

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 1932

File This Return With the Collector of Internal Revenue for Your District on or Before March 15, 1933
PRINT NAME AND ADDRESS PLAINLY BELOW

(Name)

(Street and number, or rural route)

(Post office) (County) (State)

Occupation, Business, or Profession

Do Not Write in these Spaces

File Code

Serial Number.....

District

(Cashier's Stamp)

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

1. Are you a citizen or resident of the United States?
2. If you filed a return for 1931, to which Collector's office was it sent?
3. Is this a joint return of husband and wife?
4. State name of husband or wife if a separate return was made and the Collector's office to which it was sent
5. Were you married and living with husband or wife on the last day of your taxable year?
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. 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 5, 6, or 7 changed during the year, state date and nature of change
9. State whether your books are kept on cash or accrual basis

ATTACH REMITTANCE HERE

Item and Instruction No.	INCOME	Amount received	Expenses paid				
	(State name and address of employer)	(Explain in Schedule F)	(Explain in Schedule F)				
1.	Salaries, Wages, Commissions, Fees, etc.	\$	\$	\$			
2.	Income from Business or Profession. (From Schedule A)						
3.	Interest on Bank Deposits, Notes, Corporation Bonds, etc. (except interest on tax-free covenant bonds)						
4.	Interest on Tax-free Covenant Bonds Upon Which a Tax was Paid at Source						
5.	Income from Partnerships, Syndicates, Pools, etc. (State name and address)						
6.	Income from Fiduciaries. (State name and address)						
7.	Rents and Royalties. (From Schedule B)						
8.	Profit from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C)						
9.	Taxable Interest on Liberty Bonds, etc. (From Schedule E)						
10.	Dividends on: (a) Stock of Domestic Corporations subject to taxation under Title I of 1932 Act						
	(b) Stock of Domestic Corporations not subject to taxation under Title I of 1932 Act						
	(c) Stock of Foreign Corporation						
11.	Other Income. (State nature of income)						
	(a)						
	(b)						
12.	TOTAL INCOME IN ITEMS 1 TO 11						\$
DEDUCTIONS							
13.	Interest Paid			\$			
14.	Taxes Paid. (Explain in Schedule F)						
15.	Losses by Fire, Storm, etc. (Explain in Table at foot of page 2)						
16.	Bad Debts. (Explain in Schedule F)						
17.	Contributions. (Explain in Schedule F)						
18.	Other Deductions Not Reported Above. (Explain in Schedule F)						
19.	TOTAL DEDUCTIONS IN ITEMS 13 TO 18						\$
20.	NET INCOME (Item 12 minus Item 19)						\$
21.	Less: Net loss for 1931 (Submit Schedule)						\$
22.	NET INCOME FOR TAX COMPUTATION (Item 20 minus Item 21)						\$

COMPUTATION OF TAX (See Instruction 23)

23.	Net Income Subject to Tax (Item 22 above)	\$					
24.	Less: Interest on Liberty Bonds, etc. (Item 9)	\$					
25.	Dividends (Item 10(a))						
26.	Personal Exemption						
27.	Credit for Dependents						
28.	Total of Items 24 to 27	\$					
29.	Balance subject to Normal Tax (Item 23 minus 28)	\$					
30.	Amount taxable at 4% (not over \$4,000)	\$					
31.	Amount taxable at 8% (Item 29 minus 30)	\$					
32.	Amount of Capital Net Gain or Loss (From Schedule D)	\$					
33.	Normal Tax (4% of Item 30)	\$					
34.	Normal Tax (8% of Item 31)	\$					
35.	Surtax on Item 22 (See Instruction 23)	\$					
36.	Tax on Net Income (total of Items 33 to 35)	\$					
37.	Adjustment for Capital Gain or Loss (12½% of Item 32)	\$					
38.	Total Tax (total of or difference between Items 36 and 37)	\$					
39.	Less: Income Tax Paid at Source (2% of Item 4)	\$					
40.	Income Tax Paid to a foreign country or U.S. possession	\$					
41.	Balance of Tax (Item 38 minus 39 and 40)	\$					

AFFIDAVIT

I swear (or affirm) that this return, including the accompanying schedules and statements, has been examined by me, and to the best of my knowledge and belief is a true and complete return, made in good faith, for the taxable year stated, pursuant to the Revenue Act of 1932 and the Regulations issued thereunder.

