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# **hawaii income patterns**

**CORPORATION  
PROPRIETORSHIP • 1995  
PARTNERSHIP**

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**DEPARTMENT OF TAXATION • STATE OF HAWAII**

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## INTRODUCTION

This Hawaii Income Patterns for Businesses covers the activity of sole proprietors whose tax period ended in 1994 and corporations and partnerships whose accounting period ended in 1995. A new simplified resident individual net income tax return, Form N-11, was introduced in 1996 for 1995 tax activity. Because the federal adjusted gross income is the starting point to derive Hawaii adjusted gross income on the new form, detailed income sources are no longer on the Hawaii resident N-11 income tax form. Instead, applicable data from sampled returns must be retrieved from federal individual income tax returns. With the introduction of the new tax form for tax year 1995 coupled with limited data retrieval resources, sole proprietor data from sampled 1995 individual income returns were not surveyed. In its place, detailed Schedule C data tabulated from Hawaii resident 1994 individual income tax returns were included in this report. The next business review report will survey business returns for tax year 1998 and will include available Schedule C data from federal files.

This report is organized into four sections. Section 1 presents an overview with combined data from all four types of business entities. C corporations and S corporations are highlighted in Section 2. The 1994 sole proprietor activities reported on Schedules C and F of the Hawaii resident individual return are presented in Section 3. Data tabulated from Form N-20 returns filed by partnerships are included in Section 4. Facsimiles of the tax returns filed by these business organizations are included in the Appendix.

Statistics on corporations and partnerships were obtained from all of 1995 income tax returns filed by these businesses. Data on sole proprietorships were gathered from a random sample of tax year 1994 resident individual income tax returns.

Due to the disruptions resulting from Hurricane Iniki in September, 1992, data for the island of Kauai were not tabulated and were excluded from the 1992 business report. In this 1995 report, statewide data have been compiled from all business returns processed in each taxation district.



## Section 1

# HAWAII INCOME PATTERNS OVERVIEW OF BUSINESS RETURNS

## Section 1

### HAWAII INCOME PATTERNS

#### OVERVIEW OF BUSINESS RETURNS

Tax year 1994 sole proprietor Schedule C returns and 1995 C corporation, S corporation and partnership returns are the data sources for this report. Business organizations that did not report income and expenses other than those expenses to maintain licenses and to file tax returns are not included.

A resident individual who operated a business or practiced a profession as a single owner was required to file a Schedule C attached to the resident 1994 Form N-12 individual income tax return. Farm activities were reported on Schedule F instead of Schedule C. As mentioned earlier, Form N-11 was introduced in 1996 for tax year 1995 activities and is now the reporting form for resident individuals who file federal net income returns. Although the detailed listing of itemized deductions was maintained on the new form, important detailed sources of income including applicable schedules for proprietor, farm, partnership, rental activities, capital gains, and other miscellaneous income were not. Tax year 1994 proprietor and farm activities are included in this report because such data are not available on 1995 Hawaii returns.

A partnership is an unincorporated business relationship in which two or more individuals or business entities are participants. Partnerships that conduct business in Hawaii or that have a Hawaii resident as a partner report their activities on Form N-20. The results of partnership activity, e.g., revenue, deductions, gains, or losses, are passed through to each partner and reported on each partner's individual or business income tax return.

In contrast, a C corporation is not a pass-through entity. It pays income taxes at the corporate level and shareholders are taxed on corporate dividend distributions. C corporations with gross income from property owned, trade or business carried on, or any other source in Hawaii must file Form N-30. A corporation formed under the laws of Hawaii is classified as "domestic", and a business incorporated under the laws of any other state or a foreign country is designated a "foreign" corporation.

A corporation that meets certain qualifying restrictions may elect to become an S corporation, in which case it reports its financial activity on Form N-35. An S corporation pays no direct corporate income tax on the net income from its business activity but may be subject to a tax on capital gains and excess passive income. Like a partnership, an S corporation's net income or loss from its trade or business as well as from other sources of income and expenses are passed through to shareholders to be reported on their individual income tax returns.

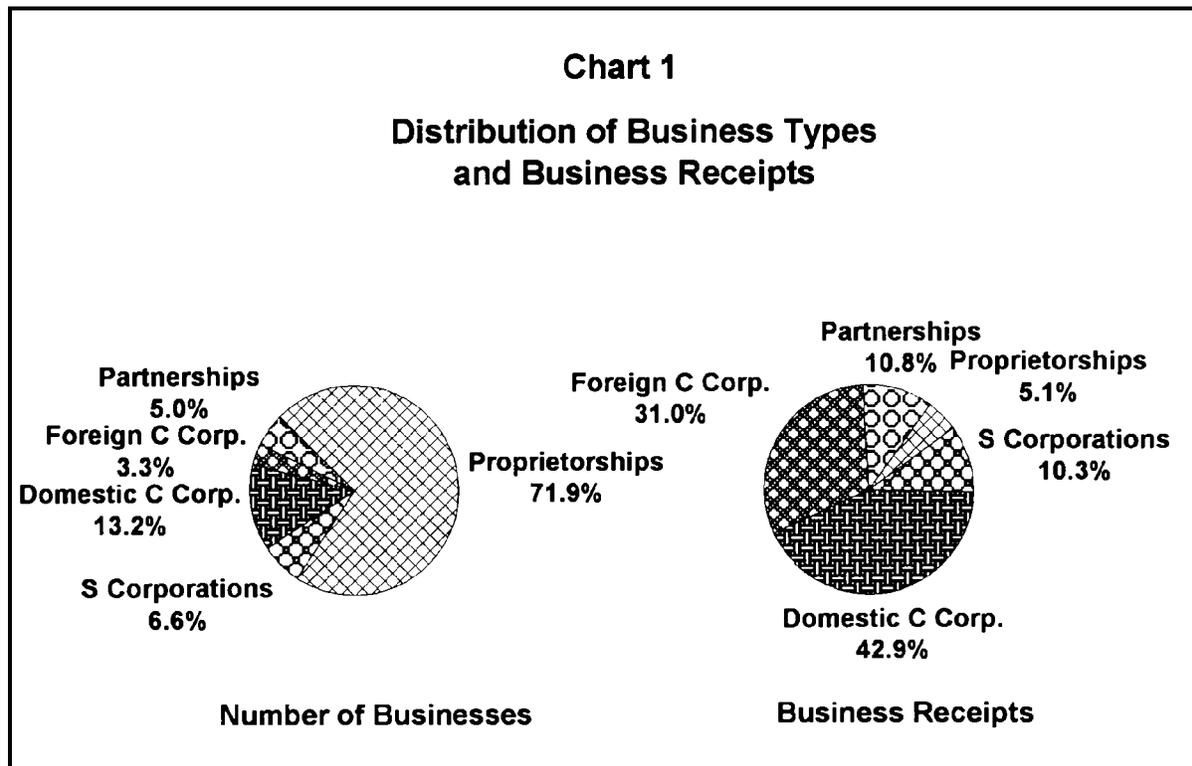
## Overview of Business Returns - 1995

Certain entities are exempt from the income tax and instead pay a separate tax. These organizations include banks, savings and loan institutions and other financial institutions that file franchise returns. Insurance companies are exempt from the income tax but are subject to the insurance premiums tax based on gross premiums received in Hawaii.

### STATISTICAL OVERVIEW

Corporation, partnership and proprietorship returns with accounting periods ending in 1994-1995 totaled 109,443. This represents a 7.7% increase over the corresponding total of 101,638 in the 1992 survey year.

As illustrated in Chart 1, the most common business entities were sole proprietors, representing 71.9% of all business returns filed for the period. The remaining returns were distributed as follows: C corporations, 16.5%; S corporations, 6.6%; and partnerships, 5.0%.



## Overview of Business Returns - 1995

Primary payments received by a business for the goods and/or services resulting from its trade or business is classified as "business receipts". Excluded from the category is income from sources such as interest, rent and capital gains. An exception is an organization whose major business activity is the rental of real or personal property, in which rents are categorized as "business receipts". Included in the category are commissions earned by real estate agents, insurance agents and all other commissioned agents.

Chart 1 shows that although sole proprietor entities accounted for 71.9% of the total business population, nearly 74%, or \$39.3 billion, of the total reported business receipts of \$53.2 billion were attributable to domestic and foreign C corporations. With higher capitalization, these organizations generate larger average business receipts in contrast to sole proprietor entities. Many proprietors engage in part-time business activities that augment their total income.

Business receipts and all other sources of income less business expenses, including the cost of goods sold, result in either net profit or net loss. Net income of C corporations is subject to the corporate income tax and any net loss may be carried back or forward to offset net income. Net profits or losses from partnership and S corporation operations are passed through to partners and reported on their individual or business tax returns. S corporation shareholders report their annual results on their individual income tax return. For a proprietor, operating net profit or loss is reported as ordinary income or loss on the proprietor's individual income tax return.

A total of 68,432 business entities reported net profits compared to 61,862 in 1992. Results of sole proprietor operations in 1994 accounted for a major share of the change, with profitable one-owner entities growing from 48,859 to 55,233. The number of profitable 1995 C corporations and partnerships dipped by 607 but this was offset by S corporations with net profits, which increased from 3,207 to 4,010 in 1995.

### TAXATION DISTRICTS

The State of Hawaii is geographically divided into four taxation districts:

First Taxation District = Island of Oahu

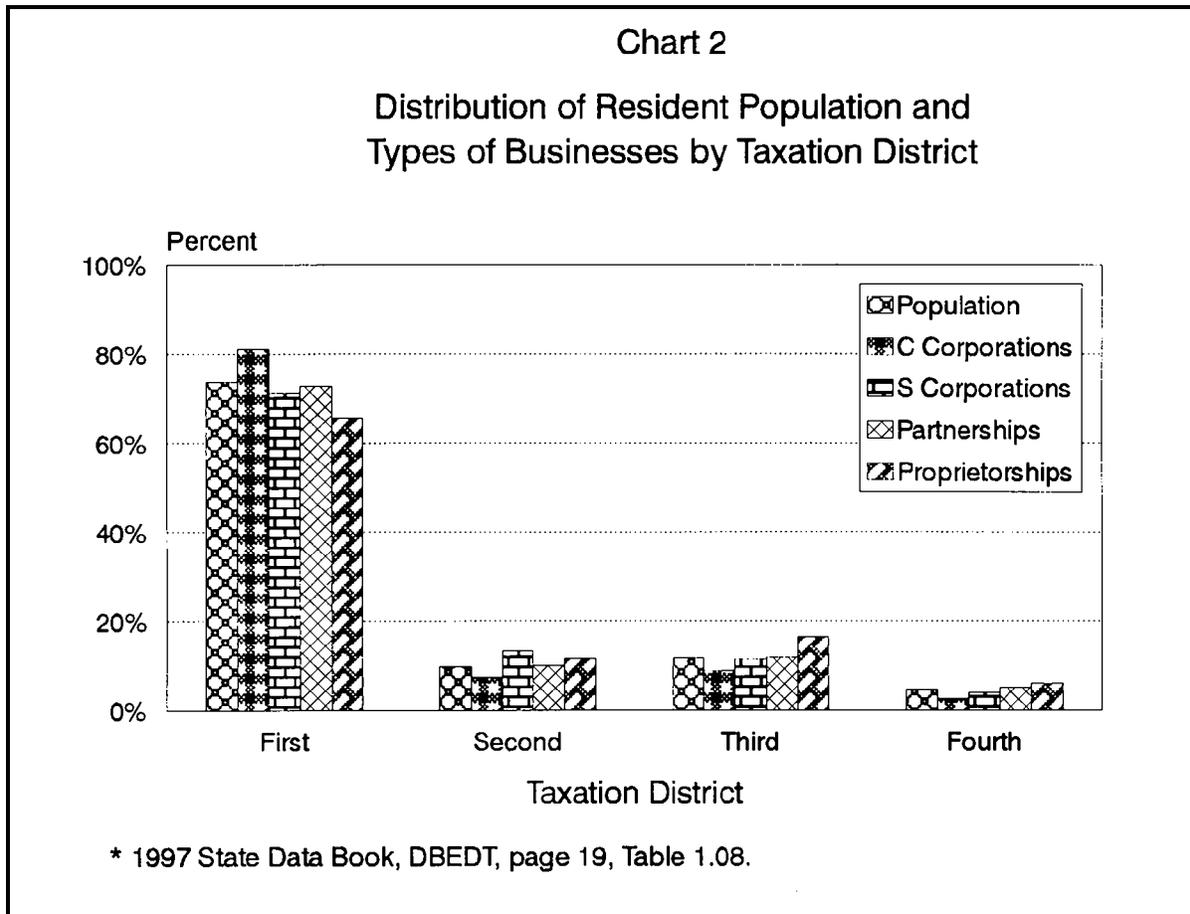
Second Taxation District = Islands of Maui, Molokai and Lanai

Third Taxation District = Island of Hawaii

Fourth Taxation District = Islands of Kauai and Niihau

## Overview of Business Returns - 1995

Each business files a tax return within its respective district. An organization that conducts business in more than one district was counted only in the district where it filed its business return, which usually was the First District.



As depicted in Chart 2, S corporation and partnership filings generally parallel the population distribution in each taxation district. In contrast, C corporations are concentrated in the first taxation district while proprietorships are the more dominant business organizations in the neighbor island districts. In relation to the population distribution, proprietors are more common in the third taxation district, due in part to a concentration of agricultural producers.

## INDUSTRIAL CLASSIFICATION

Each return was assigned an industry code which described its principal business activity. It should be noted that the code assigned was based on the taxpayer's description of its business activity as reported on the business income tax return. An organization with multiple business activities was assigned an industry code that closely reflects the activity generating the largest portion of reportable business receipts. With a few exceptions in deference to local business patterns, specifications set forth in the 1987 edition of the Standard Industrial Classification Manual were used as guidelines in the assignment of codes.

For many of the tables in this report, data are classified by broad industry groupings. Note that although the business entity was classified in a specific industrial category, its operations may involve several other categories. For example, a manufacturer of petroleum products sells its products at wholesale to other retail stores. The manufacturer may also make sales at retail to the final consumers. In this example, the taxpayer is doing business in three categories as: a manufacturer, a wholesaler and a retailer. If the taxpayer describes its business activity as a manufacturer of petroleum products on the business return, the return is classified as manufacturing.

Table 4 of this section subdivides the broad industrial categories into selected detailed groups. Included in the table are the number of businesses and the amount of business receipts, net profits and net losses by broad industry groups and selected detailed industry groups.

STATISTICAL TABLES

SECTION 1

OVERVIEW OF BUSINESS RETURNS

# Overview of Business Returns - 1995

TABLE 1  
 DISTRIBUTION OF BUSINESSES, BUSINESS RECEIPTS,  
 AND NET PROFITS - 1995\*  
 (Dollar Amounts in Thousands)

	ALL RETURNS	"C" CORPORATIONS		"S" CORPORATIONS		PARTNERSHIPS		PROPRIETORS
		DOMESTIC (N-30)	FOREIGN (N-30)	DOMESTIC (N-35)	FOREIGN (N-35)	DOMESTIC (N-20)	FOREIGN (N-20)	(Sched. C & F)
Number of Businesses	109,443	14,456	3,606	6,799	432	5,308	166	78,676
Percent of Total	100.0%	13.2%	3.3%	6.2%	0.4%	4.9%	0.2%	71.9%
Number of Businesses by Taxation District								
1st District (Oahu)	75,520	11,346	3,314	4,742	405	3,857	156	51,700
2nd District (Maui, Molokai, Lanai)	12,087	1,238	106	968	--	541	2	9,232
3rd District (Hawaii)	16,121	1,452	152	810	21	636	7	13,043
4th District (Kauai, Niihau)	5,715	420	34	279	6	274	1	4,701
Business with \$1 Million or More in Business Receipts								
Percent of Total	5,087	2,580	1,005	797	103	417	61	124
	100.0%	50.7%	19.8%	15.7%	2.0%	8.2%	1.2%	2.4%
Business Receipts	\$53,235,447	\$22,829,865	\$16,486,897	\$4,772,493	\$709,693	\$4,885,780	\$843,181	\$2,707,538
Percent of Total	100.0%	42.9%	31.0%	9.0%	1.3%	9.2%	1.6%	5.1%
Businesses with Net Profit	68,432	4,628	1,433	3,697	313	3,017	111	55,233
Percent Distribution	100.0%	6.8%	2.1%	5.4%	0.5%	4.4%	0.2%	80.7%
Ratio of Profitable Businesses to All Businesses	62.5%	32.0%	39.7%	54.4%	72.5%	56.8%	66.9%	70.2%
Amount of Net Profit	\$3,215,948	\$577,251	\$384,791	\$292,848	\$22,574	\$973,032	\$214,042	\$751,410
Percent Distribution	100.0%	17.9%	12.0%	9.1%	0.7%	30.3%	6.7%	23.4%
Amount of Net Loss	\$2,860,301	\$1,162,470	\$599,228	\$173,805	\$9,929	\$765,052	\$34,670	\$115,147
Percent Distribution	100.0%	40.6%	20.9%	6.1%	0.3%	26.7%	1.2%	4.0%

\* Tax year 1994 sole proprietor data.

NOTE: Totals may not add up due to rounding.

## Overview of Business Returns - 1995

TABLE 2  
DISTRIBUTION OF BUSINESSES BY TYPE OF RETURN  
AMONG MAJOR INDUSTRY GROUPS - 1995\*

INDUSTRY GROUP	ALL RETURNS	"C" CORPORATIONS		"S" CORPORATIONS		PARTNERSHIPS		PROPRIETORS (Sched. C & F)
		DOMESTIC (N-30)	FOREIGN (N-30)	DOMESTIC (N-35)	FOREIGN (N-35)	DOMESTIC (N-20)	FOREIGN (N-20)	
ALL INDUSTRIES	109,443	14,456	3,606	6,799	432	5,308	166	78,676
Agriculture & Fishing	10,569	395	25	293	5	229	1	9,621
Construction	6,814	1,086	209	485	73	116	5	4,840
Manufacturing	2,644	446	59	257	13	96	2	1,771
Transportation & Communication	4,813	702	203	349	22	81	27	3,429
Wholesale Trade	4,969	1,209	814	542	67	139	21	2,177
Retail Trade	19,732	2,573	294	1,371	46	634	10	14,804
Finance & Insurance	3,862	478	306	182	29	271	17	2,579
Real Estate	13,957	3,707	818	1,074	24	2,811	25	5,498
Services	41,885	3,858	877	2,242	153	931	58	33,766
Not Stated	198	2	1	4	--	--	--	191
<u>PERCENT DISTRIBUTION</u>								
ALL INDUSTRIES	100.0%	13.2%	3.3%	6.2%	0.4%	4.9%	0.2%	71.9%
Agriculture & Fishing	100.0%	3.7%	0.2%	2.8%	0.0%	2.2%	0.0%	91.0%
Construction	100.0%	15.9%	3.1%	7.1%	1.1%	1.7%	0.1%	71.0%
Manufacturing	100.0%	16.9%	2.2%	9.7%	0.5%	3.6%	0.1%	67.0%
Transportation & Communication	100.0%	14.6%	4.2%	7.3%	0.5%	1.7%	0.6%	71.2%
Wholesale Trade	100.0%	24.3%	16.4%	10.9%	1.3%	2.8%	0.4%	43.8%
Retail Trade	100.0%	13.0%	1.5%	6.9%	0.2%	3.2%	0.1%	75.0%
Finance & Insurance	100.0%	12.4%	7.9%	4.7%	0.8%	7.0%	0.4%	66.8%
Real Estate	100.0%	26.6%	5.9%	7.7%	0.2%	20.1%	0.2%	39.4%
Services	100.0%	9.2%	2.1%	5.4%	0.4%	2.2%	0.1%	80.6%
Not Stated	100.0%	1.0%	0.5%	2.0%	0.0%	0.0%	0.0%	96.5%

\* Tax year 1994 for sole proprietor data.

NOTE: Totals may not add up due to rounding.

Overview of Business Returns - 1995

TABLE 3

DISTRIBUTION OF BUSINESSES BY INDUSTRY AND DISTRICT - 1995

INDUSTRY GROUP	TAXATION DISTRICT				
	ALL	FIRST	SECOND	THIRD	FOURTH
ALL INDUSTRIES	109,443	75,520	12,087	16,121	5,715
Agriculture & Fishing	10,569	3,448	1,599	4,509	1,013
Construction	6,814	3,854	1,035	1,287	638
Manufacturing	2,644	1,895	365	290	94
Transportation & Communication	4,813	3,835	397	429	152
Wholesale Trade	4,969	4,004	417	384	164
Retail Trade	19,732	14,758	1,759	2,306	909
Finance & Insurance	3,862	3,370	168	206	118
Real Estate	13,957	10,711	1,523	1,312	411
Services	41,885	29,477	4,823	5,371	2,214
Not Stated	198	168	1	27	2
PERCENT DISTRIBUTION BY INDUSTRY	100.0%	100.0%	100.0%	100.0%	100.0%
Agriculture & Fishing	9.7%	4.6%	13.2%	28.0%	17.7%
Construction	6.2%	5.1%	8.6%	8.0%	11.2%
Manufacturing	2.4%	2.5%	3.0%	1.8%	1.6%
Transportation & Communication	4.4%	5.1%	3.3%	2.7%	2.7%
Wholesale Trade	4.5%	5.3%	3.4%	2.4%	2.9%
Retail Trade	18.0%	19.5%	14.6%	14.3%	15.9%
Finance & Insurance	3.5%	4.5%	1.4%	1.3%	2.1%
Real Estate	12.8%	14.2%	12.6%	8.1%	7.2%
Services	38.3%	39.0%	39.9%	33.3%	38.7%
Not Stated	0.2%	0.2%	0.0%	0.2%	0.0%

NOTES: Totals may not add up due to rounding. Tax year 1994 sole proprietor data.

