

● PSF: Subject File

FDR: Finances - 1941 Income Tax

Box 179

March 16, 1942.

Honorable Franklin D. Roosevelt,
The White House.

Sir:

In accordance with your request, an extension of time for such period as may be necessary but not later than April 15, 1942, is hereby granted within which your Federal income tax return for the calendar year 1941 may be filed and payment made of the installment of tax shown thereon to be due.

In all cases where an extension of time is granted for payment of an installment of the tax, section 295 of the Internal Revenue Code provides that interest is payable at the rate of six percent per annum from the date when such payment should have been made, if no extension had been granted, until the expiration of the period of the extension.

A copy of this letter should be attached to the return when filed.

Respectfully,

(signed) Norman D. Cann

Acting Commissioner.



DEPARTMENT OF TAXATION AND FINANCE
ALBANY, NEW YORK

ROY H. PALMER
DEPUTY COMMISSIONER
DIRECTOR INCOME TAX BUREAU

April 15th, 1942.

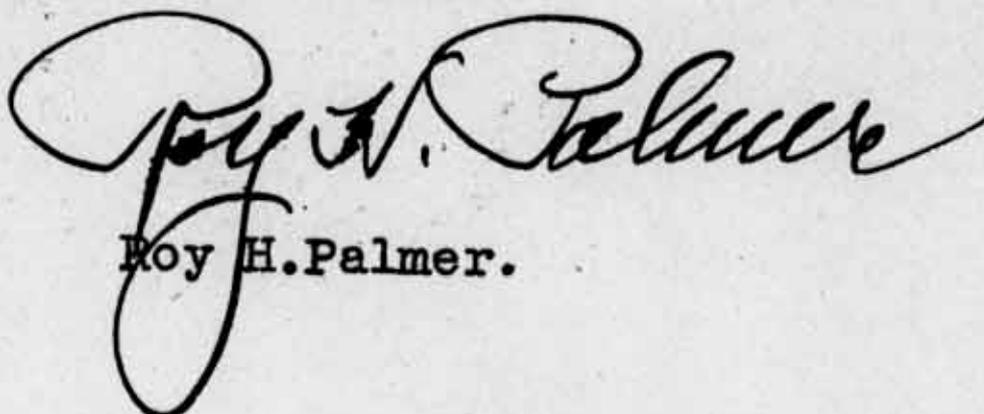
Hon. Franklin D. Roosevelt,
The White House,
Washington, D.C.

Dear Mr. President:

Your letter of April 14th, 1942 addressed to Hon. Cortland A. Wilber has been received at this office and referred to me for reply. May I say at the outset that Commissioner Wilber retired on October 1st, 1941 and I was appointed his successor.

It is a pleasure to accede to your request for thirty days' extension for the filing of your New York State income tax return for the calendar year 1941 and the usual form of extension is enclosed herewith.

Respectfully yours


Roy H. Palmer.

P:AJ
Encl.

NEW YORK STATE DEPARTMENT OF TAXATION AND FINANCE

INCOME TAX BUREAU

Extension of Time

To **Hon. Franklin D. Roosevelt,**
The White House,
Washington, D.C.

Date **April 15, 1942**



Time for filing personal income tax return, including return for unincorporated business tax, for 1941 is hereby extended to **May 15, 1942**

Interest at six per cent per annum from April 15th to date of filing, should be added to tax.

THIS EXTENSION MUST BE FILED WITH RETURN.

Hon. Franklin D. Roosevelt,
The White House,
Washington, D.C.

THE STATE TAX COMMISSION

By

Roy H. Palmer
Deputy Commissioner

(Taxpayer's Stamp)

UNITED STATES
 INDIVIDUAL INCOME TAX RETURN

1941

OF THIS FORM 1040 MAY BE FILED INSTEAD OF THE FORM IF GROSS INCOME IS NOT MORE THAN \$1,000 AND CONSISTS WHOLLY OF SALARIES, WAGES, OTHER COMPENSATION FROM EMPLOYMENT, DIVIDENDS, INTEREST, RENT, ROYALTIES, OR DIVIDENDS FROM FEDERAL SAVINGS BONDS.

For Calendar Year 1941

or fiscal year beginning 1941, and ending 1942

To be filed with the Calendar of Internal Revenue for your district and later than the 15th day of the first month following the close of your taxable year

PRINT NAME AND ADDRESS OF TAXPAYER (See instructions)

(Other) (Use this space for joint return and wife, if she is a joint return)

Occupation and residence, or rental receipt

(First return)

(Current)

(Other)

Cash—Check—M. O.
 First Payment

(Do not use these spaces)

File

Filed

District

(Cashier's Stamp)

Item and Instruction No.

1. Salaries and other compensation for personal services, \$ 100,000.00
2. Dividends 10,000.00
3. Interest on (a) bank deposits, notes, etc., \$ 1,000.00; (b) corporation bonds, \$ 2,000.00
4. Interest on Government obligations: (a) From line (b), Schedule A, \$ 500.00; (b) from line (f), Schedule A, \$ 1,000.00
5. Rents and royalties. (From Schedule B)
6. Annuities

ITEMS 1, 2, AND 3, AND 4, BELOW (AND PAGES 2 AND 3) NEED NOT BE CONSIDERED UNLESS YOU HAVE INCOME (OR LOSSES) IN ADDITION TO ITEMS ABOVE.

7. (a) Net short-term gain from sale or exchange of capital assets. (From Schedule F)
- (b) Net long-term gain (or loss) from sale or exchange of capital assets. (From Schedule F)
- (c) Net gain (or loss) from sale or exchange of property other than capital assets. (From Schedule G)
8. Net profit (or loss) from business or profession. (From Schedule H)
- (State total receipts, from line 1, Schedule H, \$)
9. Income (or loss) from partnerships; fiduciary income; and other income. (From Schedule D)
10. Total income in items 1 to 9 2,000.00

DEDUCTIONS

11. Contributions paid. (Explain in Schedule C)
12. Interest. (Explain in Schedule C)
13. Taxes. (Explain in Schedule C)
14. Losses from fire, storm, shipwreck, or other casualty, or theft. (Explain in Schedule C)
15. Bad debts. (Explain in Schedule C)
16. Other deductions authorized by law. (Explain in Schedule C)
17. Total deductions in items 11 to 16 14,000.00
18. Net income (item 10 minus item 17) 2,000.00

COMPUTATION OF TAX

19. Net income (item 18 above)	\$ 2,000.00				
20. Less: Personal exemption. (From Schedule D-1)	\$ 1,000.00				
21. Credit for dependents. (From Schedule D-2)	\$ 1,000.00				
22. Balance (surplus net income)	\$ 0.00				
23. Less: Item 4 (a) above	\$ 2,000.00				
24. Earned income credit. (From Schedule E-1 or E-2)	\$ 0.00				
25. Balance subject to normal tax	\$ 0.00				
26. Normal tax (4% of item 25)	\$ 0.00				
27. Surplus on item 22. (See instruction 27)	\$ 0.00				
28. Total (item 26 plus item 27)	\$ 0.00				
29. Total tax (item 28 or line 16, Schedule F)	\$ 0.00				
30. Less: Income tax paid at source	\$ 0.00				
31. Income tax paid to a foreign country or U.S. possession. (Attach Form 1116)	\$ 0.00				
32. Balance of tax (item 29 minus items 30 and 31)	\$ 0.00				

I/we swear (or affirm) that this return (including any accompanying schedules and statements) has been examined by me/us, and to the best of my/our knowledge and belief is a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Internal Revenue Code and the regulations issued under authority thereof.

Subscribed and sworn to by _____ before me this _____ day of _____, 1941

(Signature) (See instruction E)

A return made by an agent must be accompanied by power of attorney. (See instruction K.)

If this is a joint return (not made by agent), it must be signed by both husband and wife. It must be sworn to before a proper officer by the spouse preparing the return. (OF THIS RETURN WAS PREPARED FOR YOU BY SOME OTHER PERSON, THE AFFIDAVIT ON PAGE 4 MUST BE EXECUTED)

Schedule A.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction G)

1. Obligations or accounts	2. Amount owned at end of year including year proportionate share of such obligations held by estate, trusts, partnerships, or common trust funds	3. Interest received or accrued during the year	4. Amount of principal interest on which is exempt from taxation	5. Interest on amount in excess of exemption, and dividends subject to normal tax only
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions	\$ 7,000 00	\$ 257 00	All	XXXXXXXX XX
(b) Obligations issued prior to March 1, 1941, under Federal Farm Loan Act, or under such Act as amended			All	XXXXXXXX XX
(c) Obligations of United States issued on or before September 1, 1917			All	XXXXXXXX XX
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness issued prior to March 1, 1941			All	XXXXXXXX XX
(e) United States Savings Bonds and Treasury Bonds issued prior to March 1, 1941			All	XXXXXXXX XX
(f) Obligations of instrumentalities of the United States (other than obligations to be reported in (b) above) issued prior to March 1, 1941	20,000 00	207 00	\$5,000	\$ 205 00
(g) Dividends on share accounts in Federal savings and loan associations	XXXXXXXXXXXX	XX XXXXXXXX XX	None	
(h) Total (enter as item 4 (e), page 1)				\$ 205 00
(i) Obligations issued on or after March 1, 1941, by the United States or any agency or instrumentality thereof (enter amount of interest as item 4 (b), page 1)			Amount owned at end of year	Interest received or accrued during the year (subject to normal tax and surtax)

Schedule B.—INCOME FROM RENTS AND ROYALTIES. (See Instruction 5)

1. Kind of property	2. Amount	3. Depreciation or depletion (attach schedule)	4. Repairs (explain below)	5. Other expenses (itemize below)	6. Net profit (column 2 minus sum of columns 3, 4, and 5) (enter as item 5, page 1)
Farm, House, Tract	\$ 1,756 27		\$ 2,000 00	\$ 2,204 00	\$ - 2,200 00
Hydro Park, Warm Springs					

Explanation of deductions claimed in columns 4 and (4) ~~Repairs and insurance on rented house and farm~~

(5) ~~Tract, planting and maintenance of wood~~

Schedule C.—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 11, 12, 13, 14, 15, AND 16

1. Item No.	2. Explanation	3. Amount	1. Item No. (Continued)	2. Explanation (Continued)	3. Amount (Continued)
11	See Schedule A amount	\$	15	Farm	\$ 5,000 00
12	Int. on Nat. Wash. Ballow	107 00			

Schedule D.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 20 AND 21. (See Instructions 20 and 21)

(1) Personal Exemption			(2) Credit for Dependents		
Status	Number of months during the year in such status	Credit claimed	Name of dependent and relationship	Number of months during the year	Credit claimed
				Under 18 years old	18 years or over
Single, or married and not living with husband or wife, and not head of family		\$			
Married and living with husband or wife	12	1,000 00			
Head of family (explain below)					
Reason for support if 18 years or over					

Schedule E.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 24)

(1) If your net income is \$3,000 or less, use only this part of schedule		(2) If your net income is more than \$3,000, use only this part of schedule	
Net income (item 18, page 1)	\$	Earned net income (not more than \$14,000)	\$ 14,000 00
Earned income credit (10% of net income, above)		Net income (item 18, page 1)	17,725 00
		Earned income credit (10% of earned net income or 10% of net income, above, whichever amount is smaller, but do not enter less than \$300)	1,000 00

QUESTIONS

- State your principal occupation or profession
- Name and address of employer
- Did you file a return for any prior year? If so, what was the latest year? To which Collector's office was it sent?
- If separate return was made for the current year, state:
 - Name of husband or wife
 - Personal exemption, if any, claimed thereon
 - Collector's office to which it was sent
- Check whether this return was prepared on the cash or accrual basis.
- If return on cash basis, do you elect, under section 42, to include as income received in the current year the increase for current and prior years in the redemption price of noninterest-bearing obligations issued at a discount? If so, attach statement listing obligations owned and computation of the accrued income. Report such income as interest in item 3 or 4, page 1, whichever applicable.
- Did you receive during the taxable year any nontaxable income other than interest reported in Schedules A (see Instruction G)? If so, attach schedule showing source, nature, and amount of such income.
- Did you at any time during your taxable year own directly or indirectly any stock of a foreign corporation or a personal holding company as defined by section 501 of the Internal Revenue Code? If so, attach statement required by Instruction J.

