

The procedures for sampling, processing and reviewing the data were devised by other branches of the Statistics Division. The returns were sampled at the ten Service Centers located at: Cincinnati, Kentucky; Philadelphia, Pennsylvania; Kansas City, Missouri; Andover, Massachusetts; Boston, New York; Chamblee, Georgia; Memphis, Tennessee; Austin, Texas; Fresno, California; and Ogden, Utah.

Statistical abstracting of the data was done at the Service Centers and at the Data Center at Detroit, Michigan. The Data Center designed and conducted the computer processing.



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COMMISSIONER OF INTERNAL REVENUE

Washington, DC 20224

September 1, 1978

The Honorable W. Michael Blumenthal
Secretary of the Treasury
Washington, DC 20220

Dear Mr. Secretary:

As required by section 6108 of the Internal Revenue Code, we have prepared for publication the complete report, Statistics of Income--1974, Corporation Income Tax Returns. The data in this report are estimates derived from a sample of unaudited corporation income tax returns selected from the nearly 2 million corporation returns with accounting periods ended July 1974 through June 1975.

The report presents information on receipts, deductions, net income, income tax liability, tax credits, and distributions to stockholders. Statistics are also provided on the corporate tax base and on the computation of income tax and additional tax for tax preferences ("minimum tax").

Classifications used to present the data include industry and size of total assets, business receipts, net income, and income tax. Separate statistics are included for returns with net income, controlled group members, Small Business Corporations electing to be taxed through their stockholders, and Domestic International Sales Corporations (DISC's). Data are also provided for foreign-owned U.S. corporations as well as on foreign corporations with U.S. business operations.

Additional information about DISC's as well as on the foreign tax credit and Controlled Foreign Corporations reported on the returns of the largest U.S. corporations will be published separately.

With kind regards,

Sincerely,

A handwritten signature in black ink, appearing to read "James K. ...". The signature is fluid and cursive, with a large initial "J" and a long, sweeping tail.

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Corporation Income Tax Returns, 1974

RETURN COVERAGE

This report presents statistical estimates derived from a stratified sample of unaudited income tax and information returns filed by corporations for the 1974 income year, defined to cover accounting periods ended July 1974 through June 1975. The approximately 1,966,000 returns of active corporations (including 333,000 Small Business Corporations electing to be taxed through their stockholders and 5,500 Domestic International Sales Corporations) filed for this period provided the basis of all financial statistics presented in this report. No data were tabulated from inactive corporation returns, defined as those showing no income or deductions.

Besides returns filed by inactive corporations, the statistics specifically exclude foreign corporations with no income effectively connected with a U.S. trade or business, farmers' cooperatives exempt from income tax under Internal Revenue Code section 521, and nonprofit corporations (educational, charitable, and similar organizations) exempt from income tax under Code section 501.

Section 6012 of the Internal Revenue Code required that all corporations in existence at any time during the income year file returns regardless of whether they had income or not. This applied to active and inactive domestic corporations unless they were expressly exempt from filing, as well as to active foreign corporations with insufficient taxes withheld at the source to satisfy their U.S. tax liability on income earned in the United States.

In addition to legally defined corporations, the Internal Revenue Code recognized many types of businesses as corporations, including joint-stock companies; insurance companies; and unincorporated associations such as business trusts, savings and loan associations, certain partnerships, mutual savings banks, and cooperative banks. Because these organizations possessed characteristics typical of the corporate form, such as continuity of life, centralization of management apart from ownership,

limited liability of owners, and transferability of shares of capital ownership, they were required to file corporation income tax returns.

ACTIVITIES COVERED

The estimates in this report include corporate business activities in the United States as reported on returns of domestic and certain foreign corporations as well as certain foreign activities. Thus, dividends remitted from foreign subsidiaries of domestic corporations and, to a limited extent, undistributed earnings of foreign subsidiaries were included. The estimates also include data on income earned by domestic corporations through foreign branches.

The term "domestic corporations" refers to companies incorporated in the United States, but does not necessarily imply all domestic activity. For instance, 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 foreign activity on the statistics varies accordingly. Some industries may have higher incidences of foreign activity than others and foreign income is 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 (defined as those organized abroad) 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 is 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. This income is excluded from this report.

TIME PERIOD COVERED

The estimates in this report are based on data from both returns

with accounting periods that coincided with calendar year 1974 and returns with accounting periods that were for a noncalendar year. The noncalendar years represented in the 1974 statistics ended during the span of months July 1974 through June 1975. In the middle of this twelve-month span was the calendar year, ending December 1974, so that the span, in effect, defines the income year in such a way that the noncalendar year accounting periods are centered at the calendar year.

The 12 accounting periods covered by the 1974 report are presented in chart 1. This chart shows a span of 23 months between the first-included accounting period beginning in August 1973 (and ending in July 1974), and the last-included accounting period beginning in July 1974 (and ending in June 1975). This report, therefore, shows income received or expenses incurred in any or all of the 23 months from August 1973 through June 1975. On the other hand, end-of-year balance sheet amounts such as for total assets and inventories show the position of some corporations in December 1974 and of others as early as July 1974 or as late as June 1975. (Net income (less deficit) and total assets reported on returns for each of the 12 accounting periods are presented in table A.)

Corporations were required by law to file returns for the accounting period customarily used in keeping their books. Less than half of the returns were filed for the calendar year, but these included returns of most of the larger corporations. Over 80 percent of total assets and about 76 and 61 percent of net income (less deficit) and total receipts respectively were reported on calendar year returns. See table A and chart 2.

The total number of active corporations included, in addition to returns with accounting periods that spanned 12 months, returns with accounting periods of shorter duration. Such returns are referred to as part-year returns and were filed, for the most part, by continuing corporations changing their accounting periods, new cor-

Table A.—Returns of Active Corporations: Number of Returns, Total Assets, Total Receipts, Net Income (Less Deficit), and Total Income Tax, by Accounting Period, 1974

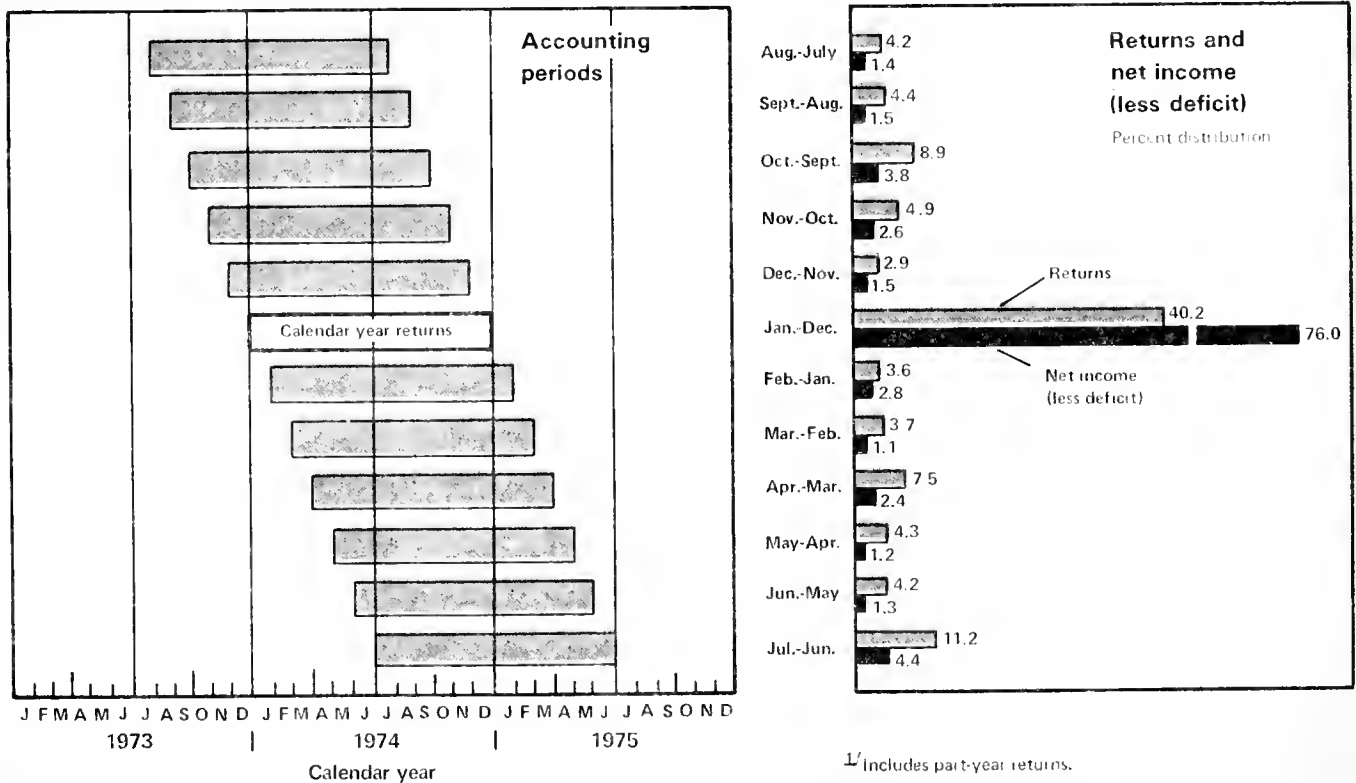
[All figures are estimates based on samples—money amounts are in thousands of dollars]

Accounting period ended ¹	Number of returns	Total assets	Total receipts	Net income (less deficit)	Total income tax
	(1)	(2)	(3)	(4)	(5)
Total	1,967,944	41,136,468,940	3,794,201,463	145,497,418	11,112,989
December 1974	791,992	12,217,227,464	1,196,652,592	111,725,210	5,116,742
Noncalendar year total	1,174,902	28,919,241,476	2,597,548,871	34,272,208	15,945,987
July 1974	82,137	17,426,721	64,631,724	1,478,264	915,335
August 1974	86,021	46,623,042	74,538,366	2,104,287	1,028,409
September 1974	175,703	114,707,864	172,739,615	5,615,986	2,577,484
October 1974	25,322	88,465,601	100,856,347	3,804,929	1,624,655
November 1974	56,300	47,295,101	64,438,647	2,171,973	939,862
January 1975	21,142	84,478,446	145,342,610	4,074,212	1,446,741
February 1975	23,637	36,401,227	67,328,192	1,567,006	795,887
March 1975	146,888	60,472,703	128,550,967	1,610,797	1,750,258
April 1975	85,451	43,622,654	68,372,052	1,781,704	661,249
May 1975	91,567	41,554,462	74,145,712	1,424,373	976,360
June 1975	220,704	143,281,453	215,073,813	6,448,433	3,033,328

¹Includes part-year returns.

Chart 1

Number of returns and net income, by accounting periods¹



¹Includes part-year returns.

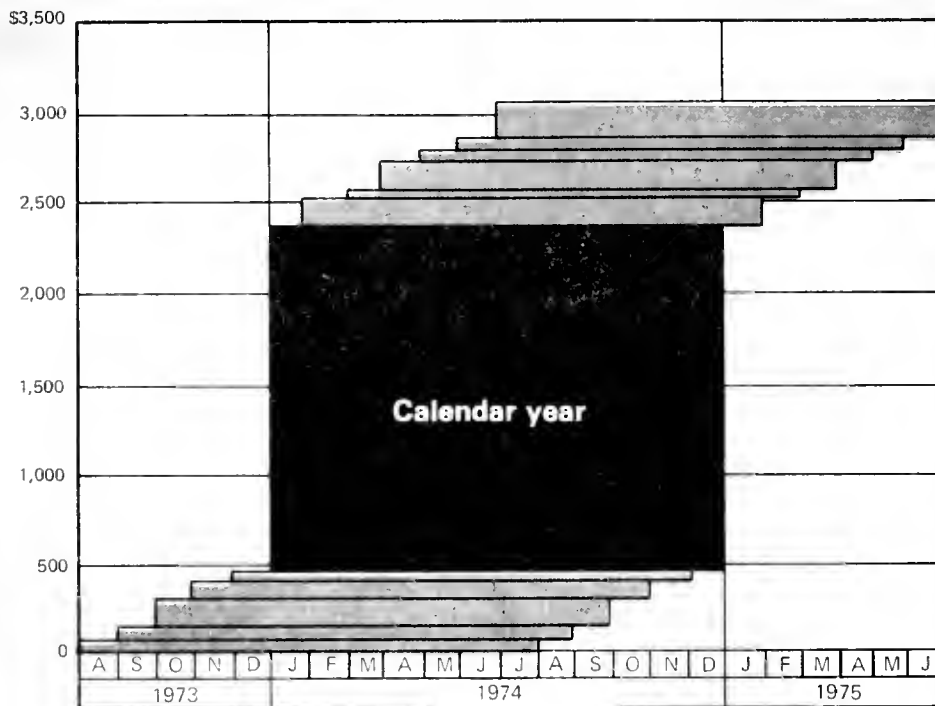
Chart 2

Total receipts by accounting periods^{1/}

The accounting years in this report ended from July 1974 to June 1975 — but most of the receipts were attributed to calendar year 1974.

^{1/}Includes part-year returns.

Total receipts (Billions of dollars)



corporations in existence less than 12 months, merging corporations, and liquidating corporations.

The statistics in this report reflect, to a varying degree, any changes in law that became effective during the accounting periods covered. Depending on the accounting period used and the effective date of the changes in law, the changes may have been fully applicable for some corporations, only partially applicable for others, and not applicable at all for still others.

SUMMARY OF CORPORATE ACTIVITY

Summary statistics for the 1974 income year are shown in table A. Comparisons of 1973 and 1974 data are shown in tables B and C. Table D compares statistics for 1974 on consolidated and nonconsolidated returns. Chart 3 shows a 5-year summary of net income, tax credits, and income tax after credits, for 1970 through 1974. Table E presents a comparison of book net income with tax net income for selected industries.

CHANGES IN TAX RATES

Under prior law, the "normal tax" rate was 22 percent with a 26 percent surtax, but with a \$25,000

surtax exemption. Thus, the first \$25,000 of taxable income was taxed at only 22 percent, while income in excess of \$25,000 was taxed at 48 percent. Expressed another way, total taxable income was taxed at a 22 percent rate and taxable income in excess of \$25,000 was subject to an additional 26 percent tax.

The Tax Reduction Act of 1975 reduced the normal tax rate and increased the taxable income exempt from the surtax, i.e., the amount eligible for the surtax exemption. The normal tax rate was graduated. It was reduced from 22 percent to 20 percent for the first \$25,000 of taxable income, but it remained at 22 percent for taxable income in excess of \$25,000. The surtax exemption was increased from \$25,000 to \$50,000, thereby decreasing the taxable income subject to the combined 48 percent tax rate by \$25,000. Stated differently, the increase in the amount of taxable income exempted from the 26 percent surtax rate to \$50,000 caused the taxable income subject to the 48 percent rate to be limited to the amount in excess of \$50,000.

These amounts and rates initially were to be made effective for taxable years ending in 1975, after which they were to revert to the amounts and rates in effect prior to the enactment of the Tax Reduction Act. Subsequently, the Revenue Adjustment Act of 1975 extended

the effective period through the first 6 months of 1976 making the reduced normal tax rate and the increased surtax exemption also applicable to taxable years ending during the period January through June 1976.

Because the data presented in this report cover accounting periods ended July 1974 through June 1975, they do not fully reflect the effects of the revised normal tax rate and the surtax exemption. For 1974, only corporations with noncalendar accounting periods that ended January through June 1975 were subject to the changes, but since the changes were only allowed based on that part of their taxable years that occurred during 1975, tax had to be prorated between the previous and revised rates. This was done as follows: first, the income tax was computed with a \$25,000 surtax exemption and second, with a \$50,000 surtax exemption. (The normal rate was 20 percent on \$25,000 or less of taxable income and 22 percent on taxable income in excess of \$25,000.) Then the two resulting taxes were prorated according to the number of days in the taxable year before and after December 31, 1974.

The new surtax exemption also caused a change in the provisions relating to certain controlled corporations. Since the tax benefits resulting from the surtax exemption

Table B.—Corporation Returns: Number of Returns, Net income or Deficit, Income Tax, Tax Credits, and Distributions to Stockholders, 1973 and 1974

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

Item	1973	1974	Increase or decrease (-)	
			Number or amount	Percent
	(1)	(2)	(3)	(4)
Number of returns total	1,980,593	2,042,996	62,403	3.2
Inactive corporations	75,923	77,102	1,179	1.6
Active corporations total	1,904,670	1,965,894	61,224	3.2
With net income:	1,203,356	1,207,396	4,040	0.3
Without net income:	701,314	758,498	57,184	8.2
Form 1120S	313,080	333,099	20,019	6.4
Form 1120 DISC	4162	5,498	1,336	32.1
Number of returns with tax total*	878,132	888,582	10,450	1.2
With additional tax for tax preferences ¹	5,312	4,575	-737	-13.9
With tax after foreign tax investment and work incentive (WIN) credits	751,729	803,159	51,430	6.8
With tax after investment and work incentive (WIN) credits	753,037	803,740	50,703	6.7
Total receipts	2,557,688,950	3,089,701,363	532,012,413	20.8
Business receipts	2,361,381,928	2,854,819,469	493,437,541	20.9
Interest on State and local obligations	5,347,093	5,774,534	427,441	8.0
Other receipts	190,959,929	229,106,940	38,147,011	20.0
Total deductions	2,435,043,788	2,941,543,997	506,500,209	20.8
Cost of sales and operations	1,682,492,550	2,068,068,555	385,576,005	22.9
Other deductions	752,551,238	873,475,442	120,924,204	16.1
Total receipts less total deductions	122,645,162	148,157,366	25,512,204	20.8
Net income (less deficit)	120,446,898	145,997,808	25,550,910	21.2
Net income	138,324,272	171,166,224	32,841,952	23.7
Deficit	17,877,374	25,168,416	7,291,042	40.8
Income subject to tax	115,544,260	143,982,513	28,438,253	24.6
Income tax total	52,438,603	66,112,989	13,674,386	26.1
Normal tax (surtax and alternative tax)	51,969,863	65,586,637	13,616,774	26.2
Tax from recomputing prior year investment credit	133,341	179,121	45,780	34.3
Tax from recomputing prior year work incentive (WIN) credit	259	446	187	72.2
Additional tax for tax preferences	335,140	346,785	11,645	3.5
Foreign tax credit	9,619,036	20,752,819	11,133,883	115.7
Investment credit	3,753,016	4,221,984	468,968	12.5
Work incentive (WIN) credit	9,031	7,795	-1,236	-13.7
Total income tax after foreign tax investment and work incentive (WIN) credits	39,056,820	41,110,911	2,074,371	5.3
Total income tax after investment and work incentive (WIN) credits	48,676,556	61,883,810	13,207,254	27.1
Distributions to stockholders except in own stock	41,829,368	49,280,658	7,451,290	17.8

*Number of returns with additional tax for tax preferences is included in total returns with income tax.

Table C.—Returns of Active Corporations: Number of Returns, Total Assets, Total Receipts, Net Income (Less Deficit), and Total Income Tax, by Size of Total Assets, 1973 and 1974

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

Year and size of total assets	Number of returns	Total assets	Total receipts	Net income (less deficit)	Total income tax
1973					
Total	1,904,670	3,648,919,824	2,557,688,950	12,446,805	52,438,603
Zero assets	60,289	—	14,686,595	26,013	296,142
\$1 under \$100,000	1,038,748	35,394,069	108,245,382	39,989	454,454
\$100,000 under \$250,000	365,208	58,730,398	127,246,421	1,124,471	9,376,640
\$250,000 under \$500,000	195,118	68,477,439	142,185,262	2,444,602	1,510,425
\$500,000 under \$1,000,000	114,225	79,332,479	162,410,991	4,431,251	1,866,470
\$1,000,000 under \$5,000,000	93,567	168,917,688	330,671,669	12,601,263	4,967,394
\$5,000,000 under \$10,000,000	14,604	103,164,473	112,988,530	4,421,643	2,120,187
\$10,000,000 under \$25,000,000	11,675	184,584,765	128,297,274	5,521,297	2,594,114
\$25,000,000 under \$50,000,000	4,962	173,485,957	101,640,781	4,463,500	2,058,140
\$50,000,000 under \$100,000,000	2,752	191,713,034	106,522,581	5,123,858	2,210,722
\$100,000,000 under \$250,000,000	1,865	290,243,659	167,242,039	8,524,129	3,526,503
\$250,000,000 or more	1,647	2,274,875,883	1,055,620,554	69,000,834	30,170,812
1974					
Total	1,965,894	4,016,466,940	3,089,701,363	145,997,808	66,112,989
Zero assets	62,456	—	21,272,795	216,859	329,998
\$1 under \$100,000	1,078,690	36,349,919	120,469,265	463,421	461,905
\$100,000 under \$250,000	369,808	59,652,116	132,852,732	3,177,889	956,955
\$250,000 under \$500,000	198,976	69,760,625	146,538,704	3,804,917	1,344,986
\$500,000 under \$1,000,000	118,476	82,079,477	172,615,147	4,822,244	1,905,680
\$1,000,000 under \$5,000,000	78,559	199,232,992	367,810,576	11,568,406	5,532,610
\$5,000,000 under \$10,000,000	15,115	106,662,634	125,303,273	4,686,122	2,530,813
\$10,000,000 under \$25,000,000	11,925	188,440,244	146,318,788	5,850,464	2,905,197
\$25,000,000 under \$50,000,000	5,276	184,220,624	116,532,767	4,718,510	2,242,522
\$50,000,000 under \$100,000,000	2,878	200,602,981	123,257,887	5,362,650	2,514,323
\$100,000,000 under \$250,000,000	1,973	303,942,116	180,555,411	8,261,188	3,850,448
\$250,000,000 or more	1,762	2,565,525,212	1,426,174,016	93,025,098	41,737,552

Table D.—Consolidated and Nonconsolidated Active Corporation Returns: Number of Returns, Total Assets, Total Receipts, Net Income (Less Deficit), and Total Income Tax, by Size of Total Assets, 1974

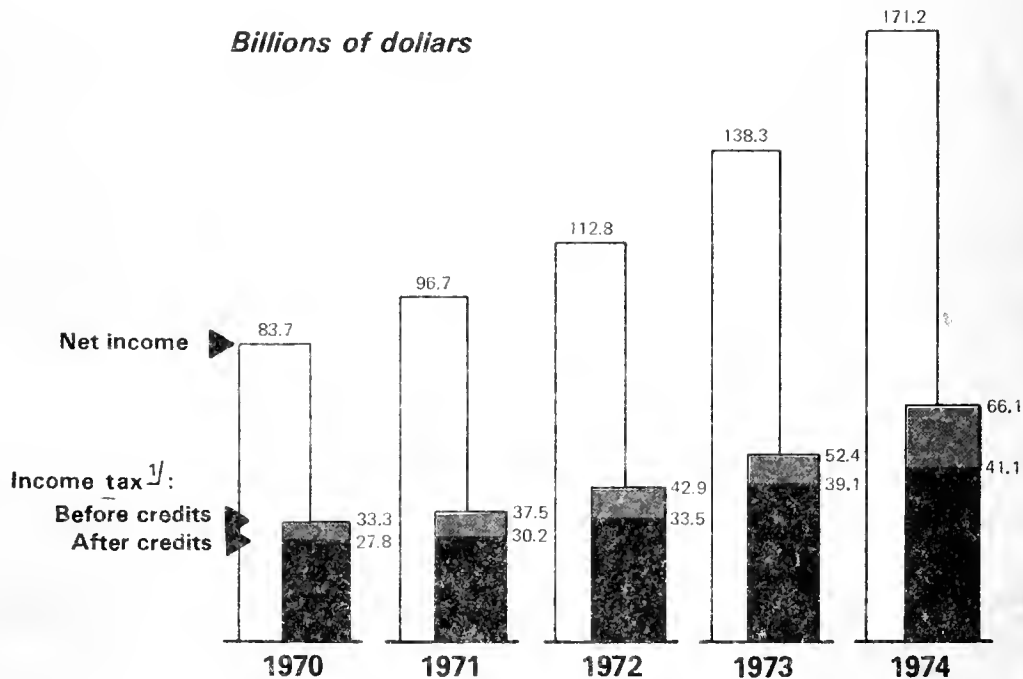
[All figures are estimates based on samples. Tax amounts are in thousands of dollars.]

Type of return and size of total assets	Number of returns	Total assets	Total receipts	Net income (less deficit)	Total income tax
	(1)	(2)	(3)	(4)	(5)
Consolidated Returns					
Total	11,117	1,171,117	1,732,129	41,149,810	45,014,510
Zero assets	441		1,109,114	8,187,5	59,089
\$1 under \$100,000	1,111	1,144	1,002,111	22,781	1,088
\$100,000 under \$250,000	1,441	1,144,111	1,002,111	18,481	2,445
\$250,000 under \$500,000	1,117	1,143,111	1,002,111	7,942	17,928
\$500,000 under \$1,000,000	4,111	1,143,111	1,002,111	69,435	64,270
\$1,000,000 under \$5,000,000	1,111	1,143,111	1,002,111	69,435	54,519
\$5,000,000 under \$10,000,000	441	1,143,111	1,002,111	84,138	54,205
\$10,000,000 under \$25,000,000	441	1,143,111	1,002,111	1,262,216	1,041,448
\$25,000,000 under \$50,000,000	1,111	1,143,111	1,002,111	1,650,803	1,053,115
\$50,000,000 under \$100,000,000	1,111	1,143,111	1,002,111	2,157,812	1,443,722
\$100,000,000 under \$250,000,000	441	1,143,111	1,002,111	5,187,686	2,704,460
\$250,000,000 or more	1,111	1,143,111	1,002,111	42,083,025	37,430,431
Nonconsolidated Returns					
Total	11,117	1,171,117	1,732,129	51,799,198	21,069,479
Zero assets	111		15,441,111	132,494	270,909
\$1 under \$100,000	1,111	1,144,111	1,002,111	486,202	460,817
\$100,000 under \$250,000	1,111	1,144,111	1,002,111	1,194,369	949,510
\$250,000 under \$500,000	1,111	1,144,111	1,002,111	3,796,920	1,327,058
\$500,000 under \$1,000,000	1,111	1,144,111	1,002,111	4,752,384	1,841,410
\$1,000,000 under \$5,000,000	1,111	1,144,111	1,002,111	10,679,884	4,888,101
\$5,000,000 under \$10,000,000	1,111	1,144,111	1,002,111	4,044,684	1,784,608
\$10,000,000 under \$25,000,000	1,111	1,144,111	1,002,111	4,593,716	1,863,749
\$25,000,000 under \$50,000,000	1,111	1,144,111	1,002,111	3,067,707	1,389,407
\$50,000,000 under \$100,000,000	1,111	1,144,111	1,002,111	3,124,818	1,070,611
\$100,000,000 under \$250,000,000	1,111	1,144,111	1,002,111	1,193,492	1,136,198
\$250,000,000 or more	1,111	1,144,111	1,002,111	10,942,074	4,307,121

Chart 3

Returns with net income

Corporate net income before tax, and income tax, ^{1/} 1970-1974



^{1/} Before and after investment and foreign tax credits and for 1972-1974, work incentive (WIN) credit.

Table E.—Comparison of Book Net Income With Tax Net Income, by Selected Industries, 1974

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

Selected industries	Total returns of active corporations		Returns with book net income or deficit shown			
	Number of returns	Tax return net income (less deficit) after tax	Number of returns	Tax return net income (less deficit) after tax	Book net income (less deficit)	Percent by which book net income (less deficit) exceeds tax return net income (less deficit) after tax
	(1)	(2)	(3)	(4)	(5)	(6)
All industries	1,965,894	84,113,998	1,805,115	75,709,421	93,855,794	24.0
Agriculture, forestry, and fishing	53,458	128,116	47,638	94,742	211,780	112.2
Mining	15,732	13,781,046	13,658	13,559,487	14,847,035	9.5
Oil and gas extraction	8,350	12,353,029	7,466	12,226,913	12,484,930	2.2
Construction	185,563	766,878	171,773	783,025	1,057,271	35.0
Manufacturing	211,563	42,361,666	199,330	35,496,970	40,467,740	15.4
Petroleum (including integrated) and coal products	1,039	13,401,237	979	10,562,393	19,952,187	3.7
Primary metal industries	4,636	3,887,320	4,337	3,292,237	4,419,637	34.2
Machinery, except electrical	24,879	3,751,440	23,620	3,275,672	3,842,743	6.6
Transportation and public utilities	80,232	5,076,990	73,854	4,710,713	12,698,908	169.5
Transportation	62,153	1,594,101	57,106	1,512,090	2,497,891	65.2
Electric, gas, and sanitary services	8,710	1,297,806	8,013	1,033,522	6,400,135	519.3
Wholesale and retail trade	602,423	14,653,249	561,229	13,912,689	14,626,292	5.1
Finance, insurance, and real estate	425,249	6,095,164	386,552	5,967,866	7,704,126	29.1
Banking	14,534	1,350,632	13,623	985,183	6,181,007	527.4
Credit agencies other than banks	48,597	422,749	43,343	460,403	1,714,429	272.4
Insurance	8,343	1,644,389	6,391	1,620,179	-322,955	-119.9
Services	388,832	1,230,230	348,779	1,159,386	1,718,121	48.2
Nature of business not allocable	2,842	20,659	2,302	19,493	24,741	26.9

allowed each member of a controlled group for which a separate return was filed were limited by the size of the surtax exemption, the increase in the surtax exemption also caused the benefit to increase from \$25,000 to \$50,000 for accounting periods ending after December 31, 1974. Also, in applying the revised normal tax rates, the first \$25,000 of taxable income and the second \$25,000 of taxable income were each allocated among the component members of the group in the same manner as the surtax exemption was allocated; i.e., the \$25,000 amounts were either apportioned equally among qualifying members or according to a plan adopted for all members.

THE "FULL ABSORPTION" METHOD OF COSTING INVENTORIES

The rules relating to the costing of inventories used in computing the cost of goods sold and, thus, taxable income were revised by an income tax regulation, issued September 19, 1973. The revised rules required that the "full absorption" method of inventory costing be used by corporations which were engaged in manufacturing or production operations and which were not already using this method. This change was made to simplify the tax reporting for such corporations and also eliminate the uncertainty and controversy of past practices.

Under this method certain production costs were always required to be included when determining inventoriable costs while others were not. Production costs, whether direct or indirect, were those that were incident to and necessary

for manufacturing or production operations or processes. Direct production costs were always included, while indirect production costs could be either included or excluded based on specific conditions.

Direct production costs included those costs which were components of either direct material or direct labor costs. Direct material costs included the cost of those materials which became an integral part of the specific product, as well as those materials consumed in the ordinary course of manufacturing. Direct labor costs included such costs as basic compensation, overtime pay, vacation and holiday pay, sick leave pay, shift differential, payroll taxes, and payments to an unemployment benefit plan.

In determining inventoriable costs, indirect production costs were either always included, not required to be included, or included only if they were similarly treated on the corporation's books of accounts and if this treatment was both consistent with generally acceptable accounting principles and comparable to the corporation's tax accounting methods. Indirect production costs which were always included were for repairs, maintenance, utilities, rent, indirect labor (such as that provided by supervisors, timekeepers, engineers, and truckers), indirect materials and supplies (such as nuts, bolts, rivets, washers, and cotter pins not entering directly into a product, as well as cleaning supplies), tools and equipment not capitalized, and costs of quality control and inspection. Among the indirect production costs not required to be included were expenses associated with marketing, adver-

tising, selling or other distribution, interest, research and development, amortization and depreciation in excess of that reported on the corporation's books of account and percentage depletion in excess of cost depletion. Such indirect production costs as taxes, depreciation necessary for production, depletion, employee benefits, officers' salaries, insurance, and costs attributable to strikes, rework labor, scrap, and spoilage were included only if the corporation's accounting methods were comparable for book and tax purposes. Otherwise, these costs were excluded from inventories.

In applying the full absorption method of inventory costing, there were two steps required in determining the tax treatment of indirect production costs: (1) a determination of the tax treatment of each item of cost on the basis of an objective test, i.e., whether the item had been or could be included in inventoriable costs on the corporation's books of account, and (2) a determination as to whether, under the standards of generally accepted accounting principles, it was appropriate to either include or exclude the item.

Indirect production costs under the full absorption method had to be allocated to goods produced during the taxable year, whether sold during the year or in inventory at the close of the taxable year, determined in accordance with the corporation's method of identifying goods in inventory (e.g., "first-in, first-out," or "last-in, first-out"). If the indirect production costs specified above were allocated to goods sold during the year, they were deducted currently

and, thus, excluded from inventory costs. Otherwise, they were included as inventory costs and allocated to the goods in ending inventory. Thus, the full absorption method causes ending inventory to increase and the cost of goods sold to decrease. The result is an increase in the amount of taxable income.

Notwithstanding the requirement that use of the full absorption method was mandatory for corporations with manufacturing or production operations, corporations not previously using this method had to file a request to change accounting methods, which was subject to the approval of the Commissioner of Internal Revenue, before adopting the method. Special transitional rules were provided if the election was made during the first 180 days of any taxable year beginning after September 18, 1973, and before September 19, 1975. (This transitional period was subsequently extended to November 28, 1975.)

Under the special transitional rules, corporations that made the proper election could prorate any inventoriable costing adjustment over a period designated by the corporation at the time of the election, starting with the year of the transition. The transition period could not exceed the lesser of 10 taxable years or the number of years for which the prior inventory costing method was used. (Corporations which switched after the transition period were not eligible to use the transitional rules.) These inventoriable costing adjustments were included in the statistics for the income or deduction items in which they were reported by the corporation.

Tables

for

1974

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RETURNS OF ACTIVE CORPORATIONS

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[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 income tax
	Total	With net income	All returns	Returns with net income						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total returns of active corporations	1 965 894	1 207 396	3 089 701 363	2 646 541 904	2 854 819 489	2 068 068 555	145 997 808	171 166 224	143 982 513	66 112 989
Agriculture, forestry and fishing	53 458	31 500	25 452 628	17 029 180	24 162 899	18 427 009	421 163	1 319 161	875 563	335 626
1 Agricultural products	1 111	7 111	14 412 780	4 318 878	16 369 094	14 178 141	281 281	1 087 293	4 432 111	2 431 111
4 Agricultural services, forestry and fishing	52 347	24 389	11 039 848	12 710 302	7 793 805	4 250 268	138 882	231 868	743 452	87 515
Mining	15 732	8 931	61 804 842	6 838 820	62 664 619	22 798 306	25 904 075	26 404 765	25 546 760	12 257 673
6 Metal mining	761	1 191	1 441 191	4 051 111	67 191	29 410	428 125	556 191	1 111	1 111
7 Nonmetallic minerals, except fuels	52	1	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
8 Copper, lead and zinc, including concentrates	71	71	40 111	40 111	40 111	40 111	40 111	40 111	40 111	40 111
9 Other metal mining	65	65	269 080	269 080	269 080	269 080	269 080	269 080	269 080	269 080
10 Coal mining	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
11 Oil and gas extraction	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
12 Crude petroleum, natural gas, and natural gas liquids	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
13 Oil and gas field services	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
14 Nonmetallic minerals, except fuels	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
15 Dimensional crushed granite, limestone, sand and gravel	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
16 Other nonmetallic minerals, except fuels	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
Construction	185 563	106 674	137 024 339	102 197 793	133 676 369	109 462 490	1 846 217	3 924 712	2 945 829	1 164 335
18 General building, except for primary buildings	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
19 General building, other than	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
20 Operative buildings	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
21 Heavy construction contracts	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
22 Special trade contracts	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
23 Plumbing, heating and air conditioning	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
24 Electrical work	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
25 Other special trade contracts and contractors' materials	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
Manufacturing	211 563	137 843	1 297 265 703	1 170 736 656	1 252 370 903	937 183 391	72 533 486	76 246 608	68 892 235	32 288 865
27 Food and kindred products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
28 Meat products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
29 Canned fruit and vegetable products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
30 Other food products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
31 Grain mill products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
32 Bakery products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
33 Sugar and confectionery products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
34 Malting, brewing and distilling	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
35 Alcoholic beverages, except malt liquor and wine	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
36 Beverages, except malt liquor and wine	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
37 Tobacco and tobacco products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
38 Textile mill products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
39 Apparel, millinery and finishing	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
40 Lumber and wood products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
41 Lumber and wood products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
42 Wood products, excluding lumber	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
43 Lumber and wood products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
44 Lumber and wood products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
45 Lumber and wood products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
46 Lumber and wood products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
47 Lumber and wood products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
48 Lumber and wood products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
49 Lumber and wood products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
50 Lumber and wood products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
51 Lumber and wood products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
52 Lumber and wood products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
53 Lumber and wood products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
54 Lumber and wood products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
55 Lumber and wood products	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
56 Printing and publishing	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
57 Newspapers	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
58 Periodicals	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
59 Printing and publishing	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
60 Printing and publishing	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
61 Printing and publishing	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
62 Printing and publishing	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
63 Printing and publishing	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
64 Printing and publishing	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
65 Printing and publishing	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
66 Printing and publishing	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
67 Printing and publishing	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
68 Printing and publishing	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
69 Printing and publishing	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
70 Printing and publishing	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
71 Printing and publishing	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
72 Printing and publishing	1 111	1 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111	1 111 111
73 Printing and publishing	1 11									

RETURNS OF ACTIVE CORPORATIONS

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 income tax
	Total	With net income	All returns	Returns with net income						
	(1)	(2)	(3)	(4)						
Wholesale and retail trade—Continued										
151 Retail trade	186,772	143,889	4,144,739	11,172,498	11,172,498	2,982,291	6,275,298	9,111,209	7,620,409	3,173,347
152 Building materials, garden supplies, and mobile home dealers	31,339	11,464	1,989,458	2,139,694	2,139,694	17,329,426	630,671	814,722	640,237	245,944
153 Building materials dealers	31,176	11,348	1,984,114	2,134,353	2,134,353	17,365,198	520,263	581,125	459,441	163,261
154 Hardware stores	9,219	6,236	300,708	344,868	344,868	1,013,899	1,013,014	129,248	99,251	33,886
155 Garden supplies and mobile home dealers	1,085	1,075	1,013,889	2,111,137	2,111,137	1,013,899	2,042,173	1,014,349	81,545	28,797
156 General merchandise stores	11,944	7,941	8,076,944	27,474,311	27,474,311	40,786,114	11,611,148	17,284,481	16,671,031	779,539
157 Food stores	28,429	17,128	1,111,428	25,070,453	25,070,453	48,720,191	11,431,608	12,589,984	11,110,685	495,205
158 Automotive dealers and service stations	6,188	41,811	4,888,868	11,480,229	11,480,229	1,488,351	9,412,028	1,359,706	1,129,784	439,527
159 Motor vehicle dealers	12,085	3,429	5,789,114	12,119,214	12,119,214	1,488,351	7,688,158	692,354	560,981	208,478
160 Gasoline service stations	12,692	3,411	11,881,146	11,419,194	11,419,194	1,488,351	4,311,213	431,204	383,271	265,293
161 Other automotive dealers	7,749	10,684	4,842,114	7,940,815	7,940,815	1,488,351	3,721,662	236,143	186,132	65,756
162 Apparel and accessory stores	38,136	2,278	2,088,861	10,940,111	10,940,111	11,411,111	47,311,111	47,311,111	625,209	250,437
163 Furniture and home furnishings stores	10,034	20,108	14,111,111	14,111,111	14,111,111	11,111,111	2,111,111	519,060	460,669	148,090
164 Eating and drinking places	7,601	40,804	28,828,111	21,111,111	21,111,111	12,000,000	587,468	1,010,244	694,336	277,217
165 Miscellaneous retail stores	113,245	40,804	1,111,111	2,111,111	2,111,111	1,111,111	1,111,111	1,642,444	1,346,456	533,328
166 Drug stores and proprietary stores	20,116	11,225	15,111,111	15,111,111	15,111,111	10,000,000	2,111,111	396,798	68,821	22,886
167 Liquor stores	12,024	1,289	15,111,111	15,111,111	15,111,111	155,400	155,400	1,111,111	1,111,111	123,845
168 Other retail stores	70,445	1,488	12,888,811	7,111,111	7,111,111	11,111,111	415,126	1,226,324	980,813	390,597
169 Wholesale and retail trade, not allocable	671	249	12,024	120,884	120,884	11,111	7,460	3,406	3,852	(1)
170 Finance, insurance, and real estate	425,249	248,323	303,198,775	234,091,644	149,209,190	82,502,672	11,504,156	17,831,845	12,594,288	5,570,370
Banking										
171 Mutual saving banks	11,114	1,016	1,016,111	1,016,111	1,016,111	1,016,111	1,016,111	1,016,111	1,016,111	1,016,111
172 Bank holding companies	412	412	412,111	412,111	412,111	412,111	412,111	412,111	412,111	412,111
173 Banks, except mutual savings banks and bank holding companies	320	268	1,016,111	1,016,111	1,016,111	1,016,111	1,016,111	1,016,111	1,016,111	1,016,111
174 Other credit agencies—finance not allocable	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Credit agencies, other than banks										
175 Savings and loan associations	4,111	4,111	4,111,111	4,111,111	4,111,111	4,111,111	4,111,111	4,111,111	4,111,111	4,111,111
176 Personal credit institutions	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
177 Business credit institutions	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
178 Other credit agencies—finance not allocable	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Security commodity brokers and dealers										
180 Security commodity brokers and dealers	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
181 Security brokers and dealers	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
182 Commodity contract brokers and dealers, security and commodity exchanges, and allied services	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Insurance										
183 Life insurance	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
184 Mutual insurance, except life, marine, and certain fire and flood insurance companies	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
185 Other insurance companies	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Insurance agents, brokers, and service										
187 Real estate	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
188 Buildings	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
189 Lessors of mining, oil, and similar property	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
190 Lessors of railroad property, and of real property not elsewhere classified	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
191 Subdividers and developers	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
192 Other real estate	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Holding and other investment companies, except bank holding companies										
194 Regulated investment companies	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
195 Real estate investment trusts	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
196 Small business investment companies	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
197 Other holding and investment companies, except bank holding companies	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
199 Services	388,832	221,490	115,589,142	86,074,330	110,497,541	57,418,698	2,500,160	1,174,641	3,652,166	1,431,617
Hotels and other lodging places										
200 Personal services	18,234	9,211	9,111,111	9,111,111	9,111,111	9,111,111	9,111,111	9,111,111	9,111,111	9,111,111
201 Business services	106,484	56,304	48,270,111	26,463,527	19,809,880	19,809,880	803,904	1,557,005	1,144,916	470,812
202 Advertising	12,011	6,704	6,704,111	6,704,111	6,704,111	6,704,111	6,704,111	6,704,111	6,704,111	6,704,111
203 Business services, except advertising	14,441	4,960	4,960,111	4,960,111	4,960,111	4,960,111	4,960,111	4,960,111	4,960,111	4,960,111
Auto repair, miscellaneous repair services										
205 Auto repair and services	14,094	14,094	14,094,111	14,094,111	14,094,111	14,094,111	14,094,111	14,094,111	14,094,111	14,094,111
206 Miscellaneous repair services	14,094	14,094	14,094,111	14,094,111	14,094,111	14,094,111	14,094,111	14,094,111	14,094,111	14,094,111
Amusement and recreation services										
208 Motion picture production, distribution, and services	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
209 Motion picture theaters	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
210 Amusement and recreation services, except motion pictures	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Other services										
212 Offices of physicians, including osteopathic physicians	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
213 Offices of dentists	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
214 Nursing and personal care facilities	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
215 Medical laboratories	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
216 Other medical services	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
217 Legal services	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
218 Educational services	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
219 Miscellaneous services, not elsewhere classified	1,111	1,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
220 Nature of business not allocable	2,842	2,202	926,337	726,392	696,930	601,298	29,599	44,845	25,518	9,462

Footnotes at end of table. See text for explanation of terms and description of the sample and limitations of the data.

RETURNS OF ACTIVE CORPORATIONS

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 columns: Minor industry, Foreign tax credit, Investment credit, Total income tax after credits, Distributions to stockholders except in own stock (All returns, Returns with net income), Total assets, Net worth, Depreciable assets, Depreciation deductions. Rows include categories like Total returns of active corporations, Agriculture, forestry and fishing, Mining, Construction, and Manufacturing with various sub-industries.

Continued on back of Table 1. See back for explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS

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 11 columns: Minor industry, Foreign tax credit, Investment credit, Total income tax after credits, Distributions to stockholders except in own stock (All returns, Returns with net income), Total assets, Net worth, Depreciable assets, Depreciation deductions. Rows include Manufacturing—Continued, Machinery, Transportation and public utilities, Wholesale and retail trade, etc.

Footnotes at end of table: See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS

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	Foreign tax credit	Investment credit	Total income tax after credits	Distributions to stockholders except in own stock		Total assets	Net worth	Depreciable assets	Depreciation deductions
				All returns	Returns with net income				
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Wholesale and retail trade—Continued									
151 Retail trade	102 191	229 009	2 841 730	1 739 511	1 644 552	153 646 411	58 427 180	56 703 712	4 930 129
152 Building materials, garden supplies, and mobile home dealers	(*)	10 274	235 594	91 115	88 291	10 410 541	4 451 172	3 135 447	283 424
153 Building materials dealers	(*)	7 417	175 758	74 946	72 881	8 353 906	3 241 350	2 168 364	190 738
154 Hardware stores	—	1 296	32 590	9 624	9 555	1 531 202	770 505	382 662	31 376
155 Garden supplies and mobile home dealers	—	1 561	27 235	6 545	5 855	1 925 732	441 317	588 421	58 310
156 General merchandise stores	66 211	83 875	649 442	753 858	735 255	47 259 781	17 353 114	15 727 697	1 115 343
157 Food stores	1 288	65 154	428 652	261 654	265 632	17 750 821	1 116 692	10 408 255	939 315
158 Automotive dealers and service stations	(*)	17 942	392 440	132 787	114 980	27 592 534	7 750 563	6 836 877	733 708
159 Motor vehicle dealers	(*)	8 533	199 885	86 654	70 164	20 762 485	5 434 744	4 511 025	528 131
160 Gasoline service stations	(*)	6 017	131 579	25 981	25 826	2 860 816	1 073 155	1 302 001	106 161
161 Other automotive dealers	(*)	3 392	60 976	20 152	18 948	3 969 233	1 237 654	1 023 851	99 416
162 Apparel and accessory stores	(*)	9 215	241 042	74 843	72 940	3 246 105	4 300 105	2 525 865	227 866
163 Furniture and home furnishings stores	(*)	3 852	143 689	41 615	39 348	8 691 643	3 423 919	1 848 632	178 565
164 Eating and drinking places	(*)	30 783	244 231	147 807	145 676	12 055 330	3 729 770	9 172 155	775 754
165 Miscellaneous retail stores	2 760	27 914	506 640	228 038	182 535	20 639 648	8 299 845	7 044 784	676 153
166 Drug stores and proprietary stores	(*)	5 889	117 311	56 069	47 030	4 934 728	2 068 229	1 517 500	130 290
167 Liquor stores	—	382	21 904	15 850	13 432	1 386 799	570 994	433 000	38 781
168 Other retail stores	2 122	21 043	367 425	156 117	122 075	14 308 354	5 660 617	5 094 284	507 082
169 Wholesale and retail trade not allocable	—	(*)	(*)	(*)	(*)	92 209	24 492	39 817	2 820
170 Finance, insurance, and real estate	702 783	161 083	4 706 209	8 661 214	7 311 126	2 176 652 153	253 147 512	104 139 976	6 423 469
171 Banking	520 970	44 330	963 165	2 590 457	2 045 109	1 178 558 767	79 480 576	20 145 743	2 191 413
172 Mutual savings banks	353	2 099	88 102	107 100 816	—	6 062 101	1 119 375	—	62 911
173 Bank holding companies	312 871	56 472	197 156	1 589 060	1 231 012	615 029 465	40 219 026	10 544 430	1 327 810
174 Banks except mutual savings banks and bank holding companies	207 746	35 919	677 607	1 041 373	814 097	454 428 486	33 079 449	8 481 938	900 698
175 Credit agencies other than banks	26 045	17 073	758 474	417 667	386 198 761	22 919 614	8 811 754	612 291	1 021 291
176 Savings and loan associations	187	8 413	423 342	124 137	120 530	281 894 558	9 006 499	4 748 439	216 625
177 Personal credit institutions	(*)	6 296	56 783	105 716	105 716	18 484 414	3 770 857	1 118 221	149 732
178 Business credit institutions	6 233	1 163	126 746	63 718	62 521	18 953 864	2 219 280	1 231 508	142 112
179 Other credit agencies finance not allocable	2 663	1 201	151 603	167 717	128 500	61 859 910	7 321 978	1 513 586	103 822
180 Security commodity brokers and services	1 833	3 220	117 012	75 095	53 089	24 986 454	3 597 281	509 386	62 735
181 Real estate brokers and dealers	1 669	2 476	87 631	64 459	43 140	22 613 216	3 010 457	358 642	49 838
182 Commodity contracts brokers and dealers security and commodity exchanges and allied services	(*)	744	29 381	10 636	9 949	2 373 238	586 924	150 744	12 897
183 Insurance	113 910	23 758	1 918 697	1 309 999	940 623	378 024 315	56 694 054	7 423 694	923 811
184 Life insurance	100 575	16 598	1 767 863	841 110	605 044	269 432 373	19 586 725	2 459 149	379 623
185 Mutual insurance except life or marine and certain fire or flood insurance companies	624	5 079	69 446	—	—	22 162 074	5 994 589	552 093	72 596
186 Other insurance companies	12 711	2 111	81 288	668 889	375 576	86 419 868	25 113 745	4 412 452	471 392
187 Insurance agents brokers and service	5 264	2 687	140 776	95 589	91 118	7 235 698	2 080 014	826 053	102 636
188 Real estate	1 494	18 803	638 851	565 415	493 009	102 053 640	21 751 289	62 149 255	2 375 939
189 Real estate operators and lessors of buildings	835	8 952	440 181	381 348	322 411	64 823 810	15 765 966	54 337 016	1 974 518
190 Lessors of mining, oil and similar property	(*)	417	25 113	29 024	29 024	734 818	354 616	240 947	11 401
191 Lessors of railroad property and of real property not elsewhere classified	(*)	1 746	23 983	15 788	15 095	1 950 330	794 035	966 196	44 379
192 Subdividers and developers	(*)	4 218	87 601	21 885	64 118	25 401 112	3 096 299	4 088 642	191 503
193 Other real estate	(*)	1 970	61 973	67 372	62 351	9 143 570	1 742 974	2 516 554	154 138
194 Holding and other investment companies except bank holding companies	33 265	3 152	169 234	3 540 476	3 230 514	101 594 518	72 742 679	4 473 991	154 668
195 Regulated investment companies	—	(*)	(*)	2 422 692	2 330 209	55 009 850	52 406 508	113 177	132
196 Real estate investment trusts	—	(*)	155	344 053	186 492	19 843 919	4 460 464	2 501 204	62 383
197 Small business investment companies	—	(*)	739	3 541	—	479 703	139 759	—	6 739
198 Other holding and investment companies except bank holding companies	33 265	3 152	168 328	769 840	711 680	26 501 046	15 735 948	1 820 931	91 526
199 Services	67 961	161 092	1 201 989	826 292	736 367	84 979 681	25 225 027	56 433 311	6 160 689
200 Hotels and other lodging places	—	9 126	75 768	99 536	72 367	12 763 794	2 851 088	11 226 144	644 082
201 Personal services	1 951	10 929	114 906	67 697	65 166	4 927 054	2 184 635	3 880 769	378 614
202 Business services	21 683	47 273	401 667	268 293	237 391	26 013 120	7 733 487	13 382 154	1 753 378
203 Advertising	11 726	2 857	80 191	40 950	38 880	2 263 078	964 462	945 592	84 435
204 Business services, except advertising	9 957	44 416	321 476	227 443	198 512	22 750 042	6 768 525	12 436 562	1 668 943
205 Auto repair miscellaneous repair services	(*)	22 496	109 440	52 140	43 437	9 611 488	2 215 891	8 862 457	1 665 947
206 Auto repair and services	(*)	20 161	78 725	38 451	30 206	8 584 943	1 845 143	8 381 272	1 606 972
207 Miscellaneous repair services	—	2 335	130 715	13 679	13 231	1 027 495	400 748	481 185	58 975
208 Amusement and recreation services	40 052	44 690	323 567	184 749	179 677	15 580 866	5 106 669	10 122 661	1 037 955
209 Motion picture production distribution and services	37 848	29 739	43 966	41 526	41 447	5 765 835	1 660 368	1 892 047	479 658
210 Motion picture theaters	(*)	2 866	27 272	16 915	35 092	1 851 059	641 068	1 413 545	37 066
211 Amusement and recreation services except motion pictures	(*)	12 065	152 329	166 294	103 138	9 865 982	2 794 833	8 817 069	463 748
212 Other services	3 059	26 578	277 261	153 897	138 310	16 080 364	5 113 057	8 959 126	680 703
213 Offices of physicians including osteopathic physicians	(*)	5 394	44 891	17 631	12 268	1 102 139	824 158	1 044 065	127 616
214 Offices of dentists	(*)	1 083	7 414	5 327	5 153	396 516	163 460	309 597	37 066
215 Nursing and personal care facilities	(*)	2 726	31 618	27 914	27 819	3 351 902	588 867	2 688 001	128 967
216 Medical laboratories	(*)	352	8 852	(*)	(*)	712 801	167 218	127 816	19 857
217 Other medical services	(*)	8 662	33 608	13 083	12 800	1 120 815	1 092 598	2 027 676	120 285
218 Legal services	—	1 257	4 807	4 407	6 407	347 898	131 676	193 489	25 629
219 Educational services	(*)	308	11 233	(*)	(*)	872 423	270 049	486 866	45 402
220 Miscellaneous services not elsewhere classified	2 527	6 718	134 741	81 097	69 729	6 109 093	2 116 417	—	181 409
221 Nature of business not allocable	(*)	522	8 741	6 718	6 718	584 443	257 241	214 146	19 791

Footnotes at end of table. See first for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS

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	Coefficient of variation (percent)							
	Total number of returns	Total receipts	Net income	Deficit	Total income tax	Distributions to stockholders except in own stock	Total assets	Depreciation reduction
	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)
1 Total returns of active corporations	02	01	01	05	01	02	(?)	01
2 Agriculture, forestry and fishing	35	31	33	41	38	82	19	28
3 Agricultural production	29	26	27	42	41	85	20	31
4 Agricultural services, forestry and fishing	74	63	61	176	93	242	48	65
5 Mining	64	05	01	41	01	03	05	12
6 Metal mining	24	01	04	51	09	05	06	10
7 Iron ores	411	16	20	24	08	(1)	11	12
8 Copper, lead and zinc, gold and silver ores	365	01	03	365	02	(1)	05	13
9 Other metal mining	448	61	(1)	129	(1)	(1)	54	45
10 Coal mining	114	21	16	185	15	47	11	27
11 Oil and gas extraction	92	05	01	55	01	07	07	18
12 Crude petroleum, natural gas, and natural gas liquids	112	02	01	59	(1)	02	07	18
13 Oil and gas field services	148	41	26	41	24	54	16	30
14 Nonmetallic minerals, except fuels	124	10	25	116	21	64	21	36
15 Dimensional stone, sand and gravel	130	46	64	133	56	150	40	52
16 Other nonmetallic minerals, except fuels	141	23	09	303	09	03	12	25
17 Construction	20	13	16	25	17	52	08	15
18 General building, contractors and operative builders	31	20	27	31	29	91	12	25
19 General building, contractors	13	21	24	34	30	64	12	26
20 Operative builders	114	61	105	77	142	399	35	70
21 Heavy construction contractor	61	21	27	55	28	45	15	26
22 Special trade contractors	29	21	24	33	23	98	19	29
23 Plumbing, heating and air conditioning	610	43	27	116	61	214	26	50
24 Electrical work	71	51	69	120	73	200	41	59
25 Other special trade contractors and contractors not allocable	19	32	40	7	46	130	25	39
26 Manufacturing	17	02	02	12	02	02	01	02
27 Food and kindred products	58	38	08	39	02	08	05	10
28 Meat products	143	25	26	46	24	20	13	17
29 Dairy products	160	21	14	164	31	44	19	21
30 Preserved fruits and vegetables	18	16	15	150	11	08	09	18
31 Grain mill products	361	20	11	21	08	11	12	21
32 Bakery products	117	13	26	12	35	25	24	35
33 Sugar and confectionery products	251	14	14	56	12	06	19	26
34 Malt liquors and malt	107	01	04	01	15	02	04	04
35 Alcoholic beverages, not malt liquors and malt	110	13	04	42	10	03	09	14
36 Bottled soft drinks and flavings	117	26	18	133	14	24	17	26
37 Other food and kindred products	145	40	47	82	43	11	24	57
38 Textile mill products	404	12	01	11	01	(1)	02	06
39 Textile mill products	94	14	14	38	11	26	12	12
40 Weaving, finishing and textile finishing	115	12	11	61	07	02	09	10
41 Knitting	36	44	57	66	10	15	12	44
42 Other textile mill products	153	29	12	51	10	74	23	26
43 Apparel and other leather products	64	23	25	62	24	62	17	26
44 Mens and boys' clothing	142	33	38	92	34	82	24	37
45 Womens and childrens clothing	43	24	36	84	15	106	27	41
46 Other apparel and accessories	187	44	34	34	148	134	77	32
47 Miscellaneous fabricated textile products, textile products not elsewhere classified	140	47	77	205	60	155	59	74
48 Lumber and wood products	11	14	13	33	13	14	10	24
49 Lumber, sawmill and planing mills	118	21	14	103	16	21	11	28
50 Millwork, plywood and related products	115	24	25	68	21	21	21	32
51 Other wood products, including wood buildings and mobile homes	112	36	45	61	40	81	21	53
52 Furniture and fixtures	102	14	31	121	29	19	27	36
53 Paper and allied products	117	14	06	119	16	07	05	06
54 Pulp, paper and allied mills	110	06	02	201	01	01	04	04
55 Other paper products	118	16	12	204	13	14	11	12
56 Printing and publishing	52	15	11	40	10	41	39	15
57 News papers	11	24	15	188	15	69	12	19
58 Periodicals	121	31	30	121	17	24	22	35
59 Book, printing, arts and miscellaneous publishing	178	28	27	71	27	11	15	21
60 Commercial and other printing, and printing trade services	11	11	27	11	23	84	27	33
61 Chemical and allied products	11	04	02	11	11	04	02	03
62 Inorganic chemicals, primary and synthetic	114	11	01	114	11	01	02	02
63 Organic chemicals, primary and synthetic	42	11	04	50	11	12	04	05
64 Inorganic and allied products	11	11	11	107	11	05	08	12
65 Organic and allied products	11	11	11	11	11	60	06	36
66 Agricultural, chemical and allied products	11	29	11	11	11	33	07	14
67 Petroleum and allied products and coal products	11	01	01	11	01	01	(1)	01
68 Petroleum and allied products, except petroleum	01	01	(1)	11	11	11	(1)	01
69 Coal and allied products, not elsewhere classified	11	44	11	11	11	59	34	75
70 Rubber and miscellaneous plastic products	82	15	21	11	14	13	10	14
71 Rubber, plastic products, footwear, tires and tubes	11	09	17	17	17	27	09	07
72 Miscellaneous plastic products	11	44	47	108	47	161	37	47
73 Leather and leather products	11	31	34	6	21	20	23	33
74 Footwear, except rubber	11	23	34	44	33	08	18	25
75 Leather and leather products, not elsewhere classified	11	65	78	213	75	156	78	101

Footnotes at end of table. See notes for explanation of terms and description of the sample and estimation of the data.

RETURNS OF ACTIVE CORPORATIONS

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	Coefficient of variation (percent)							
	Total number of returns	Total receipts	Net income	Deficit	Total income tax	Distributions to stockholders except in own stock	Total assets	Depreciation deduction
	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)
Manufacturing—Continued								
76 Stone, clay, and glass products	77	1.6	0.5	6.4	1	1.1	1.5	1.5
77 Glass products	29.9	1	1.1	11.8	1	1	0.6	0.6
78 Cement, hydraulic	26.4	1.0	1.1	9.2	1.1	1	0.7	0.7
79 Concrete, gypsum, and plaster products	4.6	1.3	1.4	4.2	1	1	0.3	0.3
80 Other nonmetallic mineral products	14.1	4.0	4.4	16.9	2.1	1.2	3.8	3.8
81 Primary metal industries	9.8	0.3	0.3	11.1	1	1	0.3	0.3
82 Ferrous metal industries, miscellaneous primary metal products	14.3	1.4	1.4	1.6	1	1	0.3	0.3
83 Nonferrous metal industries	13.4	0.9	0.9	15.1	1	1	0.6	0.6
84 Fabricated metal products	3.8	2.0	1.9	6.5	1	1	1.1	1.1
85 Metal cans and shipping containers	40.0	1.4	1.4	11	1.8	1.8	1.0	1.0
86 Cutlery, hand tools, and hardware, crew machine products, bolts, and similar products	15.4	2.6	2.4	22.4	2.3	2.2	1.9	1.9
87 Plumbing and heating, except electric and warm air	70.7	15.1	15.4	27.6	16.1	4.6	9.4	9.3
88 Fabricated structural metal products	1.9	2.4	1.6	11.4	1	1	2.5	2.5
89 Metal forgings and stampings	17.7	4.2	3.5	5.8	3	3	4.1	4.1
90 Coating, engraving, and allied services	17.3	7.4	4.1	1.7	4.1	4.1	6.4	22.5
91 Ordnance and accessories, except vehicles and guided missiles	24.1	7.4	1.8	1.4	17.7	4.6	3.1	5.7
92 Miscellaneous fabricated metal products	4.5	3.1	4.7	14.4	2.4	1.4	2.4	3.1
93 Machinery, except electrical	4.4	0.1	0.1	1	1	1	1.4	1.4
94 Farm machinery	18.1	2.0	2.4	26.8	1	1	2.1	2.1
95 Construction and related machinery	14.4	1.1	1.1	15.1	1	1	3.7	3.7
96 Metalworking machinery	9.3	3.1	3.1	16.1	1.6	1.6	4.7	4.7
97 Special industry machinery	14.1	2.1	1.8	1.7	2.9	1.7	1.1	2.1
98 General industrial machinery	14.5	1.8	2.3	1.4	1.4	1.4	1.1	1.1
99 Office and computing machines	24.4	1.8	1.4	1.4	1.4	1.4	0.2	0.2
100 Other machinery, except electrical	26.6	2.5	3.4	1.4	1.4	1.4	0.3	0.3
101 Electrical and electronic equipment	1.4	1.5	1.4	1.4	1.4	1.4	0.3	0.3
102 Household appliances	27.1	1.4	1.4	1.4	1.4	1.4	1.4	1.4
103 Radio, television, and communication equipment	19.4	1.4	1.4	1.4	1.4	1.4	0.4	0.4
104 Electronic components and accessories	1.1	1.1	1.1	1.1	1.1	1.1	0.5	0.5
105 Other electric equipment	11.8	1.4	1.4	1.4	1.4	1.4	0.5	0.5
106 Motor vehicles and equipment	14.7	1.4	1.4	1.4	1.4	1.4	1.4	1.4
107 Transportation equipment, except motor vehicles	1.2	1.4	1.4	1.4	1.4	1.4	1.4	1.4
108 Aircraft, guided missiles, and parts	1.2	1.4	1.4	1.4	1.4	1.4	1.4	1.4
109 Ship and boat building and repairing	1.1	1.4	1.4	1.4	1.4	1.4	1.4	1.4
110 Other transportation equipment, except motor vehicles	22.4	1.1	1.1	1.1	1.1	1.1	0.2	0.2
111 Instruments and related products	11.0	1.1	1.1	1.1	1.1	1.1	0.8	0.8
112 Scientific instruments and measuring devices, watches and clocks	17.3	1.5	2.8	1.1	1.1	1.1	1.0	0.9
113 Optical, medical, and ophthalmic goods	15.1	1.1	2.1	1.4	1.4	1.4	1.1	1.1
114 Photographic equipment and supplies	36.5	1.1	1.1	1.1	1.1	1.1	1.1	1.1
115 Miscellaneous manufacturing and manufacturing not allowable	1.4	2.1	1.1	1.1	1.1	1.1	1.1	1.1
116 Transportation and public utilities	3.1	0.5	0.4	1.3	0.1	0.3	0.1	0.1
117 Transportation	3.6	1.1	1.1	1.1	1.1	1.1	1.1	1.1
118 Railroad transportation	36.9	0.1	0.1	1.1	1.1	1.1	1.1	1.1
119 Local and interurban passenger transit	10.2	11.2	11.2	11.2	1.1	1.1	1.1	1.1
120 Trucking and warehousing	4.9	2.1	2.1	1.4	2.1	2.1	1.1	1.1
121 Water transportation	11.4	2.7	1.1	1.1	1.1	1.1	1.1	1.1
122 Transportation by air	13.8	1.1	1.1	4.9	1.1	1.1	1.1	1.1
123 Pipe lines, except natural gas	48.3	1.2	1.1	1.1	1.1	1.1	1.1	1.1
124 Transportation services, not elsewhere classified	9.7	7.5	1.1	1.1	1.1	1.1	2.4	2.1
125 Communication	8.4	1.1	1.1	1.1	1.1	1.1	1.1	1.1
126 Telephone, telegraph, and other communication services	13.8	0.2	1.1	1.1	1.1	1.1	1.1	1.1
127 Radio and television broadcasting	10.6	2.0	1.1	1.1	1.1	1.1	1.1	1.1
128 Electric, gas, and sanitary services	4.5	1.1	1.1	1.1	1.1	1.1	1.1	1.1
129 Electric services	19.1	0.8	1.1	1.1	1.1	1.1	1.1	1.1
130 Gas production and distribution	21.1	0.4	1.1	1.1	1.1	1.1	1.1	1.1
131 Combination utility services	4.1	3.3	1.1	1.1	1.1	1.1	1.1	1.1
132 Water supply and other sanitary services	11.7	4.4	1.1	1.1	1.1	1.1	1.1	1.1
133 Wholesale and retail trade	9.9	0.4	0.5	1.4	0.5	1.3	0.3	0.4
134 Wholesale trade	1.6	0.2	0.2	1.1	1.1	1.1	1.1	1.1
135 Groceries and related products	5.6	2.3	1.1	1.1	1.1	1.1	1.1	1.1
136 Machinery, equipment, and supplies	3.7	1.7	1.1	1.1	1.1	1.1	1.1	1.1
137 Miscellaneous wholesale trade	2.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1
138 Motor vehicles and automotive equipment	5.4	1.1	1.1	1.1	1.1	1.1	1.1	1.1
139 Lumber and construction materials	7.3	1.1	1.1	1.1	1.1	1.1	1.1	1.1
140 Metals and minerals, except petroleum and coal	11.2	1.4	1.1	1.1	1.1	1.1	1.1	1.1
141 Electrical goods	1.4	1.1	1.1	1.1	1.1	1.1	1.1	1.1
142 Hardware, plumbing, and heating equipment	5.4	1.1	1.1	1.1	1.1	1.1	1.1	1.1
143 Other durable goods	3.9	1.1	1.1	1.1	1.1	1.1	1.1	1.1
144 Paper and paper products	23.1	4.1	1.1	1.1	1.1	1.1	1.1	1.1
145 Drugs, chemicals, and allied products	4.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
146 Apparel, piece goods, and notions	6.1	4.7	1.1	1.1	1.1	1.1	1.1	1.1
147 Farm products raw materials	7.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
148 Petroleum and petroleum products	7.9	1.1	1.1	1.1	1.1	1.1	1.1	1.1
149 Alcoholic beverages	10.4	1.1	1.1	1.1	1.1	1.1	1.1	1.1
150 Miscellaneous nondurable goods, wholesale trade, not allowable	6	1.1	1.1	1.1	1.1	1.1	1.1	1.1

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS

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—minor amounts are in thousands of dollars

Minor industry	Coefficient of variation (percent)							
	Total number of returns	Total receipts	Net income	Deficit	Total income tax	Distributions to stockholders except in own stock	Total assets	Depreciation deduction
	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)
Wholesale and retail trade—Continued								
151 Retail trade	1.1	7.4	1.1	1.8	0.4	2.5	0.5	0.8
152 Building materials, garden supplies, and lawn equipment stores	2.1	1.9	1.1	8.5	4.1	1.7	2.6	3.7
153 Building materials, dealers	1.1	1.1	1.1	1.8	3.6	11.1	3.1	4.4
154 Hardware stores	4.1	7.6	4.1	23.0	13.1	10.2	7.0	8.5
155 Garden supplies and nursery stores	9.9	2.0	11.2	22.3	13.7	12.9	5.9	9.3
156 General merchandise stores	7.6	7.1	1.2	1.7	1.1	1.1	0.4	0.5
157 Food stores	7.1	1.4	1.1	4.4	1.6	6.6	1.1	1.2
158 Automotive dealers and repair shops	1.1	1.1	1.1	1.1	2.6	11.9	1.5	2.5
159 Motor vehicle dealers	2.1	2.1	1.1	1.1	1.1	11.1	1.4	3.1
160 Gasoline service stations	8.1	4.0	2.1	24.1	1.2	21.0	3.9	5.9
161 Other automotive services	1.1	1.1	1.1	1.1	1.1	4.0	4.1	4.9
162 Apparel and accessories stores	1.1	1.1	1.1	1.1	1.1	1.1	1.1	3.1
163 Footwear and shoe stores	1.1	1.1	1.1	1.1	1.1	1.1	1.1	4.2
164 Eating and drinking places	1.1	1.1	1.1	1.1	1.1	1.1	1.1	2.1
165 Miscellaneous hotels	1.1	1.1	1.1	1.1	1.1	1.1	1.1	2.9
166 Tourist travel and transportation agencies	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.7
167 Travel stores	1.1	1.1	1.1	1.1	1.1	1.1	1.1	9.3
168 Travel agencies	1.1	1.1	1.1	1.1	1.1	1.1	1.1	3.6
169 Wholesale and retail trade, not classified	1.1	1.1	1.1	1.1	1.1	1.1	22.1	34.3
Finance, insurance, and real estate	1.2	0.2	0.4	0.9	0.3	0.6	0.1	0.5
171 Banking	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
172 Mutual savings banks	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
173 State nonmember banks	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
174 Federal reserve banks	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
175 Credit unions and thrift banks	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
176 Savings and loan associations	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
177 Federal credit institutions	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
178 Business credit institutions	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
179 Other credit agencies, financial institutions, and other financial institutions	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
180 Security commodity brokers and dealers	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
181 Security futures dealers	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
182 Commodity contract brokers and dealers	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
183 Other financial institutions	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
184 Insurance	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
185 Life insurance	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
186 Mutual insurance companies, except fraternal benefit societies	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
187 Other insurance companies	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
188 Insurance agents, brokers, and services	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
189 Real estate	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
190 Real estate operations and leasing	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
191 Lessors of mineral interests and other property	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
192 Oil, gas, and leasehold interests, except oil and gas	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
193 Other real estate	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
194 Holding and other investment companies, except bank holding companies	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
195 Regulated investment companies	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
196 Real estate investment trusts	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
197 Small business investment companies	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
198 Other holding and investment companies, except bank holding companies	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Services	1.4	1.4	1.5	2.3	1.5	4.4	0.7	4.2
200 Hair and other beauty parlors	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
201 Personal services	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
202 Business services	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
203 Advertising	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
204 Business services, except advertising	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
205 Auto repair, mechanical repair services	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
206 Auto repair and services	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
207 Miscellaneous repair services	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
208 Amusement and recreation services	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
209 Motion picture, radio, and television services	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
210 Motion picture theaters	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
211 Amusement and recreation services, except motion picture	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
212 Health services	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
213 Physicians (including osteopaths, chiropractors)	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
214 Physicians (dentists)	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
215 Nursing and personal care facilities	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
216 Mental laboratories	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
217 Therapeutic services	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
218 Educational services	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
219 Educational services, not elsewhere classified	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
220 Miscellaneous services, not elsewhere classified	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Nature of business not allocable	18.5	16.5	18.8	12.5	22.4	17.4	9.1	16.8

(1) Similar is not shown separately because of the small number of sample returns on which it was based. It is included in the appropriate total.

(2) Excludes companies with gross income under \$100,000 which are tax-exempt under section 501(c)(3).

(3) Coefficient of variation is less than 15 but greater than 5.

(4) The small size of the sample yielded unreliable estimates.

(5) Estimate is based on returns sampled at a 10 percent rate and coefficient of variation is 20.

(6) Credits include foreign tax investment and work incentive (WIN) credits.

NOTE: See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS

Table 2.—Balance Sheets and Income Statements, by Major Industry

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

Item	Major industry						
	All industries	Agriculture, forestry, and fishing	Mining				Nonmetallic minerals, except fuels
			Total mining	Metal mining	Coal mining	Oil and gas extraction	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1 Number of returns, total	1,965,894	53,458	15,732	1,769	2,059	8,350	3,554
2 With net income	1,207,396	31,500	8,931	71	1,556	5,090	2,214
3 Total assets	4,016,466,940	19,283,714	47,039,718	9,581,534	7,570,943	23,763,874	6,123,367
4 Cash	281,023,745	1,191,724	2,381,681	227,766	706,085	991,564	452,266
5 Notes and accounts receivable	1,029,414,345	1,987,953	11,123,848	743,704	1,302,100	8,071,793	1,006,251
6 Less: Allowance for bad debts	31,467,517	23,714	63,771	(*)	6,451	38,265	18,410
7 Inventories	312,096,929	1,985,683	3,014,709	798,701	318,727	1,414,558	492,723
8 Investments in Government obligations:							
9 United States	125,839,713	56,377	286,005	(*)	61,294	145,729	51,261
State and local	130,453,624	53,875	255,960	(*)	91,834	52,064	(*)
10 Other current assets	128,866,123	522,015	1,704,362	287,503	417,079	310,733	193,049
11 Loans to stockholders	7,900,362	267,496	161,059	(*)	54,959	57,639	9,410
12 Mortgage and real estate loans	508,497,657	225,597	210,308	(*)	10,590	66,587	14,376
13 Other investments	571,135,294	1,607,339	7,088,041	2,539,729	1,037,064	2,781,611	725,639
14 Depreciable assets	1,170,155,211	10,854,245	23,688,529	4,781,748	4,770,513	9,608,821	4,427,389
15 Less: Accumulated depreciation	484,332,456	4,607,775	10,010,126	1,731,853	1,868,866	4,141,409	2,275,998
16 Depletable assets	37,036,623	123,468	6,426,007	1,255,617	2,78,033	4,569,642	322,715
17 Less: Accumulated depletion	11,245,319	27,078	2,554,844	379,821	62,078	2,024,291	88,702
18 Land	84,509,343	4,121,698	411,470	64,521	117,541	212,424	548,594
19 Intangible assets (nondepletable)	11,411,279	47,432	768,201	43,793	111,220	595,388	17,780
20 Less: Accumulated amortization	3,892,554	11,143	274,415	29,111	20,351	220,756	3,897
21 Other assets	122,496,241	708,831	1,888,062	899,117	341,550	507,649	149,776
22 Total liabilities	4,016,466,940	19,283,714	47,039,718	9,581,534	7,570,943	23,763,874	6,123,367
23 Accounts payable	254,377,045	1,111,177	3,365,202	473,728	598,180	1,767,746	528,548
24 Mortgages, notes, and bonds payable in less than one year	245,844,394	3,644,152	2,324,781	213,085	617,370	1,182,483	311,843
25 Other current liabilities	1,459,499,073	832,890	9,624,304	4,718,244	325,497	7,910,022	320,960
26 Loans from stockholders	34,134,799	1,133,015	549,931	64,298	97,547	356,149	74,937
27 Mortgages, notes, and bonds payable in one year or more	42,043,214	5,506,039	7,538,611	1,620,411	1,278,190	3,069,017	1,337,556
28 Other liabilities	425,609,034	749,539	2,224,031	554,552	371,261	944,316	386,893
29 Capital stock	340,076,710	3,336,405	2,970,961	1,109,128	758,741	1,006,219	496,874
30 Paid-in capital surplus	274,124,499	1,475,805	6,156,454	2,001,151	674,866	3,096,315	426,276
31 Retained earnings, appropriated	25,066,618	81,502	759,872	65,404	117,767	554,252	35,814
32 Retained earnings, unappropriated	495,624,274	1,754,338	11,692,043	2,839,458	2,703,779	4,009,578	2,023,978
33 Less: Cost of treasury stock	19,486,722	341,454	386,598	246,616	121,716	162,465	22,311
44 Total receipts	3,089,701,363	25,452,628	64,804,842	4,917,056	9,363,219	44,857,211	5,667,356
35 Business receipts	2,851,849,894	21,182,893	62,864,619	4,613,190	9,011,077	43,705,726	5,444,712
36 Interest on Government obligations:							
37 United States	1,490,367	6,658	20,041	5,982	2,154	10,409	2,447
38 State and local	7,224,754	3,750	9,047	(*)	3,382	3,710	611
39 Other interest	1,115,251,111	157,473	241,279	68,109	74,319	145,948	52,880
40 Rents	1,193,348	2,740	120,578	3,267	57,285	33,813	25,944
41 Royalties	1,115,251,111	26,249	134,768	1,949	7,967	154,714	19,733
42 Net short-term capital gain reduced by net long-term capital loss	35,361	1,361	3,037	(*)	416	1,814	(*)
43 Net long-term capital gain reduced by net short-term capital loss	6,199,479	277,461	359,444	30,143	64,878	232,421	32,018
44 Net gain, noncapital assets	1,115,251,111	1,361	36,121	2,181	20,175	57,074	25,876
45 Dividends received from domestic corporations	11,420,000	2,377	38,708	44,607	50,373	6,111	6,962
46 Dividends received from foreign corporations	2,441,150	13,109	102	86,374	(*)	138,116	(*)
47 Other receipts	1,016,438	509,074	437,000	53,408	68,399	336,906	55,837
48 Total deductions	2,941,543,997	25,029,379	38,926,694	4,518,266	7,912,564	21,275,669	5,220,195
49 Cost of sales and operations	2,068,968,154	19,427,099	20,796,709	3,096,430	5,457,994	10,832,522	3,409,360
50 Compensation of officers	53,149,117	283,500	41,479	17,626	101,075	154,476	104,346
51 Repairs	22,352,499	439,091	471,184	33,223	127,711	107,079	159,171
52 Bad debts	12,755,511	33,786	53,983	6,747	6,077	26,674	14,263
53 Rent paid on business property	9,778,189	472,066	257,725	19,662	40,267	107,447	40,139
54 Taxes paid	74,705,371	514,772	443,309	179,499	216,641	302,711	150,422
55 Interest paid	1,32,949,480	725,803	793,072	119,523	171,426	324,488	142,634
56 Contributions or gifts	1,194,658	6,702	17,813	3,745	7,294	4,491	2,343
57 Amortization	828,820	3,944	7,401	3,711	710	2,741	1,065
58 Depreciation	78,547,660	932,175	1,669,536	287,352	416,014	627,458	338,687
59 Depletion	18,999,158	23,293	7,921,018	243,096	467,794	7,093,415	195,683
60 Advertising	24,442,118	67,908	33,410	1,504	3,238	13,173	15,721
61 Pension profit-sharing, stock bonus, and annuity plans	23,031,777	78,960	242,317	58,153	47,311	66,415	39,748
62 Employee benefit programs	11,534,144	77,379	148,466	12,474	77,404	26,591	24,453
63 Net loss, noncapital assets	1,115,251,111	25,066,618	43,717	214	11,008	31,414	2,031
64 Other deductions	777,409,611	7,469,459	3,196,119	407,011	616,244	1,599,331	580,129
65 Total receipts less total deductions	148,157,366	423,249	25,878,148	398,790	1,450,655	23,581,542	447,161
66 Constructive taxable income from related foreign corporations	3,145,071	(*)	34,963	(*)	(*)	2,180	(*)
67 Net income (less deficit) (line 64 plus 65 minus 37)	145,012,295	421,167	25,403,075	428,126	1,449,355	23,580,012	446,583
68 Net income	171,166,224	1,119,161	26,403,786	558,308	1,501,389	23,913,732	514,682
69 Deficit	26,153,929	697,994	500,711	129,182	52,031	252,380	68,099
69 Income subject to tax	143,982,513	875,411	25,556,760	423,040	1,224,960	23,494,209	414,551
70 Income tax total	46,112,989	3,151,294	17,257,870	214,899	581,963	11,263,679	197,075
71 Normal tax, surtax, and alternative tax	65,386,637	3,127,026	12,706,771	157,665	414,000	8,998,000	184,557
72 Tax from recomputing prior year investment credit	179,129	2,705	(*)	193	981	1,193	1,545
73 Tax from recomputing prior year alternative (W-N) credit	416	(*)	(*)	(*)	(*)	(*)	(*)
74 Additional tax for tax preferences	146,785	(*)	47,214	16,994	9,560	14,392	6,272
75 Foreign tax credit	20,752,819	1,058	11,061,741	81,715	50,987	10,867,022	59,407
76 Investment credit	4,221,384	42,576	134,767	19,361	47,731	36,695	34,678
77 Work incentive (W-N) credit	7,795	(*)	(*)	(*)	(*)	(*)	(*)
78 Distributions to stockholders	49,287,588	195,154	7,729,579	212,721	214,179	7,171,411	114,402
79 Less and priority except on stock	2,763,367	(*)	541,865	(*)	(*)	(*)	(*)

Footnote at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS

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]

Item	Major industry—Continued									
	Construction				Manufacturing			Apparel and other textile products		
	Total construction	General building contractors and operative builders	Heavy construction contractors	Special trade contractors	Total manufacturing	Food and kindred products	Tobacco manufactures	Textile mill products	Apparel and other textile products	
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)		
1 Number of returns, total	185,563	74,694	14,895	95,974	211,563	15,060	63	6,274	16,106	
2 With net income	106,874	38,621	9,302	58,951	137,843	10,468	60	3,539	9,885	
3 Total assets	74,108,047	38,011,499	16,029,914	20,066,634	885,822,652	70,519,843	14,032,044	19,141,758	13,842,935	
4 Cash	4,061,422	1,717,655	1,114,671	1,994,901	7,148,461	1,421,438	167,426	75,311	878,153	
5 Notes and accounts receivable	21,259,343	9,159,442	4,620,113	7,420,598	104,111,804	14,541,431	1,301,861	4,824,848	4,111,210	
6 Less: Allowance for bad debts	(1,114,188)	(414,477)	(212,168)	(310,441)	(2,700,336)	(251,061)	(7)	(6,474)	(9,799)	
7 Inventories	12,422,157	6,151,767	2,944,125	3,811,707	17,772,137	11,982,161	1,841,152	5,114,693	4,628,132	
8 Investments in Government obligations										
9 United States	2,842,111	1,084,811	416,411	568,389	2,984,111	1,048,111	(7)	714,474	4,644	
10 State and local	(10,768)	(88,987)	(46,707)	(46,707)	(247,511)	(248,175)	(7)	(2,767)	(6,667)	
11 Other current assets	7,286,496	3,812,439	1,984,819	1,609,311	36,206,644	2,137,478	129,119	439,521	514,558	
12 Loans to stockholders	644,594	349,541	174,471	174,471	2,049,943	1,049,943	(7)	24,521	114,447	
13 Mortgage and real estate loans	698,114	571,276	68,835	68,835	1,116,921	1,116,921	(7)	11,291	37,948	
14 Other investments	553,240	2,066,167	1,614,344	1,134,204	17,500,271	1,127,262	4,491,926	1,167,985	1,068,820	
15 Depreciable assets	21,124,752	9,122,425	4,222,425	7,112,425	46,304,446	3,958,244	1,120,124	12,171,948	1,114,561	
16 Less: Accumulated depreciation	(2,854,519)	(1,274,519)	(536,694)	(660,311)	(20,444,112)	(1,467,240)	(46,417)	(4,572,314)	(1,36,946)	
17 Depreciable assets	18,270,233	7,847,906	3,685,731	6,452,114	25,860,334	2,491,004	1,073,707	7,600,634	977,615	
18 Land	1,113,442	1,113,442	1,113,442	1,113,442	1,113,442	1,113,442	(7)	(7)	(7)	
19 Intangible assets, amortizable	111,442	111,442	111,442	111,442	111,442	111,442	(7)	28,435	61,267	
20 Less: Accumulated amortization	(10,111)	(10,111)	(10,111)	(10,111)	(10,111)	(10,111)	(7)	(4,487)	(6,352)	
21 Other assets	(1,164,144)	(1,164,144)	(1,164,144)	(1,164,144)	(1,164,144)	(1,164,144)	(7)	620,480	405,058	
22 Total liabilities	74,108,047	38,011,499	16,029,914	20,066,634	885,822,652	70,519,843	14,032,044	19,141,758	13,842,935	
23 Accounts payable	11,114,798	7,764,448	3,827,111	4,937,441	11,114,798	1,431,798	2,856,068	2,485,202	2,485,202	
24 Mortgages, notes, and bonds payable in less than one year	1,114,798	868,242	414,798	414,798	1,114,798	1,114,798	2,295,147	2,072,341	1,771,750	
25 Other current liabilities	8,885,202	4,171,458	1,788,111	2,508,441	8,885,202	8,885,202	1,114,798	1,114,798	1,114,798	
26 Loans from stockholders	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	(7)	1,114,798	1,114,798	
27 Mortgages, notes, and bonds payable in one year or more	11,468,442	7,234,476	2,558,442	3,162,442	11,468,442	12,001,111	4,228,442	128,326	267,155	
28 Other liabilities	2,508,442	2,508,442	1,417,111	1,417,111	2,508,442	1,114,798	1,114,798	1,114,798	1,114,798	
29 Capital stock	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
30 Paid-in or capital surplus	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
31 Retained earnings, appropriated	2,114,798	2,114,798	2,114,798	2,114,798	2,114,798	2,114,798	2,114,798	2,114,798	2,114,798	
32 Retained earnings, unappropriated	10,576,612	2,432,215	1,784,442	1,824,442	10,576,612	10,576,612	3,864,215	6,605,648	3,864,215	
33 Less: Cost of treasury stock	(4,111)	(4,111)	(4,111)	(4,111)	(4,111)	(4,111)	(7)	235,151	184,436	
34 Total receipts	137,024,339	59,817,634	27,362,529	49,844,176	1,297,265,793	158,116,899	13,476,604	31,133,971	30,578,472	
35 Business receipts	137,024,339	59,817,634	27,362,529	49,844,176	1,297,265,793	158,116,899	13,476,604	31,133,971	30,578,472	
36 Interest on Government obligations										
37 United States	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
38 State and local	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
39 Other interest	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
40 Rents	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
41 Royalties	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
42 Net short-term capital gain reduced by net long-term capital loss	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
43 Net long-term capital gain reduced by net short-term capital loss	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
44 Net gain noncapital assets	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
45 Dividends received from domestic corporations	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
46 Dividends received from foreign corporations	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
47 Other receipts	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
48 Total deductions	135,200,572	59,531,494	26,705,181	48,963,897	1,227,701,620	155,845,480	12,289,400	30,361,034	29,847,827	
49 Cost of sales and operations	129,462,440	57,764,194	27,171,111	47,111,111	1,211,111,111	154,615,111	12,202,111	30,024,804	29,167,514	
50 Compensation of officers	4,670,111	1,551,444	744,444	1,222,111	4,670,111	4,670,111	4,670,111	4,670,111	4,670,111	
51 Repairs	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
52 Bad debts	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
53 Rent paid on business property	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
54 Taxes paid	2,432,215	444,444	264,444	418,111	2,432,215	1,817,111	1,196,548	674,259	692,406	
55 Interest paid	1,874,889	1,060,348	507,634	652,711	1,874,889	1,874,889	1,874,889	1,874,889	1,874,889	
56 Contributions or gifts	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
57 Amortization	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
58 Depreciation	2,854,519	1,274,519	536,694	660,311	2,854,519	2,854,519	2,854,519	2,854,519	2,854,519	
59 Depletion	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
60 Advertising	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
61 Pension, profit sharing, stock bonus, and annuity plans	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
62 Employee benefit programs	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
63 Net loss noncapital assets	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
64 Other deductions	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	1,114,798	
65 Total receipts less total deductions	1,823,767	2,686,140	657,343	1,080,280	74,564,173	6,271,404	1,197,204	1,107,937	736,645	
66 Constructive taxable income from related foreign corporations	43,837	43,837	43,837	43,837	43,837	43,837	43,837	43,837	43,837	
67 Net income (less deficit) (line 64 plus minus 37)	1,780,111	2,642,303	613,506	1,036,443	74,608,010	6,315,241	1,241,041	1,151,774	780,482	
68 Net income	1,780,111	2,642,303	613,506	1,036,443	74,608,010	6,315,241	1,241,041	1,151,774	780,482	
69 Deficit	(1,114,798)	(1,114,798)	(1,114,798)	(1,114,798)	(1,114,798)	(1,114,798)	(1,114,798)	(1,114,798)	(1,114,798)	
69 Income subject to tax	1,780,111	2,642,303	613,506	1,036,443	74,608,010	6,315,241	1,241,041	1,151,774	780,482	
70 Income tax total	1,114,798	334,321	167,161	234,321	4,670,111	4,670,111	4,670,111	4,670,111	4,670,111	
71 Normal tax, surtax, and alternative tax	1,114,798	334,321	167,161	234,321	4,670,111	4,670,111	4,670,111	4,670,111	4,670,111	
72 Tax from recomputing prior year investment credit	1,114,798	334,321	167,161	234,321	4,670,111	4,670,111	4,670,111	4,670,111	4,670,111	
73 Tax from recomputing prior year work incentive (WIN) credit	1,114,798	334,321	167,161	234,321	4,670,111	4,670,111	4,670,111	4,670,111	4,670,111	
74 Additional tax for tax preferences	1,114,798	334,321	167,161	234,321	4,670,111	4,670,111	4,670,111	4,670,111	4,670,111	
75 Foreign tax credit	1,114,798	334,321	167,161	234,321	4,670,111	4,670,111	4,670,111	4,670,111	4,670,111	
76 Investment credit	1,114,798	334,321	167,161	234,321	4,670,111	4,670,111	4,670,111	4,670,111	4,670,111	
77 Work incentive (WIN) credit	1,114,798	334,321	167,161	234,321	4,670,111	4,670,111	4,670,111	4,670,111	4,670,111	
78 Distributions to stockholders	1,114,798	334,321	167,161	234,321	4,670,111	4,670,111	4,670,111	4,670,111	4,670,111	
79 Cash and property except own stock	454,047	165,752	104,463	138,932	1,706,198	1,440,362	377,467	213,247	166,688	
80 Corporation's own stock	510,741	20,746	15,641	13,480	1,545,852					

RETURNS OF ACTIVE CORPORATIONS

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]

Item	Major industry—Continued									
	Manufacturing—Continued									
	Lumber and wood products	Furniture and fixtures	Paper and allied products	Printing and publishing	Chemicals and allied products	Petroleum (including integrated) and coal products	Rubber and miscellaneous plastics products	Leather and leather products	Stone, clay and glass products	
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	
1 Number of returns, total	13,508	6,931	3,765	29,271	9,860	1,039	8,109	2,080	9,563	
2 With net income	8,087	4,609	2,867	17,941	6,025	612	4,969	1,437	6,707	
3 Total assets	24,550,413	5,420,579	25,333,043	25,976,115	75,593,155	157,697,231	16,881,186	4,436,100	22,189,418	
4 Cash	1,070,010	266,674	756,955	1,497,054	2,046,299	2,799,434	596,575	212,814	779,817	
5 Notes and accounts receivable	3,197,900	1,367,002	3,638,569	6,186,737	14,450,659	28,996,213	4,108,722	1,129,107	1,893,384	
6 Less: Allowance for bad debts	74,504	35,463	86,750	146,810	279,044	302,674	70,290	25,315	110,453	
7 Inventories	4,153,539	1,729,382	4,230,478	3,392,854	14,897,136	10,784,403	4,018,548	1,448,682	3,772,179	
8 Investments in Government obligations										
9 United States	89,148	6,598	274,475	289,150	259,452	2,569,564	41,254	(1)	35,963	
State and local	11,497	15,463	47,510	163,001	141,719	(1)	54,169	(1)	9,638	
10 Other current assets	750,882	143,595	644,699	1,317,432	2,115,545	6,778,624	247,524	111,152	704,458	
11 Loans to stockholders	194,007	20,519	28,503	117,076	89,793	189,554	81,897	15,294	36,658	
12 Mortgage and real estate loans	954,940	2,415	15,351	65,884	23,464	90,471	35,357	3,986	22,588	
13 Other investments	2,651,990	315,352	2,948,336	3,280,692	12,206,464	39,225,290	1,555,280	650,772	2,692,511	
14 Depreciable assets	13,897,893	2,415,824	20,171,919	12,985,239	50,036,476	83,234,564	9,813,554	1,380,925	17,590,873	
15 Less: Accumulated depreciation	5,615,021	1,080,303	3,606,114	6,154,213	24,549,812	34,974,898	4,294,092	703,834	8,605,375	
16 Depletable assets	2,035,554	(1)	1,264,027	125,734	531,314	21,588,592	(1)	(1)	281,864	
17 Less: Accumulated depletion	89,269	(1)	268,987	(1)	160,169	9,022,336	(1)	(1)	61,371	
18 Land	540,960	88,981	728,881	617,735	1,010,359	4,460,228	176,773	14,951	523,039	
19 Intangible assets (amortizable)	17,887	27,194	36,549	529,130	491,677	1,944,695	56,763	34,990	45,396	
20 Less: Accumulated amortization	14,521	6,435	19,112	76,119	135,540	1,170,438	21,551	7,523	11,809	
21 Other assets	850,522	143,365	509,755	2,144,656	2,467,762	5,355,037	468,038	114,191	590,761	
22 Total liabilities	24,550,413	5,420,579	25,333,043	25,976,115	75,593,155	157,697,231	16,881,186	4,436,100	22,189,418	
23 Accounts payable	1,973,598	701,450	2,289,047	2,566,258	8,007,237	26,802,105	1,813,406	561,265	2,148,111	
24 Mortgage, notes, and bonds payable in less than one year	2,296,407	562,890	981,898	1,603,373	3,261,816	3,597,196	1,302,441	582,196	1,176,457	
25 Other current liabilities	2,069,144	361,941	2,278,066	2,614,159	6,563,022	19,444,294	1,944,296	287,398	1,458,919	
26 Loans from stockholders	422,023	110,376	432,736	349,409	684,565	534,476	195,560	52,440	209,890	
27 Mortgage, notes, and bonds payable in one year or more	5,514,867	872,908	5,276,595	4,024,375	14,407,089	19,822,799	3,917,479	709,524	4,785,065	
28 Other liabilities	1,831,106	131,591	1,177,150	1,756,784	2,771,854	5,584,108	458,827	127,447	1,091,427	
29 Capital stock	1,807,775	666,222	2,600,248	2,190,074	6,656,419	11,507,262	981,591	458,423	2,269,097	
30 Paid-in or capital surplus	2,818,246	294,417	2,331,514	1,898,212	8,347,243	18,050,172	1,443,746	538,735	1,991,789	
31 Retained earnings, appropriated	124,480	21,967	45,842	143,782	219,467	2,117,188	42,147	49,086	165,883	
32 Retained earnings, unappropriated	5,970,059	1,753,252	8,520,878	9,229,045	24,976,002	51,676,337	5,014,668	1,154,812	7,231,771	
33 Less: Cost of treasury stock	277,781	58,535	252,901	419,329	701,554	917,061	222,914	85,546	338,901	
34 Total receipts	31,409,053	10,279,282	35,684,019	37,371,344	96,735,418	274,589,707	25,071,846	7,656,141	27,062,389	
35 Business receipts	28,989,430	10,140,592	34,412,987	36,149,405	93,072,117	260,851,782	24,572,312	7,506,702	26,099,248	
36 Interest on Government obligations										
37 United States	8,232	817	11,088	31,492	18,343	212,155	3,478	609	4,394	
38 State and local	677	804	12,633	11,557	17,632	11,269	2,867	246	2,205	
39 Other interest	290,172	21,167	156,637	232,527	563,492	1,522,209	87,463	39,035	121,352	
40 Rents	64,783	13,551	36,304	127,922	148,308	929,691	40,407	11,268	43,254	
41 Royalties	17,674	9,167	45,667	85,528	564,464	304,460	44,850	2,678	79,314	
42 Net short-term capital gain reduced by net long-term capital loss	1,701	(1)	(1)	283	3,817	(1)	(1)	(1)	525	
43 Net long-term capital gain reduced by net short-term capital loss	1,458,828	6,487	576,935	143,074	296,122	276,251	19,608	4,227	105,370	
44 Net gain, noncapital assets	84,565	10,149	29,574	38,051	64,220	96,715	12,424	645	34,080	
45 Dividends received from domestic corporations	172,361	1,760	70,674	59,992	396,614	5,995,566	18,204	12,781	40,441	
46 Dividends received from foreign corporations	51,673	3,580	151,891	57,785	903,702	2,968,613	85,603	(1)	64,413	
47 Other receipts	268,957	17,174	136,174	430,728	695,987	1,526,274	183,843	27,304	161,890	
48 Total deductions	30,110,223	9,942,696	32,590,639	35,037,666	88,144,087	255,409,767	24,178,351	7,501,786	26,028,888	
49 Cost of sales and operations	22,042,004	7,401,597	23,675,595	23,358,324	60,450,070	217,231,265	17,241,352	5,513,176	18,154,880	
50 Compensation of officers	416,441	251,715	382,737	1,091,177	648,348	1,824,974	373,192	118,039	426,842	
51 Repairs	242,939	45,202	777,361	1,964,940	1,599,167	1,943,367	301,165	39,186	690,404	
52 Bad debts	81,404	38,511	68,952	298,736	188,210	273,259	87,020	32,955	109,008	
53 Rent paid on business property	288,214	136,328	270,664	539,430	880,997	1,588,731	334,142	155,237	271,976	
54 Taxes paid	765,360	265,534	871,510	1,084,260	1,948,637	6,252,960	751,422	191,129	788,866	
55 Interest paid	754,965	147,105	494,785	516,946	1,491,070	2,225,807	516,463	162,087	512,455	
56 Contributions or gifts	10,647	5,022	30,421	34,517	76,487	72,015	8,011	3,490	15,350	
57 Amortization	12,098	1,127	11,271	12,422	25,606	20,203	4,149	791	8,135	
58 Depreciation	1,066,859	189,553	1,220,740	990,097	3,338,094	3,753,965	796,935	96,614	1,175,412	
59 Depletion	1,375,840	(1)	223,786	47,550	232,881	7,447,660	1,281	(1)	86,545	
60 Advertising	113,176	63,559	199,434	302,242	2,801,784	274,078	255,118	82,842	147,008	
61 Pension, profit sharing, stock bonus, and annuity plans	117,504	61,231	342,546	396,870	1,143,927	889,757	317,630	45,331	317,276	
62 Employee benefit programs	40,236	61,557	218,062	242,752	517,104	319,684	184,492	31,433	246,573	
63 Net loss, noncapital assets	9,308	3,565	11,512	25,869	22,294	117,083	15,001	3,128	9,104	
64 Total deductions	2,688,881	1,240,513	3,435,261	5,894,524	16,813,441	12,450,054	2,941,674	1,024,441	3,068,394	
65 Total receipts less total deductions	1,798,830	336,586	3,043,380	2,333,678	8,921,331	19,179,940	883,495	144,355	1,033,559	
66 Constructive taxable income from related foreign corporations	(1)	(1)	95,557	31,994	477,927	967,991	12,618	(1)	52,227	
67 Net income (less deficit) (line 64 plus 65 minus 37)	1,825,167	337,739	3,176,304	2,354,115	9,051,626	20,126,662	903,246	154,762	1,083,581	
68 Net income	1,873,449	434,802	3,324,470	2,493,388	9,228,529	20,181,634	1,022,624	251,442	1,266,065	
69 Deficit	648,062	97,063	56,166	329,273	176,903	54,972	119,378	96,840	182,484	
70 Income subject to tax	1,283,155	402,311	3,145,579	2,476,974	8,887,212	14,758,692	962,094	227,104	1,139,619	
71 Income tax total	625,056	182,408	1,397,762	1,129,344	4,207,144	7,048,222	446,179	104,755	518,709	
72 Normal tax, surtax, and alternative tax	611,267	182,057	1,397,772	1,126,329	4,192,736	6,844,473	444,214	104,427	511,622	
73 Tax from recomputing prior year investment credit	3,538	(1)	245	(1)	2,414	(1)	(1)	(1)	3,143	
74 Tax from recomputing prior year work incentive (WIN) credit	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
75 Additional tax for tax preferences	4,214	(1)	(1)	(1)	(1)	(1)	(1)	(1)	3,736	
76 Foreign tax credit	37,687	3,178	137,647	57,548	776,660	4,611,446	56,812	1,576	74,758	
77 Investment credit	72,285	9,702	102,881	60,498	278,440	312,784	54,614	3,638	75,194	
78 Work incentive (WIN) credit	95	161	174	159	143	(1)	148	122	91	
79 Distributions to stockholders	357,338	62,671	641,679	807,538	2,622,799	1,983,128	252,951	69,895	365,903	
80 Cash and property except own stock	88,549	(1)	20,841	12,734	107,557	(1)	(1)	(1)	3,001	

Footnote at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS

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]

Item	Major industry—Continued							
	Manufacturing—Continued							
	Primary metal industries	Fabricated metal products	Machinery except electrical	Electrical and electronic equipment	Motor vehicles and equipment	Transportation equipment except motor vehicles	Instruments and related products	Miscellaneous manufacturing and manufacturing not allocable
	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
1 Number of returns total	4 636	25 327	24 879	10 800	2 203	3 651	5 761	12 677
2 With net income	3 764	18 161	18 289	6 202	1 471	2 309	3 579	6 642
3 Total assets	76 685 119	35 586 001	86 253 884	73 161 418	76 604 043	31 067 561	17 427 013	13 223 793
4 Cash	2 240 481	1 744 175	2 549 939	2 254 417	1 740 474	1 302 519	341 893	6 511 785
5 Notes and accounts receivable	12 254 713	8 032 139	21 434 496	21 134 149	32 671 183	5 617 182	3 946 551	1 240 876
6 Less: Allowance for bad debts	205 010	181 241	346 741	479 861	1 124 443	27 231	11 419	1 442 274
7 Inventories	12 101 137	10 222 678	21 219 345	18 412 446	14 401 953	10 485 641	1 117 525	3 651 819
8 Investments in Government obligations								
9 United States	4 145 711	83 024	2 266 786	30 412	4 944 443	801 179	117 128	4 010 791
10 State and local	380 345	57 011	431 818	57 967	2 022 606	(7)	2 906 201	70 463
11 Other current assets	3 874 293	892 819	5 437 413	6 006 988	1 081 806	1 276 448	620 849	727 145
12 Loans to stockholders	37 483	119 520	142 412	92 073	86 005	32 474	20 056	69 459
13 Mortgage and real estate loans	37 985	39 932	30 415	35 242	17 016	35 876	17 462	425 182
14 Other investments	8 700 872	3 598 297	12 005 927	7 548 686	8 567 204	4 178 958	2 340 127	1 411 860
15 Depreciable assets	45 426 351	17 405 452	46 436 453	24 618 267	32 708 845	14 478 127	8 328 872	4 096 112
16 Less: Accumulated depreciation	29 825 712	8 718 553	18 542 769	11 174 434	18 000 342	7 011 744	3 840 813	2 157 493
17 Depletable assets	1 040 203	139 106	45 913	24 659	(7)	(7)	(7)	(7)
18 Less: Accumulated depletion	410 900	12 835	23 907	8 652	(7)	(7)	(7)	(7)
19 Land	862 163	6 23 892	777 103	548 170	74 091	481 218	241 880	181 048
20 Intangible assets (amortizable)	535 169	152 645	433 077	396 987	11 111	11 111	11 111	11 111
21 Less: Accumulated amortization	40 954	43 542	127 598	127 543	11 000	15 803	9 808	43 341
22 Other assets	9 084 969	49 3 530	2 017 721	3 620 157	1 440 342	714 368	467 048	567 305
23 Total liabilities	76 685 119	35 586 001	86 253 884	73 161 418	76 604 043	31 067 561	17 427 013	13 223 793
24 Accounts payable	7 174 585	4 684 524	8 511 416	11 134 458	7 171 202	6 025 024	1 441 673	1 455 791
25 Mortgages, notes, and bonds payable in less than one year	5 334 816	3 077 444	4 067 991	3 946 119	16 381 345	1 557 706	1 113 029	4 226 514
26 Other current liabilities	6 430 362	3 332 144	2 804 216	6 212 411	5 118 623	4 057 145	1 845 934	1 730 517
27 Loans from stockholders	213 808	535 836	3 453 731	360 322	141 503	175 061	202 182	310 546
28 Mortgages, notes, and bonds payable in one year or more	14 981 156	4 974 881	15 721 135	12 492 727	16 747 813	4 518 285	3 184 414	2 300 868
29 Other liabilities	6 284 827	1 425 806	2 305 676	6 488 764	2 054 498	3 398 481	431 737	440 279
29 Capital stock	7 218 502	3 353 186	4 209 459	4 161 131	3 185 426	2 025 820	1 409 435	1 044 264
30 Paid-in or capital surplus	6 638 223	2 613 876	3 338 026	3 965 197	5 424 723	2 677 442	1 694 103	1 394 982
31 Retained earnings, appropriated	420 456	107 265	639 066	175 586	813 122	59 712	63 179	18 615
32 Retained earnings, unappropriated	20 024 806	10 484 759	22 327 644	14 245 604	20 482 003	6 847 893	5 664 411	3 208 820
33 Less: Cost of treasury stock	438 402	446 534	523 464	915 456	97 065	206 000	27 065	178 246
34 Total receipts	92 502 102	60 208 926	94 698 842	83 616 024	105 706 273	41 791 329	21 092 476	16 484 704
34 Business receipts	40 065 473	59 134 318	89 748 666	80 751 548	102 829 051	40 079 044	20 312 722	17 984 191
35 Interest on Government obligations								
36 United States	21 124	3 263	140 751	16 728	52 371	8 304	11 254	5 888
37 State and local	16 729	2 888	37 736	111 441	20 470	2 295	3 690	2 400
38 Other interest	823 561	201 286	1 197 339	606 950	807 428	291 345	111 951	182 433
39 Rents	181 020	85 076	516 678	344 204	289 699	125 079	47 241	30 976
40 Royalties	62 176	49 840	1 043 538	324 374	62 283	75 045	49 288	27 449
41 Net short-term capital gain reduced by net long-term capital loss	2 234	109	6 011	5 610	(7)	(7)	(7)	(7)
42 Net long-term capital gain reduced by net short-term capital loss	128 982	89 217	153 960	269 478	303 948	70 478	33 012	24 271
43 Net gain noncapital assets	34 638	25 831	79 653	106 320	41 732	34 943	6 482	6 471
44 Dividends received from domestic corporations	167 210	44 161	247 456	289 252	182 227	157 987	113 125	22 492
45 Dividends received from foreign corporations	251 194	35 225	733 681	341 241	540 769	133 578	151 114	26 734
46 Other receipts	748 146	471 606	787 711	453 754	174 632	426 441	141 076	163 118
47 Total deductions	86 268 264	56 722 171	88 267 186	80 732 905	103 506 601	40 536 332	19 512 277	17 848 096
48 Cost of sales and operations	66 265 106	42 800 444	54 196 676	56 167 172	81 313 741	41 037 747	17 376 819	12 535 441
49 Compensation of officers	450 885	1 087 084	1 082 546	723 347	231 469	262 863	461 177	461 177
50 Repairs	3 676 451	713 361	766 501	554 454	1 138 430	367 426	267 011	118 121
51 Bad debts	135 438	145 172	265 272	353 631	175 323	54 873	61 476	81 606
52 Rent paid on business property	473 496	536 839	925 079	650 742	484 928	336 500	22 476	214 476
53 Taxes paid	2 166 254	1 504 324	2 734 618	2 211 346	2 239 133	1 134 714	525 151	452 716
54 Interest paid	1 828 280	902 635	2 530 890	2 265 899	2 541 447	764 119	348 499	494 077
55 Dividends on or gifts	62 852	32 748	57 824	29 875	28 017	1 724	17 303	3 487
56 Amortization	45 783	14 529	59 527	18 588	11 520	5 331	4 444	8 116
57 Depreciation	2 809 886	1 330 310	3 333 496	2 659 112	2 845 936	1 357 836	606 737	375 548
58 Depletion	594 372	14 086	22 554	20 771	10 636	18 427	(7)	(7)
59 Advertising	167 846	354 417	631 609	848 202	626 791	132 333	421 305	376 157
60 Pension profit-sharing stock bonus and annuity plans	1 448 525	655 434	1 183 557	819 246	1 494 643	722 713	301 885	114 894
61 Employee benefit programs	882 766	400 684	790 514	769 832	2 124 208	473 817	1 094 842	96 863
62 Net loss noncapital assets	31 067	47 224	38 390	47 861	11 710	1 139	4 257	21 886
63 Other deductions	5 229 251	5 942 645	14 347 581	12 278 480	7 327 690	4 210 202	2 921 547	2 486 611
64 Total receipts less total deductions	6 233 838	3 486 755	6 411 456	2 883 119	2 199 672	1 254 997	1 580 201	636 608
65 Constructive taxable income from related foreign corporations	104 107	64 742	6 264 013	2 084 157	285 592	10 312	82 124	18 431
66 Net income (less deficit) line 64 plus 65 minus 37	8 321 206	3 548 209	7 002 863	2 002 863	2 485 264	1 263 014	1 662 325	651 747
67 Net income	6 395 211	3 851 192	7 643 417	6 465 631	2 863 843	1 437 289	1 833 276	862 495
68 Deficit	74 005	302 983	640 554	665 438	384 549	174 275	180 441	210 548
69 Income subject to tax	5 680 790	3 554 775	7 291 211	1 371 722	2 794 834	1 265 271	1 752 182	774 450
70 Income tax total	2 707 704	1 629 096	3 446 594	1 568 136	1 294 637	601 571	826 335	352 071
71 Normal tax surtax and alternative tax	2 688 333	1 625 610	3 445 535	1 551 199	1 285 222	597 884	825 161	350 851
72 Tax from recomputing prior year investment credit	5 174	3 247	10 835	12 373	6 402	3 449	1 772	770
73 Tax from recomputing prior year work incentive (WIFI) credit	(7)	(7)	(7)	74	(7)	(7)	(7)	(7)
74 Additional tax for tax preferences	14 197	(7)	(7)	(7)	(7)	(7)	(7)	(7)
75 Foreign tax credit	371 719	87 909	837 548	275 627	404 029	26 615	126 224	35 411
76 Investment credit	273 407	92 973	174 587	129 469	114 698	59 964	33 115	19 402
77 Work incentive (WIFI) credit	416	507	588	616	644	727	107	44
78 Distributions to stockholders								
79 Cash and property except own stock	1 177 160	545 404	1 831 212	1 235 613	1 693 864	367 659	517 130	119 320
80 Corporation's own stock	68 718	61 359	35 166	24 405	17 940	(7)	(7)	5 535

Footnote at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS

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]

Item	Major industry—Continued									
	Transportation and public utilities				Wholesale and retail trade			Wholesale trade		
	Total transportation and public utilities	Transportation	Communication	Electric gas, and sanitary services	Total wholesale and retail trade	Total wholesale trade	Groceries and related products	Machinery equipment and supplies	Miscellaneous wholesale trade	
(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)		
1 Number of returns, total	80,232	62,153	9,369	8,710	602,423	214,975	20,870	45,391	148,714	
2 With net income	47,197	36,353	5,700	5,144	403,036	158,842	15,195	34,990	108,657	
3 Total assets	414,691,198	300,766,478	115,654,441	198,270,279	313,305,334	159,566,514	13,080,996	25,908,173	120,577,345	
4 Cash	6,989,416	1,609,812	1,166,204	2,193,155	21,928,092	11,414,440	1,017,417	1,691,270	8,685,773	
5 Notes and accounts receivable	26,260,586	11,311,669	4,048,905	9,390,021	86,873,481	54,583,812	4,448,108	8,700,437	41,435,267	
6 Less Allowance for bad debts	312,941	121,642	121,199	116,204	2,196,484	927,077	32,402	174,986	659,689	
7 Inventories	1,463,087	2,204,675	3,646,812	6,601,551	100,043,624	86,911,724	3,715,558	4,417,205	33,658,961	
8 Investments in Government obligations	2,762,823	1,422,414	1,188,921	2,077,668	6,773,115	17,046	14,452	73,385	289,199	
9 State and local	2,694,653	2,077,881	1,438,199	3,458,002	10,002	210,602	11,481	12,813	185,708	
10 Other current assets	11,462,196	3,783,754	4,222,312	3,448,410	4,906,871	5,743,210	431,481	585,251	4,326,466	
11 Loans to stockholders	271,254	220,188	27,444	27,667	1,565,739	691,630	68,339	120,665	502,826	
12 Mortgage and real estate loans	562,549	411,174	133,545	107,820	937,250	785,700	28,394	22,229	345,081	
13 Other investments	2,001,441	11,424,141	9,218,992	3,359,945	25,284,537	15,086,635	685,928	1,455,542	12,915,160	
14 Depreciable assets	4,071,014,642	87,237,235	113,212,883	207,464,474	84,782,155	43,018,621	4,082,311	5,061,783	23,894,532	
15 Less Accumulated depreciation	101,349,679	2,410,925	24,525,817	47,932,817	18,537,550	14,664,750	1,941,009	2,219,772	10,503,960	
16 Depletable assets	11,145,752	1,946,674	(1)	379,085	631,880	327,743	(1)	31,882	391,391	
17 Less Accumulated depletion	3,041,298	52,740	(1)	177,489	104,492	104,492	(1)	12,165	61,779	
18 Land	4,085,874	1,447,252	527,842	2,110,072	7,558,991	2,523,709	268,974	351,105	1,961,230	
19 Intangible assets (amortizable)	1,188,384	282,074	753,190	153,120	1,118,812	524,223	28,248	7,522	419,453	
20 Less Accumulated amortization	310,489	36,410	276,116	47,941	317,023	134,364	7,902	23,865	102,697	
21 Other assets	10,337,740	4,005,660	1,830,198	4,501,872	14,664,750	1,968,557	344,913	714,254	2,924,390	
22 Total liabilities	414,691,198	300,766,478	115,654,441	198,270,279	313,305,334	159,566,514	13,080,996	25,908,173	120,577,345	
23 Accounts payable	15,271,251	6,804,651	10,238,631	6,437,441	64,895,168	37,638,012	3,688,853	5,470,919	28,478,240	
24 Mortgages, notes, and bonds payable in less than one year	24,751,701	6,714,553	5,864,719	12,152,432	48,087,419	26,225,197	1,754,268	4,662,762	19,608,167	
25 Other current liabilities	21,119,240	9,064,365	5,986,592	8,106,191	24,981,748	11,911,086	1,028,476	2,116,643	8,865,619	
26 Loans from stockholders	15,019,446	917,901	420,434	172,513	7,483,705	3,102,748	323,183	414,319	2,285,146	
27 Mortgages, notes, and bonds payable in one year or more	19,449,213	30,453,061	43,671,715	85,323,435	40,919,566	15,609,602	1,588,446	2,505,761	11,515,375	
28 Other liabilities	27,281,279	10,062,189	7,087,077	10,130,013	9,288,641	3,862,422	405,126	494,773	2,982,573	
29 Capital stock	66,321,637	8,640,151	16,861,128	40,870,398	27,527,348	11,925,217	1,087,676	2,057,670	9,779,871	
30 Paid-in or capital surplus	39,495,103	9,229,480	14,974,111	12,291,503	18,660,889	9,680,702	4,084,072	9,484,454	8,245,299	
31 Retained earnings, appropriated	14,949,482	803,473	1,016,402	589,647	1,644,957	753,112	67,906	69,383	616,735	
32 Retained earnings, unappropriated	59,304,684	17,967,623	18,944,448	22,342,613	73,324,719	48,326,214	2,846,001	7,394,223	29,080,490	
33 Less Cost of treasury stock	730,374	467,337	117,829	144,607	3,349,484	1,567,371	127,349	308,952	1,131,070	
34 Total receipts	222,074,759	97,083,346	51,404,239	73,587,174	923,364,748	499,267,522	77,635,837	60,465,632	361,186,053	
35 Business receipts	214,217,780	32,059,069	50,510,564	71,648,150	906,907,258	491,688,547	76,675,131	59,142,737	355,650,705	
36 Interest on Government obligations	91,725	59,589	17,644	14,492	83,420	42,628	4,827	35,207	35,207	
37 State and local	23,822	14,798	4,931	4,095	32,004	18,940	3,010	1,880	14,050	
38 Other interest	1,617,480	741,891	33,854	529,717	3,743,285	1,940,015	101,527	307,684	1,548,805	
39 Rents	1,909,075	1,461,224	201,174	243,627	2,227,142	668,778	70,954	206,385	391,440	
40 Royalties	167,569	84,132	64,205	144,032	144,105	79,252	3,004	24,708	51,540	
41 Net short-term capital gain reduced by net long-term capital loss	14,942	1,571	(1)	16,704	23,475	17,849	206	2,371	15,272	
42 Net long-term capital gain reduced by net short-term capital loss	65,167,333	4,114,432	31,425	175,626	486,252	212,462	15,393	24,767	172,302	
43 Net gain, noncapital assets	630,573	511,471	1,615	85,947	312,484	158,148	12,407	40,387	105,254	
44 Dividends received from domestic corporations	181,201	94,104	20,062	67,055	439,769	366,600	10,392	30,301	325,907	
45 Dividends received from foreign corporations	45,003	61,606	(1)	(1)	255,614	180,495	1,008	7,206	172,281	
46 Other receipts	2,462,986	1,149,252	146,726	776,518	8,709,900	3,943,811	538,171	672,380	2,703,260	
47 Total deductions	213,412,223	94,433,336	47,951,920	71,026,967	900,882,438	483,039,689	76,700,248	56,925,468	349,413,973	
48 Cost of sales and operations	132,102,441	62,176,074	26,011,956	42,714,411	707,574,250	372,654,545	67,265,545	44,286,849	299,163,066	
49 Compensation of officers	1,984,798	1,429,154	269,265	285,914	15,215,084	7,683,230	803,493	1,626,705	5,253,032	
50 Repairs	493,860	210,880	64,716	218,264	2,867,270	1,096,125	174,846	154,673	766,606	
51 Bad debts	998,480	437,516	112,529	228,343	2,365,214	1,147,584	104,816	201,619	841,149	
52 Rent paid on business property	4,515,270	4,413,430	711,264	390,516	12,076,755	2,744,943	357,003	418,733	1,629,207	
53 Taxes paid	12,490,604	4,510,486	3,156,744	5,323,389	12,780,772	5,276,608	511,297	680,653	4,084,658	
54 Interest paid	12,900,401	1,856,042	3,370,716	6,673,573	9,524,767	4,436,064	351,016	643,982	3,441,066	
55 Contributions or gifts	99,801	37,670	31,314	30,816	222,846	120,059	10,010	18,537	91,512	
56 Amortization	2,594,860	173,431	10,389	69,561	78,495	42,460	2,181	3,094	37,204	
57 Depreciation	21,174,701	6,675,121	7,501,944	8,202,616	7,860,374	2,927,425	392,294	590,495	1,944,136	
58 Depletion	111,204	81,982	224,024	275,424	217,601	217,601	8,350	228,674	228,674	
59 Advertising	799,190	458,941	252,831	87,366	8,039,551	1,642,947	168,881	250,918	1,223,148	
60 Pension profit sharing, stock bonus, and annuity plans	1,419,415	1,028,928	1,696,111	734,376	2,568,609	1,136,747	155,330	257,540	923,877	
61 Employee benefit programs	1,617,712	659,533	645,326	312,845	1,440,663	551,514	98,733	96,444	355,819	
62 Net loss, noncapital assets	64,781	45,385	5,594	15,242	204,484	99,912	4,028	8,897	48,297	
63 Other deductions	18,625,568	10,334,258	1,939,418	4,710,367	11,718,021	47,553,960	5,714,397	7,677,041	29,082,502	
64 Total receipts less total deductions	108,662,536	106,333,010	3,452,319	2,560,207	22,482,210	16,247,833	335,584	3,540,164	11,772,080	
65 Constructive taxable income from related foreign corporations	45,154	20,178	(1)	(1)	122,766	65,365	(1)	(1)	38,339	
66 Net income (less deficit) (line 64 plus 65 minus 37)	111,918,101	126,552,832	3,466,582	2,560,199	22,359,444	16,182,468	333,583	3,540,163	11,810,419	
67 Net income	111,918,101	126,552,832	3,466,582	2,560,199	22,359,444	16,182,468	333,583	3,540,163	11,810,419	
68 Deficit	2,334,231	1,250,240	248,061	819,930	4,813,547	1,957,240	187,023	200,427	1,559,190	
69 Income subject to tax	10,101,518	3,188,600	2,641,119	3,774,819	19,338,626	11,716,450	877,081	2,123,025	8,716,344	
70 Income tax total	4,719,294	1,421,965	1,143,030	1,561,294	8,315,540	3,761,341	311,539	411,539	3,851,506	
71 Normal tax, surtax, and alternative tax	4,062,794	1,408,132	1,130,317	1,544,188	8,291,201	3,727,261	311,539	411,539	3,841,671	
72 Tax from recomputing prior year investment credit	29,144	42,012	11,702	17,111	24,343	10,536	(1)	3,311	6,093	
73 Tax from recomputing prior year work incentive (WIN) credit	(1)	(1)	(1)	(1)	31	21	(1)	15	(1)	
74 Additional tax for tax preferences	2,551	6,488	(1)	(1)	4,871	16,333	(1)	3,427	3,427	
75 Foreign tax credit	98,834	45,850	31,884	18,545	388,16	265,976	1,087	1,204	272,685	
76 Investment credit	1,112,033	660,559	496,319	2,851,116	394,788	165,594	18,560	32,527	114,512	
77 Work incentive (WIN) credit	408	115	198	43	439	522	55	139	328	
78 Cash and property except own stock	8,323,022	1,126,609	2,458,293	4,588,111	4,378,033	2,638,400	127,971	551,714	1,998,667	
79 Corporation's own stock	153,610	83,744	9,740	80,036	111,837	220,709	27,796	37,390	165,523	

Footnote at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS

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 10 columns: Item, Total services, Hotels and other lodging places, Personal services, Business services, Auto repair miscellaneous repairs, Amusement and recreation services, Other services, and Nature of business not allocable. Rows include assets, liabilities, receipts, and deductions.

* Estimate is not shown separately, because of the small number of sample returns on which it was based. However, the data are included in the appropriate totals.

NOTE: See text for Explanation of Terms, and Description of the Sample and Limitations of the Data.

RETURNS WITH NET INCOME

Table 3.—Balance Sheets and Income Statements, by Major Industry

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

Item	Total returns with net income	Major industry					
		Agriculture, forestry and fishing	Mining				Nonmetallic minerals, except fuels
			Total mining	Metal mining	Coal mining	Oil and gas extraction	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1 Number of returns with net income	1,207,396	31,500	8,931	71	1,556	5,090	2,214
2 Total assets	3,273,170,849	11,400,747	40,763,606	8,198,202	7,346,323	19,902,246	5,316,835
3 Cash	235,142,177	895,017	2,131,672	211,743	694,100	802,728	424,381
4 Notes and accounts receivable	836,815,019	1,175,371	10,796,551	647,244	1,292,041	7,637,570	833,646
5 Less Allowance for bad debts	25,792,009	10,711	4,179	(7)	6,451	22,265	14,028
6 Inventories	258,627,561	1,067,257	2,711,272	709,154	315,885	1,295,026	421,807
7 Investments in Government obligations							
8 United States	101,094,395	45,526	280,945	(7)	61,764	142,592	50,138
9 State and local	92,829,612	31,018	255,996	(7)	—	52,056	(7)
10 Other current assets	92,374,971	336,026	1,601,690	266,462	410,636	754,373	173,228
11 Loans to stockholders	5,487,424	150,977	135,648	(7)	47,510	40,595	8,586
12 Mortgage and real estate loans	445,111,828	115,281	1,076,752	(7)	10,700	155,319	13,940
13 Other investments	478,676,388	973,664	6,132,134	2,502,672	1,016,723	1,958,773	654,160
14 Depreciable assets	961,451,495	6,766,820	20,137,735	3,842,911	4,524,726	8,137,229	3,892,849
15 Less Accumulated depreciation	378,575,585	3,112,600	8,958,461	1,682,122	1,830,675	3,437,173	2,008,504
16 Depletable assets	33,586,637	72,671	4,404,655	1,176,747	259,681	3,129,581	240,066
17 Less Accumulated depletion	13,053,498	18,643	1,854,131	375,447	59,776	1,648,643	15,246
18 Land	43,344,599	2,472,084	816,814	44,976	119,545	175,500	479,791
19 Intangible assets (amortizable)	8,540,014	29,248	729,207	33,705	110,741	566,113	8,648
20 Less Accumulated amortization	3,102,533	6,223	261,667	29,275	20,268	209,245	2,979
21 Other assets	98,470,784	417,652	1,549,248	749,250	320,193	371,601	118,204
21 Total liabilities	3,273,170,849	11,400,747	40,763,606	8,198,202	7,346,323	19,902,246	5,316,835
22 Accounts payable	205,713,005	642,713	2,751,751	396,290	573,164	1,374,490	407,807
23 Mortgages, notes, and bonds payable in less than one year	200,029,918	1,569,346	1,790,661	131,916	586,745	866,309	205,691
24 Other current liabilities	1,190,190,942	482,990	9,351,150	410,039	910,868	7,736,295	294,038
25 Loans from stockholders	17,910,306	440,405	248,562	(7)	75,339	103,378	32,384
26 Mortgages, notes, and bonds payable in one year or more	392,130,139	2,619,136	5,527,121	1,125,753	1,168,624	2,126,871	1,085,875
27 Other liabilities	375,231,397	416,708	1,911,642	550,020	137,067	687,968	356,587
28 Capital stock	187,837,802	2,062,367	1,474,436	538,559	133,947	729,077	394,853
29 Paid-in or capital surplus	214,719,595	672,428	4,864,054	1,682,272	624,272	2,207,101	350,513
30 Retained earnings, appropriated	20,384,230	57,903	712,134	(7)	107,711	50,324	34,452
31 Retained earnings, unappropriated	483,626,561	2,659,415	11,943,568	3,328,462	2,724,152	3,624,112	2,266,155
32 Less Cost of treasury stock	15,203,030	242,552	313,850	27,355	11,885	102,489	112,120
33 Total receipts	2,646,541,904	17,029,180	61,838,820	4,452,253	9,187,123	43,462,577	4,736,867
34 Business receipts	2,456,250,770	16,145,842	60,103,338	4,163,511	8,638,439	42,553,792	4,541,596
35 Interest on Government obligations							
36 United States	7,387,264	4,122	19,609	4,462	2,146	10,272	2,229
37 State and local	4,120,605	1,789	8,97	(7)	3,282	3,701	555
38 Other interest	103,554,324	36,935	304,198	65,624	73,486	120,483	49,105
39 Rents	15,137,782	79,875	108,609	3,310	55,454	28,196	21,117
40 Royalties	4,359,359	30,368	189,180	7,462	7,979	154,798	18,947
41 Net short-term capital gain reduced by net long-term capital loss	198,167	6,121	2,620	(7)	316	497	(7)
42 Net long-term capital gain reduced by net short-term capital loss	7,304,817	202,757	337,929	28,656	64,818	214,999	29,258
43 Net gain, noncapital assets	4,778,573	70,172	89,080	2,064	19,761	46,607	20,628
44 Dividends received from domestic corporations	12,867,825	21,752	155,017	43,203	50,372	55,341	5,484
45 Dividends received from foreign corporations	7,305,578	1,509	101,811	86,374	(7)	12,683	(7)
46 Other receipts	23,276,744	867,742	413,559	37,725	67,983	260,599	47,652
46 Total deductions	2,474,821,088	15,709,197	35,459,761	3,925,282	7,684,437	19,628,379	4,221,663
47 Cost of sales and operations	1,770,845,613	11,413,053	20,939,209	2,733,647	5,329,641	10,215,451	2,660,470
48 Compensation of officers	42,446,046	592,292	354,892	15,577	37,653	157,802	83,820
49 Repairs	19,789,386	305,780	981,337	28,685	113,106	95,681	143,986
50 Bad debts	4,150,793	20,307	31,602	966	6,977	14,922	11,737
51 Rent paid on business property	26,742,367	34,661	215,955	14,267	89,708	79,008	33,472
52 Taxes paid	62,311,430	368,668	851,254	966,307	310,980	247,957	129,010
53 Interest paid	99,821,695	379,673	574,970	67,758	157,662	213,914	115,605
54 Contributions or gifts	1,189,354	8,145	17,852	3,745	7,291	4,478	2,343
55 Amortization	593,694	2,744	6,360	3,492	635	1,174	865
56 Depreciation	64,639,827	603,235	1,444,336	220,557	400,976	529,356	293,547
57 Depletion	18,646,251	13,545	7,750,116	2,476,719	461,995	6,857,001	163,460
58 Advertising	20,252,115	16,874	29,304	1,481	3,023	11,458	11,367
59 Pension, profit sharing, stock bonus, and annuity plans	20,853,431	70,895	196,194	58,089	47,331	64,089	36,660
60 Employee benefit programs	11,759,407	20,496	135,936	11,449	77,281	25,413	21,193
61 Net loss, noncapital assets	779,117	6,889	9,622	(7)	3,743	4,716	974
62 Other deductions	303,107,438	1,513,886	2,505,420	331,334	576,373	1,105,959	491,154
63 Total receipts less total deductions	171,720,816	1,319,983	26,379,059	526,971	1,502,686	23,834,198	515,204
64 Constructive taxable income from related foreign corporations	1,586,103	(7)	4,679	(7)	(7)	(7)	(7)
65 Net income (line 63 plus 64 minus 36)	171,166,024	1,319,161	26,384,766	526,971	1,502,686	23,832,392	514,682
66 Income subject to tax	141,979,674	875,561	25,576,760	423,040	1,324,960	23,494,209	414,551
67 Income tax total	66,077,476	1,150,660	12,152,668	211,840	581,979	11,259,176	197,054
68 Normal tax, surtax, and alternative tax	66,595,994	1,150,660	12,208,721	137,647	571,409	11,248,094	189,577
69 Tax from recomputing prior year investment credit	156,256	2,111	4,712	144	304	1,104	1,530
70 Tax from recomputing prior year work incentive (WIN) credit	418	(7)	(7)	(7)	—	—	(7)
71 Additional tax for tax preferences	3,152,511	(7)	42,406	16,491	9,518	9,928	5,967
72 Foreign tax credit	1,752,169	1,113	11,961,791	84,315	(7)	10,867,032	(7)
73 Investment credit	4,221,271	4,1576	13,777	(7)	43,731	36,695	34,878
74 Work incentive (WIN) credit	7,795	(7)	(7)	(7)	(7)	(7)	(7)
75 Distributions to stockholders							
76 Cash and property, except own stock	45,506,183	188,127	7,640,801	212,721	231,179	7,119,475	107,428
77 Corporation's own stock	2,650,651	(7)	52,141	(7)	(7)	(7)	(7)

Footnote at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS WITH NET INCOME

Table 3.—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: Item, Total construction (8), General building contractors and operative builders (9), Heavy construction contractors (10), Special trade contractors (11), Total manufacturing (12), Food and kindred products (13), Tobacco manufactures (14), Textile mill products (15), and Apparel and other textile products (16). Rows include assets (Total assets, Cash, Receivables, Investments, etc.), liabilities (Accounts payable, Loans, etc.), receipts (Business receipts, Interest, etc.), and deductions (Cost of sales, Compensation, etc.).