## Overview of Business Returns - 1995

TABLE 4  
 DISTRIBUTION OF BUSINESSES, BUSINESS RECEIPTS, NET PROFITS AND NET LOSSES  
 BY MAJOR INDUSTRY AND SELECTED DETAILED INDUSTRY CATEGORIES - 1995  
 (Dollar Amounts in Thousands)

INDUSTRY	NO. OF RETURNS	BUSINESS RECEIPTS		NET PROFIT		NET LOSS	
		Number	Amount	Number	Amount	Number	Amount
AGRICULTURE & FISHING	10,569	9,636	\$1,054,494	5,951	\$64,658	4,618	\$201,419
Agricultural Crops	3,460	3,065	577,662	1,996	17,311	1,464	138,071
Flowers & Ornamentals	1,616	1,468	127,621	892	11,597	724	7,844
Livestock, Dairy & Poultry	887	740	99,936	216	2,588	671	28,430
Aquaculture & Specialty Farms	92	87	2,848	9	168	83	999
Veterinary Services	76	74	29,911	56	2,871	20	94
Animal Boarding, Breeding & Grooming	360	295	4,018	92	571	268	2,755
Landscape Design & Yard Care	1,962	1,954	134,317	1,540	18,440	422	5,050
Commercial Fishing	1,787	1,666	52,123	920	8,530	867	16,915
CONSTRUCTION	6,814	6,620	\$5,002,233	5,018	\$161,534	1,796	\$162,259
General Building Contractors	2,106	1,986	2,646,905	1,517	53,741	589	88,106
Road & Heavy Construction	112	102	513,264	64	18,640	48	19,870
Plumbing	714	710	294,686	564	17,514	150	15,520
Painting	557	550	133,884	456	10,672	101	3,539
Electrical Work	645	631	322,902	451	13,709	194	8,374
Masonry & Drywall	637	625	156,697	435	7,090	202	7,251
Carpentry	1,177	1,177	101,301	983	11,820	194	2,137
Roofing & Siding	189	186	185,357	132	4,718	57	1,770
Glass	47	47	30,955	9	290	38	1,158
Excavation	140	139	90,531	109	2,198	31	1,918

Note: Since only selected detailed industry categories are listed, amounts under detailed industry categories do not add up to totals under major industry categories. A business with several lines of sales and services is classified under only one category. For example, proceeds from carpentry work done by a general contractor are included under the "general building contractors" category.

## Overview of Business Returns - 1995

TABLE 4 (Continued)

DISTRIBUTION OF BUSINESSES, BUSINESS RECEIPTS, NET PROFITS AND NET LOSSES  
BY MAJOR INDUSTRY AND SELECTED DETAILED INDUSTRY CATEGORIES - 1995  
(Dollar Amounts in Thousands)

INDUSTRY	NO. OF RETURNS	BUSINESS RECEIPTS		NET PROFIT		NET LOSS	
		Number	Amount	Number	Amount	Number	Amount
MANUFACTURING	2,644	2,511	\$4,479,449	1,497	\$114,519	1,147	\$43,278
Food & Beverages	230	219	646,375	104	7,470	126	14,058
Apparel & Textiles	425	420	87,561	277	2,334	148	1,838
Lumber & Wood Products	398	397	57,884	306	4,234	92	972
Furniture & Fixtures	109	107	22,398	67	800	42	475
Printing & Publishing	537	449	943,226	193	82,075	344	10,767
Stone, Clay & Glass	107	103	144,282	88	8,017	19	876
Fine Jewelry	178	177	11,134	141	500	37	329
Toys & Sporting Goods	12	10	1,869	5	150	7	35
Ship Building & Repair	49	43	29,703	11	645	38	398
TRANSPORTATION & COMMUNICATION	4,813	4,514	\$6,567,783	3,247	\$445,706	1,566	\$212,158
Taxis & Limousines	1,460	1,457	83,471	1,214	9,297	246	2,392
Trucking & Moving	546	505	228,458	425	10,113	121	3,983
Ground Couriers	146	143	21,620	131	2,116	15	486
Warehousing & Storage	20	16	16,525	9	1,973	11	843
Water Transportation	131	90	551,834	57	27,306	74	32,800
Air Transportation	246	242	1,294,286	170	12,208	76	34,061
Travel Agencies	1,215	1,120	911,132	679	19,540	536	8,185
Tour Operators	519	464	345,500	305	15,022	214	12,635
Freight Forwarding	129	123	103,139	98	4,073	31	746
Communication	240	204	1,628,059	91	199,619	149	53,943

Note: Since only selected detailed industry categories are listed, amounts under detailed industry categories do not add up to totals under major industry categories. A business with several lines of sales and services is classified under only one category.

# Overview of Business Returns - 1995

TABLE 4 (Continued)

DISTRIBUTION OF BUSINESSES, BUSINESS RECEIPTS, NET PROFITS AND NET LOSSES  
BY MAJOR INDUSTRY AND SELECTED DETAILED INDUSTRY CATEGORIES - 1995  
(Dollar Amounts in Thousands)

INDUSTRY	NO. OF RETURNS	BUSINESS RECEIPTS		NET PROFIT		NET LOSS	
		Number	Amount	Number	Amount	Number	Amount
WHOLESALE TRADE	4,969	4,746	\$7,991,592	2,797	\$173,070	2,172	\$97,568
Motor Vehicles & Parts	77	74	997,782	30	2,434	47	12,324
Furniture & Housewares	72	67	93,857	39	3,591	33	770
Construction Materials	194	188	344,111	111	9,837	83	3,691
Professional & Office Equipment	312	299	405,915	159	7,601	153	14,820
Electrical Goods	182	172	551,071	80	10,165	102	10,136
Industrial Equipment	263	260	231,883	98	4,358	165	5,808
Jewelry	145	143	149,858	100	3,697	45	1,384
Paper Products	102	78	283,027	49	4,474	53	2,792
Drugs & Toiletries	149	148	474,419	97	11,145	52	2,707
Apparel	304	294	437,440	207	13,700	97	7,947
Food Products	802	729	1,514,621	387	27,955	415	11,507
Chemicals & Petroleum Products	129	125	550,592	51	7,467	78	8,242
RETAIL TRADE	19,732	18,441	\$11,804,135	10,136	\$533,272	9,596	\$213,533
Building & Garden Supply	309	260	347,738	129	9,330	180	5,744
General Merchandise	327	317	1,108,155	233	19,508	94	14,931
Food Stores	663	654	1,991,648	367	37,089	296	22,416
Motor Vehicles & Parts	293	285	1,462,087	148	17,715	145	10,176
Gasoline Stations	251	238	606,033	125	9,587	126	4,456
Apparel	1,734	1,674	1,114,839	1,210	71,563	524	30,020
Furniture & Fixtures	514	511	169,797	358	9,680	156	5,304
TV & Home Appliances	666	649	344,083	339	5,925	327	7,806
Restaurants & Bars	2,259	2,180	1,881,461	865	69,310	1,394	66,500
Drug Stores	56	51	723,759	36	46,051	20	2,084
Liquor Stores	69	68	26,448	27	597	42	546
Used Merchandise	47	47	4,822	10	347	37	243
Sporting Goods	425	423	140,169	264	3,259	161	5,708
Jewelry	830	506	308,133	297	15,110	533	7,553
Toy, Game & Hobby Stores	182	147	46,027	89	3,357	93	735
Gift Shops	1,211	1,173	840,607	655	122,117	556	4,344
Direct Selling	7,406	6,876	60,704	3,526	10,829	3,880	8,046
Florists	364	321	34,198	192	698	172	1,753

Note: Since only selected detailed industry categories are listed, amounts under detailed industry categories do not add up to totals under major industry categories. A business with several lines of sales and services is classified under only one category. For example, sales of flowers by a grocery store are included under the "food stores" category.

## Overview of Business Returns - 1995

TABLE 4 (Continued)

DISTRIBUTION OF BUSINESSES, BUSINESS RECEIPTS, NET PROFITS AND NET LOSSES  
BY MAJOR INDUSTRY AND SELECTED DETAILED INDUSTRY CATEGORIES - 1995  
(Dollar Amounts in Thousands)

INDUSTRY	NO. OF RETURNS	BUSINESS RECEIPTS		NET PROFIT		NET LOSS	
		Number	Amount	Number	Amount	Number	Amount
<b>FINANCE &amp; INSURANCE</b>	<b>3,863</b>	<b>3,231</b>	<b>\$3,725,925</b>	<b>2,784</b>	<b>\$166,912</b>	<b>1,079</b>	<b>\$198,167</b>
Finance Companies	176	142	120,127	70	3,974	106	19,739
Investment Brokers	212	187	1,780,866	165	7,707	47	5,868
Investment Counselors	257	227	78,884	201	5,901	56	303
Insurance	2,431	2,363	261,644	1,911	52,956	520	4,918
Investor Groups (excl. real est.)	560	164	88,695	315	12,004	245	47,629
<b>REAL ESTATE</b>	<b>13,956</b>	<b>10,268</b>	<b>\$3,673,898</b>	<b>6,681</b>	<b>\$661,300</b>	<b>7,275</b>	<b>\$1,034,584</b>
Rental Operators*	3,818	3,517	1,189,316	1,992	359,049	1,826	173,256
Agents, Managers & Title Companies	6,408	5,056	482,167	3,674	74,674	2,734	49,478
Property Owner Associations	1,351	958	320,908	302	2,457	1,049	11,204
Real Estate Developers	827	349	1,001,199	224	101,356	603	548,722
Real Estate Investor Groups	1,552	364	586,223	489	123,765	1,063	251,925
<b>SERVICES</b>	<b>41,885</b>	<b>39,978</b>	<b>\$8,930,794</b>	<b>30,178</b>	<b>\$894,002</b>	<b>11,707</b>	<b>\$697,172</b>
Hotels	494	452	2,340,064	211	164,407	283	435,054
Laundry & Carpet Cleaning	338	330	83,600	226	3,519	112	4,490
Portrait Photography	466	460	27,279	348	4,923	118	558
Barbers & Hair Salons	1,518	1,517	77,773	1,257	12,665	261	2,579
Tax Preparers	342	302	10,407	275	3,029	67	173
Babysitters	996	996	6,771	886	4,201	110	992

\* Excludes 51,752 rental operators statewide reporting rental activity on Schedule E of the resident individual income tax return. Of these, 25,041 reported net profits of \$222.2 million, while 26,711 reported net losses of \$191.0 million.

Note: Since only selected detailed industry categories are listed, amounts under detailed industry categories do not add up to totals under major industry categories. A business with several lines of sales and services is classified under only one category.

# Overview of Business Returns - 1995

TABLE 4 (Continued)

DISTRIBUTION OF BUSINESSES, BUSINESS RECEIPTS, NET PROFITS AND NET LOSSES  
BY MAJOR INDUSTRY AND SELECTED DETAILED INDUSTRY CATEGORIES - 1995  
(Dollar Amounts in Thousands)

INDUSTRY	NO. OF RETURNS	BUSINESS RECEIPTS		NET PROFIT		NET LOSS	
		Number	Amount	Number	Amount	Number	Amount
SERVICES (Continued)							
Advertising	492	472	108,582	310	6,754	182	2,610
Commercial Photography	55	52	19,716	24	1,032	31	396
Commercial Art	718	662	33,099	553	8,038	165	1,176
Clerical Services	776	733	21,643	718	9,578	58	143
Termite & Pest Control	62	57	31,538	30	1,134	32	815
Janitorial & Maintenance	2,760	2,718	166,108	2,481	25,576	279	1,459
Equipment Leasing	690	647	164,297	397	24,746	293	10,489
Employment Agencies	95	89	167,714	39	1,982	56	1,654
Computer Services	1,107	1,055	222,007	649	14,287	458	8,407
Security Guards	483	481	93,020	369	2,598	114	1,657
Interior Design	294	291	20,564	176	1,229	118	547
Auto Rental	179	175	689,645	26	3,045	153	12,328
Auto Repair	1,398	1,385	226,733	791	21,082	607	5,960
Electrical & Electronics Repair	502	500	54,501	413	7,512	89	778
Other Repair Services	1,561	1,555	75,425	1,256	11,948	305	1,554
Motion Pictures	357	336	115,827	198	8,030	159	9,546
Video Rental	148	144	39,031	70	2,898	78	965
Entertainers, Musicians & Mobile Discos	2,029	1,947	70,787	1,476	1,538	553	2,930
Fishing & Sailing Charters	152	148	9,066	22	338	130	2,095
Other Amusement and Recreation	1,916	1,851	317,587	1,268	26,416	648	25,050
Physicians	1,562	1,493	911,044	1,017	103,033	545	8,626
Dentists	666	651	241,090	455	33,593	211	1,843
Nursing Homes	31	27	82,671	13	3,609	18	4,187
Medical & Dental Labs	100	93	25,559	66	1,203	34	698
Other Health Services	1,496	1,405	284,524	1,038	36,782	458	5,832
Legal Services	1,172	1,106	473,604	865	119,193	307	9,950
Educational Services	1,709	1,655	57,942	1,407	11,511	302	2,663
Child Day Care	204	203	6,806	146	1,012	58	319
Residential Care Homes	574	574	17,491	514	3,510	60	290
Engineers & Architects	1,407	1,342	553,691	984	35,157	423	22,898
Accounting & Bookkeeping	1,387	1,354	141,041	1,110	27,951	277	1,239
Research & Development	250	234	59,399	165	5,114	85	3,565
Consulting & Management Services	3,396	3,017	370,663	2,476	66,882	920	13,497

Note: Since only selected detailed industry categories are listed, amounts under detailed industry categories do not add up to totals under major industry categories. A business with several lines of sales and services is classified under only one category.



Section 2

HAWAII INCOME PATTERNS

CORPORATION

## Section 2

### HAWAII INCOME PATTERNS

#### CORPORATION

Data on C corporations and S corporations whose accounting periods ended in 1995 are presented in this section. These two groups are divided into four subgroups; domestic C corporations, foreign C corporations, domestic S corporations, and foreign S corporations.

As provided under Chapter 235, Hawaii Revised Statutes, corporations are taxed upon all income attributable to Hawaii except to the extent the income is allocated and subject to an income tax in another jurisdiction. Domestic corporations are incorporated under the laws of Hawaii and corporations formed under the laws of other states or foreign countries are classified as foreign corporations. S corporations file form N-35 and the results of the annual activities are transferred to their shareholders who are subject to Chapter 235.

Organizations exempted from Chapter 235 include banks, building and loan associations, industrial loan companies, and other financial corporations subject to franchise taxes under Chapter 241. Also exempt are insurance companies that are subject to the insurance premium tax under Chapter 431. Insurance agencies whose gross receipts are from commissions are not exempt and are included in the report's tabulations.

A corporation that conducts business both in Hawaii and elsewhere may use separate accounting or apply allocation factors to determine the amount of income allocable to Hawaii. A qualified corporation that conducts business in more than one state, that does not own or rent real estate or personal tangible property in Hawaii, and whose in-state activity consists only of sales of less than \$100,000 may elect to file a Multistate Tax Compact Short Form Return (Form N-310) in lieu of Form N-30. An alternative tax is computed at 1/2% of gross sales in or into Hawaii.

All other taxable C corporations are subject to the tax rates on Form N-30, which are: 4.4% on taxable income up to \$25,000, 5.4% on the excess over \$25,000 but not over \$100,000, and 6.4% on the excess over \$100,000. Net capital gains are taxed at 4%.

S corporations are corporations taxed as partnerships and are generally exempt from the corporate income tax. However, sometimes an S corporation may be taxed on a portion of large capital gains or may be liable for the tax on excessive passive income. Most S corporations pass all income and losses to their shareholders who in turn report the amounts on their individual income tax return.

## Corporation - 1995

In order to qualify as an S corporation, a business entity must have no more than 35 shareholders, all of whom must be individuals, estates, or certain trusts. Individual shareholders must be citizens or residents of the United States. Partnerships and corporations cannot be shareholders.

### SUMMARY

Corporations actively engaged in business in 1995 numbered 25,293, an increase of 6.4% over the 1992 total of 23,777. C corporations totaled 18,062 in contrast to 17,864 for 1992. Reporting domestic C corporations slipped 1.1%, but foreign C corporate returns filed jumped 10.8% from 3,254 in 1992 to 3,606 in 1995.

Over the three-year period, C & S corporation primary business receipts grew 10.5% from \$40.5 billion in 1992 to \$44.8 billion. Table A shows that foreign C corporations accounted for almost all of the growth in business receipts for the two comparative periods.

Type of Corporation	Business Receipts		Percent Change
	1995	1992	
Domestic C	\$22,829,865	\$23,330,627	-2.1%
Foreign C	16,486,897	12,175,206	35.4%
Domestic S	4,772,493	4,215,181	13.2%
Foreign S	709,693	826,871	-14.2%
TOTAL	\$44,798,948	\$40,547,885	10.5%

C corporations reporting business receipts of \$5.0 million or more increased a nominal 1.6% from 932 to 947. Domestic filers for that category slipped from 554 in 1992 to 542 in 1995 and the corresponding business receipts dipped \$567.4 million to \$16.1 billion. In contrast, the number of foreign C corporations rose 7.1% to 405 and the amount of business receipts soared 40.8% from \$10.4 billion to \$14.7 billion, contributing to the \$3.8 billion increase in business receipts for all C corporations.

## Corporation - 1995

Active S corporations numbered 7,231, a 22.3% increase from the 1992 count of 5,913. Business receipts advanced \$440 million to \$5,482 million. Both the number of S corporations and the amount of business receipts grew at a fraction of the growth rates experienced since 1987. Act 239, SLH 1987, repealed the requirement that all S corporation shareholders had to be Hawaii residents. Starting January 1, 1990, an entity which qualifies as an S corporation for federal purposes also qualifies as a Hawaii S corporation. For the comparative 1987-1989 period, business receipts more than doubled from \$962.7 million to \$2.5 billion. Business receipts nearly doubled to \$5,042 million for the three-year period 1989 to 1992.

Combined 1995 C and S corporate net profits dipped 6.8% from \$1,370 million to \$1,277 million. C corporation net profits slipped from \$1,017 million to \$962.0 million in 1995. Domestic companies reported net profits of \$577.3 million in 1995 compared to \$736.6 million three years earlier. In contrast, foreign C net profits escalated 37.2 % to \$384.8 million. S corporation returns showed less net profits in 1995 compared to 1992, changing from \$352.8 million to \$315.4 million in 1995. Reported net profits are taxed to shareholders on their individual income tax returns.

Lower C corporation net profits resulted in a 3.1% drop in tax liability to \$58.1 million compared to \$60.0 million three years earlier. Gross tax liability was offset by tax credits, including the capital goods excise tax credit of \$20.1 million. In 1995, the capital goods excise tax credit claims by C corporations with net profit totaled \$7.9 million, while claims of \$12.2 million were reported on returns filed by corporations without net profits. Although the cost of the eligible property for the credit is reported on Form N-35 for S corporations, the credit is passed through and reported by shareholders on their individual income tax returns.

## **ANALYSIS OF DATA**

### TAXATION DISTRICTS

About 78% of the active C and S corporation returns processed were assigned to the First Taxation District. This distribution may be slightly overstated since companies with statewide operations file one corporate income tax return that reflects total operations in the district where the principal business is conducted, or Oahu.

Overall the state corporate community increased 6.4% from 23,777 to 25,293. From 1992 to 1995, the First through Fourth Districts experienced growth rates of 6.1%, 9.5%, 7.1%

Corporation - 1995

and 1.1%, respectively. Decisions to reestablish business on Kauai or engage in new business activity following the aftermath of Hurricane Iniki in 1992 contributed to the low growth rate for that island.

TABLE B					
Number of Returns and Tax Liability by Taxation Districts (In Thousands of Dollars)					
Type of Corporation	TAXATION DISTRICT				
	All	First	Second	Third	Fourth
C Corporations	18,062	14,660	1,344	1,604	454
Nontaxable Returns	12,001	9,632	979	1,087	303
Taxable Returns	6,061	5,028	365	517	151
Taxable Income	\$962,042	\$914,943	\$18,822	\$22,351	\$5,926
Amount of Tax	\$58,102	\$55,392	\$1,171	\$1,213	\$326
S Corporations	7,231	5,147	968	831	285
Without Taxable Income	3,222	2,219	415	434	154
With Taxable Income	4,009	2,928	553	397	131
Taxable Income*	\$315,421	\$255,377	\$35,291	\$18,674	\$6,079

\* S Corporation taxable income is taxable to individual shareholders. Totals may not add up due to rounding.

Nontaxable returns filed outnumbered returns with taxable income, accounting for 60.2% of the active C and S corporation population. The distribution of nontaxable returns in each district approximates the statewide ratio, ranging from 59.8% for Oahu to 62.5% for the island of Hawaii.

Viewed separately, nearly 55% of S corporations reported taxable income while two-thirds of the C corporations showed no taxable income, or total expenses and/or net operating losses exceeding total reported income. Selected data by taxation districts are presented in Table B.