Schedule H.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (See Instruction 6)

(State (1) nature of business _____; (2) number of places of business _____; (3) business name and address if different from name and address on page 1 _____)

1. Total receipts		\$	
COST OF GOODS SOLD			
<i>(To be used where inventories are an income-determining factor)</i>			
2. Inventory at beginning of year	\$		
3. Merchandise bought for sale			
4. Labor			
5. Material and supplies			
6. Other costs (itemize below)			
7. Total of lines 2 to 6	\$		
8. Less inventory at end of year			
9. Net cost of goods sold (line 7 minus line 8)	\$		
10. Gross profit (line 1 minus line 9)	\$		
OTHER BUSINESS DEDUCTIONS			
11. Salaries and wages not included as "Labor" (do not deduct compensation for yourself)		\$	
12. Interest on business indebtedness			
13. Taxes on business and business property			
14. Losses (explain below)			
15. Bad debts arising from sales or services			
16. Depreciation, obsolescence, and depletion (explain in Schedule J)			
17. Rent, repairs, and other expenses (itemize below or on separate sheet)			
18. Total of lines 11 to 17		\$	
19. Total of lines 9 and 18		\$	
20. Net profit (or loss) (line 1 minus line 19) (enter as item 8, page 1)		\$	

If the production, manufacture, purchase, or sale of merchandise is an income-producing factor, inventories are required. Enter "C," or "C or M," on lines 2 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.
 Explanation of deductions claimed in lines 6, 14, and 17 _____

Schedule I.—INCOME FROM PARTNERSHIPS, FIDUCIARIES, AND OTHER SOURCES

INCOME (OR LOSS) FROM PARTNERSHIPS, SYNDICATES, ETC. (SEE INSTRUCTION 9 (a)) (FURNISH NAMES AND ADDRESSES)	\$	
INCOME FROM FIDUCIARIES (FURNISH NAMES AND ADDRESSES)	\$	
Paul S. Connor, Trustee	\$	1,500 00
INCOME FROM OTHER SOURCES (STATE NATURE)	\$	
Total amounts in Schedule I. (Enter as item 9, page 1)	\$	

Schedule J.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES F, G, AND H

1. Kind of property (If buildings, state material of which constructed)	2. Date acquired	3. Cost or other basis (Do not include land or other nondepreciable property)	4. Assets fully depreciated in use at end of year	5. Depreciation allowed (or allowable) in prior years	6. Remaining cost or other basis to be recovered	7. Estimated life used in accumulating depreciation	8. Estimated remaining life from beginning of year	9. Depreciation allowable this year
		\$	\$	\$	\$			\$

AFFIDAVIT. (See Instruction E)

(If this return was prepared for you by some other person, the following affidavit must be executed)

I/we swear (or affirm) that I/we prepared this return for the person or persons named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the tax liability of the person or persons for whom this return has been prepared of which I/we have any knowledge.

Subscribed and sworn to before me this _____ day of _____, 194__



(Signature of person preparing the return)

(Signature of person preparing the return)

(Signature and title of officer administering oath)

(Name of firm or employer, if any)

UNITED STATES
INDIVIDUAL INCOME TAX RETURN

(Auditor's Stamp)

OPTIONAL FORM 1040A MAY BE FILED INSTEAD OF THIS FORM IF GROSS INCOME IS NOT MORE THAN \$2,000 AND CONSISTS WHOLLY OF SALARIES, WAGES, OTHER COMPENSATION FOR PERSONAL SERVICES, DIVIDENDS, INTEREST, RENT, ANNUITIES, OR ROYALTIES.

For Calendar Year 1941

or fiscal year beginning _____, 1941, and ending _____, 1942

To be filed with the Collector of Internal Revenue for your district not later than the 15th day of the third month following the close of your taxable year

PRINT NAME AND ADDRESS PLAINLY. (See Instructions C)

(Name) (Use given names of both husband and wife, if this is a joint return)

(Street and number, or rural route)

(Post office)

(County)

(State)

(Do not use these spaces)

File Code

Serial No.

District

(Cashier's Stamp)

Cash—Check—M. O.

First Payment

Item and Instruction No.	INCOME	Amount	Deductible Expenses (Attach itemized statement)	
1. Salaries and other compensation for personal services, \$100,683.25		\$100,683.25		100,683.25
2. Dividends				4,630.61
3. Interest on (a) bank deposits, notes, etc., \$ _____; (b) corporation bonds, \$1521.68				1,521.68
4. Interest on Government obligations, etc.: (a) From line (h), Schedule A, \$163.75; (b) from line (i), Schedule A, \$ _____				163.75
5. Rents and royalties. (From Schedule B)				2,520.61
ITEMS 7, 8, AND 9, BELOW (AND PAGES 3 AND 4) NEED NOT BE CONSIDERED UNLESS YOU HAVE INCOME (OR LOSSES) IN ADDITION TO ITEMS ABOVE.				
7. (a) Net short-term gain from sale or exchange of capital assets. (From Schedule F)				
(b) Net long-term gain (or loss) from sale or exchange of capital assets. (From Schedule F)				
(c) Net gain (or loss) from sale or exchange of property other than capital assets. (From Schedule G)				
8. Net profit (or loss) from business or profession. (From Schedule H) (State total receipts, from line 1, Schedule H, \$ _____)				
9. Income (or loss) from partnerships; fiduciary income; and other income. (From Schedule I)				1,862
10. Total income in items 1 to 9				\$106,360.52
DEDUCTIONS				
11. Contributions paid. (Explain in Schedule C) (14,119.)				\$14,069.15
12. Interest. (Explain in Schedule C)				187.50
13. Taxes. (Explain in Schedule C)				12,378.71
14. Losses from fire, storm, shipwreck, or other casualty, or theft. (Explain in Schedule C)				
15. Bad debts. (Explain in Schedule C)				
16. Other deductions authorized by law. (Explain in Schedule C)				
17. Total deductions in items 11 to 16				26,635.36
18. Net income (item 10 minus item 17)				\$79,725.16

COMPUTATION OF TAX

19. Net income (item 18 above)	\$		26. Normal tax (4% of item 25)	\$	
20. Less: Personal exemption. (From Schedule D-1)	\$		27. Surtax on item 22. (See Instruction 27)	\$	
21. Credit for dependents. (From Schedule D-2)	\$		28. Total (item 26 plus item 27)	\$	
22. Balance (surtax net income)	\$		29. Total tax (item 28 or line 16, Schedule F)	\$	
23. Less: Item 4 (a) above	\$	163.75	30. Less: Income tax paid at source	\$	
24. Earned income credit. (From Schedule E-1 or E-2)	\$		31. Income tax paid to a foreign country or U. S. possession. (Attach Form 1116)	\$	
25. Balance subject to normal tax	\$		32. Balance of tax (item 29 minus items 30 and 31)	\$	

I/we swear (or affirm) that this return (including any accompanying schedules and statements) has been examined by me/us, and to the best of my/our knowledge and belief is a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Internal Revenue Code and the regulations issued under authority thereof.

Subscribed and sworn to by _____
 before me this _____ day of _____, 194_____

(Signature) (See Instruction E)

(Signature and title of officer administering oath)
 A return made by an agent must be accompanied by power of attorney. (See Instruction E.)

If this is a joint return (not made by agent), it must be signed by both husband and wife. It must be sworn to before a proper officer by the spouse preparing the return.

(IF THIS RETURN WAS PREPARED FOR YOU BY SOME OTHER PERSON, THE AFFIDAVIT ON PAGE 4 MUST BE EXECUTED)

Schedule A.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction G)

1. Obligations or securities	2. Amount owned at end of year including your proportionate share of such obligations held by estates, trusts, partnerships, or common trust funds	3. Interest received or accrued during the year	4. Amount of principal interest on which is exempt from taxation	5. Interest on amount in excess of exemption, and dividends subject to surtax only
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions	\$ 7,000	\$ 217 50	All	XXXXXXXXXX
(b) Obligations issued prior to March 1, 1941, under Federal Farm Loan Act, or under such Act as amended			All	XXXXXXXXXX
(c) Obligations of United States issued on or before September 1, 1917			All	XXXXXXXXXX
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness issued prior to March 1, 1941	10,000		All	XXXXXXXXXX
(e) United States Savings Bonds and Treasury Bonds issued prior to March 1, 1941	10,000	287 50	\$5,000	\$ 143 75
(f) Obligations of instrumentalities of the United States (other than obligations to be reported in (b) above) issued prior to March 1, 1941			None	
(g) Dividends on share accounts in Federal savings and loan associations	XXXXXXXXXXXXXXXXXX	XXXXXXXXXX	XXXX	20
(h) Total (enter as item 4 (a), page 1)				\$ 163 75
(i) Obligations issued on or after March 1, 1941, by the United States or any agency or instrumentality thereof (enter amount of interest as item 4 (b), page 1)			Amount owned at end of year	Interest received or accrued during the year (subject to normal tax and surtax)

Schedule B.—INCOME FROM RENTS AND ROYALTIES. (See Instruction 5)

1. Kind of property	2. Amount	3. Depreciation or depletion (attach schedule)	4. Repairs (explain below)	5. Other expenses (itemize below)	6. Net profit (column 2 minus sum of columns 3, 4, and 5) (enter as item 5, page 1)
Farms, Houses, Trusses, Hyde Park, Warm Springs, etc	1764 27		About 2,000	About 2284 88	2520 61

Explanation of deductions claimed in columns 4 and 5: 4 - Repairs & Insurance Rented Houses & Farms; 5 - Trusses, Planting, & Maintenance of Woods.

Schedule C.—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 11, 12, 13, 14, 15, AND 16

1. Item No.	2. Explanation	3. Amount	1. Item No. (Continued)	2. Explanation (Continued)	3. Amount (Continued)
11	State of Ky. Kentucky		13	Farms	3358 70
12	Int. on Mtg. Wash. Holdings	187 50	"	Tr. 4. 6. 10	4263 90
			"	camp 10/10	163 83
			"	Int. on State Income	4259 28
			"	Auto Club, Logan	303 11

Schedule D.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 20 AND 21. (See Instructions 20 and 21)

(1) Personal Exemption			(2) Credit for Dependents		
Status	Number of months during the year in such status	Credit claimed	Name of dependent and relationship	Number of months during the year	Credit claimed
				Under 18 years old	18 years or over
Single, or married and not living with husband or wife, and not head of family		\$			
Married and living with husband or wife					
Head of family (explain below)					
			Reason for support if 18 years or over		

Schedule E.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 24)

(1) If your net income is \$3,000 or less, use only this part of schedule		(2) If your net income is more than \$3,000, use only this part of schedule	
Net income (item 18, page 1)	\$	Earned net income (not more than \$14,000)	\$ 14,000
Earned income credit (10% of net income, above)		Net income (item 18, page 1)	
		Earned income credit (10% of earned net income or 10% of net income, above, whichever amount is smaller, but do not enter less than \$300)	

QUESTIONS

- State your principal occupation or profession
- Name and address of employer
- Did you file a return for any prior year? If so, what was the latest year? To which Collector's office was it sent?
- If separate return was made for the current year, state:
 - Name of husband or wife
 - Personal exemption, if any, claimed thereon
 - Collector's office to which it was sent
- Check whether this return was prepared on the cash or accrual basis.
- If return on cash basis, do you elect, under section 42, to include as income received in the current year the increase for current and prior years in the redemption price of noninterest-bearing obligations issued at a discount? If so, attach statement listing obligations owned and computation of the accrued income. Report such income as interest in item 3 or 4, page 1, whichever applicable.
- Did you receive during the taxable year any nontaxable income other than interest reported in Schedule A (see Instruction G)? If so, attach schedule showing source, nature, and amount of such income.
- Did you at any time during your taxable year own directly or indirectly any stock of a foreign corporation or a personal holding company as defined by section 501 of the Internal Revenue Code? If so, attach statement required by Instruction J.

