

(FOR WASHINGTON USE ONLY)  
(FOR USE OF COLLECTORS)

# 1944 RETURN OF CAPITAL-STOCK TAX For Year Ended June 30, 1944

Form 707  
TREASURY DEPARTMENT  
INTERNAL REVENUE SERVICE

(Collection district)

## DOMESTIC AND FOREIGN CORPORATIONS

(Chapter 6, Internal Revenue Code, as amended)

**This return must be filed, in triplicate, and received with remittance by the Collector on or before July 31, 1944. (See instruction 7, page 8.)**

(To be stamped above by Collector, showing district and date received)

- Name \_\_\_\_\_  
(Print name of corporation, joint-stock company, or association)
- Address \_\_\_\_\_  
(Street and number, city and State, of principal place of business, if domestic corporation; or of U. S. office, if foreign corporation)
- Incorporated or organized in \_\_\_\_\_ Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_  
(State or country)
- Was a 1943 capital-stock tax return filed? \_\_\_\_\_ Name under which filed. (If different, attach statement explaining fully) \_\_\_\_\_  
(District \_\_\_\_\_)
- Was an income-tax return filed for the last income-tax year ended prior to July 1, 1944? \_\_\_\_\_ Name under which filed \_\_\_\_\_  
(District \_\_\_\_\_)
- Nature of business in detail \_\_\_\_\_
- Name of parent company, if any \_\_\_\_\_ (District \_\_\_\_\_)
- Name of subsidiary, if any \_\_\_\_\_ Number of shares held \_\_\_\_\_  
(If more than one, attach list and state number of shares held by parent; also districts where filed)  
(District \_\_\_\_\_)

### DECLARATION OF VALUE AND COMPUTATION OF TAX

(A definite and unqualified value must be declared in every case regardless of whether exemption is claimed. See instructions 1 and 2)

Domestic Corporation: Declared value of capital stock . . . . .	} \$ _____
Foreign Corporation: Declared value of capital employed in the transaction of its business in the United States . . . . .	

Tax at rate of \$1.25 for each full \$1,000 of the value declared above _____	\$ _____	_____	_____	_____
Penalty of _____ percent for delinquency in filing return _____	_____	_____	_____	_____
Interest at 6 percent per annum beginning Aug. 1, 1944 _____	_____	_____	_____	_____
Total tax, penalty, and interest _____	\$ _____	_____	_____	_____

- EXEMPTIONS.**—The law provides for exemption from the tax only on the grounds indicated below. Corporations claiming exemption must (1) declare a value under item 9, (2) check the appropriate block under item 10 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, Internal Revenue Code. Furnish information required by instruction 4.
  - Insurance company subject to tax under section 201, 204, or 207, Internal Revenue Code. State which section \_\_\_\_\_
  - Corporation not doing business. Furnish information required by instruction 6.

We, the undersigned \_\_\_\_\_  
(Print plainly name of president, vice president, or other principal officer)\* (Title)

and \_\_\_\_\_, of the corporation for which this  
(Print plainly name of treasurer, assistant treasurer, or chief accounting officer) (Title)  
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 Chapter 6, Internal Revenue Code, as amended.

Sworn to and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_



(Signature of officer administering oath)  
\_\_\_\_\_  
(Official capacity)



(Signature)  
\_\_\_\_\_  
(Signature)

(Title)  
\_\_\_\_\_  
(Title)

\*A duly authorized agent may execute the return of a foreign corporation. See Instruction 8.



