

LIFE INSURANCE COMPANY INCOME TAX RETURN

FOR COMPANIES ISSUING LIFE AND ANNUITY CONTRACTS, INCLUDING COMBINED LIFE, HEALTH, AND ACCIDENT INSURANCE

For Calendar Year 1922

File This Return With the Collector of Internal Revenue for Your District on or Before March 15, 1923

PRINT PLAINLY COMPANY'S NAME AND BUSINESS ADDRESS

(Name.)

(Street and Number.)

(Post office and State.)

KIND OF BUSINESS

Do Not Write in These Spaces

SERIAL NUMBER

FILE CODE

FIRST PAYMENT

\$

Examined by

(Cashier's Stamp)

Cash Check M. O. Cert. of Ind.

SCHEDULE A.—TAXABLE NET INCOME

1. ITEMS.	2. LIFE DEPARTMENT.	3. OTHER DEPARTMENTS.	4. TOTAL.
GROSS INCOME			
1. Interest from all sources	\$	\$	
2. Dividends on stock of domestic and foreign corporations			
3. Rents (including \$ rental value of space occupied by company) (attach schedule)			
4. TOTALS OF ITEMS 1 TO 3 (extend total of columns 2 and 3 to column 4)	\$	\$	\$
DEDUCTIONS			
5. Interest exempt from taxation (attach schedule)	\$	\$	
6. Excess of, 4% of the mean of the reserve funds over Item 5			
7. Dividends deductible under Section 245(a) 3 of the Revenue Act of 1921 (attach schedule)			
8. Two per cent of the reserve held for deferred dividends			
9. Investment expenses (attach schedule)			
10. Taxes deductible under Section 245(a) 6 of the Revenue Act of 1921			
11. Other real estate expenses			
12. Depreciation (resulting from exhaustion, wear and tear, or obsolescence) (attach schedule)			
13. Interest on indebtedness			
14. TOTALS OF ITEMS 5 TO 13 (extend total of columns 2 and 3 to column 4)	\$	\$	\$
15. NET INCOME (Item 4 minus Item 14)			\$

SCHEDULE B.—COMPUTATION OF TAX

1. Net income (Item 15, Schedule A)	\$	5. Income tax (12½% of Item 3 or Item 4)	\$
2. Credit \$2,000, for domestic company having a net income of less than \$25,250		6. If net income of domestic company is less than \$25,250, enter amount in excess of \$25,000	
3. Balance (Item 1 minus Item 2)	\$	7. Total tax (Item 5 plus Item 6)	\$
4. Net income of foreign company (—% Item 15, Schedule A)	\$	8. Amount of tax paid when filing return	\$

SCHEDULE C.—RESERVE FUNDS

1. ITEMS.	2. BEGINNING OF TAXABLE YEAR.	3. END OF TAXABLE YEAR.
1. Reserve for outstanding policies and annuities	\$	\$
2. Reserve for disability and accidental death benefits		
3. Reserve for supplementary contracts		
4. Reserve for incurred disability benefits		
5. Reserve for policies upon which a surrender value may be demanded (not included elsewhere)		
6. Deposits made with State officers by Assessment Companies, as required by law		
7. Other reserve funds, if any (attach itemized statement)		
8. TOTALS OF ITEMS 1 TO 7	\$	\$
9. Total of columns 2 and 3, as shown in Item 8 above		\$
10. Mean of the reserve funds for the taxable year (one-half of Item 9)		\$
11. Four per cent of the mean of the reserve funds, as shown in Item 10		\$
12. Total reserve funds of foreign companies at end of taxable year upon business within the United States (attach itemized statement)		\$
13. Percentage which Item 12 is of Item 8, column 3 (compute a fraction of one per cent to three decimal figures)		%
14. Give the title and sections of State Statutes or Insurance Department Rulings requiring the reserves claimed above.		

SCHEDULE D.—INVESTED ASSETS (BOOK VALUES)

1. ITEMS.	LIFE DEPARTMENT.		OTHER DEPARTMENTS.	
	2. BEGINNING OF TAXABLE YEAR.	3. END OF TAXABLE YEAR.	4. BEGINNING OF TAXABLE YEAR.	5. END OF TAXABLE YEAR.
1. Real estate	\$	\$	\$	\$
2. Mortgage loans				
3. Collateral loans				
4. Policy loans, including premium notes				
5. Bonds and stocks				
6. Bank deposits bearing interest				
7. Other interest-bearing assets (attach itemized statement)				
8. TOTALS OF ITEMS 1 TO 7	\$	\$	\$	\$
9. Total of columns 2 to 5, inclusive, as shown in Item 8 above				\$
10. Mean of the invested assets for the taxable year (one-half of Item 9)				\$
11. One-fourth of 1 per cent of the mean of the invested assets				\$

AFFIDAVIT

We, the undersigned, president and treasurer of the company for which this return is made, being severally duly sworn, each for himself, deposes and says that this return, including the accompanying schedules and statements, has been examined by him and is, to the best of his knowledge and belief, a true and complete return made in good faith for the taxable year as stated, pursuant to the Revenue Act of 1921 and the regulations issued under authority thereof.