DETACH PAGES 3 AND 4 IF NOT USED

Schedule F.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 7)

Page 3

1. Kind of property (if necessary, attach statement of descriptive details not shown below)	2. Date acquired <i>Mo. Day Year</i>	3. Date sold <i>Mo. Day Year</i>	4. Gross sales price (contract price)	5. Cost or other basis	6. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	7. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule J)	8. Gain or loss (column 4 plus column 7 minus the sum of columns 5 and 6)	9. Gain or loss to be taken into account	
								Percentage	Amount
SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 18 MONTHS									
			\$	\$	\$	\$	\$	100	\$
								100	
								100	
								100	
Total net short-term capital gain or loss (enter in line 1, column 3, of summary below)									\$
LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 18 MONTHS BUT NOT FOR MORE THAN 24 MONTHS									
			\$	\$	\$	\$	\$	66%	\$
								66%	
								66%	
								66%	
Total net long-term capital gain or loss (enter in line 2, column 3, of summary below)									\$
LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 24 MONTHS									
			\$	\$	\$	\$	\$	50	
								50	
								50	
								50	
Total net long-term capital gain or loss (enter in line 2, column 3, of summary below)									\$

SUMMARY OF NET CAPITAL GAINS OR LOSSES							
1. Classification	2. Net short-term capital loss of preceding taxable year (not in excess of net income for such year)	3. Net gain or loss to be taken into account from column 10, above		4. Net gain or loss to be taken into account from partnerships and common trust funds		5. Total net gain or loss to be taken into account in columns 2, 3, and 4 of this summary	
		Gain	Loss	Gain	Loss	Gain	Loss
1. Total net short-term capital gain or loss (enter as item 7 (a), page 1, amount of gain shown in column 5)	\$	\$	\$	\$	\$	\$	No net loss allowable (see Instruction 7)
2. Total net long-term capital gain or loss (enter as item 7 (b), page 1, amount of gain or loss shown in column 5)	\$	\$	\$	\$	\$	\$	\$

COMPUTATION OF ALTERNATIVE TAX				
Use only: If you had a net long-term capital gain, and item 22, page 1, exceeds \$12,000, or If you had a net long-term capital loss, and such loss plus item 22, page 1, exceeds \$12,000				
1. Net income (item 18, page 1). (See Instruction 7)	\$		10. Normal tax (4% of line 9)	\$
2. (a) Net long-term capital gain (item 7 (b), page 1)			11. Surtax on line 6. (See Instruction 27)	
(b) Net long-term capital loss (item 7 (b), page 1)			12. Partial tax (line 10 plus line 11)	\$
3. Ordinary net income (line 1 minus line 2 (a) or line 1 plus line 2 (b)). (See Instruction 7)	\$		13. (a) 30% of net long-term capital gain (30% of line 2 (a))	
4. Less: Personal exemption. (From Schedule D-1)	\$		(b) 30% of net long-term capital loss (30% of line 2 (b))	
5. Credit for dependents. (From Schedule D-2)	\$		14. Alternative tax (line 12 plus line 13 (a) or line 12 minus line 13 (b))	\$
6. Balance (surtax net income)	\$		15. Total normal tax and surtax (item 28, page 1)	\$
7. Less: Item 4 (a), page 1	\$		16. Tax liability (if a net long-term capital gain, on line 2 (a), enter line 14 or line 15, whichever is the lesser; if a net long-term capital loss, on line 2 (b), enter line 14 or line 15, whichever is the greater). (Enter as item 29, page 1)	\$
8. Earned income credit. (From Schedule E-1 or E-2). (See Inst. 7)	\$			
9. Balance subject to normal tax	\$			

Schedule G.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS (See Instruction 7)

1. Kind of property	2. Date acquired	3. Gross sales price (contract price)	4. Cost or other basis	5. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	6. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule J)	7. Gain or loss (column 3 plus column 6 minus the sum of columns 4 and 5)
		\$	\$	\$	\$	\$
Total net gain (or loss) (enter as item 7 (c), page 1)						\$

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the items on this page:
If any of such items were acquired by you other than by purchase, explain fully how acquired:

Schedule H.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (See Instruction 8)

(State (1) nature of business; (2) number of places of business; (3) business name and address if different from name and address on page 1)

Table with 2 main columns: COST OF GOODS SOLD and OTHER BUSINESS DEDUCTIONS. Rows include inventory, labor, materials, salaries, interest, taxes, depreciation, etc.

If the production, manufacture, purchase, or sale of merchandise is an income-producing factor, inventories are required. Enter "C," or "C or M," on lines 2 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

Schedule I.—INCOME FROM PARTNERSHIPS, FIDUCIARIES, AND OTHER SOURCES

Table for Schedule I with columns for income from partnerships, fiduciaries, and other sources. Includes handwritten entry: Basil O'Connor Trustee \$1862.00

Schedule J.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES F, G, AND H

Table with 9 columns: 1. Kind of property, 2. Date acquired, 3. Cost or other basis, 4. Assets fully depreciated, 5. Depreciation allowed, 6. Remaining cost, 7. Estimated life used, 8. Estimated remaining life, 9. Depreciation allowable.

AFFIDAVIT. (See Instruction E)

(If this return was prepared for you by some other person, the following affidavit must be executed)

I/we swear (or affirm) that I/we prepared this return for the person or persons named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the tax liability of the person or persons for whom this return has been prepared of which I/we have any knowledge.

Subscribed and sworn to before me this ___ day of ___, 194__



(Signature of person preparing the return)

(Signature of person preparing the return)

(Signature and title of officer administering oath)

(Name of firm or employer, if any)

INSTRUCTIONS FOR FORM 1040, UNITED STATES INDIVIDUAL INCOME TAX RETURN

(References are to the Internal Revenue Code, unless otherwise noted)

Page 1

1941

GENERAL INSTRUCTIONS

1941

A. WHO MUST MAKE A RETURN.—Every citizen and resident of the United States having during the taxable year gross income (income derived from any source whatever, unless exempt from tax by law) in an amount specified below, regardless of the amount of net income, shall make a return if:

(1) *Single for entire year, or married and not living with husband or wife for any part of the taxable year.* If having a gross income of \$750 or over.

(2) *Married and living with husband or wife for the entire taxable year.* If each has income and their combined gross income is \$1,500 or over, they must each make a return or file a joint return. If only one has income and his gross income is \$1,500 or over, only that one is required to make a return.

(3) *Married and living with husband or wife for only part of the taxable year.* If each has income and their combined gross income is \$1,500 or over, or equal to, or in excess of, their total personal exemption (not including credit as head of a family or for dependents), they must each make a return or file a joint return. If only one has income and his gross income is \$1,500 or over, or equal to, or in excess of, his personal exemption (not including credit as head of a family or for dependents), only that one is required to make a return. (See Specific Instruction 30 as to personal exemption.)

Joint return.—May be filed by husband and wife only if they are (1) both citizens or residents of the United States and (2) living together at the end of the taxable year. A joint return is permissible even though one has no gross income. In a joint return the aggregate income, deductions, and credits are computed as though husband and wife were one person.

Deceased individuals.—Return required on Form 1040 or 1040A if gross income to date of death is \$750 or over, if single, or married and not living with spouse for any part of the taxable year, or equal to, or in excess of, credit for personal exemption (not including credit as head of a family or for dependents), if married and living with spouse for all or any part of the taxable year. The return for a decedent shall include all items of income and deductions accrued up to the date of death, regardless of the fact that the decedent may have kept his books on a cash basis or kept no books.

B. FORM OF RETURN.—Citizens and resident alien individuals use Form 1040, except that those whose gross income is not more than \$3,000 and consists wholly of salaries, wages, other compensation for personal services, dividends, interest, rent, annuities, or royalties may use optional Form 1040A. Nonresident aliens use Form 1040B or 1040NB. Fiduciaries for estates and trusts use Form 1041.

C. FILING OF RETURNS AND PAYMENT OF TAX.—File on or before 15th day of 3d month following close of taxable year with collector for the district in which the taxpayer has his legal residence or principal place of business. If the taxpayer has no legal residence or place of business in United States, file with collector at Baltimore, Md. The taxpayer's home address must be given and a permanent business address may be added. Pay in cash at collector's office or by check or money order payable to "Collector of Internal Revenue." Pay in full with return or in four equal installments, on or before the 15th day of the 3d, 6th, 9th, and 12th month from close of taxable year.

D. PENALTIES.—Severe penalties are imposed for failing to file a required return, for late filing, and for filing a false or fraudulent return.

E. AFFIDAVITS.—Return must be sworn to by taxpayer or his agent. Return may be made by agent if taxpayer (1) is too ill to make it or (2) is absent from United States for 90 days before due date. Power of attorney on Form 985 or 986 (husband and wife) must accompany return made by agent. Person (other than taxpayer) preparing return must execute affidavit on page 4. Return may be sworn to before any collector, deputy collector, or internal revenue agent (without charge), or other person authorized by law to administer oaths for general purposes, except taxpayer's agent.

F. RECEIVED OR ACCRUED INCOME.—If books are kept on accrual basis, report all income accrued, even though not received, and expenses incurred even though not paid. If books are not kept on accrual basis, or if no books are kept, report all income actually or constructively received, and all expenses paid.

G. ITEMS EXEMPT FROM TAX.—As to items of income exempt from tax other than those listed below, see sections 22 (b) and 116.

1. Interest on governmental obligations is exempt to the extent indicated in Schedule A.

2. **Proceeds of insurance policies.**—The proceeds of life insurance policies, paid by reason of the death of the insured, are exempt. If any part of the proceeds is held by the insurer under an agreement to pay interest, the interest is taxable. Amounts received under a life insurance or endowment policy, not payable by reason of the death of the insured, are not taxable until the aggregate of the amounts received exceeds the premiums or consideration paid for the policy. See Specific Instruction 6 as to taxation of annuities.

3. **Miscellaneous items wholly exempt from tax:**

(a) Gifts (not received as a consideration for service rendered) and money and property acquired by bequest, devise, or inheritance (but income therefrom is taxable);

(b) Amounts received through accident or health insurance or under workmen's compensation acts, as compensation for personal injuries or sickness, plus the amount of any damages received, whether by suit or agreement, on account of such injuries or sickness;

(c) The rental value of a dwelling house and appurtenances thereof furnished to a minister of the gospel as part of his compensation;

(d) Pensions and compensation received by veterans from the United States and pensions received from the United States by the family of a veteran, for services rendered by the veteran in time of war; and

(e) Interest on adjusted service bonds and interest credited to postal savings accounts deposited prior to March 1, 1941.

H. DEPRECIATION AND DEPLETION.—A reasonable allowance for exhaustion, wear and tear, including obsolescence, of property used in trade or business may be deducted, based on cost if acquired by purchase after February 28, 1913. If acquired before March 1, 1913, or otherwise than by purchase, see section 114.

For depletion deductions, see sections 23 (m) and 114 and Regulations 103.

I. INFORMATION AT SOURCE.—Every person making payments of (1) interest, rents, commissions, or other fixed or determinable income of \$750 or more during the calendar year 1941 to an individual, a partnership, or a fiduciary, or (2) salary or wages of \$750 or more to a single person or \$1,500 or more to a married person shall make a return on Forms 1096 and 1099.

J. STOCK OWNED IN FOREIGN CORPORATIONS AND PERSONAL HOLDING COMPANIES.—If at any time during the year you owned directly or indirectly stock of a foreign corporation, or a personal holding company (section 301), attach a statement showing name and address of each such company and total number of shares of each class of outstanding stock owned. If at any time during the year you owned stock in a foreign personal holding company (section 331), include in income as a dividend the amount required by section 337, and if you owned 5 percent or more in value of the outstanding stock of such company, attach a statement giving in detail the information required by section 337 (d).

