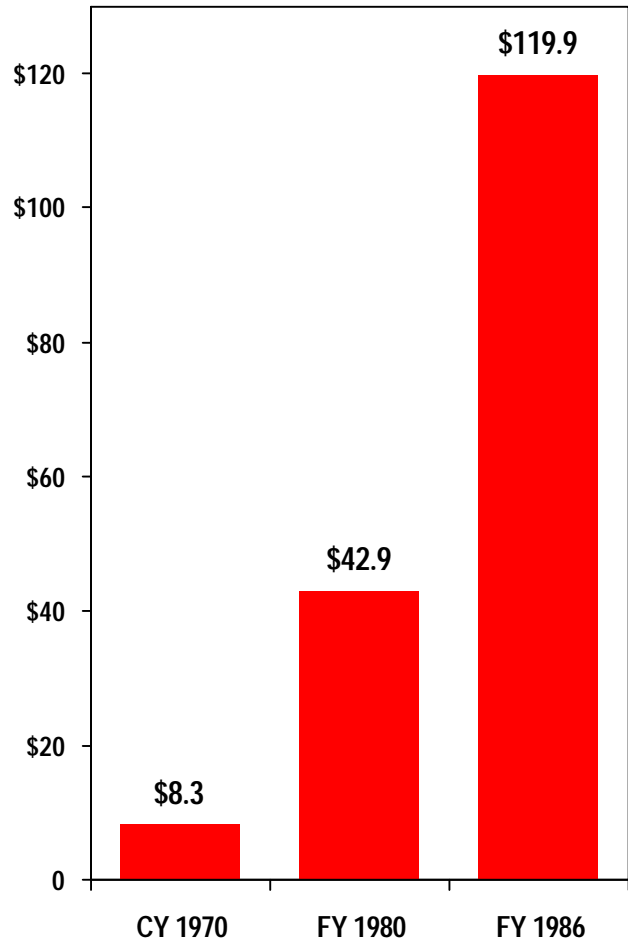


CORPORATE TAXPAYERS & CORPORATE FREELoadERS

Four Years of
Continuing, Legalized
Tax Avoidance by
America's Largest
Corporations
1981-84

Growth in Corporate Loopholes

Billions Annually, CY1970 - FY1986



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INTRODUCTION

1984 was a banner year for corporate profits. They were up 26% over 1983, reaching an all-time high of \$286 billion. Their share of national income fell just short of 10%, the highest level since 1978.

Despite this spectacular rebound in profitability, 1984 was yet another banner year for corporate tax avoidance.

Last year, we released a widely-circulated study, *Corporate Income Taxes in the Reagan Years*, which examined the profits and federal income taxes of 250 corporations in the years 1981, 1982 and 1983. With the addition of the 1984 data, the full story of corporate tax avoidance during President Reagan's first term can be told. It is a story of unparalleled corporate success at beating the federal tax collector.

Our new survey, which covers the four years from 1981 to 1984, expands on our earlier work. The new study is based on the annual reports to shareholders of 275 major American corporations. All of the companies covered by the report were profitable over the four years. In fact, their total 1981-84 pretax profits exceeded \$400 billion—or more than a third of the \$1.1 trillion in total adjusted pretax corporate profits included by the Commerce Department in its National Income Accounts.

In this report, we look at the 275 companies' domestic profits and the income taxes they paid—or failed to pay—on those profits to the federal government. We assess the impact of the Reagan administration's 1981 corporate tax cut program on corporate tax liabilities and on the economy. Finally, we discuss the current popular outcry for tax reform and examine how the President's latest tax change proposals measure up.

A description of the methodology used to select the 275 companies included in the study, calculate their domestic pretax profits, and determine the actual federal income taxes they paid or the tax benefits they received is included at the end of this report.

I. COMPANIES THAT DON'T PAY TAXES— AND SOME THAT DO

According to the federal corporate tax code, large corporations supposedly are subject to a 46 percent tax rate on their pretax profits. For most of the 275 major, profitable corporations whose annual reports we examined, however, this was decidedly not the case. **In fact, 129 of the companies—or almost half—managed to pay absolutely nothing in federal income taxes, or to receive outright tax rebates, in at least one of the four years from 1981 to 1984.**

These 129 companies earned \$66.5 billion in pretax domestic profits in the years they did not pay federal income taxes. But instead of paying \$30.6 billion in income taxes, as the 46% statutory corporate tax rate supposedly requires, they received \$6.4 billion in tax *rebates*—for a “negative” tax rate of -9.6%.

Of this group of 129 companies:

- # 74 companies had at least two years of paying nothing or less in federal income taxes;
- # 26 companies paid nothing or less in at least three of the four years; and
- # 9 particularly imaginative and aggressive corporate tax avoiders—Boeing Co., ITT, General Dynamics, Transamerica Corp., First Executive Corp., Mitchell Energy & Development Corp., Greyhound Corp., Grumman Corp., and Lockheed—successfully zeroed-out or received outright tax rebates in *every single one* of the four years we examined.

**PROFITS AND TAX REFUNDS FOR
COMPANIES PAYING ZERO OR LESS
IN FEDERAL INCOME TAXES
IN AT LEAST ONE YEAR, 1981 THROUGH 1984
(Based on a Sample of 275 Major Corporations)
(\$-millions)**

<u>Year</u>	<u>No.</u>	<u>% of Cos.</u>	<u>Profits</u>	<u>Refunds</u>	<u>Rate</u>
1984	40	14.5%	\$10,422.6	\$ -657.4	-6.3%
1983	60	21.8%	\$14,219.7	-1,099.6	-7.7%
1982	84	30.5%	\$27,361.5	-2,784.3	-10.2%
1981	53	19.3%	\$14,490.2	-1,859.0	-12.8%
TOTALS: [not counting repeats]	129	46.9%	\$66,494.0	\$-6,400.3	-9.6%

The economic rebound—and sharp rise in corporate profits—in 1984 did not curtail this widespread corporate tax avoidance. **In 1984 alone, 40 of the 275 highly profitable corporations either received federal income tax rebates or paid no federal income tax.**

- # In 1984, despite profits totalling more than \$10 billion, these 40 companies received net federal income tax rebates of \$657 million. AT&T led the way in 1984, with an amazing \$241.6 million in tax refunds, on top of its \$1.9 billion in pretax profits in the United States.

Companies Paying No Taxes—Or Less—Over the Full Four Year Period

Totaling up taxes and rebates for the full four years, we found that **fifty of the 275 companies paid an overall total of nothing or less in federal income taxes over the entire 1981-84 period.** Despite \$56.8 billion in pretax domestic profits, these 50 companies received net tax rebates totalling \$2.4 billion.

This select group of 50 highly profitable corporations, includes seven companies that enjoyed net tax rebates over the four year period in excess of \$100 million each. Sitting at the top of the heap—the champion at making money off the tax system over the past four years—is **Boeing Co.** Despite profits in excess of \$2 billion, Boeing managed to generate income tax refunds from the federal government totalling \$285 million between 1981 and 1984.

Joining Boeing in receiving net tax rebates of more than \$100 million over the 1981-84 period were: **Dow Chemical Co.** (\$180 million in net refunds); **ITT** (\$177 million in net refunds); **Tenneco** (\$166 million in net refunds); **Pepsico** (\$135.8 million in net refunds); **Santa Fe Southern Pacific Corp.** (\$133.4 million in net refunds and proceeds from selling tax breaks); and **General Dynamics** (\$103.8 million in net refunds and sales of tax credits).

General Electric, the refund champion from 1981 through 1983, actually paid a small amount in federal income taxes in 1984. For the first time in four years, GE sent a check to the federal Treasury, rather than the other way around. On 1984 profits of more than \$3 billion, GE paid 1984 federal income taxes of \$185 million. That works out to an effective tax rate of 6.1% in 1984—or just about half the federal income tax rate paid by the average American family.

- # For the full 1981-84 period, however, GE maintained its net position as a non-taxpayer. For the four years, GE's total refunds—net of the amount it paid in taxes in 1984—amounted to \$98 million—despite pretax domestic profits of \$9.5 billion.

Thus, GE remains King of the Hill in one important respect: From 1981 to 1984, no other corporation managed to avoid paying any net federal income taxes on so large a pretax profit.

Altogether, the ten companies with the largest net tax rebates over the 1981-84 period earned \$25.1 billion before federal income taxes, and another \$1.4 billion *after-tax* !

**TEN CORPORATIONS
WITH THE LARGEST TOTAL TAX REBATES
FROM 1981 THROUGH 1984
(\$-millions)**

Company:	Profit	Tax Rebate	Rate
Boeing Co.	\$ 2,099.0	\$ -285.0	-13.6%
Dow Chemical Co.	972.0	-180.0	-18.5%
ITT	815.0	-177.7	-21.8%
Tenneco	3,401.0	-166.0	-4.9%
Pepsico	1,798.7	-135.8	-7.6%
Santa Fe Southern Pacific Corp.	2,309.0	-133.4	-5.8%
General Dynamics	1,579.5	-103.8	-6.6%
General Electric	9,577.0	-98.0	-1.0%
Transamerica Corp.	748.6	-93.6	-12.5%
Texaco	1,819.0	-68.0	-3.7%
TOTALS, 10 BIGGEST REBATES:	\$ 25,118.8	\$ -1,441.3	-5.7%

Effective Tax Rates for All 275 Companies

For all 275 companies studied, the overall four-year effective tax rate was only 15 percent, less than one-third of the 46 percent tax rate that the tax code purportedly requires major corporations to pay. Had these 275 companies paid the full 46% rate on their \$400.6 billion in 1981-84 profits, their taxes would have totaled \$184.3 billion—or \$124 billion *more* than they actually paid.

- # In 1984, the most recent year, the overall effective rate for the 275 companies was just 16.6 percent. In that year alone, the 275 corporations avoided a total of \$31.8 billion in federal income taxes through various special tax preferences.

**1981-84
OVERALL EFFECTIVE TAX RATES
FOR 275 MAJOR CORPORATIONS**

Year	Effective Rate
1981	16.5%
1982	11.8%
1983	14.9%
1984	16.6%
TOTAL:	15.0%

A full 126 of the 275 companies we surveyed paid an effective tax rate of less than 12 percent during President Reagan's first term in office—a percentage that is less than the effective tax rate paid by the average individual taxpayer.

**275 MAJOR CORPORATIONS
BY EFFECTIVE TAX RATE CLASS, 1981-84
(\$-millions)**

1981-84 Effective Tax Rate Class	No. of Cos.	% of Tot.	Pretax Profits	Fed. Inc. Taxes	Effective Tax Rate
Zero or Less:	50	18.2%	\$56,789.7	\$-2,392.4	-4.2%
0.1% to 12%	76	27.6%	119,623.4	4,733.1	4.0%
12.1% to 20%	44	16.0%	53,771.9	8,371.7	15.6%
20.1% to 30%	52	18.9%	102,565.3	25,367.2	24.7%
30.1% to 40%	44	16.0%	60,054.9	20,948.6	34.9%
Over 40%	9	3.3%	7,740.9	3,237.6	41.8%
TOTALS:	275	100.0%	\$400,546.1	\$60,265.7	15.0%

Major Defense Contractors

Americans rightfully complain when they see their tax dollars going to pay for what appear to be rip-offs by the defense industry. But the tax avoidance engaged in by most of the country's largest defense contractors imposes similar costs on average taxpayers. The nation's top 12 defense contractors¹—whose profits have boomed as a result of the rapid arms build-up over the past four years—paid a total of only 6.3% of their profits in federal income taxes over the 1981-84 period—on domestic profits totaling \$27.7 billion.

Five of these companies—General Dynamics, General Electric, Lockheed, Boeing, and Grumman—paid nothing at all or received outright refunds. Another three—McDonnell Douglas Corp., Martin Marietta, and Westinghouse Electric Corp.—enjoyed effective tax rates of less than one percent.

¹Actually, the top 8 defense contractors, plus those ranked 10 through 13, Hughes Aircraft, the number nine defense contractor, was privately held during the 1981-84 period. (Hughes was recently acquired by General Motors Corp.) The companies in the table are listed by the size of their defense contracting in fiscal 1984.

**TAXES PAID BY THE NATION'S
TOP TWELVE DEFENSE CONTRACTORS
1981-84**

	1981-84		
Company:	Profit	Tax	Rate
Rockwell International	\$2,346.9	\$423.5	18.0%
McDonnell Douglas Corp.	1,424.2	5.1	0.4%
General Dynamics	1,579.5	-103.8	-6.6%
General Electric	9,577.0	-98.0	-1.0%
Lockheed Corp.	1,670.9	0.0	0.0%
Boeing Co.	2,099.0	-285.0	-13.6%
Martin Marietta Corp.	791.1	4.6	0.6%
United Technologies	2,117.3	532.4	25.1%
Raytheon Co.	1,908.2	781.7	41.0%
Westinghouse Electric Corp.	1,989.2	10.3	0.5%
Grumman Corp.	653.4	0.0	0.0%
Litton Industries	1,583.9	476.9	30.1%
TOTALS:	\$27,740.6	\$1,747.7	6.3%

W.R. Grace & Co.

One of the low tax companies in our study was W.R. Grace & Co., whose \$14.3 million in income taxes in 1984 brought its total payments over the four years—net of the \$53.2 million the company received in 1982 in a sale of tax benefits—to \$1.6 million, or 0.2% of Grace's \$802.7 million in domestic profits.

- # Some may wonder how W.R. Grace & Co. can justify such tax-avoidance activities, in light of the "Grace Commission"'s much-publicized concerns about the federal budget deficit. The answer, according to J. Peter Grace, Chairman of W.R. Grace & Co. and head of the Grace Commission, is quite straightforward: The company's nationwide advertisements in which Grace complains about "annual federal deficits approaching \$200 billion" and the burden they will create for our children,² simply are not an accurate reflection of Grace's position. "We are not concerned about the deficit," wrote J. Peter Grace in response to an inquiry about the company's low tax bills. "We are concerned about the level of spending."

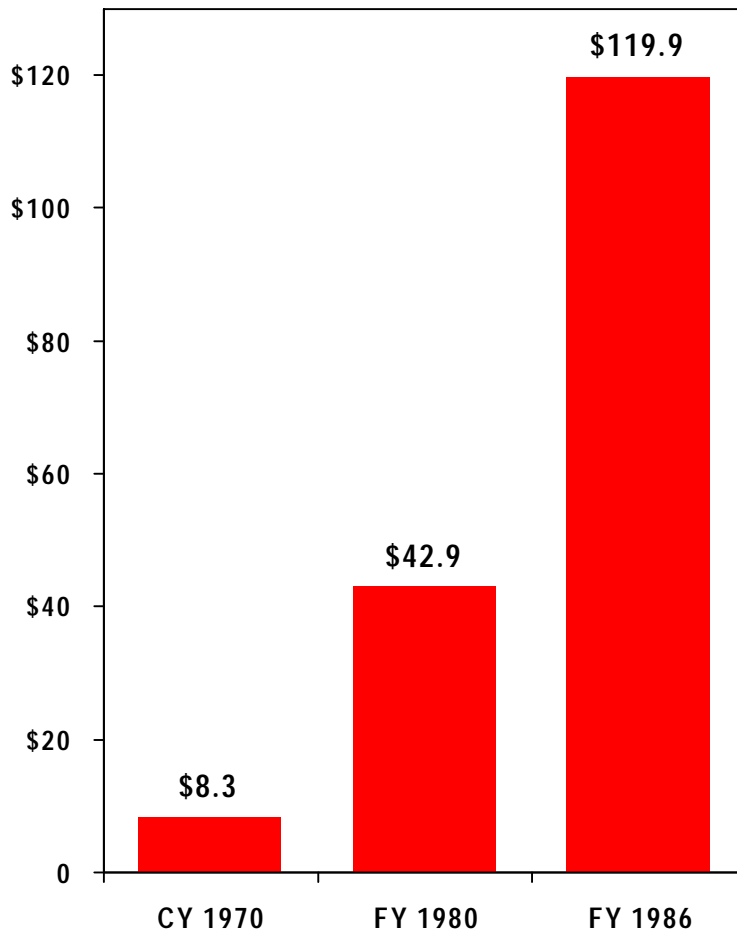
²See, e.g., *Harper's*, June 1985.

The Growth in Corporate “Tax Expenditures”

The statistics summarized above and the tables that follow later in this report document how widespread and massive corporate tax avoidance has become. Corporate “tax expenditures”—the federal government’s official euphemism for loopholes—have grown from a mere \$8.3 billion in 1970 to an estimated \$119.9 billion in the upcoming fiscal year.

- # That \$119.9 billion in corporate tax subsidies represents well over half the estimated federal budget deficit for fiscal 1986.
- # In fact, the corporate income tax is now more loophole than tax. The estimated cost of corporate tax breaks in fiscal 1986 amounts to \$1.69 for every dollar corporations are expected to pay in federal income taxes.
- # The \$119.9 billion cost of the loopholes adds up to \$1,512 for every taxpaying family and single individual in America.

Growth in Corporate Loopholes
Billions Annually, CY1970 - FY1986



High-Tax Corporations

Not all companies are good at the corporate tax avoidance game, however. One of the unfair aspects of our current tax system is the way it rewards some companies and penalizes others. While many companies get off scot-free, a few pay a great deal of tax. The shining array of tax breaks, credits, and preferences is not available to—or at least is not utilized by—all corporations.

Our survey found nine companies that paid 1981-84 effective tax rates of 40% or more on the earnings they reported to their shareholders in 1984. On profits of \$7.7 billion over the four years, these nine companies paid taxes of more than \$3.2 billion.

- # These nine patriotic corporations paid *more* in total federal income taxes on their \$7.7 billion in profits over the four years than did the 126 companies paying less than 12 percent—despite the fact that the 126 low-tax companies earned \$176.4 billion in pretax profits!

The highest-taxed companies over the four years were VF Corporation and INTERCO, two textile firms that paid 44.7% and 43.7% of their profits in taxes, respectively, followed by Whirlpool Corp. (42.4%) and Ralston Purina Co. (42.1%).

- # The five other corporations in our study that paid more than 40 percent of their profits in taxes were: PACCAR (42%); Raytheon Co. (41%), SuperValu Stores (40.6%), McGraw-Hill (40.4%), and Brown-Forman Distillers Corp. (40.1%).

It is not at all clear, however, that these highly-taxed companies will remain so patriotic if current policy continues. Many highly-taxed corporations are in the process of revamping their tax strategies to join in the quest for loopholes.

For example, in CTJ's corporate tax study last year, we found that Whirlpool Corp. was the highest taxed corporation we examined over the 1981-83 period. Although Whirlpool remained one of the three highest taxed corporations over the 1981-84 period, it is moving energetically to change its high-tax status. In 1984, it cut its tax rate to 34.9%—down from 45.6% in 1981-83—by purchasing Michigan National Leasing Corp. and setting up a leasing subsidiary, Whirlpool Leasing Services, Inc. Leasing subsidiaries such as Whirlpool's are rapidly becoming a standard practice whereby corporations with a shortage of tax credits and write-offs acquire them from other firms that have an excess.

Whirlpool's entry into the tax shelter market was a direct—and discouraging—response to last year's CTJ corporate tax study. Whirlpool's management has admitted to being embarrassed by the company's "excessive" patriotism compared to competitors such as General Electric (which has been heavily involved in leasing tax shelters). "You'll see an increasing amount of leasing activity," Whirlpool's tax counsel told Craig Stock of Knight-Ridder Newspapers. "It's part of our strategic plan in terms of getting greater tax deferrals."

Similarly, from 1981 to 1983, Coca Cola Co. was—by current standards—a relatively high-tax company, paying 27.9% of its domestic profits in federal income taxes. In comparison, over the same

three years, its competitor PepsiCo aggressively sought after tax shelters, and enjoyed \$147.4 million in tax *refunds*—for a “negative” 1981-83 tax rate of -11.2%. But, unfortunately, in 1984 Coke became more like Pepsi—a change that may leave a flat taste in the mouths of taxpaying Coke drinkers. Last year, Coca Cola Co. managed to cut its tax rate to just 10.5% (while PepsiCo’s tax rate rose to 2.4%).

And still another example: In 1981, Sara Lee Corp. (then known as Consolidated Foods) paid 42.6% of its profits in federal income taxes. But then the company entered the tax leasing business, and cut its tax rate for 1982 through 1984 to a mere 5.1%.

Even as companies like Whirlpool and Sara Lee join in the tax-avoidance game, however, they concede that they are not particularly happy about it. “A lot of effort is being put into these special tax subsidies—a lot of wasted time and wasted administrative effort,” says a Whirlpool executive.³ And Sara Lee’s Chairman, John H. Bryan Jr., despite his company’s currently low taxes, has argued forcefully that the present system of corporate tax loopholes is “indefensible.”

II. THE PATH TO CORPORATE TAX AVOIDANCE

Despite a statutory corporate tax rate of 46%, we have found 1981-84 effective tax rates that range from minus 21.8% for ITT up to 44.7% for the unfortunate VF Corporation. 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. For most corporations, the difference between statutory and effective rates primarily involves two items: (1) accelerated depreciation and (2) the investment tax credit. Sometimes, the 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 companies, is a well-known example. Timber companies are allowed to treat much of their profits as lightly taxed “capital gains”—a loophole that helps all but wipe 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 Reagan 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.

³See, C. Stock, “Whirlpool fights to shed high-tax tradition,” *Detroit Free Press*, May 26, 1985, p. 13A.

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 “negative rates” are the primary cause of the low corporate taxes that our study reveals.

Capital-intensive companies, which are continually investing in new equipment during the normal course of business, generate the largest credits and artificial deductions. In 1984, for example:

- # AT&T enjoyed \$332 million in investment tax credits and \$682 million in “deferred taxes” relating primarily to accelerated depreciation—enough to cut its 1984 tax rate from 46% to *minus* 12.7%.
- # Pacific Gas & Electric Co. used \$109 million in investment tax credits and \$114 million worth of ACRS write-offs to help cut its federal income tax bill to a *negative* \$12.6 million—despite pretax profits of almost \$1.5 billion.
- # Union Pacific “deferred” \$279 million in taxes using accelerated depreciation and saved another \$64 million from the investment tax credit, to reduce its 1984 tax rate to just 5.2%.

For some companies that don't generate enough credits and deductions on their own, the answer is to acquire the tax breaks through leasing transactions.

- # In 1984, for example, General Electric was able to generate "only" \$278 million worth of investment tax credits and accelerated depreciation deductions from its regular business. But General Electric Credit Corporation provided the company with additional tax breaks that saved GE \$866 million—enough to cut GE's 1984 tax rate to only 6.2%.
- # Based on its regular business activities, Pepsico would have expected to pay about \$475 million in federal income taxes between 1981 and 1984 (about the same rate as Coca Cola Co.). But due to investment tax credits and accelerated depreciation write-offs purchased under President Reagan's since-repealed "safe-harbor leasing" program, Pepsico enjoyed net tax refunds over the four years totalling \$135.8 million.

If credits in a given year exceed total tax liability, then they may be carried back to prior years—when taxes were paid—and tax refunds can result. Or they may be carried forward and applied to taxes owed in future years.

III. THE ECONOMIC DAMAGE FROM CORPORATE LOOPHOLES

When Congress enacted the Reagan corporate tax program in 1981, it was well-known that the bill would lead to massive tax avoidance. "We are going to create . . . a coast-to-coast corporate soupline," economist Dale Jorgenson told the House Ways and Means Committee in May of 1981. "The tax bill has virtually phased out the corporate tax in America," Roger Altman of the Wall Street firm of Lehman Brothers told the *Washington Post*, after the legislation had passed. In fact, several hundred corporate lobbyists held an "End of the Corporate Tax" party following the bill's enactment.

Why did Congress do it? A cynical realist might point to political campaign contributions and the blandishments of lobbyists as the underlying cause. But there is no doubt that many members of Congress were persuaded that a massive system of corporate tax subsidies was needed to produce greater capital investment in America.

But that hope has gone entirely unfulfilled.

The rate of increase in capital spending actually has been at remarkably low levels since the 1981 tax act's new "incentives" took effect. Despite a mini-boom in capital spending in 1984, over President Reagan's first term, business investment in plant and equipment increased at an average annual rate of only 3 percent—less than half the annual rate of increase over the previous four years.

Moreover, Barry Bosworth of the Brookings Institution has shown that 93% of the growth in equipment spending since 1979 may be explained by purchases of office equipment and automobiles—two types of capital assets that received the least in added tax favors from the Reagan program. And, Bosworth points out, even this growth may be explained more by quirks in the way federal statistics are compiled than by robust business investment. The category of office equipment includes personal home computers, a product, Bosworth notes, "that could well be classified as a consumer

good.” And the rapid growth of business purchases of automobiles may simply reflect increased leasing of automobiles by consumers, which is not differentiated from leasing by businesses by the statisticians at the Department of Commerce.