DOMESTIC C CORPORATIONS

Domestic C corporations, or businesses organized under the laws of Hawaii, accounted for 57.2%, or 14,456 of the 25,293 C and S corporate returns filed. In addition, 51% and 44.3% of primary business receipts and taxable income, respectively, were attributable to these corporations. In 1985, domestic C corporations accounted for 79% of the population and more than two-thirds of primary business receipts and taxable income, respectively. This indicates the growing presence of multistate/county companies in Hawaii.

As noted earlier, Act 239, SLH 1987, repealed the Hawaii residency requirement for organizing an S corporation. This event may have encouraged domestic C corporations to change to S corporation status. S corporation income is not taxed at the corporate level, and since the income passes from the corporation directly to the individual shareholders, significant tax savings can be realized.

Domestic C corporation primary business receipts totaled \$22.8 billion in 1995. Reportable income, such as interest, rentals and capital gains, amounted to \$474.2 million, \$379.3 million and 126.0 million, respectively. Compiled business expenses reached \$24.6 billion, of which \$13.4 billion was for cost of goods sold. For the 4,628 domestic C corporations whose total receipts exceeded total expenses and net operating losses if applicable, the resulting taxable income reached \$577.3 million.

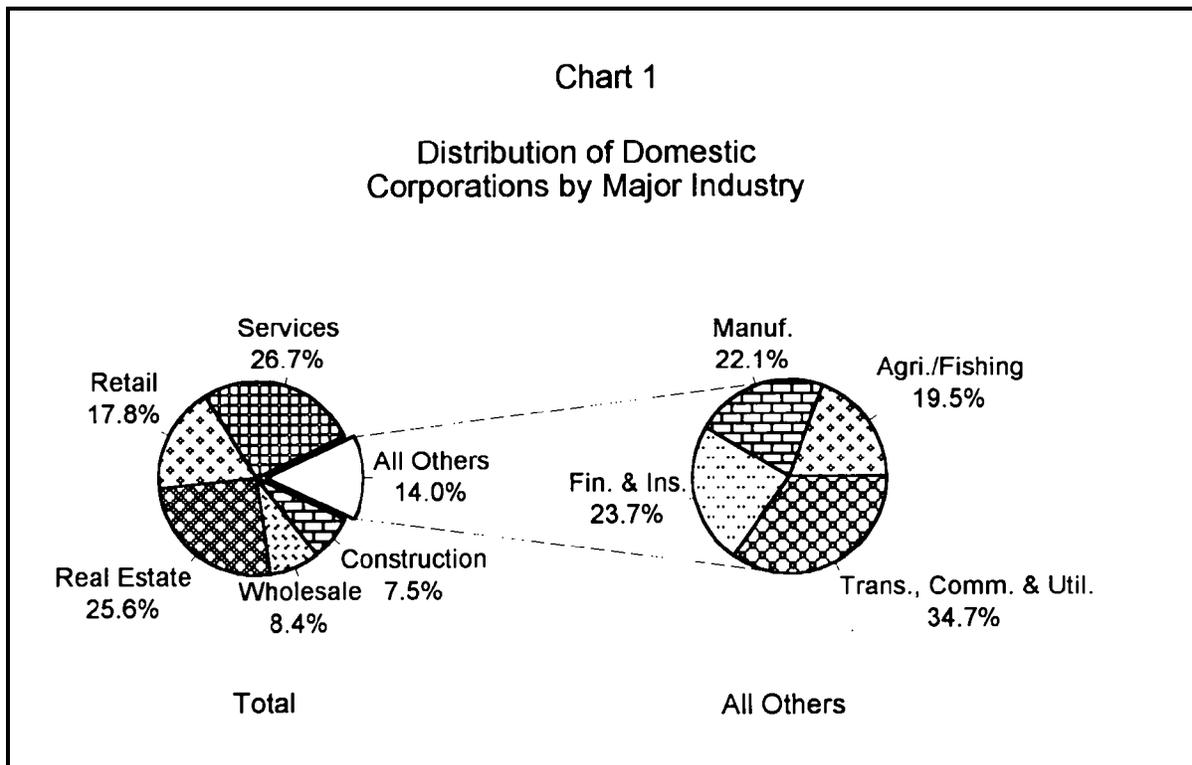
TABLE C				
Business Receipts and Taxable Income Data for Domestic C Corporations by Size of Business Receipts (In Thousands of Dollars)				
Size of Business Receipts	Business Receipts		Taxable Income	
	Number	Amount	Number	Amount
TOTAL	14,456	\$22,829,865	4628	\$577,251
Under \$ 100,000	5,721	133,958	1,423	73,506
\$ 100,000 " 500,000	4,427	1,146,654	1,294	29,896
500,000 " 1,000,000	1,727	1,212,912	630	23,746
1,000,000 " 5,000,000	2,039	4,275,377	982	107,865
5,000,000 " 10,000,000	278	1,902,351	160	43,869
10,000,000 and over	264	14,158,613	139	298,369

Corporation - 1995

As tabulated in Table C, 70.2% of domestic C corporations are small with business receipts under \$500,000. Corresponding taxable income reached \$103.4 million, or 17.9% of the total. In contrast, domestic C corporations with business receipts of \$5.0 million or more accounted for a minuscule share, or 3.7% of the domestic population but nearly 70% of business receipts and almost 60% of taxable income, or \$342.2 million.

Chart 1 shows the distribution of C domestic corporations by major industry groupings. Services, real estate and retail trade remain the dominant activities and together accounted for 70.1% of the total domestic C corporation population. Three years earlier in 1992, the distribution ratios were similar.

About 26% of service corporations were engaged in providing medical, dental and other health care services. Lawyers, accountants and engineers comprised another 14% of the



## Corporation - 1995

service activity. The proportionate share of these specific service providers to the industry count mirrored the share of total primary receipts ascribed to them, \$1.2 billion or 39.4%.

A total of 96 entities were classified as hotels or establishments offering temporary transient accommodations. Although these providers accounted for less than 3% of all service-coded businesses, they reported \$960.7 million as primary business receipts, or 27.3% of the \$3.5 billion industry total.

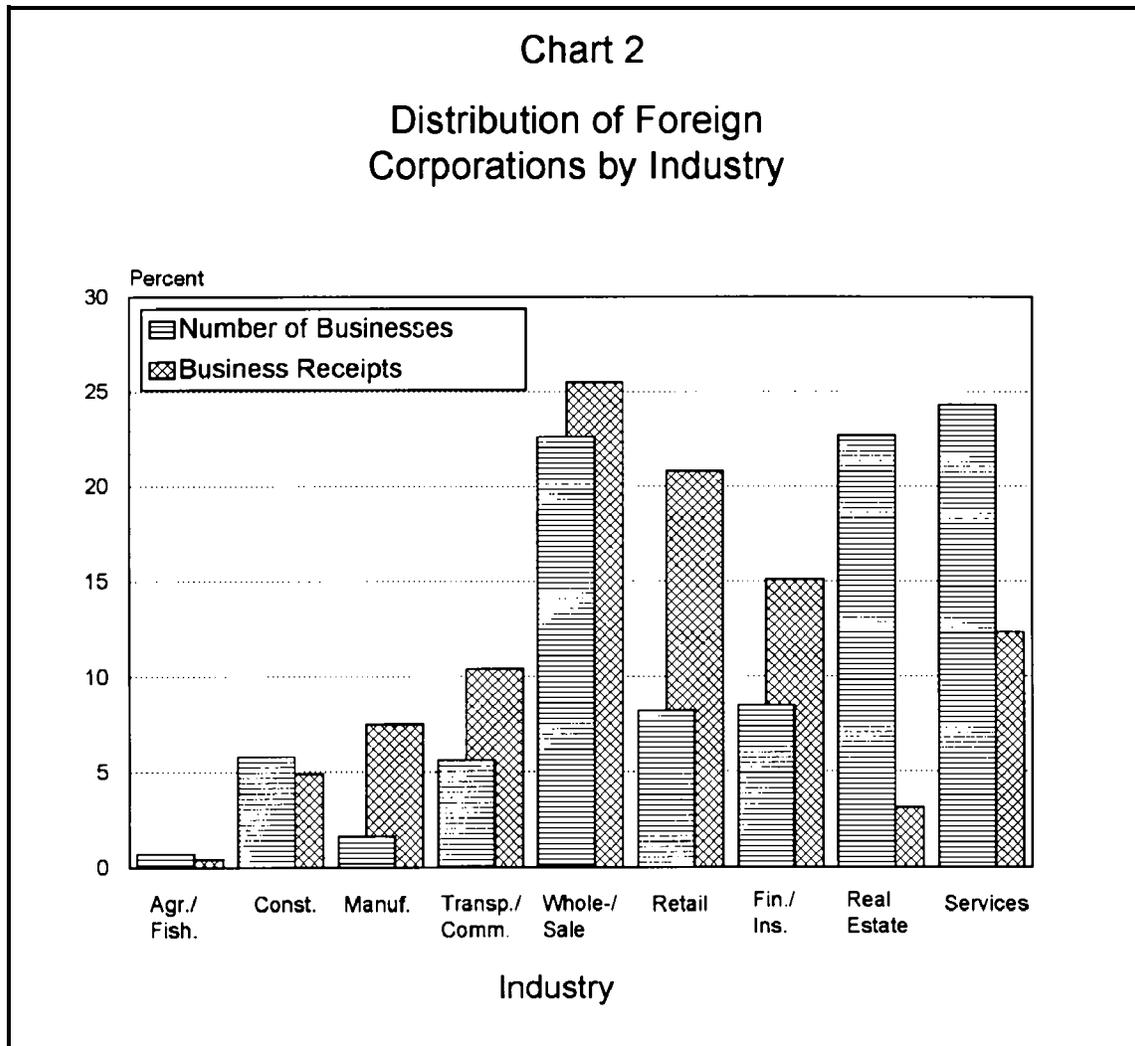
### FOREIGN C CORPORATIONS

Corporations organized under the laws of other states or countries are classified as foreign corporations. A foreign C corporation doing business in Hawaii is subject to the Hawaii corporate income tax on business that is attributable to the state. Between 1992 and 1995, foreign C corporations increased 10.8% from 3,254 to 3,606. Business receipts allocable to Hawaii rose 35.8% from \$12,145 million to \$16,487 million. Unlike its domestic C corporation counterpart, almost 40% of all active foreign corporations reported taxable income in contrast to 32% for domestic corporations. Taxable income escalated 37.2% from \$280.5 million to \$384.8 million in 1995. Establishments with taxable income in the retail trade industry reported taxable income totaling \$139.9 million, up from \$61.2 million in 1992. Taxable income for businesses in the transportation, communications & utilities industry nearly quadrupled from \$16.1 million to \$63.3 million in 1995.

As Chart 2 shows, the industry sectors with the most business entities among foreign C corporations were services, real estate and wholesale groups, each with more than one-fifth of the population. Although services comprised 24.3% of the foreign corporation community, they accounted for only 12.3%, or \$2,023 million of the reported business receipts of \$16,487 million.

Foreign C corporations determine income allocable to Hawaii by separate accounting of business done in the state or by allocating income on the basis of Hawaii's proportionate share of sales, wages and property.

Some 977 foreign C corporations, or 27.1% of all foreign C corporations, provided a separate accounting of their Hawaii income and deductions. This group reported \$1.2 billion business receipts, or 7.3% of the foreign C total. Taxable income approached \$100 million, accounting for nearly 26% of the \$384.8 million foreign C total. Real estate establishments dominated the group's industrial mix with a count of 623 businesses, which in turn contributed to the industry's 23% share of all foreign C corporation returns filed.



Nearly three-fourths, or 2,629, of all foreign C corporations apportioned their Hawaii income using an allocation formula. Used by most foreign C businesses that apportion their income, the formula is based on the percentage of sales, salaries, and property in Hawaii to the worldwide totals. Business receipts allocable to Hawaii totaled \$15.3 billion, which is 92.7% of the total foreign C amount of \$16.5 billion. Primary business receipts increased \$4.2 billion from \$11.1 billion in 1992 to \$15.3 billion. Almost 47% of the corporations apportioning their income reported \$285.1 million in taxable income, which is nearly 75% of the foreign C total of \$384.8 million.

Characteristic of other business types, large foreign C companies dominate the major business statistics. Table D shows that 11% of the companies reported business receipts of at least \$5.0 million but these enterprises accounted for almost 89% of the \$16.5 billion in primary business receipts. In addition, these large corporations accounted for two-thirds of the salaries and wages paid in Hawaii by foreign C corporations.

Size of Business Receipts	Business Receipts		Salaries & Wages	
	Number	Amount	Number	Amount
TOTAL	3,606	\$16,486,897	1,446	\$2,135,378
Under \$ 100,000	1,602	32,204	276	385,892
\$ 100,000 " 500,000	669	171,898	339	36,189
500,000 " 1,000,000	330	235,857	214	39,562
1,000,000 " 5,000,000	600	1,378,181	491	242,841
5,000,000 and over	405	14,668,757	360	1,430,894

### S CORPORATIONS

S corporations are not subject to the corporate income tax; however, net income or loss is distributed and reported by the shareholders on their individual income tax return. In 1987, the legislature relaxed the requirement that only Hawaii residents could be shareholders in a Hawaii S corporation. Since then, any corporation that elected to become a federal S corporation also automatically became a Hawaii S corporation. As noted earlier, this change was a major reason for the rapid increase in the number of S corporations from 2,495 in 1987 to 4,002 in 1989 to 5,913 in 1992 and 7,231 in 1995.

Although an S corporation is generally not liable for the state income tax, it may be assessed a tax on excess net passive income, if applicable, or a tax on capital gains. In tax year 1995, a total of 14 domestic and 9 foreign S corporations incurred \$40,594 in income tax liabilities.

## Corporation - 1995

Like its C corporation counterpart, an S corporation with income from activities within and without Hawaii may use an apportionment formula to allocate business income attributable to Hawaii. The apportionment formula is based on the average Hawaii share of three factors--sales, payroll, and property . A total of 432 entities were classified as "foreign" S corporations in 1995, up from 305 for 1992. More than one-third of the reporting companies listed services as their primary business activity, followed by construction, with a 17% share of the foreign S corporation population. Business receipts totaling \$709.7 million were recorded for all foreign corporations, down from \$826.9 million reported two years earlier. Ordinary income slipped nearly 43% from \$39.4 million to \$22.6 million.

Domestic S corporations numbered 6,799, up from the 1992 count of 5,608. The industrial distribution of domestic S corporations mirrors that of domestic C corporations, with services, retail trade and real estate businesses accounting for a cumulative share of more than two-thirds of the S corporation population. Unlike foreign S corporations, business receipts reported by domestic entities increased 13.2% to \$4,722 million. Retail and wholesale trade industries accounted for 53.2%, or \$2,514 million, of the total.

Total compiled expenses grew \$571.7 million to \$4,761 million. The cost of goods sold increased \$225 million; salaries and wages, together with officers' compensation, rose \$104.5 million, and rent paid advanced \$42.3 million to \$243.7 million.

Total receipts of \$4,880 million reduced by total compiled deductions of \$4,761 million resulted in domestic S net profit before net losses of \$292.8 million. This is 6.6% less than the \$313.4 million in net income reported in 1992. Net profits for real estate, service and retail trade industries reached \$42.1 million, \$74.0 million and \$89.4 million, respectively.



STATISTICAL TABLES

SECTION 2

CORPORATION

TABLE 1  
 DISTRIBUTION OF DOMESTIC CORPORATION RETURNS  
 BY TAXATION DISTRICT AND BY INDUSTRY - 1995

INDUSTRY	TAXATION DISTRICT				
	All	First	Second	Third	Fourth
DOMESTIC "C" CORPORATIONS	14,456	11,346	1,238	1,452	420
Agriculture & Fishing	395	214	44	119	18
Construction	1,086	824	80	135	47
Manufacturing	446	372	37	34	3
Transp., Communications, & Utilities	702	543	71	64	24
Wholesale Trade	1,209	1,021	51	116	21
Retail Trade	2,573	1,883	279	312	99
Finance & Insurance	478	433	14	22	9
Real Estate	3,707	2,968	353	276	110
Services	3,858	3,088	308	373	89
Not Stated	2	--	1	1	--
DOMESTIC "S" CORPORATIONS	6,799	4,742	968	810	279
Agriculture & Fishing	293	147	37	96	13
Construction	485	289	88	68	40
Manufacturing	257	181	42	28	6
Transportation & Communications	349	213	56	66	14
Wholesale Trade	542	444	51	32	15
Retail Trade	1,371	931	208	162	70
Finance & Insurance	182	147	15	14	6
Real Estate	1,074	819	119	91	45
Services	2,242	1,567	352	253	70
Not Stated	4	4	--	--	--

TABLE 2  
 DISTRIBUTION OF DOMESTIC CORPORATION RETURNS  
 BY TAXATION DISTRICT AND BY SIZE OF TOTAL ASSETS - 1995

SIZE OF TOTAL ASSETS	TAXATION DISTRICT				
	All	First	Second	Third	Fourth
DOMESTIC "C" CORPORATIONS	14,456	11,346	1,238	1,452	420
Under \$ 100,000	5,960	4,604	540	657	159
\$ 100,000 " 500,000	4,578	3,535	425	473	145
500,000 " 1,000,000	1,191	952	83	115	41
1,000,000 " 5,000,000	1,286	1,030	94	115	47
5,000,000 " 10,000,000	222	202	7	8	5
10,000,000 and over	348	308	16	20	4
Not Stated	871	715	73	64	19
DOMESTIC "S" CORPORATIONS	6,799	4,742	968	810	279
Under \$ 100,000	3,650	2,513	534	473	130
\$ 100,000 " 500,000	1,459	1,010	194	185	70
500,000 " 1,000,000	320	234	46	27	13
1,000,000 " 5,000,000	396	312	46	22	16
5,000,000 " 10,000,000	56	44	10	2	--
10,000,000 and over	31	26	4	1	--
Not Stated	887	603	134	100	50

TABLE 3  
 NUMBER OF RETURNS WITH TAXABLE INCOME  
 BY TYPE OF CORPORATION AND BY SIZE OF TAXABLE INCOME - 1995  
 (Amounts in Thousands of Dollars)

SIZE OF TAXABLE INCOME	TYPE OF CORPORATION									
	ALL		DOMESTIC "C"		FOREIGN "C"		DOMESTIC "S"		FOREIGN "S"	
	No. of Returns	Taxable Income*	No. of Returns	Taxable Income*	No. of Returns	Taxable Income*	No. of Returns	Taxable Income*	No. of Returns	Taxable Income*
TOTAL	9,757	\$1,254,890	4,628	\$577,251	1,433	\$384,791	3,696	\$292,848	313	\$22,574
Under \$ 25,000	5,731	44,777	2,874	21,252	813	4,908	2,044	18,617	214	1,157
\$ 25,000 " 100,000	2,574	130,922	1,160	57,849	282	14,662	1,132	58,411	47	2,475
100,000 " 500,000	1,111	229,612	448	95,350	229	52,111	434	82,151	43	11,042
500,000 " 1,000,000	190	130,057	83	56,694	52	35,204	55	38,159	7	5,056
1,000,000 and over	151	719,522	63	346,106	57	277,906	31	95,510	2	2,844

\*Exclusive of net losses.

Note: Totals may not add up due to rounding.