SPECIFIC INSTRUCTIONS

(Numbered to correspond with item numbers on page 1 of return)

1. SALARIES, ETC.—Include compensation received as an officer or employee of a State or political subdivision or any agency or instrumentality thereof.

2. DIVIDENDS.—Enter total of all taxable dividends. Enter in Schedule A dividends on share accounts in Federal savings and loan associations.

3. RENTS AND ROYALTIES.—Include rent received in property or crops. Report crops received on crop-share basis in year in which disposed of (unless return is made on accrual basis).

4. ANNUITIES.—Amounts received as an annuity under an annuity or endowment contract shall be included in gross income to the extent of 3 percent of the aggregate premiums or consideration paid for such annuity. If the aggregate of the amounts received and excluded from gross income equals the aggregate premiums or consideration paid for such annuity, the entire amount thereafter received must be included in gross income.

FOR INSTRUCTIONS 7, 8, AND 9,
SEE PAGE 2, SECOND COLUMN.

11. CONTRIBUTIONS PAID.—Enter (not to exceed 15 percent of your net income computed without the benefit of this deduction) contributions or gifts, payment of which was made within the year to or for the use of—

(a) A corporation, trust, or community chest, fund, or foundation, created or organized in the United States or in any possession thereof or under the law of the United States or of any State or Territory or of any possession of the United States, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to

the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation;

(b) The United States, any State, Territory, or any political subdivision thereof, or the District of Columbia, or any possession of the United States, for exclusively public purposes;

(c) The special fund for vocational rehabilitation authorized by section 12 of the World War Veterans' Act, 1924;

(d) Posts or organizations of war veterans, or auxiliary units or societies of any such posts or organizations, if such posts, organizations, units, or societies are organized in the United States or any of its possessions, and if no part of their net earnings inures to the benefit of any private shareholder or individual; or

(e) A domestic fraternal society, order, or association, operating under the lodge system, but only if such contributions or gifts are to be used exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals.

12. INTEREST.—Enter interest on personal indebtedness as distinguished from business indebtedness (which should be entered in Schedules B and H). For limitations on deductions for unpaid expenses and interest, see section 24 (c).

13. TAXES.—Enter taxes imposed on you and paid or accrued during the taxable year, except taxes entered in Schedules B and H. Do not include taxes assessed against local benefits, Federal income taxes or estate, inheritance, legacy, succession, gift taxes, taxes imposed on your interest as shareholder of a corporation which are paid by the corporation without reimbursement from you, nor income taxes claimed as a credit in item 31. Federal social security and employment taxes paid by or for an employee are not deductible by the employee.

14. LOSSES.—Enter property losses (not claimed in Schedule H), from fire, storm, shipwreck, or other casualty, or from theft, not compensated for by insurance or otherwise. Explain in Schedule C, giving description of property, date acquired, cost, subsequent improvements, depreciation allowable, insurance, salvage value, and deductible loss.

15. BAD DEBTS.—Enter bad debts other than those claimed in Schedule H. Show in Schedule C: (a) of what the debts consisted; (b) name and family relationship, if any, of debtor; (c) when created; (d) when due; (e) efforts made to collect; and (f) how determined to be worthless. Enter in Schedule F losses from corporate securities with interest coupons or in registered form ascertained to be worthless and charged off within the year, and which are capital assets.

16. OTHER DEDUCTIONS.—Enter other authorized deductions, including net operating loss deduction allowed by section 23 (a). Every taxpayer claiming a deduction due to a net operating loss for the preceding taxable year or years shall file with his return the statement required by section 19.122-1, Regulations 103.

Do not deduct losses in transactions not connected with your trade or business or not entered into for profit. Losses from wagering transactions are allowable to the extent of gains therefrom.

20, 21. CREDIT FOR PERSONAL EXEMPTION AND DEPENDENTS.—A single person, or a married person not living with spouse, is allowed a personal exemption of \$750. A person who, during the entire taxable year, was the head of a family or was married and living with spouse, is allowed an exemption of \$1,500. On separate returns, the personal exemption may be taken by either husband or wife or divided between them in any proportion.

A "head of a family" is one who supports in one household one or more dependent individuals closely connected with him by blood relationship, relationship by marriage, or by adoption, and whose right to exercise family control is based upon some moral or legal obligation.

A credit of \$400 is allowed for each person (other than husband or wife) under 18 years of age, or incapable of self-support because mentally or physically defective, whose chief support was received from the taxpayer. If taxpayer is head of a family only because of dependents for whom he would be entitled to credit under preceding sentence, \$400 credit is allowed for each of such dependents except one.

If taxpayer's status, with respect to personal exemption and credit for dependents, changed during the taxable year, such exemption and credit shall be apportioned according to the number of months before and after such change. A fractional part of a month is disregarded unless it exceeds half a month, when it shall be considered a month.

24. EARNED INCOME CREDIT.—"Earned income" means wages, salaries, professional fees, and other amounts received as compensation for personal services actually rendered. Where a taxpayer is engaged in a trade or business in which both personal services and capital are material income-producing factors, a reasonable allowance as compensation for the personal services actually rendered by the taxpayer, not in excess of 20 percent of his share of the net profits of such trade or business, shall be considered as earned income. "Earned net income" means the excess of the amount of the earned income over the sum of the "earned income deductions," which are the ordinary and necessary expenses properly chargeable against earned income.

27. SURTAX.—The following table shows the surtax due for the taxable year upon certain specified amounts of surtax net income.

SURTAX TABLE

If the surtax net income is:	The surtax shall be:
Not over \$2,000	0% of the surtax net income.
Over \$2,000 but not over \$4,000	\$120, plus 9% of excess over \$2,000.
Over \$4,000 but not over \$6,000	\$300, plus 13% of excess over \$4,000.
Over \$6,000 but not over \$8,000	\$560, plus 17% of excess over \$6,000.
Over \$8,000 but not over \$10,000	\$900, plus 21% of excess over \$8,000.
Over \$10,000 but not over \$12,000	\$1,330, plus 25% of excess over \$10,000.
Over \$12,000 but not over \$14,000	\$1,830, plus 29% of excess over \$12,000.
Over \$14,000 but not over \$16,000	\$2,400, plus 33% of excess over \$14,000.
Over \$16,000 but not over \$18,000	\$3,040, plus 35% of excess over \$16,000.
Over \$18,000 but not over \$20,000	\$3,740, plus 36% of excess over \$18,000.
Over \$20,000 but not over \$22,000	\$4,500, plus 41% of excess over \$20,000.
Over \$22,000 but not over \$24,000	\$5,320, plus 44% of excess over \$22,000.
Over \$24,000 but not over \$26,000	\$7,080, plus 47% of excess over \$24,000.
Over \$26,000 but not over \$28,000	\$9,900, plus 50% of excess over \$26,000.
Over \$28,000 but not over \$30,000	\$12,900, plus 53% of excess over \$28,000.
Over \$30,000 but not over \$32,000	\$16,080, plus 55% of excess over \$30,000.
Over \$32,000 but not over \$34,000	\$19,380, plus 57% of excess over \$32,000.
Over \$34,000 but not over \$36,000	\$23,080, plus 59% of excess over \$34,000.
Over \$36,000 but not over \$38,000	\$26,980, plus 61% of excess over \$36,000.
Over \$38,000 but not over \$40,000	\$31,080, plus 63% of excess over \$38,000.
Over \$40,000 but not over \$42,000	\$35,380, plus 64% of excess over \$40,000.
Over \$42,000 but not over \$44,000	\$39,780, plus 65% of excess over \$42,000.
Over \$44,000 but not over \$46,000	\$44,380, plus 66% of excess over \$44,000.
Over \$46,000 but not over \$48,000	\$49,180, plus 67% of excess over \$46,000.
Over \$48,000 but not over \$50,000	\$54,180, plus 69% of excess over \$48,000.
Over \$50,000 but not over \$52,000	\$59,380, plus 71% of excess over \$50,000.
Over \$52,000 but not over \$54,000	\$64,780, plus 73% of excess over \$52,000.
Over \$54,000 but not over \$56,000	\$70,380, plus 73% of excess over \$54,000.
Over \$56,000 but not over \$58,000	\$76,180, plus 74% of excess over \$56,000.
Over \$58,000 but not over \$60,000	\$82,180, plus 75% of excess over \$58,000.
Over \$60,000 but not over \$2,000,000	\$88,380, plus 75% of excess over \$60,000.
Over \$2,000,000 but not over \$5,000,000	\$1,443,780, plus 78% of excess over \$2,000,000.
Over \$5,000,000	\$3,723,780, plus 77% of excess over \$5,000,000.

30. INCOME TAX PAID AT SOURCE.—Enter 2 percent of interest on bonds on which Federal income tax was paid by debtor corporation.

31. FOREIGN TAX CREDIT.—If credit is claimed for taxes paid to a foreign country or possession of United States, submit Form 1116 and receipts for such payments. If credit is claimed for taxes accrued, attach to Form 1116 certified copy of return on which tax was based.

INSTRUCTIONS BELOW NEED BE CONSIDERED ONLY IF ENTRIES ARE MADE IN ITEMS 7, 8, AND 9, PAGE 1 OF RETURN.

7. GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS AND OTHER PROPERTY.—Report details in Schedules F and G.

"Capital assets" defined.—The term "capital assets" means property held by the taxpayer (whether or not connected with his trade or business), but not stock in trade or other property of a kind which would properly be included in his inventory if on hand at the close of the taxable year, or property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, or property used in the trade or business of a character which is subject to the allowance for depreciation provided in section 23 (l), or an obligation of the United States or any of its possessions, or of a State or Territory, or any political subdivision thereof, or of the District of Columbia, issued on or after March 1, 1941, on a discount basis and payable without interest at a fixed maturity date not exceeding one year from the date of issue.

Description of property.—State following facts: (a) For real estate, location and description of land and improvements; (b) for bonds or other evidences of indebtedness, name of issuing corporation, particular issue, denomination and amount; and (c) for stocks, name of corporation, class of stock, number of shares, and capital changes affecting basis (including nontaxable distributions).

Basis.—In determining GAIN in case of property acquired before March 1, 1913, use the cost or the fair market value as of March 1, 1913, adjusted as provided in section 113 (b), whichever is greater, but in determining LOSS use cost so adjusted. If the property was acquired after February 28, 1913, use cost, except as otherwise provided in section 113.

Losses on securities becoming worthless.—If (1) shares of stock become worthless during the year or (2) corporate securities with interest coupons or in registered form are ascertained to be worthless and charged off during the year, and are capital assets, the loss therefrom shall be considered as from the sale or exchange of capital assets as of the last day of such taxable year.

Classification of capital gains and losses.—The phrase "short-term" applies to gains and losses from the sale or exchange of capital assets held for 18 months or less; the phrase "long-term" to capital assets held for more than 18 months.

Limitation on short-term capital losses.—Short-term capital losses shall be allowed only to the extent of short-term capital gains. However, any net short-term capital loss (not in excess of the net income for the year involved) may be carried over in the succeeding year and applied against the short-term capital gains not already offset by short-term capital losses in such year. The carry-over is restricted to 1 year.

Alternative tax.—In the case of a net long-term capital gain or loss, an alternative tax may be imposed in lieu of the normal tax and surtax imposed upon net income. (See Computation of Alternative Tax, Schedule F.) In calculating the alternative tax in the case of a long-term capital loss, the base (1) for computing the 15 percent limitation with respect to the deduction for charitable contributions is the "ordinary net income" as shown in line 3, Computation of Alternative Tax, Schedule F, increased by item 11, page 1, and (2) for computing the earned income credit is the "ordinary net income" as adjusted for the charitable contributions deduction.

"Wash sales" losses.—Loss from sale or other disposition of stock or securities cannot be deducted unless sustained in connection with the taxpayer's trade or business, if, within 30 days before or after the date of sale or other disposition, the taxpayer has acquired (by purchase or by an exchange upon which the entire amount of gain or loss was recognized by law), or has entered into a contract or option to acquire, substantially identical stock or securities. Losses in transactions between certain persons.—No deduction is allowable for losses from sales or exchanges of property directly or indirectly between (a) members of a family (b) a corporation and an individual owning more than 50 percent of its stock (liquidations excepted), (c) a grantor and fiduciary of any trust, or (d) a fiduciary and a beneficiary of the same trust.

