

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

ACCOUNTING PRACTICES AND TAX RULES FOR  
COMPETITIVE PRODUCTS

Docket No. RM2008-5

INITIAL COMMENTS OF THE UNITED STATES POSTAL  
SERVICE IN RESPONSE TO ORDER NO. 106  
(October 20, 2008)

On September 11, 2008, the Commission issued Order No. 106, seeking comments on proposed new rules regarding accounting practices, computation of the imputed income tax, and associated issues relating to the Competitive Products Fund. The Postal Service hereby provides its initial comments on the proposed rules.

Various provisions of the PAEA require the Commission to prescribe rules applicable to the Competitive Products Fund, including rules on accounting practices and principles to be followed, on determination of the assumed Federal income tax on competitive products income, and on information to be submitted in annual filings and in other periodic reports. See 39 U.S.C. § 2011(h)(2)(B). The rules proposed by the Commission for the fulfillment of these requirements are attached to Order No. 106. The Order summarizes the proposed rules as follows:

[T]he proposed rules, which for the most part are in accord with Treasury's recommendations and draw from the Postal Service's suggestions, are based on a theoretical, on paper only enterprise, do not require new accounting or data collection systems, maintain the Commission's existing definition of attributable cost, and provide the Postal Service optional means for calculating an assumed Federal

income tax on competitive products income. They are, in short, intended to promote the goals of transparency and accountability without imposing undue burdens on the Postal Service.

Order No. 106 at 3. The Postal Service fully agrees with the intent to promote transparency and accountability without imposing undue burden, and largely agrees with the Commission's characterization of the proposed rules. There are a few aspects of the proposed rules, however, that raise some concern for the Postal Service. Therefore, these initial comments focus on the sections of the proposed rules where the Postal Service has concerns, and include suggestions for clarification or modification.

## **SECTION 3060.21 INCOME REPORT**

On October 10, the Commission issued Order No. 115, *Order Accepting Certain Analytical Principles for Use in the Postal Service's Periodic Reports*. In Order No. 115, the Commission discussed the treatment of group specific costs and the relationship of group specific costs to Institutional Costs. The Commission states:

In postal regulation, institutional costs have historically been defined as the difference between total costs and attributable costs. They are the residue remaining after the attributable costs of individual products have been identified.

and

The Commission will use the group-specific costs of competitive products to estimate incremental costs and test for cross-subsidy of competitive products, consistent with rule 3015.7(a). It will not use group-specific costs to calculate "reduced institutional costs" for purposes of applying a fairness test to competitive product revenues, such as the one mandated by section 3633(a)(3).

Order No. 115 at 14-15, 19 (footnotes omitted). In light of Order No. 115, the Postal Service respectfully notes an inconsistency between the treatment of group specific

costs in the proposed Competitive Products Income Report displayed in Table 1 of proposed section 3060.21, and in the above-quoted later statements in Order No. 115 regarding the treatment and use of group specific costs.

In proposed section 3060.21, Table 1 presents the format for the Competitive Products Income Report. "Expenses" are in three categories: Line (4) *Volume-Variable*, Line (5) *Product Specific*, and Line (6) *Group-Specific Costs*. Line (7) *Total Competitive Products Attributable Costs* is the sum of Lines 4-6. Line (8) *Net Income Before Institutional Cost Contribution* is the difference of Line (3) *Total Competitive Products Revenue* and Line (7) *Total Competitive Products Attributable Costs*. Line (9) *Required Institutional Cost Contribution (5.5%)* is the "Minimum amount of Institutional Cost contribution required under 39 CFR 3015.7". If Line (9) is derived directly from the Institutional Cost as defined in Order No. 115, then it would include 5.5 percent of the group specific costs. The inclusion of group specific costs in Line (6) and in Line (9) would result in a duplicate expense deduction from competitive products revenue.

The Postal Service suggests the methodology and format of the Competitive Products Income Report be revisited to be consistent with the treatment of group specific costs as stated in Order No. 115, while avoiding a duplicate expense impact on the competitive products reporting entity.<sup>1</sup> Perhaps the Commission already had such a revisit in mind when it noted in the footnote on page 19 of Order No. 115 that the

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<sup>1</sup> While the above discussion focuses on the discrepancy as manifest in Table 1 of proposed rule 3060.21, the same potential discrepancy arises with respect to proposed section 3060.10 Costing, which likewise contemplates a comparison of revenue versus attributable costs, group specific costs, and the appropriate share of institutional costs. Unless group specific costs are removed from institutional costs, the potential for double-counting exists as well under proposed section 3060.10.

implications of the treatment of group specific costs for the calculation of the assumed Federal income tax would be addressed in this docket.

## **REQUIREMENT FOR COMPETITIVE PRODUCTS ENTERPRISE BALANCE SHEET**

Sections 3060.14 Competitive Products Enterprise Balance Sheet requires an annual report of the assets and liabilities of the theoretical competitive products enterprise as computed under Sections 3060.12 Asset Valuation and 3060.13 Valuation of Liabilities, and in the format described in Table 4 of Section 3060.30 Pro Forma Balance Sheet.

The Postal Service questions the requirement and value of this report for a number of reasons. First, the Postal Service does not believe the report supports the goal of transparency, and in fact, could detract from this goal. The Postal Service can develop an allocation methodology for the balance sheet accounts and can produce the report, but questions if the report provides meaningful information. Given that the report is simply a mathematical calculation, the reader should not expect the report to be accompanied by any meaningful discussion and analysis of the values or change in values from year to year.

Second, there is no mention of a requirement for a balance sheet in the statute. As the Postal Service pointed out in earlier filings, it is impractical and unrealistic to develop a balance sheet for the theoretical competitive products enterprise, whose revenues and expenses are derived from statistical estimates and economic costing, rather than Generally Accepted Accounting Principles (GAAP).

The report format in Table 4 is a listing of allocated values of asset and liability categories, rather than a full balance sheet. The term balance sheet has specific meaning under GAAP, and would lead readers to expect a capital and equity section. If the requirement for the report remains in the final rules, the Postal Service suggests the title of the report be changed to “Statement of Allocated Assets and Liabilities for Competitive Products”.

One final comment on the report concerns the due date for preparing the first Report on Assets and Liabilities. Section 3060.14 states the report should be prepared for each fiscal year starting with FY 2010. If the report is for the fiscal year 2010, ending September 30, 2010, then presumably the first report would be due January 15, 2011. Section 3060.31 Initial Filing of the Pro Forma Balance Sheet states the due date for the first report is January 15, 2010. The Postal Service believes Section 3060.31 should say “January 15, 2011”, instead of “January 15, 2010”.

Related to the matter of the due date for the Balance Sheet (or, as the Postal Service proposes it be relabeled, the Statement of Allocated Assets and Liabilities) and the Income Report is the due date for Competitive Products Fund Report included in proposed section 3060.24. The Postal Service views the Income Report and the statement of assets and liabilities (if required) as logical inputs into the preparation of the Competitive Products Fund Report. Therefore, the reporting sequence would work best if the due date for the CPF Report were no earlier, and perhaps even later, than the due date for the Income Report and the assets and liability information (i.e., January 15). Yet as proposed, section 3060.24 would require the Competitive Products Fund Report to be filed “within 90 days of the close of each fiscal year.” This would appear to

conflict with proposed subsection 3060.20(a), which specifies that the Postal Service shall file each report required by part 3060 “no later than January 15 of each year.” For these reasons, the Postal Service requests that, instead of beginning “Within 90 days of the close of each fiscal year ...”, section 3060.24 instead begin “On January 15, 2011, and each January 15 thereafter ...”

### **ASSUMED FEDERAL INCOME TAX**

The Commission states it supports the use of a simple tax rate, and suggests the Postal Service may make adjustments to competitive products taxable income by availing itself of certain deductions and/or credits under Chapter 1 of the IRC. Order No. 106 at 22-24. The draft rules also suggest that, to comply with IRC Chapter 1, the Commission believes the Competitive Product Income Before Tax, may require adjustments to determine the Taxable Income, against which to apply the Tax Rate. *Id.*

It is impractical and administratively burdensome to apply IRS tax rules in the computation of the assumed Federal income tax for the Competitive Products theoretical, on paper only, enterprise. The elements of the Competitive Product Income Before Tax are economically derived estimates of revenues and costs, and cannot be traced to specific accounting or cash transactions. Any attempt to determine the value of adjustments, deductions or credits would require assumptions and estimation methodologies, or changes in actual processes and systems to account for the specific transactions associated with adjustments, deductions and credits. In either case, unwarranted and unnecessary administrative expense would be involved in determining the adjustments, deductions and credits, without any guarantee that this amount would

produce a more reliable measure of taxable income. Furthermore, it would not increase transparency, accountability or benefit to the public.

The Postal Service had proposed a simplified approach to calculate the assumed Federal income tax – namely multiplying the Competitive Product Income Before Tax by a tax rate. The tax rate could be the IRC regular statutory tax rate or an effective tax rate based on other corporate experience. Here is the excerpt from the Postal Service’s April 1, 2008 filing:

The value of the Assumed Federal Income Tax could be determined in a timely fashion as a simple calculation of the effective tax rate multiplied by the Competitive Product Income Before Assumed Federal Income Tax.

