

"The committee believes the tax system is nearing a crisis point. . . . [C]ertain tax provisions allow many corporations to pay relatively little Federal income tax, without stimulating investment and production as intended. Many firms have made use of tax provisions to reduce their tax liability to zero, and, in some cases, corporations with substantial book income obtain tax refunds."

*House Ways and Means Committee Report
On the Tax Reform Act of 1985 (December 7, 1985)*

"The committee finds it unjustifiable for some corporations to report large earnings and pay significant dividends to their shareholders, yet pay little or no taxes on that income to the government."

*Senate Finance Committee Report
On its version of the same bill (May 29, 1986)*

130 Reasons Why We Need Tax Reform

This report is the third in a series of CTJ surveys of the taxpaying or tax-avoiding habits of America's major corporations, many of which have enjoyed a tax holiday since the experiment in supply-side corporate tax "incentives" began in 1981. It comes as Congress is on the verge of fundamental reform of the federal income tax code, including changes designed to respond to public discontent with a tax system that allows profitable corporations to avoid their tax responsibilities.

Like our earlier reports, this new study is based on the annual reports that corporations themselves provide to their shareholders and to the Securities and Exchange Commission. It covers 250 of the nation's largest and most profitable companies. Total 1982-85 pretax domestic profits for these 250 corporations came to \$388 billion--about half the total pretax domestic profits for all American companies as reported by the Commerce Department over the same period.

Our report details the profits these 250 companies earned in the United States and the income taxes they paid--or failed to pay--on those profits to the federal government. We examine the reasons why so many companies have been able to avoid taxes. And, finally, we assess how the tax reform bills now pending in the U.S. Congress measure up in assuring that America's major corporations will pay their fair share in taxes in the future.

A description of the methodology used to select the 250 companies included in the study, calculate their domestic profits and determine the actual federal income taxes they paid or the tax rebates they received is included at the end of this report.

I. 130 Companies That Beat the Tax System

The vast majority of American families pay their federal income taxes year in and year out. For most of us, the idea of a "no-tax" year is almost inconceivable. But for the majority of America's largest corporations, the 1980s have been another story entirely.

Out of 250 corporations surveyed in this report, 130--or more than half the total--were able to pay absolutely nothing in federal income taxes, or receive outright tax rebates, in at least one of the five years from 1981 through 1985.

These 130 companies, ranging alphabetically from Aetna Life & Casualty to Xerox, earned \$72.9 billion in pretax domestic profits in the years they did not pay federal income taxes. But instead of paying \$33.5 billion in income taxes, as the 46 percent statutory corporate rate purports to require, they received \$6.1 billion in tax rebates--for a "negative" tax rate of -8.3 percent.

- Of this group of 130 companies, 73 had at least two years of paying nothing or less in federal income taxes.
- 27 paid nothing or less in three or more years from 1981 to 1985.

Profits & Tax Refunds for Companies Beating the Tax System In At Least One Year, 1981-1985 (Out of a Sample of 250 Corporations) (\$-billions)

Year	No.	% of Cos.	Profits	Refunds	Rate
1985	42	17%	\$10.4	\$(0.6)	-5.4%
1984	33	13%	\$10.5	\$(0.6)	-5.6%
1983	51	20%	\$12.6	\$(0.9)	-7.0%
1982	75	30%	\$26.1	\$(2.5)	-9.5%
1981	49	20%	\$13.2	\$(1.6)	-11.8%
TOTALS*	130	52%	\$72.9	\$(6.1)	-8.3%

**Total number of companies does not include repeats.*

"Zeroing-Out" Entirely From 1982 Through 1985

Of course, paying no tax in a given year does not necessarily mean that a company *never* pays anything in income taxes. But for many corporations, paying taxes is indeed a rare event. We found that 42 of the 250 companies were able to pay an overall total of nothing or less in federal income taxes over the entire four-year period from 1982 to 1985.

- Despite \$59.1 billion in pretax domestic profits between 1982 and 1985, these 42 companies received net tax rebates totalling \$2.1 billion.

The leader at making money off the tax system over the past four years has been none other than the company with the largest domestic profits: AT&T. Notwithstanding reported profits of almost \$25 *billion* between 1982 and 1985, AT&T paid not one penny in federal income taxes. Instead, the company managed to generate income tax *refunds* from the federal Treasury totalling \$636 million.

Following AT&T on the list of companies with more than \$50 million in net tax refunds from 1982 to 1985 were: DuPont (\$179 million in refunds); Boeing (\$121 million); General Dynamics (\$91 million); Pepsico (\$89 million); General Mills ((\$79 million); Transamerica Corp. (\$73 million); Texaco (\$68 million); International Paper (\$60 million); and, tied for tenth place, Greyhound and IC Industries (\$54 million each).

Altogether, this "top ten" list of corporate freeloaders earned \$39.7 billion before federal income taxes--and another \$1.5 billion after tax!

The "Top Ten" Corporate Freeloaders From 1982 through 1985 (\$-millions)

Company:	1982-85		
	Profit	Rebates	Rate
AT&T	\$24,898.0	(\$635.5)	-2.6%
DuPont	3,785.0	(179.0)	-4.7%
Boeing Co.	2,271.0	(121.0)	-5.3%
General Dynamics	1,994.5	(90.9)	-4.6%
Pepsico	1,921.1	(89.3)	-4.6%
General Mills	1,215.7	(78.7)	-6.5%
Transamerica Corp.	525.0	(73.2)	-13.9%
Texaco	1,587.0	(68.0)	-4.3%
International Paper Co.	581.0	(59.8)	-10.3%
Greyhound Corp.	338.9	(53.7)	-15.9%
IC Industries	561.2	(53.7)	-9.6%
TOTALS:	\$39,678.4	\$1,502.8	-3.8%

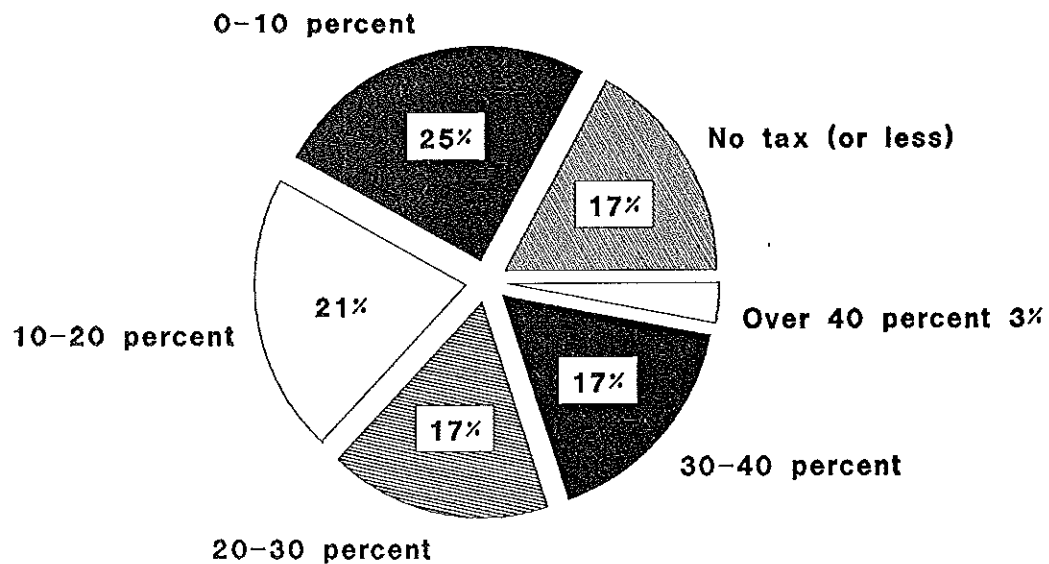
The Tax Rates Companies Actually Pay

Many companies just missed the no-tax list for 1982 through 1985. Indeed, 104 of the 250 companies surveyed paid an effective tax rate of 10 percent or less over that four-year period.

For all 250 companies examined, the overall 1982-85 effective tax rate was only 14.9 percent, less than one-third the 46 percent tax rate that the tax code purportedly requires major corporations to pay.

- Had these 250 companies paid the full 46 percent rate on their \$388 billion in 1982-85 profits, their taxes would have totalled \$178.5 billion--or \$120.5 *more* than they actually paid.
- Counting interest, that \$120 billion in unpaid taxes would have allowed Congress to meet the Gramm-Rudman-Hollings deficit reduction targets well past fiscal 1989.

The Tax Rates Companies Actually Pay



1982-85 Tax Rates for 250 Corporations

The Tax Rates Corporations Actually Paid in 1982-85 (\$-millions)

	-----1982-85-----				
	No.	%	Profit	Tax	Rate
0% or less	42	17%	\$59,081.6	(\$2,071.5)	-3.5%
0.1-10%	62	25%	97,070.0	4,077.6	4.2%
10.1-20%	53	21%	78,692.3	11,840.7	15.0%
20.1-30%	43	17%	89,907.3	21,348.6	23.7%
30.1-40%	43	17%	52,361.0	17,952.2	34.3%
Over 40%	7	3%	10,889.2	4,793.2	44.0%
TOTAL:	250	100%	\$388,001.5	\$57,940.8	14.9%

No-Tax and Low-Tax in 1985

The widespread corporate tax avoidance that began in 1981 did not abate last year. In 1985, one out of every six of the 250 companies surveyed paid no federal income tax, with most of these 42 corporations enjoying federal income tax rebates.

- Despite 1985 profits totalling \$10.4 billion, these 42 companies received net federal income tax rebates of \$563 million.

In total, 103 of the 250 firms surveyed paid 10 percent or less of their profits in federal income taxes last year. The overall effective rate for all 250 companies in 1985 was just 15.4 percent. In that year alone, the 250 corporations avoided a total of \$29.8 billion in federal income taxes through the use of special tax preferences.

The Tax Rates Corporations Actually Paid Last Year (\$-millions)

	-----1985-----				
	No.	%	Profit	Tax	Rate
0% or less	42	17%	\$10,405.1	(\$563.1)	-5.4%
0.1-10%	61	24%	39,938.2	2,329.9	5.8%
10.1-20%	45	18%	11,307.7	1,744.6	15.4%
20.1-30%	53	21%	21,343.6	5,412.9	25.4%
30.1-40%	34	14%	11,476.7	4,007.8	34.9%
Over 40%	15	6%	4,823.7	2,355.1	48.8%
TOTAL:	250	100%	\$97,169.0	\$14,895.9	15.4%

Top Defense Contractors

The huge build-up in defense spending over the past half decade has cost most American taxpayers a lot of money. But the biggest beneficiaries of the added defense spending have not chipped in much to help pay for it. Between 1982 and 1985, the nation's top six defense contractors paid only 3.5 percent of their \$21.7 billion in profits in federal income taxes. In fact, four out of six paid less than one percent of their profits in taxes, while only one firm paid more than three percent.

Profits & Taxes for the Nation's Top Six Defense Contractors 1982 through 1985 (\$-millions)

Company:	1982-85		
	Profit	Tax	Rate
McDonnell Douglas Corp.	\$1,743.0	\$13.4	0.8%
General Dynamics	1,994.5	(90.9)	-4.6%
Rockwell International	2,771.2	682.9	24.6%
General Electric	10,881.0	262.0	2.4%
Boeing Co.	2,271.0	(121.0)	-5.3%
Lockheed Corp.	2,074.3	4.0	0.2%
Totals, Top Six Defense Contractors:	\$21,735.0	\$750.4	3.5%

Millions for Tribute--But Not a Penny for Defense

Top military contractors are not the only ones taking a walk when it comes to helping pay for the cost of America's defense. Another notable set of freeloaders were the five American oil companies that, until recently, were continuing to pump oil in Libya. These included Occidental Petroleum, Amerada Hess, Marathon Oil (owned by U.S. Steel), Conoco (owned by DuPont) and W.R. Grace & Co.

All of these companies have avoided taxes in the United States in recent years, while reportedly paying billions of dollars in taxes to Qadaffi's Libya.¹

¹DuPont and W.R. Grace are among the companies included in CTJ's latest survey that have avoided paying federal income taxes to the U.S. Treasury between 1982 and 1985. The other three companies, although not included in this report, also have avoided federal income taxes in the 1980s. Amerada Hess, which was included in the first CTJ corporate tax study, *Corporate Income Taxes in*

W.R. Grace's annual report, for example, lists 1983-85 taxes paid to Libya of \$108 million. Meanwhile, in the United States W.R. Grace reports a federal tax *refund* for 1985. Grace also made money off the tax system in 1982 through a \$53 million sale of its excess tax credits to another firm.

II. High-tax companies

Not all companies win at the corporate tax avoidance game.

Our survey found seven companies that paid 1982-85 effective tax rates in excess of 40 percent. On profits of \$10.9 billion, these seven companies paid \$4.8 billion in federal income taxes--for an effective tax rate of 44 percent.

- The seven highest-taxed firms from 1982 through 1985 were: Raytheon (52.8%),² VF Corporation (44.4%), McGraw-Hill (43.2%), Ralston Purina (43.1%), INTERCO (43.0%), PACCAR (42.1%) and R.J. Reynolds Industries (41.0%).
- The \$4.8 billion these seven patriotic corporations paid in federal income taxes on their \$10.9 billion in pretax profits was almost two-and-one-half times as much as the amount chipped in by the 104 companies paying less than 10 percent--despite the fact that the 104 low-tax companies reported \$156 billion in pretax profits!

Overall, 50 companies--or one corporation out of five--paid more than 30 percent of their profits in federal income taxes between 1982 and 1985. Although this is less than half the number of companies that paid effective rates of 10 percent or less, the fact that a significant number of the largest American corporations do pay relatively high tax rates helps explain the substantial business support for the tax reform bills now pending in Congress. These high-tax companies would willingly trade in their meager loopholes for lower tax rates applicable to everyone.

the Reagan Years, paid no federal income taxes from 1981 through 1983 (and was dropped from our survey last year because it reported domestic losses for 1984). At the end of 1981, Occidental Petroleum, which had not paid federal income taxes for at least three years, was among the companies that sold tens of millions of dollars in surplus tax credits through "safe-harbor leasing." And Marathon Oil is part of U.S. Steel, which has reported losses in most recent years (and therefore has paid no income taxes).

²Raytheon's high tax rate largely reflects the fact that it had to pay taxes previously deferred under the "completed contract method of accounting," a tax preference that allows certain companies, particularly defense contractors, to put off paying taxes on long-term contracts until the work on the contract is completely finished.

III. How Companies Avoid Taxes

Despite a statutory corporate tax rate of 46%, we have found 1982-85 effective tax rates that range from zero or less for 42 corporations up to more than 40 percent for seven high-tax firms. What explains the differences between the statutory rate and the effective rates companies actually pay?

The answer to this question can usually be found in the fine print of the companies' annual reports. That's where corporations explain how they use the variety of credits, deductions and deferrals that are the keys to tax avoidance. More often than not, low corporate taxes stem from two causes: (1) accelerated depreciation and (2) the investment tax credit. Sometimes, these tax preferences arise in the normal course of a company's business, and other times companies engage in special "leasing" deals to acquire these tax breaks.

In addition, a number of politically powerful industries enjoy tax breaks tailored specifically for them. The oil industry, with immediate write-offs for the costs of drilling wells and percentage depletion for all but the major, integrated companies, is a well-known example. Timber companies are allowed to treat much of their profits as lightly taxed "capital gains"--a loophole that all but wipes out taxes for the paper industry. And, for one set of particularly successful corporate tax avoiders, defense contractors, something called the "completed contract method of accounting" is pivotal.

Many of the special tax preferences for particular industries have been on the books for years. But corporate tax avoidance really took off following enactment of the 1981 tax act. Effective January 1, 1981, that bill dramatically changed the way that corporations write off--or "depreciate"--their investments in machines and buildings, and led to a dramatic reduction in the taxes that corporations pay.

Businesses are permitted to deduct the cost of acquiring new equipment or new buildings because in most cases those assets do depreciate--that is, they wear out or become obsolete over time. In fact, in computing their "book" income that they report to shareholders, companies always deduct a reasonable charge for depreciation--a charge based on experience with how buildings and machines are actually used up.

A tax system that attempted to tax businesses on their actual profits also would provide a fair allowance for depreciation. In 1981, however, President Reagan proposed and Congress adopted the Accelerated Cost Recovery System (ACRS)--a form of super-accelerated depreciation. ACRS created the legal fiction for tax purposes that nearly all equipment and machinery wears out in 4 1/2 years--even though the actual lives of these assets can range anywhere from 5 to 25 years. ACRS also permits buildings to be written off in 18 years, a far shorter period of time than these structures can be expected to last.

Under ACRS, taxable income usually falls well below book profits. The difference between taxes actually paid and taxes which would have been owed had the statutory rate been applied to book income is "deferred."

- Theoretically, "deferred taxes" must ultimately be paid. But a going concern is constantly making new capital purchases and generating new depreciation deductions. As a result, for most large companies, those taxes are deferred virtually forever.

In addition to fast depreciation, corporations are also allowed a tax credit when they buy new equipment. Generally, this "investment tax credit" amounts to 10% of the cost of the machinery, and the credit is deducted directly from income taxes otherwise due.

Economists have calculated that the combination of ACRS and the investment tax credit produces effective tax rates on the profits generated by new investments in equipment that are actually negative! And these theoretical "negative rates" are the primary cause of the actual low corporate taxes that our study reveals.

Many people think it's capital-intensive companies, which are continually investing in new equipment during the normal course of business, that tend to get the largest credits and artificial deductions. Oftentimes, that's true. In 1985, for example:

- DuPont enjoyed \$137 million in investment tax credits and \$239 million in "deferred taxes" relating almost exclusively to accelerated depreciation--enough to cut its 1985 tax rate from 46% to minus 3.2%, on more than \$1 billion in pretax domestic profits.
- Goodyear Tire & Rubber Co. used \$64 million in investment tax credits and \$66 million worth of ACRS write-offs to cut its federal income tax bill to a negative \$20.7 million--despite pretax profits of \$374 million.
- Southern California Edison "deferred" \$146 million in taxes using accelerated depreciation and saved close to \$100 from the investment tax credit, which, together with other adjustments, produced a tax rebate of \$40 million on top of its almost \$1.5 billion in pretax profits.
- General Dynamics saved \$151 million by deferring taxes through the "completed-contract" method of accounting, which, together with investment tax credits and tax-benefit carryforward from earlier years, was enough to offset its tax liability entirely.

But even companies that don't generate enough credits and deductions on their own can play the corporate tax shelter game. For many of them, the answer is to acquire tax breaks through leasing transactions.

- In 1985, for example, General Electric was able to generate "only" \$235 million worth of investment tax credits and accelerated depreciation

deductions from its regular business. But General Electric Credit Corporation--which buys surplus tax breaks from other companies--provided the company with additional tax benefits that saved GE \$584 million--enough to cut GE's 1985 tax rate to only 7.7%. Indeed, were it not for limits on how much taxes can be reduced through the investment tax credit, GE would have been able to cut its 1985 tax bill to zero.

If credits in a given year exceed total tax liability, then they may be carried back to prior years--when taxes were paid. That's how so many companies in the survey were able to receive outright tax refunds. Companies that run out of previously paid taxes to be refunded carry their surplus credits and deductions forward, where they may be applied to taxes owed in future years. (Such "carryforwards" are not reflected in the results of this survey until they are actually utilized.)

V. How the House and Senate Tax Plans Measure Up

When the House approved its monumental tax reform bill last December, the committee report promised that, "by closing loopholes and eliminating abuses, this bill helps ensure that no individual or corporation will excessively transfer tax burdens to other taxpayers by manipulating the tax system."

Similarly, the Senate Finance Committee's report on the Senate tax reform bill maintains that "the committee has designed a strong alternative minimum tax for corporations, based on a broad tax base, to prevent corporations from significantly reducing their tax liability."

The reports of both tax-writing committees assert that they are reforming the rules of corporate taxation, not only because fundamental fairness and public outcry demand change, but also in the interest of a stronger, more productive economy. "Proponents of massive tax benefits for depreciable property have theorized that these benefits would stimulate investment in such property, which in turn would pull the entire economy into more rapid growth," says the House report. "The committee perceives that nothing of this kind has happened."

Indeed, a recent CTJ report, *Money for Nothing: The Failure of Corporate Tax Incentives, 1981-1984* (Feb. 1986), found that companies that had enjoyed the most tax "incentives"--and thereby paid the least in taxes--cut back on their capital investment by 4 percent between 1981 and 1984, and at the same time reduced their workforces by 6 percent. In sharp contrast, the high-tax companies we examined increased investment by 21 percent and added 4 percent more workers to their payrolls.