8. BUSINESS OR PROFESSION.—Fill in Schedule H. Farmers keeping no books of account, or books on cash basis, must attach Form 1040F. A taxpayer electing to include in gross income amounts received during the year as loans from the Commodity Credit Corporation should file with his return a statement showing the details of such loans. (See section 123.)

If installment method is used, attach schedule showing separately for years 1938, 1939, 1940, and 1941: (a) Gross sales; (b) cost of goods sold; (c) gross profits; (d) percentage of profits to gross sales; (e) amount collected; (f) gross profit on amount collected.

Bad debts may be deducted either (1) when ascertained to be wholly or partially worthless, or (2) by a reasonable addition to a reserve. (No change of method without permission of Commissioner.)

9 (a). INCOME FROM PARTNERSHIPS, FIDUCIARIES, ETC., WHOSE TAXABLE YEAR ENDS WITHIN THE TAXABLE YEAR COVERED BY THIS RETURN.—Enter as item 9 your share of profits (whether received or not) or losses of a partnership (including a syndicate, pool, etc., not taxable as a corporation) except capital gains and losses, which enter in Schedule F. Enter as item 9 income from an estate or trust. Enter in Schedule A your share of interest on obligations of the United States and instrumentalities, issued prior to March 1, 1941, owned by partnership, estate, or trust. Include in item 11, and explain in Schedule C, your share of any contribution or gift, payment of which was made by the partnership within its taxable year. Enter in items 30 and 31, respectively, your share of credits for Federal income tax paid at source and foreign income taxes.

9 (b). OTHER INCOME.—Enter any other taxable income, including earnings of minor children if parent is legally entitled thereto.

1941

1	100,683.23
2	4,650.61
3	1,521.68
4	163.61
9	1862.

108,881.13

Less 5 : : - 2,520.61

Item 10 106,360.52

Less 12 + 13

187.50
12,378.71
<u>12,566.21</u>

12,566.21

93,794.33

Provisions Allowable

.15%

468971.65

93794.33

4,069,149.5

93794.33
141069.15
<u>79725.18</u>

New Law.

$ \begin{array}{r} 79,725.16 \\ 1500.00 \\ \hline 78,225.16 \\ 163.75 \\ \hline 78,061.41 \\ 7400. \\ \hline 76,661.41 \\ \hline \hline \text{04} \end{array} $	<p style="margin-left: 20px;">Normal 3066.45</p> <p style="margin-left: 20px;">Surtax $\left\{ \begin{array}{l} 30,980. \checkmark \\ 4997.35 \end{array} \right.$</p> <p style="margin-left: 20px;">Total $\underline{\underline{39,043.80}}$</p>
---	---

③ \rightarrow

$$\begin{array}{r}
 8,225.16 \text{ 0/0} \\
 61 \\
 \hline
 8,225.16 \\
 50961 \\
 \hline
 491 \\
 \hline
 4997.35
 \end{array}$$

Old Law.

$ \begin{array}{r} 79,725.16 \\ 2,000 \\ \hline 77,725.16 \\ 1,563.75 \\ \hline 76,121.41 \\ \hline \hline \text{04} \\ 30,448.564 \end{array} $	<p style="margin-left: 20px;">Normal. 3,044.86</p> <p style="margin-left: 20px;">Surtax $\left\{ \begin{array}{l} 20,880.00 \\ 3862.58 \end{array} \right.$</p> <p style="margin-left: 20px;">Total $\underline{\underline{27,787.44}}$</p>
$ \begin{array}{r} 7,725.16 \\ 50\% \\ \hline 3,862.5800 \end{array} $	

**UNITED STATES
INDIVIDUAL INCOME TAX RETURN**

(Auditor's Stamp)

OPTIONAL FORM 1040A MAY BE FILED INSTEAD OF THIS FORM IF GROSS INCOME IS NOT MORE THAN \$2,000 AND CONSISTS WHOLLY OF SALARIES, WAGES, OTHER COMPENSATION FOR PERSONAL SERVICES, DIVIDENDS, INTEREST, RENT, ANNUITIES, OR ROYALTIES.

For Calendar Year 1941

or fiscal year beginning _____, 1941, and ending _____, 1942

To be filed with the Collector of Internal Revenue for your district not later than the 15th day of the third month following the close of your taxable year

PRINT NAME AND ADDRESS PLAINLY. (See Instruction C)

(Name) (Use given names of both husband and wife, if this is a joint return)

(Street and number, or rural route)

(Post office)

(County)

(State)

(Do not use these spaces)

File Code _____

Serial No. _____

District _____

(Cashier's Stamp)

Cash—Check—M. O. _____

First Payment

Item and Instruction No.	INCOME	Amount	Deductible Expenses (Attach itemized statement)		
1. Salaries and other compensation for personal services, \$		\$		100,000	00
2. Dividends				4,000	00
3. Interest on (a) bank deposits, notes, etc., \$; (b) corporation bonds, \$				1,500	00
4. Interest on Government obligations, etc. (a) From line (h), Schedule A, \$; (b) from line (i), Schedule A, \$				100	75
5. Rents and royalties. (From Schedule B)				(2,500)	00
6. Annuities					
ITEMS 7, 8, AND 9, BELOW (AND PAGES 2 AND 4) NEED NOT BE CONSIDERED UNLESS YOU HAVE INCOME (OR LOSSES) IN ADDITION TO ITEMS ABOVE.					
7. (a) Net short-term gain from sale or exchange of capital assets. (From Schedule F)					
(b) Net long-term gain (or loss) from sale or exchange of capital assets. (From Schedule F)					
(c) Net gain (or loss) from sale or exchange of property other than capital assets. (From Schedule G)					
8. Net profit (or loss) from business or profession. (From Schedule H) (State total receipts, from line 1, Schedule H, \$)				1,000	00
9. Income (or loss) from partnerships; fiduciary income; and other income. (From Schedule I)					
10. Total income in items 1 to 9					106,500 00
DEDUCTIONS					
11. Contributions paid. (Explain in Schedule C)				14,000	00
12. Interest. (Explain in Schedule C)				100	00
13. Taxes. (Explain in Schedule C)				12,500	00
14. Losses from fire, storm, shipwreck, or other casualty, or theft. (Explain in Schedule C)					
15. Bad debts. (Explain in Schedule C)					
16. Other deductions authorized by law. (Explain in Schedule C)					
17. Total deductions in items 11 to 16					26,600 00
18. Net income (item 10 minus item 17)					79,900 00

COMPUTATION OF TAX					
19. Net income (item 18 above)		\$	79,900	00	
20. Less: Personal exemption. (From Schedule D-1)	\$	1,500	00		
21. Credit for dependents. (From Schedule D-2)			1,500	00	
22. Balance (surtax net income)		\$	76,900	00	
23. Less: Item 4 (a) above	\$	100	75		
24. Earned income credit. (From Schedule E-1 or E-2)	\$	1,400	00	1,500	75
25. Balance subject to normal tax		\$	75,001	25	
26. Normal tax (4% of item 25)		\$			3,000 46
27. Surtax on item 22. (See Instructions)					25,000 00
28. Total (item 26 plus item 27)					28,000 46
29. Total tax (item 28 or line 16, Schedule F)					28,000 46
30. Less: Income tax paid at source		\$			
31. Income tax paid to a foreign country or U.S. possession. (Attach Form 1116)					
32. Balance of tax (item 29 minus items 30 and 31)		\$			28,000 46

I/we swear (or affirm) that this return (including any accompanying schedules and statements) has been examined by me/us, and to the best of my/our knowledge and belief is a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Internal Revenue Code and the regulations issued under authority thereof.

Subscribed and sworn to by _____ before me this _____ day of _____, 1941.

(Signature) (See Instruction E)
 (Signature)
 If this is a joint return (not made by agent), it must be signed by both husband and wife. It must be sworn to before a proper officer by the spouse preparing the return.
 (Signature and title of officer administering oath)
 A return made by an agent must be accompanied by power of attorney. (See Instruction E.)
 (IF THIS RETURN WAS PREPARED FOR YOU BY SOME OTHER PERSON, THE AFFIDAVIT ON PAGE 4 MUST BE EXECUTED)

Schedule A.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction G)

1. Obligations or securities	2. Amount owned at end of year including your proportionate share of such obligations held by estates, trusts, partnerships, or common trust funds	3. Interest received or accrued during the year	4. Amount of principal interest on which is exempt from taxation	5. Interest on amount in excess of exemption, and dividends subject to surtax only
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions	\$ 7,000 00	\$ 217 50	All	XXXXXXXXXX
(b) Obligations issued prior to March 1, 1941, under Federal Farm Loan Act, or under such Act as amended			All	XXXXXXXXXX
(c) Obligations of United States issued on or before September 1, 1917			All	XXXXXXXXXX
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness issued prior to March 1, 1941			All	XXXXXXXXXX
(e) United States Savings Bonds and Treasury Bonds issued prior to March 1, 1941	10,000 00	287 50	\$5,000	\$ 142 75
(f) Obligations of instrumentalities of the United States (other than obligations to be reported in (b) above) issued prior to March 1, 1941			None	
(g) Dividends on share accounts in Federal savings and loan associations	XXXXXXXXXXXXXX	XXXXXXXXXX	XXXX	30 00
(h) Total (enter as item 4 (a), page 1)				\$ 142 75
(f) Obligations issued on or after March 1, 1941, by the United States or any agency or instrumentality thereof (enter amount of interest as item 4 (b), page 1)			Amount owned at end of year	Interest received or accrued during the year (subject to normal tax and surtax)

Schedule B.—INCOME FROM RENTS AND ROYALTIES. (See Instruction 5)

1. Kind of property	2. Amount	3. Depreciation or depletion (attach schedule)	4. Repairs (explain below)	5. Other expenses (itemize below)	6. Net profit (column 2 minus sum of columns 3, 4, and 5) (enter as item 5, page 1)
Farms, Houses, Trees	\$ 1,754 27		\$ 2,000 00	\$ 2,224 28	\$ - 2,530 61
Hyde Park, Varn Springs					

Explanation of deductions claimed in columns 4 and 5: (4) Repairs and insurance on rented houses and farms (5) Trees, planting and maintenance of wood

Schedule C.—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 11, 12, 13, 14, 15, AND 16

1. Item No.	2. Explanation	3. Amount	1. Item No. (Continued)	2. Explanation (Continued)	3. Amount (Continued)
11	See Schedule annexed		15	Farms	\$ 3,558 70
12	Int'l on Mtg. Wash. Hellev	167 50		N. Y. City Campbell	4,263 90
				N. Y. State income	123 25
				Auto Club cigar	4,220 00

Schedule D.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 20 AND 21. (See Instructions 20 and 21)

(1) Personal Exemption			(2) Credit for Dependents		
Status	Number of months during the year in each status	Credit claimed	Name of dependent and relationship	Number of months during the year	Credit claimed
				Under 18 years old	18 years or over
Single, or married and not living with husband or wife, and not head of family					
Married and living with husband or wife	12	\$ 1,500 00			
Head of family (explain below)					
			Reason for support if 18 years or over		

Schedule E.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 24)

(1) If your net income is \$3,000 or less, use only this part of schedule		(2) If your net income is more than \$3,000, use only this part of schedule	
Net income (item 18, page 1)	\$	Earned net income (not more than \$14,000)	\$ 14,000 00
Earned income credit (10% of net income, above)		Net income (item 18, page 1)	79,725 28
		Earned income credit (10% of earned net income or 10% of net income, above, whichever amount is smaller, but do not enter less than \$300)	1,400 00

QUESTIONS

- State your principal occupation or profession
- Name and address of employer
- Did you file a return for any prior year? If so, what was the latest year? To which Collector's office was it sent?
- If separate return was made for the current year, state:
 - Name of husband or wife
 - Personal exemption, if any, claimed thereon
 - Collector's office to which it was sent
- Check whether this return was prepared on the cash or accrual basis.
- If return on cash basis, do you elect, under section 42, to include as income received in the current year the increase for current and prior years in the redemption price of noninterest-bearing obligations issued at a discount? If so, attach statement listing obligations owned and computation of the accrued income. Report such income as interest in item 3 or 4, page 1, whichever applicable.
- Did you receive during the taxable year any nontaxable income other than interest reported in Schedule A (see Instruction G)? If so, attach schedule showing source, nature, and amount of such income.
- Did you at any time during your taxable year own directly or indirectly any stock of a foreign corporation or a personal holding company as defined by section 501 of the Internal Revenue Code? If so, attach statement required by Instruction J.

