

(Auditor's Stamp)

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 1936

or fiscal year begun ..., 1936, and ended ..., 1937

File This Return Not Later Than the 15th Day of the Third Month Following the Close of the Taxable Year

PRINT NAME AND ADDRESS PLAINLY BELOW (See Instruction 28)

(Name) (Both husband and wife, if this is a joint return)

(Street and number, or rural route)

(Post office) (County) (State)

Do Not Write in These Spaces

File Code

Serial Number

District

(Cashier's Stamp)

Cash Check M. O. Cert. of Ind. First Payment

- 1. State whether you are (a) a citizen of the United States, or (b) a resident alien
2. If you filed a return for the preceding year, to which Collector's office was it sent?
3. Were you married and living with husband or wife during your taxable year?
4. Is this a joint return of husband and wife (see Instruction 21)?
5. State name of husband or wife if a separate return was made and the Collector's office to which it was sent
6. If not married, were you the head of a family (see Instruction 23 for definition) during your taxable year?
7. How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support received their chief support from you during your taxable year?
8. If your status in respect to question 3, 4, or 7 changed during the year, state date and nature of change
9. State whether your books are kept on cash or accrual basis
10. State principal occupation or profession accounting for salaries, wages, commissions, fees, etc., in Item 1
11. Did you transfer to or receive from any one person money or property in excess of \$5,000, during the calendar year 1936, without an adequate and full consideration in money or money's worth?
12. Did any person or persons advise you in respect of any question or matter affecting any item or schedule of this return, or assist or advise you in the preparation of this return, or actually prepare this return for you?
13. Did you make a return of information on Forms 1096 and 1099 (see Instruction 31) for the calendar year 1936?

ATTACH REMITTANCE HERE

Table with columns: Item and Instruction No., INCOME, Amount received, Expenses paid, and multiple columns for tax calculation. Rows include Salaries, Net Profit, Interest on Bank Deposits, etc.

Table for COMPUTATION OF TAX (See Instruction 23). Rows include Net income, Less: Personal exemption, Credit for Dependents, Balance (Surtax net income), Less: Interest on Government obligations, etc., Earned income credit, Balance subject to normal tax, Normal tax, Surtax on Item 24, Total tax, Less: Income tax paid at source, Income tax paid to a foreign country or U. S. possession, Balance of Tax.

AFFIDAVIT (See Instruction 27)
I/we swear (or affirm) that this return (including its accompanying schedules and statements, if any) has been examined by me/us, and to the best of my/our knowledge and belief is a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Revenue Act of 1936 and the Regulations issued thereunder.
Subscribed and sworn to by ... before ... (Signature) (See Instruction 27)
me this ... day of ..., 193... (Signature and title of officer administering oath)

AFFIDAVIT (See Instruction 27)
I/we swear (or affirm) that I/we prepared this return for the person or persons named herein and that the return (including its accompanying schedules and statements, if any) is a true, correct, and complete statement of all the information respecting the income tax liability of the person or persons for whom this return has been prepared of which I/we have any knowledge.
Subscribed and sworn to before me this ... day of ..., 193... (Signature of person preparing the return)
(Signature of officer administering oath) (Title) (Signature of person preparing the return)
(Notary of firm or employee, if any)

SCHEDULE A—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION (See Instruction 2)

1. Total receipts from business or profession (state kind of business).....		\$.....		
Cost of Goods Sold			OTHER BUSINESS DEDUCTIONS	
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 (itemize below or on separate sheet).....	
9. NET COST OF GOODS SOLD (Line 7 minus Line 8).....	\$.....		17. TOTAL (Lines 10 to 16).....	\$.....
Enter "C", or "C 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).....	
			19. NET PROFIT (OR LOSS) (Line 1 minus Line 18) (Enter as Item 2).....	\$.....

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

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 9)

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 9)	
						\$.....	\$.....

Explanation of deductions claimed in Column 6.....

SCHEDULE C—CAPITAL GAINS AND LOSSES (From Sales or Exchanges Only) (See Instruction 10)

1. DESCRIPTION OF PROPERTY AND PERIOD HELD	2. DATE ACQUIRED	3. DATE SOLD OR EXCHANGED	4. GROSS SALES PRICE (Contract price)	5. COST OR MARCH 1, 1913, VALUE IF ACQUIRED BEFORE THAT DATE. (Indicate basis)**	6. COST OF IMPROVEMENTS SUBSEQUENT TO ACQUISITION OR MARCH 1, 1913	7. DEPRECIATION ALLOWED (OR ALLOWABLE) SINCE ACQUISITION OR MARCH 1, 1913 (Furnish details)	8. GAIN OR LOSS	9. PERCENTAGE OF GAIN OR LOSS TO BE TAKEN INTO ACCOUNT	10. GAIN OR LOSS TO BE TAKEN INTO ACCOUNT	
									a. Gains	b. Losses
*(a) 1 year or less:	Mo. Day Year	Mo. Day Year						100	\$.....	\$.....
*(b) Over 1 year but not over 2 years:								80		
*(c) Over 2 years but not over 5 years:								60		
*(d) Over 5 years but not over 10 years:								40		
*(e) Over 10 years:								30		
*(f) TOTAL GAINS AND LOSSES (Enter net amount as Item 10; not in excess of \$2,000, if net amount is a capital loss).....									\$.....	\$.....

*In reporting sales or exchanges of capital assets attach separate schedule, if necessary, for transactions coming within each of the 5 periods, and transfer gains and losses for each period to Column 10 above.
 **Cost of property must be entered in Column 5 if a loss is claimed in Column 8.
 State (1) how property was acquired (2) Personal or business relationship, if any, of purchaser.
 Every sale or exchange of stock should be reported in detail, including name and address of corporation, class of stock, number of shares, capital changes affecting basis (stock dividends, other nontaxable dividends, stock rights, etc.).