Economist Barry Bosworth has noted that virtually all the increase in business spending on new equipment that has occurred since 1981 reflects purchases of computers and autos--two kinds of assets that were almost unique in receiving no added "incentive" from the 1981 corporate tax cut.

The truth of the matter is that, by distracting corporate managers away from productive activity and almost forcing them to chase after tax shelters, the present system of tax "incentives" has hurt the health of our economy.

As the Senate report on its version of the tax reform bill notes: "The current tax system intrudes at nearly every level of decision-making by businesses and consumers. The [bill's] sharp reductions in personal and corporate tax rates and the elimination of many preferences will directly remove or lessen tax considerations in business and consumption decisions. Businesses will be able to compete on a more equal basis, and business winners will be determined more by serving the changing needs of a dynamic economy, and less by reaping the subsidies provided by the tax code."

The House and Senate tax reform plans now heading toward conference have much in common. Both take 6 million poor families off the income tax rolls. Both put three-quarters or more of all individual taxpayers into the 15-percent tax bracket. Both crack down on some of the worst abuses of tax shelters by corporations and wealthy individuals.

But there also are important differences between the bills. In a nutshell, the House plan does much more to restore the corporate income tax, and as a result is able to give much greater tax relief to middle-income families.

Average Personal Tax Cuts Under the House & Senate Tax Plans

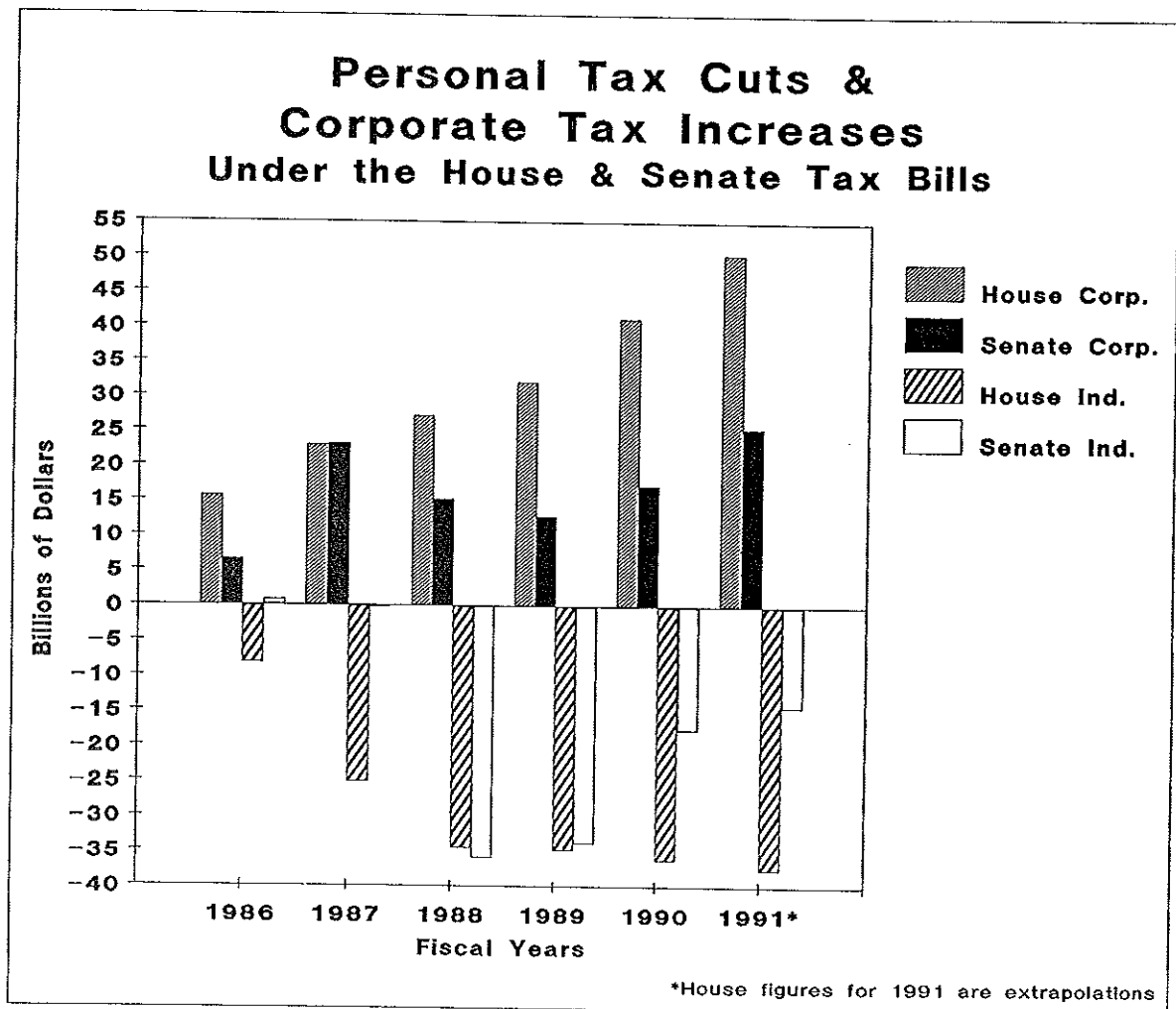
Family Income (\$-000)	House Cut	Senate Cut	Diff. ³ (S-H)
<\$10	-\$52	-\$43	-\$9
\$10-20	-208	-181	-27
\$20-30	-214	-186	-28
\$30-40	-301	-129	-172
\$40-50	-442	-337	-105
\$50-75	-603	-305	-298
\$75-100	-816	-564	-252
\$100-200	-2,049	-810	-1,239
\$200+	-8,003	-5,892	-2,111
AVERAGE	-\$291	-\$215	-\$76

³Press reports indicate that new estimates due soon from the Joint Committee on Taxation may show that the differences between the House and Senate personal tax cuts are even larger than those shown here and in the subsequent graph.

Although the two bills give quite similar tax cuts to families below the median level of income, they differ sharply for taxpayers at or above the median. Families earning between \$30,000 and \$40,000 a year, for example, would get tax reductions averaging \$301 a year under the House bill, but only \$129 a year under the Senate plan--less than half as much.

It's not that the House bill is particularly hard on corporations. It simply would restore corporate tax collections to about the same share of federal receipts they represented in 1980--just under 13 percent. By 1990, this would mean a restoration of \$41 billion per year in corporate taxes.

The Senate plan, on the other hand, would increase corporate taxes by just \$17 billion in 1990. Because of the House bill's much more extensive corporate reforms, the House was able to provide a much larger total personal tax reduction. By 1990, the total annual individual tax cut under the House bill is \$36 billion--double the size of the Senate's \$18 billion personal cut.



How the House and Senate Bills Differ on Corporate Taxes: The Details

Both the House and Senate tax plans would repeal the investment tax credit--a \$34 billion-a-year item by 1990. But beyond that they diverge mightily. Overall, the House corporate reforms (before rate reductions and minimum tax) are estimated to raise \$63 billion a year by 1990, compared to only \$42 billion a year under the Senate plan. Key differences include:

- The House bill requires that business machines and buildings be written off based on how they actually wear out--a change that raises \$15 billion a year by 1990 (including the effects on unincorporated businesses and tax shelters). The Senate plan, on the other hand, makes depreciation write-offs more generous than present law for machinery (although it tightens the rules for buildings). As a result, the Senate bill raises no revenues from depreciation changes.
- The House bill's limits on tax breaks for mergers--not included in the Senate plan--raise \$2 billion a year by 1990.
- The House restrictions on abuses of foreign tax havens and curbs on tax incentives for companies to move plants overseas raise \$3.4 billion in 1990. The Senate bill's much weaker provisions raise only \$1 billion a year.
- The House cracks down on the use of the "completed-contract method of accounting"--a tax break that has allowed many major defense contractors to avoid taxes. The Senate plan, on the other hand, makes only limited changes in this area--for a revenue difference between the two plans of \$3 billion a year by 1990.
- The House reforms affecting banks and other financial institutions raise \$2 billion a year by 1990. The Senate bill lacks these provisions.

Ironically, because the Senate does so much less than the House to broaden the corporate tax base, its corporate minimum tax raises \$6 billion a year more than does the minimum tax in the House plan.⁴ But the revenue gained by the Senate's minimum tax--and more--is simply spent on a lower corporate tax rate. The difference between the Senate's 33 percent top rate and the House's 36 percent rate is \$9 billion a year.

⁴A nifty feature of the Senate's minimum tax is that it would not allow companies to pay less in taxes than 10% of the profits they report to their shareholders.

Conclusion

Tax equity for America's businesses is a key goal of the tax reform process. Both the House and Senate tax bills take important steps away from the abused preferences and the failed "incentives" that, especially since 1981, have so badly distorted economic decisionmaking and have contributed so mightily to the federal budget deficit.

Contrary to the claims of the loophole lobbyists, tax fairness for business does not mean exemption from taxation--any more than tax equity for average families means that they should not pay their fair share. Instead, business tax fairness means returning to a tax system that asks companies--like individuals--to pay taxes on what they really earn.

Such a change will in fact be good for all of us. Instead of a tax code that tries to encourage businesses to invest in otherwise uneconomic projects, investment decisions will be made based on their true worth. Companies--big and small--that pay taxes will no longer be disadvantaged compared to their tax-exempt competitors. And, instead of an economy largely based on tax shelters, we will move toward an economy that encourages productivity and inspires growth.

The Senate needs to move more toward the House in truly closing corporate loopholes in order to make the dream of tax reform a reality. But, with the spur that restoring balance to the corporate tax burden will allow a fairer shake to middle-income voters, there is every reason to believe that such a compromise can be reached. And then, at long last, we will no longer have 130 reasons why tax reform is so sorely needed.

130 Companies That Beat the Tax System In At Least One Year Between 1981 and 1985 (Out of a Sample of 250 Corporations)

Company:	Number of No-Tax Years	Company:	Number of No-Tax Years
Aetna Life & Casualty	1	First Union Corp.	1
Air Products and Chemicals	1	Foster Wheeler Corp.	1
American Cyanamid Co.	3	FPL Group (Fla. Power & Light)	1
American Standard	2	General Dynamics	4
AMP	1	General Electric	3
Anheuser-Busch	1	General Mills	3
Archer Daniels Midland Co.	1	General Public Utilities Corp.	1
Armstrong World Industries	1	Georgia-Pacific Corp.	2
Ashland Oil	3	Goodyear Tire & Rubber Co.	1
AT&T	2	Grace (W.R.) & Co.	2
AZP Group (Arizona Pub. Serv.)	1	Great Northern Nekoosa	3
Bankers Trust	3	Greyhound Corp.	5
Barnett Banks of Florida	1	Grumman Corp.	4
Baxter Travenol Laboratories	1	Gulf States Utilities Co.	1
Boeing Co.	4	Gulf+Western Industries	1
Borden	1	Harris Bankcorp	1
Burlington Industries	2	Harris Corp.	2
Burlington Northern	2	Harsco Corp.	1
Carolina Power & Light Co.	2	Hewlett-Packard Co.	1
Carpenter Technology Corp.	1	HNG InterNorth	1
Centex Corp.	3	Hormel (Geo. A.) & Co.	1
Central and South West Corp.	2	Household International	1
Champion International Corp.	3	Houston Industries	1
Citizens and Southern Ga. Corp	2	IC Industries	1
Cleveland Electric Illum. Co.	1	Illinois Power Co.	1
Combined International Corp.	1	International Multifoods	2
Comerica	4	International Paper Co.	2
Commonwealth Edison Co.	1	Internat'l Minerals & Chemical	2
Continental Telecom	1	Jim Walter Corp.	2
Coors (Adolph) Co.	1	Leaseway Transportation Corp.	2
Corning Glass Works	2	Lockheed Corp.	4
CSX Corp.	2	MAPCO	1
Cubic Corp.	1	Martin Marietta Corp.	2
Dun & Bradstreet Corp.	2	McDonnell Douglas Corp.	1
DuPont	3	Media General	1
Englehard Corp.	2	Mellon Bank Corp.	1
Federal Paper Board Co.	3	Middle South Utilities	4
First Executive Corp.	2	Mitchell Energy & Dev. Corp.	4
First Interstate Bancorp	2	Mobil Corp.	1

**130 Companies Beating the Tax System
In At Least One Year, 1981-85, cont. (16):**

16

Company:	Number of No-Tax Years	Company:	Number of No-Tax Years
Morgan (J.P.) & Co.	1	SCM Corp.	1
M/A-COM	2	Scott Paper Co.	2
Niagara Mohawk Power Corp.	2	Sears, Roebuck & Co.	1
Northern Indiana PSC	2	Singer Co.	3
Northern States Power Co.	2	Southeast Banking Corp.	2
Northrop Corp.	2	Southern California Edison Co.	1
Ohio Edison Co.	2	Southwest Airlines Co.	2
Overseas Shipholding Group	2	Sperry Corp.	1
Owens-Corning Fiberglas Corp.	1	Sun Chemical Corp.	2
Owens-Illinois	1	Sundstrand Corp.	2
Pacific Gas and Electric Co.	1	Tektronix	2
Pacific Lighting Corp.	2	Tenneco	2
PacifiCorp (Pac.Power & Light)	1	Texaco	3
Panhandle Eastern Corp.	4	Transamerica Corp.	4
Pennsylvania Power & Light Co.	2	Tribune Co.	2
Pennzoil Co.	1	TRW	1
Pepsico	3	Tyson Foods	3
Philadelphia Electric Co.	2	Union Camp Corp.	4
Phillips Petroleum Co.	1	Union Electric	2
Piedmont Aviation	2	Unocal Corp.	1
Pittway Corp.	1	USG Corp. (U.S. Gypsum)	1
Prime Computer	1	U.S. Bancorp	3
RCA	2	Westinghouse Electric Corp.	2
Rockwell International	1	Westvaco Corp.	1
Rohm and Haas	1	Weyerhaeuser Co.	2
Santa Fe South'n Pacific Corp.	2	Xerox	3

TOTALS

**Number of companies paying
zero or less in taxes in at
least one year, 1981-1985:**

130 out of 250 companies

Profits in the no-tax years:

\$72.9 billion

Total tax rebates in the no-tax years:

\$6.1 billion

Average tax rate in the no-tax years:

-8.3%

1982 through 1985
**42 Major Companies Paying Zero
or Less in Federal Income Taxes**

1982-85

Company:	Profit	Tax	Rate
AT&T	\$24,898.0	(\$635.5)	-2.6%
DuPont	3,785.0	(179.0)	-4.7%
Boeing Co.	2,271.0	(121.0)	-5.3%
General Dynamics	1,994.5	(90.9)	-4.6%
Pepsico	1,921.1	(89.3)	-4.6%
General Mills	1,215.7	(78.7)	-6.5%
Transamerica Corp.	525.0	(73.2)	-13.9%
Texaco	1,587.0	(68.0)	-4.3%
International Paper Co.	581.0	(59.8)	-10.3%
Greyhound Corp.	338.9	(53.7)	-15.9%
IC Industries	561.2	(53.7)	-9.6%
Great Northern Nekoosa	427.8	(47.2)	-11.0%
Internat'l Minerals & Chemical	337.1	(46.5)	-13.8%
Xerox	670.3	(42.8)	-6.4%
U.S. Bancorp	238.6	(41.4)	-17.3%
Union Camp Corp.	690.9	(36.9)	-5.3%
Panhandle Eastern Corp.	1,063.5	(34.7)	-3.3%
Grace (W.R.) & Co.	483.4	(34.2)	-7.1%
American Cyanamid Co.	303.7	(34.1)	-11.2%
Ashland Oil	504.3	(33.9)	-6.7%
Sundstrand Corp.	377.9	(23.9)	-6.3%
Piedmont Aviation	205.0	(21.6)	-10.6%
Mitchell Energy & Dev. Corp.	362.9	(19.9)	-5.5%
Burlington Industries	293.0	(19.8)	-6.7%
Westinghouse Electric Corp.	2,189.6	(19.3)	-0.9%
Comerica	169.3	(17.3)	-10.2%
Tektronix	163.3	(13.8)	-8.5%
Baxter Travenol Laboratories	591.8	(13.6)	-2.3%
Sun Chemical Corp.	91.5	(13.4)	-14.6%
Southwest Airlines Co.	225.5	(11.8)	-5.2%
Harris Corp.	271.5	(8.6)	-3.2%
Centex Corp.	301.0	(6.8)	-2.3%
Northrop Corp.	697.9	(5.2)	-0.7%
Philadelphia Electric Co.	2,155.2	(4.4)	-0.2%
Singer Co.	250.0	(3.4)	-1.4%
Niagara Mohawk Power Corp.	1,741.0	(3.3)	-0.2%
American Standard	166.0	(3.3)	-2.0%
International Multifoods	45.9	(2.6)	-5.6%
Overseas Shipholding Group	215.9	(2.2)	-1.0%
SCM Corp.	131.5	(2.0)	-1.5%
Pennsylvania Power & Light Co.	1,560.1	(0.7)	-0.0%
Middle South Utilities	2,477.8	0.0	0.0%
TOTALS, 42 COMPANIES			
PAYING NO TAX, 1982-85:	\$59,081.6	(\$2,071.5)	-3.5%

1985
**42 Major Companies Paying Zero
or Less in Federal Income Taxes**

Company:	1985		
	Profit	Tax	Rate
Southern California Edison Co.	\$1,458.3	(\$39.6)	-2.7%
Greyhound Corp.	77.0	(38.5)	-50.0%
Unocal Corp.	288.0	(36.0)	-12.5%
DuPont	1,004.0	(32.0)	-3.2%
Pepsico	440.5	(31.9)	-7.2%
General Dynamics	603.5	(31.5)	-5.2%
Xerox	24.9	(29.1)	-116.9%
General Mills	172.8	(27.4)	-15.9%
American Cyanamid Co.	3.5	(27.0)	-771.4%
Central and South West Corp.	561.0	(21.9)	-3.9%
Burlington Industries	7.5	(21.7)	-290.5%
Niagara Mohawk Power Corp.	541.0	(21.3)	-3.9%
Baxter Travenol Laboratories	89.0	(21.0)	-23.6%
Goodyear Tire & Rubber Co.	374.1	(20.7)	-5.5%
Illinois Power Co.	311.2	(20.2)	-6.5%
Sundstrand Corp.	111.0	(18.1)	-16.3%
Union Camp Corp.	117.6	(13.3)	-11.3%
Household International	168.7	(11.7)	-6.9%
Hewlett-Packard Co.	390.0	(11.0)	-2.8%
Foster Wheeler Corp.	3.3	(10.2)	-305.5%
AMP	48.0	(9.7)	-20.1%
Gulf+Western Industries	133.9	(9.2)	-6.9%
Gulf States Utilities Co.	321.1	(8.2)	-2.6%
Phillips Petroleum Co.	590.0	(8.0)	-1.4%
Transamerica Corp.	4.2	(7.3)	-175.7%
Sun Chemical Corp.	9.1	(7.3)	-80.8%
Internat'l Minerals & Chemical	97.6	(5.9)	-6.0%
Media General	42.7	(4.1)	-9.6%
Federal Paper Board Co.	17.8	(3.8)	-21.4%
American Standard	55.2	(3.3)	-6.0%
Corning Glass Works	29.9	(3.2)	-10.7%
Philadelphia Electric Co.	592.6	(2.6)	-0.4%
Comerica	52.4	(2.3)	-4.4%
Tektronix	29.6	(2.1)	-7.2%
Cleveland Electric Illum. Co.	364.0	(0.7)	-0.2%
Leaseway Transportation Corp.	57.6	(0.6)	-1.1%
Grace (W.R.) & Co.	23.0	(0.5)	-2.2%
First Executive Corp.	197.9	0.0	0.0%
Middle South Utilities	684.7	0.0	0.0%
Mitchell Energy & Dev. Corp.	80.1	0.0	0.0%
Mobil Corp.	13.0	0.0	0.0%
Panhandle Eastern Corp.	213.8	0.0	0.0%
TOTALS, 42 COMPANIES			
PAYING NO TAX IN 1985:	\$10,405.1	(\$563.1)	-5.4%

