

**2017 Economic Census
Instructions**

Wholesale Trade Sector

All Wholesale Paths:

DEFINITION OF WHOLESALE TRADE

The 2017 Economic Census covering the Wholesale Trade sector includes establishments primarily engaged in selling or arranging the purchase or sale of goods, selling goods for resale, selling capital or durable nonconsumer goods, and selling raw and intermediate materials and supplies used in production.

Most wholesale establishments exhibit the following characteristics:

- Wholesalers usually operate from a warehouse or office. These warehouses and offices are characterized by having little or no display of merchandise. In addition, neither the design nor the location of the premises is intended to solicit walk-in traffic.
- Wholesalers do not usually use advertising directed to the general public. Customers are generally reached initially via telephone, in-person marketing, or by specialized advertising that may include Internet and other electronic means.

If an establishment is NOT engaged in this kind of business, DESCRIBE its business or activity in item 17A and COMPLETE the report form as accurately as possible.

ITEM 5: SALES, SHIPMENTS, RECEIPTS, OR REVENUE

A. Report total sales of merchandise and other operating receipts in thousands of dollars for the calendar year 2017.

Include:

- Cash and credit sales of merchandise, whether or not payment was received in 2017.
- Receipts for delivery, installation, maintenance, repair, alteration, storage, and other services provided in 2017, whether or not payment was received in 2017.
- The gross selling value of goods that this establishment sold or purchased on a commission, brokerage, consignment, or agency basis for others.
- The actual value of trade-ins taken as partial payment for other merchandise.
- Sales to foreign subsidiaries and affiliates and to the establishment's Foreign Sales Corporations (FSCs).
- Receipts from the rental and leasing of merchandise.
- Excise taxes (such as those on gasoline, liquor, and tobacco) which are paid by the manufacturer and are included in the cost of goods purchased.
- Liquor and tobacco tax stamps, taxes, and licenses sold.
- Fees received for arranging the foreign sale of goods which never entered the United States or its Foreign Trade Zones.
- Shipping and handling receipts collected from customers.

- The value of transfers (billings) to the firm's own retail service stations, retail fuel oil dealers, and retail liquefied petroleum (LP) gas dealers.
- The value of transfers (billings) of farm products to other establishments in the company.

Exclude:

- Sales and other taxes (including Hawaii's General Excise Tax) collected directly from customers and paid directly to a federal, state, or local tax agency.
- Receipts from carrying and other credit charges.
- Nonoperating income from sources such as investments, rental or sale of real estate, and interest.
- Commissions received for selling and buying goods.
- Foreign sale of goods which never entered the United States or its Foreign Trade Zones.
- Refunds or allowances for returned merchandise.
- Transfers (billings) to other establishments in the company, except those in the firm's own retail service stations, retail fuel oil dealers, retail liquefied petroleum (LP) gas dealers and those made by establishments selling farm products.
- Sales of petroleum products to another bulk facility.

B. Answer "Yes" if this establishment earned a commission or brokerage fee for transactions negotiated for others.

C. Report the market value of products bought or sold by others on which the establishment earned a commission or fee.

If actual sales are unavailable from firm records, estimate the value by dividing actual commissions received by the average percentage charged for sales activity.

For example, if commissions received totaled \$200,000 and the average commission is estimated as 5 percent, then the gross selling value is \$4,000,000 ($\$200,000 / .05$).

H. E-commerce sales and operating receipts are sales of goods and services where an order is placed by the buyer, or price and terms of sale are negotiated over an Internet, Extranet, Electronic Data Interchange (EDI) network, electronic mail, or other online system. Payment may or may not be made online. (This is item J on report forms 42471 and 42472.)

ITEM 7: EMPLOYMENT AND PAYROLL

Definitions are the same as those used on the IRS Forms 941 and 944, and as described in Circular E, Employer's Tax Guide.

If employees worked at more than one location, report employment and payroll for employees at the ONE location where they spent most of their working time.

A. Employment

Include:

- All full- and part-time employees on the payroll during the pay period including March 12, 2017.

- Salaried officers and executives of a corporation.
- Salaried members of a professional service organization or association (operating under state professional corporation statutes and filing a federal corporate income tax return).
- Employees on paid sick leave, paid vacations, and paid holidays.

