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**DUPLICATE**

**INDIVIDUAL INCOME TAX RETURN**

FOR NET INCOMES FROM SALARIES OR WAGES OF MORE THAN \$5,000  
AND INCOMES FROM BUSINESS, PROFESSION, RENTS, OR SALE OF PROPERTY

**For Calendar Year 1929**

File This Return With the Collector of Internal Revenue for Year District on or Before March 15, 1930

PRINT NAME AND ADDRESS PLAINLY BELOW

*Franklin D. Roosevelt*  
(Name)

*Hyde Park, Westchester Co. N.Y.*  
(Street and number, or rural route) (Post office) (County) (State)

Occupation

**DUPLICATE**

IF YOU NEED  
ASSISTANCE, GO TO A  
DEPUTY COLLECTOR  
OR TO THE  
COLLECTOR'S OFFICE

DETACH AND RETAIN  
THIS COPY AND  
THE INSTRUCTIONS

- 1. Are you a citizen or resident of the United States? *Y*
- 2. If you filed a return for 1928, to what Collector's office was it sent? *Albany*
- 3. Is this a joint return of husband and wife? *N*
- 4. State name of husband or wife if a separate return was made and the Collector's office where it was sent. *Anna Eleanor Roosevelt Albany*
- 5. Were you married and living with husband or wife on the last day of your taxable year? *Y*
- 6. If not, were you on the last day of your taxable year supporting in your household one or more persons closely related to you?
- 7. If your status in respect to questions 5 and 6 changed during the year, state date and nature of change.
- 8. How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support were receiving their chief support from you on the last day of your taxable year? *2*

Item and Instruction No.	INCOME	Amount received	Expenses paid (Report in Schedule Z)		
1. Salaries, Wages, Commissions, etc. (State name and address of employer)	<i>Jim &amp; Additional Salary year 1927, fully paid to 25,000</i>	<i>25,000</i>		<i>50,000.00</i>	
" "	<i>Balto. Md</i>	<i>25,000</i>			
2. Income from Business or Profession. (From Schedule A)	<i>See also 11.6</i>			<i>10,000.00</i>	
3. Interest on Bank Deposits, Notes, Corporation Bonds, etc. (except interest on tax-free covenant bonds)				<i>1,310.55</i>	
4. Interest on Tax-free Covenant Bonds Upon Which a Tax was Paid at Source.				<i>1,053.75</i>	
5. Income from Partnerships. (State name and address)					
6. Income from Fiduciaries. (State name and address)					
7. Rents and Royalties. (From Schedule B)				<i>62.00</i>	
8. Profit from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C)				<i>14,425.13</i>	
9. Dividends on Stock of Domestic Corporations				<i>4,767.74</i>	
10. Taxable Interest on Liberty Bonds, etc. (From Schedule E)					
11. Other Income (including dividends on stock of foreign corporations). (State nature of income)					
(a) <i>Auto Ins. 1928</i>				<i>7.20</i>	
(b) <i>Auto Ins. 1928</i>				<i>318.40</i>	
12. TOTAL INCOME IN ITEMS 1 TO 11					<i>82,277.17</i>
<b>DEDUCTIONS</b>					
13. Interest Paid.				<i>596.28</i>	
14. Taxes Paid. (Explain in Schedule F)				<i>466.39</i>	
15. Losses by Fire, Storm, etc. (Explain in Table at foot of page 2)					
16. Bad Debts. (Explain in Schedule F)				<i>419.22</i>	
17. Contributions. (Explain in Schedule F)				<i>8,610.50</i>	
18. Other Deductions Authorized by Law. (Explain in Schedule F)					
19. TOTAL DEDUCTIONS IN ITEMS 13 TO 18					<i>10,072.39</i>
20. NET INCOME (Item 12 minus Item 19)					<i>72,204.78</i>

EARNED INCOME CREDIT			COMPUTATION OF TAX (See Instruction 23)			
21. Earned Income (not over \$30,000)	<i>\$25,000.00</i>		33. Net Income (Item 20 above)	<i>\$72,204.78</i>	44. Normal Tax (1 1/2% of Item 40) <i>1 1/2</i>	<i>20.00</i>
22. Less Personal Exemption and Credit for Dependents	<i>430.00</i>		34. Less: Dividends (Item 9)	<i>4,767.74</i>	45. Normal Tax (3% of Item 42) <i>3</i>	<i>80.00</i>
23. Balance (Item 21 minus 22)	<i>\$25,789.00</i>		35. Interest on Liberty Bonds, etc. (Item 10)		46. Normal Tax (5% of Item 43) <i>4</i>	<i>2,075.64</i>
24. Amount taxable at 1 1/2% (not over \$5,000)	<i>5,000.00</i>		36. Credit for Dependents	<i>222.00</i>	47. Surtax on Item 20 (see Instruction 23)	<i>585.29</i>
25. Amount taxable at 3% (not over \$4,000)	<i>4,000.00</i>		37. Personal Exemption	<i>25.00</i>	48. Tax on Net Income (total of Items 44 to 47)	<i>8,026.22</i>
26. Amount taxable at 5% (balance over \$8,000 of Item 23)	<i>17,789.00</i>		38. Total of Items 34 to 37	<i>\$9,000.74</i>	49. Tax on Capital Gain or Loss (12 1/2% of Col. 8, Sched. D)	
27. Normal Tax (1 1/2% of Item 24) <i>1 1/2</i>	<i>3.20</i>		39. Balance (Item 23 minus 38)	<i>\$16,789.26</i>	50. Total of or difference between Items 48 and 49	<i>\$8,026.22</i>
28. Normal Tax (3% of Item 25) <i>2</i>	<i>80.00</i>		40. Amount taxable at 1 1/2% (not over \$4,000)	<i>4,000.00</i>	51. Less Credit of 25% of Tax on Earned Income (Item 32)	<i>513.41</i>
29. Normal Tax (5% of Item 26) <i>4</i>	<i>2,075.64</i>		41. Balance (Item 39 minus 40)	<i>\$12,789.26</i>	52. Total Tax (Item 50 minus 51)	<i>7,512.81</i>
30. Surtax on Item 21	<i>88.00</i>		42. Amount taxable at 3% (not over \$4,000)	<i>4,000.00</i>	53. Less Income Tax Paid at Source	<i>5.27</i>
31. Tax on Earned Net Income (total of Items 27 to 30)	<i>\$1,688.00</i>		43. Amount taxable at 5% (Item 41 minus Item 42)	<i>\$8,789.26</i>	54. Income Tax paid to a foreign country or U. S. possession	
32. Credit of 25% of Tax (not over 25% of Items 30, 44, 45, and 46)	<i>\$417.00</i>				55. Balance of Tax (Item 52 minus Items 53 and 54)	<i>\$7,507.54</i>