A basic element of the Postal Service’s proposed approach is to use the Competitive Product Income Before Assumed Federal Income Tax as reported on the Income Report as the “Taxable Income”, and then to multiply the “Taxable Income” amount by the tax rate to yield the amount of assumed Federal income tax. That is;

**Assumed Federal Income Tax =  
Competitive Product Income Before Tax (as reported on the Income Report)  
Multiplied by  
Tax Rate**

The Postal Service believes the Competitive Product “Taxable Income” should be the Net Income (Loss) Before Tax, depicted on Line (10) of the Income Report required in section 3060.21, without any further required adjustments. The Postal Service proposes the use of an Effective Tax Rate as an alternative approach to determine the amount of assumed Federal income tax. The Effective Tax Rate can be structured to take into account the permanent adjustments and deductions made to book income by comparably sized corporate entities within the same industry, including their tax credits,

to determine the amount of assumed Federal income tax. Under this alternative approach, the assumed Federal income tax would be calculated as follows:

**Assumed Federal Income Tax =  
Competitive Product Income Before Tax (as reported on the Income Report)  
Multiplied by  
Effective Tax Rate,**

where the Effective Tax Rate is based on data from the publicly available annual IRS Statistics of Income (SOI) Corporation Report, which can be found on the Business Tax portion of IRS Tax Stats website. The SOI report has a variety of tables with data from actual annual corporate tax filings. The data is available by Industry Sector and Size of Corporation.<sup>2</sup> Using SOI data for the industry sector and company size grouping most comparable to the competitive products theoretical enterprise, the Effective Tax Rate would be calculated as the ratio of Total Income Tax after Credits divided by Income Subject to Tax, expressed as a percentage. The Total Income Tax after Credits and the Income Subject to Tax appear on specific line items in the SOI reports. The publication of the SOI data generally lags the tax year by roughly 30 months. Thus, at the moment, the most recent SOI data are for 2005 and, correspondingly, tax data for 2008 would likely be available in 2011.

The Postal Service recommends that SOI Table 4 – *Selected Balance Sheet, Income Statement, and Tax Items, by Sector, by Size of Total Assets* be the source of data for the calculation. SOI Table 4 contains data to enable the calculation of the Effective Tax Rate for All Corporations of All Sizes, or for a selected Industry Sector and/or selective size of corporation. Attached to these comments as Attachment Two is

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<sup>2</sup> To provide more background on the SOI Corporate Sourcebook, the Introduction to the most recent version of that document is appended to these comments as Attachment One.

the section of the SOI Table 4 from the most recent report, 2005, for the Transportation and Warehousing sector. This sector includes Courier and Messenger Business Activity.<sup>3</sup> The columns of the report show the tax filing data by company size, defined as the value of total assets reported on the corporate tax return. As an example, if the Effective Tax Rate calculation used the data for companies with \$2.5B or more Total Assets, the Effective Tax Rate would be 31 percent (3,906,019/12,793,325). A variation on this method could use a three-year average Effective Tax Rate, to dampen any cyclical effect. For that purposes, the corresponding portions of Table 4 from the 2004 and 2003 SOI are also appended, as Attachments Three and Four. Using comparable data from 2005, 2004, and 2003, the three-year average Effective Tax Rate would also be 31 percent.<sup>4</sup> Net operating losses should be treated as other corporate filers in arriving at net taxable income. This is consistent with the Commission's draft rules.

The Postal Service's proposed approach to determine the assumed Federal income tax is to derive an Effective Tax Rate as described above, using either the most recent year for which SOI data are available, or an average of the three most recent years, and apply that rate to the Competitive Products Net Income Before Tax from the CP Income Report. This approach would support the goals of transparency and accountability, without imposing undue burden on the Postal Service. It would enable the Commission, within its authority, to meet its statutory obligation to satisfy the criteria

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<sup>3</sup> A complete list of the various industries in the Transportation and Warehouse sector can be found in the Instruction to Form 1120, also available on the IRS website, and is attached as Attachment Five.

<sup>4</sup> Using the data in Attachments Three and Four, the average effective rate for 2004 was 32 percent (2,461,829/7,699,445), and the average effective rate for 2003 was 30 percent (1,517,611/5,099,939), and, when averaged with the 2005 rate of 31 percent shown above, the three-year average is 31 percent.

of the act with an appropriate expenditure of resources by all parties. The Effective Tax Rate derived from the SOI would be transparent, easy to verify, easy to update annually, and easy to administer. It would avoid the need for the Postal Service and the Commission to have expertise in corporate tax law, and changes in such law. It would be a simple means to level the playing field with the private sector, indirectly recognizing the adjustments and tax benefits allowable by the IRC chapter 1. It would be, therefore, specifically consistent with the intent of section 3634(a) of title 39, that the assumed Federal income tax imposed on the Postal Service's competitive products reflect the amount of net income tax that IRC chapter 1 would impose on a corporation with activities and assets equivalent to the those activities and assets of the Postal Service relating to its competitive products.<sup>5</sup> The proposed approach recognizes the point made by the Treasury Department, the Postal Service, and the Commission, namely, the assumed Federal income tax is an internal transfer of funds, and that any administrative cost associated with determining the amount of tax would have a negative impact on Postal Service cash flow.

## **FIRST YEAR OF ASSUMED FEDERAL INCOME TAX CALCULATION**

The draft rules state that the assumed Federal income tax is to be computed for FY 2008, and gives a 6-month extension to perform the calculation and make the transfer by July 15, 2009. The Postal Service's interpretation of the law is that the first year to compute the tax should be FY 2009.

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<sup>5</sup> The "activities" of the hypothetical corporation defined in section 3634(a)(2)(A) identify the industry sector (and thus the reference page) of SOI Table 4, while the level of "assets" of the hypothetical corporation referred to section 3634(a)(2)(B) further identify the appropriate column on that reference page.

Section 3634 (b) of the Act states:

Section 3634 (b) COMPUTATION AND TRANSFER REQUIREMENTS – The Postal Service shall, for each year beginning with the year in which occurs the deadline for the Postal Service’s first report to the Postal Regulatory Commission under section 3652 (a) (1) compute its assumed Federal income tax on competitive products income for such year; and (2) transfer from the Competitive Products Fund to the Postal Service Fund the amount of that assumed tax.

It is the view of the Postal Service that FY 2008 is the first year for the required Annual Compliance Report, and the deadline for this report is in December, 2008.<sup>6</sup> Since the deadline for the first required ACR is in FY 2009, it follows that the first assumed Federal income tax calculation should be for FY 2009. The Postal Service, though, is not suggesting that, just as it “voluntarily submitted” its first ACR one year before the statutory requirement, it would not likewise “voluntarily” implement the assumed Federal income tax calculation and appropriate transfer of funds one year earlier than required by the law. Therefore, in the spirit of cooperation, the Postal Service anticipates that it will strive to meet the date of July 1, 2009 specified in proposed Rule 3060.40(c), although its ability to do so may ultimately be a function of the complexity of the tax computation methodology upon which the Commission’s final rules settle.

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<sup>6</sup> As Order No. 106 itself notes on page 25, the Postal Service “voluntarily submitted” the ACR for FY 2007 last December.

## CONCLUSION

As noted at the beginning of this pleading, the Postal Service has relatively few comments on the proposed rules. Nonetheless, the Postal Service has serious reservations about the approach included in the proposed rules regarding the assumed Federal income tax for competitive products. The Postal Service hopes that the Commission will find the alternative approach proposed by the Postal Service for tax computation to provide the opportunity for a mutually-beneficial refinement to the proposed rules.

Respectfully submitted,

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# 2005 Statistics of Income

# Corporation Income Tax Returns

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This report contains data by industry on assets, liabilities, receipts, deductions, net income, income subject to tax, tax, and credits. Data are also classified by size of total assets, by size of business receipts, and by size of income tax after credits. Other classifications include returns with net income, return types and other selected subjects. More detailed statistics for the industries shown in Table 1 of this report are available in Publication 1053, *Source Book of Statistics of Income - 2005*. A general description of the Source Book, including ordering information, is available from the Director, Statistics of Income Division, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608.

In addition, special Statistics of Income tabulations based on corporation income tax returns for 2005 can be produced upon request on a reimbursable basis. Requests for this service should be addressed to the Director, Statistics of Income Division, at the address shown above.

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## Section 1

## Introduction

This report presents statistical estimates based on a stratified sample of approximately 110,000 unaudited returns selected from the nearly 5.7 million active corporate returns filed for Tax Year 2005 (defined to include accounting periods ending July 2005 through June 2006).

The report is divided into 6 sections. Section 1 provides statistics summarizing overall corporate activity for Tax Year 2005. Section 2 discusses changes in laws and regulations between this report and that for Tax Year 2004. Section 3 describes in detail the sample of income tax returns upon which the statistics are based, as well as the method of estimation used, the sampling variability of the data, and other limitations.

Section 4 presents basic tables that contain detailed statistics on 2005 assets, liabilities, receipts, deductions, net income, income tax liability, tax credits, and other financial data. Form 1120S returns, which are included in this section, unless specifically excluded, are also shown separately toward the end of this section. These statistics are presented by industry, asset size, business receipts size, tax form type, accounting period ended, and other selected classifiers. Section 5 contains detailed explanations of the terms used in this report. In most instances, the explanations include definitions of terms used, as well as adjustments made in preparing the statistics and any limitations inherent in the data. Section 6 consists of the key corporation tax return forms.

The industry classification used in this report is based on the North American Industry Classification System (NAICS), which replaced the Standard Industrial Classification (SIC) system used in years prior to 1998. For this Statistics of Income report, the data are listed under 22 industrial sectors, 82 major industries, and 200 minor industries. Table 1 which begins on page 19, presents selected financial data for all minor industries.

The statistics in this publication present data primarily by major industries, sectors, return types, and specific categories. The statistics in the 2005 *Corporation Source Book of Statistics of Income* differ from this report by providing data by minor industry and size of total assets for balance sheet, income statement, tax, and selected other items.

*William Rush, Mark Lowe, Kimberly Stockton and Heather Parisi were responsible for the overall production of the report, which was prepared under the direction of Marty Harris, Chief, Corporation Returns Analysis Section. Melissa Schottler and Kim Doan produced the table data in this report under the direction of Kelly Luttrell, Chief, Corporation Operations Section.*

### Overall Corporate Summary

Figure A presents corporation summary statistics for Tax Years 2004 and 2005 for number of returns, total assets, total receipts, net income (less deficit), income subject to tax, total income tax before credits, and total income tax after credits.