1984
33 Major Companies Paying Zero
or Less in Federal Income Taxes

Company:	1984		
	Profit	Tax	Rate
AT&T	\$1,899.8	(\$228.1)	-12.0%
Tektronix	31.0	(51.8)	-167.3%
Morgan (J.P.) & Co.	230.9	(43.2)	-18.7%
General Dynamics	648.7	(33.2)	-5.1%
Ashland Oil	92.8	(28.7)	-30.9%
Harris Corp.	79.8	(28.2)	-35.4%
Bankers Trust	106.9	(16.3)	-15.3%
Boeing Co.	569.0	(18.0)	-3.2%
Westinghouse Electric Corp.	619.8	(16.0)	-2.6%
Pacific Lighting Corp.	243.4	(14.5)	-6.0%
Great Northern Nekoosa	178.0	(14.5)	-8.1%
Pacific Gas and Electric Co.	1,467.4	(12.6)	-0.9%
Texaco	120.0	(10.0)	-8.3%
Coors (Adolph) Co.	58.5	(9.5)	-16.2%
U.S. Bancorp	68.2	(9.4)	-13.8%
Xerox	75.1	(6.5)	-8.7%
Union Electric	472.8	(6.5)	-1.4%
Greyhound Corp.	126.4	(6.2)	-4.9%
Transamerica Corp.	145.5	(5.8)	-4.0%
Overseas Shipholding Group	49.6	(4.8)	-9.7%
Northrop Corp.	239.4	(3.9)	-1.6%
Union Camp Corp.	263.2	(3.8)	-1.4%
Comerica	56.9	(3.7)	-6.5%
Englehard Corp.	34.4	(2.5)	-7.2%
M/A-COM	52.8	(2.1)	-3.9%
First Executive Corp.	128.9	(1.0)	-0.8%
Southwest Airlines Co.	67.8	(0.9)	-1.3%
Grumman Corp.	178.9	0.0	0.0%
Lockheed Corp.	585.9	0.0	0.0%
McDonnell Douglas Corp.	480.4	0.0	0.0%
Middle South Utilities	761.9	0.0	0.0%
Mitchell Energy & Dev. Corp.	55.9	0.0	0.0%
Panhandle Eastern Corp.	282.7	0.0	0.0%
TOTALS, 33 COMPANIES			
PAYING NO TAX IN 1984:	\$10,472.9	(\$581.7)	-5.6%

1983
**51 Major Companies Paying Zero
or Less in Federal Income Taxes**

Company:	1983		
	Profit	Tax	Rate
Texaco	\$130.0	(\$150.0)	-115.4%
DuPont	872.0	(92.0)	-10.6%
International Paper Co.	234.0	(78.8)	-33.7%
General Mills	355.9	(77.2)	-21.7%
Pepsico	496.5	(45.3)	-9.1%
Boeing Co.	475.0	(44.0)	-9.3%
FPL Group (Fla. Power & Light)	508.3	(35.2)	-6.9%
General Electric	2,413.0	(35.0)	-1.5%
Owens-Illinois	47.6	(33.4)	-70.2%
RCA	261.9	(30.9)	-11.8%
Ashland Oil	41.2	(25.1)	-61.0%
Great Northern Nekoosa	90.3	(24.8)	-27.5%
U.S. Bancorp	51.7	(22.)	-42.5%
Union Camp Corp.	152.0	(19.3)	-12.7%
Philadelphia Electric Co.	501.9	(16.4)	-3.3%
Piedmont Aviation	23.6	(14.8)	-62.7%
Sundstrand Corp.	66.2	(13.8)	-20.8%
Air Products and Chemicals	83.9	(13.6)	-16.2%
General Dynamics	492.5	(13.3)	-2.7%
Combined International Corp.	96.9	(10.6)	-10.9%
Sperry Corp.	29.6	(9.5)	-32.1%
American Standard	24.7	(9.4)	-38.1%
Greyhound Corp.	48.1	(8.5)	-17.7%
American Cyanamid Co.	110.4	(5.9)	-5.3%
Central and South West Corp.	478.9	(5.0)	-1.0%
Carpenter Technology Corp.	21.7	(4.6)	-21.2%
Niagara Mohawk Power Corp.	378.5	(4.6)	-1.2%
Centex Corp.	83.0	(4.4)	-5.3%
Comerica	41.4	(4.3)	-10.4%
Leaseway Transportation Corp.	55.9	(3.8)	-6.8%
Citizens and Southern Ga. Corp	62.7	(3.1)	-5.0%
Northern States Power Co.	347.6	(3.1)	-0.9%
CSX Corp.	463.0	(3.0)	-0.6%
Transamerica Corp.	211.9	(2.9)	-1.4%
Overseas Shipholding Group	51.8	(2.6)	-5.0%
Southeast Banking Corp.	51.7	(2.6)	-5.0%
International Multifoods	13.3	(2.6)	-19.2%
Carolina Power & Light Co.	402.4	(2.5)	-0.6%
Harsco Corp.	16.3	(2.4)	-14.7%

(more)

**Companies paying no tax
in 1983, continued:**

Company:	1983		
	Profit	Tax	Rate
Englehard Corp.	77.8	(2.2)	-2.8%
M/A-COM	45.5	(1.3)	-2.9%
Mitchell Energy & Dev. Corp.	117.4	(1.2)	-1.0%
Tyson Foods	19.2	(0.4)	-1.9%
Champion International Corp.	63.9	(0.3)	-0.5%
Federal Paper Board Co.	18.6	0.0	0.0%
Grumman Corp.	182.7	0.0	0.0%
Lockheed Corp.	461.8	0.0	0.0%
Middle South Utilities	560.4	0.0	0.0%
Panhandle Eastern Corp.	311.3	0.0	0.0%
Singer Co.	65.9	0.0	0.0%
Pennsylvania Power & Light Co.	386.1	0.1	0.0%
TOTALS, 51 COMPANIES PAYING NO TAX IN 1983:	\$12,597.8	(\$885.5)	-7.0%

1982
**75 Major Companies Paying Zero
or Less in Federal Income Taxes**

Company:	1982		
	Profit	Tax	Rate
AT&T	\$11,641.7	(\$778.5)	-6.7%
DuPont	425.0	(147.0)	-34.6%
General Electric	2,068.0	(146.0)	-7.1%
Boeing Co.	364.0	(97.0)	-26.6%
Texaco	627.0	(88.0)	-14.0%
Scott Paper Co.	114.7	(76.8)	-66.9%
Martin Marietta Corp.	46.0	(72.4)	-157.4%
IC Industries	9.3	(60.3)	-648.4%
Transamerica Corp.	163.4	(57.1)	-34.9%
Xerox	251.8	(54.0)	-21.4%
Grace (W.R.) & Co.	253.3	(50.9)	-20.1%
Internat'l Minerals & Chemical	70.0	(50.5)	-72.1%
Westinghouse Electric Corp.	452.4	(48.2)	-10.7%
Aetna Life & Casualty	177.1	(45.8)	-25.9%
Weyerhaeuser Co.	115.1	(40.8)	-35.4%
Dun & Bradstreet Corp.	189.4	(35.5)	-18.7%
RCA	198.7	(34.9)	-17.6%
Panhandle Eastern Corp.	255.7	(34.7)	-13.6%
Georgia-Pacific Corp.	24.0	(33.0)	-137.5%
Santa Fe South'n Pacific Corp.	403.9	(28.7)	-7.1%
International Paper Co.	109.1	(26.8)	-24.6%
U.S. Bancorp	45.0	(24.5)	-54.5%
Burlington Industries	58.2	(24.0)	-41.2%
Pepsico	502.2	(23.7)	-4.7%
First Interstate Bancorp	151.9	(23.5)	-15.5%
Corning Glass Works	8.5	(22.2)	-261.2%
Piedmont Aviation	8.3	(19.5)	-234.9%
Mitchell Energy & Dev. Corp.	109.5	(18.7)	-17.1%
Tribune Co.	12.8	(17.6)	-137.3%
American Cyanamid Co.	53.0	(17.5)	-33.0%
Burlington Northern	585.4	(16.0)	-2.7%
Northern States Power Co.	288.2	(15.9)	-5.5%
Southwest Airlines Co.	33.3	(15.7)	-47.1%
Houston Industries	240.8	(14.2)	-5.9%
Pacific Lighting Corp.	180.9	(14.0)	-7.7%
General Dynamics	249.8	(12.9)	-5.2%
Pennsylvania Power & Light Co.	288.6	(12.9)	-4.5%
Jim Walter Corp.	66.3	(12.8)	-19.3%
TRW	233.4	(12.1)	-5.2%
Harris Corp.	70.9	(11.5)	-16.1%
			(more)

**Companies paying no tax
in 1982, continued:**

Company:	1982		
	Profit	Tax	Rate
Rohm and Haas	29.0	(11.2)	-38.6%
USG Corp. (U.S. Gypsum)	43.2	(10.6)	-24.5%
HNG InterNorth	131.9	(10.3)	-7.8%
Ohio Edison Co.	315.2	(10.2)	-3.2%
Sun Chemical Corp.	21.8	(9.3)	-42.5%
Northern Indiana PSC	178.1	(9.2)	-5.2%
SCM Corp.	25.0	(9.0)	-36.0%
Tenneco	894.0	(9.0)	-1.0%
Great Northern Nekoosa	91.4	(8.3)	-9.1%
Armstrong World Industries	26.7	(7.7)	-28.8%
General Mills	334.7	(7.2)	-2.2%
Comerica	18.6	(7.0)	-37.6%
Singer Co.	24.1	(5.4)	-22.4%
Bankers Trust	40.2	(5.4)	-13.4%
Archer Daniels Midland Co.	192.6	(5.1)	-2.6%
Continental Telecom	230.9	(4.5)	-1.9%
Centex Corp.	62.1	(3.9)	-6.3%
Tyson Foods	14.6	(3.7)	-25.3%
Citizens and Southern Ga. Corp	49.2	(3.2)	-6.5%
Westvaco Corp.	67.4	(2.1)	-3.2%
Barnett Banks of Florida	52.7	(2.0)	-3.8%
Cubic Corp.	28.5	(1.8)	-6.3%
Rockwell International	522.7	(1.7)	-0.3%
Champion International Corp.	0.3	(1.6)	-533.3%
International Multifoods	15.1	(1.4)	-9.5%
Pittway Corp.	43.7	(1.0)	-2.4%
Union Camp Corp.	158.0	(0.6)	-0.4%
Greyhound Corp.	87.4	(0.5)	-0.5%
Hormel (Geo.A.) & Co.	45.1	(0.2)	-0.4%
Pennzoil Co.	224.3	(0.1)	-0.0%
Federal Paper Board Co.	15.2	0.0	0.0%
Grumman Corp.	159.8	0.0	0.0%
Lockheed Corp.	337.6	0.0	0.0%
Middle South Utilities	470.8	0.0	0.0%
Prime Computer	38.8	0.0	0.0%
TOTALS, 75 COMPANIES PAYING NO TAX IN 1982:	\$26,137.5	(\$2,489.3)	-9.5%

1981
**49 Major Companies Paying Zero
or Less in Federal Income Taxes**

Company:	1981		
	Profit	Tax	Rate
Tenneco	\$1,015.0	(\$188.0)	-18.5%
Weyerhaeuser Co.	251.4	(144.2)	-57.4%
Santa Fe South'n Pacific Corp.	662.6	(144.1)	-21.7%
Boeing Co.	691.0	(126.0)	-18.2%
General Electric	2,046.0	(102.0)	-5.0%
Georgia-Pacific Corp.	234.0	(93.0)	-39.7%
Pepsico	318.2	(78.4)	-24.6%
Scott Paper Co.	99.6	(46.4)	-46.6%
General Dynamics	188.5	(44.4)	-23.6%
Jim Walter Corp.	35.9	(42.8)	-119.2%
AZP Group (Arizona Pub. Serv.)	210.4	(42.4)	-20.2%
PacifiCorp (Pac. Power & Light)	211.7	(41.7)	-19.7%
Dun & Bradstreet Corp.	171.9	(41.0)	-23.9%
Mellon Bank Corp.	102.6	(38.3)	-37.3%
Ohio Edison Co.	295.5	(37.5)	-12.7%
Burlington Northern	529.9	(35.1)	-6.6%
CSX Corp.	719.4	(33.6)	-4.7%
Northrop Corp.	66.1	(32.8)	-49.6%
Philadelphia Electric Co.	329.9	(28.5)	-8.6%
Transamerica Corp.	227.7	(27.7)	-12.2%
Martin Marietta Corp.	259.3	(23.5)	-9.1%
Mitchell Energy & Dev. Corp.	175.9	(21.2)	-12.1%
Northern Indiana PSC	141.3	(18.8)	-13.3%
Ashland Oil	48.7	(16.7)	-34.3%
Borden	201.3	(14.9)	-7.4%
Anheuser-Busch	318.1	(12.3)	-3.9%
Commonwealth Edison Co.	556.1	(9.3)	-1.7%
Southeast Banking Corp.	34.6	(7.3)	-21.2%
Singer Co.	14.6	(7.1)	-48.6%
First Union Corp.	22.2	(6.8)	-30.8%
MAPCO	119.9	(6.2)	-5.2%
Champion International Corp.	102.8	(5.9)	-5.7%
Carolina Power & Light Co.	325.5	(5.3)	-1.6%
Union Electric	235.8	(5.2)	-2.2%
Sears, Roebuck & Co.	601.6	(4.9)	-0.8%
Sun Chemical Corp.	20.2	(4.3)	-21.5%
Owens-Corning Fiberglas Corp.	42.7	(4.0)	-9.4%
Centex Corp.	49.1	(3.4)	-6.9%
Internat'l Minerals & Chemical	132.1	(3.1)	-2.3%
Bankers Trust	50.1	(2.8)	-5.6%
			(more)

**Companies paying no tax
in 1981, continued:**

Company:	1981		
	Profit	Tax	Rate
Harris Bankcorp	22.4	(2.7)	-12.3%
General Public Utilities Corp.	60.0	(1.0)	-1.7%
Middle South Utilities	452.1	(1.0)	-0.2%
Tribune Co.	71.3	(0.8)	-1.2%
Tyson Foods	1.3	(0.8)	-61.5%
First Interstate Bancorp	207.8	(0.7)	-0.3%
Greyhound Corp.	158.0	(0.1)	-0.0%
Grumman Corp.	132.0	0.0	0.0%
Lockheed Corp.	285.6	0.0	0.0%
TOTALS, 49 COMPANIES PAYING NO TAX IN 1981:	\$13,249.7	(\$1,558.2)	-11.8%

250 Major American Corporations Listed by 1982-85 Effective Tax Rates

(\$-millions)

Company:	1982-85		
	Profit	Tax	Rate
U.S. Bancorp	\$238.6	(\$41.4)	-17.3%
Greyhound Corp.	338.9	(53.7)	-15.9%
Sun Chemical Corp.	91.5	(13.4)	-14.6%
Transamerica Corp.	525.0	(73.2)	-13.9%
Internat'l Minerals & Chemical	337.1	(46.5)	-13.8%
American Cyanamid Co.	303.7	(34.1)	-11.2%
Great Northern Nekoosa	427.8	(47.2)	-11.0%
Piedmont Aviation	205.0	(21.6)	-10.6%
International Paper Co.	581.0	(59.8)	-10.3%
Comerica	169.3	(17.3)	-10.2%
IC Industries	561.2	(53.7)	-9.6%
Tektronix	163.3	(13.8)	-8.5%
Grace (W.R.) & Co.	483.4	(34.2)	-7.1%
Burlington Industries	293.0	(19.8)	-6.7%
Ashland Oil	504.3	(33.9)	-6.7%
General Mills	1,215.7	(78.7)	-6.5%
Xerox	670.3	(42.8)	-6.4%
Sundstrand Corp.	377.9	(23.9)	-6.3%
International Multifoods	45.9	(2.6)	-5.6%
Mitchell Energy & Dev. Corp.	362.9	(19.9)	-5.5%
Union Camp Corp.	690.9	(36.9)	-5.3%
Boeing Co.	2,271.0	(121.0)	-5.3%
Southwest Airlines Co.	225.5	(11.8)	-5.2%
DuPont	3,785.0	(179.0)	-4.7%
Pepsico	1,921.1	(89.3)	-4.6%
General Dynamics	1,994.5	(90.9)	-4.6%
Texaco	1,587.0	(68.0)	-4.3%
Panhandle Eastern Corp.	1,063.5	(34.7)	-3.3%
Harris Corp.	271.5	(8.6)	-3.2%
AT&T	24,898.0	(635.5)	-2.6%
Baxter Travenol Laboratories	591.8	(13.6)	-2.3%
Centex Corp.	301.0	(6.8)	-2.3%
American Standard	166.0	(3.3)	-2.0%
SCM Corp.	131.5	(2.0)	-1.5%
Singer Co.	250.0	(3.4)	-1.4%
Overseas Shipholding Group	215.9	(2.2)	-1.0%

250 Major Companies Listed by 27
1982-85 Effective Tax Rates (cont.):

Company:	1982-85		
	Profit	Tax	Rate
Westinghouse Electric Corp.	\$2,189.6	(\$19.3)	-0.9%
Northrop Corp.	697.9	(5.2)	-0.7%
Philadelphia Electric Co.	2,155.2	(4.4)	-0.2%
Niagara Mohawk Power Corp.	1,741.0	(3.3)	-0.2%
Pennsylvania Power & Light Co.	1,560.1	(0.7)	-0.0%
Middle South Utilities	2,477.8	0.0	0.0%
First Executive Corp.	595.5	0.8	0.1%
Lockheed Corp.	2,074.3	4.0	0.2%
Tyson Foods	130.0	0.4	0.3%
Commonwealth Edison Co.	4,293.4	21.7	0.5%
Leaseway Transportation Corp.	176.1	1.3	0.8%
First Interstate Bancorp	939.2	7.1	0.8%
Northern States Power Co.	1,298.3	9.9	0.8%
McDonnell Douglas Corp.	1,743.0	13.4	0.8%
Santa Fe South'n Pacific Corp.	2,298.9	19.3	0.8%
Northern Indiana PSC	682.2	5.8	0.8%
Union Electric	1,604.2	16.3	1.0%
Tenneco	2,913.0	31.0	1.1%
Ohio Edison Co.	1,772.3	25.2	1.4%
Gulf States Utilities Co.	1,180.2	16.9	1.4%
Central and South West Corp.	2,014.4	30.3	1.5%
Corning Glass Works	113.9	1.8	1.6%
Southeast Banking Corp.	235.0	3.7	1.6%
Burlington Northern	3,410.0	54.6	1.6%
Detroit Edison Co.	1,960.5	33.4	1.7%
CSX Corp.	2,543.0	54.0	2.1%
General Electric	10,881.0	262.0	2.4%
Barnett Banks of Florida	404.6	9.9	2.4%
AZP Group (Arizona Pub. Serv.)	1,500.1	37.5	2.5%
Prime Computer	135.0	3.5	2.6%
Englehard Corp.	210.4	6.4	3.1%
Cleveland Electric Illum. Co.	1,395.2	49.6	3.6%
Mellon Bank Corp.	679.1	25.5	3.8%
Bankers Trust	482.7	18.7	3.9%
RCA	1,030.2	40.0	3.9%
Carolina Power & Light Co.	1,882.3	75.1	4.0%
Continental Telecom	1,231.8	49.6	4.0%
Sperry Corp.	378.1	15.6	4.1%
Donnelley (R.R.) & Sons Co.	822.2	36.9	4.5%
Union Pacific Corp.	2,677.0	121.0	4.5%
Security Pacific Corp.	1,426.8	68.6	4.8%
Chase Manhattan Corp.	1,262.0	61.4	4.9%
Air Products and Chemicals	475.8	24.5	5.2%