Footnote at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data

RETURNS WITH NET INCOME

Table 3.—Balance Sheets and Income Statements, by Major Industry—Continued

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

Item	Major industry—Continued							
	Services							
	Total services	Hotels and other lodging places	Personal services	Business services	Auto repair miscellaneous repair services	Amusement and recreation services	Other services	Nature of business not allocable
(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	
1 Number of returns with net income	221 490	9 253	22 164	56 369	30 183	17 409	86 112	2,202
2 Total assets	54 929 321	6 587 631	3 833 112	16 065 519	6 455 202	10 900 458	11 087 399	403,294
3 Cash	4 311 408	289 899	415 797	1 581 740	475 491	758 140	1 110 381	28 490
4 Note and accounts receivable	4 421 134	351 371	590 485	1 144 160	876 224	1 017 167	2 110 766	67 217
5 Inventories	251 445	14 348	15 312	74 739	17 173	42 966	82 709	(1)
6 Investments in government debt (United States)	1 278 811	138 891	48 189	611 100	555 862	727 659	350 486	67 460
7 Other investments	77 312	—	499	77 312	76 447	46 279	22 217	(1)
8 Plant and equipment	8 112 499	1 176 011	539 121	3 019 111	1 151 432	776 131	454 660	23 128
9 Land	8 311 455	312 219	—	1 017 102	57 210	25 477	1 466	(1)
10 Mortgage and real estate loans	1 111 421	44 999	15 275	124 007	59 037	494 840	64 497	(1)
11 Other investments	6 144 741	407 124	282 019	2 187 541	122 064	1 787 095	1 092 794	99 754
12 Depreciable assets	6 816 714	1 038 889	487 306	3 034 641	1 113 398	8 08 359	6 438 891	135 381
13 Less: Accumulated depreciation	15 012 888	2 137 859	1 117 214	3 898 434	2 411 917	3 215 325	2 097 510	60 557
14 Depreciable assets	1 998 826	—	14 422	14 422	—	—	4 119	(1)
15 Land	2 684 191	635 447	141 311	365 285	213 814	760 098	474 017	12 312
16 Intangibles, identifiable	844 999	11 420	76 849	158 648	11 687	228 254	102 108	2 036
17 Less: Accumulated amortization	2 111 314	12 887	2 841	6 147	4 763	32 626	1 266	(1)
18 Total assets	54 929 321	6 587 631	3 833 112	16 065 519	6 455 202	10 900 458	11 087 399	403,294
19 Accounts payable	3 111 111	293 581	178 618	1 141 522	572 007	737 375	915 423	36 874
20 Mortgages, notes, and bonds payable in less than one year	4 111 111	500 827	121 574	2 011 419	1 115 024	948 381	882 025	42 602
21 Other long-term liabilities	1 111 111	105 111	200 000	200 000	200 000	1 137 463	1 137 463	30 906
22 Loans from stockholders	1 111 111	—	—	1 111 111	—	—	—	(1)
23 Mortgages, notes, and bonds payable in one year or more	1 111 111	2 673 111	686 555	2 869 027	1 421 642	2 531 488	3 044 233	48 540
24 Other liabilities	1 111 111	235 211	148 739	1 111 111	1 111 111	544 484	442 427	10 926
25 Capital stock	1 111 111	67 111	438 444	1 111 111	457 787	904 021	981 135	44 234
26 Retained earnings—applicable	1 111 111	1 111 111	1 111 111	1 508 153	207 540	1 497 438	1 201 841	73 114
27 Retained earnings—unapplicable	1 111 111	—	—	—	—	—	—	(1)
28 Less: Cost of treasury stock	1 111 111	—	—	—	—	—	—	(1)
29 Total receipts	86 074 330	5 715 132	6 525 049	26 461 577	8 636 407	11 884 029	26 652 136	726 392
30 Dividend receipts	—	—	—	—	—	—	—	—
31 Interest receipts	—	—	—	—	—	—	—	—
32 Royalties	—	—	—	—	—	—	—	—
33 Net income (loss) from operations	—	—	—	—	—	—	—	—
34 Dividend receipts from foreign corporations	—	—	—	—	—	—	—	—
35 Other receipts	—	—	—	—	—	—	—	—
36 Total deductions	81 042 088	5 401 857	6 091 407	24 908 162	6 348 108	10 949 518	25 393 031	681 535
37 Cost of sales and general expenses	—	—	—	—	—	—	—	—
38 Depreciation	—	—	—	—	—	—	—	—
39 Bad debts	—	—	—	—	—	—	—	—
40 Rent paid on business property	—	—	—	—	—	—	—	—
41 Tax on net income	—	—	—	—	—	—	—	—
42 Interest paid	—	—	—	—	—	—	—	—
43 Contributions and gifts	—	—	—	—	—	—	—	—
44 Amortization	—	—	—	—	—	—	—	—
45 Depreciation	—	—	—	—	—	—	—	—
46 Advertising	—	—	—	—	—	—	—	—
47 Pension profit-sharing stock purchase	—	—	—	—	—	—	—	—
48 Employee benefit programs	—	—	—	—	—	—	—	—
49 Net loss from capital assets	—	—	—	—	—	—	—	—
50 Other deductions	—	—	—	—	—	—	—	—
51 Total receipts less deductions	5 032 242	1 313 275	4 333 642	1 157 417	2 088 299	1 934 511	1 259 105	44 857
52 Restructuring liability	—	—	—	—	—	—	—	—
53 Net income (loss) before tax	5 032 242	1 313 275	4 333 642	1 157 417	2 088 299	1 934 511	1 259 105	44 857
54 Income subject to tax	5 032 242	1 313 275	4 333 642	1 157 417	2 088 299	1 934 511	1 259 105	44 857
55 Income tax paid	—	—	—	—	—	—	—	—
56 Normal tax (state and local)	—	—	—	—	—	—	—	—
57 Tax from foreign operations	—	—	—	—	—	—	—	—
58 Additional tax (state and local)	—	—	—	—	—	—	—	—
59 Foreign tax credit	—	—	—	—	—	—	—	—
60 Investment credit	—	—	—	—	—	—	—	—
61 Work in progress	—	—	—	—	—	—	—	—
62 Contributions to charity	—	—	—	—	—	—	—	—
63 Cash and property except work in progress	—	—	—	—	—	—	—	—
64 Inventory	—	—	—	—	—	—	—	—

NOTE: See text for explanation of items and description of the sample limitations. (1) Data in the appropriate totals.

RETURNS WITH NET INCOME

Table 5.—Balance Sheets and Income Statements, by Size of Total Assets

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

Item	Total returns with net income	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)	(2)	(3)	(4)	(5)	(6)
1 Number of returns	1,207,396	23,219	572,104	265,468	151,186	91,176
2 Total assets	3,273,170,849	—	22,059,973	43,106,603	53,095,570	63,312,442
3 Cash	235,182,177	—	1,920,651	6,544,724	8,725,486	6,052,173
4 Notes and accounts receivable	636,815,019	—	1,758,926	8,451,540	11,278,697	15,454,102
5 Less: Allowance for bad debts	25,792,009	—	48,496	114,364	179,321	277,421
6 Inventories	258,627,561	—	1,404,590	7,741,222	95,148,711	14,154,264
7 Investments in government obligations						
8 United States	103,094,295	—	54,714	207,853	274,017	318,304
9 State and local	92,829,612	—	11,953	75,222	77,111	186,045
10 Other current assets	92,374,971	—	757,401	1,354,495	1,790,171	2,244,787
11 Loans to stockholders	5,487,424	—	711,183	770,484	576,094	449,887
12 Mortgage and real estate loans	445,111,828	—	276,512	468,454	743,622	671,114
13 Other investments	478,676,388	—	864,451	2,286,907	2,925,902	3,756,144
14 Depreciable assets	961,453,495	—	12,579,191	21,881,431	15,266,818	28,463,831
15 Less: Accumulated depreciation	378,575,585	—	6,539,030	11,862,263	12,946,450	13,618,102
16 Depletable assets	33,686,637	—	61,736	42,050	74,307	195,454
17 Less: Accumulated depletion	13,053,928	—	28,823	42,307	25,468	92,647
18 Land	43,344,599	—	1,176,714	3,104,772	3,889,514	3,674,210
19 Intangible assets (amortizable)	8,540,014	—	135,960	260,939	18,122,929	208,611
20 Less: Accumulated amortization	3,102,533	—	53,596	100,835	71,384	69,681
21 Other assets	98,470,784	—	1,062,926	1,482,719	1,539,632	1,584,698
22 Total liabilities	3,273,170,849	—	22,059,973	43,106,603	53,095,570	63,312,442
23 Accounts payable	205,713,005	—	2,885,887	6,037,301	7,735,402	10,282,380
24 Mortgages, notes, and bonds payable in less than one year	200,029,918	—	1,841,708	3,408,083	5,912,730	7,596,181
25 Other current liabilities	1,190,190,942	—	1,653,343	2,466,667	3,727,137	4,821,445
26 Loans from stockholders	17,910,300	—	2,123,247	2,440,118	1,936,984	1,789,511
27 Mortgages, notes, and bonds payable in one year or more	392,130,139	—	2,425,551	6,646,874	8,281,532	10,102,210
28 Other liabilities	375,231,397	—	794,594	1,196,346	1,571,016	2,067,216
29 Capital stock	187,837,802	—	4,750,560	6,611,150	4,943,603	6,665,044
30 Paid-in or capital surplus	214,719,595	—	907,097	1,313,544	1,531,269	2,229,420
31 Retained earnings, appropriated	20,964,230	—	62,370	138,320	238,065	266,703
32 Retained earnings, unappropriated	483,626,551	—	4,638,780	12,758,351	16,224,290	18,138,936
33 Less: Cost of treasury stock	15,203,030	—	522,682	960,151	1,055,118	1,046,694
34 Total receipts	2,646,541,904	14,044,484	79,728,873	105,245,255	122,248,645	148,049,820
35 Business receipts	2,456,250,770	12,339,894	77,718,285	101,248,043	118,411,117	144,191,221
36 Interest on government obligations						
37 United States	7,387,263	121,182	13,786	21,505	28,574	28,736
38 State and local	4,120,695	10,046	4,477	3,384	6,411	10,767
39 Other interest	103,554,324	978,914	180,060	317,194	358,648	544,181
40 Rents	15,137,769	69,472	653,758	1,188,545	1,129,169	1,143,037
41 Royalties	4,359,359	13,062	78,418	73,958	44,602	54,046
42 Net short-term capital gain reduced by net long-term capital loss	198,167	1,791	10,026	8,674	7,972	7,809
43 Net long-term capital gain reduced by net short-term capital loss	7,304,817	81,897	241,708	225,315	451,931	278,818
44 Dividends received from domestic corporations	4,778,573	98,301	225,730	237,468	744,135	337,791
45 Dividends received from foreign corporations	12,867,825	72,543	15,817	47,547	57,119	74,220
46 Other receipts	7,305,578	4,549	(*)	(*)	3,167	4,949
47 Total deductions	2,474,821,088	13,055,298	76,009,580	100,278,855	116,764,432	141,624,162
48 Cost of sales and operations	1,770,445,613	9,867,389	43,406,040	68,932,532	85,447,223	107,725,430
49 Compensation of officers	42,246,046	178,118	6,291,541	10,074,847	5,351,012	4,888,958
50 Repairs	19,789,388	58,418	442,620	625,603	701,503	704,474
51 Bad debts	9,150,793	39,644	120,485	270,065	339,623	411,975
52 Rent paid on business property	28,742,367	126,455	2,441,410	2,038,782	1,762,194	1,767,399
53 Taxes paid	62,334,430	218,559	2,133,855	2,609,475	2,607,005	2,908,065
54 Interest paid	99,831,695	985,898	462,902	409,066	1,213,740	1,557,443
55 Contributions or gifts	1,189,354	2,980	23,443	37,885	47,384	47,384
56 Amortization	593,644	1,864	7,026	8,413	10,276	10,276
57 Depreciation	64,699,827	191,271	1,166,746	1,956,404	2,160,718	2,426,944
58 Depletion	18,646,251	28,996	16,856	30,293	33,657	52,091
59 Advertising	20,252,115	69,419	590,077	794,196	792,638	851,714
60 Pension profit sharing, stock bonus, and annuity plans	20,853,493	39,746	1,193,291	511,745	636,540	793,228
61 Employee benefit programs	11,759,407	29,316	271,488	235,877	296,894	160,123
62 Bad loss, non-capital assets	779,117	3,558	13,234	21,011	14,473	20,053
63 Other deductions	303,107,498	1,213,669	13,449,581	15,031,444	15,374,907	17,094,611
64 Total receipts less total deductions	171,720,816	989,186	3,719,293	4,966,400	5,484,213	6,425,658
65 Constructive taxable income from related foreign corporations	3,566,103	1,864	(*)	(*)	(*)	(*)
66 Net income (loss) plus (minus) 3F	171,166,224	981,002	3,714,822	4,967,016	5,477,696	6,416,117
67 Income subject to tax	143,979,974	739,517	1,988,945	1,327,866	919,327	476,133
68 Income tax total	66,077,426	327,004	459,865	956,484	1,354,195	1,404,724
69 Normal tax, surtax, and alternative tax	65,585,499	324,716	458,581	953,104	1,339,920	1,396,537
70 Tax from recomputing prior year investment credit	156,256	1,832	1,116	3,385	4,275	4,860
71 Tax from recomputing prior year work incentive (WIN) credit	418	—	—	—	(*)	(*)
72 Additional tax for tax preferences	335,253	456	(*)	(*)	(*)	(*)
73 Foreign tax credit	20,752,819	7,343	262	204	1,111	6,417
74 Investment credit	4,221,237	12,303	37,152	84,474	114,321	127,222
75 Work incentive (WIN) credit	7,795	(*)	(*)	504	143	118
76 Distributions to stockholders						
77 Cash and property except own stock	45,506,163	239,891	724,168	618,314	577,796	614,546
78 Corporation's own stock	2,650,651	(*)	(*)	9,822	34,458	511

Footnote at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

Major industry item	Total active corporation returns	Zero assets	Size of total assets		Size of total assets		Size of total assets		Size of total assets		Size of total assets		\$100,000,000 or more
			\$1,000,000 under \$10,000,000	\$100,000,000 under \$250,000,000	\$500,000 under \$1,000,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$25,000,000	\$5,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$25,000,000 under \$50,000,000	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
Number of returns	2,059	160	76	349	225	443	63	56	74	12	5	4	
Total assets	7,570,943	—	62,858	120,884	152,816	954,213	435,022	914,892	600,699	758,524	706,345	2,464,816	
Net worth	1,295,649	—	13,948	119,946	23,861	153,981	54,559	148,804	80,428	139,425	193,349	527,816	
Investments	318,727	—	(1)	21,484	(1)	21,484	9,262	25,287	20,747	32,819	32,104	175,411	
Cash	1,278,262	—	18,924	37,872	31,701	46,255	110,002	106,581	64,471	150,703	79,975	320,491	
Current assets	4,470,573	—	66,025	83,672	127,034	467,339	371,414	541,141	314,881	466,248	165,750	539,294	
Depreciable assets	1,800,866	—	31,477	33,256	50,976	282,494	259,353	197,219	209,244	195,399	156,271	1,708,414	
Deferred charges	424,815	—	(1)	4,283	(1)	34,778	35,623	35,653	80,984	62,770	34,965	147,846	
Accounts and notes receivable	1,524,550	—	18,134	13,026	32,963	110,294	137,226	137,226	137,226	137,226	135,827	416,219	
Other current liabilities	529,407	(1)	9,264	43,344	34,610	119,317	43,052	125,659	170,314	7,504	82,679	611,819	
Long-term liabilities	766,431	—	26,245	2,685	52,964	481,998	48,734	377,368	253,817	477,011	395,271	1,872,671	
Other	476,431	—	(1)	13,026	(1)	122,064	81,679	133,198	64,911	54,712	49,482	345,719	
Total liabilities	1,279,000	—	43,344	58,842	87,574	601,996	91,786	504,766	338,129	534,787	444,752	2,048,490	
Total equity	9,051,027	—	19,514	62,042	65,242	352,217	343,236	410,126	262,570	223,747	261,593	4,416,326	
Total income	5,487,944	—	113,648	178,051	182,018	1,627,874	602,729	1,242,538	613,011	748,532	834,779	2,570,888	
Cost of sales and operations	376,641	—	11,954	4,903	7,697	42,659	37,682	69,620	43,312	42,791	49,228	1,106,784	
Interest paid	511,426	—	7,981	11,094	17,624	60,040	45,820	69,885	57,095	60,956	70,396	256,644	
Depreciation	4,911,314	—	9,663	11,821	17,752	31,424	37,204	49,700	24,474	18,412	20,632	197,874	
Provision for state and local taxes	—	(1)	—	(1)	(1)	6,261	1,859	3,334	2,505	1,264	—	35,269	
Employer benefit programs	—	(1)	—	(1)	—	4,143	4,143	220,485	12,819	11,263	84,786	252,874	
Income tax expense	—	(1)	—	—	—	48,229	234,065	132,141	117,110	117,110	232,576	442,756	
Income tax refund	—	—	—	—	—	23,666	124,415	67,433	63,848	57,666	64,628	136,962	
Income tax benefit	—	—	—	—	—	11,968	10,597	102,595	56,748	57,666	114,310	239,886	
Income tax expense	—	—	—	—	—	36,461	113,818	64,843	60,063	59,444	50,248	112,874	
Income tax benefit	—	—	—	—	—	1,444	1,139	1,581	881	881	1,139	1,684	
Income tax	—	—	—	—	—	35,017	112,679	63,262	59,182	58,563	48,109	111,190	
Income tax liability	—	—	—	—	—	1,400	1,400	6,559	4,179	4,862	4,179	6,208	
Income tax expense	—	—	—	—	—	11,596	11,880	37,765	19,762	18,707	2,469	45,474	
Income tax benefit	—	—	—	—	—	—	—	—	—	—	—	—	
Income tax liability	—	—	—	—	—	—	—	—	—	—	—	—	
Income tax	—	—	—	—	—	—	—	—	—	—	—	—	
Income tax expense	—	—	—	—	—	—	—	—	—	—	—	—	
Income tax benefit	—	—	—	—	—	—	—	—	—	—	—	—	
Income tax	—	—	—	—	—	—	—	—	—	—	—	—	
Income tax expense	—	—	—	—	—	—	—	—	—	—	—	—	
Income tax benefit	—	—	—	—	—	—	—	—	—	—	—	—	
Income tax	—	—	—	—	—	—	—	—	—	—	—	—	
Income tax expense	—	—	—	—	—	—	—	—	—	—	—	—	
Income tax benefit	—	—	—	—	—	—	—	—	—	—	—	—	
Income tax	—	—	—	—	—	—	—	—	—	—	—	—	
Income tax expense	—	—	—	—	—	—	—	—	—	—	—	—	
Income tax benefit	—	—	—	—	—	—	—	—	—	—	—	—	
Income tax	—	—	—	—	—	—	—	—	—	—	—	—	
Income tax expense	—	—	—	—	—	—	—	—	—	—	—	—	
Income tax benefit	—	—	—	—	—	—	—	—	—	—	—	—	
Income tax	—	—	—	—	—	—	—	—	—	—	—	—	
Income tax expense	—	—	—	—	—	—	—	—	—	—	—	—	
Income tax benefit	—	—	—	—	—	—	—	—	—	—	—	—	
Income tax	—	—	—	—	—	—	—	—	—	—	—	—	

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

Mining, Coal Mining

Mining, Oil and Gas Extraction

RETURNS OF ACTIVE CORPORATIONS
Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—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)
	Total active corporation returns	Zero assets	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
Major Nonmetallic Minerals Except Fuels													
Number of firms	1,054	7	1,106	724	704	6	177	75	27	3			
Total assets	6,113,067	110,000	41,123	119,576	248,576	392,909	2,272,438	4,712,741	6,739,104	8,712,741	11,400,000	17,400,000	27,400,000
Business and accounts receivable	62,463	171	1,171	3,104	6,453	21,815	132,438	279,844	471,644	611,644	771,644	971,644	1,271,644
Inventory	812	1	1	1	1	1	1	1	1	1	1	1	1
Cash, Government deposits, and other	3,127	1	9,372	19,167	35,771	67,874	140,412	264,871	481,557	811,557	1,311,557	2,111,557	3,411,557
Current assets	2,913	1	9,372	19,167	35,771	67,874	140,412	264,871	481,557	811,557	1,311,557	2,111,557	3,411,557
Other investments	4,712,741	1	1	1	1	1	1	1	1	1	1	1	1
Depreciation	3,774,000	1	1	1	1	1	1	1	1	1	1	1	1
Accumulated depreciation	2,774,000	1	1	1	1	1	1	1	1	1	1	1	1
Other capital assets, less reserves	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Accounts and notes payable	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Other current liabilities	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Minority interest	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Minority interest of affiliates in the year or more	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Net worth	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Cost of property used for the current month	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Total receipts	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Business receipts	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Cost of sales and repairs	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Taxes paid	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Interest paid	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Depreciation	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Percentage of net earnings, tax, and profit	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Employer benefit program	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Post-employment benefits	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Cost of sales and repairs	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Taxes paid	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Interest paid	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Depreciation	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Foreign tax credit	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Work incentive (WIRA)	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Distributions to shareholders	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Low Stock	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Total Construction													
Number of firms	1,000	1	1	1	1	1	1	1	1	1	1	1	1
Total assets	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Business and accounts receivable	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Inventory	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Cash, Government of all	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Current assets	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Other investments	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Depreciable assets	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
USG Accumulated depreciation	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Other capital assets, less reserves	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Accounts and notes payable	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Other current liabilities	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Minority interest	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Minority interest of affiliates in the year or more	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Net worth	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Cost of property used for the current month	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Total receipts	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Business receipts	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Cost of sales and repairs	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Taxes paid	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Interest paid	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Depreciation	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Post-employment benefits	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Employer benefit program	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Post-employment benefits	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Cost of sales and repairs	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Taxes paid	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Interest paid	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Depreciation	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Foreign tax credit	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Work incentive (WIRA)	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Distributions to shareholders	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1
Low Stock	1,000,000	1	1	1	1	1	1	1	1	1	1	1	1

Footnote: (1) - (13) Explanation of items

RETURNS OF ACTIVE CORPORATIONS
 Table 6.—Selected Balance Sheet, Income Statement, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

	Total active corporation returns	Zero assets	(\$1 under \$100,000)		(\$50,000 to \$100,000)		(\$10,000,000 to \$50,000,000)		(\$5,000,000 to \$10,000,000)		(\$25,000,000 to \$50,000,000)		(\$100,000,000 to \$250,000,000)		\$250,000,000 or more	
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
<p>Major industry item</p> <p>Construction - Heavy Construction Contractors</p>																
Number of returns	14,895	510	5,027	3,813	2,101	1,731	1,714	250	97	23	10	18				
Total assets	16,020,914	232,038	650,037	560,037	753,428	1,215,583	3,477,754	1,677,626	1,486,182	864,450	584,196	5,109,140				
Notes and accounts receivable	4,699,146	46,671	121,432	121,432	207,457	394,824	1,098,775	467,739	452,178	197,944	141,551	1,401,357				
Inventories	1,190,330	7,679	7,679	30,209	24,313	51,480	228,308	129,834	144,269	75,271	79,177	332,375				
Land	1,011,446	—	—	110,351	154,480	217,317	680,357	386,836	548,631	176,373	173,272	1,073,272				
Other investments and loans	1,244,816	—	217,142	461,437	344,020	338,339	1,151,690	1,030,670	919,607	520,979	344,625	2,067,185				
Depreciable assets	5,840,671	—	217,544	461,437	704,173	1,002,005	2,632,008	1,030,670	919,607	520,979	344,625	2,067,185				
Less: Accumulated depreciation	6,152,717	—	1,08,674	244,432	413,490	587,192	1,411,768	638,028	556,553	264,805	173,705	777,957				
Other depreciable assets	529,471	—	3,965	5,813	18,651	30,860	128,144	60,067	45,152	62,211	45,267	110,416				
Less: Accumulated depreciation	1,225,662	—	48,275	369,674	369,674	482,751	1,128,144	482,751	482,751	482,751	482,751	1,035,323				
Other current liabilities	1,225,662	—	125,116	38,464	61,961	94,017	385,096	215,829	172,473	154,844	154,844	370,053				
Long-term debt	2,551,471	—	4,616	82,474	137,452	163,276	464,342	184,043	185,602	101,632	104,201	1,042,201				
Other liabilities	5,174,367	—	141,037	161,037	258,675	452,376	1,171,475	582,376	444,105	267,161	202,895	2,105,867				
One year or more	5,174,367	—	141,037	161,037	258,675	452,376	1,171,475	582,376	444,105	267,161	202,895	2,105,867				
Less of property used for investment	1,022,365	—	31,886	58,762	82,292	118,614	293,204	104,675	92,369	55,965	34,941	136,943				
Total receipts	2,767,571	—	624,127	1,905,609	1,743,303	2,412,257	7,119,821	2,544,644	2,587,120	1,182,075	706,312	6,498,024				
Business receipts	2,767,571	—	624,127	1,905,609	1,743,303	2,412,257	7,119,821	2,544,644	2,587,120	1,182,075	706,312	6,498,024				
Cost of sales and operations	2,767,571	—	624,127	1,905,609	1,743,303	2,412,257	7,119,821	2,544,644	2,587,120	1,182,075	706,312	6,498,024				
Less: Depreciation	1,022,365	—	31,886	58,762	82,292	118,614	293,204	104,675	92,369	55,965	34,941	136,943				
Foreign tax credit	195,126	—	—	—	—	—	—	—	—	—	—	—				
Net income	659,979	—	1,059	24,525	56,211	86,378	276,008	831,779	863,381	369,045	191,010	2,067,185				
Less: Dividends	1,022,365	—	668,345	1,022,365	1,022,365	1,022,365	1,022,365	1,022,365	1,022,365	1,022,365	1,022,365	1,022,365				
Income subject to tax	368,310	—	4,351	14,196	17,642	26,613	173,643	52,235	31,857	13,862	3,273	112,746				
Additional tax for tax overages	—	—	—	—	—	—	—	—	—	—	—	—				
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—				
Investment credit	—	—	—	—	—	—	—	—	—	—	—	—				
Less: Dividends	—	—	—	—	—	—	—	—	—	—	—	—				
Distributions to stockholders except in cash stock	—	—	—	—	—	—	—	—	—	—	—	—				

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

RETURNS OF ACTIVE CORPORATIONS Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

Table with columns for Total corporation returns, Zero assets, and various size categories (\$1,000,000 to \$500,000,000). Rows include Construction and Special Trade Contractors, and Total Manufacturing.

All figures are estimates based on samples—money, amounts are in thousands of dollars. Footnotes, if any, follow.

RETURNS OF ACTIVE CORPORATIONS Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

Table with columns: (1) Major industry item, (2) Zero assets, (3) \$1 under \$100,000, (4) \$100,000 under \$250,000, (5) \$250,000 under \$500,000, (6) \$500,000 under \$1,000,000, (7) \$1,000,000 under \$5,000,000, (8) \$5,000,000 under \$10,000,000, (9) \$10,000,000 under \$25,000,000, (10) \$25,000,000 under \$50,000,000, (11) \$50,000,000 under \$100,000,000, (12) \$100,000,000 under \$500,000,000, (13) \$500,000,000 or more. Rows include Manufacturing Food and Kindred Products, and Manufacturing Tobacco Manufactures.

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

Footnote: For a list of the corporations included in the sample and limitations of the data...

RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

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

Table with columns for Major industry item, Total active corporation returns, Zero assets, and Size of total assets (under \$1,000,000 to \$250,000,000 or more). Rows include Manufacturing Textile Mill Products and Manufacturing Apparel and Other Textile Products, with various sub-rows for assets, liabilities, income, and distributions.

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data

RETURNS OF ACTIVE CORPORATIONS
Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

Major industry item	Total active corporation returns	Size of total assets											
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
		\$1,000,000 under	\$500,000 under	\$250,000 under	\$100,000 under	\$50,000 under	\$25,000 under	\$10,000 under	\$5,000,000 under	\$25,000,000 under	\$50,000,000 under	\$100,000,000 under	\$250,000,000 or more
Manufacturing Rubber and Miscellaneous Plastics Products													
Number of returns	20	1	1	1	1	1	1	1	1	1	1	1	1
Total assets	1,000,000	1,000,000	500,000	250,000	100,000	50,000	25,000	10,000	5,000,000	25,000,000	50,000,000	100,000,000	250,000,000 or more
Total returns	1,000,000	1,000,000	500,000	250,000	100,000	50,000	25,000	10,000	5,000,000	25,000,000	50,000,000	100,000,000	250,000,000 or more
Retained earnings	1,000,000	1,000,000	500,000	250,000	100,000	50,000	25,000	10,000	5,000,000	25,000,000	50,000,000	100,000,000	250,000,000 or more
Dividends	0	0	0	0	0	0	0	0	0	0	0	0	0
Other distributions	0	0	0	0	0	0	0	0	0	0	0	0	0
Net worth	1,000,000	1,000,000	500,000	250,000	100,000	50,000	25,000	10,000	5,000,000	25,000,000	50,000,000	100,000,000	250,000,000 or more
Additional tax for tax preferences	0	0	0	0	0	0	0	0	0	0	0	0	0
Foreign tax credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Work in progress (WIP) credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Distributions to stockholders, except in own stock	0	0	0	0	0	0	0	0	0	0	0	0	0
Manufacturing Leather and Leather Products													
Number of returns	20	1	1	1	1	1	1	1	1	1	1	1	1
Total assets	1,000,000	1,000,000	500,000	250,000	100,000	50,000	25,000	10,000	5,000,000	25,000,000	50,000,000	100,000,000	250,000,000 or more
Total returns	1,000,000	1,000,000	500,000	250,000	100,000	50,000	25,000	10,000	5,000,000	25,000,000	50,000,000	100,000,000	250,000,000 or more
Retained earnings	1,000,000	1,000,000	500,000	250,000	100,000	50,000	25,000	10,000	5,000,000	25,000,000	50,000,000	100,000,000	250,000,000 or more
Dividends	0	0	0	0	0	0	0	0	0	0	0	0	0
Other distributions	0	0	0	0	0	0	0	0	0	0	0	0	0
Net worth	1,000,000	1,000,000	500,000	250,000	100,000	50,000	25,000	10,000	5,000,000	25,000,000	50,000,000	100,000,000	250,000,000 or more
Additional tax for tax preferences	0	0	0	0	0	0	0	0	0	0	0	0	0
Foreign tax credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Work in progress (WIP) credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Distributions to stockholders, except in own stock	0	0	0	0	0	0	0	0	0	0	0	0	0

Footnote: (1) See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS
Table 6.—Selected Balance Sheet, Income Statement, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

Major industry, item	Size of total assets											\$250,000,000 or more	
	Total active corporation returns	\$100,000,000 under \$250,000,000					\$250,000,000 or more						
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(11)
Manufacturing, Electrical and Electronic Equipment													
Number of returns	10,800					1,238			144				36
Total assets	73,161,418					849,632			2,294,879				4,862,740
Notes and accounts receivable net	19,655,688					253,814			1,486,061				551,143
Inventories	18,512,436					84,006			553,706				1,101,208
Cash	8,409,800					16,897			924,965				1,459,627
Government obligations and other current assets	7,875,984					44,508			175,602				360,181
Debt and loans	26,638,267					353,316			1,788,271				260,704
Other capital assets	12,174,434					74,515			351,337				1,464,070
Less: Accumulated depreciation	30,823,963					17,269			68,532				27,964
Other capital assets less reserves	6,212,731					93,624			284,620				1,436,106
Accounts and notes payable	25,894,888					316,031			1,494,534				4,209,545
Other liabilities	3,259,233					15,149			52,555				110,567
Mortgages, notes, and bonds payable in one year or more	15,436					132,024			396,955				1,110,567
Cost of property used for investment credit	8,003					40,925			102,077				171,314
Net worth	2,598,233					2,599			119,751				1,100,567
Total receipts	83,614,024					1,817,249			3,300,284				6,632,807
Business receipts	80,754,549					1,790,367			3,190,152				6,321,881
Cost of sales and operations	56,167,372					1,254,386			2,276,777				4,809,785
Taxes paid	2,311,346					28,537			161,534				479,454
Interest paid	1,714,444					10,510			52,846				132,174
Depreciation	2,659,112					34,912			106,461				154,871
Pension profit-sharing stock bonus and annuity plans	5,291					14,952			28,251				46,914
Employee benefit programs	2,746,532					15,809			30,617				57,309
Net income (less deficit)	3,645,631					100,214			214,896				390,861
Income subject to tax	3,371,722					98,840			193,827				368,832
Income tax total	1,568,136					32,303			56,140				91,576
Additional tax for tax preferences	4,840												3,861
Foreign tax credit	275,627								4,268				2,412
Investment credit	129,469					1,624			2,817				4,897
Worst incentive (WMI) credit	616												94,200
Distributions to stockholders except in own stock	12,056,611					13,782			6,730				23,768
Manufacturing, Motor Vehicles and Equipment													
Number of returns	2,203					283			50				9
Total assets	76,804,043					194,859			641,331				1,691,409
Notes and accounts receivable net	31,547,984					42,432			140,641				161,722
Inventories	14,360,854					36,641			112,404				177,846
Cash	3,954,331					20,508			36,944				62,580
Government obligations and other current assets	32,708,845					86,255			252,321				335,433
Debt and loans	18,000,842					44,956			120,837				160,182
Less: Accumulated depreciation	860,917					5,926			13,353				20,914
Other capital assets less reserves	5,116,625					18,577			31,514				50,303
Accounts and notes payable	4,277,456					77,203			272,820				347,989
Other liabilities	4,311					4,892			21,541				38,545
Mortgages, notes, and bonds payable in one year or more	15,347,814					30,174			73,484				112,054
Cost of property used for investment credit	29,727,456					77,203			282,257				347,989
Net worth	4,231,026					4,892			16,633				28,545
Total receipts	105,710,273					302,483			648,175				896,117
Business receipts	102,824,051					246,691			544,045				744,050
Cost of sales and operations	81,911,241					217,108			462,453				644,890
Taxes paid	2,238,333					31,759			25,457				37,072
Interest paid	2,503,637					19,592			61,534				82,524
Depreciation	2,684,946					4,354			12,054				18,144
Pension profit-sharing stock bonus and annuity plans	1,918,893					4,924			7,642				12,144
Employee benefit programs	2,124,506					2,933			4,934				7,861
Net income (less deficit)	2,065,641					12,110			31,163				42,716
Income subject to tax	2,244,836					13,717			33,486				45,276
Income tax total	1,262,417					15,564			26,501				35,834
Additional tax for tax preferences	318												18,144
Foreign tax credit	404,026								4,801				2,611
Investment credit	114,696					1,511			2,711				4,316
Worst incentive (WMI) credit	648												1,111
Distributions to stockholders except in own stock	1,631,865								5,104				11,114

Figures at end of table. See footnotes for explanation of terms and description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

Table with columns for Total active corporation returns, Zero assets, \$1 under \$100,000, \$100,000-\$250,000, \$250,000-\$500,000, \$500,000-\$1,000,000, \$1,000,000-\$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, and \$250,000,000 or more. Rows include Manufacturing Miscellaneous, Manufacturing and Manufacturing not Allocable, and Total Transportation and Public Utilities.

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS Table 6.—Selected Balance Sheet, Income Statement, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

Table with columns for Total active corporation returns, Major industry, item, and 15 sub-columns representing asset size categories from \$1 under \$1,000,000 to \$250,000,000 or more.

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

RETURNS OF ACTIVE CORPORATIONS
Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—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)
Total active corporation returns	Zero assets		\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	Wholesale and Retail Trade												
Total Wholesale Trade													
Number of returns	1,117	1,313	1,813	2,417	3,102	3,812	4,512	5,212	6,012	6,812	7,612	8,412	9,212
Total assets	15,784,113	17,812,345	20,123,456	22,434,567	24,745,678	27,056,789	29,367,890	31,678,901	33,989,012	36,300,123	38,611,234	40,922,345	43,233,456
Notes and accounts receivable, net
Inventories
U.S. Government obligations and other
Current assets, excluding notes and loans
Depreciable assets
Less: Accumulated depreciation
Other capital assets less reserves
Accounts and notes payable
Mortgages, notes, and bonds payable in job
Net worth
Loss of property used for investment credit
Total receipts
Business receipts
Loss of sales and operations
Taxes paid
Interest paid
Depreciation
Pension profit sharing
Stock bonus and annuity plans
Employee benefit programs
Investment credit
Net income
Income subject to tax
Income tax
Additional tax for tax preferences
Foreign tax credit
Investment credit
Work incentive (WIN) credit
Distributions to stockholders, except in own stock
Groceries and Related Products													
Wholesale and Retail Trade													
Groceries and Related Products													
Number of returns	20,870	504	8,042	4,204	2,882	1,883	1,403	1,082	782	582	382	182	82
Total assets	13,089,016	1,308,016	2,307,016	3,306,016	4,305,016	5,304,016	6,303,016	7,302,016	8,301,016	9,300,016	10,299,016	11,298,016	12,297,016
Notes and accounts receivable, net
Inventories
U.S. Government obligations and other
Current assets, excluding notes and loans
Depreciable assets
Less: Accumulated depreciation
Other capital assets less reserves
Accounts and notes payable
Mortgages, notes and bonds payable in job
Net worth
Loss of property used for investment credit
Total receipts
Business receipts
Loss of sales and operations
Taxes paid
Interest paid
Depreciation
Pension profit sharing
Stock bonus and annuity plans
Employee benefit programs
Investment credit
Net income
Income subject to tax
Income tax
Additional tax for tax preferences
Foreign tax credit
Investment credit
Work incentive (WIN) credit
Distributions to stockholders, except in own stock

Footnotes at end of table. See text for explanation of terms and description of the sample and limitations of the data.

RETURNS OF ACTIVE CORPORATIONS Table 6.—Selected Balance Sheet, Income Statement, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

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

Table with columns: Major industry item, Total active corporation returns, Zero assets, \$1,000,000 under, \$500,000 under, \$250,000 under, \$100,000 under, \$50,000 under, \$25,000,000 under, \$10,000,000 under, \$5,000,000 under, \$1,000,000 under, \$500,000 under, \$250,000 under, \$100,000 under, \$50,000 under, \$25,000,000 under, \$10,000,000 under, \$5,000,000 under, \$1,000,000 under, \$500,000 under, \$250,000 under, \$100,000 under, \$50,000 under, \$25,000,000 or more.

Footnotes at end of table, Section 17 of the Sample and Limitations of the Data

RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

Major industry item		Size of total assets												
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
		Total active corporate returns	Zero assets	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
Finance, Insurance, and Real Estate Credit Agencies Other Than Banks	Number of returns	18,501	1,471	21,800	8,116	4,414	2,307	1,827	1,057	1,624	1,341	640	411	214
	Total assets	19,418,783	442,299	4,126,497	46,779	251,516	1,598,098	9,052,053	17,782,222	26,749,960	40,126,441	58,490,419	61,631,577	198,472,036
	Net worth	4,126,497	251,516	1,598,098	9,052,053	17,782,222	26,749,960	40,126,441	58,490,419	61,631,577	198,472,036	251,516	1,598,098	4,126,497
	Cash	1,598,098	9,052,053	17,782,222	26,749,960	40,126,441	58,490,419	61,631,577	198,472,036	251,516	1,598,098	9,052,053	17,782,222	26,749,960
	Other current assets	2,528,400	160,465	1,195,845	1,997,593	2,986,163	3,055,905	3,226,444	2,515,119	2,311,121	2,340,333	2,055,986	1,356,519	2,042,504
	Depreciable assets	869,999	31,576	156,424	254,829	419,185	487,198	691,936	1,068,579	1,604,891	2,165,767	2,922,426	3,678,554	4,566,565
	Other capital assets	1,050,401	127,314	646,396	1,742,785	2,657,833	3,162,005	3,790,449	4,377,063	4,799,273	4,858,233	4,858,233	4,858,233	4,858,233
	Accounts and notes payable	1,417,750	49,566	235,933	547,192	758,996	906,256	1,017,092	1,165,591	1,308,772	1,443,251	1,574,387	1,703,859	1,828,219
	Other current liabilities	1,050,401	127,314	646,396	1,742,785	2,657,833	3,162,005	3,790,449	4,377,063	4,799,273	4,858,233	4,858,233	4,858,233	4,858,233
	Net worth	22,218,034	841,663	2,639,891	4,334,385	5,748,226	6,849,843	7,684,394	8,266,463	8,758,921	9,156,784	9,454,647	9,752,510	10,050,373
	Less of property owned by or leased to	2,218,034	84,166	263,891	433,385	574,826	684,843	768,394	826,463	875,921	915,784	945,647	975,510	10,050,373
	Final receipts	45,152,940	3,092,241	9,727,738	16,106,306	23,770,753	31,435,200	39,100,647	46,766,094	54,431,541	62,097,988	70,764,435	78,429,882	86,096,329
	Less of prior year	11,412,940	1,092,241	3,127,738	5,136,306	7,145,753	9,155,200	11,164,647	13,174,094	15,183,541	17,192,988	19,202,435	21,211,882	23,221,329
	Gross of sales and discounts	33,740,000	2,000,000	6,600,000	11,000,000	14,625,000	19,980,000	28,246,000	37,281,000	47,117,000	57,035,000	67,592,000	78,148,000	88,704,000
	Taxes paid	9,828,814	563,141	1,766,613	2,933,685	4,100,753	5,267,820	6,434,887	7,601,954	8,769,021	9,936,088	11,103,155	12,270,222	13,437,289
	Interest paid	9,828,814	563,141	1,766,613	2,933,685	4,100,753	5,267,820	6,434,887	7,601,954	8,769,021	9,936,088	11,103,155	12,270,222	13,437,289
	Depreciation	642,291	13,368	67,475	136,368	215,264	294,160	373,056	451,952	530,848	609,744	688,640	767,536	846,432
	Pension profit-sharing plan, bonus, and annuity plan	101,022	1,010	9,112	18,224	27,336	36,448	45,560	54,672	63,784	72,896	82,008	91,120	100,232
Employee benefit programs	1,009,109	6,358	27,779	55,558	83,337	111,116	138,895	166,674	194,453	222,232	250,011	277,790	305,569	
Net income (less deficit)	1,927,298	131,600	4,960,125	7,069,698	9,179,271	11,288,844	13,398,417	15,507,990	17,617,563	19,727,136	21,836,709	23,946,282	26,055,855	
Tax income	1,927,298	131,600	4,960,125	7,069,698	9,179,271	11,288,844	13,398,417	15,507,990	17,617,563	19,727,136	21,836,709	23,946,282	26,055,855	
Income tax liability	1,927,298	131,600	4,960,125	7,069,698	9,179,271	11,288,844	13,398,417	15,507,990	17,617,563	19,727,136	21,836,709	23,946,282	26,055,855	
Income tax paid	1,927,298	131,600	4,960,125	7,069,698	9,179,271	11,288,844	13,398,417	15,507,990	17,617,563	19,727,136	21,836,709	23,946,282	26,055,855	
Additional tax (or tax profit) paid	1,927,298	131,600	4,960,125	7,069,698	9,179,271	11,288,844	13,398,417	15,507,990	17,617,563	19,727,136	21,836,709	23,946,282	26,055,855	
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—	—	
Work income (WIR) credit	—	—	—	—	—	—	—	—	—	—	—	—	—	
Distributions to stockholders (including own stock)	1,927,298	131,600	4,960,125	7,069,698	9,179,271	11,288,844	13,398,417	15,507,990	17,617,563	19,727,136	21,836,709	23,946,282	26,055,855	

Footnotes at end of table. See text for explanation of terms and description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS
Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

Major industry, item	Total corporation returns	Size of total assets																
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)				
Finance, insurance, and Real Estate insurance																		
Number of returns	8,343																	
Total assets	176,224,315																	
Notes and accounts receivable net	8,116,603																	
Inventories	5,437,616																	
Cash, Government obligations, and other	55,464,787																	
Other investments and loans ¹	291,433,454																	
Depreciable assets	42,614,644																	
Less: Accumulated depreciation	(1,001,400)																	
Other capital assets, less reserves ²	851,274																	
Accounts and notes payable	11,035,069																	
Other current liabilities	42,253,146																	
Mortgages, notes, and bonds payable in one year or more	8,094,905																	
Cost of property used for investment credit	1,013,964																	
Net worth	5,094,905																	
Total receipts	120,800,400																	
Business receipts	98,289,376																	
Cost of sales and operations	6,019,857																	
Cost of depreciation	5,000,000																	
Interest paid	1,651,602																	
Depreciation	95,911																	
Pension profit-sharing, stock bonus, and annuity plans	639,614																	
Net income, less deficit	16,746,016																	
Net income, less deficit	16,746,016																	
Income subject to tax	4,325,214																	
Income tax total	1,552,339																	
Additional tax for tax preferences	39																	
Foreign tax credit	113,910																	
Investment credit	23,768																	
Work incentive (WMI) credit	109																	
Distributions to stockholders except in own stock	1,076,394																	
Finance, insurance, and Real Estate insurance Agents, Brokers, and Service																		
Number of returns	35,387																	
Total assets	7,235,698																	
Notes and accounts receivable net	2,611,417																	
Inventories	16,416																	
Cash, Government obligations, and other	1,876,635																	
Other investments and loans ¹	1,312,645																	
Depreciable assets	826,053																	
Less: Accumulated depreciation	357,034																	
Other capital assets, less reserves ²	18,555																	
Accounts and notes payable	3,405,116																	
Other current liabilities	563,070																	
Mortgages, notes, and bonds payable in one year or more	825,987																	
Cost of property used for investment credit	2,060,914																	
Net worth	104,564																	
Total receipts	6,963,145																	
Business receipts	6,601,101																	
Cost of sales and operations	1,819,857																	
Cost of depreciation	179,002																	
Interest paid	82,201																	
Depreciation	102,696																	
Pension profit-sharing, stock bonus, and annuity plans	11,194																	
Employee benefit programs	41,364																	
Net income, less deficit	3,232,102																	
Net income, less deficit	3,232,102																	
Income subject to tax	43,960																	
Income tax total	11,694																	
Additional tax for tax preferences	11																	
Foreign tax credit	5,263																	
Investment credit	2,897																	
Work incentive (WMI) credit	109																	
Distributions to stockholders except in own stock	95,980																	

Principles at end of table.—See text for: Explanation of Terms, and Description of the Sample and Limitations of the Data

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

RETURNS OF ACTIVE CORPORATIONS
Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

Table with columns for Total active corporation returns, Major industry item, and Size of total assets (15 categories). Rows include Total Services, Services, Hotels and Other Lodging Places, and various financial items like Number of returns, Total assets, Net income, and Distributions to stockholders.

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data

RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

Table with 13 columns representing asset size ranges from \$1,000,000 to \$250,000,000 or more. Rows are categorized by major industry item (e.g., Services: Auto repair, Services: Amusement and Recreation Services) and include financial data such as zero assets, total active returns, and various balance sheet and income statement items.

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data

RETURNS OF ACTIVE CORPORATIONS

Table 7.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Business Receipts

Table with 15 columns: (1) Total active corporation returns, (2) Under \$25,000, (3) \$25,000-\$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-\$50,000,000, (10) \$50,000,000-\$100,000,000, (11) \$100,000,000-\$250,000,000, (12) \$250,000,000-\$500,000,000, (13) \$500,000,000-\$1,000,000,000, (14) \$1,000,000,000 or more. Rows include 'All Industrial Divisions' and 'Agriculture, Forestry and Fishing'.

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

(1) Total active corporation returns

(2) Under \$25,000

(3) \$25,000-\$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-\$50,000,000

(10) \$50,000,000-\$100,000,000

(11) \$100,000,000-\$250,000,000

(12) \$250,000,000-\$500,000,000

(13) \$500,000,000-\$1,000,000,000

(14) \$1,000,000,000 or more

RETURNS OF ACTIVE CORPORATIONS

Table 7.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Business Receipts—Continued

Table with 15 columns: (1) Total active corporation returns, (2) Under \$25,000, (3) \$25,000-\$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-\$50,000,000, (10) \$50,000,000-\$100,000,000, (11) \$100,000,000-\$250,000,000, (12) \$250,000,000-\$500,000,000, (13) \$500,000,000-\$1,000,000,000, (14) \$1,000,000,000 or more. Rows include Manufacturing and Transportation and Public Utilities sections.

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

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

RETURNS OF ACTIVE CORPORATIONS Table 7.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Business Receipts—Continued

Table with 14 columns for business receipt size and 15 rows of financial metrics. Rows include: Number of returns, Total assets, Total receipts, Net income, Statutory special deduction, Income subject to tax, and Distributions to stockholders. The table is divided into sections for 'Machinery' and 'Construction'.

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

Footnotes at end of table. See text for Explanation, Limitations of the Data

RETURNS OF ACTIVE CORPORATIONS Table 7.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Business Receipts—Continued

Table with multiple columns labeled (1) through (14) representing different financial metrics. The rows are categorized by Industrial Division (Wholesale and Retail Trade, Finance, Insurance, and Real Estate) and further subdivided by Size of Business Receipts (\$25,000 under, \$25,000-\$50,000, \$50,000-\$100,000, \$100,000-\$500,000, \$500,000-\$1,000,000, \$1,000,000-\$5,000,000, \$5,000,000-\$10,000,000, \$10,000,000-\$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 or more).

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

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS
Table 7.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Business Receipts—Continued

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

	Size of business receipts													
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Under \$25,000	\$25,000 under \$50,000	\$50,000 under \$100,000	\$100,000 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 \$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 or more	
Services														
Number of returns with and without net income	584	102,527	4,606	66,400	14,899	19,299	10,884	1,062	61	43	16	5		
Total assets	84,479,881	3,343,074	1,600,759	3,504,960	16,302,917	7,911,050	15,199,177	4,819,242	3,946,406	6,346,942	5,294,642	6,241,573		
Liabilities	4,429,411	132,246	34,502	121,588	604,071	384,555	717,280	229,681	173,384	349,259	430,711	509,775		
Net worth	79,950,470	3,210,828	1,566,257	3,383,372	15,698,846	7,506,495	14,481,897	4,589,561	3,773,022	5,997,683	4,863,931	5,731,798		
Total receipts	115,589,142	1,301,059	1,692,516	5,068,965	32,152,434	13,702,026	21,128,577	7,444,727	4,618,337	6,688,631	6,316,035	4,553,415		
Business receipts	110,437,541	1,284,042	1,676,145	4,883,220	31,322,249	13,225,070	20,349,826	7,062,194	4,417,460	6,419,097	6,041,658	4,008,900		
Cost of sales and operations	3,888,699	253,892	515,369	1,785,745	12,830,187	5,555,956	11,778,751	4,982,533	2,697,877	4,081,485	4,081,485	2,467,549		
Interest paid	3,221,380	74,270	46,689	1,069,620	5,694,920	3,144,920	6,294,711	1,958,827	1,738,482	2,702,320	2,702,320	1,587,885		
Depreciation	6,150,669	167,808	136,843	254,692	1,316,564	629,977	1,099,339	339,698	662,798	446,002	374,843	439,013		
Pension profit-sharing stock bonus and annuity plans	1,926,281	1,868	13,985	115,625	1,029,962	366,412	226,027	70,405	33,299	33,995	24,877	23,274		
Employee benefit programs	545,275	2,211	18,919	139,640	1,029,962	366,412	226,027	70,405	33,299	33,995	24,877	23,274		
Net income (less deficit)	2,500,160	-206,506	-53,841	1,507	691,178	256,583	564,549	144,114	399,869	134,180	220,229	150,169		
Statutory special deductions total	4,989,627	131,533	103,751	232,336	1,273,785	528,105	977,080	293,832	177,446	255,295	256,609	134,603		
Net operating loss deductions	619,990	32,503	13,099	35,441	58,102	136,212	136,212	40,101	16,944	31,658	22,920	15,131		
Income tax total	3,369,637	30,416	13,041	1,041	1,201,333	53,471	1,227,292	336,907	19,722	22,378	19,781	1,775		
Income subject to tax	3,652,166	66,967	55,016	137,481	875,956	329,976	695,002	234,245	160,966	230,580	233,452	180,800		
Additional tax for tax preferences	1,524	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
Foreign tax credit	87,983	(1)	1,814	4,189	30,271	1,915	2,220	3,029	1,267	1,967	12,101	24,498		
Non-current credit	161,575	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
Distributions to stockholders except in own stock	826,292	35,978	25,345	34,463	157,369	81,172	140,836	36,566	43,917	86,243	37,406	58,141		
Nature of Business, Not Allocable														
Number of returns with and without net income	2,842	829	(1)	(1)	928	(1)	158	145	(1)	(1)	(1)	(1)		
Total assets	584,443	147,801	(1)	(1)	88,005	(1)	263,867	39,444	(1)	(1)	(1)	(1)		
Liabilities	64,151	(1)	(1)	(1)	20,877	(1)	60,076	(1)	(1)	(1)	(1)	(1)		
Net worth	214,746	147,799	(1)	(1)	67,128	(1)	203,791	39,444	(1)	(1)	(1)	(1)		
Total receipts	118,020	113,089	(1)	(1)	32,049	(1)	89,722	104,054	(1)	(1)	(1)	(1)		
Business receipts	896,300	(1)	(1)	(1)	194,860	(1)	535,183	520,584	(1)	(1)	(1)	(1)		
Cost of sales and operations	90,826	(1)	(1)	(1)	192,844	(1)	374,281	374,281	(1)	(1)	(1)	(1)		
Interest paid	13,643	(1)	(1)	(1)	19,468	(1)	16,829	16,829	(1)	(1)	(1)	(1)		
Depreciation	19,791	(1)	(1)	(1)	3,084	(1)	8,930	8,930	(1)	(1)	(1)	(1)		
Pension profit-sharing stock bonus and annuity plans	14,451	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
Employee benefit programs	2,163	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
Net income (less deficit)	3,959	8,270	(1)	(1)	6,681	(1)	13,157	27,097	(1)	(1)	(1)	(1)		
Statutory special deductions total	44,845	9,271	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
Net operating loss deductions	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
Income subject to tax	26,514	(1)	(1)	(1)	(1)	(1)	15,244	6,586	(1)	(1)	(1)	(1)		
Additional tax for tax preferences	3,462	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
Foreign tax credit	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
Non-current credit	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
Distributions to stockholders except in own stock	6,714	3,122	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		

(1) Estimate based on available returns in which it was based. However, the data are included in the appropriate totals. Size of business receipts was used to classify returns for financial, insurance, and non-utility industries. Includes accounts payable and mortgages, notes, and bonds payable in less than one year. Excludes Form 1120-S returns. Less than \$500 per year.

NOTE: See Part 7 for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS

Table 8.—Returns with Beginning and Ending Inventories and with "Last-in, First-out" (LIFO) Method of Inventory Valuation: Business Receipts, Net Income (Less Deficit), Total Income Tax, and Total Assets, by Major Industry—Continued

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

Major industry	Total returns with LIFO inventory method under Code section 472							
	Number of returns	Business receipts	Net income (less deficit)	Total income tax	Total assets	Inventories beginning of year	Inventories end of year	
							Number of returns	Amount
(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	
All industries	18,574	812,269,255	51,418,074	21,341,260	553,567,483	74,106,565	17,972	93,573,746
Agriculture, forestry, and fishing	66	367,321	6,998	(*)	197,995	46,171	54	48,789
Mining	53	5,454,937	534,776	233,031	6,279,223	431,226	52	615,876
Metal mining	4	2,068,014	203,416	78,717	3,753,431	222,996	4	333,409
Coal mining	5	208,657	95,840	40,978	357,352	14,047	5	20,938
Oil and gas extraction	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Nonmetallic minerals except fuels	29	1,381,489	40,833	27,008	795,791	81,296	29	107,850
Construction	277	3,708,430	111,245	54,692	2,760,665	241,943	274	396,353
General building contractors and operative builders	24	81,845	1,071	(*)	350,550	64,153	24	122,210
Heavy construction contractors	75	2,334,975	72,893	34,379	1,762,442	103,123	75	161,120
Special trade contractors	178	991,610	37,282	18,440	647,271	74,767	175	113,023
Manufacturing	7,775	633,562,957	45,466,539	18,693,604	447,945,766	56,598,519	7,704	73,218,205
Food and kindred products	685	34,378,808	1,928,401	942,812	18,630,973	3,050,093	680	3,690,736
Tobacco manufactures	5	7,455,408	746,441	346,847	8,375,428	1,561,770	4	1,827,426
Textile mill products	137	11,081,940	506,263	275,570	6,964,416	1,794,420	136	1,964,432
Apparel and other textile products	116	1,787,487	70,885	35,343	1,225,578	401,855	114	430,809
Lumber and wood products	363	10,014,143	933,909	347,971	10,798,461	1,235,227	361	1,507,721
Furniture and fixtures	139	2,230,913	106,643	55,261	1,351,277	384,898	139	433,392
Paper and allied products	497	22,808,298	2,179,995	945,198	17,637,207	2,081,723	497	2,601,194
Printing and publishing	475	10,102,122	931,550	426,602	7,740,708	759,156	471	982,882
Chemicals and allied products	665	60,512,763	5,845,590	2,710,338	48,790,918	6,971,345	658	9,069,318
Petroleum (including integrated) and coal products	111	240,071,354	18,694,887	6,372,621	140,180,149	5,894,566	111	9,391,764
Rubber and miscellaneous plastics products	382	15,002,452	529,467	252,437	11,572,904	1,551,731	379	2,648,025
Leather and leather products	55	792,111	32,472	13,884	532,179	126,922	55	137,882
Stone, clay and glass products	238	11,991,065	586,943	268,363	11,053,570	1,623,794	238	1,973,280
Primary metal industries	395	67,845,810	4,839,118	2,106,014	53,205,256	6,444,755	380	8,737,407
Fabricated metal products	1,492	27,790,788	1,832,753	864,595	18,267,205	4,059,445	1,485	5,148,395
Machinery except electrical	951	34,949,955	1,790,924	845,761	29,638,376	6,908,042	941	8,794,248
Electrical and electronic equipment	296	34,904,216	1,355,178	690,971	29,408,251	5,340,463	290	5,895,081
Motor vehicles and equipment	116	9,156,763	247,470	136,218	7,890,068	1,624,393	116	1,829,702
Transportation equipment except motor vehicles	82	16,334,711	816,481	353,369	12,815,960	2,376,687	77	3,354,412
Instruments and related products	115	9,130,116	1,179,120	579,796	7,179,369	1,451,734	112	1,676,478
Miscellaneous manufacturing and manufacturing not allocable	460	5,221,744	258,446	123,720	4,271,143	946,470	458	1,101,621
Transportation and public utilities	315	14,777,710	664,445	328,112	31,860,420	1,176,533	95	1,446,522
Transportation	286	5,255,825	229,915	107,926	7,109,051	371,333	70	452,177
Communication	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Electric, gas and sanitary services	14	4,598,548	212,217	114,300	9,762,010	268,547	14	324,050
Wholesale and retail trade	9,556	152,942,514	4,552,486	1,987,708	63,024,777	15,420,506	9,413	17,618,526
Wholesale trade	5,296	75,048,389	3,231,470	1,337,114	30,949,691	6,519,334	5,278	8,014,863
Groceries and related products	326	11,679,411	185,812	84,411	5,857,177	638,742	328	669,907
Machinery equipment and supplies	1,028	4,654,544	606,036	277,677	4,672,968	1,446,356	1,017	1,913,567
Miscellaneous wholesale trade	4,042	53,714,429	2,439,622	975,020	24,419,646	4,436,179	3,963	5,431,389
Retail trade	4,355	77,887,634	1,320,241	650,232	32,054,636	8,899,174	4,130	9,599,861
Building materials garden supplies and mobile home dealers	309	1,635,938	49,145	23,268	680,340	252,888	309	297,918
General merchandise stores	435	31,409,255	568,920	283,423	20,307,454	4,475,196	419	5,147,144
Food stores	554	26,924,345	332,424	151,703	5,159,459	1,518,797	553	1,768,443
Automotive dealers and service stations	1,362	10,647,800	201,187	109,005	3,158,634	1,019,814	1,359	1,257,340
Apparel and accessory stores	383	1,751,177	69,959	33,191	881,427	331,262	383	320,138
Furniture and home furnishings stores	326	496,626	110,742	5,420	313,435	102,767	326	118,737
Eating and drinking places	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Miscellaneous retail stores	821	4,597,021	78,319	40,012	1,427,465	683,938	817	735,096
Wholesale and retail trade not allocable	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Finance, insurance, and real estate	160	238,392	-659	5,631	585,042	88,590	12	99,480
Banking	—	—	—	—	—	—	—	—
Credit agencies other than banks	4	87,534	-587	34	319,931	16,357	(*)	(*)
Security commodity brokers and services	—	—	—	—	—	—	—	—
Insurance	—	—	—	—	—	—	—	—
Insurance agents brokers and services	—	—	—	—	—	—	—	—
Real estate	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Holding and other investment companies except bank holding companies	4	47,443	73	459	76,311	9,442	3	12,567
Services	337	1,117,568	78,106	33,169	875,026	93,039	333	116,936
Hotels and other lodging places	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Personal services	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Business services	41	325,686	25,536	11,211	268,702	75,811	41	52,687
Auto repair miscellaneous repair services	219	421,894	34,878	17,311	414,385	111,211	218	48,207
Amusement and recreation services	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Other services	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Nature of business not allocable	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)

Footnote at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS

Table 8.—Returns with Beginning and Ending Inventories and with "Last-in, First-out" (LIFO) Method of Inventory Valuation: Business Receipts, Net Income (Less Deficit), Total Income Tax, and Total Assets, by Major Industry—Continued

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

Major industry	Returns indicating adoption of LIFO for 1974 income year							
	Number of returns	Business receipts	Net income (less deficit)	Total income tax	Total assets	Inventories beginning of year	Inventories, end of year	
							Number of returns	Amount
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
All industries	14,185	698,983,016	45,153,996	10,427,264	470,118,116	63,006,770	13,854	79,816,591
Agriculture, forestry and fishing	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Mining	50	5,035,143	475,862	206,761	5,870,897	374,758	49	534,668
Metal mining	3	1,890,764	190,556	74,847	3,572,700	206,233	3	302,834
Coal mining	5	706,655	99,940	40,948	1,577,352	14,047	5	20,938
Oil and gas extraction	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Nonmetallic minerals, except fuels	29	1,837,489	419,415	21,009	795,283	81,236	29	107,850
Construction	236	2,514,426	79,129	37,986	2,011,325	195,731	233	332,717
General building contractors and operative builders	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Heavy construction contractors	98	1,205,504	27,716	12,711	1,199,437	88,004	66	132,524
Special trade contractors	152	757,219	41,403	18,001	630,048	74,767	149	109,834
Manufacturing	5,923	559,081,144	40,353,069	16,343,861	385,900,866	48,833,877	5,894	63,046,483
Food and kindred products	604	24,154,379	1,402,427	281,064	14,926,158	2,272,940	603	2,700,058
Tobacco manufacturers	3	2,213,394	735,741	345,044	8,395,756	1,561,008	3	1,823,303
Textile mill products	101	9,444,490	574,114	241,378	6,334,557	1,631,950	101	1,831,028
Apparel and other textile products	104	1,645,455	63,190	31,248	1,151,570	163,167	104	396,585
Lumber and wood products	212	4,407,393	316,695	115,262	3,861,089	555,611	212	639,163
Furniture and fixtures	114	1,636,704	100,441	31,561	981,288	292,362	114	342,394
Paper and allied products	281	3,047,682	1,872,514	818,173	15,431,453	1,799,876	284	2,257,936
Printing and publishing	35	6,010,040	743,126	344,174	6,043,654	613,638	351	791,686
Chemicals and allied products	572	55,886,937	5,092,861	2,148,154	44,946,042	6,412,447	576	6,223,898
Petroleum including integrated and coal products	44	221,843,883	17,389,238	7,777,949	119,421,477	5,276,832	94	8,245,385
Rubber and miscellaneous plastics products	258	14,620,494	598,126	24,419	11,340,284	1,518,617	253	2,603,799
Leather and leather products	31	221,110	11,563	481	402,256	92,713	31	100,498
Stone, clay and glass products	221	4,744,924	431,837	147,000	4,147,214	1,291,131	221	1,575,815
Primary metal industries	281	59,198,088	4,248,896	1,838,817	16,391,914	5,204,833	275	7,059,325
Fabricated metal products	119	24,636,406	1,605,143	747,267	16,473,733	3,587,674	116	4,543,316
Machinery, except electrical	684	28,907,022	1,447,197	707,946	23,923,618	5,555,838	687	7,116,714
Electrical and electronic equipment	205	32,881,545	1,266,626	643,748	28,007,845	4,467,318	204	5,460,389
Motor vehicles and equipment	105	6,122,526	299,899	122,885	3,485,847	1,465,847	105	1,663,394
Transportation equipment, except motor vehicles	65	15,445,337	716,158	334,122	12,364,147	2,235,958	64	3,207,626
Instruments and related products	29	8,041,852	1,166,877	494,198	6,469,276	1,278,484	26	1,479,167
Miscellaneous manufacturing and manufacturing not allocable	373	4,142,395	419,792	193,869	4,351,350	811,147	372	385,002
Transportation and public utilities	199	10,706,834	553,402	255,113	23,492,297	933,084	69	1,140,334
Transportation	174	4,721,251	211,405	107,649	8,129,845	312,802	53	368,360
Communication	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Electric, gas, and sanitary services	5	1,611,251	43,684	41,178	2,417,941	73,174	5	101,679
Wholesale and retail trade	7,362	120,136,730	3,623,190	1,549,551	51,381,412	12,474,073	7,327	14,514,674
Wholesale trade	4,106	55,736,770	2,576,102	1,041,415	25,641,429	5,164,413	4,087	6,470,546
Groceries and related products	271	10,345,862	1,268,967	59,631	1,561,694	561,315	271	591,569
Machinery, equipment, and supplies	87	6,482,179	513,088	242,873	4,400,123	1,245,399	84	1,665,912
Miscellaneous wholesale trade	2,928	7,890,569	1,114,072	739,141	3,111,099	7,398,100	2,967	4,222,065
Retail trade	3,256	64,399,960	1,047,088	508,136	25,740,000	7,309,660	3,240	8,032,710
Building materials, garden supplies, and mobile home dealers	268	1,326,222	74,882	32,118	1,121,013	296,199	258	188,889
General merchandise stores	372	24,406,575	4,811,113	2,444,445	15,419,116	4,047,744	365	4,267,295
Food stores	503	22,795,469	272,402	127,174	13,171,867	1,309,722	502	1,497,810
Automotive dealers and service stations	125	9,898,212	1,111,455	503,112	2,947,108	930,542	124	1,154,519
Apparel and accessory stores	24	1,111,295	4,342	2,516	629,187	245,444	24	243,708
Furniture and home furnishings stores	138	3,923,305	112,719	4,981	2,241,173	224,173	138	92,985
Eating and drinking places	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Miscellaneous retail stores	441	3,801,210	53,004	27,142	1,117,747	539,198	441	575,720
Wholesale and retail trade not allocable	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Finance, insurance, and real estate	139	214,828	-4,397	2,754	507,477	67,843	10	98,207
Banking	—	—	—	—	—	—	—	—
Credit agencies other than banks	4	87,544	-587	31	319,443	16,357	(*)	(*)
Security, commodity brokers, and services	—	—	—	—	—	—	—	—
Insurance	—	—	—	—	—	—	—	—
Insurance agents, brokers, and services	—	—	—	—	—	—	—	—
Real estate	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Holding and other investment companies, except bank holding companies	3	43,745	-427	235	67,457	6,789	(*)	(*)
Services	208	945,002	64,175	27,323	776,604	87,907	204	110,360
Hotels and other lodging places	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Personal services	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Business services	47	70,094	21,547	11	1,111,111	1,695	46	52,367
Auto repair, miscellaneous repair services	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Amusement and recreation services	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Other services	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Nature of business not allocable	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)

(*) Estimate is not shown separately because of the small number of sample returns on which it was based. However, the data are included in the appropriate totals.
NOTE: See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS
Table 9.—Number of Returns, Total Receipts, Net Income or Deficit, Income Subject to Tax, Income Tax, Tax Credits, Distributions to Stockholders Except in Own Stock, and Total Assets, by Industrial Division, by Size of Net Income or Deficit

Table with columns: Industrial division and size of net income or deficit, Number of returns, Total receipts, Net income, Income subject to tax, Total income tax, Foreign tax credit, Investment credit, Work incentive credit, Distributions to stockholders except in own stock, Total assets, Net worth, Number of returns, Total receipts, Deficit, Total income tax, Distributions to stockholders except in own stock, Total assets, Net worth. Rows include All Industrial Divisions, Manufacturing, and Agriculture, Forestry and Fishing.

[All figures are estimates based on samples—money amounts are in thousands of dollars.]
Total
1,207,396
2,648,541,904
171,166,224
143,979,974
56,077,426
20,752,819
4,271,237
7,795
45,506,183
3,273,170,849
891,965,148
758,498
443,159,459
25,168,416
35,563
3,774,475
743,296,091
123,770,231

RETURNS OF ACTIVE CORPORATIONS
Table 9.—Number of Returns, Total Receipts, Net Income or Deficit, Income Subject to Tax, Income Tax, Tax Credits, Distributions to Stockholders Except in Own Stock, and Total Assets, by Industrial Division, by Industrial Division, by Size of Net Income or Deficit—Continued

Table with 17 columns: Industrial division and size or net income or deficit, Number of returns, Total receipts, Net income, Income subject to tax, Total income tax, Foreign tax credit, Investment credit, Work incentive (W/N) credit, Distributions to stockholders except in own stock, Total assets, Net worth, Number of returns, Total receipts, Deficit, Total income tax, Distributions to stockholders except in own stock, Total assets, Net worth. Rows are categorized by Industrial Division (Wholesale and Retail Trade, Finance Insurance and Real Estate, Services) and Net Income or Deficit (\$25,000 under \$5,000, etc.).

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

Estimate is not shown separately because of the small number of sample returns on which it was based. However, the data are included in the appropriate totals.

Includes nature of business not allocable which is not shown separately.

NOTE: See text for Explanation of Terms, and Distribution of the Sample, and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS
 Table 10.—Book Net Income or Deficit, Provision for Federal Income Tax, and Selected Tax Return Items, by Major Industry—Continued

Item	Major industry—Continued													
	Wholesale and retail trade—Continued					Retail trade					Finance, insurance, and real estate			
	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)
	Total retail trade	Building materials, supplies, and mobile home dealers	General merchandise stores	Food stores	Automotive, sporting, and service stations	Apparel and accessory stores	Furniture and home furnishings stores	Eating and drinking places	Miscellaneous retail stores	Wholesale and retail trade not allocable	Total finance, insurance, and real estate	Banking	Credit agencies other than banks	Security, commodity brokers and services
Total active corporation returns	396,772	31,314	10,995	26,335	53,863	38,929	36,044	76,601	103,185	67	425,249	14,534	48,597	4,811
Tax return net income (less deficit) after tax	3,371,377	395,013	335,435	611,698	510,894	256,199	146,387	341,137	724,144	2,829	6,095,664	1,391,632	422,749	7,994
Returns with book net income or deficit	559,027	29,254	10,294	24,523	59,407	36,795	30,189	68,043	96,533	208	386,532	13,923	43,347	4,756
Tax return net income (less deficit) after tax	3,244,440	480,374	355,411	516,975	489,139	293,441	162,499	338,077	709,925	2,535	5,997,866	985,183	485,401	8,794
Book net income (less deficit) after tax	3,689,722	403,218	342,140	543,417	448,367	307,989	169,770	371,480	799,760	2,415	7,704,426	6,181,907	1,714,429	-15,489
Provision for Federal income tax, net	199,521	17,843	6,104	16,586	35,873	22,545	14,371	17,680	76,860	17	159,316	16,681	19,565	1,872
Number of returns	2,900,681	195,519	594,511	369,726	365,032	225,535	138,297	241,881	455,654	17	3,159,329	1,073,654	243,207	66,520
Total income tax after investment and work incentive (WIN) credits	2,591,549	211,575	557,166	352,159	401,298	229,231	138,297	227,822	473,701	17	4,675,031	1,077,776	698,631	16,127
Foreign tax credit	591,091	(1)	(1)	1,256	(1)	(1)	(1)	(1)	2,760	(1)	391,851	2,200,072	107,111	1,806
Returns with book net income	229,306	20,790	6,968	16,199	48,986	29,172	21,077	37,182	61,975	203	276,248	12,584	26,4	480
Number of returns	70,438	67,645	15,531	15,531	37,651	26,082	19,649	34,646	57,647	151	269,287	11,726	25,426	1,287
Return net income after tax	61,103	57,970	14,873	15,700	49,169	29,210	20,991	32,559	52,158	151	269,287	11,726	25,426	1,287
Book net income	553,301	1,041,687	1,041,687	1,041,687	838,661	491,296	360,942	707,512	1,100,574	2,465	1,521,736	3,411,733	1,235,106	181,681
Provision for Federal income tax, net	5,554,525	541,165	387,811	695,688	884,789	471,698	360,501	707,512	1,100,574	2,465	9,170,626	1,721,982	496,106	164,461
Number of returns	2,373,156	207,137	771,651	390,274	373,679	231,036	135,252	244,156	468,866	17	1,861,463	1,118,919	59,948	131,767
Total income tax after investment and work incentive (WIN) credits	2,311,434	211,434	595,481	346,151	449,779	229,683	138,232	226,112	472,636	17	3,083,284	1,068,865	64,111	137,306
Foreign tax credit	59,981	(1)	(1)	(1)	(1)	(1)	(1)	(1)	2,025	(1)	317,047	239,072	10,151	1,816
Returns with book net income and tax return deficit after tax	12,468	(1)	109	1,908	1,335	1,044	1,581	2,536	4,450	(1)	1,296	13,764	17,2	859
Number of returns	74,073	1,317	32,951	6,338	2,791	2,781	3,052	6,268	14,344	(1)	1,296	13,764	17,2	859
Book net income	3,900,503	1,106,911	367,811	1,106,911	1,106,911	1,106,911	1,106,911	1,106,911	1,106,911	1,106,911	1,106,911	1,106,911	1,106,911	1,106,911
Provision for Federal income tax, net	1,078	451	109	1,908	1,335	1,044	1,581	2,536	4,450	(1)	1,296	13,764	17,2	859
Total income tax after investment and work incentive (WIN) credits	265	(1)	(1)	54	44	44	(1)	23	95	(1)	(1)	13,764	17,2	859
Foreign tax credit	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Returns with book deficit	128,721	8,477	3,306	14,334	20,421	10,654	12,119	10,861	14,558	(1)	156,104	1,766	4,477	1,133
Number of returns	128,721	8,477	3,306	14,334	20,421	10,654	12,119	10,861	14,558	(1)	156,104	1,766	4,477	1,133
Returns with book deficit and tax return deficit after tax	128,721	8,477	3,306	14,334	20,421	10,654	12,119	10,861	14,558	(1)	156,104	1,766	4,477	1,133
Number of returns	128,721	8,477	3,306	14,334	20,421	10,654	12,119	10,861	14,558	(1)	156,104	1,766	4,477	1,133
Book net income	128,721	8,477	3,306	14,334	20,421	10,654	12,119	10,861	14,558	(1)	156,104	1,766	4,477	1,133
Provision for Federal income tax, net	128,721	8,477	3,306	14,334	20,421	10,654	12,119	10,861	14,558	(1)	156,104	1,766	4,477	1,133
Total income tax after investment and work incentive (WIN) credits	128,721	8,477	3,306	14,334	20,421	10,654	12,119	10,861	14,558	(1)	156,104	1,766	4,477	1,133
Foreign tax credit	128,721	8,477	3,306	14,334	20,421	10,654	12,119	10,861	14,558	(1)	156,104	1,766	4,477	1,133

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data

Corporation Returns/1974

RETURNS OF ACTIVE CORPORATIONS

Table 11.—Tax Items: Number of Returns by Selected Types of Tax, Net Income or Deficit, Statutory Special Deductions, Income Subject to Tax, Income Tax, Credits, Payments, and Dividend Items, Small Business Corporations (Form 1120S), by Major Industry

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

Item	All industries			Major industry				
	Number of returns	Amount	Agriculture, forestry and fishing	Mining				
				Total mining	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Number of Returns With Income Tax								
Number of returns with—								
Income tax total	888 582	—	21 027	6 822	62	1 292	3 177	1 691
Form 1120S	319	—	(1)	—	—	—	—	—
Normal tax (surtax and alternative tax)	871 869	—	20 147	6 389	57	1 171	3 488	1 673
Tax from recomputing prior year investment credit	96 387	—	4 011	1 578	14	243	9 15	335
Returns with net income	81 143	—	3 173	1 297	14	206	747	330
Additional tax for tax preferences total	4 575	—	—	721	24	270	312	115
Returns with net income	4 156	—	4	653	24	293	26	110
Returns with normal tax (surtax and alternative tax)	3 872	—	4	588	19	235	212	94
Normal tax (surtax and alternative tax) after credits	776 515	—	16 184	5 225	53	945	2 853	1 324
Total income tax after—								
Foreign tax credit	888 240	—	21 027	6 811	58	1 292	3 177	1 691
Investment and work incentive (WIN) credits	803 740	—	17 628	5 843	62	1 124	3 27	1 437
Foreign tax investment and work incentive (WIN) credits	803 154	—	17 628	5 856	58	1 124	3 264	1 437
Returns With and Without Net Income								
Number of returns	1 965 894	—	53 458	15 732	1 769	2 059	8 351	3 554
Dividends received from domestic corporations total	105 986	13 792 007	25 378	168 008	44 407	50 372	66 067	6 962
Amount qualifying for 85 percent deduction	102 421	10 835 714	20 159	99 935	30 772	31 303	41 602	4 253
Amount on certain public utility stock qualifying for 60/20R deduction	1 686	17 273	(1)	(1)	—	(1)	—	—
Intragroup dividends qualifying for 100 percent deduction	1 009	844 967	(1)	(1)	—	(1)	(1)	(1)
Intragroup dividends qualifying for transitional deduction under section 1564(b)	809	81 457	(1)	(1)	—	(1)	—	(1)
Amount received from a DISC or former DISC	3 158	1 950 845	5 084	48 018	(1)	(1)	(1)	(1)
Dividends received from foreign corporations total	5 027	7 343 159	13 309	102 737	86 374	(1)	13 810	(1)
Amount qualifying for 85 percent deduction	534	8 847	(1)	(1)	(1)	(1)	(1)	(1)
Intragroup dividends qualifying for 100 percent deduction	438	10 542	(1)	(1)	—	(1)	(1)	—
Other foreign dividends	4 380	7 423 970	13 308	102 718	86 374	(1)	13 791	(1)
Includable taxable income from related foreign corporations	367	477 192	—	(1)	(1)	(1)	(1)	—
Includable income of controlled Foreign Corporations	1 172	3 128 184	(1)	32 939	(1)	(1)	(1)	(1)
Foreign dividend income resulting from foreign taxes deemed paid	—	—	—	—	—	—	—	—
Net income (less deficit)	1 947 275	145 997 808	42 163	25 904 075	428 125	1 443 355	21 580 012	448 583
Statutory special deductions total	289 482	15 194 642	98 244	601 421	131 268	127 831	266 191	76 131
Dividends received deduction	89 818	8 678 454	15 827	104 550	27 600	19 787	51 458	5 705
Deduction for dividends paid on certain public utility stock	143	34 475	—	—	—	—	—	—
Income subject to tax	871 867	143 982 513	875 563	25 556 760	423 040	1 124 981	23 444 204	414 551
Income tax total	888 582	66 112 989	335 628	12 257 873	214 852	581 960	11 263 679	197 375
Normal tax (surtax and alternative tax)	871 869	65 588 637	332 876	12 206 727	147 867	571 409	11 248 094	189 557
Tax from recomputing prior year investment credit	96 387	179 121	2 705	3 923	194	991	1 197	1 545
Tax from recomputing prior year work incentive (WIN) credit	438	446	(1)	(1)	—	—	—	(1)
Additional tax for tax preferences	4 575	348 785	97	47 219	16 994	19 580	14 332	6 273
Foreign tax credit	6 980	20 752 819	1 058	11 061 741	84 315	(1)	10 867 032	(1)
Investment credit	533 947	4 221 384	42 576	134 767	19 463	41 733	36 695	34 878
Work incentive (WIN) credit	4 229	7 795	(1)	27	(1)	(1)	(1)	(1)
Normal tax (surtax and alternative tax) after credits	776 515	41 604 679	289 187	1 010 142	93 820	476 685	344 386	95 271
Total income tax after—								
Foreign tax credit	888 240	45 360 170	334 570	1 196 132	130 544	530 973	146 647	137 368
Investment and work incentive (WIN) credits	803 740	61 883 810	293 047	12 123 029	195 327	546 221	11 226 983	62 486
Foreign tax investment and work incentive (WIN) credits	803 154	61 130 991	291 983	1 061 288	111 012	487 236	10 959 951	103 089
Personal Holding Company tax	1 020	1 794	(1)	(1)	—	—	—	—
Estimated tax payments—net total	381 744	27 906 050	177 008	369 195	47 283	110 258	158 430	55 004
1973 overpayments claimed as a credit	102 220	1 240 295	7 510	17 550	(1)	2 730	7 101	4 974
1974 estimated tax payments	439 146	27 944 338	177 984	355 347	45 828	107 737	144 537	52 538
Less: Refund of estimated tax payments	10 213	1 329 425	8 353	3 951	(1)	(1)	(1)	2 568
Credit for tax on special fuels (nontinque, gasoline, and lubricating oil)	33 451	38 746	3 572	2 173	467	381	876	449
Credit for tax paid by regulated investment companies	269	1 583	(1)	(1)	—	—	(1)	—
Payments with applications for first extension of filing time	121 541	6 273 122	19 613	250 881	12 444	113 068	74 147	26 953
Payments with applications for second extension of filing time	16 513	1 911 393	1 912	162 173	31 098	68 595	51 193	14 297

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS

Table 11.—Tax Items: Number of Returns by Selected Types of Tax, Net Income or Deficit, Statutory Special Deductions, Income Subject to Tax, Income Tax, Credits, Payments, and Dividend Items, Small Business Corporations (Form 1120S), by Major Industry—Continued

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

Item	All industries			Major industry				
	Number of returns	Amount	Agriculture forestry and fishing	Mining				
				Total mining	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Returns With Net Income Other Than Forms 1120S and 1120-DISC								
Number of returns	1,008,462	—	22,768	7,557	68	1,241	4,296	1,952
Net income	160,552,880	369,088	26,148,424	554,284	1,352,762	23,752,194	489,184	
Statutory special deductions: Total	2,483,939	14,526,322	96,777	741,519	131,241	127,431	257,558	74,889
Net operating loss deduction	20,811,777	4,479,290	8,928	418,197	74,169	102,818	207,054	34,156
Dividends received deduction	76,306	8,124,945	13,110	94,646	27,573	14,787	42,825	4,463
Deduction for dividends paid on certain public utility and Western Hemisphere Trade Corporation deduction	127	20,772	—	—	—	—	—	—
Income subject to tax, total	411,524	141,448,823	875,141	25,556,760	423,040	1,224,960	23,494,209	414,551
Income taxed at normal tax and surtax rates	870,727	1,467,742,701	410,911	25,382,024	395,970	1,169,924	23,417,050	399,060
Net long-term capital gain taxed at alternative rate—total	33,824	5,222,122	64,170	174,756	27,070	55,036	77,150	15,491
Amount taxed at 28 percent rate	1,463	187,360	3,229	2,049	(7)	(7)	(7)	(7)
Income tax, total	872,832	66,073,858	143,322	1,252,888	214,859	581,829	11,259,126	197,054
Normal tax, surtax, and alternative tax	871,825	65,540,352	141,188	1,220,671	197,667	571,409	11,248,094	189,557
Tax from recomputing prior year investment credit	81,443	156,266	2,190	3,132	—	194	464	1,530
Tax from recomputing prior year work incentive (WIT) credit	294	438	(7)	(7)	(7)	—	—	(7)
Additional tax for tax preferences	4,153	135,202	74	42,405	16,994	9,516	9,926	5,967
Estimated tax payments, net total	431,412	2,763,494	170,247	368,842	47,283	110,135	156,346	54,458
1973 overpayments carried over as a credit	65,625	1,201,175	6,731	17,225	(7)	—	7,963	4,592
1974 estimated tax payments	698,032	27,449,132	166,322	354,721	45,628	107,724	149,484	51,885
Less: Refund of estimated tax payments	5,816	957,111	4,075	3,500	(7)	(7)	(7)	(7)
Returns Without Net Income Other Than Forms 1120S and 1120-DISC								
Number of returns	81,267	—	17,512	5,812	1,511	317	2,858	1,126
Deficit	60,748	1,438,186	6,119,421	462,847	121,865	45,584	230,983	61,755
Statutory special deductions: Total	13,873	67,206	2,717	9,412	(7)	—	8,633	(7)
Dividends received deduction	13,016	4,642,601	2,717	9,902	(7)	—	8,633	(7)
Deduction for dividends paid on certain public utility stock	21	13,704	—	—	—	—	—	—
Income subject to tax	21	2,439	—	—	—	—	—	—
Income tax, total	15,431	75,564	268	5,095	—	(7)	4,553	(7)
Normal tax, surtax, and alternative tax	21	11,938	—	—	—	—	—	—
Tax from recomputing prior year investment credit	15,443	20,865	545	(7)	—	(7)	(7)	(7)
Tax from recomputing prior year work incentive (WIT) credit	45	28	—	—	—	—	—	—
Additional tax for tax preferences	378	11,532	(7)	4,414	—	(7)	4,464	(7)
Returns of Small Business Corporations (Form 1120S)								
Number of returns	131,994	—	12,176	2,364	(7)	501	1,106	476
Net income	—	—	—	—	—	—	—	—
Number of returns	193,056	—	8,032	1,174	(7)	315	794	262
Amount	117,473	5,668,667	350,071	256,742	(7)	148,624	80,198	25,498
Deficit	—	2,113,039	290,606	36,004	(7)	(7)	18,397	(7)
Income subject to corporation tax	119	15,151	(7)	—	—	—	—	—
Income tax	319	4,568	(7)	—	—	—	—	—

Footnotes at end of table. See text for explanation of terms and description of the sample and limitations of the data.

RETURNS OF ACTIVE CORPORATIONS

Table 11.—Tax Items: Number of Returns by Selected Types of Tax, Net Income or Deficit, Statutory Special Deductions, Income Subject to Tax, Income Tax, Credits, Payments, and Dividend Items, Small Business Corporations (Form 1120S) by Major Industry—Continued

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

Item	Major industry—Continued								
	Construction				Manufacturing		Apparel and other textile products		
	Total construction	General building contractors and operative builders	Heavy construction contractors	Special trade contractors	Total manufacturing	Food and kindred products	Tobacco manufactures	Textile mill products	Apparel and other textile products
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
Number of Returns With Income Tax									
Number of returns with—									
Income tax total	73,222	25,974	7,320	39,928	105,655	8,871	62	2,737	7,362
Form 1120S	(*)	—	—	(*)	(*)	—	—	(*)	(*)
Normal tax, surtax, and alternative tax	70,085	24,584	6,852	38,649	102,932	8,391	60	2,661	7,243
Tax from recomputing prior year investment credit total	11,764	3,858	2,319	5,587	19,137	2,028	23	471	549
Returns with net income	9,101	2,646	1,967	4,488	16,603	1,571	21	402	436
Additional tax for tax preferences total	90	37	44	(*)	226	(*)	—	(*)	(*)
Returns with net income	61	17	38	(*)	172	(*)	—	(*)	(*)
Returns with normal tax, surtax, and alternative tax	39	(*)	(*)	(*)	155	(*)	—	(*)	(*)
Normal tax, surtax, and alternative tax after credits	60,793	22,163	5,074	33,556	90,387	7,149	26	2,310	6,859
Total income tax after—									
Foreign tax credit	73,222	25,974	7,320	39,928	105,655	8,870	61	2,737	7,359
Investment and work incentive (WIN) credits	65,444	23,926	5,872	35,646	94,531	7,244	34	2,451	6,989
Foreign tax investment and work incentive (WIN) credits	65,439	23,925	5,868	35,646	94,469	7,742	33	2,451	6,985
Returns With and Without Net Income									
Number of returns	185,563	74,694	14,895	95,974	211,563	15,060	63	6,274	16,196
Dividends received from domestic corporations total	41,293	10,778	22,046	8,469	8,279,697	169,734	75,317	35,760	16,183
Amount qualifying for 85 percent deduction	36,390	9,947	20,022	6,421	6,485,030	35,574	31,957	6,954	12,440
Amount on certain public utility stock qualifying for 60.208 deduction	(*)	(*)	(*)	(*)	175	(*)	(*)	(*)	(*)
Intragroup dividends qualifying for 100 percent deduction	2,101	(*)	(*)	(*)	160,132	(*)	(*)	(*)	(*)
Intragroup dividends qualifying for transitional deduction under section 1564(b)	(*)	(*)	(*)	(*)	20,019	3,848	(*)	(*)	(*)
Amount received from a DISC or former DISC	2,202	(*)	(*)	(*)	1,614,341	78,456	(*)	18,760	2,814
Dividends received from foreign corporations total	52,524	22,189	27,507	(*)	6,658,615	282,581	(*)	16,004	2,187
Amount qualifying for 45 percent deduction	(*)	(*)	(*)	(*)	35	(*)	(*)	(*)	(*)
Intragroup dividends qualifying for 100 percent deduction	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Other foreign dividends	52,519	22,184	27,507	(*)	6,654,758	282,580	(*)	16,004	2,187
Constructive taxable income from related foreign corporations	(*)	(*)	(*)	(*)	401,178	11,336	(*)	(*)	(*)
Includable income of Controlled Foreign Corporations	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Foreign dividend income resulting from foreign taxes deemed paid	35,824	18,772	15,024	(*)	2,852,616	161,954	(*)	2,417	(*)
Net income (less deficit)	1,848,217	301,250	666,824	878,143	72,513,486	5,428,519	1,202,869	775,607	728,988
Statutory special deductions total ¹	379,986	180,147	93,394	196,445	8,556,362	182,602	59,827	55,549	43,307
Dividends received deduction	31,828	8,392	17,508	5,928	5,693,427	85,630	59,124	15,885	11,352
Deduction for dividends paid on certain public utility stock	—	—	—	—	(*)	(*)	(*)	(*)	(*)
Income subject to tax	2,945,829	984,769	868,342	1,092,718	68,892,235	5,791,051	1,148,720	1,146,889	921,803
Income tax total ²	1,184,335	394,327	385,410	404,598	32,289,865	2,736,291	552,603	539,180	415,876
Normal tax, surtax, and alternative tax	1,175,488	391,899	381,060	402,529	31,971,630	2,728,261	549,964	536,709	415,297
Tax from recomputing prior year investment credit	7,206	1,493	3,731	1,982	94,035	7,947	2,621	2,221	569
Tax from recomputing prior year work incentive (WIN) credit	10	(*)	(*)	(*)	359	(*)	(*)	(*)	(*)
Additional tax for tax preferences	1,631	932	619	(*)	222,841	(*)	(*)	(*)	(*)
Foreign tax credit	55,296	27,914	23,027	4,135	8,379,785	293,719	(*)	6,573	4,053
Investment credit	102,834	21,725	49,257	31,842	2,111,709	168,862	21,549	41,217	11,306
Work incentive (WIN) credit	162	(*)	28	(*)	5,336	136	(*)	167	235
Normal tax, surtax, and alternative tax after credits	1,017,196	342,208	308,738	166,240	21,474,800	2,165,544	362,678	488,752	399,702
Total income tax after—									
Foreign tax credit	1,129,039	366,393	362,383	400,263	23,909,080	2,442,572	386,886	532,607	411,813
Investment and work incentive (WIN) credits	1,081,339	372,570	336,115	372,654	30,171,820	2,567,293	531,034	497,796	404,324
Foreign tax investment and work incentive (WIN) credits	1,026,043	344,636	313,988	368,319	21,792,035	2,273,574	365,317	491,223	400,271
Personal Holding Company tax	(*)	—	—	(*)	(*)	(*)	(*)	(*)	(*)
Estimated tax payments net total	612,921	200,531	187,304	225,986	14,640,018	1,568,967	314,241	383,794	330,310
1973 overpayments, claimed as a credit	56,265	22,555	13,267	20,443	613,800	63,575	(*)	20,467	22,422
1974 estimated tax payments	586,340	193,102	181,231	212,007	14,745,790	1,544,258	305,592	401,121	330,642
Less: Refund of estimated tax payments	29,721	15,242	7,202	7,277	719,453	44,859	(*)	38,305	22,401
Credit for tax on special fuels, nonhighway gasoline, and lubricating oil	3,469	593	2,130	746	19,103	1,152	97	184	37
Credit for tax paid by regulated investment companies	(*)	—	—	(*)	(*)	(*)	(*)	(*)	(*)
Payments with applications for first extension of filing time	136,955	53,621	42,918	40,216	3,758,156	304,906	51,731	48,392	41,683
Payments with applications for second extension of filing time	31,507	7,368	17,068	7,071	2,724,457	229,989	(*)	22,366	16,761

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS

Table 11.—Tax Items: Number of Returns by Selected Types of Tax, Net Income or Deficit, Statutory Special Deductions, Income Subject to Tax, Income Tax, Credits, Payments, and Dividend Items, Small Business Corporations (Form 1120S) by Major Industry—Continued

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

Item	Major industry—Continued								
	Construction				Manufacturing				
	Total construction	General building contractors and operative builders	Heavy construction contractors	Special trade contractors	Total manufacturing	Food and kindred products	Tobacco manufactures	Textile mill products	Apparel and other textile products
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
Returns With Net Income Other Than Forms 1120S and 1120-DISC									
Number of returns	83 608	30 112	7 787	45 709	118 098	3 328	60	3 167	7 986
Net income	3 311 845	1 162 752	961 091	1 198 002	77 296 146	5 967 925	1 208 275	1 201 393	965 021
Statutory special deductions, total	367 213	176 874	82 703	105 636	8 509 050	177 354	59 558	54 546	43 294
Net operating loss deduction	345 360	171 285	74 464	99 611	1 941 120	93 608	(*)	39 427	32 331
Dividends received deduction	19 055	7 119	6 817	5 119	5 646 115	80 382	58 855	15 082	10 739
Deduction for dividends paid on certain public utility stock	—	—	—	—	(*)	—	—	—	—
Western Hemisphere Trade Corporation deduction	2 798	(*)	(*)	(*)	921 799	3 364	(*)	(*)	(*)
Income subject to tax, total	2 945 794	984 769	868 342	1 032 683	68 888 391	5 791 051	1 148 720	1 146 889	921 789
Income taxed at normal tax and surtax rates	2 873 039	952 158	840 944	1 079 937	65 271 391	5 717 103	1 142 291	1 133 241	918 886
Net long-term capital gain taxed at alternative rates, total	72 755	32 611	27 398	12 746	3 617 000	73 948	(*)	13 646	2 903
Amount taxed at 25 percent rate	2 465	1 768	(*)	(*)	130 188	4 610	(*)	563	(*)
Income tax, total	1 162 734	393 745	384 820	404 769	32 277 536	2 734 640	552 597	538 679	415 724
Normal tax, surtax, and alternative tax	1 175 477	391 899	381 060	402 518	31 970 477	2 728 261	549 964	536 709	415 293
Tax from recomputing prior year investment credit	5 810	1 093	3 141	1 576	85 328	6 299	2 615	1 834	431
Tax from recomputing prior year work incentive (WIFI) credit	(*)	(*)	(*)	(*)	336	(*)	(*)	(*)	(*)
Additional tax for tax preferences	1 440	751	619	(*)	221 395	(*)	—	(*)	—
Estimated tax payments, net total	591 184	192 942	183 192	214 900	14 583 330	1 562 750	314 111	380 186	321 066
1973 overpayments claimed as a credit	48 174	17 530	12 412	18 232	582 905	67 982	(*)	18 703	20 227
1974 estimated tax payments	561 074	183 534	175 570	201 970	14 533 930	1 527 380	305 485	386 064	313 545
Less: Refund of estimated tax payments	18 088	8 195	4 684	5 209	533 405	32 622	(*)	24 585	12 680
Returns Without Net Income Other Than Forms 1120S and 1120-DISC									
Number of returns	64 185	29 754	4 736	29 705	59 556	3 767	3	2 451	5 054
Deficit	1 822 119	921 506	328 296	572 317	5 443 960	628 775	(*)	430 185	303 633
Statutory special deductions, total	12 773	1 273	10 691	809	47 312	5 248	(*)	803	613
Dividends received deduction	12 773	1 273	10 691	809	47 312	5 248	(*)	803	613
Deduction for dividends paid on certain public utility stock	—	—	—	—	—	—	—	—	—
Income subject to tax	—	—	—	—	—	—	—	—	—
Income tax, total	1 590	582	590	418	10 176	1 651	(*)	501	138
Normal tax, surtax, and alternative tax	—	—	—	—	—	—	—	—	—
Tax from recomputing prior year investment credit	1 396	400	590	406	8 707	1 648	(*)	487	138
Tax from recomputing prior year work incentive (WIFI) credit	(*)	(*)	(*)	(*)	(*)	(*)	—	(*)	(*)
Additional tax for tax preference	194	179	(*)	(*)	1 448	(*)	—	(*)	(*)
Returns of Small Business Corporations, Form 1120S									
Number of returns	37 770	14 828	2 382	20 560	33 909	1 965	—	656	3 066
Net income	23 266	8 509	1 515	13 242	19 745	1 140	—	372	1 899
Number of returns	612 867	218 251	71 293	323 323	950 462	109 120	—	16 039	82 478
Amount	254 376	158 247	25 264	70 865	270 062	19 751	—	11 640	14 878
Deficit	(*)	—	—	(*)	(*)	—	—	—	(*)
Income subject to corporation tax	(*)	—	—	(*)	(*)	—	—	—	(*)
Income tax	(*)	—	—	(*)	(*)	—	—	—	(*)

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS

Table 11.—Tax Items: Number of Returns by Selected Types of Tax, Net Income or Deficit, Statutory Special Deductions, Income Subject to Tax, Income Tax, Credits, Payments, and Dividend Items, Small Business Corporations (Form 1120S), by Major Industry—Continued

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

Item	Major industry—Continued									
	Manufacturing—Continued									
	Lumber and wood products	Furniture and fixtures	Paper and allied products	Printing and publishing	Chemicals and allied products	Petroleum (including integrated) and coal products	Rubber and miscellaneous plastics products	Leather and leather products	Stone, clay and glass products	
	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	
Number of Returns With Income Tax										
Number of returns with—										
Income tax total	5 591	3 337	2 664	12 621	4 791	7 111	4 233	1 112	4 965	
Form 1120S	(*)	—	—	—	—	—	—	—	(*)	
Normal tax surtax and alternative tax	5 303	3 252	2 611	12 345	4 679	6 988	4 108	1 106	4 798	
Tax from recomputing prior year investment credit total	1 467	582	459	1 943	631	127	823	146	1 209	
Returns with net income	1 186	513	418	1 683	722	123	699	140	1 057	
Additional tax for tax preferences total	16	(*)	(*)	(*)	8	31	(*)	(*)	50	
Returns with net income	16	(*)	4	(*)	8	29	—	(*)	31	
Returns with normal tax surtax and alternative tax	16	(*)	4	(*)	6	22	—	(*)	30	
Normal tax surtax and alternative tax after credit	4 742	2 741	2 242	10 097	4 334	647	3 702	962	3 953	
Total income tax after—										
Foreign tax Credit	5 591	3 336	2 664	12 621	4 790	710	4 230	1 109	4 965	
Investment and work incentive (WIN) credits	5 172	2 941	2 299	10 608	4 458	663	3 836	974	4 276	
Foreign tax investment and work incentive (WIN) credits	5 172	2 940	2 299	10 608	4 457	662	3 833	968	4 276	
Returns With and Without Net Income										
Number of returns	13 508	6 931	3 765	29 271	9 860	1 039	8 109	2 080	9 563	
Dividends received from domestic corporations total	172 361	1 760	70 674	59 992	386 614	5 995 566	18 204	12 781	40 441	
Amount qualifying for 85 percent deduction	5 670	946	18 525	40 551	92 538	5 946 006	6 954	8 147	21 356	
Amount on certain public utility stock qualifying for 60.208 deduction	(*)	—	—	(*)	(*)	—	(*)	—	—	
Intragroup dividends qualifying for 100 percent deduction	—	(*)	(*)	6 81b	19 243	—	(*)	(*)	(*)	
Intragroup dividends qualifying for transitional deduction under section 1564(b)	(*)	(*)	(*)	1 732	(*)	(*)	(*)	(*)	(*)	
Amount received from a DISC or former DISC	166 378	(*)	49 892	10 819	274 265	49 313	9 900	1 264	17 276	
Dividends received from foreign corporations total	51 673	3 580	151 891	57 785	903 702	2 868 613	85 603	(*)	64 413	
Amount qualifying for 85 percent deduction	—	—	(*)	(*)	(*)	—	(*)	—	—	
Intragroup dividends qualifying for 100 percent deduction	—	—	—	(*)	(*)	—	(*)	—	—	
Other foreign dividends	51 673	3 580	151 891	56 579	902 601	2 868 613	85 588	(*)	64 413	
Constructive taxable income from related foreign corporations includable income of Controlled Foreign Corporations	(*)	—	(*)	(*)	50 322	(*)	(*)	(*)	(*)	
Foreign dividend income resulting from foreign taxes diverted paid	(*)	(*)	88 454	27 967	427 605	721 730	12 566	(*)	51 008	
Net income (less deficit)	1 325 187	337 739	3 176 304	2 354 115	9 051 626	20 126 662	903 246	154 762	1 083 581	
Statutory special deductions total	32 239	20 274	69 986	133 514	290 632	5 866 267	49 748	16 058	51 566	
Dividends received deduction	5 011	1 236	17 870	43 632	99 441	5 054 336	7 232	10 229	19 859	
Deduction for dividends paid on certain public utility stock	—	—	—	—	(*)	—	—	—	—	
Income subject to tax	1 783 735	402 331	3 145 570	2 476 974	8 887 217	14 338 692	952 094	227 104	1 139 619	
Income tax total ^a	625 055	182 408	1 397 762	1 129 344	4 207 149	7 038 220	436 770	104 755	518 709	
Normal tax surtax and alternative tax	611 767	182 057	1 393 772	1 126 329	4 192 738	6 844 473	434 214	104 427	511 822	
Tax from recomputing prior year investment credit	3 538	295	2 396	2 814	13 338	7 641	2 550	285	3 143	
Tax from recomputing prior year work incentive (WIN) credit	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Additional tax for tax preferences	9 744	(*)	(*)	(*)	1 073	186 106	(*)	(*)	3 736	
Foreign tax credit	37 687	3 378	137 647	52 548	776 660	4 611 646	56 842	1 575	74 758	
Investment credit	72 285	9 702	102 983	60 998	278 440	312 784	54 674	3 608	75 194	
Work incentive (WIN) credit	95	184	174	159	143	(*)	148	122	91	
Normal tax surtax and alternative tax after credits	501 700	168 813	1 152 968	1 012 624	3 137 495	1 920 032	322 550	99 122	361 779	
Total income tax after—										
Foreign tax credit	587 368	179 030	1 260 115	1 076 796	3 430 489	2 426 574	379 928	103 180	443 951	
Investment and work incentive (WIN) credits	552 675	172 542	1 294 605	1 068 187	3 328 566	6 725 425	381 948	101 025	443 424	
Foreign tax investment and work incentive (WIN) credits	514 988	169 164	1 156 358	1 015 639	3 151 306	2 113 779	325 106	99 450	368 666	
Personal Holding Company tax	(*)	—	—	—	—	—	—	—	(*)	
Estimated tax payments net total	431 402	141 405	706 670	840 233	2 187 415	867 215	266 000	77 447	310 024	
1973 overpayments claimed as a credit	16 629	6 176	17 820	35 481	49 565	18 855	20 398	6 046	20 480	
1974 estimated tax payments	461 934	144 531	705 539	819 091	2 201 710	855 467	276 543	76 348	329 202	
Less Refund of estimated tax payments	47 139	9 301	16 693	14 363	64 070	—	30 967	4 951	39 575	
Credit for tax on special fuels nonhighway gasoline and lubricating oil	1 218	51	758	131	1 028	1 876	259	8	1 155	
Credit for tax paid by regulated investment companies	—	—	—	—	—	—	—	—	(*)	
Payments with applications for first extension of filing time	43 048	12 904	214 456	92 755	532 174	671 576	36 977	10 948	43 263	
Payments with applications for second extension of filing time	25 767	2 891	154 273	34 997	398 459	612 953	13 869	5 176	22 818	

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data

RETURNS OF ACTIVE CORPORATIONS

Table 11.—Tax Items: Number of Returns by Selected Types of Tax, Net Income or Deficit, Statutory Special Deductions, Income Subject to Tax, Income Tax, Credits, Payments, and Dividend Items, Small Business Corporations (Form 1120S), by Major Industry—Continued

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

Item	Major industry—Continued								
	Manufacturing—Continued								
	Lumber and wood products	Furniture and fixtures	Paper and allied products	Printing and publishing	Chemicals and allied products	Petroleum (including integrated) and coal products	Rubber and miscellaneous plastics, products	Leather and leather products	Stone, clay and glass products
	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
Returns With Net Income Other Than Forms 1120S and 1120-DISC									
Number of returns	6,012	3,816	2,751	15,176	5,098	760	4,633	1,209	5,561
Net income:	1,786,322	422,413	3,205,577	2,607,017	9,177,274	20,162,945	1,001,361	241,096	1,187,394
Statutory special deductions, total	31,430	20,154	69,925	132,105	290,020	5,865,062	49,305	15,943	50,642
Net operating loss deduction	26,299	19,038	50,683	88,356	132,496	1,04,562	41,646	5,816	29,888
Dividends received deduction	4,202	1,116	17,809	42,223	98,829	5,053,131	6,789	10,114	18,935
Deduction for dividends paid on certain public utility stock	—	—	—	—	(*)	—	—	—	—
Western Hemisphere Trade Corporation deduction	(*)	—	(*)	(*)	58,679	707,369	(*)	(*)	(*)
Income subject to tax, total	1,781,727	402,331	3,145,570	2,476,974	8,887,217	14,358,692	952,094	227,104	1,137,797
Income taxed at normal tax and surtax rates	549,009	399,108	2,570,235	2,360,900	8,607,049	14,125,042	935,217	224,290	1,050,664
Net long-term capital gain taxed at alternative rates, total	1,232,718	3,223	575,335	116,074	280,168	233,650	16,877	2,814	87,133
Amount taxed at 25 percent rate	(*)	(*)	(*)	(*)	40,943	44,140	(*)	(*)	1,134
Income tax, total	623,813	182,370	1,397,539	1,129,231	4,207,000	7,037,872	436,716	104,636	516,711
Normal tax, surtax, and alternative tax	611,165	182,057	1,393,772	1,126,329	4,192,738	6,844,473	434,214	104,427	511,275
Tax from recomputing prior year investment credit	2,898	257	2,173	2,707	13,189	7,620	2,504	166	2,503
Tax from recomputing prior year work incentive (WIN) credit	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Additional tax for tax preferences	9,744	(*)	1,593	(*)	1,073	185,779	—	(*)	2,925
Estimated tax payments, net total	428,303	139,680	705,272	836,957	2,185,156	866,850	264,063	76,912	306,868
1973 overpayments claimed as a credit	14,157	5,593	17,644	34,615	49,186	18,795	18,748	6,017	18,403
1974 estimated tax payments	448,359	141,531	701,606	814,875	2,197,013	849,951	271,927	75,602	322,736
Less: Refund of estimated tax payments	34,209	7,439	13,982	12,557	61,253	(*)	26,637	4,711	34,185
Returns Without Net Income Other Than Forms 1120S and 1120-DISC									
Number of returns	4,279	2,056	863	9,900	3,070	171	2,529	552	2,391
Deficit	505,424	96,117	54,778	301,194	166,440	53,594	109,628	95,107	174,768
Statutory special deductions, total	809	(*)	(*)	1,409	612	(*)	(*)	115	924
Dividends received deduction	809	(*)	(*)	1,409	612	(*)	(*)	115	924
Deduction for dividends paid on certain public utility stock	—	—	—	—	—	—	—	—	—
Income subject to tax	—	—	—	—	—	—	—	—	—
Income tax, total	640	38	223	113	149	(*)	52	(*)	1,451
Normal tax, surtax, and alternative tax	—	—	—	—	—	—	—	—	—
Tax from recomputing prior year investment credit	640	38	223	107	149	(*)	46	(*)	640
Tax from recomputing prior year work incentive (WIN) credit	—	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Additional tax for tax preferences	—	—	(*)	(*)	—	(*)	(*)	(*)	811
Returns of Small Business Corporations, Form 1120S									
Number of returns	3,217	1,059	151	5,095	1,692	(*)	947	319	1,611
Net income:	2,075	793	136	2,765	927	(*)	336	228	1,146
Number of returns	84,927	12,389	26,893	76,371	51,255	(*)	21,263	8,345	78,671
Amount	42,638	(*)	(*)	28,079	(*)	(*)	9,750	(*)	7,716
Deficit	(*)	—	—	—	—	—	—	—	(*)
Income subject to corporation tax	(*)	—	—	—	—	—	—	—	(*)
Income tax	(*)	—	—	—	—	—	—	—	(*)

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS

Table 11.—Tax Items: Number of Returns by Selected Types of Tax, Net Income or Deficit, Statutory Special Deductions, Income Subject to Tax, Income Tax, Credits, Payments, and Dividend Items, Small Business Corporations (Form 1120S), by Major Industry—Continued

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

Item	Major industry—Continued							
	Manufacturing—Continued							
	Primary metal industries	Fabricated metal products	Machinery, except electrical	Electrical and electronic equipment	Motor vehicles and equipment	Transportation equipment, except motor vehicles	Instruments and related products	Miscellaneous manufacturing and manufacturing not allocable
	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)
Number of Returns With Income Tax								
Number of returns with—								
Income tax total	3 368	14 343	13 853	4 431	1 316	1 973	2 321	4 931
Form 1120S	—	—	—	—	—	—	—	—
Normal tax surtax and alternative tax	3 337	14 238	13 435	4 361	1 220	1 930	2 295	4 855
Tax from recomputing prior year investment credit total	693	2 425	2 753	854	392	437	315	610
Returns with net income	669	2 281	2 372	787	298	392	292	541
Additional tax for tax preferences total	12	(*)	(*)	6	(*)	(*)	—	3
Returns with net income	12	(*)	(*)	5	(*)	(*)	—	(*)
Returns with normal tax surtax and alternative tax	8	(*)	(*)	3	—	(*)	—	(*)
Normal tax surtax and alternative tax after credits	2 834	12 649	11 653	4 119	1 092	1 801	1 989	4 486
Total income tax after—								
Foreign tax credit	3 368	14 384	13 847	4 426	1 315	1 979	2 315	4 929
Investment and work incentive (WIN) credits	2 877	13 030	12 275	4 213	1 193	1 898	2 040	4 570
Foreign tax investment and work incentive (WIN) credits	2 877	13 021	12 255	4 208	1 192	1 888	2 034	4 568
Returns With and Without Net Income								
Number of returns	4 636	25 327	24 879	10 400	2 203	7 651	5 761	12 677
Dividends received from domestic corporations total	167 210	41 161	247 456	289 252	182 227	157 967	113 125	22 892
Amount qualifying for 85 percent deduction	91 378	14 926	25 878	81 049	22 620	7 388	7 011	7 162
Amount on certain public utility stock qualifying for 60-208 deduction	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Intragroup dividends qualifying for 100 percent deduction	(*)	1 911	6 977	(*)	(*)	(*)	(*)	(*)
Intragroup dividends qualifying for transitional deduction under section 1564(b)	(*)	2 114	4 602	(*)	(*)	(*)	(*)	(*)
Amount received from a DISC or former DISC	72 637	25 191	209 968	191 547	154 327	150 402	104 584	14 789
Dividends received from foreign corporations total	251 194	95 625	733 681	341 290	540 769	13 578	151 139	26 734
Amount qualifying for 85 percent deduction	—	(*)	(*)	—	—	—	—	—
Intragroup dividends qualifying for 100 percent deduction	—	(*)	(*)	—	—	—	—	—
Other foreign dividends	251 194	95 624	732 148	341 290	540 769	13 578	151 139	26 734
Constructive taxable income from related foreign corporations	(*)	5 430	9 362	23 738	(*)	(*)	3 524	(*)
Includable income of Controlled Foreign Corporations	—	—	—	—	—	—	—	—
Foreign dividend income resulting from foreign taxes deemed paid	74 573	58 122	619 241	184 877	282 090	9 059	78 799	16 116
Net income (less deficit)	6 321 206	3 548 209	7 002 463	2 980 293	2 464 294	1 263 014	1 652 635	651 747
Statutory special deductions total	897 173	161 141	245 520	257 526	52 711	146 397	60 622	63 303
Dividends received deduction	80 808	16 184	34 873	85 355	24 495	6 475	7 455	6 945
Deduction for dividends paid on certain public utility stock	—	—	—	—	—	—	—	—
Income subject to tax	5 680 790	3 554 775	7 291 211	3 371 722	2 799 835	1 285 271	1 752 382	774 450
Income tax total	2 707 709	1 629 096	3 426 598	1 568 136	1 282 537	601 571	826 935	352 071
Normal tax surtax and alternative tax	2 688 333	1 625 610	3 415 535	1 551 199	1 285 227	597 884	825 161	350 651
Tax from recomputing prior year investment credit	5 174	3 247	10 835	12 373	6 907	3 499	1 772	770
Tax from recomputing prior year work incentive (WIN) credit	(*)	(*)	(*)	74	(*)	(*)	(*)	(*)
Additional tax for tax preferences	14 197	(*)	(*)	4 490	(*)	(*)	—	446
Foreign tax credit	171 719	87 809	837 548	275 627	404 029	28 615	126 224	25 411
Investment credit	273 407	92 473	174 587	129 459	114 668	59 966	33 105	19 902
Work incentive (WIN) credit	416	507	588	616	644	727	107	65
Normal tax surtax and alternative tax after credits	2 042 791	1 444 331	2 402 812	1 145 487	765 856	508 576	665 725	305 473
Total income tax after—								
Foreign tax credit	2 335 990	1 541 287	2 589 050	1 232 509	889 608	572 956	700 711	326 660
Foreign tax credit	2 433 886	1 535 616	3 251 423	1 438 051	1 177 295	540 878	793 723	332 104
Investment and work incentive (WIN) credits	2 062 167	1 447 807	2 413 875	1 162 424	773 266	512 263	667 489	306 693
Personal Holding Company tax	—	(*)	—	(*)	—	(*)	—	(*)
Estimated tax payments net total	864 612	925 075	1 857 517	971 920	471 778	353 549	531 231	240 189
1973 overpayments claimed as credit	46 137	46 589	53 128	51 239	40 947	20 485	19 093	13 613
1974 estimated tax payments	828 031	922 028	1 843 543	1 023 182	474 230	363 339	533 230	246 229
Less Refund of estimated tax payments	10 565	43 320	89 083	102 498	43 436	30 263	21 051	19 712
Credit for tax on special fuels nonhighway gasoline and lubricating oil	3 569	666	1 626	3 240	1 137	720	78	113
Credit for tax paid by regulated investment companies	(*)	—	(*)	(*)	(*)	(*)	(*)	(*)
Payments with applications for first extension of filing time	610 470	224 877	298 142	132 126	173 950	108 536	67 206	38 032
Payment with applications for second extension of filing time	487 646	100 276	185 819	92 241	119 845	85 114	54 213	13 963

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

RETURNS OF ACTIVE CORPORATIONS

Table 11.—Tax Items: Number of Returns by Selected Types of Tax, Net Income or Deficit, Statutory Special Deductions, Income Subject to Tax, Income Tax, Credits, Payments, and Dividend Items, Small Business Corporations (Form 1120S), by Major Industry—Continued

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

Item	Major industry—Continued							
	Manufacturing—Continued							
	Primary metal industries	Fabricated metal products	Machinery, except electrical	Electrical and electronic equipment	Motor vehicles and equipment	Transportation equipment, except motor vehicles	Instruments and related products	Miscellaneous manufacturing and manufacturing not allocable
	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)
Returns With Net Income Other Than Forms 1120S and 1120-DISC								
Number of returns	3 599	15 703	15 241	5 801	1 456	2 181	2 379	5 561
Net income	6 377 810	3 714 459	7 525 703	3 606 961	2 851 183	1 430 682	1 812 927	836 408
Statutory special deductions total	697 128	159 819	235 123	237 157	51 386	145 517	60 551	63 031
Net operating loss deduction	517 307	138 585	189 918	183 852	21 703	138 626	51 582	55 305
Dividends received deduction	80 763	14 862	24 476	64 986	23 170	5 595	7 384	5 673
Deduction for dividends paid on certain public utility stock	—	—	—	—	—	—	—	—
Western Hemisphere Trade Corporation deduction	99 058	6 372	20 729	8 319	(*)	(*)	(*)	(*)
Income subject to tax total	5 680 790	3 554 775	7 291 211	3 371 722	2 799 835	1 285 271	1 752 376	774 450
Income taxed at normal tax and surtax rates	5 554 960	3 479 322	7 170 109	3 116 741	2 505 775	1 222 802	1 726 035	762 607
Net long-term capital gain taxed at alternative rates total	125 830	75 453	121 102	254 979	294 059	62 469	26 347	11 843
Amount taxed at 25 percent rate	3 604	4 697	4 961	15 726	(*)	(*)	(*)	(*)
Income tax total	2 707 625	1 628 756	3 425 215	567 331	1 297 939	601 415	826 850	351 969
Normal tax, surtax, and alternative tax	2 688 333	1 625 610	3 415 535	1 551 139	1 285 227	597 884	825 161	350 651
Tax from recomputing prior year investment credit	4 994	2 907	9 453	11 586	5 454	3 343	1 688	673
Tax from recomputing prior year work incentive (WIN) credit	(*)	(*)	(*)	74	(*)	(*)	(*)	4
Additional tax for tax preferences	14 197	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Estimated tax payments, net total	862 768	920 634	1 854 201	963 863	477 523	353 009	530 627	239 434
1973 overpayments claimed as credit	35 787	43 608	50 949	47 542	39 266	20 161	14 346	13 075
1974 estimated tax payments	8,258,78	902,984	1,865,970	987,422	472,760	361,413	524,529	241,300
Less: Refund of estimated tax payments	8 906	25 752	62 644	67 053	40 129	28 553	8 203	16 006
Returns Without Net Income Other Than Forms 1120S and 1120-DISC								
Number of returns	814	6 251	5 456	3 251	555	1 067	1 595	4 361
Deficit	70 867	282 524	618 175	642 517	381 647	157 450	169 277	194 769
Statutory special deductions total	(*)	1 322	10 397	20 369	(*)	(*)	(*)	272
Dividends received deduction	(*)	1 322	10 397	20 369	(*)	(*)	(*)	272
Deduction for dividends paid on certain public utility stock	—	—	—	—	—	—	—	—
Income subject to tax	—	—	—	—	—	—	—	—
Income tax total	(*)	340	1 383	803	1 498	156	85	102
Normal tax, surtax, and alternative tax	(*)	—	—	—	—	—	—	—
Tax from recomputing prior year investment credit	(*)	340	1 382	287	1 423	156	84	93
Tax from recomputing prior year work incentive (WIN) credit	—	—	(*)	—	(*)	—	(*)	—
Additional tax for tax preferences	—	—	(*)	(*)	(*)	—	—	(*)
Returns of Small Business Corporations Form 1120S								
Number of returns	223	3 573	4 182	1 248	(*)	383	1 167	2 755
Net income	—	—	—	—	—	—	—	—
Number of returns	165	2 458	3 048	403	(*)	(*)	600	1 061
Amount	17 401	136 713	117 714	36 670	(*)	(*)	20 349	25 887
Deficit	(*)	20 464	22 079	22 621	(*)	(*)	(*)	15 779
Income subject to corporation tax	—	—	—	—	—	—	—	—
Income tax	—	—	—	—	—	—	—	—

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS

Table 11.—Tax Items: Number of Returns by Selected Types of Tax, Net Income or Deficit, Statutory Special Deductions, Income Subject to Tax, Income Tax, Credits, Payments, and Dividend Items, Small Business Corporations (Form 1120S), by Major Industry—Continued

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

Item	Major industry—Continued								
	Transportation and public utilities				Wholesale and retail trade				
	Total transportation and public utilities	Transportation	Communication	Electric, gas and sanitary services	Total wholesale and retail trade	Total wholesale trade	Groceries and related products	Machinery equipment and supplies	Miscellaneous wholesale trade
(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	
Number of Returns With Income Tax									
Number of returns with—									
Income tax total	35,613	27,353	4,174	4,180	242,089	118,136	1,868	24,927	4,541
Form 1120S	(*)	(*)	(*)	—	(*)	(*)	—	—	(*)
Normal tax surtax and alternative tax	34,714	26,611	4,150	3,953	288,614	117,094	10,810	24,653	81,641
Tax from recomputing prior year investment credit, total	4,747	3,642	471	630	32,442	16,753	1,671	3,893	10,857
Returns with net income	3,671	2,919	446	505	24,106	15,162	1,543	3,626	3,943
Additional tax for tax preferences, total	56	47	—	9	45	33	—	3	30
Returns with net income	45	40	—	5	40	33	—	3	30
Returns with normal tax surtax and alternative tax	40	36	—	4	34	31	—	3	26
Normal tax surtax and alternative tax after credits	26,520	20,163	3,462	2,495	263,807	104,544	9,112	21,538	76,464
Total income tax after—									
Foreign tax credit	35,609	27,349	4,178	4,082	242,084	118,131	10,868	24,913	82,524
Investment and work incentive (WIN) credits	28,222	21,846	3,523	2,853	269,894	111,987	9,943	23,940	78,104
Foreign tax investment and work incentive (WIN) credits	28,201	21,825	3,523	2,853	269,816	111,951	9,939	23,925	78,087
Returns With and Without Net Income									
Number of returns	80,232	62,153	9,369	8,710	602,423	214,975	20,870	45,341	148,714
Dividends received from domestic corporations, total	181,221	94,104	20,041	67,455	4,142,761	366,600	10,392	30,701	325,907
Amount qualifying for 85 percent deduction	156,217	86,417	15,328	50,472	3,662,623	315,350	8,183	25,682	56,682
Amount on certain public utility stock qualifying for 60-20R deduction	(*)	—	(*)	(*)	206	46	—	(*)	(*)
Intragroup dividends qualifying for 100 percent deduction	5,912	(*)	(*)	(*)	30,611	21,007	(*)	(*)	21,988
Intragroup dividends qualifying for transitional deduction under section 1564(b)	1,922	(*)	(*)	(*)	41,506	26,612	(*)	(*)	22,582
Amount received from a DISC or former DISC	16,631	2,646	(*)	(*)	252,064	249,262	3,545	19,173	225,494
Dividends received from foreign corporations, total	45,003	61,606	(*)	(*)	255,414	180,495	1,008	7,006	172,261
Amount qualifying for 85 percent deduction	(*)	(*)	(*)	(*)	2,014	(*)	(*)	(*)	(*)
Intragroup dividends qualifying for 100 percent deduction	(*)	(*)	(*)	(*)	2,559	(*)	(*)	(*)	(*)
Other foreign dividends	44,223	61,066	(*)	(*)	251,141	176,564	1,008	4,959	170,602
Constructive taxable income from related foreign corporations includable income of Controlled Foreign Corporations	10,438	(*)	—	(*)	28,520	14,640	(*)	(*)	15,572
Foreign dividend income resulting from foreign taxes deemed paid	34,718	17,487	(*)	(*)	94,238	46,785	(*)	(*)	42,767
Net income (less deficit)	8,683,870	2,657,392	4,462,567	2,563,891	22,574,062	16,294,358	931,287	1,544,702	11,816,369
Statutory special deductions, total ¹	753,846	568,744	50,340	134,712	963,114	516,430	48,614	101,089	398,727
Dividends received deduction	140,994	78,215	13,279	49,505	168,872	108,957	5,732	11,467	91,758
Deduction for dividends paid on certain public utility stock	34,459	—	777	33,682	—	—	—	—	—
Income subject to tax ²	10,101,528	3,185,600	3,641,119	3,274,809	19,348,626	11,716,450	877,061	2,103,025	8,776,344
Income tax, total ³	4,719,294	1,423,965	1,744,040	1,541,244	8,115,540	5,141,436	378,311	911,533	3,851,506
Normal tax surtax and alternative tax	4,682,739	1,408,234	1,730,317	1,544,188	8,291,703	5,127,206	377,261	907,974	3,841,971
Tax from recomputing prior year investment credit	29,144	9,230	13,711	6,253	19,724	10,536	1,130	3,313	6,074
Tax from recomputing prior year work incentive (WIN) credit	(*)	(*)	(*)	—	31	21	(*)	(*)	15
Additional tax for tax preferences	7,351	6,498	—	853	4,083	3,673	—	246	3,427
Foreign tax credit	15,829	45,850	31,484	18,595	388,167	285,976	1,087	12,204	272,685
Investment credit ⁴	1,112,013	360,559	466,438	285,116	894,788	165,594	18,520	32,527	114,512
Work incentive (WIN) credit	406	113	198	93	93	522	55	139	328
Normal tax surtax and alternative tax after credits ⁵	1,474,411	1,001,710	1,232,397	1,240,384	7,507,804	4,674,109	157,559	863,104	3,454,436
Total income tax after—									
Foreign tax credit	4,623,470	1,378,115	1,712,656	1,512,649	7,427,473	4,855,460	377,304	899,345	3,574,821
Investment and work incentive (WIN) credits	1,606,860	1,064,291	1,277,504	1,266,095	2,914,813	4,975,515	359,776	874,873	3,736,656
Foreign tax investment and work incentive (WIN) credits	1,511,051	1,017,441	1,246,120	1,247,440	2,531,646	4,689,119	358,689	866,669	3,463,381
Personal Holding Company tax ⁶	(*)	(*)	—	—	(*)	(*)	(*)	—	(*)
Estimated tax payments, net total	2,604,601	664,015	1,099,569	841,017	4,890,235	2,787,564	231,110	469,196	2,087,258
1973 overpayments claimed as a credit	124,932	30,815	46,347	47,770	232,712	116,440	9,057	20,047	87,256
1974 estimated tax payments	2,553,667	653,357	1,055,798	844,536	4,876,727	2,781,389	227,861	457,894	2,095,629
Less: Refund of estimated tax payments	74,176	20,197	2,540	51,439	239,016	110,006	5,855	8,656	95,491
Credit for tax on special fuels: nonhighway gasoline and lubricating oil	6,500	4,552	122	1,826	1,986	1,170	63	569	538
Credit for tax paid by regulated investment companies	(*)	(*)	—	—	249	187	—	(*)	187
Payments with applications for first extension of filing time	596,457	171,482	115,934	308,836	953,762	634,005	4,686	137,578	457,781
Payments with applications for second extension of filing time	384,465	117,701	75,394	190,170	345,451	225,694	14,714	40,225	159,131

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS

Table 11.—Tax Items: Number of Returns by Selected Types of Tax, Net Income or Deficit, Statutory Special Deductions, Income Subject to Tax, Income Tax, Credits, Payments, and Dividend Items, Small Business Corporations (Form 1120S), by Major Industry—Continued

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

Item	Major industry—Continued								
	Transportation and public utilities				Wholesale and retail trade				
	Total transportation and public utilities	Transportation	Communication	Electric, gas, and sanitary services	Total wholesale and retail trade	Wholesale trade			Miscellaneous wholesale trade
(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	
Returns With Net Income Other Than Forms 1120S and 1120-DISC									
Number of returns	49,478	10,924	4,935	4,616	322,465	127,482	11,784	27,672	88,026
Net income	1,414,499	1,188,578	1,636,964	1,490,382	20,286,891	12,245,416	935,112	2,123,725	5,096,573
Statutory special deductions, total	720,690	559,679	51,208	112,805	95,794	531,766	48,304	100,595	382,867
Not operating loss deduction	579,166	484,211	34,934	44,421	763,893	400,413	41,259	84,593	274,561
Dividends received deduction	124,534	69,151	11,131	31,298	163,362	105,238	5,553	11,345	88,330
Deduction for dividends paid on certain public utility stock	20,159	—	1,144	20,312	—	—	—	—	—
Western Hemisphere Trade Corporation deduction	5,239	(*)	(*)	(*)	29,541	26,115	(*)	4,457	19,976
Income subject to tax, total	1,199,126	1,191,342	1,644,426	1,377,577	19,338,321	11,716,419	877,081	2,123,025	8,716,313
Income taxed at normal tax and surtax rates	9,210,495	1,407,014	1,624,272	1,179,709	19,087,076	11,574,611	871,523	2,104,169	8,602,919
Net long-term capital gain taxed at alternative rates, total	268,131	276,206	14,455	45,101	251,245	137,808	5,558	18,856	113,394
Amount taxed at 25 percent rate	11,031	4,057	(*)	1,123	4,189	1,326	—	(*)	1,263
Income tax, total	4,714,836	1,420,005	1,743,426	1,549,405	8,312,086	5,139,998	378,319	911,404	3,850,275
Normal tax, surtax, and alternative tax	1,682,139	1,407,752	1,710,254	1,544,188	8,291,612	5,127,197	377,261	907,974	3,841,962
Tax from recomputing prior year investment credit	24,463	5,942	13,955	5,376	16,592	9,103	1,058	3,178	4,871
Tax from recomputing prior year work incentive (WIFI) credit	(*)	(*)	(*)	(*)	31	21	(*)	(*)	15
Additional tax for tax preferences	1,659	6,318	—	341	4,051	3,673	(*)	(*)	3,427
Estimated tax payments, net, total	2,511,662	657,187	1,094,091	839,484	4,845,663	2,761,827	228,463	466,317	2,067,047
1973 overpayments claimed as credit	121,166	29,734	44,103	26,325	211,724	109,300	8,249	19,284	81,767
1974 estimated tax payments	2,516,423	643,667	1,095,242	817,014	1,801,491	2,722,252	224,190	453,646	2,044,416
Less: Refund of estimated tax payments	42,595	16,359	(*)	24,003	181,434	69,585	4,043	6,520	59,022
Returns Without Net Income Other Than Forms 1120S and 1120-DISC									
Number of returns	25,217	18,833	7,031	3,953	156,638	44,965	4,481	8,188	32,316
Deficit	1,222,215	1,164,113	322,176	810,526	4,311,931	1,821,415	182,040	173,698	1,465,677
Statutory special deductions, total	31,164	9,165	182	21,907	8,507	3,716	169	119	3,428
Dividends received deduction	17,453	9,064	44	8,237	8,507	3,716	169	119	3,428
Deduction for dividends paid on certain public utility stock	1,754	—	(*)	12,670	—	—	—	—	—
Income subject to tax	4,851	1,927	56	1,889	1,163	1,329	72	135	1,222
Income tax, total	—	—	—	—	—	—	—	—	—
Normal tax, surtax, and alternative tax	—	—	—	—	—	—	—	—	—
Tax from recomputing prior year investment credit	—	—	—	—	—	—	—	—	—
Tax from recomputing prior year work incentive (WIFI) credit	—	—	—	—	—	—	—	—	—
Additional tax for tax preferences	—	—	—	—	—	—	—	—	—
Returns of Small Business Corporations (Form 1120S)									
Number of returns	14,533	12,388	1,405	748	117,158	16,114	4,327	7,854	24,133
Net income	—	—	—	—	—	—	—	—	—
Number of returns	6,114	1,411	167	278	74,847	25,598	1,169	5,713	16,716
Amount	2,142,014	1,687,342	1,712,029	1,143,434	1,208,123	1,121,041	20,132	269,376	731,583
Deficit	17,116	8,527	25,445	4,404	495,187	132,145	14,761	25,676	92,378
Income subject to corporate tax	—	—	—	—	—	—	—	—	—
Income tax	—	—	—	—	—	—	—	—	—

Footnotes at end of table. See text for explanation of Terms and description of the Sampling and Rotation of the Data.

