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# INDIVIDUAL INCOME TAX RETURN

Do Not Write in These Spaces

FOR NET INCOMES OF MORE THAN \$5,000  
OR NET INCOMES, REGARDLESS OF AMOUNT, IF DERIVED FROM A PROFESSION OR BUSINESS, INCLUDING FARMING

## For Calendar Year 1924

If Your Income is Computed on a Fiscal Year Basis, or Income is Received from a Partnership or Fiduciary Computed on a Fiscal Year Basis, Form 1040FY Should be Secured from the Collector and Filed in Lieu of This Form

File This Return with the Collector of Internal Revenue for Your District on or Before March 15, 1925  
(PRINT NAME AND ADDRESS PLAINLY BELOW)

(Name) \_\_\_\_\_  
(Street and number, or rural route) \_\_\_\_\_  
(Post office) \_\_\_\_\_ (County) \_\_\_\_\_ (State) \_\_\_\_\_

File Code \_\_\_\_\_  
Serial Number \_\_\_\_\_  
First Payment \_\_\_\_\_  
\$ \_\_\_\_\_  
Examined \_\_\_\_\_  
By \_\_\_\_\_  
(Cashier's Stamp) \_\_\_\_\_  
Cash Check M. O. Cert. of Ind. \_\_\_\_\_

### OCCUPATION, PROFESSION, OR KIND OF BUSINESS

- Are you a citizen or resident of the United States? \_\_\_\_\_
- If you filed a return for 1923, to what Collector's office was it sent? \_\_\_\_\_
- Is this a joint return of husband and wife? \_\_\_\_\_
- Were you married and living with husband or wife on the last day of your taxable year? \_\_\_\_\_
- If not, were you on the last day of your taxable year supporting one or more persons living in your household who are closely related to you by blood, marriage, or adoption? \_\_\_\_\_
- If your status in respect to questions 4 and 5 changed during year, state date of such change \_\_\_\_\_
- 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 year? \_\_\_\_\_

Item and Instruction No.	INCOME	Amount received	Expenses paid (Explain in Schedule F)		
1.	Salaries, Wages, Commissions, etc. (State name and address of person from whom received)	\$	\$	\$	
2.	Income from Business or Profession. (From Schedule A)				
3.	Interest on Bank Deposits, Corporation Bonds, etc. (except interest upon which a tax was paid at source)				
	(a) Interest on Tax-free Covenant Bonds Upon Which a Tax was Paid at Source				
4.	Income from Partnerships, Fiduciaries, etc. (State name and address of partnership, etc.)				
5.	Rents and Royalties. (From Schedule B)				
6.	Profit from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C)				
7.	Dividends on Stock of Domestic Corporations				
8.	Taxable Interest on Liberty Bonds, etc. (From Schedule E)				
9.	Other Income (including dividends received on stock of foreign corporations). (State nature of income)				
	(a) _____				
	(b) _____				
	(c) _____				
10.	TOTAL INCOME IN ITEMS 1 TO 9			\$	

Item	DEDUCTIONS		
11.	Interest Paid	\$	
12.	Taxes Paid. (Explain in Schedule F)		
13.	Losses by Fire, Storm, etc. (Explain in Table on page 2)		
14.	Bad Debts. (Explain in Schedule F)		
15.	Contributions. (Explain in Schedule F)		
16.	Other Deductions Authorized by Law. (Explain below or on separate sheet)		
	(a) _____		
	(b) _____		
	(c) _____		
17.	TOTAL DEDUCTIONS IN ITEMS 11 TO 16	\$	
18.	NET INCOME (Item 10 minus Item 17)	\$	

