

TAX RETURN EVOLUTION: NONRESIDENT to FRAUDULENT RESIDENT

***How you and your legal identity were ILLEGALLY,
CRIMINALLY, and UNCONSTITUTIONALLY
kidnapped and transported to the federal zone as a
privileged alien by obfuscating tax return forms.***

TABLE OF CONTENTS

TABLE OF CONTENTS	2
TABLE OF AUTHORITIES	2
1 Introduction	3
2 1913-1915: Form 1040.....	4
3 1916: Form 1040.....	5
4 1917-1920: Form 1040.....	6
5 1921: Form 1040.....	7
6 1967: 1040NR added	8

TABLE OF AUTHORITIES

Constitutional Provisions

Art. I, Sec. 8	4
Fourteenth Amendment.....	4

Regulations

20 C.F.R. §422.110(a).....	8
26 C.F.R. §301.6109-1(g)(1)(i).....	8

Cases

Printz v. United States, 521 U.S. 898, 919 (1997).....	4
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Other Authorities

Form 1040	4, 5, 6, 7, 8
Government Conspiracy to Destroy the Separation of Powers, Form #05.023	3
Nonresident Alien Position, Form #05.020	3
T.D. 2313	6

1 **1 Introduction**

2 The tax position of Sovereignty Education and Defense Ministry (SEDM) is founded on what we call the Nonresident Alien
3 Position. That position is exhaustively described in:

Nonresident Alien Position, Form #05.020
<http://sedm.org/Forms/FormIndex.htm>

4 This document provides evidence which proves the following:

- 5 1. When the income tax was first implemented in 1913 after the fraudulent ratification of the Sixteenth Amendment,
6 Americans in states of the Union began and were recognized as:
 - 7 1.1. Nonresident Aliens.
 - 8 1.2. STATUTORY aliens.
 - 9 1.3. NOT STATUTORY “citizens”, or “citizens of the United States” as described and defined in 8 U.S.C. §1401.
 - 10 1.4. Constitutional Citizens.
- 11 2. Through a pattern of constructive fraud using income tax return forms, “words of art” and false presumption facilitated
12 by legal ignorance, the status of the Average American was fraudulently and illegally and unconstitutionally
13 transformed from Nonresident Alien to STATUTOTY “citizen of the United States”.
- 14 3. This illegal and fraudulent conversion of the status of the Average American:
 - 15 3.1. Destroyed the separation of legislative jurisdiction between the states and the national government. See:

Government Conspiracy to Destroy the Separation of Powers, Form #05.023
<http://sedm.org/Forms/FormIndex.htm>
 - 16 3.2. Made the average American FRAUDULENTLY APPEAR as a privileged resident alien completely subject to the
17 exclusive jurisdiction of Congress.
 - 18 3.3. Destroyed the Constitutional rights of the average American.

19 What follows is a series of tax return forms derived from the national archives in Washington D.C. showing how income
20 tax forms, “words of art”, and fallacy through equivocation were used to accomplish the above CRIMINAL
21 transformations. They show how the entire nation was systematically and effectively nationalized financially under the
22 Federal Income Tax.
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2 1913-1915: Form 1040

Notice there is no place to elect a status on the first page of the tax return. Also notice that on page 4 it states the following:

1. This return shall be made by every citizen of the United States, whether residing at home or abroad, and by every person residing in the United States, though not a citizen thereof, having a net income of \$3,000 or over for the taxable year, and also by every nonresident alien deriving income from property owned and business, trade, or profession carried on in the United States by him.

It is important to recognize that this form is to be filed by all classes of persons with a tax liability, with specific reference to a "nonresident alien." It is also important to realize that under the American system of federalism, a "nonresident alien" is a civil status that applies to both.

1. persons of foreign nationality who do not reside ANYWHERE within our nation, and
2. United States citizens who are domiciled in the 50 states.

The "United States citizen" referred to above is a political citizen either through the Fourteenth Amendment or an Act of Congress, but for tax purposes is within a sub-class of "United States citizen" with a federal domicile. Conversely, a "United States citizen" who has a domicile in one of the 50 states is a "nonresident alien" for tax purposes. This is why the IRC proffers a definition which states "when used in a geographical sense." Otherwise, a political, or principle sense is to be understood. This brilliant definition allows for status to be determined differently for persons of foreign nationality versus States Citizens under the Constitution.

The difference in status stems from the reality of residual state sovereignty under Art. I, Sec. 8 legislation. *See Printz v. United States*, 521 U.S. 898, 919 (1997).

But what is most important to recognize is that ALL PERSONS with a tax liability were filing Form 1040.

TO BE FILLED IN BY COLLECTOR.

Form 1040.

TO BE FILLED IN BY INTERNAL REVENUE BUREAU.

INCOME TAX.

THE PENALTY
FOR FAILURE TO HAVE THIS RETURN IN
THE HANDS OF THE COLLECTOR OF
INTERNAL REVENUE ON OR BEFORE
MARCH 1 IS \$20 TO \$1,000.
(SEE INSTRUCTIONS ON PAGE 4.)

List No.
..... District of
Date received

File No.
Assessment List
Page Line

UNITED STATES INTERNAL REVENUE.

RETURN OF ANNUAL NET INCOME OF INDIVIDUALS.

(As provided by Act of Congress, approved October 3, 1913.)

RETURN OF NET INCOME RECEIVED OR ACCRUED DURING THE YEAR ENDED DECEMBER 31, 191

(FOR THE YEAR 1913, FROM MARCH 1, TO DECEMBER 31.)

Filed by (or for) of
(Full name of individual.) (Street and No.)
in the City, Town, or Post Office of State of
(Fill in pages 2 and 3 before making entries below.)

1. GROSS INCOME (see page 2, line 12)	\$				
2. GENERAL DEDUCTIONS (see page 3, line 7)	\$				
3. NET INCOME	\$				

Deductions and exemptions allowed in computing income subject to the normal tax of 1 per cent.

4. Dividends and net earnings received or accrued, of corporations, etc., subject to like tax. (See page 2, line 11)	\$				
5. Amount of income on which the normal tax has been deducted and withheld at the source. (See page 2, line 9, column A)					
6. Specific exemption of \$3,000 or \$4,000, as the case may be. (See Instructions 3 and 19)					
Total deductions and exemptions. (Items 4, 5, and 6)	\$				
7. TAXABLE INCOME on which the normal tax of 1 per cent is to be calculated. (See Instruction 3)	\$				

8. When the net income shown above on line 3 exceeds \$20,000, the additional tax thereon must be calculated as per schedule below:

	INCOME.				TAX.			
1 per cent on amount over \$20,000 and not exceeding \$50,000	\$				\$			
2 " " 50,000 " " 75,000								
3 " " 75,000 " " 100,000								
4 " " 100,000 " " 250,000								
5 " " 250,000 " " 500,000								
6 " " 500,000								
Total additional or super tax	\$				\$			
Total normal tax (1 per cent of amount entered on line 7)	\$				\$			
Total tax liability	\$				\$			

GROSS INCOME.

This statement must show in the proper spaces the entire amount of gains, profits, and income received by or accrued to the individual from all sources during the year specified on page 1.

DESCRIPTION OF INCOME.	A.				B.			
	Amount of income on which tax has been deducted and withheld at the source.				Amount of income on which tax has NOT been deducted and withheld at the source.			
1. Total amount derived from salaries, wages, or compensation for personal service of whatever kind and in whatever form paid	\$							
2. Total amount derived from professions, vocations, businesses, trade, commerce, or sales or dealings in property, whether real or personal, growing out of the ownership or use of interest in real or personal property, including bonds, stocks, etc.								
3. Total amount derived from rents and from interest on notes, mortgages, and securities (other than reported on lines 5 and 6)								
4. Total amount of gains and profits derived from partnership business, whether the same be divided and distributed or not								
5. Total amount of fixed and determinable annual gains, profits, and income derived from interest upon bonds and mortgages or deeds of trust, or other similar obligations of corporations, joint-stock companies or associations, and insurance companies, whether payable annually or at shorter or longer periods								
6. Total amount of income derived from coupons, checks, or bills of exchange for or in payment of interest upon bonds issued in <i>foreign countries</i> and upon <i>foreign mortgages</i> or like obligations (not payable in the United States), and also from coupons, checks, or bills of exchange for or in payment of any dividends upon the stock or interest upon the obligations of foreign corporations, associations, and insurance companies engaged in business in foreign countries								
7. Total amount of income received from fiduciaries								
8. Total amount of income derived from any source whatever, not specified or entered elsewhere on this page								
9. TOTALS								
NOTES.—Enter total of Column A on line 5 of first page.								
10. AGGREGATE TOTALS OF COLUMNS A AND B	\$							
11. Total amount of income derived from dividends on the stock or from the net earnings of corporations, joint-stock companies, associations, or insurance companies subject to like tax (To be entered on line 4 of first page.)	\$							
12. TOTAL "Gross Income" (to be entered on line I of first page)	\$							

GENERAL DEDUCTIONS.

1. The amount of necessary expenses actually paid in carrying on business, but not including business expenses of partnerships, and not including personal, living, or family expenses	\$			
2. All interest paid within the year on personal indebtedness of taxpayer				
3. All national, State, county, school, and municipal taxes paid within the year (not including those assessed against local benefits)				
4. Losses actually sustained during the year incurred in trade or arising from fires, storms, or shipwreck, and not compensated for by insurance or otherwise				
5. Debts due which have been actually ascertained to be worthless and which have been charged off within the year				
6. Amount representing a reasonable allowance for the exhaustion, wear, and tear of property arising out of its use or employment in the business, not to exceed, in the case of mines, 5 per cent of the gross value at the mine of the output for the year for which the computation is made, but no deduction shall be made for any amount of expense of restoring property or making good the exhaustion thereof, for which an allowance is or has been made				
7. Total "GENERAL DEDUCTIONS" (to be entered on line 2 of first page)				

AFFIDAVIT TO BE EXECUTED BY INDIVIDUAL MAKING HIS OWN RETURN.

I solemnly swear (or affirm) that the foregoing return, to the best of my knowledge and belief, contains a true and complete statement of all gains, profits, and income received by or accrued to me during the year for which the return is made, and that I am entitled to all the deductions and exemptions entered or claimed therein, under the Federal Income-tax Law of October 3, 1913.

Sworn to and subscribed before me this

day of, 191

.....
(Signature of individual.)



.....
.....
(Official capacity.)

AFFIDAVIT TO BE EXECUTED BY DULY AUTHORIZED AGENT MAKING RETURN FOR INDIVIDUAL.

I solemnly swear (or affirm) that I have sufficient knowledge of the affairs and property of to enable me to make a full and complete return thereof, and that the foregoing return, to the best of my knowledge and belief, contains a true and complete statement of all gains, profits, and income received by or accrued to said individual during the year for which the return is made, and that the said individual is entitled, under the Federal Income-tax Law of October 3, 1913, to all the deductions and exemptions entered or claimed therein.

Sworn to and subscribed before me this

day of, 191

.....
(Signature of agent.)

ADDRESS
IN FULL

{
.....



.....
.....
(Official capacity.)

[SEE INSTRUCTIONS ON BACK OF THIS PAGE.]

INSTRUCTIONS.

1. This return shall be made by every citizen of the United States, whether residing at home or abroad, and by every person residing in the United States, though not a citizen thereof, having a *net income* of \$3,000 or over for the taxable year, and *also* by every *nonresident alien* deriving income from property owned and business, trade, or profession carried on *in the United States* by him.

2. When an individual by reason of minority, sickness or other disability, or absence from the United States, is unable to make his own return, it may be made for him by his *duly authorized* representative.

3. The *normal tax* of 1 per cent shall be assessed on the total net income less the specific exemption of \$3,000 or \$4,000 as the case may be. (For the year 1913, the specific exemption allowable is \$2,500 or \$3,333.33, as the case may be.) If, however, the normal tax has been deducted and withheld in any part of the income at the source, or if any part of the income is received as dividends upon the stock or from the net earnings of any corporation, etc., which is taxable upon its net income, such income shall be deducted from the individual's total *net income* for the purpose of calculating the amount of income on which the individual is liable for the normal tax of 1 per cent by virtue of this return. (See page 1, line 7.)

4. The *additional or super tax* shall be calculated as stated on page 1.

5. This return shall be filed with the Collector of Internal Revenue for the district in which the individual resides if he has no other place of business, otherwise in the district in which he has his *principal place of business*; or in case the person resides in a foreign country, then with the collector for the district in which his principal business is carried on in the United States.

6. This return must be filed on or before the first day of March succeeding the close of the calendar year for which return is made.

7. The *penalty for failure to file the return within the time specified by law* is \$20 to \$1,000. In case of refusal or neglect to render the return within the required time (except in cases of sickness or absence), 50 per cent shall be added to amount of tax assessed. In case of *false or fraudulent return*, 100 per cent shall be added to such tax, and any person required by law to make, render, sign, or verify any return who makes any false or fraudulent return or statement with intent to defraud or evade the assessment required by this section to be made shall be guilty of a misdemeanor, and shall be fined not exceeding \$2,000 or be imprisoned not exceeding one year, or both, at the discretion of the court, with the costs of prosecution.

8. When the return is not filed within the required time by reason of sickness or absence of the individual, an extension of time, not exceeding 30 days from March 1, within which to file such return, may be granted by the collector, *provided* an application therefor is made by the individual within the period for which such extension is desired.

9. This return properly filled out must be made under oath or affirmation. Affidavits may be made before any officer *authorized by law* to administer oaths. If before a justice of the peace or magistrate: not using a seal, a *certificate of the clerk of the court as to the authority* of such officer to administer oaths should be *attached to the return*.

10. Expense for medical attendance, store accounts, family supplies, wages of domestic servants, cost of board, room, or house rent for family or personal use, *are not expenses that can be deducted from gross income*. In case an individual owns his own residence he can not deduct the estimated value of his rent, neither shall he be required to include such estimated rental of his home as income.

11. The farmer, in computing the net income from his farm for his annual return, shall include all moneys received for produce and animals sold, and for the wool and hides of animals slaughtered, provided such wool and hides are sold, and he shall deduct therefrom the sums actually paid as purchase money for the animals sold or slaughtered during the year.

When animals were raised by the owner and are sold or slaughtered he shall not deduct their value as expenses or loss. He may deduct the amount of money actually paid as expense for producing any farm products, live stock, etc. In deducting expenses for repairs on farm property the amount deducted must not exceed the amount actually expended for such repairs during the year for which the return is made. (See page 3, item 6.) The cost of replacing tools or machinery is a deductible expense to the extent that the cost of the new articles does not exceed the value of the old.

12. In calculating losses, only such losses as shall have been actually sustained and the amount of which has been definitely ascertained during the year covered by the return can be deducted.

13. Persons receiving fees or emoluments for professional or other services, as in the case of physicians or lawyers, should include all actual receipts for services rendered in the year for which return is made, together with all unpaid accounts, charges for services, or contingent income due for that year, if good and collectible.

14. Debts which were contracted during the year for which return is made, but found in said year to be worthless, may be deducted from gross income for said year, but such debts can not be regarded as worthless until after legal proceedings to recover the same have proved fruitless, or it clearly appears that the debtor is insolvent. If debts contracted prior to the year for which return is made were included as income in return for year in which said debts were contracted, and such debts shall subsequently prove to be worthless, they may be deducted under the head of losses in the return for the year in which such debts were charged off as worthless.

15. Amounts due or accrued to the individual members of a partnership from the net earnings of the partnership, whether apportioned and distributed or not, shall be included in the annual return of the individual.

16. United States pensions shall be included as income.

17. Estimated advance in value of estate is not required to be reported as income, unless the increased value is taken up on the books of the individual as an increase of assets.

18. Costs of suits and other legal proceedings arising from ordinary business may be treated as an expense of such business, and may be deducted from gross income for the year in which such costs were paid.

19. An unmarried individual or a married individual not living with wife or husband shall be allowed an exemption of \$3,000. When husband and wife live together they shall be allowed jointly a total exemption of only \$4,000 on their aggregate income. They may make a joint return, both subscribing thereto, or if they have separate incomes, they may make separate returns; but in no case shall they jointly claim more than \$4,000 exemption on their aggregate income.

20. In computing net income there shall be excluded the compensation of all officers and employees of a State or any political subdivision thereof, except when such compensation is paid by the United States Government.

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3 1916: Form 1040

Then, in 1916, the Form 1040 underwent a little bit of a makeover.

On page 4, separate instructions for a "nonresident alien" were provided. To wit:

2. This return shall be made by every nonresident alien receiving any net income from sources in the United States. A nonresident alien individual may receive the benefit of the personal exemption only by filing or causing to be filed with the Collector of Internal Revenue a true and accurate return of his total income, received from all sources, corporate or otherwise, in the United States.

However, there was essentially no change in the operation of the Form 1040 from the 1913-1915 version. A "United States citizen" and a "nonresident alien" alike would still file this form.

TO BE FILLED IN BY COLLECTOR.

Form 1040 (Revised October 1916).

TO BE FILLED IN BY INTERNAL REVENUE BUREAU.

Assessment List 23-R

(Month)

Folio Line

INCOME TAX.

File No.

Audited by

**THE PENALTY
FOR FAILURE TO HAVE THIS RETURN IN
THE HANDS OF THE COLLECTOR OF
INTERNAL REVENUE ON OR BEFORE
MARCH 1 IS \$20 TO \$1,000.**
(SEE INSTRUCTIONS ON PAGE 4.)

IMPORTANT.
Read this form through carefully.
Fill in pages 2 and 3 before making
entries on first page. Write legibly,
using typewriter if possible.

Above space to be stamped by Collector,
showing district and date received.

UNITED STATES INTERNAL REVENUE.

RETURN OF ANNUAL NET INCOME OF INDIVIDUALS.

(As provided by Act of Congress, approved September 8, 1916.)

FOR YEAR 1916.

Filed by (or for) of
(Street and number.)

(Post office address.)

(State.)

	Millions	Thousands	Hundreds	Cents
1. GROSS INCOME (brought from line 31)	\$			
2. GENERAL DEDUCTIONS (brought from line 40)	\$			
3. NET INCOME	\$			
Dividends and personal exemption to be deducted in computing income subject to normal tax.				
	Millions	Thousands	Hundreds	Cents
4. Dividends brought from line 30	\$			
5. Personal exemption (single, \$3,000; married or head of family, \$4,000)	\$			
6. Total deductions and exemptions. (Items 4 and 5)	\$			
7. AMOUNT OF INCOME subject to normal tax	\$			
8. AMOUNT OF NORMAL TAX at rate of 2 per cent on income shown on line 7	\$			
9. CREDIT by amount of normal tax paid or to be paid at source (1 per cent of amount of income shown on line 25, Column A)	\$			
10. BALANCE of normal tax due	\$			

NOTE.—When the net income shown above on line 3 exceeds \$20,000 the additional tax thereon must be calculated as per schedule below.

	INCOME.				TAX.			
	Millions	Thousands	Hundreds	Cents	Millions	Thousands	Hundreds	Cents
One per cent on amount over \$20,000 and not exceeding \$40,000	\$				\$			
Two per cent on amount over \$40,000 and not exceeding \$60,000	\$				\$			
Three per cent on amount over \$60,000 and not exceeding \$80,000	\$				\$			
Four per cent on amount over \$80,000 and not exceeding \$100,000	\$				\$			
Five per cent on amount over \$100,000 and not exceeding \$150,000	\$				\$			
Six per cent on amount over \$150,000 and not exceeding \$200,000	\$				\$			
Seven per cent on amount over \$200,000 and not exceeding \$250,000	\$				\$			
Eight per cent on amount over \$250,000 and not exceeding \$300,000	\$				\$			
Nine per cent on amount over \$300,000 and not exceeding \$500,000	\$				\$			
Ten per cent on amount over \$500,000 and not exceeding \$1,000,000	\$				\$			
Eleven per cent on amount over \$1,000,000 and not exceeding \$1,500,000	\$				\$			
Twelve per cent on amount over \$1,500,000 and not exceeding \$2,000,000	\$				\$			
Thirteen per cent on amount over \$2,000,000	\$				\$			
11. Total additional tax	\$				\$			
12. Balance of normal tax due, as shown on line 10	\$				\$			
13. TOTAL TAX DUE	\$				\$			

GROSS INCOME.

This statement must show in the proper spaces the ENTIRE AMOUNT of gains, profits, and income from all sources received during the year specified on page 1, EXCEPT interest received from the obligations of the United States or any of its possessions, or of any State or political subdivision thereof, including district drainage bodies; from securities issued under the provisions of the Federal Farm Loan Act of July 17, 1916; and amounts paid by a State or any political subdivision thereof for services rendered as an officer or employee.

DESCRIPTION OF INCOME.	A.				B.			
	Income on which the tax has been paid or is to be paid at the source, at the rate of 1 per cent. (See Note 2.)				Income on which the tax has NOT been paid or is not to be paid at source. (See Note 2.)			
	Millions	Thousands	Hundreds	Cents	Millions	Thousands	Hundreds	Cents
TOTAL AMOUNT DERIVED FROM—								
14. Salaries, wages, and commissions Wife's income	\$				\$			
15. Professions and vocations Wife's income								
16. Business, trade, commerce, or sales, or dealings in property, whether real or personal Wife's income								
17. Rents Wife's income								
18. Interest on notes, mortgages, bank deposits, and from all other sources other than reported on lines 19 and 22 Wife's income								
19. Interest on bonds, mortgages, or deeds of trust, or other similar obligations of domestic corporations, joint-stock companies or associations, and insurance companies Wife's income								
20. Fiduciaries* (excepting dividends from domestic corporations, which must be entered on line 29 below) Wife's income								
21. Partnership gains and profits, whether distributed or not (excepting dividends from domestic corporations, which must be entered on line 28 below). (Net gains or profits must be reported here and in Column B only) Wife's income								
NOTE.—Give name and full address of partnership of which you are a member.								
22. Interest upon bonds, etc., issued in foreign countries and dividends upon the stock of foreign corporations, etc., engaged in business in foreign countries Wife's income								
23. Royalties from mines, oil wells, patents, franchises, or other legalized privileges Wife's income								
24. Other sources not enumerated above Wife's income								
NOTE.—State here sources from which income entered on line 24 is received and amount received from each.								
25. TOTALS (NOTE.—Enter 1 per cent of total amount of Column A on line 9)	\$				\$			
26. AGGREGATE TOTALS OF COLUMNS A AND B								
27. Dividends on stock of corporations, etc., subject to the tax Wife's income	\$							
28. Dividends received through partnership. (See line 21) Wife's income								
29. Dividends received through fiduciaries. (See line 20) Wife's income								
30. TOTAL DIVIDENDS. (Lines 27, 28, and 29.) (Enter on line 4)					\$			
31. TOTAL GROSS INCOME (to be entered on line 1)	\$				\$			

* There should be included under this item all income received from guardians, trustees, executors, administrators, receivers, conservators, or other persons acting in a fiduciary capacity.