Exclude:

- Proprietors or partners of an unincorporated company.
- Employees of departments or concessions operated by other companies at the establishment.
- Full- and part-time leased employees whose payroll was filed under an employee leasing company's federal EIN.
- Temporary staffing obtained from a staffing service.

B. Payroll before deductions

Include:

- Wages, salaries, tips, vacation allowances, bonuses, commissions, and other compensation paid to employees during 2017 and reported on IRS Forms 941 or 944 as taxable Medicare Wages and tips (even if not subject to income or FICA tax).
- Salaries of officers and executives of a corporation.
- Salaries of members of a professional service organization or association (operating under state professional corporation statutes and filing a federal corporate income tax return).
- Employee contributions to qualified pension plans.
- The spread on stock options that is taxable to employees as income.

Exclude:

- Employer's cost for payroll taxes, employer paid insurance premiums, pension plans, and other employer paid benefits.
- Payments to or withdrawals by proprietors or partners of an unincorporated company.
- Annuities or supplemental unemployment compensation benefits, even if income tax was withheld.
- Payrolls of departments or concessions operated by other companies at the establishment.

ITEM 9: VALUE OF INVENTORIES

Answer "Yes" if the establishment owned merchandise inventories on the last day of either 2017 or 2016, regardless of where held. Exclude the value of inventories held by the establishment but owned by others. Answer "No" if the establishment had no inventories, or had inventories during either year but not on the last day of the year.

Report the value of inventories owned by the establishment on December 31, 2017, and December 31, 2016:

1. Report the total value of inventories owned by this establishment for each year. If any part of the inventory is valued using the Last-in, First-out (LIFO) method, report the value of inventories before any adjustment for LIFO reserve.
2. Report the value of LIFO reserve or allowance applicable to any amount on line 1 that is valued using the LIFO method. Establishments that do not use the LIFO method of inventory valuation should select the "Check if None" box to indicate "None."

3. Report the total value of inventories after any LIFO adjustment. This should equal line 1 minus line 2. Establishments that do not use the LIFO method of valuation will report the same value on lines 1 and 3.

ITEM 10: INVENTORIES BY VALUATION METHOD

Report the value of inventories reported in item 9, line 1, for each of the following valuation methods:

- A. Last-in, First-out (LIFO), before adjustment
- B. First-in, First-out (FIFO)
- C. Average cost
- D. Standard cost
- E. Other valuation method - Describe other method of valuation (including actual, market, or specific cost) in the space provided.
- F. Total of lines A through E should equal item 9, line 1.

ITEM 16: SELECTED EXPENSES

A. Operating expenses

Report total operating expenses for 2017.

Include:

- Total annual payroll reported in item 7.
- Fringe benefits and supplements to wages and salaries.
- Liquor and tobacco stamps, taxes, and license fees.
- Equipment which was expensed (rather than capitalized) during 2017.
- Depreciation and amortization charges in 2017, including depreciation charges on equipment obtained through a capital or full payout lease, or on equipment rented to others through an operating lease.
- Lease and rental payments made in 2017 for equipment leased under an operating lease.
- Advertising services and expenses.
- Commissions paid to others.
- Office supplies, postage, and shipping and packaging materials and expenses.
- Cost of legal services, data processing, and other contract work performed by others.
- Telephone and other purchased communications services.
- Other expenses such as insurance, storage, repairs, theft, and damage losses.

Exclude:

- Purchase of goods for resale.
- Income taxes.
- Sales and other taxes collected directly from customers and paid directly to a federal, state, or local tax agency.
- Interest expenses, bad debt, and impairment costs.
- Payments to or withdrawals by proprietors and partners of an unincorporated firm.
- Lease payments for merchandise obtained through capital, finance, or full payout leases.

B. Purchase of merchandise for resale

Report the total cost of all merchandise purchased for resale (net of returns, allowances, and trade and cash discounts, but including amounts allowed for trade-ins) to which this establishment took title in 2017 whether or not payment was made in 2017. If possible, exclude purchases of containers, wrapping, packaging, and selling supplies.