SCHEDULE D—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction 5)

1. OBLIGATIONS OR SECURITIES	2. AMOUNT OWNED AT END OF YEAR	3. INTEREST RECEIVED OR ACCRUED DURING THE YEAR	4. PRINCIPAL AMOUNT EXEMPT FROM TAXATION	5. AMOUNT OWNED IN EXCESS OF EXEMPTION	6. INTEREST ON AMOUNT IN EXCESS OF EXEMPTION
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions.....	\$.....	\$.....	All.....	XXXXXXXXXX	XX
(b) Obligations issued under Federal Farm Loan Act, or under such Act as amended.....			All.....	XXXXXXXXXX	XX
(c) Obligations of United States issued on or before September 1, 1917.....			All.....	XXXXXXXXXX	XX
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness.....			All.....	XXXXXXXXXX	XX
(e) U. S. Savings Bonds and Treasury Bonds.....			\$5,000.....	\$.....	\$.....
(f) Obligations of instrumentalities of the United States (other than obligations to be reported in (b) above).....			None.....		
(g) TOTAL (enter total of column 6 as Item 5).....					\$.....

SCHEDULE E—INCOME FROM DIVIDENDS

Itemize all dividends received during the year, stating amounts and names and addresses of corporations declaring the dividends:

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SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 13, 14, 16, 17, AND 18, AND CREDIT CLAIMED IN ITEM 23

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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. COST OR MARCH 1, 1913, VALUE IF ACQUIRED PRIOR TO THAT DATE (Indicate basis)	4. ASSETS FULLY DEPRECIATED IN USE AT END OF YEAR	5. DEPRECIATION ALLOWED (OR ALLOWABLE) IN PRIOR YEARS	6. REMAINING COST OR OTHER BASIS TO BE RECOVERED	7. LIFE USED IN ACCUMULATING DEPRECIATION	8. ESTIMATED REMAINING LIFE FROM BEGINNING OF YEAR	9. DEPRECIATION ALLOWABLE 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	4. SUBSEQUENT IMPROVEMENTS	5. DEPRECIATION ALLOWABLE SINCE ACQUISITION	6. INSURANCE AND SALVAGE VALUE	7. DEDUCTIBLE LOSS
		\$.....	\$.....	\$.....	\$.....	\$.....

THIS COPY MUST BE FILED WITH ORIGINAL RETURN

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 1936

or fiscal year begun _____, 1936, and ended _____, 1937

File This Return Not Later Than the 15th Day of the Third Month Following the Close of the Taxable Year

PRINT NAME AND ADDRESS PLAINLY BELOW (See Instruction 23)

(Name) (Both husband and wife, if this is a joint return)

(Street and number, or rural route)

(Post office) (County) (State)

DUPLICATE

- State whether you are (a) a citizen of the United States, or (b) a resident alien
- If you filed a return for the preceding year, to which Collector's office was it sent?
- Were you married and living with husband or wife during your taxable year?
- Is this a joint return of husband and wife (see Instruction 21)?
- State name of husband or wife if a separate return was made and the Collector's office to which it was sent
- If not married, were you the head of a family (see Instruction 22 for definition) during your taxable year?
- How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support received their chief support from you during your taxable year?
- If your status in respect to question 3, 5, or 7 changed during the year, state date and nature of change
- State whether your books are kept on cash or accrual basis
- State principal occupation or profession accounting for salaries, wages, commissions, fees, etc., in Item 1
- Did you transfer to or receive from any one person money or property in excess of \$5,000, during the calendar year 1936, without an adequate and full consideration in money or money's worth? (Answer "yes" or "no")
If so, did you file a gift tax return on Form 709 or an information return on Form 710? (Answer "yes" or "no")
- Did any person or persons advise you in respect of any question or matter affecting any item or schedule of this return, or assist or advise you in the preparation of this return, or actually prepare this return for you? (Answer "yes" or "no") If so, give the name and address of such person or persons and state the nature and extent of the assistance or advice received by you and the items or schedules in respect of which the assistance or advice was received; if this return was actually prepared by any person or persons other than yourself, state the source of the information reported in this return and the manner in which it was furnished to or obtained by such person or persons
- Did you make a return of information on Forms 1096 and 1099 (see Instruction 31) for the calendar year 1936? (Answer "yes" or "no")

Item and Instruction No.	INCOME	Amount received	Expenses paid (Explain in Schedule F)				
1.	Salaries, Wages, Commissions, Fees, etc. (State name and address of employer)	\$	\$	\$			
2.	Net Profit (or Loss) from Business or Profession. (From Schedule A)		(State kind of business)				
3.	Interest on Bank Deposits, Notes, Corporation Bonds, etc. (except interest on tax-free covenant bonds). (Attach detailed statement)						
4.	Interest on Tax-free Covenant Bonds Upon Which a Tax was Paid at Source. (Attach detailed statement)						
5.	Taxable Interest on Government obligations, etc. (From Schedule D, Line (g))						
6.	Dividends. (From Schedule E)						
7.	Income (or Loss) from Partnerships, Syndicates, Pools, etc. (Furnish name, address, and kind of business)						
8.	Income from Fiduciaries. (Furnish name and address)						
9.	Rents and Royalties. (From Schedule B)						
10.	Capital Gain (or Loss). (From Schedule C) (If capital loss, this amount may not exceed \$2,000)						
11.	Other Income. (State nature.) (Use separate schedule, if necessary)						
12.	TOTAL INCOME IN ITEMS 1 TO 11			\$			
DEDUCTIONS							
13.	Interest Paid. (Explain in Schedule F)			\$			
14.	Taxes Paid. (Explain in Schedule F)						
15.	Losses by Fire, Storm, etc. (Explain in table at foot of page 2)						
16.	Bad Debts (including bonds determined to be worthless during taxable year). (Explain in Schedule F)						
17.	Contributions. (Explain in Schedule F)						
18.	Other Deductions Authorized by Law (including stock determined to be worthless during taxable year). (Explain in Schedule F)						
19.	TOTAL DEDUCTIONS IN ITEMS 13 TO 18			\$			
20.	NET INCOME (Item 12 minus Item 19)			\$			

COMPUTATION OF TAX (See Instruction 23)

21.	Net income (Item 20 above)	\$							
22.	Less: Personal exemption	\$							
23.	Credit for Dependents. (Explain in Schedule F)								
24.	Balance (Surtax net income)	\$							
25.	Less: Interest on Government obligations, etc. (Item 5)	\$							
26.	Earned income credit. (See Instruction 22)								
27.	Balance subject to normal tax	\$							
28.	Normal tax (4% of Item 27)	\$							
29.	Surtax on Item 24. (See Instruction 23)								
30.	Total tax. (Item 28 plus Item 29)	\$							
31.	Less: Income tax paid at source (2% of Item 4)	\$							
32.	Income tax paid to a foreign country or U. S. possession								
33.	Balance of Tax. (Item 30 minus Items 31 and 32)	\$							

