FORM 1040 A

TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE

(Auditor's stamp)

UNITED STATES
INDIVIDUAL INCOME TAX RETURN
1939

FOR NET INCOMES OF NOT MORE THAN $5,000 DERIVED FROM SALARIES, WAGES, DIVIDENDS, INTEREST, AND ANNUITIES

(NOTE.—If you derive income, regardless of amount, from a profession or business, including farming, or from rents or sale of property, use Form 1040)

To be filed with the Collector of Internal Revenue for your district on or before March 15, 1940

PRINT NAME AND HOME OR RESIDENTIAL ADDRESS PLAINLY BELOW

(Name) (Use given names of 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

Serial No.

Amount Paid, $

(Cashier's Stamp)

Cash—Check—M. O.

Item and Instruction No.			
	INCOME		
1.	Salaries and other compensation for personal services. (From Schedule B)	$	
2.	Dividends		
3.	Interest on bank deposits, notes, mortgages, etc.		
4.	Interest on corporation bonds		
5.	Other income (including income from annuities, fiduciaries, etc.). (From Schedule C)		
6.	Total income in items 1 to 5		$
	DEDUCTIONS		
7.	Contributions paid. (From Schedule D)	$	
8.	Interest paid. (From Schedule E)		
9.	Taxes paid. (From Schedule F)		
10.	Other deductions authorized by law. (From Schedule G)		
11.	Total deductions in items 7 to 10		
	COMPUTATION OF TAX		
12.	Net income (item 6 minus item 11)		$
13.	Less: Earned income credit. (From Schedule H-1 or H-2)	$	
14.	Personal exemption. (From Schedule A-1)		
15.	Credit for dependents. (From Schedule A-2)		
16.	Balance of net income taxable (item 12 minus items 13, 14, and 15)		$
17.	Income tax (4% of item 16)		$
18.	Less: Income tax paid at source on tax-free covenant bonds	$	
19.	Income tax paid to a foreign country or United States possession. (Attach Form 1116)		
20.	Balance of tax (item 17 minus items 18 and 19)		$

Schedule A.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 14 AND 15. (See Instructions 14 and 15)

(1) Personal Exemption			(2) Credit for Dependents				
Status	Number of Months During Year in Each Status	Credit Claimed	Name of Dependent and Relationship	Number of Months During the Year: Under 18 Years Old	Number of Months During the Year: Over 18 Years Old	Credit Claimed	
Single, or married and not living with husband or wife		$				$	
Married and living with husband or wife							
Head of family (explain below)							
			Reason for support if over 18 years old				

NOTE.—One form marked "DUPLICATE COPY" must be filed with this original return ($5 will be assessed if duplicate copy is not filed)

16—8958

Schedule B.—INCOME RECEIVED FROM OTHERS CONSISTING OF SALARIES, WAGES, FEES, AND OTHER COMPENSATION FOR PERSONAL SERVICES. (See Instruction 1)

1. Name and Address of Employer and Nature of Income	2. Amount	3. Expenses Paid (Itemize)	4. Amount
	$		$
Total column 2 minus total column 4 (enter as item 1, page 1)			$

Schedule C.—OTHER INCOME (INCLUDING INCOME FROM ANNUITIES, FIDUCIARIES, ETC.). (See Instruction 5)

1. From Whom Received and Nature of Income	2. Amount	1. From Whom Received and Nature of Income (Continued)	2. Amount (Continued)
	$		$

Schedule D.—CONTRIBUTIONS PAID. (See Instruction 7)

1. Name and Address of Organization	2. Amount
	$

Schedule E.—INTEREST PAID. (See Instruction 8)

1. To Whom Paid	2. Amount
	$

Schedule F.—TAXES PAID. (See Instruction 9)

1. Nature of Tax	2. Amount
	$

Schedule G.—OTHER DEDUCTIONS. (See Instruction 10)

1. Description	2. Amount
	$

Schedule H.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 13)

1. If your net income is $3,000 or less, use only this part of schedule		2. If your net income is more than $3,000, use only this part of schedule	
Net income (item 12, page 1)	$	Earned net income (item 1, page 1) (not more than $14,000)	$
Earned income credit (10% of net income, above)		Net income (item 12, page 1)	
		Earned income credit (10% of earned net income or 10% of net income, above, whichever amount is smaller, but do not enter less than $300)	

Schedule I.—NONTAXABLE INCOME. (See Instruction 6)

1. Government Obligations or Securities	2. Amount Owned at End of Year	3. Interest Received	4. Other Exempt Income (State nature)	5. Amount Received
	$	$		$

QUESTIONS

1. What is your occupation? _____
2. Check whether you are a citizen ☐ or a resident alien ☐
3. If you filed a return for 1938, to which Collector's office was it sent? _____
4. Are items of income or deductions of both husband and wife included in this return? _____
5. State name of husband or wife if a separate return was made, personal exemption, if any, claimed thereon, and the Collector's office to which it was sent: _____

AFFIDAVIT. (See Instruction D)

I/we swear (or affirm) that this return 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 Internal Revenue Code and regulations issued under authority thereof; and that I/we had no income from sources other than stated hereon.