The number of active corporate tax returns filed for Tax Year 2005 increased by approximately 2.0 percent. For Tax Year 2004 corporations that met certain criteria could electronically file their tax return; approximately 43,000 corporate tax filers elected to do so. For Tax Year 2005, certain corporations were required to file electronically and the number of electronically filed returns increased to approximately 550,000. Total assets reached an all-time high of \$66.4 trillion, an increase of approximately 10.5 percent from Tax Year 2004. The largest increases were found in the Manufacturing sector, which increased from \$9.3 trillion to \$10.4 trillion, an increase of over 12.5 percent. The Finance and Insurance sector was also a large contributor to the increase in assets from \$27.1 trillion to \$30.4 trillion, a 12.3 percent gain. The smallest increase in total assets was in the Educational Services sector, which reported an increase in assets of \$3.8 billion, a rise of nearly 16.9 percent. Total receipts from operations and investments increased from \$22.7 trillion to \$25.5 trillion, an increase of 12.3 percent. This increase was primarily reflected in business receipts which increased by 9.1 percent from \$20.0 trillion to \$21.8 trillion. Two sectors, Manufacturing and Finance and Insurance, accounted for 48.4 percent of the increase in total receipts and approximately 39.5 percent of the increase in business receipts. Total receipts for the Manufacturing sector rose from \$6.4 trillion to \$7.3 trillion in 2005, an increase of 14.5 percent; while business receipts rose from \$5.9 trillion to \$6.5 trillion, or 10.4 percent. The Finance and Insurance sector experienced an increase of 14.9 percent in total receipts, from \$2.9 trillion to \$3.3 trillion; while business receipts increased from \$1.7 to \$1.8 trillion, an increase of approximately 6.4 percent. Overall total deductions rose from \$21.6 trillion to \$23.6 trillion, an increase of 9.1 percent. Cost of goods sold, the largest component of total deductions grew from \$12.5 trillion to \$13.8 trillion in 2005, an increase of 10.6 percent. Corporate pre-tax profits, or net income (less deficit) rose for all companies by 75.3 percent, from \$1.1 trillion to \$1.9 trillion (Figure B). Pre-tax profits increased from \$710.0 billion to \$1.4 trillion or 94.4 percent when excluding pass-through entities. Income subject to tax (the tax base), grew during 2005 from \$857.4

## 2005 Corporation Returns- Introduction

billion to \$1.20 trillion, an increase of 40.1 percent. Total income tax before credits increased from \$299.6 billion to \$419.2 billion, an increase of 40.0 percent. Income tax increased 40.6 percent during Tax Year 2005, from \$296.2 billion to \$416.3 billion. Total income tax after credits, the amount paid to the U.S. Government, increased by \$87.7 billion from \$224.4 billion to \$312.1 billion.

From the 5.7 million active corporations for Tax Year 2005, approximately 3.7 million were pass-

through entities. These pass-through entities include: regulated investment companies (RIC's), real estate investment trust (REIT's) and S corporations [1]. These entities pay little or no Federal income tax at the corporate level. Instead, they are required by law to pass any profits or losses to their shareholders, where they are taxed at the individual rate. Pretax profits of pass-through entities, mirrored the increase seen by all corporations rising 41.5 percent or \$166.7 billion during 2005 (Figure C).

**Figure A. --Returns of Active Corporations: Number of Returns, Total Assets, Total Receipts, Net Income (Less Deficit), Income Subject to Tax, Total Income Tax Before Credits, Total Income Tax After Credits, by Size of Total Assets, Tax Years 2004 and 2005**

(All figures are estimates based on samples--money amounts are in thousands of dollars and size of total assets are in whole dollars)

Year and size of total assets	Number of returns	Total assets	Total receipts	Net income (less deficit) [1]	Income subject to tax [2]	Total income tax before credits [3]	Total income tax after credits [4]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>2004</b>							
<b>Total.....</b>	<b>5,557,965</b>	<b>60,117,759,331</b>	<b>22,711,863,939</b>	<b>1,111,692,655</b>	<b>857,391,889</b>	<b>299,555,304</b>	<b>224,435,343</b>
Zero assets.....	701,095	-	360,362,431	3,638,790	15,385,659	4,503,520	4,076,062
\$1 under \$500,000.....	3,966,884	383,379,360	1,733,209,411	63,850,452	8,436,457	1,568,850	1,536,268
\$500,000 under \$1,000,000.....	356,184	249,055,234	597,725,892	14,816,460	4,081,325	980,508	959,562
\$1,000,000 under \$5,000,000.....	386,689	815,358,509	1,689,794,715	33,992,927	12,214,740	3,650,293	3,519,333
\$5,000,000 under \$10,000,000.....	61,121	426,030,168	888,688,357	15,832,565	7,562,341	2,548,235	2,445,679
\$10,000,000 under \$25,000,000.....	39,986	615,452,514	1,149,705,508	21,556,461	10,694,167	3,684,759	3,511,343
\$25,000,000 under \$50,000,000.....	15,012	517,736,115	736,571,938	17,698,834	10,076,304	3,492,074	3,281,627
\$50,000,000 under \$100,000,000.....	9,567	679,159,194	657,697,549	16,973,223	12,037,344	4,182,888	3,917,585
\$100,000,000 under \$250,000,000.....	8,984	1,435,685,928	880,104,503	33,894,141	23,779,435	8,393,447	7,529,446
\$250,000,000 under \$500,000,000.....	4,654	1,696,308,446	781,541,962	36,091,025	26,919,212	9,452,646	8,521,926
\$500,000,000 under \$2,500,000,000.....	5,602	6,651,534,467	2,708,116,017	152,854,905	117,538,488	41,743,088	35,658,675
\$2,500,000,000 or more.....	2,188	46,648,059,396	10,528,345,657	700,492,871	608,666,417	215,354,993	149,477,837
<b>2005</b>							
<b>Total.....</b>	<b>5,671,257</b>	<b>66,445,429,787</b>	<b>25,504,789,203</b>	<b>1,948,655,133</b>	<b>1,201,325,339</b>	<b>419,209,279</b>	<b>312,086,477</b>
Zero assets.....	774,622	-	445,036,031	33,390,285	19,086,398	5,779,882	5,094,162
\$1 under \$500,000.....	3,962,278	388,401,406	1,850,210,074	82,595,074	9,223,476	1,766,772	1,698,911
\$500,000 under \$1,000,000.....	370,562	260,923,167	642,832,416	22,774,074	4,473,747	1,077,862	1,043,493
\$1,000,000 under \$5,000,000.....	406,543	858,170,772	1,792,529,109	52,164,359	14,935,227	4,567,870	4,372,716
\$5,000,000 under \$10,000,000.....	66,278	463,000,889	971,980,526	25,702,212	9,367,290	3,164,228	3,060,316
\$10,000,000 under \$25,000,000.....	42,736	654,348,093	1,223,997,461	32,680,034	13,506,966	4,646,895	4,456,998
\$25,000,000 under \$50,000,000.....	15,808	555,194,699	812,566,876	24,835,726	13,459,430	4,678,404	4,366,840
\$50,000,000 under \$100,000,000.....	9,887	699,918,213	693,615,075	24,174,538	14,239,710	4,973,109	4,624,285
\$100,000,000 under \$250,000,000.....	9,316	1,490,548,405	1,012,405,328	48,660,813	31,250,096	10,983,815	9,935,667
\$250,000,000 under \$500,000,000.....	4,809	1,741,949,089	817,354,678	49,740,866	32,014,740	11,273,507	10,150,832
\$500,000,000 under \$2,500,000,000.....	6,012	7,372,297,893	3,063,700,726	279,799,010	171,339,765	60,459,095	50,364,959
\$2,500,000,000 or more.....	2,405	51,960,677,162	12,178,560,901	1,272,138,140	868,428,494	305,837,840	212,917,298

<sup>1</sup> Includes taxable income before net operating loss deduction and special deductions.

<sup>2</sup> Includes taxable income less net operating loss deduction and special deductions.

<sup>3</sup> Includes income tax, personal holding company tax, all recapture and other taxes, alternative minimum tax; excess net passive income tax (Form 1120S); branch tax (Form 1120-F); taxes from Parts II, III, and IV, and sections 856 & 857 (Form 1120-REIT); tax from Schedule J, line 3b (Form 1120-RIC); tax from page 1, line 5 (Form 1120-PC); and adjustments to income tax and total tax.

<sup>4</sup> Credits include foreign tax, U.S. possessions tax, nonconventional source fuel, qualified electric vehicle, general business, prior-year minimum tax, qualified zone academy bond, clean renewable energy bond, and gulf bond credit.

Notes: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## 2005 Corporation Returns- Introduction

**Figure B.-- Corporate Pretax Profits by North American Industry Classification System (NAICS) Sector,  
Tax Years 2004 and 2005**

[Money amounts are in thousands of dollars]

Industrial sector	Pre-tax Profits [1],[2]			
	2004	2005	Difference	Percentage change
	(1)	(2)	(3)	(4)
<b>All industries.....</b>	<b>1,111,692,655</b>	<b>1,948,655,132</b>	836,962,477	75.29%
Agriculture, forestry, fishing, and hunting.....	2,580,512	4,723,729	2,143,217	83.05%
Mining.....	18,694,454	46,784,960	28,090,506	150.26%
Utilities.....	4,162,291	20,830,603	16,668,312	400.46%
Construction.....	46,624,667	74,356,808	27,732,141	59.48%
Manufacturing.....	291,038,821	680,058,202	389,019,381	133.67%
Wholesale and retail trade.....	161,987,422	214,851,252	52,863,830	32.63%
Wholesale trade.....	80,088,103	106,255,014	26,167,001	32.67%
Retail trade.....	81,910,565	108,612,236	26,701,671	32.60%
Wholesale and retail trade not allocable.....	-11,246	-15,998	-4,752	42.26%
Transportation and warehousing.....	5,724,498	18,910,404	13,185,906	230.34%
Information.....	22,530,595	75,408,348	52,877,753	234.69%
Finance and insurance.....	363,427,888	500,563,173	137,135,285	37.73%
Real estate and rental and leasing.....	9,553,391	29,777,730	20,224,339	211.70%
Professional, scientific, and technical services.....	17,864,065	30,931,686	13,067,621	73.15%
Management of companies (holding companies).....	116,033,731	161,499,246	45,465,515	39.18%
Administrative and support, and waste management and remediation services.....	10,594,085	22,980,942	12,386,857	116.92%
Educational services.....	2,352,859	2,659,365	306,506	13.03%
Health care and social assistance.....	20,261,024	26,796,387	6,535,363	32.26%
Arts, entertainment, and recreation.....	2,759,386	4,117,704	1,358,318	49.23%
Accommodation and food services.....	12,207,573	27,759,730	15,552,157	127.40%
Other services.....	3,250,105	5,660,308	2,410,203	74.16%
Not allocable.....	45,288	-15,443	-60,731	-134.10%

[1] Pretax profits are net income (less deficit) in the statistics.