### COMPUTATION OF TAX

19.	Earned Income (see Instruction 19)	\$		30.	Net Income (Item 18 above)	\$		41.	Normal Tax (2% of Item 37)	\$	
20.	Less Personal Exemption and Credit for Dependents			31.	Less Dividends (Item 7 above)	\$		42.	Normal Tax (4% of Item 39)		
21.	Balance (Item 19 minus 20)	\$		32.	Interest on Liberty Bonds, etc. (Item 8)			43.	Normal Tax (6% of Item 40)		
22.	Amount taxable at 2% (not over the first \$4,000 of Item 21)			33.	Personal Exemption			44.	Surtax on Item 18 (see Instruction 30)		
23.	Amount taxable at 4% (not over the second \$4,000 of Item 21)			34.	Credit for Dependents			45.	Adjustment for Capital Gain or Loss (1 1/2% of Column 9, Schedule D)		
24.	Amount taxable at 6% (balance over \$8,000 of Item 21)			35.	Total of Items 31, 32, 33, and 34			46.	Total of Items 41 to 45	\$	
25.	Normal Tax (2% of Item 22)	\$		36.	Balance (Item 30 minus 35)	\$		47.	Less Credit of 25% of Tax on Earned Net Income (Item 29)		
26.	Normal Tax (4% of Item 23)			37.	Amount taxable at 2% (not over the first \$4,000 of Item 36)			48.	Total Tax (Item 46 minus 47)	\$	
27.	Normal Tax (6% of Item 24)			38.	Balance (Item 36 minus 37)	\$		49.	Less Income Tax paid at source		
28.	Normal Tax on Earned Net Income (total of Items 25, 26, and 27)	\$		39.	Amount taxable at 4% (not over the second \$4,000 of Item 36)			50.	Income and Profits Taxes paid to a foreign country or U.S. possession		
29.	Credit of 25% of Item 28 (not to exceed 2% of Item 38)			40.	Amount taxable at 6% (balance over \$8,000 of Item 36)			51.	Balance of Tax (Item 48 minus Items 49 and 50)	\$	

**SCHEDULE A—INCOME FROM BUSINESS OR PROFESSION (See Instruction 2)**

1. Total receipts from business or profession (state kind of business).....		\$	OTHER BUSINESS DEDUCTIONS		
Cost of Goods Sold			10. Salaries, exclusive of "Labor," reported on Line 2, and compensation for your own services.....	\$	
2. Labor.....	\$		11. Interest on business indebtedness to others.....		
3. Material and supplies.....			12. Taxes on business and business property.....		
4. Merchandise bought for sale.....			13. Losses by fire, storm, etc. (explain in table provided therefor at foot of page).....		
5. Other costs (itemize below or on separate sheet).....			14. Bad debts arising from sales.....		
6. Plus inventory at beginning of year.....			15. Depreciation, obsolescence, and depletion (explain in table provided therefor at foot of page).....		
7. TOTAL (Lines 2 to 6, inclusive).....	\$		16. Rent, repairs, and other expenses (itemized below or on separate sheet).....		
8. Less inventory at end of year.....			17. TOTAL (Lines 10 to 16, inclusive).....	\$	
9. NET COST OF GOODS SOLD (Line 7 minus Line 8).....	\$		18. TOTAL DEDUCTIONS (Line 9 plus Line 17).....	\$	
			19. NET INCOME (Line 1 minus Line 18) (Enter as Item 2).....	\$	

Explanation of deductions claimed on Lines 5 and 16.....

**SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 5)**

1. KIND OF PROPERTY	2. AMOUNT RECEIVED	3. COST	4. VALUE AS OF MARCH 1, 1913	5. DEPRECIATION (Explain in table at foot of page)	6. REPAIRS	7. OTHER EXPENSES (Itemize below)	8. NET INCOME (Enter as Item 5)
	\$	\$	\$	\$	\$	\$	\$

Explanation of deductions claimed in Column 7.....

**SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC. (See Instruction 6)**

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. AMOUNT RECEIVED	4. DEPRECIATION PREVIOUSLY ALLOWED	5. COST	6. VALUE AS OF MARCH 1, 1913	7. SUBSEQUENT IMPROVEMENTS	8. NET PROFIT (Enter as Item 6)
		\$	\$	\$	\$	\$	\$

State how property was acquired.....

**SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS (See Instruction 6a)**

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. DATE SOLD	4. AMOUNT RECEIVED	5. DEPRECIATION PREVIOUSLY ALLOWED	6. COST	7. VALUE AS OF MARCH 1, 1913	8. SUBSEQUENT IMPROVEMENTS, AND CAPITAL DEDUCTIONS	9. NET GAIN OR LOSS (Enter 12 1/2% as Item 4b)
	Mo. Day Year	Mo. Day Year	\$	\$	\$	\$	\$	\$

State how property was acquired.....

**SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES (See Instruction 8)**

1. OBLIGATIONS OR SECURITIES	2. INTEREST RECEIVED OR ACCRUED	3. AMOUNT OWNED	4. PRINCIPAL AMOUNT EXEMPT FROM TAXATION	5. AMOUNT OWNED IN EXCESS OF EXEMPTIONS	6. INTEREST ON AMOUNT IN EXCESS OF EXEMPTIONS (Enter as Item 8)
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia.....	\$	\$	All	X X X X X X X X	X X X X X X X X
(b) Securities issued under Federal Farm Loan Act, or under such Act as amended.....			All	X X X X X X X X	X X X X X X X X
(c) Liberty 3 1/2% Bonds and other obligations of United States issued before Sept. 1, 1917, and obligations of possessions of the United States.....			All	X X X X X X X X	X X X X X X X X
(d) Liberty 4% and 4 1/4% Bonds, Treasury 4 1/4% Bonds, Treasury Certificates, and Treasury (War) Savings Certificates.....			\$5,000	\$	\$
(e) Liberty 4% and 4 1/4% Bonds.....			\$50,000		
(f) Treasury Notes.....			None		

**EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A, AND IN ITEM 13**

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. COST	4. VALUE AS OF MARCH 1, 1913	5. SUBSEQUENT IMPROVEMENTS	6. DEPRECIATION PREVIOUSLY ALLOWED	7. INSURANCE AND SALVAGE VALUE	8. NET LOSS (Enter as Item 13)
		\$	\$	\$	\$	\$	\$

**EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B**

1. KIND OF PROPERTY (If buildings, state material of which constructed)	2. DATE ACQUIRED	3. AGE WHEN ACQUIRED	4. PROBABLE LIFE AFTER ACQUISITION	5. COST	6. VALUE AS OF MARCH 1, 1913	AMOUNT OF DEPRECIATION CHARGED OFF	
						7. Previous years	8. This year
				\$	\$	\$	\$

**SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 12, 14, AND 15**

**AFFIDAVIT**

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 year as stated, pursuant to the Revenue Act of 1924 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 ....., 1925.

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

.....  
(Signature of officer administering oath)

.....  
(Title)

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

# INDIVIDUAL INCOME TAX RETURN

FOR NET INCOMES OF MORE THAN \$5,000

OR NET INCOMES, REGARDLESS OF AMOUNT, IF DERIVED FROM A PROFESSION OR BUSINESS, INCLUDING FARMING

**DUPLICATE**

**DUPLICATE**

## For Calendar Year 1924

If Your Income is Computed on a Fiscal Year Basis, or Income is Received from a Partnership or Fiduciary Computed on a Fiscal Year Basis, Form 1040FY Should be Secured from the Collector and Filed in Lieu of This Form

<p><b>DETACH AND RETAIN THIS COPY AND THE INSTRUCTIONS</b></p>	<p>File Your Return with the Collector of Internal Revenue for Your District on or Before March 15, 1925 (PRINT NAME AND ADDRESS PLAINLY BELOW)</p> <p>..... (Name)</p> <p>..... (Street and number, or rural route)</p> <p>..... (Post office)                      ..... (County)                      ..... (State)</p>	<p><b>IF YOU NEED ASSISTANCE, GO TO A DEPUTY COLLECTOR OR TO THE COLLECTOR'S OFFICE</b></p>
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**OCCUPATION, PROFESSION, OR KIND OF BUSINESS**

- |  |  |  |
|--|--|--|
| 1. Are you a citizen or resident of the United States? .....   | 2. If you filed a return for 1923, to what Collector's office was it sent? .....   | 3. Is this a joint return of husband and wife? ..... |
| 4. Were you married and living with husband or wife on the last day of your taxable year? .....        | 5. If not, were you on the last day of your taxable year supporting one or more persons living in your household who are closely related to you by blood, marriage, or adoption? .....   |  |
| 6. If your status in respect to questions 4 and 5 changed during year, state date of such change ..... | 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 year? ..... |  |