TAXPAYER'S RECORD OF PAYMENTS					
PAYMENT	AMOUNT	DATE	CHECK OR M. O. NO.	BANK OR OFFICE OF TAXES	
First					
Second					
Third					
Fourth					

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

1. Total receipts from business or profession (state kind of business) <i>Lawn</i>		\$10,000.00
<b>OTHER BUSINESS DEDUCTIONS</b>		
2. Labor	10. Salaries not included as "Labor," in Line 2. (Do not deduct compensation for your services)	
3. Material and supplies	11. Interest on business indebtedness to others	
4. Merchandise bought for sale	12. Taxes on business and business property	
5. Other costs (itemize below or on separate sheet)	13. Losses (explain in table at foot of page)	
6. Plus inventory at beginning of year	14. Bad debts arising from sales or services	
7. TOTAL (Lines 2 to 6)	15. Depreciation, obsolescence, and depletion (explain in table provided at foot of page)	
8. Less inventory at end of year	16. Rent, repairs, and other expenses (itemized below or on separate sheet)	
9. NET COST OF GOODS SOLD (Line 7 minus Line 8)	17. TOTAL (Lines 10 to 16)	
Enter "C," "G" or "M," on Lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.		18. TOTAL DEDUCTIONS (Line 9 plus Line 17)
Explanation of deductions claimed on Lines 5 and 16		19. NET PROFIT (Line 1 minus Line 18) (Enter as Item 2)

**SCHEDULE B—INCOME FROM RENTS AND ROYALTIES** (See Instruction 7)

1. KIND OF PROPERTY	2. AMOUNT RECEIVED	3. COST OR VALUE AS OF MARCH 1, 1913, WHICHEVER GREATER	4. DEPRECIATION (Explain in table at foot of page)	5. REPAIRS	6. OTHER EXPENSES (Itemize below)	7. NET PROFIT (Enter as Item 7)
<i>Furniture, Dept. Bldg.</i>	\$ 300.00			\$ 219.00	\$ 172.00	\$ - 62.00

Explanation of deductions claimed in Column 6

**SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC.** (See Instruction 8)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. AMOUNT RECEIVED	4. DEPRECIATION ALLOWABLE SINCE ACQUISITION	5. COST OR VALUE AS OF MARCH 1, 1913, WHICHEVER GREATER	6. SUBSEQUENT IMPROVEMENTS	7. NET PROFIT (Enter as Item 8)

State how property was acquired

**SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS** (See Instruction 8a)

1. KIND OF PROPERTY	2. DATE ACQUIRED Mo. Day Year	3. DATE SOLD Mo. Day Year	4. AMOUNT RECEIVED	5. DEPRECIATION ALLOWABLE SINCE ACQUISITION	6. COST OR VALUE AS OF MARCH 1, 1913, WHICHEVER GREATER	7. SUBSEQUENT IMPROVEMENTS AND CAPITAL DEDUCTIONS	8. NET GAIN OR LOSS (Enter 124% as Item 8)

State how property was acquired

**SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES** (See Instruction 10)

1. OBLIGATIONS OR SECURITIES	2. INTEREST RECEIVED OR ACCRUED	3. AMOUNT OWNED	4. FEDERAL AMOUNT EXEMPT FROM TAXATION	5. AMOUNT OWNED IN EXCESS OF EXEMPTION	6. INTEREST OR AMOUNT IN EXCESS OF EXEMPTION (Enter as Item 10)
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia			ALL	XXXXXX XX	XXXXXX XX
(b) Securities issued under Federal Farm Loan Act or as Amended, and Certificates of Indebtedness issued after June 17, 1929			ALL	XXXXXX XX	XXXXXX XX
(c) Liberty 3 1/2% Bonds and other obligations of United States issued on or before September 1, 1917, and obligations of U. S. possessions			ALL	XXXXXX XX	XXXXXX XX
(d) Liberty 4% and 4 1/2% Bonds, Certificates of Indebtedness issued before June 18, 1929, Treasury Bonds and Savings Certificates			\$5,000.		
(e) Treasury Notes			None		

**SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 14, 16, 17, AND 18**

Item 14. Transfer to Dep. 302.20 Club 29-10 - Har. 1913. 65 - Longhills 1890

Item 16. William R. Anderson Natl. Company defunct - no assets.

Item 17. See list annexed.

**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 OR VALUE AS OF MARCH 1, 1913, WHICHEVER GREATER (Exclusive of Land)	AMOUNT OF DEPRECIATION CHARGED OFF	
					6. Previous years	7. This year

**EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A, AND IN ITEM 15**

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. COST OR VALUE AS OF MARCH 1, 1913, WHICHEVER GREATER	4. SUBSEQUENT IMPROVEMENTS	5. DEPRECIATION ALLOWABLE SINCE ACQUISITION	6. INSURANCE AND SALVAGE VALUE	7. DEDUCTIBLE LOSS

# 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 a 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 on 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 from: (a) Sale of merchandise or products of manufacturing, mining, construction, and agriculture; (b) Business service, such as hotel, restaurant, and garage service, amusements, 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 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, and enter the net farm income as Item 2 on page 1 of this return. If your farm books of account are kept on an accrual basis, the filing of Form 1040F is optional.

**Installment sales.**—If the installment method is used, attach to the return a schedule showing separately for the years 1926, 1927, 1928, and 1929 the following: (a) Cost of goods sold; (b) Gross profit; (c) Percentage of profit to gross sales; (d) Amount collected; and (e) Gross profit on amount collected. See Article 851 of Regulations 74.

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

**Inventories.**—If engaged in trade or business in which the production, purchase, or sale of merchandise is an income-producing factor, inventories of merchandise on hand should be taken at the beginning and end of the taxable year, which may be valued at cost, or cost or market, whichever is lower.

**Salaries.**—Enter on Line 10 all salaries not included as "Labor" on Line 2, except compensation for your services, your dependent minor children, or husband or wife, if a joint return is filed, which is not deductible.

**Interest.**—Enter on Line 11 interest on business indebtedness. 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, nor Federal income taxes.

**Losses.**—Enter on Line 13 losses incurred in the trade or business, if not compensated for by insurance or otherwise and not made good by repairs claimed as deductions. Do not include losses from fire, storm, etc., should be explained in the table at the foot of page 2 of the return.

**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 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.**—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. If obsolescence is claimed, explain why the useful life is less than the actual life.

The amount of depreciation on property acquired by purchase should be determined on 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 the property was acquired in any other manner than by purchase, see Articles 201 to 210 of Regulations 74.

