

FIDUCIARY RETURN OF INCOME

For Calendar Year 1924

Do Not Write in These Spaces

Or for period begun _____, 1923, and ended _____, 1924

File This Return Not Later Than the 15th Day of the Third Month Following the Close of the Taxable Year
(PRINT NAMES AND ADDRESS PLAINLY BELOW)

Name of Estate or Trust _____

Name and Address of Fiduciary _____

File Code _____

Serial Number _____

Examined _____

By _____

(Date Received)

1. Was a return of income for 1923 filed on behalf of the estate or trust named above? _____
2. If so, to what collector's office was it sent (give district or city and State)? _____
3. Give date of creation of trust or decedent's death _____

Item and Instruction No.	INCOME		
1. Income from Trade or Business. (From Schedule A) _____	\$		
2. Interest on Bank Deposits, Notes, Mortgages, and Corporation Bonds _____			
3. Income from Partnerships, Fiduciaries, etc. (State name and address of partnership, etc.) _____			
4. Rents and Royalties. (From Schedule B) _____			
5. Profit from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C) _____			
6. Dividends on Stock of Domestic Corporations _____			
7. Other Income (including dividends received on stock of foreign corporations). (State nature of income.)			
(a) _____			
(b) _____			
(c) _____			
8. TOTAL INCOME IN ITEMS 1 TO 7 _____	\$		
	DEDUCTIONS		
9. Interest Paid _____	\$		
10. Taxes Paid _____			
11. Losses by Fire, Storm, etc. (Explain in table on page 2) _____			
12. Bad Debts. (Explain in Schedule E) _____			
13. Contributions. (Explain in Schedule E) _____			
14. Other Deductions Authorized by Law. (Explain in Schedule E) _____			
15. TOTAL DEDUCTIONS IN ITEMS 9 TO 14 _____	\$		
16. NET INCOME (Item 8 minus Item 15) _____	\$		

17. BENEFICIARIES' SHARES OF INCOME AND CREDITS

(See Instruction 21)

1. NAME AND ADDRESS OF EACH BENEFICIARY (Designate nonresident aliens)	2. PERCENTAGE OF BENEFICIAL INTEREST	DIVIDENDS (Item 6 above)		BALANCE OF NET INCOME (Item 16 minus Item 6)		CAPITAL NET GAIN OR LOSS (Schedule D, column 9)		9. INCOME TAX PAID AT SOURCE ON TAX-FREE COVENANT BONDS	10. INCOME AND PROFITS TAXES PAID FOREIGN COUNTRIES OR UNITED STATES POSSESSIONS
		3. Attributable to 1923	4. Attributable to 1924	5. Attributable to 1923	6. Attributable to 1924	7. Attributable to 1923	8. Attributable to 1924		
(a) _____		\$	\$	\$	\$	\$	\$	\$	\$
(b) _____									
(c) _____									
(d) _____									
(e) _____									
(f) _____									
(g) _____									
(h) _____									
(i) TOTALS _____		\$	\$	\$	\$	\$	\$	\$	\$

NONTAXABLE OBLIGATIONS OR SECURITIES

1. OBLIGATIONS OR SECURITIES	2. AMOUNT OWNED	3. INTEREST RECEIVED
(a) Obligations of a State, Territory, or any political subdivision thereof, or the District of Columbia _____	\$	\$
(b) Securities issued under the provisions of the Federal Farm Loan Act, or under such Act as amended _____		
(c) Liberty 3½% Bonds and other obligations of United States issued before Sept. 1, 1917, and obligations of United States possessions _____		
(d) Liberty 4% and 4¼% Bonds and other obligations of the United States issued after September 1, 1917 _____		

SCHEDULE A—INCOME FROM TRADE OR BUSINESS (See Instruction 1)