TABLE 4

DISTRIBUTION OF CORPORATIONS WITH TAXABLE INCOME  
BY SIZE OF TAXABLE INCOME AND BY INDUSTRY - 1995

INDUSTRY	ALL TAXABLE INCOME GROUPS	SIZE OF TAXABLE INCOME				
		Under \$25,000	\$ 25,000 under \$100,000	\$100,000 under \$500,000	\$ 500,000 under \$1,000,000	\$1,000,000 and over
DOMESTIC "C" CORPORATIONS	4,628	2,874	1,160	448	83	63
Agriculture & Fishing	110	63	35	10	1	1
Construction	415	199	142	62	8	4
Manufacturing	148	82	31	30	4	1
Transportation, Communications & Utilities	232	121	58	37	10	6
Wholesale Trade	476	235	168	63	4	6
Retail Trade	704	408	199	66	14	17
Finance & Insurance	208	133	46	16	9	4
Real Estate	1,070	727	217	88	18	20
Services	1,265	906	264	76	15	4
Not Stated	--	--	--	--	--	--
DOMESTIC "S" CORPORATIONS	3,696	2,044	1,132	434	55	31
Agriculture & Fishing	125	67	45	11	1	1
Construction	280	137	92	44	6	1
Manufacturing	128	76	36	14	2	--
Transportation & Communications	148	81	39	20	5	3
Wholesale Trade	327	162	108	47	5	5
Retail Trade	686	385	200	78	14	9
Finance & Insurance	113	54	37	21	1	--
Real Estate	547	294	169	72	7	5
Services	1,342	788	406	127	14	7
Not Stated	0	--	--	--	--	--
FOREIGN "C" CORPORATIONS	1,433	813	282	229	52	57
FOREIGN "S" CORPORATIONS	313	214	47	43	7	2
ALL CORPORATIONS	10,070	5,945	2,621	1,154	197	153

TABLE 5  
 DISTRIBUTION OF TAXABLE DOMESTIC CORPORATION RETURNS  
 BY SIZE OF TAXABLE INCOME AND BY TOTAL ASSETS - 1995

SIZE OF TOTAL ASSETS	ALL TAXABLE INCOME GROUPS	SIZE OF TAXABLE INCOME				
		Under \$25,000	\$ 25,000 under \$100,000	\$100,000 under \$500,000	\$ 500,000 under \$1,000,000	\$1,000,000 and over
DOMESTIC "C" CORPORATIONS	4,628	2,874	1,160	448	83	63
Under \$ 100,000	1,502	1,370	130	2	--	--
\$ 100,000 " 500,000	1,605	1,039	502	64	--	--
500,000 " 1,000,000	512	189	237	82	4	--
1,000,000 " 5,000,000	599	109	237	211	35	7
5,000,000 " 10,000,000	118	8	21	52	24	13
10,000,000 and over	113	7	12	34	20	40
None or Not Stated	179	152	21	3	--	3
DOMESTIC "S" CORPORATIONS	3,696	2,044	1,132	434	55	31
Under \$ 100,000	1,951	1,345	513	92	--	1
\$ 100,000 " 500,000	859	356	363	132	7	1
500,000 " 1,000,000	191	47	76	62	4	2
1,000,000 " 5,000,000	244	42	61	104	28	9
5,000,000 " 10,000,000	33	3	3	10	11	6
10,000,000 and over	16	--	--	5	1	10
None or Not Stated	402	251	116	29	4	2

TABLE 6

TOTAL RETURNS, TAXABLE RETURNS, TAXABLE INCOME, AND AMOUNT OF TAX FOR EACH TAX RATE  
 BY INDUSTRY FOR "C" CORPORATIONS - 1995  
 (Amounts in Thousands of Dollars)

INDUSTRY	TOTAL RETURNS	TOTAL TAXABLE RETURNS	AMOUNT OF TAXABLE INCOME*	ORDINARY TAX		CAPITAL GAINS TAXED AT 4%		TOTAL TAX**	
				Number	Amount	Number	Amount	Number	Amount
DOMESTIC "C" CORPORATIONS									
TOTAL	14,456	4,628	\$577,251	4,100	\$32,564	203	\$1,856	4,720	\$34,482
Agriculture & Fishing	395	110	7,209	100	358	7	36	115	397
Construction	1,086	415	33,094	395	1,804	23	78	431	1,886
Manufacturing	446	148	13,909	134	904	1	1	149	907
Transp., Communications, & Utilities	702	232	194,330	227	12,144	11	271	239	12,416
Wholesale Trade	1,209	476	37,350	454	2,127	8	3	481	2,133
Retail Trade	2,573	704	83,594	667	4,951	35	54	727	5,009
Finance & Insurance	478	208	17,437	170	863	18	138	211	1,005
Real Estate	3,707	1,070	137,254	856	6,490	61	1,228	1,082	7,740
Services	3,858	1,265	53,074	1,097	2,923	39	47	1,285	2,989
Not Stated	2	--	--	--	--	--	--	--	--
FOREIGN "C" CORPORATIONS									
TOTAL	3,606	1,433	\$384,791	1,204	\$22,814	45	\$783	1,442	\$23,620
Agriculture & Fishing	25	13	1,062	12	62	--	--	13	62
Construction	209	97	16,374	75	935	3	41	98	979
Manufacturing	59	27	26,975	21	1,705	1	1	27	1,707
Transportation & Communications	203	83	63,251	77	3,297	7	508	84	3,807
Wholesale Trade	814	396	62,552	352	3,654	14	89	397	3,745
Retail Trade	294	131	139,873	119	8,728	1	76	131	8,806
Finance & Insurance	306	115	15,199	102	919	4	6	116	927
Real Estate	818	150	27,856	124	1,640	11	51	153	1,693
Services	877	420	31,631	321	1,873	4	11	422	1,893
Not Stated	1	1	18	1	1	--	--	1	1

\*Exclusive of net losses.

\*\*Also includes recaptured credits and estimated tax penalty.

Note: Totals may not add up due to rounding.

TABLE 7

TAXABLE INCOME, BUSINESS RECEIPTS, SALARIES AND WAGES AND TOTAL ASSETS  
 BY SIZE OF BUSINESS RECEIPTS FOR DOMESTIC CORPORATIONS - 1995  
 (Amounts in Thousands of Dollars)

SIZE OF BUSINESS RECEIPTS	TAXABLE INCOME*		BUSINESS RECEIPTS		SALARIES & WAGES**		TOTAL ASSETS	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
<b>DOMESTIC "C" CORPORATIONS</b>								
TOTAL	4,628	\$577,251	14,456	\$22,829,865	9,535	\$3,395,664	13,585	\$42,183,778
Under \$ 100,000	960	14,048	3,595	133,958	1,328	31,984	3,371	808,150
\$ 100,000 " 500,000	1,294	29,896	4,427	1,146,654	3,758	319,085	4,325	1,547,121
500,000 " 1,000,000	630	23,746	1,727	1,212,912	1,638	340,743	1,707	3,339,363
1,000,000 " 5,000,000	982	107,865	2,039	4,275,377	1,984	896,803	2,014	5,306,316
5,000,000 " 10,000,000	160	43,869	278	1,902,351	273	333,924	275	4,238,862
10,000,000 and over	139	298,369	264	14,158,613	261	1,446,802	263	23,025,570
None or Not Reported	463	59,458	2,126	--	293	26,323	1,630	3,918,396
<b>DOMESTIC "S" CORPORATIONS</b>								
TOTAL	3,696	\$292,848	6,799	\$4,772,493	3,855	\$756,177	5,912	\$2,759,501
Under \$ 100,000	1,166	19,738	2,428	85,282	775	15,344	2,042	236,966
\$ 100,000 " 500,000	1,371	58,959	2,236	544,988	1,715	111,371	2,003	427,502
500,000 " 1,000,000	403	29,975	603	417,772	552	90,915	555	181,848
1,000,000 " 5,000,000	426	65,692	638	1,296,298	612	243,678	608	521,923
5,000,000 " 10,000,000	73	31,367	99	678,485	97	97,093	99	424,314
10,000,000 and over	48	75,792	62	1,749,668	62	195,791	62	670,955
None or Not Reported	209	11,325	733	--	42	1,985	543	295,993

\*Exclusive of net losses.

\*\*Includes officers' compensation.

Note: Totals may not add up due to rounding.

TABLE 8  
DISTRIBUTION OF DOMESTIC CORPORATION RETURNS  
BY SIZE OF BUSINESS RECEIPTS AND BY SIZE OF TAXABLE INCOME - 1995

SIZE OF TAXABLE INCOME	ALL RETURNS	SIZE OF BUSINESS RECEIPTS (In Thousands of Dollars)						
		NO BUSINESS RECEIPTS	Under \$100	\$100 under \$500	\$ 500 under \$1,000	\$1,000 under \$5,000	\$ 5,000 under \$10,000	\$10,000 and over
<b>DOMESTIC "C" CORPORATIONS</b>								
TOTAL	14,456	2,126	3,595	4,427	1,727	2,039	278	264
Under \$ 25,000	2,874	359	850	973	362	308	17	5
\$ 25,000 " 100,000	1,160	58	104	276	220	427	55	20
100,000 " 500,000	448	30	4	42	47	204	66	55
500,000 " 1,000,000	83	7	1	2	1	30	15	27
1,000,000 and over	63	9	1	1	--	13	7	32
No Taxable Income	9,828	1,663	2,635	3,133	1,097	1,057	118	125
<b>DOMESTIC "S" CORPORATIONS</b>								
TOTAL	6,799	733	2,428	2,236	603	638	99	62
Under \$ 25,000	2,044	139	970	712	131	87	5	--
\$ 25,000 " 100,000	1,132	42	182	534	203	156	10	5
100,000 " 500,000	434	25	10	121	64	159	41	14
500,000 " 1,000,000	55	2	4	2	4	19	11	13
1,000,000 and over	31	1	--	2	1	5	6	16
No Taxable Income	3,103	524	1,262	865	200	212	26	14

TABLE 9  
 DISTRIBUTION OF DOMESTIC CORPORATION RETURNS,  
 BY SIZE OF TOTAL ASSETS AND BY INDUSTRY - 1995

INDUSTRY	ALL ASSET GROUPS	SIZE OF TOTAL ASSETS (In Thousands of Dollars)						Assets not Stated
		Under \$100	\$100 under \$500	\$ 500 under \$1,000	\$1,000 under \$5,000	\$ 5,000 under \$10,000	\$10,000 and over	
DOMESTIC "C" CORPORATIONS	14,456	5,960	4,578	1,191	1,286	222	348	871
Agriculture & Fishing	395	152	132	39	39	3	7	23
Construction	1,086	388	336	138	133	22	29	40
Manufacturing	446	182	137	49	51	10	9	8
Transp., Communications & Utilities	674	315	205	44	69	17	21	3
Wholesale Trade	1,209	413	383	176	159	21	17	40
Retail Trade	2,573	1,010	992	204	210	31	35	91
Finance & Insurance	506	196	127	30	58	16	33	46
Real Estate	3,707	1,104	1,150	351	439	78	139	446
Services	3,858	2,200	1,114	160	128	24	58	174
Not Stated	2	--	2	--	--	--	--	--
DOMESTIC "S" CORPORATIONS	6,799	3,650	1,459	320	396	56	31	887
Agriculture & Fishing	293	139	85	15	9	2	--	43
Construction	485	285	82	26	37	5	2	48
Manufacturing	257	130	65	10	16	3	1	32
Transportation & Communications	349	203	64	19	14	6	1	42
Wholesale Trade	542	266	124	34	37	7	3	71
Retail Trade	1,371	631	432	60	76	8	7	157
Finance & Insurance	182	80	37	8	17	1	--	39
Real Estate	1,074	439	229	97	138	19	13	139
Services	2,242	1,476	341	51	52	5	4	313
Not Stated	4	1	--	--	--	--	--	3

TABLE 10  
 TAXABLE INCOME, BUSINESS RECEIPTS, AND SALARIES AND WAGES  
 REPORTED BY FOREIGN "C" CORPORATIONS BY SIZE OF BUSINESS RECEIPTS - 1995  
 (Amounts in Thousands of Dollars)

SIZE OF BUSINESS RECEIPTS	TAXABLE INCOME		BUSINESS RECEIPTS		SALARIES AND WAGES*	
	Number	Amount	Number	Amount	Number	Amount
ALL FOREIGN "C" CORPORATIONS	3,606	(\$214,436)	3,606	\$16,486,897	1,680	\$2,135,378
Under \$ 100,000	1,073	(10,188)	1,073	32,204	184	41,033
\$ 100,000 " 500,000	669	(34,615)	669	171,898	339	36,189
500,000 " 1,000,000	330	(18,685)	330	235,857	214	39,562
1,000,000 " 5,000,000	600	(5,207)	600	1,378,181	491	242,841
5,000,000 " 10,000,000	176	(19,583)	176	1,277,562	153	203,801
10,000,000 and over	229	(73,636)	229	13,391,195	207	1,227,093
None or Not Reported	529	(52,522)	529	--	92	344,859
FOREIGN "C" CORPORATIONS WITH TAXABLE INCOME	1,433	\$384,791	1,433	\$7,893,160	809	\$867,030
Under \$ 100,000	326	3,400	326	12,379	73	4,783
\$ 100,000 " 500,000	326	6,896	326	84,241	156	16,708
500,000 " 1,000,000	159	7,404	159	115,600	107	20,988
1,000,000 " 5,000,000	297	38,906	297	685,760	251	132,871
5,000,000 " 10,000,000	86	53,148	86	624,076	77	109,723
10,000,000 and over	116	262,789	116	6,371,104	107	574,263
None or Not Reported	123	12,248	123	--	38	7,694

\* Includes salaries, wages and officers' compensation.

Note: Totals may not add up due to rounding.

TABLE 11  
 DISTRIBUTION OF DOMESTIC CORPORATION RETURNS,  
 BY SIZE OF BUSINESS RECEIPTS AND BY INDUSTRY - 1995

INDUSTRY	SIZE OF BUSINESS RECEIPTS (In Thousands of Dollars)							
	ALL RETURNS	NO BUSINESS RECEIPTS	Under \$100	\$100 under \$500	\$ 500 under \$1,000	\$1,000 under \$5,000	\$ 5,000 under \$10,000	\$10,000 and over
DOMESTIC "C" CORPORATIONS								
TOTAL	14,456	2,126	3,595	4,427	1,727	2,039	278	264
Agriculture & Fishing	395	51	119	118	53	46	4	4
Construction	1,086	59	148	319	171	301	41	47
Manufacturing	446	21	81	140	70	103	18	13
Transp., Communications & Utilities	702	61	202	186	69	125	25	34
Wholesale Trade	1,209	73	261	286	172	312	65	40
Retail Trade	2,573	132	411	972	412	529	57	60
Finance & Insurance	478	174	110	102	20	41	12	19
Real Estate	3,707	1,170	1,209	909	223	172	13	11
Services	3,858	384	1,053	1,395	537	410	43	36
Not Stated	2	1	1	--	--	--	--	--
DOMESTIC "S" CORPORATIONS								
TOTAL	6,799	733	2,428	2,236	603	638	99	62
Agriculture & Fishing	293	36	118	100	20	18	1	--
Construction	485	32	116	162	59	92	16	8
Manufacturing	257	18	75	100	27	25	7	5
Transportation & Communications	349	20	144	107	25	39	9	5
Wholesale Trade	542	27	202	133	61	89	17	13
Retail Trade	1,371	61	296	539	208	212	34	21
Finance & Insurance	182	75	47	38	7	12	1	2
Real Estate	1,074	294	437	279	30	30	3	1
Services	2,242	167	992	778	166	121	11	7
Not Stated	4	3	1	--	--	--	--	--

TABLE 12  
 INCOME STATEMENTS OF DOMESTIC CORPORATIONS BY INDUSTRY - 1995  
 (Amounts in Thousands of Dollars)

INDUSTRY	TOTAL COMPILED RECEIPTS	BUSINESS RECEIPTS		INTEREST NOT DEDUCTIBLE		DIVIDENDS NOT DEDUCTIBLE		DIVIDENDS 70% DEDUCTIBLE	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
DOMESTIC "C" CORPORATIONS									
TOTAL	\$24,166,942	12,330	\$22,829,864	7,996	\$474,249	1,227	\$16,098	250	\$8,391
Agriculture & Fishing	642,607	344	641,438	183	8,816	41	425	8	141
Construction	2,814,146	1,027	2,753,307	671	9,550	107	1,039	29	512
Manufacturing	2,432,968	425	2,331,938	212	13,389	36	1,307	4	26
Transp., Communications & Utilities	4,289,950	641	3,855,785	316	254,471	42	588	4	23
Wholesale Trade	2,802,384	1,136	2,715,858	592	15,190	85	546	15	1,606
Retail Trade	5,033,178	2,441	4,899,500	1,068	12,254	164	2,027	32	832
Finance & Insurance	1,060,943	304	936,479	290	31,585	92	4,222	33	2,199
Real Estate	1,389,072	2,537	1,174,339	2,724	64,385	271	3,959	71	1,762
Services	3,701,657	3,474	3,521,183	1,940	64,609	389	1,985	54	1,290
Not Stated	37	1	37	--	--	--	--	--	--
DOMESTIC "S" CORPORATIONS									
TOTAL	\$4,879,551	6,066	\$4,772,493	2,438	\$21,155	303	\$1,878	n.a.*	n.a.*
Agriculture & Fishing	87,961	257	83,493	96	484	10	56		
Construction	537,761	453	535,125	206	1,248	25	113		
Manufacturing	220,887	239	219,376	80	298	4	48		
Transportation & Communications	269,016	329	259,597	112	449	8	58		
Wholesale Trade	749,569	515	733,638	174	910	29	147		
Retail Trade	1,810,573	1,310	1,780,386	417	5,148	32	347		
Finance & Insurance	116,675	107	111,511	97	1,219	20	127		
Real Estate	294,168	780	279,773	553	6,563	82	705		
Services	792,941	2,075	769,586	703	4,836	93	277		
Not Stated	0	1	8	--	--	--	--		

\*Category not applicable to S corporations  
 Note: Totals may not add up due to rounding.

TABLE 12 (Continued)  
 INCOME STATEMENTS OF DOMESTIC CORPORATIONS BY INDUSTRY - 1995  
 (Amounts in Thousands of Dollars)

INDUSTRY	GOVT. INTEREST & NATL. BANK DIVID.		RENTAL INCOME		SALE OF BUSINESS ASSETS		SALE OF OTHER CAPITAL ASSETS		OTHER INCOME OR LOSS	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
DOMESTIC "C" CORPORATIONS										
TOTAL	189	\$11,223	1,984	\$379,250	1,744	(\$35,694)	873	\$125,959	7,665	\$357,602
Agriculture & Fishing	9	93	71	18,922	69	(40,445)	30	3,658	214	9,559
Construction	20	613	152	29,225	200	2,774	73	5,324	653	11,802
Manufacturing	5	36	61	11,655	75	(606)	25	3,599	252	71,624
Transp., Communication & Utilities	4	10	78	30,157	133	52,811	37	7,605	344	88,500
Wholesale Trade	9	101	163	26,841	196	3,789	55	2,953	678	35,500
Retail Trade	20	374	275	70,144	311	(7,991)	137	11,256	1,339	44,782
Finance & Insurance	18	7,615	86	45,135	75	1,114	69	11,659	233	20,935
Real Estate	62	1,744	670	75,719	239	(27,758)	238	71,303	2,094	23,619
Services	42	637	428	71,452	446	(19,382)	209	8,602	1,858	51,281
Not Stated	--	--	--	--	--	--	--	--	--	--
DOMESTIC "S" CORPORATIONS										
TOTAL	n.a.*	n.a.*	173	\$15,923	403	\$2,114	252	\$10,292	1,969	\$55,696
Agriculture & Fishing			12	285	23	587	9	175	90	2,881
Construction			11	464	43	473	14	30	125	308
Manufacturing			4	142	13	41	3	20	79	962
Transp., Communication & Utilities			6	1,782	31	763	10	4,106	90	2,261
Wholesale Trade			25	7,751	36	272	17	(56)	176	6,907
Retail Trade			38	3,126	97	(588)	36	2,013	404	20,141
Finance & Insurance			5	72	7	(49)	21	543	73	3,252
Real Estate			26	718	26	173	67	2,426	360	3,810
Services			46	1,583	127	442	75	1,035	571	15,182
Not Stated			--	--	--	--	--	--	1	(8)

\*Category not applicable to S corporations  
 Note: Totals may not add up due to rounding.

TABLE 13  
 BUSINESS EXPENSES AND DEDUCTIONS OF DOMESTIC CORPORATIONS, BY INDUSTRY - 1995  
 (Amounts in Thousands of Dollars)

INDUSTRY	TOTAL COMPILED DEDUCTIONS	COST OF GOODS SOLD AND/OR OPERATIONS		COMPENSATION OF OFFICERS		SALARIES & WAGES		REPAIRS	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
DOMESTIC "C" CORPORATIONS									
TOTAL	\$24,579,591	6,698	\$13,448,922	7,187	\$879,303	8,009	\$2,516,361	8,947	\$246,964
Agriculture & Fishing	781,420	207	390,086	189	22,237	208	74,370	278	5,934
Construction	2,868,893	949	2,367,886	763	91,977	668	85,214	665	9,849
Manufacturing	2,411,306	394	1,926,721	282	28,695	294	110,153	317	6,160
Transp., Communications & Utilities	4,123,064	285	2,049,010	361	46,691	437	347,056	413	48,491
Wholesale Trade	2,799,639	1,032	2,067,282	780	83,982	763	198,091	751	10,883
Retail Trade	5,047,580	2,381	3,114,849	1,667	129,012	1,955	592,586	1,965	36,397
Finance & Insurance	1,086,198	73	451,844	209	41,664	203	164,829	192	11,541
Real Estate	1,560,117	197	321,204	542	54,546	1,191	155,357	2,092	79,090
Services	3,901,295	1,180	760,040	2,394	380,499	2,290	788,705	2,273	38,610
Not Stated	79	--	--	--	--	--	--	1	9
DOMESTIC "S" CORPORATIONS									
TOTAL	\$4,760,558	3,490	\$2,590,604	2,794	\$187,231	3,069	\$568,946	3,851	\$31,311
Agriculture & Fishing	92,936	137	29,647	94	4,455	119	9,501	204	2,147
Construction	529,890	418	410,527	286	18,282	232	26,737	277	1,342
Manufacturing	221,639	218	126,080	112	7,003	123	21,923	153	1,060
Transportation & Communications	272,517	116	77,697	136	8,071	181	56,813	206	3,370
Wholesale Trade	728,631	450	543,445	228	19,660	238	51,415	268	3,328
Retail Trade	1,749,594	1,261	1,073,355	728	41,875	965	199,013	1,038	10,141
Finance & Insurance	111,479	15	55,934	47	5,680	50	17,850	51	331
Real Estate	302,888	75	119,573	155	11,531	193	26,027	415	2,746
Services	750,945	800	154,346	1,008	70,674	968	159,667	1,239	6,846
Not Stated	39	--	--	--	--	--	--	--	--

Note: Totals may not add up due to rounding.

