

INDIVIDUAL INCOME TAX RETURN

FOR EARNED NET INCOMES OF NOT MORE THAN \$5,000

DERIVED CHIEFLY FROM SALARIES AND WAGES

For Calendar Year 1926

PRINT NAME AND ADDRESS PLAINLY BELOW

FILE RETURN
WITH THE
COLLECTOR OF
INTERNAL
REVENUE FOR
YOUR DISTRICT
ON OR BEFORE
MARCH 15, 1927

(Name)

(Street and number, or rural route)

(Post office) (County) (State)

Do not write in this space

Serial Number -----

Amount Paid, \$ -----
(Cashier's Stamp)

Cash Check M. O. -----

Examined -----
By -----

OCCUPATION -----

QUESTIONS

- Are you a citizen or resident of the United States? -----
- Is this a joint return of husband and wife? -----
- If not, is a separate return being filed by your husband or wife? -----
- Were you married and living with husband or wife on the last day of your taxable year? -----
- If not, were you on the last day of your taxable year supporting one or more persons closely related to you and living in your household? -----
- If your status in respect to Questions 4 and 5 changed during the year, state date of such change -----
- How many dependent persons (other than husband or wife) under 18 years of age or incapable of self-support because mentally or physically defective were receiving their chief support from you on the last day of your taxable year? -----

INCOME

1. Salaries, Wages, Commissions, etc. (State name and address of person from whom received):			
(a) -----	\$		
(b) -----			
2. Interest on Bank Deposits, Notes, Mortgages, and Corporation Bonds -----			
(a) Interest on bonds upon which a tax of 1½% was paid at source -----			
3. Dividends on Stock of Domestic Corporations -----			
4. Other Income (including income from partnerships and fiduciaries) (State source):			
(a) -----			
(b) -----			
5. TOTAL INCOME IN ITEMS 1 TO 4 -----			\$ -----

DEDUCTIONS

6. Taxes Paid -----	\$		
7. Contributions (Explain on reverse side) -----			
8. Other Deductions Authorized by Law (Explain below):			
(a) -----			
(b) -----			
9. TOTAL DEDUCTIONS IN ITEMS 6 TO 8 -----			\$ -----

COMPUTATION OF TAX

10. Net Income (Item 5 minus Item 9) -----			\$ -----
11. Less: Dividends (Item 3 above) -----	\$		
12. Credit for Dependents -----			
13. Personal Exemption -----			
14. Balance taxable at 1½%, not over \$4,000 (Item 10 minus Items 11, 12, and 13) -----			\$ -----
15. Total Income Tax (1½% of Item 14) -----			\$ -----
16. Less: Income Tax paid at source on tax-free covenant bonds (1½% of Item 2a) -----	\$		
17. Income and profits taxes paid a foreign country or possession of U. S. (Attach Form 1116) -----			
18. Credit of 25% of tax on earned net income (25% of Item 15) -----			
19. BALANCE OF TAX (Item 15 minus Items 16, 17, and 18) -----			\$ -----

NOTE.—If you are engaged in a profession or business, including farming, use Form 1040, regardless of amount of income.

STATEMENT OF CONTRIBUTIONS

NAME OF ORGANIZATION	AMOUNT PAID	NAME OF ORGANIZATION	AMOUNT PAID
	\$		\$

NONTAXABLE OBLIGATIONS AND SECURITIES

OBLIGATIONS AND SECURITIES	AMOUNT OWNED	INTEREST RECEIVED
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia.....	\$	\$
(b) Securities issued under the Federal Farm Loan Act, or under such Act as amended.....
(c) Obligations of the United States or its possessions.....

AFFIDAVIT

I swear (or affirm) that this return has been examined by me, and, to the best of my knowledge and belief, is a true and complete return for the taxable year as stated, pursuant to the Revenue Act of 1926 and Regulations issued under authority thereof.

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

Sworn to and subscribed before me this

.....
(Signature of taxpayer or agent)

day of, 1927

.....
(Address of agent)

.....
(Signature of officer administering oath)

.....
(Title)

INSTRUCTIONS

Liability for Filing Return

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, having a gross income for the calendar year 1926 of \$5,000 or over, or a net income for the same period of (a) \$1,500 or over, if single, or if married and not living with husband or wife, or (b) \$3,500 or over, if married and living with husband or wife, or (c) regardless of amount if the net income exceeds the personal exemption.

