ANNUAL RETURN OF EXCISE TAX ON EMPLOYERS OF EIGHT OR MORE INDIVIDUALS UNDER TITLE IX OF THE SOCIAL SECURITY ACT

FOR CALENDAR YEAR 1938

FILE THIS RETURN WITH THE COLLECTOR OF INTERNAL REVENUE FOR YOUR DISTRICT NOT LATER THAN JANUARY 31, 1939

READ INSTRUCTIONS CAREFULLY

<table>
<thead>
<tr>
<th>(Collector’s receipt stamp)</th>
<th>PRINT NAME AND ADDRESS</th>
<th>Do not write in this space</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Name)</td>
<td>(See Instruction 1)</td>
<td>Amount Paid, $</td>
</tr>
<tr>
<td>(Street and number, or rural route)</td>
<td></td>
<td>(Cashier’s stamp)</td>
</tr>
<tr>
<td>(Post office)</td>
<td>(County)</td>
<td>(State)</td>
</tr>
</tbody>
</table>

Nature of business in detail (Instruction 4) 

Check (√) form of organization:  □ Corporation;  □ Partnership;  □ Individual;  □ Estate or trust. 

Date of organization Was a return filed for the year 1937? 

1. Total wages paid or payable for the calendar year. (See instructions on reverse side) $ 

2. Less wages paid or payable for (explain on Schedule B if deductions are taken)—
   (a) Services performed outside the United States $ 
   (b) Agricultural labor 
   (c) Domestic service 
   (d) Service of an officer or member of the crew of a vessel on the navigable waters of the United States 
   (e) Family employment $ 

3. Total wages subject to tax (Item 1 minus Item 2) $ 

4. Tax (3% of Item 3) 

5. Less: Credit for contributions actually paid into State unemployment funds. (Read carefully instructions on reverse side under Schedule A before entering this item) 

6. Balance of tax (Item 4 minus Item 5) $ 

AFFIDAVIT (See Instruction No. 5)

I/we swear (or affirm) that this return, including any accompanying schedules or statements, is a true, correct, and complete return, made in good faith, for the calendar year stated, pursuant to Title IX of the Social Security Act and Regulations issued thereunder and that no portion of the credit claimed in Item 5 above is with respect to a contribution made to any State fund on account of service performed outside the United States as outlined in Instruction 9, or for excepted service as outlined in Instruction 10, nor is any part of such credit with respect to money deducted or to be deducted from the wages of individuals in my/our employ.

Signed or acknowledged before—

<table>
<thead>
<tr>
<th>(Name)</th>
<th>(Address)</th>
<th>CORP. SEAL</th>
<th>(Name)</th>
<th>(Title)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(Name)</th>
<th>(Address)</th>
<th>(Name)</th>
<th>(Title)</th>
</tr>
</thead>
</table>

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

[SEAL]

(Signature and title of officer administering oath)
SCHEDULE A

This schedule should be filled out to show all wages paid as reported in Item 1 of the return.

<table>
<thead>
<tr>
<th>State in Which Employees Are Engaged in Work</th>
<th>Number of Employees Within the State (Average of Quarterly Figures)</th>
<th>Total Amount of Wages Paid or Payable in Each State (Total of This Column Should Agree with Item 1 on Face of Return)</th>
<th>Taxable Remuneration Reported to Each State Upon Which Contributions Are Based</th>
<th>Amount of Contributions Actually Paid to State Fund</th>
</tr>
</thead>
</table>

Total

If contributions were made to a State fund under any other name than that shown on this return, suitable explanation should be made in order that credit for such contributions may be allowed.

Credit allowable.—Taxpayer may credit against the tax the total amount of his contributions for services performed during the calendar year under all State laws approved by the Social Security Board; provided, that no credit may be taken for a contribution under a State law if such State has not been duly certified, for the calendar year for which the tax is due, to the Secretary of the Treasury by the Social Security Board. The total credit allowed to any taxpayer for such contribution shall not in any case exceed 90 per centum of the tax against which credit is applied. The contribution must have been actually paid into the State unemployment fund before the date on which this return is required to be filed.