Subscribed and sworn to by _____

before me this _____ day of _____, 1940.

_____
(Signature and title of officer administering oath)

A RETURN MADE BY AN AGENT MUST BE ACCOMPANIED BY POWER OF ATTORNEY. (See Instruction D)

_____
(Signature) (See Instruction D)

_____
(Signature)

(If this is a joint return (not made by agent), it must be signed by both husband and wife. It must be sworn to before a proper officer by the spouse preparing the return. If neither or both prepare the return, it must be sworn to by both spouses.)

U. S. GOVERNMENT PRINTING OFFICE 16—8958

1939 INSTRUCTIONS FOR FORM 1040A UNITED STATES INDIVIDUAL INCOME TAX RETURN 1939

GENERAL INSTRUCTIONS

(A) WHO MUST MAKE A RETURN

Every citizen of the United States whether residing at home or abroad and every individual residing within the United States though not a citizen thereof shall make a return of income for each taxable year if during the year his status and the amount of his net income or gross income bring him within either of the following groups:

(1) *Single, or married and not living with husband or wife for any part of the taxable year:* If having a net income of $1,000 or more or a gross income of $5,000 or more.

(2) *Married couples living together for the entire taxable year:* If each has a gross income and the combined net income of the two is $2,500 or over, or the combined gross income is $5,000 or over. If only one has a gross income and his net income is $2,500 or over, or his gross income is $5,000 or over, such person shall make a return.

(3) *Married and living with husband or wife for only part of the taxable year:* If each has a gross income and the combined net income of the two is equal to, or in excess of, their total credits for personal exemption (computed without regard for credit as head of family). If only one has a gross income, if his net income is equal to, or in excess of, his credit for personal exemption (computed without regard for credit as head of family) or his gross income is $5,000 or over.

Joint returns.—May be filed by husband and wife if they are both citizens or residents and if living together at the end of the taxable year, even though one has no gross income.

Returns of income of decedents.—If the net income of a decedent to the date of his death was $1,000 or over, if unmarried, or equal to, or in excess of, his credit for personal exemption (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. 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 or kept no books.

Returns for estates and trusts must be made on Form 1041.

(B) WHO MUST USE FORM 1040A

Form 1040A must be used by all individuals whose net income is not more than $5,000, whose income is derived from salaries, wages, or other compensation received from others for personal services, dividends, interest, taxable income from annuities, income from fiduciaries, and who make returns on the cash basis and for the calendar year.

NOTE.—Form 1040 and not Form 1040A must be used by individuals (1) whose net income exceeds $5,000, or (2) who have any income other than that stated above, such as rents or gains from the sale of property, or (3) who make returns on an accrual basis, or (4) who make returns for a fiscal year, or (5) who conduct a business or profession on their own account, or who are members of a partnership, or (6) who have any losses from the renting of or from the sale of property, including shares of stock, corporate bonds, and other corporate securities. Nonresident alien individuals are required to use Form 1040B or 1040NB.

(C) WHEN AND WHERE THE RETURN MUST BE FILED

The return must be sent to the collector of internal revenue for the district in which the taxpayer has his legal residence, so as to reach the collector's office on or before March 15, 1940. In case the taxpayer has no legal residence in the United States, the return should be forwarded to the Collector of Internal Revenue, Baltimore, Md.

(D) AFFIDAVIT

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 or wife acting as agent for the other, on Form 936 (copies of which may be obtained from any collector).

(E) WHEN AND TO WHOM THE TAX MUST BE PAID

The tax should be paid to the "Collector of Internal Revenue" in full when the return is filed, or in four equal installments as follows: The first installment on or before March 15, 1940; the second installment on or before June 15, 1940; the third installment on or before September 15, 1940; and the fourth installment on or before December 15, 1940.

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

(F) PENALTIES

The law imposes severe penalties for failing to make a return, or for making a false or fraudulent return. Penalties are also imposed for failing to file a return on time.

(G) ITEMS PARTIALLY AND WHOLLY EXEMPT FROM TAX.—*All items of income received and claimed to be wholly exempt should be explained in Schedule I.*

1. The following items are *partially* exempt from tax:

(*a*) 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;

(*b*) The interest on United States Savings Bonds and Treasury Bonds, owned in excess of $5,000, and interest on obligations of instrumentalities of the United States (other than obligations issued under the Federal Farm Loan Act or under such Act as amended) is exempt from the normal income tax of 4 percent; and

(*c*) Dividends on share accounts in Federal savings and loan associations, but such dividends are exempt from the normal tax of 4 percent.