[2] Excludes net long-term capital gain reduced by net short-term capital loss of regulated investment companies and portfolio income (including capital gains) for S corporations (qualifying corporations electing to be taxed through their shareholders).

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

The remaining 2.0 million returns reported total receipts of \$19.8 trillion, an increase of 12.2 percent from 2004 to 2005. During the same time period, income subject to tax increased from \$856.4 billion to \$1.2 trillion, a 40.1 percent increase; while total income tax after credits increased 39.0 percent from \$224.0 billion to \$311.4 billion. Excluding the pass-through entities [2], approximately 1.0 million corporations reported net income for Tax Year 2005 and 66.8 percent of those corporations had a tax liability, compared to 21.0 percent of all corporations with net income.

The number of returns with total assets of \$2.5 billion or more represented only 0.04 percent of the total number of returns, but 78.2 percent of total assets. These 2,405 returns for 2005 accounted for 47.8 percent of the total receipts; 65.3 percent of net income (less deficit); 72.3 percent of income subject to tax; 73.0 percent of total income tax before credits; and 68.2 percent of total income tax after credits. Roughly 60.8 percent of all returns with net income and total assets greater than \$2.5 billion had a tax liability for 2005.

## 2005 Corporation Returns- Introduction

### Activities Covered

The estimates in this report encompass corporate business activities in the United States, as well as certain foreign activities as reported on returns of domestic corporations, and foreign corporations with U.S. business activities. The term domestic corporation refers to companies incorporated in the United States, but does not necessarily imply that all their activities are domestic. For instance, data for a U.S. corporation conducting business abroad through foreign subsidiaries may include dividends remitted from those subsidiaries and, to a certain extent, their undistributed earnings. The effect of foreign activity on the statistics varies by type of industry and by size of assets. Income from foreign activity is reflected to a greater extent in manufacturing industries than other industries. Also, foreign activity is almost entirely concentrated among returns with assets of \$250 million or more [3]. For foreign corporations (defined as those incorporated abroad) engaged in trade or business in the United States, only income that was considered effectively connected with the conduct of a trade or business in the United States was included in the statistics; any investment income from U.S. sources was excluded from the data. Most foreign corporations are concentrated in the "Finance and Insurance" and "Real Estate and Rental and Leasing" sectors. Other foreign corporations, incorporated abroad and not engaged in trade or business in the U.S., were liable for tax only on investment income from U.S. sources, and these returns were excluded from this report.

Section 6012 of the Internal Revenue Code requires that all corporations in existence at any time during the tax 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. However, inactive corporations have been excluded from these statistics. See Section 3 for more information on the sample.

In addition to legally defined corporations, the Internal Revenue Code recognized many types of businesses as corporations including: joint stock companies and unincorporated associations (such as business trusts, savings and loan associations, certain partnerships, mutual savings banks, and cooperative banks). These organizations possess 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.

### Time Period Employed

The estimates in this report are based on data from returns with accounting periods that coincided with the calendar year and returns with accounting periods that were for noncalendar years ending during the span of months July 2005 through June 2006. This span, in effect, defines the tax year in such a way that the noncalendar year accounting periods are centered at the calendar year ended in December.

There are 12 accounting periods covered in this report. Code section 441 specified that, in general, a taxpayer's accounting period ends on the last day of the month. There is a span of 23 months between the first-included accounting period, which began on August 1, 2004, and closed on July 31, 2005, and the end of the last-included accounting period, which began on July 1, 2005, and closed on June 30, 2006. This report, therefore, shows income received

**Figure C. -- Pretax profits and Pretax profits with certain inclusions for All Corporations, Regulated Investment Companies, and S Corporations, Tax Years 2004 and 2005**

[Money amounts are in thousands of dollars]

Item	Tax Year	All Corporations	Regulated Investment Companies	S Corporations
Pretax profits [1].....	2005	<b>1,948,655,132</b>	214,965,672	282,903,509
	2004	1,111,692,655	137,018,774	217,378,830
Pretax profits with certain inclusions [2].....	2005	2,210,067,320	398,238,803	361,042,566
	2004	1,241,134,481	208,440,778	275,398,651

[1] Pretax profits are net income (less deficit) in the statistics.

[2] The inclusions to pre-tax profits are: net long-term capital gain reduced by net short-term capital loss for regulated investment companies and investment, rental, and portfolio income (including capital gains) for S corporations. The amounts listed under "All Corporations" include both aforementioned items.

or expenses incurred during any or all of the months in the 23-month span. For balance sheet items, the

report shows a corporation's position only at the end of its accounting period. Corporations were required

**2005 Corporation Returns- Introduction**

by Code section 441 to file returns for the accounting period customarily used in keeping their books.

Figure D shows that calendar year returns made up 86.6 percent of the number of returns and 74.5 percent of net income (less deficit) for 2005. In addition, these returns accounted for 76.5 percent of the total assets, 74.8 percent of the total receipts, 76.2 percent of the income subject to tax, 76.5 percent of the total income tax before credits, and 73.4 percent of total income tax after credits. Corporations were usually required to file within two-and-one-half months after the close of the corporate

accounting period. However, in accordance with Code section 6081, most corporations could receive filing extensions of an additional 6 months. In addition to returns with accounting periods that spanned 12 months, the total number of active corporations includes 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, to include corporations in existence less than 12 months, merging corporations, and liquidating corporations.

**Figure D. --Returns of Active Corporations: Number of Returns, Total Assets, Total Receipts, Net Income (Less Deficit), Income Subject to Tax, Total Income Tax Before Credits, and Total Income Tax After Credits, by Ending Accounting Period for Tax Year 2005**

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

Ending Accounting Period [1]	Number of returns	Total assets	Total receipts	Net income (less deficit) [2]	Income subject to tax [3]	Total income tax before credits [4]	Total income tax after credit [5]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total.....</b>	<b>5,671,257</b>	<b>66,445,429,787</b>	<b>25,504,789,203</b>	<b>1,948,655,133</b>	<b>1,201,325,339</b>	<b>419,209,279</b>	<b>312,086,477</b>
December 2005.....	4,911,220	50,843,368,778	19,068,015,602	1,451,023,092	915,397,058	320,589,482	228,908,567
<b>Noncalendar Year Total.....</b>	<b>760,037</b>	<b>15,602,061,009</b>	<b>6,436,773,601</b>	<b>497,632,040</b>	<b>285,928,281</b>	<b>98,619,797</b>	<b>83,177,910</b>
July 2005.....	46,562	801,371,075	219,840,723	19,820,235	8,354,578	2,860,566	2,526,521
August 2005.....	50,887	1,172,111,018	327,902,511	26,754,260	11,317,976	3,928,814	3,568,295
September 2005.....	154,071	1,839,106,708	1,098,009,211	63,201,140	36,795,585	12,784,463	10,586,720
October 2005.....	66,819	1,907,679,261	473,517,500	62,773,704	17,431,452	6,057,009	4,623,194
November 2005.....	36,086	3,200,257,243	319,149,926	37,853,546	22,371,888	7,796,342	5,586,441
January 2006.....	42,058	948,326,792	1,128,042,106	75,805,056	61,678,940	21,491,152	20,249,885
February 2006.....	33,244	579,129,640	243,609,992	19,409,903	7,188,532	2,476,949	2,330,441
March 2006.....	96,553	2,437,137,442	1,056,882,976	74,946,468	41,038,728	13,616,679	12,108,094
April 2006.....	40,328	503,081,480	247,760,892	22,545,137	9,363,200	3,257,796	2,571,125
May 2006.....	44,398	611,488,166	350,228,234	28,429,500	16,861,950	5,840,459	4,609,184
June 2006.....	149,031	1,602,372,184	971,829,532	66,093,092	53,525,451	18,509,568	14,418,009

[1] Includes full and part-year returns.

[2] Includes taxable income before net operating loss deduction and special deductions.

[3] Includes taxable income less net operating loss deduction and special deductions.

[4] Includes income tax, personal holding company tax, all recapture and other taxes, alternative minimum tax, excessive net passive income tax (Form 1120S); branch tax (Form 1120-F); taxes from Parts II, III, IV, and sections 856 & 857 (Form 1120-REIT); tax from Schedule J, line 3b (Form 1120-RIC); tax from page 1, line 5 (Form 1120-PC); and adjustments to income tax and total tax.

[5] Credits include foreign tax, U.S. possessions tax, nonconventional source fuel, qualified electric vehicle, general business, prior-year minimum tax, qualified zone academy bond, clean renewable energy bond and gulf bond credit.

Notes: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## Notes and References

[1] For more detailed information on S corporations, see Luttrell, Kelly, "S Corporation Returns, 2003," *Statistics of Income Bulletin*, Volume 25, Number 4, Spring 2006, pp. 91 - 165.

[2] Includes returns filed on Forms 1120, 1120-A, 1120-F, 1120-L and 1120-PC.

[3] For more detailed information, see Masters and Oh, "Controlled Foreign Corporations, 2002," *Statistics of Income Bulletin*, Volume 25, Number 4, Spring 2006, pp. 193-232.