Include:

- Merchandise to which this establishment took title in 2017, whether or not payment was made in 2017.
- Raw and finished goods.
- Cash and credit purchases.
- Merchandise in transit to this establishment or to a customer to which the establishment has taken title.
- Amounts allowed for trade-ins.
- Freight, delivery, and other transportation costs.
- Import duties (if paid separately).
- The cost of purchased services that were resold.
- Merchandise sold by this establishment from the inventory of other establishments of the firm.
- Parts and supplies used in repair work or other service type activities.

Exclude:

- Expenditures for supplies, equipment, and parts purchased for the company's own use.
- Purchases of liquor and tobacco tax stamps.
- Merchandise to which this establishment never took title.
- Sales and other taxes collected directly from customers and paid directly to a federal, state, or local agency.

D. Equipment leased to other firms

Report form 42343 only.

Include:

- The value of computer equipment leased to another company in 2017 that was manufactured by this firm.

Exclude:

- The value of computer equipment leased out in 2017 under a capital, finance, or full payout lease.

17A: PRINCIPAL BUSINESS OR ACTIVITY

Choose the ONE kind of business that best describes this establishment in 2017. If none of the provided selections seem appropriate, select "Other kind of business" and provide a specific description of the primary business activity.

17B: TYPE OF OPERATION

Choose the ONE principal type of operation for this establishment.

Merchant wholesaler — A company or establishment engaged in buying merchandise on its own account produced by other firms and selling them using the wholesale method.

- Importer — Purchasing and selling foreign-made merchandise that does not bear the importer's own brand name for delivery in the United States or its Foreign Trade Zones.
- Exporter — Purchasing goods in the United States from unrelated firms and selling them for delivery outside the United States, excluding grain elevators.
- Farm products assembler — Report forms WH-42443, WH-42444, WH-42446, WH-42447, WH-42448, WH-42451, WH-42452, WH-42459, WH-42491 and WH-42493 only — A firm or establishment, except a grain elevator, purchasing farm products directly from farmers.
- Country grain elevator — Report forms WH-42451, WH-42452, WH-42459, and WH-42491 only — Grain elevator receiving grain directly from farmers.
- Terminal grain elevator — Report forms WH-42451, WH-42452, WH-42459, and WH-42491 only — Grain elevator receiving grain from sources other than directly from farmers.
- Merchant wholesale distributor or jobber — Buying merchandise from unrelated domestic manufacturers and selling the goods to customers in the United States or its Foreign Trade Zones.
- Own-brand importer and marketer — A company or establishment that deals primarily or exclusively in the parent company's own branded products manufactured outside the United States. The products are either imported into the United States and then sold or they are sold and then drop-shipped directly from a foreign location to the customer in the United States or its Foreign Trade Zones. (Note: When the products are drop-shipped from a foreign location, the customer will have already taken title to the goods before they enter the United States or its Foreign Trade Zones.)

Manufacturers' sales branch or office — Establishments owned by firms or corporately affiliated with a manufacturer primarily engaged in selling goods mined or manufactured by the parent in the United States or its Foreign Trade Zones.

Agent, broker, or commission merchant — A company or establishment primarily engaged in buying and selling merchandise on a commission, brokerage, or agency basis for others, rather than dealing primarily on its own account.

- Manufacturers' representative or agent — Selling merchandise on a commission basis for a limited number of manufacturers on a continuing agency basis.
- Auction company — Selling merchandise for the account of others at wholesale from a permanent location by the auction method.
- Broker, representing buyers and sellers — Buying and selling merchandise on a brokerage basis for others in the United States market, but not receiving goods on consignment.
- Commission merchant — Receiving goods on consignment and selling them on a commission basis in the United States market.
- Import agent — Representing, on an agency basis, domestic firms selling foreign merchandise for delivery inside the United States or its possessions and collecting a commission for the sale of goods.

- Export agent — Representing, on an agency basis, domestic firms selling United States merchandise for delivery outside the United States or its possessions and collecting a commission for the sale of goods.

Electronic market — Business-to-business marketplace that facilitates the sale of goods via the Internet or other electronic means, and operates on a commission or fee basis.

Other broker or agent such as real estate, mortgage, or loan. Please describe type in space provided.

