

Form 707
TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE
Revised 1937

1937 RETURN

OF
CAPITAL-STOCK TAX
For Year Ending June 30, 1937

DOMESTIC CORPORATIONS

(Sec. 105, Revenue Act of 1935, as amended by Sec. 401 of the Revenue Act of 1936)

This return must be filed, in triplicate, and received by the Collector of Internal Revenue for your district on or before July 31, 1937. The tax must be paid on or before that date.

(Collection district)

Assessment List, Form 23A

(Month)

(Year)

(Page)

(Line)

(FOR WASHINGTON USE ONLY)

To be stamped by collector, showing district and date received

1. Name (Print name of corporation, joint-stock company, or association)
2. Address (The address must be that of the principal place of business. Give "street and number", "city or town", and "State")
3. Name of parent company, if any (District filed
4. Name of subsidiary, if any No. shares held (District filed
(If more than one, attach list and state number of shares held by parent; also districts where filed)
5. Nature of business in detail
6. Incorporated or organized in State of Month Day Year
7. Was a capital-stock tax return filed for the preceding taxable year ended June 30, 1936? If filed under a different name, state the name (District filed
8. Date of close of last income-tax taxable year ended on or prior to June 30, 1937, or, if newly organized corporation having no income-tax taxable year ended on or prior to June 30, 1937, date of organization

Corporations making an *original declaration of value upon this return* must enter the amount of such declared value in item 9. This block is not to be used by a corporation which established its original declared value by the first return for the year ended June 30, 1936.

9. **ORIGINAL DECLARED VALUE OF ENTIRE CAPITAL STOCK** \$
(The value declared must be definite and unqualified. A value must be declared in every case regardless of whether exemption from the tax is claimed. See instructions 1 and 3)

Corporations which have established their original declared value by the return for the year ended June 30, 1936, must adjust such declared value as provided for in Schedule I on page 2 of this return and then enter the amount of the adjusted declared value in item 10.

10. **ADJUSTED DECLARED VALUE OF ENTIRE CAPITAL STOCK (Last item of Schedule I, page 2)** \$

11. **EXEMPTIONS.**—The Act provides for an exemption from the tax only on the grounds indicated below. Corporations claiming exemption must (1) report a value for the capital stock under item 9 or 10, (2) check the appropriate block below, showing the basis of the claim, and (3) submit with the return a full statement of the evidence specified under the block checked.

- Corporation exempt from income tax under section 101, Revenue Act of 1936. (1) State under which subsection of section 101
- Insurance company subject to tax under section 201, 204, or 207, Revenue Act of 1936. State which section
- Corporation not doing business. (1) Furnish information required by instruction 16. (2) Report value of capital stock in item 9 or 10 above.

COMPUTATION OF TAX	FOR USE OF TAXPAYER				FOR USE OF DEPARTMENT			
12. Amount reported in item 9 or 10.....	\$				\$			
13. Tax at rate of \$1 for each full \$1,000 in item 12 (omit cents).....			x x x x					x x x x
14. Penalty of percent for delinquency in filing return.....								
15. Interest at 6% per annum beginning August 1, 1937.....								
16. Total tax, penalty, and interest.....								

We, the undersigned (Name of president, vice president, or other principal officer) (Title)

and (Name of treasurer, assistant treasurer, or chief accounting officer) (Title), of the corporation for which this

return is made, being severally duly sworn, each for himself deposes and says that this return, including any 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 stated, pursuant to the Revenue Act of 1935, as amended, and the Regulations issued thereunder.

Sworn to and subscribed before me this day of, 193...

NOTARIAL SEAL (Name)
..... (Official capacity of officer administering oath)

CORPORATE SEAL (Name) (Title)
..... (Name) (Title)

The schedules on this page must be filled in by every corporation making adjustments to an original declared value for the capital stock established by the return for the year ended June 30, 1936. See instructions 5 to 9, inclusive.

SCHEDULE I. ADJUSTMENT OF ORIGINAL DECLARED VALUE OF ENTIRE CAPITAL STOCK FOR ALL TRANSACTIONS DURING THE INCOME-TAX TAXABLE YEAR ENDED _____, 193__

Original declared value as established by the first return for the taxable year ended June 30, 1936.....	\$.....
Additions:	
(1) (a) Total cash paid in for stock or shares (see instruction 7, item 1).....	\$.....
(b) Fair market value of all property received for stock or shares (see instruction 7, item 1).....	.....
(2) Paid-in surplus and contributions to capital (see instruction 7, item 2).....	.....
(3) Net income (see instruction 7, item 3).....	.....
(4) Excess of income wholly exempt from tax over amount disallowed as deductions by section 24 (a) (5) of the Revenue Act of 1934 or 1936 (see instruction 7, item 4).....	.....
(5) Dividend deduction allowable for income-tax purposes (see instruction 7, item 5).....	.....
Total additions .....	.....
TOTAL BEFORE DEDUCTIONS	\$.....
Deductions:	
(A) (1) Total cash distributed in liquidation to shareholders (see instruction 7, item A)....	\$.....
(2) Fair market value of all property distributed in liquidation to shareholders (see instruction 7, item A).....	.....
(B) Distributions of earnings or profits (see instruction 7, item B).....	.....
(C) Excess of deductions allowable over gross income and claimed on income-tax return (see instruction 7, item C).....	.....
Total deductions.....	.....
ADJUSTED DECLARED VALUE (enter in item 10, page 1).....	\$.....

