

ANNUAL REPORT OF THE
Commissioner of Internal
Revenue

FOR THE FISCAL YEAR ENDED JUNE 30

1927



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Commissioner of Internal Revenue

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TREASURY DEPARTMENT

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CONTENTS

	Page
Accounts and Collections Unit.....	35
Collection accounting division.....	36
Collectors' personnel, equipment, and space division.....	38
Disbursement accounting division.....	39
Bureau and field personnel.....	50
Collections.....	1
Cost of administration.....	3
Important decisions of the courts in internal-revenue cases.....	122
Income Tax Unit.....	8
Additional revenue.....	5
Adjustment of claims.....	5
Audit of returns.....	3
Clearing division.....	10
Concentration of activities.....	23
Decentralization.....	22
Economies effected.....	22
Improved procedure.....	24
Improvements planned.....	12
Organization changes.....	8
Other economies.....	25
Personnel.....	12
Policy and procedure changes.....	8
Records division.....	10
Reduction in force.....	24
Revenue agents' service.....	4
Rules and regulations section.....	11
Service section.....	11
Surplus property.....	12
Introduction.....	1
Miscellaneous Tax Unit.....	26
Appeals and review section.....	27
Capital stock tax division.....	27
Estate tax division.....	29
Miscellaneous division.....	30
Personnel and pay roll.....	26
Taxes collected.....	27
Tobacco division.....	33
Office of the general counsel.....	40
Administrative division.....	49
Appeals division.....	40
Civil division.....	47
Interpretative Division I.....	41
Interpretative Division II.....	42
Penal division.....	44
Statistical tables.....	51

STATISTICAL TABLES

RECEIPTS FROM INTERNAL-REVENUE TAXES

Table	Page
1. Receipts from specific sources of internal revenue, 1927, by collection districts.....	52
2. Receipts from specific sources of internal revenue, 1927, by States comprising two or more districts; from the State of Maryland and the District of Columbia, which constitute the district of Maryland; and from the State of Washington and the Territory of Alaska, which constitute the district of Washington.....	68
3. Summary of internal-revenue receipts, 1926 and 1927, by sources.....	75
4. Summary of internal-revenue receipts, 1926 and 1927, by collection districts.....	77
5. Summary of internal-revenue receipts, 1927, by States.....	78
6. Summary of income-tax receipts from corporations and individuals, 1927, by States.....	79
7. Summary of receipts from income tax, 1925, 1926, and 1927, by States; with per cent of increase or decrease in 1927, compared with 1926.....	80
8. Total internal-revenue receipts, 1863-1927.....	81
9. Internal-revenue tax on products from Philippine Islands, 1926 and 1927, by articles taxed.....	81
10. Internal-revenue tax on products from Porto Rico, 1926 and 1927, by articles taxed.....	81
11. Number of each class of special-tax payers, 1927, by collection districts.....	82

TOBACCO, CIGARS, CIGARETTES, ETC.

12. Tobacco factories operated and leaf tobacco and other materials used in manufacturing tobacco, calendar year 1926, by collection districts and by States.....	84
13. Tobacco manufactured, quantity on hand at commencement and close of year, quantity to be accounted for, quantity removed in bond for export, and total removed tax-paid, calendar year 1926, by collection districts and by States.....	86
14. Cigar factories operated, tobacco used, and cigars weighing more than 3 pounds per thousand manufactured, etc., calendar year 1926, by collection districts and by States.....	88
15. Cigars weighing more than 3 pounds per thousand removed tax paid, calendar year 1926, by collection districts and by States.....	91
16. Tobacco used, and cigars weighing not more than 3 pounds per thousand manufactured, etc., calendar year 1926, by collection districts and by States.....	94
17. Tobacco used, and cigarettes weighing not more than 3 pounds per thousand manufactured, etc., calendar year 1926, by collection districts and by States.....	95
18. Tobacco used, and cigarettes weighing more than 3 pounds per thousand manufactured, etc., calendar year 1926, by collection districts and by States.....	97
19. Leaf tobacco used in manufacturing cigars, cigarettes, and tobacco and snuff, calendar years 1917-1926.....	98
20. Production of manufactured tobacco, snuff, cigars, and cigarettes, and the number of manufacturers of tobacco products and dealers in leaf tobacco in business at close of year, calendar years 1917-1926.....	99
21. Summary of operations of manufacturers of tobacco and cigars, calendar year 1926.....	99

Table	Page
22. Receipts from internal-revenue taxes on tobacco and per capita tax based on estimated population, 1918-1927.....	101
23. Exportation in bond of manufactured tobacco, snuff, cigars, and cigarettes, 1927, by collection districts.....	101
24. Drawback of internal-revenue taxes allowed on tobacco, cigars, and cigarettes exported, 1927, by ports and prior years 1922-1926.....	103
25. Withdrawals of tobacco products based on sales of stamps, and per capita consumption based on estimated population, fiscal year 1927.....	103
26. Leaf tobacco imported by cigar manufacturers, tobacco manufacturers, and dealers in leaf tobacco, calendar year 1926, by collection districts and by States.....	104
27. Dealers in leaf tobacco in business, leaf tobacco exported and received from farmers, calendar year 1926, by collection districts and States.....	106
28. Tobacco material held or owned by dealers in leaf tobacco, cigar and tobacco manufacturers on January 1, 1927, by collection districts and by States.....	108
29. Claims for refund of tax on cigars presented under section 1205 of the revenue act of 1926.....	110
OLEOMARGARINE, RENOVATED BUTTER, AND MIXED FLOUR	
30. Production and withdrawals of colored oleomargarine, 1927, by collection districts.....	112
31. Production and withdrawals of uncolored oleomargarine, 1927, by collection districts.....	112
32. Production and withdrawals of oleomargarine (colored and uncolored), 1927, by months.....	113
33. Summary of production and withdrawals of oleomargarine (colored and uncolored), 1918-1927.....	113
34. Materials used in the manufacture of oleomargarine, 1927.....	113
35. Production and withdrawals of renovated butter, 1927, by collection districts.....	114
36. Summary of production and tax-paid withdrawals of renovated butter, 1918-1927.....	114
37. Production and withdrawals of mixed flour, 1927, by collection districts.....	114
38. Production, importation, and withdrawals of playing cards, by months, 1927.....	115
MISCELLANEOUS STATISTICS	
39. Moneys paid to collectors as proceeds of In rem actions, judgments recovered in civil suits, fines and penalties imposed in criminal actions, and costs, as reported by clerks of United States courts, 1927.....	115
40. Expenses of the Internal Revenue Service, 1927.....	117
41. Summary of internal-revenue stamps issued to collectors of internal revenue, 1927.....	121
42. Cost of printing and binding for the Internal Revenue Bureau and Service, 1926 and 1927.....	121

ANNUAL REPORT
OF THE
COMMISSIONER OF INTERNAL REVENUE

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF INTERNAL REVENUE,
Washington, September 15, 1927.

SIR: I have the honor to submit the following report of the work of the Bureau of Internal Revenue for the fiscal year ended June 30, 1927:

COLLECTIONS

The operations of the Internal Revenue Bureau during the fiscal year 1927 under the revenue act of 1926 and other internal revenue tax legislation resulted in the collection of \$2,865,683,129.91, compared with \$2,835,999,892.19 collected during the fiscal year 1926, an increase of \$29,683,237.72, or 1 per cent.

The income-tax collections during the fiscal year 1927 amounted to \$2,219,952,443.72, compared with \$1,974,104,141.33 collected from income during the fiscal year 1926, an increase of \$245,848,302.39, or 12.5 per cent. During the first six months of the fiscal year 1927 the collections embraced payments of the third and fourth installments of the tax due on incomes in the calendar year 1925, together with additional collections on assessments made for prior years, which amounted to \$1,042,672,913.57, compared with \$844,649,733.47, representing payments of income tax for the corresponding period of the fiscal year 1926, an increase of \$198,023,180.10, or 23.4 per cent. During the last six months of the fiscal year 1927 the collections embraced payments of the first and second installments of the tax due on incomes in the calendar year 1926, together with additional collections on assessments made for prior years, which amounted to \$1,177,279,530.15, compared with \$1,129,454,407.86, representing payments of income tax for the corresponding period of the fiscal year 1926, an increase of \$47,825,122.29, or 4.2 per cent. The tax collected during the fiscal year 1927 on the returns of not incomes of individuals and corporations filed for both years 1925 and 1926 was at the rates provided for in the revenue act of 1926. The tax collected on corporations, however, during the first half of the fiscal year 1927 was at the rate of 13 per cent, effective for the tax year 1925, and during the last half of the fiscal year 1927 was at the rate of 13½ per cent, effective on incomes earned in the year 1926.

The miscellaneous collections arising from objects of taxation other than income taxes amounted to \$645,730,686.19 during the fiscal year 1927, compared with \$861,895,750.86 collected during the fiscal year 1926, a decrease of \$216,165,064.67, or 25.1 per cent. There was an increase of \$5,593,766.17, however, in the taxes col-

* Refunds of taxes illegally collected made during the fiscal year 1927 are shown in a statement on p. 120 of this report.

lected from tobacco manufactures which was due to the large increase in the manufacture and sale of cigarettes. The principal objects of taxation showing decreases for 1927 were as follows: Estates of decedents in the amount of \$15,701,184.13; automobiles and motor cycles, \$46,695,364.59; documentary stamps, \$17,197,742.40; and admissions to theaters and other places of amusement, \$6,040,039.97. The decrease in revenue from these miscellaneous taxes is accounted for by the reduction in tax rates and other provisions of the revenue act of 1926. Further loss in revenue in 1927 exceeding \$130,000,000 was caused by the repeal of various miscellaneous taxes, including the tax on corporation capital stock. The loss in revenue, however, from the repeal of the capital stock tax was in a great measure offset by the increased tax levied on incomes of corporations provided for by the revenue act of 1926.

The collections of internal-revenue taxes for the fiscal year 1927 and the last seven preceding years are summarized in the following table:

Sources	1927	1926	1925	1924
Distilled spirits, including wines, cordials, etc.	\$21,194,608.71	\$20,426,334.44	\$25,902,620.28	\$27,580,390.64
Fermented liquors	853.25	15,694.19	1,954.44	5,827.73
Tobacco manufactures	376,170,205.94	370,666,438.87	345,247,210.98	325,653,931.14
Oleomargarine, process butter, etc.	3,185,297.13	3,092,540.44	3,064,155.39	2,863,453.98
Estate and gift tax	100,339,851.06	119,216,174.52	108,939,895.52	102,960,781.68
Corporation capital stock and other special taxes	8,978,197.65	101,032,733.82	95,814,152.60	95,286,103.44
Excise taxes, including tax on automobiles, etc.	66,829,031.21	150,198,165.88	140,832,097.72	245,953,652.71
Admissions to theaters, etc., and club dues	28,276,877.48	34,054,515.05	39,598,397.44	63,722,385.09
Stamp taxes, including playing cards	37,345,551.43	54,014,239.36	49,251,784.18	62,257,553.90
Miscellaneous, including prohibition and narcotic taxes	3,310,342.23	2,268,714.01	13,806,750.20	6,145,373.89
Total receipts from miscellaneous taxes	645,730,686.19	861,895,750.80	822,481,218.73	954,419,940.26
Income and profits taxes	2,219,952,443.72	1,974,104,141.23	1,761,659,049.51	1,841,789,316.80
Total receipts (all sources)	2,865,683,129.91	2,836,000,892.15	2,584,140,268.24	2,796,179,257.06

Sources	1923	1922	1921	1920
Distilled spirits, including wines, cordials, etc.	\$30,354,006.89	\$45,563,350.47	\$82,599,065.01	\$97,908,275.71
Fermented liquors	4,078.75	46,056.00	25,363.82	41,963,574.09
Tobacco manufactures	300,015,492.98	270,759,384.44	255,210,385.49	295,809,355.44
Oleomargarine, process butter, etc.	2,307,310.64	2,154,535.24	3,037,442.72	3,811,872.56
Estate and gift tax	126,705,206.55	139,416,846.04	154,043,200.39	103,635,563.24
Corporation capital stock and other special taxes	69,603,322.81	89,274,899.60	60,111,102.99	102,933,701.33
Excise taxes, including tax on automobiles, etc.	225,575,989.31	417,400,473.59	608,527,341.78	638,115,779.35
Admissions to theaters, etc., and club dues	77,345,877.72	80,000,889.33	96,890,650.63	81,918,556.74
Stamp taxes, including playing cards	64,875,378.61	58,799,453.45	72,468,013.53	84,347,827.49
Miscellaneous, including prohibition and narcotic taxes	4,868,068.36	7,114,867.70	4,942,375.63	5,200,441.63
Total receipts from miscellaneous taxes	930,655,603.01	1,110,532,618.15	1,366,863,091.99	1,450,644,248.21
Income and profits taxes	1,691,089,534.56	3,088,018,464.85	3,228,137,679.78	3,956,936,003.60
Total receipts (all sources)	2,621,745,227.57	3,197,451,083.00	4,595,000,765.74	5,407,580,251.81

NOTE.—The figures concerning internal-revenue receipts as given in the above statement differ from such figures carried in other Treasury statements showing the financial condition of the Government, because the former represent collections by internal-revenue officers throughout the country, including deposits by postmasters of amounts received from sale of internal-revenue stamps and deposits of internal revenue collected through customs offices during the fiscal year concerned, while the latter represent the deposits of these collections in the Treasury or depositories during the fiscal year concerned, the differences being due to the fact that some of the collections in the latter part of the fiscal year can not be deposited or are not reported to the Treasury as deposited until after June 30, thus carrying them into the following fiscal year as recorded in the statements showing the condition of the Treasury.

COST OF ADMINISTRATION

The expenditures in administering the internal revenue tax laws for the fiscal year 1927 were \$32,967,764.17, not including expenditures for refunding internal-revenue collections and taxes illegally collected, which are in no sense administrative expenses. The aggregate receipts of internal revenue were \$2,865,683,129.91, which makes the cost of operation for the fiscal year 1927 \$1.15 for each \$100 collected, compared with \$1.23 for each \$100 collected for the fiscal year 1926, or a reduction of 6.5 per cent.

INCOME TAX UNIT

The fiscal year 1927 was the most productive in the history of the Income Tax Unit. Progress toward a current state surpassed that of any similar period. The increased production, due to improvements in organization and procedure, was accomplished with a reduced personnel and at a less cost than in prior years.

AUDIT OF RETURNS

The total number of income and excess profits tax returns audited was 2,482,021 (1,772,137 individual and partnership and 709,894 corporation), compared with a production of 2,155,933 for the previous fiscal year. This production exceeded that of the next highest year, 1924, by 152,830 returns.

While keeping current with new work received, particular attention was directed to the completion of the audit of returns for prior years. Notwithstanding a large number of such returns were reaudited, as a result of claims filed or under decisions by the Board of Tax Appeals or the United States courts, large reductions were made in the returns outstanding for the years 1917 to 1924, inclusive. This is illustrated in the following table, which discloses the total number of returns by tax years, remaining open, compared with the number on hand at the close of the three previous fiscal years and the percentage of the total returns filed uncompleted on June 30, 1927:

Return years	On hand June 30, 1923	On hand June 30, 1924	On hand June 30, 1925	On hand June 30, 1926	On hand June 30, 1927	Total audited to date	Percentage remaining open June 30, 1927
1917							
1918	28,816	8,773	3,417	1,372	622	1,312,080	0.05
1919	84,323	19,364	6,002	1,877	861	1,275,134	.07
1920	103,198	61,327	12,155	2,628	1,184	1,498,590	.08
1921	453,203	160,484	90,746	7,121	2,081	1,642,268	.13
1922	1,190,902	353,751	171,221	8,192	2,020	1,471,218	.14
1923	1,167,000	719,702	340,045	141,084	5,136	1,552,925	.33
1924		1,100,624	372,200	154,329	35,316	1,296,845	2.77
1925			975,293	170,786	107,607	1,021,486	9.53
1926				253,402	289,275	573,679	33.53
				11,949	30,433	1,413,147	2.11
Total	3,012,544	2,430,055	2,011,081	742,740	474,535	13,001,372	3.52

Fiscal year returns filed for period ended prior to June 30, 1926.

NOTE.—The tabulation does not include returns in the 60-day file on which the unit has completed its work, nor the total number of returns filed for the year 1926, all of which have not been received in the Income Tax Unit.

The above tabulation shows that the audit of returns for the years 1917 to 1922, inclusive, is practically completed, since there are outstanding for each of these years less than 1 per cent of the total returns filed, the majority of which cases are open as a consequence of claims filed by taxpayers. The audit of returns for the years 1923 and 1924 is nearly current. There remain open only 3 and 10 per cent, respectively, of the total returns received for those tax years. That the unit is conducting, in effect, a current audit of returns filed for the later years is evidenced by the progress made in the audit of returns for the years 1925 and 1926. There have been closed to date for these years 573,679 and 1,413,147 returns, respectively. The large closing of returns for the year 1926 chiefly is due to the change in procedure which directed reference to the unit in Washington of all 1040 returns filed for that year. During each of the years 1923, 1924, and 1925, approximately 1,250,000 of those returns were not sent to Washington.

The net reduction effected by the unit in the number of returns outstanding for all years was 268,215. On June 30, 1927, exclusive of the returns in the 60-day file, 474,535 returns were under consideration, compared with 742,740 returns unaudited on June 30, 1926.

REVENUE AGENTS' SERVICE

The number of reports of field examinations submitted was 688,816 for 1927, compared with 574,246 for 1926, an increase of 20 per cent. The number of returns sent to the field for examination was 685,715, compared with 830,498 for the previous fiscal year.

The reports forwarded to Washington afforded the basis for closing returns for the years 1917 to 1925, inclusive. Of the 688,816 investigations completed, 306,035 represented thorough field investigations, 237,335 were office audits and surveys, and 145,446 were examinations of specific questionable items without a general audit.

Recommendations were made by agents conducting the examinations for the closing of 155,227 returns by assessment of additional tax, of 51,253 returns through the issuance of certificates of overassessment, and of 432,336 returns without change in tax liability.

Of the 206,480 cases forwarded by internal revenue agents in which a recommendation was made for change in tax liability, 128,478 were forwarded with taxpayer's agreement for the immediate assessment of the deficiency or the issuance of certificate of overassessment.

In furtherance of the policy of decentralization, arrangements were completed in the field divisions to conduct an office audit of returns which were classified for this purpose and which do not require a complete examination of books and records. This procedure produced satisfactory results. As a result of these office audits, 45,886 returns were closed in the field. This result was accomplished by the permanent assignment to the field of technical personnel from the unit at Washington and by the occasional detail of revenue agents. This has proved an advantage to the taxpayer, whose previous contact with the bureau was only through correspondence. The contact has also been a benefit to the Government in that it has educated the taxpayer to file more accurate returns for subsequent years. It has effected also a notable economy of field officers' time.

In addition to the production enumerated above, the field force classified 2,358,673 returns, filed for the year 1926, accepting 1,701,026 as filed, designating 322,564 for office audit (which will be conducted in the field), and indicating that 295,083 returns will require a thorough field investigation.

On June 30, 1926, there were 513,312 uncompleted returns in the field. On June 30, 1927, this balance had been reduced to 438,936.

ADJUSTMENT OF CLAIMS

The number of claims scheduled as adjusted during the year was 66,755. In addition, 52,262 certificates of overassessment were scheduled in cases in which no claims were filed. Of the claims scheduled, 40,773 were allowed. The total amount involved, including overassessments in cases against which no claims were filed, was \$304,264,847.42, of which amount \$82,614,787.25 was refunded and \$221,650,060.17 abated or credited. The amount of interest paid on amounts refunded or credited was \$21,243,900.53. The number of claims rejected was 25,981, involving \$520,768,614.82.

The number of claims received was 47,808, involving \$462,896,449.48, compared with 72,195, involving \$1,008,290,704.43 for the previous year. The number of claims on hand at the end of the fiscal year 1927 was 17,462, compared with 29,234 at the close of the fiscal year 1926, or a decrease of 11,772. This reduction in unadjusted claims is further evidence of the progress of the Income Tax Unit in bringing its work to a current basis. The balance of claims outstanding, 17,462, is the lowest the unit has ever had on hand, and was obtained by adjustment of claims as quickly after their receipt as possible.

The scheduling of 52,262 certificates of overassessment, in cases where claims had not been filed, is noteworthy, since in these cases taxpayers were benefited by adjustments favorable to them without having made formal requests therefor.

While keeping current with the work of adjusting claims for all years as filed, special attention was given to the adjustment of claims filed against assessments made in 1922 and prior years. As a result a net reduction of 4,518 in such claims was accomplished, as indicated by the following tabulation:

Amounts of claims	On hand June 30, 1926	On hand June 30, 1927	Net reduction
Less than \$1,000.....	3,317	290	3,027
Between \$1,000 and \$50,000.....	2,400	986	1,414
In excess of \$50,000.....	449	372	77
Total.....	6,166	1,648	4,518

ADDITIONAL REVENUE

During the year, \$276,096,454.33 was assessed in additional taxes. Included in this sum is an amount of \$32,704,156.33 which was assessed without preliminary hearing before the bureau, it being felt that collection was in jeopardy. This, however, did not affect the

taxpayers' right of appeal to the Board of Tax Appeals. During the previous year \$148,867,165.26 was entered under jeopardy assessments.

The great decrease in assessments of this nature during the current year was made possible by provisions contained in sections 274, 277, and 278 of the revenue act of 1926, which allow the extension of the statute of limitations by the mailing of a 60-day letter to the taxpayer within the statutory period to (1) 120 days from the date of the 60-day letter if no appeal is filed with the Board of Tax Appeals, or (2) within 60 days after the final decision of the board where an appeal has been filed.

Additional amounts assessed—Regular taxes, fiscal year ended June 30, 1927

	Office audit	Revenue agents' reports	Total
INDIVIDUAL			
1917 and prior years.....	\$242,694.91	\$824,376.69	\$1,067,071.60
1918.....	187,998.47	1,786,658.34	1,974,656.81
1919.....	360,059.17	3,476,452.48	3,836,511.65
1920.....	1,527,559.27	8,055,256.19	10,782,815.46
1921.....	2,064,786.65	7,720,295.30	9,785,082.21
1922.....	3,253,190.65	22,670,342.95	26,223,533.60
1923.....	1,796,360.27	16,037,897.50	17,834,257.77
1924.....	2,119,431.97	5,969,629.59	8,089,061.56
1925.....	298,324.90	2,628,639.02	2,926,963.92
1926.....	7,653.35	39,031.82	46,685.17
Total.....	12,465,070.87	70,187,659.02	82,652,729.89
CORPORATION			
1917 and prior years.....	2,407,563.07	3,815,524.84	6,223,087.91
1918.....	9,589,075.80	16,621,674.60	26,210,750.40
1919.....	13,219,077.00	13,674,416.25	26,893,493.25
1920.....	11,034,710.73	26,704,010.09	37,738,720.82
1921.....	6,507,691.55	14,848,305.20	21,356,096.75
1922.....	2,742,609.41	15,993,278.13	18,735,887.54
1923.....	1,401,228.88	12,335,305.28	13,736,534.16
1924.....	1,091,536.36	5,204,814.72	6,296,351.08
1925.....	427,860.44	2,851,506.08	3,279,366.52
1926.....	19,452.13	290,027.50	309,479.63
Total.....	48,609,805.40	112,288,862.71	160,898,668.11
TOTAL			
1917 and prior years.....	2,650,257.98	4,630,901.55	7,281,159.53
1918.....	9,778,074.27	18,308,342.94	28,086,417.21
1919.....	16,579,136.17	17,149,568.71	33,728,704.88
1920.....	12,922,270.00	35,670,266.28	48,592,536.28
1921.....	8,576,478.43	22,568,570.56	31,145,048.99
1922.....	6,300,806.06	38,663,621.08	44,964,427.14
1923.....	3,197,594.15	28,423,202.78	31,620,796.93
1924.....	3,210,968.33	11,174,444.31	14,385,412.64
1925.....	726,185.40	5,510,144.10	6,236,329.50
1926.....	27,163.48	329,059.42	356,222.90
Total.....	60,065,876.27	182,426,421.73	242,492,298.00

Additional amounts assessed—Jeopardy taxes, fiscal year ended June 30, 1927

	Office audit	Revenue agents' reports	Total
INDIVIDUAL			
1917 and prior years.....		\$122,506.19	\$122,506.19
1918.....		481,105.53	481,105.53
1919.....	\$1,521.31	2,024,443.37	2,025,964.68
1920.....	57,198.57	832,716.92	889,915.49
1921.....	41,454.29	1,103,416.93	1,144,871.22
1922.....	435,995.33	3,332,630.81	3,768,626.14
1923.....	542,369.82	4,332,303.91	4,874,673.73
1924.....	415,872.29	1,757,251.12	2,173,123.41
1925.....	870,265.14	2,640,297.17	3,510,562.31
1926.....	39,651.47	933,981.94	973,633.41
Total.....	1,904,018.41	16,513,867.09	18,417,885.50

Additional amounts assessed—Jeopardy taxes, fiscal year ended June 30, 1927—Con.

	Office audit	Revenue agents' reports	Total
CORPORATION			
1917 and prior years.....	\$7,132.07	\$7,132.07	\$14,264.14
1918.....	182,449.62	205,390.23	387,839.85
1919.....	31,557.72	3,991,623.77	4,023,181.49
1920.....	17,215.98	1,479,824.01	1,497,040.99
1921.....	589,306.96	493,349.17	1,082,656.13
1922.....	102,145.04	782,311.41	884,456.45
1923.....	263,108.67	856,176.14	1,119,284.81
1924.....	240,830.81	1,890,048.85	2,130,879.66
1925.....	66,300.63	912,472.17	978,772.80
1926.....	5,230.24	46,134.47	51,364.71
Total.....	1,605,808.64	10,680,462.29	12,286,270.93
TOTAL			
1917 and prior years.....	7,132.07	159,638.26	166,770.33
1918.....	182,949.62	686,495.76	869,445.38
1919.....	33,109.03	6,016,269.34	6,049,378.37
1920.....	74,415.85	2,312,546.93	2,386,962.78
1921.....	630,761.25	1,506,765.70	2,137,526.95
1922.....	538,130.57	4,114,942.22	4,653,072.79
1923.....	805,478.19	6,238,482.05	7,043,960.24
1924.....	656,402.89	3,647,309.97	4,303,712.86
1925.....	436,555.77	3,561,780.34	3,998,336.11
1926.....	44,881.71	1,060,115.81	1,044,997.52
Total.....	3,409,826.95	29,294,329.38	32,704,156.33
INDIVIDUAL			
1917 and prior years.....	\$242,694.91	\$976,882.68	\$1,219,577.59
1918.....	185,998.47	2,287,773.87	2,473,772.34
1919.....	361,590.46	5,500,098.03	5,861,688.49
1920.....	1,884,758.14	9,787,973.11	11,672,731.25
1921.....	2,110,241.14	8,821,681.69	10,931,922.83
1922.....	3,904,182.18	26,002,973.76	29,907,155.94
1923.....	2,389,734.79	21,320,203.41	23,709,938.20
1924.....	2,533,004.25	7,720,890.71	10,253,894.96
1925.....	668,590.10	5,277,935.19	5,946,525.29
1926.....	47,304.62	990,013.26	1,037,317.88
Total.....	14,380,989.28	88,771,426.11	103,152,415.39
CORPORATION			
1917 and prior years.....	2,414,695.14	3,822,666.93	6,237,362.07
1918.....	9,772,025.47	16,737,064.83	26,509,090.30
1919.....	13,250,604.72	17,666,040.02	30,916,644.74
1920.....	11,111,627.71	28,183,834.10	39,295,461.81
1921.....	7,096,968.54	15,251,654.37	22,348,622.91
1922.....	2,844,754.45	16,775,889.54	19,620,643.99
1923.....	1,664,337.55	13,291,481.42	14,955,818.97
1924.....	1,332,366.97	7,100,863.67	8,433,230.64
1925.....	494,161.07	3,793,978.25	4,288,139.32
1926.....	24,682.37	336,161.97	360,844.34
Total.....	50,006,613.94	122,949,326.00	172,955,939.94
GRAND TOTAL			
1917 and prior years.....	2,057,390.05	4,799,539.81	6,856,929.86
1918.....	9,958,023.80	18,994,838.70	28,952,862.50
1919.....	13,912,245.20	23,166,138.05	37,078,383.25
1920.....	12,906,685.85	37,971,807.21	50,878,493.06
1921.....	9,207,239.68	24,075,336.26	33,282,575.94
1922.....	6,826,939.63	42,778,663.30	49,605,602.93
1923.....	4,003,072.24	34,711,694.83	38,714,767.07
1924.....	3,867,371.22	14,821,754.28	18,689,125.50
1925.....	1,162,751.17	9,071,913.44	10,234,664.61
1926.....	71,967.19	1,329,176.23	1,401,143.42
Total.....	64,376,703.23	211,720,761.11	276,097,464.34

Further revenue in the amount of \$34,703,663.24 was made possible of immediate collection through the rejection of claims in abatement and claims for credit.

ORGANIZATION CHANGES

The following organization changes were effected during the year. These changes, all in the direction of economy of operation and more efficient management, were the direct results of the policy of the decentralization of activities. The changes have largely reduced administrative overhead, have established a better coordination of effort, and enabled the unit to bring its work to a current condition:

1. On August 1, 1926, the service division was abolished and its work and personnel transferred to a service section, which was created.

2. On October 16, 1926, section No. 2 of personal audit division and section No. 23 of corporation audit division were abolished and the work and personnel transferred to the other sections of the respective divisions.

3. On January 1, 1927, the field service of the Income Tax Unit was reorganized. The eight supervisory districts were discontinued as such. Each division thereafter was constituted an independent one, each revenue agent in charge being made directly responsible to the head of the unit. This change was made because the duties and responsibilities of the supervising internal-revenue agents, incidental to the operation of their own division, had increased to such an extent, as a result of the decentralization of activities, that it was felt a continuation of the supervisory districts would be prejudicial to the welfare of all field divisions. The general supervision and inspection performed by the supervising internal-revenue agents thereafter attached directly to the office of the head of the unit at Washington.

4. On January 17, 1927, messengers, who theretofore had been attached to the service section, were transferred and placed under the jurisdiction of the divisions and sections to which they previously had been assigned.

5. On March 11, 1927, unit No. 3 of the stenographic subsection was abolished and its work and personnel transferred to the other stenographic units of the section.

6. On May 31, 1927, the engineering division was abolished as a division and created as an engineering section, which was attached to the consolidated returns audit division. The engineering section is charged with all duties and responsibilities heretofore devolving on the engineering division. As a result of the change, all returns in which engineering features are involved hereafter will be audited in the consolidated returns audit division. This procedure will effect a considerable saving in time and money, as it is now unnecessary to transfer cases from one division to another. In addition, it will afford a better coordination of activities with a more economical management.

POLICY AND PROCEDURE CHANGES

Nine important changes in policy and procedure were placed in effect during the year. The changes were made in order to obtain increased speed in the audit of returns while at the same time maintaining the highest degree of accuracy, and to accomplish this with

the lowest possible expenditures for technical and clerical effort. The changes were as follows:

1. On November 12, 1926, instructions were issued directing that all revenue agents' reports, copies of audit correspondence, and memoranda thereafter be filed with the returns involved.

2. On November 18, 1926, procedure was revised relative to the adjustment of offers in compromise of ad valorem penalties, where the returns involved are pending in the field for examination. Under the new procedure, when an offer of this character is accepted, a letter is mailed to the revenue agent in charge advising him of the acceptance of the offer. A copy of this letter bearing a "nonaudit" stamp is forwarded to the records division, where it will be retained until the return is received from the field, at which time it is forwarded, with the return, to the preliminary audit section, where the return is stamped to indicate the action taken on the offer in compromise. The return and revenue agent's report thereafter is disposed of in the usual manner.

3. Under date of February 12, 1927, instructions were issued, directing that notifications be mailed, when returns are closed, to all corporate taxpayers and to individuals who filed taxable returns, regardless of the result disclosed by the audit. Theretofore, notification was given only in the event of proposed changes in tax liability. Many communications commenting on this procedure received by the unit indicate a favorable reaction on the part of taxpayers.

4. Due to the fact that the Income Tax Unit receives all 1040 returns, of which approximately 70 per cent will have been accepted by the revenue agents prior to their transmittal to Washington, it was decided to file these accepted returns without preparing typed control cards for them. The elimination of the typing and consequent verification of the control cards will permit the unit to save approximately \$37,500 annually. This substantial saving is accomplished without impairing efficiency, inasmuch as the returns are filed alphabetically by collection districts and consequently are readily accessible.

5. On February 4, 1927, directions were issued prescribing the procedure to be followed and the charge to be made for copies of returns, revenue agent's reports, schedules, etc., when requests for the same are received from taxpayers.

6. In order that those decisions of the Board of Tax Appeals which may result in additional taxes for years subsequent to those involved in the appeals will be taken into consideration in the audit of returns for such years, instructions were issued directing the examination of all decisions of that tribunal with a view of auditing the subsequent years in accord therewith.

7. Rough-draft reports prepared in field divisions and forwarded to the Income Tax Unit in Washington are retained in Washington after review instead of being returned to the field.

8. In all cases where an audit of a taxpayer's return discloses that the provisions of section 220 of the revenue acts of 1921, 1924, and 1926 may be applicable, the correct statutory net income for the year or years involved is determined by the audit division handling the case before the file is transmitted to the rules and regulations section for consideration of the question of the application of section 220.

9. On June 10, 1927, instructions were issued directing that all transportation and public utilities cases be audited in the consolidated returns audit division. The centralization of all cases of this nature in one division eliminated divided responsibility with respect to that type of case and established a more uniform audit of such returns.

CLEARING DIVISION

The preliminary audit section of the clearing division is charged with the responsibility of reviewing returns designated as "accepted" by revenue agents in the field divisions. The purpose of the review is to insure uniformity of action with respect to the work in the offices of the various revenue agents in charge and to insure that the preliminary audit has been accurately performed in the offices of collectors of internal revenue.

This section also reviews returns and reports in cases with respect to which the field divisions have obtained agreements. All claims sent to Washington are reviewed by this section to determine whether they may be closed or should be referred to the field for investigation. Cases referred to the unit by the general counsel for recomputation in accordance with decisions by the Board of Tax Appeals also are referred to this section. Approximately 630,000 of these types of cases were closed in the preliminary audit section during the year.

The claims control section received and recorded 47,818 claims. Claims to the number of 66,753; and 52,262 certificates of overassessment in cases in which no claims were filed, were scheduled.

The proving section received and proved 855,129 taxable and 468,182 nontaxable returns and entered assessments of deficiency taxes on 161,842 returns. This section also adjusted and closed, on the basis of offers in compromise, 13,144 special penalty cases and 69,492 specific penalty cases.

The statistical section of the clearing division rendered complete reports of "Statistics of Income" for the years 1924 and 1925. These reports were compiled from income-tax returns of individuals, partnerships, and corporations reporting income for 1924 and 1925, from capital-stock tax returns covering the fiscal years ended June 30, 1925 and 1926, and from estate and gift tax returns for the calendar years 1925 and 1926, respectively. A preliminary report was submitted on "Statistics of Income," compiled from the 1925 income-tax returns of individuals and corporations filed during the period from January 1, 1926, to August 30, 1926. Work is now in progress on the "Statistics of Income" from the individual and corporation returns for 1926, which returns are being filed in the current year.

Numerous confidential compilations for administrative and legislative use, as well as compilations of specialized data in response to requests from other departments of the Government, were prepared during the year.

RECORDS DIVISION

The functions of this division are primarily to control and transfer income-tax returns, reports of revenue agents and related papers, to audit withholding returns and related claims, to assemble information returns, and to furnish copies of returns and related papers to taxpayers.

There were furnished during the year 12,634 copies of returns, reports, and schedules.

The files section controls, assembles, and routes income-tax returns and related papers to the several divisions of the unit, to the office of the general counsel, to the collection districts, and revenue agents' divisions. Returns, reports, and other necessary papers in the cases of bankrupt and dissolved corporations also are assembled in this section. During the year 275,191 cases were assembled and routed to their proper destinations.

The distribution section controlled the transfer of 542,537 returns and related papers.

The sorting section audited and closed 13,234 withholding returns and examined 343,772 information returns. As a result of the audit of withholding returns, there was assessed \$13,758,029.04, compared with \$10,892,133.70 the previous year. Of 103,229 individual returns compared with information returns, 4,950 indicated unreported income to the amount of \$15,700,000. The number of certificates sorted was 9,175,843.

SERVICE SECTION

The stenographic subsection of this section made 30,901 assignments of stenographers. The number of pages written by stenographers was 2,609,308 and by typists 1,081,758, a total of 3,691,066 pages.

The photostat subsection made 416,866 photostatic copies and photostated 19,934 returns.

RULES AND REGULATIONS SECTION

The primary function of the section is to answer inquiries of taxpayers on technical and administrative questions. In addition to information furnished in conference, the section answered 58,932 inquiries. The section also answered inquiries submitted by the audit divisions, collectors, and revenue agents covering different phases of income tax law and administration.

The preparation of all income-tax forms is delegated to this section. During the year many of the forms were revised to provide for greater simplicity and for certain data needed for administrative purposes.

A subject file is maintained, making immediately available thousands of rulings and court decisions on income-tax matters.

There were prepared and issued weekly, quarterly, and semi-annually bulletins and digests of income-tax rulings. During the year Bulletin A, containing all of the income-tax forms under the revenue act of 1926, was prepared, as well as a revision of Bulletin B, entitled "Withholding of Income Tax at the Source and Information at the Source."

This section obtained the necessary evidence and prepared rulings in all cases involving claims of tax exemption under section 231 of the various revenue acts, under which some 14 classes of organizations are granted exemption from filing returns and paying income tax.

PERSONNEL

Improvements in organization and procedure adopted during the year permitted the Income Tax Unit materially to reduce its force. A reduction to the number of 734 was made in the Washington office. On June 30, 1927, the technical personnel in Washington was 1,200 and the number of clerks 1,430, a total of 2,630, while on June 30, 1926, the technical employees numbered 1,489 and the clerical force 1,875.

The field force was increased by 421 technical and clerical employees. There were assigned to the field as of June 30, 1927, 2,767 revenue agents and 725 clerks, or a total of 3,492, while at the close of the previous year there were 2,442 revenue agents and 629 clerks, or a total of 3,071. Of the additional personnel assigned to the field, 146 auditors and 62 clerks were transferred from the Washington office.

The net reduction in personnel of 313 employees will result in a direct annual saving in salaries of approximately \$450,000.

SURPLUS PROPERTY

The reduction in personnel effected in the Washington force permitted the Income Tax Unit to release office furniture and equipment valued at \$32,450.71. This material was transferred to the administrative division of the bureau for reissuance.

IMPROVEMENTS PLANNED

Improvements planned for the fiscal year 1928 will be directed toward greater efficiency with decreased cost of operation. Many of the changes will be in the nature of refinements of the policies and reorganizations effected during the previous fiscal year. The projected improvements are as follows:

The personal and corporation audit divisions will be abolished and a field audit review division established, whose main function will be the reviewing of the findings of the field.

The special assessment section will be discontinued as an independent section and assigned to and made a part of the proposed new field audit review division.

The general conference room located at Treasury Annex No. 2 will be abolished, and necessary conferences will be conducted under the direction of the appropriate division heads.

The central point of contact with the taxpayers or their representatives will be continued from the information desk at Treasury Annex No. 2.

A committee to be known as the special advisory committee will be established in the office of the Commissioner of Internal Revenue. This committee will examine into the reasons underlying the accumulation of pending income-tax cases in the bureau. It will also consider and act upon, subject to the approval of the commissioner, the following cases:

(a) Cases pending in the bureau on which the advice of the commissioner is desired as to questions of bureau policy.

(b) Cases arising out of the mailing of the deficiency letters as prescribed by the revenue act of 1926.

(c) Cases not falling in items (a) or (b) submitted to it by the office of the commissioner.

The committee also will be required to handle all functions formerly performed by the 60-day conference units of the personal and corporation audit divisions, with such modification as may be deemed necessary.

To permit the taxpayers to close their cases promptly by payment of additional taxes, in cases with respect to which the taxpayers and the bureau, through its field agents, have reached agreements, procedure will be perfected directing the routing of such cases from the revenue agents in charge to the collectors for the appropriate districts.

The policy of changing the location of offices of revenue agents in charge better to meet the needs of the field service and the public will be continued.

During the ensuing year a committee will be appointed to study all forms and letters used in the Income Tax Unit and to make appropriate recommendations toward their standardization.

To obviate the necessity for purchasing copies of depositions taken for use before the Board of Tax Appeals where revenue agents appear on behalf of the Government in cross-examining witnesses, recommendation will be made to have the board modify rule 46 of its rules of practice so that copy of the deposition furnished by the taxpayer for service on the general counsel will be forwarded through the internal revenue agent in charge for verification. This will result in a considerable saving.

The production program adopted for the fiscal year 1928 contemplates the auditing of all returns reporting income earned in 1926 and prior years, and the conduct of the preliminary examination of the 1927 returns.

COMPARATIVE SUMMARY OF WORK ACCOMPLISHED, FISCAL YEARS ENDED JUNE 30, 1923, TO JUNE 30, 1927, INCLUSIVE

Summary of returns, claims, revenue agents' reports, and additional tax assessed, fiscal years ended June 30, 1923-1927

	1923	1924	1925	1926	1927
Total returns audited.....	1,277,328	2,329,191	1,751,613	2,155,933	2,482,021
Total claims adjusted.....	117,535	82,065	65,806	85,195	72,545
Total R. A. R.'s audited.....	262,038	121,656	170,515	178,036	310,464
Additional tax assessed.....	\$323,292,719.40	\$320,049,748.89	\$152,009,006.20	\$223,376,701.30	\$243,392,248.00
Jeopardy assessments.....	\$132,525,380.53	\$174,854,405.46	\$144,046,530.63	\$145,867,165.28	\$32,704,166.33
Rejected claims.....	\$136,291,240.96	\$110,438,675.02	\$27,868,460.08	\$61,981,464.02	\$34,703,663.24

Comparative summary of returns audited, fiscal years ended June 30, 1923-1927

	Additional tax				
	1923	1924	1925	1926	1927
Personal audit.....	167,909	106,691	136,261	65,286	68,043
Corporation audit.....	52,805	55,024	47,712	37,011	35,219
Consolidated returns.....	17,448	6,787	6,360	10,882	15,680
Special assessment.....	2,047	1,724	3,381	7,310	3,638
Special adjustment.....	1,077	1,336	1,498	1,725	2,078
Special sections.....	17,167	7,764		13,732	
Clearing division.....					73,633
Grand total.....	256,453	179,336	195,212	166,046	198,343

	Certificate of overassessment				
	1923	1924	1925	1926	1927
Personal audit.....	10,549	67,175	66,937	45,753	14,122
Corporation audit.....	8,640	36,346	33,492	22,816	7,328
Consolidated returns.....	1,499	4,702	3,780	4,540	5,125
Special assessment.....	461	2,187	3,888	4,742	1,816
Special adjustment.....	108	458	811	893	622
Special sections.....	1,688	8,624		4,555	
Clearing division.....					39,582
Grand total.....	29,035	119,492	108,388	83,299	68,595

	No tax				
	1923	1924	1925	1926	1927
Personal audit.....	816,391	1,649,454	1,019,670	836,004	48,245
Corporation audit.....	131,475	351,706	417,765	804,244	26,109
Consolidated returns.....	1,593	3,992	6,541	19,319	21,523
Special assessment.....	2,639	863	2,816	4,383	2,088
Special adjustment.....	2,437	1,172	1,221	1,739	1,502
Special sections.....	29,305	23,176		249,919	
Clearing division.....					2,115,616
Grand total.....	989,840	2,030,363	1,448,013	1,906,688	2,215,083

	Total audited				
	1923	1924	1925	1926	1927
Personal audit.....	1,000,549	1,823,320	1,222,868	977,043	130,462
Corporation audit.....	193,920	443,086	498,969	844,071	68,656
Consolidated returns.....	20,540	15,481	16,861	34,541	42,328
Special assessment.....	5,147	4,774	10,085	16,415	7,542
Special adjustment.....	3,712	2,966	3,930	4,357	4,202
Special sections.....	48,160	39,564		259,206	
Clearing division.....					2,228,631
Grand total.....	1,277,328	2,329,191	1,761,613	2,155,933	2,462,021

Production and status of work, fiscal year ended June 30, 1927

Year	PERSONAL AUDIT DIVISION							
	On hand in division July 1, 1926	Received during year	Closed during year	Transferred during year	On hand in division June 30, 1927	In field June 30, 1927	In 60-day file June 30, 1927	Total on hand June 30, 1927
1917.....	21	484	438	44	25	63	70	158
1918.....	72	2,363	2,285	120	30	45	350	425
1919.....	218	2,847	2,718	287	63	73	804	940
1920.....	1,311	8,202	8,331	1,050	132	217	290	639
1921.....	1,633	11,053	11,133	1,376	157	234	1,053	1,444
1922.....	5,779	62,143	42,623	24,237	1,072	1,009	856	2,937
1923.....	6,942	56,905	37,365	22,668	3,497	17,514	1,641	23,662
1924.....	3,848	29,440	19,735	10,157	3,396	58,033	1,039	62,524
1925.....		11,325	5,426	3,067	2,632	173,460	615	176,727
1926.....		440	211	87	142	13,479		13,621
Total.....	19,526	185,155	130,462	63,403	11,149	261,207	8,718	282,071

Year	CORPORATION AUDIT DIVISION							
	On hand in division July 1, 1926	Received during year	Closed during year	Transferred during year	On hand in division June 30, 1927	In field June 30, 1927	In 60-day file June 30, 1927	Total on hand June 30, 1927
1917.....	84	696	438	307	35	53	117	205
1918.....	120	1,120	719	476	43	49	268	362
1919.....	210	1,905	1,357	695	63	67	868	998
1920.....	543	4,217	3,055	1,613	32	147	404	643
1921.....	700	5,333	3,886	2,060	87	159	1,008	1,254
1922.....	4,934	26,790	19,288	12,181	245	465	487	1,207
1923.....	5,751	29,536	18,501	14,404	981	8,623	806	9,810
1924.....	9,916	22,268	16,031	15,028	1,125	34,739	940	36,804
1925.....		9,665	4,562	4,036	957	104,289	564	105,810
1926.....		1,073	419	360	294	15,444		15,738
Total.....	22,258	101,542	68,656	51,180	3,984	163,405	5,462	172,631

Year	CONSOLIDATED RETURNS AUDIT DIVISION AND SPECIAL SECTIONS							
	On hand in division July 1, 1926	Received during year	Closed during year	Transferred during year	On hand in division June 30, 1927	In field June 30, 1927	In 60-day file June 30, 1927	Total on hand June 30, 1927
1917.....	912	3,007	1,770	1,698	442	4	61	507
1918.....	1,470	4,539	2,739	2,585	656	7	54	746
1919.....	1,835	6,256	3,899	3,238	904	14	88	1,006
1920.....	3,871	9,481	6,783	5,111	1,458	35	124	1,617
1921.....	3,568	9,855	6,257	5,337	1,329	54	277	1,660
1922.....	7,551	22,742	14,118	16,015	2,150	175	369	2,704
1923.....	9,280	24,116	10,655	18,745	3,996	1,303	211	5,512
1924.....	11,380	17,351	6,225	16,980	5,526	4,728	102	10,356
1925.....	845	16,149	3,098	9,523	3,473	4,444	45	7,962
1926.....		2,947	519	1,912	516	558		1,074
Total.....	40,812	114,943	54,072	81,194	20,489	11,324	1,331	33,144

Year	CLEARING DIVISION, FORM 1040 RETURNS							
	On hand in division July 1, 1926	Received during year	Closed during year	Transferred during year	On hand in division June 30, 1927	In field June 30, 1927	In 60-day file June 30, 1927	Total on hand June 30, 1927
1917.....		376	216	160				
1918.....		519	364	155				
1919.....		1,034	741	293				
1920.....		3,344	2,681	663				
1921.....		4,960	4,047	913				
1922.....		127,276	122,300	4,976				
1923.....		112,063	106,507	5,556				
1924.....		65,096	60,405	5,591				
1925.....		188,771	184,568	4,203				
1926.....		1,159,946	1,159,846	100				
Total.....		1,664,285	1,641,675	22,610				

Year	CLEARING DIVISION, FORM 1120 RETURNS							
	On hand in division July 1, 1926	Received during year	Closed during year	Transferred during year	On hand in division June 30, 1927	In field June 30, 1927	In 60-day file June 30, 1927	Total on hand June 30, 1927
1917.....		463	245	218				
1918.....		593	307	286				
1919.....		1,009	608	401				
1920.....		1,799	1,122	677				
1921.....		4,523	3,767	761				
1922.....		39,062	36,726	2,336				
1923.....		46,739	44,265	2,474				
1924.....		41,369	39,247	2,122				
1925.....		212,018	210,013	2,005				
1926.....		251,137	250,856	281				
Total.....		599,315	587,156	12,159				

Production and status of work, fiscal year ended June 30, 1927—Continued

GRAND TOTAL, ALL DIVISIONS

Year	On hand in division July 1, 1926	Received during year	Closed during year	Transferred during year	On hand in division June 30, 1927	In field June 30, 1927	In 60-day file June 30, 1927	Total on hand June 30, 1927
1917	1,019	5,026	8,116	2,427	502	120	248	870
1918	1,562	9,134	6,414	3,622	760	101	672	1,533
1919	2,293	13,051	9,320	4,964	1,030	154	1,760	2,944
1920	5,735	27,043	21,972	9,114	1,682	399	818	2,890
1921	8,901	35,209	29,090	10,447	1,573	447	2,338	4,358
1922	15,294	278,013	233,035	69,735	3,497	1,649	1,712	6,848
1923	21,373	268,361	217,693	64,167	8,474	26,642	2,656	37,974
1924	25,144	176,422	141,943	49,876	10,047	97,560	2,051	109,688
1925	945	437,488	407,887	23,454	7,092	282,183	1,224	290,499
1926		1,415,543	1,411,531	2,740	932	79,451		80,433
Total	82,896	2,665,270	2,482,021	230,548	35,593	438,936	13,511	458,046

Production and status of work, fiscal year ended June 30, 1926

PERSONAL AUDIT DIVISION

Year	On hand in division July 1, 1925	Received during year	Closed during year	Transferred during year	On hand in division June 30, 1926	In files June 30, 1926	In field June 30, 1926	In 60-day file June 30, 1926	Total on hand June 30, 1926
1917	735	4,514	3,031	1,285	23		17	148	185
1918	1,309	5,594	4,507	2,264	72		36	530	640
1919	2,761	16,553	13,300	6,690	218		101	1,547	1,866
1920	14,293	115,005	103,032	24,955	1,311		653	3,919	5,013
1921	15,314	204,813	166,070	31,524	1,633		885	6,055	8,565
1922	19,661	101,702	91,343	24,241	5,779		57,092	2,741	26,212
1923	31,058	139,457	118,875	44,728	6,942		32,267	2,513	32,027
1924		530,058	454,500	121,650	3,544		50,661	1,957	50,496
1925		455	455				89,176	31,049	142,225
1926							224	84	305
Total	86,231	1,168,011	977,043	237,373	10,526	59,400	305,490	18,740	434,456

CORPORATION AUDIT DIVISION

Year	On hand in division July 1, 1925	Received during year	Closed during year	Transferred during year	On hand in division June 30, 1926	In files June 30, 1926	In field June 30, 1926	In 60-day file June 30, 1926	Total on hand June 30, 1926
1917	482	3,897	2,151	2,114	64		289	105	668
1918	759	6,183	3,423	3,439	120		141	448	709
1919	1,519	12,407	7,147	6,500	210		217	1,334	1,761
1920	4,961	57,105	42,132	19,391	643		1,452	2,028	3,028
1921	12,751	153,143	135,562	29,632	700		1,047	2,590	4,311
1922	17,033	196,829	175,848	41,080	4,534		30,694	2,091	37,719
1923	3,538	177,021	156,057	18,721	5,751		45,201	1,361	52,713
1924	125	450,738	338,432	112,515	9,916		60,120	607	70,643
1925		3,259	3,259				58,689	60,120	109,809
1926							1,493	178	1,671
Total	41,198	1,070,592	864,071	223,461	22,258	57,132	192,901	10,873	282,624

CONSOLIDATED RETURNS AUDIT DIVISION AND SPECIAL SECTIONS

Year	On hand in division July 1, 1925	Received during year	Closed during year	Transferred during year	On hand in division June 30, 1926	In files June 30, 1926	In field June 30, 1926	In 60-day file June 30, 1926	Total on hand June 30, 1926
1917	2,051	6,742	5,527	4,364	912		47	28	957
1918	3,527	10,379	6,055	6,331	1,470		36	76	1,564
1919	5,641	15,061	10,060	8,507	1,835		47	208	2,090
1920	11,921	31,253	17,758	20,973	3,571		256	942	4,769
1921	10,520	37,566	18,485	29,233	3,566		351	742	4,671
1922	3,271	66,233	49,159	82,794	7,551		4,434	301	12,256
1923		50,652	35,001	31,307	9,250		4,888	73	14,241
1924		34,491	7,729	15,852	11,350		4,501	68	16,309
1925		162,156	162,089				501		501
1926		1,295	1,296						
Total	36,847	466,229	314,809	148,340	59,657		15,221	2,150	67,238

Production and status of work, fiscal year ended June 30, 1926—Continued

GRAND TOTAL, ALL DIVISIONS

Year	On hand in division July 1, 1925	Received during year	Closed during year	Transferred during year	On hand in division June 30, 1926	In files June 30, 1926	In field June 30, 1926	In 60-day file June 30, 1926	Total on hand June 30, 1926
1917	3,278	15,153	9,639	7,773	1,010		353	371	1,743
1918	5,625	22,160	14,045	12,084	1,062		215	1,050	2,833
1919	11,021	43,821	30,507	22,072	2,263		355	3,089	5,717
1920	30,575	203,391	162,922	65,319	5,725		1,396	6,589	13,710
1921	38,585	305,822	241,117	87,389	5,901		2,291	8,376	17,566
1922	39,005	384,764	318,360	90,195	18,294		129,520	5,133	146,217
1923	35,102	397,190	313,563	96,756	21,679		132,356	4,247	158,576
1924	123	1,075,317	800,721	249,577	25,144		145,642	2,562	173,448
1925		166,835	165,813	97	945		107,612		253,422
1926		1,298	1,296	2			1,057	262	1,949
Total	104,276	2,705,777	2,155,933	631,174	82,896	146,532	513,312	32,523	775,263