RETURNS OF ACTIVE CORPORATIONS

Table 11.—Tax Items: Number of Returns by Selected Types of Tax, Net Income or Deficit, Statutory Special Deductions, Income Subject to Tax, Income Tax, Credits, Payments, and Dividend Items, Small Business Corporations (Form 1120S), 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									
	Total retail trade	Building materials, garden supplies, and mobile home dealers	General merchandise stores	Food stores	Automotive dealers and service stations	Apparel and accessory stores	Furniture and home furnishings stores	Eating and drinking places	Miscellaneous retail stores	Wholesale and retail trade not allocable
(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	
Number of Returns With Income Tax										
Number of returns with—										
Income tax total	173 675	16 575	6 132	12 071	31 060	20 324	16 754	24 636	46 123	78
Form 1120S	(*)	—	—	(*)	—	—	—	—	—	—
Normal tax, surtax, and alternative tax	171 442	16 436	5 375	11 964	30 624	20 132	16 202	24 279	45 830	(*)
Tax from recomputing prior year investment credit, total	16 137	1 636	464	1 149	3 695	861	1 550	2 348	4 434	(*)
Returns with net income	13 952	1 513	311	1 052	3 264	670	1 902	1 998	4 142	(*)
Additional tax for tax preferences total	(*)	—	(*)	—	(*)	—	—	(*)	—	—
Returns with net income	(*)	—	(*)	—	(*)	—	—	(*)	—	—
Returns with normal tax, surtax, and alternative tax	3	—	(*)	—	—	—	—	(*)	—	—
Normal tax, surtax, and alternative tax after credits	154 246	15 549	5 558	10 327	28 029	18 817	14 892	19 355	41 719	(*)
Total income tax after—										
Foreign tax credit	173 661	16 575	6 131	12 071	31 059	20 324	16 754	24 636	46 111	(*)
Investment and work incentive (WIN) credits	157 859	15 703	5 740	10 446	28 975	19 034	15 580	19 957	42 424	(*)
Foreign tax investment, and work incentive (WIN) credits	157 845	15 703	5 739	10 446	28 974	19 034	15 580	19 957	42 412	(*)
Returns With and Without Net Income										
Number of returns	186 772	31 319	10 996	26 335	63 863	38 529	36 044	76 601	103 085	676
Dividends received from domestic corporation total	73 169	7 967	16 061	8 282	8 121	11 494	3 999	6 637	10 608	—
Amount qualifying for 85 percent deduction	45 727	3,052	11 632	5 845	5 146	2 997	3 656	5 792	7 607	—
Amount on certain public utility stock qualifying for 60.208 deduction	(*)	(*)	—	—	(*)	(*)	(*)	—	(*)	—
Intragroup dividends qualifying for 100 percent deduction	7 636	(*)	(*)	(*)	(*)	—	(*)	(*)	(*)	—
Intragroup dividends qualifying for transitional deduction under section 1564(b)	15 894	(*)	(*)	(*)	2 130	(*)	(*)	(*)	(*)	—
Amount received from a DISC, or former DISC	3 802	(*)	—	(*)	(*)	(*)	(*)	(*)	(*)	—
Dividends received from foreign corporations total	75 119	(*)	69 200	(*)	(*)	(*)	(*)	(*)	2 635	—
Amount qualifying for 85 percent deduction	(*)	—	—	(*)	(*)	(*)	—	—	(*)	—
Intragroup dividends qualifying for 100 percent deduction	(*)	—	(*)	(*)	—	—	—	—	(*)	—
Other foreign dividends	74 472	(*)	68 883	(*)	(*)	(*)	(*)	(*)	2 369	—
Constructive taxable income from related foreign corporations										
Includable income of Controlled Foreign Corporations	8 840	—	(*)	(*)	(*)	—	—	(*)	(*)	—
Foreign dividend income resulting from foreign taxes desired paid	47 251	—	(*)	(*)	—	(*)	—	(*)	(*)	—
Net income (loss/deficit)	6 275 298	630 671	1 051 148	1 041 608	932 416	497 334	291 209	587 468	1 243 444	3 406
Statutory special deductions total:										
Dividends received deduction	426 894	29 108	34 053	59 251	60 613	45 229	33 464	75 907	89 259	(*)
Deduction for dividends paid on certain public utility stock	59 915	5 701	14 427	7 089	6 266	10 403	3 151	5 385	7 493	—
Income subject to tax	7 620 409	640 237	1 067 033	1 110 685	1 129 784	625 209	406 669	694 336	1 346 456	(*)
Income tax total:										
Normal tax, surtax, and alternative tax	3 173 347	245 544	779 599	495 205	439 527	250 437	148 090	277 217	537 328	(*)
Tax from recomputing prior year investment credit	3 163 760	245 439	777 055	493 460	437 356	249 998	147 851	276 049	536 552	(*)
Tax from recomputing prior year work incentive (WIN) credit	9 167	502	2 187	1 742	2 147	439	239	1 135	776	(*)
Additional tax for tax preferences	(*)	(*)	(*)	(*)	(*)	—	—	(*)	(*)	—
Foreign tax credit	102 191	64	66 211	1 288	29 082	(*)	(*)	(*)	2 760	—
Investment credit	229 009	10 274	63 875	65 154	17 442	9 215	3 652	30 293	27 914	(*)
Work incentive (WIN) credit	117	(*)	71	111	63	(*)	(*)	103	14	—
Normal tax, surtax, and alternative tax after credits	2 932 144	235 089	646 898	426 907	391 269	240 603	143 450	212 943	505 864	(*)
Total income tax after:										
Foreign tax credit	3 071 156	(*)	713 388	493 917	(*)	250 264	147 557	275 117	534 568	(*)
Investment and work incentive (WIN) credits	2 943 911	215 658	715 653	429 940	421 522	241 195	144 222	210 311	509 400	(*)
Foreign tax investment, and work incentive (WIN) credits	1 831 700	235 594	649 442	426 652	392 440	241 042	143 689	244 231	506 640	(*)
Personal Holding Company tax	(*)	—	—	—	(*)	—	—	—	(*)	—
Estimated tax payments, net total:										
1974 payments claimed as credit	2 101 876	180 877	506 725	316 314	309 171	174 567	106 439	175 401	336 982	(*)
1974 estimated tax payments	116 272	8 750	24 007	13 293	27 177	8 319	7 260	9 076	18 490	(*)
Less: Refund of estimated tax payments	2 114 691	182 901	537 525	323 103	295 996	172 000	105 656	167 279	330 200	(*)
Less: Refund of estimated tax payments	1 29 010	10 762	54 913	19 473	13 910	5 821	6 526	5 465	11 640	—
Credit for tax on special fuels, nonhighway gasoline, and lubricating oil	816	163	96	243	194	(*)	(*)	23	93	—
Credit for tax paid by regulated investment companies	(*)	—	—	—	—	(*)	—	—	(*)	—
Payments with applications for first extension of filing time	319 253	13 874	89 401	52 909	33 940	23 874	13 418	37 509	54 427	(*)
Payments with applications for second extension of filing time	119 756	1 388	40 209	22 451	9 882	8 686	5 539	15 845	15 756	—

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

RETURNS OF ACTIVE CORPORATIONS

Table 11.—Tax Items: Number of Returns by Selected Types of Tax, Net Income or Deficit, Statutory Special Deductions, Income Subject to Tax, Income Tax, Credits, Payments, and Dividend Items, Small Business Corporations (Form 1120S), 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									Wholesale and retail trade not allocable
	Total retail trade	Building materials, garden supplies, and mobile home dealers	General merchandise stores	Food stores	Automotive dealers and service stations	Apparel and accessory stores	Furniture and home furnishings stores	Eating and drinking places	Miscellaneous retail stores	
(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	
Returns With Net Income Other Than Forms 1120S and 1120-DISC										
Number of returns	194 679	17 852	6 424	13 505	34 455	21 905	18 480	29 407	52 251	204
Net income	8 039 719	669 072	1 700 309	1 169 830	1 188 061	609 840	439 851	768 166	1 434 583	1 768
Statutory special deductions total	422 030	28 784	33 448	59 008	58 538	44 813	33 133	75 469	88 837	(*)
Net operating loss deduction	263 480	23 407	18 619	52 162	53 130	34 624	30 313	70 522	80 501	(*)
Dividends received deduction	55 124	5 377	13 822	6 846	4 191	9 987	2 820	4 947	7 134	—
Deduction for dividends paid on certain public utility stock	—	—	—	—	—	—	—	—	—	—
Western Hemisphere Trade Corporation deduction	(*)	—	(*)	—	(*)	—	—	—	(*)	—
Income subject to tax total	7 620 135	640 237	1 667 033	1 110 411	1 129 784	625 209	416 869	694 336	1 346 456	(*)
Income taxed at normal tax and surtax rates	7 506 696	626 787	1 635 453	1 096 072	1 117 261	618 988	403 904	676 586	1 331 646	(*)
Net long term capital gain taxed at alternative rates total	113 437	13 450	31 580	14 338	12 523	6 221	2 765	17 750	14 810	(*)
Amount taxed at 25 percent rate	2 863	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Income tax total	3 171 531	245 897	729 154	494 823	439 213	250 366	147 997	276 781	537 300	757
Normal tax, surtax, and alternative tax total	3 163 678	245 439	727 055	493 378	437 356	249 946	147 851	276 049	536 552	(*)
Tax from recomputing prior year investment credit	1 465	455	1 758	1 442	1 833	368	146	715	748	(*)
Tax from recomputing prior year work incentive (WIN) credit	10	(*)	—	(*)	(*)	—	—	(*)	(*)	—
Additional tax for tax preferences	378	—	(*)	—	(*)	—	—	(*)	(*)	—
Estimated tax payments, net total	2 073 041	177 817	504 268	315 300	299 300	171 965	104 090	168 193	333 008	(*)
1973 overpayments claimed as credit	196 324	7 730	23 248	12 882	23 818	8 402	6 213	7 757	17 964	(*)
1974 estimated tax payments	2 078 542	177 270	534 600	320 993	283 853	168 395	103 350	165 966	325 013	(*)
Less: Refund of estimated tax payments	111 749	7 144	53 685	18 326	8 277	4 325	6 527	4 585	9 880	—
Returns Without Net Income Other Than Forms 1120S and 1120-DISC										
Number of returns	111 527	6 428	3 087	6 289	18 345	8 429	10 799	28 501	29 149	(*)
Deficit	2 493 390	153 814	604 971	182 859	346 147	221 346	190 170	335 687	398 326	(*)
Statutory special deductions total	4 791	324	605	243	2 075	416	331	438	359	—
Dividends received deduction	4 791	324	605	243	2 075	416	331	438	359	—
Deduction for dividends paid on certain public utility stock	—	—	—	—	—	—	—	—	—	—
Income subject to tax	—	—	—	—	—	—	—	—	—	—
Income tax total	1 734	47	445	300	314	71	93	436	28	—
Normal tax, surtax, and alternative tax	—	—	—	—	—	—	—	—	—	—
Tax from recomputing prior year investment credit	1 702	47	424	300	313	71	93	420	28	—
Tax from recomputing prior year work incentive (WIN) credit	—	—	—	—	—	—	—	—	—	—
Additional tax for tax preferences	(*)	—	(*)	—	—	—	—	(*)	—	—
Returns of Small Business Corporations Form 1120S										
Number of returns	80 505	6 521	1 485	6 538	11 154	8 189	6 759	18 191	21 666	(*)
Net income	—	—	—	—	—	—	—	—	—	—
Number of returns	49 152	4 039	919	1 641	7 270	5 467	3 625	10 947	13 235	(*)
Amount	1 086 299	145 324	28 172	88 941	171 481	77 307	79 056	242 078	253 940	(*)
Deficit	362 518	30 217	12 962	34 517	81 143	28 783	37 684	87 089	50 723	(*)
Income subject to corporation tax	(*)	—	—	(*)	—	—	—	—	—	—
Income tax	(*)	—	—	(*)	—	—	—	—	—	—

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data

RETURNS OF ACTIVE CORPORATIONS

Table 11.—Tax Items: Number of Returns by Selected Types of Tax, Net Income or Deficit, Statutory Special Deductions, Income Subject to Tax, Income Tax, Credits, Payments, and Dividend Items, Small Business Corporations (Form 1120S), 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 commodity brokers and services	Insurance	Insurance agents brokers, and service	Real estate	Holding and other investment companies, except bank holding companies
	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(61)
Number of Returns With Income Tax								
Number of returns with—								
Income tax total	193,279	11,803	22,983	1,494	4,427	17,264	115,507	19,801
Form 1120S	(*)	—	(*)	—	—	—	—	(*)
Normal tax, surtax, and alternative tax	190,730	11,401	22,517	1,476	4,318	17,063	114,378	19,577
Tax from recomputing prior year investment credit total	8,833	1,864	1,552	103	423	981	3,474	436
Returns with net income	6,800	1,594	1,118	87	354	800	2,532	315
Additional tax for tax preferences total	3,371	608	2,301	(*)	(*)	(*)	410	41
Returns with net income	3,143	497	2,273	(*)	(*)	(*)	326	38
Returns with normal tax, surtax, and alternative tax	3,015	462	2,269	(*)	(*)	(*)	247	3
Normal tax, surtax, and alternative tax after credits	183,010	10,887	22,056	1,452	4,009	15,167	110,261	19,178
Total income tax after—								
Foreign tax credit	193,059	11,802	22,855	1,488	4,424	17,264	115,481	19,743
Investment and work incentive (WIN) credits	186,528	11,404	22,697	1,477	4,151	15,510	111,704	19,485
Foreign tax investment and work incentive (WIN) credits	186,278	11,402	22,569	1,471	4,124	15,610	111,676	19,426
Returns With and Without Net Income								
Number of returns	425,249	14,534	48,597	4,867	8,343	35,387	266,616	46,905
Dividends received from domestic corporations total	4,528,863	281,946	68,458	66,899	2,049,418	20,741	100,341	1,941,060
Amount qualifying for 85 percent deduction	3,847,621	254,421	22,691	23,970	1,621,276	12,288	80,078	1,832,899
Amount on certain public utility stock qualifying for 60.208 deduction	16,436	1,242	(*)	(*)	12,407	(*)	367	2,201
Intragroup dividends qualifying for 100 percent deduction	652,897	25,631	44,500	(*)	414,831	(*)	17,714	99,113
Intragroup dividends qualifying for transitional deduction under section 1564(b)	8,365	650	604	(*)	(*)	(*)	1,940	4,454
Amount received from a DISC or former DISC	3,544	(*)	(*)	(*)	(*)	—	(*)	(*)
Dividends received from foreign corporations total	202,031	62,736	13,623	2,446	26,522	(*)	2,976	68,973
Amount qualifying for 85 percent deduction	6,363	(*)	(*)	(*)	4,555	(*)	(*)	1,700
Intragroup dividends qualifying for 100 percent deduction	2,386	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Other foreign dividends	193,282	61,881	13,425	2,446	21,047	(*)	2,855	66,873
Constructive taxable income from related foreign corporations								
Includable income of Controlled Foreign Corporations	20,146	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Foreign dividend income resulting from foreign taxes deemed paid	58,157	18,568	(*)	(*)	(*)	(*)	(*)	19,220
Net income (less deficit)	11,504,156	2,834,767	1,207,268	126,752	3,676,996	375,332	207,111	3,075,930
Statutory special deductions total	3,217,757	303,758	139,349	87,218	1,568,427	48,938	437,527	632,540
Dividends received deduction	2,417,981	212,107	63,330	63,052	1,426,497	18,627	88,084	548,284
Deduction for dividends paid on certain public utility stock	—	—	—	—	—	—	—	—
Income subject to tax	12,594,288	3,403,262	1,745,246	267,206	4,325,209	382,595	1,916,051	554,719
Income tax total	5,570,370	1,578,659	801,604	122,067	2,056,474	148,733	657,182	205,651
Normal tax, surtax, and alternative tax	5,496,188	1,548,111	767,447	121,892	2,053,290	148,519	652,611	204,318
Tax from recomputing prior year investment credit	12,120	5,106	1,412	175	3,141	205	1,415	665
Tax from recomputing prior year work incentive (WIN) credit	23	3	(*)	(*)	(*)	(*)	(*)	(*)
Additional tax for tax preferences	62,039	25,439	32,733	(*)	(*)	(*)	3,151	667
Foreign tax credit	702,783	520,970	26,045	1,833	113,910	5,264	1,446	33,265
Investment credit	161,063	94,390	17,073	3,220	23,758	2,687	16,803	3,152
Work incentive (WIN) credit	296	134	12	109	(*)	(*)	(*)	(*)
Normal tax, surtax, and alternative tax after credits	4,632,027	932,617	724,317	116,837	1,915,513	140,562	534,280	167,901
Total income tax after—								
Foreign tax credit	4,867,587	1,057,689	775,559	120,234	1,942,564	143,484	655,688	172,386
Investment and work incentive (WIN) credits	5,408,992	1,484,135	784,519	118,845	2,032,607	146,040	640,347	202,499
Foreign tax investment and work incentive (WIN) credits	4,706,209	963,165	758,474	117,012	1,918,697	140,776	638,451	169,234
Personal Holding Company tax	1,585	(*)	(*)	—	—	—	(*)	1,242
Estimated tax payments, net total	3,800,980	812,808	660,431	64,499	1,633,556	106,085	417,572	106,029
1973 overpayments claimed as credit	171,325	55,819	28,650	2,794	36,429	4,248	35,843	7,412
1974 estimated tax payments	3,655,404	831,070	672,505	66,825	1,684,591	103,305	393,924	103,179
Less: Refund of estimated tax payments	226,131	74,095	40,678	5,123	87,584	1,658	12,261	4,732
Credit for tax on special fuels, nonhighway gasoline, and lubricating oil	1,117	60	587	(*)	89	(*)	284	10
Credit for tax paid by regulated investment companies	763	230	(*)	—	854	(*)	(*)	(*)
Payments with applications for first extension of filing time	405,961	72,694	57,954	21,759	123,513	11,170	43,370	19,501
Payments with applications for second extension of filing time	190,345	40,462	16,999	13,080	99,592	5,211	12,048	2,967

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS

Table 11.—Tax Items: Number of Returns by Selected Types of Tax, Net Income or Deficit, Statutory Special Deductions, Income Subject to Tax, Income Tax, Credits, Payments, and Dividend Items, Small Business Corporations (Form 1120S), 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, commodity brokers and services	Insurance	Insurance agents, brokers, and service	Real estate	Holding and other investment companies, except bank holding companies
(54)	(55)	(56)	(57)	(58)	(59)	(60)	(61)	
Returns With Net Income Other Than Forms 1120S and 1120-QISC								
Number of returns	228,389	11,917	26,568	1,842	5,124	18,705	137,680	26,553
Net income	17,444,915	3,628,291	1,857,473	336,162	5,243,122	427,432	2,329,809	3,622,626
Statutory special deductions total	2,681,206	260,784	127,419	77,697	1,129,385	45,690	425,302	614,924
Net operating loss deduction	797,299	89,254	76,002	24,166	141,930	30,311	351,380	84,256
Dividends received deduction	1,881,430	169,133	51,400	53,531	987,455	15,379	73,859	530,673
Deduction for dividends paid on certain public utility stock	—	—	—	—	—	—	—	—
Western Hemisphere Trade Corporation deduction	(*)	(*)	(*)	—	—	—	(*)	—
Income subject to tax total	12,583,896	3,402,114	1,738,918	267,206	4,323,824	382,595	1,916,051	553,188
Income taxed at normal tax and surtax rates	12,020,278	3,304,650	1,673,200	256,436	4,272,215	376,807	1,727,710	409,257
Net long-term capital gain taxed at alternative rates total	363,618	97,461	65,718	10,770	51,609	5,788	188,341	143,931
Amount taxed at 25 percent rate	25,733	5,619	3,906	—	(*)	—	12,744	3,376
Income tax total	5,560,313	1,574,020	798,708	121,938	2,055,288	148,710	856,592	205,057
Normal tax, surtax, and alternative tax	5,432,695	1,547,605	765,549	121,892	2,052,666	148,519	852,611	203,853
Tax from recomputing prior year investment credit	9,562	3,879	1,102	46	2,597	182	1,187	569
Tax from recomputing prior year work incentive (WIN) credit	21	2	(*)	—	(*)	—	(*)	—
Additional tax for tax preferences	58,035	22,534	32,046	(*)	(*)	(*)	2,790	635
Estimated tax payments net total	3,757,380	795,519	653,696	63,594	1,628,782	104,976	406,889	103,924
1973 overpayments claimed as a credit	153,293	47,404	26,691	2,442	34,767	3,778	30,917	7,294
1974 estimated tax payments	3,754,105	744,831	628,045	65,907	1,659,367	102,377	383,665	99,913
Less: Refund of estimated tax payments	160,383	46,722	31,005	(*)	65,471	(*)	7,739	3,323
Returns Without Net Income Other Than Forms 1120S and 1120-QISC								
Number of returns	158,683	2,504	20,080	2,433	1,948	10,575	104,278	16,865
Deficit	6,071,062	798,079	608,421	213,405	1,576,331	115,136	2,135,595	563,895
Statutory special deductions total	536,551	42,974	11,930	9,521	439,042	3,248	12,225	17,611
Dividends received deduction	536,551	42,974	11,930	9,521	439,042	3,248	12,225	17,611
Deduction for dividends paid on certain public utility stock	—	—	—	—	—	—	—	—
Income subject to tax	2,539	(*)	—	—	1,385	—	—	(*)
Income tax total	7,702	4,639	998	129	1,186	21	590	137
Normal tax, surtax, and alternative tax	1,138	(*)	—	—	624	—	—	(*)
Tax from recomputing prior year investment credit	2,558	1,227	310	129	544	23	228	97
Tax from recomputing prior year work incentive (WIN) credit	(*)	(*)	(*)	—	—	—	(*)	—
Additional tax for tax preferences	4,004	2,905	687	—	(*)	—	362	(*)
Returns of Small Business Corporations, Form 1120S								
Number of returns	38,177	(*)	1,948	592	1,271	6,107	24,658	3,487
Net income	386,930	(*)	27,853	5,538	10,457	74,465	219,226	44,836
Number of returns	19,934	(*)	1,461	348	837	4,028	11,294	1,853
Amount	386,930	(*)	27,853	5,538	10,457	74,465	219,226	44,836
Deficit	256,627	—	9,437	(*)	(*)	11,429	206,329	27,637
Income subject to corporation tax	(*)	—	(*)	—	—	—	—	(*)
Income tax	(*)	—	(*)	—	—	—	—	(*)

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS

Table 11.—Tax Items: Number of Returns by Selected Types of Tax, Net Income or Deficit, Statutory Special Deductions, Income Subject to Tax, Income Tax, Credits, Payments, and Dividend Items, Small Business Corporations (Form 1120S), by Major Industry—Continued

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

Item	Major industry—Continued							Nature of business not allocable
	Services							
	Total services	Hotels and other lodging places	Personal services	Business services	Auto repair, miscellaneous repair services	Amusement and recreation services	Other services	
	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)
Number of Returns With Income Tax								
Number of returns with—								
Income tax total	159 464	5 606	13 888	36 609	21 134	13 072	66 155	1 416
Form 1120S	(*)	—	—	(*)	—	—	—	—
Normal tax surtax and alternative tax	156 870	5 412	13 530	35 819	20 688	12 960	68 461	1 386
Tax from recomputing prior year investment credit total	13 743	431	1 357	4 544	2 053	984	4 374	(*)
Returns with net income	11 335	258	1 003	3 767	1 612	876	3 819	(*)
Additional tax for tax preferences total	59	26	(*)	(*)	—	5	14	—
Returns with net income	33	(*)	(*)	(*)	—	4	(*)	—
Returns with normal tax surtax and alternative tax	28	(*)	—	(*)	—	(*)	(*)	—
Normal tax surtax and alternative tax after credits	129 334	4 613	11 126	28 966	17 579	11 065	55 985	1 260
Total income tax after—								
Foreign tax credit	159 442	5 606	13 888	36 587	21 134	13 072	69 155	1 416
Investment and work incentive (WIN) credits	134 340	4 631	11 585	30 533	16 510	11 511	57 370	1 288
Foreign tax investment and work incentive (WIN) credits	134 158	4 631	11 585	30 511	16 510	11 411	57 310	1 288
Returns With and Without Net Income								
Number of returns	388 832	18 236	36 272	106 484	49 122	35 112	141 606	2 842
Dividends received from domestic corporations total	127 260	15 952	4 752	61 604	4 142	28 253	12 557	(*)
Amount qualifying for 85 percent deduction	83 994	15 853	2 776	30 204	4 130	20 482	10 547	(*)
Amount on certain public utility stock qualifying for 60 208 deduction	(*)	—	—	(*)	—	(*)	(*)	—
Intragroup dividends qualifying for 100 percent deduction	23 732	(*)	(*)	(*)	—	(*)	(*)	—
Intragroup dividends qualifying for transitional deduction under section 1564(b)	10 524	(*)	(*)	7 650	—	(*)	—	—
Amount received from a DISC or former DISC	8 761	—	—	1 113	(*)	(*)	1 443	—
Dividends received from foreign corporations total	63 217	(*)	(*)	22 648	(*)	34 519	1 232	(*)
Amount qualifying for 85 percent deduction	(*)	—	—	—	—	—	(*)	—
Intragroup dividends qualifying for 100 percent deduction	(*)	—	(*)	(*)	(*)	(*)	—	—
Other foreign dividends	62 012	(*)	(*)	22 641	(*)	33 562	1 016	(*)
Constructive taxable income from related foreign corporations								
Includable income of Controlled Foreign Corporations	6 872	—	—	3 742	—	(*)	(*)	—
Foreign dividend income resulting from foreign taxes deemed paid	28 640	—	(*)	16 541	—	(*)	(*)	(*)
Net income (less deficit)	2 500 180	—102 064	319 093	803 908	294 439	486 741	698 043	29 599
Statutory special deductions total	619 490	49 437	27 687	245 264	54 698	91 660	150 744	3 672
Dividends received deduction	104 540	13 326	4 061	54 972	3 534	19 520	9 127	(*)
Deduction for dividends paid on certain public utility stock	—	—	—	—	—	—	—	—
Income subject to tax ¹	3 652 166	208 949	327 689	1 144 916	361 144	717 707	891 561	25 518
Income tax total ²	1 431 617	85 287	127 935	470 812	132 257	306 309	307 017	9 462
Normal tax surtax and alternative tax	1 419 676	84 426	127 403	466 158	129 003	306 919	305 667	9 460
Tax from recomputing prior year investment credit	10 213	344	528	4 273	3 250	709	1 109	(*)
Tax from recomputing prior year work incentive (WIN) credit	(*)	(*)	—	(*)	(*)	—	(*)	—
Additional tax for tax preferences	1 524	517	(*)	(*)	—	681	241	—
Foreign tax credit	67 961	(*)	1 951	21 683	(*)	40 052	3 059	(*)
Investment credit	161 092	9 126	10 929	47 273	22 496	44 690	26 578	522
Work incentive (WIN) credit	575	(*)	149	189	—	—	119	—
Normal tax surtax and alternative tax after credits	1 190 248	74 287	114 374	397 313	106 186	222 177	275 911	8 739
Total income tax after—								
Foreign tax credit	1 363 656	84 277	125 984	449 129	132 051	268 257	303 958	9 263
Investment and work incentive (WIN) credits	1 269 950	76 158	116 857	423 350	109 646	263 619	280 320	8 940
Foreign tax investment and work incentive (WIN) credits	1 201 989	75 148	114 906	401 667	109 440	223 567	277 261	8 741
Personal Holding Company tax	(*)	(*)	(*)	(*)	—	(*)	—	—
Estimated tax payments, net total	806 386	66 705	86 355	294 775	69 659	139 595	149 297	4 906
1973 overpayments claimed as credit	65 954	8 120	6 036	24 853	5 525	8 203	13 217	(*)
1974 estimated tax payments	768 896	61 067	80 397	263 665	67 907	133 066	142 784	4 618
Less: Refund of estimated tax payments	28 566	2 458	(*)	13 773	3 660	1 802	6 833	(*)
Credit for tax on special fuels nonhighway gasoline and lubricating oil	802	36	(*)	134	391	137	89	(*)
Credit for tax paid by regulated investment companies	(*)	(*)	—	—	—	(*)	(*)	—
Payments with applications for first extension of filing time	150 567	6 084	10 830	48 477	9 510	35 366	40 300	990
Payments with applications for second extension of filing time	69 863	6 332	5 674	16 107	3 071	22 001	16 678	(*)

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS

Table 11.—Tax Items: Number of Returns by Selected Types of Tax, Net Income or Deficit, Statutory Special Deductions, Income Subject to Tax, Income Tax, Credits, Payments, and Dividend Items, Small Business Corporations (Form 1120S), by Major Industry—Continued

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

Item	Major industry—Continued							Nature of business not allocable
	Services							
	Total services	Hotels and other lodging places	Personal services	Business services	Auto repair, miscellaneous repair services	Amusement and recreation services	Other services	
(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	
Returns With Net Income Other Than Forms 1120S and 1120-DISC								
Number of returns	183 562	6 721	16 533	45 562	23 624	14 567	76 555	1 542
Net income	4 250 466	249 456	355 245	1 382 651	416 004	808 151	1 038 959	29 190
Statutory special deductions, total	601 191	41 465	27 316	239 875	53 956	90 193	148 392	3 672
Net operating loss deduction	514 155	35 976	23 629	190 225	51 163	71 548	121 617	(*)
Dividends received deduction	46 247	5 154	2 690	45 583	2 792	18 053	6 775	(*)
Deduction for dividends paid on certain public utility stock	—	—	—	—	—	—	—	—
Western Hemisphere Trade Corporation deduction	(*)	(*)	—	(*)	(*)	(*)	—	—
Income subject to tax, total	3 651 314	208 949	327 889	1 144 064	361 144	717 707	891 561	25 518
Income taxed at normal tax and surtax rates	3 562 245	192 225	321 980	1 122 728	354 071	687 837	878 394	24 740
Net long-term capital gain taxed at alternative rates, total	89 069	11 724	5 899	21 336	7 073	29 870	13 167	(*)
Amount taxed at 25 percent rate	6 073	(*)	—	(*)	(*)	1 416	(*)	—
Income tax, total	1 428 901	85 011	127 875	469 931	131 465	308 216	306 403	9 462
Normal tax, surtax, and alternative tax	1 419 647	84 426	127 403	466 229	129 003	306 919	305 667	9 460
Tax from recomputing prior year investment credit	6 107	231	472	3 647	2 458	617	682	(*)
Tax from recomputing prior year work incentive (WIN) credit	(*)	(*)	—	(*)	(*)	(*)	(*)	—
Additional tax for tax preferences	1 143	(*)	—	(*)	—	680	(*)	—
Estimated tax payments, net, total	787 387	65 183	85 247	299 640	66 858	136 856	143 603	4 122
1973 overpayments claimed as credit	56 416	7 671	5 414	19 383	5 046	7 897	11 000	(*)
1974 estimated tax payments	744 678	58 542	79 909	276 427	63 032	130 606	135 158	3 888
Less: Refund of estimated tax payments	13 771	(*)	(*)	6 207	(*)	1 711	3 698	—
Returns Without Net Income Other Than Forms 1120S and 1120-DISC								
Number of returns	133 737	5 905	11 351	40 184	13 590	13 888	48 819	627
Deficit	2 063 394	305 013	88 817	652 592	166 998	335 803	514 171	15 246
Statutory special deductions, total	18 290	7 972	(*)	5 386	(*)	1 467	2 352	(*)
Dividends received deduction	16 290	7 972	(*)	5 386	(*)	1 467	2 352	(*)
Deduction for dividends paid on certain public utility stock	—	—	—	—	—	—	—	—
Income subject to tax	—	—	—	—	—	—	—	—
Income tax, total	2 487	276	60	652	792	93	614	(*)
Normal tax, surtax, and alternative tax	—	—	—	—	—	—	—	—
Tax from recomputing prior year investment credit	2 106	113	(*)	626	792	92	427	(*)
Tax from recomputing prior year work incentive (WIN) credit	(*)	—	—	(*)	—	—	(*)	—
Additional tax for tax preference	381	(*)	(*)	(*)	—	(*)	(*)	—
Returns of Small Business Corporations, Form 1120S								
Number of returns	71 381	5 610	10 388	20 678	11 908	1 640	16 157	(*)
Net income	—	—	—	—	—	—	—	—
Number of returns	37 810	2 132	5 631	10 773	6 559	2 825	9 500	(*)
Amount	692 900	62 995	77 574	167 040	72 143	116 505	196 043	(*)
Deficit	425 752	109 502	24 909	100 496	26 710	122 670	41 471	—
Income subject to corporation tax	(*)	—	—	(*)	—	—	—	—
Income tax	(*)	—	—	(*)	—	—	—	—

(*) Estimate is not shown separately because of the small number of sample returns on which it was based. However, the data are in the appropriate totals.

Includes net operating loss deduction and Western Hemisphere Trade Corporation deduction which are shown separately under Returns With Net Income Other Than Forms 1120S and 1120-DISC.

The following amounts were reported on returns without net income by 25 life insurance companies and banks with life insurance departments taxable under special provision of the Internal Revenue Code: Income subject to tax \$2 539 000; Total income tax \$1 138 000; Investment credit \$117 000.

NOTE: Credits include foreign tax investment and work incentive (WIN) credits. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS OTHER THAN FORMS 1120S AND 1120-DISC

Table 12.—Income Subject to Tax: Number of Returns, Net Long-Term Capital Gain, Net Income, Income Subject to Tax, Income Tax, Foreign Tax, Investment, and Work Incentive (WIN) Credits, by Size of Income Taxed at Normal Tax and Surtax Rates, or Size of Deficit

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

Income and tax status and size of income taxed at normal tax and surtax rates, or size of deficit	Number of returns	Net long-term capital gain reduced by net short-term capital loss	Long-term capital gain from certain binding contracts and installment sales	Net income or deficit	Income subject to tax		Income tax			
					Total	Income taxed at normal tax and surtax rates	Total	Normal tax surtax and alternative tax	Tax from recomputing prior year investment credit	
									Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Total returns of active corporations, other than Forms 1120S and 1120-DISC	1,626,334	7,740,064	231,110	137,506,774	143,967,362	138,745,240	66,108,421	65,582,120	96,387	179,121
Returns with net income, total	1,008,367	6,934,351	231,006	160,552,880	143,964,823	138,742,701	66,072,858	65,580,982	81,343	156,256
With normal tax surtax and alternative tax total	871,515	5,891,050	230,640	152,346,425	143,443,823	138,742,701	65,141,327	65,141,962	80,301	154,360
With income taxed at normal tax and surtax rates total	870,725	4,488,952	224,420	151,956,979	142,563,065	138,742,701	65,594,022	65,141,708	80,140	152,024
Under \$5,000	322,679	108,253	(*)	769,668	560,676	521,356	118,248	115,940	9,715	2,051
\$5,000 under \$10,000	123,088	103,991	(*)	1,053,159	881,018	837,536	204,712	202,859	6,662	1,564
\$10,000 under \$15,000	78,060	88,644	(*)	1,048,445	452,268	921,247	222,645	221,571	5,929	894
\$15,000 under \$20,000	57,999	80,413	(*)	1,088,175	1,008,923	961,964	241,057	239,928	5,504	1,147
\$20,000 under \$25,000	56,682	76,214	1,052	1,408,167	1,324,156	1,296,406	314,925	314,439	6,350	2,331
\$25,000	12,195	17,683	(*)	327,071	311,229	308,875	72,748	71,752	1,160	875
\$26,000 under \$30,000	25,966	50,966	(*)	783,751	741,222	710,459	194,834	193,318	2,942	938
\$30,000 under \$35,000	22,373	56,179	644	802,657	762,615	715,331	222,758	221,197	3,029	1,196
\$35,000 under \$40,000	16,298	34,644	(*)	663,287	628,258	602,551	201,008	199,443	2,259	894
\$40,000 under \$45,000	14,432	29,681	(*)	656,094	620,348	604,224	206,108	204,964	2,107	704
\$45,000 under \$50,000	11,537	26,762	(*)	584,779	558,037	541,794	140,866	139,574	1,793	920
\$50,000 under \$60,000	17,307	40,460	712	1,015,141	964,533	938,553	348,408	346,130	1,035	1,336
\$60,000 under \$70,000	12,891	40,648	414	899,022	856,708	831,532	326,449	325,398	2,135	989
\$70,000 under \$80,000	10,574	36,293	1,585	846,359	806,824	783,691	317,704	316,312	2,199	976
\$80,000 under \$90,000	8,488	46,808	762	794,945	755,926	735,048	305,443	303,619	1,866	788
\$90,000 under \$100,000	7,035	17,252	213	703,693	677,015	663,844	279,457	278,405	1,394	537
\$100,000 under \$150,000	20,728	83,118	3,236	2,680,856	2,588,011	2,528,885	1,109,625	1,103,757	4,809	3,402
\$150,000 under \$200,000	11,954	67,833	1,294	2,177,368	2,096,946	2,056,954	930,140	924,932	2,924	2,308
\$200,000 under \$250,000	7,614	46,581	2,156	1,780,751	1,733,165	1,695,671	781,219	777,459	2,095	1,477
\$250,000 under \$500,000	15,182	165,216	4,879	5,618,901	5,410,419	5,278,118	2,484,226	2,478,703	4,744	6,545
\$500,000 under \$1,000,000	7,629	148,647	1,516	5,695,516	5,384,019	5,274,571	2,532,647	2,516,764	2,961	5,297
\$1,000,000 under \$5,000,000	6,103	531,708	49,066	13,321,056	12,886,147	12,261,411	6,015,182	5,977,613	3,056	14,105
\$5,000,000 under \$10,000,000	801	347,441	4,356	6,235,842	5,942,764	5,595,374	7,801,898	7,784,632	556	7,945
\$10,000,000 under \$25,000,000	599	387,153	9,414	10,211,432	9,774,898	9,367,810	4,649,749	4,618,087	446	11,007
\$25,000,000 under \$50,000,000	251	295,498	20,160	9,138,491	8,921,504	8,636,616	4,286,445	4,226,534	215	13,469
\$50,000,000 under \$100,000,000	120	680,471	10,751	9,532,488	9,165,616	8,406,145	4,269,377	4,231,282	111	16,599
\$100,000,000 or more	138	880,085	93,197	71,181,034	68,541,260	65,661,675	31,948,415	31,727,397	125	51,230
Without income taxed at normal tax and surtax rates but with alternative tax on long-term capital gain	800	1,402,044	6,020	1,389,646	1,401,758	—	434,300	420,274	161	2,336
Without normal tax surtax and alternative tax total	136,842	1,043,301	(*)	8,206,255	—	—	39,531	—	1,042	1,896
With additional tax for tax preferences	384	173,450	—	2,242,399	—	—	37,837	—	30	211
With only tax from recomputing prior year investment credit	1,011	64,502	(*)	410,718	—	—	1,485	—	1,011	1,685
With only tax from recomputing prior year work incentive (WIN) credit	(*)	—	—	(*)	—	—	(*)	—	—	—
With tax from recomputing prior year investment and work incentive (WIN) credits	(*)	—	—	(*)	—	—	(*)	—	(*)	(*)
Nontaxable	135,535	805,349	—	5,527,689	—	—	—	—	—	—
Returns without net income, total	617,967	805,713	(*)	-23,046,106	2,539	2,539	35,563	1,138	15,044	22,865
With normal tax surtax and alternative tax	25	(*)	—	-49,290	2,539	2,539	1,138	1,138	—	—
Without normal tax surtax and alternative tax	419	41,018	(*)	-586,915	—	—	13,823	—	96	2,276
With additional tax for tax preferences	14,944	271,842	(*)	-4,225,749	—	—	20,581	—	14,944	20,581
With only tax from recomputing prior year investment credit	39	(*)	—	-25,468	—	—	4	—	—	—
With only tax from recomputing prior year work incentive (WIN) credit	4	1,339	—	-9,528	—	—	11	—	4	8
Nontaxable	602,536	538,373	—	-18,149,116	—	—	—	—	—	—
Size of deficit										
Under \$5,000	354,197	49,810	—	-412,896	91	94	2,050	32	4,488	1,906
\$5,000 under \$10,000	133,088	36,290	—	-1,111,150	605	605	1,508	270	3,495	977
\$10,000 under \$25,000	43,525	28,717	—	-618,022	(*)	(*)	1,277	(*)	1,374	526
\$25,000 under \$50,000	40,550	39,404	—	-1,362,140	(*)	(*)	1,443	(*)	1,782	1,573
\$50,000 under \$100,000	21,453	37,775	—	-1,483,528	(*)	(*)	1,404	(*)	1,360	1,163
\$100,000 under \$500,000	20,080	160,991	(*)	-4,124,284	239	239	5,471	114	1,737	3,560
\$500,000 under \$1,000,000	2,665	56,664	(*)	-1,866,946	(*)	(*)	2,712	(*)	283	991
\$1,000,000 under \$10,000,000	2,247	229,178	—	-5,790,668	(*)	(*)	11,448	(*)	840	5,315
\$10,000,000 or more	212	166,524	(*)	-6,056,440	(*)	(*)	7,252	(*)	85	6,844

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 12.—Income Subject to Tax: Number of Returns, Net Long-Term Capital Gain, Net Income, Income Subject to Tax, income Tax, Foreign Tax, Investment, and Work Incentive (WIN) Credits, by Size of Income Taxed at Normal Tax and Surtax Rates, or Size of Deficit—Continued

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

Income and tax status and size of income taxed at normal tax and surtax rates, or size of deficit	Income tax—Continued				Foreign tax credit		Investment credit		Work incentive (WIN) credit	
	Tax from recomputing prior year work incentive (WIN) credit		Additional tax for tax preferences		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount						
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Total returns of active corporations, other than Forms 1120S and 1120-DISC	438	446	4 572	346 734	6 960	20 752 819	533 947	4 221 384	4 229	7 795
Returns with net income total	353	418	4 153	335 202	6 960	20 752 819	533 937	4 221 237	4 229	7 795
With normal tax, surtax, and alternative tax total	381	409	3 869	29 578	6 960	20 752 819	533 937	4 221 177	4 229	7 795
With income taxed at normal tax and surtax rates total	98	400	3 812	28 884	6 866	20 715 820	533 548	4 18 189	4 217	7 795
Under \$5 000	—	—	23	218	1 415	164	145 159	16 593	(1)	(1)
\$5 000 under \$10 000	(1)	(1)	95	344	618	215	68 674	29 854	(1)	(1)
\$10 000 under \$15 000	(1)	(1)	64	181	198	38	47 404	29 507	(1)	(1)
\$15 000 under \$20 000	(1)	(1)	97	182	275	71	37 875	31 467	(1)	(1)
\$20 000 under \$25 000	(1)	(1)	62	155	160	238	4 615	46 679	(1)	(1)
\$25 000	(1)	(1)	20	121	(1)	(1)	9 582	11 007	(1)	(1)
\$26 000 under \$30 000	(1)	(1)	58	574	102	184	19 954	25 493	(1)	(1)
\$30 000 under \$35 000	(1)	(1)	45	345	52	196	17 313	27 821	(1)	(1)
\$35 000 under \$40 000	(1)	(1)	40	611	179	318	11 652	21 147	(1)	(1)
\$40 000 under \$45 000	(1)	(1)	31	437	77	143	11 265	21 371	(1)	(1)
\$45 000 under \$50 000	(1)	(1)	118	409	40	140	9 220	20 400	(1)	(1)
\$50 000 under \$60 000	(1)	(1)	110	938	80	241	14 476	33 114	(1)	(1)
\$60 000 under \$70 000	(1)	(1)	185	530	144	449	19 912	24 246	(1)	(1)
\$70 000 under \$80 000	(1)	(1)	79	119	135	283	8 479	27 594	(1)	(1)
\$80 000 under \$90 000	(1)	(1)	160	1 016	31	308	7 219	23 259	(1)	(1)
\$90 000 under \$100 000	(1)	(1)	146	515	66	245	6 098	19 491	(1)	(1)
\$100 000 under \$150 000	(1)	(1)	571	7 457	160	1 082	18 471	70 211	(1)	(1)
\$150 000 under \$200 000	(1)	(1)	164	7 400	225	6 079	10 538	46 653	(1)	(1)
\$200 000 under \$250 000	(1)	(1)	244	4 602	140	1 439	7 016	36 482	(1)	(1)
\$250 000 under \$500 000	(1)	(1)	564	8 470	432	15 194	14 087	119 208	(1)	(1)
\$500 000 under \$1 000 000	34	16	290	1 771	450	17 431	7 324	122 711	243	314
\$1 000 000 under \$5 000 000	27	25	238	23 439	1 022	178 815	5 889	338 809	357	671
\$5 000 000 under \$10 000 000	11	16	33	4 305	229	159 844	790	229 160	112	244
\$10 000 000 under \$25 000 000	5	7	27	20 648	118	386 800	584	385 825	117	201
\$25 000 000 under \$50 000 000	4	10	12	5 410	184	462 779	245	432 591	87	583
\$50 000 000 under \$100 000 000	1	1	10	21 381	48	683 198	117	498 421	48	451
\$100 000 000 or more	10	14	26	1 019 75	128	18 198 731	132	147 920	64	1 619
Without income taxed at normal tax and surtax rates but with alternative tax on long-term capital gain	(1)	(1)	57	13 687	13	6 444	699	57 198	(1)	(1)
Without normal tax, surtax, and alternative tax total	(1)	(1)	364	2 747	—	—	—	—	—	—
With additional tax for tax preferences	(1)	(1)	268	17 629	—	—	—	—	—	—
With only tax from recomputing prior year investment credit	(1)	(1)	—	—	—	—	—	—	—	—
With only tax from recomputing prior year work incentive (WIN) credit	(1)	(1)	—	—	—	—	—	—	—	—
With tax from recomputing prior year investment and work incentive (WIN) credits	(1)	(1)	—	—	—	—	—	—	—	—
Non-taxable	(1)	(1)	—	—	—	—	—	—	—	—
Returns without net income total	45	28	419	11 532	—	—	10	147	—	—
With normal tax, surtax, and alternative tax	—	—	—	—	—	—	10	147	—	—
Without normal tax, surtax, and alternative tax	—	—	—	—	—	—	—	—	—	—
With additional tax for tax preferences	—	—	414	11 532	—	—	—	—	—	—
With only tax from recomputing prior year investment credit	—	—	—	—	—	—	—	—	—	—
With only tax from recomputing prior year work incentive (WIN) credit	19	4	—	—	—	—	—	—	—	—
With tax from recomputing prior year investment and work incentive (WIN) credits	3	1	—	—	—	—	—	—	—	—
Non-taxable	—	—	—	—	—	—	—	—	—	—
Size of Deficit	—	—	—	—	—	—	—	—	—	—
Under \$5 000	(1)	(1)	43	112	—	—	—	—	—	—
\$5 000 under \$15 000	(1)	(1)	27	47	—	—	—	—	—	—
\$15 000 under \$25 000	(1)	(1)	38	141	—	—	—	—	—	—
\$25 000 under \$50 000	(1)	(1)	45	306	—	—	(1)	61	—	—
\$50 000 under \$100 000	(1)	(1)	47	33	—	—	(1)	21	—	—
\$100 000 under \$500 000	20	3	137	1 764	—	—	(1)	(1)	—	—
\$500 000 under \$1 000 000	(1)	(1)	25	1 553	—	—	(1)	(1)	—	—
\$1 000 000 under \$10 000 000	5	3	44	6 700	—	—	5	51	—	—
\$10 000 000 or more	(1)	(1)	7	376	—	—	—	—	—	—

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 12.—Income Subject to Tax: Number of Returns, Net Long-Term Capital Gain, Net Income, Income Subject to Tax, Income Tax, Foreign Tax, Investment, and Work Incentive (WIN) Credits, by Size of Income Taxed at Normal Tax and Surtax Rates, or Size of Deficit—Continued

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

Income and tax status and size of income taxed at normal tax and surtax rates, or size of deficit	Income tax after—				Number of returns	Net income or deficit	Returns with regular tax			
	Foreign tax investment, and work incentive (WIN) credits		Investment and work incentive (WIN) credits				Total	Normal tax and surtax	Tax from recomputing prior year investment credit	
	Number of returns	Amount	Number of returns	Amount						
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Total returns of active corporations, other than Forms 1120S and 1120-DISC	802,840	41,126,423	803,421	61,879,242	837,725	75,842,420	73,214,910	32,572,436	32,762,943	45,879
Returns with net income, total	787,412	41,091,007	787,993	61,843,826	837,701	75,868,002	73,212,377	32,671,299	32,761,906	45,879
With normal tax, surtax, and alternative tax total	786,105	41,091,476	786,688	61,804,295	837,701	75,868,002	73,212,377	32,671,299	32,761,906	45,879
With income taxed at normal tax and surtax rates total	785,923	41,116,601	785,890	61,827,421	837,700	75,887,863	73,212,377	32,671,197	32,761,704	45,879
Under \$5,000	261,008	101,498	261,243	101,662	321,701	726,755	520,136	105,642	103,821	1,721
\$5,000 under \$10,000	112,439	174,359	112,509	174,509	121,978	998,532	829,312	189,695	187,882	1,508
\$10,000 under \$15,000	73,517	192,903	73,531	192,946	77,164	999,400	910,533	209,870	208,905	843
\$15,000 under \$20,000	55,608	209,081	55,614	209,081	57,276	1,043,897	969,791	229,525	228,387	1,026
\$20,000 under \$25,000	55,788	269,700	55,792	269,938	57,194	1,337,188	1,263,853	299,774	297,538	2,152
\$25,000 or more	11,700	61,475	11,701	61,701	11,714	303,885	292,850	61,475	60,999	403
\$26,000 under \$30,000	25,154	169,071	25,155	169,260	24,602	711,391	673,062	175,292	174,425	589
\$30,000 under \$35,000	21,800	194,664	21,817	194,864	20,458	687,257	654,788	190,548	189,410	989
\$35,000 under \$40,000	15,956	179,277	15,967	179,767	14,957	580,674	552,799	178,082	176,799	651
\$40,000 under \$45,000	14,186	184,577	14,199	184,771	13,297	586,925	556,279	185,243	184,469	589
\$45,000 under \$50,000	11,350	110,132	11,351	110,272	10,268	507,863	482,595	165,595	164,899	559
\$50,000 under \$60,000	17,058	314,746	17,070	315,237	15,735	892,703	853,248	309,456	307,619	955
\$60,000 under \$70,000	12,760	297,173	12,768	297,612	11,618	781,365	749,571	288,135	287,177	707
\$70,000 under \$80,000	10,444	284,984	10,537	290,050	9,426	729,992	698,484	277,036	276,191	630
\$80,000 under \$90,000	8,487	261,744	8,488	262,102	7,118	637,001	600,102	246,265	245,301	567
\$90,000 under \$100,000	7,029	259,520	7,032	260,013	6,280	613,613	582,687	245,369	244,682	418
\$100,000 under \$150,000	20,722	1,337,699	20,728	1,038,882	17,419	2,189,480	2,124,924	917,022	913,377	1,838
\$150,000 under \$200,000	11,929	677,329	11,953	663,354	10,100	1,792,947	1,736,480	775,390	771,126	1,830
\$200,000 under \$250,000	7,614	741,735	7,614	744,575	6,293	1,431,683	1,400,655	636,186	633,328	1,135
\$250,000 under \$500,000	15,155	2,659,452	15,182	2,374,659	12,201	4,363,981	4,232,546	1,966,595	1,956,459	4,387
\$500,000 under \$1,000,000	7,622	2,392,147	7,629	2,409,578	5,937	4,262,172	4,086,236	1,933,644	1,925,499	2,559
\$1,000,000 under \$5,000,000	6,082	5,436,885	6,103	5,675,700	4,147	8,455,681	8,099,651	3,878,970	3,862,516	6,546
\$5,000,000 under \$10,000,000	802	2,416,465	803	2,576,209	413	2,915,816	2,841,989	1,366,169	1,361,628	2,756
\$10,000,000 under \$25,000,000	590	3,876,414	593	4,263,223	264	4,209,495	4,005,089	1,929,445	1,920,884	3,074
\$25,000,000 under \$50,000,000	251	3,350,532	251	3,813,271	83	2,303,030	2,212,961	1,352,610	1,345,701	2,619
\$50,000,000 under \$100,000,000	118	1,087,060	120	3,770,278	29	2,221,185	2,039,892	982,140	978,959	2,847
\$100,000,000 or more	137	11,725,086	138	30,523,826	26	29,013,752	28,632,469	13,764,984	13,743,422	2,027
Without income taxed at normal tax and surtax rates but with alternative tax on long-term capital gain	782	339,875	796	376,874	(*)	(*)	(*)	(*)	(*)	(*)
Without normal tax, surtax, and alternative tax total	1,207	39,531	1,207	39,531	—	—	—	—	—	—
With additional tax for tax preferences	284	37,837	284	37,837	—	—	—	—	—	—
With only tax from recomputing prior year investment credit	1,111	1,685	1,011	1,685	—	—	—	—	—	—
With only tax from recomputing prior year work incentive (WIN) credit	(*)	(*)	(*)	(*)	—	—	—	—	—	—
With tax from recomputing prior year investment and work incentive (WIN) credits	(*)	(*)	(*)	(*)	—	—	—	—	—	—
Nontaxable	—	—	—	—	—	—	—	—	—	—
Returns without net income, total	15,428	35,416	15,428	35,416	24	-45,582	2,533	1,137	1,137	—
With normal tax, surtax, and alternative tax	22	991	24	991	24	-45,582	2,533	1,137	1,137	—
Without normal tax, surtax, and alternative tax	419	1,384	419	13,829	—	—	—	—	—	—
With additional tax for tax preferences	419	1,384	419	13,829	—	—	—	—	—	—
With only tax from recomputing prior year investment credit	14,944	20,581	14,944	20,581	—	—	—	—	—	—
With only tax from recomputing prior year work incentive (WIN) credit	39	4	39	4	—	—	—	—	—	—
With tax from recomputing prior year investment and work incentive (WIN) credits	4	11	4	11	—	—	—	—	—	—
Nontaxable	—	—	—	—	—	—	—	—	—	—
Size of deficit										
Under \$5,000	4,550	2,050	4,550	2,050	5	-7	94	32	32	—
\$5,000 under \$15,000	3,520	1,507	3,520	1,507	4	-34	685	270	270	—
\$15,000 under \$25,000	1,415	1,277	1,415	1,277	(*)	(*)	(*)	(*)	(*)	—
\$25,000 under \$50,000	1,818	1,516	1,818	1,516	(*)	(*)	(*)	(*)	(*)	—
\$50,000 under \$100,000	1,405	1,404	1,405	1,404	(*)	(*)	(*)	(*)	(*)	—
\$100,000 under \$5,10,000	1,861	5,417	1,863	5,417	4	-1,038	239	114	114	—
\$5,000 under \$10,000,000	302	2,698	302	2,698	(*)	(*)	(*)	(*)	(*)	—
\$10,000,000 under \$10,000,000	489	11,895	489	11,895	(*)	(*)	(*)	(*)	(*)	—
\$10,000,000 or more	82	2,52	82	2,52	(*)	(*)	(*)	(*)	(*)	—

Footnotes at end of table. See also "Surtax on long-term capital gain" and "Alternative tax on long-term capital gain" in Table 11.

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 12.—Income Subject to Tax: Number of Returns, Net Long-Term Capital Gain, Net Income, Income Subject to Tax, Income Tax, Foreign Tax, Investment, and Work Incentive (WIN) Credits, by Size of Income Taxed at Normal Tax and Surtax Rates, or Size of Deficit—Continued

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

Income and tax status and size of income taxed at normal tax and surtax rates or size of deficit	Returns with regular tax—Continued							Returns with alternative tax				
	Income tax—Continued		Foreign tax credit	Investment credit	Work incentive (WIN) credit	Total income tax after credits	Number of returns	Net income or deficit	Income subject to tax			
	Tax from recomputing prior year work incentive (WIN) credit	Additional tax for tax preferences							Net long term capital gain taxed at alternative rates		Income taxed at normal tax and surtax rates	
			Total	Amount taxed at 25 percent rate	(39)	(40)	(41)					
(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)		
Total returns of active corporations other than Forms 1120S and 1120-DISC	123	63,491	12,472,165	1,288,519	3,898	19,107,854	33,825	76,454,915	5,222,122	187,960	65,530,330	
Returns with net income, total	123	63,491	12,472,165	1,288,373	3,898	19,106,863	33,824	76,458,623	5,222,122	187,960	65,530,324	
With normal tax, surtax, and alternative tax total	123	63,491	12,472,165	1,288,373	3,898	19,106,863	33,824	76,458,623	5,222,122	187,960	65,530,324	
With income taxed at normal tax and surtax rates total	121	63,491	12,472,165	1,288,373	3,898	19,106,761	33,025	75,069,316	3,820,364	181,988	65,530,324	
Under \$5,000	—	44	161	15,721	(*)	89,703	378	42,944	38,320	(*)	2,220	
\$5,000 under \$10,000	(*)	302	235	29,176	311	159,923	1,110	54,827	43,482	(*)	8,224	
\$10,000 under \$15,000	(*)	122	38	28,480	(*)	190,560	896	49,265	32,021	(*)	10,714	
\$15,000 under \$20,000	(*)	112	71	31,109	209	198,136	723	44,278	26,959	(*)	12,173	
\$20,000 under \$25,000	(*)	84	125	44,463	308	254,878	1,483	70,979	27,160	(*)	33,143	
\$25,000	(*)	73	(*)	9,882	(*)	57,723	481	23,188	6,354	(*)	12,025	
\$26,000 under \$30,000	(*)	274	101	22,919	(*)	152,206	1,364	72,360	30,763	(*)	37,997	
\$30,000 under \$35,000	(*)	155	(*)	24,504	(*)	165,952	1,915	115,400	47,284	644	60,643	
\$35,000 under \$40,000	(*)	632	342	17,338	(*)	160,326	1,141	82,613	25,707	(*)	49,752	
\$40,000 under \$45,000	(*)	182	197	14,411	(*)	166,652	1,114	69,169	16,124	(*)	47,945	
\$45,000 under \$50,000	(*)	134	(*)	16,481	(*)	144,322	1,269	76,416	16,243	(*)	59,199	
\$50,000 under \$60,000	(*)	876	288	26,621	(*)	280,490	1,572	122,438	25,980	703	85,305	
\$60,000 under \$70,000	(*)	219	411	24,327	(*)	263,314	1,271	117,457	25,176	414	81,961	
\$70,000 under \$80,000	(*)	215	440	22,854	(*)	253,691	1,148	116,367	23,138	1,157	85,207	
\$80,000 under \$90,000	(*)	397	294	18,729	(*)	227,204	1,370	167,994	40,878	720	114,946	
\$90,000 under \$100,000	(*)	269	182	16,236	(*)	218,908	755	90,080	13,121	213	71,807	
\$100,000 under \$150,000	(*)	1,801	896	53,483	236	862,407	1,309	431,376	59,126	2,849	403,961	
\$150,000 under \$200,000	(*)	2,184	5,055	37,107	1,221	731,106	1,854	304,421	41,042	705	319,474	
\$200,000 under \$250,000	(*)	1,703	1,146	28,371	149	606,520	1,321	344,070	37,494	2,102	295,016	
\$250,000 under \$500,000	(*)	5,741	11,215	46,050	319	1,868,941	2,481	1,254,920	132,301	4,556	1,045,572	
\$500,000 under \$1,000,000	8	5,598	10,426	81,529	247	1,919,413	1,992	1,393,138	106,448	1,354	1,188,335	
\$1,000,000 under \$5,000,000	16	4,892	93,471	171,992	911	1,613,576	1,956	4,865,325	434,676	11,826	4,161,820	
\$5,000,000 under \$10,000,000	10	1,745	42,864	67,559	147	1,255,594	1,990	3,320,026	347,435	4,152	2,753,345	
\$10,000,000 under \$25,000,000	3	5,484	101,110	134,603	335	1,708,142	1,338	6,001,997	387,088	9,383	5,382,726	
\$25,000,000 under \$50,000,000	3	287	46,036	86,712	106	1,106,192	1,168	6,233,463	295,488	20,046	5,813,055	
\$50,000,000 under \$100,000,000	—	—	—	—	—	—	—	7,311,503	660,471	10,751	6,365,253	
\$100,000,000 or more	—	5,374	209,757	75,713	107	1,111,118	112	42,147,282	880,085	93,197	37,029,206	
Without income taxed at normal tax and surtax rates, but with alternative tax on long term capital gain	—	—	—	—	—	(*)	794	1,384,307	1,401,758	5,972	—	
Without normal tax, surtax, and alternative tax total	—	—	—	—	—	—	—	—	—	—	—	
With additional tax for tax preferences	—	—	—	—	—	—	—	—	—	—	—	
With only tax from recomputing prior year investment credit	—	—	—	—	—	—	—	—	—	—	—	
With only tax from recomputing prior year work incentive (WIN) credit	—	—	—	—	—	—	—	—	—	—	—	
With tax from recomputing prior year investment and work incentive (WIN) credits	—	—	—	—	—	—	—	—	—	—	—	
Nontaxable	—	—	—	—	—	—	—	—	—	—	—	
Returns without net income, total	—	—	—	146	—	991	(*)	(*)	(*)	(*)	(*)	
With normal tax, surtax, and alternative tax	—	—	—	146	—	991	(*)	(*)	(*)	(*)	(*)	
Without normal tax, surtax, and alternative tax	—	—	—	—	—	—	—	—	—	—	—	
With additional tax for tax preferences	—	—	—	—	—	—	—	—	—	—	—	
With only tax from recomputing prior year investment credit	—	—	—	—	—	—	—	—	—	—	—	
With only tax from recomputing prior year work incentive (WIN) credit	—	—	—	—	—	—	—	—	—	—	—	
With tax from recomputing prior year investment and work incentive (WIN) credits	—	—	—	—	—	—	—	—	—	—	—	
Nontaxable	—	—	—	—	—	—	—	—	—	—	—	
Size of deficit	—	—	—	—	—	—	—	—	—	—	—	
Under \$5,000	—	—	—	—	—	32	—	—	—	—	—	
\$5,000 under \$15,000	—	—	—	—	—	269	—	—	—	—	—	
\$15,000 under \$25,000	—	—	—	—	—	—	—	—	—	—	—	
\$25,000 under \$50,000	—	—	—	—	—	—	—	—	—	—	—	
\$50,000 under \$100,000	—	—	—	—	—	—	—	—	—	—	—	
\$100,000 under \$500,000	—	—	—	—	—	60	—	—	—	—	—	
\$500,000 under \$1,000,000	—	—	—	—	—	—	—	—	—	—	—	
\$1,000,000 under \$10,000,000	—	—	—	—	50	—	—	—	—	—	—	
\$10,000,000 or more	—	—	—	—	—	—	—	—	—	—	(*)	

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 12.—Income Subject to Tax: Number of Returns, Net Long-Term Capital Gain, Net Income, Income Subject to Tax, Income Tax, Foreign Tax, Investment, and Work Incentive (WIN) Credits, by Size of Income Taxed at Normal Tax and Surtax Rates, or Size of Deficit—Continued

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

Income and tax status and size of income taxed at normal tax and surtax rates, or size of deficit	Returns with alternative tax—Continued										
	Income tax					Foreign tax credit	Investment credit	Work incentive (WIN) credit	Total income tax after credits	Long-term capital gain from certain binding contracts and installment sales	
	Total	Normal tax surtax and alternative tax	Tax from recomputing prior year investment credit	Tax from recomputing prior year work incentive (WIN) credit	Additional tax for tax preferences					Number of returns	Amount
	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)
Total returns of active corporations, other than Forms 1120S and 1120-DISC	33,162,029	32,819,177	108,481	286	234,085	8,280,654	2,932,865	3,897	21,944,613	1,463	227,382
Returns with net income, total	33,162,028	32,819,176	108,481	286	234,085	8,280,654	2,932,864	3,897	21,944,613	1,463	227,382
With normal tax, surtax, and alternative tax total	33,162,028	32,819,176	108,481	286	234,085	8,280,654	2,932,864	3,897	21,944,613	1,463	227,382
With income taxed at normal tax and surtax rates, total	32,727,830	32,399,004	106,145	283	232,398	8,243,655	2,875,508	3,827	21,604,840	1,436	221,362
Under \$5,000	12,607	12,108	330	—	(*)	(*)	809	—	11,735	(*)	(*)
\$5,000 under \$10,000	15,075	14,977	56	—	(*)	(*)	688	(*)	14,386	(*)	(*)
\$10,000 under \$15,000	12,775	12,665	51	—	(*)	(*)	527	(*)	12,248	(*)	(*)
\$15,000 under \$20,000	11,732	11,541	121	—	(*)	(*)	858	(*)	10,874	(*)	(*)
\$20,000 under \$25,000	17,151	16,901	179	—	(*)	(*)	2,216	(*)	14,822	(*)	(*)
\$25,000	5,273	4,753	472	—	(*)	(*)	1,325	(*)	3,752	(*)	(*)
\$26,000 under \$30,000	19,542	18,893	349	(*)	300	(*)	2,574	(*)	16,865	(*)	(*)
\$30,000 under \$35,000	32,190	31,787	213	—	(*)	(*)	3,317	(*)	28,712	95	644
\$35,000 under \$40,000	22,926	22,644	243	—	(*)	148	3,809	(*)	18,951	(*)	(*)
\$40,000 under \$45,000	20,855	20,495	115	—	(*)	(*)	2,910	(*)	17,925	(*)	(*)
\$45,000 under \$50,000	25,271	24,635	361	(*)	275	(*)	4,019	(*)	21,110	(*)	(*)
\$50,000 under \$60,000	38,952	38,511	381	(*)	60	203	4,493	—	34,256	108	712
\$60,000 under \$70,000	38,814	38,221	282	—	311	(*)	4,919	(*)	33,859	31	414
\$70,000 under \$80,000	40,668	40,121	346	—	201	(*)	4,743	(*)	35,692	34	1,585
\$80,000 under \$90,000	59,178	58,318	221	—	639	(*)	4,530	(*)	54,570	63	720
\$90,000 under \$100,000	34,088	33,723	119	(*)	246	(*)	3,165	—	30,812	31	213
\$100,000 under \$150,000	192,603	190,380	1,564	(*)	656	287	16,988	36	175,282	101	3,236
\$150,000 under \$200,000	154,750	153,556	478	(*)	716	970	9,546	(*)	144,223	56	705
\$200,000 under \$250,000	145,033	144,131	342	(*)	559	293	8,111	(*)	136,616	32	2,156
\$250,000 under \$500,000	527,631	522,244	2,158	(*)	3,229	3,964	33,158	40	499,469	64	4,879
\$500,000 under \$1,000,000	594,003	591,265	2,758	(*)	4,972	6,995	19,188	86	552,734	56	1,516
\$1,000,000 under \$5,000,000	2,136,212	2,115,097	7,559	9	13,547	85,344	167,217	342	1,883,309	114	49,043
\$5,000,000 under \$10,000,000	1,435,729	1,423,004	5,209	6	7,510	116,975	157,601	382	1,160,771	33	4,356
\$10,000,000 under \$25,000,000	2,700,304	2,697,203	7,933	4	15,164	265,499	286,222	386	2,168,217	40	9,414
\$25,000,000 under \$50,000,000	2,893,835	2,876,833	11,350	29	5,623	316,703	352,319	478	2,164,335	20	20,360
\$50,000,000 under \$100,000,000	3,282,192	3,252,323	13,752	10	16,107	473,441	421,928	346	2,386,477	20	10,751
\$100,000,000 or more	18,233,431	18,032,675	49,203	213	151,340	6,891,771	1,354,328	1,564	9,981,768	35	93,197
Without income taxed at normal tax and surtax rates, but with alternative tax on long-term capital gain	434,198	420,172	2,336	(*)	11,687	36,999	57,356	70	339,773	27	6,020
Without normal tax, surtax, and alternative tax total	—	—	—	—	—	—	—	—	—	—	—
With additional tax for tax preferences	—	—	—	—	—	—	—	—	—	—	—
With only tax from recomputing prior year investment credit	—	—	—	—	—	—	—	—	—	—	—
With only tax from recomputing prior year work incentive (WIN) credit	—	—	—	—	—	—	—	—	—	—	—
With tax from recomputing prior year investment and work incentive (WIN) credits	—	—	—	—	—	—	—	—	—	—	—
Nontaxable	—	—	—	—	—	—	—	—	—	—	—
Returns without net income, total	(*)	(*)	—	—	—	—	(*)	—	—	—	—
With normal tax, surtax, and alternative tax	(*)	(*)	—	—	—	—	(*)	—	—	—	—
Without normal tax, surtax, and alternative tax	—	—	—	—	—	—	—	—	—	—	—
With additional tax for tax preferences	—	—	—	—	—	—	—	—	—	—	—
With only tax from recomputing prior year investment credit	—	—	—	—	—	—	—	—	—	—	—
With only tax from recomputing prior year work incentive (WIN) credit	—	—	—	—	—	—	—	—	—	—	—
With tax from recomputing prior year investment and work incentive (WIN) credits	—	—	—	—	—	—	—	—	—	—	—
Nontaxable	—	—	—	—	—	—	—	—	—	—	—
Size of deficit	—	—	—	—	—	—	—	—	—	—	—
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 \$500,000	—	—	—	—	—	—	—	—	—	—	—
\$500,000 under \$1,000,000	—	—	—	—	—	—	—	—	—	—	—
\$1,000,000 under \$10,000,000	(*)	(*)	—	—	—	—	(*)	—	—	—	—
\$10,000,000 or more	—	—	—	—	—	—	—	—	—	—	—

(*) Estimate is not shown separately because of the small number of sample returns on which it was based. However, the data are included in the appropriate totals. Includes returns with income taxed at alternative rates, and a few returns of mutual savings banks, regulated investment companies, or real estate investment trust not eligible for alternative tax, but with capital gain taxed at alternative rates under special provisions of the Internal Revenue Code. NOTE: Credits include foreign tax, investment, and work incentive (WIN) credits. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 13.—Number of Returns, Selected Receipts, Net Income, Statutory Special Deductions, Income Subject to Tax, Income Tax, Credits, Tax Payments, Tax Due or Overpayment, Selected Tax Preference and Investment Credit Items, by Size of Income Tax After 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 alternative tax after credits	Investment credit		Work incentive (WIN) credit		Normal tax surtax, and alternative tax after credits	Total income tax after credits	Total net taxpayments	Taxpayments			
	Number of returns	Amount	Number of returns	Amount				Estimated tax payments		1974 overpayments claimed as a credit	
								Number of returns	Amount	Number of returns	Amount
	(21)	(22)	(23)	(24)				(25)	(26)	(27)	(28)
Total Active Corporation Returns Other Than Forms 1120S and 1120-DISC											
Total	533 947	4 221 384	4 229	7 795	40 600 122	41 126 423	38 128 198	481 744	27 906 050	102 220	1 290 295
Returns with net income total	533 937	4 221 237	4 229	7 795	40 599 131	41 091 007	37 885 212	431 312	27 693 369	85 625	1 201 175
With normal tax surtax and alternative tax before credits total	533 937	4 221 237	4 229	7 795	40 599 131	41 051 476	37 827 932	428 467	27 674 795	84 139	1 194 249
Without normal tax surtax and alternative tax after credits total	439 000	4 100 440	1 979	7 450	40 599 131	40 986 288	37 654 317	402 810	27 572 077	77 640	1 171 653
Under \$5 000	26 2 152	135 999	1 505	1 019	878 841	884 397	569 665	216 781	488 092	38 506	57 635
\$6 000 under \$10 000	34 701	45 366	158	139	348 465	350 445	259 611	34 589	227 598	6 747	24 358
\$10 000 under \$15 000	25 095	41 469	292	225	420 750	422 958	325 930	28 540	282 792	5 749	27 231
\$15 000 under \$20 000	16 578	30 717	86	104	377 855	380 357	274 880	18 863	247 170	3 920	20 764
\$20 000 under \$25 000	12 236	28 297	76	144	312 333	334 677	247 284	12 789	221 491	2 671	16 631
\$25 000 under \$50 000	32 540	86 042	235	241	1 251 261	1 358 241	1 076 474	34 498	949 417	7 043	57 698
\$50 000 under \$75 000	15 278	57 880	136	136	1 058 916	1 063 980	829 491	15 312	731 077	3 497	46 252
\$75 000 under \$100 000	8 668	45 344	124	141	847 294	854 474	664 645	8 939	581 758	1 842	32 153
\$100 000 under \$150 000	18 076	150 500	409	530	3 002 597	3 022 063	2 390 427	18 268	2 043 892	4 046	107 987
\$250 000 under \$500 000	6 846	128 773	202	310	2 401 721	2 420 710	1 966 164	6 617	1 631 765	1 516	63 541
\$500 000 under \$1 000 000	3 359	148 884	184	262	2 420 308	2 441 652	2 061 255	3 336	1 668 365	852	72 291
\$1 000 000 under \$10 000 000	3 181	938 665	368	1 826	8 834 147	8 921 653	8 269 432	3 133	6 098 518	1 019	272 500
\$10 000 000 under \$50 000 000	415	1 155 803	144	870	8 606 537	8 727 639	8 758 210	410	5 322 059	193	226 538
\$50 000 000 under \$100 000 000	46	288 642	23	236	3 170 802	3 206 240	3 224 466	46	2 035 637	25	45 285
\$100 000 000 or more	29	816 058	18	1 167	6 547 404	6 596 862	6 733 882	29	4 434 446	14	94 783
Without normal tax surtax and alternative after tax credits	94 937	120 797	250	345	—	65 188	173 615	25 657	102 718	6 499	22 646
Without normal tax surtax and alternative tax before credits	—	—	—	—	—	19 531	57 280	3 445	18 574	1 486	6 876
Returns without net income	10	147	—	—	991	35 416	242 986	49 832	212 681	16 595	89 120
Returns With Additional Tax for Tax Preferences											
Total	1 542	644 424	75	404	2 789 120	3 150 051	3 229 048	3 534	1 621 525	735	48 048
Returns with net income total	1 542	644 424	75	404	2 789 120	3 136 222	3 206 714	3 368	1 608 439	675	43 409
With normal tax surtax and alternative tax before credits	1 542	644 424	75	404	2 789 120	3 098 985	3 169 294	3 327	1 604 104	661	43 272
Without normal tax surtax and alternative tax before credits	—	—	—	—	—	37 837	37 420	41	4 335	14	137
Returns without net income	—	—	—	—	—	13 829	22 334	166	13 086	60	4 639

Type of return, size of normal tax, surtax, and alternative tax after credits	Taxpayments—Continued								Tax due at time of filing	Tax overpayment
	Estimated tax payments—Continued				Credit for tax on special fuels, non-highway gasoline, and lubricating oil	Credit for tax paid by regulated investment companies	Payments with applications for—			
	1974 estimated tax payments		Less: Refund of estimated tax payments				First extension of filing time	Second extension of filing time		
	Number of returns	Amount	Number of returns	Amount						
(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	
Total Active Corporation Returns Other Than Forms 1120S and 1120-DISC										
Total	439 146	27 944 938	10 219	1 329 425	36 602	1 583	6 272 598	3 911 365	5 719 966	2 737 698
Returns with net income total	398 022	27 449 132	5 816	957 111	31 661	1 418	6 252 850	3 905 914	5 706 809	2 517 620
With normal tax surtax and alternative tax before credits total	495 877	27 400 058	5 669	919 744	30 095	1 395	6 231 694	3 890 013	5 702 242	2 495 507
Without normal tax surtax and alternative tax after credits total	373 858	27 264 847	4 952	864 499	28 427	1 332	6 190 022	3 862 459	5 696 538	2 384 947
Under \$6 000	196 375	454 252	1 267	24 318	915	30	75 239	5 489	494 040	195 409
\$6 000 under \$10 000	32 396	214 647	592	113 360	758	(*)	28 043	3 140	164 508	73 549
\$10 000 under \$15 000	26 862	271 119	445	15 241	344	(*)	38 228	4 561	172 048	74 627
\$15 000 under \$20 000	17 902	239 224	306	12 818	183	(*)	29 226	3 061	155 303	54 294
\$20 000 under \$25 000	12 055	212 700	209	7 927	254	(*)	22 308	3 215	127 882	39 927
\$25 000 under \$50 000	32 992	929 835	640	38 035	568	(*)	111 886	14 588	437 912	155 471
\$50 000 under \$75 000	15 359	712 023	291	27 182	738	(*)	82 420	12 707	329 937	86 145
\$75 000 under \$100 000	8 758	571 106	188	19 530	857	(*)	66 577	13 194	256 028	65 682
\$100 000 under \$250 000	17 816	2 028 432	466	86 467	1 500	271	279 015	59 749	820 524	186 852
\$250 000 under \$500 000	6 482	1 638 943	185	76 674	1 489	(*)	260 253	72 594	588 365	133 246
\$500 000 under \$1 000 000	3 285	1 670 462	14	74 381	1 095	(*)	293 674	98 000	514 935	134 312
\$1 000 000 under \$10 000 000	3 093	6 105 689	163	279 883	7 190	177	1 424 448	739 039	1 181 630	529 262
\$10 000 000 under \$50 000 000	408	5 844 734	31	149 118	8 501	12	1 565 216	1 262 322	251 676	393 165
\$50 000 000 under \$100 000 000	46	2 015 417	3	41 765	1 550	—	654 723	532 556	75 809	94 032
\$100 000 000 or more	29	4 356 364	—	—	2 584	—	1 258 688	1 028 184	31 941	168 964
Without normal tax surtax and alternative tax after credits	22 019	135 211	716	55 250	1 668	1	41 672	27 554	5 704	110 560
Without normal tax surtax and alternative tax before credits	2 145	49 073	147	37 362	1 566	(*)	21 156	15 901	4 567	22 113
Returns without net income	41 124	395 806	4 403	372 314	4 941	—	19 748	5 451	13 151	220 078
Returns With Additional Tax for Tax Preferences										
Total	3 450	1 631 426	187	62 933	5 803	(*)	862 000	739 714	131 854	210 672
Returns with net income total	3 281	1 613 869	136	48 819	5 413	(*)	856 414	736 442	127 417	197 764
With normal tax surtax and alternative tax before credits	3 248	1 608 427	131	47 645	4 806	(*)	838 816	721 760	124 021	194 770
Without normal tax surtax and alternative tax before credits	33	5 172	(*)	(*)	607	—	17,796	14 682	3 396	2 994
Returns without net income	169	22 557	51	14 114	390	—	5 586	3 272	4 437	12 908

Footnotes at end of table. See Text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS OTHER THAN FORMS 1120S AND 1120-DISC

Table 13.—Number of Returns, Selected Receipts, Net Income, Statutory Special Deductions, Income Subject to Tax, Income Tax, Credits, Taxpayments, Tax Due or Overpayment, Selected Tax Preference and Investment Credit Items, by Size of Income Tax After 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 alternative tax after credits	Tax preference items					Investment credit items				
	Total items of tax preference		Tentative additional tax for tax preferences	Deferred additional tax for tax preferences	Additional tax for tax preferences deferred from prior years	Total cost of properly used for investment credit	Investment qualified for credit	Tentative investment credit	Investment credit carryover	Unused investment credit
	Before exclusion and income tax used as an offset	After exclusion and income tax used as an offset								
	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)
Total Active Corporation Returns Other Than Forms 1120S and 1120-DISC										
Total	10 185 217	3 547 752	354 840	22 394	14 498	96 620 019	86 572 770	5 365 919	3 519 323	4 663 709
Returns with net income total	9 693 232	3 234 466	323 342	2 556	14 409	80 724 965	72 392 453	4 516 411	2 523 443	2 818 469
With normal tax surtax and alternative tax before credits total	9 498 712	2 868 725	286 545	(*)	11 101	7 351 392	69 393 540	4 322 739	1 709 617	1 810 971
With normal tax surtax and alternative tax after credits total	8 678 652	2 402 181	270 142	(*)	10 704	71 906 722	64 725 811	4 000 037	1 412 713	1 312 241
Under \$5 000	38 824	6 074	576	(*)	(*)	2 842 167	1 922 381	117 249	32 748	13 983
\$5 000 under \$10 000	25 575	3 338	318	(*)	(*)	8 12 719	543 727	43 935	10 431	8 957
\$10 000 under \$15 000	32 239	1 567	448	(*)	(*)	7 27 130	579 410	39 663	10 289	8 442
\$15 000 under \$20 000	47 858	11 390	1 157	(*)	(*)	5 22 424	411 723	28 503	7 617	5 401
\$20 000 under \$25 000	33 612	5 878	581	(*)	(*)	4 95 140	363 396	25 292	6 310	3 301
\$25 000 under \$50 000	143 386	28 759	2 881	(*)	219	1 548 070	1 241 109	86 448	19 370	17 757
\$50 000 under \$75 000	117 361	24 124	2 459	(*)	(*)	1 081 190	864 065	60 431	10 092	12 640
\$75 000 under \$100 000	124 214	42 752	4 213	(*)	(*)	1 084 637	914 305	61 753	22 073	38 478
\$100 000 under \$250 000	336 715	111 534	11 148	(*)	(*)	3 479 643	2 944 296	189 512	66 155	105 161
\$250 000 under \$500 000	355 001	104 716	10 163	(*)	1 034	3 751 779	3 036 882	209 287	42 272	122 784
\$500 000 under \$1 000 000	397 880	147 612	14 761	(*)	(*)	2 740 245	2 440 060	163 486	41 961	56 556
\$1 000 000 under \$10 000 000	1 541 603	464 843	46 484	(*)	5 768	17 509 741	15 877 954	979 241	406 692	447 263
\$10 000 000 under \$50 000 000	2 537 412	862 306	86 238	(*)	(*)	15 875 317	14 840 658	967 590	659 654	471 440
\$50 000 000 under \$100 000 000	894 976	280 976	28 032	(*)	(*)	3 627 062	3 371 302	229 203	59 437	(*)
\$100 000 000 or more	1 981 942	203 644	20 369	(*)	(*)	16 047 479	15 266 301	798 436	17 612	(*)
Without normal tax surtax and alternative tax after credits	620 060	564 514	56 451	(*)	(*)	5 444 670	4 667 669	322 702	296 904	498 730
Without normal tax surtax and alternative tax before credits	394 520	367 741	37 749	2 438	3 108	3 373 573	2 998 913	193 672	813 826	1 007 498
Returns without net income	491 985	313 296	31 301	19 841	(*)	15 597 054	14 180 317	849 506	995 880	1 845 240
Returns With Additional Tax for Tax Preferences										
Total	6 268 727	3 364 781	336 370	4 126	14 498	12 311 251	11 528 086	769 941	1 072 584	1 198 072
Returns with net income total	6 086 211	3 215 117	321 425	(*)	14 409	10 814 650	10 243 459	693 676	1 047 132	1 096 355
With normal tax surtax and alternative tax before credits	5 726 717	2 865 508	289 475	(*)	11 101	9 714 965	9 258 851	639 764	870 643	865 954
Without normal tax surtax and alternative tax before credits	359 494	349 599	34 950	(*)	3 308	1 014 785	984 608	53 912	176 489	230 401
Returns without net income	182 516	149 664	14 945	3 487	(*)	1 502 601	1 284 627	76 265	25 452	101 717

(*) Estimate is not shown separately because of the small number of sample returns on which it was based. However, the data are included in the appropriate totals.

* Excludes returns with only tax from recomputing prior year investment credit tax from recomputing prior year work incentive (WIN) credit and/or additional tax for tax preferences.

† Includes returns with only tax from recomputing prior year investment credit tax from recomputing prior year work incentive (WIN) credit and/or additional tax for tax preferences.

NOTE: Credits include foreign tax investment and work incentive (WIN) credits. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS

Table 14.—Taxpayments: Number of Returns, Net Income, Special Deductions, Income Tax, Credits, Taxpayments, Tax Due or Overpayment, by Taxpayment Status, by Size of Total Tax After Credits—Continued

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

Type of returns, size of total tax after credits	Income tax before credits								Foreign tax credit		
	Total	Normal tax surtax, and alternative tax		Tax from recomputing prior year investment credit		Tax from recomputing prior year work incentive (WIN) credit		Additional tax for tax preferences		Number of returns	Amount
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Total active corporation returns	66 112 989	871 859	65 586 637	96 387	179 121	438	446	4 575	346 785	6 960	20 752 819
Returns with tax due at time of filing, 1974	41 106 471	871 859	65 586 637	96 387	179 121	438	446	4 575	346 785	6 960	20 752 819
With total tax after credits, total	21 484 476	622 665	21 321 764	6 636	63 284	236	266	2 664	84 057	3 666	1 391 054
Under \$6 000	8 147 111	41 298	744 872	45 174	4 141	48	12	436	744	1 740	6 205
\$6 000 under \$10 000	300 762	16 291	206 860	4 688	2 871	(*)	(*)	104	461	76	6 060
\$10 000 under \$15 000	337 444	24 627	236 747	5 194	2 774	(*)	(*)	79	578	124	1 829
\$15 000 under \$20 000	300 282	19 691	300 842	2 311	2 309	(*)	(*)	68	528	87	1 111
\$20 000 under \$25 000	265 271	11 197	263 526	2 707	1 207	(*)	(*)	87	539	(*)	(*)
\$25 000 under \$50 000	1 034 678	27 810	1 039 005	5 106	3 114	(*)	(*)	501	2 556	205	20 607
\$50 000 under \$75 000	812 441	12 784	814 252	2 426	2 904	(*)	(*)	292	2 815	92	5 915
\$75 000 under \$100 000	646 141	7 754	642 141	2 434	2 817	(*)	(*)	193	2 466	117	6 083
\$100 000 under \$250 000	1 361 888	11 014	2 264 068	4 200	7 652	(*)	(*)	464	7 608	266	34 602
\$250 000 under \$500 000	1 765 215	4 892	1 754 424	1 462	1 867	(*)	(*)	81	6 911	202	10 785
\$500 000 under \$1 000 000	1 674 448	2 272	1 665 802	1 206	2 467	(*)	(*)	83	6 145	186	12 071
\$1 000 000 under \$10 000 000	1 211 817	1 843	5 219 802	1 242	11 727	(*)	(*)	75	20 679	409	437 703
\$10 000 000 under \$50 000 000	2 902 989	129	2 919 102	106	6 791	(*)	(*)	9	21 363	79	191 282
\$50 000 000 under \$100 000 000	1 603 924	19	1 337 174	12	2 031	(*)	(*)	(*)	(*)	10	267 424
\$100 000 000 or more	1 887 136	—	1 845 776	12	4 216	(*)	(*)	(*)	(*)	7	790 739
Without total tax after credits, total	—	—	—	—	—	—	—	—	—	—	—
With net income	—	—	—	—	—	—	—	—	—	—	—
Without net income	—	—	—	—	—	—	—	—	—	—	—
Returns with overpayment or with equal tax and payments, 1974	44 421 077	146 476	44 391 121	1 711	115 812	202	190	2 098	262 677	3 071	19 245 933
With total tax after credits, total	44 396 746	146 476	44 114 102	1 711	115 812	202	190	2 098	262 677	2 713	19 194 710
Under \$6 000	2 011 805	1 768	259 002	7 671	3 499	48	15	254	307	426	16 641
\$6 000 under \$10 000	1 261 112	12 049	525 007	1 999	5 211	(*)	(*)	56	292	58	18 370
\$10 000 under \$15 000	1 111 867	19 746	152 431	1 910	1 290	(*)	(*)	50	233	56	7 610
\$15 000 under \$20 000	1 121 111	5 827	114 428	938	666	(*)	(*)	124	514	153	3 669
\$20 000 under \$25 000	1 192 002	1 436	177 244	923	611	(*)	(*)	90	227	32	11 555
\$25 000 under \$50 000	4 060 930	11 357	432 978	1 526	1 562	(*)	(*)	335	1 390	167	8 434
\$50 000 under \$75 000	3 111 814	4 845	3 011 397	1 093	1 213	(*)	(*)	225	2 165	93	23 969
\$75 000 under \$100 000	2 774 471	2 779	2 711 369	703	1 154	(*)	(*)	169	1 450	68	16 996
\$100 000 under \$250 000	1 122 677	1 466	997 283	1 845	4 477	(*)	(*)	354	4 610	463	75 316
\$250 000 under \$500 000	1 521 018	1 76	810 436	821	1 467	(*)	(*)	175	7 076	27	31 876
\$500 000 under \$1 000 000	1 195 768	2 034	1 143 298	647	5 128	(*)	(*)	88	9 054	60	11 011 860
\$1 000 000 under \$10 000 000	8 161 077	3 11	5 362 428	467	24 975	(*)	(*)	86	27 111	671	1 224 454
\$10 000 000 under \$50 000 000	1 217 174	283	1 091 939	261	26 167	(*)	(*)	24	11 326	11	3 355 547
\$50 000 000 under \$100 000 000	1 072 274	76	1 946 354	36	6 777	(*)	(*)	(*)	(*)	23	3 288 540
\$100 000 000 or more	8 817 771	22	8 472 673	21	27 775	(*)	(*)	(*)	(*)	23	2 163 041
Without total tax after credits, total	40 214	22 426	40 219	—	—	—	—	—	—	160	46 223
With net income	40 214	22 426	40 219	—	—	—	—	—	—	160	46 223
Without net income	—	(*)	—	—	—	—	—	—	—	—	—
Returns with neither tax after credits nor tax payments, total	176 772	1 711	177 717	—	—	—	—	—	—	12	115 232
With net income	176 772	1 711	177 717	—	—	—	—	—	—	12	115 232
Without net income	—	—	—	—	—	—	—	—	—	—	—
Returns with no tax after credits, with estimated tax payments equal to tax refund and no other taxes	1 196	—	—	—	—	—	—	—	—	(*)	(*)
Returns showing total tax after credits, tax payments, 1974	1 196	—	—	47	1 149	—	64	147	10 840	421	671 975
With total tax after credits plus 1974 estimated tax payments, total	1 196	—	—	51	1 151	(*)	(*)	37	5 212	29	247 854
Without total tax after credits	—	—	—	54	4 937	(*)	(*)	37	5 212	18	247 095
With refunds not equal to 1974 overpayments claimed as a credit plus 1974 estimated tax payments, total	1 196 914	1 206	2 499 117	2 122	21 746	24	68	150	5 628	394	424 021
With total tax after credits	2 177 127	4 983	2 416 645	5 132	21 786	24	68	150	5 628	380	422 458
Without total tax after credits	2 177 127	—	—	—	—	—	—	—	—	(*)	(*)
Small Business Corporation returns, Form 112-S	3 988	314	1 517	—	—	—	—	(*)	(*)	—	—

Footnote: (a) This section of the explanation of terms and description of the sample and limitations of the data...

RETURNS OF ACTIVE CORPORATIONS

Table 14.—Taxpayments: Number of Returns, Net Income, Special Deductions, Income Tax, Credits, Taxpayments, Tax Due or Overpayment, by Taxpayment Status, by Size of Total Tax After Credits—Continued

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

Table with 14 columns: Type of returns, size of total tax after credits; Investment credit (Number of returns, Amount); Work incentive (WIN) credit (Number of returns, Amount); Income tax after credits (Total, Normal tax, surtax, and alternative tax); Personal Holding Company tax; Taxpayments (Total net tax payments, Net total, 1973 overpayments claimed as a credit).

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data

RETURNS OF ACTIVE CORPORATIONS

Table 14.—Taxpayments: Number of Returns, Net Income, Special Deductions, Income Tax, Credits, Taxpayments, Tax Due or Overpayments, by Taxpayment Status, by Size of Total Tax After Credits—Continued

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

Table with 14 columns: Type of returns, size of total tax after credits; Estimated tax payments—Continued; Credit for tax on special fuels, nonhighway gasoline, and lubricating oil; Credit for tax paid by regulated investment companies; Payments with applications for extension of filing time. Rows include Total returns of active corporation, Returns over/under \$6,000, \$10,000, \$15,000, \$20,000, \$25,000, \$50,000, \$100,000, etc.

Footnotes at end of table. See text for Explanation of terms and Description of the Sample and Limitations of the Data

RETURNS OF ACTIVE CORPORATIONS

Table 14.—Taxpayments: Number of Returns, Net Income, Special Deductions, Income Tax, Credits, Taxpayments, Tax Due or Overpayment, by Taxpayment Status, by Size of Total Tax After Credits—Continued

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

Type of returns, size of total tax after credits	Tax due at time of filing	Tax overpayment								Returns showing equal tax and payments	
		Total		Credited to 1975 estimated tax		Refunded		Partially credited and partially refunded or not stated		Number of returns	Amount
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	
Total active corporation returns	5 723,998	239 439	2,739,856	123,372	1,236,145	76,619	785,655	39 448	718 056	20 591	825 370
Returns other than Forms 1120S and 1120 DISC total	5 719,968	233 757	2 737 698	123 372	1 236 145	76 619	785 655	33 766	715 898	20 532	824 833
Returns with tax due at time of filing total	5 719 966	—	—	—	—	—	—	—	—	—	—
With total tax after credits total	5 719 878	—	—	—	—	—	—	—	—	—	—
Under \$6 000	496 466	—	—	—	—	—	—	—	—	—	—
\$6 000 under \$10 000	167 218	—	—	—	—	—	—	—	—	—	—
\$10 000 under \$15 000	172 525	—	—	—	—	—	—	—	—	—	—
\$15 000 under \$20 000	154 895	—	—	—	—	—	—	—	—	—	—
\$20 000 under \$25 000	127 566	—	—	—	—	—	—	—	—	—	—
\$25 000 under \$50 000	437 750	—	—	—	—	—	—	—	—	—	—
\$50 000 under \$75 000	328 269	—	—	—	—	—	—	—	—	—	—
\$75 000 under \$100 000	254 229	—	—	—	—	—	—	—	—	—	—
\$100 000 under \$250 000	827 122	—	—	—	—	—	—	—	—	—	—
\$250 000 under \$500 000	586 842	—	—	—	—	—	—	—	—	—	—
\$500 000 under \$1 000 000	515 297	—	—	—	—	—	—	—	—	—	—
\$1 000 000 under \$10 000 000	1 188 002	—	—	—	—	—	—	—	—	—	—
\$10 000 000 under \$50 000 000	354 765	—	—	—	—	—	—	—	—	—	—
\$50 000 000 under \$100 000 000	76 498	—	—	—	—	—	—	—	—	—	—
\$100 000 000 or more	31 941	—	—	—	—	—	—	—	—	—	—
Without total tax after credits total	(*)	—	—	—	—	—	—	—	—	—	—
With net income	(*)	—	—	—	—	—	—	—	—	—	—
Without net income	(*)	—	—	—	—	—	—	—	—	—	—
Returns with overpayment or with equal tax and payments total	—	233 757	2 737 698	123 372	1 236 145	76 619	785 655	33 766	715 898	20 532	824 833
With total tax after credits total	—	10 073	2 497 050	91 835	1 197 098	31 923	626 828	26 315	673 124	18 952	824 807
Under \$6 000	—	93 664	260 102	54 714	66 735	22 103	74 456	16 847	118 911	13 266	23 526
\$6 000 under \$10 000	—	11 285	77 154	6 347	23 294	2 223	16 219	2 715	37 641	1 415	9 827
\$10 000 under \$15 000	—	9 338	80 354	6 353	25 343	1 167	17 024	1 816	37 942	902	9 983
\$15 000 under \$20 000	—	5 342	59 453	3 447	20 201	920	15 134	965	24 118	513	8 607
\$20 000 under \$25 000	—	3 589	45 630	2 370	14 810	583	8 111	636	22 709	364	7 873
\$25 000 under \$50 000	—	10 042	158 149	6 746	64 916	1 738	27 976	1 558	65 257	1 063	35 842
\$50 000 under \$75 000	—	4 273	87 702	2 925	40 939	797	17 971	551	28 792	386	23 839
\$75 000 under \$100 000	—	2 483	63 377	1 745	29 097	392	12 036	346	22 244	299	25 282
\$100 000 under \$250 000	—	5 248	194 875	3 795	94 518	927	47 610	526	52 747	434	64 131
\$250 000 under \$500 000	—	1 959	136 476	1 406	71 243	397	31 521	156	33 706	137	47 969
\$500 000 under \$1 000 000	—	1 168	135 326	838	74 790	255	35 643	75	24 893	69	47 512
\$1 000 000 under \$10 000 000	—	1 343	530 650	916	212 992	326	186 484	101	131 174	92	246 698
\$10 000 000 under \$50 000 000	—	283	397 224	199	245 454	64	86 140	20	65 630	10	162 926
\$50 000 000 under \$100 000 000	—	34	101 609	20	64 118	13	30 534	(*)	(*)	(*)	(*)
\$100 000 000 or more	—	22	168 964	14	148 642	7	19 969	(*)	(*)	(*)	(*)
Without total tax after credits total	—	83 684	240 648	31 537	39 047	44 696	158 827	7 451	42 774	1 580	26
With net income	—	31 113	85 870	14 761	16 092	11 826	42 373	4 526	27 405	1 579	25
Without net income	—	52 571	154 778	16 776	22 955	32 870	116 454	2 925	15 369	(*)	(*)
Returns with neither tax after credits nor taxpayments total	—	—	—	—	—	—	—	—	—	—	—
With net income	—	—	—	—	—	—	—	—	—	—	—
Without net income	—	—	—	—	—	—	—	—	—	—	—
Returns with no tax after credits with estimated tax payments equal to refund and no other taxpayments	—	—	—	—	—	—	—	—	—	—	—
Returns showing refunds of estimated tax payments total	18 562	4 567	222 380	2 458	72 888	1,590	90 314	519	59 178	1 170	38 252
With refunds equal to 1973 overpayments claimed as a credit plus 1974 estimated tax payments total	7 018	182	432	40	71	323	551	(*)	(*)	35	674
With total tax after credits	7 018	121	395	31	62	81	312	(*)	(*)	35	674
Without total tax after credits	—	261	537	9	4	242	239	(*)	(*)	—	—
With refunds not equal to 1973 overpayments claimed as a credit plus 1974 estimated tax payments total	11 544	4 185	221 448	2 418	72 817	1,267	89 763	508	58 868	1 135	37 578
With total tax after credits	11 544	3 674	215 871	2 135	72 263	1 094	85 534	445	58 052	1 085	37 566
Without total tax after credits	—	511	5 577	283	532	173	4 229	55	816	(*)	(*)
Small Business Corporation returns Form 1120S	4 032	5 682	2 158	—	—	—	—	5 682	2 158	(*)	(*)

(*) Estimate is not shown separately because of the small number of sample returns on which it was based. However, the data are included in the appropriate totals.

* Less than \$500 per return.

NOTE: Credits include foreign tax investment and work incentive (WIN) credits.

See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC
Table 15.—Number of Returns, Net Income, Income Subject to Tax, Income Tax, Credits, Payments, and Tax Due and Overpayment, for Total Returns and Returns With and Without Estimated Tax Payments, by Size of Income Tax Subject to Estimated Tax Payments—Continued

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

Table with columns: Type of returns, size of income tax subject to estimated tax payments; Estimated tax payments—Continued (Less Refund of estimated tax payments); Credit for tax on special fuels, nonhighway gasoline, and lubricating oil; Credit for tax paid by regulated investment companies; Payments with applications for extension of filing time (First extension, Second extension); Tax due at time of filing; Tax overpayment. Rows include Total Active Corporation Returns Other Than Forms 1120S and 1120-DISC, Returns with net income total, and various income brackets.

(* Estimate is not shown separately because of the small number of sample returns on which it was based. However, the data are included in the appropriate totals.
† Excludes returns with only tax from recomputing prior year investment credit tax from recomputing prior year work incentive (WIN) credit and/or additional tax for tax preferences.
‡ Includes returns with normal tax, surtax, and alternative tax after foreign tax investment and work incentive (WIN) credits plus tax from recomputing prior year investment and work incentive (WIN) credits. Excludes additional tax for tax preferences.
§ Credits include foreign tax investment and work incentive (WIN) credits.
NOTE: See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS
Table 16.—Income, Special Deductions, Income Tax, Credits, and Taxpayment Items, by Accounting Period—Continued

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

Item	Accounting period ended (full and part-year returns)												
	Total active corporation returns	July 1974	August 1974	September 1974	October 1974	November 1974	December 1974	January 1975	February 1975	March 1975	April 1975	May 1975	June 1975
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Number of returns	Amount											
Returns with 1041 Income, Other Than Forms 1120S and 1120BSC													
Number of returns	1,008,367		43,501	46,700	46,849	52,274	29,468	185,895	31,823	36,837	73,612	47,277	30,479
Total receipts	1,008,367	25,279,598	51,446,208	131,046,508	40,718,700	40,718,700	4,871,574	1,671,042,619	1,247,574,412	1,135,717,387	1,117,179,387	4,417,241,413	5,266,552,246
Net income	136,357	160,552,800	2,622,161	4,819,511	4,819,511	4,819,511	2,622,161	1,671,042,619	1,247,574,412	1,135,717,387	4,417,241,413	2,154,895	2,599,443
Standard special deductions total	175,814	14,526,422	194,110	304,857	314,878	314,878	114,407	11,406,510	107,451	107,451	314,727	171,454	164,640
Net operating loss deduction	204,410	5,434,294	174,836	444,045	379,685	379,685	119,474	3,015,838	1,012,009	1,012,009	273,221	162,819	136,776
Dividends received deduction total	75,709	8,124,945	23,377	43,433	52,334	52,334	16,553	7,406,149	54,396	54,396	43,456	70,608	114,862
For minority domestic dividends													
Qualified for deduction	861	785,536	(1)	4,415	4,415	4,415	(1)	697,386	3,944	3,944	2,666	(1)	3,944
Transition deduction under section 1563(b)	764	79,286	(1)	4,415	4,415	4,415	(1)	2,766	10,450	10,450	3,094	(1)	3,094
Deduction for dividends paid on certain public utility stock	121	1,077,772	(1)	(1)	(1)	(1)	(1)	26,452	1,151	1,151	1,670	(1)	1,670
Widow's election deduction	67	1,077,772	(1)	(1)	(1)	(1)	(1)	26,452	1,151	1,151	1,670	(1)	1,670
Income subject to tax total	6,524	14,964,823	1,148,949	5,879,822	5,879,822	5,879,822	1,148,949	1,671,042,619	1,247,574,412	1,135,717,387	4,417,241,413	2,154,895	2,599,443
Net long-term capital gain taxed at alternative rates total	1,814	2,222,122	51,427	94,144	103,114	115,636	4,335	4,279,627	61,327	61,327	104,646	64,174	53,190
Amount subject to 25 percent rate	453	167,960	2,288	6,496	6,496	6,496	2,288	167,960	585	585	1,064	(1)	1,064
Income taxed at normal tax and surtax rates	1,361	1,954,162	2,064,161	5,224,618	5,224,618	5,224,618	2,064,161	102,681,708	3,167,245	3,167,245	1,941,601	1,941,601	6,809,651
Income tax total	87,432	66,072,658	913,446	1,027,432	2,570,451	1,622,095	47,847	51,148,436	1,484,294	795,430	1,514,412	960,177	1,028,807
Tax from recouping prior year investment	4,525	6,460,967	9,465	1,027,432	2,570,451	1,622,095	47,847	49,716,450	1,484,294	795,430	1,514,412	960,177	1,028,807
Widow's election credit	4,525	6,460,967	9,465	1,027,432	2,570,451	1,622,095	47,847	49,716,450	1,484,294	795,430	1,514,412	960,177	1,028,807
Additional tax for tax preferences	1,553	414	(1)	4,415	4,415	4,415	(1)	334	842	842	1,764	(1)	1,764
Foreign tax credit	1,553	414	(1)	4,415	4,415	4,415	(1)	334	842	842	1,764	(1)	1,764
Investment credit	3,239	335,202	21,603	23,022	107,174	144,246	21,917	20,094,447	22,694	20,280	61,510	29,257	14,678
Widow's election credit	3,239	335,202	21,603	23,022	107,174	144,246	21,917	20,094,447	22,694	20,280	61,510	29,257	14,678
Total income tax after credits	787,812	41,091,002	841,410	949,179	2,296,142	1,374,752	849,466	26,616,612	1,275,900	713,843	1,560,245	776,672	2,646,599
Estimated tax payments, net total	431,412	27,623,364	494,766	695,974	1,470,044	968,296	53,646	16,272,074	945,171	493,435	965,620	506,126	546,457
1973 overpayments, claimed as a credit	46,254	2,200,135	26,444	46,254	79,419	46,254	26,444	42,338	42,338	42,338	23,480	23,480	49,657
Less: Refund of estimated tax payments	396,158	24,423,229	468,322	1,423,720	1,390,625	922,042	27,002	16,229,736	902,833	451,097	942,140	482,646	1,046,804
Credit for tax on special fuels, nonhighway gasoline, and lubricating oil	22,045	31,841	(1)	515	1,069	1,069	(1)	22,488	591	387	1,156	707	310
Credit for tax paid for regulated investment	1,439	1,439	(1)	(1)	(1)	(1)	(1)	697	(1)	(1)	(1)	(1)	(1)
Payments with applications for—	115,008	6,522,850	109,204	111,754	285,521	196,575	118,258	4,441,413	176,142	91,510	196,598	47,193	112,197
First extension of filing time	15,807	1,905,974	40,414	43,415	125,159	87,754	47,447	3,193,628	54,164	33,433	80,762	30,185	63,494
Second extension of filing time	627,609	5,706,809	227,731	239,985	543,197	292,541	194,846	1,047,785	163,316	103,077	215,836	200,212	176,654
Tax overpayment total	176,901	2,517,600	46,225	64,652	143,279	66,934	52,123	452,555	81,903	41,946	154,413	54,413	49,599
Credited to 1975 estimated tax	40,454	626,553	10,519	12,719	21,813	18,583	8,695	450,120	13,116	7,544	26,790	11,522	11,363
Partially credited and partially refunded or not stated	30,136	662,526	16,238	21,151	43,651	15,666	17,466	365,233	31,413	16,213	36,748	18,403	84,547

(*) Estimate is not shown separately because of the small number of sample returns on which it was based. However, the data are included in the appropriate totals. NOTE: Credits include foreign tax, investment and work incentive (WIN) credits. See text for explanation of terms and description of the sample and limitations of the data.

RETURNS OF ACTIVE CORPORATIONS WITH ESTIMATED TAX PAYMENTS
Table 17.—Number of Returns, Net Income, Income Subject to Tax, Income Tax, Credits, Payments, Tax Due, and Overpayment, by Tax Status, by Accounting Period—
Continued

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

Item	Accounting period ended (part-year returns)											
	July 1974 (16)	August 1974 (17)	September 1974 (18)	October 1974 (19)	November 1974 (20)	December 1974 (21)	January 1975 (22)	February 1975 (23)	March 1975 (24)	April 1975 (25)	May 1975 (26)	June 1975 (27)
Number of returns with estimated tax payments before credits¹	8,727	604	745	942	234	1,195	488	64	985	424	428	1,250
Number of returns	7,960	697	733	1,210	184	1,036	309	47	877	351	403	872
Net income	1,032,595	68,632	67,302	130,903	142,078	237,731	39,273	14,105	77,781	17,485	52,927	78,946
Deficit	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Income subject to tax	1,034,917	68,031	66,044	136,637	141,001	236,779	38,683	13,966	76,944	17,287	52,557	76,206
Normal tax, surtax, and alternative tax	448,165	30,514	37,293	58,792	66,381	107,586	17,403	6,108	33,569	7,479	24,986	31,959
Foreign tax credit	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Investment credit	11,691	2,232	1,661	4,001	1,262	5,227	1,416	546	(1)	(1)	(1)	(1)
Work incentive (WIN) credit	24,947	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Normal tax, surtax, and alternative tax after credits ²	411,608	20,315	24,958	30,820	65,119	98,353	16,951	5,709	31,766	7,075	22,323	27,736
Tax from recouping prior year investment credit	2,256	110	145	227	57	278	(1)	(1)	63	9	58	62
Tax from recouping prior year work incentive (WIN) credit	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Additional tax for tax preferences	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Personal Holding Company tax	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Taxpayments	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Estimated tax payments net total	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Number of returns	7,238	480	732	876	164	1,035	289	48	877	351	403	872
Amount	294,342	18,892	17,464	43,244	39,439	71,851	11,816	4,871	28,197	5,454	17,392	22,977
1973 overpayments claimed as a credit	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Number of returns	1,617	(1)	107	168	(1)	179	77	(1)	314	(1)	175	47
Amount	16,157	(1)	932	1,874	(1)	5,089	988	(1)	1,675	(1)	484	1,356
1974 estimated tax payments	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Number of returns	6,290	421	671	529	184	962	292	36	590	341	367	64
Amount	281,440	18,396	16,540	19,159	29,475	76,684	11,542	4,344	28,114	5,338	17,402	21,314
Less: Refund of estimated tax payments	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Number of returns	77	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Total amount	13,355	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Amount when equal to estimated tax payments	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Credit for tax on special fuels, nonhighway gasoline and lubricating oil	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Credit for tax, paid by regulated investment companies	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Payments with applications for extension of filing time	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
First extension	61,991	1,333	2,225	6,187	17,341	14,214	3,904	(1)	3,127	(1)	2,713	3,762
Second extension	26,281	(1)	3,805	4,310	4,310	8,467	(1)	(1)	1,267	(1)	(1)	(1)
Tax due at time of filing	66,208	3,126	7,034	6,065	14,927	12,324	2,954	(1)	3,134	(1)	3,356	4,149
Tax overpayment	33,492	789	1,492	1,813	509	10,791	1,364	447	4,163	1,231	2,609	3,468
Returns without normal tax, surtax, and alternative tax before credits³	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Number of returns	1,447	(1)	156	(1)	50	159	(1)	(1)	(1)	(1)	(1)	274
Net income	78,704	(1)	15,840	(1)	(1)	20,526	(1)	(1)	(1)	(1)	(1)	187
Deficit	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	274
Tax from recouping prior year investment credit	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Tax from recouping prior year work incentive (WIN) credit	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Additional tax for tax preferences	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Personal Holding Company tax	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Taxpayments	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Estimated tax payments net total	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Number of returns	1,305	(1)	(1)	(1)	(1)	156	(1)	(1)	(1)	(1)	(1)	(1)
Amount	6,412	(1)	(1)	(1)	(1)	349	(1)	(1)	(1)	(1)	(1)	(1)
1973 overpayments claimed as a credit	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Number of returns	159	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Amount	1,237	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
1974 estimated tax payments	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Number of returns	1,365	(1)	157	(1)	(1)	153	(1)	(1)	(1)	(1)	(1)	276
Amount	10,242	(1)	1,532	(1)	(1)	2,091	(1)	(1)	(1)	(1)	(1)	678
Less: Refund of estimated tax payments	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Number of returns	167	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Total amount	5,177	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Amount when equal to estimated tax payments	4,117	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Credit for tax on special fuels, nonhighway gasoline and lubricating oil	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Credit for tax paid by regulated investment companies	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Payments with applications for extension of filing time	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
First extension	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Second extension	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Tax due at time of filing	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Tax overpayment	5,210	(1)	(1)	(1)	(1)	357	(1)	(1)	(1)	(1)	(1)	274

¹ Estimate is not shown separately because of the small number of sample returns on which it was based. However, the data are included in the appropriate totals. Excludes tax from recouping prior year investment credit, tax from recouping prior year work incentive (WIN) credit, and for additional tax for tax preferences. Includes returns with only tax from recouping prior year investment credit, tax from recouping prior year work incentive (WIN) credits, and/or additional tax for tax preferences. NOTE: Credits include foreign tax investment and work incentive (WIN) credits. See text for explanation of terms and description of the sample and limitations of the data.

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 18.—Investment Credit and Related Items, for Total Returns, and Returns With Carryover, by Size of Investment Credit

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

Item	Total active Corporation returns other than Forms 1120S and 1120-DISC	Returns with investment credit, by size of credit						
		Total	Under \$500	\$500 under \$2,500	\$2,500 under \$6,000	\$6,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Number of returns	1 626 334	531 947	320 471	136 517	40 618	14 481	7 021	3 654
Business receipts	2 709 702 373	2 025 639 350	196 695 031	199 733 654	108 121 265	65 109 316	47 513 543	35 186 460
Net income (less deficit)	137 506 774	142 874 424	7 883 375	9 016 355	5 430 438	3 719 746	2 777 815	2 044 221
Income subject to tax	143 967 362	136 273 561	7 588 297	8 713 321	5 228 722	3 862 716	2 684 774	1 967 643
Income tax total	66 108 421	63 000 785	2 728 261	3 584 623	2 271 503	1 632 674	1 246 655	915 687
Normal tax, surtax, and alternative tax								
Total	65 582 120	62 612 980	2 721 120	3 570 547	2 259 518	1 624 273	1 232 411	910 618
After foreign tax credit	44 829 101	43 079 369	2 717 433	3 561 361	2 249 815	1 617 854	1 220 824	901 172
Investment credit	4 221 384	4 221 384	(1)	170 750	152 061	104 605	81 790	61 182
Foreign tax credit	20 752 619	19 533 711	3 687	9 186	9 903	6 344	11 587	9 446
Tax from recomputing prior year investment credit	179 121	145 710	2 917	5 894	5 643	4 237	4 035	2 492
Total assets	3 952 766 527	2 805 641 939	176 276 683	236 496 037	141 717 103	95 894 816	79 204 032	48 046 653
Depreciable assets	1 154 201 858	837 609 463	37 039 616	32 748 497	22 852 285	14 634 859	11 482 927	8 328 377
Accumulated depreciation	437 272 588	328 432 163	17 160 906	15 193 088	10 056 634	6 751 820	5 063 314	3 769 959
Depreciation deduction	76 227 455	56 826 934	2 186 816	2 914 489	2 033 882	1 314 762	1 011 222	755 490
Cost of property used for investment credit, total	96 620 019	75 434 892	1 471 065	3 305 491	2 699 335	1 735 197	1 337 311	1 021 695
Cost of new property	94 126 745	73 519 153	1 258 845	2 887 021	2 338 547	1 598 431	1 248 953	967 673
Cost of used property	2 000 798	1 460 570	211 102	415 430	358 339	135 300	86 574	46 865
New or used property not stated	492 476	455 169	1 118	3 040	4 449	(1)	(1)	(1)
Investment qualified for credit	86 572 770	67 584 782	915 853	2 494 632	2 198 864	1 417 882	1 100 847	850 735
Tentative investment credit								
Number of returns	636 802	509 217	301 494	131 648	39 809	14 086	6 896	3 606
Amount	5 365 919	4 196 063	20 773	186 747	156 021	100 188	76 232	59 577
Investment credit carryover	3 519 323	1 518 515	6 095	40 512	35 116	24 716	17 010	12 636
Unused investment credit								
Number of returns	246 364	45 819	13 964	17 759	7 361	2 543	1 127	621
Amount	4 663 709	1 493 045	26 813	56 462	39 062	20 290	13 455	11 029
Returns with investment credit carryover								
Number of returns	168 188	87 975	43 122	25 256	9 946	3 753	1 807	909
Tentative investment credit								
Number of returns	130 811	63 558	24 960	20 590	9 137	3 258	1 682	861
Amount	1 726 489	1 017 965	4 886	24 455	25 881	16 945	13 430	10 984
Investment credit carryover	3 519 323	1 518 515	6 095	40 512	35 116	24 716	17 010	12 636
Normal tax, surtax, and alternative tax after foreign tax credit	6 390 593	6 390 593	96 680	166 017	134 795	121 307	88 767	73 131
Investment credit	1 400 087	1 400 087	(1)	32 748	32 748	27 156	20 791	15 151
Unused investment credit								
Number of returns	105 054	24 841	5 509	10 001	4 622	1 712	779	441
Amount	3 845 700	1 136 368	10 972	32 210	23 188	14 502	9 648	8 469
Returns with carryover greater than investment credit								
Number of returns	90 486	10 273	3 805	3 698	1 466	450	227	107
Tentative investment credit								
Number of returns	76 247	8 914	3 161	3 165	1 412	445	198	107
Amount	1 012 510	304 066	2 314	8 766	6 832	3 352	2 982	2 604
Investment credit carryover	3 005 296	1 004 488	6 095	21 738	15 467	9 748	6 055	4 659
Normal tax, surtax, and alternative tax after foreign tax credit	6 29 757	6 29 757	1 239	7 914	5 744	4 249	2 544	2 044
Investment credit	316 716	316 716	(1)	4 767	5 461	3 246	2 517	1 755
Unused investment credit	3 701 183	991 851	8 407	25 733	16 898	9 654	6 520	5 708
Returns with accounting periods ended January 1975 through June 1975, with investment credit items								
Number of returns	253 554	182 616	108 775	48 254	13 311	4 924	2 494	1 301
Cost of property used for investment credit, total	12 735 780	9 588 360	472 455	1 045 473	784 167	561 614	444 302	333 119
Cost of new property	11 994 437	9 064 019	404 463	900 291	662 986	510 175	408 874	312 347
Cost of used property								
Number of returns	67 723	47 437	19 761	14 995	6 188	2 348	1 371	756
Amount	699 749	487 652	62 722	142 728	117 270	50 367	35 428	19 257
New or used property not stated	41 594	36 889	(1)	(1)	(1)	(1)	(1)	(1)
Investment qualified for credit	10 854 638	8 158 217	301 152	793 807	634 676	447 338	364 831	277 324
Tentative investment credit								
Number of returns	240 912	175 508	103 620	46 722	13 132	4 793	2 446	1 295
Amount	814 998	611 336	7 239	64 145	49 924	34 598	28 428	20 757
Investment credit carryover	427 681	100 473	1 773	11 376	11 376	9 797	5 916	4 748
Normal tax, surtax, and alternative tax after foreign tax credit	7 820 233	7 820 209	774 358	1 092 254	634 715	459 894	347 016	255 767
Investment credit								
Number of returns	182 616	182 616	108 775	48 254	13 311	4 924	2 494	1 301
Amount	605 701	605 701	(1)	59 721	50 283	35 652	29 069	21 851
Unused investment credit								
Number of returns	85 854	15 248	4 380	6 331	2 314	865	378	260
Amount	636 959	136 089	9 005	15 797	10 976	8 742	5 174	3 614

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 18.—Investment Credit and Related Items, for Total Returns, and Returns With Carryover, by Size of Investment Credit—Continued

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

Item	Returns with investment credit, by size of credit—Continued							
	\$20,000 under \$25,000	\$25,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 or more
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Number of returns	2 280	4 382	1 946	1 186	481	295	454	55
Business receipts	33 843 158	79 955 843	78 772 961	103 848 209	127 083 475	133 700 839	465 634 434	350 441 173
Net income (less deficit)	1 633 757	4 656 176	4 896 019	6 420 188	6 336 607	29 260 597	27 362 408	30 836 762
Income subject to tax	1 571 085	4 433 305	4 679 029	6 052 570	6 076 335	29 048 380	27 272 743	27 757 033
Income tax total	735 987	2 091 541	2 224 005	2 884 172	2 874 091	13 913 028	12 628 790	13 075 762
Normal tax, surtax, and alternative tax								
Total	732 389	2 077 730	2 211 927	2 868 610	2 860 267	15 895 105	12 721 083	12 427 452
After foreign tax credit	721 892	2 023 771	2 140 595	2 697 532	2 570 750	2 692 303	10 293 195	7 670 972
Investment credit	44 779	148 415	135 094	182 028	167 476	207 313	1 312 664	1 448 228
Foreign tax credit	10 497	53 959	71 332	171 078	289 517	11 202 802	2 427 888	5 256 480
Tax from recomputing prior year investment credit	1 742	6 626	5 711	7 203	7 616	6 291	51 484	31 815
Total assets	40 052 731	153 503 886	125 004 028	193 615 925	186 943 170	216 710 407	763 466 300	388 707 568
Depreciable assets	6 686 472	20 437 586	20 624 083	36 861 783	42 400 667	42 870 026	264 954 012	285 483 067
Accumulated depreciation	2 861 334	8 754 075	8 504 136	14 101 123	17 478 634	16 276 868	98 006 520	108 453 748
Depreciation deduction	619 655	1 733 934	1 625 176	2 715 695	3 207 445	2 875 241	16 684 759	17 168 368
Cost of property used for investment credit total	859 256	2 516 820	2 209 224	3 900 884	4 573 129	3 605 341	23 281 312	22 918 632
Cost of new property	825 740	2 438 786	2 164 847	3 844 016	4 554 087	3 563 344	23 233 263	22 595 098
Cost of used property	31 784	70 963	35 991	27 735	13 373	9 335	15 627	2 172
New or used property not stated	(*)	(*)	(*)	(*)	(*)	(*)	32 662	321 362
Investment qualified for credit	696 817	2 107 046	1 916 250	3 421 699	3 837 835	3 312 667	21 396 855	21 917 006
Tentative investment credit								
Number of returns	2 256	4 321	1 929	1 179	481	295	457	55
Amount	42 854	149 508	134 893	224 525	255 911	222 194	1 342 712	1 214 917
Investment credit carryover	15 046	44 774	26 596	77 448	100 071	38 570	422 368	657 467
Unused investment credit								
Number of returns	406	1 129	358	241	103	66	124	17
Amount	15 120	45 661	26 391	119 944	188 506	53 451	452 415	424 246
Returns with investment credit carryover								
Number of returns	885	1 297	450	347	130	77	170	26
Tentative investment credit								
Number of returns	661	1 236	433	340	130	76	168	26
Amount	12 388	33 213	23 283	60 810	43 023	51 633	424 808	272 226
Investment credit carryover	15 046	44 774	26 596	77 448	100 071	38 570	422 368	657 467
Normal tax, surtax, and alternative tax after foreign tax credit	62 916	182 573	181 914	186 007	346 374	360 294	2 659 705	1 510 099
Investment credit	15 019	43 551	31 192	52 953	46 065	53 842	513 375	510 436
Unused investment credit								
Number of returns	327	817	238	175	68	42	95	16
Amount	12 415	34 435	18 686	85 305	97 029	36 361	333 801	419 347
Returns with carryover greater than investment credit								
Number of returns	95	235	72	41	25	11	32	9
Tentative investment credit								
Number of returns	95	227	68	40	25	11	31	9
Amount	4 624	10 898	5 875	24 577	11 969	11 883	100 447	104 813
Investment credit carryover	6 449	22 937	12 457	54 462	62 326	19 258	269 066	473 571
Normal tax, surtax, and alternative tax after foreign tax credit	2 546	8 950	7 756	12 429	36 344	14 750	332 869	332 869
Investment credit	2 091	7 403	4 590	6 161	9 099	7 500	95 577	166 549
Unused investment credit	8 982	26 431	13 742	72 878	87 186	23 241	274 436	411 835
Returns with accounting periods ended January, 1975 through June, 1975, with investment credit items								
Number of returns	887	1 506	614	332	100	55	61	(*)
Cost of property used for investment credit total	2 75 844	778 078	611 318	717 648	596 888	625 922	2 038 252	(*)
Cost of new property	265 625	709 952	595 867	703 911	588 963	616 108	2 036 308	343 149
Cost of used property								
Number of returns	417	854	381	218	63	37	41	(*)
Amount	10 269	23 844	11 551	7 911	2 606	1 674	1 944	(*)
New or used property not stated	—	(*)	(*)	(*)	(*)	8 140	—	—
Investment qualified for credit	239 229	637 741	526 701	637 441	524 839	577 024	1 865 045	324 419
Tentative investment credit								
Number of returns	880	1 475	606	331	100	55	61	(*)
Amount	18 371	49 992	41 539	49 447	17 225	42 305	138 823	(*)
Investment credit carryover	5 959	12 595	7 472	9 660	4 711	5 896	31 619	7 693
Normal tax, surtax, and alternative tax after foreign tax credit	209 060	554 733	539 845	595 149	503 938	452 401	1 205 946	195 131
Investment credit								
Number of returns	887	1 506	614	332	100	55	61	(*)
Amount	19 337	50 219	42 936	49 337	34 206	39 510	138 544	(*)
Unused investment credit								
Number of returns	120	357	114	61	22	14	12	—
Amount	5 593	12 365	6 074	9 769	7 730	9 293	31 917	—

(*) Estimate is not shown separately because of the small number of sample returns on which it was based. However, the data are included in the appropriate totals.

(*) Less than \$500 per return.

NOTE: See table for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 19.—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, and Returns With Carryover, by Major Industry—Continued

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

Table with 12 columns: Major industry, Depreciable assets, Depreciation deduction, Number of returns, Tentative investment credit (Number of returns, Amount), Investment credit carryover, Normal tax surtax and alternative tax after foreign tax credit, Investment credit (Number of returns, Amount), and Unused investment credit (Number of returns, Amount). Rows include All industries, Agriculture, forestry and fishing, Mining, Construction, Manufacturing, Transportation and public utilities, Wholesale and retail trade, Finance, insurance, and real estate, and Services.

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC
Table 19.—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, and Returns With Carryover, by Major Industry—Continued

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

Major industry	Returns with investment credit items—Continued						
	Returns with carryover greater than investment credit						
	Number of returns	Tentative investment credit		Investment credit carryover	Normal tax surtax and alternative tax after foreign tax credit	Investment credit	Unused investment credit
		Number of returns	Amount				
(32)	(33)	(34)	(35)	(36)	(37)	(38)	
All industries	90 486	76 247	1 012 610	3 005 296	629 757	316 716	3 701 183
Agriculture, forestry and fishing	3 415	2 899	11 432	22 780	1 581	1 365	34 847
Mining	1 137	1 016	43 704	85 479	25 869	13 847	115 336
Metal mining	25	11	628	4 471	44	484	5 574
Coal mining	199	111	11 914	26 407	3 122	6 920	31 799
Oil and gas extraction	161	113	1 174	45 989	11 203	5 983	67 476
Nonmetallic minerals, except fuels	79	72	774	8 169	560	460	10 488
Construction	8 889	7 842	24 166	60 827	4 974	3 817	81 176
General building contractors and operative builders	1 989	2 111	5 113	15 445	569	451	20 127
Heavy construction contractors	1 427	1 363	11 536	34 183	3 256	2 315	46 261
Special trade contractors	5 473	4 372	4 516	11 201	1 147	1 051	14 698
Manufacturing	16 129	14 547	296 783	862 308	230 024	107 446	1 051 644
Food and kindred products	1 28	1 411	12 165	33 614	430	675	48 104
Tobacco manufactures	17	17	17	17	150	150	17
Textile mill products	721	554	6 238	17 152	625	594	22 046
Apparel and other textile products	619	619	1 036	3 418	111	108	5 146
Lumber and wood products	1 48	1 092	1 374	14 891	301	301	24 189
Furniture and fixtures	153	171	712	1 955	87	56	2 611
Paper and allied products	197	197	1 770	2 814	3 380	1 647	7 939
Printing and publishing	2 11	1 818	1 477	3 948	1 133	953	12 474
Chemicals and allied products	191	251	12 671	41 884	10 154	15 301	41 199
Petroleum (including integrated) and coal products	191	251	109 019	352 432	145 604	72 941	388 050
Rubber and miscellaneous plastics products	16	697	2 441	8 714	933	448	10 764
Leather and leather products	23	113	452	1 218	415	351	1 919
Stone, clay, and glass products	815	716	7 442	21 962	2 648	1 526	29 878
Primary metal industries	47	1 067	1 635	1 4 521	4 972	2 574	130 581
Fabricated metal products	11	1 056	798	26 145	1 244	1 035	32 915
Machinery, except electrical	141	1 122	26 511	102 497	26 794	4 413	108 501
Electrical and electronic equipment	17	114	1 191	4 545	1 395	241	61 493
Motor vehicles and equipment	17	114	1 191	4 545	1 395	241	61 493
Transportation equipment, except motor vehicles and equipment	17	114	1 191	4 545	1 395	241	61 493
Instruments and related products	17	114	1 191	4 545	1 395	241	61 493
Miscellaneous manufacturing and handcrafting not elsewhere classified	17	114	1 191	4 545	1 395	241	61 493
Transportation and public utilities	7 455	6 443	392 497	1 156 454	276 635	140 844	1 608 106
Transportation	6	1 114	18 984	1 113 859	258 120	131 225	1 201 594
Communications	1 171	1 171	18 984	42 381	1 120	822	50 633
Electric, gas, and sanitary services	711	1 158	152 429	144 851	17 183	8 797	345 880
Wholesale and retail trade	23 843	19 029	54 623	146 799	15 301	7 563	194 059
Wholesale trade	1 171	1 158	1 158	52 777	3 254	2 329	14 136
Groceries and related products	461	461	1 158	1 074	488	369	7 760
Machinery, equipment, and supplies	1 247	1 247	1 158	1 158	584	498	10 134
Miscellaneous wholesale trade	1 171	1 158	1 158	39 874	2 287	1 471	56 242
Retail trade	1 171	1 158	1 158	34 022	11 942	5 234	119 923
Building materials, garden supplies, and mobile home dealers	984	984	984	3 093	246	246	3 622
General merchandise stores	1 171	1 158	1 158	26 195	3 606	1 548	34 919
Food stores	1 547	1 158	1 158	19 658	4 156	2 231	24 470
Automotive dealers and service stations	1 171	1 158	1 158	7 472	578	447	9 815
Apparel and accessory stores	984	984	984	2 732	75	75	3 565
Furniture and home furnishings stores	1 171	1 158	1 158	1 619	—	—	2 489
Eating and drinking places	1 547	1 158	1 158	19 702	2 132	252	23 626
Miscellaneous retail stores	1 171	1 158	1 158	14 777	547	431	17 517
Wholesale and retail trade, not elsewhere classified	—	—	—	—	—	—	—
Finance, insurance, and real estate	9 801	7 296	75 752	140 334	13 761	7 554	208 527
Banking	999	999	34 059	45 100	11 474	6 113	73 043
Credit agencies other than banks	1 171	1 158	1 158	10 508	292	189	22 341
Security, commodity brokers and services	267	131	512	1 838	—	—	2 350
Insurance	319	257	1 158	52 593	44	40	71 068
Insurance agents, brokers, and service	1 171	1 158	1 158	554	—	—	1 068
Real estate	1 171	1 158	1 158	23 064	1 528	909	29 103
Holding and other investment companies (including holding companies)	439	311	1 559	5 677	423	303	8 933
Services	19 816	17 174	111 426	330 224	61 612	34 280	407 370
Hotels and other lodging places	1 641	1 452	1 452	15 169	545	499	20 091
Personal services	1 901	1 558	1 558	4 472	235	235	5 151
Business services	1 171	1 158	1 158	91 649	5 267	4 223	125 991
Auto repair, miscellaneous repair services	1 171	1 158	1 158	70 835	4 270	3 019	58 697
Amusement and recreation services	1 171	1 158	1 158	167 391	47 327	25 224	180 160
Other services	1 171	1 158	1 158	1 158	3 421	2 089	17 280
Nature of business not allocable	(1)	(1)	(1)	(1)	—	—	(1)

(1) Estimate is not shown separately because of the small number of sample returns on which it was based. However, the data are included in the appropriate totals.
 NOTE: See text for "Explanation of Terms" and "Description of the Sample and Limitation of the Data."