SCHEDULE II. ANALYSIS OF CHANGES IN CAPITAL STOCK AND SURPLUS

<p>Capital Stock and Surplus at beginning of year</p> <p>1. Capital stock: Preferred..... \$.....</p> <p style="padding-left: 40px;">Common.....</p> <p>2. Capital or paid-in surplus.....</p> <p>3. Surplus reserves.....</p> <p>4. Surplus and undivided profits.....</p> <p>Additions—Capital transactions</p> <p>5. Total cash and fair market value of property paid in for stock or shares (total of items 1(a) and 1(b), Schedule I)*.....</p> <p>6. Paid-in surplus and contributions to capital (item 2, Schedule I)*.....</p> <p>7. Other additions (to be detailed).....</p> <p>.....</p> <p>.....</p> <p>Additions—Revenue transactions</p> <p>8. Net income (item 3, Schedule I).....</p> <p>9. Income wholly exempt from income tax. (This total less the amount entered as item 17 of this schedule should correspond with item 4, Schedule I) (see instruction 7, item 4).....</p> <p>10. The amount of the dividend deduction allowable for income-tax purposes (item 5, Schedule I) (see instruction 7, item 5)....</p> <p>11. Other additions (to be detailed).....</p> <p>.....</p> <p>.....</p> <p style="text-align: right;">TOTAL..... \$.....</p>	<p>Deductions—Capital transactions</p> <p>12. Liquidating distributions (total of items A(1) and A(2), Schedule I)*..... \$.....</p> <p>13. Other distributions (item B, Schedule I)*.....</p> <p>14. Enter class and amount of distributions in corporation's own stock:</p> <p style="padding-left: 40px;">..... \$..... x x x x x</p> <p>15. Other deductions (to be detailed).....</p> <p>.....</p> <p>Deductions—Revenue transactions</p> <p>16. Excess of deductions allowable over gross income and claimed on income-tax return (item C, Schedule I).....</p> <p>17. Deductions disallowed by sec. 24 (a) (5), 1934 or 1936 Act. (See item 9 of this schedule).....</p> <p>18. Other deductions (to be detailed).....</p> <p>.....</p> <p>Capital Stock and Surplus at end of year</p> <p>19. Capital stock: Preferred.....</p> <p style="padding-left: 40px;">Common.....</p> <p>20. Capital or paid-in surplus.....</p> <p>21. Surplus reserves.....</p> <p>22. Surplus and undivided profits.....</p> <p style="text-align: right;">TOTAL..... \$.....</p>
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*Enter values shown by the books if different from values entered in Schedule I and explain difference.

Form 707
TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE
Revised 1937

1937 RETURN

OF
CAPITAL-STOCK TAX
For Year Ending June 30, 1937

DOMESTIC CORPORATIONS

(Sec. 105, Revenue Act of 1935, as amended by Sec. 401 of the Revenue Act of 1936)

This return must be filed, in triplicate, and received by the Collector of Internal Revenue for your district on or before July 31, 1937. The tax must be paid on or before that date.

(Collection district)
Assessment List, Form 23A

(Month) (Year)

(Page) (Line)

(FOR WASHINGTON USE ONLY)

To be stamped by collector, showing district and date received

1. Name (Print name of corporation, joint-stock company, or association)
2. Address (The address must be that of the principal place of business. Give "street and number", "city or town", and "State")
3. Name of parent company, if any (District filed)
4. Name of subsidiary, if any No. shares held (District filed)
(If more than one, attach list and state number of shares held by parent; also districts where filed)
5. Nature of business in detail
6. Incorporated or organized in State of Month Day Year
7. Was a capital-stock tax return filed for the preceding taxable year ended June 30, 1936? If filed under a different name, state the name (District filed)
8. Date of close of last income-tax taxable year ended on or prior to June 30, 1937, or, if newly organized corporation having no income-tax taxable year ended on or prior to June 30, 1937, date of organization

Corporations making an *original declaration of value upon this return* must enter the amount of such declared value in item 9. This block is not to be used by a corporation which established its original declared value by the first return for the year ended June 30, 1936.

9. **ORIGINAL DECLARED VALUE OF ENTIRE CAPITAL STOCK** \$
(The value declared must be definite and unqualified. A value must be declared in every case regardless of whether exemption from the tax is claimed. See instructions 1 and 3)

Corporations which have established their original declared value by the return for the year ended June 30, 1936, must adjust such declared value as provided for in Schedule I on page 2 of this return and then enter the amount of the adjusted declared value in item 10.

10. **ADJUSTED DECLARED VALUE OF ENTIRE CAPITAL STOCK (Last item of Schedule I, page 2)** \$

11. **EXEMPTIONS.**—The Act provides for an exemption from the tax only on the grounds indicated below. Corporations claiming exemption must (1) report a value for the capital stock under item 9 or 10, (2) check the appropriate block below, showing the basis of the claim, and (3) submit with the return a full statement of the evidence specified under the block checked.
- Corporation exempt from income tax under section 101, Revenue Act of 1936. (1) State under which subsection of section 101 (2) Furnish information required by instruction 14.
 - Insurance company subject to tax under section 201, 204, or 207, Revenue Act of 1936. State which section
 - Corporation not doing business. (1) Furnish information required by instruction 16. (2) Report value of capital stock in item 9 or 10 above.

COMPUTATION OF TAX	FOR USE OF TAXPAYER				FOR USE OF DEPARTMENT			
12. Amount reported in item 9 or 10.....	\$				\$			
13. Tax at rate of \$1 for each full \$1,000 in item 12 (omit cents).....				x x x x				x x x x
14. Penalty of percent for delinquency in filing return.....								
15. Interest at 6% per annum beginning August 1, 1937.....								
16. Total tax, penalty, and interest.....								

We, the undersigned (Name of president, vice president, or other principal officer) (Title)

and (Name of treasurer, assistant treasurer, or chief accounting officer) (Title), of the corporation for which this return is made, being severally duly sworn, each for himself deposes and says that this return, including any 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 stated, pursuant to the Revenue Act of 1935, as amended, and the Regulations issued thereunder.

Sworn to and subscribed before me this day of, 193...

NOTARIAL SEAL (Name) (Title)
(Official capacity of officer administering oath)

CORPORATE SEAL (Name) (Title)
..... (Name) (Title)

The schedules on this page must be filled in by every corporation making adjustments to an original declared value for the capital stock established by the return for the year ended June 30, 1936. See instructions 5 to 9, inclusive.