The term "contribution" means payments required by a State law to be made by an employer into an unemployment fund to the extent that such payments are made by him without any part thereof being deducted or deductible from the wages of individuals in his employ. The contribution must also have been paid with respect to employment within the United States and also with respect to employment not excepted as outlined in Instruction 10.

Proof of credit.—Credit against the tax for contributions paid into State unemployment funds will be allowed only upon receipt of a certificate of the proper officer of each State (the law of which required contributions to be made) on the form provided for that purpose. Such certificates will be forwarded direct to the Commissioner of Internal Revenue by the State officer and will be checked with the individual return of the employer in due course of time.

The Commissioner may require such other or additional proof as he may deem necessary to establish the right to the credit.

SCHEDULE B

Explain in detail the nature of employment if any deductions are taken in Item 2 (a), (b), (e), (d), or (e) on the return.

(See Instruction 10.)
ANNUAL RETURN OF EXCISE TAX ON EMPLOYERS OF EIGHT OR MORE INDIVIDUALS
UNDER TITLE IX OF THE SOCIAL SECURITY ACT

FOR CALENDAR YEAR 1938

FILE THIS RETURN WITH THE COLLECTOR OF INTERNAL REVENUE FOR YOUR DISTRICT NOT LATER THAN JANUARY 31, 1939

READ INSTRUCTIONS CAREFULLY

(Print on receipt stamp)

PRINT NAME AND ADDRESS

(See Instruction 1)

Do not write in this space

No.  

Amount

Paid, $  

(Cashier's stamp)

(TAXPAYER'S COPY)

Nature of business in detail (Instruction 4)

Check (✓) form of organization:  □ Corporation;  □ Partnership;  □ Individual;  □ Estate or trust.

Date of organization  

Was a return filed for the year 1937?

1. Total wages paid or payable for the calendar year. (See instructions on reverse side)  

2. Less wages paid or payable for (explain on Schedule B if deductions are taken)—
   (a) Services performed outside the United States
   (b) Agricultural labor
   (c) Domestic service
   (d) Service of an officer or member of the crew of a vessel on the navigable waters of the United States
   (e) Family employment

3. Total wages subject to tax (Item 1 minus Item 2)

4. Tax (3% of Item 3)

5. Less: Credit for contributions actually paid into State unemployment funds. (Read carefully instructions on reverse side under Schedule A before entering this item)

6. Balance of tax (Item 4 minus Item 5)

AFFIDAVIT (See Instruction No. 5)

I/We swear (or affirm) that this return, including any accompanying schedules or statements, is a true, correct, and complete return, made in good faith, for the calendar year stated, pursuant to Title IX of the Social Security Act and Regulations issued thereunder and that no portion of the credit claimed in Item 5 above is with respect to a contribution made to any State fund on account of service performed outside the United States as outlined in Instruction 9, or for excepted service as outlined in Instruction 10, nor is any part of such credit with respect to money deducted or to be deducted from the wages of individuals in my/our employ.

Signed or acknowledged before—

(Name)  

(Address)  

(CORP. SEAL)  

(Name)  

(Address)  

(Name)  

(Title)  

(Sworn to and subscribed before me this ________ day of ________________________, 193__)

(SEAL)  

(Signature and title of officer administering oath)  

2—17774
# TAXPAYER'S COPY
## SCHEDULE A
This schedule should be filled out to show all wages paid as reported in Item 1 of the return

<table>
<thead>
<tr>
<th>State in Which Employees Are Engaged in Work</th>
<th>Number of Employees Within the State (Average of Quarterly Figures)</th>
<th>Total Amount of Wages Paid or Payable in Each State (Total of This Column Should Agree With Item 1 on Face of Return)</th>
<th>Taxable Remuneration Reported to Each State Upon Which Contributions Are Based</th>
<th>Amount of Contributions Actually Paid to State Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total**

If contributions were made to a State fund under any other name than that shown on this return, suitable explanation should be made in order that credit for such contributions may be allowed.

**Credit allowable.**—Taxpayer may credit against the tax the total amount of his contributions for services performed during the calendar year under all State laws approved by the Social Security Board; provided, that no credit may be taken for a contribution under a State law if such State has not been duly certified, for the calendar year for which the tax is due, to the Secretary of the Treasury by the Social Security Board. The total credit allowed to any taxpayer for such contribution shall not in any case exceed 90 per centum of the tax against which credit is applied. The contribution must have been actually paid into the State unemployment fund before the date on which this return is required to be filed.