Production and status of work, fiscal year ended June 30, 1925

PERSONAL AUDIT DIVISION

Years	On hand in division July 1, 1924	Received during year	Closed during year	Transferred during year	On hand in division June 30, 1925	In files June 30, 1925	In field June 30, 1925	In 60-day file	Total pending June 30, 1925
1917	3,129	11,642	10,188	3,848	735		54	154	943
1918	6,548	22,560	19,688	8,111	1,309		171	396	1,876
1919	19,402	104,667	90,458	29,750	3,861		500	1,460	5,881
1920	29,470	133,772	103,793	45,157	14,293		6,000	3,815	52,943
1921	33,000	179,892	168,513	54,071	15,314		8,000	6,828	95,325
1922	15,976	321,964	282,329	135,980	19,661		126,480	7,290	155,879
1923	31	538,912	397,397	120,458	31,058		130,960	2,017	164,717
1924		53,551	60,497	33,054			560,770	415	561,215
Total	162,568	1,606,990	1,222,888	460,459	86,231	832,210	108,198	12,140	1,038,779

CORPORATION AUDIT DIVISION

Year	On hand in division July 1, 1925	Received during year	Closed during year	Transferred during year	On hand in division June 30, 1926	In files June 30, 1926	In field June 30, 1926	In 60-day file	Total pending June 30, 1926
1917	1,606	7,413	4,467	4,160	482		73	148	703
1918	4,082	14,493	9,099	8,287	759		165	322	1,278
1919	16,913	41,859	34,071	23,132	1,519		463	723	2,725
1920	28,223	62,500	48,506	37,256	4,961		4,000	17,800	23,414
1921	35,094	108,157	73,288	45,143	12,751		8,560	49,872	66,844
1922	10,532	391,963	172,055	213,707	17,033		185,061	13,720	276,994
1923	472	311,791	144,739	163,936	3,538		203,052	1,575	208,260
1924		51,013	12,744	36,144	125		410,000	142	410,267
Total	58,213	689,210	498,069	537,265	41,198	818,413	80,890	4,982	945,483

CONSOLIDATED RETURNS AUDIT DIVISION AND SPECIAL SECTIONS

Year	On hand in division July 1, 1925	Received during year	Closed during year	Transferred during year	On hand in division June 30, 1926	In files June 30, 1926	In field June 30, 1926	In 60-day file	Total pending June 30, 1926
1917	3,278	7,220	3,636	4,908	2,081		12	85	2,158
1918	5,874	12,550	7,143	8,749	3,527		41	181	3,749
1919	16,005	12,211	9,023	13,532	5,641		91	459	6,155
1920	19,323	11,750	5,735	14,057	11,321		2,970	375	14,672
1921	4,669	18,307	3,226	10,260	3,948		3,948	145	14,603
1922	800	6,957	638	2,635	3,271			31	3,302
1923		8,609	80	323	500			5	514
1924									
Total	52,100	65,910	29,778	54,387	36,847		7,453	1,278	45,183

GRAND TOTAL, ALL DIVISIONS

Year	On hand in division July 1, 1925	Received during year	Closed during year	Transferred during year	On hand in division June 30, 1926	In files June 30, 1926	In field June 30, 1926	In 60-day file	Total on hand June 30, 1926
1917	8,104	26,261	18,291	12,516	3,278		139	367	3,804
1918	17,564	49,603	35,935	25,547	5,625		377	899	6,903
1919	52,300	158,737	133,552	66,454	11,021		1,334	2,636	14,791
1920	107,050	308,022	158,029	96,470	30,575		10,000	60,171	96,029
1921	119,700	306,356	245,027	142,474	38,585		13,500	8,511	176,772
1922	27,608	919,914	555,322	352,325	39,065		322,341	21,010	366,175
1923	803	851,012	532,216	284,797	95,102		334,012	3,592	373,491
1924		144,564	73,241	71,199	125		970,770	587	971,482
Total	302,861	2,685,119	1,751,613	1,052,131	164,276	1,650,023	100,140	18,400	2,028,445

Production and status of work, fiscal year ended June 30, 1924

PERSONAL AUDIT DIVISION

Year	On hand in division July 1, 1923	Received during year	Closed during year	Transferred during year	On hand in division June 30, 1924	In files June 30, 1924	In field June 30, 1924	Total pending June 30, 1924
1917	7,421	36,167	31,473	10,987	1,122		50	3,179
1918	11,638	88,959	78,832	17,217	6,548		269	8,817
1919	14,655	118,236	87,614	25,544	19,402		3,482	22,664
1920	31,710	415,868	311,770	106,132	29,476		49,356	78,832
1921	3,819	1,073,440	736,463	253,790	88,006	50,793	8,041	146,640
1922		590,393	439,010	135,407	15,976	343,186	1,828	360,900
1923		230,664	140,189	90,474	31	759,763	47	769,841
Total	69,223	2,555,521	1,823,320	638,856	162,508	1,153,742	83,073	1,379,363

CORPORATION AUDIT DIVISION

Year	On hand in division July 1, 1923	Received during year	Closed during year	Transferred during year	On hand in division June 30, 1924	In files June 30, 1924	In field June 30, 1924	Total pending June 30, 1924
1917	2,500	16,511	12,009	5,309	1,096		60	1,756
1918	18,462	40,289	40,585	14,084	4,062		235	4,317
1919	31,353	58,321	50,592	22,169	16,913		2,282	19,195
1920	48,146	339,442	198,906	160,750	28,223		31,117	59,340
1921	6,487	243,057	98,919	124,630	25,995	132,070	3,901	161,968
1922		22,713	9,948	2,823	10,832	346,460	430	357,822
1923		94,264	33,327	60,465	472	340,295	16	340,768
Total	106,951	814,597	443,086	390,240	88,213	818,625	38,141	945,179

CONSOLIDATED RETURNS AUDIT DIVISION AND SPECIAL SECTIONS

Year	On hand in division July 1, 1923	Received during year	Closed during year	Transferred during year	On hand in division June 30, 1924	In files June 30, 1924	In field June 30, 1924	Total pending June 30, 1924
1917	7,350	23,469	13,285	14,252	3,279	541	18	8,838
1918	21,711	43,823	24,600	35,970	6,874	1,275	81	8,230
1919	28,025	43,097	13,215	38,902	16,005	2,813	430	19,248
1920	20,081	45,531	9,723	38,536	19,353	8,466	430	28,312
1921	2,300	11,850	1,789	6,714	5,699	39,146	130	44,975
1922		1,400	130	380				890
1923								
Total	76,467	169,170	62,785	130,752	52,100	53,241	1,152	105,490

TOTAL, ALL DIVISIONS

Year	On hand in division July 1, 1923	Received during year	Closed during year	Transferred during year	On hand in division June 30, 1924	In files June 30, 1924	In field June 30, 1924	Total pending June 30, 1924
1917	17,274	78,147	56,769	30,548	8,104	541	128	8,776
1918	51,811	173,071	142,107	65,271	17,504	1,275	555	19,367
1919	71,013	219,648	151,421	86,920	52,320	2,813	6,194	61,327
1920	99,337	800,641	520,699	308,427	77,052	8,466	80,960	166,484
1921	12,606	1,328,567	837,121	384,132	119,700	222,009	12,072	353,781
1922		614,306	448,188	138,620	27,098	689,646	2,358	719,792
1923		324,928	173,486	150,939	509	1,100,058	63	1,100,624
Total	252,641	3,539,298	2,329,191	1,159,837	302,881	2,024,808	102,366	2,430,055

Comparative summary of adjustment of claims, fiscal years ended June 30, 1923, to June 30, 1927, inclusive

Division	On hand July 1—			Received during year ended June 30—					Adjusted during year ended June 30—				
	1922	1923	1924	1923	1924	1925	1926	1927	1923	1924	1925	1926	1927
Personal audit	22,094	8,627	11,635	55,474	63,304	32,735	39,007	8,637	50,055	39,759	50,055	39,759	31,888
Corporation audit	15,171	8,933	10,423	30,690	36,064	27,058	29,258	7,026	26,009	19,700	26,009	19,700	19,406
Consolidated returns	10,032	6,469	7,062	12,984	20,823	27,955	16,789	12,430	5,753	6,142	6,142	4,879	4,879
Special assessment	2,368	5,442	4,464	7,063	11,387	16,209	12,668	4,725	3,080	3,080	3,080	6,962	6,962
Special adjustment	15,150	6,810	6,441	13,005	11,120	1,040	1,599	621	669	669	669	480	480
Engineering division	59,493	38,670	53,432	34,028	17,870	17,257	2,249	55,486	11,290	6,815	11,290	6,815	6,815
Clearing records, and field	89,839	98,271	73,441	153,374	166,257	121,364	128,810	91,197	117,535	62,065	117,535	62,065	65,806
Grand total	220,000	151,711	173,000	460,000	500,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Division	On hand June 30—			Transferred during year ended June 30—					On hand June 30—				
	1929	1927	1924	1923	1924	1925	1926	1927	1923	1924	1925	1926	1927
Personal audit	32,638	8,750	18,706	20,537	0,360	1,347	8,697	11,635	4,828	1,775	1,775	395	
Corporation audit	16,939	3,860	1,004	4,769	19,301	8,007	5,838	10,433	3,459	4,492	4,492	3,108	
Consolidated returns	3,781	3,868	10,743	24,352	18,747	6,651	7,161	6,460	4,921	4,102	4,102	3,483	
Special assessment	10,351	3,095	645	7,886	4,308	2,026	5,722	3,365	6,543	4,804	4,804	1,483	
Special adjustment	673	460	773	773	819	485	663	3,365	278	286	286	271	
Engineering division	21,636	45,071	4,451	16,519	6,910	1,003	12,274	8,810	58,432	2,252	2,252	1,239	
Clearing records, and field	85,190	69,004	41,407	99,147	86,829	16,749	62,067	88,876	73,441	16,749	16,749	10,827	
Grand total	185,190	185,190	185,190	185,190	185,190	185,190	185,190	185,190	185,190	185,190	185,190	185,190	
Section	Received during year ended June 30—			Scheduled during year ended June 30—									
	1923	1924	1925	1923	1924	1925	1926	1927	1923	1924	1925	1926	1927
Personal audit	94,028	88,514	65,615	72,195	47,805	192,376	171,715	147,135	119,107				

REPORT OF COMMISSIONER OF INTERNAL REVENUE

Comparative summary of revenue agents' reports, fiscal years ended June 30, 1923, to June 30, 1927, inclusive

Division	On hand July 1—					Received during year ended June 30—					Closed during year ended June 30—				
	1922	1923	1924	1925	1926	1926	1925	1924	1923	1922	1923	1924	1925	1926	
Personal audit.....	20,259	12,471	19,068	17,820	186,302	111,351	128,954	66,243	27,102	180,920	80,420	121,984			
Corporation audit.....	12,152	6,677	11,260	7,828	58,347	86,001	42,434	38,445	27,437	57,783	23,800	41,214			
Consolidated returns.....	13,361	10,803	4,374	4,553	16,286	12,690	12,885	20,634	24,736	6,568	3,630	6,738			
Special assessment.....	3,387	4,201	2,370	2,178	8,031	6,668	6,691	6,004	1,418	3,183	1,177	1,207			
Special adjustment.....			891	944	3,470	2,183	8,088	4,302	4,407	1,187	780	335			
Engineering division.....	9,470	11,308	3,647		14,154	10,909		1,927							
Cleaning, records, and field.....	9,838	16,798	3,068	2,207	43,803	37,957	96,435	190,698	418,026	7,040	3,083				
Grand total.....	67,747	62,101	44,625	37,239	292,433	218,454	283,117	306,063	550,786	282,628	121,054	170,515			

Division	Transferred during year ended June 30—					On hand June 30—				
	1922	1923	1924	1925	1926	1926	1925	1924	1923	1922
Personal audit.....	53,231	12,260	12,234	8,199	14,900	12,471	17,820	19,068	17,820	8,917
Corporation audit.....	30,078	9,069	8,002	4,072	13,264	6,677	7,828	11,260	6,677	6,017
Consolidated returns.....	9,853	7,169	16,970	6,841	10,893	10,893	4,953	2,971	4,953	2,971
Special assessment.....	3,044	4,134	7,103	4,085	3,290	4,291	1,004	2,879	3,775	2,780
Special adjustment.....	1,223	1,620	1,180	3,310	2,916	603	801	801	801	1,848
Engineering division.....			18,477	3,647		263				1,108
Cleaning, records, and field.....	40,017	37,800	80,749	92,234	187,872	15,708	5,547	3,027	2,207	1,027
Grand total.....	173,036	75,381	114,274	120,988	207,531	62,101	44,625	37,239	20,737	15,586

Comparative summary of additional tax assessed, fiscal years 1922 to 1927, inclusive

Month	Office audit	Revenue agents' reports	Total
July.....	\$5,349,578.74	\$7,823,483.66	\$13,173,062.40
August.....	8,160,038.76	11,034,181.39	20,194,220.14
September.....	10,183,484.90	19,237,531.54	29,421,016.44
October.....	5,456,278.06	7,605,469.35	13,061,747.41
November.....	10,759,622.78	7,983,351.20	18,743,173.98
December.....	10,118,955.14	11,124,855.21	21,243,810.35
January.....	2,538,329.13	4,755,629.03	7,293,958.16
February.....	3,942,001.44	5,274,417.23	9,216,418.67
March.....	3,603,806.96	8,672,913.69	12,276,720.65
April.....	2,969,970.13	6,127,023.03	9,110,993.16
May.....	8,593,845.30	7,618,422.30	16,212,267.60
June.....	6,950,260.63	10,142,342.36	17,092,603.00
Total.....	79,679,860.97	107,602,803.18	187,282,664.15

FISCAL YEAR 1922			
July.....	\$2,300,323.51	\$9,133,357.64	\$11,333,681.15
August.....	3,543,068.78	11,508,774.13	15,051,842.91
September.....	7,312,186.84	14,411,935.55	21,724,122.39
October.....	5,280,178.67	14,347,891.69	19,628,070.36
November.....	4,604,975.59	13,658,278.11	18,263,253.70
December.....	5,534,153.19	18,826,727.24	24,360,880.43
January.....	5,310,174.33	13,253,658.52	18,563,832.85
February.....	7,670,678.20	34,205,416.47	41,876,094.67
March.....	14,488,384.64	48,804,960.46	63,293,345.10
April.....	7,801,524.52	17,129,535.77	24,931,060.29
May.....	2,649,185.37	14,942,223.26	17,591,408.63
June.....	6,047,028.00	22,358,750.01	28,405,778.01
Total.....	75,220,858.23	223,061,534.17	328,292,419.40

FISCAL YEAR 1923			
July.....	\$8,302,875.41	\$10,856,019.97	\$19,158,895.38
August.....	5,646,820.75	11,803,339.02	17,450,159.77
September.....	5,447,008.68	18,355,907.28	23,802,915.96
October.....	7,183,026.90	8,697,993.87	15,881,020.77
November.....	6,824,901.34	21,461,718.61	28,286,619.95
December.....	5,915,443.69	18,421,679.50	24,337,123.19
January.....	10,851,671.61	31,824,494.68	42,676,166.29
February.....	9,182,990.00	58,440,881.25	67,623,871.25
March.....	16,133,069.79	24,025,322.30	40,158,392.09
April.....	4,661,322.63	14,256,045.65	18,917,368.28
May.....	5,509,435.44	17,427,564.70	22,937,000.14
June.....	1,543,505.83	1,570,415.89	3,113,921.72
Total.....	87,237,142.07	203,812,600.22	328,049,742.89

FISCAL YEAR 1925			
July.....	\$1,194,397.88	\$2,077,988.75	\$3,272,386.63
August.....	1,781,041.40	5,645,184.97	7,426,226.37
September.....	751,018.25	3,400,317.54	4,151,335.79
October.....	2,068,422.41	5,029,770.67	7,098,193.08
November.....	2,217,411.17	4,998,523.47	7,215,934.64
December.....	3,308,482.50	24,354,006.32	27,662,488.82
January.....	3,327,458.78	15,956,398.45	19,283,857.23
February.....	2,761,848.31	12,096,918.85	14,858,767.16
March.....	8,917,532.07	22,824,049.63	31,741,581.70
April.....	5,256,727.28	13,698,874.06	18,955,601.34
May.....	5,251,674.83	23,101,623.84	28,353,298.67
June.....	1,788,143.77	10,192,087.87	11,980,231.64
Total.....	38,632,059.08	143,376,947.12	182,009,006.20

Comparative summary of additional tax assessed, fiscal years 1922 to 1927—Contd.

FISCAL YEAR 1922

Month	Office audit	Revenue agents' reports	Total
July.....	\$2,495,757.03	\$10,654,990.06	\$13,150,753.11
August.....	1,935,525.47	5,697,452.12	8,633,007.59
September.....	3,168,518.61	7,978,138.77	11,146,657.38
October.....	4,224,919.64	12,047,644.87	16,271,964.51
November.....	2,385,269.20	11,383,949.40	13,770,218.60
December.....	3,648,296.64	12,520,255.00	16,168,552.60
January.....	7,118,232.16	11,688,437.16	18,806,669.26
February.....	5,820,140.54	13,505,794.80	19,325,935.34
March.....	5,556,419.15	10,839,260.52	16,415,679.67
April.....	7,458,459.27	12,977,310.60	20,435,769.87
May.....	3,060,517.20	13,812,698.20	16,873,715.40
June.....	7,456,463.23	44,921,314.74	52,377,777.97
Total.....	54,329,818.14	169,046,883.10	223,376,701.30

FISCAL YEAR 1927

July.....	\$5,763,822.24	\$11,648,107.01	\$17,411,929.25
August.....	6,214,785.05	18,797,850.28	25,012,641.33
September.....	8,212,569.74	16,460,904.38	24,673,465.12
October.....	3,508,954.33	10,673,563.82	14,182,518.15
November.....	6,348,359.41	15,132,862.54	21,479,191.95
December.....	3,097,577.89	17,735,498.87	20,834,076.76
January.....	9,670,968.64	17,152,470.99	26,823,439.63
February.....	1,942,997.16	15,031,923.11	16,974,920.27
March.....	8,159,657.24	17,942,635.94	26,101,693.18
April.....	3,713,120.71	15,057,004.42	18,770,125.13
May.....	1,773,248.29	15,248,312.27	17,021,560.56
June.....	2,561,824.57	11,544,642.10	14,106,466.67
Total.....	60,965,876.27	182,426,421.73	243,392,298.00

ECONOMIES EFFECTED

The efficiency measures adopted, with their resulting economies, may be classified under the main headings "Decentralization," "Concentration of activities," and "Improved procedure." Reduction in force is the consequent major economy.

DECENTRALIZATION

Decentralization program—transference to the field of functions performed in Washington prior to August, 1923—was continued and amplified by a number of important changes in procedure and organization, with a view to obtaining finality of action wherever practicable. Notable among these changes was the establishment of an office audit procedure in the field divisions. This audit is not restricted to 1925 returns which were specifically classified therefor, but is applied to returns of all years within the statute of limitations. The change from conducting the office audit in Washington results in a vast saving in correspondence incident to the office audit of returns at long distances. Under the change the taxpayer usually comes into direct contact with the office auditor and is thereby enabled verbally to explain questionable items in his return which would be difficult to explain by correspondence. The Income Tax Unit at

Washington is relieved by this procedure of a great amount of conference work and of letters preparatory thereto, because the office audit in the field has demonstrated the capacity to properly close cases by agreement. This procedure also makes for good will on the part of taxpayers toward the unit, because they are thereby largely relieved of the necessity for lengthy explanations by correspondence and of what they consider an expensive and burdensome necessity, the employment of counsel.

Classification of returns by internal revenue agents which was inaugurated with the filing of returns for the taxable year 1925 and continued with returns for 1926 has demonstrated the wisdom of this policy. Reports from field divisions received in this office indicate that approximately 1,500,000 returns for 1926 will be examined and accepted as correct by experienced revenue agents working in the offices of the collectors before the end of the present fiscal year.

By requiring all protests to be submitted to the field for examination and conference or comments, the bureau and a great majority of taxpayers have been saved immeasurable time and expense by coming together for settlement of cases where it is most convenient and economical for all concerned.

As a result of investigations by internal revenue agents, based on refund claims filed by taxpayers, it is interesting to note that the complete investigation possible only through field agents has resulted in a more expeditious and accurate adjustment, with considerable saving in money to the Government.

CONCENTRATION OF ACTIVITIES

Greater concentration of activities has been attained during the current fiscal year. Several sections were abolished and the duties and responsibilities taken over by the sections retained. Such consolidations had for their purpose the following major aims:

1. Better standardization of operation and uniformity of decision.
2. Elimination of duplication.
3. Reduction in supervisory and administrative overhead.

Personal audit sections 1 and 2 were combined, and section 23 of corporation audit division was abolished, its work and personnel being assigned to other sections of corporation audit division.

The service division was abolished and in its stead there was created a service section. This change eliminated the positions of head of division and two section chiefs. Within the service section there was a consolidation of two typing units, and one stenographic unit was abolished. As a consequence, two supervisors were eliminated and two clerical assistants made immediately available for other work.

Another step toward standardization of activities was taken in the consolidated returns audit division. A change of policy with respect to audit unit's organization was effected, and each unit as now constituted is composed of one section unit auditor and 12 resident auditors.

The proving and correspondence subsections of proving section were combined. This combination resulted in a direct saving of \$3,800 in supervisory salaries made possible by elimination of the chief and assistant chief of the subsection.

The engineering division was abolished, and its functions combined in an engineering section, which was placed under consolidated returns audit division. As a consequence of this change, all work relative to cases in which engineering principles are major features is centralized under the jurisdiction of one administrative head, who will be held responsible for its expeditious accomplishment. The placing of this work under the consolidated returns audit division made possible the saving of the salary of one head of division and subsequently will result in releasing a number of clerical employees due to combining much clerical work which heretofore it was necessary to perform in each division.

IMPROVED PROCEDURE

Effective upon the 1926 returns, control cards are not prepared for accepted returns. This procedure is developed as the result of the realization that only in few instances are returns so marked called out of the files for further investigation. This saves for the Government approximately \$37,500 per annum.

A second change in procedure determined upon during the fiscal year directed the filing of revenue agents' reports, copies of audit correspondence, and memoranda with the returns involved. The total saving accomplished as a consequence of this change is not apparent. In time it will result in the complete elimination of the correspondence subsection, files section, whose personnel number 38 employees, and will materially lessen the cost in connection with the assembly of files necessary in connection with the reconsideration of a case.

Considerable saving was made possible by the assembling of information certificates with the returns involved prior to transference of the returns to the field. In the past it was frequently found that after field investigation had been made, the dividends and other income reported by the taxpayers were not in accordance with that disclosed by their information certificates and in such cases a second field investigation was necessary. By completely assembling all data pertaining to the return of a single taxpayer, it is possible to make a thorough examination on the first attempt and thereby arrive at a satisfactory conclusion.

During the year the policy was adopted in the proving section of preparing a card in description of assessments to be made. The use of this card has materially improved the product per operator in the Elliott Fisher unit of the proving section. It has resulted in a saving of approximately \$10,000 per year in clerical effort and reduced to a large extent the possibility of error.

REDUCTION IN FORCE

The changes indicated above, as the outcome of concentration of activities and improvement in procedure, resulted in the elimination of 28 supervisory employees, who were placed on productive work, and in the reassignment of 233 technical employees to other duties. The personnel of the Income Tax Unit was decreased during the current fiscal year by 313 employees, which resulted in a saving in annual salaries of approximately \$450,000.

OTHER ECONOMIES

The introduction of 16 machines in the sorting section made possible the elimination of much hand sorting. Experience discloses that a machine accomplishes as much of this class of work in seven hours as three employees could perform in the same length of time. The saving accomplished through the installation of these machines, therefore, is equivalent to 39 clerical salaries, or approximately \$56,160.

There were erected in the consolidated returns audit division, for filing purposes, 63 sets of three-compartment shelves. The installation of this shelving for filing purposes made possible the elimination of a purchase of 189 file cabinets costing \$27.38 apiece, making a direct saving accomplished in this one item alone of \$5,174.82.

A new form of schedule for the listing of certificates of overassessment was developed during the current fiscal year. The work upon these schedules in the Accounts and Collections Unit, Comptroller General's Office, and Income Tax Unit can, as a consequence, be much more economically conducted, and the possibility of error has been considerably lessened. While it is impossible to determine the exact amount of money saved as the result of the adoption of this new form of schedule, it is estimated that it will total approximately \$50,000 a year and will be a continuous saving.

The utilization of folding and sealing machines by the preliminary audit section has resulted in the economy of several thousand dollars a year in the performance of these two operations upon approximately 1,500,000 letters to be issued taxpayers. Prior to the introduction of this machinery the work upon these letters was performed by hand.

The policy of decentralization which was so thoroughly placed in effect during the previous fiscal year has made possible the disposition of much surplus furniture in the Income Tax Unit. This furniture was turned over for distribution either to the several field offices or to other Government agencies through the General Supply Committee, and totals \$22,910.96, which is a direct economy.

Permission was granted during the present fiscal year for the destruction of all 1040-A returns filed for the years 1917 to 1921, inclusive. The destruction of these returns made available for immediate use 187 steel filing cases valued at \$23 apiece, or a direct saving of \$4,301, as it was unnecessary to purchase new filing cases for the 1926 returns, which otherwise would have been necessary. Besides the economy in filing facilities, it was also possible to use the space in which these cases were erected for filing of other returns, making it unnecessary for the unit to occupy an increased amount of space in Washington.

During the past year it was possible, as a further result of decentralization, to eliminate much correspondence which previously had been carried on with taxpayers in respect to questionable items on their returns. The necessary information is now obtained by allowing taxpayers to confer with the representatives of the bureau stationed in the field who are auditing the returns in question, and to furnish verbal explanations. The unit also directed its efforts toward the elimination of needless interoffice letters and memoranda, with very satisfactory results. Committees were appointed in each audit division to make a study of the correspondence, and the recommendations to date have caused the discontinuance of the use of a number

of form letters and the reduction of two in the number of carbons typed with each 30-day letter.

The direct economies as outlined above, based principally on lessened administrative overhead and reduction in force, total \$581,362.78. The indirect economies effected through reorganization and improved procedure, for which monetary value can not be given, will save the Government annually sums of money many times in excess of the direct economies and will be a continuous saving.

With the foregoing record of achievement, it is felt that the Income Tax Unit may properly claim a substantial share in the economies effected and efficiency measures instituted in Government service during the fiscal year.

MISCELLANEOUS TAX UNIT

This unit is charged with the administration of all taxes other than income tax. The unit is composed of four divisions, namely, capital stock tax division (for completion of the work in connection with the capital stock tax, repealed effective July 1, 1926), estate tax division, miscellaneous division, tobacco division, and an appeals and review section, which is attached to the office of the deputy commissioner in charge.

A material reduction in personnel was effected during the year, principally in the capital stock tax division, due to the repeal of that tax July 1, 1926; to a lesser extent in the estate tax field force, and also in the other divisions of the unit. A reduction was made in the personnel of the miscellaneous division on account of the repeal of certain taxes. This was effected in spite of the fact that there was transferred to it, upon the organization of the Prohibition Bureau April 1, 1927, the personnel engaged upon internal revenue work connected with spirits-narcotic taxes, which remains in this bureau. The work of the divisions has been kept on practically a current basis by improvement in procedure. The following tables show the changes which occurred in personnel and pay rolls and in tax collections. The accomplishments are shown under the sections and divisions following.

PERSONNEL AND PAY ROLL

The personnel and annual pay rolls of the unit as of June 30, 1926, and June 30, 1927, are shown in the following table:

Division	Personnel			Pay roll		
	1926	1927	Decrease	1926	1927	Decrease
Executive office.....	13	13	—	\$43,480	\$41,350	\$2,130
Capital stock tax division.....	26	29	67	169,320	63,000	103,420
Estate tax division.....	102	88	4	225,600	222,740	2,860
Miscellaneous division.....	117	115	2	223,080	221,120	1,960
Tobacco division.....	80	63	5	161,600	154,680	6,920
Total	408	340	68	\$623,080	705,820	117,300
Estate tax, field.....	233	214	19	738,300	686,000	40,300
Grand total	641	554	87	1,361,380	1,403,820	157,500

¹ The field deputies and agents assigned to investigation of taxes other than estate tax are not attached to this unit.

TAXES COLLECTED

The following comparative statement shows the amounts of the different taxes collected for the years ended June 30, 1926 and 1927:

Class of tax	Fiscal year		Increase (+) or decrease (-)
	1926	1927	
Capital stock tax.....	\$97,355,755.01	\$5,970,230.93	-\$88,415,521.68
Estate tax.....	116,041,038.09	100,339,551.96	-15,701,184.13
Gift tax.....	3,175,338.78	—	-3,175,338.78
Gift tax.....	61,653,757.09	40,538,816.28	-21,114,942.71
Miscellaneous taxes.....	154,252,650.93	95,205,688.69	-89,046,962.24
Sales taxes.....	370,666,438.87	376,170,205.04	+5,503,766.17
Tobacco taxes.....	—	—	—
Total	833,175,008.22	621,224,791.60	-211,950,216.32
Spirits-narcotic taxes.....	27,849,965.33	22,496,254.00	-5,353,711.33
Grand total	861,024,973.55	643,721,045.60	-217,303,927.65

APPEALS AND REVIEW SECTION

The appeals and review section holds hearings in cases arising under the various tax laws administered by this unit, renders opinions on request on law questions arising in connection with the administration of such tax laws, and reviews the action taken by the divisions on all claims for refund or abatement allowed for amounts in excess of \$500. The majority of the hearings are held in connection with estate taxes, but a large number involve the various excise taxes, such as documentary stamp, sales, and taxes on admissions and dues, etc. In the case of estate taxes, an opportunity is afforded the taxpayer for hearing before adverse action is taken against the taxpayer on protest under article 76, Regulations 70 (1926 edition), or on claims for refund if such hearing is requested by the taxpayer. In respect to the other miscellaneous taxes, this section reviews cases only on appeal by the taxpayer from the rulings theretofore made.

During the fiscal year, 475 hearings were held and 592 formal opinions prepared on cases in which hearings had been held or which had been formally submitted by heads of divisions for opinion. The number of claims for refund and abatement reviewed for the year aggregated 2,743.

At the close of the year there were 50 cases awaiting hearings scheduled for future dates, 47 cases in the hands of members of this section either awaiting submission of additional evidence from the taxpayer or supplemental reports from the field, 11 cases ready for final action on which final decision had not been made, and 15 cases which had been disposed of by this section but were awaiting the attention of the valuation section of the estate tax division.

A reduction from five to four members was effected during the fiscal year.

CAPITAL STOCK TAX DIVISION

The capital stock tax division was engaged during the year in completing the audit of capital-stock tax returns filed for the period ended June 30, 1926, and prior taxable years. This tax was repealed effective as of July 1, 1926. Consequently no returns were due to be filed for the fiscal year 1927.

The personnel was reduced as rapidly as the condition of the work would permit. Notwithstanding the large reduction in personnel, the completion of the audit of all returns progressed in a satisfactory manner. The additional tax assessed and collected as the result of the audit has been unusually large.

The segregation of returns by industries for audit was carried on in the same manner as for prior years. The public utilities class presented a rather difficult problem, due to the activity in the stock of such corporations and the large number of reorganizations and consolidations of corporations in that class. The natural resource holding companies, especially those holding undeveloped timber or timberlands, for several years have been held to be engaged in business and subject to the tax under the regulations, and this position of the bureau has resulted in numerous suits being filed in the Federal district courts to test the legality of the regulations on this question.

It was disclosed in the audit of the returns of timber-holding companies that a large number of such corporations were reporting the value of their timber as of March 1, 1913, as determined for depletion purposes in computing income tax, whereas current values in most instances are greatly in excess of 1913 valuations.

Under the revenue act of 1924, insurance companies subject to income tax under sections 243 or 246 of that act are specifically exempt from capital stock tax. As the 1926 returns were based on conditions existing during the year ended June 30, 1925, the audit of the returns of this class of corporations was delayed, awaiting a final determination of the status of the corporations by the Income Tax Unit. A number of taxpayers, who were denied classification as insurance companies, filed suit in order to test the validity of the decisions excluding them from an exempt status for capital stock tax purposes.

On May 2, 1927, the United States Supreme Court rendered a decision in the case of the International Salt Co., holding that company to have been engaged in business and subject to the tax. The decision was in line with a previous decision of that court in the case of the Chile Copper Co. and has been of great assistance in clarifying the question of doing business, and has permitted the closing of numerous cases.

Statistics.—Data from capital stock tax returns rendered for the fiscal year 1926 were compiled by the statistical section, Income Tax Unit, and published in the bureau's report, "Statistics of Income, 1925."

Claims.—The adjustment of claims is shown in the table which follows:

	Refund		Abatement		Uncollectible	
	Number	Amount	Number	Amount	Number	Amount
On hand July 1, 1925.....	1,050	\$2,477,057.57	232	\$1,050,456.89	54	\$32,157.63
Received.....	1,777	4,769,314.34	641	627,531.53	735	131,275.71
Allowed.....	1,233	1,949,116.22	400	620,739.97	745	145,451.45
Rejected.....	1,005	3,904,645.45	263	655,218.34	27	4,040.54
On hand June 30, 1927.....	589	2,487,434.85	180	202,050.11	47	18,971.25

¹ Includes \$144,224.61 interest.

During the year additional tax was assessed, as the result of office audit and field investigation, in the amount of \$11,219,357.58, a net increase over the previous year of \$2,420,714.04.

During the year the personnel was reduced from 86 employees, with a pay roll of \$169,320, to 29 employees, with a pay roll of \$65,900. The net reduction in the annual pay roll was \$103,420.

ESTATE TAX DIVISION

The estate tax division is responsible for the administration of the estate tax imposed by Title III of the revenue act of 1926 and the disposition of cases involving estate and gift taxes under repealed statutes.

The present law, which became effective February 26, 1926, retroactively reduced the rates provided in the 1924 act to the same percentages as existed under the 1921 act; provided a new and even lower range of rates in cases arising after February 26, 1926; granted a possible maximum credit of 80 per cent for State inheritance taxes paid; increased the amount specifically exempted from taxation to \$100,000; abrogated the gift tax. It also contains other provisions not found in prior acts.

The field force operates under the direction of the deputy commissioner through the internal-revenue agents in charge. Notwithstanding delays incident to the recently adopted field protest program, together with a reduction in the corps of estate-tax officers, there is less work on hand in the field than last year. A reduction in the number of estate tax returns filed has contributed to this condition. The field submitted 12,899 estate tax and 396 gift tax major reports during the year, compared with 13,694 estate tax and 1,085 gift tax major reports in 1926. There were 12,538 new estate tax and 2,523 gift tax returns filed, compared with 15,982 estate and 2,461 gift tax returns for 1926.

Audit.—There were 895 cases awaiting audit at the close of the fiscal year. The number of returns audited was 16,087, compared with 13,912 for the previous year, while the number of examiners actually engaged was reduced by 5.

Claims and protests.—The status of claims is shown in the following table:

	Estate-tax claims					
	Refund		Abatement		Uncollectible	
	Number	Amount	Number	Amount	Number	Amount
On hand July 1, 1926.....	304	\$10,489,250.20	16	\$233,592.43	3	\$197,308.79
Received.....	3,460	37,267,225.03	398	4,918,222.99	11	4,004.60
Allowed.....	2,810	19,304,269.87	401	5,034,071.12	9	108,388.63
Rejected.....	567	25,694,532.87	12	171,261.40	—	—
On hand June 30, 1927.....	357	13,350,324.00	1	4,432.90	5	2,924.76

	Gift-tax claims			
	Refund		Abatement	
	Number	Amount	Number	Amount
On hand July 1, 1926.....	48	\$608,324.21	—	—
Received.....	247	1,376,153.21	8	\$949.26
Allowed.....	127	741,485.15	8	949.26
Rejected.....	147	1,027,792.33	—	—
On hand June 30, 1927.....	21	414,824.14	—	—

¹ Includes \$502,750.41 interest.

² Includes \$2,771.21 interest.

There were 107 protest letters pending at the beginning of the year and 2,054 were received. There were 1,794 such letters disposed of, involving \$34,636,661.97, leaving 367 on hand at the close of the year. Most of the recent claims and protests are concerned with transfers, life insurance, jointly owned property, and deductions for additional administration charges.

Included in the amounts of estate tax and of gift tax claims allowed are \$4,439,189.56 and \$614,027.27, respectively, which represent refunds, without interest, under the provisions of section 325 of the revenue act of 1926 of amounts paid under the revenue act of 1924 in excess of the tax imposed by such act as amended by the revenue act of 1926.

Collections.—Estate tax collections amounted to \$100,339,851.96, compared with \$116,041,036.09 for the fiscal year 1926.

The particular problems of both office and field are those dealing with the legal phases of transfers made in contemplation of or to take effect in enjoyment and possession at or after death, powers of appointment, and charitable bequests and the more materialistic questions concerned with the valuation of close corporation stock. An adequate force of trained attorneys and accountants in the office and field must be maintained for this purpose.

Files.—The files on June 30, 1927, contained 140,129 estate tax cases and 2,566 gift tax cases.

Statistics.—Statistical data from the 1926 returns, showing in comparative and classified form statements of total amounts of assets included in gross estates, total amounts of deductions, total net amounts taxed, and total of resulting tax have been compiled and published in the bureau's report, "Statistics of Income, 1925."

MISCELLANEOUS DIVISION

The miscellaneous division is responsible for the administration of those taxes imposed by the revenue act of 1926 on admissions and dues; on the sale of automobiles by the manufacturer, producer, or importer, and on the sale of pistols and revolvers and nonintoxicating cereal beverages; on the use of foreign-built boats; those taxes payable by stamp on the issue, sale, and transfer of stock, on sales of products for future delivery, on bonds of indebtedness, passage tickets, playing cards, and insurance policies issued by foreign corporations on property in the United States. This division is also responsible for the administration of the stamp and special taxes imposed under old statutes on oleomargarine, adulterated butter, renovated butter, mixed flour, filled cheese, white phosphorus matches, and cotton futures, and the disposition of cases involving taxes repealed by the revenue act of 1926 and prior revenue acts. Its work includes assessments and compromises of the taxes administered in this unit, which prior to July 1, 1926, was assigned to the respective administrative divisions and includes all of the work of internal-revenue character in connection with spirits, wines, fermented liquor, and narcotic taxes not allocated to the Bureau of Prohibition upon its organization April 1, 1927.

Receipts.—Receipts from admissions, dues, and excise taxes for the fiscal year 1927 amounted to \$95,205,688.69, compared with

\$184,252,680.93 for 1926. This decrease is due to changes in tax legislation provided for by the revenue act of 1926. Collections from miscellaneous stamp and special taxes were \$40,538,815.28, compared with \$61,653,757.99 for 1926. Receipts under prohibition, narcotic, and related laws during the last three months of the fiscal year 1927 were \$5,040,853.55.

Adjustment of claims.—As a result of court decisions adverse to the Government the number of refund claims received and unadjusted is larger than for the fiscal year 1926. Substantial reductions were made, however, in other classes of claims, as shown by the following table:

	Refund		Redemption		Abatement		Uncollectible	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Sales taxes:								
On hand July 1, 1926	1,335	\$3,976,540.17			504	\$2,036,531.21	722	\$394,858.22
Received	9,790	33,398,171.22			1,570	2,435,316.91	1,461	849,804.20
Reopened	452	448,381.67			41	43,853.45	17	2,212.17
Allowed	3,973	1,778,444.48			1,629	1,635,506.22	1,849	938,551.92
Rejected	987	23,604,558.51			368	807,323.71	101	80,693.43
On hand June 30, 1927	6,817	14,440,090.10			348	2,072,781.54	250	229,829.24
Miscellaneous stamp:								
On hand July 1, 1926	422	478,341.15	1,169	\$383,017.33	80	73,444.10	93	14,033.64
Received	385	338,064.35	5,685	545,515.60	204	319,790.95	415	272,076.62
Reopened	27	45,243.04	15	24,143.46	9	12,816.55	1	13.50
Allowed	733	493,896.45	6,057	378,566.32	215	264,272.09	451	123,452.40
Rejected	69	349,377.48	583	520,206.09	47	42,995.58	17	22,951.32
On hand June 30, 1927	32	19,251.61	1,170	256,810.98	41	97,735.08	41	139,718.04
Spirits-narcotic:								
On hand July 1, 1926	40	41,571.07			581	5,552,921.31	106	333,254.20
Received	200	84,431.14	36	3,417.82	2,394	4,875,029.52	110	133,496.02
Reopened							1	446.96
Allowed	120	23,655.91	23	3,308.43	2,366	8,255,638.88	146	244,308.73
Rejected	69	63,597.90			134	956,392.31	61	215,096.43
On hand June 30, 1927	51	38,748.40	8	109.39	475	1,015,919.54	16	7,792.02

During the year there was allowed \$578,184.22 as interest accrued on taxes refunded, compared with \$1,618,474.39 allowed during 1926.

At the beginning of the fiscal year 1927 there were on hand 4,171 claims for credit taken on manufacturers' and dealers' excise tax returns for alleged prior overpayments. There were 1,206 credits received during the year, and 3,341 disposed of, leaving on hand 2,036 as of June 30, 1927.

Credit and refund claims aggregating \$6,161,692.58, requiring the audit of 45,415 inventory schedules, were received from automobile manufacturers and dealers pursuant to the provisions of section 1204 of the revenue act of 1926. This amount, when added to the 7,500 inventory schedules totaling \$1,722,522.59 received last year, shows that as a result of section 1204 a total of \$7,884,215.17 has been claimed. Of this amount a considerable portion was adjusted during the fiscal year 1927 and the balance, having been examined, will be adjusted upon receipt of evidence requested.

Of the \$23,604,555.51 sales tax refund claims rejected, approximately \$17,500,000 represents taxes paid on automobile parts and accessories, which amount was rejected due to the limitation placed in the first deficiency act, fiscal year 1927, requiring manufacturers

to give bond conditioned upon the return to the ultimate consumer of any amount of tax recovered from the Government.

As a result of the decision of the United States Court of Claims in the case of the Alliance Country Club v. United States, holding that amounts paid to clubs for shares of stock the purchase of which was prerequisite to membership in the club, which amounts were intended under certain contingencies to be returned to the club member, were not subject to tax, refund claims were allowed amounting to \$376,532.14.

Documentary stamp tax.—The stamp tax collections on bonds, capital stock issues, passage tickets, and foreign policies of insurance on property in the United States amounted to \$13,044,445.65, compared with \$28,480,422.01 for the preceding fiscal year. The tax on the transfer of stock during 1927 amounted to \$16,674,102.83, compared with \$17,137,185.75 for the previous fiscal year, and the tax on sales of produce (future deliveries) netted \$2,884,534.45, compared with \$4,183,217.57 for the preceding year.

Foreign-built boats.—The special tax collected upon the use of foreign-built boats amounted to \$7,966.72.

Oleomargarine.—There were produced during the year 14,501,929 pounds of colored and 242,654,698 pounds of uncolored oleomargarine, compared with 13,180,497 pounds of colored and 234,866,321 pounds of uncolored in 1926, an increase of 10.03 and 3.32 per cent, respectively. (See pages 112 and 113 for additional statistics.)

On July 1, 1926, there were 61 oleomargarine manufacturers in business. Two new factories commenced business during the year and 3 closed, leaving 60 in business on June 30, 1927. There were 21,940 manufacturers' and wholesale dealers' returns received and examined during the year, and a large number of prospective delinquent cases were referred to the field for investigation, which resulted in the collection of \$12,931.79 in additional tax, penalties, and compromise offers. The following comparative data shows the trend of the industry:

	Colored		Uncolored	
	1926	1927	1926	1927
	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>
Oleomargarine produced.....	13,180,497	14,501,929	234,866,321	242,654,698
Withdrawn tax-paid for domestic use.....	10,731,362	11,343,879	234,356,548	242,332,227
Withdrawn free of tax for export.....	1,643,374	2,122,011	18,820	11,310
Withdrawn free of tax for use of United States.....	876,870	967,084		

The oleomargarine law yielded a total of \$3,164,218.94 in revenue during the year, compared with \$3,070,218.26 in 1926, an increase of 3.06 per cent. The collections in detail for the years 1926 and 1927 were as follows:

	1926	1927	Increase (+) or decrease (-)	Per cent
Stamp tax, colored oleomargarine.....	\$1,071,938.99	\$1,161,976.87	+89,037.88	8.20
Stamp tax, uncolored oleomargarine.....	588,904.36	619,850.44	+30,946.08	5.23
Manufacturers' special tax.....	45,144.80	42,854.61	-2,290.19	5.12
Wholesale dealers' special tax.....	373,142.29	351,624.69	-21,517.60	5.19
Retail dealers' special tax.....	988,721.12	980,972.39	-7,748.73	-.78
Total.....	3,070,218.26	3,164,218.94	+94,000.68	3.06

Adulterated butter.—The adulterated butter law yielded \$2,069.22 in revenue during the year. There are two registered manufacturers of adulterated butter, but as their entire output is removed free of tax for export, the only tax paid by them is the special tax of \$600 per annum imposed on persons engaged in the business of manufacturing adulterated butter. There were several cases discovered during the year of adulteration of creamery butter by the addition of foreign fats.

Process or renovated butter.—There were six manufacturers of process or renovated butter in business during the year. They produced a total of 4,272,033 pounds of process or renovated butter during the year, compared with 2,482,660 pounds in 1926. The revenue derived from this source totaled \$11,044.11, compared with \$6,080.18 in 1926.

Mixed flour.—There were 17 makers, packers, or repackers of mixed flour engaged in business during the year, and they made, packed, or repacked a total of 11,035,002 pounds, compared with 8,297,634 pounds in 1926. The mixed-flour law yielded a total of \$3,666.73 in revenue during the year, compared with \$12,817.89 in 1926.

Filled cheese and white phosphorus matches.—There were no registered manufacturers of filled cheese or white phosphorus matches in business during the year. A total of \$4,298.13 was, however, collected during the year upon cheese found in the market and which upon analysis proved to be filled cheese under the law.

Playing cards.—There were 74 manufacturers, repackers, or importers of playing cards engaged in business during the year. They manufactured, repacked, or imported a total of 55,196,758 packs. The tax on playing cards yielded \$4,742,468.50 in revenue, compared with \$4,213,414.03 in 1926.

Conferences.—During the year 1,190 conferences were held with taxpayers and their representatives.

Assessments.—A total of \$210,984,285.90, representing 209,815 items, was entered on the miscellaneous assessment lists approved by the commissioner. These lists, on which are entered all assessments of taxes administered by the unit, carried additional assessments amounting to \$25,429,294.02 as a result of field investigations and office audit. The amount of interest paid and assessed aggregated \$1,087,071.30.

Offers in compromise.—There were 15,305 offers in compromise, amounting to \$527,487.69, pending in the Miscellaneous Tax Unit on July 1, 1926. There were 30,456 received during the year and 40,022 disposed of, leaving 5,739 on hand June 30, 1927. Of the 40,022 offers handled, 38,896 were accepted for amounts aggregating \$2,009,805.63.

TOBACCO DIVISION

The tobacco division is responsible for the administration and enforcement of the laws dealing with the manufacture, sale, tax payment, and exportation of tobacco, snuff, cigars, and cigarettes and the purchase and sale of leaf tobacco, embraced in sections 3355 to 3406, Revised Statutes, and subsequent acts of Congress, including the act of February 26, 1926 (Title IV), the tax on cigarette papers and tubes under the last-mentioned act, and the withdrawal of tobacco products

free of tax for use of the United States under section 3464, Revised Statutes.

The total collections from taxes on tobacco, snuff, cigars, and cigarettes of domestic and imported manufacture, including taxes on domestic and imported cigarette papers and tubes in packages, books, or sets, during the fiscal year 1927 were \$376,170,205.04. No prior year's collections approached this figure. The increase compared with 1926 was \$5,503,766.17, despite the fact that the reduction in rates of taxes on cigars under the revenue act of 1926 accounted for a decrease of \$14,774,661.58 in collections from taxes on large cigars and a decrease of \$180,084.19 from taxes on small cigars and that the repeal of tobacco special taxes accounted for a decrease of \$1,132,155.97 and that the revenue from chewing and smoking tobacco declined \$2,640,578.04.

The increase in the total tobacco collections resulted from the unparalleled receipts from taxes on small cigarettes, which amounted to \$278,928,561.81, an increase of \$24,103,753.62 compared with the preceding year, and which represents 74.15 per cent of the total tobacco collections.

The total taxes collected on cigarette papers and tubes amounted to \$1,170,025.22, an increase of \$108,880.80. Of this amount, \$14,374.42 was collected on 1,506,300 packages of cigarette papers of domestic manufacture, \$1,148,990.32 on 107,110,226 packages imported, and \$6,660.48 on cigarette tubes. There were removed exempt from tax for consumption or use 219,323,959 packages of cigarette papers, each containing not more than 25 papers, and there were released tax free for use of cigarette manufacturers 41,645,750 cigarette tubes.

A total of \$343,338,781.73, or 91.27 per cent of the total receipts, was collected in the following States: North Carolina, \$185,941,504.24; Virginia, \$57,775,134.62; New York, \$26,919,774.26; New Jersey, \$19,956,537.18; Pennsylvania, \$17,956,264.47; California, \$12,511,121.61; Ohio, \$12,061,905.69; Missouri, \$10,216,539.66.

The leading States in the manufacture of tobacco products are as follows, in the order named: In the manufacture of cigars weighing more than 3 pounds per 1,000, Pennsylvania, New York, New Jersey, Florida, Ohio, Virginia, and Michigan (see Table No. 14); in the manufacture of cigars weighing not more than 3 pounds per 1,000, Maryland, Pennsylvania, Virginia, North Carolina, and New York (see Table No. 16); in the manufacture of cigarettes weighing not more than 3 pounds per 1,000, North Carolina, Virginia, New York, New Jersey, Pennsylvania, and California (see Table No. 17); in the manufacture of cigarettes weighing more than 3 pounds per 1,000, New York produced 83.92 per cent of the total manufactured (see Table No. 18); in the manufacture of plug tobacco, Missouri and North Carolina; twist, Missouri, Kentucky, and Tennessee; fine-cut, Illinois, Michigan, Ohio, New York, and New Jersey; smoking tobacco, North Carolina, Ohio, Kentucky, Illinois, and Virginia; snuff, Tennessee, Illinois, and New Jersey (see Table No. 13).

Additional statistics concerning the manufacture and tax payment of tobacco products are shown in Tables 12 to 28, on pages 84 to 109, and relating to tax collections in Table 1, on pages 52 to 67; in Table No. 2, on pages 68 to 74; and in Table No. 3, on pages 75 and 76.

Claims.—The following table indicates the status of tobacco claims:

	Refund		Redemption		Abatement		Uncollectible		Drawback	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
On hand July 1, 1926	7	\$360.75	142	\$77,154.47	25	\$112,103.88	7	\$11,833.26	3	\$40,879.23
Received	64	9,656.18	675	583,169.24	213	35,534.52	32	37,079.59	71	157,279.24
Allowed	45	1,657.42	766	416,142.88	161	30,213.42	20	12,888.53	69	151,281.87
Rejected	19	7,951.72	18	14,677.18	54	25,284.02	13	10,800.71	2	10,606.23
On hand June 30, 1927	7	431.45	33	229,808.70	24	90,110.96	6	25,245.91	3	4,288.37

1 See also Table 24, on page 103.

2 Includes \$31.09 interest.

3 Includes partial rejections.

Refund (rebate) claims.—Section 400 of the revenue act of 1926, approved February 26, 1926, reduced, effective March 29, 1926, the rates of taxes imposed on cigars by section 400 of the revenue act of 1924, and by section 1205 provided that—

„In the case of all cigars and little cigars in original and unbroken statutory packages held and intended for sale by any person on the effective date of the repeal of section 400 of the revenue act of 1924, including those in customs custody or in transit from the insular possessions of the United States; which on such date have affixed thereto stamps purchased at the rates of tax imposed by section 400 of the revenue act of 1924, there shall be allowed a refund equal to the difference between the tax imposed by such section and the tax imposed by section 400 of this act.

(b) No refund shall be allowed under this section unless claim therefor is presented within 60 days after the effective date of the repeal of section 400 of the revenue act of 1924. No refund shall be made to any person if the claim is for an amount less than \$10.

Under this law refund was allowed on cigars in original stamped packages held for sale March 29, 1926, where the claim was presented on or before May 28, 1926, in an amount not less than \$10.

There were presented under this act a total of 25,174 claims, in the amount of \$3,725,816.41; 24,760 claims were allowed, in the amount of \$3,698,367.51, the allowances in excess of amounts claimed aggregating \$8,679.08 and the decreases \$18,855.30. There were 414 claims, amounting to \$17,272.68, rejected in full. Claims rejected were classified as follows: 172 claims, amounting to \$9,361.53, were barred by the statute of limitation; 121, amounting to \$1,147.06, were barred, being in amounts less than \$10; 83, amounting to \$4,518.93, were barred on account of insufficient evidence; and 38, amounting to \$2,244.56, being duplicate claims.

The number and amount of claims received, the number and amount allowed, the number of cigars of the various classes held and intended for sale upon which refund or rebate was allowed, and the number and amount of claims rejected in full, by districts and States, is shown in Table 29, on pages 110 and 111.

ACCOUNTS AND COLLECTIONS UNIT

During the past fiscal year the titles of the three divisions of the Accounts and Collections Unit were changed with a view to describe better the activities of each.

COLLECTION ACCOUNTING DIVISION

The collection accounting division is charged with the following duties:

The construction of accounting systems for use in collectors' offices, the preparation of the procedure for the audit of income-tax returns in collectors' offices, supervision over the force of supervisors of accounts and collections and internal revenue agents (sales and miscellaneous taxes), the answering of inquiries in regard to matters of procedure and accounting, the auditing of collectors' revenue and special deposit accounts, the preparation of statistics in regard to internal revenue collections, the preparation of orders for internal revenue stamps and the redemption of unused stamps, and the recording of refunds of taxes erroneously and illegally collected; also the direction of field investigations made by collectors' field forces and special squads of internal revenue agents under supervisors of accounts and collections, the planning of delinquent drives, and the organization of collectors' field forces.

During the year the supervisors of accounts and collections submitted 119 reports covering the examinations of the accounts of collectors of internal revenue. The accounts of every collector's office were examined at least once with the exception of the office at Honolulu, Hawaii. In addition to the examinations made by the supervisors of accounts and collections, these officers made one transfer of a collector's office under confirmation bond and superintended the transfer of three offices to new collectors. There was also one office transferred under renewal bond.

On July 1, 1926, there were on hand in the various collectors' offices 13,375 claims for abatement, credit, and refund. There were filed during the fiscal year 228,434 claims, making a total to be accounted for of 241,809. The collectors transmitted to the bureau or otherwise disposed of 238,665 claims, leaving on hand at the close of the fiscal year 3,144.

There were filed in the various collectors' offices during the fiscal year a total of 5,249,543 tax returns, of which 4,895,071 represented income-tax returns of various classes. During the fiscal year 1926 a total of 7,015,008 tax returns of all kinds was filed in collectors' offices. Of this number, 5,185,593 represented income-tax returns of all classes. The enactment of the revenue act of 1926 materially reduced the number of taxpayers required to file miscellaneous tax returns.