Sworn to and subscribed before me this _____ day of _____, 1923.

President.

SEAL.

(Signature of officer administering oath.)

(Title.)

2-12542

Treasurer.

INSTRUCTIONS.

1. COMPANIES REQUIRED TO FILE A RETURN.

Every domestic or foreign life insurance company that derives income from sources within the United States, issuing life and annuity contracts (including life, health, and accident insurance), the reserve funds of which held for the fulfillment of such contracts comprise more than 50 per cent of its total reserve funds, shall file a return on this form. See Articles 661 to 687, inclusive, Regulations 62, and Sections 242 to 245, inclusive, of the Revenue Act of 1921.

2. ANNUAL STATEMENT.

A copy of the annual statement for life insurance companies adopted by the National Convention of Insurance Commissioners for the year 1922, as filed with the Insurance Department of the State in which the company is located, together with copies of Schedule A (real estate) and Schedule D (bonds and stocks), must accompany this return. Similar copies for the preceding year must be also furnished, if not filed with the return for the previous year.

3. BASIS OF RETURN.

A return on this form shall be rendered on a cash receipts and disbursements basis in conformity with the annual statement made to the State Insurance Department, instead of the accrual basis.

4. LIMITATION OF TAX.

If the net income of a domestic company reported in Item 15, Schedule A, is more than \$25,000, the tax of 12½ per cent imposed by Section 243 of the Act on the amount of the net income shall not exceed the tax which would be payable if the \$2,000 credit were allowed, plus the amount of the net income in excess of \$25,000.

5. PERIOD COVERED.

The return shall be for the calendar year ended December 31, 1922, and the net income computed on the calendar year basis in accordance with the State laws regulating insurance companies.

6. TIME AND PLACE FOR FILING.

The return must be sent to the collector of internal revenue for the district in which the company's principal office is located, so as to reach the collector's office on or before March 15, 1923. In the case of a foreign company not having any office or place of business in the United States, the return shall be filed with the Collector of Internal Revenue, Baltimore, Maryland, on or before June 15, 1923.

Collectors are authorized to grant an extension of not more than thirty days for filing returns in cases of *absence or sickness*. In meritorious cases the Commissioner is authorized to grant a further extension.

7. AFFIDAVIT.

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 company having an agent in the United States shall be sworn to by such agent.

8. PAYMENT OF TAX.

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

The first installment shall be paid at the time fixed by law for filing the return, the second installment shall be paid on the 15th day of the third month, the third installment on the 15th day of the sixth month, and the fourth installment on the 15th day of the ninth month after the time fixed by law for filing the return.

If any installment is not paid when due, the whole amount of the tax unpaid shall become due and payable upon notice and demand by the collector.

9. PENALTIES.

For Making False or Fraudulent Return.

Not exceeding \$10,000 or not exceeding one year's imprisonment, or both, in the discretion of the court, and, in addition, 50 per cent of the total tax evaded.

For Failing to Make Return on Time.

Not more than \$1,000, and, in addition, 25 per cent of the total amount of the tax.

For Failing to Pay Tax When Due or Understatement of Tax, Through Negligence, etc.

Five per cent of the tax due but unpaid, plus interest at the rate of 1 per cent per month during the period in which it remains unpaid.

10. QUESTIONS.

1. Date of incorporation.....
 2. Under the laws of what State or country?.....
 3. Did the company file a return under the same name for the preceding taxable year? If not, was the company in any way an outgrowth, result, continuation, or reorganization of a business or businesses in existence during this or the preceding taxable year? If answer is "Yes," give name and address of each predecessor business:

4. State the amount of deferred dividend funds at the end of the taxable year, exclusive of any amount held for payments during the following taxable year: \$.....

5. Describe the method used for determining the investment expenses shown in Item 9, Schedule A:

6. Is the above method the same as that used in preparing the Gain and Loss Exhibit for 1921? If not, state what change was made and the reason therefor:

7. Are any general expenses in part assigned to or included in the investment expenses shown in Item 9, Schedule A?

11. INSTRUCTIONS FOR FILLING IN SCHEDULE A.

Report in column 2 all business transacted in connection with life insurance, and in column 3 any other class of insurance.

Interest received.—Enter as Item 1 interest actually received from all sources during the taxable year.

Dividends.—Enter as Item 2 dividends actually received on stock of domestic and foreign corporations.