The term "contribution" means payments required by a State law to be made by an employer into an unemployment fund to the extent that such payments are made by him without any part thereof being deducted or deductible from the wages of individuals in his employ. The contribution must also have been paid with respect to employment within the United States and also with respect to employment not excepted as outlined in Instruction 10.

**Proof of credit.**—Credit against the tax for contributions paid into State unemployment funds will be allowed only upon receipt of a certificate of the proper officer of each State (the law of which required contributions to be made) on the form provided for that purpose. Such certificates will be forwarded direct to the Commissioner of Internal Revenue by the State officer and will be checked with the individual return of the employer in due course of time.

The Commissioner may require such other or additional proof as he may deem necessary to establish the right to the credit.

## SCHEDULE B

Explain in detail the nature of employment if any deductions are taken in Item 2 (a), (b), (c), (d), or (e) on the return.

(See Instruction 10.)
INSTRUCTIONS

1. Persons required to make return.—Every employer (individual, trust or estate, partnership, corporation, association, joint stock company, and/or insurance company) who on each of some 20 days during the taxable year, each day being in a different calendar week, employed eight or more individuals (not including excepted service as defined in Instruction 10) for one hour or more at the principal place of business of the employer; or, if the employer has no principal place of business in the United States, with the Collector of Internal Revenue at Baltimore, Md. When the due date falls on a Sunday or a legal holiday, the due date for filing the return will be the day following such Sunday or legal holiday. If placed in the mails, the return shall be posted in ample time to reach the collector’s office, under ordinary handling of the mails, on or before the date on which the return is required to be filed.

2. Period for which return is required.—Returns filed under Title IX of the Social Security Act are required to be made on the calendar-year basis or for such period of the calendar year as the employer was engaged in business.

3. When and where return must be filed.—Returns must be filed on or before January 31 next following the close of the calendar year. When the closed period of services is that of the first day of any quarter or fraction thereof, returns must be filed on or before January 31 following the close of the calendar year. In the case of employees who are employed in a branch or division of a business located outside the United States, the return must be filed on or before the due date as provided below. Returns must be verified under oath or affirmation, which may be administered by any officer duly authorized to administer oaths for general purposes by the law of the United States or of any State or Territory wherein such oath is administered, or by a consular officer of the United States. Returns executed abroad may be attested by charge before United States consular officers. If the amount of tax is $10 or less, the return may be signed or acknowledged before two witnesses instead of under oath. Returns of corporate employers shall be sworn to by the president, vice president, or other principal officer, and, in addition, by the treasurer, assistant treasurer, or chief accounting officer of the corporation. The return of a partnership or other unincorporated organization shall be sworn to by a responsible and duly authorized member having knowledge of its affairs and, in addition, if the partnership or other unincorporated organization has a managing or chief executive officer, by such manager or chief executive officer. If the return is filed by an individual operating under a trade name, such return must be signed by the individual owner of such business.

6. Payment of tax.—The tax is due and payable to the collector of internal revenue for the appropriate district without assessment by the Commissioner or notice or demand from the said collector on the date fixed by law for filing the return (the last day of January following the close of each calendar year beginning after December 31, 1937). The tax shall be paid by the employer in one installment, in which case the first installment is to be paid on or before January 31, the second installment on or before April 30, the third installment on or before July 31, and the fourth installment on or before October 31. If the taxpayer elects to pay the tax in four installments, each installment must be equal in amount; but any installment may be paid, at the election of the taxpayer, prior to the date prescribed for its payment. If the tax or any installment thereof is not paid in full on or before the date fixed for its payment either by the Act or by the Commissioner in accordance with the terms of an extension of time granted for the payment of the tax in installments, the whole amount of the tax and any installment thereof, if not paid prior to the date fixed for its payment, shall be subject to the provisions of the Act for the collection of taxes. In the payment of the tax or any installments thereof, a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to 1 cent. Fractional parts of a cent should not be disregarded in the computation of the tax or any installment thereof.