TABLE 13 (Continued)  
 BUSINESS EXPENSES AND DEDUCTIONS OF DOMESTIC CORPORATIONS, BY INDUSTRY - 1995  
 (Amounts in Thousands of Dollars)

INDUSTRY	BAD DEBTS		RENTS		TAXES		INTEREST		CONTRIBUTIONS OR GIFTS	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
DOMESTIC "C" CORPORATIONS										
TOTAL	1,551	\$117,526	8,826	\$825,005	12,533	\$942,155	6,944	\$936,361	2,151	\$15,854
Agriculture & Fishing	26	9,764	225	10,512	341	19,776	222	60,490	48	49
Construction	159	4,260	734	37,252	1,003	45,693	718	21,468	275	849
Manufacturing	87	3,278	346	34,882	412	31,788	287	65,768	96	1,119
Transp., Communication & Utilities	94	22,289	493	107,595	624	216,278	378	278,430	125	2,155
Wholesale Trade	269	9,045	877	80,543	1,085	57,091	728	41,382	251	542
Retail Trade	365	5,384	2,223	272,444	2,400	203,621	1,457	57,056	395	1,197
Finance & Insurance	65	3,222	239	54,198	368	42,687	192	59,729	87	3,280
Real Estate	199	50,434	1,026	45,260	2,880	82,540	1,076	135,288	229	3,672
Services	287	9,850	2,663	182,319	3,418	242,674	1,885	216,698	645	2,991
Not Stated	--	--	--	--	2	7	1	52	--	--
DOMESTIC "S" CORPORATIONS										
TOTAL	571	\$9,253	4,168	\$243,692	5,822	\$176,948	3,350	\$70,236	INA*	INA*
Agriculture & Fishing	16	586	137	2,634	247	3,591	145	2,273		
Construction	51	982	274	6,828	429	11,242	296	2,934		
Manufacturing	37	696	184	6,450	227	5,841	156	3,328		
Transp., Communication & Utilities	35	608	228	10,975	312	10,509	177	3,595		
Wholesale Trade	99	1,732	344	16,094	479	15,943	276	6,026		
Retail Trade	176	1,257	1,176	125,588	1,287	68,968	799	15,492		
Finance & Insurance	9	144	66	3,951	102	3,791	59	980		
Real Estate	30	1,805	322	17,847	792	11,038	413	22,399		
Services	118	1,443	1,436	53,302	1,945	46,024	1,028	13,208		
Not Stated	--	--	1	23	2	1	1	1		

\*Information not available as a separate category. Amounts are included under "Other Deductions".

Note: Totals may not add up due to rounding.

TABLE 13 (Continued)  
 BUSINESS EXPENSES AND DEDUCTIONS OF DOMESTIC CORPORATIONS, BY INDUSTRY - 1995  
 (Amounts in Thousands of Dollars)

INDUSTRY	DEPRECIATION AND DEPLETION		ADVERTISING		EMPLOYEE BENEFIT PLANS		OTHER DEDUCTIONS	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
DOMESTIC "C" CORPORATIONS								
TOTAL	10,492	\$819,109	6,691	\$217,320	6,399	\$450,238	14,118	\$3,164,473
Agriculture & Fishing	336	20,614	145	19,819	184	16,699	390	131,070
Construction	910	27,819	581	3,617	643	28,823	1,073	144,186
Manufacturing	377	38,367	290	11,857	243	23,456	443	129,062
Transp., Communications & Utilities	578	315,557	383	29,086	320	119,465	690	540,961
Wholesale Trade	948	29,566	724	12,769	634	29,911	1,193	178,552
Retail Trade	2,185	71,736	1,795	77,116	1,416	68,069	2,534	418,113
Finance & Insurance	265	41,865	163	17,039	186	24,165	453	170,135
Real Estate	1,840	80,394	801	9,192	608	14,215	3,583	528,925
Services	3,052	193,188	1,809	36,825	2,165	125,435	3,758	923,461
Not Stated	1	3	--	--	--	--	1	8
DOMESTIC "S" CORPORATIONS								
TOTAL	4,918	\$80,018	3,677	\$56,232	2,301	\$69,249	6,639	\$676,838
Agriculture & Fishing	219	3,424	90	329	89	1,612	278	32,737
Construction	370	5,205	283	1,367	221	5,786	482	38,658
Manufacturing	200	3,492	165	7,861	89	3,399	255	34,506
Transportation & Communications	269	8,914	216	3,841	132	8,483	346	79,641
Wholesale Trade	390	7,048	301	3,142	183	5,443	533	55,355
Retail Trade	1,167	21,192	1,008	24,745	604	22,930	1,363	145,038
Finance & Insurance	71	657	53	274	46	1,488	165	20,399
Real Estate	604	8,858	329	2,621	144	3,033	1,006	75,410
Services	1,628	21,228	1,232	12,052	793	17,075	2,209	195,080
Not Stated	--	--	--	--	--	--	2	14

Note: Totals may not add up due to rounding.

TABLE 14

NUMBER OF RETURNS AND AMOUNT OF ASSETS OF DOMESTIC CORPORATIONS  
BY INDUSTRY AND SIZE OF TOTAL ASSETS - 1995  
(Amounts in Thousands of Dollars)

CATEGORY	ALL DOMESTIC		DOMESTIC "C"		DOMESTIC "S"	
	No. of Returns	Asset Amount	No. of Returns	Asset Amount	No. of Returns	Asset Amount
INDUSTRY GROUP--TOTAL	19,497	\$44,943,279	13,585	\$42,183,778	5,912	\$2,759,501
Agriculture	622	3,947,396	372	3,885,156	250	62,240
Construction	1,483	1,597,663	1,046	1,415,862	437	181,801
Manufacturing	663	1,330,495	438	1,237,788	225	92,707
Transportation, Communications & Utilities	978	8,354,560	671	8,224,390	307	130,170
Wholesale Trade	1,640	1,481,988	1,169	1,228,875	471	253,113
Retail Trade	3,696	3,236,590	2,482	2,571,440	1,214	665,150
Finance & Insurance	603	5,890,940	460	5,825,007	143	65,933
Real Estate	4,196	11,628,815	3,261	10,762,921	935	865,894
Services	5,613	7,474,158	3,684	7,031,673	1,929	442,485
Not Stated	3	674	2	666	1	8
SIZE OF ASSETS--TOTAL	21,255	\$42,074,053	14,456	\$39,314,552	6,799	\$2,759,501
Assets Not Reported	1,758	--	871	--	887	--
Under \$ 100,000	9,610	339,899	5,960	224,906	3,650	114,993
\$ 100,000 " 500,000	6,037	1,373,839	4,578	1,044,057	1,459	329,782
500,000 " 1,000,000	1,511	1,029,738	1,191	807,764	320	221,974
1,000,000 " 5,000,000	1,682	3,633,194	1,286	2,790,450	396	842,744
5,000,000 " 10,000,000	278	1,928,089	222	1,545,609	56	382,480
10,000,000 and over	379	33,769,295	348	32,901,767	31	867,528

Note: Totals may not add up due to rounding.

TABLE 15  
 NUMBER OF CORPORATIONS CLAIMING AND AMOUNT OF  
 CAPITAL GOODS EXCISE TAX CREDIT - 1995

INDUSTRY GROUP	ALL "C" CORPORATIONS				TAXABLE*		NONTAXABLE	
	Total No. of Returns	Returns With Credit	Percent With Credit	Amount of Credit	Returns With Credit	Amount of Credit	Returns With Credit	Amount of Credit
TOTAL	18,062	2,469	13.7%	\$20,183	918	\$7,941	1,551	\$12,242
Agriculture	420	82	19.5%	361	24	29	58	332
Construction	1,295	277	21.4%	745	128	245	149	500
Manufacturing	505	116	23.0%	861	56	365	60	496
Transp., Communications & Utilities	905	162	17.9%	12,268	70	4,797	92	7,471
Wholesale Trade	2,023	247	12.2%	563	129	416	118	147
Retail Trade	2,867	484	16.9%	1,713	161	931	323	782
Finance & Insurance	784	78	9.9%	694	33	240	45	454
Real Estate	4,525	236	5.2%	337	63	101	173	236
Services	4,735	787	16.6%	2,641	254	817	533	1,824
Not Stated	3	--	--	--	--	--	--	--

\* Corporation with taxable income.

Note: Totals may not add up due to rounding.



## Section 3

HAWAII INCOME PATTERNS

PROPRIETORSHIP

### Section 3

## HAWAII INCOME PATTERNS

### PROPRIETORSHIP

This section presents data on those unincorporated, single-owner businesses whose activities were reported on Schedules C and F of the Hawaii resident individual income tax return (Form N-12) for tax year 1994. Individuals owning a business in the state, or residents owning a business outside of Hawaii must report their business activity for Hawaii income tax purposes. Sole proprietorship income, together with other individual income such as salaries and wages, is taxed under the provisions of Chapter 235, Hawaii Revised Statutes, as amended.

### SUMMARY

Sole proprietorships dominate the number of business enterprises doing business in Hawaii. These businesses, which grew 9.3% from 72,006 in 1992 to 78,676 in 1994, accounted for almost 72% of business entities. However, these solely-owned businesses are mostly small and accounted for only 5.1% of total business receipts.

Between 1992 and 1994, business receipts rose 15.8% to \$2,708 million. Total compiled deductions escalated 16% to \$2,106 million, resulting in net profits after losses of \$636.3 million. This is 15% higher than the reported 1992 net profits of \$553.1 million. Service net profits after losses reached \$375 million, which is nearly 59% of 1994 total net income. Accounting for less than 10% of net profits was the construction industry, with \$62.0 million and the finance and insurance industry with a 7.7% share, or \$48.9 million.

TABLE A			
Selected Data from Proprietorship Returns, 1994 and 1992 (In Thousands of Dollars)			
Selected Items	1994	1992	% Change
Number of Businesses	78,676	72,006	9.3%
Business Receipts	\$2,707,538	\$2,338,224	15.8%
Cost of Goods Sold	862,507	676,039	27.6%
Salaries and Wages	168,356	146,216	15.1%
Taxes	78,193	74,306	5.2%
Depreciation	89,657	75,367	19.0%
Net Profit	751,410	647,865	16.0%
Net Loss	115,147	94,724	21.6%

## Proprietorship - 1994

Selective data for comparative years 1992 and 1994 are presented in Table A. Note that the 1992 data do not include Kauai county information.

### SAMPLE SELECTION AND METHODOLOGY

Statistics for sole proprietorships are estimates derived from data extracted from Schedules C and F of randomly selected resident Form N-12 individual income tax returns. The sampling rates appear in Table B.

TABLE B Sampling Rates for N-12 Resident Returns by Taxation District		
Taxation District	With Schedules C, D, and/or E	Without Schedules C, D, and/or E
First (Oahu)	4.4%	1.0%
Second (Maui, Molokai, Lanai)	7.4%	2.5%
Third (Hawaii)	7.6%	2.7%
Fourth (Kauai, Niihau)	7.1%	2.5%
STATE	5.1%	1.4%

Data were manually tabulated from each selected proprietor's Schedule C or Schedule F return attached to the taxpayer's Form N-12. The individual who owned a business or practiced a profession was required to file a Schedule C and/or Schedule F. Some taxpayers attached more than one Schedule C and if the primary industrial activity differed, each schedule was surveyed as a separate entity. If the activity was the same, for example, both the taxpayer and spouse were engaged in the direct selling of housewares, the returns were combined and tabulated as one entity. As explained in the Overview Section, each return was assigned an industry code which describes the principal business activity of the taxpayer. In most cases, specifications set forth in the 1987 edition of the Standard Industrial Classification Manual were used in assigning industry codes.

**ANALYSIS OF DATA**

**TAXATION DISTRICTS**

Almost 66% of the solely-owned businesses are located in the First District. Another 16.6% operate in the Third District followed by the Second and Fourth District with 11.7% and 6.0%, respectively. During the past 10 years, the distribution of proprietorships among the four taxation districts has remained almost unchanged.

Similar to C and S corporations, services were the predominant proprietorship activity in the state, accounting for almost 43% of all solely-owned businesses. Industry data from each taxation district show services as the primary activity in each district ranging from 35.2% on the island of Hawaii to 44.7% on Oahu. For the islands of Maui and Kauai, service proprietors accounted for 44.1% and 42.5%, respectively, of each district's proprietor count.

TABLE C Selected Proprietorship Data by Taxation District (In Thousands of Dollars)					
	TAXATION DISTRICT				
	All	First	Second	Third	Fourth
Number of Businesses	78,676	51,700	9,232	13,043	4,701
Percent by District	100.0%	65.7%	11.7%	16.6%	6.0%
Business Receipts	\$2,707,538	\$1,826,252	\$331,040	\$411,198	\$139,048
Number with Net Profit	55,233	37,293	6,381	8,755	2,804
Net Profit	\$751,410	\$554,003	\$76,946	\$82,678	\$37,783
Number with Net Loss	22,807	13,920	2,816	4,267	1,804
Net Loss	\$115,147	\$72,095	\$11,463	\$22,251	\$9,338

Retail trade was the second most numerous on Oahu at 21.7%. Agriculture and fishing was the major activity for 32% of Hawaii district's proprietors, 20.6% of Kauai and 16% of Maui proprietors. In contrast, the agricultural sector represented only 5.8% of proprietorships on Oahu.

BUSINESS RECEIPTS AND DEDUCTIONS

With Kauai County excluded from the 1992 database, statewide proprietor business receipts rose 15.8% from \$2,338.2 million in 1992 to \$2,708 million in 1994. About 60% of the proprietors reported business receipts under \$10,000, and at the other extreme, 7.9% were large proprietorships with business receipts of \$100 thousand or more. Total primary business receipts for these two groups were \$134.3 million and \$1,793 million, respectively. Proprietors with business receipts of \$100 thousand or more accounted for almost two-thirds of total primary receipts of \$2,708 million.

Service business receipts of \$964.2 million accounted for more than one-third of the proprietor's total receipts. One-fifth, or 20% of the total, was attributable to the retail trade with the reported amount of \$542.3 million compared to \$467.6 million in 1992.

TABLE D			
Distribution of Business Deductions (In Thousands of Dollars)			
Type of Deduction	Amount	% of Total	Percent Claiming
TOTAL DEDUCTIONS	\$2,105,567	100.0%	93.9%
Cost of Goods Sold	862,507	41.0%	27.2%
Depreciation	89,657	4.3%	38.6%
Taxes	78,193	3.7%	54.0%
Rent	157,732	7.5%	22.6%
Repairs	26,439	1.3%	25.3%
Salaries & Wages	168,356	8.0%	6.6%
Interest	34,827	1.7%	11.8%
Advertising	80,865	3.8%	23.2%
Employee Benefit & Profit Plans	21,398	1.0%	3.9%
Business Use of Home	11,794	0.6%	4.5%
Other Deductions	573,799	27.3%	90.3%

## Proprietorship - 1994

In report year 1994, proprietors claimed \$2,106 million in allowable business deductions. Similar to 1992, nearly 95% of all proprietorships claimed some deductions in 1994. The cost of goods sold was the largest business expense, accounting for 41% of the dollar total. A total of 9,248 retail trade proprietors, which is 43% of all claimants, reported cost of goods expenditures totaling \$310.3 million. The group's average cost of goods expense was \$33,557. Retail proprietors reported \$504.0 million as total deductions, or an average claim of \$34,855 for those with allowable business deductions. Based on these averages, the cost of goods sold accounted for 96% of the retailers' business expenses.

While the cost of goods sold registered the largest dollar amount, the most commonly claimed deduction was for taxes, as reported on 54% of proprietorship returns with business deductions. By dollar volume, taxes represented 3.7% of all deductions. Both domestic C and S corporations recorded similar distribution ratios as for proprietors, or 3.8% and 3.7%, respectively.

A small segment of the population, or 5,206 sole proprietors, maintained a staff and reported salaries and wages totaling \$168.4 million. More than half of the employers reported business receipts of \$100,000 or more and these proprietors disbursed \$156.7 million to their employees, which is 93% of the total salaries and wages paid.

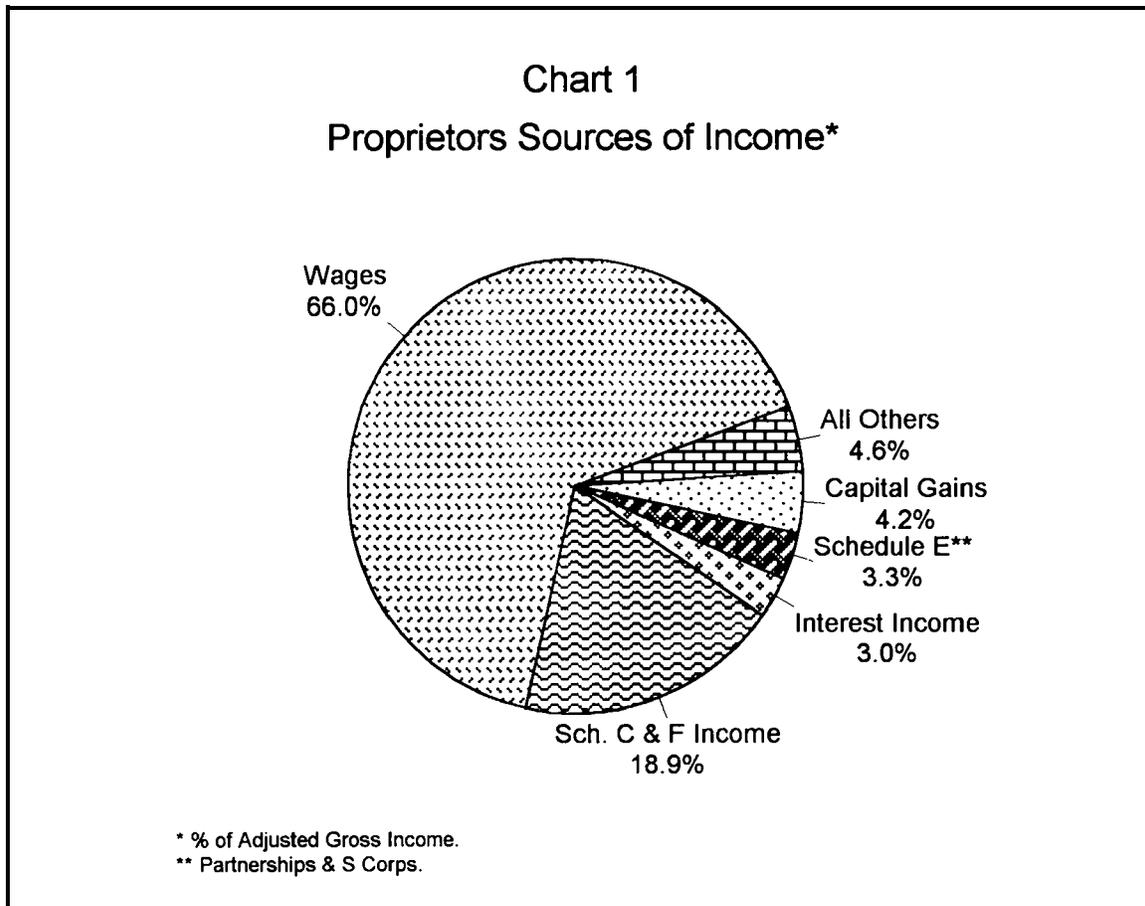
### NET PROFITS AND LOSSES

A total of 55,233 sole proprietors, or 70% of the population, reported \$751.4 million in net profits before net losses. Average net profit before net loss reached \$13,604 in 1994 compared to \$13,260 in 1992. Although the number of entities with net losses increased 17.1% from 19,480 to 22,807, average 1994 loss of \$5,049 was only 3.8% above the recorded \$4,863 for 1992.

### PROPRIETORS' SOURCES OF INCOME

Any profit or loss from a proprietorship is reported as income or loss on the owner's individual income tax return. Proprietors registered \$636.3 million in net income after losses, which was 19% of their total 1994 adjusted gross income (AGI) of \$3,366 million.

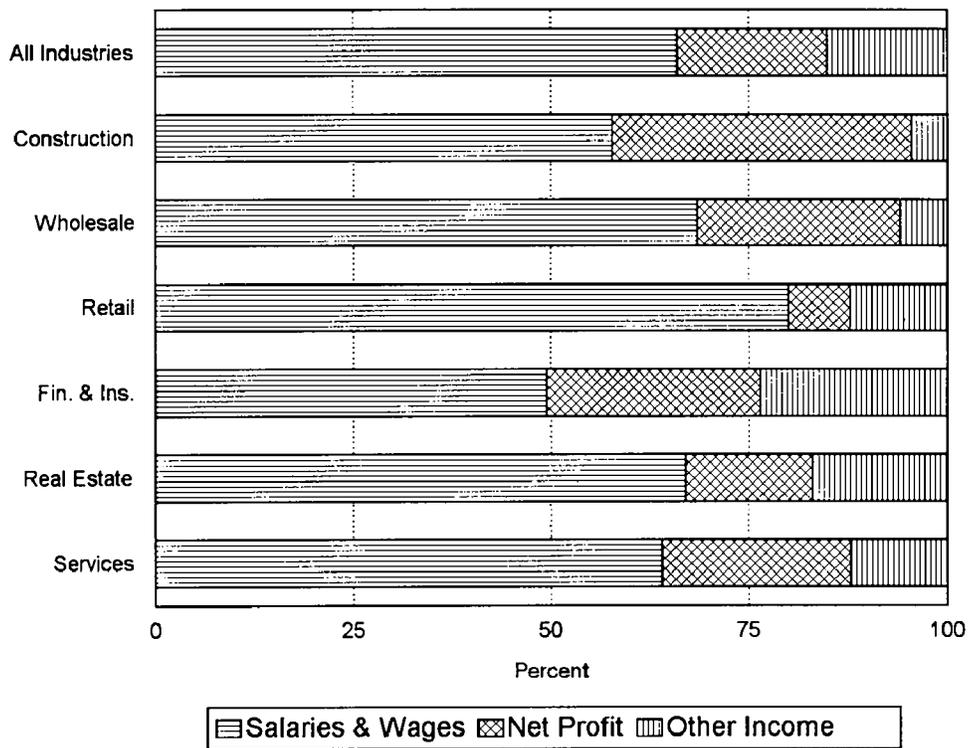
Two-thirds of the proprietors' AGI was from earned salaries and wages totaling \$2,223 million. Proprietorship net income after losses accounted for another 19%, or \$636.3 million. As depicted in Chart 1, other sources of income, including investment gains and interest income accounted for 15% of the proprietors' AGI.