Item and Instruction No.	INCOME	Amount received	Expenses paid (Explain in Schedule F)	
1.	Salaries, Wages, Commissions, etc. (State name and address of person from whom received)	\$ .....	\$ .....	\$ .....
2.	Income from Business or Profession. (From Schedule A)			
3.	Interest on Bank Deposits, Corporation Bonds, etc. (except interest upon which a tax was paid at source)			
	(a) Interest on Tax-free Covenant Bonds Upon Which a Tax was Paid at Source			
4.	Income from Partnerships, Fiduciaries, etc. (State name and address of partnership, etc.)			
5.	Rents and Royalties. (From Schedule B)			
6.	Profit from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C)			
7.	Dividends on Stock of Domestic Corporations			
8.	Taxable Interest on Liberty Bonds, etc. (From Schedule E)			
9.	Other Income (including dividends received on stock of foreign corporations). (State nature of income)			
	(a) .....			
	(b) .....			
	(c) .....			
10.	<b>TOTAL INCOME IN ITEMS 1 TO 9</b>			\$ .....
<b>DEDUCTIONS</b>				
11.	Interest Paid			\$ .....
12.	Taxes Paid. (Explain in Schedule F)			
13.	Losses by Fire, Storm, etc. (Explain in Table on page 2)			
14.	Bad Debts. (Explain in Schedule F)			
15.	Contributions. (Explain in Schedule F)			
16.	Other Deductions Authorized by Law. (Explain below or on separate sheet)			
	(a) .....			
	(b) .....			
	(c) .....			
17.	<b>TOTAL DEDUCTIONS IN ITEMS 11 TO 16</b>			\$ .....
18.	<b>NET INCOME (Item 10 minus Item 17)</b>			\$ .....

**COMPUTATION OF TAX**

19. Earned Income (see Instruction 19)	\$ .....	30. Net Income (Item 18 above)	\$ .....	41. Normal Tax (2% of Item 37)	\$ .....
20. Less Personal Exemption and Credit for Dependents		31. Less Dividends (Item 7 above)	\$ .....	42. Normal Tax (4% of Item 39)	
21. Balance (Item 19 minus 20)	\$ .....	32. Interest on Liberty Bonds, etc. (Item 8)		43. Normal Tax (6% of Item 40)	
22. Amount taxable at 2% (not over the first \$4,000 of Item 21)		33. Personal Exemption		44. Surtax on Item 18 (see Instruction 30)	
23. Amount taxable at 4% (not over the second \$4,000 of Item 21)		34. Credit for Dependents		45. Adjustment for Capital Gain or Loss (12 1/2% of Column 9, Schedule D)	
24. Amount taxable at 6% (balance over \$8,000 of Item 21)		25. Total of Items 31, 32, 33, and 34		46. Total of Items 41 to 45	\$ .....
25. Normal Tax (2% of Item 22)	\$ .....	36. Balance (Item 30 minus 35)	\$ .....	47. Less Credit of 25% of Tax on Earned Net Income (Item 29)	
26. Normal Tax (4% of Item 23)		37. Amount taxable at 2% (not over the first \$4,000 of Item 36)		48. Total Tax (Item 46 minus 47)	\$ .....
27. Normal Tax (6% of Item 24)		38. Balance (Item 36 minus 37)	\$ .....	49. Less Income Tax paid at source	
28. Normal Tax on Earned Net Income (total of Items 25, 26, and 27)	\$ .....	39. Amount taxable at 4% (not over the second \$4,000 of Item 36)		50. Income and Profits Taxes paid to a foreign country or U. S. possession	
29. Credit of 25% of Item 28 (not to exceed 25% of Items 41, 42, and 43)	\$ .....	40. Amount taxable at 6% (balance over \$8,000 of Item 36)		51. Balance of Tax (Item 48 minus Items 49 and 50)	\$ .....

An amended return must be marked "Amended" at top of return

Checks and drafts will be accepted only if payable at par

**SCHEDULE A—INCOME FROM BUSINESS OR PROFESSION (See Instruction 2)**

1. Total receipts from business or profession (state kind of business).....		\$
COST OF GOODS SOLD 2. Labor..... 3. Material and supplies..... 4. Merchandise bought for sale..... 5. Other costs (itemize below or on separate sheet)..... 6. Plus inventory at beginning of year..... 7. TOTAL (Lines 2 to 6, inclusive)..... 8. Less inventory at end of year..... 9. NET COST OF GOODS SOLD (Line 7 minus Line 8).....	\$ \$ \$ \$ \$ \$ \$ \$ \$	OTHER BUSINESS DEDUCTIONS 10. Salaries, exclusive of "Labor," reported on Line 2, and compensation for your own services..... 11. Interest on business indebtedness to others..... 12. Taxes on business and business property..... 13. Losses by fire, storm, etc. (explain in table provided therefor at foot of page)..... 14. Bad debts arising from sales..... 15. Depreciation, obsolescence, and depletion (explain in table provided therefor at foot of page)..... 16. Rent, repairs, and other expenses (itemized below or on separate sheet)..... 17. TOTAL (Lines 10 to 16, inclusive)..... 18. TOTAL DEDUCTIONS (Line 9 plus Line 17)..... 19. NET INCOME (Line 1 minus Line 18) (Enter as Item 2).....