RETURNS OF ACTIVE CORPORATIONS

Table 4--Selected Balance Sheet, Income Statement, and Tax Items, by Sector, by Size of Total Assets

[All figures are estimates based on samples--money amounts are in thousands of dollars and size of total assets is in whole dollars]

Sector and Item	Total returns of active corporations	Size of Total Assets											
		Zero assets	\$1 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 under \$500,000,000	\$500,000,000 under \$2,500,000,000 or more	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>Transportation and Warehousing</b>													
<b>Number of returns.....</b>	<b>187,051</b>	<b>32,265</b>	<b>126,104</b>	<b>12,898</b>	<b>11,921</b>	<b>1,902</b>	<b>1,164</b>	<b>311</b>	<b>188</b>	<b>144</b>	<b>55</b>	<b>79</b>	<b>20</b>
<b>Total assets.....</b>	<b>586,306,011</b>		<b>11,474,778</b>	<b>9,348,669</b>	<b>24,950,690</b>	<b>12,895,131</b>	<b>17,769,693</b>	<b>10,742,107</b>	<b>13,128,153</b>	<b>23,343,138</b>	<b>18,539,431</b>	<b>106,783,478</b>	<b>337,330,745</b>
Cash.....	42,885,363		2,023,569	1,242,252	3,053,184	1,505,899	1,535,011	848,848	947,613	1,553,063	1,321,978	6,339,081	22,523,865
Notes and accounts receivable.....	67,669,707		1,651,438	1,655,850	6,378,196	3,241,295	4,328,991	2,558,338	2,751,933	4,312,104	3,579,254	15,666,311	21,545,997
Less: Allowance for bad debts.....	1,466,084		*4,666	7,278	33,928	39,339	82,706	44,580	62,065	157,648	88,584	428,497	516,792
Inventories.....	7,083,580		226,117	244,666	488,779	248,417	314,236	240,098	304,946	437,036	190,946	1,321,287	3,067,052
U.S. govt. obligations, total.....	236,646		-	*8,605	16	-	*2,009	23,650	44,975	30,178	20,910	106,304	-
Tax-exempt securities.....	270,657		*11,752	*14	*17,708	*1,026	*64,084	946	15,099	1,363	-	94,941	63,724
Other current assets.....	30,705,548		538,273	474,362	1,557,796	1,065,744	1,397,631	613,538	885,947	1,545,885	1,233,881	6,101,122	15,291,370
Loans to shareholders.....	4,727,388		787,076	802,489	631,656	154,299	176,990	63,512	62,827	78,116	9,417	1,961,007	-
Mortgage and real estate loans.....	284,275		*89,585	*30,797	*26,872	*49,996	*15,880	6,979	7,140	26,494	-	30,533	-
Other investments.....	47,562,302		164,830	354,445	1,870,364	961,516	1,427,068	805,774	1,278,645	2,162,502	2,355,632	13,968,726	22,212,801
Depreciable assets [25].....	530,582,719		20,917,727	15,148,878	25,791,779	14,131,910	15,693,079	9,379,097	11,434,999	17,389,079	14,125,891	65,236,546	321,333,334
Less: Accumulated depreciation [25].....	212,133,497		15,726,337	11,152,389	16,351,988	9,084,270	8,220,100	4,632,863	5,764,669	7,660,454	6,528,903	22,712,384	104,299,140
Depletable assets.....	56,550		*159	-	*7,755	*9,159	*28,058	6,013	2,247	734	-	2,424	-
Less: Accumulated depletion.....	33,537		*63	-	*5,912	-	*3,318	*21,553	1,179	652	-	861	-
Land.....	7,806,967		84,891	113,898	535,515	239,682	413,033	204,541	327,046	553,125	416,328	2,288,226	2,630,681
Intangible assets (Amortizable).....	31,547,724		652,667	493,128	1,144,808	224,441	384,239	460,119	799,374	2,263,987	1,459,271	11,606,387	12,059,303
Less: Accumulated amortization.....	5,415,442		247,931	130,697	334,319	53,674	93,885	82,708	343,186	428,470	378,886	1,461,028	2,002,756
Other assets.....	33,935,145		305,691	69,651	172,411	242,349	407,226	290,804	436,462	1,236,695	689,196	6,663,353	23,421,306
<b>Total liabilities.....</b>	<b>586,306,011</b>		<b>11,474,778</b>	<b>9,348,669</b>	<b>24,950,690</b>	<b>12,895,131</b>	<b>17,769,693</b>	<b>10,742,107</b>	<b>13,128,153</b>	<b>23,343,138</b>	<b>18,539,431</b>	<b>106,783,478</b>	<b>337,330,745</b>
Accounts payable.....	50,316,712		1,388,285	1,025,352	2,994,877	1,717,407	2,418,179	1,445,804	1,385,081	2,173,997	2,658,465	7,076,557	26,032,707
Mortgages, notes, and bonds under one year.....	28,900,986		1,046,116	1,007,976	2,867,084	1,739,252	2,622,596	1,129,967	1,236,852	1,619,614	1,314,402	5,094,872	9,222,255
Other current liabilities.....	60,411,276		844,623	436,193	1,501,257	921,651	1,489,238	1,152,392	1,603,675	3,025,773	2,273,969	11,467,615	35,694,889
Loans from shareholders.....	12,137,785		2,727,094	1,817,211	2,378,647	508,244	885,091	328,030	365,876	643,136	13,099	2,471,356	-
Mortgages, notes, bonds, one year or more.....	156,928,766		5,132,585	3,647,049	7,242,995	3,657,640	4,374,101	3,010,731	3,636,005	6,562,978	5,688,703	27,343,847	86,632,131
Other liabilities.....	149,846,046		317,859	127,562	579,210	374,520	680,749	417,571	1,160,605	1,812,373	1,852,582	14,161,305	128,361,710
Net worth.....	127,764,439		18,216	1,287,326	7,386,619	9,376,417	5,299,738	3,257,612	3,740,580	7,505,266	4,738,210	39,167,926	51,387,052
<b>Total receipts.....</b>	<b>687,092,197</b>	<b>12,333,059</b>	<b>59,221,505</b>	<b>31,671,676</b>	<b>69,657,474</b>	<b>27,859,837</b>	<b>35,128,082</b>	<b>20,827,397</b>	<b>21,034,280</b>	<b>21,873,969</b>	<b>30,100,810</b>	<b>218,086,512</b>	<b>254,297,598</b>
Business receipts.....	659,186,488	11,910,956	58,485,409	31,360,409	68,562,599	27,294,996	34,241,469	20,235,544	20,324,966	29,098,877	20,798,621	96,331,225	240,541,419
Interest.....	3,856,638	25,135	11,899	11,582	32,131	24,361	31,245	31,278	33,444	127,676	87,012	1,189,334	2,251,542
Interest on govt. obligations, total.....	136,101	570	*767	5	1,492	*1,417	6,827	2,133	3,698	9,304	3,754	73,897	32,237
Rents.....	1,871,589	*3,260	8,455	*13,406	45,991	17,893	27,969	51,414	54,213	90,191	50,939	448,781	1,059,077
Royalties.....	2,044,221	420	-	-	*2,284	*41,445	*105	*597	9,453	1,916	53,225	179,469	1,755,306
Net S-T capital gain less net LT loss.....	102,049	*15,410	-	-	*32	*2,147	*10,455	10	119	193	46,807	27,215	-340
Net L-T capital gain less net ST loss.....	2,219,372	*141,103	42,455	*21,963	30,272	67,339	64,059	32,677	202,967	54,142	44,381	315,293	1,202,722
Net gain, noncapital assets.....	4,262,054	277,191	202,874	188,665	317,817	239,662	247,361	98,385	193,063	172,031	152,484	1,528,901	1,643,620
Other receipts.....	12,274,624	-41,046	468,599	66,012	634,878	167,251	475,371	374,981	205,987	503,850	619,757	3,104,935	5,694,050
<b>Total deductions.....</b>	<b>666,435,555</b>	<b>11,968,390</b>	<b>57,921,503</b>	<b>31,257,739</b>	<b>68,037,992</b>	<b>26,893,999</b>	<b>34,108,619</b>	<b>20,288,035</b>	<b>20,190,442</b>	<b>29,488,276</b>	<b>21,192,264</b>	<b>98,022,543</b>	<b>249,065,753</b>
Cost of goods.....	221,554,412	3,271,032	20,962,909	14,426,023	31,349,988	13,016,155	16,941,269	9,768,405	8,598,531	11,307,861	7,200,436	27,202,769	57,509,033
Compensation of officers.....	7,934,427	206,207	2,235,526	857,966	1,694,118	471,825	507,823	247,639	201,121	199,206	124,740	610,159	578,099
Salaries and wages.....	118,803,645	2,092,235	8,076,593	3,940,614	9,013,986	3,949,974	4,311,724	2,820,348	3,377,251	4,778,074	3,634,689	20,461,252	52,346,905
Rent paid on business property.....	39,919,244	749,399	3,747,226	1,266,095	3,202,203	2,199,614	2,315,139	1,348,620	1,153,035	2,498,020	1,672,203	4,639,125	15,128,565
Taxes paid.....	22,560,417	342,610	2,139,488	1,059,840	1,846,939	854,256	1,029,524	538,058	798,701	920,380	704,897	3,850,444	8,475,279
Interest paid.....	14,475,447	475,637	295,256	651,402	316,509	412,562	250,130	313,555	617,141	423,833	2,743,451	7,804,152	
Amortization.....	1,634,496	34,770	46,874	35,812	85,464	21,883	24,110	42,931	50,703	109,041	98,963	492,322	591,622
Depreciation.....	32,346,330	470,780	1,869,294	1,341,859	2,333,190	959,328	1,388,759	807,151	842,755	1,298,160	1,233,299	4,981,553	14,820,201
Advertising.....	2,787,913	82,375	173,162	83,646	186,048	65,041	92,424	50,837	47,295	72,621	49,036	275,175	1,610,252
Pension, profit-sharing, etc., plans.....	8,514,998	65,337	147,343	55,287	163,093	122,461	135,640	52,429	61,584	140,982	163,071	929,340	6,478,429
Employee benefit programs.....	22,333,747	271,087	518,658	281,417	965,668	332,804	662,779	340,969	539,193	716,079	490,807	3,970,556	13,243,132
<b>Net income (less deficit).....</b>	<b>18,910,404</b>	<b>364,098</b>	<b>1,299,234</b>	<b>413,932</b>	<b>1,617,990</b>	<b>964,421</b>	<b>1,012,747</b>	<b>537,654</b>	<b>843,513</b>	<b>614,080</b>	<b>691,362</b>	<b>5,152,747</b>	<b>5,398,625</b>
<b>Income subject to tax.....</b>	<b>21,643,987</b>	<b>215,545</b>	<b>287,867</b>	<b>157,205</b>	<b>515,053</b>	<b>409,029</b>	<b>466,827</b>	<b>345,397</b>	<b>578,110</b>	<b>759,948</b>	<b>736,877</b>	<b>4,378,804</b>	<b>12,793,325</b>
Total income tax before credits [7].....	7,480,008	63,988	50,953	37,785	156,563	138,212	160,220	119,959	203,999	268,467	250,990	1,478,952	4,478,952
Income tax.....	7,453,375	60,356	51,808	37,785	155,623	137,802	158,841	118,049	200,065	265,878	257,396	1,532,110	4,477,664
Alternative minimum tax.....	31,422	*9,491	*84	-	*454	*265	1,379	1,874	3,856	2,214	1,103	9,579	1,123
Foreign tax credit.....	359,116	*128	-	[1]	[1]	*3	*2,000	139	1,612	12,152	4,036	138,722	200,323
U.S. Possessions tax credit.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	112,023	-	-	-	-	-	-	-	-	-	-	-	112,023
General business credit.....	92,297	1,026	426	161	7,512	*100	1,805	*721	2,161	4,570	942	16,232	56,640
Prior year minimum tax credit.....	261,355	-	*404	*110	*652	*2,786	*1,367	*1,355	7,093	3,414	2,133	38,094	203,947
<b>Total income tax after credits [2].....</b>	<b>6,655,216</b>	<b>62,834</b>	<b>50,123</b>	<b>37,514</b>	<b>148,398</b>	<b>135,323</b>	<b>155,047</b>	<b>117,744</b>					