In case a deduction is claimed on account of depletion of mines, oil or gas wells, or timber, see Article 221 to 257 of Regulations 74.

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

## 4. INTEREST ON TAX-FREE COVENANT BONDS

Enter as Item 4 bond interest upon which a tax was paid at source. If a tax was paid at source on such interest, it was entered on Line 2 of Form 1000 which indicates that Item 39 will not exceed \$4,000, or 2 per cent was paid if the interest was entered on Line 3 of Form 1000 which indicates that Item 39 will exceed \$4,000. Such tax paid at source may be claimed as a credit in Item 53 on the return.

## 5 AND 6. INCOME FROM PARTNERSHIPS AND FIDUCIARIES

Enter as Item 5 your share (whether received or not) of the profits of a partnership, and as Item 6 income from an estate or trust, except that the share of (a) capital net gain or loss computed as provided in Instruction 8a shall be reported in Schedule D, (b) profits which consisted of dividends on stock of domestic corporations shall be included in Item 9, and (c) taxable interest on obligations of the United States shall be included in Schedule E, on the return. Include in Items 53 and 54, respectively, credits claimed for income tax paid at source, and foreign income taxes.

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.

## 7. INCOME FROM RENTS AND ROYALTIES

Fill in Schedule B, giving the information requested. If you received rent in cash or in kind, 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, or depletion sustained during the taxable year 1929, and explain in the table at the 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.

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

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

Enter the cost of the property, or if acquired prior to March 1, 1913, its fair market value as of that date, whichever is greater. Attach statement

explaining how the value as of March 1, 1913, was determined. If the property was not acquired by purchase, see Articles 591 to 604 of Regulations 74.

Enter as depreciation the amount of wear and tear, obsolescence, or depletion which has been allowable in respect of such property since date of acquisition, or since March 1, 1913, if the property was acquired before that date. In addition, if the property was acquired before March 1, 1913, and if the cost of such property is greater than its fair market value as of that date, the cost shall be reduced by the depreciation actually sustained before that date.

Subsequent improvements include expenditures for additions, improvements, and repairs made to restore the property or prolong its useful life.

No loss shall be recognized in any sale or other disposition 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 securities.

In case the amount to be entered in Column 7 is a deductible loss, such amount should be preceded by a minus sign or written with red ink.

## 8a. CAPITAL NET GAIN OR LOSS

If desired, a capital net gain derived from the sale or exchange of capital assets may be computed separately and a tax of 12½ per cent paid thereon in lieu of the 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 normal 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 you for more than two years (whether or not connected with your trade or business), but does not include your stock in trade or other property of a kind which would properly be included in your inventory if on hand at the close of the taxable year, or property held by you primarily for sale in the course of your trade or business.

Fill in Schedule D in accordance with Instruction 8, if the tax is computed under this provision, and enter 12½ per cent of the capital net gain or loss as Item 49 on page 1 of the return. 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 501 to 503 of Regulations 74.

## 9. DIVIDENDS

Enter as Item 9 the amount received as dividends (a) from a domestic corporation other than a corporation entitled to the benefits of Section 251 of the Act of 1928 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.

## 10. 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 amount of the various obligations owned.

Interest on all coupons falling due within the taxable year will be considered income for the year, where the books are kept on a cash receipts and disbursements basis. If the books are kept on an accrual basis, report the actual amount of interest accrued on the obligations owned during the taxable year.

If the obligations enumerated on Line (3) are owned in excess of the exemption of \$5,000, or any on Line (4) are owned in excess of Columns 5 and 6 should be filled in, and the total of the interest reported on Lines (4) and (5), Column 6, entered as Item 10 on page 1 of the return.

## 11. OTHER INCOME

Enter as Item 11 all other taxable income for which no place is provided on the return, together with any dividends specifically excluded from Item 9.

## 12. TOTAL INCOME

Enter as Item 12 the net amount of Items 1 to 11, inclusive, after deducting any expenses reported in Item 1, and losses in Items 2, 5, 7, and 8.

## 13. INTEREST PAID

Enter as Item 13 interest paid on personal indebtedness as distinguished from business indebtedness (which should be deducted under Schedule A or B). Do not include interest on indebtedness incurred to purchase or carry obligations or securities the interest upon which is wholly exempt from taxation.

## 14. TAXES PAID

Enter as Item 14 personal taxes and taxes paid on property not used in your business or profession, not including those assessed against local benefits of a kind tending to increase the value of the property assessed. Do not include 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 taxes claimed as a credit in Item 54.

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

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

Enter as Item 15 losses of property not connected with your business or profession, sustained during the year if arising from fire, storm, shipwreck, or other casualty, or from theft, and if not compensated for by insurance or otherwise. See Article 171 of Regulations 74.

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

## 16. BAD DEBTS

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

## 17. CONTRIBUTIONS

Enter as Item 17 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.

A fiduciary filing the return for an estate in process of administration may claim, in lieu of this deduction, that provided in Article 892 of Regulations 74. List organizations and amounts contributed to each in Schedule F.

## 18. OTHER DEDUCTIONS

Enter as Item 18 any other authorized deductions for which no place is provided on the return. Do not deduct losses incurred in transactions which were neither connected with your trade or business, nor entered into for profit.

If the return is filed for an estate in process of administration, there may be deducted the amount of any income paid or credited to a beneficiary. Any deduction claimed should be explained in Schedule F.

## 19. TOTAL DEDUCTIONS

Enter as Item 19 the total of Items 13 to 18, inclusive. This amount should not include any deduction claimed in Schedule A or B.

## 20. NET INCOME

Enter as Item 20 the net income, which is obtained by deducting Item 19 from Item 12. The net income shall be computed upon the basis of the taxable year in accordance with the method of accounting regularly employed in keeping your books, unless such method does not clearly reflect your income.

**21. 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 year 1929 amounted to \$5,000, or whose net income amounted to—

- (a) \$1,500 if single or if married and not living with husband or wife;
- (b) \$3,500 if married and living with husband or wife; or
- (c) More than the personal exemption if status of taxpayer changes.

If an individual is single and the net income, including that of dependent minors, if any, is \$1,500 or over, or if the gross income is \$5,000 or over, a return must be filed. If the combined net income of husband and wife, and dependent minor children, if any, is \$3,500 or over, or if their combined gross income is \$5,000 or over, all such income must be reported on a joint return, or on separate returns of husband and wife. In case the husband and wife elect to file separate returns and their combined net income is \$5,000 or over, each shall make a return on Form 1040.

If the net income of a decedent to the date of his death was \$1,500 or over, if unmarried, or \$3,500 or over, if married and living with husband or wife, or if his gross income for the period was \$5,000 or over, the executor or administrator shall make a return for him on Form 1040 or 1040A.