Explanation of deductions claimed on Lines 5 and 16.....

**SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 5)**

1. KIND OF PROPERTY	2. AMOUNT RECEIVED	3. COST	4. VALUE AS OF MARCH 1, 1913	5. DEPRECIATION (Explain in table at foot of page)	6. REPAIRS	7. OTHER EXPENSES (Itemize below)	8. NET INCOME (Enter as Item 7)
	\$	\$	\$	\$	\$	\$	\$

Explanation of deductions claimed in Column 7.....

**SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC. (See Instruction 6)**

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. AMOUNT RECEIVED	4. DEPRECIATION PREVIOUSLY ALLOWED	5. COST	6. VALUE AS OF MARCH 1, 1913	7. SUBSEQUENT IMPROVEMENTS	8. NET PROFIT (Enter as Item 6)
		\$	\$	\$	\$	\$	\$

State how property was acquired.....

**SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS (See Instruction 6a)**

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. DATE SOLD	4. AMOUNT RECEIVED	5. DEPRECIATION PREVIOUSLY ALLOWED	6. COST	7. VALUE AS OF MARCH 1, 1913	8. SUBSEQUENT IMPROVEMENTS, AND CAPITAL DEDUCTIONS	9. NET GAIN OR LOSS (Enter 12 1/2% as Item 45)
	Mo. Day Year	Mo. Day Year	\$	\$	\$	\$	\$	\$

State how property was acquired.....

**SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES (See Instruction 8)**

1. OBLIGATIONS OR SECURITIES	2. INTEREST RECEIVED OR ACCRUED	3. AMOUNT OWNED	4. PRINCIPAL AMOUNT EXEMPT FROM TAXATION	5. AMOUNT OWNED IN EXCESS OF EXEMPTIONS	6. INTEREST ON AMOUNT IN EXCESS OF EXEMPTIONS (Enter as Item 8)
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia.....	\$	\$	All	XXXXXX XX	XXXXXXXX XX
(b) Securities issued under Federal Farm Loan Act, or under such Act as amended.....			All	XXXXXX XX	XXXXXXXX XX
(c) Liberty 3 1/2% Bonds and other obligations of United States issued before Sept. 1, 1917, and obligations of possessions of the United States.....			All	XXXXXX XX	XXXXXXXX XX
(d) Liberty 4% and 4 1/4% Bonds, Treasury 4 1/4% Bonds, Treasury Certificates, and Treasury (War) Savings Certificates.....			\$5,000	\$	\$
(e) Liberty 4% and 4 1/4% Bonds.....			\$50,000		
(f) Treasury Notes.....			None		

**EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A, AND IN ITEM 13**

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. COST	4. VALUE AS OF MARCH 1, 1913	5. SUBSEQUENT IMPROVEMENTS	6. DEPRECIATION PREVIOUSLY ALLOWED	7. INSURANCE AND SALVAGE VALUE	8. NET LOSS (Enter as Item 13)
		\$	\$	\$	\$	\$	\$

**EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES A AND B**

1. KIND OF PROPERTY (If buildings, state material of which constructed)	2. DATE ACQUIRED	3. AGE WHEN ACQUIRED	4. PROBABLE LIFE AFTER ACQUIREMENT	5. COST	6. VALUE AS OF MARCH 1, 1913	AMOUNT OF DEPRECIATION CHARGED OFF	
						7. Previous years	8. This year
				\$	\$	\$	\$

**SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 12, 14, AND 15**


**TAXPAYER'S RECORD OF PAYMENTS**

PAYMENT	AMOUNT	DATE	CHECK OR M. O. No.	BANK OR OFFICE OF ISSUE
First.....				
Second.....				
Third.....				
Fourth.....				

# INSTRUCTIONS

The Instruction Numbers on this Page Correspond with the Item Numbers on the First Page of the Return

## 1. INCOME FROM SALARIES, WAGES, COMMISSIONS, ETC.

Enter as Item 1 on page 1 of the return, all salaries or other compensation credited by or received from outside sources. Use a separate line for each entry, giving the information requested.