**RETURNS OF ACTIVE CORPORATIONS**

**Table 4--Selected Balance Sheet, Income Statement, and Tax Items, by Sector, by Size of Total Assets**

[All figures are estimates based on samples--money amounts are in thousands of dollars and size of total assets is in whole dollars]

Sector and Item	Total returns of active corporations	Size of Total Assets											
		Zero assets	\$1 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 under \$500,000,000	\$500,000,000 under \$2,500,000,000	\$2,500,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>Transportation and Warehousing</b>													
Number of returns.....	182,614	25,762	130,454	10,950	12,393	1,343	960	313	160	137	47	75	19
<b>Total assets.....</b>	<b>569,991,323</b>	<b>11,793,244</b>	<b>7,748,959</b>	<b>25,423,210</b>	<b>9,316,895</b>	<b>14,707,983</b>	<b>10,691,553</b>	<b>11,068,745</b>	<b>21,079,970</b>	<b>16,013,032</b>	<b>98,058,471</b>	<b>344,089,261</b>	
Cash.....	40,389,034	-	1,867,927	886,788	2,880,387	1,159,230	1,353,589	966,928	675,714	1,229,722	1,034,074	7,003,249	21,331,427
Notes and accounts receivable.....	60,578,810	-	1,838,354	1,756,759	6,002,565	2,310,431	3,659,331	2,394,515	2,289,535	4,043,774	2,952,076	13,837,826	19,493,645
Less: Allowance for bad debts.....	1,545,490	-	*6,887	12,279	34,088	20,467	66,975	60,561	42,145	111,769	98,929	540,339	551,048
Inventories.....	6,446,792	-	262,804	260,255	308,676	112,740	299,097	230,285	293,266	372,458	257,395	1,123,995	2,925,820
U.S. govt. obligations, total.....	349,080	-	157	*8,227	-	249	47,728	18,297	52,873	35,536	-	102,021	65,000
Tax-exempt securities.....	686,835	-	*35,196	-	-	*2,149	28,828	902	14,140	9,039	-	113,080	483,500
Other current assets.....	28,617,560	-	428,776	636,016	1,502,766	703,870	1,041,082	594,996	718,585	1,447,283	1,015,804	6,292,510	14,235,872
Loans to shareholders.....	5,030,250	-	936,614	481,336	823,601	163,348	172,901	71,334	102,817	80,250	13,030	2,185,019	-
Mortgage and real estate loans.....	513,110	-	*163,973	*41,721	*38,456	*60,046	15,358	47,973	33,260	33,260	7,380	101,637	-
Other investments.....	55,597,904	-	221,684	328,055	1,709,719	1,075,057	1,088,832	872,171	925,051	1,954,276	1,296,530	10,227,087	35,899,443
Depreciable assets [25].....	506,214,719	-	22,138,565	9,606,216	29,544,813	10,130,754	13,538,690	9,537,003	9,602,830	16,292,588	12,745,348	62,714,432	310,363,480
Less: Accumulated depreciation [25].....	198,447,536	-	17,125,662	6,867,758	19,073,337	6,849,690	7,374,883	4,775,782	4,848,116	7,381,715	5,673,107	23,008,168	95,469,318
Depletable assets.....	34,471	-	*169	-	*7,364	*10,092	5,254	8,399	731	-	-	2,461	-
Less: Accumulated depletion.....	14,433	-	*34	-	*4,159	*3,839	4,023	846	634	-	-	898	-
Land.....	5,790,739	-	118,148	131,743	602,264	220,232	319,821	268,720	373,566	487,940	331,588	2,217,018	719,699
Intangible assets (Amortizable).....	31,354,206	-	657,342	443,595	1,083,339	138,877	319,206	410,402	773,265	2,089,823	1,309,188	10,618,361	13,510,808
Less: Accumulated amortization.....	5,175,624	-	181,272	89,460	280,485	72,130	92,452	81,705	333,889	595,229	157,231	1,476,561	1,815,210
Other assets.....	33,570,896	-	437,391	137,744	292,338	175,945	356,600	188,522	467,851	1,092,733	979,885	6,545,742	22,896,144
<b>Total liabilities.....</b>	<b>569,991,323</b>	<b>11,793,244</b>	<b>7,748,959</b>	<b>25,423,210</b>	<b>9,316,895</b>	<b>14,707,983</b>	<b>10,691,553</b>	<b>11,068,745</b>	<b>21,079,970</b>	<b>16,013,032</b>	<b>98,058,471</b>	<b>344,089,261</b>	
Accounts payable.....	43,254,005	-	1,334,465	1,002,717	2,768,689	1,224,534	2,179,777	1,241,897	2,208,516	1,711,367	7,973,661	20,256,474	7,973,661
Mortgages, notes, and bonds under one year.....	25,419,432	-	1,196,976	986,697	3,424,505	1,214,054	1,788,954	1,089,180	1,019,574	1,411,636	1,003,625	4,004,900	8,279,331
Other current liabilities.....	62,728,167	-	811,904	367,444	1,765,018	735,533	1,341,090	999,559	1,155,408	2,462,380	2,255,596	11,284,326	39,549,910
Loans from shareholders.....	13,336,403	-	3,423,602	1,238,415	3,277,067	515,211	749,307	397,578	144,046	493,722	8,147	3,089,307	-
Mortgages, notes, bonds, one year or more.....	150,904,072	-	4,834,163	3,001,593	6,798,403	2,680,114	3,656,759	2,986,093	2,865,145	5,752,506	4,639,155	27,459,877	86,230,263
Other liabilities.....	124,724,853	-	199,318	177,624	1,204,306	728,396	562,995	560,290	1,032,417	1,546,280	1,608,889	12,229,575	104,874,763
Net worth.....	149,624,391	-	-7,185	974,469	6,185,223	2,219,053	4,429,101	3,416,956	3,500,248	7,204,929	4,786,252	84,898,520	228,305,587
<b>Total receipts.....</b>	<b>623,192,018</b>	<b>12,524,209</b>	<b>65,387,524</b>	<b>23,328,860</b>	<b>61,766,915</b>	<b>18,996,448</b>	<b>29,632,507</b>	<b>18,263,098</b>	<b>16,436,853</b>	<b>28,158,578</b>	<b>18,161,766</b>	<b>102,229,673</b>	<b>228,305,587</b>
Business receipts.....	599,482,798	11,966,466	64,730,196	23,102,451	60,512,040	18,572,501	29,066,810	17,788,675	16,088,668	27,188,476	17,414,558	97,420,935	215,631,022
Interest.....	3,424,815	6,059	13,186	14,327	36,049	13,852	32,208	26,660	22,173	76,656	51,602	775,344	2,356,700
Interest on govt. obligations, total.....	129,478	16	*2,504	-	4,487	*1,009	3,069	1,123	1,220	2,507	3,818	77,114	32,611
Rents.....	1,617,210	*5,787	17,169	*12,932	46,969	21,367	36,124	31,063	47,091	64,765	76,127	339,989	917,827
Royalties.....	1,648,400	-	-	[1]	*529	8,819	152	8,061	671	2,835	58,591	1,342,284	1,342,284
Net S-T capital gain less net LT loss.....	38,051	18	-	*10,896	*11,519	*899	2,521	23	379	54	1,661	1,735	8,346
Net L-T capital gain less net ST loss.....	1,721,628	145,755	40,669	19,103	92,838	20,839	33,524	12,536	9,727	148,373	44,579	400,263	753,423
Net gain, noncapital assets.....	2,608,023	232,533	287,871	123,229	511,637	116,836	118,533	122,874	78,598	238,398	186,862	284,608	306,044
Other receipts.....	12,250,092	147,997	295,241	45,466	546,644	237,200	336,267	275,192	178,008	418,652	321,461	2,602,442	6,845,523
<b>Total deductions.....</b>	<b>618,120,932</b>	<b>12,521,911</b>	<b>64,012,147</b>	<b>22,999,158</b>	<b>60,868,193</b>	<b>18,579,214</b>	<b>29,350,114</b>	<b>18,101,289</b>	<b>16,175,075</b>	<b>27,594,791</b>	<b>17,629,994</b>	<b>100,937,444</b>	<b>229,351,601</b>
Cost of goods.....	197,138,222	2,603,665	28,178,370	9,068,533	29,217,562	8,428,456	13,334,496	8,230,788	6,096,711	10,447,048	5,796,310	27,679,719	48,056,565
Compensation of officers.....	7,144,738	372,347	2,153,499	722,582	1,474,390	384,668	423,461	180,302	158,529	170,971	98,705	507,112	498,172
Salaries and wages.....	111,980,673	653,409	7,786,534	3,412,191	7,511,744	2,818,294	4,179,380	2,552,545	2,923,521	4,693,566	3,612,457	21,440,346	50,396,684
Rent paid on business property.....	37,705,456	398,520	3,815,607	859,381	3,381,565	1,240,060	1,843,612	1,253,861	919,917	2,502,562	633,285	5,883,709	14,973,375
Taxes paid.....	26,958,706	5,702,677	1,860,493	709,124	1,878,021	577,275	1,039,642	538,706	710,565	839,922	640,162	3,915,566	8,546,554
Interest paid.....	12,097,700	84,521	471,773	250,081	581,912	182,112	305,179	212,072	472,231	332,233	332,233	2,434,496	6,563,475
Amortization.....	1,646,049	11,966	33,517	21,434	68,307	11,783	32,797	21,291	42,017	113,359	87,332	574,490	627,756
Depreciation.....	39,235,883	311,312	2,180,300	1,144,933	3,391,441	1,046,996	1,440,179	1,047,109	961,049	1,575,718	1,426,544	6,735,962	17,974,341
Advertising.....	2,620,691	18,369	173,570	43,696	187,110	38,267	78,042	47,829	32,840	67,597	58,673	287,573	1,587,124
Pension, profit-sharing, stock, annuity.....	7,165,877	74,429	98,111	84,802	157,822	39,796	130,676	57,232	134,344	177,685	1,123,562	5,030,283	5,030,283
Employee benefit programs.....	17,713,027	197,435	565,935	268,491	840,342	245,233	598,252	355,587	497,285	714,398	459,088	3,411,455	9,559,527
<b>Net income (less deficit).....</b>	<b>5,724,498</b>	<b>2,285</b>	<b>1,372,873</b>	<b>329,702</b>	<b>894,285</b>	<b>416,225</b>	<b>279,509</b>	<b>164,086</b>	<b>573,517</b>	<b>545,722</b>	<b>1,773,587</b>	<b>-893,906</b>	
<b>Income subject to tax.....</b>	<b>13,778,606</b>	<b>122,602</b>	<b>254,543</b>	<b>119,805</b>	<b>363,713</b>	<b>278,981</b>	<b>301,601</b>	<b>289,300</b>	<b>248,426</b>	<b>684,479</b>	<b>535,768</b>	<b>2,879,944</b>	<b>7,699,445</b>
Total income tax before credits [7].....	4,744,118	38,225	40,742	28,430	110,871	93,845	103,736	100,681	87,262	241,782	187,643	1,014,331	2,696,570
Income tax.....	4,728,573	37,694	44,317	28,318	109,946	93,499	102,336	99,298	84,636	238,891	186,753	1,008,164	2,694,731
Alternative minimum tax.....	18,473	*463	*1,279	*112	*612	*354	1,334	1,382	2,604	1,434	891	6,167	1,839
Foreign tax credit.....	197,531	-	-	-	*5	-	3,323	481	3,616	956	2,756	55,056	131,338
U.S. Possessions tax credit.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	64,197	-	-	-	3	-	-	-	-	-	-	-	64,194
General business credit.....	43,412	-	456	143	910	775	391	328	511	225	11	3,884	35,779
Prior year minimum tax credit.....	58,386	121	-	-	*1,046	2,398	828	265	586	5,317	1,654	42,742	3,431
<b>Total income tax after credits [2].....</b>	<b>4,380,591</b>	<b>38,105</b>	<b>40,286</b>	<b>28,287</b>	<b>108,907</b>	<b>90,672</b>	<b>99,194</b>	<b>99,608</b>	<b>82,549</b>	<b>235,284</b>	<b>183,223</b>	<b>912,649</b>	<b>2,461,829</b>

