CORPORATION INCOME TAX RETURN
For Fiscal Year 1925

Fiscal Year begun , 1924, and ended , 1925

File this Return Not Later than the Fifteenth Day of the Third Month Following the Close of the Taxable Year

PRINT FULLLY CORPORATION'S NAME AND BUSINESS ADDRESS

(Street and Number)

(Postal office and State)

Date of Incorporation

Under the Laws of what State or Country

KIND OF BUSINESS

IN THIS A CONSOLIDATED RETURN?

GROSS INCOME

1. Gross Sales from Trading or Manufacturing, Less Returns and Allowances $ .

2. Less Cost or Goods Sold:
   (a) Inventory at beginning of year $ .
   (b) Merchandise bought for sale
   (c) Cost of manufacturing or otherwise producing goods (From Schedule A)
   (d) Total of lines (a), (b), and (c) $ .
   (e) Less inventory at end of year $ .

3. Gross Profits from Trading or Manufacturing (Item 1 minus Item 2) $ .

4. Gross Profits from Operations Other Than Trading or Manufacturing. (State source of income):
   (a) $ .
   (b) $ .
   (c) $ .

5. Interest on Bank Deposits, Notes, Mortgages, and Corporation Bonds...

6. Rent...

7. Royalties...

8. Profit from Sale of Real Estate, Stocks, Bonds, and other Capital Assets (From Schedule B)

9. DIVIDENDS ON STOCKS OF DOMESTIC CORPORATIONS...

10. Other Income (Including dividends received on stock of foreign corporations). (State source of income):
    (a) $ .
    (b) $ .
    (c) $ .

11. TOTAL INCOME IN ITEMS 9 TO 10...

DEDUCTIONS

12. Compensation of Officers (From Schedule C)...

13. Rent on Business Property...

14. Repairs (From Schedule D)

15. Interest...

16. Taxes (From Schedule E)

17. Losses by Fire, Storm, etc. (From Schedule F)

18. Bad Debts (From Schedule II)

19. Dividends (From Schedule II)

20. Depreciation (resulting from exhaustion, wear and tear, or obsolescence) (From Schedule I)

21. Depreciation of Mills, Oil and Gas Wells, Timber, etc...

22. Other Deductions Not Reported Above. (Explain below or on separate sheet):
    (a) Salaries and wages. (Not included in Items 2, 11, or 12 above)...
    (b)...
    (c)...

23. TOTAL DEDUCTIONS IN ITEMS 12 TO 22...

24. NET INCOME (Item 11 minus Item 20)...

COMPUTATION OF TAX

25. Net Income (Item 24 above)...

26. Less Credits of $2,000 (For a Domestic Corporation having a Net Income of less than $25,250)...

27. Balance (Item 26 minus Item 26)...

28. Income Tax (13% of Item 27)...

29. If the Net Income of a Domestic Corporation is less than $25,250, enter the amount in excess of $25,250...

30. Balance (Item 29 minus Item 30)...

31. Net Income (Item 24 above)...

32. Less Credits of $2,000 (For a Domestic Corporation having a Net Income of less than $25,250)...

33. Balance (Item 31 minus Item 32)...

34. Income Tax (13% of Item 33)...

35. Total Tax at 1925 rates (Item 34 plus Item 35)...

36. That proportion of Item 35 which the number of months in 1925 is of the number of months in the period...

37. That proportion of Item 36 which the number of months in 1925 is of the number of months in the period...

38. Total Tax for fiscal years 1925 (Item 37 plus Item 38)...

39. Less: Income Tax paid at source (This credit can only be allowed to a nonresident foreign corporation)...

40. Income and Profits Taxes paid to a foreign country or U. S. possession by a Domestic Corporation...

An amended return must be marked "Amended" at top of return Checks and drafts will be accepted only if payable at par
### SCHEDULE A—COST OF MANUFACTURING OR PRODUCING GOODS

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>AMOUNT</th>
<th>ITEMS</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$...</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Material and supplies</td>
<td>$...</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### SCHEDULE B—PROFIT FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC.