Our own study of the reaction of individual corporations to their new “incentives” over the 1981-83 period (*The Failure of Corporate Tax Incentives*, released earlier this year), found that the 50 lowest-taxed companies (of the 250 surveyed) actually reduced their capital spending by 22%, while the companies paying the highest taxes augmented their capital investment the most.

Today, with corporate cash flow at record levels, business capital spending is going nowhere.

Corporate cash flow jumped 22.6% in 1983, an additional 17.5% in 1984, and is expected to rise 7.6% this year. Much of that stems from tax breaks—the Joint Committee on Taxation estimates that the investment tax credit and ACRS alone are currently adding close to \$50 billion a year to corporate cash flow.

The results?

- # A record wave of mergers and acquisitions, totalling well over \$300 billion during President Reagan’s first term.
- # The new and unprecedented purchase—or repurchase—of common stock by corporations, at a rate of \$75 billion a year.
- # Strong dividend payouts, with the ratio of dividends to after-tax profits growing to 62% in 1985, up from 55% last year.
- # And a slowdown in business investment, which is expected to remain flat over the next three quarters.

Why?

- # According to Data Resources, Inc.’s August 1985 *U.S. Review*:

“The slowdown . . . is the product of sluggish final demand expectations, falling utilization rates, sagging profits, rapidly rising office vacancy rates, and a saturation of computer equipment markets.”

Despite the plethora of tax incentives the demands of the marketplace—not tax incentives—are the real keys to business investment decisions.

Corporate tax loopholes have not merely been ineffective as an economic tool, however. They have, in fact, caused serious damage to our economy.

For starters, at an annual cost of \$120 billion, corporate tax giveaways are among the principal causes of the federal government’s seemingly interminable budget deficits. These deficits, in turn, have bid up interest rates, driving up the value of the dollar—and helping produce our skyrocketing trade deficits.

This growing trade gap has crippled the manufacturing sector of the U.S. economy. Since 1979, 1.7 million jobs have been lost in manufacturing, including 220,000 just in the first half of this year. The national unemployment rate has hardly wavered from its 7.2% level for the past year.

One of the cruel ironies of the past two years is that a good part of the increased capital spending associated with the recovery from the 1981-82 recession has benefitted overseas equipment and machinery suppliers. The import share of capital spending has nearly doubled since 1980, representing nearly one-quarter of all purchases today.

In addition, the vast differences in tax rates among industries and specific companies is creating serious distortions in the nation's economic activity. Our survey of 275 companies found that, taken together, they paid an average tax rate of 15% on their domestic profits between 1981 and 1984. But that average figure hides tremendous disparities in the tax treatment of different industries during that period.

An industry-by-industry analysis of effective tax rates shows that they vary widely—from “negative” effective rates for the airlines and financial companies covered in the survey, to rates in excess of 32% for leisure and personal care companies, textile firms, and tobacco companies.⁴ Nine of the 25 industries managed to obtain overall tax rebates in at least one of the four years.

This tax discrimination among industries—which represents President Reagan's back-door version of industrial policy—imposes great costs on the American economy. Our tax system distorts choices made by consumers in the marketplace, artificially boosting the rate of return on investment dollars in preferred industries and reducing the rate of return in those industries which are less-favored. As a result, the flow of capital shifts in favor of those industries which have been most successful in the political marketplace of Washington, D.C.

Our survey reveals that even within industries effective rates vary dramatically:

- # For example, the average rate for chemical companies was 6 percent, but Dow Chemical's effective rate was a “negative” 18.5%, while Nalco Chemical Co. paid 38.5%. Six of the 19 chemical companies—Dow, International Minerals & Chemicals, Sun Chemical Co. Union Carbide, Allied Corp., and DuPont—enjoyed “negative” tax rates, while seven chemical firms paid more than 22%.
- # Similarly, while Digital Equipment Corp., IBM, and NCR Corp. paid effective tax rates of more than 25%, Wang Laboratories, Sperry Corp., and Prime Computer paid 2 percent or less.
- # In the electrical equipment and appliances sector, ITT, Harris Corp., Singer Co., and General Electric all received net tax rebates, while Raytheon Co. and Whirlpool Corp. paid more than 40 percent of their profits in federal income taxes.
- # Pepsico, International Multifoods, Greyhound Corp., and Tyson Foods were food & beverages firms that made money off the tax system over the four years, while Wm. Wrigley Jr. Co., Campbell Soup, Kellogg's, Amstar, Brown-Forman, and Ralston Purina paid tax rates of 35 percent or higher.

⁴We have classified each of the companies in our survey by industry, according to the principal line of business of each company. Sears, for example, is classified under the “Services, Trade” heading, even though it has substantial financial interests.

**EFFECTIVE TAX RATES BY INDUSTRY
FOR 275 MAJOR COMPANIES
SUMMARY, 1981-1984
(\$-millions)**

	1981-84		
Industry:	Profit	Tax	Rate
Airlines	\$ 441.7	\$ -33.1	-7.5%
Financial	4,826.2	-139.2	-2.9%
Railroads	13,308.4	236.0	1.8%
Telecommunications	41,035.8	927.5	2.3%
Paper & Forest Products	7,158.8	258.3	3.6%
Aerospace	13,354.0	587.8	4.4%
Chemicals	13,810.8	827.7	6.0%
Utilities (Electric & Gas)	53,956.1	3,788.6	7.0%
Electrical, Electronics	21,735.3	2,539.5	11.7%
Conglomerates	5,427.5	736.7	13.6%
Services, Trade	12,720.6	1,994.2	15.6%
Rubber	2,417.4	462.2	19.1%
Oil & Gas, Coal, Mining	77,615.7	14,955.4	19.3%
Building Materials, Glass	3,442.9	677.6	19.7%
Drugs, Hospital Supplies	16,228.7	3,289.3	20.3%
Food & Beverages	22,686.3	4,770.5	21.0%
Automotive	15,952.4	3,805.9	23.9%
Computers, Office Equipment	27,709.1	6,742.9	24.3%
Miscellaneous Manufacturing	7,752.4	1,927.3	24.9%
Publishing & Broadcasting	6,735.3	1,691.5	25.1%
Instruments	8,306.5	2,099.4	25.3%
Construction	2,434.3	708.9	29.1%
Leisure, Personal Care	7,799.5	2,513.8	32.2%
Textiles	2,390.2	801.0	33.5%
Tobacco	11,300.2	4,096.1	36.2%
ALL-INDUSTRY TOTALS:	\$400,546.1	\$60,265.7	15.0%

Among instrument companies, Xerox enjoyed net refunds, while General Signal Corp. paid 35.5 percent.

Six of the oil & gas firms—Ashland Oil, Tesoro Petroleum, Mitchell Energy & Development Corporation, Tenneco, Texaco, and Columbia Gas System—received tax refunds over the four years, while Exxon paid 27 percent of its domestic profits in federal income taxes and Standard Oil of Ohio paid 35.7 percent.

Georgia-Pacific, Weyerhaeuser, Scott Paper, and International Paper all made money off the tax system over the four years, but Sonoco Products and Consolidated Papers each paid more than a third of its profits in federal income taxes.

- # AT&T paid an effective tax rate over the four years of only 0.3 percent, but United Telecommunications paid 19 percent.
- # Even in the highly-taxed textile sector (average rate 33.5%), Burlington Industries managed to pay only 8.1%.
- # Rates for electric and gas utilities were generally very low, with 23 of the 34 utilities paying 5 percent or less and six of them receiving rebates. But Allegheny Power System paid an effective tax rate of 28.9% and Consolidated Edison Co. paid 31.7%.

Such disparities in the effective tax rates of companies which must compete with another are inconsistent with the basic principles of free enterprise. It is no wonder that a coalition of high effective rate-payers has banded together to work for corporate tax reform. Led by food and retail trade associations, this coalition has prepared a pamphlet which argues "To continue to allow large profitable companies to pay little or no federal taxes, or even receive rebates, is a rebuke to both fiscal common sense and sound governance."

The United States, which seeks to apply economic lessons of Japan in so many other areas, could perhaps learn from Japan's corporate tax system (which ironically was designed for the Japanese by Americans after World War II). Japanese corporations pay a far higher share of total Japanese taxes—almost 30% in 1983—than American companies pay in the United States. And the Japanese corporate tax system is carefully designed to avoid the kinds of economic distortions that our system engenders.

IV. THE NEED FOR REFORM

Huge inequities in effective rates are not the sole province of the corporate world. The individual tax system is, of course, plagued by very similar problems—and most of those problems can be directly traced to the loopholes that corporations have lobbied into the law for their own benefit, but which are also being exploited by well-off individuals through tax shelters.

Our study follows on the heels of a report issued earlier this month by Congressman J.J. Pickle (D-Texas) which revealed that tax avoidance by wealthy individuals is both massive and widespread as well.

According to official Treasury data supplied to Rep. Pickle, nearly 30,000 households with incomes of \$250,000 or more a year—or 11% of all such households—paid federal income taxes totalling less than 5% of their income in 1983. More than 3,000 households where incomes exceeded \$1 million a year paid less than 5% of that income to the IRS in 1983.

Much of this tax avoidance was traced to the proliferation of tax shelters in real estate and oil and gas drilling. Preferential tax treatment of investments in these areas leads to excess deductions and phony “losses” which can be used to offset personal income from other sources.

The Pickle report found that tax “losses” from real estate partnerships had ballooned from \$6.5 billion in 1975 to \$23.0 billion in 1982. This increase of more than 250% that can be directly linked to the huge increase in depreciation write-offs provided by the 1981 Reagan tax act’s corporate tax cut provisions. Losses from oil and gas partnerships climbed from \$1.7 billion to \$13.2 billion during the same time period, reflecting the spread of the tax-shelter mentality the 1981 policies encouraged.

The other major item in cutting taxes for the extremely rich, the Pickle study found, was the special treatment of “capital gains.” This single tax preference reduced income subject to tax by 23.2% for all individuals earning more than \$250,000. According to the Joint Committee on Taxation, capital gains tax breaks save individuals with incomes greater than \$200,000 a staggering \$53,000 each.

Among the major lobbies for the special treatment of capital gains is the timber industry—which by a historical quirk is able to treat much of its profits as “capital gains.” Timber companies finance large lobbying operations to maintain their preference, often paying their lobbyists to defend capital gains tax breaks on grounds that have nothing to do with timber. For example, the timber-financed lobbyists often argue that capital gains preferences are needed to encourage “risky” investments in

venture capital, even though the vast bulk of venture capital investment comes from pension funds and other tax-exempt sources for which tax “incentives” are irrelevant.⁵

Popular Support For Reform

The genesis of popular support for tax reform comes with the sinking feeling of “being had.” It comes from the small businessperson who pays taxes knowing that Boeing or General Electric or ITT doesn’t. It comes from the wageearner who has taxes withheld from his or her paycheck every week knowing that 3,000 millionaires are paying little or no tax at all.

Resentment does not arise from the idea of paying taxes; indeed, time and time again, the American people have demonstrated a willingness to pay their fair share of taxes if the public good demands it. Rather, it arises from the realization that some corporations and some people are able to manipulate the tax code in a way others cannot.

Much has been made of the failure of the President’s tax plan to catch fire with the American people since its unveiling last May. The purveyors of conventional “inside the Beltway” wisdom point to poll results which show most Americans to be pretty sanguine about the amount of federal taxes they pay and pronounce reform dead as a political issue.

But this analysis misses the basis of popular support for reform. This support is not grounded in a demand for tax reductions, although the burden on average citizens is demonstrably higher than need be due to tax avoidance by the wealthy and powerful. In fact, the American people appear to be highly skeptical of the likelihood and advisability of tax cuts now, in the face of growing federal deficits. Rather, the support for reform is founded on overwhelming public agreement that corporations and high-income families “pay too little in federal income taxes”⁶ and that “the rich tend to get out of paying taxes by using accountants and lawyers.”⁷

⁵A favorite claim of the lobbyists is that a cut in capital gains taxes in 1978 was the cause of a boom in venture capital that began in 1980. A recent Congressional Budget Office report, however, refutes this assertion. In fact, the key factors behind the increase in venture capital investment were a rapid surge in demand for high-technology electronic products following the end of the 19;74–75 recession, followed by a large influx of venture capital investment by tax-exempt pension funds.

In part because of 1979 changes allowing pension plans to engage in “riskier” investments, a remarkable 59 percent of the increase in venture capital between 1978 and 1984 was supplied by pension funds, other tax-exempt entities and foreigners. Another 28 percent came from corporations, such as life insurance companies and banks, many of which already paid little or nothing in taxes and which, in any event, were not significantly affected by the 1978 capital gains changes. A mere 13 percent of the increased venture capital came from individual investors. In other words, the venture capital boom was overwhelmingly dominated by organizations for which the 1978 capital gains tax cut was largely or totally irrelevant.

⁶See, e.g., the Roper Poll, January 1985.

⁷See, e.g., the Harris Poll, December 1984.

The problem is not with tax reform as a political issue, it's with the President's tax plan. Despite the presidential rhetoric, President Reagan has not suddenly changed his views on taxes from the "supply-side," "trickle-down" ideas that underlay his 1981 tax program. And, as a result, the President's plan is either irrelevant to—or, worse, antithetical to—the populist political base for reform.

The President's plan, it is now clear, would not only fail to put most tax-avoiding corporations back on tax rolls, it would, as the Congressional Budget Office has concluded, "probably provide a corporate tax cut over time." It calls for a new brand of accelerated depreciation that is even more generous and costly than our current system. It would target tax relief to the most well-to-do of American households, with those earning \$200,000 or more a year enjoying a 16.2% tax cut—an average of \$23,253 each—according to the congressional Joint Committee on Taxation. And it would leave intact the key loopholes that make both corporate tax avoidance and upper-income tax shelters possible.

V. WHERE DO WE GO FROM HERE?

The data are clear. Corporate tax avoidance continues unabated. While some corporations pay effective tax rates close to the statutory rate, many pay no income tax whatsoever. This fuels the deficit, distorts economic choices, and shifts the tax burden to wageearners and businesses which are unable to exploit tax shelter opportunities.

The existing corporate tax system is a mess. It fails to produce adequate revenue, and does so at great cost to economic efficiency. What we need is a corporate tax system that produces adequate revenues with minimal economic distortion.

To achieve this, we need a corporate tax system that taxes companies on what they really earn—not on some figment of their tax accountants' imagination. This means an end to special credits and deductions. It means a depreciation system which is neutral among different types of assets and which is based on the way buildings and machines actually wear out or become obsolete. Either the Bradley-Gephardt bill's "Simplified Cost Recovery" or the "Real Cost Recovery System" envisioned by the Treasury Department last November (before the President nixed that plan) would suffice—or perhaps a system which incorporated the best features of each could be devised.

We need a tough minimum corporate tax of at least 25% of "book" income—a rate equal to the marginal rate the President has proposed for middle-class families—as a symbol of the minimal contribution expected from large, profitable corporations to support the nation's government.

But what we need most of all is the political will power to get the job done.

The President has offered up a plan under the guise of tax reform that would permit continued corporate tax avoidance, do little to scale back the principal tax avoidance schemes of the rich, and actually cause larger deficits. At the same time, he has proposed a new tax on the health coverage of millions of American workers and he has proposed to eliminate the deduction for state and local taxes—the most widelyused deduction in our federal tax code.

Is it any wonder that the President's play has failed to generate a groundswell of public support?

Supporters of genuine tax reform, understanding the underlying frustration that comes from unequal sacrifice, should take those elements of the President's plan which are worthy of support—the increases in the zero bracket amount, the personal exemption, and the earned income credit, the repeal of the investment tax credit and some other loopholes—and supplement them with proposals that would really put the tax avoiders—both corporate and individual—back on the tax rolls.

Then we would see some excitement about tax reform.

**50 COMPANIES PAYING ZERO OR LESS
IN TOTAL FEDERAL INCOME TAXES
FROM 1981 THROUGH 1984
(\$-millions)**

Company:	1981-84		
	Profit	Tax	Rate
Boeing Co.	\$2,099.0	(\$285.0)	-13.6%
Dow Chemical Co.	972.0	(180.0)	-18.5%
ITT	815.0	(177.7)	-21.8%
Tenneco	3,401.0	(166.0)	-4.9%
Pepsico	1,798.7	(135.8)	-7.6%
Santa Fe Southern Pacific Corp.	2,309.0	(133.4)	-5.8%
General Dynamics	1,579.5	(103.8)	-6.6%
General Electric	9,577.0	(98.0)	-1.0%
Transamerica Corp.	748.6	(93.6)	-12.5%
Texaco	1,819.0	(68.0)	-3.7%
Ashland Oil	336.1	(62.0)	-18.5%
Hutton (E.F.) Group	372.5	(59.6)	-16.0%
Weyerhaeuser Co.	929.2	(59.1)	-6.4%
Georgia-Pacific Corp.	783.0	(59.0)	-7.5%
IC Industries	534.7	(55.4)	-10.4%
Northrup Corp.	416.8	(46.4)	-11.1%
First Executive Corp.	444.2	(44.2)	-10.0%
Internat'l Minerals & Chemical	371.6	(43.7)	-11.8%
Mitchell Energy & Dev. Corp.	458.7	(41.1)	-9.0%
DuPont	4,075.0	(40.0)	-1.0%
Mellon Bank Corp.	544.7	(32.8)	-6.0%
International Paper Co.	1,136.3	(32.6)	-2.9%
Ohio Edison Co.	1,524.4	(31.8)	-2.1%
Scott Paper Co.	594.6	(30.5)	-5.1%
Philadelphia Electric Co.	1,892.5	(30.3)	-1.6%
Panhandle Eastern Corp.	1,220.7	(28.8)	-2.4%
Union Carbide	892.0	(26.0)	-2.9%
Piedmont Aviation	169.0	(25.4)	-15.0%
Tesoro Petroleum	124.3	(22.5)	-18.1%
Harris Corp.	307.6	(19.5)	-6.3%
Allied Corp.	693.0	(17.0)	-2.5%
Columbia Gas System	1,147.1	(15.9)	-1.4%
Northern Indiana PSC	792.5	(14.6)	-1.8%
Arizona Public Service Co.	1,278.4	(14.1)	-1.1%
Singer Co.	194.2	(11.6)	-6.0%
Sun Chemical Corp.	103.2	(10.4)	-10.1%
Greyhound Corp.	419.9	(10.4)	-2.5%
Centex Corp.	264.4	(10.2)	-3.9%
Pennsylvania Power & Light Co.	1,362.9	(10.0)	-0.7%
Xerox	1,122.7	(9.2)	-0.8%

(continued)

**50 COMPANIES PAYING ZERO OR LESS
IN TOTAL FEDERAL INCOME TAXES, 1981-84 (2)
(\$-millions)**

1981-84

Company:	Profit	Tax	Rate
Southwest Airlines Co.	\$213.0	(\$8.1)	-3.8%
Comerica	135.3	(7.1)	-5.3%
Dun & Bradstreet Corp.	967.0	(6.7)	-0.7%
Ogden Corp.	251.5	(5.6)	-2.2%
Jim Walter Corp.	361.7	(4.1)	-1.1%
International Multifoods	43.9	(3.2)	-7.3%
Burlington Northern	2,799.2	(1.1)	-0.0%
Tyson Foods	69.1	(1.0)	-1.4%
Grumman Corp.	653.4	0.0	0.0%
Lockheed Corp.	1,670.9	0.0	0.0%

**TOTALS, 50 COMPANIES
PAYING A TOTAL OF
ZERO OR LESS, 1981-84: \$56,789.7 (\$2,392.4) -4.2%**

1984
40 Companies Paying Zero or Less In Federal Income Taxes
(\$-millions)

1984

Company:	Profit	Tax	Rate
AT&T	\$1,899.8	(\$241.6)	-12.7%
Hutton (E.F.) Group	20.9	(66.8)	-320.3%
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%
Gulf Corp.	313.0	(26.0)	-8.3%
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%
ITT	68.1	(10.9)	-16.0%
Texaco	120.0	(10.0)	-8.3%
Allied Corp.	289.0	(10.0)	-3.5%
Coors (Adolph) Co.	58.5	(9.5)	-16.2%
American Petrofina	40.0	(6.6)	-16.6%
Tektronix	36.9	(6.5)	-17.6%
Xerox	71.5	(6.5)	-9.1%
Union Electric	472.8	(6.5)	-1.4%
Tesoro Petroleum	23.4	(6.0)	-25.5%
ENSERCH Corp.	188.3	(5.8)	-3.1%
Transamerica Corp.	145.5	(5.8)	-4.0%
Overseas Shipholding Group	49.6	(4.8)	-9.7%
Northrup Corp.	239.4	(3.9)	-1.6%
Union Camp Corp.	263.2	(3.8)	-1.4%
Comerica	60.1	(2.9)	-4.9%
Englehard Corp.	34.4	(2.5)	-7.2%
M/A-COM	52.8	(2.1)	-3.9%
American Natural Resources Co.	300.3	(1.9)	-0.6%
Greyhound Corp.	126.4	(1.9)	-1.5%
Gould	73.9	(1.8)	-2.4%
Anderson Clayton	29.0	(1.5)	-5.3%
First Executive Corp.	128.9	(1.0)	-0.8%
Ozark Holdings (Ozark Air L.)	16.0	(0.9)	-5.9%
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%
Mitchell Energy & Dev. Corp.	55.9	0.0	0.0%
Panhandle Eastern Corp.	282.7	0.0	0.0%
TOTALS, 40 Companies			
Paying Zero or Less, 1984:	\$10,422.7	(\$657.4)	-6.3%

1983

**61 Companies Paying Zero or Less
In Federal Income Taxes
(\$-millions)**

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%
FPL Group (Fla. Power & Light)	508.3	(49.6)	-9.8%
Pepsico	496.5	(45.3)	-9.1%
Boeing Co.	475.0	(44.0)	-9.3%
General Electric	2,413.0	(35.0)	-1.5%
Owens-Illinois	47.6	(33.4)	-70.2%
Gulf Corp.	455.0	(32.0)	-7.0%
Columbia Gas System	337.7	(31.3)	-9.3%
First Executive Corp.	197.9	(31.1)	-15.7%
RCA	261.9	(30.9)	-11.8%
ENSERCH Corp.	158.3	(30.4)	-19.2%
Texas Eastern Corp.	186.4	(28.9)	-15.5%
Ashland Oil	41.2	(25.1)	-61.0%
Great Northern Nekoosa	90.3	(24.8)	-27.5%
Union Camp Corp.	152.0	(19.3)	-12.7%
Allied Corp.	233.0	(18.0)	-7.7%
Philadelphia Electric Co.	501.9	(16.4)	-3.3%
Dow Chemical Co.	98.0	(16.0)	-16.3%
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%
Union Carbide	77.0	(9.0)	-11.7%
Greyhound Corp.	48.1	(8.0)	-16.6%
Ozark Holdings (Ozark Air L.)	2.1	(7.0)	-333.3%
Wang Laboratories	119.5	(6.2)	-5.2%
American Cyanamid Co.	110.4	(5.9)	-5.3%
ITT	241.7	(5.7)	-2.3%
Tesoro Petroleum	33.1	(5.4)	-16.3%
Central and South West Corp. ⁴	78.9	(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%

(continued)

**61 companies paying zero or less
in federal income taxes in 1983 (2)
(\$-millions)**

	1983		
Company:	Profit	Tax	Rate
Tektronix	\$21.5	(\$4.3)	-20.0%
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%
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%
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%
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%
Hutton (E.F.) Group	143.8	0.0	0.0%
Lockheed Corp.	461.8	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%
<hr/>			
TOTALS, 61 Companies			
Paying Zero or Less, 1983:	\$14,219.7	(\$1,099.6)	-7.7%
<hr/>			

1982
84 Companies Paying Zero or Less
In Federal Income Taxes
(\$-millions)

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%
Dow Chemical Co.	151.0	(104.0)	-68.9%
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%
ITT	233.0	(71.4)	-30.7%
Union Carbide	25.0	(68.0)	-272.0%
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%
Weyerhaeuser Co.	115.1	(40.8)	-35.4%
Dun & Bradstreet Corp.	189.4	(35.5)	-18.7%
Signal Companies	169.0	(35.0)	-20.7%
RCA	198.7	(34.9)	-17.6%
Panhandle Eastern Corp.	255.7	(34.7)	-13.6%
Columbia Gas System	251.4	(33.0)	-13.1%
Georgia-Pacific Corp.	24.0	(33.0)	-137.5%
Olin Corp.	48.2	(31.0)	-64.3%
Santa Fe Southern Pacific Corp.	403.9	(28.7)	-7.1%
International Paper Co.	109.1	(26.8)	-24.6%
Ogden Corp.	47.9	(26.8)	-55.9%
Burlington Industries	58.2	(24.0)	-41.2%
Pepsico	502.2	(23.7)	-4.7%
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%
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%

