

Do not write in space below

Serial No.

PLEASE TYPE OR PRINT PLAINLY

Name _____

Number and Street _____ City or town, postal zone number, State _____

Date incorporated _____ Place incorporated _____

Item and Instruction No.	GROSS INCOME			4. Total (In Case of Item 1, Column Column 2 Less Column
	1. Interest Received	2. Accrual of Discount	3. Amortization of Premium	
1. Interest on:				
(a) Wholly exempt obligations. (Attach schedule).....	\$.....	\$.....	\$.....	\$.....
(b) United States Savings Bonds and Treasury Bonds owned in excess of the principal amount of \$5,000 issued prior to March 1, 1941.....
(c) Obligations of instrumentalities of the United States issued prior to March 1, 1941.....
(d) Obligations issued on or after March 1, 1941, by the United States or any agency or instrumentality thereof. (Attach schedule).....
(e) Loans, notes, mortgages, bank deposits, bonds, debentures, etc.
Totals	\$.....	\$.....	\$.....	\$.....
2. Dividends on stock of:				
(a) Domestic corporations subject to taxation under Subtitle A of the Internal Revenue Code of 1954. (See Specific Instruction 2).....
(b) Public utility corporations subject to taxation under Subtitle A of the Internal Revenue Code of 1954.....
(c) Foreign corporations.....
(d) Other corporations.....
3. Rents. (Attach schedule).....				
4. Total income in items 1 to 3.....				\$.....
DEDUCTIONS				
5. Interest wholly exempt from tax (item 1 (a), column 4).....			\$.....	
6. Investment expenses. (Attach schedule).....			
7. Taxes.....			
8. Real estate expenses.....			
9. Depreciation. (Attach schedule).....			
10. Total deductions in items 5 to 9.....				
11. Taxable income before special deductions for partially tax-exempt interest and dividends received (item 4 minus item 10)....				\$.....
12. Taxable income before special deductions (item 11).....				\$.....
13. Less: Interest partially exempt from tax (item 1 (b) and (c), column 4).....				\$.....
14. Item 12 less item 13.....				\$.....
15. Less: Dividends received deductions—				
(a) Enter 85 percent of item 2 (a).....	\$.....			
(b) Enter 62.115 percent of item 2 (b).....			
(c) Enter 85 percent of dividends received from certain foreign corporations.....			
(d) Total dividends received deductions. Enter sum of (a), (b), and (c) but not to exceed 85 percent of item 14.....			
16. Taxable income.....				\$.....
17. Adjustment for certain non-life insurance reserves (applicable only to contracts other than life insurance or annuity contracts)—				
(a) 3¼ percent of mean of unearned premiums and unpaid losses on such other contracts at beginning and end of year.....	\$.....			
(b) 3¼ percent of 25 percent of net premiums on such other contracts written during year.....	\$.....			
(c) 3¼ percent of mean of unpaid losses on such other contracts at beginning and end of year.....			
(d) Item (b) plus item (c).....	\$.....			
(e) Item (a) or (d), whichever is greater.....	\$.....			
(f) Item (e) multiplied by 8.....			
18. Sum of items 16 and 17 (f).....				\$.....
19. Less: Reserve interest credit (from line 6, Schedule C).....				\$.....
20. 1954 life insurance company taxable income.....				\$.....
COMPUTATION OF TAX				
21. Tax. If amount in item 20 is:				
Not over \$200,000, enter 3¼ percent of item 20.....				\$.....
Over \$200,000, enter \$7,500 plus 6½ percent of excess over \$200,000.....				
22. Less: Credit for income taxes paid to a foreign country or United States possession allowed a domestic corporation. (Attach Form 1118).....				\$.....
23. Total income tax due.....				\$.....

Did the corporation pay anyone other than an employee for assistance in the preparation of this return? Yes No
If answer is "Yes," enter his name and address.

SIGNATURE AND VERIFICATION (See Instruction E)

I, the undersigned, president, vice president, treasurer, assistant treasurer, chief accounting officer (or other duly authorized officer) of the corporation which this return is made, declare under the penalties of perjury that this return (including any accompanying schedules and statements) has been examined by me and is, to the best of my knowledge and belief, a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to Internal Revenue Code and the regulations issued thereunder.