<table>
<thead>
<tr>
<th>1. KIND OF PROPERTY</th>
<th>2. DATE ACQUIRED</th>
<th>3. AMOUNT RECEIVED</th>
<th>4. DEPRECIATION ALLOWABLE UNDER ADJUSTMENTS</th>
<th>5. COST</th>
<th>6. VALUE AS OF MAR. 1, 1933</th>
<th>7. SUBSEQUENT IMPROVEMENTS</th>
<th>8. NET VALUE (Enter as Item 6)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

State how property was acquired.

### SCHEDULE C—COMPENSATION OF OFFICERS

<table>
<thead>
<tr>
<th>1. NAME OF OFFICER</th>
<th>2. OFFICER TITLE</th>
<th>3. NUMBER OF SHARES OF STOCK OWNED</th>
<th>4. COMMON</th>
<th>5. PREFERRED</th>
<th>6. AMOUNT OF COMPENSATION (ENTER AS ITEM 12)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### SCHEDULE D—COST OF REPAIRS

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>AMOUNT (Enter as Item 14)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$...</td>
</tr>
</tbody>
</table>

### SCHEDULE E—TAXES PAID

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>AMOUNT (Enter as Item 10)</th>
</tr>
</thead>
</table>

### SCHEDULE F—EXPLANATION OF LOSSES BY FIRE, STORM, ETC.

<table>
<thead>
<tr>
<th>1. KIND OF PROPERTY</th>
<th>2. DATE ACQUIRED</th>
<th>3. COST</th>
<th>4. VALUE AS OF MAR. 1, 1933</th>
<th>5. SUBSEQUENT IMPROVEMENTS</th>
<th>6. DEPRECIATION ALLOWABLE UNDER ADJUSTMENTS</th>
<th>7. INSURANCE AND REPAIRS</th>
<th>8. NET LOSS (Enter as Item 7)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

State how property was acquired.

### SCHEDULE G—BAD DEBTS

#### SCHEDULE H—DIVIDENDS DEDUCTIBLE

<table>
<thead>
<tr>
<th>YEAR</th>
<th>2. SALE OF</th>
<th>3. AMOUNT</th>
<th>1. NAME OF CORPORATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1920</td>
<td>$...</td>
<td>$...</td>
<td></td>
</tr>
<tr>
<td>1921</td>
<td>$...</td>
<td>$...</td>
<td></td>
</tr>
<tr>
<td>1922</td>
<td>$...</td>
<td>$...</td>
<td></td>
</tr>
<tr>
<td>1923</td>
<td>$...</td>
<td>$...</td>
<td></td>
</tr>
<tr>
<td>1924</td>
<td>$...</td>
<td>$...</td>
<td></td>
</tr>
</tbody>
</table>

### SCHEDULE I—EXPLANATION OF DEDUCTION FOR DEPRECIATION

<table>
<thead>
<tr>
<th>1. KIND OF PROPERTY (Include name and kind of property (except for item 1))</th>
<th>2. DATE ACQUIRED</th>
<th>3. AGE WHEN ACQUIRED</th>
<th>4. YEARS LIFE AFTER ACQUISITION</th>
<th>5. COST</th>
<th>6. VALUE AS OF MAR. 1, 1933</th>
<th>AMOUNT OF DEPRECIATION ALLOWABLE UNDER ADJUSTMENTS</th>
<th>7. PREVIOUS</th>
<th>8. THIS YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1. KIND OF PROPERTY (Include name and kind of property (except for item 1))</th>
<th>2. DATE ACQUIRED</th>
<th>3. AGE WHEN ACQUIRED</th>
<th>4. YEARS LIFE AFTER ACQUISITION</th>
<th>5. COST</th>
<th>6. VALUE AS OF MAR. 1, 1933</th>
<th>AMOUNT OF DEPRECIATION ALLOWABLE UNDER ADJUSTMENTS</th>
<th>7. PREVIOUS</th>
<th>8. THIS YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Attach a separate sheet if any of the above schedules do not provide sufficient space.
### SCHEDULE K—BALANCE SHEETS