1. Total receipts from trade or business (state kind of business).....		\$
<p align="center">COST OF GOODS SOLD</p> 2. Labor..... \$ 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, inclusive)..... \$ 8. Less inventory at end of year..... 9. NET COST OF GOODS SOLD (Line 7 minus Line 8)..... \$	<p align="center">OTHER BUSINESS DEDUCTIONS</p> 10. Salaries, exclusive of "Labor," reported on Line 2..... \$ 11. Interest on business indebtedness to others..... 12. Taxes on business and business property..... 13. Losses by fire, storm, etc. (explain in table provided therefor at foot of page)..... 14. Bad debts arising from sales..... 15. Depreciation, obsolescence, and depletion (explain in table provided therefor at foot of page)..... 16. Rent, repairs, and other expenses (itemized below or on separate sheet)..... 17. TOTAL (Lines 10 to 16, inclusive)..... \$ 18. TOTAL DEDUCTIONS (Line 9 plus Line 17)..... \$ 19. NET INCOME (Line 1 minus Line 18) (Enter as Item 1)..... \$	

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

SCHEDULE B—INCOME FROM RENTS AND ROYALTIES (See Instruction 4)

1. KIND OF PROPERTY	2. AMOUNT RECEIVED	3. COST	4. VALUE AS OF MARCH 1, 1913	5. DEPRECIATION (Explain in table at foot of page)	6. REPAIRS	7. OTHER EXPENSES (Itemize below)	8. NET INCOME (Enter as Item 4)
	\$	\$	\$	\$	\$	\$	\$

Explanation of deductions claimed in Column 7.....

SCHEDULE C—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC. (See Instruction 5)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. AMOUNT RECEIVED	4. DEPRECIATION PREVIOUSLY ALLOWED	5. COST	6. VALUE AS OF MARCH 1, 1913	7. SUBSEQUENT IMPROVEMENTS	8. NET PROFIT (Enter as Item 5)
		\$	\$	\$	\$	\$	\$

State how property was acquired.....

SCHEDULE D—CAPITAL NET GAIN OR LOSS FROM SALE OF ASSETS HELD MORE THAN TWO YEARS (See Instruction 5a)

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. DATE SOLD	4. AMOUNT RECEIVED	5. DEPRECIATION PREVIOUSLY ALLOWED	6. COST	7. VALUE AS OF MARCH 1, 1913	8. SUBSEQUENT IMPROVEMENTS, AND CAPITAL DEDUCTIONS	9. NET GAIN (Enter in Column 8, or 7 and 8, Item 17)
	Mo. Day Year	Mo. Day Year	\$	\$	\$	\$	\$	\$

State how property was acquired.....

EXPLANATION OF DEDUCTION FOR LOSSES BY FIRE, STORM, ETC., CLAIMED IN SCHEDULE A AND IN ITEM 11

1. KIND OF PROPERTY	2. DATE ACQUIRED	3. COST	4. VALUE AS OF MARCH 1, 1913	5. SUBSEQUENT IMPROVEMENTS	6. DEPRECIATION PREVIOUSLY ALLOWED	7. INSURANCE AND SALVAGE VALUE	8. NET LOSS (Enter as Item 11)
		\$	\$	\$	\$	\$	\$

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 ACQUIREMENT	5. COST	6. VALUE AS OF MARCH 1, 1913	AMOUNT OF DEPRECIATION CHARGED OFF	
						7. Previous years	8. This year
				\$	\$	\$	\$

SCHEDULE E—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 12, 13, AND 14

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AFFIDAVIT

I swear (or affirm) that this return, including the accompanying schedules and statements (if any), 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 accounting period as stated, pursuant to the Revenue Act of 1924 and the Regulations issued under authority thereof.

