

# Multi-Step Loss Statement

For the Year Ended December 31, 2023

<b>Sales Revenue</b>	\$400,000
<b>Less: Sales Returns &amp; Allowances</b>	8,000
<b>Net Sales</b>	<b>\$392,000</b>
<b>Cost of Goods Sold</b>	280,000
<b>Gross Loss</b>	<b>\$ (112,000)</b>
<b>Operating Expenses</b>	
Selling Expenses	25,000
Administrative Expenses	18,000
<b>Total Operating Expenses</b>	<b>43,000</b>
<b>Operating Loss</b>	<b>\$ (155,000)</b>
<b>Other Income &amp; (Expenses)</b>	
Interest Income	2,500
Interest Expense	(6,500)
<b>Total Other (Expenses)</b>	<b>(4,000)</b>
<b>Net Loss Before Tax</b>	<b>\$ (159,000)</b>
<b>Income Tax Benefit</b>	26,000
<b>Net Loss</b>	<b>\$ (133,000)</b>

## Important Notes:

- A multi-step loss (or income) statement presents detailed breakdowns: gross profit/loss, operating income/loss, and net loss.
- This format separates operating from non-operating revenues and expenses, highlighting primary business activities.
- Each subtotal step helps users analyze business performance and sources of losses more clearly.
- Typically used by larger businesses for greater transparency.
- Figures above are for illustrative purposes only.