(continued)

84 companies paying zero or less in federal income taxes in 1982 (2)
(\$-millions)

Company:	1982		
	Profit	Tax	Rate
ENSERCH Corp.	\$209.1	(\$11.8)	-5.6%
Harris Corp.	70.9	(11.5)	-16.1%
Rohm and Haas	29.0	(11.2)	-38.6%
White Consolidated Industries	42.3	(11.1)	-26.2%
USG Corp. (U.S. Gypsum)	43.2	(10.6)	-24.5%
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%
First Executive Corp.	70.9	(7.7)	-10.9%
Armstrong World Industries	26.7	(7.7)	-28.8%
General Mills	334.7	(7.2)	-2.2%
Comerica	18.6	(7.0)	-37.6%
Hutton (E.F.) Group	102.8	(6.9)	-6.7%
Singer Co.	24.1	(5.4)	-22.4%
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%
Ozark Holdings (Ozark Air L.)	12.2	(2.0)	-16.4%
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%
Consumers Power Co.	320.0	(1.5)	-0.5%
International Multifoods	15.1	(1.4)	-9.5%
Pittway Corp.	43.7	(1.0)	-2.4%
Wang Laboratories	107.6	(0.9)	-0.8%
Public Service Indiana	331.5	(0.6)	-0.2%
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%
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%
Prime Computer	38.8	0.0	0.0%
TOTALS, 84 Companies			
Paying Zero or Less, 1982:	\$27,361.5	(\$2,784.3)	-10.2%

1981

**53 Companies Paying Zero or Less
In Federal Income Taxes
(\$-millions)**

Company:	1981		
	Profit	Tax	Rate
Tenneco	\$1,015.0	(\$188.0)	-18.5%
Weyerhaeuser Co.	251.4	(144.2)	-57.4%
Santa Fe Southern Pacific Corp.	662.6	(144.1)	-21.7%
Boeing Co.	691.0	(126.0)	-18.2%
Dow Chemical Co.	527.0	(103.0)	-19.5%
General Electric	2,046.0	(102.0)	-5.0%
Georgia-Pacific Corp.	234.0	(93.0)	-39.7%
ITT	272.3	(89.7)	-33.0%
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%
Arizona Public Service Co.	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%
Northrup Corp.	66.1	(32.8)	-49.6%
Columbia Gas System	297.6	(30.3)	-10.2%
Philadelphia Electric Co.	329.9	(28.5)	-8.6%
Tesoro Petroleum	25.3	(27.9)	-110.3%
Transamerica Corp.	227.7	(27.7)	-12.2%
Martin Marietta Corp.	259.3	(23.5)	-9.1%
Texas Eastern Corp.	270.0	(22.1)	-8.2%
Mitchell Energy & Dev. Corp.	175.9	(21.2)	-12.1%
Signal Companies	303.0	(21.0)	-6.9%
Northern Indiana PSC	141.3	(18.8)	-13.3%
Ashland Oil	48.7	(16.7)	-34.3%
Ogden Corp.	84.9	(15.0)	-17.7%
Borden	201.3	(14.9)	-7.4%
Anheuser-Busch	318.1	(12.3)	-3.9%
Commonwealth Edison Co.	556.1	(9.3)	-1.7%
Data General Corp.	65.6	(8.7)	-13.3%
Singer Co.	14.6	(7.1)	-48.6%
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%

(continued)

**53 companies paying zero or less
in federal income taxes in 1981 (2)
(\$-millions)**

1981

Company:	Profit	Tax	Rate
Sears, Roebuck & Co.	601.6	(4.9)	-0.8%
First Executive Corp.	46.5	(4.4)	-9.6%
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%
General Public Utilities Corp.	60.0	(1.0)	-1.7%
Tyson Foods	1.3	(0.8)	-61.5%
Gould	63.3	(0.5)	-0.8%
Searle (G.D.) & Co.	145.5	(0.3)	-0.2%
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, 53 Companies			
Paying Zero or Less, 1981:	\$14,490.2	(\$1,859.0)	-12.8%

America's Top Twelve Defense Contractors

Profits and Federal Income Taxes for the Years 1981 Through 1984

(\$-millions)

Company:	1984			1983			1982			1981			1981-84 Totals		
	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate
Rockwell International	\$ 779.6	\$ 217.6	27.9%	\$ 587.0	\$ 161.4	27.5%	\$ 522.7	\$ -1.7	-0.3%	\$ 457.6	\$ 46.2	10.1%	\$ 2,346.9	\$ 423.5	18.0%
McDonnell Douglas Corp.	458.8	0.5	0.1%	404.5	3.1	0.8%	327.0	0.8	0.2%	233.9	0.7	0.3%	1,424.2	5.1	0.4%
General Dynamics	648.7	-33.2	-5.1%	492.5	-13.3	-2.7%	249.8	-12.9	-5.2%	188.5	-44.4	-23.6%	1,579.5	-103.8	-6.6%
General Electric	3,050.0	185.0	6.1%	2,413.0	-35.0	-1.5%	2,068.0	-146.0	-7.1%	2,046.0	-102.0	-5.0%	9,577.0	-98.0	-1.0%
Lockheed Corp.	585.9	—	—	461.8	—	—	337.6	—	—	285.6	—	—	1,670.9	—	—
Boeing Co.	569.0	-18.0	-3.2%	475.0	-44.0	-9.3%	364.0	-97.0	-26.6%	691.0	-126.0	-18.2%	2,099.0	-285.0	-13.6%
Martin Marietta Corp.	300.9	98.9	32.9%	184.9	1.6	0.9%	46.0	-72.4	-157.4%	259.3	-23.5	-9.1%	791.1	4.6	0.6%
United Technologies	636.4	176.4	27.7%	551.4	127.8	23.2%	434.1	78.3	18.0%	495.4	149.9	30.3%	2,117.3	532.4	25.1%
Raytheon Co.	515.5	157.6	30.6%	447.5	295.1	65.9%	452.0	193.4	42.8%	493.2	135.6	27.5%	1,908.2	781.7	41.0%
Westinghouse Electric Corp.	619.8	-16.0	-2.6%	393.7	20.2	5.1%	452.4	-48.2	-10.7%	523.3	54.3	10.4%	1,989.2	10.3	0.5%
Grumman Corp.	178.9	—	—	182.7	—	—	159.8	—	—	132.0	—	—	653.4	—	—
Litton Industries	398.5	180.8	45.4%	306.4	63.2	20.6%	435.5	45.8	10.5%	443.5	187.1	42.2%	1,583.9	476.9	30.1%
TOTALS, TOP TWELVE DEFENSE CONTRACTORS:	\$8,742.0	\$949.6	10.9%	\$6,900.4	\$580.1	8.4%	\$5,848.9	\$-59.9	-1.0%	\$6,249.3	\$277.9	4.4%	\$ 27,740.6	\$1,747.7	6.3%

NOTE: The list excludes Hughes Aircraft, the nation's number nine defense contractor, which was privately held of the 1981-84 period.

Effective Tax Rates by Industry

For 275 Major Corporations

Year-by-Year Summary

(\$-millions)

Industry:	1984			1983			1982			1981			1981-84 Totals		
	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate
1. Aerospace	\$ 4,445.7	\$ 356.4	8.0%	\$ 3,529.7	\$ 337.5	9.6%	\$ 2,525.5	\$ -78.7	-3.1%	\$ 2,853.1	\$ -27.4	-1.0%	\$ 13,354.0	\$ 587.8	4.4%
2. Airlines	173.9	2.4	1.4%	89.3	-18.0	-20.2%	53.8	-37.2	-69.1%	124.7	19.7	15.8%	441.7	-33.1	-7.5%
3. Automotive	6,416.7	1,863.2	29.0%	6,374.9	900.1	14.1%	1,707.7	265.3	15.5%	1,453.0	777.2	53.5%	15,952.4	3,805.9	23.9%
4. Building Materials, Glass	1,356.6	404.0	29.8%	895.9	197.2	22.0%	407.4	-20.5	-5.0%	783.0	96.9	12.4%	3,442.9	677.6	19.7%
5. Chemicals	4,202.2	543.3	12.9%	2,885.2	166.3	5.8%	2,055.2	-325.6	-15.8%	4,668.1	443.7	9.5%	13,810.8	827.7	6.0%
6. Computers, Office Equipment	8,549.9	1,829.3	21.4%	7,339.8	1,838.3	25.0%	6,509.4	1,686.2	25.9%	5,310.0	1,389.1	26.2%	27,709.1	6,742.9	24.3%
7. Conglomerates	2,083.3	324.5	15.6%	1,398.3	249.5	17.8%	570.1	-24.3	-4.3%	1,375.7	187.0	13.6%	5,427.5	736.7	13.6%
8. Constuction	474.0	82.4	17.4%	411.5	94.8	23.0%	632.0	200.4	31.7%	916.8	331.3	36.1%	2,434.3	708.9	29.1%
9. Drugs, Hospital Supplies	4,768.3	979.0	20.5%	4,379.8	817.8	18.7%	3,758.1	720.7	19.2%	3,322.5	771.8	23.2%	16,228.7	3,289.3	20.3%
10. Electrical, Electronics	6,446.4	917.8	14.2%	5,246.4	777.0	14.8%	4,836.6	243.6	5.0%	5,205.8	601.1	11.5%	21,735.3	2,539.5	11.7%
11. Financial	1,498.2	-56.2	-3.7%	1,621.5	-11.9	-0.7%	669.2	-80.6	-12.0%	1,037.3	9.4	0.9%	4,826.2	-139.2	-2.9%
12. Food & Beverages	6,333.4	1,277.8	20.2%	6,034.9	1,271.0	21.1%	5,425.7	1,066.7	19.7%	4,892.2	1,155.0	23.6%	22,686.3	4,770.5	21.0%
13. Instruments	1,877.7	568.1	30.3%	1,588.8	421.7	26.5%	2,243.0	416.8	18.6%	2,597.0	692.9	26.7%	8,306.5	2,099.5	25.3%
14. Leisure, Personal Care	1,941.7	520.0	26.8%	2,121.8	740.1	34.9%	2,064.9	639.4	31.0%	1,671.1	614.3	36.8%	7,799.5	2,513.8	32.2%
15. Miscellaneous Manufacturing	2,370.8	673.3	28.4%	1,714.9	331.5	19.3%	1,492.4	325.4	21.8%	2,174.3	597.0	27.5%	7,752.4	1,927.3	24.9%
16. Oil & Gas, Coal, Mining	16,739.3	2,863.9	17.1%	17,303.4	3,283.7	19.0%	19,405.4	3,458.7	17.8%	24,167.6	5,349.1	22.1%	77,615.7	14,955.4	19.3%
17. Paper & Forest Products	2,287.4	343.5	15.0%	1,557.5	35.9	2.3%	1,006.7	-123.4	-12.3%	2,307.2	2.2	0.1%	7,158.8	258.3	3.6%
18. Publishing & Broadcasting	2,295.1	677.7	29.5%	1,748.6	440.9	25.2%	1,405.8	220.7	15.7%	1,285.8	352.2	27.4%	6,735.3	1,691.5	25.1%
19. Railroads	4,200.6	251.5	6.0%	2,846.3	80.4	2.8%	2,772.3	46.1	1.7%	3,489.2	-142.0	-4.1%	13,308.4	236.0	1.8%
20. Rubber	770.3	133.2	17.3%	578.2	95.6	16.5%	527.4	111.8	21.2%	541.5	121.6	22.5%	2,417.4	462.2	19.1%
21. Services, Trade	4,102.5	700.9	17.1%	3,947.1	640.8	16.2%	2,637.8	377.8	14.3%	2,033.3	274.7	13.5%	12,720.6	1,994.2	15.7%
22. Telecommunications	4,188.0	21.9	0.5%	11,034.0	517.7	4.7%	13,361.4	-661.2	-4.9%	12,452.4	1,049.1	8.4%	41,035.8	927.5	2.3%
23. Textiles	593.8	213.8	36.0%	686.4	227.0	33.1%	497.0	148.6	29.9%	612.9	211.6	34.5%	2,390.2	801.0	33.5%
24. Tobacco	3,113.1	1,240.9	39.9%	3,071.8	1,041.5	33.9%	2,674.7	983.3	36.8%	2,440.6	830.4	34.0%	11,300.2	4,096.1	36.2%
25. Utilities (Electric & Gas)	16,836.0	1,210.5	7.2%	14,955.1	921.1	6.2%	12,106.0	1,187.6	9.8%	10,059.1	469.3	4.7%	53,956.1	3,788.6	7.0%
ALL-INDUSTRY TOTALS:	\$108,065.0	\$17,943.2	16.6%	\$103,361.2	\$15,397.5	14.9%	\$91,345.7	\$10,747.7	11.8%	\$97,774.2	\$16,177.4	16.5%	\$400,546.1	\$60,265.7	15.0%

1981-84 Profits and Federal Income Taxes by Industry For 275 Major American Corporations (\$-millions)

Industry/Company:	1981-84 Totals			Industry/Company:	1981-84 Totals		
	Profit	Tax	Rate		Profit	Tax	Rate
1. Aerospace				5. Chemicals			
Boeing Co.	\$ 2,099.0	\$ -285.0	-13.6%	Dow Chemical Co.	\$ 972.0	\$ -180.0	-18.5%
Northrup Corp.	416.8	-46.4	-11.1%	Internat'l Minerals & Chemical	371.6	-43.7	-11.8%
General Dynamics	1,579.5	-103.8	-6.6%	Sun Chemical Corp.	103.2	-10.4	-10.1%
Grumman Corp.	653.4	—	—	Union Carbide	892.0	-26.0	-2.9%
Lockheed Corp.	1,670.9	—	—	Allied Corp.	693.0	-17.0	-2.5%
McDonnell Douglas Corp.	1,424.2	5.1	0.4%	DuPont	4,075.0	-40.0	-1.0%
Signal Companies	1,046.0	62.0	5.9%	Grace (W.R.) & Co.	802.7	1.6	0.2%
Rockwell International	2,346.9	423.5	18.0%	American Cyanamid Co.	435.5	10.1	2.3%
United Technologies	2,117.3	532.4	25.1%	SCM Corp.	175.9	4.5	2.6%
Totals, Aerospace:	\$ 13,354.0	\$ 587.8	4.4%	Air Products and Chemicals	454.5	37.5	8.2%
2. Airlines				Olin Corp.	383.0	37.0	9.7%
Piedmont Aviation	\$ 169.0	\$ -25.4	-15.0%	Monsanto Co.	1,792.0	319.0	17.8%
Southwest Airlines Co.	213.0	-8.1	-3.8%	Hercules	457.4	100.4	22.0%
Ozark Holdings (Ozark Air L.)	59.7	0.4	0.6%	Lubrizol Corp.	223.1	50.3	22.5%
Totals, Airlines:	\$ 441.7	\$ -33.1	-7.5%	Rohm and Haas	456.0	118.1	25.9%
3. Automotive				Ethyl Corp.	522.4	141.1	27.0%
General Motors Corp.	\$ 13,412.6	\$ 2,998.1	22.4%	Witco Chemical Corp.	254.5	72.1	28.3%
TRW	1,124.6	252.4	22.4%	Nat'l Distillers & Chem. Corp.	368.7	107.5	29.2%
Ex-Cell-O Corp.	304.4	115.3	37.9%	Nalco Chemical Co.	378.4	145.6	38.5%
Dana Corp.	728.0	279.5	38.4%	Totals, Chemicals:	\$ 13,810.8	\$ 827.7	6.0%
PACCAR	382.7	160.6	42.0%	6. Computers, Office Equipment			
Totals, Automotive:	\$ 15,952.4	\$ 3,805.9	23.9%	Prime Computer	\$ 141.3	\$ 0.6	0.4%
4. Building Materials, Glass				Sperry Corp.	699.2	7.9	1.1%
Jim Walter Corp.	\$ 361.7	\$ -4.1	-1.1%	Wang Laboratories	485.8	10.6	2.2%
Owens-Illinois	369.2	30.6	8.3%	Data General Corp.	203.5	27.8	13.7%
Corning Glass Works	142.3	13.8	9.7%	Pitney Bowes	514.9	107.9	21.0%
PPG Industries	1,115.4	188.8	16.9%	Hewlett-Packard Co.	1,685.0	404.0	24.0%
Ball Corp.	245.1	54.1	22.1%	Honeywell	865.4	211.5	24.4%
Owens-Corning Fiberglas Corp.	343.9	95.2	27.7%	NCR Corp.	845.0	217.3	25.7%
USG Corp. (U.S. Gypsum)	557.6	176.8	31.7%	IBM	20,912.0	5,382.0	25.7%
Sherwin-Williams Co.	307.8	122.3	39.8%	Digital Equipment Corp.	1,357.0	373.3	27.5%
Totals, Building Materials:	\$ 3,442.9	\$ 677.6	19.7%	Totals, Computers, Off. Eq.:	\$ 27,709.1	\$ 6,742.9	24.3%

1981-84 INDUSTRY TAX RATES For 275 Major Corporations, cont. (2)

(\$-millions)

Industry/Company:	1981-84 Totals			Industry/Company:	1981-84 Totals		
	Profit	Tax	Rate		Profit	Tax	Rate
7. Conglomerates				Electrical, Electronics (cont.)			
IC Industries	\$ 534.7	\$ -55.4	-10.4%	Cubic Corp.	101.3	14.3	14.1%
Martin Marietta Corp.	791.1	4.6	0.6%	M/A-COM	229.6	38.2	16.6%
City Investing Co.	867.0	67.0	7.7%	AMETEK	218.4	36.8	16.8%
Household International	916.9	94.8	10.3%	White Consolidated Industries	267.2	50.9	19.0%
Textron	626.8	102.8	16.4%	Motorola	924.0	213.0	23.1%
Gulf+Western Industries	971.0	258.0	26.6%	Tracor	154.6	38.8	25.1%
Colt Industries	720.0	264.9	36.8%	Litton Industries	1,583.9	476.9	30.1%
Totals, Conglomerates:	\$ 5,427.5	\$ 736.7	13.6%	E-Systems	288.7	94.6	32.8%
8. Construction				National Service Industries	337.1	111.0	32.9%
Centex Corp.	\$ 264.4	\$ -10.2	-3.9%	McGraw Edison Co.	397.8	139.8	35.1%
Halliburton Co.	1,995.1	649.3	32.5%	AMP	665.3	234.0	35.2%
Foster Wheeler Corp.	174.8	69.8	39.9%	Square D Co.	520.5	189.0	36.3%
Totals, Construction:	\$ 2,434.3	\$ 708.9	29.1%	Raytheon Co.	1,908.2	781.7	41.0%
9. Drugs, Hospital Supplies				Whirlpool Corp.	939.6	397.9	42.4%
Baxter Travenol Laboratories	\$ 649.3	\$ 14.2	2.2%	Totals, Electrical/ronics:	\$ 21,735.3	\$ 2,539.5	11.7%
Searle (G.D.) & Co.	680.1	39.7	5.8%	11. Financial			
Becton, Dickinson and Co.	292.7	33.7	11.5%	Hutton (E.F.) Group	\$ 372.5	\$ -59.6	-16.0%
Merck & Co.	1,727.6	200.2	11.6%	Transamerica Corp.	748.6	-93.6	-12.5%
Schering-Plough Corp.	649.0	89.6	13.8%	First Executive Corp.	444.2	-44.2	-10.0%
Johnson & Johnson	1,327.4	211.4	15.9%	Mellon Bank Corp.	544.7	-32.8	-6.0%
Upjohn Co.	935.4	172.0	18.4%	Comerica	135.3	-7.1	-5.3%
SmithKline Beckman	1,595.5	299.8	18.8%	Citizens and Southern Ga. Corp	228.2	3.0	1.3%
American Hospital Supply Corp.	992.1	201.1	20.3%	Morgan (J.P.) & Co.	752.2	16.8	2.2%
Pfizer	1,206.9	246.6	20.4%	Barnett Banks of Florida	306.7	8.2	2.7%
Squibb Corp.	421.4	94.1	22.3%	Combined International Corp.	457.6	19.5	4.3%
Lilly (Eli) and Co.	2,142.4	527.1	24.6%	Chase Manhattan Corp.	836.4	50.6	6.1%
Abbot Laboratories	1,833.5	491.5	26.8%	Totals, Financial:	\$ 4,826.2	\$ -139.2	-2.9%
Bristol-Myers Co.	1,775.4	668.3	37.6%	12. Food & Beverages			
Totals, Drugs, Hosp. Supp.:	\$ 16,228.7	\$ 3,289.3	20.3%	Pepsico	\$ 1,798.7	\$ -135.8	-7.6%
10. Electrical, Electronics				International Multifoods	43.9	-3.2	-7.3%
ITT	\$ 815.0	\$ -177.7	-21.8%	Greyhound Corp.	419.9	-10.4	-2.5%
Harris Corp.	307.6	-19.5	-6.3%	Tyson Foods	69.1	-1.0	-1.4%
Singer Co.	194.2	-11.6	-6.0%	General Mills	1,367.9	74.4	5.4%
General Electric	9,577.0	-98.0	-1.0%	Archer Daniels Midland Co.	745.4	53.5	7.2%
Westinghouse Electric Corp.	1,989.2	10.3	0.5%	Borden	934.6	117.3	12.6%
Gould	316.0	19.2	6.1%	Sara Lee Corp. (Consol. Foods)	834.7	105.5	12.6%
				Anheuser-Busch	2,052.4	284.3	13.9%

1981-84 INDUSTRY TAX RATES For 275 Major Corporations, cont. (3)

(\$-millions)

Industry/Company:	1981-84 Totals		
	Profit	Tax	Rate
Food & Beverages (cont).			
Coors (Adolph) Co.	351.7	49.6	14.1%
Anderson Clayton	160.6	29.7	18.5%
Hormel (Geo. A.) & Co.	186.0	34.6	18.6%
Coca Cola Co.	1,439.8	325.8	22.6%
General Foods Corp.	1,655.0	375.4	22.7%
Heileman (G.) Brewing Co.	343.4	80.8	23.5%
ConAgra	227.0	54.0	23.8%
Nabisco Brands	1,248.9	308.1	24.7%
Pillsbury Co.	845.7	226.3	26.8%
Dart & Kraft, Inc.	1,967.8	596.3	30.3%
Heinz (H.J.) Co.	850.1	265.0	31.2%
Hershey Foods Corp.	662.4	222.9	33.6%
Wrigley (Wm., Jr.) Co.	149.5	52.3	35.0%
Campbell Soup Co.	988.8	349.8	35.4%
Kellogg's Co.	1,202.1	432.7	36.0%
Amstar Corp.	305.7	121.1	39.6%
Brown-Forman Distillers Corp.	546.3	218.9	40.1%
Ralston Purina Co.	1,288.9	542.6	42.1%
Totals, Food & Beverages:	\$ 22,686.3	\$ 4,770.5	21.0%
13. Instruments			
Xerox	\$ 1,122.7	\$ -9.2	-0.8%
Tektronix	226.1	32.2	14.2%
Johnson Controls	352.0	87.1	24.7%
Eastman Kodak Co.	5,703.0	1,684.0	29.5%
Perkin-Elmer Corp.	263.2	78.5	29.8%
General Signal Corp.	639.5	226.8	35.5%
Totals, Instruments:	\$ 8,306.5	\$ 2,099.5	25.3%
14. Leisure, Personal Care			
MCA	\$ 409.8	\$ 25.5	6.2%
Coleman Co.	136.7	31.6	23.1%
American Greetings	248.6	82.6	33.2%
Procter & Gamble Co.	4,792.0	1,597.0	33.3%
Chesebrough-Pond's	582.2	195.0	33.5%
Gillette Co.	367.5	126.4	34.4%
Clorox Co.	384.4	135.7	35.3%
Avon Products	878.2	319.9	36.4%
Totals, Leisure, Pers. Care:	\$ 7,799.5	\$ 2,513.8	32.2%