Any amount claimed as deduction for necessary expenses against salaries, etc., such as traveling expenses, while away from home in the pursuit of a trade or business, should be fully explained in Schedule F, page 2 of the return, or on an attached statement. Traveling expenses ordinarily include expenditures for railroad fares, meals, and lodging.

## 2. INCOME FROM BUSINESS OR PROFESSION

If you owned a business, or practiced a profession on your own account, fill in Schedule A on page 2 of the return, and enter the net income (or loss) as Item 2 on page 1 of the return.

This schedule should include income derived from the following sources: (a) Sale of merchandise, or products of manufacturing, mining, construction, and agriculture; (b) Business service, such as amusements, hotel and restaurant service, livery and garage service, laundering, storage, transportation, etc.; and (c) Professional service, such as dentistry, law, or medicine. In general, report any income in the earning of which you incurred expenses for material, labor, supplies, etc.

**Farmer's income schedule.**—If you are a farmer or rent 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 1040 F, Schedule of Farm Income and Expenses, and enter the net farm income as Item 2, page 1 of this return. If your farm books of account are kept on an accrual basis, the filing of Form 1040 F is optional. Income from salaries, interest, rents, and sales of property, should be included in Items 1, 3, 5, and 6, respectively, on this return.

**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 1921, 1922, 1923, and 1924 the following information: (a) Gross sales; (b) Cost of goods sold; (c) Gross profits; (d) Percentage of profits to gross sales; (e) Amount collected; and (f) Gross profit on amount collected.

**Kind of business.**—Describe the business or profession in the space provided at the top of page 1, as "grocery," "retail clothing," "drug store," "laundry," "doctor," "lawyer," "farmer," etc.

**Total receipts from business or profession.**—Enter on Line 1 of Schedule A the total receipts from sales or services, less any discounts or allowances from the sale price or service charge.

**Inventories.**—If engaged in a trade or business in which the production, purchase, or sale of merchandise 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 included as "Labor" on Line 2, except a salary for your own services or the services of your dependent minor children, or husband or wife if a joint return is filed.

**Interest.**—Enter on Line 11 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 12 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.

**Losses by fire, storm, etc.**—Enter on Line 13 losses of business property arising from fire, storm, or other casualty, or theft, not compensated for by insurance or otherwise and not made good by repairs claimed as a deduction. Explain this deduction in the table provided therefor at the foot of page 2, giving the information requested.

**Bad debts.**—Enter on Line 14 debts, or portions thereof, arising from sales or services that have been reflected in income, which have been definitely ascertained to be worthless and have been 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.

**Depreciation, obsolescence, and depletion.**—Enter on Line 15 the amount claimed as depreciation by reason of exhaustion, wear and tear of property used in the trade or business, or as obsolescence or depletion, and explain in the table at the foot of page 2 how this amount was determined by giving the information requested. If obsolescence is claimed, explain why useful life is less than actual life.

The amount of depreciation for 1924 on property acquired by purchase should be determined upon the basis of the original cost (not replacement cost) of the property and the probable number of years remaining of its useful life, except if the property was purchased prior to March 1, 1913, it will be computed on the fair market value of such property as of that date or its original cost, whichever is greater. If a return is made on the basis of a fiscal year, the amount of depreciation for 1923 should be determined in the same manner, except if the property was purchased prior to March 1, 1913, it will be computed on the fair market value of such property as of that date. See Articles 161 to 171 of Regulations 65.

In case the property was acquired in any other manner than by purchase, or if a deduction is claimed on account of depletion of mines, oil or gas wells, or timber, see Article 1602 of Regulations 65.

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 use, nor for land (exclusive of improvements thereon), nor on stocks, bonds, and like securities.

**Rent, repairs, and other expenses.**—Enter on Line 16 rent on business property in which you have no equity, ordinary repairs to keep the property in a usable condition, and other necessary business expenses not classified above, such as heat, light, and fire insurance. Do not include rent for a dwelling occupied by you for residential purposes, the cost of business equipment or furniture, expenditures for replacements, or for permanent improvements to property, nor personal living and family expenses.

**Deficit.**—If the amount to be entered on Line 19 shows a deficit, such amount should be preceded by a minus sign or written with red ink.

