GOVERNMENT CONTRACTS PROFITS TAX RETURN
FOR CALENDAR YEAR 1921

ATTACH THIS FORM TO YOUR INCOME TAX RETURN, FORM 1120,
FOR THE CORRESPONDING TAXABLE PERIOD AS A PART OF THAT RETURN.

Print plainly corporation's name and business address

(State)

(Suite and number)

(Post Office and State)

KIND OF BUSINESS

IS THIS A CONSOLIDATED RETURN?

SCHEDULE I—NET INCOME.

Item

Amount

1. Average Net Income for Prior Period (Item 1290 for 1918, page 1, Schedule I, Item 6)...

2. Net Income for Taxable Period (Item 1290 for 1921, page 1, Schedule A, Item 27)...

SCHEDULE II—INVESTED CAPITAL.

Item

Amount

1. Invested Capital for Taxable Period (Item 1290 for 1921, page 1, Schedule B, Item 9)...

2. Average Invested Capital for Taxable Period (Item 1290 for 1918, page 1, Schedule I, Item 10)...

SCHEDULE III—EXCESS PROFITS AND WAR PROFITS CREDITS.

EXCESS PROFITS CREDIT.

1. Eight per cent of invested capital for taxable period (Item 1, Schedule II)

2. Exemption for domestic corporation ($5,000)

WAR PROFITS CREDIT.

4. Average net income for prior period (Item 1, Schedule I)

5. Net income for taxable period (Item 2, Schedule I)

6. Excess Profits Credit (Item 8, Schedule III)

7. Exemption for domestic corporation ($5,000)

8. War Profits Credit (Item 8 plus Item 7)

SCHEDULE IV—COMPUTATION OF TAXES.

WAR PROFITS AND EXCESS PROFITS TAX (BRACKETS ONE AND TWO).

1. Net income net of excess of 20% of invested capital...

2. Balance of net income...

3. TOTAL...

WAR PROFITS AND EXCESS PROFITS TAX (BRACKET THREE).

4. Net income for taxable period (Item 2, Schedule I)

5. Less amount of War Profits Credit (Item 8, Schedule III)

6. Balance...

7. Eighty per cent of Item 6...

8. Less Item 3, column 6 (if smaller than Item 7)...

9. TAX IN BRACKET THREE (Item 7 minus Item 8; if Item 8 is larger, make no entry)

10. Total War Profits and Excess Profits Tax as computed under Section 230(1) (Item 2, column 6, plus Item 9)

11. Total War Profits and Excess Profits Tax, if computed under Sections 302 or 307 of the Revenue Act of 1921...

SUMMARY—WAR PROFITS AND EXCESS PROFITS TAX.

12. Total War Profits and Excess Profits Tax computed under Sections 301(5), 302, or 307, whichever is the smallest...

13. Total Excess Profits Tax (Item 5 or 4, whichever is smaller in column 6, Schedule D, Form 1120)

14. That portion of Item 12 which the income derived from Government contract bears to the total net income...

15. That portion of Item 13 which the income derived from Government contract bears to the total net income...

16. TOTAL WAR PROFITS AND EXCESS PROFITS TAX, Item 14 plus Item 15 (enter as Item 8, Schedule E, Form 1120)

GENERAL INSTRUCTIONS REGARDING TAX ON INCOME DERIVED FROM GOVERNMENT CONTRACTS.

In the case of a corporation which derives during the year 1921 a net income of more than $10,000 from any Government contract or contracts made between April 6, 1917, and November 11, 1918, both dates inclusive, the tax shall be such a proportion of a tax computed at the rates for 1918, using the excess profits credit and the war profits credit applicable to that year, as the portion of the net income attributable to the Government contracts bears to the entire net income, plus such a proportion of a tax computed at the rates for 1921 as the portion of the remaining net income bears to the entire net income. See Section 302(3) of the Revenue Act of 1921.

Government contracts may include: (a) A contract with the United States, (b) a contract with an agency of the United States, (c) a contract with an agency of any corporation, and (d) a subcontract with a contractor under any such contract; provided in every case the contract or subcontract was for the benefit of the United States. Unenforceable contracts subsequently ratified are treated as though made when originally entered into. The Commissioner may require any contractor to file with him copies of his Government contracts entered into on and after April 6, 1917.

INSTRUCTIONS CONCERNING THE FILLING IN OF SCHEDULES IN THIS RETURN.

There should also be shown in the most practicable form:

(d) Total gross income of corporation.

(f) Total general expenses, losses, and deductions of corporation.

(g) Amount of (f) allocated to Government contracts (total).

(h) Percentage which (g) is of (f).

If the allocation of general expenses, losses, and deductions differs from the percentage which the gross income from the Government contract or contracts bears to the total gross income, there shall be submitted a statement showing the items and amounts thereof that have been otherwise allocated, and the reasons therefor. If a claim is made under Section 307 of the statute, profits, commissions, or other income derived on a com-

SUPPORTING SCHEDULE.

A schedule should be submitted respecting Government contracts made between April 6, 1917, and November 11, 1918, both dates inclusive, from which net income in an amount exceeding $10,000 was derived during the taxable period. In the case of affiliated companies, this information should be shown separately for each company. This schedule should be in columns form and should contain the following information as respects each contract:

(e) Gross income from contract during period.

(f) Expenses directly applicable to each contract.

Total of each column should be shown.