Industry/Company:	1981-84 Totals		
	Profit	Tax	Rate
15. Miscellaneous Manufacturing			
American Standard	\$ 173.4	\$ 9.6	5.5%
Sundstrand Corp.	405.1	25.6	6.3%
Pittway Corp.	186.3	23.4	12.6%
FMC	787.3	137.1	17.4%
Borg-Warner Corp.	570.2	101.7	17.8%
Carpenter Technology Corp.	209.4	38.0	18.1%
Alumax	515.2	94.5	18.3%
Emhart Corp.	255.6	48.4	18.9%
Norton Co.	280.7	68.5	24.4%
Parker Hannifin Corp.	288.4	74.5	25.8%
Stanley Works	273.7	79.7	29.1%
Minnesota Mining & Manuf. (3M)	3,057.0	971.0	31.8%
Harsco Corp.	190.2	62.8	33.0%
Briggs & Stratton Corp.	224.7	75.9	33.8%
Wyman-Gordan Co.	335.3	116.9	34.9%
Totals, Misc. Manufacturing:	\$ 7,752.4	\$ 1,927.3	24.9%
16. Oil & Gas, Coal, Mining			
Ashland Oil	\$ 336.1	\$ -62.0	-18.5%
Tesoro Petroleum	124.3	-22.5	-18.1%
Mitchell Energy & Dev. Corp.	458.7	-41.1	-9.0%
Tenneco	3,401.0	-166.0	-4.9%
Texaco	1,819.0	-68.0	-3.7%
Columbia Gas System	1,147.1	-15.9	-1.4%
Englehard Corp.	229.7	7.6	3.3%
MAPCO	383.1	32.1	8.4%
Gulf Corp.	2,800.0	241.0	8.6%
Phillips Petroleum Co.	3,282.0	355.0	10.8%
Mobil Corp.	3,961.0	495.0	12.5%
Pennzoil Co.	1,097.2	142.6	13.0%
Sun Co.	3,716.0	520.0	14.0%
American Petrofina	330.2	46.7	14.1%
Standard Oil of Indiana	7,472.0	1,099.0	14.7%
Cabot Corp.	526.8	89.4	17.0%
Chevron Corp. [Std.Oil (Cal.)]	6,036.0	1,083.0	17.9%
Unocal Corp.	4,008.8	826.0	20.6%
Shell Oil Co.	10,849.0	2,443.0	22.5%
InterNorth	1,273.9	322.8	25.3%
Quaker State Oil Refining Corp.	192.9	50.7	26.3%
Exxon	12,202.0	3,300.0	27.0%
Standard Oil of Ohio	11,969.0	4,277.0	35.7%
Totals, Oil & Gas, Mining:	\$ 77,615.7	\$ 14,955.4	19.3%

1981-84 INDUSTRY TAX RATES For 275 Major Corporations, cont. (4)

(\$-millions)

Industry/Company:	1981-84 Totals			Industry/Company:	1981-84 Totals		
	Profit	Tax	Rate		Profit	Tax	Rate
17. Paper & Forest Products				20. Rubber			
Georgia-Pacific Corp.	\$ 783.0	\$ -59.0	-7.5%	Uniroyal	\$ 93.1	\$ 6.0	6.4%
Weyerhaeuser Co.	929.2	-59.1	-6.4%	Armstrong World Industries	319.5	32.7	10.2%
Scott Paper Co.	594.6	-30.5	-5.1%	Goodyear Tire & Rubber Co.	1,864.5	374.3	20.1%
International Paper Co.	1,136.3	-32.6	-2.9%	Cooper Tire & Rubber Co.	140.4	49.2	35.0%
Great Northern Nekoosa	521.8	1.0	0.2%	Totals, Rubber:	\$ 2,417.4	\$ 462.2	19.1%
Union Camp Corp.	816.0	11.0	1.3%	21. Services, Trade			
Champion International Corp.	299.8	4.5	1.5%	Ogden Corp.	\$ 251.5	\$ -5.6	-2.2%
Federal Paper Board Co.	134.4	14.5	10.8%	Overseas Shipholding Group	276.3	2.9	1.0%
Kimberly-Clark Corp.	860.3	123.3	14.3%	Sears, Roebuck & Co.	5,218.1	310.3	5.9%
Westvaco Corp.	471.1	70.3	14.9%	Leaseway Transportation Corp.	184.8	22.1	12.0%
Sonoco Products Co.	206.8	71.3	34.5%	Donnelley (R.R.) & Sons Co.	716.3	95.6	13.4%
Consolidated Papers	405.4	143.5	35.4%	Hospital Corp. of America	1,326.8	181.2	13.7%
Totals, Paper & Forest Pro.:	\$ 7,158.8	\$ 258.3	3.6%	Kroger Co.	974.7	148.4	15.2%
18. Publishing & Broadcasting				Dillard Department Stores	204.4	36.1	17.7%
Dun & Bradstreet Corp.	\$ 967.0	\$ -6.7	-0.7%	Holiday Inns	688.2	166.9	24.3%
RCA	790.2	8.0	1.0%	Alco Standard Corp.	375.9	92.0	24.5%
MacMillan	121.4	20.4	16.8%	K mart	2,047.5	759.1	37.1%
Media General	224.4	52.6	23.4%	SuperValu Stores	456.2	185.1	40.6%
Time	897.6	240.6	26.8%	Totals, Services, Trade:	\$ 12,720.6	\$ 1,994.2	15.7%
CBS	988.5	292.0	29.5%	22. Telecommunications			
Knight-Ridder Newspapers	788.4	299.0	37.9%	AT&T	\$ 33,262.9	\$ 105.2	0.3%
ABC	1,162.4	464.2	39.9%	Continental Telecom	1,100.1	55.7	5.1%
McGraw-Hill	795.4	321.6	40.4%	GTE Corp.	5,186.3	483.6	9.3%
Totals, Publish/Broadcasting:	\$ 6,735.3	\$ 1,691.5	25.1%	United Telecommunications	1,486.5	283.0	19.0%
19. Railroads				Totals, Telecommunications:	\$ 41,035.8	\$ 927.5	2.3%
Santa Fe South'n Pacific Corp.	\$ 2,309.0	\$ -133.4	-5.8%	23. Textiles			
Burlington Northern	2,799.2	-1.1	-0.0%	Burlington Industries	\$ 438.7	\$ 35.5	8.1%
CSX Corp.	2,585.4	7.4	0.3%	Springs Industries	229.3	56.1	24.5%
Union Pacific Corp.	2,577.0	104.0	4.0%	West Point-Pepperell	298.7	80.2	26.8%
Norfolk Southern Corp.	3,037.8	259.1	8.5%	INTERCO	703.1	307.2	43.7%
Totals, Railroads:	\$ 13,308.4	\$ 236.0	1.8%	VF Corporation	720.3	322.0	44.7%
				Totals, Textiles:	\$ 2,390.2	\$ 801.0	33.5%

1981-84 INDUSTRY TAX RATES For 275 Major Corporations, cont. (5)
(\$-millions)

Industry/Company:	1981-84 Totals			Industry/Company:	1981-84 Totals		
	Profit	Tax	Rate		Profit	Tax	Rate
24. Tobacco				Utilities (cont.)			
Philip-Morris	\$ 4,725.3	\$ 1,494.6	31.6%	FPL Group (Fla. Power & Light)	1,895.3	38.4	2.0%
American Brands	2,004.9	780.5	38.9%	Carolina Power & Light Co.	1,631.5	37.7	2.3%
Reynolds (R.J.) Industries	4,570.0	1,821.0	39.8%	Gulf States Utilities Co.	1,044.1	30.9	3.0%
Totals, Tobacco:	\$ 11,300.2	\$ 4,096.1	36.2%	General Public Utilities Corp.	696.0	24.0	3.4%
				PSE&G (New Jersey)	2,207.4	76.6	3.5%
25. Utilities (Electric & Gas)				Central and South West Corp.	1,818.1	68.0	3.7%
Panhandle Eastern Corp.	\$ 1,220.7	\$ -28.8	-2.4%	Northern States Power Co.	1,192.2	54.3	4.6%
Ohio Edison Co.	1,524.4	-31.8	-2.1%	Cleveland Electric Illum. Co.	1,238.4	57.8	4.7%
Northern Indiana PSC	792.5	-14.6	-1.8%	Houston Industries	1,793.9	95.3	5.3%
Philadelphia Electric Co.	1,892.5	-30.3	-1.6%	Pacific Lighting Corp.	848.2	61.7	7.3%
Arizona Public Service Co.	1,278.4	-14.1	-1.1%	American Natural Resources Co.	1,026.5	104.4	10.2%
Pennsylvania Power & Light Co.	1,362.9	-10.0	-0.7%	Dominion Resources (VEPCO)	1,926.5	207.7	10.8%
Union Electric	1,420.5	2.6	0.2%	Texas Eastern Corp.	827.0	93.3	11.3%
Commonwealth Edison Co.	3,595.7	8.0	0.2%	Pacific Gas and Electric Co.	4,396.8	496.3	11.3%
Consumers Power Co.	1,234.7	10.0	0.8%	Arkansas Power & Light Co.	792.5	92.8	11.7%
Public Service Indiana	1,084.6	9.0	0.8%	Illinois Power Co.	1,074.5	151.3	14.1%
ENSERCH Corp.	826.6	7.6	0.9%	Southern California Edison Co.	3,482.7	503.9	14.5%
Detroit Edison Co.	1,634.1	23.0	1.4%	Baltimore Gas and Electric Co.	1,235.7	211.6	17.1%
Niagra Mohawk Power Corp.	1,440.4	25.0	1.7%	Allegheny Power System	1,063.5	307.9	28.9%
PacifiCorp (Pac.Power & Light)	983.8	17.2	1.7%	Consolidated Edison Co.	3,473.8	1,102.0	31.7%
				Totals, Utilities:	\$ 53,956.1	\$ 3,788.6	7.0%
				ALL INDUSTRY TOTALS:	\$ 400,546.1	\$ 60,265.7	15.0%

1981-84 Profits and Federal Income Taxes for 275 Major American Corporations
Listed by 1981-84 Effective Tax Rate
(\$-millions)

Company:	1981-84 Totals			Company:	1981-84 Totals		
	Profit	Tax	Rate		Profit	Tax	Rate
ITT	\$ 815.0	\$ -177.7	-21.8%	Pennsylvania Power & Light Co.	\$ 1,362.9	\$ -10.0	-0.7%
Dow Chemical Co.	972.0	-180.0	-18.5%	Dun & Bradstreet Corp.	967.0	-6.7	-0.7%
Ashland Oil	336.1	-62.0	-18.5%	Burlington Northern	2,799.2	-1.1	-0.0%
Tesoro Petroleum	124.3	-22.5	-18.1%	Grumman Corp.	653.4	—	—
Hutton (E.F.) Group	372.5	-59.6	-16.0%	Lockheed Corp.	1,670.9	—	—
Piedmont Aviation	169.0	-25.4	-15.0%	Union Electric	1,420.5	2.6	0.2%
Boeing Co.	2,099.0	-285.0	-13.6%	Great Northern Nekoosa	521.8	1.0	0.2%
Transamerica Corp.	748.6	-93.6	-12.5%	Grace (W.R.) & Co.	802.7	1.6	0.2%
Internat'l Minerals & Chemical	371.6	-43.7	-11.8%	Commonwealth Edison Co.	3,595.7	8.0	0.2%
Northrup Corp.	416.8	-46.4	-11.1%	CSX Corp.	2,585.4	7.4	0.3%
IC Industries	534.7	-55.4	-10.4%	AT&T	33,262.9	105.2	0.3%
Sun Chemical Corp.	103.2	-10.4	-10.1%	McDonnell Douglas Corp.	1,424.2	5.1	0.4%
First Executive Corp.	444.2	-44.2	-10.0%	Prime Computer	141.3	0.6	0.4%
Mitchell Energy & Dev. Corp.	458.7	-41.1	-9.0%	Westinghouse Electric Corp.	1,989.2	10.3	0.5%
Pepsico	1,798.7	-135.8	-7.6%	Martin Marietta Corp.	791.1	4.6	0.6%
Georgia-Pacific Corp.	783.0	-59.0	-7.5%	Ozark Holdings (Ozark Air L.)	59.7	0.4	0.6%
International Multifoods	43.9	-3.2	-7.3%	Consumers Power Co.	1,234.7	10.0	0.8%
General Dynamics	1,579.5	-103.8	-6.6%	Public Service Indiana	1,084.6	9.0	0.8%
Weyerhaeuser Co.	929.2	-59.1	-6.4%	ENSERCH Corp.	826.6	7.6	0.9%
Harris Corp.	307.6	-19.5	-6.3%	RCA	790.2	8.0	1.0%
Mellon Bank Corp.	544.7	-32.8	-6.0%	Overseas Shipholding Group	276.3	2.9	1.0%
Singer Co.	194.2	-11.6	-6.0%	Sperry Corp.	699.2	7.9	1.1%
Santa Fe South'n Pacific Corp.	2,309.0	-133.4	-5.8%	Citizens and Southern Ga. Corp	228.2	3.0	1.3%
Comerica	135.3	-7.1	-5.3%	Union Camp Corp.	816.0	11.0	1.3%
Scott Paper Co.	594.6	-30.5	-5.1%	Detroit Edison Co.	1,634.1	23.0	1.4%
Tenneco	3,401.0	-166.0	-4.9%	Champion International Corp.	299.8	4.5	1.5%
Centex Corp.	264.4	-10.2	-3.9%	Niagra Mohawk Power Corp.	1,440.4	25.0	1.7%
Southwest Airlines Co.	213.0	-8.1	-3.8%	PacifiCorp (Pac.Power & Light)	983.8	17.2	1.7%
Texaco	1,819.0	-68.0	-3.7%	FPL Group (Fla. Power & Light)	1,895.3	38.4	2.0%
Union Carbide	892.0	-26.0	-2.9%	Wang Laboratories	485.8	10.6	2.2%
International Paper Co.	1,136.3	-32.6	-2.9%	Baxter Travenol Laboratories	649.3	14.2	2.2%
Greyhound Corp.	419.9	-10.4	-2.5%	Morgan (J.P.) & Co.	752.2	16.8	2.2%
Allied Corp.	693.0	-17.0	-2.5%	Carolina Power & Light Co.	1,631.5	37.7	2.3%
Panhandle Eastern Corp.	1,220.7	-28.8	-2.4%	American Cyanamid Co.	435.5	10.1	2.3%
Ogden Corp.	251.5	-5.6	-2.2%	SCM Corp.	175.9	4.5	2.6%
Ohio Edison Co.	1,524.4	-31.8	-2.1%	Barnett Banks of Florida	306.7	8.2	2.7%
Northern Indiana PSC	792.5	-14.6	-1.8%	Gulf States Utilities Co.	1,044.1	30.9	3.0%
Philadelphia Electric Co.	1,892.5	-30.3	-1.6%	Englehard Corp.	229.7	7.6	3.3%
Tyson Foods	69.1	-1.0	-1.4%	General Public Utilities Corp.	696.0	24.0	3.4%
Columbia Gas System	1,147.1	-15.9	-1.4%	PSE&G	2,207.4	76.6	3.5%
Jim Walter Corp.	361.7	-4.1	-1.1%	Central and South West Corp.	1,818.1	68.0	3.7%
Arizona Public Service Co.	1,278.4	-14.1	-1.1%	Union Pacific Corp.	2,577.0	104.0	4.0%
General Electric	9,577.0	-98.0	-1.0%	Combined International Corp.	457.6	19.5	4.3%
DuPont	4,075.0	-40.0	-1.0%	Northern States Power Co.	1,192.2	54.3	4.6%
Xerox	1,122.7	-9.2	-0.8%	Cleveland Electric Illum. Co.	1,238.4	57.8	4.7%

1981-84 EFFECTIVE TAX RATES FOR 275 MAJOR CORPORATIONS, cont. (2)
(\$-millions)

Company:	1981-84 Totals			Company:	1981-84 Totals		
	Profit	Tax	Rate		Profit	Tax	Rate
Continental Telecom	\$ 1,100.1	\$ 55.7	5.1%	Coors (Adolph) Co.	\$ 351.7	\$ 49.6	14.1%
Houston Industries	1,793.9	95.3	5.3%	American Petrofina	330.2	46.7	14.1%
General Mills	1,367.9	74.4	5.4%	Cubic Corp.	101.3	14.3	14.1%
American Standard	173.4	9.6	5.5%	Tektronix	226.1	32.2	14.2%
Searle (G.D.) & Co.	680.1	39.7	5.8%	Kimberly-Clark Corp.	860.3	123.3	14.3%
Signal Companies	1,046.0	62.0	5.9%	Southern California Edison Co.	3,482.7	503.9	14.5%
Sears, Roebuck & Co.	5,218.1	310.3	5.9%	Standard Oil of Indiana	7,472.0	1,099.0	14.7%
Chase Manhattan Corp.	836.4	50.6	6.1%	Westvaco Corp.	471.1	70.3	14.9%
Gould	316.0	19.2	6.1%	Kroger Co.	974.7	148.4	15.2%
MCA	409.8	25.5	6.2%	Johnson & Johnson	1,327.4	211.4	15.9%
Sundstrand Corp.	405.1	25.6	6.3%	Textron	626.8	102.8	16.4%
Uniroyal	93.1	6.0	6.4%	M/A-COM	229.6	38.2	16.6%
Archer Daniels Midland Co.	745.4	53.5	7.2%	MacMillan	121.4	20.4	16.8%
Pacific Lighting Corp.	848.2	61.7	7.3%	AMETEK	218.4	36.8	16.8%
City Investing Co.	867.0	67.0	7.7%	PPG Industries	1,115.4	188.8	16.9%
Burlington Industries	438.7	35.5	8.1%	Cabot Corp.	526.8	89.4	17.0%
Air Products and Chemicals	454.5	37.5	8.2%	Baltimore Gas and Electric Co.	1,235.7	211.6	17.1%
Owens-Illinois	369.2	30.6	8.3%	FMC	787.3	137.1	17.4%
MAPCO	383.1	32.1	8.4%	Dillard Department Stores	204.4	36.1	17.7%
Norfolk Southern Corp.	3,037.8	259.1	8.5%	Monsanto Co.	1,792.0	319.0	17.8%
Gulf Corp.	2,800.0	241.0	8.6%	Borg-Warner Corp.	570.2	101.7	17.8%
GTE Corp.	5,186.3	483.6	9.3%	Chevron Corp. [Std.Oil (Cal.)]	6,036.0	1,083.0	17.9%
Olin Corp.	383.0	37.0	9.7%	Rockwell International	2,346.9	423.5	18.0%
Corning Glass Works	142.3	13.8	9.7%	Carpenter Technology Corp.	209.4	38.0	18.1%
American Natural Resources Co.	1,026.5	104.4	10.2%	Alumax	515.2	94.5	18.3%
Armstrong World Industries	319.5	32.7	10.2%	Upjohn Co.	935.4	172.0	18.4%
Household International	916.9	94.8	10.3%	Anderson Clayton	160.6	29.7	18.5%
Dominion Resources (VEPCO)	1,926.5	207.7	10.8%	Hormel (Geo. A.) & Co.	186.0	34.6	18.6%
Federal Paper Board Co.	134.4	14.5	10.8%	SmithKline Beckman	1,595.5	299.8	18.8%
Phillips Petroleum Co.	3,282.0	355.0	10.8%	Emhart Corp.	255.6	48.4	18.9%
Texas Eastern Corp.	827.0	93.3	11.3%	United Telecommunications	1,486.5	283.0	19.0%
Pacific Gas and Electric Co.	4,396.8	496.3	11.3%	White Consolidated Industries	267.2	50.9	19.0%
Becton, Dickinson and Co.	292.7	33.7	11.5%	Goodyear Tire & Rubber Co.	1,864.5	374.3	20.1%
Merck & Co.	1,727.6	200.2	11.6%	American Hospital Supply Corp.	992.1	201.1	20.3%
Arkansas Power & Light Co.	792.5	92.8	11.7%	Pfizer	1,206.9	246.6	20.4%
Leaseway Transportation Corp.	184.8	22.1	12.0%	Unocal Corp.	4,008.8	826.0	20.6%
Mobil Corp.	3,961.0	495.0	12.5%	Pitney Bowes	514.9	107.9	21.0%
Borden	934.6	117.3	12.6%	Hercules	457.4	100.4	22.0%
Pittway Corp.	186.3	23.4	12.6%	Ball Corp.	245.1	54.1	22.1%
Sara Lee Corp. (Consol. Foods)	834.7	105.5	12.6%	Squibb Corp.	421.4	94.1	22.3%
Pennzoil Co.	1,097.2	142.6	13.0%	General Motors Corp.	13,412.6	2,998.1	22.4%
Donnelley (R.R.) & Sons Co.	716.3	95.6	13.4%	TRW	1,124.6	252.4	22.4%
Hospital Corp. of America	1,326.8	181.2	13.7%	Shell Oil Co.	10,849.0	2,443.0	22.5%
Data General Corp.	203.5	27.8	13.7%	Lubrizol Corp.	223.1	50.3	22.5%
Schering-Plough Corp.	649.0	89.6	13.8%	Coca Cola Co.	1,439.8	325.8	22.6%
Anheuser-Busch	2,052.4	284.3	13.9%	General Foods Corp.	1,655.0	375.4	22.7%
Sun Co.	3,716.0	520.0	14.0%	Motorola	924.0	213.0	23.1%
Illinois Power Co.	1,074.5	151.3	14.1%	Coleman Co.	136.7	31.6	23.1%

1981-84 EFFECTIVE TAX RATES FOR 275 MAJOR CORPORATIONS, cont. (3)
(\$-millions)

Company:	1981-84 Totals			Company:	1981-84 Totals		
	Profit	Tax	Rate		Profit	Tax	Rate
Media General	\$ 224.4	\$ 52.6	23.4%	National Service Industries	\$ 337.1	\$ 111.0	32.9%
Heileman (G.) Brewing Co.	343.4	80.8	23.5%	Harsco Corp.	190.2	62.8	33.0%
ConAgra	227.0	54.0	23.8%	American Greetings	248.6	82.6	33.2%
Hewlett-Packard Co.	1,685.0	404.0	24.0%	Procter & Gamble Co.	4,792.0	1,597.0	33.3%
Holiday Inns	688.2	166.9	24.3%	Chesebrough-Pond's	582.2	195.0	33.5%
Norton Co.	280.7	68.5	24.4%	Hershey Foods Corp.	662.4	222.9	33.6%
Honeywell	865.4	211.5	24.4%	Briggs & Stratton Corp.	224.7	75.9	33.8%
Alco Standard Corp.	375.9	92.0	24.5%	Gillette Co.	367.5	126.4	34.4%
Springs Industries	229.3	56.1	24.5%	Sonoco Products Co.	206.8	71.3	34.5%
Lilly (Eli) and Co.	2,142.4	527.1	24.6%	Wyman-Gordan Co.	335.3	116.9	34.9%
Nabisco Brands	1,248.9	308.1	24.7%	Wrigley (Wm., Jr.) Co.	149.5	52.3	35.0%
Johnson Controls	352.0	87.1	24.7%	Cooper Tire & Rubber Co.	140.4	49.2	35.0%
Tracor	154.6	38.8	25.1%	McGraw Edison Co.	397.8	139.8	35.1%
United Technologies	2,117.3	532.4	25.1%	AMP	665.3	234.0	35.2%
InterNorth	1,273.9	322.8	25.3%	Clorox Co.	384.4	135.7	35.3%
NCR Corp.	845.0	217.3	25.7%	Campbell Soup Co.	988.8	349.8	35.4%
IBM	20,912.0	5,382.0	25.7%	Consolidated Papers	405.4	143.5	35.4%
Parker Hannifin Corp.	288.4	74.5	25.8%	General Signal Corp.	639.5	226.8	35.5%
Rohm and Haas	456.0	118.1	25.9%	Standard Oil of Ohio	11,969.0	4,277.0	35.7%
Quaker State Oil Refining Corp.	192.9	50.7	26.3%	Kellogg's Co.	1,202.1	432.7	36.0%
Gulf+Western Industries	971.0	258.0	26.6%	Square D Co.	520.5	189.0	36.3%
Pillsbury Co.	845.7	226.3	26.8%	Avon Products	878.2	319.9	36.4%
Time	897.6	240.6	26.8%	Colt Industries	720.0	264.9	36.8%
Abbot Laboratories	1,833.5	491.5	26.8%	K mart	2,047.5	759.1	37.1%
West Point-Pepperell	298.7	80.2	26.8%	Bristol-Myers Co.	1,775.4	668.3	37.6%
Ethyl Corp.	522.4	141.1	27.0%	Ex-Cell-O Corp.	304.4	115.3	37.9%
Exxon	12,202.0	3,300.0	27.0%	Knight-Ridder Newspapers	788.4	299.0	37.9%
Digital Equipment Corp.	1,357.0	373.3	27.5%	Dana Corp.	728.0	279.5	38.4%
Owens-Corning Fiberglas Corp.	343.9	95.2	27.7%	Nalco Chemical Co.	378.4	145.6	38.5%
Witco Chemical Corp.	254.5	72.1	28.3%	American Brands	2,004.9	780.5	38.9%
Allegheny Power System	1,063.5	307.9	28.9%	Amstar Corp.	305.7	121.1	39.6%
Stanley Works	273.7	79.7	29.1%	Sherwin-Williams Co.	307.8	122.3	39.8%
Nat'l Distillers & Chem. Corp.	368.7	107.5	29.2%	Reynolds (R.J.) Industries	4,570.0	1,821.0	39.8%
Eastman Kodak Co.	5,703.0	1,684.0	29.5%	ABC	1,162.4	464.2	39.9%
CBS	988.5	292.0	29.5%	Foster Wheeler Corp.	174.8	69.8	39.9%
Perkin-Elmer Corp.	263.2	78.5	29.8%	Brown-Forman Distillers Corp.	546.3	218.9	40.1%
Litton Industries	1,583.9	476.9	30.1%	McGraw-Hill	795.4	321.6	40.4%
Dart & Kraft, Inc.	1,967.8	596.3	30.3%	SuperValu Stores	456.2	185.1	40.6%
Heinz (H.J.) Co.	850.1	265.0	31.2%	Raytheon Co.	1,908.2	781.7	41.0%
Philip-Morris	4,725.3	1,494.6	31.6%	PACCAR	382.7	160.6	42.0%
USG Corp. (U.S. Gypsum)	557.6	176.8	31.7%	Ralston Purina Co.	1,288.9	542.6	42.1%
Consolidated Edison Co.	3,473.8	1,102.0	31.7%	Whirlpool Corp.	939.6	397.9	42.4%
Minnesota Mining & Manuf. (3M)	3,057.0	971.0	31.8%	INTERCO	703.1	307.2	43.7%
Halliburton Co.	1,995.1	649.3	32.5%	VF Corporation	720.3	322.0	44.7%
E-Systems	288.7	94.6	32.8%				
TOTALS, 275 COMPANIES:					\$400,546.1	\$60,265.7	15.0%