NOTE 1.—If income derived from sale of property acquired before March 1, 1913, is returned above, attach a statement showing (a) fair market price or value as of March 1, 1913, (b) price at which property was sold, or (c) how fair market price or value as of March 1, 1913 was determined.

NOTE 2.—Enter in column A only the income on which the normal tax has been or is to be paid at the source. Other income should be entered in column B. For example: A salary of \$10,000 is received and personal exemption of \$4,000 claimed. Enter in column A \$6,000 (the amount of income on which the normal tax was withheld) and in column B \$4,000 (the amount of salary on which no tax was withheld).

GENERAL DEDUCTIONS.

NOTE.—Claims for deductions may not be allowed unless the information required below is clearly set forth.

	Millions	Thousands	Hundreds	Cents
32. The amount of necessary expenses actually paid within the calendar year for which the return is made, in carrying on any individual business. (There must not be included under this head personal, living, or family expenses, business expenses of partnerships, or cost of merchandise. Amounts paid for permanent improvement or betterment of property are not proper expense deductions) \$				
Wife's deduction				
33. All interest paid within the year on personal indebtedness of taxpayer				
Wife's deduction				
34. All national, foreign, State, county, school, and municipal taxes or taxes imposed by other taxpaying subdivisions of any State, paid within the year, not including those accrued against local benefits				
Wife's deduction				
35. Losses actually sustained during the year, incurred in any business or trade, or arising from fires, storms, shipwreck, or other casualty, and from theft, not compensated for by insurance or otherwise				
Wife's deduction				
NOTE.—State (a) of what the loss consisted, (b) when it was actually sustained, (c) how it was determined to be a loss, and (d) if sustained by sale of property acquired before March 1, 1913, the fair market price or value as of that date and how such value was determined.				
36. Losses sustained during the year in transactions entered into for profit but not connected with any business or trade. (No amount in excess of aggregate income from these sources is allowable)				
Wife's deduction				
NOTE.—State total income during the year from such transactions . . . (\$). Give the same information called for in note under line 35.				
37. Debts past due which have been actually ascertained to be worthless and which have been charged off within the year				
Wife's deduction				
NOTE.—State (a) of what the debts consisted, (b) when they were created, (c) when they became due, (d) how they were actually determined to be worthless, and (e) whether included as income in this or previous return.				
38. Amount representing a reasonable allowance for the exhaustion, wear, and tear of property arising out of its use or employment in business or trade. (No deduction is allowable for any amount of expense in restoring property or making good the exhaustion thereof for which an allowance is made in this return, or for depreciation of residential property not maintained for rental. In the case of buildings depreciation is to be computed exclusive of cost of land)				
Wife's deduction				
NOTE.—State (a) the kind of property on which depreciation is taken (if buildings, state when erected and of what material constructed), (b) cost of same, and (c) what percentage of depreciation is claimed.				
39. Amount representing a reasonable allowance for depletion (a) in the case of oil and gas wells for actual reduction in flow and production, and (b) in the case of mines not exceeding the market value in the mine of the product mined and sold during the year for which return is made				
Wife's deduction				
NOTE.—The depletion allowable shall be at a rate which during the estimated life of the property being depleted will return: The cost of the property, if acquired after March 1, 1913, or The fair market value as of March 1, 1913, if acquired before that date. State (a) the cost of property if purchased after March 1, 1913, (b) the fair market value as of March 1, 1913, if purchased prior to that date, (c) how such value was determined, and (d) the basis upon which the amount of depletion claimed is computed.				
40. TOTAL "GENERAL DEDUCTIONS" (to be entered on line 2)				

NOTE.—If space is insufficient for answering any question, attach a supplemental sheet to this return.

COMPLETE ANSWERS SHOULD BE GIVEN TO THE FOLLOWING QUESTIONS.

If you rendered return for preceding year, state district in which filed
If your husband or wife made separate return for this year, state district in which filed
Were you the head of family, single, or married with wife or husband living with you on December 31 of year for which this return is rendered?
If married, give full name of wife or husband
If head of family, give relationship of those dependent upon you
Has your wife or husband income from sources independent of your own? If so, has same been included in this return?
State your profession, vocation, or principal business from which your income is derived

AFFIDAVIT TO BE EXECUTED BY INDIVIDUAL MAKING HIS OWN RETURN.

I swear (or affirm) that the foregoing return, to the best of my knowledge and belief, contains a true and complete statement of all taxable gains, profits, and income received by me during the year for which the return is made, and that I am entitled to all the deductions and exemptions entered or claimed therein under the Federal Income Tax Law of September 8, 1916.

(Signature of individual.)

Sworn to and subscribed before me this day of 19

(SEAL)

(Official capacity.)

AFFIDAVIT TO BE EXECUTED BY DULY AUTHORIZED AGENT MAKING RETURN FOR INDIVIDUAL.

I swear (or affirm) that I have sufficient knowledge of the affairs and property of to enable me to make a full and complete return of his taxable income and that the foregoing return, to the best of my knowledge and belief, contains a true and complete statement of all the taxable gains, profits, and income by said individual during the year for which the return is made, and that the said individual is entitled under the Federal Income Tax Law of September 8, 1916, to all the deductions and exemptions entered or claimed therein, and that I am authorized to make this return for the following reasons:

(Signature of agent.)

(Post-office address of agent.)

Sworn to and subscribed before me this day of 19

(SEAL)

(Official capacity.)

INSTRUCTIONS.

1. This return shall be made by every citizen of the United States, whether residing at home or abroad, and by every person residing in the United States, though not a citizen thereof, having a net income of \$3,000 or over, including dividends, for the taxable year, although the tax has been paid at the source and the return shows no tax liability.

2. This return shall be made by every nonresident alien receiving any net income from sources in the United States. A nonresident alien individual may receive the benefit of the personal exemption only by filing or causing to be filed with the Collector of Internal Revenue a true and accurate return of his total income, received from all sources, corporate or otherwise, in the United States.

3. When an individual by reason of minority, sickness, or other disability, or absence from the United States, is unable to make his own return, it may be made for him by his duly authorized representative.

4. This return should be filed with the Collector of Internal Revenue for the district in which the individual resides. In case the person resides in a foreign country then with the Collector for the district in which his principal business is carried on in the United States, and if there be no such place in the United States, then with the Collector of Internal Revenue at Baltimore, Maryland.

5. When the return is not filed within the required time by reason of sickness or absence of the individual, an extension of time, not exceeding 30 days from March 1, within which to file such return may be granted by the Collector, provided a written application therefor is made by the individual within the period for which such extension is desired.

6. An unmarried individual or married individual not living with husband or wife shall be allowed an exemption of \$3,000. When husband and wife live together they shall be allowed jointly a total exemption of only \$4,000 on their aggregate income. The head of a family shall be allowed an exemption of \$3,000 in favor of each ward, but in no event shall a ward be allowed a greater personal exemption than \$3,000 or, if married, \$4,000, from the amount of net income received from all sources. There shall be allowed an exemption of \$3,000 from the amount of the net income of estates of deceased persons during the period of administration or settlement, and of trusts or other estates the income of which is not distributed annually.

7. Amounts charged on line 32 for restoring property or making good the exhaustion thereof from its use in business, together with the amount claimed for depreciation on line 38, must not exceed the deterioration of the property in one year.

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4 1917-1920: Form 1040

Now for the really suspicious evolution of the Form 1040: 1917-1920 (Four Years)

In these forms, all reference to tax status was removed, whether it be "United States citizen" or "nonresident alien." Think, "out of sight--out of mind."

But, during this period, both a "United States citizen" as well as a "nonresident alien" were still expected to use this form. The statuses were ignored, but the forms' complexity was increased, and the description of what was to be taxed was more voluminous and imposing -- probably to bamboozle and intimidate. Think of a magician distracting you with one hand (look at what all your taxed on), while sleight of hand is taking place simultaneously out of view with the other (pay no attention to the difference between a United States citizen and a nonresident alien).

Meanwhile, the Brushaber ruling was now becoming a distant memory -- not to mention T.D. 2313 and its implications and revelations. You have to figure, the American public at large (like today) was oblivious to the differences between political citizenship and civil citizenship. Couple that with the "nonresident alien" and "United States citizen" omissions from these tax forms, and you have the truth being effectively and systematically relegated to the memory hole.

INDIVIDUAL INCOME TAX RETURN FOR CALENDAR YEAR 1917

INSTRUCTIONS

1. Persons Required to Make a Return of Net Income.

Every citizen of the United States, whether residing at home or abroad, and every person residing in the United States, though not a citizen thereof, whose net income for the calendar year 1917 (see Item O, page 4) amounted to \$1,000 if the individual is single or does not live with wife (or husband) or \$2,000 if he is married and lives with wife (or husband), is required to make a return.

If the combined income of husband and wife, living together, and dependent children equaled or exceed \$2,000, all such income must be reported, either on one return or on separate returns. Husband and wife should make separate returns if either is subject to surtax (see instruction 6).

Executors and administrators of the estates of deceased persons must make returns covering the part of the taxable year during which such persons were alive, and also returns for the estates during the period of settlement. If the income of a trust estate was distributed, the fiduciary should get a copy of Form 1041 and comply with the instructions thereon. If the income from a trust estate was not distributed, the fiduciary must make a return for the estate on this form.

Guardians must make returns for their wards. Duly authorized agents may make returns for persons who by reason of sickness or other disability or absence from the United States are unable to make their own returns.

2. Income Exempt from Tax.

The following kinds of income need not be reported on this return:

- (a) Proceeds of life-insurance policies paid to individual beneficiaries upon death of the insured.
- (b) The amount received by the insured as a return of premium or premiums paid by him under life insurance, endowment, or annuity contracts, either during the term or at the maturity of the term mentioned in the contract, or upon the surrender of the contract.
- (c) The value of property acquired by gift, bequest, devise, or descent (but the income from such property should be included as income).
- (d) Interest upon the obligations of a State or any political subdivision thereof.
- (e) Interest upon the obligations of the United States, except, in the case of such obligations issued since September 1, 1917, upon the amount by which an individual's holdings exceed \$5,000 par value.
- (f) Interest upon obligations of the possessions of the United States.
- (g) Interest upon securities issued under the provisions of the Federal Farm Loan Act of July 17, 1916.
- (h) The compensation of all officers and employees of a State, or any political subdivision thereof, except when such compensation is paid by the United States Government.

3. Personal Exemption.

A single person or a married person not living with wife or husband and having no dependents is entitled to a personal exemption of \$1,000.

A married person living with wife or husband, or a head of family, is entitled to a personal exemption of \$2,000, plus \$200 for each child dependent upon him or her, if under 18 years of age or incapable of self-support because mentally or physically defective.

A "head of family" is a person who in accordance with some moral or legal obligation actually supports and maintains one or more individuals closely related to him or her by blood, marriage, or adoption.

The amount by which the net income exceeds the foregoing exemption is subject to a normal tax of 2 per cent under the act of October 3, 1917. Further exemption of \$2,000 is allowed before computing the normal tax of 2 per cent imposed by the act of September 8, 1916.

If a husband and wife make separate returns, their total exemption may be claimed by either (but not by both), or it may be divided between them.

The exemption is determined by the individual's status on December 31, 1917. A deceased individual's exemption is determined by his status at the time of his death.

An estate or trust paying income tax is entitled to an exemption of \$1,000.

4. Tax Withheld at Source.

No credit should be claimed in this return for tax withheld on any income except 2 per cent of the interest on tax-free-covenant bonds (see Item 31, page 4). If tax on any other income has been withheld (except from nonresident aliens), the law provides that it shall be paid over by the withholding agent to the person from whom it was withheld.

5. Basis of Return of Income.

This return must show the income actually received and expenses actually paid during the year, unless the taxpayer keeps accounts (available for examination by internal revenue officers) showing income accrued and expenses incurred.

6. Surtax.

If your total net income (Item O, page 4) exceeds \$5,000 you are subject to a surtax on the amount of net income in excess of \$5,000 at a rate dependent on the amount of your total net income. To compute the amount of surtax, use the table and instructions at the bottom of this page.

7. Excess Profits Taxes.

If your net income reported under A on page 3 exceeded \$6,000, you are subject to an excess profits tax at the rate of 8 per cent on the amount by which the net total under A exceeds \$6,000.

If your total net income from all sources exceeded \$6,000 and you received any income from a trade or business with invested capital, you should get a copy of the excess profits tax return (Form 1101), and calculate the amount of your tax, if any, as directed therein.

Enter the amounts of your excess profits taxes, if any, as Items 34 and 35, page 4, and their total as Item L, page 4.

For further instructions, see the Excess Profits Tax Regulations.

8. Affidavit.

The affidavit must be executed by the person whose income is reported unless he is a minor or unless he is ill, absent from the country, or otherwise incapacitated, in which case an agent may execute the affidavit.

The oath will be administered without charge by any collector or deputy collector of internal revenue or (if you are in the military or naval service of the United States) by any military or naval officer who is authorized to administer oaths for purposes of military or naval justice and administration. If you are not in the military or naval service and an internal revenue officer is not available, the return should be sworn to before a notary public, justice of the peace, or other person authorized to administer oaths.

It is not necessary to show the statement of net income or of tax due to the officer who administers the oath.

9. What Form Should be Used.

An individual whose net income for 1917 did not exceed his personal exemption by more than \$2,000, and also did not exceed \$5,000, may use the smaller return form (1040-A) instead of this form (1040). For copies of Form 1040-A or additional copies of Form 1040, inquire of your collector of internal revenue or at your post office or bank.

10. When the Return Must be Made.

This return must reach the collector's office on or before March 1, 1918.

The collector of internal revenue may, in case of sickness or absence of the individual, grant an extension of time not exceeding 30 days from March 1, 1918, provided a written application therefor is made within the period for which such extension may be granted.

The Commissioner of Internal Revenue is authorized to grant a reasonable extension of time for any reason he considers adequate.

11. Where the Return Should be Sent.

The return should be delivered or mailed to the collector of internal revenue for the district in which the individual resides.

If the individual has no residence in the United States the return should be sent to the collector for the district in which his principal business is carried on in the United States.

If the individual has neither residence nor place of business in the United States, the return should be sent to the collector of internal revenue at Baltimore, Md.

It is suggested that a copy of the return be retained.

12. When and to Whom Tax Must be Paid.

You may pay your tax by sending cash, check, or money order with this return to the collector of internal revenue.

You must pay it on or before June 15, 1918, to the collector to whom the return is sent.

13. Information at Source.

Every individual, firm, or corporation who during 1917 paid to another person salary, wages, interest, commissions, rentals, etc., of \$800 or more, is required to make a true and accurate return to the Commissioner of Internal Revenue showing the nature and source of such payments and the name and address of the person receiving them. Forms for reporting such information will be furnished by any collector of internal revenue.

TABLE FOR COMPUTATION OF SURTAX ON NET INCOME (Item O, Page 4) IN EXCESS OF \$5,000.

INSTRUCTIONS.	Amount of net income.	Amount subject to surtax at rate shown in Column C.	Rate.	Amount of surtax at each rate.	Total surtax on each amount.	COMPUTATION.
To compute amount of surtax due on any amount of net income in excess of \$5,000: First, find in Column A the largest sum which is less than the amount of the total net income reported on the return; then find in Column E the corresponding amount of total surtax. To this amount add an amount computed as follows:						
Subtract from the net income the sum found in Column A and multiply the remainder by the rate shown on the next line below in Column C.						
The sum of these two amounts is the total surtax due.						
For example, the surtax on a net income of \$22,500 is computed below:						
1. Largest sum in Column A which is less than the amount of the total net income	\$20,000					1. Largest sum in Column A which is less than the amount of the total net income . . . \$
2. Total surtax thereon shown in Column E	500					2. Total surtax thereon shown in Column E . . . \$
3. Remainder of net income after subtracting Item 1, above	2,500					3. Remainder of net income after subtracting Item 1, above \$
4. Surtax on this remainder at rate (8%) shown in Column C on line below that from which Item 1 was taken	200					4. Surtax on this remainder at rate (8%) shown in Column C on line below that from which Item 1 was taken \$
5. Total surtax due (sum of Items 2 and 4)	700					5. Total surtax due (sum of Items 2 and 4). . . \$
						This total (Item 5) should be entered as Item 33, page 4.

PENALTIES.

For failing to make return on time.—Not less than \$20 nor more than \$1,000, and, in addition, 50 per cent of the amount of tax due.

For making false or fraudulent return.—Not exceeding \$2,000 or not exceeding one year's imprisonment, or both, in the discretion of the court, and 100 per cent of the tax due.

For failing to pay tax on time.—Five per cent of the amount of tax due and 1 per cent interest for each full month during which the tax remains unpaid.

This return must reach the Collector of Internal Revenue at _____, or his deputy, on or before MARCH 1, 1918.

DETAILS OF TAXABLE INCOME

All income must be reported gross, except income received from partnerships or through fiduciaries, which should be reported net.

Income of any kind amounting to \$800 or more received from any one source, or any income regardless of amount received from a partnership or through a fiduciary, should be reported separately, together with the name and address of the person, association, corporation, partnership, or fiduciary from whom received.

Your share of partnership profits should be reported under H, page 4, except the part of such profits which was originally derived (1) from interest on obligations of the United States issued since September 1, 1917, held by the partnership in excess of \$5,000 par value (to be entered under E); (2) from dividends on stock of domestic and resident corporations (to be entered under F); and (3) from interest on securities not subject to Federal income tax.

If the partnership's fiscal year differs from the calendar year so that a part of the fiscal year fell within the calendar year 1916, a proportionate part of your share of the partnership profits for the

fiscal year (with the exceptions noted), assignable to the calendar year 1916 should be entered under H in the column for deductions, and the balance in the final column. The total of these two amounts should be entered in the column for "Gross income." For normal tax, partnership profits assignable to 1916 but received in 1917 should be added to Item 27, page 4. For surtax, they should be added to dividends (if any) accumulated in 1916, and treated as directed for such dividends under F, below. Dividends received through a partnership should be reported (like other dividends) under F for the year in which accumulated, regardless of the fiscal year of the partnership.

If income reported on this return was received by wife (or husband), or child, enter it in the same manner as your own income and write the word "wife," "husband," or "child," on the line on which the income is reported.

If this form has not space enough for all entries, make additional entries on a separate sheet of paper and attach it securely to page 3 or 4.

A. INCOME FROM SALARIES, WAGES, COMMISSIONS, BONUSES, DIRECTORS' FEES, AND PENSIONS, AND FROM PROFESSIONS.

Salaries, wages, etc., paid by States or political subdivisions thereof and gifts not forming part of your compensation for services rendered should not be reported.

Expenses charged against your compensation or professional income should be explained on the blank lines marked "Explanation of deductions."

State whether the salaries, etc., were received by yourself, wife (or husband), or child.

Brokers and commission merchants should report their income under B if they buy and sell on their own account, advance money to their customers, or in any way use more than a nominal capital in their business.

B. INCOME FROM BUSINESS (INCLUDING FARMING).

Report income under B only if you are engaged in farming or in business for yourself. Do not report here your share of partnership profits.

Report under C sales of land, buildings, equipment, stocks, bonds, and other property not connected with your regular business, and sales of your business plant and equipment.

If you have a complete profit and loss statement, showing all the information called for under "Cost of goods sold" and "Other business deductions," you may attach it to page 3 of this return and enter the amount of net income under B, page 3.

Gross sales and income from business services.—Individuals deriving income from the sale of merchandise or of products of farming, manufacturing, mining, or construction should report the total amount of such sales less any discounts or allowances from the sale price. Income from business services such as transportation, storage, etc., carried on with invested capital, should also be reported here.

Cost of goods sold.—If you make inventories of merchandise or securities, state under "Explanations" the basis on which such inventories are made; that is, whether (a) at cost or (b) at cost or market value, whichever is lower.

If in your books of account you do not regularly inventory unsold goods or securities on hand, make no entries referring to inventories, but use one of the following methods:

(1) Report as cost of goods sold the total cost of goods purchased or produced during the year. This method may be used by manufacturers and dealers in merchandise, but not by dealers in real estate or securities.

(2) Report the cost of the particular articles sold during the year, in accordance with the instructions under C. This method may be used by dealers in real estate and securities.

Taxes.—See instructions under J, below.

Repairs.—Ordinary repairs, required to keep property in usable condition, are deductible. Replacements, on the other hand, may not be deducted, unless no deduction for wear and tear or depreciation has been claimed. Expenditures for permanent improvements are not deductible under this or any other heading.

This item should be explained in the table at the bottom of page 3.

Wear and tear.—A deduction may be claimed on account of wear and tear or depreciation during the year of property used exclusively in business or trade, only to the extent that such wear and tear or depreciation is not covered by deductions claimed in this return or in previous returns for repairs, replacements, and losses. The amount claimed for wear and tear or depreciation should not exceed the original cost of the property divided by its total estimated life in years. When the amount of depreciation allowed equals the cost of the property, no further claim should be made.

Do not claim any deduction for depreciation in the value of a building occupied by the owner as his dwelling, or of other property held for personal use. Do not claim any deduction for

depreciation of real estate (exclusive of improvements thereon), nor for depreciation of stocks, bonds, and other securities.