# 1944 RETURN OF CAPITAL-STOCK TAX For Year Ended June 30, 1944

## DOMESTIC AND FOREIGN CORPORATIONS

(Chapter 6, Internal Revenue Code, as amended)

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(To be stamped above by Collector, showing district and date received)

(FOR WASHINGTON USE ONLY)  
 (FOR USE OF COLLECTORS)

-----  
 (Collection district)

-----  
 (Month) (Year)

-----  
 (Page) (Line)

1. Name -----  
 (Print name of corporation, joint-stock company, or association)
2. Address -----  
 (Street and number, city and State, of principal place of business, if domestic corporation; or of U. S. office, if foreign corporation)
3. Incorporated or organized in ----- Month ----- Day ----- Year -----  
 (State or country)
4. Was a 1943 capital-stock tax return filed? ----- Name under which filed. (If different, attach statement explaining fully) -----  
 (District -----)
5. Was an income-tax return filed for the last income-tax year ended prior to July 1, 1944? ----- Name under which filed -----  
 (District -----)
6. Nature of business in detail -----
7. Name of parent company, if any ----- (District -----)
8. Name of subsidiary, if any ----- Number of shares held -----  
 (If more than one, attach list and state number of shares held by parent; also districts where filed)  
 (District -----)

### DECLARATION OF VALUE AND COMPUTATION OF TAX

(A definite and unqualified value must be declared in every case regardless of whether exemption is claimed. See instructions 1 and 2)

Domestic Corporation: Declared value of capital stock . . . . . } Foreign Corporation: Declared value of capital employed in the transaction of its business in the United States . . . . . }	\$	
Tax at rate of \$1.25 for each full \$1,000 of the value declared above.....	\$	
Penalty of ----- percent for delinquency in filing return.....		
Interest at 6 percent per annum beginning Aug. 1, 1944.....		
Total tax, penalty, and interest.....	\$	

10. **EXEMPTIONS.**—The law provides for exemption from the tax only on the grounds indicated below. Corporations claiming exemption must (1) declare a value under item 9, (2) check the appropriate block under item 10 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, Internal Revenue Code. Furnish information required by instruction 4.
  - Insurance company subject to tax under section 201, 204, or 207, Internal Revenue Code. State which section -----
  - Corporation not doing business. Furnish information required by instruction 6.

# DUPLICATE



(FOR WASHINGTON USE ONLY)  
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# 1944 RETURN OF CAPITAL-STOCK TAX For Year Ended June 30, 1944

Form 707  
TREASURY DEPARTMENT  
INTERNAL REVENUE SERVICE

(Collection district)

## DOMESTIC AND FOREIGN CORPORATIONS

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(To be stamped above by Collector,  
showing district and date received)

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1. Name \_\_\_\_\_  
(Print name of corporation, joint-stock company, or association)
2. Address \_\_\_\_\_  
(Street and number, city and State, of principal place of business, if domestic corporation; or of U. S. office, if foreign corporation)
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(State or country)
4. Was a 1943 capital-stock tax return filed? \_\_\_\_\_ Name under which filed. (If different, attach statement explaining fully)  
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5. Was an income-tax return filed for the last income-tax year ended prior to July 1, 1944? \_\_\_\_\_ Name under which filed  
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6. Nature of business in detail \_\_\_\_\_
7. Name of parent company, if any \_\_\_\_\_ (District \_\_\_\_\_)
8. Name of subsidiary, if any \_\_\_\_\_ Number of shares held \_\_\_\_\_  
(If more than one, attach list and state number of shares held by parent; also districts where filed)  
(District \_\_\_\_\_)

### DECLARATION OF VALUE AND COMPUTATION OF TAX

(A definite and unqualified value must be declared in every case regardless of whether exemption is claimed. See instructions 1 and 2)

Domestic Corporation: Declared value of capital stock . . . . .	} \$ _____
Foreign Corporation: Declared value of capital employed in the transaction of its business in the United States . . . . .	

Tax at rate of \$1.25 for each full \$1,000 of the value declared above _____	\$ _____			
Penalty of _____ percent for delinquency in filing return _____				
Interest at 6 percent per annum beginning Aug. 1, 1944 _____				
Total tax, penalty, and interest _____	\$ _____			

10. EXEMPTIONS.—The law provides for exemption from the tax only on the grounds indicated below. Corporations claiming exemption must (1) declare a value under item 9, (2) check the appropriate block under item 10 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, Internal Revenue Code. Furnish information required by instruction 4.
- Insurance company subject to tax under section 201, 204, or 207, Internal Revenue Code. State which section \_\_\_\_\_
- Corporation not doing business. Furnish information required by instruction 6.

