## FORM 1040

**U. S. INTERNAL REVENUE**

**IF RETURN IS FOR CALENDAR YEAR 1921**

FILE IT WITH THE COLLECTOR OF INTERNAL REVENUE FOR YOUR DISTRICT ON OR BEFORE MARCH 15, 1922

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

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### INDIVIDUAL INCOME TAX RETURN

FOR INCOMES OF MORE THAN $100, OR SEPARATE RETURNS OF HUSBAND AND WIFE IF COMBINED NET INCOME EXCEEDS $100.

**FOR CALENDAR YEAR 1921**

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

**PRINT NAME AND ADDRESS PLAINLY BELOW**

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**OCCUPATION, PROFESSION, OR KIND OF BUSINESS**

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

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

(Signature of individual or agent.)

(Signature of officer administering oath.)

(Title.)

(Address of Individual or agent.)

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### INCOME

1. Salaries, Wages, Commissions, etc.
   - (State name and address of person from whom received.)
   - Amount received.
   - Exempted paid.

2. Interest on Bank Deposits, Notes, Mortgages, and Corporation Bonds.

3. Income from Partnerships, Fiduciaries, etc.
   - (State name and address of partnerships, etc.)

4. Rents and Royalties.

5. Profit (or loss) from Business or Profession (not including income from partnerships)

6. Profit (or loss) from Sale of Real Estate.

7. Profit (or loss) from Sale of Stocks, Bonds, etc.

8. Dividends on Stock of Domestic Corporations.

9. Taxable Interest on Liberty Bonds, etc.

10. Other Income (including dividends received on stock of foreign corporations). (State nature of income.)
   - (a)
   - (b)
   - (c)

11. **TOTAL INCOME IN ITEMS 1 TO 10 (less losses shown therein, if any)**

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### DEDUCTIONS

12. Interest Paid (not including interest deducted above).

13. Taxes Paid (not including taxes deducted above).

14. Losses by Fire, Storm, etc.

15. Contributions.

16. Bad Debts (not including bad debts deducted above).

17. Other Deductions Authorized by Law.

18. **TOTAL OF ITEMS 12 TO 17**

19. **NET INCOME** (Item 11 minus Item 18)

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### COMPUTATION OF TAX


22. Taxable Interest Income on Liberty Bonds, etc. (Item 9 above).

23. Exemptions and Credits for Dependents.

24. **TOTAL OF ITEMS 21, 22, AND 23**

25. Balance (Item 20 minus Item 24).
## SCHEDULE A—EXPLANATION OF ITEM 4. (Rents and Royalties.) See Instruction 1.

<table>
<thead>
<tr>
<th>1. KIND OF PROPERTY</th>
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<th>4. REPAIRS</th>
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State estimated life of property and how you figured depreciation.

## SCHEDULE B—EXPLANATION OF ITEM 5. (Business or Profession.) See Instruction 16.

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## SCHEDULE C—EXPLANATION OF ITEM 6. (Sale of Real Estate.) See Instruction 17.

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## SCHEDULE D—EXPLANATION OF ITEM 7. (Sale of Stocks, Bonds, etc.) See Instruction 18.

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## SCHEDULE E—EXPLANATION OF ITEM 9. (Taxable Interest on Liberty Bonds, etc.) See Instruction 19.

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## SCHEDULE F—EXPLANATION OF ITEM 14. (Looses by Fire, Storm, etc.) See Instruction 23.

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## SCHEDULE G—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 15, 16, AND 17.

(An amended return must be plainly marked "Amended" across the face of the return.)
INSTRUCTIONS FOR INDIVIDUAL RETURN

1. PERSONS REQUIRED TO MAKE A RETURN OF INCOME.

An income tax return must be filed by all citizens of the United States whether residing at home or abroad, and every person residing in the United States, though not a citizen, who is subject to the income tax must file returns for the taxable period in excess of $5,000, or whose net income amounted to $5,000, or more.

If you are married and not living with husband or wife:

[i] $2,000 if married and living with husband or wife.

If you are not married:

[ii] $2,500 if married but not living with husband or wife.

If the combined net income of husband and wife, and dependent minor children equalled or exceeded $2,000, or if the combined gross income of husband, wife, and dependent children totalled or exceeded $4,000 all such income must be reported.

Returns must be filed on or before the 15th day of the third month, the third installment on the 15th day of the sixth month, and the fourth installment on the 15th day of the next month following the close of the calendar year.

3. ACCRUED OR RECEIVED INCOME.

If you have used the cash method of income from installment sales you must attach to your return a schedule showing separately for the years 1918, 1919, 1920, and 1921, the sale price, the number of months included in each period, and the tax shall be part of a tax computed on such cash sales.

4. INSTALLMENT SALES.

If you are a farmer or a farm owner renting your farm out on shares and keep no books of account, or if you are occupying the farm as a home, the tax must be kept on an accrual basis, instead of the cash basis used in Item 5, page 1 of the return.

6. TABLES OF SURTAX AND INSTRUCTIONS FOR CALCULATION.

7. FARMER'S INCOME SCHEDULE.

For Failing to Make Return on Time.

For Failing to Pay Tax When Due, or Undertake of Tax Through Engagement of another Person.

Net income to the extent of $5,000, plus interest at the rate of 1 per cent per month during the period in which it remains unpaid.
13. INCOME FROM SALARIES, WAGES, COMMISSIONS, ETC.