This item should be explained in the table at the bottom of page 3.

Depreciation of patents, copyrights, etc., and depletion of mines, etc.—If you wish to claim a deduction on account of depreciation in the value of patents, copyrights, franchises, and other legal privileges, or on account of depletion of mines and oil and gas wells, see paragraphs 7 and 8, section 5a, of the act of September 8, 1916, and the regulations thereunder, or communicate with your collector of internal revenue.

Property losses.—Report only losses of property used in your business or trade from fire, storm, shipwreck, or other casualty, or theft, not covered by insurance and not offset by repairs or replacements reported. The property lost should be valued at cost less depreciation to date of loss.

Any such losses of property not used in your business, such as your dwelling or household furniture, should be reported under J, "Other deductions," on page 4.

Do not report any losses for which a claim against an insurance company is pending. Wait until the claim is settled and deduct from the cost of the property, less depreciation, the amount of insurance collected. Report the net loss, if any, in the return of income for the year in which the settlement by the insurance company is made.

This item should be explained in the table at the bottom of page 3.

Bad debts.—Report only debts which you have ascertained to be worthless and have charged off during the year.

A bad debt offsetting income accrued since March 1, 1913, will not be allowed as a deduction unless the amount was reported as income for the year in which the debt was created.

State under "Explanations" how the debts were ascertained to be worthless. Insolvency of the debtor, inability to collect by legal proceedings, or inability of debtor to pay, ascertained by a mercantile agency, would be a sufficient indication of worthlessness.

If at any future time a debt charged off as worthless and allowed as a deduction is collected the amount collected must be returned as income for the year in which received.

Unpaid debts are not deductible if made good by recovery of property sold or retention of property pledged.

Bad debts arising out of personal loans should be reported under J, "Other deductions."

Other expenses.—Do not include any personal, living, or family expenses.

Do not deduct interest on your own investment in your business or farm, or salary for your own services or services of your family, unless these items are entered as income elsewhere on this return or in other returns.

C. PROFITS FROM SALE OF REAL ESTATE, STOCKS, BONDS, AND OTHER PROPERTY.

Sales connected with your regular business should be reported under B, unless they would thereby become confused with sales of merchandise whose cost is computed by a different method (see "Cost of goods sold," under B, above).

If the profits or losses on sales made through any one broker aggregated \$800 or more, report the transactions on a separate line with the name and address of the broker.

Kind of property.—Describe the property as definitely as you can in a word or two, as "farm," "dwelling," "stocks," "bonds," etc.

Cost.—If the property was acquired before March 1, 1913, report the estimated market value

on that date instead of the cost and explain the basis of your estimate.

Expenses incidental to the purchase of property may be included in the cost if never claimed in income-tax returns as a deduction from income.

Losses.—If total cost of all property sold exceeded total sale price, the loss will not be allowed as a deduction unless the sales out of which the loss arose were connected with your regular business. If a deduction is claimed on account of losses reported under C, explain what connection the sales had with your regular business and enter the amount of the loss under J, "Other deductions."

D. INCOME FROM RENTS AND ROYALTIES.

Kind of property.—Describe briefly, as "farm," "dwelling," "mine," and also state kind of material of which buildings (if any) are constructed as "brick" or "wood."

Amount of rent.—If tenant rents your farm on a cash rental basis, state the amount of the rent, whether paid in cash or in crops. If he works it on shares, report your share as income in your

return for the year in which it is sold.

Repairs, wear and tear, and property losses.—See instructions relating to repairs, wear and tear, depreciation of patents, copyrights, etc., depletion of mines, etc., and property losses under B above.

E. INTEREST ON BONDS AND OTHER OBLIGATIONS OF THE UNITED STATES ISSUED SINCE SEPTEMBER 1, 1917.

Exemption.—No return should be made of interest on any amount of such obligations up to and including \$5,000, par value, owned by one individual. The benefit of this exemption may be claimed in this return not only on behalf of the individual making this return, but also on behalf of wife, husband, or any member of the family owning such obligations whose income has been included in this return.

Interest paid.—If indebtedness has been incurred for the purchase of such obligations, find what percentage the amount of such obligations held in excess of \$5,000 is of the total amount of such obligations held, and enter in column 5 the same percentage of the interest paid on the indebtedness.

F. DIVIDENDS ON STOCK OF CORPORATIONS ORGANIZED OR OPERATING IN THE UNITED STATES AND SUBJECT TO INCOME TAX.

Dividends which were paid out of profits or surplus accumulated by the distributing corporation prior to the year for which this return is made but not prior to March 1, 1913, should be reported under the year in which the profits or surplus was accumulated.

The amount of dividends paid out of profits or surplus accumulated in 1916 is subject to surtax at the rate or rates imposed by the act of September 8, 1916, on a corresponding amount of income in excess of the amount on Item O, page 4.

The sum of the amounts accumulated from March 1, 1913, to December 31, 1915, is subject to surtax at the rate or rates imposed by the act of October 3, 1913, on a corresponding amount of income in excess of the sum of Item O and the amount accumulated in 1916.

The amount of these surtaxes should be computed and entered on line 37, page 4. Otherwise an additional assessment will be made by the Commissioner of Internal Revenue.

G. INTEREST ON TAX-FREE-COVENANT BONDS ON WHICH ONE NORMAL TAX OF 2 PER CENT WAS WITHHELD AT SOURCE.

Report under G interest received on bonds of corporations organized or doing business in the United States, containing a clause by which the debtor corporation agrees to pay the interest without any deduction for taxes, provided exemption from withholding of the tax and payment

thereof at the source was not claimed with respect to such interest. If exemption was claimed, the interest received must be reported under H, "Other income," on page 4.

H. OTHER INCOME.

Report under H interest received on bank deposits, notes, mortgages, etc., and all other income that is not reported elsewhere on this return, with the exceptions stated in instruction 2, page 1.

State each kind of income separately. (See also instructions at top of page.)

Income received from partnerships or through fiduciaries.—If taxable income other than that falling under E and F was received from a partnership or if taxable income other than that

falling under E, F, and G was received through a fiduciary, enter the name of the partnership or fiduciary and the amount received on a separate line.

Deductions, if any.—Explain expenses claimed as deductions on any vacant lines or on a separate sheet of paper (to be attached securely to page 3 or 4 of the return).

J. GENERAL DEDUCTIONS.

Interest.—Interest on personal indebtedness is deductible except on indebtedness incurred for the purchase of obligations or securities the interest on which is exempt from taxation as income.

Other deductions.—Do not include your personal exemption, which should be entered on line 21, page 4, or any personal, living, or family expenses.

Taxes.—Do not report inheritance taxes, Federal income taxes, or taxes specially assessed for local improvements or betterments, such as roads, streets, sidewalks, sewers, etc.

If you wish to claim a deduction on account of losses of personal property or bad debts arising out of personal loans, see instructions under B, "Property losses," and "Bad debts."

Excess profits taxes, if any, should not be included under J, but should be reported as Item L, and also as Items 34 and 35, page 4.

If a net loss is reported under B, D, or H, or if an excess of interest paid is reported under E (in column 6), it may be claimed as a deduction. If a net loss reported under C is claimed as a deduction, explain how the transactions were connected with your business.

N. CONTRIBUTIONS.

The following are deductible: Contributions or gifts actually made within the year to corporations or associations organized and operated exclusively for religious, charitable, scientific, or educational purposes, or to societies for the prevention of cruelty to children or animals, no part

of the net income of which inures to the benefit of any private stockholder or individual, to an amount not in excess of 15 per cent of your taxable net income as computed without deducting such contributions. Contributions to individuals are not deductible.

WRITE "NONE" IN EACH BLOCK IN WHICH YOU HAVE NO INCOME TO REPORT

A. INCOME FROM SALARIES, WAGES, COMMISSIONS, BONUSES, DIRECTORS' FEES, AND PENSIONS, AND FROM PROFESSIONS.										
1. By whom received.	2. Occupation or profession.	3. Name and address of employer or (if practicing a profession) office address.			4. Gross income.			5. Deductions, if any.		
					\$			\$		
NET INCOME FROM SALARIES, ETC. (total column 4 minus total column 5)					\$			\$		

Explanation of deductions:

B. INCOME FROM BUSINESS (INCLUDING FARMING).									
Kind of business					Business address				
GROSS SALES and income from business services									
COST OF GOODS SOLD:									
Labor		\$			OTHER BUSINESS DEDUCTIONS:				
Materials and supplies					Salaries and wages not reported as "Labor" under "Cost of Goods Sold"	\$			
Merchandise bought for sale					Rent				
Other costs					Interest on business indebtedness				
PLUS inventories at beginning of year					Taxes on business and business property				
TOTAL		\$			Repairs, wear and tear, and property losses (To be explained in table at bottom of page.)				
LESS inventories at end of year					Bad debts arising from sales (see instructions)				
NET COST OF GOODS SOLD		\$			Other expenses (specify)				
NET COST OF GOODS SOLD PLUS TOTAL OTHER BUSINESS DEDUCTIONS									
NET INCOME FROM BUSINESS (INCLUDING FARMING)									

Explanations:

C. PROFITS FROM SALE OF REAL ESTATE, STOCKS, BONDS, AND OTHER PROPERTY.												
1. Kind of property.	2. Year acquired.	3. Name and address of purchaser or broker.			4. Sale price.		5. Original cost or market value March 1, 1913.		6. Cost of subsequent improvements, if any.		7. Depreciation previously allowed.	
					\$		\$		\$		\$	
TOTALS					\$		\$		\$		\$	
NET PROFIT FROM SALES (total of columns 4 and 7 minus total of columns 5 and 6)												\$

Explanations:

D. INCOME FROM RENTS AND ROYALTIES.													
1. Kind of property.	2. Name and address of tenant or lessee.			3. Amount of rent and royalties.		4. Repairs, wear and tear, and property losses.		5. Interest.		6. Taxes.		7. Other expenses.	
				\$		\$		\$		\$		\$	
TOTALS					\$		\$		\$		\$		\$
NET INCOME FROM RENTS AND ROYALTIES (total of column 3 minus total of columns 4, 5, 6, and 7)												\$	

Explanations:

E. INTEREST ON BONDS AND OTHER OBLIGATIONS OF THE UNITED STATES ISSUED SINCE SEPTEMBER 1, 1917.													
1. If not received directly, state name and address of partnership or fiduciary through whom received.		2. Amount of bonds or certificates.		3. Interest received on amount in excess of \$5,000.		4. Indebtedness incurred for purchase of bonds or certificates.		5. Interest paid on proportionate part of such indebtedness.		6. Excess of interest paid, if any.		7. Excess of interest received, if any.	
		\$		\$		\$		\$		\$		\$	
TOTALS (Include total of column 7 (if any) in total net income on page 4. Enter total of column 6 (if any) under J, "Other deductions," on page 4.)				\$		\$		\$		\$		\$	

F. DIVIDENDS ON STOCK OF CORPORATIONS ORGANIZED OR OPERATING IN THE UNITED STATES AND SUBJECT TO INCOME TAX.											
1. If not received directly state name of partnership or fiduciary through whom received.		2. Accumulated in 1913.		3. Accumulated in 1914.		4. Accumulated in 1915.		5. Accumulated in 1916.		6. Accumulated in 1917.	
		\$		\$		\$		\$		\$	
TOTALS (include total of column 6 only in total net income on page 4)		\$		\$		\$		\$		\$	

EXPLANATION OF REPAIRS, WEAR AND TEAR (DEPRECIATION), AND LOSSES OF BUSINESS OR RENTAL PROPERTY, AND DEPLETION OF MINES, ETC.										
1. Refer to "A," "B," or "D" above.	2. Kind of property. (If buildings, state also material of which constructed.)	3. Year acquired.	4. Cost of buildings or other property.	5. Repairs not covered by claims for wear and tear or losses.	Wear and tear (depreciation) and depletion charged off.			Losses not covered by insurance.		
					6. Rate.	7. Amount previous years.	8. Amount this year.	9. Cause of loss.	10. Amount of loss.	
			\$	\$			\$		\$	

DETAILS OF TAXABLE INCOME (Concluded)

(SEE INSTRUCTIONS ON PAGE 2 UNDER CORRESPONDING HEADINGS)

TOTAL NET INCOME FROM SOURCES A, B, C, D, E, AND F, REPORTED ON PAGE 3		\$		
G. INTEREST ON TAX-FREE-COVENANT BONDS (on which one normal tax of 2 per cent was withheld at source).	1. Gross income.	2. Deductions, if any.		
	\$	\$		
NET INTEREST ON TAX-FREE-COVENANT BONDS (total column 1 minus total column 2)		\$		
H. OTHER INCOME (including income from partnerships and fiduciaries, except that reported under E, F, and G).	1. Gross income.	2. Deductions, if any.		
Interest on bonds and other obligations of domestic and resident corporations (except as entered under G)	\$	\$		
Interest on bonds of foreign countries and corporations and dividends on stock of foreign corporations				
Interest on notes, bank deposits, mortgages (except of corporations), and all other interest				
I. TOTAL NET INCOME FROM ALL SOURCES		\$		
J. GENERAL DEDUCTIONS NOT REPORTED ON PAGE 3 OR ABOVE (EXCEPT CONTRIBUTIONS—SEE N BELOW).				
Interest on personal indebtedness		\$		
Taxes on dwelling and personal property, and other taxes not reported above (see instructions on page 2)				
Other deductions, except contributions (explain)				
TOTAL GENERAL DEDUCTIONS, EXCEPT CONTRIBUTIONS		\$		
K. TOTAL NET INCOME (WITHOUT DEDUCTING EXCESS PROFITS TAXES OR CONTRIBUTIONS)		\$		
L. LESS EXCESS PROFITS TAXES, IF ANY, FOR 1917 (see instructions on page 1 under "Excess profits taxes")				
M. TOTAL NET INCOME (WITHOUT DEDUCTING CONTRIBUTIONS) (K minus L)		\$		
N. CONTRIBUTIONS TO CHARITABLE ORGANIZATIONS, ETC. (Enter below name and address of each organization and amount paid to each.)				
	\$	\$		
TOTAL (not over 15 per cent of item M)		\$		
O. TOTAL NET INCOME ON WHICH INCOME TAX IS TO BE COMPUTED (M minus N)		\$		

<p>CAUTION</p> <p>Read all instructions.</p> <p>Answer all questions.</p> <p>If necessary, ask your Collector of Internal Revenue for assistance.</p>	<p>Form 1040 (Revised January, 1918)—UNITED STATES INTERNAL REVENUE</p> <p>INDIVIDUAL INCOME TAX RETURN FOR CALENDAR YEAR 1917</p> <p>(Write plainly. Give name in full.)</p>	<p>(Do not write in this space.)</p> <p>RECEIVED</p> <p>LIST</p> <table border="1"> <tr> <th>Month</th> <th>Page</th> <th>Line</th> </tr> <tr> <td></td> <td></td> <td></td> </tr> </table> <p>Audited by</p>	Month	Page	Line			
	Month		Page	Line				
<p>Made by (or for)</p> <p>Home address</p> <p>(Street and number or rural route.) (Post office and State.)</p> <p>(IF NAME AND ADDRESS ARE FILLED IN AND EITHER IS INCORRECT, PLEASE CORRECT IT.)</p>								

1. Did you make a return for 1916?	2. If so, what address did you give on the return?	3. To what Collector's office was it sent?
4. Were you on December 31, 1917, married and living with wife (or husband)?	5. If not, were you head of a family as defined in instructions on page 1 under "Personal Exemption"?	6. How many dependent children under 18 (or mentally or physically incapacitated for self-support) had you on December 31, 1917?
7. If head of a family without dependent children, what was the relationship of those dependent upon you?	8. Did your wife (or husband) or dependent children derive income from sources independent of your own?	9. If so, is such income included in this return?
10. If not, was such income from a separate estate?	11. If a separate return has been made by (or for) wife (or husband) or dependent child, give full name and address entered at head of that return	
12. If income of \$800 or more received by wife (or husband) or dependent child is included in this return, give full name of each such person, and also address if different from that given at the head of this return		
13. What address other than those already entered on this return did you give to employers or other persons, firms, or corporations who paid you \$800 or more income during 1917?		
14. Is this return made from books kept on other than a cash basis?	15. If so, were such books audited by a public accountant?	16. By whom?
17. Is this return based on that accountant's report?		
18 Total net income on which income tax is to be computed (item O)	\$	
19 Less: Excess of interest received on obligations of United States issued since Sept. 1, 1917 (item E, total of column 7).		
20 Dividends (item F, total of column 6)		
21 Personal exemption (see instruction 3, page 1)		
22 Total of items 19, 20, and 21	\$	
23 Balance (item 18 minus item 22)	\$	
24 Add excess of interest paid on indebtedness incurred for purchase of obligations of United States issued since Sept. 1, 1917 (item E, total of column 6)		
25 Amount subject to normal tax of 2 per cent under act Oct. 3, 1917	\$	
26 Less additional exemption	2 000 00	
27 Amount subject to normal tax of 2 per cent under act Sept. 8, 1916	\$	
28 Normal tax of 2 per cent on amount of item 25	\$	
29 Additional normal tax of 2 per cent on amount of item 27		
30 Total normal tax		
31 Less tax withheld on tax-free-covenant bonds (2 per cent of net total of item G).		
32 Balance of normal tax due	\$	
33 Surtax (see table on page 1)		
34 Excess profits tax at rate of 8 per cent (see instruction 7, page 1)		
35 Excess profits tax on income from business with invested capital, as computed on excess profits tax return (Form 1101).		
36 Total of items 32, 33, 34, and 35	\$	
37 Additional assessments and penalties (if any)	\$	

I swear (or affirm) that this return, including the accompanying schedules (if any), to the best of my knowledge and belief, is a true and complete statement of all taxable gains, profits, and income received by during the year 1917, and that entitled to all deductions and exemptions entered or claimed herein.

(Enter "me" or name of person for whom return is made.) (Enter "I am," "he is," or "she is.")

(If return is made by an agent, the reason therefor must be stated on this line.)

Sworn to and subscribed before me this day of 1918.

(Signature.) (Title.) (Signature of individual or agent.) (Address of agent.)

DELIVER OR SEND
THIS RETURN
TO COLLECTOR OF
INTERNAL REVENUE
ON OR BEFORE
MARCH 15, 1919

Form 1040—UNITED STATES INTERNAL REVENUE SERVICE

INDIVIDUAL INCOME TAX RETURN
FOR NET INCOMES OF MORE THAN \$5,000
FOR CALENDAR YEAR 1918

(DO NOT WRITE IN THIS SPACE)

Examined by _____
Audited by _____
FIRST PAYMENT
\$ _____
(Cashier's Stamp)

DETACH AND KEEP
WORK SHEET
AND
INSTRUCTION SHEET

If the return is made for a part of the calendar year 1918, the date on which the period covered by the return ends must be plainly stated at the head of the return.