The Accounts and Collections Unit and the Income Tax Unit, working in cooperation, prepared instructions with reference to the preliminary examination of income-tax returns in collectors' offices. All individual returns filed on Form 1040 and all corporation returns filed during the 1927 filing period were examined in collectors' offices for mathematical errors. The returns were then reviewed by revenue agents, and a large number of cases were definitely closed within a few weeks after the returns were filed. As a result of this procedure, taxpayers were notified promptly of corrections in their returns and a substantial amount of revenue was produced.

The examining and audit work in connection with collectors' revenue accounts and collectors' special deposit accounts has been kept current and all accounts referred to the Comptroller General within the required time.

A total of 7,615,505,838 revenue stamps, valued at \$439,166,373.74, was issued to collectors of internal revenue.

Stamps were returned by collectors and by the Postmaster General and credited in their accounts to the value of \$25,184,569.63. These stamps were of various kinds and denominations, including partly used books and stamps for which there was no use. There were five applications allowed for restamping packages from which the original stamps had been mutilated or destroyed.

All stamps are engraved and printed at the Bureau of Engraving and Printing, with the exception of tobacco stamps imprinted on tin-foil wrappers. The printing of the latter is done under contract and without cost to the Government, the contractor receiving his remuneration from the purchasers of the stamps and reimbursing the Government for the salary of the stamp agent who is assigned to the manufacturing plant of the contractor. All stamps, with the exception of tobacco stamps imprinted on tin-foil wrappers, are shipped by the Bureau of Engraving and Printing on shipping orders prepared by the stamp section of this division.

The country-wide drive initiated during the fiscal year 1926 with a view to collecting back taxes and clearing the old assessment list was continued throughout the past fiscal year, with gratifying results. The back tax collections far exceeded the official estimates, and the number of outstanding items on the old assessment lists was materially reduced.

The field work was reorganized. During the year 1 collector's office, 11 division offices, and 1 stamp office were discontinued, resulting in an annual saving of \$60,278 in personnel cost. At the close of the fiscal year there were 64 collectors' offices, 32 division offices, and 47 stamp offices, 18 of which were operated in conjunction with division offices.

The average revenue production of a zone deputy is approximately \$40,000 a year. Using this figure as a basis, it is expected that as a result of the discontinuance of the 11 division offices and assignment of the division chiefs to productive work there will be a substantial increase in the amount of revenue produced, without additional cost to the Government.

Special attention was given by collectors' field forces to the serving of warrants for distraint, the verification of information returns, the investigation of returns filed indicating additional tax due, and the conduct of delinquent drives. A total of 85,097 warrants for distraint was served, which resulted in the collection of \$54,047,883, compared with 127,571 warrants served and \$50,249,181 collected for the fiscal year 1926. An average of 1,836 deputy collectors made a total of 367,658 revenue-producing investigations, including the serving of warrants for distraint, compared with 492,367 revenue-producing investigations, including the serving of warrants for distraint, made by an average of 2,109 deputy collectors for the fiscal year 1926. The total amount collected and reported for assessment by deputy collectors during the fiscal year was \$78,616,879, whereas the total collections and assessments for the previous fiscal year aggregated \$78,500,438. The average number of investigations made per deputy and the average amount of tax collected and reported for assessment for the fiscal year was 200 and \$42,820, respectively, while the average number of investigations made per

deputy and the average amount of tax collected and reported for assessment for the fiscal year 1926 was 233 and \$37,222, respectively.

The special force of internal-revenue agents working under the direction of the Accounts and Collections Unit collected and reported for assessment \$4,791,609, an average of \$116,869 per agent.

The total collected and reported for assessment as a result of the activities of both the force of field deputy collectors working under the collectors and the special squads working under supervisors of accounts and collections amounted to \$83,408,488, compared with \$89,204,603 for the fiscal year 1926.

COLLECTORS' PERSONNEL, EQUIPMENT, AND SPACE DIVISION

The division of collectors' personnel, equipment, and space is charged with the consideration and granting of allowances to collection districts covering the employment of personnel and miscellaneous operating expenses, and the keeping of adequate records thereof. Collectors' requisitions for nonexpendable supplies, mechanical equipment, and office furniture are passed upon by this division. The procurement of space for collectors' offices and branch offices is also handled by this division.

At the close of the fiscal year 1926 there was in the internal revenue collection service a total authorized force, including collectors, of 6,015 employees, at an annual salary rate of \$11,391,760. At the close of the fiscal year 1927 there was a total authorized force, including collectors, of 5,294 employees, at an annual salary rate of \$10,351,200. During the year there was a net reduction of 721 in the total number of positions and \$1,040,560 in the annual salary rate, or, in other words, the reduction amounted to approximately 11.9 per cent of the total authorized force and 9.1 per cent of the total annual rate. This reduction in personnel has been brought about by more efficient coordination of the work in the various collection districts and has assisted materially in bringing the total authorized force within the reduced allotment granted for the payment of salaries of permanent employees for this fiscal year. The reductions have been made, in most instances, by not filling vacancies occurring in the regular force. No detrimental effects have been shown upon the service as a result of the reduction. A total of \$88,520.17 was expended for the employment of temporary help in collectors' offices, compared with \$47,688.34 expended for this purpose during the preceding fiscal year. The increase of \$40,831.83 in expenditures for temporary employees was due in large measure to a change in procedure requiring the preliminary examination of income tax returns in collectors' offices, and also to a special drive conducted in the district of Florida to collect delinquent taxes on real estate transfers.

On February 1, 1927, the fourth internal revenue collection district of Michigan, with headquarters at Grand Rapids, was consolidated with the first Michigan collection district, with headquarters at Detroit. Much overhead expense has been saved by this action. From reports received, there has been no complaint on the part of taxpayers residing in the former fourth district of the service rendered under the new arrangement.

In administering the personnel of the several collection districts the provisions of the classification act of 1923 have been closely adhered to. New appointments have been made at the minimum salary rate of the grade, and this has had a tendency to lower the average salary of the various grades throughout the service.

All applications for positions in the field collection service have been carefully scrutinized with a view to maintaining the usual high standard of requirement for employment.

During the fiscal year 1927, \$273,782.97 was expended for the rental of quarters of collectors' offices and branch offices, compared with \$295,345.82 for the preceding fiscal year. The decrease of \$21,562.85 was brought about by the removal of certain offices from commercial to Federal space, the discontinuance of several division offices housed in commercial space, and, in certain instances, in the procurement of space at a lower rental rate to the Government.

No additional office appliances were purchased for collectors' offices during the year, but the usual number of replacements of unserviceable equipment were made.

DISBURSEMENT ACCOUNTING DIVISION

The disbursement accounting division is charged with the duties of keeping the accounts in connection with expenditures from appropriations made available by the Congress for the use of the Internal Revenue Service. The division also is charged with the supervision of the administrative examination required by law of the disbursing accounts of collectors and revenue agents, as well as the administrative audit of miscellaneous vouchers for transportation, equipment, telephone service, rentals, etc., paid from internal revenue funds by the disbursing clerk of the Treasury Department, and direct settlements by the General Accounting Office. Prior to April 1, 1927, the disbursing accounts of prohibition administrators were also administratively examined in this division.

The disbursement accounting division administratively examined and recorded 1,443 monthly accounts of collectors of internal revenue, revenue agents in charge, and Federal prohibition administrators, together with 104,206 supporting vouchers, in addition to which 8,929 expense vouchers of employees and 10,782 vouchers covering passenger transportation and freight, miscellaneous expenses, special employees, informers, etc., were audited and passed to the disbursing clerk of the Treasury Department and General Accounting Office for payment. The monthly pay rolls of the bureau were examined and audited.

A total of 637 applications of field employees, leaving the service, for refunds of amounts deducted from their salaries on account of the retirement fund was approved and forwarded to the Commissioner of Pensions for settlement. Data for fixing the annuity pay of 30 persons retired from the service, as well as a report of the totals of the amounts deducted from the salaries on account of the retirement fund of 48 persons transferring out of the service, were furnished the appointment division of the bureau for administrative action. A total of 10 applications for service credit was prepared or verified for forwarding to the Commissioner of Pensions.

With the removal of the prohibition enforcement accounts from the Bureau of Internal Revenue to the Bureau of Prohibition, April 1, 1927, there has been a reduction in volume of work and in the personnel in the disbursement accounting division.

The mechanical system of accounting for the appropriation accounts continues to prove its effectiveness by showing daily balances existing in the various appropriation accounts and the several allotments made therefrom.

OFFICE OF THE GENERAL COUNSEL

The activities of the general counsel's office embrace the whole field of Federal taxation in connection with cases in suit (criminal and civil); income and profits tax cases specially referred by the commissioner on appeal or otherwise; cases of a similar character received directly from the Income Tax Unit; estate, capital stock, and sales tax questions; documentary, public utilities, insurance, occupational, beverage, luxury, tobacco, oleomargarine, and special taxes; accounts, supplies, and equipment, and the consideration, preparation, and revision of Treasury decisions and regulations, mimeographs, and other formal compilations. The office is divided into six divisions, viz, appeals, interpretative I, interpretative II, penal, civil, and administrative.

APPEALS DIVISION

The work of the appeals division during the fiscal year ended June 30, 1927, consisted in defending proposed assessments of deficiencies from which taxpayers had appealed to the Board of Tax Appeals and, in cooperation with the Department of Justice, handling appeals in the circuit courts of appeals or the Court of Appeals of the District of Columbia from decisions of the board. Special attention was given to settlements of cases without trials, and in this regard the division was assisted materially by the 60-day conference section of the Income Tax Unit. The number of cases closed during the year upon stipulations without trials totaled 2,682.

For the period beginning with the formal organization of the Board of Tax Appeals, July 16, 1924, to June 30, 1925, appeals docketed with the board totaled 5,220; for the succeeding year ended June 30, 1926, the corresponding figure is 12,867; for the period July 1, 1926, to June 30, 1927, appeals docketed totaled 11,338, making a total of 29,425 appeals taken to the board from proposed assessments for the period from the date of its organization, July 16, 1924, to the close of June 30, 1927. Of this number, 18,481 were pending on the latter date.

Thirty-one field trips were made by divisions of the board during the year. Hearings were held at Portland, Me.; St. Paul, Minn.; Denver Colo.; Des Moines, Iowa; Atlanta, Ga.; New Orleans, La.; New York, N. Y.; Fort Worth, Galveston, and Austin, Tex.; Oklahoma City and Tulsa, Okla.; Columbus and Cleveland, Ohio; Miami and Jacksonville, Fla.; Kansas City and St. Louis, Mo.; Boston, Mass.; Memphis, Tenn.; Portland, Oreg.; San Francisco and Los Angeles, Calif.; Detroit, Mich.; Indianapolis, Ind.; Seattle and Spokane, Wash.; and Salt Lake City, Utah. From one to five attorneys

from the appeals division accompanied each division of the board to represent the commissioner at the field hearings. The field hearings were carried on without interruption to the regularly scheduled hearings before the board and its divisions at Washington.

The personnel of the division on June 30, 1927, consisted of 45 lawyers, 40 assistants, and a clerical and stenographic force of 73 members. Forty-two of the attorneys were assigned to trial work before the board on June 30, 1927, with an average assignment for each attorney of about 440 cases. A plan was adopted toward the end of the year whereby assistants were assigned to the attorneys with a view of enabling the attorneys to give more time to the preparation of cases for trial and to the settlement of such of them without trial as might be possible.

A special advisory committee was established in the commissioner's office, effective July 1, 1927, to consider settlements of cases appealed to the board. It is anticipated that the work of the committee will be effective in bringing about a greater number of settlements of cases without trials within the next year.

The following comparative statistics show the volume of work handled and its status before the board during and at the close of the three fiscal periods ended June 30, 1925, June 30, 1926, and June 30, 1927.

	June 30—		
	1925	1926	1927
Appeals filed.....	5,220	12,867	11,338
Cases disposed of by the board in formal decisions.....	616	947	1,080
Cases disposed of without rendering formal decisions.....	1,110	3,022	4,178
Total number of cases disposed of during each year.....	1,726	3,969	5,258
Total number still pending at close of each year (including cases reopened).....	3,494	12,302	18,481
Petitions awaiting answer.....	245	1,720	2,357
Petitions not served on commissioner.....	409	418	510

The amount of the proposed deficiencies involved in the appeals pending before the board at the close of June 30, 1927 was \$541,706,059.98.

INTERPRETATIVE DIVISION I

The following table shows the volume of work done by this division during the year. For purposes of comparison the record for the preceding year is also included.

Docketed cases	1926	1927
On hand July 1.....	236	317
Received during year.....	894	1,023
Disposed of during year.....	813	1,824
On hand June 30.....	317	516

In addition, there was much miscellaneous and special work accomplished. It will be noted that the number of cases received and handled was practically double that of the previous year.

This division considers questions relating to the income and excess-profits tax provisions of the several revenue acts, as well as those questions of procedure (particularly in connection with liens and distraints) which arise in connection with the administration of the internal-revenue laws. It also passes finally upon all matter proposed for publication in the Internal Revenue Bulletin.

In practice, specific questions are submitted for opinion by other branches of the Bureau of Internal Revenue and by outside correspondents. These are answered in the form of memoranda or letters, as may be necessary. Often letters, proposed mimeographs, or memoranda prepared elsewhere in the bureau are submitted for review and comment, and these are treated as the facts may warrant.

The assignment of members of the division to several of the sections of the Income Tax Unit continues. This practice has proved to be of great benefit in the audit work of those sections of the Income Tax Unit to which members have been assigned, as there is at hand a representative of the general counsel's office promptly to advise in matters covered by positive precedent. Where there is doubt as to the law in a particular case, or where a new proposition of law is advanced, the question is submitted to this office for formal decision.

It is impossible to give in detail a summary of the many classes of questions considered during the past year. Among the most important have been with reference to amortization, bases for determining gains and losses in particular cases, depletion and depreciation, distinction between associations and trusts and associations and partnerships, credits and refunds and interest thereon, installment and deferred-payment sales, status of requisition charters under act of June 15, 1917, and Executive order of July 11, 1917, invested capital and capital net gains, compensation to State officers or employees, deductibility of various forms of State and local taxes, donations, development of practice under section 280 of the revenue act of 1926 and limitations thereunder as to assessment of transferees, execution of waivers by fiduciaries, placing and releasing of liens for internal-revenue taxes, waivers for assessment and collection, right of dower as exempt from Government's claim for tax against deceased spouse, liability to distraint of tenancies by the entireties, and limitations, particularly with reference to assessment and collection in the light of the decision of the Supreme Court of the United States in the case of *New York & Albany Lighterage Co. et al. v. Bowers* (273 U. S. 346).

INTERPRETATIVE DIVISION II

The work of this division embraces: (1) Interpretation of the provisions of law relating to the following taxes—admissions and dues, beverage, capital stock, gift, estate, excise, insurance, legacy, occupational, oleomargarine, special, stamp, telegraph and telephone, tobacco, transportation; (2) preparing and reviewing regulations, Treasury decisions, informal memoranda, and letters relating to such taxes; (3) reviewing and approving claims for refund of all taxes, including income and excess profits taxes, involving a net refund of \$50,000 or more, and all cases involving a proposed allowance, including interest, for any year or years aggregating \$75,000, where there is a net refund in any amount; (4) preparing statements of fact to be submitted to the Joint Committee on Internal Revenue

Taxation as required by the first deficiency act, fiscal year 1927, approved February 28, 1927, where a claim has been allowed in excess of \$75,000; (5) assisting in the drafting of contemplated revenue legislation relating to the above taxes; (6) supervising the disposition of real estate acquired by the Government under the provisions of internal revenue laws, and, with the approval of the Secretary, authorizing the sale at public vendue of the interest of the United States in such realty; (7) disposing of deficiency protests in income and estate tax cases pending June 30, 1926. In March, 1927, the work of preparing statements of fact to be submitted to the Joint Committee on Internal Revenue Taxation, required by the first deficiency act, fiscal year 1927, was given to this division.

The cases in this division during the year may be grouped into five classes—interpretative cases, estate tax deficiency protests, miscellaneous claims, income tax claims, and income tax deficiency protests. A summary of the work is as follows:

INTERPRETATIVE CASES		INCOME TAX CLAIMS	
On hand July 1, 1926.....	43	On hand June 30, 1926.....	148
Received during year.....	344	Received during year.....	725
	<hr/>		<hr/>
Disposed of during year.....	387	Disposed of during year.....	873
	<hr/>		<hr/>
On hand June 30, 1927.....	349	On hand June 30, 1927.....	813
	<hr/>		<hr/>
On hand June 30, 1927.....	38	On hand June 30, 1927.....	260
ESTATE TAX DEFICIENCY PROTESTS		INCOME TAX DEFICIENCY PROTESTS	
On hand July 1, 1926.....	34	On hand June 30, 1926.....	60
Received during year.....	1	Received during year.....	1
	<hr/>		<hr/>
Disposed of during year.....	35	Disposed of during year.....	61
	<hr/>		<hr/>
On hand June 30, 1927.....	35	On hand June 30, 1927.....	60
	<hr/>		<hr/>
On hand June 30, 1927.....	0	On hand June 30, 1927.....	1
MISCELLANEOUS TAX CLAIMS			
On hand June 30, 1926.....	10		
Received during year.....	531		
	<hr/>		
Disposed of during year.....	541		
	<hr/>		
On hand June 30, 1927.....	538		
	<hr/>		
On hand June 30, 1927.....	5		

During the year the division conducted 134 hearings, and from March 1 to the end of the fiscal year prepared statements of fact to be submitted to the Joint Committee on Internal Revenue Taxation in 188 cases. The following regulations were considered and revised: Regulations 59 and Regulations 43, Part II. There were 24 real estate cases pending on July 1, 1926. During the year 7 were received and 17 disposed of, leaving 14 cases pending July 1, 1927. There were 13 quit-claim deeds executed and delivered. On July 1, 1926, 17 cases were pending wherein sales of real estate had been made by collectors to private purchasers at sales under distraint proceedings. Thirteen similar cases were received, making a total of 30. The number of such cases closed was 8, leaving 22 cases pending July 1, 1927.

Claims for abatement and refund

Kind of tax involved	On hand July 1, 1926	Received during year	Disposed of during year	On hand June 30, 1927
Capital stock	0	4	4	0
Estate	3	57	56	4
Excise	3	1	4	0
Legacy	0	2	5	0
Prohibition	0	125	125	0
Special bankers	0	339	339	0
Stamp	1	2	3	0
Tobacco	0	1	0	1
Income	148	725	613	260
Total	158	1,236	1,140	265

Claims received for year July 1, 1926, to July 1, 1927

Month	Estate	Excise	Prohibition	Special bankers	Capital stock	Income	Legacy	Stamp	Tobacco
July	5	0	19	40	0	48	0	1	0
August	1	0	35	19	0	34	2	0	0
September	1	0	6	64	0	39	0	0	0
October	4	1	11	10	0	24	0	0	0
November	2	0	10	51	0	40	0	0	0
December	2	0	7	40	0	42	0	1	0
January	6	0	12	30	0	31	0	0	0
February	3	0	18	30	1	46	0	0	0
March	17	0	7	1	3	202	0	0	0
April	2	0	0	40	0	89	0	0	0
May	7	0	0	20	0	73	0	0	0
June	5	0	0	13	0	57	0	0	0
Total	57	1	125	339	4	725	2	2	1

PENAL DIVISION

The activities of the penal division during the fiscal year 1927 consisted of (1) preparation of opinions advising the commissioner and the heads of the various units of the bureau as to liability for fraud, negligence, or delinquency penalties in cases where protests have been filed by taxpayers against proposed assessment of penalties by one of the accounting units, or where an opinion as to assertion of penalties has been requested by any officer or unit of the bureau; (2) preparation for reference to United States attorneys for the purpose of prosecution of criminal cases arising under the internal revenue laws or applicable provisions of the criminal laws of the United States; (3) assisting in such criminal prosecutions by furnishing evidence for grand jury and court proceedings, preparing indictments and briefs, and participating in arguments, trials, and appeals at the request of the Department of Justice or the United States attorneys; (4) preparations of opinions, letters of instructions, and answers to inquiries from local and field officers of the bureau regarding conduct of tax examinations, special investigations, and general matters relating to violations by taxpayers of Federal penal statutes; (5) recommending acceptance or rejection by the commissioner of offers in compromise made by taxpayers charged with civil penalties or violations of Federal penal statutes; and (6) consideration of claims for reward under section 3463 of the Revised Statutes.

When taxpayers protest against the proposed assertion of penalties, of whatever nature, it is the practice of the division to grant the taxpayers and their qualified representatives hearings, at which they are entitled to present evidence and arguments, with briefs in support thereof. Written opinions are then prepared, in which are stated the pertinent facts, the law involved, and the conclusions reached, with the reasons therefor. These opinions, over the general counsel's signature, are sent to the appropriate bureau officer. If no hearing is requested or desired, cases are considered and decided upon the evidence in the respective files. In some cases, evidence submitted on behalf of taxpayers must be referred to field officers of the bureau for investigation and report before a decision can be rendered.

An additional attorney attached to the penal division was appointed and assigned to the branch of the general counsel's office in New York City, so that for the greater part of the year there have been two attorneys in the New York office. Also, a change in personnel was made in the branch office of the general counsel in Chicago, an attorney from the Washington office being sent to Chicago as the general counsel's representative in that city. An attorney from the Washington office also was assigned to represent the general counsel in the Rocky Mountain and Pacific Coast States, with headquarters at San Francisco. The attorney assigned to this post has a very large territory to cover. The establishment of a branch office on the Pacific coast has met with the approval of field officers located in that territory, and has proved of great advantage to the general counsel's office and the bureau as a whole. Prior to the close of the fiscal year the first attorney assigned to the San Francisco office resigned and was succeeded by an attorney from the Washington office of the general counsel.

Attorneys from the penal division frequently are sent to various points throughout the United States to render assistance requested by United States attorneys in criminal cases, and under appointment as special assistants to the Attorney General to conduct grand jury proceedings, jury trials, and other court proceedings in collaboration with United States attorneys. While it is recognized that criminal offenders in tax cases should be punished for violation of law, successful prosecutions have the added and more far-reaching effect of impressing upon the taxpayer's community the results of infractions of the law in tax cases, and serve as a warning to other possible law-breakers. The penal provisions of the law are, of course, incidental to the general purpose of raising revenue, but the successful prosecution of numerous violators of the tax laws is believed to have resulted indirectly in the voluntary payment of large amounts of taxes legally due.

Cases handled by the penal division are classified as (1) interpretative and (2) law cases. These are subdivided so that under each classification there are income-tax cases and miscellaneous tax cases, the latter consisting of the large variety of cases other than those involving income taxes.

At the beginning of the fiscal year there were pending in the penal division 767 cases. During the year there were received 1,076 new cases, compared with a total of 639 cases received during the previous fiscal year. During the year ended June 30, 1927, there was a total of 1,843 cases under consideration, while 1,164 cases were disposed

of, leaving 679 cases pending June 30, 1927. There was, therefore, a net decrease in cases pending at the close of the year of 88 cases. Special effort was made finally to dispose of the older cases, not only those which had been in the division longest, but likewise those involving the earlier tax years. This effort has been quite successful and a considerable number of the older cases have now been closed. However, certain cases of this character, such as those in litigation, can not finally be disposed of until the litigation ends.

A tabulation of the number of cases received, disposed of, and pending follows:

INTERPRETATIVE CASES		
Pending July 1, 1926:		
Income-tax cases	354	
Miscellaneous tax cases	22	
		376
Received during fiscal year ended June 30, 1927:		
Income-tax cases	634	
Miscellaneous tax cases	73	
		707
Total interpretative cases pending during fiscal year		
Closed during fiscal year ended June 30, 1927:		1,083
Income-tax cases	631	
Miscellaneous tax cases	65	
		696
Cases pending at close of fiscal year ended June 30, 1927:		
Income-tax cases	357	
Miscellaneous tax cases	30	
		387
LAW CASES		
Pending July 1, 1926:		
Income-tax cases	243	
Miscellaneous tax cases	148	
		391
Received during fiscal year ended June 30, 1927:		
Income-tax cases	250	
Miscellaneous tax cases	119	
		369
Total law cases pending during fiscal year		
Closed during fiscal year ended June 30, 1927:		760
Income-tax cases	301	
Miscellaneous tax cases	167	
		468
Cases pending at close of fiscal year ended June 30, 1927:		
Income-tax cases	192	
Miscellaneous tax cases	100	
		292
RECAPITULATION		
Total cases pending on July 1, 1926	767	
Total cases received during fiscal year	1,076	
		1,843
Total cases pending during fiscal year	1,843	
Total cases closed during fiscal year	1,164	
		679
Total cases pending July 1, 1927		

Following is a statement of internal-revenue criminal cases handled by the district courts of the United States during the fiscal year, as furnished this office by the Department of Justice:

Number of cases pending July 1, 1926	1,300
Number of cases commenced during fiscal year ended June 30, 1927	834
Number of cases terminated during same period	1,036
Number of cases pending at close of business on June 30, 1927	1,188

The above figures include the large number of cases referred directly to United States attorneys by collectors of internal revenue throughout the United States.

Claims for reward for information relative to violations of the internal-revenue laws submitted under the terms of Circular 99, revised, promulgated in accordance with the provisions of section 3463, Revised Statutes, were filed and disposed of during the year ended June 30, 1927, as follows: Pending July 1, 1926, 13; presented during year, 31; disposed of during year, 15; pending July 1, 1927, 29.

Twenty informal claims for reward were disposed of during the last fiscal year, either by closing the cases after the lapse of six months without receipt of further information from correspondents or by letters advising informers of the reasons why favorable consideration could not be given by this office to formal claims, if presented.

Twelve claims for reward were allowed in a total sum of \$10,948.26.

The 29 claims pending are awaiting receipt of reports from the field officers of the bureau who are conducting investigations in the cases in question, or the closing of the law cases with which such claims are associated.

CIVIL DIVISION

The civil division, in cooperation with the Department of Justice and the United States attorneys' offices, handles all civil internal-revenue cases pending in the Federal courts. These cases include the prosecution of suits by the United States to recover unpaid taxes, and the defense of suits brought by taxpayers against collectors of internal revenue or the United States to recover taxes alleged to have been erroneously assessed and collected. While the United States attorneys are charged with the responsibility for the conduct of these cases, the attorneys of the civil division assemble the evidence, prepare and brief the cases for trial both as to the facts and the law, and an attorney of the civil division is usually present to assist at the trial. In most instances the trial of the case, at the suggestion of the United States attorney, is conducted by the attorney of the civil division. Where cases are appealed the attorneys of the civil division assist in preparing the record and a brief for the appellate court is forwarded to the United States attorney for printing and filing. Cases in appellate courts are frequently argued by the attorneys of the civil division.

Petitions for certiorari and briefs in tax cases in which petitions for certiorari have been granted by the Supreme Court are prepared in the civil division for the assistance of the Solicitor General.

The principal centers of litigation with reference to the number of cases pending and the amounts involved are New York, Philadelphia, Boston, Chicago, Pittsburgh, and San Francisco.

The following civil internal-revenue tax cases were decided by the Federal courts during the fiscal year 1927:

	Decided for the Government	Decided against the Government	Partly for Government and for taxpayer	Total
District courts	105	77	15	197
Circuit courts of appeals	29	18	0	47
Court of Claims	21	17	4	44
Supreme Court	12	6	0	18
Total	167	118	19	306

The number of civil internal-revenue tax cases pending in the Federal courts at the end of the fiscal year 1927 compared with the number pending at the end of the previous fiscal year is as follows:

	Cases for suit by the United States	Cases pending in district courts	Cases pending in circuit courts of appeals	Cases pending in Court of Claims	Cases pending in the Supreme Court	Cases pending settlement	Cases pending payment of judgment	State court and miscellaneous cases	Total
Civil cases pending July 1, 1926	360	1,498	52	362	23	5	38	86	2,400
Civil cases pending July 1, 1927	290	1,605	80	482	27	95	69	130	2,809

During the fiscal year, 1,530 new civil cases were received and 1,187 civil cases were closed, 20,898 letters were written, 10,064 memoranda prepared, 776 telegrams, 85 Treasury decisions, and 266 briefs. Civil compromise cases received during the fiscal year numbered 361. Of such cases, 474 (including a number already pending in division before fiscal year) were disposed of, 264 being rejected and 210 accepted. The total amount of tax liability involved in these compromises was \$9,945,314.31, and \$2,087,345.29 accepted in lieu thereof.

A section of the civil division is designated as the bankruptcy, receivership, and compromise section. This section handles all cases in which claims are filed by collectors in bankruptcy and receivership proceedings and claims against the estates of insolvent persons. Evidence in support of the Government's claim is assembled in this section and forwarded to the collector or the United States attorney for use before the referee or trustee and the courts. Briefs are also prepared upon law points involved for the use of the United States attorneys in court proceedings, and in important cases an attorney from the section is present at the trial. In addition to the above, this section handles all compromise cases involving interest and delinquency penalties, exclusive of civil compromises and compromises of specific penalties and fraud cases.

The work of the section for the fiscal year is summarized as follows:

Bankruptcy, receivership, and insolvent

Cases pending July 1, 1926	2,478
Cases closed during year	1,846
Cases pending June 30, 1927	2,074

In the 1,846 cases closed, claims were filed in the amount of \$5,399,778.13, and the sum of \$1,730,422.58 was collected.

Insolvent compromises

Cases pending July 1, 1926	320
Cases closed during year	1,086
Cases pending June 30, 1927	470

Of the 1,086 cases closed, 401 were accepted in the sum of \$1,710,734.12 for taxes aggregating \$6,429,106.37, and 676 were rejected.

Interest and delinquency penalty compromises

Cases pending July 1, 1926	1,330
Cases closed during year	38,988
Cases pending June 30, 1927	40

In addition, 65 bankruptcy and receivership cases which, because of the large amounts involved and their complicated nature, require special attention are pending as civil cases and are included in the preceding summary.

New York State leads in the number of bankruptcy and receivership cases, followed by Illinois, Pennsylvania, Massachusetts, New Jersey, Oklahoma, California, Texas, and Ohio.

SUMMARY OF SUITS AND PROSECUTIONS

The following is a statement of internal-revenue cases handled by the district courts of the United States during the fiscal year ended June 30, 1927, as furnished this office by the Department of Justice:

	Civil	Criminal
Number cases pending July 1, 1926	1,872	1,350
Number cases commenced during fiscal year ended June 30, 1927	1,472	804
Number cases terminated during same period	1,196	1,039
Number cases pending at close of business on June 30, 1927	2,148	1,185

ADMINISTRATIVE DIVISION

The administrative division is charged with the supervision of the library, manuscripts, mail and records, supplies and equipment, personnel, and editorial matters arising in and affecting the work of the office. The support and cooperation rendered by this division have proved of benefit to attorneys assigned to the other divisions and have afforded them great assistance in the dispatch of matters handled by them.

BUREAU AND FIELD PERSONNEL

The following statement shows the number of employees in the Internal Revenue Service on June 30, 1926, and the number in the service on June 30, 1927:

	June 30, 1926	June 30, 1927	Increase (+) or decrease (-)
Employees in Washington.....			
Collectors' office.....	4,843	3,801	-1,042
Internal revenue agents' force: Income and estate taxes.....	5,072	5,287	+215
Miscellaneous and sale taxes.....	3,276	23,695	+20,419
Supervisors of accounts and collections.....	56	21	-35
Intelligence force.....	49	32	-17
Storekeeper-gaugers.....	124	121	-3
Stamp agent.....	228	253	+25
Prohibition field service (including narcotic officers).....	1	1	
Total.....	3,233	13,283	+10,050
Total.....	17,903	13,211	-4,692

¹ Exclusive of 40 temporary employees.

² Exclusive of 16 temporary employees.

³ The employees in the Prohibition Service were transferred to the Prohibition Bureau, Treasury Department, on Apr. 1, 1927, in accordance with Public Act No. 791.

Under the provisions of the retirement act, 21 classified employees were retained in the service after reaching the age of 70. Fifty-four were retired on annuity, 14 of whom were retired on account of total disability.

Respectfully,

D. H. BLAIR,
Commissioner of Internal Revenue.

HON. A. W. MELLON,
Secretary of the Treasury.

STATISTICAL TABLES

TABLE 1.—RECEIPTS FROM SPECIFIC SOURCES OF INTERNAL REVENUE, FISCAL YEAR ENDED JUNE 30, 1927, BY COLLECTION DISTRICTS

District	Income tax			Estates— transfer of net estates of decedents	Distilled spirits and alcoholic beverages						
	Corporation	Individual	Total		Nonbeverage spirits distilled from—		Beverage spirits distilled from other materials, per gallon, \$6.40	Rectified spirits or wines, per gallon, 30 cents	Spirits for export, stamps, each 5 and 10 cents	Bottled in bond spirits, case stamps, each 10 cents	Still or sparkling wines, cordials, etc., 10 cents to \$1
					Fruit, per gallon, \$2.20 and \$1.05	Other materials, per gallon, \$2.20 and \$1.65					
Alabama											
Arizona	\$7,493,570.54	\$2,964,876.71	\$10,458,447.25	\$334,290.48							
Arkansas	1,043,751.92	629,430.58	1,673,191.50	5,830.05							
First California	2,882,588.00	2,170,851.75	5,053,439.75	61,443.32							
Sixth California	34,695,135.15	21,797,892.35	56,493,027.50	4,382,928.92							
Colorado	26,211,953.93	29,603,336.46	55,815,290.39	3,925,716.71	\$2,709.96	\$923,838.84			\$922.00	\$277,103.43	
Connecticut	8,968,793.43	3,686,845.38	12,655,638.81	181,702.57	77,212.74				394.00	55,711.74	
Delaware	18,068,704.87	15,731,048.20	33,799,753.07	1,367,515.05		36,350.62					
Florida	10,010,453.18	4,308,793.15	14,319,246.33	108,420.13						358.19	
Georgia	15,189,168.89	20,400,660.33	35,589,829.22	5,495,662.41							
Hawaii	9,535,826.12	4,112,837.37	13,648,663.49	158,886.95							
Idaho	3,802,980.51	1,340,528.96	5,143,509.47	80,061.63							
First Illinois	1,193,142.51	230,237.16	1,423,379.67	454.56							
Eighth Illinois	114,732,746.66	72,042,858.02	186,775,604.68	3,644,940.66	5,424.38						
Ninth Illinois	6,330,325.59	2,864,055.33	9,194,380.92	228,477.62		1,111,425.85			1,920.00	42,231.60	
Iowa	18,475,110.48	9,930,805.33	28,405,915.81	416,474.21		2,283,901.92			95.00		
Kansas	7,669,561.64	4,068,180.89	11,737,742.53	483,736.76		1,650,045.04					
Kentucky	16,070,054.42	3,556,751.29	19,626,805.88	160,885.11							
Louisiana	11,459,082.42	4,798,598.74	16,257,681.16	489,688.31							
Maine	8,858,940.34	6,537,394.92	15,396,335.26	289,515.16		1,557,568.11			\$5.40	35,688.00	
Maryland	4,923,180.61	3,640,882.32	8,564,062.93	1,742,578.68		778,230.21			50	258.36	
Massachusetts	25,573,755.44	20,072,790.27	45,646,545.71	2,410,621.02							
Michigan	62,145,151.59	43,124,233.34	105,269,384.93	5,012,315.41					\$1,717.65	4,696.00	
Fourth Michigan	100,050,660.66	36,472,876.30	136,523,536.96	1,066,372.67		552,462.67			230.20	434.00	
Minnesota	3,437,684.54	1,677,330.34	5,115,014.88	312,544.24		512,786.89				766.80	
Mississippi	17,772,566.77	8,446,658.03	26,219,224.80	463,923.66							
First Missouri	2,258,959.75	1,065,942.24	3,324,901.99	56,280.56							
Sixth Missouri	30,063,015.98	12,164,769.27	42,227,785.25	885,988.94							
Montana	9,239,781.32	4,494,108.24	13,733,889.56	381,669.99							
Nebraska	1,633,338.97	742,090.61	2,375,429.58	155,806.48							
Nebraska	3,756,058.97	7,051,030.35	10,807,089.32	1,861,133.39		379,713.07				1,292.00	
Nevada	267,942.88	233,185.06	5,807,095.32	13,747.98		112,976.78			10,786.62	2,155.81	
New Hampshire	1,464,034.31	1,543,452.29	3,007,486.60	137,101.17							
First New Jersey	8,289,286.92	8,635,411.41	16,924,698.33	581,962.51							
Fifth New Jersey	37,668,700.71	26,707,186.02	64,375,886.73	8,657,876.56	15.71	474.78				13,053.64	
						180,163.69				4,895.85	
New Mexico	389,796.68	268,262.23	658,058.91	2,336.56							
First New York	17,650,296.29	25,188,382.10	42,838,678.39	6,266,634.93		258,378.28			89.49	112,962.00	
Second New York	204,538,734.35	146,734,787.94	351,273,522.29	8,057,901.60	20,392.46	300,180.71			342.13	190,888.41	
Third New York	37,463,796.07	125,203,729.70	162,667,525.77	15,992,411.17	96.75	2,328,357.62			3.80	24,217.40	
Fourth New York	21,625,334.82	18,365,280.99	39,990,621.48	4,180,890.64		792.16				12,312.00	
Twenty-first New York	8,740,179.29	0,560,072.27	15,290,951.66	501,500.60		5,278.68				15.00	
Twenty-eighth New York	22,915,955.91	14,342,906.90	37,258,862.81	1,237,620.12		48,430.56				19,405.26	
North Carolina	14,504,391.56	4,700,165.71	19,204,557.27	311,059.07						40.00	
North Dakota	505,924.15	234,293.35	740,217.55	21,172.43							
First Ohio	19,060,974.68	10,365,386.16	29,426,360.84	498,894.91		1,374,450.68			9.30	52.00	
Tenth Ohio	11,368,483.64	4,901,816.47	16,269,300.11	713,412.21						28,218.24	
Floventh Ohio	6,427,619.44	2,827,069.71	9,254,689.15	238,282.23							
Eighteenth Ohio	41,939,238.27	20,368,781.42	62,308,019.69	3,072,902.53	70,125.77					344.60	
Oklahoma	11,468,498.94	11,790,380.41	23,258,879.35	86,348.69							
Oregon	3,620,804.91	2,370,969.37	6,197,774.28	190,409.13							
First Pennsylvania	69,227,039.31	54,300,903.28	123,527,942.59	4,089,986.26	651.42	2,235,218.26			.20	1,854.00	
Twelfth Pennsylvania	11,480,763.05	6,560,501.81	17,040,264.86	1,111,727.04		1,032.14					
Twenty-third Pennsylvania	52,992,550.72	20,344,944.56	82,337,495.28	4,330,908.00		454,456.38			7.50	7,762.00	
Rhode Island	7,594,625.53	5,309,994.77	12,904,620.30	505,945.92							
South Carolina	3,150,310.95	675,424.32	3,825,735.27	87,341.72							
South Dakota	476,893.51	240,464.12	737,357.65	20,763.57							
Tennessee	9,545,920.37	4,167,639.65	13,713,560.02	102,671.45							
First Texas	17,523,734.19	6,691,808.64	24,215,542.83	372,129.24							
Second Texas	11,434,951.51	7,307,596.46	18,742,547.97	665,647.71							
Utah	3,030,234.43	738,542.93	3,768,777.42	33,210.72							
Vermont	1,582,929.88	1,073,196.53	2,656,126.41	120,355.72							
Virginia	16,070,834.13	4,103,744.63	20,174,578.76	202,631.61							
Washington	9,935,520.70	3,400,128.01	13,335,648.71	156,492.09							
West Virginia	12,730,401.76	3,014,007.52	15,744,409.28	225,754.06		47.04					
Wisconsin	20,451,398.96	9,220,800.41	29,672,199.37	767,912.82		111,309.69				11,123.36	
Wyoming	998,224.76	831,891.05	1,830,105.81	13,668.69							
Total	1,308,012,532.90	911,939,910.82	2,219,952,443.72	100,330,851.96	176,629.10	18,580,073.63	75.98	16,419.45	256.90	66,740.02	785,602.80

The figures concerning internal-revenue receipts as given in this statement differ from such figures carried in other Treasury statements showing the financial condition of the Government, because the former represent collections by internal-revenue officers throughout the country, including deposits by postmasters of amounts received from sale of internal revenue stamps and deposits of internal revenue collected through customs officers, while the latter represent the deposits of these collections in the Treasury or depositories during the fiscal year concerned, the difference being due to the fact that some of the collections in the latter part of the fiscal year can not be deposited, or are not reported to the Treasury as deposited until after June 30, thus carrying them into the following fiscal year as recorded in the statements showing the condition of the Treasury.

First and fourth districts were consolidated, and the State constituted one district, to be known as the district of Michigan, Feb. 1, 1927.

Includes \$18,827.34 income tax on Alaska railroads (act of July 18, 1914).

TABLE 1.—RECEIPTS FROM SPECIFIC SOURCES OF INTERNAL REVENUE, FISCAL YEAR ENDED JUNE 30, 1927, BY COLLECTION DISTRICTS—
Continued

District	Distilled spirits and alcoholic beverages—Continued												Total				
	Grape brandy for fortifying sweet wines, per gallon, 80 cents	Rectifiers		Liquor dealers		Manufacturers of stills, \$50	Stills or wortins manufactured, each, \$20	Fermented liquors, per barrel, \$6	Brewers, less than 500 barrels, \$50	Brewers, 500 barrels or more, \$100	Malt liquor dealers			Miscellaneous collections relating to distilled spirits			
		Less than 500 barrels, \$100	500 barrels or more, \$200	Retail, \$25	Wholesale, \$100						Retail, \$20	Wholesale, \$50					
Alabama																	
First California	\$337,608.02				\$100.00												\$100.00
Sixth California	46,851.02				21,388.24	\$1,028.00	\$262.50	\$40.00									205,781.77
Colorado					24,312.56	800.00	234.39	465.22									37,025.62
Connecticut					475.00									\$267.00			1,565,145.59
Delaware					11,780.99	200.00											205,781.77
Florida					25.00	208.34											37,025.62
Georgia					125.00	100.00											12,362.34
Hawaii					600.00	200.00											125.00
First Illinois					384.69												325.00
Eighth Illinois					43,234.49					\$172.91							600.00
Indiana					5,757.90	3,433.34	4.17										537.50
Iowa					200.00	100.00											1,207,673.74
Kansas					3,878.16	1,000.00											2,289,855.82
Kentucky					150.00	600.00											4,630.16
Louisiana					10,270.84	3,300.00						\$160.00					1,551,246.01
Maryland					10,832.96	1,400.00	41.67	20.00									650.00
Massachusetts		\$100.00			18,913.57	1,550.00											1,607,150.31
Michigan			\$200.00		22,608.68	1,200.00								10.95			700,433.62
Fourth Michigan					1,568.12	1,200.00	100.00	40.00									609,633.75
Minnesota					833.34	425.00											1,216,137.95
Mississippi					12,445.33	100.00											515,460.95
First Missouri					75.00	1,100.00											608.51
Sixth Missouri					11,482.84	100.00											923.34
Montana					6,262.68	700.00											63,056.56
Nebraska					4,887.60	700.00											175.00
Nevada					169.00	700.00											395,343.12
New Hampshire					824.50												130,726.05
First New Jersey					1,305.02												5,437.60
Fifth New Jersey	2,224.45				4,353.47												3.00
First New York	1,710.36	100.00			20,341.46	800.00											543.00
Second New York					35,005.95	1,300.00	200.00										824.50
					421,709.21	6,841.67					\$400.00						1,305.02
												\$4.16					20,315.80
																	212,501.00
																	408,063.18
																	8,610.00
																	1,089,840.57

Third New York				219,126.61	2,143.60	29.17											2,574,974.95
Fourteenth New York				20,206.97	410.00												33,781.13
Twenty-first New York				9,304.81	300.00												15,900.49
Twenty-eighth New York	2,559.77			9,338.79	1,333.34	50.00							60.00				81,206.72
North Carolina				125.00													165.00
First Ohio				5,245.09	800.00	258.34	300.00										1,351,156.31
Tenth Ohio	9,776.70			2,227.16	390.00												35,522.10
Eleventh Ohio				4,057.92	1,000.00												5,057.92
Eighteenth Ohio				11,634.95	883.34												63,519.95
Oklahoma				75.00	300.00									231.29			375.00
Oregon				25.00	100.00												125.00
First Pennsylvania				28,216.48	1,368.34	29.17	20.00										2,278,614.87
Twelfth Pennsylvania				8,276.03	100.00												9,408.07
Twenty-third Pennsylvania				23,032.65	1,938.33												617,271.06
Rhode Island				5,690.89	500.00												6,100.89
South Carolina				200.00	300.00												500.00
South Dakota				170.85	100.00												270.85
Tennessee				231.25	400.00												631.25
First Texas				7,239.84	600.00												7,006.20
Second Texas				12,531.30	1,154.17												13,085.47
Utah				50.00	100.00												160.00
Vermont				1,494.60	100.00												1,594.60
Virginia				4,825.60	300.00												4,825.60
Washington				104.25	200.00												304.25
West Virginia				100.00	100.00												247.04
Wisconsin				18,647.37	941.67												142,178.27
Wyoming				1,696.08													1,096.08
Total	400,759.92	200.00	200.00	1,101,269.39	44,248.14	1,249.41	885.22	146.18	172.91	400.00	4.16	160.00	10,060.03				21,195,551.96

TABLE I.—RECEIPTS FROM SPECIFIC SOURCES OF INTERNAL REVENUE, FISCAL YEAR ENDED JUNE 30, 1927, BY COLLECTION DISTRICTS—
Continued

District	Tobacco and tobacco manufactures							
	Cigars according to intended retail prices					Cigars (small), per thousand, 7 1/2 cents	Cigarettes (large), per thousand, 8 1/2 cents	Cigarettes (small), per thousand, 8 1/2 cents
	Class A, per thousand, \$2	Class B, per thousand, \$3	Class C, per thousand, \$5	Class D, per thousand, \$10.50	Class E, per thousand, \$13.50			
Alabama	\$8,064.90	242.70	8574.29	\$8.41	\$212.90	\$10.36		\$2.10
Arizona	59.05		145.75					
Arkansas	2,227.10	396.83	314.63					30
First California	52,772.38	2,360.18	117,629.58	1,416.20	7,458.35	4.50	\$182.64	11,950,298.49
Sixth California	12,614.92	3,123.70	72,436.04	74.25	2,860.93	8.25	410.77	2,738.06
Colorado	4,816.81	648.50	24,567.80	78.76	621.88		36.60	36.24
Connecticut	7,476.84	59,471.72	66,658.79	231.69				1.71
Delaware	2,977.08	178.05	28,667.13	8.25	13.51			
Florida	345,723.86	42,125.67	1,367,292.39	1,024,650.58	44,497.14			12,289.76
Georgia	58,778.05	239.35	11,030.44	28.88	2.03			
Hawaii	1,812.50	29.23	18.51				1.44	105.87
Idaho	921.00	43.20	1,158.38					
First Illinois	48,998.21	24,623.47	269,487.19	26,019.45	10,116.86	1.40	3,883.32	14,881.08
Eighth Illinois	18,451.38	16,426.21	32,240.11	84.53	13.40			
Indiana	118,869.05	165,852.11	367,015.83	984.92	1,610.34	.77		34.66
Iowa	33,724.14	27,186.32	11,602.31		24.84		46.01	5.11
Kansas	12,148.82	2,524.64	2,860.88					48
Kentucky	56,628.13	17,669.44	251,318.73	24.94	34.03	2.25		1,778,356.71
Louisiana	72,321.02	2,097.70	204,868.48	3,675.99	4,180.61	.37		15,735.82
Maine	2,461.75	11,083.20	17,727.88	1.53				
Maryland	46,171.17	46,191.78	323,659.88	3,649.24	2,047.33	121,532.01	100.80	47.71
Massachusetts	59,004.50	102,781.59	313,543.93	3,158.64	22,743.80	9.79	1,540.80	16,668.06
Michigan	77,162.35	256,478.22	711,027.37	21,527.21	4,603.09			43,191.68
Fourth Michigan	13,130.65	4,595.12	62,001.89	1,451.63	49.28			2.75
Minnesota	38,098.47	3,626.58	42,679.19	89.04	322.52	1.60	76.21	12.87
Mississippi	775.30	1.50	29.90					
First Missouri	8,977.41	6,271.51	38,162.85	657.22	2,695.74	2.25		43,376.28
Sixth Missouri	33,011.47	6,395.06	22,409.07	78.60	337.50			10.80
Montana	390.20	19.35	5,411.90	21.53	4.73		4.61	
Nebraska	27,091.80	1,892.03	5,313.28	11.50	12.15			.60
Nevada	9.00	55.30	623.95					
New Hampshire	691.50	44,920.50	235,567.44					
First New Jersey	30,538.26	3,262.91	573,975.00	67,926.97	319.77			397,950.00
Fifth New Jersey	284,215.03	85,850.99	1,444,516.18	69,671.93	10,300.29	378.30	2.16	15,132,362.84
New Mexico	10.50	18	180.00					
First New York	237,227.79	20,585.54	77,916.55	15,029.00	387.21	3.48	40,331.52	15,799,569.52

Second New York	38,926.30	14,803.03	81,390.65	34,672.10	276,377.35	4,730.69	25,162.35	224,798.09
Third New York	141,837.33	42,830.83	519,192.30	185,602.60	14,133.89	4,495.00	9,977.02	8,265,297.08
Fourth New York	69,148.89	12,941.61	337,449.86	6,285.71	144.83		421.20	2,315.18
Twenty-first New York	61,960.50	46,652.62	69,287.27	119.71	37.14			10.64
Twenty-eighth New York	11,702.64	5,577.92	27,068.52	226.70	4,285.44	4.50	4.68	163,834,378.02
North Carolina	22,191.59	10,811.50	22,788.15	8.32		31,518.75		76.11
North Dakota	632.40	69.00	306.00					4.25
First Ohio	73,480.37	173,371.08	160,223.12	5,020.35	3,588.56		7.69	4.20
Tenth Ohio	340,835.46	41,767.64	167,269.09	126.28	445.50		15.44	15.44
Eleventh Ohio	137,380.51	72,424.50	60,914.62	5.25			11.91	
Eighteenth Ohio	122,050.55	21,646.64	88,655.52	724.61	1,610.57	15.70	111.60	668.76
Oklahoma	4,374.20	132.30	371.50					28.20
Oregon	2,241.71	493.78	5,583.79		34		1.44	
First Pennsylvania	1,707,617.70	87,412.73	8,013,892.91	91,682.28	25,510.93	75,758.25	2,234.50	10,088,652.08
Twelfth Pennsylvania	307,588.68	216,240.68	464,227.97	566.40				720.00
Twenty-third Pennsylvania	184,543.57	11,304.16	4,378.47	152.63	5,355.39	138.97	33.08	200.24
Rhode Island	10,485.83	4,276.65	33,458.00				1,428.52	43.35
South Carolina	42,801.39	25,460.92	420.25	70.81	121.64			
South Dakota	2,854.45	901.15	8,212.10	2.63	64.80			1.89
Tennessee	86,636.53	230.84	219,313.80	5.75	54.00			38.92
First Texas	1,422.45	421.30	34,724.03	405.99	90.57			10.83
Second Texas	135.15	418.65	7,459.11	21.27	28.30			14.34
Utah	526.61	404.14	908.76					
Vermont	743,732.87	4,123.30	111,494.86	3.68		108,000.00	997.20	53,284,068.81
Virginia	3,122.20	583.22	6,644.68		2.70		1.44	41.13
Washington	177,628.50	90.75	51.50		51.30	48.23		2,581.00
West Virginia	32,034.82	6,985.15	179,527.26	2,058.91	350.20			23.56
Wisconsin	12.00	43.90	617.50					
Wyoming	351,407.27	-9,005.97	7,266.95	168.35	44.05		8.00	7,024.11
Philippine Islands								
Total	6,456,304.85	2,545,811.83	12,516,185.49	1,579,523.27	447,840.37	252,668.55	86,994.54	278,928,666.81

TABLE 4

Continued

TABLE 1.—RECEIPTS FROM SPECIFIC SOURCES OF INTERNAL REVENUE, FISCAL YEAR ENDED JUNE 30, 1927, BY COLLECTION DISTRICTS—
Continued

District	Tobacco and tobacco manufactures—Continued						Total
	Snuff, per pound, 18 cents	Manufactured tobacco, per pound, 18 cents	Leaf tobacco sold, removed, or shipped in violation of sec. 3300, R. S., etc.	Cigarette papers, per package, 1/4 and 1 cent	Cigarette tubes, per 50 or fractional part, 1 cent	Miscellaneous collections relating to tobacco	
Alabama							
Arizona							
Arkansas		\$22.85					
First California		116.68			\$14.40	\$155.89	\$9,294.31
Sixth California						152.52	401.72
Colorado	\$2.31	34,353.06		\$235,370.70	100.00	9.09	3,065.23
Connecticut		4,491.35				432.03	12,411,302.46
Delaware		1,843.47				1.48	99,819.16
Florida		9,774.85	\$50.00				32,449.46
Georgia	425,040.82					101.23	143,778.83
Hawaii		1,207.57				1,761.15	668,643.86
Idaho		794.44		176.00		668.48	2,826,701.45
First Illinois	23	4,837.81				190.82	71,084.01
Eighth Illinois				19.00			6,872.69
Indiana	1,582,926.07	4,204,105.57					2,122.94
Iowa		33,545.44				2,133.23	6,466,685.95
Kansas	6,633.00	64,455.52				285.45	101,055.62
Kentucky		50,656.72				777.05	727,233.73
Louisiana		3,249.07				.68	130,546.14
Maine	67.14	4,836,464.91	470.00			30.05	20,509.74
Maryland	756.00	21,476.30				666.63	8,941,700.81
Massachusetts		4.91				57.66	325,087.95
Michigan		718.52				20.00	31,289.27
Fourth Michigan	51,105.94	30,278.19				1,210.63	543,129.07
Minnesota	9,823.82	2,733,029.76					679,831.04
Mississippi	187.60	1,890.63				533.24	3,858,177.31
First Missouri	34.01	15,367.35				138.56	83,457.01
Sixth Missouri							107,477.86
Montana		10,032,800.51					805.50
Nebraska		1,004.25					10,153,243.77
Nevada		383.64				62.01	63,285.89
New Hampshire		7,815.93		41.00		164.39	7,353.85
First New Jersey							41,837.35
Fifth New Jersey							715.54
New Mexico	1,056,338.43	123.84				27.09	291,230.80
First New York		397.73				17.82	1,094,260.14
		188,607.76				888.60	18,872,277.04
		45.00					847.00
		926,287.70				72.25	17,179,272.38
			5.12			61,026.98	