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

**22. PERSONAL EXEMPTION AND CREDIT FOR DEPENDENTS**

A single person, or a married person not living with husband or wife, may claim an exemption of \$1,500. A person who was the head of a family or was married and living with husband or wife during the entire taxable year, may claim an exemption of \$3,500. If husband and wife file separate returns, the exemption may be taken by either or divided between them.

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

In addition to the personal exemption, a credit of \$400 may be claimed for each person (other than husband or wife) under eighteen years of age, or incapable of self-support because mentally or physically defective, who was receiving his or her chief support from the taxpayer on the last day of the taxable year. This credit can be claimed only by the person who furnishes the chief support, and can not be divided between two individuals.

In case the status of a taxpayer changes during the year, the personal exemption shall be an amount which bears the same ratio to \$1,500 as the number of months the taxpayer was single bears to twelve months, plus an amount which bears the same ratio to \$3,500 as the number of months the taxpayer was married and living with husband or wife, or was the head of a family, bears to twelve months. For this purpose a fractional part of a month shall be disregarded unless it amounts to more than half a month, in which case it shall be considered as a full month. The exemption shall not exceed \$3,500 where the head of a family is married during the year.

In the case of an individual who dies during the taxable year, the personal exemption and credit for dependents shall be determined by his or her status at the time of death. Full credits shall also be allowed to the surviving spouse according to the rules set out at the close of the taxable year.

Where a return is filed on Form 1040 for an estate in process of administration, or for a trust, an exemption of \$1,500 may be claimed.

**23. COMPUTATION OF TAX**

**Earned income.**—In computing the tax on your net income you may claim a credit of 25 per cent of the tax on your earned net income.

To determine this credit, compute the tax on your earned net income in Items 21 to 31 on page 1 of the return, as if it were your entire net income. Items 32 and 31 will be 25 per cent of Item 31, or 25 per cent of the sum of Items 30, 45, 46, and 48, whichever amount is the smaller.

**Earned income** may consist of amounts received as compensation for personal services actually rendered, or an amount not in excess of 20 per cent of the net profits derived by you from a trade or business in which both personal services and capital are material income-producing factors.

If your net income is not more than \$5,000, the entire amount shall be considered as earned net income, or if your net income is more than \$5,000, the earned net income shall not be considered to be less than \$5,000. In no case shall the earned net income be more than \$30,000.

**Income from a partnership or fiduciary computed on a fiscal year basis.**—The tax on income received from a partnership or fiduciary making a return for a fiscal year ended in 1929 shall be computed as if such income were for the calendar year 1929.

**Income tax paid to a foreign country or U. S. possession.**—If a credit is claimed in Item 34 for income tax paid to a foreign country or a possession of the United States, submit Form 1116 with your return with the receipts for such payments. In case credit is sought for taxes accrued the form must have attached to it a certified copy of the return on which the tax was based, and the Commissioner may require a bond on Form 1117 for the payment of any tax found due if the tax when paid differs from the credit claimed.

**Surtax.**—The surtax for any amount of net income not shown in the table below is computed by adding to the surtax for the largest amount shown which is less than the income, the surtax upon the excess over that amount at the rate indicated in the table.

In the case of bona fide sale of mines, oil or gas wells, or any interest therein, the surtax on the profit shall not exceed 16 per cent of the selling price. See Article 511 of Regulations 74.

The surtax upon \$16,450 would be \$93.50, computed as follows:

1. ITEMS	EXAMPLE FOR NET INCOME OF \$16,000		COMPUTATION OF SURTAX ON ITEM 30, PAGE 1 OF THE RETURN	
	2. Net income	3. Surtax	4. Net income	5. Surtax
Surtax from table on	\$16,000.00	\$30.00		\$
Surtax at 3 per cent on	450.00	13.50		
TOTAL	\$16,450.00	\$93.50		\$

**SURTAX RATES FOR 1929**

Amount of net income	Rate per cent		Amount of net income	Rate per cent	
	A	B		A	B
\$0 to \$10,000			\$40,000 to \$44,000	11	\$2,240
10,000 to 14,000	1	\$40	44,000 to 48,000	12	2,720
14,000 to 18,000	2	80	48,000 to 52,000	13	3,200
18,000 to 22,000	3	140	52,000 to 56,000	14	3,680
22,000 to 26,000	4	220	56,000 to 60,000	15	4,160
26,000 to 30,000	5	320	60,000 to 64,000	16	4,640
30,000 to 34,000	6	440	64,000 to 70,000	17	5,040
34,000 to 38,000	7	580	70,000 to 80,000	18	5,840
38,000 to 42,000	8	740	80,000 to 100,000	19	7,160
42,000 to 46,000	9	920	100,000 up	23	
46,000 to 49,000	10	1,100			

**24. 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 117 of the Revenue Act of 1928:

(a) Amounts received under a life insurance contract paid by reason of the death of the insured, whether in a single sum or in installments (but if such amounts are held by the insurer under an agreement to pay interest thereon, the interest payments shall be included in gross income);

(b) Amounts received (other than amounts paid by reason of the death of the insured and interest payments on such amounts) under a life insurance, endowment, or annuity contract, but if such amounts (when added to amounts received before the taxable year under such contract) exceed the aggregate premiums or consideration paid (whether or not paid during the taxable year) then the excess shall be included in gross income. In the case of a transfer for a valuable consideration, by assignment or otherwise, of a life insurance, endowment, or annuity contract, or any interest therein, only the actual value of such consideration and the amount of the premiums and other sums subsequently paid by the transferee shall be exempt from taxation under paragraph (d) above of this paragraph;

(c) Gifts (not made as a consideration for service rendered), and money and property acquired by bequest, devise, or inheritance (but the income derived from such property is held by an individual 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 or under such Act as amended; or (3) the obligations of the United States or its possessions. In the case of obligations of the United States issued after September 1, 1917 (other than postal savings certificates of deposit) the interest on 4 per cent and 4 1/2 per cent Liberty Bonds, Treasury Certificates of Deposit issued before June 18, 1929, Treasury Bonds, and Treasury Savings Certificates, owned in excess of \$6,000, and the interest on Treasury Notes, is subject to surtax if the net income is over \$10,000, and should be reported (see instruction 10);

(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 the World War Veterans' Act, 1924, 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, or as a State pension for services rendered by the beneficiary or another for which the State is paying a pension;

(g) Amounts received by an individual as dividends or interest, not exceeding \$500, from domestic building and loan associations, substantially all the business of which is confined to making loans to members;

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

(i) Compensation paid by a State or political subdivision thereof to its officers or employees; and

(j) Amounts received as earned income from sources without the United States by an individual citizen of the United States who is a bona fide non-resident for more than six months during the taxable year. The taxpayer in such a case may not deduct from his gross income any amount properly allocable to or chargeable against the amount so excluded from his gross income.