ITEM 20: CLASS OF CUSTOMER

D. Report percentage of sales and receipts as reported in item 5A to each customer class.

1. Household consumers and individuals – those buying for personal consumption, including employees buying for personal consumption.
2. Export sales – Include sales to buyers in foreign countries or to Foreign Sales Corporations (FSCs). Exclude sales to establishments in United States possessions that are not FSCs.
3. Retailers for resale – Include sales to all types of retailers (that is, retail chain organizations, independent stores, or department stores) that normally buy for resale to household consumers.
4. Wholesalers/distributors for resale – In addition to sales to merchant wholesalers, include sales that were made through agents, brokers, and commission merchants.
5. Repair shops for use in repair work – Include sales to all types of repair facilities.
6. Manufacturing and mining industrial users for use as input goods in production – Include sales to mines and manufacturers located in the United States or Puerto Rico.
7. Restaurants, hotels, food services, and contract feeding – Include sales to caterers, contract feeders, and all eating and drinking establishments.
8. Businesses for end use in their own operation, not for resale or production – Include sales to laboratories, institutions, public utilities, service businesses, and other such users that are buying for business use rather than for resale.
9. Building contractors, heavy construction, and special trade contractors – Include only sales for construction purposes.
10. Farmers for use in farm production — Include only sales of products for use in agricultural production.
11. Governmental bodies (federal, state, and local) – Include sales to the federal government (including military post exchanges, General Services Administration, U.S. Postal Service, Tennessee Valley Authority, and other agencies), state, and local governments.
12. Other – Describe – Report the percentage of sales not elsewhere classified and describe the customer.

ITEM 22. DETAIL OF SALES, SHIPMENTS, RECEIPTS, OR REVENUE

Report in thousands of dollars.

Estimates are acceptable, but please do not combine data for two or more product categories.

Receipts for construction, delivery, installation, and service contracts should be reported in the appropriate nonmerchandise category at the end of the listing. Do not include such receipts with the product sales. For construction receipts, please describe the type of construction performed.

If the establishment had wholesale sales of merchandise not covered in the prelisted categories, report the sales of such merchandise on the "Wholesale sales of other goods, not elsewhere classified" category, describe the principal products, and report their estimated sales.

If the establishment had any other sources of revenue, report such revenue in the "All other products and services, not elsewhere classified" category, pick industry, describe the principal products or services, and report their estimated sales.

The sum of products and services reported should equal the amount reported in item 5A.

ITEM 28: SPECIAL INQUIRIES

Employment by Primary Function

Indicate the number of employees, as reported in item 7A, by the employees' primary function:

1. Selling — Include employees engaged in sales activities, traveling salespeople, truck salespeople, and selling employees working out of their homes.
2. Sales support — Include employees engaged in sales support activities such as office and clerical, warehouse, customer service, maintenance, and delivery; employees engaged in sorting, grading, or packaging activities in conjunction with sales operations; and employees who provide services to this establishment such as janitorial or repair.
3. General support — Include employees engaged in supporting functions of other establishments in the company such as headquarters employees, regional or district managers who control more than just this establishment, corporate accountants, researchers, and central warehouse employees.
4. Packaging — Report the number of employees engaged in packaging.
5. Production — Report the number of employees engaged in production work.
6. 'Knockdown' assembly — Report the number of employees engaged in 'knockdown' assembly.
7. Other — Describe — Report the number of employees not elsewhere classified, including employees engaged in mining, agricultural, construction, or other activities.

Goods Purchased from Farmers

Report forms WH-42441, WH-42443, WH-42444, WH-42446, WH-42447, WH-42448, WH-42449, WH-42451, WH-42452, WH-42459, and WH-42491 only.

Include purchases directly from farmers, but do not include purchases from farm cooperatives.

Storage Capacity

Report forms 42471 and 42472 only.

Report the **total** shell or water capacity of the establishment's operational storage facilities, broken out by owned and operated vs. leased, for the petroleum and other products listed.

Include:

- Relay or lock-up points with bulk plants of which they are part.
- Caves or mines used to store petroleum products.

Exclude:

- Tanks located at the firm's gasoline service stations and home heating oil dealers.
- Capacity of pipelines, tank trucks, tankers, barges, and railroad cars
- Capacity of tanks that are no longer usable