Second New York	6,773.83	155,450.25		637,199.05	45,500.00	464.64	1,445,584.62
Third New York		6,304.76				2,478.14	7,202,149.35
Fourteenth New York		129,899.01					558,006.33
Twenty-first New York		199,763.47					307,811.31
Twenty-eighth New York	1,992.70	85,417.46					136,349.97
North Carolina		21,801,762.91	654.33	213,351.75		709.86	195,041,504.24
North Dakota						10.73	1,018.13
First Ohio		6,869,676.33				15,485.00	7,239,820.55
Tenth Ohio		2,702,317.31				15.73	4,282,794.84
Eleventh Ohio		360.36				25.00	271,310.20
Eighteenth Ohio	241.20	61,398.40				859.59	297,960.10
Oklahoma		9.00				84.63	4,951.03
Oregon		1,178.46				30.04	9,488.72
First Pennsylvania	210.75	313,673.98		37,590.74	64.00	12,851.93	16,287,842.27
Twelfth Pennsylvania		454,341.69				1,239.50	1,446,954.82
Twenty-third Pennsylvania	174.61	16,176.29				10.01	221,467.38
Rhode Island	52.46	3,665.17					58,317.38
South Carolina		2,737.60					71,621.65
South Dakota		986.41				68.66	13,090.40
Tennessee	2,883,287.52	409,661.01	59.00			25.00	3,809,478.31
First Texas		29,574.38	600.00	70.50		60.00	88,110.00
Second Texas		88.68					2,200.06
Utah		216.63				20.00	8,264.11
Vermont		16.43					1,940.94
Virginia		3,522,622.40				30.00	57,775,154.62
Washington		1,189.58				37.80	11,127.75
West Virginia		2,026,970.96	155.21			3.60	2,207,590.04
Wisconsin	2,046.24	144,726.50					367,821.67
Wyoming						25.00	1,698.40
Philippine Islands		90					374,965.63
Total	6,907,664.84	65,070,195.26	1,984.60	1,124,148.74	45,876.48	107,431.56	378,170,205.04

TABLE 1.—RECENTS FROM SPECIFIC SOURCES OF INTERNAL REVENUE, FISCAL YEAR ENDED JUNE 30, 1927, BY COLLECTION DISTRICTS—Continued

District	Oleomargarine							Adulterated butter			Process or renovated butter			
	Colored, per pound, 10 cents	Uncolored, per pound, ¼ cent	Manu- facturers, \$600	Retail dealers		Wholesale dealers		Total	Per pound, 10 cents	Manu- facturers, \$600	Total	Per pound, ¼ cent	Manu- facturers, \$50	Total
				Colored oleomar- garine, \$43	Uncolored oleomar- garine, \$6	Colored oleomar- garine, \$480	Uncolored oleomar- garine, \$200							
Alabama	\$1,242.40	\$2,709.83	\$1,625.83	\$1,440.00	\$6,543.67	\$1,300.00	\$3,400.00	\$18,321.73				\$62.00	\$20.84	\$82.84
Arizona	3.00			260.00	1,881.49	480.00	800.00	3,424.49						
Arkansas	125.00		145.00	2,026.90	5,859.54		2,720.00	10,677.74	\$50.00		\$50.00		48.00	48.00
First California		37,482.13	1,800.00		19,553.56		6,916.72	65,752.41						
Sixth California		17,677.60	3,300.00		30,368.82		8,632.38	60,979.60	122.82		122.82			
Colorado	4,780.00	1,601.25		120.00	11,745.04		3,625.00	21,801.31						
Connecticut					4,852.26		700.00	5,552.26						
Delaware				4,500.00	2,045.63	960.00	600.00	8,005.63						
Florida	32,350.00	680.00	600.00	1,330.77	11,679.14	2,720.00	9,183.35	58,673.26						
Georgia				132.00	7,434.97	950.00	3,533.43	11,750.40						
Idaho					3,671.49		1,350.00	4,921.49						
First Illinois	263,383.60	300,683.25	7,800.00		52,451.89	1,440.00	12,704.18	638,477.89	500.00		500.00			
Eighth Illinois	56,933.90	10,527.75	1,700.00		32,310.37	480.00	11,221.69	113,673.71						
Indiana	92,367.80	6,966.75	1,200.00	8,120.00	58,190.10	5,515.00	12,850.03	185,251.69						
Iowa				48.00	42,621.01		15,841.26	58,002.27						
Kansas	156,040.00	44,258.75	2,651.33	1,842.00	30,601.84	960.00	11,666.72	247,970.01				332.50	100.00	432.50
Kentucky	861.00		175.00	784.00	9,425.68	720.00	2,646.00	14,110.66	25.00		25.00			
Louisiana	18,316.00	600.00	700.00	2,702.00	10,005.31	1,440.00	4,114.67	38,678.98						
Maine	478.90		250.00		7,044.10		3,516.66	11,659.66						
Maryland	292,469.59	5,604.50	2,400.00	28,260.00	13,431.94	3,600.00	4,333.84	350,066.37				3,902.50	100.00	4,002.50
Massachusetts	4.00	6,638.50	600.00	20.00	21,816.63		9,460.58	39,545.81						
Michigan	56.40	1,650.50	605.00	98.00	39,916.80		17,925.64	60,251.74						
Fourth Michigan	3.00				11,472.00		5,109.01	16,575.91						
Minnesota		7,803.00	400.00		25,072.47		11,783.36	45,558.83				4,790.00	100.00	4,890.00
Mississippi	96.20			2,180.00	1,425.02	1,260.00	240.25	5,204.47						
First Missouri	57,210.50	18,721.45	1,275.00	6,218.00	10,659.56	1,280.00	2,533.35	97,927.86						
State Missouri	20,701.90	8,199.52	600.00	937.00	22,400.17		8,650.92	58,388.01				1,464.10	50.00	1,514.10
Montana	102.30		25.00		259.00		200.00	566.30						
Nebraska	9,528.45	6,767.60	1,330.29	300.00	20,622.19	960.00	7,271.68	40,750.11						
Nevada					300.63		200.00	500.63						
New Hampshire			307.30		3,043.14		1,283.34	4,633.78						
First New Jersey	420.30		25.00		12,832.43	25.00	3,553.34	16,936.07						
Fifth New Jersey	39,621.50	49,907.72	3,000.00		21,168.27		4,650.00	128,637.49						
New Mexico					705.14		600.00	1,265.14						
First New York					8,339.52		1,633.34	9,972.86						

REPORT OF COMMISSIONER OF INTERNAL REVENUE

Second New York			9.60	514.00	7,000.00	3,123.60	\$1,200.00	1,300.00						
Third New York	15.00			3,374.00	622.67	4,011.67	50.00	50.00						
Fourth New York	368.00		50.00	21,302.44	9,050.00	31,760.44	82.03	121.40						
Twenty-first New York				21,625.29	10,358.35	33,754.94								
Twenty-eighth New York	336.30		225.00	180.00										
North Carolina	108.00	750.00	100.00	10.80	22,159.52	960.00	9,655.00	32,780.32						
North Dakota	141.00		14.76	773.00	3,132.22		2,374.01	7,253.99						
First Ohio	253.70	21,030.13	1,800.00		2,463.70		1,500.00	4,270.70						
Tenth Ohio				44.00	21,773.59		5,916.67	50,774.09						
Eleventh Ohio	295.40	28,347.00	800.00		17,429.81		5,466.69	22,896.50						
Eighteenth Ohio				2,805.00	22,385.87		5,233.34	57,915.61						
Oklahoma					35,779.18	60.00	11,666.69	46,895.87						
Oregon	60.00	6,100.00	600.00		16,707.60	1,134.00	4,420.62	25,077.62						
First Pennsylvania	631.20			278.00	13,049.31		2,950.09	22,709.33						
Twelfth Pennsylvania	63.80		50.00		11,169.64		2,400.00	14,569.54						
Twenty-third Penna- sylvania	30.00				3,748.50		400.00	4,263.30						
Rhode Island	1,051.00	2,259.51	2,400.00	24.00	9,559.54		4,000.00	13,580.54				32.50	41.67	74.17
South Carolina				48.00	1,870.01		800.00	3,410.52						
South Dakota	70.30		125.00		1,887.77	480.00	2,933.34	5,348.11						
Tennessee	40,018.30	808.50	875.00	7,793.00	7,124.62		2,933.34	10,253.26						
First Texas	2,159.60		25.00	535.63	11,054.44	1,320.00	3,583.34	66,312.85						
Second Texas	66,660.00	5,653.75	704.13	1,904.00	4,269.14	960.00	4,760.62	12,999.39						
Utah					6,790.85	960.00	2,396.65	85,062.44						
Vermont					4,774.62		2,833.35	7,607.97						
Virginia	1,626.00			4,895.00	1,600.13		1,000.00	2,809.13						
Washington	27.50	2,412.30	700.00		5,025.60	2,680.00	3,293.35	16,623.95						
West Virginia	41.40		1,925.00		20,650.71		4,500.01	28,170.52						
Wisconsin	35.63	23,971.25		4,116.00	12,270.31		4,833.35	21,019.69						
Wyoming					29,149.24		10,912.55	65,999.44						
Total	1,161,970.87	519,680.44	42,594.61	85,076.60	900,893.79	32,624.00	321,070.63	3,184,218.94	737.19	1,332.03	2,069.22	10,583.60	460.61	11,044.11

REPORT OF COMMISSIONER OF INTERNAL REVENUE

TABLE 1.—RECEIPTS FROM SPECIFIC SOURCES OF INTERNAL REVENUE, FISCAL YEAR ENDED JUNE 30, 1927, BY COLLECTION DISTRICTS—
Continued

District	Filled cheese, domestic, per pound, 1 cent	Mixed flour			Stamp taxes (documentary, etc.)					Manufacturers' excise taxes			
		Per barrel, 4 cents	Makers, packers, or re-packers, \$12	Total	Bonds of indebtedness, capital stock issues, etc. (according to value)	Capital stock transfers, on each \$100 of face value or fraction thereof, 2 cents	Sale of produce on exchange, etc., for each \$100 in value or fraction thereof, 1 cent	Playing cards, per pack, 10 cents	Total	Automobiles and motor cycles, 3 per cent	Pistols and revolvers, 10 per cent	Cereal beverages or substitutes therefor, per gallon, 1/4 cent	Total
Alabama					\$27,539.75	\$638.12		\$28,177.87	\$80.29			\$80.29	
Arizona					16,593.00			16,593.00	716.06			716.06	
Arkansas	\$9.50				2,518.57	15,310.16		17,828.73	349.29			349.29	
First California		\$1,050.00	\$12.00	\$1,062.00	430,925.12	110,931.15		541,856.27	435,862.61		\$5,818.58	441,681.19	
Sixth California					340,970.94	74,684.96		415,655.90	25,354.71		120.92	25,475.63	
Colorado		1.50	12.00	13.50	115,749.21	8,725.46	\$179.76	124,654.43	76.65		1,236.09	1,312.74	
Connecticut					26,200.19	46,440.94		72,641.13	146,336.10	\$72,431.21	13,055.70	232,723.13	
Delaware					57,111.76	4,275.46		61,387.22	1,745.81		140.46	1,886.27	
Florida					144,605.50			144,605.50	172.23	6.19	13,604.68	13,783.10	
Georgia					131,151.69	1,325.62		132,477.31	683.22		277.65	690.87	
Hawaii					41,148.01	1,625.76		42,773.77					
Idaho					11,093.49			11,093.49	47.07		5.86	53.83	
First Illinois					884,454.34	379,939.88	1,047,502.69	1,264,994.31	679,314.22	804.20	15,060.66	695,209.08	
Eighth Illinois		25.80	21.00	46.80	8,244.28	1,659.24		9,903.52	162.53		9.88	172.39	
Indiana					71,351.16	1,276.60		72,627.76	4,059,415.51		2,636.32	4,062,051.33	
Iowa		49.43	12.00	61.43	36,122.86	210.00		36,332.86	645.35		66.54	651.89	
Kansas		23.50	68.00	91.50	18,954.46			18,954.46	404.73			464.73	
Kentucky					44,282.30	9,024.34		53,306.64	1,022.09	431.11	1,021.59	2,474.79	
Louisiana					161,742.36	8,513.68	194,641.14	261,897.18	677.53		735.42	1,412.95	
Maine					16,824.89	1,204.22		18,029.11	195.30			195.30	
Maryland					167,743.21	14,575.10		182,318.31	12,814.12		3,675.80	16,489.92	
Massachusetts					414,183.21	286,075.73		700,258.94	206,942.40	103,574.32	3,975.08	314,492.40	
Michigan			5.00	5.00	219,036.82	44,353.58		263,390.40	47,862,444.04		757.67	47,863,201.71	
Fourth Michigan			12.00	12.00	40,913.00	2,172.60		43,085.60	160,099.88		66.54	160,166.42	
Minnesota					88,206.82	305.34	130,333.27	218,542.16	6,950.11		4,276.78	11,226.89	
Mississippi					7,824.35	111.70		7,936.05	34.43			34.43	
First Missouri					96,905.78	26,573.72	12,110.69	135,590.19	998,875.56		6,019.67	1,004,895.23	
Sixth Missouri		2.00	12.00	14.00	102,892.01	70.02	78,300.01	1,680.03	1,360.56		6,118.12	7,478.68	
Montana					12,550.00			12,550.00			100.39	100.39	
Nebraska		12.00		12.00	15,247.81	1,243.80	5.00	16,496.61	933.70		704.64	1,638.34	
Nevada					28,412.46			28,412.46	32.78		76.17	108.95	
New Hampshire					1,409.99	308.62	80	1,718.61	105.00			105.00	
First New Jersey					32,716.92			32,716.92	2,490.88		477.48	2,968.36	
Fifth New Jersey	4,150.00				198,236.34	1,360.79		200,607.13	722,795.89	4.10	9,250.38	732,050.37	
New Mexico					6,238.41	1,188.51		7,426.92	19,122.24		19,503.03	38,625.27	
First New York		50.00	10.00	70.00	167,736.63			167,736.63	131,025.65	7,410.85	195.60	138,633.10	
Second New York					7,089,858.79	15,250,152.60	813,828.42	7,987,302.20	50,448.93	1,629.20	16,480.30	86,076.68	
Third New York					49,216.73	605.00		50,821.73	29,336.61		1,820.95	326,963.40	
Fourth New York					29,183.33	117.88		29,301.21					
Twenty-first New York					36,714.41			36,714.41	36,850.41	402,581.63	7,711.69	410,293.32	
Twenty-eighth New York					102,779.36	27,426.23		130,205.59	731,059.31		8,493.20	739,552.61	
North Carolina					37,863.19	1,171.77		39,034.96	6,495.92			6,495.92	
North Dakota					7,032.22			7,032.22	2,805.79			2,805.79	
First Ohio					73,700.47	10,657.62		84,358.09	3,111,565.27		2,204.92	3,113,770.19	
Second Ohio					28,159.85	1,495.40	293.75	30,149.00	4,411.77		614.00	5,025.77	
Tenth Ohio					21,236.16	1,888.24		23,124.40	2,260,135.43		5,275.88	2,265,411.31	
Eleventh Ohio					243,270.08	29,974.14		273,244.22	839.69			839.69	
Eighteenth Ohio					26,938.40	845.98		27,784.38	47,183.95		731.91	47,916.36	
Oklahoma					47,002.95			47,002.95	528,520.64	641,922.91	773.33	12,846.32	655,542.56
Oregon		2,111.50	24.00	2,135.50	357,374.88	170,655.99		528,030.87	4,553.86	2,476.10	4,553.86	7,029.96	
First Pennsylvania					24,341.07	1,553.04		25,894.11					
Twelfth Pennsylvania					84,711.40			84,711.40	10,763.90		5,083.91	16,525.23	
Twenty-third Pennsylvania		3.00		3.00	229,237.41	41,084.96		270,322.37	47,345.99	10,841.32	275.67	275.67	
Rhode Island					6,210.54			6,210.54	18,078.89			18,078.89	
South Carolina					18,078.89			18,078.89	61.75		305.17	366.92	
South Dakota					13,374.86			13,374.86	519.92			519.92	
Tennessee					57,573.04	822.46		58,395.50	203.25		782.19	2,632.90	
First Texas					82,014.18	1,044.64		83,058.82	1,723.46	27.15		3,893.27	
Second Texas					60,541.12	10.00		60,551.12	404.32	3,488.95	316.84	322.09	
Utah					19,217.66	1,011.32		20,228.98	3,860.84			3,860.84	
Vermont					3,356.44	604.20		3,960.64	83.62		834.20	834.20	
Virginia					31,665.50	5,234.68		36,900.18	129,065.72	5,531.26	1,958.56	834.20	
Washington		138.63	150.00	150.00	125,432.06	2,497.40	741.36	128,670.82	21,579.65		7,982.52	3,118,488.01	
West Virginia					12,062.49	9,487.16		21,549.65	3,110,605.40		51.03	51.03	
Wisconsin					73,533.99	818.38	6,237.36	80,589.73	7,742.66				
Wyoming					7,745.66			7,745.66	2,358.50				
Philippine Islands					2,358.50			2,358.50					
Total	4,298.13	3,488.73	178.00	3,666.73	13,044,445.65	10,674,102.83	2,884,534.45	4,742,468.50	37,345,551.43	66,437,891.32	192,539.17	198,610.72	66,829,031.21

TABLE 1.—RECEIPTS FROM SPECIFIC SOURCES OF INTERNAL REVENUE, FISCAL YEAR ENDED JUNE 30, 1927, BY COLLECTION DISTRICTS—
Continued

District	Narcotics								Total
	Opium, coca leaves, etc., per ounce or fraction thereof, 1 cent	Inspectors, manufacturers, and compounders, \$24	Dealers		Practitioners, \$1	Dealers in untaxed narcotic preparations, \$1	Opium order blanks, per hundred, \$1	Miscellaneous collections, relating to narcotics	
			Wholesale, \$12	Retail, \$6					
Alabama		\$144.00	\$468.00	\$4,130.26	\$2,277.66	\$254.75	\$155.40	\$1,279.84	88,718.90
Arizona			105.00	873.58	3,307.48	25.25	21.22	6.57	1,429.38
Arkansas	353.60	139.00	240.00	4,605.69	3,248.71	371.34	113.86	906.63	9,684.73
First California	410.97	445.00	630.00	7,236.38	3,878.39	100.56	245.11	264.75	13,216.01
Sixth California	17.75	203.00	533.60	10,564.92	5,377.29	114.48	293.95	580.00	17,894.39
Colorado			497.80	3,210.32	1,916.97	184.98	101.76	2,818.25	8,473.74
Connecticut		24.00	293.00	3,965.25	2,265.88	238.05	123.02	1,310.00	8,218.20
Delaware	4.00	12.00	602.50	3,305.26	305.26	127.75	20.27		1,095.71
Florida		24.00	382.00	4,626.43	1,810.44	178.00	147.34	711.60	8,779.88
Georgia		168.00	832.00	5,730.00	3,076.29	511.00	241.91	182.30	10,741.50
Hawaii	5.00	104.00	115.00	96.50	236.21	52.25	11.10	5,580.42	6,200.48
Idaho		99.30	1,184.01	486.77	9.48	22.50		501.55	2,303.01
First Illinois	6,016.65	605.00	837.00	18,767.36	8,183.83	64.30	406.59		34,540.73
Eighth Illinois	47.50	72.00	420.00	4,238.71	4,451.80	178.75	119.50	33.00	9,563.02
Indiana	8,877.95	216.00	970.00	9,248.18	6,145.63	377.85	264.20		26,889.81
Iowa	129.77	120.00	624.00	5,660.04	6,701.26	350.78	154.15	2,002.45	15,742.45
Kansas			354.00	5,785.96	2,634.82	215.00	126.68	3,893.18	13,009.54
Kentucky	93.88	78.00	416.00	4,868.31	3,078.43	298.00	172.44	1,854.85	10,867.18
Louisiana	32.00	72.00	147.00	4,848.23	2,066.33	422.69	92.09	3,233.00	10,012.74
Maine		24.00	108.00	2,056.50	1,279.78	541.48	64.34		4,074.08
Maryland	6,204.52	350.00	614.00	6,180.05	3,792.23	755.96	221.64	2,605.00	20,723.30
Massachusetts	47.50	192.00	746.15	16,937.47	7,893.66	614.96	308.60	3,928.00	31,119.94
Michigan	6,126.42	338.00	782.60	9,684.35	4,274.71	331.25	234.06	1,957.45	23,700.20
Fourth Michigan	948.00		213.00	1,044.50	531.25	125.00	36.06	-88.50	2,066.25
Minnesota	2.25	72.00	424.00	6,452.65	3,032.20	48.00	173.43	2,035.00	12,239.53
Mississippi		263.16	3,381.63	2,071.45	214.17	95.37	996.25		9,021.08
First Missouri	14,659.72	441.00	427.00	6,174.50	3,216.94	141.25	170.60	1,300.80	26,625.71
Sixth Missouri	40.32	182.00	461.50	4,938.46	2,876.63	136.16	108.10	8,476.72	17,263.99
Montana	4.00	24.00	84.00	1,646.65	544.38	14.00	27.30	437.64	2,782.00
Nebraska	41.40	46.00	194.00	5,589.37	2,499.12	121.25	95.15	6.85	8,563.17
Nevada			12.00	265.80	141.52	5.42	8.40	21.55	454.30
New Hampshire	67.00	24.00	36.00	1,395.91	1,218.27	178.25	24.95	1,729.35	4,883.74
First New Jersey	28.50	24.00	100.00	3,136.30	1,379.70	420.75	50.56	352.00	4,511.77
Fifth New Jersey	30,246.35	78.00	109.00	8,407.95	3,318.02	38.00	639.00	1.00	42,881.32
New Mexico			24.00	502.00	321.07	40.00	13.71	447.85	1,348.63
First New York	4,248.27	212.00	128.50	13,903.35	2,854.31	11.00	230.35	5,000.00	26,887.78
Second New York	20,976.74	364.73	939.00	8,491.01	8,874.87	171.99	90.10	31,647.44	51,730.00
Third New York	102.50	784.44	523.76	6,487.38	8,064.43	251.25	128.74	387.50	18,005.08
Fourth New York	1,384.21	360.00	383.00	6,757.14	3,389.28	221.31	187.25	1,022.91	7,425.89
Fourteenth New York	173.50	192.00	243.00	4,148.80	2,453.21	220.25	91.93	1,524.83	11,331.81
Twenty-first New York	702.82	240.00	494.00	5,214.76	2,663.78	90.25	120.51	2,822.68	11,660.09
Twenty-eighth New York			233.00	1,790.50	714.96	534.84	177.05	2,633.41	2,660.00
North Carolina			238.00	2,017.75	379.94	14.50	29.00	423.25	5,012.16
North Dakota	451.79	168.00	1,716.00	1,462.32	1,728.22	73.50	106.14	60.00	3,801.38
First Ohio	13.00	48.00	309.00	1,773.27	1,462.32	121.00	72.06	690.00	4,950.30
Tenth Ohio	1,032.92	108.00	2,083.25	7,065.73	3,887.49	168.75	216.70	2,078.40	14,331.40
Eleventh Ohio	272.83	264.00	490.50	7,065.73	3,166.94	734.00	130.60	78.66	14,591.09
Eighteenth Ohio		24.00	294.25	8,163.64	2,167.21	1,000.25	92.97	616.00	7,337.32
Oklahoma	10.00	24.00	216.00	3,126.99	5,967.60	1,238.78	372.19	2,842.80	43,812.61
Oregon	17,477.86	776.00	968.00	14,441.91	3,391.64	281.75	86.59	900.00	7,359.30
First Pennsylvania			408.00	3,186.87	4,473.10	654.50	26.10	225.00	15,992.62
Twelfth Pennsylvania	487.85	134.00	120.00	2,248.76	823.87	151.01	102.70		3,772.60
Twenty-third Pennsylvania	33.10	48.00	240.00	2,067.70	2,957.49	806.21	28.38		3,131.71
Rhode Island	44.75	48.00	111.00	3,673.50	869.92	37.70	352.49	945.73	17,880.71
South Carolina			705.50	7,451.54	7,035.43	623.00	352.49	9,200.00	22,366.51
South Dakota	461.02	288.00	499.00	8,582.43	3,434.77	352.57	175.45	953.00	20,992.28
Tennessee	38.24	24.00	757.13	12,172.34	5,807.28	728.97	214.18	745.03	1,703.32
First Texas	248.36	96.00	89.00	1,219.00	543.67	111.50	28.15	100.00	2,352.50
Second Texas	3.00	24.00	96.00	858.00	621.53	347.25	29.82		6,050.82
Utah		110.00	360.75	3,214.33	2,278.06	801.60	165.25	8,094.15	16,283.86
Vermont	38.86	24.00	500.00	4,471.93	2,082.37	93.73	117.10		6,125.28
Virginia		24.00	265.00	2,665.08	2,769.34	272.53	194.36	33.00	13,271.90
Washington	8.00	24.00	285.00	7,250.81	4,130.00	264.88	134.50	585.00	1,494.44
West Virginia	66.00	5.00	70.00	507.60	332.98	33.75	12.21		
Wisconsin									
Wyoming									
Total	122,723.49	8,785.17	23,205.23	338,169.65	183,857.11	18,341.73	6,107.60	93,545.12	797,825.32

TABLE 1.—RECEIPTS FROM SPECIFIC SOURCES OF INTERNAL REVENUE, FISCAL YEAR ENDED JUNE 30, 1927, BY COLLECTION DISTRICTS—Continued

Districts	Admissions to theaters, etc., and club dues							Miscellaneous					Total (all sources)
	Theaters, concerts, etc., for each 10 cents or fraction thereof, 1 cent	Sold at places other than the ticket office, 5 and 50 per cent of the excess charged, according to the amount of such excess	Sold by theaters, etc., in excess of the regular retail price of such excess, 50 per cent	Lenses of boxes or seats in theaters, etc., 10 per cent of the usual price	Roof gardens, cabarets, etc., of the 20 per cent charged, 1 1/2 cents for each 10 cents or fraction thereof	Dues, social, athletic, or sporting club, over \$10 annually, 10 per cent	Total	Collections under prohibition laws	Internal revenue collected through customs offices	Use of yachts, pleasure boats, etc., according to length and tonnage ¹	Miscellaneous, including delinquent taxes collected under repealed law, etc. ²	Total	
Alabama	\$25,168.91					\$50,483.64	\$75,622.56	\$3,075.02	\$0.37	\$157.80	\$46,814.02	\$60,048.11	\$10,293,183.33
Arizona	13,628.18					18,125.13	29,753.32	466.00			5,302.36	5,770.56	1,737,111.58
Arkansas	21,505.49					21,778.21	42,791.20	767.20			58,572.50	59,339.70	5,258,927.10
First California	489,163.94	\$5,259.36	\$682.30	\$6.40	\$107.50	364,106.91	907,952.15	13,958.89			325,171.40	342,130.29	77,153,333.31
Sixth California	804,429.85	1,182.19			48,133.24	64,627.64	155,193.73	8,055.00			230,648.90	292,672.74	62,335,082.94
Colorado	89,828.73				6,279.02	602,002.37	1,476,873.43	8,745.63			245,306.41	243,369.98	13,473,239.69
Connecticut	162,837.98				737.36	216,523.30	27,863.43	170.00			60,248.59	92,117.35	36,110,447.88
Delaware	14,418.03				6,297.17	13,182.68	63,846.10	3,961.00			181,518.63	153,018.63	16,373,633.23
Florida	170,849.72				262.72	67,729.56	142,800.92	6,653.40			98,181.17	105,049.80	44,483,095.42
Georgia	75,071.36				407.26	17,918.02	36,241.48	1,612.80			42,352.78	49,054.75	14,277,050.20
Iowa	18,914.20					1,290.48	7,385.18	2,557.60			9,032.45	10,556.94	5,331,006.60
First Illinois	83,596.16	32,845.16			106,813.32	1,206,032.24	3,148,191.20	58,524.30			4,486.65	9,014.15	1,477,778.92
Eighth Illinois	22,955.81					64,351.25	133,977.40	2,823.94			648,312.32	707,644.40	206,237,168.44
Indiana	92,726.93				54.48	136,923.42	938,879.20	22,321.00			87,541.14	40,365.08	11,141,512.65
Iowa	47,194.03					79,466.69	172,248.94	3,275.00			186,804.72	200,128.72	38,114,704.47
Kansas	189,361.51				7,863.66	43,232.17	90,426.14	2,401.05			55,339.10	58,616.14	12,566,814.05
Kentucky	106,266.01				21,186.75	68,503.21	269,315.81	3,141.42			31,969.14	34,600.19	20,714,690.20
Louisiana	22,500.11				76,197.98	45,609.70	202,650.74	1,321.74			30,836.56	33,977.98	27,650,455.66
Maine	618,106.00	1,768.06			1,434.26	256,215.47	68,109.81	950.00			117,817.20	119,420.77	17,478,975.35
Maryland	739,092.64	6,154.11	1,185.61		8,647.90	840,084.35	1,390,677.57	15,674.04			24,494.83	20,078.14	10,456,042.38
Massachusetts	450,787.03				41,012.02	350,400.97	872,200.02	10,634.84			180,194.68	196,813.69	134,750,251.52
Michigan	34,138.10				31,740.19	163,422.24	333,682.70	4,612.00			492,241.42	489,241.42	192,157,923.15
Fourth Michigan	164,843.00				3,417.46	10,832.26	33,469.02	2,090.60			48,748.31	49,530.33	6,640,184.27
Minnesota	23,118.76				13,827.50	17,934.74	434,961.33	7,302.43			28,136.23	30,246.93	3,460,085.23
Mississippi	128,830.42	182.25			9,388.40	117,934.74	258,916.56	6,200.24			113,634.42	121,087.99	65,423,664.69
First Missouri	32,641.91				8,833.19	40,925.10	3,801.78				52,107.69	58,207.83	14,871,344.73
Blith Missouri											20,691.03	24,497.18	4,331,630.70
Montana													
Nebraska	\$4,715.17				582.31	48,223.00	83,520.48	3,271.00			11,192.26	14,499.43	6,177,778.99
Nevada	32,650.06					309.83	32,968.36	1,142.00			3,855.73	5,097.73	583,989.50
New Hampshire	38,488.69					22,301.57	58,790.16				2,018.97	7,018.97	3,500,974.56
First New Jersey	152,743.69	172.85	472.20		17,261.58	128,807.16	297,467.39	5,303.64			40,766.99	46,070.53	19,015,294.01
Fifth New Jersey	310,833.00				4,672.45	316,078.23	630,583.68	6,899.40			292,915.95	299,615.35	94,947,469.03
New Mexico	8,911.07					3,103.37	7,014.44	200.00			2,112.89	2,112.89	679,603.39
First New York	743,662.56				9.00	485,761.67	1,263,130.15	525.83			82,869.87	83,411.88	68,440,793.95
Second New York	139,232.33	27,826.00	222.60		19,346.47	346,738.97	531,696.26	487.62			2,220,002.20	2,269,558.64	357,949,644.73
Third New York	5,046,908.70	57,421.71			240.32	900,620.58	6,256,327.78	10,076.00			337,430.29	347,678.00	185,200,288.51
Fourteenth New York	207,117.50				28,667.01	434,896.60	670,681.10	21,430.97			419,170.86	440,601.82	46,280,269.72
Twentieth-first New York	72,918.92				1,810.18	88,108.76	160,837.86	3,048.03			49,964.42	53,043.94	16,008,079.32
Twenty-eighth New York	196,088.23				23,121.65	198,096.20	417,305.98	4,750.00			240,028.82	244,786.05	40,290,160.78
North Carolina	26,280.54				22.89	65,690.62	91,903.05	729.97			37,302.91	38,032.69	308,651,675.46
North Dakota	13,763.49					2,242.81	16,005.80	475.00			2,594.06	3,069.06	798,520.87
First Ohio	231,219.76				87.50	167,066.70	473,492.88	13,804.42			162,569.58	170,374.00	43,027,114.73
Tenth Ohio	65,688.06					62,743.35	128,431.41	885.63			48,459.95	49,345.58	25,013,479.82
Eleventh Ohio	78,428.27					61,901.04	140,327.31	400.25			49,961.63	49,961.63	10,052,730.46
Eighteenth Ohio	330,003.33	1,044.92			3,362.36	273,632.31	607,942.92	11,677.00			355,660.43	367,291.59	69,337,617.13
Oklahoma	79,515.22					70,787.23	150,302.45	1,250.00			70,736.37	71,986.37	23,811,136.67
Oregon	84,271.76				6,506.95	80,800.30	170,378.01	478.23			63,034.38	63,612.01	6,711,766.70
First Pennsylvania	1,102,760.81	8,706.96			10,466.43	548,298.41	1,676,327.61	66,021.00			524,874.36	591,712.34	149,694,805.79
Twelfth Pennsylvania	74,295.21				490.19	50,800.13	131,064.53	35,078.93			364,420.00	399,499.29	20,193,520.18
Twentieth-third Pennsylvannia	344,740.80				9,432.94	309,839.55	664,023.14	28,760.00			427,799.60	463,530.66	88,675,472.45
Rhode Island	75,116.43				767.00	67,841.91	145,826.25	4,131.00			28,186.30	32,317.30	13,767,887.07
South Carolina	17,536.58					22,016.49	39,553.07	6,821.63			12,467.30	19,208.93	4,075,361.20
South Dakota	15,694.58					4,061.95	19,776.53	1,032.00			3,530.47	4,562.47	822,941.22
Tennessee	53,626.91				1,614.33	59,638.94	113,565.25	3,942.56			34,966.58	38,909.15	17,811,879.79
First Texas	103,128.23				4,039.94	82,621.11	190,233.61	1,751.14			80,288.10	88,470.56	25,090,956.16
Second Texas	68,196.98				225.02	150,261.68	213,684.76	366.00			59,635.58	59,995.58	69,995,252.64
Utah	46,068.01				326.85	19,825.84	67,138.40	2,200.00			12,436.69	14,636.69	3,923,107.70
Vermont	17,367.66					10,893.67	28,491.33	179.71			2,648.68	2,826.37	2,820,457.64
Virginia	70,468.21					70,119.41	140,588.62	6,299.10			157,701.52	194,001.63	79,160,325.61
Washington	139,588.02				4,613.77	109,973.17	253,286.96	21,093.66			41,404.96	62,541.00	14,001,415.51
West Virginia	28,130.13					34,069.00	64,199.13	5,788.09			52,594.01	58,362.10	18,356,296.23
Wisconsin	132,729.44	57.64			3,464.52	133,683.69	268,653.19	10,325.50			64,161.03	74,667.32	40,838,614.61
Wyoming	17,652.20					3,647.78	21,299.98				5,073.66	8,073.66	1,884,707.45
Philippine Islands													377,324.13
Total	17,059,035.46	142,629.80	2,665.70	11,659.52	715,746.15	10,436,020.79	28,376,657.48	102,876.72	40,302.99	7,066.72	10,939,668.23	11,490,714.66	2,865,683,129.91

¹ Tax collected on foreign-built yachts, pleasure boats, etc., purchased after July 1, 1922.

² Includes \$5,970,250.83 from corporation capital-stock tax due prior to July 1, 1926.

TABLE 2.—RECEIPTS FROM SPECIFIC SOURCES OF INTERNAL REVENUE, FISCAL YEAR ENDED JUNE 30, 1927, BY STATES COMPRISING TWO OR MORE DISTRICTS; FROM THE STATE OF MARYLAND AND THE DISTRICT OF COLUMBIA, WHICH CONSTITUTE THE DISTRICT OF MARYLAND; AND FROM THE STATE OF WASHINGTON AND THE TERRITORY OF ALASKA, WHICH CONSTITUTE THE DISTRICT OF WASHINGTON

State	Income tax			Estate— transfer of net estates of decedents	Distilled spirits and alcoholic beverages						
	Corporation	Individual	Total		Nonbeverage spirits distilled from—		Beverage spirits distilled from other materials, per gallon, \$6.40	Rectified spirits or wines, per gallon, 50 cents	Spirits for export, stamps, each 5 and 10 cents	Bottled in bond spirits, case stamps, each 10 cents	Still or sparkling wines, cordials, etc., 16 cents to \$1
					Fruit, per gallon, \$2.20 and \$1.65	Other materials, per gallon, \$2.20 and \$1.65					
Alaska.....	\$53,146.20	\$30,204.87	\$143,351.07								
California.....	60,908,080.08	51,400,718.84	112,308,807.92								
District of Columbia.....	9,215,322.97	6,804,599.41	16,019,922.38	\$3,288,045.63	\$79,922.70	\$223,838.84			\$1,316.00	\$32,815.17	
Illinois.....	120,063,072.25	74,007,916.40	194,070,988.65	1,717,341.08		34,162.02					
Maryland.....	16,358,432.47	13,268,199.56	29,626,632.03	3,873,427.48	\$424,383.33	393,327.77					
Michigan.....	101,488,345.20	58,150,206.64	141,638,551.84	663,279.94		548,290.55			2,015.00	42,231.60	
Missouri.....	36,243,697.30	16,658,867.51	52,902,564.81	1,978,910.91		512,785.88			4,696.00	204.00	
New Jersey.....	45,057,987.63	35,342,597.43	80,400,585.06	1,247,688.93		492,689.86	\$75.98				
New York.....	312,034,239.73	336,365,145.17	648,399,444.90	9,239,866.07	16.71	168,738.47			12,078.62	2,155.81	
Ohio.....	78,238,306.03	38,363,053.76	117,049,359.79	36,237,259.06	20,489.21	3,031,417.02			53.80	17,949.49	
Pennsylvania.....	133,700,352.09	89,215,262.65	222,915,614.73	4,534,491.88	70,125.77	1,374,450.68			898.00	359,801.07	
Texas.....	26,264,685.70	13,999,315.10	40,264,000.80	9,532,620.96	651.42	2,720,704.78			9.30	26,614.84	
Washington.....	9,872,374.50	3,319,923.14	13,192,297.64	1,037,776.95		8.36			7.70	8,618.00	
				156,492.09						1,274.20	

¹Including the Territory of Alaska and the District of Columbia.
²Includes \$18,827.54 income tax on Alaska railroads (act of July 18, 1914).

Distilled spirits and alcoholic beverages—Continued

State	Grape brandy for fortifying sweet wines, per gallon, 60 cents	Rectifiers, less than 500 bar- rels, \$100	Liquor dealers		Manufact- urers of stills, \$50	Stillts or worms manufac- tured, each, \$20	Brewers, 500 bar- rels or more, \$100	Malt liquors, dealers, retail, \$20	Miscella- neous collections relating to distilled spirits	Total
			Retail, \$25	Wholesale, \$100						
Alaska.....			\$56.25							\$56.25
California.....	\$394,456.64		45,680.90	\$1,625.00	\$496.86	\$505.22			\$267.00	1,770,927.56
District of Columbia.....			6,067.40	300.00						40,469.42
Illinois.....			48,962.30	3,533.34	4.17					3,497,529.56
Maryland.....		\$100.00	12,906.17	1,250.00						506,104.37
Michigan.....			2,401.46	525.00						516,394.33
Missouri.....			17,745.82	1,400.00						626,068.50
New Jersey.....	2,224.45	100.00	24,664.43	870.00	200.00		\$4.16	89.38		232,616.59
New York.....	4,299.13		715,712.43	12,328.61	79.17		\$400.00	8,797.08		4,104,657.04
Ohio.....	9,776.70		23,466.02	2,083.34	298.34	300.00		231.29		1,508,256.28
Pennsylvania.....			69,594.06	3,396.67	28.17	20.00				2,805,224.00
Texas.....			19,881.14	1,754.17						21,593.67
Washington.....			50.00	200.00						230.00

TABLE 2.—RECEIPTS FROM SPECIFIC SOURCES OF INTERNAL REVENUE, FISCAL YEAR ENDED JUNE 30, 1927, BY STATES COMPRISING TWO OR MORE DISTRICTS; FROM THE STATE OF MARYLAND AND THE DISTRICT OF COLUMBIA, WHICH CONSTITUTE THE DISTRICT OF MARYLAND; AND FROM THE STATE OF WASHINGTON AND THE TERRITORY OF ALASKA, WHICH CONSTITUTE THE DISTRICT OF WASHINGTON—Continued

State	Tobacco and tobacco manufactures							
	Cigars according to intended retail prices					Cigars (small), per thousand, 75 cents	Cigarettes (large), per thousand, \$7.20	Cigarettes (small), per thousand, \$3
	Class A, per thousand, \$2	Class B, per thousand, \$3	Class C, per thousand, \$5	Class D, per thousand, \$10.50	Class E, per thousand, \$13.50			
Alaska.....			\$84.25					
California.....	\$65,387.50	\$5,423.88	100,062.62	\$2,290.45	\$10,250.33	\$12.75	\$563.41	\$11,061,926.55
District of Columbia.....	116.70	239.18	343.64	171.43	2,731.92		93.60	38.23
Illinois.....	68,749.50	41,242.68	241,736.30	26,103.98	10,130.36	1.40	3,883.32	14,891.03
Maryland.....	46,054.47	45,952.60	320,316.24	3,277.81	165.41	121,532.01	7.20	9.43
Michigan.....	90,293.00	261,073.34	773,029.27	22,968.94	4,552.97			43,104.40
Missouri.....	41,958.88	12,066.57	60,571.62	732.32	3,233.21		2.25	43,367.03
New Jersey.....	323,753.23	89,143.00	2,013,486.08	137,568.90	10,628.99	378.50	2.16	15,530,312.84
New York.....	560,784.45	143,191.06	1,132,295.15	252,284.88	294,365.86	9,233.84	75,857.40	22,292,061.12
Ohio.....	673,955.99	309,169.92	477,062.25	5,876.99	5,644.63	15.76	134.53	607.40
Pennsylvania.....	2,268,448.21	1,084,967.57	3,481,489.35	92,431.30	30,946.32	78,697.22	2,267.65	13,090,572.32
Texas.....	18,723.54	5,707.32	34,940.53	465.99	09.57			49.55
Washington.....	3,122.20	583.22	5,960.43		2.70		1.44	40.13

State	Tobacco and tobacco manufactures—Continued						
	Snuff, per pound, 18 cents	Manufactured tobacco, per pound, 18 cents	Leaf tobacco sold, removed, or shipped in violation of sec. 3360, R. S., etc.	Cigarette papers, per package, 1/4 and 1 cent	Cigarette tubes, per 50 or fractional part, 1 cent	Miscellaneous collections relating to tobacco	Total
Alaska.....							\$84.25
California.....	\$2.31	538,839.41			\$225,370.70		12,511,121.61
District of Columbia.....		155.07				\$101.48	3,939.82
Illinois.....	1,862,923.07	4,297,651.11				2,413.68	6,567,741.87
Maryland.....	9,981.32	563.45				1,210.83	3,941,634.32
Michigan.....		2,735,829.39				691.80	10,210,539.66
Missouri.....		10,059,804.89				52.01	10,059,837.18
New Jersey.....	1,656,338.43	184,003.49	\$5.12	637,199.05	45,696.60	64,872.76	26,019,774.26
New York.....	8,766.53	1,408,130.65				889.60	17,648,204.47
Ohio.....	241.20	10,572,752.40		37,590.74	64.00	14,101.44	80,310.08
Pennsylvania.....	385.39	784,191.95	600.00	70.50		50.00	10,943.50
Texas.....		29,662.06				37.80	
Washington.....		1,189.58					

TABLE 2.—RECEIPTS FROM SPECIFIC SOURCES OF INTERNAL REVENUE, FISCAL YEAR ENDED JUNE 30, 1927, BY STATES COMPRISING TWO OR MORE DISTRICTS; FROM THE STATE OF MARYLAND AND THE DISTRICT OF COLUMBIA, WHICH CONSTITUTE THE DISTRICT OF MARYLAND; AND FROM THE STATE OF WASHINGTON AND THE TERRITORY OF ALASKA, WHICH CONSTITUTE THE DISTRICT OF WASHINGTON—Continued

State	Oleomargarine								Adulterated butter			Process or renovated butter		
	Colored, per pound, 10 cents	Uncolored, per pound, 1/4 cent	Manufacturers, \$600	Retail dealers		Wholesale dealers		Total	Per pound, 10 cents	Manufacturers, \$800	Total	Per pound, 1/4 cent	Manufacturers, \$50	Total
				Colored oleomargarine, \$48	Uncolored oleomargarine, \$6	Colored oleomargarine, \$480	Uncolored oleomargarine, \$200							
Alaska						\$85.75		\$85.75						
California		\$55,159.73	\$5,100.00		49,922.38	2,604.64		\$15,550.10	125,732.21	\$122.82		\$122.82		
District of Columbia				\$3,839.00		2,604.64		1,600.00	7,503.64					
Illinois	\$320,317.50	311,226.00	9,500.00		85,282.23	\$1,920.00		23,925.87	752,151.60	500.00		500.00		
Maryland	292,469.50	5,604.50	2,400.00	24,421.00	10,767.30	3,600.00		3,333.84	342,505.73			\$3,802.50	\$100.00	\$4,002.50
Michigan	59.40	1,650.50	605.00	08.00	51,419.70			23,025.05	78,857.63					
Missouri	77,912.40	26,920.97	1,875.00	7,155.00	33,059.73	1,280.00		2,083.87	155,316.47			1,404.10	50.00	1,514.10
New Jersey	40,241.80	49,907.72	3,025.00		34,010.70	25.00		8,233.34	135,473.56					
New York	827.30	750.00	375.00	200.30	78,401.77			30,340.86	120,463.78	39.37	\$1,332.03	1,371.40		
Ohio	540.10	40,377.13	2,400.00	44.00	97,378.45	50.00		28,683.39	178,482.07					
Pennsylvania	755.00		50.00	275.00	24,508.68			6,800.00	32,388.68			32.50	41.67	74.17
Texas	68,849.60	5,853.75	789.13	2,759.63	11,030.02	1,020.00		7,005.70	98,668.83					
Washington	27.50	2,412.30	700.00		20,444.98			4,800.01	28,084.77					

State	Filled cheese, domestic, per pound, 1 cent	Mixed flour			Stamp taxes (documentary, etc.)					Manufacturers' excise taxes			
		Per barrel, 4 cents	Makers, packers, or re-packers, \$12	Total	Bonds of indebtedness, capital stock issues, etc. (according to value)	Capital stock transfers, on each \$100 of face value or fraction thereof, 2 cents	Sales of products on exchange, etc. for each \$100 in value or fraction thereof, 1 cent	Playing cards, per pack, 10 cents	Total	Automobiles and motor cycles, 3 per cent	Pistols and revolvers, 10 per cent	Cereal beverages or substitutes therefor, per gallon, 1/4 cent	Total
Alaska				\$1,272.73	\$20.00			\$7,721.70	\$1,282.73			\$5,938.60	\$487,156.82
California	\$1,050.00	\$12.00	\$1,062.00	771,896.06	185,656.11		14.40	965,283.87	\$461,217.32			420.26	30,809.40
District of Columbia				54,598.36	1,948.24			56,561.00			\$804.20	420.26	5,418.74
Illinois	25.80	21.00	46.80	892,698.62	381,599.12	\$1,647,502.89	50.40	2,925,349.43	679,476.75			15,100.52	695,381.47
Maryland		17.00	17.00	113,144.85	12,629.86		225.00	307,601.00	48,022,543.92			3,219.54	16,083.56
Michigan		17.00	17.00	260,849.82	46,526.18		1,912.20	317,764.43	1,000,230.12			824.21	48,023,368.15
Missouri	2.00	12.00	14.00	198,797.73	26,643.74		90,410.70	803,881.80	1,036,195.82			13,137.79	1,012,373.91
New Jersey	\$4,150.00			230,953.26	1,390.70			196,374.90	23,763,094.28		4.10	9,727.86	735,018.73
New York	60.00	10.00	70.00	475,483.25	15,278,301.71		291.75	450,658.10	3,897,328.76			54,304.87	1,740,144.47
Ohio	3.00		3.00	366,366.51	59,010.49			859,128.56	658,240.33			19,289.64	5,067,248.77
Pennsylvania				610,954.26	236,320.40			1,049.20	145,258.14			23,084.09	679,097.75
Texas				142,555.30	1,054.74			1,049.20	145,258.14			782.19	6,426.07
Washington	138.63	150.00	160.00	124,159.33	2,477.40		741.30	394.90	127,772.90			834.20	8,324.02

State	Opium, com leaves, etc., per ounce or fraction thereof, 1 cent	Importers, manufacturers, and re-impounders, \$24	Dealers		Practitioners, \$1	Dealers in untaxed narcotic preparations, \$1	Opium order blanks, per hundred, \$1	Miscellaneous collections relating to narcotics	Total
			Wholesale, \$12	Retail, \$6					
			Alaska							$428.72	$24.00	$28.50	$66.02	$1.50	$25.00	$216.50
California		\$548.00	1,153.00	17,801.30	9,256.69	214.88	844.75	30,809.40	
District of Columbia		24.00	203.00	1,679.10	1,170.04	2.00	59.60	5,418.74	
Illinois		677.00	1,237.00	23,006.67	12,605.43	232.75	626.45	44,404.35	
Maryland	6,084.15	328.00	411.00	4,500.95	2,016.19	458.23	330.00	26,692.51	
Michigan	7,074.42	328.00	678.00	10,728.85	4,805.96	278.31	9,887.62	43,889.70	
Missouri	14,700.04	328.00	878.50	11,112.96	6,093.67	458.75	709.56	48,363.10	
New Jersey	27,686.94	102.00	259.00	11,544.16	4,897.78	966.05	10,755.79	109,985.00	
New York	20,208.85	2,153.17	2,505.26	44,640.18	20,531.53	619.88	3,054.15	30,701.33	
Ohio	17,965.71	1,265.75	1,265.75	14,072.73	8,831.31	2,175.00	4,900.50	67,164.72	
Pennsylvania	1,770.34	860.00	1,060.00	26,020.42	13,824.02	389.03	10,158.00	43,338.77	
Texas	286.00	120.00	1,235.12	20,764.82	9,292.05	1,061.54	8,969.15	16,067.30	
Washington		24.00	476.00	4,373.40	2,017.83	92.25			

TABLE 2.—RECEIPTS FROM SPECIFIC SOURCES OF INTERNAL REVENUE, FISCAL YEAR ENDED JUNE 30, 1927, BY STATES COMPRISING TWO OR MORE DISTRICTS, FROM THE STATE OF MARYLAND AND THE DISTRICT OF COLUMBIA, WHICH CONSTITUTE THE DISTRICT OF MARYLAND, AND FROM THE STATE OF WASHINGTON AND THE TERRITORY OF ALASKA, WHICH CONSTITUTE THE DISTRICT OF WASHINGTON.—Continued

State	Theaters, concerts, etc., for each 10 cents or fraction thereof, 1 cent	Sold at places other than ticket office, 5 and 50 per cent of the excess charged, according to the amount of each excess	Leases of booths or seats in theaters, etc., 10 per cent of the usual price, excess, 50 per cent	Rooftop cabarets, etc., of the 20 per cent charged, 1/4 cents for each 10 cents or fraction thereof	Dues, social, athletic, or sporting club, over \$10 annually, 10 per cent	Total	Miscellaneous			Total (all sources)
							Collec-tions under prohibi-tion laws	Internal revenue collected through customs offices	Use of yachts, pleasure boats, etc., according to length and tonnage		Miscella-neous, including delinquent taxes collected under repealed law, etc.
Alaska	\$884.15	\$7,031.53	\$6,408.30	\$293.20	\$1,277.35	\$14,803.53	\$255.35	\$624.62	\$624.62	\$146,900.52
California	1,203,593.75	37,861.00	4,632.21	4,632.21	80,261.15	383,355.88	34,213.08	608,820.37	634,963.03	1,399,488,418.25
District of Columbia	249,692.16	32,645.97	1,434.36	41,012.62	2,721,413.49	3,021,660.60	61,345.24	685,833.48	748,006.48	18,227,832.03
Illinois	268,413.85	474,925.13	4,015.60	23,213.90	103,654.82	444,726.22	3,520.00	98,351.23	102,873.21	37,878,975.88
Maryland	411,650.42	181.25	2,034.03	28,213.90	255,830.32	690,641.07	11,307.39	347,698.73	599,906.32	1,978,998,109.42
Michigan	461,576.60	1,044.92	285,229.64	28,461.22	517,223.12	303,140.08	35,775.04	165,632.01	173,393.82	70,285,009.32
Missouri	705,337.42	8,806.81	81,500.00	20,889.50	914,447.09	1,300,164.52	20,697.30	345,406.23	428,980.79	118,962,737.08
New Jersey	1,521,802.62	158,605.87	4,240.25	232,282.87	403,888.37	2,111.14	116.98	610,261.58	1,444,771.29	28,840,942.14
New York	166,325.21	1,240.25	4,036.94	232,282.87	403,888.37	2,111.14	116.98	1,517,194.98	1,444,771.29	28,840,942.14
Pennsylvania	138,605.87	1,240.25	4,036.94	232,282.87	403,888.37	2,111.14	116.98	1,517,194.98	1,444,771.29	28,840,942.14
Texas	138,605.87	1,240.25	4,036.94	232,282.87	403,888.37	2,111.14	116.98	1,517,194.98	1,444,771.29	28,840,942.14
Washington	138,605.87	1,240.25	4,036.94	232,282.87	403,888.37	2,111.14	116.98	1,517,194.98	1,444,771.29	28,840,942.14

TABLE 3.—SUMMARY OF INTERNAL-REVENUE RECEIPTS, YEARS ENDED JUNE 30, 1926 AND 1927, BY SOURCES

Sources	1926	1927	Increase (+) or decrease (-)
Income tax:			
Corporation.....	\$1,024,978,734.17	\$1,308,012,532.90	+283,033,798.73
Individual.....	570,124,407.16	911,039,010.82	+340,914,603.66
Total.....	1,974,103,141.33	2,219,051,543.72	+244,948,402.39
Estates: Transfer of estates of decedents.....	116,011,036.09	100,339,851.96	-15,671,184.13
Gifts: Transfer of any property by gift.....	3,175,338.73	-	-3,175,338.73
Total.....	119,186,374.82	100,339,851.96	-18,846,522.86
Distilled spirits:			
Distilled spirits (nonbeverage).....	20,752,221.57	18,756,702.82	-1,995,518.75
Distilled spirits (beverage).....	47,305.52	75.98	+27.46
Rectified spirits or wines.....	7,986.59	16,419.45	+8,432.86
Still or sparkling wines, cognacs, etc.....	1,679,424.38	795,692.83	-883,731.55
Grape brandy used for fortifying sweet wines.....	323,182.06	400,759.92	+77,577.86
Rectifiers, retail and wholesale liquor dealers, manufacturers of stills, etc. (special taxes).....	535,261.84	1,148,050.18	+612,788.34
Stamps for distilled spirits intended for export.....	491.20	250.90	-240.30
Case stamps for distilled spirits bottled in bond.....	87,835.04	66,740.62	-21,094.42
Miscellaneous collections relating to distilled spirits.....	3,616.22	10,060.03	+6,443.81
Total.....	26,436,334.44	21,194,608.71	-5,241,665.73
Fermented liquors:			
Fermented liquors (barrel tax).....	15,161.00	146.18	-15,014.82
Brewers, retail and wholesale dealers in malt liquors (special taxes).....	533.19	737.07	+203.88
Total.....	15,694.19	883.25	-14,810.94
Tobacco:			
Cigars (large).....	38,319,343.39	23,944,681.81	-14,374,661.58
Cigars (small).....	532,749.74	352,685.55	-180,064.19
Cigarettes (large).....	126,782.23	86,994.54	-39,787.69
Cigarettes (small).....	254,824,803.19	278,029,561.81	+24,104,758.62
Snuff of all descriptions.....	6,917,718.63	10,063.98	-6,907,654.65
Tobacco, chewing and smoking.....	67,710,773.30	65,070,196.26	-2,640,577.04
Cigarette papers and tubes.....	1,061,144.42	1,170,025.22	+108,880.80
Manufacturers of cigars, cigarettes, and tobacco (special taxes).....	1,132,155.97	40,963.01	-1,091,192.96
Miscellaneous collections relating to tobacco.....	40,963.01	109,416.21	+68,453.20
Total.....	370,666,438.87	376,170,205.04	+5,503,766.17
Revenue acts of 1924 and 1926:			
Documentary stamps, etc.....	29,480,422.01	13,044,445.85	-16,435,976.16
Bonds of indebtedness, capital-stock issues, etc.....	17,137,185.75	16,874,102.83	-263,082.92
Capital-stock sales or transfers.....	4,183,217.87	2,884,534.45	-1,298,683.42
Sales of produce (future delivery).....	4,213,414.03	4,742,468.50	+529,054.47
Playing cards.....	6,817,099.67	-	-6,817,099.67
Manufacturers' excise tax—			
Automobile trucks and wagons.....	113,133,245.91	66,437,881.82	-46,695,364.09
Automobiles and motor cycles.....	18,204,849.22	-	-18,204,849.22
Tires, parts or accessories.....	51,369.96	102,639.17	+51,269.21
Pistols and revolvers.....	53,589.77	198,610.72	+145,020.95
Cereal beverages (sec. 903, revenue act of 1926).....	11,938,011.35	-	-11,938,011.35
Other excise taxes (secs. 600, 602, and 604, revenue act of 1924).....	981,780.07	797,825.32	-183,954.75
Oplum, coca leaves, including special taxes, etc.....	97,385,765.61	18,970,230.98	-78,415,534.63
Corporations, on value of capital stock.....	4,323,653.46	-	-4,323,653.46
Brokers, and other occupational taxes (sec. 701, pars. 1-3, revenue act of 1924).....	223,324.75	17,966.72	+205,358.97
Use of yachts, pleasure boats, power boats, etc.....	23,960,676.66	17,940,636.69	-6,019,939.97
Admissions to theaters, concerts, cabarets, etc.....	10,073,838.39	10,430,020.79	+356,182.40
Dues of clubs (athletic, social, and sporting).....	-	-	-
Total.....	341,181,393.18	142,327,263.09	-198,854,130.09

* Includes income tax on Alaska railroads (act of July 18, 1914), amounting to \$15,784.13 for 1926 and \$18,877.34 for 1927.
 † Tax due prior to July 1, 1926.
 ‡ Tax on foreign-built yachts and boats only, purchased after July 1, 1926.