#### ASSETS

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
<th>Total</th>
<th>Amount</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Cash</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Notes receivable</td>
<td>$</td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>3. Accounts receivable</td>
<td>$</td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Less reserve for bad debts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Inventories:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raw materials</td>
<td>$</td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Work in process</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finished goods</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Investments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obligations of a State, Territory, or any political subdivision</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>thereof, or the District of Columbia</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Securities issued under the Federal Farm Loan Act, or under such</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Act as amended</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obligations of the United States or its possessions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Loans (describe fully):</td>
<td>$</td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>7. Deferred charges:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid insurance</td>
<td>$</td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Prepaid taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Capital assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>$</td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delivery equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less reserves for depreciation and depletion</td>
<td>$</td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>9. Patents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Good will</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Other assets (describe fully):</td>
<td>$</td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>12. <strong>Total Assets</strong></td>
<td>$</td>
<td></td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

#### LIABILITIES

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
<th>Total</th>
<th>Amount</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>13. Notes payable</td>
<td>$</td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>14. Accounts payable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Accrued expenses (describe fully):</td>
<td>$</td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>16. Other liabilities (describe fully):</td>
<td>$</td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>17. Capital stock:</td>
<td>$</td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Preferred stock (less stock in treasury)</td>
<td>$</td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Common stock (less stock in treasury)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18. Surplus</td>
<td>$</td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>19. Undivided profits</td>
<td>$</td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>20. <strong>Total Liabilities</strong></td>
<td>$</td>
<td></td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

**Remarks:**

---

[Footer text: 6-1952]
KIND OF BUSINESS

1. By means of the key letters given below, identify the corporation's main income-producing activity given in the general column, and follow this by a special description of the business sufficient to give the information called for under each general class:

(a) Agriculture and related industries, including fishing, logging, logging, for harvesting, market, mining, raising, and the like.

(b) Banking and related activities, including the buying and selling of securities, the making of loans.

(c) Construction—building, building and commercial enterprises, etc.

(d) Hotels and lodging houses, including health resorts, etc.

(e) Manufactures, including farming with industries.

(f) Mining and quarrying, including gas and oil fields.

(g) Railroads and other public utilities.

(h) Real estate.

(i) Retail trade and advertising, Including wholesale and retail trade.

(j) Service industries, including banking, real estate, insurance, and similar businesses.

2. Concerning businesses involving activity falling in two or more of the above general classes, where the same product is concerned, should report business as identified with but one of the above general classes; for example, concerns A & B or A & C or B & C, etc.

3. Answers to questions 1 through 18 must be verified by the officer or manager of the corporation.

AFFILIATIONS WITH OTHER CORPORATIONS

4. Does the corporation own 15 per cent or more of the outstanding voting capital stock of another domestic corporation or of other corporations?

5. Is 15 per cent or more of your outstanding voting capital stock owned by another corporation?

6. In case you are a member of your outstanding voting capital stock as well as 15 per cent or more of the outstanding capital stock of another corporation or of other corporations, please note the specific amount of control or partnership by or with the same individuals, partners, or corporators in substantially the same proportion.

7. Whether the answer to questions 4, 5, or 6 is or is not a "yes," the following information must be provided:

(a) Did the corporation file Forms 551, 552, 555, 560, and 553 for the taxable year 1929 or subsequent taxable years?

(b) If the answer to this question is "yes," what are the names of the persons, business addresses, and the capital stock owned by such persons?

(c) If the answer to this question is "no," what are the names of the persons, business addresses, and the capital stock owned by such persons?

8. We, the undersigned, present and treasurer of the corporation for which this return is made, hereby swear that the statements herein contained are true, and that we believe them to be true, and convey the same directly to the Collector of Internal Revenue of the United States, and that the statements contained therein are true, and that we believe them to be true, and that the statements contained therein are true, and that we believe them to be true.
1. Gross sales.—If engaged in trading or manufacturing, enter as Item 1 on page 1 of the return, the gross sales, less goods returned and any allowances or discounts on sales.

2. Railroad corporations, banks, insurance companies, and other corporations required to submit statements of income and expenses to any national, State, municipal, or other public body, the amount of their income and expenses in the form in which submitted to such officer, in lieu of furnishing the information required by the Act, referred to in Items 1 to 23 of the return. In such cases the taxable net income will be reconciled by means of Schedule L on page 4 of the return, with the net profit shown by the income and expense statement submitted, and should be entered on page 3 of the return.