(See Instruction 27) (If return is made by agent, the reason therefor must be stated on this line)

Sworn to and subscribed before me this day of, 1933. (Signature of individual or agent)

NOTARIAL SEAL (Signature of officer administering oath) (Title) (Address of agent)

An amended return must be marked "Amended" at top of return. Checks and drafts will be accepted only if payable at par.

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

1. Total receipts from business or profession (state kind of business)		\$	
COST OF GOODS SOLD			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) \$
			18. TOTAL DEDUCTIONS (Line 9 plus Line 17). \$
			19. NET PROFIT (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 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)
	\$	\$	\$	\$	\$	\$

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 REALIZED	4. COST	5. MARCH 1, 1913, VALUE IF ACQUIRED PRIOR TO THAT DATE	6. COST OF IMPROVEMENTS SUBSEQUENT TO ACQUISITION OR MARCH 1, 1913	7. DEPRECIATION ALLOWED (OR ALLOWABLE) SINCE ACQUISITION OR MARCH 1, 1913	8. NET PROFIT OR LOSS (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	3. DATE SOLD	4. AMOUNT REALIZED	5. COST	6. MARCH 1, 1913, VALUE IF ACQUIRED PRIOR TO THAT DATE	7. COST OF IMPROVEMENTS SUBSEQUENT TO ACQUISITION OR MARCH 1, 1913	8. DEPRECIATION ALLOWED (OR ALLOWABLE) SINCE ACQUISITION OR MARCH 1, 1913	9. NET GAIN OR LOSS (Enter as Item 32)
	MO. DAY YEAR	MO. DAY YEAR	\$	\$	\$	\$	\$	\$

State how property was acquired

SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES (See Instruction 9)

1. OBLIGATIONS OR SECURITIES	2. AMOUNT OWNED	3. INTEREST RECEIVED OR ACCRUED	4. PRINCIPAL AMOUNT EXEMPT FROM TAXATION	5. AMOUNT OWNED IN EXCESS OF EXEMPTION	6. INTEREST ON AMOUNT IN EXCESS OF EXEMPTION (Enter as Item 9)
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia	\$	\$	All . . .	X X X X X X X X	X X X X X X X X
(b) Securities issued under Federal Farm Loan Act, or under such Act as amended, Treasury Bills, and Treasury Certificates of Indebtedness			All . . .	X X X X X X X X	X X X X X X X X
(c) Liberty 3½% Bonds and other obligations of United States issued on or before September 1, 1917, and obligations of U.S. possessions			All . . .	X X X X X X X X	X X X X X X X X
(d) Liberty 4% and 4¼% Bonds and Treasury Bonds			\$5,000 . . .	\$	\$
(e) Treasury Notes			All . . .	X X X X X X X X	X X X X X X X X

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

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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. AGE WHEN ACQUIRED	4. PROBABLE LIFE AFTER ACQUISITION	5. COST (Exclusive of Land)	6. MARCH 1, 1913, VALUE IF ACQUIRED PRIOR TO THAT DATE (Exclusive of Land)	7. DEPRECIATION ALLOWED (OR ALLOWABLE) IN PRIOR YEARS	8. 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 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
		\$	\$	\$	\$	\$

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 1932

DUPLICATE

DETACH AND RETAIN
THIS COPY AND
THE INSTRUCTIONS

File This Return With the Collector of Internal Revenue for Your District on or Before March 15, 1933
PRINT NAME AND ADDRESS PLAINLY BELOW

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

(Name)
(Street and number, or rural route)
(Post office) (County) (State)
Occupation, Business, or Profession

- 1. Are you a citizen or resident of the United States?
2. If you filed a return for 1931, to which Collector's office was it sent?
3. Is this a joint return of husband and wife?
4. State name of husband or wife if a separate return was made and the Collector's office to which it was sent
5. Were you married and living with husband or wife on the last day of your taxable year?
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. 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 5, 6, or 7 changed during the year, state date and nature of change
9. State whether your books are kept on cash or accrual basis

Table with columns for Item and Instruction No., INCOME, Amount received, Expenses paid, and tax calculation rows 1-22.