**25. 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.

**26. PERIOD TO BE COVERED BY RETURN**

Your return for the calendar year 1929 shall be made on Form 1040. If the return is for a fiscal year ending on the last day of any month, other than December, in 1929, Form 1040-FY should be used.

The accounting period established must be adhered to for subsequent years, unless permission was received from the Commissioner to make a change.

An application for a change in the accounting period shall be made on Form 1128 and forwarded to the Collector prior to the expiration of thirty days from the close of the proposed taxable year.

**27. AFFIDAVIT**

The affidavit must be executed by the person whose income is reported 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. 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.

**28. WHEN AND WHERE THE RETURN MUST BE FILED**

The return must be sent to the Collector of Internal Revenue for the district in which you live or have your principal place of business, so as to reach the Collector's office on or before March 15, 1930. In case you have no legal residence or place of business in the United States, the return should be forwarded to the Collector of Internal Revenue, Baltimore, Maryland.

**29. 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 city and State)." Do not send cash by mail, nor pay it in person, except at the Collector's office.

The tax may be paid when the return is filed, or in four equal installments, as follows: The first installment shall be paid on or before March 15, 1930, the second installment shall be paid on or before June 15, 1930, the third installment on or before September 15, 1930, and the fourth installment on or before December 15, 1930.

If any installment is not paid on the date fixed for payment the whole amount of tax unpaid shall be paid upon notice and demand by the Collector.

**30. PENALTIES**

For willful failure to make and file a return on time.—Not more than \$10,000 or imprisonment for not more than one year, or both, and, in addition, 25 per cent of the amount of the tax.

For willfully making a false or fraudulent return.—Not more than \$10,000 or imprisonment for not more than five years, or both, and, in addition, 50 per cent of the amount of the tax.

For deficiency in tax.—Interest on deficiency at 8 per cent per annum to the date the deficiency is assessed, or to the thirtieth day after the filing of a waiver of the right to file a petition with the Board of Tax Appeals, whichever date is the earlier, and, in addition, 5 per cent of the amount of the deficiency if due to negligence or intentional disregard of rules and regulations without intent to defraud, or 50 per cent of amount of deficiency if due to fraud.

**31. INFORMATION AS TO SOURCE**

Every person making payments of salaries, wages, interest, rents, commissions, or other fixed or determinable income of \$1,500 or more during the calendar year, to a single person, a partnership, or a fiduciary, or \$3,500 or more to a married person, is required to make a return to the Commissioner of Internal Revenue, showing the amount of such payments and the name and address of each recipient. Forms 1098 and 1099, for reporting this information, will be furnished by any collector of internal revenue upon request. Such returns covering the calendar year 1929 must be forwarded to the Commissioner of Internal Revenue, Sorting Station, Washington, D. C., in time to be received not later than February 1, 1930.

929

Christians  
Contributions

Netherlands Am. Foundation	10.00	Dutchess Co. Farm Bureau	3.00
Lastport, Me. Catholic Church	5.00	<del>Am. Legion</del>	<del>5.00</del>
Jewish War Veterans	25.00	" "	40.00
St. Stephen's College	10.00	Isaac Walton Leager	5.00
Nat. Inst. of Social Sciences	5.00	<del>Am. Legion</del>	<del>5.00</del>
Near East Relief	100.00	St. Jean's Church Menards	10.00
Van Kts Sons Assoc	2.00	Archaeological Soc. of Am.	10.00
Still, So. Car. M.E. Church	5.00	<del>Am. Legion</del>	<del>5.00</del>
Harvard Univ.	401.00	Dutchess Co. Bd. of Child Welfare	10.00
Civil Service Refere. Assoc.	7.50	U.S. Naval Institute	3.00
Graduate Theology School	10.00	Reformed Church Fort Hill	5.00
Museum of the City of N.Y.	100.00	Am. Red Cross	25.00
Grout School	25.00	Epis. Church Congress	5.00
Madras Wilson Nurses Assoc.	10.00		116.00
St. James Church Hyde Park	196.00		994.50
Webster Church, Webster, Fla.	5.00		1110.50
St. John's Church Springfield Mo.	25.00		
<del>Harvard Univ.</del>	<del>10.00</del>		
Son's Knox Memorial Assoc.	10.00	G.A.W.S.F.	7500.
Royal Arch Masons Benefit Annual	80.00		8610.50
Hopewell 1911. S. Church, Danvers	25.00		
Con. Ornithologists Union	3.00		
Fed. Council of Churches	5.00		
	994.50		

1929

Lazard Freres

Bought

		Sold
Jun. 23. Am. Int. 2	5,272.91	Wamp 5383.19
April 12 100 St. Oil. Cal.	7932.50	
Feb 20 2 <sup>nd</sup> Gen Am. Inv.	5687.50	
Nov 8 200 Com. Cal.	5880.	
Oct 31 Pur. Bakeria	8995.	
Sept 23 Am Int.	6317.50	Sept 20 9476.00
Sept 17 100 Lohman	10,400	
1/2 C.A.M. Co. Com.		
196 <sup>89</sup> / <sub>100</sub> " " Fed		
Sept 16 1500 n. Com.		1848.00
Oct 11 8400 " "		3587.00
Nov 16 86 " "		59.34

Lazard Freres

Dividends -

✓ April 1. 50 2 <sup>nd</sup> Gen Am. Invest.	75.00	✓
✓ July 1	75.00	✓
✓ June 15 100 <sup>th</sup> ton. Oil. Cal.	62.50	✓
✓ Oct 1. Am. Int.	2 shares	
✓ Sept 16. St. Oil. Cal.	62.50	✓
✓ Oct. 1 Am. Int.	100	✓
✓ " " 50 Gen Am. Inv.	75.00	
St. Am. Oil. Cal. Com	2 shares	
✓ Dec 2. 100 Pur. Bakt.	100.00	✓
✓ " 16 100 St. Oil. Cal.	62.50	✓

Debit Interest

June 30	156.91
Dec 30.	267.76
Taxes	4.00
	115.96
	68.
	24.
	28
	16
	3.44
	36
	8
	<u>303.30</u>

Item 4

1929

Interest on Tax Free Government Bonds

10. Cent of Sec.	580
8 L & N.	320
5 B & O.	225
1 N.Y. N.H. & H.	8.75
	<hr/>
	1053.75



- 1929 -

Interest on Bank Deposits.

Summit Trust Co.	21.11
Farmers Loan & Trust Co.	948.44
Payroll Savings Bank	62.00
Boring Bros.	15.00
	<hr/>
	1046.55

Interest on Taxable Bonds.