Sworn to and subscribed before me this day of, 192

.....
(Signature of fiduciary or officer representing fiduciary)

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

.....
(Title)

.....
(Address of fiduciary or officer)

(An amended return must be plainly marked "Amended" across face of return)

FIDUCIARY RETURN OF INCOME

For Calendar Year 1924

DUPLICATE

DUPLICATE

Or for period begun _____, 1923, and ended _____, 1924

File This Return Not Later Than the 15th Day of the Third Month Following the Close of the Taxable Year
(PRINT NAMES AND ADDRESS PLAINLY BELOW)

**DETACH AND RETAIN
THIS COPY AND
THE INSTRUCTIONS**

Name of Estate or Trust _____

Name and Address of Fiduciary _____

IF YOU NEED
ASSISTANCE GO TO A
DEPUTY COLLECTOR
OR TO THE
COLLECTOR'S OFFICE

1. Was a return of income for 1923 filed on behalf of the estate or trust named above? _____
2. If so, to what collector's office was it sent (give district or city and State)? _____
3. Give date of creation of trust or decedent's death _____

Item and Instruction No.	INCOME		
1. Income from Trade or Business. (From Schedule A) _____	\$		
2. Interest on Bank Deposits, Notes, Mortgages, and Corporation Bonds _____			
3. Income from Partnerships, Fiduciaries, etc. (State name and address of partnership, etc.) _____			
4. Rents and Royalties. (From Schedule B) _____			
5. Profit from Sale of Real Estate, Stocks, Bonds, etc. (From Schedule C) _____			
6. Dividends on Stock of Domestic Corporations _____			
7. Other Income (including dividends received on stock of foreign corporations). (State nature of income.)			
(a) _____			
(b) _____			
(c) _____			
8. TOTAL INCOME IN ITEMS 1 TO 7 _____			\$
Item and Instruction No.	DEDUCTIONS		
9. Interest Paid _____	\$		
10. Taxes Paid _____			
11. Losses by Fire, Storm, etc. (Explain in table on page 2) _____			
12. Bad Debts. (Explain in Schedule E) _____			
13. Contributions. (Explain in Schedule E) _____			
14. Other Deductions Authorized by Law. (Explain in Schedule E) _____			
15. TOTAL DEDUCTIONS IN ITEMS 9 TO 14 _____			\$
16. NET INCOME (Item 8 minus Item 15) _____			\$

17. BENEFICIARIES' SHARES OF INCOME AND CREDITS
(See Instruction 21)

1. NAME AND ADDRESS OF EACH BENEFICIARY (Designate nonresident aliens)	2. PERCENTAGE OF BENEFICIAL INTEREST	DIVIDENDS (Item 6 above)		BALANCE OF NET INCOME (Item 16 minus Item 6)		CAPITAL NET GAIN OR LOSS (Schedule D, column 9)		9. INCOME TAX PAID AT SOURCE ON TAX-FREE COVENANT BONDS	10. INCOME AND PROFITS TAXES PAID FOREIGN COUNTRIES OR UNITED STATES POSSESSIONS
		3. Attributable to 1923	4. Attributable to 1924	5. Attributable to 1923	6. Attributable to 1924	7. Attributable to 1923	8. Attributable to 1924		
(a) _____		\$	\$	\$	\$	\$	\$	\$	\$
(b) _____									
(c) _____									
(d) _____									
(e) _____									
(f) _____									
(g) _____									
(h) _____									
(i) TOTALS _____		\$	\$	\$	\$	\$	\$	\$	\$

NONTAXABLE OBLIGATIONS OR SECURITIES

1. OBLIGATIONS OR SECURITIES	2. AMOUNT OWNED	3. INTEREST RECEIVED
(a) Obligations of a State, Territory, or any political subdivision thereof, or the District of Columbia _____	\$	\$
(b) Securities issued under the provisions of the Federal Farm Loan Act, or under such Act as amended _____		
(c) Liberty 3½% Bonds and other obligations of United States issued before Sept. 1, 1917, and obligations of United States possessions _____		
(d) Liberty 4% and 4¼% Bonds and other obligations of the United States issued after September 1, 1917 _____		

INSTRUCTIONS

The Instruction Numbers on this Page Correspond with the Item Numbers on the First Page of the Return

1. INCOME FROM TRADE OR BUSINESS

If a trade or business is carried on by the estate or trust, fill in Schedule A on page 2 of the return and enter the net income (or loss) as Item 1 on page 1 of the return.

This schedule should include income derived from the following sources: (a) Sale of merchandise, or products of manufacturing, mining, construction, and agriculture; and (b) Business service, such as amusements, hotel and restaurant service, livery and garage service, laundering, storage, transportation, etc.