COMPUTATION OF TAX (See Instruction 23)

Table for tax computation with rows 23-41, including Net Income Subject to Tax, Normal Tax, Surtax, and Total Tax.

TAXPAYER'S RECORD OF PAYMENTS

Table with columns: PAYMENT, AMOUNT, DATE, CHECK OR M.O. NO., BANK OR OFFICE OF ISSUE. Rows for First, Second, Third, Fourth payments.

An amended return must be marked "Amended" at top of return. Checks and drafts will be accepted only if payable at par.

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

1. Total receipts from business or profession (state kind of business)		\$	
COST OF GOODS SOLD			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 (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 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)
	\$	\$	\$	\$	\$	\$

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 REALIZED	4. COST	5. MARCH 1, 1913, VALUE IF ACQUIRED PRIOR TO THAT DATE	6. COST OF IMPROVEMENTS SUBSEQUENT TO ACQUISITION OR MARCH 1, 1913	7. DEPRECIATION ALLOWED (OR ALLOWABLE) SINCE ACQUISITION OR MARCH 1, 1913	8. NET PROFIT OR LOSS (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	3. DATE SOLD	4. AMOUNT REALIZED	5. COST	6. MARCH 1, 1913, VALUE IF ACQUIRED PRIOR TO THAT DATE	7. COST OF IMPROVEMENTS SUBSEQUENT TO ACQUISITION OR MARCH 1, 1913	8. DEPRECIATION ALLOWED (OR ALLOWABLE) SINCE ACQUISITION OR MARCH 1, 1913	9. NET GAIN OR LOSS (Enter as Item 32)
	MO. DAY YEAR	MO. DAY YEAR	\$	\$	\$	\$	\$	\$

State how property was acquired

SCHEDULE E—INTEREST ON LIBERTY BONDS AND OTHER OBLIGATIONS OR SECURITIES (See Instruction 9)

1. OBLIGATIONS OR SECURITIES	2. AMOUNT OWNED	3. INTEREST RECEIVED OR ACCRUED	4. PRINCIPAL AMOUNT EXEMPT FROM TAXATION	5. AMOUNT OWNED IN EXCESS OF EXEMPTION	6. INTEREST ON AMOUNT IN EXCESS OF EXEMPTION (Enter as Item 9)
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia	\$	\$	All . . .	X X X X X X X X	X X X X X X X X
(b) Securities issued under Federal Farm Loan Act, or under such Act as amended, Treasury Bills, and Treasury Certificates of Indebtedness			All . . .	X X X X X X X X	X X X X X X X X
(c) Liberty 3½% Bonds and other obligations of United States issued on or before September 1, 1917, and obligations of U.S. possessions			All . . .	X X X X X X X X	X X X X X X X X
(d) Liberty 4% and 4¼% Bonds and Treasury Bonds			\$5,000 . . .	\$	\$
(e) Treasury Notes			All . . .	X X X X X X X X	X X X X X X X X

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

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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. AGE WHEN ACQUIRED	4. PROBABLE LIFE AFTER ACQUISITION	5. COST (Exclusive of Land)	6. MARCH 1, 1913, VALUE IF ACQUIRED PRIOR TO THAT DATE (Exclusive of Land)	7. DEPRECIATION ALLOWED (OR ALLOWABLE) IN PRIOR YEARS	8. 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 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 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. INCOME FROM BUSINESS OR PROFESSION

If you owned a business, or practices 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 1929, 1930, 1931, and 1932 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 1932.

