SCHEDULE C (File with Form 1040)
U.S. TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE

SCHEDULE OF PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION
(Farmers should obtain Form 1040F)

For Calendar Year 1950 or other taxable years ending after Sept. 30, 1950, but before Dec. 31, 1951

NAME AND ADDRESS

State (1) nature of business.
(2) business name.
(3) business address.

Do NOT include in this schedule cost of goods withdrawn for personal use or deductions not connected with your business or profession

1. Total receipts from business or profession

COST OF GOODS SOLD

2. Inventory at beginning of year

3. Merchandise bought for manufacture or sale

4. Cost of labor

5. Material and supplies

6. Other costs (explain in Schedule C–2)

7. Total of lines 2 to 6

8. Less inventory at end of year

9. Net cost of goods sold (line 7 less line 8)

10. Gross profit (line 1 less line 9)

OTHER BUSINESS DEDUCTIONS

11. Salaries and wages not included in line 4

12. Rent on business property

13. Interest on business indebtedness

14. Taxes on business and business property

15. Losses of business property (attach statement)

16. Bad debts arising from sales or services

17. Depreciation and obsolescence (explain in Schedule C–1)

18. Repairs (explain in Schedule C–2)

19. Depletion of mines, oil and gas wells, timber, etc. (submit schedule)

20. Amortization of emergency facilities (attach statement)

21. Other business expenses (explain in Schedule C–2)

22. Total of lines 11 to 21

23. Net profit (or loss) before net operating loss deduction (line 10 less line 22)

24. Less net operating loss deduction (attach statement)

25. Net profit (or loss) (Enter in Schedule C, page 2, Form 1040)

Schedule C–1. EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED ON LINE 17

<table>
<thead>
<tr>
<th>1. Kind of property</th>
<th>2. Date acquired</th>
<th>3. Cost or other basis (do not include land or other nondepreciable property)</th>
<th>4. Assets fully depreciated in use at end of year</th>
<th>5. Depreciation allowed (or allowable) in prior years</th>
<th>6. Remaining cost or other basis to be recovered</th>
<th>7. Estimated life used in accumulating depreciation</th>
<th>8. Estimated remaining life from beginning of year</th>
<th>9. Depreciation allowable this year</th>
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Schedule C–2. EXPLANATION OF LINES 6, 18, AND 21

<table>
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<tr>
<th>1. Line No.</th>
<th>2. Explanation</th>
<th>3. Amount</th>
<th>1. Line No.</th>
<th>2. Explanation</th>
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INSTRUCTIONS

If you owned a business, or practiced a profession, you should fill in separate Schedule C on other side and enter the net profit (or loss) in Schedule C, page 2, on Form 1040.

Separate Schedule C should include income from (1) sale of merchandise, or products of manufacturing, mining, and construction; (2) business service; and (3) professional service. In general, you should report any income in the earning of which you have incurred expenses for material, labor, supplies, and the like. A farmer keeping his books on the accrual basis may include the income in such schedule from the sale of products of agriculture in lieu of including such income in Form 1099.

Kind of Business.—Describe the business or profession in the space provided at the top of the schedule, as “drug store,” “laundry,” “grocery,” “doctor,” “lawyer,” etc. Indicate also the name under which the business or profession is conducted and the established business address.

Total Receipts.—You should include all income derived from your trade or business. In determining the amount to be entered as total receipts, you should subtract from your total income such items as cost of returned goods, rebates, and allowances from the sale price or service charge.

Cost of Goods Sold.—If you are engaged in a trade or business in which the production, purchase, or sale of merchandise is an income-producing factor, you should take an inventory of merchandise on hand at the beginning and end of the taxable year. Generally, the bases of valuation most commonly used by business concerns and which meet the requirements of the applicable law and regulations are (a) cost and (b) cost or market, whichever is lower. The basis of valuation must be consistent throughout the accounting period. The cost or market can be made only after permission is secured from the Commissioner.

Application for permission to change the basis of valuing inventories must be made in writing and filed with the Commissioner within 90 days after the beginning of the taxable year in which it is desired to effect a change in the basis. New letters “C” or “M” or “C” immediately before the amount column, if inventories are valued at either cost, or cost or market, whichever is lower.

If you are a dealer in securities and your books of account reflect inventories of unsold securities on hand either at (a) cost; (b) cost or market, whichever is lower; or (c) market value, you may use, in computing your cost of goods sold, the basis upon which your accounts are kept. A description of the manner in which the inventory must be included in the return. All securities must be inventoried by the same method. The method adopted must be adhered to in subsequent years, unless another method is authorized by the Commissioner.

If you are a retail merchant using the “retail method” of pricing inventories you may make your return upon that basis, provided that (a) the use of such method is designated upon the return; (b) accurate accounts are kept and (c) such method is consistently adhered to unless a change is authorized by the Commissioner.

The Commissioner may consent, if you are engaged in mining or manufacturing business, to use allocated costs as a basis for pricing inventories provided the allocation bears a reasonable relation to the respective selling values of the different kinds, sizes, or grades of products in which the aggregate absorbs the total cost of production.

An elective inventory method is provided by law which is not dependent upon the character in which you are engaged and may be adopted as of the close of any taxable year. If you are permitted or required to take inventories in accordance with any one of the methods outlined above, you may treat all goods, specified in your application, remaining on hand at the close of the taxable years as being those (a) included in the opening inventory of the taxable year, in the order of acquisition and to the extent thereof, and (b) acquired during the taxable year.

The requirements with respect to the adoption and use of the elective inventory method are set forth on Form 970 which should be filed with your return for the first year of the election. Thereafter, you should attach a separate schedule of figures showing (a) gross sales; (b) cost of goods sold; (c) gross profits; (d) percentage of profits to gross sales; (e) amounts collected; and (f) gross profit on amount collected.

Salaries and Wages.—You should enter all salaries and wages not included as “Cost of Labor” under “Cost of Goods Sold.” Do not deduct any salary or wages for your own services or services of others not performed in connection with your business.

Rent on Business Property.—Rents paid or accrued on business property in which you have no equity are deductible. Do not include rent for a salesroom, or any part, which you do not occupy for residential purposes.

Net Operating Loss Deduction.—If you claim a net operating loss deduction on your return, you should file a concise statement setting forth the amount of the net operating loss deduction claimed and all pertinent and pertinent facts relative thereto, including a detailed statement showing the computation of the net operating loss deduction. If you desire prompt payment of any refund attributable to a carry-back of a net operating loss, you should file Form 1045 in accordance with the instructions printed on such form.

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