SCHEDULE A—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION (See Instruction 2)

1. Total receipts from business or profession (state kind of business).....		\$.....
Cost of Goods Sold		
2. Labor.....	\$.....	OTHER BUSINESS DEDUCTIONS
3. Material and supplies.....		
4. Merchandise bought for sale.....		
5. Other costs (itemize below or on separate sheet).....		
6. Plus inventory at beginning of year.....		
7. TOTAL (Lines 2 to 6).....	\$.....	10. Salaries not included as "Labor" in Line 2 (do not deduct compensation for your services).....
8. Less inventory at end of year.....		11. Interest on business indebtedness to others.....
9. NET COST OF GOODS SOLD (Line 7 minus Line 8).....	\$.....	12. Taxes on business and business property.....
		13. Losses (explain in table at foot of page).....
		14. Bad debts arising from sales or services.....
		15. Depreciation, obsolescence, and depletion (explain in table provided at foot of page).....
		16. Rent, repairs, and other expenses (itemize below or on separate sheet).....
		17. TOTAL (Lines 10 to 16).....
		18. TOTAL DEDUCTIONS (Line 9 plus Line 17).....
		19. NET PROFIT (OR LOSS) (Line 1 minus Line 18) (Enter as Item 2).....

Enter "C", or "C or M", on Lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

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

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 9)

1. KIND OF PROPERTY	2. AMOUNT RECEIVED	3. COST OR VALUE AS OF MARCH 1, 1913, WHICHEVER IS GREATER	4. DEPRECIATION (Explain in table at foot of page)	5. REPAIRS	6. OTHER EXPENSES (Itemize below)	7. NET PROFIT (Enter as Item 9)
	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....

Explanation of deductions claimed in Column 6.....

SCHEDULE C—CAPITAL GAINS AND LOSSES (From Sales or Exchanges Only) (See Instruction 10)

1. DESCRIPTION OF PROPERTY AND PERIOD HELD	2. DATE ACQUIRED	3. DATE SOLD OR EXCHANGED	4. GROSS SALES PRICE (Contract price)	5. COST OR MARCH 1, 1913, VALUE IF ACQUIRED BEFORE THAT DATE. (Indicate basis)**	6. COST OF IMPROVEMENTS SUBSEQUENT TO ACQUISITION OR MARCH 1, 1913	7. DEPRECIATION ALLOWED (OR ALLOWABLE) SINCE ACQUISITION OR MARCH 1, 1913 (Furnish details)	8. GAIN OR LOSS	9. PERCENTAGE OF GAIN OR LOSS TO BE TAKEN INTO ACCOUNT	10. GAIN OR LOSS TO BE TAKEN INTO ACCOUNT	
									a. Gains	b. Losses
* (a) 1 year or less:	Mo. Day Year	Mo. Day Year								
* (b) Over 1 year but not over 2 years:			\$.....	\$.....	\$.....	\$.....	\$.....	100	\$.....	\$.....
* (c) Over 2 years but not over 5 years:								80		
* (d) Over 5 years but not over 10 years:								60		
* (e) Over 10 years:								40		
								30		
(f) TOTAL GAINS AND LOSSES (Enter net amount as Item 10; not in excess of \$2,000, if net amount is a capital loss)									\$.....	\$.....

*In reporting sales or exchanges of capital assets attach separate schedule, if necessary, for transactions coming within each of the 5 periods, and transfer gains and losses for each period to Column 10 above.
 **Cost of property must be entered in Column 5 if a loss is claimed in Column 8.
 State (1) how property was acquired; (2) Personal or business relationship, if any, of purchaser.
 Every sale or exchange of stock should be reported in detail, including name and address of corporation, class of stock, number of shares, capital changes affecting basis (stock dividends, other nontaxable dividends, stock rights, etc.).

SCHEDULE D—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction 5)

1. OBLIGATIONS OR SECURITIES	2. AMOUNT OWNED AT END OF YEAR	3. INTEREST RECEIVED OR ACCRUED DURING THE YEAR	4. PRINCIPAL AMOUNT EXEMPT FROM TAXATION	5. AMOUNT OWNED IN EXCESS OF EXEMPTION	6. INTEREST ON AMOUNT IN EXCESS OF EXEMPTION
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions.....	\$.....	\$.....	All.....	XXXXXXXX XX	XXXXXXXX XX
(b) Obligations issued under Federal Farm Loan Act, or under such Act as amended.....			All.....	XXXXXXXX XX	XXXXXXXX XX
(c) Obligations of United States issued on or before September 1, 1917.....			All.....	XXXXXXXX XX	XXXXXXXX XX
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness.....			All.....	XXXXXXXX XX	XXXXXXXX XX
(e) U. S. Savings Bonds and Treasury Bonds.....			\$5,000.....	\$.....	\$.....
(f) Obligations of instrumentalities of the United States (other than obligations to be reported in (b) above).....			None.....		
(g) TOTAL (enter total of column 6 as Item 5).....					\$.....

SCHEDULE E—INCOME FROM DIVIDENDS

Itemize all dividends received during the year, stating amounts and names and addresses of corporations declaring the dividends:

SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 13, 14, 16, 17, AND 18, AND CREDIT CLAIMED IN ITEM 23

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. COST OR MARCH 1, 1913, VALUE IF ACQUIRED PRIOR TO THAT DATE (Indicate basis)	4. ASSETS FULLY DEPRECIATED IN USE AT END OF YEAR	5. DEPRECIATION ALLOWED (OR ALLOWABLE) IN PRIOR YEARS	6. REMAINING COST OR OTHER BASIS TO BE RECOVERED	7. LIFE USED IN ACCUMULATING DEPRECIATION	8. ESTIMATED REMAINING LIFE FROM BEGINNING OF YEAR	9. DEPRECIATION ALLOWABLE 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	4. SUBSEQUENT IMPROVEMENTS	5. DEPRECIATION ALLOWABLE SINCE ACQUISITION	6. INSURANCE AND SALVAGE VALUE	7. DEDUCTIBLE LOSS
		\$.....	\$.....	\$.....	\$.....	\$.....