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 20.—Tax Preference Items: Number of Returns, and Tax Preference and Related Items, by Tax Preference Status, by Major Industry—Continued

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

Industry	Returns with tax preference items—Continued							
	Income tax—Continued							
	Normal tax, surtax and alternative tax—Continued		Tax from recomputing prior year investment credit	Tax from recomputing prior year work incentive (WIN) credit	Additional tax for tax preferences			
	After credits				Total		Amount deferred from prior years	
	Number of returns	Amount			Number of returns	Amount	Number of returns	Amount
(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	
All industries	31,836	24,817,954	121,057	286	4,572	346,734	261	14,498
Agriculture, forestry and fishing	561	98,836	457	(*)	7	97	—	—
Mining	1,565	872,486	2,453	(*)	721	47,219	96	8,463
Metal mining	24	90,028	194	(*)	24	16,994	3	4,605
Coal mining	534	414,440	520	—	270	9,463	9	665
Oil and gas extraction	623	290,239	739	—	312	14,392	63	1,007
Nonmetallic minerals, except fuels	384	77,811	900	(*)	115	6,273	21	2,184
Construction	1,375	279,072	1,478	(*)	90	1,631	10	271
General building contractors and operative builders	629	96,963	312	(*)	37	932	7	223
Heavy construction contractors	291	128,590	984	—	44	619	(*)	(*)
Special trade contractors	455	53,529	182	—	(*)	(*)	(*)	(*)
Manufacturing	5,609	15,872,426	78,136	249	226	222,841	34	2,752
Food and kindred products	800	1,660,188	4,726	—	(*)	(*)	(*)	(*)
Tobacco manufactures	7	279,043	2,546	(*)	—	—	—	—
Textile mill products	200	309,486	1,837	(*)	(*)	(*)	(*)	(*)
Apparel and other textile products	149	103,689	264	—	(*)	(*)	—	—
Lumber and wood products	307	390,003	2,176	(*)	16	9,744	—	—
Furniture and fixtures	144	91,525	158	—	(*)	(*)	—	—
Paper and allied products	198	949,490	2,088	(*)	(*)	(*)	(*)	(*)
Printing and publishing	438	573,511	1,628	(*)	(*)	(*)	—	—
Chemicals and allied products	323	2,762,213	12,650	(*)	8	1,073	(*)	(*)
Petroleum (including integrated) and coal products	96	1,838,009	7,508	(*)	31	186,106	(*)	(*)
Rubber and miscellaneous plastics products	160	165,706	2,127	—	(*)	(*)	—	—
Leather and leather products	39	37,605	182	(*)	(*)	(*)	—	—
Stone, clay and glass products	323	258,824	2,497	(*)	50	3,736	6	469
Primary metal industries	291	1,662,409	4,663	(*)	12	14,197	6	1,715
Fabricated metal products	762	716,381	2,220	(*)	(*)	(*)	6	105
Machinery, except electrical	660	1,710,583	8,847	(*)	(*)	(*)	(*)	(*)
Electrical and electronic equipment	243	596,148	10,391	(*)	6	4,490	—	—
Motor vehicles and equipment	96	685,928	6,549	(*)	(*)	(*)	(*)	(*)
Transportation equipment, except motor vehicles	83	405,522	3,095	(*)	(*)	(*)	(*)	(*)
Instruments and related products	112	550,571	1,519	(*)	—	—	—	—
Miscellaneous manufacturing and manufacturing not allocable	170	129,594	467	(*)	3	444	—	—
Transportation and public utilities	810	2,745,064	21,929	(*)	53	7,300	(*)	(*)
Transportation	523	560,843	3,326	—	44	6,447	(*)	(*)
Communication	101	1,098,471	13,431	(*)	—	—	—	—
Electric, gas and sanitary services	186	1,095,750	5,172	—	9	853	(*)	(*)
Wholesale and retail trade	4,595	1,904,069	6,234	(*)	45	4,083	6	316
Wholesale trade	2,229	1,049,379	2,704	(*)	33	3,673	3	293
Groceries and related products	169	56,935	109	—	—	—	—	—
Machinery, equipment, and supplies	434	172,298	576	(*)	3	246	—	—
Miscellaneous wholesale trade	1,626	820,146	2,019	(*)	30	3,427	3	293
Retail trade	2,366	854,690	3,530	(*)	(*)	(*)	3	23
Building materials, garden supplies, and mobile home dealers	322	46,311	117	—	—	—	—	—
General merchandise stores	148	359,496	1,405	—	(*)	(*)	—	—
Food stores	197	165,451	773	(*)	—	—	—	—
Automotive dealers and service stations	600	77,651	545	—	(*)	(*)	(*)	(*)
Apparel and accessory stores	178	13,941	99	—	—	—	—	—
Furniture and home furnishings stores	179	36,907	38	—	—	—	—	—
Eating and drinking places	363	66,063	411	(*)	(*)	(*)	(*)	(*)
Miscellaneous retail stores	379	67,870	142	—	—	—	—	—
Wholesale and retail trade not allocable	—	—	—	—	—	—	—	—
Finance, insurance, and real estate	15,689	2,706,651	6,186	9	3,371	62,039	94	1,608
Banking	4,283	623,260	4,351	(*)	608	25,439	21	964
Credit agencies other than banks	3,438	400,619	911	—	2,301	32,733	8	153
Security, commodity brokers and services	66	45,126	12	—	(*)	(*)	—	—
Insurance	177	1,329,684	2,122	(*)	(*)	(*)	—	—
Insurance agents, brokers, and service	143	32,484	39	—	(*)	(*)	—	—
Real estate	6,286	203,821	421	(*)	410	3,152	65	491
Holding and other investment companies, except bank holding companies	1,296	71,657	330	—	41	667	—	—
Services	1,602	336,351	2,183	(*)	59	1,524	14	323
Hotels and other lodging places	297	46,699	214	—	26	517	(*)	(*)
Personal services	148	45,375	173	—	(*)	(*)	—	—
Business services	527	88,413	1,159	—	(*)	(*)	(*)	(*)
Auto repair, miscellaneous repair services	209	7,869	158	—	—	—	—	—
Amusement and recreation services	202	106,491	247	—	5	681	(*)	(*)
Other services	219	41,504	232	(*)	14	241	(*)	(*)
Nature of business not allocable	(*)	(*)	(*)	—	—	—	—	—

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 20.—Tax Preference Items: Number of Returns, and Tax Preference and Related Items, by Tax Preference Status, by Major Industry—Continued

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

Industry	Returns with tax preference items after statutory exclusion and income tax used as an offset										
	Number of returns	Selected items of tax preference								Depletion	
		Accelerated depreciation on—				Amortization of—				Number of returns	Amount
		Low-income rental housing		Other real property		Certified pollution control facilities		Railroad rolling stock			
Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	
All industries	5,219	90	3,742	1,421	162,804	38	25,913	21	97,846	1,156	4,319,609
Agriculture, forestry, and fishing	15	—	—	3	123	—	—	—	—	11	7,634
Mining	792	(*)	(*)	55	939	(*)	(*)	—	—	792	666,487
Metal mining	24	(*)	(*)	8	243	(*)	(*)	—	—	24	189,412
Coal mining	270	(*)	(*)	(*)	(*)	—	—	—	—	270	157,314
Oil and gas extraction	379	—	—	(*)	(*)	—	—	—	—	379	233,817
Nonmetallic minerals, except fuels	119	—	—	22	112	—	—	—	—	119	85,944
Construction	166	(*)	(*)	100	14,398	(*)	(*)	—	—	61	11,624
General building contractors and operative builders	84	(*)	(*)	69	12,033	(*)	(*)	—	—	(*)	(*)
Heavy construction contractors	57	(*)	(*)	23	1,329	(*)	(*)	—	—	51	8,230
Special trade contractors	(*)	—	—	(*)	(*)	—	—	—	—	(*)	(*)
Manufacturing	277	10	163	139	57,343	19	1,455	(*)	(*)	132	3,502,657
Food and kindred products	18	—	—	14	1,340	(*)	(*)	—	—	3	10,486
Tobacco manufactures	(*)	—	—	(*)	(*)	—	—	—	—	—	—
Textile mill products	(*)	—	—	(*)	(*)	—	—	—	—	(*)	(*)
Apparel and other textile products	(*)	—	—	(*)	(*)	—	—	—	—	(*)	(*)
Lumber and wood products	19	(*)	(*)	7	1,811	—	—	(*)	(*)	4	225
Furniture and fixtures	(*)	—	—	—	—	—	—	—	—	(*)	(*)
Paper and allied products	(*)	—	—	(*)	(*)	—	—	—	—	(*)	(*)
Printing and publishing	(*)	—	—	(*)	(*)	—	—	—	—	(*)	(*)
Chemicals and allied products	9	—	—	5	971	—	—	—	—	6	10,903
Petroleum (including integrated) and coal products	38	4	15	23	27,260	(*)	(*)	—	—	38	3,250,602
Rubber and miscellaneous plastics products	3	—	—	3	221	—	—	—	—	—	—
Leather and leather products	(*)	—	—	—	—	—	—	—	—	(*)	(*)
Stone, clay, and glass products	57	3	141	23	1,764	5	697	—	—	53	31,902
Primary metal industries	11	(*)	(*)	8	1,494	4	286	—	—	8	190,165
Fabricated metal products	17	(*)	(*)	(*)	(*)	(*)	(*)	—	—	(*)	(*)
Machinery, except electrical	19	—	—	10	1,742	—	—	—	—	6	1,132
Electrical and electronic equipment	10	—	—	9	6,419	(*)	(*)	—	—	(*)	(*)
Motor vehicles and equipment	3	—	—	(*)	(*)	(*)	(*)	—	—	(*)	(*)
Transportation equipment, except motor vehicles	(*)	—	—	(*)	(*)	—	—	—	—	—	—
Instruments and related products	—	—	—	—	—	—	—	—	—	—	—
Miscellaneous manufacturing and manufacturing not allocable	4	—	—	3	223	—	—	—	—	(*)	(*)
Transportation and public utilities	64	—	—	40	7,841	10	24,244	11	71,310	26	64,848
Transportation	50	—	—	31	5,918	6	13,428	11	71,310	21	53,227
Communication	—	—	—	—	—	—	—	—	—	—	—
Electric, gas, and sanitary services	14	—	—	9	1,923	4	10,816	—	—	5	11,621
Wholesale and retail trade	82	(*)	(*)	60	8,862	—	—	—	—	24	34,016
Wholesale trade	47	—	—	30	4,045	—	—	—	—	20	33,693
Groceries and related products	(*)	—	—	(*)	(*)	—	—	—	—	—	—
Machinery, equipment, and supplies	(*)	—	—	(*)	(*)	—	—	—	—	(*)	(*)
Miscellaneous wholesale trade	40	—	—	24	3,876	—	—	—	—	16	30,986
Retail trade	35	(*)	(*)	30	4,817	—	—	—	—	4	323
Building materials, garden supplies, and mobile home dealers	(*)	—	—	—	—	—	—	—	—	(*)	(*)
General merchandise stores	5	(*)	(*)	5	3,882	—	—	—	—	(*)	(*)
Food stores	(*)	—	—	(*)	(*)	—	—	—	—	—	—
Automotive dealers and service stations	(*)	—	—	(*)	(*)	—	—	—	—	(*)	(*)
Apparel and accessory stores	—	—	—	—	—	—	—	—	—	—	—
Furniture and home furnishings stores	—	—	—	—	—	—	—	—	—	—	—
Eating and drinking places	(*)	(*)	(*)	(*)	(*)	—	—	—	—	(*)	(*)
Miscellaneous retail stores	(*)	—	—	—	—	—	—	—	—	—	—
Wholesale and retail trade not allocable	—	—	—	—	—	—	—	—	—	—	—
Finance, insurance, and real estate	3,736	56	2,272	971	61,881	3	114	9	25,802	65	29,881
Banking	709	18	101	211	19,371	—	—	8	13,670	17	254
Credit agencies other than bank	2,377	15	42	318	5,616	—	—	(*)	(*)	18	261
Security, commodity, brokers and services	(*)	—	—	(*)	(*)	—	—	—	—	—	—
Insurance	20	(*)	(*)	15	3,261	(*)	(*)	—	—	3	38
Insurance agents, brokers, and service	(*)	—	—	—	—	—	—	—	—	—	—
Real estate	506	20	970	401	31,260	(*)	(*)	—	—	18	26,111
Holding and other investment companies, except bank holding companies	117	(*)	(*)	23	2,006	—	—	—	—	29	3,217
Services	87	(*)	(*)	53	11,417	(*)	(*)	—	—	5	2,542
Hotels and other lodging places	29	—	—	27	7,196	—	—	—	—	(*)	(*)
Personal services	(*)	—	—	(*)	(*)	—	—	—	—	(*)	(*)
Business services	12	—	—	(*)	(*)	—	—	—	—	(*)	(*)
Auto repair, miscellaneous repair services	—	—	—	—	—	—	—	—	—	—	—
Amusement and recreation services	(*)	—	—	(*)	(*)	—	—	—	—	(*)	(*)
Other services	13	(*)	(*)	(*)	(*)	(*)	(*)	—	—	(*)	(*)
Nature of business not allocable	—	—	—	—	—	—	—	—	—	—	—

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC
Table 20.—Tax Preference Items: Number of Returns, and Tax Preference and Related Items, by Tax Preference Status, by Major Industry—Continued

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

Industry	Returns with tax preference items after statutory exclusion and income tax used as an offset—Continued										Total tax preference items less statutory exclusion and income tax used as an offset	Tentative additional tax for tax preferences
	Selected items of tax preference—Continued		Total items of tax preferences	Statutory exclusion	Total tax preference items less statutory exclusion	Income tax available as an offset						
	Capital gains					Current year	Carryover					
	Number of returns	Amount	Number of returns	Amount	Number of returns		Amount					
(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)		
All industries	1,214	592,395	6,430,850	145,079	6,285,782	3,752	2,676,381	370	61,574	3,547,762	354,643	
Agriculture, forestry, and fishing	(*)	(*)	9,250	450	8,800	4	777	—	—	8,023	805	
Mining	187	46,979	714,487	22,717	691,762	508	235,876	85	10,889	444,975	44,457	
Metal mining	4	5,243	48,413	720	47,693	19	24,246	(*)	(*)	42,801	12,389	
Coal mining	19	15,664	179,210	7,95	167,811	231	67,986	(*)	(*)	96,836	9,682	
Oil and gas extraction	116	26,112	112,846	13,276	99,570	172	62,864	(*)	(*)	178,982	17,846	
Nonferrous minerals, except fuels	34	1,754	—	271	94,134	44	30,776	28	8,996	45,244	4,520	
Construction	3	2,006	31,291	4,761	26,530	38	3,187	3	16	22,073	2,202	
General building contractors and operative builders	1	2,006	17,148	2,462	14,686	16	1,551	3	16	13,118	1,312	
Heavy construction contractors	(*)	(*)	11,742	1,470	10,272	20	1,363	(*)	(*)	7,558	755	
Special trade contractors	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Manufacturing	130	492,819	4,059,658	7,732	4,051,927	147	1,791,855	20	15,488	2,244,591	224,471	
Food and kindred products	(*)	(*)	10,267	451	9,816	(*)	(*)	(*)	(*)	8,734	873	
Tobacco manufactures	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Textile mill products	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Apparel and other textile products	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Lumber and wood products	16	282,490	285,198	510	284,758	17	183,407	(*)	(*)	99,154	9,916	
Furniture and fixtures	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Paper and allied products	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Printing and publishing	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Chemicals and allied products	4	3,119	(*)	(*)	(*)	7	4,885	(*)	(*)	(*)	(*)	
Petroleum (including integrated) and coal products	18	65,146	1,033,397	1,110	2,342,297	23	1,462,709	(*)	(*)	1,678,516	167,855	
Rubber and miscellaneous plastics products	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Leather and leather products	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Stone, clay and glass products	(*)	(*)	48,036	1,710	46,326	28	7,381	4	2,955	35,975	3,605	
Primary metal industries	4	5,400	197,347	330	147,017	4	68,826	(*)	(*)	127,980	12,797	
Fabricated metal products	2	767	2,657	510	2,147	(*)	(*)	(*)	(*)	1,602	160	
Machinery, except electrical	(*)	(*)	1,294	525	8,831	(*)	(*)	(*)	(*)	5,019	503	
Electrical and electronic equipment	(*)	(*)	38,177	(*)	37,792	(*)	1,357	(*)	(*)	47,264	4,627	
Motor vehicles and equipment	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Transportation equipment, except motor vehicles	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Instruments and related products	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Miscellaneous manufacturing and manufacturing not allocable	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Transportation and public utilities	29	67,581	236,177	1,836	234,341	45	147,074	(*)	(*)	87,178	8,713	
Transportation	(*)	67,581	113,174	1,316	209,988	39	146,116	(*)	(*)	63,791	6,375	
Communication	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Electric, gas, and sanitary service	(*)	(*)	24,775	420	24,355	6	958	(*)	(*)	23,367	2,338	
Wholesale and retail trade	12	8,741	52,254	2,010	50,244	21	7,513	(*)	(*)	42,421	4,241	
Wholesale trade	4	6,117	43,997	1,711	42,286	16	5,112	(*)	(*)	36,443	3,639	
Groceries and related products	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Machinery, equipment and supplies	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Miscellaneous wholesale trade	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Retail trade	8	2,624	9,257	300	8,957	5	2,401	(*)	(*)	3,978	390	
Building materials, garden supplies, and mobile home dealers	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
General merchandise stores	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Food stores	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Automotive dealers and service stations	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Apparel and accessory stores	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Furniture and home furnishings stores	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Eating and drinking places	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Miscellaneous retail stores	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Wholesale and retail trade not allocable	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Finance, insurance, and real estate	802	62,122	1,305,300	103,102	1,202,295	2,970	486,126	239	32,588	683,532	68,255	
Banking	214	11,426	432,420	20,117	412,303	461	98,929	120	29,745	293,529	29,358	
Credit agencies other than banks	367	1,769	745,768	69,915	675,853	2,260	345,698	79	1,235	329,905	32,958	
Security commodity brokers and services	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Insurance	(*)	(*)	6,246	600	5,646	(*)	(*)	(*)	(*)	(*)	(*)	
Insurance agents, brokers, and service	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Real estate	128	19,145	78,142	9,269	68,873	211	25,273	28	745	42,888	4,245	
Holding and other investment companies, except bank holding companies	85	2,474	30,961	3,934	27,027	29	14,122	10	544	12,601	1,233	
Services	34	7,975	22,353	2,471	19,883	19	3,973	5	939	14,969	1,499	
Hotels and other lodging places	(*)	(*)	5,114	747	4,367	6	421	1	494	5,406	529	
Personal services	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Business services	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Auto repair, maintenance, repair services	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Amusement and recreation services	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
Other services	(*)	(*)	441	14	427	4	1,110	(*)	(*)	2,415	240	
Nature of business not allocable	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	

Footnotes at end of table. See footnotes for Explanatory Terms and Instructions on the Sampling Limitation of the Data.

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 20.—Tax Preference Items: Number of Returns, and Tax Preference and Related Items, by Tax Preference Status, by Major Industry—Continued

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

Industry	Returns with tax preference items after statutory exclusion and income tax used as an offset—Continued							Returns with tax preference items based on—			
	Net operating loss for 1974 remaining as a carryover to a succeeding year		Deferred additional tax for tax preferences	Tentative additional tax for tax preferences less deferral		Additional tax for tax preferences deferred from prior years	Additional tax for tax preferences	Depreciation			
	Number of returns	Amount		Number of returns	Amount			Accelerated depreciation tax preferences		Depreciation deduction	
			(61)			(62)	(63)	(64)	(65)	(66)	(67)
All industries	861	2,204,218	22,399	4,490	332,229	12,346	344,582	20,750	923,715	20,599	45,077,012
Agriculture, forestry, and fishing	(*)	(*)	(*)	7	97	—	97	161	3,092	161	64,472
Mining	114	134,430	5,706	716	38,750	8,081	46,837	181	2,095	181	476,869
Metal mining	—	—	—	24	12,385	4,935	16,944	11	415	11	153,194
Coal mining	(*)	(*)	(*)	269	9,897	(*)	9,897	16	449	16	153,606
Oil and gas extraction	84	106,209	4,490	332	13,375	1,002	14,242	75	863	35	108,771
Nonmetallic minerals except fuels	(*)	(*)	(*)	111	4,089	(*)	5,840	4	289	37	59,299
Construction	88	81,380	841	90	1,361	271	1,631	1,024	26,674	1,024	396,200
General building contractors and operative builders	56	78,135	602	37	710	(*)	432	463	19,987	563	137,464
Heavy construction contractors	(*)	(*)	(*)	44	572	(*)	619	198	1,433	148	217,514
Special trade contractors	(*)	(*)	(*)	(*)	(*)	(*)	(*)	243	2,954	263	41,222
Manufacturing	69	488,346	4,383	213	220,087	2,133	222,222	4,897	493,319	4,890	23,010,409
Food and kindred products	7	72,282	825	(*)	(*)	(*)	(*)	655	14,711	652	1,513,934
Tobacco manufacturers	(*)	(*)	(*)	(*)	(*)	(*)	(*)	8	5,877	8	231,753
Textile mill products	(*)	(*)	(*)	(*)	(*)	(*)	(*)	329	12,456	329	500,107
Apparel and other textile products	(*)	(*)	(*)	(*)	(*)	(*)	(*)	133	2,712	133	75,208
Lumber and wood products	3	44,012	172	16	4,744	—	9,748	208	5,697	228	562,573
Furniture and fixtures	—	—	—	(*)	(*)	(*)	(*)	—	4,052	102	73,209
Paper and allied products	(*)	(*)	(*)	(*)	(*)	(*)	(*)	169	13,080	169	729,720
Printing and publishing	(*)	(*)	(*)	(*)	(*)	(*)	(*)	337	16,789	337	429,744
Chemicals and allied products	3	6,748	18	6	608	—	368	309	70,417	309	2,865,449
Petroleum (including integrated) and coal products	(*)	(*)	(*)	31	185,857	(*)	186,119	71	28,440	70	3,350,753
Rubber and miscellaneous plastics products	(*)	(*)	10	(*)	(*)	—	6	174	17,409	174	562,309
Leather and leather products	(*)	(*)	(*)	(*)	(*)	(*)	(*)	23	747	23	18,056
Stone, clay and glass products	(*)	(*)	(*)	47	3,266	(*)	3,570	262	14,546	264	723,439
Primary metal industries	(*)	(*)	315	(*)	12,482	1,435	13,917	267	53,081	267	2,340,248
Fabricated metal products	(*)	(*)	(*)	(*)	(*)	(*)	(*)	547	15,404	587	441,208
Machinery except electrical	5	64,008	287	(*)	(*)	(*)	(*)	511	49,206	511	2,510,249
Electrical and electronic equipment	4	14,475	137	6	4,490	(*)	4,349	281	26,656	278	1,589,440
Motor vehicles and equipment	(*)	(*)	(*)	(*)	(*)	(*)	(*)	43	67,113	92	2,717,860
Transportation equipment except motor vehicles	(*)	(*)	(*)	(*)	(*)	(*)	(*)	175	17,388	100	874,141
Instruments and related products	(*)	(*)	(*)	(*)	(*)	(*)	(*)	121	15,138	121	565,034
Miscellaneous manufacturing and manufacturing not allocable	(*)	(*)	(*)	3	446	(*)	(*)	114	4,098	134	176,106
Transportation and public utilities	15	455,526	2,178	49	6,535	(*)	6,785	610	81,198	609	15,359,245
Transportation	(*)	(*)	(*)	41	5,976	(*)	6,148	116	17,752	315	2,230,209
Communication	(*)	(*)	(*)	—	—	(*)	—	108	26,117	108	6,818,058
Electric, gas, and sanitary services	6	141,216	1,774	8	559	(*)	(*)	186	27,170	186	6,310,478
Wholesale and retail trade	40	93,969	474	42	3,767	(*)	4,058	3,226	87,565	3,221	1,879,954
Wholesale trade	15	21,885	264	22	3,380	(*)	3,664	1,536	7,756	1,536	519,635
Groceries and related products	(*)	(*)	(*)	(*)	(*)	(*)	(*)	147	1,690	147	52,131
Machinery equipment and supplies	(*)	(*)	(*)	(*)	(*)	(*)	(*)	497	2,607	297	62,240
Miscellaneous wholesale trade	(*)	(*)	(*)	29	3,134	(*)	3,419	1,044	18,769	1,094	405,164
Retail trade	25	72,084	215	(*)	(*)	(*)	(*)	1,688	64,709	1,682	1,360,419
Building materials garden supplies and mobile home dealers	(*)	(*)	(*)	(*)	(*)	(*)	(*)	208	5,704	208	43,175
General merchandise stores	3	27,171	79	(*)	(*)	(*)	(*)	126	37,828	126	713,866
Food stores	(*)	(*)	(*)	(*)	(*)	(*)	(*)	113	8,642	113	353,587
Automotive dealers and service stations	(*)	(*)	(*)	(*)	(*)	(*)	(*)	369	2,534	369	59,750
Apparel and accessory stores	(*)	(*)	(*)	(*)	(*)	(*)	(*)	—	147	147	12,545
Furniture and home furnishings stores	(*)	(*)	(*)	(*)	(*)	(*)	(*)	178	1,269	178	16,322
Eating and drinking places	(*)	(*)	(*)	(*)	(*)	(*)	(*)	446	5,478	441	113,632
Miscellaneous retail stores	(*)	(*)	(*)	(*)	(*)	(*)	(*)	781	2,009	161	47,538
Wholesale and retail trade not allocable	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Finance, insurance, and real estate	477	882,722	7,811	3,325	60,431	1,055	61,486	9,192	184,528	9,044	2,960,133
Banking	135	168,211	4,884	599	24,474	866	25,341	1,935	44,014	1,934	1,621,645
Credit agencies other than banks	83	32,759	376	2,299	32,591	(*)	32,639	628	4,080	628	235,070
Security commodity brokers and services	(*)	(*)	(*)	(*)	(*)	(*)	(*)	14	650	13	5,178
Insurance	13	520,057	386	(*)	(*)	(*)	(*)	153	51,996	153	608,962
Insurance agents brokers and service	(*)	(*)	(*)	(*)	(*)	(*)	(*)	52	274	52	5,515
Real estate	167	122,469	1,572	375	2,661	160	2,821	6,349	70,308	6,347	440,143
Holding and other investment companies except bank holding companies	76	32,434	566	41	667	(*)	667	161	4,504	177	45,620
Services	49	24,287	298	48	1,201	(*)	1,456	1,462	45,148	1,462	928,534
Hotels and other lodging places	13	13,257	157	21	382	(*)	474	172	161,28	172	208,144
Personal services	(*)	(*)	(*)	(*)	(*)	(*)	(*)	87	661	87	60,781
Business services	3	1,229	2	(*)	(*)	(*)	(*)	297	3,447	297	236,671
Auto repair miscellaneous repair services	(*)	(*)	(*)	(*)	(*)	(*)	(*)	174	1,112	174	12,512
Amusement and recreation services	3	943	8	(*)	(*)	(*)	(*)	213	14,367	213	303,322
Other services	(*)	(*)	(*)	(*)	(*)	(*)	(*)	67	671	67	93,405
Nature of business not allocable	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 21.—Tax Preference Items: Number of Returns, and Tax Preference and Related Items, by Size of Total Assets

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

Item	Total		Size of total assets							
	Number of returns	Amount	Zero assets		\$1 under \$500,000		\$500,000 under \$1,000,000		\$1,000,000 under \$5,000,000	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total Active Corporation Returns Other Than Forms 1120S and 1120-DISC										
Total number of returns	1,626,134	—	50,000	—	1,343,433	—	103,562	—	90,404	—
Net long-term capital gain reduced by net short-term capital loss, total	104,732	7,740,064	3,045	72,610	64,729	582,609	13,474	279,444	14,845	609,931
Amount taxed at alternative rates	33,825	5,222,122	424	19,126	9,539	127,697	6,165	114,614	4,770	306,552
Additional tax for tax preferences, total	4,922	746,739	127	1,726	163	381	112	1,353	446	4,018
Amount deferred from prior years	261	14,498	(*)	(*)	(*)	(*)	(*)	(*)	52	230
Returns With Tax Preference Items										
Total items of tax preference	25,467	10,195,217	413	76,400	10,081	46,424	5,132	4,439	6,538	274,928
Statutory exclusion	37,381	518,004	394	6,401	9,623	49,175	4,781	40,721	8,052	95,113
Total tax preference items less statutory exclusion	11,298	9,667,214	291	6,931	1,115	17,350	1,133	3,463	2,476	179,794
Income tax available as an offset										
Current year	12,392	2,661,499	203	84,884	968	26,569	913	47,028	2,115	309,667
Carryover	5,896	13,040,715	12	99,513	252	8,012	2,08	7,541	512	41,945
Returns With Tax Preference Items After Statutory Exclusion and Income Tax Used as an Offset										
Number of returns	5,219	—	147	—	278	—	337	—	621	—
Items of tax preference										
Accelerated depreciation on—										
Low-income rental housing	90	3,742	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Other real property	1,421	162,604	17	1,312	(*)	(*)	(*)	(*)	219	6,711
Amortization of—										
Certified pollution control facilities	36	25,913	—	—	—	—	—	—	—	—
Railroad rolling stock	21	97,846	—	—	—	—	—	—	—	—
Reserves for losses on bad debts of financial institutions	2,467	1,125,833	45	49,933	—	—	—	—	—	—
Depletion	1,156	4,519,689	(*)	(*)	(*)	(*)	162	16,913	352	63,884
Capital gains	1,114	142,795	6	673	(*)	(*)	(*)	6,328	159	18,201
Total items of tax preference after statutory exclusion	1,219	6,429,350	147	58,831	274	13,622	0	45,229	621	89,783
Statutory exclusion	4,462	147,679	135	3,744	253	5,910	251	6,927	532	15,239
Total tax preference items less statutory exclusion	5,219	6,189,782	147	55,089	278	7,922	337	18,313	621	74,543
Income tax available as an offset										
Current year	3,752	2,676,381	89	3,845	(*)	(*)	165	3,881	309	28,397
Carryover	1,467	61,574	5	212	(*)	(*)	(*)	388	64	809
Total tax preference items less statutory exclusion and income tax used as an offset	5,219	3,547,762	147	51,031	278	5,809	337	14,354	621	45,341
Tentative additional tax for tax preferences	5,214	354,643	147	5,100	278	540	337	1,434	621	4,490
Net operating loss for 1974 remaining as a carryover to a succeeding year	861	2,204,218	27	66,890	(*)	(*)	(*)	(*)	186	26,766
Deferred additional tax for tax preferences	861	22,399	27	3,385	(*)	(*)	(*)	(*)	186	704
Tentative additional tax for tax preferences less deferral	4,430	330,229	126	1,716	(*)	(*)	312	1,340	474	3,783
Additional tax for tax preferences deferred from prior years	182	12,346	—	—	—	—	(*)	(*)	40	195
Additional tax for tax preferences	4,443	343,562	126	1,716	(*)	(*)	312	1,353	474	3,973
Returns With No Tax Preference Items After Statutory Exclusion and Income Tax Used as an Offset										
Total items of tax preference when equal to statutory exclusion	1,593	15,121	182	290	8,946	7,221	4,009	21,145	1,062	41,519
Total items of tax preference on returns with tax preference items after statutory exclusion	9,143	3,597,151	144	16,529	857	20,172	796	27,964	1,855	143,626
Income tax available as an offset										
Current year	8,641	19,471,118	131	21,042	657	24,641	748	45,147	1,806	261,270
Carryover	5,502	1,126,033	13	48,001	(*)	(*)	215	7,476	448	41,126
Returns With Specific Tax Preference Items										
Accelerated depreciation tax preferences	23,760	9,371,515	186	3,456	5,443	7,551	2,854	19,911	4,381	41,465
Depreciation deduction	20,599	45,127,012	180	75,928	4,480	69,941	2,315	93,895	4,957	511,686
Amortization tax preferences	165	2,366,133	(*)	(*)	—	—	(*)	(*)	74	766
Amortization deduction	195	286,422	(*)	(*)	—	—	—	—	—	—
Depletion tax preference	4,535	5,213,945	117	11,922	1,199	19,301	713	30,633	1,087	30,301
Depletion deduction	4,770	11,591,208	117	12,044	1,199	22,454	652	31,504	1,042	137,423
Reserve for bad debt tax preference	1,464	1,452,634	99	57,084	—	—	(*)	(*)	382	3,305
Bad debt deduction	7,949	3,120,018	96	60,868	—	—	(*)	(*)	382	3,790
Capital gains tax preference	13,900	1,681,062	122	4,094	3,463	39,389	2,150	32,714	1,082	103,183
Net long-term capital gain reduced by net short-term capital loss, total	1,746	4,960,114	119	12,504	2,634	85,413	2,125	63,115	3,438	248,650
Amount taxed at alternative rates	1,119	4,851,558	108	12,370	2,634	73,249	1,865	63,388	3,377	242,234
Returns With Net Operating Loss for 1974 Remaining as a Carryover to a Succeeding Year										
Total items of tax preference	—	—	—	—	—	—	—	—	—	—
Total items of tax preference on returns with net operating loss for 1974 remaining as a carryover to a succeeding year	—	—	—	—	—	—	—	—	—	—
Income tax available as an offset										
Current year	—	—	—	—	—	—	—	—	—	—
Carryover	—	—	—	—	—	—	—	—	—	—
Tax from recomputing prior year investment credit	1	960	(*)	(*)	—	—	—	—	(*)	(*)
Tax from recomputing prior year work-in-process (WIP) credit	—	—	—	—	—	—	—	—	—	—
Total items of tax preference in a statutory exclusion and income tax used as an offset	861	285,682	27	39,051	(*)	(*)	(*)	(*)	186	8,316
Tentative additional tax for tax preferences	861	28,530	27	3,309	(*)	(*)	(*)	(*)	186	6,511
Net operating loss remaining as a carryover to a succeeding year	861	2,204,218	27	66,890	(*)	(*)	(*)	(*)	186	26,766
Deferred additional tax for tax preferences	861	22,399	27	3,385	(*)	(*)	(*)	(*)	186	704
Tentative additional tax for tax preferences less deferred	—	6,136	6	525	(*)	(*)	(*)	(*)	39	104

Footnote: (*) and (b) refer to returns with no tax preference items.

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 22.—Tax Preference and Related Items, by Income Status, by Normal Tax, Surtax, and Alternative Tax Status, by Size of Total Items of Tax Preference

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

Income status, normal tax, surtax, and alternative tax status, size of total items of tax preference	Number of returns	Total assets	Total receipts	Net income		Deficit	Income tax			
				Number of returns	Amount		Total		Normal tax and surtax and alternative tax	
							Number of returns	Amount	Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Total active corporation returns other than Forms 1120S and 1120-DISC	1,626,334	3,952,766,527	2,941,467,104	1,008,367	160,552,880	23,046,106	888,263	66,108,421	871,550	65,582,120
Returns with net income	1,008,367	3,226,727,049	2,522,791,598	1,008,367	160,552,880	—	872,832	66,072,858	871,525	65,580,982
Returns without net income	617,967	726,039,478	418,675,506	—	—	23,046,106	15,431	35,563	25	1,138
Returns with tax preference items	39,289	2,751,003,976	1,576,452,094	34,752	89,375,329	4,414,419	35,060	37,860,599	35,510	17,392,522
Total										
Total items of tax preference—										
Under \$10,000	19,649	103,983,874	76,654,448	17,303	3,827,499	439,164	17,141	1,832,244	16,717	1,627,943
\$10,000 under \$30,000	7,081	100,886,523	68,017,331	6,267	3,091,464	429,984	6,184	1,342,064	6,009	1,338,574
\$30,000	269	5,318,000	2,299,576	239	91,894	10,400	244	40,196	245	39,851
\$31,000 under \$40,000	1,718	44,710,843	25,594,785	1,468	1,155,060	194,328	1,533	467,444	1,425	486,368
\$40,000 under \$50,000	1,486	36,692,288	17,424,689	1,301	987,488	123,548	1,372	441,726	1,272	440,084
\$50,000 under \$60,000	1,068	38,682,800	17,834,643	963	748,540	133,300	1,006	336,360	930	334,728
\$60,000 under \$75,000	1,074	45,600,265	21,537,390	944	941,541	216,382	492	425,708	915	423,572
\$75,000 under \$100,000	1,369	64,968,175	36,926,063	1,227	1,744,156	274,426	1,231	474,466	1,136	444,368
\$100,000 under \$150,000	1,344	95,195,764	54,371,564	1,203	2,242,948	462,723	1,289	1,007,522	1,175	1,001,782
\$150,000 under \$250,000	1,399	132,291,162	57,831,974	1,289	2,834,880	278,430	1,342	1,238,537	1,250	1,225,044
\$250,000 under \$500,000	1,262	252,698,626	115,250,807	1,136	5,344,663	420,153	1,215	2,414,117	1,093	2,400,085
\$500,000 under \$1,000,000	668	270,945,057	131,156,759	600	6,022,571	361,114	842	2,707,001	580	2,685,120
\$1,000,000 under \$5,000,000	657	694,530,096	293,809,413	586	14,668,459	963,110	630	6,567,823	560	6,501,198
\$5,000,000 under \$10,000,000	88	241,512,948	105,720,167	79	5,168,580	401,468	83	2,310,208	77	2,278,739
\$10,000,000 or more	128	712,639,708	561,892,025	124	40,495,987	114,976	129	6,163,669	120	15,863,580
No total items of tax preference shown	(*)	(*)	(*)	(*)	(*)	—	(*)	(*)	(*)	(*)
With normal tax, surtax, and alternative tax before credits, total	33,510	2,277,150,952	1,349,210,562	33,507	86,542,303	(*)	33,510	37,862,530	33,510	37,392,522
Total items of tax preference—										
Under \$10,000	16,717	68,999,926	64,345,040	16,717	3,751,271	—	16,717	1,631,660	16,717	1,627,943
\$10,000 under \$30,000	6,009	73,036,883	54,576,179	6,008	3,025,063	(*)	6,009	1,341,541	6,009	1,338,574
\$30,000	225	4,462,863	2,084,665	225	90,474	—	225	40,085	225	39,851
\$31,000 under \$40,000	1,425	32,592,296	20,624,685	1,425	1,137,945	—	1,425	487,576	1,425	486,368
\$40,000 under \$50,000	1,272	31,060,468	14,885,830	1,271	977,101	(*)	1,272	441,518	1,272	440,084
\$50,000 under \$60,000	930	31,671,472	13,855,953	930	740,790	—	930	336,052	930	334,728
\$60,000 under \$75,000	915	32,328,085	15,936,457	915	935,771	—	915	424,826	915	423,572
\$75,000 under \$100,000	1,136	41,478,693	26,726,056	1,136	1,626,414	—	1,136	746,999	1,136	744,368
\$100,000 under \$150,000	1,175	66,258,612	38,527,694	1,175	2,189,335	—	1,175	1,006,473	1,175	1,001,782
\$150,000 under \$250,000	1,250	102,652,191	48,239,965	1,250	2,776,531	—	1,250	1,234,931	1,250	1,225,044
\$250,000 under \$500,000	1,093	180,020,734	91,591,860	1,092	5,227,423	(*)	1,093	2,416,218	1,093	2,400,085
\$500,000 under \$1,000,000	580	193,698,690	112,946,030	580	5,912,198	—	580	2,702,721	580	2,685,120
\$1,000,000 under \$5,000,000	560	511,723,502	251,095,238	560	14,377,584	—	560	6,550,844	560	6,501,198
\$5,000,000 under \$10,000,000	77	221,807,587	87,240,610	77	5,143,206	—	77	2,306,832	77	2,278,739
\$10,000,000 or more	120	685,149,841	506,453,119	120	38,623,899	—	120	16,132,317	120	15,863,580
No total items of tax preference shown	(*)	(*)	(*)	(*)	(*)	—	(*)	(*)	(*)	(*)
Without normal tax, surtax, and alternative tax before credits, total	5,779	473,853,024	227,241,532	1,245	2,833,026	4,819,421	1,550	58,069	—	—
Total items of tax preference—										
Under \$10,000	2,932	34,983,948	12,309,408	586	76,228	439,164	424	584	—	—
\$10,000 under \$30,000	1,072	27,849,640	13,441,152	259	66,401	4,283,435	175	526	—	—
\$30,000	44	4,835,137	2,144,911	8	1,220	10,400	(*)	(*)	—	—
\$31,000 under \$40,000	293	12,118,577	4,970,100	43	17,115	194,328	108	268	—	—
\$40,000 under \$50,000	314	5,631,820	2,538,859	30	10,387	114,973	100	208	—	—
\$50,000 under \$60,000	138	7,011,328	3,978,690	33	7,750	133,300	76	308	—	—
\$60,000 under \$75,000	159	15,272,180	5,600,933	79	5,770	218,382	77	882	—	—
\$75,000 under \$100,000	233	23,489,482	10,199,007	91	117,742	274,426	45	497	—	—
\$100,000 under \$150,000	169	28,957,152	15,843,870	28	53,613	462,723	113	1,049	—	—
\$150,000 under \$250,000	149	29,638,971	9,592,014	39	58,349	278,430	92	1,606	—	—
\$250,000 under \$500,000	169	72,677,892	23,658,947	44	117,240	415,187	122	7,999	—	—
\$500,000 under \$1,000,000	88	77,246,367	18,210,729	20	110,373	361,119	62	4,278	—	—
\$1,000,000 under \$5,000,000	97	92,800,504	32,734,175	26	290,875	969,110	70	10,019	—	—
\$5,000,000 under \$10,000,000	11	19,705,361	18,479,557	(*)	(*)	401,468	6	3,376	—	—
\$10,000,000 or more	8	27,489,867	55,438,906	4	1,872,088	119,976	8	31,752	—	—
No total items of tax preference shown	(*)	(*)	(*)	(*)	(*)	—	(*)	(*)	—	—

Footnotes at end of table. See text for Explanation of Terms, and Description of the Sample and Limitations of the Data

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC
Table 22.—Tax Preference and Related Items, by Income Status, by Normal Tax, Surtax, and Alternative Tax Status, by Size of Total Items of Tax Preference—Continued

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

Income status, normal tax, surtax, and alternative tax status, size of total items of tax preference	Income Tax—Continued						Foreign tax credit	Investment credit	Work incentive (WIN) credit
	Tax from recomputing prior year investment credit	Tax from recomputing prior year Work incentive (WIN) credit	Additional tax for tax preferences						
			Total		Amount deferred from prior years				
			Number of returns	Amount	Number of returns	Amount			
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	
Total active corporation returns other than Forms 1120S and 1120-DISC	179 121	446	4,572	346,734	261	14 498	20,752,819	4,221,384	7,795
Returns with net income	156,256	418	4,153	335,202	254	14,409	20,752,819	4,221,237	7,795
Returns without net income	22,865	28	419	11,532	(*)	(*)	—	147	—
Returns with tax preference items									
Total	121,057	286	4,572	346,734	261	14,498	9,162,523	3,107,976	4,069
Total items of tax preference—									
Under \$10,000	4,185	(*)	127	112	(*)	(*)	27,355	81,615	273
\$10,000 under \$30,000	3,411	(*)	73	85	(*)	(*)	44,046	71,195	136
\$30,000	144	—	(*)	17	(*)	(*)	(*)	2,127	(*)
\$31,000 under \$40,000	1,342	(*)	149	77	(*)	(*)	14,060	35,598	80
\$40,000 under \$50,000	1,397	(*)	213	244	(*)	(*)	24,051	24,945	41
\$50,000 under \$60,000	1,312	(*)	285	314	(*)	(*)	5,718	20,622	52
\$60,000 under \$75,000	1,549	(*)	412	785	(*)	(*)	20,515	39,571	33
\$75,000 under \$100,000	1,836	(*)	505	1,292	(*)	(*)	22,200	41,591	153
\$100,000 under \$150,000	2,944	(*)	626	2,810	14	107	38,065	78,039	100
\$150,000 under \$250,000	5,496	(*)	739	5,991	26	157	83,202	87,400	193
\$250,000 under \$500,000	7,492	(*)	674	11,636	27	493	322,888	172,228	187
\$500,000 under \$1,000,000	4,804	(*)	325	12,075	21	1,113	357,522	224,342	343
\$1,000,000 under \$5,000,000	22,729	37	247	36,959	32	3,455	1,087,110	604,928	1,024
\$5,000,000 under \$10,000,000	17,000	44	36	14,425	5	764	498,563	207,562	379
\$10,000,000 or more	40,376	158	67	254,555	8	7,708	6,916,912	1,416,114	1,073
No total items of tax preference shown	—	—	(*)	(*)	(*)	(*)	—	(*)	—
With normal tax, surtax, and alternative tax before credits, total	112,172	260	3,869	247,576	153	11,101	9,462,523	3,107,976	4,069
Total items of tax preference—									
Under \$10,000	3,646	(*)	171	171	(*)	(*)	27,355	81,615	273
\$10,000 under \$30,000	2,935	(*)	42	29	(*)	(*)	44,046	71,195	136
\$30,000	119	—	(*)	17	(*)	(*)	316	2,127	2
\$31,000 under \$40,000	1,155	(*)	90	46	(*)	(*)	14,060	35,598	80
\$40,000 under \$50,000	1,312	(*)	137	121	(*)	(*)	24,051	24,945	41
\$50,000 under \$60,000	1,128	(*)	242	190	(*)	(*)	5,718	20,622	52
\$60,000 under \$75,000	844	(*)	357	808	(*)	(*)	20,515	39,571	33
\$75,000 under \$100,000	1,617	(*)	447	1,014	(*)	(*)	22,200	41,591	153
\$100,000 under \$150,000	2,465	(*)	553	2,245	(*)	(*)	38,065	78,039	100
\$150,000 under \$250,000	4,889	(*)	676	4,492	(*)	(*)	83,202	87,400	193
\$250,000 under \$500,000	6,546	(*)	603	9,584	(*)	(*)	322,888	172,228	187
\$500,000 under \$1,000,000	7,845	(*)	287	9,756	11	780	357,522	224,342	343
\$1,000,000 under \$5,000,000	21,546	37	252	28,053	25	2,702	1,087,110	604,928	1,024
\$5,000,000 under \$10,000,000	15,762	23	31	12,304	4	542	498,563	207,562	379
\$10,000,000 or more	40,313	158	61	228,264	6	6,900	6,916,912	1,416,114	1,073
No total items of tax preference shown	—	—	(*)	(*)	(*)	(*)	—	(*)	—
Without normal tax, surtax, and alternative tax before credits, total	8,885	(*)	703	49,158	108	3,347	—	—	—
Total items of tax preference—									
Under \$10,000	539	(*)	64	45	(*)	(*)	—	—	—
\$10,000 under \$30,000	466	(*)	31	57	(*)	(*)	—	—	—
\$30,000	(*)	—	(*)	31	—	—	—	—	—
\$31,000 under \$40,000	237	—	59	31	—	—	—	—	—
\$40,000 under \$50,000	95	—	76	123	(*)	(*)	—	—	—
\$50,000 under \$60,000	184	—	43	124	(*)	(*)	—	—	—
\$60,000 under \$75,000	705	—	55	177	(*)	(*)	—	—	—
\$75,000 under \$100,000	749	—	58	274	(*)	(*)	—	—	—
\$100,000 under \$150,000	474	(*)	73	570	(*)	35	—	—	—
\$150,000 under \$250,000	607	—	63	999	(*)	(*)	—	—	—
\$250,000 under \$500,000	446	(*)	71	2,052	15	351	—	—	—
\$500,000 under \$1,000,000	1,464	—	38	2,314	10	333	—	—	—
\$1,000,000 under \$5,000,000	11,333	—	45	19,064	7	753	—	—	—
\$5,000,000 under \$10,000,000	1,238	(*)	5	2,117	(*)	(*)	—	—	—
\$10,000,000 or more	63	—	6	31,289	(*)	(*)	—	—	—
No total items of tax preference shown	—	—	(*)	(*)	(*)	(*)	—	—	—

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

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 22.—Tax Preference and Related Items, by Income Status, by Normal Tax, Surtax, and Alternative Tax Status, by Size of Total Items of Tax Preference—Continued

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

Income status, normal tax, surtax, and alternative tax status, size of total items of tax preference	Selected items of tax preference									
	Accelerated depreciation on—						Amortization of—			
	Low-income rental housing		Other real property		Personal property subject to a net lease		Certified pollution control facilities		Railroad rolling stock	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	
Total active corporation returns other than Forms 1120S and 1120-DISC	550	18 668	20 133	900 771	356	4 276	413	76 402	64	132 137
Returns with net income	48	12 293	16 984	78 307	301	1 861	361	58 492	57	123 986
Returns without net income	120	6 375	3 143	118 464	55	2 415	52	17 905	7	8 151
Returns with tax preference items	550	18 668	20 133	900 771	356	4 276	413	76 402	64	132 137
Total items of tax preference—										
Under \$10 000	227	629	12 359	26 809	260	551	46	174	(*)	(*)
\$10 000 under \$30 000	68	700	3 111	38 448	43	410	70	997	—	—
\$30 000	(*)	(*)	74	1 031	(*)	(*)	(*)	(*)	—	—
\$31 000 under \$40 000	20	489	643	14 297	(*)	(*)	16	137	(*)	(*)
\$40 000 under \$50 000	19	651	494	12 643	(*)	(*)	23	657	(*)	(*)
\$50 000 under \$60 000	4	112	362	10 930	(*)	(*)	11	230	(*)	(*)
\$60 000 under \$75 000	7	149	421	14 292	6	42	9	276	(*)	(*)
\$75 000 under \$100 000	(*)	(*)	425	10 856	5	211	20	527	—	—
\$100 000 under \$150 000	21	1 232	474	28 573	5	186	21	889	—	—
\$150 000 under \$250 000	13	666	502	40 165	6	950	25	1 751	3	639
\$250 000 under \$500 000	27	2 604	464	76 305	(*)	(*)	35	4 991	3	563
\$500 000 under \$1 000 000	37	3 451	270	69 143	4	785	27	4 363	10	4 401
\$1 000 000 under \$5 000 000	44	5 260	356	224 923	3	644	54	22 410	21	25 401
\$5 000 000 under \$10 000 000	15	24	67	85 624	—	—	17	8 409	3	10 275
\$10 000 000 or more	27	1 808	102	236 702	—	—	36	30 525	16	90 663
No total items of tax preference shown	—	—	—	—	—	—	—	—	—	—
With normal tax, surtax, and alternative tax before credits, total	407	11 720	16 293	758 481	295	3 840	358	58 230	56	119 658
Total items of tax preference—										
Under \$10 000	176	424	11 174	21 040	217	365	45	173	(*)	(*)
\$10 000 under \$30 000	41	376	2 447	28 140	33	325	52	771	—	—
\$30 000	(*)	(*)	62	883	(*)	(*)	(*)	(*)	—	—
\$31 000 under \$40 000	16	374	487	9 719	(*)	(*)	15	134	(*)	(*)
\$40 000 under \$50 000	7	220	393	8 756	(*)	(*)	14	370	(*)	(*)
\$50 000 under \$60 000	4	112	267	6 923	(*)	(*)	10	199	(*)	(*)
\$60 000 under \$75 000	5	109	322	9 218	6	32	8	212	(*)	(*)
\$75 000 under \$100 000	(*)	(*)	332	14 315	3	116	18	497	—	—
\$100 000 under \$150 000	17	1 054	380	19 963	5	186	18	696	—	—
\$150 000 under \$250 000	7	406	419	30 456	6	950	23	1 700	3	639
\$250 000 under \$500 000	16	1 309	363	52 880	(*)	(*)	30	3 893	3	563
\$500 000 under \$1 000 000	28	2 718	220	52 903	4	785	26	3 947	9	4 364
\$1 000 000 under \$5 000 000	38	2 386	308	191 753	(*)	(*)	48	17 109	14	12 959
\$5 000 000 under \$10 000 000	14	24	61	75 960	—	—	14	1 690	3	10 275
\$10 000 000 or more	27	1 808	98	235 572	—	—	34	26 773	16	90 663
No total items of tax preference shown	—	—	—	—	—	—	—	—	—	—
Without normal tax, surtax, and alternative tax before credits, total	143	6 448	3 840	142 290	60	436	55	18 172	8	12 479
Total items of tax preference—										
Under \$10 000	51	205	2 225	5 769	(*)	(*)	(*)	(*)	—	—
\$10 000 under \$30 000	27	324	667	10 308	(*)	(*)	(*)	(*)	—	—
\$30 000	—	—	12	148	(*)	(*)	—	—	—	—
\$31 000 under \$40 000	(*)	(*)	157	4 578	(*)	(*)	(*)	(*)	—	—
\$40 000 under \$50 000	(*)	(*)	101	3 887	(*)	(*)	(*)	(*)	—	—
\$50 000 under \$60 000	—	—	95	4 007	—	—	(*)	(*)	—	—
\$60 000 under \$75 000	(*)	(*)	99	5 074	—	—	(*)	(*)	—	—
\$75 000 under \$100 000	(*)	(*)	93	6 541	(*)	(*)	(*)	(*)	—	—
\$100 000 under \$150 000	4	128	98	8 610	—	—	3	193	—	—
\$150 000 under \$250 000	6	260	83	9 709	—	—	(*)	(*)	—	—
\$250 000 under \$500 000	11	1 295	106	23 425	(*)	(*)	5	1 098	—	—
\$500 000 under \$1 000 000	9	733	50	16 240	—	—	(*)	(*)	(*)	(*)
\$1 000 000 under \$5 000 000	6	2 672	48	33 200	(*)	(*)	6	5 301	7	12 442
\$5 000 000 under \$10 000 000	—	—	6	9 664	—	—	3	6 719	—	—
\$10 000 000 or more	—	—	4	1 130	—	—	(*)	(*)	—	—
No total items of tax preference shown	—	—	—	—	—	—	—	—	—	—

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

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 22.—Tax Preference and Related Items, by Income Status, by Normal Tax, Surtax, and Alternative Tax Status, by Size of Total Items of Tax Preference—Continued

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

Income status, normal tax surtax and alternative tax status, size of total items of tax preference	Selected items of tax preference—Continued						Total items of tax preference ¹	Statutory exclusion		Total tax preference items less statutory exclusion	
	Reserves for losses on bad debts of financial institutions		Depletion		Capital gains			Number of returns	Amount	Number of returns	Amount
	(30)	(31)	(32)	(33)	(34)	(35)					
Total active corporation returns other than Forms 1120S and 1120-DISC	7,954	1,452,839	4,535	5,713,948	14,960	1,883,062	10,185,217	37,383	518,009	14,368	9,667,229
Returns with net income	7,192	1,314,017	4,007	5,524,706	14,512	1,871,515	9,693,251	33,029	459,318	12,758	9,233,920
Returns without net income	760	138,822	528	189,242	448	11,547	491,966	4,354	58,691	1,610	433,309
Returns with tax preference items											
Total	7,954	1,452,839	4,535	5,713,948	14,960	1,883,062	10,185,217	37,383	518,009	14,368	9,667,229
Total items of tax preference—											
Under \$10,000	912	154,341	1,995	2,448,918	6,177	11,473	44,431	16,521	44,511	1,342	4,063
\$10,000 under \$30,000	1,387	34,103	718	1,131,311	3,794	9,877	21,481	6,729	30,339	1,074	40,980
\$30,000	97	2,811	(1)	(1)	(1)	(1)	4,071	243	7,146	107	320
\$31,000 under \$40,000	626	20,848	311	5,764	667	14,196	59,608	1,676	48,417	1,718	11,243
\$40,000 under \$50,000	527	22,637	242	9,217	678	18,721	68,434	1,450	41,751	1,486	23,722
\$50,000 under \$60,000	437	22,705	186	7,462	434	13,443	57,374	1,033	29,812	1,068	28,143
\$60,000 under \$75,000	166	29,494	237	12,346	886	45,121	131,314	1,036	30,339	1,074	40,980
\$75,000 under \$100,000	560	46,598	183	11,854	644	34,839	116,793	1,429	39,459	1,369	76,928
\$100,000 under \$150,000	944	76,657	265	24,744	1,111	29,961	671,443	1,312	38,455	1,344	124,577
\$150,000 under \$250,000	712	132,791	294	42,221	542	47,882	1,697,811	1,397	40,166	1,399	227,891
\$250,000 under \$500,000	570	193,310	309	89,430	540	72,748	344,968	1,241	36,309	1,252	408,166
\$500,000 under \$1,000,000	277	181,314	212	106,937	311	143,111	484,416	637	18,851	638	445,585
\$1,000,000 under \$5,000,000	144	360,381	300	476,986	384	280,488	1,406,571	627	18,671	657	1,387,902
\$5,000,000 under \$10,000,000	177	58,512	54	263,240	58	143,811	615,694	84	2,520	86	613,374
\$10,000,000 or more	12	225,483	102	4,652,446	107	11,407,111	4,264,662	122	3,779	128	6,265,187
No total items of tax preference shown	—	—	—	—	—	—	—	—	—	—	—
With normal tax, surtax, and alternative tax before credits total	7,186	1,304,435	3,733	5,172,444	14,114	1,861,667	9,243,373	31,618	441,964	12,311	8,857,094
Total items of tax preference—											
Under \$10,000	752	135,646	898	2,198,918	4,111	11,321	41,115	15,714	37,168	1,132	3,230
\$10,000 under \$30,000	1,166	30,136	605	10,544,311	2,981	7,981	16,311	5,732	100,206	577	7,112
\$30,000	78	2,052	(1)	(1)	(1)	(1)	4,114	200	5,854	69	890
\$31,000 under \$40,000	560	18,224	262	5,764	667	14,196	49,422	1,676	39,943	1,425	9,625
\$40,000 under \$50,000	485	20,825	176	9,217	678	18,721	58,100	1,441	35,665	1,272	20,435
\$50,000 under \$60,000	394	22,577	142	7,172	434	13,443	57,374	892	25,839	930	24,678
\$60,000 under \$75,000	141	29,494	199	10,346	887	45,121	131,314	881	25,752	915	34,962
\$75,000 under \$100,000	512	46,598	181	11,854	644	34,839	116,793	1,097	39,499	1,136	63,919
\$100,000 under \$150,000	811	71,146	214	19,611	1,221	29,961	142,867	1,139	33,695	1,175	108,967
\$150,000 under \$250,000	665	122,791	236	34,994	542	47,882	1,697,811	1,212	35,675	1,250	203,706
\$250,000 under \$500,000	520	193,310	292	72,194	542	72,748	344,968	1,154	31,443	1,093	354,859
\$500,000 under \$1,000,000	239	181,314	193	106,937	311	143,111	484,416	561	16,271	580	388,341
\$1,000,000 under \$5,000,000	164	360,381	291	476,986	384	280,488	1,406,571	36	15,960	560	1,171,585
\$5,000,000 under \$10,000,000	177	58,512	47	263,240	58	143,811	615,694	1	2,520	77	535,199
\$10,000,000 or more	12	225,483	102	4,652,446	107	11,407,111	4,264,662	119	3,569	129	5,929,668
No total items of tax preference shown	—	—	—	—	—	—	—	—	—	—	—
Without normal tax, surtax, and alternative tax before credits total	661	148,744	862	4,372,124	14,114	1,861,667	9,243,373	1,367	76,045	2,037	810,135
Total items of tax preference—											
Under \$10,000	154	4,356	217	1,177	47	1,111	4,111	2,807	7,147	210	833
\$10,000 under \$30,000	427	1,952	105	7,172	1	1,111	4,111	1,712	17,925	61	1,396
\$30,000	20	2,052	(1)	(1)	(1)	(1)	4,114	4	1,390	(1)	(1)
\$31,000 under \$40,000	56	2,217	54	5,764	667	14,196	31,334	244	8,474	293	1,718
\$40,000 under \$50,000	42	1,808	66	9,217	678	18,721	43,111	206	6,948	214	3,287
\$50,000 under \$60,000	4	2,144	(1)	(1)	(1)	(1)	41	136	2,271	138	1,467
\$60,000 under \$75,000	45	2,944	74	2,346	887	45,121	1,098	117	4,847	159	5,994
\$75,000 under \$100,000	46	3,702	52	7,172	644	34,839	13,009	232	9,460	233	13,009
\$100,000 under \$150,000	88	5,601	51	5,231	1,221	29,961	20,969	163	4,760	169	15,610
\$150,000 under \$250,000	49	9,141	49	4,172	542	47,882	29,477	45	4,291	149	24,185
\$250,000 under \$500,000	50	15,212	47	17,202	542	72,748	6,264	166	4,356	163	53,307
\$500,000 under \$1,000,000	26	23,164	29	16,355	311	143,111	80,211	86	2,880	98	57,644
\$1,000,000 under \$5,000,000	30	58,184	49	101,685	4	5,333	219,007	41	2,711	97	216,317
\$5,000,000 under \$10,000,000	3	19,625	7	42,845	7	14,388	29,670	10	300	11	78,175
\$10,000,000 or more	—	—	6	330,324	10	11,407,111	4,264,662	7	210	8	335,519
No total items of tax preference shown	—	—	—	—	—	—	—	—	—	—	—

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

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 22.—Tax Preference and Related Items, by Income Status, by Normal Tax, Surtax, and Alternative Tax Status, by Size of Total Items of Tax Preference—Continued

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

Income status, normal tax, surtax, and alternative tax status, size of total items of tax preference	Income tax available as an offset				Returns with tax preference items after statutory exclusion and income tax used as an offset					
	Current year		Carryover		Number of returns	Selected items of tax preference				
	Number of returns	Amount	Number of returns	Amount		Accelerated depreciation on—			Amortization of—	
						Low income rental housing	Other real property	Personal property subject to a net lease	Certified pollution control facilities	Railroad rolling stock
(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	
Total active corporation returns other than Forms 1120S and 1120-DISC	12,392	22,607,499	3,619	13,092,612	5,219	3,742	162,804	414	25,913	97,846
Returns with net income	12,086	21,601,541	2,427	11,639,881	4,419	2,664	41,758	—	14,264	89,732
Returns without net income	306	5,005,958	1,192	1,452,731	1,010	1,078	40,046	—	11,649	8,114
Returns with tax preference items	12,392	22,607,499	3,619	13,092,612	5,219	3,742	162,804	414	25,913	97,846
Total items of tax preference—										
Under \$10,000	1,147	148,395	345	201,723	302	—	646	(1)	—	—
\$10,000 under \$30,000	584	187,613	266	154,045	37	—	1,347	—	—	—
\$30,000	91	15,915	13	2,406	16	—	(1)	—	—	—
\$31,000 under \$40,000	1,418	437,843	443	317,876	242	—	2,174	—	—	—
\$40,000 under \$50,000	1,220	392,251	175	179,162	28	(1)	3,321	(1)	—	—
\$50,000 under \$60,000	930	308,520	340	92,849	327	—	2,952	(1)	—	—
\$60,000 under \$75,000	413	364,699	245	202,899	458	(1)	3,277	—	(1)	—
\$75,000 under \$100,000	1,129	681,151	267	262,284	627	(1)	6,809	(1)	(1)	—
\$100,000 under \$150,000	1,194	690,154	398	696,457	676	(1)	6,675	—	(1)	—
\$150,000 under \$250,000	1,263	1,584,451	288	766,451	345	(1)	9,984	(1)	(1)	—
\$250,000 under \$500,000	1,137	1,311,566	281	1,522,044	727	764	1,722	(1)	(1)	—
\$500,000 under \$1,000,000	589	2,108,437	147	1,539,660	350	31	11,362	—	(1)	(1)
\$1,000,000 under \$5,000,000	568	4,802,060	163	2,089,056	371	1,206	34,998	(1)	4,175	18,574
\$5,000,000 under \$10,000,000	78	1,586,349	23	1,042,724	31	6	11,659	—	7,340	4,218
\$10,000,000 or more	117	2,694,044	25	1,066,684	67	86	46,241	—	13,879	74,066
No total items of tax preference shown	—	—	—	—	—	—	—	—	—	—
With normal tax, surtax, and alternative tax before credits total	12,086	22,600,894	2,893	11,495,923	3,810	176	78,499	(1)	14,318	85,434
Total items of tax preference—										
Under \$10,000	1,107	148,971	321	183,112	(1)	—	(1)	—	—	—
\$10,000 under \$30,000	572	187,608	277	109,264	30	—	(1)	—	—	—
\$30,000	89	15,906	11	2,511	(1)	—	—	—	—	—
\$31,000 under \$40,000	1,363	437,675	459	338,349	249	—	2,174	(1)	—	—
\$40,000 under \$50,000	1,207	392,225	115	144,014	131	—	3,417	—	—	—
\$50,000 under \$60,000	911	308,391	279	62,154	241	—	2,952	(1)	(1)	—
\$60,000 under \$75,000	845	364,301	234	132,859	354	—	3,111	—	(1)	—
\$75,000 under \$100,000	1,102	681,031	205	186,383	436	(1)	7,944	—	—	—
\$100,000 under \$150,000	1,164	690,154	341	681,521	650	(1)	6,675	—	—	—
\$150,000 under \$250,000	1,235	1,052,958	215	521,089	671	(1)	1,396	(1)	—	—
\$250,000 under \$500,000	1,088	1,410,822	217	1,276,270	606	(1)	1,941	(1)	(1)	—
\$500,000 under \$1,000,000	566	2,108,740	144	1,557,011	284	(1)	2,407	—	(1)	(1)
\$1,000,000 under \$5,000,000	558	4,802,060	148	2,284,454	345	(1)	1,741	(1)	—	(1)
\$5,000,000 under \$10,000,000	76	1,585,511	21	1,311,412	30	6	11,659	—	327	4,218
\$10,000,000 or more	117	2,694,394	23	2,945,909	67	86	46,241	—	13,884	74,066
No total items of tax preference shown	—	—	—	—	—	—	—	—	—	—
Without normal tax, surtax, and alternative tax before credits total	328	6,605	726	1,596,689	1,409	3367	84,145	(1)	11,845	—
Total items of tax preference—										
Under \$10,000	(1)	(1)	74	18,411	141	—	421	—	—	—
\$10,000 under \$30,000	(1)	(1)	59	44,831	57	—	826	—	(1)	—
\$30,000	(1)	(1)	—	—	15	—	(1)	—	—	—
\$31,000 under \$40,000	35	168	134	179,520	153	(1)	2,410	(1)	—	—
\$40,000 under \$50,000	13	25	60	42,759	157	(1)	2,773	(1)	—	—
\$50,000 under \$60,000	20	130	61	30,695	86	—	2,452	—	(1)	—
\$60,000 under \$75,000	18	697	61	69,830	134	(1)	2,758	—	—	—
\$75,000 under \$100,000	27	141	62	76,354	159	(1)	4,540	(1)	—	—
\$100,000 under \$150,000	31	267	56	124,928	120	(1)	5,031	—	—	—
\$150,000 under \$250,000	28	493	53	195,761	111	(1)	5,991	—	(1)	—
\$250,000 under \$500,000	49	744	54	245,839	121	(1)	15,780	—	—	—
\$500,000 under \$1,000,000	23	167	28	181,651	66	(1)	10,865	—	(1)	—
\$1,000,000 under \$5,000,000	33	1,000	29	304,602	74	1,189	22,257	(1)	4,063	(1)
\$5,000,000 under \$10,000,000	3	1,226	3	10,792	11	—	9,664	—	6,719	—
\$10,000,000 or more	—	—	(1)	(1)	7	—	512	—	215	—
No total items of tax preference shown	(1)	(1)	(1)	(1)	(1)	(1)	(1)	—	—	—

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

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 22.—Tax Preference and Related Items, by Income Status, by Normal Tax, Surtax, and Alternative Tax Status, by Size of Total Items of Tax Preference—Continued

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

Income status, normal tax, surtax, and alternative tax status, size of total items of tax preference	Returns with tax preference items after statutory exclusion and income tax used as an offset—Continued								
	Selected items of tax preference—Continued						Income tax available as an offset		Total tax preference items less statutory exclusion and income tax used as an offset
	Reserves for losses on bad debts of financial institutions	Depreciation	Capital gains	Total items of tax preference	Statutory exclusion	Total tax preference items less statutory exclusion	Current year	Carryover	
(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	
Total active corporation returns other than Forms 1120S and 1120-DISC	1,125,833	4,319,689	692,395	6,430,850	145,079	6,285,762	2,676,381	61,574	3,547,762
Returns with no items	1,028,524	4,150,757	688,465	6,086,718	120,135	5,947,585	2,673,854	39,205	3,234,466
Returns with at least one item	97,309	168,932	4,033	363,132	24,944	338,147	252,7	22,369	313,296
Returns with tax preference items	97,309	168,932	4,033	363,132	24,944	338,147	252,7	22,369	313,296
Total	1,125,833	4,319,689	692,395	6,430,850	145,079	6,285,762	2,676,381	61,574	3,547,762
total items of tax preference									
Under \$10,000	(1)	(1)	(1)	829	(1)	823	(1)	—	747
\$10,000 under \$20,000	(1)	(1)	(1)	1,915	(1)	1,229	(1)	233	920
\$20,000 under \$30,000	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	5
\$30,000 under \$40,000	1,944	2,455	(1)	8,447	6,369	1,529	16	(1)	1,370
\$40,000 under \$50,000	1,315	4,143	441	12,604	8,710	4,293	780	55	3,454
\$50,000 under \$60,000	1,989	2,230	2,893	17,858	11,710	8,107	3,610	358	4,109
\$60,000 under \$75,000	19,410	4,417	341	31,505	13,296	17,248	8,038	416	8,993
\$75,000 under \$100,000	42,311	7,269	6,421	77,983	18,711	35,771	14,879	453	19,986
\$100,000 under \$150,000	24,462	17,744	6,673	48,113	19,744	61,964	28,129	755	32,474
\$150,000 under \$250,000	11,487	21,916	7,838	140,154	23,171	126,979	58,899	1,991	66,073
\$250,000 under \$500,000	170,244	49,062	16,878	255,946	21,470	233,195	48,476	3,377	131,333
\$500,000 under \$1,000,000	164,178	53,318	21,064	242,844	10,260	232,583	96,174	3,321	130,486
\$1,000,000 under \$5,000,000	677,143	253,112	58,019	677,754	4,413	668,136	227,390	20,787	419,559
\$5,000,000 under \$10,000,000	40,429	130,162	45,878	264,664	1,206	263,454	88,822	10,807	183,838
\$10,000,000 or more	174,861	777,746	576,247	4,611,526	1,980	4,611,346	27,182,209	18,543	2,544,595
No total items of tax preference shown	—	—	—	—	—	—	—	—	—
With normal tax, surtax, and alternative tax rates (regular rate)	1,134,117	4,018,217	681,711	5,686,486	109,542	5,576,943	2,673,593	36,312	2,866,075
Total items of tax preference									
Under \$10,000	(1)	—	—	(1)	(1)	(1)	(1)	—	(1)
\$10,000 under \$20,000	(1)	—	—	581	(1)	544	(1)	233	(1)
\$20,000 under \$30,000	(1)	—	—	(1)	(1)	(1)	(1)	(1)	(1)
\$30,000 under \$40,000	1,815	2,455	1,013	8,447	2,355	628	116	(1)	497
\$40,000 under \$50,000	1,278	4,143	441	12,604	5,702	4,864	1,475	(1)	1,020
\$50,000 under \$60,000	1,876	2,230	2,471	13,479	7,712	6,174	2,903	341	3,141
\$60,000 under \$75,000	19,442	4,417	341	23,574	10,296	13,917	4,034	216	5,056
\$75,000 under \$100,000	42,311	7,269	6,421	77,983	13,281	25,182	11,801	368	10,000
\$100,000 under \$150,000	24,462	17,744	6,673	48,113	16,322	50,145	28,059	528	21,753
\$150,000 under \$250,000	11,487	21,916	7,838	129,973	11,472	109,414	58,784	954	49,660
\$250,000 under \$500,000	170,244	49,062	16,878	211,729	17,964	193,311	48,193	1,545	95,696
\$500,000 under \$1,000,000	164,178	53,318	21,064	244,035	8,440	189,483	97,819	2,055	89,829
\$1,000,000 under \$5,000,000	677,143	253,112	58,019	677,754	7,202	670,552	227,297	11,767	253,489
\$5,000,000 under \$10,000,000	40,429	130,162	45,878	266,881	901	265,979	87,546	15	117,681
\$10,000,000 or more	174,861	777,746	576,972	4,611,526	1,990	4,286,536	2,048,209	18,543	2,219,635
No total items of tax preference shown	—	—	—	—	—	—	—	—	—
With normal tax, surtax, and alternative tax rates (regular rate)	1,134,117	4,018,217	681,711	5,686,486	109,542	5,576,943	2,673,593	36,312	2,866,075
Total items of tax preference									
Under \$10,000	(1)	(1)	(1)	548	(1)	542	(1)	—	542
\$10,000 under \$20,000	(1)	(1)	(1)	1,034	(1)	359	685	(1)	612
\$20,000 under \$30,000	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
\$30,000 under \$40,000	1,814	2,455	1,013	8,447	4,514	401	(1)	(1)	873
\$40,000 under \$50,000	1,278	4,143	441	12,604	6,896	4,456	2,440	(1)	2,434
\$50,000 under \$60,000	1,876	2,230	2,471	14,411	2,548	2,093	(1)	(1)	1,968
\$60,000 under \$75,000	1,718	2,412	(1)	6,431	1,090	3,951	(1)	(1)	3,747
\$75,000 under \$100,000	19,471	3,364	(1)	15,519	5,430	10,989	18	(1)	9,986
\$100,000 under \$150,000	4,359	4,140	(1)	14,441	3,422	11,019	70	(1)	10,721
\$150,000 under \$250,000	5,574	7,914	(1)	20,783	3,219	17,565	115	1,037	16,413
\$250,000 under \$500,000	17,184	15,457	(1)	41,277	1,516	37,761	233	1,832	35,637
\$500,000 under \$1,000,000	16,711	17,571	(1)	44,809	1,920	42,889	355	(1)	40,667
\$1,000,000 under \$5,000,000	677,143	253,189	584	678,006	2,217	675,789	697	9,020	166,070
\$5,000,000 under \$10,000,000	40,429	130,162	—	78,475	300	78,175	1,224	10,792	66,157
\$10,000,000 or more	174,861	777,868	525	325,140	190	324,960	—	—	324,960
No total items of tax preference shown	—	—	—	—	—	—	—	—	—

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Characteristics of the Data.

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 22.—Tax Preference and Related Items, by Income Status, by Normal Tax, Surtax, and Alternative Tax Status, by Size of Total Items of Tax Preference—Continued

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

Income status, normal tax, surtax, and alternative tax status, size of total items of tax preference	Returns with tax preference items after statutory exclusion and income tax used as an offset—Continued							
	Tentative additional tax for tax preferences	Net operating loss for 1974 remaining as a carryover to a succeeding year		Deterred additional tax for tax preferences	Tentative additional tax for tax preferences less deterrent		Additional tax for tax preferences deferred from prior years	Additional tax for tax preferences
		Number of returns	Amount		Number of returns	Amount		
	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)
Total active corporation returns other than Forms 1120S and 1120-DISC	354,643	861	2,204,218	22,399	4,490	332,229	12,346	344,582
Returns with net income	323,343	127	316,724	2,556	4,076	320,786	12,277	333,070
Returns without net income	31,301	734	1,887,494	19,843	414	11,443	(*)	11,512
Returns with tax preference items								
Total	354,643	861	2,204,218	22,399	4,490	332,229	12,346	344,582
Total items of tax preference—								
Under \$10,000	72	97	39,815	11	122	48	(*)	48
\$10,000 under \$30,000	71	44	2,126	37	63	37	(*)	40
\$30,000	1	(*)	(*)	(*)	1	1		1
\$31,000 under \$40,000	140	95	33,708	70	148	70	(*)	70
\$40,000 under \$50,000	326	90	41,794	122	206	201	(*)	229
\$50,000 under \$60,000	375	41	53,158	94	284	281	(*)	310
\$60,000 under \$75,000	885	56	57,292	191	404	694	(*)	776
\$75,000 under \$100,000	1,958	137	217,892	712	504	1,248	(*)	1,288
\$100,000 under \$150,000	3,296	72	281,136	534	623	2,702	(*)	2,807
\$150,000 under \$250,000	6,607	55	130,489	770	736	5,837	150	5,984
\$250,000 under \$500,000	13,126	73	111,873	1,983	611	11,140	459	11,602
\$500,000 under \$1,000,000	13,040	37	239,717	2,060	320	10,960	595	11,557
\$1,000,000 under \$5,000,000	41,958	45	822,978	8,456	264	33,504	2,869	36,373
\$5,000,000 under \$10,000,000	19,385	8	144,502	4,725	35	13,668	386	14,047
\$10,000,000 or more	154,482	31	26,360	2,616	65	251,847	7,603	259,450
No total items of tax preference shown	—	—	—	—	—	—	—	—
With normal tax, surtax, and alternative tax before credits total	266,618	(*)	(*)	(*)	3,804	286,475	9,070	295,545
Total items of tax preference—								
Under \$10,000	(*)	—	—	—	(*)	(*)	—	(*)
\$10,000 under \$30,000	22	—	—	—	40	22	(*)	25
\$30,000	(*)	—	—	—	(*)	(*)	—	(*)
\$31,000 under \$40,000	39	—	—	—	89	39	(*)	39
\$40,000 under \$50,000	58	—	—	—	130	96	(*)	106
\$50,000 under \$60,000	196	—	—	—	241	186	—	186
\$60,000 under \$75,000	517	—	—	—	354	517	(*)	599
\$75,000 under \$100,000	992	—	—	—	446	992	(*)	1,010
\$100,000 under \$150,000	2,186	—	—	—	550	2,186	(*)	2,237
\$150,000 under \$250,000	4,967	(*)	(*)	(*)	673	4,966	(*)	4,985
\$250,000 under \$500,000	1,560	(*)	(*)	(*)	601	5,438	(*)	9,550
\$500,000 under \$1,000,000	8,476	—	—	—	264	8,476	(*)	9,238
\$1,000,000 under \$5,000,000	25,351	—	—	—	244	25,351	2,116	27,467
\$5,000,000 under \$10,000,000	11,296	—	—	—	10	11,296	164	11,930
\$10,000,000 or more	221,966	—	—	—	80	221,966	6,195	228,161
No total items of tax preference shown	—	—	—	—	—	—	—	—
Without normal tax, surtax, and alternative tax before credits total	8,021	854	2,194,643	22,456	686	45,754	3,276	49,037
Total items of tax preference—								
Under \$10,000	61	1	39,815	11	11	37	(*)	37
\$10,000 under \$30,000	52	41	2,126	37	11	15	—	15
\$30,000	(*)	(*)	(*)	(*)	13	(*)	—	(*)
\$31,000 under \$40,000	101	48	33,708	70	59	31	—	31
\$40,000 under \$50,000	294	90	41,794	122	76	105	(*)	123
\$50,000 under \$60,000	189	47	53,158	94	44	95	(*)	124
\$60,000 under \$75,000	368	56	57,292	191	55	177	(*)	177
\$75,000 under \$100,000	996	137	217,892	712	58	294	(*)	278
\$100,000 under \$150,000	1,966	72	281,136	534	73	454	(*)	570
\$150,000 under \$250,000	1,640	51	130,271	749	67	641	(*)	999
\$250,000 under \$500,000	3,568	68	102,510	1,861	70	1,702	351	2,052
\$500,000 under \$1,000,000	4,064	37	239,717	2,080	26	1,984	330	2,319
\$1,000,000 under \$5,000,000	16,807	45	823,979	8,456	45	8,153	750	8,906
\$5,000,000 under \$10,000,000	6,817	6	144,502	4,724	5	1,995	222	2,117
\$10,000,000 or more	32,446	31	26,360	2,616	6	23,881	1,408	31,289
No total items of tax preference shown	—	—	—	—	—	—	—	—

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

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 22.—Tax Preference and Related Items, by Income Status, by Normal Tax, Surtax, and Alternative Tax Status, by Size of Total Items of Tax Preference—Continued

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

Income status, normal tax, surtax, and alternative tax status, size of total items of tax preference	Returns with no tax preference items after statutory exclusion and income tax used as an offset							
	Total items of tax preference when equal to statutory exclusion	Returns with tax preference items remaining after—				Statutory exclusion and current year income tax available as an offset		Prior year income tax available as an offset
		Statutory exclusion		Total tax preference items less statutory exclusion	Current year income tax available as an offset	Total tax preference items less statutory exclusion and current year tax available as an offset		
		Total items of tax preference	Statutory exclusion			Number of returns	Amount	
(68)	(69)	(70)	(71)	(72)	(73)	(74)	(75)	
Total active corporation returns other than Forms 1120S and 1120-DISC	163,215	3,591,152	209,715	3,381,447	19,931,118	1,505	332,127	2,802,421
Returns with net income	14,392	3,481,510	16,201	3,296,309	19,927,687	938	239,837	1,423,139
Returns without net income	14,233	1,099,642	19,514	985,138	3,431	567	92,290	1,379,282
Returns with tax preference items	16,215	691,112	209,715	7,381,347	19,931,118	1,505	332,127	2,802,421
Total	16,215	691,112	209,715	7,381,347	19,931,118	1,505	332,127	2,802,421
Total items of tax preference—								
Under \$10,000	43,198	1,964	4	3,240	148,919	131	444	18,210
\$10,000 under \$30,000	114,965	4,271	1,069	6,919	187,380	52	498	42,136
\$30,000	3,860	2,211	1,823	905	15,905	(1)	(1)	(1)
\$31,000 under \$40,000	51,168	41,418	9,714	437,127	172	1,190	184,349	87,977
\$40,000 under \$50,000	5,964	11,441	19,429	391,470	126	1,381	49,321	1,379,282
\$50,000 under \$60,000	—	—	2,122	20,076	37,410	174	2,463	36,803
\$60,000 under \$75,000	—	—	11,263	23,122	15,861	131	3,142	49,364
\$75,000 under \$100,000	—	—	17,748	47,657	666,372	132	5,084	87,977
\$100,000 under \$150,000	—	—	81,403	18,711	1,121,111	116	8,901	166,741
\$150,000 under \$250,000	—	—	117,910	16,955	100,912	143	13,087	262,580
\$250,000 under \$500,000	—	—	189,889	14,329	134,911	120	26,193	361,103
\$500,000 under \$1,000,000	—	—	221,492	4,591	214,402	69	26,872	277,574
\$1,000,000 under \$5,000,000	—	—	729,614	9,252	714,568	68	99,656	129,315
\$5,000,000 under \$10,000,000	—	—	333,240	1,321	321,110	10	37,818	218,344
\$10,000,000 or more	—	—	1,652,642	1,732	1,651,941	11	105,213	323,871
No total items of tax preference shown	—	—	—	—	—	—	—	—
With normal tax, surtax, and alternative tax before credits, total	138,114	3,474,414	144,414	3,280,101	19,927,301	900	234,043	1,281,381
Total items of tax preference—								
Under \$10,000	9,817	3,241	41	2,449	148,895	65	177	992
\$10,000 under \$30,000	17,211	4,509	1,347	7,166	187,375	28	152	1,903
\$30,000	1,780	2,241	1,765	875	15,896	(1)	(1)	(1)
\$31,000 under \$40,000	46,719	17,498	8,897	437,559	143	409	5,303	1,379,282
\$40,000 under \$50,000	10,142	11,811	18,520	391,446	64	658	7,167	1,379,282
\$50,000 under \$60,000	—	—	37,338	18,662	304,789	124	1,188	12,392
\$60,000 under \$75,000	—	—	17,161	15,496	11,865	81	1,340	7,945
\$75,000 under \$100,000	—	—	27,454	14,218	38,137	60	2,286	11,708
\$100,000 under \$150,000	—	—	75,936	1,173	68,621	97	4,507	42,040
\$150,000 under \$250,000	—	—	117,914	15,321	94,242	105	6,845	68,260
\$250,000 under \$500,000	—	—	172,411	13,459	154,471	112	11,088	117,106
\$500,000 under \$1,000,000	—	—	206,577	7,731	198,847	48	13,430	103,221
\$1,000,000 under \$5,000,000	—	—	687,749	8,758	679,018	50	59,461	433,733
\$5,000,000 under \$10,000,000	—	—	331,200	1,269	329,910	10	37,818	218,344
\$10,000,000 or more	—	—	1,645,051	1,763	1,643,262	10	94,654	253,077
No total items of tax preference shown	—	—	—	—	—	—	—	—
Without normal tax, surtax, and alternative tax before credits, total	27	117,498	55,301	171,296	3,817	605	98,084	1,519,040
Total items of tax preference—								
Under \$10,000	7,214	76	1	291	(1)	68	267	17,218
\$10,000 under \$30,000	17,744	491	1	341	(1)	24	346	40,233
\$30,000	—	(1)	1	30	(1)	(1)	(1)	(1)
\$31,000 under \$40,000	—	4,774	1,460	617	168	126	781	179,036
\$40,000 under \$50,000	—	2,477	1,630	847	24	57	823	42,754
\$50,000 under \$60,000	—	2,144	1,425	1,114	121	50	1,275	26,417
\$60,000 under \$75,000	—	1,654	1,587	2,017	693	50	1,802	33,019
\$75,000 under \$100,000	—	4,450	1,530	2,920	122	52	2,798	6,269
\$100,000 under \$150,000	—	5,245	1,338	4,521	197	49	4,394	124,701
\$150,000 under \$250,000	—	7,692	10,723	6,620	376	38	6,242	194,324
\$250,000 under \$500,000	—	16,496	7,447	15,546	451	48	15,095	243,997
\$500,000 under \$1,000,000	—	15,415	660	14,755	1,322	21	13,417	174,353
\$1,000,000 under \$5,000,000	—	47,327	494	47,528	303	18	40,225	295,580
\$5,000,000 under \$10,000,000	—	—	—	—	—	—	—	—
\$10,000,000 or more	—	10,559	30	10,559	—	(1)	(1)	70,794
No total items of tax preference shown	—	—	—	—	—	—	—	—

Footnotes at end of table. See text for Explanation of Terms, and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC, WITH ITEMS OF TAX PREFERENCE
Table 23.—Number of Returns, Tax Preference and Related Items, by Size of Total Items of Tax Preference After Statutory Exclusion and Income Tax Used as an Offset

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

	Net income			Deficit			Income tax			Tax from recomputing prior year's income tax credit (12)	Tax from prior year's work incentive (WIN) credit (13)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)			(10)	(11)
	Number of returns	Total assets	Total receipts	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
Returns With and Without Normal Tax, Surtax, and Alternative Tax Before Credits													
Total returns other than Forms 1120S and 1120-DISC, with tax preference items after statutory exclusion and income tax used as an offset—	1,124	2,751,009.976	1,576,452,004	34,752	89,375,702	4,537	4,834,410	35,061	3,786,599	335.0	37,392,522	171,057	296
Under \$10,000	5,219	1,011,024,798	459,485,395	4,700	25,433,762	1,014	2,678,304	4,594	8,992,264	18.0	8,605,774	13,407	(1)
\$10,000 under \$30,000	1,127	29,214,245	5,440,641	403	131,376	218	158,718	497	49,878	192	15,382	192	(1)
\$30,000 under \$40,000	339	1,045,560	3,461,705	296	161,745	53	46,737	303	66,227	852	65,042	180	(1)
\$40,000 under \$50,000	303	15,901,823	2,641,845	365	79,276	291	18,698	291	17,750	242	16,324	47	(1)
\$50,000 under \$75,000	504	36,052,365	7,859,784	439	194,094	38	18,948	439	18,948	442	48,777	132	(1)
\$75,000 under \$100,000	376	35,753,312	245	127,607	61	378,404	306	47,363	528	48,777	132	(1)	
\$100,000 under \$150,000	125	38,424,988	9,976,718	163	220,895	14	156,315	344	74,533	330	74,533	393	(1)
\$150,000 under \$250,000	465	57,759,525	7,726,815	320	268,511	45	106,478	342	104,722	291	37,803	244	(1)
\$250,000 under \$500,000	165	112,412,093	21,033,117	264	413,706	26	148,361	335	139,148	265	127,085	1,032	(1)
\$500,000 under \$1,000,000	178	61,509,204	11,004,769	137	48,348	120	203,627	120	48,348	118	67,103	183	(1)
\$1,000,000 under \$5,000,000	210	218,778,919	68,246,543	159	1,822,160	52	1,014,931	184	851,573	136	670,133	374	(1)
\$5,000,000 under \$10,000,000	28	64,415,454	22,474,653	22	1,199,774	6	136,078	23	377,698	30	459,985	374	(1)
\$10,000,000 or more	40	123,296,438	286,157,467	37	20,740,800	1	18,530	40	135,430	33	5,682,221	6,266	(1)
Returns With Normal Tax, Surtax, and Alternative Tax Before Credits													
Total returns other than Forms 1120S and 1120-DISC, with tax preference items	33,510	2,277,150,952	1,348,210,562	33,507	86,542,703	(1)	(1)	33,510	37,802,530	33,510	37,392,522	112,172	260
Under \$10,000	1,810	781,959,344	322,114,078	3,809	23,271,854	(1)	(1)	3,810	8,911,972	3,810	8,605,778	10,443	(1)
\$10,000 under \$30,000	584	11,588,223	1,089,975	564	45,717	(1)	(1)	584	16,239	584	15,922	86	(1)
\$30,000 under \$40,000	852	23,119,825	2,145,081	852	115,171	(1)	(1)	852	49,549	852	41,955	28	(1)
\$40,000 under \$50,000	263	14,622,671	2,945,814	251	157,128	(1)	(1)	263	66,102	263	55,047	176	(1)
\$50,000 under \$75,000	442	4,540,604	878,645	242	42,706	(1)	(1)	242	17,509	242	16,324	72	(1)
\$75,000 under \$100,000	424	19,620,179	1,848,242	424	115,706	(1)	(1)	424	48,735	424	46,177	70	(1)
\$100,000 under \$150,000	252	21,985,347	2,687,929	252	93,471	(1)	(1)	252	41,665	252	39,278	159	(1)
\$150,000 under \$250,000	310	46,094,722	2,309,594	300	182,481	(1)	(1)	310	78,788	310	74,533	188	(1)
\$250,000 under \$500,000	291	44,250,771	9,627,354	291	234,464	(1)	(1)	291	103,534	291	97,891	76	(1)
\$500,000 under \$1,000,000	265	94,069,394	9,271,517	264	315,064	(1)	(1)	265	136,816	265	127,085	410	(1)
\$1,000,000 under \$5,000,000	114	39,999,312	5,559,163	118	310,268	(1)	(1)	114	137,912	114	129,373	150	(1)
\$5,000,000 under \$10,000,000	136	133,141,606	31,549,325	136	1,562,053	(1)	(1)	136	640,976	136	610,135	154	(1)
\$10,000,000 or more	33	102,316,324	235,167,371	33	18,918,172	(1)	(1)	33	7,104,139	33	6,682,221	6,284	(1)
Returns Without Normal Tax, Surtax, and Alternative Tax Before Credits													
Total returns other than Forms 1120S and 1120-DISC, with tax preference items	5,779	421,853,024	227,241,512	1,395	2,813,026	4,534	4,814,421	1,500	58,099	(1)	(1)	8,665	(1)
Under \$10,000	1,309	231,139,454	137,771,308	391	2,525,328	1,019	2,572,435	760	52,322	(1)	(1)	3,264	(1)
\$10,000 under \$30,000	275	7,174,420	3,295,561	275	18,024	269	159,850	275	108,774	(1)	(1)	108,774	(1)
\$30,000 under \$40,000	76	2,222,869	515,887	(1)	(1)	53	48,737	40	125	(1)	(1)	(1)	(1)
\$40,000 under \$50,000	61	7,361,218	1,753,199	(1)	(1)	39	19,698	48	19,698	(1)	(1)	(1)	(1)
\$50,000 under \$75,000	73	15,777,406	3,527,915	75	71,007	38	139,482	62	139,482	(1)	(1)	62	(1)
\$75,000 under \$100,000	45	12,170,776	6,479,154	(1)	(1)	58	64	58	482	(1)	(1)	194	(1)
\$100,000 under \$150,000	74	13,598,254	2,649,251	29	49,282	45	106,176	51	119,513	(1)	(1)	206	(1)
\$150,000 under \$250,000	100	48,347,664	11,261,920	25	118,142	75	190,945	70	2382	(1)	(1)	622	(1)
\$250,000 under \$500,000	74	61,647,294	16,657,244	22	260,801	42	603,171	42	603,171	(1)	(1)	133	(1)
\$500,000 under \$1,000,000	18	4,979,255	1,930,003	(1)	(1)	6	136,078	5	1,715	(1)	(1)	1,715	(1)
\$1,000,000 under \$5,000,000	7	2,480,117	53,789,486	4	18,712,988	3	18,570	7	31,291	(1)	(1)	31,291	(1)

Footnotes at end of table. See text for explanation of terms and description of the sample and limitations of the data.

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC, WITH ITEMS OF TAX PREFERENCE
Table 23.—Number of Returns, Tax Preference and Related Items, by Tax Status, by Size of Total Items of Tax Preference After Statutory Exclusion and Income Tax
Used as an Offset—Continued

Table with columns: (14) Number of returns, (15) Amount, (16) Number of returns, (17) Amount, (18) Number of returns, (19) Amount, (20) Number of returns, (21) Amount, (22) Number of returns, (23) Amount, (24) Number of returns, (25) Amount, (26) Number of returns, (27) Amount. Rows include categories like Returns With and Without Normal Tax, Surtax, and Alternative Tax, and Returns Without Normal Tax, Surtax, and Alternative Tax.

Footnotes at end of table. See text for Explanation of Terms, and Description of the Sample and Limitations of the Data

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC WITH ITEMS OF TAX PREFERENCE
 Table 23.—Number of Returns, Tax Preference and Related Items, by Tax Status, by Size of Total Items of Tax Preference After Statutory Exclusion and Income Tax
 Used as an Offset—Continued

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

Tax status, size of total items of tax preference after statutory exclusion and income tax used as an offset	Items of tax preference—Continued						Total items of tax preference			Statutory exclusion			Income tax available as an offset			
	Reserves for losses on bad debts of financial institutions		Depletion		Capital gains		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(28)	(29)	(30)	(31)	(32)	(33)										
Returns With and Without Normal Tax, Surtax, and Alternative Tax, Before Credits																
Total returns other than Forms 1120S and 1120-DISC, with tax preference items	7,351	1,452,834	1,035	5,713,418	14,461	1,963,247	19,250	10,198,217	11,893	5,188,071	4,667,229	10,092	22,607,434	11,143	13,032,411	
Returns with tax preference items after statutory exclusion and income tax used as an offset—Total	2,967	1,125,813	1,156	4,319,899	7,214	630,095	5,312	5,139,850	4,962	545,014	6,385,782	3,752	2,636,161	3,021	21,478	
Under \$10,000	421	24,259	46	4,650	229	4,650	913	39,760	765	13,721	14,955	873	13,721	302	81,498	
\$10,000 under \$30,000	643	56,114	252	11,927	1,775	39,464	1,127	70,464	1,179	31,864	59,103	784	37,207	105	1,006	
\$30,000 under \$40,000	213	25,034	79	6,988	513	11,810	319	61,503	118	9,314	50,509	205	38,521	22	584	
\$40,000 under \$50,000	187	35,669	72	6,618	61	6,618	300	37,165	296	8,715	29,038	211	14,363	26	1,296	
\$50,000 under \$75,000	361	61,063	67	11,010	169	15,318	534	96,161	667	17,527	74,630	457	34,791	14	1,160	
\$75,000 under \$100,000	212	51,110	77	18,219	63	27,076	326	76,055	301	9,523	66,532	140	52,430	22	2,417	
\$100,000 under \$150,000	467	140,944	94	20,443	99	12,659	425	139,248	416	12,448	107,298	140	52,430	22	2,417	
\$150,000 under \$250,000	294	117,313	61	23,808	65	12,054	365	168,735	358	19,718	158,018	246	78,251	27	8,181	
\$250,000 under \$500,000	198	129,869	124	64,296	103	13,664	365	211,550	359	13,729	200,821	382	87,587	56	3,143	
\$500,000 under \$1,000,000	88	104,020	69	54,724	69	11,444	178	171,442	173	27,467	143,975	194	57,507	12	2,041	
\$1,000,000 under \$5,000,000	90	259,914	107	335,882	82	19,023	210	407,240	204	8,110	401,130	194	352,861	21	36,222	
\$5,000,000 under \$10,000,000	5	44,520	20	196,071	16	196,071	28	196,565	27	810	185,751	20	185,631	1	1,100	
\$10,000,000 or more	5	150,262	37	1,534,276	36	328,381	40	4,076,713	44	11,770	4,075,543	30	1,650,373	1	1,100	
Returns With Normal Tax, Surtax, and Alternative Tax Before Credits																
Total returns other than Forms 1120S and 1120-DISC, with tax preference items	7,399	1,934,134	1,373	5,776,698	14,514	1,969,466	19,484	10,294,980	11,816	441,864	8,857,044	12,094	11,500,344	11,413	11,431,413	
Returns with tax preference items after statutory exclusion and income tax used as an offset—Total	2,933	1,019,555	50	3,895,237	1,323	817,271	3,810	5,966,469	3,695	109,542	5,576,927	1,618	3,673,594	265	36,111	
Under \$10,000	602	53,947	172	15,079	162	3,961	310	31,961	310	14,881	17,101	253	13,715	60	494	
\$10,000 under \$30,000	406	24,324	51	5,179	51	11,818	263	55,572	263	2,783	47,789	291	18,231	18	1,007	
\$30,000 under \$40,000	172	27,813	47	4,579	61	2,241	242	32,345	241	1,064	25,340	211	14,760	11	1,100	
\$40,000 under \$50,000	76	49,561	5	15,266	30	10,346	404	80,727	410	12,547	68,180	308	42,074	16	1,100	
\$50,000 under \$75,000	259	77,527	54	13,460	36	11,734	316	103,016	316	3,943	99,073	346	34,868	15	1,100	
\$75,000 under \$100,000	233	105,456	36	18,124	86	14,829	261	148,829	261	8,610	140,219	285	78,863	17	4,094	
\$100,000 under \$150,000	157	110,337	86	49,404	51	14,461	265	192,046	271	1,852	180,243	260	90,963	8	1,100	
\$150,000 under \$250,000	82	122,582	46	24,511	31	18,948	118	66,984	118	3,394	63,590	109	43,450	7	1,312	
\$250,000 under \$5,000,000	4	29,818	16	163,448	16	163,448	20	334,374	20	4,600	330,774	19	165,634	1	1,100	
\$5,000,000 or more	5	150,451	30	1,210,390	27	328,267	311	3,251,573	311	9,991	3,150,582	30	1,650,373	1	1,100	
Returns Without Normal Tax, Surtax, and Alternative Tax Before Credits																
Total returns other than Forms 1120S and 1120-DISC, with tax preference items	865	148,742	402	637,000	641	19,196	5,776	866,157	5,965	76,045	810,135	329	1,695	728	1,596,099	
Returns with tax preference items after statutory exclusion and income tax used as an offset—Total	274	106,276	416	518,457	191	10,472	1,409	744,384	1,767	35,577	708,939	136	2,286	107	25,914	
Under \$10,000	42	1,161	34	483	1	483	335	7,309	344	5,461	1,854	16	6	12	14	
\$10,000 under \$30,000	47	3,197	76	5,175	225	12,259	244	5,064	244	2,710	5,064	171	1,100	1	1,100	
\$30,000 under \$40,000	11	770	1	770	1	770	76	4,931	75	2,171	2,760	1	1,100	4	1,100	
\$40,000 under \$50,000	15	1,289	1	1,289	1	1,289	61	5,281	55	3,643	4,940	1	1,100	1	1,100	
\$50,000 under \$75,000	29	2,522	32	2,522	170	15,124	170	15,124	168	10,444	10,444	1	1,100	1	1,100	
\$75,000 under \$100,000	16	1,465	34	3,134	74	9,842	74	9,842	74	2,217	6,625	1	1,100	1	1,100	
\$100,000 under \$150,000	24	1,653	38	6,514	7	6,514	95	15,833	89	2,645	13,175	14	179	1	1,100	
\$150,000 under \$250,000	11	683	5	5,448	74	19,906	74	19,906	71	2,108	17,800	11	118	1	1,100	
\$250,000 under \$500,000	7	10,937	38	14,218	1	14,218	100	49,454	97	2,887	36,567	22	619	9	3,471	
\$500,000 under \$1,000,000	21	12,302	29	21,035	5	21,035	60	44,458	59	1,770	42,688	11	117	9	1,100	
\$1,000,000 under \$5,000,000	1	3,132	4	91,162	1	91,162	74	187,372	64	2,067	185,305	26	1,641	9	1,100	
\$5,000,000 or more	1	1,100	5	1,100	1	1,100	8	57,948	1	1,100	324,960	1	1,100	1	1,100	

Footnotes at end of table. Sample for Expansion of Form 1120-DISC.

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC, WITH ITEMS OF TAX PREFERENCE Surplus Tax Preference and Related Items, by Tax Status, by Size of Total Tax Preference After Statutory Exclusion and Income Tax Used as an Offset—Continued

Table with columns for tax status, size of total items, and 16 sub-columns (147-162) detailing preference items. Rows are grouped by size of total tax preference (e.g., \$10,000 or more, \$50,000 or more).

F.—Abbreviations at end of table. See text for explanation of terms, and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC, WITH ITEMS OF TAX PREFERENCE
 Table 23.—Number of Returns, Tax Preference and Related Items, by Tax Status, by Size of Total Items of Tax Preference After Statutory Exclusion and Income Tax
 Used as an Offset—Continued

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

Tax status, size of total items of tax preference after statutory exclusion and income tax used as an offset	Returns showing tax preference items based on—Continued											
	Depletion		Bad debt deduction		Reserve for bad debt preference		Capital gains tax preference		Net long-term capital gain by net short-term capital loss			
	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	
Returns With and Without Normal Tax, Surtax, and Alternative Tax Before Credits												
Total returns other than Forms 1120S and 1120-DISC with tax preference items	5,713,944	4,370	11,591,208	1,452,874	7,949	3,120,018	1,843,062	14,746	4,996,114	13,481	4,854,658	
Returns with tax preference items after statutory exclusion and income tax used as an offset—												
Under \$10,000	4,319,689	1,124	9,396,267	1,258,833	2,966	1,926,576	692,195	1,171	1,945,814	960	1,923,506	
\$10,000 under \$30,000	6,450	92	6,860	24,259	421	30,103	4,650	214	6,279	101	4,135	
\$30,000 under \$40,000	18,734	247	21,124	56,134	643	64,743	7,825	150	15,991	135	15,384	
\$40,000 under \$50,000	9,985	77	9,526	25,094	213	29,319	11,810	53	31,768	51	31,763	
\$50,000 under \$60,000	6,598	69	6,552	25,564	167	37,655	3,294	169	3,929	64	3,929	
\$60,000 under \$75,000	11,020	67	15,214	61,073	961	67,317	15,398	169	31,284	107	25,228	
\$75,000 under \$100,000	18,216	75	20,665	51,110	217	64,805	2,619	63	16,826	34	5,828	
\$100,000 under \$150,000	20,444	40	24,033	80,944	280	131,139	12,659	96	29,179	81	28,549	
\$150,000 under \$250,000	27,868	63	32,167	112,113	254	135,526	13,526	85	35,102	61	35,102	
\$250,000 under \$500,000	64,056	123	72,347	119,869	198	202,895	19,564	103	51,007	89	49,770	
\$500,000 under \$1,000,000	74,724	66	88,110	104,732	90	140,365	19,644	64	47,915	59	46,621	
\$1,000,000 under \$5,000,000	1,384,682	102	582,111	259,914	90	474,799	19,023	82	373,681	40	373,114	
\$5,000,000 under \$10,000,000	199,530	19	111,127	44,530	5	107,883	16,071	16	335,319	16	335,319	
\$10,000,000 or more	3,533,274	10	4,201,414	150,262	5	434,326	326,767	27	468,684	27	468,764	
Returns With Normal Tax, Surtax, and Alternative Tax Before Credits												
Total returns other than Forms 1120S and 1120-DISC with tax preference items	5,176,944	3,604	10,721,962	1,304,045	7,087	2,504,138	1,863,666	14,184	4,869,733	13,481	4,854,658	
Returns with tax preference items after statutory exclusion and income tax used as an offset—												
Under \$10,000	3,809,273	773	8,559,973	1,079,555	2,632	1,599,426	681,723	919	1,926,809	960	1,923,506	
\$10,000 under \$30,000	4,564	379	4,793	22,608	129	24,825	3,368	129	4,326	101	4,135	
\$30,000 under \$40,000	15,372	174	17,769	53,947	691	59,435	7,406	137	15,391	135	15,384	
\$40,000 under \$50,000	5,278	57	6,079	24,224	200	26,259	11,800	51	31,763	51	31,763	
\$50,000 under \$60,000	4,579	43	4,427	23,943	172	24,489	2,281	61	3,929	61	3,929	
\$60,000 under \$75,000	8,362	35	11,361	60,555	315	66,556	10,446	110	26,556	107	25,228	
\$75,000 under \$100,000	15,100	48	17,033	49,260	201	58,825	2,168	58	5,828	34	5,828	
\$100,000 under \$150,000	13,420	51	14,624	77,527	259	81,306	11,576	82	28,549	81	28,549	
\$150,000 under \$250,000	18,124	38	19,004	105,436	233	117,959	12,024	85	35,102	65	35,102	
\$250,000 under \$500,000	48,839	85	52,175	118,937	165	141,906	19,480	102	50,984	99	49,770	
\$500,000 under \$1,000,000	59,689	34	67,656	92,400	70	103,067	18,454	59	46,621	59	46,621	
\$1,000,000 under \$5,000,000	242,513	64	449,796	212,542	69	378,528	138,439	81	373,120	80	373,114	
\$5,000,000 under \$10,000,000	163,494	14	275,450	79,818	3	321,876	116,071	16	335,319	16	335,319	
\$10,000,000 or more	3,270,340	30	7,625,606	150,262	5	434,326	326,262	27	468,764	27	468,764	
Returns Without Normal Tax Surtax, and Alternative Tax Before Credits												
Total returns other than Forms 1120S and 1120-DISC with tax preference items	537,000	784	869,876	148,714	462	610,860	19,396	612	36,381	—	—	
Returns with tax preference items after statutory exclusion and income tax used as an offset—												
Under \$10,000	514,452	396	836,324	106,278	274	326,150	10,672	175	18,925	—	—	
\$10,000 under \$30,000	882	30	1,047	1,561	42	5,208	1,161	—	—	—	—	
\$30,000 under \$40,000	3,375	73	5,415	2,197	42	5,308	1,161	—	—	—	—	
\$40,000 under \$50,000	1,161	—	1,161	770	13	3,054	2	—	—	—	—	
\$50,000 under \$60,000	2,668	—	2,668	1,796	15	13,166	—	—	—	—	—	
\$60,000 under \$75,000	3,116	—	3,116	2,522	26	6,662	—	—	—	—	—	
\$75,000 under \$100,000	5,514	—	5,514	1,850	16	5,960	—	—	—	—	—	
\$100,000 under \$150,000	5,744	—	5,744	3,467	21	49,603	—	—	—	—	—	
\$150,000 under \$250,000	14,218	—	14,218	6,857	25	22,599	—	—	—	—	—	
\$250,000 under \$500,000	21,035	—	21,035	10,932	33	60,989	—	—	—	—	—	
\$500,000 under \$1,000,000	91,369	—	91,369	12,302	18	37,298	—	—	—	—	—	
\$1,000,000 under \$5,000,000	35,006	—	35,006	47,332	21	101,271	584	5	—	—	—	
\$5,000,000 under \$10,000,000	332,888	—	332,888	14,712	—	—	525	—	—	—	—	

(*) Estimate is not shown separately because of the small number of sample returns on which it was based. However, the data are included in the appropriate totals. Includes the following amounts which are not shown separately: accelerated depreciation on personal property subject to a net lease, \$4,276,000; and amortization of certified pollution control facilities, \$76,402,000; railroad rolling stock, \$132,137,000; and on-the-job training facilities, \$53,000.

NOTE: Credits include foreign tax investment, and work-incentive (WIN) credits. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORM 1120-DISC

Table 24.—Work Incentive (WIN) Credit Items, by Industrial Division, by Size of Total Assets

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

Industrial division, item	Total	Size of total assets								
		Zero assets	\$1 under \$100,000	\$100,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All Industrial Divisions¹										
Number of returns other than Form 1120-DISC	1 959 433	62 377	1 076 241	566 549	117 779	112 800	11 835	5 244	2 865	3 743
Returns other than Forms 1120S and 1120-DISC, with work incentive (WIN) credit items										
Number of returns	5 188	(*)	(*)	1 899	501	1 169	203	156	147	547
Number of employees under a work incentive (WIN) program	17 666	(*)	(*)	2 671	1 622	3 558	772	630	782	7 117
Salaries and wages used for credit	42 358	(*)	(*)	5 130	2 535	7 057	1 683	1 544	2 099	21 052
Tentative work incentive (WIN) credit										
Number of returns	4 386	(*)	(*)	1 443	476	1 059	196	145	144	531
Amount	8 317	(*)	(*)	1 022	497	1 167	329	307	413	4 198
Work incentive (WIN) credit carryover										
Number of returns	831	—	(*)	369	38	147	19	17	11	56
Amount	1 187	—	(*)	304	12	306	47	21	24	386
Normal tax, surtax and alternative tax after foreign tax and investment credits										
Work incentive (WIN) credit	10 019 502	(*)	(*)	12 621	15 879	170 299	126 064	146 485	316 909	9 229 912
Number of returns	4 229	(*)	(*)	1 580	466	979	166	127	118	441
Amount	7 795	(*)	(*)	1 086	439	1 308	305	276	353	3 762
Returns other than Forms 1120S and 1120-DISC, with tax from recomputing prior year work incentive (WIN) credit										
Number of returns	438	(*)	—	(*)	103	141	22	13	12	42
Amount	446	(*)	—	(*)	14	88	10	26	12	296
Small Business Corporation Returns Form 1120S with work incentive (WIN) credit items										
Number of returns	66	—	—	—	(*)	(*)	—	—	—	—
Number of employees under a work incentive (WIN) program	196	—	—	—	(*)	(*)	—	—	—	—
Salaries and wages usable for credit	252	—	—	—	(*)	(*)	—	—	—	—
Mining										
Number of returns other than Form 1120-DISC	15 732	867	6 630	4 720	1 390	2 065			60	
Returns other than Forms 1120S and 1120-DISC, with work incentive (WIN) credit items										
Number of returns	14	—	—	—	—	—	4	—	—	10
Number of employees under a work incentive (WIN) program	50	—	—	—	—	—	10	—	—	40
Salaries and wages used for credit	225	—	—	—	—	—	61	—	—	164
Tentative work incentive (WIN) credit										
Number of returns	14	—	—	—	—	—	4	—	—	10
Amount	44	—	—	—	—	—	12	—	—	32
Work incentive (WIN) credit carryover										
Number of returns	(*)	—	—	—	—	—	—	—	—	(*)
Amount	(*)	—	—	—	—	—	—	—	—	(*)
Normal tax, surtax and alternative tax after foreign tax and investment credits										
Work incentive (WIN) credit	84 346	—	—	—	—	—	2 848	—	—	81 498
Number of returns	13	—	—	—	—	—	3	—	—	10
Amount	77	—	—	—	—	—	7	—	—	70
Returns other than Forms 1120S and 1120-DISC, with tax from recomputing prior year work incentive (WIN) credit										
Number of returns	(*)	—	—	—	—	—	(*)	—	—	(*)
Amount	(*)	—	—	—	—	—	(*)	—	—	(*)
Construction										
Number of returns other than Form 1120-DISC	185 563	4 174	104 924	54 573	11 061	10 175	433	227		
Returns other than Forms 1120S and 1120-DISC, with work incentive (WIN) credit items										
Number of returns	298	—	(*)	(*)	(*)	50	9	—	8	—
Number of employees under a work incentive (WIN) program	326	—	(*)	(*)	(*)	73	16	—	19	—
Salaries and wages used for credit	1 244	—	(*)	(*)	(*)	289	54	—	53	—
Tentative work incentive (WIN) credit										
Number of returns	278	—	(*)	(*)	(*)	44	8	—	8	—
Amount	183	—	(*)	(*)	(*)	57	10	—	10	—
Work incentive (WIN) credit carryover										
Number of returns	(*)	—	—	—	—	(*)	(*)	—	—	—
Amount	(*)	—	—	—	—	(*)	(*)	—	—	—
Normal tax, surtax and alternative tax after foreign tax and investment credits										
Work incentive (WIN) credit	39 132	—	—	(*)	(*)	2 776	4 846	—	29 444	—
Number of returns	152	—	—	(*)	(*)	34	6	—	6	—
Amount	162	—	—	(*)	(*)	42	7	—	7	—
Returns other than Forms 1120S and 1120-DISC, with tax from recomputing prior year work incentive (WIN) credit										
Number of returns	47	—	—	—	—	(*)	(*)	—	—	—
Amount	10	—	—	—	—	(*)	(*)	—	—	—

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORM 1120-DISC

Table 24.—Work Incentive (WIN) Credit Items, by Industrial Division, by Size of Total Assets

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

Industrial division, item	Total	Size of total assets								
		Zero assets	\$1 under \$100,000	\$100,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Manufacturing										
Number of returns other than Form 1120-DISC	211 563	5 014	89 147	68 475	20 125	24 819	1 903	786	470	824
Returns other than Forms 1120S and 1120-DISC with work incentive (WIN) credit items										
Number of returns	2 642	(*)	(*)	956	264	647	127	86	82	299
Number of employees under a work incentive (WIN) program	11 342	(*)	(*)	1 271	846	2 301	531	354	551	5 274
Salaries and wages used for credit	28 902	(*)	(*)	2 440	1 448	4 403	1 155	763	1 597	16 437
Tentative work incentive (WIN) credit										
Number of returns	2 246	(*)	(*)	659	252	582	121	80	81	292
Amount	5 732	(*)	(*)	500	300	852	228	151	318	3 284
Work incentive (WIN) credit carryover										
Number of returns	375	—	—	(*)	38	94	13	13	6	27
Amount	776	—	—	(*)	12	256	45	16	20	227
Normal tax surtax and alternative tax after foreign tax and investment credits	7 048 982	(*)	(*)	5 766	8 094	11 885	76 496	98 757	223 722	6 523 953
Work incentive (WIN) credit										
Number of returns	2 103	(*)	(*)	716	253	551	100	69	65	259
Amount	5 336	(*)	(*)	573	289	877	211	128	271	2 894
Returns other than Forms 1120S and 1120-DISC with tax from recomputing prior year work incentive (WIN) credit										
Number of returns	172	—	—	(*)	(*)	62	8	3	9	29
Amount	359	—	—	(*)	(*)	54	4	6	11	270
Transportation and Public Utilities										
Number of returns other than Form 1120-DISC	80 226	3 734	43 885	23 379	4 183	4 170	875			
Returns other than Forms 1120S and 1120-DISC with work incentive (WIN) credit items										
Number of returns	183	—	—	(*)	(*)	42		73		
Number of employees under a work incentive (WIN) program	694	—	—	(*)	(*)	45		569		
Salaries and wages used for credit	2 179	—	—	(*)	(*)	133		1 822		
Tentative work incentive (WIN) credit										
Number of returns	172	—	—	(*)	(*)	33		71		
Amount	427	—	—	(*)	(*)	25		366		
Work incentive (WIN) credit carryover										
Number of returns	14	—	—	—	—	(*)		8		
Amount	29	—	—	—	—	(*)		20		
Normal tax surtax and alternative tax after foreign tax and investment credits	1 396 166	—	—	(*)	—	4 509		1 391 545		
Work incentive (WIN) credit										
Number of returns	150	—	—	(*)	—	33		61		
Amount	406	—	—	(*)	—	34		372		
Returns other than Forms 1120S and 1120-DISC with tax from recomputing prior year work incentive (WIN) credit										
Number of returns	5	—	—	—	—	—		5		
Amount	15	—	—	—	—	—		15		
Wholesale and Retail Trade										
Number of returns other than Form 1120-DISC	596 164	15 144	303 324	200 458	42 599	32 628	1 186	822		
Returns other than Forms 1120S and 1120-DISC with work incentive (WIN) credit items										
Number of returns	1 151	(*)	(*)	511	137	288	33		94	
Number of employees under a work incentive (WIN) program	2 712	(*)	—	899	305	752	125		630	
Salaries and wages used for credit	4 921	(*)	—	1 530	376	1 443	264		1 307	
Tentative work incentive (WIN) credit										
Number of returns	991	(*)	—	455	117	275	33		90	
Amount	975	(*)	—	328	62	277	52		256	
Work incentive (WIN) credit carryover										
Number of returns	230	—	(*)	(*)	—	(*)	—		8	
Amount	91	—	(*)	(*)	—	(*)	—		43	
Normal tax surtax and alternative tax after foreign tax and investment credits	493 081	(*)	(*)	4 827	3 075	36 789	31 009		416 531	
Work incentive (WIN) credit										
Number of returns	1 078	(*)	(*)	489	125	259	33		84	
Amount	939	(*)	(*)	352	50	232	52		253	
Returns other than Forms 1120S and 1120-DISC with tax from recomputing prior year work incentive (WIN) credit										
Number of returns	154	—	—	(*)	(*)	39	4		7	
Amount	31	—	—	(*)	(*)	16	3		12	

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORM 1120-DISC

Table 24.—Work Incentive (WIN) Credit Items, by Industrial Division, by Size of Total Assets

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

Industrial division, item	Total	Size of total assets								
		Zero assets	\$1 under \$100,000	\$100,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Finance, Insurance, and Real Estate										
Number of returns other than Form 1120-DISC	425 249	19 378	211 623	127 521	23 315	28 408				2 232
Returns other than Forms 1120S and 1120-DISC with work incentive (WIN) credit items										
Number of returns	285	—	—	(*)	(*)	48		5*		130
Number of employees under a work incentive (WIN) program	915	—	—	(*)	(*)	53		66		766
Salaries and wages used for credit	1 984	—	—	(*)	(*)	126		130		1 694
Tentative work incentive (WIN) credit										
Number of returns	250	—	—	(*)	(*)	45		54		125
Amount	377	—	—	(*)	(*)	24		19		332
Work incentive (WIN) credit carryover										
Number of returns	25	—	—	(*)	—	(*)		4		13
Amount	61	—	—	(*)	—	(*)		1		54
Normal tax surtax and alternative tax after foreign tax and investment credits	893 783	—	—	(*)	(*)	3 413		8 220		881 998
Work incentive (WIN) credit										
Number of returns	198	—	—	(*)	(*)	(*)		45		80
Amount	295	—	—	(*)	(*)	(*)		15		243
Returns other than Forms 1120S and 1120-DISC with tax from recomputing prior year work incentive (WIN) credit										
Number of returns	26	—	—	—	—	(*)		14		8
Amount	23	—	—	—	—	(*)		15		4
Services										
Number of returns other than Form 1120-DISC	388 680	12 434		367 410		8 122	433	138		143
Returns other than Forms 1120S and 1120-DISC with work incentive (WIN) credit items										
Number of returns	609	—	—	481	—	89	14	7	—	18
Number of employees under a work incentive (WIN) program	1 616	—	—	943	—	325	71	124	—	153
Salaries and wages used for credit	2 875	—	—	(*)	—	632	130	436	—	314
Tentative work incentive (WIN) credit										
Number of returns	429	—	—	(*)	—	75	14	2	—	17
Amount	573	—	—	(*)	—	126	24	87	—	64
Work incentive (WIN) credit carryover										
Number of returns	177	—	—	(*)	—	(*)	3	—	—	5
Amount	181	—	—	(*)	—	(*)	1	—	—	13
Normal tax surtax and alternative tax after foreign tax and investment credits	62 338	—	—	(*)	—	9 910	5 027	11 584	—	31 235
Work incentive (WIN) credit										
Number of returns	530	—	—	425	—	74	12	6	—	13
Amount	575	—	—	303	—	105	22	86	—	59
Returns other than Forms 1120S and 1120-DISC with tax from recomputing prior year work incentive (WIN) credit										
Number of returns	(*)	(*)	—	(*)	—	(*)	—	—	—	—
Amount	(*)	(*)	—	(*)	—	(*)	—	—	—	—

(*) Estimate is not shown separately because of the small number of sample returns on which it was based. However, the data are included in the appropriate totals.

*Includes "Agriculture, forestry, and fishing" and "Nature of business not allocable" which are not shown separately.

†Less than \$500 per return.

NOTE: See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE SMALL BUSINESS CORPORATIONS, FORM 1120S

Table 25.—Number of Returns, Income Tax, Selected Tax Preference Items, and Investment Credit Property, by Industrial Division

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

Item	Total returns of active Small Business Corporations ¹		Industrial division							
	Number of returns	Amount	Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Services
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Number of returns	333 099	—	17 178	2 363	37 770	33 909	14 531	117 158	38 177	71 381
Net long-term capital gain reduced by net short-term capital loss	21 859	428 761	90 281	23 336	26 183	72 902	24 393	61 540	91 659	38 471
Net income	193 056	5 868 867	350 073	256 342	612 867	950 462	201 820	2 208 130	386 930	692 300
Deficit	135 453	2 119 036	266 606	38 004	254 376	270 062	112 016	495 587	256 627	425 758
Income subject to corporation tax	319	15 151	(*)	—	(*)	(*)	(*)	(*)	(*)	(*)
Net long-term capital gain reduced by net short-term capital loss in excess of \$25,000	294	14 299	(*)	—	(*)	(*)	(*)	(*)	(*)	—
Income tax	319	4 568	(*)	—	(*)	(*)	(*)	(*)	(*)	(*)
Net long-term capital gain reported as a tax preference item to the Corporation	98	3 870	(*)	(*)	(*)	(*)	(*)	(*)	(*)	—
Returns with tax preference items allocable to stockholders										
Number of returns	8 315	—	1 211	550	620	762	287	1 816	1 726	1 343
Net income	6 012	705 281	50 636	133 803	49 749	176 323	25 633	153 043	45 953	70 141
Deficit	2 303	74 416	17 266	(*)	(*)	(*)	(*)	7 089	9 234	25 361
Tax preference items total	8 315	201 689	24 588	45 794	9 007	32 061	8 120	25 161	39 605	17 353
Accelerated depreciation on other real property	3 284	10 207	271	(*)	718	683	130	1 945	733	5 722
Excess percentage depletion	684	40 096	(*)	36 915	(*)	(*)	(*)	(*)	—	(*)
Net long-term capital gain after tax	4 330	149 977	24 254	8 772	8 029	29 961	7 665	21 449	38 825	11 022
Returns with cost of investment credit property allocable to stockholders										
Total assets	139 448	35 254 900	2 835 707	709 507	4 616 945	5 922 096	1 495 454	12 616 950	2 341 286	4 690 076
Depreciable assets	138 969	18 269 799	1 846 732	487 693	1 674 585	3 408 582	1 394 299	4 604 547	719 280	4 122 457
Accumulated depreciation	138 429	7 911 994	734 644	230 434	813 601	1 723 375	567 391	2 126 516	186 853	1 525 225
Depreciation deduction	139 079	1 767 173	173 701	62 486	214 639	310 265	161 817	459 351	44 780	338 677
Cost of property usable for investment credit										
Total	139 740	2 569 336	309 980	115 958	277 840	486 625	280 457	657 402	60 520	378 467
Cost of new property	127 521	2 143 879	266 396	91 544	226 752	410 252	221 431	551 493	54 800	318 524
Cost of used property	43 256	413 550	43 584	24 394	51 088	76 198	59 026	94 355	5 720	59 185
New or used property not stated	414	12 507	—	(*)	—	(*)	—	(*)	—	(*)

(*) Estimate is not shown separately because of the small number of sample returns on which it was based. However, the data are included in the appropriate totals.