4,000 N.Y. & R. Bds.	100.00
3,000 L & N.	82.50
" "	82.50
	<hr/>
	264.00
	<hr/>
	1310.55

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1929

- Sale of Stocks -

Loss

Profit

Peering and, News & Blackland

901.72

F. & D. 35 shares

Sold 10,822.52

BT. 2799.00  
8,023.52

8,023.52

Pharmacia 67 shares

Sold 1454.57

BT. 1427.45

27.12

27.12

Hazard Free

Sanitary Postage Service Co.

100 pd. } BT. 3250.  
225 cum }

United Automatic Service 40.40

Sold 3290.40

5494.39

2203.99

2,203.99

1000 Gen Int. Bond Deb. BT. 5272.91

Sol. 5383.19

110.28

110.28

as Gen Int. Com. BT. 6317.50

Sol. 9476.00

3158.50

3,158.50

Profit 14,425.13

Jan 9

1929

Dividends.

F. L. & T. Co.

Cum Lun Wheat	200
Bk. Cal.	837
F. L. & T. Co.	1767
Pt. & Pitts	350
Sanbeam	248
First Trust	90
U S Trust	70
S. F. Spec.	25.20
1st Nat.	80
Sanbeam	150

3817.20

Lazard Freres

San Am. Insur.	225
U. S. Oil Cal.	187.50
Am. Int.	100
Trust, Bk.	100

512.50

Johnson & Ward

80.00

Lawrence, Trust Bk

206.04

4615.74

Cum to Pat. App. 22

152.00

4767.74

1929

Wholly Exempt Bonds

	Interest	
2 Buffalo		80.00
5 South Bend		237.50
5 Oswego		262.50
10 Tennessee		425.00
U.S.A. deb. $3\frac{1}{2}$		1750.00

May 13.

1929

# Interest Paid.

1. L. T. Co. Loan 73.33

Lagard Finance June 15 to Dec 26 76 424.67

Sensongul Harar Macularabil 78.28

576.28

Item 14.

1929

# Taxs. Paid

Transfer taxes \$  
Legal fees 303.30 303.30

Wm. Springs 65.00  
Campbell 68.90  
Chicks. 29.19

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466.39

Franklin D. Roosevelt Library

Dec 17

1929

Contributions

Neth. Soc. Foundation	10.00	Carroll Trust	994.50
Eastport Wm. Patten Church	5.00	Dutch Reformed	3.00
Jewish War Veterans	25.00	Am. Legion	40.00
St. Stephen's College	10.00	Isaac Nathan Brown	5.00
Nat. Inst. Social Science	5.00	St. James Church, Newark	10.00
Near East Relief	100.00	Archaeol. Soc. of Am.	10.00
War Pts. Soc. Assoc.	2.00	Swiss Co. Red. Child Welfare	10.00
St. John's Episcopal Church	5.00	U.S. Naval Institute	3.00
Harvard Union	401.00	Reformed Ch. Fishkill	5.00
First Service Ref. Soc.	7.50	Am. Red Cross	25.00
London Theology School	10.00	Epis. Church Congress	5.00
Museum of City of N.Y.	100.00	Georgia Warm Springs Foundation	7500.00
Graton School	25.00		
St. James Church, N.Y.	196.00		
Calvary Ch. Church	5.00		
St. John's Episcopal	25.00		
San Knox Warm Assoc.	10.00		
Royal Arch Masons			
Benefit Fund	10.00		
Wesleyan Church	25.00		
Wesleyan			
Wm. Smith Union	3.00		
First Baptist of Chester	5.00		
Seal Wilson Warm Assoc.	10.00		

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\$ 8610.50

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994.50

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Form 1040F  
TREASURY DEPARTMENT  
INTERNAL REVENUE SERVICE

## SCHEDULE OF FARM INCOME AND EXPENSES

Attach This Form  
to Your Income  
Tax Return Form  
1040 and File It  
With the Collector  
of Internal Revenue  
for Your District

For Calendar Year 1929

Or for year begun \_\_\_\_\_, 1928, and ended \_\_\_\_\_, 1929

Name \_\_\_\_\_

Address \_\_\_\_\_

Fill in Pages 1 and 3  
if Your Accounts Are  
Kept on a Cash Basis.  
If you Keep Books  
on an Accrual Basis  
and Desire to Use  
This Form, Fill in  
Pages 2 and 3 instead

### FARM INCOME FOR TAXABLE PERIOD

1. SALE OF LIVE STOCK AND PRODUCE RAISED			2. SALE OF CROPS AND OTHER PRODUCE RAISED			3. OTHER RECEIPTS	
Kind of animals	Quantity	Amount	Kind of crop	Quantity	Amount	Items	Amount
Cows } Calves }	6	\$ 65.41	Corn		\$	Merchandise rec'd for produce	\$
Bulls					1460 64		Machine work
Steers			Tobacco			Hire of teams	
Horses			Scrapes		22 15	Breeding fees	
Mules			Vegetables		403 75		
Colts			Peaches		296 75		
Sheep							
Lambs							
Hogs							
Pigs		5.40					
Chickens							
Turkeys			Cottonseed				
Ducks			Sirup				
Bees							
Milk			<b>TOTAL</b>		\$ 2183.34	<b>TOTAL</b>	\$
Butter					(Enter on line 2)		(Enter on line 3)
Cream			4. SALE OF LIVE STOCK, CROPS, OR OTHER ITEMS PURCHASED				
Eggs		2.25	Description	Received	Cost	Profit	
Wool				\$	\$	\$	
Hides							
Honey							
<b>TOTAL</b>		\$ 92.06	<b>TOTAL</b>		\$	\$	(Enter on line 4)
		(Enter on line 1)					

### SUMMARY OF INCOME AND EXPENSES COMPUTED ON A CASH RECEIPT AND DISBURSEMENT BASIS

1. Sale of live stock and produce raised	\$ 92.01	7. Expenses (column 1, page 3)	\$ 494.43
2. Sale of crops and other produce raised	2183.34	8. Expenses (column 2, page 3)	70.00
3. Other receipts		9. Repairs (from page 3)	40.00
4. Sale of live stock, or other items purchased		10. Depreciation (from page 3)	4.00
5. <b>GROSS PROFITS</b>	<b>\$ 2275.35</b>	11. <b>TOTAL EXPENSES</b>	<b>\$ 545.43</b>
6. Net farm profit (Line 5 minus Line 11) to be reported in Item 2 on Form 1040			<b>\$ 3184.08</b>



## METHOD OF ACCOUNTING

Farmers may compute their income either on the cash receipts and disbursements basis, or the accrual basis, but whichever method is adopted must be followed until the consent of the Commissioner is received to compute the income upon a new basis.