1984 Only
1984 Profits and Federal Income Taxes for 275 Major American Corporations
Listed by 1984 Effective Tax Rate
(\$-millions)

Company:	1984			Company:	1984		
	Profit	Tax	Rate		Profit	Tax	Rate
Hutton (E.F.) Group	\$ 20.9	\$ -66.8	-320.3%	Detroit Edison Co.	\$ 533.5	\$ 3.4	0.6%
Harris Corp.	79.8	-28.2	-35.4%	Baxter Travenol Laboratories	134.8	1.2	0.9%
Ashland Oil	92.8	-28.7	-30.9%	Commonwealth Edison Co.	1,170.1	11.5	1.0%
Tesoro Petroleum	23.4	-6.0	-25.5%	Singer Co.	89.6	0.9	1.0%
Morgan (J.P.) & Co.	230.9	-43.2	-18.7%	Santa Fe South'n Pacific Corp.	730.0	8.3	1.1%
Tektronix	36.9	-6.5	-17.6%	Prime Computer	41.5	0.5	1.2%
American Petrofina	40.0	-6.6	-16.6%	Ohio Edison Co.	496.7	5.8	1.2%
Coors (Adolph) Co.	58.5	-9.5	-16.2%	Consumers Power Co.	250.3	3.0	1.2%
ITT	68.1	-10.9	-16.0%	Mellon Bank Corp.	140.9	2.0	1.4%
AT&T	1,899.8	-241.6	-12.7%	Wang Laboratories	169.5	2.6	1.5%
Overseas Shipholding Group	49.6	-4.8	-9.7%	Archer Daniels Midland Co.	157.5	2.7	1.7%
Xerox	71.5	-6.5	-9.1%	General Public Utilities Corp.	315.0	6.0	1.9%
Texaco	120.0	-10.0	-8.3%	City Investing Co.	500.0	10.0	2.0%
Gulf Corp.	313.0	-26.0	-8.3%	Corning Glass Works	14.8	0.3	2.0%
Great Northern Nekoosa	178.0	-14.5	-8.1%	Centex Corp.	70.2	1.5	2.1%
Englehard Corp.	34.4	-2.5	-7.2%	Public Service Indiana	164.0	3.7	2.3%
Pacific Lighting Corp.	243.4	-14.5	-6.0%	Air Products and Chemicals	159.9	3.7	2.3%
Ozark Holdings (Ozark Air L.)	16.0	-0.9	-5.9%	Pepsico	481.9	11.6	2.4%
Anderson Clayton	29.0	-1.5	-5.3%	Gulf States Utilities Co.	333.3	8.5	2.6%
General Dynamics	648.7	-33.2	-5.1%	Continental Telecom	337.9	8.9	2.6%
Comerica	60.1	-2.9	-4.9%	PSE&G	739.5	21.6	2.9%
Transamerica Corp.	145.5	-5.8	-4.0%	CSX Corp.	826.0	25.0	3.0%
M/A-COM	52.8	-2.1	-3.9%	Northern Indiana PSC	243.4	7.4	3.0%
Allied Corp.	289.0	-10.0	-3.5%	Sun Co.	757.0	23.0	3.0%
Boeing Co.	569.0	-18.0	-3.2%	Northern States Power Co.	330.1	10.4	3.1%
ENSERCH Corp.	188.3	-5.8	-3.1%	Tenneco	714.0	23.0	3.2%
Westinghouse Electric Corp.	619.8	-16.0	-2.6%	Burlington Northern	1,074.9	36.5	3.4%
Gould	73.9	-1.8	-2.4%	Carolina Power & Light Co.	506.7	17.5	3.5%
Northrup Corp.	239.4	-3.9	-1.6%	Arizona Public Service Co.	416.4	14.6	3.5%
Greyhound Corp.	126.4	-1.9	-1.5%	Niagra Mohawk Power Corp.	490.1	17.7	3.6%
Union Camp Corp.	263.2	-3.8	-1.4%	SCM Corp.	47.3	1.8	3.8%
Union Electric	472.8	-6.5	-1.4%	Barnett Banks of Florida	110.4	4.2	3.8%
Southwest Airlines Co.	67.8	-0.9	-1.3%	Phillips Petroleum Co.	749.0	29.0	3.9%
Pacific Gas and Electric Co.	1,467.4	-12.6	-0.9%	Piedmont Aviation	90.1	4.2	4.7%
First Executive Corp.	128.9	-1.0	-0.8%	Signal Companies	349.0	17.0	4.9%
American Natural Resources Co.	300.3	-1.9	-0.6%	International Multifoods	6.5	0.3	4.9%
Mitchell Energy & Dev. Corp.	55.9	—	—	Chevron Corp. [Std.Oil (Cal.)]	680.0	35.0	5.1%
Panhandle Eastern Corp.	282.7	—	—	Union Pacific Corp.	766.0	40.0	5.2%
Grumman Corp.	178.9	—	—	Sperry Corp.	91.3	5.0	5.5%
Lockheed Corp.	585.9	—	—	Uniroyal	58.8	3.3	5.6%
Pennsylvania Power & Light Co.	442.1	0.4	0.1%	Cleveland Electric Illum. Co.	387.9	22.8	5.9%
McDonnell Douglas Corp.	458.8	0.5	0.1%	General Electric	3,050.0	185.0	6.1%
IC Industries	211.8	0.6	0.3%	DuPont	1,484.0	92.0	6.2%
Philadelphia Electric Co.	621.6	3.1	0.5%	Internat'l Minerals & Chemical	111.1	6.9	6.2%
Leaseway Transportation Corp.	26.2	0.1	0.5%	International Paper Co.	107.9	6.8	6.3%

1984 Effective Tax Rates for 275 Major Corporations, cont (2)
(\$-millions)

Company:	1984			Company:	1984		
	Profit	Tax	Rate		Profit	Tax	Rate
Household International	\$ 323.9	\$ 21.2	6.5%	White Consolidated Industries	\$ 60.9	\$ 9.5	15.6%
Central and South West Corp.	553.5	36.2	6.5%	Dillard Department Stores	84.6	13.5	16.0%
Lilly (Eli) and Co.	613.5	40.7	6.6%	Carpenter Technology Corp.	56.9	9.1	16.0%
FPL Group (Fla. Power & Light)	561.2	38.1	6.8%	Goodyear Tire & Rubber Co.	534.6	91.2	17.1%
Becton, Dickinson and Co.	71.0	5.0	7.1%	Monsanto Co.	421.0	72.0	17.1%
Chase Manhattan Corp.	425.1	31.1	7.3%	Heileman (G.) Brewing Co.	81.7	14.1	17.3%
Sundstrand Corp.	106.2	7.8	7.3%	Digital Equipment Corp.	204.9	35.5	17.3%
Sara Lee Corp. (Consol. Foods)	263.0	19.6	7.4%	Merck & Co.	562.3	98.4	17.5%
MCA	58.5	4.5	7.7%	Norfolk Southern Corp.	803.7	141.7	17.6%
Tyson Foods	32.7	2.6	8.1%	National Service Industries	96.9	17.3	17.8%
Citizens and Southern Ga. Corp	75.5	6.2	8.2%	Westvaco Corp.	168.8	30.3	17.9%
Media General	57.5	5.1	8.9%	Armstrong World Industries	136.9	25.3	18.5%
Standard Oil of Indiana	1,975.0	178.0	9.0%	Donneiley (R.R.) & Sons Co.	222.8	41.9	18.8%
Houston Industries	607.5	54.8	9.0%	SmithKline Beckman	450.7	86.2	19.1%
Sun Chemical Corp.	31.1	2.9	9.2%	Kroger Co.	246.5	47.5	19.3%
Champion International Corp.	132.8	12.3	9.3%	Olin Corp.	127.2	24.8	19.5%
Sears, Roebuck & Co.	1,772.3	166.2	9.4%	Halliburton Co.	379.5	74.3	19.6%
General Mills	352.3	33.1	9.4%	Springs Industries	51.2	10.2	19.9%
Hospital Corp. of America	496.0	47.8	9.6%	Federal Paper Board Co.	61.0	12.3	20.2%
GTE Corp.	1,565.4	158.2	10.1%	Anheuser-Busch	672.5	136.2	20.3%
Mobil Corp.	838.0	86.0	10.3%	Borg-Warner Corp.	209.8	42.6	20.3%
PacifiCorp (Pac.Power & Light)	391.3	40.3	10.3%	Time	343.3	70.6	20.6%
Georgia-Pacific Corp.	383.0	40.0	10.4%	Textron	168.9	34.8	20.6%
Coca Cola Co.	434.2	45.4	10.5%	IBM	6,796.0	1,406.0	20.7%
ConAgra	67.6	7.1	10.5%	Lubrizol Corp.	64.6	13.5	20.8%
Unocal Corp.	857.4	91.2	10.6%	Data General Corp.	64.1	13.5	21.0%
Southern California Edison Co.	1,285.9	140.5	10.9%	Emhart Corp.	76.8	16.2	21.1%
Burlington Industries	91.7	10.2	11.2%	Tracor	52.5	11.2	21.3%
American Hospital Supply Corp.	238.6	27.0	11.3%	Dow Chemical Co.	196.0	43.0	21.9%
Johnson & Johnson	320.6	37.6	11.7%	PPG Industries	418.3	95.3	22.8%
American Standard	94.9	11.2	11.8%	Alumax	177.5	40.8	23.0%
American Cyanamid Co.	136.8	16.3	11.9%	Procter & Gamble Co.	1,238.0	289.0	23.3%
Grace (W.R.) & Co.	118.6	14.3	12.1%	Hercules	138.7	33.2	24.0%
Combined International Corp.	160.0	20.1	12.5%	Borden	259.8	62.8	24.2%
MacMillan	47.1	6.0	12.7%	Dominion Resources (VEPCO)	544.1	132.2	24.3%
Kimberly-Clark Corp.	259.6	33.4	12.9%	Shell Oil Co.	2,868.0	702.0	24.5%
Pittway Corp.	48.1	6.3	13.2%	AMETEK	67.2	16.6	24.7%
Holiday Inns	207.8	29.1	14.0%	Baltimore Gas and Electric Co.	392.3	97.4	24.8%
General Foods Corp.	487.6	71.6	14.7%	Pillsbury Co.	272.9	68.1	25.0%
Gulf+Western Industries	351.4	51.9	14.8%	RCA	276.0	68.9	25.0%
Texas Eastern Corp.	164.1	24.3	14.8%	United Telecommunications	384.9	96.4	25.0%
Cabot Corp.	128.5	19.1	14.9%	General Motors Corp.	5,509.4	1,397.8	25.4%
Schering-Plough Corp.	174.9	26.1	14.9%	Exxon	2,821.0	716.0	25.4%
Illinois Power Co.	340.8	51.5	15.1%	Hewlett-Packard Co.	547.0	140.0	25.6%
Union Carbide	303.0	46.0	15.2%	Stanley Works	101.3	26.0	25.6%
Searle (G.D.) & Co.	245.4	37.4	15.2%	Ball Corp.	76.6	19.7	25.7%
Dun & Bradstreet Corp.	371.3	57.3	15.4%	Motorola	311.0	80.0	25.7%
Owens-Illinois	133.7	20.7	15.5%	West Point-Pepperell	90.0	23.3	25.9%

1984 Effective Tax Rates for 275 Major Corporations, cont (3)
(\$-millions)

Company:	1984			Company:	1984		
	Profit	Tax	Rate		Profit	Tax	Rate
Standard Oil of Ohio	\$ 2,604.0	\$ 681.0	26.2%	Minnesota Mining & Manuf. (3M)	\$ 882.0	\$ 303.0	34.4%
Upjohn Co.	256.1	68.1	26.6%	E-Systems	98.7	34.3	34.8%
Hormel (Geo. A.) & Co.	51.4	13.9	27.0%	CBS	371.3	129.2	34.8%
Alco Standard Corp.	107.7	29.2	27.1%	Bristol-Myers Co.	542.7	189.1	34.8%
Heinz (H.J.) Co.	242.1	65.6	27.1%	Briggs & Stratton Corp.	60.6	21.2	34.9%
Foster Wheeler Corp.	24.3	6.6	27.2%	Whirlpool Corp.	289.4	101.1	34.9%
Ethyl Corp.	151.4	41.3	27.3%	American Greetings	92.7	32.4	35.0%
Abbot Laboratories	559.5	152.7	27.3%	Coleman Co.	35.8	12.6	35.2%
Harsco Corp.	55.9	15.4	27.5%	Clorox Co.	134.8	47.7	35.4%
Weyerhaeuser Co.	288.5	79.5	27.5%	Avon Products	186.9	66.4	35.5%
United Technologies	636.4	176.4	27.7%	MAPCO	59.6	21.3	35.7%
Rockwell International	779.6	217.6	27.9%	Wrigley (Wm., Jr.) Co.	42.3	15.3	36.0%
Allegheny Power System	295.1	83.1	28.1%	Kellogg's Co.	363.8	132.4	36.4%
Dart & Kraft, Inc.	536.6	152.4	28.4%	Amstar Corp.	67.6	24.7	36.5%
Campbell Soup Co.	276.0	78.7	28.5%	FMC	276.9	101.3	36.6%
Cubic Corp.	24.5	7.0	28.7%	Sonoco Products Co.	62.2	22.8	36.7%
Nabisco Brands	299.2	86.1	28.8%	Sherwin-Williams Co.	107.0	39.4	36.9%
Scott Paper Co.	232.0	67.4	29.1%	Gillette Co.	72.1	26.6	36.9%
Nat'l Distillers & Chem. Corp.	94.2	27.5	29.2%	K mart	697.2	257.7	37.0%
Pitney Bowes	159.7	46.7	29.2%	Square D Co.	153.4	56.8	37.0%
Jim Walter Corp.	150.4	44.1	29.3%	Ogden Corp.	59.0	21.8	37.0%
Wyman-Gordan Co.	55.9	16.5	29.4%	Squibb Corp.	140.6	52.7	37.5%
AMP	209.7	62.5	29.8%	InterNorth	406.3	152.6	37.6%
Arkansas Power & Light Co.	253.7	75.7	29.9%	Consolidated Papers	150.4	56.9	37.8%
Columbia Gas System	260.4	78.7	30.2%	American Brands	557.6	212.1	38.0%
Honeywell	246.9	75.1	30.4%	Knight-Ridder Newspapers	244.1	93.5	38.3%
Consolidated Edison Co.	1,051.1	320.5	30.5%	SuperValu Stores	132.8	50.9	38.3%
Raytheon Co.	515.5	157.6	30.6%	Reynolds (R.J.) Industries	1,180.0	456.0	38.6%
Johnson Controls	100.9	31.0	30.7%	Nalco Chemical Co.	91.0	36.4	40.0%
Witco Chemical Corp.	76.6	23.8	31.1%	Ralston Purina Co.	353.3	146.2	41.4%
Hershey Foods Corp.	190.9	59.7	31.3%	McGraw-Hill	240.8	99.8	41.4%
Pennzoil Co.	318.0	100.0	31.4%	Philip-Morris	1,375.5	572.8	41.6%
Brown-Forman Distillers Corp.	126.1	40.5	32.1%	McGraw Edison Co.	134.2	56.3	42.0%
Perkin-Elmer Corp.	53.6	17.2	32.2%	ABC	343.7	147.4	42.9%
Owens-Corning Fiberglas Corp.	167.3	54.8	32.8%	VF Corporation	230.3	101.5	44.1%
Eastman Kodak Co.	1,455.0	478.0	32.9%	USG Corp. (U.S. Gypsum)	288.6	129.6	44.9%
Martin Marietta Corp.	300.9	98.9	32.9%	Litton Industries	398.5	180.8	45.4%
Parker Hannifin Corp.	102.5	33.8	33.0%	Dana Corp.	340.6	155.3	45.6%
Chesebrough-Pond's	122.9	40.7	33.1%	NCR Corp.	229.0	104.5	45.6%
Quaker State Oil Refining Corp.	23.6	7.8	33.1%	Ex-Cell-O Corp.	57.8	26.4	45.6%
Cooper Tire & Rubber Co.	40.1	13.4	33.4%	Colt Industries	226.4	107.1	47.3%
Rohm and Haas	160.8	53.9	33.6%	PACCAR	168.5	83.6	49.6%
Norton Co.	65.4	22.3	34.1%	INTERCO	130.6	68.6	52.5%
Pfizer	457.6	156.8	34.3%	TRW	340.4	200.2	58.8%
General Signal Corp.	159.8	54.8	34.3%				
1984 Totals for 275 Cos.:					\$108,065.0	\$17,943.2	16.6%

275 Major American Corporations & Their Federal Income Taxes During President Reagan's First Term, 1981-84
Alphabetical order, \$-millions

Company:	1984			1983			1982			1981			1981-84 Totals		
	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate
Abbot Laboratories	\$ 559.5	\$ 152.7	27.3%	\$ 492.1	\$ 124.9	25.4%	\$ 437.4	\$ 121.5	27.8%	\$ 344.5	\$ 92.4	26.8%	\$ 1,833.5	\$ 491.5	26.8%
ABC	343.7	147.4	42.9%	281.5	112.0	39.8%	268.0	63.2	23.6%	269.2	141.6	52.6%	1,162.4	464.2	39.9%
Air Products and Chemicals	159.9	3.7	2.3%	83.9	-13.6	-16.2%	74.0	25.4	34.3%	136.7	21.9	16.0%	454.5	37.5	8.2%
Alco Standard Corp.	107.7	29.2	27.1%	91.7	17.4	19.0%	91.7	15.6	17.0%	84.8	29.8	35.1%	375.9	92.0	24.5%
Allegheny Power System	295.1	83.1	28.1%	283.8	89.2	31.4%	267.7	84.9	31.7%	216.9	50.7	23.4%	1,063.5	307.9	28.9%
Allied Corp.	289.0	-10.0	-3.5%	233.0	-18.0	-7.7%	58.0	1.0	1.7%	113.0	10.0	8.8%	693.0	-17.0	-2.5%
Alumax	177.5	40.8	23.0%	108.4	11.1	10.2%	47.6	0.6	1.3%	181.6	42.0	23.1%	515.2	94.5	18.3%
American Brands	557.6	212.1	38.0%	526.6	215.5	40.9%	505.5	182.8	36.2%	415.2	170.1	41.0%	2,004.9	780.5	38.9%
American Cyanamid Co.	136.8	16.3	11.9%	110.4	-5.9	-5.3%	53.0	-17.5	-33.0%	135.3	17.2	12.7%	435.5	10.1	2.3%
American Greetings	92.7	32.4	35.0%	69.3	14.9	21.5%	46.9	16.6	35.4%	39.7	18.7	47.1%	248.6	82.6	33.2%
American Hospital Supply Corp.	238.6	27.0	11.3%	284.0	50.9	17.9%	267.7	62.9	23.5%	201.8	60.3	29.9%	992.1	201.1	20.3%
American Natural Resources Co.	300.3	-1.9	-0.6%	268.4	71.3	26.6%	244.3	30.7	12.6%	213.5	4.3	2.0%	1,026.5	104.4	10.2%
American Petrofina	40.0	-6.6	-16.6%	81.4	7.7	9.5%	87.5	8.9	10.2%	121.3	36.7	30.3%	330.2	46.7	14.1%
American Standard	94.9	11.2	11.8%	24.7	-9.4	-38.1%	-8.8	-1.8	NM	62.6	9.6	15.3%	173.4	9.6	5.5%
AMETEK	67.2	16.6	24.7%	55.6	7.9	14.2%	47.7	2.4	4.9%	47.8	10.0	20.8%	218.4	36.8	16.8%
AMP	209.7	62.5	29.8%	171.9	73.5	42.7%	135.9	48.0	35.3%	147.7	50.1	33.9%	665.3	234.0	35.2%
Amstar Corp.	67.6	24.7	36.5%	36.4	3.8	10.6%	68.1	21.6	31.7%	133.6	71.0	53.2%	305.7	121.1	39.6%
Anderson Clayton	29.0	-1.5	-5.3%	20.6	0.1	0.3%	55.8	15.2	27.2%	55.2	16.0	29.0%	160.6	29.7	18.5%
Anheuser-Busch	672.5	136.2	20.3%	599.4	107.4	17.9%	462.4	53.0	11.5%	318.1	-12.3	-3.9%	2,052.4	284.3	13.9%
Archer Daniels Midland Co.	157.5	2.7	1.7%	150.1	9.8	6.5%	192.6	-5.1	-2.6%	245.2	46.1	18.8%	745.4	53.5	7.2%
Arizona Public Service Co.	416.4	14.6	3.5%	341.7	8.9	2.6%	309.9	4.8	1.5%	210.4	-42.4	-20.2%	1,278.4	-14.1	-1.1%
Arkansas Power & Light Co.	253.7	75.7	29.9%	211.4	6.4	3.0%	167.8	3.7	2.2%	159.6	7.0	4.4%	792.5	92.8	11.7%
Armstrong World Industries	136.9	25.3	18.5%	94.3	11.2	11.9%	26.7	-7.7	-28.8%	61.6	3.9	6.3%	319.5	32.7	10.2%
Ashland Oil	92.8	-28.7	-30.9%	41.2	-25.1	-61.0%	153.4	8.4	5.5%	48.7	-16.7	-34.3%	336.1	-62.0	-18.5%
AT&T	1,899.8	-241.6	-12.7%	8,993.7	268.1	3.0%	11,641.7	-778.5	-6.7%	10,727.7	857.2	8.0%	33,262.9	105.2	0.3%
Avon Products	186.9	66.4	35.5%	196.3	63.5	32.3%	224.6	66.4	29.6%	270.4	123.6	45.7%	878.2	319.9	36.4%
Ball Corp.	76.6	19.7	25.7%	67.5	17.1	25.3%	55.3	8.4	15.2%	45.7	8.9	19.5%	245.1	54.1	22.1%
Baltimore Gas and Electric Co.	392.3	97.4	24.8%	334.0	22.2	6.6%	271.2	34.7	12.8%	238.2	57.3	24.1%	1,235.7	211.6	17.1%
Barnett Banks of Florida	110.4	4.2	3.8%	99.1	4.9	4.9%	52.7	-2.0	-3.8%	44.5	1.1	2.5%	306.7	8.2	2.7%
Baxter Travenol Laboratories	134.8	1.2	0.9%	196.9	5.2	2.6%	171.1	1.0	0.6%	146.5	6.8	4.6%	649.3	14.2	2.2%
Becton, Dickinson and Co.	71.0	5.0	7.1%	98.0	15.3	15.6%	59.9	2.3	3.8%	63.8	11.1	17.4%	292.7	33.7	11.5%
Boeing Co.	569.0	-18.0	-3.2%	475.0	-44.0	-9.3%	364.0	-97.0	-26.6%	691.0	-126.0	-18.2%	2,099.0	-285.0	-13.6%
Borden	259.8	62.8	24.2%	274.4	56.9	20.7%	199.1	12.5	6.3%	201.3	-14.9	-7.4%	934.6	117.3	12.6%
Borg-Warner Corp.	209.8	42.6	20.3%	146.6	28.7	19.6%	88.6	4.1	4.6%	125.2	26.3	21.0%	570.2	101.7	17.8%
Briggs & Stratton Corp.	60.6	21.2	34.9%	54.8	17.8	32.5%	68.9	25.4	36.8%	40.3	11.5	28.5%	224.7	75.9	33.8%
Bristol-Myers Co.	542.7	189.1	34.8%	477.1	174.9	36.7%	382.8	156.2	40.8%	372.8	148.1	39.7%	1,775.4	668.3	37.6%
Brown-Forman Distillers Corp.	126.1	40.5	32.1%	157.2	65.1	41.4%	147.6	61.6	41.7%	115.5	51.8	44.8%	546.3	218.9	40.1%
Burlington Industries	91.7	10.2	11.2%	135.6	15.7	11.6%	58.2	-24.0	-41.2%	153.2	33.6	21.9%	438.7	35.5	8.1%
Burlington Northern	1,074.9	36.5	3.4%	609.0	13.5	2.2%	585.4	-16.0	-2.7%	529.9	-35.1	-6.6%	2,799.2	-1.1	-0.0%
Cabot Corp.	128.5	19.1	14.9%	95.6	19.8	20.7%	128.1	13.8	10.8%	174.6	36.7	21.0%	526.8	89.4	17.0%
Campbell Soup Co.	276.0	78.7	28.5%	271.3	82.3	30.3%	233.9	103.2	44.1%	207.6	85.6	41.2%	988.8	349.8	35.4%
Carolina Power & Light Co.	506.7	17.5	3.5%	402.4	-2.5	-0.6%	396.8	28.0	7.0%	325.5	-5.3	-1.6%	1,631.5	37.7	2.3%
Carpenter Technology Corp.	56.9	9.1	16.0%	21.7	-4.6	-21.2%	52.4	2.8	5.3%	78.4	30.7	39.1%	209.4	38.0	18.1%
CBS	371.3	129.2	34.8%	229.3	79.3	34.6%	139.0	15.0	10.8%	248.9	68.5	27.5%	988.5	292.0	29.5%
Centex Corp.	70.2	1.5	2.1%	83.0	-4.4	-5.3%	62.1	-3.9	-6.3%	49.1	-3.4	-6.9%	264.4	-10.2	-3.9%