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 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.

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 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 Section 23(k), 23(m), and 114 of the Revenue Act of 1932.

In case a deduction is claimed on amount of depletion of mines, oil or gas wells, or timber, see Sections 23(l), 23(m), and 114 of the Revenue Act of 1932.

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.

Rents, 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. Such tax (2 per cent of the interest entered in Item 4) may be claimed as a credit in Item 39 of the return.

5 AND 6. INCOME FROM PARTNERSHIPS, SYNDICATES, POOLS, ETC., AND FIDUCIARIES

Enter as Item 5 your share (whether received or not) of the profits of a partnership, syndicate, pool, etc., 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) taxable interest on obligations of the United States shall be included in Schedule E, and (c) profits which consisted of dividends on stock of domestic corporations shall be included in Item 10 ((a) and/or (b)) on the return. Include in Items 39 and 40, 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 receive 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 cropshare 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 1932, 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.

If gain or loss is computed on March 1, 1913, value, both cost and March 1, 1913, value must be shown and full information given as to how March 1, 1913, value was determined. If the amount shown as cost is other than actual cash cost of the property sold, full details must be furnished regarding the acquisition of the property.

Enter as depreciation the amount of 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, 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.

Deductions for losses from sales or exchanges of stocks and bonds which as not capital assets as defined in Section 101 of the 1932 Act shall be allowed only to the extent of the gains from such sales or exchanges (including gains which may be derived by a taxpayer from the retirement of his own obligations). See Section 23(r) and (t) of the Revenue Act of 1932.

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 stock or securities 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 8 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 ordinary net income shall be reduced by 12½ per cent of such capital net loss; but in no case shall the tax computed in this manner be less than the total normal tax and surtax that would be imposed without the benefit of this provision. The term "capital net loss" means the excess of the sum of the capital losses plus the capital deductions over the total amount of capital gain.

The term "capital assets" means property held by 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 37 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 Section 101 of the Revenue Act of 1932.

9. 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 the principal amounts of the various obligations owned 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 an accrual basis, report the actual amount of interest accrued on the obligations owned during the taxable year.

If the obligations enumerated on Line (d) are owned in excess of the exemption of \$5,000, Columns 5 and 6 should be filled in, and the total of the interest reported on Line (d), Column 6, entered as Item 9 on page 1 of the return.

10. DIVIDENDS

Enter as Item 10 (a) the amount received as dividends (1) from a domestic corporation subject to taxation under Title I of the Revenue Act of 1932 other than a corporation entitled to the benefits of Section 251 of the Act of 1932 and other than a corporation organized under the China Trade Act, 1922, or (2) 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. Enter as Item 10(b) dividends from a domestic corporation not subject to taxation under Title I of the Revenue Act of 1932. Enter as Item 10(c) dividends from a foreign corporation other than a foreign corporation described in (2) of this paragraph.

11. OTHER INCOME

Enter as Item 11 all other taxable income for which no space is provided on this 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, 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 or continued to purchase or carry obligations or securities the interest upon which is wholly exempt from taxation or interest on indebtedness incurred or continued in connection with the purchasing or carrying of an annuity.

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 40. No deduction is allowable for any portion of foreign income and profits taxes if a credit is claimed in Item 40.

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 1932.

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. 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 Section 162 of the 1932 Act.

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, except deduction for net loss for 1931, which should be entered as Item 21. 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.

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 1932 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 changes.

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 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 \$1,000 or over, if unmarried, or \$2,500 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 (a) estates of decedents 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 should 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 \$1,000. 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 those 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 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 can not be divided between two individuals.

If the status of the taxpayer, in so far as it affects the personal exemption or credit for dependents, changes 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 Form 1040 for an estate in process of administration, or for a trust, an exemption of \$1,000 may be claimed.