## CASH RECEIPTS AND DISBURSEMENTS BASIS

A farmer reporting on the basis of cash receipts and disbursements shall include in his gross income for the taxable year the amount of cash or the value of merchandise or other property received from the sale of live stock and produce which were raised during the taxable year or prior years, also the profits from the sale of any stock or other items which were purchased. The farm expenses will be the actual amounts paid out during the taxable year.

## ACCRUAL BASIS

If your farm books of account are kept on an accrual basis, the filing of this form is optional.

For those reporting on the accrual basis, the gross profits are obtained by adding to the inventory value of live stock and products on hand at the end of the year the amount received from the sale of stock and products, and other miscellaneous receipts for hire of teams, machinery, etc., during the year, and deducting from this sum the inventory value of stock and products on hand at the beginning of the year plus the cost of stock and produce purchased during the year. The farm expenses will be the actual expenses incurred during the year, whether paid or not.

*Inventories of live stock raisers and other farmers.*—Farmers may change the basis of their returns from that of receipts and disbursements to that of an inventory basis provided adjustments are made in accordance with one of the two methods outlined in (1) and (2) below. It is optional with the taxpayer which method is used, but, having elected one method the option so exercised will be binding upon the taxpayer, and he will be precluded from filing amended returns upon the basis of the other method.

(1) Opening and closing inventories shall be used for the year in which the change is made. There should be included in the opening inventory all farm products (including live stock) purchased or raised which were on hand at the date of the inventory, and there must be submitted with the return for the current taxable year an adjustment sheet for the preceding taxable year based on the inventory method, upon the amount of which adjustment the tax shall be assessed and paid (if any be due) at the rate of tax in effect for that year. Ordinarily an adjustment sheet for the preceding year will be sufficient, but if, in the opinion of the Commissioner, such adjustment is not sufficient clearly to reflect income, adjustments for earlier years may be accepted or required. Where it is impossible to render complete inventories for the preceding year or years, the Commissioner will accept estimates which, in his opinion, substantially reflect the income on the inventory basis for such preceding year or years; but inventories must not include real estate, buildings, permanent improvements, or any other assets subject to depreciation.

(2) No adjustment sheets will be required, but the net income for the taxable year in which the change is made must be computed without deducting from the sum of the closing inventory and the sales and other receipts, the inventory of live stock, crops, and products at the beginning of the year; provided, however—

(a) That if any live stock, grain, or other property on hand at the beginning of the taxable year has been purchased and the cost thereof not charged to expense, only the difference between the cost and the selling price should be reported as income for the year in which sold;

(b) But if the cost of such property has been charged to expense for a previous year, the entire amount received must be reported as income for the year in which sold.

Because of the difficulty of ascertaining actual cost of live stock and other farm products, farmers who render their returns upon an inventory basis may at their option value their inventories for the current taxable year according to the "farm-price method," which provides for the valuation of inventories at market prices less cost of marketing. If the use of the "farm-price method" of valuing inventories for any taxable year involves a change in method of valuing inventories from that employed in prior years, the opening inventory for the taxable year in which the change is made should be brought in at the same value as the closing inventory for the preceding taxable year. If such valuation of the opening inventory for the taxable year in which the change is made results in an abnormally large income for that year, there may be submitted with the return for such taxable year an adjustment statement for the preceding year based on the "farm-price method" of valuing inventories, upon the amount of which adjustments the tax, if any be due, shall be assessed and paid at the rate of tax in effect for such preceding year. If an adjustment for the preceding year is not, in the opinion of the Commissioner, sufficient clearly to reflect income, adjustment sheets for prior years may be accepted or required.

Where returns have been made in which the taxable net income has been computed upon incomplete inventories, the abnormality should be corrected by submitting with the return for the current taxable year a statement for the preceding year in which such adjustments shall be made as are necessary to bring the closing inventory for the preceding year into agreement with the opening complete inventory for the current taxable year. If necessary clearly to reflect income, similar adjustments may be made as at the beginning of the preceding year or years, and the tax, if any be due, shall be assessed at the rate of tax in effect for such year or years.

## INCOME

All the farm income from whatever source must be reported in this schedule. Anything of value received instead of cash must be treated as income to the extent of its market value. Thus, the market value of groceries, merchandise, or the like, received in exchange for butter, eggs, or other farm produce must be reported as income.

Hail and fire insurance on growing crops should be included in gross income to the amount received in cash or the equivalent for the crop injured or destroyed.

If you sold your farm or any part of it, fill in Schedule C or Schedule D on Form 1040 in accordance with the instructions thereon.

The value of farm produce which is consumed by the farmer and his family need not be reported as income; but expenses incurred in raising produce thus consumed must not be claimed as deductions.

The term "farm" embraces the farm in the ordinarily accepted sense, and includes stock, dairy, poultry, fruit, and truck farms, also plantations, ranches, and all land used for farming operations. All individuals, partnerships, or corporations that cultivate, operate, or manage farms for gain or profit, either as owners or tenants, are designated farmers. A person cultivating or operating a farm for recreation or pleasure, the result of which is a continual loss from year to year, is not regarded as a farmer.

## EXPENSES AND OTHER DEDUCTIONS

*Labor.*—Only that part of the board which is purchased for hired labor should be included as a deduction. The value of products furnished by the farm and used in the board of hired labor is not a deductible expense. Rations purchased and furnished to laborers or share croppers are deductible as a part of the labor expense. Do not deduct the value of your own labor or that of your wife or dependent minor children, unless the amount deducted is reported as income in Item 1 on Form 1040. Do not deduct amounts paid to persons engaged in household work, except to the extent that the services of such employees are used in boarding and otherwise caring for farm laborers. Services of such employees engaged in caring for the farmer's own household are not a deductible expense.

*Fertilizers, manures, etc.*—The cost of manures, and commercial fertilizers, purchased during the year may be deducted as an expense.

*Taxes.*—State and local taxes are deductible. Do not deduct Federal income taxes, nor taxes assessed for any improvement or betterment tending to increase the value of the property assessed. Be ready to show tax receipts for taxes claimed as a deduction. Taxes on your dwelling or household property should be reported in Item 14, on Form 1040.

*Interest on indebtedness.*—Any interest paid on farm mortgages, notes, and other obligations incurred to carry on the farm business may be deducted.

*Bad debts.*—Report only debts, or portions thereof, arising from sales that have been reported as income, which have been definitely proved within the year to be worthless, or such reasonable amount as has been added to a reserve for bad debts within the year. If you report your farm income on a cash basis, bad debts arising from sales are not an allowable deduction.