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 1936

or fiscal year begun _____, 1936, and ended _____, 1937

File This Return Not Later Than the 15th Day of the Third Month Following the Close of the Taxable Year

PRINT NAME AND ADDRESS PLAINLY BELOW (See Instruction 28)

(Name) (Both husband and wife, if this is a joint return)

(Street and number, or rural route)

(Post office) (County) (State)

IF YOU NEED ASSISTANCE
IN PREPARING THIS
RETURN, GO TO A
DEPUTY COLLECTOR
OR TO THE
COLLECTOR'S OFFICE

**COPY TO BE
RETAINED BY
TAXPAYER**

- State whether you are (a) a citizen of the United States, or (b) a resident alien
- If you filed a return for the preceding year, to which Collector's office was it sent?
- Were you married and living with husband or wife during your taxable year?
- Is this a joint return of husband and wife (see Instruction 21)?
- State name of husband or wife if a separate return was made and the Collector's office to which it was sent
- If not married, were you the head of a family (see Instruction 22 for definition) during your taxable year?
- How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support received their chief support from you during your taxable year?
- If your status in respect to question 3, 4, or 7 changed during the year, state date and nature of change
- State whether your books are kept on cash or accrual basis
- State principal occupation or profession accounting for salaries, wages, commissions, fees, etc., in Item 1
- Did you transfer to or receive from any one person money or property in excess of \$5,000, during the calendar year 1936, without an adequate and full consideration in money or money's worth? (Answer "yes" or "no")
If so, did you file a gift tax return on Form 709 or an information return on Form 710? (Answer "yes" or "no")
- Did any person or persons advise you in respect of any question or matter affecting any item or schedule of this return, or assist or advise you in the preparation of this return, or actually prepare this return for you? (Answer "yes" or "no") If so, give the name and address of such person or persons and state the nature and extent of the assistance or advice received by you and the items or schedules in respect of which the assistance or advice was received; if this return was actually prepared by any person or persons other than yourself, state the source of the information reported in this return and the manner in which it was furnished to or obtained by such person or persons
- Did you make a return of information on Forms 1096 and 1099 (see Instruction 31) for the calendar year 1936? (Answer "yes" or "no")

Item and Instruction No.	INCOME	Amount received	Expenses paid (Explain in Schedule F)						
1. Salaries, Wages, Commissions, Fees, etc. (State name and address of employer)		\$	\$	\$					
2. Net Profit (or Loss) from Business or Profession. (From Schedule A)	(State kind of business)								
3. Interest on Bank Deposits, Notes, Corporation Bonds, etc. (except interest on tax-free covenant bonds). (Attach detailed statement)									
4. Interest on Tax-free Covenant Bonds Upon Which a Tax was Paid at Source. (Attach detailed statement)									
5. Taxable Interest on Government obligations, etc. (From Schedule D, Line (g))									
6. Dividends. (From Schedule E)									
7. Income (or Loss) from Partnerships, Syndicates, Pools, etc. (Furnish name, address, and kind of business)									
8. Income from Fiduciaries. (Furnish name and address)									
9. Rents and Royalties. (From Schedule B)									
10. Capital Gain (or Loss). (From Schedule C) (If capital loss, this amount may not exceed \$3,000)									
11. Other Income. (State nature.) (Use separate schedule, if necessary)									
12. TOTAL INCOME IN ITEMS 1 TO 11				\$					
DEDUCTIONS									
13. Interest Paid. (Explain in Schedule F)				\$					
14. Taxes Paid. (Explain in Schedule F)									
15. Losses by Fire, Storm, etc. (Explain in table at foot of page 2)									
16. Bad Debts (including bonds determined to be worthless during taxable year). (Explain in Schedule F)									
17. Contributions. (Explain in Schedule F)									
18. Other Deductions Authorized by Law (including stock determined to be worthless during taxable year). (Explain in Schedule F)									
19. TOTAL DEDUCTIONS IN ITEMS 13 TO 18				\$					
20. NET INCOME (Item 12 minus Item 19)				\$					

COMPUTATION OF TAX (See Instruction 23)

21. Net income (Item 20 above)	\$								
22. Less: Personal exemption	\$								
23. Credit for Dependents. (Explain in Schedule F)									
24. Balance (Surtax net income)	\$								
25. Less: Interest on Government obligations, etc. (Item 5)	\$								
26. Earned income credit. (See Instruction 22)									
27. Balance subject to normal tax	\$								
28. Normal tax (4% of Item 27)	\$								
29. Surtax on Item 24. (See Instruction 23)									
30. Total tax. (Item 28 plus Item 29)	\$								
31. Less: Income tax paid at source (2% of Item 4)	\$								
32. Income tax paid to a foreign country or U. S. possession									
33. Balance of Tax. (Item 30 minus Items 31 and 32)	\$								

TAXPAYER'S RECORD OF PAYMENTS

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

SCHEDULE A—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION (See Instruction 2)

1. Total receipts from business or profession (state kind of business).....		\$		
Cost of Goods Sold				
2. Labor.....	\$		OTHER BUSINESS DEDUCTIONS	
3. Material and supplies.....			10. Salaries not included as "Labor" in Line 2 (do not deduct compensation for your services).....	
4. Merchandise bought for sale.....			\$	
5. Other costs (itemize below or on separate sheet).....				11. Interest on business indebtedness to others.....
6. Plus inventory at beginning of year.....				12. Taxes on business and business property.....
7. TOTAL (Lines 2 to 6).....	\$			13. Losses (explain in table at foot of page).....
8. Less inventory at end of year.....				14. Bad debts arising from sales or services.....
9. NET COST OF GOODS SOLD (Line 7 minus Line 8).....	\$			15. Depreciation, obsolescence, and depletion (explain in table provided at foot of page).....
				16. Rent, repairs, and other expenses (itemize below or on separate sheet).....
				17. TOTAL (Lines 10 to 16).....
			\$	
				18. TOTAL DEDUCTIONS (Line 9 plus Line 17).....
				19. NET PROFIT (OR LOSS) (Line 1 minus Line 18) (Enter as Item 2).....
			\$	

Enter "C", or "C or M", on Lines 6 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

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

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 9)

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 9)
	\$	\$	\$	\$	\$	\$

Explanation of deductions claimed in Column 6.....