In general, report any income in the earning of which expenses were incurred for material, labor, supplies, etc.

Farmer's income schedule.—If the estate or trust operates a farm or rents it out on shares and keeps no books of account, or keeps 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 1, page 1 of this return. If the farm books of account are kept on an accrual basis, the filing of Form 1040F is optional. Income from interest, rents, sales of property, etc., should be entered in Items 2 to 5 of this return.

Installment sales.—If the installment method is used in computing income from installment sales, attach to the return a schedule showing separately for the years 1921, 1922, 1923, and 1924 the following information: (a) Gross sales; (b) Cost of goods sold; (c) Gross profits; (d) Percentage of profits to gross sales; (e) Amount collected; (f) Gross profit on amount collected.

Kind of business.—Describe the business or service rendered in the space provided on Line 1 of Schedule A, as "grocery," "retail clothing," "drug store," "laundry," "farming," etc.

Total receipts from trade or business.—Enter on Line 1 of Schedule A the total receipts from sales or services, less any discounts or allowances from the sale price or service charge.

Inventories.—If the production, purchase, or sale of merchandise is an income-producing factor in the trade or business, secure from the Collector of Internal Revenue and file as a part of this return a *Certificate of Inventory, Form 1126*.

Salaries.—Enter on Line 10 all salaries and wages not included as "Labor" on Line 2 under "Cost of Goods Sold."

Interest.—Enter on Line 11 interest on business indebtedness to others. Do not include interest on capital invested in or advanced to the business by the estate or trust.

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, as for paving, sewers, etc., nor Federal income taxes.

Losses by fire, storm, etc.—Enter on Line 13 losses of business property arising from fire, storm, or other casualty, or theft, not compensated for by insurance or otherwise and not made good by repairs claimed as deductions. Explain this deduction in the table provided therefor at the foot of page 2, giving the information requested.

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 have been 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, obsolescence, and depletion.—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 by giving the information requested. If obsolescence is claimed, explain why useful life is less than actual life.

If the return is for a fiscal year, the amount attributable to 1923 on account of depreciation, should be determined on the basis of the original cost (not replacement cost) of the property, or if acquired prior to March 1, 1913, the fair market value as of that date, and the probable number of years remaining of its useful life. The amount of depreciation attributable to 1924 on property acquired by purchase will be determined in the same manner, except if such property was acquired prior to March 1, 1913, it will be computed on its original cost, or the fair market value as of March 1, 1913, whichever is greater. If the property was acquired in any other manner than by purchase, see Articles 161 to 170 of Regulations 65, and Section 204 of the Revenue Act of 1924.

In case a deduction is claimed on account of depletion of mines, oil or gas wells, and timber, see Articles 201 to 237 of Regulations 65, and Section 204 (c) of the Revenue Act of 1924.

Do not claim any deduction for depreciation in the value of a building occupied by any beneficiary as a dwelling, or of other property held for his personal use, nor for land (exclusive of improvements thereon), nor on stocks, bonds, and like securities.

Rent, repairs, and other expenses.—Enter on Line 16 rent on business property in which the estate or trust has 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 any beneficiary for residential purposes, the cost of business equipment or furniture, expenditures for replacements, or for permanent improvements to property, nor personal living and family expenses of any beneficiary.

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.

2. INTEREST ON BANK DEPOSITS, ETC.

Enter as Item 2 all interest received or credited to the account of the estate or trust during the taxable year on bank deposits, notes, mortgages, and corporation bonds. Interest on bonds is considered income when due and payable.

If a credit is claimed on account of income tax paid at the source on corporation bonds, such credit should be 2 per cent of the amount of interest received on the bonds, in connection with which a white ownership certificate (Form 1000) was filed, and this tax should be allocated to the beneficiaries in Column 9, Item 17, page 1 of the return.