(Date) (Signature of officer) (Title)

CORPORATE SEAL

I declare under the penalties of perjury that I prepared this return for the person named herein; and that this return (including any accompanying schedules and statements) is, to the best of my knowledge and belief, a true, correct, and complete return based on all the information relating to the matters required to be reported in this return of which I have any knowledge.

(Date) (Individual or firm signature) (Address)

Schedule A.—DATA FOR RESERVE AND OTHER POLICY LIABILITY CREDIT FOR THE SUCCEEDING TAXABLE YEAR (See Instruction for Schedule A)

1. Nature of Reserve (Life, Annuity, Etc.)	2. Assumed Morbidity or Mortality Table	3. Assumed Interest Rate	4. Method of Computation (Illinois Standard, Etc.)	5. Amount of Adjusted Reserve at Beginning of Taxable Year*	6. Amount of Adjusted Reserve at End of Taxable Year*	7. Mean of Columns (5) and (6)	8. Column (3) Times Column (7)
1.				\$.....	\$.....	\$.....	\$.....
2.							
3.							
4.							
5. Totals						\$.....	\$.....

- 6. Average rate of interest assumed in computing life insurance reserves (total of column 8 above divided by total of column 7 above) ..
- 7. 35 percent of line 6.
- 8. 2.1125 percent (65 percent of 3¼ percent)
- 9. Reserve earnings rate (line 7 above plus line 8 above)
- 10. Total of column 7 multiplied by line 9 above
- 11. 2 percent of the reserve held for deferred dividends
- 12. Interest paid or accrued
- 13. Total of lines 10, 11, and 12 above
- 14. Taxable income before special deductions for partially tax-exempt interest and dividends received (item 11, page 1)
- 15. Interest wholly exempt from tax (item 5, page 1)
- 16. Adjustment for unearned premiums and unpaid losses on non-life insurance reserves (item 17 (e), page 1)

* In the case of reserves computed on a preliminary term basis, 107% of the amount of the reserve.

Schedule B.—INVESTED ASSETS BOOK VALUES (See Instruction 6)

(Schedule B need not be filled in if no deduction is claimed for any general expenses that are allocated to investment income)

	1. Beginning of taxable year	2. End of taxable year
1. Real estate	\$.....	\$.....
2. Mortgage loans		
3. Collateral loans		
4. Policy loans, including premium notes		
5. Bonds of domestic corporations		
6. Stocks of domestic corporations		
7. Government obligations, etc. (Submit detailed schedule)		
8. Bank deposits bearing interest		
9. Other interest-bearing assets (Attach statement)		
10. Totals of lines 1 to 9	\$.....	\$.....
11. Total of columns 1 and 2, line 10		\$.....
12. Mean of the invested assets for the taxable year (one-half of line 11)		\$.....
13. One-fourth of 1 percent of the mean of the invested assets		\$.....
14. Income base (item 4, page 1, minus the sum of items 7, 8, and 9, page 1)		\$.....
15. 3¼ percent of line 12		\$.....
16. Excess (if any) of line 14 over line 15		\$.....
17. One-fourth of line 16		\$.....
18. Limit on deduction for investment expenses (line 13 plus line 17)		\$.....

Schedule C.—RESERVE INTEREST CREDIT (See Instruction 19)

1. Sum of items 5 and 11, page 1	\$.....
2. 50 percent of item 17 (e), page 1	\$.....
3. Adjusted taxable income (line 1 minus line 2)	\$.....
4. Required interest—	
(a) Total of column 8 (line 5), Schedule A	\$.....
(b) 2 percent of reserve for deferred dividends	\$.....
(c) Interest paid	\$.....
(d) Sum of lines (a), (b), and (c)	\$.....
5. Line 3 divided by line 4 (d). Enter percentage%
6. Reserve interest credit—If percentage on line 5 is:	
105 or more, enter zero	\$.....
100 or less, enter 50 percent of item 16, page 1	
more than 100 but less than 105, enter *.....% of item 16, page 1	

* Multiply by 10 the difference between 105 percent and percentage on line 5 and enter percentage thus obtained.

