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CORRECTED NOTICE

San Francisco, Cal., Jan. 20, 1917

To Our Stockholders:

Under date of December 8th, 1915, a circular from the Commissioner of Internal Revenue, with reference to Income Tax, recites that:

"Taxes paid by a bank on behalf of the stockholder constitute an allowable deduction to the taxpayer, but if subject to a super-tax, the stockholder should enter a like amount **ON LINE 27** of the return, it being held that such payments by the bank are equivalent to an extra dividend."

In connection therewith, we wish to advise that during the year 1916 we have paid taxes on the Capital Stock of The Bank of California, National Association, at the rate of \$2.23 per share.

Very truly yours,

THE BANK OF CALIFORNIA
NATIONAL ASSOCIATION

Jan 15	✓ 31. A	✓ 40.00
Jan 18	1. Jan	✓ 67.00
Jan 15	✓ 100.00	✓ 6.00
"	✓ 100.00	✓ 1.50
Jan 16	✓ 31. A	140.00
Jan	✓ 100.00	2.00
Jan 17	✓ 100.00	24.00
Jan	✓ 100.00	.50
Jan	✓ 100.00	9.00

10652.24	184.00
184.	
<hr/>	
10478.24	

3723.62

3867.12

3567.50

10658.24

184.

~~10474.24~~

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Form 1-647B. **106 A.** NOTICE OF ASSESSMENT AND RECEIPT—INDIVIDUAL INCOME TAX.
 UNITED STATES INTERNAL REVENUE.

COLLECTOR'S OFFICE 14th DISTRICT OF NEW YORK. Form 23B 1917 March;
 (Year) (Month) (Folio) (Line.)

At ALBANY DATE March 6th, 1918. Ind.
 (Individual, withholding agent, or fiduciary.)
 For period ended Dec. 31 1916.

Notice is hereby given that an assessment has been made against you in the amount set opposite as tax on net income as shown on your return, which tax is due and payable to me on or before June 15, next.

Roscoe Ormuy
 Collector of Internal Revenue.

TAXES, PENALTIES, ETC.
 Normal tax \$ 124.13
 Additional tax _____
 50 per cent penalty _____
 100 per cent penalty _____
 Total \$ 124.13
 Received payment, MAR 6 1917
Roscoe Ormuy
 Collector of Internal Revenue.

Franklin D. Roosevelt,
 Hyde Park,
 N. Y.

Uncertified checks
 not accepted

Franklin D. Roosevelt Library

This notice with attached copies must be presented at the time payment is tendered, as when properly stamped "paid" by the collector it becomes a receipt for taxes.

Form 1-647B. **106 A.** NOTICE OF ASSESSMENT AND RECEIPT—INDIVIDUAL INCOME TAX.
 UNITED STATES INTERNAL REVENUE.

COLLECTOR'S OFFICE 14th DISTRICT OF NEW YORK. Form 23B 1917 March;
 (Year) (Month) (Folio) (Line.)

At ALBANY DATE March 6th, 1918. Ind.
 (Individual, withholding agent, or fiduciary.)
 For period ended Dec. 31 1916.

Notice is hereby given that an assessment has been made against you in the amount set opposite as tax on net income as shown on your return, which tax is due and payable to me on or before June 15, next.

Roscoe Ormuy
 Collector of Internal Revenue.

TAXES, PENALTIES, ETC.
 Normal tax \$ 51.15
 Additional tax _____
 50 per cent penalty _____
 100 per cent penalty _____
 Total \$ 51.15
 Received payment, MAR 6 1917
Roscoe Ormuy
 Collector of Internal Revenue.

Mrs. Anna E. Roosevelt,
 Hyde Park,
 Dutchess County,
 N. Y.

Uncertified checks
 not accepted

This notice with attached copies must be presented at the time payment is tendered, as when properly stamped "paid" by the collector it becomes a receipt for taxes.

Assessment List 23-B (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) FRANKLIN D. ROOSEVELT (Street and number.)
HYDE PARK, N. Y.
(Post-office address.) (State.)

	Millions	Thousands	Hundreds	Cents
1. GROSS INCOME (brought from line 31)	\$		229	022
2. GENERAL DEDUCTIONS (brought from line 40)	\$		164	843
3. NET INCOME	\$		213	2179

Dividends and personal exemption to be deducted in computing income subject to normal tax.