22. COMPUTATION OF TAX

Income from a partnership or fiduciary computed on a fiscal year basis.—The tax on income received from a fiduciary making a return for a fiscal year ended in 1932 shall be computed as if such income were for the calendar year 1932. If income is received from a partnership making its return for a fiscal year ended in 1932, the part of such income attributable to 1932 shall be added to your other income for that year subject to 1932 rates and the resulting amount shall be placed in the lower brackets of the rate schedule applicable to 1932, and the part of such income attributable to 1931 shall be placed in the next higher brackets of the rate schedule applicable to 1931.

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 a 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 Section 102 of the Revenue Act of 1932.

SURTAX RATES FOR 1932

Amount of net income	Rate per cent	Total surtax	Amount of net income	Rate per cent	Total surtax
A	B	C	A	B	C
\$0 to \$6,000	1	\$40	\$62,000 to 64,000	29	\$8,600
6,000 to \$10,000	2	80	64,000 to 66,000	30	9,200
10,000 to 12,000	3	140	66,000 to 68,000	31	9,820
12,000 to 14,000	4	220	68,000 to 70,000	32	10,460
14,000 to 16,000	5	320	70,000 to 72,000	33	11,120
16,000 to 18,000	6	440	72,000 to 74,000	34	11,800
18,000 to 20,000	7	580	74,000 to 76,000	35	12,500
20,000 to 22,000	8	740	76,000 to 78,000	36	13,220
22,000 to 24,000	9	920	78,000 to 80,000	37	13,960
24,000 to 26,000	10	1,120	80,000 to 82,000	38	14,720
26,000 to 28,000	11	1,340	82,000 to 84,000	39	15,500
28,000 to 30,000	12	1,580	84,000 to 86,000	40	16,300
30,000 to 32,000	13	1,840	86,000 to 88,000	41	17,120
32,000 to 36,000	15	2,300	88,000 to 90,000	42	17,960
36,000 to 38,000	16	2,620	90,000 to 92,000	43	18,820
38,000 to 40,000	17	2,960	92,000 to 94,000	44	19,700
40,000 to 42,000	18	3,320	94,000 to 96,000	45	20,600
42,000 to 44,000	19	3,700	96,000 to 98,000	46	21,520
44,000 to 46,000	20	4,100	98,000 to 100,000	47	22,460
46,000 to 48,000	21	4,520	100,000 to 150,000	48	46,460
48,000 to 50,000	22	4,960	150,000 to 200,000	49	70,960
50,000 to 52,000	23	5,420	200,000 to 300,000	50	120,960
52,000 to 54,000	24	5,900	300,000 to 400,000	51	171,960
54,000 to 56,000	25	6,400	400,000 to 500,000	52	223,960
56,000 to 58,000	26	6,920	500,000 to 750,000	53	356,460
58,000 to 60,000	27	7,460	750,000 to 1,000,000	54	491,460
60,000 to 62,000	28	8,020	1,000,000 up	55	-----

Income tax paid in a foreign country or U.S. possession.—If, in accordance with Section 131(a) of the 1932 Act, a credit is claimed in Item 40 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 and should not be included in gross income:

(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 (a) above or this paragraph;

(c) Gifts (not made 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 (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 4¼ per cent Liberty Bonds and Treasury Bonds, owned in excess of \$5,000, is subject to surtax if the net income is over \$6,000, and should be reported (see Instruction 9);

(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 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 or 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.

26. PERIOD TO BE COVERED BY RETURN

Your return for the calendar year 1932 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 1932, Form 1040FY 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, 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 March 15, 1933. 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, 1933, the second installment shall be paid on or before June 15, 1933, the third installment on or before September 15, 1933, and the fourth installment on or before December 15, 1933.

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, together with the costs of prosecution.

For deficiency in tax.—Interest on a deficiency at 6 per cent per annum to the date the deficiency is assessed, or to the thirtieth day after the filing of a waiver of the restrictions on assessment and collection, 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 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 1932 must be forwarded to the Commissioner of Internal Revenue, Sorting Section, Washington, D. C., in time to be received not later than February 15, 1933.