## 3. INTEREST ON BANK DEPOSITS, ETC.

Enter as Item 3 all interest received or credited to your account during the taxable year on bank deposits, notes, mortgages, and corporation bonds, except interest on bonds upon which a tax was paid at the source. Interest on bonds is considered income when due and payable.

### 3a. INTEREST ON TAX-FREE COVENANT BONDS

Enter as Item 3a all interest received or credited to your account on corporation bonds containing a tax-free covenant, in connection with which you filed a white Ownership Certificate, Form 1000, not claiming exemption.

The tax of 2 per cent paid at the source by the debtor corporation on the amount of such interest should be entered as Item 49 on Form 1040, or Item 68 on Form 1040 FY.

## 4. INCOME FROM PARTNERSHIPS, FIDUCIARIES, ETC.

Enter as Item 4 income of an estate or trust, and your share (whether received or not) in the profits of a partnership, except (a) where the tax or reduction on account of the share of net gain or loss derived from the sale of capital assets is computed as provided in Instruction 6a, such net gain or loss shall be reported separately in Schedule D, and (b) that the share of the profit which consisted of dividends on stock of domestic corporations, and the taxable interest on obligations of the United States, shall be included in Items 7 and 8, respectively, on page 1 of the return.

Enter in Item 1 your share of the earned income from a partnership. If the taxable year on the basis of which you file your return fails to coincide with the annual accounting period of the partnership or fiduciary, then you should include in your return your distributive share of the net profits for such accounting period, ending within your taxable year, and in such case your return shall be filed on Form 1040 FY instead of Form 1040 (see Instruction 19).

## 5. INCOME FROM RENTS AND ROYALTIES

Fill in Schedule B, giving the information requested. 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).

Enter as depreciation the amount of wear and tear, obsolescence, or depletion sustained during the taxable year 1924, and explain in table at foot of page 2.

Other expenses, such as interest, taxes, fire insurance, fuel, light, labor, and other necessary expenses of this character should be itemized.

## 6. PROFIT FROM SALE OF REAL ESTATE, BONDS, ETC.

Describe the property briefly in Schedule C, and state the actual price received, or the fair market value of the property received in exchange. Expenses connected with the sale may be deducted in computing income.

Enter the original cost of the property, and if it was acquired prior to March

value as of March 1, 1913, was determined. If the property was acquired in any other manner than by purchase, see Articles 1591 to 1601 of Regulations 65.

Enter as depreciation the amount of wear and tear, obsolescence, amortization, or depletion previously allowed with respect to such property since date of acquisition, or since March 1, 1913, if the property was acquired before that date.

Subsequent improvements include expenditures for additions, improvements, and repairs made to restore the property or prolong its useful life. Do not deduct ordinary repairs, interest, or taxes in computing gain or loss.

In the case of sales of stocks and bonds, deductions should not be taken in columns 4 and 7 for "Depreciation" and "Subsequent improvements." No loss shall be recognized in any sale or other disposition of shares of stock or securities where you have acquired substantially identical property within 30 days before or after the date of such sale, unless you are a dealer in stock or securities.

In case the amount to be entered as Item 8 is a deductible loss, such amount should be preceded by a minus sign or written with red ink.

## 6a. CAPITAL NET GAIN OR LOSS

If desired, the capital net gain derived from the sale or exchange of capital assets may be computed separately and a tax of 12½ per cent paid on such income in lieu of the regular normal tax and surtax. The term "capital net gain" means the excess of the total amount of capital gain over the sum of (a) the capital deductions and capital losses, plus (b) the amount, if any, by which the ordinary deductions exceed the gross income computed without capital gain.

In case a capital net loss is sustained from the sale or exchange of capital assets, the total normal tax and surtax computed on the basis of the ordinary net income shall be reduced by 12½ per cent of such capital net loss; but in no case shall the tax computed in this manner be less than the total normal tax and surtax that would be imposed without the benefit of this provision. The term "capital net loss" means the excess of the sum of the capital losses plus the capital deductions over the total amount of capital gain.

The term "capital assets" means property held by the taxpayer for more than two years (whether or not connected with his trade or business), but does not include stock in trade of the taxpayer or other property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year, or property held by the taxpayer primarily for sale in the course of his trade or business.