TABLE 3.—SUMMARY OF INTERNAL-REVENUE RECEIPTS, YEARS ENDED JUNE 30, 1926 AND 1927, BY SOURCES—Continued

Source	1926	1927	Increase (+) or decrease (-)
Miscellaneous:			
Adulterated and process or renovated butter, filled cheese, and mixed flour.....	\$22,322.16	\$21,078.10	-1,243.07
Oleomargarine, colored.....	1,073,936.99	1,161,975.87	+88,039.88
Oleomargarine, uncolored.....	588,004.38	619,680.44	+30,776.06
Oleomargarine manufacturers and dealers (special taxes).....	1,407,376.91	1,382,561.63	-24,815.28
Collections under prohibition laws.....	416,197.63	502,876.72	+86,679.09
Internal revenue collected through customs offices.....	55,065.43	45,302.80	-9,762.63
Other miscellaneous receipts.....	615,711.88	1,969,337.30	+1,353,625.42
Total.....	4,379,515.36	5,697,814.14	+1,318,298.78
Grand total.....	2,835,999,892.19	2,863,683,129.91	+27,683,237.72

* Includes \$403,551.69 for 1926 and \$1,915,743.36 for 1927, delinquent taxes collected under repeated laws.

TABLE 4.—SUMMARY OF INTERNAL-REVENUE RECEIPTS, YEARS ENDED JUNE 30, 1926 AND 1927, BY COLLECTION DISTRICTS

District	Location of collectors' offices	1926	1927	Per cent increase (+) or decrease (-)
Alabama.....	Birmingham, Ala.	\$9,454,996.31	\$10,083,183.33	+6
Arizona.....	Phoenix, Ariz.	1,852,790.45	1,737,111.66	-6
Arkansas.....	Little Rock, Ark.	4,933,495.25	5,256,927.19	+7
First California.....	San Francisco, Calif.	73,368,456.83	77,153,335.31	+5
Second California.....	Los Angeles, Calif.	61,691,548.10	62,335,062.94	+1
Colorado.....	Denver, Colo.	14,830,350.29	13,473,239.89	-9
Connecticut.....	Hartford, Conn.	35,536,525.43	36,110,447.68	+2
Delaware.....	Wilmington, Del.	11,652,050.05	15,375,653.29	+32
Florida.....	Jacksonville, Fla.	43,237,055.75	44,458,005.42	+3
Georgia.....	Atlanta, Ga.	14,231,497.01	14,277,050.20	(1)
Hawaii.....	Honolulu, Hawaii	6,797,151.60	6,331,006.66	-7
Idaho.....	Boise, Idaho	1,390,931.54	1,477,778.02	+6
First Illinois.....	Chicago, Ill.	203,760,417.60	226,237,166.44	+11
Second Illinois.....	Springfield, Ill.	12,959,369.83	11,141,532.55	-14
Indiana.....	Indianapolis, Ind.	39,637,359.49	36,114,704.47	-9
Iowa.....	Dubuque, Iowa	13,952,083.79	12,666,314.05	-9
Kansas.....	Wichita, Kans.	17,435,523.37	20,214,690.20	+16
Kentucky.....	Louisville, Ky.	26,845,209.73	27,680,485.06	+3
Louisiana.....	New Orleans, La.	16,347,128.89	17,478,975.35	+7
Maine.....	Augusta, Me.	8,783,009.21	10,486,042.38	+17
Maryland.....	Baltimore, Md.	47,535,948.42	50,706,307.91	+7
Massachusetts.....	Boston, Mass.	118,847,761.41	114,750,351.52	-4
First Michigan.....	Detroit, Mich.	212,068,978.82	192,167,025.15	-9
Second Michigan.....	Grand Rapids, Mich.	13,560,169.02	6,840,181.27	-49
Minnesota.....	St. Paul, Minn.	33,898,182.67	28,442,753.81	-16
Mississippi.....	Jackson, Miss.	3,956,459.11	3,460,085.23	-13
First Missouri.....	St. Louis, Mo.	62,870,794.08	55,423,694.59	-12
Second Missouri.....	Kansas City, Mo.	15,057,980.46	14,871,343.73	-1
Montana.....	Helena, Mont.	9,100,561.41	4,331,630.76	-52
Nebraska.....	Omaha, Nebr.	7,458,133.42	6,177,778.99	-17
Nevada.....	Reno, Nev.	586,348.84	583,989.50	(1)
New Hampshire.....	Portsmouth, N. H.	4,125,793.78	3,503,974.25	-15
First New Jersey.....	Camden, N. J.	19,502,502.99	19,015,294.01	-3
Second New Jersey.....	Newark, N. J.	92,868,743.02	94,947,466.05	+2
New Mexico.....	Albuquerque, N. Mex.	739,604.64	679,403.39	-8
First New York.....	Brooklyn, N. Y.	88,122,221.92	88,450,793.93	+0
Second New York.....	Customhouse, New York, N. Y.	353,749,136.47	337,949,644.73	-5
Third New York.....	250 West Fifty-seventh Street, New York, N. Y.	176,607,251.54	165,200,283.51	-6
Fourth New York.....	Albany, N. Y.	49,057,079.63	46,280,269.72	-6

(1) Less than one-half of 1 per cent.
 (2) First and fourth districts were consolidated, and the State constituted one district, to be known as the district of Michigan, Feb. 1, 1927.
 (3) Includes over \$6,500,000 from the estate tax.
 (4) Includes \$1.70 on account of documentary stamp sales in Porto Rico and \$1,139.00 collected on produce from the Virgin Islands.

TABLE 4.—SUMMARY OF INTERNAL-REVENUE RECEIPTS, YEARS ENDED JUNE 30, 1926 AND 1927, BY COLLECTION DISTRICTS—Continued

District	Location of collectors' offices	1926	1927	Per cent increase (+) or decrease (-)
Twenty-first New York.....	Syracuse, N. Y.	\$17,682,832.93	\$10,008,079.32	-42
Twenty-eighth New York.....	Buffalo, N. Y.	39,510,917.17	40,290,180.78	+2
North Carolina.....	Raleigh, N. C.	102,403,633.34	203,651,675.46	+7
North Dakota.....	Fargo, N. Dak.	1,017,978.84	798,560.57	-22
First Ohio.....	Cincinnati, Ohio	45,444,234.75	43,027,114.73	-5
Tenth Ohio.....	Toledo, Ohio	25,339,183.85	24,013,479.82	-5
Eleventh Ohio.....	Columbus, Ohio	11,106,841.97	10,062,730.45	-9
Eighteenth Ohio.....	Cleveland, Ohio	73,815,322.15	69,337,617.13	-6
Oklahoma.....	Oklahoma, Okla.	18,653,778.04	23,619,133.67	+26
Oregon.....	Portland, Oreg.	7,490,007.69	6,711,706.76	-10
First Pennsylvania.....	Philadelphia, Pa.	168,553,110.28	149,694,605.79	-11
Twelfth Pennsylvania.....	Scranton, Pa.	20,944,692.28	20,193,626.18	-4
Twenty-third Pennsylvania.....	Pittsburgh, Pa.	82,823,035.16	83,878,472.43	+1
Rhode Island.....	Providence, R. I.	16,835,181.29	15,707,657.67	-7
South Carolina.....	Columbia, S. C.	4,897,504.76	4,076,361.26	-17
South Dakota.....	Aberdeen, S. Dak.	1,115,693.04	622,941.22	-45
Tennessee.....	Nashville, Tenn.	17,258,133.90	17,511,579.79	+1
First Texas.....	Austin, Tex.	24,371,348.45	25,090,955.15	+3
Second Texas.....	Dallas, Tex.	18,607,700.40	19,568,232.64	+5
Utah.....	Salt Lake City, Utah	4,063,259.68	3,923,101.70	-3
Vermont.....	Burlington, Vt.	3,401,381.16	2,820,457.64	-17
Virginia.....	Richmond, Va.	60,788,037.66	79,100,323.61	+30
Washington.....	Tacoma, Wash.	14,371,528.88	14,001,415.61	-3
West Virginia.....	Parkersburg, W. Va.	15,623,356.06	18,350,296.25	+17
Wisconsin.....	Milwaukee, Wis.	39,595,355.83	40,838,614.61	+3
Wyoming.....	Cheyenne, Wyo.	1,585,946.85	1,884,707.48	+19
Philippine Islands.....	Manila, P. I.	786,529.73	377,321.13	-52
Total.....		2,835,999,892.19	2,863,683,129.91	+1

* Includes \$18,527.34 income tax on Alaska railroads (act of July 19, 1914).
 (1) In addition to this amount, collections on tobacco manufactures from the Philippine Islands are included as follows: First California, \$945.63; Hawaii, \$2,023.15; First Illinois, \$321.77; Indiana, \$20.50; Second New York, \$2,377.00; Twenty-first New York, 10 cents; and Washington, \$21.00.
 (2) The figures concerning internal-revenue receipts as given in this statement differ from such figures carried in other Treasury statements showing the financial condition of the Government, because the former represent collection by internal-revenue officers throughout the country, including deposits by postmasters of amounts received from sale of internal-revenue stamps and deposits of internal revenue collected through customs offices, while the latter represent the deposits of these collections in the Treasury or depositories during the fiscal year concerned, the differences being due to the fact that some of the collections in the latter part of the fiscal year can not be deposited or are not reported to the Treasury as deposited until after June 30, thus carrying them into the following fiscal year as recorded in the statements showing the condition of the Treasury.

TABLE 5.—SUMMARY OF INTERNAL-REVENUE RECEIPTS, YEAR ENDED JUNE 30, 1927, BY STATES

State	Population as of July 1, 1927 (Bureau of the Census estimate)	Per cent of total population	Internal-revenue receipts, year ended June 30, 1927				Per capita tax
			Income tax	Miscellaneous taxes	Total		
					Amount	Per cent of total	
Alabama.....	2,549,000	2.16	\$10,459,447.25	\$524,736.08	\$10,984,183.33	0.83	\$4.31
Alaska.....	53,036	.05	143,351.07	3,636.43	146,987.50	.01	2.67
Arizona.....	459,000	.39	1,673,191.50	63,920.08	1,737,111.58	.06	3.76
Arkansas.....	1,923,000	1.62	8,052,459.73	203,457.44	8,255,917.17	.18	2.73
California.....	4,433,000	3.79	112,308,807.82	27,179,610.33	139,488,418.25	4.67	31.47
Colorado.....	1,074,000	.90	12,850,644.51	819,594.58	13,670,239.09	.47	12.54
Connecticut.....	1,656,000	1.37	83,799,750.07	2,310,697.81	86,110,447.88	1.26	22.07
Delaware.....	243,000	.20	14,319,248.28	1,036,498.87	15,355,747.15	.54	61.77
District of Columbia.....	540,000	.45	16,019,922.38	7,207,498.85	23,227,421.23	.64	33.76
Florida.....	1,893,000	1.59	35,896,626.29	8,892,264.20	44,788,890.49	1.55	32.64
Georgia.....	8,171,000	6.81	13,696,681.40	878,385.71	14,575,067.11	.50	4.60
Hawaii.....	299,000	.25	5,143,809.47	187,497.10	5,331,306.57	.18	17.83
Idaho.....	634,000	.53	1,428,429.67	49,349.25	1,477,778.92	.05	7.77
Illinois.....	7,290,000	6.13	194,970,068.65	22,407,710.34	217,377,778.99	7.59	79.79

(1) Including the Territories of Alaska and Hawaii, the District of Columbia, and the Philippine Islands.

TABLE 5.—SUMMARY OF INTERNAL-REVENUE RECEIPTS, YEAR ENDED JUNE 30, 1927, BY STATES—Continued:

State	Population as of July 1, 1927 (Bureau of the Census estimate)	Per cent of total population	Internal-revenue receipts, year ended June 30, 1927				Per capita tax
			Income tax	Miscellaneous taxes	Total		
					Amount	Per cent of total	
Indiana.....	3,180,000	2.65	\$29,405,715.51	\$7,708,988.69	\$30,114,704.47	1.26	\$11.46
Iowa.....	2,425,000	2.04	11,725,742.53	940,571.52	12,666,314.05	.44	5.22
Kansas.....	1,828,000	1.34	19,626,805.68	687,834.52	20,214,640.20	.71	11.06
Kentucky.....	2,536,000	2.13	16,257,681.16	11,422,801.50	27,680,482.66	.97	10.91
Louisiana.....	1,931,000	1.63	15,390,335.20	2,082,040.09	17,472,375.29	.61	9.34
Maine.....	793,000	.67	5,564,032.03	1,901,979.45	10,466,042.38	.37	13.20
Maryland.....	1,597,000	1.34	29,626,632.33	2,852,343.55	32,478,975.88	1.13	20.34
Massachusetts.....	4,242,000	3.57	104,269,491.61	9,480,966.50	114,750,458.12	4.00	27.05
Michigan.....	4,480,000	3.77	141,638,551.64	66,350,557.58	197,989,109.42	6.01	44.10
Minnesota.....	2,686,000	2.26	24,219,220.70	2,223,533.11	26,442,753.81	.99	10.59
Mississippi.....	1,790,618	1.50	3,324,001.09	135,183.24	3,460,065.23	.12	1.83
Missouri.....	3,519,000	2.93	53,922,564.81	14,392,444.51	70,295,009.32	2.45	21.03
Montana.....	714,000	.60	2,376,244.95	1,955,385.78	4,331,630.76	.15	8.07
Nebraska.....	1,396,000	1.17	5,607,693.32	370,083.67	6,177,776.99	.22	4.43
Nevada.....	77,407	.07	501,137.84	82,851.56	583,989.50	.02	7.54
New Hampshire.....	459,000	.38	3,007,456.60	496,457.95	3,503,914.55	.12	7.70
New Jersey.....	3,749,000	3.15	51,300,885.06	32,623,178.00	113,923,763.06	3.95	31.40
New Mexico.....	392,000	.33	658,045.91	21,854.48	679,900.39	.02	1.77
New York.....	11,423,000	9.60	649,299,444.90	105,779,792.11	755,079,237.01	29.33	66.10
North Carolina.....	2,897,000	2.43	19,204,557.27	186,447,118.19	205,651,675.46	7.18	70.00
North Dakota.....	641,192	.54	740,217.35	58,343.32	798,560.67	.03	1.23
Ohio.....	6,710,000	5.64	117,649,859.79	29,781,552.35	147,430,942.14	5.14	21.97
Oklahoma.....	2,384,000	2.00	23,248,579.35	362,256.32	23,610,835.67	.82	9.91
Oregon.....	890,000	.75	6,107,774.28	513,922.48	6,711,766.76	.23	7.94
Pennsylvania.....	9,730,000	8.15	222,915,621.73	35,848,182.69	258,763,804.42	9.03	29.59
Rhode Island.....	704,000	.59	12,904,620.30	803,267.37	13,707,887.67	.49	19.47
South Carolina.....	1,645,000	1.55	3,525,735.27	249,625.90	4,075,361.25	.14	2.31
South Dakota.....	690,000	.58	737,327.65	65,013.57	802,341.22	.03	1.18
Tennessee.....	2,485,000	2.09	13,723,290.02	4,058,019.77	17,811,879.79	.62	7.17
Texas.....	5,397,000	4.54	42,964,080.60	1,995,127.00	44,959,207.60	1.67	8.33
Utah.....	522,000	.44	3,768,778.42	144,322.28	3,923,101.70	.14	2.22
Vermont.....	352,428	.30	2,656,126.41	164,331.23	2,820,457.64	.10	8.00
Virginia.....	2,546,000	2.14	20,780,578.76	68,379,749.55	79,160,328.31	2.76	31.09
Washington.....	1,522,000	1.31	13,192,297.04	662,127.35	13,854,424.99	.49	8.57
West Virginia.....	1,696,000	1.43	15,750,409.26	2,695,880.97	18,350,290.25	.64	10.62
Wisconsin.....	2,918,000	2.45	35,682,249.37	5,156,365.24	40,838,614.61	1.42	14.00
Wyoming.....	241,000	.20	1,830,105.81	54,601.67	1,884,707.48	.07	7.82
Philippine Islands.....				377,324.13	377,324.13	.01	-----
Total.....	118,981,681	100.00	2,219,952,443.72	645,730,686.19	2,865,683,129.91	100.00	24.09

SUMMARY

Quarter ended—	Income tax	Miscellaneous taxes	Total
Sept. 30, 1926.....	\$532,563,536.38	\$101,118,571.03	\$633,702,477.41
Dec. 31, 1926.....	510,069,037.19	172,277,816.35	682,346,853.54
Mar. 31, 1927.....	604,553,981.76	147,405,062.05	751,959,043.81
June 30, 1927.....	572,693,648.40	164,929,716.76	737,623,365.16
Total, fiscal year 1927.....	2,219,952,443.72	645,730,686.19	2,865,683,129.91
Total, fiscal year 1926.....	1,974,104,141.33	561,585,730.86	2,535,689,872.19
Increase (+) or decrease (-), 1927.....	+243,848,302.39	+214,165,064.67	+229,683,237.72

NOTE.—The taxes on tobacco manufactures, such as cigars, cigarettes, etc., and automobiles and certain other miscellaneous taxes, are paid by the manufacturers and in the above table are credited to the States in which the payments have been made. Many of these articles are distributed for consumption or sale throughout the country. In consequence, these taxes are eventually borne by the consumers in the States wherever they may reside. However, in view of the manner of accounting for internal revenue collections it has not been possible to make adjustments on account of this condition in computing the "Per capita tax" shown in the last column of the table.

TABLE 6.—SUMMARY OF INCOME-TAX RECEIPTS FROM CORPORATIONS AND INDIVIDUALS, YEAR ENDED JUNE 30, 1927, BY STATES

State	Corporation	Individual	Total
Alabama.....	\$7,493,570.54	\$2,994,876.71	\$10,488,447.25
Alaska.....	63,146.20	80,204.67	143,350.87
Arizona.....	1,043,751.92	629,430.16	1,673,182.08
Arkansas.....	2,882,585.00	2,170,851.75	5,053,436.75
California.....	60,808,089.08	51,400,718.64	112,208,807.72
Colorado.....	8,969,799.43	3,680,845.88	12,650,645.31
Connecticut.....	18,068,704.87	15,731,045.20	33,799,750.07
Delaware.....	10,010,453.15	4,309,793.18	14,320,246.33
District of Columbia.....	9,215,922.97	6,804,693.41	16,020,616.38
Florida.....	15,189,168.89	20,400,060.33	35,589,229.22
Georgia.....	9,536,826.12	4,112,831.37	13,649,657.49
Idaho.....	3,602,980.51	1,340,326.96	4,943,307.47
Illinois.....	1,198,142.61	230,267.16	1,428,409.77
Indiana.....	120,063,072.25	74,007,916.40	194,070,988.65
Iowa.....	18,475,110.48	4,830,607.06	23,305,717.54
Kansas.....	7,609,561.94	4,000,180.89	11,609,742.83
Kentucky.....	16,070,054.42	3,356,751.29	19,426,805.68
Louisiana.....	11,459,982.42	4,706,503.74	16,166,486.16
Maine.....	3,846,940.34	4,337,394.02	8,184,334.36
Maryland.....	4,923,180.61	3,840,852.32	8,764,032.93
Massachusetts.....	16,358,472.47	13,266,199.65	29,624,672.12
Michigan.....	52,141,131.39	43,124,233.64	95,265,365.03
Minnesota.....	103,438,343.20	38,150,203.04	141,588,546.24
Mississippi.....	17,777,666.77	3,444,633.93	21,222,300.70
Missouri.....	2,258,659.75	1,005,942.24	3,264,601.99
Montana.....	39,243,687.30	14,653,667.61	53,897,354.91
Nebraska.....	1,633,386.97	747,068.01	2,380,454.98
Nevada.....	3,756,638.97	2,651,036.35	6,407,675.32
New Hampshire.....	267,942.58	233,195.06	501,137.64
New Jersey.....	1,404,034.31	1,543,452.22	2,947,486.53
New Mexico.....	45,857,867.63	35,342,367.43	81,200,235.06
New York.....	369,796.66	268,232.23	638,028.89
North Carolina.....	312,004,289.73	336,365,145.17	648,369,434.90
North Dakota.....	14,604,391.26	4,700,165.71	19,304,557.27
Ohio.....	305,924.19	234,293.36	540,217.55
Oklahoma.....	79,286,306.03	35,363,083.70	114,649,389.73
Oregon.....	11,466,498.94	11,790,380.41	23,256,879.35
Pennsylvania.....	3,820,804.91	2,370,969.37	6,191,774.28
Rhode Island.....	133,700,352.06	89,215,269.65	222,915,621.73
South Carolina.....	7,694,625.53	5,309,924.77	12,904,550.30
South Dakota.....	3,150,310.95	676,424.32	3,826,735.27
Tennessee.....	470,863.63	250,464.12	721,327.75
Texas.....	9,555,620.37	4,167,630.65	13,723,251.02
Utah.....	28,964,685.70	13,699,395.10	42,664,080.80
Vermont.....	3,030,230.49	738,642.93	3,768,873.42
Virginia.....	1,682,929.88	1,073,106.63	2,756,036.51
Washington.....	16,676,634.13	4,103,744.63	20,780,378.76
West Virginia.....	9,672,374.50	3,319,923.14	12,992,297.64
Wisconsin.....	12,736,401.76	3,014,007.62	15,750,409.26
Wyoming.....	26,461,388.96	9,220,860.41	35,682,249.37
	998,224.76	851,881.05	1,850,105.81
Total.....	1,308,012,532.90	911,000,910.82	2,219,013,443.72

SUMMARY

Quarter ended—	Corporation	Individual	Total
Sept. 30, 1926.....	\$319,552,517.09	\$213,001,039.29	\$532,553,556.38
Dec. 31, 1926.....	305,764,107.32	204,324,949.67	510,089,056.99
Mar. 31, 1927.....	347,596,143.87	236,667,537.68	584,263,681.55
June 30, 1927.....	334,769,454.62	237,926,083.78	572,695,538.40
Total, fiscal year 1927.....	1,308,012,532.90	911,000,910.82	2,219,013,443.72
Total, fiscal year 1926.....	1,094,979,734.17	879,124,407.16	1,974,104,141.33
Increase, 1927.....	213,032,798.73	32,876,503.66	245,909,302.39

* Including the Territories of Alaska, Hawaii, and the District of Columbia.

TABLE 7.—SUMMARY OF RECEIPTS FROM INCOME TAX, YEARS ENDED JUNE 30, 1925, 1926, AND 1927, BY STATES, WITH PER CENT OF INCREASE OR DECREASE IN 1927, COMPARED WITH 1926

State	1925 ¹	1926 ²	1927 ³	1926-27 per cent increase (+) or decrease (-)
Alabama	\$8,283,275.40	\$8,276,196.51	\$10,453,447.25	+26
Alaska	194,373.20	150,823.68	143,351.07	-6
Arizona	1,416,794.43	1,573,910.74	1,673,191.50	+6
Arkansas	4,692,973.75	4,391,724.91	5,053,439.75	+15
California	92,884,521.21	101,712,719.02	112,308,807.92	+10
Colorado	11,740,667.75	11,975,701.55	12,656,644.81	+5
Connecticut	28,565,639.68	29,091,346.92	33,799,760.07	+17
Delaware	6,563,730.02	9,539,631.48	14,319,246.36	+50
District of Columbia	12,480,534.83	15,190,626.43	16,019,922.38	+5
Florida	12,118,721.67	33,989,492.86	35,589,829.22	+5
Georgia	12,613,731.56	12,436,864.89	13,698,661.49	+10
Hawaii	5,067,186.25	6,060,722.10	5,143,509.47	-15
Idaho	1,437,069.46	1,123,533.03	1,428,429.67	+27
Illinois	159,415,517.66	176,661,248.76	194,070,988.66	+10
Indiana	23,702,839.24	24,922,712.59	28,405,715.54	+14
Iowa	10,716,799.85	11,111,591.98	11,725,742.53	+6
Kansas	13,140,741.11	15,562,895.03	19,626,895.08	+26
Kentucky	14,324,935.92	14,638,764.32	16,237,681.16	+11
Louisiana	12,396,172.35	12,582,610.45	15,390,335.29	+22
Maine	7,692,797.60	8,591,328.97	8,664,062.93	(*)
Maryland	25,110,611.82	25,646,463.69	29,624,632.33	+16
Massachusetts	99,444,237.57	100,017,316.88	105,269,334.93	+5
Michigan	100,863,402.20	122,570,115.51	141,638,551.84	+16
Minnesota	22,426,721.53	28,384,881.81	28,219,220.70	-6
Mississippi	3,453,039.12	3,526,683.24	3,324,501.99	-8
Missouri	42,467,573.63	49,603,446.88	55,902,564.81	+13
Montana	1,885,190.42	1,967,948.61	2,276,244.98	+16
Nebraska	5,681,238.67	6,172,516.77	5,807,695.32	-6
Nevada	451,003.66	450,979.00	501,137.94	+11
New Hampshire	3,221,556.83	3,012,765.76	3,007,436.60	(*)
New Jersey	60,137,027.83	72,251,933.53	81,390,585.06	+13
New Mexico	733,076.51	634,119.85	658,048.91	+4
New York	496,709,727.73	569,603,487.10	640,299,444.60	+11
North Carolina	15,877,646.25	17,677,936.94	19,204,557.27	+9
North Dakota	667,994.23	778,058.85	740,217.55	-5
Ohio	95,528,111.67	109,070,914.39	117,649,359.79	+8
Oklahoma	9,820,419.90	15,783,615.86	23,256,379.35	+47
Oregon	6,784,101.67	5,399,176.86	6,197,774.28	+14
Pennsylvania	189,164,203.75	195,398,532.62	222,915,621.78	+14
Rhode Island	14,234,137.85	14,460,563.33	12,904,620.30	-11
South Carolina	5,787,515.55	4,176,144.47	3,825,735.27	-6
South Dakota	858,943.34	858,476.91	737,327.65	-14
Tennessee	11,770,201.37	11,398,292.06	13,723,260.02	+20
Texas	28,838,747.79	36,878,727.77	42,994,080.80	+17
Utah	3,385,994.71	3,462,747.60	3,768,779.42	+9
Vermont	3,001,669.45	2,661,312.19	2,656,128.41	(*)
Virginia	15,303,907.61	17,827,023.66	20,780,576.76	+17
Washington	12,334,454.38	12,156,713.14	13,192,297.64	+9
West Virginia	12,044,165.09	11,633,718.64	15,760,409.28	+35
Wisconsin	28,697,560.11	28,650,351.23	35,682,249.37	+25
Wyoming	1,450,159.83	1,364,591.80	1,630,105.81	+19
Total	1,761,659,049.52	1,974,104,141.33	2,219,952,443.72	+12

¹ Including the Territories of Alaska, Hawaii, and the District of Columbia.
² Includes payments of the third and fourth installments of the 1923 and the first and second installments of the 1924 income tax.
³ Includes payments of the third and fourth installments of the 1924 and the first and second installments of the 1925 income tax.
⁴ Includes payments of the third and fourth installments of the 1925 and the first and second installments of the 1926 income tax.
⁵ Includes \$15,873.74 for 1925, \$15,764.13 for 1926, and \$18,877.84 for 1927, income tax on Alaska railroads (act of July 18, 1914).
⁶ Less than one-half of 1 per cent.

TABLE 8.—TOTAL INTERNAL-REVENUE RECEIPTS, YEARS ENDED JUNE 30, 1863-1927

1863	\$41,003,102.93	1897	\$148,619,593.47
1864	116,965,578.26	1898	170,866,819.36
1865	210,855,894.53	1899	273,454,373.44
1866	310,120,448.13	1900	295,316,107.57
1867	265,064,338.43	1901	306,871,689.42
1868	190,374,925.59	1902	271,867,990.25
1869	159,124,126.65	1903	230,740,925.22
1870	184,302,828.34	1904	232,903,781.06
1871	143,198,322.10	1905	234,187,976.37
1872	130,890,098.90	1906	249,102,738.00
1873	113,604,012.80	1907	269,664,022.85
1874	102,191,016.08	1908	251,885,950.04
1875	100,071,615.00	1909	246,212,719.22
1876	116,798,996.22	1910	269,957,220.16
1877	118,549,230.25	1911	292,626,299.73
1878	110,654,163.37	1912	321,615,894.69
1879	113,449,621.38	1913	344,424,453.85
1880	123,981,918.10	1914	380,008,893.96
1881	135,729,912.30	1915	415,981,023.66
1882	146,525,373.72	1916	512,723,287.77
1883	144,553,344.56	1917	809,393,640.44
1884	121,590,092.83	1918	3,698,955,820.93
1885	116,902,869.44	1919	3,850,150,073.68
1886	118,902,869.44	1920	5,407,580,251.61
1887	118,837,301.06	1921	4,595,357,061.95
1888	124,326,475.93	1922	3,197,461,083.00
1889	130,894,494.20	1923	2,621,745,227.57
1890	142,594,696.57	1924	2,796,179,257.06
1891	146,935,415.67	1925	2,584,140,268.24
1892	153,837,544.35	1926	2,835,999,892.19
1893	161,004,969.87	1927	2,865,683,129.91
1894	147,168,449.70	Total	45,863,164,107.59
1895	143,248,077.75		
1896	148,830,615.66		

(*) Nine months only.

TABLE 9.—INTERNAL-REVENUE TAX ON PRODUCTS FROM PHILIPPINE ISLANDS, YEARS ENDED JUNE 30, 1926 AND 1927, BY ARTICLES TAXED

Articles taxed	1926	1927	Increase (+) or decrease (-)
Cigars (large)	\$783,216.69	\$373,505.07	-\$409,710.62
Cigars (small)	0.00	19.44	+19.44
Cigarettes (large)	59.76	19.44	-40.32
Cigarettes (small)	4,507.17	7,178.23	+2,671.06
Manufactured tobacco	168.00	180.09	+12.09
Stamp sales (documentary)	2,906.75	2,358.50	-548.25
Total	790,867.56	383,241.33	-407,646.23

NOTE.—Under the tariff act of August 5, 1900, the above receipts with the exception of the internal revenue collected from sale of documentary stamps are covered into the Treasury of the United States to the credit of the treasurer of the Philippine Islands.

TABLE 10.—INTERNAL-REVENUE TAX ON PRODUCTS FROM PORTO RICO, YEARS ENDED JUNE 30, 1926 AND 1927, BY ARTICLES TAXED

Articles taxed	1926	1927	Increase (+) or decrease (-)
Cigars (large)	\$950,348.04	\$390,333.12	-\$554,014.92
Cigars (small)	14,617.80	7,648.50	-6,969.30
Cigarettes (large)	28,475.84	35,165.52	+6,689.68
Cigarettes (small)	1,459.61	1,523.57	+73.96
Stamp sales (documentary)	103.25	1.70	-101.55
Total	995,004.55	440,692.41	-554,312.14

NOTE.—The above receipts for 1927 include \$440,650.71 deposited at San Juan, P. R., to the credit of the treasurer of Porto Rico, which amount is not included in internal-revenue collections shown in other statements herein. The receipts from sale of documentary stamps in Porto Rico are included in the collections reported from the second district of New York.

TABLE 11.—NUMBER OF EACH CLASS OF SPECIAL-TAX PAYERS, FISCAL YEAR ENDED JUNE 30, 1927, BY COLLECTION DISTRICTS

District	Distilled spirits			Brewers' malt	Manufacturers of stills	Oleomargarine				Butter			Proprietors, yachts, pleasure boats, etc.	Optum, coca leaves, etc.				Grand total		
	Retailers	Retail dealers	Wholesale dealers			Manufacturers	Colored		Uncolored		Adulterated manufacturers	Process or renovated, manufacturers		Mixed flour, manufacturers, packers, or refiners	Importers, manufacturers, producers, etc.	Wholesale dealers	Retail dealers		Practitioners, hospitals, etc.	Dealers in un-taxed narcotic preparations
							Wholesale dealers	Retail dealers	Wholesale dealers	Retail dealers										
Alabama		6	2			5	46	15	1,120		1									
Alaska		2							13											
Arizona						1	7	5	340											
Arkansas							40	14	1,189											
First California		849	8		4	5		49	4,423											
Sixth California		966	4		4	6		47	8,236											
Colorado		20	2		1	1		21	2,568											
Connecticut		507	3		1			10	804											
Delaware		1	1					4	350											
District of Columbia		217	1			2	101	7	445											
Florida		5	2		1	6	83	48	2,360											
Georgia		14	2			1	30	18	1,182											
Hawaii		13			1															
Idaho								9	627											
First Illinois		1,784	37		1	13	3	64	9,273											
Eighth Illinois		294	2			2	1	63	6,073											
Indiana		7	6			2	10	79	9,968											
Iowa		111	3					83	7,068											
Kansas		4	8			4	2	53	5,411											
Kentucky		426	37		1	2	23	14	1,692											
Louisiana		467	14		1	3	66	19	1,886											
Maine								27	1,078											
Maryland (State)		1	463	13		3	7	17	2,002											
Massachusetts		1	884	14		3	1	41	4,034											
Michigan		61	5		1	1	1	136	11,472											
Minnesota		479	7		1	1		58	4,627											
Mississippi		3	1					7	247											
First Missouri		482	7			2	4	13	2,642											
Sixth Missouri		325	7			2	22	32	4,410											
Montana		207	4					1	61											
Nebraska		4	5			1	2	32	3,293											
Nevada		37						1	47											
New Hampshire		60						1	6											
First New Jersey		788	2					20	2,297											
Fifth New Jersey		798	2			3		14	3,638											
New Mexico								2	147											
First New York		1,078	14		3			13	2,615											
Second New York		246	62					29	36											
Third New York		610	17		1			5	123											
Fourteenth New York		708	6					50	3,523											
Twenty-first New York		299	3					55	3,893											
Twenty-eighth New York																				
North Carolina		369	12		2			33	2,300											
North Dakota		6				2	16	12	568											
First Ohio		232	8		3	3		8	463											
Tenth Ohio		98	3					28	3,045											
Eleventh Ohio		178	6		1			36	3,990											
Eighteenth Ohio		417	6					55	5,442											
Oklahoma		3	3			3	63	23	3,299											
Oregon		2	1		1			17	2,479											
First Pennsylvania		1,483	15		1			12	1,837											
Twelfth Pennsylvania		303	1					3	629											
Twenty-third Pennsylvania																				
Rhode Island		573	14					22	1,640											
South Carolina		230	4			4		6	422											
South Dakota		2	3			1	1	17	358											
Tennessee		8						15	1,166											
Texas		13	5		1	2	180	22	1,845											
First Texas		272	5			2	21	23	802											
Second Texas		336	9		1	2	54	15	1,307											
Utah		2	1					13	702											
Vermont		62	1					5	310											
Virginia		193	3			18	127	19	1,144											
Washington (State)		2	2			1		24	3,706											
West Virginia		6	2			1	134	27	1,951											
Wisconsin		711	10		2			60	4,643											
Wyoming		73							340											
Total	5	18,718	418	4	21	62	81	1,707	163,816	2	8	16	10	323	1,915	53,320	148,422	14,763	405,346	

1 Combine Alaska with Washington to obtain the number of special-tax payers for Washington district, and District of Columbia with Maryland for Maryland district.

TABLE 12.—TOBACCO FACTORIES OPERATED AND LEAF TOBACCO AND OTHER MATERIALS USED IN MANUFACTURING TOBACCO, CALENDAR YEAR 1926, BY COLLECTION DISTRICTS AND BY STATES

District and State	Number of factories				Materials used in manufacturing tobacco									
	In business, Jan. 1, 1926	Opened	Closed	In business, Jan. 1, 1927	Unstemmed leaf	Stemmed leaf	Scraps	In process	Stems	Licorice	Sugar	Other materials	Total	
					Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	
Arkansas	1	1	0	2			601						601	
First California	25	1	5	21	423	1,687	88,621	19,801					110,532	
Sixth California	16	4	6	14	201		22,318						22,519	
Total California	41	5	11	35	624	1,687	110,939	19,801					133,051	
Colorado	6	0	1	5			10,969						10,969	
Connecticut	13	2	1	14	550		54,483						55,033	
Delaware	1	0	0	1	1,866,238		45,307	524,754	507,441				2,943,740	
Florida	15	1	5	11	622		8,180						8,802	
Georgia	2	1	1	2			269	4,105				833	5,207	
Idaho	1	0	1	0			113						113	
First Illinois	115	15	20	111	10,184,767	7,986,745	782,612	219,281	2,698,690	1,187,067	3,058,660	5,895,992	32,013,794	
Eighth Illinois	30	20	4	46	19,471	14,478	141,274	1,777		11,200	6,290	4,904	198,894	
Total Illinois	146	35	24	157	10,204,223	8,001,223	923,886	221,058	2,698,680	1,198,267	3,064,950	5,900,896	32,212,688	
Indiana	32	22	4	50	283,297	1,156	168,165	2,004	5,000	719	6,159	7,948	480,442	
Iowa	38	15	11	42	200,195	117	217,812	19,223	3,163	7,538	54,737	14,949	517,734	
Kansas	12	8	2	18			18,844						18,972	
Kentucky	48	5	5	48	21,873,867	5,491,587	2,406,607	116,658	883,901	2,850,362	3,292,660	2,853,707	39,767,919	
Louisiana	75	0	5	70	118,292		89			879	4,547		134,040	
Maryland	10	2	4	8			1,568						1,558	
Massachusetts	20	8	5	32	77,841	415	111,041	101,764	23,975				315,036	
First Michigan	22	6	3	25	2,357,639	6,668,867	496,281	964	3,297	1,398,084	3,008,654	2,107,823	16,041,609	
Fourth Michigan	10	9	1	18			18,423	601				287	19,316	
Total Michigan	32	15	4	43	2,357,643	6,668,867	514,704	1,665	3,297	1,398,084	3,008,654	2,108,110	16,060,924	
Minnesota	46	4	10	40	681	30	86,588	137					87,436	
First Missouri	12	5	3	14	4,848,051	26,038,429	1,320,507	155,334	1,727,319	10,853,317	6,836,633	3,986,150	55,785,740	
Sixth Missouri	5	2	1	6	1,065	350	4,362			10	605		6,392	
Total Missouri	17	7	4	20	4,849,116	26,038,779	1,324,869	155,334	1,727,319	10,853,327	6,837,238	3,986,150	55,772,132	
Montana	5	1	2	4			2,320						2,320	
Nebraska	16	1	1	14	256		43,881			20	6	10	44,187	
New Hampshire	1	1	0	2	270		421						691	

REPORT OF COMMISSIONER OF INTERNAL REVENUE

First New Jersey	4	1	1	4	730		1,689						2,300
Fifth New Jersey	23	5	4	24	5,491,080	2,143,633	553,471	145	5,428,001	1,090,154	869,393	798,355	16,344,232
Total New Jersey	27	6	5	28	5,491,810	2,143,633	555,140	145	5,428,001	1,090,154	869,393	798,355	16,346,631
New Mexico	1	0	0	1			200						200
First New York	38	7	7	38	2,948,744	286,430	868,875		97,794	360,983	45,266	120,340	4,728,438
Second New York	148	11	21	138	915,012	81,542	58,776	3,391	35,095	95,346	12,440	15,409	1,216,101
Third New York	29	7	5	28	107,590		143,490	67,405	22,183				349,673
Fourteenth New York	25	5	5	25	627,808	2,194	55,606	13,259	25,574	18,281	113,771	20,853	784,436
Twentieth-first New York	58	6	6	58	164,343	2,688	919,833	4,421	18,776	6,238	20,099	16,139	1,352,557
Twenty-eighth New York	31	12	2	41	6,555		336,150	130	76,474	13,714	87,220	11,047	534,296
Total New York	320	48	49	328	4,674,142	372,854	2,392,760	88,606	273,901	491,562	278,796	183,884	8,756,490
North Carolina	15	5	3	17	83,042,615	4,421,423	10,237,776	1,463,041	418,876	11,765,415	15,822,012	8,669,442	135,846,600
First Ohio	36	3	5	34	1,223,198	15,177,566	4,168,368	52,030	1,711,589	2,561,293	8,224,970	3,066,946	36,205,960
Tenth Ohio	17	2	3	16	226,219	5,969,700	3,257,113	8,568	1,030,144	953,094	4,816,520	2,223,692	18,425,050
Eleventh Ohio	2	1	1	2			2,092						2,092
Eighteenth Ohio	33	25	10	48	2,486		355,612	90	638				358,733
Total Ohio	88	31	19	100	1,451,903	21,087,266	7,783,192	60,688	2,742,271	3,514,387	13,041,490	5,310,638	54,991,835
Oklahoma	2	1	2	1			425						427
Oregon	7	1	0	8			5,579			10			5,679
First Pennsylvania	134	29	15	148	152,450	454,501	900,262	11,253	153,507	33,777	72,502	31,345	1,818,717
Twelfth Pennsylvania	11	4	3	12	2,085,583	86,134	65,910	14,639	18,129	77,483	140,525	231,923	2,694,726
Twenty-third Pennsylvania	22	5	4	23	1,584	170	88,060	2,060	26			15	91,038
Total Pennsylvania	167	38	22	183	2,239,617	520,805	1,063,232	27,352	171,722	111,283	213,087	263,283	4,610,381
Rhode Island	4	2	0	6	11,269	660	5,202		250			5	17,398
South Carolina	1	0	0	1		142	11,472						11,614
South Dakota	4	2	0	6			5,638						5,638
Tennessee	23	1	3	21	9,136,645	79,286	105,029	10,773,566	843,647	118,417	40,172	98,329	21,196,101
First Texas	6	0	1	5	209,856		23,925	393			3,000		237,174
Second Texas	2	0	1	1	325		16	2,429	22				2,782
Total Texas	8	0	2	6	210,181	16	26,354	415			3,000		239,956
Utah	3	0	0	3	173	17	1,193						1,383
Virginia	27	1	4	24	3,233,431	11,519,544	1,021,488	3,051	833,753	2,047,558	3,423,811	1,189,879	23,274,515
Washington	5	1	0	6	434		1,114						1,548
West Virginia	7	3	1	9	857	6,095,877	2,219,327			755,924	715,619	2,868,508	12,656,811
Wisconsin	40	19	5	54	645,087	5,481	203,394	61	18,339	26,738	145	25,212	826,057
Wyoming	1	0	0	1									
Total, 1926	1,346	293	216	1,423	151,877,678	92,450,539	31,590,210	13,583,486	16,583,536	36,230,644	50,677,480	34,260,389	427,354,262
Total, 1925	1,573	238	485	1,346	153,119,131	93,939,497	35,053,056	14,950,670	16,671,081	35,804,927	46,968,705	33,813,805	430,341,873
Increase		55		77						426,717	3,687,775	446,584	
Decrease	227		269		1,241,453	1,488,658	3,362,846	1,367,184	87,545				2,987,610

REPORT OF COMMISSIONER OF INTERNAL REVENUE

TABLE 13.—TOBACCO MANUFACTURED, QUANTITY ON HAND AT COMMENCEMENT AND CLOSE OF YEAR, QUANTITY TO BE ACCOUNTED FOR, QUANTITY REMOVED IN BOND FOR EXPORT, AND TOTAL REMOVED, TAX-PAID, CALENDAR YEAR 1926, BY COLLECTION DISTRICTS AND BY STATES

District and State	Tobacco manufactured						Manufactured tobacco					Value of stamps used	
	Plug	Twist	Pine cut	Smoking	Saufl	Total	On hand Jan. 1, 1925	Total to be accounted for	On hand Jan. 1, 1927	Removed for exportation	Tax paid during 1926		
	Pounds	Pounds	Pounds	Pounds 601	Pounds	Pounds 601	Pounds	Pounds 601	Pounds	Pounds	Pounds 601		
Arkansas.....												\$108.18	
First California.....				108,514		108,514	3,700	112,233	5,703	402	106,118	10,101.21	
Sixth California.....				22,011		22,011	30	22,041	107		21,946	3,049.20	
Total California.....				130,525		130,525	3,735	134,274	5,810	402	128,064	23,050.44	
Colorado.....				11,022		11,022		11,022			11,022	1,083.06	
Connecticut.....				53,887		53,887	184	54,071			54,071	9,732.78	
Delaware.....				2,356,271		2,356,271		2,356,271		5,400	2,350,871	423,156.78	
Florida.....				6,815		6,815		6,815			6,815	1,229.70	
Georgia.....				5,188		5,188	472	5,660	315		5,345	662.10	
Idaho.....				113		113		113			113	20.34	
First Illinois.....		3,721	3,021,960	20,342,248	9,947,116	33,335,045	831	33,335,876	504	29,864	33,305,808	8,004,001.44	
Eighth Illinois.....		50,634	1,209,333	143,921		143,921	5,777	201,934	3,104		198,830	35,789.40	
Total Illinois.....		50,634	3,022,353	20,506,169	9,947,116	33,531,202	6,608	33,537,810	3,608	29,864	33,504,338	6,030,780.84	
Indiana.....		90		178,130	36,850	411,839	34,612	446,351	45,634		400,717	72,129.06	
Iowa.....				518,819		518,819	7,921	526,740	498	20,109	511,633	92,103.84	
Kansas.....				18,952		18,952		18,952			18,952	3,411.36	
Kentucky.....		3,120,809	2,221,043	54,667		27,715,631	1,175,181	39,267,677	1,278,668	11,353	37,997,656	6,839,678.08	
Louisiana.....				128,030	4,218	132,248		132,248	8,933		130,315	23,607.82	
Maryland.....				1,556		1,556		1,556			1,556	280.08	
Massachusetts.....				138,191	283,620	421,711	9,751	431,462	8,455	2,578	420,420	75,677.22	
First Michigan.....		1,928,423	56,602	1,159,981	12,859,890	50,339	171,438	15,756,673	177,546		15,579,127	2,604,242.66	
Fourth Michigan.....				669	17,617	1,499		19,785	69		19,726	3,550.68	
Total Michigan.....		1,928,423	56,602	1,190,650	12,877,507	51,838	171,438	15,776,458	177,605		15,598,853	2,607,793.54	
Minnesota.....				87,009		87,009	1	87,010			87,010	16,761.10	
First Missouri.....		40,488,171	4,444,319	44,070	7,371,664	58,948,164	2,272,455	60,620,609	2,470,012	858,922	57,291,675	10,312,501.50	
Sixth Missouri.....					5,889	5,889	593	6,482		480	6,002	1,080.36	
Total Missouri.....		40,488,171	4,444,319	44,070	7,377,483	58,954,043	2,278,048	60,627,091	2,470,012	859,402	57,297,677	10,313,581.86	
Montana.....				2,294		2,294		2,294			2,294	417.42	
Nebraska.....				150	43,600	43,600	67	43,737	538		43,199	7,778.82	
New Hampshire.....				685		685		685			685	123.80	
First New Jersey.....				2,213		2,213		2,213			2,213	309.34	
Fifth New Jersey.....				448,354	5,153,110	9,103,013	14,794,477	607,681	15,402,358	20,077	4,160	15,372,191	2,767,963.56
Total New Jersey.....				448,354	5,155,323	9,105,013	14,796,690	607,681	15,404,571	20,077	4,160	15,374,344	2,767,381.92
New Mexico.....				200		200		200			200	36.00	
First New York.....		2,350	2,037	627,116	3,535,184	4,496,707	18,178	4,468,529	64,853	572	4,429,458	797,302.44	
Second New York.....				195,065	1,087,901	3,506	20,377	1,312,509	21,415	4,502	1,284,952	231,291.36	
Third New York.....				315,071		315,071	2,212	317,283	379	279,371	37,534	6,756.12	
Fourteenth New York.....			6,029	52,156	680,572	732,737	3,073	742,430	1,002		741,428	133,457.04	
Twenty-first New York.....				17,386	1,105,830	1,120,216	14,162	1,149,378	11,651	100	1,128,627	203,162.56	
Twenty-eighth New York.....				496,410		496,410	333	496,603	963		495,640	91,555.20	
Total New York.....		2,350	8,088	803,153	7,523,968	14,956	8,442,513	64,074	8,507,447	92,263	284,548	8,180,839	1,461,515.02
North Carolina.....		41,089,337		336,540	51,024,503		122,450,430	4,326,817	126,777,297	3,313,430	282,067	123,181,800	22,172,724.00
First Ohio.....		7,108,703	37,742	940,205	28,955,173		37,071,882	370,102	37,447,684	678,366	33,833	36,738,765	5,612,977.70
Tenth Ohio.....					19,286,753		19,286,753	199,802	19,486,555	208,388		19,288,167	3,466,470.06
Eleventh Ohio.....					2,100		2,100		2,100			2,100	378.00
Eighteenth Ohio.....				65	351,475	950	352,490	328	352,818	32		352,786	63,601.48
Total Ohio.....		7,108,703	37,742	940,270	48,605,500	950	66,683,225	570,232	67,268,457	883,609	33,833	59,351,518	10,143,327.24
Oklahoma.....				475		475		475			475	85.60	
Oregon.....				3,760		3,760	22	3,772	152		3,620	1,011.00	
First Pennsylvania.....			219	3,315	1,706,883	1,162	1,741,578	27,080	1,768,658	27,232		1,741,426	313,450.68
Twelfth Pennsylvania.....				39,011	2,033,546		2,072,157	31,667	2,104,714	54,915		2,049,800	479,081.82
Twenty-third Pennsylvania.....			4	1,858	87,064	2,060	89,076	76	91,051	1,160		89,885	19,170.30
Total Pennsylvania.....			223	44,784	4,457,482	3,222	4,605,711	58,712	4,564,423	83,213		4,481,210	806,617.80
Rhode Island.....				14,629		14,629	161	14,790	227		14,568	2,021.88	
South Carolina.....				14,185		14,185	350	14,535	491		14,044	2,833.32	
South Dakota.....				5,582		5,582		5,582			5,582	1,004.76	
Tennessee.....		48,722	2,160,297	37	297,476	16,321,602	18,817,134	232,883	19,170,019	410,861	611	18,769,647	3,376,138.46
First Texas.....				52,700	135,267		187,967		187,967			187,967	33,834.06
Second Texas.....				527		527		527			527	91.80	
Total Texas.....				52,700	135,794		188,494		188,494			188,494	33,925.86
Utah.....				1,392		1,392	45	1,437			1,437	253.20	
Virginia.....		4,032,643		17,698,769		22,030,812	610,232	23,247,044	560,259	1,396,707	21,290,078	3,632,214.04	
Washington.....				1,297		1,297	241	1,538			1,411	251.46	
West Virginia.....				4,175	11,362,221		11,366,406	350,503	11,716,909	484,971	1,688	11,230,250	2,021,445.00
Wisconsin.....				831,469		10,823		6,364	855,029		848,118	152,601.24	
Total, 1926.....		109,708,342	9,179,089	6,984,729	246,438,832	38,226,725	410,695,716	10,651,063	421,247,379	9,862,925	2,032,709	408,451,746	73,621,314.10
Total, 1925.....		111,300,706	9,749,836	7,151,246	247,739,899	37,841,222	413,872,909	11,850,360	423,253,355	10,770,253	2,074,874	411,508,108	74,071,475.64
Increase.....						385,503							
Decrease.....		1,624,424	570,747	166,518	1,301,067		3,277,253	728,723	4,005,976	907,328	42,165	3,056,453	650,161.54

TABLE 14.—CIGAR FACTORIES OPERATED, TOBACCO USED, AND CIGARS WEIGHING MORE THAN 3 POUNDS PER THOUSAND MANUFACTURED, ETC., CALENDAR YEAR 1926, BY COLLECTION DISTRICTS AND BY STATES