Report all salaries or other compensation credited to you from sources outside the United States, and any other income included as a deduction on Schedule B, for (a) yourself, (b) your wife, (c) any other member of your family, if a joint return is filed, and (d) any dependent minor child having a net income of less than $1,000 per annum. Use a separate line for each entry, giving the appropriate identification, your salary or wages, respectively. Of the amount claimed as a deduction for necessary expenses against salaries, etc., shown, if you reported in Schedule B, page 7, of the tax return, or in an attached statement.

14. INCOME FROM TRAVELING, PARTNERSHIPS, FIDUCIARIES, ETC.

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

Report in Item 1, salary received from a partnership or personal service corporation. If the taxable period on the basis of which you file your return fails to coincide with the calendar year, give your share of that period.

15. INCOME FROM RENTS AND ROYALTIES.

If you received property or crops in lieu of rent, report the income as though the rent had been received in cash. Do not report as rent or a subsistence charge basis before the lease or income for the year in which disposed of (unless your return shows income accrued).

Explain in Schedule B, repairs, depreciation, depletion, and other expenses—Enter on line 14, (a) ordinary repairs required to keep property in usable condition, (b) repairs required to keep property in usable condition, (c) repairs on land, (d) repairs, lease, 4% insurance, rent, or any other services, or repairs or allowances from the sale price or service charge. (For instructions, see Instruction 9.)

16. INCOME FROM BUSINESS OR PROFESSION.

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

(a) A trade or business, such as transportation, storage, hotel and restaurant service, laundry, repair service, etc., if you owned the business. If you are an employee, report your salary in Item 1.

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

For the purpose of this section, a trade or business means a trade or business conducted for profit, including a reasonable allowance for obsolescence, and the fair market value of the property received.

17. PROFIT FROM SALE OF REAL ESTATE.

Describe the property briefly, as “farm,” “house,” or “lot.”

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

Enter as depreciation the amount of wear and tear and obsolescence, depreciation, stated in Schedule B, page 1, or stated in Schedule B, page 7, of the tax return, or in an attached statement.

If you have entered Schedule B, page 7, or in the case of a sale, a statement showing the fair market value of the property received.

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

The method of computation and the information to be submitted in the case of sales of stocks, bonds, etc., is similar to that required for Item 6, except that subsequent improvements and depreciation are not involved. The profit (or loss) should be accounted for in accordance with Instruction 7 above.

19. TAXABLE INTEREST ON LIBERTY BONDS, ETC.

The interest on Liberty Bonds and other obligations of the United States issued since September 1, 1917 (except Victory Liberty Loan 3%, and postal savings certificates of deposit) is subject to tax to the extent that the bonds held exceed the exemptions provided by the act authorizing the issuing and subsequent acts.

The exemptions specified in columns 2, 5, and 6, Schedule B, are applicable to the obligations listed on lines (a), (b), and (c), but the total amount entered on these lines in any one column must not exceed the exemption specified. The exemptions specified at hand of column do not apply to the obligations where the word “None” appears.

Enter in column 6 the proper fraction of the amounts of the various obligations owed by you, in excess of the exemptions specified, during the taxable period, including the amount of the net earnings of any private stockholder or member of a corporation which are paid out in excess of the private stockholder or members, and to the extent that the obligations sold or transferred.

The method will be followed (where books are kept as above) where books are kept as provided in Schedule B, page 7.

The total held or transferred, including the amount held or transferred, shall be reported in Schedule B, page 7.

20. OTHER INCOME.

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

21. INTEREST PAID.

Enter as Item 12 interest paid on personal indebtedness as distinguished from business indebtedness (which should be deducted under Schedule B, A, B, C, D). Do not include interest on indebtedness incurred or continued for the purpose of producing income, for the purchase of bonds and other obligations, or for the furtherance of the public interest, or for the support of any religious, charitable, or educational institutions, or for the prevention of cruelty to children or the aged. Report in Item 12 interest paid on personal indebtedness as distinguished from business indebtedness, if it was included in the return of any of the above.

22. TAXES PAID.

Enter as Item 13 personal taxes paid and all taxes on property not used in business or profession. Enter under this heading any taxes paid to any governmental corporation which were paid in the earning of income held in excess of the exemptions, and to the extent that the obligations held in excess of the exemptions, during the taxable period, including your share of the obligations held by partnerships, personal service corporations, and fiduciaries.

23. LOSSES BY FIRE, STORM, ETC.

Enter as Item 14 losses of property not connected with your trade, business, or profession, sustained during the year from fire, storm, shipwreck, or other casualty, or from theft, which were not compensated for by insurance or otherwise. (Losses claimed should be explained in Schedule F, page 5 of the return.)

24. CONTRIBUTIONS.

Enter as Item 15 contributions or gifts made within the taxable period to or for the use of any corporation, whether domestic or foreign, licensed exclusively for religious, charitable, scientific, literary, or educational purposes, including the proceeds of the American Legion and the Women’s Auxiliary units thereof, or for the prevention of cruelty to children or animals, or for the purpose of which only such activities as are exempted from taxation. (See also section 199 of the Revenue Act of 1921.)

25. BAD DEBTS.

Enter as Item 16 all bad debts other than those claimed as a deduction in items above. (See Schedule B, page 7.)

26. OTHER AUTHORIZED DEDUCTIONS.

If this return is filed for an estate in the process of administration, there may be deductions authorized by the laws or regulations of the state in which the estate is located. Any deductions claimed in Item 17 should be explained in Schedule G.