Schedule F.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 7)

1. Kind of property (if necessary, attach statement of descriptive details not shown below)	2. Date acquired Mo. Day Year	3. Date sold Mo. Day Year	4. Gross sales price (contract price)	5. Cost or other basis	6. Expenses of sale and cost of improvements subsequent to acquisition or March 1, 1913	7. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule J)	8. Gain or loss (column 4 plus column 7 minus the sum of columns 5 and 6)	9. Gain or loss to be taken into account	
								Percentage	Amount
SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 18 MONTHS									
			\$	\$	\$	\$	\$	100	\$
								100	
								100	
								100	
Total net short-term capital gain or loss (enter in line 1, column 3, of summary below)								\$	
LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 18 MONTHS BUT NOT FOR MORE THAN 24 MONTHS									
			\$	\$	\$	\$	\$	66%	\$
								66%	
								66%	
								66%	
Total net long-term capital gain or loss (enter in line 2, column 3, of summary below)								\$	
LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 24 MONTHS									
			\$	\$	\$	\$	\$	50	
								50	
								50	
								50	
Total net long-term capital gain or loss (enter in line 2, column 3, of summary below)								\$	

SUMMARY OF NET CAPITAL GAINS OR LOSSES

1. Classification	2. Net short-term capital loss of preceding taxable year (not in excess of net income for such year)	3. Net gain or loss to be taken into account from column 10, above		4. Net gain or loss to be taken into account from partnerships and common trust funds		5. Total net gain or loss to be taken into account in columns 2, 3, and 4 of this summary	
		Gain	Loss	Gain	Loss	Gain	Loss
1. Total net short-term capital gain or loss (enter as item 7 (a), page 1, amount of gain shown in column 5)	\$	\$	\$	\$	\$	\$	No net loss allowable (see Instruction 7)
2. Total net long-term capital gain or loss (enter as item 7 (b), page 1, amount of gain or loss shown in column 5)	\$	\$	\$	\$	\$	\$	

COMPUTATION OF ALTERNATIVE TAX

Use only: If you had a net long-term capital gain, and item 22, page 1, exceeds \$12,000, or If you had a net long-term capital loss, and such loss plus item 22, page 1, exceeds \$12,000

1. Net income (item 18, page 1). (See Instruction 7)	\$	10. Normal tax (4% of line 9)	\$
2. (a) Net long-term capital gain (item 7 (b), page 1)		11. Surtax on line 6. (See Instruction 27)	
(b) Net long-term capital loss (item 7 (b), page 1)		12. Partial tax (line 10 plus line 11)	\$
3. Ordinary net income (line 1 minus line 2 (a) or line 1 plus line 2 (b)). (See Instruction 7)	\$	13. (a) 30% of net long-term capital gain (30% of line 2 (a))	
4. Less: Personal exemption. (From Schedule D-1)	\$	(b) 30% of net long-term capital loss (30% of line 2 (b))	
5. Credit for dependents. (From Schedule D-2)		14. Alternative tax (line 12 plus line 13 (a) or line 12 minus line 13 (b))	\$
6. Balance (surtax net income)	\$	15. Total normal tax and surtax (item 28, page 1)	\$
7. Less: Item 4 (a), page 1	\$	16. Tax liability (if a net long-term capital gain, on line 2 (a), enter line 14 or line 15, whichever is the lesser; if a net long-term capital loss, on line 2 (b), enter line 14 or line 15, whichever is the greater). (Enter as item 29, page 1)	\$
8. Earned income credit. (From Schedule E-1 or E-2). (See Inst. 7)			
9. Balance subject to normal tax	\$		

Schedule G.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS (See Instruction 7)

1. Kind of property	2. Date acquired	3. Gross sales price (contract price)	4. Cost or other basis	5. Expenses of sale and cost of improvements subsequent to acquisition or March 1, 1913	6. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule J)	7. Gain or loss (column 3 plus column 6 minus the sum of columns 4 and 5)
		\$	\$	\$	\$	\$
Total net gain (or loss) (enter as item 7 (c), page 1)						\$

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the items on this page: _____
 If any of such items were acquired by you other than by purchase, explain fully how acquired: _____

Schedule H.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (See Instruction 8)

(State (1) nature of business _____; (2) number of places of business _____; (3) business name and address if different from name and address on page 1 _____)

Table with columns for COST OF GOODS SOLD and OTHER BUSINESS DEDUCTIONS. Rows include inventory, labor, materials, salaries, interest, taxes, depreciation, and net profit.

If the production, manufacture, purchase, or sale of merchandise is an income-producing factor, inventories are required. Enter "C," or "C or M," on lines 2 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

Explanation of deductions claimed in lines 6, 14, and 17 _____

Schedule I.—INCOME FROM PARTNERSHIPS, FIDUCIARIES, AND OTHER SOURCES

Table for Schedule I with sections for INCOME (OR LOSS) FROM PARTNERSHIPS, SYNDICATES, ETC., INCOME FROM FIDUCIARIES, and INCOME FROM OTHER SOURCES.

Total amounts in Schedule I. (Enter as item 9, page 1) _____

Schedule J.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES F, G, AND H

Table for Schedule J with 9 columns: 1. Kind of property, 2. Date acquired, 3. Cost or other basis, 4. Assets fully depreciated, 5. Depreciation allowed, 6. Remaining cost, 7. Estimated life used, 8. Estimated remaining life, 9. Depreciation allowable.

AFFIDAVIT. (See Instruction E)

(If this return was prepared for you by some other person, the following affidavit must be executed)

I/we swear (or affirm) that I/we prepared this return for the person or persons named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the tax liability of the person or persons for whom this return has been prepared of which I/we have any knowledge.

Subscribed and sworn to before me this _____ day of _____, 194_____



Signature lines for the preparer and employer.

(Signature and title of officer administering oath)

(Name of firm or employer, if any)

INSTRUCTIONS FOR FORM 1040, UNITED STATES INDIVIDUAL INCOME TAX RETURN

(References are to the Internal Revenue Code, unless otherwise noted)

Page 1

1941

GENERAL INSTRUCTIONS

1941

A. WHO MUST MAKE A RETURN.—Every citizen and resident of the United States having during the taxable year gross income (income derived from any source whatever, unless exempt from tax by law) in an amount specified below, regardless of the amount of net income, shall make a return if:

(1) *Single for entire year, or married and not living with husband or wife for any part of the taxable year.* If having a gross income of \$750 or over.

(2) *Married and living with husband or wife for the entire taxable year.* If each has income and their combined gross income is \$1,500 or over, they must each make a return or file a joint return. If only one has income and his gross income is \$1,500 or over, only that one is required to make a return.

(3) *Married and living with husband or wife for only part of the taxable year.* If each has income and their combined gross income is \$1,500 or over, or equal to, or in excess of, their total personal exemption (not including credit as head of a family or for dependents), they must each make a return or file a joint return. If only one has income and his gross income is \$1,500 or over, or equal to, or in excess of, his personal exemption (not including credit as head of a family or for dependents), only that one is required to make a return. (See Specific Instruction 20 as to personal exemption.)

Joint return.—May be filed by husband and wife only if they are (1) both citizens or residents of the United States and (2) living together at the end of the taxable year. A joint return is permissible even though one has no gross income. In a joint return the aggregate income, deductions, and credits are computed as though husband and wife were one person.

Deceased individuals.—Return required on Form 1040 or 1040A if gross income to date of death is \$750 or over, if single, or married and not living with spouse for any part of the taxable year, or equal to, or in excess of, credit for personal exemption (not including credit as head of a family or for dependents), if married and living with spouse for all or any part of the taxable year. The return for a decedent shall include all items of income and deductions accrued up to the date of death, regardless of the fact that the decedent may have kept his books on a cash basis or kept no books.

B. FORM OF RETURN.—Citizens and resident alien individuals use Form 1040, except that those whose gross income is not more than \$3,000 and consists wholly of salaries, wages, other compensation for personal services, dividends, interest, rent, annuities, or royalties may use optional Form 1040A. Nonresident aliens use Form 1040B or 1040NB. Fiduciaries for estates and trusts use Form 1041.

C. FILING OF RETURNS AND PAYMENT OF TAX.—File on or before 15th day of 3d month following close of taxable year with collector for the district in which the taxpayer has his legal residence or principal place of business. If the taxpayer has no legal residence or place of business in United States, file with collector at Baltimore, Md. The taxpayer's home address must be given and a permanent business address may be added. Pay in cash at collector's office or by check or money order payable to "Collector of Internal Revenue." Pay in full with return or in four equal installments, on or before the 15th day of the 3d, 6th, 9th, and 12th month from close of taxable year.

D. PENALTIES.—Severe penalties are imposed for failing to file a required return, for late filing, and for filing a false or fraudulent return.

E. AFFIDAVITS.—Return must be sworn to by taxpayer or his agent. Return may be made by agent if taxpayer (1) is too ill to make it or (2) is absent from United States for 60 days before due date. Power of attorney on Form 935 or 936 (husband and wife) must accompany return made by agent. Person (other than taxpayer) preparing return must execute affidavit on page 4. Return may be sworn to before any collector, deputy collector, or internal revenue agent (without charge), or other person authorized by law to administer oaths for general purposes, except taxpayer's agent.

F. RECEIVED OR ACCRUED INCOME.—If books are kept on accrual basis, report all income accrued, even though not received, and expenses incurred even though not paid. If books are not kept on accrual basis, or if no books are kept, report all income actually or constructively received, and all expenses paid.

G. ITEMS EXEMPT FROM TAX.—As to items of income exempt from tax other than those listed below, see sections 22 (b) and 116.

1. Interest on governmental obligations is exempt to the extent indicated in Schedule A.

2. **Proceeds of insurance policies.**—The proceeds of life insurance policies, paid by reason of the death of the insured, are exempt. If any part of the proceeds is held by the insurer under an agreement to pay interest, the interest is taxable. Amounts received under a life insurance or endowment policy, not payable by reason of the death of the insured, are not taxable until the aggregate of the amounts received exceeds the premiums or consideration paid for the policy. See Specific Instruction 6 as to taxation of annuities.

3. **Miscellaneous items wholly exempt from tax:**

(a) Gifts (not received as a consideration for service rendered) and money and property acquired by bequest, devise, or inheritance (but income therefrom is taxable);

(b) Amounts received through accident or health insurance or under workmen's compensation acts, as compensation for personal injuries or sickness, plus the amount of any damages received, whether by suit or agreement, on account of such injuries or sickness;

(c) The rental value of a dwelling house and appurtenances thereof furnished to a minister of the gospel as part of his compensation;

(d) Pensions and compensation received by veterans from the United States and pensions received from the United States by the family of a veteran, for services rendered by the veteran in time of war; and

(e) Interest on adjusted service bonds and interest credited to postal savings accounts deposited prior to March 1, 1941.

H. DEPRECIATION AND DEPLETION.—A reasonable allowance for exhaustion, wear and tear, including obsolescence, of property used in trade or business may be deducted, based on cost if acquired by purchase after February 28, 1913. If acquired before March 1, 1913, or otherwise than by purchase, see section 114. For depletion deduction, see sections 23 (m) and 114 and Regulations 103.