District and State	Number of factories ¹			Tobacco used in making cigars			Cigars weighing more than 3 pounds per thousand						
	In business Jan. 1, 1926	Opened	Closed	In business Jan. 1, 1927	Unstemmed	Stemmed	Scraps	Manufactured	On hand Jan. 1, 1926	On hand Jan. 1, 1927	Removed for exportation	Personal consumption	Removed tax paid ²
					Pounds	Pounds	Pounds	Number	Number	Number	Number	Number	Number
Alabama.....	30	2	2	30	30,169	1,364	30,338	4,310,067	85,098	83,786	.....	56,694	4,234,785
Arizona.....	4	0	0	4	1,069	6	84	53,882	4,108	1,368	.....	2,824	53,900
Arkansas.....	9	5	7	7	16,722	654	11,118	1,365,890	73,450	61,250	.....	18,616	1,359,475
First California.....	170	19	36	154	759,736	237,679	6,996	50,708,313	13,449,975	12,056,819	.....	310,033	51,789,436
Sixth California.....	126	32	31	127	163,084	241,445	28,458	23,409,817	1,284,847	1,489,753	7,650	240,956	22,956,306
Total California.....	296	61	66	281	922,820	539,124	35,453	74,116,130	14,734,822	13,546,572	7,650	550,989	74,745,741
Colorado.....	52	23	11	64	162,364	42,646	11,255	10,216,292	694,681	186,024	.....	115,770	10,609,279
Connecticut.....	184	14	34	184	798,762	81,522	20,434	37,858,698	2,158,943	2,400,905	.....	671,810	37,044,326
Delaware.....	12	3	1	14	137,435	878,528	676	61,790,243	1,800,956	795,735	.....	25,354	62,779,140
Florida.....	315	68	86	297	5,343,513	3,311,288	2,371,703	550,143,912	6,772,472	14,000,836	10,875	8,246,900	637,657,773
Georgia.....	52	16	11	56	145,910	134,494	354,881	31,875,513	471,095	479,812	.....	175,048	31,691,848
Hawaii.....	2	0	0	2	311	628	.....	53,613	79,775	68,775	.....	1,363	63,250
Idaho.....	13	2	2	13	5,094	5,461	1,306	752,454	67,425	60,275	.....	7,235	752,369
First Illinois.....	768	84	161	691	1,099,749	368,850	213,641	78,650,234	4,043,045	4,375,878	.....	893,170	76,834,231
Eighth Illinois.....	198	81	29	250	443,490	26,421	34,943	22,761,764	1,312,406	1,081,329	.....	236,638	22,756,363
Total Illinois.....	966	165	190	941	1,543,239	395,271	248,584	100,811,998	5,355,511	5,457,207	.....	1,119,708	99,590,594
Indiana.....	205	38	33	210	2,410,599	1,182,040	56,874	190,730,087	8,774,196	6,807,807	10,000	261,624	182,474,762
Iowa.....	162	20	21	170	696,871	29,067	23,135	33,498,642	2,003,627	1,462,359	.....	76,635	32,963,275
Kansas.....	57	18	9	64	117,170	13,602	21,299	7,124,358	1,570,232	1,368,040	.....	22,634	7,312,916
Kentucky.....	62	5	9	58	520,537	968,647	16,141	65,127,199	1,867,094	3,101,455	.....	98,807	63,794,531
Louisiana.....	52	10	16	47	958,400	524,585	160,760	81,335,966	2,301,770	2,333,480	.....	278,526	81,025,730
Maine.....	38	18	6	51	167,721	3,041	5,834	8,249,201	286,048	213,207	.....	100,207	8,191,835
Maryland.....	112	24	24	112	603,648	1,060,493	83,224	100,070,936	4,756,803	7,262,870	90,000	190,679	97,284,120
Massachusetts.....	281	36	44	273	1,209,309	987,999	25,893	115,116,691	3,752,821	5,698,968	.....	1,040,639	112,129,907
First Michigan.....	145	22	32	135	1,995,124	3,338,681	6,364	255,341,206	8,195,192	8,625,730	12,250	163,683	254,744,835
Fourth Michigan.....	132	41	28	145	396,343	396,640	17,737	40,435,815	1,498,926	990,273	.....	104,268	40,831,300
Total Michigan.....	277	63	60	280	2,391,467	3,734,701	24,101	295,777,021	9,694,118	9,624,903	12,250	267,951	295,676,135
Minnesota.....	173	64	48	189	474,661	103,733	272,568	32,915,864	2,082,016	1,961,241	.....	195,665	32,861,074
Mississippi.....	33	0	0	3	5,520	104	3,545	459,310	9,300	6,075	.....	5,235	457,900
First Missouri.....	169	33	38	164	256,878	38,249	17,919	19,011,853	527,525	344,709	.....	203,914	14,990,755
Sixth Missouri.....	53	16	9	69	477,604	8,917	997	18,002,993	1,720,041	1,494,895	.....	55,680	21,172,159
Total Missouri.....	222	48	47	223	744,482	44,166	18,916	36,014,846	2,247,566	1,839,604	.....	259,594	36,162,914
Montana.....	28	7	0	28	10,413	14,504	136	1,646,498	38,990	31,000	.....	30,638	1,522,650
Nebraska.....	50	14	10	54	328,784	11,453	319	14,780,793	939,138	548,597	.....	62,727	15,118,607
Nevada.....	7	0	1	8	639	1,337	249	148,242	67,689	83,750	.....	5,316	156,845
New Hampshire.....	10	9	5	14	1,513,618	8,472	1,645	65,627,846	842,889	531,030	.....	784,412	66,054,784
First New Jersey.....	38	11	10	39	718,720	1,754,119	10,144	120,536,120	3,272,512	3,457,104	5,760	79,030	120,266,758
Fifth New Jersey.....	231	30	45	228	3,312,477	4,813,505	558,513	459,965,440	16,277,318	15,665,380	117,050	455,630	458,005,208
Total New Jersey.....	269	60	55	267	4,031,197	6,567,624	568,657	579,501,560	19,549,830	20,122,484	122,800	534,660	578,272,056
New Mexico.....	2	0	0	2	1,014	62	.....	61,853	3,234	2,317	.....	2,080	60,509
First New York.....	605	81	116	470	2,043,978	280,791	66,354	139,581,105	40,300,459	44,528,682	60,000	306,933	143,985,950
Second New York.....	214	71	67	218	607,335	263,535	52,241	42,968,613	5,132,765	5,700,944	.....	351,410	42,069,024
Third New York.....	444	122	163	403	1,920,845	1,814,510	416,382	239,895,773	9,017,269	8,608,361	34,500	1,043,152	236,107,238
Fourteenth New York.....	343	69	80	332	767,541	1,027,674	146,021	105,681,901	8,265,977	4,989,226	.....	358,957	108,601,298
Twentieth New York.....	220	14	23	201	722,131	693,637	38,694	70,725,963	10,059,044	5,726,771	.....	136,896	74,927,940
Twenty-eighth New York.....	172	65	23	214	274,068	25,291	9,785	13,183,126	1,978,793	1,754,356	.....	93,963	13,315,610
Total New York.....	1,898	422	482	1,838	7,265,684	4,114,444	719,477	612,057,384	80,784,304	71,367,330	94,500	2,282,801	619,067,057
North Carolina.....	19	13	10	23	142,764	125,425	101,882	18,064,299	1,600,787	803,660	.....	34,703	18,766,490
North Dakota.....	8	0	1	7	7,202	129	811	379,673	21,375	12,250	.....	1,068	385,000
First Ohio.....	176	19	25	170	1,446,866	1,326,611	27,890	134,242,232	4,820,730	4,516,012	.....	347,669	134,200,311
Tenth Ohio.....	88	30	18	100	4,464,626	30,230	41,415	201,939,475	3,123,498	3,184,032	.....	353,066	201,524,888
Eleventh Ohio.....	91	13	23	86	1,001,606	758,519	434,284	113,173,178	8,215,455	10,407,304	.....	89,936	110,922,393
Eighteenth Ohio.....	163	62	61	184	1,142,440	330,139	324,695	86,931,543	4,572,072	5,591,880	.....	152,487	86,769,248
Total Ohio.....	618	129	127	540	8,057,598	2,461,488	828,364	636,286,431	20,731,772	23,698,228	.....	912,138	632,406,837
Oklahoma.....	18	7	7	18	68,628	1,318	1,368	2,687,417	183,720	88,425	.....	14,412	2,718,300
Oregon.....	45	8	0	44	33,401	11,069	11,397	2,819,139	171,068	188,465	.....	47,022	2,804,720
First Pennsylvania.....	1,031	158	178	1,011	14,798,018	16,829,371	5,541,282	1,804,264,598	88,784,727	100,591,694	74,700	1,764,965	1,790,597,966
Twelfth Pennsylvania.....	56	20	9	67	1,329,669	4,167,429	678	272,091,769	7,895,334	4,041,741	1,000	27,791	295,607,171
Twenty-third Pennsylvania.....	164	13	35	142	1,890,938	64,736	1,580	103,290,778	16,307,057	14,548,610	.....	41,762	104,007,403
Total Pennsylvania.....	1,251	191	222	1,220	18,019,275	21,061,796	5,543,540	2,197,637,145	111,667,718	119,182,045	75,700	1,834,618	2,190,212,600

¹ The number of factories in business includes those factories which manufactured the small cigars shown in Table 16.
² The number of cigars of each class removed tax paid at different rates is shown in Table 15.

TABLE 14.—CIGAR FACTORIES OPERATED, TOBACCO USED, AND CIGARS WEIGHING MORE THAN 3 POUNDS PER THOUSAND MANUFACTURED, ETC., CALENDAR YEAR 1926, BY COLLECTION DISTRICTS AND BY STATES—Continued

District and State	Number of factories				Tobacco used in making cigars			Cigars weighing more than 3 pounds per thousand					
	In business Jan. 1, 1926	Opened	Closed	In business Jan. 1, 1927	Unstemmed	Stemmed	Scraps	Manufactured	On hand Jan. 1, 1926	On hand Jan. 1, 1927	Removed for exportation	Personal consumption	Removed tax paid
					Pounds	Pounds	Pounds	Number	Number	Number	Number	Number	Number
Rhode Island.....	50	9	9	60	134,928	104,955	3,395	12,698,748	1,543,157	1,750,640	.....	11,395	12,579,870
South Carolina.....	12	1	3	10	166,207	252,452	24,301	29,203,621	2,319,616	961,769	.....	8,769	30,552,701
South Dakota.....	34	3	4	33	67,582	6,008	5,192	3,437,793	307,647	298,500	.....	28,004	3,420,636
Tennessee.....	33	8	3	33	236,753	1,022,921	20,017	81,512,466	1,677,896	1,539,287	.....	60,650	81,790,623
First Texas.....	30	6	6	30	343,692	32,617	18,644	17,559,312	785,514	464,652	.....	30,053	17,853,222
Second Texas.....	17	3	0	20	17,662	1,545	4,481	969,139	23,447	29,307	.....	14,229	949,050
Total Texas.....	47	9	6	50	361,554	34,162	23,125	18,528,451	811,062	493,959	.....	44,282	18,802,272
Utah.....	13	0	0	13	14,460	15,487	140	1,556,604	117,560	83,188	.....	22,700	1,668,276
Vermont.....	15	1	2	14	9,957	1,893	474	621,254	174,773	98,998	.....	1,458	696,676
Virginia.....	61	6	15	41	2,022,651	807,578	1,917,578	330,842,277	34,055,106	12,837,780	61,000	34,951	331,963,652
Washington.....	67	4	8	69	38,547	13,478	8,997	3,031,603	296,670	180,728	.....	49,857	3,067,088
West Virginia.....	44	11	9	46	1,792,710	3,452	49,181	69,367,833	6,517,632	7,621,495	.....	1,363	68,362,407
Wisconsin.....	480	116	96	470	842,007	259,284	150,097	56,159,287	2,938,494	2,978,563	.....	725,100	56,394,118
Wyoming.....	5	3	2	6	6,389	1,844	155	371,028	5,160	1,400	.....	4,696	370,080
Total, 1926.....	8,833	1,714	1,820	8,427	64,661,454	50,925,764	13,715,023	6,498,641,233	362,210,885	344,196,632	494,775	21,208,446	6,494,961,965
Total, 1925.....	9,877	909	2,253	8,633	71,806,083	44,217,927	12,630,681	6,463,193,108	350,227,700	361,973,658	222,953	22,588,929	6,428,035,268
Increase.....		805											
Decrease.....	1,344		433	100	7,004,629			35,448,125	11,082,885		261,822	1,380,483	66,720,697

Average quantity of leaf tobacco used per 1,000 large cigars, 23.24 pounds.

TABLE 15.—CIGARS WEIGHING MORE THAN 3 POUNDS PER THOUSAND, BY CLASSES, REMOVED TAX PAID, CALENDAR YEAR 1926, BY COLLECTION DISTRICTS AND BY STATES

District and State	Class A (manufactured to retail at not more than 5 cents each)		Class B (manufactured to retail at more than 5 cents each and not more than 8 cents each)		Class C (manufactured to retail at more than 8 cents each and not more than 15 cents each)		Class D (manufactured to retail at more than 15 cents each and not more than 20 cents each)		Class E (manufactured to retail at more than 20 cents each)		Total	Value of stamps used
	Tax paid at \$4 per M	Tax paid at \$2 per M	Tax paid at \$3 per M	Tax paid at \$3 per M	Tax paid at \$9 per M	Tax paid at \$5 per M	Tax paid at \$12 per M	Tax paid at \$10.50 per M	Tax paid at \$15 per M	Tax paid at \$18.50 per M		
	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	
Alabama.....	884,350	3,094,300	22,475	84,026	30,276	148,900	.....	.....	.....	500	4,254,785	\$11,118.98
Arizona.....	8,700	23,650	1,600	500	3,978	15,625	.....	.....	.....	.....	53,909	298.60
Arkansas.....	190,425	968,950	33,900	161,450	12,275	62,475	.....	.....	.....	.....	1,359,475	3,550.20
First California.....	5,754,910	19,443,434	178,235	656,262	8,216,757	20,394,428	4,200	29,225	800	15,185	51,789,456	215,329.92
Sixth California.....	1,306,895	6,275,290	327,670	927,925	2,090,684	12,082,926	4,325	31,580	650	5,520	22,956,308	108,337.02
Total California.....	7,061,805	24,718,724	505,905	1,584,187	8,307,311	32,477,354	8,525	60,775	1,450	20,705	74,745,741	323,667.94
Colorado.....	835,525	2,454,893	63,375	171,425	1,482,312	5,612,092	100	350	.....	9,205	10,608,279	60,497.63
Connecticut.....	640,750	2,935,600	3,776,764	16,035,635	2,399,667	11,145,715	31,275	16,468	.....	.....	37,044,826	157,209.53
Delaware.....	312,150	1,058,425	18,209	83,400	12,029,973	39,277,492	.....	500	.....	.....	52,779,140	308,364.82
Florida.....	41,855,284	129,830,958	4,743,124	14,739,065	51,712,083	209,335,887	14,364,027	68,465,107	397,449	1,995,569	537,637,773	2,938,608.16
Georgia.....	6,750,000	23,573,933	19,775	75,876	182,000	1,110,260	.....	.....	.....	.....	31,691,948	61,563.45
Hawaii.....	5,800	47,100	1,600	.....	.....	5,550	.....	.....	.....	.....	65,250	167.95
Idaho.....	90,175	371,600	4,650	13,100	56,625	206,319	.....	.....	.....	.....	752,369	2,801.72
First Illinois.....	4,421,189	15,253,965	1,875,288	7,060,701	8,481,232	34,103,702	441,065	1,860,694	66,940	700,535	78,834,251	362,853.72
Eighth Illinois.....	1,979,780	7,421,128	1,337,137	4,688,850	1,586,537	5,612,291	3,200	6,850	.....	3,000	22,784,303	87,555.47
Total Illinois.....	6,400,939	22,675,093	3,212,425	11,968,651	10,067,769	39,615,993	444,265	1,867,544	66,940	263,635	99,599,594	450,409.19
Indiana.....	4,610,252	34,233,050	16,680,242	63,139,844	14,924,469	58,526,633	44,000	101,327	23,900	92,045	182,474,782	777,280.62
Iowa.....	4,404,135	14,860,609	2,416,616	7,967,170	930,483	3,362,956	.....	.....	.....	1,320	33,963,275	111,045.87
Kansas.....	1,029,235	4,713,062	284,295	785,213	152,411	449,710	.....	.....	.....	.....	7,312,616	29,687.68
Kentucky.....	4,776,917	19,169,183	1,801,709	6,129,245	10,361,330	42,661,484	100	.....	.....	.....	85,794,531	389,739.63
Louisiana.....	9,472,963	29,610,878	392,825	1,639,177	8,280,652	32,162,360	24,025	293,550	.....	37,650	81,025,730	341,030.78
Maine.....	203,873	897,390	706,923	3,013,000	617,644	2,762,465	.....	.....	.....	.....	8,181,835	35,213.03
Maryland.....	4,678,860	18,790,344	2,635,620	12,311,262	13,365,782	44,726,506	73,770	301,370	400	3,300	97,284,190	459,030.64
Massachusetts.....	2,069,780	12,223,393	6,703,725	27,357,150	11,813,598	61,720,696	6,975	24,860	8,750	6,000	112,120,907	621,058.92

TABLE 15.—CIGARS WEIGHING MORE THAN 3 POUNDS PER THOUSAND, BY CLASSES, REMOVED TAX PAID, CALENDAR YEAR 1926, BY COLLECTION DISTRICTS AND BY STATES—Continued

District and State	Class A (manufactured to retail at not more than 5 cents each)		Class B (manufactured to retail at more than 5 cents each and not more than 8 cents each)		Class C (manufactured to retail at more than 8 cents each and not more than 15 cents each)		Class D (manufactured to retail at more than 15 cents each and not more than 20 cents each)		Class E (manufactured to retail at more than 20 cents each)		Total	Value of stamps used
	Tax paid at \$4 per M	Tax paid at \$2 per M	Tax paid at \$6 per M	Tax paid at \$3 per M	Tax paid at \$9 per M	Tax paid at \$5 per M	Tax paid at \$12 per M	Tax paid at \$10.50 per M	Tax paid at \$15 per M	Tax paid at \$13.50 per M		
	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number		
First Michigan	8,030,120	26,574,926	15,262,267	62,764,164	29,771,696	109,996,676	535,185	1,536,497	50,360	167,875	254,744,835	81,209,330.10
Fourth Michigan	3,457,402	9,852,693	579,470	2,221,950	5,954,757	18,528,493	34,395	197,440	600	3,800	40,831,300	122,462.70
Total Michigan	11,487,522	36,426,719	15,841,737	64,986,114	35,726,453	128,525,169	619,880	1,733,937	56,960	171,675	295,576,135	1,401,792.80
Minnesota	4,711,066	15,988,620	325,275	1,123,940	2,015,342	8,677,886	1,450	6,525	200	760	32,851,074	117,771.60
Mississippi	103,125	346,100	200		1,975	6,500					457,900	1,150.18
First Missouri	807,850	3,698,285	564,575	1,892,600	1,612,300	6,464,675	10,650	30,010	1,710	7,800	14,990,755	64,202.05
Sixth Missouri	3,783,790	12,667,060	713,193	1,906,305	2,219,076	1,882,645		100			21,172,159	61,853.29
Total Missouri	4,591,640	16,365,345	1,277,768	3,798,905	3,831,376	8,347,320	10,650	30,110	1,710	7,800	36,162,914	128,765.94
Montana	31,650	130,550	8,900	4,850	318,950	1,027,550		1,650		350	1,522,550	8,470.10
Nebraska	2,772,475	10,239,318	225,400	718,621	250,900	911,393	1,300	1,300		900	15,118,607	41,962.26
Nevada	725	4,700	8,100	16,850	24,850	101,520					158,845	843.00
New Hampshire	69,500	258,350	3,978,945	11,507,205	12,037,140	38,214,514					66,054,764	358,551.42
First New Jersey	190,030	8,245,645	64,205	281,875	23,145,392	81,978,698	1,199,225	5,126,673	5,686	29,449	120,266,758	705,326.70
Fifth New Jersey	24,737,955	97,928,636	5,330,785	28,995,345	61,204,373	233,528,123	794,100	5,370,407	45,335	233,335	458,068,298	2,201,223.15
Total New Jersey	24,927,985	106,174,180	5,394,990	29,277,220	84,349,765	315,506,816	1,993,325	10,496,970	54,021	262,784	678,275,056	2,906,609.85
New Mexico	3,450	18,700	750		6,100	31,500					60,500	268.10
First New York	29,477,440	89,623,750	1,302,996	5,622,863	3,169,261	13,474,476	257,875	1,127,289	5,450	20,850	143,985,950	432,890.82
Second New York	3,317,635	15,039,988	685,578	3,859,515	3,015,336	13,041,987	383,855	1,657,945	37,175	230,030	42,069,024	180,868.10
Third New York	16,504,266	69,602,533	5,694,254	11,794,133	23,103,914	89,624,791	4,084,784	14,673,720	180,289	609,636	236,167,238	1,148,889.00
Fourteenth New York	5,802,290	26,719,240	1,000,064	3,724,560	14,327,433	56,352,645	82,197	579,475	1,364	11,700	108,601,295	511,777.64
Twenty-first New York	3,837,725	21,849,687	6,408,371	22,182,431	3,766,730	16,583,871	600	7,675		2,650	74,927,940	282,331.93
Twenty-eighth New York	1,061,000	4,746,955	417,390	1,640,600	1,082,645	4,359,495	1,350	5,550		625	18,815,610	52,788.24
Total New York	60,600,356	227,482,153	15,798,553	48,824,092	48,469,319	193,738,182	4,910,361	18,051,563	228,237	1,174,191	619,067,057	2,000,695.78
North Carolina	1,991,056	7,498,684	694,651	3,442,750	1,844,945	3,334,275	130				18,766,490	70,615.18
North Dakota	68,050	231,675	3,700	17,650	14,150	49,775					385,000	1,156.93
First Ohio	7,677,025	27,627,688	13,556,685	49,319,847	8,629,026	27,007,850	96,000	383,850	1,010	1,500	134,200,311	532,981.09
Tenth Ohio	16,732,990	125,726,142	10,597,181	12,485,587	9,821,036	26,150,924	625	8,400			201,924,885	638,067.73
Eleventh Ohio	18,607,659	55,060,575	3,469,319	18,922,763	5,647,050	9,214,507		500			110,922,393	359,037.46
Righteenth Ohio	13,629,423	46,035,181	1,964,733	6,188,285	3,544,424	14,424,652	14,850	57,300		400	85,769,248	281,549.63
Total Ohio	56,647,097	264,351,486	29,587,818	86,916,472	27,641,566	76,797,933	111,475	450,050	1,040	1,900	632,408,837	1,812,035.91
Oklahoma	667,495	1,839,850	57,925	82,575	12,000	37,855				60	2,715,300	7,267.63
Oregon	325,100	974,400	46,475	128,550	302,855	1,028,280					2,504,720	11,775.70
First Pennsylvania	176,064,408	653,092,877	63,261,898	261,897,676	138,960,333	486,687,688	2,136,226	8,378,443	42,764	205,453	1,790,597,966	8,975,673.69
Twelfth Pennsylvania	24,176,875	116,539,580	14,018,233	53,337,965	14,797,967	72,737,023	100	400			295,607,171	1,070,774.80
Twenty-third Pennsylvania	26,135,887	73,786,201	966,125	3,400,125	136,975	562,150					104,007,463	296,256.60
Total Pennsylvania	225,376,170	843,418,658	78,246,256	318,635,766	153,864,398	560,007,666	2,136,326	8,378,843	42,764	205,453	2,190,212,600	8,314,705.09
Rhode Island	700,000	3,628,060	332,350	1,353,350	1,844,570	5,221,550					12,579,870	54,319.13
South Carolina	4,624,325	15,837,419	883,001	9,106,325	26,375	75,250					30,552,701	83,402.77
South Dakota	404,705	924,350	114,500	284,300	409,325	1,276,181	200	275	3,100	4,900	3,420,836	15,175.19
Tennessee	6,552,426	22,784,204	25,720	68,150	8,773,380	43,556,545		100			81,700,325	369,001.93
First Texas	2,060,575	8,848,240	445,075	1,572,150	1,263,326	5,599,434	6,650	21,450	13,323		17,863,222	69,395.64
Second Texas	167,700	654,100	83,625	110,225	10,875	42,525					100,000	2,681.92
Total Texas	2,228,275	9,502,340	528,700	1,682,375	1,274,201	5,641,960	6,650	21,450	13,323		18,863,222	72,077.56
Utah	13,000	47,950	35,633	107,550	294,652	1,064,539	500	3,125	180	2,145	1,568,276	8,719.89
Vermont	73,000	225,875	51,430	114,150	48,025	177,175					495,575	2,736.60
Virginia	76,122,963	254,449,143	238,942	1,066,910	5,072,199	14,994,693		1,000			341,963,652	959,675.38
Washington	317,300	1,185,256	47,150	189,700	27,500	1,111,668				200	3,087,688	12,175.69
West Virginia	10,375,799	36,334,198	7,650	27,150	27,150	4,900				1,500	65,362,407	234,810.33
Wisconsin	2,774,108	12,969,425	570,890	1,939,690	7,284,915	26,645,645	29,000	155,035	4,960	21,430	55,394,118	262,410.05
Wyoming	4,000	25,050	2,000	5,500	79,950	253,550					370,090	2,032.05
Total	691,494,052	2,258,690,532	198,489,451	740,977,817	540,347,643	2,014,406,056	24,017,309	110,382,136	904,493	4,282,477	6,484,961,965	26,802,177.46
Total, 1926	2,860,164,584	9,632,467,268	632,467,268	2,554,843,698	2,487,468,038	136,299,445	130,290,639		5,180,970	6,404,961,965	26,802,177.46	
Total, 1925	2,676,536,905	9,129,777,116	590,809,849	2,487,468,038	2,487,468,038	136,299,445	130,290,639		5,180,970	6,404,961,965	26,802,177.46	
Increase	184,627,679	502,681,152	41,657,419	77,375,660	60,975,660	60,975,660					60,975,660	117,711.10
Decrease												

NOTE.—The lower rates became effective Mar. 29, 1926.

TABLE 16.—TOBACCO USED, AND CIGARS WEIGHING NOT MORE THAN 3 POUNDS PER THOUSAND MANUFACTURED, ETC., CALENDAR YEAR 1926, BY COLLECTION DISTRICTS AND BY STATES

District and State	Tobacco used			Cigars weighing not more than 3 pounds per thousand						Value of stamps used
	Un-stemmed	Stemmed	Scraps	Manufactured	On hand Jan. 1, 1926	On hand Jan. 1, 1927	Removed for exportation	Tax paid during 1926—		
								At \$1.50 per M	At \$0.75 per M	
Maryland.....	Pounds 218,284	Pounds 274,157	Pounds	Number 137,020,690	Number 33,883,190	Number 11,164,530	Number 14,000	Number 50,143,970	Number 109,681,360	\$157,401.09
Minnesota.....	4			1,700				700	1,000	1.80
Fifth New Jersey.....	733			365,060	173,680	129,720	2,660	91,380	315,640	373.80
First New York.....	5,780	2,345	3,905	5,000	1,450			850	5,800	5.33
Second New York.....	12,292			3,385,370	1,309,060	741,430		900,000	3,143,000	3,707.23
Third New York.....	3			5,216,335	121,231	147,376		920,710	4,269,480	4,593.17
Fourteenth New York.....				1,000				1,000		1.50
Total New York.....	18,084	2,345	3,920	8,607,705	1,521,741	888,806		1,822,860	7,418,280	8,247.25
North Carolina.....	124,499			45,689,370	9,309,720	4,049,700		16,528,600	34,420,790	50,608.49
Eighteenth Ohio.....	684		13	15,100					15,100	11.33
First Pennsylvania.....	3	276,485		111,853,240	12,580	56,823		25,329,230	86,450,790	102,831.93
Twenty-third Pennsylvania.....	179			90,500	1,100			61,600		92.40
Total Pennsylvania.....	182	276,485		111,913,740	13,680	56,820		25,390,830	86,450,790	102,924.33
Virginia.....	217,397			108,698,530	1,546,400	2,907,300		17,384,050	88,953,590	92,791.26
West Virginia.....	12			2,900	114,600	23,100			94,500	70.73
Total, 1926.....	579,779	652,987	3,933	412,314,795	46,562,921	20,248,076	16,000	111,361,690	327,250,850	412,450.08
Total, 1925.....	720,825	557,264	4,898	447,089,170	69,970,511	46,562,121	4,000			705,740.34
Increase.....										
Decrease.....	141,046	4,277	965	34,774,375	23,407,590	26,313,145	12,000			263,289.26

The lower rates became effective Mar. 29, 1926.
 Average quantity of leaf tobacco used per 1,000 small cigars, 3.21 pounds.
 The factories in business are included in Table 14.

TABLE 17.—TOBACCO USED, AND CIGARETTES WEIGHING NOT MORE THAN 3 POUNDS PER THOUSAND MANUFACTURED, ETC., CALENDAR YEAR 1926, BY COLLECTION DISTRICTS AND BY STATES

District and State	Number of factories				Tobacco used			Cigarettes weighing not more than 3 pounds per thousand					Value of stamps used
	In business Jan. 1, 1926	Opened	Closed	In business Jan. 1, 1927	Un-stemmed	Stemmed	Scraps	Manufactured	On hand Jan. 1, 1926	On hand Jan. 1, 1927	Removed for exportation	Tax paid during 1926	
First California.....	4	0	0	4	Pounds 1,380,571	Pounds 8,102,470	Pounds 265,274	3,955,052,828	1,803,204	5,532	140,979,440	3,815,861,924	\$11,447,585.77
Sixth California.....	7	1	4	4	1,215	250	250	1,021,585	97,390	130,650		668,250	2,904.76
Total California.....	11	1	4	8	1,381,869	8,102,750	265,533	3,955,074,413	1,900,684	136,182	140,979,440	3,816,890,174	11,450,490.53
Connecticut.....	1	0	1	0				3,837,481	4,770	39,769		3,850,053	11,550.16
Florida.....	3	1	1	3	8,268	294	4,572	5,509,094	201,470	356,130		5,364,434	16,063.30
First Illinois.....	5	2	0	7	12,490	1,715	1,795	459,060,000				459,060,000	1,377,180.00
Kentucky.....	1	0	0	1	66,676	950,814		5,495,400				5,493,400	16,480.20
Louisiana.....	1	0	0	1		11,689		5,352,980				5,107,240	15,321.72
Massachusetts.....	7	2	0	9	17,073	1,278	50	20,031,870	1,315,440	1,970,000		19,377,310	58,131.93
First Michigan.....	2	1	1	2	72			692,200				692,200	1,986.60
Minnesota.....	1	0	1	0									
First Missouri.....	0	1	0	1									
First New Jersey.....	1	0	0	1				127,584,400	689,200	2,199,310		126,074,210	378,222.87
Fifth New Jersey.....	3	1	0	4	12,440	14,405,334	26,612	6,536,024,700	3,094,200	34,900		4,539,009,090	19,617,027.27
Total New Jersey.....	4	1	0	5	12,440	14,405,334	292,064	6,663,609,100	3,783,400	2,234,210		4,665,063,380	19,995,250.14
First New York.....	9	4	4	9	4,936,806	8,383,860	648	5,846,163,329	20,293,892	5,378,994	269,608,025	5,501,572,112	16,774,716.33
Second New York.....	42	0	11	40	300,717	107,342	4,104	228,030,398	9,591,160	2,810,375	5,250,900	229,246,689	687,740.07
Third New York.....	22	3	9	16	2,885,265	878,242	39,777	1,579,248,071	1,168,184	180,307	126,530	1,580,094,705	4,740,254.12
Fourteenth New York.....	4	2	0	6	1,359		322	573,310	8,300	198,600		381,570	1,144.71
Twenty-eighth New York.....	1	0	0	1			8	1,904	2,023			2,000	6.00
Total New York.....	78	18	24	72	5,133,147	9,369,453	44,850	7,654,019,912	30,853,430	8,668,276	274,685,425	7,401,297,076	22,203,891.23
North Carolina.....	6	2	1	7	19,440,743	96,691,263	274,038	53,011,421,511	133,050,420	169,260,703	568,220,560	52,470,653,288	157,411,959.87
Eighteenth Ohio.....	3	0	1	2	52	34	457	189,190	66,740	13,660		242,270	726.81

TABLE 17.—TOBACCO USED, AND CIGARETTES WEIGHING NOT MORE THAN 3 POUNDS PER THOUSAND MANUFACTURED, ETC., CALENDAR YEAR 1926, BY COLLECTION DISTRICTS AND BY STATES—Continued

District and State	Number of factories				Tobacco used			Cigarettes weighing not more than 3 pounds per thousand					Value of stamps used
	In business Jan. 1, 1926	Opened	Closed	In business Jan. 1, 1927	Unstemmed	Stemmed	Scraps	Manufactured	On hand Jan. 1, 1926	On hand Jan. 1, 1927	Removed for exportation	Tax paid during 1926	
					Pounds	Pounds	Pounds	Number	Number	Number	Number	Number	
First Pennsylvania	10	0	1	9	1,723,779	10,602,482	878	4,694,378,477	2,000,171	16,414,362	1,508,369,790	3,372,694,490	\$10,117,783.49
Twelfth Pennsylvania	1	0	0	1	237			294,000	612,900	559,600		578,000	1,734.00
Twenty-third Pennsylvania	1	2	1	2		396		120,000	10,000			136,000	498.00
Total Pennsylvania	12	2	2	12	1,724,016	10,992,880	878	4,695,028,477	2,623,771	15,973,962	1,508,369,790	3,373,308,496	10,119,925.49
Rhode Island	1	0	0	1					127,000	111,000		16,000	48.00
Virginia	0	1	0	7	7,333,596	28,955,538	1,587,604	15,613,889,238	111,223,610	322,490,630	223,376,650	14,878,990,018	44,636,970.06
West Virginia	1	0	0	1	2,010	4,652		2,744,860	55,000	49,400		2,732,200	8,190.00
Total, 1926	143	32	36	139	38,132,470	169,487,064	2,519,278	62,096,973,136	291,317,944	522,648,682	2,751,606,905	69,108,047,539	217,324,172.42
Total, 1925	161	32	50	145	36,262,732	154,190,853	1,739,334	82,247,100,247	299,492,029	291,321,995	2,458,282,206	79,789,337,805	239,368,013.41
Increase					1,869,738	15,296,211	779,944	9,849,873,889		230,724,987	293,324,699	9,318,710,734	27,956,159.21
Decrease	18		14	4					8,174,085				

Average quantity of leaf tobacco used per 1,000 small cigarettes, 2.30 pounds.

The following districts show cigarettes removed tax-free for personal consumption and experimental purposes: First California, 9,228; Sixth California, 20,076; Florida, 2,429; Second New York, 13,594; Third New York, 5,613; Fourteenth New York, 1,440; Twenty-eighth New York, 1,927; North Carolina, 47,380; Virginia, 400; West Virginia, 18,360.

The following districts show cigarettes removed free of tax for use of the United States: North Carolina, 3,860,000; Virginia, 270,000.

The number of factories in business includes those factories which manufactured the large cigarettes shown in Table 18.

TABLE 18.—TOBACCO USED, AND CIGARETTES WEIGHING MORE THAN 3 POUNDS PER THOUSAND MANUFACTURED, ETC., CALENDAR YEAR 1926, BY COLLECTION DISTRICTS AND BY STATES

District and State	Tobacco used			Cigarettes weighing more than 3 pounds per thousand					Value of stamps used
	Unstemmed	Stemmed	Scraps	Manufactured	On hand Jan. 1, 1926	On hand Jan. 1, 1927	Removed for exportation	Tax paid during 1926	
	Pounds	Pounds	Pounds	Number	Number	Number	Number	Number	
First California	178			17,800				17,800	\$128.16
Sixth California	177	850		27,580	14,300	8,470		33,410	240.55
Total California	355	850		45,380	14,300	8,470		51,210	368.71
First Illinois	1,960		3,174	768,845	35,460	120,045		684,200	4,926.34
Massachusetts	264	124		42,000	1,000			43,000	309.90
Fifth New Jersey	0			700				700	5.04
Total New York	46,493	32,067	27	6,811,040	137,820	134,000	548,600	5,281,040	37,879.49
Second New York	5,531	12	27	4,008,330	23,950	16,200		3,874,490	27,896.33
Third New York	190		50	1,233,800				1,241,550	8,938.16
Fourteenth New York			50	68,050				68,050	417.96
Total New York	84,291	12	3,639	11,111,220	161,770	155,200	682,600	10,435,130	75,132.94
Eighteenth Ohio			76	9,500	1,000			10,500	75.80
First Pennsylvania	4,011		18	406,050	920	920		408,050	2,923.56
Twenty-third Pennsylvania		82		6,500				6,500	46.80
Total Pennsylvania	4,011	82	18	412,550	920	920		414,550	2,970.36
Rhode Island	204	1,775	474	491,850	98,000	267,750		322,100	2,319.12
Virginia			2,863	357,720			100	357,520	2,574.88
Total, 1926	91,090	2,813	10,242	13,239,765	312,390	352,445	682,700	12,317,010	88,682.47
Total, 1925	134,993	4,077	3,400	17,423,807	453,930	313,090	607,050	16,991,997	122,342.37
Increase									
Decrease	43,903	1,264	6,842	4,184,042	171,540	239,355	74,050	4,674,987	33,659.90

The factories in business are included in Table 17.

Average quantity of leaf tobacco used per 1,000 large cigarettes, 8.19 pounds.

TABLE 19.—LEAF TOBACCO USED IN MANUFACTURING CIGARS, CIGARETTES, AND TOBACCO AND SNUFF, CALENDAR YEARS 1917-1926

Year	Cigars		Cigarettes		Tobacco and snuff	Total
	Large	Small	Large	Small		
	Pounds	Pounds	Pounds	Pounds		
1917	165,360,912	4,215,037	181,169	133,374,781	354,084,236	688,065,105
1918	158,845,626	3,631,216	211,323	177,167,844	369,060,076	708,734,664
1919	162,257,051	3,055,055	182,620	197,680,581	307,575,503	670,921,110
1920	183,042,903	2,582,069	141,315	176,789,478	306,360,063	695,335,561
1921	153,792,423	2,967,031	140,823	191,004,707	285,826,078	633,731,961
1922	140,363,275	2,345,975	142,043	169,455,090	298,210,642	639,517,231
1923	157,637,176	1,915,384	156,436	200,238,245	391,918,476	692,063,717
1924	151,850,058	2,058,784	137,929	217,562,385	297,090,136	659,103,292
1925	147,630,760	1,470,374	144,902	244,170,315	268,752,785	692,099,176
1926	151,040,170	1,322,339	108,490	267,478,080	292,602,293	712,557,834

TABLE 20.—PRODUCTION OF MANUFACTURED TOBACCO, SNUFF, CIGARS, AND CIGARETTES, AND THE NUMBER OF MANUFACTURERS OF TOBACCO PRODUCTS AND DEALERS IN LEAF TOBACCO IN BUSINESS AT CLOSE OF YEAR, CALENDAR YEARS 1917-1926

TOBACCO AND SNUFF

Year	Plug	Twist	Fine cut	Smoking	Snuff	Total
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
1917	179,413,107	16,174,350	11,286,561	243,886,164	33,516,892	482,976,984
1918	174,607,408	17,499,463	9,509,225	237,893,440	37,189,392	497,078,920
1919	141,037,885	11,290,458	8,165,865	228,966,655	35,007,892	424,068,785
1920	138,563,258	11,768,807	8,680,900	219,270,561	34,348,041	412,629,566
1921	113,384,374	9,261,035	6,892,655	222,721,045	34,689,917	386,951,026
1922	120,174,363	10,947,347	6,892,417	243,355,372	36,130,406	416,506,106
1923	120,798,439	10,665,165	7,140,628	234,944,139	30,229,284	412,776,578
1924	111,477,092	9,901,542	6,780,681	240,990,137	30,029,020	411,178,878
1925	111,390,766	8,749,836	7,181,240	247,739,699	37,641,222	415,572,969
1926	100,704,342	9,179,069	6,684,728	240,436,632	36,220,725	410,245,716

CIGARS AND CIGARETTES

Year	Cigars		Cigarettes	
	Weighting more than 3 pounds per 1,000	Weighting not more than 3 pounds per 1,000	Weighting more than 3 pounds per 1,000	Weighting not more than 3 pounds per 1,000
	Number	Number	Number	Number
1917	7,569,500,340	967,228,020	24,596,110	34,331,264,067
1918	7,053,549,402	847,464,421	23,413,857	46,630,903,224
1919	7,072,337,021	713,233,870	31,658,010	53,119,784,232
1920	8,098,735,663	633,222,232	28,038,552	47,430,108,065
1921	6,794,028,483	630,452,745	14,518,260	62,065,911,560
1922	6,722,384,177	632,906,635	17,450,456	65,763,022,818
1923	6,030,247,380	508,303,490	18,065,658	66,715,830,430
1924	6,507,676,535	530,714,322	16,054,285	72,706,989,025
1925	6,463,165,108	447,080,170	17,428,807	67,247,100,847
1926	6,498,041,233	412,314,795	13,230,705	62,066,973,626

Compiled from an annual abstract statement of manufacturers' accounts prepared from returns filed monthly. Figures relate exclusively to products manufactured in the United States. Title III, section 311, of the tariff act of 1922, provided for the establishment of bonded warehouses for the manufacture of cigars wholly from tobacco imported from any one country and for the withdrawal of such cigars for home consumption on the payment of the duty on such tobacco and the payment of the internal-revenue tax accruing on such cigars in the condition as withdrawn. Those bonded manufacturing warehouses are wholly under customs supervision, and business done by them is not included in these tables, which show the operations of internal-revenue factories only. Returns filed with collectors of customs by these bonded manufacturing warehouses show 28,799,334 cigars manufactured. These returns show cigars of the various classes as follows removed tax-paid for domestic consumption on which the tax amounted to \$225,632.11: Class A, 193,200; class B, 100,000; class C, 13,268,689; class D, 12,903,702; class E, 861,011.

TABLE 20.—PRODUCTION OF MANUFACTURED TOBACCO, SNUFF, CIGARS, AND CIGARETTES, AND THE NUMBER OF MANUFACTURERS OF TOBACCO PRODUCTS AND DEALERS IN LEAF TOBACCO IN BUSINESS AT CLOSE OF YEAR, CALENDAR YEARS 1917-1926—Continued

MANUFACTURERS OF TOBACCO PRODUCTS AND DEALERS IN LEAF TOBACCO IN BUSINESS AT CLOSE OF YEARS 1917-1926

Dec. 31—	Manufacturers of—				Dealers in leaf tobacco
	Cigars	Cigarettes	Tobacco	Snuff	
	Number	Number	Number	Number	
1917	13,217	311	1,915	61	3,608
1918	11,291	263	1,803	60	3,062
1919	11,483	237	1,814	57	3,424
1920	11,110	213	1,810	35	3,662
1921	12,105	225	1,917	39	3,619
1922	11,570	185	1,733	26	3,188
1923	10,628	190	1,652	26	2,857
1924	9,877	161	1,648	25	2,820
1925	8,533	143	1,318	28	2,902
1926	8,427	130	1,396	27	2,816

TABLE 21.—SUMMARY OF OPERATIONS OF MANUFACTURERS OF TOBACCO AND CIGARS, CALENDAR YEAR 1926

REGISTERED MANUFACTURERS OF TOBACCO IN BUSINESS AT CLOSE OF YEAR	
	Number
Registered as manufacturers for the purpose of buying and selling refuse, scraps, cuttings, and clippings	273
Registered as manufacturers for the purpose of disposing of old stock of manufactured tobacco	3
Produced perique tobacco	69
Manufacturing plug tobacco exclusively	7
Manufacturing twist tobacco exclusively	13
Manufacturing fine-cut tobacco exclusively	3
Manufacturing smoking tobacco exclusively	636
Manufacturing snuff exclusively	29
Manufacturing two or more kinds	101
Total	1,423

QUANTITY OF TOBACCO AND SNUFF MANUFACTURED		Pounds
Plug tobacco		109,760,342
Twist tobacco		9,170,099
Fine-cut chewing tobacco		6,984,728
Smoking tobacco		246,438,632
Total tobacco		372,363,901
Snuff		38,220,725
Total		410,584,626

SUMMARY OF OPERATIONS OF PRODUCERS AND DEALERS IN PERIQUE TOBACCO REGISTERED AS TOBACCO MANUFACTURERS, CALENDAR YEAR 1926

	Pounds	Pounds
On hand Jan. 1, 1926	670,164	730
Grown	29,253	523,431
Purchased	311,616	686,663
Total	1,211,033	1,211,033

CIGAR MANUFACTURERS IN BUSINESS AT CLOSE OF YEAR		Number
Manufacturing large cigars exclusively		8,400
Manufacturing small cigars exclusively		4
Manufacturing small cigarettes exclusively		89
Manufacturing large cigarettes exclusively		1
Manufacturing two or more products		63
Total		8,568

100 REPORT OF COMMISSIONER OF INTERNAL REVENUE

TABLE 21.—SUMMARY OF OPERATIONS OF MANUFACTURERS OF TOBACCO AND CIGARS, CALENDAR YEAR 1926—Continued

NUMBER OF CIGAR MANUFACTURERS, AGGREGATE NUMBER OF CIGARS PRODUCED CLASSIFIED AS TO OUTPUT, AND PERCENTAGE OF TOTAL PRODUCTION, CALENDAR YEARS 1925 AND 1926

Output—cigars (in millions)	Number of manufacturers			Aggregate cigar production			Per cent—total production	
	1925	1926	Increase (+) or de- crease (-)	1925	1926	Increase (+) or de- crease (-)	1925	1926
Under 1/4	9,750	9,281	-569	635,949,934	519,954,463	-135,995,471	10.15	8.00
1/4 to 1	252	281	+29	201,445,623	193,329,783	-8,115,840	3.12	3.01
1 to 2	213	190	-17	305,057,591	282,347,036	-22,750,555	4.72	4.34
2 to 3	106	59	-47	261,099,746	219,180,181	-41,919,567	4.04	3.37
3 to 4	65	61	-4	227,583,236	212,079,279	-15,503,957	3.53	3.26
4 to 5	50	55	+5	221,763,667	250,708,935	+29,945,268	3.43	3.64
5 to 7 1/2	152	94	-58	1,097,627,327	550,804,323	-546,823,004	14.98	11.67
7 1/2 to 10	55	53	-2	457,703,476	457,703,476	0	10.63	10.63
10 to 20	77	74	-3	1,068,693,088	1,003,797,557	-64,895,531	16.63	15.43
20 to 40	34	42	+8	1,012,337,790	1,192,264,190	+179,926,400	13.66	18.33
40 to 100	18	23	+5	1,411,394,774	1,622,468,360	+211,073,586	21.64	24.97
Total	10,786	10,247	-539	6,453,193,168	6,496,641,233	+43,448,065	100.00	100.00

TABLE 22.—RECEIPTS FROM INTERNAL-REVENUE TAXES ON TOBACCO AND PER CAPITA TAX BASED ON ESTIMATED POPULATION, YEARS ENDED JUNE 30, 1918-1927

Year	Estimated population	Cigars					
		Total receipts		Weighting more than 2 pounds per 1,000		Weighting not more than 2 pounds per 1,000	
		Amount	Per capita	Receipts	Per capita	Receipts	Per capita
1918	103,587,955	\$166,166,659.90	\$1.606	\$30,034,476.98	\$0.290	\$875,727.20	\$0.008
1919	105,003,065	203,003,001.84	1.962	36,086,247.18	.344	925,016.61	.009
1920	106,422,000	203,609,355.44	1.960	55,423,513.63	.521	692,112.89	.006
1921	108,445,000	235,219,358.40	2.353	61,076,563.24	.571	1,013,510.07	.009
1922	109,863,000	270,759,394.44	2.464	44,158,575.84	.402	969,826.71	.009
1923	111,694,000	309,015,409.88	2.767	47,272,570.81	.423	563,010.01	.005
1924	113,727,000	325,635,931.14	2.863	45,205,165.45	.397	765,183.85	.007
1925	115,378,000	345,747,210.96	2.992	43,346,812.37	.376	780,532.73	.006
1926	117,136,000	370,960,438.67	3.164	38,319,348.89	.327	532,749.74	.005
1927	118,628,000	376,170,203.64	3.171	23,544,681.61	.198	352,665.53	.003

Year	Cigarettes				Snuff	
	Weighting more than 3 pounds per 1,000		Weighting not more than 3 pounds per 1,000		Receipts	Per capita
	Receipts	Per capita	Receipts	Per capita		
1918	\$121,306.12	\$0.001	\$66,370,961.45	\$0.541	\$4,040,402.14	\$0.039
1919	162,849.11	.002	90,440,806.73	.831	5,134,366.80	.049
1920	232,201.81	.003	151,262,214.61	1.422	6,948,931.23	.064
1921	356,258.38	.003	135,053,369.43	1.245	6,795,401.75	.061
1922	118,478.19	.001	150,127,514.67	1.366	6,947,630.94	.064
1923	130,929.10	.001	182,594,808.83	1.633	7,175,216.64	.064
1924	128,187.60	.001	203,631,530.88	1.791	7,005,069.46	.069
1925	106,523.34	.001	225,032,702.07	1.930	6,763,619.76	.069
1926	120,782.23	.001	254,824,809.19	2.176	6,917,716.67	.065
1927	86,904.54	.001	278,925,561.81	2.331	6,907,694.64	.065

TABLE 22.—RECEIPTS FROM INTERNAL-REVENUE TAXES ON TOBACCO AND PER CAPITA TAX BASED ON ESTIMATED POPULATION, YEARS ENDED JUNE 30, 1918-1927—Continued

Year	Tobacco		Miscellaneous, including algebraic papers and tubes, special taxes, etc.	
	Receipts	Per capita	Receipts	Per capita
1918	\$47,455,437.44	\$0.452	\$7,251,348.50	\$0.070
1919	57,491,383.93	.547	13,732,921.98	.150
1920	74,663,767.60	.702	8,290,312.57	.089
1921	59,330,027.08	.647	2,563,055.54	.021
1922	66,341,835.85	.691	2,071,519.76	.019
1923	65,537,707.29	.617	2,123,232.60	.019
1924	66,700,455.74	.666	2,194,563.46	.019
1925	66,922,358.57	.660	2,351,311.52	.020
1926	67,710,773.30	.678	2,234,263.50	.019
1927	65,070,186.26	.649	1,278,441.43	.011

TABLE 23.—EXPORTATION IN BOND OF MANUFACTURED TOBACCO, SNUFF, CIGARS, AND CIGARETTES, YEAR ENDED JUNE 30, 1927, BY COLLECTION DISTRICTS

District	Unaccounted for July 1, 1926	Removed for exportation during year	Exported	Tax paid and returned to factory	Unaccounted for July 1, 1927
First California	0	302	332	0	130
Delaware	600	4,800	4,800	0	600
First Illinois	1,875	20,229	19,740	0	2,464
Kentucky	1,225	18,208	15,649	0	1,852
Massachusetts	0	632	632	0	0
First Missouri	67,525	882,061	907,212	0	42,375
Fifth New Jersey	624	1,674	2,004	0	704
First New York	0	1,216	1,216	0	0
Second New York	1,982	3,163	2,439	116	2,890
Third New York	12,238	848,672	332,428	28,832	0
Twenty-first New York	0	1,051	240	0	811
North Carolina	25,150	278,547	272,220	0	29,471
First Ohio	4,486	37,236	80,028	0	1,794
Tennessee	0	333	305	0	45
Virginia	140,269	1,366,455	1,493,039	90	213,610
West Virginia	408	2,124	2,013	47	472
Total	253,483	3,163,351	3,094,713	29,141	296,480

CIGARS WEIGHING MORE THAN 3 POUNDS PER 1,000

District	Number	Number	Number	Number	Number
First California	0	2,000	2,000	0	0
Florida	10,000	9,550	19,550	0	0
Indiana	10,200	0	0	10,200	0
Maryland	10,000	98,000	98,000	0	10,000
Massachusetts	0	73,800	73,800	0	73,800
First New Jersey	0	1,000	1,000	0	0
Fifth New Jersey	8,250	241,550	227,300	0	27,500
First New York	0	60,000	60,000	0	0
Third New York	0	70,150	70,150	0	0
First Pennsylvania	19,000	53,950	72,950	0	0
Twelfth Pennsylvania	0	6,500	6,500	0	0
Virginia	20,000	61,300	60,300	0	21,000
Total	77,450	693,100	630,040	10,200	132,300

CIGARS WEIGHING NOT MORE THAN 3 POUNDS PER 1,000

District	Number	Number	Number	Number	Number
Maryland	10,000	9,000	14,000	0	1,000

TABLE 23.—EXPORTATION IN BOND OF MANUFACTURED TOBACCO, SNUFF, CIGARS, AND CIGARETTES, YEAR ENDED JUNE 30, 1927, BY COLLECTION DISTRICTS—Continued

CIGARETTES WEIGHING MORE THAN 3 POUNDS PER 1,000

District	Unaccounted for July 1, 1926	Removed for exportation during year	Exported	Tax paid and returned to factory	Unaccounted for July 1, 1927
	Number	Number	Number	Number	Number
First New York	0	278,100	273,100	0	5,000
Second New York	0	700	700	0	0
Total	0	278,800	273,800	0	5,000

CIGARETTES WEIGHING NOT MORE THAN 3 POUNDS PER 1,000

	Number	Number	Number	Number	Number
First California	2,650,000	193,914,850	187,649,880	0	8,915,000
First Missouri	0	500,000	200,000	0	300,000
First New York	24,414,500	297,735,770	299,318,270	30,000	22,802,000
Second New York	5,975,000	1,769,800	2,491,800	5,000	6,248,000
Third New York	29,000	233,500	257,500	5,000	0
North Carolina	47,702,640	829,829,000	811,456,240	14,000	66,062,000
First Pennsylvania	138,640,000	1,443,906,400	1,483,446,400	0	99,100,000
Virginia	26,653,200	470,684,850	456,955,850	20,000	40,367,200
Total	247,069,340	2,938,574,800	2,941,775,940	74,000	243,794,200

PERIQUE TOBACCO, SCRAPS, CUTTINGS, CLIPPINGS, SIFTINGS, ETC.

	Pounds	Pounds	Pounds	Pounds	Pounds
Louisiana	22,876	183,019	122,478	10,122	72,995
Fifth New Jersey	1,962	160,740	162,937	0	9,005
First New York	0	20	0	0	20
Second New York	1,178	14,539	15,667	50	0
Third New York	10,788	12,608	23,396	0	0
Eighteenth Ohio	3,665	5,268	8,933	0	0
First Pennsylvania	0	45,458	45,458	0	0
Virginia	0	104,440	104,440	0	0
West Virginia	0	5,122	5,122	0	0
Total	40,124	840,214	488,211	10,172	82,020

CIGARETTE PAPER BOOKS

	Number	Number	Number	Number	Number
Second New York	0	60,000	60,000	0	0,000

CIGARETTE TUBES

	Number	Number	Number	Number	Number
Second New York	0	1,102,000	1,102,000	0	0

TABLE 24.—DRAWBACK OF INTERNAL REVENUE TAXES ALLOWED ON TOBACCO, CIGARS, AND CIGARETTES EXPORTED, YEAR ENDED JUNE 30, 1927, BY PORTS, AND PRIOR YEARS 1922-1926

Exported from port of—	Claims	Tobacco	Cigars		Cigarettes		Drawback allowed
			Large	Small	Large	Small	
			Number	Pounds	Number	Number	
San Francisco	27	3,774					24,735.44
New York	21	81,520	13,000	157,082	31,630	34,037,368	117,645.83
Winston-Salem	8					3,515,000	9,141.90
Richmond	3					6,331,856	18,899.47
Seattle	10	12,656				180,000	2,818.13
Total, 1927	69	97,950	13,000	157,082	31,630	45,416,204	153,239.87
Total, 1926	263	156,942	6,000	321,350	102,770	45,124,203	360,901.37
Total, 1925	78	78,228	250	183,792	136,000	37,986,945	128,061.08
Total, 1924	78	216,680	362,432	119,418	82,650	70,005,554	247,816.85
Total, 1923	89	204,747	5,660	305,554		104,675,032	346,254.70
Total, 1922	184	1,109,553	65,925	918,358	25,170	324,694,894	623,772.35

¹ Includes 171 claims allowed, for \$213,245.48, as drawback of floor tax.