250 Major Companies Listed by 28
1982-85 Effective Tax Rates (cont.):

Company:	1982-85		
	Profit	Tax	Rate
Phillips Petroleum Co.	\$2,898.0	\$153.0	5.3%
Carpenter Technology Corp.	171.4	9.3	5.4%
Georgia-Pacific Corp.	853.0	47.0	5.5%
MCA	520.4	28.8	5.5%
PSE&G (New Jersey)	2,635.8	149.8	5.7%
Houston Industries	2,131.9	126.2	5.9%
Household International	913.0	55.3	6.1%
Pittway Corp.	181.1	11.7	6.5%
Scott Paper Co.	677.8	45.0	6.6%
Mobil Corp.	2,432.0	165.0	6.8%
GTE Corp.	5,700.6	392.1	6.9%
Owens-Illinois	355.0	24.6	6.9%
Citizens and Southern Ga. Corp	344.7	24.4	7.1%
Dun & Bradstreet Corp.	1,226.6	90.2	7.4%
Sears, Roebuck & Co.	6,076.8	447.8	7.4%
Federal Paper Board Co.	112.5	8.5	7.6%
Archer Daniels Midland Co.	761.7	62.2	8.2%
Champion International Corp.	366.5	30.5	8.3%
M/A-COM	217.0	18.5	8.5%
Johnson & Johnson	1,400.7	132.1	9.4%
Illinois Power Co.	1,199.5	114.5	9.5%
Cubic Corp.	106.6	10.3	9.6%
Southern California Edison Co.	4,333.1	419.5	9.7%
FPL Group (Fla. Power & Light)	2,189.7	213.1	9.7%
Armstrong World Industries	413.1	41.3	10.0%
Morgan (J.P.) & Co.	1,004.0	101.6	10.1%
Sara Lee Corp. (Consol. Foods)	884.9	94.4	10.7%
Combined International Corp.	570.0	63.2	11.1%
Pacific Gas and Electric Co.	5,350.0	597.0	11.2%
Dominion Resources (VEPCO)	2,140.0	244.5	11.4%
PacifiCorp (Pac.Power & Light)	1,116.7	130.2	11.7%
Amoco Corp.	7,507.0	879.0	11.7%
Martin Marietta Corp.	944.3	110.6	11.7%
Kimberly-Clark Corp.	1,017.2	120.0	11.8%
Schering-Plough Corp.	686.6	81.3	11.8%
Westvaco Corp.	451.3	54.6	12.1%
Norfolk Southern Corp.	2,943.6	357.6	12.1%
Becton, Dickinson and Co.	320.0	39.1	12.2%
Sun Co.	2,759.0	337.0	12.2%
Lubrizol Corp.	189.4	24.0	12.6%
General Public Utilities Corp.	857.0	115.0	13.4%
MAPCO	415.5	56.0	13.5%
Merck & Co.	1,975.6	267.1	13.5%

250 Major Companies Listed by 29
1982-85 Effective Tax Rates (cont.):

Company:	1982-85		
	Profit	Tax	Rate
Goodyear Tire & Rubber Co.	\$1,807.1	\$245.5	13.6%
Coors (Adolph) Co.	366.4	50.4	13.8%
AMETEK	229.4	32.1	14.0%
Harris Bankcorp.	150.3	21.2	14.1%
Grumman Corp.	650.5	92.0	14.1%
Aetna Life & Casualty	1,197.0	176.0	14.7%
Hercules	392.7	57.9	14.7%
Weyerhaeuser Co.	966.9	143.7	14.9%
Anheuser-Busch	2,496.1	372.9	14.9%
Textron	644.0	98.1	15.2%
Unocal Corp.	3,106.3	476.9	15.4%
First Union Corp.	483.7	75.2	15.5%
Hewlett-Packard Co.	1,791.0	280.0	15.6%
Baltimore Gas and Electric Co.	1,401.9	222.8	15.9%
Hospital Corp. of America	1,691.9	268.9	15.9%
Jim Walter Corp.	498.1	80.2	16.1%
Media General	213.3	35.2	16.5%
Coca Cola Co.	1,683.7	281.5	16.7%
Pennzoil Co.	1,112.7	186.2	16.7%
Kroger Co.	1,006.5	168.4	16.7%
Pacific Lighting Corp.	916.7	153.8	16.8%
Foster Wheeler Corp.	123.5	20.8	16.8%
FMC	762.6	132.2	17.3%
Digital Equipment Corp.	1,195.3	209.4	17.5%
Pfizer	1,597.2	284.6	17.8%
Borden	982.3	175.9	17.9%
Alco Standard Corp.	416.3	75.3	18.1%
Cabot Corp.	428.7	79.1	18.4%
Borg-Warner Corp.	627.4	116.4	18.6%
Chevron Corp.	5,229.0	978.0	18.7%
SmithKline Beckman	1,756.6	330.1	18.8%
ConAgra	334.3	63.8	19.1%
Shell Oil Co.	10,762.0	2,078.0	19.3%
National Service Industries	357.0	70.1	19.6%
Springs Industries	181.9	36.1	19.8%
Heileman (G.) Brewing Co.	345.8	69.6	20.1%
Squibb Corp.	544.6	113.2	20.8%
PPG Industries	1,314.3	278.4	21.2%
Tracor	149.4	31.7	21.2%
General Motors Corp.	17,659.6	3,765.1	21.3%
Dillard Department Stores	288.6	61.6	21.3%
IBM	23,288.0	4,979.0	21.4%
Ball Corp.	286.2	61.7	21.6%

250 Major Companies Listed by 30
1982-85 Effective Tax Rates (cont.):

Company:	1982-85		
	Profit	Tax	Rate
Litton Industries	\$1,540.8	\$332.5	21.6%
Gulf+Western Industries	867.7	190.3	21.9%
Hormel (Geo. A.) & Co.	214.7	47.6	22.2%
Honeywell	848.8	195.6	23.0%
Alumax	401.6	93.0	23.2%
Parker Hannifin Corp.	327.0	76.2	23.3%
Rohm and Haas	449.1	104.8	23.3%
Johnson Controls	403.1	94.3	23.4%
Upjohn Co.	981.4	230.7	23.5%
Pitney Bowes	539.7	127.0	23.5%
Ethyl Corp.	555.9	130.9	23.5%
Lilly (Eli) and Co.	2,242.9	531.1	23.7%
Emhart Corp.	237.6	56.6	23.8%
United Technologies	2,297.9	548.6	23.9%
MacMillan	181.4	44.5	24.5%
Rockwell International	2,771.2	682.9	24.6%
Time	1,077.2	265.8	24.7%
Abbot Laboratories	2,078.9	523.7	25.2%
Perkin-Elmer Corp.	238.0	60.1	25.3%
Allegheny Power System	1,144.2	289.9	25.3%
West Point-Pepperell	281.2	72.4	25.7%
TRW	975.6	256.9	26.3%
HNG InterNorth	1,185.5	313.1	26.4%
Pillsbury Co.	972.7	259.3	26.7%
Coleman Co.	121.6	32.6	26.8%
Eastman Kodak Co.	4,975.0	1,338.0	26.9%
Quaker State Oil Refining Corp	227.0	61.5	27.1%
Holiday Corp. (Holiday Inn)	761.2	207.8	27.3%
CBS	1,012.8	276.8	27.3%
Heinz (H.J.) Co.	957.4	267.4	27.9%
Exxon	11,896.0	3,347.0	28.1%
Dart & Kraft, Inc.	2,177.8	615.3	28.3%
Tribune Co.	495.7	141.1	28.5%
Stanley Works	321.2	91.5	28.5%
Witco Corp.	271.1	81.3	30.0%
Halliburton Co.	1,223.4	371.0	30.3%
Amstar Corp.	223.5	68.1	30.5%
Briggs & Stratton Corp.	243.4	74.6	30.6%
Nat'l Distillers & Chem. Corp.	349.7	107.5	30.7%
AMP	565.6	174.3	30.8%
NCR Corp.	829.4	257.5	31.1%
American Greetings	324.5	100.9	31.1%
Procter & Gamble Co.	4,703.0	1,486.0	31.6%

250 Major Companies Listed by 31
1982-85 Effective Tax Rates (cont.):

Company:	1982-85		
	Profit	Tax	Rate
Owens-Corning Fiberglas Corp.	\$483.7	\$153.1	31.6%
Hershey Foods Corp.	732.9	232.0	31.7%
Avon Products	691.0	219.3	31.7%
Minnesota Mining & Manuf. (3M)	3,044.0	973.0	32.0%
Wyman-Gordan Co.	268.7	86.0	32.0%
Gillette Co.	317.7	103.3	32.5%
General Signal Corp.	564.6	183.9	32.6%
Campbell Soup Co.	1,040.8	341.5	32.8%
First Boston	501.6	165.2	32.9%
Consolidated Edison Co.	3,776.1	1,244.9	33.0%
Clorox Co.	469.2	155.5	33.1%
Square D Co.	503.0	167.3	33.3%
Cooper Tire & Rubber Co.	140.7	47.1	33.5%
E-Systems	341.3	117.0	34.3%
Standard Oil Co. (Ohio)	9,113.0	3,140.0	34.5%
Consolidated Papers	483.9	167.1	34.5%
K mart	2,419.1	840.1	34.7%
Philip-Morris	5,876.9	2,042.3	34.8%
USG Corp. (U.S. Gypsum)	820.9	285.9	34.8%
Kellogg Co.	1,351.5	482.9	35.7%
Sonoco Products Co.	227.5	82.1	36.1%
Knight-Ridder Newspapers	829.9	301.5	36.3%
Wrigley (Wm., Jr.) Co.	172.9	63.0	36.4%
Bristol-Myers Co.	2,025.5	752.6	37.2%
Cooper Industries	638.8	238.0	37.3%
Nalco Chemical Co.	364.5	137.8	37.8%
Whirlpool Corp.	1,022.3	386.7	37.8%
Brown-Forman Distillers Corp.	565.4	214.1	37.9%
Ex-Cell-O Corp.	301.8	115.2	38.2%
American Brands	2,162.8	828.8	38.3%
Sherwin-Williams Co.	376.6	147.4	39.1%
Dana Corp.	864.1	339.7	39.3%
Colt Industries	708.5	280.8	39.6%
SuperValu Stores	506.4	200.9	39.7%
Harsco Corp.	190.7	76.2	40.0%
Reynolds (R.J.) Industries	4,737.0	1,940.0	41.0%
PACCAR	360.6	151.9	42.1%
INTERCO	653.2	281.1	43.0%
Ralston Purina Co.	1,409.1	607.8	43.1%
McGraw-Hill	872.5	376.8	43.2%
VF Corporation	867.3	385.0	44.4%
Raytheon Co.	1,989.6	1,050.5	52.8%
TOTALS, 250 COMPANIES:	\$388,001.5	\$57,940.8	14.9%

250 Major American Corporations & Their Federal Income Taxes

Between 1982 and 1985 (in alphabetical order)

(\$-millions)

Company:	1985				1984				1983				1982				1982-85			
	85Profit	85Tax	85Rate	84Profit	84Tax	84Rate	83Profit	83Tax	83Rate	82Profit	82Tax	82Rate	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Rate
Abbott Laboratories	\$589.9	\$124.6	21.1%	\$559.5	\$152.7	27.3%	\$492.1	\$124.9	25.4%	\$437.4	\$121.5	27.8%	\$2,078.9	\$523.7	25.2%	\$2,078.9	\$523.7	25.2%	\$2,078.9	25.2%
Aetna Life & Casualty	464.3	131.1	28.2%	169.3	77.3	45.7%	386.3	13.4	3.5%	177.1	(45.9)	-25.9%	1,197.0	176.0	14.7%	1,197.0	176.0	14.7%	1,197.0	14.7%
Air Products and Chemicals	158.0	8.9	5.7%	159.9	3.7	2.3%	83.9	(13.6)	-16.2%	74.0	25.4	34.3%	475.8	24.5	5.2%	475.8	24.5	5.2%	475.8	5.2%
Alco Standard Corp.	125.2	13.1	10.5%	107.7	29.2	27.1%	91.7	17.4	19.0%	91.7	15.6	17.0%	416.3	75.3	18.1%	416.3	75.3	18.1%	416.3	18.1%
Allegheny Power System	288.8	32.8	11.3%	300.2	83.1	27.7%	288.3	89.2	30.9%	267.0	84.9	31.8%	1,144.2	289.9	25.3%	1,144.2	289.9	25.3%	1,144.2	25.3%
Alumax	68.0	40.5	59.6%	177.5	40.8	23.0%	108.4	11.1	10.2%	47.6	0.6	1.3%	401.6	93.0	23.2%	401.6	93.0	23.2%	401.6	23.2%
American Brands	573.1	218.4	38.1%	557.6	212.1	38.0%	526.6	215.5	40.9%	505.5	182.8	36.2%	2,162.8	828.8	38.3%	2,162.8	828.8	38.3%	2,162.8	38.3%
American Cyanamid Co.	3.5	(27.0)	-771.4%	136.8	16.3	11.9%	110.4	(5.9)	-5.3%	53.0	(17.5)	-33.0%	303.7	(34.1)	-11.2%	303.7	(34.1)	-11.2%	303.7	-11.2%
American Greetings	115.6	37.0	32.0%	92.7	32.4	35.0%	69.3	14.9	21.5%	46.9	16.6	35.4%	324.5	100.9	31.1%	324.5	100.9	31.1%	324.5	31.1%
American Standard	55.2	(3.3)	-6.0%	94.9	11.2	11.8%	24.7	(9.4)	-38.1%	(8.8)	(1.8)	NM	166.0	(3.3)	-2.0%	166.0	(3.3)	-2.0%	166.0	-2.0%
AMETEK	58.8	5.3	9.0%	67.2	16.6	24.7%	55.6	7.9	14.2%	47.7	2.4	4.9%	229.4	32.1	14.0%	229.4	32.1	14.0%	229.4	14.0%
Anaco Corp.	1,891.0	155.0	8.2%	1,975.0	178.0	9.0%	1,820.0	294.0	16.2%	1,820.0	252.0	13.8%	7,507.0	879.0	11.7%	7,507.0	879.0	11.7%	7,507.0	11.7%
AMP	48.0	(9.7)	-20.1%	209.7	62.5	29.8%	171.9	73.5	42.7%	135.9	48.0	35.3%	565.6	174.3	30.8%	565.6	174.3	30.8%	565.6	30.8%
Anstar Corp.	51.4	18.1	35.1%	67.6	24.7	36.5%	38.4	3.8	10.6%	68.1	21.6	31.7%	223.5	68.1	30.5%	223.5	68.1	30.5%	223.5	30.5%
Anheuser-Busch	761.8	111.4	14.6%	672.5	101.1	15.0%	599.4	107.4	17.9%	482.4	53.0	11.5%	2,496.1	372.9	14.9%	2,496.1	372.9	14.9%	2,496.1	14.9%
Archer Daniels Midland Co.	261.5	54.8	21.0%	157.5	2.7	1.7%	150.1	9.8	6.5%	132.6	(5.1)	-2.6%	761.7	62.2	8.2%	761.7	62.2	8.2%	761.7	8.2%
Armstrong World Industries	155.3	12.5	8.0%	136.9	25.3	18.5%	94.3	11.2	11.9%	26.7	(7.7)	-28.8%	413.1	41.3	10.0%	413.1	41.3	10.0%	413.1	10.0%
Ashland Oil	217.0	11.5	5.3%	92.8	(28.7)	-30.9%	41.2	(25.1)	-61.0%	133.4	8.4	5.5%	504.3	(33.9)	-6.7%	504.3	(33.9)	-6.7%	504.3	-6.7%
AT&T	2,362.8	103.0	4.4%	1,899.8	(228.1)	-12.0%	8,993.7	288.1	3.0%	11,641.7	(778.5)	-6.7%	24,898.0	(635.5)	-2.6%	24,898.0	(635.5)	-2.6%	24,898.0	-2.6%
Avon Products	83.2	23.0	27.6%	186.9	66.4	35.5%	196.3	63.5	32.3%	224.6	66.4	29.6%	691.0	219.3	31.7%	691.0	219.3	31.7%	691.0	31.7%
AZP Group (Arizona Pub. Serv.)	432.1	9.2	2.1%	416.4	14.6	3.5%	341.7	8.9	2.6%	309.9	4.8	1.5%	1,500.1	37.5	2.5%	1,500.1	37.5	2.5%	1,500.1	2.5%
Ball Corp.	86.8	16.5	19.0%	76.6	19.7	25.7%	67.5	17.1	25.3%	55.3	8.4	15.2%	286.2	61.7	21.6%	286.2	61.7	21.6%	286.2	21.6%
Baltimore Gas and Electric Co.	404.4	68.5	16.9%	392.3	97.4	24.8%	334.0	22.2	6.6%	271.2	34.7	12.8%	1,401.9	222.8	15.9%	1,401.9	222.8	15.9%	1,401.9	15.9%
Bankers Trust	198.4	3.7	1.9%	106.9	(16.3)	-15.3%	137.2	36.7	26.8%	40.2	(5.4)	-13.4%	482.7	18.7	3.9%	482.7	18.7	3.9%	482.7	3.9%
Barnett Banks of Florida	142.4	2.8	1.9%	110.4	4.2	3.8%	99.1	4.9	4.9%	52.7	(2.0)	-3.8%	404.5	9.9	2.4%	404.5	9.9	2.4%	404.5	2.4%
Baxter Travenol Laboratories	89.0	(21.0)	-23.6%	134.8	1.2	0.9%	196.9	5.2	2.6%	171.1	1.0	0.6%	591.8	(13.6)	-2.3%	591.8	(13.6)	-2.3%	591.8	-2.3%
Becton, Dickinson and Co.	95.1	16.4	17.3%	66.9	5.0	7.5%	38.0	15.3	39.5%	59.9	2.3	3.8%	320.0	39.1	12.2%	320.0	39.1	12.2%	320.0	12.2%
Boeing Co.	863.0	38.0	4.4%	569.0	(18.0)	-3.2%	475.0	(44.0)	-9.3%	364.0	(37.0)	-10.2%	2,271.0	(121.0)	-5.3%	2,271.0	(121.0)	-5.3%	2,271.0	-5.3%
Borden	249.0	43.7	17.5%	259.8	62.8	24.2%	274.4	56.9	20.7%	199.1	12.5	6.3%	982.3	175.9	17.9%	982.3	175.9	17.9%	982.3	17.9%
Borg-Warner Corp.	182.4	41.0	22.5%	209.8	42.6	20.3%	146.6	28.7	19.6%	88.5	4.1	4.6%	627.4	116.4	18.6%	627.4	116.4	18.6%	627.4	18.6%
Briggs & Stratton Corp.	59.1	10.2	17.2%	60.6	21.2	34.9%	54.8	17.8	32.5%	68.9	25.4	36.8%	243.4	74.6	30.6%	243.4	74.6	30.6%	243.4	30.6%
Bristol-Myers Co.	622.9	232.4	37.3%	542.7	189.1	34.8%	477.1	174.9	36.7%	382.8	156.2	40.8%	2,025.5	752.6	37.2%	2,025.5	752.6	37.2%	2,025.5	37.2%
Brown-Forman Distillers Corp.	134.6	46.9	34.8%	126.1	40.5	32.1%	157.2	65.1	41.4%	147.6	61.6	41.7%	565.4	214.1	37.9%	565.4	214.1	37.9%	565.4	37.9%
Burlington Industries	7.5	(21.7)	-290.5%	91.7	10.2	11.2%	135.6	15.7	11.6%	58.2	(24.0)	-41.2%	293.0	(19.8)	-6.7%	293.0	(19.8)	-6.7%	293.0	-6.7%
Burlington Northern	1,140.6	20.5	1.8%	1,074.9	36.5	3.4%	609.0	13.5	2.2%	585.4	(16.0)	-2.7%	3,410.0	54.6	1.6%	3,410.0	54.6	1.6%	3,410.0	1.6%
Cabot Corp.	76.5	26.4	34.5%	128.5	19.1	14.9%	95.6	19.8	20.7%	128.1	13.8	10.8%	428.7	79.1	18.4%	428.7	79.1	18.4%	428.7	18.4%
Campbell Soup Co.	259.6	77.3	29.8%	276.0	78.7	28.5%	271.3	82.3	30.3%	233.9	103.2	44.1%	1,040.8	341.5	32.8%	1,040.8	341.5	32.8%	1,040.8	32.8%
Carolina Power & Light Co.	576.3	32.1	5.6%	506.7	17.5	3.5%	402.4	(2.5)	-0.6%	396.8	28.0	7.0%	1,882.3	75.1	4.0%	1,882.3	75.1	4.0%	1,882.3	4.0%
Carpenter Technology Corp.	40.4	2.0	5.0%	56.9	9.1	16.0%	21.7	(4.6)	-21.2%	52.4	2.8	5.3%	171.4	9.3	5.4%	171.4	9.3	5.4%	171.4	5.4%
CBS	273.2	53.3	19.5%	371.3	129.2	34.8%	229.3	79.3	34.6%	139.0	15.0	10.8%	1,012.8	276.8	27.3%	1,012.8	276.8	27.3%	1,012.8	27.3%
Centex Corp.	85.8	0.1	0.1%	70.2	1.5	2.1%	83.0	(4.4)	-5.3%	52.1	(3.9)	-6.3%	301.0	(6.8)	-2.3%	301.0	(6.8)	-2.3%	301.0	-2.3%
Central and South West Corp.	561.0	(21.9)	-3.9%	553.5	36.2	6.5%	478.9	(5.0)	-1.0%	420.9	20.9	5.0%	2,014.4	30.3	1.5%	2,014.4	30.3	1.5%	2,014.4	1.5%
Champion International Corp.	169.5	20.0	11.8%	132.8	12.3	9.3%	63.9	(0.3)	-0.5%	0.3	(1.6)	-53.3%	365.5	30.5	8.3%	365.5	30.5	8.3%	365.5	8.3%
Chase Manhattan Corp.	571.7	27.1	4.7%	425.1	31.1	7.3%	385.5	12.1	3.1%	(100.4)	(8.9)	NM	1,282.0	61.4	4.9%	1,282.0	61.4	4.9%	1,282.0	4.9%
Chevron Corp.	1,536.0	466.0	30.3%	680.0	35.0	5.1%	1,252.0	182.0	14.5%	1,761.0	285.0	16.8%	5,229.0	978.0	18.7%	5,229.0	978.0	18.7%	5,229.0	18.7%
Citizens and Southern Ga. Corp.	157.2	24.6	15.7%	75.5	6.2	8.2%	62.7	(3.1)	-5.0%	49.2	(3.2)	-6.5%	344.7	24.4	7.1%	344.7	24.4	7.1%	344.7	7.1%
Cleveland Electric Illum. Co.	364.0	(0.7)	-0.2%	387.9	22.8	5.9%	350.2	15.5	4.4%	299.1	12.0	4.1%	1,395.2	49.6	3.6%	1,395.2	49.6	3.6%	1,395.2	3.6%
Clorox Co.	146.5	41.7	28.5%	134.8	47.7	35.4%	114.8	41.9	36.5%	73.2	24.1	33.0%	469.2	155.5	33.1%	469.2	155.5	33.1%	469.2	33.1%