PRINT NAME AND ADDRESS PLAINLY BELOW

(Name)

(Street and number or rural route)

(Post office and State)

CASH _____
CHECK _____
M. O. _____
CERT. of IND. _____

- Did you make a return for 1917? _____
- If so, what address did you give on that return? _____
- To what Collector's office was it sent? (Give district or city and State.) _____
- Give number, if any, assigned to you for 1917, if it does not appear in address at head of return _____
- Were you in 1918 married and living with wife (or husband)? _____
- If not, were you head of a family as defined in instructions under "Personal Exemption"? _____
- If you claim any additional exemption on account of dependent persons other than your children, what was their relationship to you? _____
- How many dependent persons under 18 (or mentally or physically defective) received their chief support from you in 1918? _____
- Did your wife (or husband) or minor child make a separate return? _____ (If so, give name and address entered at head of that return.) _____
- Write "R" if this return shows income received or "A" if it shows income accrued _____

11. Enter below all nontaxable income received by (or accrued to) you during the year:

CLASS OF SECURITIES.	PRINCIPAL.	INTEREST.	CLASS OF SECURITIES.	PRINCIPAL.	INTEREST.	SALARY, ETC. (GIVE SOURCE).	AMOUNT.
Bonds of First Liberty Loan unconverted	\$ _____	\$ _____	Obligations of States and Territories, political subdivisions thereof, and the District of Columbia	\$ _____	\$ _____		\$ _____
Other obligations of the U. S. issued before Sept. 1, 1917, and obligations of U. S. possessions	\$ _____	\$ _____	Federal Paper Loan Bonds	\$ _____	\$ _____		\$ _____

- State amount of stock dividends received by (or accrued to) you directly during the year, declared from earnings of domestic or resident corporations accumulated since February 28, 1913, and prior to January 1, 1918:
(a) Accumulated in 1917, \$ _____ (b) Accumulated in 1916, \$ _____ (c) Accumulated since February 28, 1913, and prior to January 1, 1916, \$ _____
- Enter in table below interest on Liberty Bonds and other obligations of the United States issued since September 1, 1917, received by (or accrued to) you during the year, and maximum amount of such obligations (par value) held at any one time from which such interest was derived (see instructions, page 2, under K(b)):

1. CLASS OF OBLIGATION.	INDIVIDUAL HOLDINGS.		SHARE OF HOLDINGS OF PARTNERSHIPS, PERSONAL SERVICE CORPORATIONS, AND ESTATES AND TRUSTS.		6. TOTAL OF COLUMNS 3 AND 5.	7. MAXIMUM EXEMPTION.
	2. AMOUNT OF INTEREST.	3. MAXIMUM AMOUNT OF OBLIGATIONS.	4. AMOUNT OF INTEREST.	5. MAXIMUM AMOUNT OF OBLIGATIONS.		
(a) First Liberty Loan converted into Second Loan and Second Liberty Loan unconverted (interest received since January 1, 1918)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$45,000 (See Note.) In addition an exemption of \$5,000 may be claimed as to any one of these classes or may be divided among them. 30,000 30,000 0
(b) First and Second Liberty Loans converted into Third Loan and Third Liberty Loan	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	
(c) First Liberty Loan converted into Fourth Loan	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	
(d) Fourth Liberty Loan	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	
(e) Other obligations issued since September 1, 1917	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	
(f) TOTALS	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	

NOTE.—This exemption (maximum \$45,000) is limited to one and one-half times the amount of bonds of the Fourth Liberty Loan originally subscribed for and still held. State here amount of bonds of the Fourth Liberty Loan originally subscribed for and still held. \$ _____

14. Enter in the table below income from partnerships, personal service corporations, and estates and trusts:

1. NAME OF PARTNERSHIP, PERSONAL SERVICE CORPORATION, ESTATE, OR TRUST. (If ESTATE OR TRUST, GIVE ALSO NAME OF FIDUCIARY.)	2. PERIOD (ENTER 1918 OR DATE ON WHICH FISCAL YEAR ENDED).	3. CASH DIVIDENDS.	4. STOCK DIVIDENDS.	5. INTEREST ON TAX-FREE BONDS (FROM ESTATES AND TRUSTS ONLY).	6. INTEREST ON LIBERTY BONDS, ETC., ISSUED SINCE SEPT. 1, 1917.	7. OTHER INCOME.	8. TOTAL.
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
(a) Totals taxable at 1918 rates (see instructions, page 2, under C)		\$ _____	\$ _____	\$ _____	See instructions, page 2, under K(b).	Enter as C, page 2. Enter as 30, below.	X X X X Enter as 17, below.
(b) Totals taxable at 1917 rates (see instructions, page 2, under C)		\$ _____	\$ _____	X X X X	\$ _____	\$ _____	\$ _____
(c) Amount of stock dividends (column 4) taxable at 1916 rates (enter as 20), \$ _____							
(d) Amount of stock dividends taxable at 1913-15 rates (enter as 23), \$ _____							

Total Net Income Subject to Surtax.		Total Net Income Subject to Normal Tax.		Calculation of Tax.	
15. Item L, page 2	\$ _____	AT 1918 RATES.		33. Normal tax of 6% on amount of Item 23	\$ _____
16. Item 12 (a)	\$ _____	25. Net income shown on page 2, Item J	\$ _____	34. Normal tax of 12% on amount of Item 29	\$ _____
17. Item 14 (b), column 8	\$ _____	26. Less personal exemption	\$ _____	35. Normal tax of 4% on amount of Item 32	\$ _____
18. TOTAL (Items 15, 16, and 17)	\$ _____	27. BALANCE	\$ _____	36. Surtax at 1918 rates (see surtax table on page 1 of instructions)	\$ _____
19. Item 12 (b)	\$ _____	28. Amount subject to tax at 6% (not over \$4,000)	\$ _____	37. Surtax at prior-year rates (see surtax table on page 1 of instructions)	\$ _____
20. Item 14 (c)	\$ _____	29. BALANCE SUBJECT TO TAX AT 12%	\$ _____	38. TOTAL TAX	\$ _____
21. TOTAL (Items 18, 19, and 20)	\$ _____	AT 1917 RATES.		39. Tax paid at source (2% of amount of Item F, page 2)	\$ _____
22. Item 12 (c)	\$ _____	30. Amount of Item 14 (b), column 7	\$ _____	40. Income, war profits, and excess-profits taxes paid in 1918 to foreign countries and possessions of the U. S.	\$ _____
23. Item 14 (d)	\$ _____	31. Balance of personal exemption not used above (Item 26 minus Item 25)	\$ _____	41. BALANCE OF TAX DUE (Item 38 minus Items 39 and 40)	\$ _____
24. TOTAL NET INCOME (Items 21, 22, and 23)	\$ _____	32. BALANCE SUBJECT TO TAX AT 4%	\$ _____	42. Amount of tax paid on submission of return	\$ _____

I swear (or affirm) that this return, including the accompanying schedules and statements (if any), has been examined by me and, to the best of my knowledge and belief, is a true and complete return in good faith, pursuant to the income tax law and regulations, of all taxable gains, profits, and income received by or accrued to me (or the person for whom this return is made) during the year 1918, and that all deductions entered or claimed herein are allowable by law.

(If return is made by agent, the reason therefor must be stated on this line)

Sworn to and subscribed before me this _____ day of _____, 1919.

(Signature of officer administering oath) _____ (Title) _____ (Signature of individual or agent) _____ (Address of individual or agent) _____

DETACH RETURN HERE AND SEND IT TO COLLECTOR OF INTERNAL REVENUE

RETURN OF INCOME TAXABLE AT 1918 RATES

A. INCOME FROM BUSINESS OR PROFESSION.									
1. Kind of business					2. Business address				
3. Total sales and income from business or professional services \$									
COST OF GOODS SOLD:					OTHER BUSINESS DEDUCTIONS:				
4. Labor	\$				12. Salaries and wages not reported as "Labor" under "Cost of Goods Sold"	\$			
5. Material and supplies					13. Rent				
6. Merchandise bought for sale					14. Interest on business indebtedness				
7. Other costs (submit schedule of principal items at foot of page or on separate sheet)					15. Taxes on business and business property				
8. Plus inventories at beginning of year					16. Repairs, wear and tear, obsolescence, depletion, and property losses (explain in table below)				
9. TOTAL	\$				17. Bad debts arising from sales				
10. Less inventories at end of year					18. Other expenses (submit schedule of principal items at foot of page or on separate sheet)				
11. NET COST OF GOODS SOLD	\$				19. TOTAL OTHER BUSINESS DEDUCTIONS	\$			
20. NET COST OF GOODS SOLD PLUS OTHER BUSINESS DEDUCTIONS \$					21. NET INCOME FROM BUSINESS OR PROFESSION \$				
B. INCOME FROM SALARIES, WAGES, COMMISSIONS, BONUSES, DIRECTOR'S FEES, AND PENSIONS.									
1. OCCUPATION.			2. NAME AND ADDRESS OF EMPLOYER.			3. GROSS INCOME.		4. DEDUCTIONS, IF ANY.	
						\$		\$	
						\$		\$	
						\$		\$	
						\$		\$	
NET INCOME FROM SALARIES, ETC. (total of column 3 minus total of column 4)						\$		\$	
C. INCOME FROM PARTNERSHIPS, PERSONAL SERVICE CORPORATIONS, AND ESTATES AND TRUSTS (not including interest on tax-free covenant bonds received through fiduciaries, which should be included in Item F; dividends, which should be included in Item K(a); taxable interest on obligations of the U. S., which should be included in Item K(b), or income taxable at 1917 or prior-year rates—see table 14, page 1)									
D. PROFIT FROM SALE OF LAND, BUILDINGS, STOCKS, BONDS, AND OTHER PROPERTY.									
1. KIND OF PROPERTY.	2. YEAR ACQUIRED.	3. NAME AND ADDRESS OF PURCHASER OR BROKER.			4. SALE PRICE.	5. ORIGINAL COST OR MARKET VALUE MARCH 1, 1913.	6. COST OF SUBSEQUENT IMPROVEMENTS, IF ANY.	7. DEPRECIATION SUBSEQUENTLY SUSTAINED.	
					\$	\$	\$	\$	
					\$	\$	\$	\$	
					\$	\$	\$	\$	
NET PROFIT FROM SALES (total of columns 4 and 7 minus total of columns 5 and 6)					\$	\$	\$	\$	
E. INCOME FROM RENTS AND ROYALTIES.									
1. KIND OF PROPERTY.	2. NAME AND ADDRESS OF TENANT, LESSEE, ETC.			3. AMOUNT OF RENT AND ROYALTIES.	4. REPAIRS, WEAR AND TEAR, OBSOLESCENCE, DEPLETION, AND PROPERTY LOSSES.	5. INTEREST.	6. TAXES.	7. OTHER EXPENSES (EXPLAIN BELOW).	
				\$	\$	\$	\$	\$	
				\$	\$	\$	\$	\$	
				\$	\$	\$	\$	\$	
NET INCOME FROM RENTS AND ROYALTIES (total of column 3 minus total of columns 4, 5, 6, and 7)				\$	\$	\$	\$	\$	
F. INTEREST ON CORPORATION BONDS CONTAINING TAX-FREE COVENANT, ON WHICH A TAX OF 2% WAS PAID BY DEBTOR CORPORATION (including such interest received through fiduciaries)									
G. OTHER INCOME (not including dividends, or interest on obligations of the United States).									
1. Interest on bonds, mortgages, and other obligations of domestic and resident corporations except as reported in Item F						1. GROSS INCOME.	2. DEDUCTIONS, IF ANY.		
						\$	\$		
2. Interest on bonds of foreign countries and corporations and dividends on stock of foreign corporations									
3. Interest on bank deposits, mortgages, etc.									
4.									
5.									
NET TOTAL (total of column 1 minus total of column 2)						\$	\$		
H. TOTAL NET INCOME FROM ABOVE SOURCES \$									
I. GENERAL DEDUCTIONS NOT INCLUDED ABOVE.									
1. Interest paid or accrued		\$	3. Losses by fire, storm, etc. (explain in table below)		\$	5. Other deductions, if any (explain below)		\$	
2. Taxes paid or accrued			4. Contributions (explain below)			TOTAL		\$	
Total net income on which normal tax is to be calculated at 1918 rates (H minus I) (enter as 25, page 1) \$									
K(a). Dividends on stock of corporations organized or doing business in the United States (not including income from personal service corporations):									
Received directly, \$; received through partnerships, personal service corporations, and fiduciaries, \$ TOTAL \$									
K(b). Taxable interest on bonds and other obligations of the United States issued after September 1, 1917 (see instructions, page 2)									
L. Total net income subject to surtax at 1918 rates (if this amount is \$5,000 or less, make your return on Form 1040A, unless you had income taxable at 1917 or prior-year rates) \$									
ENTER IN THIS TABLE DETAILS CONCERNING REPAIRS, WEAR AND TEAR, PROPERTY LOSSES, ETC., CLAIMED AS DEDUCTIONS IN SCHEDULES A, E, AND I ABOVE.									
1. REFER TO "A," "E," OR "I."	2. KIND OF PROPERTY (IF BUILDINGS, STATE ALSO MATERIAL OF WHICH CONSTRUCTED).	3. YEAR ACQUIRED.	4. COST OF PROPERTY (OR MARKET VALUE MARCH 1, 1913).	5. REPAIRS (NOT OFFSET BY CLAIMS FOR WEAR AND TEAR AND LOSSES).	WEAR AND TEAR, OBSOLESCENCE, AND DEPLETION CHARGED OFF.			LOSSES NOT COMPENSATED FOR BY INSURANCE.	
					6. RATE.	7. AMOUNT PREVIOUS YEARS.	8. AMOUNT THIS YEAR.	9. CAUSE OF LOSS.	10. AMOUNT OF LOSS.
			\$	\$		\$	\$		\$
EXPLANATION OF DEDUCTIONS claimed in Schedule A, lines 7 and 18; Schedule B, column 4; Schedule E, column 7; Schedule G, column 2; and Schedule I, Items 4 and 5.									

INSTRUCTIONS FOR FILING INDIVIDUAL INCOME TAX RETURN FOR NET INCOMES OF MORE THAN \$5,000

I. HOW TO DECIDE WHETHER TO MAKE A RETURN.

- 1. Calculate your net income by filling in page 2 of the work sheet according to page 2 of the instructions.
2. Add the net income of your wife (or husband) and dependent minor children, if any, except as provided in paragraph 5.
3. The total family income, calculated in accordance with paragraphs 1 and 2, must be reported, either in your return or in a separate return by wife (or husband), if it equalled or exceeded—
(a) \$2,000 if you were married and lived with your wife (or husband).
(b) \$1,000 if you were not married or did not live with your wife (or husband).
4. In any case, you must make a return if your net income equalled or exceeded the amount of your personal exemption, not including any additional exemption allowed you as head of family or on account of dependents.
5. Income of a minor or incompetent, if derived from a separate estate under control of a guardian, trustee, or other fiduciary, must be reported by his guardian or other legal representative.
6. If your wife (or husband) had any separate income, she (or he) should make a separate return.

II. ACCRUED OR RECEIVED INCOME.

- 1. If you keep books showing income accrued and expenses incurred during the year, make your return from your books, but do not fail to include all your income even if it is not entered in your books.
2. If you do not keep books showing income accrued and expenses incurred, report income received and expenses paid.
3. If you report income accrued, you must include all income that accrued in 1917 but was not received until 1918, unless it was reported in last year's return.
4. If you report income received, you must include all income constructively received, as bank interest credited to your account.

III. RECEIPTS EXEMPT FROM TAX.

- The following classes of receipts are exempt from income tax, and need not be reported on page 2 of the return. However, nontaxable income of the classes described in paragraphs 1, 3, 4, 5, and 6 should be reported in table 11, page 1 of the return.
1. Pay not exceeding \$3,500, for active services in the military and naval forces of the United States.
2. Gifts (not made as a consideration for service rendered) and money and property acquired under a will or by inheritance (but the income derived from money or property received by gift, will, or inheritance is taxable and must be reported).
3. Interest on bonds and other obligations of the United States issued before September 1, 1917, and on such bonds and other obligations issued since that date, provided your holdings do not exceed the exemptions allowed by law. See table 13, page 1 of return, and instructions, page 2, under K (b).
4. Interest on bonds and other obligations of United States possessions (Philippines, Porto Rico, etc.).
5. Interest on bonds and other obligations of States, territories, political subdivisions thereof (such as cities, counties, and townships), and the District of Columbia.
6. Interest on Federal Farm Loan bonds.
7. Proceeds of life insurance policies paid on the death of the insured.
8. Amounts received by the insured under life insurance, endowment, and annuity contracts, provided such payments do not exceed the premiums paid in. The amount by which the total payments that have been received exceed the total premiums paid in is income and must be reported in Schedule G.
9. Amounts received from accident and health insurance and under workman's compensation acts plus the amount of any damages received by suit or agreement on account of injuries or sickness.

IV. FARMER'S INCOME SCHEDULE.

If you are a farmer or a farm owner renting your farm out on shares, get from the collector and fill out a "Schedule of Farm Income and Expenses." Transfer the net farm income to line 21 of Schedule A of the return. Report income from salaries, rents, interest, sales of property, etc., in Schedules B to G of the return. Send your Schedule of Farm Income and Expenses with the return to the collector.

V. PERIOD TO BE COVERED BY RETURN.

- 1. You must report your net income for the calendar year 1918, except under the conditions stated in paragraph 2.
2. If you are engaged in business and keep books of account which are regularly closed each year at the end of some month other than December to determine your annual profit or loss, you may, after obtaining the Commissioner's permission, make a return covering the period from January 1, 1918, to the date on which you closed your books, and thereafter for each period of 12 months.

- 3. If you make a return for a part of the calendar year 1918, your personal exemption shall be as many twelfths of the amount that would be allowed for a full year as there are months in the period covered by the return.
4. The dates on which the period covered by the return begins and ends, if other than the calendar year 1918, must be plainly stated at the head of the return; answers to questions 5, 6, and 7 must be given for that period; and the affidavit must be changed accordingly.

VI. PERSONAL AND FAMILY EXEMPTION.

- 1. If you were married and lived with your wife (or husband) or were head of a family in 1918, you may subtract from your net income, before calculating your tax, a family exemption of \$2,000 plus \$200 for each person under 18 (or mentally or physically defective) who received his chief support from you. If husband and wife make separate returns, this exemption may be claimed by either (but not by both) or may be divided between them.
2. If you were not married or did not live with wife (or husband) and were not head of a family in 1918, you are entitled to a personal exemption of \$1,000 plus \$200 for each dependent person under 18 (or mentally or physically defective) who received his chief support from you.
3. If you were entitled to any of the foregoing exemptions during a part of the year only, you may claim as many twelfths of the exemptions stated as there were months in such part of the year. Any part of a month may be counted as a month.
4. The personal or family exemption must be reported on line 28, page 1 of the return, and must be supported by answers to questions 5, 6, 7, and 8.
5. A "head of family" is a person who is the chief support of one or more persons living in his household, who are closely related to him (or her) by blood, marriage, or adoption.

VII. AFFIDAVIT.

- 1. The affidavit must be executed by the person whose income is reported unless he is a minor or incompetent, or unless he is ill, absent from the country, or otherwise incapacitated, in which case the legal representative or agent may execute the affidavit. However, a minor making his own return may execute the affidavit.
2. The oath will be administered without charge by any collector or deputy collector of internal revenue, or (if you are in the military or naval service of the United States) by any military or naval officer who is authorized to administer oaths for purposes of military or naval justice and administration. If an interpreter or interpreter officer is not available, the return should be sworn to before a notary public, a justice of the peace, or other person authorized to administer oaths.

VIII. WHEN AND WHERE THE RETURN SHOULD BE SENT.

Send your return to the collector of internal revenue for the district in which you live or have your principal place of business so that it will reach him on or before March 15, 1919. If the address of the collector is not printed on the return and you do not know it, ask at the post office or bank.

IX. WHEN AND TO WHOM THE TAX MUST BE PAID.

- 1. The tax should be paid, if possible, by sending or bringing with the return a check or money order drawn to the order of "Collector of Internal Revenue at [insert name of city and State]."
2. Do not send cash through the mail, or pay it in person except at the office of the collector or a regularly established internal revenue stamp office.
3. At least one-fourth of the tax is due at the same time that this return is due.
4. An additional amount sufficient to bring the total payments up to one-half of the tax must be paid on or before June 15, 1919.
5. An additional amount sufficient to bring the total payments up to three-fourths of the tax must be paid on or before September 15, 1919.
6. The entire remainder of the tax must be paid on or before December 15, 1919.
7. If any payment is not made when due, the entire unpaid balance of the tax will become due 10 days after demand therefor by the collector.
8. If you pay in cash, do not fail to get a receipt at the time of payment. If you pay by check or money order, your canceled check or your money order receipt will serve as a receipt.

X. PENALTIES.

- For Making False or Fraudulent Return.
Not exceeding \$10,000 or not exceeding one year's imprisonment, or both, in the discretion of the court, and, in addition, 50 per cent of the tax evaded.
For Failing to Make Return on Time.
Not more than \$1,000, and, in addition, 25 per cent of the amount of tax due.
For Failing to Pay Tax When Due.
Five per cent of the amount due but unpaid, plus 12 per cent interest per annum for the time during which it remains unpaid.

TABLES AND INSTRUCTIONS FOR CALCULATION OF SURTAX.

Table with columns: Amount of net income, Rate, Total surtax on each amount. Rows for 1918 rates from \$5,000 to \$58,000.

Table with columns: Amount of net income, Rate, Amount of surtax at each rate. Rows for 1917 rates from \$5,000 to \$2,000,000+.

Table with columns: Amount of net income, Rate, Amount of surtax at each rate. Rows for 1916 rates from \$20,000 to \$500,000+, and 1913-15 rates from \$20,000 to \$500,000+.

CALCULATION OF SURTAX AT 1918 RATES.
To compute the amount of surtax on any amount of net income in excess of \$5,000:
First: Find in column A the largest sum which is less than the amount of the total net income subject to surtax at 1918 rates (Item 1, page 2, or item 16, page 1, of the return).
Second: Find in column C the corresponding amount of total surtax.
Third: To the amount of surtax found as above add an amount computed as follows: Subtract from the net income the sum found in column A and multiply the remainder by the rate shown on the next line below in column B.
The sum of these two amounts is the total surtax due.

Table with 3 columns: 1. ITEM, 2. Example: Net income \$13,800, 3. Computation of surtax on Item 15, page 1 of the return. Rows 1-5 showing calculations.

CALCULATION OF SURTAX AT PRIOR-YEAR RATES.
To calculate surtax at 1917 rates:
First: Enter on the first line of column 1, below, the amount of Item 15, page 1 of the return.
Second: Enter in column 2 either (a) the next larger amount shown in column A of the 1917 surtax table, or (b) the amount of Item 18, page 1 of the return, if less than such amount.
Third: Enter in column 3 the difference between the amounts entered in columns 1 and 2.
Fourth: Enter in column 4 the rate of tax shown in column B of the surtax table on the same line as the amount referred to in (a) of the second step.
Fifth: Enter in column 5 the product of figures in columns 3 and 4.
If the amount of Item 18 is greater than the amount in column A of the 1917 surtax table referred to in (a) of the second step, proceed as follows:
Sixth: Enter on the second line of column 1 the largest amount in column A of the surtax table which is smaller than Item 18.
Seventh: Enter in column 2 the amount of Item 18.
Eighth: Enter in column 3 the difference between the amounts entered in columns 1 and 2.
Ninth: Enter in column 4 the rate shown in column B of the surtax table on the line below that on which is shown the amount entered on the second line of column 1.
Tenth: Enter in column 5 the product of the figures in columns 3 and 4.
Eleventh: Enter on line 3, column 5, the sum of the amounts shown in column C of the surtax table opposite the percentages (if any) shown in column B between the percentages that were entered on lines 1 and 2 of column 4.

Table with 5 columns: 1, 2, 3, 4 (Per cent.), 5. Rows for calculations, ending with a 'Total' row.

The total of column 5 should be entered as Item 37, page 1 of the return.
NOTE.—If you received stock dividends taxable at 1916 or at 1913-15 rates, calculate the tax in the same manner described for 1917 rates, using the appropriate surtax tables and the amounts of Items 18 and 21 for 1916 and 21 and 24 for 1913-15.

INSTRUCTIONS FOR FILLING IN TAXABLE INCOME

If the form has not space enough for all entries, make additional entries on a separate sheet of paper and attach it securely to the return.