SCHEDULE C—CAPITAL GAINS AND LOSSES (From Sales or Exchanges Only) (See Instruction 10)

1. DESCRIPTION OF PROPERTY AND PERIOD HELD	2. DATE ACQUIRED	3. DATE SOLD OR EXCHANGED	4. GROSS SALES PRICE (Contract price)	5. COST OR MARCH 1, 1913, VALUE IF ACQUIRED BEFORE THAT DATE. (Indicate basis)**	6. COST OF IMPROVEMENTS SUBSEQUENT TO ACQUISITION OR MARCH 1, 1913	7. DEPRECIATION ALLOWED (OR ALLOWABLE) SINCE ACQUISITION OR MARCH 1, 1913 (Furnish details)	8. GAIN OR LOSS	9. PERCENTAGE OF GAIN OR LOSS TO BE TAKEN INTO ACCOUNT	10. GAIN OR LOSS TO BE TAKEN INTO ACCOUNT	
									a. Gains	b. Losses
*(a) 1 year or less:	Mo. Day Year	Mo. Day Year	\$	\$	\$	\$	\$	100	\$	\$
*(b) Over 1 year but not over 2 years:								80		
*(c) Over 2 years but not over 5 years:								60		
*(d) Over 5 years but not over 10 years:								40		
*(e) Over 10 years:								30		
(f) TOTAL GAINS AND LOSSES (Enter net amount as Item 10; not in excess of \$2,000, if net amount is a capital loss)									\$	\$

*In reporting sales or exchanges of capital assets attach separate schedule, if necessary, for transactions coming within each of the 5 periods, and transfer gains and losses for each period to Column 10 above.
 **Cost of property must be entered in Column 5 if a loss is claimed in Column 8.
 State (1) how property was acquired; (2) Personal or business relationship, if any, of purchaser.
 Every sale or exchange of stock should be reported in detail, including name and address of corporation, class of stock, number of shares, capital changes affecting basis (stock dividends, other nontaxable dividends, stock rights, etc.).

SCHEDULE D—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction 5)

1. OBLIGATIONS OR SECURITIES	2. AMOUNT OWNED AT END OF YEAR	3. INTEREST RECEIVED OR ACCRUED DURING THE YEAR	4. PRINCIPAL AMOUNT EXEMPT FROM TAXATION	5. AMOUNT OWNED IN EXCESS OF EXEMPTION	6. INTEREST ON AMOUNT IN EXCESS OF EXEMPTION
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions.....	\$	\$	All	XXXXXX XX	XXXXXXXX XX
(b) Obligations issued under Federal Farm Loan Act, or under such Act as amended.....			All	XXXXXX XX	XXXXXXXX XX
(c) Obligations of United States issued on or before September 1, 1917.....			All	XXXXXX XX	XXXXXXXX XX
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness.....			All	XXXXXX XX	XXXXXXXX XX
(e) U. S. Savings Bonds and Treasury Bonds.....			\$5,000	\$	\$
(f) Obligations of instrumentalities of the United States (other than obligations to be reported in (b) above).....			None		
(g) TOTAL (enter total of column 6 as Item 5).....					\$

SCHEDULE E—INCOME FROM DIVIDENDS

Itemize all dividends received during the year, stating amounts and names and addresses of corporations declaring the dividends:

SCHEDULE F—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 1, 13, 14, 16, 17, AND 18, AND CREDIT CLAIMED IN ITEM 23

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. COST OR MARCH 1, 1913, VALUE IF ACQUIRED PRIOR TO THAT DATE (Indicate basis)	4. ASSETS FULLY DEPRECIATED IN USE AT END OF YEAR	5. DEPRECIATION ALLOWED (OR ALLOWABLE) IN PRIOR YEARS	6. REMAINING COST OR OTHER BASIS TO BE RECOVERED	7. LIFE USED IN ACCUMULATING DEPRECIATION	8. ESTIMATED REMAINING LIFE FROM BEGINNING OF YEAR	9. DEPRECIATION ALLOWABLE 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	4. SUBSEQUENT IMPROVEMENTS	5. DEPRECIATION ALLOWABLE SINCE ACQUISITION	6. INSURANCE AND SALVAGE VALUE	7. DEDUCTIBLE LOSS
		\$	\$	\$	\$	\$

INSTRUCTIONS

The Instructions Numbered 1 to 20 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. PROFIT (OR LOSS) 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 profit (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 1933, 1934, 1935, and 1936 the following: (a) Gross sales; (b) Cost of goods sold; (c) Gross profits; (d) Percentage of profits to gross sales; (e) Amount collected; and (f) Gross profit on amount collected. (See Section 44 of the Revenue Act of 1936.)

Kind of business.—Describe the business or profession in the space provided in Item 2, 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 a 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 services of yourself, your dependent minor children, or of 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, nor estate, inheritance, legacy, succession, and gift 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 a deduction. Losses of business property arising 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 upon the basis of the original cost (not replacement cost) of the property and the probable number of years remaining of its expected 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 (less depreciation actually sustained before that date), whichever is greater. If the property was acquired in any other manner than by purchase, see Sections 23 (l), 23 (n), and 114 of the Revenue Act of 1936.

In case a deduction is claimed on account of depletion of mines, oil or gas wells, or timber, see Sections 23 (m), 23 (n), and 114 of the Revenue Act of 1936.

Do not claim any deduction for depreciation in 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.

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. Such tax (2 percent of the interest entered in Item 4) may be claimed as a credit in Item 31 of the return.

5. INTEREST ON GOVERNMENT OBLIGATIONS, ETC.

Schedule D should be filled in if you own any of the obligations or securities enumerated in Column 1. Enter in Column 2 the principal amounts of the various obligations owned at the end of the year and enter in Column 3 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.

Interest on all coupons falling due within the taxable year will be considered as 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 (e) are owned in excess of the exemption of \$5,000, or any on Line (f) are owned in any amount, Columns 5 and 6 should be filled in, and the total of the interest reported on Line (g) should be entered as Item 5 on page 1 of the return.

(See also Instruction 24, paragraph (d).)

6. DIVIDENDS

Enter as Item 6 the total of all dividends reported in Schedule E.

7 AND 8. INCOME FROM PARTNERSHIPS, SYNDICATES, POOLS, ETC., AND FIDUCIARIES

Enter as Item 7 your share of the profits (whether received or not) (or of the losses) of a partnership, syndicate, pool, etc., and as Item 8 income from an estate or trust, except that the share of taxable interest on obligations of the United States, etc., shall be included in Schedule D. Include in Items 31 and 32, 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 does not 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 (or losses) for such accounting period ending within your taxable year.