Fill in Schedule D in accordance with Instructions 6 for Schedule C, if the tax is computed under this provision, and enter 12½ per cent of the capital net gain or loss as Item 45 on Form 1040, or Item 59 on Form 1040 FY. In case of a capital net loss, the amount of such loss and the credit claimed should be preceded by a minus sign or written with red ink. (See articles 1651 to 1654 of Regulations 65.)

## 7. DIVIDENDS

Report as Item 7 the amount received as dividends (a) from a domestic corporation other than a corporation entitled to the benefits of Section 262 of the Revenue Act of 1924 and other than a corporation organized under the China Trade Act, 1922, or (b) from a foreign corporation when it is shown to the satisfaction of the Commissioner that more than 50 per cent of the gross income of such foreign corporation for the three-year period ending with the close of its taxable year preceding the declaration of such dividends (or for such part of such period as the corporation has been in existence) was derived from sources within the United States, including your share of such dividends received on stock owned by a partnership, or an estate or trust.

## 8. INTEREST ON LIBERTY BONDS, ETC.

Schedule E should be filled in if you own any of the obligations or securities enumerated in column 1. Enter in column 2 all interest received or credited to your account during the year on these obligations, including your share of such interest received from a partnership, or an estate or trust, and enter in column 3 the principal amounts of the various obligations owned. Interest on all coupons falling due within the taxable year will be considered as income for the year.

If the obligations specified on lines (d) and (e) are owned in excess of the exemptions, or any on line (f) are owned, columns 5 and 6 should be filled in, and the total of column 6 entered as Item 8 on page 1 of the return.

## 9. OTHER INCOME

Enter all other taxable income for which no place is provided elsewhere on page 1 of the return, together with any dividends specifically excluded from Item 7.

## 10. TOTAL INCOME

Enter the net amount of Items 1 to 9, inclusive, after deducting any expenses reported in Item 1, and losses in Items 2, 4, 5, and 6.

## 11. INTEREST PAID

Enter as Item 11 interest paid on personal indebtedness as distinguished from business indebtedness (which should be deducted under Schedules A or B). Do not include interest on indebtedness incurred or continued to purchase or carry obligations or securities (other than obligations of the United States issued after September 24, 1917, and originally subscribed for by you) the interest upon which is wholly exempt from taxation.

## 12. TAXES PAID

Enter as Item 12 personal taxes and all taxes on property not used in business or profession, paid during the year, not including those assessed against local benefits of a kind tending to increase the value of the property. Do not include taxes imposed by Section 600 of the Act upon sales by the manufacturer, Federal income taxes, taxes imposed upon your interest as shareholder of a corporation, which are paid by the corporation without reimbursement from you, nor income and profits taxes claimed as a credit in Item 50, page 1 of Form 1040, or Item 69 on Form 1040 FY, with Form 1116 attached to the return.

Any deduction on account of taxes should be fully explained in Schedule F.

## 13. LOSSES BY FIRE, STORM, ETC.

Enter as Item 13 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. (See Section 214 (a) 6 of the Revenue Act of 1924 and Article 141 of Regulations 65.)

Explain losses claimed in the table provided therefor on page 2 of the return.

## 14. BAD DEBTS

Enter as Item 14 all bad debts other than those claimed as a deduction in items above. State in Schedule F, (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.

## 15. CONTRIBUTIONS

Enter as Item 15 contributions or gifts made within the taxable year to any corporation, or trust, or community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual. The amount claimed shall not exceed 15 per cent of your net income computed without the benefit of this deduction.

Fiduciaries filing this return for estates in the process of administration are allowed, in lieu of this deduction, that provided in Section 219 (b) 1 of the Revenue Act of 1924.

List names of organizations and amounts contributed to each in Schedule F.

## 16. OTHER AUTHORIZED DEDUCTIONS

Enter any other authorized deductions for which no place is provided elsewhere on page 1 of the return. Do not deduct losses incurred in transactions which were neither connected with your trade or business, nor entered into for profit.

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 should be explained in the space provided.

## 17. TOTAL DEDUCTIONS

Enter as Item 17 the total of Items 11 to 16, inclusive. This amount should not include any deduction claimed in Schedule A.

## 18. NET INCOME

Enter as Item 18 the net income, which is obtained by deducting Item 17 from Item 10.

If your income is computed on the basis of a fiscal year, or income is received from a partnership or an estate or trust which makes its return on the basis of a fiscal year, the return shall be made on Form 1040 FY, and the income taxable at the 1923