A. INCOME FROM BUSINESS OR PROFESSION.

Report here income from—
 (a) Sale of merchandise, or of products of manufacturing, construction, mining, and agriculture. (For farm income see Instruction IV on the other side of this sheet.)
 (b) Business service, such as transportation, storage, laundering, hotel and restaurant service, livery and garage service, etc., if you owned the business. If you were engaged in the business as an employee, report your salary or wages in Schedule B.
 (c) A profession, such as medicine, law, or dentistry, if you practiced it on your own account. If you were employed on a salary, report your salary in Schedule B.
 In general, report in Schedule A any income in the earning of which you incurred expenses for labor, rent, etc. Do not report here partnership profits or profits of personal service corporations, which should be entered under C, or dividends from other corporations, which should be entered under K(a).
 If you are a farmer (or a farm owner renting your farm to another person on shares), enter on line 21 your net income from farming, as shown by your "Schedule of Farm Income and Expenses."
Kind of business.—State kind of goods dealt in or kind of services rendered, and whether manufacturer, jobber, wholesaler, retailer, importer, broker, etc.
 If you keep books showing income accrued, report such income instead of cash received, and report expenses incurred instead of expenses paid.
 Income received from sale of lands, buildings, equipment, stocks, bonds, and other property not dealt in as a business should be reported under D.
 If you have a complete profit and loss statement, showing all the information called for under "Cost of goods sold" and "Other business deductions," attach it to the return and enter the amount of net income on line 21, Schedule A.
Total sales and income from business or profession.—Report the total amount derived from sales or from services, less any discounts or allowances from the sale price or service charge.
Inventories.—If inventories were taken at cost, write "C" on line 8, immediately before the amount column; if at cost or market, whichever is lower, write "C or M."
Other business deductions.—Do not include cost of business equipment or furniture, expenditures for permanent improvements to property, or living and family expenses. Do not deduct interest on your own investment in your business, or salary or wages for your own services or the services of your family, unless these items are included as income in Schedule B or G.
Rent.—Report here rent for business property (not including rent for dwelling you occupy).
Interest.—Report here interest on business indebtedness, including indebtedness incurred to purchase or carry business property.
Taxes.—Report here only taxes on business property or for carrying on business. Do not include taxes assessed against local benefits of a kind tending to increase the value of the property assessed, as for paving, sewers, etc., nor Federal income taxes.
Repairs, wear and tear, obsolescence, and property losses.—Report here (a) ordinary repairs required to keep property in usable condition, (b) depreciation during the year

on business property only to the extent not offset by repairs, replacements, or losses claimed as deductions in this or previous returns, (c) reasonable allowance for obsolescence (if any) of business property for which no deduction has been claimed elsewhere in this return or in any previous return, and (d) losses of business property by fire, storm, or other casualty, or theft, not compensated for by insurance or otherwise and not made good by repairs or replacements claimed as deductions. Explain these deductions in table at foot of page 2 of return.
 Any losses of property not used in your business, such as your dwelling or household furniture, should be reported in Schedule I.
 The amount claimed for wear and tear or depreciation should not exceed the original cost of the property (or its value March 1, 1913, if acquired before that date) divided by its total estimated life in years. When the amount of depreciation allowed equals the cost of the property (or its value March 1, 1913), no further claim should be made.
 Do not claim any deduction for depreciation in the value of a building occupied by the owner as his dwelling, or of other property held for personal use. Do not claim any deduction for depreciation of real estate (exclusive of improvements thereon), nor for depreciation of stocks, bonds, and other securities.
 Do not claim depreciation or losses of articles that have been taken into your inventory at a figure reflecting the reduction in value.
Depreciation of patents, copyrights, etc., and depletion of mines, etc.—If you wish to claim a deduction on account of depreciation in the value of patents, copyrights, franchises, and other legal privileges, or on account of depletion of mines and oil and gas wells, see the income and profits tax regulations.
Bad debts.—Report only debts which you have ascertained to be worthless and have charged off during the year.
 A bad debt offsetting income accrued since March 1, 1913, will not be allowed as a deduction unless the amount was reflected in the income reported for the year in which the debt was created.
 State under "Explanation of deductions," at the foot of the page, how the debts were ascertained to be worthless, or if the deduction is based on a reserve, state specifically the basis on which such reserve has been computed. Insolvency of the debtor, inability to collect by legal proceedings, or inability of debtor to pay, ascertained by a mercantile agency, would be a sufficient indication of worthlessness.
 If at any future time a debt charged off as worthless and allowed as a deduction is collected, the amount collected must be returned as income.
 Unpaid debts are not deductible if made good by recovery of property sold or retention of property pledged.
 Bad debts arising out of personal loans should be reported in Schedule I.
Other expenses.—Do not include your personal exemption here. This is to be reported as Item 28.
Net loss.—If the net cost of goods sold plus other business deduction is in excess of the total amount of sales and income from business or professional services, report the difference as a loss by using red ink or a minus sign.

B. INCOME FROM SALARIES, COMMISSIONS, BONUSES, DIRECTOR'S FEES, AND PENSIONS.

If salary, wages, or other compensation was at the rate of \$1,000 or more per annum, report it on a separate line, together with the occupation or position and employer's name and address. All other income from salaries, wages, commissions, etc., at a rate less than \$1,000 per annum should be reported on a single line.

Do not report here pay, not exceeding \$3,500, for active service in the Army or Navy (see Instruction III, paragraph 1, on the other side of this sheet). Report such pay in table 11, page 1 of the return.
 Explain deductions in the space at the foot of page 2 of the return.

C. INCOME FROM PARTNERSHIPS, PERSONAL SERVICE CORPORATIONS, AND ESTATES AND TRUSTS.

Report your share (whether distributed or not) in the profits of the partnership or personal service corporation or in the income of the estate or trust (if placed to your credit), not including the part of such share that consisted of dividends on stock of ordinary corporations (to be included in Item K(a)), interest on obligations of the United States (see table 13, page 1 of the return, and instructions under K(b), below), or (in the case of estates and trusts) interest on corporation bonds containing a tax-free covenant, upon which a tax of 2 per cent was paid (or will be paid) by the debtor corporation (to be included in Item F).
 Report in Schedule B salary received from partnership or personal service corporation.

Apportionment of partnership income between years.—If you derived income from a partnership whose fiscal year differed from the calendar year, assign to 1917 as many twelfths of your share of the partnership's income (except stock dividends and Liberty Bond interest received through the partnership) as the number of months of the partnership's fiscal year that fell in the calendar year 1917. Assign to 1918 the remainder of your share of the partnership's income, except stock dividends and Liberty Bond interest, which should be apportioned as provided in instructions under K(a) and K(b) below.

D. PROFIT FROM SALE OF LAND, BUILDINGS, STOCKS, BONDS, AND OTHER PROPERTY.

Use this schedule for all sales of real estate, and for sales of other property that you did not deal in as a business.
 If the profits or losses on sales made through any one broker aggregated \$1,000 or more, report the transactions on a separate line with the name and address of the broker.
Kind of property.—Describe the property as definitely as you can in a word or two, as "farm," "house," "lot," "stocks," "bonds."
Sale price.—State the actual consideration or price, or, in case of an exchange, the fair market value of the property received.

Cost.—Enter the original cost of the property or, if it was acquired before March 1, 1913, its fair market value on that date. Expenses incidental to the purchase may be included in the cost if never claimed in income-tax returns as deductions from income. Enter in column 7 the amount of wear and tear, obsolescence, or depletion sustained since March 1, 1913 (or since date of acquisition if subsequent to March 1, 1913). (This is a deduction from cost, though treated for convenience as an addition to the sale price.)
Losses.—If the total of columns 5 and 6 is in excess of the total of columns 4 and 7, report the difference as a loss by using red ink or a minus sign.

E. INCOME FROM RENTS AND ROYALTIES.

Kind of property.—Describe briefly, as in D.
Amount of rent.—If you accepted crops or other property in lieu of cash rent, report the income as though the rent had been paid in cash.
Repairs, wear and tear, obsolescence, depletion, and property losses.—See instructions for Schedule A, above. Explain in table at foot of page 2 of the return.

Other expenses and losses.—Report taxes on rented or leased property and interest on indebtedness incurred or continued to purchase or carry it. Do not include taxes assessed against local benefits of a kind tending to increase the value of the property assessed.

F. INTEREST ON CORPORATION BONDS CONTAINING TAX-FREE COVENANT, ON WHICH TAX OF 2% WAS PAID BY DEBTOR CORPORATION.

This item should include all interest received directly or through fiduciaries on bonds of corporations organized or doing business in the United States, containing a clause by which the debtor corporation agrees to pay the interest without any deduction for taxes, provided exemption from withholding was not claimed by the owner of the

bonds. If exemption was claimed, the interest received must be reported in G. (The amount of tax paid by the debtor corporation is treated as a credit against the tax due. See Item 39, page 1 of the return.)

G. OTHER INCOME (NOT INCLUDING DIVIDENDS, OR INTEREST ON OBLIGATIONS OF THE UNITED STATES).

Report in this schedule interest on bank deposits, notes, mortgages, etc., and all other income not reported in Schedules A to F, except (a) dividends from corporations organized or doing business in the United States, which should be reported as Item K(a); (b) taxable interest on obligations of the United States, which should be reported as Item K(b); (c) receipts exempt from tax, as stated in Instruction III on the other side of this sheet; (d) partnership profits and stock dividends taxable at prior year rates (see items 12 and 14, page 1 of return).

State separately income from each source.
 If you received any interest on bonds of foreign countries or corporations, or any dividends on stock of foreign corporations, submit with the return a schedule showing (a) name of country; (b) kind of obligations (whether national, state, or municipal obligations, or bonds or stocks of corporations); (c) amount of principal; and (d) amount of interest or dividends.
Deductions.—Explain deductions in the space at the foot of page 2 of the return.

I. GENERAL DEDUCTIONS.

Interest.—Report here interest paid on personal indebtedness as distinguished from business indebtedness (which should be reported under A, E, or G above). Do not include interest on indebtedness incurred for the purchase of bonds and other obligations, the interest on which is exempt from tax; except interest on indebtedness incurred to purchase or carry obligations of the United States. See Instruction III, page 1, for a list of obligations the interest on which is exempt.
Taxes.—Report here taxes on your dwelling and household property, not including those assessed against local benefits of a kind tending to increase the value of the property. Do not include Federal income taxes, or estate or inheritance taxes.
Losses.—Report here losses of property not connected with your trade, business, or profession, sustained during the year from fire, storm, shipwreck, or other casualty, or from theft, which were not compensated for by insurance or otherwise. Explain such losses in table at foot of page 2 of return.

Contributions.—Report here only contributions made within the year to corporations organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals, and contributions to the special fund for vocational rehabilitation. The total amount of contributions to be entered here must not exceed 15 per cent of the net income computed without the benefit of this deduction. Therefore, if Item 4, Schedule I, exceeds the sum of your total net income (Item 24) and Item 4, then Item 4 must be reduced to 15 per cent of such sum and your total net income must be recalculated accordingly.
 Enter under "Explanation of deductions," at the foot of page 2 of the return, the name and address of each corporation to which you made contributions claimed as deductions, and the amount paid to each.
Other deductions.—Bad debts arising out of personal loans may be reported here. (See instructions for Schedule A, above.)

K (a). DIVIDENDS.

Stock dividends which were paid out of profits or surplus accumulated by the distributing corporation prior to the year for which this return is made but not prior to March 1, 1913, should not be included in Item K(a), but should be reported as Item 12, a, b, and c, Item 14b, col. 4, and Items 14c and 14d on page 1 of the return.

Profits of personal service corporations should be included in G (except such part thereof as consisted of dividends of ordinary corporations and interest on obligations of the United States issued since September 1, 1917).

K (b). INTEREST ON OBLIGATIONS OF THE UNITED STATES ISSUED SINCE SEPTEMBER 1, 1917.

1. In order to ascertain the amount to be entered under K(b), refer first to Table 13 on page 1 of the return.
 If any amount entered in column 6 of that table exceeds the maximum exemption for the same class of obligations (stated in column 7), then you must attach to the return a schedule showing in separate columns the following information for that class of obligations:
 (a) Name of each partnership, personal service corporation, estate, and trust, and also any holdings the interest on which you reported as income for 1917, and on which you claimed exemption in your 1917 return.
 (b) Amount of obligations held by you individually during each such period.
 (c) Name of the holdings of each partnership, personal service corporation, estate, or trust during each such period.

(d) Totals of amounts in columns b and c.
 (e) Amount by which each amount entered in column d exceeds the maximum exemption for that class of obligations.
 (f) Interest derived from each amount of principal stated in column e.
 3. If any part of the interest reported in column f was received through such partnership should be reported in column g of the schedule. Enter in this column, for each partnership, either (1) the amount entered in column f or (2) the amount of your share of the partnership's holdings (shown in column c), whichever is the smaller.
 4. Enter as Item K(b), on page 2 of the return, the total of column g for all classes of obligations, less as many twelfths of the total amount g as the number of months of the partnership's fiscal year that fell in 1917. Enter also as deducted as Item 14b (column 6) on page 1 of the return.

IF RETURN IS FOR CALENDAR YEAR 1919 FILE IT WITH THE COLLECTOR OF INTERNAL REVENUE FOR YOUR DISTRICT ON OR BEFORE MARCH 15, 1920

IF FOR A PERIOD OTHER THAN A CALENDAR YEAR THE RETURN SHOULD BE FILED ON OR BEFORE THE 15TH DAY OF THE THIRD MONTH FOLLOWING THE CLOSE OF SUCH PERIOD

Page 1 of Return Form 1040-UNITED STATES INTERNAL REVENUE SERVICE INDIVIDUAL INCOME TAX RETURN

FOR NET INCOMES OF MORE THAN \$5,000, OR FOR SEPARATE RETURNS OF HUSBAND AND WIFE IN CASE THEIR COMBINED NET INCOME EXCEEDS \$5,000, FOR CALENDAR YEAR 1919

Or for period begun ,19 , and ended , 19

If the return is made for a period other than a calendar year, the dates of the beginning and ending of the period covered must be plainly stated in the space provided above.

PRINT NAME AND ADDRESS PLAINLY BELOW (Name) (Street and number or rural route) (Post office and State)

CASH CHECK M.O. Cert. of IND.

(DO NOT WRITE IN THIS SPACE)

Examined by Audited by FIRST PAYMENT Cashier's Stamp

- 1. Did you make a return for 1918? 2. If so, what address did you give on that return? 3. To what Collector's office was it sent? 4. Did you receive any adjustments during the taxable period on account of Government contracts... 5. Were you married and living with wife (or husband) on the last day of your taxable year? 6. If not, were you on that date head of a family as defined in instructions under "Personal Exemption"? 7. How many dependent persons under 18 (or mentally or physically defective) were receiving their chief support from you on the last day of your taxable year? 8. Write "R" if this return shows income received or "A" if it shows income accrued 9. Did your wife (or husband) or minor child make a separate return? (If so, give name and address entered at head of that return.) 10. Did you pay during the year to any individual rent, wages, salaries, or other fixed or determinable income amounting to \$1,000 or over? 11. Enter below all nontaxable income received by (or accrued to) you during the period from the following sources: If so, secure from the Collector Forms 1096 and 1099 and file a return of information.

Table with columns: CLASS OF SECURITIES, PRINCIPAL, INTEREST, CLASS OF SECURITIES, PRINCIPAL, INTEREST, SALARY ETC. (GIVE SOURCE), AMOUNT

Table for stock dividends received during the taxable period which were declared and paid between January 1 and November 1, 1918, both dates inclusive, or authorized or declared, and entered on the books of the corporation within those dates and received during such taxable period and before March 27, 1919, shall be allocated as follows:

13. Enter in the table below Interest on Liberty Bonds and other obligations of the United States issued since September 1, 1917, and War Finance Corporation Bonds received by (or accrued to) you during the year, and maximum amount of such obligations (par value) held at any one time from which such interest was derived (see instructions), page 2 under K(b):

Table for interest on Liberty Bonds and other obligations of the United States issued since September 1, 1917, and War Finance Corporation Bonds received by (or accrued to) you during the year.

Note A.—This exemption (maximum \$45,000) is limited to one and one-half times the amount of bonds of the Fourth Liberty Loan originally subscribed for and still held. State here amount of bonds of the Fourth Liberty Loan originally subscribed for and still held. Note B.—This exemption (maximum \$20,000) is limited to three times the amount of notes of the Victory Liberty Loan originally subscribed for and still held. State here the amount of notes of the Victory Liberty Loan 3 1/4% and 4% originally subscribed for and still held. Note C.—This exemption is separate from the \$5,000 exemption allowed on other obligations, and can only be claimed against War Finance Corporation Bonds.

14. Enter in the table below (whether received or not) income from partnerships, personal service corporations, and fiduciaries, except stock dividends entered in Item 12:

Table for income from partnerships, personal service corporations, and fiduciaries, except stock dividends entered in Item 12.

SUMMARY OF NET INCOME AND COMPUTATION OF TAX.

Summary of Net Income and Computation of Tax table with columns: Income Subject to Surtax, Income Subject to Normal Tax, Computation of Tax.

I swear (or affirm) that this return, including the accompanying schedules and statements (if any), has been examined by me, and, to the best of my knowledge and belief, is a true and complete return in good faith for the taxable period as stated.

INDIVIDUAL RETURN OF TAXABLE INCOME

A. INCOME FROM BUSINESS OR PROFESSION.

1. Kind of business 2. Business address

3. Total sales and income from business or professional services \$

COST OF GOODS SOLD:

4. Labor \$

5. Material and supplies

6. Merchandise bought for sale

7. Other costs (submit schedule of principal items at foot of page or on separate sheet)

8. Plus inventories at beginning of year (see instructions, Schedule A, page 2)

9. TOTAL

10. Less inventories at end of year

11. NET COST OF GOODS SOLD

Did you claim an inventory loss for 1918?

Is obsolescence claimed in deduction in Item 16?

OTHER BUSINESS DEDUCTIONS:

12. Salaries and wages not reported as "Labor" under "Cost of goods sold" \$

13. Rent on business property in which taxpayer has no equity

14. Interest on business indebtedness to others

15. Taxes on business and business property

16. Repairs, wear and tear, obsolescence, depletion, and property losses (explain in table below)

17. Amortization of war facilities

18. Bad debts arising from sales or professional services

19. Other expenses (submit schedule of principal items at foot of page or on separate sheet)

20. TOTAL (Items 12 to 19, inclusive) \$

21. NET COST, PLUS TOTAL DEDUCTIONS (Item 11 plus Item 20) \$

22. NET INCOME FROM BUSINESS OR PROFESSION (Item 3 minus Item 21) \$

B. INCOME FROM SALARIES, WAGES, COMMISSIONS, BONUSES, DIRECTOR'S FEES AND PENSIONS.

1. BY WHOM RECEIVED (Give name.)	2. OCCUPATION	3. NAME AND ADDRESS OF EMPLOYER	4. AMOUNT RECEIVED
.....	\$
.....	\$

Salary to self and dependent minor children included in any deduction in Schedule A

TOTAL INCOME FROM SALARIES, ETC. \$

C. INCOME FROM PARTNERSHIPS, PERSONAL SERVICE CORPORATIONS AND FIDUCIARIES (From Item 14(a) Column 7, Page 1.) \$

D. PROFIT FROM SALE OF LAND, BUILDINGS, STOCKS, BONDS AND OTHER PROPERTY, AND FROM LIQUIDATING DIVIDENDS.

1. KIND OF PROPERTY	2. NAME AND ADDRESS OF PURCHASER OR BROKER	3. SALE PRICE OR LIQUIDATING DIVIDENDS	4. DATE ACQUIRED	5. COST OR MARKET VALUE MARCH 1, 1913, IF ACQUIRED PRIOR THERETO	6. COST OF SUBSEQUENT IMPROVEMENTS, IF ANY	7. DEPRECIATION SUBSEQUENTLY SUSTAINED
.....	\$	\$	\$	\$
.....	\$	\$	\$	\$

NET PROFIT FROM SALES (total of columns 3 and 7 minus total of columns 5 and 6) \$

E. INCOME FROM RENTS AND ROYALTIES

1. KIND OF PROPERTY	2. NAME AND ADDRESS OF TENANT, LESSEE, etc.	3. AMOUNT Cash or equivalent	4. REPAIR, WEAR AND TEAR, OBSOLESCENCE, DEPLETION AND PROPERTY LOSSES	5. INTEREST	6. TAXES	7. OTHER EXPENSES (EXPLAIN BELOW)
.....	\$	\$	\$	\$	\$
.....	\$	\$	\$	\$	\$

NET INCOME FROM RENTS AND ROYALTIES (total of column 3 minus total of columns 4, 5, 6 and 7) \$

F. INTEREST ON CORPORATION BONDS CONTAINING TAX-FREE COVENANT, ON WHICH A TAX OF 2% WAS PAID BY DEBTOR CORPORATION.

Received directly, \$; received through fiduciaries (Item 14(a) column 5), \$

TOTAL \$

G. OTHER INCOME (not including dividends, or interest on obligations of the United States).

	AMOUNT RECEIVED
1. Interest on bonds, mortgages, and other obligations of domestic and resident corporations except as reported in Item F	\$
2. Interest on bonds of foreign countries and corporations, and dividends on stock of foreign corporations which are not taxable by the United States upon any portion of their net incomes	\$
3. Interest on bank deposits, mortgages, etc.	\$
4. Amount paid for you by debtor corporation on tax-free covenant bonds	\$
5.	\$
TOTAL	\$

H. TOTAL NET INCOME FROM ABOVE SOURCES \$

I. GENERAL DEDUCTIONS NOT INCLUDED ABOVE. (Extend total deductions to last column.)

1. Interest paid \$	3. Losses by fire, storm, etc. (explain in table below) \$	5. Bad debts and other deductions \$
2. Taxes paid \$	4. Contributions (list names and amounts below)	6. Amounts paid to beneficiaries, etc. \$

J. Total net income on which normal tax is to be calculated at 1919 rates (H minus I) enter as 22, page 1 (unless minus quantity) \$

K(a). Dividends, cash or stock, from earnings of corporations taxable by the United States upon any portion of their net incomes including dividends on stock of personal service corporations declared out of profits earned prior to January 1, 1918:

1. Received directly, including Item 12(a), column 2 \$

2. Received through partnerships, personal service corporations, and fiduciaries. (Item 12(b), column 2, plus Item 14(a), columns 3 and 4) \$

TOTAL

K(b). Taxable interest on bonds and other obligations of the United States issued after September 1, 1917, and War Finance Corporation Bonds:

Received directly, \$; received through partnerships, personal service corporations and fiduciaries \$

TOTAL

K(c). Other income from partnerships, personal service corporations and fiduciaries. (Item 14(b), column 7)

L. Total net income subject to surtax at 1918-19 rates. (If Item J shows a minus quantity, deduct amount from total of K(a), K(b) and K(c) before entering on this line. (If this amount shows a minus quantity, see instructions L, page 2) \$

ENTER IN THIS TABLE DETAILS CONCERNING REPAIRS, WEAR AND TEAR, PROPERTY LOSSES, ETC., CLAIMED AS DEDUCTIONS IN SCHEDULES A, E AND I ABOVE.