9. INCOME FROM RENTS AND ROYALTIES

Fill in Schedule B, giving the information requested.

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

Enter as depreciation the amount of exhaustion, wear and tear, or depletion sustained during the taxable year 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.

10. CAPITAL GAINS AND LOSSES

Report sales or exchanges of capital assets in Schedule C and enter the net amount of gain or loss to be taken into account in computing net income as Item 10. (CAPITAL LOSSES ARE ALLOWABLE ONLY TO THE EXTENT OF \$2,000 PLUS CAPITAL GAINS. THEREFORE, IF THE TOTAL AMOUNT OF CAPITAL LOSSES IS IN EXCESS OF THE TOTAL AMOUNT OF CAPITAL GAINS, THE AMOUNT TO BE ENTERED AS ITEM 10 MAY NOT EXCEED \$2,000.) Describe the property briefly, and state the price received or the fair market value of the property received in exchange. Expenses connected with the sale or exchange may be deducted in computing the profit or loss.

If the property sold or exchanged was acquired prior to March 1, 1913, the basis for determining GAIN is the cost or the fair market value as of March 1, 1913, adjusted as provided in Section 113 (b) of the Revenue Act of 1936, whichever is greater, but in determining LOSS the basis is cost so adjusted. (See Section 113 of the Revenue Act of 1936.) If the amount shown as cost is other than actual cash cost of the property sold or exchanged, full details must be furnished regarding the acquisition of the property.

Enter as depreciation the amount of exhaustion, wear and tear, obsolescence, or depletion which has been allowed (but not less than the amount 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, 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. Do not deduct ordinary repairs, interest, or taxes in computing gain or loss.

No loss shall be recognized in any sale or other disposition of shares of stock or securities where you have acquired substantially identical stock or securities within 30 days before or after the date of such sale or disposition, unless you are engaged in the trade or business of buying and selling stocks and securities.

No deduction shall be allowed in respect of losses from sales or exchanges of property, directly or indirectly, (A) between members of a family, or (B) except in the case of distributions in liquidation, between an individual and a corporation in which such individual owns, directly or indirectly, more than 50 percent in value of the outstanding stock. For the purpose of this paragraph—(C) an individual shall be considered as owning the stock owned, directly or indirectly, by his family; and (D) the family of an individual shall include only his brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants.

The provisions of the Revenue Act of 1936 relating to capital gains and losses are:

Sec. 117. (a) *General rule.*—In the case of a taxpayer, other than a corporation, only the following percentages of the gain or loss recognized upon the sale or exchange of a capital asset shall be taken into account in computing net income:

100 per centum if the capital asset has been held for not more than 1 year;
80 per centum if the capital asset has been held for more than 1 year but not for more than 2 years;
60 per centum if the capital asset has been held for more than 2 years but not for more than 5 years;
40 per centum if the capital asset has been held for more than 5 years but not for more than 10 years;
30 per centum if the capital asset has been held for more than 10 years.

(b) *Definition of capital assets.*—For the purposes of this title, "capital assets" means property held by the taxpayer (whether or not connected with his trade or business), but does not include stock in trade of the taxpayer or other property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year, or property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business.

(c) *Determination of period for which held.*—For the purpose of subsection (a)—
(1) In determining the period for which the taxpayer has held property received on an exchange there shall be included the period for which he held the property exchanged if under the provisions of section 113 the property received has, for the purpose of determining gain or loss from a sale or exchange, the same basis in whole or in part in his hands as the property exchanged.

(2) In determining the period for which the taxpayer has held property however acquired there shall be included the period for which such property was held by any other person, if under the provisions of section 113, such property has, for the purpose of determining gain or loss from a sale or exchange, the same basis in whole or in part in his hands as it would have in the hands of such other person.

(3) In determining the period for which the taxpayer has held stock or securities received upon a distribution where no gain was recognized to the distributee under the provisions of section 112 (g) of the Revenue Act of 1928 or the Revenue Act of 1932, there shall be included the period for which he held the stock or securities in the distributing corporation prior to the receipt of the stock or securities upon such distribution.

(4) In determining the period for which the taxpayer has held stock or securities the acquisition of which (or the contract or option to acquire which) resulted in the noneductibility (under section 118 of this Act or section 116 of the Revenue Act of 1928 or the Revenue Act of 1932 or the Revenue Act of 1934, relating to wash sales) of the loss from the sale or other disposition of substantially identical stock or securities, there shall be included the period for which he held the stock or securities the loss from the sale or other disposition of which was not deductible.

(d) *Limitation on capital losses.*—Losses from sales or exchanges of capital assets shall be allowed only to the extent of \$2,000 plus the gains from such sales or exchanges.

(e) *Gains and losses from short sales, etc.*—For the purpose of this title—

(1) gains or losses from short sales of property shall be considered as gains or losses from sales or exchanges of capital assets; and

(2) gains or losses attributable to the failure to exercise privileges or options to buy or sell property shall be considered as gains or losses from sales or exchanges of capital assets held for one year or less.

(f) *Retirement of bonds, etc.*—For the purposes of this title, amounts received by the holder upon the retirement of bonds, debentures, notes, or certificates or other evidences of indebtedness issued by any corporation (including those issued by a government or political subdivision thereof), with interest coupons or in registered form, shall be considered as amounts received in exchange therefor.

Notwithstanding the provisions of Section 117 (a) above, 100 percent of the gain resulting to the distributee from distributions in liquidation of a corporation shall be taken into account in computing net income, except in the case of amounts distributed in complete liquidation of a corporation. (See Section 115 (c) of the Revenue Act of 1936.)

Section 117 applies only to gains and losses upon the sale or exchange of capital assets and, therefore, has no application to loss of useful value upon the permanent abandonment of the use of property or loss sustained as the result of corporate stock or debts becoming worthless.

In the application of Section 117 a husband and wife, regardless of whether a joint return or separate returns are made, are considered to be separate taxpayers. Accordingly, the limitation under Section 117 (d) on the allowance of losses of one spouse from sales or exchanges of capital assets is in all cases to be computed without regard to gains and losses of the other spouse upon sales or exchanges of capital assets.

11. OTHER INCOME

Enter as Item 11 all other taxable income for which no space is provided on the return.