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

NOTE: See text for: Explanation of Terms, and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE SMALL BUSINESS CORPORATIONS, FORM 1120S

Table 26.—Selected Balance Sheet and Income Statement Items, Income Subject to Tax, Tax, and Distributions to Stockholders, by Industrial Division, by Size of Total Assets

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

Industrial division, item	Total returns of active Small Business Corporations	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	\$5,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All Industrial Divisions¹									
Number of returns	333 099	11 577	212 010	56 442	28 905	14 217	7 528	319	101
With and without net income	193 056	2 699	112 546	41 370	20 913	10 220	5 081	166	61
Total assets	53 919 325	—	7 017 462	9 435 419	9 950 656	9 672 205	13 325 046	2 126 975	2 391 562
Notes and accounts receivable net	10 166 185	—	1 058 578	1 851 316	1 857 926	1 928 253	2 637 579	483 894	348 944
Inventories	10 917 060	—	1 276 340	1 874 905	2 140 270	2 137 376	2 726 872	327 601	433 672
Cash, Government obligations, and other current assets	8 570 705	—	1 373 464	1 429 420	1 360 974	1 380 474	2 092 394	490 126	443 850
Other investments and loans	3 547 116	—	481 158	533 385	621 679	553 914	851 933	132 793	372 193
Depreciable assets	24 876 085	—	4 222 612	4 813 559	4 909 195	4 363 988	5 294 452	612 326	659 943
Less: Accumulated depreciation	11 050 437	—	2 162 438	2 302 486	2 230 725	1 881 140	2 065 171	189 243	219 234
Other capital assets less reserves ²	4 888 874	—	420 892	944 101	902 144	902 144	1 286 841	232 919	259 149
Accounts and notes payable ³	17 267 469	—	2 018 274	2 730 794	3 084 579	3 165 289	4 753 485	792 187	722 861
Other current liabilities	3 472 405	—	519 475	526 204	563 589	604 995	936 123	181 620	140 399
Mortgages, notes, and bonds payable in one year or more	10 923 165	—	1 025 617	1 628 840	1 911 191	2 046 821	3 039 639	675 737	595 320
Net worth	14 986 003	—	1 595 041	3 225 357	3 261 646	2 821 637	3 129 866	263 056	689 400
Stockholders' undistributed taxable income previously taxed	2 434 520	—	—475 420	675 748	824 950	759 638	637 643	10 089	1 872
Total receipts	123 143 669	664 957	25 440 342	23 730 356	21 766 886	21 614 024	25 084 247	2 446 900	2 195 957
Business receipts	120 307 229	612 243	24 973 193	23 312 133	21 227 583	21 106 645	24 433 201	2 346 833	2 093 398
Net long term capital gain reduced by net short term capital loss	428 761	20 185	104 733	61 554	59 803	60 290	65 742	28 286	8 168
Cost of sales and operations	85 807 612	509 907	15 204 995	16 034 989	15 279 797	16 108 088	19 071 204	1 913 625	1 685 007
Taxes paid	2 624 580	26 413	675 751	559 385	426 876	377 593	438 139	42 361	78 062
Interest paid	1 593 847	16 608	196 580	243 284	291 211	300 118	425 676	69 041	49 329
Depreciation	2 366 678	20 688	505 191	473 921	437 700	375 307	465 104	46 409	42 358
Pension profit-sharing stock bonus, and annuity plans	327 758	5 765	60 812	53 312	53 116	57 792	82 197	8 084	6 080
Employee benefit programs	274 393	1 120	56 390	53 052	42 975	36 670	64 656	8 526	9 004
Net income (less deficit)	3 549 831	—34 764	341 114	809 929	771 895	725 912	816 140	74 792	44 813
Net income	5 668 867	50 812	1 128 109	1 127 452	1 049 247	964 708	1 149 817	120 659	78 063
Income subject to corporation tax	15 151	—	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Income tax	4 568	—	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Credit for tax on special fuels, nonhighway gasoline and lubricating oil	2 144	(*)	128	262	359	917	381	54	32
Distributions to stockholders except in own stock	2 108 297	15 338	474 738	380 336	344 325	362 178	434 991	52 242	44 149
Number of stockholders	832 493	24 985	469 920	165 774	89 609	50 729	29 982	1 153	341
Agriculture, Forestry, and Fishing									
Number of returns	17 178	(*)	7 560	4 284	2 899	1 308	575	—	—
With and without net income	8 732	(*)	3 386	2 304	1 880	657	288	—	—
Total assets	3 879 290	—	281 751	720 226	1 011 672	895 029	970 612	—	—
Notes and accounts receivable net	249 204	—	13 002	41 324	39 053	58 172	97 653	—	—
Inventories	315 616	—	10 642	51 545	90 708	79 524	83 197	—	—
Cash, Government obligations, and other current assets	298 235	—	41 763	56 867	76 385	56 930	66 290	—	—
Other investments and loans	276 272	—	18 018	42 649	50 588	59 974	105 043	—	—
Depreciable assets	2 379 104	—	222 934	503 291	654 253	520 127	478 499	—	—
Less: Accumulated depreciation	978 685	—	108 395	211 015	283 281	203 863	172 331	—	—
Other capital assets less reserves ²	1 198 540	—	75 988	204 441	333 137	296 358	288 616	—	—
Accounts and notes payable ³	913 718	—	69 450	162 968	215 772	224 317	241 211	—	—
Other current liabilities	74 212	—	6 199	10 025	12 427	19 158	26 403	—	—
Mortgages, notes, and bonds payable in one year or more	1 189 625	—	55 133	203 848	238 147	316 129	376 368	—	—
Net worth	1 106 485	—	38 710	178 311	469 777	235 585	184 102	—	—
Stockholders' undistributed taxable income previously taxed	—131 099	—	—107 492	—31 504	50 795	—8 942	—33 956	—	—
Total receipts	3 777 020	(*)	492 415	749 587	773 694	787 607	913 507	—	—
Business receipts	3 519 519	(*)	462 360	697 078	723 903	743 019	849 537	—	—
Net long term capital gain reduced by net short term capital loss	90 287	(*)	14 320	18 557	14 420	15 348	20 815	—	—
Cost of sales and operations	2 407 929	(*)	301 822	488 302	407 502	555 808	637 369	—	—
Taxes paid	88 711	(*)	10 837	22 162	21 465	14 838	15 747	—	—
Interest paid	147 823	(*)	12 952	27 987	27 275	34 214	42 063	—	—
Depreciation	223 685	(*)	25 678	49 043	57 275	45 565	41 707	—	—
Pension profit-sharing stock bonus, and annuity plans	4 519	(*)	(*)	(*)	(*)	(*)	1 336	—	—
Employee benefit programs	2 215	(*)	(*)	(*)	(*)	554	636	—	—
Net income (less deficit)	83 467	(*)	21 258	8 361	58 031	—3 047	1 614	—	—
Net income	350 073	(*)	65 217	68 932	100 149	51 628	56 938	—	—
Income subject to corporation tax	(*)	—	—	(*)	—	—	(*)	—	—
Income tax	(*)	—	—	(*)	—	—	(*)	—	—
Credit for tax on special fuels, nonhighway gasoline and lubricating oil	858	—	(*)	166	260	174	184	—	—
Distributions to stockholders except in own stock	91 042	—	(*)	23 076	21 177	12 459	9 660	—	—
Number of stockholders	56 211	(*)	21 620	15 102	9 925	4 657	2 268	—	—

Footnotes at end of table: See text for 'Explanation of Terms' and 'Description of the Sample and Limitations of the Data'

RETURNS OF ACTIVE SMALL BUSINESS CORPORATIONS, FORM 1120S

Table 26.—Selected Balance Sheet and Income Statement Items, Income Subject to Tax, Tax, and Distributions to Stockholders, by Industrial Division, by Size of Total Assets—Continued

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

Industrial division, item	Total returns of Small Business Corporations	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	\$5,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Mining									
Number of returns									
With and without net income	2 363	(*)	1 262	331	351	194	175		14
With net income	1 374	(*)	(*)	(*)	255	153	162		14
Total assets	852 764	—	50 601	48 261	124 042	137 418	326 721	165 726	
Notes and accounts receivable net	173 019	—	(*)	(*)	32 620	23 139	61 783	46 300	
Inventories	30 418	—	(*)	(*)	(*)	(*)	13 730	7 997	
Cash, Government obligations and other current assets	203 362	—	7 312	(*)	23 093	28 623	76 669	47 842	
Other investments and loans	57 607	—	(*)	(*)	(*)	5 924	23 688	1 423	
Depreciable assets	606 312	—	47 235	(*)	99 606	115 217	210 881	82 515	
Less Accumulated depreciation	299 719	—	32 431	(*)	53 676	50 902	95 768	37 224	
Other capital assets less reserves	54 265	—	(*)	(*)	(*)	6 335	29 299	8 273	
Accounts and notes payable	231 403	—	11 899	(*)	34 335	34 471	76 992	56 063	
Other current liabilities	61 091	—	(*)	(*)	5 187	9 137	16 584	9 378	
Mortgages, notes, and bonds payable in one year or more	102 637	—	(*)	(*)	(*)	27 455	38 256	20 941	
Net worth	276 939	—	-39 002	-7 064	33 539	56 468	161 838	71 160	
Stockholders undistributed taxable income previously taxed	75 216	—	-39 481	-6 624	15 320	14 231	58 502	33 268	
Total receipts	1 573 046	(*)	84 979	112 380	197 363	214 791	438 814	515 453	
Business receipts	1 499 835	(*)	74 761	(*)	181 871	197 212	418 855	511 281	
Net long-term capital gain reduced by net short-term capital loss	23 336	—	(*)	(*)	(*)	(*)	4 550	310	
Cost of sales and operations	918 035	(*)	(*)	(*)	101 844	97 252	197 144	416 839	
Taxes paid	42 914	(*)	3 321	3 352	7 268	6 400	15 772	6 668	
Interest paid	18 981	(*)	(*)	(*)	4 389	2 457	5 583	2 903	
Depreciation	73 105	(*)	4 046	(*)	3 358	14 690	28 238	11 740	
Pension, profit-sharing, stock bonus, and annuity plans	3 090	—	—	—	(*)	(*)	1 400	891	
Employee benefit programs	3 558	—	—	(*)	(*)	(*)	2 610	61	
Net income (less deficit)	218 338	(*)	5 173	15 602	27 563	33 179	97 241	42 815	
Net income	256 342	(*)	(*)	(*)	35 391	38 305	102 811	42 815	
Income subject to corporation tax	—	—	—	—	—	—	—	—	
Income tax	—	—	—	—	—	—	—	—	
Credit for tax on special fuels nonhighway gasoline and lubricating oil	56	—	(*)	—	—	(*)	22	18	
Distributions to stockholders except in own stock	109 830	(*)	(*)	(*)	(*)	19 036	40 253	12 267	
Number of stockholders	6 824	(*)	3 794	748	983	515	623	53	
Construction									
Number of returns									
With and without net income	37 770	(*)	24 298	6 949	3 108	1 636	1 144	83	31
With net income	23 266	(*)	14 073	4 965	2 155	994	705	44	20
Total assets	7 513 861	—	826 076	1 134 344	1 063 163	1 116 898	2 230 854	550 940	591 606
Notes and accounts receivable net	1 790 432	—	158 795	291 390	286 446	281 174	577 145	110 976	84 506
Inventories	1 602 322	—	94 873	203 141	233 369	197 065	518 386	128 464	227 224
Cash, Government obligations and other current assets	1 676 471	—	205 487	205 015	206 300	248 720	487 057	170 818	153 074
Other investments and loans	477 061	—	33 829	67 634	77 982	67 338	146 005	23 409	40 864
Depreciable assets	2 186 935	—	461 298	452 153	357 015	343 097	456 020	56 996	60 366
Less Accumulated depreciation	1 055 323	—	211 085	221 149	177 622	168 381	232 396	21 291	23 399
Other capital assets less reserves	465 276	—	53 555	61 550	54 159	72 314	128 000	70 388	25 310
Accounts and notes payable	3 155 628	—	290 734	398 183	474 026	491 702	963 986	222 256	314 741
Other current liabilities	750 380	—	57 779	65 931	82 858	95 259	303 582	107 806	37 165
Mortgages, notes, and bonds payable in one year or more	1 171 780	—	127 657	178 711	143 203	184 753	335 903	101 074	100 479
Net worth	1 333 580	—	200 768	371 648	255 858	160 940	289 823	22 779	31 764
Stockholders undistributed taxable income previously taxed	316 350	—	32 764	103 376	67 490	34 566	76 227	1 496	431
Total receipts	15 353 158	(*)	3 263 121	2 931 682	2 284 295	2 356 747	3 581 360	555 636	328 264
Business receipts	15 128 799	(*)	3 248 981	2 898 306	2 254 203	2 308 062	3 522 646	539 886	308 466
Net long-term capital gain reduced by net short-term capital loss	26 183	(*)	2 338	4 882	5 002	4 827	2 053	2 604	1 970
Cost of sales and operations	12 011 560	(*)	2 343 842	2 148 983	1 794 910	1 937 575	3 000 085	473 036	268 927
Taxes paid	315 753	(*)	82 562	78 262	45 570	40 498	56 116	7 358	4 626
Interest paid	201 089	(*)	28 448	26 836	27 913	34 417	58 218	15 126	8 209
Depreciation	270 936	(*)	66 795	57 973	42 021	42 483	50 583	5 203	5 513
Pension, profit-sharing, stock bonus, and annuity plans	55 264	—	12 554	14 211	5 036	4 219	16 662	2 000	582
Employee benefit programs	46 621	—	10 636	12 393	3 302	5 126	11 791	3 248	125
Net income (less deficit)	358 491	(*)	80 280	110 434	70 654	28 356	58 897	7 936	4 603
Net income	612 867	(*)	151 844	146 356	103 679	62 451	113 415	18 275	9 590
Income subject to corporation tax	(*)	—	—	—	—	—	(*)	—	—
Income tax	(*)	—	—	—	—	—	(*)	—	—
Credit for tax on special fuels nonhighway gasoline and lubricating oil	150	—	(*)	(*)	(*)	(*)	(*)	(*)	7
Distributions to stockholders except in own stock	201 641	(*)	48 639	43 026	31 209	20 653	41 438	(*)	7 266
Number of stockholders	80 137	(*)	45 709	16 189	8 175	4 722	4 103	298	96

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data

RETURNS OF ACTIVE SMALL BUSINESS CORPORATIONS, FORM 1120S

Table 26.—Selected Balance Sheet and Income Statement Items, Income Subject to Tax, Tax, and Distributions to Stockholders, by Industrial Division, by Size of Total Assets—Continued

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

Industrial division, item	Total returns of active Small Business Corporations	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	\$5,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Manufacturing									
Number of returns									
With and without net income	33 909	1,078	20 645	5 747	3 281	1 883	1 228	36	11
With net income	19 745	(*)	10 564	2 669	2 669	1 543	979	26	8
Total assets	7 178 550	—	650 863	986 885	1 147 673	1 273 144	2 112 724	234 648	762 613
Notes and accounts receivable, net	1 681 243	—	145 510	258 549	293 339	316 670	494 286	56 836	116 053
Inventories	1 560 592	—	131 690	179 478	255 163	317 552	539 363	64 313	73 027
Cash, Government obligations, and other current assets	932 459	—	95 558	145 956	155 350	176 375	282 383	34 213	42 224
Other investments and loans ¹	577 355	—	39 563	33 614	46 878	70 414	91 915	16 259	278 712
Depreciable assets	3 944 638	—	414 927	601 050	729 808	721 325	1 166 513	104 146	207 029
Less: Accumulated depreciation	2 011 487	—	202 979	294 808	409 425	387 583	551 428	57 851	107 413
Other capital assets less reserves ²	322 717	—	11 541	39 086	32 447	34 200	55 207	10 668	139 568
Accounts and notes payable ³	1 940 762	—	191 064	310 862	319 568	352 290	616 876	61 565	88 537
Other current liabilities	528 801	—	75 766	65 740	82 764	108 679	157 670	13 766	24 416
Mortgages, notes, and bonds payable in one year or more	941 213	—	93 543	154 058	153 140	165 603	286 625	25 804	62 434
Net worth	3 041 299	—	104 080	318 863	500 415	535 676	914 107	131 471	536 687
Stockholders' undistributed taxable income previously taxed	650 317	—	--51 417	61 503	198 295	172 745	245 736	12 082	11 373
Total receipts	16 794 060	50 401	2 073 930	2 555 022	2 795 082	3 395 785	4 911 503	403 620	608 717
Business receipts	16 502 974	45 069	2 049 532	2 536 706	2 760 414	3 358 746	4 821 126	372 400	558 981
Net long-term capital gain reduced by net short-term capital loss	72 902	(*)	(*)	(*)	5 490	6 390	25 379	21 719	4 288
Cost of sales and operations	11 974 631	(*)	1 283 890	1 630 893	1 993 085	2 568 202	3 670 930	299 185	436 047
Taxes paid	415 070	1 127	72 403	71 661	66 829	75 719	96 197	8 892	22 242
Interest paid	171 085	1 383	20 034	25 687	24 718	31 665	51 194	5 819	10 585
Depreciation	368 409	(*)	57 076	61 155	66 368	55 092	105 381	8 160	13 150
Pension profit-sharing, stock bonus, and annuity plans	73 167	(*)	4 649	6 244	14 057	17 309	25 461	1 471	3 954
Employee benefit programs	68 324	(*)	7 914	12 304	10 461	10 733	17 398	2 624	6 820
Net income (less deficit)	680 400	642	--6 100	74 644	132 779	164 951	278 934	29 515	5 035
Net income	950 462	(*)	96 862	131 795	156 136	196 597	313 513	35 542	13 321
Income subject to corporation tax ⁴	(*)	—	—	—	—	—	(*)	—	—
Income tax ⁵	(*)	—	—	—	—	—	(*)	—	—
Credit for tax on special fuels nonhighway gasoline and lubricating oil	187	—	(*)	(*)	(*)	(*)	73	(*)	11
Distributions to stockholders except in own stock	362 041	(*)	41 026	34 608	58 488	79 276	118 843	16 211	12 587
Number of stockholders	89 698	2 397	46 991	16 774	10 230	7 032	6 091	147	36
Transportation and Public Utilities									
Number of returns									
With and without net income	14 531	(*)	8 701	3 199	1 062	574	222	12	8
With net income	6 716	(*)	3 564	2 058	610	329	146	8	8
Total assets	2 071 730	—	297 266	488 507	376 351	366 463	418 440	124 703	15 433
Notes and accounts receivable, net	411 368	—	44 648	66 483	91 892	104 314	91 892	88 598	5 675
Inventories	43 623	—	8 426	4 804	4 999	10 134	9 585	5 675	—
Cash, Government obligations, and other current assets	309 120	—	56 548	95 181	51 429	36 794	52 138	17 020	—
Other investments and loans ¹	72 304	—	6 115	14 606	20 881	5 151	15 018	6 533	—
Depreciable assets	1 815 118	—	264 604	477 858	301 465	298 852	359 072	113 267	—
Less: Accumulated depreciation	768 736	—	117 375	211 264	134 492	123 360	138 581	49 664	—
Other capital assets less reserves ²	72 414	—	6 081	13 765	13 477	15 921	19 476	3 694	—
Accounts and notes payable ³	633 194	—	93 767	120 227	110 002	123 794	151 291	25 113	—
Other current liabilities	125 014	—	22 384	19 729	35 423	17 001	24 571	5 906	—
Mortgages, notes, and bonds payable in one year or more	554 845	—	67 245	123 177	106 304	106 966	111 168	39 885	—
Net worth	403 400	—	14 505	144 472	24 839	81 212	93 385	44 987	—
Stockholders' undistributed taxable income previously taxed	--77 158	—	--53 279	--10 282	--48 546	18 664	9 865	6 420	—
Total receipts	4 384 765	(*)	1 219 806	1 046 453	633 638	762 492	541 160	161 400	—
Business receipts	4 248 154	(*)	1 180 248	1 017 273	601 938	749 205	525 746	159 174	—
Net long-term capital gain reduced by net short-term capital loss	24 383	(*)	(*)	(*)	(*)	(*)	2 626	127	—
Cost of sales and operations	2 771 467	(*)	793 651	643 480	386 794	502 871	330 799	105 789	—
Taxes paid	158 708	(*)	35 961	43 720	21 993	24 885	24 334	6 502	—
Interest paid	76 847	(*)	14 487	18 779	16 109	11 703	14 142	2 723	—
Depreciation	213 935	(*)	39 989	66 111	32 958	35 958	30 530	5 656	—
Pension profit-sharing, stock bonus, and annuity plans	17 971	(*)	(*)	(*)	(*)	5 098	3 586	2 142	—
Employee benefit programs	21 187	(*)	4 828	4 824	2 944	3 278	4 619	694	—
Net income (less deficit)	89 804	(*)	--12 702	42 597	1 919	25 806	21 384	14 288	—
Net income	201 820	(*)	31 520	62 773	18 885	37 094	32 647	16 283	—
Income subject to corporation tax ⁴	(*)	—	—	—	—	—	(*)	—	—
Income tax ⁵	(*)	—	—	—	—	—	(*)	—	—
Credit for tax on special fuels nonhighway gasoline and lubricating oil	249	—	(*)	(*)	(*)	(*)	(*)	1	—
Distributions to stockholders except in own stock	80 422	(*)	19 067	22 592	5 472	11 794	13 593	778	—
Number of stockholders	35 864	(*)	18 939	9 435	2 838	2 129	941	50	—

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data

RETURNS OF ACTIVE SMALL BUSINESS CORPORATIONS, FORM 1120S

Table 26.—Selected Balance Sheet and Income Statement Items, Income Subject to Tax, Tax, and Distributions to Stockholders, by Industrial Division, by Size of Total Assets—Continued

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

Industrial division, item	Total returns of active Small Business Corporations	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	\$5,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Wholesale and Retail Trade									
Number of returns									
With and without net income	117 158	4 160	69 349	24 339	11 487	5 521	2 237	55	10
With net income	74 847	1 131	38 815	18 861	9 367	4 696	1 919	49	9
Total assets	18 677 508	—	2 756 570	3 889 999	3 944 441	3 792 262	3 725 672	366 081	202 483
Notes and accounts receivable net	3 886 504	—	377 527	779 220	785 105	856 444	900 570	135 741	51 897
Inventories	7 057 925	—	957 455	1 359 166	1 514 801	1 494 555	1 502 007	123 059	106 882
Cash Government obligations and other current assets	2 340 322	—	453 806	542 162	481 151	430 957	384 895	35 299	11 402
Other investments and loans	826 050	—	108 670	176 835	175 404	176 978	174 691	11 298	7 174
Depreciable assets	6 645 255	—	1 317 217	1 554 900	1 458 968	1 458 968	1 008 418	63 310	31 429
Less Accumulated depreciation	3 226 900	—	679 273	811 157	679 441	547 144	465 730	32 884	11 271
Other capital assets less reserves ¹	626 748	—	79 314	148 484	113 619	114 463	145 879	21 693	3 296
Accounts and notes payable ²	6 790 040	—	856 304	1 178 113	1 390 569	1 467 583	1 604 585	195 392	97 494
Other current liabilities	1 159 272	—	201 003	220 378	224 281	214 319	261 984	14 284	23 023
Mortgages notes and bonds payable in one year or more	2 256 281	—	334 292	516 884	493 539	453 545	387 347	66 565	12 048
Net worth	6 588 132	—	831 824	1 542 253	1 470 483	1 367 308	1 251 027	62 108	63 129
Stockholders undistributed taxable income previously taxed	1 915 482	—	—	486 565	503 637	512 932	390 387	17 118	5 814
Total receipts	66 481 520	399 105	12 447 360	13 480 685	13 167 544	12 549 361	12 682 279	1 115 609	639 572
Business receipts	65 577 018	390 294	12 290 815	13 358 074	12 954 627	12 355 244	12 491 032	1 103 505	633 227
Net long-term capital gain reduced by net short-term capital loss	61 540	(¹)	28 183	4 650	14 190	4 345	—	(¹)	694
Cost of sales and operations	49 105 795	219 457	7 925 970	9 745 250	9 762 729	9 746 096	10 232 409	946 145	527 737
Taxes paid	1 035 896	11 629	275 768	227 930	183 769	141 893	147 831	14 831	36 302
Interest paid	464 438	4 855	59 616	81 089	101 518	99 934	104 381	10 642	2 403
Depreciation	636 135	7 361	147 561	130 182	137 767	107 012	96 547	6 666	3 019
Pension profit sharing stock bonus and annuity plans	96 234	(¹)	16 428	13 435	21 176	23 070	20 171	1 306	596
Employee benefit programs	84 115	(¹)	12 831	14 985	16 109	16 743	19 965	1 086	1 528
Net income (less deficit)	1 712 543	-10 467	116 237	385 973	418 511	379 256	32 962	37 339	17 302
Net income	2 208 130	12 376	167 497	461 276	485 757	424 741	406 155	33 339	17 339
Income subject to corporation tax ³	(¹)	—	—	—	(¹)	—	—	(¹)	—
Income tax ⁴	(¹)	—	—	—	(¹)	—	—	(¹)	—
Credit for tax on special fuels nonhighway gasoline and lubricating oil	68	—	(¹)	—	(¹)	—	12	(¹)	8
Distributions to stockholders except in own stock	777 408	(¹)	150 933	148 193	154 819	145 620	149 285	16 201	8 289
Number of stockholders	285 260	8 035	149 098	63 511	35 034	20 287	9 001	202	32
Finance, Insurance, and Real Estate									
Number of returns									
With and without net income	38 177	1 730	24 521	6 054	3 193	1 539	1 034	79	27
With net income	19 974	(¹)	12 745	3 705	1 696	818	465	21	14
Total assets	6 743 009	—	770 021	948 730	1 074 633	1 018 847	1 934 267	542 994	453 517
Notes and accounts receivable net	1 171 331	—	119 517	207 116	211 946	182 020	277 778	124 348	46 616
Inventories	35 293	—	(¹)	—	(¹)	(¹)	(¹)	(¹)	—
Cash Government obligations and other current assets	1 417 734	—	218 333	179 851	239 412	289 532	612 852	185 967	191 267
Other investments and loans	811 709	—	138 655	114 292	144 632	138 413	206 117	36 991	32 709
Depreciable assets	1 281 807	—	224 120	164 589	219 222	151 601	301 141	103 434	119 700
Less Accumulated depreciation	335 534	—	98 756	55 001	64 854	37 143	60 904	8 403	10 473
Other capital assets less reserves ¹	1 429 561	—	137 432	278 178	261 807	229 778	471 208	98 272	52 906
Accounts and notes payable ²	2 200 811	—	173 727	282 203	318 714	299 463	756 544	244 068	126 087
Other current liabilities	349 811	—	50 196	47 906	39 021	91 310	59 864	27 601	33 901
Mortgages notes and bonds payable in one year or more	2 019 272	—	121 573	167 473	288 915	279 569	679 457	224 080	258 205
Net worth	1 032 947	—	177 211	275 617	233 957	174 005	174 823	-120	1 254
Stockholders undistributed taxable income previously taxed	-74 692	—	-109 409	30 017	28 917	11 641	-1 392	-24 511	-6 955
Total receipts	3 021 908	98 220	1 151 538	514 566	420 658	396 328	364 047	40 591	36 962
Business receipts	2 368 248	(¹)	1 026 528	406 126	396 408	296 371	216 757	(¹)	15 747
Net long-term capital gain reduced by net short-term capital loss	91 659	(¹)	33 071	18 015	6 659	13 199	12 929	(¹)	1 031
Cost of sales and operations	630 908	(¹)	308 698	(¹)	37 575	125 143	36 746	(¹)	2 224
Taxes paid	99 643	632	34 211	16 347	16 412	12 095	14 273	6 670	2 803
Interest paid	219 530	—	23 560	24 457	41 889	36 522	61 929	17 758	12 587
Depreciation	4 980	(¹)	23 994	16 694	15 186	10 293	9 777	2 900	2 056
Pension profit sharing stock bonus and annuity plans	13 712	(¹)	3 959	(¹)	2 733	1 784	2 146	—	106
Employee benefit programs	4 692	(¹)	3 379	1 543	1 994	1 072	1 163	(¹)	79
Net income (less deficit)	130 303	5 166	62 126	50 314	7 707	26 592	-9 063	-9 086	-3 458
Net income	886 930	(¹)	138 042	69 968	57 402	52 069	50 510	(¹)	3 160
Income subject to corporation tax ³	(¹)	—	(¹)	—	—	—	—	—	—
Income tax ⁴	(¹)	—	(¹)	—	—	—	—	—	—
Credit for tax on special fuels nonhighway gasoline and lubricating oil	(¹)	—	(¹)	—	—	—	—	—	—
Distributions to stockholders except in own stock	173 873	(¹)	66 897	26 775	22 896	25 815	(¹)	(¹)	(¹)
Number of stockholders	108 577	4 238	63 418	20 434	10 920	5 552	3 648	270	97

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE SMALL BUSINESS CORPORATIONS, FORM 1120S

Table 26.—Selected Balance Sheet and Income Statement Items, Income Subject to Tax, Tax, and Distributions to Stockholders, by Industrial Division, by Size of Total Assets—Continued

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

Industrial division, item	Total returns of active Small Business Corporations	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	\$5,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Services									
Number of returns									
With and without net income	71,381	2,759	55,092	7,539	3,467	1,549	918	46	11
With net income	37,810	(*)	28,248	5,478	2,244	1,017	418	(*)	—
Total assets	6,962,907	—	1,356,764	1,218,467	1,194,777	1,963,897	1,634,507	294,065	200,490
Notes and accounts receivable net	795,096	—	187,693	204,611	116,490	104,405	144,775	33,016	4,106
Inventories	264,528	—	65,549	75,799	34,627	17,580	46,450	10,990	13,533
Cash, Government obligations, and other current assets	887,238	—	291,457	184,545	126,523	110,410	131,739	30,324	12,240
Other investments and loans ¹	443,513	—	122,433	63,013	86,152	39,685	88,580	(*)	8,078
Depreciable assets	6,001,713	—	1,263,802	1,008,820	1,082,715	1,002,371	1,326,957	190,919	126,129
Less Accumulated depreciation	2,368,793	—	709,606	466,374	425,711	362,465	351,717	32,565	18,355
Other capital assets less reserves ²	619,121	—	53,096	102,089	124,011	132,775	157,677	19,565	29,908
Accounts and notes payable ³	1,387,205	—	329,307	251,595	210,812	169,759	343,479	50,125	32,128
Other current liabilities	421,420	—	95,586	86,236	61,400	47,960	87,078	11,443	11,717
Mortgages, notes, and bonds payable in one year or more	2,673,953	—	217,629	281,066	478,401	512,801	841,967	214,908	127,181
Net worth	1,160,981	—	256,548	400,057	270,100	206,278	62,902	-8,675	-5,629
Stockholders' undistributed taxable income previously taxed	-245,987	—	-147,497	42,697	7,094	2,020	-109,237	-21,932	-19,132
Total receipts	11,623,934	175,886	4,667,457	2,339,981	1,434,069	1,117,931	1,659,741	115,479	113,390
Business receipts	11,328,922	171,298	4,600,528	2,290,694	1,363,632	1,066,853	1,591,544	113,452	110,921
Net long-term capital gain reduced by net short-term capital loss	38,471	(*)	8,328	(*)	(*)	9,149	11,325	(*)	—
Cost of sales and operations	5,888,433	109,057	2,176,696	1,214,754	752,387	550,941	969,920	45,490	69,188
Taxes paid	466,271	7,156	160,132	95,951	62,494	60,993	68,323	5,806	5,416
Interest paid	291,670	2,692	36,353	38,198	47,439	49,206	90,063	16,585	11,134
Depreciation	503,780	3,163	139,392	93,314	76,688	64,178	103,293	13,747	10,005
Pension, profit sharing, stock bonus, and annuity plans	63,726	(*)	22,305	13,187	5,161	5,091	11,436	(*)	465
Employee benefit programs	38,676	(*)	16,628	6,115	5,864	2,610	6,474	(*)	354
Net income (less deficit)	266,542	-18,013	72,653	121,999	49,436	68,410	-7,045	-7,921	-12,977
Net income	692,300	(*)	259,241	166,275	84,553	99,714	75,141	(*)	—
Income subject to corporation tax	(*)	—	—	—	(*)	—	—	—	—
Income tax	(*)	—	—	—	(*)	—	—	—	—
Credit for tax on special fuels, nonhighway gasoline, and lubricating oil	34	(*)	(*)	(*)	(*)	—	(*)	—	—
Distributions to stockholders except in own stock	310,429	(*)	107,500	76,522	32,734	46,817	41,370	(*)	—
Number of stockholders	168,242	5,188	118,752	23,581	11,407	5,796	3,329	149	40

(*) Estimate is not shown separately because of the small number of sample returns on which it was based. However, the data are included in the appropriate totals.

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.

NOTE: See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE SMALL BUSINESS CORPORATIONS

Table 27.—Stockholders, Business Receipts, Net Income (Less Deficit), Distributions to Stockholders, and Net Worth, by Industrial Division, Size of Total Assets, and Number of Stockholders

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

Number of stockholders and item	All industrial divisions ¹			Agriculture, forestry, and fishing			Mining		
	Total	Size of total assets		Total	Size of total assets		Total	Size of total assets	
		Under \$1,000,000	\$1,000,000 or more		Under \$1,000,000	\$1,000,000 or more		Under \$1,000,000	\$1,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Total Returns of Active Small Business Corporations									
Number of returns	333 099	325 151	7 948	17 178	16 603	575	2 363	2 174	189
Number of stockholders	832 493	801 017	31 476	56 211	53 943	2 268	6 824	6 148	676
Business receipts ²	120 460 889	91 687 510	29 073 379	3 519 519	2 669 982	849 537	1 499 835	569 699	930 136
Net income (less deficit)	3 549 831	2 614 086	935 745	63 467	81 853	1 614	218 338	78 282	140 056
Net worth	14 986 003	10 903 681	4 082 322	1 106 485	922 383	184 102	276 939	43 941	232 998
Distributions to stockholders except in own stock	2 108 297	1 576 915	531 382	91 042	81 382	9 660	109 830	57 310	52 520
Returns With 1 Stockholder									
Number of returns	103 786	102 560	1 226	3 314	3 229	85	466	425	41
Business receipts ²	24 374 952	20 137 265	4 197 687	468 998	385 736	83 262	207 723	137 423	70 300
Net income (less deficit)	232 973	196 800	36 173	2 198	11 727	-9 529	21 040	9 863	11 157
Net worth	2 317 746	1 464 843	852 903	111 788	96 146	15 642	35 631	1 926	33 705
Distributions to stockholders except in own stock	315 003	246 307	68 696	9 423	(*)	(*)	13 468	(*)	(*)
Returns With 2 Stockholders									
Number of returns	111 370	110 228	1 742	4 023	3 919	104	565	515	50
Business receipts ²	34 951 329	29 662 699	5 228 630	802 738	622 305	180 433	359 966	162 222	197 744
Net income (less deficit)	404 812	778 740	126 072	-1 143	3 843	-4 986	71 281	31 945	39 336
Net worth	3 873 726	3 161 119	712 607	167 230	144 461	22 769	75 687	15 004	60 683
Distributions to stockholders except in own stock	492 752	410 376	82 376	7 094	(*)	(*)	30 675	(*)	14 845
Returns With 3 Stockholders									
Number of returns	50 797	49 590	1 207	3 824	3 745	79	725	700	25
Business receipts ²	19 972 593	16 063 190	3 909 403	813 242	729 733	83 500	205 706	133 659	72 047
Net income (less deficit)	635 844	533 371	102 473	6 642	7 591	-949	29 903	8 398	21 505
Net worth	2 398 330	2 005 907	392 423	191 186	181 018	10 168	36 260	12 879	23 381
Distributions to stockholders except in own stock	347 668	275 269	72 399	14 073	13 328	(*)	12 312	(*)	(*)
Returns With 4 Stockholders									
Number of returns	32 178	31 093	1 085	2 358	2 250	108	308	295	(*)
Business receipts ²	15 692 267	11 615 357	4 076 936	480 231	301 988	178 243	147 909	85 320	(*)
Net income (less deficit)	496 520	357 274	139 246	-15 965	13 160	3 805	36 023	17 160	(*)
Net worth	2 006 938	1 555 784	451 154	194 926	156 353	38 573	49 166	28 709	(*)
Distributions to stockholders except in own stock	295 751	224 531	71 220	18 386	15 958	(*)	18 145	(*)	(*)
Returns With 5 Stockholders									
Number of returns	12 806	11 965	841	1 369	1 287	82	(*)	(*)	(*)
Business receipts ²	8 332 487	4 854 649	3 477 838	306 462	196 213	108 249	(*)	(*)	(*)
Net income (less deficit)	376 352	248 971	127 361	16 716	13 754	2 962	(*)	(*)	(*)
Net worth	1 374 850	943 755	431 095	172 291	133 636	17 291	(*)	(*)	(*)
Distributions to stockholders except in own stock	189 110	135 110	54 000	16 507	15 616	(*)	(*)	(*)	(*)
Returns With 6 Stockholders									
Number of returns	8 150	7 682	468	654	621	33	(*)	(*)	(*)
Business receipts ²	5 307 904	2 230 903	2 077 001	152 672	122 398	30 274	(*)	(*)	(*)
Net income (less deficit)	211 847	129 596	82 251	9 698	7 483	2 415	(*)	(*)	(*)
Net worth	829 598	552 768	276 830	88 238	73 941	14 297	(*)	(*)	(*)
Distributions to stockholders except in own stock	147 097	100 839	46 258	(*)	(*)	(*)	(*)	(*)	(*)
Returns With 7 Stockholders									
Number of returns	4 592	4 262	330	836	808	(*)	(*)	(*)	(*)
Business receipts ²	3 627 534	2 000 711	1 626 823	125 860	100 914	(*)	(*)	(*)	(*)
Net income (less deficit)	177 101	122 779	54 322	20 118	19 751	(*)	(*)	(*)	(*)
Net worth	557 286	372 887	184 399	75 189	62 656	(*)	(*)	(*)	(*)
Distributions to stockholders except in own stock	75 499	49 816	25 683	(*)	(*)	(*)	(*)	(*)	(*)
Returns With 8 Stockholders									
Number of returns	3 657	3 283	374	251	(*)	(*)	(*)	(*)	(*)
Business receipts ²	3 188 450	1 697 054	1 491 396	126 282	(*)	(*)	(*)	(*)	(*)
Net income (less deficit)	175 834	78 796	97 038	4 481	(*)	(*)	(*)	(*)	(*)
Net worth	585 656	312 401	273 255	41 157	(*)	(*)	(*)	(*)	(*)
Distributions to stockholders except in own stock	62 284	35 931	26 353	(*)	(*)	(*)	(*)	(*)	(*)
Returns With 9 Stockholders									
Number of returns	2 296	2 036	260	172	(*)	(*)	(*)	(*)	(*)
Business receipts ²	2 432 857	1 293 098	1 139 799	157 427	(*)	(*)	(*)	(*)	(*)
Net income (less deficit)	141 626	80 739	60 887	5 964	(*)	(*)	(*)	(*)	(*)
Net worth	452 512	262 332	190 180	41 356	(*)	(*)	(*)	(*)	(*)
Distributions to stockholders except in own stock	75 749	45 052	30 697	(*)	(*)	(*)	(*)	(*)	(*)
Returns With 10 Stockholders									
Number of returns	2 867	2 452	415	377	(*)	(*)	(*)	(*)	(*)
Business receipts ²	3 180 496	1 332 630	1 847 866	85 607	(*)	(*)	(*)	(*)	(*)
Net income (less deficit)	196 922	87 020	109 902	1 628	(*)	(*)	(*)	(*)	(*)
Net worth	589 361	271 885	317 476	23 124	(*)	(*)	(*)	(*)	(*)
Distributions to stockholders except in own stock	107 384	53 684	53 700	(*)	(*)	(*)	(*)	(*)	(*)

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data

RETURNS OF ACTIVE SMALL BUSINESS CORPORATIONS

Table 27.—Stockholders, Business Receipts, Net Income (Less Deficit), Distributions to Stockholders, and Net Worth, by Industrial Division, Size of Total Assets, and Number of Stockholders—Continued

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

Number of stockholders and item	Construction			Manufacturing			Transportation and public utilities		
	Total	Size of total assets		Total	Size of total assets		Total	Size of total assets	
		Under \$1,000,000	\$1,000,000 or more		Under \$1,000,000	\$1,000,000 or more		Under \$1,000,000	\$1,000,000 or more
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
Total Returns of Active Small Business Corporations									
Number of returns	37 770	36,512	1 258	33 909	32 634	1 275	14 531	14 297	234
Number of stockholders	80 137	75 638	4 499	89 696	83 424	6 274	35 869	34 878	991
Business receipts	15 128 799	10 757 801	4,370 988	16 502 974	10 750 467	5 752 507	4 248 154	3 563 234	684 920
Net income (less deficit)	358 491	287 055	71 436	680 400	369 916	313 484	89 804	54 322	35 672
Net worth	1 333 580	989 214	344 366	3 041 299	1 459 034	1 582 265	403 400	265 028	138 372
Distributions to stockholders except in own stock	201 641	143,527	58 114	362 041	214 400	147 641	80 422	59 051	21,371
Returns With 1 Stockholder									
Number of returns	14 587	14 329	258	9 787	9 658	129	4 606	4 557	49
Business receipts	4 056 950	3,363,900	693,050	2 824 079	1,964,232	859 847	1 069 734	955 106	114 628
Net income (less deficit)	53 774	48 651	5,123	33,120	24 012	9 108	7 329	5 188	2 141
Net worth	283,496	226,069	57,427	733,153	153 867	579 286	57 734	30 668	27 066
Distributions to stockholders except in own stock	40,887	35,162	5,725	45 442	31,365	14 077	12 750	8 681	(*)
Returns With 2 Stockholders									
Number of returns	13,430	13,139	291	11,123	11,003	120	4 999	4 958	41
Business receipts	4 891,217	3,864,319	1 026,898	3,790,853	3,246 183	544 670	1 092 510	1 008 174	84 336
Net income (less deficit)	118 238	103,431	14 807	128 875	105,592	23 283	-1 745	-5 185	3 440
Net worth	413,168	334 424	78 754	491 544	377 721	113 823	68 377	43,639	24 738
Distributions to stockholders except in own stock	54 133	42,193	11 940	72,284	58,399	13,885	(*)	(*)	(*)
Returns With 3 Stockholders									
Number of returns	5,099	4,909	190	4 654	4 458	196	2 215	2 193	(*)
Business receipts	2 423 049	1 751 295	671,764	2 533 695	1 751 194	782 501	652 494	617 294	(*)
Net income (less deficit)	83 186	75 493	7 693	132 934	93 790	39 144	18 043	19 741	(*)
Net worth	199 927	163 159	36,768	433,113	297,767	135 346	44 523	41 853	(*)
Distributions to stockholders except in own stock	40 366	30,499	9,867	53 335	30,822	22 513	21 500	21 248	(*)
Returns With 4 Stockholders									
Number of returns	2 592	2,421	171	4 026	3,851	175	1 362	1 330	32
Business receipts	1 463,630	911 036	552,592	2 585 850	1 884 495	701,355	519 031	424 241	94 790
Net income (less deficit)	35 669	27,053	8 616	65 887	46,027	39 860	17 624	10 916	6 708
Net worth	132 369	88 089	44 280	363 802	229 385	134 417	77 754	60 852	16 902
Distributions to stockholders except in own stock	25 452	16,523	8 929	53 863	36,594	17 269	14 054	(*)	(*)
Returns With 5 Stockholders									
Number of returns	919	813	106	1 656	1 432	224	292	(*)	(*)
Business receipts	752 196	299,318	452,878	1 490 875	686 815	804 260	256 408	(*)	(*)
Net income (less deficit)	19 496	10,250	9 246	73,823	44,472	29 351	9 878	(*)	(*)
Net worth	83,783	43,552	40,231	277,102	173,021	104 081	37 508	(*)	(*)
Distributions to stockholders except in own stock	13 082	(*)	6 678	35,693	22 293	13 400	(*)	(*)	(*)
Returns With 6 Stockholders									
Number of returns	482	417	65	1 262	1 188	74	463	457	(*)
Business receipts	513,371	270,769	242,602	759,824	382,773	377 051	210 127	172 279	(*)
Net income (less deficit)	17,844	14 336	3,508	19,536	-12,833	32 369	9 508	1,908	(*)
Net worth	91 840	67,247	24,593	151 972	50,232	101,740	31 606	25 148	(*)
Distributions to stockholders except in own stock	(*)	(*)	(*)	20,074	(*)	13 469	(*)	(*)	(*)
Returns With 7 Stockholders									
Number of returns	191	(*)	49	405	345	60	(*)	(*)	(*)
Business receipts	375 710	(*)	259,302	534 715	162 712	372 003	(*)	(*)	(*)
Net income (less deficit)	16 407	(*)	5,568	26 461	8,231	18 230	(*)	(*)	(*)
Net worth	35,541	(*)	11,293	94 608	61 040	33,568	(*)	(*)	(*)
Distributions to stockholders except in own stock	(*)	(*)	(*)	18 088	(*)	10 822	(*)	(*)	(*)
Returns With 8 Stockholders									
Number of returns	149	(*)	50	391	(*)	143	234	(*)	(*)
Business receipts	238 944	(*)	132 749	655 675	(*)	527 113	160,245	(*)	(*)
Net income (less deficit)	3 350	(*)	6 112	73 341	(*)	62 844	9 327	(*)	(*)
Net worth	31,592	(*)	18,671	216 827	(*)	169 765	24 230	(*)	(*)
Distributions to stockholders except in own stock	(*)	(*)	(*)	12,334	(*)	10 436	(*)	(*)	(*)
Returns With 9 Stockholders									
Number of returns	201	(*)	38	266	(*)	51	(*)	(*)	(*)
Business receipts	234 526	(*)	188 726	455,904	(*)	277 474	(*)	(*)	(*)
Net income (less deficit)	1 639	(*)	3,651	38,090	(*)	20 892	(*)	(*)	(*)
Net worth	28 701	(*)	13,097	132,978	(*)	79 111	(*)	(*)	(*)
Distributions to stockholders except in own stock	(*)	(*)	(*)	14,931	(*)	9 855	(*)	(*)	(*)
Returns With 10 Stockholders									
Number of returns	120	(*)	40	339	236	103	(*)	(*)	(*)
Business receipts	179 206	(*)	150,437	871 504	365,271	506 233	(*)	(*)	(*)
Net income (less deficit)	8 888	(*)	7,112	58,333	29,930	38 403	(*)	(*)	(*)
Net worth	33,143	(*)	19,252	146,200	42,544	103 656	(*)	(*)	(*)
Distributions to stockholders except in own stock	(*)	(*)	(*)	35,997	(*)	21,915	(*)	(*)	(*)

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

RETURNS OF ACTIVE SMALL BUSINESS CORPORATIONS

Table 27.—Stockholders, Business Receipts, Net Income (Less Deficit), Distributions to Stockholders, and Net Worth, by Industrial Division, Size of Total Assets, and Number of Stockholders—Continued

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

Number of stockholders and item	Wholesale and retail trade			Finance, insurance, and real estate			Services		
	Total	Size of total assets		Total	Size of total assets		Total	Size of total assets	
		Under \$1,000,000	\$1,000,000 or more		Under \$1,000,000	\$1,000,000 or more		Under \$1,000,000	\$1,000,000 or more
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)
Total Returns of Active Small Business Corporations									
Number of returns	117 158	114 856	2 302	38 177	37 037	1 140	71 381	70 406	975
Number of stockholders	285 260	276 025	9 235	108 577	104 562	4 015	168 242	164 724	3 518
Business receipts	65 577 018	51 349 254	14 227 764	3 021 908	2 580 308	441 600	11 328 922	9 513 005	1 815 917
Net income (less deficit)	1 712 543	1 289 510	423 033	130 303	151 910	-21 607	266 542	294 485	-27 943
Net worth	6 588 132	5 211 868	1 376 264	1 037 947	861 990	175 957	1 180 981	1 132 981	47 998
Distributions to stockholders except in own stock	777 408	603 633	173 775	173 873	148 619	25 254	310 429	267 382	43 047
Returns With 1 Stockholder									
Number of returns	34 945	34 646	299	10 879	10 714	165	24 922	24 722	200
Business receipts	12 120 085	10 213 790	1 906 295	844 873	796 024	48 849	2 674 639	2 253 183	421 456
Net income (less deficit)	107 056	64 977	42 079	29 956	43 191	-13 235	-27 086	-16 417	-10 671
Net worth	870 252	711 010	159 242	177 408	190 896	-13 488	45 133	51 110	-5 977
Distributions to stockholders except in own stock	117 682	91 286	26 396	20 845	19 052	(*)	54 506	43 616	10 690
Returns With 2 Stockholders									
Number of returns	44 026	43 491	535	10 680	10 286	394	23 124	22 917	207
Business receipts	14 924 869	17 301 555	2 623 314	859 023	711 934	147 809	3 170 153	2 746 007	424 146
Net income (less deficit)	432 874	376 601	54 273	48 253	47 083	1 170	108 179	113 430	-5 251
Net worth	1 938 092	1 658 933	279 159	305 428	184 597	120 831	414 180	402 330	11 850
Distributions to stockholders except in own stock	203 387	179 138	24 249	47 763	40 909	8 854	68 375	59 076	9 299
Returns With 3 Stockholders									
Number of returns	17 047	16 689	358	5 871	5 710	161	11 223	11 047	176
Business receipts	10 840 414	8 911 523	1 928 891	422 585	362 797	59 786	2 047 475	1 771 772	275 703
Net income (less deficit)	296 261	250 306	45 955	29 600	26 737	209	36 737	46 123	-9 386
Net worth	1 153 094	989 309	163 785	127 349	104 065	23 284	203 394	206 373	-2 979
Distributions to stockholders except in own stock	124 967	100 724	24 243	38 842	36 131	(*)	41 483	37 303	(*)
Returns With 4 Stockholders									
Number of returns	10 916	10 625	291	4 230	4 100	130	6 299	6 134	165
Business receipts	8 927 023	6 691 164	2 235 859	274 771	232 707	42 064	1 265 185	1 055 741	209 444
Net income (less deficit)	274 426	209 754	64 672	3 774	10 347	-6 573	24 955	21 660	3 295
Net worth	898 940	717 859	181 081	116 584	114 955	3 629	167 524	155 709	11 815
Distributions to stockholders except in own stock	116 505	90 118	26 387	16 097	13 041	3 056	32 901	25 396	7 505
Returns With 5 Stockholders									
Number of returns	3 564	3 278	266	2 675	2 616	59	2 047	2 004	43
Business receipts	4 576 372	2 761 371	1 817 001	254 488	235 833	18 635	603 967	522 102	81 865
Net income (less deficit)	187 576	111 863	76 303	1 821	7 409	-5 588	47 091	50 446	-3 355
Net worth	509 953	331 775	178 178	131 825	128 324	3 501	138 707	131 481	7 226
Distributions to stockholders except in own stock	57 661	34 420	23 241	(*)	(*)	(*)	33 166	31 860	(*)
Returns With 6 Stockholders									
Number of returns	2 450	2 303	147	1 441	1 757	84	1 313	1 270	43
Business receipts	2 732 927	1 818 621	914 306	138 133	87 054	51 079	429 212	353 640	75 572
Net income (less deficit)	116 579	91 531	27 048	3 537	7 094	-3 862	15 265	20 039	-4 774
Net worth	343 859	252 147	31 712	57 550	40 413	17 137	42 468	42 400	68
Distributions to stockholders except in own stock	52 159	40 001	12 158	11 609	(*)	(*)	(*)	(*)	-
Returns With 7 Stockholders									
Number of returns	1 412	1 306	106	807	765	42	799	777	(*)
Business receipts	2 201 419	1 305 992	895 427	58 425	49 540	8 885	239 563	214 059	(*)
Net income (less deficit)	91 221	55 914	35 307	-423	5 334	-5 757	16 924	16 461	(*)
Net worth	281 587	192 585	88 992	10 395	13 466	-3 071	41 895	36 807	(*)
Distributions to stockholders except in own stock	27 064	16 071	10 993	(*)	(*)	(*)	(*)	(*)	(*)
Returns With 8 Stockholders									
Number of returns	1 080	1 008	72	707	684	(*)	844	804	40
Business receipts	1 688 625	1 016 619	672 009	24 682	20 518	(*)	293 937	229 985	64 012
Net income (less deficit)	69 990	47 814	22 176	-92	58	(*)	16 851	19 290	-2 439
Net worth	195 500	146 136	49 364	25 453	24 486	(*)	54 664	46 698	7 966
Distributions to stockholders except in own stock	30 335	22 252	(*)	(*)	(*)	(*)	9 301	(*)	(*)
Returns With 9 Stockholders									
Number of returns	766	684	82	391	353	38	351	330	(*)
Business receipts	1 206 078	724 607	481 471	117 386	72 177	45 209	193 856	161 619	(*)
Net income (less deficit)	65 222	47 351	17 871	14 694	5 399	9 495	5 081	4 931	(*)
Net worth	157 411	97 713	59 698	36 274	26 012	12 262	31 305	28 437	(*)
Distributions to stockholders except in own stock	28 041	21 209	6 832	(*)	(*)	(*)	(*)	(*)	(*)
Returns With 10 Stockholders									
Number of returns	952	825	126	496	452	44	453	401	58
Business receipts	1 357 206	604 012	753 194	27 562	11 724	15 838	110 875	204 897	205 978
Net income (less deficit)	69 338	32 079	37 259	-1 017	-3 701	2 684	22 547	18 522	4 025
Net worth	239 444	114 391	125 053	45 661	34 776	10 905	41 711	31 638	10 073
Distributions to stockholders except in own stock	19 607	(*)	11 193	(*)	(*)	(*)	26 666	(*)	(*)

(*) Estimate is not shown separately because of the small number of sample returns on which it was based. However, the data are included in the appropriate totals.

(*) Includes: Nature of business not allocable which is not shown separately.

Size of total receipts was used in lieu of business receipts to classify statistics for Finance, insurance, and real estate industries.

NOTE: See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE DOMESTIC CORPORATIONS

Table 28.—Number of Returns With and Without 50 Percent or More Ownership by Another Entity, and Balance Sheets and Income Statements for Returns with 50 Percent or More Foreign Ownership, by Selected Industrial Divisions

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

Item	Total active domestic corporation returns ¹	Selected industrial division						
		Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Services
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1 Number of active domestic corporation returns, total	1,964,607	15,686	185,542	211,469	80,169	602,250	424,625	388,595
2 Returns other than Forms 1120S and 1120M	1,630,397	13,323	147,772	177,560	65,638	485,092	385,337	317,214
3 Returns indicating 50 percent or more ownership by another entity total	1,005,610	7,310	99,577	112,355	41,236	325,113	202,800	195,098
4 With ownership by a domestic entity or ownership not known	999,072	7,193	99,518	111,173	40,923	322,618	201,066	194,503
5 With ownership by a foreign entity total	6,538	117	59	1,182	313	2,495	1,734	595
6 With ownership equal to 50 percent	526	(*)	(*)	180	(*)	238	42	(*)
7 With ownership more than 50 percent	6,008	116	54	1,002	290	2,253	1,692	559
8 With percent not determinable	(*)	—	—	—	—	(*)	—	—
9 Returns indicating no 50 percent or more ownership by another entity	540,126	5,254	42,423	58,536	21,023	139,451	158,734	100,689
10 Returns with information on 50 percent or more ownership not determinable	84,661	759	5,772	6,669	3,379	20,528	23,803	21,427
Returns Indicating 50 Percent or More Ownership by a Foreign Entity								
11 Number of returns, total	6,538	117	59	1,182	313	2,495	1,734	595
12 With net income	3,085	43	32	629	54	1,390	474	460
13 Total assets	76,697,180	1,252,186	275,657	33,885,423	1,879,164	20,420,032	17,777,117	1,003,273
14 Cash	3,997,125	44,395	17,741	775,144	39,378	1,493,310	1,566,057	59,091
15 Notes and accounts receivable	19,036,547	162,362	72,719	6,325,725	197,823	7,505,394	4,624,098	201,923
16 Less Allowance for bad debts	332,187	(*)	(*)	172,445	1,735	91,504	57,493	3,403
17 Inventories	13,769,575	100,022	45,223	6,999,684	57,058	6,442,895	20,071	81,372
18 Investment in Government obligations								
19 United States	1,252,854	—	—	(*)	(*)	9,655	1,176,287	(*)
20 State and local	1,326,725	—	—	(*)	(*)	(*)	1,905,608	(*)
21 Other current assets	4,474,786	35,175	27,376	2,029,615	41,230	1,328,511	909,898	65,467
22 Loans to stockholders	215,132	(*)	(*)	90,407	(*)	65,427	55,481	(*)
23 Mortgage and real estate loans	943,856	(*)	(*)	16,846	(*)	4,109	916,611	(*)
24 Other investments	10,048,059	183,154	(*)	4,048,352	40,518	1,215,721	4,345,081	137,256
25 Depreciable assets	23,875,727	601,328	41,084	17,038,404	1,846,961	2,023,656	1,750,170	530,210
26 Less Accumulated depreciation	8,794,098	243,994	11,086	6,977,569	449,017	630,077	290,572	177,259
27 Depletable assets	2,978,858	283,347	—	2,624,242	—	(*)	(*)	—
28 Less Accumulated depletion	1,306,690	46,638	—	1,253,534	—	(*)	(*)	—
29 Land	1,631,277	60,350	47,572	797,146	(*)	199,890	433,445	47,033
30 Intangible assets (amortizable)	565,584	10,484	(*)	395,009	(*)	69,422	64,362	30,494
31 Less Accumulated amortization	106,129	2,453	(*)	60,075	(*)	14,106	11,231	17,637
32 Other assets	3,060,175	69,083	14,081	1,201,876	34,905	731,917	967,928	39,338
33 Total liabilities	76,697,180	1,252,186	275,657	33,885,423	1,879,164	20,420,032	17,777,117	1,003,273
34 Accounts payable	10,052,804	103,862	61,993	4,538,603	122,510	4,403,337	624,386	188,824
35 Mortgages, notes, and bonds payable in less than one year	13,210,373	82,404	82,553	3,088,397	179,200	8,781,258	779,330	190,945
36 Other current liabilities	12,397,347	79,085	32,945	2,311,088	121,737	1,382,996	8,368,822	69,418
37 Loans from stockholders	1,912,390	185,881	(*)	1,075,345	(*)	323,947	258,050	41,217
38 Mortgages, notes, and bonds payable in one year or more	12,122,681	257,779	43,967	6,696,076	661,953	1,931,470	2,148,217	315,809
39 Other liabilities	5,106,038	114,115	31,310	1,612,230	110,255	621,113	2,567,797	38,520
40 Capital stock	4,803,105	64,387	10,491	2,231,430	203,196	1,455,389	759,650	61,603
41 Paid-in or capital surplus	8,217,555	258,062	(*)	4,747,583	578,551	1,116,307	1,357,619	133,143
42 Retained earnings appropriated	489,399	(*)	(*)	296,441	(*)	110,422	61,952	—
43 Retained earnings unappropriated	8,543,702	106,591	—11,363	7,403,872	—124,825	343,171	662,036	—34,420
44 Less Cost of treasury stock	158,814	(*)	(*)	95,643	(*)	49,372	11,342	(*)
45 Total receipts	100,363,437	798,779	297,022	39,894,457	1,154,771	54,008,843	3,537,316	569,265
46 Business receipts	96,903,205	764,501	275,655	36,825,548	1,122,552	52,826,332	2,469,589	520,737
47 Interest on Government obligations								
48 United States	74,420	(*)	(*)	2,818	(*)	2,865	67,315	(*)
49 State and local	48,317	—	—	955	—	—	46,753	(*)
50 Other interest	1,664,520	8,370	3,099	262,459	16,832	735,642	630,023	7,177
51 Rents	297,933	2,660	1,589	150,418	5,383	36,096	87,819	13,452
52 Royalties	222,380	(*)	(*)	196,366	(*)	9,651	13,706	(*)
53 Net short-term capital gain reduced by net long-term capital loss	7,001	—	—	(*)	(*)	(*)	962	(*)
54 Net long-term capital gain reduced by net short-term capital loss	92,961	4,920	(*)	33,014	(*)	13,723	32,008	7,014
55 Net gain, noncapital assets	81,018	4,245	(*)	15,594	433	8,689	50,209	(*)
56 Dividends received from domestic corporations	190,755	(*)	(*)	53,230	(*)	58,817	73,252	(*)
57 Dividends received from foreign corporations	32,595	—	(*)	20,018	(*)	4,611	3,554	(*)
58 Other receipts	748,332	10,771	9,610	330,453	6,903	310,898	62,128	16,708

Footnotes at end of table. See text for 'Explanation of Terms' and 'Description of the Sample and Limitations of the Data'

RETURNS OF ACTIVE DOMESTIC CORPORATIONS

Table 28.—Number of Returns With and Without 50 Percent or More Ownership by Another Entity, and Balance Sheets and Income Statements for Returns with 50 Percent or More Foreign Ownership, by Selected Industrial Divisions—Continued

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

Item	Total active domestic corporation returns	Selected industrial division						
		Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Services
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Returns Indicating 50 Percent or More Ownership by a Foreign Entity—Continued								
57 Total deductions	98,276,205	769,117	295,131	36,096,035	1,121,375	53,829,081	3,487,253	574,845
58 Cost of sales and operations	78,821,542	407,010	252,464	27,263,475	731,756	48,254,097	1,576,091	257,088
59 Compensation of officers	379,051	3,719	2,118	141,040	10,685	145,266	61,262	14,476
60 Repairs	725,491	20,936	690	618,684	(*)	60,682	17,910	5,948
61 Bad debts	229,600	(*)	(*)	109,137	3,884	73,464	32,606	8,136
62 Rent paid on business property	796,423	6,295	2,604	441,316	46,989	219,641	52,705	15,626
63 Taxes paid	1,795,332	18,363	2,875	1,225,074	65,679	337,323	126,310	18,472
64 Interest paid	2,824,474	30,411	10,275	865,216	66,835	1,269,365	534,831	46,172
65 Contributions or gifts	14,403	(*)	(*)	10,777	151	1,801	517	107
66 Amortization	16,282	113	(*)	9,009	(*)	2,829	930	399
67 Depreciation	1,540,784	50,943	3,441	1,084,487	70,982	162,723	114,158	49,857
68 Depletion	423,103	34,016	—	383,036	(*)	5,988	(*)	—
69 Advertising	1,260,935	11,394	844	821,426	5,367	395,378	12,056	14,469
70 Pension profit-sharing, stock bonus, and annuity plans	404,031	9,052	(*)	332,914	4,410	43,280	11,169	2,248
71 Employee benefit programs	240,928	3,857	(*)	150,047	2,867	59,532	19,720	4,735
72 Net loss noncapital assets	20,407	(*)	(*)	9,881	(*)	4,152	4,705	635
73 Other deductions	8,788,419	171,275	18,034	4,630,536	108,227	2,792,560	922,226	136,477
74 Total receipts less total deductions	2,087,232	29,662	1,891	1,798,422	33,396	179,762	50,065	-5,580
75 Constructive taxable income from related foreign corporations	23,757	—	(*)	15,759	—	(*)	(*)	—
76 Net income (less deficit) (line 74 plus 75 minus 4*)	2,062,672	29,662	4,895	1,813,226	33,396	180,954	6,512	-5,587
77 Net income	3,050,922	89,817	15,529	2,064,563	67,453	616,634	159,781	27,363
78 Deficit	888,250	60,155	10,634	251,337	34,057	435,680	153,269	32,950
79 Income subject to tax	2,675,436	74,175	(*)	1,848,596	57,145	552,488	103,727	18,915
80 Income tax total	1,282,035	36,586	(*)	892,914	27,024	259,753	48,472	8,331
81 Normal tax, surtax, and alternative tax	1,066,743	34,949	(*)	880,023	26,965	258,711	48,108	8,280
82 Tax from recomputing prior year investment credit	3,895	(*)	(*)	3,106	(*)	651	15	(*)
83 Tax from recomputing prior year work incentive (WIN) credit	(*)	—	—	(*)	—	(*)	—	—
84 Additional tax for tax preferences	11,379	(*)	—	(*)	—	(*)	(*)	(*)
85 Foreign tax credit	49,214	(*)	(*)	20,567	(*)	12,090	9,718	(*)
86 Investment credit	90,433	1,433	(*)	71,653	6,668	8,608	932	780
87 Work incentive (WIN) credit	107	(*)	—	98	—	(*)	—	—
Distribution to stockholders								
88 Cash and property (except own stock)	671,345	(*)	(*)	472,107	(*)	56,130	78,664	(*)
89 Corporation's own stock	51,484	—	—	(*)	(*)	38,158	(*)	—
Includable income of Controlled Foreign Corporations								
90 Number of returns	11	—	—	(*)	—	(*)	(*)	—
91 Amount	7,160	—	—	(*)	—	(*)	(*)	—
Western Hemisphere Trade Corporation deduction								
92 Number of returns	13	(*)	—	(*)	—	—	(*)	—
93 Amount	4,458	(*)	—	(*)	—	—	(*)	—
Foreign tax credit								
94 Number of returns	335	5	(*)	153	(*)	131	32	(*)
95 Amount	49,214	2,643	(*)	20,567	(*)	12,090	9,718	(*)

(*) Estimate is not shown separately because of the small number of sample returns on which it was based. However, the data are included in the appropriate totals.

* Includes Agriculture, forestry, and fishing, and Nature of business not allocable, which are not shown separately.

NOTE: See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF ACTIVE FOREIGN CORPORATIONS WITH U. S. BUSINESS OPERATIONS, FORM 1120F
Table 29.—Income Statement and Tax Items, by Industrial Division

(Money amounts are in thousands of dollars)

Item	Total returns of active foreign corporations with U.S. business operations ¹	Industrial Division							
		Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale and retail trade	Finance insurance and real estate	Services
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Number of returns of active foreign corporations with U.S. business operations: total	1 287	18	46	21	34	63	173	64	237
With net income	539	6	15	6	42	25	77	243	120
Total receipts	6,377,793	1,314	64,954	37,185	477,925	250,676	1,021,822	4,195,661	326,471
Business receipts	3 490 767	386	34 647	35 747	459 762	194 963	1 014 171	1 434 937	314 694
Interest on Government obligations									
United States	153 351	—	—	—	35	12	1	153 303	(1)
State and local	9 502	—	—	—	—	—	224	9 278	—
Other interest	2 408 399	(1)	53	199	1 323	3 125	1 493	2 401 603	340
Rents	61 087	—	3	522	181	25 302	320	14 055	704
Royalties	4 096	—	539	—	24	—	6	2 480	547
Net short term capital gain reduced by net long term capital loss	85	—	4	—	—	—	—	19	62
Net long term capital gain reduced by net short term capital loss	5 301	—	928	—	48	—	—	1 847	469
Net gain noncapital assets	8 903	—	75	—	75	842	39	7 685	248
Dividends received from domestic corporations	73 625	—	20 237	—	11 280	6 908	1 518	33 682	(1)
Dividends received from foreign corporations	4 530	—	8	—	313	—	—	4 209	—
Other receipts	158 147	928	8 460	717	4 945	19 524	4 041	110 063	9 407
Total deductions	6,376,570	1,879	51,404	41,896	435,120	270,649	1,028,019	4,214,764	331,367
Cost of sales and operations	2 674 136	248	22 398	31 950	347 913	143 626	913 793	936 078	270 858
Compensation of officers	26 624	—	1 366	207	2 343	178	1 931	17 121	1 477
Repairs	9 839	9	1 349	999	1 299	415	571	3 266	1 966
Bad debts	78 702	—	179	1	415	421	548	76 843	244
Rent paid on business property	86 147	—	2 140	258	2 219	35 311	24 001	18 130	4 083
Taxes paid	104 292	391	1 054	221	7 633	5 349	10 203	76 084	3 255
Interest paid	2 176 514	221	2 291	493	9 697	20 468	7 684	2 130 905	4 736
Contributions or gifts	577	—	2	—	76	14	211	218	56
Amortization	2 624	1	810	1	108	53	63	526	1 062
Depreciation	44 566	70	2 004	2 286	7 973	3 655	2 244	17 893	8 421
Depletion	6 445	95	4 602	—	20	—	—	1 728	(1)
Advertising	9 573	—	45	41	2 880	420	1 428	3 726	831
Pension, profit-sharing, stock bonus and annuity plans	7 426	—	783	68	2 136	121	318	2 313	1 687
Employee benefit programs	8 489	1	20	32	2 487	655	700	3 664	920
Net loss noncapital assets	2 940	—	3	—	134	(1)	5	2 748	25
Other deductions	1 137 676	843	12 358	5 318	47 787	53 853	62 109	923 521	31 746
Total receipts less total deductions	1 223	—565	13 550	—4 711	42 805	—19 973	—6 192	—19 103	—4 896
Net income (less deficit)	—8 279	—565	13 550	—4 711	42 805	—19 973	—6 421	—24 381	—4 896
Net income	769 029	301	22 272	837	51 652	16 540	35 360	131 956	9 719
Deficit	277 308	866	8 722	5 538	8 847	36 513	41 781	160 337	14 675
Income subject to tax	195 293	301	3,057	103	35,263	6,101	32,071	109,018	9,068
U. S. income tax total	93 355	121	1 459	53	16 765	2 858	15 075	52 809	4 087
Additional tax for tax preferences	1 310	—	—	—	—	—	—	1 311	—
Foreign tax credit	3 114	—	—	—	—	—	5	2 897	212
Investment credit	1 752	—	36	—	984	70	69	318	275
Distributions to stockholders									
Cash and property except own stock	8,310	21	25	—	265	97	5,367	987	1,538
Corporation's own stock	125	—	—	—	—	—	—	125	—

¹Includes "Nature of business not allocable" which is not shown separately²Less than \$500 per return

NOTE: Returns of active foreign corporations with U.S. business operations are sampled at a rate of 100 percent and thus are not subject to sampling variability. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

Returns of Active Domestic International Sales Corporations, Form 1120-DISC

Table 30.—Balance Sheets and Income Statements, as Shown on Form 1120-DISC

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

Item	Number of returns	Amount	Item	Number of returns	Amount
Number of returns					
Total	5 496	—	Total receipts—Continued		
With net income	5 075	—	Total qualified export receipts and nonqualified receipts—Continued		
Total assets	5 428	9 406,527	Nonqualified receipts—Continued		
Qualified assets, total	5 426	9 387 600	Sales to related DISCs	—	—
Working capital	5 242	370 322	Nonqualified dividends	5	16
Funds awaiting investment	158	39 351	Other nonqualified receipts	458	33 600
Export/Import Bank obligations	274	466 390			
Trade receivables (net)	4 558	6 126 287	Adjustments to receipts		
Export property	883	632 387	Interest on State and local Government obligations	9	2 086
Producers loans	1 021	925 600	Net loss noncapital assets	13	9
Investments in related foreign export corporations	57	5 266	Less: Includable income of Controlled Foreign Corporations	6	7 193
Depreciable assets (net)	710	76 643	Total deductions	4,908	19,362,031
Other assets (net)	2,590	645 553			
Nonqualified assets (net)	703	18 728	Cost of sales and operations	3,029	18 140 589
Total liabilities	5 428	9 406,527	Export promotion expenses total	3,277	666 341
Accounts payable	2 852	1 587 656	Market studies	79	7 784
Other current liabilities	2 364	453 423	Advertising	1,049	51 186
Mortgages, notes, and bonds payable in one year or more	278	69 975	Depreciation	669	3 125
Other liabilities	1,126	193 289	Salaries and wages	938	101,878
Capital stock	5,373	49 931	Rents	830	11 381
Paid in or capital surplus	252	88 872	Sales commissions	1,564	212 801
Other earnings and profits	610	14 478	Warehousing	198	14 596
Previously taxed income	3 174	2 069 137	Freight (excluding insurance)	822	72 168
Accumulated DISC income	5 191	4 880 964	Compensation of officers	508	25 731
Less: Cost of treasury stock	4 ¹	1 219	Repairs	305	1 667
			Amortization	1 215	457
Total receipts	5,301	24,157,733	Pension, profit sharing, stock bonus and annuity plans	188	4 826
Total qualified export receipts and nonqualified receipts	5 301	24 162 830	Employee benefit programs	284	4 412
Qualified export receipts, total	5 291	24 095 618	Other export promotion expenses	1,946	164 327
Qualified export receipts from sales of export property	5 183	23 688 294	Other expenses total	4,469	575 092
Other qualified export receipts total	2 014	407 324	Bad debts	564	28 403
Leasing of export property	63	41 165	Taxes	3,546	34 538
Services related to qualified export sale or lease	155	87 481	Interest	1,095	20 970
Engineering and architectural services	89	66 006	Contributions	165	517
Export management services	47	2 470	Freight	927	264 461
Qualified dividends	16	7 247	Freight insurance	213	9 142
Interest on producer's loans	696	36 516	Other expenses	2,947	216 661
Other interest	1,222	165 159	Net loss noncapital assets	13	9
Net capital gains	10	32	Total receipts less total deductions	5 446	4 775 702
Net gain (less net loss) noncapital assets	34	1 247	Net income (less deficit)	5 446	4 780 609
Nonqualified receipts, total	701	67 213	Net income	5 075	4 783 758
Ultimate use in U.S.	246	30 660	Deficit	171	2 448
Exports subsidized by U.S. Government	11	1 634	Statutory special deductions total	127	861
Certain sales or leases for use by U.S. Government	6	1 300	Net operating loss deduction	122	857
			Dividends received deduction	5	4
			Tax deferred income and income taxable to stockholders	5,056	4 783 354
			Total amount deemed distributed	5,043	2 416 475
			Total amount actually distributed	2 608	1 526 830

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

There is a slight disparity between the amounts shown in this table and those shown in table 31.

See the explanation under "Domestic International Sales Corporation Returns" in the Explanation of Terms section. Refer also to the "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE DOMESTIC INTERNATIONAL SALES CORPORATIONS, FORM 1120-DISC
 Table 31.—Balance Sheets and Income Statements, by Selected Industries

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

Item	Total active DISC returns ¹	Wholesale and retail trade								
		Total wholesale and retail trade ²	Wholesale trade							
			Total wholesale trade ³	Groceries and related products	Machinery, equipment, and supplies	Motor vehicles and automotive equipment	Lumber and construction materials	Metals and minerals, except petroleum and scrap	Electrical goods	Hardware, plumbing, and heating equipment
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Number of returns										
Total	5 498	5 335	5 275	237	1 422	139	180	232	668	189
With net income	5 075	4 953	4 896	205	1 362	133	159	215	616	164
Total assets	9 406,510	9,253,275	9,240,682	151,354	2 458,241	756,939	129 806	485,965	766,060	69,209
Cash	409 322	400 836	400 252	28 557	76 495	13 084	10 018	50 342	23 095	11 241
Notes and accounts receivable net	6 226 340	6 163 629	6 154 917	68 166	1 582 521	599 988	81 942	293 163	573 044	37 247
Inventories	632 373	630 811	630 074	11 067	303 323	25 652	8 953	49 423	32 177	1 594
Other investments	1 397 268	1 321 933	1 320 778	16 455	277 489	76 659	25 286	59 861	98 255	10 441
Depreciable assets	85 693	85 545	85 410	287	4 616	826	508	568	1 499	(*)
Less: Accumulated depreciation	9 043	8 939	8 964	41	1 747	395	199	211	214	39
Other assets	664 557	659 501	658 215	6 863	215 544	41 125	3 298	32 819	38 204	8 600
Total liabilities	9 406,510	9,253,275	9,240,682	151,354	2 458,241	756,939	129 806	485,965	766,060	69,209
Accounts payable	1 586 659	1 581 125	1 579 674	26 220	439 869	196 257	11 390	107 005	113 954	13 973
Other current liabilities	453 104	449 537	447 803	9 082	129 755	22 310	7 211	23 569	29 981	6 240
Mortgages, notes, and bonds payable in one year or more	69 974	69 845	69 393	(*)	12 562	(*)	(*)	(*)	2 067	(*)
Other liabilities	192 468	189 658	189 524	4 842	33 778	29 235	4 391	6 950	12 857	1 800
Capital stock	51 976	51 402	51 148	3 827	11 252	(*)	782	1 320	2 806	806
Paid-in or capital assets	88 901	24 754	24 727	(*)	2 910	4 607	(*)	(*)	5 248	247
Retained earnings unappropriated	6 964 644	6 886 148	6 879 605	106 194	1 828 810	499 567	104 123	344 069	599 156	45 328
Less: Cost of treasury stock	1 216	1 194	1 192	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Total receipts	24 158,494	24,041,467	24,007,910	917,291	4 673,053	1,140,480	469,673	1,698,892	1,083,973	199,076
Business receipts	23 885 423	23,776,346	23 742 895	912 667	4 613 157	1 120 202	463 337	1 684 268	1 058 942	197 694
Interest on State and local Government obligations	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Other interest	201 658	193 764	193 667	1 410	52 005	18 187	2 289	7 085	20 387	1 005
Net short-term capital gain reduced by net long-term capital loss	2	2	2	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Net long-term capital gain reduced by net short-term capital loss	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Net gain, noncapital assets	1 254	1 247	1 247	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Dividends domestic corporations	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Dividends foreign corporations	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Other receipts	8 033	67,996	67,987	3,194	7 869	2,042	4,047	7,539	4,371	377
Total deductions	19,382,766	19,312,324	19,284,596	837,916	3,468,905	843,628	384,292	1,364,573	724,791	156,335
Cost of sales and operations	18 155 172	18 117 960	18 093 888	796 800	3 187 681	788 025	358 257	1 241 209	646 572	140 566
Compensation of officers	25 752	25 436	25 209	507	4 422	(*)	(*)	1 966	1 129	(*)
Repairs	1 655	1 651	1 649	(*)	371	(*)	(*)	(*)	264	(*)
Bad debts	78 384	28 371	26 361	(*)	1 476	(*)	476	(*)	765	258
Rent paid on business property	11 377	11 212	11 173	371	3 129	661	335	2 236	1 395	199
Taxes paid	14 388	34 214	34 118	1 484	7 887	2 282	1 029	4 540	1 800	844
Interest paid	20 939	20 580	20 540	864	4 619	446	952	497	1 806	455
Contributions or gifts	508	508	508	(*)	24	(*)	(*)	(*)	(*)	(*)
Amortization	346	328	325	8	98	(*)	5	18	7	(*)
Depreciation	3 094	2 963	2 930	(*)	908	97	92	57	192	(*)
Advertising	51 141	51 086	51 056	1 539	28 878	1 065	309	91	5 762	262
Pension profit—sharing stock bonus and annuity plans	4 630	4 789	4 789	(*)	1 489	(*)	(*)	(*)	(*)	(*)
Employee benefit programs	4 416	4 413	4 407	(*)	1 363	(*)	(*)	(*)	550	(*)
Net loss noncapital assets	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Other deductions	1 040 750	1,008,802	1 005 634	36,031	226 557	48 710	21 899	112 958	64 236	12 924
Total receipts less total deductions	4 775 728	4 729 143	4 723 314	79 375	1 204 148	296,852	85 381	334 319	359 182	42 741
Includable income of Controlled Foreign Corporations	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Net income (less deficit)	4 780 833	4 734 248	4 728 419	79 375	1 204 144	297 230	85 381	334 319	360 383	42 956
Net income	4 783 167	4 737 046	4 731 299	79 585	1 205 160	297 248	85 417	334 383	360 540	42 965
Deficit	2 334	2 798	2 790	(*)	1 016	18	(*)	(*)	257	(*)
Statutory special deductions total	846	844	802	(*)	337	(*)	(*)	(*)	(*)	(*)
Net operating loss deduction	842	842	800	(*)	335	(*)	(*)	(*)	(*)	(*)
Dividends received deduction	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Tax deferred income and income taxable to stockholders	4 783 370	4 736 651	4 730 856	79 545	1 205 021	297 248	85 375	334 381	360 633	42 896
Credit for tax on special fuels, nonhighway gasoline, and lubricating oil	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Distributions to stockholders in cash	1 526 848	1 511 948	1 509 935	24 670	354 798	129 227	161 304	75 713	80 871	10,683
Items unique to Form 1120-DISC										
Qualified export receipts	24 095 618	23 978 628	23 945 080	914 100	4 665 193	1 138 818	465 630	1 691 344	1 080 795	198 900
Total deemed distributions	2 416 475	2,392,626	2 389 711	40,002	610 530	151 393	43 011	167 107	183 581	21,667
Items unique to Form 1120-DISC, Schedule N (Geographic Source of Gross Receipts)										
Gross export receipts of DISC persons	56 276 665	65 898 113	65 791 526	1 635 104	14 960 120	7 756 181	1 356 681	3 451 016	3 930 945	414,144
Gross export receipts of DISC and related US persons	71 253,126	70,741 851	70 588 989	1 611 602	16 485 127	8 535 145	1 339 696	3 750 386	4 274 807	364 411

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

RETURNS OF ACTIVE DOMESTIC INTERNATIONAL SALES CORPORATIONS, FORM 1120-DISC
Table 31.—Balance Sheets and Income Statements, by Selected Industries— Continued

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

Item	Wholesale and retail trade—Continued						Services		
	Wholesale trade—Continued						Total retail trade	Total services ¹	Business services, except advertising
	Other durable goods	Paper and paper products	Drugs, chemicals, and allied products	Apparel, piece goods, and notions	Farm-product raw materials	Petroleum and petroleum products			
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	
Number of returns									
Total	275	130	483	223	205	37	53	123	48
With net income	715	116	464	203	173	34	51	97	36
Total assets	994,727	238,059	1,815,376	97,189	599,433	134,875	10,109	62,909	8,676
Cash	42,252	14,287	74,543	8,085	20,711	7,367	532	8,429	640
Notes and accounts receivable net	706,884	142,128	1,152,579	68,116	284,237	92,147	7,694	41,818	3,929
Inventories	25,993	6,185	62,397	15,295	70,355	394	(*)	(*)	(*)
Other investments	171,612	36,604	401,441	4,524	82,081	19,549	(*)	6,078	(*)
Depreciable assets	2,394	(*)	1,200	172	71,541	3	(*)	(*)	(*)
Less: Accumulated depreciation	831	(*)	312	67	4,634	(*)	(*)	(*)	(*)
Other assets	46,423	38,036	123,528	1,064	75,202	15,435	89	4,938	3,062
Total liabilities	994,727	238,059	1,815,376	97,189	599,433	134,875	10,109	62,909	8,676
Accounts payable	166,305	48,542	210,850	33,356	47,339	5,521	1,450	5,222	(*)
Other current liabilities	52,764	9,469	30,840	9,515	91,961	184	(*)	3,563	(*)
Mortgages, notes and bonds payable in one year or more	31,425	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Other liabilities	11,711	3,635	38,599	3,251	5,030	(*)	(*)	2,818	(*)
Capital stock	4,574	763	2,130	1,013	16,397	2,155	212	461	154
Paid-in or capital assets	400	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Retained earnings, unappropriated	727,726	174,692	1,527,740	50,021	423,616	125,733	6,785	50,741	6,110
Less: Cost of treasury stock	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Total receipts	2,277,775	590,588	3,157,509	281,632	3,754,632	272,723	30,673	110,235	11,441
Business receipts	2,240,695	584,159	3,110,149	281,118	3,733,395	271,118	30,598	108,503	11,327
Interest on State and local Government obligations	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Other interest	19,196	5,491	37,536	314	13,911	(*)	(*)	1,682	(*)
Net short-term capital gain reduced by net long-term capital loss	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Net long-term capital gain reduced by net short-term capital loss	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Net gain noncapital assets	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Dividends domestic corporations	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Dividends foreign corporations	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Other receipts	15,787	938	8,945	200	7,291	(*)	(*)	31	(*)
Total deductions	1,829,253	410,219	2,110,676	241,568	3,471,051	178,768	26,182	69,705	6,125
Cost of sales and operations	1,708,726	376,131	1,889,567	219,453	3,423,630	166,232	22,767	37,122	(*)
Compensation of officers	5,543	(*)	7,155	729	(*)	(*)	(*)	(*)	(*)
Repairs	314	(*)	38	(*)	(*)	(*)	(*)	(*)	(*)
Bad debts	1,545	(*)	3,050	156	(*)	(*)	(*)	(*)	(*)
Rent paid on business property	884	(*)	940	193	191	(*)	(*)	129	(*)
Taxes paid	4,450	610	3,675	1,031	2,485	69	81	162	56
Interest paid	1,712	(*)	1,476	173	6,161	(*)	(*)	359	(*)
Contributions or gifts	25	(*)	134	(*)	(*)	(*)	(*)	(*)	(*)
Amortization	156	(*)	17	(*)	(*)	(*)	(*)	18	(*)
Depreciation	303	(*)	149	22	897	(*)	(*)	(*)	(*)
Advertising	711	(*)	5,028	40	(*)	(*)	(*)	53	(*)
Pension profit-sharing stock bonus and annuity plans	495	(*)	896	(*)	(*)	(*)	(*)	(*)	(*)
Employee benefit programs	200	(*)	1,135	(*)	(*)	(*)	(*)	(*)	(*)
Net loss noncapital assets	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Other deductions	104,164	32,084	197,416	19,230	36,647	12,389	3,020	31,349	1,008
Total receipts less total deductions	448,522	180,369	1,046,833	40,064	283,581	93,935	4,491	40,530	5,316
Includable income of Controlled Foreign Corporations	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Net income (less deficit)	446,445	180,369	1,052,231	40,064	283,581	93,935	4,491	40,530	5,316
Net income	446,976	180,470	1,052,282	40,120	284,028	93,935	4,493	40,666	5,322
Deficit	531	(*)	(*)	(*)	447	(*)	(*)	136	(*)
Statutory special deductions total	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Net operating loss deduction	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Dividends received deduction	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Tax deferred income and income taxable to stockholders	446,917	180,470	1,052,281	40,116	284,026	93,935	4,451	40,664	5,320
Credit for tax on special fuels nonhighway gasoline and lubricating oil	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Distributions to stockholders in cash	140,313	59,722	249,375	12,816	96,393	10,589	1,953	12,102	(*)
Items unique to Form 1120-DISC									
Qualified export receipts	2,259,974	589,654	3,153,977	281,432	3,747,321	272,678	30,664	10,201	11,427
Total deemed distributions	226,024	89,190	532,481	20,132	142,833	47,470	2,242	30,478	2,667
Source of Gross Receipts									
Gross export receipts of DISC	4,769,441	1,486,673	6,399,323	781,290	12,994,960	887,099	64,506	371,498	44,917
Gross export receipts of DISC and related U.S. persons	5,860,727	1,834,574	6,885,582	753,893	12,308,665	892,032	139,852	499,132	43,295

(*) Estimate is not shown separately because of the small number of sample returns on which it was based. However, the data are included in the appropriate totals.

¹Includes industries which are not shown separately.

²Less than \$500 per return.

NOTE: See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

CONSOLIDATED RETURNS

Table 32.—Balance Sheets and Income Statements, by Size of Total Assets

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

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)	(2)	(3)	(4)	(5)	(6)
1 Number of consolidated returns, total	34,678	443	1731	1,948	3,437	4,969
2 With net income	23,069	316	619	1,208	2,192	3,469
3 Number of subsidiaries	141,864	1,415	2,772	2,424	5,327	8,613
4 Total assets	2,415,237,420	—	84,970	334,926	1,251,675	3,592,973
5 Cash	191,088,374	—	10,328	45,625	140,270	297,159
6 Notes and accounts receivable	713,378,720	—	21,703	70,432	293,962	855,127
7 Less: Allowance for bad debts	18,831,803	—	(*)	5,296	(*)	21,985
8 Inventories	173,295,071	—	(*)	50,080	208,070	664,656
9 Investments in Government obligations	67,861,497	—	—	—	(*)	17,699
10 United States	75,564,950	—	(*)	—	(*)	(*)
11 State and local	—	—	—	—	—	—
12 Other current assets	83,405,858	—	8,939	24,471	62,463	167,534
13 Loans to stockholders	2,490,608	—	(*)	(*)	13,429	24,911
14 Mortgage and real estate loans	187,824,224	—	(*)	(*)	(*)	15,981
15 Other investments	284,034,636	—	(*)	33,310	136,272	294,835
16 Depreciable assets	813,689,040	—	61,186	170,964	530,619	1,756,717
17 Less: Accumulated depreciation	296,976,182	—	38,615	95,310	264,879	882,881
18 Depletable assets	32,828,561	—	—	—	(*)	(*)
19 Land	12,337,349	—	—	—	(*)	(*)
20 Land	27,426,510	—	(*)	12,231	58,447	187,524
21 Intangible assets (amortizable)	8,091,937	—	(*)	(*)	14,186	22,603
22 Less: Accumulated amortization	2,736,191	—	(*)	7,311	(*)	8,634
23 Other assets	85,138,959	—	7,110	17,711	57,683	189,667
24 Total liabilities	2,415,237,420	—	84,970	334,926	1,251,675	3,592,973
25 Accounts payable	146,819,836	—	26,684	50,607	207,979	668,772
26 Mortgages, notes and bonds payable in less than one year	162,874,810	—	32,823	102,280	198,534	579,522
27 Other current liabilities	942,128,236	—	49,781	33,112	107,635	303,158
28 Loans from stockholders	11,989,251	—	(*)	60,971	61,904	101,443
29 Mortgages, notes and bonds payable in one year or more	357,784,130	—	24,642	59,539	243,772	838,407
30 Other liabilities	157,194,016	—	7,775	20,860	69,452	138,538
31 Capital stock	139,088,553	—	63,061	60,766	181,474	404,332
32 Paid-in or capital surplus	169,104,337	—	52,164	57,825	193,666	534,647
33 Retained earnings appropriated	14,325,218	—	(*)	(*)	(*)	6,882
34 Retained earnings unappropriated	322,298,470	—	—	—	—	9,001
35 Less: Cost of treasury stock	8,939,437	—	—	—	—	23,146
36 Total receipts	1,654,762,650	5,309,714	361,031	1,596,631	2,800,472	8,070,141
37 Business receipts	1,518,969,969	5,009,584	345,871	1,565,929	2,687,357	7,780,429
38 Interest on Government obligations	—	—	—	—	—	—
39 United States	4,479,173	4,305	—	—	628	2,636
40 State and local	3,372,054	3,729	—	—	—	1,203
41 Other interest	73,365,796	170,764	930	2,811	16,250	46,246
42 Rents	8,961,548	15,377	(*)	7,490	19,935	72,488
43 Royalties	3,634,724	8,846	(*)	(*)	(*)	4,349
44 Net short-term capital gain reduced by net long-term capital loss	146,043	1,472	—	—	(*)	(*)
45 Net long-term capital gain reduced by net short-term capital loss	5,224,879	17,256	(*)	(*)	7,365	20,940
46 Net gain noncapital assets	3,789,940	6,856	(*)	7,315	9,732	19,089
47 Dividends received from domestic corporations	9,717,050	15,275	(*)	(*)	1,028	5,101
48 Dividends received from foreign corporations	6,349,303	(*)	—	—	—	(*)
49 Other receipts	16,152,171	52,162	7,598	10,668	56,738	117,213
50 Total deductions	1,560,554,084	5,224,024	383,812	1,613,111	2,792,475	7,999,003
51 Cost of sales and operations	1,096,816,576	4,087,375	107,894	1,274,852	1,624,925	5,466,750
52 Compensation of officers	9,099,383	34,956	53,942	65,293	197,421	301,456
53 Repairs	14,314,402	31,475	3,875	13,010	13,010	38,049
54 Bad debts	7,604,586	20,459	(*)	8,168	13,624	40,474
55 Rent paid on business property	19,540,677	40,526	26,026	23,173	63,786	166,502
56 Taxes paid	43,000,719	87,380	9,033	22,143	76,487	188,550
57 Interest paid	85,326,817	245,525	5,590	12,109	39,423	137,014
58 Contributions or gifts	712,589	884	(*)	(*)	648	1,951
59 Amortization	643,326	1,779	(*)	546	553	4,319
60 Depreciation	51,164,332	84,972	30,025	15,305	55,163	160,827
61 Depletion	17,852,286	3,810	—	—	(*)	3,106
62 Advertising	13,330,835	58,011	2,541	7,898	36,971	82,263
63 Pension, profit sharing, stock bonus, and annuity plans	14,262,274	26,198	(*)	(*)	13,157	38,011
64 Employee benefit programs	9,358,796	22,481	(*)	2,390	6,429	22,606
65 Net loss noncapital assets	928,278	2,225	(*)	(*)	(*)	16,330
66 Other deductions	175,993,208	475,968	142,194	173,329	647,267	1,331,295
67 Total receipts less total deductions	94,208,566	85,690	—22,781	—16,480	7,997	71,138
68 Constructive taxable income from related foreign corporations	3,362,098	(*)	—	—	—	(*)
69 Net income (less deficit) (65 plus 66 minus 36)	94,198,610	83,875	—22,781	—16,480	7,997	69,935
70 Net income	104,452,918	155,135	(*)	27,010	85,052	221,388
71 Deficit	10,254,308	71,260	33,183	43,490	77,055	151,453
72 Income subject to tax	94,653,894	125,939	(*)	21,407	55,151	167,005
73 Income tax total	45,013,510	59,084	(*)	7,445	17,928	64,270
74 Normal tax, surtax, and alternative tax	44,585,740	56,754	(*)	7,445	17,878	63,497
75 Tax from recomputing prior year investment credit	118,401	249	—	(*)	(*)	649
76 Tax from recomputing prior year work incentive (WIN) credit	313	(*)	—	—	(*)	(*)
77 Additional tax for tax preferences	309,056	(*)	—	—	—	(*)
78 Foreign tax credit	20,212,438	2,629	(*)	—	—	(*)
79 Investment credit	3,036,820	4,761	(*)	412	1,444	6,555
80 Work incentive (WIN) credit	4,185	(*)	—	—	—	(*)
81 Distributions to stockholders	—	—	—	—	—	—
82 Cash and property except own stock	34,480,019	33,789	(*)	(*)	5,556	13,248
83 Corporation's own stock	1,728,134	(*)	—	—	(*)	(*)

Footnote at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF MEMBERS OF CONTROLLED GROUPS, OTHER THAN FORM 1120-DISC

Table 34.—Number of Returns, Total Assets, Total Receipts, Net Income, Income Tax, and Selected Dividend Items, by Major Industry, by Type of Return

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

Type of return, item	All Industries	Major industry					Nonmetallic minerals, except fuels
		Agriculture, forestry, and fishing	Mining				
			Total mining	Metal mining	Coal mining	Oil and gas extraction	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Total Returns of Members of Controlled Groups, Other than Form 1120-DISC							
Number of returns	316 083	4 866	2 607	40	560	825	1 182
Number of consolidated returns	34 678	369	568	35	129	275	128
Number of subsidiary corporations	141 864	859	2 200	299	477	968	456
Number of 1120S returns	15 103	536	136	—	47	22	67
Total assets	2 943 556 693	6 811 318	40 320 609	8 144 359	6 204 500	20 972 006	4 939 744
Total receipts	2 212 339 576	9 028 888	57 807 632	4 331 464	6 990 476	42 139 827	4 345 865
Net income (less deficit)	115 944 289	88 775	25 063 100	333 013	382 229	23 352 077	401 781
Income tax	55 585 399	130 890	11 934 384	165 707	324 271	11 172 762	171 644
Distributions to stockholders except in own stock	39 350 225	42 643	7 509 319	186 037	137 176	7 090 326	95 180
Returns of Members of Controlled Groups, Other than Forms 1120S and 1120-DISC							
Returns of members of controlled groups allocating one surtax exemption under section 1561							
Number of returns	195 603	3 283	1 657	39	287	616	715
Number of consolidated returns	34 583	385	568	36	129	275	128
Number of subsidiary corporations	141 633	856	2 200	299	477	968	456
Total assets	2 786 881 688	5 586 993	38 172 729	8 043 338	5 281 197	20 599 668	4 228 526
Total receipts	1 959 889 275	6 880 952	54 258 522	4 254 193	5 741 435	41 441 402	3 421 492
Intragroup domestic dividends received qualifying for 100 percent deduction	894 967	(*)	(*)	—	(*)	(*)	(*)
Net income (less deficit)	105 280 588	53 289	24 667 225	326 920	719 440	23 296 266	324 599
Income tax	50 517 416	103 674	11 772 503	165 517	312 969	11 153 963	180 035
Distributions to stockholders except in own stock	37 763 328	37 490	7 454 192	184 801	113 849	7 079 432	76 110
Returns of members of controlled groups electing to use multiple surtax exemptions under sections 1562 and 1564							
Number of returns	105 371	1 047	814	(*)	229	187	400
Total assets	150 265 114	1 095 251	1 953 509	(*)	856 004	282 514	733 968
Total receipts	241 211 534	2 066 323	2 424 222	(*)	1 162 121	301 821	883 009
Intragroup domestic dividends qualifying for transitional deductions under Section 1564(b)							
Amount received	82 858	63	(*)	—	(*)	—	(*)
Amount deducted	79 654	61	(*)	—	(*)	—	(*)
Net income (less deficit)	10 391 325	41 592	558 847	6 093	246 370	39 668	66 716
Income tax	5 067 983	27 216	161 881	190	111 303	18 779	31 609
Distributions to stockholders except in own stock	1 384 071	4 443	30 513	1 236	13 306	(*)	13 011
Returns of members of controlled groups by type of relationships							
Members of parent-subsidary groups							
Number of returns	63 177	714	914	38	136	356	384
Number of consolidated returns	28 423	285	481	35	92	110	110
Total assets	2 624 754 822	4 202 197	37 193 555	7 734 780	5 179 506	20 037 317	4 244 952
Total receipts	1 872 412 286	5 676 748	53 979 640	4 197 352	5 224 299	41 046 013	3 511 995
Net income (less deficit)	105 495 501	78 547	24 612 707	333 075	660 411	23 264 952	354 269
Members of brother-sister groups							
Number of returns	159 616	2 430	1 061	—	240	294	527
Total assets	80 749 089	1 310 966	1 136 358	—	308 031	481 462	346 853
Total receipts	142 852 539	1 948 640	1 566 744	—	666 149	456 299	444 296
Net income (less deficit)	4 186 707	20 123	189 588	—	127 988	47 617	13 983
Members of combined parent-subsidary and brother-sister groups							
Number of returns	17 212	443	207	(*)	57	77	66
Total assets	163 683 506	737 358	1 193 644	(*)	423 067	257 553	203 405
Total receipts	114 693 445	838 631	1 021 998	(*)	555 193	141 351	187 342
Net income (less deficit)	3 321 230	—13 765	92 809	(*)	75 138	7 664	10 069
Members of controlled groups with relationship not determinable							
	40 969	743	289	—	70	81	138

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data

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RETURNS OF MEMBERS OF CONTROLLED GROUPS, OTHER THAN FORM 1120-DISC

Table 34.—Number of Returns, Total Assets, Total Receipts, Net Income, Income Tax, and Selected Dividend Items, by Major Industry, by Type of Return—Continued

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

Type of return, item	Major industry—Continued								
	Construction				Manufacturing				
	Total construction	General building contractors and operative builders	Heavy construction contractors	Special trade contractors	Total manufacturing	Food and kindred products	Tobacco manufactures	Textile mill products	Apparel and other textile products
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
Total Returns of Members of Controlled Groups Other than Form 1120-DISC									
Number of returns	21 181	10 110	2 626	8 445	42 393	3 724	60	1 748	4 012
Number of consolidated returns	2 511	1 105	356	1 050	8 509	756	13	395	448
Number of subsidiary corporations	7 104	3 883	1 181	2 040	40 104	3 632	392	2 280	1 684
Number of 1120S returns	965	813	40	112	1 499	(*)	—	(*)	(*)
Total assets	38 978 299	20 560 538	10 947 690	7 470 071	811 217 592	62 244 009	14 028 456	15 967 225	9 859 620
Total receipts	57 478 063	25 926 320	17 221 654	14 330 184	1 135 941 204	131 081 491	13 469 668	24 736 432	16 400 693
Net income (less deficit)	798 879	79 867	466 320	250 692	65 958 372	4 756 586	1 202 745	630 889	4 7397
Income tax	633 915	211 155	259 436	163 324	29 171 259	2 425 368	552 564	435 982	292 451
Distributions to stockholders except in own stock	198 374	75 581	83 445	39 348	17 687 014	1 354 687	377 967	200 713	113 171
Returns of Members of Controlled Groups, Other than Forms 1120S and 1120-DISC									
Returns of members of controlled groups allocating one surtax exemption under Section 1561									
Number of returns	14 837	6 555	1 549	6 733	27 475	2 410	29	1 107	2 121
Number of consolidated returns	2 498	1 101	356	1 041	8 485	749	13	395	448
Number of subsidiary corporations	7 079	3 876	1 181	2 022	40 062	3 611	392	2 280	1 684
Total assets	32 517 167	17 319 166	9 396 819	5 801 182	769 576 808	55 786 885	13 920 160	14 222 829	6 447 361
Total receipts	46 001 192	20 951 485	14 343 523	10 706 184	1 060 165 555	114 446 972	12 937 634	21 287 247	11 957 368
Intragroup domestic dividends received qualifying for 100 percent deduction	2 101	(*)	(*)	(*)	160 132	(*)	31 959	9 681	644
Net income (less deficit)	530 526	8 888	369 186	152 452	61 690 656	3 972 583	1 192 169	482 066	237 933
Income tax	495 750	170 798	208 593	116 359	27 092 981	2 047 057	547 573	354 429	169 626
Distributions to stockholders except in own stock	167 335	63 051	75 867	28 417	16 933 725	1 198 091	376 714	182 588	76 385
Returns of members of controlled groups electing to use multiple surtax exemptions under sections 1562 and 1564									
Number of returns	5 379	2 742	1 037	1 600	13 419	1 239	(*)	610	1 791
Total assets	5 252 378	2 316 102	1 427 489	1 509 187	40 398 485	6 405 271	(*)	1 323 719	3 386 184
Total receipts	10 019 758	3 949 744	2 703 276	3 366 738	74 010 852	16 375 561	(*)	2 413 996	6 855 792
Intragroup domestic dividends qualifying for transitional deductions under Section 1564(b)	(*)	(*)	(*)	(*)	20 019	3 848	—	(*)	285
Amount received	(*)	(*)	(*)	(*)	19 262	3 704	—	(*)	277
Amount deducted	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Net income (less deficit)	249 102	71 871	90 616	86 615	4 227 074	778 760	(*)	149 953	234 448
Income tax	138 165	40 357	50 843	46 965	2 078 278	378 311	(*)	81 554	122 825
Distributions to stockholders except in own stock	13 413	2 295	7 205	3 913	706 785	154 448	(*)	17 900	32 266
Returns of members of controlled groups by type of relationships									
Members of Parent-subsidiary groups									
Number of returns	3 694	1 751	440	1 503	15 611	1 543	25	656	1 349
Number of consolidated returns	1 935	885	261	789	7 408	671	12	335	327
Total assets	22 599 386	11 779 337	7 128 387	3 691 662	770 012 822	57 559 182	12 614 539	14 052 883	7 656 079
Total receipts	28 966 913	13 419 728	9 776 707	5 770 478	1 058 061 314	117 334 730	10 736 322	20 759 607	13 332 586
Net income (less deficit)	414 926	17 374	283 371	114 181	62 370 735	4 300 742	1 095 285	486 281	346 830
Members of brother-sister groups									
Number of returns	12 898	5 965	1 738	5 195	17 640	1 602	(*)	864	1 999
Total assets	8 168 498	3 955 382	1 723 859	2 489 457	13 108 559	1 366 920	(*)	521 483	1 195 175
Total receipts	16 465 299	6 688 748	3 633 332	6 143 219	29 255 723	4 425 643	(*)	1 343 119	3 109 539
Net income (less deficit)	207 060	28 957	93 875	84 228	1 149 880	102 233	(*)	26 556	73 316
Members of combined parent-subsidiary and brother-sister groups									
Number of returns	1 224	506	200	518	3 144	237	(*)	86	286
Total assets	4 548 082	2 986 882	917 154	644 046	16 646 969	1 380 572	(*)	748 508	598 480
Total receipts	6 062 356	3 409 244	1 469 150	1 183 962	28 673 032	4 557 443	(*)	1 380 234	1 458 169
Net income (less deficit)	73 371	32 449	20 153	20 769	1 378 535	120 426	(*)	59 394	29 953
Members of controlled groups with relationship not determinable	2 400	1 075	208	1 117	4 499	267	(*)	111	278

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF MEMBERS OF CONTROLLED GROUPS, OTHER THAN FORM 1120-DISC
Table 34.—Number of Returns, Total Assets, Total Receipts, Net Income, Income Tax, and Selected Dividend Items, by Major Industry, by Type of Return—Continued

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

Type of return, item	Major industry—Continued									
	Manufacturing—Continued									
	Lumber and wood products	Furniture and fixtures	Paper and allied products	Printing and publishing	Chemicals and allied products	Petroleum (including integrated) and coal products	Rubber and miscellaneous plastics products	Leather and leather products	Stone, clay and glass products	
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	
Total Returns of Members of Controlled Groups Other than Form 1120-DISC										
Number of returns	2 219	1 026	792	4 366	2 476	297	1 514	497	1 996	
Number of consolidated returns	303	144	221	933	512	122	355	64	376	
Number of subsidiary corporations	1 307	404	1 012	3 395	2 805	2 098	906	2 329	1 376	
Number of 1120S returns	209	—	—	(1)	(1)	(1)	(1)	(1)	(1)	
Total assets	20 824 415	3 344 698	22 790 457	21 187 298	71 423 287	157 125 349	14 575 384	3 696 984	18 539 732	
Total receipts	23 84 805	5 637 274	30 874 489	26 999 438	89 131 415	273 276 648	20 487 677	5 980 019	20 968 013	
Net income (less deficit)	1 183 048	238 632	2 815 929	1 994 140	6 503 992	20 037 803	699 447	105 259	650 802	
Income tax	518 974	127 154	1 241 557	966 744	3 969 752	7 002 885	341 558	81 262	423 456	
Distributions to stockholders except in own stock	314 843	46 744	582 830	488 963	2 507 120	3 974 082	236 716	63 116	345 076	
Returns of Members of Controlled Groups Other Than Forms 1120S and 1120-DISC										
Returns of members of controlled groups allocating one surtax exemption under Section 1561										
Number of returns	1 110	781	528	3 566	1 563	247	878	279	1 285	
Number of consolidated returns	303	144	221	933	512	122	355	64	376	
Number of subsidiary corporations	1 307	400	1 012	3 387	2 805	2 098	904	2 329	1 376	
Total assets	19 696 671	2 727 145	21 649 943	18 610 854	68 942 137	156 734 622	11 532 810	2 195 973	16 566 400	
Total receipts	21 774 250	4 458 697	29 010 343	23 455 010	85 114 813	272 500 896	15 666 154	4 065 382	18 171 304	
Intragroup domestic dividends received qualifying for 100 percent deduction	—	(1)	(1)	6 816	19 243	—	(1)	1 826	(1)	
Net income (less deficit)	1 090 265	166 390	2 664 150	1 621 181	8 148 142	19 333 176	487 717	12 911	706 662	
Income tax	473 617	93 057	1 175 594	785 806	3 802 217	6 957 570	242 479	38 129	351 227	
Distributions to stockholders except in own stock	287 346	37 767	568 508	429 355	2 449 130	3 965 884	171 137	23 928	305 974	
Returns of members of controlled groups electing to use multiple surtax exemptions under Sections 1562 and 1564										
Number of returns	900	245	264	1 118	735	46	549	209	697	
Total assets	1 039 246	617 553	1 140 514	2 553 889	2 453 739	375 160	2 711 704	1 486 441	1 952 385	
Total receipts	1 838 489	1 148 577	1 664 146	3 484 362	3 952 765	720 877	4 743 681	1 714 706	2 772 751	
Intragroup domestic dividends qualifying for transitional deductions under Section 1564(b)										
Amount received	(1)	(1)	(1)	1 732	(1)	(1)	673	(1)	331	
Amount deducted	(1)	(1)	(1)	1 689	(1)	(1)	986	(1)	318	
Net income (less deficit)	85 640	70 242	151 779	376 249	151 467	35 051	213 260	90 630	146 139	
Income tax	45 357	34 097	65 963	160 538	167 534	45 115	48 074	43 133	72 234	
Distributions to stockholders except in own stock	21 809	8 977	14 322	60 508	56 592	2 398	64 579	38 454	39 142	
Returns of members of controlled groups by type of relationships										
Members of parent-subsidiary groups										
Number of returns	648	271	409	1 640	1 057	127	536	95	577	
Number of consolidated returns	240	125	203	802	481	97	315	50	327	
Total assets	18 764 751	3 061 136	21 785 320	18 284 336	67 615 302	156 366 824	13 550 735	2 301 626	16 976 800	
Total receipts	20 795 777	4 151 555	29 085 078	22 651 594	82 933 449	272 206 405	18 357 519	3 718 899	16 421 218	
Net income (less deficit)	1 712 693	181 674	2 690 075	1 753 033	7 988 538	19 954 478	614 630	1 339	755 697	
Members of brother-sister groups										
Number of returns	1 035	647	276	1 940	723	116	602	223	993	
Total assets	700 079	334 305	329 988	879 078	766 532	199 979	452 770	611 119	624 681	
Total receipts	1 335 097	741 678	717 336	1 676 802	1 525 039	218 516	1 065 164	912 221	1 233 805	
Net income (less deficit)	44 621	23 946	40 243	84 697	101 105	15 293	42 250	48 761	32 888	
Members of combined parent-subsidiary and brother-sister groups										
Number of returns	89	53	64	499	299	38	132	80	125	
Total assets	990 498	129 085	305 040	1 619 227	2 192 228	432 435	232 598	553 813	558 746	
Total receipts	1 505 639	304 472	508 613	2 077 682	3 161 086	675 118	404 011	1 136 690	750 820	
Net income (less deficit)	82 497	8 332	35 212	130 109	284 638	55 446	15 705	49 970	42 193	
Members of controlled groups with relationship not determinable	238	65	41	599	219	(1)	236	(1)	287	

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF MEMBERS OF CONTROLLED GROUPS, OTHER THAN FORM 1120-DISC

Table 34.—Number of Returns, Total Assets, Total Receipts, Net Income, Income Tax, and Selected Dividend Items, by Major Industry, by Type of Return—Continued

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

Type of return, item	Major industry—Continued							
	Manufacturing—Continued							
	Primary metal industries	Fabricated metal products	Machinery, except electrical	Electrical and electronic equipment	Motor vehicles and equipment	Transportation equipment, except motor vehicles	Instruments and related products	Miscellaneous manufacturing and manufacturing not allocable
	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
Total Returns of Members of Controlled Groups Other than Form 1120-DISC								
Number of returns	1,297	4,343	4,420	2,829	466	769	979	2,023
Number of consolidated returns	400	903	906	702	178	172	236	364
Number of subsidiary corporations	2,618	2,667	3,205	3,490	964	973	875	1,692
Number of 1120S returns	3	202	(*)	(*)	(*)	(*)	(*)	(*)
Total assets	73,167,948	25,983,774	76,702,445	68,621,654	75,605,382	29,610,401	15,533,102	10,485,472
Total receipts	84,843,861	39,610,035	77,418,480	75,496,287	103,351,382	39,170,190	17,979,789	12,782,818
Net income (less deficit)	5,764,257	2,373,949	6,080,413	2,670,198	2,406,382	1,166,958	1,497,520	504,016
Income tax	2,472,197	1,134,507	2,996,961	1,379,397	1,255,012	546,486	748,348	258,844
Distributions to stockholders except in own stock	1,134,024	426,632	1,737,457	1,170,430	1,678,003	351,842	484,847	97,751
Returns of Members of Controlled Groups Other than Forms 1120S and 1120-DISC								
Returns of members of controlled groups allocating one surtax exemption under Section 1561								
Number of returns	893	2,616	2,345	2,196	295	615	654	1,357
Number of consolidated returns	396	903	903	702	178	172	236	364
Number of subsidiary corporations	2,614	2,667	3,202	3,490	964	973	875	1,692
Total assets	70,903,951	22,108,055	73,026,245	66,829,390	75,065,903	28,432,903	14,565,642	9,611,329
Total receipts	79,902,940	32,797,778	72,147,459	72,457,806	102,340,712	37,826,609	16,581,334	11,264,847
Intragroup domestic dividends received qualifying for 100 percent deduction	(*)	1,911	6,977	15,111	5,150	105	1,510	229
Net income (less deficit)	5,434,184	1,941,352	5,763,540	2,509,327	2,367,134	1,115,628	1,405,913	437,783
Income tax	2,314,588	928,544	2,843,730	1,294,909	1,232,930	518,556	698,275	223,074
Distributions to stockholders except in own stock	1,089,459	366,532	1,688,943	1,143,047	1,673,131	340,978	472,280	87,488
Returns of members of controlled groups electing to use multiple surtax exemptions under Sections 1562 and 1564								
Number of returns	401	1,525	1,440	453	170	129	199	618
Total assets	2,211,598	3,666,703	3,642,890	1,739,390	506,935	573,976	966,752	836,142
Total receipts	4,911,892	6,585,687	5,219,425	2,927,697	872,058	1,067,919	1,398,348	1,440,447
Intragroup domestic dividends qualifying for transitional deductions under Section 15(a)(4)								
Amount received	117	2,114	4,602	1,544	124	(*)	(*)	(*)
Amount deducted	114	2,039	4,417	1,494	118	(*)	(*)	(*)
Net income (less deficit)	330,321	420,590	314,943	157,188	45,911	50,756	92,356	60,495
Income tax	157,609	205,963	153,231	84,488	22,082	27,930	50,073	35,770
Distributions to stockholders except in own stock	41,967	50,958	47,440	22,261	4,872	7,864	12,567	6,081
Returns of members of controlled groups by type of relationships								
Members of parent subsidiary groups								
Number of returns	686	1,505	1,714	1,153	293	217	388	726
Number of consolidated returns	359	759	807	614	168	160	224	331
Total assets	71,739,037	22,035,910	71,579,031	67,332,989	74,895,773	28,362,744	14,868,567	8,909,184
Total receipts	81,737,916	32,041,579	69,938,831	73,113,069	102,130,914	37,746,042	17,031,599	10,287,348
Net income (less deficit)	5,570,837	1,955,537	5,710,491	2,583,592	2,365,194	1,124,556	1,450,487	396,756
Members of brother-sister groups								
Number of returns	381	1,717	1,856	827	74	421	398	913
Total assets	515,152	1,750,547	1,336,592	526,256	119,351	276,327	219,834	434,855
Total receipts	1,267,770	3,746,122	2,491,309	1,072,791	288,706	641,582	410,368	957,759
Net income (less deficit)	77,432	197,853	112,858	46,774	19,773	10,331	22,965	23,620
Members of combined parent subsidiary and brother-sister groups								
Number of returns	105	294	321	313	12	20	53	67
Total assets	232,042	1,016,423	2,062,133	473,967	421,986	233,624	162,597	875,970
Total receipts	560,123	1,778,321	2,825,709	775,731	494,681	323,177	281,386	1,161,355
Net income (less deficit)	41,786	88,751	80,907	19,754	18,189	20,328	24,943	64,144
Members of controlled groups with relationship not determinable	122	625	494	356	86	(*)	(*)	269

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

RETURNS OF MEMBERS OF CONTROLLED GROUPS, OTHER THAN FORM 1120-DISC
Table 34.—Number of Returns, Total Assets, Total Receipts, Net Income, Income Tax, and Selected Dividend Items, by Major Industry, by Type of Return—Continued

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

Type of return, item	Major industry—Continued								
	Transportation and public utilities				Wholesale and retail trade				
	Total transportation and public utilities	Transportation	Communication	Electric gas, and sanitary services	Total wholesale and retail trade*	Wholesale trade			Miscellaneous wholesale trade
(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	
Total Returns of Members of Controlled Groups Other than Form 1120-DISC									
Number of returns	16 139	12 275	1 849	2 015	96 230	37 747	2 932	6 625	28 190
Number of consolidated returns	2 078	1 445	342	241	6 288	4 221	380	698	3 143
Number of subsidiary corporations	9 832	5 316	2 375	1 541	13 222	11 181	1 218	1 620	8 343
Number of 1120S returns	734	712	(1)	(1)	6 141	1 971	(1)	431	1 463
Total assets	369 853 948	87 128 782	110 995 164	171 730 002	181 093 321	91 345 919	7 725 769	11 594 031	72 026 119
Total receipts	186 857 343	74 339 824	48 900 275	63 617 644	518 019 609	266 697 276	43 520 275	23 476 665	199 700 336
Net income (less deficit)	7 982 993	2 750 265	3 351 751	2 280 977	9 371 837	6 179 535	480 521	1 114 711	4 584 303
Income tax	4 260 640	1 192 312	1 657 854	1 410 474	5 412 068	3 138 192	244 105	514 704	2 379 383
Distributions to stockholders except in own stock	7 449 658	496 678	2 576 220	3 976 758	1 653 603	470 075	35 500	75 680	358 695
Returns of Members of Controlled Groups Other Than Forms 1120S and 1120-DISC									
Returns of members of controlled groups allocating one surtax exemption under Section 1561									
Number of returns	10 114	7 584	1 322	1 208	49 104	21 854	1 713	3 839	16 302
Number of consolidated returns	2 074	1 495	342	237	8 272	4 218	380	697	3 141
Number of subsidiary corporations	4 816	5 916	2 375	1 525	13 189	11 161	1 218	1 605	8 338
Total assets	184 540 024	83 297 924	110 609 685	170 632 415	148 062 178	71 628 058	5 025 470	8 421 563	58 181 025
Total receipts	179 088 585	67 528 852	48 485 479	62 966 254	382 124 188	198 599 843	26 921 760	16 609 814	156 068 269
Intragroup domestic dividends received qualifying for 100 percent deduction	5 912	(1)	—	(1)	30 643	23 007	(1)	(1)	21 088
Net income (less deficit)	608 429	2 032 926	3 316 449	2 259 054	5 840 853	3 868 336	291 204	677 057	2 900 075
Income tax	3 069 075	1 033 918	1 642 230	1 192 429	3 543 002	2 114 902	155 493	325 535	1 633 874
Distributions to stockholders except in own stock	7 336 744	866 959	2 570 204	3 957 581	1 207 516	299 896	18 674	42 006	239 016
Returns of members of controlled groups electing to use multiple surtax exemptions under Sections 1562 and 1564									
Number of returns	5 241	5 174	519	781	40 995	13 922	1 162	2 355	10 405
Total assets	5 120 295	4 983 719	64 485	1 078 034	40 979 246	18 895 011	2 643 792	2 974 917	13 276 302
Total receipts	7 506 489	6 566 900	303 547	640 022	129 891 975	63 973 788	16 132 644	6 397 153	41 383 991
Intragroup domestic dividends qualifying for transitional deductions under Section 1564(b)	1 410	(1)	(1)	1 292	41 356	25 462	(1)	(1)	22 432
Amount received	1 861	(1)	(1)	1 257	40 027	24 616	(1)	(1)	21 723
Amount deducted									
Net income (less deficit)	170 518	314 265	34 107	22 346	3 952 440	2 190 623	178 595	409 323	1 602 705
Income tax	191 968	158 316	15 624	17 545	1 869 066	1 023 290	88 612	183 169	745 509
Distributions to stockholders except in own stock	46 666	23 729	3 886	18 951	372 410	121 589	13 738	24 701	83 150
Returns of members of controlled groups by type of relationships									
Members of parent-subsidiary groups									
Number of returns	3 817	2 364	862	1 075	10 182	10 498	1 310	1 671	7 517
Number of consolidated returns	1 262	1 269	268	225	6 519	3 408	348	561	2 499
Total assets	357 039 911	80 219 677	107 469 756	169 358 478	141 878 242	62 533 353	5 931 583	6 473 586	50 129 184
Total receipts	174 032 409	63 512 303	47 738 321	62 781 785	358 368 707	173 497 075	32 993 542	12 089 040	128 914 493
Net income (less deficit)	7 544 897	2 054 593	3 287 474	2 262 830	6 194 819	3 822 587	351 891	571 421	2 899 275
Members of brother-sister groups									
Number of returns	7 865	6 594	589	742	43 394	18 297	1 257	3 129	13 911
Total assets	2 866 405	2 370 127	273 412	222 866	22 156 188	11 369 871	885 403	2 100 909	8 383 559
Total receipts	5 816 487	5 501 751	181 487	152 243	73 904 214	37 655 324	5 208 715	5 047 377	27 339 232
Net income (less deficit)	148 701	128 401	19 474	326	1 791 347	1 196 726	63 826	230 623	902 277
Members of combined parent-subsidiary and brother-sister groups									
Number of returns	957	807	93	57	3 992	1 741	90	274	1 377
Total assets	6 645 529	2 976 050	3 090 325	579 154	17 042 475	11 009 106	396 744	2 172 355	8 440 009
Total receipts	4 437 822	2 281 707	312 052	244 063	47 371 026	35 386 070	2 189 186	4 531 550	28 665 334
Net income (less deficit)	131 437	81 507	34 916	15 014	820 832	589 600	27 146	198 926	363 528
Members of controlled groups with relationship not determinable	2 262	1 838	297	127	12 521	5 240	218	1 120	3 902

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF MEMBERS OF CONTROLLED GROUPS, OTHER THAN FORM 1120-DISC

Table 34.—Number of Returns, Total Assets, Total Receipts, Net Income, Income Tax, and Selected Dividend Items, by Major Industry, by Type of Return—Continued

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

Type of return, item	Major industry—Continued								
	Wholesale and retail trade—Continued								
	Retail trade								
	Total retail trade	Building materials, garden supplies, and mobile home dealers	General merchandise stores	Food stores	Automotive dealers and service stations	Apparel and accessory stores	Furniture and home furnishings stores	Eating and drinking places	Miscellaneous retail stores
(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	
Total Returns of Members of Controlled Groups Other than Form 1120-DISC									
Number of returns	58 464	4 674	3 939	3 173	9 529	8 813	3 739	11 012	13 585
Number of consolidated returns	4 066	279	343	432	895	471	359	538	749
Number of subsidiary corporations	22 038	1 237	3 551	2 072	1 775	3 845	979	3 999	4 580
Number of 1120S returns	4 170	289	(*)	(*)	382	680	(*)	1 574	532
Total assets	99 681 440	4 545 779	44 673 362	14 087 892	11 352 957	4 978 202	3 506 172	6 447 339	10 089 737
Total receipts	251 262 813	9 580 714	77 326 187	74 588 568	36 611 057	10 432 210	7 128 585	12 882 630	22 712 862
Net income (less deficit)	3 790 996	226 420	918 230	779 107	445 079	294 845	131 909	389 542	606 464
Income tax	2 273 311	118 162	716 297	400 689	246 657	171 272	82 705	203 337	334 192
Distributions to stockholders except in own stock	1 183 528	31 601	725 209	198 721	45 775	38 458	6 744	36 821	100 159
Returns of Members of Controlled Groups Other than Forms 1120S and 1120-DISC									
Returns of members of controlled groups allocating one surtax exemption under Section 1561									
Number of returns	27 243	2 468	1 391	1 419	5 849	2 514	1 802	5 659	6 141
Number of consolidated returns	4 053	279	343	432	883	470	359	538	749
Number of subsidiary corporations	22 025	1 237	3 551	2 072	1 763	3 844	979	3 999	4 580
Total assets	76 688 210	3 103 049	40 604 079	10 331 273	7 668 860	2 821 095	2 064 689	4 095 696	5 999 469
Total receipts	182 497 646	6 274 382	67 544 613	54 091 585	23 067 118	5 954 953	4 171 050	7 419 829	13 674 136
Intragroup domestic dividends received qualifying for 100 percent deduction	7 636	3 392	(*)	1 455	(*)	—	(*)	(*)	4
Net income (less deficit)	1 971 937	107 439	694 801	490 045	226 714	28 867	25 026	150 321	248 724
Income tax	1 427 808	62 912	604 879	266 801	141 385	53 250	30 151	97 865	170 795
Distributions to stockholders except in own stock	907 810	24 383	652 879	123 960	12 017	14 738	2 161	9 925	67 747
Returns of members of controlled groups electing to use multiple surtax exemptions under Sections 1562 and 1564									
Number of returns	27 051	1 917	2 486	1 407	3 298	5 619	1 633	3 779	6 912
Total assets	22 064 183	1 338 577	4 054 739	3 695 553	3 338 745	2 094 373	1 383 450	2 187 538	3 971 208
Total receipts	65 885 366	3 056 092	9 747 138	20 278 374	12 124 457	4 326 934	2 805 109	4 832 590	8 714 672
Intragroup domestic dividends qualifying for transitional deductions under Section 1564(b)									
Amount received	15 894	(*)	(*)	809	2 130	(*)	(*)	(*)	(*)
Amount deducted	15 411	(*)	(*)	787	2 053	(*)	(*)	(*)	(*)
Net income (less deficit)	1 761 091	105 943	222 918	285 736	204 740	261 909	106 465	223 772	349 608
Income tax	845 473	55 250	111 418	133 888	105 272	118 022	52 554	105 672	163 397
Distributions to stockholders except in own stock	250 821	5 850	71 754	72 138	23 943	22 109	2 932	20 242	31 853
Returns of members of controlled groups by type of relationship									
Members of parent-subsidiary groups									
Number of returns	19 675	712	2 325	998	1 871	4 489	653	3 238	5 389
Number of consolidated returns	3 110	221	185	321	675	358	286	442	622
Total assets	79 305 817	2 507 590	43 367 354	11 975 184	3 989 314	3 756 540	1 540 434	4 792 802	7 356 599
Total receipts	184 350 486	4 811 199	74 077 638	61 536 161	9 980 842	7 599 289	2 775 709	6 470 564	15 099 286
Net income (less deficit)	2 570 528	93 961	653 366	580 982	154 914	193 532	22 182	281 074	390 517
Members of brother-sister groups									
Number of returns	25 091	2 900	933	1 419	5 045	2 015	2 136	5 224	5 419
Total assets	10 764 779	1 192 111	492 662	696 357	4 522 083	431 434	390 000	986 861	1 452 271
Total receipts	36 227 510	3 066 185	1 195 456	4 720 174	17 267 165	1 141 684	2 203 695	2 736 459	3 836 692
Net income (less deficit)	593 115	76 892	25 192	62 768	166 236	26 590	41 464	74 968	119 005
Members of combined parent-subsidiary and brother-sister groups									
Number of returns	2 251	118	213	154	679	232	142	131	582
Total assets	4 033 367	365 670	354 577	636 905	1 348 161	228 586	358 564	230 022	514 882
Total receipts	11 984 396	628 478	947 254	3 387 023	4 256 423	549 611	583 323	437 644	1 197 200
Net income (less deficit)	231 232	13 392	23 214	44 860	68 040	11 450	8 966	10 028	51 282
Members of controlled groups with relationship not determinable									
	7 277	655	406	255	1 552	1 397	504	845	1 663

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data

RETURNS OF MEMBERS OF CONTROLLED GROUPS, OTHER THAN FORM 1120-DISC
Table 34.—Number of Returns, Total Assets, Total Receipts, Net Income, Income Tax, and Selected Dividend Items, by Major Industry, by Type of Return—Continued

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

Type of return item	Major industry—Continued							
	Finance, insurance, and real estate							
	Total finance, insurance, and real estate	Banking	Credit agencies other than banks	Security, commodity brokers and services	Insurance	Insurance agents, brokers, and service	Real estate	Holding and other investment companies, except bank holding companies
	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)
Total Returns of Members of Controlled Groups Other than Form 1120-DISC								
Number of returns	89 710	2 562	12 055	692	1 480	5 015	56 653	11 253
Number of consolidated returns	7 765	1 337	1 382	222	317	544	3 294	669
Number of subsidiary corporations	31 795	6 026	8 242	700	2 563	1 897	10 734	1 633
Number of 1120S returns	1 753	(*)	(*)	(*)	—	(*)	1 345	(*)
Total assets	1 433 479 434	906 131 306	244 670 523	17 127 216	191 957 894	4 117 837	52 867 601	16 607 057
Total receipts	195 160 880	70 395 275	34 212 751	4 178 006	68 051 589	3 303 273	12 678 091	2 141 895
Net income (less deficit)	4 586 001	1 690 517	707 654	108 178	1 332 539	215 400	19 625	512 088
Income tax	3 112 441	1 023 473	509 024	83 356	871 864	112 799	387 217	124 708
Distributions to stockholders except in own stock	4 416 905	2 046 673	362 573	61 958	1 227 383	53 000	159 967	455 351
Returns of Members of Controlled Groups Other Than Forms 1120S and 1120-DISC								
Returns of members of controlled groups allocating one surtax exemption under Section 1561								
Number of returns	60 551	2 249	8 602	526	1 184	4 095	36 472	7 423
Number of consolidated returns	7 748	1 332	1 381	222	317	541	3 290	665
Number of subsidiary corporations	31 764	6 020	8 240	700	2 563	1 894	10 718	1 629
Total assets	1 383 265 236	894 592 918	229 119 919	16 646 327	183 554 738	3 349 891	40 992 257	14 873 186
Total receipts	186 406 363	69 249 335	32 866 874	4 053 895	65 177 590	2 903 631	10 203 685	1 951 153
Intragroup domestic dividends received qualifying for 100 percent deduction	652 897	25 631	44 500	(*)	414 831	(*)	17 714	99 113
Net income (less deficit)	3 823 488	1 629 277	636 208	88 224	1 164 944	169 857	—303 038	438 016
Income tax	2 714 839	990 278	464 440	792 011	792 011	88 621	211 473	98 012
Distributions to stockholders except in own stock	4 232 034	2 073 272	321 536	61 542	1 201 360	41 385	114 189	418 750
Returns of members of controlled groups electing to use multiple surtax exemptions under Sections 1562 and 1564								
Number of returns	27 406	312	3 341	164	296	864	18 836	3 593
Total assets	49 191 530	11 513 069	15 457 897	454 819	8 403 156	587 646	11 130 590	1 644 333
Total receipts	8 516 330	1 143 141	1 340 506	120 266	2 873 999	375 275	2 473 246	189 897
Intragroup domestic dividends qualifying for transitional deductions under Section 1564(b)								
Amount received	7 916	247	604	—	(*)	(*)	1 900	4 454
Amount deducted	7 559	241	591	—	(*)	(*)	1 853	4 316
Net income (less deficit)	764 163	60 484	71 029	19 671	167 595	43 106	325 371	76 905
Income tax	397 602	33 195	44 584	13 352	79 853	24 178	175 744	26 696
Distributions to stockholders except in own stock	172 107	23 401	41 037	(*)	26 023	(*)	34 914	36 601
Returns of members of controlled groups by type of relationships								
Members of parent subsidiary groups								
Number of returns	18 970	1 807	4 310	289	860	1 414	7 899	2 391
Number of consolidated returns	6 414	1 193	1 241	190	284	472	2 494	540
Total assets	1 252 174 178	810 820 920	224 706 892	16 077 020	157 041 898	3 185 049	27 977 339	12 365 060
Total receipts	156 702 237	64 763 927	24 992 105	3 817 762	52 671 763	1 866 078	6 985 237	1 605 365
Net income (less deficit)	3 063 143	1 129 502	693 236	90 539	872 802	175 653	—289 171	390 582
Members of brother sister groups								
Number of returns	51 953	319	5 262	346	447	2 881	36 393	6 305
Total assets	26 278 218	5 232 613	2 412 265	322 929	2 206 810	435 771	13 808 286	1 859 544
Total receipts	6 145 788	358 189	2 764 664	75 325	809 988	995 828	3 372 718	257 276
Net income (less deficit)	438 312	23 111	13 655	6 800	44 962	14 933	259 111	75 740
Members of combined parent subsidiary and brother sister groups								
Number of returns	4 949	218	800	45	85	156	3 121	524
Total assets	115 329 819	81 650 997	9 341 740	631 740	15 466 526	261 348	6 706 111	1 271 157
Total receipts	22 018 434	4 417 059	8 275 423	256 042	7 159 037	160 265	1 570 136	180 472
Net income (less deficit)	725 029	438 504	—17 938	14 316	192 176	9 830	5 651	22 490
Members of controlled groups with relationship not determinable	12 085	217	1 571	(*)	88	508	7 895	1 796

Footnotes at end of table. See text for Explanation of Terms and Description of the Sample and Limitations of the Data.

RETURNS OF MEMBERS OF CONTROLLED GROUPS, OTHER THAN FORM 1120-DISC

Table 34.—Number of Returns, Total Assets, Total Receipts, Net Income, Income Tax, and Selected Dividend Items, by Major Industry, by Type of Return—Continued

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

Type of return, item	Major industry—Continued							Nature of business not allocable
	Services							
	Total services	Hotels and other lodging places	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreational services	Other services	
(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	
Total Returns of Members of Controlled Groups Other than Form 1120-DISC								
Number of returns	42 531	2 085	4 136	15 862	6 744	4 859	8 845	426
Number of consolidated returns	4 546	422	242	1 964	384	705	829	24
Number of subsidiary corporations	16 702	1 561	1 044	6 462	1 070	2 715	3 850	46
Number of 1120S returns	3 228	128	(*)	1 308	(*)	464	568	(*)
Total assets	51 589 582	6 982 410	2 214 954	18 195 024	5 679 797	10 419 923	8 097 474	212 590
Total receipts	51 738 097	5 216 036	3 409 167	18 834 130	4 786 790	9 375 733	10 116 241	307 460
Net income (less deficit)	1 488 797	-31 653	178 382	642 300	100 815	378 339	220 814	1 535
Income tax	925 780	59 025	88 233	346 288	71 242	219 459	141 533	4 022
Distributions to stockholders except in own stock	391 150	64 605	25 453	166 510	28 409	73 640	32 530	(*)
Returns of Members of Controlled Groups Other Than Forms 1120S and 1120-DISC								
Returns of members of controlled groups allocating one surtax exemption under Section 1561								
Number of returns	28 287	1 769	2 616	10 753	3 795	2 745	6 609	295
Number of consolidated returns	4 528	421	239	1 964	372	703	829	24
Number of subsidiary corporations	16 681	1 558	1 041	6 462	1 058	2 712	3 850	46
Total assets	44 659 188	6 219 824	1 716 504	15 563 328	4 277 108	9 519 679	7 362 745	197 365
Total receipts	44 064 439	4 654 625	2 490 286	15 869 832	3 602 031	8 492 455	8 955 210	299 579
Intragroup domestic dividends received qualifying for 100 percent deduction	23 732	60	(*)	(*)	—	515	501	—
Net income (less deficit)	1 064 971	-24 116	124 563	419 165	39 003	334 739	171 617	1 151
Income tax	721 723	54 257	62 446	243 230	42 748	194 584	124 458	3 869
Distributions to stockholders except in own stock	332 741	64 247	23 694	144 862	18 326	57 875	23 737	(*)
Returns of members of controlled groups electing to use multiple surtax exemptions under Sections 1562 and 1564								
Number of returns	11 016	188	1 268	3 801	2 441	1 650	1 868	(*)
Total assets	6 252 934	549 477	493 330	2 552 254	1 353 513	684 181	620 179	(*)
Total receipts	6 765 999	450 924	895 651	2 800 384	1 061 270	650 875	906 895	(*)
Intragroup domestic dividends qualifying for transitional deductions under Section 1564(b)	10 524	(*)	(*)	7 650	—	(*)	—	—
Amount received	9 846	(*)	(*)	7 121	—	(*)	—	—
Net income (less deficit)	427 063	1 592	53 286	231 235	57 183	47 946	35 821	(*)
Income tax	204 057	4 768	25 787	103 058	28 494	24 875	17 075	(*)
Distributions to stockholders except in own stock	37 834	(*)	1 759	19 402	5 629	9 742	(*)	—
Returns of members of controlled groups by type of relationships								
Members of parent-subsidiary groups								
Number of returns	8 760	434	355	4 028	1 012	1 053	1 878	31
Number of consolidated returns	3 596	289	207	1 512	350	586	652	(*)
Total assets	39 525 675	5 329 711	1 225 377	14 602 249	3 175 244	8 660 285	6 532 809	127 856
Total receipts	36 440 371	3 898 607	1 601 527	14 132 309	2 580 371	7 134 470	7 093 087	183 947
Net income (less deficit)	1 016 960	-13 062	95 974	450 507	4 731	323 729	155 081	-233
Members of brother-sister groups								
Number of returns	22 134	880	2 227	7 959	4 027	2 404	4 637	(*)
Total assets	5 679 536	580 591	355 420	1 756 685	1 447 268	728 279	811 293	(*)
Total receipts	7 616 175	538 155	743 697	2 252 717	1 286 813	945 910	1 848 883	(*)
Net income (less deficit)	240 915	4 400	18 254	111 341	51 216	28 479	27 225	(*)
Members of combined parent-subsidiary and brother-sister groups								
Number of returns	2 295	170	110	1 037	287	182	509	(*)
Total assets	3 643 050	633 290	206 035	1 186 739	692 431	650 700	279 855	(*)
Total receipts	4 263 849	498 562	295 913	1 560 053	597 228	862 377	449 716	(*)
Net income (less deficit)	112 661	-3 949	15 251	31 483	26 670	27 383	15 823	(*)
Members of controlled groups with relationship not determinable	6,114	473	1 192	1 530	910	756	1 253	(*)

(*) Estimate is not shown separately because of the small number of sample returns on which it was based. However, the data are included in the appropriate totals.

*Includes "Wholesale and retail trade not allocable" which is not shown separately.

NOTE: See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

Explanation of Terms

The following explanations include definitions and limitations of terms 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 1974. Whenever a year is cited, it refers to the calendar year unless otherwise stated. Refer to the index for reference to specific items not separately listed in this section.

Accounts Payable

Relatively short-term liabilities arising from the conduct of trade or business which were not secured by notes of indebtedness were generally included under this heading. Nontrade payables, on the other hand, were generally includable in the estimates for "Other Current Liabilities."