ADDITIONAL INFORMATION REQUIRED

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| <p>1. Was a return filed under the same name for the preceding taxable year? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. State amount of deferred dividend funds at end of taxable year, exclusive of any amount held for payments in following taxable year. \$.....</p> <p>3. Is this a consolidated return? <input type="checkbox"/> Yes <input type="checkbox"/> No
If "Yes," procure from the District Director of Internal Revenue for your district Form 851, Affiliations Schedule, which shall be filled in and filed as a part of this return.</p> <p>4. If this is not a consolidated return—
(a) did the company at any time during the taxable year own 50 percent or more of the voting stock of another corporation either domestic or foreign? <input type="checkbox"/> Yes <input type="checkbox"/> No
(b) did any corporation, individual, partnership, trust, or association at any time during the taxable year own 50 percent or more of your voting stock? <input type="checkbox"/> Yes <input type="checkbox"/> No
If either answer is "Yes," attach separate schedule showing: (1) Name and address; (2) percentage of stock owned; (3) date stock was acquired; and (4) the District Director's office in which the income tax return of such corporation, individual, partnership, trust, or association for the last taxable year was filed.</p> <p>5. Did the company make a return of information on Forms 1096 and 1099 or Form W-2 for the calendar year 1954 (See General Instruction H)? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> | <p>6. Did the company at any time during the taxable year own directly or indirectly any stock of a foreign corporation? <input type="checkbox"/> Yes <input type="checkbox"/> No
If answer is "Yes," attach statement required by General Instruction J.</p> <p>7. Did the company file with the District Director of Internal Revenue a copy of the annual statement for the preceding year as required by General Instruction K? <input type="checkbox"/> Yes <input type="checkbox"/> No
If answer is "Yes," state District Director's office in which statement was filed.</p> <p>8. If a copy of the annual statement required by General Instruction K not accompany this return, state reason why the statement attached.</p> <p>9. If the company is a burial or funeral benefit insurance company, whether it is engaged directly in the manufacture of funeral suits or in the performance of funeral services.</p> |
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U. S. LIFE INSURANCE COMPANY INCOME TAX RETURN

(References are to the Internal Revenue Code of 1954 unless otherwise noted)

Taxpayers will find it helpful to read the General Instructions A to L before commencing to fill in their returns

GENERAL INSTRUCTIONS

A. Companies required to file a return.—Every domestic life insurance company and every foreign life insurance company carrying on an insurance business within the United States (if with respect to its United States business it would qualify as a life insurance company), which is engaged in the business of issuing life insurance and annuity contracts (either separately or combined with health and accident insurance) or noncancellable contracts of health and accident insurance and of which the life insurance reserves, plus unearned premiums and unpaid losses on noncancellable life, health, or accident policies not included in life insurance reserves, comprise more than 50 percent of its total reserves, shall file a return on this form. (See section 801.)

If a receiver, trustee in dissolution, trustee in bankruptcy, or assignee has possession of or holds title to all or substantially all the property or business of a corporation, whether or not the property or business is being operated, he must make a return of income for the corporation in the same manner and form required of other corporations. (See section 6012.)

B. Period covered.—The return shall be for the calendar year ended December 31, 1954, and the taxable income computed on the calendar year basis in accordance with the State laws regulating insurance companies.

C. Accounting Methods.—A return on this form shall be filed using the cash or accrual method of accounting, except that whichever method is adopted in filing the company's first return must be followed until the consent of the Commissioner is received to change the method.

D. Time and place for filing.—The return must be sent to the District Director of Internal Revenue for the district in which the company's principal place of business or principal office or agency is located, on or before March 15, 1955.