3. Cost of goods sold.—As Item 2 the information requested on lines (a) to (c), and (i) in Schedule A, on page 2 of the return, the principal items of cost included in the amount entered on line (c), the minor items to be grouped in one amount.

4. Gross profit from other operations.—As Item 4 the gross profit from operations other than trading or manufacturing, stating in the space provided the nature and amount of the principal items; the minor items should be grouped in one amount.

5. Interest on bank deposits, etc.—As Item 5 all interest received or credited on deposit accounts during the taxable year on bank deposits, notes, mortgages, and corporation bonds.

6. Rent.—As Item 6 the gross amount received for the rent of property.

7. Royalties.—As Item 7 the gross amount received as royalties. If a deduction is claimed for depletion, it should be entered as Item 21.

8. Profit from sale of capital assets.—As Item 8 the amount of gain or loss realized on the sale of real estate, stocks, bonds, and capital assets.

9. Description of property briefly in Schedule B, and state the actual consideration or prices received for the fair market value of the property involved in the transaction.

10. Expenses connected with the sale, such as commissions paid agents, may be deducted in Schedule B.

11. Enter the original cost of the property, and if it was acquired prior to March 1, 1913, the fair market value as of that date. Attach statement explaining how value as of March 1, 1913, was determined.

12. Subsequent improvements include expenditures for additions, improvements, and repairs made after the property or its predecessor is improved by fire or loss. Do not deduct ordinary repairs, interest, or taxes incurred in connection with the loss.

13. No loss shall be recognized in any sale unless disposition of shares of stock or securities is accompanied by transfer of all substantially identical property within 80 days before or after the date of such sale, unless the corporation is a dealer in stock or securities in the ordinary course of business.

14. The tax to be deducted as Item 8 is a deductible loss, such amount should be prorated by a minus sign or written in red ink.

15. Dividends.—As Item 9 the amount received as dividends (a) from a domestic corporation other than a corporation entitled to the benefit of Section 202 of the Revenue Act of 1926 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 date of taxation, excluding 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 as defined under Section 217 of the Act.

16. Other income.—As Item 10 all other taxable income for which no place is provided on the return, together with any dividends specifically excluded from Item 9.

17. Total income.—Enter the net amount of Items 3 to 10, inclusive, after deducting any losses reported in Items 5, 6, and 8.

18. Compensation of officers.—As Item 12 the compensation of all officers, in whatever form paid, including any fees received for the use of offices as directors, etc.

19. Rent.—As Item 13 rent paid for business property in which the corporation has no equity.

20. Repairs.—As Item 14 the cost of incidental repairs, including the labor, supplies, materials, and equipment used, and the interest on the cost or reasonably approximating the life of property.

21. Expenditures for new buildings, machinery, equipment, or for permanent improvements or betterments which increase the value of the property are deductible as capital expenses. Expenditures for replacing or repairing property are not deductible, as such expenditures are chargeable to capital account or to depreciation reserve, depending on how depreciation is charged on the books of the corporation.

22. In Schedule B are the principal items of cost, grouping the minor items in one amount.

23. Interest.—As Item 15 interest paid on business indebtedness. Do not include interest on indebtedness incurred or continued to purchase or carry obligations or securities (other than obligations of the United States, the interest on which is wholly exempt from taxation).

24. Taxes.—As Item 16 taxes paid or accrued during the taxable year. Do not include depletion taxes or taxes imposed upon sales, or any taxes levied as a lien for taxes not paid.

25. Item 41, taxes against local benefits tending to increase the value of the property assessed, Federal taxes paid on bonds containing a tax-free covenant, or taxes imposed upon sales by the manufacturer. List in Schedule B each class of taxes deducted.

26. Loss by fire, storm, etc.—As Item 17 the net loss arising from fire, storm, shipwreck, or other casualty, or from theft, and not compensated for by insurance or otherwise.

27. Explain losses claimed in Schedule F.

28. Bad debts.—As Item 18 bad debts, or portions thereof, arising from sales or services that have been reflected in income, which have been definitely ascertained to have been lost or worthless, and which have been charged against the operations of the year. If the property was acquired by purchase or at a sale, enter the cost, and if by gift, the value of the property as of the date of gift. Deduction 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. In case the property was acquired prior to March 1, 1913, enter the original cost and the same manner, except that 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 no deduction may be claimed.