Banks and savings institutions may have reported deposits and withdrawable shares in accounts payable. When these amounts could be identified, they were transferred to "Other Current Liabilities."

Additional Tax for Tax Preferences

This was a special tax ("minimum tax") on excessive amounts of "economic" income resulting from certain kinds of investments in excess of "taxable" income and deductions allowed under the Code which were considered "tax preferences." A discussion of each of the "tax preferences" is included under "Tax Preference Items" in this section.

For the most part, the 10 percent tax was levied on the sum of a corporation's "tax preferences" which exceeded (1) a \$30,000 exclusion, (2) current year income tax reduced by foreign tax credit, investment credit, and work incentive (WIN) credit, and (3) tax carryover from prior years (i.e., income tax after credits, of the 7 preceding years, not used as an offset to the tax preference items).

In general, all corporations were liable for the additional tax. However, regulated investment companies and real estate investment trusts were subject to the tax only on amounts attributable to tax preferences not passed through to their stockholders. Small Business Corporations electing to be taxed through their stockholders were liable for the additional tax only on certain capital gains. (Because the incidence of such capital gains was low, there were no returns in the *Statistics of Income* sample for 1974 that showed this tax.) In addition, members of a controlled group of corporations filing separate returns were required to apportion a single \$30,000 statutory exclusion among the members of the group either equally or based on a plan adopted for all members. However, members that were Domestic International Sales Corporations (DISC's) were not subject to the additional tax for tax preferences.

The computation of the tax for returns other than Form 1120S is shown in detail on a facsimile of Form 4626 in section 5. 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) "Total items of tax preference less statutory exclusion" were next reduced by "Income tax available as an offset, current year" and then by "Income tax available as an offset, carryover." The "current year" tax was the sum of (a) normal tax, surtax, and alternative tax after foreign tax, investment and work incentive (WIN) credits, and (b) tax from recomputing prior-year investment and work incentive (WIN) credits. By law, the "carryover" tax represented any tax not usable for the tax preference reduction in prior years because it was in excess of the effective amount; excess amounts were to be carried forward for use over a 7-year period. (Even though the current year and carryover tax amounts shown in the statistics are totals, they are understated because some corporations included in the tax reduction only enough to equal total

tax preferences after the \$30,000 exclusion and other corporations did not report these amounts at all when total preferences were offset completely by the exclusion.)

(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 the lesser of 10 percent of the "Net operating loss for 1974 remaining as a carryover to a succeeding year" or the amount of tentative additional tax; this amount is shown as "Deferred additional tax for tax preferences." If the corporation had a net operating loss for 1974 available as a carryforward to future years, the corporation was allowed to defer the additional tax until the net operating loss was used to reduce net income in future years. When this net operating loss was deducted from net income, additional tax which had been deferred because of the net operating loss became due.

(6) Finally, "Additional tax for tax preferences" was the sum of "Tentative additional tax for tax preferences" reduced by "Deferred additional tax for tax preferences" that resulted from prior-year net operating losses, plus the "Additional tax for tax preferences deferred from prior years."

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 and operations as well as advertising separately identified as a business deduction.

The types of expenditures covered by the advertising deduction may have varied somewhat from company to company and a few companies did not separately identify

advertising when it was included in the cost of sales and operations. In addition, certain kinds of advertising expenditures, such as for billboards, were capitalized and recovered only as part of depreciation. For these reasons, a more definitive explanation of the advertising deduction statistics is not possible.

Allowance for Bad Debts

Most corporations identified on their balance sheet the allowance or reserve set aside to cover uncollectible or doubtful notes, accounts, and loans as an adjustment to notes and accounts receivable. A few corporations, however, reported only net receivables and thus did not show the allowance for bad debts. In addition, tax return balance sheets used by Domestic International Sales Corporations (DISC's), and life and certain mutual insurance companies did not require the allowance to be reported. Both the statistics for the allowance and for the gross amount of notes and accounts receivable would therefore be understated by these unidentifiable amounts.

Since corporation tax return balance sheets did not provide for the separate reporting of reserves for uncollectible mortgage and real estate loans, many banks and savings and loan associations may have included the item in the allowance for bad debts. If, on the other hand, these reserves were reported in supporting schedules, they were later added to the allowance for bad debts during statistical editing.

Amortization

Amortization was a deduction for recovery of certain expenditures over a certain period of time in a manner similar to straight-line depreciation. Typically, the period of time over which the expenditure was written off was much shorter than if depreciation had been used; often, depending on the specific provision of the law, the period of time was only 60 months. The following types of amortization, applicable to the statistics in this report, were specifically mentioned in the Code as allowable deductions:

- bond premiums (section 171)
- child care facilities (section 188)
- coal mine safety equipment (section 187)
- lessee's improvements to leased property (section 178)
- on-the-job training facilities (section 188)

organization expenditures of corporations (section 248)
 pollution control facilities (section 169)
 railroad rolling stock (section 184)
 railroad tunnel bores and grading (section 185)
 research and experimental expenditures (section 174(b))
 trademark and trade name expenditures (section 177)

Of these, amortization of leasehold improvements was frequently reportable as depreciation and amortization of bond premiums (as well as of such other financial items as loan or mortgage costs) was often reported as part of "other deductions." Write-offs of patents, copyrights, and other intangibles were usually included in depreciation. None of these amounts involved rapid write-offs of the assets concerned. Therefore, in order to confine the statistics insofar as possible to rapid write-offs, identifiable amounts reported as amortization that related to leasehold improvements, bond premiums (or other financial items), and intangible assets, and, in addition, to depreciable assets other than those eligible for rapid amortization, were transferred to depreciation or "other deductions," as appropriate. (See also, "Depreciation" and "Other Deductions.")

Amortization of certified pollution control facilities, of railroad rolling stock, of on-the-job training facilities and child care facilities were considered tax preference items. The excess of these special rapid write-offs over what otherwise would have been depreciation deductions under Code section 167 constituted a portion of the base (after adjustments) upon which the additional tax for tax preferences was levied. (See also, "Tax Preference Items.")

Annual Returns

Annual or calendar year returns were those filed for the twelve-month period beginning in January and ending in December. Most of the larger corporations filed for this period. Chart 1 in section 1 shows the percentage of returns filed for each of the accounting periods covered in this report.

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.

Commercial banks, mutual savings banks, savings and loan associations, small business investment companies and other financial institutions were permitted to take a deduction for a reasonable addition to their bad debt balance which was far greater than that allowed other businesses. Unlike other businesses, which could deduct additions to their reserves only to the extent justified by their actual loss experience, these financial institutions could elect to increase their reserves based on percentages of outstanding loans. However, certain restrictions were introduced in 1969 to begin to bring these institutions in line with other businesses. For commercial banks, beginning with 1969, deductible additions to the reserves were to decrease in three transitional steps. These steps were to be completed by 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 other businesses. The first transitional step, for years before 1976, reduced the percentage for eligible loans outstanding used as the basis for the deduction from 2.4 to 1.8 percent. For small business investment companies, deductions for additions to the reserves, using an industry average as the norm, were permitted during the first 10 years of the company's existence. Thereafter, additions to the reserves had to be based on their own experience. For mutual savings banks, savings and loan associations, and cooperative banks, the deduction was based on a percentage of an adjusted taxable income figure before reduction by the bad debt deduction, provided it did not increase the reserve beyond 6 percent of qualifying loans. The percentage was to decrease from 60 to 40 over a 10-year period, in general, starting with 1970. For 1974, the percentage was 47.

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.

Recoveries of bad debts previously deducted by corporations were generally netted against the year's bad debts deduction. However, amounts of recovered bad debts reported by corporations as an income item were to be included in "Other Receipts."

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 sales taxes and 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, sales taxes and excise and related taxes were deducted on the tax return as part of the cost of sales and operations 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" and "Taxes Paid."

In the finance, insurance, and real estate 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. Business receipts also included interest which was not separately identified. (Interest, the principal operating income of banking and savings institutions, is shown separately in the statistics under "Other Interest" and is therefore excluded from business receipts.) Special statistical treatment was required for the few banking institutions which traded certain securities "on their own account" and which reported the purchase and sale of the securities as part of cost of sales and operations and business receipts, respectively. For the statistics, the amount paid by the banking institutions for these securities was excluded from the cost of sales and operations and a corresponding amount was excluded from business receipts.

Also in the finance, insurance, and real estate division, premium income of most insurance companies was 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, insurance, and real estate 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 the sale of stocks, commodities, 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 and operations without identifying the source, and the cost of sales and operations was 50 percent or more of the business receipts, the items were considered to include stock, commodity, 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.

In addition to the income types described above which were uniquely treated by law, by the tax return, or for the statistics, there were certain other kinds of income from sales and operations that are not reflected in business receipts. In general, this income was included as part of the much broader category, sales of property used in trade or business. For additional information about this income, see "Net Capital Gains" and "Net Gain (or Loss), Noncapital Assets."

For Domestic International Sales Corporations (DISC's), business receipts included only "qualified" export receipts, i.e., the sum of (a) gross receipts from noncommission sales of export property, leasing or renting of export property, services related and subsidiary to a qualified export sale or lease, engineering and architectural services, and export management services, and (b) commissions earned by DISC's acting as commission agents for someone else (rather than the gross receipts on which the commissions

were earned). In other words, "qualified" receipts were those which were considered to be export related and as such were the only receipts included in the statistics for business receipts. Receipts not considered to be export related (i.e., "nonqualified" receipts) were included in "Other Receipts."

Capital Stock

This end-of-year balance sheet liability item included amounts shown for outstanding ownership shares of both common and preferred stock.

Cash

This balance sheet asset item included the amount of actual money or instruments and claims which were usable and acceptable as money on hand at the end of the taxable year.

For Domestic International Sales Corporations (DISC's), this item was the sum of the following accounts shown separately on the tax return: working capital (i.e., cash and necessary temporary investments) and funds awaiting investment (i.e., cash in U.S. banks in excess of working capital needed to acquire other qualified assets).

Compensation of Officers

Salaries, wages, stock bonuses, and bonds were included in this deduction item as well as other benefits if they were identified as having been paid to officers for personal services rendered. Understatement of this item was possible to the extent compensation was reported as part of another deduction item (such as an overall employee compensation figure) and if not clearly identified was included in the statistics for "Cost of Sales and Operations" or "Other Deductions."

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 non-voting 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, (5) China Trade Act corporations, and (6) Domestic International Sales Corporations (DISC's). 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. See also the explanation of "Members of Controlled Groups" in this section.

Constructive Taxable Income From Related Foreign Corporations

This represented the sum of (1) "Includable Income from 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 1974, therefore, include some contributions actually made in previous years, and exclude some contributions made in 1974 which exceeded the current year 5 percent limitation. These excess contributions were then carried forward.

Corporations Owned 50 Percent or More by Another Entity

Domestic corporations directly or indirectly owned 50 percent or more by one stockholder based on voting stock, were asked to so indicate, to provide the percentage of ownership, and to report whether the owner was other than a U.S. "person" and, if so, the owner's country. (Code section 267 set forth the rules used to define direct and indirect ownership.) A "person" included another corporation, or an individual, partnership, estate or trust. Some corporations failed to answer all or part of the question so that the total shown for the number of returns indicating 50 percent or more ownership by a foreign entity may be somewhat understated. The question was not asked on Form 1120M filed by mutual nonlife insurance companies and the Form 1120S filed by Small Business Corporations electing to be taxed through their stockholders.

Cost of Property Used for Investment Credit

Amounts included under this heading are estimates for the total cost or basis of depreciable property (defined in Code section 48 and described under "Investment Credit") reported in connection with the computation of the investment credit. The cost or basis was the full cost or basis of property with a useful life of 3 years or more (4 years or more in the case of "pre-termination property," also described under "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 statistics include amounts reported but not used for the computation of the investment credit. A limitation of \$50,000, for instance, was placed on the amount of used property which could be taken into account in the computation of the credit. Also included were amounts which were

ultimately used in the computation of the credit by the stockholders of Small Business Corporations which had made the election to be taxed through those stockholders.

Prior to 1973, Small Business Corporations were required to attach a statement to their returns showing the allocation of investment to the stockholders by amount, type, and life of property. Beginning with 1973, Small Business Corporations no longer filed Form 3468, Computation of Investment Credit, as other corporations using the investment credit provisions did, because the credit was claimed by their stockholders. Instead, these corporations had to complete Schedule K on their returns showing the allocation to stockholders of cost of property eligible for investment credit.

Cost of Sales and Operations

Cost of sales and operations generally included the direct costs incurred by the corporation in producing goods or providing services. Included were costs of materials used in manufacturing, costs of goods purchased for resale, direct labor, and certain operating expenses. Manufacturing corporations with taxable years beginning after September 18, 1973 were required to compute taxable income in accordance with the "full absorption" method of inventory costing as prescribed by the income tax regulations. Under full absorption costing, in general, indirect production costs as well as direct production costs were allocated to goods produced during the taxable year, whether included as costs of the taxable year or as inventory at the close of the year determined in accordance with the corporation's method of identifying goods in inventory. Thus, the statistics also include certain indirect production costs (such as repairs, maintenance, and utilities) reported by corporations as a cost of sales. See the discussion in section 1.

Included in cost of sales were costs incurred by Domestic International Sales Corporations (DISC's) for warehousing (which could include rental warehouse facilities, labor, heat and power) of export related articles.

Operating expenses, considered part of the cost of goods sold, included sales taxes and 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 employee benefit programs, whether direct or indirect costs in the case of corporations with manufacturing or production operations, were transferred to their respective deduction categories when identified in cost of goods sold schedules.

The income or loss from sales of securities, commodities, or real estate by stock and commodity brokers, dealers, and exchanges, and by real estate subdividers, developers, and operative builders 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. Special statistical treatment was also required for the few banking institutions which traded certain securities "on their own account" and which reported the purchase and sale of the securities as part of cost of sales and operations and business receipts, respectively. For the statistics, the amount paid for these securities was excluded from cost of sales and operations and a corresponding amount was excluded from business receipts. Therefore, the cost of such sales was excluded from the statistics.

Cost of Treasury Stock

This item was the total value of issued common or preferred stock, which had been reacquired and was held at the end of the accounting year by the issuing corporation. The stock, which was available again for resale or cancellation, may have been purchased by the corporation or acquired through donation or as settlement of a debt. Treasury stock was not a 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." When identified though, such stock was transferred to the statistics for "Cost of Treasury Stock."

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. Stockholder 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 stockholder 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 they were deemed to have paid. It is this credit which comprises this item.

Credit for Tax on Special Fuels, Nonhighway Gasoline and Lubricating Oil

Section 39 of the Code allowed a credit in full or in stated amounts for excise taxes on:

- (1) gasoline used on farms for farming purposes,
- (2) gasoline used for nonhighway purposes or by local transit systems,
- (3) lubricating oil used for nonhighway purposes, and
- (4) noncommercial aviation fuels used for nontaxable purposes or fuels which were resold during the taxable year.

These taxes could be applied as a credit against income tax liability as an alternative to having the taxes refunded directly. This item also included amounts refunded through Domestic International Sales Corporations (DISC's) although these corporations were nontaxable.

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 included with "Depreciable Assets," or may have been reported as "Land" or as "Other Investments" by the taxpayer, 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 depletable assets and accumulated depletion balance sheet accounts reflected book values; the depletion reflected the amount claimed for tax purposes.

Depletion

This deduction was allowable for the exhaustion of natural deposits and timber. For standing timber, depletion was computed on the basis of cost. 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 income was the actual sales price, or representative market or field price if the gas or oil was later converted or manufactured prior to sale. For other natural deposits, gross income was the gross income from mining, defined to include extractive and 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 depletable property, was limited. It could not exceed 50 percent of the net income from the property, computed without the depletion deduction. Percentage rates of gross income for each type of natural deposit are listed in Code section 613 and range from 5 to 22 percent.

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

The amounts shown in the statistics include any identifiable depletion reported as part of the cost of sales and 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 1 year or more. The statistics for this item could include fully depreciated assets still in use and partially completed assets for which no deduction was allowable when the corporation reported them as depreciable in its balance sheet. The statistics for depreciable assets exclude those intangible assets which were depreciable or amortizable only 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 amounts shown for depreciable assets 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 depreciable assets and accumulated depreciation 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. A common method was straight line, whereby an equal amount of depreciation 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 either on the corporation's own experience, asset by asset, or on the Class Life Asset Depreciation Range (CLADR) system which pro-

vided for generally shorter than average lives. See also, "Depreciation under Class Life Asset Depreciation Range (CLADR) system."

Amounts shown as depreciation include any identifiable depreciation reported as an operating or manufacturing cost. Also included in the statistics are amounts deducted on leasehold improvements, patents, and copyrights, as well as small amounts of additional first-year (Code section 179) depreciation (limited by law in the case of controlled group members beginning with taxable years ended on or after 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.

Depreciation Under Class Life Asset Depreciation Range (CLADR) System

Starting with 1971, the CLADR system was introduced as a new method of depreciating assets acquired during a given year. This was an elective method that enabled a corporation, on an annual basis, to group eligible assets into categories, called guideline classes. The corporation was then allowed to depreciate all assets in a class over a prescribed period of time, called a class life. The guideline class included assets grouped, regardless of their composition, according to the industrial activity (broadly defined) in which they were used. However, in the case of certain property types in general use, the asset classifications cut across industry lines.

The principal changes applicable to corporations in 1974 were as follows:

(1) New asset classes and lives were prescribed for assets used:

(a) to provide recreation and entertainment services in bowling alleys, billiard and pool parlors, theaters, concert halls, and miniature golf courses,

(b) to provide rides, attractions, and amusements in amusement-type parks, including accessory and support facilities if owned by the park, such as lodging and eating facilities and land improvements, and

(c) to produce electricity, for sale, by use of such prime movers as combustion turbines, and internal combustion engines that were jet, diesel and gasoline powered.

(2) Extant classes were modified to include assets used to transmit, distribute, and produce electricity generated by hydraulic, nuclear, and steam means.

For most assets, class lives could be increased or decreased by up to 20 percent at the corporation's option and use of them was unrelated to past replacement and retirement practices. This range was not allowed in the case of buildings, land improvements, or assets used outside the United States. Within a class, assets could be further grouped into one or more "vintage accounts" depending, for example, on the depreciation method used, or in order to separate depreciable real property from all other depreciable property.

In computing the depreciation deduction under the CLADR system, salvage value was not considered although no "vintage account" could be depreciated below a reasonable salvage value.

In using the system, corporations had a choice between assuming all acquisitions in a year were placed in service at the beginning of the second half of the taxable year, or that all acquisitions in the first half of the year were placed in service at the beginning of the year and all acquisitions in the second half of the year were placed in service at the beginning of the following year. The subsequent year's depreciation was computed as if all acquisitions were made at mid-year.

There were certain limitations and exceptions in using the CLADR system. Although all corporations could use CLADR, public utilities using accelerated depreciation methods could do so only if the resulting tax benefit was used as a source of working capital and not as a means of lowering rates to consumers. Also, certain property types could be excluded from the CLADR system, for example, used property (under special conditions). Other types were required to be excluded, for example, property for which there was no appropriate class, property for which depreciation was not based on the useful life concept, and property for which 60-month rapid amortization had been elected in lieu of depreciation.

Additionally, certain other property was excluded from the CLADR system under special provisions for real property and "subsidiary assets" (i.e., special tools such as jigs, molds, returnable containers, glassware, textile mill cam assemblies, and other equipment, which were specifically designed to produce or process particular

products, that could no longer be used after the particular products were modified) placed in service during the 3-year period, 1971-73, unless the Treasury could study and decide earlier whether their inclusion under the CLADR system was appropriate. All or part of the depreciable real property under section 1250 was excludable if a useful life shorter than that authorized by the 1962 Depreciation Guidelines was justified. Also excludable was all depreciable section 1245 property (principally machinery and equipment) which included a significant portion of subsidiary assets for which there was a separate class under the 1962 Depreciation Guidelines. This exclusion from the system applied if shorter lives were justified and if subsidiary assets comprised at least 3 percent of the aggregate cost or unadjusted basis of the year's acquisitions in a given class. However, beginning with 1973, many types of subsidiary assets were incorporated into the CLADR system for the first time in new revenue procedures which were first applicable to property placed in service after December 31, 1973. One of the new procedures was first applicable to property placed in service prior to January 1, 1974, and included motor vehicle manufacturing subsidiary assets such as jigs, dies, fixtures, molds, patterns, gauges, and specialty transfer and shipping devices. Another was first applicable to property placed in service after December 31, 1973, and included these same subsidiary assets if used to manufacture finished locomotives and railroad cars.

New shortened class lives were prescribed for a new group of subsidiary assets covering special tools and the definition of subsidiary assets was broadened to include service assets that became eligible for the CLADR election in 1974. In addition to jigs, dies, fixtures, molds, patterns, gauges, and specialty transfer and shipping devices, subsidiary assets, special tools, were defined to include mandrels, lasts, returnable containers, specialty containers, pallets, shells, and tire molds and accessory parts used by corporations to manufacture products made of glass, rubber, fabricated metal, and miscellaneous finished plastic. These assets were also included if used by ship and boat builders and manufacturers of primary ferrous metals, primary nonferrous metals, metalworking machinery, other machines, and electrical equipment. For food and beverage manufacturers, these assets were special handling devices such as returnable pallets, palletized contain-

ers, and fish processing equipment. Under the new shortened class lives, these assets could be depreciated over periods that ranged from 2 to 3 years for glass products, to 5 to 8 years for ship and boat building and other machines.

Subsidiary assets that were service assets comprised assets that tend to wear out, break, or disappear much faster than other assets. Such assets were primarily used by corporations engaged in wholesale and retail service and personal and professional services. Glassware, silverware including kitchen utensils, crockery, and linens were among the assets considered service assets. These assets could be depreciated over a 2 to 3 year period.

In conjunction with the CLADR system, depreciation of assets placed in service prior to 1971 could be placed under a special guideline Class Life System (CLS) on an elective basis as an alternative to computing depreciation based on the corporation's own experience. The CLS consisted of the CLADR classes and lives but without the 20 percent ranges associated with them. This system could be used regardless of whether the corporation had previously elected to use the Depreciation Guidelines in connection with pre-1971 acquisitions under Revenue Procedure 62-21. This previous procedure also encompassed the class life concept, but the lives (and any departures from them) had to be justified based on replacement and retirement practices using the depreciation "reserve ratio test." The CLADR (and CLS) systems thus replaced and superseded the 1962 Depreciation Guidelines.

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 only a single total for distributions to stockholders and did not identify this distribution as cash or stock or other property, that total was treated as a distribution to stockholders in cash and property other than in the company's own stock.

Regulated investment companies and real estate investment trusts could treat certain dividends paid after the close of their taxable

year as distributions during the current taxable year. In a similar manner, for Small Business Corporations electing to be taxed through stockholders, distributions of money made within 2-1/2 months after the close of the taxable 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 1974. Conversely, the statistics do include amounts taxed through stockholders in previous years but not distributed until 1974.

For Domestic International Sales Corporations (DISC's), only amounts actually distributed (i.e., distributions that were made to meet the DISC qualification requirement under Code section 992, including "deficiency distributions" made after the close of the taxable year to avoid disqualification as a DISC, or other actual distributions) were included in the statistics. Those dividends not actually distributed, i.e., amounts deemed distributed under section 995, were excluded.

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 stockholders. Additionally, dividends from Domestic International Sales Corporations (DISC's) were included as domestic dividends received but were not deductible. 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 60 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 surtax exemption among the group members. For members of controlled groups electing multiple surtax exemptions under section 1562 which had made that election prior to April 23, 1969, the deductible portion increased from 85 percent to 87.5 percent for those returns including December 31, 1970, to 90 percent for those returns including December 31, 1971, to 92.5 percent for those returns including December 31, 1972, to 95 percent for those returns including December 31, 1973, and to 97.5 percent for those returns including December 31, 1974. For other electing members, the rate remained at 85 percent. This increase corresponded to the gradual elimination of the multiple surtax exemptions for these groups.

Dividend distributions among member corporations electing to file a consolidated return were eliminated from the statistics 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 received 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 U.S. trade or business, and

(3) any other foreign dividends, not subject to a deduction, which included--

(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,

(c) foreign dividends received by Small Business Corporations electing to be taxed through stockholders,

(d) dividends (deemed or actual) received from Domestic International Sales Corporations (DISC's) were treated as if they were foreign dividends to the extent the dividends were attributable to certain export receipts.

Excluded from the dividend statistics was the "gross-up" of foreign taxes paid or deemed paid on the profits from which the dividends of subsidiaries incorporated in "developed" countries were distributed. This was done even though "Foreign dividend income resulting from foreign taxes deemed paid" (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 from 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 11, however, shows them separately.

The foreign dividend statistics presented in this report are subject to certain limitations. They may be somewhat understated because some corporations reported certain foreign dividends as "Includable income from Controlled Foreign Corporations," since both were reported in the schedule for dividends received. When identified, these amounts were treated as foreign dividends for the statistics. Also, some corporations included as foreign dividends the gross-up of dividends by foreign taxes paid or deemed paid ("Foreign dividend income resulting from foreign taxes deemed paid"), while others did the reverse. Where these variations in taxpayer reporting were identified, the amounts were transferred to the correct item for the statistics.

Domestic International Sales Corporation Returns

Form 1120-DISC, Domestic International Sales Corporation Return, was filed by corporations which were established under the Revenue Act of 1971 as a means of encouraging the exportation of U.S. goods and services.

A system of tax deferral for DISC's and their stockholders

(mainly other corporations) was provided and in addition, the profits of a DISC were not taxed to the DISC but were taxed to the stockholders of the DISC when distributed or deemed to be distributed. In general, the stockholders of a DISC were deemed to receive an annual dividend equal to one-half of the DISC's taxable income. This deemed distribution was fully taxable to the stockholders even if the earnings were not actually distributed. Federal income taxation was deferred on the one-half of the DISC's taxable income which was not deemed distributed until one of the following events occurred: the income was actually distributed to the DISC's stockholders; a stockholder disposed of the DISC stock; the DISC was liquidated; or the election to be treated as a DISC was terminated or revoked.

Corporate stockholders receiving DISC dividends were not permitted the intercorporate dividends received deduction. The dividends received deduction was designed to prevent multiple taxation of corporate earnings; consequently, as a DISC itself was not subject to taxation the dividends received deduction was not applicable.

Dividends (deemed or actual) paid by a DISC were treated as dividends from a foreign corporation to the extent the dividends were attributable to certain export receipts of the DISC. Thus, all stockholders could claim a foreign tax credit for any foreign taxes imposed on a DISC dividend.

To qualify as a DISC, a corporation must have been organized under the laws of any State or the District of Columbia, have only one class of stock, issue outstanding capital stock with a par or stated value of at least \$2,500, and satisfy the "gross receipts" and "gross assets" tests.

The gross receipts test required that at least 95 percent of the corporation's gross receipts consist of "qualified export receipts." "Gross export receipts of DISC" in the statistics were from the sale, lease, or rental of property held primarily for these purposes during the ordinary course of business, and income from all other sources. In the case of commissions, gross receipts meant the total receipts on the sale, lease, or rental of property on which the commission was earned. In the case of gain or loss from the sale of assets, gross receipts meant the amount of net gain or loss. In general, qualified export receipts were receipts from the sale, lease, rental, or other disposition for

use outside the United States of "export property," or from the furnishing of services related and subsidiary to the sale or lease of export property. Also included were amounts of interest on obligations which were "Qualified export assets" and "Qualified dividends" which consisted of dividends and "Includable income from Controlled Foreign Corporations," in this case "Related foreign export corporations." (All other dividends and "Includable income from Controlled Foreign Corporations" were classified as "Nonqualified dividends.") "Export property" was defined as property manufactured, produced, grown or extracted in the United States. Receipts from exports subsidized by the U.S. Government or exports intended for use in the United States did not qualify as export property. A DISC could not engage in producing, growing, or manufacturing export property.

For statistical presentation, the sum of "Total qualified export receipts" and "Total nonqualified receipts" was adjusted to equal "Total receipts" as follows: total qualified and nonqualified export receipts were increased by the "Interest on State and local Government obligations; and the "Net loss, noncapital assets" and were decreased by the "Includable income from Controlled Foreign Corporations" to equal total receipts. These adjustments are shown in table 30, which shows items unique to the DISC return. Many of these items were combined for the standard presentation contained in table 31.

The gross assets test required that at least 95 percent of the corporation's assets be qualified export assets. In general, qualified export assets were inventories of export property; necessary operational equipment and supplies; trade receivables from export sales (including commissions receivable); producer's loans (i.e., loans of the DISC's profits to a U.S. export producer whether or not related to the DISC); working capital (i.e., cash and necessary temporary investments); investments in related foreign export corporations (including real property holding companies and associated foreign corporations); obligations issued, guaranteed, or insured by the Export-Import Bank or the Foreign Credit Insurance Association; and, obligations of the Private Funding Corporation.

A DISC which, for a taxable year, failed to satisfy the gross receipts test or the gross assets test, thereby failing to qualify

as a DISC, could nevertheless satisfy these qualification requirements by making a "deficiency distribution" for such a year, whereby the DISC made a distribution to its stockholders after the close of the taxable year. The DISC, at this time, had to demonstrate that the failure to make these distributions prior to the actual date made was due to reasonable cause.

Additionally, to qualify as a DISC, a new or previously existing corporation had to file an election requesting to be treated as a DISC. For the election to be valid, all stockholders of the corporation on the first day of the election year must have consented in writing. The election remained valid unless the corporation revoked it or failed to qualify as a DISC for 5 consecutive years.

The types of corporate organizations not eligible to be treated as a DISC were: (1) tax-exempt corporations; (2) Personal Holding Companies; (3) banks and trust companies; (4) mutual and savings banks, domestic building and loan associations, and cooperative banks; (5) insurance companies; (6) regulated investment companies; (7) China Trade Act corporations; and (8) Small Business Corporations electing to be taxed through their stockholders.

A DISC usually acquired export property from its parent or an affiliated corporation ("related suppliers") and then sold the property abroad; however, it could act simply as a commission agent on export sales of related suppliers. The method used for allocating income between a DISC and its related suppliers was therefore an important part of the DISC statute. The allocation was achieved through special intercompany pricing rules.

The allocation of income between a DISC and its related suppliers was affected to the extent the DISC itself incurred "export promotion expenses" (i.e., the ordinary and necessary expenses incurred to obtain qualified export receipts). In general, export promotion expenses included market studies; advertising; salaries and wages of sales, clerical and other personnel; rentals; sales commissions; warehousing (which could include rental warehouse facilities, labor, heat and power) and other selling expenses; and, one-half of the freight expenses (not including insurance) for shipping export property aboard airplanes owned and operated by U.S. persons or ships documented under the laws of the U.S. in those cases where law

or regulations did not require that the property be shipped aboard such airplanes or ships. Not included were interest expenses, income or franchise taxes, the cost of assembly operations or any expenses which did not directly or indirectly further the distribution of export property for use abroad. Also excluded were intercompany transactions in which the DISC contracted with an affiliate for export services to be rendered to it.

For any taxable year in which a corporation was a DISC or in which at any time it owned, directly or indirectly, stock in a DISC or former DISC, the corporation was not allowed to take the Western Hemisphere Trade Corporation deduction and was not entitled to exclude income earned in U.S. possessions which was otherwise tax-exempt under Code section 931.

Employee Benefit Programs

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 and operations schedules.

Excluded were deductions claimed for employer contributions to pension plans and certain other deferred compensation plans within the scope of Code section 404. (See "Pension, Profit-Sharing, Stock Bonus, and Annuity Plans.")

For years prior to 1971 this item was entitled "Other Employee Benefit Plans."

Estimated Tax Payments

Estimated tax payments were quarterly installments required if a corporation's income tax (including tax from recomputing prior year investment and work incentive (WIN) credits and additional tax for tax preferences) after foreign tax, investment, and work incentive (WIN) credits was reasonably expected to exceed the sum of the exemption from estimated tax under Code section 6154 and any payment credits such as for the Federal excise tax paid on special fuels, nonhighway gasoline, and lubricating oil. Estimated tax was the excess of the expected tax over the exemption.

The statutory exemption from estimated tax was gradually reduced from \$100,000 in 1967 to \$40 in 1977. The reduction was to be accomplished over two 5-year periods, 1968 through 1972 and 1973 through 1977.

During the first 5-year period, the total exemption was the sum of a "temporary exemption" plus a "transitional exemption." The temporary exemption during the 5-year period was \$5,500 (equal to the 22 percent normal tax on the first \$25,000 of taxable income). The transitional exemption was the difference between the original \$100,000 exemption and the \$5,500 temporary exemption, decreased by 20 percent each year so that in 1968 it was \$75,600 (80 percent of the above difference) and so on, until in 1972, when it became zero.

During the second 5-year period, the total exemption was equal to the \$5,500 temporary exemption reduced each year by 20 percent until in 1976, when it was to become zero. For purposes of the 1974 statistics, the total exemption was either \$4,400 (the temporary exemption minus the initial 20 percent for taxable years beginning in 1973) or \$3,300 (the temporary exemption minus an additional 20 percent for taxable years beginning in 1974).

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 (for example, a corporation was not required to pay an estimated tax greater than the amount of tax liability for the previous year provided that the corporation had a tax liability for the previous year). 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.

Separate statistics are presented for 1974 estimated tax payments, credit for overpayment of prior year tax, quick refunds of estimated tax payments, and net payments after refunds.

Foreign Corporations With U.S. Business Operations

These were corporations incorporated in a foreign country which had income "effectively connected" with the conduct of a U.S. trade or business. Most of these foreign corporations filed on Form 1120F. In addition, since all life insurance companies, domestic and foreign, were required to file Form 1120L, foreign life insurance companies with income effectively connected with a U.S. life insurance business were also included in the statistics. If any of these same foreign corporations also had

income which was not effectively connected with a U.S. business, such income was not included in the statistics.

Income "effectively connected" with a U.S. business, in general, covered all types of income attributable to or generated by a U.S. place of business even if it was from foreign sources. All deductions, attributable to "effectively connected income" were allowed, except for certain charitable contributions which were totally deductible regardless of the "effectively connected" rule. In addition, under certain conditions, limited categories of other income from foreign sources were also included. These comprised rents and royalties from licensing businesses; certain income from banking, financing and similar businesses; and certain sales income attributable to U.S. sales offices if the property sold was for use abroad and an office abroad was instrumental in making the sale. However, dividend, interest, or royalty income from a foreign subsidiary 50 percent or more owned by the foreign corporation receiving the income was specifically excluded from "effectively connected" income. Also excluded was so-called "Subpart F income" (see "Includable Income from Controlled Foreign Corporations") since this income was deemed distributed to U.S. parent corporations and was thus already subject to tax once.

Foreign Dividend Income Resulting From Foreign Taxes Deemed Paid

Foreign dividend income resulting from foreign taxes deemed paid related to certain foreign taxes on profits of companies which were (a) 10 percent or more owned by domestic corporations and (b) 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."

Analysis of returns of some of the larger corporations revealed instances where amounts reported as foreign dividend income resulting from foreign taxes deemed paid were actually dividends received from foreign corporations, and instances where amounts reported as dividends received from foreign corporations were actually the gross-up of foreign taxes paid or deemed paid. (Both of these items

were reportable on the dividends received schedule on the return.) If these amounts were so identified on supporting schedules they were transferred to the correct item for the statistics.

For all tables except table 11, foreign dividend income resulting from foreign taxes deemed paid is combined with includable income of Controlled Foreign Corporations and shown under the statistics for "Constructive Taxable Income from Related Foreign Corporations." Table 11 shows the items separately.

Foreign Tax Credit

Code section 901 allowed a credit against the U.S. income tax for income, war profits and excess profits taxes paid or accrued to foreign countries or U.S. possessions. Credit was also allowed against the U.S. tax under sections 902 and 960 for foreign taxes "deemed paid."

The credit could be claimed by domestic corporations, and also by foreign corporations engaged in trade or business in the United States, for foreign taxes on income effectively connected with the U.S. business. The credit was not allowed though, for Small Business Corporations electing to be taxed through stockholders even when these corporations were taxed on certain capital gain income. Since Domestic International Sales Corporations (DISC's) themselves were not taxable, foreign tax credit was not applicable; however, DISC stockholders could claim a credit for foreign taxes paid by a DISC.

When the foreign tax credit was claimed, the alternative, a business deduction for foreign taxes, could not be used in computing taxable income. The U.S. income tax which could be reduced by the credit excluded the tax from recomputing prior year investment credit, the tax from recomputing prior year work incentive (WIN) credit, and the additional tax for tax preferences.

Under Code section 902, credit was allowed for foreign taxes deemed paid, when a domestic corporation received a dividend from a foreign corporation in which it owned a 10 percent or more voting stock interest, for the taxes paid on the foreign corporation's accumulated profits out of which the dividends were paid. A portion of the taxes paid or accrued by the "first-tier" foreign corporation was deemed to have been paid by the domestic corporation. The taxes eligible for credit were determined based on the relationship between the

foreign corporation's profits and the amount paid to the domestic corporation as dividends.

In addition, if the first-tier foreign corporation owned 10 percent or more of the voting stock of a "second-tier" foreign corporation from which it received a dividend, the first-tier foreign corporation was deemed to have paid a proportionate amount of the foreign taxes of the second-tier foreign corporation. In turn, the domestic corporation was deemed to have paid a portion of these same taxes. However, section 902 did not apply unless the percentage of voting stock owned by the domestic corporation in the first-tier foreign corporation and the percentage of voting stock owned by the first-tier foreign corporation in the second-tier foreign corporation equalled at least 5 percent when multiplied together.

The second-tier foreign corporation was deemed to have paid a proportionate amount of the foreign income, war profits and excess profits taxes paid or accrued by a "third-tier" foreign corporation whenever it owned 10 percent or more of the voting stock of a third-tier foreign corporation from which it received a dividend, and the product of the following equalled at least 5 percent: the percentage of voting stock owned by the domestic corporation in the first-tier foreign corporation, the percentage of voting stock owned by the first-tier foreign corporation in the second-tier foreign corporation, and the percentage of voting stock owned by the second-tier foreign corporation in the third-tier corporation. In turn, the first-tier foreign corporation and the domestic corporation were deemed to have paid a portion of these same taxes.

Credit computed the same way as that described above for section 902 was also allowed for taxes deemed paid on distributions constructively received from Controlled Foreign Corporations under Code section 960. The credit was allowed for these distributions if the domestic corporation owned 10 percent or more of the first-tier Controlled Foreign Corporation. However, if the first-tier Controlled Foreign Corporation received distributions from a second-tier Controlled Foreign Corporation, it was required to own at least 50 percent of that corporation's voting stock before it could include the taxes deemed paid of the second-tier Controlled Foreign Corporation in the computation of its own taxes deemed paid. No credit was allowed under section

960 for taxes deemed paid on distributions received from third-tier Controlled Foreign Corporations. Constructive distributions, i.e., distributions "deemed" but not "actually" received, are described under "Dividends Received from Foreign Corporations" and "Includable Income from Controlled Foreign Corporations."

In the case of taxes paid on foreign mineral income, the foreign tax credit was reduced to the extent that (a) the foreign tax exceeded 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 deduction for percentage depletion.

The amount of the foreign tax credit was limited. Code section 904 provided two alternative methods of computing the limit. Corporations could elect the "overall" limitation method whereby the foreign taxes claimed for credit could not exceed an amount based on the ratio of total foreign taxable income to the U.S. corporation's total taxable income. (There were restrictions on the use of the "overall" method in the case of affiliated groups filing consolidated returns that included Western Hemisphere Trade Corporations.) Corporations could elect to use a "per country" limitation method instead. (For taxes paid in connection with certain interest income, the credit was computed separately and on a "per country" basis, regardless of the limitation elected for the rest of foreign income.) Under this method the same ratio was used but it was computed separately for each country of which taxes were paid.

Generally, income of all types from foreign sources could be combined for purposes of computing the foreign tax credit. However, for dividends received from Domestic International Sales Corporations (DISC's) that were attributed to certain export receipts (and were thereby regarded as foreign dividends), the foreign tax credit limitation was computed separately with respect to aggregate dividends received from all DISC's, and then to all other foreign source income.

Foreign taxes in excess of the limitation for any one year could be carried back to the 2 preceding years and then carried over to the 5 succeeding years to reduce income tax, subject to the foreign tax credit limitation of the years to which they were carried. Any unused foreign taxes remaining at the end of the carryover period could not be claimed. The 1974 statistics therefore include

excess foreign taxes carried over from the 5 preceding years. However, because *Statistics of Income* is based on returns as originally filed, the amount of excess foreign taxes carried back from the 2 succeeding years for inclusion in a recomputed 1974 foreign tax credit was not available. Therefore, the statistics for the 1974 credit are necessarily incomplete.

Gross Export Receipts of DISC and Related U.S. Persons

This item represents the gross receipts of the Domestic International Sales Corporation (DISC) and related U.S. persons derived outside the United States reported on Schedule N, Form 1120-DISC. Related U.S. "persons" included: (1) individuals (who were citizens or residents of the United States) and domestic partnerships, trusts, or estates which controlled a DISC; (2) domestic corporations which controlled, or were controlled by a DISC; and (3) domestic corporations which were controlled by the same person or persons who controlled a DISC. Control meant direct or indirect ownership of more than 50 percent of the voting stock of a DISC or other domestic corporation.

Inactive Corporation Returns

Corporations in existence during any portion of the taxable year were required to file a return even though they may have been inactive. The number of returns for inactive corporations (defined for this report as returns showing no item of income or deduction) is presented in table B. Financial data from these returns were excluded from the statistics.

Includable Income of Controlled Foreign Corporations

This item represented amounts, not actually received, which a domestic corporation owning at least 10 percent of a Controlled Foreign Corporation was required by Code section 951 to include in its gross income. For most purposes, the foreign corporation was considered controlled if more than 50 percent of its voting stock was controlled by U.S. persons, including domestic corporations, each of whom owned at least 10 percent of its voting stock.

The includable income consisted of:

(1) subpart F income, defined below, except if "minimum distributions" (based on the relation-

ship of the foreign and U.S. tax rates so that the combined tax on the foreign corporation's earnings approximated 90 percent of what the U.S. tax alone would have been) were made,

(2) any previously excluded subpart F income which had been invested in qualified assets in "less developed countries," but which was now either withdrawn from these countries or remitted to the U.S. stockholders and was thereupon taxable, and

(3) any increase in Controlled Foreign Corporation earnings due to investment in U.S. property.

Subpart F income, defined in Code section 952, included:

(1) income attributable to premiums received by foreign insurance companies that were Controlled Foreign Corporations (here defined in terms of 25 percent voting stock ownership), 75 percent or more of whose insurance business was on U.S. risks, and

(2) "foreign base company income," which included:

(a) foreign "personal holding company" income (income derived from portfolio investments or from "passive" investments),

(b) foreign base company sales income (generally from the sale of property produced in the United States or a foreign country by one corporation and sold by a related corporation, generally a trading company, organized in another country, having a low rate of taxation, for use outside that country), and

(c) foreign base company services income.

Foreign base company income excluded income from qualified investments in less developed countries or from sales of U.S. exports as well as income derived from use of aircraft or vessels in foreign commerce and related services.

Analysis of returns of some of the larger corporations revealed instances where amounts reported as includable income from Controlled Foreign Corporations were actually dividends received from foreign corporations (both of these items were reportable on the dividends received schedule on the return). If these amounts were so identified on supporting schedules they were classified for statistical purposes as foreign dividends. Since the full extent of such variations in taxpayer reporting is not known, the amount shown for includable income may be somewhat overstated.

Table 11 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 of Related Foreign Corporations."

Income Subject to 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 normal tax and surtax rates applied; a variation of this base in combination with long-term capital gain when the lower capital gains rate was applicable; the special capital gains tax base of Small Business Corporations electing to be taxed through their stockholders; 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; however, small amounts of regulated investment company undistributed long-term capital gains were excluded. Since Domestic International Sales Corporations (DISC's) themselves were not taxable, income subject to tax was not applicable (see "Domestic International Sales Corporation Returns").

For most corporations, the income subject to tax consisted of net income minus certain "statutory special deductions" (described in this report under separate heading). However, there were certain exceptions where 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 periods.

Also, the tax bases applicable to Small Business Corporations electing to be taxed through their stockholders, life insurance companies, regulated investment companies, and real estate investment trusts were not defined as net income less statutory special deductions.

Depending on which resulted in the lowest tax, the tax base for Small Business Corporations electing to be taxed through their stockholders was either (1) net income, (2) the amount of net long-term capital gain in excess of \$25,000, if more than 50

percent of net income, or (3) the amount attributed to gain from the disposition of property using a "substituted basis" (i.e., the basis that was transferred from another corporation which was not a Small Business Corporation electing to be taxed through its stockholders). No net operating loss carryovers and carrybacks were available, nor were deductions allowable for 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 less the deductions applicable, plus, when this investment income was the smaller, half the difference between investment 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 stockholders was taxed to the companies, and always at the capital gains rate, even though the alternative tax method 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 from the income tax computation schedule of the return form and no attempt was made to obtain it from attached schedules for the statistics.

See also, "Income Tax."

Income Tax

Income tax was the gross amount of income tax liability before deducting the foreign tax, investment, and work incentive (WIN) credits. (Since Domestic International Sales Corporations (DISC's) themselves were not taxable, income tax was not applicable; see "Domestic

International Sales Corporation Returns.")

The basic income tax consisted of:

(1) a normal tax of 22 percent on total taxable income plus a surtax of 26 percent on total taxable income in excess of \$25,000, for corporations with 1974 accounting periods ended in 1974 (for purposes of this report, July 1974 through December 1974);

(2) for corporations with 1974 accounting periods extending into 1975 (ended January 1975 through June 1975, for this report), the Tax Reduction Act of 1975 required a proration of tax since, for 1975, the normal tax rate was reduced from 22 percent to 20 percent for the first \$25,000 of taxable income. For taxable income in excess of \$25,000, the normal tax rate remained at 22 percent. Also, the surtax exemption was increased from \$25,000 to \$50,000, thereby decreasing the amount of income subject to the 48 percent tax rate by \$25,000. The proration was computed as follows: first, the income tax was computed with a \$25,000 surtax exemption and second, with a \$50,000 surtax exemption. The normal tax rate was 20 percent of the first \$25,000 of taxable income and 22 percent on taxable income in excess of \$25,000. Then the two taxes were prorated according to the number of days in the taxable year before and after the December 31, 1974, effective date of the law change;

(3) in lieu of the normal tax and surtax on total taxable income an alternative tax was allowed, whereby the excess of net long-term capital gain over net short-term capital loss was taxed at the capital gains rate while the balance of income was taxed at the normal tax and surtax rates. This method of computing income tax was not available to regulated investment companies and real estate investment trusts. The alternative capital gains rate was 30 percent in most cases. In certain other cases, the alternative capital gains rate was 25 percent. (See "Net Capital Gains" in this section.)

In addition to the preceding, the statistics for income tax also include:

(4) an additional tax for tax preferences ("minimum tax"), described under separate heading,

(5) the tax from recomputing a prior year investment credit, described under separate heading,

(6) the tax from recomputing a prior year work incentive (WIN) credit, described under separate heading,

(7) the 30 percent tax on certain long-term capital gains of Small Business Corporations electing to be taxed through their stockholders, and

(8) the 30 percent tax on undistributed net long-term capital gain (reduced by net short-term capital loss), and the normal tax and surtax on the balance of undistributed income of regulated investment companies and real estate investment trusts.

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 a prior year investment credit,

(3) tax from recomputing a prior year work incentive (WIN) credit, and

(4) additional tax for tax preferences.

Statistics for income tax do not reflect the Personal Holding Company tax nor do they reflect any adjustments to the tax liability such as those resulting from:

(1) recomputation of the 1974 taxable income to reflect the carryback of net operating losses and certain capital losses for future years,

(2) reduction of income tax by foreign tax, investment, and work incentive (WIN) 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 therefore differ somewhat from the actual income tax collections and the final income tax liability of corporations for tax year 1974.

Industrial Classification

Among the several classifications used in this report, tax return data were classified according to the principal business activity of the corporation. Returns were classified in the "minor" 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. Industrial divisions were comprised of major industries, which in turn were comprised of minor industries.

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 industries used in this report generally conform with the Enterprise Standard Industrial Classification (ESIC) authorized by the Office of Federal Statistical Policy and Standards of the Department of Commerce. This classification, which was designed to classify companies (which are often engaged in more than one industrial activity), follows closely along the lines of the more detailed Standard Industrial Classification (SIC) which was designed to classify single activity "establishments." Some departures from the ESIC system were made for *Statistics of Income* for the finance industries in order to reflect particular provisions of the Internal Revenue Code.

Intangible Assets

The total gross amounts (before the reduction by amounts of accumulated amortization) for contracts, copyrights, formulas, licenses, patents, registered trademarks, research or experimental expenditures and similar assets were included in this category only if amortization (or depreciation) were shown against them. These assets could be amortized only if they had a definite life and value. Other intangible assets which were not amortizable were included in the statistics with "Other assets."

Accumulated amortization represented the cumulative adjustment to these intangible assets as shown on the corporation's books of account.

Interest on State and Local Government Obligations

The interest on obligations issued by States, municipalities and other local Governments, the District of Columbia, and U.S. possessions was exempt from the income tax. The amounts shown for this item are less the amortizable bond premium.

For statistical presentation, this interest is shown as part of the income statement and is included in total receipts. Most corporations reported this tax-exempt interest in the reconciliation of income per books with income per return (schedule M-1 on the Form 1120 tax return).

Interest on United States Government Obligations

This taxable interest, a component of total receipts, was

received from obligations issued by the United States, its agencies, or its instrumentalities. The amounts shown for this item are less the amortizable bond premium.

Interest Paid

These amounts were deductible as ordinary and necessary business expenses and included interest paid by corporations on business indebtedness. Included in the statistics were amounts of interest paid on installment purchases if they were stated in the contract, as well as certain unstated amounts under Code section 483. For banking and savings institutions the amounts also included interest paid on deposits and withdrawable shares.

Inventories

Based on amounts reported on the balance sheet, inventories 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 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." However, for consolidated returns which included these companies, amounts which could not specifically be identified as inventories of these companies were included in the statistics.

Inventories were generally valued at cost or at the lower of cost or market price. A variation of the cost method was the "last-in, first-out" (LIFO) method of inventory identification, based on the proposition that the most recently purchased or produced inventories were those that were sold first and that taxable income was most clearly reflected by relating the cost of the most recently acquired inventories to sales. Table 8 shows inventories valued using the LIFO method and related statistics. The statistics for corporations which used the LIFO method shown in this table are based on the attachment of a Form 970, Application for the Adoption and use of the Elective Inventory Method, to the return for the taxable year in which LIFO was first adopted for all inventories or only for the inventories of a product line, geographic group, division or other specific part of the corporation, or on information provided in the narrative

description of inventory valuation methods requested in the cost of goods sold schedule. The data are understated to the extent corporations used the LIFO method, but did not indicate this in the cost of goods sold schedule and did not have to attach a Form 970 to the return because LIFO had previously been adopted.

Corporations with manufacturing or production operations had to use the "full absorption" method to determine the cost of inventories for taxable years beginning after September 18, 1973. The full absorption method was prescribed by income tax regulations and required that corporations include indirect as well as direct production costs in determining the cost of inventories. (See the discussion in section 1.)

Investment Credit

Investment credit, restored by the Revenue Act of 1971, was the reduction, after limitations, of income tax allowed corporations based on their investments in certain depreciable property with a useful life of at least 3 years. Such property could not be disposed of prior to the end of the useful life used as the basis of the credit. Otherwise, the credit already taken had to be repaid 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" (4 percent for public utility property), an amount derived from the cost of property and designed to give weight to investments in longer-lived assets. The credit claimed could equal the income tax available for investment credit--income tax (excluding tax from recomputing prior year investment credit and additional tax for tax preferences) less foreign tax credit but before work incentive (WIN) 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. Certain limitations were applicable to special classes or kinds of corporations. Code section 46 limited the applicability of the credit for mutual savings banks, building and loan associations, and cooperative banks by reducing the qualified investment and \$25,000 tax liability limitation by 50 percent. In the case of regulated investment companies and

real estate investment trusts, the qualified investment and \$25,000 tax liability limitation were reduced in the same proportion in which the organizations' taxable income was reduced by dividends paid to stockholders or beneficiaries. Similarly, in the case of cooperatives, the qualified investment and \$25,000 tax liability limitation were reduced in the same proportion in which the organizations' taxable income was reduced by patronage dividends and nonpatronage distributions. Section 48 reduced the tax and used property limitations for members of "controlled groups" so that the group as a whole was subject to the same dollar limitations as an individual corporation not part of a group and the controlled group was somewhat more broadly defined than for ordinary tax computation purposes.

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.

The credit was allowed for the first year that the property was placed in service. Property qualified for the credit was defined as tangible personal property, tangible real property (except buildings and their structural components), plus elevators and escalators. "Tangible personal property" comprised all property which was contained in or attached to a building, such as machinery or equipment. Certain types of property, even though physically located outside a building or accessory to a building were also considered to be tangible personal property. Tangible personal property also included livestock other than horses, and motion picture and television film.

"Tangible real property" included property used as an integral part of manufacturing, production, or extraction; or, used in furnishing transportation, communication, electrical energy, gas, water or sewage disposal services; or, used as a research or storage facility in connection with any of these activities.

Public utility property was property used predominantly in the business of selling or furnishing (1) electrical energy, water, or sewage disposal services, (2) gas through local distribution systems, (3) telephone services, and telegraph services by means of domestic telegraph operations, and (4) other communication services except international telegraph services. However, the rates for

any of these services had to be established or approved by certain types of government regulatory bodies. Public utility property subject to the 4 percent credit also included communication property, or property for communication purposes, acquired by nonregulated companies if it was the type normally used by regulated utilities. Other rules applicable to public utility property limited somewhat the eligibility of submarine cables for credit if the credit was passed on in its entirety to customers through lower rates (rather than dividing the benefit between investors and customers).

Investment credit could not be claimed for property with a useful life of less than 3 years, and the eligibility of used property was further limited in that the total cost recognized could not exceed \$50,000. Also ineligible for the investment credit was (1) property used for lodging, except for coin-operated machines in apartment buildings, (2) property used predominantly outside the United States, except for commercial communication satellites, submarine telephone cables used exclusively in communication links between the United States and foreign countries, and drilling equipment used in international or territorial waters, (3) property used by certain tax-exempt organizations, (4) property used by governmental units, or international organizations, (5) property consisting of horses; or, of other livestock if sold and replaced by substantially identical animals during a relatively short specified period of time, (6) property for which special 5-year rapid amortization was elected in lieu of ordinary depreciation (including certain pollution-control facilities, railroad rolling stock, coal mine safety equipment, on-the-job training and child care facilities, and expenditures for the rehabilitation of low-income rental housing), and (7) certain foreign-produced property (especially defined) that was constructed or erected after August 15 and before December 20, 1971, or acquired pursuant to an order placed during this same period (but with exceptions chiefly for certain agricultural equipment), and thereafter only if stated under executive order of the President.

For property constructed, reconstructed, or erected beginning before April 1, 1971 and completed after August 15, 1971, only that part of the cost incurred after August 15 was eligible for the credit. However, "pre-termination property" (property which, in

general, was constructed under a binding agreement prior to the April 1969 repeal of the investment credit) continued to be eligible for the credit even if construction began before April 1, 1971.

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

Investment Credit Carryover

Amounts of "tentative" or "earned" credit based on "qualified investment" could not be claimed if they exceeded the first \$25,000 of income tax plus 50 percent of the tax in excess of \$25,000 in a given year. (For this purpose, income tax was defined as the amount remaining after deducting any foreign tax credit and excluding additional tax for tax preferences and tax from recomputing prior year investment credit.) Amounts of credit in excess of these limitations (including amounts earned by corporations that had no tax for the year) could be carried back, chronologically, for use in the 3 preceding years provided they were within the same limitations based on tax for each year. Any amount remaining could then be carried over to the 7 succeeding years, in chronological order, in the same manner. Special rules were set forth for the carryover period for unused credits still eligible to be claimed for investments made prior to the 1969 repeal. The Tax Reform Act of 1969 had repealed the credit for all property that was acquired or whose construction, reconstruction, or erection began after April 18, 1969. To effectuate the repeal of the credit, the 1969 Act had provided that the unused credits which could be used in 1969 and later years could not exceed 20 percent of the aggregate carryover to 1969. Under the Revenue Act of 1971, the carryover period was extended from 7 to 10 years.

In order to discourage corporations from postponing investments eligible for credit until any remaining unused credits under the previous law were "used up," the 1971 Act repealed the 20 percent limitation for taxable years ending after December 1971; and, for that part of a taxable year that ended after August 15, 1971, but prior to 1972, the 20 percent limitation was increased

by 6 percent per month for the part of the year that occurred after August 15. The 1971 Act also reversed the normal sequence in which the current-year tentative credit and the unused credit carryover from prior years could be applied with regard to the credit limitations based on size of tax. In contrast to the sequence provided under prior law, the 1971 Act provided that for taxable years beginning in 1971 or later, the limitations were to be first absorbed by carryovers from pre-1971 years, and then, to the extent possible, by the tentative credit for the current year, and finally, by carryovers and carrybacks from post-1970 years. Additionally, for taxable years beginning in 1971 or later, the carryovers from pre-1971 years could be used up over a 10-year rather than a 7-year period. However, the 3-year additional carryover period did remain in effect for carryovers and carrybacks to taxable years beginning after December 31, 1968 and ending after April 18, 1969, but only for carryovers and carrybacks to taxable years beginning before January 1, 1971. Under this rule, only that portion of a carryback or carryover to such taxable years that could not be completely used up solely because of the 20 percent limitation qualified for the additional 3-year period.

The statistics may include any carryover of unused credit for "suspension period property" (up to \$20,000 worth of property was exempted from the temporary suspension of investment credit from October 10, 1966, through March 9, 1967). The statistics may also include the carryover of any unused credit for "pre-termination property" (property which was acquired or constructed during the period April 19, 1969, through August 15, 1971, when the credit was terminated if there was a binding contract entered into before the period began). Data for the carryback of unused credit were not reported on the current year return and, thus, are not reflected in the statistics. (For the relationship between carryover and the unused credit see "Unused Investment Credit.")

Investment Qualified for Credit

Under the law in effect prior to 1971, qualifying property with a useful life of 4 years or more was eligible for the investment credit. Beginning in 1971, the law allowed the credit for eligible property with a useful life of 3 years or more. Previously, if property had a life of 4 but less than 6 years,

one-third of its cost (or basis) comprised "qualified investment" eligible for credit. Property with a life of 6 but less than 8 years "qualified" with respect to two thirds of its cost and property with a life of 8 years or more was fully "qualified." For property acquired or constructed after March 31, 1971, the Revenue Act of 1971 maintained those proportions of investment qualified for credit but shortened the useful life classes by one year each. More specifically, the proportion of the property's cost (or basis) which comprised "qualified investment" eligible for the credit was: one-third if the property had a useful life of 3 but less than 5 years; two-thirds if the property had a useful life of 5 but less than 7 years; and the full amount if the property had a useful life of 7 years or more. (The former classes continued to apply, however, for "pre-termination property" acquired or completed before August 16, 1971, unless construction began after March 31, 1971.)

"Qualified investment" (shown in the statistics as "investment qualified for credit") was thus the base upon which the credit was computed. It took into account purchases of new property and to a limited extent, purchases of used property. While, for corporations in general, qualified investment equalled the sum of amounts based on the useful life class percentages described above, for "public utility property" qualified investment was equal to 4/7 (previously 3/7) of the sum thus determined. Thus, in effect, the investment credit for public utility property was 4 percent (previously 3 percent) instead of the 7 percent allowed corporations in general.

However, in completing Form 3468, 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 (4 percent) in computing the tentative investment credit. (See "Tentative Investment Credit.") Therefore qualified investment as defined by 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 1974, the statistics for investment qualified for credit may have included amounts of suspension period property acquired during the temporary suspension of the credit (October

10, 1966 through March 9, 1967) but not placed in service until the 1974 tax year. This property, which was not eligible for the credit was normally identified by the taxpayer and was removed from the total during the editing stage of statistical processing. However, in some cases it could not be identified for removal and remained in the total.

The statistics for investment qualified for credit do not include property constructed or acquired during the termination period after April 18, 1969 and generally through March 31, 1971. However, so-called pre-termination property (which was constructed or acquired during this period under a binding contract in effect on April 18, 1969) is included.

Investments in Government Obligations

This balance sheet asset item comprised (1) bonds or other obligations of a State, or U.S. possession, including obligations of political subdivisions and of the District of Columbia, and (2) U.S. obligations, including 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, which was reported as a separate capital asset on the balance sheet, may be understated in this report because it could not always be identified. Some corporations may have included land as part of "Depletable assets" or included it in "Other investments." If land was certified as an emergency facility for the national defense, it could be amortized. If so, only the net land value (i.e., the value of land after the adjustment for amortization) was reported.

Loans From Stockholders

This balance sheet liability item was regarded as long-term in duration and may have included loans from stockholder corporations as well as from other stockholders.

Loans to Stockholders

This balance sheet asset item was regarded as long-term in duration and included loans to stockholder corporations as well as to other stockholders.

Long-term Capital Gain From Certain Binding Contracts and Installment Sales

Long-term capital gains which stemmed from installment sales or other disposition made under certain binding contracts entered into before October 10, 1969, if received before January 1, 1975, were taxed at the pre-1970 alternative rate of 25 percent in lieu of the revised 30 percent rate required by the Tax Reform Act of 1969. The 25 percent rate did not apply to gains from timber, coal, or domestic iron ore eligible for capital gains treatment under Code sections 631 and 1231.

Since these gains were reported only in connection with the computation of income tax, the statistics for them may be slightly understated because 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.

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 sections 1561-1564. 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 (1) a common parent corporation had 80 percent or more control of one or more chains of subsidiaries (parent-subsidiary group), or when (2) five or fewer persons (individuals, estates, or trusts), individually or in combination, had 80 percent or more control of each of two or more corporations, but where the sum of each person's "identical" ownership in the group totaled

more than 50 percent (brother-sister group). "Identical" ownership was considered to be the lowest common percent of ownership of an individual owner in each of the corporations comprising the group. Thus, if a person had ownership in each corporation in a given group and the smallest percent ownership was, for example, 5 percent of corporation A, that person's identical ownership in the entire group was considered to be 5 percent. Combination groups were possible when a person or persons controlled two or more corporations, one of which was the parent of one or more subsidiary corporations.

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. Domestic International Sales Corporations (DISC's) were by their nature members of controlled groups. However, control was defined in terms of 50 percent stock ownership. DISC returns were not included in table 34.

Control was based 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 surtax exemption to one per group. However, as an alternative, code section 1562 allowed each controlled group that filed separate returns for each member to claim a \$25,000 surtax exemption for each member provided an additional tax equal to 6 percent of each surtax exemption (in excess of the one allowed the group) was reported on each return. Under provisions of section 1564, section 1562 was to be phased out, starting with 1970, over a 5-year transition period at the end of which multiple surtax exemptions would no longer be allowed. During the transition period, each \$25,000 multiple surtax exemption was reduced by \$4,167 per year; the 6 percent additional tax continued to apply over this time, but it amounted to less since it was imposed on the gradually diminished amount of

each exemption. For purposes of the 1974 statistics, the value of multiple surtax exemptions was \$8,333 (for taxable years that included December 31, 1973) and \$4,167 (for taxable years that included December 31, 1974).

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. Because the return form did not provide a separate place for reporting any reserve for uncollectible mortgage and real estate loan accounts, such reserves may have been 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, statistics for it were therefore added to the allowance for bad debts.

Mortgages, Notes, and Bonds Payable

These liabilities were separated on the balance sheet according to the length of time to maturity of the obligations. The length of time to maturity was based on the date of the balance sheet rather than on the date of issue of the obligations. Accordingly, long-term obligations maturing within the next taxable year were included together with short-term obligations in the statistics for mortgages, notes, and bonds payable in 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 long-term capital gain reduced by net short-term capital loss)

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

Net capital gains represented the excess of gains over losses from the sale or exchanges of capital assets subject to the limitations described below. 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).

Net short-term gains (reduced by net long-term losses) were taxed

as ordinary income. However, net long-term gains (reduced by net short-term losses) were taxed at a rate of 30 percent for 1971 and thereafter. This rate however did not 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. For these transactions the lower rate of 25 percent which was in effect for 1969 and earlier years continued to apply.

Excess net losses sustained in taxable years beginning after 1969 could be carried back as short-term losses to be applied against the net capital gains of the 3 preceding years; any losses remaining after carryback were carried over to the 5 succeeding years. Excess net losses sustained in taxable years beginning in 1969 or earlier, could only be carried over; no carryback was allowed. Use of the carryback for post-1969 excess net losses was limited; however, it was not allowed to increase or cause a deductible "net operating loss" for prior years and was not allowed for foreign expropriation capital losses (although a special carryover period of 10 years for such losses was allowed instead) or for capital losses of Small Business Corporations electing to be taxed through their stockholders. If the unused capital loss carryover was not eliminated within the prescribed span of years, it could not be taken.

Code section 1221 defined the "capital assets" (or transactions) to which 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, and

(7) certain copyrights, literary, musical, or artistic compositions or similar properties.

Net gains from dispositions of some of the property types excluded from the definition of capital assets under Code section 1221, could receive capital gain treatment under special conditions set forth in other sections, while net gains from some of the

property types included under the definition could be denied capital gain treatment under still other sections. The latter are referred to under the heading, "Net gain or loss, noncapital assets."

Property used in trade or business, excluded from the tax-definition of capital assets, received special treatment under Code section 1231. Gains and losses from sales or other dispositions of this property 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 or loss. 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 tax rate, while a net loss under section 1231 could receive 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 Code 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 Code 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 an economic interest in the property, so that under Code 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 (including fur-bearing animals such as chinchillas, minks, and foxes), except poultry, held for drafting, breeding, dairying, or sporting purposes, and, except for cattle and horses, acquired after 1969, held for 12 months or more. The holding period for cattle and horses acquired after 1969 was 24 months or more.

The amount of gain eligible for capital gains treatment under Code section 1231 was reduced in the case of certain real and depreciable property by sections 1245, 1250, 1251, and 1252, and in the case of certain mining property, by section 617.

Code section 1245 provided that eligible gain for most depreciable property except certain kinds of real property be based on the amount of depreciation allowed on it prior to 1962. Section 1250 provided that eligible gain for certain depreciable realty be based on a percentage of the excess of accelerated depreciation over straight line depreciation allowed prior to 1963 and on the length of time the property was held. However, with certain exceptions for sales of housing, no gain based on excess depreciation taken after 1969 was eligible for capital gains treatment.

Section 1251 further limited the eligible gain for certain types of real or depreciable property to the amount in excess of farm net losses accumulated after 1969 or, in the case of farmland, to an amount in excess of certain agricultural deductions accumulated during the most recent 5-year period. Section 1252 went further, by then limiting the gain treatment of farmland depending on the length of time the property was held.

Section 617 limited eligible gain on certain mining property to an amount in excess of the sum of current and recent prior year deductions for exploration and development expenditures.

None of these Code provisions had any effect on the treatment under Code section 1231 of losses resulting from the disposition of such property. For a description of the property to which sections 1245, 1250, 1251, 1252, and 617 applied, see the explanation of "Net Gain (or Loss), Noncapital Assets."

Net gains and certain net losses under Code section 1231 also resulted from "involuntary conversions" not only of the property types 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. Gain or loss from involuntary conversions such as by condemnation were included in the regular consolidation of section 1231 gains and losses previously described. Beginning with 1970 though, a separate netting of gains and losses was required for involuntary conversions by theft, or from fire, storm, shipwreck or other casualty, whether insured or uninsured. If the result was a

net loss, it was treated as a fully deductible loss (without regard to other section 1231 transactions) and was excluded from the capital gain statistics. 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 discussions of "Net Gain (or Loss), Noncapital Assets" and "Other Deductions."

Net Gain (or Loss), Noncapital Assets

This computation resulted mostly from the sale or exchange of (1) certain depreciable, depletable, and real property (described below); (2) notes and accounts receivable acquired in the ordinary course of business for services rendered or from the sale of property includable in inventory, or ordinarily held for sale; (3) certain copyrights, literary, musical, or artistic compositions or similar properties; (4) securities by dealers; (5) securities, including Government obligations, and other evidence of indebtedness such as convertible debentures, by banking, savings, and certain other financial institutions; (6) certain patents, inventions or designs, secret formulas or processes, and similar property rights by domestic corporations to their more-than-50-percent owned foreign subsidiaries; and (7) qualified export assets by Domestic International Sales Corporations (DISC's). Also included were amounts resulting from (8) certain "involuntary conversions" including net losses from casualty and theft, and (9) certain sales, exchanges, or redemptions of Controlled Foreign Corporation stock (see "Dividends Received from Foreign Corporations").

With respect to the statistics for net gain or loss, noncapital assets, an assumption was made for the statistics in the case of sales of stocks and commodities by stock and commodity brokers, dealers, and exchanges; and sales of real estate by real estate subdividers, developers and operative builders. If these transactions were included in gross receipts and cost of goods sold on the tax return, instead of in net gain or loss from noncapital assets, the resulting profit or loss from 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 (if 50 percent or less, the receipts were regarded as commission income). The tax return data for receipts and cost of sales were accordingly adjusted for the statistics (see "Business Receipts").

As explained under the definition of "Net Capital Gains," 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 net gain or loss, noncapital assets. The special treatment in this computation of gains and losses resulting from involuntary conversions, due mostly to casualty and theft, is described under "Net Capital Gains." Form 4797 called for net losses from casualty and theft to be included in the computation of "Net gain or loss, noncapital assets" (although some corporations reported them in "Other Deductions").

The amount of gains (though not losses) on dispositions of property includable in the computation of net gain or loss under Code section 1231, was limited as a result of sections 1245, 1250, 1251, 1252, and 617. 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.

Code sections 1245 and 1250 applied to certain depreciable property. Sections 1251 and 1252 prescribed additional rules for much of this same property if it was used in the business of farming, as well as for certain other types of property used in farming and covered under section 1231. Section 617 applied to certain depletable property.

Code Sections 1245 and 1250

The depreciable property to which Code section 1245 applied was: (1) personal property other than livestock, whether tangible (such as machinery and equipment), or intangible (such as patents and copyrights); and (2) other tangible property including certain realty other than buildings and their structural components, if it was an integral

part of specified business activities, or which constituted research or storage facilities used in connection with such activities. The business activities qualifying were manufacturing, production, or the providing of transportation, communications, electrical energy, gas, water, or sewage disposal service.

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

The amount of gain on dispositions of depreciable property under Code section 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 Code section 1245, the amount of gain treated as ordinary income was based on the depreciation (or amortization in the case of defense "emergency facilities") allowed or allowable after 1961 (after 1963 for elevators and escalators and after 1969 for livestock (including fur-bearing animals such as chinchillas, minks, and foxes)). This "depreciation recapture" applied to dispositions of property made during taxable years beginning after 1962 (after 1963 for elevators and escalators and after 1969 for livestock).

Under Code section 1250, the amount of gain treated as ordinary income was based, in general, on the excess of accelerated over straight line depreciation allowed or allowable after 1963. However, this "depreciation recapture" was further qualified in the case of depreciation taken, or sales made, during 1963-69, so that 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.

For depreciation taken, or sales made, after 1969, these qualifications were rescinded (with certain exceptions for residential rental housing, housing rehabilitation expenditures, and Government-subsidized housing), so that the entire amount of post-1969 excess depreciation was "recaptured" an ordinary income.

Code Sections 1251 and 1252

Under Code section 1251, net gain or loss from noncapital assets included ordinary gains from the sale or other disposition of certain types of farm business property which would otherwise have been eligible for long-term capital gain treatment under section 1231. Dispositions already regarded as ordinary gain or loss using section 1250 rules were excluded.

Amounts treated as ordinary gain were based on farm net losses accumulated after 1969. These net losses were before the gain or loss under Code section 1231 and, over the years, were first offset against any farm net income. The resultant accumulated loss was then applied against the gain on farm property. If the gain exceeded the accumulated loss, it was treated as ordinary gain to the extent of the loss and only the excess gain was eligible for capital gains treatment. If the reverse was the case, the gain was similarly treated and the excess loss was carried over for use in connection with future gains. For electing Small Business Corporations, this recapture of farm losses was less restrictive and was applicable only if farm net loss exceeded \$25,000, nonfarm net income exceeded \$50,000, and none of the stockholders had a farm net loss of their own. Section 1251 was not applicable if farming operations were accounted for on an accrual basis, inventories used, and deductible amounts capitalized and recovered over the years through depreciation, even though the law permitted expensing of the full amount currently on an elective basis.

Code section 1231 property subjected to these recapture rules included depreciable personal property; livestock (including fur-bearing animals such as chinchillas, minks, and foxes), except poultry; unharvested crops sold with the land on which they were growing; and land. For land, there was a limitation under section 1251 on the amount of gain treated as ordinary income: the amount recaptured could not exceed accumulated deductions for soil and water conservation and land clearance expenditures in the current and 4 preceding years. However, there was an additional recapture for land, under section 1252. This recapture was based on a declining annual percentage of total post-1969 deductions for these same expenditures. The percentage was reduced to zero when land was held for 10 years or more at which time the additional recapture did not apply.

Code Section 617

Under Code section 617, corporations engaged in domestic mining operations that elected to claim unlimited deductions for exploration and development expenses (except for oil and gas) had to "repay" their post-1969 deductions when the mine reached the producing stage or when it was sold. If the mine was sold, the profit was treated as an ordinary net gain from a noncapital asset to the extent that the gain was equal to or less than any post-1969 deductions not already "recaptured" prior to the sale. Such gains are reflected in the statistics. Any net gain in excess of the deductions was a net gain under section 1231, and eligible for capital gains treatment.

Net Income (or Deficit)

This difference between gross taxable receipts and the ordinary and necessary business deductions reflects not only actual receipts but "constructive" receipts as well. "Includable income from Controlled Foreign Corporations" and "Foreign dividend income resulting from foreign taxes deemed paid" in this section describe this income which, though not actually received, was required to be reported by corporations for tax purposes.

The statistics for net income are generally larger than the statistics shown for "Income subject to tax." The reason for this is that certain statutory special deductions from net income were allowed most corporations in computing their income subject to tax. Also, the net income of Small Business Corporations is included in the statistics of net income while only certain long-term capital gains which were taxable to these corporations were assigned to the statistics for income subject to normal tax, surtax, and alternative tax. Further, the net income statistics include the amounts for Domestic International Sales Corporations (DISC's); since these corporations were not taxable, they had no income subject to tax to report.

For mutual insurance companies other than life or marine and other than certain fire or flood insurance companies, the net income (or deficit) used for Statistics of Income was the sum of the net investment income or loss, the statutory underwriting income or loss, and the subtractions from the Protection Against Loss (PAL) account before statutory special deductions

allowed corporations in general. 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 Form 1120M return and instructions in section 5 of this report and in Code sections 823 and 824.

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

For life insurance companies, the net income (or deficit) used for statistical purposes comprised the gain or loss from operations shown on the Form 1120L return (see section 5 of this report) adjusted by adding back the dividends received and the operations loss deductions. Gain or loss from operations (which included both underwriting and investment income) represented gross taxable receipts reduced by ordinary and necessary business deductions and by additions to required reserves, certain other statutory deductions pertinent only to these companies, and by the dividends received and operations loss deductions.

Net Income (or Deficit) per Books of Account

This was the after-tax profits as reported in tax return schedules reconciling income per books of account with income per Internal Revenue Code (see Schedule M-1, "Reconciliation of income per books with income per return," on the Form 1120 return facsimile in section 5 of this report), or in the case of most insurance companies, from the annual statements filed with the return.

For the most part, tax law provisions agree with accepted accounting practices and recognize the application of general accounting principles to the conditions and practices of a particular trade or business. However, for certain kinds of income, deduc-

tions, or transactions, the law allows or requires special accounting that digresses from generally accepted accounting methods.

Four fundamental reasons account for most of the disparity between tax and book profits: (1) different bases, or accounting values, assigned to property which, for example, affect the size of depreciation or gain or loss when the property is sold; (2) different definitions of numerous components, e.g., depreciation, depletion, and bad debt losses; (3) accounting differences in timing the receipt of income and the expensing of deductions, e.g., installment sales, income from construction contracts, prepaid income or anticipated future losses or expenses, income from foreign subsidiaries and expenses typically capitalized on the books but expensed on the tax return, (e.g., intangible drilling costs), or vice versa; and (4) recognition of certain income and deductions for tax purposes only, e.g., the "Foreign dividend income resulting from foreign taxes deemed paid," or for book purposes only, e.g., interest on State and local Government obligations, lobbying expenses, and certain undistributed profits of foreign subsidiaries.

The data shown are subject to certain limitations. Although all corporations were required to provide data for a reconciliation of profits, some did not include them in their tax returns as originally filed, while others provided them in schedules of their own design from which total net income per books could not always be determined. Also, net income for tax purposes is likely to be more uniformly determined than net income for book purposes because of the necessity to conform with provisions of the Internal Revenue Code, although complete uniformity is lacking because of the various elections, special treatments, and other provisions in the law. In addition, net income per books was after taxes. The income tax liability reported on the tax return often differed from the book amount because of the several methods of accounting for taxes on the books. The statistics may be slightly overstated depending on how parent corporations accounted for the earnings of their nonconsolidated subsidiaries. Duplication resulted when the parent reported its equity in subsidiaries in its book net income and the subsidiaries then also reported their individual book net incomes on their own returns.

On an historical basis, both book and tax net income are affected by changes in accounting practices by particular companies, in generally accepted accounting principles, and in tax law. Moreover, because more definitive measures of the differences between tax and book profits are not available, there is no way of knowing how much of the difference is permanent (because of different definitions) or only temporary (timing differences would be expected to "wash out" over a number of years).

Net Long-Term Capital Gain Reduced by Net Short-Term Capital Loss, in Excess of \$25,000

These amounts of gain in excess of \$25,000 represented the tax base for "taxable" Small Business Corporations electing to be taxed through their stockholders (certain newly electing corporations were liable for tax either on their net long-term capital gains in excess of \$25,000 when net long-term capital gains were more than 50 percent of a net income that was over \$25,000, or on their net income in excess of \$25,000, whichever resulted in a lower tax). See the discussion under "Income Subject to Tax" in this section.

Net Long-Term Capital Gain Taxed at Alternative Rates

This was the part of the tax base used for the tax computation allowed under Code section 1201 for those returns where the alternative tax rate resulted in a lower tax liability than would have resulted from using normal tax and surtax rates on total taxable income. See also the discussion under "Income Tax."

Income subject to tax for returns with alternative tax was the sum of (1) net long-term capital gain (reduced by net short-term capital loss), and (2) income taxed at normal tax and surtax rates (the balance of taxable income).

For most corporations, use of the alternative tax did not affect the amount shown as income subject to tax. However, when net long-term capital gain (reduced by net short-term capital loss) was greater than taxable income (net income minus statutory special deductions) but the alternative rate (30 percent for 1971 and thereafter, 28 percent for 1970, and 25 percent for certain transactions occurring before October 10, 1969) applied to the capital gains was less than the regular rates applied to taxable

income, the capital gains, rather than taxable income became the tax base and was used for the income subject to tax statistics.

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 1974 or during January through June 1975 were included in this classification. Chart 1 in section 1 shows the percentage of returns filed for each of the accounting periods covered in this report.

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 1 year. Current nontrade receivables were generally included in "Other current assets."

The tax return balance sheets on most corporation income tax forms called for the reporting of both "gross" receivables and the "Allowance for bad debts." However, some corporations reported only the net amount. In addition, in the case of Domestic International Sales Corporations (DISC's), only the net amount was called for on the tax return balance sheet, and in the case of insurance companies filing balance sheets in the form required under State law, only the net amount was reported.

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 "Mortgage and Real Estate loans."

The allowance for bad debts, shown as an adjustment to notes and accounts receivable, may also include the reserves for the separate account, mortgage and real estate loans. As a result, it was possible for the allowance for bad debts to exceed the amount of notes and accounts receivable.

Number of Returns

Returns of inactive corporations were excluded from the statistics, except in table B where inactive corporation returns are included in the total number and are also shown separately. (See "Inactive Corporation Returns.") The number of Form 1120-DISC and Form 1120S returns filed, respectively, by Domestic International Sales Corporations and Small Business Corporations for which an election was made to be taxed through stockholders are included in each total number (except for those tables which specifically exclude these returns) and are 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 noncurrent 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. Other assets of life insurance companies included the market value of real estate, and that portion of stock and bond holdings in excess of book value. For Domestic International Sales Corporations (DISC's), this item also included "nonqualified assets" (i.e., assets that were not export related or that failed to meet the requirements indicated for "qualified export assets" in Code section 993).

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 account.

Includable 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 includable in this item.

Also includable 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, or which were not included elsewhere 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; utility expenses not reported as part of the cost of goods sold; 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; amortization of bond premiums and certain other financial items such as loan or

mortgage costs reported as amortization (corporations often reported this deduction as part of other deductions for which no special treatment was required); unrealized profit on current-year installment sales; reported amounts of negative income; and certain "involuntary conversions" (described below). Also included were itemized business deductions and other deductions unique to Domestic International Sales Corporations (DISC's), life and most mutual insurance companies. Included was 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 would be allowed. In the case of DISC's, the statistics include deductions such as those for market studies, sales commissions, and freight and other expenses (whether or not export promotional).

The estimates for other deductions may include losses resulting from involuntary conversions by theft, or from fire, storm, shipwreck, or other casualty (see the discussion under "Net Capital Gains") if these losses were reported in the taxpayer's own schedule for other deductions. For the statistics, no attempt was made to transfer the data to the capital gains computation. Losses from involuntary conversions which were reported as ordinary losses were included in the estimates for "Net gain (or Loss), noncapital assets."

Other Interest

Included in this item were 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. Also included in this category

(except in table 30) were investments unique to Domestic International Sales Corporations (DISC's), such as investments in related foreign export corporations, Export-Import Bank obligations, and producer's loans.

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."

In one respect the statistics may be somewhat overstated. Treasury stock intended for resale may have been reported as an asset on some tax returns and if not clearly identified as treasury stock would have been included in the statistics for "Other investments." When these amounts could be identified, they were transferred to the liability side of the balance sheet statistics under "Cost of treasury stock."

Other Liabilities

Other liabilities were obligations which were not allocable to a specific account on the return form balance sheet and which were either noncurrent accounts, in general not due within 1 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 form, 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 commissions; profit on prior years' collections (installment basis); profit on the purchase of a corporation's own bonds; recoveries of losses and bad debts previously claimed for tax purposes; refunds for the cancellation of contracts;

and income from sales of scrap, salvage, or waste. Also regarded as other receipts were certain dividends received, such as from Federal Reserve and Federal Home Loan Banks, and from the following special classes of corporations: China Trade Act corporations; corporations deriving a large percent of their gross income from sources within a U.S. possession; and tax-exempt charitable, educational, religious, scientific and literary organizations, and mutual and cooperative societies including farmers' cooperatives.

For Domestic International Sales Corporations (DISC's), other receipts comprised all "nonqualified" gross receipts reported on the return except nonqualified dividends. In addition, in the case of DISC's acting as commission agents for someone else, only the commissions earned and not the underlying gross receipts on which the commissions were earned were included in the statistics. Nonqualified gross receipts thus took into account: (1) sales of goods and services for ultimate use or consumption in the United States, (2) exports subsidized by the U.S. Government, (3) certain direct or indirect sales or leases for use by the U.S. Government, and (4) sales to other DISC's in the same controlled group of corporations. (See also, "Business Receipts.")

Overpayments Claimed as a Credit

This was the amount of overpayment the corporation specifically requested to be credited to 1974 estimated tax, in lieu of requesting a refund in the prior year. The credit is reflected in the amount shown as estimated tax payments.

Paid-In or Capital Surplus

This balance sheet item comprised additions to the corporation's capital from sources other than earnings. These sources included amounts of surplus occasioned by donation, appreciation of assets, receipts from the sale of capital stock in excess of stated value, stock redemptions or conversions, and similar transactions. The amounts shown are after deducting any negative amounts.

Part-Year Returns

Part-year returns were those filed for accounting periods of less than 12 months which ended in the period July 1974 through June

1975. Such returns were filed as a result of business liquidations, reorganizations, mergers, and changes to new accounting periods. Chart 1 in section 1 shows the percentage of returns filed for each of the accounting periods covered in this report.

Payments With Applications for Extension of Filing Time (Forms 7004 and 7005)

These statistics were derived from the income tax returns rather than from the application for extension of time to file, Form 7004, and the application for additional extension of time to file, Form 7005, or their equivalents. Corporations which filed Form 7004 on time and paid the required amount of tax liability (tentatively determined) were granted an automatic extension of 3 months in which to file returns. A second extension (requested on Form 7005) 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 on Form 7004, 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. If a second extension of time to file was applied for, the balance of any unpaid tax liability was due at the time of 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, and 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 these limitations. Deductions were also allowed for employer contributions made to benefit plans established for certain U.S. citizens employed by foreign subsidiaries and branches of domestic corporations. The statistics for this item include such amounts identified in the cost of sales and operations schedules. (See also, "Employee Benefit Programs.")

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 active conduct of a 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 except bank holding 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 or 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 2-1/2 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, the tax on the excess included an amount determined at a rate of 6 percent per year of the excess.

Rent Paid on Business Property

These deductions for ordinary and necessary expenses consisted of rents paid for the use of land or structures; and rents paid for

leased roads, rolling stock, and work equipment for railroad companies. Identifiable amounts of taxes paid and other expenses of lessees in connection with rent paid were included in their respective deduction headings.

Rents

These were the gross amounts received for the use or occupancy of property. Expenses related to rental property such as depreciation, repairs, interest paid, and taxes paid were not deducted directly from the rental income but were reported as business deductions from total receipts. The rental income of manufacturing, public utility, and service corporations which frequently leased rather than sold their products, was included in "Business Receipts" rather than as rents.

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.

For the relatively few taxpayers using the Class Life Asset Depreciation Range (CLADR) system (see the discussion under "Depreciation under Class Life Asset Depreciation Range (CLADR) system" in this section), an alternative method of computing the deduction for repairs was available when ambiguity existed as to whether expenditures for repairs, maintenance, rehabilitation, or improvement of depreciable property could be deducted in the year paid or incurred, or had to be capitalized and depreciated over the useful life of the property. Under the rules prescribed, all qualifying expenditures within a given asset guideline class were treated as currently deductible repairs provided they did not exceed the "repair allowance." The repair allowance for an asset guideline class was based on the percentage prescribed for that class applied to the "average" cost or unadjusted basis of "repair allowance property" in that class. Amounts in excess of the percentage had to be capitalized.

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 for plant expansion, bond retirements, and contingencies for extraordinary losses. Specifically excluded were the reserves for bad debts, for depreciation, for depletion, and for amortization, which were shown separately; and, the reserves for taxes, and unrealized profits or unearned income, which were includable in "Other liabilities."

Retained Earnings, Unappropriated

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

For Domestic International Sales Corporations (DISC's), this item included previously taxed DISC income, undistributed DISC income, and other earnings and profits.

Similarly, for electing Small Business Corporations, this item included earnings from before the corporation's election as well as earnings since the election, to the extent that they had not yet been distributed to the stockholders.

Returns of Active Corporations

These returns were the basis for all financial statistics presented in the report. They comprised the vast majority of the returns filed, and were defined for the statistics as returns of corporations reporting any income or deduction items.

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. (See "Net Income (or Deficit).")

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).")

Royalties

Royalties were payments received, generally on an agreed percentage basis, for the use of property rights. 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 received. Expenses relating to royalties, depletion or taxes, for example, were not deducted directly from this income, but were reported among the various business deductions from total gross income.

Excluded from the statistics 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 was 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 these 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 their 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, (3) corporation filing a part-year tax return because of a change in accounting period, (4) foreign corporations with income effectively connected with the conduct of a trade or business within the United States (except

foreign insurance companies providing balance sheet information for U.S. 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 stockholders 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 stockholders, 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. Moreover, the corporation could not receive more than 80 percent of its gross receipts from sources outside the United States nor more than 20 percent from passive investments (interest, rents, royalties, annuities, and gains from the sale or exchange of stock and securities). The 20 percent passive income limitation did not apply during the first 2 years of business unless such income, for the year in question, was \$3,000 or more.

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, an existing corporation that elected (under Code section 1372) to become a Small Business Corporation was subject to a special capital gains tax for the first 3 taxable years of the election. On the other hand, a new corporation which was an electing Small Business Corporation for each year of its existence was not subject to the special capital gains tax at all. Foreign tax credit, investment credit and work incentive (WIN) credit were not available to the corporation to reduce this tax (although the cost of investment credit property and WIN program salaries and wages were allocated to stockholders for their use in computing the credits). Section 1378 of the Code provided that the amount of the tax was the lower of the amounts resulting from the alternative tax rate applied to the excess of net long-term capital gain (reduced by net short-term capital loss) over

\$25,000 when net long-term capital gains were more than 50 percent of a net income that was over \$25,000, or the normal tax and surtax rates applied to net income.

Generally, the income of the Small Business Corporation was taxable to its stockholders as ordinary income. Net long-term capital gains (reduced by any tax paid on them by the corporation) were not taxable as ordinary income, but instead retained their character in the hands of the stockholders. Also, stockholders were allowed to deduct their share of the corporation's 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 stockholders 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 deductions for: (1) net operating losses of prior years, and (2) total "special deductions" as defined by the Code, i.e., the sum of deductions for intercorporate dividends received, for dividends paid on certain preferred stock of public utilities, and for 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.

In general, net income less statutory special deductions equalled 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 "Net operating loss" for some corporations. Statutory special deductions were not allowed to Small Business Corporations for which an election was made to be taxed through stockholders, nor to regulated investment companies and real estate investment trusts.

Although Domestic International Sales Corporations (DISC's) were not taxable, in order to compute "tax deferred income and income taxable to stockholders," two of the statutory special deductions, i.e., net operating loss deduction and intercorporate dividends received deduction, discussed below, were allowed.

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

1. Net operating loss deduction.— The total net operating loss deduction was based on statutory net operating 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 1974. Losses incurred after 1974 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 previous loss years, and (b) statutory special 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. Net operating losses incurred by Domestic International Sales Corporations (DISC's) were deductible from net income only if the DISC had been a corporation prior to its election to become a DISC and only for losses incurred prior to the election. The statistics are overstated to the extent small amounts of net operating loss deductions were reported by DISC's without net income.

For a "parent-subsidiary" controlled group that had elected separate surtax exemptions for each group member under prior law, but which had shifted to a single group exemption and filed a consolidated return under subsequent law special provisions for the treatment of net operating losses of the individual group members applied. The net operating losses of such individual group members sustained in years during which the election of multiple surtax exemptions was in

effect could be carried over and deducted from consolidated net income. (For groups that shifted to a single exemption and filed separate returns, 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 subsequent years. Further, the group had to file a consolidated return for the accounting period that included a December 31 in the taxable years for 1970-1974. For part-year returns not having a December 31, the nearest December 31 was used.

2. Total special deductions.—The total special deductions presented in this report was the sum of the following deductions:

a. Intercorporate dividends received deduction.—The intercorporate dividends received deduction, under Code sections 243-246, was the sum of the following components:

(1) 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 intercorporate dividends received deduction. Since Domestic International Sales Corporations (DISC's) were not subject to tax, the intercorporate dividends received deduction was not allowed for dividends received by their stockholders. However, if the dividends were paid out of earnings and profits from a year before the election was made to become a DISC, the stockholders were entitled to the deduction for such dividends.

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

(3) a transitional deduction equal to 97.5 percent (for a tax year that included December 31, 1974 in it, and 95 percent for a tax year that included December 31, 1973 in it) of certain intragroup dividends received (qualifying under Code section 1564) allowed members of controlled groups claiming multiple surtax exemptions under section 1562. Beginning with the tax year which included December 31, 1970, the former rate of 85 percent was gradually increased by 2.5 percent increments per year for such controlled groups so that for tax years beginning after December 31,

1974, the deduction would be the same 100 percent deduction described below under (4). This increase corresponded to the gradual elimination of multiple surtax exemptions over the same period.

(4) a deduction equal to 100 percent of certain intragroup dividends allowed members of controlled groups not electing to file consolidated returns, but sharing instead, a single surtax exemption under Code section 1561.

(5) 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.

(6) a deduction equal to 60.2 percent of dividends received on certain preferred stock of public utilities for which a dividends paid deduction, described below, was also allowed the distributing corporation. The applicable percentage was based on the income tax rate.

(7) 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.

b. 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, amounted to 29.2 percent of the dividends paid on such stock.

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.

c. 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 rate as described for the deduction for dividends paid on certain preferred stock of public utilities.

Tax Deferred Income and Income Taxable to Stockholders

This amount resulted from the special tax deferral treatment afforded Domestic International Sales Corporations (DISC's). Such corporations were not taxable themselves; taxes were assessed, instead, on their stockholders which in most instances were parent corporations. The amount shown represents the DISC's net income (less deficit) minus the net operating loss deduction and intercorporate dividends received deduction. According to the special tax provisions for DISC's, only one-half of this amount was taxable to their parent corporations in the year earned; the remaining half could be deferred indefinitely. (See also, "Domestic International Sales Corporation Returns.")

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, investment, and work incentive (WIN) credits. For this purpose, the income tax included tax from recomputing prior year investment credit, tax from recomputing prior year work incentive (WIN) credit, additional tax for tax preferences, and tax on undistributed Personal Holding Company income. Tax due based on this total tax was the amount payable after taking into account (a) credit for taxes deemed paid by regulated investment companies on undistributed capital gain dividends; (b) payments with applications for extension of time in which to file; (c) payments on estimated tax; and (d) credit for taxes 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, the carryback of net operating losses, the carryback of foreign taxes paid or accrued in future years, the carryback of unused investment credit, or the carryback of certain capital losses, 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 depreciable property used in computing the investment credit of a prior year was disposed of before the useful life assumed at the time that 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 originally claimed based on the intended life in the year of acquisition and the credit that would have been allowed based on the actual life in the year of disposition. Under the Revenue Act of 1971, useful life classes for investment credit were shortened for property acquired after August 15, 1971. The revised useful life classes applied to investment credit property disposed of after this date even if the property was acquired (and credit claimed) using the longer useful life classes specified under prior law.

Recapture of investment credit was also required after August 15, 1971, when investment credit property was disposed of by reason of casualty or theft, or if 5-year rapid amortization in lieu of depreciation was subsequently elected for the property for which credit had been claimed earlier. Unless otherwise indicated, tax from recomputing prior year investment credit is included in the statistics for "Income tax" in this report.

Tax From Recomputing Prior Year Work Incentive (WIN) Credit

This tax was based on the WIN credit provisions of the Revenue Act of 1971, effective with taxable years beginning on or after January 1, 1972. A "recapture" of the credit was required whenever an employer who had claimed the credit in a prior year (1) terminated without cause the employment of an employee hired under the WIN program, or (2) failed to pay a WIN employee wages comparable with non-WIN employees for the same services.

Generally, if the WIN employee's employment did not last at least 24 months, the WIN credit had to be paid back, even though a WIN credit could be taken for only the first 12 months of employment.

Unless otherwise indicated, tax from recomputing prior year work incentive (WIN) credit is included in the statistics for "Income Tax" in this report.

Tax Overpayment

This was the amount reported as the excess of payments and credits for the tax already paid over total income tax liability at the time the return was filed. For this purpose, the income tax liability included tax from recomputing prior year investment credit, tax from recomputing prior year work incentive (WIN) credit, additional tax for tax preferences, and tax on undistributed Personal Holding Company income and was after reduction by the foreign tax, investment, and work incentive (WIN) credits. Overpayment then, was the excess of payments and credits over total tax liability after taking into account (a) credit for taxes deemed paid by regulated investment companies on undistributed capital gain dividends; (b) payments with applications for extension of time in which to file; (c) payments on estimated tax; and (d) credit for taxes 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, the carryback of unused investment credit or unused WIN credit, or the carryback of certain capital losses, may affect the final tax liability and the tax overpayment.

Since Domestic International Sales Corporations (DISC's) had no tax, tax overpayment reported on Form 1120-DISC consisted solely of the refund of U.S. excise tax on special fuels, nonhighway gasoline, and lubricating oil.

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 goods sold and operations schedules. 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 U.S. 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 included sales taxes and excise and related 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 included in 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. They comprised various kinds of tax-favored income and deductions, which, 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.

For Small Business Corporations electing to be taxed through their stockholders, all of the tax preference items described below were reported, but only the capital gain preference was taxable to the corporations themselves. The other items were taxable only to the stockholders of such corporations.

Items included as tax preferences were:

(1) Accelerated depreciation (depreciation in excess of the

amount computed under the straight line-method) allowed on (a) low-income rental housing, (b) other real property (defined in Code section 1250), and (c) personal property (defined by section 1245) subject to a net lease. The tax preference in connection with personal property subject to a net lease did not apply to corporations other than Personal Holding Companies and Small Business Corporations electing to be taxed through their stockholders.

(2) Amortization of (a) certified pollution control facilities, (b) railroad rolling stock, (c) on-the-job training facilities, and (d) child care facilities. The tax preference was the excess of these special rapid write-offs over what otherwise would have been a depreciation deduction under section 167.

(3) Reserves 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 corporations was caused chiefly by the filing of consolidated returns that included finance subsidiaries.)

(4) Depletion. The excess of the depletion deduction over the cost or other basis of the property (reduced by depletion taken in prior years) was a tax preference.

(5) 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 (generally 30 percent for 1974) 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 stockholders (Form 1120S) may have been liable (see the discussion under "Small Business Corporation Returns" in this section). Tax preferences for these corporations were ordinarily passed on to the stockholders for taxation.

Regulated investment companies and real estate investment trusts also included capital gains as a tax preference but only to the extent that such gains were not passed on to their stockholders.

Tentative Investment Credit

Tentative investment credit represented the earned credit before taking into account the statutory limitations based on the size 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 four-sevenths of the total amount. As a matter of practical computation, however, the full qualified investment was usually reported, and a 4 percent rate substituted for the 7 percent rate in order to obtain the legal tentative credit. See the facsimile of Form 3468 in section 5.

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. In addition, total liabilities were net after reduction by the cost of treasury stock. Moreover, when treasury stock intended for resale was identified in "Other investments" on the asset side of the balance sheet, it was moved to the liability side for the statistics, and the totals of assets and liabilities were also adjusted.

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 reference books or from balance sheets filed with the returns 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. (See also, "Size of Total Assets.")

Total Deductions

As derived for the statistics, total deductions comprised (1) the cost of sales and operations, (2) the ordinary and necessary business deductions from gross income, 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 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 loss from sales of noncapital assets), and (2) Nontaxable interest received from State and local Government obligations.

Excluded items--(1) Other nontaxable income recognized by the corporation, and (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 on

State and local government obligations" and excluded "Constructive taxable income from related foreign corporations."

Unused Investment Credit

This was the portion of the tentative investment credit (plus the carryover of unused credit from prior years) which was in excess of the actual investment credit claimed for 1974. Subject to limitations, the unused credit could be carried back or carried over for use in other years as described under "Investment Credit Carryover."

In general, the amounts shown in the statistics were computed on a return by return basis by taking the difference between the credit claimed and the sum of the tentative credit and the credit carryover.

Work Incentive (WIN) Credit

This credit was intended to expand job opportunities for persons participating in the Federal Work Incentive (WIN) program which was designed to provide job opportunities for welfare recipients and to make participants ready for the jobs when the jobs were ready for them. Taxpayers that were engaged in a trade or business and that hired participants in the WIN program were allowed a credit against their income tax liability for 20 percent of the WIN program expenses; i.e., salaries and wages that were paid such persons in taxable years beginning after 1971 for services performed during their first 12 months of employment (whether or not the 12 months were consecutive).

To qualify as WIN program expenses, salaries and wages must have:

(1) been paid to employees certified by the Secretary of Labor as being from the WIN program and the employees could not have displaced any individual from employment.

(2) consisted entirely of cash remuneration.

(3) been paid or incurred:

(a) for services rendered during the first 12 months of employment. (Although the

employee must have been employed for at least 24 months, the first 12 months could span a 24 month period, after which, the employee must have been employed for 12 months consecutively.)

(b) in the employer's trade or business.

(4) not been less than wages paid to the non-WIN employees performing comparable services.

(5) not been reimbursed to the employer. (If so, the expenses, for credit purposes, were disregarded to the extent of the reimbursement.)

(6) not been paid or incurred:

(a) for employment outside the United States.

(b) after the end of the 24 month period beginning with the first day of the employee's employment. (The employee's total months of employment must have equalled 12 on or before the end of this period.)

(c) to an ineligible individual. (In the case of corporations, an employee who owned directly or indirectly more than 50 percent of the value of the corporation's stock; or was a relative of such an employee.)

The credit for salaries and wages paid was tentative, in that it represented earned credit before considering the impact of a limitation based on the presence or size of income tax. The WIN credit was applied against tax liability that had first been reduced by foreign tax and investment credits, respectively. Tax which could be reduced by the credit did not include tax from recomputing a prior year investment credit, tax from recomputing a prior year WIN credit, additional tax for tax preferences, Personal Holding Company tax, or the special capital gains tax on Small Business Corporations. When applied against tax, the WIN credit was limited. For a given year it could not exceed \$25,000 plus 50 percent of tax in excess of \$25,000. The limitation was uniquely applied to members of controlled groups (as defined by Code section 1563) in that the \$25,000 cutoff applied to the group as a whole and, thus, had to be apportioned among the component members of the group when separate tax returns were filed for each member.

For Small Business Corporations

electing to be taxed through their stockholders, WIN program expenses for each taxable year were allocated pro rata among those persons who were stockholders on the last day of the taxable year for use in computing their own WIN credit.

Further, if the WIN program participant was involuntarily terminated at any time during the first 12 months of employment or before the close of the 12th calendar month of employment thereafter, any WIN credit taken for that particular participant had to be recaptured. The recapture resulted in an increase in the employer's income tax liability, for the year of the termination, by the amount of the disallowed WIN credit.

Unused WIN credit, the amount in excess of the limitation based on the size or presence of tax, could be carried back or forward for use in other years. The unused WIN credit had to be first carried back 3 taxable years or to the earliest applicable taxable year (i.e., only to a taxable year beginning after December 31, 1971) and then any unused amount remaining was to be carried forward 7 taxable years or until the credit had been exhausted. The unused credit carryback and carryover could be used to reduce any income tax liability for years to which it was carried provided it was within the limitation based on size of tax for that year.

Zero Assets

Included in this "asset size" category 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,

(3) part-year returns of corporations which changed accounting periods, and

(4) returns of foreign corporations with income "effectively connected" with the conduct of a trade or business in the United States (however, foreign insurance company returns with balance sheet information for U.S. branches were classified by the size of their U.S. branch assets).

Description of the Sample and Limitations of the Data

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 1120F--U.S. Income Tax Return of Foreign Corporation
- (6) Form 1120-DISC--Domestic International Sales Corporation Return

Returns not included in the corporation population were, for the most part, those in the Form 990 series filed by nonprofit, and therefore, tax-exempt corporations. The estimates were intended to

represent data of returns filed for the 1974 taxable year, i.e., returns with accounting periods ended July 1974 through June 1975. Nearly all of the sampled returns were for this period and were revenue processed during 1974, 1975 and 1976. However, delinquent returns for prior years, revenue processed during this same period, were included in the sample to compensate for current-year returns filed after the cutoff date for the receipt of sample returns for this report.

Sample rates ranged from 0.8 to 100 percent depending on the year sampled, the type of return, size of total assets, and size of net income (or deficit) for Forms 1120, 1120L, 1120M, 1120S, and 1120F. For Form 1120-DISC returns, rates were dependent upon size of total assets of the majority corporate stockholder and size of gross receipts from Schedule N ("Gross export receipts of DISC" in the statistics).

The selection of the returns in the sample was based on the classification shown in table F.

Table G shows the number of returns filed, the number in the sample and the sampling rate for each of the sampling classes described in table F. All sample returns, except those for Domestic International Sales Corporations (DISC's), were computer selected from the Internal Revenue Service Business Master File system on the basis of a systematic design of randomly designated ending digits of the Employer Identification Number. (These numbers were used for revenue processing in the Master File system.) Since Form 1120-DISC returns were not included on the Master File, they were manually sampled using the same system of ending digits.

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 in which returns were received without regard to the

Table F.—Corporation Return Sample Selection Classes, 1974

Sample class number by type of return and by year sampled			Sample class description ¹		
Before Jan 1975	During 1975	After Dec 1975	Size of total assets	Size of net income or deficit	Size of total sales receipts
(1)	(2)	(3)	(4)	(5)	(6)
Forms 1120, 1120S					
1a	1b	1b	Under \$50,000	Under \$25,000	Any amount
2a	2b	2b	\$50,000 under \$100,000	\$25,000 under \$50,000	Any amount
3	3	3	\$100,000 under \$250,000	\$50,000 under \$100,000	Any amount
4a	4b	4b	\$250,000 under \$500,000	\$100,000 under \$250,000	Any amount
5a	5b	5b	\$500,000 under \$1,000,000	\$250,000 under \$500,000	Any amount
6a	6a	6b	\$1,000,000 under \$5,000,000	\$500,000 under \$750,000	Any amount
7	7	7	\$5,000,000 under \$10,000,000	\$750,000 under \$1,000,000	Any amount
8a	8a	8a	\$10,000,000 or more and not controlled by full EIN	\$1,000,000 or more	Any amount
8b	8b	8b	\$10,000,000 or more and controlled by full EIN	\$1,000,000 or more	Any amount
Forms 1120L, M including PIA Ind 6355, 6356, 6357 and Form 1120F					
9a	9a	9a	Any amount and not controlled by full EIN	Any amount	Any amount
9b	9b	9b	Any amount and controlled by full EIN	Any amount	Any amount
Form 1120F excluding PIA Ind 6355, 6356					
10a	10a	10a	Any amount	Any amount and not controlled by full EIN	Any amount
10b	10b	10b	Any amount	Any amount and controlled by full EIN	Any amount
Form 1120-DISC					
			Size of total assets of majority corporate stockholders		
11	11	11	Under \$250,000,000	Any amount	Under \$10,000,000
12	12	12	\$250,000,000 or more	Any amount	\$10,000,000 or more

¹Returns are classified according to either size of total assets, net income or deficit, or size of total sales receipts, whichever puts the sample class code number higher.
²Returns with income not effectively connected with a U.S. business are included in the sample to facilitate Form 1120F selection, although not processed for the sample.

Table G.—Corporation Returns: Number Filed, Number in Sample, Prescribed and Achieved Sampling Rates, by Sample Class, 1974 Income Year

Sample class ¹	Number of returns		Sampling rates	
	Filed	In sample	Prescribed	Achieved
	(1)	(2)	(3)	(4)
Total	2,056,622	104,010	1.0	0.86
1a	74,724	542	1.0	0.86
1b	823,643	6,552	0.8	0.80
2a	27,220	329	1.5	1.21
2b	284,910	3,269	1.1	1.15
3	374,490	6,706	2.7	1.79
4a	16,035	710	5.0	4.43
4b	188,508	7,779	4.0	4.13
5a	8,043	693	10.0	8.62
5b	111,222	8,812	8.0	7.92
6a	87,606	26,104	30.0	29.80
6b	6,476	1,461	25.0	22.56
7	14,832	5,031	36.0	33.92
8a	22,445	22,665	100.0	()
8b	5,254	5,254	100.0	()
9a	2,618	2,618	100.0	()
9b	348	348	100.0	()
10a	2,208	2,208	100.0	()
10b	84	84	100.0	()
11	5,149	2,059	40.0	39.99
12	686	686	100.0	()

¹See table F for Sample Class Descriptions.

²Not applicable, since population is assumed to be equal to number of returns sampled at the 100 percent rate. Total returns filed, however, includes differences between population and sample in the 100 percent sampling rate categories.

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. Table G shows prescribed and achieved sample rates for each sample class. These prescribed and achieved rates differ because the distribution of Employer Identification Number ending digits fluctuates from year to year. As a result of this fluctuation, not all of the designated returns are always found in time for inclusion in the sample.

Returns were classified according to either size of total assets or size of net income (or deficit), whichever placed them in the sample class having the higher code (class number). For example, in table F, a Form 1120 return with total assets of \$750,000 and net income of \$75,000 would be in sample class 5 rather than in sample class 3 since the higher class number was selected in accordance with the rule above.

METHOD OF ESTIMATION

The totals for the number of returns filed were the result of computer tabulation of all the returns processed in each of the ten Internal Revenue Service Centers. 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 differences were reconciled by follow-up.

Sampling weights were attained by dividing the number of returns

filed per sample class by the number of sample returns for the stratum. All sampling weights were then converted to "integer weighting factors" which were applied to each sample return. For example, if a factor of 19.32 was computed for a stratum, 32 percent of the returns in the stratum were systematically given a weighting factor of 20 and 68 percent, a weighting factor of 19.

Column (1) of table G shows the number of returns which were subject to sampling. A comparison of the total number of returns (1,965,894) in column (1) of table 1 with the total number of returns filed (2,056,622) in column (1) of table G shows a difference of 90,728. This difference occurred for the following reasons: (1) 77,102 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 table B), and (2) the remaining 13,625 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:

- (1) foreign corporations whose income was not effectively connected with a U.S. trade or business,
- (2) mutual insurance companies apparently exempt from tax, but that filed nevertheless, on Form 1120M, and
- (3) certain foreign corporations exempt from U.S. tax under

reciprocal treaty arrangements.

SAMPLING VARIABILITY

The coefficient of variation is the standard deviation (sampling variability) of the estimate expressed as a percent of the estimated value. The standard deviation, 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 based on the sum-of-the-squares method, are shown in table 1.

Table H provides coefficient of variation estimates for frequency (but not amount) estimates in general; however, where applicable, the more precise coefficients of variation shown in table 1 for selected frequency estimates should be used. The coefficient of variation estimates shown in table H are based on an "upper limit" formula and tend to be overstated. Thus, for example, table 1 in this report shows that the total number of returns for "Eating and drinking places" under "Retail trade" was 76,601, with a corresponding coefficient of variation of 3.4. The coefficient of variation estimate found in column (8) of table H for 75,000 returns is 4.1.

The coefficients of variation in table H may be used as rough estimates for the coefficients of variation which apply to amounts associated with frequencies.

Table H.—Coefficient of Variation of Estimated Number of Returns, 1974

Estimated number of returns	Tables classified by size of total assets							Tables not classified by size of total assets, excluding Form 1120-DISC
	Size of total assets							
	Under \$100,000 ¹	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 or more	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
(Percent)								
200	(1)	11	34.6	24.5	14.1	10.0	(1)	(1)
300	(1)	(1)	24.3	20.0	11.5	8.2	(1)	(1)
400	(1)	(1)	24.5	17.3	11.7	7.9	(1)	(1)
500	(1)	13.2	21.1	15.5	8.3	6.3	(1)	(1)
600	(1)	30.3	20.0	14.1	8.2	5.6	(1)	(1)
700	(1)	26.7	18.5	13.1	7.6	5.3	(1)	(1)
800	(1)	26.2	17.3	12.2	7.1	5.0	(1)	(1)
900	(1)	24.7	15.3	11.5	6.7	4.7	(1)	(1)
1,000	(1)	21.5	15.5	11.0	6.3	4.5	(1)	(1)
1,200	32.3	21.4	14.1	10.0	5.8	4.1	(1)	32.3
1,400	29.9	19.8	13.1	9.3	5.3	3.8	(1)	29.9
1,600	28.0	18.5	12.2	8.7	5.0	3.5	(1)	28.0
1,800	26.4	17.4	11.5	8.2	4.7	3.3	(1)	26.4
2,000	25.0	16.6	11.0	7.7	4.5	3.2	(1)	25.0
2,500	22.4	14.8	9.8	6.9	4.0	2.8	(1)	22.4
3,000	20.4	13.5	8.9	6.3	3.7	2.6	(1)	20.4
4,000	17.7	11.7	7.7	5.5	3.2	2.2	(1)	17.7
5,000	15.8	10.5	6.9	4.9	2.8	2.0	(1)	15.8
7,000	13.4	8.3	5.9	4.1	2.4	1.7	(1)	13.4
10,000	11.2	7.4	4.9	3.5	2.0	1.4	(1)	11.2
15,000	9.1	6.1	4.0	2.8	1.6	1.2	(1)	9.1
25,000	7.1	4.7	3.1	2.2	1.3	0.9	(1)	7.1
35,000	6.0	4.0	2.6	1.9	1.1	0.8	(1)	6.0
50,000	5.0	3.3	2.2	1.5	0.9	0.7	(1)	5.0
75,000	4.1	2.7	1.8	1.3	0.7	0.5	(1)	4.1
100,000	3.5	2.1	1.5	1.1	0.6	0.4	(1)	3.5
150,000	2.9	1.9	1.3	0.9	(1)	(1)	(1)	2.9
250,000	2.2	1.5	1.0	(1)	(1)	(1)	(1)	2.2
500,000	1.6	1.0	(1)	(1)	(1)	(1)	(1)	1.6
700,000	1.3	(1)	(1)	(1)	(1)	(1)	(1)	1.3
1,000,000	1.1	(1)	(1)	(1)	(1)	(1)	(1)	1.1
1,500,000	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.9
2,000,000	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.8

¹Includes zero assets and assets not reported (Forms 1120-S, L, M, and F).

²Including Form 1120-DISC tables not classified by size of total assets of parent corporation.

³Coefficient of variation exceeds Government standards for acceptable estimates.

⁴Coefficient of variation is zero since returns are sampled completely.

⁵Not applicable since the estimated number of returns exceeds the population estimates.

NOTE: Method of Interpolation: Divide the estimate by 110, look up the C.V. in the same column, divide the result by 10. Example: 60,000 returns, Assets \$250,000 under \$500,000. Look up 600 C.V. 20.0 percent. Divide by 10: C.V. 2.0 percent.

Because of the predominant effect of large corporations on the statistics, the coefficient of variation of an associated amount can be larger if there is a negligible number of large corporations included in a table cell and if the dollar amount of the item measured in the cell varies considerably from return to return.

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.

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.

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.

Incorrect or missing entries were corrected during statistical editing to make them consistent with other entries on the return or accompanying schedules. Data were also adjusted during statistical editing in an attempt to achieve consistent or statistical definitions.

In transcribing and tabulating the information from the returns in the sample, additional checks were imposed to improve the quality of the resulting estimates.

Quality of the basic data abstracted at the processing centers was controlled there by means of a continuous subsampling verification system. In addition, the Statistics Division in the National Office conducted an independent reprocessing of a small subsample of the returns

statistically processed in the field as a further check on the processing. Prior to tabulation, numerous computer tests were applied to each return record to assure that proper balance and relationships among return items were maintained.

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

However, the controls maintained over the selection of the sample returns, the processing of the source data, and the review of the statistics did not completely eliminate the possibility of error. Also, practical operating considerations necessitated allowance of reasonable tolerance in the statistical processing of the data. Similarly, data were usually edited from the tax return in thousands of dollars to facilitate statistical processing. While it is felt that this did not affect the overall quality of the data, for certain data this resulted in some irregular relationships.

Forms and Instructions, 1974

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1974 U.S. Corporation Income Tax Return

Department of the Treasury Internal Revenue Service

Check if: A Consolidated return B Personal holding Co C Business Code No. (See Part I of Instructions) Name, Number and Street, City or town, State and ZIP code

IMPORTANT—fill in all applicable lines, and schedules if the lines on this schedule are not sufficient, see instruction N

GROSS INCOME 1 Gross receipts or gross sales 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 (a) Net capital gains (attach separate Schedule D) (b) Ordinary gain or (loss) from Part II, Form 4797 (attach Form 4797) 10 Other income (see instructions)—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 (see instructions) 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 30 adjusted per instructions—attach schedule) 20 Amortization (attach schedule) 21 Depreciation (Schedule G) 22 Depletion 23 Advertising 24 Pension, profit sharing, etc. plans (see instructions) 25 Employee benefit programs (see instructions) 26 Other deductions (attach schedule) 27 TOTAL deductions—Add 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 29(a) (b) Special deductions (Schedule I) 29(b) 30 Taxable income (line 28, less line 29)

TAX 31 TOTAL TAX (Schedule J) 32 Credits: (a) Overpayment from 1973 allowed as a credit (b) 1974 estimated tax payments (c) Less refund of 1974 estimated tax applied for on Form 4465 (d) Tax deposited with Form 7004 (attach copy) (e) Tax deposited with Form 7005 (attach copy) (f) Credit from regulated investment companies (attach Form 2439) (g) U.S. tax on special fuels, nonhighway gas, and lubricating oil (attach Form 4136) 33 TAX OUE (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 1975 estimated tax

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. Under penalty of perjury (other than as expressly stated on an information to which this return is attached) I declare that I have prepared this return.

Schedule A Cost of Goods Sold (See instruction 7)

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 under subpart F (attach Forms 5646) 7 Foreign dividend gross-up (section 78) 8 Qualifying dividends received from affiliated groups and subject to the 100% deduction (section 243 (b)(3)) 9 Qualifying dividends received from affiliated groups and subject to the provisions of section 1564(b) included in line 1 (section 246(d)) 10 Taxable dividends from a DISC or former DISC not included in line 1 (section 246(d)) 11 Other dividends 12 Total—Enter here, and on line 4, page 1

Schedule C Dividends (See instruction 4)

1 Merchandise bought for manufacture or sale 2 Salaries and wages 3 Other costs (attach schedule) 4 Total: Inventory at end of year 5 Cost of goods sold—Enter on line 2, page 1. Method of inventory valuation: 6 Was there any substantial change in the manner of determining quantities, costs, or values between opening and closing inventory? Yes No 7 If "Yes," attach an explanation.

Schedule E Compensation of Officers (See instruction 12)

Table with 8 columns: 1. Name of officer, 2. Social security number, 3. Title, 4. Amount of compensation, 5. Amount of compensation, 6. Amount of compensation, 7. Amount of compensation, 8. Expense account allocated.

Schedule F Bad Debts—Reserve Method (See instruction 15)

Table with 6 columns: 1. Year, 2. Trade sales for accounts receivable outstanding at end of year, 3. Sales account, 4. Amount added to reserve, 5. Recoveries, 6. Amount of net operating loss.

Schedule G Depreciation (See instructions for Schedule G)

Table with 7 columns: 1. Group and guidelines class or description of property, 2. Date acquired, 3. Cost or other basis, 4. Depreciation for prior years, 5. Method of depreciation, 6. Rate or rate, 7. Depreciation for the year.

5 Totals 6 Less: Amount of depreciation claimed in Schedule A 7 Balance—Enter here and on line 21, page 1

Schedule L Balance Sheets

Table with columns: (A) Amount, (B) Total, (C) Amount, (D) Total. Rows include: 1 Cash, 2 Trade notes and accounts receivable, 3 Inventories, 4 Govt obligations, 5 Other current assets, 6 Loans to stockholders, 7 Mortgage and real estate loans, 8 Other investments, 9 Buildings and other fixed depreciable assets, 10 Depreciable assets, 11 Land, 12 Intangible assets, 13 Other assets, 14 Total ASSETS, 15 Accounts payable, 16 Wages, notes, bonds payable, 17 Other current liabilities, 18 Loans from stockholders, 19 Wages, notes, bonds payable, 20 Other liabilities, 21 Capital stock, 22 Paid in or capital surplus, 23 Retained earnings, 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

Table with rows: 1 Net income per books, 2 Federal income tax, 3 Excess of capital losses over capital gains, 4 Taxable income not recorded on books, 5 Expenses recorded on books, 6 Total of lines 1 through 5, 7 Income recorded on books, 8 Deductions in this tax return, 9 Total of lines 7 and 8, 10 Income.

Schedule M-2 Analysis of Unappropriated Retained Earnings Per Books

Table with rows: 1 Balance at beginning of year, 2 Net income per books, 3 Other increases, 4 Total of lines 1, 2, and 3, 5 Distributions, 6 Other decreases, 7 Total of lines 5 and 6, 8 Balance at end of year.

Schedule I Special Deductions

Table with columns: Description, Amount, Date of deposit, Serial number of Form 933. Rows include: 1 85% of line 1, 2 60.208% of line 2, 3 85% of line 3, 4 100% of line 4, 5 Enter dividends received deduction, 6 Western Hemisphere preferred stock, 7 Total special deductions, 8 Tax Computation, 9 Surtax exemption, 10 Tax from recomputing a prior year WIN credit, 11 Tax from tax on tax preference items, 12 Minimum tax on tax preference items, 13 Total tax—Add lines 8 through 12.

Schedule K Record of Form 503 Federal Tax Deposits

Table with columns: Amount, Date of deposit, Serial number of Form 933. Rows include: 1 Date incorporated, 2 Did you at the end of the taxable year own, directly or indirectly, 50% or more of attribution, 6 If "yes," attach a schedule showing, 7 If "yes," enter the aggregate gross dollar amount billed during the year, 8 Did you ever declare a stock dividend?, 9 Did you claim a deduction for expenses unconnected with, 10 Living accommodations (except for employees on business?), 11 Employees' families at conventions or meetings?, 12 Employee or family vacations not reported on Form W-2?

Table with columns: Yes, No. Rows include: M Refer to page 7 of instructions and state the principal business activity, N Were you a member of a controlled group, O Did the corporation, at any time during the taxable year, have any interest in or signature or other authority over a bank, P Were you a U.S. shareholder of any controlled foreign corporation?, Q During this taxable year, did you pay dividends other than stock dividends, and distributions in exchange for stock in excess of 300 and 316, R Taxable income or (loss) for each subsidiary, S Did you file all required Forms 1087, 1096 and 1099?

If you underpaid estimated tax, and believe a penalty charge should not be assessed, attach Form 222D.

Specific Instructions

(Numbered to correspond with the line numbers on page 1 of the return.)

Gross Income

1. Gross receipts.—Enter gross receipts or sales from all business operations except those required to be reported in lines 4 through 1D. For reporting advance payments and long-term contracts, see section 1.451-5 of the regulations. 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.

If you elect to use the last-in first-out (LIFO) method of valuing inventory, provide in section 472, attach Form 970, or a statement that contains the information required by Form 970 to your return for the first year that method is to be used.

Full absorption method of inventory costing.—Taxpayers engaged in manufacturing or production operations must use the full absorption method of inventory costing if they are not using the full absorption method of inventory costing. They must change to this method under which both direct and indirect production costs are included, for inventory value purposes.

A special election is provided so that taxpayers will not have to change to the full absorption method for taxable years prior to the year for which the election is made. The election may be made by filing Form 3115 during the first 180 days of any taxable year beginning before September 19, 1975. The change shall be made for the taxable year in which the election is made. For further details, see section 1.471-11 of the regulations.

Cost of operations (where inventories are not an income-determining factor).—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). Include on this line taxable distributions from a DISC or former DISC the 85% deduction as being eligible for the 85% deduction.

Small business investment companies must enter dividends received from domestic corporations subject to income tax even though a dividend is allowed for the 85% deduction. 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 really interests 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(e).

[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 U.S.

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) not renounce 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 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 1562 as modified by section 1564.

[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.] Enter taxable distributions from a DISC or former DISC that are designated as not being eligible for the 85% deduction.

[11.] 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 received, are 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 returns. 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(a). Net capital gains.—Every sale or exchange of a capital asset 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, 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.

9(b). Ordinary gain or (loss).—Enter the total ordinary gain or loss from line 9, Part II, Form 4797.

10. Other income.—The attached schedule should 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.

11. Other income.—Consists of only one item, you may identify it by showing the account caption in parentheses on line 10.

Deductions

12. Compensation of officers.—Complete column B of Schedule E for your 6 highest paid officers. To determine the highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. Expense account allowance 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 B does not have to be completed for any officer for whom the combined amount is less than \$30,000.

This information is to be submitted by each member of an affiliated group included in a consolidated return.

14. Repairs.—Enter the cost of incidental repairs, such as labor and supplies, that do not add to the value or appreciably prolong the life of the property. Include in this line the total amount of repairs from Form 4832.

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.

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, foreign-U.S. possession income taxes, or foreign tax credit as claimed, or taxes on the corporation. See section 164(d) for apportionment of taxes on real property between seller and purchaser.

18. Interest.—Do not include interest on indebtedness incurred or continued to purchase or carry obligations from which the interest is wholly exempt from income tax (Section 265.)

Mutual savings banks, building and loan associations, and cooperative banks should 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) and any unused contributions carried over from prior years.

The total amount claimed may not exceed 50% of taxable income (line 30) computed without regard to (1) any deduction for contributions, (2) the special deductions in line 29(b), (3) deductions allowed under sections 249 and 250, (4) any net operating loss carry-back to the taxable year under section 172, and (5) 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 next 5 taxable years allowed, however, to the extent that it increases a net operating loss carryover. See section 170(d)(2)(B).

Corporations on the accrual basis may elect to deduct contributions paid on or before the 15th day of the 3rd month after the end of the taxable year if the contributions are authorized by the board of directors during the taxable year. A declaration, signed by an officer, stating that the resolution authorizing the contributions was adopted by the board of directors during the taxable year, and a copy of the resolution, must both be attached to the return.

Attach a schedule showing the name of each organization, and the amount paid. If a contribution is made in property other than money, describe the kind of property, contributed and the method used in determining its fair market value. Show the amount and how it was determined.

Special rule for contributions of certain property.—If you make a charitable contribution of property, the contribution must be reduced by the sum of (1) the ordinary income and (2) for certain contributions, 82½% 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 you make a charitable contribution, deduction property sold to a charitable organization, the adjusted basis for determining gain from the sale is an amount which is the same as the adjusted basis as the amount realized is to the fair market value of the property.

20. Amortization.—If you claim a deduction 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 period (number of months); (5) amortization for the year; and (7) the total amount of amortization and the amount claimed in Schedule A and elsewhere on the return.

See section 169 and related regulations for conditions for deducting the cost of certified pollution control facilities may be amortized over 60 months. Also see section 188 for conditions under which certain expenditures for on-the-job training and child care facilities may be amortized over 60 months.

21. Depreciation.—See instructions for Schedule G.

22. Depletion.—The percentage depletion rate for oil and gas wells is 22%. See 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, etc. plans.—File Form 4848 with a Schedule A (Form 4848) and Form 4849 on or before the 15th day of the 5th month following the close of your taxable year, if you have adopted a pension, profit-sharing, or other funded deferred compensation plan.

25. Employee benefit programs.—Enter the amount of your contributions to employee benefit programs (e.g., insurance, health, and welfare programs) that are not an incidental part of a pension, profit-sharing, etc., plan included on line 24.

26. Other deductions.—No deduction is allowable for any amount allocated to a class of exempt income other than exempt interest income. Items directly attributable to wholly exempt in-

of the salaries and wages paid or incurred to employees hired under a WIN program. The credit is allowed for the salaries and wages paid or incurred for the first 12 months of employment. For special rules and limitations, see Form 4874 and sections 50A and 50B.

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 credit will be recomputed using as the basis the fair market value taken, including carrybacks and carryovers, exceeds the recomputed credit. The tax in the year of disposition must be increased by the excess 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.

6. Minimum tax on tax preference items.—Corporations having tax preference items in excess of \$30,000 must attach Form 4626, Computation of Minimum Tax.

Items of tax preference are: (1) accelerated depreciation on real property, (2) accelerated depreciation on personal property subject to a net lease, (3) amortization of certified pollution control facilities, (4) amortization of railroad rolling stock, (5) amortization of on-the-job training facilities, (6) amortization of child care facilities, (7) reserves for losses on bad debts or financial institutions, (8) excess percentage depletion, and (9) capital gains.

*Applies only to personal holding companies.

Single copies of Publication 334, Tax Guide for Small Business (1975 edition), may be obtained without cost from most IRS offices.

sections 1561, 1562, and 1564 (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.

For taxable year 1974, only one member of a group that has made an election under section 1562 may claim a full \$25,000 surtax exemption. The other members are each limited to \$4,167 (fiscal year 1974-75 members, see below). 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 \$4,167. See section 1564-1(b) of the regulations for the manner of making the election.

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(d)(1)(A).)

Special rules apply to those members of a controlled group having a fiscal year beginning in 1974 and ending in 1975. See Form 1120-FY and example (7) of section 1.21-1(n) of the regulations.

2. 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 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 of Schedule J, Form 1120. Attach Form 1120-L as a schedule and identify as such.

3. Credit for wages paid or incurred in Work Incentive (WIN) Program.—Employers may claim a credit of 20%

stock (a) that is disposed of if the corporation held it 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.—Dividends received deduction (line 28) may be taken in excess of 85% of the dividends received (line 3) of the corporation. For this purpose, line 28, page 1, is to be computed without regard to any capital loss carryback to the taxable year under section 1.21-2(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 should 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 29.167% 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. 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 29.167% of taxable income computed without regard to this deduction.

However, no deduction is allowed to a corporation for a taxable year for which it is a DISC or during which it owns directly or indirectly at any time stock in a DISC or former DISC as defined in section 992(a).

Schedule J—Tax Computation

1. 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 section 995(b)(1).

double declining balance and sum of the years digits methods may be used only for new residential rental property from which at least 80% of the gross rental income is derived from rental of residential units. Other new real property may be depreciated under the straight-line or 150% declining balance methods.

Used section 1250 property.—Used residential rental property with a useful life of 20 years or more may be depreciated under the 125% declining balance method. Other used real property may be depreciated under the straight-line method.

Rehabilitation expenditures for low-income rental housing.—You may elect to compute the depreciation deduction under section 167(k) for rehabilitation expenditures incurred for low-income rental housing under the straight-line method using a useful life of 60 months and no salvage value in lieu of any other method of computing depreciation. For details, see section 167(k).

Section 179—Additional first-year depreciation allowance.—For the first year a depreciation deduction is allowed, a corporation may elect to write off 20% of the cost, before adjustment for salvage value) of new or used tangible personal property 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. If the additional first year allowance is elected, the basis of the property must be reduced by the amount of the deduction before computing the ordinary depreciation.

Schedule I—Special Deductions

(Numbers 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).)

No deduction is allowed under section 243 for a dividend from a DISC or former DISC (as defined in section 992(a)) to the extent such dividend is paid out of the corporation's accumulated DISC income or previously taxed income, or is a deemed distribution under section 995(b)(1).

In general, no dividends received deduction will be allowed on any share of

(b) The net operating loss deduction is determined without regard to the net operating loss for the loss year, and under any taxable year thereafter, and under certain circumstances, without regard to any portion of a net operating loss attributable to a foreign proportionation loss.

If you have a net operating loss carryback and want a "quick refund" of taxes, file Form 1139 within 12 months after the close of the taxable year in which the net operating loss occurred. (Section 6411.)

If a net operating loss carryback creates an unused investment credit or an unused work incentive (WIN) credit in a preceding year, the unused credit may be carried back to the 3 preceding years (provided the WIN credit cannot be carried back to years beginning before 1972), and, under the provisions of section 6411, a quick refund of the Form 1139.

29(b). Special deductions.—See instructions for Schedule I.

Schedule G—Depreciation

Complete Schedule G if you claim a deduction for depreciation of property, leasehold improvements, patents, or copyrights. Form 4562, Depreciation, may be used as a supplement to Schedule G.

Salvage value.—Salvage value must be taken into account in determining the depreciation deduction except under the declining balance method, Class Life (ADR) System, or Guideline Class Life System. For personal property (other than livestock) with a useful life of 3 years or more, salvage value may be reduced by an amount not in excess of 10% of the cost or other basis of the property. Property cannot be depreciated below a reasonable salvage value after you make the above salvage value reduction.