For proprietorships classified in the finance and insurance industry, salaries and wages from employment accounted for 50% of the proprietors' AGI and net profit after losses contributed another 27% to AGI. Net income after deducting losses contributed nearly 38% to the AGI of construction proprietors and wages added another 58%.

Chart 2 shows that business activity accounted for less than one-tenth of the retail proprietors' AGI. About three-fourths of these proprietors were involved in direct selling of products and other miscellaneous retailing, and in many instances supplemented the primary salaries and wages of these proprietors.

Chart 2  
Proprietor's Sources of Income by Selected Industry



% of Adjusted Gross Income

STATISTICAL TABLES

SECTION 3

PROPRIETORSHIP

Proprietorship - 1994

TABLE 1

NUMBER OF PROPRIETORSHIPS BY TAXATION DISTRICT  
AND BY MAJOR INDUSTRY - 1994

INDUSTRY	TAXATION DISTRICT				
	All	First	Second	Third	Fourth
TOTAL	78,676	51,700	9,232	13,043	4,701
Agriculture & Fishing	9,621	2,974	1,478	4,201	968
Construction	4,840	2,420	852	1,045	523
Manufacturing	1,771	1,224	274	200	73
Transportation & Communications	3,429	2,789	254	284	102
Wholesale Trade	2,177	1,557	306	195	119
Retail Trade	14,804	11,214	1,188	1,721	681
Finance & Insurance	2,579	2,219	121	141	98
Real Estate	5,498	4,041	688	633	136
Services	33,766	23,099	4,071	4,597	1,999
Not Stated	191	163	--	26	2

TABLE 2

NUMBER OF PROPRIETORSHIPS BY TAXATION DISTRICT  
AND BY SIZE OF BUSINESS RECEIPTS - 1994

SIZE OF BUSINESS RECEIPTS		TAXATION DISTRICT					
		All	First	Second	Third	Fourth	
TOTAL		78,676	51,700	9,232	13,043	4,701	
No Business Receipts		4,778	3,402	421	616	339	
Under \$ 1,000		12,389	8,517	1,311	1,825	736	
\$	1,000 "	2,500	9,679	5,835	1,363	1,924	557
	2,500 "	5,000	10,529	6,563	1,366	2,041	559
	5,000 "	10,000	10,174	6,286	1,231	2,011	646
	10,000 "	25,000	13,090	8,243	1,695	2,354	798
	25,000 "	50,000	7,516	5,408	663	1,015	430
	50,000 "	75,000	2,662	1,886	321	258	197
	75,000 "	100,000	1,663	1,205	149	199	110
	100,000 "	250,000	3,932	2,859	408	430	235
250,000 and over		2,264	1,496	304	370	94	

TABLE 3

BUSINESS RECEIPTS, OTHER INCOME, NET PROFIT, AND NET LOSS DATA  
 BY SIZE OF BUSINESS RECEIPTS AND BY INDUSTRY - 1994  
 (Amounts in Thousands of Dollars)

SIZE OF BUSINESS RECEIPTS AND INDUSTRY	BUSINESS RECEIPTS		OTHER INCOME		NET PROFIT		NET LOSS	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
TOTAL	78,676	\$2,707,538	5,779	\$34,294	55,233	\$751,410	22,807	\$115,147
SIZE OF BUSINESS RECEIPTS								
No Business Receipts	4,778	--	425	9,222	293	5,032	4,350	26,606
Under \$ 1,000	12,389	6,011	635	552	6,594	2,343	5,699	13,406
\$ 1,000 " 2,500	9,679	16,155	361	611	5,748	6,033	3,856	11,875
2,500 " 5,000	10,529	38,466	579	1,216	7,197	14,615	3,149	12,335
5,000 " 10,000	10,174	73,673	673	10,899	8,142	32,587	2,032	9,453
10,000 " 25,000	13,090	214,145	911	3,035	11,105	91,203	1,918	13,910
25,000 " 50,000	7,516	260,712	782	996	6,556	97,874	884	9,543
50,000 " 75,000	2,662	161,664	68	875	2,499	67,800	163	2,423
75,000 " 100,000	1,663	143,750	264	214	1,572	45,001	91	553
100,000 " 250,000	3,932	593,068	500	2,505	3,463	181,769	465	8,780
250,000 and over	2,264	1,199,894	581	4,169	2,064	207,153	200	6,263
INDUSTRY								
Agriculture & Fishing	8,816	206,845	1,065	13,263	5,605	43,794	3,954	32,492
Construction	4,773	462,753	327	386	4,092	69,800	707	7,763
Manufacturing	1,685	50,724	102	16	1,130	6,964	637	2,891
Transportation & Communications	3,252	96,844	215	2,526	2,719	23,658	633	2,725
Wholesale Trade	2,096	162,629	215	1,883	1,453	31,410	724	3,656
Retail Trade	13,769	542,348	1,510	3,401	8,224	62,949	6,346	21,237
Finance & Insurance	2,506	82,612	119	1,311	2,137	50,322	442	1,415
Real Estate	4,334	137,259	343	3,661	3,329	55,959	2,130	12,252
Services	32,547	964,214	1,883	7,847	26,402	405,590	7,185	30,632
Not Stated	150	1,310	--	--	142	964	49	84

TABLE 4  
 BUSINESS DEDUCTIONS BY SIZE OF BUSINESS RECEIPTS AND BY INDUSTRY- 1994  
 (Amounts in Thousands of Dollars)

SIZE OF BUSINESS RECEIPTS AND INDUSTRY	TOTAL DEDUCTIONS	COST OF GOODS SOLD		DEPRECIATION AND DEPLETION		TAXES		RENT		REPAIRS	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
TOTAL	\$2,105,567	21,439	\$862,507	30,401	\$89,657	42,496	\$78,193	17,796	\$157,732	19,923	\$26,439
SIZE OF BUSINESS RECEIPTS											
No Business Receipts	30,795	286	287	1,307	2,064	1,151	865	428	700	457	461
Under \$ 1,000	17,625	2,557	1,154	2,268	2,785	4,900	399	729	877	1,005	531
\$ 1,000 " 2,500	22,609	2,432	3,059	2,037	3,398	4,497	564	705	366	1,453	731
2,500 " 5,000	37,402	2,217	5,865	2,956	4,051	5,309	1,345	1,133	1,909	2,144	1,230
5,000 " 10,000	61,438	2,199	7,832	3,844	7,836	5,299	1,713	1,858	4,156	2,672	2,337
10,000 " 25,000	139,887	3,000	20,434	5,510	12,059	7,894	4,697	3,619	12,598	4,041	4,787
25,000 " 50,000	173,376	2,706	39,956	4,628	11,741	4,967	6,590	2,736	15,083	2,604	3,156
50,000 " 75,000	97,161	1,058	23,733	1,771	5,500	1,819	3,763	1,311	11,300	1,181	1,774
75,000 " 100,000	99,517	1,034	46,549	1,049	3,701	1,401	4,006	1,103	10,963	775	941
100,000 " 250,000	422,585	2,365	159,850	2,955	17,897	3,322	20,694	2,527	41,234	2,033	4,070
250,000 and over	1,003,172	1,585	553,788	2,076	18,625	1,937	33,557	1,647	58,546	1,558	6,421
INDUSTRY											
Agriculture & Fishing	208,804	1,161	61,224	5,122	16,678	5,467	5,796	2,209	4,858	4,609	7,593
Construction	401,102	2,775	225,601	2,787	13,218	3,111	16,888	1,183	6,802	1,520	3,192
Manufacturing	46,666	1,022	20,565	918	2,517	876	972	413	2,904	464	454
Transp. & Communications	78,436	304	21,160	1,289	4,065	2,087	3,312	1,549	8,861	1,481	3,584
Wholesale Trade	136,757	1,165	104,035	1,068	2,272	1,260	1,183	596	5,796	576	504
Retail Trade	504,039	9,248	310,337	3,588	8,063	8,349	17,091	3,330	57,144	2,617	2,526
Finance & Insurance	35,017	16	315	1,073	2,292	1,160	1,039	404	2,362	321	164
Real Estate	97,211	131	11,839	2,192	5,231	3,153	3,492	798	3,902	999	877
Services	597,103	5,615	107,306	12,356	35,213	17,011	28,416	7,312	65,101	7,308	7,523
Not Stated	431	2	125	8	108	22	4	2	2	28	22

Note: Totals may not add up due to rounding.

Proprietorship - 1994

TABLE 4 (Continued)  
 BUSINESS DEDUCTIONS BY SIZE OF BUSINESS RECEIPTS AND BY INDUSTRY- 1994  
 (Amounts in Thousands of Dollars)

SIZE OF BUSINESS RECEIPTS AND INDUSTRY	SALARIES AND WAGES		INTEREST		ADVERTISING		EMPLOYEE BENEFIT PLANS		BUSINESS USE OF HOME		OTHER EXPENSES	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
TOTAL	5,206	\$168,356	9,293	\$34,827	18,284	\$80,865	3,090	\$21,398	3,517	\$11,794	71,077	\$573,799
SIZE OF BUSINESS RECEIPTS												
No Business Receipts	35	500	308	9,767	647	175	61	65	4	3	4,179	15,908
Under \$ 1,000	106	123	214	384	1,318	286	82	74	120	58	9,614	10,954
\$ 1,000 " 2,500	65	40	331	342	990	594	34	19	121	150	8,051	13,346
2,500 " 5,000	212	409	602	328	1,589	780	70	61	211	522	9,366	20,902
5,000 " 10,000	268	576	970	1,397	2,143	881	27	68	387	497	9,495	34,145
10,000 " 25,000	758	2,381	1,243	2,101	3,305	1,961	164	142	795	2,104	12,510	76,623
25,000 " 50,000	484	3,454	1,669	4,377	2,597	63,833	152	257	753	3,318	7,436	21,611
50,000 " 75,000	123	1,056	612	1,419	1,251	1,573	161	243	314	1,573	2,620	45,227
75,000 " 100,000	322	3,073	322	277	865	1,802	129	241	296	1,158	1,663	26,806
100,000 " 250,000	1,454	40,299	1,758	6,478	2,168	4,688	990	3,930	328	1,609	3,884	121,836
250,000 and over	1,379	116,445	1,264	7,957	1,411	4,292	1,220	16,298	188	802	2,259	186,441
INDUSTRY												
Agriculture & Fishing	1,089	16,409	1,537	15,969	1,088	1,163	290	2,717	86	259	8,990	76,138
Construction	721	30,526	1,067	2,315	1,287	1,356	613	6,853	416	2,473	4,604	91,878
Manufacturing	93	2,778	254	348	708	554	26	20	216	357	1,756	15,197
Transp. & Communications	122	7,078	348	428	776	825	33	220	113	426	3,281	28,477
Wholesale Trade	103	2,056	404	1,040	690	1,067	28	153	224	611	2,054	18,040
Retail Trade	843	22,705	1,188	2,197	3,651	4,889	466	2,188	227	878	13,362	76,021
Finance & Insurance	112	3,099	253	781	692	612	78	294	--	--	2,354	24,059
Real Estate	214	13,640	639	2,014	2,036	2,845	125	1,060	182	840	5,318	51,471
Services	1,909	70,065	3,601	9,716	7,354	67,553	1,431	7,892	2,053	5,950	29,289	192,368
Not Stated	--	--	2	19	2	1	--	--	--	--	69	150

Note: Totals may not add up due to rounding.

TABLE 5  
 NUMBER OF PROPRIETORSHIPS BY RATIOS OF SELECTED BUSINESS DEDUCTIONS  
 TO BUSINESS RECEIPTS AND BY SIZE OF BUSINESS RECEIPTS - 1994

RATIOS OF SELECTED BUSINESS DEDUCTIONS TO BUSINESS RECEIPTS	TOTAL	SIZE OF BUSINESS RECEIPTS									
		Under \$1,000	\$1,000 under \$2,500	\$2,500 under \$5,000	\$5,000 under \$10,000	\$10,000 under \$25,000	\$25,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$250,000	\$250,000 and over
COST OF GOODS SOLD	21,439	2,843	2,432	2,217	2,199	3,000	2,706	1,058	1,034	2,365	1,585
Under 1%	298	196	22	--	1	--	67	--	--	--	12
1% " 10%	1,538	34	99	68	350	334	294	138	36	123	62
10% " 15%	896	83	24	66	26	303	210	29	34	99	22
15% " 25%	1,593	67	141	112	268	276	312	77	34	284	22
25% " 50%	6,386	612	541	405	499	1,054	921	611	346	966	431
50% and over	10,728	1,851	1,605	1,566	1,055	1,033	902	203	584	893	1,036
DEPRECIATION AND DEPLETION	30,401	3,575	2,037	2,956	3,844	5,510	4,628	1,771	1,049	2,955	2,076
Under 1%	3,668	728	33	19	212	329	526	262	201	541	817
1% " 10%	13,950	431	334	864	1,366	2,531	2,987	1,307	746	2,130	1,254
10% " 15%	3,208	188	203	278	561	914	735	110	47	170	2
15% " 25%	2,399	198	185	291	499	820	211	59	46	88	2
25% " 50%	3,163	364	272	775	786	759	140	32	9	25	1
50% and over	4,013	1,666	1,010	729	420	157	29	1	--	1	--
TAXES	42,496	6,051	4,497	5,309	5,299	7,894	4,967	1,819	1,401	3,322	1,937
Under 1%	6,806	795	542	759	1,022	1,188	828	457	313	357	545
1% " 10%	32,510	3,979	3,489	3,946	3,996	6,523	4,016	1,314	1,054	2,875	1,318
10% " 15%	1,049	293	62	177	180	73	96	13	34	47	74
15% " 25%	863	219	216	175	51	103	23	34	--	42	--
25% " 50%	727	418	102	170	24	7	4	1	--	1	--
50% and over	541	347	86	82	26	--	--	--	--	--	--

TABLE 5 (Continued)

NUMBER OF PROPRIETORSHIPS BY RATIOS OF SELECTED BUSINESS DEDUCTIONS  
TO BUSINESS RECEIPTS AND BY SIZE OF BUSINESS RECEIPTS - 1994

RATIOS OF SELECTED BUSINESS DEDUCTIONS TO BUSINESS RECEIPTS	TOTAL	SIZE OF BUSINESS RECEIPTS									
		Under \$1,000	\$1,000 under \$2,500	\$2,500 under \$5,000	\$5,000 under \$10,000	\$10,000 under \$25,000	\$25,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$250,000	\$250,000 and over
RENT	17,796	1,157	705	1,133	1,858	3,619	2,736	1,311	1,103	2,527	1,647
Under 1%	1,696	314	41	40	136	329	177	96	70	285	208
1% " 10%	6,251	102	115	254	598	1,093	822	532	535	1,224	976
10% " 15%	2,322	79	116	233	173	208	470	145	218	405	275
15% " 25%	3,147	76	43	148	234	870	823	305	125	341	182
25% " 50%	2,783	169	167	166	437	854	345	227	150	267	1
50% and over	1,597	417	223	292	280	265	99	6	5	5	5
SALARIES & WAGES	5,206	141	65	212	268	758	484	123	322	1,454	1,379
Under 1%	220	30	--	40	--	42	24	34	--	16	34
1% " 10%	1,834	--	19	41	144	300	187	42	140	481	480
10% " 15%	710	1	--	4	5	50	77	--	108	246	219
15% " 25%	1,135	23	--	--	4	189	56	23	55	466	319
25% " 50%	974	5	44	44	63	139	91	21	19	227	321
50% and over	333	82	2	83	52	38	49	3	--	18	6
INTEREST	9,293	522	331	602	970	1,243	1,669	612	322	1,758	1,264
Under 1%	3,498	219	57	82	151	185	468	166	253	976	941
1% " 10%	3,722	26	45	274	407	703	777	391	67	715	317
10% " 15%	649	82	55	41	149	102	186	4	2	24	4
15% " 25%	634	42	86	115	89	129	134	38	--	1	--
25% " 50%	297	23	27	46	50	41	56	13	--	40	1
50% and over	493	130	61	44	124	83	48	--	--	2	1

TABLE 6

NUMBER OF PROPRIETORSHIPS BY TYPE OF BUSINESS DEDUCTION  
AND BY RATIOS OF BUSINESS DEDUCTIONS TO BUSINESS RECEIPTS FOR SELECTED INDUSTRIES - 1994

TYPE OF BUSINESS DEDUCTION AND SELECTED INDUSTRY	TOTAL	RATIOS OF SELECTED BUSINESS DEDUCTIONS TO BUSINESS RECEIPTS					
		Under 1%	1% under 10%	10% under 15%	15% under 25%	25% under 50%	50% and over
<b>COST OF GOODS SOLD</b>							
Agriculture & Fishing	1,161	91	111	139	72	419	329
Construction	2,775	20	195	153	212	1,246	949
Wholesale Trade	1,165	--	16	--	29	269	851
Retail Trade	9,248	74	215	146	238	1,990	6,585
Services	5,615	102	861	373	960	1,855	1,464
<b>DEPRECIATION &amp; DEPLETION</b>							
Agriculture & Fishing	5,122	363	1,713	593	601	586	1,266
Construction	2,787	395	1,594	263	248	193	94
Wholesale Trade	1,068	222	545	72	46	102	81
Retail Trade	3,588	662	1,831	316	61	295	423
Services	12,356	1,206	5,703	1,382	930	1,414	1,721
<b>TAXES</b>							
Agriculture & Fishing	5,467	1,877	2,729	320	195	177	169
Construction	3,111	384	2,506	129	66	22	4
Wholesale Trade	1,260	598	601	1	--	5	55
Retail Trade	8,349	1,070	6,761	112	214	71	121
Services	17,011	1,579	14,681	185	234	212	120
<b>RENT PAID</b>							
Agriculture & Fishing	2,209	285	897	188	396	253	190
Construction	1,183	235	723	36	47	106	36
Wholesale Trade	596	51	268	38	80	48	111
Retail Trade	3,330	202	873	638	747	697	173
Services	7,312	685	2,321	1,108	1,316	1,238	644

TABLE 7  
 NUMBER OF RETURNS WITH NET PROFIT  
 BY SIZE OF NET PROFIT MARGIN AND BY INDUSTRY - 1994

INDUSTRY	TOTAL	SIZE OF NET PROFIT MARGIN					
		Under 1%	1% under 10%	10% under 15%	15% under 25%	25% under 50%	50% and over
ALL INDUSTRIES	55,233	725	6,460	2,791	6,026	13,146	26,085
Agriculture & Fishing	5,605	91	415	268	703	1,614	2,514
Construction	4,092	101	852	271	549	1,081	1,238
Manufacturing	1,130	1	422	132	134	165	276
Transportation & Communications	2,719	5	498	143	499	814	760
Wholesale Trade	1,453	46	132	261	243	304	467
Retail Trade	8,224	335	1,550	794	1,127	2,069	2,349
Finance & Insurance	2,137	21	334	20	114	521	1,127
Real Estate	3,329	64	235	173	211	971	1,675
Services	26,402	61	2,022	729	2,446	5,607	15,537
Not Stated	142	--	--	--	--	--	142

TABLE 8  
 SELECTED DATA REPORTED BY PROPRIETORS ON THEIR INDIVIDUAL NET INCOME TAX RETURNS  
 BY SIZE OF ADJUSTED GROSS INCOME AND BY INDUSTRY - 1994  
 (Amounts in Thousands of Dollars)

SIZE OF ADJUSTED GROSS INCOME AND INDUSTRY	ADJUSTED GROSS INCOME OR LOSS		SALARIES & WAGES		INTEREST INCOME		RENTS AND ROYALTIES			
	Number	Amount	Number	Amount	Number	Amount	PROFIT		LOSS	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
TOTAL	78,676	\$3,365,538	55,796	\$2,222,595	64,968	\$100,888	8,130	\$71,933	8,635	\$67,792
ADJUSTED GROSS INCOME										
Under \$ 5,000	10,743	(57,052)	2,414	13,871	6,986	7,496	612	1,993	804	7,497
\$ 5,000 " 10,000	6,891	52,264	3,203	19,707	4,648	3,563	328	725	617	4,146
10,000 " 15,000	6,791	86,053	3,907	38,175	5,149	5,805	745	3,089	404	2,102
15,000 " 25,000	10,053	199,817	7,300	125,403	7,943	7,265	1,057	6,342	673	4,892
25,000 " 50,000	21,480	778,490	18,759	598,245	18,626	16,812	2,013	11,220	2,061	16,061
50,000 " 75,000	11,462	695,479	10,513	553,143	10,654	11,242	1,023	7,578	1,745	14,725
75,000 " 150,000	9,162	898,757	8,045	626,759	8,893	15,265	1,745	18,169	2,062	13,662
150,000 " 200,000	799	135,501	663	62,878	783	3,006	225	5,190	47	1,275
200,000 and over	1,295	576,229	992	184,414	1,286	30,434	382	17,627	222	3,432
INDUSTRY										
Agriculture & Fishing	9,621	351,337	5,970	221,726	7,903	16,352	1,284	12,930	733	4,030
Construction	4,840	164,521	3,338	95,119	3,799	4,515	593	3,940	442	2,202
Manufacturing	1,771	54,790	1,096	42,992	1,508	1,587	105	311	298	3,838
Transp. & Communications	3,429	122,491	2,315	78,870	2,306	3,337	242	1,940	313	1,601
Wholesale Trade	2,177	108,417	1,429	74,238	1,871	2,525	57	691	446	4,417
Retail Trade	14,804	534,125	11,305	427,345	12,114	13,362	1,210	7,281	905	4,811
Finance & Insurance	2,579	180,968	1,755	89,506	2,344	5,356	404	7,070	438	3,329
Real Estate	5,498	272,756	3,882	182,966	4,767	12,235	1,081	15,435	1,176	14,087
Services	33,766	1,573,897	24,537	1,008,284	28,287	41,571	3,148	22,182	3,882	29,468
Not Stated	191	2,236	169	1,549	69	48	6	153	2	9

Note: Totals may not add up due to rounding.