E. Signature and verification.—The return must be signed either by the president, vice-president, treasurer, assistant treasurer or chief accounting officer, or by any other corporate officer authorized to sign. A receiver, trustee, or assignee must sign any return which he is required to file on behalf of a corporation. The statement at the bottom of page 1 of the return is required to be signed by any person, firm, or corporation who prepared the taxpayer's return. If the return is prepared by a firm or corporation, it should be signed in the name of the firm or corporation. The statement is not required if the return is prepared by a regular, full-time employee.

F. Payment of tax.—The tax must be paid in full when the return is filed or in two installments, 50 percent on or before the 15th day of the third month and 50 percent on or before the 15th day of the sixth month following the close of the taxable year.

If any installment is not paid on or before the date fixed for its payment, the whole amount of the tax unpaid shall be paid upon notice and demand by the District Director. The tax may be paid in cash or by check or money order drawn to the order of "District Director, I. R. S." Cash payment should be made only in person at the District Director's office.

G. Penalties.—Failure to file, etc.—Substantial additions to the tax are

imposed for failing to file a return, for late filing, and for filing a false or fraudulent return.

H. Information at source.—Every insurance company making payment in the course of its trade or business of (1) interest, rents, commissions, or other fixed or determinable income of \$600 or more during the calendar year to an individual, a partnership, or a fiduciary, or (2) salaries or wages of \$500 or more shall make returns on Forms 1096 and 1099, except that the making of such return will not be required with respect to salary or wage payments included on Form W-2, provided copies of withholding statements on Form W-2 are furnished. If a portion of such salary or wage payments was reported on a Withholding Statement (Form W-2), only the remainder must be reported on Form 1099.

The returns on Forms 1096 and 1099 shall also include dividend payments totaling \$10 or more during the calendar year 1954 to each shareholder who is an individual (citizen or resident of the United States), a resident fiduciary, or a resident partnership any member of which is a citizen or resident.

I. Information by corporations—1. Contemplated dissolution liquidation.—Every corporation shall, within 30 days after the adoption of the resolution or plan for the dissolution of the corporation or for the liquidation of the whole or any part of its capital stock, render a copy of its return on Form 966 setting forth the terms of such resolution or plan. (See section 6043.)

2. Distribution in liquidation.—Every corporation making distribution in liquidation of the whole or any part of its capital stock shall also make returns on Forms 1096 and 1099L, as required by instructions on Form 1096, for the calendar year 1954.

J. Stock ownership in foreign corporations.—In addition to the schedule required by Specific Instruction 2, a corporation owning any stock of a foreign corporation must attach a statement showing the name and address of each shareholder and the total number of shares of each class of outstanding stock owned during the taxable year. If the corporation owned 5 percent or more in value of the outstanding stock of a foreign personal holding company, it must attach a statement setting forth in complete detail the information required by section 551 (d).

K. Annual statement.—A copy of the annual statement for life insurance companies adopted by the National Convention of Insurance Commissioners for the year 1954, as filed with the Insurance Department of the State, Territory, or District of Columbia, which shows the reserves used in computing net income reported on the return, together with copies of Schedule A (Estate) and Schedule D (bonds and stocks), must accompany the return. Similar copies for the preceding year must also be furnished, if not filed for the year. In the case of a foreign life insurance company carrying on a life insurance business within the United States, the copies submitted shall be translated into the United States business of the company.

L. List of attached schedules.—Attach a list of the schedules accompanying the return, giving for each a brief title and the schedule number. Place name and address of company on each schedule.

SPECIFIC INSTRUCTIONS

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

1. Interest.—Enter interest received or accrued from all sources during the taxable year. The gross amount of interest reported as gross income shall be decreased by the amortization of premium and increased by the accrual of discount attributable to the taxable year on bonds, notes, debentures, or other evidences of indebtedness, determined (1) in accordance with the method regularly employed, if reasonable, or (2) in accordance with regulations prescribed by the Secretary or his delegate. (Attach statement showing method and computation.)