3. INCOME FROM PARTNERSHIPS, FIDUCIARIES, ETC.

Enter as Item 3 the share of the estate or trust (whether received or not) in the profits of a partnership, and income of another estate or trust, except (a) the net gain or loss derived from the sale of capital assets, which should be reported separately in Schedule D, as provided in Instruction 5a, (b) the share of the profit which consisted of dividends on stock of domestic corporations, which should be included in Item 6 on page 1 of the return, and (c) the taxable interest on obligations of the United States (see Instruction 22).

If the accounting period on the basis of which this return is filed fails to coincide with the accounting period of the partnership or other fiduciary, then there should be included in this return the distributive share of the total net income for such accounting period, ending within the accounting period of the estate or trust.

4. INCOME FROM RENTS AND ROYALTIES

Explain income received and deductions claimed in Schedule B.

If property or crops were received 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).

State the original cost of the property, and if it was acquired prior to March 1, 1913, the fair market value as of that date.

Enter as depreciation the amount of wear and tear and obsolescence, or depletion, sustained during the taxable year 1924, and explain in the table at the foot of page 2 how this amount was determined.

Other expenses include interest, taxes, fire insurance, fuel, light, labor, and other necessary expenses of this character.

5. PROFIT FROM SALE OF REAL ESTATE, BONDS, ETC.

Describe the property briefly in Schedule C, as "farm," "house," "bonds."

State the actual consideration or price received, or the fair market value of the property received in exchange. Expenses connected with the sale, such as commissions paid agents, may be deducted in computing the amount received.

Enter the original cost of the property if purchased by the estate or trust, and if it was acquired in any manner prior to March 1, 1913, the fair market value as of that date. In case the property was owned by the decedent, the basis for computing profit or loss is the appraised value at the date of death. Attach statement explaining how value as of March 1, 1913, was determined. Expenses incidental to the purchase may be included in the cost if never deducted from income. If the property was acquired by gift, bequest, devise, or inheritance after March 1, 1913, or in any manner prior to that date, see Section 204 of the Revenue Act of 1924.

Enter as depreciation the amount of wear and tear, obsolescence, or depletion previously allowed with respect to such property since date of acquisition, or since March 1, 1913, if the property was acquired prior to that date.

In the case of sales of stocks and bonds, deductions should not be taken in Columns 4 and 7 for "Depreciation" and "Subsequent improvements." No loss shall be recognized in any sale or other disposition of shares of stock or securities where the estate has acquired substantially identical property within 30 days before or after the date of such sale, unless the estate or trust is a dealer in stock or securities in the ordinary course of business.

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 profit or loss.

In computing the net income attributable to 1923 the amount of gain or loss from the sale of capital assets shall be computed in accordance with Article 1561 of Regulations 62, and in computing the net income attributable to 1924 the amount of such gain or loss shall be computed as provided in Section 204 of the Revenue Act of 1924. In case the amount to be entered as Item 5 is a deductible loss, such amount should be preceded by a minus sign or written with red ink.

5a. CAPITAL NET GAIN OR LOSS

Fill in Schedule D in accordance with Instruction 5 for Schedule C, and allocate the net gain attributable to 1923 in Column 7, and the net gain or loss attributable to 1924 in Column 8, Item 17, page 1 of the return.

The term "capital assets," under the Revenue Act of 1921, means property acquired and held by the taxpayer for profit or investment for more than two years (whether or not connected with his trade or business), but does not include property held for the personal use or consumption of the taxpayer or his family, or 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. In the Revenue Act of 1924, "capital assets" are defined as above, except that this Act does not provide that the property be held by the taxpayer for profit or investment, and it excludes property held by the taxpayer primarily for sale in the course of his trade or business, and does not exclude property held for the personal use or consumption of the taxpayer or his family. (See Section 206 of the Revenue Act of 1921, and Section 208 of the Revenue Act of 1924.)

6. DIVIDENDS

Report as Item 6 the amount received as dividends (a) from a domestic corporation other than a corporation entitled to the benefits of Section 262 of the Revenue Act of 1924 and other than a corporation organized under the China Trade Act, 1922, or (b) 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 the share of such dividends received on stock owned by a partnership, or an estate or trust.