SCHEDULE I. ADJUSTMENT OF ORIGINAL DECLARED VALUE OF ENTIRE CAPITAL STOCK FOR ALL TRANSACTIONS DURING THE INCOME-TAX TAXABLE YEAR ENDED _____, 193__

Original declared value as established by the first return for the taxable year ended June 30, 1936..... \$.....

Additions:

(1) (a) Total cash paid in for stock or shares (see instruction 7, item 1)..... \$.....

(b) Fair market value of all property received for stock or shares (see instruction 7, item 1).....

(2) Paid-in surplus and contributions to capital (see instruction 7, item 2).....

(3) Net income (see instruction 7, item 3).....

(4) Excess of income wholly exempt from tax over amount disallowed as deductions by section 24 (a) (5) of the Revenue Act of 1934 or 1936 (see instruction 7, item 4).....

(5) Dividend deduction allowable for income-tax purposes (see instruction 7, item 5).....

Total additions.....

TOTAL BEFORE DEDUCTIONS..... \$.....

Deductions:

(A) (1) Total cash distributed in liquidation to shareholders (see instruction 7, item A).... \$.....

(2) Fair market value of all property distributed in liquidation to shareholders (see instruction 7, item A).....

(B) Distributions of earnings or profits (see instruction 7, item B).....

(C) Excess of deductions allowable over gross income and claimed on income-tax return (see instruction 7, item C).....

Total deductions.....

ADJUSTED DECLARED VALUE (enter in item 10, page 1)..... \$.....

SCHEDULE II. ANALYSIS OF CHANGES IN CAPITAL STOCK AND SURPLUS

<p>Capital Stock and Surplus at beginning of year</p> <p>1. Capital stock: Preferred..... \$.....</p> <p>Common.....</p> <p>2. Capital or paid-in surplus.....</p> <p>3. Surplus reserves.....</p> <p>4. Surplus and undivided profits.....</p> <p>Additions—Capital transactions</p> <p>5. Total cash and fair market value of property paid in for stock or shares (total of items 1(a) and 1(b), Schedule I)*.....</p> <p>6. Paid-in surplus and contributions to capital (item 2, Schedule I)*.....</p> <p>7. Other additions (to be detailed).....</p> <p>.....</p> <p>.....</p> <p>Additions—Revenue transactions</p> <p>8. Net income (item 3, Schedule I).....</p> <p>9. Income wholly exempt from income tax. (This total less the amount entered as item 17 of this schedule should correspond with item 4, Schedule I) (see instruction 7, item 4).....</p> <p>10. The amount of the dividend deduction allowable for income-tax purposes (item 5, Schedule I) (see instruction 7, item 5).....</p> <p>11. Other additions (to be detailed).....</p> <p>.....</p> <p>.....</p> <p>TOTAL..... \$.....</p>	<p>Deductions—Capital transactions</p> <p>12. Liquidating distributions (total of items A(1) and A(2), Schedule I)*..... \$.....</p> <p>13. Other distributions (item B, Schedule I)*.....</p> <p>14. Enter class and amount of distributions in corporation's own stock:</p> <p>..... \$..... x x x x x</p> <p>15. Other deductions (to be detailed).....</p> <p>.....</p> <p>Deductions—Revenue transactions</p> <p>16. Excess of deductions allowable over gross income and claimed on income-tax return (item C, Schedule I).....</p> <p>17. Deductions disallowed by sec. 24 (a) (5), 1934 or 1936 Act. (See item 9 of this schedule).....</p> <p>18. Other deductions (to be detailed).....</p> <p>.....</p> <p>.....</p> <p>Capital Stock and Surplus at end of year</p> <p>19. Capital stock: Preferred.....</p> <p>Common.....</p> <p>20. Capital or paid-in surplus.....</p> <p>21. Surplus reserves.....</p> <p>22. Surplus and undivided profits.....</p> <p>TOTAL..... \$.....</p>
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*Enter values shown by the books if different from values entered in Schedule I and explain difference.

TO BE RETAINED BY COLLECTOR

Form 707
TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE
Revised 1937

1937 RETURN

OF

CAPITAL-STOCK TAX

For Year Ending June 30, 1937

DOMESTIC CORPORATIONS

(Sec. 105, Revenue Act of 1935, as amended by Sec. 401 of the Revenue Act of 1936)

This return must be filed, in triplicate, and received by the Collector of Internal Revenue for your district on or before July 31, 1937. The tax must be paid on or before that date.

(Collection district)

Assessment List, Form 23A

(Month)

(Year)

(Page)

(Line)

(FOR WASHINGTON USE ONLY)

To be stamped by collector, showing district and date received

- 1. Name
2. Address
3. Name of parent company, if any
4. Name of subsidiary, if any
5. Nature of business in detail
6. Incorporated or organized in State of
7. Was a capital-stock tax return filed for the preceding taxable year ended June 30, 1936?
8. Date of close of last income-tax taxable year ended on or prior to June 30, 1937, or, if newly organized corporation having no income-tax taxable year ended on or prior to June 30, 1937, date of organization

Corporations making an original declaration of value upon this return must enter the amount of such declared value in item 9. This block is not to be used by a corporation which established its original declared value by the first return for the year ended June 30, 1936.

9. ORIGINAL DECLARED VALUE OF ENTIRE CAPITAL STOCK \$

Corporations which have established their original declared value by the return for the year ended June 30, 1936, must adjust such declared value as provided for in Schedule I on page 2 of this return and then enter the amount of the adjusted declared value in item 10.

10. ADJUSTED DECLARED VALUE OF ENTIRE CAPITAL STOCK (Last item of Schedule I, page 2) \$

11. EXEMPTIONS.—The Act provides for an exemption from the tax only on the grounds indicated below. Corporations claiming exemption must (1) report a value for the capital stock under item 9 or 10, (2) check the appropriate block below, showing the basis of the claim, and (3) submit with the return a full statement of the evidence specified under the block checked.