1. REFER TO "A," "E" OR "I."	2. KIND OF PROPERTY (IF BUILDINGS, STATE ALSO MATERIAL OF WHICH CONSTRUCTED).	3. DATE ACQUIRED	4. COST OR MARKET VALUE MARCH 1, 1913, IF ACQUIRED PRIOR THERETO	5. REPAIRS (NOT OFFSET BY CLAIMS FOR WEAR AND TEAR AND LOSSES)	WEAR AND TEAR, OBSOLESCENCE AND DEPLETION CHARGED OFF			9. LOSSES NOT COMPENSATED FOR BY INSURANCE OR OTHERWISE. CAUSE AND HOW AMOUNT WAS ARRIVED AT
					6. RATE	7. AMOUNT PREVIOUS YEARS	8. AMOUNT THIS YEAR	
.....	\$	\$	\$	\$
.....	\$	\$	\$	\$

EXPLANATION OF DEDUCTIONS claimed in Schedule A, lines 7 and 19; Schedule E, column 7; and Schedule I, Items 4, 5 and 6. (Attach separate sheet, if necessary.)

.....

.....

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GENERAL INSTRUCTIONS—INDIVIDUAL RETURN

I. PERSONS REQUIRED TO MAKE A RETURN OF INCOME.

1. Return of net income must be filed by every citizen of the United States whether residing at home or abroad, and every person residing in the United States, though not a citizen thereof, whose net income for the taxable year 1919 amount to—
(a) \$1,000 if single or if married and not living with wife (or husband).
(b) \$2,000 if married and living with wife (or husband).
2. Under any of these circumstances a return must be made even though the amount of net income is not sufficient to incur tax liability. Note especially credits for personal exemption and dependents under Instruction VI on this page.
3. If the combined income of husband, wife and dependent minor children equaled or exceeded \$2,000, all such income must be reported either on a joint return or on separate returns of husband and wife. If single and the income, including that of dependent having a net income of \$1,000 or \$2,000, according to the marital status, must file a return, as such person is not considered a dependent.
4. In the case of husband and wife whose combined net income exceeds \$5,000, separate returns must be made on Form 1040, showing the respective amounts of income.
5. Income of a minor or incompetent, if derived from a separate estate under control of a guardian, trustee or other fiduciary, must be reported by his guardian or other legal representative.

II. PERIOD TO BE COVERED BY RETURN.

1. You were required to file your return for 1918 on the basis of your annual accounting period. Having established an accounting period for 1918 this period must be adhered to in 1919, unless permission was received from the Commissioner to make a change. A person having no fiscal year must file a return on the basis of a calendar year.
2. The dates on which the period covered by the return begins and ends, if other than a calendar year, must be plainly stated at the head of the return, and answers to questions 5, 6 and 7 must be given accordingly.

III. ACCRUED OR RECEIVED INCOME.

1. If you keep books showing income accrued and expenses incurred during the year, make your return from your books, but do not fail to include all your income, even if it is not entered in your books.
2. If you do not keep books showing income accrued and expenses incurred, report income received and expenses paid.
3. If you report income accrued, you must include all income that accrued in the taxable year even though not actually received.
4. If you report income received, you must include all income constructively received, such as bank interest credited to your account.

IV. ITEMS EXEMPT FROM TAX.

The following items are exempt from Federal income tax. However, nontaxable income of the classes described in paragraphs 1, 3, 4, 5 and 6 below should be reported in Item 11, page 1 of the return.

1. Pay not exceeding \$3,500 for active services in the military or naval forces of the United States received during the taxable year prior to the termination of the present was as fixed by proclamation of the President.
2. Gifts (not made as a consideration for service rendered) and money and property acquired under a will or by inheritance (but the income derived from money or property received by gift, will or inheritance is taxable, and must be reported).
3. Interest on bonds and other obligations of the United States issued before September 1, 1917, and on such bonds and other obligations issued since that date, to the extent provided by the acts authorizing the issue thereof. See Item 13, page 1 of return, and instructions, page 2, under K(b).
4. Interest on bonds and other obligations of United States possessions (Philippines, Porto Rico, etc.).
5. Interest on bonds and other obligations of States, Territories, political subdivisions thereof (such as cities, counties and townships), and the District of Columbia.
6. Interest on Federal Farm Loan bonds.
7. Dividends upon stock of Federal Reserve Banks. However, dividends paid by member banks are treated as dividends of ordinary corporations.
8. Interest on bonds issued by the War Finance Corporation, only if and to the extent provided in the acts authorizing the issue thereof.
9. Proceeds of life insurance policies paid upon the death of the insured to individual beneficiaries or the estate of the insured.
10. Amounts received by the insured under life insurance, endowment, and annuity contracts, provided such payments do not exceed the premiums paid in. The amount by which the total payments that have been received exceed the total premiums paid is income, and must be reported in Schedule G.
11. Amounts received from accident and health insurance and under workmen's compensation acts plus the amount of any damages received by suit or agreement on account of injuries or sickness.
12. Compensation paid by a State or political subdivision thereof to its officers or employees.

V. FARMER'S INCOME SCHEDULE.

If you are a farmer or a farm owner renting your farm out on shares, obtain from the collector and fill out Form 1040F "Schedule of Farm Income and Expenses," and attach it to this return. Transfer the net farm income to line 22 of Schedule A of the return. Report income from salaries, rents, interest, sales of property, etc., in Schedules B to G of the return.

VI. CREDITS FOR PERSONAL EXEMPTION AND DEPENDENTS.

1. If you were married and living with your wife (or husband) or were head of a family on the last day of your taxable period, you may subtract from your net income, before calculating your normal tax, an exemption of \$2,000 plus \$300 for each person under 18 (or mentally or physically defective) who was receiving his chief support from you on that date. If husband and wife make separate returns, this exemption may be claimed by either (but not by both) or may be divided between them.
2. If you were not married or did not live with wife (or husband) and were not head of a family on the last day of your taxable period, you are entitled to a personal exemption of \$1,000 plus \$200 for each dependent person under 18 (or mentally or physically defective) who was receiving his chief support from you on that date.
3. If by reason of a change in your accounting period you make a return for a part of a year, your personal exemption shall be as many twelfths of the amount that would be allowed for a full year as there are months in the period covered by the return.
4. The personal exemption must be reported on line 23, page 1 of the return, and must be supported by answers to questions 5, 6 and 7.
5. A "head of family" is a person who is the chief support of one or more persons living in his (or her) household, who are closely related to him (or her) by blood, marriage or adoption. (As to credit for taxes claimed in Item 41, see Articles 381-384, Resolutions 45.)

VII. AFFIDAVIT.

1. The affidavit must be executed by the person whose income is reported unless he is a minor or incompetent, or unless he is ill, absent from the country, or otherwise incapacitated, in which case the legal representative or agent may execute the affidavit. However, a minor making his own return may execute the affidavit.
2. The oath will be administered without charge by any collector, deputy collector or internal-revenue agent, or (if you are in the military or naval service of the United States) by any military or naval officer who is authorized to administer oaths for purposes of military or naval justice and administration. If an internal-revenue officer is not available the return should be sworn to before a notary public, justice of the peace, or other person authorized to administer oaths.

VIII. WHEN AND WHERE THE RETURN MUST BE FILED.

1. If the return is for the calendar year 1919, file it with the collector of internal revenue for the district in which you live or have your principal place of business, on or before March 15, 1920. If for a period other than a calendar year, the return should be filed on or before the 15th day of the third month following the close of such period.
2. In case the taxpayer has no legal residence or place of business in the United States, the return should be forwarded to the Collector of Internal Revenue, Baltimore, Md.
3. If the address of the collector is not printed on the return and you do not know it, ask at the post office or bank.

IX. WHEN AND TO WHOM THE TAX MUST BE PAID.

1. The tax should be paid, if possible, by sending or bringing with the return a check or money order drawn to the order of "Collector of Internal Revenue at [insert name of city and State]."
2. Do not send cash through the mail, nor pay it in person, except at the office of the collector or a regularly established internal revenue stamp office.
3. The tax may be paid in four equal installments as follows:
The first installment shall be paid at the time fixed by law for filing the return, and the second installment shall be paid on the 15th day of the third month, the third installment on the 15th day of the sixth month, and the fourth installment on the 15th day of the ninth month, after the time fixed by law for filing the return.
4. The total tax may be paid at the time of filing the return, or if not so paid, one installment may be paid and the balance may be paid in installments, or in full, on or prior to any subsequent installment date referred to above. Failure to pay any installment on the date fixed by law makes the taxpayer liable for the payment of the balance of tax due upon notice and demand by the Collector.

X. PENALTIES.

- For Making False or Fraudulent Return.
Not exceeding \$10,000 or not exceeding one year's imprisonment, or both, in the discretion of the Court, and, in addition, 50 per cent of the tax evaded.
- For Failing to Make Return on Time.
Not more than \$1,000, and, in addition, 25 per cent of the amount of tax due.
- For Failing to Pay Tax when Due, or Understatement of Tax Through Negligence.
Five per cent of the tax due but unpaid, plus interest at the rate of 1 per cent per month during the period in which it remains unpaid.

NET LOSSES.—If for any taxable year beginning after October 31, 1918, and ending prior to January 1, 1920, it appears upon the production of evidence satisfactory to the Commissioner that any taxpayer has sustained a net loss, the amount of such net loss shall under regulations prescribed by the Commissioner with the approval of the Secretary be deducted from the net income of the taxpayer for the preceding taxable year; and the taxes imposed by this title and by Title III for such preceding taxable year shall be redetermined accordingly. Any amount found to be due to the taxpayer upon the basis of such redetermination shall be credited or refunded to the taxpayer in accordance with the provisions of section 252. If such net loss is in excess of the net income for such preceding taxable year, the amount of such excess shall under regulations prescribed by the Commissioner with the approval of the Secretary be allowed as a deduction in computing the net income for the succeeding taxable year. (See Articles 1601-1603, Regulations 45.)

TABLES AND INSTRUCTIONS FOR CALCULATION OF SURTAX

SURTAX RATES FOR 1918-19.					
Amount of net income.	Rate.	Total surtax on each amount.	Amount of net income.	Rate.	Total surtax on each amount.
A	B	C	A	B	C
\$5,000			\$60,000	28%	\$8,110
6,000	1%	510	62,000	29%	8,690
8,000	2%	80	64,000	30%	9,290
10,000	3%	110	66,000	31%	9,910
12,000	4%	190	68,000	32%	10,550
14,000	5%	290	70,000	33%	11,210
16,000	6%	410	72,000	34%	11,890
18,000	7%	550	74,000	35%	12,590
20,000	8%	710	76,000	36%	13,310
22,000	9%	890	78,000	37%	14,050
24,000	10%	1,090	80,000	38%	14,810
26,000	11%	1,310	82,000	39%	15,590
28,000	12%	1,550	84,000	40%	16,390
30,000	13%	1,810	86,000	41%	17,210
32,000	14%	2,090	88,000	42%	18,050
34,000	15%	2,390	90,000	43%	18,910
36,000	16%	2,710	92,000	44%	19,790
38,000	17%	3,050	94,000	45%	20,690
40,000	18%	3,410	96,000	46%	21,610
42,000	19%	3,790	98,000	47%	22,550
44,000	20%	4,190	100,000	48%	23,510
46,000	21%	4,610	150,000	52%	49,510
48,000	22%	5,050	200,000	56%	77,510
50,000	23%	5,510	300,000	60%	137,510
52,000	24%	5,990	500,000	63%	263,510
54,000	25%	6,490	1,000,000	64%	583,510
56,000	26%	7,010	1,000,000 +	65%	
58,000	27%	7,550			

SURTAX RATES FOR 1917.			SURTAX RATES FOR 1916.		
Amount of net income.	Rate.	Amount of surtax at each rate.	Amount of net income.	Rate.	Amount of surtax at each rate.
A	B	C	A	B	C
\$5,000			\$20,000		
7,500	1%	\$25	40,000	1%	\$200
10,000	2%	50	60,000	2%	400
12,500	3%	75	80,000	3%	600
15,000	4%	100	100,000	4%	800
20,000	5%	250	150,000	5%	2,500
40,000	8%	1,600	200,000	6%	3,000
60,000	12%	2,400	250,000	7%	3,500
80,000	17%	3,400	300,000	8%	4,000
100,000	22%	4,400	500,000	9%	18,000
150,000	27%	13,500	1,000,000	10%	50,000
200,000	31%	15,500	1,500,000	11%	55,000
250,000	37%	18,500	2,000,000	12%	60,000
300,000	43%	21,000	2,000,000 +	13%	
500,000	48%	92,000			
750,000	50%	125,000			
1,000,000	52%	147,500			
1,500,000	61%	305,000			
2,000,000	62%	310,000			
2,000,000 +	63%				

CALCULATION OF SURTAX AT 1918-19 RATES.		
To compute the amount of surtax on any amount of net income in excess of \$5,000—		
First: Find in column A the largest sum which is less than the amount of the total net income subject to surtax at 1918-19 rates (Item L., page 2, or Item 15, page 1 of the return).		
Second: Find in column C the corresponding amount of total surtax.		
Third: To the amount of surtax found as above add an amount computed as follows: Subtract from the net income the sum found in column A and multiply the remainder by the rate shown on the next line below in column B.		
The sum of these two amounts is the total surtax due.		
In the case of a bona fide sale of mines, oil or gas wells, the surtax on the profit shall not exceed 20% of the selling price as provided in Articles 13, and 219-221 of Regulations 45.		
1. ITEM	2. Example: Net Income \$13,800	3. Computation of surtax on Item 15, page 1 of the return.
1. Largest sum in column A which is less than the amount of the total net income	\$12,000.00	\$
2. Total surtax thereon shown in column C	190.00	\$
3. Remainder of net income after subtracting Item 1, above	1,800.00	\$
4. Surtax on this remainder at rate shown in column B on line below that from which Item 1 was taken	90.00	\$
5. Total surtax due (sum of Items 2 and 4)	280.00	\$

CALCULATION OF SURTAX AT PRIOR-YEAR RATES.				
To calculate surtax at 1917 rates—				
First: Enter on the first line of column 1, below, the amount of Item 15, page 1 of the return.				
Second: Enter in column 2 either (a) the next larger amount shown in column A of the 1917 surtax table, or (b) the amount of Item 17, page 1 of the return, if less than such amount.				
Third: Enter in column 3 the difference between the amounts entered in columns 1 and 2.				
Fourth: Enter in column 4 the rate of tax shown in column B of the surtax table on the same line as the amount referred to in (a) of the second step.				
Fifth: Enter in column 5 the product of figures in columns 3 and 4.				
If the amount of Item 17 is greater than the amount in column A of the 1917 surtax table referred to in (a) of the second step, proceed as follows:				
Sixth: Enter on the second line of column 1 the largest amount in column A of the surtax table which is smaller than Item 17.				
Seventh: Enter in column 2 the amount of Item 17.				
Eighth: Enter in column 3 the difference between the amounts entered in columns 1 and 2.				
Ninth: Enter in column 4 the rate shown in column B of the surtax table on the line below that on which is shown the amount entered on the second line of column 1.				
Tenth: Enter in column 5 the product of the figures in columns 3 and 4.				
Eleventh: Enter on line 3, column 5, the sum of the amounts shown in column C of the surtax table opposite the percentages (if any) shown in column B between the percentages that were entered on lines 1 and 2 of column 4.				
1.	2.	3.	4. (Percent.)	5.
1. \$	\$	\$		\$
2.				
3.				
4.				
5.				
6.				

A. INCOME FROM BUSINESS OR PROFESSION.**Report here income from—**

(a) Sale of merchandise, or of products of manufacturing, construction, mining, and agriculture. (For farm income see Instruction V on the reverse side of this sheet.)

(b) Business service, such as transportation, storage, laundering, hotel and restaurant service, livery and garage service, etc., if you owned the business. If you were engaged in the business as an employee, report your salary or wages in Schedule B.

(c) A profession, such as medicine, law, or dentistry, if you practiced it on your own account. If you were employed on a salary, report your salary in Schedule B.

In general, report in Schedule A any income in the earning of which you incurred expenses for labor, rent, etc. Do not report here partnership profits or profits of personal service corporations, which should be entered under C, or dividends from other corporations, which should be entered under K(a).

If you are a farmer (or a farm owner renting your farm to another person on shares), enter on line 22 your net income from farming, as shown by your "Schedule of Farm Income and Expenses," Form 1040 F.

If you keep books showing income accrued, report such income instead of cash received, and report expenses incurred instead of expenses paid.

Income received from sale of lands, buildings, equipment, stocks, bonds and other property not dealt in as a business, and from liquidating dividends, should be reported under D.

If you have a complete profit and loss statement, showing all the information called for under "Cost of goods sold" and "Other business deductions," attach it to the return and enter the amount of net income on line 22, Schedule A.

Kind of business.—State kind of goods dealt in or kind of services rendered, and whether manufacturer, jobber, wholesaler, retailer, importer, broker, etc.

Total sales and income from business or profession.—Report the total amount derived from sales or from services, less any discounts or allowances from the sale price or service charge.

Inventories.—Write "C" or "O" or "M" on lines 8 and 10 immediately before the amount column, to indicate that inventories are valued at either cost, or cost or market, whichever is lower.

Inventories at the end of the taxable period must be valued on the same basis as those at the end of the preceding taxable period, unless permission to make a change has been first obtained from the Commissioner. If claims for losses on inventories or rebates on sales made under Section 214(a) 12 of the Act have been allowed, the opening inventory must be correspondingly adjusted. (See Articles 266, and 1581-1585, Regulations 45).

Other business deductions.—Do not include cost of business equipment or furniture, expenditures for replacements or for permanent improvements to property, or living and family expenses.

Salaries.—Enter as Item 12 all salaries and wages not reported as "Labor" under "Cost of goods sold." Salary or wages for your own services or the services of your dependent minor children if deducted must be reported as income in Schedule "B".

Rent.—Enter as Item 13 rent on business property in which you have no equity. Do not include rent for dwelling you occupy for residential purposes.

Interest.—Enter as Item 14 interest on business indebtedness to others. Do not include interest on your capital investment in or advances to the business.

Taxes.—Enter as Item 15 only taxes on business property or for carrying on business. Do not include taxes assessed against local benefits of a kind tending to increase the value of the property assessed, as for paving, sewers, etc., nor Federal income taxes.

Repairs, wear and tear, obsolescence, and property losses.—Enter as Item 16, (a) ordinary repairs required to keep property in usable condition, (b) reasonable allowance for exhaustion, wear and tear of property used in the trade or business, including a reasonable allowance for obsolescence, and (c) losses of business property by fire, storm, or other casualty, or theft, not compensated for by insurance or otherwise and not made good by repairs claimed as deductions. Explain these deductions in table at foot of page 2 of return.

Losses due to causes enumerated under (c) with respect to property not used in your business, such as your dwelling or personal property, should be reported in Schedule I.

The amount claimed for wear and tear (depreciation), including obsolescence, should not exceed the original cost of the property (or its value March 1, 1913, if acquired before that date) divided by its estimated life in years. If obsolescence is claimed, state in table at foot of page 2 why useful life is less than actual life. When the amount of depreciation and obsolescence allowed equals the cost of the property (or its value March 1, 1913), no further claim should be made.

Do not claim any deduction for depreciation in the value of a building occupied by you as a dwelling, or of other property held for personal use. Do not claim any deduction for depreciation of real estate (exclusive of improvements thereon), nor for depreciation of stocks, bonds, and other securities.

Depreciation of patents, copyrights, etc., and depletion of mines, etc.—If you claim a deduction on account of depreciation in the value of patents, copyrights, franchises and other legal privileges, or on account of depletion of mines or oil and gas wells, see Regulations 45.

Amortization of war facilities.—If amortization of war facilities is claimed, the taxpayer is required to submit with this return the information and schedules called for in Articles 181 to 188 of Regulations 45.

Bad debts.—Enter as Item 18 only debts arising from sales or professional services which you have ascertained to be worthless and have charged off during the year.

A bad debt offsetting income accrued since March 1, 1913, will not be allowed as a deduction unless the amount was reflected in the income reported for the year in which the debt was created. In the case of debts existing prior to March 1, 1913, only their value on that date may be deducted upon subsequently ascertaining them to be worthless.

State under "Explanation of deductions," at the foot of the page, how the debts were ascertained to be worthless. Insolvency of the debtor, inability to collect by legal proceedings, or inability of debtor to pay as ascertained by a mercantile agency, would be a sufficient indication of worthlessness.

A debt previously charged off as bad must be returned as income for the year in which collected.

Bad debts arising out of personal loans should be reported in Schedule I.

Net loss.—If the net cost of goods sold plus other business deductions is in excess of the total amount of sales and income from business or professional services, report the difference as a loss by using red ink or a minus sign.

B. INCOME FROM SALARIES, COMMISSIONS, BONUSES, DIRECTOR'S FEES AND PENSIONS.

If salary, wages, or other compensation received by yourself or dependent minor children from outside sources was at the rate of \$1,000 or more per annum, report on separate lines, together with the occupation or position and employer's name and address. The total of all other income from salaries, wages, commissions, etc., should be reported on a separate line.

Do not report here pay, not exceeding \$3,500, for active service in the military or naval forces of the United States received during the taxable year prior to the termination of the present war as fixed by proclamation of the President.

C. INCOME FROM PARTNERSHIPS, PERSONAL SERVICE CORPORATIONS, AND FIDUCIARIES.

Report your share (whether received or not) in the profits of the partnership or personal service corporation or in the income of the estate or trust. Do not include the part of such share that consisted of dividends on stock of corporations (to be included in Item K(a)), interest on obligations of the United States (see table 13, page 1 of the return, and instructions under K(h), below), or interest on corporation bonds containing a tax-free covenant received through fiduciaries, upon which a tax of 2 per cent was paid (or will be paid) by the debtor corporation (to be included in Item F).