	Millions	Thousands	Hundreds	Cents
4. Dividends brought from line 30	\$		935	550
5. Personal exemption (single, \$3,000; married or head of family, \$4,000)	\$		4	000
6. Total dividends and personal exemption (Items 4 and 5)	\$		1335	550
7. AMOUNT OF INCOME subject to normal tax	\$		796	629
8. AMOUNT OF NORMAL TAX at rate of 2 per cent on income shown on line 7	\$		15	933
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)	\$		4	843
10. BALANCE OF normal tax due	\$		110	90

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	\$		132	179	\$		132	22
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	\$				\$			1322
12. Balance of normal tax due, as shown on line 10	\$				\$			11090
13. TOTAL TAX DUE	\$				\$			12412

LIBRARY OF CONGRESS

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 bonds; 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 the source. (See Note 2.)			
	Millions	Thousands	Hundreds	Cents	Millions	Thousands	Hundreds	Cents
TOTAL AMOUNT DERIVED FROM—								
14. Salaries, wages, and commissions	\$		1000		\$		4000	
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							4500	
Wife's income								
18. Interest on notes, mortgages, bank deposits, and from all other sources other than reported on lines 19 and 22								37 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)	\$		484250		\$		8772 22	
26. AGGREGATE TOTALS OF COLUMNS A AND B					\$		13614 72	
27. Dividends on stock of corporations, etc., subject to like tax	\$		9355 50					
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)	\$				\$		9355 50	
31. TOTAL GROSS INCOME (to be entered on line 1)	\$				\$		22970 22	

* 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, and (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).....	\$		205	
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 assessed against local benefits.....			291	93
Wife's deduction				
35. Losses actually sustained during the year, incurred in my 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 my 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 paid due which have been actually ascertained to be worthless and which have been charged off within the year.....			310	
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.				
<i>Bills incurred by employe who has left service & cannot pay</i>				
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 of 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).....			841	50
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.				
<i>House Brick 49 E 65 St. N.Y. City.</i>				
<i>841.50 Depreciation 1%</i>				
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).....	\$		1648	43

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

C 2-2771

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 the 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..., 191...

[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 received 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..., 191...

[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 \$4,000. Guardians or trustees 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.

Dividends

	Total	<u>1916</u>
Jan.	1158.49	1084.91
Feb.	446.13	343.11
Mar.	1449.00	880.67
April	1260.50	63.
May	437.62	
June	291.	2.18
July	1322.00	
August	575.50	
Sept.	1380.50	
Oct.	1424.	
Nov.	436.50	
Dec.	291.00	

10,472.24	2,373.87
2,373.87	accrued 1916
8,098.37	

of which
1917

	1916
Jan.	1084.91
Feb	343.11
Mar	880.67
Apric	63.00
June	2.18
	<hr/>
	2373.81

	1917
	73.58
	103.02 ✓
	578.33
	63.00
	17.82
	<hr/>

55	21
21	
23	25
	<hr/>
99	46

Blue

THE ASSISTANT SECRETARY OF THE NAVY,
WASHINGTON.



From 1916

<i>Month</i>	<i>Bonds Bought</i>	<i>Bonds Sold</i>
<i>Jan. 1161.50</i>	<i>1458.75</i>	<i>117.20</i>
<i>Feb. 294.63</i>	<i>350.</i>	
<i>Mar. 1449.</i>	<i>112.50</i>	
<i>Apr. 1260.50</i>		
<i>May 1600.</i>		
<i>June 241.50</i>		
<i>July 1167.50</i>	<i>1458.75</i>	<i>117.20</i>
<i>Aug. 366.63</i>	<i>350.</i>	
<i>Sept. 200.</i>	<i>350.</i>	
<i>Oct. 1260.50</i>		
<i>Nov. 1260.50</i>		
<i>Dec. 1260.50</i>		
<hr/> <i>9295.50</i>	<hr/> <i>3842.50</i>	<hr/> <i>234.40</i>
<i>Jan. 60.00</i>		
<hr/> <i>9355.50</i>		

Types

W. C. Linn	32. 00
Water Street	5. 25
"	2. 00
Personnel D.C.	27. 00
Income Tax	42. 75
Personal Tax Payment	45. 00
"	13. 00
"	79. 00
"	4. 25
"	8. 00
<hr/>	
	291. 00

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1158.49

Dividends received calendar year 1917:

Jan. 2 -	118 Chicago & Northwestern Com.	\$206.50	✓
" "	34 " " " Pfd.	68.00	✓
	50 Manhattan Railway	87.50	✓
Jan. 8	6 Patterson Ramapo	2.99	✓
" 10	225 Central & S. Am. Telegraph	337.50	✓
" "	50 United N.J.R.R. & CANAL	125.00	✓
" 15	155 Gen. Electric	310.00	✓
" "	7 Merchants Nat. Bank of Rocksie	21.00	✓
Jan. 16	10 First Nat. Bk. Rocksie	40.00	✓
" 18	62 1/2 Bank of Cal.	201.50	✓
Feb. 1	70 Gen. Southern Railway	105.00	✓
"	53 Farmers Loan Trust Co.	165.63	✓
Feb. 15	12 Puf. Roch. & Pitts.	36.00	✓
Mar. 1.	25 Balt. Ohio Com.	68.50	✓
	150 " " Pfd.	300.00	✓
	300 Cal. & Pitts.	162.50	✓
	137 Chi. Mil. & St. Paul Com.	342.50	✓
	135 " " " " Pfd.	472.50	✓
" 15	5 Wamsutta Mills	9.00	✓
Apr. 2	34 1/2 Chi. & Northwestern Pfd.	68.00	✓

3220.62

68

Apr. 2.	118 Chicago & Northwestern Com.	206.50 ✓
	50 Manhattan Railway	87.50 ✓
	63 Union Pacific Pfd.	126.00 ✓
" 10	50 United N.J.R.R. & Canal Co.	125.00 ✓
" 10	225 Central & South America Telegraph	337.50 4260.50
" 14	155 Gen. Electric	882.50 310.00 ✓
" 18	62 Bank of California	139.50 ✓
May 1	66 Farmers' Loan & Trust Co.	298.15 437.62
June 1	300 California & Pitts.	262.50 ✓
" 11	1 N.Y. Life Ins. & Trust Co.	20.00 ✓
" 15	6 Wamsutta Mills	10.82 15.00 ✓ 297.50
✓ July 16	10 First Nat. Bank of Poughkeepsie	40.00
" 2	118 Chicago-Northwestern Com.	206.50 ✓
	34 " " Pfd.	68.00 ✓
	50 Manhattan Railway	87.50 ✓
" 6	6 Paterson & Ramapo Railway	12.00 ✓
" 10	328 Central & So. American Tel	492.00 ✓
	50 United New Jersey R.R. & Canal	125.00 ✓
" 14	155 General Electric	310.00 4322.00
" 16	7 Mchts. Nat. Bank of Poughkeepsie	21.00 ✓
Aug. 1	66 Farmers Loan & Trust Co.	297.00 ✓
	70 Canada Southern Ry.	105.00 ✓
15	12 Buf. Roch & Pitts. Com.	36.00 ✓
18	62 Bank of Calif.	139.50 577 ✓

3867.12

RECEIVED SEP 20 1903

Sept. 1	25	Baltimore & Ohio Com	\$62.50	✓
	150	" " " Pfd.	300.00	✓
	300	Cleveland & Pitts.	262.50	✓
	137	Chi. Mil & St. Paul Com.	274.00	✓
	135	" " " " Pfd.	472.50	✓
	3	Mahoning Investment	9.00	✓
" 17	6	Wamsutta Mills	33.00	✓
Oct. 1	34	Chicago & Northwestern Pfd.	68.00	✓
	118	" " " Com.	206.50	✓
	50	Manhattan Railway	87.50	✓
	63	Union Pacific, Pfd.	126.00	✓
" 9	328	Cent. & S. American Tel.	492.00	✓
	50	United N.J.R.R. & Canal	125.00	✓
" 15	155	General Electric	310.00	✓
" 19	62	Bank of California	139.50	✓
Nov. 1	66	Farmers' Loan & Trust Co.	297.00	✓
Dec. 1	300	California & Pittsburgh	262.50	
" 11	1	N.Y. Life Ins. & Trust Co.	25.00	
" 15	6	Wamsutta Mills	15.00	

0.50 9.00 ✓ 1380.50

1448.00

236.50

392.50

291

3567.50
 3867.12
 3223.62
 10658.24
 184.
 10474.24
 17.

10658.24
 184
 10474.24

IMPORTANT INSTRUCTIONS FOR PREPARING INCOME TAX RETURN ON FORM 1040, REVISED.

WASHINGTON, D. C., December 1, 1916.

READ CAREFULLY ALL INSTRUCTIONS PRINTED ON THE INCOME TAX FORM BEFORE PREPARING THE RETURN.