7. OTHER INCOME

Enter all other taxable income (except interest on obligations of the United States) for which no place is provided elsewhere on page 1 of the return, together with dividends specifically excluded from Item 6.

8. TOTAL INCOME

Enter the net amount of Items 1 to 7, inclusive, after deducting any losses reported in Items 1, 3, 4 and 5.

9. INTEREST PAID

Enter as Item 9 interest paid on other indebtedness as distinguished from business indebtedness (which should be deducted under Schedules A or B). Do not include interest on capital invested in or advanced to the business by the estate or trust, nor interest on indebtedness incurred or continued to purchase or carry obligations or securities (other than obligations of the United States issued after September 24, 1917, and originally subscribed for by the estate or trust) the interest upon which is wholly exempt from taxation.

10. TAXES PAID

Enter as Item 10 taxes paid on property not used in the trade or business, not including those assessed against local benefits of a kind tending to increase the value of the property. Do not include Federal income taxes, taxes imposed upon the estate or trust on its interest as shareholder of a corporation, which are paid by the corporation without reimbursement from the estate or trust, nor income and profits taxes claimed as a credit in Column 10, Item 17, page 1 of the return.

11. LOSSES BY FIRE, STORM, ETC.

Enter as Item 11 losses of property not connected with the trade or business sustained during the year from fire, storm, shipwreck, or other casualty, or from theft, which were not compensated for by insurance or otherwise. See Section 214(a) 6 of the Revenue Acts of 1921 and 1924.

Explain losses claimed in the table provided therefor on page 2 of the return, giving the information requested.

12. BAD DEBTS

Enter as Item 12 all bad debts other than those claimed as a deduction in items above. State in Schedule E, (a) of what the debts consisted, (b) when they were created, (c) when they became due, and (d) how they were actually determined to be worthless.

13. CONTRIBUTIONS

Enter as Item 13 any part of the gross income which, pursuant to the terms of the will or deed creating the trust, was during the accounting period paid to or permanently set aside for the use of: (a) The United States, any State, Territory, or any political subdivision thereof, or the District of Columbia, for exclusively public purposes; (b) 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 stockholder or individual; (c) the special fund for vocational rehabilitation authorized by Section 7 of the Vocational Rehabilitation Act; (d) posts or organizations of war veterans, or auxiliary units or societies of any such posts or organizations, if such posts, organizations, units, or societies are organized in the United States or any of its possessions, and if no part of their net earnings inures to the benefit of any private shareholder or individual; or (e) a fraternal society, order, or association, operating under the lodge system, but only if such contributions or gifts are to be used exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals.

List names of organizations and amounts contributed to each in Schedule E.

14. OTHER AUTHORIZED DEDUCTIONS

Enter any other authorized deductions for which no place is provided elsewhere on page 1 of the return. Do not deduct losses incurred in transactions which were neither connected with the trade or business, nor entered into for profit.

Any deduction claimed should be explained in Schedule E.

15. TOTAL DEDUCTIONS

Enter as Item 15 the total of Items 9 to 14, inclusive. This amount should not include any deduction claimed in Schedule A.

16. NET INCOME

Enter as Item 16 the net income, which is obtained by deducting Item 15 from Item 8.

17. RETURNS BY FIDUCIARIES

Returns on Form 1041 for estates and trusts.—Every fiduciary, or at least one of joint fiduciaries, must make a return on this form (Form 1041) for the estate or trust for which he acts, if any income of such estate or trust is distributable currently, or the tax is payable by the beneficiaries or by the grantor, provided (a) the net income of such estate or trust for the taxable year was \$1,000 or over, or (b) any beneficiary of such estate or trust is a nonresident alien. If the sole beneficiary of the estate or trust is a nonresident alien Form 1041 may be omitted, but in such case the fiduciary should make an individual return for the beneficiary on Form 1040B.

Returns on Form 1040 for estates and trusts.—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 may first be deducted any amount properly paid or credited to a beneficiary. In such cases the fiduciary should make a return for the estate or trust on Form 1040. (See Sections 200, 219, and 225 of the Revenue Act of 1924.)