- Corporation exempt from income tax under section 101, Revenue Act of 1936.
Insurance company subject to tax under section 201, 204, or 207, Revenue Act of 1936.
Corporation not doing business.

Table with 3 main columns: COMPUTATION OF TAX, FOR USE OF TAXPAYER, FOR USE OF DEPARTMENT. Rows include: 12. Amount reported in item 9 or 10, 13. Tax at rate of \$1 for each full \$1,000 in item 12, 14. Penalty of percent for delinquency in filing return, 15. Interest at 6% per annum beginning August 1, 1937, 16. Total tax, penalty, and interest.

We, the undersigned (Name of president, vice president, or other principal officer), (Title)

and (Name of treasurer, assistant treasurer, or chief accounting officer), (Title), of the corporation for which this

return is made, being severally duly sworn, each for himself deposes and says that this return, including any 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 stated, pursuant to the Revenue Act of 1935, as amended, and the Regulations issued thereunder.

Sworn to and subscribed before me this day of, 193



(Name)
(Official capacity of officer administering oath)



(Name)
(Title)
(Name)
(Title)

The schedules on this page must be filled in by every corporation making adjustments to an original declared value for the capital stock established by the return for the year ended June 30, 1936. See instructions 5 to 9, inclusive.

SCHEDULE I. ADJUSTMENT OF ORIGINAL DECLARED VALUE OF ENTIRE CAPITAL STOCK FOR ALL TRANSACTIONS DURING THE INCOME-TAX TAXABLE YEAR ENDED _____, 193__

Original declared value as established by the first return for the taxable year ended June 30, 1936 \$
Additions:
(1) (a) Total cash paid in for stock or shares (see instruction 7, item 1) \$
(b) Fair market value of all property received for stock or shares (see instruction 7, item 1)
(2) Paid-in surplus and contributions to capital (see instruction 7, item 2)
(3) Net income (see instruction 7, item 3)
(4) Excess of income wholly exempt from tax over amount disallowed as deductions by section 24 (a) (5) of the Revenue Act of 1934 or 1936 (see instruction 7, item 4)
(5) Dividend deduction allowable for income-tax purposes (see instruction 7, item 5)
Total additions
TOTAL BEFORE DEDUCTIONS \$
Deductions:
(A) (1) Total cash distributed in liquidation to shareholders (see instruction 7, item A) \$
(2) Fair market value of all property distributed in liquidation to shareholders (see instruction 7, item A)
(B) Distributions of earnings or profits (see instruction 7, item B)
(C) Excess of deductions allowable over gross income and claimed on income-tax return (see instruction 7, item C)
Total deductions
ADJUSTED DECLARED VALUE (enter in item 10, page 1) \$

SCHEDULE II. ANALYSIS OF CHANGES IN CAPITAL STOCK AND SURPLUS

Capital Stock and Surplus at beginning of year
1. Capital stock: Preferred \$
Common
2. Capital or paid-in surplus
3. Surplus reserves
4. Surplus and undivided profits
Additions—Capital transactions
5. Total cash and fair market value of property paid in for stock or shares (total of items 1(a) and 1(b), Schedule I)*
6. Paid-in surplus and contributions to capital (item 2, Schedule I)*
7. Other additions (to be detailed)
Additions—Revenue transactions
8. Net income (item 3, Schedule I)
9. Income wholly exempt from income tax. (This total less the amount entered as item 17 of this schedule should correspond with item 4, Schedule I) (see instruction 7, item 4)
10. The amount of the dividend deduction allowable for income-tax purposes (item 5, Schedule I) (see instruction 7, item 5)
11. Other additions (to be detailed)
TOTAL \$
Deductions—Capital transactions
12. Liquidating distributions (total of items A(1) and A(2), Schedule I)* \$
13. Other distributions (item B, Schedule I)*
14. Enter class and amount of distributions in corporation's own stock:
\$ x x x x x
15. Other deductions (to be detailed)
Deductions—Revenue transactions
16. Excess of deductions allowable over gross income and claimed on income-tax return (item C, Schedule I)
17. Deductions disallowed by sec. 24 (a) (5), 1934 or 1936 Act. (See item 9 of this schedule)
18. Other deductions (to be detailed)
Capital Stock and Surplus at end of year
19. Capital stock: Preferred
Common
20. Capital or paid-in surplus
21. Surplus reserves
22. Surplus and undivided profits
TOTAL \$

*Enter values shown by the books if different from values entered in Schedule I and explain difference.

Form 707
TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE
Revised 1937

1937 RETURN

OF

CAPITAL-STOCK TAX

For Year Ending June 30, 1937

DOMESTIC CORPORATIONS

(Sec. 105, Revenue Act of 1935, as amended by Sec. 401 of the Revenue Act of 1936)

This return must be filed, in triplicate, and received by the Collector of Internal Revenue for your district on or before July 31, 1937. The tax must be paid on or before that date.

(Collection district)

Assessment List, Form 23A

(Month)

(Year)

(Page)

(Line)

(FOR WASHINGTON USE ONLY)

To be stamped by collector, showing district and date received

- 1. Name
2. Address
3. Name of parent company, if any
4. Name of subsidiary, if any
5. Nature of business in detail
6. Incorporated or organized in State of
7. Was a capital-stock tax return filed for the preceding taxable year ended June 30, 1936?
8. Date of close of last income-tax taxable year ended on or prior to June 30, 1937, or, if newly organized corporation having no income-tax taxable year ended on or prior to June 30, 1937, date of organization

Corporations making an original declaration of value upon this return must enter the amount of such declared value in item 9. This block is not to be used by a corporation which established its original declared value by the first return for the year ended June 30, 1936.