Items Exempt from Tax

- (a) Amounts received under a life insurance contract paid by reason of the death of the insured.
- (b) Amounts received (other than by reason of the death of the insured) under a life insurance, endowment, or annuity contract, not to exceed the premiums or consideration paid for such contract.
- (c) Gifts (not made as a consideration for services), and property acquired by bequest, devise, or inheritance (but the income from such property is taxable and must be reported).
- (d) Interest upon (a) obligations of a State, Territory, or a political subdivision thereof, or the District of Columbia; (b) Federal Farm Loan bonds; and (c) all obligations of the United States and its possessions as to normal tax. Interest on Liberty Bonds owned in excess of \$5,000 is subject to surtax if the net income is over \$10,000.
- (e) Amounts received as accident or health insurance for personal injuries or sickness, plus damages received on account of such injuries or sickness.
- (f) Amounts received under the War Risk Insurance and Vocational Rehabilitation Acts, or the World War Veterans' Act, 1924, or as pensions from the United States for services in the military or naval forces in time of war, or as a State pension for services rendered for which the State is paying a pension.
- (g) Dividends or interest, not exceeding \$300, received from domestic building and loan associations, substantially all the business of which is confined to making loans to members.
- (h) Rental value of a dwelling house and appurtenances thereof furnished a minister of the gospel as part of his compensation.
- (i) Compensation paid by a State or political subdivision thereof to its officers or employees.
- (k) Compensation received from sources without the United States by a citizen who is a nonresident for more than six months of the taxable year.

Personal Exemption and Credits

A single person, or a married person not living with husband or wife, may claim a personal exemption of \$1,500. A person who, during the entire taxable year, was the head of a family or was married and living with husband or wife, may claim an exemption of \$3,500.

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.

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

In case the status of a taxpayer changes during the taxable year, the personal exemption shall be an amount which bears the same ratio to \$1,500 as the number of months during which the taxpayer was single bears to twelve months, plus an

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

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

General Information

- Affidavit.**—The oath will be administered without charge by any collector, deputy collector, or internal revenue agent.
- Returns.**—File the return with the Collector of Internal Revenue for the district in which you reside on or before March 15, 1927.
- Tax.**—The tax may be paid at time of filing the return, or in four equal installments payable quarterly.
- Penalties.**—The following penalties are imposed by the statute:
 - For willful failure to make and file a return on time, not more than \$10,000 or imprisonment for not more than one year, or both, and, in addition, 25 per cent of the amount of the tax;
 - For willfully making a false or fraudulent return, not more than \$10,000 or imprisonment for not more than five years, or both, and, in addition, 50 per cent of the amount of the tax; and
 - For deficiency in tax, interest on 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 right to file a petition with the Board of Tax Appeals, whichever date is the earlier, and, in addition, 5 per cent of the amount of the deficiency if due to negligence or intentional disregard of rules and regulations without intent to defraud, or 50 per cent of amount of deficiency if due to fraud.

Income

- Salaries.**—Enter as Item 1 all salaries, wages, or other compensation received from outside sources by (a) yourself, (b) your husband or wife if a joint return is filed, and (c) each dependent minor child.
- Interest.**—Enter as Item 2 all interest received or credited to your account during the year on bank deposits, notes, mortgages, and corporation bonds, except interest on bonds containing a tax-free covenant which should be entered as Item 2(a) if you filed an Ownership Certificate on Form 1000A not claiming exemption. The tax of 1½% paid by the debtor corporation on such interest should be entered as Item 18. Interest on bonds is considered income when due and payable.
- Dividends.**—Enter as Item 3 the amount received as dividends on stock of domestic corporations, including your share of such dividends on stock owned by a partnership, or an estate or trust.
- Other income.**—Enter as Item 4 all other taxable income, including dividends on stock of foreign corporations, income of an estate or trust, and your share, whether received or not, in the profits of a partnership.

Deductions

- Taxes.**—Enter as Item 6 all personal taxes and taxes on property paid during the year. Do not include Federal income taxes, taxes imposed upon sales by the manufacturer, nor taxes claimed as a credit in Item 17 of the return.
- Contributions.**—Enter as Item 7 any contributions or gifts made during the year to any corporation or fund organized and operated exclusively for religious, charitable, or educational purposes. The amount claimed shall not exceed 15 per cent of the net income computed without the benefit of this deduction.
- List names of organizations and amounts contributed to each in space above.
- Other deductions.**—Enter as Item 8 any other deductions authorized by law, including interest paid on personal indebtedness.