2. Dividends.—Enter as item 2 (a) the amount received or accrued as dividends from a domestic corporation which is subject to taxation under Subtitle A, except dividends on certain preferred stock of a public utility, dividends received from a corporation entitled to the benefits of section 931, and from a corporation organized under the China Trade Act, 1922. Enter as item 2 (b) dividends received on certain preferred stock of a public utility which is subject to taxation under Subtitle A. Enter as item 2 (c) dividends from foreign corporations. Enter as item 2 (d) dividends from all other corporations, including dividends on share accounts in Federal savings and loan associations issued on or after March 28, 1942. Enter in item 1 (c) dividends on share accounts in Federal savings and loan associations issued prior to March 28, 1942. Submit schedule, itemizing all dividends received during the year, stating the names and addresses of the corporations declaring the dividends and amounts received from each.

3. Rents.—Enter rents received or accrued from tenants.

5. Interest wholly exempt from tax.—Enter the amount of interest which is wholly exempt from taxation under the provisions of section 103.

6. Investment expenses.—Enter expenses paid or incurred 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 percent of the mean of the invested assets reported on line 12, Schedule B, plus, in cases where the taxable income computed without any deduction for (1) investment expenses and (2) tax-free interest, exceeds 3½ percent of the book value of such mean of the invested assets, one-fourth of such excess. Submit a schedule showing the nature and amount of the items included herein, the minor items being grouped in one amount. (See section 803 (g) (2).)

7. Taxes.—Enter taxes paid or accrued exclusively upon real estate owned by the company and taxes assessed against individual shareholders and by the company without reimbursement as provided in section 803 (g). 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. (For limitation on deduction, see Instruction 10 (b).)

8. Real estate expenses.—Enter all ordinary and necessary business 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 ordinarily efficient operating condition. Do not include any amount paid out for new buildings or permanent improvements or betterments made to increase the value of property or any amount expended on foreclosed property before such property is held forth for rental purposes. (For limitation on deduction, see Instruction 10 (b).)

9. Depreciation.—The amount deductible on account of depreciation is an amount reasonably measuring a portion of the investment in depreciable property which, by reason of exhaustion, wear and tear, or obsolescence, is properly chargeable against the operations of the year. In any event the deduction is limited to the depreciation on the property that is used, and to the extent used, for the purpose of producing the income specified in section 803. The amount of depreciation 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 expected useful life.

(a) **Straight line method.**—The most common method of computing depreciation is the "straight line" method. It allows for the recovery of cost in equal annual amounts over the life of the property, with only salvage value remaining at the end of its useful life. To compute the deduction, add the cost of improvements to the cost (or other basis) of the asset and deduct both the estimated salvage value and the total depreciation allowed or allowable in past years. Divide the result by the number of years of useful life remaining to the end of the year to determine the depreciation deduction.

(b) **Declining balance method.**—Under this method a uniform rate is applied each year to the remaining cost or other basis of property (with adjustment for salvage value) determined at the beginning of such year.

property acquired before January 1, 1954, or used property whenever acquired, the rate of depreciation under this method may not exceed one and one-half times the applicable straight line rate.

(c) **Special rules for new assets acquired after December 31, 1953.**—The cost or other basis of an asset acquired after December 31, 1953, may be depreciated under methods proper in the past; or, it may be depreciated under any of the following methods provided (1) that the asset is tangible, (2) that it has an estimated useful life of three years or more, and (3) that the original use of the asset commenced with the taxpayer and commenced after December 31, 1953. If an asset is constructed, reconstructed, or erected by the taxpayer, so much of the basis of the asset as is attributable to construction, reconstruction or erection after December 31, 1953, may be depreciated under methods

on amount deductible; (b) 62.115 percent of the amount received as dividend on the preferred stock of a public utility which is subject to income tax or allowed a deduction, as provided in section 247, for dividends paid; or 85 percent of dividends received from certain foreign corporations.

Dividends received from a corporation described in section 246 (a) (1) (Trade Act Corporation, etc.) should be entered in Item 2 (d).

17. Adjustment for certain non-life insurance reserves.—For companies writing contracts other than life insurance or annuity contracts (separately or combined with noncancellable health and accident insurance) add to the taxable income $3\frac{1}{4}$ percent of the unearned premiums and unearned losses on such other contracts which are not included in life insurance res-