Rents.—Enter as Item 3 rents actually received from tenants, including the rental value of the space occupied in any building owned by the company. In case the rental value of a building so occupied is not included in this amount, no deduction is allowable for taxes, other expenses, and depreciation in Items 10, 11, and 12, Schedule A, on account of such building. If these deductions are claimed a schedule similar to the following should be furnished for each building occupied:

1. Location of building.....
2. Book value at end of taxable year.....	\$.....
3. Gross rents for year, including \$....., the rental value of space occupied by the company.....	\$.....
4. Less: Taxes.....	\$.....
5. Depreciation.....
6. Other expenses.....
7. Total of Lines 4, 5, and 6.....	\$.....
8. Net income from rentals (Line 3 minus Line 7).....	\$.....

Interest exempt from taxation.—Enter as Item 5 the amount of interest received on the following obligations which are exempt from taxation: (1) Obligations of a State, Territory, or any political subdivision thereof, or the District of Columbia; (2) securities issued under the provisions of the Federal Farm Loan Act of July 17, 1916; and (3) obligations of the United States or its possessions.

Submit a schedule showing separately for each class of securities, (a) name of obligation, (b) amount of principal, (c) rate of interest, and (d) interest received.

Excess of, 4 per cent of the mean of the reserve funds over Item 5.—Enter as Item 6 the amount by which Item 11, Schedule C, exceeds Item 5, Schedule A.

Dividends.—Enter as Item 7 the total amount of dividends deductible under Section 245(a) 3 of the Act. A schedule should be submitted showing the amount received as dividends, (a) from each domestic corporation other than a corporation entitled to the benefits of Section 262 of the Act, or (b) from each 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 foreign corporation has been in existence) was derived from sources within the United States as determined under Section 217 of the Act.

Two per cent of the reserve held for deferred dividends.—Enter as Item 8 an amount equal to 2 per cent of the reserve held at the end of the taxable year for deferred dividends the payment of which is deferred for a period of not less than five years from the date of the policy contract. Do not include in such reserve any dividends payable during the year following the taxable year.

Investment expenses.—Enter as Item 9 expenses paid which are properly chargeable to investment expenses, the total amount of which, if there be any allocation of general expenses to investment expenses, should not exceed one-fourth of 1 per cent of the mean of the invested assets reported in Item 11, Schedule D.

Submit a schedule showing the nature and amount of the items included herein, the minor items being grouped in one amount. See Article 683, Regulations 62.

Taxes.—Enter as Item 10 taxes paid exclusively upon real estate owned by the company, and that proportion of the taxes assessed against shareholders or members and paid by the company without reimbursement, as provided in Article 684, Regulations 62. 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.

Other real estate expenses.—Enter as Item 11 all ordinary and necessary building expenses, such as fire insurance, heat, light, labor, etc., and the cost of incidental repairs which neither materially add to the value of the property nor appreciably prolong its life, but keep it in an ordinary efficient operating condition. Do not include any amount paid out for new buildings or permanent improvements or betterments made to increase the value of any property.

Depreciation.—If a deduction is made on account of depreciation in Item 12, the following schedule must be filled in and the total amount claimed therein should correspond with the figures reflected in the company's books.

The amount deductible on account of depreciation is an amount charged off which fairly measures the loss during the year by reason of exhaustion, wear and tear, or obsolescence, in the company's investment in property used in the business. Such an amount should be determined upon the basis of the cost of the property, or if acquired prior to March 1, 1913, the fair market value on that date and the probable number of years remaining of its useful life. Land values must not be included in this schedule. Stocks, bonds, and like securities are not subject to depreciation within the meaning of the law.

Kind of property. (If buildings, state the material of which constructed.)	Date acquired.	Age when acquired.	Probable life after acquirement.	Cost, or if acquired prior to Mar. 1, 1913, the fair market value on that date.	Amount of depreciation charged off.	
					This year.	Previous years.
.....	\$.....	\$.....	\$.....
.....	\$.....	\$.....	\$.....
.....	\$.....	\$.....	\$.....
.....	\$.....	\$.....	\$.....
Totals				\$.....	\$.....	\$.....

NOTE.—If obsolescence is a factor in determining this deduction attach a statement showing the amount claimed for the taxable year and the basis upon which computed.

Interest on indebtedness.—The amount of interest deductible as Item 13 is the amount of interest paid during the taxable year on the company's indebtedness, except 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 company), the interest upon which is wholly exempt from taxation. Interest paid on dividends held on deposit and surrendered during the taxable year should be included in this item.

12. INFORMATION AT SOURCE.

Every company 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 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 1922 must be forwarded to the Commissioner of Internal Revenue, Sorting Section, Washington, D. C., in time to be received not later than March 15, 1923.

13. LIST OF ATTACHED SCHEDULES.

Attach a list of the schedules accompanying this return, giving for each a brief title and the schedule number.