250 Companies, Their Domestic Profits,
& Their Federal Income Taxes, 1982-85 (2)
(\$-millions):

Company:	1985			1984			1983			1982			1982-85		
	85Profit	85Tax	85Rate	84Profit	84Tax	84Rate	83Profit	83Tax	83Rate	82Profit	82Tax	82Rate	Profit	Tax	Rate
Coca Cola Co.	\$531.1	\$42.3	8.0%	\$434.2	\$45.4	10.5%	\$384.0	\$114.2	29.7%	\$334.4	\$79.6	23.8%	\$1,583.7	\$281.5	16.7%
Coleman Co.	22.0	4.4	20.1%	35.8	12.6	35.2%	36.0	9.1	25.0%	27.9	6.5	23.4%	121.6	32.6	26.8%
Colt Industries	201.8	77.8	38.6%	226.4	107.1	47.3%	164.9	62.6	38.0%	115.4	33.3	28.9%	708.5	280.8	39.6%
Combined International Corp.	229.2	47.3	20.6%	155.3	20.1	12.9%	96.9	(10.6)	-10.9%	88.6	6.4	7.2%	570.0	63.2	11.1%
Comerica	52.4	(2.3)	-4.4%	56.9	(3.7)	-6.5%	41.4	(4.3)	-10.4%	18.6	(7.0)	-37.6%	189.3	(17.3)	-10.2%
Commonwealth Edison Co.	1,253.8	4.4	0.3%	1,170.1	11.5	1.0%	1,116.5	3.2	0.3%	753.0	2.6	0.3%	4,293.4	21.7	0.5%
Conagra	143.5	19.8	13.8%	67.6	7.1	10.5%	72.3	20.1	27.8%	51.0	16.8	32.9%	334.3	63.8	19.1%
Consolidated Edison Co.	975.4	333.8	34.2%	1,051.1	320.5	30.5%	978.3	374.2	38.3%	771.4	216.4	28.1%	3,776.1	1,244.9	33.0%
Consolidated Papers	176.9	59.4	33.6%	150.4	56.9	37.8%	83.8	25.3	30.3%	72.8	25.5	35.0%	483.9	167.1	34.5%
Continental Telecom	375.2	38.3	10.2%	337.9	8.9	2.6%	287.8	6.9	2.4%	230.9	(4.5)	-1.9%	1,231.9	49.6	4.0%
Cooper Industries	193.4	55.9	28.9%	150.2	55.6	37.0%	98.1	25.3	25.8%	197.1	101.2	51.4%	638.8	238.0	37.3%
Cooper Tire & Rubber Co.	29.9	7.2	24.1%	40.1	13.4	33.4%	37.8	13.7	36.2%	32.9	12.8	38.9%	140.7	47.1	33.5%
Coors (Adolph) Co.	93.3	7.8	8.3%	58.5	(9.5)	-16.2%	149.8	44.5	29.7%	64.9	7.6	11.7%	366.4	50.4	13.8%
Corning Glass Works	29.9	(3.2)	-10.7%	14.8	0.3	2.0%	50.7	26.9	44.3%	8.5	(22.2)	-261.2%	113.9	1.8	1.6%
CSX Corp.	677.0	13.0	1.9%	826.0	25.0	3.0%	483.0	(3.0)	-0.6%	577.0	19.0	3.3%	2,543.0	54.0	2.1%
Cubic Corp.	25.0	3.3	13.3%	24.5	7.0	28.7%	28.6	1.7	5.9%	28.5	(1.8)	-6.3%	106.6	10.3	9.6%
Dana Corp.	285.7	115.0	40.2%	340.6	155.3	45.6%	166.1	60.9	36.7%	71.7	8.6	12.0%	864.1	339.7	39.3%
Dart & Knapp, Inc.	605.5	124.1	20.5%	536.6	152.4	28.4%	536.1	156.7	31.1%	499.6	172.1	34.4%	2,177.8	615.3	28.3%
Detroit Edison Co.	560.8	12.5	2.2%	533.5	4.1	0.8%	515.7	15.4	3.0%	350.5	1.3	0.4%	1,960.5	33.4	1.7%
Digital Equipment Corp.	202.6	3.8	1.9%	204.9	35.5	17.3%	278.1	32.3	11.8%	509.7	137.8	27.0%	1,195.3	209.4	17.5%
Drillard Department Stores	110.9	27.0	24.3%	84.6	13.5	16.0%	58.6	17.0	29.0%	34.5	4.1	11.7%	288.6	61.6	21.3%
Dominion Resources (VERCO)	552.6	59.5	10.8%	544.1	132.2	24.3%	597.0	27.3	4.9%	446.3	25.4	5.7%	2,140.0	244.5	11.4%
Dunneley (R.R.) & Sons Co.	247.2	12.5	5.1%	222.8	9.6	4.3%	194.7	10.4	5.3%	157.4	4.5	2.8%	822.2	36.9	4.5%
Dun & Bradstreet Corp.	431.5	55.9	13.0%	371.3	57.3	15.4%	234.4	12.5	5.3%	189.4	(35.5)	-18.7%	1,226.6	90.2	7.4%
Dupont	1,004.0	(32.0)	-3.2%	1,484.0	92.0	6.2%	872.0	(92.0)	-10.6%	425.0	(147.0)	-34.6%	3,785.0	(179.0)	-4.7%
Eastman Kodak Co.	944.0	189.0	20.0%	1,455.0	478.0	32.9%	983.0	304.0	30.9%	1,593.0	367.0	23.0%	4,975.0	1,338.0	26.9%
Enhart Corp.	66.3	21.3	32.1%	76.8	16.2	21.1%	54.6	16.2	29.7%	39.9	2.9	7.3%	237.6	56.6	23.8%
Englehard Corp.	42.5	8.1	19.1%	34.4	(2.5)	-7.2%	77.8	(2.2)	-2.8%	55.7	3.0	5.4%	210.4	6.4	3.1%
Echyl Corp.	149.7	20.5	13.7%	151.4	41.3	27.3%	131.9	39.5	29.9%	122.9	29.6	24.1%	555.9	130.9	23.5%
Exxon	2,627.0	609.0	23.2%	3,402.0	992.0	29.2%	3,046.0	1,030.0	33.8%	2,821.0	716.0	25.4%	11,896.0	3,347.0	28.1%
Ex-Cell-O Corp.	84.7	32.6	38.5%	57.8	26.4	45.6%	83.2	29.1	34.9%	76.0	27.1	35.6%	301.8	115.2	38.2%
E-Systems	92.6	33.1	35.8%	98.7	34.3	34.8%	88.8	31.9	35.9%	61.2	17.7	29.0%	341.3	117.0	34.3%
Federal Paper Board Co.	17.8	(3.8)	-21.4%	61.0	12.3	20.2%	18.6	0.0	0.0%	15.2	0.0	0.0%	112.5	8.5	7.6%
First Boston	163.3	50.5	30.9%	105.4	29.6	28.1%	97.1	21.3	21.9%	135.9	63.8	47.0%	501.6	165.2	32.9%
First Executive Corp.	197.9	0.0	0.0%	128.9	(1.0)	-0.8%	197.9	1.3	0.7%	70.9	0.5	0.7%	595.5	0.8	0.1%
First Interstate Bancorp	290.3	20.4	7.0%	251.9	6.9	2.7%	245.2	3.4	1.4%	151.9	(23.5)	-15.5%	933.2	7.1	0.8%
First Union Corp.	213.2	45.5	21.3%	188.0	25.9	15.4%	61.1	3.2	5.2%	41.4	0.6	1.5%	483.7	75.2	15.5%
FMC	188.5	7.7	4.1%	276.9	101.3	36.6%	180.8	4.6	2.5%	116.4	18.7	16.1%	762.6	132.2	17.3%
Foster Wheeler Corp.	3.3	(10.2)	-305.5%	24.3	6.6	27.2%	40.1	11.1	27.7%	55.7	13.3	23.9%	123.5	20.8	16.8%
FPL Group (Fla. Power & Light)	669.8	184.0	27.5%	561.2	38.1	6.8%	508.3	(35.2)	-6.9%	450.5	26.3	5.8%	2,189.7	213.1	9.7%
General Dynamics	603.5	(31.5)	-5.2%	648.7	(33.2)	-5.1%	492.5	(13.3)	-2.7%	249.8	(12.9)	-5.2%	1,994.5	(30.9)	-4.6%
General Electric	3,350.0	258.0	7.7%	3,050.0	185.0	6.1%	2,413.0	(35.0)	-1.5%	2,068.0	(146.0)	-7.1%	10,881.0	262.0	2.4%
General Mills	172.8	(27.4)	-15.9%	332.3	33.1	9.4%	355.9	(77.2)	-21.7%	334.7	(7.2)	-2.2%	1,215.7	(78.7)	-6.5%
General Motors Corp.	5,079.9	1,397.5	27.5%	5,509.4	1,397.8	25.4%	5,797.1	747.6	12.9%	1,273.2	222.2	17.5%	17,659.6	3,765.1	21.3%
General Public Utilities Corp.	221.0	90.0	40.7%	315.0	6.0	1.9%	200.0	4.0	2.0%	121.0	15.0	12.4%	857.0	115.0	13.4%
General Signal Corp.	111.2	28.1	25.3%	155.8	54.8	34.3%	126.4	47.1	37.3%	167.2	53.9	32.2%	564.6	183.9	32.6%
Georgia-Pacific Corp.	304.0	13.0	4.3%	383.0	40.0	10.4%	142.0	27.0	19.0%	24.0	(33.0)	-137.5%	853.0	47.0	5.5%
Gillette Co.	67.9	23.2	34.2%	72.1	26.6	36.9%	85.8	23.9	27.9%	91.9	29.6	32.2%	317.7	103.3	32.5%
Goodyear Tire & Rubber Co.	374.1	(20.7)	-5.5%	534.6	91.2	17.1%	429.3	68.3	15.9%	469.1	106.7	22.7%	1,807.1	245.5	13.6%
Grace (W.R.) & Co.	23.0	(0.5)	-2.2%	118.6	14.3	12.1%	88.5	2.9	3.3%	253.3	(50.9)	-20.1%	483.4	(34.2)	-7.1%
Great Northern Nekosoa	68.1	0.4	0.6%	178.0	(14.5)	-8.1%	90.3	(24.8)	-27.5%	91.4	(8.3)	-9.1%	427.8	(47.2)	-11.0%

250 Companies, Their Domestic Profits,
& Their Federal Income Taxes, 1982-85 (3)
(\$-millions):

Company:	1985			1984			1983			1982			1982-85		
	85Profit	85Tax	85Rate	84Profit	84Tax	84Rate	83Profit	83Tax	83Rate	82Profit	82Tax	82Rate	Profit	Tax	Rate
Grayhound Corp.	\$77.0	(\$38.5)	-50.0%	\$126.4	(\$6.2)	-4.9%	\$48.1	(\$8.5)	-17.7%	\$87.4	(\$0.5)	-0.5%	\$338.9	(\$53.7)	-15.5%
Grueman Corp.	129.0	92.0	71.3%	178.9	0.0	0.0%	182.7	0.0	0.0%	159.8	0.0	0.0%	650.5	92.0	14.1%
GTE Corp.	1,588.9	5.3	0.3%	1,565.4	158.2	10.1%	1,390.0	155.6	11.2%	1,156.3	72.9	6.3%	5,700.6	392.1	6.9%
Gulf States Utilities Co.	321.1	(8.2)	-2.6%	333.3	8.5	2.6%	304.3	9.3	3.1%	221.5	7.3	3.3%	1,180.2	16.9	1.4%
Gulf+Western Industries	133.9	(9.2)	-6.9%	351.4	51.9	14.8%	236.2	101.2	34.2%	86.2	46.4	53.8%	867.7	190.3	21.9%
Halliburton Co.	41.3	17.6	42.6%	379.5	74.3	19.6%	288.4	88.1	30.5%	514.2	191.0	37.1%	1,223.4	371.0	30.3%
Harris Bankcorp.	60.3	10.0	16.6%	31.0	5.1	16.4%	28.1	2.8	9.9%	31.0	3.3	10.8%	150.3	21.2	14.1%
Harris Corp.	78.4	20.4	26.1%	79.8	(28.2)	-35.4%	42.4	10.7	25.2%	70.9	(11.5)	-16.1%	271.5	(8.6)	-3.2%
Harsco Corp.	81.7	42.2	51.7%	55.9	15.4	27.5%	16.3	(2.4)	-14.7%	36.8	21.0	57.1%	190.7	76.2	40.0%
Heileman (G.) Brewing Co.	77.0	7.1	9.2%	81.7	14.1	17.3%	102.6	25.6	24.9%	84.4	22.8	27.1%	345.8	69.6	20.1%
Heinz (H.J.) Co.	258.4	70.6	27.3%	242.1	55.6	23.0%	217.2	60.4	27.8%	199.7	70.8	35.5%	957.4	267.4	27.9%
Hercules	73.4	7.2	9.7%	138.7	33.2	24.0%	121.5	16.9	13.9%	59.1	0.6	1.0%	392.7	57.9	14.7%
Hershey Foods Corp.	212.8	61.9	29.1%	190.9	59.7	31.3%	172.1	59.7	34.7%	157.1	50.6	32.2%	732.9	232.0	31.7%
Hewlett-Packard Co.	390.0	(11.0)	-2.8%	547.0	140.0	25.6%	479.0	61.0	12.7%	375.0	90.0	24.0%	1,791.0	280.0	15.6%
ING InterNorth	275.1	37.9	13.8%	406.3	152.6	37.6%	372.2	132.9	35.7%	131.9	(10.3)	-7.8%	1,185.5	313.1	26.4%
Holiday Corp. (Holiday Inn)	209.6	71.7	34.2%	207.8	29.1	14.0%	203.9	68.2	33.4%	139.9	38.8	27.7%	761.2	207.8	27.3%
Honeywell	220.5	24.2	11.0%	246.9	75.1	30.4%	148.7	50.6	34.0%	232.7	45.7	19.6%	848.8	195.6	23.0%
Hormel (Geo. A.) & Co.	69.2	20.7	29.9%	51.4	13.9	27.0%	49.1	13.3	27.1%	45.1	(0.2)	-0.4%	214.7	47.6	22.2%
Hospital Corp. of America	545.4	109.6	20.1%	496.0	47.8	9.6%	377.3	73.2	19.4%	273.2	38.3	14.0%	1,691.9	268.9	15.9%
Household International	168.7	(11.7)	-6.9%	323.9	21.2	6.5%	298.1	30.0	10.1%	122.3	15.8	12.9%	913.0	55.3	6.1%
Houston Industries	730.4	52.3	7.2%	607.5	54.8	9.0%	553.2	33.3	6.0%	240.8	(14.2)	-5.9%	2,131.9	126.2	5.9%
IBM	5,945.0	594.0	10.0%	6,795.0	1,406.0	20.7%	5,838.0	1,607.0	27.5%	4,709.0	1,372.0	29.1%	23,286.0	4,979.0	21.4%
IC Industries	209.1	5.4	2.6%	211.8	0.6	0.3%	131.0	0.6	0.5%	9.3	(60.3)	-648.4%	561.2	(53.7)	-9.6%
Illinois Power Co.	311.2	(20.2)	-6.5%	340.8	51.5	15.1%	320.9	51.8	16.1%	226.6	31.4	13.9%	1,199.5	114.5	9.5%
INTERCO	164.0	57.3	34.9%	130.6	68.6	52.5%	207.3	91.3	44.0%	151.3	54.0	35.7%	653.2	281.1	43.0%
International Multifoods	10.9	1.1	10.1%	6.5	0.3	4.9%	13.3	(2.6)	-19.2%	15.1	(1.4)	-9.5%	45.9	(2.6)	-5.6%
International Paper Co.	130.0	39.0	30.0%	107.9	6.8	6.3%	234.0	(78.8)	-33.7%	109.1	(26.8)	-24.6%	581.0	(59.8)	-10.3%
Internat'l Minerals & Chemical	97.6	(5.9)	-6.0%	111.1	6.9	6.2%	58.4	3.0	5.1%	70.0	(50.5)	-72.1%	337.1	(46.5)	-13.8%
J.M. Walter Corp.	172.3	41.5	24.1%	150.4	44.1	29.3%	109.1	7.4	6.8%	66.3	(12.8)	-19.3%	498.1	80.2	16.1%
Johnson Controls	125.9	23.5	18.7%	100.9	31.0	30.7%	93.8	17.6	18.8%	82.5	22.2	26.9%	403.1	94.3	23.4%
Johnson & Johnson	439.4	27.4	6.2%	320.6	37.6	11.7%	297.8	9.9	3.3%	342.9	57.2	16.7%	1,400.7	132.1	9.4%
K Mart	623.0	146.0	23.4%	697.2	257.7	37.0%	752.6	304.7	40.5%	346.3	131.7	38.0%	2,419.1	840.1	34.7%
Kellogg Co.	412.6	153.9	37.3%	363.8	132.4	36.4%	301.0	105.5	35.0%	274.1	91.1	33.2%	1,351.5	482.9	35.7%
Kimberly-Clark Corp.	343.7	44.5	12.9%	259.6	33.4	12.9%	213.9	11.2	5.2%	200.0	30.9	15.5%	1,017.2	120.0	11.8%
Knight-Ridder Newspapers	215.5	73.6	34.1%	244.1	93.5	38.3%	203.5	77.2	37.9%	166.9	57.3	34.3%	829.9	301.5	36.3%
Kroger Co.	294.3	73.5	25.0%	248.5	47.5	19.3%	193.0	10.6	5.5%	272.7	36.9	13.5%	1,006.5	168.4	16.7%
Leaseway Transportation Corp.	57.6	(0.6)	-1.1%	26.2	0.1	0.5%	55.9	(3.8)	-6.8%	36.4	5.5	15.4%	176.1	1.3	0.8%
Lilly (Eli) and Co.	575.4	177.8	30.9%	613.5	40.7	6.6%	567.4	157.4	27.7%	486.6	155.2	31.9%	2,242.9	531.1	23.7%
Litton Industries	400.4	42.7	10.7%	398.5	180.8	45.4%	306.4	63.2	20.6%	435.5	45.8	10.5%	1,540.8	332.5	21.6%
Lockheed Corp.	889.0	4.0	0.6%	585.9	0.0	0.0%	461.8	0.0	0.0%	337.6	0.0	0.0%	2,074.3	4.0	0.2%
Lubrizol Corp.	44.7	0.8	1.8%	64.6	13.5	20.8%	49.1	4.7	9.5%	31.0	5.0	16.1%	189.4	24.0	12.6%
MacMillan	73.4	26.9	36.7%	47.1	6.0	12.7%	35.2	7.7	21.8%	25.7	3.9	15.1%	181.4	44.5	24.5%
MAPCO	152.3	17.6	11.6%	59.6	21.3	35.7%	81.7	5.7	6.9%	121.9	11.4	9.3%	415.5	56.0	13.5%
Martin Marietta Corp.	412.5	82.5	20.0%	300.9	98.9	32.9%	184.9	1.6	0.9%	46.0	(72.4)	-157.4%	944.3	110.6	11.7%
MCA	152.3	4.7	3.1%	58.5	4.5	7.7%	115.4	6.1	5.3%	194.2	13.5	7.0%	520.4	28.8	5.5%
McDonnell Douglas Corp.	531.1	9.5	1.8%	480.4	0.0	0.0%	404.5	3.1	0.8%	327.0	0.8	0.2%	1,743.0	13.4	0.8%
McGraw-Hill	240.0	110.3	46.0%	240.8	99.8	41.4%	209.2	90.7	43.4%	182.5	76.0	41.6%	872.5	376.8	43.2%
Media General	42.7	(4.1)	-9.6%	57.5	5.1	8.9%	57.7	15.0	26.0%	55.3	19.2	34.6%	213.3	35.2	16.5%
Meillon Bank Corp.	238.1	20.0	8.4%	139.9	2.1	1.5%	194.3	3.0	1.5%	106.9	0.5	0.5%	679.1	25.5	3.8%
Merck & Co.	603.3	111.4	18.5%	562.3	98.4	17.5%	460.9	13.4	2.9%	349.1	43.9	12.6%	1,975.6	267.1	13.5%
Middle South Utilities	684.7	0.0	0.0%	761.9	0.0	0.0%	580.4	0.0	0.0%	470.8	0.0	0.0%	2,477.8	0.0	0.0%