275 Companies, Their Domestic Profits & Their Federal Income Taxes, 1981-84 (2)
(\$-millions)

Company:	1984			1983			1982			1981			1981-84 Totals		
	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate
Central and South West Corp.	\$ 553.5	\$ 36.2	6.5%	\$ 478.9	\$ -5.0	-1.0%	\$ 420.9	\$ 20.9	5.0%	\$ 364.8	\$ 15.9	4.4%	\$ 1,818.1	\$ 68.0	3.7%
Champion International Corp.	132.8	12.3	9.3%	63.9	-0.3	-0.5%	0.3	-1.6	-533.3%	102.8	-5.9	-5.7%	299.8	4.5	1.5%
Chase Manhattan Corp.	425.1	31.1	7.3%	365.5	12.1	3.3%	-100.4	-8.9	NM	146.2	16.3	11.1%	836.4	50.6	6.1%
Chesebrough-Pond's	122.9	40.7	33.1%	157.3	61.8	39.3%	153.3	44.6	29.1%	148.8	48.0	32.2%	582.2	195.0	33.5%
Chevron Corp. [Std.Oil (Cal.)]	680.0	35.0	5.1%	1,252.0	182.0	14.5%	1,761.0	295.0	16.8%	2,343.0	571.0	24.4%	6,036.0	1,083.0	17.9%
Citizens and Southern Ga. Corp	75.5	6.2	8.2%	62.7	-3.1	-5.0%	49.2	-3.2	-6.5%	40.8	3.2	7.8%	228.2	3.0	1.3%
City Investing Co.	500.0	10.0	2.0%	200.0	36.0	18.0%	81.0	4.0	4.9%	86.0	17.0	19.8%	867.0	67.0	7.7%
Cleveland Electric Illum. Co.	387.9	22.8	5.9%	350.2	15.5	4.4%	293.1	12.0	4.1%	207.2	7.5	3.6%	1,238.4	57.8	4.7%
Clorox Co.	134.8	47.7	35.4%	114.8	41.9	36.5%	73.2	24.1	33.0%	61.7	21.9	35.5%	384.4	135.7	35.3%
Coca Cola Co.	434.2	45.4	10.5%	384.0	114.2	29.7%	334.4	79.6	23.8%	287.2	86.6	30.2%	1,439.8	325.8	22.6%
Coleman Co.	35.8	12.6	35.2%	36.0	9.1	25.2%	27.9	6.5	23.4%	37.1	3.5	9.3%	136.7	31.6	23.1%
Colt Industries	226.4	107.1	47.3%	164.9	62.6	38.0%	115.4	33.3	28.9%	213.3	61.9	29.0%	720.0	264.9	36.8%
Columbia Gas System	260.4	78.7	30.2%	337.7	-31.3	-9.3%	251.4	-33.0	-13.1%	297.6	-30.3	-10.2%	1,147.1	-15.9	-1.4%
Combined International Corp.	160.0	20.1	12.5%	96.9	-10.6	-10.9%	88.6	6.4	7.2%	112.1	3.6	3.2%	457.6	19.5	4.3%
Comerica	60.1	-2.9	-4.9%	41.4	-4.3	-10.4%	18.6	-7.0	-37.6%	15.2	7.1	46.7%	135.3	-7.1	-5.3%
Commonwealth Edison Co.	1,170.1	11.5	1.0%	1,116.5	3.2	0.3%	753.0	2.6	0.3%	556.1	-9.3	-1.7%	3,595.7	8.0	0.2%
ConAgra	67.6	7.1	10.5%	72.3	20.1	27.8%	51.0	16.8	32.9%	36.2	10.0	27.6%	227.0	54.0	23.8%
Consolidated Edison Co.	1,051.1	320.5	30.5%	978.3	374.2	38.3%	771.4	216.4	28.1%	673.0	190.9	28.4%	3,473.8	1,102.0	31.7%
Consolidated Papers	150.4	56.9	37.8%	83.8	25.3	30.2%	72.8	25.5	35.0%	98.4	35.8	36.4%	405.4	143.5	35.4%
Consumers Power Co.	250.3	3.0	1.2%	378.8	6.0	1.6%	320.0	-1.5	-0.5%	285.6	2.5	0.9%	1,234.7	10.0	0.8%
Continental Telecom	337.9	8.9	2.6%	287.8	6.9	2.4%	230.9	-4.5	-1.9%	243.5	44.4	18.2%	1,100.1	55.7	5.1%
Cooper Tire & Rubber Co.	40.1	13.4	33.4%	37.8	13.7	36.2%	32.9	12.8	38.9%	29.6	9.3	31.4%	140.4	49.2	35.0%
Coors (Adolph) Co.	58.5	-9.5	-16.2%	149.8	44.5	29.7%	64.9	7.6	11.7%	78.6	6.9	8.8%	351.7	49.6	14.1%
Corning Glass Works	14.8	0.3	2.0%	60.7	26.9	44.3%	8.5	-22.2	-261.2%	58.3	8.8	15.1%	142.3	13.8	9.7%
CSX Corp.	826.0	25.0	3.0%	463.0	-3.0	-0.6%	577.0	19.0	3.3%	719.4	-33.6	-4.7%	2,585.4	7.4	0.3%
Cubic Corp.	24.5	7.0	28.7%	28.6	1.7	5.9%	28.5	-1.8	-6.3%	19.7	7.4	37.6%	101.3	14.3	14.1%
Dana Corp.	340.6	155.3	45.6%	166.1	60.9	36.7%	71.7	8.6	12.0%	149.6	54.7	36.6%	728.0	279.5	38.4%
Dart & Kraft, Inc.	536.6	152.4	28.4%	536.1	166.7	31.1%	499.6	172.1	34.4%	395.5	105.1	26.6%	1,967.8	596.3	30.3%
Data General Corp.	64.1	13.5	21.0%	38.0	10.4	27.4%	35.9	12.7	35.3%	65.6	-8.7	-13.3%	203.5	27.8	13.7%
Detroit Edison Co.	533.5	3.4	0.6%	515.7	15.4	3.0%	350.5	1.3	0.4%	234.4	2.9	1.2%	1,634.1	23.0	1.4%
Digital Equipment Corp.	204.9	35.5	17.3%	278.1	32.3	11.6%	509.7	137.8	27.0%	364.3	167.7	46.0%	1,357.0	373.3	27.5%
Dillard Department Stores	84.6	13.5	16.0%	58.6	17.0	29.0%	34.5	4.1	11.7%	26.7	1.6	5.8%	204.4	36.1	17.7%
Dominion Resources (VEPCO)	544.1	132.2	24.3%	597.0	27.3	4.6%	446.3	25.4	5.7%	339.1	22.8	6.7%	1,926.5	207.7	10.8%
Donnelley (R.R.) & Sons Co.	222.8	41.9	18.8%	194.7	26.8	13.8%	157.4	4.5	2.8%	141.3	22.5	15.9%	716.3	95.6	13.4%
Dow Chemical Co.	196.0	43.0	21.9%	98.0	-16.0	-16.3%	151.0	-104.0	-68.9%	527.0	-103.0	-19.5%	972.0	-180.0	-18.5%
Dun & Bradstreet Corp.	371.3	57.3	15.4%	234.4	12.5	5.3%	189.4	-35.5	-18.7%	171.9	-41.0	-23.9%	967.0	-6.7	-0.7%
DuPont	1,484.0	92.0	6.2%	872.0	-92.0	-10.6%	425.0	-147.0	-34.6%	1,294.0	107.0	8.3%	4,075.0	-40.0	-1.0%
Eastman Kodak Co.	1,455.0	478.0	32.9%	983.0	304.0	30.9%	1,593.0	367.0	23.0%	1,672.0	535.0	32.0%	5,703.0	1,684.0	29.5%
Emhart Corp.	76.8	16.2	21.1%	54.6	16.2	29.7%	39.9	2.9	7.3%	84.3	13.1	15.5%	255.6	48.4	18.9%
Englehard Corp.	34.4	-2.5	-7.2%	77.8	-2.2	-2.8%	55.7	3.0	5.4%	61.8	9.3	15.0%	229.7	7.6	3.3%
ENSERCH Corp.	188.3	-5.8	-3.1%	158.3	-30.4	-19.2%	209.1	-11.8	-5.6%	270.9	55.6	20.5%	826.6	7.6	0.9%
E-Systems	98.7	34.3	34.8%	88.8	31.9	35.9%	61.2	17.7	29.0%	40.0	10.7	26.7%	288.7	94.6	32.8%
Ethyl Corp.	151.4	41.3	27.3%	131.9	39.5	29.9%	122.9	29.6	24.1%	116.2	30.7	26.4%	522.4	141.1	27.0%
Ex-Cell-O Corp.	57.8	26.4	45.6%	83.2	29.1	34.9%	76.0	27.1	35.6%	87.4	32.8	37.5%	304.4	115.3	37.9%
Exxon	2,821.0	716.0	25.4%	3,046.0	1,030.0	33.8%	2,821.0	716.0	25.4%	3,514.0	838.0	23.8%	12,202.0	3,300.0	27.0%
Federal Paper Board Co.	61.0	12.3	20.2%	18.6	—	—	15.2	—	—	39.7	2.2	5.6%	134.4	14.5	10.8%
First Executive Corp.	128.9	-1.0	-0.8%	197.9	-31.1	-15.7%	70.9	-7.7	-10.9%	46.5	-4.4	-9.6%	444.2	-44.2	-10.0%
FMC	276.9	101.3	36.6%	180.8	4.6	2.5%	116.4	18.7	16.1%	213.2	12.5	5.9%	787.3	137.1	17.4%

275 Companies, Their Domestic Profits & Their Federal Income Taxes, 1981-84 (3)
(\$-millions)

Company:	1984			1983			1982			1981			1981-84 Totals		
	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate
Foster Wheeler Corp.	\$ 24.3	\$ 6.6	27.2%	\$ 40.1	\$ 11.1	27.7%	\$ 55.7	\$ 13.3	23.9%	\$ 54.7	\$ 38.8	70.9%	\$ 174.8	\$ 69.8	39.9%
FPL Group (Fla. Power & Light)	561.2	38.1	6.8%	508.3	-49.6	-9.8%	450.5	26.7	5.9%	375.4	23.3	6.2%	1,895.3	38.4	2.0%
General Dynamics	648.7	-33.2	-5.1%	492.5	-13.3	-2.7%	249.8	-12.9	-5.2%	188.5	-44.4	-23.6%	1,579.5	-103.8	-6.6%
General Electric	3,050.0	185.0	6.1%	2,413.0	-35.0	-1.5%	2,068.0	-146.0	-7.1%	2,046.0	-102.0	-5.0%	9,577.0	-98.0	-1.0%
General Foods Corp.	487.6	71.6	14.7%	420.0	156.3	37.2%	393.8	100.6	25.5%	353.6	46.9	13.3%	1,655.0	375.4	22.7%
General Mills	352.3	33.1	9.4%	355.9	-77.2	-21.7%	334.7	-7.2	-2.2%	325.0	125.7	38.7%	1,367.9	74.4	5.4%
General Motors Corp.	5,509.4	1,397.8	25.4%	5,797.1	747.6	12.9%	1,273.2	222.2	17.5%	832.9	630.5	75.7%	13,412.6	2,998.1	22.4%
General Public Utilities Corp.	315.0	6.0	1.9%	200.0	4.0	2.0%	121.0	15.0	12.4%	60.0	-1.0	-1.7%	696.0	24.0	3.4%
General Signal Corp.	159.8	54.8	34.3%	126.4	47.1	37.3%	167.2	53.9	32.2%	186.1	71.0	38.2%	639.5	226.8	35.5%
Georgia-Pacific Corp.	383.0	40.0	10.4%	142.0	27.0	19.0%	24.0	-33.0	-137.5%	234.0	-93.0	-39.7%	783.0	-59.0	-7.5%
Gillette Co.	72.1	26.6	36.9%	85.8	23.9	27.9%	91.9	29.6	32.2%	117.7	46.3	39.3%	367.5	126.4	34.4%
Goodyear Tire & Rubber Co.	534.6	91.2	17.1%	429.3	68.3	15.9%	469.1	106.7	22.7%	431.5	108.1	25.1%	1,864.5	374.3	20.1%
Gould	73.9	-1.8	-2.4%	92.7	13.6	14.7%	86.1	7.9	9.2%	63.3	-0.5	-0.8%	316.0	19.2	6.1%
Grace (W.R.) & Co.	118.6	14.3	12.1%	88.5	2.9	3.3%	253.3	-50.9	-20.1%	342.3	35.3	10.3%	802.7	1.6	0.2%
Great Northern Nekoosa	178.0	-14.5	-8.1%	90.3	-24.8	-27.5%	91.4	-8.3	-9.1%	162.1	48.6	30.0%	521.8	1.0	0.2%
Greyhound Corp.	126.4	-1.9	-1.5%	48.1	-8.0	-16.6%	87.4	-0.5	-0.5%	158.0	-0.1	-0.0%	419.9	-10.4	-2.5%
Grumman Corp.	178.9	—	—	182.7	—	—	159.8	—	—	132.0	—	—	653.4	—	—
GTE Corp.	1,565.4	158.2	10.1%	1,390.0	155.6	11.2%	1,156.3	72.9	6.3%	1,074.6	96.9	9.0%	5,186.3	483.6	9.3%
Gulf Corp.	313.0	-26.0	-8.3%	455.0	-32.0	-7.0%	894.0	23.0	2.6%	1,138.0	276.0	24.3%	2,800.0	241.0	8.6%
Gulf States Utilities Co.	333.3	8.5	2.6%	304.3	9.3	3.1%	221.5	7.3	3.3%	185.0	5.8	3.1%	1,044.1	30.9	3.0%
Gulf+Western Industries	351.4	51.9	14.8%	296.2	101.2	34.2%	86.2	46.4	53.8%	237.1	58.5	24.7%	971.0	258.0	26.6%
Halliburton Co.	379.5	74.3	19.6%	288.4	88.1	30.5%	514.2	191.0	37.1%	813.0	295.9	36.4%	1,995.1	649.3	32.5%
Harris Corp.	79.8	-28.2	-35.4%	42.4	10.7	25.2%	70.9	-11.5	-16.1%	114.4	9.5	8.3%	307.6	-19.5	-6.3%
Harsco Corp.	55.9	15.4	27.5%	16.3	-2.4	-14.7%	36.8	21.0	57.1%	81.2	28.8	35.5%	190.2	62.8	33.0%
Heileman (G.) Brewing Co.	81.7	14.1	17.3%	102.6	25.6	24.9%	84.4	22.8	27.1%	74.6	18.2	24.4%	343.4	80.8	23.5%
Heinz (H.J.) Co.	242.1	65.6	27.1%	217.2	60.4	27.8%	199.7	70.8	35.5%	191.1	68.2	35.7%	850.1	265.0	31.2%
Hercules	138.7	33.2	24.0%	121.5	16.9	13.9%	59.1	0.6	1.0%	138.1	49.7	36.0%	457.4	100.4	22.0%
Hershey Foods Corp.	190.9	59.7	31.3%	172.1	59.7	34.7%	157.1	50.6	32.2%	142.3	52.8	37.1%	662.4	222.9	33.6%
Hewlett-Packard Co.	547.0	140.0	25.6%	479.0	61.0	12.7%	375.0	90.0	24.0%	284.0	113.0	39.8%	1,685.0	404.0	24.0%
Holiday Inns	207.8	29.1	14.0%	203.9	68.2	33.4%	139.9	38.8	27.7%	136.6	30.8	22.5%	688.2	166.9	24.3%
Honeywell	246.9	75.1	30.4%	148.7	50.6	34.0%	232.7	45.7	19.6%	237.1	40.1	16.9%	865.4	211.5	24.4%
Hormel (Geo. A.) & Co.	51.4	13.9	27.0%	49.1	13.3	27.1%	45.1	-0.2	-0.4%	40.4	7.6	18.8%	186.0	34.6	18.6%
Hospital Corp. of America	496.0	47.8	9.6%	377.3	73.2	19.4%	273.2	38.3	14.0%	180.3	21.9	12.1%	1,326.8	181.2	13.7%
Household International	323.9	21.2	6.5%	298.1	30.0	10.1%	122.3	15.8	12.9%	172.6	27.8	16.1%	916.9	94.8	10.3%
Houston Industries	607.5	54.8	9.0%	553.2	33.3	6.0%	240.8	-14.2	-5.9%	392.4	21.4	5.5%	1,793.9	95.3	5.3%
Hutton (E.F.) Group	20.9	-66.8	-320.3%	143.8	—	—	102.8	-6.9	-6.7%	105.0	14.1	13.4%	372.5	-59.6	-16.0%
IBM	6,796.0	1,406.0	20.7%	5,838.0	1,607.0	27.5%	4,709.0	1,372.0	29.1%	3,569.0	997.0	27.9%	20,912.0	5,382.0	25.7%
IC Industries	211.8	0.6	0.3%	131.0	0.6	0.5%	9.3	-60.3	-648.4%	182.6	3.7	2.0%	534.7	-55.4	-10.4%
Illinois Power Co.	340.8	51.5	15.1%	320.9	51.8	16.1%	226.6	31.4	13.9%	186.2	16.6	8.9%	1,074.5	151.3	14.1%
INTERCO	130.6	68.6	52.5%	207.3	91.3	44.0%	151.3	64.0	42.3%	213.9	83.3	38.9%	703.1	307.2	43.7%
International Multifoods	6.5	0.3	4.9%	13.3	-2.6	-19.2%	15.1	-1.4	-9.5%	8.9	0.5	5.5%	43.9	-3.2	-7.3%
International Paper Co.	107.9	6.8	6.3%	234.0	-78.8	-33.7%	109.1	-26.8	-24.6%	685.3	66.2	9.7%	1,136.3	-32.6	-2.9%
Internat'l Minerals & Chemical	111.1	6.9	6.2%	58.4	3.0	5.1%	70.0	-50.5	-72.1%	132.1	-3.1	-2.3%	371.6	-43.7	-11.8%
InterNorth	406.3	152.6	37.6%	372.2	132.9	35.7%	131.9	-10.3	-7.8%	363.5	47.6	13.1%	1,273.9	322.8	25.3%
ITT	68.1	-10.9	-16.0%	241.7	-5.7	-2.3%	233.0	-71.4	-30.7%	272.3	-89.7	-33.0%	815.0	-177.7	-21.8%
Jim Walter Corp.	150.4	44.1	29.3%	109.1	7.4	6.8%	66.3	-12.8	-19.3%	35.9	-42.8	-119.2%	361.7	-4.1	-1.1%
Johnson Controls	100.9	31.0	30.7%	93.8	17.6	18.8%	82.5	22.2	26.9%	74.8	16.3	21.8%	352.0	87.1	24.7%
Johnson & Johnson	320.6	37.6	11.7%	297.8	9.9	3.3%	342.9	57.2	16.7%	366.1	106.7	29.1%	1,327.4	211.4	15.9%