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, or (3) any other method that does not result in accumulated allowances at the end of any year (during the first two-thirds use-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

come must be allocated to such income, and the directly attributable to any class of taxable income must be allocated to such taxable income.

If an item is indirectly attributable both to taxable income and to non-taxable income, the portion of the item that is directly attributable in the light of all the facts and circumstances in each case must be allocated to each.

Attach a statement showing (1) the amount of each class of exempt income and (2) the amount of expenses 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 of the taxable year to which the net operating loss may be carried 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.
- (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 later year:

- (a) The special deduction provided in section 922 (Western Hemisphere trade corporations) is not

allowed.

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 of the taxable year to which the net operating loss may be carried 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.
- (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 later year:

- (a) The special deduction provided in section 922 (Western Hemisphere trade corporations) is not

allowed.

Codes for Principal Business Activity and Principal Product or Service

These industry titles and definitions are based, in general, on the *Enterprise Code Classification System* developed by the Office of Management and Budget. Executive Order 11888, dated 10/23/69, authorized the Office of the President to classify enterprises by type of activity in which they are engaged. The system follows the Standard Industrial Classification used to classify establishments. Using the list below, enter on page 1, under C, the code number 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) of the principal product or service that accounts 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 FISHING**
- 0000 Agricultural production
 - 0010 Agricultural services, forestry, trapping, hunting, and trapping
 - Metal Mining**
 - 1070 Copper, lead and zinc, gold and silver ores, metal mining
 - 1080 Iron, metal mining
 - 1150 Coal mining
 - Oil and gas extraction, natural gas, and natural gas liquids
 - 1300 Gas liquids, field services
 - 1310 Natural gas, field services
 - Nonmetallic minerals (except fuels) mining
 - 1430 Dimensional stones and broken stone
 - 1490 Other nonmetallic minerals except fuels
 - CONSTRUCTION**
 - General building contractors and operative builders
 - 1510 General building contractors
 - 1520 Heavy construction contractors
 - 1600 Heavy construction contractors
 - 1700 Marine, harbor, and air conditioning contractors
 - 1710 Electrical, mechanical, and plumbing contractors
 - 1790 Other contractors
 - MANUFACTURING**
 - Food and kindred products
 - 2000 Dairy products
 - 2010 Prepared foods
 - 2020 Canned fruits
 - 2030 Bakery products
 - 2040 Meat, poultry, and fish products
 - 2050 Wheat, flours, and malt
 - 2060 and malt beverages, except malt liquors
 - 2089 Batters, soft drinks, and confectionery products
 - 2090 Other food products
 - 2100 Tobacco manufactures
 - Textile mill products
 - 2250 Knitting, mill products
 - 2260 Apparel and other textile products
 - 2315 Women and children's clothing
 - 2345 Men's and boys' clothing
 - 2388 Hats, caps, millinery, fur goods, and other accessories
 - 2390 Misc fabricated textile products
 - Lumber and wood products, except furniture
 - 2475 Sawmills and planing mills, including wood products
 - 2498 Other wood products, including wood products and fixtures
 - 2500 Paper and allied products
 - 2600 Other paper products
 - Printing, publishing, and allied industries
 - 2720 Periodicals
 - 2730 Books, greeting cards, and misc
 - 2799 Commercial and other printing, and print
 - Chemicals and allied products:**
 - 2815 Industrial chemicals, plastics materials
 - 2830 Drugs, chemicals, and allied goods
 - 2850 Paints and allied products
 - 2899 Agricultural and other chemical products
 - Including those integrated with extraction, refining, and other processes, including those integrated with extraction
 - 2900 Other petroleum and coal products
 - 3000 Rubber, plastic, and miscellaneous products
 - 3070 and leather products
 - Leather and leather products:**
 - 3140 Footwear, except rubber
 - 3190 Other leather and leather products
- STEEL**
- 3375 Glass products
 - 3376 Concrete, gypsum, and plaster products
 - 3377 Concrete, gypsum, and plaster products
 - 3378 Concrete, gypsum, and plaster products
 - Primary metal industries:**
 - 3370 Ferrous metal industries, misc primary
 - 3380 Nonferrous metal industries
 - Fabricated metal products, except machinery
 - 3410 Metal cans and shipping containers
 - 3420 Metal castings and forgings
 - 3428 Machine products, bolts, and similar
 - 3430 Products
 - 3440 Warm air and heating, except electric and
 - 3450 Structural metal products
 - 3460 Metal forgings and stampings
 - 3470 Metal castings and forgings
 - 3480 Grains, oil, and accessories, except vehicles
 - 3490 and rubber and plastic products
 - Machinery, except electrical
 - 3510 Farm machinery and equipment
 - 3520 Handing machinery and equipment
 - 3530 Special industry machinery except
 - 3560 General industrial machinery
 - 3570 Office computing and accounting electrical and other machinery, except electrical
 - 3598 Engines and turbines, severe industry electrical and other machinery, except electrical
 - Electrical and electronic machinery, equipment, and accessories**
 - 3610 Household appliances
 - 3620 Electronic computers and accessories
 - 3630 Transportation equipment
 - 3640 Miscellaneous electrical and electronic
 - 3650 Motor vehicles, motor trucks and jeeps
 - 3660 Ship and boat building and repairing
 - 3670 Aircraft
 - Measuring and controlling instruments, photo**
 - Optic and medical goods, watches and clocks**
 - 3675 watches, watches, and clocks
 - 3680 Photographic equipment and supplies
 - 3690 Other manufacturing products
 - TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS, AND SANITARY SERVICES**
 - Transportation
 - 4100 Local and interurban passenger transit
 - 4200 Water transportation
 - 4300 Air transportation
 - 4400 Pipelines, except natural gas
 - 4500 Other transportation services
 - 4700 Communications, telegraph, and other communication services
 - 4800 Broadcasting
 - Electric, Gas, and Sanitary Services**
 - 4910 Electric services and distribution
 - 4920 Gas services
 - 4930 Combination utility services
 - 4990 Water supply and other sanitary services
 - WHOLESALE TRADE**
 - Durable motor vehicles and automotive equipment
 - 5030 Lumber and construction materials
 - 5050 and scrap
 - 5070 Hardware, plumbing and heating equipment
 - 5080 Miscellaneous equipment and supplies
 - 5090 Other durable goods
 - Non-durable and other products
 - 5120 Drugs, chemicals, and allied products
- RETAIL TRADE**
- 5200 Building materials dealers
 - 5210 Hardware, paint, and wallpaper dealers
 - 5220 Garden supplies and mobile home dealers
 - 5230 Automobile dealers
 - 5240 Gasoline service stations
 - 5250 Apparel and accessory stores
 - 5260 Eating and drinking places
 - 5270 Miscellaneous retail stores
 - 5280 Jewelry stores
 - 5290 Other retail stores
 - 5300 Other retail stores
 - 5310 Liquor stores
 - 5320 Other retail stores
 - FINANCE, INSURANCE, AND REAL ESTATE**
 - 6000 Mutual savings banks
 - 6010 Savings and loan associations
 - 6020 Finance companies
 - 6030 Other credit agencies
 - 6040 Finance companies
 - 6050 Finance companies
 - 6060 Finance companies
 - 6070 Finance companies
 - 6080 Finance companies
 - 6090 Finance companies
 - 6100 Finance companies
 - 6110 Finance companies
 - 6120 Finance companies
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 - 8590 Finance companies
 - 8600 Finance companies
 - 8610 Finance companies
 - 8620 Finance companies
 - 8630 Finance companies
 - 8640 Finance companies
 - 8650 Finance companies
 - 8660 Finance companies
 - 8670 Finance companies
 - 8680 Finance companies
 - 8690 Finance companies
 - 8700 Finance companies
 - 8710 Finance companies
 - 8720 Finance companies
 - 8730 Finance companies
 - 8740 Finance companies
 - 8750 Finance companies
 - 8760 Finance companies
 - 8770 Finance companies
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 - 8790 Finance companies
 - 8800 Finance companies
 - 8810 Finance companies
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 - 8860 Finance companies
 - 8870 Finance companies
 - 8880 Finance companies
 - 8890 Finance companies
 - 8900 Finance companies
 - 8910 Finance companies
 - 8920 Finance companies
 - 8930 Finance companies
 - 8940 Finance companies
 - 8950 Finance companies
 - 8960 Finance companies
 - 8970 Finance companies
 - 8980 Finance companies
 - 8990 Finance companies
 - 9000 Finance companies

U.S. GOVERNMENT PRINTING OFFICE: 1973-548-100-1000000

Schedule A Cost of Goods Sold (See instruction 2)

Schedule C Dividends (See instruction 4)

- 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 values between opening and closing inventories? Yes No
If "Yes," attach an explanation.
- 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 under subpart F (attach Form 3048)
 - 7 Foreign dividend gross-up (section 78)
 - 8 Qualifying dividends received from affiliates groups subject to the 10% deduction (section 243 (b)(3))
 - 9 Qualifying dividends received from affiliated groups and subject to the provisions of section 1584(b)
 - 10 Taxable dividends from a DISC or former DISC not included in line 1 (section 246(d))
 - 11 Other dividends
 - 12 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 spent on business	5. Percent of corporation owned by officer	6. Amount of compensation	7. Amount of compensation	8. Expense account numbers

Schedule F Bad Debts—Reserve Method (See instruction 15)

1. Year	2. Trade notes and accounts receivable (including if any 2 year)	3. Sales on account	4. Current year provision	5. Recoveries	6. Amount charged against reserve	7. Reserve for bad debts at end of year
1969						
1970						
1971						
1972						
1973						
1974						

Schedule G Depreciation (See instructions for Schedule G)

Depreciation (See instructions for Schedule G) Note: If depreciation is computed by using the Class Life (ADR) System or the Guideline Class Life System, you must file Form 4832 (Class Life (ADR) System) or Form 5006 (Guideline Class Life System) with your return. Check boxes if you made an election this taxable year to use Class Life (ADR) System and/or Guideline Class Life System. See Publication 534.

1. Group and asset class or description of property	2. Date acquired	3. Cost or other basis	4. Depreciation method used	5. Method of depreciation	6. Life or other limitation	7. Depreciation for this year

1 Total additional first-year depreciation (do not include in items below)
 2 Depreciation from Form 4832
 3 Depreciation from Form 5006
 4 Other depreciation:
 Buildings
 Furniture and fixtures
 Transportation equipment
 Machinery and other equipment
 Other (specify)

5 Totals
 6 Less: Amount of depreciation claimed in Schedule A
 7 Balance—Enter here and on line 21, page 1

1974 (Rev. 4-75)

U.S. Corporation Income Tax Return

Form 1120 Department of the Treasury Internal Revenue Service For taxable year beginning and ending 1975 (PLEASE TYPE OR PRINT) 1974

Check if:
 A Sole proprietor return
 B Personal holding Co.
 C Return of individual

D Employer identification number

E County in which located

F Enter total assets from line 14 column (D), Schedule L (See instruction R)

G Name
 Number and street
 City or town, State, and ZIP code

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
- 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 (a) Net capital gains (attach separate Schedule D)
 (b) Ordinary gain or (loss) from Part II, Form 4797 (attach Form 4797)
- 10 Other income (see instructions—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 (see instructions)
- 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 30 adjusted per instructions—attach schedule)
- 20 Amortization (attach schedule)
- 21 Depreciation (Schedule G)
- 22 Depletion
- 23 Advertising
- 24 Pension, profit-sharing, etc. plans (see instructions)
- 25 Employee benefit programs (see instructions)
- 26 Other deductions (attach schedule)
- 27 TOTAL deductions—Add 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) 29(a)
 (b) Special deductions (Schedule I) 29(b)
- 30 Taxable income (line 28 less line 29)

TAX

- 31 TOTAL TAX (Attach Form 1120-FY 1974-75 (Rev. 4-75))
- 32 Credits: (a) Overpayment from 1973 allowed as a credit
 (b) 1974 estimated tax payments
 (c) Less refund of 1974 estimated tax applied for on Form 4456
 (d) Tax deposited with Form 7004 (attach copy)
 (e) Tax deposited with Form 7005 (attach copy)
 (f) Credit from regulated investment companies (attach Form 2439)
 (g) U.S. tax on special fuel, highway 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)
- 35 Enter amount of line 34 you want credited to 1975 estimated tax

Refunded

Other parties of penalty. I declare that I have prepared this return, including accompanying schedule and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which he has any knowledge.

Signature of officer
 Signature of individual or firm preparing the return
 Preparer's address

Form 1120 (1974) (Rev. 4-75) Page 3

Schedule I Special Deductions

- 85% of line 1, Schedule C
- 60.208% of line 2, Schedule C
- 85% of line 3, Schedule C
- 100% of line 4, Schedule C

Total—See instructions for limitation

- 100% of line 8, Schedule C

Enter dividends received deduction allowed for dividends reported on line 9, Schedule C. See section 1561(b) for computation

Dividends paid on certain preferred stock of public utilities (see instructions)

Western Hemisphere trade corporations (see instructions)

Total special deductions—Add lines 2 through 6. Enter here and on line 29(b), page 1.

Schedule J Tax Computation (Use Form 1120-FY 1974-75 in order to compute your tax)

Schedule K Record of Form 503 Federal Tax Deposits (List deposits in order of date made—See instruction C)

Date of deposit	Amount of deposit	Serial number of Form 503	Date of deposit	Amount of deposit	Serial number of Form 503

6 Date incorporated

7 (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? For rules of attribution, see section 261(c). If "Yes," enter the name, address, and identifying number, percentage owned, and date of incorporation of the corporation on line 30, page 3, Form 1120 (See instructions for rules of attribution.)

(2) Did any individual, partnership, corporation, estate or trust at the end of the taxable year own, directly or indirectly, 50% or more of your voting stock? For rules of attribution, see section 261(c). If "Yes," attach a schedule showing name, address, and identifying number of each owner, percentage owned, and date of incorporation of each owner. Was the owner of such voting stock a person other than a U.S. person? If "Yes," enter owner's country (See instruction T)

8 Did you exclude income under section 931?

9 Did you have any contracts or subcontracts subject to the Registration Act of 1951? If "Yes," enter the aggregate gross dollar amount billed during the year

10 Did you ever declare a stock dividend?

11 Did you claim a deduction for expenses connected with: (1) Entertainment facility (boat, resort, ranch, etc.)? (2) Living accommodations (except for employees on business)? (3) Employees' families at conventions or meetings? (4) Employee or family vacations not reported on Form W-2?

Form 1120 (1974) (Rev. 4-75) Page 4

Schedule L Balance Sheets

ASSETS

- Cash
- Trade notes and accounts receivable
- Inventories
- Govt obligations (a) U.S. and instrumentalities (b) State, subdivisions thereof, etc.
- Other current assets (attach schedule)
- Mortgage and real estate loans
- Other investments (attach schedule)
- Buildings and other fixed depreciable assets
- Depreciable assets (a) Less accumulated depreciation (b) Land (net of any amortization) (c) Intangible assets (amortizable only) (d) Other assets (attach schedule)
- Total assets

LIABILITIES AND STOCKHOLDERS' EQUITY

- Accounts payable
- Mtgs., notes, bonds payable in less than 1 yr
- Other current liabilities (attach schedule)
- Loans from stockholders
- Mtgs., notes, bonds payable in 1 yr or more
- Other liabilities (attach schedule)
- Capital stock (a) Preferred stock (b) Common stock
- Paid in or capital surplus
- Retained earnings—Unappropriated (attach sch)
- Less cost of treasury stock
- Total liabilities and stockholders' equity

Schedule M-1 Reconciliation of Income Per Books With Income Per Return

Beginning of taxable year	End of taxable year
(A) Amount	(B) Total

7 Income recorded on books this year not included in this return (Itemize)

(a) Tax exempt interest \$

8 Deductions in this tax return not charged against book income this year (Itemize)

(a) Depreciation \$

(b) Depletion \$

9 Total of lines 7 and 8

10 Income (line 28, page 1)—line 6, less 9

Schedule M-2 Analysis of Unappropriated Retained Earnings Per Books (line 24 above)

Balance at beginning of year	Net income per books	Other increases (Itemize)	Distributions	Balance at end of year	
(a) Cash	(b) Stock	(c) Property	(a) Cash	(b) Stock	(c) Property

5 Total of lines 1, 2, and 3

6 Total of lines 1 through 5

7 Total of lines 5 and 6

8 Balance at end of year (line 4, less 7)

9 Total of lines 5 and 6

10 Balance at end of year (line 4, less 7)

U.S. GOVERNMENT PRINTING OFFICE: 1974-O-573,373

1974 (Revised 4-75)
Instructions for Form 1120
U.S. Corporation Income Tax Return
 (References are to the Internal Revenue Code)

Department of the Treasury
Internal Revenue Service

General Instructions

A. Who must 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.

5. Certain political organizations described in Revenue Ruling 74-21, I.R.B. 1974-2, p. 6.

B. Returns required of certain organizations.—

- 1. Foreign corporations other than life and mutual insurance companies filing Forms 1120-L and 1120M—file Form 1120F.
- 2. Life insurance companies (section 802)—file Form 1120L.
- 3. Mutual insurance companies (section 821)—file Form 1120M.
- 4. Exempt farmers' cooperatives (section 1381)—file Form 990-C.
- 5. Exempt organizations with unrelated trade or business income—file Form 990-1.
- 6. Small business corporations (section 1372(a))—file Form 1120S.
- 7. Domestic International Sales Corporations (section 992)—file Form 1120-01SC.

C. Where to file—

If the corporation's principal business office, or agency, is in—

- New York, New York City, New Jersey, Pennsylvania, and the District of Columbia—file in New York, New York.
- Illinois, Indiana, Michigan, Minnesota, Missouri, North Carolina, North Dakota, Ohio, South Carolina, South Dakota, Texas, Virginia, West Virginia, Wisconsin, and Wyoming—file in the State of Illinois.
- Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Mexico, New York, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, West Virginia, and Wyoming—file in the State of New York.
- Montana, North Dakota, South Dakota, and Wyoming—file in the State of Montana.
- Alaska—file in the State of Alaska.
- Guam—file in the Territory of Guam.
- Puerto Rico—file in Puerto Rico.

E. Information returns and forms that may be required—

- 1. Forms W-2 and W-3—Employer's wage and tax statement, and transmittal of income and tax state-ments.
- 2. Form W-2P—Statement for re-tirees of annuities, pensions or re-tired pay.
- 3. Forms 1087-DIV, INT, MED, MISC, and OID—Nominee's informa-tion returns for reporting dividends, in-terest, medical and health care pay-ments, miscellaneous income, and ori-ginal issue discount that were received as a nominee on behalf of another person.
- 4. Form 1096 and Schedule A (Form 1096)—Annual summary and

transmittal of U.S. information returns; and corporate report of nontaxable dividends.

5. Forms 1099-OV, INT, MED, MISC, OID, PAIR, and R.—Information returns for reporting certain dividends, interest payments, medical and health care payments, miscellaneous income, original issue discount, partnership income, profit-sharing and retirement plans.

6. Forms 1099-OV, INT, MED, MISC, OID, PAIR, and R.—Information returns for reporting certain dividends, interest payments, medical and health care payments, miscellaneous income, original issue discount, partnership income, profit-sharing and retirement plans.

7. Forms 3921, 3922, and 4067.—Information returns concerning exercise of certain stock options and the transfer of stock acquired by certain options.

F. Period to be covered by 1974 re-turn.—

File the 1974 (Rev. 4-75) re-turn for fiscal years beginning in 1974 and ending in 1975. Fill in the taxable year space on the form.

FINAL RETURNS—If the corpora-tion ceases to exist, write "FINAL RE-TURN" at the top of the form.

G. Depository method of tax pay-ment.

The balance of the tax due (line 33) must be paid in full when the return is filed. If the corporation has a depository for Federal tax payments, accompanied by Internal Revenue Form 503, with an author-ized commercial bank depository or Fed-eral Reserve bank, please enter the serial number of Form 503 on your re-turn. Do not remit directly to Inter-nal Revenue.

Corporations must deposit all income tax payments, accompanied by Internal Revenue Form 503, with an author-ized commercial bank depository or Fed-eral Reserve bank. Please enter the serial number of Form 503 on your re-turn. Do not remit directly to Inter-nal Revenue.

H. Change in accounting period.—

To change your accounting period, see section 1.442-1 of the regulations and

Form 1128, Application for Change in Accounting Period.

1. **Accounting methods.**—Taxable in-come must be computed using the method of accounting regularly used in keeping the corporation's books and records. In all cases, the method adopted must clearly reflect taxable in-come. (See section 446.)

Unless the law specifically permits, you may not change the method of ac-counting used to report income in prior years (for income as a whole or for any material item) without first obtaining consent on Form 3115, Application for Change in Accounting Method.

Rounding off to whole dollar amounts.—The monetary amounts to be shown on the return may be rounded off to whole dollars, but not less than 50 cents and increasing any amount from 50 cents through 99 cents to the next higher dollar.

J. Estimated tax.

A corporation must make estimated tax payments if it can expect its estimated tax (income tax, less credits, less an estimated tax exemption) to be \$40 or more.

See Form 1120-W 1975 (Rev. 4-75) which may be used as a worksheet to compute your estimated tax.

If you overpaid estimated tax, you may apply on Form 4466 for a "quick refund" if the overpayment is (1) at least 10% of expected income tax li-ability AND (2) at least \$500. This ap-plication must be made within 2 1/2 months after the end of the taxable year and before you file your tax return.

K. Consolidated returns.—The par-ent corporation must attach Form 851, Affiliations Schedule, to the consoli-dated return. For the first year a con-solidated return is filed, each subsidi-ary must attach Form 1122.

File supporting schedules for each corporation included in the consoli-dated return. The schedules must be in columnar form and show both before and after adjustments, the items of gross income and deductions, a com-putation of taxable income, balance sheets as of the beginning and end of the taxable year, and a reconciliation of retained earnings. Also attach consoli-dated balance sheets and a reconcil-iation of consolidated retained earnings.

L. Stock ownership in foreign cor-porations.—If you owned 5% or more in value of the outstanding stock of a foreign personal holding company, at

each the 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 bal-ance sheets must agree with your books and records. Any differences must be reconciled. Copies of balance sheets re-quired by Federal, State, etc., authori-ties may be used in place of Schedule L. Certificates of deposit should be included as cash on line 1 of the bal-ance sheet.

Banks, insurance companies, and other corporations, including those that are substantially similar statements of in-come and expense to any Federal, State, etc., authority, may submit copies of such statements in place of the infor-mation 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 state-ment and entered as line 30, page 1.

N. Attachments.—You may use at-tachments if the lines on the form schedules are not sufficient. They must contain all the required information, and the schedules 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, 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 label.

O. Amended return.—Correct any error in a previously filed income tax return by filing Form 1120X (Form 843 (if a claim for refund), or an amended Form 1120) IRS prefers Form 1120X be used to expedite processing.

P. Transfers to corporation con-trolled by transferor.—If a person ac-quires stock or securities of a corpora-tion in exchange for property, and no gain or loss is recognized under section 351, the transferor and transferee must attach the information required by sec-tion 1.351-3 of the regulations.

Q. Signature.—The return must be signed by the president, vice president, treasurer, assistant treasurer, chief ac-counting officer, or any other corpo-rate officer (such as tax officer) author-ized to sign.

A receiver, trustee, or assignee must sign any return 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 begin-ning of the taxable year.

S. Corporations that liquidate within one calendar month under section 333.—Such corporations should at-tach a computation following the for-mat in Revenue Procedure 65-10, 1965-1, C.B. 738, as modified by Re-venue Procedure 67-12, 1967-1, C.B. 589; of accumulated earnings and profits including all items of income and expense accrued up to the date the liquidation of all property is completed.

T. U.S. person.—(See question H (2)(c), page 3, Form 1120.)—"Herein-mentioned person" means (1) a citizen or resident partner (section 301), (2) a domestic partnership (section 6013), or (3) any estate or trust (other than a foreign estate or trust within the meaning of section 7701 (a)(31)). See section 1.6038-2(d) of the regulations for exception of certain residents of U.S. possessions.

Owner's country, for individuals, is their country of residence. For all other persons, it is the country where incor-porated, organized, created, or ad-ministered.

U. Penalties.—

1. A corporation that fails to file its tax return by the prescribed due date including any extensions of time for filing may be subject to a penalty of 5% a month, up to a maximum of 25%, for each month the return is not filed (the penalty is imposed on the net amount due—section 6651(a)(1)).

2. A corporation that fails to pay the tax which may be subject to a penalty of 1% a month, up to a maximum of 25%, for each month the tax is not paid (the penalty is imposed on the net amount due—section 6651(a)(2)).

The above penalties will not be im-posed if the corporation can show that the failure to file or to pay was due to reasonable cause and not to willful neglect.

These penalties are in addition to the interest charge imposed on unpaid tax.

3. A corporation that fails to pay the proper estimated tax when due may be subject to an underpayment penalty for the period of underpayment (section 6655).

Each the 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 bal-ance sheets must agree with your books and records. Any differences must be reconciled. Copies of balance sheets re-quired by Federal, State, etc., authori-ties may be used in place of Schedule L. Certificates of deposit should be included as cash on line 1 of the bal-ance sheet.

Banks, insurance companies, and other corporations, including those that are substantially similar statements of in-come and expense to any Federal, State, etc., authority, may submit copies of such statements in place of the infor-mation 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 state-ment and entered as line 30, page 1.

N. Attachments.—You may use at-tachments if the lines on the form schedules are not sufficient. They must contain all the required information, and the schedules 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, 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 label.

O. Amended return.—Correct any error in a previously filed income tax return by filing Form 1120X (Form 843 (if a claim for refund), or an amended Form 1120) IRS prefers Form 1120X be used to expedite processing.

P. Transfers to corporation con-trolled by transferor.—If a person ac-quires stock or securities of a corpora-tion in exchange for property, and no gain or loss is recognized under section 351, the transferor and transferee must attach the information required by sec-tion 1.351-3 of the regulations.

Q. Signature.—The return must be signed by the president, vice president, treasurer, assistant treasurer, chief ac-counting officer, or any other corpo-rate officer (such as tax officer) author-ized to sign.

If you underpaid estimated tax and believe a penalty charge should not be assessed, attach Form 2220

Specific Instructions

(Numbered to correspond with the line numbers on page 1 of the return)

Gross Income

1. Gross receipts.—Enter gross receipts or sales from all business operations except those required to be reported in lines 4 through 10. For reporting advance payments and long-term contracts, see section 1.431-5 of the regulations.

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 1115.

3. 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 1115.

4. Full absorption method of inventory costing.—Taxpayers engaged in manufacturing or production operations must use the full absorption method of inventory costing if they are not using the full absorption method of inventory costing, they must change to this method under which both direct and indirect production costs are included for inventory value purposes.

5. Special election is provided so that taxpayers will not have to change to the full absorption method for taxable years prior to the year for which the election is made. The election may be made by filing Form 3115 during the first 180 days of any taxable year beginning on or after September 19, 1973 and before September 19, 1975.

6. Cost of operations (where inventories are not an income-determining factor).—If an 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) include on this line taxable distributions from a DISC or former DISC that are designated as being eligible for the 85% deduction.

(2) 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 1. For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction.

(3) Enter dividends received from foreign corporations and which qualify for the 85% deduction provided in section 243(a)(4)

(4) Enter dividends received from wholly owned foreign subsidiaries and which are eligible for the 100% deduction provided in section 245(b)

(5) Enter foreign dividends (including minimum distributions under subpart F) 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) 3645.

(7) Include gross-up for taxes deemed paid under sections 902 and 960.

(8) Enter only those dividends subject to the elective provisions of section 243(b) and are entitled to the 100% dividends received deduction under section 243(b)(3). Corporations making this election are subject to the provisions of section 1562 as modified by section 1564.

(9) Enter only those dividends that are eligible for the elective provisions of section 243(b) and are entitled to the dividends received deduction 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) Enter taxable distributions from a DISC or former DISC that are designated as not being eligible for the 85% deduction.

(11) 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.

(12) Enter interest on loans, notes, mortgages, bonds, bank deposits, corporate bonds, tax/refunds etc.

(13) Do not offset interest income against interest expense.

(b) Ordinary gain or loss.—Enter the total ordinary gain or loss from line 9, Part II, Form 4797.

(c) Other income.—The attached schedule should 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.

(d) 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 6 highest paid officers. To determine the highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. Expense account allowance 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 8 does not have to be completed for any officer for whom the combined amount is less than \$30,000.

(13) This information is to be submitted by each member of an affiliated group included in a consolidated return.

14. Repairs.—Enter the cost of incidental repairs such as labor and supplies, that do not add to the value or appreciably prolong the life of the property. Include in this line the total amount of repairs from Form 4882.

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.

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 if a foreign tax credit is claimed, or if a U.S. possession income tax or foreign or U.S. possession income taxes are not imposed on the corporation. See section 164(d) for apportionment of taxes on real property between seller and purchaser.

18. Interest.—Do not include interest on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. (Section 265.)

Mutual savings banks, building and loan associations, and cooperative banks should 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) and any unused contributions carried over from prior years.

20. Amortization.—If you claim a deduction for amortization, attach a schedule showing (1) a description of the expenditures being amortized, (2) the date acquired, completed or expensed, (3) amount being amortized, (4) amortization period in prior years, (5) amortization period for this year, and (7) the total amount of amortization and (7) the amount claimed in Schedule A and elsewhere on the return.

See section 169 and related regulations for conditions under which the cost of certified pollution control facilities may be amortized over 60 months. Also see section 188 for conditions under which certain expenditures for on-the-job training and child care facilities may be amortized over 60 months.

21. Depreciation.—See instructions on Schedule C.

22. Depletion.—The percentage depletion rate for oil and gas wells is 22%. See 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, etc. plans.—File Form 9849 with a Schedule A, Form 4848, and Form 4849 on or before the 15th day of the 5th month following the close of your taxable year, if you have adopted a pension, profit-sharing, or other funded deferred compensation plan.

25. Employee benefit programs.—Enter the amount of your contributions to employee benefit programs (e.g., in surplus, health and welfare programs) that are not an incidental part of a pension, profit-sharing, etc., plan included on line 24.

reduction for 62 1/2% 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).)

26. Other deductions.—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 in-

come are not an income-determining factor).—If an 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) include on this line taxable distributions from a DISC or former DISC that are designated as being eligible for the 85% deduction.

(2) 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 1. For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction.

(3) Enter dividends received from foreign corporations and which qualify for the 85% deduction provided in section 243(a)(4)

(4) Enter dividends received from wholly owned foreign subsidiaries and which are eligible for the 100% deduction provided in section 245(b)

(5) Enter foreign dividends (including minimum distributions under subpart F) not reportable on lines 3 and 4. Exclude distributions of amounts constructively taxed in the current year or in prior years under subpart F

The tax from recomputing a prior year work incentive credit may not be offset against the current year's work incentive credit.

5. Tax from recomputing a prior year investment credit.—If property is disposed of prior to the life years (see Reg. 1.179-10), the credit must be recomputed using as the useful life the period the property was actually held. If the credit taken, including carrybacks and carryovers, exceeds the recomputed credit, the tax in the year of disposition must be increased by the excess. 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.

6. Minimum tax on tax preference items.—Corporations having tax preference items in excess of \$30,000 must attach Form 4626. Computation of Minimum Tax.

Items of tax preference are: (1) accelerated depreciation on real property; (2) accelerated depreciation on personal property, subject to a net lease; (3) amortization of certified pollution control facilities; (4) amortization of railroad rolling stock; (5) amortization of the job training facilities; (6) amortization of child care facilities; (7) reserves for losses on bad debts of financial institutions; (8) excess percentage depletion; and (9) capital gains.

*Applies only to personal holding companies.

Single copies of Publication 334, Tax Guide for Small Business (1975 edition), may be obtained without cost from most IRS offices. Form 334 does not reflect provisions of the Tax Reduction Act of 1975.

However, no deduction is allowed to a corporation for a taxable year for which it is a DISC or during which it owns directly or indirectly at any time stock in a DISC or former DISC as defined in section 992(a).

Schedule J—Tax Computation

1. See Form 1120-FY 1974-75 (Rev. 4-75) for tax computation.

2. Mutual savings banks conducting life insurance business.—The tax under section 994 consists of the sum of: (1) a 20% limitation on the tax 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 1120L of the life insurance department. Enter the combined tax on line 5 of Schedule J, Form 1120. Attach Form 1120L as a schedule and identify as such.

3. Credit for wages paid or incurred in Work Incentive (WIN) program.—Employer's credit for 20% of the salaries and wages paid or incurred to employees hired under a WIN program. The credit is allowed for the first 12 months of employment. For salaries and wages paid or incurred for the first 12 months of employment, see Form 4874-FY and sections 50A and 50B special rules and limitations.

4. Tax from recomputing a prior year WIN credit.—If a WIN employee is dismissed before the end of the first 12 months of employment or during the first 12 months of employment, the tax credit must be recomputed. Attach Form 4874-FY and wages paid or incurred to that employee. (See Form 4874-FY.)

stock (a) that is disposed of if the corporation held it 15 days or less, or (b) in 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 should 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 29.167% 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. 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(e)(1)(B).

6. Deduction for Western Hemisphere trade corporations.—Section 922 allows Western Hemisphere trade corporations a deduction of 29.167% of taxable income computed without regard to this deduction.

double declining balance and sum of the years-digits methods may be used only for new residential real property from which at least 80% of the gross rental income is derived from rental of residential units. Other new real property may be depreciated under the straight line or 150% declining balance methods.

Used section 1250 property.—Used residential rental property with a useful life of 20 years or more may be depreciated under the 125% declining balance method. Other used real property may be depreciated under the straight line method.

Rehabilitation expenditures for low-income rental housing.—You may elect to compute the depreciation deduction under section 167(k) for rehabilitation expenditures incurred for low-income rental housing under the straight-line method using a useful life of 60 months and no salvage value in lieu of any other method of computing depreciation. 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 new or used tangible personal property with a useful life of 3 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. If the additional first year allowance is elected, the basis of the property must be reduced by the amount of the deduction before computing the ordinary depreciation.

Schedule I—Special Deductions

(Numbered to correspond with line numbers in Schedule J.)

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)).

No deduction is allowed under section 243 for a dividend from a DISC or former DISC (as defined in section 952) to the extent such dividend is paid out of the corporation's accumulated DISC income or previously taxed income, or is deemed distribution under section 992(b)(1).

In general, no dividends received deduction will be allowed on any share of

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Schedule I—Special Deductions

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No deduction is allowed under section 243 for a dividend from a DISC or former DISC (as defined in section 952) to the extent such dividend is paid out of the corporation's accumulated DISC income or previously taxed income, or is deemed distribution under section 992(b)(1).

In general, no dividends received deduction will be allowed on any share of

(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 appropriation loss.

If you have a net operating loss carryback and want a "quick refund" of taxes, see Form 1139 within 12 months after the close of the taxable year in which the net operating loss occurred (Section 6411).

If a net operating loss carryback creates an unused investment credit or an unused work-incentive (WIN) credit in a preceding year, the unused credit may be carried back to the 3 preceding years, however, the WIN credit cannot be carried back to years beginning before 1972, and under the provisions of section 1711, a quick refund of the Form 1139.

Special deductions.—See instructions for Schedule I.

Schedule G—Depreciation

Complete Schedule G if you claim a deduction for depreciation of property, leasehold improvements, patents, or copyrights. Form 4562, Depreciation, may be used as a supplement to Schedule G.

Salvage value.—Salvage value must be taken into account in determining the depreciation deduction except under the declining balance method, Class Life (ROR) System, or Guideline Class Life System. For personal property (other than livestock with a useful life of 3 years or more) and tangible personal property, an amount not in excess of 10% of the cost or other basis of the property. Property cannot be depreciated below a reasonable salvage value after you make the above salvage value reduction.

Tangible property other than real property.

—Tangible personal property, whether real or personal, 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 straight line method, (2) the sum of the years-digits method, or (3) any other method that does not result in accumulated allowances at the end of any year (during the first two-thirds use 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.

Income must be allocated to such income, and items directly attributable to any class of taxable income must be allocated to such taxable income.

If an item is indirectly attributable to both taxable income and exempt income, a reasonable apportion of the item, determined in the light of all the facts and circumstances in each case must 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 J are computed without regard to the 85% limitation provided in section 246(b). See section 1172-2 of the regulations.

(4) The special deduction allowed by section 247 (dividends paid on certain preferred stock of public utilities) is not allowed 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 earned in the taxable year in which the net operating loss is carried to such year (such loss may still be available to carry to a later year):

- (a) The special deduction provided in section 922 (Western Hemisphere trade corporations) is not allowed.

Codes for Principal Business Activity and Principal Product or Service

These industry titles and definitions are based, in general, on the Enterprise Standard Industrial Classification System developed by the Office of Management and Budget, Executive Office of the President, to classify enterprises by type of activity through 10, page 1. On page 3, under M, state the principal business activity for the enterprise. For example, if the principal business activity is "Gran mill products," the principal product or service may be "Cereal preparations."

- AGRICULTURE, FORESTRY, AND FISHING**
 0433 Agricultural production
 0434 Forestry, fishing, hunting, and trapping
MINING
 1075 Copper, lead and zinc, gold and silver
 1098 Other metal mining
Other mining
 1336 Coal petroleum, natural gas, and natural gas liquids
 1340 Crude petroleum, natural gas, and natural gas liquids
 1380 Oil and gas field services
 1384 Nonmetallic minerals (except fuels) mining
 1408 Sand and gravel, crushed stone, and other nonmetallic mineral products, except fuels
CONSTRUCTION
 1598 Other metal building contractors and operative builders
General building contractors
 1599 General building contractors
Specialty trade contractors
 1711 Plumbing, heating, and air conditioning
 1798 Other special trade contractors
MANUFACTURING
 2015 Misc. fabricated metal products
 2020 Dairy products
 2025 Meat and poultry products
 2040 Grain mill products
 2050 Suet and confectionery products
 2060 Other food and kindred products
 2088 Alcoholic beverages, except malt liquors
 2098 Beer and malt drinks and flavorings
 2099 Other food and kindred products
Textile mill products
 2228 Weaving, mill, and textile finishing
 2238 Apparel and accessories, fabrics, and other
 2245 Women's and children's clothing
 2258 Apparel and accessories, fabrics, and other
 2390 Misc. woodcut textile products
Other textile mill products
 2415 Luggage, camp, and luggage contractors
 2430 Mink, fur, and related products
 2458 Other woodcut textile products
Furniture and fixtures
 2505 Furniture and fixtures
 2599 Other paper products
 2710 Newsprint
 2735 Broadsheet, printing, and other
 2799 Publishing and other printing, and print
Chemicals and allied products
 2810 Inorganic chemicals, basic materials, and synthetic rubbers, plastics materials
 2840 Soap, cleaners, and toilet goods
 2888 Agricultural and other chemical products
Petroleum refining and related industries
 2910 Petroleum refining and allied industries
 2998 Refined petroleum products
Rubber and misc. plastics products
 3070 Misc. plastics products
Leather and leather products
 3198 Other leather and leather products
- AGRICULTURE, FORESTRY, AND FISHING**
 0433 Agricultural production
 0434 Forestry, fishing, hunting, and trapping
MINING
 1075 Copper, lead and zinc, gold and silver
 1098 Other metal mining
Other mining
 1336 Coal petroleum, natural gas, and natural gas liquids
 1340 Crude petroleum, natural gas, and natural gas liquids
 1380 Oil and gas field services
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 2505 Furniture and fixtures
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 2710 Newsprint
 2735 Broadsheet, printing, and other
 2799 Publishing and other printing, and print
Chemicals and allied products
 2810 Inorganic chemicals, basic materials, and synthetic rubbers, plastics materials
 2840 Soap, cleaners, and toilet goods
 2888 Agricultural and other chemical products
Petroleum refining and related industries
 2910 Petroleum refining and allied industries
 2998 Refined petroleum products
Rubber and misc. plastics products
 3070 Misc. plastics products
Leather and leather products
 3198 Other leather and leather products
- STONE, CLAY, GLASS, AND CONCRETE PRODUCTS**
 3240 Cement, hydraulic
 3241 Other cement, gypsum, and plaster products
 3242 Other cement, gypsum, and plaster products
Primary metal industries
 3370 Ferrous metal industries, misc. primary
 3380 Nonferrous metal industries
Fabricated metal products, except machinery
 3410 Metal cans and shipping containers
 3420 Machine tools, cutlery, and similar machine products, bolts, and similar
 3430 Plumbing and heating, except electric and
 3440 Farm, allied structural metal products
 3450 Metal forgings and stampings
 3460 Metal castings and forgings
 3480 Ordnance and accessories, except vehicles
 3490 Misc. fabricated metal products
Machinery, except electric
 3530 Construction, mining, and materials handling machinery and equipment
 3540 Special industry machinery, except
 3560 General industrial machinery
 3570 Engines and turbines, service industry electrical, and other machinery (except
Electrical and electronic machinery, equipment
 3620 Household appliances
 3630 Electrical, electronic, and communication
 3650 Equipment, electrical, and communication
 3678 Other electric equipment
Transportation equipment
 3725 Aircraft, shiping missiles and parts
 3738 Other transportation equipment
Measuring and controlling instruments, photo-optical, and other instruments
 3845 Scales, watches and clocks, measuring devices
 3850 Photographic equipment and supplies
 3998 Other manufacturing products
TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS, AND SANITARY SERVICES
 4000 Railroad transportation
 4100 Trucking, warehousing, and express
 4200 Trucking and warehousing
 4300 Water transportation
 4400 Air transportation
 4500 Pipeline, except natural gas
 4600 Other transportation services
Communication
 4825 Telephone, telegraph, and other communication services
 4830 Radio and television broadcasting
Electric, gas, and sanitary services
 4910 Electric, gas, and steam supply and distribution
 4920 Combination utility services
 4930 Water supply, sewer, and sanitary services
WHOLESALE TRADE
Wholesale
 5110 Motor vehicles and automotive equipment
 5120 Motor vehicles and automotive equipment
 5200 Metals and minerals, except petroleum
 5290 Miscellaneous goods
 5300 Groceries
 5310 Hardware, plumbing and heating
 5380 Machinery, equipment, and supplies
 5398 Other durable goods
 5410 Paper and paper products
 5420 Drugs, chemicals, and allied products
- RETAIL TRADE**
Building materials, hardware, garden supply
 5430 Building materials dealers
 5440 Hardware, paint, and mobile home dealers
 5450 Garden supplies and mobile home dealers
 5460 Miscellaneous hardware stores
Automotive dealers and service stations
 5510 Gasoline service stations
 5520 Automobile repair and maintenance stores
 5530 Apparel and accessory stores
 5600 Furniture and home furnishings stores
 5610 Eating and drinking places
Misc. retail stores
 5711 Lumber stores
 5712 Other misc. retail stores
FINANCE, INSURANCE, AND REAL ESTATE
 6010 Mutual savings banks
 6020 National banks and trust companies
 6030 State banks, credit mutual savings banks, and
 6040 Bank holding companies
 6050 Finance, insurance, and real estate
Credit
 6120 Savings and loan associations
 6130 Business credit institutions
 6199 Other credit agencies
Real estate
 6210 Real estate agents, brokers, and service
 6220 Real estate investment trusts
 6230 Real estate investment trusts
 6240 Real estate investment trusts
 6299 Holding and other investment companies
 6399 Other holding companies
Life insurance
 6350 Mutual insurance, except life, or marine
 6360 Life insurance companies
 6399 Other life insurance companies
Insurance agents, brokers, and service
 6410 Insurance agents, brokers, and service
Real estate
 6516 Property of building
 6518 Property of mining, oil, and similar
 6599 Other real estate property and other real
 6699 Brokers and dealers
Holding and other investment companies
 6743 Real estate investment trusts
 6744 Real estate investment trusts
 6745 Real estate investment trusts
 6749 Holding and other investment companies
 6799 Other holding companies
SERVICES
7000 Hotels and lodging places
7000 Personal services
 7100 Business services
 7199 Business services, except advertising
 7200 Auto repair and services, repair services
 7299 Auto repair and services, repair services
Amusement and recreational services
 7810 Motion picture production, distribution,
 7830 Motion picture theaters
 7900 Other motion picture production services, ex-
Other professional, physicians, including, osteo-
 8001 Chiropractors
 8010 Chiropractors
 8030 Nursing and personal care facilities
 8099 Other medical services
 8110 Employment services
 8199 Employment services
 8599 Misc. services

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1974 (Rev. 4-75)

SCHEDULE D (Form 1120) Department of the Treasury Internal Revenue Service

Capital Gains and Losses Attach to your income tax return.

Name Employer Identification Number

Part I Short-term Capital Gains and Losses—Assets Held 6 Months or Less

Table with 6 columns: 1. Kind of property and acquisition date, 2. Date acquired, 3. Date sold, 4. Gross sale price, 5. Date sold (mo., day, yr.), 6. Cost or other basis and adjusted sale price, 7. Gain or (loss), 8. Loss 0.

Part II Long-term Capital Gains and Losses—Assets Held More Than 6 Months

Table with 4 columns: 1. Kind of property and acquisition date, 2. Date acquired, 3. Date sold, 4. Gross sale price.

Part III Summary of Schedule D Gains and Losses

Summary table with 3 rows: 1. Enter excess of net short-term capital gain, 2. Enter excess of net long-term capital gain, 3. Total of lines 1 and 2.

Part IV Alternative Tax Computation (Use Form 1120-FY 1974-75 (Rev. 4-75) in order to compute your tax)

Instructions

(References are to the Internal Revenue Code.) This schedule provides for the reporting of sales or exchanges of capital assets. Every sale or exchange of property must be reported even though no gain or loss is indicated.

For reporting sales or exchanges of property other than capital assets including the sale or exchange of property used in the trade or business and involuntary conversions (section 1231), see Form 4797 and related instructions.

PARTS I and II

Capital Assets.—Each item of property held by a corporation (whether or not connected with its trade or business) is a capital asset except: (1) inventory, (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. 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 tax overpayment created by the capital loss carryback may be obtained by filing Form 1139. If a net capital loss carryback creates an unused investment credit or an unused work incentive (WIN) credit in a preceding year, the unused credit may be carried back to the three preceding years (however, the WIN credit cannot be carried back to years beginning before 1972), and, under the provisions of section 6411, a quick refund of the tax overpayment 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 for 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 vesting of stock, see sections 1014, 1015, 1031, 1033, and 1091. If the basis is determined on a method other than actual cash cost of the property, the 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.

PART IV

Alternative Tax Computation.—Use Form 1120-FY 1974-75 (Rev. 4-75) in order to compute your tax.

Minimum Tax on Tax Preference Items.—If the net short-term capital loss exceeds the net short-term capital loss, you may be liable for minimum tax. See Form 4625.

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 thereon in installment payments. (If there are no payments in the year of sale or (2) he received 30% of the selling price. (See section 453.) Such sales must provide for two or more payments, with 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-DISC (1974) Page **2**

Schedule A Cost of Goods Sold (See instructions for Schedule A) Reflect ACTUAL purchases from a related supplier at the transfer price determined under the inter-company pricing rules of section 994, if used. See Schedule P (Form 1120-DISC).

1	Inventory at the beginning of the year	
2	Purchases	
3	Salaries and wages	
4	Other costs (attach schedule)	
5	Total	
6	Less: Inventory at the end of the year	
7	Cost of goods sold—Enter here and on line 5, page 1.	

Method of inventory valuation: ▶
 Was there any substantial change in the manner of determining quantities, costs, or valuations between the opening and closing inventory?
 If "Yes," attach explanation. Yes No

Schedule B Gross Income (See Instructions for Schedule B)

A. Type of receipt	B. Gross receipts		D. Other receipts	E. Total (add columns C and D)
	C. Commission	Commission basis		
1. Qualified export receipts from the sale of export property: (a) To unrelated purchasers (i) Direct foreign sales (ii) Foreign sales through a related foreign entity (iii) To persons in the U.S. (other than an un-related DISC) (iv) To an unrelated DISC (b) To related purchasers: (i) Direct foreign sales (ii) To persons in the U.S. (c) Total—Enter amount in column E on line 1, page 1.				
2. Other qualified export receipts: (a) Leasing or renting of export property (b) Services related and subsidiary to a qualified export sale or lease (c) Engineering and architectural services (d) Export management services (e) Qualified dividends (line 10, Schedule C) (f) Interest on producer's loans (g) Other interest (attach schedule) (h) Net capital gains (Separate Schedule D (Form 1120)) (i) Ordinary gain (or loss) from Part II, Form 4797 (attach Form 4797) (j) Total—Enter amount in column E on line 2, page 1.				
3. Nonqualified gross receipts: (a) Ultimate use in U.S. (b) Exports subsidized by the U.S. Government (see instructions) (c) Certain direct or indirect sales or leases for use by the U.S. Government (d) Sales to other DISCs in the same controlled group (e) Nonqualified dividends (line 11, Schedule C) (f) Other (see instructions—attach schedule) (g) Total—Enter amount in column E on line 3, page 1.				
4. Total—Enter amount in column E on line 4, page 1.				

1120-DISC Domestic International Sales Corporation Return
 Department of the Treasury Internal Revenue Service
 For calendar year 1974 or other taxable year beginning 1974, ending 1974

Name: _____
 Address: _____
 City or town, State, and ZIP code: _____
 Number and street: _____
 City or town, State, and ZIP code: _____
 Enter data from Schedule C (line 8), Schedule E (line 11), and Schedule F (line 13): _____
 Did any corporation, individual, partnership, trust or estate at the end of your taxable year own, directly or indirectly, 50% or more of your voting stock?
 If "Yes," enter below the owner's name, address, identifying number, percentage of voting stock owned and, if a corporation, total assets (See General Instruction Q). Yes No

Name	Identification Number	Address	Percent age of stock owned	Total Assets (Corporations only)	Foreign owned
					Yes <input type="checkbox"/> No <input type="checkbox"/>

G Indicate by placing an "X" in the appropriate box(es) the inter-company pricing rule or rules which were applied to 25% or more of total receipts (line 4, page 1).
 The 50-50 combined taxable income method
 The 4% gross receipts method
 The section 482 method ("arms length pricing")

All Computations Must Reflect Inter-Company Pricing Rules Under Section 994 If Used (See Schedule P (Form 1120-DISC))

Gross Income	
1. Qualified export receipts from the sale of export property (line 1(c) column E, Schedule B)	
2. Other qualified export receipts. (line 2(d) column E, Schedule B)	
3. Nonqualified gross receipts. (line 3(g) column E, Schedule B)	
4. Total of lines 1, 2, and 3.	
5. Less: Cost of goods sold (line 7, Schedule A) and/or operations (attach schedule)	
6. Total income	
Deductions	
7. Export promotion expenses: (line 1(c), Schedule E)	
8. Other expenses not deducted above (line 2(h), Schedule E)	
9. Total deductions	
Computation of Taxable Income	
10. Taxable income before net operating loss deduction and dividends-received deduction (line 6 less line 9)	
11. Less: (a) Net operating loss deduction (see instructions—attach schedule) (b) Dividends-received deduction (line 2, Schedule F)	
12. Taxable income (line 10 less line 11)	

13 Refund of U.S. tax on special fuel, nonhighway gas, and lubricating oil (attach Form 4136)
 Under penalties of perjury, declare that you have examined this return, including accompanying schedules and statements, and to the best of your knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which he has any knowledge.
 The Internal Revenue Service will not accept this return unless it is signed and dated as follows:
 Taxpayer's signature: _____ Date: _____
 Signature of officer: _____ Date: _____
 Signature of individual or firm preparing return: _____ Date: _____
 Preparer's address: _____
 Form 1120-DISC (1974)

Schedule C Dividends (See instructions for Schedule C)

1	Domestic corporations subject to the 85% deduction
2	Certain preferred stock of public utilities
3	Foreign corporations subject to the 85% deduction
4	Dividends from wholly-owned foreign subsidiaries subject to the 100% deduction (section 245(b))
5	Other dividends from foreign corporations
6	Includable income from controlled foreign corporations under subpart F (attach Forms 3646)
7	Taxable dividends from a DISC or former DISC not included in line 1 (section 246(d))
8	Other dividends
9	Total
10	Less: Qualified dividends—Enter the qualified dividends here and on line 2(e), column D, Schedule B
11	Nonqualified dividends—Enter here and on line 3(e), column D, Schedule B

Schedule E Deductions (See instructions for Schedule E)

1	Export promotion expenses
(a)	Market studies
(b)	Advertising
(c)	Depreciation (attach Form 4562)
(d)	Salaries and wages
(e)	Rents
(f)	Sales commissions
(g)	Warehousing
(h)	Freight (excluding insurance—see instructions)
(i)	Compensation of officers
(j)	Repairs (see instructions)
(k)	Amortization (attach schedule)
(l)	Pension, profit-sharing, etc. plans (see instructions)
(m)	Employee benefit programs
(n)	Other (list)
(o)	Total—Enter here and on line 7, page 1
2	Other expenses not deducted above:
(a)	Bad debts (Schedule F if reserve method is used)
(b)	Taxes (attach schedule)
(c)	Interest
(d)	Contributions (not over 5% of line 12, page 1 adjusted per instructions—attach schedule)
(e)	Freight
(f)	Freight insurance
(g)	Other (attach schedule)
(h)	Total—Enter here and on line 8, page 1

Schedule F Bad Debts—Reserve Method (See instructions)

1 Year	2 Trade notes and accounts receivable outstanding at the end of the year	3 Sales on account	4 Current year's provision	5 Recoveries	6 Amount charged against the reserve	7 Reserve for bad debts (line 2 plus 6) for year
1969						
1970						
1971						
1972						
1973						
1974						

Schedule I Dividends-received Deduction (See instructions for Schedule I)

- 1 (a) 85% of line 1, Schedule C
- (b) 60.208% of line 2, Schedule C
- (c) 85% of line 3, Schedule C
- (d) 100% of line 4, Schedule C

Schedule J Deemed and Actual Distributions to Shareholders for the Taxable Year (See instructions for Schedule J)

PART I—Deemed Distributions Under Section 995(b)(1)

- 1 Gross interest derived during the year from producer's loans under section 995(b)(1)(A)
- 2 Gain recognized on the sale or exchange of property under section 995(b)(1)(B) (see instructions—attach computation)
- 3 Gain recognized on the sale or exchange of property under section 995(b)(1)(C) (see instructions—attach computation)
- 4 Total of lines 1, 2, and 3
- 5 (a) Taxable income (line 12, page 1)
- (b) Enter the amount from line 4 above
- (c) Line 5(a) less line 5(b) (if line 5(a) is a loss or is less than line 5(b), enter zero)
- (d) 50% of line 5(c) (deemed distribution under section 995(b)(1)(D))
- 6 Total of line 4 and line 5(d)
- 7 Earnings and profits for the taxable year (see instructions—attach computation)
- 8 Enter the smaller of line 6 or line 7 (but not less than zero)
- 9 Foreign investment attributable to producer's loans for the taxable year under section 995(b)(1)(E) (see instructions for limitation—attach computation)
- 10 Total deemed distributions under section 995(b)(1) (add line 8 and line 9)

PART II—Deemed Distributions Under Section 995(b)(2)

- 1 Annual installment of distribution attributable to revocation of election in a prior year
- 2 Annual installment of distribution attributable to a failure to qualify as a DISC in a prior year
- 3 Total deemed distributions under section 995(b)(2) (add line 1 and line 2)

Schedule L Balance Sheets

Table with columns: (a) Beginning of the taxable year, (b) End of the taxable year. Rows include: 1. Qualified assets (Working capital, Funds awaiting investment, Export-import Bank obligations, Trade receivables, Export property, Producer's loans, Investment in related foreign export corporations, Depreciable assets, Other), 2. Nonqualified assets (net), 3. Total assets, 4. Accounts payable, 5. Other current liabilities, 6. Mortgages, notes, bonds payable, 7. Other liabilities, 8. Capital stock, 9. Paid-in or capital surplus, 10. Other earnings and profits, 11. Previously taxed income, 12. Accumulated DISC income, 13. Less cost of treasury stock, 14. Total liabilities and stockholders' equity.

Schedule M-1 Reconciliation of Income per Books With Income per Return

Table with columns: 1. Net income per books, 2. Excess of capital losses over capital gains, 3. Taxable income not reported on books, 4. Expenses recorded on books but not deducted in this return, 5. Total of lines 1 through 4, 6. Income recorded on books this year not included in this return, 7. Deductions in this return not charge against book income, 8. Total of lines 6 and 7, 9. Income (line 10, page 1), 5. Distributions to qualify under sec. 992(c), 6. Other decreases, 7. Total of lines 5, 6, and 7, 8. Balance at end of year, 9. Balance at end of year, 10. Balance at end of year, 11. Balance at end of year.

Schedule M-2 Analysis of Other Earnings and Profits (Line 10 above)

Table with columns: 1. Balance at the beginning of the year, 2. Increases, 3. Total of lines 1 and 2, 4. Deficit in earnings and profits, 5. Balance at the beginning of the year, 6. Decreased distributions under section 992(b), 7. Other increases, 8. Total of lines 1, 2, and 3, 9. Balance at end of year, 10. Balance at end of year, 11. Balance at end of year.

Schedule M-3 Analysis of Previously Taxed Income (Line 11 above)

Table with columns: 1. Balance at the beginning of the year, 2. Decreased distributions under section 992(b), 3. Other increases, 4. Total of lines 1, 2, and 3, 5. Balance at end of year, 6. Balance at end of year, 7. Balance at end of year, 8. Balance at end of year, 9. Balance at end of year, 10. Balance at end of year, 11. Balance at end of year.

Schedule N-1 Analysis of Accumulated DISC Income (Line 12 above)

Table with columns: 1. Balance at the beginning of the year, 2. Increases, 3. Total of lines 1 and 2, 4. Deficit in earnings and profits, 5. Balance at end of year, 6. Balance at end of year, 7. Balance at end of year, 8. Balance at end of year, 9. Balance at end of year, 10. Balance at end of year, 11. Balance at end of year.

Schedule N-2 Geographic Source of Gross Receipts (Attach separate Schedule N Form 1120-DISC)

Table with columns: 1. Balance at the beginning of the year, 2. Increases, 3. Total of lines 1 and 2, 4. Deficit in earnings and profits, 5. Balance at end of year, 6. Balance at end of year, 7. Balance at end of year, 8. Balance at end of year, 9. Balance at end of year, 10. Balance at end of year, 11. Balance at end of year.

Schedule P Computation of Inter-company Transfer Price or Commission (Attach separate Schedule P Form 1120-DISC)

Table with columns: 1. Balance at the beginning of the year, 2. Increases, 3. Total of lines 1 and 2, 4. Deficit in earnings and profits, 5. Balance at end of year, 6. Balance at end of year, 7. Balance at end of year, 8. Balance at end of year, 9. Balance at end of year, 10. Balance at end of year, 11. Balance at end of year.

Schedule J Continued

Table with columns: Yes, No. Rows include: 1. Distributions to meet qualification requirements under section 992(c), 2. Other actual distributions, 3. Total of line 1 and line 2, 4. Amount on line 3 treated as distributed out of: (a) Previously taxed income, (b) Accumulated DISC income, (c) Other earnings and profits, (d) Other.

Schedule K Shareholder's Statement of DISC Distribution

Table with columns: Yes, No. Rows include: H. Date incorporated, I. Did you claim a deduction for expenses connected with: (1) Entertainment facility, (2) Living accommodations, (3) Employees' families, (4) Employees or family vacations, J. Refer to page 8 of the instructions and state the principal business activity, K. Did you, 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?, L. Were you a U.S. shareholder of any controlled foreign corporation?, M. Did you file all required Forms 1087, 1098, and 1099?, N. Did you 95% or more of your gross receipts for the taxable year consist of qualified export receipts?, O. Did the adjusted basis of your qualified export assets at the close of the taxable year equal or exceed 95% of the sum of the adjusted basis of all your assets at the close of the taxable year?, P. Are you a member of a controlled group that includes other DISCs?, Q. Did you have your own bank account?, R. Did you maintain separate books and records?, S. A schedule showing the creditable foreign tax you paid is required. Have you attached the schedule?, T. Are any of your shareholders a small business concern for purposes of receiving a Small Business Administration loan as defined in section 121, 3-10 of Title 13 of the Code of Federal Regulations? If "yes," attach a schedule of the names, addresses, and identifying numbers of those shareholders.

1974 Department of the Treasury

Instructions for Form 1120-DISC

Domestic International Sales Corporation Return

(References are to the Internal Revenue Code)

Rules provided in these instructions are subject to modification by final regulations relating to the DISC provisions.

Sec. 992. Requirements of a DISC

(a) **General rule.**—A DISC is a corporation that is incorporated under the laws of any State or the District of Columbia and satisfies the following conditions for the taxable year:

- (1) 95% or more of its gross receipts (as defined in section 993(f)) consist of export receipts (as defined in section 992(a));
- (2) the adjusted basis of its qualified export assets at the end of the taxable year equals or exceeds 95% of the sum of the adjusted basis of all its assets at the end of the taxable year;
- (3) it does not have more than one class of stock and the par or stated value of its outstanding stock is at least \$2,500 on each day (for a new corporation, the par or stated value of its stock at the time of its election) and for each succeeding day of the taxable year;
- (4) it has made an election to be treated as a DISC and the election is in effect for the taxable year;
- (5) it has its own bank account on each day for a new corporation, on the last day for making an election and for each succeeding day of the taxable year and maintains separate books and records; and
- (6) it is not an ineligible corporation.

(b) **Election.**—An election by an existing corporation to be treated as a DISC for a taxable year must be made at any time during the 90-day period beginning on the last day of the taxable year and ending on the beginning of the first taxable year.

In general, the election will be valid only if all persons who are shareholders in the corporation on the first day of the first taxable year for which the election is effective consent to the election. (See Form 4576, Election to be Treated as a DISC.)

An election may be terminated by a revocation of the election for any taxable year after the first taxable year 1371(b).

for which the election is effective, if made at any time during the first 90-day period of the taxable year (or, for the taxable year following the close of such 90-day period).

The election will be terminated by the continued failure of the corporation to be a DISC for each of any 2 consecutive taxable years for which an election is effective.

(c) **Distributions to meet qualification requirements.**—A corporation that fails to meet the qualification requirements of section 992(c) must make a pro rata distribution of property after the close of the taxable year to its shareholders (designated at the time of the distribution as a distribution to meet qualification requirements) with respect to their stock in an amount which equals their proportionate gross receipts that are not qualified export receipts if it fails the gross receipts condition, (2) the fair market value of its assets that are not qualified export assets on the last day of the taxable year less its net income (3) the assets of the corporation on the last day of (1) and (2) if neither condition is met.

See section 992(c)(2) for reasonable cause for failure to make distributions to meet qualification requirements and section 992(c)(3) for distributions made within 8½ months after the close of the taxable year.

(d) **Ineligible corporations.**—The following corporations are not eligible for DISC treatment:

- (1) a corporation, exempt from tax under section 501;
- (2) a personal holding company as defined in section 542;
- (3) a financial institution to which section 581 or 592 applies;
- (4) an insurance company subject to the tax imposed by subchapter L;
- (5) a regulated investment company as defined in section 851(a);
- (6) a China Trade Act corporation receiving the special deduction provided in section 941(e); or
- (7) an electing small business corporation as defined in section 1371(b).

(e) **Restrictions on DISCs and DISC corporate stockholders.**—For any tax DISC year in which a corporation is owned directly or indirectly, stock in a DISC or former DISC such corporation is not allowed to take the Western Hemisphere Trade Corporation deduction (Section 922), and is not entitled to the benefits of Section 931.

Sec. 993. Definitions

(a) **Qualified export receipts.**—Except as provided by regulations under section 993(a)(7), qualified export receipts of a corporation are:

- (1) gross receipts from the sale, exchange, or other disposition of export property;
- (2) gross receipts from the lease, sale, or other disposition of property that is used by the lessee of the property out-

side the U.S.

(3) gross receipts for services that are related and subsidiary to any qualified sale, exchange, lease, rental, or other disposition of export property by the corporation;

(4) gain from the sale, exchange, or other disposition of qualified export assets;

(5) dividends for amounts includable in gross income under section 951 with respect to stock of a related foreign export corporation;

(6) interest on any obligation that is a qualified export asset;

(7) gross receipts for engineering or architectural services for construction projects located for proposed for location outside the U.S.; and

(8) gross receipts for the performance of production of other qualified export receipts of a DISC.

(b) **Qualified export assets.**—Qualified export assets of a corporation are:

- (1) export property;
- (2) assets used primarily in connection with the sale, lease, rental, storage, assembly, or servicing of export property or the performance of engineering or architectural services as described in section 993(a)(1)(G) or manufacturing services in the furtherance of the production of qualified export receipts as described in section 993(a)(1)(A), (B), (C), and (G);
- (3) accounts receivable and other debts of transactions described in section 993(a)(1)(A), (B), (C), (D), (G), or (H);
- (4) money, bank deposits, and other similar temporary investments that are reasonably necessary to meet the working capital requirements of the corporation;
- (5) obligations arising in connection with a producer's loan;
- (6) stock or securities of a related foreign export corporation;

(7) certain obligations issued, guaranteed, or insured, in whole or in part, by the Export-Import Bank of the U.S. or the Foreign Credit Insurance Association in those cases where the issuer is an association or other bank or association of banks or financial institutions or a seller of goods or services from which the obligations arose;

(8) certain obligations issued by a domestic corporation organized solely for the purpose of financing sales of export property pursuant to an agreement with the Export-Import Bank of the U.S. under which the corporation makes export loans guaranteed by the bank; and

(9) amounts (other than reasonable working capital) on deposit in the U.S. that are utilized during the period provided by regulations to acquire other qualified export assets.

(c) **Export property.**—Export property is property (except excluded property) that is manufactured, produced, or grown other than in the U.S. by a person other than a DISC;

(2) held primarily for sale, lease, or rental in the ordinary course of trade or business, by, or to, a DISC, for direct use, consumption, or disposition outside the U.S.;

(3) consisting of a fair market value of which not more than 50% is attributable to articles imported into the U.S.; or

(4) not sold or leased (1) by a DISC, or (2) to a DISC as a commission agent, to another DISC that is a member of the same controlled group (as defined in section 993(a)(3)) as the person (a member of the same controlled group in section 921) that is a related person (a member of the same controlled group as defined in section 993(a)(3) or a relationship that would result in a disallowance of losses under section 267 or section 707(b)) immediately before or after the transaction with respect to the seller, lessor, or commission agent.

(d) **Producer's loans.**—An obligation subject to the rules provided in section 993(d)(2) and (3) will be treated as arising out of a producer's loan if, (1) the loan, when added to the unpaid balance of all other producer's loans made by the DISC, does not exceed the accumulated DISC income at the beginning of the month in which the obligation is evidenced by a note (or other evidence of indebtedness) with a stated maturity date not more than 5 years from the date of the loan;

(2) the loan is made to a person engaged in the U.S. in the manufacturing, production, growing, or extraction of export property; and

(3) it is designated as a producer's loan at the time of the loan.

(e) Related foreign export corporation.

A DISC may acquire and receive interest in the form of dividends and interest from the following investments that are related to exports from the U.S.:

(1) foreign corporation based in a related foreign export corporation if (a) the corporation owns 50% of the total combined voting power of all classes of stock entitled to vote is owned directly by the DISC;

(2) 95% or more of the foreign corporation's gross receipts for its taxable year ending with or within the taxable year of the DISC consists of qualified export receipts (as defined in section 993(a)(1)(A) through (D)) and interest on any obligation described in section 993(b)(3) and (4); and

(3) the adjusted basis of the qualified export assets held by the foreign corporation at the close of the taxable year equals or exceeds 95% of the sum of the adjusted basis of all assets held by it at the close of the taxable year.

(f) **Real property holding company.**—A foreign corporation is a related foreign export corporation if:

- (1) stock possessing more than 50% of the total combined voting power of all classes of stock entitled to vote is owned directly by the DISC, and
- (2) its exclusive function is to hold title to real property, other than qualified export assets, for the benefit of the DISC because of a requirement of applicable foreign law that the DISC cannot hold title.

(g) **Associated foreign corporation.**—A foreign corporation is a related foreign export corporation if:

- (1) less than 10% of the total combined voting power of all classes of the foreign corporation's stock entitled to vote is owned directly by the DISC (as defined in section 1563(d) and (e)) by the DISC (within the meaning of section 1563) of which the DISC is a member, and
- (2) the ownership of stock and securities in the foreign corporation by the DISC is determined to be reasonable in relation to the nature of the transactions giving rise to qualified export receipts of the DISC.

(h) **Gross receipts.**—The term gross receipts means the total receipts from the sale, lease, or rental of property held primarily for sale, lease, or rental in the ordinary course of a trade or business and gross income from all other sources, the case of commissions on the sale, lease, or rental of property, the amount taken into account will be the gross receipts on the sale, lease, or rental of the property on which the commissions arose.

(i) **United States.**—U.S. includes the Commonwealth of Puerto Rico and the possessions of the U.S.

Sec. 994. Inter-Company Pricing Rules

In the case of a sale of export property to a DISC by a person described in section 482, the taxable income of the DISC as a transferee person may be adjusted to the extent necessary to allow the DISC to derive taxable income attributable to the sale (regardless of the sales price actually charged) in an amount which does not exceed the greatest of:

- (1) 4% of the qualified export receipts on the sale of the property by the DISC plus 10% of the export promotion expenses of the DISC attributable to the receipts;
- (2) 50% of the combined taxable income of the DISC and the person which is attributable to the qualified export receipts on the property derived as the result of a sale by the DISC plus 10% of the export promotion expenses of the DISC attributable to the receipts;
- (3) taxable income based upon the sale provided in section 482.

(Note: Generally, inter-company pricing rules (1) and (2) above will not conflict with the related person to price at a loss. See Schedule P (Form 1120-DISC).

Export promotion expenses are those expenses incurred to advance the distribution or sale of export property for which the DISC is not the transferee person on the sale. They include freight expenses to the extent of 50% of the cost of shipping export property aboard airplanes or ships operated under the laws of the United States in those cases where the property is shipped aboard such airplanes or ships.

General Instructions

A corporation required to file Form 1120-DISC as a related foreign export corporation has satisfied the requirements under section 992 for treatment as a DISC for the taxable year.

A "former DISC," as defined in section 992(b)(3), must file Form 1120-DISC for the taxable year.

If the principal business, office, or agency is located in:

- New Jersey, New York City, New York, Philadelphia, Pennsylvania, Washington, D.C., or Washington, New York
- Internal Revenue Service Center, Boston, Massachusetts 02122
- New York, New Jersey, Connecticut, New Hampshire, Rhode Island, Vermont

Use this address

1. Qualified export receipts from the sale of export property.—These are receipts from the sale of property, such as inventory, produced in the U.S. for direct use, consumption, or disposition outside the U.S.

For a sale to meet the export requirement, it must meet (1) the destination test, (2) the use test, and (3) the sale test. The destination test will be considered satisfied if the property is delivered (regardless of the FOB point or the place at which title passes or risk of loss shifts from the seller or lessor)

(a) Within the U.S. to a carrier or freight forwarder for ultimate delivery outside the U.S. to a purchaser or lessee (or to a subsequent purchaser or lessee); or

(b) Within the U.S. to a purchaser or lessee, if the property is ultimately delivered to a carrier or freight forwarder for delivery outside the U.S. by the purchaser or lessee (or a subsequent purchaser or lessee) within one year after the sale or lease.

(c) Within or outside the U.S. to a purchaser or lessee that, at the time of the sale or lease, is a DISC and is not a member of the same consolidated group as the seller or lessor (section 993(b)(3) as the seller or lessor).

(d) From the U.S. to the purchaser or lessee (or a subsequent purchaser or lessee) at a point outside the U.S. by means of the seller's or lessor's own ship, aircraft, or other delivery vehicle.

(e) Outside the U.S. to a purchaser or lessee from a warehouse, a storage facility, or assembly site located outside the U.S. if the property was received from the seller or lessor from the U.S. or

(f) Outside the U.S. to a purchaser or lessee if the property was previously shipped by the seller or lessor from the U.S. and if the property is located outside the U.S. pursuant to a prior lease by the seller or lessor, and either (a) the prior lease terminated at the expiration of the term of the lease, or (b) the sale occurred on the term of the subsequent lease began after the time at which the term of the prior lease would have expired, or (3) the lessee under the subsequent lease is not a related person as defined in section 993(a)(3) or a relationship that would result in a disallowance of losses under section 267 or section 707(b) immediately before or after the lease) with respect to the lessor and the prior lease was terminating alone (together with the lessee).

The second part of the export requirement is that the sale or lease must be for ultimate use in the U.S. This test is applied at the time of the sale. If the property is to be used predom-

Schedule A.—Cost of goods sold

If inter-company pricing rules are used, reflect in Schedule A actual purchases, net of inter-company transfers, transfer price determined under the inter-company pricing rules of section 994. See Schedule P (Form 1120-DISC).

Where the DISC acts as a commission agent on a sale for any person, do not include the cost of goods sold for such sale. See Schedule P (Form 1120-DISC).

The method of valuing inventories may not be changed without permission. Application for permission to change must be made on Form 3115, last-in, first-out (LIFO) method of valuation inventory provided in section 472 must attach Form 970 or a statement that contains all the information required by Form 970 to its return for the first year that method is to be used.

Schedule B.—Gross Income

(Numbered to correspond with the line numbers in Schedule B.)

Enter gross income in lines 1 through 3 categorized as either (1) qualified export receipts from the sale of export property, (2) other qualified export receipts, or (3) nonqualified gross receipts. For each of these three categories, report each on the applicable line. For example, if interest income consists of qualified interest from a foreign international sales corporation and nonqualified interest from a domestic obligation, enter the qualified interest on line 2(a) and the nonqualified interest on an attached schedule for line 3(0).

Special rule when the DISC acts as a commission agent.—For commissions on the sale, lease, or rental of property, or the furnishing of services, list in column B the gross receipts and the furnishing of services on the commissioning services on the commissioning services and in column C the non-commission earned. Receipts from the furnishing of services and all other receipts should be reported in column D. Form F is the sum of commissions reported in column C and receipts from non-commission sales, leases, or rentals and all other receipts reported in column D.

See instructions for lines 2(h) and 2(i) for details regarding the reporting of commissions from sale of qualified export assets.

If you use the installment method of reporting, attach a schedule showing the current and 3 preceding years (a) gross sales, (b) cost of goods sold, (c) gross profit, (d) percentage of gross sales, and (e) gross profit on the amount collected.

Computation of Taxable Income

11(a). Net operating loss deduction.—The "net operating loss deduction" is the sum of the net operating losses (or net operating loss carryovers to the taxable year). (Section 172(a).)

Generally, a net operating loss may be carried back 3 years and may carry over to the next 7 taxable years. The first year to which it may be carried is 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 loss over the amount carried to the next earliest year. The amount 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 dividends received deduction in line 1 of Schedule 1 is computed without regard to the 85% limitation provided in section 246(b). See section 1.172-2 of the regulations.
- A deficit in earnings and profits is chargeable in the following order:
- (1) first, to other earnings and profits, to the extent thereof;
 - (2) second, to accumulated DISC income, to the extent thereof;
 - (3) finally, to previously taxed in excess that a deficit in earnings and profits will not be applied against accumulated DISC income which has been determined to be deemed distributed to the shareholders (pursuant to section 995(b)(2)(A)) as a result of a reorganization, election of other stock, or election of other disqualification.

In determining the taxable income that must be reported on a net operating loss that will 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 the amount of a net operating loss attributable to a foreign expropriation loss.

12. Taxable income.—If either the gross receipts method or combined taxable income method is chosen for computing the taxable income or group of transactions consisting of products or product lines, attach a Schedule P (Form 1120-DISC) showing in detail the computation of taxable income for each action or group of transactions.

to the penalty imposed by section 7203) on any person required to supply information or file a return who fails to supply information or file a return at the time prescribed or who files a return that does not show the information required.

It is shown that the failure is due to negligence, the penalty is (1) \$100 for each failure to supply information (the total amount imposed for all failures during any calendar year will not exceed \$25,000) or (2) \$1,000 for each failure to file a return.

N. Taxation of a DISC.—A DISC is not subject to any tax imposed by sections 1 through 1564 except for the tax imposed by sections 1491 through 1494. Certain transfers to avoid tax rate income tax, the minimum tax, the earnings tax, or the accumulated earnings tax.

A DISC is subject to the provisions of sections 1441 through 1461 relating to withholding of tax on nonresident aliens and foreign corporations.

O. Investment credit and work incentive credit.—The investment credit and the work incentive (WIN) credit do not apply to a DISC and they are not carried through to any shareholder in a DISC.

P. Nonresident alien individuals and foreign corporations, trusts, and estates.—The rules for the taxation of stock in a DISC or former DISC and all distributions out of accumulated DISC income, including deemed distributions, as effectively connected with the conduct of a trade or business conducted through a permanent establishment within the U.S.

Q. Stock Ownership.—For rules of stock attribution, see section 267(c). If the owner of the voting stock of the entity is a corporation, partnership, trust, or estate, so indicate by placing an "X" in the "Yes" box in the "Foreign Ownership" column and enter the name of the owner's country in parentheses in the address column. Owner's country for other foreign entities, if the country for either foreign entities, it is the country in which organized or otherwise created, or in which administered.

Specific Instructions

(Numbered to correspond with the line numbers on page 1 of the return.)

S. Cost of goods sold.—Enter the amount shown on line 7, Schedule A.

Cost of operations (where inventories are not an income-determining factor).—If the amount determined on line 5 includes an amount applicable to cost of operations, attach Schedule P (Form 1120-DISC) showing in detail the computation of taxable income for each action or group of transactions.

stantial volume of sales of property by a related corporation that uses the accrual method of accounting and customarily pays commissions to the DISC more than 2 months after the sales.

Unless the law specifically permits, you may not change the method of accounting used to report income in a subsequent year without first obtaining consent on Form 3115. Also see the instructions for Change in Accounting Method.

G. Stock ownership in foreign corporations.—If you owned 5% or more of the value of the outstanding stock of a foreign corporation, you must file Form 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.

H. Financial statements.—The balance sheets must agree with your books and records. Any differences must be reconciled.

I. Attachments.—You may use attachments if the lines on the form schedules are not sufficient. They must contain all the required information, must follow the format of the official 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, the total need not be entered on page 1 schedule but must be entered on page 1 schedule.

Enter your name and identifying number in line 11 of Form 1120-DISC shown on page 1.

J. Amended return.—Correct any error in a previously filed return by filing an amended Form 1120-DISC.

K. Signature.—The return must be signed by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other corporate officer (such as tax officer) authorized to sign.

A receiver, trustee, or assignee must sign any return that he is required to file on behalf of a corporation.

L. Total assets.—If there are no assets at the end of the taxable year, enter the total assets at the beginning of the taxable year.

M. Penalty for failure to file returns and provide information.—A penalty is imposed by section 6686 (in addition

Alabama, Florida, Georgia, Mississippi, South Carolina, Virginia, West Virginia, Wyoming, District of Columbia, Puerto Rico, U.S. Virgin Islands, American Samoa, Guam, Northern Mariana Islands, and the Commonwealth of the Northern Mariana Islands.

Alabama Revenue Service, 3000B, Montgomery, AL 36108; Arkansas Revenue Service, 300 North Main, Little Rock, AR 72201; California Revenue Service, 3000 Market Street, San Francisco, CA 94114; Colorado Revenue Service, 1000 North Broadway, Denver, CO 80202; Connecticut Revenue Service, 120 West 1200 South, Salt Lake City, UT 84119; Delaware Revenue Service, 100 North Market Street, Wilmington, DE 19801; District of Columbia Revenue Service, 1000 North Capitol Street, NE, Washington, DC 20002; Florida Revenue Service, 1000 North Florida Avenue, Tallahassee, FL 32301; Georgia Revenue Service, 1000 North Peachtree Street, Atlanta, GA 30309; Idaho Revenue Service, 1000 North Main Street, Boise, ID 83720; Illinois Revenue Service, 1000 North Dearborn Street, Chicago, IL 60610; Indiana Revenue Service, 1000 North Main Street, Indianapolis, IN 46204; Iowa Revenue Service, 1000 North Main Street, Des Moines, IA 50319; Kansas Revenue Service, 1000 North Main Street, Topeka, KS 66606; Kentucky Revenue Service, 1000 North Main Street, Louisville, KY 40202; Louisiana Revenue Service, 1000 North Main Street, New Orleans, LA 70112; Maine Revenue Service, 1000 North Main Street, Portland, ME 04101; Maryland Revenue Service, 1000 North Main Street, Baltimore, MD 21201; Massachusetts Revenue Service, 1000 North Main Street, Boston, MA 02101; Michigan Revenue Service, 1000 North Main Street, Lansing, MI 48906; Minnesota Revenue Service, 1000 North Main Street, St. Paul, MN 55101; Missouri Revenue Service, 1000 North Main Street, St. Louis, MO 63101; Montana Revenue Service, 1000 North Main Street, Helena, MT 59601; Nebraska Revenue Service, 1000 North Main Street, Omaha, NE 68101; Nevada Revenue Service, 1000 North Main Street, Reno, NV 89501; New Hampshire Revenue Service, 1000 North Main Street, Concord, NH 03301; New Jersey Revenue Service, 1000 North Main Street, Trenton, NJ 08646; New Mexico Revenue Service, 1000 North Main Street, Santa Fe, NM 87501; New York Revenue Service, 1000 North Main Street, Albany, NY 12242; North Carolina Revenue Service, 1000 North Main Street, Raleigh, NC 27601; North Dakota Revenue Service, 1000 North Main Street, Bismarck, ND 58501; Ohio Revenue Service, 1000 North Main Street, Columbus, OH 43260; Oklahoma Revenue Service, 1000 North Main Street, Oklahoma City, OK 73101; Oregon Revenue Service, 1000 North Main Street, Salem, OR 97331; Pennsylvania Revenue Service, 1000 North Main Street, Harrisburg, PA 17101; Rhode Island Revenue Service, 1000 North Main Street, Providence, RI 02901; South Carolina Revenue Service, 1000 North Main Street, Columbia, SC 29201; South Dakota Revenue Service, 1000 North Main Street, Pierre, SD 57501; Tennessee Revenue Service, 1000 North Main Street, Nashville, TN 37201; Texas Revenue Service, 1000 North Main Street, Austin, TX 78701; Utah Revenue Service, 1000 North Main Street, Salt Lake City, UT 84119; Vermont Revenue Service, 1000 North Main Street, Montpelier, VT 05601; Virginia Revenue Service, 1000 North Main Street, Richmond, VA 23219; Washington Revenue Service, 1000 North Main Street, Olympia, WA 98501; West Virginia Revenue Service, 1000 North Main Street, Charleston, WV 25301; Wisconsin Revenue Service, 1000 North Main Street, Madison, WI 53701; Wyoming Revenue Service, 1000 North Main Street, Cheyenne, WY 82001.

The separate income tax returns of a group of corporations located in several Service Center regions may be filed with the Service Center for the area in which the corporation that keeps all the books and records is located.

C. When to file.—Form 1120-DISC must be filed on or before the 15th day of the 9th month following the close of the taxable year.

No extension of time to file will be granted.

D. Period to be covered by the 1974 return.—The 1974 return is filed for the calendar year beginning on the day of the 1st month following the close of the taxable year.

Final return.—If the corporation ceases to exist, write "FINAL RETURN" at the top of the form.

E. Change in accounting period.—To change your accounting period, see section 1.442-1 of the regulations and Form 1120-DISC, Application for Change in Accounting Period.

F. Accounting methods.—A DISC may generally choose any method of accounting permissible under section 446(c) and the regulations thereunder. However, if a DISC is a member of a consolidated group, it must choose a method of accounting that will be applied to transactions between the DISC and other members of the controlled group, will result in a material distortion of the income of the DISC or any other member of the controlled group. A member of the controlled group may elect to file a DISC choosing the same method of accounting as the DISC.

A penalty is imposed by section 6686 (in addition

struction projects which are either located abroad or proposed for location abroad are qualified receipts. They include such items as design and engineering contracts, but not the cost of construction. See instructions for Form 990.

(2)(d). Export management services.—Include receipts for export management services provided to unrelated DISCs.

(2)(e). Qualified dividends.—Enter the amount from line 10, Schedule C. See instructions for Schedule C.

(2)(f). Interest on producer's loans.—A producer's loan must be evidenced by a note or other evidence of indebtedness, be designated as a producer's loan, have a stated maturity not to exceed 3 years, and be attributable to the production and marketing, processing and research and development.

(2)(g). Other interest.—Enter interest on any qualified export asset other than interest on producer's loans. Include, for example, interest on accounts receivable arising out of sales in which the DISC acted as a principal or agent and interest on certain obligations issued, guaranteed, or insured by the Export-Import Bank of the United States. See instructions for Schedule C.

(2)(h). Net capital gain.—Enter the sale or exchange of capital assets reported in D (Form 1120) even though no gain or loss is indicated.

(2)(i). In addition to completing Schedule D (Form 1120), attach a separate schedule computing the gain from the sale of qualified export assets.

(2)(j). Ordinary gain or (loss).—Enter the total ordinary gain or loss from line 9, Part II, Form 4797. See instructions for Schedule D. Enter the gain from the sale of qualified export assets.

(3)(b). Exports subsidized by the U.S. Government.—Enter receipts from the sale of products under a program of the U.S. Government, or any instrumentality thereof, that have been designated as excluded receipts.

(3)(c). Certain direct or indirect sales or leases for use by the U.S. Government.—Enter receipts from direct or indirect sales or leases to the U.S. Government, or any instrumentality thereof, where the use of U.S. products or services is required by statute or regulations.

(3)(d). Sales to another DISC in the same controlled group.—Enter receipts from a DISC that is a member of the same controlled group of corporations as the selling DISC (line 933(a)(3)) for the definition of controlled group.

(3)(e). Nonqualified dividends.—Enter dividends from the sale of qualified export assets. See instructions for Schedule C.

(3)(f). Other.—Include in an attached schedule any nonqualified gross receipts not reported on lines 3(a) through 3(e). Do not offset an item against a similar item of expense.

Schedule C.—Dividends
(Numbered to correspond with the line numbers in Schedule C.)
1. Enter dividends reported to the DISC from the sale of qualified export assets and the 85% deduction under section 243(a)(1).
2. Enter dividends received from a DISC that are designated as being eligible for the 85% dividends-received deduction. For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction.
3. Enter dividends received from wholly-owned foreign subsidiaries that are eligible for the 100% deduction provided in section 245(b).
4. Enter dividends received from wholly-owned foreign subsidiaries that are eligible for the 85% deduction provided in section 245(a).
5. Enter foreign dividends (including minimum distributions under 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 of this amount reported in Schedule A, line 5 of Form(s) 3646.
7. Enter taxable distributions from a DISC or former DISC that are designated as not being eligible for the 85% dividends-received deduction. (See sections 245(d), 995(b), and 996(a)(3).)
8. Include dividends (other than capital gain dividends) received from a DISC or former DISC that are not subject to the 85% deduction. Dividends (other than capital gain dividends) received from a real estate investment trust which, for the taxable year, the dividends which the DISC or former DISC receives through 85% dividends not eligible for the 85% dividends-received deduction because of the holding period of the stock or an obligation to make corresponding payment with respect to similar stock, and any other taxable dividend income not properly reported above.

(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.

(10). Pension, profit-sharing, etc. plans.—File Form 4848 with a Schedule A (Form 4848) and Form 4849 on or before the 15th day of the 8th month following the close of your taxable year, if you are an employee. If you are a shareholder, file Form 4849 on or before the 15th day of the 8th month following the close of your taxable year. Attach a schedule showing the name of each organization to which contributions were made, the amount of each contribution, and any other information that describes the method used in determining its fair market value. If a contribution carryover is included, show the amount and how it was determined.

Special rule for contributions of certain property.—If you make a charitable contribution of property, the contribution must be reduced by the sum of:

- (1) the ordinary income and
- (2) for certain contributions, 6 1/2% of the long-term capital gain.

That would have resulted if the property were sold at its fair market value. The reduction for 6 1/2% of the long-term capital gain applies to (1) contributions of property to a charitable organization for 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)).

Bargeen sale to a charitable organization.—If you claim a charitable contribution deduction for property sold to a charitable organization, the adjusted basis for determining gain from the sale to the adjusted basis, as the amount realized is to the fair market value of the property.

(2)(e). Freight.—Enter the freight expense not deducted on line 1(h) as an export promotion expense.

(2)(g). Other.—No deduction is allowed for any class of exempt income other than exempt interest income. Items directly attributable to wholly exempt income must be allocated to such income, and items directly attributable to any class of taxable income must be allocated to such taxable income.

If an item is indirectly attributable to both taxable income and exempt income, the item is treated as taxable income if the facts and circumstances in each case, such as the following, require it to be allocated to each.

Attach a statement showing (1) the amount of each class of exempt income and (2) the amount of taxable items allocated to each class. Show the amount allocated by apportionment separately.

(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.

(10). Pension, profit-sharing, etc. plans.—File Form 4848 with a Schedule A (Form 4848) and Form 4849 on or before the 15th day of the 8th month following the close of your taxable year, if you are an employee. If you are a shareholder, file Form 4849 on or before the 15th day of the 8th month following the close of your taxable year. Attach a schedule showing the name of each organization to which contributions were made, the amount of each contribution, and any other information that describes the method used in determining its fair market value. If a contribution carryover is included, show the amount and how it was determined.

Special rule for contributions of certain property.—If you make a charitable contribution of property, the contribution must be reduced by the sum of:

- (1) the ordinary income and
- (2) for certain contributions, 6 1/2% of the long-term capital gain.

That would have resulted if the property were sold at its fair market value. The reduction for 6 1/2% of the long-term capital gain applies to (1) contributions of property to a charitable organization for 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)).

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(10). Pension, profit-sharing, etc. plans.—File Form 4848 with a Schedule A (Form 4848) and Form 4849 on or before the 15th day of the 8th month following the close of your taxable year, if you are an employee. If you are a shareholder, file Form 4849 on or before the 15th day of the 8th month following the close of your taxable year. Attach a schedule showing the name of each organization to which contributions were made, the amount of each contribution, and any other information that describes the method used in determining its fair market value. If a contribution carryover is included, show the amount and how it was determined.

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- (2) for certain contributions, 6 1/2% of the long-term capital gain.

That would have resulted if the property were sold at its fair market value. The reduction for 6 1/2% of the long-term capital gain applies to (1) contributions of property to a charitable organization for 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)).

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(2)(e). Freight.—Enter the freight expense not deducted on line 1(h) as an export promotion expense.

(2)(g). Other.—No deduction is allowed for any class of exempt income other than exempt interest income. Items directly attributable to wholly exempt income must be allocated to such income, and items directly attributable to any class of taxable income must be allocated to such taxable income.

If an item is indirectly attributable to both taxable income and exempt income, the item is treated as taxable income if the facts and circumstances in each case, such as the following, require it to be allocated to each.

Attach a statement showing (1) the amount of each class of exempt income and (2) the amount of taxable items allocated to each class. Show the amount allocated by apportionment separately.

(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.

(10). Pension, profit-sharing, etc. plans.—File Form 4848 with a Schedule A (Form 4848) and Form 4849 on or before the 15th day of the 8th month following the close of your taxable year, if you are an employee. If you are a shareholder, file Form 4849 on or before the 15th day of the 8th month following the close of your taxable year. Attach a schedule showing the name of each organization to which contributions were made, the amount of each contribution, and any other information that describes the method used in determining its fair market value. If a contribution carryover is included, show the amount and how it was determined.

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- (1) the ordinary income and
- (2) for certain contributions, 6 1/2% of the long-term capital gain.

That would have resulted if the property were sold at its fair market value. The reduction for 6 1/2% of the long-term capital gain applies to (1) contributions of property to a charitable organization for 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)).

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If an item is indirectly attributable to both taxable income and exempt income, the item is treated as taxable income if the facts and circumstances in each case, such as the following, require it to be allocated to each.

Attach a statement showing (1) the amount of each class of exempt income and (2) the amount of taxable items allocated to each class. Show the amount allocated by apportionment separately.

Codes for Principal Business Activity

"Total receipts" means all income (line 4, page 1). On page 5, question J, 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 "Wholesale Trade: Machinery, equipment, and supplies," the principal product or service may be "Engines and turbines."

Do not use these codes for Schedule N (Form 1120-DISC). Use the product code system on page 2 of separate Instructions for Schedule N (Form 1120-DISC) when completing Schedule N.

RETAIL TRADE	
Code	Description
5200	Building materials, hardware, garden supply, and mobile home dealers:
5220	Building materials dealers
5251	Hardware stores
5265	Garden supplies and mobile home dealers
5300	General merchandise stores
5400	Food stores
5515	Automotive dealers and service stations:
5541	Motor vehicle dealers
5598	Gasoline service stations
5600	Other automotive dealers
5600	Apparel and accessory stores
5700	Furniture and home furnishings stores
5800	Eating and drinking places
5912	Miscellaneous retail stores:
5921	Drug stores and proprietary stores
5921	Liquor stores
5995	Other miscellaneous retail stores
SERVICES	
Business services:	
7389	Export management services
7500	Auto repair and services; miscellaneous repair services:
7500	Lease or rental of motor vehicles
7812	Amusement and recreational services:
7812	Motion picture production, distribution, and services
Other services:	
8599	Engineering and architectural services

These industry titles and definitions are based, in general, on the Enterprise Standard Industrial Classification system developed by the Office of Management and Budget, Executive Office of the President, to classify enterprises by type of activity in which they are engaged. The system follows closely the Standard Industrial Classification used to classify establishments. However, certain activities, such as manufacturing, do not apply to a DISC.

Using the list below, enter on page 1, under B, the code number for the specific industry group from which the largest percentage of "total receipts" is derived.

TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS, AND SANITARY SERVICES	
Code	Description
4400	Transportation:
4400	Water transportation
4700	Other transportation services
Electric, gas, and sanitary services:	
4910	Electric services
4920	Gas, production and distribution
4930	Combination utility services
WHOLESALE TRADE	
Durable	
5010	Motor vehicles and automotive equipment
5030	Lumber and construction materials
5050	Metals and minerals, except petroleum and scrap
5060	Electrical goods
5070	Hardware, plumbing and heating equipment
5080	Machinery, equipment, and supplies
5098	Other durable goods
Nondurable	
5110	Paper and paper products
5129	Drugs, chemicals, and allied products
5130	Apparel, piece goods, and notions
5140	Groceries and related products, except meats and meat products
5147	Meats and meat products
5150	Farm product raw materials
5170	Petroleum and petroleum products
5190	Miscellaneous nondurable goods

received a distribution taxable as a dividend equal to his pro rata share of the DISC income of the corporation accumulated during the immediately preceding consecutive taxable years for which distributions were made. If the distributions would be deemed to be received in equal installments on the last day of each of the 10 taxable years of the corporation following the year of the termination or disqualification (but in no case over more than the number of the immediately preceding taxable years) also starting with the corporation was a DISC.

Schedule K.—Shareholder's Statement of DISC Distribution
 Attach a separate Copy A, Schedule K (Form 1120-DISC), Form 1120-DISC, for each shareholder who had an actual or deemed distribution during the DISC's taxable year.
 See instructions on the back of Copy C, Schedule K (Form 1120-DISC).

Schedule N.—Geographic Source of Gross Receipts
 Complete, and attach Schedule N (Form 1120-DISC) to Form 1120-DISC.
 Complete Part I of the schedule to show the geographic source of the DISC's gross receipts for the taxable year, and the DISC's and related U.S. persons' combined gross receipts for the current year and the two preceding years.

In Part II of the schedule, show the names, addresses, and identifying numbers of related U.S. persons.
 See the separate instructions for Schedule N (Form 1120-DISC).

Schedule P.—Computation of Inter-company Transfer Price or Computation
 1. Attach a separate Schedule P (Form 1120-DISC) for each group of transactions to which the inter-company pricing rules of section 994(a)(1) and (2) are applied.
 See instructions on page 2 of Schedule P (Form 1120-DISC).

it in a transaction in which gain was not recognized in whole or in part, but only to the extent that the transferor's gain (net of the previous transfer) was not recognized and would have been treated as if it had been sold or exchanged rather than transferred to the DISC.

7. Attach a computation showing the earnings and profits for the taxable year beginning after June 30, 1972, that allow for depreciation (and amortization, if any) is the amount which would be allowable for such year if the straight-line method of depreciation had been used for each taxable year beginning after June 30, 1972. See section 312(m)(2) for exception.

9. Attach a computation showing the amount of foreign investment attributable to producer's loans (as defined in section 995(d)) of the DISC for the taxable year. (2) all accumulated earnings and profits for the taxable year less the amount on line 8. Part I of the schedule must be completed (but not less than zero) on line 9.

Foreign investment attributable to producer's loans will be the smallest of:

- (1) the net increase in foreign assets by members of the controlled group (as defined in section 995(a)(3)) that includes the DISC.
- (2) the actual foreign investment by domestic members of the group.
- (3) the amount of the DISC's outstanding producer's loans to members of the controlled group.

For the definitions of "net increase in foreign assets" and "actual foreign investment" see sections 995(a)(2) and 995(d)(3).

Part II.—Deemed distributions under section 995(b)(2)
 A shareholder of a corporation that received its election to be treated as a DISC or failed to qualify as a DISC for a taxable year will be deemed to have

Schedule I.—Dividends received deduction
 1. In general, no dividends received deduction will be allowed on any share of stock (a) that is disposed of before the corporation has held it 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 owned by the shareholder. It is deemed under section 243 for a dividend under section 992(a) to the extent it is paid out of accumulated DISC income or previously taxed income or is a deemed distribution pursuant to section 995(b)(1).

2. Limitation on dividends received deduction.—Line 2 may not exceed 85% of line 10, page 1.

For this purpose, line 10 is to be computed with regard to any capital loss carryover 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.

Schedule J.—Deemed and Actual Distributions to Shareholders for the Taxable Year
 Part I.—Deemed distributions under section 995(b)(1) (Numbered to correspond with the line numbers in Part I of Schedule J.)

2. Attach a computation showing the gain recognized by the DISC during the taxable year on the sale or exchange of property, other than property which in the hands of the DISC is a qualified foreign asset, previously transferred to it and recognized in whole or in part, but only to the extent that the transferor's gain on the previous transfer was not recognized.

3. Attach a computation showing the gain (other than the gain entered on line 2) recognized by the DISC during the taxable year on the sale or exchange of property, other than property which in the hands of the DISC is a qualified foreign asset, previously transferred to it and recognized in whole or in part, but only to the extent that the transferor's gain on the previous transfer was not recognized.

3. Attach a computation showing the gain (other than the gain entered on line 2) recognized by the DISC during the taxable year on the sale or exchange of property, other than property which in the hands of the DISC is a qualified foreign asset, previously transferred to it and recognized in whole or in part, but only to the extent that the transferor's gain on the previous transfer was not recognized.

1974

U.S. Income Tax Return of a Foreign Corporation

For calendar year 1974 or other taxable year beginning 1974, ending 19

Name, Number and street, City or town, State and ZIP code, or country, Employer identification number

NOTE: Complete Section I to compute tax on income from U.S. sources that is NOT effectively connected with the conduct of a trade or business within the U.S. Complete Section II to compute tax on income effectively connected with the conduct of a trade or business within the U.S. Corporations having an income tax liability are required to complete both Sections I and II. Corporations having only income that is NOT effectively connected need file only pages 1 and 2.

Section I: A. Country of incorporation, B. Foreign country under whose laws the 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., F. Did you have a permanent establishment in the U.S. at any time during the taxable year within the meaning of section 884(b) and any applicable tax convention between the U.S. and a 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, (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, H. Have you filed a U.S. income tax return for the preceding taxable year, I. Did you have an agent in the U.S. at any time during the year, J. Are you a foreign personal holding company under Section 552, K. Are you a personal holding company, L. Are you a controlled foreign corporation as defined in section 957.

Section II: 1. Tax from Section I (line 14, page 4), 2. Tax from Section II (line 16, Schedule J—Tax Computation, page 5), 3. Personal holding company tax (attach Schedule PH (Form 1120)), 4. Non-refundable tax credits, 5. Credits: (a) Overpayment from 1974 allowed as a credit, (b) 1974 estimated tax payments, (c) Less refund of 1974 estimated tax applied for in Form 4466, (d) Tax deposited with Form 7004 (attach copy), (e) Tax deposited with Form 7005 (attach copy), (f) Credit from qualified investment companies (attach Form 2439), (g) U.S. tax on special dividends, nondividend gas, and liquidating dividend (attach Form 4136), (h) U.S. income tax paid or withheld at the source, 6. TAX PAID (Line 5, less line 6), 7. OVERPAYMENT (line 6, less line 5), 8. OVERPAYMENT (line 6, less line 5), 9. Enter amount of line 5 you want credited in 1975 estimated tax.

Under penalty of perjury, declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true and correct. I declare that I have prepared this return based on all information of which I have any knowledge. Internal Revenue Service, Signature of officer, Title, Date, Preparer's address, Emp. Ident. or Soc. Sec. No.

SECTION 13 To Be Completed for Income From U.S. Sources That is Not Effectively Connected With the Conduct of a Trade or Business Within the U.S.

If you are required to complete Section II or are using the form as a claim for refund of tax withheld at the source, include in this section ALL income from U.S. sources that is not effectively connected with the conduct of a trade or business in the U.S. Otherwise, you may include only those items of income on which the U.S. 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.

Table with 4 columns: Name of treaty country, if any; Nature of income; Amount; Rate 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 certain evidences of indebtedness issued after May 27, 1969 and before April 1, 1972, Gains from certain evidences of indebtedness issued after September 28, 1965 and before April 1, 1972, Gains from certain evidences of indebtedness issued after March 31, 1972, Gains from sale or exchange of patents, copyrights, etc., Fiduciary distributions, Other fixed or determinable annual or periodical income.

14. Total—Enter here and on line 1, page 1. Explanation of Lines 1 Through 13 Above (Enter each individual item of income).

Table with 4 columns: 1. Page of income paid (if more than withholding agent name and address); 2. Nature of income (use 13); 3. Amount of income (show amount received from withholding agent); 4. Rate of tax (show rate of tax withheld at the source). Rows include Interest, Dividends, etc.

Total of column 3. Total of column 5. Enter here and on line 6(h), page 1.

SECTION 1792 To Be Completed for Income Effectively Connected With the Conduct of a Trade or Business Within the U.S.

IMPORTANT—Fill in all applicable lines and schedules. If the lines on the schedules are not sufficient, see instruction W.

- 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 U.S. and its instrumentalities
6 Other interest
7 Gross rents
8 Gross royalties
9 (a) Net capital gains (separate Schedule D (Form 1120))
(b) Ordinary gain or (loss) from Part II, Form 4797 (attach Form 4797)
10 Other income (see instructions)—attach schedule
11 TOTAL income—Add lines 3 through 10

- 12 Compensation of officers (Schedule E)
13 Salaries and wages (not deducted elsewhere)
14 Repairs (see instructions)
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 30 adjusted per instructions—attach schedule
20 Amortization (attach schedule)
21 Depreciation (Schedule G)
22 Depletion
23 Advertising
24 Pension, profit sharing, etc. plans (see instructions)
25 Employee benefit programs (see instructions)
26 Other deductions (total from page 5)
27 TOTAL deductions—Add 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)
(a) Business code, no
(b) Principal business activity
(c) Principal product or service
N Were you a member of a controlled group subject to the provisions of:
(1) Section 1561? Yes No
(2) Section 1362? 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) apply?
(2) Does section 1562(b)(1) apply?
(3) Does section 1562(b)(1) apply?
(4) Does section 1562(b)(1) apply?
(5) Does section 1562(b)(1) apply?

O Did you have any contracts or subcontractors subject to the Investigation Act of 1951?
If Yes, enter the aggregate gross dollar amount billed during the year.
P Amount of taxable income or (loss) from line 30 (page 31); your taxable year beginning in 1971, 1972, 1973

Q Do you claim a deduction for expenses described in Section 1792(a)(1)?
Enter the amount of such deduction for each year beginning in 1971, 1972, 1973.
R Did you file all required Forms 1097, 1098, and 1099?

- Schedule A Cost of Goods Sold (See instruction 2)
1 Inventory at the beginning of the year
2 Merchandise bought for manufacture or sale
3 Salaries and wages
4 Other costs (attach schedule)
5 Total
6 Less: Inventory at the end of the year
7 Cost of goods sold. Enter here and on line 2, page 3.
Method of inventory valuation
Was there any substantial change in the manner of determining quantities, costs, or valuations between the opening and closing inventory?
Yes No. If "Yes," attach an explanation.

- Schedule C Dividends (See instruction 4)
1 Domestic corporations subject to the 85% deduction
2 Certain preferred stock of public utilities
3 Foreign corporations subject to the 85% deduction
4 Other dividends from foreign corporations
5 Foreign dividends from a DISC or former DISC not included in line 1, section 246(d)(1)
6 Other
7 Total
8 Total—Enter here and on line 4, page 3.

Schedule E Compensation of Officers (See instruction 12). Table with columns: 1 Name of officer, 2 Social security number, 3 Title, 4 Time devoted to business, 5 Common or preferred, 6 Amount of compensation, 7 Amount of allowances.

- Schedule F Bad Debts—Reserve Method (See instruction 15)
1 Year, 2 Reserve notes and accounts receivable outstanding at end of year, 3 Sales on account, 4 Current year's provision, 5 Recoveries, 6 Amount charged against reserve, 7 Balance, for bad debts at end of year.
1969
1970
1971
1972
1973
1974

- Schedule G Depreciation (See instruction 21)
Note: If depreciation is computed by using the Class Life (ADP) System or the Guideline Class Life System for assets placed in service before 1971, you must file Form 4532 (Class Life (ADP) System) or Form 5000 (Guideline Class Life System) with your return.
Check boxes if you made an election this taxable year to use:
1. LIFO and mid-year basis
2. Date-changed other basis
3. Cost or other basis
4. Depreciation method (see instructions)
5. Method of depreciation
6. Life or term
7. Depreciation rate
8. Depreciation schedule
1. Total additional first-year depreciation (do not include in items b through d)
2. Depreciation from Form 4832
3. Depreciation from Form 5000
4. Other depreciation
Buildings
Furniture and fixtures
Transportation equipment
Machinery and other equipment
Other (specify)
5 Totals
6 Less: Amount of depreciation claimed in Schedule A
7 Balance—Enter here and on line 21, page 3.

Schedule I Balance Sheets

Table with columns: (A) Amount, (B) Total, (C) Amount, (D) Total. Rows include Cash, Trade notes and accounts receivable, Less allowance for bad debts, Inventories, Gov't obligations, State subdivisions, Current assets, Loans to stockholders, Mortgage and real estate loans, Other investments, Buildings and other fixed depreciable assets, Less accumulated depreciation, Depreciable assets, Land, Intangible assets, Other assets.

LIABILITIES AND STOCKHOLDERS' EQUITY

Table with columns: (A) Amount, (B) Total, (C) Amount, (D) Total. Rows include Accounts payable, Mgt's notes, Other current liabilities, Loans from stockholders, Mgt's notes, Other liabilities, Capital stock, Common stock, Paid-in or capital surplus, Retained earnings, Less cost of treasury stock.

Schedule M-1 Reconciliation of Income Per Books With Income Per Return

Table with columns: (a) Tax exempt interest, (b) Depreciation, (b) Depletion. Rows include Net income per books, Federal income tax, Excess of capital losses, Taxable income not recorded on books, Expenses recorded on books, Total of lines 1 through 5, Total of lines 7 and 8, Income recorded on books this year not included in this return, Distributions, Net income per books, Other increases, Total of lines 1, 2, and 3.

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Schedule I Special Deductions

Table with columns: (a) 85% of line 1, (b) 60,208 of line 1, (c) 35% of line 3. Rows include Dividends received, 60,208 of line 1, 35% of line 3, Total, Dividends paid on certain preferred stock.

Schedule K Tax Computation

Table with columns: Amount, Date of deposit, Amount of Form 903 deposit, Amount of Form 903. Rows include Taxable income, Surplus exemption, Line 1 less line 2, 22% of line 1, 50% of line 3, Income tax, Foreign tax credit, Investment credit, Work incentive credit, Tax from recomputing.

Schedule K Record of Form 903 Federal Tax Deposits

Table with columns: Amount, Date of deposit, Amount of Form 903 deposit, Amount of Form 903. Rows include Amount, Date of deposit, Amount of Form 903 deposit, Amount of Form 903.

Table with columns: Amount, Explanation. Rows include Other Deductions, Explanation, Amount.

TOTAL—Enter here and on line 26, page 3

1974 Department of the Treasury Internal Revenue Service Instructions for Form 1120F U.S. Income Tax Return of a Foreign Corporation (References are to the Internal Revenue Code)

General Instructions

A. Who must file.—Except as otherwise provided, Form 1120F must be filed by every foreign corporation that (1) is engaged in a trade or business in the U.S. at any time during the taxable year; (2) has income from U.S. sources which is effectively connected with the conduct of a trade or business within the U.S. (section 881); (3) has income that is effectively connected with the conduct of a trade or business within the U.S. (section 882); or (4) has items of tax preference (described in section 57) which enter into the computation of unrelated business income.

For example, a foreign corporation engaged in a trade or business in the U.S. at any time during the taxable year must file Form 1120F even though (a) it has no income effectively connected with the conduct of a trade or business in the U.S.; (b) it has no income from sources within the U.S.; or (c) its income is exempt from income tax by reason of an income tax convention or the provisions of the Code. However, if the foreign corporation has no gross income for the taxable year, it is not required to complete the return schedules but a statement must be attached to the return showing the nature of any amounts excluded from gross income and the amounts of such exclusions to the extent they are readily determinable.

If a receiver, trustee in dissolution, trustee in bankruptcy, or assignee has possession of or holds title to, or substantially all, the property or business of a corporation, whether or not the property or business is being operated, he must file a return 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 U.S. at the time a return is due, but has an agent in the U.S., the agent must file the return. (Section 882(f)).

Exceptions.—(1) A foreign corporation which at no time during the taxable year is engaged in a trade or business in the U.S. is not required to file if its tax liability for the taxable year is fully

those corporations that previously obtained an automatic 3-month extension by filing Form 7004.

D. Payment of tax.

(1) Foreign corporations having an office or place of business within the U.S.—The balance of tax due (line 7, page 1) 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 after 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. Enter the serial number of Form 503 on your remittance.

List all Form 503 deposits in Schedule K 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 deposit will be determined by the date the deposit was received by the commercial bank depository or Federal Reserve bank. You may obtain them from the Internal Revenue Service Center where they will file their return. The application should include the corporation's name, identifying the deposits relative to a statement identifying the corporation as a foreign corporation filing Form 1120F.

(2) Foreign corporations not having an office or place of business within the U.S.—The balance of tax due (line 7, page 1) 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 Internal Revenue Service Center, 1160 Rosewood Boulevard, Philadelphia, Pennsylvania 19155.

Enter your employer identification number on all remittances.

E. Taxation of foreign corporations.—Foreign corporations are taxed at regular corporate tax rates on income that is effectively connected with the conduct of a trade or business within the U.S. (see instruction F) on Form 1120F or lower treaty rate on income from U.S. sources that is not effectively connected with the conduct of a trade or business within the U.S. (Section 881).

You may request an automatic 3-month extension of time to file Form 1120F by filing Form 7004. An extension may be used to request an additional extension but only by

F. Income effectively connected with the conduct of a trade or business within the U.S.—Foreign corporations within the U.S. are taxed on regular corporate tax rates on the following income:

1. All income, gain or loss from the U.S. sources except as provided in the next paragraph.

2. Certain fixed or determinable annual or periodical income from U.S. sources and gain or loss from U.S. capital assets which are effectively connected with 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 U.S. will not have any effectively connected income unless (1) it elects on Form 8821 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 conducts a banking business in a U.S. possession and receives interest on U.S. obligations (in such case the interest will be treated as effectively connected income).

All payments of interest, stock dividends, or other distributions of income, including deemed distributions, are treated as effectively connected with the conduct of a trade or business conducted through a permanent establishment within the U.S. For further details relating to effectively connected income, see section 864(c).

Complete Section II of the form to compute the tax on such income.

G. Income from U.S. sources not effectively connected with the conduct of a trade or business within the U.S.—In general, whether or not a foreign corporation is engaged in a trade or business, it is engaged in a trade or business, if subject to tax at a 30% or lower treaty rate.

1-7. A corporation created or organized under the laws of Guam or any other U.S. possession or territory, or a foreign corporation for which the tax imposed by section 881, is in the tax imposed by section 881. In general, the income consists of the following types of income described in section 881: (a) the extent not of

fectively connected with the conduct of a trade or business within the U.S.):

1. Interest (other than original issue discount as defined in section 1232(b)), dividends, rents and royalties, salaries, wages, premiums, annuities, compensation, remunerations, emoluments, or other fixed or determinable annual or periodical gains, profits, and income; (c) from disposal of timber, coal, or domestic iron ore with a retained economic interest.

3. In the case of (a) bonds or other evidences of indebtedness issued after September 28, 1965 and before April 1, 1972; amounts which under section 1232(a)(2)(B) are considered as gain from the sale or exchange of property which is not a capital asset; (b) the cost of a capital asset; (c) the cost of a debt instrument; (d) the cost of a debt instrument issued after April 1, 1972; amounts which would be so considered but for the fact that the obligations were issued after May 27, 1969; and (e) bonds or other evidences of indebtedness issued after March 31, 1972 and payable more than 6 months from the date of original issue (without regard to the period held by the taxpayer), amounts which under section 1232(a)(2)(B) would be considered as gain from the sale or exchange of property which is not a capital asset but for the fact that the obligations were issued after May 27, 1969; and (c) the payment of interest on an obligation described in (b) above, at an amount equal to the original issue price plus the increase of the interest less the tax imposed at a 30% or lower treaty rate, accrued on the obligation since the last payment of interest; and

4. Certain gains from the sale or exchange of patents, copyrights, and other intangible property as described in section 881(a)(4).

No reductions are allowable against this income because the tax is imposed upon the gross amount received.

Treat all gains on the disposition of stock in a DISC or former DISC and all distributions out of accumulated DISC income including deemed distributions as effectively connected with the conduct of a trade or business conducted through a permanent establishment within the U.S.

Complete Section I of the form to compute the tax on such income.

H. Election to treat real property income as effectively connected income.

come.—A foreign corporation having income from real property located in the U.S. or from any interest in such real property, including (1) gains from the sale or exchange of real property or interest in real property, (2) rents or royalties from mines, wells, or other natural deposits, and (3) gains or other income from (a) an oil or gas lease to treat the income (b) may elect to treat the income as effectively connected with the conduct of a trade or business within the U.S. (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 U.S., (3) a statement indicating the extent to which the taxpayer has direct or beneficial ownership in each item of real property, or interest in real property, (4) the legal identification and location of the real property or interest in the real property, (5) a description of any substantial improvements on the property, and (6) any other information required by regulations.

If you make this election, complete Section II to compute the tax on such income.

I. Deductions and credits.—No deductions are allowed against income that is not effectively connected with the conduct of a trade or business within the U.S. because the 30% or lower treaty rate is imposed upon the gross amount of such income.

Deductions and credits are allowed against income that is effectively connected with the conduct of a trade or business within the U.S. only if a return is filed, and only to the extent that they are allocable to the 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 that is derived from sources within the U.S. and that is not effectively connected with the conduct of a trade or business within the U.S. and (2) gross income (regardless of source) that is effectively connected with the conduct of a trade or business within the U.S.

Except as otherwise provided by tax convention, determine the source of income under sections 861 through 864 and the regulations thereunder.

K. Trade or business within the U.S.—A foreign corporation that is a

(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 that qualify for the 85% deduction provided in section 245(a).

(5) If the corporation claims the foreign tax credit, the amount of tax deemed paid under section 902(a)(1) (relating to credit for corporate stockholder in foreign corporation) must be treated as a dividend received from the foreign corporation. (See section 906(b)(4).)

(6) Enter taxable distributions from a DISC or former DISC that are designated as not being eligible for the 85% dividends-received deduction. (See sections 245(d), 995(b), and 996(a)(3).)

(7) 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 that, 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 on the proper lines for deductions.

9(a). Net capital gains.—Every sale or exchange of a capital asset 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.

9(b). Ordinary gain or (loss).—Enter the total ordinary gain or loss from line 9, Part II, Form 4797.

10. Other income.—The attached schedule should include recoveries of bad debts deducted in prior years under the specific charge-off method.

which the interest is wholly exempt from income tax. (Section 265.)

See section 267 for limitation on deductions for unpaid expenses and interest on transactions between related taxpayers.

19. Contributions.—Enter contributions or gifts actually laid within the taxable year to or for the use of charitable and governmental organizations described in section 170(c) and any unused contributions carried over from prior years.

The total amount claimed may not exceed 5% of taxable income (line 30) computed without regard to (1) any deduction for contributions, (2) the special deductions in line 29(b), (3) deductions allowed under sections 249 and 250, (4) any net operating loss carryback to the taxable year under section 172, and (5) 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 next 5 taxable years.

A contribution carryover is not allowed, however, to the extent that it increases a net operating loss carryover. See section 170(d)(2)(E).

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, stating that the resolution authorizing the contributions was adopted by the board of directors during the taxable year, and a copy of the resolution, must both be attached to the return.

Attach a schedule showing the name of the contributor, the amount of the contribution, and a copy of the resolution if a contribution is made in property other than money, describe 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) 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 you sell a property to a charitable organization at a price less than its fair market value, the adjusted basis for determining gain from the sale is an amount which is the same as the realized loss as the same amount of the property.

20. Amortization.—If you claim a deduction for amortization, attach a schedule showing (1) a description of the expenses being amortized, (2) the amount being amortized, (3) the amortization period, (4) amortization period (number of months), (5) amortization period (number of years), (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 and related regulations for conditions under which the cost of certified pollution control facilities may be amortized over 60 months. Also see section 188 for conditions under which certain expenditures for on-the-job training and child-care facilities may be amortized over 60 months.

21. Depreciation.—Complete Schedule G if a deduction is claimed for depreciation of property, leasehold improvements, patents, or copyrights in Form 4562. Depreciation may be used as a supplement to Schedule G.

Salvage value.—Salvage value must be taken into account in determining the depreciation deduction except under the Life (AOR) System or Guideline Class (other than livestock) with a useful life of 3 years or more, salvage value may be reduced by an amount not in excess of 10% of the cost or other basis of the property. In no event may property be depreciated below a reasonable salvage value after making the salvage value reduction.

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) any of the years-digits method, or (3) any other method that does not result in accumulated allowances at the end of any year (during the first two thirds of 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 method may be used only for (1) new residential rental property (from which at least 80% of the gross rental income is derived from rental of residential units), and (2) new rental 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 may be depreciated under the straight line or 150% declining balance methods.

Used section 1250 property.—Used residential rental property, with a useful life of 20 years or more, may be depreciated under the 125% declining balance method. Other used real property may be depreciated only under the straight line method.

Rehabilitation expenditures for low-income rental housing.—You may elect to compute the depreciation deduction under section 167(k) for rehabilitation expenditures incurred for low-income rental housing under the straight line method using a useful life of 60 months and no salvage value in lieu of any other method of computing depreciation.

Section 179—Additional first year depreciation.—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 new or used tangible personal property 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.

Enter total additional first year depreciation 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 before 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.

Attach Form T if a deduction is claimed for depletion of timber.

24. Pension profit-sharing, etc. plans.—File Form 4846 with a Schedule A (Form 4848) and Form 4849 on or before the 15th day of the 5th month following the close of your taxable year if you have adopted a pension, profit-sharing, or other funded deferred compensation plan.

25. Employee benefit programs.—Enter the net of your contributions to employee benefit programs (e.g. insurance, health and welfare programs) that are not an incidental part of a pension, profit sharing, etc., plan included on line 24.

26. Other deductions.—No deduction is allowable for any amount allocated to a class of exempt income other than exempt interest income, including income exempt by tax convention. Items directly attributable to wholly exempt income must be allocated to such income, and items directly attributable to any class of taxable income must be allocated to such taxable income.

If an item is indirectly attributable both to taxable income and exempt income, a reasonable proportion of the item, 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 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 losses 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 first applies, then to the next 7 taxable years. The portion of the loss to be carried to each of the other 7 taxable years is the excess of 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 245(b). See section 1.172-2 of the regulations.
- (3) The special deduction allowed by section 247 (dividends paid on certain controlled 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

Refunds of tax deducted in prior years should be reported here and not offset against current year's tax.

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 corporation, the deductions of a trade or business within the U.S. deductions are allowed only to the extent that they are connected with the conduct of a trade or business within the U.S. 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 highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. (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 does not have to be completed for any officer for whom the combined amount is less than \$30,000.

14. Repairs.—Enter the cost of incidental repairs, such as labor and supplies, that do not add to the value or appreciably prolong the life of the property. Include on this line the total amount of repairs from Form 4832.

15. Bad debts.—Bad debts may be 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.

17. Taxes.—Enter taxes paid or accrued during the taxable year and attached a schedule showing the type and amount of tax.

Do not include Federal income tax; foreign or U.S. possession income tax if a foreign tax credit is claimed; or taxes not imposed on the corporation.

See section 164(d) for apportionment of tax 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.—Do not include interest on indebtedness incurred or continued to purchase or carry obligations on

which the interest is wholly exempt from income tax. (Section 265.)

See section 267 for limitation on deductions for unpaid expenses and interest on transactions between related taxpayers.

19. Contributions.—Enter contributions or gifts actually laid within the taxable year to or for the use of charitable and governmental organizations described in section 170(c) and any unused contributions carried over from prior years.

The total amount claimed may not exceed 5% of taxable income (line 30) computed without regard to (1) any deduction for contributions, (2) the special deductions in line 29(b), (3) deductions allowed under sections 249 and 250, (4) any net operating loss carryback to the taxable year under section 172, and (5) 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 next 5 taxable years.

A contribution carryover is not allowed, however, to the extent that it increases a net operating loss carryover. See section 170(d)(2)(E).

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, stating that the resolution authorizing the contributions was adopted by the board of directors during the taxable year, and a copy of the resolution, must both be attached to the return.

Attach a schedule showing the name of the contributor, the amount of the contribution, and a copy of the resolution if a contribution is made in property other than money, describe 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) 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 you sell a property to a charitable organization at a price less than its fair market value, the adjusted basis for determining gain from the sale is an amount which is the same as the realized loss as the same amount of the property.

20. Amortization.—If you claim a deduction for amortization, attach a schedule showing (1) a description of the expenses being amortized, (2) the amount being amortized, (3) the amortization period, (4) amortization period (number of months), (5) amortization period (number of years), (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 and related regulations for conditions under which the cost of certified pollution control facilities may be amortized over 60 months. Also see section 188 for conditions under which certain expenditures for on-the-job training and child-care facilities may be amortized over 60 months.

21. Depreciation.—Complete Schedule G if a deduction is claimed for depreciation of property, leasehold improvements, patents, or copyrights in Form 4562. Depreciation may be used as a supplement to Schedule G.

Salvage value.—Salvage value must be taken into account in determining the depreciation deduction except under the Life (AOR) System or Guideline Class (other than livestock) with a useful life of 3 years or more, salvage value may be reduced by an amount not in excess of 10% of the cost or other basis of the property. In no event may property be depreciated below a reasonable salvage value after making the salvage value reduction.

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) any of the years-digits method, or (3) any other method that does not result in accumulated allowances at the end of any year (during the first two thirds of 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 method may be used only for (1) new residential rental property (from which at least 80% of the gross rental income is derived from rental of residential units), and (2) new rental 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 may be depreciated under the straight line or 150% declining balance methods.

Used section 1250 property.—Used residential rental property, with a useful life of 20 years or more, may be depreciated under the 125% declining balance method. Other used real property may be depreciated only under the straight line method.

Rehabilitation expenditures for low-income rental housing.—You may elect to compute the depreciation deduction under section 167(k) for rehabilitation expenditures incurred for low-income rental housing under the straight line method using a useful life of 60 months and no salvage value in lieu of any other method of computing depreciation.

Section 179—Additional first year depreciation.—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 new or used tangible personal property 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.

Enter total additional first year depreciation 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 before 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.

Attach Form T if a deduction is claimed for depletion of timber.

24. Pension profit-sharing, etc. plans.—File Form 4846 with a Schedule A (Form 4848) and Form 4849 on or before the 15th day of the 5th month following the close of your taxable year if you have adopted a pension, profit-sharing, or other funded deferred compensation plan.

25. Employee benefit programs.—Enter the net of your contributions to employee benefit programs (e.g. insurance, health and welfare programs) that are not an incidental part of a pension, profit sharing, etc., plan included on line 24.

26. Other deductions.—No deduction is allowable for any amount allocated to a class of exempt income other than exempt interest income, including income exempt by tax convention. Items directly attributable to wholly exempt income must be allocated to such income, and items directly attributable to any class of taxable income must be allocated to such taxable income.

If an item is indirectly attributable both to taxable income and exempt income, a reasonable proportion of the item, 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 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 losses 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 first applies, then to the next 7 taxable years. The portion of the loss to be carried to each of the other 7 taxable years is the excess of 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 245(b). See section 1.172-2 of the regulations.
- (3) The special deduction allowed by section 247 (dividends paid on certain controlled 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

which the interest is wholly exempt from income tax. (Section 265.)

See section 267 for limitation on deductions for unpaid expenses and interest on transactions between related taxpayers.

19. Contributions.—Enter contributions or gifts actually laid within the taxable year to or for the use of charitable and governmental organizations described in section 170(c) and any unused contributions carried over from prior years.

The total amount claimed may not exceed 5% of taxable income (line 30) computed without regard to (1) any deduction for contributions, (2) the special deductions in line 29(b), (3) deductions allowed under sections 249 and 250, (4) any net operating loss carryback to the taxable year under section 172, and (5) 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 next 5 taxable years.

A contribution carryover is not allowed, however, to the extent that it increases a net operating loss carryover. See section 170(d)(2)(E).

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, stating that the resolution authorizing the contributions was adopted by the board of directors during the taxable year, and a copy of the resolution, must both be attached to the return.

Attach a schedule showing the name of the contributor, the amount of the contribution, and a copy of the resolution if a contribution is made in property other than money, describe 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) 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

1 Interest	2 Accrual or discount	3 Amortization of premium	4 Total (for line 1, column 2; for column 3)
(a) Wholly exempt obligations (attach schedule)	(a) U.S. obligations and U.S. instrumentalities	(a) Loans, notes, mortgages, bank deposits, bonds, debentures, etc.	(a) Totals
(b) Dividends (see instructions)	(b) Domestic corporations subject to 85% deduction	(b) Certain preferred stock of public utilities	(b) Foreign corporations subject to 85% deduction
(c) Qualifying dividends received from affiliated groups and subject to the 100% deduction (section 243(a)(1))	(c) Other (attach schedule)	(c) Gross royalties (attach schedule)	(c) Leases, terminations, etc.
(d) Net short term capital gain reduced by any net long term capital loss (line 10, Schedule D (Form 1120L))	(d) Gross income from trade or business other than insurance business (attach schedule)	(d) Investment expenses (attach schedule) (see Schedule H)	(d) Depreciation (Schedule K)
(e) Gross income from trade or business other than insurance business (attach schedule)	(e) Investment expenses (attach schedule)	(e) Depreciation (Schedule K)	(e) Trade or business deductions as provided in section 804(c)(5) (attach schedule)
(f) Gross income from trade or business other than insurance business (attach schedule)	(f) Depreciation (Schedule K)	(f) Trade or business deductions as provided in section 804(c)(5) (attach schedule)	(f) Total deductions (add lines 9 through 13)
(g) Gross income from trade or business other than insurance business (attach schedule)	(g) Depreciation (Schedule K)	(g) Trade or business deductions as provided in section 804(c)(5) (attach schedule)	(g) INVESTMENT YIELD (line 8 less line 13)
(h) Gross income from trade or business other than insurance business (attach schedule)	(h) Depreciation (Schedule K)	(h) Trade or business deductions as provided in section 804(c)(5) (attach schedule)	(h) INVESTMENT YIELD (line 8 less line 13)

SCHEDULE B PART I—POLICY AND OTHER CONTRACT LIABILITY REQUIREMENTS (Section 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 II)	3 Pension plan reserves (line 5, column 7, Part VI)	4 Multiplied by the current earnings rate (line 1, Part III)	5 Interest paid (from Part VII)	6 Policy and other contract liability requirements (add lines 2, 4, and 5)
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. (attach schedule)	8 Bank deposits, cash, etc.	9 Other assets (attach schedule)	10 Totals	Adjusted under section 816(a) (see instructions)—attach schedule	

PART III—EARNINGS RATES (Section 805(b))

1 Current earnings rate (line 15, Schedule A, divided by line 10, column 3, Part II)	2 Earnings rate for first preceding year (attach schedule)	3 Earnings rate for second preceding year (attach schedule)	4 Earnings rate for third preceding year (attach schedule)	5 Earnings rate for fourth preceding year (attach schedule)	6 Total (add lines 1 through 5)	7 Average earnings rate (see instructions)
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1120L U.S. Life Insurance Company Income Tax Return (Please Type or Print)

FOR CALENDAR YEAR 1974

A Employer identification number

B Date and place incorporated

C Check if—
 Legal reserve company—If so, check type of company—
 Mutual
 Health and accident
 Fraternal or assessment association
 Royal or other insurance company (See instructions)

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 (section 1562)? Yes No

G Enter the percentage that the total of your life insurance reserves (see 801(b)) plus unearned premiums and unpaid death benefits (see 801(c)) exceeds the total of your life insurance health or accident policies not included in life insurance (see 801(c)) Attach schedule Yes No

1 (a) Taxable investment income (Schedule C)	1 (b)	2 (c) The smaller of (a) or (b)	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)	5 Surplus exemption—Enter line 4 or \$3,000, whichever is lesser. (Component members of a controlled group see page 8 of instructions and enter your surtax exemption, if line 4, whichever is lesser)	6 Line 4, less line 5	7 (a) 22% of line 6	7 (b) 26% of line 6	7 (c) If multiple surtax exemption is elected under sec. 1562, enter 6% of line 5	8 Income tax—the lesser of the total of line 7 (above) or line 30 of Schedule D (Form 1120L)	9 (a) Foreign tax credit (attach Form 1118)	9 (b) Investment credit (attach Form 3468)	9 (c) Work incentive (WIN) credit (attach Form 4874)	10 Total of lines 9(a), (b), and (c)	11 Balance of tax (line 8 less line 10)	12 Foreign Corporations—tax on income not connected with U.S. business (see Tax Computation Instructions)	13 Tax from recomputing a prior year investment credit (attach Form 4255)	14 Tax from recomputing a prior year WIN credit (see instructions—attach computation)	15 Minimum tax on tax preference items (see instructions—attach Form 4626)	16 Total tax (add lines 11 through 15)	17 (a) 1974 estimated tax payments	17 (b) Less refund, 1974 estimated tax applied for on Form 4466	17 (c) Tax deposited with Form 7064 (attach copy)	17 (d) Tax deposited with Form 7005 (attach copy)	17 (e) Credit from required investment companies (attach Form -439)	17 (f) IRS tax on special fuel, airway, and financing oil (attach Form 4136)	17 (g) U.S. income tax paid or withheld at source	18 TAX DUE (line 16 less line 17) (see instructions F for depositary method of payment)	19 OVERPAYMENT (line 17 less line 16)	20 Enter amount of line 19 you want credited to 1975 estimated tax
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TAX COMPUTATION

TITLE

Date: _____ Signature of officer: _____

Date: _____ Signature of individual or firm preparing the return: _____

Emp. Ident. or Sec. No. _____

Tax Interest
 If you have a tax liability, you may be able to deduct interest on the loan used to pay the tax.
 See instructions for details.