250 Companies, Their Domestic Profits,
& Their Federal Income Taxes, 1982-85 (4)
(\$-millions):

Company:	1985			1984			1983			1982			1982-85		
	85Profit	85Tax	85Rate	84Profit	84Tax	84Rate	83Profit	83Tax	83Rate	82Profit	82Tax	82Rate	Profit	Tax	Rate
Minnesota Mining & Manuf. (3M)	\$734.0	\$251.0	34.2%	\$882.0	\$303.0	34.4%	\$780.0	\$227.0	29.1%	\$648.0	\$192.0	29.6%	\$3,044.0	\$973.0	32.0%
Mitchell Energy & Dev. Corp.	80.1	0.0	0.0%	55.9	0.0	0.0%	117.4	(1.2)	-1.0%	109.5	(18.7)	-17.1%	362.9	(19.9)	-5.5%
Mobil Corp.	13.0	0.0	0.0%	838.0	86.0	10.3%	848.0	50.0	5.9%	733.0	29.0	4.0%	2,432.0	165.0	6.8%
Morgan (J.P.) & Co.	446.5	119.3	26.6%	230.9	(43.2)	-18.7%	208.1	20.1	9.7%	116.5	5.4	4.6%	1,004.0	101.6	10.1%
M/A-COM	56.5	4.2	7.5%	52.8	(2.1)	-3.9%	45.5	(1.3)	-2.9%	62.1	17.6	28.4%	217.0	18.5	8.5%
Nalco Chemical Co.	94.2	35.9	38.1%	91.0	36.4	40.0%	98.1	36.0	36.7%	81.2	29.4	36.2%	364.5	137.8	37.8%
National Service Industries	106.6	24.2	22.7%	94.7	13.7	14.5%	80.3	1.5	1.9%	75.4	30.8	40.8%	357.0	70.1	19.6%
Nac'l Distillers & Chem. Corp.	111.3	37.4	33.6%	94.2	27.5	29.2%	75.8	21.5	28.4%	68.4	21.1	30.8%	349.7	107.5	30.7%
NCR Corp.	186.2	78.3	42.0%	229.0	104.5	45.6%	237.9	68.3	28.7%	176.2	6.5	3.7%	829.4	257.5	31.1%
Niadara Mohawk Power Corp.	541.0	(21.3)	-3.9%	430.1	17.7	3.9%	378.5	(4.6)	-1.2%	331.4	4.9	1.5%	1,741.0	(3.3)	-0.2%
Norfolk Southern Corp.	799.4	128.5	16.1%	816.7	154.7	18.9%	596.5	37.5	6.3%	731.0	36.8	5.0%	2,943.6	357.6	12.1%
Northern Indiana PSC	31.0	1.6	5.2%	243.4	7.4	3.0%	229.7	6.0	2.6%	178.1	(9.2)	-5.2%	582.2	5.8	0.8%
Northern States Power Co.	332.4	18.6	5.6%	330.1	10.4	3.1%	347.6	(3.1)	-0.9%	288.2	(15.9)	-5.5%	1,298.3	9.9	0.8%
Northrop Corp.	347.2	8.4	2.4%	239.4	(3.9)	-1.6%	149.8	1.5	1.0%	(38.5)	(11.2)	NM	597.9	(5.2)	-0.7%
Ohio Edison Co.	543.5	19.5	3.6%	496.7	5.8	1.2%	417.0	10.1	2.4%	315.2	(10.2)	-3.2%	1,772.3	25.2	1.4%
Overseas Shipholding Group	42.6	4.9	11.5%	49.6	(4.6)	-9.7%	51.8	(2.6)	-5.0%	71.9	0.3	0.4%	215.9	(2.2)	-1.0%
Owens-Corning Fiberglas Corp.	182.5	53.8	29.5%	167.3	54.8	32.8%	96.3	39.2	40.7%	37.6	5.2	13.8%	483.7	153.1	31.6%
Owens-Illinois	187.6	56.1	29.9%	133.7	20.7	15.5%	47.6	(33.4)	-70.2%	(13.9)	(18.8)	NM	355.0	24.6	6.9%
PACCAR	82.5	31.1	37.6%	168.5	83.6	49.6%	56.1	17.7	31.6%	53.5	19.6	36.6%	360.6	151.9	42.1%
Pacific Gas and Electric Co.	1,559.0	113.9	7.3%	1,487.4	(12.6)	-0.8%	1,178.4	57.7	4.9%	1,145.2	438.1	38.3%	5,350.0	597.0	11.2%
Pacific Lighting Corp.	248.0	141.2	56.9%	243.4	(14.5)	-6.0%	244.3	41.1	16.8%	180.9	(14.0)	-7.7%	916.7	153.8	16.8%
PacificCorp (Pac. Power & Light)	344.6	71.3	20.7%	391.3	40.3	10.3%	106.9	12.3	11.5%	273.8	6.3	2.3%	1,116.7	130.2	11.7%
Panhandle Eastern Corp.	213.8	0.0	0.0%	282.7	0.0	0.0%	311.3	0.0	0.0%	255.7	(34.7)	-13.6%	1,063.5	(34.7)	-3.3%
Parker Hannifin Corp.	118.8	29.5	24.9%	102.5	33.8	33.0%	35.3	4.5	12.7%	70.3	8.4	11.9%	327.0	76.2	23.3%
Pennsylvania Power & Light Co.	443.3	11.6	2.6%	442.1	0.4	0.1%	386.1	0.1	0.0%	288.6	(12.9)	-4.5%	1,560.1	(0.7)	-0.0%
Pennzoil Co.	326.2	78.4	24.0%	318.0	100.0	31.4%	244.1	7.9	3.2%	228.3	(0.1)	-0.0%	1,112.7	186.2	16.7%
Penstco	440.5	(31.9)	-7.2%	481.9	11.6	2.4%	496.5	(45.3)	-9.1%	502.2	(23.7)	-4.7%	1,921.1	(89.3)	-4.6%
Perkin-Elmer Corp.	73.6	23.3	31.6%	53.6	17.2	32.2%	45.6	10.5	23.0%	65.2	9.1	14.0%	238.0	60.1	25.3%
Pfizer	556.1	44.5	8.0%	457.6	156.8	34.3%	329.1	87.7	20.6%	254.4	15.6	6.1%	1,597.2	284.6	17.8%
Philadelphia Electric Co.	532.6	(2.6)	-0.4%	621.6	3.1	0.5%	501.9	(16.4)	-3.3%	439.1	11.5	2.6%	2,155.2	(4.4)	-0.2%
Philippine Morris	2,012.0	762.0	37.9%	1,375.5	572.8	41.6%	1,387.2	416.0	30.0%	1,102.2	291.5	26.4%	5,876.9	2,042.3	34.8%
Phillips Petroleum Co.	590.0	(8.0)	-1.4%	749.0	29.0	3.9%	827.0	108.0	13.1%	732.0	24.0	3.3%	2,898.0	153.0	5.3%
Piedmont Aviation	83.0	8.4	10.2%	90.1	4.2	4.7%	23.6	(14.8)	-62.7%	8.3	(19.5)	-234.3%	205.0	(21.6)	-10.6%
Pittsburg Co.	302.0	89.3	29.6%	272.9	68.1	25.0%	198.9	39.7	20.0%	198.9	62.2	31.3%	972.7	259.3	26.7%
Pitney Bowes	126.7	36.8	29.1%	159.7	45.7	29.2%	142.6	24.4	17.1%	110.7	19.1	17.3%	539.7	127.0	23.5%
Pittway Corp.	49.2	5.5	11.2%	48.1	6.3	13.2%	40.0	0.9	2.2%	43.7	(1.0)	-2.4%	181.1	11.7	6.5%
PPG Industries	453.1	123.4	27.2%	418.3	95.3	22.8%	295.9	57.0	19.3%	147.0	2.7	1.8%	1,314.3	278.4	21.2%
Prime Computer	26.2	3.0	11.4%	41.5	0.5	1.2%	28.5	0.1	0.2%	38.8	0.0	0.0%	135.0	3.5	2.6%
Procter & Gamble Co.	865.0	240.0	27.7%	1,238.0	289.0	23.3%	1,347.0	519.0	38.5%	1,253.0	438.0	35.0%	4,703.0	1,486.0	31.6%
PSE&G (New Jersey)	805.4	79.3	9.8%	739.5	21.6	2.9%	578.6	10.8	1.9%	512.3	38.0	7.4%	2,635.8	149.8	5.7%
Quaker State Oil Refining Corp	78.8	17.0	21.6%	23.6	7.8	33.1%	58.4	17.8	30.5%	66.3	18.9	28.5%	227.0	61.5	27.1%
Ralston Purina Co.	405.6	161.5	44.7%	353.3	146.2	41.4%	361.4	168.7	44.2%	268.8	111.4	41.4%	1,409.1	607.8	43.1%
Raytheon Co.	574.6	404.4	70.4%	515.5	157.6	30.6%	447.5	235.1	65.9%	452.0	193.4	42.9%	1,989.6	1,050.5	52.8%
RCA	293.6	36.9	12.6%	276.0	68.9	25.0%	261.9	(30.9)	-11.8%	198.7	(34.9)	-17.6%	1,030.2	40.0	3.9%
Reynolds (R.J.) Industries	1,332.0	565.0	42.4%	1,180.0	456.0	38.6%	1,158.0	410.0	35.4%	1,067.0	509.0	47.7%	4,737.0	1,940.0	41.0%
Rockwell International	881.9	305.6	34.7%	779.6	217.6	27.9%	587.0	161.4	27.5%	522.7	(1.7)	-0.3%	2,771.2	862.9	24.6%
Rohm and Haas	104.0	12.0	11.5%	160.8	53.9	33.5%	155.3	50.1	32.3%	29.0	(11.2)	-38.6%	449.1	104.8	23.3%
Santa Fe South'n Pacific Corp.	652.5	8.6	1.3%	730.0	8.3	1.1%	512.5	31.1	6.1%	403.9	(28.7)	-7.1%	2,298.9	19.3	0.8%
Sara Lee Corp. (Consol. Foods)	217.9	60.4	27.7%	263.0	19.6	7.4%	218.6	12.7	5.8%	185.4	1.8	1.0%	884.9	94.4	10.7%
Schermer-Plough Corp.	183.0	18.5	10.1%	174.9	26.1	14.9%	178.8	31.5	17.6%	149.9	5.2	3.5%	686.6	81.3	11.8%
SCM Corp.	26.7	2.1	7.9%	47.3	1.8	3.8%	32.5	3.1	9.5%	25.0	(9.0)	-36.0%	131.5	(2.0)	-1.5%

250 Companies, Their Domestic Profits,
& Their Federal Income Taxes, 1982-85 (5)
(\$-millions):

Company:	1985				1984				1983				1982				1982-85			
	85Profit	85Tax	85Rate		84Profit	84Tax	84Rate		83Profit	83Tax	83Rate		82Profit	82Tax	82Rate		Profit	Tax	Rate	
Scott Paper Co.	\$182.8	\$29.1	15.9%		\$232.0	\$67.4	29.1%		\$148.3	\$25.3	17.1%		\$114.7	(\$76.8)	-66.9%		\$677.8	\$45.0	6.6%	
Sears, Roebuck & Co.	1,460.3	132.6	9.1%		1,772.3	166.2	9.4%		1,790.8	67.8	3.8%		1,053.4	81.2	7.7%		6,076.8	447.8	7.4%	
Security Pacific Corp.	414.6	8.8	2.1%		360.1	48.1	13.4%		385.0	8.3	2.2%		267.0	3.4	1.3%		1,426.8	68.6	4.8%	
Shell Oil Co.	2,644.0	237.0	9.0%		2,868.0	702.0	24.5%		2,564.0	551.0	20.7%		2,586.0	588.0	22.7%		10,762.0	2,078.0	19.3%	
Sherwin-Williams Co.	116.7	39.4	33.7%		107.0	39.4	36.8%		89.6	41.0	45.8%		63.4	27.6	43.5%		376.6	147.4	39.1%	
Singer Co.	70.4	1.1	1.6%		89.6	0.9	1.0%		65.9	0.0	0.0%		24.1	(5.4)	-22.4%		250.0	(3.4)	-1.4%	
SmithKline Beckman	479.0	96.8	20.2%		450.7	86.2	19.1%		439.3	75.3	17.1%		387.6	71.8	18.5%		1,756.6	330.1	18.8%	
Sonoco Products Co.	74.3	32.0	43.1%		62.2	22.8	36.7%		52.4	17.0	32.4%		38.6	10.3	26.7%		227.5	82.1	36.1%	
Southeast Banking Corp.	71.2	2.7	3.7%		70.5	1.1	1.6%		51.7	(2.6)	-5.0%		41.5	2.6	6.2%		235.0	3.7	1.6%	
Southern California Edison Co.	1,458.3	(39.6)	-2.7%		1,265.9	140.5	10.9%		1,012.2	178.2	17.6%		576.7	140.4	24.3%		4,333.1	419.5	9.7%	
Southwest Airlines Co.	60.8	1.0	1.6%		67.8	(0.9)	-1.3%		63.6	3.8	6.0%		33.3	(15.7)	-47.1%		225.5	(11.8)	-5.2%	
Sperry Corp.	43.4	16.8	38.7%		91.3	5.0	5.5%		29.6	(9.5)	-32.1%		213.8	3.3	1.5%		378.1	15.6	4.1%	
Springs Industries	19.2	3.0	15.7%		51.2	10.2	19.9%		52.9	4.4	8.3%		58.6	18.5	31.6%		181.9	36.1	19.8%	
Square D Co.	147.7	39.9	27.0%		153.4	56.8	37.0%		110.0	34.5	31.4%		91.8	36.2	39.4%		503.0	167.3	33.3%	
Scribner Corp.	123.3	28.4	23.1%		140.6	52.7	37.5%		145.6	19.6	13.5%		135.1	12.5	9.3%		544.6	113.2	20.8%	
Standard Oil Co. (Ohio)	673.0	331.0	49.2%		2,604.0	681.0	26.2%		2,541.0	801.0	31.5%		3,295.0	1,327.0	40.3%		9,113.0	3,140.0	34.5%	
Stanley Works	110.9	30.5	27.5%		101.3	26.0	25.6%		66.1	19.0	28.7%		43.0	16.0	37.2%		321.2	91.5	28.5%	
Sun Chemical Corp.	9.1	(7.3)	-80.8%		30.5	2.9	9.4%		30.0	0.4	1.3%		21.8	(9.3)	-42.5%		91.5	(13.4)	-14.6%	
Sun Co.	682.0	138.0	19.9%		757.0	23.0	3.0%		594.0	148.0	24.9%		716.0	28.0	3.9%		2,759.0	337.0	12.2%	
Sundstrand Corp.	111.0	(18.1)	-16.3%		106.2	7.8	7.3%		66.2	(13.8)	-20.8%		94.4	0.2	0.2%		377.9	(23.9)	-6.3%	
SuperValu Stores	144.0	55.2	38.3%		132.8	50.9	38.3%		117.0	47.1	40.3%		112.5	47.7	42.4%		506.4	200.9	39.7%	
Tektronix	29.6	(2.1)	-7.2%		31.0	(51.8)	-167.3%		19.6	0.8	4.1%		83.2	39.3	47.3%		163.3	(13.8)	-8.5%	
Tenneco	527.0	9.0	1.7%		714.0	23.0	3.2%		778.0	8.0	1.0%		894.0	(9.0)	-1.0%		2,913.0	31.0	1.1%	
Texaco	710.0	180.0	25.4%		120.0	(10.0)	-8.3%		130.0	(156.0)	-115.4%		627.0	(88.0)	-14.0%		1,587.0	(68.0)	-4.3%	
Textron	242.0	36.9	15.2%		168.9	34.8	20.6%		123.2	17.5	14.2%		109.9	8.9	8.1%		644.0	98.1	15.2%	
TiNe	317.7	61.2	19.3%		343.3	70.6	20.6%		235.9	77.4	32.8%		180.3	56.6	31.4%		1,077.2	265.8	24.7%	
Tracor	26.5	5.4	20.3%		52.5	11.2	21.3%		38.9	8.0	20.5%		31.4	7.2	22.9%		149.4	31.7	21.2%	
Transamerica Corp.	4.2	(7.3)	-175.7%		145.5	(5.8)	-4.0%		211.9	(2.9)	-1.4%		163.4	(57.1)	-34.9%		525.0	(73.2)	-13.9%	
Tribune Co.	179.6	67.0	37.3%		173.7	53.9	31.0%		129.5	37.8	29.1%		12.8	(17.6)	-137.3%		495.7	141.1	28.5%	
TRN	129.5	24.0	18.5%		340.4	200.2	58.8%		272.4	44.8	16.4%		233.4	(12.1)	-5.2%		975.6	256.9	26.3%	
Tyson Foods	85.3	4.0	4.7%		30.8	0.5	1.7%		19.2	(0.4)	-1.9%		14.6	(3.7)	-25.3%		130.0	0.4	0.3%	
Union Carbide Corp.	117.6	(13.3)	-11.3%		263.2	(3.8)	-1.4%		152.0	(19.3)	-12.7%		158.0	(0.6)	-0.4%		690.9	(36.9)	-5.3%	
Union Electric	419.5	8.5	2.0%		472.8	(6.5)	-1.4%		411.5	6.7	1.6%		300.4	7.6	2.5%		1,604.2	16.3	1.0%	
Union Pacific Corp.	749.0	23.0	3.1%		766.0	40.0	5.2%		687.0	23.0	3.3%		475.0	35.0	7.4%		2,677.0	121.0	4.5%	
United Technologies	684.9	166.1	24.3%		627.5	176.4	28.1%		551.4	127.8	23.2%		434.1	78.3	18.0%		2,297.9	548.6	23.9%	
Unocal Corp.	288.0	(36.0)	-12.5%		857.4	91.2	10.5%		807.9	187.1	20.7%		1,153.0	254.6	22.1%		3,106.3	476.9	15.4%	
Upjohn Co.	288.0	78.0	27.1%		256.1	68.1	26.6%		263.3	69.8	26.5%		193.9	14.8	7.6%		981.4	230.7	23.5%	
USG Corp. (U.S. Gypsum)	360.0	124.9	34.7%		288.6	129.6	44.9%		129.2	42.0	32.5%		43.2	(10.6)	-24.5%		820.9	285.9	34.8%	
U.S. Bancorp	73.7	14.5	19.7%		88.2	(9.4)	-13.8%		51.7	(22.0)	-42.5%		45.0	(24.5)	-54.5%		238.6	(41.4)	-17.3%	
VF Corporation	263.2	114.0	43.3%		230.3	101.5	44.1%		208.4	95.0	45.6%		165.4	74.5	45.0%		867.3	385.0	44.4%	
West Point-Pepperell	45.5	12.9	28.4%		50.0	23.3	46.6%		82.2	20.6	25.1%		63.5	15.6	24.5%		281.2	72.4	25.7%	
Westinghouse Electric Corp.	723.7	24.7	3.4%		619.8	(16.0)	-2.6%		393.7	20.2	3.3%		452.4	(48.2)	-10.7%		2,189.6	(19.3)	-0.9%	
Westvaco Corp.	130.9	19.7	15.0%		168.8	30.3	17.9%		84.2	6.8	8.1%		67.4	(2.1)	-3.2%		451.3	54.6	12.1%	
Weyerhaeuser Co.	289.2	58.6	20.3%		288.5	79.5	27.5%		274.2	46.4	16.9%		115.1	(40.8)	-35.4%		966.9	143.7	14.9%	
Whirlpool Corp.	284.5	77.3	27.2%		289.4	101.1	34.9%		255.5	123.5	48.3%		193.0	84.8	43.9%		1,022.3	386.7	37.8%	
Witco Corp.	77.3	22.5	29.2%		76.6	23.8	31.1%		75.0	27.3	36.4%		42.2	7.6	18.0%		271.1	81.3	30.0%	
Wrigley (Wm., Jr.) Co.	54.3	20.4	37.5%		42.3	15.3	36.0%		43.7	16.0	36.7%		32.5	11.4	34.9%		172.9	63.0	36.4%	
Wyman-Gordon Co.	35.4	10.1	28.5%		55.9	16.5	29.4%		77.8	24.9	32.0%		99.6	34.5	34.6%		266.7	86.0	32.0%	
Xerox	24.9	(29.1)	-116.9%		75.1	(6.5)	-8.7%		318.5	46.8	14.7%		251.8	(54.0)	-21.4%		670.3	(42.8)	-6.4%	
TOTALS, 250 COMPANIES:	\$99,295.1	\$15,287.2	15.4%		\$103,678.7	\$17,424.5	16.8%		\$98,671.3	\$14,699.9	14.9%		\$86,356.3	\$10,529.2	12.2%		\$386,901.5	\$57,940.8	14.9%	

Notes on Individual Companies

Abbot Laboratories. Some of the company's 1983 tax apparently reflects a settlement reached with the IRS with regard to the company's Puerto Rican operations relating to tax years 1970-78. The company noted in its 1983 report that: "The 'Tax Equity and Fiscal Responsibility Act of 1982,' which changed the method of determining the taxable income of the Puerto Rican subsidiaries, did not materially affect the company's consolidated 1983 tax rate." Indeed, the company reports that the special treatment of Puerto Rican profits generated tax savings amounting to \$77 million, \$66.4 million, \$53 million and \$53.8 million in 1985, 1984, 1983 and 1982, respectively.