No withholding of income tax at the source with respect to interest upon tax-free covenant bonds owned by partnerships and personal service corporations was required prior to February 25, 1919.

Report in Schedule B salary received from partnership or personal service corporation.

Apportionment of partnership income between years.—If you derived income from a partnership or personal service corporation whose fiscal year differed from the calendar year, assign

to 1918 as many twelfths of your share of such income (except dividends and Liberty Bond interest received through the partnership or personal service corporation) as the number of months of the fiscal year that fell in the calendar year 1918. Assign to 1919 the remainder of your share of such income, except stock dividends and Liberty Bond interest, which should be apportioned as provided in instructions under K(a) and K(b) below.

In the case of income to be distributed to the beneficiaries periodically, whether or not at regular intervals, each beneficiary must include in his return his distributive share of the net income, even though not yet paid him. If the taxable year on the basis of which he makes his return fails to coincide with the annual accounting period of the estate or trust, then he should include in his return his distributive share for such accounting period ending within his taxable year, which income will be taxable at the rates for the year in which the income was received.

D. PROFIT FROM THE SALE OF LAND, BUILDINGS, STOCKS, BONDS AND OTHER PROPERTY, AND FROM LIQUIDATING DIVIDENDS.

If the profits or losses on sales made through any one broker aggregated \$1,000 or more, report the transactions on a separate line with the name and address of the broker.

Kind of property.—Describe the property as definitely as you can in a word or two, as "farm," "house," "lot," "stocks," "bonds."

Sale price or liquidating dividends.—State the actual consideration or price, or, in case of an exchange, the fair market value of the property received.

Cost.—Enter the original cost of the property, or, if it was acquired before March 1, 1913,

its fair market value on that date. Attach statement explaining how value of March 1, 1913, was determined. Expenses incidental to the purchase may be included in the cost if never claimed in income tax returns as deductions from income. Enter in column 7 the amount of wear and tear, obsolescence, or depletion sustained since March 1, 1913 (or since date of acquisition, if subsequent to March 1, 1913).

Losses.—If the total of columns 5 and 6 is in excess of the total of columns 3 and 7, report the difference as a loss by using red ink or a minus sign.

E. INCOME FROM RENTS AND ROYALTIES.

Kind of property.—Describe briefly, as in D.

Rent.—If you received property or crops in lieu of cash rent, report the income as though the rent had been paid in cash. Crops received as rent on a crop share basis should be reported as income for year in which disposed of (unless your return shows income accrued).

Repairs, wear and tear, obsolescence, depletion, and property losses.—See instructions for Schedule A, above. Explain in table at foot of page 2 of the return.

Other expenses.—Report taxes on rented or leased property and interest on indebtedness incurred or continued to purchase or carry it. Do not include taxes assessed against local benefits of a kind tending to increase the value of the property assessed.

F. INTEREST ON CORPORATION BONDS CONTAINING TAX-FREE COVENANT, ON WHICH TAX OF 2% WAS PAID BY DEBTOR CORPORATION.

This item should include all interest received directly or through fiduciaries on bonds of corporations organized or doing business in the United States, containing a clause by which the debtor corporation agrees to pay the interest without any deduction for taxes, provided exemption from withholding was not claimed by the owner of the bonds. If exemption was claimed (by filing

a yellow certificate, Form 1001), the interest received must be reported in G. The amount of tax paid by the debtor corporation is treated as a credit against the tax due. (See Item 40, page 1 of the return), but such amount paid at the source should be reported as income in Schedule G, line 4.

G. OTHER INCOME (NOT INCLUDING DIVIDENDS, OR INTEREST ON OBLIGATIONS OF THE UNITED STATES).

Report in this schedule interest on bank deposits, notes, mortgages, etc., and all other taxable income for which no place is provided elsewhere on this return.

I. GENERAL DEDUCTIONS.

Interest.—Report here interest paid on personal indebtedness as distinguished from business indebtedness (which should be reported under A or E above). Do not include interest on indebtedness incurred for the purchase of bonds and other obligations, the interest on which is exempt from tax, except interest on indebtedness incurred to purchase or carry obligations of the United States issued after September 24, 1917.

Taxes.—Report here personal taxes paid, and all taxes on property not used in business or profession, not including those assessed against local benefits of a kind tending to increase the value of the property. Do not include Federal income taxes, nor estate or inheritance taxes.

Losses.—Report here losses of property not connected with your trade, business, or profession, sustained during the year from fire, storm, shipwreck, or other casualty, or from theft, which were not compensated for by insurance or otherwise. Do not include losses from transactions not entered into for profit. Losses claimed should be explained in table at foot of page 2.

Contributions.—Report here only contributions made within the year to corporations organized and operated exclusively for religious, charitable, scientific or educational purposes, or for the prevention of cruelty to children or animals, and contributions to the special fund for vocational

rehabilitation. The total amount of contributions to be entered here must not exceed 15 per cent of the net income computed without the benefit of this deduction. Therefore, if Item 4, Schedule I, exceeds 15 per cent of the sum of Item 21, page 1, plus Item 4, then Item 4 must be reduced to 15 per cent of such sum and your total net income must be recalculated accordingly.

Enter under "Explanation of deductions," at the foot of page 2 of the return, the name and address of each corporation to which you made contributions claimed as deductions, and the amount paid to each.

Bad debts and other deductions.—Bad debts arising out of loans should be reported here, and other proper deductions not claimed elsewhere. Attach detailed statement of all such deductions. Deductions claimed by traveling salesmen to cover meals and lodging should be fully explained in an attached statement setting forth conditions of employment.

Amounts paid to beneficiaries.—If this return is filed for an estate in the process of administration, there may be deducted the amount of any income properly paid or credited to any legatee, heir or other beneficiary.

K(a). DIVIDENDS.

Enter as Item K(a) all cash or stock dividends received during the year except (a) dividends paid by personal service corporations out of earnings accumulated subsequent to December 31,

1917; and (b) stock dividends received during the taxable year which are included in Item 12, columns 3, 4, and 5, page 1.

K(b). INTEREST ON OBLIGATIONS OF THE UNITED STATES ISSUED SINCE SEPTEMBER 1, 1917.

Interest upon First Liberty Loan, 3½ per cent bonds and Victory Liberty Loan 3½ per cent convertible gold notes is exempt from normal income taxes and graduated additional income taxes, commonly known as surtaxes. Interest upon all other issues of Liberty Loan Bonds, as well as interest upon certificates of indebtedness and War Savings Certificates, is exempt from normal income tax regardless of the amount of the principal and is exempt from graduated additional

income taxes, commonly known as surtaxes, only to the extent provided for in the act authorizing the issue and subsequent acts. If your holdings exceed the exemptions specified in Item 13, page 1, secure Form 1125 from Collector and compute taxable interest. Interest on War Finance Corporation bonds is exempt from all normal income tax and is exempt from surtax only with respect to a principal not exceeding \$5,000. This exemption is in addition to the exemptions above referred to.

K(c). OTHER INCOME FROM PARTNERSHIPS, PERSONAL SERVICE CORPORATIONS, AND FIDUCIARIES.

Report here all other income received from partnerships, personal service corporations, and fiduciaries, including interest on tax-free covenant bonds received through partnerships and personal

service corporations only, which should be entered in Item 14(b), column 7, page 1.

L. PARTS OF INCOME SUBJECT TO RATES FOR DIFFERENT YEARS.

In determining the income, any deductions, exemptions, or credits of a kind not plainly and properly chargeable against the income taxable at the rates for a preceding year shall first be applied against the income subject to rates for the most recent calendar year; but any balance

thereof shall be applied against the income subject to the rates of the next preceding year or years until fully allowed.

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5 1921: Form 1040

But in 1921, the transformation and exile of the people was nearly complete.

For the first time, we see on page 1 the following question:

Are you a citizen or resident of the United States?

How many Americans (including those domiciled in the 50 states) answered "Yes" to this question? Probably 99% or more. This simple affirmation told the IRS that the filing taxpayer "elected" to be within the SUB-CLASS of "United States citizen" with a federal domicile. This is an election, and one which gives the Congress exclusive legislative control over you. However, this in no way diminishes the locality of where the Federal Income Tax applies -- rather, the issue is ONLY about the status of the taxpayer.

Keep in mind still . . . that if you were a "United States citizen" with a domicile in one of the 50 states, you were a "nonresident alien" for Federal Income Tax purposes, and a simple "No" was all that was required to preserve that legal status, as both a "United States citizen" and a "nonresident alien" were both required to use this form. But HOW these two classes of individuals are taxed is a very different matter, and one that matters VERY, VERY much.

INDIVIDUAL INCOME TAX RETURN

Do not write in this space
FIRST PAYMENT

IF RETURN IS FOR
CALENDAR YEAR 1921
FILE IT WITH THE
COLLECTOR OF INTERNAL
REVENUE FOR YOUR
DISTRICT ON OR BEFORE
MARCH 15, 1922

FOR NET INCOMES OF MORE THAN \$5,000, OR SEPARATE RETURNS OF HUSBAND AND WIFE IF COMBINED NET INCOME EXCEEDS \$5,000

\$ _____
Cashier's Stamp

FOR CALENDAR YEAR 1921

Or for period begun _____, 1920, and ended _____, 1921

PRINT NAME AND ADDRESS PLAINLY BELOW

(Name.)

(Street and number or rural route.)

(Post office.)

(County.)

(State.)

CASH CHECK N.O. CERT. OF IND.
Examined by

OCCUPATION, PROFESSION, OR KIND OF BUSINESS

I swear (or affirm) that this return, including the accompanying schedules and statements (if any), has been examined by me, and, to the best of my knowledge and belief, is a true and complete return made in good faith, for the taxable period as stated, pursuant to the Revenue Act of 1921 and the Regulations issued under authority thereof.

(If return is made by agent, the reason therefor must be stated on this line.)

Sworn to and subscribed before me this _____ day of _____, 1922.

(Signature of individual or agent.)

(Signature of officer administering oath.)

(Title.)

(Address of individual or agent.)

1. Are you a citizen or resident of the United States? _____
2. If you filed a return for 1920, to what Collector's office was it sent? _____
3. Is this a joint return of husband and wife? _____
4. If not, is a separate return being filed by your husband or wife? _____ If so, state: (a) Name and address entered at head of that return _____ (b) Exemption claimed, \$ _____
5. Were you married and living with husband or wife on the last day of your taxable period? _____
6. If not, were you on the last day of your taxable period supporting one or more persons living in your household who are closely related to you by blood, marriage, or adoption? _____
7. How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support because mentally or physically defective were receiving their chief support from you on the last day of your taxable period? _____

		INCOME.		
See Instructions Number	Explain Schedule (page 2)		Amount received.	Expenses paid.
13	G	1. Salaries, Wages, Commissions, etc. (State name and address of person from whom received.)	\$	\$
14		2. Interest on Bank Deposits, Notes, Mortgages, and Corporation Bonds		
15	A	3. Income from Partnerships, Fiduciaries, etc. (State name and address of partnerships, etc.)		
16	B	4. Rents and Royalties		
17	C	5. Profit (or loss) from Business or Profession (not including income from partnerships)		
18	D	6. Profit (or loss) from Sale of Real Estate		
19	E	7. Profit (or loss) from Sale of Stocks, Bonds, etc		
20		8. Dividends on Stock of Domestic Corporations		
		9. Taxable Interest on Liberty Bonds, etc		
		10. Other Income (including dividends received on stock of foreign corporations). (State nature of income.)		
		(a) _____		
		(b) _____		
		(c) _____		
		11. TOTAL INCOME IN ITEMS 1 TO 10 (less losses shown therein, if any)	\$	\$
		DEDUCTIONS.		
21		12. Interest Paid (not including interest deducted above)	\$	\$
22		13. Taxes Paid (not including taxes deducted above)		
23	F	14. Losses by Fire, Storm, etc.		
24	G	15. Contributions		
25	G	16. Bad Debts (not including bad debts deducted above)		
26	G	17. Other Deductions Authorized by Law		
		18. TOTAL OF ITEMS 12 TO 17		
		19. NET INCOME (Item 11 minus Item 18)	\$	\$

COMPUTATION OF TAX.

20.	Net Income (Item 19 above)	\$	28. Normal tax (4% of Item 26)	\$
21.	Less: Dividends (Item 8 above)	\$	29. Normal tax (8% of Item 27)	
22.	Taxable Interest on Liberty Bonds, etc. (Item 9 above)		30. Surtax on Item 20 (see Instruction 6)	
23.	Personal Exemption and Credit for Dependents		31. TOTAL TAX	\$
24.	TOTAL OF ITEMS 21, 22 AND 23		32. Less: Tax paid at source	\$
25.	Balance (Item 20 minus Item 24)	\$	33. Income and profits taxes paid to foreign countries or possessions of the U. S.	

INSTRUCTIONS FOR INDIVIDUAL RETURN

1. PERSONS REQUIRED TO MAKE A RETURN OF INCOME.

An income tax return must be filed by every citizen of the United States whether residing at home or abroad, and every person residing in the United States, though not a citizen thereof, whose gross income for the taxable period 1921 amounted to \$5,000, or whose net income amounted to—

- (a) \$1,000 if single or if married and not living with husband or wife.
- (b) \$2,000 if married and living with husband or wife.

If the combined net income of husband, wife, and dependent minor children equalled or exceeded \$2,000, or if the combined gross income of husband, wife, and dependent minor children equalled or exceeded \$5,000 all such income must be reported on a joint return, or on separate returns of husband and wife. If single and the net income, including that of dependent minors, if any, equalled or exceeded \$1,000, or if the gross income equalled or exceeded \$5,000, a return must be filed. A minor, however, having a net income of \$1,000 or \$2,000, according to the marital status, or a gross income of \$5,000, must file a return.

Under each of the above conditions, a return must be filed even though no tax is due. Note especially Instruction 8, "Credits for Personal Exemption and Dependents."

In the case of husband and wife whose combined net income exceeds \$5,000, Form 1040 (not Form 1040 A) should be used for separate returns, even though the income on one or both returns is less than \$5,000.

The income of a minor or incompetent, if derived from a separate estate under control of a guardian, trustee, or other fiduciary, must be reported by such legal representative.

Income of (a) estates of decedents before final settlement, (b) trusts, whether created by will or deed, for unascertained persons or persons with contingent interests; or income held, or which under the terms of the will or trust may be held, for future distribution, is taxed to the fiduciary as a single person, except that from the income of a decedent's estate there may first be deducted an amount properly paid or credited to a beneficiary.

If the net income of a decedent from the beginning of the taxable period to the date of his death was \$1,000, if unmarried, or \$2,000, if married and living with husband or wife, or if the gross income was \$5,000 or over, the executor or administrator shall file a return on Form 1040 or 1040A for such decedent.

2. PERIOD TO BE COVERED BY RETURN.

Your return must be filed for the calendar year ending December 31, 1921, or for the fiscal year ending on the last day of any month other than December. The dates on which the period covered by the return begins and ends, if other than a calendar year, must be plainly stated at the head of the return.

You were required to file your return for 1918 on the basis of your annual accounting period. Having established an accounting period for 1918 this period must be adhered to for subsequent years, unless permission was received from the Commissioner to make a change. In the case of a return for a period of less than one year, the net income shall be placed on an annual basis by multiplying the amount thereof by twelve and dividing by the number of months included in such period; and the tax shall be such part of a tax computed on such annual basis as the number of months in such period is of twelve months.

3. ACCRUED OR RECEIVED INCOME.

If your books of account are kept on an accrual basis, report all income accrued, even though it has not been actually received or entered on the books, and expenses incurred instead of expenses paid.

If your books do not show income accrued and expenses incurred, report all income received or constructively received, such as bank interest credited to your account, and expenses paid.

4. INSTALLMENT SALES.

If you have used the installment method in computing income from installment sales you must attach to your return a schedule showing separately for the years 1918, 1919, 1920, and 1921 the following information: (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.

5. ITEMS EXEMPT FROM TAX.

The following items are exempt from Federal income tax and should not be reported, unless it is desired to establish a net loss, in which case see Section 204 of the Revenue Act of 1921:

- (a) The proceeds of life insurance policies paid upon the death of the insured;
- (b) The amount received by the insured as a return of premium or premiums paid by him under life insurance, endowment, or annuity contracts, either during the term or at the maturity of the term mentioned in the contract or upon surrender of the contract;
- (c) Gifts (not made as a consideration for service rendered), and money and property acquired under a will or by inheritance (but the income derived from money or property received by gift, will, or inheritance is taxable and must be reported);
- (d) Interest upon (1) the obligations of a State, Territory, or any political subdivision thereof, or the District of Columbia; or (2) securities issued under the provisions of the Federal Farm Loan Act of July 17, 1916; or (3) the obligations of the United States or its possessions; or (4) bonds issued by the War Finance Corporation. In the case of obligations of the United States issued after September 1, 1917 (other than postal savings certificates of deposit), and in the case of bonds issued by the War Finance Corporation, the interest is exempt only if and to the extent provided in the respective acts authorizing the issue thereof as amended and supplemented by Section 1328 of the Revenue Act of 1921, and should be excluded from gross income only if and to the extent it is wholly exempt to the taxpayer from income, war profits, and excess profits taxes;
- (e) 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;
- (f) Amounts received as compensation, family allotments and allowances under the provisions of the War Risk Insurance and the Vocational Rehabilitation Acts, or as pensions from the United States for service of the beneficiary or another in the military or naval forces of the United States in time of war;
- (g) The rental value of a dwelling house and appurtenances thereof furnished to a minister of the gospel as part of his compensation;
- (h) Compensation paid by a State or political subdivision thereof to its officers or employees.

7. FARMER'S INCOME SCHEDULE.

If you are a farmer or a farm owner renting your farm out on shares and keep no books of account, or keep books on a cash basis, obtain from the Collector, and attach to this return, Form 1040F, Schedule of Farm Income and Expenses. Enter the net farm income as Item 6, page 1 of the return. If your farm books of account are kept on an accrual basis, the filing of Form 1040F is optional. Report income from salaries, interest, rents, sales of property, etc., in Items 1 to 7 of the return.

8. CREDITS FOR PERSONAL EXEMPTION AND DEPENDENTS.

If you were married and living with your husband or wife or were head of a family on the last day of your taxable period, you may subtract from your net income on Form 1040, before calculating your normal tax, an exemption of \$2,000, plus \$400 for each person (other than husband or wife) under 18 years of age or incapable of self-support because mentally or physically defective, who was receiving his chief support from you on that date; but in no case shall the tax, computed with an exemption of \$2,000, exceed the tax, which would be payable if the exemption were \$2,500, by more than the amount of the net income in excess of \$5,000. If husband and wife make separate returns, the exemption of \$2,000 may be claimed by either (but not by both) or may be divided between them, but the credit of \$400 for each dependent may be claimed only by the person furnishing the chief support.

If you were not married or did not live with husband or wife and were not head of a family on the last day of your taxable period, you are entitled to a personal exemption of \$1,000 plus \$400 for each dependent person under 18 years of age or incapable of self-support because mentally or physically defective, who was receiving his chief support from you on that date.

An exemption of \$1,000 may be claimed in cases where Form 1040 is filed for estates in process of administration, or with respect to income held for future distribution.

If by reason of a change in your accounting period a return is filed for part of a year, the personal exemption and credit for dependents may be claimed in accordance with your status on the last day of such taxable period. (See also Instruction 2 on this page.)

A "head of family" is a person who actually supports one or more persons living in his (or her) household, who are closely related to him (or her) by blood, marriage, or adoption.

9. AFFIDAVIT.

The affidavit must be executed by the person whose income is reported unless he is a minor or incompetent, or unless he is ill, absent from the country, or otherwise incapacitated, in which case the legal representative or agent may execute the affidavit. A minor, however, making his own return must execute the affidavit.

The oath will be administered without charge by any collector, deputy collector, or internal revenue agent, or (if you are in the military or naval service of the United States) by any military or naval officer who is authorized to administer oaths for purposes of military or naval justice and administration. If an internal revenue officer is not available, the return should be sworn to before a notary public, justice of the peace, or other person authorized to administer oaths.

10. WHEN AND WHERE THE RETURN MUST BE FILED.

If the return is for the calendar year 1921, file it with the Collector of Internal Revenue for the district in which you live or have your principal place of business, on or before March 15, 1922. If for a period other than the calendar year, the return should be filed on or before the 15th day of the third month following the close of such period.

In case the taxpayer had no legal residence or place of business in the United States, the return should be forwarded to the Collector of Internal Revenue, Baltimore, Md.

If the address of the collector is not printed on the return and you do not know it, ask at the post office or bank.

11. WHEN AND TO WHOM THE TAX MUST BE PAID.

The tax should be paid, if possible, by sending or bringing with the return a check or money order drawn to the order of "Collector of Internal Revenue at (insert name of city and State)."

Do not send cash through the mail, nor pay it in person, except at the office of the Collector.

The tax may be paid in four equal installments, as follows: The first installment shall be paid at the time fixed by law for filing the return, the second installment shall be paid on the 15th day of the third month, the third installment on the 15th day of the sixth month, and the fourth installment on the 15th day of the ninth month, after the time fixed by law for filing the return.

The total tax may be paid at the time of filing the return, or if not so paid, one installment must be paid and the balance may be paid in installments, or in full, on or prior to any subsequent installment date referred to above. Failure to pay any installment on the date fixed by law makes the taxpayer liable for the payment of the balance of tax due upon notice and demand by the Collector.

12. PENALTIES.

For Making False or Fraudulent Return.

Not exceeding \$10,000 or not exceeding one year's imprisonment, or both, in the discretion of the court, and, in addition, 50 per centum of the total tax evaded.

For Failing to Make Return on Time.

Not more than \$1,000, and, in addition, 25 per centum of the total amount of the tax.