9. ORIGINAL DECLARED VALUE OF ENTIRE CAPITAL STOCK

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10. ADJUSTED DECLARED VALUE OF ENTIRE CAPITAL STOCK (Last item of Schedule I, page 2)

11. EXEMPTIONS.—The Act provides for an exemption from the tax only on the grounds indicated below. Corporations claiming exemption must (1) report a value for the capital stock under item 9 or 10, (2) check the appropriate block below, showing the basis of the claim, and (3) submit with the return a full statement of the evidence specified under the block checked.

- Corporation exempt from income tax under section 101, Revenue Act of 1936.
Insurance company subject to tax under section 201, 204, or 207, Revenue Act of 1936.
Corporation not doing business.

Table with 3 main columns: COMPUTATION OF TAX, FOR USE OF TAXPAYER, FOR USE OF DEPARTMENT. Rows include Amount reported in item 9 or 10, Tax at rate of \$1 for each full \$1,000 in item 12, Penalty of percent for delinquency, Interest at 6% per annum, Total tax, penalty, and interest.

We, the undersigned, of the corporation for which this return is made, being severally duly sworn, each for himself deposes and says that this return, including any 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 stated, pursuant to the Revenue Act of 1935, as amended, and the Regulations issued thereunder.

Sworn to and subscribed before me this day of, 193...



(Name)
(Official capacity of officer administering oath)



(Name)
(Name)
(Title)
(Title)

The schedules on this page must be filled in by every corporation making adjustments to an original declared value for the capital stock established by the return for the year ended June 30, 1936. See instructions 5 to 9, inclusive.

SCHEDULE I. ADJUSTMENT OF ORIGINAL DECLARED VALUE OF ENTIRE CAPITAL STOCK FOR ALL TRANSACTIONS DURING THE INCOME-TAX TAXABLE YEAR ENDED _____, 193__

Original declared value as established by the first return for the taxable year ended June 30, 1936..... \$.....

Additions:

(1) (a) Total cash paid in for stock or shares (see instruction 7, item 1)..... \$.....

(b) Fair market value of all property received for stock or shares (see instruction 7, item 1).....

(2) Paid-in surplus and contributions to capital (see instruction 7, item 2).....

(3) Net income (see instruction 7, item 3).....

(4) Excess of income wholly exempt from tax over amount disallowed as deductions by section 24 (a) (5) of the Revenue Act of 1934 or 1936 (see instruction 7, item 4).....

(5) Dividend deduction allowable for income-tax purposes (see instruction 7, item 5).....

Total additions.....

TOTAL BEFORE DEDUCTIONS..... \$.....

Deductions:

(A) (1) Total cash distributed in liquidation to shareholders (see instruction 7, item A)..... \$.....

(2) Fair market value of all property distributed in liquidation to shareholders (see instruction 7, item A).....

(B) Distributions of earnings or profits (see instruction 7, item B).....

(C) Excess of deductions allowable over gross income and claimed on income-tax return (see instruction 7, item C).....

Total deductions.....

ADJUSTED DECLARED VALUE (enter in item 10, page 1)..... \$.....

SCHEDULE II. ANALYSIS OF CHANGES IN CAPITAL STOCK AND SURPLUS

Capital Stock and Surplus at beginning of year		Deductions—Capital transactions	
1. Capital stock: Preferred..... \$.....		12. Liquidating distributions (total of items A(1) and A(2), Schedule I)*..... \$.....	
Common.....		13. Other distributions (item B, Schedule I)*.....	
2. Capital or paid-in surplus.....		14. Enter class and amount of distributions in corporation's own stock:	
3. Surplus reserves.....		..... \$.....	x x x x x
4. Surplus and undivided profits.....		15. Other deductions (to be detailed).....	
Additions—Capital transactions			
5. Total cash and fair market value of property paid in for stock or shares (total of items 1(a) and 1(b), Schedule I)*.....		Deductions—Revenue transactions	
6. Paid-in surplus and contributions to capital (item 2, Schedule I)*.....		16. Excess of deductions allowable over gross income and claimed on income-tax return (item C, Schedule I).....	
7. Other additions (to be detailed).....		17. Deductions disallowed by sec. 24 (a) (5), 1934 or 1936 Act. (See item 9 of this schedule).....	
		18. Other deductions (to be detailed).....	
Additions—Revenue transactions			
8. Net income (item 3, Schedule I).....			
9. Income wholly exempt from income tax. (This total less the amount entered as item 17 of this schedule should correspond with item 4, Schedule I) (see instruction 7, item 4).....			
10. The amount of the dividend deduction allowable for income-tax purposes (item 5, Schedule I) (see instruction 7, item 5).....			
11. Other additions (to be detailed).....			
TOTAL.....	\$.....	TOTAL.....	\$.....
		Capital Stock and Surplus at end of year	
		19. Capital stock: Preferred.....	
		Common.....	
		20. Capital or paid-in surplus.....	
		21. Surplus reserves.....	
		22. Surplus and undivided profits.....	

*Enter values shown by the books if different from values entered in Schedule I and explain difference.

LAW

SECTION 105, REVENUE ACT OF 1935, AS AMENDED

(a) For each year ending June 30, beginning with the year ending June 30, 1936, there is hereby imposed upon every domestic corporation with respect to carrying on or doing business for any part of such year an excise tax of \$1.00 for each \$1,000 of the adjusted declared value of its capital stock.

(c) The taxes imposed by this section shall not apply—

- (1) to any corporation enumerated in section 101 of the Revenue Act of 1936;
- (2) to any insurance company subject to the tax imposed by section 201, 204, or 207 of such Act.