# COLLECTOR'S COPY

Chapter 6, Internal Revenue Code, as Amended,  
Capital-Stock Tax

Section 1200.—TAX

(a) **Domestic Corporations.**—For each year ending June 30, beginning with the year ending June 30, 1939, there shall be imposed upon every domestic corporation with respect to carrying on or doing business for any part of such year an excise tax of \$1.25 for each \$1,000 of the declared value of its capital stock.

(b) **Foreign Corporations.**—For each year ending June 30, beginning with the year ending June 30, 1939, there shall be imposed upon every foreign corporation with respect to carrying on or doing business in the United States for any part of such year an excise tax equivalent to \$1.25 for each \$1,000 of the declared value of capital employed in the transaction of its business in the United States.

Section 1201.—EXEMPTIONS

(a) The taxes imposed by section 1200 shall not apply—

(1) **Corporations Exempt from Income Tax.**—To any corporation enumerated in section 101.

(2) **Insurance Companies.**—To any insurance company subject to the tax imposed by section 201, 204, or 207.

(b) **Common Trust Funds.**—For exemption of common trust funds from the capital-stock tax, see section 169 (b) of chapter 1.

(NOTE.—The exemption for common trust funds relates only to a fund maintained by a bank.)

Section 1202.—DECLARED VALUE

(a) **Declaration of Value.**—The declared value shall be the value as declared by the corporation in its return for the year (which declaration of value cannot be amended). The value declared by the corporation in its return shall be as of the close of its last income-tax taxable year ending with or prior to the close of the capital-stock tax taxable year (or as of the date of organization in the case of a corporation having no income-tax taxable year ending with or prior to the close of such declaration year).

(b) **Credit for China Trade Act Corporations.**—For the purpose of the tax imposed by section 1200 there shall be allowed in the case of a corporation organized under the China Trade Act, 1922, 42 Stat. 849 (U. S. C., 1940 ed., title 15, ch. 4), as a credit against the declared value of its capital stock, an amount equal to the proportion of such declared value which the par value of the shares of stock of the corporation, owned on the last day of the taxable year by (1) persons resident in China, the United States, or possessions of the United States, and (2) individual citizens of the United States or China wherever resident, bears to the par value of the whole number of shares of stock of the corporation outstanding on such date. For the purposes of this subsection shares of stock of a corporation shall be considered to be owned by the person in whom the equitable right to the income from such shares is in good faith vested; and as used in this subsection the term "China" shall have the same meaning as when used in the China Trade Act, 1922.

Section 1203.—RETURNS

(a) **Requirement.**—Every corporation liable for tax under section 1200 shall make a return under oath. 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.

(b) **Time for Filing.** (1) *General Rule.*—Such return shall be made within one month after the close of the year with respect to which such tax is imposed.

(c) **Place for Filing.**—The return shall be made to the collector for the district in which is located the principal place of business of the corporation, or, if it has no principal place of business in the United States, then to the collector at Baltimore, Md.

\* \* \* \* \*

Section 1205.—PAYMENT OF TAX

(a) **Time of Payment.**—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.

\* \* \* \* \*

Section 1206.—ADDITION TO THE TAX IN CASE OF  
DELINQUENCY

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.

\* \* \* \* \*

Chapter 2, Subchapter B, Internal Revenue Code, as Amended,  
Declared Value Excess-Profits Tax

Section 600.—RATE OF TAX

If any corporation is taxable under section 1200 with respect to any year ending June 30, there shall be imposed upon its net income for the income-tax taxable year ending after the close of such year, a declared value excess-profits tax equal to the sum of the following:

6 $\frac{1}{10}$  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 declared value;

13 $\frac{1}{10}$  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 declared value.