29. Capital stock.—As Item 19 the stockholders' deficit at the beginning of the year. The total amount claimed therein should correspond with the figures reflected in Schedule B. In case the deficit is not reflected, the amount claimed and basis upon which it is computed. Land values must not be included in this schedule.

30. Depletion.—If a deduction is claimed on account of depletion secure from the Collector Form D (minerals), Form F (coal), Form M (miscellaneous nonmetals), Form O-3 (oil and gas), or Form T (timber), fill in and file with return. If complete vacation data have been filed with questionnaires in previous years, then tie with return information necessary to bring your depletion schedule up to date, setting forth in full statement of all transactions bearing on deductions or additions to value of stock assets. No deduction from the capital stock of any corporation is to be claimed and basis upon which it is computed.

31. Credits.—Enter the total of Items 10 to 23, inclusive.

32. Net income.—As Item 24 the net income, which is obtained by deducting Item 23 from Item 11. The net income of a corporation must be computed upon the basis of the tax on the income. In case the corporation employs any method of accounting regularly employed in keeping the books, unless such method does not clearly reflect the income.

33. Computation of tax.

34. The tax for a fiscal year beginning in 1924 and ending in 1925 is the sum of the tax attributable to the calendar year 1924, which is found by computing the income and the tax thereon in accordance with the Revenue Act of 1924 as if the year were the calendar year 1924, and determining the proportion of such tax which the number of months falling within the calendar year 1925 bears to the number of months falling within the calendar year 1924; and (b) the tax attributable to the calendar year 1925, which is found by computing the income and the tax thereon in accordance with the Revenue Act of 1926 as if the year were the calendar year 1926, and determining the proportion of such tax which the number of months falling within the calendar year 1925 bears to the number of months falling within the calendar year 1926. The tax for the entire period is the sum of the tax for the years 1924 and 1925.

35. In case the first or the final six months of any corporation's fiscal year are less than 6 months, the corporation must compute its income and the tax thereon in accordance with the Revenue Act of 1922, see Section 363 of the Revenue Act of 1926.

36. Credit for taxes.

37. A foreign corporation subject to taxation and not engaged in a trade or business in the United States, and any office or place of business therein may claim as a credit in Item 10 any income tax required to be deducted and withheld at source.

38. If a credit is claimed by a domestic corporation in Item 41 on account of income and profits taxes paid or accrued to a foreign country or a possession of the United States, the claim shall be made on Form 1118, and a bond which shall be filed when required under Form 1119. A foreign corporation is not allowed to claim this credit.
LIABILITY FOR FILING RETURNS

28. Corporations generally.—Every domestic or resident corporation, joint-stock company, and limited liability company, and every corporation or association, of whatever kind, created in accordance with Section 231 of the Revised Codes of 1924 and 1926, whether or not having any net income, must file a return on this form for the fiscal year 1925.

29. Domestic corporations within the possessions of the United States (except the Virgin Islands) may report as gross income only gross income from sources within the United States, provided, (a) the net income for any such year exceeding the thirty per cent limit on the amount by which the total gross income for such three-year period or applicable part thereof was derived from the active conduct of a trade or business within a possession of the United States be declared.

30. Foreign corporations.—A foreign corporation subject to the provisions of the Revenue Act of 1926, regardless of the amount of its net income, is required to file returns on this form for its taxable year ending in 1926, and for its principal office or agency through which it transacts business in the United States. The net income should be computed in accordance with Section 217 of the Revenue Acts of 1924 and 1926.

INSURANCE COMPANIES

31. Life insurance companies.—A life insurance company issuing life insurance and accident contracts (including contracts of combined life, health, and accident insurance), as defined by Section 342 of the Revenue Act of 1920, shall file its tax return on Form 226, instead of this form.

32. Mutual insurance companies.—A mutual insurance company (other than a life insurance company), in addition to the deductions allowed a corporation, unless otherwise allowed, may claim as deductions in Item 22 of this return: (a) the net income required by law to be made within the taxable year to reserve funds (including the case of an assessment insurance company the actual deposit of sums with State or Territorial officers pursuant to law as additions to reserves or surplus funds), and (b) the sums other than dividends paid within the taxable year on policy and annuity contracts.