(d) Every corporation liable for tax under this section shall make a return under oath within one month after the close of the year with respect to which such tax is imposed to the collector for the district in which is located its principal place of business or, if it has no principal place of business in the United States, then to the collector at Baltimore, Maryland. Such return shall contain such information and be made in such manner as the Commissioner with the approval of the Secretary may by regulations prescribe. The tax shall, without assessment by the Commissioner or notice from the collector, be due and payable to the collector before the expiration of the period for filing the return. If the tax is not paid when due, there shall be added as part of the tax, interest at the rate of 6 per centum per annum from the time when the tax became due until paid. All provisions of law (including penalties) applicable in respect of the taxes imposed by section 600 of the Revenue Act of 1926 shall, insofar as not inconsistent with this section, be applicable in respect of the taxes imposed by this section. The Commissioner may extend the time for making the returns and paying the taxes imposed by this section, under such rules and regulations as he may prescribe with the approval of the Secretary, but no such extension shall be for more than 60 days.

(e) Returns required to be filed for the purpose of the tax imposed by this section shall be open to inspection in the same manner, to the same extent, and subject to the same provisions of law, including penalties, as returns made under Title II of the Revenue Act of 1926.

(f) For the first year ending June 30 in respect of which a tax is imposed by this section upon any corporation, the adjusted declared value shall be the value, as declared by the corporation in its first return under this section (which declaration of value cannot be amended), as of the close of its last income-tax taxable year ending at or prior to the close of the year for which the tax is imposed by this section (or as of the date of organization in the case of a corporation having no income-tax taxable year ending at or prior to the close of the year for which the tax is imposed by this section). For any subsequent year ending June 30, the adjusted declared value in the case of a domestic corporation shall be the original declared value plus (1) the cash and fair market value of property paid in for stock or shares, (2) paid in surplus and contributions to capital, (3) its net income, (4) the excess of its income wholly exempt from the taxes imposed by the applicable income-tax law over the amount disallowed as a deduction by section 24 (a) (5) of the Revenue Act of 1934 or a corresponding provision of a later Revenue Act, and (5) the amount of the dividend deduction allowable for income-tax purposes, and minus (A) the value of property distributed in liquidation to shareholders, (B) distributions of earnings or profits, and (C) the excess of the deductions allowable for income-tax purposes over its gross income; adjustment being made for each income-tax taxable year included in the period from the date as of which the original declared value was declared to the close of its last income-tax taxable year ending at or prior to the close of the year for which the tax is imposed by this section. The amount of such adjustment for each such year shall be computed (on the basis of a separate return) according to the income-tax law applicable to such year. * * *

SECTION 106, AS AMENDED. EXCESS-PROFITS TAX

(a) There is hereby imposed upon the net income of every corporation for each income-tax taxable year ending after the close of the first year in respect of which it is taxable under section 105, an excess-profits tax equal to the sum of the following:

6 per centum of such portion of its net income for such income-tax taxable year as is in excess of 10 per centum and not in excess of 15 per centum of the adjusted declared value;

12 per centum of such portion of its net income for such income-tax taxable year as is in excess of 15 per centum of the adjusted declared value.

(b) The adjusted declared value shall be determined as provided in section 105 as of the close of the preceding income-tax taxable year (or as of the date of organization if it had no preceding income-tax taxable year). If the income-tax taxable year in respect of which the tax under this section is imposed is a period of less than 12 months, such adjusted declared value shall be reduced to an amount which bears the same ratio thereto as the number of months in the period bears to 12 months. For the purposes of this section the net income shall be the same as the net income for income-tax purposes for the year in respect of which the tax under this section is imposed, computed without the deduction of the tax imposed by this section, but with a credit against net income equal to the credit for dividends received provided in section 26 (b) of the Revenue Act of 1936.

(c) All provisions of law (including penalties) applicable in respect of the taxes imposed by Title I of the Revenue Act of 1934, as amended, shall, insofar as not inconsistent with this section, be applicable in respect of the tax imposed by this section, except that the provisions of section 131 of that title shall not be applicable.

INSTRUCTIONS

The sections of the law mentioned throughout these instructions refer to sections of the Revenue Act of 1935, as amended. For further information regarding the tax, see Capital Stock Tax Regulations, No. 64 (1936 edition, as amended).

RETURN

1. Every domestic corporation (including associations, common-law trusts, and other organizations by whatever name known, which operate in an organized capacity, whether created under and pursuant to State law, agreement, declaration of trust, or otherwise, the net income of which is distributable among the members on the basis of their proportionate interests in the invested capital or in the property of the organization), which was in existence during the period July 1, 1936, to June 30, 1937, or any fractional part thereof, must file a complete capital-stock tax return in triplicate for the year ended June 30, 1937, the only exception being a corporation which has received a letter from the Commissioner granting exemption from filing a capital-stock tax return for 1937. So-called parent and subsidiary corporations must each submit a return on which an original or adjusted declared value must be reported.

2. If the corporation is one that was in existence prior to July 1, 1936, and was not granted exemption from the capital-stock tax for the year ended June 30, 1936, the return for the year ended June 30, 1937, must disclose an adjusted declared value. See instructions on "ADJUSTED DECLARED VALUE."

3. If the corporation is one which was granted exemption from the capital stock tax for the year ended June 30, 1936, or is one created during the year ended June 30, 1937, the return for the year ended June 30, 1937, must disclose an original declared value. See instructions on "ORIGINAL DECLARED VALUE."

4. If a corporation of either of the two classes above mentioned claims exemption from the capital-stock tax on the ground that it (1) is exempt under section 101 of the Revenue Act of 1936 from filing income-tax returns, (2) is an insurance company subject to the tax imposed by section 201, 204, or 207 of such Act, or (3) was not carrying on or doing business at any time during the year ended June 30, 1937, the "EXEMPTIONS" instructions (14 to 16 inclusive) should be followed.

ADJUSTED DECLARED VALUE

5. The adjusted declared value must be determined by making the adjustments to the original declared value provided for in section 105 (f). *No other adjustments are permitted by the law.*

6. The adjustments must be confined to transactions during the income-tax taxable year ended subsequent to June 30, 1936, and on or prior to June 30, 1937. Thus, if the income-tax return was filed on a calendar-year basis, the adjustments must reflect the transactions during the year 1936 while, if the income-tax return was filed on the basis of a fiscal year ended with any month from July 1936 to and including June 1937, the adjustments must reflect the transactions during such fiscal year.