Air Products & Chemicals. 1983 results were adjusted to reflect \$27.6 million received by the company from the sale of tax benefits through "safe-harbor leasing" (which the company treated as an addition to income rather than as a tax benefit).

Alco Standard Corp. The company's tax figures were adjusted to reflect tax benefits purchased through "safe-harbor leasing," which the company did not reflect in its statement of taxes paid. The 1983 report notes: "During fiscal 1983 and fiscal 1982, the company entered into safe-harbor leasing agreements. . . . While not reducing the current provision for income taxes, the tax benefits of \$10,292,000 in 1983 and \$10,955,000 in 1982 from these transactions have reduced current payments." The 1984 report notes: "While not reducing the current provision for income taxes, the tax benefits of \$12,342,000 in 1984 . . . from . . . leasing transactions have reduced current payments." And the 1985 report notes: "While not reducing the current provision for income taxes, the tax benefits of \$22,999,000 in 1985 . . . from . . . leasing transactions have reduced current payments." The 1985 tax figure listed in this report also excludes a non-cash charge equal to "acquisition-related tax breaks" of \$12.3 million.

Alumax. The company's tax figures for 1982-84 include tax reductions obtained from purchasing

tax benefits through "safe-harbor leasing." The high tax rate for 1985 reflects (\$26.5) million in negative deferred taxes, including an (\$11.5) million turnaround of cash-basis accounting and (\$33.6) million related to "deferred alumina revenue." The latter reflects some \$80 million the company received--and apparently paid taxes on--but most of which was not included in the company's profit figures. This item should turn around in the near future.

American Cyanamid. In 1985, the company booked a \$54.3 million charge on a plan to curtail and consolidate certain chemical and fertilizer businesses. This cut its reported profits to the low level shown in the study, although the tax effects are primarily deferred.

AMETEK. The benefits the company obtained from purchasing tax benefits through "safe-harbor leasing," (apparently) reflected in its tax statements, amounted to \$13.3 million in 1985, \$14.8 million in 1984, \$13.6 million in 1983, \$19 million in 1982 and \$7.8 million in 1981.

Amoco. The company obtained very substantial tax reductions from the purchase of tax benefits through "safe-harbor leasing." Apparently, these amounts are fully reflected in the company's tax statement. Although not fully disclosed, the company's tax savings from "leasing" would appear to exceed \$500 million over the 1982-85 period.

Amstar. The company's fiscal year ends on June 30 of the years listed.

Anheuser-Busch. The company's current tax figures were adjusted downward by \$9.7 million in 1983, \$15.7 million in 1982, and \$6.3 million in 1981 to take account of purchased tax benefits that were not reflected in the company's current tax provision (some calculations were required). The leasing benefits for 1984 and 1985 are apparently reflected in the company's tax statement.

Armstrong World Industries. The company's profit figures were reduced by the (small) amounts the company included as "purchase of tax benefits, net gain." The company's tax figures were reduced by the tax reductions the company received from purchased tax benefits, amounting to \$18.9 million, \$18.9 million, \$25.9 million, \$9.7 million and \$16.2 million in 1985, 1984, 1983, 1982 and 1981, respectively. (Leasing tax reductions were computed based on the company's disclosure that it purchased tax breaks involving \$96 million in equipment in 1983 and \$100 million in 1981.)

AT&T. The company's sharply lower profit figures after 1983 compared to earlier years reflects the divestiture of the telephone operating companies. In its 1985 report the company slightly corrected its 1984 figures. It says the new figures are more accurate, and they are used here. At the end of 1985, the company had \$300 million in investment tax credit carryforwards available to reduce taxes in future years.

AZP Group (Arizona Public Service Co.) At the end of 1985, the company had \$11 million in investment tax credit carryforwards available for use in subsequent years.

Baltimore Gas and Electric Co. The company's current tax provision includes \$2.5 million in 1985, \$5.1 million in 1984, \$5.7 million in 1983 and \$10.7 million in 1982 reflecting tax benefits purchased through "safe-harbor leasing."

Barnett Banks of Florida. The company's low tax rate largely reflects tax-exempt interest earnings, which equalled 80% of the company's net pretax income in 1985. (Notably, tax-exempt interest was only 8% of the company's gross interest income and only 21% of net interest income before other expenses.)

Bankers Trust. Figures include the company's tax credits obtained through leasing transactions (which the company itself reports separately from its main tax figures).

Baxter Travenol Laboratories. Profit figure for 1984 does not include a "special [non-cash] charge" for planned consolidation of facilities and asset revaluations.

Becton, Dickinson and Co. 1983 figures do not include an extraordinary charge for discontinued operations and write-downs of \$74.9 million pretax, nor the \$33.4 million in deferred tax reductions related thereto. 1985 and 1984 tax figures do not include the \$15.5 million and \$17.9 million, respectively, in current tax benefits relating to these items.

Boeing Co. Tax figures reflect investment tax credits actually utilized, rather than the amortization of previously deferred (for book purposes) credits. (Credits usable were \$21 million less than the amortized amount booked in 1985, \$40 million less than the amortized amount booked in 1984, \$28 million less in 1983, \$10 million less in 1982 and \$70 million more in 1981, according to the company's cash-flow statement.) The company's tax savings from "completed-contract accounting" amounted to \$248 million in 1985, \$298 million in 1984 and \$138 million in 1983.

Borg-Warner Corp. The company does not consolidate its financial service subsidiaries, so that the tax figures reported here are almost certainly too high. The company notes that including the subsidiaries, it had more tax credits than it could utilize: "The total investment tax credit carryforward for Borg-Warner and its unconsolidated Financial Service companies is \$42.6 million" at the end of 1985.

Briggs & Stratton Corp. The company's fiscal year ends on June 30 of the years listed. For financial reporting purposes, the company accounts for the investment tax credit as a reduction in depreciation expense. In this study, the investment tax credit is accounted for as a reduction in taxes paid (and a corresponding adjustment is made to the company's pretax profits).

Burlington Northern. Results for 1984 and 1985 include the El Paso Co., which Burlington Northern acquired in December of 1983. Results for 1982 and 1981 include \$16 million and \$35.1 million, respectively, that the company received from the sale of tax benefits. (The company treated these proceeds as an increase in income rather than as a tax benefit, and both income and taxes for 1982 and 1981 were adjusted by the study.) The company complained in its 1983 report that: "The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) significantly reduced the Company's ability to sell investment tax credits and accelerated cost recovery system tax benefits effective July 1, 1982. The 1982 sale of tax benefits qualified under special transition rules of TEFRA." At the end of 1985, the company had \$90 million in investment tax credit carryforwards and \$62.8 million in "loss" carryforwards available to reduce taxes in future years.

Cabot Corp. The company includes state income taxes along with federal in its current tax provision, but provides sufficient information to separate out the state amount (which was subtracted from both pretax income and current taxes in this study).

Campbell Soup Co. The company was able to reduce its taxes by \$16 million in 1985, \$21 million in 1984 and \$23 million in 1983 due to the purchase of tax benefits through "safe-harbor leasing." The tax figures listed in this study include those reductions.

Carolina Power & Light Co. At the end of 1985, the company had \$24 million in tax credit carryforwards available to reduce taxes in subsequent years.

Carpenter Technology Corp. The company's purchase of tax benefits in 1982 through "safe-harbor leasing" reduced its tax liability by \$1.1 million in 1985, \$1.7 million in 1984, \$2.3 million in 1983 and \$8.5 million in 1982.

CBS. The company reports benefits from purchased tax credits of \$3 million in 1984, \$3.8

million in 1983, \$7.4 million in 1982, and \$3.6 million in 1981. (The company treated these proceeds as an increase in pretax profits; both profits and taxes were adjusted in this study to treat the proceeds as tax benefits.)

Central and South West Corp. The company's purchases of tax benefits through "safe harbor leasing" "served to reduce Federal income taxes currently payable in amounts of \$44,909,000, \$85,390,000 and \$27,775,000 in 1984, 1983, and 1982, respectively." A new leasing subsidiary cut the company's taxes by \$6.7 million in 1985. (The company's tax figures were adjusted in this study to take account of these reductions.)

Champion International Corp. Profits figures for 1984 do not include a large, deferred charge for restructuring. Tax figures for 1985 do not include the current tax reduction that year from the restructuring charge. At the end of 1985, the company had investment tax credit carryforwards of \$113 million available to reduce taxes in subsequent years.

Chevron Corp. The company's figures for 1985 reflect its acquisition of Gulf Oil Corp.

Citizens and Southern Georgia Corp. The company's investment tax credits relating to leases are not fully reflected as a reduction in its tax bill due to its method of accounting.

Clorox Co. The company's fiscal year ends on June 30 of the years listed. The company treats a small portion of the tax reductions it obtained from its fiscal 1982 and 1983 purchases of tax benefits through "safe-harbor leasing" as an addition to pretax income. This study reallocates those amounts as a reduction in taxes paid. At least a portion of the remainder of the "leasing" benefits was treated by the company as a reduction in its taxes in 1982-85.

Coleman Co. The tax reductions the company obtained through the purchase of tax benefits under "safe-harbor leasing" are apparently included in its tax statement.

Colt Industries. Tax figures include state and local income taxes. The company's increased taxes in 1984 and 1983 reflect a turnaround on its use of the "completed contract method of accounting," in conjunction with reforms to that tax preference enacted in 1982. In 1985, however, the company saved \$14.3 million due to "completed contract accounting."

Comerica. In its 1985 report, the company slightly restated its 1984 tax figure to reflect actual payments more accurately.

Commonwealth Edison Co. Both the company's income and tax figures were reduced by tax credits that the company chose to book as increases in profit rather than as tax reductions. (These tax credits amounted to \$150.6 million in 1985, \$151.4 million in 1984, \$132.5 million in 1983, \$142.7 million in 1982 and \$113.1 million in 1981.) In addition, the company received \$13.6 million in 1981 from the sale of tax benefits through "safe-harbor leasing" transactions. At the end of 1985, the company had \$427 million in investment tax credit carryforwards, which it expects to use to reduce future taxes otherwise due.

ConAgra. Figures apparently do not include the tax benefits associated with the company's unconsolidated leasing subsidiary.

Consolidated Edison Co. Unlike almost all other utilities, Con Ed books very little in deferred income taxes (and quite a lot in current taxes).

Continental Telecom. The current taxes reported in this study include tax reductions from purchased tax benefits of \$9.7 million in 1985 and 1984, \$13.3 million in 1983, and \$13.7 million in 1982 (computed based on the company's disclosures in the notes to its 1983 report). Figures do not include any additional tax benefits for 1985 associated with the company's unconsolidated leasing subsidiary.

CSX Corp. Figures for 1985 do not include a "special charge" for restructuring, nor any related tax effects.

Cubic Corp. 1983 and 1982 results include \$7.6 million and \$12.4 million, respectively, in tax reductions from tax benefits purchased through

"safe-harbor leasing." 1984 results include an increase in taxes of \$2.5 million relating to the safe-harbor leasing transactions and a decrease of \$3.5 million relating to leveraged leasing deals that year. For 1985, the company does not provide sufficient information to take account of its leasing transactions.

Dart & Kraft. The company's tax figures "include the effect of significant tax credits of [Dart & Kraft] Financial [Corporation] arising primarily from its leasing activities."

Detroit Edison Co. At the end of 1985, the company had \$291 million in investment tax credit carryforwards available to reduce taxes in subsequent years. A slight error in the company's tax figure for 1984 was corrected in this new report.

Digital Equipment Corp. The company's fiscal year ends of June 30 of the years listed in this report. The company's tax statements reflect significant tax reductions in 1985, 1984, 1983 and 1982 from the purchase of tax benefits through "safe-harbor leasing."

Donnelly (R.R.) & Sons Co. In its 1985 report, the company offered better disclosure of its tax savings from tax breaks purchased through "safe-harbor leasing," and the results for 1983 and 1984 were changed from the earlier edition of this study to reflect the more accurate data.

Dun & Bradstreet Corp. The company's current tax was reduced by the tax benefits it "acquired and utilized" through "leasing" transactions, amounting to \$80 million in 1985, \$93.6 million in 1983, \$118.5 million in 1982 and \$118.5 million in 1981. (The small amounts the company included in pretax profits relating to leasing were subtracted from those profits.)

DuPont. The company may have paid additional taxes in 1982 relating to the sale of its Petro-Lewis subsidiary, but for financial reporting purposes it booked neither the gain nor any tax on the sale.

Eastman Kodak Co. For 1985, a deferred charge reflecting the discontinuance of the company's instant-photo business was not included.

Exxon. A transcription error in listing the company's 1984 profits and taxes in last year's version of this report has been corrected.

E-Systems. The company's figures include tax reductions from the purchase of tax benefits through "safe-harbor leasing" of \$3.9 million in 1985, \$3.9 million in 1984, \$4.1 million in 1983 and \$6.9 million in 1982.

Federal Paper Board Co. In 1982, the company received \$39.2 million in a sale/leaseback of equipment. Although not included in this study, this transaction does appear to reflect a situation in which the company was profiting from the federal tax system.

First Executive Corp. Figures for 1981-83 were adjusted to correct interpretation errors in the previous version of this study.

General Dynamics. For 1982 and 1981, both profits and taxes were reduced from the amount reported by the company by the proceeds from selling tax benefits. These amounted to \$11.4 million in 1982 and \$35 million in 1981. (The company treated the proceeds as an increase in income rather than as a tax benefit.) In 1984, the company experienced a substantial turnaround in taxes previously deferred using the "completed contract method of accounting." But the company was able to offset this turnaround by utilizing \$2.3 billion in "loss" carryforwards from previous years. In 1985, the company deferred \$151.3 million in taxes from "completed contract accounting." At the end of 1985, the company held \$632.6 million in "loss" carryforwards and \$188 million in investment tax credit carryforwards available to reduce taxes in future years.

General Electric Co. The company's tax refunds in 1981 through 1983 and its low taxes in 1984 and 1985 stem largely from tax credits and deductions it acquired through its leasing subsidiary, General Electric Credit Corporation. At the end of 1985, the company had \$358 million in investment tax credit carryforwards available to reduce taxes in future years.

General Foods Corp. The company's fiscal year ends on March 30. The figures in this study reflect the company's reports for fiscal 1986,

fiscal 1985, fiscal 1984, fiscal 1983 and fiscal 1982 under calendar 1985, 1984, 1983, 1982 and 1981, respectively. Results for 1984 and 1985 include General Foods Credit Corp., the company's leasing subsidiary. The company's current tax disclosure statements (apparently) reflect the tax reductions the company received from the purchase of tax benefits through "safe-harbor leasing" (most notably in 1981).

General Mills. The company was able to reduce its taxes by \$118 million in 1984, \$175 million in 1983, and \$130 million in 1982 through the purchase of tax breaks under "safe-harbor leasing." The company's fiscal year ends of May 26 of the years listed.

General Motors Corp. Figures include the profits and taxes of GMAC.

General Public Utilities. Tax figures include some state income taxes as well as federal. The company's high tax figure for 1985 reflects a large negative deferred item that is either a turnaround of a previous benefit or should itself turn around in the near future.

Georgia-Pacific Corp. 1982 results were adjusted to reflect \$41 million received from the sale of tax benefits (which the company treated as an addition to income rather than as a tax benefit).

General Signal Corp. Profit figure for 1985 does not include the deferred portion of a large restructuring charge.

Grace (W.R.) & Co. 1982 results were adjusted to reflect \$53.2 million received by the company from the sale of tax benefits (which the company treated as an addition to income rather than as a tax benefit). Profit figure for 1985 includes Grace's retail operations, which after 1985 ended the company decided to sell (in 1986). Without the retail operations, the company reports that its 1983-85 domestic profits would have been \$112.7 million and its federal taxes would have been negative (\$36.2) million, for an effective tax rate of -32.1% over the three years (considerably lower than the figures reported in this survey). Over the same 1983-85 period, the company reports \$108.5 million in income tax payments to Libya.

Great Northern Nekoosa. At the end of 1985, the company had \$40.5 million in investment tax credit carryforwards available to reduce taxes in future years.

Greyhound Corp. Figures include the company's financial subsidiaries (information about which the company restated for 1983 and 1984), which are the key to the company's lack of tax payments. Investment tax credits treated by the company as income were subtracted from both income and taxes.

Grumman Corp. In its 1984 annual report, the company noted: "the company expects to begin making substantial payments of income taxes starting in 1985. In the past five years, tax payments have been deferred principally by the use of the completed contract method of reporting profits on long-term aerospace contracts for tax purposes." In fact, that turned out to be the case. In 1985, the company experienced an \$80 million turnaround on "completed contract accounting," which is the reason for its high tax rate in 1985.

GTE Corp. The profit figure reported here for 1985 is before a 1986 restructuring charge that the company booked retroactively to 1985.

Gulf States Utilities Co. At the end of 1985, the company had investment tax credit carryforwards of \$258 million and "loss" carryforwards of \$10 million available to reduce taxes in subsequent years.

Halliburton Co. The company's high tax rate for 1985 reflects a large, mainly non-cash write-down of the company's offshore equipment and other marine investments, which depressed the company's reported profit.

Harris Corp. The company's fiscal year ends on June 30 of the years listed. In 1985, the company experienced a turnaround on taxes previously deferred due to the "completed contract method of accounting."

Harsco. The company's high tax rate for 1985 reflects expenses that were accrued for book purposes, but were not yet deductible for tax purposes (because they had not yet been paid.)

Hercules. Figures include state income taxes. At the end of 1985, the company had an investment tax credit carryforward of \$34 million available to reduce taxes in future years.

Honeywell. Finance and real estate subsidiaries, which may have generated tax refunds, were not consolidated by the company in its financial statements.

IBM. Figures for 1981-83 include IBM Credit Corp., while the 1984-85 figures do not. (Neither the inclusion nor the exclusion had any significant effect on total results).