*Repairs and depreciation.*—The amount claimed on account of depreciation should not exceed the original cost (not replacement cost) of the property, or if acquired prior to March 1, 1913, the cost or value as of that date, divided by the probable number of years remaining of its useful life. In computing depreciation do not include the value of farm land nor the land on which farm buildings are located. Do not deduct repairs or depreciation on the dwelling you occupy or on your personal or household equipment. Do not claim as a separate item depreciation on live stock or any other property included in your inventory, as such depreciation is taken care of in the reduced amount of the inventory at the close of the year. Depreciation, however, may be claimed on draft or work animals and animals held for breeding purposes which were purchased and which are not included in your inventory of stock bought or raised for sale.

*Losses.*—You may deduct in Item 15, on Form 1040, losses of buildings, machinery, and other property not included in your inventory, resulting from fires, storms, or other casualty and not compensated for by insurance or otherwise. Losses of property included in your inventory are taken care of by the reduced amount of the inventory at the close of the year. The total loss of a prospective crop by frost, storm, flood, or fire, or the loss of animals that perish from those raised, is not deductible.

*Tools, machinery, and equipment.*—The cost of small tools of short life, such as shovels, rakes, etc., may be deducted as an expense. You may deduct expenses of operation, repairs, and depreciation on automobiles used exclusively in farm business. If an automobile is used in farm business for a part of the time only, a corresponding part of the expense may be deducted. Amounts expended for automobiles, farm machinery, farm buildings, or other farm equipment of a permanent nature are not deductible as expenses, as such expenditures are regarded as investment of capital which is returned to the owner through depreciation allowances prorated over the useful life of the property.

*Rent paid in crops.*—Where a tenant farmer pays his rent to the landlord in form of crops raised on the farm (the agreement being on a crop-share basis), the tenant can not deduct as rent the value of the crop given to the landlord, but he may deduct all amounts paid by him in raising the crop.

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FARM EXPENSES FOR TAXABLE YEAR

ITEMS	(1) AMOUNT		ITEMS	(2) AMOUNT	
Hired help for farm	\$ 3526	17	Insurance to Tenant	\$ 70	00
Feed, hay, straw, etc.					
Seed, plants, etc.	161	48			
Threshing and baling					
Cotton ginning					
Silo filling					
Milling and grinding feed					
Fertilizers and spraying materials	770	10			
Blacksmithing & Repairs	205	14			
Fuel and oil for farm work	286	54			
Barrels, bags, crates, and twine					
Taxes (except Federal income taxes)					
Insurance on property other than your dwelling and personal effects					
Interest on farm notes and mortgages					
Water rent					
Rent for farm					
TOTAL	\$ 4949		TOTAL	\$ 70	
	(Enter on line 7)			(Enter on line 8)	

REPAIRS AND DEPRECIATION

DESCRIPTION (If buildings, state the material of which constructed)	AGE WHEN ACQUIRED	DATE ACQUIRED OR CONSTRUCTED	Cost (Exclusive of Land)	VALUE AS OF MARCH 1, 1913 (Exclusive of Land)	REPAIRS	DEPRECIATION CHARGED OFF	
						Previous Years	This Year
Farm buildings	—	1927	\$ —	\$ 5,000.00	\$ 200.00	\$ none	\$ 200.00
Farm machinery and tools	—	1927	—	1200	—	none	200.00
Farm fences, drains, ditches, etc.	—	1929	500.80	—	—	—	—
TOTALS			\$	\$	\$	\$	\$
					(Enter on line 9)		(Enter on line 10)

REMARKS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Page 2

FARM INVENTORY FOR INCOME COMPUTED ON AN ACCRUAL BASIS

DESCRIPTION (Kind of animals, crops, or other products)	ON HAND AT BEGINNING OF YEAR		PURCHASED DURING YEAR		RAISED DURING YEAR		CONSUMED OR LOST DURING YEAR		SOLD DURING YEAR		ON HAND AT END OF YEAR	
	Quan- tity	Inventory value	Quan- tity	Amount paid	Quan- tity	Inventory value	Quan- tity	Inventory value	Quan- tity	Amount received	Quan- tity	Inventory value
		\$		\$		\$		\$		\$		\$
<b>TOTALS</b>		\$		\$		\$		\$		\$		\$

(Enter on line 4)          (Enter on line 5)          (Enter on line 2)          (Enter on line 1)

SUMMARY OF INCOME AND EXPENSES COMPUTED ON AN ACCRUAL BASIS

1. Inventory of live stock, crops, and products at end of year	\$		7. Expenses (column 1, page 3)	\$	
2. Sales of live stock, crops, and products during year			8. Expenses (column 2, page 3)		
2a. Other miscellaneous receipts			9. Repairs (from page 3)		
3. TOTAL	\$		10. Depreciation (from page 3)		
4. Inventory of live stock, crops, and products at beginning of year	\$				
5. Cost of live stock and products purchased during year	\$				
6. Gross profits (Item 3 minus the sum of Items 4 and 5)	\$		11. TOTAL EXPENSES	\$	
12. Net farm profit (Line 6 minus Line 11) to be reported in Item 2 on Form 1040	\$				

Form 909—(Revised Oct., 1929)



TREASURY DEPARTMENT

INTERNAL REVENUE SERVICE

OFFICE OF THE COLLECTOR

DISTRICT:

14th., N.Y.,

Albany., N.Y., Feb., 21st., 1931

IN REPLYING REFER TO

19

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

SIR:

In order to verify information received concerning your income for the calendar year ended December 31, 19 , and to insure a proper check thereof, it is requested that you answer the following questions which pertain to the year above mentioned:

Print name in full

Home address on December 31st of above year

Business address on same date

Did you file a Federal income tax return for the year in question? 1929

If so, give name and address used, and where filed

What amount of Federal income tax did you pay?

What was the amount of your salary?

Did you sell, during the year, any real estate, stocks, bonds, or other personal property?

Did you receive, during the year, any interest on notes, bonds, or money in bank?

Did you receive any dividends from stock held in a corporation?

Did you receive any income from any other source?

Were you married and living with wife (or husband) on December 31st of the aforesaid year?

How many dependent children under 18 years of age were living with you on December 31st?

Did your wife (or husband) or dependent children receive any income during the year?

If so, how much and from whom?

Give name and address of each employer for whom you worked

Please do not construe this letter to imply that you did not file a return for said year. It is possible that you filed a return and it can not be located for the reason that your signature has not been properly read, or your return may have been filed from your residence, whereas the information on file gives your business address, or vice versa.

The inclosed addressed envelope which requires no postage may be used for your reply.

Respectfully,

[Handwritten signature]

Collector.

Franklin D. Roosevelt Library

Inc.