Returns for beneficiaries.—An individual return on the proper form should be rendered by the fiduciary in the case of (a) income distributable to a nonresident alien, regardless of amount; (b) an ordinary guardianship of a minor (unless such minor himself makes a return), or committee for an insane person, if the net income for the taxable year amounted to \$2,500 or over, if married and living with husband or wife, or if the net income for the taxable year amounted to \$1,000 or over, if not married or not living with husband or wife, or if in any case the gross income was \$5,000 or over; (c) an estate of a decedent before final settlement; and (d) if part of the income of a trust estate is distributed to beneficiaries and part is retained for the benefit of the trust estate. Under the conditions described in (d), a return should be made on Form 1041 for the entire income of the trust estate, and on Form 1040 for the retained portion of the income. In case the sole beneficiary is a nonresident alien, the fiduciary should make an individual return for the beneficiary on Form 1040B and enter the various classes of income and allowable deductions in the proper items, instead of reporting the net income of the trust in one amount as "Income from a fiduciary," in Item 4 of the return. Any income properly paid, credited, or distributable to a beneficiary is taxable directly to the beneficiary.

Return for decedent.—If the net income of a decedent from the beginning of the taxable year 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 same period was \$5,000 or over, the executor or administrator shall make a return on Form 1040 or 1040A for such decedent.

Returns for two trusts.—If two or more trusts, the income of which is taxable to the beneficiaries, were created by the same person and are in charge of the same trustee, the trustee shall make a single return on Form 1041 for all such trusts, notwithstanding that they may arise from different instruments. If, however, a trustee holds trusts created by different persons for the benefit of the same beneficiary, he shall make a return on Form 1041 for each trust separately.

18. PERIOD TO BE COVERED BY RETURN

In general, the regulations governing the preparation of returns by fiduciaries are the same as those governing individuals.

The return must be filed for the calendar year ending December 31, 1924, or for the fiscal year ending on the last day of any month other than December. The dates on which the period covered by the return begins and ends, if other than a calendar year, must be plainly stated at the head of the return.

The accounting period established must be adhered to for subsequent years, unless permission is received from the Commissioner to make a change.

19. ACCRUED OR RECEIVED INCOME

If the books of an estate or trust are kept on an 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 the books do not show income accrued and expenses incurred, report all income received or constructively received, such as bank interest credited to the account of the estate or trust, and expenses paid.

20. ITEMS EXEMPT FROM TAX

The following items are exempt from Federal income tax and should not be reported, unless it is desired to establish a net loss, in which case see Section 206 of the Revenue Act of 1924:

- (a) The proceeds of life insurance policies paid upon the death of the insured;
- (b) The amount received by the insured as a return of premium or premiums paid by him under life insurance, endowment, or annuity contracts, either during the term or at the maturity of the term mentioned in the contract or upon surrender of the contract;
- (c) Gifts (not made as a consideration for service rendered), and money and property acquired under a will or by inheritance (but the income derived from money or property received by gift, will, or inheritance 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 the provisions of 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 is exempt only if and to the extent provided in the respective Acts authorizing the issue thereof, as amended and supplemented, and should be excluded from gross income only if and to the extent it is wholly exempt from income tax;

(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) Amounts received as compensation, family allotments and allowances under the provisions of the War Risk Insurance and the Vocational Rehabilitation Acts or the World War Veterans' Act, 1924, or as pensions from the United States for service of the decedent or another in the military or naval forces of the United States in time of war, or as a State pension for services rendered by the decedent or another for which the State is paying a pension.

21. DISTRIBUTION OF INCOME

Enter the names of the beneficiaries on lines (a), (b), (c), etc., and extend in the proper columns each beneficiary's share of the net income. If the distributable interests in the net income to be shown in Column 2 are determined on a basis other than a percentage basis, attach an explanatory statement. No entries should be made in Columns 3, 5, and 7, if the return is for a calendar year. The name of the grantor or the fiduciary should be listed in a similar manner below the beneficiaries if any part of the tax on the net income is payable by either.