IC Industries. 1982 results were adjusted to reflect \$63.5 million in proceeds received by the company from the sale of tax benefits (which the company treated as an increase in income rather than as a tax benefit).

International Minerals & Chemical Corp. 1982 results were adjusted to reflect \$45.3 million in proceeds received by the company from the sale of tax benefits (which the company treated as an increase in income rather than as a tax benefit).

International Multifoods Corp. The company's fiscal year ends on February 28. The company's reports for fiscal 1986, fiscal 1985, fiscal 1984, fiscal 1983 and fiscal 1982 are included in this study under calendar years 1985, 1984, 1983, 1982 and 1981, respectively.

International Paper Co. 1982 figures were adjusted to reflect \$37.9 million in proceeds received by the company from the sale of tax benefits (which the company treated as an increase in income rather than as a tax benefit). In addition, \$109.3 million in taxes booked as current in 1982 and as deferred in 1981 were treated in this study as current in 1981 when the related income was reported (the tax was very temporarily deferred) in order to provide a better representation of the company's situation. (This adjustment had no effect on the 1981-85 totals.) At the end of 1985, the company had \$114 million in "loss" carryforwards and \$85 million in tax credit carryforwards available to reduce taxes in future years.

Jim Walter Corp. The company's fiscal year ends on August 31 of the years listed.

Johnson & Johnson. The company is a major beneficiary of the tax preference for profits earned in Puerto Rico, which saved the company \$305 million over the 1981-85 period.

Johnson Controls. The company's fiscal year ends on September 30 of the years listed. The company was able to reduce its taxes by \$7.1 million in 1985, \$8.1 million in 1984, \$7.9 million in 1983 and \$8.1 million in 1982 through the purchase of tax benefits under "safe-harbor leasing."

Kellogg Co. The company's tax figures were adjusted to include the tax reductions it obtained from the purchase of tax benefits under "safe-harbor leasing." These amounted to \$1.2 million in 1985, \$3.1 million in 1984, \$6.2 million in 1983, and \$12 million in 1982.

K mart. The company's fiscal year ends on January 29 following the years listed.

Litton Industries. The company's fiscal year ends on July 31 of the years listed. From 1981 to 1985, the company obtained no net benefit from the "completed-contract method of accounting." It experienced turnarounds on taxes previously deferred under that accounting method in 1984, 1983, and (especially) 1981, and generated significant deferrals in 1982. In 1985, the company was able to defer \$34.9 million due to "completed contract accounting."

Lockheed Corp. The company's tax savings from completed contract accounting amounted to \$325 million in 1985, \$257 million in 1984, and \$223 million in 1983.

Lubrizol Corp. The company's tax figure for 1985 includes state income taxes and federal taxes on foreign profits.

M/A COM. The company's fiscal year ends on October 1 of the years listed. The company has engaged in several types of leasing transactions over the years studied, including sale/leaseback transactions in 1984 and 1983, in which it received \$25.7 million and \$11.2 million, respectively. Although these sale/leaseback transac-

tions are not included in the results of this study, they do appear to reflect a situation in which the company was profiting from the federal tax system.

Martin Marietta Corp. 1982 figures were adjusted to reflect \$60.5 million in proceeds received by the company from the sale of tax benefits [part of which (\$22.4 million) the company treated as an increase in income]. The sharp increase in taxes in 1984 reflected a turnaround of taxes previously deferred under the "completed contract method of accounting" and the discontinuance of the company's aluminum business.

McDonnell Douglas Corp. Figures include McDonnell Douglas Finance Corp. The company reduced its reported taxes for 1984 "to the amounts shown on the tax returns filed"--i.e., to zero federal income tax for the year.

Mellon National Corp. The company slightly revised its 1984 results, and the change is followed in this study. (The change had no significant effect on the company's effective tax rate.)

Merck & Co. Figures for 1981-83 were adjusted to reflect tax reductions obtained through the purchase of tax benefits (a portion of which the company treated as an increase in income rather than as a tax reduction). (The size of tax benefits purchased was calculated, in part, based on the company's disclosure of what it paid for the benefits.) In its 1985 report, the company notes: "Merck was among the first companies to endorse the Administration's tax proposal, which in a modified form was later passed by the House of Representatives. The bill broadens the tax base, lowers rates for individuals and corporations, and spreads the burden more fairly among all sectors of the economy. This is progress toward the goal of genuine tax reform, and we trust the bill will win Senate approval with little change."

Middle South Utilities. At the end of 1985, the company had \$430 million in "loss" carryforwards and \$697 million in investment tax credit carryforwards available to reduce taxes in future years.

Mitchell Energy & Development Corp. The companies fiscal years end at the end of January after the years listed. 1982 and 1981 results reflect proceeds from the sale of tax benefits of \$17.3 million and \$18.5 million, respectively (part of which the company allocated to net income rather than to tax benefit).

National Service Industries. Tax figures for 1983-85 reflect tax benefits purchased under "safe-harbor leasing" (which the company reports as a reduction in taxes paid).

Norfolk Southern Corp. The company's current tax provision (apparently) reflects its tax reductions from the purchase of tax benefits through "safe-harbor leasing." Improved disclosure in the 1985 annual report is reflected in this study for 1983 and 1984 as well.

Northern Indiana Public Service Corp. At the end of 1985, the company had \$38 million in investment tax credit carryforwards available to reduce taxes in subsequent years.

Northern States Power Co. The company notes in its 1984 report: "Tax-benefit transfer leases [purchases of tax benefits] reduced current Federal income tax expense in 1984, 1983 and 1982 by \$49 million, \$52 million and \$100 million respectively." In its 1985 report, it pegs its 1985 tax savings from "tax-benefit transfer leases" at \$47 million.

Northrup. At the end of 1983, the company had approximately \$275 million in "loss" carryforwards and \$91 million in tax credit carryforwards available to reduce taxes in the future.

Ohio Edison Co. Tax figures for 1982 and 1981 reflect \$10.5 million and \$37.5 million, respectively, from the sale of tax benefits through "safe-harbor leasing."

Overseas Shipholding Group. Income figures include both domestic and tax-haven income. (The company refers to the latter as income "not subject to income taxes in the country of incorporation.")

Pacific Gas and Electric Co. 1982 figures were distorted by a major change in accounting practices (related to normalization of tax benefits for rate-making purposes).

PacifiCorp. Proceeds from the sale of tax benefits--\$1.1 million in 1982 and \$42.8 million in 1981--are reflected in the study as a reduction in taxes paid. (The company booked these benefits as an addition to cash flow with no income or tax effect.)

Pacific Lighting Corp. The company's high tax rate for 1985 largely reflects deductions not yet allowed for federal income tax purposes.

Panhandle Eastern Corp. At the end of 1985, the company had "loss" carryforwards of \$148 million and investment tax credit carryforwards of \$210 million available to reduce taxes in subsequent years.

Parker Hannifin Corp. The company's fiscal year ends on June 30 of the years listed. The 1982-84 tax reductions the company obtained from the purchase of tax benefits through "safe-harbor leasing" were included by the company as a reduction in its taxes paid. (The "leasing" transaction primarily affected the company's tax liabilities in 1983 and 1982.)

Pennsylvania Power & Light Co. At the end of 1985, the company had \$256 million in investment tax credit carryforwards available to reduce taxes in subsequent years.

Pepsico. 1984 results exclude a \$64 million non-cash charge for a goodwill write-off. The tax reductions the company obtained from the purchase of tax benefits under "safe-harbor leasing" were subtracted from the company's taxes in this study. These tax reductions, which are disclosed by the company but not booked, amounted to \$114 million, \$115.8 million, \$119.3 million, \$150.1 million and \$225.7 million in 1985, 1984, 1983, 1982 and 1981, respectively.

Perkin-Elmer Corp. The company's fiscal year ends on July 31 of the years listed. The company was able to reduce its taxes by \$5.3 million in 1985, \$4.4 million in 1984, \$6.1 million in 1983 and \$12.1 million in 1982 due to tax benefits purchased through "safe-harbor leasing."

Pfizer. The domestic profit figures listed in this study are based on the company's domestic operating profit minus a prorated share of its interest and overhead expenses. Proceeds from the sale of tax breaks (\$13.5 million in 1982), which the company treated as an increase in pretax income, were treated as a tax benefit. The company's 1983 tax bill includes amounts relating to a settlement with the IRS with respect to the company's Puerto Rican operations for years 1972-82.

Philadelphia Electric Co. At the end of 1985, the company had investment tax credit carryforwards of \$244 million available to reduce taxes in subsequent years.

Piedmont Aviation. Figures for 1983 and 1982 were adjusted to reflect proceeds from the sale of tax benefits of \$12.8 million and \$12.6 million, respectively, as tax benefits (rather than as increased profits as the company treated them). At the end of 1985, the company had \$35 million in investment tax credit carryforwards available to reduce taxes in subsequent years.

Pillsbury Co. The company's fiscal year ends on May 31 of the years listed. Fiscal 1985, 1984 and 1983 results were adjusted to include tax reductions of \$15.5 million, \$17.5 million and \$33.6 million, respectively, due to the purchase of tax benefits through "safe-harbor leasing."

Pittway Corp. Tax benefits purchased by the company pursuant to "safe-harbor leasing" affected its reported tax liabilities over the entire 1981-85 period.

Procter & Gamble Co. The company's fiscal year ends on June 30 of the years listed.

RCA. 1984 results include RCA Credit Corp. 1984 results were also affected by a \$175 million, mainly non-cash restructuring write-off of RCA's Video Disc operations. Without that charge, the company's effective tax rate for 1984 would be 15.3%. 1982 results include \$23.5 million received by the company as the proceeds from the sale of tax benefits through "safe-harbor leasing." (The company treated this amount as an increase in profit; the study treats it as a tax benefit.) In early 1986, the company was acquired by General Electric for \$6 billion.

Ralston Purina Co. The company's fiscal year ends on September 30 of the years listed. 1981-83 figures do not include discontinued or unusual items.

Raytheon Co. The company's sharp swings in tax rates reflect taxes deferred and then paid under "completed contract accounting."

Rockwell International Corp. In its 1983 report, the company noted: "The increased provision for income taxes and decreased provision for deferred taxes in 1983 are due principally to taxable income resulting from completion of a major segment of the Space Shuttle program during 1983." In other words, taxes that had previously been deferred under the "completed contract method of accounting" finally came due in 1983. (In 1985 and 1984, however, Rockwell enjoyed \$41.5 million and \$97.6 million, respectively, in tax deferrals due to completed contract accounting.)

Santa Fe Southern Pacific Corp. Figures reflect \$12 million in 1983, \$40.4 million in 1982 and \$64.9 million in 1981 in proceeds from the sale of tax benefits (treated as tax benefits, rather than as increases in income, as the company lists them). At the end of 1984, the company had \$53 million in investment tax credit carryforwards available to reduce taxes in the future.

Sara Lee Corp. The company was known as Consolidated Foods Corp. until April 2, 1985. The company's fiscal year ends on June 30 of the years listed. The company's current tax statement includes tax reductions from purchased tax benefits of \$1.5 million in fiscal 1985, \$42.4 million in fiscal 1984, \$64.1 million in 1983, and \$57.5 million in 1982--which account for the sharp reduction in the company's tax rate after fiscal 1981.

Scott Paper Co. The company's tax and profit figures for 1981-83 were adjusted in this study to treat the amounts the company received from the sale of tax benefits pursuant to "safe-harbor leasing" as tax benefits rather than as an increase in pretax profits. These proceeds amounted to \$3.3 million in 1983, \$84.2 million in 1982, and \$51.4 million in 1981.

Sherwin-Williams Co. In 1983 and 1982, the company had to pay certain taxes that previously had been deferred, due in part to the tax code's treatment of installment sales.

Singer Co. Results for 1982 and 1981 were adjusted to treat the proceeds from sales of tax benefits--\$5.4 million and \$7.1 million, respectively--as tax benefits (rather than as increases in profits as the company booked them). At the end of 1985, the company had \$26 million in investment tax credit carryforwards available to reduce taxes in future years.

SmithKline Beckman. In its 1983 annual report, the company noted: "The 'Tax Equity and Fiscal Responsibility Act of 1982' (TEFRA), which became effective on January 1, 1983, changed the manner in which income from the Company's Puerto Rican operations is taxed. Management's initial forecast of an increase in the Company's 1983 effective tax rate did not materialize."

Southwest Airlines Co. Results for 1982 were adjusted to treat the proceeds from a sale of tax benefits, amounting to \$11.1 million, as a tax benefit (rather than as an increase in profits as the company booked them). At the end of 1985, the company had \$20 million in "loss" carryforwards and \$25 million in investment tax credit carryforwards available to reduce taxes in future years.

Sperry Corp. The company's fiscal year ends on March 31 of the years listed. The sharp increase in the company's tax rate in 1985 reflects a large turnaround in taxes previously deferred under the tax rules governing installment sales.

Squibb Corp. The tax preference for Puerto Rican income saved the company \$29 million in 1985, \$24 million in 1984 and \$39 million in 1983.

Standard Oil Co. (Ohio). The company's high tax rate for 1985 reflects a (mainly) non-cash special charge that depressed reported profits:

Sun Chemical Corp. The company's reported tax figures include state and local income taxes. A small error in last year's survey for 1984 was corrected.

Tektronix. The company's fiscal year ends on May 28 of the years listed. Errors in the results reported in the previous version of this study for earlier years have been corrected.

Tenneco. In 1984, virtually all of the company's current tax bill apparently reflects some kind of recapture of previously utilized investment tax credits. At the end of 1985, the company had \$181 million in investment tax credit carryforwards and \$738 million in "loss" carryforwards available to reduce taxes in subsequent years.

Texaco. Texaco's Washington Office has asked us to point out that, over the years covered by the study, Texaco paid substantial income taxes to foreign governments on the company's overseas profits, as well as significant amounts in non-income taxes (e.g., excise taxes) in the U.S.

Transamerica Corp. Results for 1982 and 1981 were adjusted to treat the proceeds from the sale of tax benefits--\$6 million and \$42 million, respectively--as tax benefits (rather than as added income as the company booked them).

TRW. The company's sharply higher tax rate in 1984 primarily reflects a large turnaround on taxes previously deferred under the "completed contract method of accounting." In 1985, however, completed contract accounting saved the company \$26 million in taxes.

Tyson Foods. The company's fiscal year ends on September 29 of the years listed. Figures for 1982 and 1981 include both current and deferred federal and state taxes. The company provides a clear separate statement about current federal taxes only for 1983-85, and only in the 1985 annual report (previously reported figures for 1983 and 1984 are restated here to reflect the improved disclosure).

Unlon Camp. At the end of 1985, the company had \$15 million in investment tax credit carryforward available to reduce taxes in the future.

Unlon Electric. The company's tax figure for 1985 includes state income taxes as well as federal. At the end of 1985, the company had investment tax credit carryforwards of \$195 million available to reduce taxes in the future.

Union Pacific Corp. In 1983, the company engaged in a \$294 million "sale/leaseback" transaction designed in part to transfer the tax benefits on the West Plant of its Corpus Christi, Texas refinery to General Electric in exchange for "a highly favorable" rental arrangement. Although this transaction is not reflected in the tax results included in this study, it does reflect a situation in which the company was profiting from the tax system to a significant degree.

United Technologies. Tax figures apparently are overstated, due to non-inclusion of tax benefits from the company's leasing subsidiary.

Upjohn Co. Tax results for 1983 include \$28.7 million resulting from a settlement with the IRS relating to the company's Puerto Rican operations in previous years.

Westinghouse Electric Corp. Tax results for 1982 were adjusted to treat the \$49.8 million the company received in a sale of tax benefits as a tax benefit (rather than as an increase in income as the company treated the amount). The tax figures in all years are apparently overstated, due to deferral of tax credits (for book purposes) by the company's finance subsidiary.

Westvaco Corp. The company's fiscal year ends on October 31 of the years listed.

Weyerhaeuser Co. Tax results for 1982 and 1981 were adjusted to treat the proceeds from the sale of tax benefits as tax reductions (rather than as an increase in income as the company treated them in 1982 or as a reduction in the basis of assets as the company treated them in 1981). Such proceeds from selling tax benefits were \$23.6 million in 1982 and approximately \$92.8 million in 1981.

Whirlpool Corp. The company's gradually declining tax rate reflects its acquisition of a leasing subsidiary, which it uses to buy tax credits and deductions from other firms.

Wyman-Gordon Co. The company's reported tax figures include the tax reductions it obtained from the purchase of tax benefits under "safe-harbor leasing." The 1985 profit figure used in this report does not include a deferred charge for plant disposals.

Xerox. Figures include Xerox Credit Corp.

Methodology

This study represents a continuation of CTJ's earlier reports, *Corporate Taxpayers & Corporate Freeloaders* (August 1985) and *Corporate Income Taxes in the Reagan Years* (October 1984). Our 1984 report covered 250 major corporations and their federal taxes for 1981-83. The 1985 report covered 275 companies through 1984. The new report extends the results through 1985. The 1985 report included all but 23 of the companies covered by the original study, plus 48 additional corporations. The new report includes all but 37 of the companies covered by the 1985 report, plus an additional 12 companies.

1. Choosing the Companies:

a. *The original 1981-83 report.* In preparing for our original report, we wrote to 600 major

American companies in the spring and early summer of 1984 asking for copies of their 1983 annual reports and forms 10-K filed with the Securities and Exchange Commission. The companies chosen were the top 300 firms from the Fortune 500, along with the companies listed in Fortune's lists of the top 50 companies among utilities, service industries, commercial banks, life insurance companies, and transportation companies. We also supplemented our list by writing to several companies not included in the Fortune lists but covered in the study of corporate taxes performed by the staff of the congressional Joint Committee on Taxation in 1983.

Most companies responded to our request, although some did not. In fact, in the case of several companies, we were unable to obtain information despite repeated requests.

We eliminated companies whose reports we were able to obtain based on two criteria: either (1) a company lost money over the three years, lost money in 1983, or lost so much in 1981 or 1982 that the results would have been distorted; or (2) a company's report did not provide sufficient information to calculate domestic profits, current federal income taxes, or both. This process of elimination left the 250 corporations included in the original study.

b. The companies in the 1981-84 report. In preparing for our 1981-84 study, we began by writing to the same 250 companies covered in our original study. In addition, we requested 1984 and 1983 annual reports from Fortune 500 companies we had not covered earlier, on the assumption that some of the companies in our original report would have to be dropped. In fact, that assumption proved to be correct. Of our original 250 companies: we lost six to mergers; nine were dropped because of losses in 1984; five were eliminated because of unusual or complex accounting practices in 1984 that made computations difficult or impossible; and three companies failed to respond to our repeated requests and their annual reports were unavailable at the Securities and Exchange Commission.

Of the several hundred "new" companies from which we requested reports, about eighty provided us with information for the entire 1981-84 period. We included 48 of these "new" companies based on the same criteria we used in our original report.

c. The 250 companies in the new report. From our list of 275 companies in the 1981-84 report, we lost 37 due to mergers, losses, or other difficulties. We added 12 new firms to bring the number of companies surveyed to a total of 250 this year.

2. Method of Calculation: For most companies, the method of calculation was very straightfor-

ward. First, a company's domestic profit was determined, either as the company listed it (as was usually the case) or based on a geographic breakdown of operating profits minus a prorated share of overhead and interest expenses. Then, current state and local income taxes were subtracted from this amount (unless the company had already done so). This produced net domestic pretax profits before federal income taxes.

Second, federal income taxes currently payable were obtained from the company's tax note to its financial statement. (Current taxes are those the company is obligated to pay during the year; they do not include taxes "deferred" due to various federal "tax incentives" such as accelerated depreciation.)

Third, taxes were divided by profits to produce the "effective tax rates" shown in the study. A negative effective rate means that a company enjoyed a tax rebate, usually obtained by carrying back excess tax deductions and credits to an earlier year and receiving a tax refund check from the U.S. Treasury Department.

3. Treatment of "safe-harbor leasing," that is, sales and purchases of tax benefits: A number of the companies we examined had either sold or purchased tax benefits during early part of the period studied, pursuant to the the Reagan administration's since-repealed "safe-harbor leasing" program. Most companies treated the benefits they obtained from these transactions, both sales and purchases, as reductions in their current federal taxes. For those which did not, we adjusted the results to follow that approach. In measuring the benefits that companies may have obtained from the tax system, such an adjustment seems both natural and necessary. The notes to the alphabetical listing of the companies detail for which companies we made such adjustments and the amounts involved.