TABLE 25.—WITHDRAWALS OF TOBACCO PRODUCTS BASED ON SALES OF STAMPS AND PER CAPITA CONSUMPTION BASED ON ESTIMATED POPULATION, FISCAL YEAR 1927

Class of product	Domestic manufactures	Received from Philippine Islands	Received from Porto Rico	Imported from Cuba
Large cigars:				
Class A	3,047,397,350	178,245,670	109,597,700	3,000
Class B	844,680,022	3,055,036	8,826,350	2,812
Class C	2,488,779,687	1,461,170	30,108,040	676,826
Class D	134,411,688	47,468	27,000	1,993,802
Class E	5,181,302	3,283	400	28,121-378
Total	6,517,420,649	182,812,629	148,470,450	28,797,818
Small cigars	468,433,920		10,198,000	316,200
Large cigarettes	11,544,100	2,700	4,884,100	22,740
Small cigarettes	92,968,240,005	2,392,743	511,190	174,413
Tobacco	361,382,890	1,001		6,973
Snuff	38,117,911			

Class of product	Imported from other countries	Removed from bonded manufacturing warehouses	Total	Per capita consumption
Large cigars:				
Class A	369,705	200,725	3,335,714,500	28.1
Class B	101,199	83,800	856,724,219	7.3
Class C	365,013	13,656,644	2,531,947,350	21.3
Class D	205,689	13,770,041	150,456,835	1.3
Class E	965,240	859,594	33,151,202	.3
Total	2,017,186	28,476,604	6,907,993,936	58.2
Small cigars	409,760		478,257,880	4.0
Large cigarettes	513,035		16,968,675	.1
Small cigarettes	5,092,489		92,976,410,640	783.7
Tobacco	503,024		361,698,798	3.0
Snuff	34,082		38,151,993	.3

¹ Manufactured under supervision of customs from tobacco imported from any one country.

TABLE 26.—LEAF TOBACCO IMPORTED BY CIGAR MANUFACTURERS, TOBACCO MANUFACTURERS, AND DEALERS IN LEAF TOBACCO, CALENDAR YEAR 1926, BY COLLECTION DISTRICTS AND BY STATES

District and State	Unstemmed leaf imported by—				Stemmed leaf imported by—				Strap tobacco imported by—		
	Dealers in leaf	Cigar manufacturers	Tobacco manufacturers	Total	Dealers in leaf	Cigar manufacturers	Tobacco manufacturers	Total	Cigar manufacturers	Tobacco manufacturers	Total
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
First California.....	1,174,632	5,166	1,724	1,181,522	137,275	2,160		139,435	197	7,043	7,242
Sixth California.....		2,117		2,117		10,800		10,800	178	163	279
Total California.....	1,174,632	7,283	1,724	1,183,639	137,275	12,960		150,235	313	7,208	7,521
Colorado.....		29,185		29,185		12,331		12,331	1,564		1,564
Connecticut.....	269	78,100		78,429		137		137	1,917		1,917
Delaware.....	20,906	56,032		76,938		116,803		116,803	7,916		7,916
Florida.....	154,595	1,630,732		1,835,627	180,867	2,845,960		3,026,827	921,106	4,618	925,783
Georgia.....		3,256		3,256					326		326
First Illinois.....	59,685	59,567	1,242	120,594	65,532	647,360		612,912	4,661	25,860	31,421
Indiana.....		167,118		167,118		203,628		203,628	114		114
Iowa.....		1,870		1,870					151		151
Kentucky.....	56,888	3		56,871		19,841		16,841			
Louisiana.....	55,870	61,396		117,275	274	255,256		255,630	60,520		60,580
Maryland.....	18,806	44,128		62,934	186,185	102,776		288,961	35,436	18,065	53,441
Massachusetts.....	232,605	316,591	7,052	556,248	96,637	404,686	338	501,591	24,115	33,678	57,663
First Michigan.....	95,135	115,050	205	210,390	400,299	248,214		648,513			
Fourth Michigan.....		16,983		16,983		45,376		45,376	287		287
Total Michigan.....	95,135	132,033	205	227,373	400,299	293,590		693,889	287		287
Minnesota.....	1,770			1,770		1,710		1,710			
First Missouri.....		578	960	1,533							
Sixth Missouri.....		3,435	494	3,929		130		130			
Total Missouri.....		4,018	1,454	5,467		130		130			
Nebraska.....		1,820		1,820							
First New Jersey.....		70,661		70,661		167,862		167,862	7,063		7,063
Fifth New Jersey.....	131,609	298,818		430,427	1,200,047	167,261		1,367,308	1,047,853		1,047,853
Total New Jersey.....	131,609	369,479		501,086	1,200,047	325,123		1,525,170	1,054,916		1,054,916

First New York.....	74,490	10,826	2,548	87,862		9,888		9,888	3,219	148	3,397
Second New York.....	17,417,080	57,791	28,466	17,503,337	9,128,345	30,044	10,110	9,168,508	13,194	2,137,424	2,150,918
Third New York.....	5,047,834	249,334	110,000	5,407,168	3,705,808	383,226	8,072	4,167,703	267,088	364,662	631,750
Fourteenth New York.....		538		538		2,577		2,577	44,758		44,758
Twenty-first New York.....									2,421		2,421
Twenty-eighth New York.....									1,465		1,465
Total New York.....	23,139,404	318,479	141,012	23,698,895	12,894,153	425,733	18,791	13,338,677	330,710	2,503,609	2,534,400
North Carolina.....	19,427,897			19,427,897	60,504			60,504			
First Ohio.....	2,412,911	9,282		2,422,193	228	532		760	130	132,680	132,710
Eleventh Ohio.....		659		659					4,840		4,840
Eighteenth Ohio.....	6,966	3,048		10,014	849			849	2,569	599	3,188
Total Ohio.....	2,419,877	12,989		2,432,866	1,077	562		1,620	7,569	133,179	140,738
First Pennsylvania.....	1,769,016	377,815		2,146,831	11,625,584	665,534	148	12,291,266	62,407	250,695	333,002
Twelfth Pennsylvania.....		65,091		65,091		95,174		95,174	9,911		9,911
Total Pennsylvania.....	1,769,016	442,906		2,211,922	11,625,584	760,708	148	12,386,440	72,318	250,695	342,913
Rhode Island.....			631	631							
Tennessee.....	184,595			184,595							
First Texas.....		222,729		222,729		21,648		21,648	25,588		25,588
Virginia.....	11,545,256	2,506	84,941	11,632,703	441,363			441,363	19	1,007,740	1,007,759
Wisconsin.....	2,529,855	17,730		2,547,585	1,271,905	4,991		1,276,896	5,076	1,980	7,056
Total, 1926.....	63,018,865	4,030,005	238,261	67,287,131	28,557,762	6,352,033	19,277	34,929,072	2,574,671	3,987,462	6,562,133
Total, 1925.....	54,681,377	4,435,403	182,210	59,309,490	18,000,281	5,935,115	4,818	24,909,214	1,863,933	4,886,482	6,750,415
Increase.....	8,337,488	-405,398	56,051	7,887,635	10,557,481	416,918	14,459	10,019,858	710,738	-899,020	-188,282
Decrease.....											

TABLE 27.—DEALERS IN LEAF TOBACCO IN BUSINESS, LEAF TOBACCO EXPORTED AND RECEIVED FROM FARMERS, CALENDAR YEAR 1926, BY COLLECTION DISTRICTS AND BY STATES

District and State	Dealers in leaf tobacco				Leaf tobacco exported by dealers					Leaf tobacco received from farmers by 1—			
	In business Jan. 1, 1925	Opened	Closed	In business Jan. 1, 1927	Unstemmed	Stemmed	Scrap	Stems	Total	Dealers in leaf tobacco	Cigar manufacturers	Tobacco manufacturers	Total
					Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Alabama.....	0	0	0	0							2,687		2,687
First California.....	9	2	0	11	295				295	5,391	7,000	189	12,580
Sixth California.....	5	7	1	5	440				440		170	193	463
Total California.....	14	9	1	16	735				735	5,391	7,170	382	12,943
Colorado.....	1	0	0	1							2,878		2,878
Connecticut.....	73	13	18	68	91,565				91,565	28,244,841	28,081		28,270,922
Delaware.....	1	0	0	1									
Florida.....	46	14	20	30	130,397				130,397	2,154,105	12,212		2,166,317
Georgia.....	33	194	187	40	400,055	477,349			877,404	39,464,175	1,646		39,465,821
Hawaii.....	2	0	0	2									
Idaho.....	0	0	0	0									
First Illinois.....	60	11	22	39	2,167	12			2,179	234,470	360		234,830
Eighth Illinois.....	2	1	1	2							339	95	434
Total Illinois.....	62	12	23	41	2,167	12			2,179	234,470	699	95	235,264
Indiana.....	36	11	22	25						12,113,669	1,938	22,723	12,137,320
Iowa.....	3	0	1	2									
Kansas.....	1	0	0	1							250		250
Kentucky.....	413	143	160	396	96,343,921	7,706,574	309,188	113,885	104,473,568	253,233,839	225	45,203	253,829,367
Louisiana.....	8	0	1	7	173,028	24,587			197,615		774	29,253	30,027
Maine.....	0	0	0	0							9,720		9,720
Maryland.....	18	11	18	71	27,450,945	17,585	112,211	173,503	27,754,244	24,163,117	2,604		24,165,721
Massachusetts.....	32	7	7	32	1,365,468				1,365,468	1,012,578	28,202	2,781	1,944,561
First Michigan.....	12	3	7	8									
Fourth Michigan.....	0	0	0	0							1,259		1,259
Total Michigan.....	12	3	7	8							1,259		1,259
Minnesota.....	5	0	2	3						6,307	4,298		10,605
Mississippi.....	0	0	0	0									
First Missouri.....	7	0	2	5	2,400				2,400	941,743	3,792	161,977	1,107,512
Sixth Missouri.....	6	5	6	5						2,607,810			2,607,810
Total Missouri.....	13	5	8	10	2,400				2,400	3,549,553	3,792	161,977	3,715,222
Nebraska.....	0	0	0	0									
New Hampshire.....	0	0	0	0							251		251
First New Jersey.....	0	2	0	2									
Fifth New Jersey.....	11	3	3	11	626,682				626,682				
Total New Jersey.....	11	5	3	13	626,682				626,682				

First New York.....	13	10	11	12	900				900	2,393	1,011		3,401
Second New York.....	234	19	39	214	20,915,107	130,424	31,843	453,417	21,585,811	23,146,462		6,493	23,152,954
Third New York.....	67	20	17	70	14,072,935	58,432	9,907	4,800	14,146,124	1,014,319	3,663		1,017,787
Fourth New York.....	7	2	2	7	65,666		1,937		65,603		60		60
Fourteenth New York.....	7	2	2	7					488,511		2,895		491,406
Twenty-first New York.....	16	0	1	15					11,880	1,323,720	1,844		1,325,564
Twenty-eighth New York.....	18	7	4	15	11,580								
Total New York.....	355	62	74	333	35,064,638	190,793	91,770	463,217	35,810,318	25,975,405	9,373	9,498	25,994,276
North Carolina.....	502	404	371	535	26,010,132	6,244,461	1,124,160	214,134	33,592,907	306,548,660			336,548,660
First Ohio.....	84	18	15	97	145,841				145,841	38,380,012	21,502	394,472	38,795,826
Tenth Ohio.....	21	2	1	22						1,770,052	75,307	24,148	1,869,507
Eleventh Ohio.....	18	5	7	16						146,366			146,366
Eighteenth Ohio.....	16	9	11	14						1,370,583	4,563	2,898	1,373,944
Total Ohio.....	149	34	34	149	145,841				145,841	41,666,013	101,372	421,518	42,188,903
Oregon.....	1	0	0	1						2,340	500		2,840
First Pennsylvania.....	335	83	92	325	68,655		83,111		151,766	53,891,331	62,849	165,421	54,119,604
Twelfth Pennsylvania.....	7	6	3	10						11,458	1,943		13,401
Twenty-third Pennsylvania.....	15	6	6	16						2,980,228	285		2,980,513
Total Pennsylvania.....	357	95	100	352	68,655		83,111		151,766	56,883,047	65,077	165,424	57,113,548
Rhode Island.....	0	0	0	0						119	821	100	1,042
South Carolina.....	70	205	189	56	3,674,163	927,906	30,732		4,632,806	53,256,047			53,256,047
Tennessee.....	117	41	38	120	17,065,153	115,390	220,915	43,305	17,435,763	99,450,274		89,386	99,539,660
First Texas.....	8	0	0	6	17,799				17,799				17,799
Utah.....	0	0	0	0									
Virginia.....	307	133	80	360	241,717,786	21,944,757	1,226,896	5,748,201	273,637,640	118,198,935	10,151	1,661	118,210,750
Washington.....	2	0	0	2						720			720
West Virginia.....	16	6	3	17						7,051,854			7,051,854
Wisconsin.....	87	14	22	79	68,451				68,451	37,319,751	5,054	407	37,356,112
Total, 1926.....	2,832	1,405	1,391	2,816	450,410,787	40,732,545	3,115,872	6,756,215	501,015,449	1,202,634,856	290,634	650,761	1,203,785,251
Total, 1925.....	2,829	1,237	1,264	2,802	439,826,314	48,123,394	2,250,309	4,882,412	465,081,929	1,157,098,284	463,706	1,124,948	1,158,686,933
Increase.....		168	127	14	10,584,473		865,063	1,873,823	5,923,520	45,466,572	164,072	174,187	45,128,318
Decrease.....	27												

SUMMARY OF LEAF TOBACCO RECEIVED FROM FARMERS DURING CALENDAR YEAR 1926 BY DEALERS IN LEAF TOBACCO, CIGAR MANUFACTURERS, AND TOBACCO MANUFACTURERS:

	January	February	March	April	May	June	July	August	September	October	November	December	Totals
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Dealers.....	196,486,515	160,246,816	88,814,575	58,279,566	28,227,508	27,820,319	13,013,338	32,880,843	107,423,614	144,201,877	147,061,099	149,101,976	1,202,534,856
Cigar.....	14,736	19,648	14,449	93,352	12,638	16,762	19,023	11,789	24,239	12,536	12,423	48,003	239,514
Tobacco.....	37,439	127,498	43,547	76,242	143,335	71,492	56,821	165,770	70,716	38,797	41,189	82,925	950,701
Total.....	196,538,690	160,393,962	88,878,568	58,449,160	28,378,341	27,908,573	13,083,231	33,028,393	107,515,619	144,252,910	147,114,710	149,232,904	1,203,785,251

1 In addition to the quantities received from farmers as shown above, dealers in leaf tobacco, cigar manufacturers, and tobacco manufacturers received 185,360,088 pounds of unstemmed leaf tobacco from cooperative associations not registered as dealers in leaf tobacco.

TABLE 28.—TOBACCO MATERIAL HELD OR OWNED BY DEALERS IN LEAF TOBACCO, CIGAR AND TOBACCO MANUFACTURERS ON JANUARY 1, 1927, BY COLLECTION DISTRICTS AND BY STATES

District and State	Dealers			Cigar manufacturers			Tobacco manufacturers		
	Unstemmed	Stemmed	Leaf scrap	Unstemmed	Stemmed	Scraps, cuttings	Unstemmed	Stemmed	Scraps, cuttings, and clippings
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Alabama				9,581	3,497	13,280			
Arizona				1,167	20	1,187			
Arkansas				2,628	340	1,827			
First California	390,085	125,686		150,610	891,068	40,085	792	82	11,687
Sixth California	53,602	13,172		33,284	27,141	17,225	1,742		4,164
Total California	443,687	148,858		183,904	918,809	57,310	2,534	82	15,751
Colorado	16,856			43,005	5,692	4,714			401
Connecticut	23,473,005	140,832	7,509	213,108	17,804	48,021	478		6,951
Delaware	3,533,570			48,860	71,059	9,607	307,495		
Florida	1,152,719	68,822		964,808	636,721	796,901	8,250	671	27,840
Georgia	173,288		50,244	26,161	56,396	50,300			
Hawaii	6,829	528	324	201	80	499			
Idaho				3,585	2,793	1,129			
First Illinois	1,268,595	263,007	69,057	478,570	90,507	139,516	4,105,193	828,780	88,793
Eighth Illinois	4,374			162,722	15,051	19,420	791	2,746	15,206
Total Illinois	1,272,969	263,007	69,057	641,292	105,558	158,936	3,105,894	831,526	103,999
Indiana	302,011	49,282	530	2,035,708	612,897	75,983	154,948	1,863	84,424
Iowa	186,543	2,273		230,089	22,153	22,905	2,352	1,327	28,850
Kansas	31,188	4,039		51,815	17,793	15,821			321
Kentucky	302,888,632	18,449,380	3,853,629	162,006	117,106	38,130	2,577,132	97,209	1,098,623
Louisiana	458,747	30,404	3,130	107,910	93,652	90,785	9,951	521,417	3,220
Maine				27,708	2,170	9,225			
Maryland	12,428,090	94,763	4,760	264,642	163,037	56,255	22		1,564
Massachusetts	866,036	3,164		276,380	86,137	62,241	301,463	1,925	259,990
First Michigan	437,301	251,141	4,585	542,640	599,602	36,396	678,005	2,550,382	131,031
Fourth Michigan				109,539	111,729	12,734			712
Total Michigan	437,301	251,141	4,585	652,179	711,331	49,130	678,005	2,550,382	131,743
Minnesota	184,096	11,131		83,372	22,468	128,475	459	3	9,008
Mississippi				455	19	515			
First Missouri	22,110,080	6,324,097	196,330	98,551	9,331	13,743	407,277	30,615	145,059
Eighth Missouri	199,527	733		139,514	18,390	12,850			159
Total Missouri	22,318,607	6,324,830	196,330	238,065	27,721	26,623	407,277	30,615	145,218
Montana				7,164	2,931	1,670			76
Nebraska				101,262	7,254	6,383			2,683
Nevada				1,315	2,204	1,480	75	0	
New Hampshire				293,801	7,320	16,436	246		404
First New Jersey	25,408			438,660	221,504	50,941	1,390		24,240
Fifth New Jersey	7,298,991	181,762	445,619	1,141,540	1,149,145	311,142	1,778,213	1,842	62,078
Total New Jersey	7,324,399	181,762	445,619	1,580,200	1,370,649	362,083	1,779,603	1,842	86,318
New Mexico				817	187	162			
First New York	52,589	7,208		844,476	536,379	78,362	128,070	8,533	40,860
Second New York	32,341,753	3,676,885	10,001	293,925	97,782	88,756	101,681	19,399	349,673
Third New York	18,911,117	2,249,694	2,650	456,937	316,049	263,265	46,720	571	223,598
Fourteenth New York	11,270	3,948		308,288	146,505	102,601	661,105	8,885	15,652
Twenty-first New York	241,492	11,723		878,118	125,313	74,830	21,731		148,042
Twenty-eighth New York	2,203,100	7,509		132,890	-10,988	20,846	5,146	970	44,453
Total New York	51,761,327	5,955,980	12,651	3,604,614	1,233,016	628,590	964,438	35,358	822,278
North Carolina	362,178,525	53,807,638	11,910,889	546,543	1,703,659	124,847	4,998,939	419,666	1,446,236
North Dakota				1,402	84	388			
First Ohio	43,776,985	10,790,162	347,761	250,607	99,772	31,101	326,097	398,140	3,038,083
Tenth Ohio	2,254,124	1,530	83	632,882	422,166	67,396	119,390	256,383	1,384,681
Eleventh Ohio	211,527	28,739	208	299,508	24,183	96,057	239,521	1,956	85,465
Eighteenth Ohio	961,569	23,089		369,925	44,953	98,566	127,080	110	77,019
Total Ohio	47,204,105	10,843,529	348,052	1,561,902	591,074	288,120	813,883	628,599	4,585,188
Oklahoma				6,445	704	1,857			
Oregon	4,025	1,351		40,990	3,218	4,283	58		687
First Pennsylvania	102,078,209	10,552,520	15,228	3,056,281	2,735,108	1,122,086	1,388,316	165,477	1,747,467
Twelfth Pennsylvania	2,005,331	674,969		261,742	170,809	26,095	133,777		11,667
Twenty-third Pennsylvania	3,655,600	6,008		447,422	73,653	43,832	10,192	621	48,160
Total Pennsylvania	107,739,140	11,233,507	15,228	3,765,445	2,979,568	1,192,013	1,541,285	166,098	1,806,714
Rhode Island				70,194	16,842	17,178			264
South Carolina	2,909,003	589,859	666,879	39,498	28,370	49,303			57,420
South Dakota				20,448	5,358	10,082			20
Tennessee	70,983,113	125,265	849,166	70,576	98,383	23,485	4,034,709	400	51,326
First Texas	94,515			162,672	28,458	43,093	37,762		9,907
Second Texas				3,286	6,102	1,271	6,225	84	240
Total Texas	94,515			165,958	34,560	44,364	33,987	84	10,166
Utah				5,047	1,828	1,926			268
Vermont				3,496	1,746	1,746			
Virginia	308,569,886	23,484,250	4,507,329	292,507	89,246	44,380	269,653	578,458	1,776,408
Washington	1,924	356	125	13,090	3,640	6,578			613
West Virginia	3,821,428		29,375	1,116,892	35,807	19,466	11,108	1,045,425	2,550,345
Wisconsin	63,465,895	3,903,804	13,069	278,166	82,217	91,057	205,420	489	24,686
Wyoming				1,670	630	841			
Total, 1926	1,396,822,269	131,174,994	23,016,057	19,224,230	11,960,315	4,648,785	22,406,143	6,914,437	15,691,978
Total, 1925	1,335,865,144	101,227,797	23,961,687	18,786,525	11,424,772	5,048,609	20,744,339	7,547,600	13,931,742
Increase	60,957,125	29,947,197		437,705	465,643		1,661,754		1,760,236
Decrease			945,630					633,063	

TABLE 29.—CLAIMS FOR REFUND OF TAX ON CIGARS PRESENTED UNDER SECTION 1205 OF THE REVENUE ACT OF 1926

District and State	Claims received		Claims allowed		Number of cigars of each class held and intended for sale Mar. 29, 1926, on which refund was allowed at rates indicated						Claims rejected in full	
	Number	Amount	Number	Amount	A—\$2 per M	B—\$3 per M	C—\$4 per M	D—\$1.50 per M	E—\$1.50 per M	Small—\$0.75 per M	Number	Amount
Alabama	186	\$22,087.58	184	\$21,610.94	5,707,754	270,480	2,275,344	81,512	4,200	205,756	2	\$22.35
Arizona	52	4,214.72	51	4,126.81	672,945	121,950	599,975	9,700	4,390	46,575	1	41.78
Arkansas	163	11,712.17	162	11,663.62	2,289,434	366,640	1,457,797	51,135	4,915	94,575	1	17.80
First California	679	113,569.11	671	113,088.84	20,355,807	4,641,427	14,044,990	843,630	120,364	1,105,235	8	169.01
Sixth California	594	79,217.59	584	78,542.33	14,044,013	1,958,318	10,658,561	782,573	179,969	681,770	10	450.96
Total California	1,273	192,786.70	1,255	191,631.17	34,399,820	6,599,745	24,703,550	1,626,203	300,333	1,787,005	18	619.97
Colorado	250	27,836.44	247	27,722.31	8,682,057	757,154	4,888,378	129,110	67,581	331,979	3	38.49
Connecticut	276	33,067.99	269	32,796.13	4,653,208	1,895,631	2,953,666	97,785	49,038	7,531,456	7	145.87
Delaware	45	4,322.62	45	4,623.89	672,995	320,050	531,335	21,250	3,550	207,165	7	519.37
Florida	177	56,322.86	170	55,047.91	10,844,600	1,250,660	7,026,933	583,275	96,506	640,365	7	230.74
Georgia	191	24,822.63	182	24,571.75	6,608,340	376,295	2,388,724	262,285	21,022	328,750	2	43.65
Hawaii	58	4,859.61	56	4,796.29	1,308,495	130,001	443,610	14,054	2,650	400	2	69.04
Idaho	86	3,045.35	84	3,887.17	592,235	512,222	578,781	3,000	350	61,790	2	37.01
First Illinois	1,447	179,803.14	1,432	176,616.32	22,183,817	4,563,292	28,242,188	2,433,875	553,035	1,485,863	15	3,015.42
Eighth Illinois	454	27,876.11	452	27,679.56	4,955,499	1,840,336	2,961,751	77,908	11,869	320,220	2	37.01
Total Illinois	1,901	207,679.25	1,884	204,295.88	27,139,316	6,412,628	31,203,939	2,511,783	564,904	1,806,083	17	3,052.43
Indiana	1,050	122,386.64	1,041	122,546.03	23,029,028	5,705,604	14,439,160	346,950	53,685	1,357,481	9	183.26
Iowa	860	59,735.85	792	69,641.38	11,290,066	4,204,746	5,986,043	117,972	13,845	409,865	6	117.08
Kansas	469	19,629.97	462	19,861.89	3,798,840	1,200,558	1,956,690	49,268	5,700	446,832	7	201.72
Kentucky	275	24,597.33	274	24,445.03	5,395,525	1,100,768	2,471,601	142,836	28,331	279,427	11	104.30
Louisiana	238	27,020.84	225	26,003.17	6,332,666	544,191	3,071,304	138,600	40,447	469,120	11	204.11
Maine	171	15,717.96	165	15,322.06	1,879,327	1,428,391	1,710,052	6,730	2,983	565,295	6	324.76
Maryland	380	73,316.75	374	72,651.77	12,383,710	3,624,305	8,307,796	438,289	108,434	3,948,306	6	110.98
Massachusetts	763	108,744.35	739	102,824.65	16,778,553	4,342,741	13,698,273	478,053	794,150	2,185,759	24	511.16
First Michigan	577	120,906.45	570	120,871.62	13,135,078	4,958,445	19,133,184	1,242,865	146,744	1,161,640	7	219.05
Fourth Michigan	346	28,244.93	338	27,730.93	4,423,509	923,491	3,905,957	116,545	17,172	386,665	8	427.04
Total Michigan	923	149,151.38	908	148,602.55	17,558,587	5,881,936	23,039,141	1,359,410	163,916	1,548,305	15	646.09
Minnesota	609	77,037.80	608	76,829.10	10,841,063	2,158,921	11,824,576	380,891	94,169	481,345	3	95.20
Mississippi	248	13,376.68	224	12,990.76	3,872,075	172,085	1,248,617	20,925	1,011	137,570	14	323.17
First Missouri	420	52,492.58	413	52,235.09	7,378,663	3,139,334	6,684,868	385,645	97,366	795,945	7	102.62
Sixth Missouri	322	77,368.42	293	76,408.15	8,872,640	4,659,340	10,972,683	713,807	110,976	746,789	29	1,055.17
Total Missouri	742	129,861.00	706	128,643.24	15,751,303	7,798,674	17,657,551	1,092,452	208,338	1,541,734	36	1,157.79
Montana	124	16,509.11	122	16,448.89	1,277,704	234,604	827,680	89,368	7,406	71,685	2	20.24
Nebraska	392	26,484.39	390	26,385.04	4,555,278	1,677,409	2,997,451	85,015	29,806	126,369	2	19.77
Nevada	47	3,954.13	46	3,822.07	327,875	80,849	711,945	20,075	3,700	29,910	2	31.65
New Hampshire	139	15,080.84	132	14,930.24	905,245	1,419,040	2,180,376	1,325	1,250	210,865	4	84.01
First New Jersey	228	26,468.06	222	26,740.25	2,881,228	1,062,356	3,988,196	140,271	29,215	770,855	6	88.33
Fifth New Jersey	714	108,050.96	710	107,761.07	12,948,852	3,070,950	15,961,794	1,414,187	213,146	8,758,560	4	41.92
Total New Jersey	942	134,519.02	932	133,501.32	15,729,880	4,133,291	19,949,990	1,554,458	242,361	9,533,415	10	140.25
New Mexico	53	2,595.29	52	2,453.51	251,560	45,055	447,620	2,325	1,200	26,060	1	14.30
First New York	726	98,125.95	720	97,775.17	22,041,506	2,768,010	9,178,180	1,217,152	121,640	8,893,750	6	231.68
Second New York	433	584,395.70	428	582,393.67	90,230,143	16,175,778	69,708,223	7,470,227	2,907,500	38,690,796	5	1,068.73
Third New York	508	245,235.83	497	243,683.70	26,599,502	25,748,771	6,067,022	5,269,392	14,704,039	9	1,204.89	
Fourteenth New York	149	53,218.62	145	52,983.54	8,316,042	1,955,388	6,684,148	475,905	83,520	3,881,936	4	137.26
Twenty-first New York	340	38,798.15	340	36,831.36	5,731,735	2,686,244	4,178,208	103,292	17,295	555,315	7	168.24
Twenty-eighth New York	650	76,416.22	643	76,027.36	9,947,228	4,502,687	10,185,874	535,135	180,315	1,067,936	7	168.24
Total New York	3,204	1,064,190.47	3,173	1,059,684.70	162,856,157	47,913,132	125,683,404	15,858,733	8,585,622	67,794,372	31	2,800.80
North Carolina	412	26,340.76	397	25,925.76	6,460,288	1,116,479	2,281,844	69,815	3,740	588,085	15	377.24
North Dakota	141	6,249.61	140	6,204.38	520,172	128,989	1,036,815	6,976	156	9,765	1	20.00
First Ohio	410	81,518.00	401	81,088.18	21,913,078	3,185,459	6,588,400	492,912	132,472	553,295	9	154.82
Tenth Ohio	423	65,135.57	421	65,058.91	9,301,954	6,568,270	6,460,177	325,715	93,775	375,149	2	26.73
Eleventh Ohio	341	38,789.75	338	38,402.95	10,041,914	1,389,428	2,169,618	105,869	18,048	382,902	3	78.63
Eighteenth Ohio	721	111,304.29	717	110,773.48	20,848,156	4,639,204	13,110,000	1,190,168	31,441	985,708	4	518.22
Total Ohio	1,895	291,747.61	1,877	290,323.62	62,105,133	15,782,361	28,328,195	2,114,655	375,734	2,297,144	18	778.46
Oklahoma	427	25,731.84	417	25,195.90	3,651,364	1,849,178	3,005,525	128,600	13,361	148,945	10	388.03
Oregon	210	32,934.87	200	32,640.08	5,386,326	951,666	4,652,937	260,120	49,023	310,799	1	31.69
First Pennsylvania	1,031	146,712.78	1,022	145,248.57	23,598,021	7,898,068	17,142,622	865,961	514,054	4,955,042	9	1,074.75
Twelfth Pennsylvania	493	55,481.96	480	55,405.72	5,121,373	2,778,567	8,972,391	127,365	30,535	936,058	3	50.59
Twenty-third Pennsylvania	926	116,972.37	914	116,655.60	31,872,770	4,728,908	9,186,118	548,841	189,504	1,172,783	12	302.79
Total Pennsylvania	2,449	319,167.11	2,416	317,309.89	60,592,164	15,403,473	35,301,131	1,545,167	734,093	7,063,884	24	1,437.13
Rhode Island	110	20,352.03	110	20,267.71	3,267,967	929,631	2,607,643	85,190	29,125	455,002	1	19.26
South Carolina	164	11,069.42	159	10,969.20	2,823,918	764,988	722,084	23,450	2,225	135,570	3	105.68
South Dakota	218	8,303.86	216	8,265.23	1,209,667	619,515	1,057,687	10,995	8,125	37,770	2	32.25
Tennessee	197	33,143.76	196	32,851.92	6,697,217	775,835	4,164,157	181,747	5,780	256,300	1	19.50
First Texas	287	27,645.04	279	27,305.51	6,339,633	700,023	3,042,103	123,270	18,345	194,540	8	91.40
Second Texas	322	38,803.70	309	38,273.51	6,854,672	1,148,170	8,203,143	129,625	9,095	132,950	13	273.80
Total Texas	609	66,448.80	588	65,579.02	13,194,305	1,848,193	8,245,246	252,895	27,440	327,490	21	365.20
Utah	61	12,366.45	60	12,468.47	1,217,368	457,220	2,123,951	78,143	10,405	44,839	1	19.26
Vermont	108	7,902.83	105	7,793.72	1,296,416	715,853	734,971	6,650	1,415	135,570	3	105.68
Virginia	245	29,831.77	230	29,385.81	5,823,117	1,566,966	3,032,126	84,800	1,061,215	1,006,215	15	428.71
Washington	461	50,952.73	453	50,467.10	8,499,103	670,931	7,438,197	269,541	65,549	405,860	8	605.53
West Virginia	352	61,680.54	345	61,306.05	6,267,181	2,159,438	2,984,668	62,850	9,150	328,320	7	177.07
Wisconsin	860	76,483.28	839	73,984.11	9,311,041	1,736,040	12,259,213	371,986</				

TABLE 30.—PRODUCTION AND WITHDRAWALS OF COLORED OLEOMARGARINE, YEAR ENDED JUNE 30, 1927, BY COLLECTION DISTRICTS

District	On hand July 1, 1926	Pro-duced	With- drawn tax-paid	With- drawn for export	With- drawn free of tax for use of United States	Lost or destroyed	On hand July 30, 1927
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Colorado	350	49,895	47,570		5,400		1,136
Florida	3,114	325,824	325,730				3,208
First Illinois	47,416	3,457,677	2,624,563	275,586	553,276	120	51,866
Eighth Illinois	11,467	566,411	564,700		3,012		11,186
Indiana	13,849	898,849	898,100				14,578
Kansas	28,036	1,745,138	1,518,684		217,524		23,966
Louisiana	2,430	191,980	188,710	1,200			4,700
Maryland	72,873	3,518,148	3,637,450	589,100			143,639
Massachusetts	7	19,273			19,250		22
First Missouri	6,200	584,736	565,735		19,000		65,580
Sixth Missouri	4,030	232,150	201,880		10,870		7,436
Nebraska	968	63,178	63,924				220
Fifth New Jersey	41,032	1,717,204	384,458	1,256,145	91,750		23,592
Oregon	236	10,510	10,510			320	
Rhode Island	5,020	420,210	406,350		8,800		3,080
Tennessee	7,629	635,167	630,636		2,472		9,204
Second Texas							
Total	241,958	14,501,929	11,843,879	2,122,911	967,984	922	308,191

TABLE 31.—PRODUCTION AND WITHDRAWALS OF UNCOLORED OLEOMARGARINE, YEAR ENDED JUNE 30, 1927, BY COLLECTION DISTRICTS

District	On hand July 1, 1926	Pro-duced	With- drawn tax-paid	With- drawn for export	Lost or destroyed	On hand June 30, 1927
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
First California	153,936	14,685,187	14,910,918			178,200
Sixth California	74,235	7,620,438	6,955,865		14,241	124,567
Colorado	8,930	662,784	665,132			6,582
Florida	3,288	235,746	236,630			2,384
First Illinois	1,283,415	117,235,273	117,229,445	5,010	5,371	1,318,662
Eighth Illinois	60,714	4,167,021	4,138,452			89,283
Indiana	34,399	2,821,989	2,809,200			47,168
Kansas	191,643	17,650,227	17,668,153			183,617
Louisiana	3,750	200,430	203,000			1,180
Maryland	107,506	2,341,746	2,290,708			168,844
Massachusetts	45,304	2,704,012	2,723,406			25,910
First Michigan	11,100	666,436	666,700			10,830
Minnesota	75,137	3,137,775	3,212,912			39,910
First Missouri	62,874	7,461,280	7,474,244			68,844
Sixth Missouri	7,840	3,324,980	3,263,376			23,308
Nebraska	28,550	2,335,384	2,340,656			294,432
Fifth New Jersey	208,020	19,553,479	19,458,294	6,300	492	
Twenty-eighth New York	43,710	727,870	771,660		20	121,068
First Ohio	150,502	8,172,688	8,201,760		376	98,656
Eleventh Ohio	49,615	11,168,301	11,119,880			42,199
Oregon	42,519	2,357,608	2,357,018			26,579
Rhode Island	20,757	924,555	918,472			12,000
Tennessee	900	302,340	301,180			51,735
Second Texas	40,276	2,227,178	2,215,716			73,206
Washington		906,730	906,730		60	
Wisconsin	23,500	9,353,126	9,303,270			
Total	2,569,839	242,654,686	242,332,227	11,310	20,560	2,090,440

TABLE 32.—PRODUCTION AND WITHDRAWALS OF OLEOMARGARINE (COLORED AND UNCOLORED), YEAR ENDED JUNE 30, 1927, BY MONTHS

Month	Colored				Uncolored		
	Pro-duced	With- drawn tax paid	With- drawn for export	With- drawn free of tax for use of United States	Pro-duced	With- drawn tax paid	With- drawn for export
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
July	637,322	637,071	90,010	62,860	14,903,698	14,008,354	3,000
August	811,350	684,279	93,335	75,239	14,824,037	15,431,348	
September	1,074,109	827,000	134,601	64,770	19,180,032	18,474,274	1,800
October	1,197,284	923,282	180,820	76,000	20,641,130	20,764,879	1,530
November	1,326,267	1,017,397	202,940	88,470	21,744,076	21,699,768	
December	1,423,373	1,060,565	231,904	86,208	23,400,708	22,980,525	
January	1,241,841	1,029,434	201,195	90,660	21,498,128	21,503,650	2,010
February	1,234,155	1,005,582	164,224	91,434	21,049,467	21,256,815	3,000
March	1,509,753	1,188,130	293,187	74,236	24,086,465	24,015,056	
April	1,307,318	1,091,873	191,479	65,042	22,233,034	22,182,397	
May	1,230,284	685,903	214,058	94,630	19,667,693	19,662,044	
June	1,193,674	883,374	509,155	83,796	19,451,210	19,139,407	
Total	14,501,929	11,343,879	2,122,911	967,984	242,654,698	242,332,227	11,310

TABLE 33.—SUMMARY OF PRODUCTION AND WITHDRAWALS OF OLEOMARGARINE (COLORED AND UNCOLORED), YEARS ENDED JUNE 30, 1918-1927

Year	Colored				Uncolored			
	Pro-duced	With- drawn tax paid	With- drawn for export	With- drawn free of tax for use of United States	Pro-duced	With- drawn tax paid	With- drawn for export	With- drawn free of tax for use of United States
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
1918	9,594,790	4,353,127	1,480,570	767,419	319,944,049	318,179,619	1,005,409	134,000
1919	13,848,576	5,199,754	7,967,367	713,132	345,367,095	343,776,167	2,200,335	660
1920	15,623,746	9,277,391	5,609,467	697,466	375,656,766	369,343,611	4,725,978	50,936
1921	11,600,319	8,214,659	1,826,703	688,623	269,481,195	269,734,142	1,667,880	3,000
1922	6,603,981	5,159,236	637,959	713,439	184,316,392	183,670,536	378,220	
1923	8,236,663	6,642,926	967,185	712,866	200,922,525	199,995,540	569,555	
1924	11,548,371	8,833,365	918,144	793,622	223,150,378	227,074,866	209,770	
1925	11,260,121	8,947,852	1,375,228	885,653	204,122,417	204,054,447	11,040	4,080
1926	13,160,497	10,731,367	1,543,374	876,570	234,866,321	234,568,548	18,620	
1927	14,501,929	11,343,879	2,122,911	967,984	242,654,698	242,332,227	11,310	
Total	113,041,963	80,703,516	24,398,708	7,786,794	2,605,611,736	2,593,656,703	10,858,817	192,676

TABLE 34.—MATERIALS USED IN THE MANUFACTURE OF OLEOMARGARINE (COLORED AND UNCOLORED), YEAR ENDED JUNE 30, 1927

	Pounds	Pounds
Butter	1,070,045	585,222
Cocunut oil	107,653,883	54,266
Color	18,043	4,872,449
Corn oil	182,798	21,882,525
Cottonseed oil	23,372,354	129,888
Edible tallow	218,510	61,393
Milk	73,690,901	32,620
Mustard oil	52,003	68,756
Neutral lard	24,871,845	255
Oleo oil	48,740,901	
Oleo stearine	5,144,542	
Oleo stock	2,551,626	
Palm oil		585,222
Palm-kernel oil		54,266
Peanut oil		4,872,449
Salt		21,882,525
Sesame oil		129,888
Soda		61,393
Soya-bean oil		32,620
Sunflower oil		68,756
Vanilla extract		255
Total		313,084,875

TABLE 35.—PRODUCTION AND WITHDRAWALS OF RENOVATED BUTTER, YEAR ENDED JUNE 30, 1927, BY COLLECTION DISTRICTS

District	On hand July 1, 1926	Produced	Withdrawn tax-paid	On hand June 30, 1927
	Pounds	Pounds	Pounds	Pounds
Alabama	700	22,175	22,903	180
Kansas	10,528	143,640	142,830	1,510
Maryland	35,104	1,597,258	1,596,874	10,022
Minnesota		1,834,209	1,968,313	
Sixth Missouri		573,741	573,741	
Total	46,332	4,272,633	4,306,763	12,512

TABLE 36.—SUMMARY OF PRODUCTION AND TAX-PAID WITHDRAWALS OF RENOVATED BUTTER, YEARS ENDED JUNE 30, 1918-1927

Year	Produced	With-drawn tax paid	Year	Produced	With-drawn tax paid
	Pounds	Pounds		Pounds	Pounds
1918	19,270,433	19,314,635	1924	4,044,476	4,041,664
1919	17,358,718	17,457,123	1925	3,624,929	3,634,173
1920	9,735,214	9,757,405	1926	2,462,050	2,458,000
1921	6,099,110	6,090,800	1927	4,272,633	4,306,763
1922	5,355,816	5,357,140	Total	76,447,190	76,537,680
1923	4,003,307	4,023,402			

TABLE 37.—PRODUCTION AND WITHDRAWALS OF MIXED FLOUR, YEAR ENDED JUNE 30, 1927, BY COLLECTION DISTRICTS

District	PRODUCED				
	Barrels	Half barrels	Quarter barrels	Eighth barrels	Total pounds
Stock on hand July 1, 1926	769	469	5,143	1,425	310,908
First California	1,267	3,109	89,950	15,045	3,493,676
Colorado			331		5,906
Eighth Illinois		41	1,389	2,430	120,961
Iowa		627	2,844		199,713
Kansas	11	419	1,283		76,471
Sixth Missouri	4		44	349	9,894
Nebraska			247		11,856
First New York				6,273	130,840
Oregon	25,405	5,943	83,034	16,165	6,223,180
Washington		4,810	8,948		665,616
Total produced	26,037	14,949	187,729	41,193	11,035,002
Grand total	27,456	15,418	192,872	42,618	11,345,971

District	WITHDRAWN TAX PAID				
	Barrels	Half barrels	Quarter barrels	Eighth barrels	Total pounds
First California	1,276	3,168	90,054	15,761	3,003,733
Colorado				331	5,906
Eighth Illinois		41	1,389	2,431	120,964
Iowa		627	2,796		194,409
Kansas	11	421	1,254		77,009
Sixth Missouri	3		44	349	9,736
Nebraska			247		11,856
First New York				6,268	115,856
Oregon	25,694	6,066	83,688	16,375	6,336,552
Washington		4,826	8,462		948,176
Total withdrawn tax paid	27,181	15,149	187,964	41,015	11,124,187
Lost or destroyed	1				96
Stock on hand June 30, 1927	271	260	4,908	1,602	221,876
Grand total	27,456	15,418	192,872	42,618	11,345,971

TABLE 38.—PRODUCTION, IMPORTATION, AND WITHDRAWALS OF PLAYING CARDS, BY MONTHS, YEAR ENDED JUNE 30, 1927

Month	Produced	Imported	With-drawn tax paid	With-drawn for export	With-drawn free of tax for use of United States	Lost or destroyed
	Packs	Packs	Packs	Packs	Packs	Packs
On hand July 1, 1926	24,021,197					
July	3,274,373		1,652,149	449,611	6,012	
August	3,667,447	3,672	3,232,662	538,066	3,450	
September	3,935,149	5,210	3,874,816	468,357	4,320	64
October	4,724,018		4,503,766	542,106		
November	4,227,947	8,352	4,660,401	670,386		
December	5,357,401	1,944	4,274,463	712,447	4,464	
January	4,713,400		4,343,575	663,777	6,480	
February	4,860,429		4,155,460	639,524		
March	5,479,738		4,582,579	786,636	1,008	703
April	6,052,406		5,906,690	680,553		
May	4,958,026		3,261,439	554,472		
June	5,023,246		4,058,967	468,892		
Total	53,177,580	10,178	47,139,999	7,175,627	26,040	767
On hand June 30, 1927						21,874,922
Grand total	79,198,777	10,178	47,139,999	7,175,627	26,040	21,875,689

TABLE 39.—MONEYS PAID TO COLLECTORS AS PROCEEDS OF IN REM ACTIONS, JUDGMENTS RECOVERED IN CIVIL SUITS, FINES AND PENALTIES IMPOSED IN CRIMINAL ACTIONS, AND COSTS, AS REPORTED BY CLERKS OF UNITED STATES COURTS (FORM 158), YEAR ENDED JUNE 30, 1927

District	In rem cases, proceeds	Judgments		Interest	Costs	Total
		Civil suits, suits on bonds, etc.	Fines and penalties			
Alabama	\$1,040.50		\$3,071.09		\$26.00	\$4,137.59
Arizona			350.00		10.00	366.00
California:						
First district	1,012.00		21,243.80	\$17.00	59.50	22,332.40
Sixth district			6,851.00		103.50	7,016.60
Colorado		\$22,259.32	175.00			22,434.32
Connecticut	3,000.00		1,523.50			4,523.50
Florida			483.90		110.15	600.05
Georgia			377.00		276.48	653.48
Hawaii			5,497.00		1,817.42	7,314.42
Idaho			1,700.00			1,700.00
Illinois:						
First district			4,494.80		514.88	5,009.77
Eighth district	486.84		1,619.00		10.06	2,115.94
Indiana			1,990.00		46.80	1,046.50
Iowa			23,725.00		478.48	23,703.48
Kansas	153.02		1,300.00		123.09	1,577.11
Kentucky					442.00	442.00
Louisiana		4,854.82	1,611.50		340.99	6,812.91
Massachusetts	15.25		5,591.00			5,606.25
Michigan:						
First district			600.00		31.76	631.76
Fourth district			100.00		12.85	112.85
Minnesota			2,702.00			2,702.00
Mississippi			5,000.66		369.21	5,430.07
Missouri:						
First district			700.00		31.65	731.65
Sixth district			8,673.00		61.72	8,734.72
Montana	456.49		133.00		331.63	921.02
Nebraska			672.00		46.29	718.29
New Hampshire			1,500.00		260.35	1,729.35
Nevada			31.55			31.55
New Jersey: Fifth district			123.00			123.00

TABLE 39.—MONEYS PAID TO COLLECTORS AS PROCEEDS OF IN REM ACTIONS, JUDGMENTS RECOVERED IN CIVIL SUITS, FINES AND PENALTIES IMPOSED IN CRIMINAL ACTIONS, AND COSTS, AS REPORTED BY CLERKS OF UNITED STATES COURTS (FORM 158), YEAR ENDED JUNE 30, 1927—Continued

District	In rem cases, proceeds	Judgments		Interest	Costs	Total
		Civil suits, suits on bonds, etc.	Fines and penalties			
New York:						
Second district.....	\$2,752.20	\$260.95	\$31,524.13	\$5,513.50	\$114.56	\$43,157.94
Third district.....	3,302.00		2,729.73		25.00	6,056.73
Fourteenth district.....	3,063.60	1,417.14	2,100.49			6,581.23
Twenty-first district.....			506.00			506.00
Twenty-eighth district.....			235.00		15.00	250.00
North Carolina.....	200.00		1,334.00	56.34	331.34	1,921.68
North Dakota.....			50.00			50.00
Ohio:						
First district.....					54.42	54.42
Tenth district.....					416.88	416.88
Eleventh district.....			600.00		28.25	628.25
Eighteenth district.....			50.00		503.35	553.35
Oklahoma.....			170.00		213.49	383.49
Oregon.....			4,135.76		31.67	4,167.43
Pennsylvania:						
First district.....			9,531.00			9,531.00
Twelfth district.....			900.00			900.00
Twenty-third district.....			4,137.00		717.86	4,854.86
South Carolina.....	5,140.11		530.00			5,670.11
Tennessee.....	336.05		3,926.00		243.49	4,505.54
Texas:						
First district.....		7,004.69	10,359.42		186.10	17,550.21
Second district.....		2,230.04	2,058.25	510.09	83.98	4,802.36
Utah.....			300.00			300.00
Vermont.....	27.71		2.00			29.71
Washington.....	3,922.72		1,193.00		58.15	5,173.87
West Virginia.....			5,240.00		45.09	5,285.09
Wyoming.....		7,336.10	500.00			7,836.10
Total.....	24,920.64	40,363.06	182,320.73	9,127.22	9,497.33	271,234.97
Total for fiscal year 1926.....	27,419.15	70,457.69	180,160.09	1,123.66	10,010.69	279,110.69

TABLE 40.—EXPENSES OF THE INTERNAL REVENUE SERVICE, FISCAL YEAR ENDED JUNE 30, 1927
A. DISBURSEMENTS BY COLLECTORS OF INTERNAL REVENUE

Appropriation.....	District	Collecting the internal revenue, 1927										Total
		Salaries of collectors, deputies, clerks, etc.	Salaries of storekeepers, gaugers, etc.	Travel expenses	Rent	Telegraph	Telephone	Supplies and equipment	Miscellaneous			
Alabama.....	First district.....	486,810.27	206,208.38	21,313.06	84,200.00	\$2.04	\$168.15	\$146.90	\$129.56	\$61,651.77	\$129,560.88	671,472.85
Arizona.....	Second district.....	49,644.29	287,239.55	14,160.24	8,194.44	9.19	160.50	434.03	400.88	785.20	210,846.52	
Arkansas.....	First district.....	92,727.14	16,283.31	1,060.31	8,194.44	23.12	401.77	785.20			210,846.52	
California:	First district.....	206,208.38	542,167.55	21,313.06	84,200.00	17.43	1,070.72	1,900.71	412.36	3,007.74	384,727.30	
Sixth district.....	Sixth district.....	174,899.56	117,557.97	10,358.02	15,291.78	12.55	762.00	2,293.30	273.48	4,071.41	324,202.90	
Colorado.....	First district.....	35,411.07	38,411.07	935.10	15,291.78	12.55	762.00	407.41	400.01	1,000.00	179,133.76	
Connecticut.....	First district.....	124,561.49	175,445.63	16,594.86	8,194.44	7.87	327.57	605.81	62.74	1,258.51	40,456.19	
Delaware.....	First district.....	99,731.12	41,109.90	9,354.69	360.00	17.04	707.94	1,871.88	218.42	3,043.00	102,831.19	
Florida.....	First district.....	47,980.86	7,042.85	6,462.35	3,120.00	38.40	650.35	1,043.00	61.20	47.92	48,746.08	
Georgia.....	First district.....	603,227.21	91,863.90	9,603.99	3,120.00	8.38	242.95	307.74	136.08	3,196.52	85,844.68	
Idaho.....	First district.....	170,449.73	9,212.50	15,533.83	12,548.50	4.77	783.10	1,200.49	305.82	1,200.49	671,472.85	
Illinois:	First district.....	200,066.02	16,792.00	12,193.00	8,194.44	12.74	1,007.45	346.05	443.09	2,200.00	210,846.52	
Eighth district.....	Eighth district.....	124,561.49	175,445.63	16,594.86	8,194.44	10.64	638.83	140.76	694.48	350.10	226,408.72	
Indiana.....	First district.....	175,445.63	40,360.34	21,901.12	8,000.00	22.89	837.90	431.50	391.73	2,774.00	156,161.25	
Iowa.....	First district.....	85,314.62	28,268.24	19,018.16	43,300.00	9.93	2,068.21	418.98	74.84	91,537.00	185,175.60	
Kansas.....	First district.....	273,030.33	13,331.33	10,314.29	43,300.00	3.24	2,457.77	1,680.51	2,165.08	4,330.01	91,537.00	
Kentucky.....	First district.....	262,026.46	1,740.00	12,256.30		12.96	1,250.48	818.74	901.30	200,066.02	200,066.02	
Louisiana.....	Fourth district.....	50,692.74	6,102.44	6,102.44		6.53	93.95	82.35	7.62	55,941.00	55,941.00	
Maine.....	First district.....	23,700.45	15,739.65	7,530.47	7,144.50	14.51	1,743.95	8,300.53	894.09	247,081.10	247,081.10	
Maryland.....	First district.....	61,008.96	7,530.47	7,530.47		16.24	381.20	1,106.60	219.91	76,706.84	76,706.84	
Massachusetts:	First district.....	165,080.40	6,603.00	9,085.20		11.69	610.65	904.38	139.66	182,843.14	182,843.14	
Fourth district.....	Fourth district.....	106,086.84	7,772.47	1,200.00		11.69	610.65	105.13	176.80	118,705.89	118,705.89	
Michigan:	First district.....	145,350.41	14,369.68	14,369.68	4,900.00	11.69	818.25	534.14	274.08	103,031.12	103,031.12	
Sixth district.....	Sixth district.....	28,538.07	1,914.44	3,000.00		8.53	645.61	64.96	91.30	186,358.51	186,358.51	
Minnesota.....	First district.....	72,205.67	5,488.15	5,488.15		8.53	450.47	77.99	79.45	34,704.02	34,704.02	
Mississippi.....	First district.....											
Missouri:	First district.....											
First district.....	First district.....											
Sixth district.....	Sixth district.....											
Montana.....	First district.....											
Nebraska.....	First district.....											
Nevada.....	First district.....											
New Hampshire.....	First district.....											

1 Consolidated with first district of Michigan, Feb. 1, 1927.

TABLE 40.—EXPENSES OF THE INTERNAL REVENUE SERVICE, FISCAL YEAR ENDED JUNE 30, 1927—Continued
A. DISBURSEMENTS BY COLLECTORS OF INTERNAL REVENUE—Continued.