Endnotes at end of table section. Detail may not add to total because of rounding. See text for "

2003 Corporation Returns - Returns of Active Corporations

Table 4--Selected Balance Sheet, Income Statement, and Tax Items, by Sector, by Size of Total Assets

[All figures are estimates based on samples--money amounts are in thousands of dollars and size of total assets is in whole dollars]

Sector and item	Total returns of active corporations	Size of total assets											
		Zero assets	\$1 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 under \$500,000,000	\$500,000,000 under \$2,500,000,000	\$2,500,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>Transportation and Warehousing</b>													
Number of returns.....	182,881	25,170	132,241	10,230	12,072	1,540	925	286	157	121	50	68	19
Total assets.....	558,278,543	-	11,851,604	7,234,341	25,132,561	10,512,001	14,204,394	9,952,927	10,976,416	18,560,160	20,878,848	85,783,536	343,191,756
Notes and accounts receivable, net.....	52,310,415	-	1,903,308	1,766,100	5,728,181	2,122,322	3,225,583	2,023,801	1,997,990	3,248,549	2,567,246	10,813,865	16,913,471
Inventories.....	5,794,985	-	207,366	97,624	164,314	248,553	295,746	190,408	262,795	274,090	213,218	943,622	2,897,251
Cash, U.S. Government obligations, tax-exempt securities, and other current assets.....	67,890,104	-	2,600,034	1,449,425	4,333,187	1,942,981	2,355,960	1,706,067	1,465,093	2,617,078	3,207,070	11,741,999	34,471,210
Other investments and loans.....	81,390,008	-	1,384,442	549,419	2,731,467	1,253,922	1,267,193	1,045,616	899,281	2,173,125	1,239,480	12,107,558	56,738,504
Depreciable assets [25].....	478,755,840	-	19,136,332	10,942,925	27,245,648	11,639,177	13,458,963	8,641,421	10,016,528	14,648,048	14,591,045	55,318,232	293,117,521
Less: Accumulated depreciation [25].....	189,968,549	-	14,225,040	8,015,632	16,829,362	7,201,205	7,295,578	4,531,731	4,795,411	6,875,636	5,956,377	20,982,785	93,259,793
Other capital assets less reserves.....	30,864,465	-	402,223	387,301	1,429,906	292,830	599,300	602,097	817,256	1,596,132	3,668,823	9,573,072	11,495,521
Total liabilities.....	558,278,543	-	11,851,604	7,234,341	25,132,561	10,512,001	14,204,394	9,952,927	10,976,416	18,560,160	20,878,848	85,783,536	343,191,756
Accounts and notes payable.....	65,355,788	-	3,171,620	1,984,247	6,058,650	3,121,503	3,892,003	2,168,374	2,182,700	2,667,326	2,580,041	9,415,335	28,113,992
Other current liabilities.....	57,079,665	-	724,788	485,687	1,604,579	822,405	1,385,440	964,836	1,234,625	2,268,346	3,000,631	8,773,717	35,814,610
Mortgages, notes, and bonds payable in one year or more....	147,491,664	-	4,864,327	2,419,012	6,766,384	3,070,237	3,683,665	2,605,120	3,493,093	5,222,666	7,686,075	23,646,375	84,034,710
Net worth.....	156,846,724	-	-21,760	1,259,658	5,666,778	2,764,757	3,728,833	3,407,622	3,415,959	6,472,418	6,215,231	28,339,552	95,597,677
Total receipts.....	571,417,174	10,924,134	69,055,944	27,046,364	57,608,537	20,755,227	27,133,053	15,760,103	15,715,231	22,116,846	20,170,020	81,363,345	203,768,370
Business receipts.....	547,730,745	10,660,436	68,095,813	26,826,271	56,774,367	20,338,476	26,533,874	15,341,492	15,271,740	21,307,831	19,397,189	77,322,433	189,860,823
Total deductions.....	570,180,006	11,446,302	67,989,790	26,805,727	57,530,442	20,769,038	27,131,625	15,601,090	15,545,431	21,661,567	19,955,877	80,876,332	204,866,785
Cost of goods sold.....	193,253,719	2,797,835	31,990,828	8,419,925	25,268,093	10,034,688	11,918,674	6,647,862	5,434,565	7,595,106	6,821,107	20,460,916	55,864,120
Taxes paid.....	21,726,883	428,129	1,717,182	2,923,951	1,859,116	596,791	973,316	520,460	700,532	743,021	799,839	3,041,586	7,422,960
Interest paid.....	12,624,295	170,113	555,050	230,184	636,454	249,161	310,523	225,477	253,478	412,223	657,318	2,072,330	6,851,984
Depreciation.....	35,459,392	389,420	2,409,858	1,084,996	3,068,216	1,210,146	1,415,020	808,654	1,001,916	1,281,294	1,604,050	5,667,096	15,518,727
Pension, profit-sharing, stock bonus, and annuity plans.....	6,202,542	252,205	116,503	75,374	190,689	51,252	116,230	52,741	48,159	104,212	133,773	986,559	4,074,846
Employee benefit programs.....	17,168,893	458,089	764,893	430,263	777,978	321,664	543,862	377,518	452,023	618,381	614,746	2,914,278	8,895,197
Net income (less deficit).....	1,608,015	-523,222	1,066,112	240,160	74,926	-14,058	-1,622	159,367	175,305	463,881	226,298	700,387	-959,519
Income subject to tax.....	9,240,715	25,737	218,004	126,195	294,941	183,937	263,800	303,943	207,139	475,263	544,899	1,496,918	5,099,939
Total income tax before credits [7].....	3,165,216	5,136	43,033	31,073	86,014	61,448	90,369	105,890	71,574	164,264	191,181	528,656	1,786,579
Alternative minimum tax.....	12,427	-	-	*40	*624	575	753	909	797	600	913	5,516	1,701
Foreign tax credit.....	195,005	-	-	-	-	416	2,360	14,282	2,419	2,693	3,322	55,317	114,196
U.S. possessions tax credit.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	17,680	-	-	-	-	-	-	-	-	-	-	-	17,680
General business credit.....	36,899	43	986	*297	463	-	341	266	662	257	119	7,460	26,005
Prior year minimum tax credit.....	175,324	22	57	158	*1,591	*664	2,303	1,862	732	3,593	523	52,732	111,087
Total income tax after credits [2].....	2,740,308	5,070	41,990	30,618	83,960	60,367	85,365	89,480	67,761	157,720	187,218	413,147	1,517,611