2. The following items are *wholly* exempt from tax:

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

(*c*) 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;

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

(*e*) Pensions and compensation received by veterans from the United States and pensions received from the United States by the family of a veteran, for services rendered by the veteran to the United States in time of war;

(*f*) 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); and

(*g*) The interest on (1) obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions; (2) obligations issued under Federal Farm Loan Act, or under such Act as amended; (3) obligations of United States issued on or before September 1, 1917; and (4) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness.

SPECIFIC INSTRUCTIONS

The following instructions are numbered to correspond with item numbers on the first page of return

INCOME

1. **Salaries and other compensation for personal services.**—Enter as item 1 the total income received from others consisting of salaries, wages, fees, and other compensation for personal services, less ordinary and necessary expenses, as reported in Schedule B. Any amount claimed as a deduction for ordinary and necessary expenses against salaries, etc., such as traveling expenses while away from home in connection with your occupation, should be fully explained in Schedule B or in an attached statement. Traveling expenses ordinarily include expenditures for transportation, meals, and lodging. The expenses of a commuter in traveling to and from work are not deductible. If a joint return is made, enter as separate items in Schedule B the earnings of each spouse.

2. **Dividends.**—Enter as item 2 the total of all taxable dividends received from domestic and foreign corporations. Enter in Schedule I all dividends received which are claimed to be nontaxable.

3. **Interest on bank deposits, etc.**—Enter as item 3 the total of all interest on bank deposits, notes, mortgages, etc. Interest on savings bank deposits is considered income to the depositor when credited, even though not entered on the pass book.

4. **Interest on corporation bonds.**—Enter as item 4 the total of all interest received on bonds, mortgages, and similar obligations of corporations. Include bond interest received upon which a 2 percent Federal income tax was paid at the source; such tax may be claimed as a credit in item 18 of the return.

5. **Other income.**—Enter as item 5 other income reported in Schedule C, including amounts received as an annuity under an annuity or endowment contract to the extent of 3 percent of the aggregate premiums or consideration paid for such annuity. If the aggregate of the amounts received and excluded from gross income in years previous to the taxable year equals the aggregate premiums or consideration paid for such annuity, the entire amount received must be included in gross income. Include also income from an estate or trust and earnings of minor children, if parent is legally entitled thereto.

6. **Total income.**—Enter as item 6 the total amount of items 1 to 5. Schedule I should be filled in if you received any nontaxable income or if you owned any of the obligations described in paragraphs 1 (*b*) and 2 (*g*) of General Instruction (G).

DEDUCTIONS

7. **Contributions paid.**—Enter as item 7 the contributions or gifts reported in Schedule D, payment of which was made within the year to or for the use of:

(*a*) The United States, any State, Territory, or any political

9. **Taxes paid.**—Enter as item 9 the amounts reported in Schedule F as taxes imposed upon and paid by you during the year. Do not include sales taxes unless such taxes were directly imposed upon you by law. 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, or gift taxes, nor taxes imposed upon your interest as a shareholder of a corporation which are paid by the corporation without reimbursement from you. Tax withheld or paid under section 801 of the Social Security Act for or in behalf of the employee is a Federal income tax and is not deductible by the employee. No deduction is allowable for any portion of foreign income taxes if a credit is claimed in item 19.

10. **Other deductions.**—Enter as item 10 the total amount itemized in Schedule G. In the case of loss by fire, storm, shipwreck, or other casualty, or from theft, set forth in Schedule G a description of the property, date acquired, cost, subsequent improvements, depreciation allowable since acquisition, insurance and salvage value, and deductible loss. In the case of bad debts (other than securities) ascertained to be worthless during the taxable year, state in Schedule G (*a*) of what the debts consisted, (*b*) name and family relationship, if any, of the debtor, (*c*) when the debts were created, (*d*) when they became due, (*e*) what efforts were made to collect, and (*f*) how they were actually determined to be worthless. Losses from worthlessness of securities, including bonds and stocks, are considered as losses from the sale or exchange of securities. If you sustained such a loss, you should not make your return on Form 1040A but should use Form 1040 and report the loss in Schedule F of that form.

Losses from wagering transactions are allowable only to the extent of the gains during the year from such transactions.

No deduction is allowable for the amount of any item of expense or part thereof allocable to a class of exempt income other than interest.

COMPUTATION OF TAX

13. **Earned income credit.**—Enter as item 13 the amount of earned income credit, as computed in Schedule H.

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 in the joint return. For the purpose of determining the 10 percent limitation indicated in Schedule H there should be added to the net income shown as item 12 on page 1 the interest received by you, if any, on an aggregate in excess of $5,000 principal amount of United States Savings Bonds and Treasury Bonds; and the interest on obligations of instrumentalities of the United States (other than obligations issued under the Federal Farm Loan Act, or under such Act as amended), and