33. Marine insurance companies.—In the gross income of any marine insurance company shall be included its gross income in Item 4 of this return the gross premiums collected and received, less amounts paid for reinsurance, and in addition to the deductions allowed a corporation, unless otherwise allowed, may claim as a deduction in Item 22 of this return the amount of premiums deposited to reserves for losses and expenses, in addition to the deductions allowed a corporation, and to a mutual insurance company, unless otherwise allowed, may claim as a deduction in Item 22 of this return the amount of premiums deposited to its policyholders and the amount of premium deposits retained for losses, expenses, and reinsurance reserves.

34. The receipt of a shipowner's mutual protection and indemnity association, not organized for profit, and not all of the net earnings of which inures to the benefit of any private individual or interest shall be subject to tax, but such association shall be subject as a corporation to the tax upon its net income from insurance transactions.

35. Benevolent life insurance associations of a purely local character, mutual ditches or irrigation companies, mutual or cooperative telephone companies, or like organizations are exempt from taxation only if $5 per cent or more of the income consists of amounts collected from members for the sole purpose of meeting losses and expenses.

36. Other insurance companies.—The net income of an insurance company (other than a life or mutual insurance company referred to above), upon which a tax of 17 1/2 per cent is imposed, is the gross income earned during the taxable year from insurance premiums collected, less: any amounts paid for reinsurance, any amounts paid for service commissions, any amounts paid for service or agency, any amounts paid for the underwriting and investment exhibit of the Annual Statement approved by the National Council of Insurance Commissioners, as provided in Section 266 of the Revenue Act of 1926, and any amounts paid for service commissions or comparable expenses; and reserves for losses, interest, load, depreciation, etc., as allowed by Section 247 of the Act.

CONSOLIDATED RETURNS

37. If one domestic corporation owns 95 per cent or more of the outstanding voting stock of another corporation, and one or more of two or more domestic corporations is owned by the same individual or partnership, or by the same individuals, partnerships, or corporations, in substantially the same proportion, a consolidated return may be filed by such corporations. In case a consolidated return is filed, the parent or principal corporation of this affiliated group must furnish the information called for in questions 4 to 7 on page 4 of this return.

38. When corporations are affiliated within the meaning of Section 540 of the Revenue Act of 1926, they shall either file to file one consolidated return for the entire group, or a separate return for each corporation, and all returns thereafter made shall be for the group only, unless partial or complete liquidation of the group is authorized by the Commissioner. A corporation organized under the China Trade Act 1922 shall file a return for the group, and may be affiliated with any other corporation within the meaning of Section 240 of the Act.

39. The parent or principal reporting company of affiliated corporations, when filing a consolidated return, shall attach a schedule showing the names and addresses of all affiliated corporations in the group, and if the tax is apportioned among these corporations, the amount allocated to each. Each of the other corporations in the group shall file a return in this form and state in the first column of the appropriate place the name of the parent company.

40. All supplementary and supporting schedules filed with a consolidated return should be prepared in uniform form, one column being provided for each corporation, and all columns being uniform in any one line. The total of the various columns for each item shall be the same, and the amounts for each item shall be symbolized so as to readily identify contra items affected, and suitable explanations appended, if necessary.

WORKING PAPERS

42. Every corporation shall preserve, available for inspection by the revenue officer, working papers showing the balance in each account on the corporation's books that was used in preparing the return.

BALANCE SHEETS

43. The balance sheets on page 4 of the return, Schedule 1, should be prepared from books and records existing on the last day of the calendar year. The balance sheets for a consolidated return should be furnished in accordance with Paragraph 41. All corporations engaged in an interstate and intrastate trade or business, and requiring under the Internal Revenue Law to pay State, municipal, or other public officer, may submit, in lieu of Schedule 1, copies of balance sheets and protective schedules of the individual corporation or State and municipal authoritie, as at the beginning and end of the fiscal year.

In case the balance sheet as at the beginning of the current taxable year does not agree in every respect with that of the previous year, it shall be made up on Form 128 and forwarded to the Collector at least thirty days before the close of the proposed or new taxable year or period.