7. Wages defined.—The term "wages" means all remuneration for employment, whether payable in money or something other than money. The name by which such remuneration is designated is immaterial. Thus, salaries, commissions on sales or other dealings, or any other name used in the ordinary course of business, and all compensation for services not excepted by the act, shall be considered as wages. The basis upon which the remuneration is payable, the amount of remuneration, and the time of payment, are immaterial in determining whether the remuneration constitutes "wages." Thus, it may be payable on the basis of piece work, or a percentage of profits; and it may be payable hourly, daily, weekly, monthly, or annually. Fees paid to directors of corporations, as such, are not included in the term "wages." Officers of a corporation are employees of the corporation whether or not they are paid a salary. Any salary paid to such officers should be included in the gross amount of wages paid or reported in Item 1 of the return.

U. S. GOVERNMENT PRINTING OFFICE 2–17774
INSTRUCTIONS—Continued

(b) Dischargeal wages. Payment to an employee of so-called dischargeal wages, vacation allowances, or sick pay, constitutes wages.

(c) Traveling and other expenses. Amounts paid to traveling salesmen or other employees as allowance or reimbursement for traveling or other expenses incurred in the business of the employer constitute wages only to the extent of the excess of such amounts over such expenses actually incurred and accounted for by the employee.

(d) Premiums on life insurance. Generally, premiums paid by an employer on a policy of life insurance covering the life of an employee constitute wages if the employer is not a beneficiary under the policy. However, premiums paid by an employer on policies of group life insurance covering the lives of his employees are not wages if the employee has no option to take the amount of the premiums instead of accepting cash or securities in lieu thereof if no equity in the policy (such as the right of assignment or the right to name the beneficiary of the policy) remains in the employee upon the completion of his employment.

(e) Deductions by an employer from remuneration of an employee. Amounts deducted from the remuneration of an employee by an employer constitute wages paid to the employee at the time of such deduction. It is immaterial that the act, or any act of Congress or the law of any State, requires or permits such deduction and the payment of the amount thereof to the United States, a State, or any political subdivision thereof.

(f) Payments into an employment trust fund. Payments made by an employer into a stock bonus, pension, or profit-sharing plan fund constitute wages if such payments inure to the exclusive benefit of the employee and may be withdrawn by the employee at any time, or upon resignation or dismissal, or if the contract of employment requires such payments as part of the compensation. Whether or not under other circumstances such payments constitute wages depends upon the particular facts of each case.

9. Services performed outside the United States.—To constitute an "employment" within the meaning of the act the services performed outside the United States by the employee must be performed within the United States; that is, within any of the several States, the District of Columbia, or the Territories of Alaska and Hawaii.

To the extent that an employee performs services outside the United States for the person who employs him, he is not in an "employment" within the meaning of the act, and to that extent he will not be counted for the purpose of determining whether the person who employs him is an "employer", within the meaning of the act. Furthermore, remuneration payable to the employee for services which are performed outside the United States on behalf of or by the person who employs him within the United States is not wages within the meaning of the act. However, if the services are performed by the employee within the United States, such services, unless specifically excepted by the act, constitute "employment."

In such case the employee is counted for the purpose of determining whether the person who employs him is an "employer", within the meaning of the act, and the wages payable to the employee on account of such services are included in the computation of wages for the purpose of determining the amount of the employer's tax.

The place where the contract for services is entered into and the citizenship or residence of the employee or of the person who employs him are immaterial. Thus, the employee and the person who employs him may be citizens and residents of a foreign country and the contract for the services may be entered into in a foreign country, and yet, if the employee under such contract actually performs services within the United States, there is to that extent an "employment" within the meaning of the act, and the person who has employed such individual may be an "employer" within the meaning of the act.

Even though the services of the employee are performed within the United States, if they are in a class which is excepted by the act, they are not wages subject to the act. Thus, they do not form the basis of a number of individuals to be an employer subject to the tax, and of computing the total wages payable with respect to employment during the calendar year.

Payment attachments to the services performed by the employee and not to the employee as an individual; and the exception applies only for the period during which the individual is rendering services in an excepted class.