Section 601.—DECLARED VALUE

The declared value shall be determined as provided in section 1202 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).

Section 602.—NET INCOME

For the purposes of this subchapter 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 section 600 is imposed, computed without the deduction of the tax imposed by section 600, but with a credit against net income equal to the credit for dividends received provided in section 26 (b) of Chapter 1.

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INTERNAL REVENUE SERVICE

(Collection district)

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- Incorporated or organized in ..... Month ..... Day ..... Year .....  
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- Was a 1943 capital-stock tax return filed? ..... Name under which filed. (If different, attach statement explaining fully) .....  
(District .....)
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(District .....)
- Nature of business in detail .....
- Name of parent company, if any ..... (District .....)
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(District .....)

### DECLARATION OF VALUE AND COMPUTATION OF TAX

(A definite and unqualified value must be declared in every case regardless of whether exemption is claimed. See instructions 1 and 2)

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Foreign Corporation: Declared value of capital employed in the transaction of its business in the United States . . . . .	

Tax at rate of \$1.25 for each full \$1,000 of the value declared above.....	\$.....			
Penalty of ..... percent for delinquency in filing return.....				
Interest at 6 percent per annum beginning Aug. 1, 1944.....				
Total tax, penalty, and interest.....	\$.....			

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  - Corporation exempt from income tax under section 101, Internal Revenue Code. Furnish information required by instruction 4.
  - Insurance company subject to tax under section 201, 204, or 207, Internal Revenue Code. State which section .....
  - Corporation not doing business. Furnish information required by instruction 6.

# TAXPAYER'S COPY

## INSTRUCTIONS

The sections of the law mentioned throughout these instructions refer to sections of the Internal Revenue Code, as amended.

### RETURN

1. (a) Every domestic corporation (including an association, common-law trust, and any other organization which is required to file income-tax returns as a corporation) which was in existence any part of the period July 1, 1943, to June 30, 1944, and every foreign corporation required to file an income tax return for the purposes of the normal tax imposed under section 14 (c) (1) must, unless specifically exempted, file a capital-stock tax return in triplicate with the collector. The return must be complete in every respect, including a declared value. So-called parent and subsidiary corporations must each submit a separate return.

(b) If at the time for filing a return all the property of a corporation is in custody of a receiver (including a trustee in bankruptcy or other like representative), the return shall be filed by the receiver. In such case, if the property of the corporation was under the control of the receiver during the entire year July 1, 1943, to June 30, 1944, no value will be required to be shown on the return, but, in lieu of such value, the receiver should attach a statement to the return showing the date on which the property came into his custody and whether his custody was continuous thereafter.

### DECLARED VALUE

2. (a) **Domestic Corporations.**—Every domestic corporation must declare the value of its capital stock.

(b) **Foreign Corporations.**—Every foreign corporation must declare the value of its capital employed in the transaction of its business in the United States.

(c) In making the declaration of value a corporation is not bound by any value declared upon a return for a prior year, but may exercise unrestricted judgment and discretion in determining the value to be declared. In making such determination, consideration may be given to any and all factors which it may deem pertinent. The declared value may be any amount which the corporation in its judgment may elect to declare.

(d) Care should be exercised in making the declared value, since: (1) The value will be the measure of the capital stock tax; (2) the value is a prime factor in determining the declared value excess-profits tax liability under section 600, quoted on page 6; (3) the value declared is binding unless changed, amended, or corrected by a subsequent return received by the collector on or before the last day of the prescribed filing period.

(e) The declared value 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 considered as declarations of "Zero."

### EXEMPTIONS

3. **Corporations Claiming Exemption from the Capital-Stock Tax.**—Three classes of corporations (or organizations) are entitled to exemption from the capital-stock tax: (1) Corporations enumerated in section 101; (2) insurance companies subject to income tax under section 201, 204, or 207; and (3) corporations not carrying on or doing business at any time during the period July 1, 1943, to June 30, 1944. Evidence in support of a claim for exemption need not be submitted in duplicate, neither should the originals of documents such as leases, charters, bylaws, etc., be submitted since all evidence becomes a part of the records of the Bureau and under the rules of the Department may not be returned.