I. INFORMATION AT SOURCE.—Every person making payments of (1) interest, rents, commissions, or other fixed or determinable income of \$750 or more during the calendar year 1941 to an individual, a partnership, or a fiduciary, or (2) salary or wages of \$750 or more to a single person or \$1,500 or more to a married person shall make a return on Forms 1099 and 1099B.

J. STOCK OWNED IN FOREIGN CORPORATIONS AND PERSONAL HOLDING COMPANIES.—If at any time during the year you owned directly or indirectly stock of a foreign corporation, or a personal holding company (section 501), attach a statement showing name and address of each such company and total number of shares of each class of outstanding stock owned. If at any time during the year you owned stock in a foreign personal holding company (section 531), include in income as a dividend the amount required by section 537, and if you owned 5 percent or more in value of the outstanding stock of such company, attach a statement giving in detail the information required by section 537 (d).

SPECIFIC INSTRUCTIONS

(Numbered to correspond with item numbers on page 1 of return)

1. SALARIES, ETC.—Include compensation received as an officer or employee of a State or political subdivision or any agency or instrumentality thereof.

2. DIVIDENDS.—Enter total of all taxable dividends. Enter in Schedule A dividends on share accounts in Federal savings and loan associations.

5. RENTS AND ROYALTIES.—Include rent received in property or crops. Report crops received on crop-share basis in year in which disposed of (unless return is made on accrual basis).

6. ANNUITIES.—Amounts received as an annuity under an annuity or endowment contract shall be included in gross income to the extent of 3 percent of the aggregate premiums or consideration paid for such annuity. If the aggregate of the amounts received and excluded from gross income equals the aggregate premiums or consideration paid for such annuity, the entire amount thereafter received must be included in gross income.

FOR INSTRUCTIONS 7, 8, AND 9,
SEE PAGE 2, SECOND COLUMN.

11. CONTRIBUTIONS PAID.—Enter (not to exceed 15 percent of your net income computed without the benefit of this deduction) contributions or gifts, payment of which was made within the year to or for the use of—

(a) A corporation, trust, or community chest, fund, or foundation, created or organized in the United States or in any possession thereof or under the law of the United States or of any State or Territory or of any possession of the United States, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to

the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation;

(b) The United States, any State, Territory, or any political subdivision thereof, or the District of Columbia, or any possession of the United States, for exclusively public purposes;

(c) The special fund for vocational rehabilitation authorized by section 12 of the World War Veterans' Act, 1924;

(d) Posts or organizations of war veterans, or auxiliary units or societies of any such posts or organizations, if such posts, organizations, units, or societies are organized in the United States or any of its possessions, and if no part of their net earnings inures to the benefit of any private shareholder or individual; or

(e) A domestic fraternal society, order, or association, operating under the lodge system, but only if such contributions or gifts are to be used exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals.

12. INTEREST.—Enter interest on personal indebtedness as distinguished from business indebtedness (which should be entered in Schedules B and H). For limitations on deductions for unpaid expenses and interest, see section 24 (c).

13. TAXES.—Enter taxes imposed on you and paid or accrued during the taxable year, except taxes entered in Schedules B and H. Do not include taxes assessed against local benefits, Federal income taxes or estate, inheritance, legacy, succession, gift taxes, taxes imposed on your interest as shareholder of a corporation which are paid by the corporation without reimbursement from you, nor income taxes claimed as a credit in item 31. Federal social security and employment taxes paid by or for an employee are not deductible by the employee.

14. LOSSES.—Enter property losses (not claimed in Schedule H), from fire, storm, shipwreck, or other casualty, or from theft, not compensated for by insurance or otherwise. Explain in Schedule C, giving description of property, date acquired, cost, subsequent improvements, depreciation allowable, insurance, salvage value, and deductible loss.

15. BAD DEBTS.—Enter bad debts other than those claimed in Schedule H. Show in Schedule C: (a) of what the debts consisted; (b) name and family relationship, if any, of debtor; (c) when created; (d) when due; (e) efforts made to collect; and (f) how determined to be worthless. Enter in Schedule F losses from corporate securities with interest coupons or in registered form ascertained to be worthless and charged off within the year, and which are capital assets.

16. OTHER DEDUCTIONS.—Enter other authorized deductions, including net operating loss deduction allowed by section 23 (a). Every taxpayer claiming a deduction due to a net operating loss for the preceding taxable year or years shall file with his return the statement required by section 19.122-1, Regulations 103.

Do not deduct losses in transactions not connected with your trade or business or not entered into for profit. Losses from wagering transactions are allowable to the extent of gains therefrom.

20, 21. CREDIT FOR PERSONAL EXEMPTION AND DEPENDENTS.—A single person, or a married person not living with spouse, is allowed a personal exemption of \$750. A person who, during the entire taxable year, was the head of a family or was married and living with spouse, is allowed an exemption of \$1,500. On separate returns, the personal exemption may be taken by either husband or wife or divided between them in any proportion.

A "head of a family" is one who supports in one household one or more dependent individuals closely connected with him by blood relationship, relationship by marriage, or by adoption, and whose right to exercise family control is based upon some moral or legal obligation.

A credit of \$400 is allowed for each person (other than husband or wife) under 18 years of age, or incapable of self-support because mentally or physically defective, whose chief support was received from the taxpayer. If taxpayer is head of a family only because of dependents for whom he would be entitled to credit under preceding sentence, \$400 credit is allowed for each of such dependents except one.

If taxpayer's status, with respect to personal exemption and credit for dependents, changed during the taxable year, such exemption and credit shall be apportioned according to the number of months before and after such change. A fractional part of a month is disregarded unless it exceeds half a month, when it shall be considered a month.

24. EARNED INCOME CREDIT.—"Earned income" means wages, salaries, professional fees, and other amounts received as compensation for personal services actually rendered. Where a taxpayer is engaged in a trade or business in which both personal services and capital are material income-producing factors, a reasonable allowance as compensation for the personal services actually rendered by the taxpayer, not in excess of 20 percent of his share of the net profits of such trade or business, shall be considered as earned income. "Earned net income" means the excess of the amount of the earned income over the sum of the "earned income deductions," which are the ordinary and necessary expenses properly chargeable against earned income.

27. SURTAX.—The following table shows the surtax due for the taxable year upon certain specified amounts of surtax net income.