For Failing to Pay Tax When Due, or Understatement of Tax Through Negligence, etc.

Five per centum of the tax due but unpaid, plus interest at the rate of 1 per centum per month during the period in which it remains unpaid.

6. TABLES OF SURTAX AND INSTRUCTIONS FOR CALCULATION.

SURTAX RATES.

Amount of Net Income.	Rate.	Total Surtax on Each Amount.	Amount of Net Income.	Rate.	Total Surtax on Each Amount.
A	B	C	A	B	C
\$5,000			\$60,000	28%	\$8,110
6,000	1%	60	62,000	29%	8,690
8,000	2%	160	64,000	30%	9,270
10,000	3%	300	66,000	31%	9,850
12,000	4%	480	68,000	32%	10,430
14,000	5%	660	70,000	33%	11,010
16,000	6%	840	72,000	34%	11,590
18,000	7%	1,020	74,000	35%	12,170
20,000	8%	1,200	76,000	36%	12,750
22,000	9%	1,380	78,000	37%	13,330
24,000	10%	1,560	80,000	38%	13,910
26,000	11%	1,740	82,000	39%	14,490
28,000	12%	1,920	84,000	40%	15,070
30,000	13%	2,100	86,000	41%	15,650
32,000	14%	2,280	88,000	42%	16,230
34,000	15%	2,460	90,000	43%	16,810
36,000	16%	2,640	92,000	44%	17,390
38,000	17%	2,820	94,000	45%	17,970
40,000	18%	3,000	96,000	46%	18,550
42,000	19%	3,180	98,000	47%	19,130
44,000	20%	3,360	100,000	48%	19,710
46,000	21%	3,540	150,000	52%	28,510
48,000	22%	3,720	200,000	56%	37,310

INSTRUCTIONS.

To compute the amount of surtax on any amount of net income in excess of \$5,000—

First: Find in column A the largest sum which is less than the total amount of the net income subject to surtax (Item 19 or Item 20, page 1 of the return).

Second: Find in column C the corresponding amount of total surtax.

Third: To the amount of surtax found as above add an amount computed as follows: Subtract from the net income the sum found in column A and multiply the remainder by the rate shown on the next line below in column B.

The sum of these two amounts is the total surtax due.

In the case of a bona fide sale of mines, oil or gas wells, or any interest therein, the surtax on the profit shall not exceed 20 per centum of the selling price as provided by Section 211 (b) of the Revenue Act of 1921.

CALCULATION OF SURTAX.

ITEM.	2. Example: Net income \$13,600.	3. Computation of surtax on Item 20, page 1, of the return.
1. Largest sum in column A which is less than the total amount of the net income	\$12,000.00	\$
2. Total surtax thereon shown in column C	190.00	
3. Remainder of net income after subtracting Item 1, above	1,600.00	
4. Surtax on this remainder at rate shown in column B on line below that from which Item 1 was taken	90.00	

13. INCOME FROM SALARIES, WAGES, COMMISSIONS, ETC.

Report all salaries or other compensation credited by or received from outside sources, and any salaries included as a deduction on line 10, Schedule B, for (a) yourself, (b) your wife (or husband), if a joint return is filed, and (c) each dependent minor child having a net income of less than \$1,000 per annum. Use a separate line for each entry, giving the information requested.

Any amount claimed as a deduction for necessary expenses against salaries, etc., should be fully explained in Schedule G, page 2 of the return, or in an attached statement. Traveling expenses (including the entire amount expended for meals and lodging) while away from home in the pursuit of a trade or business are deductible.

14. INCOME FROM PARTNERSHIPS, FIDUCIARIES, ETC.

Report your share (whether received or not) in the profits of a partnership or personal service corporation, or in the income of an estate or trust, except the part of such share that consisted of dividends on stock of domestic corporations, and taxable interest on obligations of the United States, which should be included in Items 8 and 9, respectively, page 1 of the return.

Report in Item 1, salary received from a partnership or personal service corporation. If the taxable period on the basis of which you file your return fails to coincide with the annual accounting period of the partnership, personal service corporation, or fiduciary, then you should include in your return your distributive share of the total net income for such accounting period, ending within your taxable period.

15. INCOME FROM RENTS AND ROYALTIES.

If you received property or crops in lieu of cash rent, report the income as though the rent had been received in cash. Crops received as rent on a crop-share basis should be reported as income for the year in which disposed of (unless your return shows income accrued).

Explain in Schedule A, repairs, depreciation, depletion, and other expenses. Other expenses include interest, taxes, fire insurance, fuel, light, labor, and other necessary expenses of this character.

16. INCOME FROM BUSINESS OR PROFESSION.

Report in Item 5 the net profit (or loss) from—

(a) Sale of merchandise, or of products of manufacturing, construction, mining, and agriculture.

(b) Business service, such as transportation, storage, laundering, hotel and restaurant service, livery and garage service, etc., if you owned the business. If you are an employee of a business, report your salary or wages in Item 1.

(c) A profession, such as medicine, law, or dentistry, if you practiced it on your own account. If you were employed on a salary, report your salary in Item 1.

In general, report in Item 5, any income in the earning of which you incurred expenses for labor, rent, etc.

If you are a farmer (or a farm owner renting your farm to another person on shares), see Instruction 7.

Describe the business or profession in the space provided on page 1, as "grocery," "retail clothing," "drug store," "laundry," "doctor," "lawyer," "farmer," etc., and fill in Schedule B, page 2 of the return.

Enter on line 1, Schedule B, the total income from sales or services, less any discounts or allowances from the sale price or service charge. (For installment sales see Instruction 4).

If you are engaged in a trade or business in which the production, purchase, or sale of merchandise of any kind is an income-producing factor, secure from the Collector of Internal Revenue and file as a part of this return a *Certificate of Inventory, Form 1126*.

Salaries.—Enter on line 10 all salaries and wages not reported as "Labor" on line 2. Salary or wages for your own services or the services of your dependent minor children, if deducted, must be reported as income in Item 1.

Rent.—Enter on line 11 rent on business property in which you have no equity. Do not include rent for dwelling you occupy for residential purposes.

Interest.—Enter on line 12 interest on business indebtedness to others. Do not include interest to yourself on capital invested in or advanced to the business.

Taxes.—Enter on line 13 taxes on business property or for carrying on business. Do not include taxes assessed against local benefits of a kind tending to increase the value of the property assessed, as for paving, sewers, etc., nor Federal income taxes.

Repairs, wear and tear, obsolescence, depletion, and property losses (other than merchandise).—Enter on line 14, (a) ordinary repairs required to keep property in usable condition, (b) reasonable allowance for exhaustion, wear and tear of property used in the trade or business, including a reasonable allowance for obsolescence, and (c) losses of business property by fire, storm, or other casualty, or theft, not compensated for by insurance or otherwise and not made good by repairs claimed as deductions. Explain these deductions in Schedule B.

The amount claimed for wear and tear (depreciation), including obsolescence, should not exceed the original cost of the property (or if acquired prior to March 1, 1913, the fair market value on that date) divided by its estimated life in years. If obsolescence is claimed, state why useful life is less than actual life. When the amount of depreciation and obsolescence allowed equals the cost of the property (or if acquired prior to March 1, 1913, the fair market value on that date), no further claim should be made.

Do not claim any deduction for depreciation in the value of a building occupied by you as a dwelling, or of other property held for personal use, nor for land (exclusive of improvements thereon), nor on stocks, bonds, and other securities.

Depreciation of patents, copyrights, etc., and depletion of mines, etc.—If you claim a deduction on account of depreciation in the value of patents, copyrights, franchises, and other legal privileges, or on account of depletion of mines or oil and gas wells, see Section 214 (a) 8 and 10, of the Revenue Act of 1921.

Amortization of war facilities.—If amortization of war facilities is claimed, see Section 214 (a) 9, of the Revenue Act of 1921, and the Regulations issued under authority thereof.

Bad debts.—Enter on line 16 debts, or portions thereof, arising from sales or professional services that have been reported as income, which have been definitely ascertained to be worthless and charged off within the year, or such reasonable amount as has been added to a reserve for bad debts within the year. A debt previously charged off as bad, if subsequently collected, must be returned as income for the year in which collected.

Other expenses.—Enter on line 17 all ordinary and necessary business expenses not classified above, such as fire insurance, heat, light, and traveling expenses (see Instruction 13).

Do not include cost of business equipment or furniture, expenditures for replacements, or for permanent improvements to property, nor personal living or family expenses.

Deficit.—If Item 20 shows a deficit, indicate by using red ink or a minus sign.

17. PROFIT FROM SALE OF REAL ESTATE.

Describe the property briefly, as "farm," "house," "lot."

State the actual consideration or price received, or, in case of an exchange, the fair market value of the property received.

Enter the original cost of the property, and if it was acquired prior to March 1, 1913, the fair market value on that date. Attach statement explaining how value at March 1, 1913, was determined. Expenses incidental to the purchase may be included in the cost if never claimed in income tax returns as deductions from income.

Enter as depreciation the amount of wear and tear and obsolescence, or depletion, sustained since March 1, 1913 (or since date of acquisition, if subsequent to March 1, 1913).

In case the property was acquired by gift, bequest, devise, or inheritance after March 1, 1913, or in any manner prior to that date, see Section 202 of the Revenue Act of 1921.

If the net result to be entered in Item 6 is a deductible loss, indicate the deficit by using red ink or a minus sign.

18. PROFIT FROM SALE OF STOCKS, BONDS, ETC.

The method of computation and the information to be submitted in the case of sales of stocks, bonds, etc., is similar to that required for Item 6, except that subsequent improvements and depreciation are not involved. The profit (or loss) should be computed in accordance with Instruction 17 above.

19. TAXABLE INTEREST ON LIBERTY BONDS, ETC.

The interest on Liberty Bonds and other obligations of the United States issued since September 1, 1917 (except Victory Liberty Loan 3½% Notes, and postal savings certificates of deposit), is subject to surtax to the extent that the holdings exceed the exemptions provided by the act authorizing the issue and subsequent acts.

The exemptions specified in columns 2, 3, and 4, Schedule E, are applicable to the obligations listed on lines (a), (b), and (c), but the total amount entered on these lines in any one column must not exceed the exemption specified. The exemptions specified at head of columns do not apply to the obligations where the word "None" appears.

Enter in column 5 on the proper lines the principal amounts of the various obligations owned in excess of the exemptions specified, during the taxable period, including your share of these obligations held by partnerships, personal service corporations, and fiduciaries.

To determine the interest on any class of obligations received during the taxable period, where the books are kept on a cash receipts and disbursement basis, add to the amount of all coupons and registered bond interest falling due within the taxable period the amount of accrued interest received on sales of obligations between interest payment dates, and deduct from this sum the accrued interest paid on purchases of obligations between interest payment dates. This method will be followed where books are kept on a cash basis, whether or not the coupons falling due within the taxable period are actually cashed.

If the books are kept on the accrual basis, report the actual amount of interest accrued on the obligations owned during the taxable period.

20. OTHER INCOME.

Report all other taxable income for which no place is provided elsewhere on page 1 of the return, including dividends received on stock of foreign corporations.

21. INTEREST PAID.

Enter as Item 12 interest paid on personal indebtedness as distinguished from business indebtedness (which should be deducted under Schedules A, B, C, or D). Do not include interest on indebtedness incurred or continued for the purchase of bonds and other obligations, the interest on which is wholly exempt from tax, except interest on indebtedness incurred to purchase or carry Victory Liberty Loan 3½% Notes, originally subscribed for by the taxpayer.

22. TAXES PAID.

Enter as Item 13 personal taxes paid and all taxes on property not used in business or profession, not including those assessed against local benefits of a kind tending to increase the value of the property. Do not include Federal income taxes, taxes imposed upon the taxpayer upon his interest as shareholder or member of a corporation which are paid by the corporation without reimbursement from the taxpayer, nor income and profits taxes claimed as a credit in Item 33, page 1 of the return.

23. LOSSES BY FIRE, STORM, ETC.

Enter as Item 14 losses of property not connected with your trade, business, or profession, sustained during the year from fire, storm, shipwreck, or other casualty, or from theft, which were not compensated for by insurance or otherwise. (Losses claimed should be explained in Schedule F, on page 2 of the return.)

Do not deduct losses incurred in transactions which were neither connected with your trade or business, nor entered into for profit.

24. CONTRIBUTIONS.

Enter as Item 15 contributions or gifts made within the taxable period to or for the use of: (a) the United States, any State, Territory, or any political subdivision thereof, or the District of Columbia, for exclusively public purposes; (b) any corporation, or community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, including posts of the American Legion or the Women's Auxiliary units thereof, 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 stockholder or individual; or (c) the special fund for vocational rehabilitation authorized by section 7 of the Vocational Rehabilitation Act; to an amount which in all the above cases combined does not exceed 15 per centum of the taxpayer's net income as computed without the benefit of this paragraph.

Fiduciaries filing this return for estates in the process of administration are allowed, in lieu of this deduction, that provided in Section 219(b) of the Revenue Act of 1921. List names of organizations and amounts contributed to each in Schedule G.

25. BAD DEBTS.

Enter as Item 16 all bad debts other than those claimed as a deduction in items above. State in Schedule G, (a) of what the debts consisted, (b) when they were created, (c) when they became due, and (d) how they were actually determined to be worthless.

26. OTHER AUTHORIZED DEDUCTIONS.

If this return is filed for an estate in the process of administration, there may be deducted the amount of any income properly paid or credited to beneficiaries. Any deduction claimed in Item 17 should be explained in Schedule G.

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6 1967: 1040NR added

And so the ruse continued for decades. It was all just simply a matter of knowing who you were under the law, and declaring the proper status. But then, the transformation would continue. In 1967, nearly a generation after the truth about State Citizens' "nonresident alien" tax status had been effectively buried, the Treasury introduced Form 1040NR.

If one wanted to make known his "nonresident alien" tax status to the United States Treasury for Tax Year 1967, a "taxpayer" would have to submit this form. Otherwise, a Form 1040 would be a tacit admission under penalty of perjury of a federally-domiciled tax status.

For that remnant of the American population who may have partially understood this, a conundrum followed. The IRS deals only with taxpayers -- not non-taxpayers. Thus, if a person had ever filed Form 1040 as a taxpayer, there was NO POSSIBILITY of claiming a "nonresident alien" non-taxpayer status without FIRST filing a tax return as a taxpayer utilizing Form 1040NR. Failing to do that caused a person's tax status to remain on file with the IRS in the status that was established from the previous year (U.S. person). To unlock a non-taxpayer status, a "U.S. person" must FIRST file a tax return as a "nonresident alien" TAXPAYER. To wit:

26 C.F.R. §301.6109-1(g)(1)(i)

(g) Special rules for taxpayer identifying numbers issued to foreign persons—

(1) General rule— A social security number is generally identified in the records and database of the Internal Revenue Service as a number belonging to a U.S. citizen or resident alien individual. A person may establish a different status for the number by providing proof of foreign status with the Internal Revenue Service under such procedures as the Internal Revenue Service shall prescribe, including the use of a form as the Internal Revenue Service may specify. Upon accepting an individual as a nonresident alien individual, the Internal Revenue Service will assign this status to the individual's social security number.

Once a "nonresident alien" TAXPAYER status is established, then and ONLY then can one submit a W-8 without an SSN (if appropriate), and become a non-taxpayer. Again, that's if it's appropriate. Government payments are ALWAYS subject to the tax regardless of your tax status.

Of course, one must also change their status with the SSA from "U.S. Citizen" to "Legal Alien Allowed To Work" pursuant to 20 C.F.R. §422.110(a). But this is a different matter that is beyond the scope of this exhibit.

U.S. Treasury Department Internal Revenue Service

For the year January 1-December 31, 1967, or other taxable year beginning

, 1967, and ending , 19

First name and initial

Last name

Social security or employer identification number, if any

Number and street, or rural route

City or town, State and ZIP code, or country

Occupation in the United States

Check whether:

Individual

Fiduciary

State address to which you want refund check, if any, mailed if other than address shown above

TAX COMPUTATION: FOR INCOME EFFECTIVELY CONNECTED WITH U.S. BUSINESS

1 Enter all salaries, wages, bonuses, tips, commissions, etc.

Table with 4 columns: Employer's Name, Where Employed (City and State), Income Tax Withheld, Wages, etc. Rows 2-11 for totals and deductions.

TAX COMPUTATION: FOR INCOME NOT EFFECTIVELY CONNECTED WITH U.S. BUSINESS

Table with 2 columns: Description, Amount. Rows 12-13 for total income and tax.

TAX—CREDITS—PAYMENTS

Table with 2 columns: Description, Amount. Rows 14-22 for total tax, withheld tax, and payments.

BALANCE DUE OR REFUND

Table with 2 columns: Description, Amount. Rows 23-26 for balance due, overpayment, and refund.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete.

Signature of taxpayer, responsible representative or agent (Date)
Signature of preparer other than taxpayer (Address) (Date)

Part I.—INCOME FROM SOURCES OTHER THAN WAGES, ETC.

Enter on line 3 income from rents, annuities, farming, etc., and attach Schedule B (Form 1040) or Schedule F (Form 1040) whichever is applicable. Enter net profit (or loss) from business or profession on line 4. Disregard all references to Form 1040 on the schedules. Enter applicable exclusions in Part II.

Nature of income (a)	Name and address of your withholding agent (b)	Amount of U.S. income tax withheld and/or paid at the source (c)	AMOUNT OF INCOME	
			Effectively connected with a U.S. business (d)	Not effectively connected with a U.S. business (e)
1 Scholarship or fellowship grants				
2 Dividends (List payer(s))				
3 Other: (Specify)				
4 Net profit (or loss) from business or profession from page 3, Part IV, line 24.				
5 Net gain from Schedule D (Form 1040) Part IV, line 4.				
6 Net gain from page 4, Part V, line 2.				
7 Totals. Enter here and on applicable lines on page 1.				

Part II.—DEDUCTIONS AND EXCLUSIONS

Use this part to list your deductions and exclusions such as sick pay exclusion, dividends received exclusion (up to \$100 but not more than dividends reported in Part I, line 2, col. (d)), charitable contributions, employee business expenses, etc. If you reported income from a scholarship or fellowship in Part I, above, you are entitled to exclude up to \$300 (but not to exceed the amount of the grant) multiplied by the number of months for which you received amounts under the grant during the taxable year. (For more detailed information, see Document 5588.) NOTE: You are NOT entitled to any deductions in respect of income reported in Part I, column (e).

Nature of deduction or exclusion	Name and address of payee	Amount
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2 Total deductions and exclusions. Enter here and on page 1, line 5.

Part III.—EXEMPTIONS (Complete only if you are a resident of Canada, Mexico, or Japan. See page 3 of instructions.)

Check boxes which apply. 1 (a) Regular \$600 exemption Yourself Wife
 (b) Additional \$600 exemption if 65 or over at end of 1967 (Not applicable to residents of Japan) Yourself Wife
 (c) Additional \$600 exemption if blind at end of 1967 Yourself Wife

Enter number of boxes checked →

2 Exemptions for your children and other dependents (list below). Residents of Japan include only your children present in the U.S.

• If an exemption is based on a multiple-support agreement of a group of persons, attach the declarations described on page 4 of instructions.

NAME Enter figure 1 in the last column to right for each name listed (Give address if different from yours)	Relationship	ANSWER ONLY FOR DEPENDENTS OTHER THAN YOUR CHILDREN			
		Months lived in your home. If born or died during year also write "B" or "D"	Did dependent have income of \$600 or more?	Amount YOU furnished for dependent's support. If 100% write "ALL"	Amount furnished by OTHERS including dependent
				\$	\$

3 Total exemptions

4 Multiply the total exemptions on line 3 by \$600. Enter here and on line 7, page 1.

Part V: GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY. (Capital gains and income other than capital gains.)

To be completed by a nonresident alien with gains from the sale or exchange of property which are from sources within the United States and not "effectively connected" with a United States business. (Include all amounts described in paragraph (1) of Instruction K, except a(i).) Be sure to include in Part I, column (c) any United States income tax paid or withheld on these gains.

Gains (losses) of a nonresident alien from the sale or exchange of property which are "effectively connected" with a United States business are to be reported on a separate Schedule D (Form 1040).

Table with 7 columns: Kind of property (if necessary, attach statement of descriptive details not shown below), Date of acquisition, Date of sale, Gross sales price, Depreciation allowed (or allowable) since acquisition, Cost or other basis, cost of subsequent improvements (if not purchased, attach explanation, and expense of sale), Gain or loss (column (d) plus column (e) less column (f)).

2 Net gain. (Enter on page 2, Part I, line 6, column (e)). \$

Part VI: PLEASE ANSWER ALL QUESTIONS

- 1 Of what country were you a citizen or subject during the taxable year?
2 Give your address in the country of which you are a permanent resident
3 What country issued your passport?
4 Were you ever a United States citizen?
5 Give the purpose of your visit to the United States
6 Type of entry visa and visa number
7 Date you entered and left the United States during the year.
8 Residents of Canada, Mexico, or Japan:
(a) State number of days (including vacation and nonwork days) you were physically present in the United States during the taxable year
(b) Did your wife (husband) contribute to the support of any children claimed in Part III, line 2?
9 Did you file a United States income tax return for any year prior to 1967?
10 Have you excluded from gross income in this return any amount, other than foreign source income not effectively connected with a U.S. trade or business?
11 If the benefits of a U.S. income tax convention with a foreign country are claimed, furnish the following information: Country, Type and amount of income claimed to be exempt
Were you subject to tax in that country on all the income claimed to be entitled to the benefits of the convention?
Did you have a permanent establishment (as defined by the tax convention and section 894(b) of the Code) in the United States at any time during the taxable year?
12 If this return is filed in behalf of a nonresident alien wife (husband) to report community income, show name, address, and social security number of husband (wife) and Internal Revenue office where filed
13 Did you file Form 1040C or Form 2063 during the taxable year?
14 If compensation is reported on line 1, page 1, has any income tax withheld by your employer on such compensation been released to you?
15 To which Internal Revenue office did you pay the amounts claimed, if any, on lines 19 and 20, page 1?