Schedule H LIMITATION OF INVESTMENT EXPENSE DEDUCTION

- 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) Investment yield computed without regard to investment expenses
(b) Three and three-fourths percent of line 1
(c) Line (b) less line (a)
(d) Mortgage service fees (line 3)
(e) Line (c) less line (d)
(f) One-fourth of line (e)
(g) Line (f) less line (e)
(h) Mortgage service fees (line 3)
(i) Line (h) less line (g)

Table with 8 columns: 1. Name of officer, 2. Social security number, 3. Title, 4. Time spent on business, 5. Compensation, 6. Amount of depreciation, 7. Expense account, 8. Expense allowance.

Schedule J COMPENSATION OF OFFICERS

(b) One-fourth of 1% of the amount on line 2(a), column 3, Part II, Schedule B
(c) The greater of (b)(i) or (b)
5. Limit on deduction for investment expenses (add lines 2 through 4)

Schedule K DEPRECIATION

Table with 7 columns: 1. Description of property, 2. Date acquired, 3. Cost or other basis, 4. Depreciation allowed for prior years, 5. Method of computing depreciation, 6. Life or other basis, 7. Depreciation for this year.

Schedule L TOTAL

- 1 (a) Did you at the end of the taxable year own, directly or indirectly 50% or more of the voting stock of a domestic corporation?
(b) If "Yes," enter name, address, and identifying number.
(c) Taxable income or loss from line 30 (over 1, Form 1120 of such corporation for the taxable year ending with or within your tax year.
(d) Attach a schedule showing name, address, and identifying number.
(e) Enter percentage owned.
(f) Was the owner of such voting stock a person other than a U.S. person?
(g) If "Yes," enter owner's country.
(h) Did you previously file a copy of the annual statement for the preceding year as required by General Instruction J?
(i) If "Yes," name the Internal Revenue Service Center in which filed.

Part II—DIVIDENDS TO POLICYHOLDERS

- 1 Dividends paid to policyholders
2 (a) Increased by the excess of (i) over (ii)
(i) Reserve at the end of the taxable year
(ii) Reserve at the end of the preceding taxable year
OR
(b) Decreased by the excess of (i) over (ii)
(i) Reserve at the end of the preceding taxable year
(ii) Reserve at 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

- 1 Amount of deductions allowed or allowable in prior years under section 809(d)(1)(b)
2 Net premiums
3 Line 2 multiplied by 2%
4 Tentative deduction—the lesser of line 3 or 50% of line 2, less amount on line 1

Part IV—CERTAIN NONPARTICIPATING CONTRACTS

- 1 (a) Reserve at the end of the taxable year
(b) Less: Reserve at the beginning of the taxable year
(c) Increase (if the difference is negative, enter zero)
(d) Multiplied by 10%
2 (a) Net premiums
(b) Multiplied by 3%

Schedule M SHAREHOLDER'S SURPLUS ACCOUNT

- 1 (a) Balance at the end of the preceding year
(b) Transfers under section 815(d)(1) and (4) for preceding year
(c) Balance at the beginning of the taxable year (line 11(a) plus line 1(b))
2 Net term capital gain in excess of net short-term capital loss, reduced by any income on line 2
3 Dividends received deduction (affiliated groups)—see instructions
4 85% of line 2(c), Schedule A
5 60.208% of line 2(b), Schedule A
6 85% of line 2(c), Schedule A
7 Total, but not to exceed 85% of line 12 less line 20, Schedule E
8 Interest wholly exempt from tax (line 1(e), column 4, Schedule A)
9 Small business deduction (line 11, Schedule C)
10 Less: Tax liability for 1974 under section 802(a) (computed without regard to section 802(b)(3)) (no come tax computed on line 2 as if line 2 was total life insurance company taxable income)
11 Excess of line 7 over line 8
12 Less: Distributions in 1974 (not to exceed line 9)
13 Balance as of the end of the taxable year

Schedule N POLICYHOLDERS' SURPLUS ACCOUNT

- 1 Balance as of the beginning of the taxable year
2 Add: (a) 50% of any excess 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(d), 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 line 4(c) by reason of section 802(b)(3)
(c) Subtractions under section 815(d)(1) and (4) (see instructions)
(d) Tax increase on line 4(c) by reason of section 802(b)(3)
(e) Subtraction required under section 815(d)(2) due to termination
5 Total of lines 4(a) through (e) (not to exceed line 3). Enter here and on line 3, page 1.
6 Balance at the end of the year (line 3 less line 5)

3. A corporation that fails to pay the proper estimated tax when due may be subject to an underpayment penalty of 6% a year for the period of underpayment (section 6655).

If you are overestimated tax, and believe a penalty charge should not be assessed, attach Form 2220.

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 805(a)(2), less deductions based on amount of items of income and allowable deductions to be reported in Schedule A. The purpose of including 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 will interest reported by the amortization of premium and increased by the accrual of discount (except market discount attributable to the taxable amount of the items of income and other evidence of indebtedness, determined in accordance with (1) the method regularly employed, if reasonable, or (2) the method prescribed by the tax or other law or by delegate. See section 815(b) (Attach a statement showing method and computation.)

2. Dividends.—

(a) Enter dividends received from domestic corporations subject to income tax and which are subject to the 85% deduction under section 243(b)(1). Exclude dividends or earnings received from mutual savings banks, etc., are really interest and should not be treated as dividends. For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction.

(b) Enter dividends received on preferred stock of a public utility company which are eligible for the 85% deduction provided in section 247 for dividends paid to foreign corporations and which are eligible for the 85% deduction provided in section 245(a).

Also include in line 2(c) dividends received from wholly owned foreign subsidiaries that are eligible for the 85% deduction under section 245(b). In general, this deduction applies to dividends paid out of the earnings and profits of a foreign corporation during the taxable year during which (1) all of its outstanding stock is owned (directly or indirectly) by the domestic corporation, or (2) all of its gross income from all sources is effectively connected with

must attach Form 951. Affiliations Schedule A to the consolidated return. For the first year a consolidated return is filed, each subsidiary must attach Form 1122.

N. Percentage computations.—In computing earnings rates, assumed rates and policyholders' and company's share and addition, and company's share and addition, the percentage 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. Total insurance liabilities.—Domestic companies.—The term "total insurance liabilities" means the sum of the total reserves (as defined in section 801(c)) at the end of the taxable year plus the amount of the unearned premium reserves (the items referred to in paragraph 810(c) as of the end of the taxable year. See section 819(a)(2) and instruction P below.

P. Segregated asset accounts.—All companies with a segregated asset account must attach a schedule showing separate segregated accounts and section 819(a)(2) total insurance liabilities and section 805(b)(4) assets. See section 1.801-8(b) of the regulations.

Q. Transfers to corporation controlled by transferor.—If a person acquires stock or securities of a corporation in exchange for property, the transferor must file Form 819(a)(2) total insurance liabilities and section 805(b)(4) assets. See section 1.801-8(b) of the regulations.

R. U.S. person.—The term "U.S. person" means: (1) a citizen or resident of the United States; (2) a domestic corporation (3) domestic partnership; (4) any estate or trust (other than a foreign estate or trust within the meaning of section 661(a)(3)(C)). See section 1.6039-2(d) of the regulations.

S. Penalties.—

1. A corporation that fails to file its return on time and pay the tax due may be subject to a penalty of 5% a month, up to a maximum of 25%, for the failure to file on time. In addition, a penalty is imposed on the net amount due—section 6651(a)(1).

2. A corporation that fails to pay the tax when due may be subject to a penalty of 1/2% a month of the amount of tax not paid (the penalty is imposed on the net amount due—section 6651(a)(2)).

The above penalties will not be imposed if the corporation can show that the failure to file or to pay was due to a reasonable cause and not to willful neglect. The Internal Revenue Service may, in addition to the 6% interest charge imposed on unpaid tax.

4. Form 1006 and Schedule A (Form 1096)—Annual summary and transcript of U.S. information returns, and corporate report of nontaxable dividends.

5. Forms 966 and 1099—Information returns regarding dissolution of liquidation, and distributions in liquidation.

6. Forms 1099-DIV, INT, MED, MIS, C, and 1099-REG—Information returns regarding certain dividends, income, medical and health care payments, miscellaneous income payments, original issue discount payments, profit sharing and retirement plans.

1. Pension, profit-sharing, etc. plans.—File Form 1099-DIV, INT, MED, MIS, C, and 1099-REG for each plan. Interest on certain debt instruments, income, medical and health care payments, miscellaneous income payments, original issue discount payments, profit sharing and retirement plans.

2. Employee benefit programs.—You may deduct the amount of your contributions to employee benefit programs (e.g., insurance, health, and welfare programs) that are not an incidental part of a pension, profit-sharing, etc. plan.

J. Stock ownership in foreign corporations.—If you owned 5% or more in any foreign corporation, you must file Form 819(a)(2) total insurance liabilities and section 805(b)(4) assets. See section 1.801-8(b) of the regulations.

K. Annual statement.—A copy of the annual statement of the National Association of Insurance Commissioners for the year 1974, as filed with the Insurance Commission, which shows the method of computing the taxable income reported on the return, together with copies of the annual statement and Schedule A (Form 1096) for the year 1974, must be attached to the return (see section 1.6012-2(c) of the regulations).

Similar copies for the 4 preceding years must also be furnished not applying on a life insurance business within the U.S. The copies submitted must be in the original form and may be filed instead of larger statements.

L. Attachments.—You may use attachments to provide information that is not required by the regulations. Attachments are not sufficient. They must follow the format of the official schedules, in the same sequence as the schedules appear on the official form.

M. Consolidated returns.—Subject to the provisions of sections 1503 through 1504, section 1552, and the regulations thereunder, a corporation may file consolidated returns with a life insurance company. You may make a consolidated income tax return instead of separate returns. The Parent Corporation must file Form 1096 and Schedule A (Form 1096) for the year 1974, as filed with the Insurance Commission, which shows the method of computing the taxable income reported on the return, together with copies of the annual statement and Schedule A (Form 1096) for the year 1974, must be attached to the return (see section 1.6012-2(c) of the regulations).

You may request an automatic 1-month extension of time to file Form 1120L by filing Form 7004.

Form 7005 may be used to request an automatic extension but only by those corporations that have previously obtained an automatic 3-month extension by filing Form 7004.

1. Depositary method of payment of tax.—If you use the depositary method of payment of tax, the return is filed on Form 1120L-17, 1975, and 50%, by June 15, 1975, and 50% by June 15, 1976.

All insurance companies must deposit all income tax payments, accompanied by Federal Tax Deposit Form 503, with an authorized commercial bank deposit institution. The return must be filed on Form 1120L-17, 1975, and 50%, by June 15, 1975, and 50% by June 15, 1976.

Timeliness of deposits will be determined by the date the deposit was received by the bank. If the deposit is returned to the Federal Reserve bank.

Forms 503 will be mailed to insurance companies. Companies needing Forms 503 may obtain them from the Internal Revenue Service, 1100 North Dearborn Street, Chicago, Illinois. The application should include the company's name, identification number, address, and the taxable year to which the deposits relate.

Estimated tax.—A company must make estimated tax payments if it can deduct the tax. If the company's tax credits less an estimated tax exemption for Form 4366 for a "quick refund" of expected income tax liability (see section 1.6012-2(c) of the regulations) may be used as a worksheet to compute estimated tax.

If you overpaid estimated tax, you may apply on Form 4366 for a "quick refund" of expected income tax liability (see section 1.6012-2(c) of the regulations) made within 2½ months after the end of the taxable year and before you file your tax return.

G. Signature.—The return must be signed by the president, treasurer, or controller, or any other corporate officer (such as tax officer) authorized to sign on behalf of a corporation.

H. Information returns and forms that may be required.

1. Forms W-2 and W-3—Employees' wage and tax statement, and Transmittal of income and tax statements.

2. Form W-2P—Statement for recipients of annuities, pensions or retirement pay.

3. Forms 1087-DIV, INT, MED, MIS, C, and 1099-REG—Information returns regarding dividends, interest, medical and health care payments, miscellaneous income, and original issue discount that were received as a nominee on behalf of another person.

I. Foreign corporations carrying on an insurance business.—When the U.S. must file Form 1120L-17, 1975, and 50%, by June 15, 1975, and 50% by June 15, 1976.

J. When to file.—In general, Form 1120L-17, 1975, must be filed on or before March 17, 1975.

of accounting or, to the extent permitted by the law, you may change the method of accrual method with any other method, other than the cash receipts and disbursements method.

Unless the law specifically permits, you may not change the method of accrual method with any other method, other than the cash receipts and disbursements method.

Rounding off to whole-dollar amounts.—The money items may be rounded off to whole-dollar amounts, 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, or agency is located in:

- New York, New York City, New York
- Alabama, Florida, Georgia, Louisiana, Mississippi, South Carolina, West Virginia
- Illinois, Indiana, Michigan, Ohio
- Alabama, Kentucky, Missouri, New Mexico, Oklahoma, Texas
- Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Idaho, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, Washington, Wisconsin, Wyoming
- California, Hawaii
- Indiana, Kentucky, North Carolina, North Dakota, Virginia, West Virginia
- Delaware, District of Columbia, Maryland, Pennsylvania

Foreign corporations carrying on an insurance business within the U.S. must file Form 1120L-17, 1975, and 50%, by June 15, 1975, and 50% by June 15, 1976.

B. Period covered.—The return is to be for the calendar year ending on or before March 31, 1975, if the corporation ceases to exist, or write "FINAL RETURN" at the top of the form.

C. Accounting methods.—The return must be filed using the accrual method

INTERNAL REVENUE SERVICE

1974 Instructions for Form 1120L

U.S. Life Insurance Company Return

(References are to the Internal Revenue Code.)

General Instructions

A. Who must file Form 1120L.—Every domestic life insurance company and every foreign corporation carrying on an insurance business in the United States with respect to its U.S. business (company) which is engaged in the business of issuing life insurance contracts (including health and accident insurance) or non-cancelable contracts of health and accident insurance and out-when-premiums and unpaid losses (whether or not ascertained), on non-cancelable life, health, or accident policies not included in each case for policy loans as required by section 801(b), must file a return on Form 1120L.

For this purpose, the term "non-cancelable" includes guaranteed renewable life, health, and accident insurance which is not subject to cancellation or termination under which the company reserves the right to adjust premium rates by classes, in accordance with experience, under the type of policy known as "total reserves" (which do not include deficiency reserves).

A burial or funeral benefit insurance company engaged directly in the manufacture, sale, or distribution of life insurance policies, or if a receiver, trustee in bankruptcy, or assignee of a life insurance company, to all or substantially all the property or business of a corporation, whether or not the property or business is being operated as a going concern, must file Form 1120L-17, 1975, and 50%, by June 15, 1975, and 50% by June 15, 1976.

Foreign corporations carrying on an insurance business.—When the U.S. must file Form 1120L-17, 1975, and 50%, by June 15, 1975, and 50% by June 15, 1976.

B. Period covered.—The return is to be for the calendar year ending on or before March 31, 1975, if the corporation ceases to exist, or write "FINAL RETURN" at the top of the form.

C. Accounting methods.—The return must be filed using the accrual method

INTERNAL REVENUE SERVICE

1974 Instructions for Form 1120L

U.S. Life Insurance Company Return

(References are to the Internal Revenue Code.)

General Instructions

A. Who must file Form 1120L.—Every domestic life insurance company and every foreign corporation carrying on an insurance business in the United States with respect to its U.S. business (company) which is engaged in the business of issuing life insurance contracts (including health and accident insurance) or non-cancelable contracts of health and accident insurance and out-when-premiums and unpaid losses (whether or not ascertained), on non-cancelable life, health, or accident policies not included in each case for policy loans as required by section 801(b), must file a return on Form 1120L.

For this purpose, the term "non-cancelable" includes guaranteed renewable life, health, and accident insurance which is not subject to cancellation or termination under which the company reserves the right to adjust premium rates by classes, in accordance with experience, under the type of policy known as "total reserves" (which do not include deficiency reserves).

A burial or funeral benefit insurance company engaged directly in the manufacture, sale, or distribution of life insurance policies, or if a receiver, trustee in bankruptcy, or assignee of a life insurance company, to all or substantially all the property or business of a corporation, whether or not the property or business is being operated as a going concern, must file Form 1120L-17, 1975, and 50%, by June 15, 1975, and 50% by June 15, 1976.

Foreign corporations carrying on an insurance business.—When the U.S. must file Form 1120L-17, 1975, and 50%, by June 15, 1975, and 50% by June 15, 1976.

B. Period covered.—The return is to be for the calendar year ending on or before March 31, 1975, if the corporation ceases to exist, or write "FINAL RETURN" at the top of the form.

C. Accounting methods.—The return must be filed using the accrual method

Column 7—Adjustment under section 806(a)

... during the taxable year, the insurance re- serves attributable to the insurance re- ceivables of the company and another person or liability under contracts taken into account in computing such reserves, properly adjusted on a daily basis to reflect the amount involved in such contracts. (See section 1806-3 of the Regulations.)

Part V—Pension Plan Reserves (Section 805(c)(2))

These reserves must be adjusted under sections 806 and 818(c) as described in Part IV above.

Part VI—Adjusted Life Insurance Reserve (Section 805(c)(1))

This term constitutes the mean of the life insurance reserves computed under 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 S.

Part VII—Interest Paid (Section 805(e))

1.—Enter all interest for the taxable year on indebtedness, except on interest on a loan to a shareholder, which is wholly exempt from tax.

2.—Enter all amounts in the nature of interest, whether or not guaranteed, for the taxable year on insurance or annuity contracts (including the interest on a monetary liability) which do not involve, at the time of accrual, life, health, or accident contingencies.

3.—Enter all amounts accrued for the taxable year on interest on a loan to a shareholder, 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 interest on a loan to a shareholder, whether or not guaranteed, on group-term life insurance contracts which are established and maintained for the life of the insured, for premium stabilization, or for a combination thereof.

SCHEDULE C—Taxable Investment Income

General—The policyholders' share of each item of investment yield (including tax exempt interest, and dividends re- ceived) must be included in taxable investment income.

1.—Enter the percentage that repre- sents the policyholders' share of each item of investment yield. This percentage is computed as follows: (a) The percentage of the investment yield (including tax exempt interest, and dividends re- ceived) that is allocable to the policy- holders' share of the investment yield, divided by (b) the total investment yield (including tax exempt interest, and dividends re- ceived).

Column 8

... in computing the 5-year average earnings rate for any taxable year, the insurance re- serves attributable to the insurance re- ceivables of the company and another person or liability under contracts taken into account in computing such reserves, properly adjusted on a daily basis to reflect the amount involved in such contracts. (See section 1806-3 of the Regulations.)

Part IV—Adjusted Interest Rate Assumed (Section 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 I for details.

Columns 5 and 6—Adjustment under section 806(b)

1.—Enter the amount of any item referred to in column 5, as of the close of the taxable year, etc.

Adjustment under section 818(c)

1.—Enter the amount of the reserves as of the close of the taxable year, etc.

2.—Enter the amount of the reserves as of the close of the taxable year, etc.

3.—Enter the amount of the reserves as of the close of the taxable year, etc.

4.—Enter the amount of the reserves as of the close of the taxable year, etc.

5.—Enter the amount of the reserves as of the close of the taxable year, etc.

6.—Enter the amount of the reserves as of the close of the taxable year, etc.

7.—Enter the amount of the reserves as of the close of the taxable year, etc.

8.—Enter the amount of the reserves as of the close of the taxable year, etc.

9.—Enter the amount of the reserves as of the close of the taxable year, etc.

SCHEDULE B—Policy and Other Contract Liability Requirements (Section 805(a))

Purpose—The next step after determining investment yield (Schedule A) is to determine the policy and other contract liability requirements. The total of the investment yield as the de- nominator, to determine the policy and other contract liability requirements, is not included in computing taxable in- vestment 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), multi- plied by the mean of the pension plan reserves at the beginning and end of the taxable year (from Part V), multi- plied by the mean of the interest paid (from Part VII).

Part II—Assets (Section 805(b)(4))

Purpose—This computation is a basic step in determining the earnings rates in Part III.

Definition—The term "assets" for this purpose means all assets of the company (including nonadmitted assets) and in- cludes all monies but does not include (1) the amount of the company's liability on an insurance trade or business, (2) the amount of the company's liability on real property and to stocks is their fair market value. The amount attributable to the company's liability on real property and to stocks is determined under section 1011.

Section 806(a) adjustment—If, dur- ing the taxable year, there is a change in life insurance reserves (either in- creases or decreases) attributable to the transfer between the taxpayer and an- other person of a life insurance policy, taken into account in computing such re- serves, the mean of the assets must be appropriately adjusted on a daily basis to reflect the amount involved in such contracts. (See section 1806-3 of the Regulations.)

Part III—Earnings Rates (Section 805(b))

The term "current earnings rate" means the percentage determined by dividing the investment yield for the taxable year by the total investment yield 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 rates for each of the 4 taxable years immediately preceding the taxable year, divided by 4.

depreciated under (1)

... the double declin- ing balance method. (2) the sum of the depreciation allowed under the straight line method that does not result in ac- cumulated allowances at the end of any year during the first two-thirds useful life of the property. (3) the sum of the depreciation allowed under the straight line method that does not result in ac- cumulated allowances at the end of any year during the first two-thirds useful life of the property.

(b) New section 1250 property—The double declining balance and sum of the double declining methods may be used only if the useful life of the property is 20 years or more and at least 80% of the property is residential units. Other new real property placed in service after 12/31/73 under the straight line or 150% declining balance methods.

(c) Used section 1250 property—Used residential real property placed in service after 12/31/73 and which is depreciated under the 125% declining balance method. Other used real property may be depreciated under the straight line method.

(d) Rehabilitation expenditures for low-income rental housing—You may elect to compute the depreciation deduc- tion on rehabilitation expenditures for low-income rental housing under the straight line method using a useful life of 60 months and a salvage value in lieu of any other method which would result in a lower de- duction. See section 167(k).

(e) Section 179—Additional first year depreciation allowance—For the first year a depreciation deduction is allowed, you may elect to deduct up to 20% of the cost (before adjustment for salvage value) of new or used tangible personal property with a useful life of 6 months or more, up to an aggregate cost of \$10,000 more, up to an aggregate cost of \$10,000 more.

Controlled corporate groups must an- nounce their election to use this special de- duction on Form 4562. For details, see section 179.

(f) Limitation on deductions relating to real estate owned and occupied—The deductions included on lines 10 and 11 of Form 4562 are limited to an amount which bears the same ratio to those de- ductions as the second sentence of section 804(c).

12. Depreciation—The percentage of the total depreciation allowable under section 804(b) for rates applicable to other natural deposits.

Attach Form T if a deduction is claimed for depletion of timber.

13. Trade or business deductions—Enter the total deductions attributable to trade or business income that is in- cluded in the life insurance company's gross investment income under section 805(b) (for considered as from) sales or ex- changes of capital assets, (b) from sales

entering into for the alteration or ter- mination of a trade or business

... interest, rents, or royalties from the life insurance company derives from the life insurance company. Enter the amount (if any) by which the net long-term capital gain exceeds the net long-term capital loss. See separate Schedule D (Form 1120).

7. Gross income from trade or busi- ness other than insurance business—Enter the gross income from any trade or business (other than an insurance company, or by a partnership of which the life insurance company is a member) during the taxable year.

Deductions

9. Investment expenses—Enter ex- penses for the taxable year which are ordinarily chargeable as investment expenses, including interest, taxes, and other expenses, which are not included in the total deduction cannot exceed line 5, the value and cost of incidental repairs which neither materially add to the value of the property nor appreciably prolong its life, and the cost of repairs which are capital in nature.

10. Real estate expenses—Enter the amount of taxes (section 164); all ordi- nary and necessary building expenses, including depreciation, and the cost of incidental repairs which neither materially add to the value of the property nor appreciably prolong its life, and the cost of repairs which are capital in nature.

11. Depreciation—Enter the depre- ciation on property used for producing income from the trade or business. The extent used for the purpose of producing income from the trade or business for depreciation is limited to the depre- ciation on property that is used, and to the extent used for the purpose of producing income from the trade or business. (For limitation on deduc- tion, see instruction 11(f).)

12. Depreciation—The percentage of the total depreciation allowable under section 804(b) for rates applicable to other natural deposits.

Attach Form T if a deduction is claimed for depletion of timber.

13. Trade or business deductions—Enter the total deductions attributable to trade or business income that is in- cluded in the life insurance company's gross investment income under section 805(b) (for considered as from) sales or ex- changes of capital assets, (b) from sales

the conduct of a trade or business

... 100% deduction does not apply to any dividend if an election under section 1562 (relating to a con- tinuing interest) is in effect for the taxable year of the domestic corporation in which such dividends are received, and the corporation out of the earnings and profits of which such dividends are paid.

(d) Enter dividends that are subject to the elective provisions of section 243(b) and are entitled to the divi- dend tax credit under the provisions of section 1564(b). Corporations making this election are subject to the pro- visions of section 1582 as modified by section 1564.

(e) Attach a schedule showing sep- arately:

(1) Foreign dividends (including minimum distributions under sub- sections 179(a)(1) and 179(a)(2)) and other dividends of amounts constructively taxed in the current year or in prior years under sub- section 179.

(2) Includes income constructed (or- ganized) under section 1361. This amount should equal the total of line 5 of Form(s) 3646.

(3) Include gross up for taxes deemed paid under sections 902 and 960.

(4) Include dividends (other than from regulated investment com- panies and which are not subject to the 85% deduction) dividends from other than capital gain dividends received from a real estate invest- ment trust which, for the taxable year, are paid quarterly, and the di- vidends are 85% dividends not eligi- ble for the dividends received ex- cept for the reason of the holding be- ing a qualified dividend. Do not in- clude corresponding payments with respect to similar stock, and any other taxable dividend income not properly reported above.

3. Gross royalties—Enter the gross amount of royalties if a deduction is claimed for depletion, report it on line 12.

5. Losses, terminations, etc.—Enter the gross amount of income from the

amount of royalties

... the gross amount of income from the

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dividends paid under section 247. See section 244.

(c) Dividends received from foreign corporations subject to the 85% deduction.—Enter 85% of the company's share (line 5(c), column 3) of dividends paid to the 85% deduction corporations sub-

Special rule for contributions of certain property.—If you make a charitable contribution of property, the amount must be reduced by the sum of:

- (1) the ordinary income and (2) for certain contributions, 62 1/2% of the long-term capital gain.

that would have resulted if the property were sold at its fair market value at the time the contribution was made. See section 170(e) for the 100% deduction and section 170(b) for the 30% deduction limitations on the amount of these deductions.

(d) Section 246(b) limitation.—In applying this 85% limitation to the total dividends received deduction, the gain from operations is computed without regard to participating contracts (line 24(c)), an accident and health insurance, and group-term life insurance (line 24(b)), dividends to which section 246(b) applies. See section 246(b) for the 85% limitation on the amount of these deductions.

For a member of an electing affiliated group, the 85% limitation is applicable to the excess, if any, of line 12 over line 20. For 20, however, must first be reduced by the amount of dividends received from the same group, as described in 21(a) above, of qualifying dividends. These dividends are not subject to the 85% limitation.

Exception.—The 85% limitation does not apply to any year for which there is a loss from operations.

22. Operations loss deduction.—This deduction is determined under section 809(d)(4). See line 21.

Attach a schedule showing the nature and amount of items included and group the minor items into one amount. If a group of items is included, you must check a schedule similar to Schedule K, Form 999, to the taxable year (sec. 812). A loss from operations may be carried back to the taxable year (sec. 812). The operations loss deduction is the sum of the operations loss carryovers and carry-backs to the taxable year (sec. 812).

21. Dividends received from domestic corporations.—Enter 85% of the company's share (line 5(c), column 3) of dividends received as dividends (except dividends on certain entered stock of public utility companies) subject to the 100% deduction provided by section 243(b)(1). See section 243 for the 100% deduction on dividends received over to the next taxable year.

Dividends received from certain preferred stock of public utilities.—Enter 60.208% of the company's share (line 5(b), column 3) of the amount received from the taxable year that reduces the life public utility which is subject to income tax and which is allowed a deduction for

amount is the company's share of wholly tax exempt interest which, like the policyholders' share of such interest (from line 10), is not included in gain and loss from operations.

17. Investment expenses.—Enter the excess of the investment expenses over the amount allowed in computing the investment yield (Schedule A), and the amount (if any), above the amount allowed, to be deducted from the gross investment income (line 8, Schedule A). Attach a schedule showing computations.

18. Small business deduction.—Enter 10% of the investment yield (Schedule A) from the taxable year, reduced by the amount of certain affiliated groups are limited to one \$25,000 limitation. (Section 243.)

For the 1974 taxable year, section 1564 provides that only one member of a certain affiliated group is eligible for the small business deduction with the others being limited to \$4,167. After 1974, members of a controlled group are limited to one \$25,000 small business deduction.

19. Other deductions.—Enter the total amount of other deductions included in computing investment yield and not included in lines 21 through 24, to the extent allowable as deductions in computing taxable income, except as modified below.

(a) Interest.—No deduction is allowed under section 163 for interest on the items described in section 163(d).

(b) Bad debts.—No deduction is allowed under section 166(c) for bad debts under section 166(c), but a deduction for specific bad debts is permitted to the extent that such debts are bona fide debts that are applicable.

(c) Contributions.—Attach a schedule showing the name of each organization and the amount paid (including matured endowments) and every other item that describes the kind of property contributed and the method used in determining its fair market value. Contributions carry over to the next taxable year, and how it was determined. For limitation and the application of a charitable contribution carryover, see section 170(d)(2)(B). See section 170(d)(2)(B) for the regular limitations.

In applying section 170, the 5% limitation on total deductions must be computed under section 809(e) of the Internal Revenue Code. Charitable contributions in excess of the 5% limitation may not be deducted for the taxable year but may be carried over to the next taxable year.

Companies on the accrual basis may elect to deduct contributions paid on or before the 15th day of the month following the taxable year if the contributions are authorized by the board of directors during the taxable year. A declaration signed by an officer, stating the amount of the contribution, must be filed with the return.

(d) Total dividends received deduction.—Enter the gross amount of the advance premiums, deposits, fees, as-

suming liabilities under contracts not issued by the company, on insurance and annuities, and the amount of any supplementary benefits; less return premiums, and other contributions arising out of reinsurance other consideration returned to another life insurance company from reinsurance; amounts returned where the depends on the experience of the company or the discretion of the management cannot be included. However, amounts received from reinsurance contracts, or annuities, or endowment contracts, or premiums are treated as return premiums.

10(e). 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 line 7, column 2).

10(b). Decrease in section 810(b)(2) reserves.—Enter the amount from line 3 of Part II, Schedule E-2, by which the decrease for the taxable year in the reserves of the company is reduced by 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 the total amount of other items included in computing investment yield, not otherwise included above to the extent that such items are includable in gross income. However, exclude all gains from the sale of property, and gains considered as gains from the sale or exchange of a capital asset.

13. Death benefits, etc.—Enter the amount of any death benefits (including matured endowments) and amounts allowed on surrender, and losses incurred (whether or not ascertainable) under contracts. The term "losses incurred" (whether or not ascertained) refers to a reasonable estimate of the amount of any losses incurred but not realized, and 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 over the sum of such items as of the beginning of the taxable year. Enter also the amount 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 contribution from reinsurance ceded from 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

deduction cannot exceed 85% of taxable investment income computed without regard to this deduction.

4-7.—Enter on the 4, column 1, the amount of interest which is wholly exempt from a municipality are originally issued at a price not less than par value and are subsequently acquired by a purchaser at a discount. Such interest within the meaning of section 103.) Multiply the amount on each line in column 1 by the percent figured in column 2. The amounts entered in column 2 represent the policyholders' share of these items which is not included in taxable income.

11. Small business deduction.—Enter 10% of the investment yield (Schedule A) from the taxable year, reduced by the amount of certain affiliated groups are limited to one \$25,000 limitation. (Section 243.)

For the 1974 taxable year, section 1564 provides that only one member of a certain affiliated group is eligible for the small business deduction with the others being limited to \$4,167. After 1974, members of a controlled group are limited to one \$25,000 small business deduction.

10. Dividends received deduction.—Enter 85% of the company's share (line 5(c), column 3) of dividends received as dividends (except dividends on certain entered stock of public utilities) from domestic corporations subject to income tax. Members of certain affiliated groups may elect to deduct from other members of the same group if an election under section 1562 is not effective for the taxable year. In applying this 85% limitation, the deduction on line 10(a). See section 243 for the 100% deduction on dividends received over to the next taxable year.

2.—Enter the percentage which represents the life insurance company's share of any net investment yield. This percentage is determined by dividing the investment yield (Schedule A) except excesses in investment yield, then the excesses in investment yield, then the net investment yield, by the total investment yield. The percentage must be 100%. See General Instructions.

4-6.—Enter on line 4, column 1, the amount of interest which is wholly exempt from tax under section 103 (where securities of a municipality are originally issued at a discount, such discount is not in the nature of tax-exempt interest). Multiply the amount on each line in column 1 by the percentage from line 2 and enter the product for each line in column 2. These items which are not included in taxable income are originally issued at a price not less than par value and are subsequently acquired by a purchaser at a discount. Such interest within the meaning of section 103.) Multiply the amount on each line in column 1 by the percent figured in column 2. The amounts entered in column 2 represent the policyholders' share of these items which is not included in taxable income.

9.—Enter the gross amount of the advance premiums, deposits, fees, as-

2.—Enter the percentage that represents the life insurance company's share of any item of investment yield. This percentage is determined by dividing the investment yield (Schedule A) except excesses in investment yield, then the excesses in investment yield, then the net investment yield, by the total investment yield. The percentage must be 100%. See General Instructions.

4-7.—Enter on the 4, column 1, the amount of interest which is wholly exempt from a municipality are originally issued at a price not less than par value and are subsequently acquired by a purchaser at a discount. Such interest within the meaning of section 103.) Multiply the amount on each line in column 1 by the percent figured in column 2. The amounts entered in column 2 represent the policyholders' share of these items which is not included in taxable income.

11. Small business deduction.—Enter 10% of the investment yield (Schedule A) from the taxable year, reduced by the amount of certain affiliated groups are limited to one \$25,000 limitation. (Section 243.)

For the 1974 taxable year, section 1564 provides that only one member of a certain affiliated group is eligible for the small business deduction with the others being limited to \$4,167. After 1974, members of a controlled group are limited to one \$25,000 small business deduction.

10. Dividends received deduction.—Enter 85% of the company's share (line 5(c), column 3) of dividends received as dividends (except dividends on certain entered stock of public utilities) from domestic corporations subject to income tax. Members of certain affiliated groups may elect to deduct from other members of the same group if an election under section 1562 is not effective for the taxable year. In applying this 85% limitation, the deduction on line 10(a). See section 243 for the 100% deduction on dividends received over to the next taxable year.

2.—Enter the percentage which represents the life insurance company's share of any net investment yield. This percentage is determined by dividing the investment yield (Schedule A) except excesses in investment yield, then the excesses in investment yield, then the net investment yield, by the total investment yield. The percentage must be 100%. See General Instructions.

4-6.—Enter on line 4, column 1, the amount of interest which is wholly exempt from tax under section 103 (where securities of a municipality are originally issued at a discount, such discount is not in the nature of tax-exempt interest). Multiply the amount on each line in column 1 by the percentage from line 2 and enter the product for each line in column 2. These items which are not included in taxable income are originally issued at a price not less than par value and are subsequently acquired by a purchaser at a discount. Such interest within the meaning of section 103.) Multiply the amount on each line in column 1 by the percent figured in column 2. The amounts entered in column 2 represent the policyholders' share of these items which is not included in taxable income.

9.—Enter the gross amount of the advance premiums, deposits, fees, as-

(c) Dividends received from foreign corporations.—Enter 85% of the company's share (line 5(c), column 3) of dividends received from foreign corporations subject to the 100% deduction provided by section 243(b)(1). See section 243 for the 100% deduction on dividends received over to the next taxable year.

(d) Total dividends received deduction.—Enter the gross amount of the advance premiums, deposits, fees, as-

The term "losses from operations" means the excess of allowable deductions (computed with the modifications in (a) and (b) below) over the amount on line 12. No operations loss deduction is allowed.

(b) The deductions allowed by section 243 (dividends received by corporations), section 234 (dividends received on certain foreign corporations), and section 245 (dividends received from certain foreign corporations) must be computed without regard to section 246 (b), as modified by section 809(d)(16).

24.—The deduction for certain non-qualified health insurance received by an individual and dividends to policyholders (an amount not exceeding \$50,000 plus the amount, if any, of the excess of the net long-term capital gain for the taxable year computed with the modifications for the taxable year) over the amount of such deductions for the taxable year. See section 809(d)(16).

(d) The deduction for certain non-qualified health insurance received by an individual and dividends to policyholders (an amount not exceeding \$50,000 plus the amount, if any, of the excess of the net long-term capital gain for the taxable year computed with the modifications for the taxable year) over the amount of such deductions for the taxable year. See section 809(d)(16).

The balance remaining in this account as of January 1, 1974, must be increased by the net additions thereto as provided in the schedules in Section 815(b), and the schedule in determining the amount to be entered on line 3, the amount, if any, by which the net long-term capital gain for the taxable year exceeds the net long-term capital gain for the taxable year less than \$30,000.

The information to be submitted by each member of an affiliated group included in a consolidated return:

1. Normal tax.—Section 11 provides a normal tax equal to 22% of taxable income.

2. Surplus.—Section 11 provides a surplus equal to 26% of the amount by which the net long-term capital gain for the taxable year exceeds the net long-term capital gain for the taxable year less than \$30,000.

3. Surplus exemption.—In general, a surplus exemption is allowed to corporations, however, are limited to a certain amount. See Section 1563 for definition of controlled group.

4. Credit for wages paid on unexpired work-in-progress (WIN) program.—Employers may claim a credit for 14% of the wages paid on unexpired work-in-progress contracts during the first 18 months of employment for 5-year jobs (boys 50A and 50B).

5. Tax on unexpired work-in-progress (WIN) credit.—In general, a credit for 14% of the wages paid on unexpired work-in-progress contracts during the first 18 months of employment for 5-year jobs (boys 50A and 50B).

6. Tax from recomputing a prior year investment credit.—If property credit is recomputed for a prior year, the tax thereon must be recomputed. See Section 46 and 46(c) for details.

7. Foreign corporations.—A credit for tax paid by a foreign corporation on income earned in the U.S. is allowable to U.S. businesses for losses or bad debts or unusual occurrences.

8. Minimum tax on tax preference items.—Corporations having tax preference items in excess of \$30,000 must file a return with the U.S. Internal Revenue Service. The minimum tax is 10% of the excess of tax preference items over \$30,000. See Section 56 for details.

9. Tax on unexpired work-in-progress (WIN) credit.—In general, a credit for 14% of the wages paid on unexpired work-in-progress contracts during the first 18 months of employment for 5-year jobs (boys 50A and 50B).

Section 815(c) — Compensation of Officers

Complete column 8 of Schedule J for year 6, highest paid officers. To determine the highest paid officers, see instructions. Allowances to each officer's compensation:

Complete column 8 of Schedule J for year 6, highest paid officers. To determine the highest paid officers, see instructions. Allowances to each officer's compensation:

The balance remaining in this account as of January 1, 1974, must be increased by the net additions thereto as provided in the schedules in Section 815(b), and the schedule in determining the amount to be entered on line 3, the amount, if any, by which the net long-term capital gain for the taxable year exceeds the net long-term capital gain for the taxable year less than \$30,000.

The information to be submitted by each member of an affiliated group included in a consolidated return:

1. Normal tax.—Section 11 provides a normal tax equal to 22% of taxable income.

2. Surplus.—Section 11 provides a surplus equal to 26% of the amount by which the net long-term capital gain for the taxable year exceeds the net long-term capital gain for the taxable year less than \$30,000.

3. Surplus exemption.—In general, a surplus exemption is allowed to corporations, however, are limited to a certain amount. See Section 1563 for definition of controlled group.

4. Credit for wages paid on unexpired work-in-progress (WIN) program.—Employers may claim a credit for 14% of the wages paid on unexpired work-in-progress contracts during the first 18 months of employment for 5-year jobs (boys 50A and 50B).

5. Tax on unexpired work-in-progress (WIN) credit.—In general, a credit for 14% of the wages paid on unexpired work-in-progress contracts during the first 18 months of employment for 5-year jobs (boys 50A and 50B).

Section 815(d) — Compensation of Officers

Complete column 8 of Schedule J for year 6, highest paid officers. To determine the highest paid officers, see instructions. Allowances to each officer's compensation:

Complete column 8 of Schedule J for year 6, highest paid officers. To determine the highest paid officers, see instructions. Allowances to each officer's compensation:

Section 815(e) — Compensation of Officers

Complete column 8 of Schedule J for year 6, highest paid officers. To determine the highest paid officers, see instructions. Allowances to each officer's compensation:

Complete column 8 of Schedule J for year 6, highest paid officers. To determine the highest paid officers, see instructions. Allowances to each officer's compensation:

Section 809(a)(1) — Required Interest

The term "required interest" for any taxable year means the sum of the pro rata shares of the net investment income for the taxable year, computed with the modifications in section 810(c), by (B) the means of the amount of such reserves for the taxable year. See Section 809(a)(1) for details.

Section 809(a)(2) — Required Interest

The term "required interest" for any taxable year means the sum of the pro rata shares of the net investment income for the taxable year, computed with the modifications in section 810(c), by (B) the means of the amount of such reserves for the taxable year. See Section 809(a)(2) for details.

Section 809(a)(3) — Required Interest

The term "required interest" for any taxable year means the sum of the pro rata shares of the net investment income for the taxable year, computed with the modifications in section 810(c), by (B) the means of the amount of such reserves for the taxable year. See Section 809(a)(3) for details.

Section 809(b) — Required Interest

The term "required interest" for any taxable year means the sum of the pro rata shares of the net investment income for the taxable year, computed with the modifications in section 810(c), by (B) the means of the amount of such reserves for the taxable year. See Section 809(b) for details.

Section 815(a) — Required Interest

The term "required interest" for any taxable year means the sum of the pro rata shares of the net investment income for the taxable year, computed with the modifications in section 810(c), by (B) the means of the amount of such reserves for the taxable year. See Section 815(a) for details.

Section 815(b) — Required Interest

The term "required interest" for any taxable year means the sum of the pro rata shares of the net investment income for the taxable year, computed with the modifications in section 810(c), by (B) the means of the amount of such reserves for the taxable year. See Section 815(b) for details.

Section 815(c) — Required Interest

The term "required interest" for any taxable year means the sum of the pro rata shares of the net investment income for the taxable year, computed with the modifications in section 810(c), by (B) the means of the amount of such reserves for the taxable year. See Section 815(c) for details.

Section 815(d) — Required Interest

The term "required interest" for any taxable year means the sum of the pro rata shares of the net investment income for the taxable year, computed with the modifications in section 810(c), by (B) the means of the amount of such reserves for the taxable year. See Section 815(d) for details.

Section 815(e) — Required Interest

The term "required interest" for any taxable year means the sum of the pro rata shares of the net investment income for the taxable year, computed with the modifications in section 810(c), by (B) the means of the amount of such reserves for the taxable year. See Section 815(e) for details.

Section 815(f) — Required Interest

The term "required interest" for any taxable year means the sum of the pro rata shares of the net investment income for the taxable year, computed with the modifications in section 810(c), by (B) the means of the amount of such reserves for the taxable year. See Section 815(f) for details.

SCHEDULE D (Form 1120L) 1974 U.S. Life Insurance Company Sales or Exchanges of Property

Name of the insured: Employer identification number

Table with 5 columns: a. Kind of property, b. Date of sale, c. Date sold, d. Gross sales price, e. Gain or loss (id plus e less f)

3 Unused capital loss carryover (attach computation)
4 Net short-term capital gain or (loss) (total of column g). Enter here and on line 8.

5 Total of column g, where columns h through k are not required.
h. F.M.V. as of 12/31/58
i. Adjusted basis as of 12/31/58

6 Total of column k
7 Net long-term capital gain or (loss) (total of lines 5 and 6). Enter here and on line 9.

8 Net long-term capital gain or (loss) from line 3
9 Net long-term capital gain or (loss) from line 7
10 Net short-term capital gain (line 8, column b) reduced by any net long-term capital loss (line 9, column a) (Enter here and on line 6, Schedule A, Form 1120L)

11 Net long-term capital gain (line 9, column b) reduced by any net short-term capital loss (line B, column a) (Enter here and on line 7, Schedule C, Form 1120L and on line 3, Schedule E, Form 1120L)

Part III Alternative Tax Computation
12 (a) Taxable investment income (line 15a), page 1, Form 1120L.
(b) Less line 11 above
13 (a) Gain from operations (line 1(b), page 1, Form 1120L)
(b) Less line 11 above

14 Enter the smaller of line 12 or line 13, but not less than zero
15 50% of the excess, if any, of line 13 over line 12
16 Amount subtracted from policyholders' surplus account (line 3, page 1, Form 1120L)

17 Total of lines 14, 15, and 16
18 Surtax exemption—Enter line 17 or \$25,000, whichever is lesser. (Component members of a controlled group; see page 8 of Form 1120L, instructions and enter your surtax exemption, or line 17, whichever is lesser)

19 Line 17 less line 18
20 22% of line 17
21 4% of line 19
22 If multiple surtax exemption is elected under section 1562, enter 6% of line 18

23 Total of lines 20, 21, and 22
24 Enter amount from line 11
25 Enter long-term gain received from certain binding contracts and installment sales (referred to as "subsection (d) gains"—see instructions)

26 Line 24 less line 25 (if less than zero, enter zero)
27 25% of the lesser of line 24 or line 25
28 30% of line 26
29 Total of lines 27 and 28

30 Alternative tax—Add lines 23 and 29. Enter here and, if applicable, on line 8, page 1, Form 1120L, and write "Alt" on the line to the left of the entry

Part IV Ordinary Gains and Losses (Use columns a through g except that columns a through k must be used for gains on assets whose F.M.V. as of 12/31/58 exceeds the adjusted basis of the property as of 12/31/58. For instructions for Part I, see instructions for Form 1120L, page 1. For investment assets, see instructions for Part I.)

Table with 5 columns: a. Kind of property, b. Date of sale, c. Date sold, d. Gross sales price, e. Gain or loss (id plus e less f)

32 Total of column g, where columns h through k are not required.
h. F.M.V. as of 12/31/58
i. Adjusted basis as of 12/31/58

33 Total of column k
34 Net ordinary gain or (loss) (total of lines 32 and 33). 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. For investment assets, see instructions for Part I.)

Table with 5 columns: a. Kind of property, b. Date of sale, c. Date sold, d. Gross sales price, e. Gain or loss (id plus e less f)

35 Total of column k
36 Total ordinary gain. Enter here and on line 31, and identify as gain from line 3b
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, 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. For investment assets, see instructions for Part I.)

Table with 5 columns: a. Kind of property, b. Date of sale, c. Date sold, d. Gross sales price, e. Gain or loss (id plus e less f)

38 Total of column k
39 Total ordinary gain. Enter here and on line 31, 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

Table with 5 columns: a. Kind of property, b. Date of sale, c. Date sold, d. Gross sales price, e. Gain or loss (id plus e less f)

42 Total (if gain, enter on line 4; if loss, enter on line 3). Identify as gain or (loss) from Part VII.

Instructions

(References are to the Internal Revenue Code.)

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 resulted...

Rules for Dispositions of Joint Property and Certain Involuntary Conversions... (1) Joint property... (2) Involuntary conversions...

Capital assets... (a) Capital assets... (b) Gains from such involuntary conversions... (c) Property held under a power of appointment...

Part I... (a) Capital assets... (b) Gains from such involuntary conversions... (c) Property held under a power of appointment...

Part II... (a) Gain on property held on December 31, 1958... (b) Other property acquired after December 31, 1958... (c) Property held under a power of appointment...

Part III... Alternative tax... Losses not allowable... Long term capital gains from regulated investment companies... Short sales of capital assets... Basis—the "basis" for certain property...

Part IV... Ordinary gains and losses... If the losses exceed the gains, certain transactions involving (a) disposition by gift, (b) certain tax-free transfers, (c) transfers to trusts, (d) transfers with S.E.C. orders, and (e) disposition of qualified income housing...

Part V... Gain from disposition of depreciable property and certain real property held more than six months... In general, when section 1245 property is sold or otherwise disposed of, the gain or loss is treated as ordinary income...

Part VI... Gain from disposition of depreciable real property held more than six months... In general, when section 1250 property is sold or otherwise disposed of, the gain or loss is treated as ordinary income...

Part VII... Sale or exchange of property used in trade or business... Section 1223—Section 1223 provides special treatment for the recognized gains and losses on the sale or exchange of property used in the trade or business...

Part VIII... Minimum tax on tax preference items... In general, the minimum tax on tax preference items is 10% of the net long term capital gain...

Part IX... Sale or exchange of property used in trade or business... Section 1223—Section 1223 provides special treatment for the recognized gains and losses on the sale or exchange of property used in the trade or business...

Part X... Minimum tax on tax preference items... In general, the minimum tax on tax preference items is 10% of the net long term capital gain...

Part XI... Sale or exchange of property used in trade or business... Section 1223—Section 1223 provides special treatment for the recognized gains and losses on the sale or exchange of property used in the trade or business...

Part XII... Minimum tax on tax preference items... In general, the minimum tax on tax preference items is 10% of the net long term capital gain...

Part XIII... Sale or exchange of property used in trade or business... Section 1223—Section 1223 provides special treatment for the recognized gains and losses on the sale or exchange of property used in the trade or business...

Part XIV... Minimum tax on tax preference items... In general, the minimum tax on tax preference items is 10% of the net long term capital gain...

Part XV... Sale or exchange of property used in trade or business... Section 1223—Section 1223 provides special treatment for the recognized gains and losses on the sale or exchange of property used in the trade or business...

Part XVI... Minimum tax on tax preference items... In general, the minimum tax on tax preference items is 10% of the net long term capital gain...

Part XVII... Sale or exchange of property used in trade or business... Section 1223—Section 1223 provides special treatment for the recognized gains and losses on the sale or exchange of property used in the trade or business...

Form 1120M-1974

Schedule A Taxable Investment Income or (Loss)—Section 822

Table with 3 columns: 1. Interest received, 2. Amortization of premium, 3. Total. Rows include Dividends, Gross rents, Gross royalties, Gross income from trade or business, Total (add lines 1 through 6), Gain from separate Schedule O, Gross investment income, Investment expenses, Taxes, Real estate expenses, Depreciation, Depletion, Trade or business deductions, Interest paid or accrued, Other capital losses, Total deductions, Less: Dividends received deduction, Less: Investment income or (loss).

Schedule A-3 Invested Assets Book Values

Table with 2 columns: 1. Beginning of taxable year, 2. End of taxable year. Rows include Real estate, Mortgage loans, Collateral loans, Policy loans, Bonds of domestic corporations, Stock of domestic corporations, Government obligations, Bank deposits bearing interest, Other interest-bearing assets, Totals of lines 1 through 9, Mean of the invested assets for the taxable year, Income base, Less: 1% of line 12, Line 14 less line 15, Line 16, Limit on deduction for investment expenses.

Schedule A-3 Alternative Tax for Certain Small Companies—Section 821(c)

Table with 6 columns: (a) Amount from line 7, (b) Premiums, (c) Total of (a) plus (b), (d) Normal tax, (e) Excess of line (c) over (d), (f) Amount on line 4 multiplied by line 5(e) divided by \$100,000.

FOR CALENDAR YEAR 1974

U.S. Mutual Insurance Company Income Tax Return

Header information including company name, address, city, state, ZIP code, and identification number.

Section D: Did you previously submit a copy of the annual statement for the preceding year as required by general instruction 1? Section E: Does a copy of the 1974 annual statement accompany this return? Section F: Did you at the end of the taxable year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation?

TAXABLE INCOME table with 11 rows and 2 columns: 1. Taxable investment income or (loss), 2. Statutory underwriting income or (loss), 3. Amounts subtracted from the Protection Against Loss Account, 4. Total, 5. Less: Unused loss deduction, 6. Mutual insurance company taxable income.

TAX COMPUTATION table with 11 rows and 2 columns: 11. Income tax, 12. Foreign tax credit, 13. Total of lines 12(a), (b), and (c), 14. Line 11 less line 13, 15. Foreign Corporations—tax on income not connected with U.S. business, 16. Tax from recomputing a prior year investment credit, 17. Tax from recomputing a prior year WIN credit, 18. Minimum tax on tax preference items, 19. Total tax, 20. Credits.

TAX table with 3 rows and 2 columns: 21. TAX DUE, 22. OVERPAYMENT, 23. Excess amount of line 23 you want credited to 1975 estimated tax.

Signature and title area for the preparer, including fields for name, address, city, state, ZIP code, and date.

Department of the Treasury

Internal Revenue Service

Form 1120M-1974

Form 1120M (1974) Page 4

Schedule B-2 Special Deduction—Section 823(c)

- Amount from line 7, Schedule A
- Premiums (see instructions)
- Total (add lines 1 and 2)
- If line 3 is not more than \$500,000, enter \$500,000. If line 3 is less than \$1,100,000, but in excess of \$500,000, enter 1/2 of the difference between \$1,100,000 and the amount on line 3.

Schedule B-3 Protection Against Loss Deduction—Section 824(a)

- Losses incurred on insurance contracts (line 11, Schedule B-1)
- 1% of line 1
- 25% of underwriting gain on line 7, Schedule B
- 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 one point selected by the taxpayer from windstorm, hail, flood, earthquake, or other methods (c) Divide (b) by (a) (d) Less: (e) Premium percentage which exceeds 40% (f) Line 7, Schedule B, multiplied by (e)
- Total (add lines 2 through 4)

Schedule C Protection Against Loss Account

(a) Balance at beginning of year	(b) 1% of losses incurred	(c) Concentrated risks	(d) Total sum of (a), (b), and (c)

Schedule D Dividends (See instructions)

PART I—Income

- Certain domestic corporations
- Certain public utility corporations
- Certain foreign corporations
- Certain affiliated groups
- Other corporations (attach schedule)
- Total (add lines 1 through 5)

PART II—Deductions

- 85% of line 1, Part I
- 60/208% of line 2, Part I
- 85% (see instr. for 100% of line 3, Part I)
- Total (use instructions for 85% limitation)
- 100% of line 4, Part I
- Total (line 4 plus line 5)

Schedule E Depreciation (See instructions)

Check boxes: If you made a section 179 election for this taxable year to use Class Life (ABT) System and/or Guideline Class Life System. See Publication 534.

1. Group and guidelines class or description of property	2. Date acquired	3. Cost or other basis	4. Depreciation allowed for allowable depreciation years	5. Method of computing depreciation	6. Line to be reported on this year	7. Depreciation for this year
1. Depreciation from Form 4832						
2. Depreciation from Form 5006						
3. Total amount to be entered on line 14, Schedule A, page 2						
4. Depreciation from Form 4832						
5. Depreciation from Form 5006						

Schedule G Compensation of Officers (See instructions)

Total amount to enter on line 15, Schedule B-1, page 3.

1. Name of officer	2. Social security number	3. Title	4. Taxes reported to business	5. Amount of compensation	6. Expense account allowances
Total compensation of officers					

Form 1120M (1974) Page 3

Schedule A 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 (on accrual method))	6. Interest received (Part I, Schedule A, adjusted to cash method (on accrual method))	7. Lines 3 through 6 of Schedule A (adjusted to cash method (on accrual method))	8. Net premiums received (adjusted to cash method (on accrual method))	9. Excess (if any) of line 4 over the sum of lines 5 through 8

Schedule B Statutory Underwriting Income or (Loss)—Section 823

- Gross income (Schedule B-1, line 6)
- Less: Gross investment income (line 9, Schedule A)
- Deductions (line 26, Schedule B-1)
- Less: The sum of (a) Line 19, Schedule A (b) Line 21, Schedule A
- Line 2, less line 4
- Special deduction (Schedule B-2) (not to exceed line 5)
- Line 5, less line 6
- Protection against loss deduction (Schedule B-3)
- Statutory underwriting income or (loss) (line 7, less line 6)

Schedule C-1 Income and Deductions

- Investment income—Section 832(b)(2), (a) Interest (b) Dividends (Part I, Schedule E) (c) Rents (attach schedule)
- Premiums earned—Section 832(b)(4)
- (a) Gain from sale or other disposition of capital asset—Section 832(b)(1)(B) (separate Schedule D from 1120) (b) Ordinary gain from Form 4797 (attach Form 4797)
- Other income—Section 832(b)(1)(C) (attach schedule)
- Decrease in subscriber accounts—Section 832(b)(2)(B)
- Gross income (add lines 1 through 5)
- Salaries and wages—Section 832(c)(1)
- Rents—Section 832(c)(1)
- Interest—Section 832(c)(2)
- Taxes—Section 832(c)(3) (attach schedule)
- Losses incurred on insurance contracts—Section 832(c)(4)
- Capital losses—Section 832(c)(5) (separate Schedule D (Form 1120))
- Other capital losses—Section 832(c)(5) (Schedule A-3)
- Worthless agency balances and bills receivable—Section 832(c)(6)
- Interest (excluded under section 103)—Section 832(c)(7)
- Depreciation—Section 832(c)(8) (line 6, Schedule F)
- Operation—Section 832(c)(18) (attach schedule)
- Contributions—Section 832(c)(9) (not over 5% of line 24 adjusted per instructions—attach schedule)
- Dividends paid or declared to policyholders—Section 832(c)(11)
- Increase in subscriber accounts—Section 832(b)(2)(A)
- (a) Pension, profit sharing, etc. plans—Section 832(c)(10) (see instructions) (b) Employee benefit programs—Section 832(c)(10) (see instructions)
- Other deductions—Section 832(c)(10) (attach schedule)
- Total deductions on lines 7 through 22
- Line 6, less line 23
- Dividends received deduction—Section 832(c)(12) (line 6, Part II, Schedule E—see instruction for 85% limitation)
- Total deductions (line 23 plus line 25)

GROSS INCOME

DEDUCTIONS

1974 Department of the Treasury Internal Revenue Service Instructions for Form 1120M

U.S. Mutual Insurance Company Income Tax Return

(References are to the Internal Revenue Code.)

General Instructions

4. Who must file Form 1120M.—Every domestic mutual insurance company (except a life insurance company subject to tax under section 802 and other than a fire, flood, or marine insurance company) subject to tax under section 831 and every foreign company (other than a company organized in the U.S. business, if it would qualify as a mutual insurance company, subject to tax under section 821) must file Form 1120M.

Exemptions.—(a) Certain mutual insurance companies exempt under section 501(c)(15). (See Form 990.)

(b) A mutual insurance company subject to tax under section 821, which disposes of its insurance business and 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 forms that may be required.—

1. Forms W-2 and W-3.—Employer's wage and tax statement, and transmittal of income and tax statements.

2. Form W-2P.—Statement for recipients of annuities, pensions or treated pay.

3. Forms 1087-DIV, INT, MED, MISC, and OID.—Nominee's information returns for reporting dividends, interest, medical and health care payments, miscellaneous income, and original issue discount that were received as a nominee on behalf of another person.

4. Form 1096 and Schedule A (Form 1096).—Annual summary and transmittal of U.S. information returns, and corporate report of nontaxable dividends.

5. Forms 966 and 1099L.—Information returns regarding dissolution or liquidation, and distributions in liquidation.

Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas

Alabama, Arizona, Colorado, Idaho, Minnesota, Montana, North Dakota, South Dakota, Utah, Washington, Wisconsin

Illinois, Iowa, Missouri, Wisconsin

California, Hawaii

Florida, Georgia, Kentucky, Michigan, New York, North Carolina, Pennsylvania, Virginia, West Virginia

Connecticut, Delaware, District of Columbia, Maryland, Massachusetts, New Hampshire, New Jersey, New Mexico, North Carolina, Oklahoma, Oregon, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, Wisconsin

Internal Revenue Service, 400 Broad Highway, Hicksville, N.Y. 11790

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tion should include the company's name, identification number, address, and the taxable year to which the deposits relate.

Estimated tax.—A company must make estimated tax payments if it can expect its estimated tax (income tax less credits less an estimated tax exemption) to be \$40 or more.

For the calendar year 1975, the estimated tax exemption is 40% of the lesser of (1) \$5,500 or (2) total tax less credits. (Members of a controlled group of corporations must substitute 22% of their surtax exemption for the \$5,500 mentioned above.)

Lines 13 through 19 of Form 1120-W may be used as a worksheet to complete estimated tax.

If you overpaid estimated tax, you may apply on Form 4466 for a "quick refund" if the overpayment is (1) at least 10% of your expected income tax liability AND (2) at least \$500.

This application must be made within 2½ months after the end of the taxable year and before you file your tax return.

H. Stock ownership in foreign corporations.—If you owned 5% or more in value of the outstanding stock of a foreign personal holding company, attach the statement required by section 351(c).

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 1974, 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.

If you use miniature statements, they must be filed instead of the larger statements.

J. Signature.—The return must be signed by the president, vice president, treasurer, assistant treasurer, or

chief accounting officer, or any other corporate officer (such as tax officer) authorized to sign.

A receiver, trustee, or assignee must sign any return he is required to file on behalf of a corporation.

K. Attachments.—You may use attachments if the lines on the form contain all required information. Attachments must be attached to the return in the same sequence as the schedules appear on the official form. Enter your name and identifying number on all attachments.

L. Penalties.—

1. A corporation that fails to file its tax return by the prescribed due date including any extensions of time for filing may be subject to a penalty of 5% for each month the return is not filed (the amount of the loss over the \$25,000) or the amount of the prior taxable years to which the loss may be carried.

2. A corporation that fails to pay the tax when due may be subject to a penalty of ½% a month or fraction of a month, up to a maximum of 25%, for each month the tax is not paid (the penalty is imposed on the net amount due)—section 6651(a)(1).

The above penalties will not be imposed if the corporation can show that the failure to file or to pay was due to reasonable cause and not to willful neglect.

These penalties are in addition to the 6% a year interest charge imposed on unpaid tax.

3. A corporation that fails to pay the proper amount of estimated tax is subject to an underpayment penalty of 6% a year for the period of underpayment (section 6655).

If you underpaid estimated tax and believe a penalty charge should not be assessed, attach Form 2220.

Specific Instructions

(Numbered to correspond with the line numbers on the return.)

For Page 1 of Return

S. 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 provision against loss account.

The unused loss for any loss year is (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 must first be carried to the earliest of the taxable years to which the loss may be carried. The portion of the loss that may be carried to each of the other taxable years is the excess (if any) of the amount of the loss over the \$25,000 of the carryback for each of the prior taxable years to which the loss may be carried.

Limitations.—An unused loss may not be carried—

(1) to or from any taxable year for which the insurance company is not subject to the tax imposed by section 821(a), or

(2) 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 of a surtax to be subject to the limitation in section 826(b) see section 826(a) and the regulations thereunder.

Amount to be included by recipient.—If the mutual insurance company election under section 826(b) 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 in-

come before giving effect to the election must be entered as the amount required on line 3.

(2) Where taxable income, 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 less account was added because of the election under section 826(b), then to the extent the amount increases mutual insurance company taxable income for the taxable year, the amount is not entered to the \$25,000 amount of exemption. See section 1 826-2(b) of the regulations.

Where the surtax exemption is provided under section 1561 because of an election under section 243(b), the pro-rated amount must 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.

12(c). Credit for wages paid or incurred in work incentive (WIN) program.—Employers may claim a credit of 20% of the salaries and wages paid or incurred for employees hired under a WIN program. The credit is allowed for the salaries and wages paid or incurred for the first 12 months of employment. For special rules and limitations, see Form 4874 and sections 50A and 50B.

15. Foreign corporations.—A foreign corporation carrying on an insurance business within the U.S. is taxable in the same manner as a domestic insurance company with respect to its income effectively connected with the conduct of a trade or business within the U.S. See section 842.

Any other U.S. source income received by a foreign corporation not effectively connected with the conduct of a trade or business within the U.S. 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 15, page 1.

16. 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 investment credit must be recomputed using as the useful life the period the property was actually held.

Also include on line 20(h) any of the tax included on line 15, page 1, which was withheld at the U.S. source.

SCHEDULE A.—Taxable Investment Income or (Loss)

1. Interest.—Enter interest received or accrued from all sources during the taxable year. The gross amount of interest reported as gross income must be reduced 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 regulations (Attach a statement showing method and computation)

3. 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.

4. Gross royalties.—Enter the gross amount of royalties. If a deduction is claimed for depletion, report it 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 leasing 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 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 to obtain funds to meet abnormal insurance losses and to provide for the payment of dividends and similar distributions to policyholders) are 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 is the amount by which losses for

20(g). Credit by reciprocal for tax paid by attorney-in-fact.—See section 826(e) and the regulations thereunder.

20(h). Other tax credits.—Section 39 provides a credit for Federal excise tax on: (1) gasoline used (a) on a farm for farming use; (b) in vehicles and machines used off the highway, such as in boats and, generally, in commercial aircraft; and (c) in vehicles furnishing transportation by land; (2) other than in a highway motor vehicle for farming use; (b) in vehicles, furnish, land, and (c) generally in commercial aviation or under other conditions not subject to tax.

10. Interest wholly exempt from tax.—Enter the amount of interest which is wholly exempt from taxation under section 103.

11. Investment expenses.—Enter expenses which are properly chargeable as investment expenses. If you allocate general expenses to investment expenses, the total deduction cannot exceed the limitation on line 18, Schedule A-1. Attach 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 1-64. 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, light, labor, etc., and the cost of incidental repairs which neither temporarily nor permanently improve the property and the value is not to be kept 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 fore-closed property before such property is held for rental purposes. For limitation on this 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 this deduction, see instruction 19(a).

For a more detailed explanation of depreciation, see instructions for Schedule F.

15. Depletion.—The percentage depletion rate on oil and gas wells is 22%. See section 613(b) for rates applicable to other natural deposits.

Enter the total depletion deduction allowed by section 611 on property used to produce investment income. Attach Form 1-17, a deduction is claimed for depletion of timber.

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 losses (a) from sales or exchanges of capital assets; (b) from sales or exchanges of property used in a business; or (c) from the compulsory or voluntary liquidation 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 on which the interest is wholly exempt from taxation. (Section 265.)

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 are considered as sold or exchanged 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, Schedule A-3. (2) 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,

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 this deduction, see instruction 19(a).

For a more detailed explanation of depreciation, see instructions for Schedule F.

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Enter the total depletion deduction allowed by section 611 on property used to produce investment income. Attach Form 1-17, a deduction is claimed for depletion of timber.

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19. Total deductions:

(a) Limitation on deductions relating to real estate owned and occupied. The deductions included on lines 12,

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 this deduction, see instruction 19(a).

For a more detailed explanation of depreciation, see instructions for Schedule F.

15. Depletion.—The percentage depletion rate on oil and gas wells is 22%. See section 613(b) for rates applicable to other natural deposits.

Enter the total depletion deduction allowed by section 611 on property used to produce investment income. Attach Form 1-17, a deduction is claimed for depletion of timber.

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 losses (a) from sales or exchanges of capital assets; (b) from sales or exchanges of property used in a business; or (c) from the compulsory or voluntary liquidation 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 on which the interest is wholly exempt from taxation. (Section 265.)

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 are considered as sold or exchanged 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, Schedule A-3. (2) 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,

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 this deduction, see instruction 19(a).

For a more detailed explanation of depreciation, see instructions for Schedule F.

15. Depletion.—The percentage depletion rate on oil and gas wells is 22%. See section 613(b) for rates applicable to other natural deposits.

Enter the total depletion deduction allowed by section 611 on property used to produce investment income. Attach Form 1-17, a deduction is claimed for depletion of timber.

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 losses (a) from sales or exchanges of capital assets; (b) from sales or exchanges of property used in a business; or (c) from the compulsory or voluntary liquidation 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 on which the interest is wholly exempt from taxation. (Section 265.)

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19. Total deductions:

(a) Limitation on deductions relating to real estate owned and occupied. The deductions included on lines 12,

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 this deduction, see instruction 19(a).

For a more detailed explanation of depreciation, see instructions for Schedule F.

15. Depletion.—The percentage depletion rate on oil and gas wells is 22%. See section 613(b) for rates applicable to other natural deposits.

Enter the total depletion deduction allowed by section 611 on property used to produce investment income. Attach Form 1-17, a deduction is claimed for depletion of timber.

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 losses (a) from sales or exchanges of capital assets; (b) from sales or exchanges of property used in a business; or (c) from the compulsory or voluntary liquidation 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 on which the interest is wholly exempt from taxation. (Section 265.)

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19. Total deductions:

(a) Limitation on deductions relating to real estate owned and occupied. The deductions included on lines 12,

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 this deduction, see instruction 19(a).

For a more detailed explanation of depreciation, see instructions for Schedule F.

15. Depletion.—The percentage depletion rate on oil and gas wells is 22%. See section 613(b) for rates applicable to other natural deposits.

Enter the total depletion deduction allowed by section 611 on property used to produce investment income. Attach Form 1-17, a deduction is claimed for depletion of timber.

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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 are considered as sold or exchanged 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, Schedule A-3. (2) 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,

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 this deduction, see instruction 19(a).

For a more detailed explanation of depreciation, see instructions for Schedule F.

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Enter the total depletion deduction allowed by section 611 on property used to produce investment income. Attach Form 1-17, a deduction is claimed for depletion of timber.

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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 on which the interest is wholly exempt from taxation. (Section 265.)

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19. Total deductions:

(a) Limitation on deductions relating to real estate owned and occupied. The deductions included on lines 12,

13. and 14. For real estate owned and occupied in whole or in part by the company.—The amount of the deduction is limited to the amount which bears the same ratio to those 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. (Attach a schedule.)

(b) **Items not deductible.**—No deduction is allowable for any amount allocable to a class of exempt income other than exempt interest. Items directly attributable to wholly exempt income must be allocated to such income, and items directly attributable to any class of taxable income must be allocated to taxable income.

If an item is indirectly attributable both to taxable income and exempt income, a reasonable proportion of the item is allocated in the light of all the facts and circumstances in each case, must 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.

21. Dividends received deduction.—See instructions for Schedule E, Part II.

The 85% limitation on the dividends received deduction does 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 alternate tax for companies with taxable income plus premiums, as 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, reinvestments, dividends to policyholders, dividends to policyowners, or other amounts which are not subject to the company's interest on reduction of premiums (whether or not required to be credited in reduction of premiums under the terms of the contract), or any other term of a similar nature.

Such term includes advance premiums, premiums deferred and uncollected, and premiums due and unpaid, in addition to the amount of the consideration in respect of assuming liabilities under contracts not issued by the policyowner (such as a payment or transfer of property in an assumption reinsurance contract).

13. and 14. For real estate owned and occupied in whole or in part by the company.—The amount of the deduction is limited to the amount which bears the same ratio to those 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. (Attach a schedule.)

(b) **Items not deductible.**—No deduction is allowable for any amount allocable to a class of exempt income other than exempt interest. Items directly attributable to wholly exempt income must be allocated to such income, and items directly attributable to any class of taxable income must be allocated to taxable income.

If an item is indirectly attributable both to taxable income and exempt income, a reasonable proportion of the item is allocated in the light of all the facts and circumstances in each case, must 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.

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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, reinvestments, dividends to policyholders, dividends to policyowners, or other amounts which are not subject to the company's interest on reduction of premiums (whether or not required to be credited in reduction of premiums under the terms of the contract), or any other term of a similar nature.

Such term includes advance premiums, premiums deferred and uncollected, and premiums due and unpaid, in addition to the amount of the consideration in respect of assuming liabilities under contracts not issued by the policyowner (such as a payment or transfer of property in an assumption reinsurance contract).

13. and 14. For real estate owned and occupied in whole or in part by the company.—The amount of the deduction is limited to the amount which bears the same ratio to those 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. (Attach a schedule.)

(b) **Items not deductible.**—No deduction is allowable for any amount allocable to a class of exempt income other than exempt interest. Items directly attributable to wholly exempt income must be allocated to such income, and items directly attributable to any class of taxable income must be allocated to taxable income.

If an item is indirectly attributable both to taxable income and exempt income, a reasonable proportion of the item is allocated in the light of all the facts and circumstances in each case, must 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.

ary conversions, see Form 4797. Sup-
 plies received from other insurance
 companies for losses paid under rein-
 surance contracts. (See section 1.821-
 4)(a)(1)(ii) of the regulations.)

**3. Decrease in subscriber ac-
 counts.**—Enter the amount of the de-
 crease for the taxable year in savings
 credited to subscriber accounts of an
 reinsurer or reciprocal underwriter.
 See instruction 20 for Schedule B-1 for
 savings credited to subscriber accounts.
Deductions.

7. Salaries and wages.—Enter the
 amount of salaries and wages paid or
 accrued during the taxable year.

8. Rents.—Enter the amount of rent
 paid or accrued for business property in
 which the company has no equity.

9. Interest.—Do not include interest
 on indebtedness incurred or continued
 to purchase or carry obligations on
 which the interest is wholly exempt
 from income tax. (Section 265.)

See section 267 for the limitation on
 deductions for unpaid expenses and
 interest in the case of transactions be-
 tween related taxpayers.

10. Taxes.—Enter taxes paid or ac-
 crued during the taxable year and attach
 a schedule showing the type and amount
 of tax. Do not include Federal income
 tax, foreign or U.S. possession income
 taxes, if a foreign tax credit is claimed,
 or taxes not imposed upon the corpo-
 ration.

See section 164(d) for apportion-
 ment 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 reinsur-
 ance recoverable outstanding at the end
 of the preceding taxable year and de-
 duct amounts outstanding at the end of the
 taxable year. To this result, add all unpaid
 losses outstanding at the end of the tax-
 able year and deduct unpaid losses out-
 standing at the end of the preceding
 taxable year.

12. Capital losses.—Enter only cap-
 ital 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 policy-
 holders. (Also, see instruction 18 for
 Schedule A.)

**3(a). Gain from sale or other dispo-
 sition of capital assets.**—Enter the
 amount of gain (only) from the sale or
 other disposition of capital assets from
 Schedule D (Form 1120).

3(b). Ordinary gain.—For reporting
 sales or exchanges of property (other
 than capital assets) including involun-

terial transactions, but does not include
 amounts received from other insurance
 companies for losses paid under rein-
 surance contracts. (See section 1.821-
 4)(a)(1)(ii) of the regulations.)

Any mutual insurance company
 that is subject to the tax imposed by
 section 821(c) may elect to be subject
 to the tax imposed by section 821(b).
 See section 821(d) and the regulations
 thereunder for election to include statu-
 tory underwriting income or loss.

The alternative tax is not available to
 a company that has a balance in its
 protection against loss account, or to a
 beginning of the taxable year, or to a
 company that has an election in effect
 under section 821(b) 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 reduced by the above-
 stated amount, 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.
 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 inter-
 est, dividends, and rents received dur-
 ing the taxable year, add interest, divi-
 dends, 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 pre-
 miums to be paid, including the re-
 sult of a reinsurance contract, at the
 end of the preceding taxable year, and de-
 duct unearned premiums on outstand-
 ing business at the end of the taxable
 year.

**3(a). Gain from sale or other dispo-
 sition of capital assets.**—Enter the
 amount of gain (only) from the sale or
 other disposition of capital assets from
 Schedule D (Form 1120).

3(b). Ordinary gain.—For reporting
 sales or exchanges of property (other
 than capital assets) including involun-

**SCHEDULE B-2—Special
 Deduction**

In the case of a taxpayer subject to
 the tax imposed by section 821(a), sec-
 tion 823(c) provides that if the gross
 amount received during the taxable year
 822(b) (other than paragraph (1)(D))
 and premiums (including deposits and
 assessments) is less than \$1,100,000,
 then there is allowed an additional de-
 duction for the purposes of determining
 statutory underwriting income or loss
 under section 823(a) for the taxable
 year.

For definition of "premiums," see in-
 structions for Schedule A-2.

SCHEDULE E—Dividends

Part I—Dividend Income

1. Certain domestic corporations.—
 Enter dividends received from domes-
 tic corporations subject to income tax
 and which are subject to the 85% de-
 duction under section 243(a)(1).

So-called dividends or earnings from
 mutual savings banks, etc., are really
 interest and should not be treated as
 dividends.

For dividends received from a regu-
 larly invested company, see section
 854 for the amount subject to the
 85% deduction.

**2. Certain public utility corpo-
 rations.**—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. Certain foreign corporations.—
 Enter dividends received from foreign
 corporations and which qualify for the
 85% deduction provided in section
 245(a).

Enter dividends received from
 wholly-owned foreign subsidiaries and
 which are eligible for the 100% de-
 duction 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
 (regardless of the number of interme-
 diate foreign corporations) and (2) it is ef-
 fectively connected with the conduct of a
 trade or business within the U.S.

If dividends received from wholly-
 owned foreign subsidiaries are included
 in line 3, attach a schedule showing the
 amount of these dividends.

4. Certain affiliated dividends.—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) not reportable on line 3. Exclude
 interest on U.S. deposits constructively
 taxed in the current year or in prior
 years under subpart F.
 (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) 3666.

(c) Gross-up dividends for taxes
 deemed paid under sections 902 and
 960.

(d) Dividends (other than capital
 gain dividends) received from regulated
 investment companies and which are
 not subject to the 85% deduction; divi-
 dends from tax-exempt organizations;
 dividends (other than capital gain divi-
 dends) received from a real estate in-
 vestment 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 pay-
 ments with respect to similar stock;
 and any other taxable dividend income
 not properly reported above.

Part II—Dividends-received deduction

**3. Dividends received from certain
 foreign corporations.**—Enter 85% of
 dividends received from certain foreign
 corporations

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% de-
 duction 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
 may not exceed 85% of (line 20,
 Schedule A, less line 5, Schedule E,
 Part II).

(b) Schedule B-1.—The line 4 total
 may not exceed 85% of (line 24,
 Schedule B-1, less line 5, Schedule
 E, Part II).

**5. Dividends received from certain
 member-affiliated groups.**—Enter
 the amount of dividends received from
 section 243(b) 100% deductible
 qualifying dividends received from

member-affiliated groups. Enter
 the amount of dividends received from
 section 243(b) 100% deductible
 qualifying dividends received from

member-affiliated groups. Enter
 the amount of dividends received from
 section 243(b) 100% deductible
 qualifying dividends received from

member-affiliated groups. Enter
 the amount of dividends received from
 section 243(b) 100% deductible
 qualifying dividends received from

member-affiliated groups. Enter
 the amount of dividends received from
 section 243(b) 100% deductible
 qualifying dividends received from

member-affiliated groups. Enter
 the amount of dividends received from
 section 243(b) 100% deductible
 qualifying dividends received from

member-affiliated groups. Enter
 the amount of dividends received from
 section 243(b) 100% deductible
 qualifying dividends received from

member-affiliated groups. Enter
 the amount of dividends received from
 section 243(b) 100% deductible
 qualifying dividends received from

member-affiliated groups. Enter
 the amount of dividends received from
 section 243(b) 100% deductible
 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

Complete Schedule F if you claim a deduction for depreciation of property, leasehold improvements, patents, or copyrights Form 4562. Depreciation may be used as a supplement to Schedule F.

Class Life (ADR) System and Guideline Class Life System.—If depreciation is computed by using the Class Life (ADR) System or the Guideline Class Life System, you must file Form 4832 (Class Life (ADR) System) or Form 5006 (Guideline Class Life System) with your return. For more information, see instructions for Form 4832, Form 5006, and Publication 534.

Salvage value.—Salvage value must be taken into account in determining the depreciation deduction except under the declining balance method, Class Life (ADR) System, or Guideline Class Life System. For personal property (other than livestock) with a useful life of 3 years or more, salvage value may be reduced by an amount not in excess of 10% of the cost or other basis of the property. Property cannot be depreciated below a reason-

able salvage value, after you make the above salvage value reduction.

(e) 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, or (3) any other method that does not result in accumulated allowances at the end of the year (including first two-thirds of useful life of the property) greater than the total that could be depreciated if the double declining balance method had been used.

(b) New section 1250 property.—The double declining balance and sum of the years-digits methods may be used only for new residential rental property from which at least 80% of the gross rental income is derived from rental of residential units. Other new depreciable property depreciated under the straight-line or 150% declining balance methods

(c) Used section 1250 property.—Used residential rental property with a useful life of 20 years or more may be depreciated under the 125% declining balance method. Other used real property may be depreciated under the straight-line method.

(d) Rehabilitation expenditures for low-income rental housing.—You may elect to compute the depreciation deduction under section 167(k) for reha-

ilitation expenditures incurred for low-income rental housing under the straight-line method using a useful life of 60 months and no salvage value in lieu of any other method of computing depreciation. For details, see section 167(k).

(e) 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 new or used tangible personal property with a useful life of 6 years or more, up to an aggregate cost of \$10,000.

If the additional first-year allowance is elected, the basis of the property must be reduced by the amount of the deduction before computing the ordinary depreciation.

~~~~~ SCHEDULE G.—Compensation of Officers

Complete column 6 of Schedule G for your 6 highest paid officers. To determine the highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. Expense account allowance 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 does not have to be completed for any officer for whom the combined amount is less than \$30,000.

Form 1120S (1974)

U.S. Small Business Corporation Income Tax Return for calendar year 1974 or 1974 ending

1974

Header information including name, address, and identification number.

IMPORTANT—All applicable lines and schedules must be filed in. If the lines on the schedules are not sufficient, see instruction N.

GROSS INCOME section with lines 1 through 11 for gross receipts, cost of goods sold, dividends, interest, and other income.

DEDUCTIONS section with lines 12 through 31 for compensation of officers, salaries and wages, bad debts, rents, taxes, interest, and other deductions.

TAX section with lines 32 through 34 for total tax, credits, and overpayment.

Signature and name of preparer or officer.

Schedule A Cost of Goods Sold

Method of inventory valuation (Specify) and instructions for lines 1 through 7.

Table for Schedule A with columns for year, sales on account, current year additions, and amount charged against income.

Schedule G Depreciation

Note: If depreciation is computed by using the Class Life (ADR) System, you must file Form 4832.

Table for Schedule G with columns for date acquired, depreciation method, and depreciation amount.

Totals and Schedule J Tax Computation section.

Form 1120S (1974) Schedule L Balance Sheets

Table with columns: (A) Amount, (B) Total, (C) Amount, (D) Total. Rows include ASSETS (1-14) and LIABILITIES AND SHAREHOLDERS' EQUITY (15-25).

Table with columns: (A) Amount, (B) Total, (C) Amount, (D) Total. Rows include Schedule M-1 Reconciliation of Income Per Books With Income Per Return (26-27) and Schedule M-2 Analysis of Unappropriated Retained Earnings Per Books (28-31).

Form 1120S (1974) Schedule K Computation of Undistributed Taxable Income and Summary of Distributions and Other Items

Table with columns: 1. Name and address of each shareholder, 2. Stock security number, 3. Stock ownership period, 4. Compensation to business, 5. Percentage of stock owned.

Form 1120S (1974) Schedule K-1 (Form 1120S) for each shareholder. Includes sections for: 10. Interest on investment indebtedness; 11. Items of tax preference; 12. Investment credit property; 13. Shareholder's Share of Undistributed Taxable Income, etc.

1974 Department of the Treasury

Instructions for Form 1120S

U.S. Small Business Corporation

Income Tax Return

(References are to the Internal Revenue Code.)

General Instructions

years of active conduct of any trade or business if passive investment income is less than \$3,000. This 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(f)).

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 beginning 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 section 11372-4 of the regulations.

If the small business corporation has made an election under section 1372(a) and the election has been terminated or revoked, the corporation is not eligible to make the election again until section 1372(a) for 5 years unless the Commissioner consents.

D. Period to be filed by 1974 return.—File the 1974 return for calendar year 1974 and fiscal years beginning in 1974, and ending in 1975. If the return is for a fiscal year, file 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.

E. When to file.—In general, Form 1120S must be filed on or before the 15th day of the 3d month after the end of the taxable year.

You may request an automatic 3-month extension to file Form 1120S by filing Form 7004.

Form 700S may be used to report additional extension but only by corporations that have previously obtained an automatic 3-month extension by filing Form 7004.

C. Termination or revocation.—The election by the corporation is automatically terminated: (1) if a new shareholder does not consent to the election as explained in B above; (2) if it ceases to be a small business corporation as defined in section 1371(a); (3) if it derives more than 80% of its gross receipts from sources outside the U.S.; or (4) if its gross receipts more than 20% of its passive investment income (defined in section 1372(f)(5)(C)), except during the first 2 taxable

F. Where to file.

Use the following Internal Revenue Service Center address to locate the office nearest to you.

- New Jersey, New York City, 1340 Newark Avenue, Newark, N.J. 07102
- New York (all other), 310 Lowell Street, Westchester, N.Y. 10598
- Alabama, 1000 North State Street, Montgomery, Ala. 36102
- Arizona, 1150 West 1200 South, Phoenix, Ariz. 85021
- Arkansas, 1000 North Main Street, Little Rock, Ark. 72201
- California, 505 E. Market Street, Sacramento, Calif. 95833
- Colorado, 1150 West 1200 South, Denver, Colo. 80202
- Connecticut, 1000 Main Street, Hartford, Conn. 06103
- Delaware, 11600 Roosevelt Boulevard, Philadelphia, Pa. 19155
- Florida, 6000 Bufile Highway, Jacksonville, Fla. 32216
- Georgia, 1150 West 1200 South, Atlanta, Ga. 30334
- Illinois, 1150 West 1200 South, Chicago, Ill. 60606
- Indiana, 1150 West 1200 South, Indianapolis, Ind. 46202
- Iowa, 1150 West 1200 South, Des Moines, Iowa 50319
- Kansas, 505 E. Market Street, Topeka, Kan. 66606
- Kentucky, 1150 West 1200 South, Louisville, Ky. 40202
- Louisiana, 1150 West 1200 South, New Orleans, La. 70114
- Maine, 1150 West 1200 South, Portland, Me. 04102
- Massachusetts, 1150 West 1200 South, Boston, Mass. 02102
- Michigan, 1150 West 1200 South, Detroit, Mich. 48226
- Minnesota, 1150 West 1200 South, Minneapolis, Minn. 55402
- Mississippi, 1150 West 1200 South, Jackson, Miss. 39201
- Missouri, 1150 West 1200 South, St. Louis, Mo. 63102
- Montana, 1150 West 1200 South, Helena, Mont. 59601
- Nebraska, 1150 West 1200 South, Omaha, Neb. 68102
- Nevada, 1150 West 1200 South, Las Vegas, Nev. 89101
- New Hampshire, 1150 West 1200 South, Concord, N.H. 03301
- New Jersey, 1340 Newark Avenue, Newark, N.J. 07102
- New Mexico, 1150 West 1200 South, Albuquerque, N.M. 87102
- New York, 310 Lowell Street, Westchester, N.Y. 10598
- North Carolina, 1150 West 1200 South, Raleigh, N.C. 27601
- North Dakota, 1150 West 1200 South, Bismarck, N.D. 58101
- Ohio, 1150 West 1200 South, Columbus, Ohio 43260
- Oklahoma, 1150 West 1200 South, Oklahoma City, Okla. 73101
- Oregon, 1150 West 1200 South, Portland, Ore. 97201
- Pennsylvania, 11600 Roosevelt Boulevard, Philadelphia, Pa. 19155
- Rhode Island, 1150 West 1200 South, Providence, R.I. 02901
- South Carolina, 1150 West 1200 South, Columbia, S.C. 29201
- South Dakota, 1150 West 1200 South, Pierre, S.D. 57501
- Tennessee, 1150 West 1200 South, Memphis, Tenn. 38101
- Texas, 1150 West 1200 South, Dallas, Tex. 75201
- Utah, 1150 West 1200 South, Salt Lake City, Utah 84101
- Vermont, 1150 West 1200 South, Montpelier, Vt. 05601
- Virginia, 1150 West 1200 South, Richmond, Va. 23201
- Washington, 1150 West 1200 South, Olympia, Wash. 98501
- West Virginia, 1150 West 1200 South, Charleston, W. Va. 25301
- Wisconsin, 1150 West 1200 South, Madison, Wis. 53701
- Wyoming, 1150 West 1200 South, Cheyenne, Wyo. 82001

Rounding off to whole-dollar amounts.—The money items 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. Information returns that may be required.—

Form 1096.—Annual summary and transmittal of U.S. information returns.

Forms 1099-DIV, INT, MED, MSC, QID, PATR, and R.—Information returns for reporting certain dividends, interest income, medical and health care payments, miscellaneous income, original issue discount, patronage dividends, and lump-sum distributions from profit-sharing and retirement plans.

Actual dividend distributions taxable as ordinary income, actual dividend distributions taxable as long-term capital gains (after tax), undivided distributions, and dividends qualifying for the dividend exclusion must be reported on Form 1099-DIV.

Constructive dividends (undistributed taxable income) do not have to be reported on Form 1099-DIV but must be reported on Schedule K-1 (Form 1120S).

Information regarding dissolution or liquidation, and distributions in liquidation.

K. Stock ownership in foreign corporations.—If you owned 5% or more in value of the outstanding stock of a foreign personal holding company, attach the statement required by section 551(d).

L. Balance sheets.—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 deposited in place of Schedule L. Certificates of deposit should be included as cash on line 1 of the balance sheet.

M. Net operating loss and other deductions.—The deduction for net operating losses provided by section 172 and the special deductions in Part VIII (except section 248) of subchapter B are not allowed to an electing small business corporation. (Section 1373(d)).

N. Attachments.—You may use attachments if the lines on the form schedules are not sufficient. They must be reported on lines 4 through 10.

contain all the 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, the total need not be entered on page 1. The total must be entered on page 1.

O. Signature.—The return must be signed by the president, vice president, treasurer, assistant treasurer, or chief financial officer (such as tax officer) authorized to sign.

A receiver, trustee, or assignee must sign any return he is required to file on behalf of a corporation.

P. Transfers to corporation controlled by transferor.—If a person acquires stock or securities of a corporation in exchange for property, and no gain or loss is recognized under section 351, the transferor and transferee must attach the information required by section 1351-3 of the regulations.

Q. Penalties.—

1. A corporation that fails to file its tax return by the prescribed due date including any extensions of time for filing may be subject to a penalty of 5% a month, up to a maximum of 25%, for each month the return is not filed (the penalty is imposed on the net amount due—section 6651(a)(1)).

2. A corporation that fails to pay the tax when due may be subject to a penalty of 1/2% a month or fraction of a month, up to a maximum of 25%, for each month the tax is not paid (the penalty is imposed on the net amount due—section 6651(a)(2)).

The above penalties will not be imposed if the corporation can show that the failure to file or to pay was due to reasonable cause and not to willful neglect.

These penalties are in addition to the 6% a year interest charge imposed on unpaid tax.

Specific Instructions

(Numbered to correspond with the line numbers on page 1 of the return.)

Gross Income

1. **Gross receipts.**—Enter gross receipts or sales from all business operations except those required to be reported on lines 4 through 10.

For reporting advance payments and long-term contracts, see section 1451-S of the regulations.

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 the current and 3 preceding years. (a) gross profit, (b) cost of goods sold, (c) gross profit, (d) percentage of gross profit, 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 for permission to change must be made on Form 3115.

If you elect to use the last-in, first-out (LIFO) method of valuing inventory provided in section 472, attach Form 970 or a statement that contains the information required by Form 970 to your return for the first year that method is to be used.

Full absorption method of inventory costing.—Taxpayers engaged in manufacturing or production operations must use the full absorption method of inventory costing. If they are not using the full absorption method of inventory costing, they must change to this method in the first year that they and certain indirect production costs are included for direct production purposes.

A special election is provided so that taxpayers will not have to change to the full absorption method for taxable years prior to the year for which the election is made. The election may be made by filing Form 3115 during the first 180 days of any taxable year beginning on or after September 1, 1973. The election must be made before the taxable change shall be made for the taxable year in which the election is made. For further details, see section 1471-11 of the regulations.

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.

6. **Other interest.**—Enter interest on loans, notes, mortgages, bonds, bank deposits, corporate bonds, 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.

Specific Instructions

(Numbered to correspond with the line numbers on page 1 of the return.)

Gross Income

1. **Gross receipts.**—Enter gross receipts or sales from all business operations except those required to be reported on lines 4 through 10.

SCHEDULE J
Tax Computation

Section 1378 imposes a tax on certain capital gains of an electing small business corporation.

If net long-term capital gain (line 9(b)), page 1, exceeds \$25,000 and you are not liable for the tax, attach an explanation why this tax does not apply (Questions A through D in this section of the instructions must be answered and this page attached to your return as an explanation.)

By answering the following questions, you can determine if you are liable for the tax.

If the answers to Questions A, B, and C, or Questions A, B, and D are "Yes," the tax applies 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 net short-term capital loss (line 9(b)), page 1, exceed \$25,000, and exceed 50% 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 3 years? Yes No

D. If answer to Question C is "No," does any long-term capital gain (line 6, Schedule D (Form 1120S)) 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 that 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 (based on the hands of the transferor corporation) to you?

If the answer to Question D is "Yes," and the tax is applicable, compute 30% (25% in certain situations) 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

tributions after 1970 tax years cannot benefit a shareholder-employee.

Taxability of shareholder-employee beneficiaries.—See section 1379(b) for inclusion of excess contributions in gross income of the shareholder-employee beneficiary. Also, see instructions for column 4 of Schedule K.

25. Employee benefit programs.—Enter the amount of your contributions to employee benefit programs, e.g., insurance, health and welfare programs that are not an incidental part of a pension, profit-sharing, etc., plan included on line 24.

26. Other deductions.—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 must be allocated to such income and items directly attributable to any class of taxable income must be allocated to such taxable income.

If an item is indirectly attributable both to taxable income and exempt income a reasonable proportion of the item, determined in the light of all the facts and circumstances in each case, must 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.

30. Minimum tax on tax preference items.—Electing small business corporations are subject to the minimum gains item of tax preference and only to the extent that the gains are subject to the minimum tax under section 1378.

Corporations having such capital gains in excess of \$30,000 must attach Form 4626, Computation of Minimum Tax. This capital gains item of tax preference, after deducting a \$30,000 exemption, the amount of taxes imposed for the year, and tax carryovers to the taxable year, is taxed at a 10% rate.

All other items of tax preference excluding capital gains, must be apportioned among the shareholders. A reasonable amount will be apportioned under section 1374(c)(1).

The capital gains are excluded from this apportionment since these gains are (1) passed through to the shareholders, (2) included in their income on Schedule D (Form 1040), to the extent provided under the rules in section 1375(a), and (3) included in the computation of the shareholders' capital gains tax preference.

New section 1250 property.—The double declining balance and sum of the years digit methods may be used only for new residential rental property from which at least 80% of the gross rental income is derived from rental of residential units. Other new real property may be depreciated under the straight line or 150% declining balance methods.

Used section 1250 property.—Used residential rental property with a useful life of 20 years or more may be depreciated under the 125% declining balance method. Other used real property may be depreciated under the straight line method.

Rehabilitation expenditures for low-income rental housing.—You may elect to compute the depreciation deduction under section 167(k) for rehabilitation expenditures incurred for low-income rental housing under the straight line method using a useful life of 60 months and no salvage value in lieu of any other method of computing depreciation. 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 personal property 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.

If the additional first-year allowance is elected, the basis for the property will be reduced by the amount of the deduction before computing the 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. Attach Form T if a deduction is claimed for depletion of timber.

24. Pension, profit-sharing, etc. plans.—File Form 4848 with a Schedule A (Form 4848) and Form 4849, on or before the 15th day of the 5th month following the close of your taxable year, if you have adopted a pension, profit-sharing, or other funded deferred compensation plan.

If you have a profit-sharing or stock bonus plan, it will be disqualified unless it specifically states that plan features attributable to employer contributions are excluded from the plan.

Bargain sale to a charitable organization.—If you take a charitable contribution deduction for a property sold to a charitable organization, the gain from the sale is an amount determined in relation to the adjusted basis, as the amount realized is to the fair market value of the property.

20. Amortization.—If you claim a deduction for amortization, attach a schedule showing (1) a description of the expenditures being amortized, (2) the date acquired, completed, or extended, (3) amount being amortized, (4) amortization deducted in prior years, (5) amortization period (number of months), (6) amortization or organization less (the amount claimed in Schedule A).

See section 169 and related regulations for additional information on amortization of certain intangible assets which cost may be amortized over 60 months under which the cost of certain expenditures for employee training and child care facilities may be amortized over 60 months.

21. Depreciation.—Complete Schedule G if you claim a deduction for depreciation of property, leasehold improvements, patents, or copyrights. Form 4562, Depreciation, may be used as a supplement to Schedule G.

Salvage value.—Salvage value must be taken into account in determining the depreciation deduction except under the declining balance method, Class Life (ADR) System, or Guideline Class Life System. For personal property (other than livestock), with a useful life of 3 years or more, salvage value may be reduced by an amount not in excess of 10% of the cost or other basis of the property. Property cannot be depreciated below a reasonable salvage value after making the above salvage value reduction.

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 method, (2) the sum of the years-digits method, or (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.

18. Interest.—Enter interest expense, including investment interest expense, but do not include interest on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax (Section 265).

See section 267 for limitation on deductions for unpaid expenses and interest on 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) and any unused contributions carried over from prior years.

The total amount claimed may not exceed 5% of taxable income (line 28, page 1) computed without regard to this deduction.

Charitable contributions in excess of the 5% limitation may be deducted over to the next 5 taxable years.

Corporations, on the accrual basis, may elect to deduct contributions paid on or before the 15th day of the 3d month after the end of the taxable year if the contributions are authorized by the board of directors during the taxable year. A declaration, signed by an officer, stating that the resolution authorizing the contributions was adopted by the board of directors during the taxable year, and a copy of the resolution, must both be attached to the return.

Attach a schedule showing the name of each organization and the amount of each contribution and the amount of property contributed and the method used in determining its fair market value. If a contribution carryover is included, show the amount and how it was determined.

Special rule for contributions of certain property.—If you make a charitable contribution of property, the contribution must be reduced by the sum of (1) the ordinary income and (2) for 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, for the use of, certain private foundations (Section 170(e)).

9. Sales or exchanges of capital assets and other property.—See separate Schedule D (Form 1120S), and Form 4797, Supplemental Schedule of Gains and Losses.

If line 5(b) exceeds \$25,000, see instructions for Schedule J.—Tax Computation.

Every sale or exchange of a capital asset must be reported in detail in Schedule D (Form 1120S) even though no gain or loss is indicated.

10. Other income.—The attached schedule should include recoveries of bad debts, deducted in prior years, under the same charge off method. Recoveries 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

12. Compensation of officers.—Complete column 7 of Schedule E for your 5 highest paid officers. To determine the highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. Expense account allowance 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 does not have to be completed for any officer for whom the combined amount is less than \$30,000.

14. Repairs.—Enter the cost of incidental repairs, such as labor and supplies, that do not add to the value or appreciably prolong the life of the property.

Include on this line the total amount of repairs from Form 4832.

15. Bad debts.—Bad debts may be deducted 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.

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 tax or taxes imposed on the corporation. See Form 1067 (or appropriate form) for taxes on real property between seller and purchaser.

vidual returns for their share of the corporation's investment in certain depreciable property. Shareholders claiming the credit must attach Form 3468 to their returns.

PART V.—Property Used in Recouping a Prior Year Investment Credit

When property is disposed of prior to the "life years" assigned, each shareholder must be notified. He must recapture the amount by which the credit taken in a prior year or years exceeds the credit as recomputed due to the early disposition of the property and instructions for Form 4255.

Credit for wages paid or incurred in work incentive (WIN) program.—Shareholders are allowed a WIN credit on wages paid or incurred by the corporation to employees hired under the WIN program. The credit is allowed for the first 12 months of employment. For special rules and limitations, see Form 4874 and sections 50A and 50B.

The corporation must attach a statement showing each shareholder's share of WIN wages for each WIN employee. This statement must also show each WIN employee's name, social security number, marital date of employment, and total WIN wage.

Shareholders must attach Form 4874 to their returns.

Tax from recomputing a prior year WIN credit.—If a WIN employee is dismissed before the end of the first 12 months of employment or during the following 12 calendar months, each shareholder must be given a statement showing his share of WIN wages attributable to each such WIN employee and the employee's name, social security number, and period of employment.

Each shareholder must add to his tax liability the prior credit taken with respect to each such WIN employee.

For exceptions and limitations, see Form 4874 and section 150A-5 of the regulations.

Single copies of Publication 334, Tax Guide for Small Business (1975 edition), may be obtained without cost from most IRS offices.

Schedule D (Form 1040) as "net long-term gain from small business corporations (Subchapter S)..."

Actual dividend distributions taxable as long-term capital gain must be reported on line 1, Part I, Schedule B (Form 1040).

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 undistributed taxable income. His portion is determined by applying to the excess of net long-term capital gain over net short-term capital loss (line 9(b), page 1), reduced by any tax (line 31), the same ratio that the amount of his dividends (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 (reduced by tax) cannot exceed taxable income (line 28, page 1).

PART II.—Interest on Investment Indebtedness

Each shareholder must be notified of his pro rata share of interest of investment indebtedness, and the applicable items of: (1) net investment income (or loss), (2) excess expenses over rental income attributable to net lease property, and (3) excess net long-term capital gains over net short-term capital losses attributable to investment property. These items are combined with similar items from other sources to compute the shareholder's limitation on the deduction for interest incurred on investment indebtedness. (See Form 4952 and section 163(d).)

PART III.—Items of Tax Preference

All items of tax preference are taken into account by the shareholders, along with similar items from other sources, in preparing Form 4625, Computation of Minimum Tax. The items of tax preference, except capital gains, are apportioned to each shareholder on a daily basis and not as of the end of each year. This manner is consistent with the way net operating losses are apportioned under section 1374. (See section 1374 and instruction 30.)

PART IV.—Property Eligible for Investment Credit

Shareholders are allowed a tax credit on their indi-

may compute the limitation at the shareholder level. (See Form 4952 and section 163(d).)

Line 11.—Enter the amount of each item of tax preference. These amounts are also taken into account in computing the taxable income of the corporation in the regular manner but are subtracted (with certain reductions) to a minimum tax at the shareholder level. (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.

**SCHEDULE K-1
Shareholder's Share of Undistributed Taxable Income, etc.**

Schedule K-1 (Form 1120S) must show complete information with respect to all persons who were shareholders of the corporation during any portion of the taxable year. Shareholders generally are taxed on 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 given Copy B of Schedule K-1. In addition to the undistributed taxable income, Schedule K-1 also includes each shareholder's pro rata share of items of tax preference, items used to compute the limitation for interest on investment indebtedness, and property subject to recapture of investment credit.

Report actual dividend distributions aggregating \$10 or more to a shareholder during the calendar year on Form 1099-DIV.

PART I.—Income

Line 1.—Enter each shareholder's pro rata share of undistributed taxable income that is taxable as ordinary income. This amount is to be reported by the shareholder on Schedule E (Form 1040). Each shareholder's share of a net operating loss is also reported on line 1 and on Schedule E (Form 1040).

Actual dividend distributions taxable as ordinary income must be reported on line 1, Part I, Schedule B (Form 1040).

Line 2.—Enter each shareholder's pro rata share of undistributed long-term capital gain after tax. This amount is to be reported by the shareholder on

purposes of this rule, the earnings and profits of the taxable year are deemed not to exceed taxable income for the year. The dividends entitled to the exclusion would include, for example, dividends paid out of accumulated earnings and profits.

Line 7.—Enter the total amount of distributions of money and property out of earnings and profits. For taxable years after the first tax year to which the Subchapter S election applies, include any distribution of undistributed taxable income previously taxed to shareholders. (See section 1375(d).)

Distributions of money made within 2 months and 15 days after the close of the taxable year are treated as nondistributed distributions of such year's undistributed taxable income to the extent they do not exceed the shareholder's shares of undistributed taxable income for such year. (See section 1375(f).)

Line 8.—Enter that portion of undistributed taxable income that is to be treated by the shareholders as ordinary income. The undistributed taxable income is the amount that the shareholders would have received as a dividend if such income had been distributed pro rata to them 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 lines 8 and 9.

Line 9.—Enter that portion of undistributed taxable income that is to be treated by the shareholders as long-term capital gain after tax.

The amount cannot exceed taxable income (line 28) for the taxable year computed as provided in section 1375(d).

Line 10. Interest on investment indebtedness.—The amount of interest on investment indebtedness that may be deducted by a shareholder is subject to a limitation. Interest on investment indebtedness, and the applicable items of (1) net investment income or (loss), (2) excess expenses over rental income attributable to net lease property, and (3) excess net long-term capital gains over net short-term capital losses attributable to investment property, are taken into account in computing the corporation's taxable income in the regular manner. However, each shareholder must be notified as to his pro rata portion of these items so he

of the corporation's taxable year, are treated as distributions of that prior year's undistributed taxable income to the extent of the shareholders' pro rata shares.

Summary of Distributions and Other Items

Actual dividend distributions described on lines 4, 5, 6, and 7 of Schedule K should be reported on Form 1099-DIV. The amount shown on line 7 of Schedule K (nondividend distribution) should be entered in the space provided for nontaxable distributions on Form 1099-DIV.

If a prior actual distribution reported to shareholders as ordinary income on Form 1099-DIV is determined to be capital gain at the close of the corporation's taxable year, the corporation must issue amended Forms 1099-DIV. The amended Forms 1099-DIV should be given to the shareholders with their Schedule K-1 (Form 1120S).

The constructive dividends, as described on lines 8 and 9 of Schedule K, must be reported on Schedule K-1.

Column 3.—If the number of shares owned by a shareholder changed during the year, attach a statement showing the number of shares held for each period.

Column 4.—Enter the compensation paid to each shareholder including any excess contributions to a pension, profit-sharing, etc. plan made on behalf of a shareholder-employee. Excess contributions are those in excess of the corporation under section 404(a)(1), (2) or (3) over the lesser of:

- (1) 15% of the compensation received or accrued by the shareholder-employee from the corporation during its taxable year; or
- (2) \$7,500.

A shareholder-employee of the corporation is considered as owning under section 318(a)(1) on any day of the taxable year of the corporation, more than 5% of its outstanding stock.

Line 4.—Enter the actual dividend distributions of money or property that are out of current earnings and profits and taxable as ordinary income. A dividend distribution of property does not reduce undistributed taxable income.

Line 5.—Enter actual dividend distributions that are to be treated by the shareholders as long-term capital gain after tax.

Line 6.—Only those dividends that are not considered to be out of earnings and profits of the taxable year qualify for the dividend exclusion. For

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. "Substituted 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 must first be deducted from the amount subject to tax as provided in section 1201 and then from the amount subject to tax as provided in section 1201(a)(1)(A) (Section 1378(b)).

Capital gains tax.—The capital gains tax rate for electing small business corporations is 30%. However, the 25% rate still applies to amounts received before 1975, from sales of other dispositions pursuant to binding contracts (excluding sections 631 and 1235) entered into on or before October 9, 1969 including installment sales described in section 453(a)(1). (See section 1201(d).)

For purposes of Questions C and D above, a corporation is not 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 occurs first.

If the corporation is a component member of a controlled group of corporations, see sections 1361, 1362 and 1364 and related regulations to determine the surtax exemption and tax computation on line 2, Schedule J. Each member of a controlled group of corporations electing section 1362 (2) is filing for a taxable year beginning in 1974 and ending in 1975, and (3) is determining its income tax on capital gains on line 2, Schedule J, if it must prorate its tax under the provisions of section 21. For details, see the regulations under section 21. Show the computation, including the proration of tax if applicable, on an attachment and enter the amount of such tax on line 2, Schedule J.

**SCHEDULE K
Computation of Undistributed Taxable Income and Summary of Distributions and Other Items**

Lines 1, 2, and 3.—Undistributed taxable income is taxable income less the sum of:

- (1) The taxes imposed by sections 56 and 1378(b), and
- (2) The amount of money distributed as dividends out of earnings and profits of the taxable year.

Distributions of money made within 2 months and 15 days after the close

1974

SCHEDULE D
(Form 1120S)

Department of the Treasury
Internal Revenue Service

Name _____ Employer Identification Number _____
 Attach to your tax return

Part I Short-term Capital Gains and Losses—Assets Held 6 Months or Less

1	2	3	4	5	6	7	8	9	10
Identifying number (see instructions)	Description of property and acquisition date (see instructions)	Cost or other basis (see instructions)	Proceeds from sale (see instructions)	Capital gain or loss (see instructions)	Short-term capital gain or loss (see instructions)	Long-term capital gain or loss (see instructions)	Net capital gain or loss (see instructions)	Dividend or interest (see instructions)	Other income (see instructions)

Part II Long-term Capital Gains and Losses—Assets Held More Than 6 Months

1	2	3	4	5	6	7	8	9	10
Identifying number (see instructions)	Description of property and acquisition date (see instructions)	Cost or other basis (see instructions)	Proceeds from sale (see instructions)	Capital gain or loss (see instructions)	Short-term capital gain or loss (see instructions)	Long-term capital gain or loss (see instructions)	Net capital gain or loss (see instructions)	Dividend or interest (see instructions)	Other income (see instructions)

Part III Summary of Schedule D Gains and Losses

1	2	3	4	5	6	7	8
Net long-term capital gain or loss (total of column 1)	Excess of net short-term capital gain (line 3) over net long-term capital loss (line 6). Enter here and on line 9(a), page 1, Form 1120S	Excess of net long-term capital gain (line 6) over net short-term capital loss (line 3). Enter here and on line 9(b), page 1, Form 1120S	Net capital gain or loss (total of column 1)	Net short-term capital gain or loss (total of column 1)	Net long-term capital gain or loss (total of column 1)	Net capital gain or loss (total of column 1)	Net short-term capital gain or loss (total of column 1)

Instructions

(References are to the Internal Revenue Code.)
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 expiration loss) until exhausted, whichever comes first.
Short Sales of Capital Assets.—For stock or other securities and transacted in commodity futures, see section 1223.
Worthless Securities.—Except for bank or securities that are capital assets, securities that become worthless during the taxable year are treated as if they were sold on 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 for distributions in liquidation of a partnership or other entity.
Basis.—In determining gain or loss, the basis of property will generally be the cost of the property, but will be the adjusted basis if the property was acquired by gift, tax-free exchange, involuntary conversion, or wash sale of stock (see section 1015).
For treatment of a portion of pay ment as "unrelated interest" on deferred payment sales, see section 483.

Codes for Principal Business Activity and Principal Product or Service

These industry titles and definitions are based, in general, on the specific industry group from which the activity is carried on. For a complete list of codes, see the Office of Management and Budget, Executive Office of the President, to 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 that account for the largest percentage of total receipts from the activity. If the activity is carried on in more than one activity, use the principal product or service may be "Cereal preparations."

- 5100 Groceries and related products, except meats and metal products
- 5120 Meats and metal products
- 5150 Farm product raw materials
- 5180 Lumber, wood, and framing
- 5190 Alcoholic beverages
- 5195 Misc. nondurable goods
- Building, Retail Trade, and Mobile Home Dealers**
- 5200 Building materials dealers
- 5220 Building materials dealers
- 5260 Garden supplies and mobile home dealers
- 5300 Food stores
- 5400 Food stores
- Automotive dealers and service stations**
- 5410 Automobile dealers
- 5420 Automobile dealers
- 5430 Automobile dealers
- 5440 Automobile dealers
- 5450 Furniture and home furnishings stores
- 5460 Eating and drinking places
- 5470 Amusement and recreation
- 5480 Misc. retail stores
- 5490 Other retail stores
- FINANCE, INSURANCE, AND REAL ESTATE**
- Banking**
- 6030 Mutual savings banks
- 6040 National banks
- 6050 Banks, except mutual savings banks and credit agencies other than banks
- 6100 Savings and loan associations
- 6120 Finance companies
- 6150 Business credit institutions
- 6190 Other credit agencies
- Exchanges, brokers, dealers, and flotation**
- 6210 Security, broker, dealer, and flotation
- 6290 Commodity contracts, brokers and deal and allied services
- Insurance**
- 6310 Life insurance
- 6320 Mutual insurance
- 6330 Other insurance companies
- Real Estate**
- 6510 Real estate agents, brokers, and services
- 6515 Real estate operators (except developers)
- 6516 Lessors of mining, oil, and similar
- 6518 Lessors of railroad property and other real property
- 6520 Real estate
- 6590 Real estate
- Holding and other investment companies**
- 6740 Holding and other investment companies
- 6742 Holding and other investment companies
- 6744 Small business investment companies
- 6745 Small bank holding companies
- 7000 Hotels and other lodging places**
- Business services**
- 7200 Personal services
- 7300 Business services
- 7310 Business services, except advertising
- Auto repair and services; misc. repair services**
- 7400 Auto repair and services
- 7405 Misc. repair services
- Amusement and recreational services**
- 7810 Motion picture production, distribution
- 7820 Motion picture theaters
- 7900 Amusement and recreation services, except motion pictures
- Other services**
- 8010 Health, optical, and other services, including optician
- 8020 Health, optical, and other services, including optician
- 8025 Medical laboratories
- 8070 Medical laboratories
- 8111 Legal services
- 8112 Legal services
- 8190 Misc. services
- 8195 Misc. services

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3468

Form 3468
Statement of the Trustee
Internal Revenue Service

1974

Attach to your tax return.

Name _____ Identifying number shown on page 1 of your tax return _____

1 Qualified investment in new and used property. (See instructions C and D for eligible property.)

NOTE: Include your share of investment in property made by a partnership, estate, trust, small business corporation, or lessor.

Type of property	Line	(1) Life years	(2) Cost or basis (\$4 million limit G)	(3) Applicable percentage	(4) Qualified investment (Column 2 column 3)
New Property	(a)	3 or more but less than 5		33 1/3	
	(b)	5 or more but less than 7		66 2/3	
	(c)	7 or more		100	
Used Property (See instructions for dollar limitation)	(d)	3 or more but less than 5		33 1/3	
	(e)	5 or more but less than 7		66 2/3	
	(f)	7 or more		100	

- 2 Total qualified investment—Add lines 1(e) through 1(f).
- 3 Tentative investment credit—7% of line 2 (4% for public utility property).
- 4 Carryback and carryover of unused credit (See instruction F and instruction for line 4—when computation).
- 5 Total—Add lines 3 and 4.
- 6 (a) Individuals—Enter amount from line 5, page Form 1040.
(b) Estates and trusts—Enter amount from line 24 or 25, page Form 1041.
(c) Corporations—Enter amount from line 5, Schedule J, Form 1120.
- 7 Less: (a) Foreign tax credit.
(b) Retirement income credit (individuals only).
(c) Tax on lump-sum distributions. (See instruction 7).
- 8 Total—Add lines 7(e), (b), and (c).
- 9 Line 6 less line 8.
- 10 Enter amount on line 9 or \$25,000, whichever is lesser (Married persons filing separately, controlled corporate groups, estates, and trusts, see instruction for line 10).
(b) If line 9 exceeds line 10(e), enter 50% of the excess.

11 Total—Add lines 10(a) and (b).

12 Investment credit—Amount from line 5 or line 11, whichever is lesser (enter here and on line 50, Form 1040; line 610, Schedule J, Form 1120 or the appropriate line on other returns).

Schedule A

If any part of your investment in line 1 above was made by a partnership, estate, or lessor, complete the following:

Name (Partnership, estate, trust, etc.)	Address	Property	
		New	Used
		\$	\$

If property is disposed of prior to the life years used in computing the investment credit, see instruction E.

General Instructions

Code.

(References are to the Internal Revenue Code.)

An involuntary conversion) during the 12-month period ending on the date of disposition by the excess. You may use Form 4256 to compute the tax increase.

F. Carryback and Carryover of Unused Credits.—Any part of an investment credit created by the carryback of a net capital loss or a net operating loss may be used to the extent permissible within the limitations applicable in those years.

Special rule for carryover of unused credits.—Credits from the 1970 and 1971 tax years (unused credits from taxable years ended before 1971 that can be carried over to a taxable year beginning carried over to a taxable year beginning total of 10 years may be carried forward for a total of 10 years.

Similarly, unused credits not absorbed on carryovers and carrybacks to years before 1971 may be carried forward for a total of 10 years.

You may make a claim for a refund based upon the carryback of an unused investment credit by filing Form 1043, (Corporations), or an amended return for the year to which the unused credit is carried. Taxpayers who want a tentative refund of any property (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 any property traded in, unless the trade-in resulted in the recapture of all or any portion of an investment credit or any portion of an investment credit carryback or carryover, is the same as the basis of the property. No adjustment for additional first-year depreciation or salvage value is required. For purposes of the investment credit, the basis of the investment credit must be the same as the useful life used for depreciation or amortization.

Line 7. Tax on Lump-Sum Distributions.—Enter the amount of partial tax included in line 6 by the recipients of the distributions from qualified employees' trusts or annuity plans.

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 the excess and wife file separate returns and both are entitled to an investment credit, compute the limitation by substituting \$12,500 for the \$25,000.

Controlled corporate groups. (See section 461(a)(5).) Must apportion the \$25,000 among all component members \$25,000 amount to (a) \$25,000 multiplied by (b) the qualified investment apportioned to the estate or trust, divided by the total amount of the investment apportioned among the estate or trust and its beneficiaries.

Specific Instructions

Line 1. New Property.—Enter the basis of property as described in instructions 1 through 4. Do not include the basis of taxable year.

Used Property.—Enter the cost (sub- ject to dollar limitation below) of used property. See instructions G through I for the tax liability. Do not include the basis of property from certain related parties does not qualify for the investment credit.

In general, the amount of used property you may take 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 re- turns, each may claim up to \$25,000 un- less the property 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, small busi- ness corporation, or estate or trust may be taken into account may not ex- ceed \$50,000. The \$50,000 limitation

also applies to each partner, shareholder, and beneficiary.

Each controlled group of corporations (see section 1361) may not exceed the \$50,000 limitation among the component members of the group based on the total cost of used property each member may take into account. The \$50,000 limitation without regard to both the \$50,000 limitation and the applicable percentages based on useful life.

Estates and Trusts.—In case of an estate, just the amount of investment is apportioned to the estate or trust and the beneficiaries based on the income of the estate or trust allocable to each.

Line 4. Priority of Application of Unused Credits.—The limitation is first ap- plied to:

- unused credits carried from years ending before 1971, then by
- credits for property placed in ser- vice after 1970, then by
- unused credits from taxable years ending after 1970.

Line 5. Basis and Cost.—The credit for new property applies to the basis of the prop- erty. The credit for used property applies to the cost of the property. The cost of any property traded in, unless the trade-in resulted in the recapture of all or any portion of an investment credit or any portion of an investment credit carryback or carryover, is the same as the basis of the property. No adjustment for additional first-year depreciation or salvage value is required. For purposes of the investment credit, the basis of the investment credit must be the same as the useful life used for depreciation or amortization.

Credit for Wages Paid or Incurred in Work Incentive (WIN) Program

Name: _____ Identifying number as shown on page 1 of your tax return: _____

1 WIN wages incurred or paid to employees under a WIN program. Note: Include your share of WIN wages paid or incurred to each WIN employee by a partnership, estate, trust, or small business corporation.

Table with columns: Name of employee, Social security number, Date employment began, Current year's WIN wages. Rows 1-12 for various employee categories.

Schedule A.—If any part of the above WIN wages was paid or incurred by a partnership, estate, trust, or small business corporation, complete the following:

Table with columns: Name and address (partnership, estate, trust, etc.), Name of employee, Amount.

General Instructions

(References are to the Internal Revenue Code.)

Employers may claim an income tax credit of 20 percent of the salaries and wages they paid for the first 12 months of employment of a worker hired under a Work Incentive (WIN) Program. The credit does not affect an employer's deduction of the salaries and wages as a business expense. This credit is allowed and computed under sections 40, 50A and 50B.

A. Who Must File.—Any individual, estate, trust, or partnership that has a liability for credit for salaries and wages paid or incurred in a WIN program must attach this form to its income tax return.

Small business corporations and partnerships are not required to file this form unless they are shareholders and partners who claim the credit.

Small business corporations and partnerships must attach to their income tax return a statement showing the allocation of the WIN wages for each employee. This statement must also show each WIN employee's name, social security number, date employment began and the WIN wages paid or incurred.

WIN wages or trust that apportions the WIN wages should, in addition to filing this form, attach a statement showing the allocation of the WIN wages for each employee to the estate or trust and each beneficiary.

For further details on the allocation of WIN wages see sections 1.50B-2, 3, and 4 of the regulations.

B. WIN Wages.—The term "WIN wages" means the salaries and wages paid or incurred by an employer who is certified by the Secretary of Labor as:

- (1) having been placed in employment under a WIN program established under section 432(b)(1) of the Social Security Act; and
- (2) not having displaced any individual from employment.

The WIN wages must be for services performed by employees during the first 12 months of employment (whether or not consecutive).

Wages paid WIN employees must be comparable to wages paid non WIN employees performing comparable services.

The term "salaries and wages" means only cash remuneration (including amounts deducted and withheld).

C. Limitations.— (1) The WIN wages must be incurred in a trade or business.

Specific Instructions

Mutual savings institutions, registered investment companies, real estate investment trusts, and cooperatives—see section 1.50B-5 of the regulations for special limitations.

Wages.—Enter the amount of WIN wages paid or incurred to each employee, by estate or trust, or partnership, in the WIN column of the schedule A attached to the return of the estate or trust and the beneficiaries on the basis of the estate or trust income allocable to each.

Small Business Corporations and Partnerships.—If the WIN wages are reported on the return of the corporation or partnership, the WIN wages are prorated among the shareholders or partners.

Rate.—The WIN wages among those who are shareholders on the last day of the corporation's taxable year.

Line 4.—Priority of Application of Unused Credits.—The limitation is first applied to the amount of WIN wages for the current year and then to unused WIN credits from taxable years beginning after 1971.

Line 7.—Tax on Lump-Sum Distributions.—Enter the amount of partial tax credit for lump-sum distributions from qualified employees' trusts or annuity plans.

Line 10.—Limitation.—If the tax liability (line 9) is \$25,000 or less, the 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 the WIN credit, the total credit for both must not exceed \$12,500 for the \$25,000 shown on line 10(a).

Controlled corporate groups (see section 1.5063a-1) must, according to the \$25,000 limitation, apportion the credit. A component member's consent to an apportionment plan is made by a state officer designated by an authorized person state officer designated by the state officer designated by the apportionment plan. The controlled group must file annually a consent to an apportionment plan.

Unused Credit.—If the credit for the tax year is more than the allowable amount, the unused portion may be carried back three years (but not to years more than seven years from the year the unused credit originated).

(2) The credit cannot be claimed on WIN wages for which the employer is reimbursed.

(3) The WIN employee must work in the United States.

(4) No WIN wages may be taken into account after the end of the 24 month period beginning with the date of the employee's employment by the WIN employee.

The initial date of employment is the date the WIN employee reported to the employer for work.

(5) The WIN employee cannot be a partner in a partnership if the partnership is determined under section 52(a)(1) through (8), or a dependent of the employer as determined under section 152(a)(9).

If the employer is a corporation, the WIN employee cannot be close relative of any individual who directly or indirectly owns more than 50% of the value of the outstanding stock of the corporation, as determined under section 267(c).

If the employer is an estate or trust, the WIN employee cannot be a grantor, beneficiary, or fiduciary of the estate or trust, or a close relative of, or a dependent of, any grantor, beneficiary, or fiduciary.

D. Recipients of WIN Credit.—The employer must repay any tax credit previously taken on the WIN wages paid or incurred with respect to an employee, if (1) the WIN employee is dismissed before the end of the first 12 months of employment, (2) the employee quits work or during the following 12 calendar months,

(3) the employer makes his working conditions so intolerable that he is compelled to quit, or

(4) the employer pays less than the wages paid other employees performing comparable services. If the credit is added to the tax liability for the year the employee is dismissed (or the year comparable wages are not paid).

This recapture provision does not apply to a WIN employee who: (1) voluntarily quits work,

(2) was dismissed due to misconduct as determined under the applicable State unemployment compensation law, or

(3) becomes disabled and cannot resume employment within the first 12 months of employment (whether or not consecutive).

For further details see sections 1.50 A-3 and 4 of the regulations.

Form 1120-FY (1974-75) (Rev. 4-75)

Part II Computation of Alternative Tax

Computation at Tax Rates Applicable Before 1/1/75

- 1 Taxable income (line 1, Part I)
- 2 Excess of net long-term capital gain over net short term capital loss
- 3 Line 1, less line 2
- 4 Surtax exemption—enter line 3 or \$25,000, whichever is lesser. (Component members of a controlled group—see instructions for line 2, Part I and enter your surtax exemption or line 3, whichever is lesser)
- 5 Line 3 less line 4
- 6 22% of line 3
- 7 26% of line 5
- 8 If multiple surtax exemption is elected under section 1562, enter 6% of line 4
- 9 Total of lines 6, 7, and 8
- 10 Enter amount from line 2
- 11 Enter subsection (d) gains, if any (see instructions)
- 12 Line 10 less line 11 (if less than zero, enter zero)
- 13 25% of the lesser of line 10 or line 11
- 14 30% of line 12
- 15 Total of lines 13 and 14
- 16 Alternative tax—total of lines 9 and 15. If this amount is less than the regular tax on line 7, Part I, enter here and on line 3, Part III

Computation at Tax Rates Applicable After 12/31/74

- 17 Taxable income (line 1, Part I)
- 18 Excess of net long-term capital gain over net short term capital loss
- 19 Line 17 less line 18
- 20 Enter line 19 or \$25,000, whichever is lesser. (Members of a controlled group, see the instructions for lines 9 and 11, Part I)
- 21 Line 19 less line 20
- 22 Enter line 21 or \$25,000, whichever is lesser. (Members of a controlled group, see the instructions for lines 9 and 11, Part I)
- 23 Line 21 less line 22
- 24 20% of line 20
- 25 22% of line 22
- 26 48% of line 23
- 27 Total of lines 24, 25, and 26
- 28 Enter amount from line 18
- 29 Enter subsection (d) gains, if any (see instructions)
- 30 Line 28 less line 29 (if less than zero, enter zero)
- 31 25% of the lesser of line 28 or line 29
- 32 30% of line 30
- 33 Total of lines 31 and 32
- 34 Alternative tax—total of lines 27 and 33. If this amount is less than the regular tax on line 16, Part I, enter here and on line 3, Part III

FY 1974-75 (Rev. 4-75)

Revised in Accordance with Tax Reduction Act of 1975 Corporation Fiscal Year 1974-75 Tax Computation Schedule (This schedule is to be used in lieu of the Tax Computation Schedule on 1974 Form 1120, 1120F, 990-C and 990-T) Attach to your tax return.

Form 1120-FY Department of the Treasury Internal Revenue Service

Name: For taxable year beginning 1974 and ending 1975. Employer identification number

Address (Number and street)

City or town, State, and ZIP code

Part I Computation of Regular Tax

Computation at Tax Rates Applicable Before 1/1/75

- 1 Taxable income
- 2 Surtax exemption—enter line 1 or \$25,000, whichever is lesser. (Component members of a controlled group—see instructions and enter your surtax exemption or line 1, whichever is lesser)
- 3 Line 1 less line 2
- 4 22% of line 1
- 5 26% of line 3
- 6 If multiple surtax exemption is elected under section 1562, enter 6% of line 2
- 7 Total of lines 4, 5, and 6. If applicable, enter here and on line 1, Part III

Computation at Tax Rates Applicable After 12/31/74

- 8 Enter amount from line 1, Part I (see instruction "Computation of Tax")
- 9 Enter line 8 or \$25,000, whichever is lesser (members of a controlled group, see instructions)
- 10 Line 8 less line 9
- 11 Enter line 10 or \$25,000, whichever is lesser (members of a controlled group, see instructions)
- 12 Line 10 less line 11
- 13 20% of line 9
- 14 22% of line 11
- 15 48% of line 12
- 16 Total of lines 13, 14, and 15. If applicable, enter here and on line 3, Part III

Line 2. Surtax Exemption—Members of a controlled group...

Line 6—If only one component member of the controlled group has taxable income, the 6% tax does not apply.

Part II

Line 8—If only one component member of the controlled group has taxable income, the 6% tax does not apply.

Line 11—Members of a controlled group...

Line 12—Minimum tax applies...

Line 13—Investment credit...

Line 14—WIN Credit...

Table

Table with 4 columns: Fiscal year, (A) Before 1975, (B) After 1975, (C) After 1975. Rows list fiscal years from 2/1/74-1/31/75 to 12/1/74-11/30/75.

Line 15—If the tax, the corporation computes a regular tax (Part I) and an alternative tax (Part II) for each period...

Specific Instructions

Part I

Line 1. Form 990-T Filers.—Form 1120-FY is not applicable to corporations that file Form 990-T.

General Instructions

Purpose of Form.—Recently enacted legislation increased the corporate surtax exemption from \$25,000 to \$50,000...

Form 1120-FY will be used by fiscal year 1974-75 corporations instead of the Tax Computation Schedule in Forms 1120, 1120F, 990-C and 990-T.

If you have filed your 1974-75 tax return, you should also file Form 1120-FY...

Since there are other provisions of the Tax Reduction Act that are also retroactive, you should carefully review the instructions...

IRS will not recompute the tax of members of controlled groups that have already filed.

Note: You will have to take into account certain changes if you are a fiscal year 1974-75 taxpayer...

For further information, obtain a copy of "Supplemental Instructions for Fiscal Year 1974-75 Corporations"...

Members of a Controlled Corporate Group That Have Elected to be treated as a partnership...

Computation of Tax.—If line B, Part I is \$50,000 or more, omit lines 9 through 15 and enter on line 16: (Line 8 x 48%) minus \$13,500.

If the alternative tax applies, complete the applicable parts of Schedule D, Part II, and enter the amount on line 17.

Specific Instructions

Part I

Line 1. Form 990-T Filers.—Form 1120-FY is not applicable to corporations that file Form 990-T.

Part III Proration of Tentative Taxes

1 Tentative tax (regular tax from line 7, Part I of alternative tax from line 16, Part II, whichever is lesser)

2 Portion of tentative tax before 1/1/75—see instructions for computation

3 Tentative tax (regular tax from line 16, Part I of alternative tax from line 34, Part II, whichever is lesser)

4 Portion of tentative tax after 12/31/74—see instructions for computation

5 Income tax—add lines 2 and 4

6 (a) Foreign tax credit (attach Form 1118)

(b) Investment credit (see instructions—attach Form 3468-FY)

(c) Work incentive (WIN) credit (see instructions—attach Form 4874-FY)

7 Total of lines 6(a), (b), and (c)

8 Line 5 less line 7

9 Personal holding company tax (attach Schedule Ph (Form 1120))

10 Tax from recomputing a prior year investment credit (attach Form 4255)

11 Tax from recomputing a prior year WIN credit (attach computation)

12 Minimum tax on tax preference items (see instructions—attach Form 4626)

13 Total tax—add lines 8 through 12. Enter here

Form 1120, page 1, line 31

Form 1120F, page 1, line 2 (disregard lines 3 and 4)

Form 990-C, page 1, line 33

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*Asterisk denotes textual reference

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