275 Companies, Their Domestic Profits & Their Federal Income Taxes, 1981-84 (4)
(\$-millions)

Company:	1984			1983			1982			1981			1981-84 Totals		
	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate
K mart	\$ 697.2	\$ 257.7	37.0%	\$ 752.6	\$ 304.7	40.5%	\$ 346.3	\$ 131.7	38.0%	\$ 251.4	\$ 65.0	25.9%	\$ 2,047.5	\$ 759.1	37.1%
Kellogg's Co.	363.8	132.4	36.4%	301.0	105.5	35.0%	274.1	91.1	33.2%	263.2	103.7	39.4%	1,202.1	432.7	36.0%
Kimberly-Clark Corp.	259.6	33.4	12.9%	213.9	11.2	5.2%	200.0	30.9	15.5%	186.8	47.8	25.6%	860.3	123.3	14.3%
Knight-Ridder Newspapers	244.1	93.5	38.3%	203.5	77.2	37.9%	166.9	57.3	34.3%	173.9	71.0	40.8%	788.4	299.0	37.9%
Kroger Co.	246.5	47.5	19.3%	193.0	10.6	5.5%	272.7	36.9	13.5%	262.5	53.4	20.3%	974.7	148.4	15.2%
Leaseway Transportation Corp.	26.2	0.1	0.5%	55.9	-3.8	-6.8%	36.4	5.6	15.4%	66.3	20.2	30.5%	184.8	22.1	12.0%
Lilly (Eli) and Co.	613.5	40.7	6.6%	567.4	157.4	27.7%	486.6	155.2	31.9%	474.9	173.8	36.6%	2,142.4	527.1	24.6%
Litton Industries	398.5	180.8	45.4%	306.4	63.2	20.6%	435.5	45.8	10.5%	443.5	187.1	42.2%	1,583.9	476.9	30.1%
Lockheed Corp.	585.9	—	—	461.8	—	—	337.6	—	—	285.6	—	—	1,670.9	—	—
Lubrizol Corp.	64.6	13.5	20.8%	49.1	4.7	9.5%	31.0	5.0	16.1%	78.4	27.1	34.6%	223.1	50.3	22.5%
M/A-COM	52.8	-2.1	-3.9%	45.5	-1.3	-2.9%	62.1	17.6	28.4%	69.2	24.0	34.7%	229.6	38.2	16.6%
MacMillan	47.1	6.0	12.7%	35.2	7.7	21.8%	25.7	3.9	15.1%	13.5	2.8	20.9%	121.4	20.4	16.8%
MAPCO	59.6	21.3	35.7%	81.7	5.7	6.9%	121.9	11.4	9.3%	119.9	-6.2	-5.2%	383.1	32.1	8.4%
Martin Marietta Corp.	300.9	98.9	32.9%	184.9	1.6	0.9%	46.0	-72.4	-157.4%	259.3	-23.5	-9.1%	791.1	4.6	0.6%
MCA	58.5	4.5	7.7%	115.4	6.1	5.3%	194.2	13.5	7.0%	41.7	1.4	3.4%	409.8	25.5	6.2%
McDonnell Douglas Corp.	458.8	0.5	0.1%	404.5	3.1	0.8%	327.0	0.8	0.2%	233.9	0.7	0.3%	1,424.2	5.1	0.4%
McGraw Edison Co.	134.2	56.3	42.0%	77.4	30.5	39.4%	71.5	27.4	38.3%	114.7	25.6	22.3%	397.8	139.8	35.1%
McGraw-Hill	240.8	99.8	41.4%	209.2	90.7	43.4%	182.5	76.0	41.6%	162.9	55.1	33.8%	795.4	321.6	40.4%
Media General	57.5	5.1	8.9%	57.7	15.0	26.0%	55.3	19.2	34.6%	53.8	13.3	24.8%	224.4	52.6	23.4%
Mellon Bank Corp.	140.9	2.0	1.4%	194.3	3.0	1.5%	106.9	0.5	0.5%	102.6	-38.3	-37.3%	544.7	-32.8	-6.0%
Merck & Co.	562.3	98.4	17.5%	460.9	13.4	2.9%	349.1	43.9	12.6%	355.3	44.5	12.5%	1,727.6	200.2	11.6%
Minnesota Mining & Manuf. (3M)	882.0	303.0	34.4%	780.0	227.0	29.1%	648.0	192.0	29.6%	747.0	249.0	33.3%	3,057.0	971.0	31.8%
Mitchell Energy & Dev. Corp.	55.9	—	—	117.4	-1.2	-1.0%	109.5	-18.7	-17.1%	175.9	-21.2	-12.1%	458.7	-41.1	-9.0%
Mobil Corp.	838.0	86.0	10.3%	848.0	50.0	5.9%	733.0	29.0	4.0%	1,542.0	330.0	21.4%	3,961.0	495.0	12.5%
Monsanto Co.	421.0	72.0	17.1%	413.0	103.0	24.9%	417.0	53.0	12.7%	541.0	91.0	16.8%	1,792.0	319.0	17.8%
Morgan (J.P.) & Co.	230.9	-43.2	-18.7%	208.1	20.1	9.7%	116.5	5.4	4.6%	196.7	34.5	17.5%	752.2	16.8	2.2%
Motorola	311.0	80.0	25.7%	223.0	68.0	30.5%	172.0	12.0	7.0%	218.0	53.0	24.3%	924.0	213.0	23.1%
Nabisco Brands	299.2	86.1	28.8%	344.6	74.3	21.6%	322.5	42.6	13.2%	282.6	105.1	37.2%	1,248.9	308.1	24.7%
Nalco Chemical Co.	91.0	36.4	40.0%	98.1	36.0	36.7%	81.2	29.4	36.2%	108.0	43.8	40.5%	378.4	145.6	38.5%
National Service Industries	96.9	17.3	17.8%	83.1	16.7	20.1%	77.1	38.6	50.1%	80.0	38.3	47.9%	337.1	111.0	32.9%
Natl Distillers & Chem. Corp.	94.2	27.5	29.2%	75.8	21.5	28.4%	68.4	21.1	30.8%	130.3	37.4	28.7%	368.7	107.5	29.2%
NCR Corp.	229.0	104.5	45.6%	237.9	68.3	28.7%	176.2	6.5	3.7%	201.9	38.0	18.8%	845.0	217.3	25.7%
Niagra Mohawk Power Corp.	490.1	17.7	3.6%	378.5	-4.6	-1.2%	331.4	4.9	1.5%	240.4	7.0	2.9%	1,440.4	25.0	1.7%
Norfolk Southern Corp.	803.7	141.7	17.6%	574.8	15.8	2.7%	731.0	36.8	5.0%	928.3	64.8	7.0%	3,037.8	259.1	8.5%
Northern Indiana PSC	243.4	7.4	3.0%	229.7	6.0	2.6%	178.1	-9.2	-5.2%	141.3	-18.8	-13.3%	792.5	-14.6	-1.8%
Northern States Power Co.	330.1	10.4	3.1%	347.6	-3.1	-0.9%	288.2	-15.9	-5.5%	226.3	62.9	27.8%	1,192.2	54.3	4.6%
Northrup Corp.	239.4	-3.9	-1.6%	149.8	1.5	1.0%	-38.5	-11.2	NM	66.1	-32.8	-49.6%	416.8	-46.4	-11.1%
Norton Co.	65.4	22.3	34.1%	41.5	7.0	16.9%	51.6	1.7	3.3%	122.2	37.5	30.7%	280.7	68.5	24.4%
Ogden Corp.	59.0	21.8	37.0%	59.7	14.4	24.1%	47.9	-26.8	-55.9%	84.9	-15.0	-17.7%	251.5	-5.6	-2.2%
Ohio Edison Co.	496.7	5.8	1.2%	417.0	10.1	2.4%	315.2	-10.2	-3.2%	295.5	-37.5	-12.7%	1,524.4	-31.8	-2.1%
Olin Corp.	127.2	24.8	19.5%	81.8	12.4	15.2%	48.2	-31.0	-64.3%	125.8	30.8	24.5%	383.0	37.0	9.7%
Overseas Shipholding Group	49.6	-4.8	-9.7%	51.8	-2.6	-5.0%	71.9	0.3	0.4%	103.0	10.0	9.7%	276.3	2.9	1.0%
Owens-Corning Fiberglas Corp.	167.3	54.8	32.8%	96.3	39.2	40.7%	37.6	5.2	13.8%	42.7	-4.0	-9.4%	343.9	95.2	27.7%
Owens-Illinois	133.7	20.7	15.5%	47.6	-33.4	-70.2%	-13.9	-18.8	NM	201.8	62.1	30.8%	369.2	30.6	8.3%
Ozark Holdings (Ozark Air L.)	16.0	-0.9	-5.9%	2.1	-7.0	-333.3%	12.2	-2.0	-16.4%	29.4	10.3	35.0%	59.7	0.4	0.6%
PACCAR	168.5	83.6	49.6%	56.1	17.7	31.6%	53.5	19.6	36.6%	104.7	39.7	37.9%	382.7	160.6	42.0%
Pacific Gas and Electric Co.	1,467.4	-12.6	-0.9%	1,178.4	57.7	4.9%	1,145.2	438.1	38.3%	605.8	13.1	2.2%	4,396.8	496.3	11.3%
Pacific Lighting Corp.	243.4	-14.5	-6.0%	244.3	41.1	16.8%	180.9	-14.0	-7.7%	179.6	49.1	27.3%	848.2	61.7	7.3%

275 Companies, Their Domestic Profits & Their Federal Income Taxes, 1981-84 (5)
(\$-millions)

Company:	1984			1983			1982			1981			1981-84 Totals		
	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate
PacifiCorp (Pac.Power & Light)	\$ 391.3	\$ 40.3	10.3%	\$ 106.9	\$ 12.3	11.5%	\$ 273.8	\$ 6.3	2.3%	\$ 211.7	\$ -41.7	-19.7%	\$ 983.8	\$ 17.2	1.7%
Panhandle Eastern Corp.	282.7	—	—	311.3	—	—	255.7	-34.7	-13.6%	371.0	5.9	1.6%	1,220.7	-28.8	-2.4%
Parker Hannifin Corp.	102.5	33.8	33.0%	35.3	4.5	12.7%	70.3	8.4	11.9%	80.2	27.8	34.6%	288.4	74.5	25.8%
Pennsylvania Power & Light Co.	442.1	0.4	0.1%	386.1	0.1	0.0%	288.6	-12.9	-4.5%	246.1	2.4	1.0%	1,362.9	-10.0	-0.7%
Pennzoil Co.	318.0	100.0	31.4%	244.1	7.9	3.2%	224.3	-0.1	-0.0%	310.8	34.8	11.2%	1,097.2	142.6	13.0%
Pepsico	481.9	11.6	2.4%	496.5	-45.3	-9.1%	502.2	-23.7	-4.7%	318.2	-78.4	-24.6%	1,798.7	-135.8	-7.6%
Perkin-Elmer Corp.	53.6	17.2	32.2%	45.6	10.5	23.0%	65.2	9.1	14.0%	98.8	41.7	42.2%	263.2	78.5	29.8%
Pfizer	457.6	156.8	34.3%	329.1	67.7	20.6%	254.4	15.6	6.1%	165.8	6.5	3.9%	1,206.9	246.6	20.4%
Philadelphia Electric Co.	621.6	3.1	0.5%	501.9	-16.4	-3.3%	439.1	11.5	2.6%	329.9	-28.5	-8.6%	1,892.5	-30.3	-1.6%
Phillip-Morris	1,375.5	572.8	41.6%	1,387.2	416.0	30.0%	1,102.2	291.5	26.4%	860.4	214.3	24.9%	4,725.3	1,494.6	31.6%
Phillips Petroleum Co.	749.0	29.0	3.9%	827.0	108.0	13.1%	732.0	24.0	3.3%	974.0	194.0	19.9%	3,282.0	355.0	10.8%
Piedmont Aviation	90.1	4.2	4.7%	23.6	-14.8	-62.7%	8.3	-19.5	-234.9%	47.0	4.7	10.0%	169.0	-25.4	-15.0%
Pillsbury Co.	272.9	68.1	25.0%	198.9	39.7	20.0%	198.9	62.2	31.3%	175.0	56.3	32.2%	845.7	226.3	26.8%
Pitney Bowes	159.7	46.7	29.2%	142.6	24.4	17.1%	110.7	19.1	17.3%	101.9	17.7	17.4%	514.9	107.9	21.0%
Pittway Corp.	48.1	6.3	13.2%	40.0	0.9	2.2%	43.7	-1.0	-2.4%	54.5	17.2	31.6%	186.3	23.4	12.6%
PPG Industries	418.3	95.3	22.8%	295.9	57.0	19.3%	147.0	2.7	1.8%	254.2	33.8	13.3%	1,115.4	188.8	16.9%
Prime Computer	41.5	0.5	1.2%	28.5	0.1	0.2%	38.8	—	—	32.5	0.1	0.2%	141.3	0.6	0.4%
Procter & Gamble Co.	1,238.0	289.0	23.3%	1,347.0	519.0	38.5%	1,253.0	438.0	35.0%	954.0	351.0	36.8%	4,792.0	1,597.0	33.3%
PSE&G	739.5	21.6	2.9%	578.6	10.8	1.9%	512.3	38.0	7.4%	377.0	6.2	1.6%	2,207.4	76.6	3.5%
Public Service Indiana	164.0	3.7	2.3%	362.5	0.6	0.2%	331.5	-0.6	-0.2%	226.6	5.3	2.3%	1,084.6	9.0	0.8%
Quaker State Oil Refining Corp.	23.6	7.8	33.1%	58.4	17.8	30.5%	66.3	18.9	28.5%	44.7	6.2	13.9%	192.9	50.7	26.3%
Ralston Purina Co.	353.3	146.2	41.4%	381.4	168.7	44.2%	268.8	111.4	41.4%	285.4	116.3	40.7%	1,288.9	542.6	42.1%
Raytheon Co.	515.5	157.6	30.6%	447.5	295.1	65.9%	452.0	193.4	42.8%	493.2	135.6	27.5%	1,908.2	781.7	41.0%
RCA	276.0	68.9	25.0%	261.9	-30.9	-11.8%	198.7	-34.9	-17.6%	53.6	4.9	9.1%	790.2	8.0	1.0%
Reynolds (R.J.) Industries	1,180.0	456.0	38.6%	1,158.0	410.0	35.4%	1,067.0	509.0	47.7%	1,165.0	446.0	38.3%	4,570.0	1,821.0	39.8%
Rockwell International	779.6	217.6	27.9%	587.0	161.4	27.5%	522.7	-1.7	-0.3%	457.6	46.2	10.1%	2,346.9	423.5	18.0%
Rohm and Haas	160.8	53.9	33.6%	155.3	50.1	32.3%	29.0	-11.2	-38.6%	110.9	25.3	22.8%	456.0	118.1	25.9%
Santa Fe South'n Pacific Corp.	730.0	8.3	1.1%	512.5	31.1	6.1%	403.9	-28.7	-7.1%	662.6	-144.1	-21.7%	2,309.0	-133.4	-5.8%
Sara Lee Corp. (Consol. Foods)	263.0	19.6	7.4%	218.6	12.7	5.8%	185.4	1.8	1.0%	167.6	71.4	42.6%	834.7	105.5	12.6%
Schering-Plough Corp.	174.9	26.1	14.9%	178.8	31.5	17.6%	149.9	5.2	3.5%	145.4	26.8	18.4%	649.0	89.6	13.8%
SCM Corp.	47.3	1.8	3.8%	32.5	3.1	9.5%	25.0	-9.0	-36.0%	71.1	8.6	12.1%	175.9	4.5	2.6%
Scott Paper Co.	232.0	67.4	29.1%	148.3	25.3	17.1%	114.7	-76.8	-66.9%	99.6	-46.4	-46.6%	594.6	-30.5	-5.1%
Searle (G.D.) & Co.	245.4	37.4	15.2%	149.5	2.0	1.3%	139.7	0.6	0.4%	145.5	-0.3	-0.2%	680.1	39.7	5.8%
Sears, Roebuck & Co.	1,772.3	166.2	9.4%	1,790.8	67.8	3.8%	1,053.4	81.2	7.7%	601.6	-4.9	-0.8%	5,218.1	310.3	5.9%
Shell Oil Co.	2,868.0	702.0	24.5%	2,664.0	551.0	20.7%	2,586.0	588.0	22.7%	2,731.0	602.0	22.0%	10,849.0	2,443.0	22.5%
Sherwin-Williams Co.	107.0	39.4	36.9%	89.6	41.0	45.8%	63.4	27.6	43.5%	47.8	14.3	29.9%	307.8	122.3	39.8%
Signal Companies	349.0	17.0	4.9%	225.0	101.0	44.9%	169.0	-35.0	-20.7%	303.0	-21.0	-6.9%	1,046.0	62.0	5.9%
Singer Co.	89.6	0.9	1.0%	65.9	—	—	24.1	-5.4	-22.4%	14.6	-7.1	-48.6%	194.2	-11.6	-6.0%
SmithKline Beckman	450.7	86.2	19.1%	439.3	75.3	17.1%	387.6	71.8	18.5%	317.9	66.5	20.9%	1,595.5	299.8	18.8%
Sonoco Products Co.	62.2	22.8	36.7%	52.4	17.0	32.4%	38.6	10.3	26.7%	53.7	21.2	39.5%	206.8	71.3	34.5%
Southern California Edison Co.	1,285.9	140.5	10.9%	1,012.2	178.2	17.6%	576.7	140.4	24.3%	607.9	44.8	7.4%	3,482.7	503.9	14.5%
Southwest Airlines Co.	67.8	-0.9	-1.3%	63.6	3.8	6.0%	33.3	-15.7	-47.1%	48.3	4.7	9.7%	213.0	-8.1	-3.8%
Sperry Corp.	91.3	5.0	5.5%	29.6	-9.5	-32.1%	213.8	3.3	1.5%	364.5	9.1	2.5%	699.2	7.9	1.1%
Springs Industries	51.2	10.2	19.9%	52.9	4.4	8.3%	58.6	18.5	31.6%	66.6	23.0	34.6%	229.3	56.1	24.5%
Square D Co.	153.4	56.8	37.0%	110.0	34.5	31.4%	91.8	36.2	39.4%	165.3	61.5	37.2%	520.5	189.0	36.3%
Squibb Corp.	140.6	52.7	37.5%	145.6	19.6	13.5%	135.1	12.5	9.3%	0.1	9.3	NM	421.4	94.1	22.3%
Standard Oil of Indiana	1,975.0	178.0	9.0%	1,820.0	294.0	16.2%	1,821.0	252.0	13.8%	1,856.0	375.0	20.2%	7,472.0	1,099.0	14.7%
Standard Oil of Ohio	2,604.0	681.0	26.2%	2,541.0	801.0	31.5%	3,295.0	1,327.0	40.3%	3,529.0	1,468.0	41.6%	11,969.0	4,277.0	35.7%

275 Companies, Their Domestic Profits & Their Federal Income Taxes, 1981-84 (6)
(\$-millions)

Company:	1984			1983			1982			1981			1981-84 Totals		
	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate	Profit	Tax	Rate
Stanley Works	\$ 101.3	\$ 26.0	25.6%	\$ 66.1	\$ 19.0	28.7%	\$ 43.0	\$ 16.0	37.2%	\$ 63.3	\$ 18.7	29.5%	\$ 273.7	\$ 79.7	29.1%
Sun Chemical Corp.	31.1	2.9	9.2%	30.0	0.4	1.3%	21.8	-9.3	-42.5%	20.2	-4.3	-21.5%	103.2	-10.4	-10.1%
Sun Co.	757.0	23.0	3.0%	594.0	148.0	24.9%	716.0	28.0	3.9%	1,649.0	321.0	19.5%	3,716.0	520.0	14.0%
Sundstrand Corp.	106.2	7.8	7.3%	66.2	-13.8	-20.8%	94.4	0.2	0.2%	138.2	31.3	22.7%	405.1	25.6	6.3%
SuperValu Stores	132.8	50.9	38.3%	117.0	47.1	40.3%	112.5	47.7	42.4%	93.9	39.4	42.0%	456.2	185.1	40.6%
Tektronix	36.9	-6.5	-17.6%	21.5	-4.3	-20.0%	83.3	18.6	22.3%	84.4	24.4	28.9%	226.1	32.2	14.2%
Tenneco	714.0	23.0	3.2%	778.0	8.0	1.0%	894.0	-9.0	-1.0%	1,015.0	-188.0	-18.5%	3,401.0	-166.0	-4.9%
Tesoro Petroleum	23.4	-6.0	-25.5%	33.1	-5.4	-16.3%	42.5	16.8	39.5%	25.3	-27.9	-110.3%	124.3	-22.5	-18.1%
Texaco	120.0	-10.0	-8.3%	130.0	-150.0	-115.4%	627.0	-88.0	-14.0%	942.0	180.0	19.1%	1,819.0	-68.0	-3.7%
Texas Eastern Corp.	164.1	24.3	14.8%	186.4	-28.9	-15.5%	206.5	120.0	58.1%	270.0	-22.1	-8.2%	827.0	93.3	11.3%
Textron	168.9	34.8	20.6%	123.2	17.5	14.2%	109.9	8.9	8.1%	224.8	41.6	18.5%	626.8	102.8	16.4%
Time	343.3	70.6	20.6%	235.9	77.4	32.8%	180.3	56.6	31.4%	138.1	36.0	26.1%	897.6	240.6	26.8%
Tracor	52.5	11.2	21.3%	38.9	8.0	20.5%	31.4	7.2	22.8%	31.7	12.4	39.2%	154.6	38.8	25.1%
Transamerica Corp.	145.5	-5.8	-4.0%	211.9	-2.9	-1.4%	163.4	-57.1	-34.9%	227.7	-27.7	-12.2%	748.6	-93.6	-12.5%
TRW	340.4	200.2	58.8%	272.4	44.8	16.4%	233.4	-12.1	-5.2%	278.4	19.5	7.0%	1,124.6	252.4	22.4%
Tyson Foods	32.7	2.6	8.1%	20.5	0.9	4.4%	14.6	-3.7	-25.3%	1.3	-0.8	-61.5%	69.1	-1.0	-1.4%
Union Camp Corp.	263.2	-3.8	-1.4%	152.0	-19.3	-12.7%	158.0	-0.6	-0.4%	242.8	34.6	14.3%	816.0	11.0	1.3%
Union Carbide	303.0	46.0	15.2%	77.0	-9.0	-11.7%	25.0	-68.0	-272.0%	487.0	5.0	1.0%	892.0	-26.0	-2.9%
Union Electric	472.8	-6.5	-1.4%	411.5	6.7	1.6%	300.4	7.6	2.5%	235.8	-5.2	-2.2%	1,420.5	2.6	0.2%
Union Pacific Corp.	766.0	40.0	5.2%	687.0	23.0	3.3%	475.0	35.0	7.4%	649.0	6.0	0.9%	2,577.0	104.0	4.0%
Uniroyal	58.8	3.3	5.6%	16.8	2.4	14.3%	-1.3	—	NM	18.8	0.3	1.6%	93.1	6.0	6.4%
United Technologies	636.4	176.4	27.7%	551.4	127.8	23.2%	434.1	78.3	18.0%	495.4	149.9	30.3%	2,117.3	532.4	25.1%
United Telecommunications	384.9	96.4	25.0%	362.5	87.1	24.0%	332.5	48.9	14.7%	406.6	50.6	12.4%	1,486.5	283.0	19.0%
Unocal Corp.	857.4	91.2	10.6%	807.9	167.1	20.7%	1,153.0	254.6	22.1%	1,190.5	313.1	26.3%	4,008.8	826.0	20.6%
Upjohn Co.	256.1	68.1	26.6%	263.3	69.8	26.5%	193.9	14.8	7.6%	222.1	19.3	8.7%	935.4	172.0	18.4%
USG Corp. (U.S. Gypsum)	288.6	129.6	44.9%	129.2	42.0	32.5%	43.2	-10.6	-24.5%	96.6	15.8	16.4%	557.6	176.8	31.7%
VF Corporation	230.3	101.5	44.1%	208.4	95.0	45.6%	165.4	74.5	45.0%	116.2	51.0	43.9%	720.3	322.0	44.7%
Wang Laboratories	169.5	2.6	1.5%	119.5	-6.2	-5.2%	107.6	-0.9	-0.8%	89.2	15.1	16.9%	485.8	10.6	2.2%
West Point-Pepperell	90.0	23.3	25.9%	82.2	20.6	25.1%	63.5	15.6	24.6%	63.0	20.7	32.9%	298.7	80.2	26.8%
Westinghouse Electric Corp.	619.8	-16.0	-2.6%	393.7	20.2	5.1%	452.4	-48.2	-10.7%	523.3	54.3	10.4%	1,989.2	10.3	0.5%
Westvaco Corp.	168.8	30.3	17.9%	84.2	6.8	8.1%	67.4	-2.1	-3.2%	150.6	35.4	23.5%	471.1	70.3	14.9%
Weyerhaeuser Co.	288.5	79.5	27.5%	274.2	46.4	16.9%	115.1	-40.8	-35.4%	251.4	-144.2	-57.4%	929.2	-59.1	-6.4%
Whirlpool Corp.	289.4	101.1	34.9%	255.5	123.5	48.3%	193.0	84.8	43.9%	201.7	88.5	43.9%	939.6	397.9	42.4%
White Consolidated Industries	60.9	9.5	15.6%	64.7	20.0	30.9%	42.3	-11.1	-26.2%	99.3	32.5	32.7%	267.2	50.9	19.0%
Witco Chemical Corp.	76.6	23.8	31.1%	75.0	27.3	36.4%	42.2	7.6	18.0%	60.7	13.4	22.1%	254.5	72.1	28.3%
Wrigley (Wm., Jr.) Co.	42.3	15.3	36.0%	43.7	16.0	36.7%	32.6	11.4	34.9%	30.9	9.6	31.1%	149.5	52.3	35.0%
Wyman-Gordian Co.	55.9	16.5	29.4%	77.8	24.9	32.0%	99.6	34.5	34.6%	102.0	41.0	40.2%	335.3	116.9	34.9%
Xerox	71.5	-6.5	-9.1%	318.5	46.8	14.7%	251.8	-54.0	-21.4%	480.9	4.5	0.9%	1,122.7	-9.2	-0.8%
TOTALS, 275 COMPANIES:	\$108,065.0	\$17,943.2	16.6%	\$103,361.2	\$15,397.5	14.9%	\$91,345.7	\$10,747.7	11.8%	\$97,774.2	\$16,177.4	16.5%	\$400,546.1	\$60,265.7	15.0%

Notes on Individual Companies

Abbot Laboratories. The company's tax figures may be overstated, because it defers recognizing many of its investment tax credits for book purposes. Also, some of the 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." In fact, the 1984 report states that the special treatment of Puerto Rican profits generated "tax savings amount[ing] to \$66,400[,000], \$53,000[,000], and \$53,800[,000] in 1984, 1983, and 1982, respectively.

ABC. The company's high effective tax rate in 1981 is due in part to negative deferred taxes of \$17 million relating to the timing of deductions for certain program costs. The sharply reduced rate in 1982 reflects a \$10 million turnaround on program costs' deductibility and \$25.7 million in tax benefits purchased through "safe-harbor leasing." The company also enjoyed \$10-15 million in "leasing" benefits in 1983.

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). Results for 1983 and 1982 were slightly restated by the company in its 1984 report, and the new figures are used in this study.

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."

Allied Corp. 1982 tax figures include \$16 million in proceeds from the sale of tax credits (which the company treated as a reduction in current taxes). At the end of 1984, the company had \$143 million in investment tax credit carryforwards for use in later years (an increase of \$19 million in such carryforwards from 1983).

Alumax. The company's tax figures for 1982-84 include tax reductions obtained from purchasing tax benefits through "safe-harbor leasing."

American Greetings. Taxes are apparently overstated due to the company's treatment of purchased tax benefits as a reduction in investment rather than as a reduction in taxes. Amounts are unspecified, but could be \$15 million or more total in 1981 and 1982.

American Natural Resources Co. The company's 1983 results were significantly affected by a huge negative item in its deferred tax account—\$76.6 million—for "unrecovered purchased gas costs." That item partially turned around in 1984, helping to produce the company's 1984 tax refund. Also, 1981 results include \$2.4 million in tax reduction from a special writeoff for trucking rights included in the 1981 Reagan tax act.