7. The adjustments to the original declared value must be entered in Schedule I on page 2 of the return, as follows:

ADDITIONS

Item 1. If cash was paid in during the income-tax taxable year ended on or prior to June 30, 1937, for stock or shares of the corporation, the total amount of the cash so acquired shall be entered as item (1) (a). If a corporation pays a liability by issuing stock therefor, the amount of the liability so paid shall be included in that item. If property other than cash was received for stock or shares, enter the fair market value of such property under item (1) (b) and attach a statement describing the property and explaining how the value was determined. If the property was acquired in connection with a reorganization, submit full particulars as to the corporations involved, the plan of reorganization, and its execution.

Item 2. If any cash or property was acquired during the income-tax taxable year ended on or prior to June 30, 1937, as a paid-in surplus or contribution to capital, whether received from shareholders or from other than shareholders, the total amount of the cash and fair market value of the property so acquired will be entered as item 2. In every instance a statement must be attached to the return setting forth substantially the same information as required with respect to item (1) (b).

Item 3. If the income-tax return was filed for the calendar year 1936, or for a fiscal year ended from January to June, 1937, inclusive, the amount to be entered as item 3 will be the *net income for income-tax computation* as reported on line 13, page 1, and line 29, page 2, of the income-tax return. A corporation which filed its income-tax return for a fiscal year ended from July to November, 1936, inclusive, will enter as item 3 its net income as reported on line 27, page 1, of its income-tax return. In case of a net loss, see instructions under item C.

Item 4. The total income received (or accrued, if the books are kept on an accrual basis) during the income-tax taxable year ended on or prior to June 30, 1937, wholly exempt from taxation, regardless of its nature and its source, less the total expenses chargeable thereto, paid (or accrued) and disallowed as a deduction under section 24 (a) (5) of the 1936 Act (or the 1934 Act, if the income-tax return is for a fiscal year ended from July to November, 1936, inclusive) will be entered as item 4. Disallowances under other sections are not allowable in determining this addition.

Item 5. A corporation which filed its income-tax return for a fiscal year ended from July to November, 1936, inclusive, will enter as item 5 the total income derived during such year from dividends upon stocks of other domestic corporations and allowed as a deduction under section 23 (p) of the Revenue Act of 1934 in computing net income. If the income-tax return was filed for the calendar year 1936, or for a fiscal year ended from January to June, 1937, inclusive, there will be no amount to enter under item 5; the reason for this being the fact that the Revenue Act of 1936 makes no provision for the deduction of such dividends in the determination of net income.

DEDUCTIONS

Item A. The total amount of cash distributed in liquidation (whether partial or complete) to shareholders during the income-tax taxable year ended on or prior to June 30, 1937, shall be entered as item (A) (1). When a corporation accepts shares of its stock in payment of a debt due to it so as to result in a distribution in liquidation, the amount of the debt so paid shall be included in that item. If property other than cash was dis-

tributed in liquidation, enter the fair market value thereof under item (A) (2) and attach a statement describing the property and explaining how the value was determined.

Distributions, which are "in liquidation" and deductible under items (A) (1) and (A) (2), are those which fall within section 115 (c) and (i) of the 1934 and 1936 Revenue Acts and the applicable income-tax regulations. Distributions from capital within the meaning of section 115 (d) of those Acts are not deductible.

Item B. The total of all distributions to shareholders made during the income-tax taxable year ended on or prior to June 30, 1937, from earnings and profits will be entered as item B. For this purpose a distribution takes effect on the date of the resolution making an unqualified declaration of a dividend to the shareholders. Hence dividends declared prior to but paid during the income-tax taxable year ended on or prior to June 30, 1937, should be excluded from the deduction, while dividends declared during but paid subsequent to such year must be included in the deduction. A statement must be attached showing the amount of each dividend, date of dividend resolution, and if the distribution was made in property, a description thereof and a statement of how the value was determined. *Stock dividends which do not effect a distribution of earnings or profits should not be taken into consideration.*

Item C. If a loss was disclosed by the income-tax return for the income-tax taxable year ended on or prior to June 30, 1937, the excess of the deductions allowable over gross income and claimed on the income-tax return will be entered as item C. *Losses and deductions not allowable and claimed on the income-tax return shall not be taken into consideration.*

8. Any explanatory statements attached to the return should properly identify the respective items to which related.

9. The adjustment of the original declared value is to be further explained by a reconciliation of the changes in the capital stock and surplus accounts during the income-tax taxable year ended on or prior to June 30, 1937. For this purpose, the reconciliation is to be made as provided for in Schedule II on page 2 of the return.

ORIGINAL DECLARED VALUE

10. The instructions under this heading are applicable only to two classes of corporations; first, those created after June 30, 1936, and second, those which received a letter from the Commissioner exempting them from the capital-stock tax for the year ended June 30, 1936. All other corporations should follow the instructions under the heading "ADJUSTED DECLARED VALUE."

11. For purposes of the declared value, the term "capital stock" is equivalent to the net worth of the organization, regardless of whether it is a stock or nonstock corporation, an association, or other entity taxable as a corporation. "Capital stock", therefore, includes: (A) The capital paid in by the shareholders for capital stock, or as a capital surplus, or otherwise, (B) surplus and undivided profits, and (C) all other items, tangible and intangible, which enter into the net worth of the organization.

12. The declared value must be definite and unqualified and must be stated as an amount in United States dollars, or as "Zero" in the event it is intended to make a declaration of no value. Statements such as "None", "No value", "Deficit", and similar expressions, or specific amounts stated as deficits, will be construed as declarations of "Zero." The value must be declared as of the close of the income-tax taxable year ended subsequent to June 30, 1936, and on or prior to June 30, 1937. Thus, if the income-tax return is made on a calendar-year basis, the value must be declared as of December 31, 1936, or if the income-tax return is made on the basis of a fiscal year ended with any other month from July 1936 to and including June 1937, the value must be declared as of the end of such fiscal year. In the case of a newly organized corporation which does not have an income-tax taxable year ended on or prior to June 30, 1937, the value must be declared as of the date of organization.