4. **Exemption as a Corporation Enumerated in Section 101.**—A mere claim or contention by a corporation (or other organization) that it is exempt from income tax as a corporation enumerated in section 101 will not relieve the corporation from filing a capital-stock tax return. Unless the Commissioner has determined that a corporation is exempt, it must prepare and file a capital-stock tax return, complete in all respects, including a declared value (see instructions 1 and 2 above), accompanied by complete information regarding the corporation as follows: If exemption is claimed as a corporation enumerated in either subsection (1), (3), (4), (6), (7), (8), (9), (10), (12), (14), or (16) of section 101 the form of questionnaire designed for the particular type of corporation should be obtained from the collector of internal revenue and, after it has been completely filled in and duly executed and there has been attached thereto the various statements and documents specified therein, it should be filed with the capital-stock tax return on or before the prescribed due date. If the corporation claims exemption under either subsection (2), (5), (11), (13), (15), (17), (18), or (19) of section 101 there should be attached to the capital-stock tax return when filed a statement setting forth (1) the subsection under which exemption is claimed, (2) the character of

the organization, (3) the purpose for which it was organized, (4) its actual activities, (5) the sources of its income and the purposes for which expended, (6) whether or not any of its income is credited to surplus or may inure to the benefit of any private shareholder or individual, and (7) all other facts deemed material in determining whether it qualifies for exemption under the law. There must accompany such a statement a copy of the (1) articles of incorporation or of association, (2) bylaws, and (3) classified statement of receipts and expenditures during the last complete year of operation, and a complete statement of assets and liabilities as of the end of that year. See sections 29.101-1 to 29.101 (18)-1 of Regulations 111 relating to the income tax under the Internal Revenue Code for more detailed information regarding proof of exemption. If, however, the corporation has received a ruling from the Commissioner exempting it from filing Federal income-tax returns, and if the conditions on which such ruling was based have not changed, the corporation may submit a copy of such ruling with the capital-stock tax return in lieu of the detailed information specified herein.

5. **Exemption as an Insurance Company.**—Exemption from the capital-stock tax under section 1201 (a) (2) as an insurance company subject to the tax imposed by section 201, 204, or 207 must be established by an official ruling. For that purpose a capital-stock tax return, complete in all respects, including a declared value, must be filed. The return must state the section under which the corporation is subject to income tax.

6. **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, 1944, must file a return, complete in all respects, including a declared value *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:

#### *In the case of a domestic corporation:*

(a) A general statement of the operations prior to July 1, 1943, and a detailed statement of the operations for the period July 1, 1943, to June 30, 1944. 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 by or on behalf of the corporation for the period July 1, 1943, to June 30, 1944.

(c) A comparative detailed statement of the assets and liabilities as of June 30, 1943, and June 30, 1944, respectively, with a full explanation of the changes reflected by the comparative statement. The explanation should include the exchange of any assets not disclosed by this 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, 1944, 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, 1944, submit the information required under (a), (b), and (d) for the period between date of incorporation and June 30, 1944, 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, 1944.

#### *In the case of a foreign corporation:*

The same information generally as required of domestic corporations under paragraphs (a) to (c) above but with respect to its assets, activities and business within the United States only.

### GENERAL

7. **Penalties and Interest.**—Failure to file a return on or before July 31, 1944, 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. Failure to pay the tax on or before July 31, 1944, causes to accrue interest at the rate of 6 percent per annum 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 the date of 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.

8. **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 at the time the return is required to be filed a receiver or trustee in bankruptcy is operating the property or business of the corporation, such officer shall execute the return of such corporation. A duly authorized agent may sign and verify the return of a foreign corporation.