SURTAX TABLE

If the surtax net income is:	The surtax shall be:
Not over \$2,000.....	0% of the surtax net income.
Over \$2,000 but not over \$4,000.....	\$120, plus 9% of excess over \$2,000.
Over \$4,000 but not over \$6,000.....	\$300, plus 12% of excess over \$4,000.
Over \$6,000 but not over \$8,000.....	\$560, plus 17% of excess over \$6,000.
Over \$8,000 but not over \$10,000.....	\$800, plus 21% of excess over \$8,000.
Over \$10,000 but not over \$12,000.....	\$1,120, plus 25% of excess over \$10,000.
Over \$12,000 but not over \$14,000.....	\$1,520, plus 29% of excess over \$12,000.
Over \$14,000 but not over \$16,000.....	\$2,000, plus 33% of excess over \$14,000.
Over \$16,000 but not over \$18,000.....	\$2,560, plus 37% of excess over \$16,000.
Over \$18,000 but not over \$20,000.....	\$3,200, plus 41% of excess over \$18,000.
Over \$20,000 but not over \$22,000.....	\$3,920, plus 45% of excess over \$20,000.
Over \$22,000 but not over \$24,000.....	\$4,720, plus 49% of excess over \$22,000.
Over \$24,000 but not over \$26,000.....	\$5,600, plus 53% of excess over \$24,000.
Over \$26,000 but not over \$28,000.....	\$6,560, plus 57% of excess over \$26,000.
Over \$28,000 but not over \$30,000.....	\$7,600, plus 61% of excess over \$28,000.
Over \$30,000 but not over \$32,000.....	\$8,720, plus 65% of excess over \$30,000.
Over \$32,000 but not over \$34,000.....	\$9,920, plus 69% of excess over \$32,000.
Over \$34,000 but not over \$36,000.....	\$11,200, plus 73% of excess over \$34,000.
Over \$36,000 but not over \$38,000.....	\$12,560, plus 77% of excess over \$36,000.
Over \$38,000 but not over \$40,000.....	\$14,000, plus 81% of excess over \$38,000.
Over \$40,000 but not over \$42,000.....	\$15,520, plus 85% of excess over \$40,000.
Over \$42,000 but not over \$44,000.....	\$17,120, plus 89% of excess over \$42,000.
Over \$44,000 but not over \$46,000.....	\$18,800, plus 93% of excess over \$44,000.
Over \$46,000 but not over \$48,000.....	\$20,560, plus 97% of excess over \$46,000.
Over \$48,000 but not over \$50,000.....	\$22,400, plus 101% of excess over \$48,000.
Over \$50,000 but not over \$52,000.....	\$24,320, plus 105% of excess over \$50,000.
Over \$52,000 but not over \$54,000.....	\$26,320, plus 109% of excess over \$52,000.
Over \$54,000 but not over \$56,000.....	\$28,400, plus 113% of excess over \$54,000.
Over \$56,000 but not over \$58,000.....	\$30,560, plus 117% of excess over \$56,000.
Over \$58,000 but not over \$60,000.....	\$32,800, plus 121% of excess over \$58,000.
Over \$60,000 but not over \$62,000.....	\$35,120, plus 125% of excess over \$60,000.
Over \$62,000 but not over \$64,000.....	\$37,520, plus 129% of excess over \$62,000.
Over \$64,000 but not over \$66,000.....	\$40,000, plus 133% of excess over \$64,000.
Over \$66,000 but not over \$68,000.....	\$42,560, plus 137% of excess over \$66,000.
Over \$68,000 but not over \$70,000.....	\$45,200, plus 141% of excess over \$68,000.
Over \$70,000 but not over \$72,000.....	\$47,920, plus 145% of excess over \$70,000.
Over \$72,000 but not over \$74,000.....	\$50,720, plus 149% of excess over \$72,000.
Over \$74,000 but not over \$76,000.....	\$53,600, plus 153% of excess over \$74,000.
Over \$76,000 but not over \$78,000.....	\$56,560, plus 157% of excess over \$76,000.
Over \$78,000 but not over \$80,000.....	\$59,600, plus 161% of excess over \$78,000.
Over \$80,000 but not over \$82,000.....	\$62,720, plus 165% of excess over \$80,000.
Over \$82,000 but not over \$84,000.....	\$65,920, plus 169% of excess over \$82,000.
Over \$84,000 but not over \$86,000.....	\$69,200, plus 173% of excess over \$84,000.
Over \$86,000 but not over \$88,000.....	\$72,560, plus 177% of excess over \$86,000.
Over \$88,000 but not over \$90,000.....	\$76,000, plus 181% of excess over \$88,000.
Over \$90,000 but not over \$92,000.....	\$79,520, plus 185% of excess over \$90,000.
Over \$92,000 but not over \$94,000.....	\$83,120, plus 189% of excess over \$92,000.
Over \$94,000 but not over \$96,000.....	\$86,800, plus 193% of excess over \$94,000.
Over \$96,000 but not over \$98,000.....	\$90,560, plus 197% of excess over \$96,000.
Over \$98,000 but not over \$100,000.....	\$94,400, plus 201% of excess over \$98,000.
Over \$100,000 but not over \$102,000.....	\$98,320, plus 205% of excess over \$100,000.
Over \$102,000 but not over \$104,000.....	\$102,320, plus 209% of excess over \$102,000.
Over \$104,000 but not over \$106,000.....	\$106,400, plus 213% of excess over \$104,000.
Over \$106,000 but not over \$108,000.....	\$110,560, plus 217% of excess over \$106,000.
Over \$108,000 but not over \$110,000.....	\$114,800, plus 221% of excess over \$108,000.
Over \$110,000 but not over \$112,000.....	\$119,120, plus 225% of excess over \$110,000.
Over \$112,000 but not over \$114,000.....	\$123,520, plus 229% of excess over \$112,000.
Over \$114,000 but not over \$116,000.....	\$128,000, plus 233% of excess over \$114,000.
Over \$116,000 but not over \$118,000.....	\$132,560, plus 237% of excess over \$116,000.
Over \$118,000 but not over \$120,000.....	\$137,200, plus 241% of excess over \$118,000.
Over \$120,000 but not over \$122,000.....	\$141,920, plus 245% of excess over \$120,000.
Over \$122,000 but not over \$124,000.....	\$146,720, plus 249% of excess over \$122,000.
Over \$124,000 but not over \$126,000.....	\$151,600, plus 253% of excess over \$124,000.
Over \$126,000 but not over \$128,000.....	\$156,560, plus 257% of excess over \$126,000.
Over \$128,000 but not over \$130,000.....	\$161,600, plus 261% of excess over \$128,000.
Over \$130,000 but not over \$132,000.....	\$166,720, plus 265% of excess over \$130,000.
Over \$132,000 but not over \$134,000.....	\$171,920, plus 269% of excess over \$132,000.
Over \$134,000 but not over \$136,000.....	\$177,200, plus 273% of excess over \$134,000.
Over \$136,000 but not over \$138,000.....	\$182,560, plus 277% of excess over \$136,000.
Over \$138,000 but not over \$140,000.....	\$188,000, plus 281% of excess over \$138,000.
Over \$140,000 but not over \$142,000.....	\$193,520, plus 285% of excess over \$140,000.
Over \$142,000 but not over \$144,000.....	\$199,120, plus 289% of excess over \$142,000.
Over \$144,000 but not over \$146,000.....	\$204,800, plus 293% of excess over \$144,000.
Over \$146,000 but not over \$148,000.....	\$210,560, plus 297% of excess over \$146,000.
Over \$148,000 but not over \$150,000.....	\$216,400, plus 301% of excess over \$148,000.
Over \$150,000 but not over \$152,000.....	\$222,320, plus 305% of excess over \$150,000.
Over \$152,000 but not over \$154,000.....	\$228,320, plus 309% of excess over \$152,000.
Over \$154,000 but not over \$156,000.....	\$234,400, plus 313% of excess over \$154,000.
Over \$156,000 but not over \$158,000.....	\$240,560, plus 317% of excess over \$156,000.
Over \$158,000 but not over \$160,000.....	\$246,800, plus 321% of excess over \$158,000.
Over \$160,000 but not over \$162,000.....	\$253,120, plus 325% of excess over \$160,000.
Over \$162,000 but not over \$164,000.....	\$259,520, plus 329% of excess over \$162,000.
Over \$164,000 but not over \$166,000.....	\$266,000, plus 333% of excess over \$164,000.
Over \$166,000 but not over \$168,000.....	\$272,560, plus 337% of excess over \$166,000.
Over \$168,000 but not over \$170,000.....	\$279,200, plus 341% of excess over \$168,000.
Over \$170,000 but not over \$172,000.....	\$285,920, plus 345% of excess over \$170,000.
Over \$172,000 but not over \$174,000.....	\$292,720, plus 349% of excess over \$172,000.
Over \$174,000 but not over \$176,000.....	\$299,600, plus 353% of excess over \$174,000.
Over \$176,000 but not over \$178,000.....	\$306,560, plus 357% of excess over \$176,000.
Over \$178,000 but not over \$180,000.....	\$313,600, plus 361% of excess over \$178,000.
Over \$180,000 but not over \$182,000.....	\$320,720, plus 365% of excess over \$180,000.
Over \$182,000 but not over \$184,000.....	\$327,920, plus 369% of excess over \$182,000.
Over \$184,000 but not over \$186,000.....	\$335,200, plus 373% of excess over \$184,000.
Over \$186,000 but not over \$188,000.....	\$342,560, plus 377% of excess over \$186,000.
Over \$188,000 but not over \$190,000.....	\$350,000, plus 381% of excess over \$188,000.
Over \$190,000 but not over \$192,000.....	\$357,520, plus 385% of excess over \$190,000.
Over \$192,000 but not over \$194,000.....	\$365,120, plus 389% of excess over \$192,000.
Over \$194,000 but not over \$196,000.....	\$372,800, plus 393% of excess over \$194,000.
Over \$196,000 but not over \$198,000.....	\$380,560, plus 397% of excess over \$196,000.
Over \$198,000 but not over \$200,000.....	\$388,400, plus 401% of excess over \$198,000.
Over \$200,000 but not over \$202,000.....	\$396,320, plus 405% of excess over \$200,000.
Over \$202,000 but not over \$204,000.....	\$404,320, plus 409% of excess over \$202,000.
Over \$204,000 but not over \$206,000.....	\$412,400, plus 413% of excess over \$204,000.
Over \$206,000 but not over \$208,000.....	\$420,560, plus 417% of excess over \$206,000.
Over \$208,000 but not over \$210,000.....	\$428,800, plus 421% of excess over \$208,000.
Over \$210,000 but not over \$212,000.....	\$437,120, plus 425% of excess over \$210,000.
Over \$212,000 but not over \$214,000.....	\$445,520, plus 429% of excess over \$212,000.
Over \$214,000 but not over \$216,000.....	\$454,000, plus 433% of excess over \$214,000.
Over \$216,000 but not over \$218,000.....	\$462,560, plus 437% of excess over \$216,000.
Over \$218,000 but not over \$220,000.....	\$471,200, plus 441% of excess over \$218,000.
Over \$220,000 but not over \$222,000.....	\$480,000, plus 445% of excess over \$220,000.
Over \$222,000 but not over \$224,000.....	\$488,880, plus 449% of excess over \$222,000.
Over \$224,000 but not over \$226,000.....	\$497,840, plus 453% of excess over \$224,000.
Over \$226,000 but not over \$228,000.....	\$506,880, plus 457% of excess over \$226,000.
Over \$228,000 but not over \$230,000.....	\$516,000, plus 461% of excess over \$228,000.
Over \$230,000 but not over \$232,000.....	\$525,200, plus 465% of excess over \$230,000.
Over \$232,000 but not over \$234,000.....	\$534,480, plus 469% of excess over \$232,000.
Over \$234,000 but not over \$236,000.....	\$543,840, plus 473% of excess over \$234,000.
Over \$236,000 but not over \$238,000.....	\$553,280, plus 477% of excess over \$236,000.
Over \$238,000 but not over \$240,000.....	\$562,800, plus 481% of excess over \$238,000.
Over \$240,000 but not over \$242,000.....	\$572,400, plus 485% of excess over \$240,000.
Over \$242,000 but not over \$244,000.....	\$582,080, plus 489% of excess over \$242,000.
Over \$244,000 but not over \$246,000.....	\$591,840, plus 493% of excess over \$244,000.
Over \$246,000 but not over \$248,000.....	\$601,680, plus 497% of excess over \$246,000.
Over \$248,000 but not over \$250,000.....	\$611,600, plus 501% of excess over \$248,000.
Over \$250,000 but not over \$252,000.....	\$621,600, plus 505% of excess over \$250,000.
Over \$252,000 but not over \$254,000.....	\$631,680, plus 509% of excess over \$252,000.
Over \$254,000 but not over \$256,000.....	\$641,840, plus 513% of excess over \$254,000.
Over \$256,000 but not over \$258,000.....	\$652,080, plus 517% of excess over \$256,000.
Over \$258,000 but not over \$260,000.....	\$662,400, plus 521% of excess over \$258,000.
Over \$260,000 but not over \$262,000.....	\$672,800, plus 525% of excess over \$260,000.
Over \$262,000 but not over \$264,000.....	\$683,280, plus 529% of excess over \$262,000.
Over \$264,000 but not over \$266,000.....	\$693,840, plus 533% of excess over \$264,000.
Over \$266,000 but not over \$268,000.....	\$704,480, plus 537% of excess over \$266,000.
Over \$268,000 but not over \$270,000.....	\$715,200, plus 541% of excess over \$268,000.
Over \$270,000 but not over \$272,000.....	\$726,000, plus 545% of excess over \$270,000.
Over \$272,000 but not over \$274,000.....	\$736,880, plus 549% of excess over \$272,000.
Over \$274,000 but not over \$276,000.....	\$747,840, plus 553% of excess over \$274,000.
Over \$276,000 but not over \$278,000.....	\$758,880, plus 557% of excess over \$276,000.
Over \$278,000 but not over \$280,000.....	\$769,920, plus 561% of excess over \$278,000.
Over \$280,000 but not over \$282,000.....	\$781,040, plus 565% of excess over \$280,000.
Over \$282,000 but not over \$284,000.....	\$792,240, plus 569% of excess over \$282,000.
Over \$284,000 but not over \$286,000.....	\$803,520, plus 573% of excess over \$284,000.
Over \$286,000 but not over \$288,000.....	\$814,880, plus 577% of excess over \$286,000.
Over \$288,000 but not over \$290,000.....	\$826,320, plus 581% of excess over \$288,000.
Over \$290,000 but not over \$292,000.....	\$837,840, plus 585% of excess over \$290,000.
Over \$292,000 but not over \$294,000.....	\$849,440, plus 589% of excess over \$292,000.
Over \$294,000 but not over \$296,000.....	\$861,120, plus 593% of excess over \$294,000.
Over \$296,000 but not over \$298,000.....	\$872,880, plus 597% of excess over \$296,000.
Over \$298,000 but not over \$300,000.....	\$884,720, plus 601% of excess over \$298,000.
Over \$300,000 but not over \$302,000.....	\$896,640, plus 605% of excess over \$300,000.
Over \$302,000 but not over \$304,000.....	\$908,640, plus 609% of excess over \$302,000.
Over \$304,000 but not over \$306,000.....	\$920,720, plus 613% of excess over \$304,000.
Over \$306,000 but not over \$308,000.....	\$932,880, plus 617% of excess over \$306,000.
Over \$308,000 but not over \$310,000.....	\$945,120, plus 621% of excess over \$308,000.
Over \$310,000 but not over \$312,000.....	\$957,440, plus 625% of excess over \$310,000.
Over \$312,000 but not over \$314,000.....	\$969,840, plus 629% of excess over \$312,000.
Over \$314,000 but not over \$316,000.....	\$982,320, plus 633% of excess over \$314,000.
Over \$316,000 but not over \$318,000.....	\$994,880, plus 637% of excess over \$316,000.
Over \$318,000 but not over \$320,000.....	\$1,007,520, plus 641% of excess over \$318,000.
Over \$320,000 but not over \$322,000.....	\$1,020,240, plus 645% of excess over \$320,000.
Over \$322,000 but not over \$324,000.....	\$1,033,040, plus 649% of excess over \$322,000.
Over \$324,000 but not over \$326,000.....	\$1,045,920, plus 653% of excess over \$324,000.
Over \$326,000 but not over \$328,000.....	\$1,058,880, plus 657% of excess over \$326,000.
Over \$328,000 but not over \$330,000.....	\$1,071,920, plus 661% of excess over \$328,000.
Over \$330,000 but not over \$332,000.....	\$1,085,040, plus 665% of excess over \$330,000.
Over \$332,000 but not over \$334,000.....	\$1,098,240, plus 669% of excess over \$332,000.
Over \$334,000 but not over \$336,000.....	\$1,111,520, plus 673% of excess over \$334,000.
Over \$336,000 but not over \$338,000.....	\$1,124,880, plus 677% of excess over \$336,000.
Over \$338,000 but not over \$340,000.....	\$1,138,320, plus 681% of excess over \$338,000.
Over \$340,000 but not over \$342,000.....	\$1,151,840, plus 685% of excess over \$340,000.
Over \$342,000 but not over \$344,000.....	\$1,165,440, plus 689% of excess over \$342,000.
Over \$344,000 but not over \$346,000.....	\$1,179,120, plus 693% of excess over \$344,000.
Over \$346,000 but not over \$348,000.....	\$1,192,880, plus 697% of excess over \$346,000.
Over \$348,000 but not over \$350,000.....	\$1,206,720, plus 701% of excess over \$348,000.
Over \$350,000 but not over \$352,000.....	\$1,220,640, plus 705% of excess over \$350,000.
Over \$35	