13. In making an original declaration of value upon this return, a corporation is not bound by any declaration of value made upon a return for a prior year, and may exercise unrestricted judgment and discretion in determining the current declared value. Extreme care should be exercised in making the declared value, since: (A) Once declared the value cannot be changed, amended, or corrected, (B) the value is the base for computing the capital-stock tax for the first taxable year and for computing the adjusted declared value of the capital stock for subsequent years, and (C) the value is a prime factor in determining the excess-profits tax liability under section 106 of the Act, as amended.

EXEMPTIONS

14. **Exemption as a corporation enumerated in section 101 of the Revenue Act of 1936.**—The exemption from the capital-stock tax under section 105 (c) (1) as a corporation enumerated in section 101 of the Revenue Act of 1936 must be established by an official ruling, unless already established. For that purpose a capital-stock tax return must be filed, complete in all respects, including an original or adjusted declared value (see paragraphs 1, 2, and 3) and specifying the subsection of section 101 under which exemption is claimed. The return must be accompanied by evidence that the corporation is, in fact, within the exempted class specified. As a part of such evidence, the corporation must file with the return an affidavit setting forth (1) the character of the organization, (2) the purpose for

which it was organized, (3) its actual activities, (4) the sources of its income and the disposition thereof, (5) whether or not any of its income is credited to surplus or may inure to the benefit of any private shareholder or individual, and (6) in general all facts relating to its operations which affect its right to exemption. There must also be attached to the return a copy of (1) the charter or articles of incorporation, (2) the bylaws of the corporation, and (3) the latest financial statement showing the assets, liabilities, receipts, and disbursements, properly itemized. Original documents should not be submitted, as all evidence becomes a part of the records of the Bureau and, under the rules of the Department, may not be returned. The corporation, if a farmers' cooperative association, should also submit Questionnaire Form 1028 or, if a domestic building and loan association, Questionnaire Form 1027, and furnish all of the information required therein. Copies of the proper form may be secured from the collector. Since exemption from the capital-stock tax is dependent upon exemption from filing Federal income-tax returns, reference is made to Chapter X of Regulations 94 under the Revenue Act of 1936 for more detailed information in regard to the evidence required in such cases. If, however, the corporation has received a letter from the Commissioner exempting it from filing Federal income-tax returns, submit a copy of such letter in lieu of the foregoing evidence.

15. **Exemption as an insurance company.**—The exemption from the capital-stock tax under section 105 (c) (2) as an insurance company subject to the tax imposed by section 201, 204, or 207 of the Revenue Act of 1936 must be established by an official ruling, unless already established. For that purpose a capital-stock tax return, complete in all respects, including an original or adjusted declared value (see paragraphs 1, 2, and 3), must be filed. The return must state the section under which the corporation is subject to income tax.

16. **Exemption as not doing business.**—A corporation which claims exemption on the ground that it was not carrying on or doing business at any time during the year ended June 30, 1937, must file a return, complete in all respects, including an original or adjusted declared value (see paragraphs 1, 2, and 3), *even though exemption was allowed for the previous taxable year.* In every instance, the claim for exemption must be supported by an affidavit of one of the responsible officers having knowledge of the facts, in which the following information must be set forth:

- (a) A general statement of the operations prior to July 1, 1936, and a detailed statement of the operations for the period July 1, 1936, to June 30, 1937. The latter statement must be complete and show all transactions such as—purchases, orders, commitments, sales, agreements, contracts (including contracts of employment), acquisitions of property for stock of the corporation, etc.
- (b) A detailed statement of the receipts and disbursements for the period July 1, 1936, to June 30, 1937, and of all exchanges of assets, if any.
- (c) A comparative detailed statement of the assets and liabilities as of June 30, 1936, and June 30, 1937, respectively, with a full explanation of the changes reflected by the comparative statement.
- (d) Copies of the minutes of all meetings of the stockholders and of the board of directors held during the year ended June 30, 1937, and of all reports made by an executive or other standing committee, or any governing body.
- (e) If exemption is claimed as a new corporation which did not engage in business activities prior to July 1, 1937, submit the information required under (a), (b), and (d) for the period between date of incorporation and June 30, 1937, and in addition furnish (1) an excerpt from the charter, setting forth the corporate powers, and (2) a statement of assets and liabilities as of June 30, 1937.

GENERAL

17. **Penalties and interest.**—Failure to file a return on or before July 31, 1937 (or before the expiration of a period of extension) causes to accrue the following graduated scale of penalties: 5 percent of the amount of the tax if the failure is for not more than 30 days, with an additional 5 percent for each additional 30 days, or fraction thereof, during which failure continued. Such penalties may not, however, exceed 25 percent in the aggregate. Regardless of whether extension is granted, failure to pay the tax on or before July 31, 1937, causes to accrue interest at the rate of 6 percent per annum beginning August 1, 1937, until paid. Failure to pay within 10 days after the issuance of notice and demand based on assessment approved by the Commissioner causes to accrue a penalty of 5 percent of the total assessment and interest at the rate of 6 percent per annum on the entire assessment from 10 days after issuance of notice and demand until date of payment. Severe penalties for willful failure to pay tax, keep records, file returns, or for false or fraudulent returns, are imposed by law.

18. **Signatures and verification.**—The return must be signed and verified under oath or affirmation by at least one of the responsible officers of the corporation. Execution by two officers, the president, vice president, or other executive officer, and the treasurer, assistant treasurer, or chief accounting officer, is, however, preferred. If a receiver or trustee in bankruptcy is operating the property or business of the corporation and the corporation does not file the return, such officer shall execute the return for such corporation, attaching thereto a dated copy of the court order appointing him and a statement disclosing whether his custody has been continuous since that date.