TABLE 8 (Continued)

SELECTED DATA REPORTED BY PROPRIETORS ON THEIR INDIVIDUAL NET INCOME TAX RETURNS  
 BY SIZE OF ADJUSTED GROSS INCOME AND BY INDUSTRY - 1994  
 (Amounts in Thousands of Dollars)

SIZE OF ADJUSTED GROSS INCOME AND INDUSTRY	PARTNERSHIPS & S CORPORATIONS				SALE OF CAPITAL ASSETS				STATUTORY ADJUSTMENTS	
	PROFIT		LOSS		PROFIT		LOSS		Number	Amount
	Number	Amount	Number	Amount	Number	Amount	Number	Amount		
TOTAL	4,772	\$154,327	3,004	\$43,420	14,304	\$161,742	7,033	\$19,577	48,881	\$104,835
ADJUSTED GROSS INCOME										
Under \$ 5,000	381	1,511	282	17,229	1,268	4,626	851	5,489	5,161	3,080
\$ 5,000 " 10,000	103	227	142	3,483	534	4,273	364	1,444	5,090	3,102
10,000 " 15,000	204	99	221	2,611	935	1,494	550	998	4,857	4,371
15,000 " 25,000	553	8,814	122	285	1,419	11,562	732	2,294	6,586	10,119
25,000 " 50,000	858	6,361	651	5,453	3,527	9,603	2,016	3,951	12,855	22,386
50,000 " 75,000	666	6,240	617	1,598	2,737	12,065	976	2,032	6,419	17,233
75,000 " 150,000	1,354	29,539	719	5,330	2,765	22,467	1,125	2,019	6,207	24,459
150,000 " 200,000	179	5,910	53	48	372	11,309	111	202	670	7,270
200,000 and over	474	95,626	197	7,383	747	84,343	308	1,148	1,036	12,815
INDUSTRY										
Agriculture & Fishing	615	25,678	115	1,391	1,547	33,263	651	1,554	5,534	7,114
Construction	246	2,920	184	3,640	851	4,400	281	606	3,744	7,651
Manufacturing	117	2,874	92	489	500	2,183	137	150	1,093	1,626
Transp. & Communication	209	4,704	97	934	514	12,541	148	385	2,404	3,002
Wholesale Trade	158	3,728	179	1,617	543	4,022	284	795	1,373	4,569
Retail Trade	489	13,959	441	2,525	2,172	10,224	1,324	3,992	7,099	9,687
Finance & Insurance	424	14,515	162	1,320	796	9,836	452	993	1,561	4,937
Real Estate	605	14,835	376	5,448	1,424	13,728	875	2,259	3,547	11,916
Services	1,903	70,622	1,358	26,056	5,957	71,545	2,875	8,838	22,384	54,025
Not Stated	6	492	--	--	--	--	6	5	142	308

Note: Totals may not add up due to rounding.

TABLE 8 (Continued)  
 SELECTED DATA REPORTED BY PROPRIETORS ON THEIR INDIVIDUAL NET INCOME TAX RETURNS  
 BY SIZE OF ADJUSTED GROSS INCOME AND BY INDUSTRY - 1994  
 (Amounts in Thousands of Dollars)

SIZE OF ADJUSTED GROSS INCOME AND INDUSTRY	ITEMIZED DEDUCTIONS						TAXABLE INCOME		TAX LIABILITY BEFORE CREDITS	
	CONTRIBUTIONS		INTEREST		TAXES		Number	Amount	Number	Amount
	Number	Amount	Number	Amount	Number	Amount				
TOTAL	47,291	\$86,741	38,010	\$405,170	54,959	\$273,334	67,329	\$2,437,131	67,329	\$198,983
ADJUSTED GROSS INCOME										
Under \$ 5,000	1,265	1,045	2,009	14,834	2,573	3,321	2,628	2,652	2,628	62
\$ 5,000 "	1,652	871	1,363	7,499	1,815	1,620	5,488	20,503	5,488	846
10,000 "	2,912	4,003	1,883	10,745	3,334	4,885	5,891	44,607	5,891	2,375
15,000 "	4,509	5,447	3,491	29,352	6,106	12,028	9,440	121,889	9,440	7,690
25,000 "	16,289	20,464	11,506	106,505	18,802	54,685	21,200	512,163	21,200	37,044
50,000 "	10,071	15,181	8,263	89,902	11,141	54,226	11,462	488,861	11,462	38,929
75,000 "	8,583	16,147	7,698	99,807	9,100	76,251	9,128	667,740	9,128	58,300
150,000 "	773	2,693	713	13,114	799	12,345	799	103,873	799	9,423
200,000 and over	1,237	20,890	1,084	33,412	1,289	53,973	1,293	474,843	1,293	44,314
INDUSTRY										
Agriculture & Fishing	5,139	12,902	3,803	33,500	6,006	26,393	7,863	255,366	7,863	20,487
Construction	2,765	4,609	2,413	23,013	3,165	11,348	4,161	113,910	4,161	8,725
Manufacturing	890	869	790	7,278	1,033	4,754	1,423	38,754	1,423	2,983
Transp. & Communication	1,629	2,109	1,302	11,166	2,037	8,405	2,829	90,676	2,829	7,078
Wholesale Trade	1,351	1,755	1,226	12,400	1,663	10,173	1,825	80,612	1,825	6,793
Retail Trade	8,590	11,505	6,900	71,944	10,400	41,716	12,546	373,931	12,546	29,468
Finance & Insurance	1,966	5,691	1,613	19,908	2,032	16,148	2,327	133,300	2,327	11,497
Real Estate	3,952	7,416	3,567	49,903	4,330	27,225	4,639	194,144	4,639	16,109
Services	20,962	39,826	16,347	175,838	24,244	126,861	29,568	1,154,694	29,568	95,713
Not Stated	47	59	49	220	49	311	148	1,744	148	130

Note: Totals may not add up due to rounding.

Section 4

HAWAII INCOME PATTERNS

PARTNERSHIP

## **Section 4**

### **HAWAII INCOME PATTERNS**

#### **PARTNERSHIP**

Summarized in this section are the income and expense data from partnership returns with accounting periods that ended in 1995.

A partnership is an unincorporated relationship between two or more entities or individuals who enter into an agreement to carry on a trade or business. The partners, who may be individuals, estates, trusts, other partnerships, or corporations, report their share of partnership income on their respective income tax returns. A partnership that engages in a trade or business in Hawaii or has income from sources in the state must file an annual Hawaii partnership information return, regardless if there is a Hawaii resident in the alliance. A return must also be filed if the partnership has a Hawaii resident as a member but does not derive any income within the state.

Beginning in 1994, partnerships with business activities in Hawaii and outside of the state may use an apportionment formula to allocate business income attributable to Hawaii. Ordinary income from the partnership's trade or business in Hawaii is based on the average Hawaii to worldwide share of three factors--property, payroll and sales. These partnerships are classified as "foreign" entities, and "domestic" partnerships refer to all others not apportioning income.

#### **SUMMARY**

Reporting partnerships dipped from 5,855 in 1992 to 5,474 in 1995. As previously mentioned, 1992 data for Kauai district were not collected due to the ravages of Hurricane Iniki. Although Kauai's number of tax year 1992 returns processed was tabulated, other detailed information like sources of income and expenses and number of partnerships with net profit or loss could not be determined. Like the data in all other types of businesses included in this report, the comparison is between the 1995 data for all partnerships and the 1992 survey which does not include statistics for Kauai.

Of the four types of business organizations included in this report, partnerships are the only entities showing a decline in the number of active businesses. Business receipts advanced 8% to \$5,729 million and although the number of returns with ordinary income dipped nearly 5% and the number with net losses increased 4.1% to 2,346, net profits advanced a healthy 11.6% to \$1,187 million.

Partnership - 1995

TABLE A			
Selected Data From Partnership Returns, 1995 and 1992 (In Thousands of Dollars)			
Selected Items	1995	1992	% Change
Number of Partnerships	5,474	5,855*	-6.5%
Business Receipts	\$5,728,961	\$5,305,432	8.0%
No. with Ordinary Income	3,128	3,279	-4.6%
No. without Ordinary Income	2,346	2,252	4.1%
Ordinary Income (Net Profit)	\$1,187,074	\$1,063,772	11.6%
Ordinary Loss (Net Loss)	\$799,722	\$1,148,154	-0.3%

\* Kauai County included here but excluded from all other numbers and dollar amounts for 1992.

Data from both domestic and foreign partnerships are included in Table A. This is the initial report year that partnership data are categorized as “domestic” or “foreign”. Although partnerships that apportion income, thus the “foreign” designation, account for only 3% of the total partnership population, almost 15% of the reported business receipts of \$5,729 million is attributable to foreign partnerships.

### ANALYSIS OF DATA

#### TAXATION DISTRICTS

Unlike other business types such as proprietorships, S corporations and C corporations, the number of partnerships dipped 6.5% from 5,855 in 1992 to 5,474 in 1995. Active partnerships dropped in each tax district. On Oahu, the number slipped from 4,243 to 4,013; Maui district’s count shrank from 632 to 543; Hawaii district’s count dropped by 13 to 643; and Kauai reported fewer partnerships, slipping from 324 to 275.

#### DOMESTIC PARTNERSHIPS

Domestic partnerships accounted for 97%, or 5,308 of the 5,474 partnership returns filed. Compiled business receipts totaled \$5,729 million, and partnerships not apportioning income accounted for 85% of compiled business for a total of \$4,886 million. Nearly 57%

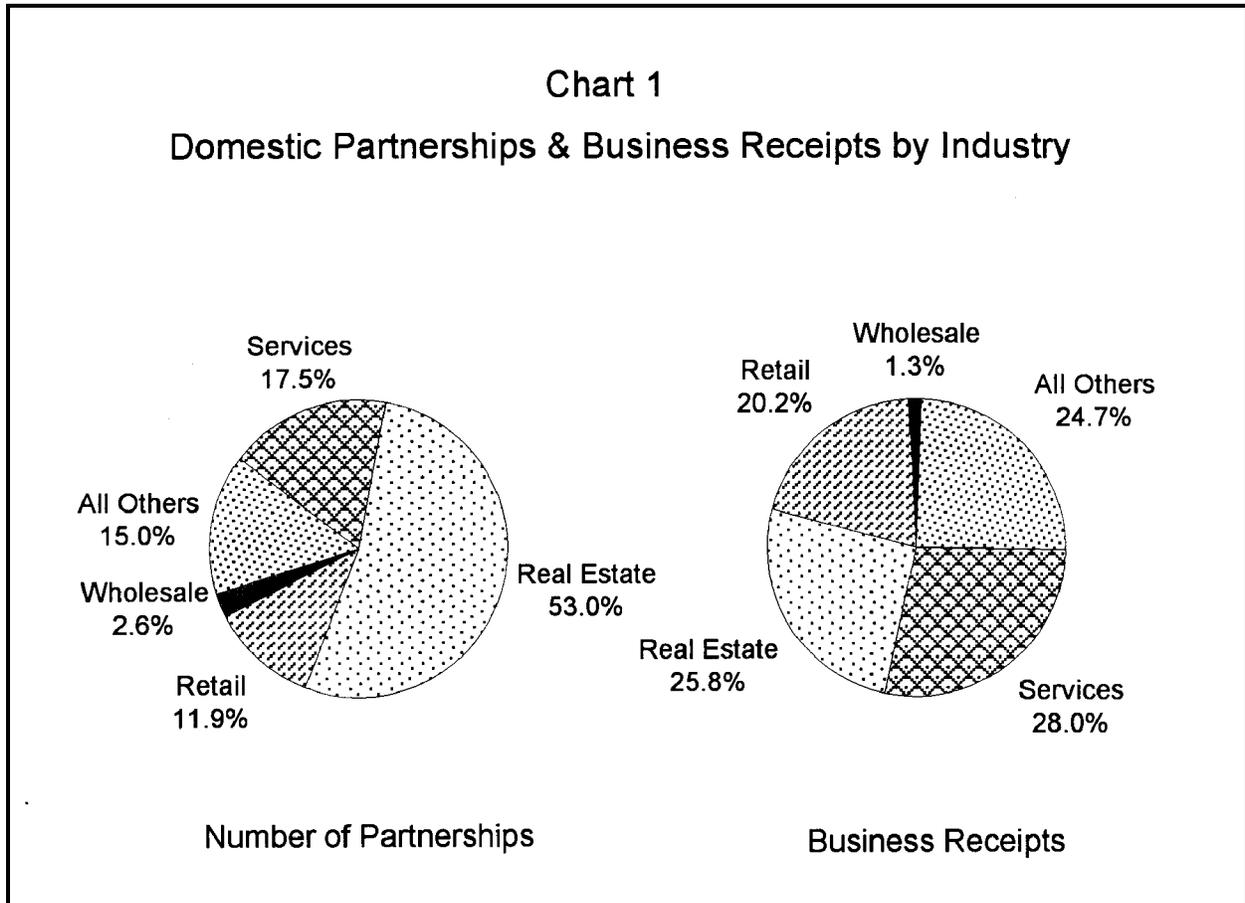
Partnership - 1995

of the reporting partnerships recorded net profits totaling \$973 million and the remaining 43% reported losses of \$765 million, resulting in net profits reaching \$208 million.

About 80%, or 4,242, of all domestic partnerships reported business receipts under \$250,000. The other 20% of the active partnerships with business receipts of \$250,000 or more had compiled receipts of \$4,706 million. Thus, one-fifth of the partnerships accounted for 96% of the recorded \$4,886 million in primary business receipts.

Size of Business Receipts	No. of Returns	Business Receipts	Net Profit	Net Loss
TOTAL	5,308	\$4,886.0	\$973.0	\$765.0
Under \$ 25,000	1,363	13.5	7.8	16.0
\$ 25,000 " 50,000	514	18.9	7.3	11.2
50,000 " 100,000	526	37.2	14.1	16.4
100,000 " 250,000	690	110.0	33.2	8.0
250,000 and over	1,066	4,706.4	780.8	502.7
No Receipts Reported	1,149	--	129.8	210.7

As Chart 1 shows, real estate partnerships were the most numerous, accounting for 53% of the partnership population. However, in terms of business receipts, real estate partnerships contributed 26% of the total. Service providers numbered 931 and represented nearly 18% of the population but contributed 28% of the business receipts. Real estate, services and retail trade each accounted for at least 20% of total primary business receipts. Collectively, \$3,658 million of primary business receipts were attributable to these partnerships.



Domestic partnerships reported net profits before losses of \$973 million. Organizations whose business receipts totaled \$250,000 or more accounted for 80% of the total, or \$780.8 million. Real estate accounted for almost 40% of profits, and the service and retail industries' distributive shares were 28.1% and 14.1%, respectively.

### FOREIGN PARTNERSHIPS

Starting in 1994, a partnership with business activity within and without Hawaii must apportion income attributable to Hawaii and everywhere. The apportionment formula is based on the average Hawaii to worldwide share of three factors, namely, property, payroll and sales. Partnerships apportioning income are classified as "foreign" partnerships.

Partnership - 1995

In this initial report year with compiled data on these entities, 166 partnerships allocated income to each partner based on the apportionment factors. Although representing only 3% of the total partnership returns processed, these taxpayers amassed \$843.2 million in Hawaii sales, or nearly 15% of the total \$5,729 million in combined business receipts.

TABLE C				
Distribution of Foreign and Domestic Partnerships by Size of Business Receipts				
Size of Business Receipts	Foreign Partnerships		Domestic Partnerships	
	No. of Returns	% Distribution	No. of Returns	% Distribution
TOTAL	166	100.0%	5,308	100.0%
Under \$ 25,000	29	17.5%	1,363	25.7%
\$ 25,000 " 50,000	4	2.4%	514	9.7%
50,000 " 100,000	10	6.0%	526	9.9%
100,000 " 250,000	21	12.7%	690	13.0%
250,000 and over	92	55.4%	1,066	20.1%
No Receipts Reported	10	6.0%	1,149	21.6%

Contrasted with one-fifth of domestic partnerships reporting business receipts of \$250,000 or more, more than half of the small population of foreign partnerships reported primary receipts in the same range. Business receipts attributed to these 92 entities totaled \$838.6 million, which is almost 100% of the group's \$843.2 million total. In comparison, domestic partnerships in the same range accounted for 96.3%, or \$4,706 million of the \$4,886 million domestic amount.

The most numerous returns filed were classified as services, which numbered 58 for a 35% share of the total population of 166 partnerships. Another 16% reported

## Partnership - 1995

transportation and communication services as their primary Hawaii industrial activity. The third largest group was real estate activity, with 25 reporting units. It is this latter group that reported business receipts of \$245.7 million, which is 29% of the foreign business receipts total of \$843.2 million. Organizations involved in transportation and communication services reported sales of \$221.9 million for a 26.3% share of the total.

Two-thirds of the foreign returns showed net profits totaling \$214 million. Profitable partnerships providing transportation and communication services numbered only 12, or 10% of the foreign units, but accounted for 42%, or \$90.3 million of primary receipts. Service partnerships reported \$51.7 million in net profits followed by the finance and insurance industry with \$42.8 million. Together these three industries accounted for 86% of the net profits for partnerships apportioning their Hawaii income.



STATISTICAL TABLES

SECTION 4

PARTNERSHIP

TABLE 1

DISTRIBUTION OF DOMESTIC PARTNERSHIP RETURNS  
BY TAXATION DISTRICT AND BY INDUSTRY - 1995

INDUSTRY	TAXATION DISTRICT				
	All	First	Second	Third	Fourth
TOTAL	5,308	3,857	541	636	274
Agriculture & Fishing	229	92	39	85	13
Construction	116	60	10	26	20
Manufacturing	96	60	9	21	6
Transportation & Communications	81	55	10	5	11
Wholesale Trade	139	105	5	21	8
Retail Trade	634	448	75	57	54
Finance & Insurance	271	229	16	22	4
Real Estate	2,811	2,115	299	289	108
Services	931	693	78	110	50

TABLE 2

DISTRIBUTION OF DOMESTIC PARTNERSHIP RETURNS  
BY TAXATION DISTRICT AND BY SIZE OF BUSINESS RECEIPTS - 1995

INDUSTRY	TAXATION DISTRICT				
	All	First	Second	Third	Fourth
TOTAL	5,308	3,857	541	636	274
No Receipts Reported	1,149	870	100	139	40
Under \$ 10,000	763	514	91	114	44
\$ 10,000 " 25,000	600	419	68	77	36
25,000 " 50,000	514	346	62	72	34
50,000 " 100,000	526	380	48	66	32
100,000 " 250,000	690	504	67	82	37
250,000 and over	1,066	824	105	86	51

Partnership - 1995

TABLE 3  
 NUMBER OF DOMESTIC PARTNERSHIPS, BUSINESS RECEIPTS AND ORDINARY INCOME OR LOSS  
 BY INDUSTRY AND BY SIZE OF BUSINESS RECEIPTS - 1995  
 (Amounts in Thousands of Dollars)

INDUSTRY AND SIZE OF BUSINESS RECEIPTS	Number of		BUSINESS RECEIPTS		ORDINARY INCOME (NET PROFIT)		ORDINARY LOSS (NET LOSS)	
	Partnerships	Partners	Number	Amount	Number	Amount	Number	Amount
ALL INDUSTRIES -- TOTAL	5,308	147,088	5,308	\$4,885,961	3,017	\$973,032	2,291	\$765,051
No Receipts Reported	1,149	53,063	1,149	--	457	129,807	692	210,732
Under \$ 10,000	763	2,628	763	3,407	285	2,273	478	12,387
\$ 10,000 " 25,000	600	2,987	600	10,049	324	5,523	276	3,627
25,000 " 50,000	514	2,131	514	18,862	324	7,319	190	11,187
50,000 " 100,000	526	26,106	526	37,187	378	14,106	148	16,402
100,000 " 250,000	690	3,095	690	109,973	504	33,225	186	7,977
250,000 and over	1,066	57,078	1,066	4,706,483	745	780,779	321	502,739
AGRICULTURE & FISHING	229	14,470	229	\$49,808	96	\$6,132	133	\$6,144
No Receipts Reported	36	257	36	--	1	2	35	703
Under \$ 10,000	59	172	59	231	11	16	48	444
\$ 10,000 " 25,000	34	132	34	593	18	112	16	166
25,000 " 50,000	27	88	27	906	18	249	9	226
50,000 " 100,000	20	47	20	1,269	14	302	6	1,330
100,000 " 250,000	25	157	25	4,172	15	2,265	10	482
250,000 and over	28	13,617	28	42,637	19	3,186	9	2,793
CONSTRUCTION	116	294	116	\$195,908	75	\$14,906	41	\$14,073
No Receipts Reported	15	44	15	--	3	2,503	12	405
Under \$ 10,000	8	47	8	46	3	9	5	525
\$ 10,000 " 25,000	7	16	7	124	5	20	2	13
25,000 " 50,000	9	18	9	323	8	79	1	9
50,000 " 100,000	12	26	12	877	10	203	2	20
100,000 " 250,000	24	52	24	3,806	16	687	8	82
250,000 and over	41	91	41	190,732	30	11,405	11	13,019
MANUFACTURING	96	267	96	\$560,086	53	\$58,723	43	\$948
No Receipts Reported	3	11	3	--	--	--	3	28
Under \$ 10,000	38	86	38	157	14	26	24	79
\$ 10,000 " 25,000	8	54	8	132	5	40	3	149
25,000 " 50,000	6	16	6	234	5	46	1	1
50,000 " 100,000	11	23	11	862	9	121	2	3
100,000 " 250,000	16	36	16	2,486	11	337	5	300
250,000 and over	14	41	14	556,215	9	58,153	5	388

Note: Totals may not add up due to rounding.