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

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

Anderson Clayton. Tax figures include state and local income taxes, which were included with federal in the company’s tax statement. In its 1983 report, the company reported a negative income tax figure of -0.3%. This was apparently a typographical error on the company’s part, which it corrected in the 1984 report. The actual tax rate for 1983 was apparently plus 0.3%.

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 company’s total benefits from “safe-harbor leasing” totalled \$9.7 million, \$27.8 million, and \$15.5 million, in 1983, 1982, and 1981, respectively.

Arizona Public Service Co. 1981 results include \$50.6 million in cash received by the company in exchange for “certain federal tax benefits” (i.e., a “safe-harbor leasing” transaction). [For its book purposes, the company is amortizing the \$50.6 million (as a reduction in its booked taxes) over 30 years, although it received the full cash proceeds in 1981.] Also, at the end of 1984, the company had \$12 million in investment tax credit carryforwards available for use in subsequent years, down from the \$44 million in such carryforward it had at the end of 1983.

Arkansas Power & Light Co. At the end of 1984, the company had \$40 million in “unused

investment tax credits” available to reduce taxes in subsequent years, down slightly from the \$47.9 million in such carryforwards the company had at the end of 1983.

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, \$25.9 million, \$9.7 million, and \$16.2 million in 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.)

Ashland Oil. The company improved its income disclosure in the 1984 report, and the profit figures reported in this study reflect these improvements. (The tax figures were not affected.)

AT&T. The company’s sharply lower profit figures for 1984 compared to earlier years reflects the divestiture of the telephone operating companies.

Baltimore Gas and Electric Co. The company’s current tax provision includes \$5.1 million in 1984, \$5.7 million in 1983, and \$10.7 million in 1982 reflecting tax benefits purchased through “safe-harbor leasing.” The 1981 tax payment includes payments of previous years’ taxes pursuant to a settlement with the IRS. The increased tax rate for 1984 reflects deferred deductions for certain nuclear fuel costs. These deductions are likely to be allowed to reduce taxes in future years.

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. 1984 tax figures do not include the \$17.9 million 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 \$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.)

Borg-Warner Corp. The company does not consolidate its financial service subsidiaries, which had pretax income of \$34 million, \$50.5 million, \$58.3 million, and \$53.2 million in 1984, 1983, 1982, and 1981, respectively. The pretax figures used in this study are therefore too low. In addition, the tax figures listed in the study are apparently too high (due to the likelihood of low taxes or refunds for the financial service subsidiaries). 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 \$39 million" at the end of 1984.

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 include the El Paso Co., which Burlington

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 1984, the company had \$129.5 million in investment tax credit carryforwards and \$83.9 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 \$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. Profit figures for 1981-83 were adjusted from the earlier CTJ study to reflect improved disclosure by the company. (There was no change in reported taxes, and an insubstantial change in the effective tax rate.) At the end of 1984, the company had \$123 million in tax credit carryforwards available to reduce taxes in subsequent years, an increase of \$14 million in such carryforwards from 1983. (In 1984, the company utilized the \$81 million in "loss" carryforwards it enjoyed at the end of 1983.)

Carpenter Technology Corp. The company's purchase of tax benefits in 1982 through "safe-harbor leasing" reduced its tax liability by \$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.) It appears possible that the company's benefits from tax leasing were greater than it discloses.

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." (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. In 1984, Champion acquired the St. Regis Corporation (one of the companies covered in CTJ's earlier corporate tax study). At the end of 1984, the company had investment tax credit carryforwards of \$82 million available to reduce taxes in subsequent years.

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 1982-84.

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.

Comerica. 1981 results reflect a huge negative deferred charge, which was partially recovered in 1982 and 1983. Also, the company has huge investment tax credit and "loss" carryforwards, which it did not book because it fears it will not be able to use them. In its 1984 report, the company slightly restated its 1983 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 \$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 1984, the company had \$387 million in investment tax credit carryforwards (down from \$467 million at the end of 1983), which it expects to use to reduce future taxes otherwise due.

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

Consumers Power Co. At the end of 1984, the company had \$356 million in investment tax credit carryforwards available to reduce taxes in later years. Its 1983 tax liability reflects adjustments to prior years' taxes by the IRS.

Continental Telecom. The current taxes reported in this study include tax reductions from purchased tax benefits of \$9.7 million in 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).

Corning Glass Works. Higher tax rate in 1983 reflects a turnaround on taxes previously deferred due to the tax code's treatment of installment sales. The company's cash flow statement implies that the company may actually have been able to utilize more investment tax credits than are reflected in its tax disclosure statement.

CSX Corp. The company sold tax benefits in 1981 for \$49.4 million, which it takes account of in its 1983 report's tax footnote as a reduction in effective tax payments. The 1984 report made minor corrections to the 1983 data in the 1983 report, and this study adopts those corrections.

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.

Data General Corp. The company's fiscal year ends on September 29 of the years listed. The company's low taxes in 1981 were largely due to a major tax deferral that year involved installment sales.

Detroit Edison Co. At the end of 1984, the company had investment tax credit carryforwards available to reduce taxes in subsequent years totalling \$296 million, an increase of \$12 million in such carryforwards from 1983.

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 1984, 1983, and 1982 from the purchase of tax benefits through "safe-harbor leasing."

Dominion Resources (VEPCO). Errors in the earlier version of this report with regard to the company's 1981-83 taxes have been corrected. (The changes resulted in an increase in the company's effective tax rate for 1981-83 of 4 percentage points.)

Donnelly (R.R.) & Sons Co. Tax figures reflect tax reductions from purchased tax benefits of \$25.9 million in 1984, \$31 million in 1983, \$43.5 million in 1982, and \$22.6 million in 1981 (calculated based on disclosures in the company's cash flow statement). Errors in the earlier version of this report with regard to the company's 1981-83 taxes have been corrected. (The changes resulted in an increase in the company's effective tax rate for 1981-83 of 2 1/2 percentage points.)

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.

Dun & Bradstreet Corp. The company's current tax was reduced by the tax benefits it "acquired and utilized" through "leasing" transactions, amounting to \$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.) In 1984, the company acquired A.C. Nielsen Co. for \$1.3 billion in stock. In its 1984 report, it restated its 1982-83 results to reflect this acquisition. These restatements are not used in the study here.

Eastman Kodak Co. The company uses relatively fast depreciation (sum-of-the-years digits) in computing its domestic pretax profits for book purposes.

E-Systems. The company's figures include tax reductions from the purchase of tax benefits through "safe-harbor leasing" of \$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 reflected 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 earlier version of this study. The result was to reduce the company's effective tax rate for 1981-83 by approximately 14 percentage points.

Foster Wheeler Corp. 1981 tax results were inflated due to payment of taxes previously deferred through the use of the "completed contract method of accounting."

FPL Group. Prior to December 31, 1984, the company was known as Florida Power & Light

Co. Results for 1982-83 were adjusted slightly to reflect better disclosure and small errors in the earlier version of this study. In 1984, the company utilized the \$40.2 million in investment tax credit carryforwards it held at the end of 1983.

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, amounting 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. At the end of 1984, the company still held \$957 million in "loss" carryforwards and \$165.1 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 stem largely from tax credits and deductions it acquired through its leasing subsidiary, General Electric Credit Corporation.

General Foods Corp. The company's fiscal year ends on March 30. The figures in this study reflect the company's reports for fiscal 1985, 1984, 1983, and 1982 under calendar 1984, 1983, 1982, and 1981, respectively. (The earlier version of this report covered the company's fiscal years 1981-83.) Results for 1984 include General Foods Credit Corp., the company's new 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.”

General Motors Corp. Figures include the profits and taxes of GMAC. The company’s extremely high tax rate for 1981 reflects huge booked expenses relating to employee benefit plans that were not currently deductible for tax purposes, while the low rate for 1983 reflects the utilization of those previously deferred deductions in that year.

General Public Utilities. Tax figures include some state income taxes as well as federal. At the end of 1984, the company had federal investment tax credit carryforwards of \$72 million available to reduce taxes in subsequent years (a reduction of \$24 million in such carryforwards from 1983).

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).

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). In each of the four years, the company found itself with what it calls “excess” investment tax credits, i.e., credits that could not be used due to tax code limits. These “excess” credits—\$20.1 million in 1984, \$13.8 million in 1983, \$25.2 million in 1982, and \$29.9 million in 1981—will be used to reduce taxes in future years. While W.R. Grace & Co. has effectively paid almost nothing in federal income taxes since the Reagan administration took office, the company reports that it paid \$372 million in income taxes to foreign governments on its overseas profits over those four years—for an effective foreign tax rate of 50.2%.

Greyhound Corp. Figures include the company’s financial subsidiaries. Investment tax credits treated by the company as income were subtracted from both income and taxes. A special write-off for bus operating rights (enacted in 1981) was subtracted from current taxes. Errors in the previous version of this report for 1981-83 have been corrected. (The effect of the changes was to increase Greyhound’s 1981-83 effective tax rate by 12 percentage points.)

Grumman Corp. The company notes: “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.”

Gulf Corp. The company’s income tax figures include state and local taxes. (The company offers more than one disclosure of its domestic profits. Use of an alternative measure, however, would not significantly affect the company’s overall effective tax rate.) In 1984, the company was acquired by Chevron, but it continued to be operated as a separate entity through 1984.

Gulf States Utilities Co. At the end of 1984, the company had investment tax credit carryforwards of \$153.3 million available to reduce taxes in subsequent years (an increase in such carryforwards of \$33.4 million from 1983).

Harris Corp. The company’s fiscal year ends on June 30 of the years listed.

Harsco Corp. 1982 results appear to reflect a turnaround of taxes previously deferred under the “completed contract method of accounting.”

Hercules. Figures include state income taxes.

Holiday Inns. A clerical error affecting the 1983 results reported in the earlier version of this report has been corrected. (The result was to increase the company's 1983 tax rate by 2 1/2 percentage points.)

Honeywell. 1984 and, especially, 1983 results reflect turnaround on taxes previously deferred relating to installment sales, leases, etc. Finance and real estate subsidiaries, which may have generated tax refunds, were not consolidated by the company in its financial statements.

Houston Industries. At the end of 1984, the company had \$15 million in investment tax credit carryforwards (down from \$43 million in 1983), "which the Company expects to utilize in 1985."

Hutton (E.F.) Group. The company defers and amortizes a portion of its investment tax credits, so the taxes listed may be substantially higher than the company actually paid. At the end of 1983, the company had investment tax credit carryforwards of \$43.7 million available to shelter future income. In its 1983 report, the company noted: "The tax shelter industry had another record year in 1983 with sales of public limited partnerships increasing 50%." In the 1984 report, the company states: "Tax shelters and direct investments also continued their steady growth, reaching record revenues"

IBM. Figures for 1981-83 include IBM Credit Corp., while the 1984 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). There was insufficient information to make such an adjustment (if any was needed) for 1981. At the end of 1984, the company had \$99.4

million in investment tax credit carryforwards available to reduce taxes in subsequent years—an increase of \$8.9 million in such carryforwards from 1983. (In 1984, it apparently utilized the lion's share of the \$126.3 million in "loss" carryforwards it enjoyed at the end of 1983.)

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 1985, fiscal 1984, fiscal 1983, and fiscal 1982 are included in this study under calendar 1984, 1983, 1982, and 1981, respectively. (The previous version of this report included the company's fiscal years 1981-83.)

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 temporarily deferred) in order to provide a better representation of the company's situation. (This adjustment had no effect on the four year totals.)

ITT. The figures in the study for 1982-84 are based on the company's 1984 annual report. The 1981 figures are based on the company's 1982 annual report (which utilized a notably different presentation). [Despite repeated requests, the company failed to send its 1983 annual report, and that report was missing at the Securities and Exchange Commission.]

Jim Walter Corp. The company's fiscal year ends on August 31 of the years listed. During 1984, the company utilized all but \$1.9 million of the \$23.7 million in investment tax credit carryforwards it had available at the end of 1983.

Johnson & Johnson. The company is a major beneficiary of the tax preference for profits earned in Puerto Rico, which saved the company \$231 million over the 1981-84 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 \$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's 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 \$3.1 million in 1984, \$6.2 million in 1983, and \$12 million in 1982.

K mart. Minor corrections were made in the figures previously reported for the company for 1981-83. (These changes had the effect of reducing the company's 1981-83 effective tax rate by 4 percentage points.)

Litton Industries. The company's fiscal year ends of July 31 of the years listed. Over the four years, 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.

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 transactions 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.

MAPCO. Results for 1982 and 1983 were revised slightly by the company in its 1984 annual report. The revised figures were used in this study.

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. (The company restated its 1982-83 results to exclude the discontinued aluminum business, but the study here reflects the results as reported in 1983.)

McDonnell Douglas Corp. Figures include McDonnell Douglas Finance Corp. Results for 1983 were revised slightly by the company to correct an apparent error, and the change is followed in this study. (The result was to reduce the company's 1983 effective tax rate by 2½ percentage points.)

Mellon National Corp. The company slightly revised its 1983 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.)

Mitchell Energy & Development Corp. The companies fiscal years ended at the end of January 1985, 1984, 1983, and 1982 (treated here under calendar years 1983, 1982, and 1981, respectively). 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).

Morgan (J.P.) & Co. In its 1984 annual report, the company restated its results for 1983 and 1982. The new figures appear to be a more accurate reflection of the company's situation, and are utilized in the study here.

Nabisco Brands. 1983 and 1982 tax results reflect reductions of \$16 million and \$33 million, respectively, relating to the purchase of tax benefits through "safe-harbor leasing."

National Service Industries. The company's reduced tax rates in 1984 and 1983 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 \$34.3 million in 1984, \$38.6 million in 1983, \$55.5 million in 1982, and \$36.3 million in 1981 in tax reductions from the purchase of tax benefits through "safe-harbor leasing."

Northern Indiana Public Service Corp. At the end of 1984, the company had \$25 million in investment tax credit carryforwards available

to reduce taxes in subsequent years—down from \$82 million in such carryforwards at the end of 1983.

Northern States Power Co. The company notes: "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."

Northrup. At the end of 1983, the company had approximately \$535 million in "loss" carryforwards and \$67.9 million in investment tax credit carryforwards available to reduce taxes in subsequent years. It is noteworthy that in 1982 the company reported an after-tax profit (despite a pretax loss), due to a booked federal tax provision (current and deferred) of minus \$43.9 million.

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." At the end of 1984, the company had \$46 million in investment tax credit carryforwards available to reduce taxes in subsequent years—down from \$63 million in such carryforwards at the end of 1983.

Olin Corp. The company purchased an undisclosed amount of tax benefits in 1982 through "safe-harbor leasing." (These benefits were apparently reflected in its tax statement.)

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. The company was formerly known as Pacific Power & Light. 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.) Small transcription errors in the 1981 and 1982 results reported in the earlier version of this study were corrected here. (The change had no significant impact on the company's effective tax rate.)

Panhandle Eastern Corp. At the end of 1984, the company had "loss" carryforwards of \$436 million and investment tax credit carryforwards of \$203.9 million available to reduce taxes in subsequent years. This is an increase from 1983's "loss" carryforwards of \$224.9 million and investment tax credit carryforwards of \$199.6 million. The company's tax refund for 1982 may be understated. Elsewhere in its 1983 annual report, it says it was able to "carry back" \$260 million in "losses," implying a refund of \$119.5 million.

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 1983, the company had \$100 million in "loss" carryforwards and \$273 million in investment tax credit carryforwards available to reduce taxes in subsequent years.

Pepsico. 1983 and 1982 results are based on the company's 1984 annual report, and are slightly different from those reported in 1983 due to discontinued operations. 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 \$115.8 million, \$119.3 million, \$150.1 million, and \$225.7 million in 1984, 1983, 1982, and 1981, respectively.

Perkin-Elmer Corp. The company was able to reduce its taxes by \$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. 1981 taxes were reduced by \$53.7 million in proceeds from the sale of tax benefits through "safe-harbor leasing." At the end of 1984, the company had investment tax credit carryforwards of \$162 million available to reduce taxes in subsequent years—an increase in such carryforwards of \$22 million from 1983.

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 1984, the company had \$28 million in investment tax credit carryforwards available to reduce taxes in subsequent years—down by \$13 million from the level of such carryforwards at the end of 1983.

Pillsbury Co. The company's fiscal year ends on May 31 of the years listed. Fiscal 1984 and 1983 results were adjusted to include tax reductions of \$17.5 million and \$33.6 million, respectively, due to the purchase of tax benefits through "safe-harbor leasing" (which the company discloses, but does not book).

Pittway Corp. Tax benefits purchased by the company pursuant to "safe-harbor leasing" affected its reported tax liabilities in all four years.

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

PSE&G (Public Service Electric and Gas Co. (New Jersey)). At the end of 1983, the company had \$52 million in investment tax credit carryforwards available to reduce taxes in subsequent years—down from the \$72 million in such carryforwards it held at the end of 1983.

Public Service Indiana. The company improved its disclosure for 1981-83 in its 1984 report, and the results published in this study reflect those improvements. (The changes had no significant impact on the company's effective tax rates for those years.)

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.)

Ralston Purina Co. 1981-83 figures do not include discontinued or unusual items.

Raytheon Co. The company's sharp tax increase in 1983 (and in 1982 as well) is apparently due to the 1982 tax reform act's changes in the "completed contract method of accounting." As a result of these changes, the company was forced to pay taxes that had been deferred in previous years. (In 1983, for example, \$132.7 million in previously deferred taxes finally came due.) In contrast, in 1984, the company enjoyed \$31 million in tax deferrals, primarily from 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 1984, Rockwell enjoyed a \$97.6 million tax deferral due to completed contract accounting.)

SCM Corp. Results for 1982 and 1981, as reported in the earlier version of this report, were adjusted to correct an error. (The change added 4 1/2 percentage points to the company's 1981-83 effective tax rate.)

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 \$47.8 million in investment tax credit carryforwards available to reduce taxes in subsequent years—up from \$9.9 million in such carryforwards at the end of 1983.

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. (In the earlier version of this report, the company's fiscal 1984 was listed under calendar 1983 and so forth.) The company's current tax statement includes tax reductions from purchased tax benefits of \$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.

Shell Oil Co. Errors in the earlier version of this study are corrected here. (The result was to reduce Shell's 1981-83 effective tax rate by 5 percentage points.)

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.

Signal Companies. In 1983, the company had to pay \$46 million in taxes that previously had been deferred under the "completed contract method of accounting." In addition, in 1983, the company booked approximately \$146 million in expenses that were not currently deductible for tax purposes (because the amounts had not been actually paid), resulting in \$67 million in deferred tax benefits. In 1984, the completed contract method saved the company \$15 million in taxes.

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 1984, the company had \$22 million in investment tax credit carryforwards; "the Company expects to utilize these carryforwards in 1985."

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).

Sperry Corp. The company's fiscal year ends on March 31 of the years listed.

Squibb Corp. 1981 profit results include a \$62.9 million charge for restructuring costs, which were largely incurred (and deducted for tax purposes) in 1982 and 1983.

Standard Oil of Indiana (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 four years.

Sun Chemical Corp. The company's reported tax figures include state and local income taxes.

Sundstrand Corp. In its 1984 report, the company dramatically restated its 1982 and 1983 allocation of profits between foreign and domestic sources. (There was no reallocation of taxes.) This study includes this apparently more accurate allocation (along with a reestimate for 1981). (The result was to reduce the company's 1981-83 effective tax rate by approximately 3 percentage points.)

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 1984, the company had \$153 million in investment tax credit carryforwards and approximately \$609 million in "loss" carryforwards available to reduce taxes in subsequent years.

Tesoro Petroleum Corp. The company's fluctuations in effective tax rates result primarily from differences between booking and utilizing tax benefits generated from the sale of a subsidiary.

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.

Texas Eastern Corp. The company's unusual tax situation in 1982 reflects the fact that it had over-recovered purchased gas adjustments from its customers in previous years and had to pay those amounts back (with no related current tax benefit).

Time. In December of 1983, the company decided to spin off all its forest product operations. As a result, it treated these operations as "discontinued," and restated its

results for 1982 and 1981 accordingly. This made a striking difference in its effective tax rate. For 1982, the restated rate (used in this study) was 31.4%—compared to 16.1% according to Time's 1982 annual report (which included the forest product operations). For 1981, the restated rate was 26.1%—compared to 9.4% according to the 1982 annual report. This is an illustration of the very low tax rates typically paid by forest product companies. (The twelve paper and forest product companies in this study, for example, enjoyed an average tax rate over the 1981-83 period of just 3.6%.)

Transamerica Corp. Results for 1982 and 1981 were adjusted to treat the proceeds from the sale of tax benefits—\$6.0 million and \$41.9 million, respectively—as tax benefits (rather than as increases in income as the company booked them). Results for 1983 and 1982 were adjusted to reflect better disclosure for those years in the 1984 report. (This latter change has no significant effect on the company's effective tax rate.)

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."

Tyson Foods. Figures for 1982 and 1981 include both current and deferred taxes. (The company provides a clear separate statement about current taxes only for 1984 and 1983.) Taxes for all years include state income taxes, as well as federal (the company does not separate them).

Union Carbide. Results for 1982 and 1981 were adjusted to treat the proceeds from the sale of tax benefits—\$53 million and \$10 million, respectively—as tax benefits (rather than as increases in income as the company booked them). None of the figures include the

company's tax-exempt Puerto Rican income, which the company inexplicably treats as part of its "foreign" operations. In 1983, the company booked a non-recurring, mainly deferred charge of \$241 million for facilities closings. Only about \$24 million of this charge was actually incurred in 1983; approximately \$54 million of the charge was actually incurred in 1984. The study adjusts the company's reported profit figures for 1984 and 1983 to recognize this special charge only when actually incurred, so that the expense and its related tax effects will be properly matched by year. (The result of this adjustment was to increase the company's effective tax rate for the 1981-84 period by 7/10th of a percentage point.) At the end of 1983, the company had investment tax credit carryforwards of \$162 million available to reduce taxes in subsequent years (\$2 million more than at the end of 1983).

Union Electric. At the end of 1984, the company had investment tax credit carryforwards of \$170 million available to reduce taxes in subsequent years—up from \$90 million at the end of 1983.

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.

Uniroyal. 1981 tax result was affected by a tax loss carryforward from previous years.

United Telecommunications. The company purchased \$39.4 million worth of tax benefits in 1982, and apparently booked the resulting tax reductions in 1982, 1983, and 1984.

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. The company predicts that the 1982 tax reforms relating to abuse of the Puerto Rican exemption will add to its taxes in the future.

Wang Laboratories. In 1981, the company entered into a \$35.4 million "sale/leaseback" transaction, apparently designed in part to transfer tax benefits to another company in exchange for a favorable rental arrangement. Although not reflected in the results of this study, the transaction does appear to represent a situation in which the company was profiting from the tax system.

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.

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.

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."

Xerox. Figures include Xerox Credit Corporation.

Methodology

This study represents a continuation of CTJ's earlier report, *Corporate Income Taxes in the Reagan Years*, published in October 1984. Our earlier report covered 250 major corporations and their federal taxes for 1981-83. The new report performs the same calculations for the years 1981-84. It includes all but 23 of the companies covered by the original study, plus 48 additional corporations, for a total of 275 major corporations.

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 that did respond to our request from our study 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 new report.* In preparing for our 1981-84 study, we began by writing to the same 250 companies covered in our earlier 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.⁸

⁸Several of the "new" companies were ones whose reports we had requested for our original study and which failed to supply them last year, but did respond to our request this year.

The loss of 23 companies and the addition of 48 new ones did not significantly effect the totals for 1981 through 1983. The average effective tax rates for the 250 companies in our original study were: 14.7% in 1983; 11.5% in 1982; 16.0% in 1981; and 14.1% over the three year period. The effective rates for the 275 companies in the new study were virtually the same for those three years: 14.9% in 1983; 11.8% in 1982; 16.5% in 1981; and 14.5% for the three years.⁹

2. Method of Calculation: For most companies, the method of calculation was very straightforward. First, a company's domestic profit, 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 was determined. 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.¹⁰ 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 the period studied, pursuant to 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.

⁹The 23 companies from the original report we were forced to drop had a somewhat lower effective tax rate than the overall group. From 1981-83, their effective tax rate averaged 12.9%. The companies that were acquired in mergers had enjoyed particularly low tax rates—in fact, four of the six companies that were acquired had *negative* effective rates from 1981 to 1983. Of the 23 companies that were dropped, 14 had at least one year between 1981 and 1983 in which they received tax rebates.

¹⁰In several cases involving companies in our earlier report, we found that either we or the companies had made minor errors in the data published in our original study. These errors—none of which significantly affected the results—are corrected in the new report.