Appropriation	Collecting the internal revenue, 1927									
	District	Salaries of collectors, deputies, clerks, etc.	Salaries of storekeepers-gaugers, etc.	Travel expenses	Rent	Telegraph	Telephone	Supplies and equipment	Miscellaneous	Total
New Jersey:										
First district		\$80,221.61	\$5,240.67	\$1,907.43			\$303.51	\$10.97	\$934.89	\$94,639.08
Fifth district		284,439.88	6,450.69	7,741.87	\$25,000.00	\$3.22	3,055.17	4,229.83	1,462.31	335,883.14
New Mexico		38,883.72		4,554.00	3,300.00	16.07	135.05	285.00	120.65	47,274.79
New York:										
First district		314,246.23	7,964.90	5,067.14	34,999.97		1,079.43	3,779.63	2,402.22	369,559.88
Second district		430,496.80	7,260.00	1,780.84		28.47	1,872.73	3,738.87	891.64	445,569.40
Third district		340,684.57	3,480.00	2,200.75	40,000.00	.93	2,562.22	10,821.07	1,462.41	401,215.43
Fourteenth district		202,844.62	5,832.50	17,755.51	2,100.00	2.15	806.41	338.56	453.81	220,131.63
Twenty-first district		145,095.35	4,820.00	13,831.46	12,206.64	87.21	477.05	1,378.97	271.88	179,338.56
Twenty-eighth district		214,592.61		6,935.51		1.16	1,200.33	349.18	129.37	223,028.24
North Carolina		143,461.63		16,131.01		32.46	874.32	877.00	1,118.31	162,398.73
North Dakota		52,149.08		5,414.10	5,100.00	5.98	184.20	1,525.79	333.55	64,722.70
Ohio:										
First district		136,462.98	7,260.67	3,244.82		.73	1,024.95	1,000.69	149.76	149,096.57
Tenth district		195,284.31		6,737.09			683.55	115.00	121.25	112,941.80
Eleventh district		80,187.88		3,731.91		1.97	437.48	173.07	148.41	90,682.42
Eighteenth district		257,552.79		7,554.72	1,800.00	4.21	2,121.29	1,001.82	112.94	800,347.77
Oklahoma		126,825.71		15,762.58	300.00	7.24	775.85	941.87	238.73	144,851.18
Oregon		311,502.18		7,890.24	12.00	77.75	935.13	319.64	172.83	120,909.66
Pennsylvania:										
First district		406,978.42	17,702.45	10,659.91	2,186.00	5.03	3,063.56	1,301.17	1,271.75	443,207.23
Twelfth district		123,073.65		6,473.24		.77	504.98	453.21	132.41	129,841.29
Twenty-third district		384,063.02	15,532.98	10,338.90	59.17	.27	749.47	621.03	503.21	411,765.06
Rhode Island		87,849.81		1,123.66			632.61	518.80	178.27	90,462.45
South Carolina		68,860.56		6,632.43		4.58	271.10	715.48	118.07	70,602.70
South Dakota		76,479.18		11,197.71	7,800.00	4.60	162.43	634.91	215.07	96,491.90
Tennessee		111,067.59		5,995.50		1.35	523.00	1,249.69	166.09	119,006.22
Texas:										
First district		151,063.40		16,590.45		41.64	652.62	649.81	377.79	172,265.62
Second district		143,722.34		10,620.60	9,249.96	14.41	757.50	661.52	92.80	171,119.13
Utah		66,203.69		3,513.32		2.30	468.35	203.68	30.19	70,482.34
Virginia		54,294.74		4,198.36		45.40	408.90	170.83	85.05	59,202.28
Washington		142,354.05		13,060.15	13,660.00	6.29	718.30	345.61	802.31	170,840.61
West Virginia		184,906.11		12,167.79		7.40	1,020.99	761.74	1,771.17	200,628.29
Wisconsin		116,897.31	1,375.45	3,218.80		9.04	490.50	112.16	113.20	127,221.46
Wyoming		268,653.90	5,485.97	18,072.36		8.77	1,737.65	2,947.74	743.81	291,169.30
Wyoming		48,234.41		8,266.24	4,320.00	3.58	262.90	122.45	94.05	61,501.61
Total		10,699,352.78	509,460.62	637,519.39	273,752.97	799.68	61,422.25	66,186.13	28,600.76	12,167,262.57

B. DISBURSEMENTS BY INTERNAL REVENUE AGENTS

Appropriation	Collecting the internal revenue, 1927								
	Division	Salaries of agents, clerks, etc.	Travel expenses	Rent	Telegraph	Telephone	Supplies and equipment	Miscellaneous	Total
Atlanta		\$117,400.26	\$10,119.72	\$621.25	\$9.63	\$320.00	\$36.13	\$221.82	\$129,107.75
Baltimore		326,862.40	17,322.22	\$621.25	.43	139.75	943.78	456.54	346,406.42
Boston		745,953.44	53,768.54	17,314.96	2.50	1,474.81	3,810.80	1,097.57	822,412.62
Brooklyn		395,391.64	3,480.32	22,000.00	3.58	1,310.64	1,287.74	842.96	424,325.70
Buffalo		288,654.55	17,903.44		6.89	673.56	1,091.40	416.16	288,710.02
Chicago		559,708.67	19,043.29	2,282.62	11.05	1,531.37	2,435.53	713.58	565,766.31
Cincinnati		165,739.89	14,508.51	574.99	2.46	678.37	268.33	376.18	182,108.73
Cleveland		257,621.54	29,655.63	9,912.00	15.33	1,207.91	1,819.65	1,220.40	300,554.48
Columbia		54,829.69	13,247.16		3.29	142.65	104.61	201.68	68,529.36
Denver		161,255.73	27,767.54		29.82	165.10	393.29	134.17	179,734.65
Detroit		241,443.72	22,568.59	8,869.01	10.16	897.41	1,407.31	773.91	276,000.11
Greensboro		106,710.23	15,467.11		13.81	96.00	123.93	84.15	122,491.25
Honolulu		39,799.67	3,349.83			105.00	125.27	165.35	43,645.12
Huntington		114,898.75	21,168.17		18.21	327.50	247.11	351.54	137,011.28
Indianapolis		190,162.42	14,788.74		4.06	208.45	24.80	232.00	205,415.37
Jacksonville		176,325.57	31,830.37	6,000.00	78.59	144.69	916.00	634.89	215,933.11
Louisville		114,073.58	10,369.71		4.39	219.35	206.11	292.08	125,167.22
Milwaukee		177,346.79	15,358.28		88.15	406.44	502.61	762.47	194,414.74
Nashville		154,081.24	17,279.15	165.60	52.47	349.02	351.36	664.09	172,922.83
New Haven		294,269.96	18,907.09	1,612.56	5.01	1,261.34	366.05	271.06	316,673.05
New Orleans		143,956.20	36,851.35		62.91	137.75	332.69	281.99	181,623.09
New York		1,241,720.70	3,283.86		15.81	1,384.43	4,501.04	2,066.35	1,253,971.26
Oklahoma City		173,834.25	28,542.06	5,765.00	37.07	323.80	432.80	420.28	209,779.24
Omaha		217,205.37	22,243.39		10.61	634.82	431.87	179.34	210,658.40
Philadelphia		553,923.33	16,984.70	10,678.80	1.60	1,682.70	2,172.41	1,685.62	567,390.76
Pittsburgh		300,423.21	20,443.42	8,133.33	4.62	550.77	1,285.64	2,305.09	333,173.88
Richmond		113,259.21	15,501.53	120.00	16.40	207.74	242.76	611.49	129,959.13
Salt Lake City		113,305.25	19,936.25	2,340.00	5.06	139.80	177.86	181.55	135,081.65
San Antonio		268,732.90	37,597.92	7,348.00	140.16	967.70	585.56	1,615.37	311,327.61
San Francisco		621,590.98	38,714.61	3,900.00	123.37	2,178.75	5,662.16	1,773.04	674,132.09
Seattle		265,215.73	20,437.53	4,335.00	32.68	1,031.67	1,769.37	483.69	293,315.67
Springfield		100,075.46	14,922.54		7.99	155.45	132.31	401.83	118,715.58
St. Louis		281,088.62	9,323.86	1,999.92	7.22	409.08	1,642.35	394.50	294,535.85
St. Paul		269,899.23	23,205.80		13.07	276.50	393.94	378.59	293,842.93
Trenton		303,638.31	9,731.70	4,200.00		869.09	1,228.62	899.87	309,568.29
Wichita		89,062.73	17,237.11	2,178.00		76.00	366.11	114.61	109,031.45
Total		9,629,180.42	707,977.94	119,401.64	765.20	22,554.42	38,064.42	23,302.97	10,541,263.01

IMPORTANT DECISIONS OF THE FEDERAL COURTS IN INTERNAL REVENUE CASES

ADMINISTRATIVE AND PROCEDURE

Kentucky Jockey Club v. Lucas, collector.—District Court of the United States for the Western District of Kentucky (14 Fed. (2d) 539; T. D. 3915).

Section 250(b) of the revenue act of 1921, providing for interest on deficiencies, applies to a deficiency for a fiscal year beginning in 1920 and ending in 1921, although payment of the tax was not postponed at the request of the taxpayer, and there was no understatement due to negligence or intent to defraud in the return filed.

Girard Trust Co. et al., trustees of Moore, v. United States.—United States Supreme Court (270 U. S. 163; T. D. 3919).

Under sections 250(h), 252, and 1324(a) of the revenue act of 1921, the date of allowance to which interest is payable on refunds is the date of final approval by the commissioner and neither the date when the commissioner first determines that an overassessment should be made and transmits the schedule to the collector nor the date of final payment.

Under section 1324 of the revenue act of 1921 interest is payable from the date of payment of the tax only where the taxpayer makes a specific protest setting forth in detail the basis and reasons for such protest. Otherwise interest is payable from six months after the date of filing the claim for refund.

Interest is not payable on the discount of 3 per cent allowed for early payment by section 1009 of the revenue act of 1917.

Israelite House of David v. Holden, collector.—District Court of the United States for the Western District of Michigan (14 Fed. (2d) 701; T. D. 3920).

Under section 3226, Revised Statutes, no action for the recovery back of taxes paid can be maintained unless after the payment of the tax a claim for refund has been filed.

United States of America v. Northern Finance Corporation.—United States Circuit Court of Appeals for the Second Circuit (unreported to date; T. D. 3963).

In determining whether a suit by the United States is barred by section 250(d) of the revenue act of 1921, the suit is "begun," within the meaning of the statute, as soon as the writ, after issuance, has been lodged in the marshal's hands for service.

W. C. Tucker v. Acl C. Alexander, collector of internal revenue.—United States Circuit Court of Appeals for the Eighth Circuit (15 Fed. (2d) 356; T. D. 3973).

A suit to recover internal-revenue taxes can only be maintained upon the same grounds and only such as are presented to the Commissioner of Internal Revenue in the claim for refund filed as a necessary prerequisite to suit.

Julia Barnett Rice v. Eisner, collector.—United States Circuit Court of Appeals for the Second Circuit (16 Fed. (2d) 358; T. D. 3974).

Where the principal amount under a claim for refund is accepted, suit can not be brought to recover interest, although a receipt is given in which there is a reservation of the "right, if any, to recover any additional sum for which suit might thereafter be brought."

Red Wing Malting Co. v. Willcuts, collector of internal revenue.—United States Circuit Court of Appeals for the Eighth Circuit (15 Fed. (2d) 626; T. D. 3980).

The precise ground upon which the refund of taxes is demanded must be stated in the application to the commissioner, and a suit in court to recover the tax can not be based upon an entirely different and distinct ground from that presented to the commissioner.

Alexander S. Walker, formerly collector of internal revenue, v. Alamo Foods Co.—United States Circuit Court of Appeals for the Fifth Circuit (16 Fed. (2d) 694; T. D. 3984).

Where a taxpayer pursuant to section 3229 of the Revised Statutes offers a certain sum in compromise of taxes, penalties, civil and criminal liability, which offer is duly accepted by the authorized officers of the Government, an action at law can not thereafter be maintained to recover back a part of the taxes alleged to have been illegally assessed and collected.

Gray Motor Co. et al. v. United States.—United States Circuit Court of Appeals for the Fifth Circuit (16 Fed. (2d) 367; T. D. 3994).

In a suit by the United States against the principal and surety on a bond given in support of a claim for abatement which was rejected in part, the action is one for the breach of the condition of the bond, and the amount or validity of the tax can not be raised as a defense.

A suit instituted on May 29, 1925, is within the five-year limitation provided by sections 277 and 1009 of the revenue act of 1924, the return having been filed on May 29, 1920.

Daniel Ritter v. United States.—United States District Court for the Western District of Pennsylvania (19 Fed. (2d) 251; T. D. 4097).

Under sections 1112 and 1113 of the revenue act of 1926; amending sections 3228 and 3226 of the Revised Statutes, a formal written claim for refund is necessary as a prerequisite to suit, and a verbal claim for refund does not comply with the statutory requirement.

The Government is not estopped to plead the bar of the statute of limitations by reason of representations made by a revenue agent that it was not necessary to file a written claim for refund.

United States v. William H. Fairall et al.—United States District Court for the Southern District of New York (16 Fed. (2d) 328; T. D. 4008).

It is not necessary to obtain a judgment against a dissolved corporation for unpaid Federal taxes as a condition precedent to a suit in equity against stockholders to enforce their liability as transferees where it is either impossible to obtain a judgment against the corporation, or obtaining a judgment is manifestly useless and an idle formality.

Bowers, collector, v. Lloyd W. Seaman; and Bowers, collector, v. Thomas Staples Fuller.—United States Supreme Court (273 U. S. 346; T. D. 4009).

"Distrain" is a "proceeding" within the meaning of section 250(d) of the revenue act of 1921, and under that section collection by distraint is barred after five years from the date the return was filed.

United States v. Morris Drieling et al.—United States District Court for the Southern District of New York (unreported to date; T. D. 4031).

A bond given in connection with a claim in abatement reading in part that "A * * * as principal and B and C * * * as sureties are * * * jointly and severally held and firmly bound unto the United States of America in the sum of \$15,000 * * * for payment of which well and truly to be made unto Frank K. Bowers * * * the parties hereby bind themselves * * *" is a contract of suretyship by which the sureties incurred a joint and several obligation unaffected by the failure of the United States to give prompt notice to the sureties of the default of the principal, by its failure to commence action against him, or by his bankruptcy.

Delay in rejecting an offer in compromise and the retention meanwhile of the amount offered does not constitute an agreement to compromise nor do they estop the Government from recovery on the bond.

Talcott v. United States.—United States District Court for the Northern District of California (unreported to date; T. D. 4032).

There is no statutory limitation to the recovery by the Government of taxes refunded by mistake under an erroneous construction of the law.

Suhr v. United States.—United States Circuit Court of Appeals for the Third Circuit (18 Fed. (2d) 81; T. D. 4033).

A court is without jurisdiction to determine whether a taxpayer has made an overpayment of tax in respect of a taxable year in respect of which the commissioner has determined a deficiency where the taxpayer's appeal from the commissioner's determination is pending before the United States Board of Tax Appeals. In such a case jurisdiction is not acquired by reason of the fact that a part of the tax already paid, less than the deficiency, resulted from the inclusion in income of an amount that was not taxable.

The decision of the district court in the case of *Suhr v. United States* affirmed. (14 Fed. (2d) 227; T. D. 3894.)

Dreyfuss Dry Goods Co. v. Lines, former collector.—United States District Court for the Eastern District of Louisiana (18 Fed. (2d) 611; T. D. 4039).

Where a corporation dissolves and its assets are taken over and its business is continued by a partnership composed of the former stockholders, additional income and profits taxes, admittedly due from the corporation for the last year of its existence but assessed against and paid under protest by the partnership, can not be recovered in a suit brought by the partners where such irregularity resulted from the conduct of the partners in returning the income of the corporation in the name of the partnership, paying the tax shown on such return to be due, and formally acknowledging themselves to be the direct successors to the business and assets of the corporation.

The bar of the statute of limitations, not having been presented to the Commissioner of Internal Revenue in the claim for refund, can not be made the basis for recovery of taxes by suit.

James A. Haight, jr., trustee in bankruptcy, v. United States.—United States District Court for the Western District of Washington, Northern Division (20 Fed. (2d) 245; T. D. 4073).

Where an individual stockholder paid the normal income tax under the revenue act of 1918 upon his distributive share of the income of a corporation, upon the theory that it was a personal-service corporation, but subsequently the corporation was denied personal-service classification, the stockholder is entitled to a refund under section 1210 of the revenue act of 1926 only if the corporation has paid the tax due from it.

ADMISSIONS AND DUES

Lukens v. The United States.—United States Court of Claims (62 Ct. Cls. 598; T. D. 3954).

An amount paid for a certificate of proprietary interest in a club, required to be purchased as a prerequisite to membership, is not taxable under section 501 of the revenue act of 1924 as an initiation fee.

An initiation fee under section 501 is an amount paid to a club for the purpose of enjoying its privileges and which once paid will not be returned.

Alliance Country Club v. The United States.—United States Court of Claims (62 Ct. Cls. 579; T. D. 3955).

An amount paid for a share of the capital stock of a social club, required to be purchased as a prerequisite to membership, is not taxable under section 801 of the revenue acts of 1918 and 1921 as an initiation fee.

An initiation fee, under section 801 of the revenue acts of 1918 and 1921, is an amount paid for the purpose of becoming a member of a club, the amount so paid being parted with absolutely by the person paying it.

Under section 802 of the revenue acts of 1918 and 1921, a club may maintain an action for recovery of taxes imposed upon its members by section 801 of such acts.

John H. Page v. The United States.—United States Court of Claims (62 Ct. Cls. 590; T. D. 3956).

An amount paid for a share of the capital stock of a club entitling the owner upon election by the board of directors to membership in the club is not taxable under section 801 of the revenue act of 1918 as an initiation fee.

An initiation fee, under section 801, is a payment, without the expectation of being refunded, made by a person who wishes to become a member of a social or fraternal club already established, and is not a payment by a person who, with others, founds and establishes a club.

Chimney Rock Co. v. United States.—Court of Claims of the United States (unreported to date; T. D. 4075).

Where a company maintains a park for the enjoyment of the general public accessible by a private road 3 miles long, on which at a point a half mile from the park each person entering the park is required to purchase a ticket which admits the purchaser to its attractions, such charges are admissions subject to the tax imposed by section 800(a) of the revenue acts of 1918 and 1921 and section 500(a) of the revenue act of 1924.

BANKRUPTCY AND RECEIVERSHIP

Villere v. United States.—United States Circuit Court of Appeals for the Fifth Circuit (18 Fed. (2d) 409; T. D. 4070).

Section 57(n) of the national bankruptcy act, providing that claims shall not be proved against a bankrupt estate subsequent to one year after the adjudication, is not a bar to the presentation and payment of a claim by the United States for taxes while the estate is open and there are undistributed assets.

BEVERAGE TAX

J. Hungerford Smith Grape Juice Co. v. United States.—United States Court of Claims (unreported to date; T. D. 4043).

Where beverages taxable under section 628(a) of the revenue act of 1918 are sold by the manufacturer with freight prepaid or are invoiced at a price less freight, the purchaser paying the freight at destination, deducting it from the amount of the invoice and remitting the remainder to the seller, such charges for freight are not a part of the price for which the beverages are sold.

Where such beverages are sold with the understanding that if paid for within a certain period the purchaser may take a cash discount, and the purchaser elects to take advantage of this provision of the contract of sale, the amount of such discount is deductible in determining the price for which the beverages are sold.

The cost of bottles and containers and the expense of bottling and packing, included in the price charged to and paid by purchasers for such beverages, are a part of the selling price upon which the tax is based.

ESTATE TAX

David H. Frazer and Susan A. Henning v. United States.—District Court of the United States for the Eastern District of Michigan, Southern Division (unreported to date; T. D. 3913).

The total value of community property consisting of real estate situated in California should be included in the gross estate of a decedent who was a resident of Illinois, as the wife has no vested interest in the community property prior to the death of the husband, but a mere expectancy, and the property passed to her as an heir by inheritance and constituted a "transfer" within the meaning of the estate tax imposed by the revenue act of 1916 as amended by the act of March 3, 1917, and the revenue act of 1917.

The rights of the wife in community property in California were not enlarged by the California inheritance tax act of 1917, as that statute only applies to the State inheritance tax and not to the Federal estate tax.

The decision of the Supreme Court in the case of *United States v. Robbins* (269 U. S. 315; T. D. 3817) followed.

Elise Whitlock-Rose, executrix of Henry C. Whitlock, deceased, v. McCaughn, collector.—United States District Court for the Eastern District of Pennsylvania (15 Fed. (2d) 591; T. D. 3960).

A power of appointment, although it can be exercised only by will, is a general power of appointment within the meaning of section 402(e) of the revenue act of 1918, there being no limitation as to the persons or estates which may be appointed.

Irving Bank-Columbia Trust Co., as executor of Herman Sielcken, deceased, v. United States.—United States Court of Claims (62 Ct. Cls. 564; T. D. 3961).

The Federal estate tax can not be deducted from the gross estate of a decedent under section 203(a)1 of the revenue act of 1916 as a charge against the estate allowed by the laws of the jurisdiction under which the estate is being administered.

The decision in *Edwards v. Slocum* (264 U. S. 61; T. D. 3584) followed.

Old Colony Trust Co. et al., executors, v. Malley, collector.—United States District Court for the District of Massachusetts (15 Fed. (2d) 105; T. D. 3962).

The Federal estate tax can not be deducted from the gross estate of a decedent under section 203(a)1 of the revenue act of 1916 as a charge against the estate allowed by the laws of the jurisdiction under which the estate is being administered.

The estate tax is imposed upon each estate as a unit and the method of computing the tax provided by article 8 of Regulations 37 (revised) is correct.

Farmers' Loan & Trust Co., as trustee under a deed of trust made by William Waldorf Astor (now deceased) dated May 25, 1916, v. Bowers, collector.—United States District Court for the Southern District of New York (15 Fed. (2d) 706; T. D. 3988).

A trust in which the founder reserves the right to revoke the trust with the consent of the trustee and the right to change the trustee, the corpus to be distributed at death, is intended to take effect in possession or enjoyment at or after death within the meaning of section 402(c) of the revenue act of 1918, and the value of the corpus at the date of death should be included in the gross estate.

Section 402(c) of the revenue act of 1918 is constitutional when construed to include a trust created prior to September 8, 1916, terminating at death, in which the founder reserves a right to revoke the trust with the consent of the trustee and the right to change the trustee.

Section 409 of the revenue act of 1918 has no application to a case in which the trust instrument provides that all taxes shall be paid out of the trust funds.

Talcott v. United States.—United States District Court for the Northern District of California (unreported to date; T. D. 4032).

In determining the gross estate of a deceased husband for the purposes of the Federal estate tax there should be included the entire value of the community property acquired under the laws of the State of California.

Lemuel Ray Carter, trustee under the will of Thomas W. Carter, v. United States.—District Court of the United States for the Eastern Division of the Eastern Judicial District of Missouri (unreported to date; T. D. 4047).

The amount expended by a trustee under the will of the deceased person for the erection of a mausoleum after the final settlement of the decedent's estate and the discharge of the executor is not deductible from the value of the gross estate in determining the value of the net estate under section 403 of the revenue act of 1921.

Carrie Steedman et al. v. United States.—United States Court of Claims (unreported to date; T. D. 4049).

The interest of a decedent at the time of death in real estate should be included in the gross estate under section 402(a) of the revenue act of 1921, notwithstanding the fact that the State law does not specifically authorize the sale of such real estate for the payment of administration expenses. (*United States v. Field*, 255 U. S. 257, distinguished.)

John J. Mitchell, Augustine L. Humes, and Illinois Merchants Trust Co., as executors of the last will and testament of Dolora R. Gates, deceased, v. United States.—Court of Claims of the United States (unreported to date; T. D. 4051).

The amount of a bequest for charitable purposes contingent upon an event that may never happen is not deductible from the value of the gross estate in determining the value of the net estate under section 403 of the revenue act of 1918.

Shukert et al., executrices of Shukert, v. Allen, collector.—United States Supreme Court (273 U. S. 545; T. D. 4071).

An immediate and absolute transfer by a decedent to another in trust vesting the interest of the beneficiaries as soon as the trust instrument is executed, the trust in its terms having no reference to his death, does not create a trust "intended to take effect in possession or enjoyment at or after his death" by reason of a provision for the accumulation of the income for the beneficiaries for 30 years and, the grantor not having acted in contemplation of death, the value of the property so transferred is not required to be included in determining the value of the decedent's gross estate under section 402(c) of the revenue act of 1918.

Nichols, collector, v. Coolidge et al.—United States Supreme Court (47 S. Ct. 710; T. D. 4072).

Where a decedent conveys immediately an absolute and indefeasible title to property and contemporaneously the grantee leases the property to the grantor for one year at nominal rental with provision for annual renewals until notice to the contrary, the conveyance is not a transfer "intended to take effect in possession or enjoyment at or after his death" within the meaning of section 402(c) of the revenue act of 1918, though there is an understanding, without, however, a valid agreement, that the premises may be enjoyed by the grantor as long as he might desire to use them for residential purposes.

Section 402(c) of the revenue act of 1918, in so far as it requires that there shall be included in the gross estate the value of the property transferred irrevocably in trust by a decedent in 1907 merely because the conveyance was intended to take effect in possession or enjoyment at or after death, is unconstitutional.

Lucy G. Briscoe et al. v. E. B. Craig, collector.—United States District Court at Knoxville, Tenn. (unreported to date; T. D. 4074).

An agreement between a widow and the executor of her husband by the terms of which she released all her rights as widow against the executor except her interest under his will is not such dissent from the will as is required by the law of Tennessee, and payments made to the widow as a result of such agreement are not deductible from the value of the gross estate under section 203(a) of the revenue act of 1916 as charges against the estate allowed by the laws of the jurisdiction under which the estate is being administered.

FILLED CHEESE TAX

Chicago Cheese & Farm Products Co., a corporation, v. United States.—United States Court of Claims (unreported to date; T. D. 4079).

A substance made of casein, commonly known as skimmed milk curd, with the admixture of cocoanut oil as a substitute for the butter fats which have previously been extracted from the whole milk, and made in imitation of soft or cream cheese, is "filled cheese" as defined by section 2 of the act of June 6, 1896 (29 Stat. 253, ch. 337).

GIFT TAX

Anderson, collector, v. George McNeir.—United States Circuit Court of Appeals for the Second Circuit (16 Fed. (2d) 970; T. D. 3993).

The gift tax imposed by the revenue act of 1924 is constitutional as an excise, although it imposes a retroactive tax on gifts completed prior to the passage of the act.

INCOME AND EXCESS PROFITS TAX

W. S. Barstow & Co. (Inc.) v. Bowers, collector.—United States District Court for the Southern District of New York (15 Fed. (2d) 75; T. D. 3931).

A corporation which kept its books upon an accrual basis and filed returns upon a fiscal-year basis beginning June 1, 1917, can not under section 212(b) of the revenue act of 1918 file a return for the period June 1, 1917, to December 31, 1917, on a cash basis and for the period January 1, 1918, to June 1, 1918, on an accrual basis, the statute requiring that the returns must be filed and the tax computed in accordance with the method regularly employed in keeping its books, which in the instant case is the accrual basis.

George Haviland v. Edwards, former collector.—United States District Court for the Southern District of New York (15 Fed. (2d) 445; T. D. 3932).

Under the revenue act of 1918, shrinkage in the value of a loan repayable in German marks caused by the falling value of such marks can not be deducted from gross income as a loss incurred in trade or business or as exhaustion, wear, tear, or obsolescence until the transaction is closed either by repayment or cancellation of the loan.

The fact that a partnership on its books for invested capital purposes and excess profits tax reduces to its present value an unpaid loan of German marks at the depreciated rate does not furnish any ground for a deduction by a partner in his individual tax return.

Ream v. Bowers, collector.—United States District Court for the Southern District of New York (14 Fed. (2d) 993; T. D. 3936).

Where a testator provides that his executor "shall receive in full payment for all commissions, percentages, and allowances by statute or otherwise for acting as executor of this my will, the sum of \$50,000," the amount received by the executor is taxable income under section 2(a) of the revenue act of 1916, as amended by section 1200 of the revenue act of 1917, as compensation for services in the execution of his duties as executor, and is not exempt as a gift or bequest

within the provisions of section 4 of the revenue act of 1916 as amended by section 1200 of the revenue act of 1917.

The case of *United States v. Merriam* (263 U. S. 179; T. D. 3535) distinguished.

Charles V. Duffy, former collector of internal revenue, v. The Mutual Benefit Life Insurance Co.—United States Supreme Court (272 U. S. 613; T. D. 3959).

In computing the excess profits tax of a mutual life insurance company having no capital stock, the legal reserve should be included as "invested capital" of the company under the definition of section 207 of the revenue act of 1917.

Samuel J. Kornhauser v. United States.—United States Court of Claims (62 Ct. Cls. 647; T. D. 3964).

An amount paid for attorney's fees incurred in the defense of an action by a former partner for an accounting is not a business expense or loss within the meaning of section 214 of the revenue act of 1918, but is a personal expense within the meaning of section 215, and is therefore not deductible.

James R. Tindle and the Union Trust Co. of Pittsburgh, coexecutors of the last will and testament of Philander C. Knox, deceased, v. Heiner, collector.—United States District Court for the Western District of Pennsylvania (17 Fed. (2d) 522; T. D. 3966).

A loss sustained upon the sale of a residence is not deductible under section 214(a)5 of the revenue act of 1918, because it is not a transaction entered into for profit within the meaning of the statute.

John D. Lindsay v. Bowers, collector.—United States District Court for the Southern District of New York (17 Fed. (2d) 264; T. D. 3969).

The New York Society for Prevention of Cruelty to Children is not a State agency but a private, philanthropic organization, and the salary of an officer is not exempt from taxation upon the ground that the society is a governmental agency of the State of New York or the salary is received by an officer or employee of the State.

J. H. Wiener v. Weiss, collector, and J. H. Wiener v. Routzhan, collector.—United States District Court for the Northern District of Ohio, Eastern Division (17 Fed. (2d) 650; T. D. 3970).

A lessee of real estate and buildings, under a 99-year lease renewable forever, is not entitled to a deduction for depreciation under section 214(a)8 of the revenue act of 1918, on buildings erected by the lessor, the lessee having no capital investment therein.

Depreciation is an allowance made to a taxpayer to replace his capital investment and capital invested is the cost of the property if acquired since March 1, 1913, and if acquired prior thereto, its value as of that date.

William C. Reid v. Rafferty, collector.—United States Circuit Court of Appeals for the Second Circuit (15 Fed. (2d) 264; T. D. 3971).

Under subsection 29 of section 1211, revenue act of 1917, a partner, in his individual income tax return for the year 1917, is entitled to a credit of his proportionate share of the excess profits taxes paid for the year 1917 by the partnerships to which he belonged.

Capps Manufacturing Co. v. United States.—United States Circuit Court of Appeals for the Fifth Circuit (15 Fed. (2d) 528; T. D. 3972).

A stockholder of a dissolved or expired corporation is liable for its debts to the extent of the value of the assets acquired by virtue of his relation as stockholder. The liability for an unpaid tax due from

the dissolved corporation may be enforced by the United States by a suit in equity against former stockholders.

Julia Barnett Rice v. Eisner, collector.—United States Circuit Court of Appeals for the Second Circuit (16 Fed. (2d) 358; T. D. 3974).

The gain derived from the sale of stock received as a gift, based upon the difference between the selling price and the value at the time of the gift, is taxable as income under the provisions of the act of 1913.

The exemptions from taxation of the corpus of gifts does not exempt the profit derived from a sale of the property given.

In the absence of an established market the admission of evidence of actual sales on the curb market, although few in number, and of "bid" and "asked" quotations from accepted financial journals, was not error.

William R. Verner, sole executor under the will of Emily L. Moore, deceased, v. United States.—United States Court of Claims (62 Ct. Cls. 574; T. D. 3975).

The income received by a life beneficiary under a testamentary trust is not exempt from Federal income tax under Section II, paragraph B, of the act of 1913, and section 4 of the revenue act of 1916 as property acquired by gift, bequest, devise, or descent, since those sections exempt only the corpus of the property and not the income.

Irwin v. Gavit (268 U. S. 161; T. D. 3710) and *Drezel v. United States* (61 Ct. Cls. 216) followed.

Grace N. Lederer, executrix of Ephraim Lederer, formerly internal-revenue collector, deceased, v. Morris L. Parrish, George R. McClellan, and Percival Parrish, copartners, trading as Parrish & Co.—United States Circuit Court of Appeals for the Third Circuit (16 Fed. (2d) 928; T. D. 3977).

Where a partner guarantees to a partnership the payment of doubtful accounts and, upon a loss occurring, the amount is charged to the capital account of the partner, thereby reducing his distributive share of the partnership profits, the loss can not be deducted by the partnership but is the individual loss of the partner.

J. H. Lane & Co. (Inc.) v. United States.—United States Court of Claims (62 Ct. Cls. 721; T. D. 3979).

A corporation engaged in selling goods on commission is not entitled to be taxed under section 303 of the revenue act of 1918 unless the business can be segregated into distinctly separate units, one a personal service unit as defined in section 200 and the others employing capital.

The record must furnish convincing proof that the alleged personal service branch is capable of distinct separation from its other sources of income and meets exactly the requirements of section 200.

The guaranteeing of customer's accounts whereby payment for purchases made are secured involves the employment of capital.

Article 1529 of Regulations 45, denying personal service classification unless at least 80 per cent of the stock of the company is held by those regularly engaged in the active conduct of its affairs, is approved.

Red Wing Malting Co. v. Willcuts, collector.—United States Circuit Court of Appeals for the Eighth Circuit (15 Fed. (2d) 626; T. D. 3980).

No deduction can be taken for obsolescence of good will, an intangible asset, under section 234(a), subdivision (7), of the revenue act

of 1918, which limits the allowance for obsolescence to such property as is susceptible to exhaustion, wear and tear by use in the business.

Ormsby McKnight Mitchel v. Bowers, collector.—United States Circuit Court of Appeals for the Second Circuit (15 Fed. (2d) 287; T. D. 3982).

Under section 1204(1) of the revenue act of 1917, amending section 8(e) of the revenue act of 1916, and section 218(a) of the revenue act of 1918 the total profits on the interest of a firm partner are taxable as income to him irrespective of an agreement with his wife under which she was entitled to one-half of the partner's share of the profits and was liable for one-half of the losses, such an agreement not making the wife a member of the partnership.

Mrs. Darlie Fowler and M. Fowler v. United States.—United States Circuit Court of Appeals for the Fifth Circuit (16 Fed. (2d) 925; T. D. 3983).

In computing the surtax under section 211 (a) and (b) of the revenue act of 1918, on the profit arising from the sale of mineral lands, the method prescribed by article 13 of Regulations 45 should be followed.

Decision of the district court (11 Fed. (2d) 895; T. D. 3879) affirmed.

Little Cahaba Coal Co. and Blockton Cahaba Coal Co. v. United States.—United States District Court for the Northern District of Alabama, Southern Division (15 Fed. (2d) 863; T. D. 3985).

In determining invested capital in the case of mines, development costs may be capitalized until the mine reaches a stage of production, namely, when the output is such as to allow the payment of a dividend or shows a profit on the capital invested, after which further capitalization should not be allowed.

In capitalizing the cost of buildings, actual cost as shown by the books and records of the taxpayer should be taken rather than a value determined by a retrospective appraisal, supported by oral testimony, fixing an estimated average cost of the structures.

Chattanooga Savings Bank, administrator of the estate of John D. Key, v. Brewer, collector.—United States Circuit Court of Appeals for the Sixth Circuit (17 Fed. (2d) 79; T. D. 3986).

Unauthorized withdrawals in proportion to stock holdings from the funds of a corporation during the year 1920, which are ratified in 1921 by formal declaration of a dividend in the amount of the withdrawals, are taxable to stockholders as income for the year 1920 under section 201(a) of the revenue act of 1918.

Fred M. Kirby v. United States.—United States Court of Claims (62 Ct. Cls. 706; T. D. 3995).

Although a surplus from business done in 1916 existed at the date of declaration, dividends declared and paid during the year 1917 are taxable to stockholders at the rates prescribed by the revenue act of 1917, there being sufficient earnings during the year 1917 to pay the dividends.

The decision in *Edwards v. Douglas* (269 U. S. 204; T. D. 3797) followed.

Georgetown Grocery Co. v. United States.—United States Court of Claims (unreported to date; T. D. 4003).

Under section 234(a)5 of the revenue act of 1918, it is necessary in order to be entitled to claim a deduction for a bad debt that the

debt be ascertained to be worthless and charged off within the taxable year.

The Seinsheimer Paper Co. v. United States.—United States Court of Claims (unreported to date; T. D. 4004).

Under section 12(a) of the revenue act of 1916 and section 234(a)1 of the revenue act of 1918, the Commissioner of Internal Revenue is charged with the duty to consider and determine the reasonableness of a deduction claimed for salaries.

Consolidated Tea Co. (Inc.) v. Bowers, collector.—United States District Court for the Southern District of New York (19 Fed. (2d) 382; T. D. 4020).

The amount of a judgment for commissions entered against a taxpayer in 1919 was not a proper deduction from gross income for that year where the taxpayer's accounts were kept on the accrual basis and where an appeal was prosecuted and the judgment was affirmed by the appellate court in a later year.

Becker Bros. v. United States (7 Fed. (2d) 3) distinguished.

Heiner, collector, v. Beatty, executrix.—United States Circuit Court of Appeals for the Third Circuit (17 Fed. (2d) 743; T. D. 4021).

Annual payments made to a taxpayer by a trustee under a will and arising from the interest on a capital sum which had been set apart and invested by the trustee in accordance with the provisions of the will, are not annual gifts or bequests to the taxpayer exempt from income tax under section 213(h)3 of the revenue act of 1918, but income upon which a tax is imposed by that act.

Irwin v. Gavit (268 U. S. 161; T. D. 3710) followed.

John D. Chapman v. United States.—United States Court of Claims (unreported to date; T. D. 4027).

Income resulting from the sale of stock received as a stock dividend is not the receipt of a dividend but gain or profit derived from the sale of stock. In determining the gain from a sale of original common stock in respect of which dividend stock of the same character, except that it had no voting rights, was issued, and also the gain from a sale of the dividend stock, the cost of each share of each kind of stock sold is computed by dividing the total cost of the old shares by the total number of the old and the new shares.

United States v. Manly S. Sullivan.—United States Supreme Court (47 S. Ct. 607; T. D. 4028).

Gains realized from illicit traffic in liquor are subject to the income tax. An unlawful or prohibited business is not exempt from the payment of taxes that if lawful it would have to pay.

The protection against self-incrimination afforded by the fifth amendment to the Constitution is not infringed by the statutory requirement for a return of income derived from crime. The return is required by law and must be filed. A claim of privilege from answering any question on the return can not be determined finally by the taxpayer, but should be claimed in the return so that it may be passed upon.

Henry M. Landsberger v. McLaughlin, collector.—United States District Court for the Northern District of California (unreported to date; T. D. 4034).

No deduction can be taken for obsolescence of good will under section 214(a), subsection (8), of the revenue act of 1918 which limits

the allowance for obsolescence to such property as is susceptible to exhaustion, wear, and tear.

The decision of the Circuit Court of Appeals for the Eighth Circuit in the case of *Red Wing Malking Co. v. Willcuts* (15 Fed. (2d) 626; T. D. 3980) followed.

National Life Insurance Co. v. United States.—United States Court of Claims (unreported to date; T. D. 4035).

Under the provisions of the revenue act of 1921 a life insurance company is not taxed on its interest realized from tax-exempt securities when such interest is included in gross income under the provisions of section 244, but is deducted therefrom in computing net income under the provisions of section 245(a)1.

Under the provisions of section 245(a)2 of the revenue act of 1921, a life insurance company is entitled to deduct only an amount equal to the excess, if any, of 4 per cent of the mean of its reserves over the interest received from tax-exempt securities (sec. 245(a)1); and the use of said interest as a measure of the deduction allowed does not impair the exemption from the taxation of such interest.

The constitutional requirement of uniformity in the application of Federal statutes refers only to geographical uniformity and in construing the provisions of section 245(a) 1 and 2 of the revenue act of 1921 the circumstance that one company may have more tax-exempt securities than another, or none at all, does not result in discrimination nor destroy geographical uniformity of operation.

Acme, Palmers & DeMooy Foundry Co. v. Weiss, former collector.—United States District Court for the Northern District of Ohio (unreported to date; T. D. 4036).

Where two companies possessing separate plants merge into a new corporation which retains the combined names of the old companies, no deductible loss of good will results from the subsequent sale of one of the plants where it appears that the business formerly conducted at such establishment is continued at its remaining plant. In such a case the good will, if any, attaching to the location was reflected in the sales price of the premises and the good will, if any, attaching to the name and established business was retained by the vendor.

The Feilbach Co. v. Niles, collector.—United States District Court for the Northern District of Ohio, Western Division (unreported to date; T. D. 4038).

Where the Commissioner of Internal Revenue finds that invested capital can be satisfactorily determined under section 207, a court is without jurisdiction to compute the excess profits tax under the provisions of section 210 of the revenue act of 1917 in the absence of proof that the commissioner's determination was arbitrary or capricious.

Isidor Hellman v. United States.—United States Court of Claims (unreported to date; T. D. 4042).

In determining the distributive share of partnership income to which one of the partners was entitled, the partnership return, made in conformity with section 224 of the revenue act of 1918 and showing such share to be the same in amount as that entered in the partnership books of account, is conclusive evidence as to such partner's distributive share, in the absence of satisfactory proof of fraud, accident, or mistake.

Roanoke Water Works Co. v. Anderson, collector.—United States District Court for the Southern District of New York (18 Fed. (2d) 331; T. D. 4044).

A provision in a bond that "The principal and interest * * * are payable * * * without deductions for taxes which the company may be required to pay or retain therefrom by any governmental authority of the United States * * *" held to be an agreement by the obligor "to pay the interest without deduction for any tax which the obligor may be required or permitted to pay thereon or to retain therefrom under any law of the United States" within the meaning of section 221(b) of the revenue act of 1918; under which the obligor is required to deduct and withhold a tax equal to 2 per cent of the interest paid upon such bonds.

Haight v. Railroad Co. (6 Wall. 15) and *Urquhart v. Marion Hotel Co.* (128 Ark. 283) differentiated.

The New York Trust Co. v. United States.—United States Court of Claims (unreported to date; T. D. 4045).

A New York corporation authorized by the laws of that State to act as administrator and executor of decedents' estates, guardian of minors and incompetents, testamentary trustee, and trustee under trusts created inter vivos, whose compensation is not paid by the State but indirectly by the private person or persons interested in the estate in each case, is not an officer or employee of the State nor engaged in the exercise of a governmental function, and the fees and compensation received by it in those capacities are not exempt from taxation under section 213(b) of the revenue act of 1918.

The plaintiff claiming the benefit of an exemption from taxation has the burden of showing clearly that it is within the exemption.

United States, petitioner, v. Charles A. Ludey.—United States Supreme Court (47 S. Ct. 608; T. D. 4046).

In determining the gain or loss from the sale of oil or mining properties, the basis is required to be diminished by the aggregate depreciation or depletion to which the taxpayer was entitled since the date of acquisition of the property or March 1, 1913, as the case may be.

Williamsport Wire Rope Co. v. United States.—United States Court of Claims (unreported to date; T. D. 4048).

The provisions of the revenue act of 1918 authorizing the Commissioner of Internal Revenue, in the cases specified in section 327, to determine the tax as provided in section 328, confer a discretionary power and his determination that section 328 is inapplicable is final in the absence of bad faith or an abuse of discretion.

Where the Commissioner of Internal Revenue in good faith determines that section 328 is inapplicable, a court is without jurisdiction to award a judgment for the recovery of an excess-profits tax assessed under section 301 on the ground that it should have been computed under section 328.

Shelby County Mutual Relief Association v. G. W. Schwaner, collector, etc.—United States District Court for the Southern District of Illinois, Southern Division (unreported to date; T. D. 4050).

A local mutual life insurance company is not exempt from taxation under section 231(10) of the revenue act of 1918.

Chandler Motors of New England (Inc.), bankrupt.—United States District Court for the District of Massachusetts (17 Fed. (2d) 998; T. D. 4054).

The filing of a proof of claim for taxes in a bankruptcy proceeding is a "proceeding" within the meaning of section 250(d) of the revenue act of 1921, but payment of the claim is not barred because of its being filed more than five years after the taxpayer's return is filed, inasmuch as it is the duty of the trustee, under section 64(a) of the bankruptcy act, to pay all taxes legally due when they are called to his attention, and it is not necessary for the Government to file a proof of claim therefor.

Central Union Trust Co. of New York, Guaranty Trust Co. of New York, Frederic A. Juilliard, Chester A. Braman, and Robert Westaway, as executors of the last will and testament of Augustus D. Juilliard, deceased, v. United States.—United States Court of Claims (unreported to date; T. D. 4056).

The income of a decedent from the beginning of the taxable year to the date of his death is subject to tax. A return of such income is required to be made by the executor or administrator as provided in section 225 of the revenue act of 1918.

No part of the State inheritance tax is deductible from the gross income of the decedent.

The decisions in *Keith v. Johnson* (271 U. S. 1; T. D. 3864) and *Catherwood v. U. S.* (291 Fed. 560; T. D. 3516) followed.

Bowers, collector, v. Max Kaufmann & Co. (Inc.).—United States Circuit Court of Appeals for the Second Circuit (18 Fed. (2d) 69; T. D. 4057).

Promissory notes bona fide paid in for stock of a New York corporation constitute tangible property under section 325 of the revenue act of 1918 and as such are property actually received for stock under section 69 of the New York stock corporation law and may be included in invested capital under section 326(a) of said revenue act to the extent of the actual cash value thereof at the time paid in.

Where accounts are kept on the accrual basis, the amounts of income and excess profits taxes for the year 1917 payable in 1918 may be included in the computation of invested capital only until the taxes become due.

Kate W. Rosenberger v. Blakely D. McCaughn, collector.—United States District Court for the Eastern District of Pennsylvania (20 Fed. (2d) 139; T. D. 4058).

Amounts received by a beneficiary from the trustee under a will as a distribution of royalties paid to the trustee under a lease of coal lands executed by the testator are income within the meaning of the income tax acts.

United States, petitioner, v. S. S. White Dental Manufacturing Co. of Pennsylvania.—United States Supreme Court (47 S. Ct. 598; T. D. 4059).

The amount of an investment, represented in part by capital stock in a subsidiary German corporation and in part by an account due from it, which was no more than the fair value of the net assets of the subsidiary, was deductible from gross income in 1918, in which year the entire property of the German corporation was seized by the German Government as enemy property and the investment was charged off as a loss on the books of account of the taxpayer.

Bowers, collector, v. Elizabeth C. Taft and Gilbert C. Greenway, jr.—United States Circuit Court of Appeals for the Second Circuit (unreported to date; T. D. 4063).

The provision of section 202(a)2 of the revenue act of 1921 that the basis for ascertaining the gain derived from a sale of property acquired by gift after December 31, 1920, shall be the same as that which it would have in the hands of the donor is not in violation of the Constitution.

Haberle Crystal Spring Brewing Co. v. Jesse W. Clark, collector.—United States District Court, Northern District of New York (unreported to date; T. D. 4067).

No allowance for obsolescence of good will is deductible from gross income under section 234(a)7 of the revenue act of 1918, which allows a deduction for obsolescence in respect of such property only as is subject to exhaustion, wear and tear.

The decisions in *Red Wing Malting Co. v. Willcuts* (15 Fed. (2d) 626; T. D. 3980) and *Landsberger v. McLaughlin* (T. D. 4034), decided April 26, 1927, by the United States District Court for the Northern District of California, followed.

Charles S. Child and William J. Fullerton, formerly partners doing business as Wilson & Bradbury, v. United States.—United States Court of Claims (unreported to date; T. D. 4068).

Where during the year 1917 the members of a partnership, keeping its books and filing its returns on the accrual basis, withdrew amounts in excess of the earnings for that portion of the year, the invested capital of the partnership must be reduced by the excess of the withdrawals over the earnings, and in determining such earnings deductions should be made for the excess-profits tax estimated to have accrued at the date of the withdrawals.

D'Olier et al. v. United States (61 Ct. Cls. 895; T. D. 3855) followed.

Robert H. Montgomery v. United States.—Court of Claims of the United States (unreported to date; T. D. 4069).

A contribution to the American Institute of Accountants by a person engaged in the business of accounting is not deductible from gross income as a necessary expense in carrying on business or as a gift to an organization operated exclusively for scientific or educational purposes.

Edward T. Esty, as executor of the will of George I. Alden, deceased, v. United States.—United States Court of Claims (unreported to date; T. D. 4076).

Where under the terms of a trust instrument the trustee is required to pay to a beneficiary the entire amount of the net income of the trust at such times as he might request, the entire amount is income which is to be distributed to the beneficiary periodically, and it is therefore taxable directly to the beneficiary under section 219(d) of the revenue act of 1918.

Matilda R. Dodge and Howard B. Bloomer, as administrators with the will annexed of the estate of John F. Dodge, deceased, v. United States.—United States Court of Claims (unreported to date; T. D. 4077).

Where a corporation had a cash surplus at the close of its fiscal year 1916 which was in part distributed by a dividend declared and paid in 1919, pursuant to a court decree entered in 1919 affirming a lower court decree entered in 1917, the dividend was income to the recipient in 1919 and taxable as such.

E. W. Porter, commissioner of finance of the State of Idaho, as liquidating agent of the Citizens State Bank of Buhl, Idaho, an insolvent banking corporation, plaintiff, v. United States.—United States District Court for the District of Idaho, Southern Division (unreported to date; T. D. 4078).

Loans made by a bank evidenced by promissory notes which are not repaid by the borrowers are debts within the meaning of section 234(a)5 of the revenue act of 1918, and no deduction on account thereof may be taken until same are ascertained to be worthless and are charged off.

State and county taxes imposed upon the stockholders of a bank on account of their ownership of such stock are not deductible by the bank, notwithstanding the bank is required by the State law to pay such taxes on behalf of its stockholders.

Alice G. Kales v. Woodworth, collector.—United States District Court for the Eastern District of Michigan, Southern Division (unreported to date; T. D. 4080).

Where a corporation had a cash surplus at the close of its fiscal year 1916 which was in part distributed by a dividend declared and paid in 1919, pursuant to a court decree entered in 1919 affirming a lower court decree entered in 1917, the dividend was income to the recipient in 1919 and taxable as such.

Where profits were made by a corporation in 1917 sufficient to pay a dividend paid in January of that year, such dividend is income of the distributee for the taxable year in which it was received and therefore taxable at the rates prescribed for the year 1917.

Dodge et al. v. United States, decided April 4, 1927, by the Court of Claims, and *Routzahn v. Mason* (13 Fed. (2d) 702; T. D. 3902) followed.

P. Garvan (Inc.) v. Eaton, collector.—United States District Court, District of Connecticut (20 Fed. (2d) 422; T. D. 4081).

Where two persons owning equally the capital stock of a corporation withdrew for their personal use, in addition to the sums to which each was entitled as salary, expenses, and dividends, a portion of the surplus, for which each gave the corporation his noninterest-bearing demand notes, no part of which has ever been paid, such notes can not be included in invested capital under the revenue acts of 1917 and 1918.

The decision in *English & Mersick Co. v. Eaton* (7 Fed. (2d) 54) distinguished.

INJUNCTION

Israelite House of David v. Holden, collector.—United States District Court, Western District of Michigan (14 Fed. (2d) 701; T. D. 3920).

Under section 3224, Revised Statutes, injunction will not issue to restrain the assessment and collection of taxes from a voluntary religious association, although it is exempt from taxes under section 231 of the revenue act of 1924.

Mabel G. Reinecke v. O. D. Jennings & Co., appellee.—United States Circuit Court of Appeals, Seventh Circuit (16 Fed. (2d) 927; T. D. 3989).

Under the provisions of section 3224, Revised Statutes, injunction will not lie to restrain the collection by distraint of a Federal tax.

The case of *Peacock v. Reinecke* (3 Fed. (2d) 583; T. D. 3672) followed.

INSURANCE TAX

Shelby County Mutual Relief Association v. Schwaner, collector.—United States District Court, Southern District of Illinois, Southern Division (unreported to date; T. D. 4050).

A local mutual life insurance company is not exempt from taxation under section 231(10) of the revenue act of 1918.

OLEOMARGARINE TAX

John F. Jelke Co. v. United States.—United States Court of Claims (unreported to date; T. D. 4037).

The determination of the commissioner under section 14 of the act of August 2, 1886 (24 Stat. 209), that a compound of vegetable oil, beef fat, and skim milk manufactured and sold by the plaintiff was made "in imitation or semblance of butter" and therefore subject to tax under section 8 of that act as amended by section 3 of the act of May 9, 1902 (32 Stat. 193), was amply justified by the facts and in the absence of proof that his action was arbitrary or capricious such ruling is final.

SALES TAX

Elmer Candy Co. (Inc.) v. John Y. Fauntleroy.—United States District Court, Eastern District of Louisiana, New Orleans Division (19 Fed. (2d) 664; T. D. 4060).

Where candy is sold at the price fixed by trade catalogues or price lists, the basis of the tax is the amount paid to the vendor by the purchaser without deduction of the 5 per cent tax paid by the manufacturer pursuant to section 900(9) of the revenue act of 1918.

STAMP TAXES

The Goodyear Tire & Rubber Co. v. United States.—United States Supreme Court (273 U. S. 100; T. D. 3992).

Where, pursuant to a plan of reorganization, the par value of \$100 of capital stock is reduced to \$1 a share, without the issuance of new certificates, which remained outstanding with the old face value of \$100, the stamp tax should be computed on the actual par value of \$1 a share, as shown by the amended charter.

TAX ON TRANSPORTATION AND OTHER FACILITIES

H. H. Motter, collector, v. Derby Oil Co.—United States Circuit Court of Appeals, Eighth Circuit (16 Fed. (2d) 717; T. D. 3965).

The transportation tax imposed by section 500(e) of the revenue act of 1918 is not a direct tax upon property, but is an excise tax upon the privilege of using property, and is therefore constitutional.

Under section 501(d) the tax applies to all transportation of oil by pipe line, whether by common or private carrier, and is not confined to oil transported for hire.

Section 501(d) imposes an administrative duty upon the Commissioner of Internal Revenue in cases where no charge for transportation is made and where there are no actual bona fide rates or tariffs. This duty was properly exercised by computing the tax from the published tariff of a pipe-line company operating in the same general territory.

Arnold J. Hellmich, collector, v. Missouri Pacific Railroad Co.—United States Supreme Court (273 U. S. 242; T. D. 4049).

Telegraph messages transmitted under a contract between a telegraph company and a railroad company for a mutual exchange of services are charged for within the meaning of subdivision (f) of section 500 of the revenue acts of 1918 and 1921 and are, therefore, taxable thereunder.

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