EVERY CITIZEN OF THE UNITED STATES AND EVERY ALIEN RESIDING WITHIN THE UNITED STATES HAVING FOR THE YEAR 1916 A NET INCOME OF \$3,000 OR OVER, including dividends and income on which the tax has been withheld at the source, IS REQUIRED ON OR BEFORE MARCH 1, 1917, TO MAKE A RETURN ON FORM 1040, REVISED. Such return is required regardless of the fact that in some instances the net income amounts to less than the personal exemption to which the individual is entitled.

Every individual of lawful age is required to render his return *in person* where practicable, or *through an agent* where illness, absence, or nonresidence makes a personal rendering of the return impossible.

Every individual who during the year 1916 pays salary, interest, rental, etc., to another person in excess of \$3,000 is required to withhold 1 per cent from the entire amount paid unless an exemption certificate is filed, in which case the tax should be withheld only on the amount paid in excess of the exemption claimed. Return of the amount withheld should be made on Form 1042.

All taxable income should be reported gross except income from partnerships or fiduciaries, which should be reported net.

Write legibly, using the typewriter when possible.

COMPLETE ENTRIES ON PAGES 2 AND 3 BEFORE MAKING UP PAGE 1.

In the preparation of the return begin on page 2, where the items of gross income should be stated in their proper places, care being taken to 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). The totals of *columns A* and *B* should be entered on line 26. Enter dividends on lines 27, 28, and 29 and the entire total should be entered on line 31.

NEXT, DEDUCTIONS SHOULD NOW BE ENTERED ON PAGE 3.

Care should be taken to enter under the several heads of deduction only such items as are comprehended in the description under each head. Particular attention should be given to complying with the details prescribed under each head.

Note particularly as to *taxes*. *Inheritance taxes and taxes paid for local benefits are not deductible*. Tax paid by a bank on behalf of a stockholder constitutes an allowable deduction as tax to the stockholder in a return of income. Such payments by the bank are held to be equivalent to an extra dividend and must be included by the stockholder in his return of income and entered on line 27 of the return.

As to *depreciation*: No depreciation is allowed for decrease in value of land; the depreciation allowed relates only to wear and tear of buildings, equipment, etc., growing out of use in business. The decrease in value of *stocks, merchandise, and bonds* does not constitute an allowable deduction as depreciation or otherwise.

As to *depletion*: The purpose of this deduction is to exempt from tax so much of the gross income derived during the tax year from the well or mine as represents the capital originally invested in the product mined and sold from a mine or well acquired subsequent to March 1, 1913, or, if the property was acquired prior to that date, the fair market value in the mine or well on that date of the product mined and sold. When the deductions allowed under this heading equal the entire capital originally invested, or the fair market value of the property as of March 1, 1913, no further deduction shall be allowed.

TOTALS SHOULD NOW BE CARRIED TO PAGE 1.

All entries on pages 2 and 3 having been made, income shown on line 31 should be entered on line 1; deductions shown on line 40 should be entered on line 2; income shown on line 30 should be entered on line 4; personal exemption should be entered on line 5; the sum of lines 4 and 5 should be entered on line 6; subtract the amount shown on line 6 from the amount shown on line 3; the result will give the income subject to normal tax at 2 per cent which should be entered on line 7; extend the normal tax at 2 per cent on line 8 upon the amount of income shown on line 7; extend on line 9 one per cent of income shown on line 25, *column A*, and subtract from amount entered on line 8, the difference will leave the amount of normal tax due, which should be entered on line 10. Ascertain the additional tax as provided on page 1 of the return and enter on line 13 the total tax to be paid.

Having finished with page 1 you should turn to page 4, *answer all questions thereon* and sign the return, which should be acknowledged before a deputy collector or some officer authorized to administer oaths, and should be filed after December 31, 1916, and not later than March 1, 1917, with the Collector of Internal Revenue for the district in which you reside.

~~Either husband or wife may make, sign, and verify a return of their joint income.~~ Where husband and wife have separate incomes they may make a joint return of such separate income, both subscribing to the return, or they may make separate returns of their respective incomes, but in no case shall they claim or be allowed more than \$4,000 exemption on their aggregate incomes.

The combined income of husband and wife is subject only to normal tax. The additional tax is taken only against the individual income of the taxpayer. Where husband and wife each have an income *in excess of \$20,000*, each should make a separate return.

If in doubt as to any question, inquiry should be made of the Collector of Internal Revenue for your district.

Failure to correctly make out the return or to give all of the detailed information called for therein may necessitate the filing of a new return or having an investigation made by a revenue agent. You are, therefore, earnestly requested to comply with the instructions for making the return.

It is suggested that you retain a copy of your return.

W. H. OSBORN,
Commissioner of Internal Revenue.