Partnership - 1995

TABLE 3 (Continued)

NUMBER OF DOMESTIC PARTNERSHIPS, BUSINESS RECEIPTS AND ORDINARY INCOME OR LOSS  
BY INDUSTRY AND BY SIZE OF BUSINESS RECEIPTS - 1995  
(Amounts in Thousands of Dollars)

INDUSTRY AND SIZE OF BUSINESS RECEIPTS	Number of		BUSINESS RECEIPTS		ORDINARY INCOME (NET PROFIT)		ORDINARY LOSS (NET LOSS)	
	Partnerships	Partners	Number	Amount	Number	Amount	Number	Amount
TRANSP. & COMMUNICATIONS	81	9,032	81	\$347,834	38	\$55,850	43	\$66,623
No Receipts Reported	16	58	16	--	4	295	12	23,654
Under \$ 10,000	13	39	13	38	7	86	6	65
\$ 10,000 " 25,000	4	10	4	84	2	19	2	11
25,000 " 50,000	5	10	5	161	1	3	4	13
50,000 " 100,000	9	107	9	566	5	73	4	717
100,000 " 250,000	6	17	6	977	5	194	1	42
250,000 and over	28	8,791	28	346,008	14	55,180	14	42,121
WHOLESALE TRADE	139	321	139	\$63,279	75	\$6,611	64	\$749
No Receipts Reported	9	30	9	--	2	46	7	86
Under \$ 10,000	48	101	48	169	17	50	31	103
\$ 10,000 " 25,000	12	27	12	212	7	47	5	9
25,000 " 50,000	17	38	17	574	11	93	6	134
50,000 " 100,000	13	28	13	978	8	228	5	68
100,000 " 250,000	17	39	17	2,701	11	254	6	133
250,000 and over	23	58	23	58,645	19	5,893	4	216
RETAIL TRADE	634	1,948	634	\$998,206	349	\$137,255	285	\$10,464
No Receipts Reported	22	89	22	--	7	1,168	15	2,229
Under \$ 10,000	121	285	121	375	38	55	83	268
\$ 10,000 " 25,000	43	97	43	715	21	103	22	203
25,000 " 50,000	51	115	51	1,963	23	163	28	341
50,000 " 100,000	74	165	74	5,397	45	652	29	434
100,000 " 250,000	133	312	133	21,481	82	1,956	51	1,083
250,000 and over	190	885	190	968,275	133	133,158	57	5,906

Note: Totals may not add up due to rounding.

Partnership - 1995

TABLE 3 (Continued)

NUMBER OF DOMESTIC PARTNERSHIPS, BUSINESS RECEIPTS AND ORDINARY INCOME OR LOSS  
BY INDUSTRY AND BY SIZE OF BUSINESS RECEIPTS - 1995  
(Amounts in Thousands of Dollars)

INDUSTRY AND SIZE OF BUSINESS RECEIPTS	Number of		BUSINESS RECEIPTS		ORDINARY INCOME (NET PROFIT)		ORDINARY LOSS (NET LOSS)	
	Partnerships	Partners	Number	Amount	Number	Amount	Number	Amount
FINANCE & INSURANCE	271	4,129	271	\$10,557	178	\$33,437	93	\$30,362
No Receipts Reported	241	3,945	241	--	156	28,497	85	30,277
Under \$ 10,000	10	47	10	35	5	45	5	50
\$ 10,000 " 25,000	2	12	2	30	1	16	1	18
25,000 " 50,000	6	24	6	218	4	115	2	17
50,000 " 100,000	3	25	3	249	3	1,044	--	--
100,000 " 250,000	3	16	3	515	3	395	--	--
250,000 and over	6	60	6	9,510	6	3,325	--	--
REAL ESTATE	2,811	42,075	2,811	\$1,276,301	1,559	\$386,336	1,252	\$444,104
No Receipts Reported	728	9,921	728	--	254	81,305	474	147,618
Under \$ 10,000	311	1,471	311	1,745	133	1,854	178	3,517
\$ 10,000 " 25,000	392	1,984	392	6,674	208	4,761	184	2,709
25,000 " 50,000	299	1,586	299	11,016	198	5,875	101	8,637
50,000 " 100,000	290	21,575	290	20,373	215	9,660	75	4,591
100,000 " 250,000	336	1,889	336	52,521	258	21,988	78	5,105
250,000 and over	455	3,649	455	1,183,972	293	260,893	162	271,927
SERVICES	931	74,552	931	\$1,383,982	594	\$273,782	337	\$191,584
No Receipts Reported	79	38,708	79	--	30	15,991	49	5,732
Under \$ 10,000	155	380	155	611	57	132	98	7,336
\$ 10,000 " 25,000	98	655	98	1,485	57	405	41	349
25,000 " 50,000	94	236	94	3,467	56	696	38	1,809
50,000 " 100,000	94	4,110	94	6,616	69	1,823	25	9,239
100,000 " 250,000	130	577	130	21,314	103	5,149	27	750
250,000 and over	281	29,886	281	1,350,489	222	249,586	59	166,369

Note: Totals may not add up due to rounding.

Partnership - 1995

TABLE 4  
 SOURCES OF INCOME FOR DOMESTIC PARTNERSHIPS BY INDUSTRY - 1995  
 (Amounts in Thousands of Dollars)

INDUSTRY	TOTAL RECEIPTS	BUSINESS RECEIPTS		INTEREST		GROSS RENTS		OTHER INCOME	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
ALL PARTNERSHIPS--TOTAL	\$5,236,088	4,159	\$4,885,961	2,318	\$82,068	98	\$58,683	1,594	\$209,376
Agriculture	52,708	193	49,808	64	2,223	5	88	41	589
Construction	199,141	101	195,908	41	806	--	--	27	2,427
Manufacturing	576,071	93	560,086	25	41	--	--	19	15,944
Transportation & Communications	367,163	65	347,834	30	1,461	--	--	37	17,868
Wholesale Trade	64,181	130	63,279	29	126	3	26	30	750
Retail Trade	1,004,439	612	998,206	126	740	10	201	169	5,292
Finance & Insurance	12,497	30	10,557	170	12,548	--	--	211	(10,608)
Real Estate	1,416,870	2,083	1,276,301	1,531	58,181	43	40,438	794	41,950
Services	1,543,018	852	1,383,982	302	5,942	37	17,930	266	135,164
PARTNERSHIPS WITH NET PROFIT -- TOTAL	\$4,123,931	2,560	\$3,705,752	1,469	\$60,570	57	\$44,819	992	\$312,790
Agriculture	33,095	95	30,760	28	1,945	2	15	15	375
Construction	147,374	72	143,423	26	496	--	--	16	3,455
Manufacturing	562,811	53	555,645	15	7	--	--	13	7,159
Transportation & Communications	250,765	34	208,526	15	470	--	--	18	41,769
Wholesale Trade	60,148	73	59,261	23	122	3	26	22	739
Retail Trade	926,893	342	917,982	81	550	6	120	104	8,241
Finance & Insurance	41,585	22	10,450	124	12,162	--	--	147	18,973
Real Estate	1,030,739	1,305	835,848	932	40,271	25	32,249	470	122,371
Services	1,070,521	564	943,857	225	4,547	21	12,409	187	109,708

Note: Totals may not add up due to rounding.

TABLE 5  
 BUSINESS EXPENSES AND DEDUCTIONS FOR DOMESTIC PARTNERSHIPS BY INDUSTRY - 1995  
 (Amounts in Thousands of Dollars)

INDUSTRY	TOTAL DEDUCTIONS	COST OF GOODS SOLD		SALARIES AND WAGES		PAYMENTS TO PARTNERS		RENT EXPENSE	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
ALL PARTNERSHIPS--TOTAL	\$5,028,110	1,342	\$1,675,202	931	\$567,639	473	\$31,272	1,283	\$125,232
Agriculture	52,720	33	11,150	69	6,342	26	1,204	30	835
Construction	198,308	87	184,428	25	2,258	32	1,518	43	460
Manufacturing	518,295	79	49,736	18	91,969	17	523	55	1,852
Transportation & Communications	377,936	27	195,490	31	22,701	8	406	50	4,180
Wholesale Trade	58,320	114	46,332	16	3,774	19	492	59	1,760
Retail Trade	877,648	587	557,287	256	103,530	117	2,743	474	50,288
Finance & Insurance	9,423	4	415	6	769	7	81	12	153
Real Estate	1,474,639	111	414,807	182	38,885	55	5,612	55	2,430
Services	1,460,821	300	215,557	328	297,411	192	18,693	505	63,274
PARTNERSHIPS WITH NET PROFIT--TOTAL	\$3,150,901	759	\$1,204,262	585	\$412,365	279	\$21,438	777	\$95,878
Agriculture	26,964	20	8,594	34	2,925	11	569	15	410
Construction	132,467	62	125,572	15	1,057	18	676	29	249
Manufacturing	504,088	45	46,169	11	86,685	9	236	33	1,614
Transportation & Communications	194,916	11	127,263	17	16,165	4	150	23	1,969
Wholesale Trade	53,537	59	43,563	10	3,324	10	380	30	1,407
Retail Trade	789,639	331	519,520	147	88,891	58	1,490	271	41,369
Finance & Insurance	8,148	4	415	5	594	5	63	11	125
Real Estate	644,401	46	223,486	104	16,321	36	2,168	18	1,002
Services	796,741	181	109,680	242	196,403	128	15,706	347	47,733

Note: Totals may not add up due to rounding.

TABLE 5 (Continued)

BUSINESS EXPENSES AND DEDUCTIONS FOR DOMESTIC PARTNERSHIPS BY INDUSTRY - 1995  
(Amounts in Thousands of Dollars)

INDUSTRY	INTEREST EXPENSE		TAXES		DEPRECIATION AND DEPLETION		OTHER DEDUCTIONS	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
ALL PARTNERSHIPS--TOTAL	2,021	\$557,395	3,916	\$219,639	3,128	\$367,438	4,954	\$1,484,293
Agriculture	81	2,516	168	1,340	157	1,770	222	27,563
Construction	42	1,629	83	784	68	638	102	6,593
Manufacturing	25	30,994	80	21,317	58	12,642	93	309,262
Transportation & Communications	37	38,655	57	3,321	59	53,137	80	60,046
Wholesale Trade	38	163	113	773	73	415	135	4,611
Retail Trade	214	4,628	565	18,566	425	10,903	617	129,703
Finance & Insurance	16	612	47	284	19	1,510	204	5,599
Real Estate	1,224	351,787	2,063	76,786	1,696	151,200	2,605	433,132
Services	344	126,411	740	96,468	573	135,223	896	507,784
PARTNERSHIPS WITH NET PROFIT--TOTAL	1,047	\$150,829	2,317	\$157,180	1,800	\$161,414	2,786	\$947,535
Agriculture	36	542	80	763	65	568	94	12,593
Construction	25	107	55	549	47	416	66	3,841
Manufacturing	15	30,296	46	20,778	29	12,446	51	305,864
Transportation & Communications	19	2,175	29	2,285	27	8,267	38	36,642
Wholesale Trade	22	120	64	669	39	332	74	3,742
Retail Trade	115	3,739	318	14,015	222	8,795	339	111,820
Finance & Insurance	10	565	34	269	14	1,491	126	4,626
Real Estate	579	84,172	1,193	47,141	998	65,882	1,426	204,229
Services	226	29,113	498	70,711	359	63,217	572	264,178

Note: Totals may not add up due to rounding.

TABLE 6  
 DISTRIBUTION OF DOMESTIC PARTNERSHIP RETURNS BY SIZE OF BUSINESS RECEIPTS  
 AND BY SIZE OF NET PROFIT - 1995

SIZE OF NET PROFIT			ALL RETURNS	NO BUSINESS RECEIPTS	SIZE OF BUSINESS RECEIPTS					
					Under \$10,000	\$10,000 under \$25,000	\$25,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$250,000	\$250,000 and over
TOTAL			5,308	1,149	763	600	514	526	690	1,066
Under \$	1,000		292	107	104	28	18	16	11	8
\$ 1,000	"	5,000	434	91	127	90	45	41	21	19
5,000	"	10,000	322	44	30	96	53	38	39	22
10,000	"	25,000	488	55	6	95	132	75	78	47
25,000	"	50,000	458	34	8	5	63	128	126	94
50,000	"	75,000	227	17	1	1	5	55	84	64
75,000	"	100,000	147	16	1	--	2	14	62	52
100,000 and over			649	93	8	9	6	11	83	439
No Net Profit			2,291	692	478	276	190	148	186	321

Partnership - 1995

TABLE 7  
 NUMBER OF DOMESTIC PARTNERSHIPS, PARTNERS, AND BALANCE SHEET DATA  
 BY INDUSTRY AND SIZE OF TOTAL ASSETS - 1995  
 (Amounts in Thousands of Dollars)

CATEGORY	NUMBER OF		TOTAL ASSETS		NET PARTNERS' CAPITAL		WITHDRAWALS AND DISTRIBUTIONS	
	Partnerships	Partners	Number	Amount	Number	Amount	Number	Amount
INDUSTRY GROUP -- TOTAL	5,308	147,088	3,600	\$14,983,273	3,173	\$4,166,267	1,879	\$1,819,726
Agriculture	229	14,470	127	139,875	112	100,570	59	1,567
Construction	116	294	74	127,534	69	3,527	46	14,225
Manufacturing	96	267	49	974,853	42	510,212	27	113,662
Transportation & Communications	81	9,032	52	427,126	47	(45,625)	30	74,812
Wholesale Trade	139	321	77	24,241	64	15,618	43	9,548
Retail Trade	634	1,948	360	726,695	312	535,605	215	173,908
Finance & Insurance	271	4,129	160	625,030	133	557,514	74	142,131
Real Estate	2,811	42,075	2,121	9,185,160	1,888	2,013,197	1,007	945,422
Services	931	74,552	580	2,752,759	506	475,649	378	344,451
SIZE OF ASSETS -- TOTAL	5,308	147,088	5,308	\$14,983,273	3,173	\$4,166,267	1,879	\$1,819,726
Assets Not Reported	1,708	75,533	1,708	--	14	(70,195)	163	250,241
Under \$ 10,000	353	1,032	353	1,358	288	(23,649)	146	8,805
\$ 10,000 "	301	1,379	301	4,969	253	855	123	8,951
25,000 "	323	1,390	323	11,676	278	4,892	143	8,464
50,000 "	385	2,112	385	27,954	334	5,566	210	22,095
100,000 "	552	4,322	552	91,521	479	(78,531)	274	33,810
250,000 "	421	3,873	421	150,825	362	58,948	197	38,596
500,000 "	386	22,979	386	276,438	350	92,098	204	68,625
1,000,000 "	566	7,730	566	1,237,273	512	415,971	268	138,297
5,000,000 and over	313	26,738	313	13,181,259	303	3,760,312	151	1,241,842

Note: Totals may not add up due to rounding.

Partnership - 1995

TABLE 8  
 BUSINESS RECEIPTS, NET INCOME OR LOSS, SALARIES & WAGES  
 AND PAYMENTS TO PARTNERS BY NUMBER OF PARTNERS - 1995\*  
 (Amounts in Thousands of Dollars)

NUMBER OF PARTNERS	NUMBER OF		BUSINESS RECEIPTS		NET PROFIT		NET LOSS		SALARIES AND WAGES		PAYMENTS TO PARTNERS	
	Returns	Partners	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
TOTAL	5,308	147,088	4,159	\$4,885,961	3,017	\$973,032	2,291	\$765,051	931	\$567,639	473	\$31,272
Two	2,370	4,740	2,045	2,366,196	1,320	342,664	1,050	310,937	514	270,295	254	9,167
Three	852	2,556	699	548,550	469	175,433	383	118,928	139	45,952	88	5,669
Four	540	2,160	442	267,796	314	42,110	226	124,062	62	28,066	28	1,280
Five	327	1,635	241	210,691	196	23,410	131	36,240	39	13,528	18	2,804
Six	223	1,338	170	65,464	148	36,558	75	16,411	18	6,273	12	239
7 to 9	345	2,684	228	828,329	205	142,035	140	44,490	54	82,384	22	1,350
10 to 19	359	4,648	200	142,440	205	66,033	154	69,043	44	15,531	20	1,789
20 to 49	223	6,247	98	321,910	113	50,604	110	9,339	41	74,713	21	4,043
50 to 99	29	1,976	21	90,840	17	29,565	12	35,249	13	22,684	5	4,684
100 or more	40	119,104	15	43,745	30	64,620	10	352	7	8,213	5	247

Note: Totals may not add up due to rounding. Data for domestic partnerships only.

Partnership - 1995

TABLE 9  
 NUMBER OF FOREIGN PARTNERSHIPS AND SELECTED DATA  
 BY INDUSTRY AND SIZE OF TOTAL RECEIPTS - 1995  
 (Amounts in Thousands of Dollars)

CATEGORY	NUMBER OF		TOTAL RECEIPTS		ORDINARY INCOME OR NET PROFIT		ORDINARY LOSS OR NET LOSS	
	Partnerships	Partners	Number	Amount	Number	Amount	Number	Amount
INDUSTRY GROUP -- TOTAL	166	8,255	161	\$959,450	111	\$214,041	55	\$34,671
Agriculture	1	2	1	1,372	--	--	1	28
Construction	5	11	5	32,252	5	1,329	--	--
Manufacturing	2	4	2	1,615	--	--	2	115
Transportation & Communications	27	129	26	310,643	12	90,282	15	1,919
Wholesale Trade	21	63	21	32,754	17	3,276	4	8
Retail Trade	10	187	10	93,970	8	13,625	2	81
Finance & Insurance	17	58	17	54,889	11	42,824	6	8,986
Real Estate	25	177	24	251,587	12	10,965	13	2,307
Services	58	7,624	55	180,368	46	51,740	12	21,227
SIZE OF RECEIPTS -- TOTAL	166	8,255	166	\$959,450	111	\$214,039	55	\$34,671
Receipts Not Reported	5	581	5	--	2	297	3	376
Under \$ 10,000	24	62	24	78	12	14	12	1,395
\$ 10,000 " 25,000	10	37	10	188	8	47	2	9
25,000 " 50,000	4	49	4	150	2	15	2	19
50,000 " 100,000	10	31	10	724	6	115	4	40
100,000 " 250,000	21	216	21	3,596	15	1,041	6	1,901
250,000 and over	92	7,279	92	954,714	66	212,510	26	30,931

Note: Totals may not add up due to rounding.

# APPENDIX

## FACSIMILES OF TAX RETURNS AND INSTRUCTIONS

- Corporation
- S Corporation
- Proprietorship
- Farm
- Partnership

**The following are the links to the forms on this CD:**

*(Unless otherwise noted, all of the forms are the 1995 Forms)*

**CORPORATION**

Form N-30, *Corporation Income Tax Return*

Instructions for Form N-30

Schedule D (Form N-30), *Capital Gains and Losses*

Schedule O (Form N-30), *Allocation and Apportionment of Income*

Schedule P (Form N-30), *Apportionment Formula*

Instructions for Schedules O and P (Form N-30)

**S CORPORATION**

Form N-35, *S Corporation Income Tax Return*

Instructions for Form N-35

Schedule D (Form N-35), *Capital Gains and Losses and Built-In Gains*

Schedule K-1 (Form N-35), *Shareholder's Share of Income, Credits, Deductions, Etc.*

Shareholder's Instructions for Schedule K-1 (Form N-35)

Schedule NS (Form N-35), *Hawaii S Corporation Agreement of*

*Nonresident Shareholder*

**INDIVIDUAL**

Form N-12, *Resident or Part-Year Resident Individual Income Tax Return*

1994 Schedule C (Form N-12/N-15/N-40), *Profit or (Loss) From Business or Profession*

1994 Schedule F (Form N-12/N-15/N-20/N-40), *Farm Income and Expenses*

1994 Instructions for Schedule F

**PARTNERSHIP**

Form N-20, *Partnership Return of Income*

Instructions for Form N-20

Schedule D (Form N-20), *Capital Gains and Losses*

Schedule K-1 (Form N-20), *Partner's Share of Income, Credits, Deductions, Etc.—1995*

Form N-310, *Multistate Tax Compact Short Form Return*