## Principal Business Activity Codes (continued)

Code	Code	Code	Code
423500 Metal & Mineral (except Petroleum)	445120 Convenience Stores	<b>Truck Transportation</b>	<b>Finance and Insurance</b>
423600 Electrical & Electronic Goods	445210 Meat Markets	484110 General Freight Trucking, Local	<b>Depository Credit Intermediation</b>
423700 Hardware, & Plumbing & Heating Equipment & Supplies	445220 Fish & Seafood Markets	484120 General Freight Trucking, Long-distance	522110 Commercial Banking
423800 Machinery, Equipment, & Supplies	445230 Fruit & Vegetable Markets	484200 Specialized Freight Trucking	522120 Savings Institutions
423910 Sporting & Recreational Goods & Supplies	445291 Baked Goods Stores	<b>Transit and Ground Passenger Transportation</b>	522130 Credit Unions
423920 Toy & Hobby Goods & Supplies	445292 Confectionery & Nut Stores	<b>485110 Urban Transit Systems</b>	522190 Other Depository Credit Intermediation
423930 Recyclable Materials	445299 All Other Specialty Food Stores	485210 Interurban & Rural Bus Transportation	<b>Nondepository Credit Intermediation</b>
423940 Jewelry, Watch, Precious Stone, & Precious Metals	445310 Beer, Wine, & Liquor Stores	485310 Taxi Service	522210 Credit Card Issuing
423990 Other Miscellaneous Durable Goods	<b>Health and Personal Care Stores</b>	485320 Limousine Service	522220 Sales Financing
<b>Merchant Wholesalers, Nondurable Goods</b>	446110 Pharmacies & Drug Stores	485410 School & Employee Bus Transportation	522291 Consumer Lending
424100 Paper & Paper Products	446120 Cosmetics, Beauty Supplies, & Perfume Stores	485510 Charter Bus Industry	522292 Real Estate Credit (including mortgage bankers & originators)
424210 Drugs & Druggists' Sundries	446130 Optical Goods Stores	485990 Other Transit & Ground Passenger Transportation	522293 International Trade Financing
424300 Apparel, Piece Goods, & Notions	446190 Other Health & Personal Care Stores	<b>Pipeline Transportation</b>	522294 Secondary Market Financing
424400 Grocery & Related Products	<b>Gasoline Stations</b>	486000 Pipeline Transportation	522298 All Other Nondepository Credit Intermediation
424500 Farm Product Raw Materials	447100 Gasoline Stations (including convenience stores with gas)	<b>Scenic &amp; Sightseeing Transportation</b>	<b>Activities Related to Credit Intermediation</b>
424600 Chemical & Allied Products	<b>Clothing and Clothing Accessories Stores</b>	487000 Scenic & Sightseeing Transportation	522300 Activities Related to Credit Intermediation (including loan brokers, check clearing, & money transmitting)
424700 Petroleum & Petroleum Products	448110 Men's Clothing Stores	<b>Support Activities for Transportation</b>	<b>Securities, Commodity Contracts, and Other Financial Investments and Related Activities</b>
424800 Beer, Wine, & Distilled Alcoholic Beverages	448120 Women's Clothing Stores	488100 Support Activities for Air Transportation	523110 Investment Banking & Securities Dealing
424910 Farm Supplies	448130 Children's & Infants' Clothing Stores	488210 Support Activities for Rail Transportation	523120 Securities Brokerage
424920 Book, Periodical, & Newspapers	448140 Family Clothing Stores	488300 Support Activities for Water Transportation	523130 Commodity Contracts Dealing
424930 Flower, Nursery Stock, & Florists' Supplies	448150 Clothing Accessories Stores	488410 Motor Vehicle Towing	523140 Commodity Contracts Brokerage
424940 Tobacco & Tobacco Products	448190 Other Clothing Stores	488490 Other Support Activities for Road Transportation	523210 Securities & Commodity Exchanges
424950 Paint, Varnish, & Supplies	448210 Shoe Stores	488510 Freight Transportation Arrangement	523900 Other Financial Investment Activities (including portfolio management & investment advice)
424990 Other Miscellaneous Nondurable Goods	448310 Jewelry Stores	488990 Other Support Activities for Transportation	<b>Insurance Carriers and Related Activities</b>
<b>Wholesale Electronic Markets and Agents and Brokers</b>	448320 Luggage & Leather Goods Stores	<b>Couriers and Messengers</b>	524140 Direct Life, Health, & Medical Insurance & Reinsurance Carriers
425110 Business to Business Electronic Markets	<b>Sporting Goods, Hobby, Book, and Music Stores</b>	492110 Couriers	524150 Direct Insurance & Reinsurance (except Life, Health & Medical) Carriers
425120 Wholesale Trade Agents & Brokers	451110 Sporting Goods Stores	492210 Local Messengers & Local Delivery	524210 Insurance Agencies & Brokerages
<b>Retail Trade</b>	451120 Hobby, Toy, & Game Stores	<b>Warehousing and Storage</b>	524290 Other Insurance Related Activities (including third-party administration of insurance and pension funds)
<b>Motor Vehicle and Parts Dealers</b>	451130 Sewing, Needlework, & Piece Goods Stores	493100 Warehousing & Storage (except lessors of miniwarehouses & self-storage units)	<b>Funds, Trusts, and Other Financial Vehicles</b>
441110 New Car Dealers	451140 Musical Instrument & Supplies Stores	<b>Information</b>	525100 Insurance & Employee Benefit Funds
441120 Used Car Dealers	451211 Book Stores	<b>Publishing Industries (except Internet)</b>	525910 Open-End Investment Funds (Form 1120-RIC)
441210 Recreational Vehicle Dealers	451212 News Dealers & Newsstands	511110 Newspaper Publishers	525920 Trusts, Estates, & Agency Accounts
441221 Motorcycle Dealers	451220 Prerecorded Tape, Compact Disc, & Record Stores	511120 Periodical Publishers	525990 Other Financial Vehicles (including mortgage REITs & closed-end investment funds)
441222 Boat Dealers	<b>General Merchandise Stores</b>	511130 Book Publishers	"Offices of Bank Holding Companies" and "Offices of Other Holding Companies" are located under <b>Management of Companies (Holding Companies)</b> on page 22.
441229 All Other Motor Vehicle Dealers	452110 Department Stores	511140 Directory & Mailing List Publishers	<b>Real Estate and Rental and Leasing</b>
441300 Automotive Parts, Accessories, & Tire Stores	452900 Other General Merchandise Stores	511190 Other Publishers	<b>Real Estate</b>
<b>Furniture and Home Furnishings Stores</b>	<b>Miscellaneous Store Retailers</b>	511210 Software Publishers	531110 Lessors of Residential Buildings & Dwellings (including equity REITs)
442110 Furniture Stores	453110 Florists	<b>Motion Picture and Sound Recording Industries</b>	531114 Cooperative Housing (including equity REITs)
442210 Floor Covering Stores	453210 Office Supplies & Stationery Stores	512100 Motion Picture & Video Industries (except video rental)	531120 Lessors of Nonresidential Buildings (except Miniwarehouses) (including equity REITs)
442291 Window Treatment Stores	453220 Gift, Novelty, & Souvenir Stores	512200 Sound Recording Industries	531130 Lessors of Miniwarehouses & Self-Storage Units (including equity REITs)
442299 All Other Home Furnishings Stores	453310 Used Merchandise Stores	<b>Broadcasting (except Internet)</b>	
<b>Electronics and Appliance Stores</b>	453910 Pet & Pet Supplies Stores	515100 Radio & Television Broadcasting	
443111 Household Appliance Stores	453920 Art Dealers	515210 Cable & Other Subscription Programming	
443112 Radio, Television, & Other Electronics Stores	453930 Manufactured (Mobile) Home Dealers	<b>Telecommunications</b>	
443120 Computer & Software Stores	453990 All Other Miscellaneous Store Retailers (including tobacco, candle, & trophy shops)	517000 Telecommunications (including paging, cellular, satellite, cable & other program distribution, resellers, other telecommunications, & internet service providers)	
443130 Camera & Photographic Supplies Stores	<b>Nonstore Retailers</b>	<b>Data Processing Services</b>	
<b>Building Material and Garden Equipment and Supplies Dealers</b>	454110 Electronic Shopping & Mail-Order Houses	518210 Data Processing, Hosting, & Related Services	
444110 Home Centers	454210 Vending Machine Operators	<b>Other Information Services</b>	
444120 Paint & Wallpaper Stores	454311 Heating Oil Dealers	519100 Other Information Services (including news syndicates, libraries, internet publishing & broadcasting)	
444130 Hardware Stores	454312 Liquefied Petroleum Gas (Bottled Gas) Dealers		
444190 Other Building Material Dealers	454319 Other Fuel Dealers		
444200 Lawn & Garden Equipment & Supplies Stores	454390 Other Direct Selling Establishments (including door-to-door retailing, frozen food plan providers, party plan merchandisers, & coffee-break service providers)		
<b>Food and Beverage Stores</b>	<b>Transportation and Warehousing</b>		
445110 Supermarkets and Other Grocery (except Convenience) Stores	<b>Air, Rail, and Water Transportation</b>		
	481000 Air Transportation		
	482110 Rail Transportation		
	483000 Water Transportation		

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

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Eric P. Koetting

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