44. With the Commissioner approves a change in the accounting period the net income computed on the separate return for a fractional part of a year shall be placed on an annual basis by multiplying the amount thereof by twelve and dividing by the number of months included in the period, and the tax shall be such part of a tax computed on annual basis as the number of months in such period is of twelve months. See Sections 212 and 220 of the Revenue Act of 1926.

TIME AND PLACE FOR FILING

45. The return must be sent to the Collector of Internal Revenue for the district in which the corporation's principal place of business is located, or to such officer on or before the fifteenth day of the month following the close of the fiscal year.

In case of a foreign corporation having an agent in the United States the return shall be filed with the Collector of Internal Revenue, inaccur, etc., on or before the fourteenth day of the month following the close of the fiscal year.

46. The Collector of Internal Revenue 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, and is made for the purpose of avoiding prejudice to the rights of the corporation.

SIGNATURES AND VERIFICATION

49. The return shall be sworn to by the president, vice president, or other principal officer, and by the treasurer or assistant treasurer. The return of a foreign corporation having an agent in the United States shall be sworn to by such agent.

If receivers, trustees in bankruptcy, or assignees are operating the property or business of the corporation, such receivers, trustees, or assignees shall execute the return for such corporation under oath.

PAYMENT OF TAXES

50. The tax shall be paid by sending or bringing with the return a check or money order drawn to the order of "Collector of Internal Revenue at (insert name of city and State)." Do not send cash through the mail or pay it in person except at the office of the Commissioner.

The total tax may be paid at the time of filing the return or in four equal installments, as follows:

(a) first installment shall be paid on or before the fifteenth day of the third month following the close of the fiscal year, the second installment shall be paid on or before the fifteenth day of the third month, the third installment on or before the fifteenth day of the sixth month, and the fourth installment on or before the fifteenth day of the third month following the close of the fiscal year, after the latest date prescribed for paying the first installment.

If any installment is not paid on the day fixed for its payment, the whole amount of tax unpaid shall be paid upon notice and demand by the Collector.

PENALTIES

51. For willful failure to make and file a return on time.—Not more than $10,000, or $500 per cent or more of the tax due or more than one year, and both, and, in addition, 25 per cent of the amount of the tax.

52. For willfully making a false or fraudulent return.—Not more than $10,000, or $500 per cent or more of the tax due or more than five years, and both, and, in addition, 50 per cent of the amount of the tax.

53. For deficiency in tax.—Interest on deficiency 6 per cent per annum from 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 it be negligence or intentional disregard of regulations without intent to defraud, or 50 per cent of amount of deficiency if due to fraud.

UNDISTIRIBUTED PROCEEDS

54. If any corporation is formed or at least of the purpose of preventing the income thereof from being taxed, the income thereof shall be included in the gross income of the corporation, to be divided and distributed, and the same or any part thereof shall be distributed to the stockholders of the corporation. Any interest or dividends not so accumulated instead of being divided or distributed, shall be deemed, collected, and paid for each taxable year upon the net income of such corporation a tax equal to 50 per cent of the amount thereof, which tax shall be paid by the corporation, and shall be collected by the Collector of Internal Revenue, and placed to the credit of the United States, as provided by Section 230 of the Act. In such case the net income shall include interest on obligations of the United States issued after September 1, 1917, which would be subject to tax in whole or in part in the hands of an individual resident, and dividends received from a domestic corporation. (See Section 220 of the Revenue Act of 1926.)

INFORMATION AT THE SOURCE

55. Every corporation, association, company, partnership, estates, wages, interest, rents, commissions, or other fixed or determinable income of $1,000 or more during the calendar year, to a single individual, fiduciary, or partnership, or $3,000 or more to a trust, estate, or insurance company, or association, or corporation, or group of corporations, or association of corporations in which such income or profits or dividends from such corporation, or association 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 names and addresses of the recipients thereof, forms 1096 and 1099 for federal income, and forms 1097 and 1098 for dividends, shall be furnished by any Collector of Internal Revenue within the thirty days following the close of the calendar year. Such returns shall be forwarded to the Commissioner of Internal Revenue, Section 102, Washington, D. C., in time to be received not later than March 15, 1926.