The net income for a fiscal year beginning in 1923 and ending in 1924 is the sum of (a) the income attributable to the calendar year 1923, which is found by computing the income in accordance with the Revenue Act of 1921 as if the fiscal year were the calendar year 1923 and determining the proportion of such income which the number of months falling within the calendar year 1923 is of the entire accounting period; and (b) the net income attributable to the calendar year 1924, which is found by computing the income in accordance with the Revenue Act of 1924 as if the fiscal year were the calendar year 1924 and determining the proportion of such income which the number of months falling within the calendar year 1924 is of the entire accounting period.

If the amounts to be entered in columns 6, or 5 and 6, show a loss, such amounts should be preceded by a minus sign or written with red ink.

If the estate or trust received interest on corporation bonds containing a clause by which the debtor corporation agrees to pay the interest without any deduction for taxes and there was filed with such interest coupons a white certificate, Form 1000, not claiming exemption, a tax of 2 per cent was paid at the source, and this tax should be allocated to the beneficiaries in Column 9.

If a credit is claimed in Column 10 on account of income and profits taxes paid to a foreign country or to a possession of the United States, a copy of Form 1116, sworn to or affirmed, must be submitted with this return. The schedule on Form 1116 prescribed for the use of fiduciaries must be completely filled in. If such taxes have been paid, Form 1116 must have attached to it the receipt for each such tax payment. If such taxes have been accrued, Form 1116 must have attached to it a copy of the return on which each such accrued tax was based, or other evidence as to the accrual of taxes, and in addition the Commissioner may require a bond on Form 1117. (See Section 222 of the Revenue Act of 1924.)

22. INTEREST ON LIBERTY BONDS, ETC.

In case the estate or trust owned Liberty 4% and 4 $\frac{1}{4}$ % Bonds or other obligations of the United States issued since September 1, 1917 (except postal savings certificates of deposit), or a share of these obligations owned by a partnership or another estate or trust, the fiduciary should advise each beneficiary as to his proportionate amount of these obligations and the interest thereon, in order that the beneficiary may determine whether such interest is taxable on his individual income tax return. Do not include any interest on these obligations in this return as income.

23. AFFIDAVIT

The affidavit must be executed by the individual or organization receiving, or having custody or control and management of the income of the estate or trust. If two or more individuals act jointly as a fiduciary, the affidavit may be executed by any one of them.

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.

It is not necessary to show the statement of net income to the officer who administers the oath.

24. WHEN AND WHERE THE RETURN MUST BE FILED

If the return is for the calendar year 1924, file it with the Collector of Internal Revenue for the district in which the fiduciary resides or has his principal place of business, so as to reach the collector's office on or before March 15, 1925. If for a period other than a calendar year, the return should be filed on or before the 15th day of the third month following the close of such period. If the fiduciary has no legal residence or principal place of business in the United States, the return should be forwarded to the Collector of Internal Revenue, Baltimore, Maryland.

The Commissioner may grant a reasonable extension of time for filing a return, if application therefor is made before the date prescribed by law for filing such return, whenever in his judgment good cause exists.

25. PENALTIES

For willful failure to make a return on time.—Not more than \$10,000, or imprisonment for not more than one year, or both, together with the costs of prosecution.

For willfully making a false or fraudulent return.—Not more than \$10,000, or imprisonment of not more than five years, or both, together with the costs of prosecution.

26. INFORMATION AT SOURCE

Every fiduciary making payments of salaries, wages, interest, rents, commissions, or other fixed or determinable income of \$1,000 or more during the calendar year, to any individual, fiduciary, or partnership, is required to make a true and accurate return to the Commissioner of Internal Revenue, showing the amount of such payments and the name and address of the recipient. Forms 1096 and 1099, for reporting such information, will be furnished by any collector of internal revenue. Such returns of information covering the calendar year 1924 must be forwarded to the Commissioner of Internal Revenue, Sorting Section, Washington, D. C., in time to be received not later than March 15, 1925.