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, 7, 9, and 10.

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 or continued to purchase or carry obligations (other than obligations of the United States issued after September 24, 1917, and originally subscribed for by the taxpayer) 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, nor estate, inheritance, legacy, succession, and gift taxes, nor 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 32. No deduction is allowable for any portion of foreign income and profits taxes if a credit is claimed in Item 32. 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 Section 23 (e) of the Revenue Act of 1936.)

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 shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation. The amount claimed shall not exceed 15 percent of your net income computed without the benefit of this deduction. A fiduciary filing the return for an estate may claim, in lieu of this deduction, that provided in Section 162 of the Revenue Act of 1936. List organizations and amounts contributed to each in Schedule F.

18. OTHER DEDUCTIONS

Enter as Item 18 any other authorized deductions for which no space 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 should be deducted the amount of any income paid or credited to a beneficiary. Any deduction claimed should be explained in Schedule F.

No deduction is allowable for the amount of any item or part thereof allocable to a class of exempt income, other than interest. Items directly attributable to such exempt income shall be allocated thereto, and items directly attributable to any class of taxable income shall be allocated to such taxable income. A taxpayer receiving any exempt income, other than interest, or holding any property or engaging in any activity the income from which is exempt shall submit with his return as a part thereof an itemized statement, in detail, showing (1) the amount of each class of exempt income, and (2) the amount of items allocated to each such class (the amount allocated by apportionment being shown separately).

19. TOTAL DEDUCTIONS IN ITEMS 13 TO 18

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 amounted to \$5,000, or whose net income amounted to—

- (a) \$1,000 if single or if married and not living with husband or wife;
- (b) \$2,500 if married and living with husband or wife; or
- (c) More than the personal exemption if status of taxpayer changed.

If an individual is single and the net income, including that of dependent minors, if any, is \$1,000 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 \$2,500 or over, or if their combined gross income is \$5,000 or over, all such income must be reported in a joint return, or in 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.

In order for a joint return to be filed by a husband and wife, both spouses must have had some income or deductions in the year for which the return is filed and the return must include the income and deductions of both spouses. A joint return of husband and wife may be filed only if they were living together at the close of their taxable year.

If the net income of a decedent to the date of his death was \$1,000 or over, if unmarried, or in excess of the credit allowed him by Section 25 (b) (1) and (3) of the Revenue Act of 1936 (computed without regard to his status as the head of a family), if married and living with spouse, 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 (a) estates of decedents before final settlement, (b) trusts, other than revocable trusts, whether created by will or deed, is taxed to the fiduciary as a single person, except that from the income of a decedent's estate there should be deducted any amount properly paid or credited to a beneficiary.

22. EARNED INCOME CREDIT, PERSONAL EXEMPTION, AND CREDIT FOR DEPENDENTS

For the purpose of the normal tax, but not for the surtax, there may be claimed a credit against net income of 10 percent of the amount of the earned net income, but not in excess of 10 percent of the amount of the entire net income. "Earned income" means wages, salaries, professional fees, and other amounts received as compensation for personal services actually rendered, but does not include any amount not included in gross income, nor that part of the compensation derived by the taxpayer for personal services rendered by him to a corporation which represents a distribution of earnings or profits rather than a reasonable allowance as compensation for the personal services actually rendered. In the case of a taxpayer engaged in a trade or business in which both personal services and capital are material income producing factors, a reasonable allowance as compensation for the personal services actually rendered by the taxpayer, not in excess of 20 percent of his share of the net profits of such trade or business, shall be considered as earned income. "Earned income deductions" means such deductions as are allowed by Section 23 of the Revenue Act of 1936 for the purpose of computing net income, and are properly allocable to or chargeable against earned income. "Earned net income" means the excess of the amount of the earned income over the sum of the earned income deductions. If the taxpayer's net income is not more than \$3,000, his entire net income shall be considered to be earned net income, and if his net income is more than \$3,000, his earned net income shall not be considered to be less than \$3,000. In no case shall the earned net income be considered to be more than \$14,000. The earned income credit allowable to each spouse in a joint return is the same as is allowable to each spouse in separate returns; however, the earned income, earned income deductions, earned net income, and net income of each spouse must be shown separately.

A single person, or a married person not living with husband or wife, may claim an exemption of \$1,000. 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 \$2,500. 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 18 years of age, or incapable of self-support because mentally or physically defective, who received his or her chief support from the taxpayer during the taxable year. This credit can be claimed only by the person who furnishes the chief support, and cannot be divided between two individuals. Explain such credit in Schedule E, furnishing the name of each dependent, the relationship between taxpayer and dependent, and the reason for support if the dependent is not under 18 years of age.

If the status of the taxpayer, insofar as it affects the personal exemption or credit for dependents, changed during the taxable year, the personal exemption and credit shall be apportioned in accordance with the number of months before and after such change. For the purpose of such apportionment 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 month.

Where a return is filed on this form for an estate in process of administration, or for a trust, an exemption of \$1,000 may be claimed.

23. COMPUTATION OF TAX

Surtax.—The surtax on any amount of surtax 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 a bona fide sale of any oil or gas property, or any interest therein, the surtax on the profit shall not exceed 30 percent of the selling price. (See Section 105 of the Revenue Act of 1936.)

SURTAX RATES					
Amount of surtax net income	Rate per cent	Total surtax	Amount of surtax net income	Rate per cent	Total surtax
\$0 to \$4,000			\$62,000 to \$68,000	39	\$14,000
4,000 to 6,000	4	\$50	68,000 to 74,000	43	16,500
6,000 to 8,000	5	150	74,000 to 80,000	47	19,000
8,000 to 10,000	6	300	80,000 to 86,000	51	24,500
10,000 to 12,000	7	450	86,000 to 92,000	55	30,000
12,000 to 14,000	8	600	92,000 to 98,000	58	35,000
14,000 to 16,000	9	750	98,000 to 104,000	60	39,000
16,000 to 18,000	11	1,050	104,000 to 110,000	62	43,000
18,000 to 20,000	13	1,200	110,000 to 116,000	64	47,000
20,000 to 22,000	15	1,500	116,000 to 122,000	66	51,000
22,000 to 24,000	17	2,250	122,000 to 128,000	68	55,000
24,000 to 26,000	19	3,350	128,000 to 134,000	70	59,000
26,000 to 28,000	21	4,850	134,000 to 140,000	72	63,000
28,000 to 30,000	24	6,050	140,000 to 146,000	73	67,000
30,000 to 32,000	26	7,750	146,000 to 152,000	74	71,000
32,000 to 34,000	27	9,150	152,000 to 158,000	75	75,000
34,000 to 36,000	28	10,750	158,000 to 164,000		
36,000 to 38,000	30	12,550			
38,000 to 40,000	31	14,450			
40,000 to 42,000	32	16,450			
42,000 to 44,000	33	18,550			
44,000 to 46,000	34	20,750			
46,000 to 48,000	35	23,050			
48,000 to 50,000					
50,000 to 52,000					
52,000 to 54,000					
54,000 to 56,000					
56,000 to 58,000					
58,000 to 60,000					
60,000 to 62,000					