10. Exception Service.—Agricultural labor, domestic service in a private home, service performed by an officer or member of the crew of a vessel on the navigable waters of the United States, family employment, Government employees, services performed in the employ of religious, charitable, scientific, literary, and educational organizations, and community chests, are all excepted service for which no tax is due under the provisions of the Social Security Act.

(1) Agricultural labor.—The term "agricultural labor" includes all services performed: (a) By an employee on a farm, in connection with the cultivation of the land or the raising of crops or the breeding, care, or handling of livestock or poultry; (b) By an employee engaged in connection with the processing of articles from materials which were produced on a farm: also the packing, packaging, transportation, or marketing of those materials or articles.

Such services do not constitute "agricultural labor", however, unless they are performed by an employee of the owner or tenant of the farm on which the materials or articles are produced and where the work is being performed.

(2) Domestic service.—Services performed by a household employee in or about the private home of the person by whom he is employed are within the meaning of the act if the person employs him to provide a service for the private household and not primarily for the purpose of supplying board or lodging to the public as a business enterprise, it ceases to be a private home. In general, services of a household nature in or about a private home include services rendered by cooks, maids, butlers, valets, laundresses, furnace men, gardeners, footmen, grooms, and chauffeurs of automobiles for family use.

The services above enumerated are not within the exception if performed in or about rooming or lodging houses, boarding houses, fraternity houses, clubs, hotels, or institutions having a business purpose.

(3) Officers and members of crews.—The expression "navigable waters of the United States" means such waters as are navigable in fact and which by themselves or their connection with other waters form a continuous channel for commerce with foreign countries or among the States.

The term "navigable waters of the United States" does not include any type of aircraft.

The expression "officers and members of the crew" includes the master or officer in charge of the vessel, however designated, and every individual, subject to his authority, serving on or contributing in any way to the operation and welfare of the vessel. The exception extends, for example, to services rendered by the master, mates, pilots, purser, steward, engineers, firemen, cooks, clerks, carpenters, deck hands, porters, and chambermaids, and by all persons employed on vessels in connection with the operation of the vessel.

(4) Family employment.—Under the provisions of the Social Security Act certain services are excepted because of the existence of a family relationship between the employee and the employer. Services performed by a woman for her husband (a) Services performed by a wife for a husband or (b) Services performed by a father or mother for a son or daughter, by a wife for a husband, and by a father for a daughter; and (c) Services performed by a son or daughter under 21 years of age for the father or mother. Under (a) and (b) the exception is conditioned solely upon the relationship of the employee to the employer. Under (c), it is a further requirement that the child shall be under the age of 21, and the exception continues only during the time that such child is under the age of 21.

Services performed by an employee of a corporation, partnership, or other entity, are not within the exception.

(5) Exception.—Services performed by an employee of a corporation, partnership, or other entity, extends to every service performed by an individual in the employ of the United States, the several States, the District of Columbia, or the Territory of Alaska or Hawaii, or any political subdivision or political organization thereof without distinction between those exercising functions of a governmental nature and those performing functions of a proprietary nature.

(6) Religious, charitable, scientific, literary, and educational organizations, and community chests.—Service performed in the employ of a corporation, commission, trust, or other entity, that is engaged exclusively in religious, charitable, scientific, literary, or educational activities, is not wages, in so far as the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, are excepted. To the extent of the nature of the service is immaterial; the statutory test is the character of the organization for which the service is performed.

In all cases, in order to establish its status under the classification, the organization must meet two tests: (1) It must be organized and operated exclusively for one or more of the specified purposes and (2) Its net income must not inure in whole or in part to the benefit of private shareholders or individuals.

Corporations or other institutions organized and operated exclusively for charitable purposes comprise, in general, organizations for the relief of the poor. The designation of an organization as charitable is self-evident. The organization is properly situated if it has no substantial charitable, scientific, literary, or educational activities, and it is not necessarily significant that its activities are not necessarily fit for publicChar

Since a corporation or other institution to be within the prescribed class must be organized and operated exclusively for one or more of the specified purposes, an organization which has certain religious purposes and also manufactures and sells articles to the public for profit is not within the statutory class even though its property is held in common and its profits do not inure to the benefit of individual members of the organization.

2-17774