Income from a partnership or fiduciary having a different taxable year.—If the taxable year of a beneficiary is different from that of the estate or trust, the part of the estate or trust income to be included in computing his net income

shall be based upon the net income of the estate or trust for any taxable year of the estate or trust ending within his taxable year.

If the taxable year of a partner is different from that of the partnership, the distributive share of the net income of the partnership to be included in computing the net income of the partner for his taxable year shall be based upon the net income of the partnership for any taxable year of the partnership ending within the taxable year of the partner.

Income tax paid to a foreign country or U. S. possession.—If, in accordance with Section 131 (a) of the Revenue Act of 1936, a credit is claimed in Item 32 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.

24. ITEMS EXEMPT FROM TAX

The following items are exempt from Federal income tax, except where otherwise indicated, and should not be included in gross income:

(a) Amounts received under an 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 and other than amounts received as annuities) under a life insurance or endowment 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. Amounts received as an annuity under an annuity or endowment contract shall be included in gross income, except that there shall be excluded from gross income the excess of the amount received in the taxable year over an amount equal to 3 percent of the aggregate premiums or consideration paid for such annuity (whether or not paid during such year), until the aggregate amount excluded from gross income equals the aggregate premiums or consideration paid for such annuity. 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 (a) above or this paragraph;

(c) Gifts (not received as a consideration for services rendered) and money and property acquired by bequest, devise, or inheritance (but the income derived from such property is taxable and must be reported);

(d) Interest upon (1) the obligations of a State, Territory, or any political subdivision thereof, or the District of Columbia, or United States possessions; or (2) obligations 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 (4) obligations of instrumentalities of the United States (other than obligations issued under Federal Farm Loan Act or under such act as amended), such as Federal Farm Mortgage Corporation bonds, Home Owners' Loan Corporation bonds, etc. The interest on United States Savings Bonds and Treasury bonds, owned in excess of \$5,000, and on obligations of instrumentalities of the United States (other than obligations issued under Federal Farm Loan Act or under such act as amended) is subject to surtax if the surtax net income is over \$4,000. Such interest should be reported in Schedule D and as Item 5 (see Instruction 5);

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

(g) Compensation paid by a State or political subdivision thereof to its officers or employees for services rendered in connection with the exercise of an essential governmental function; and

(h) Amounts received as earned income from sources without the United States (except amounts paid by the United States or any agency thereof) by an individual citizen of the United States who is a bona fide nonresident for more than 6 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 the 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 are not kept on the accrual basis, report all income received or constructively received, such as bank interest credited to your account, and expenses paid. The return for a decedent shall include all items of income and deductions accrued up to the date of death regardless of the fact that the decedent may have kept his books on a cash basis.

26. PERIOD TO BE COVERED BY RETURN

The return must be filed on this form for the calendar year 1936 or for a fiscal year begun in 1936 and ended in 1937.

The accounting period established must be adhered to for subsequent years, unless permission is 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 30 days from the close of the proposed taxable year.

27. AFFIDAVITS

Taxpayer or agent.—The affidavit must be executed by the person whose income is reported or by his legal representative or agent. The return may be made by an agent (1) if, by reason of illness, the person liable for the making of the return is unable to make it, or (2) if the taxpayer is unable to make the return by reason of continuous absence from the United States for a period of at least 60 days prior to the date prescribed by law for making the return. Whenever a return is made by an agent it must be accompanied by a power of attorney on Form 935, or, in the case of husband and wife, on Form 936 (copies of which may be obtained from the collector of internal revenue).

Joint return.—The joint return of husband and wife must be signed by both spouses and sworn to by the spouse preparing—filling in—the return. If the return is prepared by both spouses, or is prepared by neither spouse, then both spouses must swear to the return, except where one spouse acts for the other spouse under a power of attorney submitted on Form 936.

Where return is prepared by someone other than taxpayer.—Question 12 on page 1 of the return should be answered fully, and where the return is actually prepared by some person or persons, other than the taxpayer, such person or persons must execute the affidavit at the foot of page 1 of the return.

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, except an attorney or agent employed to represent the taxpayer before the Department in connection with his tax liability.

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 the fifteenth day of the third month following the close of your taxable year. 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.

Your home or residential address should be given in the space provided at the top of the first page of the return. If you have a permanent business address, that address may be given as the principal or mailing address, provided that the complete home or residential address is also given.

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 the fifteenth day of the third month following the close of the taxable year, the second installment shall be paid on or before the fifteenth day of the third month, the third installment on or before the fifteenth day of the sixth month, and the fourth installment on or before the fifteenth day of the ninth month after the latest date prescribed for paying the first installment.

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 1 year, or both, together with the costs of prosecution, and, in addition, 5 percent to 25 percent 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 5 years, or both, together with the costs of prosecution.

For deficiency in tax.—5 percent of the amount of the deficiency if due to negligence or intentional disregard of rules and regulations without intent to defraud, or 50 percent of the amount of the deficiency if due to fraud.

31. INFORMATION AT SOURCE

Every person making payments of salaries, wages, interest, rents, commissions, or other fixed or determinable income of \$1,000 or more during the calendar year, to a single person, a partnership, or a fiduciary, or \$2,500 or more to a married person, is required to make a return on Forms 1096 and 1099 showing the amount of such payments and the name and address of each recipient. These forms will be furnished by any collector of internal revenue upon request. Such returns covering the calendar year 1936 must be forwarded to the Commissioner of Internal Revenue, Sorting Section, Washington, D. C., in time to be received not later than February 15, 1937.